Digital Communications Plan and Multichannel Strategy Formulation for the Bedding Industry

Case Company X

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Abstract

Date

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Bedding industry is rapidly evolving into a lucrative marketplace due to celebrity sponsorships, high style and product innovations. The industry is centered around lifestyle attitudes that are becoming increasingly interesting: health, wellbeing and sleep. This project oriented thesis is conducted for an international **Business-to-Consumer** company Case Company X Incorporated, and its Finnish subsidiary Case Company X Finland. Case Company X Inc. is a global brand house in the **bedding industry** manufacturing beds, pillows and mattresses. This thesis is executed for the Finnish subsidiary, and focuses on the Brand X.

Many communications channels, including the rapidly evolving digital channels, are making it more difficult for brands in the bedding industry to fully integrate their marketing channels efficiently. Therefore, it is essential to understand how to make the customer connections more engaging and impactful in multiple touch points, while at the same time maximizing channel effectiveness. Communications need to be considered on a wider, connected context which goes beyond a simple media plan, and should be based on strategic planning. Hence, **multichannel marketing** is studied. The multichannel management focuses on synchronizing the digital channels (i.e. online channels) with the overall marketing strategy of the company.

The assigning company ordered guidelines for executing their **digital marketing** communications. The assigning company highlighted the importance of **strategic marketing** management with an integrated approach. Consumers are known of their cross-channel behavior, and throughout the buying process, the needs of the potential consumers change. Therefore, **cross-channel customers** are studied. For effective and efficient planning of digital marketing, the SOSTAC framework is introduced.

The basis of the research work is strategic marketing management in the bedding industry. Multichannel approach is adopted. The final project outcome is a strategic communications playbook with a multichannel approach for the year of 2017. Hence, this plan is an execution plan. The playbook introduces specific guidelines for effective and efficient management of marketing communications in digital specifically. The final project outcome offers management guidelines for the assigning company.

Keywords: Business-to-Consumer (B-to-C), Multichannel marketing, Digital marketing, Bedding industry, Strategic marketing, Cross-channel customers

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1   Introduction to the project

Bedding industry is rapidly evolving into a lucrative marketplace due to celebrity sponsorships, high style and product innovations. The industry is centered around lifestyle attitudes that are becoming increasingly interesting: health, wellbeing and sleep. Most importantly, the demand for premium mattresses and beds is affected by the growing health concerns of the consumers.

Many communications channels, including the rapidly evolving digital channels, are making it more difficult for brands in the bedding industry to fully integrate their marketing channels efficiently. The industry's marketing and distribution channels are multichannel oriented, and centered around traditional brick-and-mortar stores, transactional websites and other communications channels such as social media. It is essential that communications, no matter what the touch point, addresses consumer needs. Easier said than done, as consumer needs change as they progress in the purchasing funnel, while they hover over multiple channels before the final purchase.

Therefore, it is essential to understand how to make the customer connections more engaging and impactful in multiple touch points, for as many potential consumers as possible, while at the same time maximizing channel effectiveness. The complex communications world means, that brands need to understand how the different channels work together – not just paid channels – but owned and earned too. Hence, communications need to be considered on a wider, connected context which goes beyond a simple media plan, and should be based on strategic planning.

This thesis studies efficient and effective marketing communications with a focus on digital marketing, and the role of selecting the right digital media channels. The basis of the research work is strategic marketing management for the bedding industry. Multichannel approach is adopted, since the assigning company is present in physical stores via owned stores and retailers, and is active in ecommerce via online store. The final project outcome is a strategic communications playbook with a multichannel approach. This thesis is an execution plan.

1.1 Purpose of the thesis

This thesis is conducted for a Business-to-Consumer (B-to-C) company Case Company X Finland. The company expected the author to formulate written communications guidelines for their digital touch points. The guidelines were to be strategic in nature as they were to be used internally whilst planning, executing and managing digital communications. The company highlighted on an integrated approach, since online and offline activities needed to be synchronized. Hence, multichannel approach was adopted for this thesis. The final project outcome is a *strategic communications playbook* for executing digital marketing communications in the year 2017. This plan is therefore an execution plan.

An important project objective – which was a direct request from the management – was to have a strategic plan that would integrate online marketing with offline activities. Therefore, it was critical that "digital communications would flow seamlessly with other communications channels (i.e. offline channels), and with the overall marketing strategy of the company". Equally important was, that the recommendations would be realistic, making the actual implementation efficient and effective. (Case Company X Finland Internal Meeting October 2016.)

The author of this thesis is closely linked to the assigning company as she is an employee of Case Company X Finland. She is part of the corporation's international marketing team executing and managing marketing activities in Finland. The author's daily tasks have shifted more and more to managing digital communications, and making them work seamlessly with the offline communications. Therefore, the research of this thesis is of utmost importance for the author to succeed in the challenging work tasks.

This project oriented thesis is *a management plan*. Strategic marketing management is at the core in the research work. The big picture – and the ultimate goal – is to formulate fact-based knowledge through research for then planning, executing and measuring the digital activities efficiently and effectively, and to make them work seamlessly with the offline communications.

1.2 Project objective and project tasks

The project outcome of this thesis is a strategic communications playbook for executing the assigning company's digital communications in the year 2017. An important project objective was to have an approach that would synchronize online and offline activities, and would recognize the existing marketing activities. Hence, multichannel marketing is an important aspect of this thesis. This thesis consists of six project tasks, with each project task having a number of subtasks (table 1, page 4).

PT 1. Establishing the company requirements and goals.

1.1 Conducting qualitative interview with the management.

1.2 Writing down the goals and requirements for the year 2017.

1.3 Understanding the current marketing activities in the assigning company.

1.4 Understanding the current customer segments of the assigning company.

1.5 Understanding the distribution strategies of the assigning company.

1.6 Understanding the role of digital marketing, communications and ecommerce.

PT 2. Establishing the knowledge base for strategic marketing planning.

2.1 Formulating knowledge base on strategic marketing.

2.2 Formulating knowledge base on multichannel marketing.

2.3 Formulating knowledge base on cross-channel customers.

2.4 Formulating knowledge base on marketing management control levels.

PT 3. Formulating the theoretic framework for managing digital marketing.

3.1 Introducing the SOSTAC framework

3.2 Explaining the basis for situation analysis *(SWOT & PEST).*

3.3 Setting up the objectives *(SMART & 5Ss).*

3.4 Forming the strategy *(Segments, Target Markets, Positioning).*

3.5 Explaining the tactical actions *(Services Marketing Mix).*

3.6 Forming basis on evaluating and monitoring the performance *(Key Performance Indictors and Marketing Control Levels).*

PT 4. Analyzing the bedding industry and the assigning company.

4.1 Understanding the key aspects in the bedding industry both globally and locally.

4.2 Analyzing and positioning the assigning company in the bedding industry in Finland.

4.3 Forming the customer understanding with customer segmentation.

4.4 Understanding the customer buying journeys of Case Company X Finland.

4.5 Evaluating the current activities with SWOT-analysis.

PT5. Formulating the communications playbook for the year 2017.

5.1 Formulating the basis for communication.

5.3 Optimizing content.

5.4. Understanding the implications for digital marketing.

5.5. Recommendations for marketing communications.

5.6. Understanding the nature of multichannel marketing in digital context.

PT6. Presenting the project and receiving feedback.

6.1 Presenting the findings to the assigning company.

6.2 Receiving feedback from the assigning company.

6.3 Making corrections based on the feedback.

6.4 Final product feedback.

6.5 Assessing own learning and contribution.

Table 1: Overlay matrix

Project tasks	Knowledge base	Project method	Outcome
PT1. Establishing company requirements	Interviews	Qualitative interviews Desktop study	- Company goals and requirements
PT 2. Establishing the knowledge base	Written literature	Library Internet	- Knowledge base for the thesis
PT3. Formulating the theoretical framework	Written literature Own learnings of the written literature	Desktop study	- Theoretical framework
PT 4. Analyzing the bedding industry and assigning company	Written literature (Segmentation, positioning, customer journeys, multichannel management)	Desktop study	- Industry analysis - Recommendations for digital marketing - SWOT-analysis
PT5. Formulating the communications playbook for the year 2017.	Theories and assessments	Putting own learning intro practice	- Strategic Communications Playbook
PT 6. Presenting the project outcome and receiving feedback.	Communications playbook	Desktop studies Theories Visual presentation	- Recommendations and feedback for proceeding - Evaluation on own learning - Communications playbook for the year 2017

1.3   Project scope

This thesis is conducted for an international case company Case Company X Incorporated, and its Finnish subsidiary Case Company X Finland. Case Company X Inc. is a global brand house in the bedding industry manufacturing beds, pillows and mattresses. Its brand portfolio includes many recognized brands in the industry such as Brand X 1, Brand X 2 and Brand X 3. This thesis is executed for the Finnish subsidiary, and focuses on Brand X 1, as it is the most established brand in Finland.

This thesis studies efficient and effective digital marketing communications, and the role of selecting the right digital media channels. For efficient planning and execution, the SOSTAC framework is introduced. It distinguishes the primary phases in planning digital marketing communications: (1) situation analysis, (2) objective setting (3) strategy (4) tactics (5) actions and (6) control. At each stage, different models and theories are introduced. The research has an additional focus on online sales and ecommerce, and the industry inspected is bedding industry. Multichannel approach is adopted, since the company is present in physical stores via owned stores and retailers, and is active in ecommerce via locally managed, but centrally guided online store.

The final result of the thesis is a *strategic communications playbook*. The playbook introduces the suggested digital marketing channels, and how to handle digital marketing in-house with the external agencies effectively and efficiency. It addresses what types of topics should be communicated, how and in which channels. The actual implementation will be done in the case company in the year 2017.

The final handbook will not include actual marketing materials and visuals, but well inspected and justified approaches for planning, executing and managing digital communications. Digital communications include a wide scope of activities. Therefore, proper demarcation is needed. In this paper, the following activities are covered:

– Social Media: Facebook with a focus on content creation.
– Search-Engine-Marketing (SEM): Pay-Per-Click Marketing in Google.
– Search-Engine-Optimization (SEO): front-end-only with content creation and landing pages, excluding technology and back-end development.
– Ecommerce: multichannel approach with offline integration.

This thesis studies how to effectively and efficiently manage these activities. Effectiveness and efficiency are linked to the available resources and to the budget sufficiency. The possible risks are also addressed. The different customers buying journeys are examined for understanding the cross-channel customer behavior. The concept of strategic

marketing is introduced as a major theoretical source, which is later put into practice in the final project outcome, the strategic communications playbook.

Since the company requested a multichannel approach, multichannel management strategies are introduced. However, some clarification is needed. The multichannel management in this thesis focuses on _synchronizing the digital channels_ (i.e. online channels) with the overall marketing strategy of the company. The communications in digital channels are to be consistent with the offline communications. This said, it is not possible for the author to include the communications guidelines for the _offline channels_. This thesis studies multichannel management strategies with the approach of integrating _online communications_ with offline communications

1.4   What is meant by digital marketing for this project?

The study of digital communications is a wide scope. For the sake of clarity, the study of digital marketing in this thesis is narrowed down to the channels matching the needs of the assigning company. This does not mean that other types of digital activities or channels would not exist. The chosen channels are selected for the efficient and effective use of resources and budgets as in the end, this thesis is an execution plan. Hence, realistic approach is essential.

Based on the interviews with the executives at Case Company X Finland, the activities that bear most weight are Search-Engine-Optimization (SEO), Search-Engine-Marketing (SEM), content marketing, Social-Media-Marketing (SoMe), marketing automation and email marketing (internal meeting 2016). Email marketing and marketing automation are present in the company, but are excluded from this thesis in order for the project scope to be specifically about digital marketing. Social Media is included for this thesis with a narrowed approach for content creation (image 1).
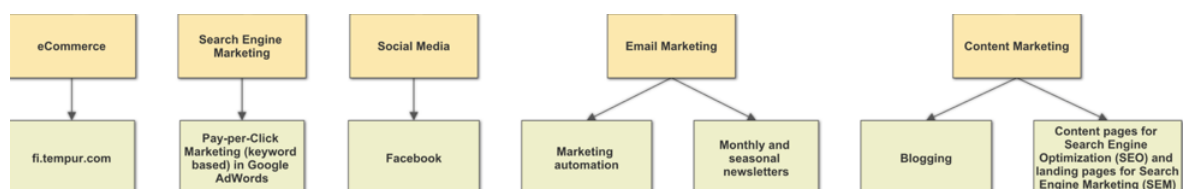

Image 1: The current digital marketing activities of Case Company X Finland

The company's distribution channels are multichannel in nature. Therefore, this thesis has a multichannel approach. The aim is to synchronize digital marketing activities and communications to offer the best possible customer experiences. Channel conflicts are to be avoided. The multichannel management in this thesis focuses on synchronizing the digital channels (i.e. online channels) with the overall marketing strategy of the company.

Table 2: The main channels and activities of Case Company X Finland and the current digital activities that are inspected in this thesis

Digital channels	Current activities in the channels
Search Engines: Google	– SEM only in Google and excluding other search engines.
Brand site: fi.Brand X.com and ecommerce site	– SEO with a focus on content and excluding technology and back-end-development. – eCommerce with a focus on product offerings and promotional elements.
Social Media: Facebook	– content marketing and video marketing with visual elements for boosting the content.
Corporate blog: casecompanyx.com/Finland	– content marketing and blogging. – SEO with a focus on content and excluding technology and back-end-development.

The main digital communication channel for the company is the branded website fi.casecompanyx.com, which is a transactional ecommerce site. Search engine marketing in Google and social media presence in Facebook are included in the company's present activities. Corporate blog at casecompanyx.com/Finland is also part of the company's activities (table 2).

1.5   International aspect

Case Company X Inc. is an international company, and one of the largest corporations in the bedding industry. The brand management strategy has an international context, which gives an international dimension to the project. Case Company X Inc. operates in approximately 80 countries through subsidiaries and sales offices.

Nordic countries – in Case Company X's context Nordic countries are Finland, Sweden, Norway and Finland – all execute their marketing independently with central guidance and support. The central marketing team is located in London, and follows tightly the local marketing activities. They require detailed monthly and quarterly reporting from the subsidiaries with well set key performance indicators (KPIs). They inspect the campaign elements, visuals, marketing communications and other sales and marketing metrics.

Therefore, all activities in Finland are passed on to the corporation's marketing team, and are well examined in the monthly and quarterly reporting.

Since this thesis is an execution plan, the activities taken in Finland, based on the recommendations of this thesis, will be reported and monitored by the international marketing team in the monthly and quarterly reporting. This thesis will be delivered to the Finnish management of Case Company X, who will pass on the findings on a Nordic level to Marketing Managers and Managing Director. Hence, the recommendations of this thesis can benefit other Case Company X subsidiary countries as well.

1.6 Company goals and objectives

The company goals were clear from the beginning when starting this project. They wanted the author to come up with marketing communications guidelines that would fit the digital field. The study of marketing communications and strategic marketing management was expected. Multichannel approach was of utmost importance since the company's distribution strategy is multichannel in nature combining physical stores and an online store.

The final result of the thesis was agreed to be a strategic communications playbook. The playbook was to have a focus on content creation, recommendations on the choice of digital marketing channels, and suggestions to effectively handle the digital marketing activities in-house with the help of the external agencies. The actual implementation will be done in the case company in the year of 2017.

This thesis is a personal project as digital marketing is a passion of the author. The research work and the strategic way of executing digital marketing benefits the author, as she is executing the digital activities in the company based on this project study. She will work alongside the external agencies in Finland, and internationally with the central marketing team. Country Manager and Marketing Manager at Case Company X Finland are collaborating and monitoring closely the author's work.

1.7 Benefits

The benefits are concrete for three parties – the assigning company, the end users (i.e. Case Company X's customers), and the author of this thesis. The case company receives an in-depth analysis and an audit on the present state of their digital marketing. They also receive a communications playbook for executing their digital marketing activities in the year of 2017.

The ultimate winners are the end customers of Case Company X Finland, who receive relevant and timely marketing communications, which is consistent across all distribution channels. The author of this thesis benefits of the thorough analysis in strategic marketing, which is a personal interest. Also, this project oriented thesis is an execution plan for the author, and is a strategic asset for executing the digital marketing activities in the assigning company in the year 2017.

1.8   Key concepts

The key concepts in this thesis are *bedding industry, strategic marketing planning, multichannel marketing, and cross-channel customers.*

Bedding industry is much to referred in the industry context as the mattress industry. The types of mattresses available on the market are extensive and include innerspring, airbed, hybrid, waterbed, foam, memory foam, pillow top, gel, latex and adjustable foundations (Marketresearch 2016). Bedding industry is understood to include other sleeping related products besides mattresses, such as pillows, quilts, sheets and pillow cases.

Strategic marketing planning is a series of logical steps in order to arrive at marketing plans. It is a structured way for companies to identify the different options a certain market withholds, formulate marketing objectives which are consistent with the company's overall business objectives, and schedule and cost out the specific tasks which most likely help to achieve both the marketing and business objectives. (McDonald 2008, 37). The key strategic decisions for digital marketing are the same as the strategic decisions for any marketing. They involve segmentation, targeting, differentiation and positioning. (Chaffey & Ellis-Chadwick 2012, 218.)

Multichannel marketing enables firms to build lasting customer relationships by offering their customers and prospects information, products, services, and support – or a combination of these – through two or more synchronized channels (Rangaswamy & Van Bruggen 2005, 5). The process that leads to a purchase usually involves multiple channels. Customers should receive consistent communication across all channels (Peterson, Gröne, Kammer & Kirscheneder 2010, 15).

Cross-channel customers hover over various channels to complete the same purchase. For example, they might receive a newsletter, and then decide to read an in-depth description on a website. Yet, the final purchase of the same product is made in a brick-

and-mortar store. This is a typical example of a cross-channel customer behavior. (Peterson & al. 2010, 15.)

1.9 Case Company X International, Incorporated

Case Company X International, Inc. is the world's largest bedding provider. The company develops, manufactures and markets mattresses, adjustable bases, pillows and other sleep and relaxation products. They operate in the global bedding industry. The company's brand portfolio includes many recognized brands, including Brand X 1, Brand X 2, Brand X 3, Brand X 4, Brand X 5, and Brand X 6.

For the full year of 2015, (Case Company X Inc. 2016), the company reported the following key financial numbers:

- the total net sales increased 5.4% to $3,151.2 million from $2,989.8 million in 2014.
- GAAP gross margin was 39.6% as compared to 38.5% in 2014.
- adjusted gross margin was 40.1% as compared to 38.9% in 2014.
- EBITDA increased 9.4% to $388.9 million as compared to $355.4 million in 2014.
- GAAP operating income was $309.1 million as compared to $276.3 million in 2014.
- adjusted operating income was $373.8 million, or 11.9% of net sales, as compared to $320.1 million, or 10.7% of net sales in 2014.
- adjusted EPS increased 20.4% to $3.19 as compared to adjusted EPS of $2.65 in 2014.
- on a constant currency basis, adjusted EPS increased 31.7%.
- operating cash flow for the full year 2015 was $234.2 million.

The United States is the biggest market for Case Company X. The company follows a geographic breakdown, and the markets are divided into North America, Asia, Europe and Rest of the World (RoW). In Europe, the biggest markets are United Kingdom, France and Germany. In the Nordic countries – Norway, Denmark, Sweden and Finland – the activities are reported as one unit by the Nordic Managing Director, and the countries are locally run by the Country Managers.

Case Company X's headquarters are located in the United States in Lexington, Kentucky. Research and development (R&D) and production facilities are also located in Lexington, but also in Europe in Denmark, Aarup. The European headquarters are in London, United Kingdom. The Nordic headquarters are located in Stockholm, Sweden. The Nordic logistics is handled with a logistics partner LGT, and the logistic center is located in Tibro, Sweden.

1.10 Case Company X Finland

Case Company X Finland is a subsidiary of Case Company X Inc. with 18 employees currently, and with a turnover of approximately 9 million euros in the year 2016. Brand X is the main brand marketed in Finland, and its marketing and sales activities are all centrally guided, but locally managed. The subsidiary is based in Vantaa, Finland. This thesis focuses on Brand X brand only, as it is currently the most established brand in Finland.

Brand X has been present in the Finnish markets since 1999, and can be considered a fairly new brand in Finland. Despite the short market presence, the company has experienced rapid growth in the last 15 years. With the support of the international parent company, Brand X is currently one of the most known brands in Finland in the bedding industry. The main rivals are Unikulma, Jensen and Hästens.

The company distributes its products in Finland with selected retailers. The most important retailers include Bed Dealer 1, Bed Dealer 2, Pillow Dealer 1 and Pillow Dealer 2. The subsidiary is responsible for the sales and marketing functions in Finland for the Brand X. The company employs 6 area sales managers, who travel in Finland and help the retailers with Brand X's products. B-to-C customer service is taken care of in Finland with 2 customer service persons working daily with the retailers, and handling the local sales orders and logistic functions. Locally, the marketing team consist of 3 persons.

The company has run an online shop since 2014. The shop is generating revenue on a solid level, and is strongly supported by the corporation. The shop aims to work along with the retailers, and have the same national campaigns. All functions regarding ecommerce are handled in Finland: orders, customer services, logistics, returns and so on. The existence of the online shop and the website highlight on the multichannel approach required for this thesis. The branded site and the web shop need to work along with the offline channels. Channel conflicts are to be avoided.

2 Strategic marketing planning

Arnoldo Hax, MIT strategy professor, was said to have frequently repeated the following phrase: *"Watch your competitors, but don't follow them".* Indeed, there are unwritten rules that competitors agree to, and fight along together. These rules are typically set by the market leaders who educate the customers. (Halligan & Shah 2010, 22.) Another phrase *'change is the only certainty'*, is something of a business mantra. Any strategy is significantly influenced by the environmental change; may them be political, social or technological factors. Hence, organizations must embrace the opportunities the changes bring. Strategic management is the solution to handling the variables, and is "about moving the organisation to a future desired state". (Ashford, Ensor & Drummond 2008, 8.)

This chapter explains the role of strategic marketing planning. Target marketing, segmentation, differentiation and positioning strategies are discussed as central elements of the strategy formulation. To understand the complex multichannel customers, two customer buying journeys are examined – the traditional journey and the techno-advanced journey. Multichannel marketing management is studied for optimized channel effectiveness.

The knowledge base was gained from the secondary research the author conducted in the field of strategic marketing management and multichannel marketing. This thesis focuses on an integrated approach in creating synergy around offline and online marketing channels. The knowledge base applied to this thesis follows a strategic planning process with three distinct stages: (1) analyze, (2) plan, and (3) implement (image 2).
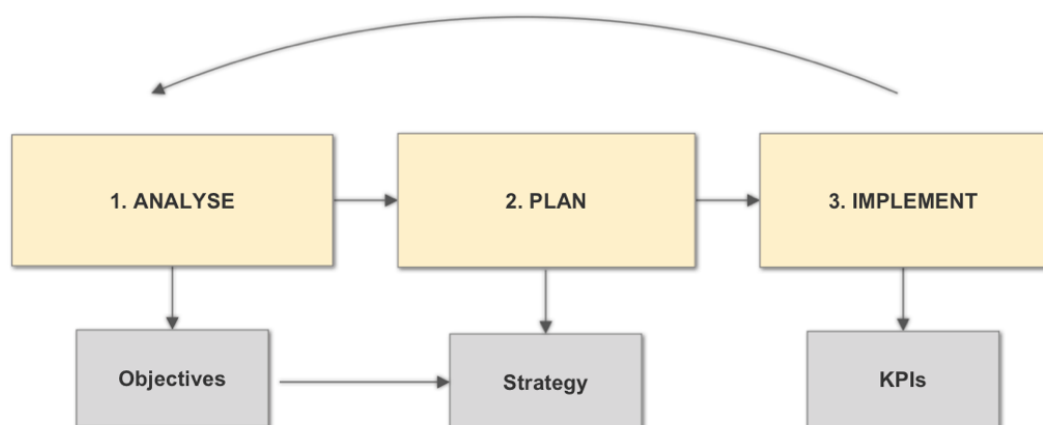
Image 2: The framework and knowledge base of this thesis follows a strategic approach

Marketing planning is defined by Chaffey and Ellis-Chadwick (2012, 198) as "the planned application of marketing resources to achieve the marketing objectives". The strategic marketing planning process is a series of logical steps in order to arrive at marketing plans. It is a structured way for companies to identify the different options a certain market withholds, formulate marketing objectives which are consistent with the company's overall business objectives, and schedule specific tasks which most likely help to achieve both the marketing and business objectives. A coherent marketing plan involves 10 steps with the actual *process* of marketing planning, and its final output, a written marketing plan (image 3). (McDonald 2008, 37.)
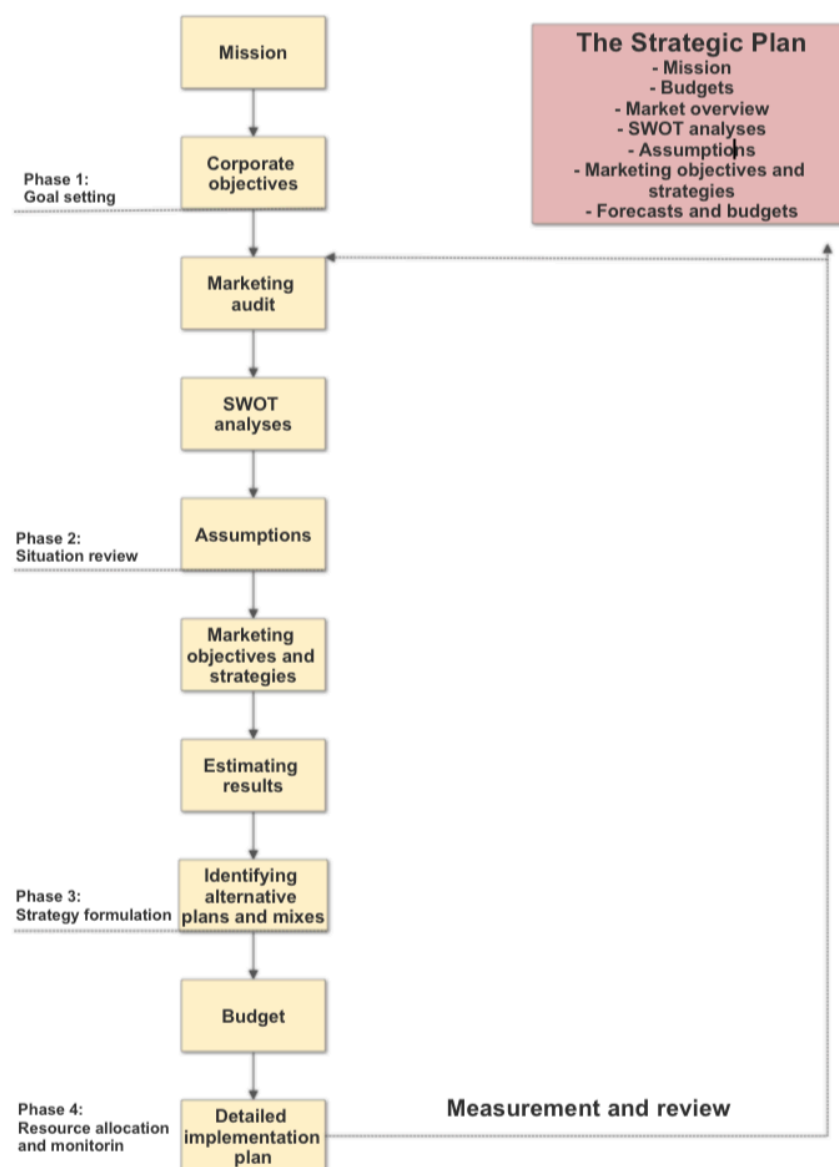
Image 3: The 10 steps of marketing planning (McDonald 2008, 37)

In a strategic role, marketing aims to transform corporate objectives and business strategies into a competitive market position. Essentially, it is about differentiating a company's products and services from the rivals while effectively meeting consumers' needs and satisfying them. Marketing strategy (1) analyzes the business environment and defines the customer segments, (2) matches activities of the chosen customer segments, and (3) implements activities to achieve competitive advantage superior of the rivals. (Ashford & al 2008, 12.)

2.1 Differentiation strategies

Organizations need strategic marketing plans to have the flexibility to adapt to the changing business environment (Ashford & al 2008, 243). Strategy formulation offers the needed assistance of achieving the business objectives. The process has three components: (1) competitive advantage, (2) industry position, and (3) product and market strategies (Ashford & al 2008, 151).

(1) Competitive advantage and marketing strategy are intrinsically linked. Competitive advantage is the process of "identifying a fundamental and sustainable basis from which to compete". (Ashford & al 2008, 152). Three fundamental strategies exist within the strategy formulation – cost leadership, differentiation and focused approach.

(2) Industry position strategy recognizes the existing competitors, and how to deal with them, while effectively meeting the consumer objectives. Companies need to adopt the role of a challenger, market leader, follower or niche player. Companies might use attacking and defensive strategies to successfully compete with the rivals. (Ashford & al 2008, 152, 163.) Attacking strategies aim to gain new market share, while defensive strategies aim to maintain the market share that company has already achieved.

(3) Product development strategy is about increasing sales by developing an improved, or a new product line for the current markets. Several possibilities for product development strategy formulation exist. Organizations can consider market penetration, market development, product development, or diversification as their main marketing initiatives (Ashford & al 2008, 152,175).

2.2 Strategy formulation in the digital context

A common misunderstanding is that the formulation of a digital marketing strategy is essentially different from the traditional marketing, and would require wholescale changes. Actually, the formulation of a digital marketing strategy usually involves *adjustments* on the traditional marketing strategy, and the "key strategic decisions for marketers are the same as the strategic decisions for traditional marketing". (Chaffey & Ellis-Chadwick 2012, 218.)

Strategy formulation is essentially the generation, review and selection of strategies to achieve the business objectives (image 4). Strategies are effective when they support the overall business objectives of a company. For instance, in the digital context, they would be increasing online sales, dwell time and such. (Chaffey & Ellis-Chadwick 2012, 218.)

Strategy formulation

Image 4: Digital marketing strategy follows the same steps as traditional marketing with *adjustments* for the internet (Chaffey & Ellis-Chadwick 2012, 226)

Digital strategy formulation, as traditional marketing, takes into account the internal and the external influences, and is informed by the long-term corporate and marketing objectives. The market and competitor assessments are central for recognizing the emerging opportunities and threats. Digital marketing makes use of the insights gained from the overall marketing strategy, and implements the needed alterations to fit the digital marketplace (image 5).
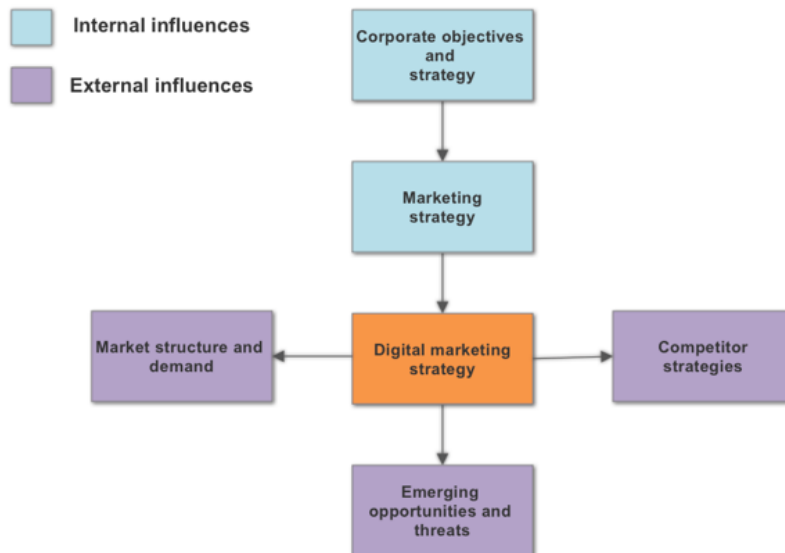
Image 5: Digital strategy recognizes the internal and external factors, and the corporate and marketing objectives (Chaffey & Ellis-Chadwick 2012, 191)

The key strategic decisions for digital marketing are the same as the strategic decisions for any marketing. They involve selecting customer groups and specifying how to deliver value to those groups. *Segmentation, targeting, differentiation and positioning are all key to effective digital marketing*. (Chaffey & Ellis-Chadwick 2012, 218.)

Digital strategy formulation can be divided into two main activities. First, it gains research from the marketplace, and indetifies the available internal resources. Typically, this is achieved with the help of market research, customer analysis and internal resource analysis. Second, it presents an implementation plan, which informs all execution activities. The actual implementation plans include customer segmentation, online targeting, value propositions, marketing mix variations and so on. There is a close linkage between strategic objectives and business objectives (image 6).

Informed by

- Market research
- Analysis of customer data

- Demand analysis

- Competitor analysis
- Internal analysis

- Resource analysis

Segmentation

Identify customer needs and segment market

Target marketing

Evaluate and select target segments

Positioning

Identify proposition for each segment

Planning

Deploy resources to achieve plan

Informs

- Market segment definition
- Customer requirements

- Online targeting
- Target segments
- Online revenue for each segments
- Customer lifecycle targeting

- Core brand proposition
- Online value proposition
- Online marketing mix
- Lifecycle brand development
- Proposition messages

- Online marketing mix
- Restructuring
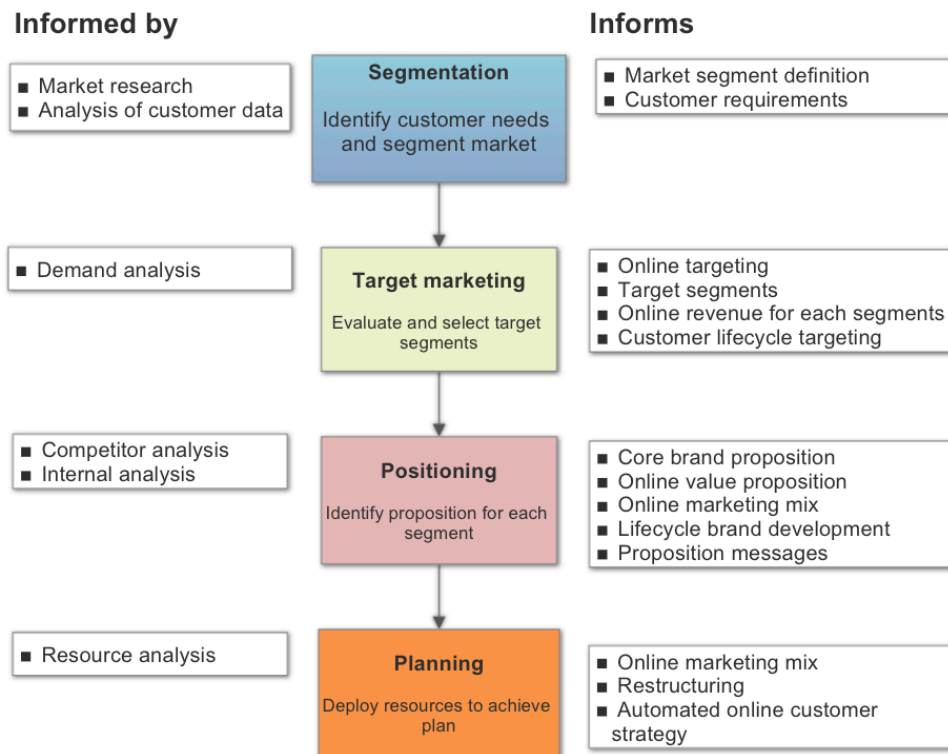- Automated online customer strategy

Image 6: Stages in digital strategy formulation include segmentation, targeting, differentiation and positioning (Chaffey & Ellis-Chadwick 2012, 218)

2.3 Segmentation strategies

Segmentation is a management technique (Chaffey & Ellis-Chadwick 2012, 225). The segmentation process is a crucial aspect of strategic marketing, and a process where *qualitative and creative judgment* have to be taken. Strategic market segmentation distinguishes that consumers respond differently to a particular element in the marketing mix, and that consumer segments must be large enough to provide return on investment (ROI) to organizations. (Ashford & al. 2008, 188, 50.)

Today's customers demand relevancy. By developing a distinct marketing mix for each consumer segment, an organization can target relevant customer groups, and offer best possible solutions for them. Fundamentally, customer segmentation breaks down the market into separate customer groups, which share common characteristics, behaviors and attitudes. In addition, segmentation aims to evaluate the future of the company: forecast reactions and demand. (Ashford & al. 2008, 51,13.)

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Each customer segment should be measurable, identifiable, accessible and large enough to generate profit, and to serve the business objectives. A company's online customers will have different demographic characteristics, needs and behaviors from the offline customers. Online marketing segmentation is distinguished from the traditional marketing of the wealth of data and velocity. (Omniture 2007, 1.)

Segmentation can be divided into three main categories: profile variables, behavioral variables, and psychographic variables (image 7). Each of these elements complement each other, and there is no hierarchy for them. Any of these variables can be used as starting point for segmentation (i.e. first order variables), and then later on add further variables (second order variables). (Ashford & al 2008, 57 - 72.)

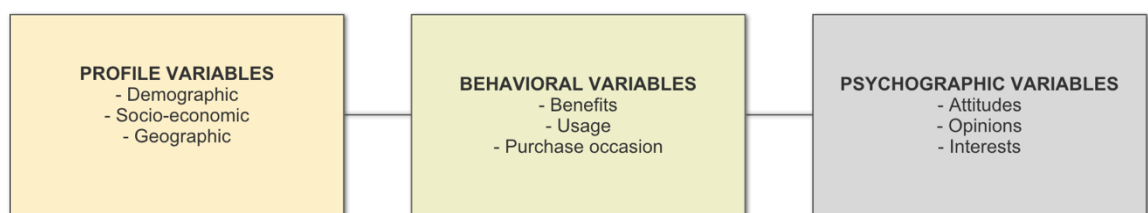| PROFILE VARIABLES	BEHAVIORAL VARIABLES	PSYCHOGRAPHIC VARIABLES
- Demographic	- Benefits	- Attitudes
- Socio-economic	- Usage	- Opinions
- Geographic	- Purchase occasion	- Interests

Image 7: Demographic, psychographic and profile variables

2.4   Targeting strategies

Targeting is a creative process which aims to select the best elements in the marketing mix, and to develop specific media communications to distributions plans (Ashford & al. 2008, 57, 58). Once a company has gathered sufficient amount of information to create a clear picture of a typical member of a segment, they can *create profiles or personas to target those segments.* In essence, these profiles or personas are the customer segments. (Omniture 2007, 3.)

When the personas (i.e. segments) have been created, the marketing mix kicks in with a well planned set of targeting activities. The seven elements in the marketing mix (7Ps) are all important elements, and efficient marketing strategy "uses preferably all elements from the marketing mix to create differences between rivals". (Chaffey & Ellis-Chadwick 2012, 232.) In the digital age, a well-balanced marketing mix is essential, and *all* the steps in the marketing mix framework should be put into practice. A single-strategy game is not the game winner anymore. Therefore, the importance of a well-balanced marketing mix can not be overstated. (Newman 2014.)

The customer engagement process can be visualized with the engagement funnel as it relates to a company's websites (image 8). Multiple customer segments engage with the company – presented in the image as A, B, C and D – and enter the engagement funnel from the top as unique experiences. These unique experiences include customized variables from the marketing mix. (Omniture 2007, 3.)
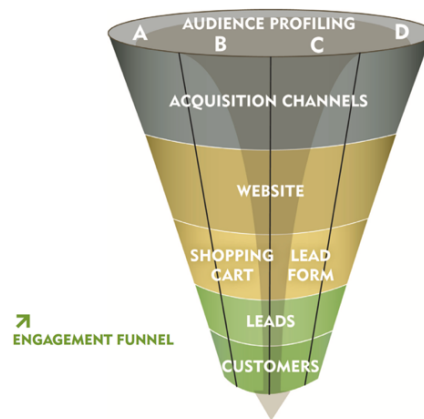

Image 8: The engagement funnel visualizes multiple customer segments entering the engagement funnel as unique experiences (Source: Omniture 2007)

By developing hypothesized tests made up of multiple combinations of the marketing mix, companies are able to develop more relevant experiences to each segment. This process allows them "to deliver the right message, to the right person (i.e. segment), at the right place, at the right time through multiple and relevant engagement experiences". The goal is to continually renew the marketing mix at a segment level, and if a part of the segment reacts differently to the variables, the creation of a new segment should be considered. (Omniture 2007, 3.)

2.5   Strategic and tactical marketing planning

The definition of planning is "an integrative, coordinating activity that gives focus". The purpose of marketing planning is to implement marketing activities. Planning is required to complete tasks on time and without exceeding the pre-set resource limits. It is normal that corporate objectives, budgets and targets are set as part of overall marketing planning. The tasks of marketing managers are to translate these factors into a workable marketing plan. (Ashford & al 2008, 243.)

Table 3: Strategic and tactical marketing (Source: Ashford & al 2008, 246)

Tasks	Strategic Marketing	Tactical Marketing
Time frame	Long term	Short term
Focus	Broad	Narrow
Key Tasks	Defining both market and competitive position	Day-to-day marketing activity
Information and problem solving	Unstructured, external, speculative	Structured, internal, repetitive
Example	New product development	Price discounting and tactical campaigns

There are two types of marketing plans – strategic and tactical. This distinction generates confusion among marketers. The confusion can be removed, when the differences between tactical and strategic marketing are recognized (table 3). Strategic marketing offers the future goal for the company and is about long term planning. It is often speculative, as it is based on assumptions of the company's markets and its competitors. For instance, the development of a new product line is a decision taken in the field of strategic marketing. Tactical marketing on the other hand is short term, day-to-day marketing activity with a structured, repetitive and internal approach. Tactical campaigns and price discounts are an example of tactical marketing. (Ashford & al 2008, 246.)

2.6   Services Marketing Mix

The traditional marketing mix is widely referred to as the 4Ps, which is a series of four key variables Product, Price, Place and Promotion. The framework has received some criticism due to its roots in the early 60s. The criticism comes from the push approach with limited acknowledgement to the needs of the end consumers. (Chaffey & Ellis-Chadwick 2012, 258.)

In 1981, the traditional marketing mix was further into the services marketing mix. The traditional 4Ps were extended into 7Ps, and three elements were added to the mix: People, Process and Physical Environment. The three added Ps relate to the customer relationship management and the digital presence of an organization. Hence, the extended 7Ps of services marketing mix is applied for this thesis (image 9). The framework is a valuable toolkit for marketing planning and creating synergy around online and offline channels. An integrated network of marketing activities benefits both the organization and its customers.
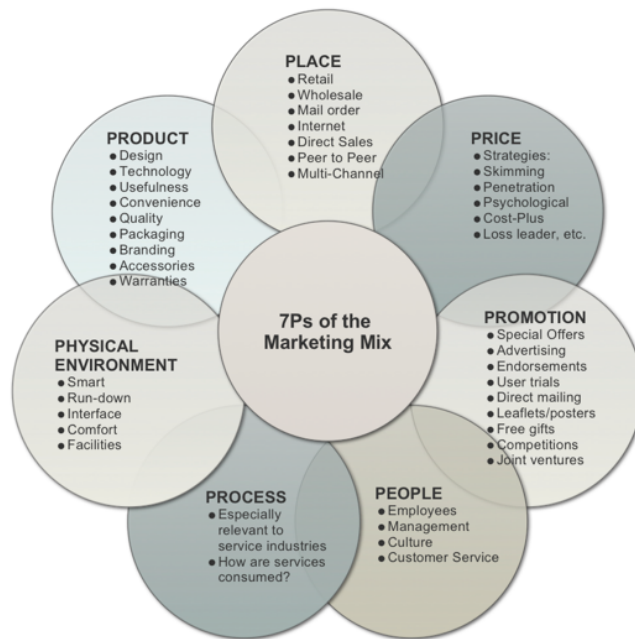
Image 9: The 7Ps of services marketing mix is a valuable toolkit for today's marketers

2.7 Positioning strategies

The aim of positioning is to develop a differentiation strategy and advantage relative to the competitors. Positioning is "the customer's perception of the product relative to the competitors". In online marketing, there are four main variables that companies can position their products: (1) product quality, (2) service quality, (3) price and, (4) fulfillment time. (Chaffey & Ellis-Chadwick 2012, 232.)

There are many views on the correct approach for successful brand and product positioning. One is, that an organization should identify one or more *Unique Selling Propositions* (USPs) for a product and concentrate on them. Usually, this means that the company focuses purely on the functional aspect of the product. An alternative approach is to stress on the *Emotional Selling Proposition* (ESP). This approach distances the product from "functionally similar rivals by appealing to the unique emotional associations". (Ashford & al. 2008, 194.)

However, many of the well established brands focus on more than one factor to position their products. In many cases there are combinations of more than one USPs and ESPs. While positioning is at a central place in the strategic marketing planning, companies many times go wrong with their positioning efforts. Common positioning mistakes include *under positioning* and *over positioning*. In under positioning, consumers have only a limited perception of the brand. In over positioning, customers assume that the company

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operates in a focused area only. It is also common that the customers are simply *confused* of the company's offerings. (Ashford & al. 2008, 194.)

Many strategic decisions in the online context are placed around the online value proposition (OVP). OVP is a statement of the benefits of the company's online services, and it reinforces the core proposition – may it be centered around unique selling points or emotional selling propositions. A clear OVP helps to distinguish an eCommerce site from its competitors. It focuses the company's marketing efforts so that the company's staff are clear about the purpose of the company's online presence. If the proposition is well formed, it can be used for public relations and word-of-mouth. A clear OVP easily connects with the normal product proposition of the company. (Chaffey & Ellis-Chadwick 2012, 233.)

2.8   Managing multichannel marketing

The nature of multichannel marketing is, that it has numerous customer touch-points. (Stone et al 2002, 40.) Online and offline marketing should not be about separate channels operating independently, but both should be fully integrated parts of a comprehensive marketing strategy. There should be a consistency of message, tone and creative across all the channels. (Blyth 2011, 7.) Digital marketing strategy is primarily a channel marketing strategy. It determines the strategic significance of the internet at different digital touch points relative to other communication channels. Therefore, *digital marketing is an integrated component of an overall multichannel marketing strategy*. (Chaffey & Ellis-Chadwick 2012, 191.)

The broad definition of multichannel customer management is "the use of more than one channel or medium to manage customers in a way that is consistent and coordinated across all the channels or media used". (Stone, Hobbs & Khaleeli 2002, 40.) There are numerous customer touch-points across several distribution channels, such as:

– direct channels, e.g. telephone, internet, mobile telephone (voice, SMS) and interactive television (iTV)
– counter and kiosk service in branch networks or retail outlets
– partnerships and alliances
– sales force
– service force.

The main goal of a multichannel strategy is to increase overall customer satisfaction and shopping enjoyment. This is done by encouraging customers to use and combine different channels according to their situational preferences. Companies provide multichannel customer with an integrated channel system and make it easy to switch between channels during the purchase process. (Binder 2014, 14.)

Web applications and wireless devices are the main technologies behind the growth of the multichannel marketing. The addition of the new channels to traditional channels – such as the telephone, catalogues, brick-and-mortar -stores – require managers to blend channels into an appropriate channel mix. (Valos 2008, 198.) Multichannel marketing enables firms to build lasting customer relationships by offering their customers and prospects information, products, services, and support – or a combination of these – through two or more synchronized channels (Rangaswamy & Bruggen 2005, 5).

Multichannel marketing represents many opportunities for organizations. Marketers using multiple channels have various objectives such as increasing customer numbers, cross-selling and enhanced service quality. However, multichannel marketing is much harder to achieve than it might first appear. The increase in digital channels does not normally reduce the number of traditional channels being used, thus resulting in a greater number of channels to manage. This means that the chances of making strategic errors and losing competitive advantage rise because of the *implementation complexities*. (Valos 2008, 198, 199.)

Marketers can follow a four-step process to successfully integrate and orchestrate all customer channels. There is a four-stage process for a successful multichannel management (Woodcock & al. 2003, 327):
1. Define the multichannel strategy
2. Determine the relative positioning and priority for the channels
3. Organize for multichannel operation
4. Adopt the best practices for integrating the traditional and virtual business.

According to Joschen Binder (2014, 14), the overall goal for companies to adopt any multichannel strategy is to improve success in terms of revenue and profit. In order to move customers between channels seamlessly and according to their needs, cooperation between different channels is required. The risk scenario arises when channel managers are unaware of the features of the other channels. (Valos 2008, 202.)

There are three scenarios for effective multichannel management: single channel strategy, multichannel efficiency, and customer satisfaction. The form and configuration of a company´s multichannel strategy depends on the specific market situation, and the company's internal capabilities (image 13). (Binder 2014, 14.)

Multichannel Management Strategies

Customer Segmentation (single channel strategy)
■ assigning customer segments to channels
■ no integration necessary

Multichannel efficiency (cost reduction)
■ customer migration
■ some channel integration for channel switching

Customer satisfaction (multichannel customers)
■ seamless purchase experience
■ high channel integration

Activity based (usage patterns)
■ preferred channel combinations
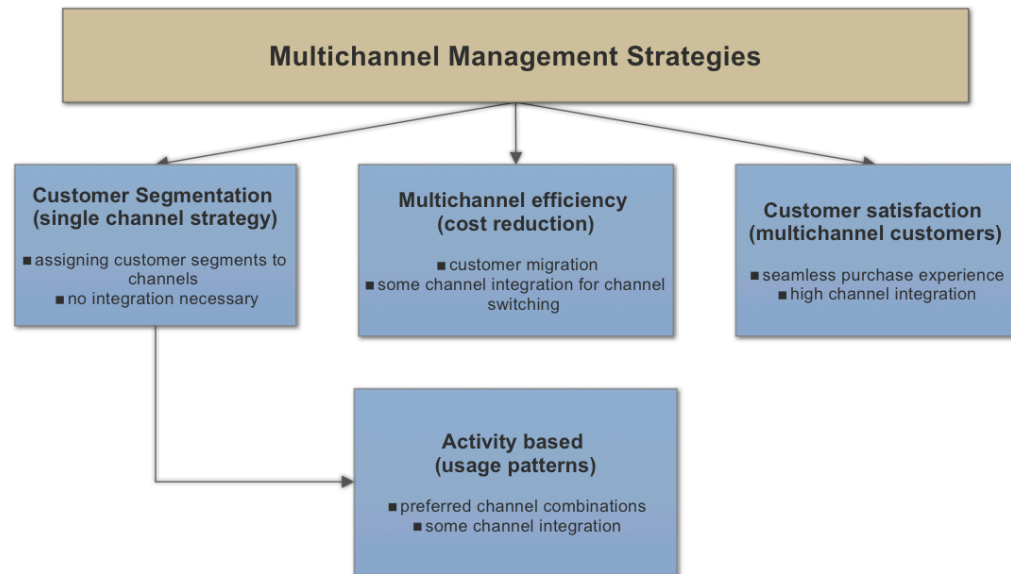■ some channel integration

Image 13: Strategic options for multichannel management (Binder 2014, 15)

According to Stone & al., developments in channel technology and customer requirements and expectations have led companies to adopting a multichannel management strategy (2002, 41). Michael Valos adds, that "multichannel customers spend more money than single channel customers, buy more products than single channel customers, and are more loyal than single channel customers." (2008, 198).

Careful thought needs to be paid to the use of each channel in multichannel programs – 'one channel fits all' is not the case. Customers hover over multiple channels throughout the buying cycle; some channels are used to research, while others are used to purchase or service. A company adopting a multichannel strategy must consider whether all its channels offer the same range of products and services, and whether all channels should support all functionality areas. (Stone & al. 2002, 44.)

Companies need a detailed understanding of the channel journey for each customer segment. The customer buying process is a complex area, and aims to identify the different stages in buying process, and the particular situational factors surrounding the activity. (Ashford & al. 2008, 56.) Poorly integrated channels will result in customer loss. Marketers must understand consumer motivations for choosing channels (Valos 2008, 199).

Pinpointing the most appropriate channels for each customer segments helps to reduce costs, speed up the sales cycle, and promote retention. The multi-channel incentive programs are to be defined by the management. There needs to be clear incentive

programs with targets and rewards that support the company's channel orchestration objectives. Only then the optimized channel marketing mix will deliver. (Peterson & al. 2010, 17.)

Technology is the key to implementing an integrated channel strategy. However, technology can hinder the integration process. Therefore, the technology team must be involved early on, and pay careful respect to the chosen solutions in order to avoid costly redesign of processes. (Woodcock & al. 2003, 324.)

Companies need not to reinvent the wheel. They can learn much from looking at strategies being employed in industries beyond their own. Best practices can be found in many retail industries. "Business ambitions should not be held back by a not-invented-here bias". (Peterson & al. 2010, 18.)

2.9 Customer buying journeys and cross-channel behavior

The customer decision-making process is a circular journey (image 10). The journeys start from the moment when customers first indicate interest, continue to the time they spend gathering information to when they complete a transaction, and seek post-sale support. During the customer decision process, brands may 'interrupt' the decision-making process and even force the exit of their rivals. (Singer & al. 2009.)
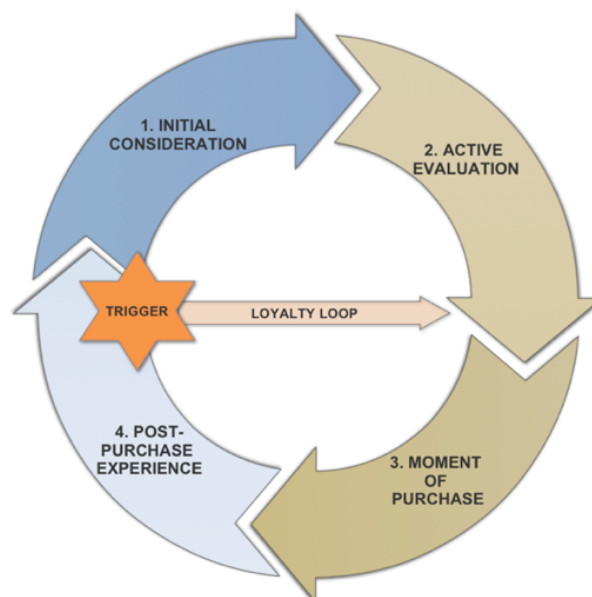
Image 10: The circular consumer decision journey (Source: Singer & al. 2009.)

There are four phases in the customer decision process: (1) initial consideration; (2) active evaluation, or the process of researching potential purchases; (3) closure, when consumers buy brands; and (4) post purchase, when consumers experience them. The primary four phases represent potential battlegrounds where marketers can win or lose (image 10).

Cross-channel customer management starts with better customer understanding. Customers should receive consistent communication across all channels. The more touch points there are, the more opportunities marketers have to tailor their marketing communications. Interconnected marketing, sales, and service touch points will produce positive customer experiences. Customers will more likely remain loyal and to respond positively to cross-selling or up-selling approaches. (Peterson & al. 2010, 15.)

The complex communications world means that companies need to understand how different channels work together. Integrating the digital and physical channels is the single most important strategy for retailers (Forrester Consulting 2016, 2). The internet offers new opportunities since the combinations of online and offline channels makes it easier for companies to react to new customer purchase patterns. (Binder 2014, 27).

The digital technologies have created "empowered" consumers so expert in their use of tools that they can call the shots (Edelman & Singer 2015). The internet has dramatically reduced the search costs for customers as they have almost an unlimited access to information. More specifically, it has become easy for consumers to find alternative offers, and to compare prices and products. Thus, the internet has shifted power from manufacturers and retailers to those who buy the products. (Binder 2014, 27).

Consumers often engage in *research-online-purchase-offline* (ROPO). Many retailers and brands have discovered that the shoppers are researching where to shop and what to buy online before an in-store visit for the actual purchase. In other words, online search proceeds offline purchase, since the majority of consumers still prefer to make the actual transaction in a physical store. Thus, many customers mainly use the internet to search and compare products online, but purchase offline (Binder 2014, 27).

By leveraging emerging technologies, processes, and organizational structures, companies can restore the balance and power between its customers, and succeed in creating a seamless experience for its users across all marketing channels. It is by making use of the technologies available, that they can create *new* value for brands and buyers. (Edelman & Singer 2015).

2.10 Traditional and techno-advanced customers

The techno-advanced customer buying model (image 11) illustrates the five steps leading to a successful delivery of a product: (1) locating sellers, (2) comparing / selecting price levels, (3) comparing / selecting products, (4) purchasing the product, and (5) the delivery of the product. Technical savvy customers gather information from online channels and then compare the products in physical stores before making the purchase in the store. Or, they might make the purchase online, but then pick up the delivery from the nearest shop or collect the delivery from a pick-up kiosk. (Peterson & al. 2010, 15.)

The techno-advanced consumers are 'tech-savvy' customers. According to Edelman and Singer (2015), the digital technologies have created "empowered" consumers. They master the use of different tools and information search so well that "they can call the shots, hunting down what they want when they want it and getting it delivered to their doorsteps at a rock-bottom price".

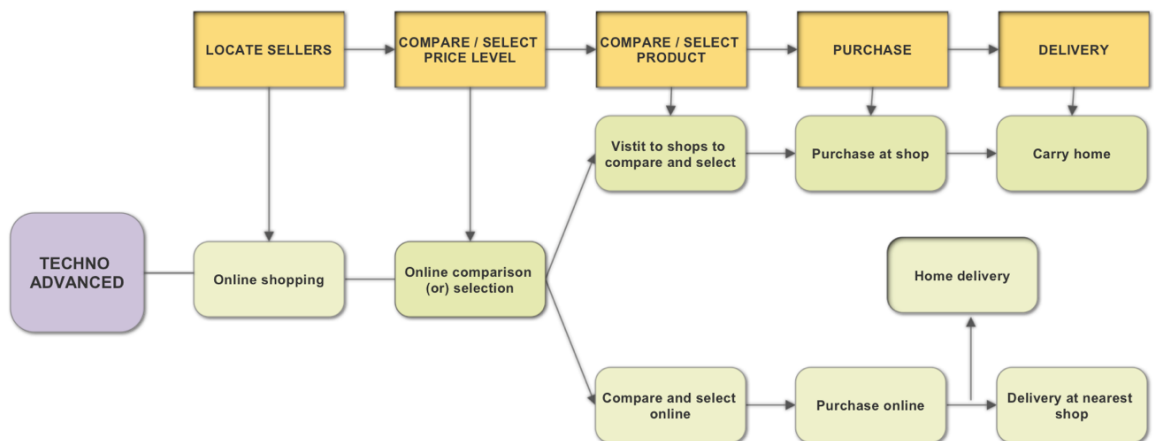Image 11: The techno advanced customer buying journey combines online and offline activities (Peterson & al. 2010, 15)

The traditional models follow a routine adopted by many shoppers (image 12). First, the consumers might call to customer service or email them. Then they move ahead in the purchase journey to compare the products in the physical stores before the actual purchase and delivery at the place. (Peterson & al. 2010, 15.)
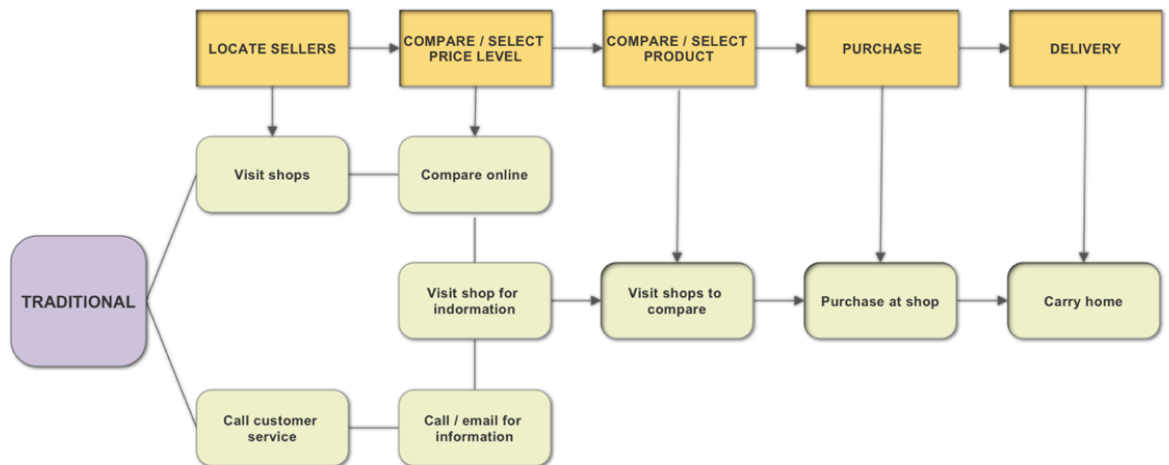
Image 12: The traditional customer buying journey with offline activities only (Peterson & al. 2010, 15)

2.11 The levels of marketing control

"Execution is a people problem, not a strategy issues!", stated a Harward Business Review article from January 2017. Indeed, this is true, as even a world class strategy is worthless if it is poorly executed. (Bregman 2017.) Many surprises occur during the implementation of marketing plans. That is why the marketing executives must monitor and control marketing activities continuously.

In digital marketing, the efficient management of activities include, first, creating the performance management system, secondly, defining the digital marketing performance metrics and, finally, the technical tools for collecting and analyzing the results. (Chaffey & Ellis-Chadwick 2012, 559). For instance, in the digital context the results would be increasing online sales, dwell time and such. In digital marketing, there is a tight connection between strategy, objectives and key performance indicators (KPIs). (Chaffey & Ellis-Chadwick 2012, 218).

Table 4: The four levels of marketing control specified by Kotler (Kotler 2002, 58)

Type of control	Prime responsibility	Purpose of control	Approaches
I. **Annual-plan control**	Top management Middle management	To monitor and examine whether the planned results are being achieved.	– Sales analysis – Market-share – analysis – Marketing expense-to-sales analysis – Financial analysis – Market-based scorecard analysis
II. **Profitability control**	Marketing controller	To examine the wins and losses.	Profitability by: – Product – Territory – Customer – Segment – Trade channel – Order size
III. **Efficiency control**	Line and staff management Marketing controllers	To evaluate the impact of marketing expenditures.	Efficiency of: – Sales force – Advertising – Sales promotion – Distribution
IV. **Strategic control**	Top management Marketing auditor	To examine whether the company is pursuing its best opportunities in markets, products, and channels.	– Marketing effectiveness review – Marketing audit – Company ethical and social responsibility review

The levels of marketing control mechanisms (table 4), as specified by Kotler, include the annual-plan control, profitability control, efficiency control and strategic control. (Kotler 2002, 56). The purpose of *annual-plan control (I)* is to ensure that the company achieves the sales, profits, and other goals in its annual plan. The management sets monthly or quarterly goals and monitors the company's performance and takes corrective action to close the gaps between goals and performance. Successful companies measure the profitability of their products, territories, customer groups, segments, trade channels, and order sizes through *profitability control (II)*. This information justifies whether products or marketing activities should be expanded, reduced, or eliminated.

Efficiency control (III) aims to improve marketing efficiency. These include formulating profit plans, budgets, measuring the efficiency of promotions, analyzing media production costs, evaluating customer and geographic profitability, and educating marketing personnel on the financial implications of marketing decisions. *Strategic Control (IV)* evaluates the strategic approach to the market place with marketing-effectiveness reviews

and marketing audits. Sometimes companies need to undertake a critical review of overall marketing goals and effectiveness, and periodically *reassess* its strategic approach. (Kotler 2002, 56 - 60).

According to Chaffey and Ellis-Chadwick (2012, 561), the four marketing control levels are linked to digital marketing. The control measures should assess the contribution of digital marketing to the overall marketing activities at different mechanism levels. When monitoring the effects, digital marketing should be justified by answering to the following management questions:

Q1: Are the corporate objectives met which were defined in the digital marketing strategy?
Q2: Are the marketing plan objectives achieved?
Q3: Are the marketing communications objectives achieved?

The first question (Q1) answers to Kotler's strategic control and profitability control measures. The second question (Q2) relates to Kotler's annual plan control. Finally, the third question (Q3) is inspected in Kotler's efficiency control level.

2.12 SOSTAC framework

Too many companies have rushed into digital, and spent fortunes on the wrong things. *"Just go do it since the others are doing it too!"* This is usually the the main reason for poor digital marketing. It is a very common case, and happens all too often. Hence, a well structured plan with predefined goals and objectives should be in place in all companies that are active in digital marketing.

Before embarking in the digital world, a company must *avoid* thinking that digital is (1) free marketing, (2) separate function of marketing, (3) the responsibility of the IT department and (4) a world with no barriers (i.e. there is a possibility to take all the activities and channels on the company's marketing activities). Once a company has defined the digital strategy and has a model that generates leads, sales or new customers – and only then – should they start investing in digital marketing. (Blyth 2011, 4 - 7).

Digital marketing is about finding a well-balanced work-flow with clearly set objectives, which are linked to the overall marketing strategy. In this chapter, a conceptual framework for analyzing, planning and executing digital marketing is introduced. The secondary sources offered opportunities to explore the many theories in digital marketing. Ultimately, those theories lead to selecting the most suitable frameworks for this thesis. The author decided to use the SOSTAC framework as the main source, but to alter and add elements

in the framework for it to better match the objectives of this thesis. All alterations are justified separately.

The SOSTAC planning model was originally developed in the 1990s to help with marketing planning by Professor PR Smith. (Chaffey & Ellis-Chadwick 2012, 199.) The author of this thesis adapted the framework to better match the needs of this thesis. Hence, some elements were added, and some removed. There are all together six steps in the framework: (1) situation analysis, (2) objective setting (3) strategy (4) tactics (5) actions and (6) control. At each stage, different models and theories are used (image 14).

The main theorems that are integrated into the framework, are the following:
– PEST analysis by professor Francis Aguilar
– SWOT analysis by professor Albert Humphrey
– 5Ss framework and SMART goal setting by Dave Chaffey
– The expanded Services Marketing Mix (7Ps) by Booms B. and Bitner M. (1981)
– Marketing control levels by Philip Kotler for setting KPIs.

The author selected the SOSTAC framework due to its very hand-on approach. Also, the framework is widely used by many digital marketing professionals, since it gives a coherent, conceptual framework to base the digital activities on. The framework considers all the crucial elements in digital marketing from planning to strategy formulation, execution and monitoring. This kept in mind, the author decided to exclude certain elements in the framework to better match the outcomes of this thesis. The excluded theorems were the STOP (**s**egments, **t**arget **m**arkets, **o**bjectives, **p**ositioning) and the SIT (**s**equence, **i**ntegration, **t**argeting) frameworks.

2.12.1 Situation analysis

Situation analysis answers to *'where are we now?'* and includes the review of the micro-environment such as the customers, competitors, and intermediaries. It also analyzes the macro-environment including economic situation, government regulations, tax policies and trade agreements. (Chaffey & Ellis-Chadwick 2012, 202.)

Situation analysis includes understanding the current key performance indicators (KPIs), customers and competitors. KPI indicators identify the crucial business success elements such as results, data and other measurements against benchmarks. Customer segmentation answers to questions *who, why and how?* Competitor analysis helps to identify the existing competitors, and the new threats and entrants shaping up the marketplace. (Chaffey & Smith 2012, 444.)

Two frameworks are integrated in the situation analysis: SWOT and PEST. SWOT identifies the internal strengths and weaknesses as well external opportunities and threats. PEST factors assess the external macro-events and stand for political, economic, social and technological variables shaping the marketplace.

2.12.2 Objectives and strategy

Second step in the theoretic framework is about setting up measurable objectives. Well formed objectives answer to *'where do we want to go?'* They clarify the direction and where the company is headed. This can include a vision for digital channels, and also specific numerical objectives for the digital channels such as cost savings. (Chaffey & Smith 2012, 451.) Objectives should be SMART in nature, which refers to specific, measurable, agreeable, realistic and time-based objectives. These objectives relate to the 5Ss goals: selling, speaking, serving, saving and sizzling the audience and prospects.

Third step is strategy formulation. Strategy summarizes the big view, and answers to *'how do we get there?'* Strategy identifies how to achieve the objectives and guides to the detailed tactical decisions. Strategic decisions prioritize the objectives, and are influenced by the available resources. Strategy embraces online value proposition and the overall trends affecting the marketplace. Strategy is often the most misunderstood step, and easily confused with the decisions made in the tactical field. (Chaffey & Smith 2012, 454.) Segments, target markets and positioning are the key strategic decisions.

2.12.3 Tactics, actions and control

Tactics are the details of strategy and answer to *'how exactly do we get there?'* This step includes specific details of the marketing mix. Tactical etools include the web site, opt-in email, banner ads and sponsorships. (Chaffey & Smith 2012, 464.) Tactical elements are put into practice with the Services Marketing Mix and the 7 Ps: product, place, price, promotions, physical environment, people, and process.

Action answers to question *'what is our plan?'* This refers to the action plans, change management and project management skills. It is about actively assessing the results against the objectives. (Chaffey & Smith, 44). Process maps and project management techniques and skills are important in the action phase as it usually includes both internal and external partners.

Control is simply *'did we get there?'* This includes the information provided by the web analytics to analyze whether strategic and tactical objectives are achieving, and how improvements can be made to enhance the results further. Control is closely related to goal setting and also the coverage of web analytics and tracking. (Chaffey & Ellis-Chadwick 2012, 199.) To effectively control digital marketing, the marketing control levels of Kotler were added in the framework for setting KPIs.
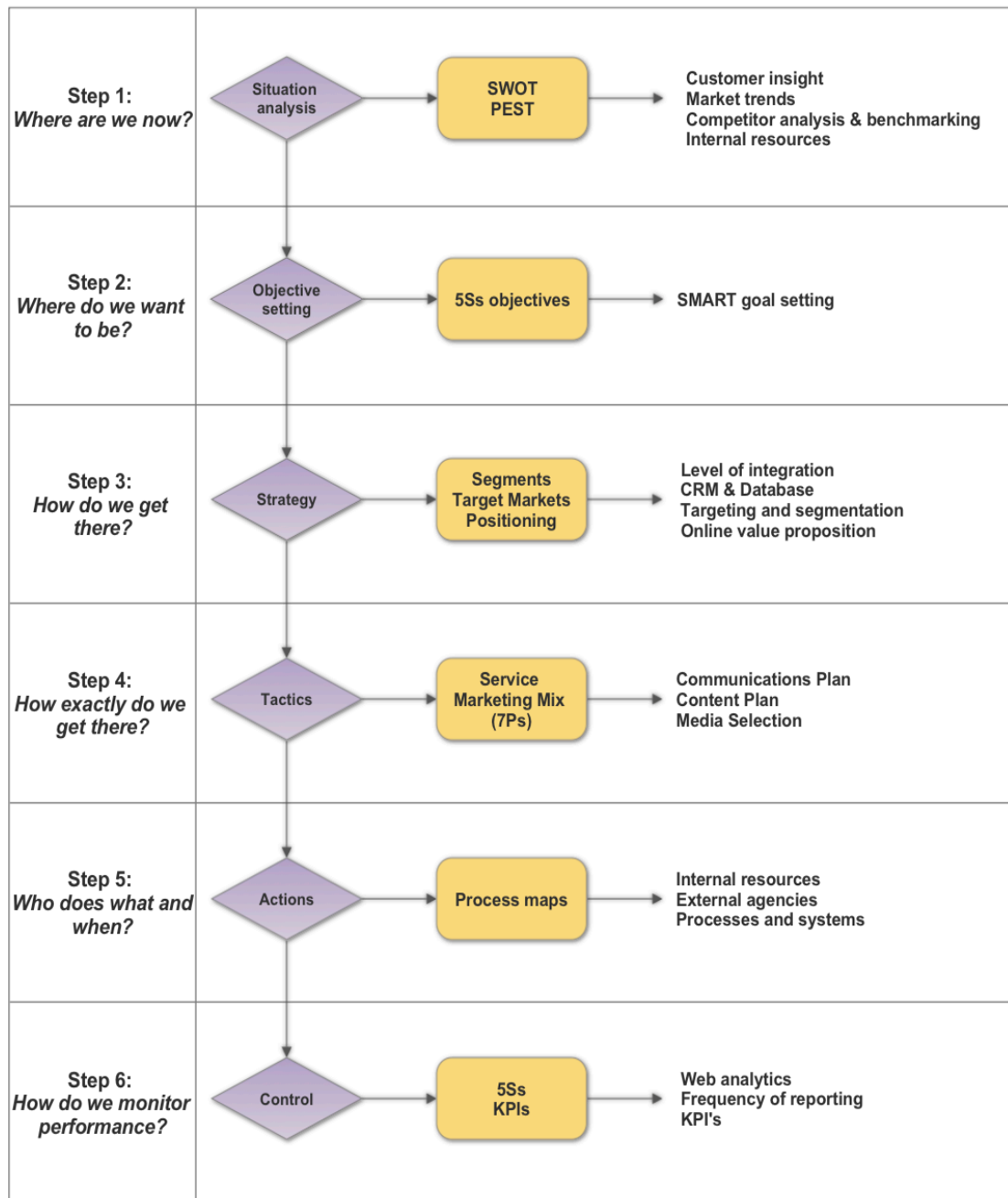

Image 14: The theoretic framework applied for the thesis has taken influences from the SOSTAC framework; some elements in the framework were modified

3 Bedding industry and company analysis

Before this thesis proceeds further, it is important to clarify the term bedding industry. In the industry context, bedding industry is often referred to as the mattress industry. Bedding refers to beds, mattresses, pillows, quilts and other products meant for sleeping.

There are organizations monitoring the bedding and the mattress industry in different geographic regions. EBIA, the European Bedding Industries' Association, represents the interests of the national federations of the major European bedding manufacturers and suppliers. (Europeanbedding.eu 2016.) ISPA, International Sleep Products Association, represents mattress manufacturers and bedding component, machinery and service suppliers in over 50 countries around the world. (Sleepproducts.org 2016.)

The global market research and consulting agency P&S Market Research (2016) divided the global mattress market segmentation by product as follows:

- Innerspring Mattresses
- Memory Foam Mattresses
- Latex Mattresses
- Others.

The same research divided the geographical segmentation in the mattress industry by region into

- North America
- Europe
- Asia Pacific
- Rest of the World.

The research stated, that the major companies operating in the global mattress market include Case Company X International Inc., Simmons Bedding Company LLC, Spring Air International Inc. LLC, Select Comfort Corporation, Kingsdown Inc., Reylon Beds, Southerland Bedding, and Corsicana Bedding Inc. The global mattress market sales expectations are promising, and the market, which had a valuation of US$24.70 bn in 2015, is anticipated to rise to US$43.43 bn by 2024. (Marketresearch 2016).

3.1 Global trends in the bedding industry

Over the recent years, the mattress industry has metamorphosed from a dull and slow growth market into a dynamic and lucrative marketplace due to celebrity brand partnerships, innovation and high style. The industry has seen numerous product innovations. Sleep is seen as an essential part of the *health and well being*, and is being increasingly looked upon as one of the most crucial necessities in every day life. The

present day hectic life puts more emphasis on a quality mattress. *Consumers are more willing to pay* a higher price for quality mattress, with the received benefit of a better night's sleep. (Sleepretailers.com 2016).

The increasing population is boosting up the rate of home ownership, and is the growth driver for the global mattress market. The demand for housing is mainly driven by *migration* of consumers from rural to urban areas. With increased number of consumers' shifting towards large houses, the *number of bedrooms* in the houses are increasing. The *rising divorce rate* is one key reason for the growing demand for houses with more bedrooms. The demand for mattresses is also being affected by the *growing health concerns of consumers*. The busier day schedules of the people are causing mental tiredness, thus making sound sleep a necessity. The focus on sleep quality is becoming more and more important, especially in the developed countries. This has resulted in increasing adoption of premium mattresses. (Marketresearch 2016).

3.2 Bedding industry in Finland

In Finland, most companies in the bedding industry are concentrated purely on beds, mattresses, pillows and quilts. Unfortunately, due to Finland being relatively small market with no authority monitoring the industry, there are no free statistics providing insights into the sales and growth numbers of the mattress and bedding industry, nor how the specific companies perform in the industry. There is a private association monitoring the furniture sales developments in Finland, named Sisusta Kotia Ry, but their statistics are not currently up to date, and the 'newest' numbers are from 2011 (Formamessut 2016).

Thus, the author studied the bedding industry and the brands in Finland to narrow down the main contributors. The premium companies in the industry include Case Company X Finland, Hästens Finland, Unikulma, Jensen Finland, Familon and Finnlayson. The more affordable options include Asko's Bonnel mattresses, Ikea's Sultan mattresses and Bed Dealer 2's Unigold.

As a starting point, most mattress and bed manufacturers have retailer based channel strategies. This is the case with Hästens, Brand X and Jensen, who all have Bed Dealer 1 as their main retailers. Familon and Finnlayson are Finnish companies, and in private ownership. They both have their own stores and transactional eCommerce sites, and they also sell through retailers. There are a few mattress brands owned directly by the furniture stores such Bed Dealer 2 Unigold, Asko Bonnel and Ikea Sultan.

3.3   Unique and emotional selling propositions of Brand X

Brand X's unique selling propositions (USPs) and emotional selling propositions (ESPs) are influenced by the main product features. Pressure relieving properties, weightlessness and motion absorption are the main USPs of Brand X. The ESPs are achieved through the core feelings Brand X mattresses offer (weightlessness and pressure relieving properties), and its origin from the space. The feel of weightlessness and the origin are visualized into the minds of consumers with images and shots of floating women, NASA's logos, and astronauts floating in the space. The company uses widely its certifications from NASA to prove the authenticity of their products (image 15).

Image 15
removed due to confidentiality
reasons

Image 15: Screenshot from Brand X UK's website visualizing Brand X's weightlessness and pressure relieving properties (Source: www.Brand X.co.uk)

The selling propositions derive from the origin of Brand X, and the company has used storytelling to highlight its USPs and ESPs. Hard-working scientists perfecting the NASA developed, space intended pressure relieving material for consumers; the aim of providing the best night's sleep for all people across the globe; millions of dollars spent in research and development – these are all elements of Brand X's storytelling. The company has used its story well to highlight its origin, quality and authenticity.

3.4 Brand X's position in the bedding industry

The market positioning is a helpful framework in understanding how the competitors of Brand X are perceived by the consumers in the Finnish market. Case Company X has well established competitors in Finland; some of them are international players, and some of them are Finnish manufacturers. The main competitors are Hästens and Unikulma. Jensen is also a strong competitor but not in the same premium level as Brand X and Hästens.

In this subchapter, the author only concentrates on the main competitors of Brand X and the premium brands, as they are the key players in the premium bedding sector. For the sake of clarity, the author has selected to display some of the more affordable brands in the market positioning map, which are not Brand X's main competitors in the premium sector, but still constitute their share of rivalry for a larger audience with an affordable product catalog (image 16). The companies compete mainly in four areas, which comprise their differentiation strategies: *1) price, 2) origin, 3) quality, and 4) health benefits.*

Image 16
removed due to confidentiality
reasons

Image 16: The market positioning of Brand X, and its main competitors

Four brands in the Finnish markets compete in the 'high quality and high price' sector (image 16). These brands are Brand X, Hästens, Jensen and Unikulma. Unikulma is the Finnish bedding expert, and has been active in the markets since 1985. The company is known of its computer measured beds and mattresses. (Unikulma 2017). Hästens was founded in 1852 in Sweden, and has a unique saddler heritage. They are specialized in horsehair mattresses and beds, but also in bed linen and lifestyle accessories. (Hästens

2017). Jensen is the Norwegian spring mattress and bed manufacturer, and was founded in 1947. They are known for their modern, Scandinavian styled beds, and their collection is more affordable of its rivals (Jensen 2017). Brand X is the brand focused on viscoelastic mattresses, pillows and bed systems and has a strong heritage with PARTNER X.

Price. Hästens is the most expensive brand in the prices. Brand X and Unikulma are located in a little bit lower level. They both offer premium price beds but also moderately priced bed and mattress collections. Jensen offers the most affordable bed systems, although they do not match IKEA's price levels.

Origin. The origins of the brands are apparent in the brand image (image 17). Hästens have positioned themselves as the all-natural, horsehair beds. They have a long history, and a prestigious Swedish brand heritage. Hästens is the company that lures the status seekers. Unikulma have positioned themselves as the Finnish manufacturer with domestic production facilities, and their marketing relies on the customized and pressure point measured mattresses and beds. Jensen is the very modern and minimalistic Scandinavian player with the least distinctive feel. They are more conforming in their product features and marketing initiatives.

Image 17
removed due to confidentiality
reasons

Image 17: Brand X, Hästens and Unikulma have positioned their brands according to their origin, which are communicated as the core product benefits

Brand X has its heritage in the space and the NASA. The company has the right to use the official "Certified Space Technology" stamp, issued by NASA, in all its visuals and marketing materials. The company's products are the main element in their marketing mix: viscoelastic, pressure relieving mattresses, beds and pillows. Brand X is the most focused on the health benefits and the sleeping ergonomics. Out of all the competitors, Brand X's brand has the most international feel.

Health benefits. Since the rivals' compete in the same industry, bedding industry, all the brands are focused in providing a better night's sleep to their users. However, the brands do have their own unique selling propositions (USPs), which center around their versatile product features. The health benefits are clearly seen from their brand image (image 17).

Brand X is much concentrated on the pressure relieving, almost space like features. This is visualized in the company's logo: a woman's body is gently conforming to the brand's letters. Hästens is the all-natural, horse hair brand with the blue-checkered fabric tightly woven into the minds of the audience. Unikulma have branded themselves as the Finnish quality brand with beds, that are measured and precisely calculated using computer technology. Jensen don't have a clear product promise, but they could be seen as the safe choice. *"Nothing too risky",* one might say. Very conforming, very Scandinavian.

Quality. Quite naturally, quality is much associated with the price. They are seen as going hand in hand; the pricier, the better in quality. This approach applies in the bedding industry too. The brands that are seen as the 'high quality, high price' solutions are Brand X, Hästens and Unikulma. The companies' extensive quality warranties match their quality promise. For instance, Hästens offers 20 years' warranties for their innersprings, and Brand X offers 15 years' warranties for their mattresses.

3.5   Customer buying journeys of Brand X

Case Company X Finland has adopted a multichannel distribution strategy. The company sells their products mainly through retailers, but also through branded Brand X Brand stores (owned by the subsidiary), and through ecommerce. The biggest retailers in Finland include the nation wide furniture chains Bed dealer 1 and Bed dealer 2 (table 5). In regards of customer support, Brand X have phone lines, emails, live chat and sales people assisting both end consumers and the retailers. The retailers are Brand X's external partners serving Brand X's customers in the physical stores.

Table 5: The dealer categorization of Case Company X Finland

Pillow dealers ('small items' and 1st stage products)	Bed dealers ('big items' and 2nd stage products)
Pillow Dealer 1 (Interior decoration chains)	Bed dealer 1
Pillow Dealer 2 (Department store1)	Bed dealer 2
Pillow Dealer 3 (Department store 2)	Bed dealer 3
Pillow Dealer 4 (Massauges, physiocenters)	Bed dealer 4
eCommerce at fi.Brand X.com	Own Brand X Brand Stores

The distribution channels are categorized according to Brand X's product portfolio. The company have divided their products into smaller items and bigger items. The big items include beds and mattresses and are the 2nd stage products meaning that they are usually purchased after the purchase of the 1st stage product. The 1st stage products include small items such as pillows and other accessories. Following this product categorization, there are pillow dealers and bed dealers. Department stores, physiocenters and interior decoration chains are the pillow retailers. Furniture chains are the bed retailers. Brand X's ecommerce site is mainly focused on pillows and accessories (table 5).

The knowledge within the assigning company is, that first a customer purchases a Brand X pillow, and then after falling in love with the pillow, they return to seek beds and mattresses. The smaller items are referred to as the 1st stage products, and the bigger items as the 2nd stage products (table 5). The returning customers generate the "big bucks". This approach is also the company's customer retention model, and is part of their customer segmentation strategy. There is a close connection between the company's' distribution strategy, customer segmentation and the product segmentation (image 18).

The company aims to acquire *new customers* with their product segmentation and distribution channel strategies. One element in customer satisfaction strategy is, that the products should be available *at a convenient location at a convenient time.* Therefore, eCommerce is an important channel in the distribution strategy, especially in the smaller items. The channel is concentrated on pillows and accessories, in other words the 1st stage products. The online shop offers convenience, and is there for everybody in Finland.

Image 18
removed due to confidentiality
reasons

Image 18: Brand X Finland's customer buying journeys are connected to the dealer selection and the product categorization strategies

3.6 Branded website, ecommerce and online value proposition

The online value proposition of Brand X is to offer the benefits of their products via their transactional eCommerce site to all locations in Finland. The aim is to have an enjoyable shopping experience: offer flexible payment methods, quick deliveries and product support via online chat during the purchase process. The online shop has free home delivery on all items, which significantly reduces barriers on purchasing online.

The online value proposition should aim to convey the same feelings as a customer would experience in the store. This can done by visuals, content (video, imagery) and product information. Of course, Brand X being a tangible product, the actual feeling of lying on a mattress is not something that could be transferred digitally. Therefore, visuals and videos play a significant part in offering the 'distant' feel of Brand X and its benefits.

The company's website is a branded site and focuses on giving information about the company's key products. The product portfolio includes four main categories (1) beds, (2) mattresses, (3) pillows and (4) accessories, with smaller products including travel products, quilts and ergonomic support pillows. The company sells almost all their products online; some beds are not available for online purchases. The ecommerce functions are supported with Klarna's online payments, and the common online payment methods in Finland are present.

The branded site is centrally developed. The company has a digital team developing the websites. The Finnish subsidiary has flexibility to localize and create content, and product catalog is in local management. Campaigns and promotions follow local marketing plans. There is some content in the website talking about the benefits of Brand X and the brand's history, but no content at the moment that would discuss about the health benefits the products offer. Relief to back pain, neck problems and sleeping problems for instance would be important topics to consumers, but currently no content is supporting these topics at the moment. These content pages would be very beneficial for SEM and SEO, and could be used as landing pages.

The branded site is supported with store locator search, which is an important conversion for the company. Store locator searches indicate the interests of purchasing a Brand X product. Newsletter subscriptions and warranty registrations are also key conversions metrics for the company.

3.7 Customer segmentation and customer profiles of Brand X

The customer segmentation categories at Case Company X fall under three elements: profile variables, behavioral variables and psychographic variables. The main segmentation variables of Brand X's customers are the *benefits gained, lifestyle attitudes, and demographic and socio economic variables.*

Table 6: Three main customer segments of Case Company X Finland

1st stage customers = entering the premium bedding industry	2nd stage customers = triggers for purchase	Customers seeking relief to physical discomforts
+30 years old	+45 years old	Suffer from different pain conditions: back, neck
Want to improve the quality of the sleep	Trigger for purchase: new apartment, new job, divorce, investment for health etc.	Haven't found a solution for their discomforts and pains
Good jobs and steady income	Live outskirts of the cities in bigger houses	Have seeked help from a doctor, physiotherapist, osteopathy etc.
Live in big cities	Value sleep as part of their wellbeing	Are willing to invest on their wellbeing
Educated	Educated	Are conscious and well educated on the matter of health and sleep
Health conscious	Brand conscious and lifestyle seekers	Are doing their best to live a clean and healthy life

Brand conscious and lifestyle seekers	Usually in managerial positions and good income levels	Are genuinely "tired" of their pain, and are seeking for solutions

Brand X's customers are health conscious, they value healthy lifestyle and have 'clean' habits. They are educated, live in a relationship, have steady jobs, and they usually work in a managerial position. Their income level is +50.000 € per household, and they see sleeping as an integral part of their overall health and wellbeing. They understand that they are not able to maintain their lifestyle, and keep up their busy schedules without sound sleep. They might be status seekers too, but at least they are brand conscious. They live either in urban cities or bigger apartments outskirts of the cities. They are young adults in their thirties and are investing in their first premium bed. *This group constitutes the first customer group and represents the 1st stage customers.* The second age group is 45+, and are on their second, even third rounds – either in relationships, in bedroom furniture, or in apartments. There is something that triggers them to change and improve their current beds. *They represent the 2nd stage customers* (table 6).

The 1st stage customers are the 'virgins' in the premium bed market. This is their first proper investment in a bed and sleeping ergonomics (may it be a pillow, mattress or a bed). The 2nd stage customers are those who already have (perhaps a good) bed, but something triggers them to renew their beds, and they might be even changing their current bed brand to Brand X. It might be a divorce, relocation for work or a lifestyle change (table 6).

The customers detailed in upper paragraphs are in many cases the lifestyle seekers. But there is a third customer group, equally important to Brand X. They are the customers suffering from different kinds of pain conditions: chronic pain disorders, back problems, neck problems, sleeping problems, and other physical discomforts. They are the ones seeking relief from Brand X, and are a very important customer group, as if pain relief is achieved, they become Brand X's brand advocates. They understand that sleeping ergonomics is one element in helping their body to recover from physical discomforts, and they see that a quality bed is beneficial for their overall health. They have visited doctors, physiotherapists, osteopaths and so on. Their medical advisors might have even hinted on Brand X, or otherwise to improve the quality of their sleep with a good bed, mattress and/or pillow (table 6).

The decision makers in the households are usually women as bedroom furniture play a role in the décor of a bedroom. Men are contributing during the decision making process, and are more interested on the technical parts of the beds: motorized beds and warranty

times. But women are those, who eagerly follow the sleeping topics on the internet and social media.

3.8   Case Company X Finland's SWOT analysis

This chapter analyses the strengths, weaknesses, opportunities and threats of Case Company X Finland. The full image and SWOT analysis can be found in page 46. In the following chapters the four elements in the SWOT analysis are broken down and analyzed thoroughly.

The internal strength is for sure the existing and continuous support of the international parent company for the Finnish subsidiary. The assigning company's (main) revenue streams come from outside of Finland, which gives Case Company X Finland access to up-to-date, centrally developed marketing initiatives and digital technologies. This is clearly seen in their website. The company has very nice feel in their website, well functioning ecommerce site with good shopping methods. There is a live chat in place too. These all indicate that the company's central marketing offers international support, which makes it easier for the Finnish subsidiary to stand out from the crowd in the Finnish bedding industry.

In Finland, the company has a multichannel distribution strategy and very strong retailers, Bed Dealer 1 and Bed Dealer 2 being an example of that. The company's distribution channels are categorized well into bedding and pillow dealers offering the needed variety for customers in their different buying journeys. Their distribution strategy serves the tech-savvy customers with a strong website and an ecommerce presence.

The internal weaknesses derive from the company's strengths. Case Company X Inc. is a multimillion corporation. However, large corporations are not known for their lean approaches. Does Case Company X Finland really get what they need locally in Finland? Or is central marketing copying same elements across multiple countries without really recognizing the needs of the Finnish audience?

Being present when customers want, and where they want, is the most important aspect in multichannel marketing. Are all customer touch points handled? This should be carefully monitored by the management. What about choice of media, marketing communications and offering customers the content they require in their different stages?

The external opportunities are apparent on a macro and micro level in the bedding industry. Sleep is associated with wellbeing, and they are becoming more and more interesting topics for the general public. Globally, the very dull mattress industry is evolving and becoming a dynamic and lucrative marketplace. The overall growth expectations are positive for the industry. People have started to purchase furniture online, and Brand X has had success in their online sales.

The furniture industry in Finland in many cases is dull and very promotion centered. This of course offers possibilities too, since consumers nowadays have the power. They want quality communications, which is tailored to their needs, so bulk messaging is not something the consumers value anymore. This of course means, that at some stage at least, the industry must make alterations to its communications.

The external threats for Brand X come from the retailer sector and from the macro elements, since the economic uncertainty in Finland and Europe is still very much present. The furniture industry in Finland is 'old' – it has not renewed itself and is characterized by its dull marketing efforts, price centered discounts with 'Buy now!' call-to-actions. Ecommerce is still dragging behind in the industry as a whole.

The company is also dependent on the performance of its retailers. The retailer sector has suffered in Finland with disappointing sales figures. How will Brand X address the price sensitivity? They should avoid channel and promotional conflicts, as the risk is that either ecommerce will underperform, or the retailers.

The external threats come from the retailers and the consumers. Retailer sector is very price competitive, meaning that consumers shop around for best prices. Channel cannibalization is a threat. For sure the retailers of Brand X feel cannibalized for Brand X being in the internet with their eCommerce site. Will the multichannel approach of Brand X benefit the company really, or does it destroy some crucial possibilities with the retailers?

The rivals are becoming cleverer in their marketing. Brand X has been the industry pioneer both globally and locally. In Finland, the rivals have improved their marketing and product innovations. Also copycats are present. They are the ones saying: "*You don't need to pay a lot for a quality mattress or a pillow, we offer the same benefits with minimal price!*". The truth of the matter is, that the cheaper products do not offer same health benefits and warranties as Brand X does. Brand X needs to convey this message clearly in their communications.

Tempur Sealy Finland
SWOT analysis

STRENGTHS

- Very competitive organization and the support of the multimillion organization is an asset for the Finnish subsidiary. The employees in the company both globally and locally are engaged to the company and are passionate about the brand.

- Unique products with authentic history. Storytelling and brand heritage add on the premium feel of the brand.

- Tempur is a global brand, and the number one bedding brand in the world. The brand and its logo with a floating woman are instantly recognizable. The NASA heritage and 'born from space' are unique USPs and ESPs.

- Multichannel approach is a strength, and the company has well thought distribution strategies involving strong retailers in Finland.

- Active eCommerce presence is serving customers all over Finland.

- The organization's R&D is innovative and the company is known for its industry breaking products. The future for new innovations remains positive.

WEAKNESSES

- The organization is treating large geographic markets as one (e.g. Europe). This clashes with the country differences. 'One fits all' is not an approach consumers value nowadays, especially in marketing.

- The income of the Finnish subsidiary is heavily dependent on one brand only.

- The organization is a multinational corporation and not that lean.

- The retail sector is very price sensitive, and most of the company's income is derived from selling into retailers.

- Lack of resources locally, especially in marketing.

OPPORTUNITIES

- The dull mattress industry is globally becoming more and more interesting due to celebrity collaborations and the increased interest around health and well-being. Tapping into this trends offers many possibilities locally for the company.

- The industry has positive growth expectations, which might benefit and boost the Finnish market.

- Maybe the furniture industry will renew itself in Finland with the market leaders such as Tempur, Finnlayson etc.?

- Celebrity sponsorships in Finland?

THREATS

- The retail sector is price competitive. This means that consumers are shopping around for a better deal.

- The market in bedding industry is very competitive with strong brands.

- The clash and (and possible failure) of multichannel strategy.

- Does the company truly understand cross-channel customers?

- Economic developments in Europe and Finland

Figure 1. The SWOT analysis of Case Company X Finland.

4   Digital communications plan with a multichannel approach

The following digital communications plan is a set of approaches and activities recommended for the assigning company. The plan highlights the integrated multichannel marketing of creating a connected marketing system in the company's communications channels.

The main conversion for Brand X in the digital are related to traffic. They are *website visits, ecommerce sales, and store locator searches.* All digital channels, and communications in them, should ultimately aim on these conversions. The offline conversion is of getting a customer to *visit the store*, and then *purchasing in the store or online*. Multichannel touch points are at the core in understanding the cross-channel customer journeys.

This said, a content framework with three communications elements is introduced: *informing, inspiring and involving.* It will be referred to as the *3Is of communication.* (MediaCom.Uk 2014). The aim of the framework is to help Brand X to address its customers <u>in their different phases of the purchasing journey</u>. The complex communications world means brands need to understand how different channels work together – not just paid channels – but owned and earned too. This is done by thinking of communications in a wider and connected context. The framework is put into practice with three communications' pillars *reach, educate and, create traffic.*

The basis for good content creation is that it's relevant and timely, and consistent across all channels. This is achieved by recognizing the brand promise of Brand X. The vision is for Brand X to become the world's favorite mattress and pillow brand (Case Company X International 2016). Brand X should aim to create a strong and consistent image. With this brand vision, the ultimate goal is for people to recognize the supreme benefits offered by Brand X as the way to get a best night's sleep. (image 20).

Image 20: Brand X's vision is to become the world's favorite mattress and pillow brand.

When planning and executing communications, the needs of different customer segments should be addressed. There are three customer segments at Brand X Finland: (1) customers who are making their first premium bed purchase, (2) customers who are purchasing a new bed due to triggers in their personal lives, and (3) customers who are seeking for solutions for their pain discomforts. Matching quality content <u>with</u> the most appropriate media channel will make Brand X's communications more engaging, and so drive the best connections for Brand X's customer segments.

4.1 Foundation for the content creation

Content wise, the company's topic's are focused and well examined. Customer's seek from Brand X better sleep and / or pain relief for their back and neck problems, or other pain conditions. They are looking for a better quality for their life; an overall improvement on their health and state of wellbeing. Therefore, important content topics for Brand X are sleep, healthy lifestyle, interior design and sleep ergonomics.

A content framework, which consists of three elements, is presented in this thesis for the purpose of achieving engaging and relevant content across all communications channels for the purpose of achieving multichannel consistency. The three elements are *informing, inspiring and involving*. *Inspire* is content capturing the attention of consumers in the passive stage. The aim is to attract new audiences. *Inform* is content delivering more rational and product oriented information. The aim is to convey product benefits. *Involve* is content delivering deep engagement to a tightly defined audience. The aim is to be involved in the last stages of the purchasing journey (image 21). (MediaCom.Uk2014.)

Image 21: Three communication elements recommended for Case Company X Finland: *inspire, inform and involve*

Essentially, Brand X must recognize their customers in their different phases of the purchasing journey, and offer them tailored communications that matches their needs, as they continue to progress in their journey. Matching content with the most appropriate media channels will make Case Company X's communications more engaging, and drive the *best connections* with their audience. Blending the three elements (inspire, inform, involve) in the company's brand communications, Brand X can fulfill the needs of their potential customers in their different stages.

4.2 Multichannel approach for Brand X's digital communications

There are three common principles in marketing communications: reach, education and traffic. In (1) reach, the objective is to reach as many prospective customers (i.e. target audience) as possible. In (2) education, the objective is to provide information about the brand, product and the product category at the time when consumers need and want it. In (3) traffic, the objective is to provide relevant call to actions to move the consumers from reach and education touch points to action oriented stages of the journey – website, store locator, in store. (image 22).

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Image 22: Three principles in marketing reach, educate and traffic.

If Brand X addresses passive, trigger and active stages of the consumer journey with their communications, they will ultimately connect with the largest potential prospect pool of customers (principle 1 reach). However, this also means that they will convey multiple messages on multiple customer touch points. Therefore, Brand X need to ensure that

– traffic is kept within their channel and communications system (i.e. no dead ends), and

– traffic is kept moving - i.e. providing clear call to actions at every stage to move the consumer further along the purchasing funnels.

The second principle, education, helps consumers in rational decision making. Education can take one of two forms:

(1) category education (e.g. sleep/sleep health): this is connected to the 'inspire' element of communication and should demonstrate the credibility of Brand X.

(2) brand or product education: is about providing relevant information in the right places when consumers are seeking it out. This is connected to the 'inform' element

Much of consumer decision making is combining irrational decision making with some elements of rational behavior. Marketers should create effective in store and online strategies in order to formulate connections between mindset and behavior. (Dhar 2012). This said, rational product benefits can help to reinforce beliefs about a brand, especially when they are based on more emotional, intangible reasons as with Brand X.

The end outcome of the activities taken in the 1st step, reach, and the 2nd step, educate, are seen in the 3rd step, traffic. All activities in digital and offline touch points should aim to generate traffic. For Brand X, the main conversions in digital are ecommerce sales, store locator searches and website visits. The offline conversion is of getting a customer to visit the store, and then purchasing in the store or online. Media channel selection should enable users to engage with the content that allows them to understand more about Brand X products, and to provide compelling reasons to choose the brand. This requires an understanding of where Brand X's target audience are actively seeking to consume information, and choosing the formats which are most credible.

Consumer needs change as they progress through the mattress / pillow / beds purchase journey. At each stage their demand for content will change too. Brand X's content must address consumers' needs throughout their journey. This is achieved with (1) *channel prioritization, (2) improving visibility, (3) communication with the right content, and (4) avoiding individual inputs.*

(1) Channel prioritization is about prioritizing media channel selection in line with the budgets. Channel prioritization is affected by the effectiveness of the chosen media channels and budget sufficiency. Hence, the assigning company should start with the channels that will give the best return on investment (ROI). Channels should only be added if there is sufficiency to make them work effectively. *(2) Improving visibility* is about 'always on' approach and of ensuring distinctiveness in Brand X's brand communications.

(3) Communicating with the right content, at the right time, and in the right place, is essential. Key questions are being Brand X is directing their consumers to relevant content? Also, is the company using data to understand if their communications systems are working properly? Or are there dead ends for the consumers, where they actually do not find what they are looking for? Relevant call to actions enable Brand X to move consumers from reach and education touch points, to the traffic stage (i.e. converting them) to the website, store locator page, purchase or in store.

The focus is to shift to *total (4) communications outcomes* rather than individual inputs. In terms of understanding channel selection, a good starting point is to examine existing sources of traffic generating Brand X's main conversions, for instance store locator usage, physical store visits and ecommerce sales.

4.3   Implications for ecommerce and Search-Engine-Marketing

The 7Ps of the services marketing mix mode recognizes the existence of various channels, digital channels included. The tactical elements of a transactional ecommerce sites usually center around getting the visitors to place an order, and then increasing average order size through promotional cross selling techniques. Actions, that can be supported with tactical dimensions in transactional sites, could include:

–   offsite product search within a search engine (keyword based)
–   onsite product search
–   product page views
–   cart additions / abandons / removals
–   check outs
–   response to up and crosselling
–   promotional codes.

Brand X should always have promotions in place in their ecommerce site which are in line with the national campaigns. The elements of multichannel marketing can only be fulfilled with consistent messaging and promotions. The promotional elements are focused on on the 3rd principle of marketing communications, which is about generating traffic and conversions. Channel conflicts i.e. clashes between online and offline communications are to be avoided. The promotions should be multichannel incentives in nature, so that customer's can choose themselves should they want to purchase online or offline.

Brand X should focus in its Search Engine Marketing strategy on the key words that are either directly <u>or</u> indirectly linked to its products and services. The aim is to connect with as large pool of potential customers as possible. Brand X's main conversions in digital can be categorized as follows:

– Website: website traffic.
– ecommerce (i.e. sales) in core products: pillows, mattresses and beds.
– core services: store locator search.

Cross-channel customers are the reality in the bedding industry. Hence, not all activities can be measured in direct online sales, as customers might first browse many websites both in owned and 3rd party sites, and then walk to the nearest retailer to buy a Brand X product. Therefore, Brand X's goals in digital should be about the *end-outcome,* which is sales – may it be online or offline.

In digital, consumers use high commercial intent keywords before converting. There are three main keyword classes in Brand X's case in which commercial intent can be recognized:

− buy now keywords such as "Buy a Brand X Pillow" (Osta Brand X tyyny)
− product keywords such as "Brand X Original Pillow" (Brand X Original tyyny)
− informational keywords such as "neck pain and pillow" (niskakipu ja tyyny).

Table 7: Keywords for BRAND X suggesting commercial intent towards conversion.

Commercial intent	Keyword examples	Likely to convert	Importance in SEM
Buy now keywords	Buy a Brand X Pillow = Osta Brand X tyyny	Yes	High
Product keywords	Brand X Original Pillow = Brand X Original Tyyny	Yes	High
Informational keywords	Niskakipu ja tyyny = Neck pain and a pillow	Yes	Medium

The importance of these three categories should be taken into account when planning an effective SEM strategy. If a customer is in the early research phase, the search term might be with less commercial intent; for instance, 'neck pain and pillow'. The customers are still researching and are not yet ready to purchase, in other words to convert. When a high commercial intent keyword is typed, the search term might be something like 'buy a Brand X pillow'. When customers seek for information from a Brand X product, they might type 'Brand X original pillow'. The ultimate goal is to support customers throughout their

purchasing journey, in the passive stage too when they have not yet decided on buying a Brand X product (table 7).

4.4 Content creation: social media, blogging and Search-Engine-Optimization

Social media calendars and content calendars center around content topics that fit the business and the industry. Content creation in digital improve the performance levels of the company's communications channels, and for instance, blog posts and content creation for websites, increases the SEO scores.

Brand X's main content topic for blogging, social media and SEO is sleep. Sleep is always important to people since everybody needs sleep. The positive effects of sleep are associated with well-being, relaxation and healthiness. Hence, sleep is a broader concept, and can be associated with *many relevant and interesting subtopics.* These are for instance bedroom interior decoration, sports, healthy lifestyle and so on.

Table 8: Brand X's main topics in digital content marketing and relevant subtopic examples

Main topic	Relevant subtopics (a few examples)
Sleep	Research about sleep Rejuvenating effects of proper sleep Effects of insufficient sleep Relaxation
Healthy lifestyle	Sleep, nutrition and training How to get more energy through sleep?
Interior design	Bedroom designs Trends in interior decoration Tips for bedroom décor
Sleep ergonomics	Choosing the right mattress Choosing the right pillow Effects of poor sleep on one's health
Pain related topics	Back pain Neck pain Sleeping problems

Brand X's content can be categorized into four main categories, and the four main categories can be broken down into relevant subtopics. The four main content topics are: *sleep, healthy lifestyle, interior design, pain related topics and sleep ergonomics* (table 8). Information on these topics should aim to inspire, inform and involve the potential customers in their different stages of the purchasing cycle (table 8).

Table 9: Brand X can divide their keywords into brand keywords, product related keywords and category level keywords

1) Brand keywords	2) Product keywords	3) Category level keywords
Brand X tyyny = Brand X Pillow	Patja = Mattress	Uni = Sleep
Brand X patja = Brand X Mattress	Tyyny = Pillow	Niskakipu = Neck pain
Brand X sänky = Brand X Bed	Sänky = Bed	Selkäkipu = Back pain
Brand X	Peitto = Quilt	Unettomuus = Sleep issues

Google Keyword Tool was used to examine the relevant keywords for Case Company X's digital marketing. The findings are to be used for both SEO and SEM. SEO creates content and landing pages for SEM (while at the same time creating value in organic search), SEM places media spend for the most relevant keywords. The keywords for Brand X Finland can be divided into three main groups: *(1) brand keywords, (2) product related keywords and (3) category level keywords* (table 9).

People tend to compare different mattresses and price points before the purchase. The main questions Brand X should be able to answer is: *"Why should a customer pay more and purchase a Brand X mattress? What are the main benefits that make Brand X so much better than a cheaper mattress?"* To effectively help customers move along in the purchasing journey, Brand X should use clear call-to-actions with no dead ends. The company should always help its customers to move further in their purchasing journey.

4.5   Final recommendations for digital communications with multichannel incentives

Sleep and health is a topic that is booming. Sleep has metamorphosed from a dull topic into a dynamic and prosperous sector. With clever thinking and well planned strategic activities, Brand X has many possibilities to create relevant and interesting content that seeks to fulfil their customer's need. When customers seek new pillows, beds or mattresses, they are looking for a better quality for their life; an overall improvement on their health and state of wellbeing. Therefore, Brand X's content can touch upon broader topics. The content areas are sleep, healthy lifestyle, interior design and sleep ergonomics.

There are some words of warning. The company should avoid on falling to the mumbo-jumbo category in their communications. Some companies in the bedding industry share information that is not relevant, nor justified. Equally important is to avoid too heavy commercialism in the marketing incentives (as the furniture industry notoriously in Finland has done). Naturally, sales efforts are important for ROI and for the KPIs to perform well. However, the focus should be kept on the passive stage customer's as well, who are not yet ready to be picked. They need reassuring communications, and demand tailored content!

It is recommended to segment the customers, who are at the end of the purchase funnel and have clear intentions for buying, from the ones, who are still in the examine-phase. When customer are in the research-phase, Brand X should highlight the benefits of their products and educate consumers with informing content about sleep and wellbeing. Only after this, Brand X can subtly notify them where the products can be purchased. The framework of 3Is should be kept in mind. Content should be informing, involving and inspiring so that it helps customers to move further in their buying journey!

Some customer segments are purchasing their first quality bed, and are the 'virgins' in the premium bedding sector. Some customer segments are in their second, or third rounds of purchasing a new bed. There is also an important segment seeking relief from Brand X to different pain conditions. The basis for customer segmentation is the following: offer communications that is educating for the ones who are still researching and finding information on different beds and brands, and offer inspiring and informing content to those who are ready to be picked.

The company's differentiation strategies are: 1) price, 2) origin, 3) quality, and 4) health benefits. These differentiation elements need to be present in all touch points. Highlighting the health benefits, justifying the premium price points and associating them with the superior quality, continuing to story tell the company's history and heritage with NASA – these should all be key topics in the company's communications plans. Equally important is to differentiate the company's products from the cheaper and copied products.

The basis for all communications is the framework of 3Is. It was taken to this thesis to highlight the importance of communications that inspires, informs and involves. The principles help the prospects to move along in the buying process. All activities at Brand X should aim to create conversions: sales, brochure downloads, store visits or website visits. *Reach, educate and traffic* are the principles that help to understand the nature of

marketing. There should not be dead ends, only relevant and consistent call-to-actions that generate traffic (i.e. conversions). Consumer needs change as they progress through the mattress / pillow / beds purchase journey. At each stage their demand for content will change too. Brand X's content must address consumers' needs throughout their journey. This is achieved with (1) *channel prioritization, (2) improving visibility, (3) communication with the right content, and (4) avoiding individual inputs.*

(1) Channel prioritization is about prioritizing media channel selection in line with the budgets. Channels should only be added if there is sufficiency to make them work effectively. *(2) Improving visibility* is about 'always on' approach and of ensuring distinctiveness in Brand X's brand communications. *(3) Communicating with the right content*, at the right time, and in the right place, is essential. Relevant call to actions enable Brand X to move consumers from reach and education touch points, to the traffic stage (i.e. converting them) to the website, store locator page, purchase or in store. The focus is to shift to *total (4) communications outcomes* rather than individual inputs.

5   Final evaluation

The main activities in planning the assigning company's digital marketing, and which were covered in this thesis, were:

– Relevant marketing communications with the right content choices and communications channels
– Multichannel marketing with a strategic approach
– Effective and efficient management and execution of marketing communications.

These elements were studied in the theoretic parts and examined for realistic execution that acknowledges the available resources. The final project outcome, thel marketing communications playbook, was formed for the assigning to effectively and efficiently manage digital communications internally with the help of external partners.

5.1   Product feedback

The author handed the playbook to the assigning company's management to review and to discuss about the project outcome. The assigning company was very happy with the project outcome. They wanted recommendations for their digital marketing communications for the year 2017, which were present in this paper. The end outcome, communications playbook, received appraisal from the management. The company appreciated the practical approach the handbook gave to day-to-day activities.

The author herself was very happy with her own learning and the end outcome. The workbook has value to the author's work tasks, and it serves as a tool book for for executing the daily marketing activities in the year 2017. The management did say, that they would have wanted more suggestions on the visual elements, and on the content topics. Otherwise, there were no words for improvements.

5.2   Risks

The most concrete risk is, that this execution plan is not put into practice. Marketing strategy *implementation* is an essential task in all companies. If there is no implementation, there is nothing to achieve nor to monitor. It should be recognized that digital marketing and communications change quickly. What we learn today, might change tomorrow. Hence, marketing communication in the digital context is about continuous activities, not about individual media inputs. This said, marketing requires continuous execution, monitoring and planning. Of course, multichannel management is at the very core a bit risky. There are tradeoffs, and channel cannibalization is always present.

There is a limited workforce in the company, which means that some elements in this plan might be either postponed, or neglected entirely. Also, content creation is hard for many companies. However, it is an essential activity as almost all elements in this marketing communications plan are centered around content creation. Many know that content is the king, as repeated many times by marketing professionals. Still, it is seen as one of the most challenging tasks in the world of digital communications.

5.3   Project and product evaluation

Project management is of course important in a large project like this, and the author did feel she tackled the project well, taken into account her employment at the same time. Digital marketing is a personal passion of the author, and the author hopes that it's conveyed in this project. Much work and thought was put into this thesis. The author was very happy with the way this project was executed although her schedule was very tight. The author got much support from the assigning company, and was able to use her own knowledge from the bedding industry and digital marketing.

The playbook combined many theorems, and is the evident outcome of the author's own learning. The formation of the handbook was the most time consuming task. Finding a correct approach for executing digital marketing activities with a multichannel approach was a challenging task, and required much research. The 3I framework was a game changer as the handbook is build upon on that approach. The author was able to put much of her previous work experience from digital marketing in the handbook, which is clearly shown in the reach, education and traffic approach.

5.4   Reflections on learning and self-evaluation

A thesis topic centering around digital marketing was clear from the beginning when starting this project. It is a personal passion of the author, and the author had previous work experience from the field. The goal was to gain even more knowledge on digital marketing in order to increase the level professionalism for future career developments. This was achieved, as many books were read and much research was conducted. During the project, the author learned much about project management too.

In this project, the author learned about strategic marketing in relation to multichannel marketing. In the end, this was the most compelling topic. It is about seeing all touch points and making them work together, not about individual channels and media inputs. Combining marketing strategy with multichannel marketing was relevant for this thesis, but

also a demanding task. All efforts were worth it, however, as the author was very happy with the project outcome, and so was the assigning company.

The study of different sources, especially books and articles, gave much additional knowledge to the author. The author learned new theorems, and most importantly critical assessment of her own work, especially when she received feedback from the assigning company. The project helped to question the author's previous knowledge on the field of digital marketing and communications, and increase the level of knowledge via critical thinking. Most importantly, the author understood that digital marketing is an integrated element of a company's overall marketing strategy, not a separate element. It was the notion about multichannel marketing that stuck the most: creating and integrated communications system that works seamlessly across different channels.

It is evident, that companies are still learning in digital marketing. Even still, digital marketing transforms and shapes many industries. This leads to the assumption that the digital communications requires constant study and learning. That is the final note to which the author wants to conclude this thesis: to continue learning about digital marketing and keeping her knowledge up-to-date.

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Appendix 1. Case Company X Suomi Oy, Digitaalisen markkinointiviestinnän ja mediasuunnittelun työkirja vuodelle 2017

YRITYS X SUOMI

Digitaalisen Markkinointiviestinnän & Mediasuunnittelun Työkirja

Sisäinen Työkirja Vuodelle 2017

ALKUSANAT JA TYÖKIRJAN TARKOITUS

- - - - X

Tämän työkirjan tarkoituksena on toimia strategisena työkaluna Yritys X:n vuoden 2017 digitaalisessa markkinointiviestinnässä ja mediavalinnoissa erityisenä fokuksenaan yhtiön brändisalkun TX-brändin patjat, tyynyt ja vuoteet. Tämä työkirja on sisäinen työkalu, mutta sen saa jakaa luottamuksellisesti myös lähimmille yhteistyökumppaneille, joiden kanssa toteutetaan Yritys X:n markkinointiviestintää. Tässä työkirjassa keskitytään integroituun markkinointiviestintään, joka pohjautuu monikanavaiseen strategiseen suunnitteluun. TX-brändi hyödyntää jakelussaan jälleenmyyjiä ja verkkokauppaa, ja siksi asiakkuuskokemuksen tulee olla yhtenäistä kautta linjan.

Tässä työkirjassa esitellään digitaalisen viestinnän toteuttamiseksi 3. kommunikaatiopilarin viitekehys: 1. Tavoita, 2. Valista ja 3. Luo liikennettä.
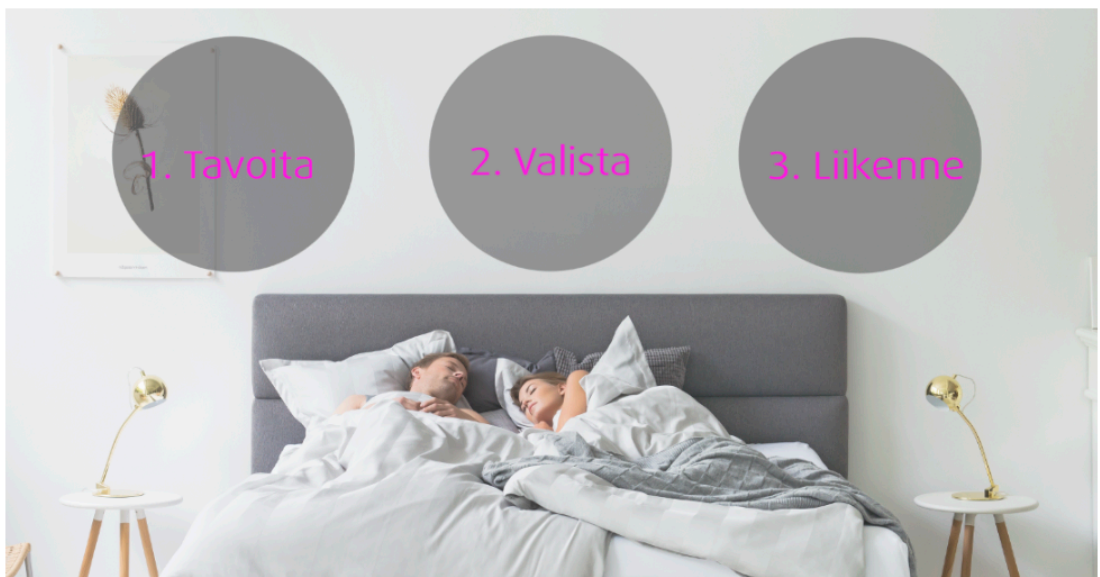
Yritys X:n brändistrategia & 3. kommunikaatiopilarin viitekehys

Yritys X:n jakelukanavat ovat monikanavaiset verkkokaupan, fyysisten jälleenmyyjien sekä omien myymälöiden kautta. Brändin markkinointi tapahtuu sekä perinteisessä mediassa että digitaalisessa mediassa. Tämä työkirja keskittyy luomaan integroidun näkökulman digitaalisen markkinoinnin ja kommunikaation tehostamiseksi sekä toteuttamiseksi kustannustehokkaasti ja kannattavasti. Tavoitteena on luoda mahdollisimman yhtenäinen asiakaskokemus niin digitaalisissa kanavoissa kuin fyysisissä jakelupisteissä. Yritys X:n sisällöntuotannon ja brändistrategian lähtökohdaksi digitaalisessa ympäristössä suositellaan 3 kommunikaatiopilarin viitekehystä:

1. **Tavoita:** tavoitteena on saavuttaa mahdollisimman suuri asiakaskunta, joka tunnistetaan nimen omaan X-brändin kohdeyleisöksi.

2. **Valista:** tarkoituksena on tarjota ajankohtaista informaatiota X-brändistä sekä sen tuotteista ja tuotekategorioista (ts. uni, terveys, hyvinvointi) silloin kun asiakkaat sitä tarvitsevat. Informaatio tulee jaella kaikissa markkinointikanavissa samanlaisena. Lähtökohtana on toistuvuus ja säännönmukaisuus.

3. **Luo liikennettä:** periaatteena on ohjata liikennettä määrätietoisesti eteenpäin kaikissa kommunikaatiokanavissa, ja siirtää heitä tavoita-vaiheesta (nro 1) ja valista-vaiheesta (nro 2) viimeiseen eli 3.vaiheeseen (ts. liikenteeksi ja konversioiksi verkkosivuille, jälleenmyyjähakuun, esitelatauksiin).

> **"**
>
> Brändi X:n ensisijaisena tarkoituksena on vahvistaa asiantuntija-asemaansa valistavan sisällön avulla, ja tarjota asiakkaille heidän tarpeensa mukaista sisältöä ostosyklien eri vaiheissa.
>
> **"**

SISÄLTÖ KOSKETTAA HYVINVOINTIA KOKONAISUUTENA

- - - - X

Brändi X:n sisällöllä halutaan koskettaa ihmisten kokonaisvaltaista hyvinvointia. Näin saavutetaan potentiaalisia asiakkaita heidän elämänsä eri osa-alueilla sekä eri ostovaiheissa.

Visuaaliset ja tunteita herättävät elementit ovat osa Brändi X:n digitaalista markkinointiviestintää.

SISÄLLÖN VAIKUTUS SUUNNITTELUUN

- - - - X

Mikä on sisällön rooli digitaalisessa viestinnässä ja markkinoinnissa?

Sisältö toimii ikään kuin polttoaineena digitaalisessa viestinnässä.

Asiakkaiden tarpeet muuttuvat ostosyklin eri vaiheissa ja tämä pätee myös Brändi X:n asiakkaisiin. Asiakkaat siirtyvät passiivisesta harkinta-vaiheesta aktiivisiksi ostajiksi, joiden välillä eri triggerpisteet vaikuttavat ostopäätökseen. Viisaalla, ajan tasaisella viestinnällä ja markkinoinnilla, Brändi X voi vahvistaa asemaansa ensimmäisenä vaihtoehtona asiakkaiden mielissä sekä parhaassa tapauksessa jopa sivuuttaa kilpailijat.

Digitaalisessa viestinnässä on tärkeää, että sisältö vastaa asiakkaiden tarpeita koko ostosyklin ajan. Asiakkaan tarpeita vastaava sisältö tulee jaella oikeilla jakelukanava- ja mediavalinnoilla. Nämä yhdessä tekevät viestinnästä sitouttavampaa ja luovat **PARHAITA YHTEYKSIÄ** kuulijakuntaan integroidussa markkinointiviestinnän kommunikaatioketjussa.

Alalla on yleisesti paljon tyhjänpäiväistä viestintää ja tätä tulisi välttää. Asiakkaiden ostointentiot tulee ottaa huomioon heidän ollessaan ostosyklin eri vaiheissa. *Toisin sanoen passiivisia asiakkaita inspiroidaan, harkintavaiheen asiakkaita informoidaan ja aktiivivaiheen asiakkaita osallistetaan.*

Kuinka sisältö suunnitellaan ja jaellaan tehokkaasti?

- **Kanavapriorisointi:** tämä toteutetaan ottamalla huomioon olemassa olevat markkinointibudjetit ja resurssit. Mediavalinnat allokoidaan budjettia ja resursseja vastaaviksi realistisiksi suunnittelmiksi.
- **Näkyvyyden kasvattaminen:** tämä toteutetaan "aina päällä" -periaatteella eli kommunikaation keskiössä on toistuvuus ja säännöllisyys. Lisäksi kommunikoinnissa tähdätään ensiluokkaiseen laatuun erottamalla Brändi X kilpailijoista sen mukaisella markkinointiviestinnällä.
- **Asiayhteys etusijalla:** asiakkaille kommunikoidaan oikealla sisällöllä, oikeaan aikaan, oikeassa paikassa.
- **Markkinointiviestinnän kokonaisuuksien rakentaminen:** tämä toteutetaan siirtämällä fokus pois yksittäisistä toimenpiteistä ja toteuttamalla viestintää kokonaisvaltaisesti rakentaen kattavia viestintäkokonaisuuksia.

Sisällön tulisi olla inspiroivaa, valistavaa sekä osallistavaa. Tähän viitataan työkirjassa 3I:n viitekehyksenä. Viitekehys perustuu englanninkielisiin elementteihin *Inspire, Inform, Involve.*

Inspire (inspiroi)
Inform (informoi)
Involve (osallista)

KOMMUNIKAATIOPILARIN PERIAATE #1: TAVOITA

- - - - X

1. Toimintaperiaate

Tavoita-vaiheessa fyysisten jakelukanavien tulee olla helposti löydettävissä (toisin sanoen mahdollisuus päästä kokeilemaan Yritys X:n tuotteita käsin vaivattomasti). Mentaalisella puolella viitataan X-brändin kykyyn jäädä muistiin ja mieleen, toisin sanoen tulee rakentaa positiivisia mielleyhtymiä X-brändiin ja sen tuotteisiin.

2. Teoria

Yritys X:n tutkimustiedon mukaan uuden patjan hankkivien asiakkaiden ostosykli on normaalisti 8 - 10 vuoden välein. Mikäli markkinointiviestinnässä kohdennetaan sisältöä ainoastaan aktiivisessa ostovaiheessa oleviin asiakkaisiin, rajoitetaan mahdollisuuksia luoda pitkäikäisiä kontakteja suurempaan asiakaskuntaan, joka lopulta päätyy aktiiviseksi ostajakunnaksi. Kun keskitytään laajempaan asiakaskuntaan - toisin sanoen niihin, jotka ovat vielä passiivisessa vaiheessa - voidaan rakentaa pitkäikäisiä mielleyhtymiä ja sijoittaa X-brändi asiakkaiden mielissä ensimmäiseksi vaihtoehdoksi, kun he lopulta siirtyvät aktiiviisen hankintavaiheeseen.

Koska ostosykli on Yritys X:n tuotekategoriassa alhainen, on uusien asiakkaiden tavoittaminen arvokkaampaa kuin olemassa olevien asiakkaiden (jotka eivät todennäköisesti tee uutta ostopäätöstä seuraavan 10 vuoden aikana).

Tyhjänpäiväisen viestinnän välttäminen

Vaikka ensimmäisessä kommunikaatiopilarissa (tavoita-vaihe) haetaan mahdollisimman suurta kuulijakuntaa, on mainonnan kohdistaminen oikealla sisällöllä ensisijalla, etenkin kun otetaan huomioon X-tuotteiden korkeampi hintataso, joka rajoittaa erityisesti hintatietoisia asiakkaita. Siksi tulisi keskittyä triggeröintivaiheen asiakaskuntaan, joka on "kypsä poimittavaksi" ja siirtyy pian harkintavaiheesta aktiiviseen osta-vaiheeseen eli päätösvaiheeseen. Tämä tapahtuu pääsääntöisesti inspiroivalla sisällöllä.

"

Ei tulisi keskittyä tyhjänpäiväiseen viestintään. Asiakkaan ostointentiot on aina otettava huomioon. Toisin sanoen passiivisia asiakkaita inspiroidaan, harkintavaiheen asiakkaita informoidaan ja aktiivivaiheen asiakkaita osallistetaan.

"

3. Tavoita-vaiheen mediavalinnat

Tavoita-vaiheen mediasuunnittelussa tulisi valita sellaiset digitaaliset kanavat, jotka tarjoavat mahdollisimman suuren asiakaskunnan. Kohdentamisessa tulisi keskittyä yleisöön, joka tuottaa eniten arvoa X-brändille. Yhtenä kohdentamisen lähtökohtana voidaan pitää kohdeyleisön tulo- sekä koulutustasoa: käytettävissä olevien tulojen tulee olla oikeassa suhteessa X-tuotteiden hintatasoon, ja usein tämä viittaa korkeampaan koulutusasteeseen. Lisäksi kohdeyleisön tulisi olla mielentilaltaan avoimia X-tuotteiden tarjoamille hyödyille. He ovat kiinnostuneita kokonaisvaltaisesti hyvinvoinnista sekä arvostavat terveitä elämäntapoja.

Harkintavaiheen asiakkaita tulisi pyrkiä tavoittamaan systemaattisesti. Tämä voidaan toteuttaa tuottamalla sisältöä oikeissa konteksteissa, joka koskettaa juuri sillä hetkellä asiakkaiden tarpeita. X-brändin tulisi keskittyä triggeripisteisiin, joissa asiakaskunnan elämäntilanne antaa myöten kalliimmalle patja- tai vuodehankinnalle. Heidän asenteensa tulisi olla 'nyt on oikea aika investoida uuteen, laadukkaaseen patjaan/vuoteeseen'. Yksi mahdollinen triggeripiste voi olla kipeytynyt selkä tai muuten huonokuntoinen selkä.

Monikanavaisuus mediavalintojen lähtökohtana
X-brändin kohdeyleisö kuluttaa sisältöä useilla näyttöpäätteillä: TV:ssä, tietokoneessa, puhelimessa sekä tableteissa. Tulisi puntaroida seuraavia vaihtoehtoja, joiden avulla voidaan saavuttaa suurehko peitto:
- digitaalinen TV on nykyään hyväksi havaittu mediavalinta perinteisen ja kalliin TV-mainonnan tilalle (Suomessa Ruutu ja Katsomo ovat etenkin suosittuja)
- maksettu mainonta hakukoneissa (etenkin Google ja Bing) on itseisedelletys ja matalan hintatason menetelmä, jonka tulisi olla aina päällä.

Viestiminen oikealla sisällöllä

Visuaalisuus ja luova sisältö ovat avainasemassa emotionaalisten mielleyhtymien luomisessa. Tämän vuoksi sisällön tulisi kommunikaatiopilarin ensimmäisessä tavoita-vaiheessa perustua **inspiroimiseen.**

- - - - X

Suositeltavat mediavalinnat Tavoita-vaiheeseen

Välttämättömät: Digi TV -videot, maksettu mainonta hakukoneissa (geneeriset hakutermit).

Suositeltavat: maksettu sosiaalinen media, sponsorointisopimukset.

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Sisällön tulisi Tavoita-vaiheessa perustua inspiroimiseen visuaalisella, tunteita herättävällä materiaalilla: videot, kuvat, tekstit ovat visuaalisuuden keskiössä.

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KOMMUNIKAATIOPILARIN PERIAATE #2: VALISTA
- - - - X

1. Toimintaperiaate

Valista-vaiheessa haetaan mahdollisimman suurta asiakaskuntaa, joka tunnistetaan nimenomaan X-brändin kohdeyleisöksi. Asiakkaat voivat olla sekä passiivisessa että aktiivisessa osta-vaiheessa. Kun asiakkaat siirtyvät passiivisesta vaiheesta aktiiviseen osta-vaiheeseen, alkavat he arvioida saatavilla olevia tuotteita ja brändejä.

2. Teoria

Valista-vaiheessa tulisi pyrkiä viestimään Brändi X:n hyödyt järkeistäen. Sisällön tulee olla informoivaa ja vedota tunteisiin oikeissa konteksteissa ja oikeaan aikaan. Valista-vaihe antaa perustan järkevälle päätöksenteolle, joka toteutetaan
(1) kategoriatason viestinnällä: uni, hyvinvointi, terveys
(2) tuotekohtaisella viestinnällä: Brändi X -tuotteiden hyöty ja edut muihin tuotteisiin verrattuna.

3. Valista-vaiheen mediavalinnat

Valista-vaiheen mediavalinnoissa tulee ymmärtää, mistä kanavista asiakkaat etsivät tietoa ja milloin. Relevantin sisällön kohdentaminen heille, jotka sitä aktiivisesti etsivät, on suunnittelun ytimessä valista-vaiheessa.

Retargetointi digitaalisessa markkinoinnissa on tärkeää tavoita-vaiheessa. Myös maksettu hakusanamainonta etenkin niissä hakutermeissä, jotka viittaavat kategoriatason (uni, terveys, hyvinvointi) sekä tuotetason hakuihin on suositeltavaa.

Lähtökohtana kommunikointi oikealla sisällöllä

Valistava (inform) ja osallistava (involve) sisältö kuuluu valista-vaiheeseen. Sisällön tulee vastata asiakkaan tarpeita ja se tulee viestiä järkeistäen ja perustellen. Tuotehyötyjen korostaminen on tärkeää. Lisäksi tulee viestiä Brändi X:n tarjoamista ensiluokkaisista hyödyistä verrattuna kilpailijoihin.

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Relevantin sisällön kohdentaminen heille, jotka sitä aktiivisesti etsivät, on tärkeää valista-vaiheessa

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Valista-vaiheen mediavalinnat

Välttämättömät: retargetointi digitaalisissa kanavissa, maksettu hakusanamainonta.

Suositeltavat: sosiaalinen mainonta, ostetut julkaisualustat digitaalisessa mediassa (natiivimainonta), blogituotanto, yhteistyö- ja sponsorisopimukset.

KOMMUNIKAATIOPILARI #3: LUO LIIKENNETTÄ

- - - - X

1. Toimintaperiaate

Asiakkaiden ohjaaminen jatkuvasti eteenpäin kohti ostopäätöstä on integroidun markkinointiviestinnän perustavoite. Suurin mahdollinen kuulijakunta saadaan tavoittelemalla passiivisen, harkintavaiheen ja aktiivivaiheen asiakkaita. Tämä tarkoittaa sitä, että Yritys X kommunikoi useita viestejä, useilla alustoilla, suurelle yleisölle, samanaikaisesti.

On tärkeää, että liikennettä ohjataan koko ajan eteenpäin, ja että se pysyy Yritys X:n kommunikaatiosysteemissä (umpikujia on vältettävä!). Asiakkaita tulee ohjata eteenpäin selkein viestein.

2. Teoria

Liikenteen luomisen teorian perustana ovat seuraavat kysymykset:

1. Minne liikenne ohjataan? Minne haluat ohjata ihmiset, mitä haluat heidän näkevän tai kokevan, ja mitä haluat heidän tekevän sen jälkeen?

2. Umpikujien välttäminen. Huolehdi, että ihmiset pääsevät kulkemaan eteenpäin viestintäketjussa!

3. Vahvoja kohtaamisia. Mitkä triggerit ohjaavat liikennettä eteenpäin? Mikä tekee siirtymisen eri kanavista toisiin yksinkertaista ja helppoa asiakkaille? Miten voit nopeuttaa, helpottaa ja palkita asiakkaita, kun he siirtyvät eri kohtaamispisteistä toisiin?

Viestiminen oikealla sisällöllä

Liikennettä luovassa vaiheessa ohjaavat toimenpiteet ovat keskiössä. Asiakkaita tulisi aktiivisesti ohjata kohti Yritys X:n asettamia määränpäitä. Umpikujia tulisi välttää. Selkeät Call to Actionit ja hyötyjen korostaminen on tärkeää. Siksi tulisi pyrkiä inspiroimaan ja osallistamaan asiakkaita (sisällön luomisen periaatteet inspire ja inform).

3. Luo liikennettä -vaiheen mediavalinnat

Liikenteen luomisessa tehokkaita mediavalintoja ovat ne, jotka tarjoavat mahdollisimman suuren peiton (esimerkiksi iltapäivälehtisivustot) . Medioitakin tärkeämpää on kuitenkin miettiä, minne liikenne ohjataan, jotta vältetään umpikujat! Siksi Yritys X:n omien julkaisualustojen laskeutumissivujen tulee olla kunnossa. Näitä ovat yrityksen omistamat sosiaaliset kanavat, verkkosivustot ja sisällöntuotantoalustat.

Näin ollen erityisesti SEO-tuotanto on tärkeää. Laskeutumissivut tulee suunnitella vastaamaan asiakkaiden yleisimpiä hakutermejä.

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Luo liikennettä -vaiheen mediavalinnat

Välttämättömät: Maksettu hakusanamainonta (geneeriset ja brändihakutermit), SEO-tuotanto, laskeutumissivut
Suositeltavat: Maksettu sosiaalinen mainonta, display-mainonta