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# Digital Marketing: Channel Integration Plan

Case: Textile Industry Service Provider

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Markkinointi on kohdannut uuden digitalisoitumisen aikakauden. Kiitos World Wide Webin, erilaisten markkinointikanavien ja työkalujen määrä on moninkertaistunut ja täten luonut uusia mahdollisuuksia ja haasteita markkinoijille. Markkinointikanavien integrointi online ja offline kanavien välillä on haastava tehtävä, sillä erilaisia vaihtoehtoja on paljon, sekä lisäksi asiakkailla on henkilökohtaisia mieltymyksiä. Opinnäytetyön tavoite on kehittää yritys X:lle digitaalisia ja perinteisiä markkinointikanavia hyödyntävä markkinointisuunnitelma, jonka avulla pyritään houkuttelemaan uusia potentiaalisia asiakkaita.

Tämä opinnäytetyö suoritetaan deduktiivisesti, käyttäen sekä määrällistä, että laadullista lähestymistapaa. Sekundäärinen tieto omaksutaan erilaisista luotettavista lähteistä, kuten aiheeseen liittyvästä kirjallisuudesta, artikkeleista ja internetsivustoilta. Näitä lähteitä tuetaan primäärisillä aineistoilla, jotka koostuvat verkkokyselyistä, haastatteluista ja tekijän omista havainnoista.

Tässä tutkimuksessa hyödynnetään SOSTAC-mallia. Mallin kehys muodostuu kuudesta askeleesta: Tilannekartoitus, tavoitteet, strategia, taktiikka, toiminta ja hallinta. Tukevina elementteinä työssä käytetään SWOT-analyysiä, Porterin viiden vaikuttavan voiman mallia ja markkinoinnin 4P'n lähestymistapaa. Pyrkimyksenä on saavuttaa syvälinen ymmärrys case-yrityksestä ja sen markkinoista. Lisäksi Gantt kaaviota hyödynnetään suunnitelman aikatauluttamisessa.

Yhteenvedon todetaan, että tekstiiliala tarjoaa mielenkiintoisia mahdollisuuksia digitaalisen markkinoinnin hyödyntämiselle, sillä asiakkaat vaikuttavat olevan avoimia online kanaville. Eri asiakasryhmillä on erilaisia mieltymyksiä ja siksi potentiaaliset asiakasryhmät on tutkittava tarkasti, jotta jokaiselle ryhmälle voidaan kohdentaa sopivat työkalut. Tekijä ehdottaa, että case-yritys syventäisi ymmärrystään tekemällä jatkotutkimuksen, jossa selvitetäisiin nykyisten asiakasryhmien näkemyksiä ja mieltymyksiä, jotka auttaisivat osaltaan ymmärtämään alan markkinoinnin erityispiirteitä.

Avainsanat: Digitaalinen markkinointi, kanavien integrointi, tekstiiliala

Lahti University of Applied Sciences  
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KEMPPAINEN, ELINA: Digital Marketing Channel Integration  
Plan

Case: Textile Industry Service Provider

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ABSTRACT

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Marketing has faced a new era of digitalization. Thanks to the World Wide Web, the amount of marketing channels and tools have multiplied and created new opportunities and challenges for the marketers. The planning of channel integration between online and offline resorts is a demanding task, as there are multiple options to choose from and on the top the customers have their own individual preferences. Hence, the goal of this thesis is to develop a marketing plan for the case Company X to attract new customers by applying digital and traditional marketing channels.

The author performs this thesis deductively and by employing quantitative and qualitative research approaches. The secondary data is assimilated from various reliable sources such as books, journals and trusted web sites. This data is supported by the primary data which is collected by online survey, interviews and author's own observations.

In this study the SOSTAC-model is employed. The planning framework consist of six steps: Situation analysis, objectives, strategy, tactics, actions and control. As supporting elements SWOT-analysis, Porter's five forces and 4P's are used to provide an extensive understanding about the company and markets. In addition Gantt chart is applied to schedule the execution.

It is concluded that the textile industry provides interesting opportunities for the application of digital marketing, as the customers seem to be responsive for online channels. The distinct customer groups have different preferences and therefore the potential customer groups have to be investigated carefully in order to be able to apply the right tools for each group. The author suggests that the case Company X would deepen their understanding by making a further research on the insights and preferences of existing customers. It would aid in understanding the special characteristics of the marketing within the industry.

Keywords: Digital marketing, channel integration, textile industry

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## ABBREVIATIONS

B2B	Business to Business
B2C	Business to Customers
IMC	Integrated Marketing Communications
3Ms	Men, Money, Minutes
SEO	Search Engine Optimization
IT	Information Technology
WTO	World Trade Organization
USD	United States Dollar

# 1 INTRODUCTION

This chapter introduces the reader to the background of this thesis and gives reasons why the author decided to research this topic. It provides a general idea about the research and its objectives. The research questions are presented following with the introduction to the theoretical framework and explanation of the used research methods.

## 1.1 Background

The marketing has changed drastically in the last 20 years. Nowadays the marketing professional are using tools that did not even exist in the 90's and the researchers predict that in the nearby future the markets will confront again a new revolution. The internet and fast developing technology have created possibilities and challenges to the B2C and B2B marketing professionals, because today the marketing is not only about the traditional marketing channels such as print advertisements and trade shows, but more and more about websites, search engines and social media. (Miller 2012, 20.) However, the traditional marketing tools should not be ignored; a strategy for channel integration is needed, where the companies successfully combine traditional and digital marketing channels and mix these combinations with different customer groups (Chaffey 2008). 34% of the companies state that they have a strategy for digital marketing and it is fully integrated with their marketing program, whereas the majority 66% still have not exercised integration (Chaffey 2015).

B2C companies are the pioneers of digital marketing. Their customers do not use internet only to save time and money while doing their shopping, but they entertain themselves and interact through various channels on internet. Therefore, the B2B companies have emerged and increased their actions in the field of digital marketing due to the success of B2C companies; the B2B transactions in online have already larger proposition than B2C. It seems like B2B companies have understood and seen the value what B2C companies have reached through digital marketing and therefore B2B companies are now using more resources to update their marketing plans. (Chaffey 2008, 7-9.)

The fast information flow and advanced technology provides opportunities for companies to start operating in international or global environment. Moreover, many companies are born global, because of their business concept. Traditionally B2C companies have a need to adapt their marketing strategies to local preferences in order to be successful on different market areas. (Kotler & Armstrong 2014, 588.) On the opposite, in B2B business the companies often decide to apply rather standardized marketing programs, because their customer base is seen more or less homogenous. However, information about the individual preferences and cultural impact in the professional world can be weighty knowledge for the B2B companies, in order to find out the most effective channels in marketing; the end consumers are not the only ones who are exposed to cultural variation. B2B companies have often fewer customers than B2C and therefore the customer relationships are more personal and valued. B2B companies should investigate their customers deeply, because understanding for instance the buying process can reveal significant facts about the needs of the customers. (Kotler & Pfoertsch 2006, 23-24.)

The line between business purchaser and consumer shoppers has declined. Consumers are brand conscious and easier to be influenced through advertisements, media messages, coupons and other special deals. The business purchaser rather makes a deep research around the product, compares prices, evaluates the functionality and follows a formal procurement process. However, the business purchasers have extended their individual buying habits also in business environment: The interaction has become more social and real time thanks to digitalization. (Lingqvist, Plotkin & Jennifer Stanley 2015, 2-3.)

The author received a request from her internship Company X to research their marketing channel efficiency on the international market environment in order to enhance the marketing activities and reveal interesting facts about the potential customers. The Company X has previously done research concerning their existing customers and therefore the focus is now on the new customer acquisition. Moreover, the company requires specific information about the new trends in digital marketing and how relevant these trends are among their potential customer groups. The company has invested some time and resources to build up a marketing program, where they already use channel integration at some level.

The budget for their marketing activities is modest and therefore they have added cost-efficient digital channels into their plans. It is worthwhile to find out what channels are effective and how much resources should be used in the future and in which channels.

The Company X operates on textile industry branch and it offers professional solutions for vendors, suppliers and brands, and therefore it is a B2B operator. The company provides software solutions, certification and consulting services to its customers to decrease costs, save time and simplify supply chains. The company has been on the market since 2008 and it belongs to small enterprise category. The Company X has great knowledge and expertise about the textile industry and they are one of the leaders in their niche branch. The case company will be presented in more detail in chapter four.

## 1.2 Objectives, research question and limitations

The research aims to find out the most important and effective digital marketing channels in B2B context and it takes especially into consideration the case company's industrial needs and the requirements of international environment. Moreover, the research's final goal is to find out how to attract new potential customers in the most efficient way.

Therefore the research question of this thesis is:

### **How can the case Company X attract new clients via digital marketing?**

The main research question is supported by different sub-questions which are to be answered in the end of this thesis and are relevant in order to reach the final solution.

1. What type of online and offline channels suit the B2B textile industry the best?
2. What digital marketing tools are efficient among B2B textile companies?
3. Are the textile world professionals following social media?
4. How the Company X can segment the potential customers?
5. How the channel integration differs among distinct customer groups?

The main limitation of the research is that the author presumes there to be enough resources, such as funds and personnel, to execute the project. The case company has quite limited resources in their marketing operations and therefore performing according to the recommendations might not be possible. Moreover, the research concentrates on textile industry and its complex entity and therefore the approach is not applicable for every industry.

### 1.3 Theoretical Framework

The aim of this thesis is to find out how the case company can attract new clients effectively by using digital marketing channels. In order to succeed in it, the research needs a clear step to step plan to follow. Therefore, the author uses SOSTAC-model to arrange the study. It is used to develop several types of plans for companies by many professionals and it has six development steps: situation, objectives, strategy, tactics, actions and control. (Chaffey 2008, 3.)



FIGURE 1. SOSTAC-model (Chaffey 2008, 4)

The SOSTAC-model gets support from other marketing tools that the research can be conducted successfully, because the steps as such are not sufficient enough to attain specific information. Each SOSTAC-model step and the additional tools are shortly introduced in the following paragraphs.

In the first SOSTAC-model step, it is important to illustrate where the company stands now and expound insights into the future with SWOT-analysis. Moreover, the competitive situation on the market is investigated with the assistance of Porter's five forces model. It provides a wide viewpoint for the situation from distinct angles. The micro and macro factors are acknowledged and studied in order to find out the most remarkable features that have an influence to the Company X and the textile industry in general.

In the second step, the objectives of the company must be clearly stated, in order to be able to create an effective strategy in the third step. The third step includes segmenting, targeting, positioning and differentiation where the company defines customer characteristics, arranges the customers in suitable groups, separates itself from the competitors and communicates its extraordinary value to their customers (Kotler & Armstrong 2014). Fourth step consist of the possible and the most reasonable tactics that the company can perform. The tactics provide information for the execution of the strategy. The fifth step is the execution of the plan, followed with the controlling phase. Each step will be presented in the chapter two more precisely.

Below in the figure 2 are all the tools and actions listed to give the reader a clear out view about the different phases of this research.



FIGURE 2. Process overview in detail

#### 1.4 Research Method and Data Collection

In a research process, after discovering the dilemma and defining the research question, the investigator needs to decide the research method, define and explain data collection process. A good study has a clearly defined purpose, the research process is well detailed and the design is thoroughly planned. In addition, good ethical standards should be applied and some limitations should be noted. (Cooper & Schindler 2014, 15-18.) Below in the figure three, is an overview of the process in this thesis.

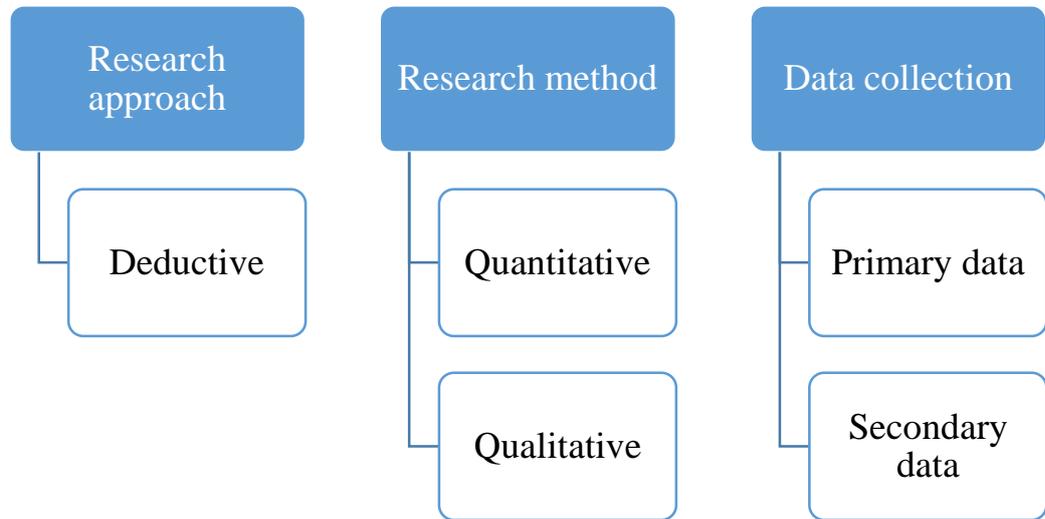


FIGURE 3. Research overview

The research approach in this study is deductive, because the thinking is based on theory where a conclusion can be drawn. Deduction has to be at the same time true and valid, because if the reasons (theory) are not true, the conclusion cannot be valid. (Cooper & Schindler 2014, 66-67.) In other words, the researcher uses general principles to achieve specific conclusion with the help of empirical sources (Passer 2014, 43). The theories are presented in this thesis before the data collection and analysis in order to be able to draw conclusions based theory and observations from the primary data.

Qualitative research method tries to achieve deeper understanding about the situation and to explain it with the help of words. Qualitative research can capture emotions, feelings and motivation, and therefore it is often used by business managers, because it may arise important facts about the customers that do not appear in quantitative research. (Passer 2014, 43.) On the other hand, quantitative research attempts to measure something exact and it gives proportional results (Cooper & Schindler 2014, 146). It concentrates on numerical data and analysis in order to understand the phenomenon (Passer 2014, 45). In business context the

quantitative research is often used to understand the consumer behavior, opinions and attitude. It answers to questions like how much, how often and who. With quantitative research the population size can be larger than in qualitative, because the data is easier to handle in numerical form; therefore diagrams are often used. (Cooper & Schindler 2014, 146.)

In this research the both research methods, quantitative and qualitative, are used. An internal interview with the CEO is conducted to draw specific information about the niche markets, competitors and the company itself which would be otherwise hard to find. The interview provides internal view about the market and company situation. An unstructured interview with the marketing manager is conducted to gain insights to the current situation of the marketing activities of the Company X. In addition, a quantitative potential customer online survey is carried out in order to be able to reach a large amount of attendants. The author decided to use both of the methods in order to gain a specific understanding about the internal operations, but at the same time handle large amount of data with the potential customer survey. To be noted, the author's own observations during her internship are also applied in this thesis.

The author used the secondary data to investigate the field of digital marketing to form a start-up point for the thesis. The secondary data findings are supported by the primary data that the author collected in the interviews and customer survey. The data sources together establish a solid data base from where it is possible to reach valid results.

Descriptive research tries to answer to questions like how, what, when and where. It often involves two or more variables which interact together (Cooper & Schindler 2014, 21). The main research question is "How the case Company X attract new potential clients via digital marketing?" Therefore, it can be said that this thesis is a descriptive study, because it fits the above mentioned frames.

## 1.5 Thesis Structure

This thesis is divided into two main parts: the theoretical and empirical part. First the author presents theoretical foundations and after supports it with the empirical

findings. Below is an illustrating figure about the structure of this thesis.

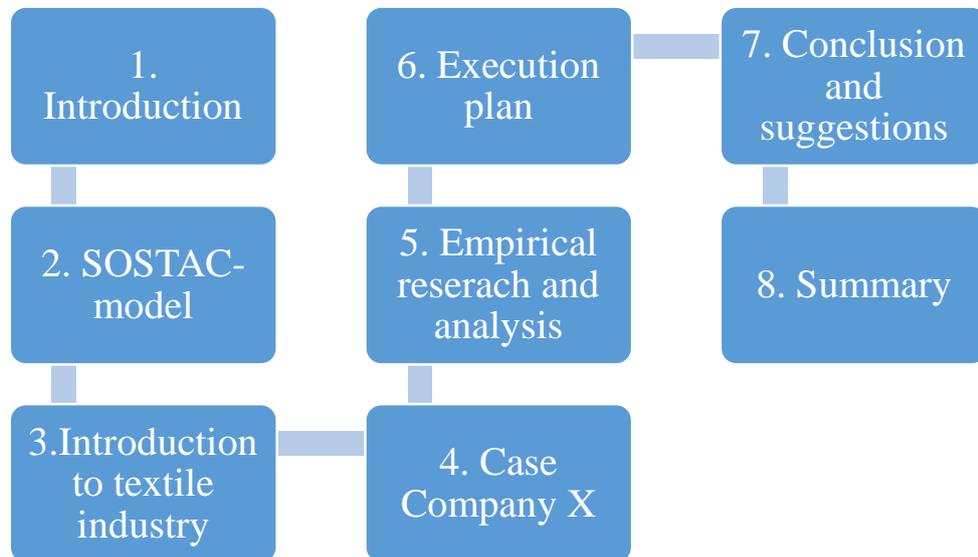


FIGURE 4. Thesis structure

The introduction gives a general idea about the thesis by presenting the research questions and introduces the framework used. In the second chapter the author presents the research framework, SOSTAC-model, precisely and goes through all the steps and supplement tools that are required in the research. The relevant concepts are explained in detail in order to make the definitions clear for the readers.

The chapter three concentrates on the textile industry by presenting relevant sales figures and market expectations. The aim is to provide the reader a sufficient understanding about the textile industry's challenges and key concepts, because they are the cornerstone of the business idea of Company X. The case Company X is the main theme of chapter four and background about it and the niche branch is provided by the author. In addition the relevant variables surrounding the Company X on the markets are presented in chapter four.

The thesis continues in chapter five with the empirical part of the research, where data collection procedure, survey and interview processes are explained in detail. All the data samples are presented and briefly analyzed. In chapter six the author points out the consistencies between results and creates a detailed marketing plan for the Company X. In chapter seven the author comes up with conclusion and suggestions for the Company X. The chapter 8 summarizes the main points of the thesis and provides a brief recap for the reader.

## 2 PLANNING FRAMEWORK - SOSTAC-MODEL

This chapter presents the main theory and supplementary tools to be used in this thesis. The aim is to illustrate and explain how the theories function and when to use them together with the SOSTAC-model.

### 2.1 Overview of planning and SOSTAC

In every planning process, companies are required to define the specific situation, objectives, opportunities and resources. Companies try to balance between the goals and capabilities, and at the same time try to answer to the fluctuation of the markets. Plans and projects can have a range from short-term to long term plans. Moreover, every project should be integrated with the company's mission and purpose. (Kotler & Armstrong 2014, 63.)



FIGURE 5. Planning framework (Smith, Berry & Pulford 1997, 97)

The planning process can be carried out by using top-down or bottom-up approach, or even mixing all three levels together. In some situations bottom-up planning might fail to integrate with the corporate strategy, as the marketing managers do not understand the full picture. (Smith, Berry & Pulford 1997, 97.) In this research the author approaches the planning process with top-down method in order to stand in line with corporate and marketing strategy that have previously been created by the case Company X.

The SOSTAC-model can be used in every level of planning hierarchy (Smith, Berry & Pulford 1997, 97). It can also be applied to B2C or B2B, either in product or service category (Smith, Berry & Pulford 1997, 111). This model was created by PR Smith in the 1990's and has been since then widely used framework for all sizes of enterprises in every industry. Chartered Institute of Marketing centenary poll voted the SOSTAC-model in the top three business models worldwide. Many professors of marketing have acknowledged the model to be effective - It guides the researcher precisely through the process. *“SOSTAC is a system for going through the steps and building a marketing plan”* stated Philip Kotler. (Smith 2015.)

Like mentioned in the introduction, the SOSTAC is an abbreviation from situation, objective, strategy, tactics, action and control. It consists of six steps where the researcher presents strategic questions which are illustrated in the figure six below.

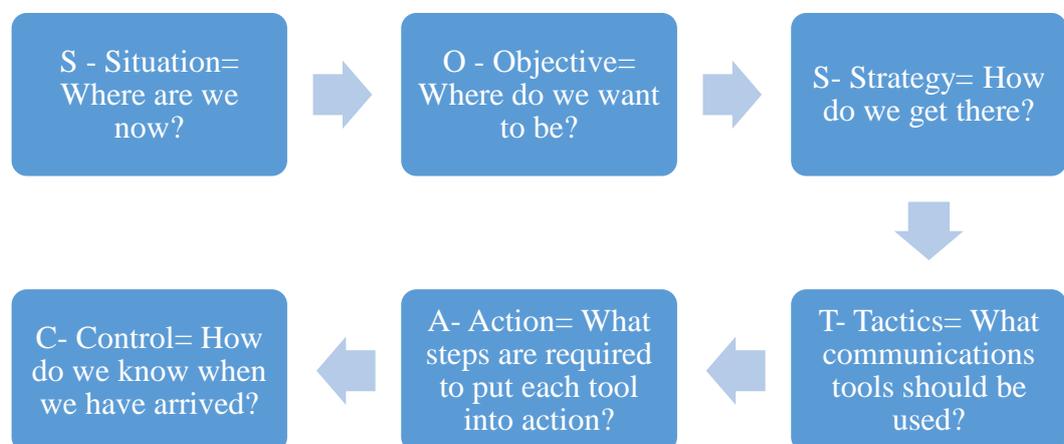


FIGURE 6. SOSTAC- model strategic questions (Smith, Berry & Pulford 1997, 98)

The 3Ms are also often related to the SOSTAC-model. The 3Ms are men, money and minutes, and they present the three main resources of the planning process. Men relates to the personnel, men and women, who have the needed expertise to execute the required work. Money means the funds or budget of the company. The cashflow, return on investment, profit or loss linked to the marketing activities are here the determining facts. Minutes describe the time as a resource, trying to measure how much time is needed to complete the plan. (Smith, Berry & Pulford 1997, 110-111.) All these factors are limiting variables and they restrict the outcome of the project and therefore it should be noted in the final conclusion.

In the following sub-chapters the author goes through all the steps of SOSTAC-model in detail and explains all the other marketing tools that are used in the analysis.

## 2.2 First step - Situation analysis

Before companies can form plans for the future actions, first it is necessary to inspect the current situation (Kotler & Armstrong 2014, 92-93). In SOSTAC-model the first strategic question is “Where are we standing now?” The market situation is changing constantly and therefore the market experts need to keep themselves up to date about new trends and interests (Kotler & Armstrong 2014, 92-93).

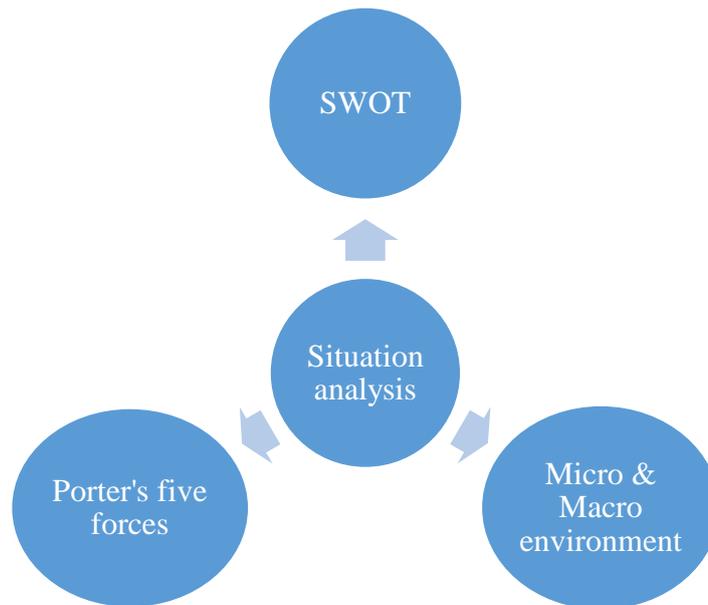


FIGURE 7. Situation analysis

To help to understand the market place and the company's internal factors, there are several different tools for assistance. In this thesis SWOT analysis, Porter's five forces and micro and macro factors on the market will be exploited. These tools will be presented in the following sub-chapters.

### 2.2.1 SWOT-analysis

By using SWOT-analysis, an overall evaluation about the company's strengths, weaknesses, opportunities and threats can be made. It is divided into internal and external factors, as well as positive and negative factors. This tool helps the marketing managers to identify the key areas in the company's performance, as the main purpose is to match the strengths of the company to the opportunities, and to withdraw the weaknesses and minimize threats. (Kotler & Armstrong 2014, 78.)

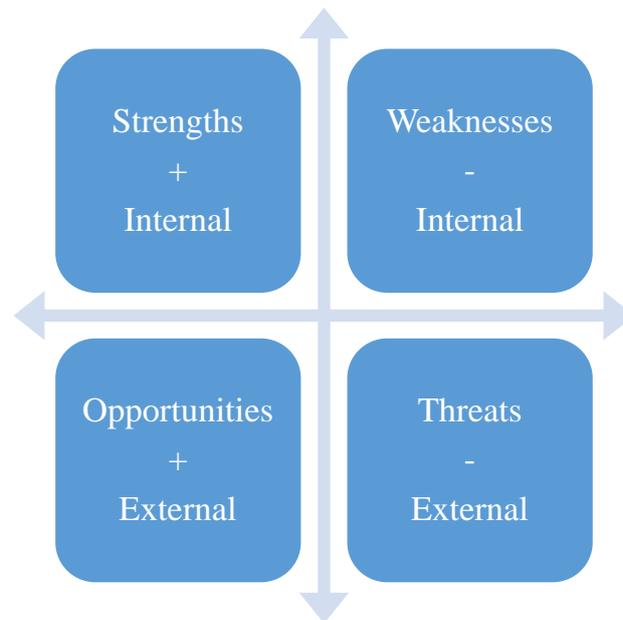


FIGURE 8. SWOT-analysis (Kotler & Armstrong 2014, 78)

The SWOT can be focused on certain areas which are required to be studied. In digital marketing research of the internal factors can be compared on a basis, where the traditional channels and digital marketing tools are being compared – the analysis is so called e-SWOT. The e-SWOT may include considerations about the customer database, online customer care, web-site, integrated database system and mobile marketing, depending on how advanced the company already is in digital marketing. (Chaffey 2008, 449.)

The external factors are uncontrollable and especially in the field of digital marketing they change fast and are difficult to forecast. The opportunities and threats can be investigated through following the competitors and customers which may give hints about the upcoming events. Companies should try to put themselves into customers' position and forecast how they will change and what are their future requirements. Focusing on customer needs and knowing their preferences will give the company an opportunity to serve their clients appropriately. (Chaffey 2008, 449.)

### 2.2.2 Market analysis

In order to understand the actors surrounding the company, a market analysis must be conducted. The marketing environment consist of external factors that the companies cannot control, but which have an influence to the success of marketing activities. Companies should follow the market trends closely in order to be able to adapt their marketing strategies. The market environment can be divided into two parts: Micro and macro factors. (Kotler & Armstrong 2014, 92.)

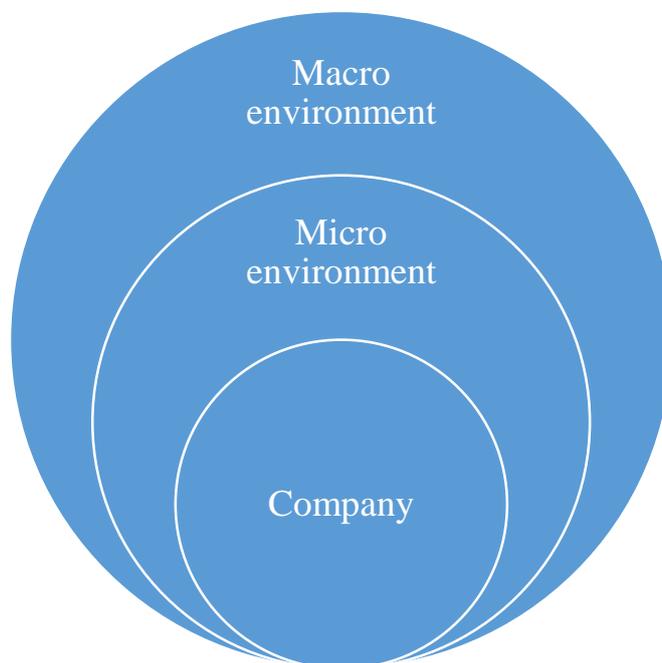


FIGURE 9. Micro and macro environment (Kotler & Armstrong 2014, 92)

The micro environment consists of variables that are close to the company and where it has some sort of authority, for example intermediaries and suppliers. On the opposite, the macro environment consist of variables that are out of the company's control such as technology, demographics and cultural forces. Carefully performed market analysis helps the marketers to identify the needs of the customers and enables segmentation. (Kotler & Armstrong 2014, 92-93.)

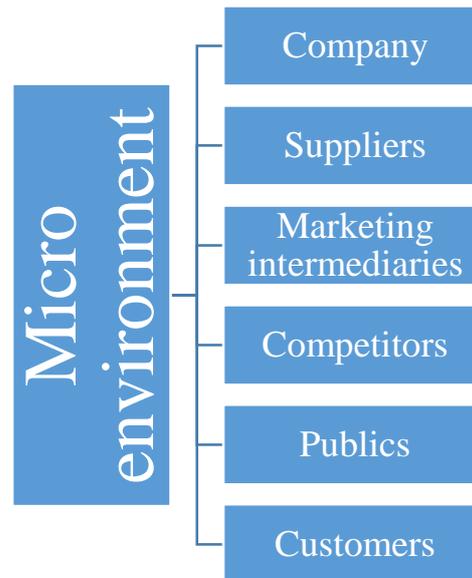


FIGURE 10. Micro environment (Kotler & Armstrong 2014, 93)

In the figure ten are listed the most common micro environmental variables that impact the companies. The figure eleven below presents the macro environmental factors which have an impact to the companies with a wider perspective.

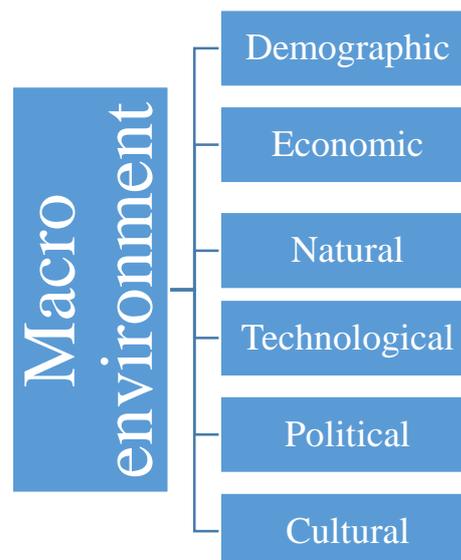


FIGURE 11. Macro environment (Kotler & Armstrong 2014, 96)

There is the so called “atmosphere” which explains the differences between two interacting B2B operators. This atmosphere changes during the company’s lifetime and is influenced by the micro and macro environmental factors. The macro environment defines roughly what relationships the B2B operator develops whereas the the micro variables create the interpersonal touch. Basically, the environment where the companies operate, shapes and modifies them. (Blois & Ryan 2010, 1-2.)

### 2.2.3 Competition

When companies plan their strategies, they have to acknowledge the competitive situation of the markets (Porter 1988, 137). Competitor analysis is an important part of the market research especially for the marketing executives, in order to be able get specific insights about the market situation (Kotler & Armstrong 2014, 128).

Porter’s five forces introduces five competitor variables: The threat of new entrants, the bargaining power of customers, the bargaining power of suppliers, the threat of substitute products and the rivalry within the industry. The key concepts that the tool is able to illustrate are the strengths and weaknesses of the company, the position of the company within its industry, strategic opportunities and certain key trends in the industry. If the company can understand these factors in its business, it has a chance to recognize certain diversification opportunities. (Porter 1988, 138.)

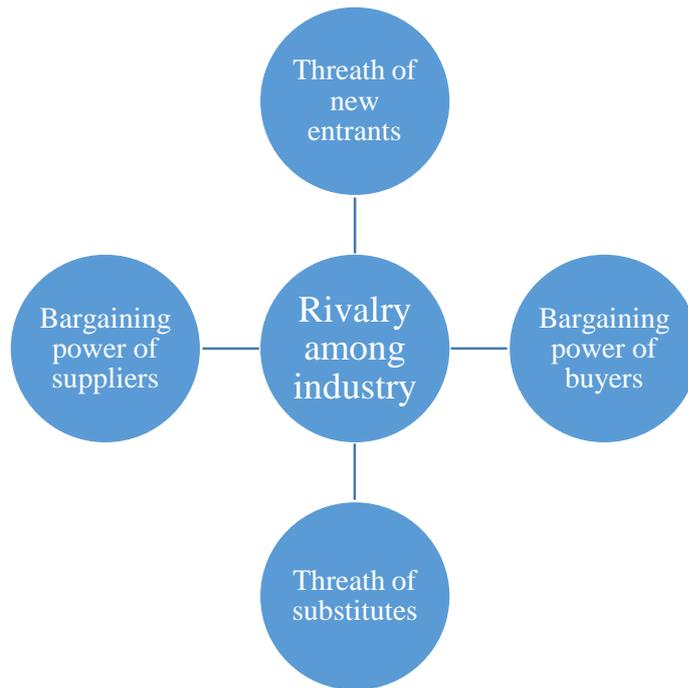


FIGURE 12. (Porter 1988, 141)

The rivalry among industry requires acknowledging certain factors such as the size and power of the competitors, industry growth, product or service differentiation and capacity (Porter 1988, 138). These factors are to be studied in this thesis from the viewpoint of case Company X.

### 2.3 Second step - Objectives

Every company exists for a reason and therefore their purpose should be clearly defined and visible. The strategic planning starts with defining the company missions, setting up the objectives and goals, and designing a business portfolio. When this framework is done and companies have better understanding of who they are and what they do, it is more convenient to start planning their future activities. (Armstrong & Kotler 2014, 66-67.)

Every department in the company has their own objectives. All these objectives should stand in line with the company's mission statement and values. This broad mission creates a hierarchy of objectives which includes for instance marketing,

finance and HR departments. When marketing department starts to plan a marketing strategy or program, the employees have to consider the general marketing objectives, because the strategy should always support the objectives of the company. (Armstrong & Kotler 2014, 70.)

## 2.4 Third step - Strategy

Companies desire to create value for customers and build profitable customer relationships. To get there, a strategy is required. The companies should decide who they want to serve through segmentation and targeting, and how they want to serve their customers by positioning and differentiation. The markets are so vast, that no company can serve everyone, and therefore the market must be split into smaller pieces and the most profitable or promising segments should be selected. (Armstrong & Kotler 2014, 76.)

The decision which digital marketing channels are to be exploited, is also a part of the strategic planning. When the customer segments are clear, companies should define which channel is used for each segment, because the channel usage may vary depending on the customer type. (Chaffey 2008, 40.) In addition, integration between digital marketing and the traditional channels is recommended. The successful marketing communication often includes online and offline marketing tactics. (Chaffey 2008, 74.) This kind of approach is known as the integrated marketing communication, where the traditional and digital marketing channels are being mixed together. According to a research made on B2B industry, the integrated marketing communication mix should be taken into consideration with matters such as the market area, product type and the behavior on how the information is sought. (Talonon 2013, 123.)

### 2.4.1 Segmenting

Market segmentation needs to be performed in order to narrow down the customer group to be served. It helps the company to focus their business to the most potential customers. (Armstrong & Kotler 2014, 77.)

Market segmentation can be made through various ways based on demographic, geographic, psychographic and behavioral variables. This relates more to B2C companies segmenting strategies, but the core idea is the same: The marketer must identify the segments which offer the best opportunities; basically the different characteristics, needs and behavior of the customers should be acknowledged. Typically, customers in one segment respond in the same way to marketing activities, for instance, some clients are looking for inexpensive solutions, whereas the others want comfort and service despite the cost. (Armstrong & Kotler 2014, 77.)

In this thesis, the customer segment analysis is to be made through analysing the organizational behavior of the customers, due to the B2B context. The behavior among industrial operators is an complex issue, and it includes significant information for the marketers (Choffray & Lilien 1978, 1-2). The table below describes the selected segmentation variables in detail.

TABLE 1. Selected Segmentation variable (Wind & Thomas 1996, 67)

<b>Segmentation variable</b>	<b>Serious consideration</b>	<b>Moderate consideration</b>	<b>Exploratory consideration</b>
<b>Organizational</b>	<ul style="list-style-type: none"> <li>• Industry type</li> <li>• Industry size</li> <li>• Centralization</li> <li>• Pattern on usage</li> </ul>	<ul style="list-style-type: none"> <li>• Geographic location</li> <li>• Autonomy</li> <li>• Usage experience</li> </ul>	<ul style="list-style-type: none"> <li>• Years in business</li> <li>• Staff ratio</li> <li>• Usage rate</li> </ul>

Through organizational segmenting, the case Company X may find hard facts about their customers' usage habits on their services. The customers can be

segmented into different categories depending on their industry type, business size and location.

#### 2.4.2 Targeting

When the company has defined their market segments, the ones which provide the highest value should be selected. These segments will be organized by their attractiveness and potential, so that the company is able to select one or more of them. The segments that provide the greatest profits, create the greatest customer value and where the company can maintain the position easily should be selected. (Armstrong & Kotler 2014, 78). The current competition situation of the segment should also be considered, before making a decision about the segments to be entered. (Armstrong & Kotler 2014, 225).

The figure 13 illustrates the four marketing strategies that the company can follow. The mass marketing is a strategy where companies target broadly their customers and ignore the segmentation. However, this is often not an advisable way of executing marketing program in international business. Step by step in the figure 13, the targeting becomes more narrow and the company starts to fulfill specific needs of the consumers. (Armstrong & Kotler 2014, 225-227).

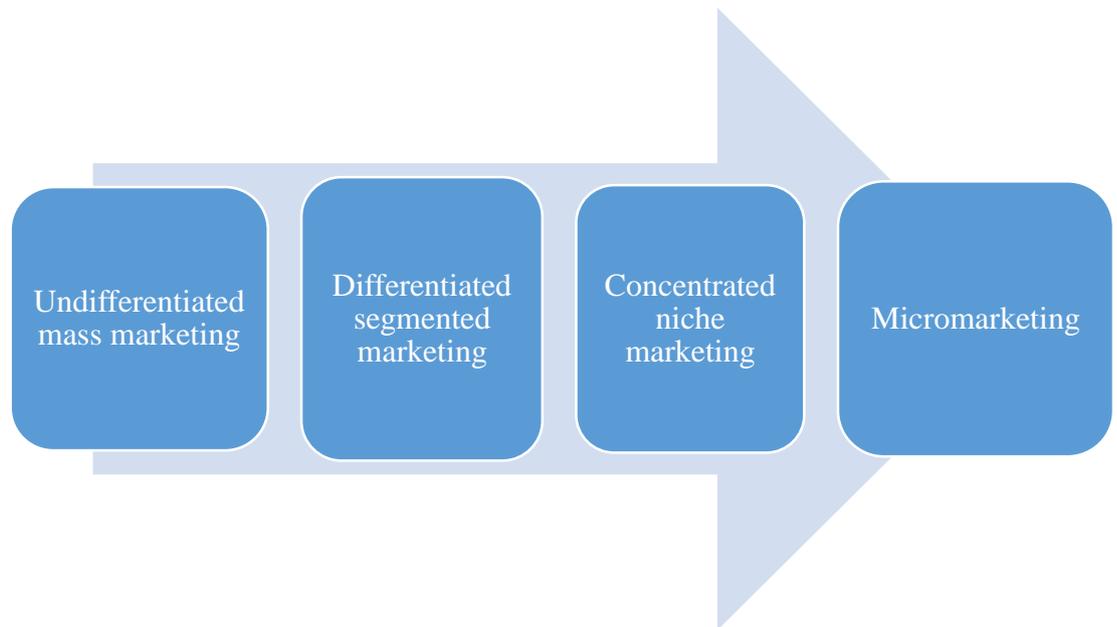


FIGURE 13. Marketing strategies (Armstrong & Kotler 2014, 225)

The arrow in figure 13 creates the base for the next step: Positioning and differentiation.

#### 2.4.3 Positioning and differentiation

In addition to the segmenting decision, the companies need to decide upon their value proposition – how can they deliver value for the selected segments and position themselves in the minds of the consumers. Here the branding and association about the products and services play a crucial role. (Armstrong & Kotler 2014, 232)

Perceptual positioning maps help the marketers to illustrate the consumer perceptions of their brands against the competitors. Depending on the targets of the company, the variables can be chosen to the map - For instance, quality and price can be the two variables that are selected and compared against the competitors. (Armstrong & Kotler 2014, 233)

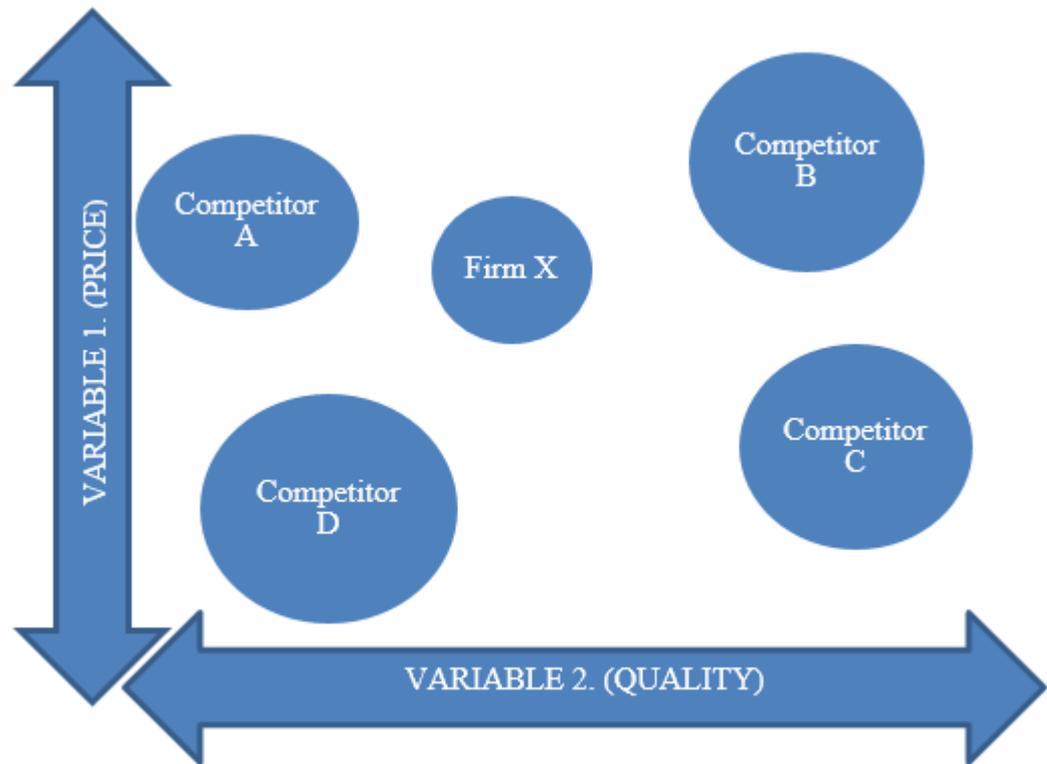


FIGURE 14. Position map (Modified from Armstrong & Kotler 2014, 233)

In order to differentiate the company from the competitors, the competitive advantage of the business must be clearly defined; some companies differentiate themselves with quality or extensive service. When the company has chosen their overall positioning strategy, they need to effectively communicate it to their customers. (Armstrong & Kotler 2014, 233.)

#### 2.4.4 Digital channels

To the strategy part belongs also the consideration of digital channels. The company should debate the potential channels and list the most relevant ones.

Digital marketing strategy should be handled as a channel strategy, where the digital channels support the more traditional channels. Using digital marketing channels for every product and customer might not always bring additional value

for the business and therefore, the use of digital marketing channels should also be used with consideration. Digital channels are most effective when both parties, the sender and the user, gain extra value out of it. Often the digital channels alone are not sufficient enough and therefore channel integration strategy is acquired.

Crucial for the success of the strategy plan are the following components:

- Clear objectives
- Segmentation, targeting and positioning
- Optimized mix of e-channels
- Ongoing dialogue with customers

(Chaffey 2008, 40.)

In this thesis, the focus is on how to attract new clients. Therefore the digital channels will be selected according to those conditions, basically meaning that the online value proposition (OVP) will be defined. The online value proposition suggests that what kind of value the digital marketing brings and to whom it brings it? Careless digital marketing is waste of resources. (Chaffey 2008, 40). To be able to define the OVP, the company needs to take a few steps to analyze their business:

1. Review for potential OVPs: Decide on the unique benefits that you have and plan how to deliver it to the audience.
2. Select your target audience: Create groups and illustrate the persons on the market
3. Research your audience: Who need your services and what exactly do they require?
4. Define the OVP and communicate it to the audience.

(Bosomworth 2010.)

There is a large amount of different e-tools available on internet, part of them planned to maintain and care about the relationship with existing customers, some to help to track statistics and a few aid to attract new customers. Using the digital channel integration with e-tools such as search engine optimization and paid ads

the company has a higher success rate in its marketing activities (Chaffey 2008, 40).

To make the concepts more clear the author distinguishes between digital channels and e-tools below in the table two. The difference between the e-tools and digital channels is that through the digital channels it is possible to share information and interact, whereas the e-tools are there make the company more visible on the internet. Basically, the e-tools are supporting elements for digital channels. The concepts are shortly presented in the following paragraphs after the table two.

TABLE 2. Distinguishing between digital channels and E-tools

Digital channels	E-tools
Social media (Facebook, Twitter, LinkedIn)	Search engine optimization (SEO)
Electronic newsletter	Paid search
Email	Google alerts
Homepage	Google analytics
Blog	Online advertisements
Forums	

Social media or social networks are built on web-based technology, where the individuals are able to communicate, form and maintain relationships, share their skills and knowhow. For instance LinkedIn offers a news feature, company groups, where company employees can subscribe themselves and discuss, share ideas and make questions relating the company. (Lee 2010, 19.) Another way of

spreading information are newsletters, which have been used since decades. Consequential to web, the electronic newsletter have become popular (Martinson, Gilkerson Wieland & Bartholomay 2010 according to Brotherson & Bouwhuis 2007, 1).

Blogs are online journals that require regular updating from various subjects. The benefit of a blog is that they are flexible, because the subjects in a blog can vary from the authors opinion to a more general discussion. (Lee 2010, according to Ives & Watlington 2005, 19.) The blogs can be used as a communication channels between companies and customers, also on B2B side (Lee 2010, 19). To further develop the communication to more two sided, there are forums available. Forums are online discussion platforms which are increasingly used for information inquiry. In forums people can ask, explain and learn from various topics. (Thomas 2002, 1.)

In search engine optimization (SEO) messages are placed on a search engine. When a specific keyword has been used, the company will be higher on the natural search list. The paid search is similar to SEO, because there the advertisement will show up when certain keywords have been used. (Chaffey 2008, 34.)

Google alerts gives an alert for the subscriber when Google finds new topics relating to the listed interests. It is an efficient tool to get updates about new products or about the content that has been published about the company. (Google 2015). Google has also a second helpful tool to the companies: The firm can measure their sales, investigate how the visitors come to the webpage, what they do there and how to get them to return (Google 2015). All this is possible by using Google analytics

Websites and homepage needed urgently a new definition that shifts from the technological side to a more business alike definition. One modern definition describes the homepage to be a digital environment where information and solutions are delivered. In addition it promotes interaction between people and places, to back up the organizations aims. (Murtagh 2013.)

Every digital channel has its peculiarities. The B2B homepage is an important tool for the sales process and it can be perceived to be the business card of the whole company. (Harris 2013.) To highlight the importance of B2B homepages, some advisable factors that make the site more efficient and customer friendly are to be listed here. These features are especially for B2B sites intended.

In general, the usability of the B2B homepages is substantially lower than the ones from B2C. When designing the website, the functionality and customer experience should be carefully considered in order to build a customer friendly site. Layout should never be underestimated, because esthetic sites with photos, videos and not too crowded with text make the visitor to stay longer at the site. However, sometimes the information available at the homepage of B2B companies is too limited due to protection of the business secrets. Registration provides an access to more in depth information, but commonly the users are reluctant to do this. Therefore a sufficient amount of public information about the services and products of the company is essential. The visitors must understand what is the company's function. (Nielsen 2006.)

In order to build up online trust, a fact sheet about the company is necessary in every B2B homepage. This defines what the company does, what are the goals and aims. Moreover, the contact details of the company must be clearly visible and provide the visitor an easy option to contact the firm. (Nielsen 2006.)

B2B companies tend to leave out their pricing from their homepages, because often the product and service entities are so complex and consist of multiple options and therefore offering a list price is rather challenging. However, according to a research made, the first thing that the B2B purchaser does, is to look up the price when he/she visits the homepage. If the price cannot be found, the purchaser might lose its interest and move on to the next provider site. Therefore, it is advisable to provide at least one case example about the pricing that the purchaser can at least estimate what the cost of delivered service might be. If the visitor can see what is the return on investment, they often are more eager to make the purchasing decision. (Nielsen 2006.)

The content of the B2B websites is in crucial role: The content strategy is an important tool to steer the traffic through SEO and social media and build trust with the online audience. Deciding the best content type from audio, video or text is demanding, but even though the type is right the content might still fail. (Harris 2013.) In the following paragraphs are presented the most common content mistakes on B2B sites.

Often the B2B companies are too focused on themselves and they forget the customer's perspective. The firms often concentrate too much on describing who they are and what they do, instead of communicating to the customer the value that they gain from the services and products of the company. Initially, the customers want to know what is in for them. (Harris 2013.)

Some companies fail to communicate their message clearly to the audience. Their value proposition is hard to understand and it makes the visitor confused. The companies should carefully test their value proposition sentences to be sure the message is comprehensible. One advice is also to keep the language simple and avoid too much industry jargon. (Harris 2013.)

For many companies the homepage is the foundation stone of the online marketing, where they can connect all the other digital channels such as social media and electronic newsletters. The homepage should not be seen as outmoded tool, but as a base for all the digital tools. (Harris 2013.)

## 2.5 Fourth step - Tactics

When the third step, strategy, has been carried out, it is time to move on to the fourth step: Tactics. In order to implement the strategy, tactics are needed; tactics are the specific action plan of the strategy how to choose and use the digital channels and e-tools. (Chaffey 2008, 43.) Marketing mix is a helping tool which consists of four P's: Product, price, place and promotion. This tool helps the marketers to serve selected customer segments effectively and to answer to the different needs of various customer groups. Through marketing mix companies can also regulate how much to use adaptation in their marketing activities. (Armstrong & Kotler 2014, 510.)

Successful marketing program blends the elements mentioned in the figure 15 below, in order to be able to gain the wished response from the selected market segments. (Armstrong & Kotler 2014, 80-81.) However, this thesis will concentrate only on the promotion. The product, price and place are considered to be irrelevant, because they stay more or less constant and therefore they will get less attention. In addition, answering the reserach question how to attract new customers via digital marketing requires specific concentration on promotional tools.

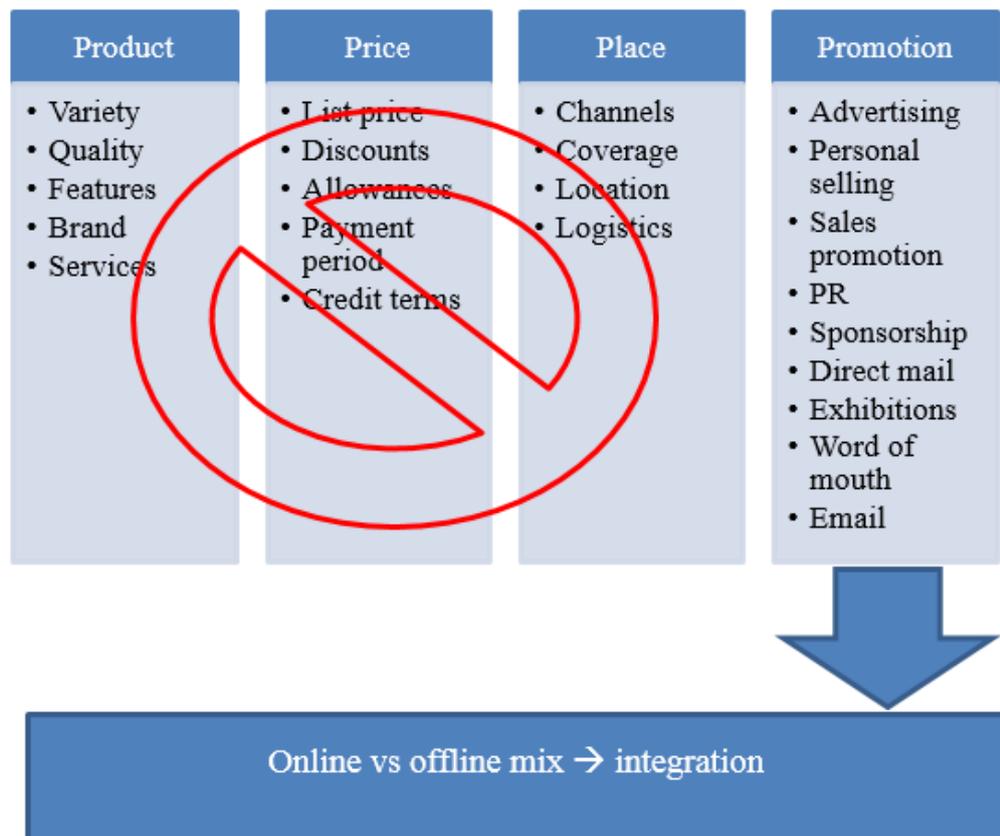


FIGURE 15. Remixed marketing mix (Modified from Chaffey 2008, 50-51)

The marketing mix in this thesis emphasizes the integration of marketing activities. The promotional part consist of traditional and digital marketing channels which forms the online vs offline mix. Therefore the whole marketing program is to be an integrated channel plan like the figure 13 above illustrates.

2.6 Fifth step - Actions

After carefully planning the strategy and tactics, the plan is to be executed. In the action phase, company will define who does what and when. Each tactic can be divided into small projects which are shared between different departments within the company. Every project needs an action plan, where every step is well planned and the responsibilities are shared with certain key persons. It is also necessary to define whether the company applies internal or external staff in the team. Schedules help to keep the project organized and therefore usage of Gantt chart, critical path analysis or flow charts are strongly recommended. (Chaffey 2008, 469.)

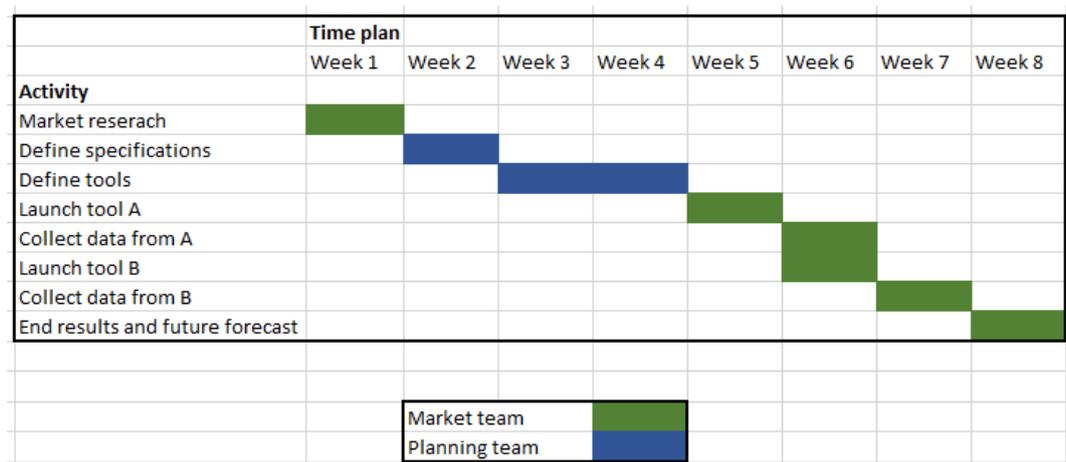


FIGURE 16. Gantt chart planning example

The figure 16 above illustrates an example of Gantt chart, where the tasks of a project are shared among the different departments of the company.

2.7 Sixth step - Control

In order to be able to measure performance and success, companies need monitor and control their plans. If there is no sufficient monitoring system, it is impossible to estimate which actions are beneficial for the company and which are not.

Important is to measure the project already when it starts to run and not only in the end of it, because corrective actions can be made before the end of the project. There are several ways to measure the on-going project, depending on what the goal of the project is. For instance sales figures, number of visit on online platform or contacts made by customer can reflect the project outcome before the end. The way of measurement depends on the wanted outcome. (Chaffey 2008, 472.) Regular reports and feedback are essential in order to understand how the project proceeds. Collaboration of distinct departments in the company can be better controlled when regular meeting and reports are performed. (Smith 2012.)

### 3 CLOTHING AND TEXTILE INDUSTRY

This chapter analyzes the current situation on the textile markets in general, but it also goes deeper into the textile industry supply chain solutions to provide understanding about the case company's niche branch. The aim is to provide information concerning sales, opportunities, employment and future of the markets.

#### 3.1 Industry background

To understand better the branch and the role of the case company, it is significant to acknowledge the complexity of global textile and clothing industry. The industry is remarkably diverse and heterogeneous, because of the wideness of the customer base: Both households and companies require goods and services. In addition, the assortment of the goods is vast, just to mention few, including bed linen, clothes, curtains, carpets and the industrial goods for companies. In addition, textile industry is not restricted only to finished goods, but it includes also semi-finished and raw material markets. The raw material market is connected with agricultural sector with its natural fibers, such as cotton and wool. The usage of nylon and polyester acquires knowledge of chemistry, which presents a significant role in the raw material markets on textile industry. (Stengg 2001, 1-3.)

The textile industry provides only in Europe over 2 million job positions and therefore it is an important employer. The small and medium sized companies dominate the markets. The reason for that might be the flexibility and quick reactions that the industry requires. (Stengg 2001, 3.) However, the sourcing in textile industry has grown global and it has made some irrevocable changes to the markets. The retailers buy offshore in order to answer to their customers' fast changing and demanding needs. As a consequence, developing countries have gained market share from the industrialized countries. However, the offshore sourcing does not only bring benefits, but it also makes the supply chain more difficult to control which might lead to delays in dispatch or quality issues. Therefore, the competitive advantage for the small and medium sized companies

in developed countries is to concentrate on delivery and quality issues. (Bruce, Daly & Towers 2004, 156.)

The companies in clothing industry face challenges in the supply chain management. Speed, efficiency and transparency are the features that cause inconvenience for the business and therefore the companies are looking for a solution for these problems. Often the supply chains are built from several participants: Agent, weaver, knitter, material supplier, shipper, garment manufacturer and retailer. The supply chains can be constructed in many different ways, depending on how the company has planned their deadlines and value chain. (Bruce, Daly & Towers 2004, 158.) In the figure 17 below one example of supply chain is illustrated. Nowadays in the global markets, companies have several different suppliers where each of them produces only small fraction of the assortment (Commercial Banking Asia 2012, 1).

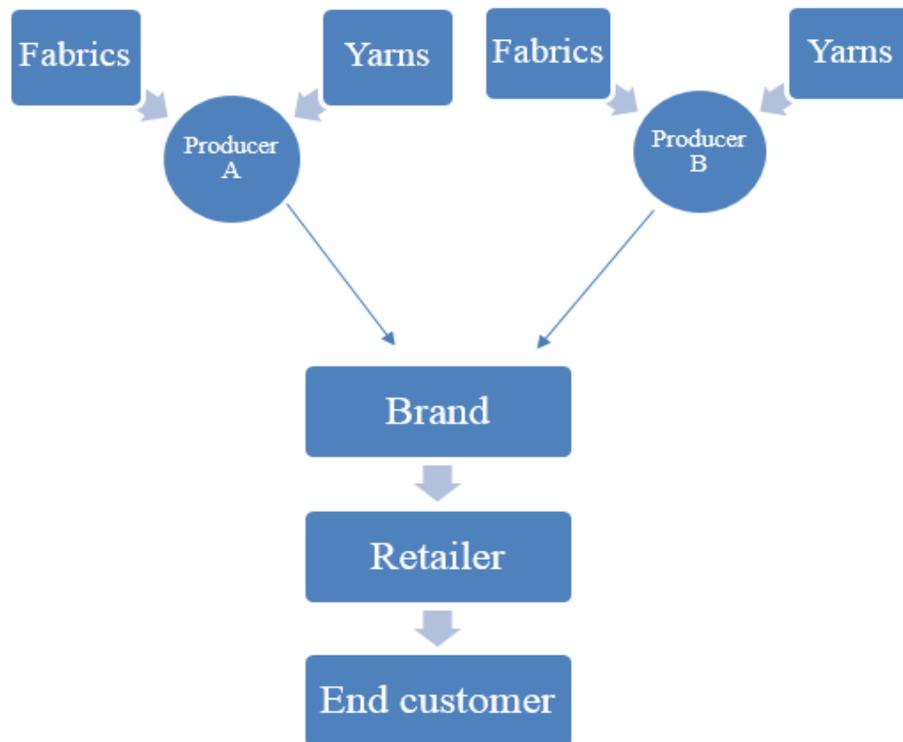


FIGURE 17. Supply chain model in textile industry (Modified from Bruce, Daly & Towers 2004, 163)

From the figure 17 it can be noted that already an simple supply chain consists of various steps and participants which may bring instability into the business. This supply chain is still relatively simple one.

### 3.2 The current market situation

Apparel and textile industry is one of the world's largest industries. In 2012 the global market value was 1.7 trillion USD and it employed 75 million people worldwide. (Fashion United 2015.) The US market is the largest consumer of apparel and growth is estimated to stay at 5% rate. Together with Europe, US consumes 64% of the global clothing production. (Commercial Banking Asia 2012, 1.)

China still dominates the manufacturing business, even though since few years there has been cost related pressure to move the production to cheaper countries in South East Asia. Due to the high competition in garment industry, the manufacturing has been continuously shifting its place and chasing the cheap labor costs. The fourth visible shift is under the way, as the costs are ascending in China. Therefore, the manufacturing units are slowly looking for new locations. (Commercial Banking Asia 2012, 1-2.)

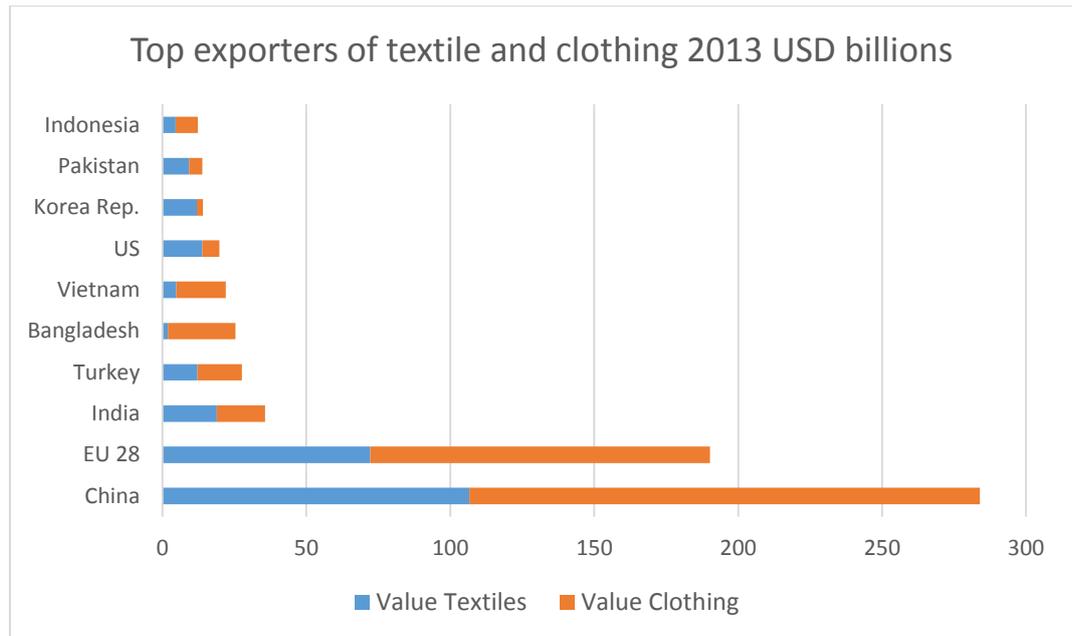


FIGURE 18. Top clothing and textile exporter in 2013 (WTO 2014)

In 2013 the world exports grew by 8% in textile and clothing industry. This is significant indicator about the situation of clothing business, when we compare it to the average export rate in 2013 which was only 2%. The biggest ten importers all reported a growth in their export amounts on textile industry, but the most interesting figures came from India, where the exports increased with 23%. (WTO 2014.) This could be a clear indicator how the textile industry is shifting its geographical location.

### 3.2.1 Solutions for brands and suppliers

## 4 CASE ANALYSIS: COMPANY X

The purpose of this chapter is to provide detailed information about the case company's business model and markets. The six step SOSTAC-model will be used here to provide a clear framework for the initiation. However, this chapter analyzes only the objectives and current situation as the further analysis will be presented after data analysis. Therefore, an internal analysis of the company will be conducted and the market situation will be illustrated in this chapter.

### 4.1 Company overview

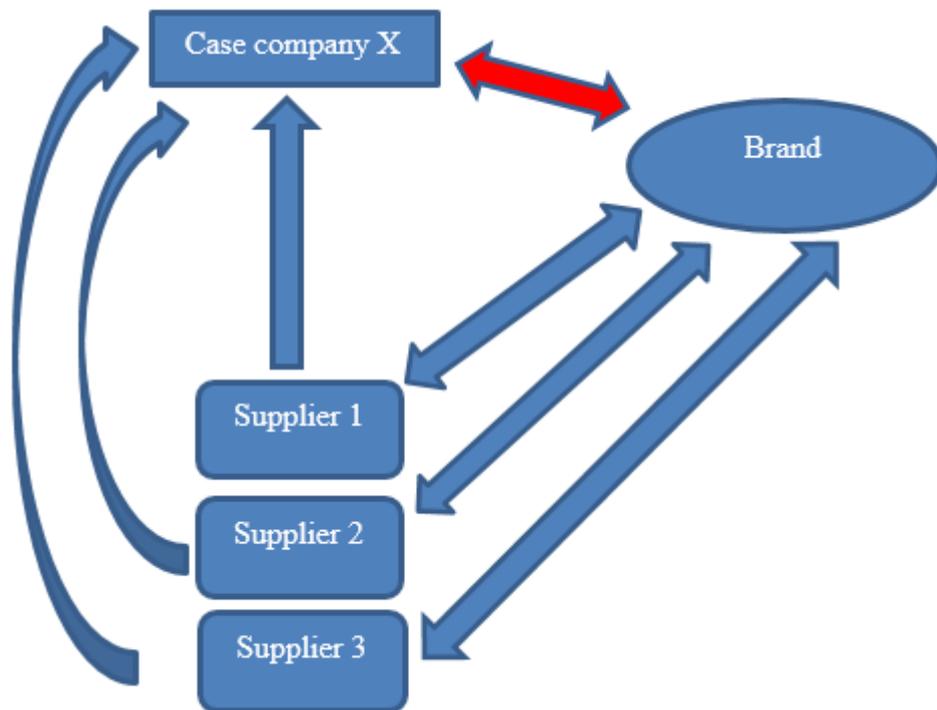


FIGURE 19. Business model of Company X

The red arrow in the figure 19 between brand and Company X presents the most important customer relationship that the Company X can acquire. When this

relationship is formed, the invested time and money will multiple the sales, because the brands bring automatically along the suppliers. Therefore, marketing targeted to the suppliers might be burdensome with low customer acquisition rates.

#### 4.1.1 The target markets of Company X

#### 4.2 The objectives of Company X

The objectives of Company X can be organized into a hierarchy chart where the current values (mission statement), future insights (visions & marketing objectives) are visible. See the figure 20 below.



FIGURE 20. Objectives of Company X

When the marketer plans the marketing strategy in the Company X, the main objectives, mission statement and policies should be acknowledged. The core values and missions should be reflected to strategy and make them visible. The Company X should be able to communicate with their customer about their

solutions and how it benefits the customer. The mission statement of the Company X might not be directly interesting the customer and therefore it is important to show the real advantages, which the customer reaches by using the services of Company X. Therefore the Company X has lately introduced a new marketing concept to be able to communicate the value of the service to the customers.

The marketing objectives are rough, because the whole marketing communication has been started lately. The responsible person for marketing has made accurate plans what and how to promote, so there is guidelines to follow in the future. The main focus has been on how to interact with the existing customers, but now the Company X desires to attract the attention of new potential customers. The communication with the customers is now on the right track so therefore it is time to expand the marketing activities and find new channels.

#### 4.3 Situation analysis of Company X

This chapter's purpose is to analyze the current situation of the Company X and markets. SWOT, Porter's five forces, micro and macro analysis are applied to analyze the circumstances.

##### 4.3.1 Market environment of Company X

Now when the Company X has been introduced, it is logical to investigate the market situation. The market area in this research is large, because it is not limited by any geographical limits. The most relevant factors are to be focused more in the following sub chapters; the aim is to chart the affecting variables around the company. First, the close micro environment is researched following with the larger macro environmental variables.

The company itself is one part of the micro environment. Other relevant factors were introduces in the chapter two: The customers, publics, competitors and suppliers.

Company X has few investors in their company. Therefore the communication with the publics should also be made in a good manner, because these investors can also have influence how the company can achieve its goals.

Competitors of the company should be acknowledged and the Company X should follow how they perform on the market. By knowing and understanding the competitors, the company can better position and differentiate itself from the others. The Company X has quite many competitors in the consulting and certification side, but in the software development they are clearly on the top.

The Company X does not have suppliers in the sense of tangible goods that are forwarded to the customers. The supply concentrates more on basic administrative every day services that the Company X needs. However, as a small company the cost questions of these services is always relevant, so the company should find a balance between price and quality of the service.

In the table three below, the author has collected the most relevant micro environmental factors where the Company X should especially pay attention.

TABLE 3. Micro environment of Company X

<b>MICRO ENVIRONMENT VARIABLES</b>	<b>PAY ATTENTION COMPANY X</b>
<b>COMPANY</b>	Internal departments, mission statement, objectives, policies
<b>CUSTOMERS</b>	Serve target customers, create strong relationship
<b>PUBLICS</b>	Media and investors impact the ability to reach the objectives
<b>COMPETITORS</b>	Company position on the market, offer more value than competitors
<b>SUPPLIERS</b>	Supply availability & cost, supplier involvement

Macro environment consists variables that the companies cannot control. Therefore they must try to adapt to the changes. (Kotler & Armstrong 2014, 92-93.) Due to the complicated nature of the business of Company X, many of the soon introduced variables are affecting the business only indirectly through the manufacturing process.

For the Company X, the population growth together with the distribution of income create interesting opportunities. In the western part of the world, the growth or changes in the income are not so relevant, but in the eastern part of the world, there are still shifts happening which will create more demand for textiles and clothes. However, even though China is the largest manufacturer of the clothes, it must be noted that its internal consumption is dragging. Therefore, the most of the growth in consumption is to be seen in Bangladesh, Vietnam, India

and Cambodia. (Beron 2014.) The reason for this is the earlier mentioned shift of manufacturing location to the South East Asia due to lower production costs. This impacts also the domestic consumption of the cheap labor countries.

(Commercial Banking Asia 2012, 1-2.) Therefore it can be stated that the overall manufacturing of garments will grow in the future which influences directly the sales of the business of Company X.

The nature and environment affect indirectly to the business of Company X. Most of the manufacturing units are located in areas, where natural disasters and difficult weather conditions appear quite often. If the customer of Company X, clothing brand, loses production units it may affect the revenue of the Company X indirectly as well.

The technology is probably the most significant part of the macro environment when investigated from the view of Company X. Technology has the tendency to change quite fast. New solutions always captivate people especially if they can save costs and time from the production. (Kotler & Armstrong 2014, 106.)

Therefore, the Company X should follow the market needs and competitors closely in order to find new trends or gaps in the technology to fulfill. In the end, the Company X can be the leader of new technical solutions with its knowhow in producing processes and software solutions.

Marketing and other business activities are always subject to the local laws and regulations (Kotler & Armstrong 2014, 107). However, as in this research most of the marketing is targeted to the brands which are located mostly in the western part of the world, the case will be more straightforward.

TABLE 4. Macro environment of the Company X

<b>MACRO ENVIRONMENT VARIABLE</b>	<b>PAY ATTENTION COMPANY X</b>
<b>DEMOGRAPHIC</b>	Population growth
<b>ECONOMIC</b>	Different market areas: industrial, developing or subsistence economies, Distribution of income
<b>NATURAL</b>	Natural disasters
<b>TECHNOLOGICAL</b>	Keep up with the development, follow competitors and market needs
<b>POLITICAL</b>	Marketing is subject to local laws, overall political atmosphere
<b>CULTURAL</b>	B2B employees are also influenced by their environment and they absorb impressions about habits and preferences

In the table 4 above are the most powerful macro variables that affect the business of Company X. The company cannot change or have an impact on these

matters, but it can still try to cope with them, forecast the changes and take advantage of the potential trends.

#### 4.3.2 Competitors – Porter’s five forces

The competitors are being shortly analyzed in the market situation analysis, but this chapter provides more in depth reasoning. The competitive situation on the market is investigated with the help of Porter’s five forces model. The market branch where the Company X operates, is rather special niche market and therefore the author has to mostly lean on the CEO’s opinions about the competition situation.

The figure 21 below illustrates the different industrial forces in the case of Company X.

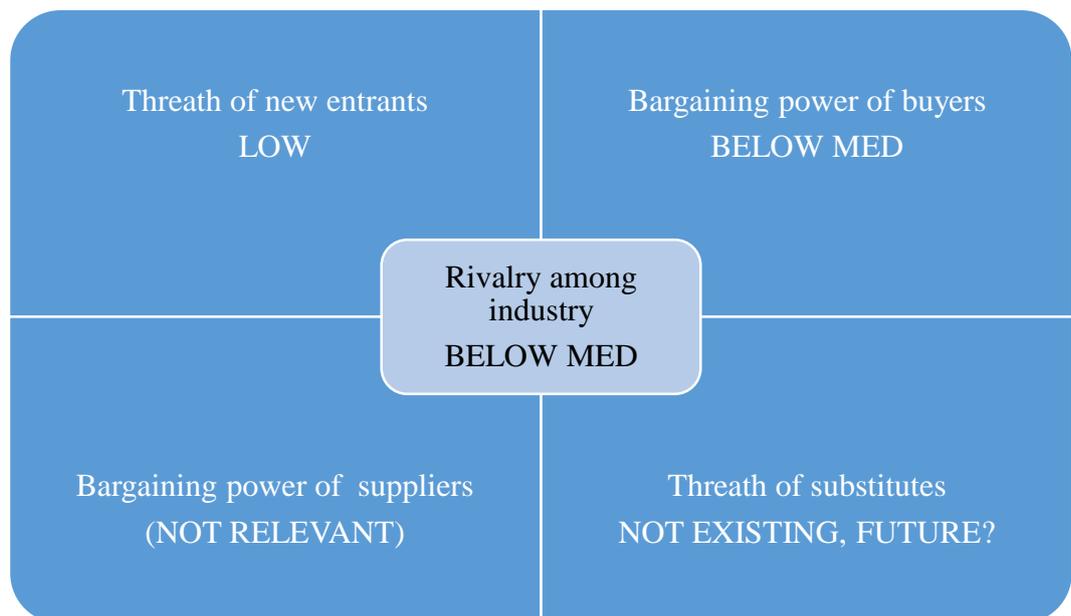


FIGURE 21. Porter’s five forces for Company X

The statements of the CEO can be supported by having a general look on the consulting industry entry barriers. The most commonly listed barriers to entry which make the threat of new entrants lower are:

1. The difficulty of finding the first assignments. It might be discouraging trying to find the first customer to share your expertise with, when you have no reputation.
2. Financial uncertainty.
3. Gaps between assignments, meaning that the company ignores the task of finding new customer and ends up with no cash flow when the old projects finish.
4. Timing. Even though the consultant is ready with their services and materials, the customer might not be in the position to use the services. Consulting is all about relationships, because when the customer finally is prepared to buy the service, it must be made sure they call in in the right place and they are full aware who can help them. It is long-term work.
5. Developing relationships in consulting business is the base for whole company.

(Kintler, Adams 1998, 7-8.)

The most significant feature which arose in primary and secondary sources was the relationship management – without extensive relationships it is hard to enter the business and therefore the threat of new entrance is low.

The rivalry among the industry is below medium, because there are not so many competitors existing on the market. None of rivals are following exactly business concept of Company X, which includes three different kinds of services to their business: Consulting, certification and software services. When looking at the consulting business in general, the central idea is that when the economy goes well, the consulting is also booming. On the other hand, when the times are tough, the consulting is among the first services where the companies cut out the costs. (The Economist 2011.) The competition can turn out to be quite harsh generally speaking – however, due to the special knowhow requirements of the industry, at

the time being the Company X manages to stay without large amount of competitors. Therefore the rivalry among the industry is below medium.

The bargaining power of buyers is also seen as below medium for many reasons: Most of the services purchased from Company X are exceptional and definitely not standard products. The switching cost are not remarkably high but it causes additional work for the buyer. Moreover, the services of Company X are important for the customers' business in the sense of quality and cost saving. Due to these reasons the Company X has more authority over the buyers than the buyers themselves.

Threat of substitutes is at the moment low, because they are not really existing on the market at the moment. The same applies to the bargaining power of suppliers: Company X has at the moment no relevant suppliers that could restrict the business. The only suppliers for Company X are the few administration services, such as internet, email services etc.

#### 4.3.3 SWOT analysis of Company X

TABLE 5. SWOT of Company X

<p>Knowhow/skills</p> <p>Diverse team</p> <p>Small company; flexibility</p> <p>Various services; full package</p> <p>Online support</p>	<p>Internal communication; virtual communication challenges</p> <p>Moderate funds and resources</p> <p>Process management</p>
<p>Undone work in textile industry; social and environmental compliance</p> <p>Improved technics</p> <p>Widen operations to other textile branches</p>	<p>Cashflow</p> <p>Brands do not buy services</p>

In the table five are listed the strengths, weaknesses, opportunities and threats of Company X. The situation seems to be quite balanced as the company has good pile of strengths listed and there seems to be enough opportunities on the market. The weaknesses are issues that the Company X can influence by itself and make the change. The threats are more difficult to influence and therefore the Company X should try to minimize these risks if possible. Good sales team can gently push the brands to buy the services and also pay their invoices on time.

## 5 EMPIRICAL STUDY AND ANALYSIS

This chapter aims to provide extensive description about the survey design and execution with whole data collection procedure. The survey results are presented and analyzed in order to find relevant information about the participant behavior and preferences.

### 5.1 Survey design and formulation

Before starting to collect primary data the researcher has to define whether the phenomenon is to be studied by observing the sample or by communicating with it. Communication approach includes interviews and surveys which are to be recorded for further analysis. (Cooper & Schindler 2014, 216-219.) This thesis was executed by communicating method.

The amount of self-administered surveys has rocketed compared to the other quantitative data collection methods and there are a clear reasons to it: The answers can be collected rapidly, visual stimulation can be used, possibility to conduct several surveys at the same time, international participants can be attracted easily and participants feel anonymous. However, the disadvantages should not be ignored, because they might influence the research significantly. The fact that the web-tools do not always work perfectly and it needs sometimes great amount of expertise to conduct a survey online, meaning also that the costs might be higher than first thought. All in all, online surveys can be very cost-efficient if there is knowhow. (Cooper & Schindler 2014, 226-227.)

In this thesis the main source of primary data was an online survey which was based on an online platform sent to participants via email and social media (LinkedIn and Facebook). One interview with the CEO of the Company X was also conducted to gain insights to the company itself and the market situation.

The aim of the online survey was to reach new potential customers and learn about their behavior. The survey assists in developing a digital marketing plan for new potential customers by identifying important factors about them. The following questions were answered with the help of the survey:

- Where are the brands located?
- What is the size of the brand?
- What kind of communication channel the participants prefer on individual level?
- What channels should be targeted in digital marketing?

The aim of the research was to reach around 80 brands. The survey was sent to a few brands several times to reach people in different kinds of positions and therefore the survey was planned in a way that there are no open ended questions, but in some questions it was possible to leave a comment or create custom answer. All together around 130 invitations were sent. The questions were designed so that there was enough options to choose from and in some questions the participant could make a custom answer if they felt that none of the options was applicable for them. The answer possibilities were set differently depending on the question. Questions where only one response was desired, the author used multiple-choice, single-response scale. However, not to affect the answers of the participants too much, in those questions where it was necessary, an “other” option was added that the participants was able to insert an additional comment. The rest of the questions were multiple-choice, multiple response scale and multiple rating list scale. The survey included 10 questions.

The interview with the CEO of the Company X was executed by face to face interview at the office and it was recorded. The benefits received through personal interview are the depth of information and details. In addition, security of information and the quality of information is higher as the interviewer can ask directly supporting questions if needed (Cooper & Schindler 2014, 238). The reseracher can also motivate the participant to answer the sensitive questions, where the participant might otherwise be reluctant to answer (Passer 2014, 217). The full interview questions with the CEO can be found from the appendix.

Beside the survey and interview with the CEO, the author made observations by herself and had discussions with the other employees of the company. One unstructured interview with the marketing responsible was made and in addition there was one meeting where the author and the marketing responsible drafted the final purpose and target of the thesis.

## 5.2 Data acquisition process

This chapter provides details on how the data collection was performed in this research. In the figure 22 below is the timeline of data acquisition.

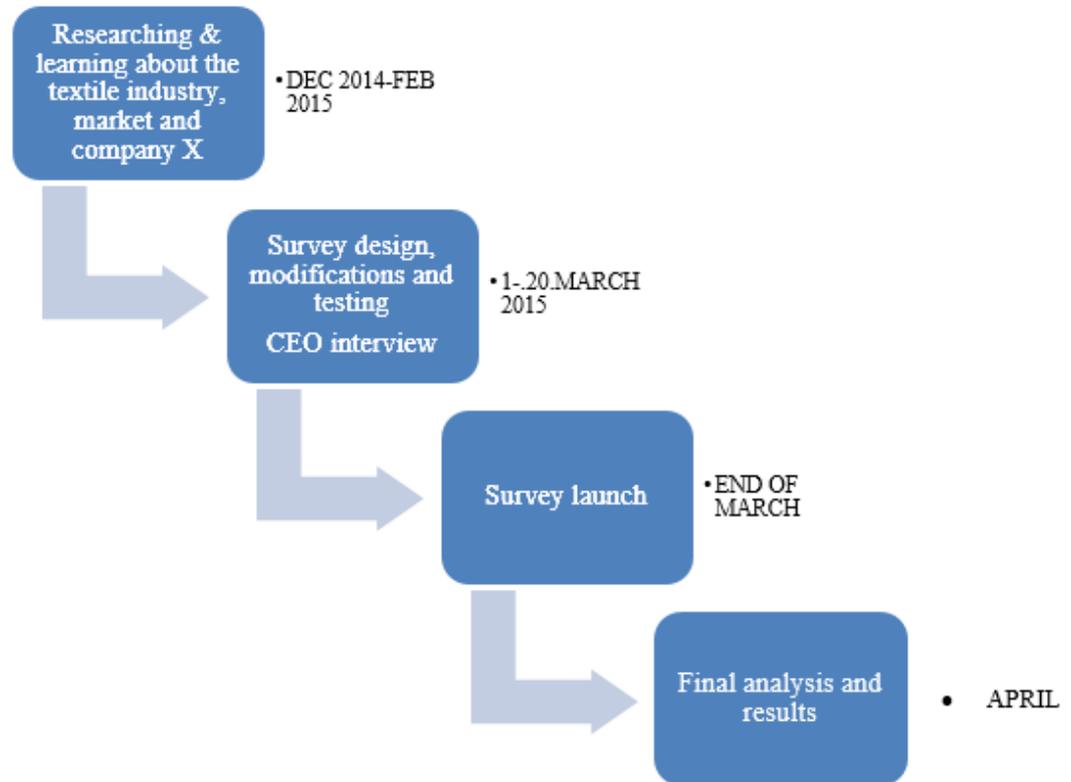


FIGURE 22. Data collection process

As mentioned earlier, the author made an internship of five months in the case Company X. Already before starting the internship, the possible thesis subject was discussed with the other employees. Therefore, the author had the chance to investigate the textile industry already before starting the internship. In January the author assimilated information about the company and made an unstructured interview in 26.1.2015 with the marketing manager to discuss more specifically what could be an interesting subject for both parties. The Company X had a craving to find out how to interact with new potential customers and the author

had personal interest to investigate digital marketing. Therefore, the idea of digital marketing planning for potential customers was selected.

In 13. March the author had a midpoint meeting with the marketing manager and her internship supervisor about the thesis. The author presented her ideas about the survey execution. The final decision was made that the author should approach only potential customers and not the existing ones, because the company had already a sufficient database about the existing customers. It was also concluded that the author does not contact the customers under the name of the Company X, in order to avoid possible prejudices from the participants' side. It was acknowledged that the survey is hard to execute in this manner due to low response rate, but all the parties were willing to give it a try.

On the 20.3. the survey platform was ready and test emails were sent out in order to approve that the system was working. The author started collecting contact details from the clothing brands before the test launch independently. The employees of Company X provided also contacts. The author received around 100 contacts from the employees and the rest 30 contacts she collected by herself. Most of the contacts were personal emails, but unfortunately part of them were only customer service emails where the response rate was close to 0%.

When the testing period was finished, the survey was officially launched. The emails were sent in different groups: the first group got the email on 25.3., the second on 27.3. and the rest on 30.3. The reasons for sending the emails separate was the tight schedule and therefore, the author preferred to send out the survey as fast as possible. Because the author and the marketing responsible of Company X were afraid that the response rate will be low, the survey was launched also in social media in order to get more audience. The author selected different textile professional groups in LinkedIn and published the survey there with a tentative letter. The publication in different groups happened in the same time with the email waves.

Already from the launch date of the survey it became soon clear that the response rate is rather low. After the first week only eight persons out of 80 emails and LinkedIn group started the survey, but only one of them finished it. Therefore the

author met a decision to modify the survey and cut out one part of the survey, because according to the data, every participant finished the survey when it came to its second phase. One feedback from the participant claimed, that the survey is maybe a bit too vast for one persons to answer.

After the survey was modified, a reminder was sent 7.4. to everyone, also to the people who answered the survey only partly. During the first day the survey got six answers more which illustrated that the survey modification was a wise strategic decision. The last strategic step to gain more participants was to use the power of the CEO and use his significant contacts raise the response rate. On 14.4. the survey was send to ten of the most influential contacts in LinkedIn and the following day 16 emails were sent to other contacts.

All in all, the data gathering process was challenging, as the author had limited resources to get into contact with the right people. The textile industry professionals were rather reluctant to join the survey for unknown reasons.

The survey was closed on 22.4. and no more answers were accepted. In total 18 responses were received to the survey which was just enough to be able recognize and analyze trends. The response rate was impossible to calculate because the survey was launched in social media, where the author had no control on who had seen and answered the survey.

### 5.3 Data analysis

The first question concerned the locations of the brands who took part in the survey. Most of the participants came from Europe and the second largest participant group came from North-America. Two responses came to the “other” option and they were New Zealand and Asia Pacific. This implicates that most of clothing brands come from Europe and most probably from USA. This is significant information when considering the marketing plan and the targeting options that the Company X has. Most of the current customers come also from these countries and therefore it simplifies the marketing planning and business as culturally new areas are not in a significant role.

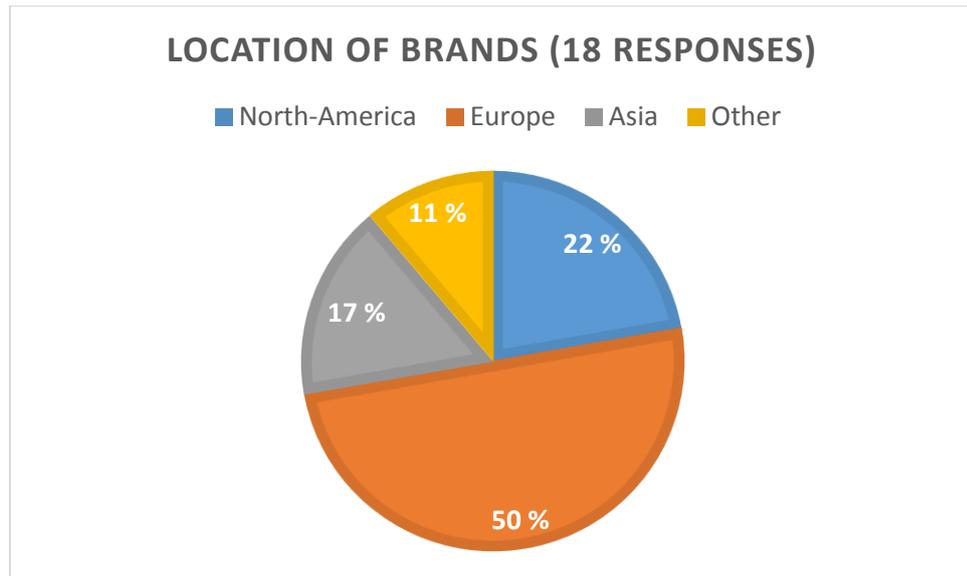


FIGURE 23. Location of the brands

The second question was about the size of the brand. The Company X promises to serve each brand, no matter of the size. However, it is quite interesting information for the Company X to know the size of the brands in order to be able to estimate the needed resources. Large brands come often with hundreds of suppliers and might have different kind of needs and preferences than the smaller brands. Most of the companies which participated the survey were large companies which employ more than 250 employees.

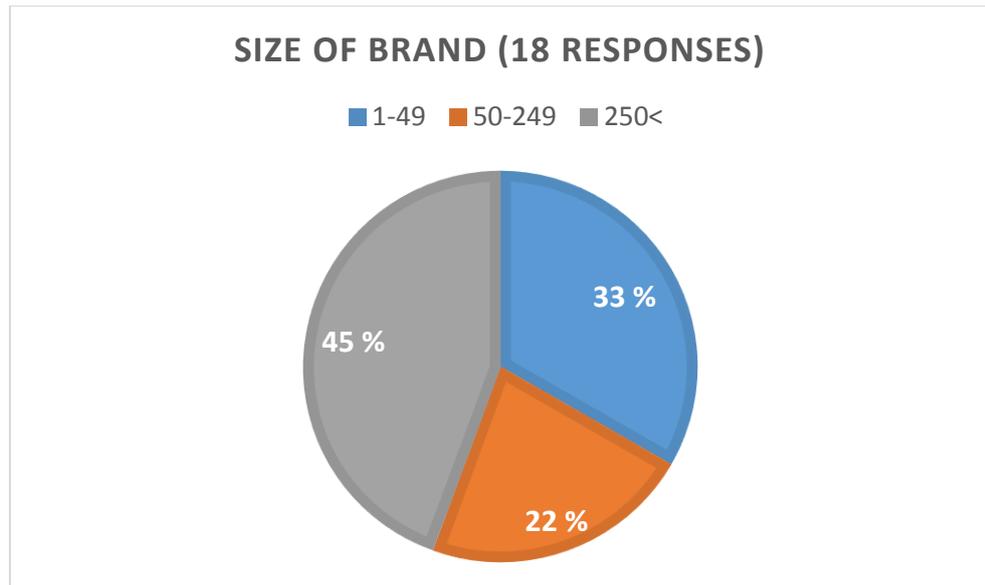


FIGURE 24. Size of the brands

In the third question the author inquired the position of the participant. The classifying of the participants appeared to be a challenging task, as 45% of the attendants described to belong to the “other” group. The positive matter was that the survey got answers from various fields of textile professionals, but categorizing them was nearly impossible. The “other” answers included: Sourcing manager (1), sales manager (1), materials manager (1), lead colorist (1), lecturer (1), owner (1), president (1), material manager (1), technical manager and color manager (1). The categories the author nominated got equal amount of responses. By knowing the position of the attendee, conclusions about the preferences of certain departments within the company can be drawn.

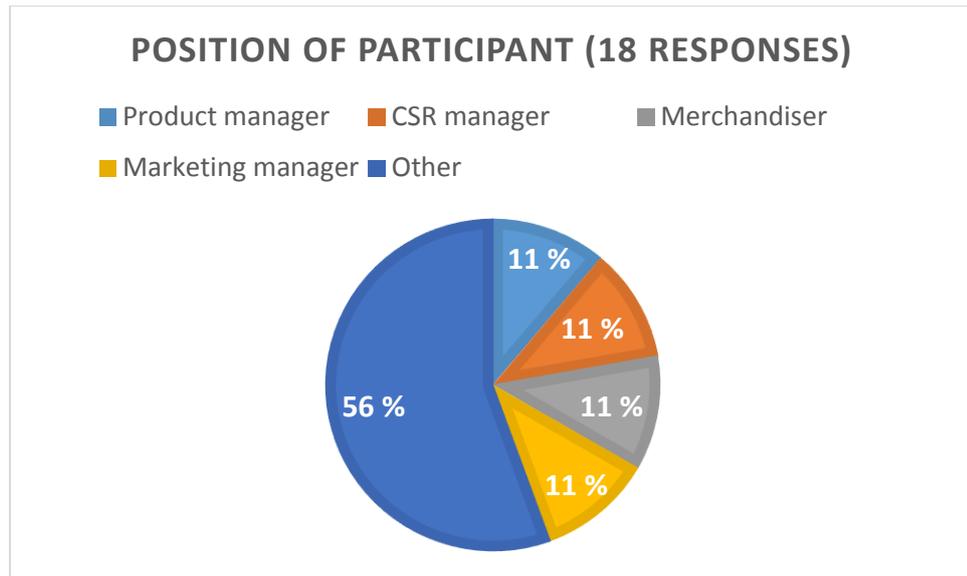


FIGURE 25. Position of the participant

The fourth question measured on a 1-6 scale how the participants preferred to receive information from textile industry consultants. Basically the participants gave points to each channel depending on how they preferred each channel and the points were summed up. The maximum quantity of points was  $18 \times 6 = 108$ .

The highest score received electronic newsletter with 73 points. Second most desired channel of receiving information was homepage with 68 points, following with the letter per mail with 55 points. Telephone scored the lowest result with 34 points. Social media's result was rather low as it received 42 points which is 73% less than the top scorer electronic newsletter.

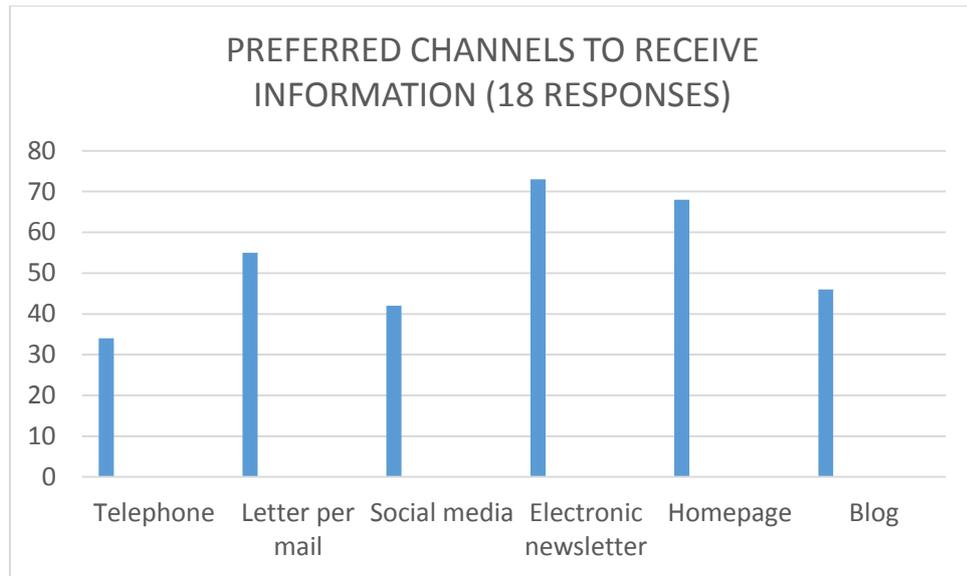


Figure 26. Preferred information channels by respondents

The fifth question inquired about the social media behavior: "Do you follow social media accounts of other textile industry companies?" Majority of the respondents said "yes, occasionally" and five answered "yes, regularly". This implicates that 78% of the participants pay attention to the social media channels. These answer are somewhat illogical when the results of the previous questions are taken into consideration.

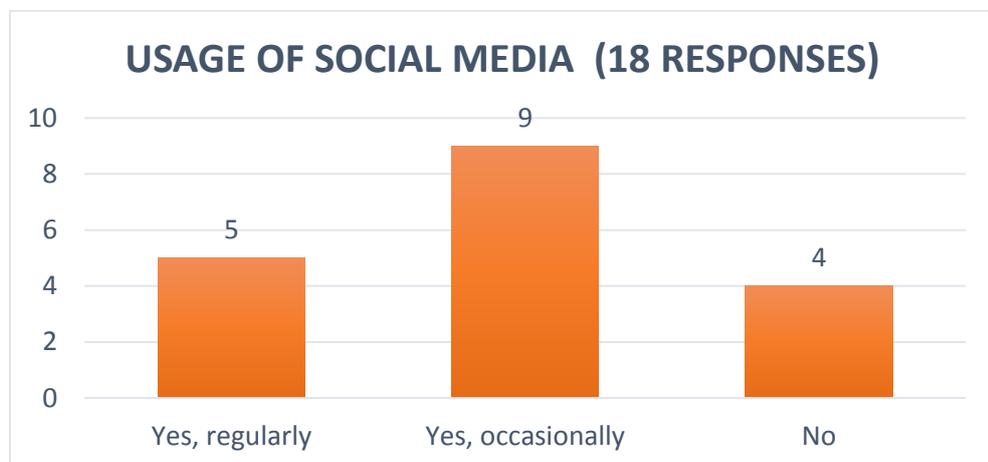


FIGURE 27. Pattern on usage: Social media

The logical next question number six was to ask the participants what social media and how regularly they followed the channels in B2B context on a scale 1-6 to gain insights on what social media channels they preferred. It should be noted here that all respondents did not tick in an answer in every part. As expected, the LinkedIn scored the highest scores with 52 points and was the clear winner. Facebook got 40 points, whereas Instagram received surprising 37 points which raised it among the three most popular channels.

Even though 78% of the respondents told that they follow social media occasionally or regularly, this chart indicates that the social media seems to be rather inefficient way for companies to promote themselves, because the overall scores were rather low. The winner LinkedIn received only 52 points out of 118.

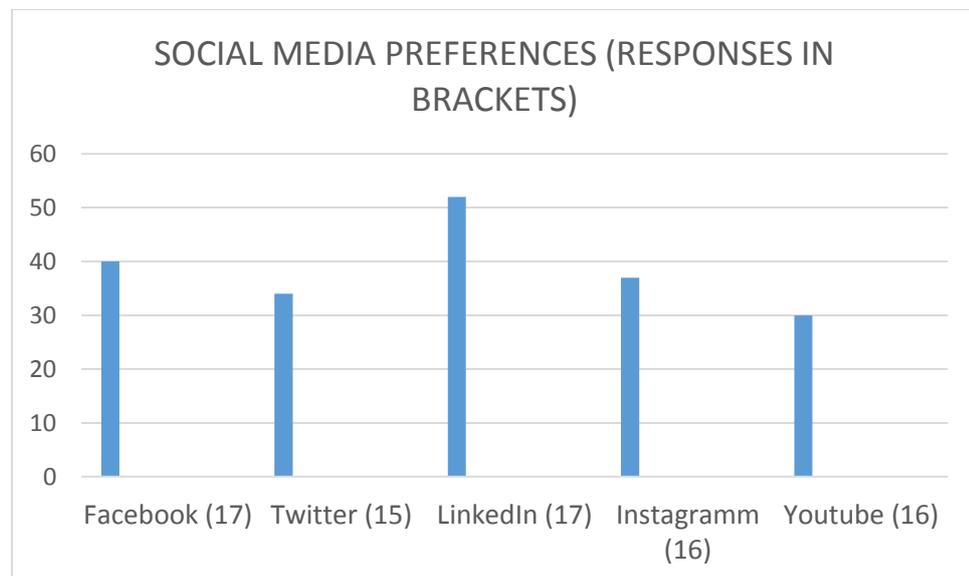


FIGURE 28. . Preferences on social media channel

The question number seven motivated the participants to describe why they follow social media in business context. The participants were able to select multiple answers or give additional comment. The two most common answers were “to

gain insights from the industry” and “to learn from competitors”. The response for “to find new suppliers and partners” was the third most common answer, but only five persons (11%) gave this answer which was rather a low score. Based on this, acquiring new customers through social media for the purposes of Company X does not seem to be the case with the clothing brands.

The “other” category included answers such as “ideas for samples” and “benchmark and inspiration”.

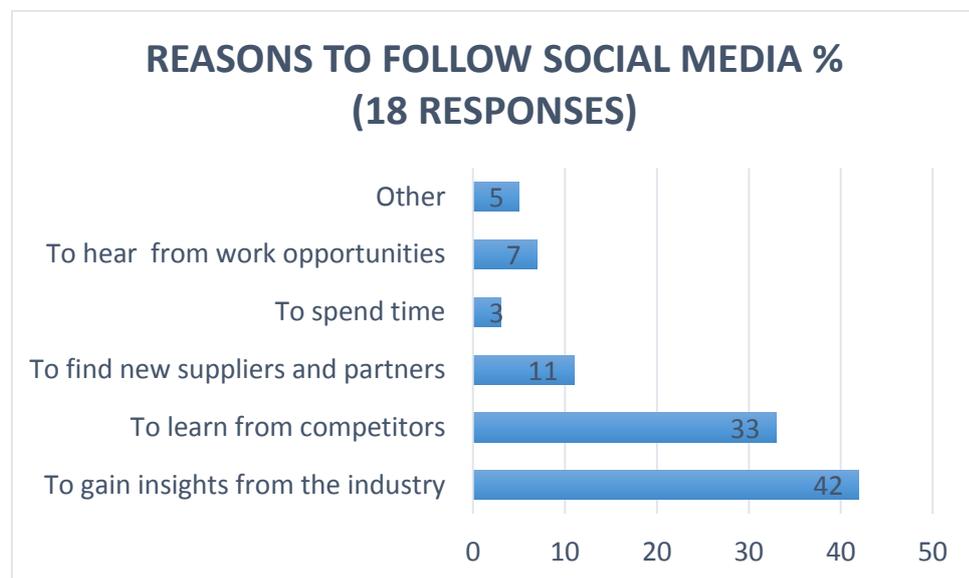


FIGURE 29. Reasons to follow social media

Question number eight: “Please rate on a scale 1-6 the channels where you search/look for information about new services and products?” Company homepage got most responses with 75 points. The second most popular channel was face to face with colleagues with 72 points, following with publications with 64 points. Blogs and social media received the lowest points with 36 and 44 points. It indicates that the social media sources might not still be effective in B2B context, at least what comes to active information searching.

Four participants gave the answer “other”, but only one commented what the other channel was: News. This was merely one answer, but it can still be interpreted that the media itself in form of news could be an interesting and reliable source for B2B actors to receive reviews of the companies providing textile services.

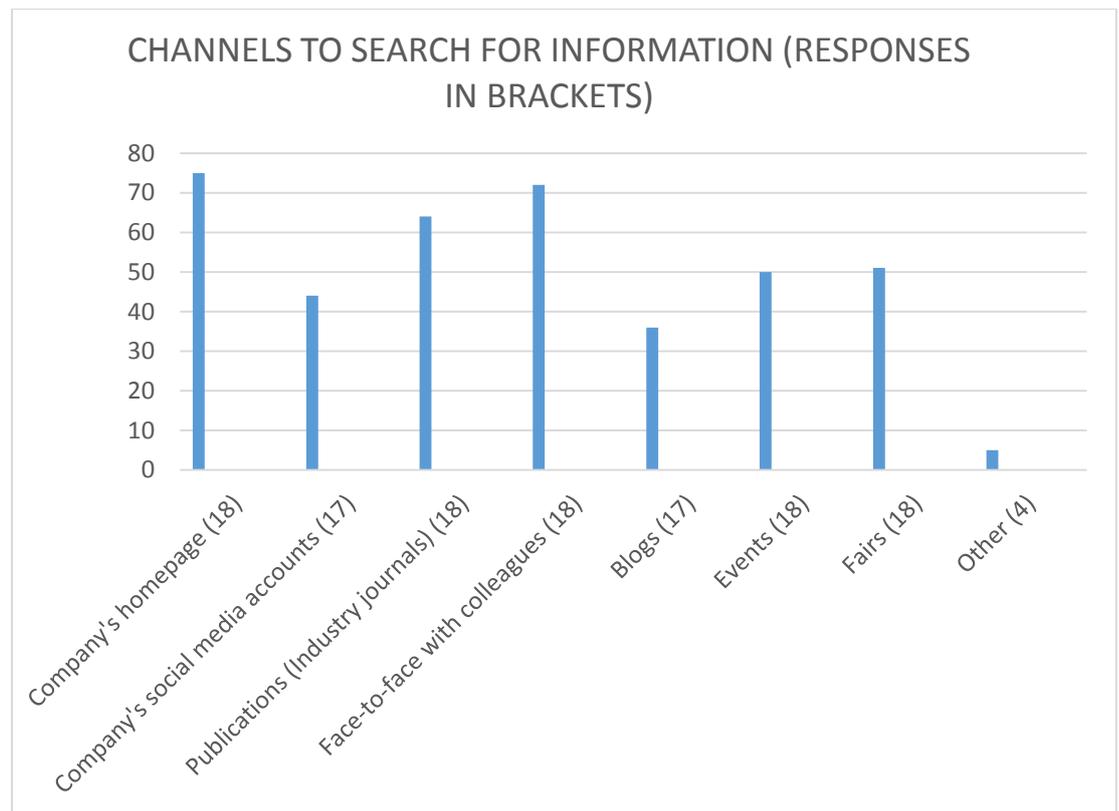


Figure 30. Where brands look for information

Question number nine inquired how often the participants attend textile fairs. Most of the respondents went once a year to fairs and 33% went twice. The categories 3/year and 4 or more/year did not receive any answers. 11% of the respondents did not attend any textile industry fairs. This question provided interesting information about the traditional channel usefulness. It seems like still 89% of the textile industry professionals attend textile fairs which is quite high proportion.

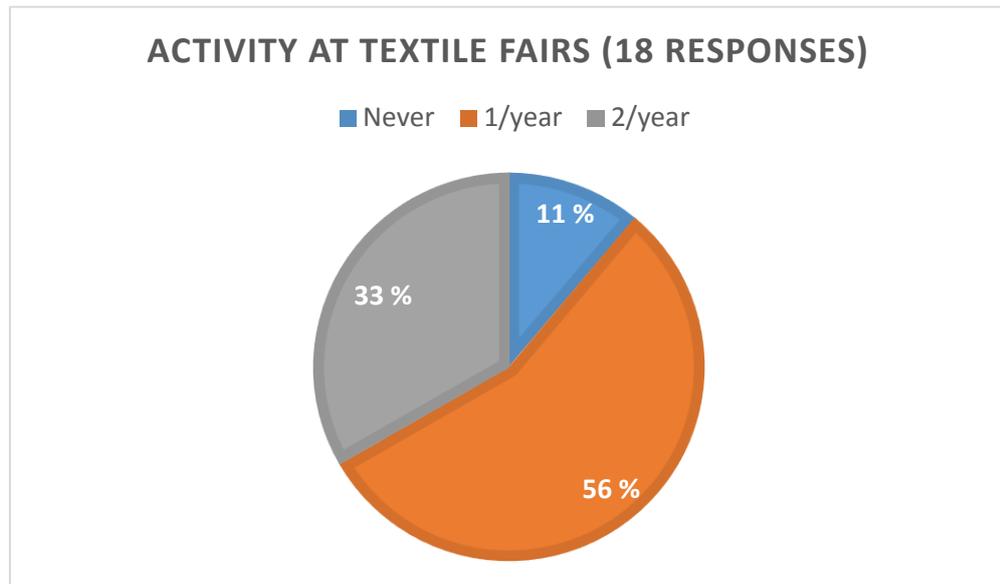


FIGURE 31. Activity at textile fairs

The last question number ten measured the activity with the search engines: “How often do you use search engines (google, yahoo) to find suppliers for any type textile industry service?” The answers implicate that the search engines are being used as 89% claimed to have used search engines always, occasionally or seldom. This fits well to the theory that the industrial purchasers compare and use the internet to get access to loads of information.

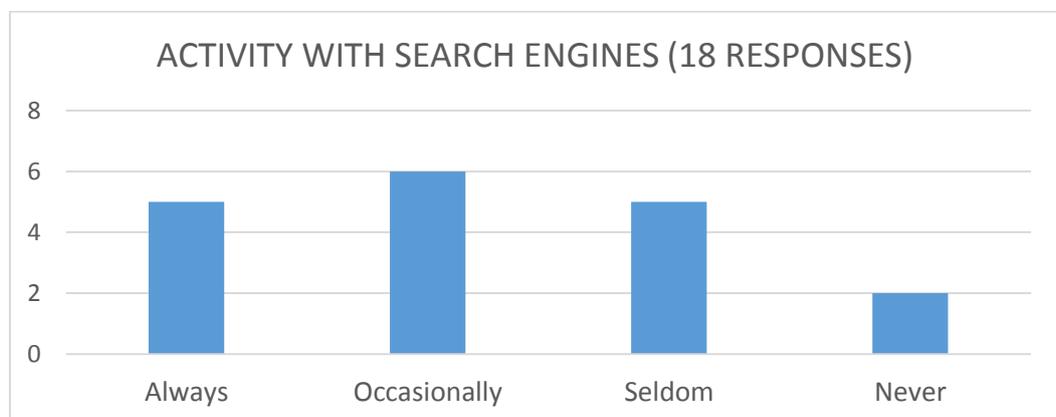


FIGURE 32. Activity with search engines

The author wanted to reflect also the differences between large and small enterprises and therefore she reformed two charts where the company size was the independent variable which was compared to other dependent variables. Eight large and six small companies participated the survey. The rest were medium sized, but they are not visible in these charts.

The first reformed chart was about the participant preferences on where they look for information. The chart reveals interesting facts about the dissimilarities between large and small companies. The homepage got equal amount of answers and therefore it seems to be popular among both parties. However, concerning the social media there is a clear difference between the preferences: The small companies seem to follow social media more than large companies. In the publications the situation is the opposite, as the large companies read and follow more industry journals and prefer to receive information from this channel. Face-to-face discussions, events and fairs seem to be well-liked among larger enterprises. However, smaller companies rated the blogs to have higher relevance than what larger companies responded.

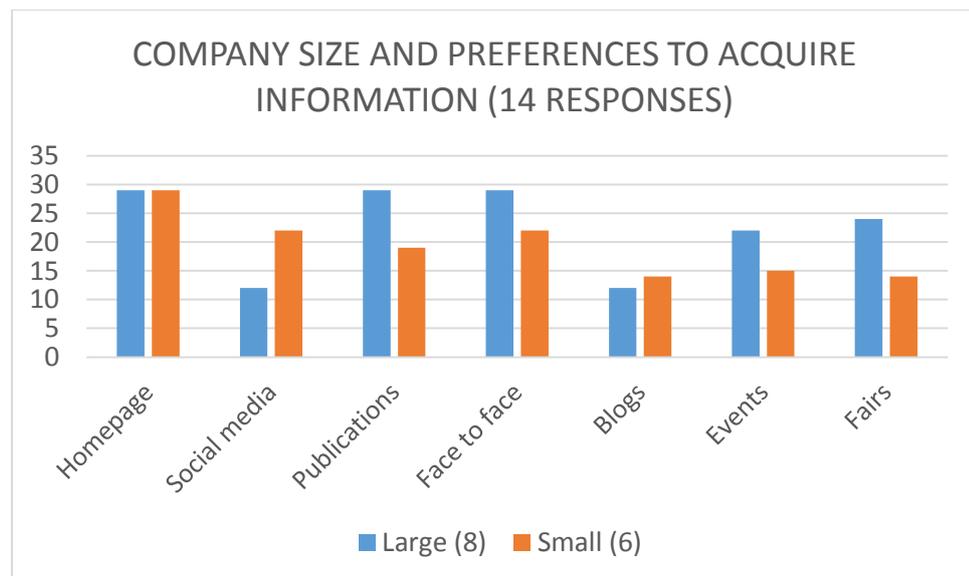


FIGURE 33. How company size affects the data acquisition sources

The second reformed chart was about the differences with small and large companies on how they would like to receive information. The results were quite equally balanced. The biggest difference was visible in the electronic newsletter, where large companies valued it 31% more important than small companies. All in all electronic newsletter was the first and homepage was the second most popular channel where the companies preferred to receive information.

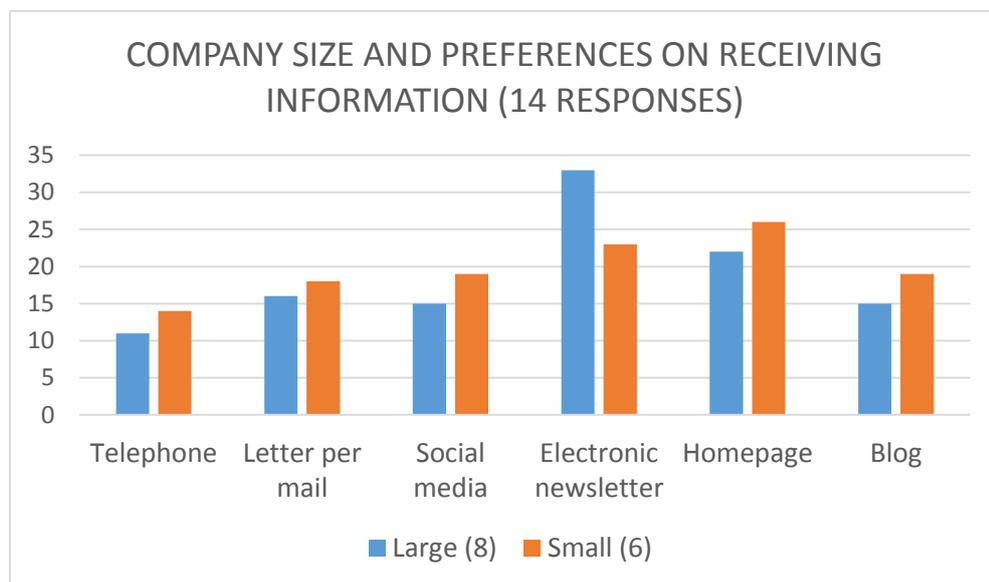


FIGURE 34. How companies prefer receiving information adjusted to company size

According to these results, it can be stated that the company size has an impact on the marketing channel preferences, despite the fact that the sample was small.

## 6 DETAILED ACTION PLAN

Based on the primary data collected from the potential customer survey and secondary data assimilated from the literature, an integrated marketing plan to attract new customers is to be drafted for the Company X. The author presents in the following sub chapters detailed steps from the SOSTAC-model including strategy, tactics, actions and control and provides from her point of view the most suitable activities for the integrated digital marketing plan of Company X.

### 6.1 Strategy of Company X

The strategy consist of decisions made on segmenting, targeting, and differentiation and positioning. The information gathered from the survey, interviews and secondary sources are used to create customer groups, focus on few of them and to make a value proposition. However, it must be pointed out that due to the small size sample in the survey, the segmenting is unfortunately rather artificial.

#### 6.1.1 Segmenting

The Company X needs to practice segmenting before they can select their target groups. The customers can are segmented by their geographical location, size, industry type and pattern of usage. In the table below are presented distinct variables from which the Company X can create segments.

TABLE 6. Segmenting customers for Company X

<b>VARIABLE 1</b>	<b>VARIABLE 2</b>
<b>LOCATION</b>	North America, Europe, Asia, Africa etc.
<b>SIZE</b>	Small, medium, large enterprises
<b>INDUSTRY TYPE</b>	Supplier, brand
<b>PATTERN OF USAGE</b>	High, medium, low
<b>REQUEST</b>	Consulting, certification, software

There are several possibilities to build different kind of customer segments based on the variables in the table six. The segments can vary depending on the location, size, industry type and pattern of usage First, variable 1 is selected and afterwards variable from class 2 is selected. This is how the various customer segments can be constructed. In the table below are presented examples of the potential customer groups that the Company X could serve.

TABLE 7. Example Customer segments for Company X

Large enterprise Brand Located in western part of the world Active digital media user	Large enterprise Supplier Located in Asia Non-active digital media user,
Small enterprise Brand Located in western part of the world Active digital media user	Large enterprise Supplier Located in Asia Non-active digital media user

This is how the Company X should label their potential customers in order to be able to break down the specific needs of different groups.

### 6.1.2 Targeting

The most potential and attractive segments are to be selected from the list of segments. Four different customer groups were identified to be the most profitable and logical in this case.

The first segment includes large multinational brands located in North-America and Europe who are active digital media users. The second group is the same, but these users prefer more traditional marketing channels. The third segment consists of small brands located in North-America and Europe, who are active in digital media. Accordingly, the fourth group includes small brands, located in the West and they are not active digital media users.

All groups are in a sense quite identical, as they all require the same services: Consulting, certification and software services. The Company X currently states that they can offer services to companies regardless the size. However, the size of

the brand can be an indicator about the different kind of needs in terms of support and technical solutions. The preferences between large and small companies' information inquiry is also different as their activity in distinct channels varies. In addition the separation between active and non-active digital media users is relevant, because according to the theories presented in chapter two, all the customers do not esteem the digital media and they do not gain extra value out of it.

The segments are illustrated in the table eight below. The most important feature that separates these segments is the activity in digital marketing and the second most significant character is the size of the brand.

TABLE 8. Target segments of Company X

Active digital media users	Non-active digital media users
<p>GROUP 1</p> <ul style="list-style-type: none"> <li>• <u>Large</u></li> <li>• Brand</li> <li>• West</li> </ul>	<p>GROUP 3</p> <ul style="list-style-type: none"> <li>• <u>Large</u></li> <li>• Brand</li> <li>• West</li> </ul>
<p>GROUP 2</p> <ul style="list-style-type: none"> <li>• <u>Small</u></li> <li>• Brand</li> <li>• West</li> </ul>	<p>GROUP 4</p> <ul style="list-style-type: none"> <li>• <u>Small</u></li> <li>• Brand</li> <li>• West</li> </ul>

The reasons why activity (pattern on usage) and size are used here as the main determinates are that the pattern on usage defines what the relation of digital and traditional channels is. According to the data collected from survey, the main

locations are North-America and Europe and therefore no major cultural distinction is made. The brands have been the major target of the whole research from the beginning on and therefore it is natural that the brands stay in the main focus also in the segmenting.

The segmentation is somewhat artificial due to the small sample size, but the author trusts the empirical results. She argues that this decision was the only reasonable segmentation option when looking at the results and the needs of the Company X.

### 6.1.3 Differentiation and positioning

The Company X should plan how to differentiate itself from the competitors by defining its key features.

Most of the competitors have only one service in their assortment, but Company X offers three kinds of services: Consulting, certification and software. Their services cover everything that is required in a garment manufacturing process. This could be a significant differentiation method, because no other company offers extensive service package. Other differentiation assets the Company X possesses are the distinct knowhow areas of team members, online support without fees and software online purchasing opportunity. All these great features together mean that the Company X has a wide service range and high service level. The Company X can differentiate itself from the competitors with these characteristics.

To be able to position the Company X in the minds of the consumers, the online value proposition must be clearly defined: the benefits that can be delivered to the customer. The wide service coverage and high level of service level can be used to position the Company X in the marketplace. The positioning statement promises to the customer that the Company X guides the customer through the whole garment manufacturing process without flaws and offers extensive support.

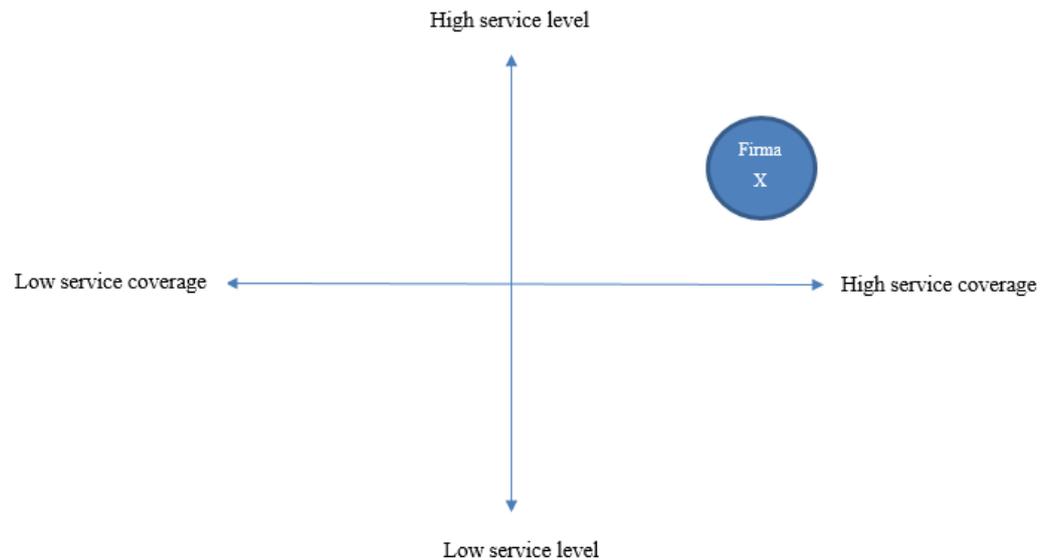


FIGURE 35. Positioning map of Company X

In the figure 35 is the positioning map of Company X. According to the value that Company X offers, the map can be drawn to illustrate the perceived customer perceptions.

#### 6.1.4 Digital channels for Company X

Basically the main line between Company X's segmentation is the active and non-active digital media users. Therefore, the channels used vary depending on the customer segment. Groups 1 and 2 are active in digital channels and therefore to reach these potential customers, digital channels are mostly used. On the other hand, the groups 3 and 4 require more traditional channels and digital channels are used less. Channel integration is exploited in this plan and therefore every group includes digital and traditional channels. The detailed plan which channel fits each segment the best is presented in the tactics part with the help of 4P's. Also the application of e-tools is presented in the next chapter.

## 6.2 Tactics

The tactics part covers only the promotion part of the 4P's, because the main aim of this study is to plan how to attract new potential customers. Therefore the product, price and place are left out. In the following chapter the promotional tools to be used are presented.

### 6.2.1 Promotion

Basically the main line between Company X's segmentation is the active and non-active digital media users - This conclusion can be made according the survey data. Therefore, the promotional tools are also divided into two parts and targeted to the specific customer groups. The second distinguishing factor was the size and therefore the preferences of channels is measured also according to the size of the brand.

Based on this data, the digital channels can be defined for each segment: The breakdown is visible in the table nine below. Online and offline channels have been placed into the segments depending on the group preferences revealed by the survey. Relevant online and offline channels have been distributed for every group.

TABLE 9. Channel plan

GROUP 1 (Large, active)		GROUP 3 (Large, non-active)	
<b>Traditional</b>	<b>Digital</b>	<b>Traditional</b>	<b>Digital</b>
Publications	Homepage, electronic newsletters	Publications, word-of-mouth, events, fairs	Homepage
GROUP 2 (Small, active)		GROUP 4 (Small, non-active)	
<b>Traditional</b>	<b>Digital</b>	<b>Traditional</b>	<b>Digital</b>
Publications	Homepage, social media, electronic newsletter, blog	Word-of-mouth, letter per mail, telephone	Homepage

The homepage was a clear top source for large and small companies and therefore this channel is visible in every group in table nine. According to the survey results, most often when the companies are looking for information, they head to the company homepage. Therefore, the Company X should consider the homepage to be their most important channel to attract new potential customers. In the theory part the essential elements of B2B homepage were presented and the Company X should attempt to follow some of these guidelines.

The Company X should put effort on the quality of the information and layout at their homepage. Well managed homepage with functional navigation makes it easier for the visitor to find what they are looking for. The information provided on the Company X's homepage should be well structured and not too crammed. The information about the products, services and solutions should be presented visually pleasantly with the help of pictures. A video presenting the Company X could also be considered, to bring variety in the channels. Even though the social media is not remarkably popular among textile professionals, the Company X

should consider linking the social media accounts together with the homepage. It can bring extra value for the social media users and obtain more clicks and traffic at the site.

It should be contemplated, whether the Company X should have information regarding the pricing on their homepage. B2B companies have seldom list prices available, because of the complex pricing structures. However, maybe a case example which would show the return on investment for the customer could persuade the visitor to buy the service. This tangible example helps the customer to understand the benefits of the Company X's solutions. If presenting a pricing example is too complicated, another way of getting attraction are real examples and references from the existing customers to build up trust and understanding about the advantages. If the company could name some of its major customers at their website and could publish positive reviews, the visitors could maybe identify themselves as potential customers.

The last issue that Company X should pay attention on their homepage is the contact information. The contact details should be easily available and the Company X should provide the visitors different possibilities to contact them. By presenting the team, the Company X could attain distinctive company spirit.

Publications are recommended to be used in all the groups apart from group four. The publications should be planned well in advance and select the most appropriate journal for it. The target audience of the journal should be studied well before releasing anything. An article about the software and solutions available should be praised in the article and the contact details of the Company X should be gently forwarded to the readers.

The Company X is already at the moment applying the electronic newsletter with good results. The letter is published through a subscription from the homepage to the customers. Topic of newsletter varies, but recently the company has started a new concept by awarding one of the customers and making an interview concerning how the Company X's solutions have improved for instance manufacturing process. This has proved to be a successful method when referring to the customer feedback.

Social media did not appear to be remarkably popular among textile industry professionals. The Company X has presence in Facebook, Twitter and LinkedIn and they have been reasoning whether they should be more active in social media. The obstructive issues have been time and resources, why the Company X has not been developing their social media presence further. According to the empirical results, the social media should not be ignored, but the author does not recommend the Company X to invest much more resources on social media. However, a blog that takes stand on general textile industry trends could be an optional channel instead of social media. The blog won more favor than social media in the empirical research and therefore there is chance that a blog could be more successful.

To further promote the Company X, e-tools are to be exploited. E-tools are search engine optimization, google alerts, google analytics, online advertisements and paid searches. These tools help the company to follow their traffic at the homepage and attract customers to visit it. Because 89% of the survey respondents stated to be using search engines, the application of e-tools is highly recommended.

The e-tools are often quite low cost methods of advertising and for example SEO needs only a little computer expertise and more clever thinking about the keywords to be successful. The author attempted to find the Company X with the help of Google search engine by using relevant keywords, but she was never able to get the Company X to appear at the first page in Google search. This indicates that the SEO is not at the moment well managed.

Google alerts could be used to notify if somebody is directly speaking about the Company X or asking about textile consulting services. If for example somebody inquires information about textile consultancy in a textile forum, a representative of the Company X would get a message to join the discussion. This is how the consulting services could be gently pushed to the potential customers in social media and internet.

Google analytics and the paid ads should be used side by side to follow the traffic and click per advertisement in order to see what the benefits of paid ads are. At



engineers is used to publish an article about the specific manufacturing challenges that the brands and their supplier confront and how these issues can be fixed with the Company X's solutions.

#### 6.4 Control

To control the project development and to measure the outcomes, the marketing and administration teams should follow with the help of e-tools how the acquisition of new customers proceeds. The increased number of customers is a direct indicator that the project has been successful, but the results can be measured also for instance with the number of visits at the homepage. The e-tools such as google alerts, google analytics and SEO organize data about the homepage traffic, how the keywords are ranking and to see which search engines send the most traffic to the company sites.

The marketing responsible should report regularly to the other employees what the situation is. Reports from the sales team are also desired to know how the sales figures have developed. The communication between different departments is in crucial role, especially when the employees are geographically located in distinct areas. This kind of information during the whole process helps the Company X to stay focused and to reshape their plan, if the results are not as wished.

## 7 CONCLUSION AND SUGGESTIONS ON FURTHER RESEARCH

This chapter gathers together all the findings and results of the research. Moreover, it proposes further research ideas on the latter part.

### 7.1 Answers for research questions

The research revealed interesting behavioral norms among textile industry professionals. Each sub-research question is first explained in detail following with the final conclusion about the main research question.

#### **What type of online and offline channels suit the B2B textile industry the best?**

Several different channels appeared to be the most popular ones where the textile professionals prefer to receive and search for information. According to the empirical results, when the companies first start to look for information, they go to the company homepages. Second source was the face to face discussions with work colleagues and the third was industry journals. These three sources are the most effective ones to present information about textile industry services, because they get the most of the attention. Moreover, when the participants were asked where they prefer to receive information about textile industry services, the top three answers were electronic newsletter, homepage and letter per mail.

From the answers it can be noted that the textile industry requires a sufficient channel integration plan as the top-rated channels had both traditional and digital channels mixed. However, the relevance of the B2B company homepage was highlighted in this research as it seems to be the most significant tool intensify the sales process. It is recommended that the B2B textile companies pay attention on the right content and layout of their sites.

#### **What digital marketing tools are efficient among B2B textile companies?**

The research revealed that there was variation in the channel preferences when the company size was taken into account. The small companies followed more social media and blogs, as on the opposite the larger companies did not see the social

media as an efficient way of receiving information or being contacted. The best digital channel seemed to be homepage as all the survey participants rated the homepage high. In addition electronic newsletter recorded high points, especially the larger companies preferred this option.

### **Are the textile world professionals following social media?**

The empirical results exposed that the large companies do not follow social media as actively as the smaller companies. The smaller companies seemed to be more open for different social media accounts and blogs; fairs and events were not in favor. Generally speaking the overall rank of social media was quite low and this indicated that investing time and resources on social media does not pay off very well.

### **How the Company X can segment the potential customers?**

In this thesis the potential customers are proposed to be divided into four distinct groups, in which the size and the activity in digital channels are the limiting characteristics. The formation is a bit artificial due to the small sample size, but according to the empirical results it makes sense to generate a difference between large and small companies, active and non-active digital media users. Hence, the company can carefully use the target channels for each group.

### **How the channel integration differs among distinct customer segments?**

The study separates active and non-active digital media users. The active groups are contacted mostly with different digital channels, whereas the non-active segments are exposed to more traditional marketing channels. Therefore, the channel integration is used with all the target segments, but the focus in the two main groups (active and non-active) is the opposite.

The benefit of distinct channel integration plans within the segments is that the company can use its resources accurately to the right customers.

### **How the Company X can attract new potential customers via digital marketing?**

The base for the main research question was established in the previous chapter six, as the detailed channel integration plan was constructed. The target of the Company X is to attract new potential customers via digital marketing. The study reveals that the homepage is the absolute number one for the Company X to attract new customers. The other channels mentioned in this research can be used as supporting elements for the homepage. For instance blog, electronic newsletter, social media and e-tools can be applied. However, it must be noted that the digital channels alone are not sufficient enough to be applied in the marketing plan. The channel integration between online and offline channels is a significant part of the strategic marketing decisions and therefore, it is recommended that the traditional tools are also included into the marketing plan. For instance the majority of the survey respondents participate textile fairs and therefore, it can be stated that fairs represent important marketing channel. Surprisingly also letter per mail was rated in the online survey quite high.

To be concluded, the Company X requires an integrated marketing plan between online and offline channels. The homepage should be developed further, as it represents the most important and effective marketing tool. The homepage is for the majority of the potential customers the first source to look for information. This indicates that the homepage has great value as part of the sales process. The significance of the homepage is therefore highlighted.

## 7.2 Validity and reliability

What comes to the validity of the study, the main objective of the research to answer all the research questions was reached. The theoretical knowledge was extracted from official books, journals and trusted internet sites. The information gathered was more or less up to date – few of the sources were older, but still generally accepted theories. The empirical study was performed during the internship of the author and therefore she was able to observe, interview and speak with the employees of the company in order to make an extensive internal analysis about the case Company X. The author received support and guidance from the employees which ensured that the reasoning was correct. According to these facts, it can be stated the study is valid.

Regarding to the reliability the author notes that the empirical study faced challenges to reach the right people in the potential customer companies. The response rate was quite low and therefore the results are not 100% reliable, because with a larger sample different kinds of trends and results could appear.

### 7.3 Suggestions on further research

As stated in the beginning of the thesis, the study did not take into consideration the finance and resource matters. Another research which includes these matters would provide interesting information about the return on investment and profitability of the plan. The author notes also that a broader survey which includes also the existing customer preferences could be interesting in terms of learning how to communicate efficiently with the customers. If the case company would execute a customer satisfaction survey, they could easily learn what the current customers like and what needs improvement.

## 8 SUMMARY

The textile industry has still plenty to offer for garment consulting companies. Not all the manufacturers or retailers have the keys for social, environmental and technical solutions to improve their operations and to make their supply chains more efficient and transparent. Therefore, the Company X has great opportunities now and in the future within the industry, because the potential customers exist on the market. The final goal of this thesis was to develop a digital marketing plan to attract these potential customers.

A deductive method was applied throughout the study with the help of quantitative and qualitative approaches. The primary data was collected from an online survey and interviews with the CEO and marketing manager. The author's own observations during her five months internship supported the collected primary data. The secondary data was assimilated from reliable books, journals, internet and other relevant sources.

The key framework used in this research was the SOSTAC-model invented by PR Smith. This model can be used for any kind of business planning efficiently because of its structure. It consists of six steps: Situation analysis, objectives, strategy, actions and control. By employing this model, the author was able to conduct a marketing plan to attract new potential customers efficiently. However, it should be noted that there was some limitations concerning the 3Ms: Men, Money and Minutes. The research did not take into account the increased resource needs that the plan requires.

The developments in the marketing branch were briefly introduced in the beginning of the study. The revolution of the digitalization has brought more new marketing channels to be used also in B2B context and the way of communication has changed into two sided interaction between companies and customers. The assortment of distinct channels requires however now more knowledge about the customers and their preferences, because the online and offline channels must be integrated. The value proposition must be firmly acknowledged and set, in order be coherent when forming the channel plan.

The survey was planned to reveal the channel preferences of the textile industry

professionals, to see whether the digital channels are worthwhile to apply. Based on the survey, the textile industry professional follow the digital channels quite intensively, even though there are differences between customer segments. Therefore, a conclusion was made to apply channel integration with online and offline channels with all the potential customers.

A detailed marketing plan to attract new potential customers was drafted for the Company X. It included how to deliver and communicate their value proposition to the distinct customer segments with different preferences regarding the online and offline channels. The results came from the selected potential customer brands and therefore, the plan supports the research question how to attract potential customer via digital marketing.

In conclusion the author managed to reach the ultimate goal and answer all the research questions properly. The validity of the research can be considered to be high, but the reliability of the study was unfortunately questioned due to low response figure. The study has its limitations due to the lack of financial consideration. However, the author suggests a further study to be made about the cost and finance side to be able to count the profitability of the initiative. The survey could also be performed in a wider scale with the existing customers in order to be able to understand the prospects on a wider scale and learn from the existing customers.

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# APPENDICES

## APPENDIX 1. Survey

\* Please define your location

- North-America
- South-America
- Europe
- Asia
- Africa
- Other, what?

\* Please verify the size of your company

- Small 1-49 employees
- Medium 50-249 employees
- Large >250 employees

\* Please define your position in the company

- Product manager
- Design manager
- Product developer
- CSR manager
- Merchandiser
- Marketing manager
- Other, what?

\* Please rate on a scale 1-6 how you would prefer receiving information from companies providing solutions for textile industry?  
(\*Facebook, LinkedIn, Twitter, YouTube)

Telephone	<input type="radio"/> ☆☆☆☆☆
Letter per mail	<input type="radio"/> ☆☆☆☆☆
Social media*	<input type="radio"/> ☆☆☆☆☆
Electronic newsletter	<input type="radio"/> ☆☆☆☆☆
Homepage	<input type="radio"/> ☆☆☆☆☆
Blog	<input type="radio"/> ☆☆☆☆☆

\* Do you follow social media accounts of other textile industry companies?

- Yes, regularly
- Yes, occasionally
- No

Please rate on a scale 1-6 how regularly do you follow each social media in B2B context?

Facebook	<input type="radio"/> ☆☆☆☆☆
Twitter	<input type="radio"/> ☆☆☆☆☆
LinkedIn	<input type="radio"/> ☆☆☆☆☆
Instagram	<input type="radio"/> ☆☆☆☆☆
YouTube	<input type="radio"/> ☆☆☆☆☆

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Please describe why do you follow textile companies in social media or other internet based channel? You can choose multiple options

- To gain insights from the industry
- To learn from competitors
- To find new suppliers and partners
- To spend time
- To hear from work opportunities
- Other, what? Comment below

---

Please rate on a scale 1-6 the channels where do you search/look for information about new services and products?

- |                                  |  |
|----------------------------------|--|
| Company's homepage               | <input checked="" type="radio"/> ☆☆☆☆☆ |
| Company's social media accounts  | <input checked="" type="radio"/> ☆☆☆☆☆ |
| Publications (Industry journals) | <input checked="" type="radio"/> ☆☆☆☆☆ |
| Face-to-face with colleagues     | <input checked="" type="radio"/> ☆☆☆☆☆ |
| Blogs                            | <input checked="" type="radio"/> ☆☆☆☆☆ |
| Events                           | <input checked="" type="radio"/> ☆☆☆☆☆ |
| Fairs                            | <input checked="" type="radio"/> ☆☆☆☆☆ |
| Other, what? Comment below.      | <input checked="" type="radio"/> ☆☆☆☆☆ |

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\* How many textile fairs do attend per year?

- Never
- 1/year
- 2/year
- 3/year
- 4 or more/year

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\* How often do you use search engines (google, yahoo) to find suppliers for any type textile industry service?

- Always
- Occasionally
- Seldom
- Never

## APPENDIX 2. Interview with the CEO of Company X in 24.2.2015

1. What do you see as strengths of Company X? What does the Company X do better than others?
2. What do you see as weaknesses of Company X? Where can the Company X improve?
3. What are the possibilities that the external factors (market, trends, technology) offers to the Company X?
4. What are the threats that the external factors (competitors, changing technology) poses to the Company X?

5. What is the mission statement and vision of the company? What Company X does and where it wants to go?
6. Can you tell more about the certification services that Company X offers? What kind of certificates do you have?
7. What can you tell about the relationship with the customers and Company X? How strong are the relationships?
8. Describe the difference between supplier and brand relationship?
9. How does culture impact the relationship between Company X and customers?
10. The technology poses great possibilities in the future. Do you have a comment how it affects the business of Company X?
11. Working on different market areas requires knowledge of the local regulations & laws. Has this been a challenge for Company X? If yes, on which ways? Give an example.
12. Please try to explain the competition situation on the market. (Porter's five forces as base)
13. Can you name the toughest competitors of Company X?

#### APPENDIX 3. Unstructured interview with the marketing manager in 26.1.2015

1. Marketing activities: What kind of marketing activities are currently being used? Who are target customers? How Company X acquires customers?
2. Brand: Discussion about the brand, its value and the presentation of it.