

# Marketing plan

Case: Medius Oy

Sirke Kontio

Degree Thesis International Business 2012

DEGREE THESIS	
Arcada	
Degree Programme:	International Business
Identification number:	10611
Author:	Sirke Kontio
Title:	Marketing plan
	Case: Medius Oy
Supervisor (Arcada):	Andreas Stenius
Commissioned by:	Medius Oy

## Abstract:

This bachelor thesis was commissioned by a oral healthcare clinic Medius Oy. The purpose of this thesis was to create a marketing plan for Medius Oy. The organization is very well known and respected in the community but to create more buzz and to hire dentists and oral hygienists from other areas was the primary purpose of the plan. The task was to find the marketing actions and tools to market Medius Oy to potential dentists and oral hygienist. The thesis was done in two parts. The first part was the theoretical part which presented the key tools and theories which were used in defining the marketing plan. This part of the thesis was presented in a word format. The second part was the actual marketing plan. In this part the concrete actions and tools were be presented. The reasoning for why the steps were chosen was justified in the market audit which was also handed to the commissioning organization. This part of the thesis was presented in a PowerPoint format. The actual marketing plan can be found in the appendixes. The marketing was handed to the commissioning organization in the form of a PowerPoint presentation and it is them who will decide on whether or not to apply the presented steps.

Keywords:	marketing plan, marketing planning, service marketing,
	marketing mix
Number of pages:	48 + 45 ppt slides
Language:	English
Date of acceptance:	

# CONTENTS

1	Intr	Introduction		
1.1 Statement of the problem			ement of the problem	6
1.2 Re 1.3 Re		Res	earch purpose and objectives	7
		Res	earch questions	7
		Limi	tations	7
	1.5	The	pretical framework and research design	8
	1.6	Sign	ificance of the thesis	8
2	Wo	rk pl	an for constructing a research plan	9
	2.1	Sem	ii-structured interview	10
	2.2		ability, validity and generalizability	
3			marketing and marketing plans	
	3.1		vice characteristics	
3.1 3.2			aging services	
	3.3		keting planning	
	3.3		Business mission	
	3.3.		The marketing audit	-
3.3.2			Marketing mix	
	3.3.		Objectives	
	3.3.5		Core strategy	
	3.3.		Marketing organization and systems	
	3.3.		SWOT analysis	
	3.3.	8	Budget and marketing actions	
3.3.9		9	Control	
	3.3.	10	Structure of the marketing plan	24
4	Mai	ketii	ng plan for Medius Oy	24
	4.1	Exe	cutive Summary	25
	4.2	Defi	nition of the business mission	26
	4.3	Marl	keting audit	26
	4.3.	1	Internal environment – strategic issue analysis	26
4.3. 4.3. 4.3.		2	Internal environment – marketing mix	30
		3	Internal environment – marketing structure	31
		4	External environment – PEEST analysis	32
	4.3.	5	External environment – microenvironmental	35
		SWO	OT analysis	37
		Marl	keting objectives	38

4.0	Core strategies	39
4.7	Implementations	40
5 Co	nclusion	
Referer	ices	46
A		
Append	lices	
	dix 1	
Apper		47

# Figures

Figure 1. The tangible-intangible continuum (Kotler et al 2008, p. 598)	. 13
Figure 2. Executive Summary of the Marketing plan	. 25
Figure 3. Definition of the business mission	. 26
Figure 4.Strategic issue analysis: Marketing objectives	. 27
Figure 5. Strategic issue analysis: Marketing segmentation	. 27
Figure 6. Strategic issue analysis: Competitive analysis	. 28
Figure 7. Strategic issue analysis: Core competence	. 29
Figure 8. Strategic issue analysis: Positioning	. 29
Figure 9. Marketing mix	. 30
Figure 10. Marketing structure	. 31
Figure 11. PEEST analysis: Political/legal	. 32
Figure 12. PEEST analysis: Economical	. 32
Figure 13. PEEST analysis: Environmental/ecological	. 33
Figure 14. PEEST analysis: Social	. 34
Figure 15. PEEST analysis: Technological	. 34
Figure 16. Microenvironmental: Market	. 35
Figure 17. Microenvironmental: Customers	. 36
Figure 18. Microenvironmental: Competitors	. 36
Figure 19. SWOT analysis	. 37
Figure 20. Marketing objectives	. 38
Figure 21. Core strategies: Target market	. 39
Figure 22. Core strategies: Competitive advantages	. 39
Figure 23. Implementations: currently	. 41
Figure 24. Implementations: advertisements	. 41
Figure 25. Implementations: web pages	. 42
Figure 26. Implementations: Social Media	. 43
Figure 27. Implementations: direct marketing	. 44

## **1 INTRODUCTION**

Medius Oy is a oral healthcare clinic operating in Porvoo, Finland. Medius Oy offers its customers a service package to rent their facilities, equipment and staff. Their primary customers are dentist and oral hygienist. Medius Oy was founded in 1983.

As the business grew in 2002 the need for bigger spaces became urgent and new spaces were acquired. A private medical clinic called Porvoon Lääkärikeskus and X-ray clinic Porvoon Röntgen moved into the same premises and started their co-operation with Medius. At this moment the clinic consists of four treatment rooms, X-ray room and an equipment maintenance room. Spaces for surgery are shared together with the medical clinic.

Medius employs three dentists, two Maxillofacial surgeons, a Prosthodontics dental specialist, a Periodontology dental specialist, an oral hygienist and five dental nurses. An Anesthetist is available when needed.

A few years ago again the need for growth became relevant. Plans to build a medical clinic with new and bigger spaces for all three clinics and a pharmacy were made. The plot was bought in a central location in the center of Porvoo right next to the public medical center. Building started in October 2011 and the new premises will be opened in November 2012. These new premises will entail the same as before however the number of treatment room will increase from four to six.

# 1.1 Statement of the problem

The expansion of the premises and increase in treatment rooms created a need for more dentists and oral hygienists to facilities and equipment.

In the past word-of-mouth had been sufficient for the organization in recruitment but now with the increase in treatment room extra measures have to be made.

# 1.2 Research purpose and objectives

The purpose of this thesis is to create a marketing plan for Medius Oy to reach their goals and receive more income from renting the extra treatment rooms. The organization is very well known and respected in the community but to create more buzz and attract dentists and oral hygienists from other areas is the primary purpose of the plan. The task is to find the actions and tools to market Medius Oy to potential dentists.

This thesis will also include a few concrete marketing steps for attracting new patients. The customer base for Medius Oy is primarily the dentists renting office spaces and equipment but actions also need to be implemented to attract new patients to the new dentists.

The main objective of this thesis is to create a functional and concrete marketing plan for Medius Oy. In this thesis the dentistry market in Porvoo and the competition will be analyzed. The results will be presented and based on the results concrete steps will be given. The thesis will be handed to the commissioning organization in the form of a PowerPoint presentation and it is them who will decide on whether or not to apply the presented steps.

# 1.3 Research questions

The main research question is: "What are the main marketing actions and tools to attract more dentists from Porvoo and the surroundings regions to rent work spaces and equipment from Medius Oy?" Up until now the process for recruitment has been done with word-of-mouth and now concrete tools and actions are needed to attract the right dentists.

# 1.4 Limitations

Limitations to this thesis are the lack of full financial figures and a concrete budget to implement the presented actions. All proposed steps and actions are designed for a relatively small organization with a small budget, with no previous marketing plan or marketing actions.

# 1.5 Theoretical framework and research design

The thesis will be presented in two parts. The first part is the theoretical part which presents the key tools and theories which were used in defining the marketing plan. This part of the thesis will be presented in a word format.

The second part is the actual marketing plan. In this part the concrete actions and tools will be presented. The reasoning for why the steps were chosen will be justified in the market analysis which will also be handed to the commissioning organization. The final results will be presented and discussed in this part. This part of the thesis will be presented in a PowerPoint format and will be included in the appendix.

The marketing plan will be divided into four main parts. The first one is a situation analysis, where a presentation on the dentistry market in Porvoo will be presented. Internal and external marketing audit, a SWOT analysis and competitive analysis will be done. The second part will present the marketing strategy which will include a market segmentation strategy and a targeting strategy. The third part will give the mission direction and objectives of the marketing plan and the fourth part will present the concrete steps and the implementation plan.

## **1.6 Significance of the thesis**

This thesis will refine and bring new light to the marketing steps and actions for Medius Oy. From the conclusions and presented marketing steps the decision makers at Medius Oy will make their own conclusions and decisions on how to proceed. All presented steps and strategies are planned within the current situation of the organization. Situations change constantly and so must the plan with it.

# 2 WORK PLAN FOR CONSTRUCTING A RESEARCH PLAN

The main purpose of this thesis is to create a marketing plan for a dental healthcare clinic called Medius Oy. They have no previous marketing plan and all current marketing activities are in a small scale. This chapter will briefly elaborate the steps in constructing this particular marketing plan.

The marketing plan for Medius Oy is at the same time a strategic marketing plan as well as a tactical marketing plan. The reason on why the writer chose to combine these two aspects is that as stated before Medius Oy had no previous marketing planning. In order to receive maximum impact and be the most efficient and effective aspect from both have to be explored. Strategic marketing plan is defining what the company wants to say, how they want to say it and who it needs to be said to. In the other hand tactical marketing plan is the actual execution of the marketing plan. The medium, tools and follow-up systems for the marketing plan are all part of the tactical marketing plan. (Ignite Business Services). Medius Oy must start from the beginning. The what, how and who must be explored and also where it is the most effective medium for this type of industry must be defined.

The marketing planning starts with defining the need and expectations of the commissioning company. This will be explored with an interview with the company. After the need have been indentified the current situation of the environment must be conducted. With the combination of these two the steps of the marketing plan and the practical implementations can be defined.

The marketing planning starts from the very beginning from the business mission definition. All basic steps including the marketing audit, SWOT and the PEEST analysis and the marketing mix decisions are covered. In the end recommendations on actions are presented. The following steps will be explored in more detail in the marketing plan.

- 1. Business Mission
- 2. Marketing audit
- 3. Marketing mix decisions

- 4. Marketing objectives
- 5. Core strategy
- 6. Competitive advantage
- 7. SWOT analysis
- 8. Organization and implementation

In later chapters the writer will explain the theoretical aspects as well as the practical analysis and implementations.

# 2.1 Semi-structured interview

There are three types of interviews (Robson 2002, p. 270):

- 1. Structured
  - o predetermined questions, pre-set order, fixed wording
- 2. Semi-structured
  - predetermined questions, order can be modified, wording can be changed, additional questions can be added
- 3. Unstructured
  - general area of interest and concern which the discussion is centered, informal

For this thesis a semi-structured interview was chosen as the research method. In the interview there is a set of question made before hand but by changing the order of the questions or by adding questions the interview becomes more of a conversation rather than an interview. In this thesis this type of research method gives the best results.

The interview with the partner at Medius Oy will take place at the work place of the organization. The interview will be held on the 15th of October 2012. The interview questions were all sent to the interviewee a few days before the interview. The interview questions can be found in the appendixes.

# 2.2 Reliability, validity and generalizability

When using qualitative research one has to be careful with reliability, validity and generalizability.

Reliability can be defined as "the extent to which a measuring device, or a whole research project, would produce the same results if used on different occasions with the same object of study." (Robson 2002, p. 551). For this marketing plan if another researcher would re-create it the tools and analyzes would be the same however the results could differ slightly.

Validity is "the extent to which data collection method or methods accurately measure what they were intended to measure" (Saunders et al 2009, p.603). In this thesis the validity was good because the thesis findings correspond to what was supposed to be found. All the research questions were answered and what was set out to found were found – to create a successful and actionable marketing plan.

Generalizability is to "the extents to which the findings of a research study are applicable to other settings" (Saunders et al 2009, p.592). These research findings of this thesis are applicable to other similar oral healthcare organizations in the Porvoo region.

# **3 SERVICE MARKETING AND MARKETING PLANS**

Among today's successful organizations a successful marketing plan has become the common denominator. (Kotler *et al* 2008, p. 6). Marketing is defined by Kotler as:

A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.

To know what marketing strategies and tools to use an organization has to have a marketing plan. According to Ghauri and Cateora (2010) a marketing plan is the blueprint which outlines the methods which the organization should use. In this part of the thesis the author will define the marketing concept needed to make a marketing plan for Medius Oy. Medius Oy is an oral healthcare service provider to other dentist and oral hygienist. The service offerings include both tangible and intangible elements. The intangible service offerings are marketing service, patient service, equipment and facility maintenance, staff and other office related services. Tangible aspects on the other hand are the actual equipment, facilities and materials that are at hand. (Kotler et al 2008, p.598)

The marketing plan in this thesis must be looked from a service marketing perspective. Services may require special understanding or special marketing efforts according to Jobber (2010).

In the following subheadings the author will describe the key elements needed to create a marketing plan.

# 3.1 Service characteristics

When looking at service marketing the service offering must be first identified. There are four special characteristics in defining a service. According to Kotler et al services have:

- Intangibility
- Variability
- Inseparability
- Perishability

The first characteristics in separating a good and a service is intangibility. A good is tangible and a service offering can be intangible. Sometimes a service can be a combination of both. To distinguish the difference between goods and services a goods-service continuum can be used. At one end is the pure goods and on the other pure services. Figure 1 demonstrates the goods-service continuum. (Kotler et al 2008, p. 598).

Intangibility makes it difficult for the consumer to evaluate the service before purchase and sometimes even after consumption. To tackle this challenge the service provider must use tangible cues to assure the consumer of the service quality. These service cues are e.g. testimonials or a checklist to provide the consumer with enough information on what will be done or what has been done (Jobber 2012, p. 824).

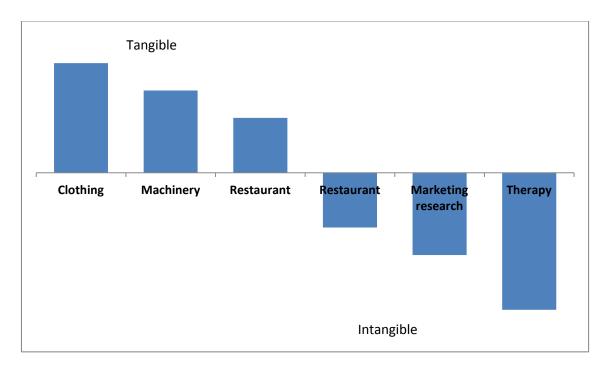


Figure 1. The tangible-intangible continuum (Kotler et al 2008, p. 598)

Services have also variability. Two same service providers may have totally different quality variations. Controlling the quality of services must come from internal marketing by training and rewarding staff. Evaluation systems should also exist for the consumers to report on their experiences and give feedback. Problems with variability should be tackled with internal communication and agree within the organization to have the same ways of working and the same standards. (Jobber 2012, p. 825).

A service has also inseparability. Services are both produced and consumed simultaneously. (Jobber 2012, p. 824.) In other words the service provider provides the service to the consumer in the spot and therefore cannot be separated from each other. (Kotler et al 2008, p. 601.)

The fourth characteristic of a service is its perishability. A service cannot be stored for a later date. A service is very hard to cater for peak demand when supply is insufficient.

Solutions to this problem are e.g. part-time staff, multi-skilling, participation by consumers, differential pricing in different periods of time, a reservation system and by stimulating the off-peak demand. (Jobber 2012, p. 825).

# 3.2 Managing services

There are four aspects in managing services according to Jobber (2010)

- Managing customer relationships
- Managing service quality
- Managing service productivity
- Managing service staff and positioning service

In managing customer relationship the focus moves from attracting new customers into the retention of already existing ones. Managing customer relations is important in every industry but more so in the service industry because there is a direct contact between the service provider and the consumer. There are many benefits for both the organization e.g. increased purchases, lifetime value and word of mouth as well as to the consumer e.g. risk reduction and higher-quality service. There are six customer retention strategies according to Jobber (2010): targeting customers for retention, bonding, internal marketing, promise of fulfillment, building trust and service recovery. (Jobber 2010, p. 826 ff.).

One way for an organization to differentiate itself from its competitors is by delivering consistent high quality service. Goals need to be set and made clear to the consumer. Only then can the consumer except and receive quality service. (Kotler *et al* 2008, p. 609).

There are ten criteria's when evaluating customer perceived service quality according to Jobber (2010):

- 1. Reliability is the service consistently dependable
- 2. Responsiveness does the staff react quickly to any problems or questions
- 3. Courtesy is the staff friendly and polite

- 4. Competence does the staff have enough expertise and skills on what they do
- 5. Tangibles how are the tangible elements (interior design, appearance of the staff) managed and communicated
- 6. Access is the service at a good and convenient location and was the service delivered with the minimum time
- 7. Credibility can the staff and the service be trusted
- 8. Security is the service without risk
- 9. Understanding the customer has the customer expectation been understood
- 10. Communication is the service clearly and accurately communicated

Using the first five criteria's from the list above a scale called SERVQUAL has been developed to measure customer perception and expectation to identify potential gaps. (Jobber 2012, p. 835.)

Managing productivity creates great pressure for organizations. When costs increase so should productivity. There are several ways to increase productivity e.g. training of current employees, increasing quantity but sacrificing in quality, industrialize service by adding equipment and standardized production and by using more technology which saves time. (Kotler et al 2008, p. 615).

The fourth aspect in managing services is managing service staff and positioning service. The quality of the service is highly dependent on the staff because services involve a high degree of contact between the service staff and the consumer. In the recruitment and selection of staff the organization must consider whether or not they fit to the organizational culture and whether or not they are suitable for that type of work. The nature of the position needs to be communicated and training to the position must be in accordance to the position. (Jobber 2012, p. 838).

In today's market place with intense price competition it is crucial to differentiate from competitors. Consumers do not compare services before purchase like they would products because of intangibility and inseparability. By differentiating oneself with offer, delivery and image organizations can be better spotted from the sea of competitors. (Kotler *et al* 2008, p. 607).

# 3.3 Marketing planning

Organizations cannot survive just by reacting to every individual situation that comes across. Inconsistent marketing actions and uncontrollable spending are the result when fast solutions with no informational basis are made. This leaves the organization vulnerable in the market and gives headway to competitors. Every organization must coordinate their marketing in a systematic manner. (Kotler 1979, p. 205).

There are different stages and varieties in business planning according to Kotler (1979). An organization may have: a business plan, business unit plan, product line plan, product plan, product branding plan, market plan, product market plan and a strategic business unit plan. All of the plans have a hint of marketing planning in them and according to Kotler (1979) one of the most important aspects. Plans are made to reach a certain goal. Goals setting usually starts with the question: Into which sales levels can we hope to reach and make profit? (Kotler 1979, p. 209).

In the marketing process there a multiple steps. To give equal amount of attention and detailed analysis to all of the steps would be very time consuming and the marketing planning would be a mass of data and issues and not all relevant to the organization. The factors most important to the organization should be prioritized. (Jobber 2005, p. 45)

A marketing planning according to Jobber (2010) is a path from generating a business mission into implementing the plans and then controlling them.

#### 3.3.1 Business mission

A business mission is the broadly defined statement about the core function of the organization. The statement should say at the same time that what the organization is doing and what it wants to do. This statement is what distinguishes the organization from its competitors. A business mission is market and needs focused instead of product based. The original business mission should be redefined after the marketing plan is complete. (Jobber 2012, p. 41).

#### 3.3.2 The marketing audit

The marketing audit is the first things that an organization should explore when starting to define a marketing plan. The reactions to this analysis are then presented in the organizations objectives, strategies and tactics. (Kotler 1979, p. 210). Marketing audit is the basis from which an organization starts to build their marketing actions. It should answer the three basic questions: where are we now, how did we get here and where are we heading? (Jobber 2012, p. 41).

To answer these questions two factors need to be looked at: the internal environment and the external environment.

The internal audit focuses on the areas that are controlled by the management. Factors that should be looked within the organization include:

- operating results (sales, market share)
- marketing mix effectiveness (7 P's, 4 C's)
- strategic issues analysis (marketing objectives, core competences, positioning)
- marketing structures (organization, training)
- marketing systems (information, planning and control system)

The external audit on the other hand focuses on the areas that are not controlled by the management. These factors from outside the organization according to Jobber (2010) are: macroenvironmental and microenvironmental. To study the microenvironment a PEEST analysis should be conducted. It includes political/legal, economic, ecological, social/cultural and technological situational and environmental analysis. The microenvironment analysis looks at the market, customers, competitors, distributors, suppliers. (Jobber 2012, p. 41).

According to Kotler (1979) the external environment of an organization is the combination between the significant forces and institutions surrounding the organization. It consist of the task environment, which consist of the institutions helping with the acquisition of materials; the competitive environment, which consist of the institutions competing of the resources and consumers; the general environment, which consist of institutions regulating and observing the organization; and from the macroenvironment, which consist of the most important social forces which impact the opportunities and threats of the organization. (Kotler 1979, p. 97 f.)

The more resources an organization puts into the analysis of external and internal environment the betters its ability to stays running. (Kotler 1979, p. 99)

Another way of doing the marketing audit according to Groucutt (2005) is by combining the environmental, marketing strategy, marketing organization, marketing systems, marketing productivity and marketing function analysis audit into one heading the marketing audit. (Groucutt 2005, p. 100 f.). The environmental audit includes the macroenvironmental and the microenvironmental audit. In analyzing the macroenvironment different types of the PEEST analysis can be made. There in the PEST (political, economics, society and technology), LE-PEST-C (legal, environmental, political, economics, society, technology and competitors), SPECTACLES (social, political, economic, cultural, technological, aesthetic, customers, legal, environmental and sectoral) as well as the most common PESTEL (political, economics, society, technology, environmental and legal).PESTEL analysis is done for several reasons. It clearly defines all the primary factors affecting the organization and it is easy to remember. (Groucutt 2005, p. 20 ff.).

Groucutt (2005) defines the microenvironment to include the suppliers, employees, the local community, local government, intermediaries, customers, competitors and cooperators, retired employees, trade unions, opinion formers and local regulators. These factors are somewhat controlled by the organization management. Factors that lessen their controllability are e.g. geographical location, local regulations and political intent. (Groucutt 2005, p. 42 ff.).

#### 3.3.3 Marketing mix

When defining the marketing mix the organizations match the product or service offering to customer requirements. The marketing mix according to Kotler et al (2008) is "the set of controllable tactical marketing tools that the firm blends to produce the response it wants in the target market." Everything that the organization can do to influence the demand of its product is in the marketing mix. The traditional marketing mix consists of the 4 P's: products, price, promotion and place. (Kotler *et al* 2008, p. 47).

For services also three additional P's are given: people, physical environment and process. These three are often referred as "the additional three P's in service marketing". (Kotler *et al* 2008, p. 604).

Robert F. Lauterborn revised the original 4 P's to fit better to the service industry and transformed them into the 4 C's. Product is transformed into customer value, place become convenience, price becomes cost and promotion becomes communication. (femalepreneurs.com, accessed 13.10.).

In this thesis and in the marketing plan the following marketing mix is used:

- Customer value
  - Understand what the customer needs and wants and correlate that need into a service
- Convenience
  - make it as convenient as possible for the customer and differentiate yourself from the competition
- Cost
  - $\circ$  understand the cost the consumers are willing to pay for their need
- Communication
  - communicate your service, not promote, make the message personal so the consumer thinks you are talking to them directly
- People
  - the service is provided to the consumer by the staff and with the right attitude the customers satisfaction can be influenced tremendously
- Physical environment
  - $\circ$  the environment where the services are being presented and delivered
  - cues for the quality of the service are taken from the physical environment
- Process

o a superior delivery process can improve customer satisfaction

#### 3.3.4 Objectives

Marketing objectives answers to the question: where do we want to go. This question cannot be answered before the marketing audit and SWOT analysis has been done. (Jobber 2012, p. 48). The objective should be hierarchic, quantitative, realistic and consistent. (Kotler 1979, p. 93.)

There are two types of marketing objectives: the strategic trust and strategic objectives. (Jobber 2012, p. 48).

The strategic trust illustrates to the organization which product/services should be sold in which market. According to Jobber (2010) there are four types of strategic trusts:

- market penetration
- product development
- market development
- entry into new markets

The fastest and easiest way to penetrate a market or develop a product is to acquire or merge with an already existing organization in that particular market. Through mergers and acquisitions the know-how, resources, image and time are all saved. (Kotler 1979, p. 89)

Some companies are trying to achieve their strategic objective through developing within their organization. The high cost and competition for other organizations are one of the main reasons why extra resources are invested into the development within the organization. (Kotler 1979, p. 89)

Timing is everything when making strategic decision. Financial losses can occur when the entry into the market is too early or too late. Strategic objectives illustrates to the organization on a product or business unit level on which actions should be taken with a specific products or service in a particular market. According to Jobber (2010) there are four strategic options:

- building of sales or market share
- holding of sales and market shares
- harvesting in a way that sales and market share may drop but profit margins are maximized
- divesting

These decisions must be made individually to all products or strategic business units in the portfolio. (Kotler 1979, p. 93).

The strategic trusts and the strategic objective must be in accordance to the organizations position, resources and competencies. These two must be linked to each other and must be achievable now and in the future. (Groucutt 2005, p.101)

#### 3.3.5 Core strategy

The core strategies of an organization are the means on how the organization will achieve the goals and the objective it has set. The core strategy consists of three key elements according to Jobber (2010):

- 1. Target markets
  - what is the target market or segment that the organization wants to pursue
  - o results from the SWOT analysis and from strategic trust
- 2. Competitor targets
  - who are the competitors the organization is competing directly
- 3. Competitive advantage
  - o the link between the target markets and competitor targets
  - through differentiation can the organization deliver superior customer value through quality or low cost

In determining the target market it is important to answer the questions on how will the market be reached and into which segment they want to reach. The organization cannot reach all consumers. The organization should analyze on which segment is the most intriguing and which segment can they serve the most effective. (Kotler 1979, p. 169 ff.).

An organization can gain competitive advantage through factors that provide the organization a market edge over its competitors. Sustaining that market edge requires however a combination of different factors. (Groucutt 2005, p. 110 f.)

#### 3.3.6 Marketing organization and systems

In the marketing planning the organization must make sure that it has the capabilities and recourses to implement the necessary steps and tools. There are 5 different types of marketing organizations (Kotler 1979, p. 488):

- 1. Simple sales department
  - a. The head of sales is in charge of the marketing activities alongside his other responsibilities
- 2. Sales department with extra resources
  - a. Head of sales recruits experts and head of marketing but both report still to head of sales
- 3. Marketing department
  - a. Head of sales and head of marketing working together
  - b. Head of marketing is in charge of sales as well
- 4. Marketing organization
  - a. Head of marketing is in charge of other business units in the organization as well

Marketing organizations must have effective and efficient co-operation with other function to drive the organizations marketing efforts as well as corporate objectives. (Groucott 2005, p.101)

Marketing systems can be a vital asset to an organization. They consist of the marketing information, planning and control systems that help marketing to achieve their goals. (Jobber 2012, p. 45) Marketing systems help to control, organize and monitor daily,

weekly and monthly activities. (Groucutt 2055, p. 101) These too need to be reevaluated and audited yearly to check their effectiveness. (Jobber 2012, p. 45)

#### 3.3.7 SWOT analysis

The SWOT analysis analyzes two distinct areas. The organizational analysis looks at the internal environment of the organization analyzing its strengths and weaknesses and the environmental analysis looks at the external factors the opportunities and strengths. (Groucutt 2005, p. 104 f.) It is one of the most important tasks of an organization to define these to each particular business unit and regulate them. (Kotler 1979, p. 100.)

According to Thompson et al (2008) strengths and weaknesses are the factors influencing the success of the organization at the present time and opportunities and threats look to the future. Every organization may tries to switch the biggest threats into opportunities. (Kotler 1979, p. 100.)

The SWOT analysis enables managers to re-evaluate the organizations current mission and objective. (Groucutt 2005, p.106) The SWOT analysis should be revised on a yearly basis and see which threats and opportunities were realized and what actions were made. (Kotler 1979, p. 211)

#### 3.3.8 Budget and marketing actions

A budget must be determined before taking any actions. The budget must be set for a certain period of time and after each period the balance must be checked and controlled. (Kotler 1979, p. 214)

When the marketing organization and the budget have been established the presented marketing steps should be put into action. (Jobber 2012, p. 53 f.).

#### 3.3.9 Control

The organization must in the end evaluate the results from the marketing plan and make corrective actions if necessary. The organization must also annually update the marketing plan because the environmental and financial changes may occur. (Jobber 2012, p. 53 f.).

There are four different control methods: yearly planned control, profitability control, productivity control and strategic control. All of the control methods use different variables slightly but in the end they are all designed to test and conclude on whether or not the marketing actions have created a change. Action plans must be made after the control. Depending on the results they can be change tremendously and be corrective or relatively stay the same. (Kotler 1979, p. 529).

#### 3.3.10 Structure of the marketing plan

The time frame of this marketing plan is one year and the marketing plan should be redefined annually by the commissioning company.

As before demonstrated the structure of the marketing plan for Medius Oy is the following:

- 1. Business Mission
- 2. Marketing audit
- 3. Marketing mix decisions
- 4. Marketing objectives
- 5. Core strategy
- 6. Competitive advantage
- 7. SWOT analysis
- 8. Organization and implementation

# 4 MARKETING PLAN FOR MEDIUS OY

In chapter 2 the writer presented the work plan of the Medius Oy marketing plan and in chapter 3 the theoretical background of the concepts and theories used in the marketing plan. In this chapter the practical analysis and implementations will be presented. The commissioning company received a PowerPoint presentation containing the following

slides and a detailed presentation containing the analysis and reasoning presented under the slides.

In the following subheading the marketing plan is presented in more detail.

# 4.1 Executive Summary

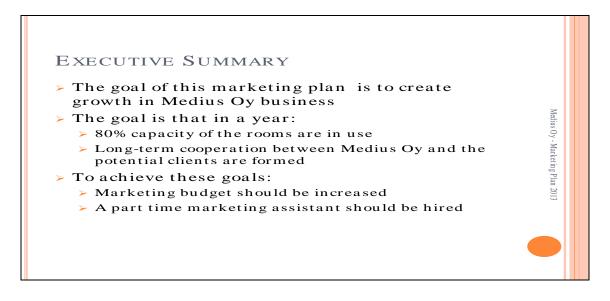
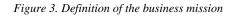


Figure 2. Executive Summary of the Marketing plan

The Executive Summary is the first slide in the marketing plan. This slide presents the main actions and recommendations. After the Executive Summary slide the content page is presented. The purpose of these slides is to give the commissioned organization a preview of the marketing plan.

# We we in busy ess to provide the st oral here is the orver when is gots expense and we latest when ology Medius Oy Modius Oy

# 4.2 Definition of the business mission



Marketing planning starts with the defining of the business mission. Medius Oy had already during the years indentified theirs. The business mission defines the purpose of the organization and the means on how to reach that. In the case of Medius Oy they are not compromising on the quality and want to be the best oral healthcare service provider in the Porvoo region. They have the expertise and they are willing to invest in the latest technology to achieve it.

# 4.3 Marketing audit

The next step in developing of a marketing plan for Medius Oy is to make the marketing audit. The goal is to answer where Medius Oy is now, how Medius Oy is heading there and where is Medius Oy headed.

#### 4.3.1 Internal environment – strategic issue analysis

In the strategic issue analysis we look at the marketing objective, marketing segmentation, competitive advantage, core competences and positioning.



Figure 4.Strategic issue analysis: Marketing objectives

The marketing objectives of Medius Oy are to attract more customers (dentist and oral hygienist) to buy services that Medius Oy provides. At the same time the customers buy the high quality image that Medius Oy has in the community. In addition for buying the services the customers also rent the spaces, machines, equipment and the staff. Medius Oy provides a full package deal where the customers need only to work and leave the rest to Medius Oy.

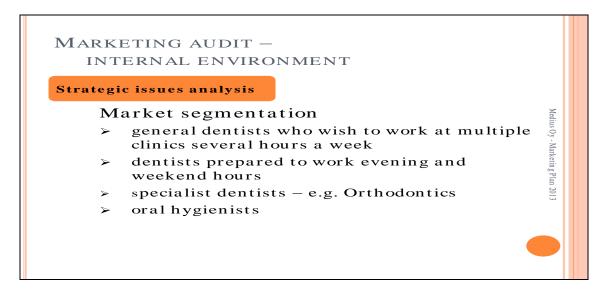


Figure 5. Strategic issue analysis: Marketing segmentation

Medius Oy target market is dentist of different specialties. The dentist that are working there work at multiple clinics several hours a week. There are many possibilities for the dentist to work evening hours as well as on the weekends. Oral hygienists are also targeted. The need for pre-emptive oral healthcare has increased and oral hygienists are trained for this specialty.

The current dentist and oral hygienist working are fully booked and cannot accept new patients. This means that all new patients are always directed to new dentist. The most important factor in hiring new customers is that they fit into the organization culture. What Medius Oy wants is long-term co-operation and a member of the team. By having long-term dentist and oral hygienist the relationship can form between the dentist and the patient. This increases the quality and the image of the clinic.



Figure 6. Strategic issue analysis: Competitive analysis

The competitive advantages of Medius Oy are that they have operated in the same community for over 20 years. This has created an established and loyal customer base. Patients are of all age group and very often entire families are treated by the same dentist.

There is a true demand from Medius Oy for quality oral healthcare. There are only a handful of private oral healthcare clinics in Porvoo. Medius Oy is the only one that provides the specialty Maxillofacial oral healthcare surgery in Porvoo. Medius Oy is the only private oral healthcare clinic with facilities to do anesthetics surgeries. The co-operation between Porvoon Lääkärikeskus has enabled this to be possible.



Figure 7. Strategic issue analysis: Core competence

The core competences of Medius Oy are their high quality oral healthcare they provide to their patients. Most of the patients at the clinic have been coming for years and a relationship has formed between the dentist and the patient. The image of Medius Oy among the community, patients and other dentist has remained good over the years. Quality and good customer service are linked to the Medius brand in Porvoo. The new and improved facilities have also increased the image of the clinic.

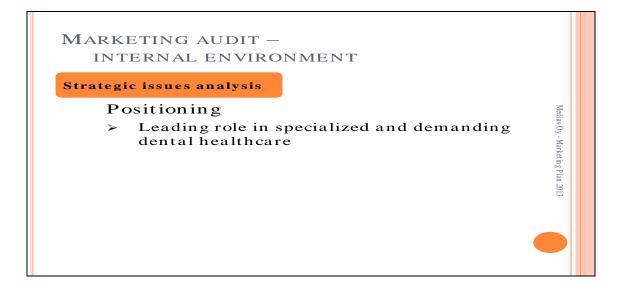
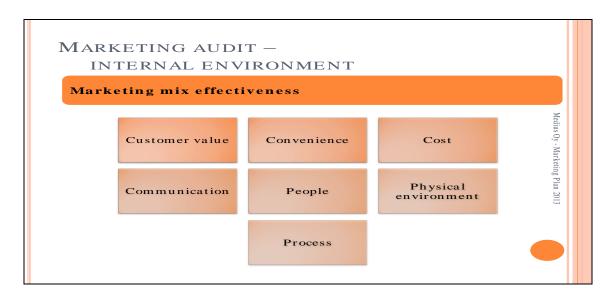


Figure 8. Strategic issue analysis: Positioning

Medius Oy is positioned as the leading oral healthcare clinic in Porvoo with specialized and demanding treatment. They are one of the only clinics in Porvoo to provide Maxillofacial and anesthetics surgeries.

#### 4.3.2 Internal environment – marketing mix



#### Figure 9. Marketing mix

The marketing mix of Medius Oy consists of customer value, convenience, cost, communication, people, physical environment and process.

The 4 C's of Medius Oy goes as follows. The need of the customer of Medius Oy is to have efficient working hours. The customer's goal is just to treat patients and leave everything else to Medius Oy. The service package that Medius Oy offers is convenient to the customer. The customer only needs to focus on work and the rest is taken care of. The cost of the package is reasonable when comparing the cost of other oral healthcare clinics in Porvoo and the package that they and Medius Oy provide. The service will be communicated to dentist and oral hygienist personally. In the actions planning this will be gone through in more detail.

The people or the staff at Medius Oy is highly skilled and motivated. They regard the work place as challenging and supportive. The physical environment has improved with the new facilities. New equipment and new technology has been acquired to improve the environment. The process at Medius Oy has evolved and developed into a smooth and clear process.

## 4.3.3 Internal environment – marketing structure



#### Figure 10. Marketing structure

The marketing organization of Medius Oy currently consists of one person. All the marketing decisions and actions are done by a partner at Medius Oy. Compared to the clinics size and strategy this is a good fit.

However the recommendation of this thesis is to hire a part time assistant to help with the implementation of the marketing actions.

Training for marketing strategies and processes should be undergone on a regular basis. The annual revision of the marketing plan would otherwise be impossible.

#### 4.3.4 External environment – PEEST analysis

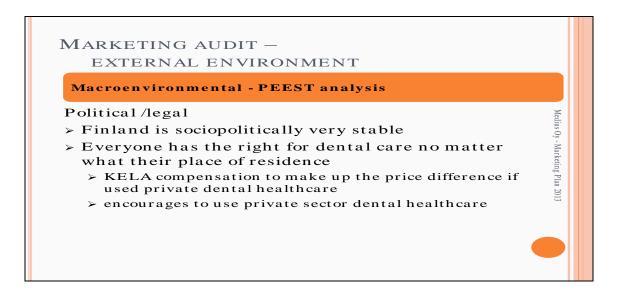
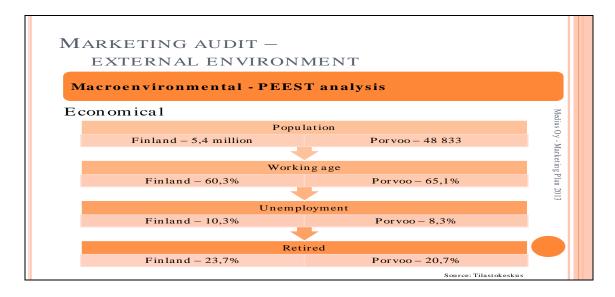


Figure 11. PEEST analysis: Political/legal

The political environment and the development of it affect the oral healthcare industry. Everyone has the right for oral healthcare no matter what their municipality. For the past 15 years KELA compensation has been given when using private oral healthcare. Most of the price difference is paid back by KELA. This encourages for more people to use private oral healthcare.



#### Figure 12. PEEST analysis: Economical

When looking at the external economical environment of Medius Oy the Porvoo region is the primary region to analyze. The only primary marketing action outside of the Porvoo region will be direct marketing. The potential customers are handpicked with criteria's that do not include economical situation.

When looking at the economical situation in Porvoo a few factors emerge. The unemployment rate at Porvoo is 8,3%. This percentage can be searched and it can be seen whether or not there are potential for the work-based learning agreement. These people can potentially be trained with co-operation with Medius Oy and the local university of applied sciences to become oral hygienists or dental nurses.



#### Figure 13. PEEST analysis: Environmental/ecological

Environmental and ecological values have become more important to the current generation. The scarce natural resources, increasing energy consumption and the increase in pollution are all current environmental concern.

Medius Oy has taken this into account in their everyday operation. All materials that are possible are properly recycled and ecological materials that are possible to be purchased are. Quality is still a priority and at any point cannot this be compromised. With the co-operation with Porvoon Lääkärikeskus and Porvoon Röntgen actions have been taken to decrease energy consumption and waste.

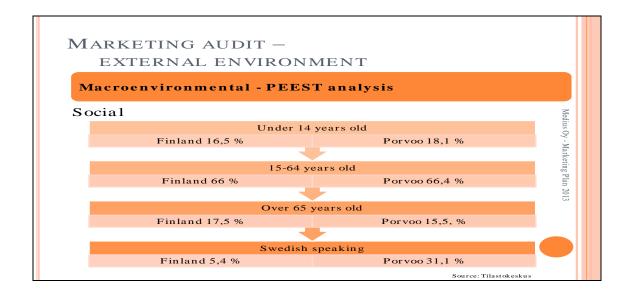


Figure 14. PEEST analysis: Social

The social situation in Porvoo tells what kind of dentist Medius Oy should recruit. Porvoo is 31,1% Swedish speaking. New dentist should speak Swedish. The amount of over 65 years old is 15,5%. This tells that the dentist must have knowledge on what possible effects might the drugs they scribe to the patients might have with their already existing ones.

The amount of under 14 years old is also a bit bigger than the average of Finland. This tells that pre-emptive oral healthcare will increase in importance. Oral hygienist and Orthodontics should be recruited.

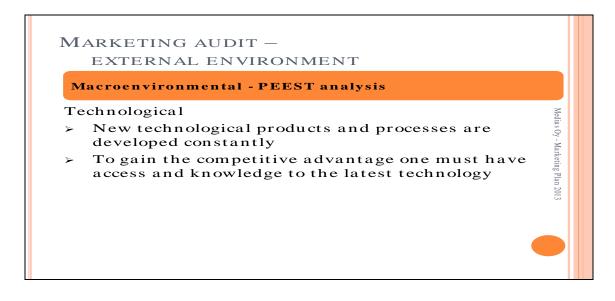


Figure 15. PEEST analysis: Technological

Technology has created some of the best and the worst (e.g. penicillin and the atomic bomb) innovations in the entire world. New innovations are developed constantly.

Medius Oy wants to keep its competitive edge by having the latest technology. The cooperation between Porvoon Lääkärikeskus and Porvoon Röntgen has enabled them to purchase expensive technology for the use of all three parties.

#### 4.3.5 External environment – microenvironmental

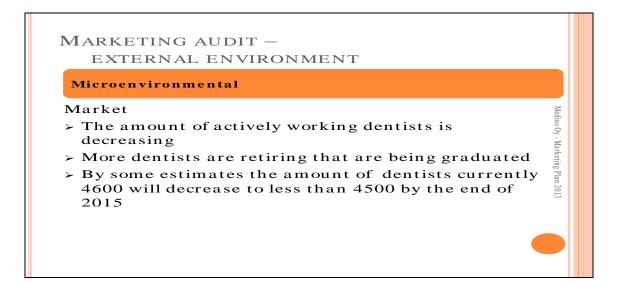


Figure 16. Microenvironmental: Market

The market surrounding Medius Oy looks grim. The amount of dentist is decreasing dramatically. Currently in Finland there are about 4600 dentist. According to some estimates the amount in 2015 will be less than 4500. This is due to the fact that more dentists are retiring than are being graduated from university. Some steps have been taken e.g. increasing the amount of entrants to the university but no obvious change to the trend has happened.

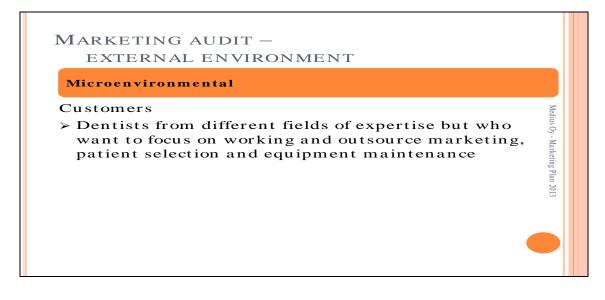


Figure 17. Microenvironmental: Customers

The customers of Medius Oy are dentist of different fields. They all wish to work at multiple clinics. They want to focus all their efforts into the treatment of patients and not to the administrative side. They are willing to outsource everything from marketing, equipment maintenance and to patient selection.

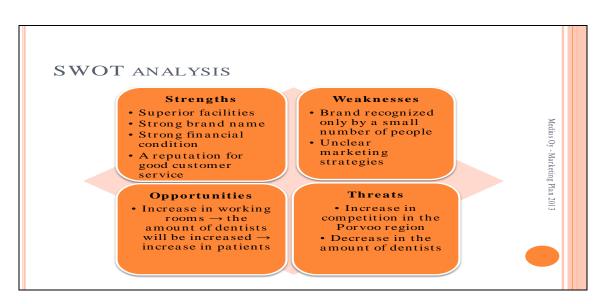


Figure 18. Microenvironmental: Competitors

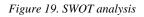
The competitors of Medius Oy are the public and private oral healthcare clinics. 50% of all dentist work at the public healthcare sector.

The main private sector competitors are: PlusTerveys, Oral Hammalääkärit and Oma Hammaslääkäri. All of these are oral healthcare chains. PlusTerveys is one of the biggest clinics in Finland and Oral Hammaslääkäri plans to increase their market share up to 10%. Oma Hammaslääkäri is the only one that has a clinic in Porvoo.

Other potential competitors are retiring dentist selling their clinics.



# 4.4 SWOT analysis



The strengths of Medius Oy are its superior new facilities. It has a strong brand name and it has an excellent reputation on delivering good customer service. Medius Oy is also at a strong financial situation.

The weaknesses reflect some of the strengths. Although the brand name is strong it is only recognized by a small audience. Also the marketing strategy is unclear.

The opportunities that could be used are in the increase in the treatment rooms. By learning to utilize and rent these out to the right dentist and oral hygienist new treatments could be provided to patients. The increase in dentist and oral hygienist would directly increase the amount of patients.

The threats that the clinic is facing are the increase in competition. When the clinic first started 20 years ago there were only a handful of direct competitors. Now with the commuting of people and the fact that big oral healthcare clinic chains are opening in

Porvoo it increases the threat of competitors. Also the decrease in the amount of dentist increases the competition to recruit them.

## 4.5 Marketing objectives



#### Figure 20. Marketing objectives

The marketing objectives are to expand in the existing market. Medius Oy should focus on strengthening the existing customer relationships that is has. They should also create awareness in the market and recruit the ones that fit the current organization culture. By keeping the organization culture and the staff quality high can they increase the market share in Porvoo. The objective is that within a year 80% of the capacity of the treatment rooms would be in use.

## 4.6 Core strategies

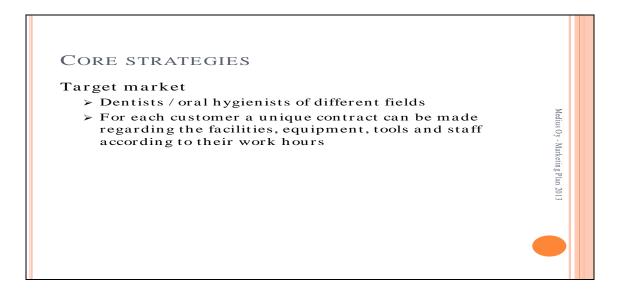
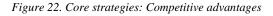


Figure 21. Core strategies: Target market

The core strategies of Medius Oy are the target market and what can be offered to them.

Each customer can be offered a unique contract to fit their needs and their working hours.





The competitive advantage is the experience and expertise that Medius Oy has currently. Many of the dentists there have had long careers. They are trained in different specialties. The new facilities are superior and Medius Oy is always looking to acquire the latest technology. The close co-operation that Medius Oy has with Porvoon Lääkärikeskus and Porvoon Röntgen increases the convenience of the customer. Everything needed is close by.

### 4.7 Implementations

Medius Oy is a small privately owned oral healthcare clinic with limited means and is working at a niche market. Implementations presented in this marketing plan reflect that.

The segment that is targeted is general dentist working at multiple clinics multiple hours a week. It is a niche market and the channels on how the advertisement is communicated must be considered carefully. The channels used must be directly linked to the segment and the potential customers must feel that the advertisement is speaking directly to them. Channels that the marketing plan suggests to be used are oral healthcare and healthcare sector official magazines, advertisement in Porvoo on a public billboard, social media advertisement and direct marketing via emailing and contacting potential customers with phone call.

Channels that are not suggested are e.g. TV, radio and newspaper advertisement. These medias cast too wide of a net and do not directly speak to the clinics niche market. The local newspaper is losing its readers as do most other daily newspapers and most of the potential customers live outside of their distribution network. This influences the local radio stations as well. If the clinic were to invest in advertisement in the metropolitan area TV, radio and newspapers the cost would increase and the investment would not likely give the results needed and in the end maybe prove ineffective. In these medias targeting a special customers and individualized messages are impossible.

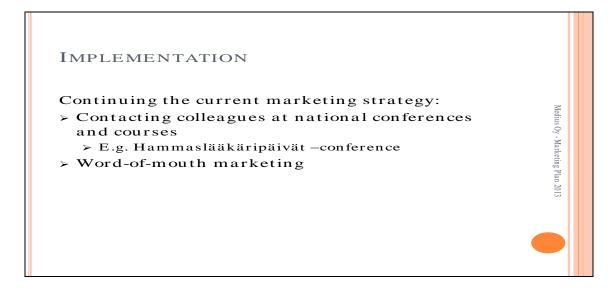


Figure 23. Implementations: currently

Medius Oy should continue their current marketing actions. Meet and network with colleagues at national conferences and courses. Word-of-mouth marketing is important so always being positive and making a good impression is crucial.

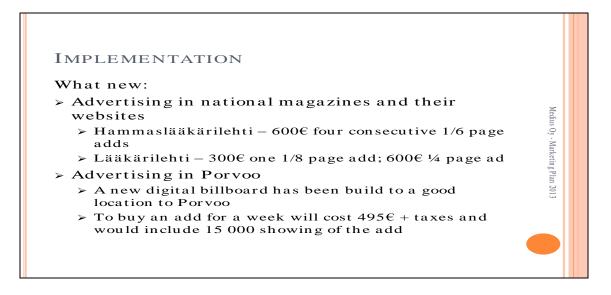
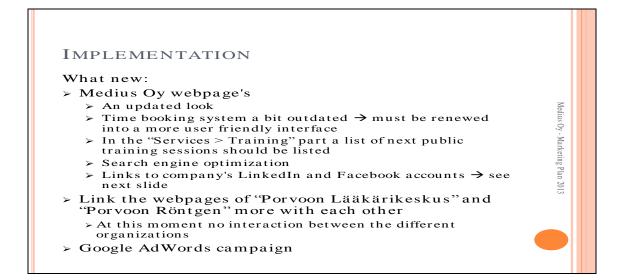


Figure 24. Implementations: advertisements

Hammaslääkärilehti is the only official media for dentists and Lääkärilehti is the media for doctors. All official information is displayed in these. By advertising in these medias the clinic will increase its visibility on a national level and brand recognition to the right target group. These magazines all dentist and doctors receive automatically. Advertising in the Porvoo's new digital billboard will give brand recognition to possible dentist and oral hygienist as well as possible new patients. The billboard is seen by commuters going towards Helsinki. It is situated next to the bridge in Porvoo attached to the newly constructed shopping and cultural center. It has different advertisements for a week at a time and one specific commercial is shown 16 000 times within that week.



#### Figure 25. Implementations: web pages

The webpage should be updated. The time booking system is old fashioned and cumbersome. Sections such as the "Services > Training" should be taken more advantage of.

Search engine optimization should be utilized when designing the new webpage. The higher in the lists it comes in search engines the better. Links to the clinics LinkedIn and Facebook pages should be added. Also link to the Porvoon Lääkärikeskus and Porvoon Röntgen should be added. It should be made clearer that these three are in co-operation with each other.

According to Davis Meerman Scott the author of *the new rules of marketing & PR* (2011) a great website and online news releases organizations can highlight their expertise and elevate themselves to a position of importance. This is what Medius Oy must accomplish by renewing their website. They must emphasize their expertise and create an image as the leading oral healthcare clinic in Porvoo and in the surrounding regions.

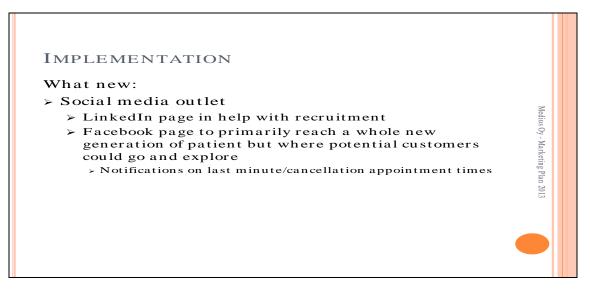


Figure 26. Implementations: Social Media

LinkedIn pages and Facebook pages should be created. These pages could be updated by the part time marketing assistant. These could be utilized not only to attract new customers but also new patients.

According to Davis Meerman Scott the web and social media outlets have opened an opportunity for organizations to reach niche segments and buyers with directly targeted information that cost a fraction of what big-budget advertisements would cost. (2011, p.6)

The social media is used to reach the right niche with the right message. Medius Oy should utilize this opportunity and keep its social media pages updated and as intriguing as possible to create interest in potential customers.

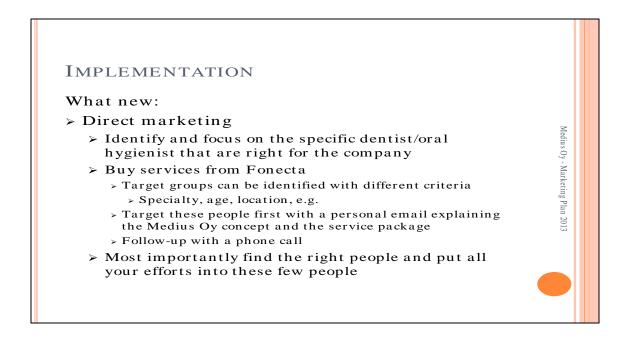


Figure 27. Implementations: direct marketing

Direct marketing is presented as the primary marketing action. The possible customers that could be recruited are very few and they should be contacted personally first via email and a follow-up with a phone call. The concept should be sold to them. The database is possible to be bought from Fonecta. This database would include all dentists in the Uusimaa region.

A well designed webpage and intriguing social media pages help the potential customer to find out more about the clinic after the initial contact. Through these the clinic will create credibility to the eyes of the potential customers.

### **5 CONCLUSION**

In this thesis the marketing plan for Medius Oy is defined and the answer to the research question "what are the main marketing actions and tools to attract more dentists from Porvoo and the surrounding regions to rent work spaces and equipment from Medius Oy" is answered. The external and the internal environment are analyzed and the strength, weaknesses, opportunities and threats are identified. Only by defining all of these variables are the marketing actions able to be proposed. The writer proposes Medius Oy to keep the current marketing actions going. The webpage of the clinic needs to be updated and Medius Oy should invest in advertisements in industry specific magazines. The primary marketing action should be direct marketing. Contacting the

right people personally and selling them the concept would be the most cost efficient way to find the right people to fit the needs and requirements of the clinic.

The final results of the thesis and analysis are the property of Medius Oy. The marketing plan for Medius Oy can be found in the appendixes. This plan has been done to help the top management at Medius Oy with their decision-making process.

## REFERENCES

Finnish Dental Association. 2012, Accessed 13.10.2012 http://www.hammaslaakariliitto.fi/etusivu/

Ghauri, P.N., & Cateora, P. 2010. International Marketing 3rd edition. McGraw-Hill.

Groucutt, J. 2005. Foundations of marketing. Palgrave Macmillan.

Jobber, D. 2005. Principles and practice of marketing 6<sup>th</sup> edition. McGraw-Hill

Ignite Business Services. 2009, Accessed 10.12.2012 http://www.ignitebusinessservices.com/uploads/Strategic\_vs\_Tactical\_Marketing.pdf

Kotler, P. 1979. *Marketing Management: analysis, planning and control, 4<sup>th</sup> edition.* Prenctice-Hall, Inc.

Kotler, P., Armstrong, G., Wong, V., Saunders, J. 2008. *Principles of marketing 5<sup>th</sup> European edition*. Prentice Hall

*Mediushammaslääkärit - tandlakärnä*. 2012, Accessed 13.10.2012. http://www.medius.fi/

Robson, C. 2002. Real world research. 2<sup>nd</sup> edition. Blackwell Publishing.

Saunders, M., Lewis, P., Thornhill, A. 2009. *Research method for business students*, 5<sup>th</sup> *edition*. Pearson education.

Scott, D., M. 2011. *The new rules of marketing & PR* 3<sup>rd</sup> *edition*. John Wiley & Sons, Inc.

Strauss, A., Corbin, J. 1990. *Basics of qualitative research: Grounded theory procedure and techniques*. Newbury Park, CA: Sage Publications, Inc.

The Four New Cs of Marketing. 2012, FemalePreneurs.com Success Secrets by Jan Marie Dore, Accessed 11.10.2012, http://www.femalepreneurs.com/blog/four-cs-ofmarketing/

Thompson, A.A., Strickland, A.J., Gamble, J.E., 2008. *Crafting and Executing Strategy, The Quest for Competitive Advantage: Concept and Cases*. McGraw-Hill International Editions.

# **APPENDICES**

# Appendix 1

Marketing plan as a PowerPoint presentation

# Appendix 2

Questions sent beforehand to the partner at Medius Oy

- 1. Where are you now?
- 2. Using what marketing tools and strategies did you get here?
- 3. Where would you like to be heading?
- 4. Where would you like to be?

# Appendix 3

Interview transcription Interviewer: Sirke Kontio

Interviewee: Partner at Medius Oy

The interview was held on the 15.10.2012 in Porvoo

### Interviewer: What is your main business strategy?

Interviewee: Our main business strategy is to create a framework where versatile oral healthcare is provided which creates value to both the patients and the staff.

Interviewer: What is the main purpose for changing you marketing strategies?

Interviewee: We are expanding our clinic and building extra treatment rooms. For these rooms we need dentist and/or oral hygienist to rent our services and facilities.

### Interviewer: Who is your main customer?

Interviewee: Our main customer are dentist and oral hygienist buying our services and renting our facilities and equipment.

### Interviewer: What service do you provide to your customers?

Interviewee: We provide our marketing service and out status and name within the Porvoo region. We rent the facilities and equipment. We also take care of patient bookings.

### Interviewer: Where are you now in term of your marketing efforts?

Interviewee: It is important to us to maintain our well known image which combines high quality and versatile service offerings. Right now all of our marketing is done by word-of-mouth. We meet potential dentist through our everyday work at national conferences and courses. Occasionally we have ads in local newspapers.

### Interviewer: Into which direction would you like to proceed?

Interviewee: We would like to increase knowledge of our clinic and of our business to a wider audience.

### Interviewer: Where would you like to be in a year from now?

Interviewee: We would like to have our two extra treatment room rented out at least 80% of their capacity.