

## **Increasing Nono's website traffic and online sales with social media marketing**

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<p>This bachelor's thesis will study social media marketing for a small business, the commissioning party Nono. Founded in 2003 and owned by entrepreneur Mari Riihikoski, Nono is a brand of handmade handbags and other small items. The Nono store has been a part of Stable Yards in Tampere for ten years and makes most of its income with sales there during summer and Christmas.</p> <p>The focus of the thesis will be on Facebook advertisement and the launch of an Instagram account, with background research of traditional and social media marketing planning. The main objectives of this thesis are to increase the traffic on Nono's website and increase sales on the online shop. Because the company has literally no marketing budget, the most sensible way of marketing would be through social media channels, as they are cheap or even free.</p> <p>Facebook advertisement that guides consumers to the website of the company is quite cheap and the simple process of its creation is described in detail. The wish of the commissioning party was a clarification of Facebook contest rules, which do not allow contests that involve Facebook or its functions. The launch of an Instagram account was a very concrete act that was done to help Nono's social media marketing.</p> <p>Although an evaluation of how well the objectives were met is hard to determine before the campaigns recommended in this thesis have been completed, the launch of an Instagram account has already been a success for the commissioning party. As the Facebook contest rules were clarified, the recommendation is also to host any marketing campaign contest on, e.g. Instagram. An example of this type of campaign is given in this thesis.</p>	
<p><b>Keywords</b> social media, marketing, online shop, Facebook, Instagram, handbags, small business</p>	

# Table of contents

1	Introduction.....	1
1.1	Purpose.....	1
1.2	Objectives.....	1
1.3	Problem identification and research questions .....	2
1.4	Limitations .....	2
2	Introduction of the case company.....	3
2.1	Commission background .....	3
2.2	Company introduction .....	3
2.2.1	Nono .....	3
2.2.2	Stable Yards.....	4
3	Social media marketing planning .....	5
3.1	Social media marketing plan .....	5
3.2	Social media marketing planning.....	8
3.3	Marketing mix.....	10
3.4	Segmentation.....	12
3.4.1	Social media market segmentation .....	14
4	Facebook.....	17
4.1	Background.....	17
4.2	Advertisement creation .....	18
4.3	Campaigns and offers .....	23
5	Instagram.....	25
5.1	Launch .....	26
5.2	Active use of Instagram.....	28
5.3	Photo contest.....	30
6	Discussion .....	31
7	Evaluation .....	34
	Bibliography.....	36

# **1 Introduction**

This thesis will give an in depth study of marketing on the internet, specifically through social media channels Facebook and Instagram and how that will affect the overall and online sales of the company.

## **1.1 Purpose**

As Facebook celebrated its tenth birthday this year it is quite hard to imagine the world without any type of social media. This makes it very important to start doing more research about it and the use of social media as a marketing tool. A large number of companies are utilizing the cheap and efficient way of marketing their company and products or services online. This is why it is crucial to find the maximum potential that social media can be used to market businesses. It is difficult because of the rapid pace that this branch evolves and how hard it is to stand out in the online world.

One of the purposes of a marketing thesis can be to find and study different marketing theories that can be applied for companies and their products or services. This bachelor's thesis will focus on social media marketing and two social media channels; Facebook and Instagram. Good thesis work will give the company or a commissioning party ideas and concepts that they can apply in real life to their businesses. The suggestions should be well thought through and easy to understand, edit and implement.

## **1.2 Objectives**

As the commissioning party, Nono, already has a relatively good amount of people visiting their shop at the Stable Yards, the main objective is to increase the amount of visitors to the website and online shop. Through this the second objective, increasing income for off-season quarters, will hopefully be met. In this bachelor's thesis the focus for achieving these goals in the future is to develop the social media marketing and the use of social media channels. For a small business like Nono it is a better choice to use inexpensive or cost-free media as effectively as possible to create awareness. In this case the Facebook page is already quite strong with over 1000 likes but what needs to

be done still is to incorporate Instagram account to lure in new and younger customers and get the new and existing customers to go from Facebook to the website.

Through social media marketing activities the aim is to create and increase awareness online and get as many people as possible to visit the website. With directed campaigns and discounts also the amount of orders from the online shop will hopefully increase. As marketing will be focused on social media marketing because of the lower cost compared to traditional media it will most likely benefit Nono's net sales.

Final objective is to find substantial answers to research questions presented in the next subchapter and present the findings in the discussion chapter 6.

### **1.3 Problem identification and research questions**

The problems that started this project, small off-season income and almost non-existent online sales, are the main problems that this thesis work will try to solve through social media marketing. Other problems that the commissioning party asked to resolve were the launch of an Instagram account and help with the complex promotional rules of Facebook.

Research questions are based on the purpose and objectives mentioned in subchapters 1.1 and 1.2 as well as the problem identification.

1. What traditional marketing planning tools to use when planning social media marketing?
2. How to use the chosen social media channels to their full potential?

### **1.4 Limitations**

This thesis will not study any traditional media marketing channels such as television, radio or newspaper. From the social media sites this thesis will only look at Facebook and Instagram and, therefore, for example Twitter, Pinterest and others alike will be excluded from this study.

## **2 Introduction of the case company**

### **2.1 Commission background**

The idea for this thesis started developing in the summer of 2011 the owner of Nono mentioned that the sales in the online shop are almost non-existent and sales at the store were low during fall and spring. The actual thesis planning process started a little over a year after that during the fall of 2012 and spring 2013. With more discussion and help from school the first topic was to either create a whole marketing plan for Nono or focus on internet marketing and the website instead of the actual store. By the time of spring 2014 it was clear that the topic would concentrate on online marketing and it was decided to focus it even more on social media marketing as that would be the main marketing channel in real life.

Stable Yards has commissioned a customer satisfaction thesis work which was published September 2012 by Hanna Saartila. It was a successful project and quite beneficial for Stable Yards and all the entrepreneurs working there. The concrete help that the implementation of a thesis research can give to a company gave the owner of Nono the idea of commissioning this bachelor's thesis.

### **2.2 Company introduction**

#### **2.2.1 Nono**

Nono is a legal name company founded in 2003 at Tampere, Finland. In 2004 it originally became a general partnership between the owners Mari Riihikoski and Satu Holappa. In 2008 Nono changed to a legal name as Satu Holappa left the company. Nono is since then been own only by Mari Riihikoski. (Riihikoski 2011)

The main product of Nono is handmade handbags but other small decorative items are an equally big part of the company's selection. In Nono's shop at the Stable Yards in Tampere there are also other small souvenir items for sale from other entrepreneurs, mainly Taikaviitta owned by Tarja Heikkilä-Nurmi. (Riihikoski 2011)

Net revenue in 2011 was approximately 24 000 Euros but has increased to around 36 000 Euros by the year 2013 (Riihikoski 2013). The focus in the future will be to increase sales during the slower quarters; spring and fall. Summer and Christmas time are important for Stable Yards and, therefore, to Nono. There are much more tourists during these times and locals are more likely to visit during beautiful summer day or before Christmas.

Nono is, and has been for ten years, part of the Stable Yards. The solid customer base that the Stable Yards have brings many tourists as well as locals to the store. Co-operation with other entrepreneurs with similar handmade products has enabled Nono to have a shop at the Stable Yards for as long as it has. In addition, there has already been one local co-operation Christmas pop-up store in 2013. But as a long term goal an own store or even multiple stores would be ideal. However, this requires bigger customer base and huge brand awareness in the target segments. (Riihikoski 2011)

### **2.2.2 Stable Yards**

Stable Yards, located in Tampere, were originally the Stables for Finlayson's cotton factory owner Wilhelm von Nottbeck's horses. Building of the Stable Yards started 1839 and finished the same year that von Nottbeck died, 1890. (Tallipiha 2013)

In addition to the Stable, Stable Yards consists of few houses for the staff that took care of the von Nottbeck's horses. There are carriage shed, stable master's house, stable man's house, watchman's house, and driver's house. The whole area reflects the late 19th century architecture style with decorative wood carvings in the facades, bright colored houses, and cobblestone-paved yard. (Tallipiha 2013)

Stable Yards is open year-round and always free of charge. There is a café, chocolate shop, and many Finnish handcraft shops. Nono is one of these and the shop is located at the watchman's house. Nono's products match the scenery and atmosphere of Stable Yards perfectly and that is main reason for why it has stayed there for ten years. (Tallipiha 2013)

### **3 Social media marketing planning**

The traditional explanation of the word marketing is “the activity of presenting, advertising and selling a company’s products in the best possible way” (Oxford Dictionaries 2006, 292). Today many would argue that the best possible way, or at least the cheapest, is to advertise in social media. Strategic planning for marketing is a process of identifying objectives, how to accomplish them with specific strategies, implementing the actions that make the plan come to life and measuring how well the plan worked and if the objectives were met. (Tuten & Solomon 2013, 29)

#### **3.1 Social media marketing plan**

A marketing plan is a written plan that many companies and organizations create to organize their marketing activities. The plan should help the company to accomplish their objectives by detailing into the plan the product, pricing, distribution or place, and promotional strategies. (Tuten & Solomon 2013, 29)

Marketing plan should help the company to make coordinated marketing decisions and actions based on analysis of current internal and external situation, clear marketing objectives and strategies for targeted customer segments, and management of marketing activities through implementation and evaluation. The benefits that a well-executed marketing plan will bring to the company are the focus on customers and clear guidelines of what is possible to do for them, and maybe limitations of what is not possible to offer. Also, examination of the achievement of the goals is easier with a marketing plan as well as examining the current and potential threats. (Wood 2007, 3)

The contents and topics of a typical marketing plan are described by Wood (2007, 14) clearly and with descriptions of what to have in each topic. For background information before the marketing activities will be provided by current marketing situation analysis, SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) and objectives and issues. Target market, marketing strategy, marketing programmes and budgets are all components to creating a successful marketing plan. Executive summary and implementation controls are both summaries in their own way about the



whole marketing plan; executive summary describes briefly plan's main points and implementation controls schedules implementation and progress towards the objectives.

Even when it is an entrepreneur that knows already all about the company and its background it is advisable to try to create some type of a written plan. It will probably be worth the time spent writing the things down and for a small business like Nono that needs to develop and expand its markets this is crucial. When following the guidelines and topics given here it is easy to write just few points of each and it will still hugely help the company evaluate the future marketing campaigns success and see more clearly how to act later on. The details about the marketing mix components will be described in the subchapter 3.3 and segmentation and target markets in the subchapter 3.4.

Marketing in the media has evolved from traditional media marketing channels: television, radio, and print to tradigital, meaning e-mail, search engine advertisements, pop-ups, and pre-show ads. Social media is the latest form of marketing channels and its popularity is to do with more than the low price compared to other media. It empowers the consumer and brings the fifth P to the marketing mix, *participation*. (Tuten & Solomon 2013, 15)

Tuten and Solomon (2013, 25) define social media marketing as “use of social media to facilitate exchanges between consumers and organizations”. Besides it being inexpensive it offers a variety of ways for companies to interact and engage consumers and do so in all the points of the purchase cycle. Guiding consumers through this purchase process is important for the following reasons:

- Increasing awareness with active presence and publishing content in chosen social media channels, engaging in social communities e.g. Facebook, encouraging word-of-mouth and reviews
- Influencing desire, for example by posting photos of new collections
- Facilitating purchase by offering deals

- Cementing brand loyalty with activities that ensure consumers spend time with the brand. (Tuten & Solomon 2013, 18)

Despite an occasional advertisement on a local news paper and leaflets at the Stable Yards the social media and online marketing is the most important channel for Nono to advertise its products. As one of the main upsides to social media marketing is the consumer participation and this could be acknowledged more from Nono's part. There are many good reviews given on the Facebook page and this should be encouraged. Excellent way to get more comments, and with that more visibility, is to insert a question to every status or picture posted. For example, when posting a picture of a bag made with a new fabric it would be interesting to ask the followers opinion of it and, thus, open the dialogue between the company and the customers.

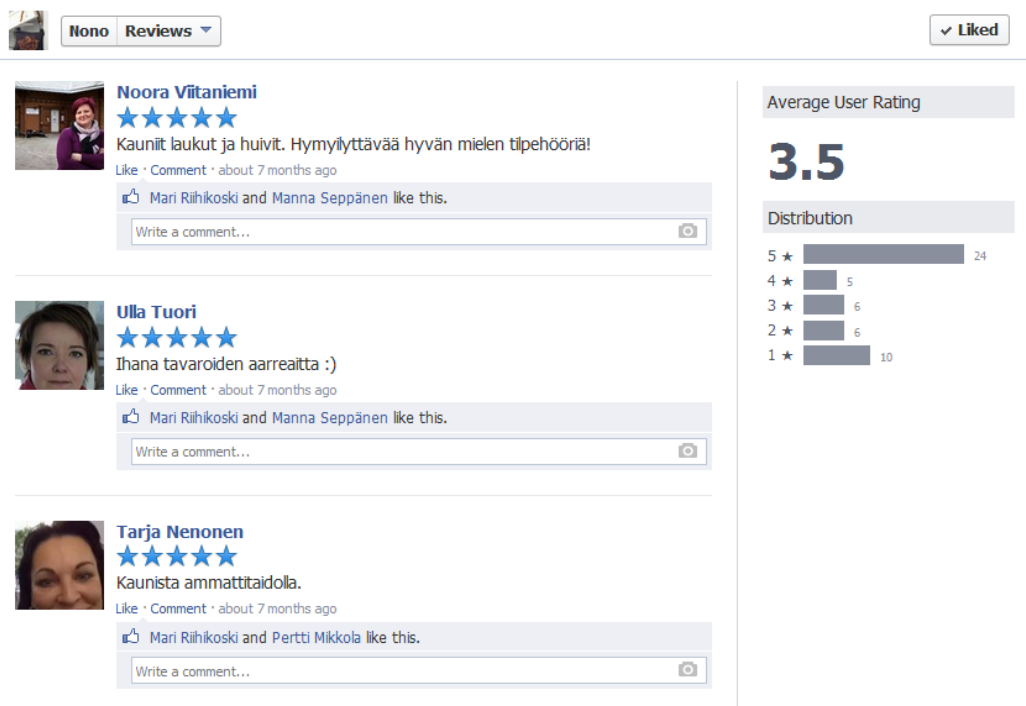


Figure 1. Facebook reviews for Nono 11.6.2014.

### 3.2 Social media marketing planning

Marketing planning process and the seven stages of it will be shown in the next figure by Wood (2007, 5):

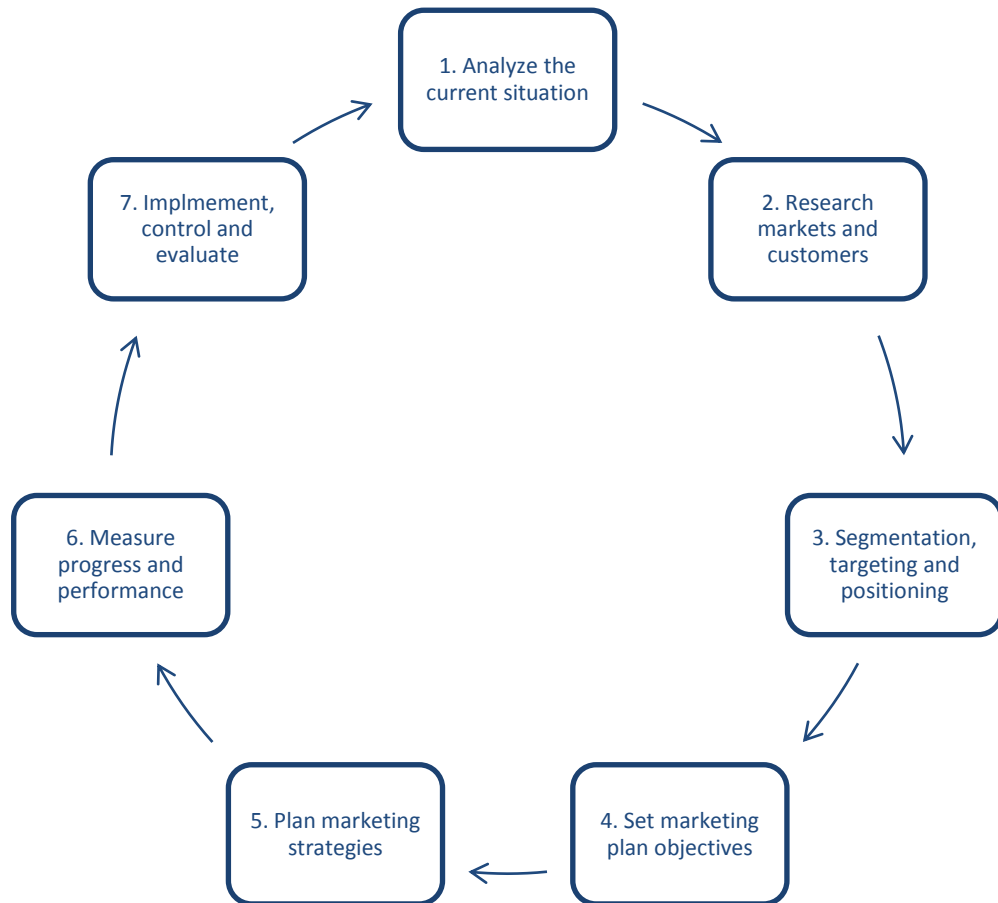


Figure 2. Marketing planning process: the 7 stages

When starting the planning process from the first stage it is important to keep in mind the mission statement of the company, organizational strategies and organizational objectives (Wood 2007, 5). Not only is this important when assessing the current situation but especially the mission statement should be considered in every stage of the process (Wood 2007, 15).

The base for the planning process can be the above mentioned stages but there are also other guidelines for an effective marketing plan and planning. The social media marketing strategic planning process is focused on a bit different things than a regular

planning process although it is recommendable to use it as an example. Wood (2007, 53) advises to start the planning process from conducting a situation analysis, identifying key opportunities and stating the objectives. Identifying good objectives for social media marketing will be discussed in the next paragraph. Selecting the social media channels is crucial part of this planning and this should be taken into consideration if following regular marketing planning process guides. Also, one main segment of social consumers should be targeted and experience strategy created. Finally an activation plan is established by using other promotional tools if needed and the campaign needs to be managed and measured. Although it is always mentioned last the managing and evaluation of the plan, strategies and results is the most important step. This allows the campaigns and the plan be edited if required and gives guide lines and examples for future plans and actions.

The objectives are very important for the planning because they give the ultimate direction and goal to which the company will thrive for. It is a clear starting point if otherwise it feels difficult to start the planning process and helps the planner to make decisions. Writing the objectives down following these instructions will help also to measure the extent to which the objectives were accomplished during the campaign. A well-stated objective should be specific, indicating what, who, when and where. It should also specify the change that is desired and be measurable, consistent and realistic. A time line or at least a time frame would be good to be included. (Wood 2007, 39)

Good examples of social marketing objectives are used in this thesis also: increase social media presence, increase brand awareness, increase website traffic and increase online sales.

### 3.3 Marketing mix

Marketing mix is a widely used tool with marketing planning and it can also be known as the “Four Ps”. Marketing mix consists of basic marketing tools and coordination of them: Product, Price, Place and Promotion. These can be supported with customer service and internal marketing. The main purpose of the marketing mix is to discuss how to deliver value that meets customers’ needs and to achieve the objectives that the company has set earlier for their marketing. (Wood 2007, 9)

**Product** can be a tangible product or a service that is intangible and sometimes company can be offering both. For tangible products the following should be considered in the marketing plan’s marketing mix: features, design, packaging, labelling, and performance. (Wood 2007, 9)

For Nono there is tangible product to be sold in the form of the handmade bags. In addition the brand itself is an intangible product when the website and social media sites are advertised on the internet. The range of different kind of bags for the website is important to increase but at the same time keeping in mind the limitations with manufacture time in context to the amount of orders. Too much variety might prolong the order fulfilment time if there are many purchases. This might then prevent the customers from ordering again if they are not pleased.

**Price** strategy is created usually by answering a series of questions to help determine the suitable price range for both the company and the customers. External questions can be; how do customers perceive the value of the product, what is the competition, or what are market demands and channel requirements? The most important internal questions can be; how do costs affect revenues and profitability, how does the price fit with the other marketing decisions and marketing planning, or how can pricing capture value for the organization and bring it closer to its objectives and goals? (Wood 2007, 10)

Nono’s handbags are approximately from 35 Euros to 42 Euros and some smaller items start from 10 Euros. Although at the store there are much bigger variation in the

different bags and small items as well as the price range, the online shop focuses on the slightly more expensive handbags. Overall these prices are quite mid-range for women's handbags and for being Finnish and handmade they are actually good value for money. From the breakeven point for a single item an appropriate discount can be estimated while the company is still able to make some profit. The main thing with a discount marketing campaign is, however, to make more profit on the long term with new customers rather than from the discount items.

**Place** can be also referred to as channel or logistics. This category is about how the customers gain access to the products. One of the key issues is whether the product is marketed directly or through intermediates. Other things to be considered are customer preferences, number of channel members, market coverage and ecological impact. For logistics decisions should be made for shipping, storage, inventory management, order fulfilment and related functions. (Wood 2007, 10)

Nono has two locations; store at the Stable Yards and the online shop, but in this thesis the focus is on the online shop. For the hopefully increasing amount of orders online the shipping, storage and inventory management need to be thought out beforehand to ensure efficient order fulfilment.

**Promotion** can be also called marketing communication strategy. With this all the tools to reach out to the targeted segments should be discussed here. Media and online advertisement are usually the main focus points but other tools may be public relations, sales promotion, special events and experiences, personal selling and direct marketing. The entire promotion strategy should support the objectives and be consistent while taking into account the needs, interests, perceptions, expectations and buying patterns of the customers. In this strategy the external and internal elements are also important. For external elements customer needs and perceptions, legal, regulatory, social and ethical issues and channel decisions should be considered. Marketing plan objectives, resources and coordination with content and delivery would then be internal elements. (Wood 2007, 11)

Besides the need to get more sales during fall and spring, developing online shop is important for the future. Consumers buying patterns are radically changing towards online shopping and less and less to actual stores. For Nono this is not a big issue since many of the customers that visit the Stable Yards are tourists, but to ensure good income all year there needs to be more traffic and purchases on the online shop.

### **3.4 Segmentation**

Market segmentation is one of the key things in the marketing planning and marketing plan because it tells specifically to whom the marketing should be targeted. Segment is a part of bigger consumer base that has similarities in needs, attitudes or behaviour. When inappropriate markets are eliminated and appropriate segments identified the company can better understand their customers' needs and more effectively respond to them. (Wood 2007, 63)

The process of market segmentation consists of three steps that will be introduced in the following paragraphs. The first step with segmentation is to determine which markets will be investigated further and which will be eliminated. Few things to be considered might be legal, political, social and competitive pressures or extreme logistical difficulties. (Wood 2007, 65)

The second step is to start separating the target segments from the chosen market after the elimination of inappropriate markets. Ideally there will be internally homogeneous segments formed that will have some differences with each other that can be addressed through the company's marketing acts. Segments can be grouped together for marketing planning process by customer characteristics and product-related behavioural variables. Usually a combination of appropriate variables is used for more specific definition rather than any single segmentation variable. Although user-based characteristics (Who?) are easier to identify and apply behaviour-based, product-related approaches (Why?) give more insight into potentially effective marketing approaches. (Wood 2007, 66-67)

In the third and final step the segments will be evaluated in terms of opportunity, environment, reach and response as well as how they fit with company's internal considerations such as mission, strengths and resources. After this the unwanted segments that would stretch the company's resources too thin are eliminated and the remaining segments are targeted. (Wood 2007, 70)

For Nono the overall assessment of the segments and target markets is done based on the years of experience of the owner and actual data from the Facebook and from the previous thesis work of Hanna Saartila (2012) studying the Stable Yards' visitors. Firstly eliminated segments would be people who do not live near Tampere and people who do not visit Tampere as well as most men. Men can naturally gift shop handbags for wives, girlfriends, moms or daughters but that is quite a small market so it will not be targeted at this point. To tourists it is also quite hard to market the business directly but through travel agencies and city infos it can be done.



Figure 3. Nono's Facebook follower statistics (Riihikoski 2013).

The statistical information above shows that rather surprisingly the largest age group amongst the people who like Nono's Facebook page are women between 45 and 54 years of age, closely followed by women between the ages of 35 and 44. Almost the same percentages have the age groups 25 to 34 and 55 to 64. Because there is no point in marketing to all the women from the age of 25 to 64 there needs to be clear target segments. (Riihikoski 2013)



The largest age segments to visit Stable Yards were 26 to 35 and 36 to 45 and from all the interviewed visitors 68 % were women (Saartila 2012, 23-24). With the information that 85 % of all the followers on Facebook are women it is obvious to target only women also in social media. Although the older age groups on Facebook are larger the emphasis on Nono's marketing activities should still be the younger demographics because they are more likely to be the future customers online.

### **3.4.1 Social media market segmentation**

Marketers have to adapt fast to the rapidly growing social media market and they are quickly adopting social media marketing strategies and techniques. This only works to the extent that new media platforms can reach the wanted customer segments. (Tuten & Solomon, 2013, 68) Digital natives, that are the generation that have grown up with internet, computers and social media, are major market in social media marketing but their attention is very hard to capture. Digital immigrants, on the other hand, are rest of the people that may use computers and internet for work but are not necessarily very active or at all associated with social media. (Tuten & Solomon 2013, 2)

To find out how the segments differ from each other there are multiple ways to measure them. Easiest starting point is usually demographic and geographic segmentation. Geographic segmentation is valid for especially social media marketers because of the GPS technology that can be now more and more utilized to get the exact locations of the consumers. In geographic segmentation the variables are, for example country, region, market size, market density and climate, all depending on the product company is trying to sell. Demographic segmentation consists of basic consumer information such as age, gender, income, education, ethnic background, family life cycle and occupation. Marketers use this demographic information to better understand consumers' needs of the market. (Tuten & Solomon 2013, 69-70)

Psychographic segmentation is analyzing consumers' personality, motives, lifestyles, attitudes and opinions and these are usually combined with e.g. demographics. This segmentation tactic provides a richest picture of a segment if used appropriately. (Tuten & Solomon 2013, 70) Similar to psychographic segmentation is behavioural

segmentation that concentrates on how consumers act towards a brand or a product. Other key issue to remember and apply from this behaviour segmentation is the 80/20 Rule. This means that in most of the cases only 20 % of customers purchase as much as 80 % of the products. These “heavy users” also are more likely to advertise the company, brand or products on their own by blogging about them, recommending them to friends by word-of-mouth or liking and reviewing on social media. (Tuten & Solomon 2013, 72)

The psychographics are very important but quite hard to measure. For Nono the easiest way is to look at the products and through that try to discover what type of consumers would have interest towards the product. Certainly people interested in fashion and handbags, Finnish design and handmade products are very potential future customers and these characteristics help to narrow down the vast segment of Finnish women aged 25 to 45. The 80/20 Rule is most likely applicable to Nono at least to some degree. The heavy users might be less than 20 per cent but they are actively reviewing the company on Facebook and there has been a fair amount of activity already on Instagram. Word-of-mouth from customers has also brought many new customers to the store at the Stable Yards.

Benefit segmentation groups consumers according to the benefits they seek from the products. There are few different opinions on what benefits do consumers seek with their interactions with companies in the social media. Especially heavy users usually may want to create a meaningful relationship with the brand that they like and use frequently. Social media engagement is used to build this relationship. On the other hand, sometimes consumers only engage in the social media environment to save money on deals that many companies offer exclusively on their pages. Because of the viral nature of social media some campaigns, if not carefully planned, can even be *too* successful. This may at first hard to imagine but when the speed of sharing content in the internet is considered and a deal is legitimate and of very good value the amount of orders might exceed company’s expectations and *resources*. If then the product advertised and offered cannot be delivered to everyone in time that creates a negative experience for some of the many first-time customers. Despite the great success of the deal the cus-

tomers might not come back if the company cannot answer to the promises made. (Tuten & Solomon 2013, 71)

Benefit segmentation is important part of Nono's social media marketing evaluation and the point about the internet campaign being too successful needs to be taken seriously. There is a high chance that some type of discount code might easily stretch Nono's resources too far if campaign is not planned properly. The possibility of e.g. creating a unique, signature handbag and having it handmade for you for a very competitive price has the potential to be a hugely successful campaign. Limitations to the materials, amount of discount codes or campaign time have to be carefully set well before the start of the campaign. Easy discount campaign to execute is to select few products and let the customer choose from them the one that they want. When there is only specific products it is easy to make the estimated amount of bags beforehand and the leftovers can be sold later at the store or online.

## 4 Facebook

### 4.1 Background

Facebook is a uniquely worldwide social media platform that was founded in 2004 and just this year celebrated its 10th anniversary. It was first only for Harvard students but soon it expanded to other Ivy League schools and finally to all of America's colleges and high schools before starting to become internationally known as well. (Treadaway & Smith 2010, 10) By the time of 2009 Facebook finally overtook MySpace as the biggest and most popular social media network. At that same year Facebook also introduced the News Feed that is still used today although it was highly opposed when it launched. Twitter was also becoming a potential threat in 2009 and it was growing fast, especially in the United States. (Treadaway & Smith 2010, 13)

The reason why marketers first realized the potential in social media marketing was the profile data that users were willingly updating online. Search data had been used already earlier but this type of demographic, geographic and psychographic information was not available unless the marketer conducted some type of research. Now people are updating their hometowns, current towns, date of births, interests, relationship statuses, education, occupation and even political views and religion. Naturally not everyone tell everything about them online but most of the users have their basic information for anyone to see. This information is not, however, used to communicate to individual consumers directly but rather to identify certain target groups or segments. (Treadaway & Smith 2010, 9-10)

Although Facebook has seemingly established a steady foothold as the world's number one social medium its reign could be over in only a matter of years. That is why it is recommended to choose at least two or more social networks as targets for marketing. Already Twitter has grown massively, MySpace has diminished almost to oblivion and Instagram is gaining all the time growing number of users in the younger demographics. (Treadaway & Smith 2010, 26)

## 4.2 Advertisement creation

Facebook advertisement is one of the best ways to reach target markets in the digital world. In addition, it is one of the most cost effective ways to market even though it is not free of charge. The objectives of creating advertisements on Facebook can be anything from creating more traffic or visibility on Facebook, testing the effectiveness of a change or addition or reach the Facebook audience to promote an external website or campaign. For this thesis case we will focus mostly on the third objective but also try to increase the traffic on Facebook. (Treadaway & Smith 2010, 127)

Here the advertisement creating process on Facebook will be explained further with pictures of the steps.

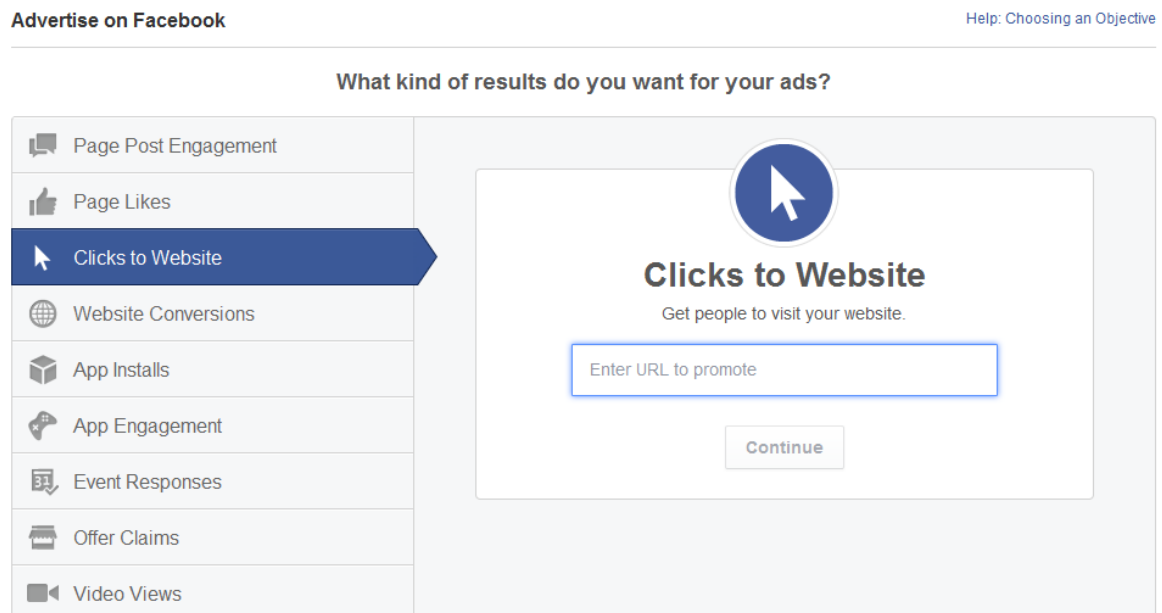


Figure 4. Facebook advertisement creation – Choosing the objective

Before any details are even shown Facebook asks to choose the objective of the advertisement. In this case the choice could have also been the Page Likes but Clicks to website seems more adequate in terms of the ultimate objective of increasing website traffic. By entering the wanted website address Facebook introduces the next phase of advertisement creation.

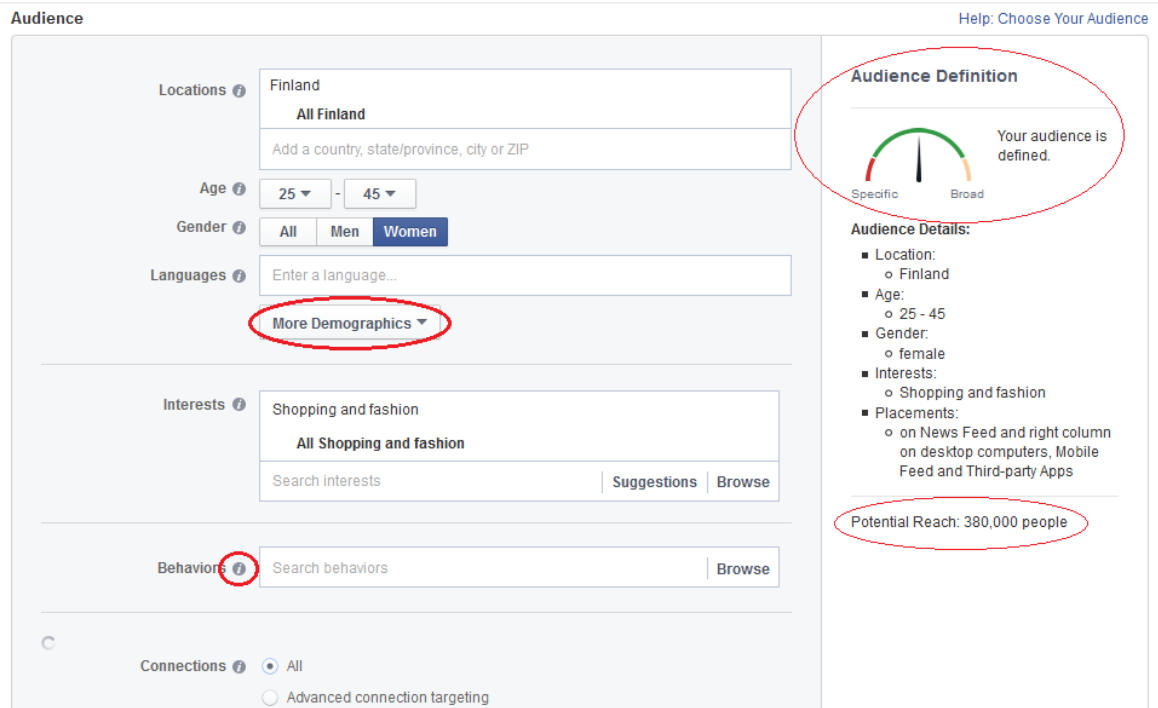


Figure 5. Facebook advertisement creation – Determining the audience demographics, geographics and psychographics.

The first and most important thing in the creation process is the Audience box. This helps to determine to whom the advertisement is oriented and what is the potential reach with the chosen demographics. The little *i* indicates an information box for every step and provides great insight. The basic information is the location, age and gender. In this case the location is the whole country as, although Nono's shop is in Tampere and most known in the Pirkanmaa area, the website is specifically meant to broaden the market. The age and gender are determined by the segmentation and target markets discussed in the subchapter 3.5. The gender is limited to women only because 85 % of followers on Facebook are women as well as over half of the people (68 %) visiting Stable Yards. The age is 25 to 45 also based on the research results that 43 % of people visiting Stable Yards are 26-35 years of age and 26 % are 36-45 (Saartila 2012, 23-24). The age could be lower or higher as there is evidence for both age groups visiting Stable Yards and Facebook but the target market would become too vast so in this first campaign the focus needs to be on the most important target market.

In addition to the basic information there are options to determine the language and other demographics such as relationship status, education or work. Also some psychographics can also be selected; interests and behaviour. In Nono's case the only interest selected was Shopping and fashion. It was selected as a whole to reach significantly bigger number of potential customers rather than choosing to go further by selecting only people interested in Fashion accessories or Shopping. Behaviour was not selected at all because of the need not to limit the potential reach anymore. In Advanced connection targeting it is possible to include or exclude some groups of people or even target the friends of people who are connected to for example the Facebook page of the company. This is a very effective way of marketing if the company's page already has a significant amount of followers. (Facebook 2014a)

The Audience definition is a very good tool to easily see if the group that is targeted with the advertisement is too broad or too specific. This advertisement is right in the middle of the scale so it is good example of well targeted advertisement on Facebook. (Facebook 2014a)

## Account and Campaign

Account Country	Finland
Account Currency	Euro
Account Time Zone	Europe/Helsinki

---

Ad Set Name FI - W - 25-45

Budget Per day € 1.00 EUR

Schedule 1 day 7 days 14 days Other

Your ad will run until **Thursday, August 21, 2014.**  
You'll spend up to **€ 14.00 total.**

---

Bidding Optimize for clicks

Pricing Your bid will be optimized to get more clicks on your ad. You'll be charged each time your ad is served.

- Automatically optimize your bid to get more clicks
- Manually set your maximum bid for clicks (CPC)

[Hide Advanced Options](#)

Figure 6. Facebook advertisement creation – Determining budget

In this stage the budget and the length of the advertisement campaign is set and the total maximum amount of what will be spent appears to the screen. Important thing is to decide between the click-through advertisement and impression-based advertising both which you can find under the Advanced options. Impression-based means that the payment is determined by the number of placements on the screen and any clicks that may follow this are free. With click-through advertisement the payment comes only from the actual clicks to the website which makes it easier to count how many people act upon the advertisement. (Treadaway & Smith 2010, 137)



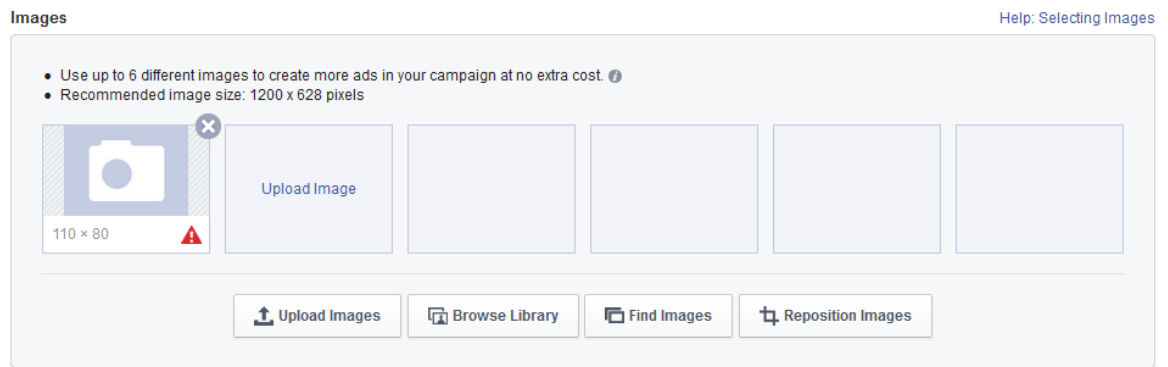


Figure 7. Facebook advertisement creation – Image

Image is the most important part of the actual presentation and notability of the advertisement itself. People notice the picture first and if it raises interest only after then will the headline even be actually read. Most advertisements just drown into the massive amount of posts on Facebook so a great picture might just be the thing that catches the attention of the targeted audience. (Juslén 2013, 133-134)

Text and Links Help: Editing Ads

<p><b>Connect Facebook Page</b> Create a Facebook Page to represent your business in News Feed. Your ad will link to your site, but it will show as coming from your Facebook Page.</p> <p><a href="#">+ Create a Facebook Page</a></p> <p>or <a href="#">Turn Off News Feed Ads</a></p> <hr/> <p><b>Headline</b> ⓘ <span style="float: right;">4</span></p> <p>NONO On Iloa, Ideoita</p> <hr/> <p><b>Text</b> ⓘ <span style="float: right;">24</span></p> <p>Millainen on Sinun laukkusi? Tietenkin siihen mahtuu puoli elämää.</p> <hr/> <p><b>Call To Action (optional)</b> ⓘ</p> <p>No Button ▾</p> <p>Choosing a Facebook Page is required to use a call-to-action.</p> <p><a href="#">Show Advanced Options</a> ▾</p>	<p><b>AD PREVIEW AND PLACEMENTS</b></p> <p>▲ <b>Desktop News Feed</b> <span style="float: right;">Remove</span></p> <p>1 (image(s)) are too small to show in News Feed</p> <p style="text-align: center;"><b>Create a Facebook Page to show your ads in News Feed</b> OR <b>Turn Off News Feed Ads</b></p> <hr/> <p>▲ <b>Mobile News Feed</b> <span style="float: right;">Remove</span></p> <p>✓ <b>Right Column</b> <span style="float: right;">Remove</span></p> <p>✓ <b>Partner Mobile Apps</b> <span style="float: right;">Remove</span></p>
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[Place Order](#) [Review Order](#)

By clicking "Place Order", you agree to the [Facebook Statement of Rights and Responsibilities](#) including your obligation to comply with the [Facebook Advertising Guidelines](#). We do not use sensitive personal data for ad targeting. Topics you choose for targeting your ad don't reflect the personal beliefs, characteristics or values of users. Failure to comply with the Terms and Conditions and the Advertising Guidelines may result in a variety of consequences, including the cancellation of ads you have placed and the termination of your account. Understand that if you are a resident of or have your principal place of business in the US or Canada, you are contracting solely with Facebook, Inc. Otherwise, you are contracting solely with Facebook Ireland, Ltd.

Figure 8. Facebook advertisement creation – Placing the order

The final step is shown in the Figure 8 where the Facebook page of the company can be linked to the advertisement and other small details are adjusted to make the advertisement the best it can be. When everything is done the order should be checked and then placed for evaluation. It may take Facebook even few days to approve and launch the advertisement campaign (Treadaway & Smith 2010, 136).

### 4.3 Campaigns and offers

Facebook allows companies to create offers in addition to advertisements but the competition rules have stricken during the years. Now it is advisable to hold any contests via “a third party app” meaning for example some other social media site or a blog. This concerns also so called sweepstakes where a winner is randomly selected (in

a contest or a competition winner is selected on the basis of a specific criteria). These kind of promotional acts have to follow Facebook's Promotional guidelines. (Smith 2011) This means that the contest or a sweepstake cannot use any of the Facebook's features such as likes, shares, comments or photo posting to make contestants eligible for the prize. Also, there needs to be a disclosure stating that Facebook is not in any way associated with that promotional campaign. (Facebook 2014b) Running the contest somewhere else is recommendable because the company is allowed to normally advertise any campaign they are having on e.g. a blog, Instagram or a website.

An offer is a short-term discount given to customers to use on an online shop or a store. This can be created on Facebook but the Facebook page needs to have more than 400 followers. The offer will be promoted to the followers and to their friends and it will market itself further every time that someone purchases one by posting to the wall of the customer that he or she has taken the offer. The information and instructions of redeeming the offer will be send via e-mail. As mentioned in the subchapter 3.5.1 a promotional activity can be too successful and this is why for this type of online offer a strict time frame and a maximum amount of orders needs to be set. (Juslén 2013, 144-146)

The offers that Nono could at the moment provide would be for a little pouch worth of 10 Euros and a handbag worth of 35 Euros. The maximum discount pro cents for these to still be on the profitable side of the breakeven point would be -50 % for the little pouch and -25 % for the handbag. The discounts do not have to be this much but at the beginning of online shop marketing it is more important to lure the customers in than it is to get as profit as possible. The sacrifice will probably be worth it at the end.

## 5 Instagram

Instagram is a smart phone application focusing on sharing 4x4 “Polaroid” photos and short videos to friends and other followers. It was launched 6 April 2010 and joined to Facebook 9 April 2012 and today Instagram has over 200 million active monthly users. (Instagram 2014b) The videos were added in response to the short Vine-videos by Twitter on 20 June 2013 (Salomon 2013).

The idea of Instagram and why it was developed was to create an easy way to share great and interesting photos. As normal photos taken with a mobile phone might be quite boring the creators of Instagram thought that by adding a filter the photos would be much more interesting. The application is simple and efficient to use which is one of the key things to creating a successful smart phone application. Also the easy sharing at the same time to all of the biggest social networks, Facebook, Twitter, Flickr and Foursquare, is important part of the success story. (Instagram 2014a)

There are many reasons to think about opening an Instagram account in addition to for example Facebook account. Instagram is dedicated to the mobile experience which is the new way of using social media. One of the main reasons for Instagrams success and social media usage with smart phones is because of the rapid development of high-function cameras on the phones. Many young people do not need necessarily any other technical device besides an excellent smart phone anymore. The “Facebook fatigue” means that many users are not as active as few years ago unlike Instagram users that are very active with communication, interaction and posting. So with an Instagram account the communication with potential customers can be more active and the appeal to younger and more diverse audience is important part of development for the company’s future. (Salomon 2013)

## 5.1 Launch

Nono's Instagram launch was one of the key objectives to start guiding this thesis project more towards social media marketing instead of traditional marketing and marketing plan. Instagram account had been on the owner's to-do list for a long time but because it is not as easy to manage with the personal account as the Facebook profiles the launch had been postponed always further. Instagram accounts cannot yet be managed without logging out and logging back in with other account which makes it somewhat inconvenient but doable. This feature will probably be fixed in the near future as so many companies that use social media in their marketing are using Instagram actively.

Nono can be found on Instagram by the user name @nonoiloa which was decided together with the owner to match the website and Facebook. The account was created in the spring of 2014.

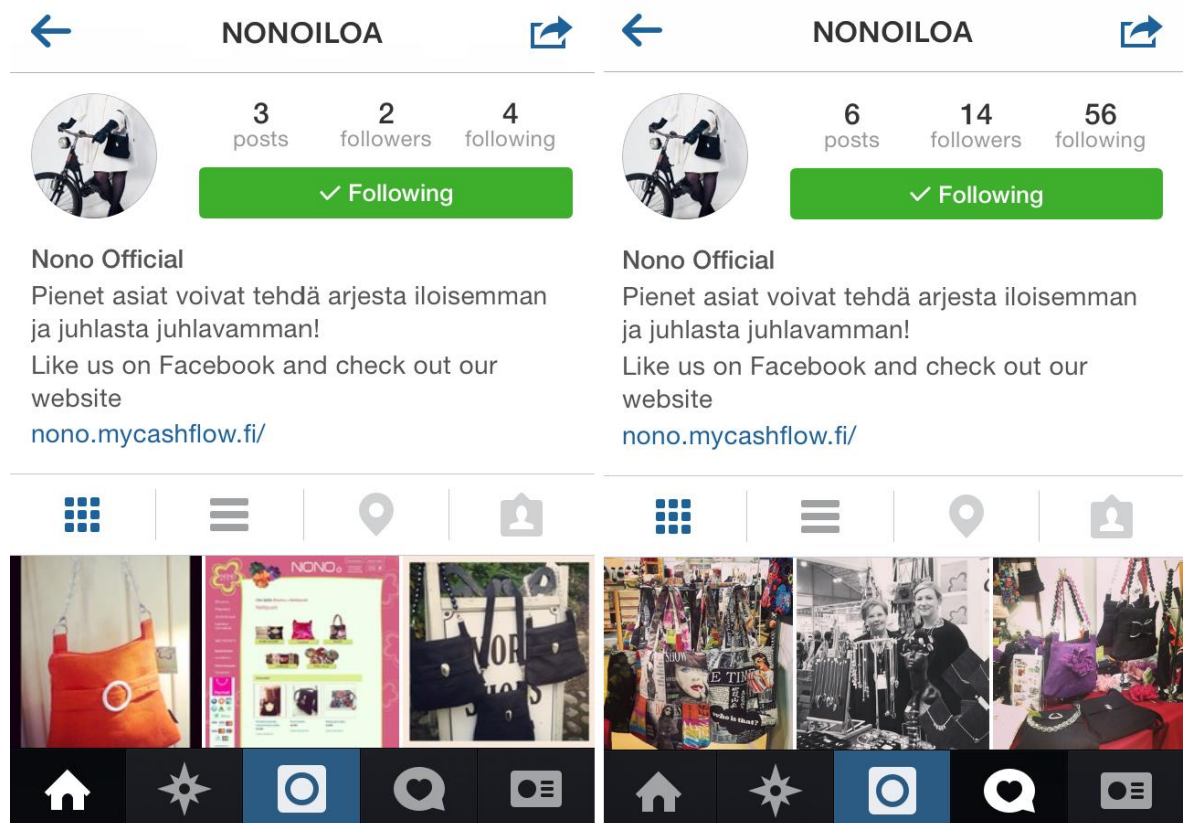


Figure 9. @nonoiloa Instagram on iPhone overview 27.8.2014 and 6.10.2014



Figure 10. @nonoiloa Instagram account progress 30.10.2014

Nono's Instagram account has had great success during the first months of active use. It is certainly the most popular Instagram account of the Stable Yards shops which is a pleasant surprise since in real life for example the café and the chocolate shop are the most popular.

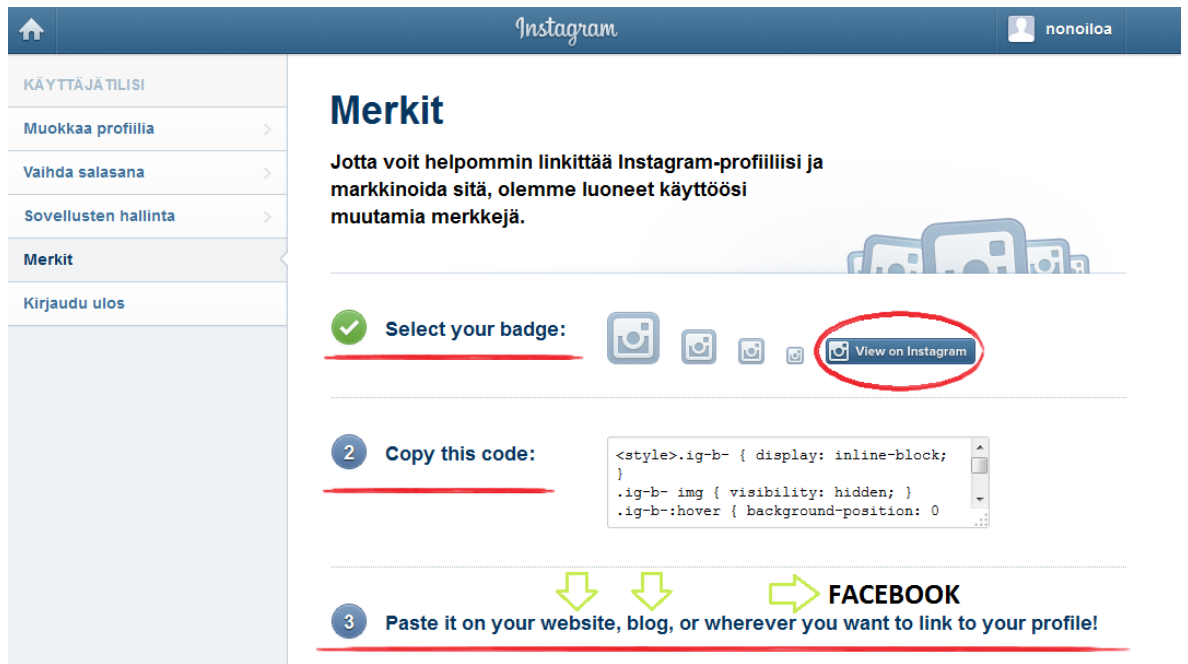


Figure 11. Instagram badge creation

On the Instagram's website from the own account settings can a badge for other sites be created. The badge can be added to a company website or blog and in this case also Facebook but that is not possible with the badge, at least at the moment. The icon with the text "View on Instagram" was chosen because although the big Instagram icon would be more noticeable and Instagram users recognise it easily. Possible customers and followers that are still not using Instagram might not click on the icon if they do not recognise it. But with the text clarifying what the icon means there is a bigger change of gaining more Instagram followers outside of the app.

## 5.2 Active use of Instagram

Because Instagram is quite simple to use and picture posts have took over almost all of social media sites it is important to be active and create content preferably almost every day. The maximum posting for Instagram would be one photo a day which creates enough content for the followers to keep them interested but is not too much. (Salomon 2013)

Active use means more than just posting pictures on daily basis. It is important that someone also sees the pictures that are posted and interacts with the company on Instagram. Likes are easier to get with different kind of hashtags that describe the picture or its elements. When trying to attract followers it is important to find users that post similar pictures, use the same hashtags and might have interest towards the company. By liking their pictures and following them the company Instagram can get likes back and even new followers by being active towards single users. Commenting and answering to comments left in own pictures are evenly important to maintain and increase the dialog and interactivity of the social media aspect of this photo sharing service. (Salomon 2013)

Although usually Instagram photos are “just” taken with a smart phone the cameras are so advanced that good quality pictures are expected from everyone, especially from companies, celebrities and other public profiles. It is quite hard work to transfer photos taken with a professional camera to Instagram but a good photo can be created also with just good lightning and an iPhone camera, for example. The photos taken with the Instagram app are not as good quality as normal phone photos. Also, latest Instagram update has a new editing feature which allows users to edit the pictures even more than just choosing a filter. Adding the filter remains still the fastest and most efficient way to post pictures so the editing tools should be used only if the time allows. (Salomon 2013)

If possible the photos posted to Instagram should have a “place” added to them which also makes it possible to share the posts on Foursquare. The place could also be an internet address. Besides the Instagram icon that can be added to different sites a good way to create awareness outside the app is to share pictures originated from Instagram. For example, on Facebook all photos have a text link that tells that this photo was shared via Instagram. (Salomon 2013)

There are several applications that can be used with Instagram to make the use more efficient, to give more information and support the professional use. Repost app makes it easier to re-post photos from other users and also automatically updates users



account name to the photo also. Re-posting is one of the ways to be active and give back to followers on Instagram. When someone, for example posts a photo of a company product or location it is a nice way to thank them by re-posting that photo on the company Instagram account. To get similar statistical data as on Facebook, there is an application for that, too, e.g. Statigram. For professional account this might be useful, especially when the follower numbers are growing and later on to monitor the social media situation or analyse the success of a campaign. (Salomon 2013)

### **5.3 Photo contest**

As explained in the subchapter 4.3, on Facebook a company is not allowed to host any contest, competition or sweepstakes, however, on Instagram it is more than welcome. When hosting the contest on Instagram it is possible to post the best photos to company's Facebook page but this has to be only to show appreciation to the contestants or to declare a winner. Any activity on Facebook that would allow participation to the contest is not advised because it is against Facebook's Promotional guidelines. (Facebook 2014b)

Most important things to remember when planning an Instagram photo contest is to reserve enough time for the contest for people to find it and have enough time to participate, depending also of how much work the participation requires. Contest should have very clear instructions about who organises the contest, is there a prize and roughly how many of them, what username or hashtags to use, and what type of photos or what theme the contest has. Because the contest can last for several weeks it is probably a great idea to post some photos already during the contest time, for example a Photo of the Day. This will create more interest towards the contest, show appreciation towards the contestants and strengthen the dialogue between the company and the consumers. (Instagram Blog 2012)

For Nono's new and growing Instagram account some type of contest would be a great way of reaching out to gaining new followers and starting to create a relationship between the company and the followers. Some ideas for the contest theme could be designing own fabric and an item made from it or a self-designed dream handbag.

## 6 Discussion

Planned and organised social media marketing is relatively new thing and it has developed very fast, as everything on the internet tends to do. There have always been advertisements on various websites but now it is possible for even small companies to market their business with very little cost. Although social media marketing might even be free of charge it will cost the company time to be as active as possible to maximize their online presence. Only active social media communication and dialogue with consumers will give the company totally free awareness online, the time-saving way is to pay a little to create, for example, a directed Facebook advertisement.

In terms of guidelines planning social media marketing is similar to planning traditional marketing. That is why in this thesis the theoretical part is heavily based on traditional marketing plan instructions and elements of marketing research. Using the vast knowledge of traditional marketing planning and references to social media marketing planning it was easy to implement the phases to this type of case; a small business anxious to find a way to secure income for off-season months but without a clear marketing plan it is hard to focus on what specifically needs to be done to achieve that goal.

As the way of shopping is clearly moving towards almost exclusively online shopping now it is the perfect time to start marketing smaller online shop to consumers. In contrast to other local small business owners Nono's 1000 likes on Facebook is a considerably good following and a great base for marketing activities on Facebook. A paid advertisement has worked before gaining Nono more followers. In consideration of the low cost of an explicitly for target markets directed advertisement campaign it is very good value for a small company. In addition the advertisement creation process is simple and described precisely in the subchapter 4.2. The key difference here is the advertisement type which is in this case chosen to guide consumers straight to the website instead of the Facebook page. This is critical when trying to increase website traffic and sales in the online shop.

To support active use and marketing in social media the traditional marketing research and planning tools need to be used to define marketing mix components, segmentation and target markets. With enough resources it is advisable to create a full marketing plan including social media marketing sections and a clear time frame for the active use of social media and content creation. This is important because social media works with such rapid pace that new content should be created almost every day. When an entrepreneur is working full time it takes some planning to find the time for sharing photos and answering comments.

On the other hand, as this thesis case proves the time spend on increasing and maintaining the social media presence pays off in the end. The Instagram account launch has already been a success for Nono and the first few months of just starting to learn how to post photos and use the app have resulted in almost 40 followers. The guidelines that this Bachelor's thesis provides will hopefully help to develop the use of Instagram even further as a part of Nono's online brand. The ways to connect with followers are simple; try to look similar pictures or hashtags, follow other users and be active with liking, commenting and posting own quality photos. It is possible to be so active that following company's account becomes annoying but if a photo a day maximum is kept this should not be an issue.

Same way as the Instagram launch the social media contest and the rules were examined because of the specific request by the commissioning party. The most important finding was that the easiest way to host a contest is to have it somewhere else than Facebook. Contest can be advertised and otherwise updated to Facebook but it cannot involve Facebook or its features in any way. For example, the contest cannot be entered by liking, commenting or sharing any content in Facebook. On Instagram a photo contest or a sweepstake is possible to arrange and acceptable by the app. For Nono's future social media marketing a good idea for a photo contest might be e.g.

- ask consumers to design a dream handbag
- instructions: post a photo of an imaginative plan with hashtags #dreambag, #nonoiloa, tag and follow @nonoiloa

- choose four photos of the week (depending on how long the campaign lasts)
- choose and reward a winner with an online shop gift card

The answers to the research questions presented at the beginning of this thesis, in the subchapter 1.3, have been shown throughout the text proper, but the final answers will be given here.

The first question is: what traditional marketing planning tools to use when planning social media marketing? As described quite precisely in the chapter 3 the marketing planning tools used for the social marketing for Nono are mainly marketing mix and segmentation. These things are easy enough to plan even with small resources and little time. In comparison to the planning the benefit to the company is massive, especially here were the segmentation gives such clear target markets to whom the marketing activities should be directed.

The second question is: how to use the chosen social media channels to their full potential? In Nono's case the first social media channel, Facebook, is easy to choose as the account is already created and functional. As well as the website the Facebook page does not need much improving which is why the other social media channel is chosen to be Instagram. This account needed to be first created but thankfully the launch has been successful and will continue to be if the photo contest is popular.

## 7 Evaluation

The creation and development process of this thesis has taken quite a long time since the original idea and realisation that this type of research work is needed. The co-operation with Nono and the knowledge of choosing a marketing topic have been clear since 2011. In the end it was important to let the idea develop during the years because otherwise the research might have been too broad and therefore not actually beneficial for the company.

One of the biggest problems with bachelor's thesis work is to concentrate on a narrow enough topic to keep the work from expanding too wide and unspecific. Although in the theoretical part of this thesis the base is from traditional marketing planning it is needed to understand social media marketing. It also gives some information for the commissioning party for the future when it is time to expand beyond social media marketing. The focus on Facebook and Instagram was great decision from the company's and thesis' point of view because of the more precise research and easier time management for Nono. In the future Pinterest can be added to the social media marketing channels.

Measuring the success of guiding consumers towards shopping online is hard at the moment. After the Facebook advertisement campaign and Instagram photo contest the order amount from the website could be compared to the earlier situation. But besides the final results, which are not yet known, the feedback from the commissioning party has been absolutely positive. The Instagram account had been on the to-do list for such a long time that the launch was very welcomed. Of course the fast growth and success of the account has been a positive surprise. Also, the clarification about the Facebook contest rules will help the company with creating excellent campaigns.

Overall the thesis process went well and it was satisfactory to notice that the work really benefitted the commissioning party and that feedback of the research results has been very positive. The co-operation will certainly continue after this and it will be interesting to see how far this social media marketing can take Nono. Although maybe

the theory, implementation and research work in this thesis might not be very significant in the general marketing or social media marketing field, the important thing is that it helped the commissioning party and gave it the answers it wanted. Surely soon there will be another social media channel that will overpower Instagram or even Facebook, but in the year 2014 they are the most beneficial channels for marketers in Finland.

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