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B2B SALES AND MARKETING PLAN FOR LIMECRAFT

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Tässä opinnäytetyössä tutkittiin Belgialaisen yhtiön nimeltä Limecraft myynti- ja markkinointitaktiikkaa. Työssä myös annettiin ideoita heidän toimintansa parantamiseksi. Työssä käytettiin kvalitatiivista tutkimusta ja haastateltiin Limecraftin toimitusjohtajaa Maarten Verwaestia.

Työssä erityisesti tutkittiin Limecraftin tällä hetkellä käyttämiä markkinointi- ja myyntisuunnitelmia. Myös epäonnistuneita myynti- ja markkinointituloksia analysoitiin. Tutkimuksessa kerrottiin sekä myynnin, että markkinoinnin eri työkaluista. Myynnissä käytetään seitsemää eri vaihetta ja markkinoinnissa keskitytään online- ja offlinemarkkinointiin. Tutkimuksessa havaittiin, että Limecraft voi tehdä asioita toisin, varsinkin markkinoinnissa. Varsinkin Limecraftin sosiaalisen median markkinoinnissa on parantamisen varaa.

Koska työ on tehty markkinointisuunnitelmaksi, myös offlinemarkkinointia käsiteltiin. Sitä tutkittaessa käsiteltiin myös, kuinka Limecraft kerää uusia leadeja myynnin tukemiseen. Tämä käy pääosin käymällä eri media- ja teknologiamessuilla. Työssä kuitenkin pääosin keskitytään internetmarkkinointiin. Käsitteet kuten: Google AdWords ja Freemium tulevat työssä tutuiksi. Myös sosiaalisen median markkinointiin pyritään luomaan ratkaisuja ja apua.

Myyntiosiossa keskitytään leadien luomiseen sekä itse myyntitapaamisiin. Osiossa kerrotaan, kuinka pidetään hyvä myyntitapaaminen ja kuinka se johtaa kauppoihin. Lopussa kerrotaan vielä hieman Limecraftin tämän hetken myyntiluvuista.

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This thesis is made about a Belgian company Limecraft and about their sales and marketing tactics. In the thesis there are ideas given to better their business. Qualitative research is used and the researcher will interview the CEO of Limecraft Mr. Maarten Verwaest.

Especially researched areas in the thesis are the current marketing and sales tactics used by Limecraft. Also analyzed are some failed tactics. In the research there are descriptions of different tools used in sales and marketing. In sales there are seven different stages used and in the marketing section is divided to offline and online marketing. In the research it was noticed that there are things Limecraft can do differently. Especially there is room for improvement in Limecraft's social media marketing.

Because the thesis is made for a marketing plan also offline marketing is being examined. While examining the offline marketing also the way Limecraft gathers leads is discovered. The leads are mainly gathered by visiting different media and technology fairs. However the main focus of the thesis is in the online marketing. Concepts like: Google AdWords and Freemium will also become familiar during the thesis. Also there are solutions and help provided for Limecraft's social media marketing.

In the sales part the main focus is on creating leads and in sales meetings. In that chapter there are guidelines for hosting a good sales meeting and also how it can lead to closing of the sale. In the end there is a description about Limecraft's current sales numbers.

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1 INTRODUCTION

The thesis will be written for a Belgium start-up company called Limecraft. Limecraft operates in the field of media production. Limecraft was founded in 2010 by Mr. Maarten Verwaest. Being a fairly young company I can give them suggestions and ideas on how to market and sell their new product. I believe I can provide them with some new angles to their marketing strategy. The reason I chose this subject is because I am very interested in this particular subject and I personally know the CEO of Limecraft Mr. Maarten Verwaest.

Also in this thesis I will go into IT-business in general and specify in sales and marketing in the field of IT. Limecraft offers a unique product that is new to the market. I am interested in finding out how they can penetrate the huge and already booming market with their product. Questions I am mainly interested in are:

- How to market the product?
- How to get new paying customers?
- How to stabilize the company and create a healthy cash flow?

2 PURPOSE OF THE STUDY AND CONCEPTUAL FRAMEWORK

2.1 Conceptual framework

I decided to create my own conceptual framework (see figure 1) because the frameworks I found lacked certain aspects I require for doing my thesis. The framework I created is a cycle because that is how sales and marketing works.



Figure 1: Conceptual framework.

It starts with market research, moves into sales & marketing plan and after collecting the data from how the goals have been reached it moves back into market research. After collecting the data it is possible for companies to make adjustments to their plans.

2.2 Data gathering methods

In this thesis I will mostly be using sources found from the internet. This is a decision I made knowingly. This thesis is about IT, its dangers and opportunities. By mainly concentrating on gathering my information from the internet I can describe and judge the field objectively. My intention is also to use a lot of articles I find from the internet so I will have the most recent information about the business. Also I will use some books and I will also be in contact with the CEO of Limecraft Mr. Maarten Verwaest. He will provide me with necessary information about the company and their operations and also fill in any questions/ questionnaire I have. I will approach this thesis as a qualitative research since I am only interviewing Mr. Verwaest.

2.3 Reliability of the study

I did my exchange studies in Ghent, Belgium in 2011 and also while there I met Mr. Verwaest for the first time. I made a school project for him and the company Limecraft. During this project we met several times and a lot of information in this thesis is from those meetings. Mr. Verwaest gave me information truthfully and also answered all my difficult questions. During the process of writing this thesis he also answered a questionnaire I created for him. Based on his answers there I can also tell that he has given the information to me without romanticizing the progress of the company. So this thesis is written based on the previous meetings, the new questionnaire and my personal experience with the company.

3 LIMECRAFT

Limecraft was founded in 2010 in Ghent, Belgium. Limecraft's field of business is media production. Limecraft launched its product called "Flow" in 2013. Flow is new cutting edge software for media production houses. It is a software that allows the producers to share their production with each other in time efficient and cheap way. Flow works in cloud services.

Late December 2012 Limecraft got a seed funding of \$621k. (Crunchbase 2013.) The biggest funders were iMinds, Qunova and also some private individual investors. (Whiteboardmag 2014.) The money raised from this investor round was spent in bringing the product "Flow" to the market.

3.1 The founding members of Limecraft

The Chief Executive Officer of Limecraft is Mr. Maarten Verwaest. He, as does the entire Limecraft team, has a long expertise on media management. The members also have knowledge of the IT business. These two fields of business combined helps the company not only to produce the best possible and usable product on the market but also to use and share their contacts. These contacts are vital when penetrating a mar-

ket with a new product. Currently Limecraft has nine employees. (Website of Limecraft, 2014.)

3.2 Limecraft's philosophy

“Limecraft's goal is to deliver cutting edge audio visual media production technology”. (Limecraft 2013.) The media production industry is a very old-fashioned field of business. Many companies are still using the outdated methods of producing and managing media. According to Maarten Verwaest especially now when producers are changing conventional camera systems to high resolution systems, there is a need for a post-production tool such as Limecraft's Flow. (Verwaest, personal communication on 14.4.2014.)

3.3 Flow

Limecraft introduced their product “Flow” in 2013. Flow is the flagship product of Limecraft. Flow's main advantage is that it simplifies technological complexities (See figure 2). Flow connects the people working on the production to each other. And since Flow works in the cloud services, everyone can work from different locations and this simplifies the logistical issues. Many producers still use the very outdated way of transferring data. This means production houses still move hard discs with footage even internationally if necessary. Flow streamlines this process. (Limecraft 2013.)

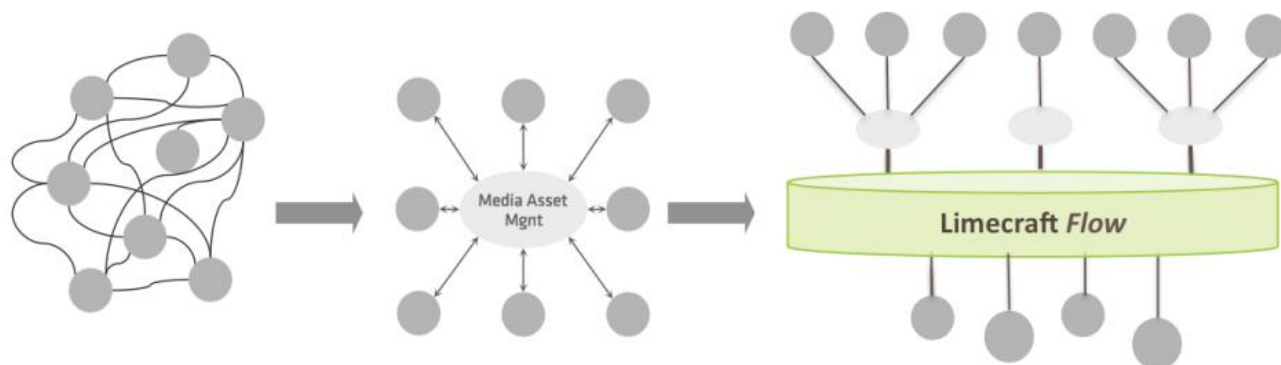


Figure 2: Advantages of Flow. (Limecraft 14.3.2012.)

4 INTRODUCTION TO SALES AND MARKETING

In this chapter I will give an introduction to sales and marketing. I will be mostly concentrating on B2B side of these but I will also explain the difference between B2B and B2C. I will also give examples on how to and how not to sell and market the product.

4.1 The difference between B2B and B2C

Business-to-business or business-to-customer is the answer every company must decide before starting their sales and marketing to the target group. In Limecraft's case the line between B2B and B2C is thin. The product is directed to the companies but it helps the life of an individual employee. Considering the target audience the marketing plan is done accordingly. Most of B2B sales come from the internet. 65% of professional buyers start their search process from the search engines. (Simula, Lehtimäki, Salo, Malinen 2009, 116) The main difference in B2B-sales and marketing compared to B2C is that when marketing the product the marketer can use more specific and professional language than in B2C marketing. In B2C marketing the marketing has to be easily understandable by all people. (Zenn, 2013.) Also another important issue that B2B companies need to tackle is the brand recognition. Usually the process for companies buying a product is emotionless and quality driven. The marketing material can be deeper and more specific than in consumer marketing.

(Lake, 2014.) Usually when marketing to companies the seller need to focus on how the product they are offering saves the buyer money, time, resources etc.

4.2 Introduction to sales

According to Wendy Connick there are seven stages to any sales:

1. Prospect leads
2. Set an appointment
3. Qualify the prospect
4. Make your presentation
5. Address the prospects objections
6. Close the sale
7. Ask for referrals (Connick, 2014.)

Most times if you ask anyone what they are looking for when making a decision to buy, they will tell you that price is the most important thing. However a study conducted by consultants at McKinsey&Company suggests otherwise. They noticed that more than price the buyers were making their decisions based by were product or overall service features and the sales experience. (Boaz, Murnane, Nuffer, 2010.) So a good salesman is more important than the price of the product, hence we come to the seven stages of sales. (Connick, 2014.)

Seven stages of sales

Any sales process begins with prospecting the leads or also known as market research. This process allows companies to decide what to sell and to who. It's all about identifying your customer. Also in market research company needs to identify the market needs and figure out pricing for the product etc. (Brandt, 1999.) This is also the time to assess the threats and especially find the competitors. And of course from the sales point of view this is the time to find those leads.

Setting an appointment is an art form of its own. Especially in B2C or B2B market with a lot of volume getting an appointment can be difficult. Nowadays there are a

lot of companies specified in booking services. In some cases booking an appointment is merely impossible. For example in Limecraft's case meeting face-to-face is very difficult in logistical reasons alone. However there are some softwares that allow people to hold a meeting online. For example one such provider is join.me. Setting up a meeting there is simple. (Join.me, 2014.) There is also a difference in how the meetings are set up. When meeting people for the first time in fares for example it is easier to set up a quality meeting than in a cold call. In cold calls it is all about the quantity. (James 2012.)

Qualifying the prospect can be difficult sometimes. Qualify the prospect means that the seller needs to find out if the person they are talking to is the right one, if they have money, if they have interest and if they have the authority to make a purchase. (Loo 2012.) Doing the research before the first contact as well as possible can save the seller a lot of money and time. In some cases identifying the right person to talk to can be difficult.

The sales meeting in general has a lot of do's and don'ts. Before the meeting it is crucial to prepare well. When you are well prepared you can answer any questions truthfully and professionally. That way the seller will also look confident and trustworthy. According to Wendy Weiss the sales meeting should follow 80/20 rule, where the customer speaks 80% of the time and the seller 20% of the time. (Smith 2014.) However especially in B2B sales the presentation given to the customer can and should be more specific. It is important to listen to the customer and their questions and answer accordingly. A good sales meeting is all about the balance and mutual understanding. With answering the questions and objections it is easier to guide the conversation to the closing of the sale states a guest lecturer Kenneth Österberg (See figure 3). (Österberg, personal communication on 4.4.2014.)

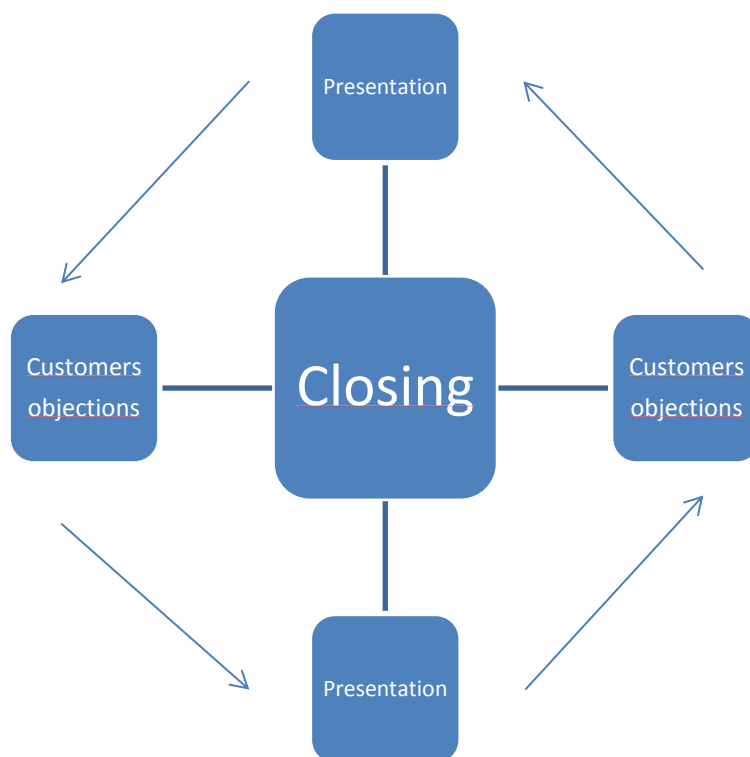


Figure 3: Figure of how sales meeting is guided toward the closing of the sale.

After the sale is finalized it is important to follow up with the client. This is more important in the B2B world where good customer relationships are more important and appreciated. Follow ups can be done via many channels if necessary. The best way is to call, it is more personal than emails. By following up you can not only help the customer by answering new questions they may have but you may also get new leads. Also you can ask the customer if it is okay for them to use them as a reference. (Zetlin, 2014.)

How not to sell

A bad salesman can destroy a company's reputation. Sales people have a lot of do's but as many do's there are in sales there are also don'ts. Salesman is representing the company and he has to act accordingly. It is important to always be polite and not be too pushy. (Smith 2014.) There is an interesting survey done by McKinsey&Company in 2009 (See figure 4). In the survey they found out what were the main reasons for turning down an offer. The biggest reason was too much contact. There is also a part in the survey called "sales style is too aggressive" which can be categorized under too much contact or just being too pushy. Sometimes customers

need time to think things through without being contacted several times a week. The second biggest reason was the general lack of knowledge. Lack of knowledge about the product, the competitors or the general lack of knowledge about the field of business is a definite sign of unprofessionalism. Huge part of sales is to do the base work before contacting let alone meeting the potential client. Also acknowledged in the survey is the importance of follow up. (Boaz & Co. 2009.)

% of US and European customers selecting given selling activity as 'most destructive,'
Dec 2009, (n = 1,252)

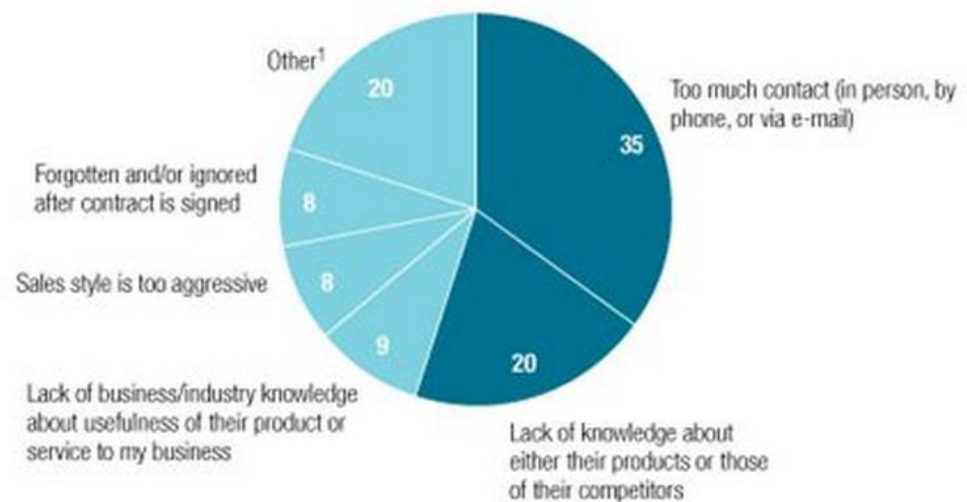


Figure 4: % of US and European customers selecting given selling activity as 'most destructive'. (Boaz & Co. 2009.)

4.3 Introduction to B2B marketing

The core idea of any marketing is to find the customer, make the company or its product known to the customer and to create new sales leads. Well-made marketing plan's idea is to make the sales process as easy as possible. Ever since the internet became the most popular source of finding new information about products in the market companies has been forced to put up their marketing material to the web. (Simula & Co, 2009, 116.)

Usually marketing has been divided into seven stages also known as "7 P's of marketing. These seven P's are: product, price, promotion, place, people, positioning and

packaging. (Tracy, 2004.) However in my thesis I will concentrate on four of these marketing segments: product, price, place and promotion.

4.3.1 4 p's of marketing

In B2B sales and marketing the quality of the services and the product will go a long way. In order to offer the best possible product companies must take a look at it critically. The product must be looked as if you are an outsider, how does this product help the customer? What additional value does it bring to the customer? Also companies must always be open to criticism and product development. This way the company will maintain in the best possible market position. No matter what company you are you always have to develop your product. (University of Maryland, 2014.)

Even though the price of the product should not be the main issue in marketing it is still important to come up with a good pricing strategy. The thumb rule in pricing is how much is the biggest amount which the customer is willing to pay for the product. Depending on the strategy the price can be billed on a one-time-deal, usage depending on the volume or usage depending on the time. Determining the price can be especially difficult when entering the market with a new product. For these companies it is important to being open in changing the pricing as time goes on. Like in any part of marketing the market decides the price. (Hanion, 2013.)

Where are you actually going to sell the product is the “place” in marketing mix. This part could also be called “distribution channels”. This is the physical part of marketing. Do you use wholesalers or retailers? Do you sell directly from your company? Or do you sell through the internet or catalogues? (University of Maryland, 2014.) In most IT businesses deciding the place to sell their products is a no-brainer, the internet. However also trade fares are an excellent place to promote their products.

The promotion sector is basically how you get the word out about your product. What is the ideal channel and what are the tools to use in marketing? Also different

marketing campaigns are being considered in this segment. Basically this part is all about that advertising. (Santos, 2012.)

4.3.2 Online marketing

In all online marketing it is all about that content. Good online marketing starts with the company's website. Every IT company in this planet needs a website. In fact every company should have a website even if it only has the basic information about the company. Company's online presence starts with the website. A good website is clear, informative and easily accessible. Handling the content is important so potential customers can find the website. Especially now when various search engines led by Google are getting more and more involved with internet marketing it is important to design your website so it shows up in the search engines. Here is where Search Engine Marketing (SEM) and Search Engine Optimization (SEO) come in to the picture. There are a few simple rules to remember when optimizing the website Google friendly, they are listed below:

- Have at least 500 words in your home page
- Within this 500 words don't use keywords more than 3 times
- However you can phrase the keywords differently to get more hits
- Include 2 or more videos
- Your headlines should have keywords

This SEO can be done in house. However there are a lot of marketing companies that specialize in SEO. (Curry, 2014.)

Search engine marketing is one of the cheapest and best ways to get traffic to your website. Google is the biggest search engine in the world at the moment. Google's market share in the USA is about 67% and it is even higher in the Europe. (Com-Score, 2014) Google offers a product called "Google AdWords". Google AdWords are paid ads that Google creates to its site. So for example if a customer is looking from Helsinki Finland and he is looking for pizza he may type in Google: "Best, pizza". Google then shows you pizza places from Helsinki ranking in the order of AdWords (See figure 5).

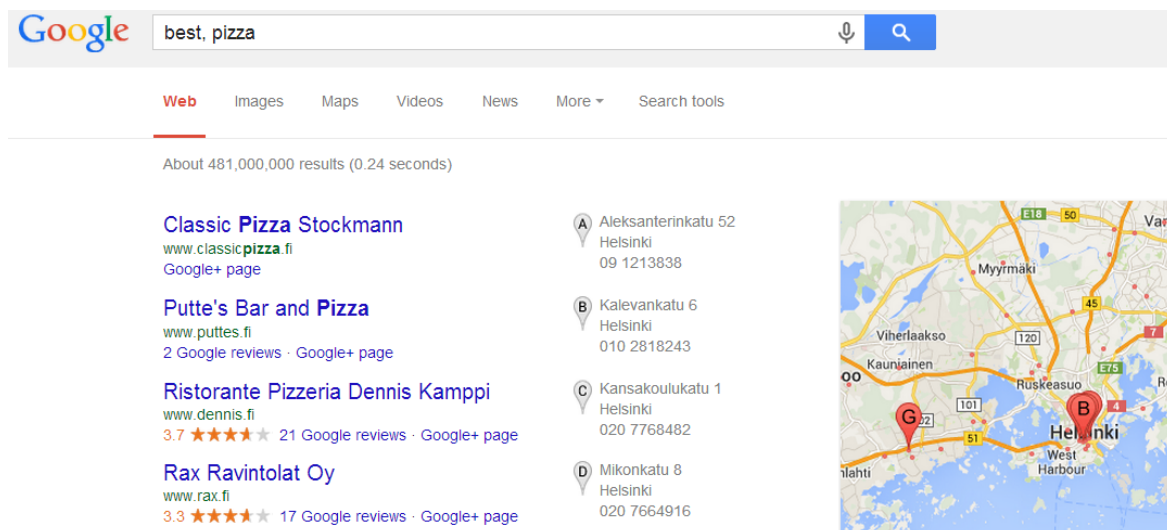


Figure 5: Photo of Google's ranking of pizza places in Helsinki. (Google 2014.)

Google AdWords are paid by the click or pay-per-click (PPC). This way it is easy to budget and monitor the amount of traffic and the cost of the traffic to your website. (Google 2014.)

There are various new social media sites that companies use for their marketing. Most used from these are: Facebook, Twitter, LinkedIn, YouTube, Google+ and to some level Instagram. Social Media can be used in many different purposes. It can be used to raise brand awareness, better the customer service, spread information about the company and most of all to direct customers to the website. A well planned social media campaign can bring whole new group of people to company's site. Facebook, Twitter and Google+ are mostly used to spread information from user to user. Especially Twitter has been on the rise recently and it is easy to make a lot of people to see your posts using the correct hashtags. Facebook however has been on the downfall mainly due to many fake accounts and Google+ still hasn't reached the wider audience. (Beck, 2014.)

On a survey done by ExactTarget in 2012 they found that the customers' most preferred way to be contacted by companies is via email. An astonishing 77% of the people interviewed for the survey prefer email over phone calls, direct mailing, Facebook etc. (McGee, 2012.) This figure makes sense but it would be easy to think that no actual sales has been made through these emails. In the same survey however they found out that 66% of people that has received promotional emails have also

made a purchase. Emails are easy to ignore however and phone call is always more personal. When making the first contact email will not and should not replace the cold call. In a cold call the seller can also make sure that they talk to the right person. It is a good idea to send an email after a phone call though. (Shimp, 2009.)

4.3.3 Offline marketing

In the age of the internet it is easy to forget the importance of offline marketing. Especially when creating new leads offline marketing is a good idea. Offline marketing tends to be more personal than online marketing.

Trade fairs are probably the best place to promote a new cutting edge product. In the fairs you meet people that have come there to learn new and to network with others in their field. Most of the leads and meetings you set up there are high quality prospects. Especially when entering the market with a new product fairs are an excellent opportunity to showcase your product. Also it is a good idea to try and speak at these events. Being a guest speaker anywhere is a good idea and easy and cheap exposure to your product. (DeMers, 2014.)

Hand out pamphlets, brochures and business cards whenever you can. Especially when networking face-to-face it is important to have something that reminds them of you afterwards. In a meeting always hand out a business card with your information. (DeMers, 2014.)

One efficient way of doing marketing is to take a picture or a video of pretty much anything. This is of course where online and offline marketing collides. Taking a picture of anything company related and posting them in your social media sites can bring in a lot new customers or at least eyes to your website.

5 MARKETING FOR LIMECRAFT

In this chapter I will talk about the marketing strategies of Limecraft. I will also give some suggestions on how to improve their marketing strategy. I will concentrate in online marketing but also talk a little about offline marketing.

5.1 Market research

Before launching their product Limecraft did a market research about the media industry. Limecraft wants to reach all media industry so it is a huge market. In this market research Mr. Verwaest found out that there is a market of about 2.5 million professionals working in this field worldwide. (Verwaest, personal communication on 1.11.2011.)

The volume of the market is huge. There are approximately 2.5 million people working in this field. According to Mr. Verwaest the overturn of the business is approximately €3.4billion a year. The industry is also growing at a rate of about 10%/year. (Verwaest, personal communication on 1.11.2011.) So there is definitely a market for Limecraft's new and innovative product.

The media industry can be divided into different sections. There are "Creative enthusiasts", "Indies", "Mid-size companies" and "the broadcasting enterprise". (Verwaest, personal communication on 19.10.2011.) In the beginning Limecraft started their marketing by using Freemium model to Indies and Mid-sized media companies, which is also the biggest market. Limecraft's product can also be used for other areas of media production for example to e-learning and to defense forces. For example in Finland some of the classes in Universities are being recorded and if this trend catches on it can create a huge new market. Also the defensive forces use a lot of data. They have airplanes that record the airspace of Belgium all the time. It is a very tough market to get into but if successful it will be very profitable.

5.2 Generating leads

In this section I will concentrate on how Limecraft does and should generate leads. As references I will use the information gathered from my conversations with Maarten Verwaest and also bring in my own ideas how to get more quality leads.

5.2.1 MIPTV

In my questionnaire for the CEO of Limecraft he identified MIPTV as the leading source of leads they have gathered. MIPTV is a gathering of entertainment industry professionals. The event takes place every year in April in Cannes, France. The goal of the event is to bring all these people together and they can form partnerships and distribution deals for the coming years. Last year there were 11,000 participants from 100 countries. (MIPTV, 2014.)

According to the CEO of Limecraft, Maarten Verwaest as of now Limecraft has about 6000 leads and roughly half of which have been created in MIPTV. (Verwaest, personal communication on 14.4.2014.) This is a huge number but what is more important is that the leads are of high quality. MIPTV is a gathering of companies that are operating on the same field and since Limecraft is a B2B company this is the perfect place to get quality leads and form partnerships.

5.2.2 Trade fairs

Trade fairs are a great way to show off your product and the company in general. Trade fairs are usually visited by people and companies from your own field. Other than forming partnerships the fairs are also visited by investors and other enthusiast that may come in handy in the long run. Other than MIPTV, the main source of Limecraft's leads, there are also other trade fairs that are concentrated on media industry and high technology companies.

CeBIT is one of the biggest information technology fairs in the world. At least from Europe it has a huge number of participants. Approximately 76% of all the partici-

pants came from Europe. The conference takes place in March in Hannover Germany. Other than the exhibition ground it also has a lot of high caliber guest speakers. Last year CeBIT had about 210,000 participants. What is even more important than that one out of three participants is a top level manager. So not only does CeBIT gather the likeminded together to create leads it offers high quality professionals to interact with. Also about third of the professionals attending the fair came with the intent to buy. CeBIT can be considered as a very important fair for Limecraft also. It is an opportunity to create new leads, partnerships and spread knowledge of their product. (CeBIT, 2014.)

Government Video Expo is a fair held in Washington DC, USA. Government Video Expo or GVE can be considered a very high quality expo especially for Limecraft. Each year there are about 4,500 professionals from precisely from Limecraft's field attending this event. These are government's people that are in charge of buying of the multimedia and broadcasting technology. Also the fact that 93% of the participants do end up buying while in the event proves the fact that this is a must-attend fair for Limecraft. The expo takes place in December. (Government Video Expo, 2014.)

It is important for Limecraft to attend the expos in order to create more leads and hence support the sales. I have gathered here some information on how to have a good expo. Of course firstly the company must go there as a presenter and have a stand. It is important not to go alone. Always take people from your company with you in case it gets busy. There is always a lot of foot traffic and every lead can be important. Also stay active but do not be pushy. Take breaks so you can keep your activity up.

A lot of having a great expo is to have your stand in order. This means the stand area has to be clean and clear. There is no need to have too much material in your stand. Focus on what makes you special. Be clear about your product, your goals and your company. It is important to have all that out in the open so the visitors do not have to guess it. In Limecraft's case there should be a banner with the name "Limecraft" in it and also your slogan. Since Limecraft is a high technology company, a slideshow of further details about the product is good to have. Also it should involve some screen-

shots of the product so that you can showcase the product. In another laptop there could be a demo of your product.

Since Limecraft offers a product that is B2B and high technology the final decision of buying can take some time. Often times the customer is not going to make the decision to buy right on the spot so it is important to follow up. Use fairs to generate leads and set dates to follow up. The best is if you can arrange a meeting the decision makers. (Jeremy, 2014.)

5.2.3 Website

A clear and good website is everything for a high technology company. This is also the case in generating leads. Potential customers can be directed to website through different channels: trade show, customer referral, Google AdWords marketing etc. The following points should be clear in the website: general information about the product, general information about the company, where to try out the product and how to get in touch with the company. At this time we live in a good website is crucial.

6 MARKETING TOOLS

In the previous chapter I explained how Limecraft gathers their leads. In this chapter I will go deeper in their marketing strategy and in which tools they use for marketing.

6.1 Online marketing

Here I will concentrate on the online aspect of marketing. I will also go in more details about Google AdWords and the Freemium model. These are both marketing tools that have been used by Limecraft. Also in our conversation with Maarten Ver-

waest he explained that they have had some issues in directing traffic to their website.

6.1.1 Google AdWords

The main idea of Google AdWords is that Google sorts out the most accurate results from the internet. It is also cost effective as it works with pay-per-click principle. Choosing the right adwords will create a lot of quality traffic to the website. However it is important to choose the right words so it can reach the targeted audience. For example adwords like: “media production”, “software”, “cost efficient/cheap” and “easy” are words that would create traffic to the site.

Limecraft has been using Google AdWords and here are the results. With 3000€ per month there were 3000 non-bounced visitors and out of those about 300 people started the trial. (Verwaest, personal communication on 1.11.2011.) Because of the small amount of people that started the trial there has to be something to be done. Firstly the website should be easy to navigate. This also means concentrating on the product. Be simple as you can with the instructions and the description so that people’s feel like it is an easy product to try. Also a video of the basics of using the product should be provided. This is a very complex product so some people may just take a glance at it and decide it is too much work to get deeper into it. But the people that do come to the website are probably the most important leads in the long run.

6.1.2 Freemium model vs. free trial

Freemium model

The word freemium comes from combining “free” and “premium”. Many companies use the freemium model for their marketing. Freemium model is a model where a customer invites new customers and receives something extra from the company. (Website of Freemium, 2014.) Usually this means receiving goods free of charge, in Limecraft’s case it means receiving extra storage. For example a company called Dropbox uses this marketing tactic. With Dropbox users have 2GB of free storage in

the beginning and it may grow up to 8GB. Freemium model is an effective viral marketing model that is the best way of growing a new social networking company's client base. (Website of Dropbox, 2014.)

Limecraft is a Business-to-business (B2B) company and freemium model is not used that many times in B2B marketing. However it is used by a very well-known company called LinkedIn. LinkedIn is the world's biggest professional network. They offer their services to individual customers who then put down the company they work for and also the company gets publicity that way. (Website of LinkedIn, 2014.) The same kind of model was implemented by Limecraft. Limecraft offered their product for individual users who then could invite people from their own field. Limecraft's product is directed to the people working in media business. Limecraft's idea is to get for example a production house to use their products. So in fact Limecraft's marketing is somewhere between B2B and B2C.

So basically what Limecraft did was they sent invitations to individual customers that could then invite more people to use Limecraft's product. In the beginning Limecraft offered 2,5GB of storage which is not enough to support media production. 2,5GB is about 5 minutes of media. So customers had to invite more people to receive more storage or update to premium model. This is a powerful tool to receive more paying customers.

If working properly the freemium model is one of the most powerful online marketing tools. However Limecraft has replaced the model with trials that are limited in volume (5GB) and in time (3months). This way they can avoid claims of perpetually free usage of the system.

Free trial

After abandoning the freemium model Limecraft started offering free trials that are limited in volume and in time. The trial can be accessed through the website. This marketing tool has also not been working as it should. (Verwaest, personal communication on 14.4.2014.) It is hard to give a simple explanation for the failure of this model. However again with the right amount of quality traffic to the website and

with clear instructions to the trial will convert the visitors to trial users and on to paying customers.

6.1.3 Social media marketing

As previously mentioned the main issue in marketing has been directing people to the website and to use the trial. Social media marketing is the best solution for this problem.

Twitter is one of the biggest social media marketing channels today. Twitter connects people and companies together. It is important to have a strong presence in that site. This means following other companies and other people as well as tweeting yourself. Share the name of your company and your product there as well as also tweeting news articles etc. about your field of business. This will increase the number of your followers and build up your company's profile. Also like other people's and companies' tweets and basically do whatever it takes to get more notices in Twitter. There are a huge number of companies that have a strong Twitter presence so it is important to stand out in your tweets. For example you should share photos to stand out from your competitors.

LinkedIn is the world's largest professional website. In here you should also share news articles etc. The same rules apply to LinkedIn as they do to Twitter, just get more people to view your company.

Other good channels are for example blogs and Slideshare. The more your company is mentioned online the more Google will get you notices. Also these are a great channel to share information about the product that you have. Also remember to share all these in Twitter and LinkedIn.

6.2 Offline marketing

Since Limecraft's product is designed for very specific group they do not need to use expansive marketing techniques. For example advertisements in local papers are not

required. Therefore marketing should be concentrated in the internet and professional fares.

There are some clever ways to do offline marketing also (see chapter 5.2.2). Trade fairs are of course the main channel to do offline marketing. When doing offline marketing use your already existing customers to gain more business. Always ask for referrals and do everything to keep them happy and coming back.

7 SALES STRATEGY

Currently most of Limecraft's sales come from leads that have been made in trade fairs. In the previous chapter I offered some ideas how to generate more traffic to the website and get more business through there. In this chapter I will concentrate on the sales aspect and go through some current and estimated sales numbers.

7.1 Seven stages of sales

As seen in the chapter 4.2.1 there are seven stages of sales. (Connick, 2014.) In this chapter I will break down the stages and look at them from Limecraft's perspective.

1. Prospect leads
2. Set an appointment

It all starts with prospecting the lead. As should, Limecraft is heavily dependent on online business. Prospecting the lead from the internet is very difficult if not impossible that is why the best and the most leads Limecraft have are from trade fairs. Meeting person for the first time face-to-face gives you the opportunity to get the person interested. There are hardly any sales done in trade fairs. Limecraft has a sales cycle of about six months so getting an appointment is crucial. (Verwaest, personal communication on 14.4.2014.) When setting up a meeting in a trade fair also set up a preliminary date for the meeting. Do not accept their invitation to just call some time.

If you already have a date it is easier for them to also be committed to meet with you. Setting an appointment through the internet is more challenging. When accepting a trial from Limecraft the customer should fill in a form where there is at least their name, company, e-mail and possibly their telephone number. There is another hot lead generated again there. Follow up on these leads is both beneficial for the sales and polite.

3. Qualify the prospect
4. Make your presentation
5. Address the prospects objections

Before heading into the meeting find out as much as you can from the person and the company you are meeting with. Also always try and include the people that are in power to purchase and also understand the technical side of the product. Try and include as many people from the customer's side to ensure that you are speaking to the right people. Especially when cold calling finding the right person to talk to can be difficult. In many companies also there are different people that are in charge of different things so "more the merrier".

In a good sales meeting making your presentation and addressing the prospects objections should go hand in hand. A good sales pitch is not just the seller talking but also listening and finding out more about the customer. (Leung, 2014.) Here is also where the research you have done previous to the meeting comes in necessary, you can and should address the customer's specific needs. From there closing the sale is also easier. Even though there is no pitch that you can and should use there still should be a presentation that follows a logic order.

6. Close the sale
7. Ask for referrals

In Limecraft's case where the final sales decision takes a long time follow ups are in a crucial part. Be persistent but respectful in your follow ups. This is also a very technical product so the customer will most likely have more questions about the product before buying. Also after the meeting you should both ask for referrals from

the customer and give them your referrals. Give some examples of the companies that are already using your product, this may weigh in to their final decision.

Some general guidelines for the meetings are to be: dressed appropriately, be respectful, have excellent knowledge of the product and the needs of the customer. All the sales meetings should be a conversation, not just the salesman speaking so no meeting should ever be the same.

7.2 Current sales numbers

Limecraft estimated their sales numbers for the year 2014 to be around €1,5million. This goal will not be reached. (Verwaest, personal communication on 14.4.2014.) Limecraft has already done adjustments to this reality. They have decided to focus more on direct enterprise sales. So the main focus is in the leads and sales generated as a result of MIPTV. And they are now also solely focusing on B2B sales instead of selling and marketing to individual media production professionals. They are estimating their sales figures to settle somewhere around €600,000 by the end of 2014.

The income from the sales are currently used 66% to research and development, 20% to sales and marketing and the rest is overhead. (Verwaest, personal communication on 14.4.2014.) In time the percentage invested to sales and marketing will grow. For now Limecraft concentrates to better its product however.

8 CONCLUSION

In this thesis the researcher found how Limecraft does their marketing and sales. Also there were solutions provided to better the marketing and sales strategies. In the beginning of this thesis there was an introduction to the company Limecraft and also to their founding members. After this there was an overall introduction to the thesis. In introduction to sales chapter (4.2) the researcher explained the basic fundamentals of sales and also the seven stages of sales. There was also a segment where the researcher described how not to sell (4.2.2). The next part was about marketing for

B2B companies. The researcher decided to concentrate on online marketing mostly but there was also a brief segment of offline marketing (4.3.3).

In the empirical part the researcher dove deeper into the tactics used by the case company Limecraft. There were ideas to progress their marketing. The researcher found that Limecraft should concentrate on different trade fairs to generate leads. Also they should better their marketing strategy by implementing more aggressive social media marketing strategy. This would generate more traffic to their website; this was also a theme that was discovered in many chapters of the empirical part. There were also information provided how to improve the company's website (4.3.2 & 5.2.3). Next there was information on how Limecraft currently do and have done their marketing. Also at this point there were ways described to better their marketing strategy. The researcher described how and why they should focus more on Google AdWords marketing and social media marketing. All this would lead to more visitors on the website and to more people trying out the product. At this point it is all about generating more interest about the product the researcher stated.

In the sales part (7) the researcher explained how the seven stages of sales is used in Limecraft and also gave new ideas for their sales. There were segments on how the leads were turned in to meetings and the meetings in to sales. A good sales meeting is a conversation between the buyer and a seller not a monologue by the seller. Always be respectful and well prepared. In the end the researcher described Limecraft's current sales numbers.

9 DISCUSSION

This is a very important work for me. I learned a lot and most of the information in the theoretical part was new information for me. It was very much fun and useful to do this thesis the way I did. I am interested in the internet business and there is definitely a lot of use for this new information I acquired. I believe I also provided some new ideas and solutions for Limecraft to help with their marketing. Especially the parts with directing customers to the website and social media marketing will be beneficial for the company. As stated in the work Limecraft should definitely put

more focus to social media marketing in order to gain more traffic to the website and hence create more business. Also it is important to simplify the company's website in order to maintain the potential customer's interest to try the free trial.

The easiest part of the thesis was the gathering of the information about Limecraft. I already had a lot of information about the company and the way they manage their business. My previous experience about the company definitely helped me a lot. Also there was no issue in turning to Maarten Verwaest for more information whenever I needed it. The hardest part was to find information to use in the theoretical part. When searching for information from the internet I had to be very critical. I did not use any blogs or other similar sources but instead I used articles and information from well-respected sites. The overall process started going very smoothly after I had gathered the information and just got to writing.

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Questionnaire for Maarten

1. Do you use Freemium model?
2. Has it been working?
3. What other means of marketing do you use?
4. How do you find the correct audience? (leads etc.)
5. Have your marketing goals been reached?
6. How are the sales? (sales tools, goals etc)
7. Have you reached your sales goals?

8. What is the biggest threat to you company?
9. What are the biggest difficulties you are facing in sales and marketing?
10. What is the biggest advantage of Limecraft?
11. How is the income from sales being used?