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DIGITAL PRESENCE AND TRANSFORMATION

The Growing Importance of Digital Presence in Today's Business Marketplace

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<p>The proposed thesis subject focused on the growing need for the digital presence of a business in the 21st century and beyond. With the advent of technology, its become clear that the Internet is here to stay for some time. At the end of the 20th century the Internet was available but every business and certainly every customer was not committed yet. Observe the world today (2018) and it is easy to notice that the internet largely influences customers. Smart phone usage is very common today. Finland in particular has some of the highest use of smartphones in the world.</p> <p>The aim of this thesis report was to establish the pertinence of business digital presence in today's growing digital marketplace. Ultimately, practical advice is provided to the thesis commissioner for embarking on a digital transformation path.</p> <p>The research phase involved interviews with companies regarding their current status and knowledge of what it means to have a digital presence. The interviews also touched on the barriers of establishing an online presence. Finally, based on feedback from the interviews combined with theoretical research, practical digital transformation recommendations are provided to the commissioner and any other relevant readers of the thesis.</p>		

<p>Key words Digital Presence, digital marketing, digital product/service experience, e-commerce, e-crm, mobile experience, social media presence, customers/consumers, business/company.</p>
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1 INTRODUCTION

The era that modern society now lives in is largely influenced by technology. The pattern unfolding is a familiar one. First, a new trend emerges. If many people latch on, then the trend slowly becomes the standard practice. Digitization is approaching this point. Digital presence is necessary for many reasons that will be discussed throughout this thesis. In the world of business, digitalization has changed the landscape of competition. Many companies, large and small, are at risk of being left behind.

Consumers have now largely adopted what started off as simply a new trend. The consumer of today has new expectations. Companies are now required to have a strong digital presence. Although marketing is still necessary, the traditional ways of doing it are nearing obsolete. Consumers are no longer paying much attention to traditional marketing methods such as commercials, billboards and corporate communication channels. Furthermore, the consumer's decision process has changed from a linear process to a more circular/iterative one.

Barriers to entry for businesses have been significantly diminished in the presence of the current digital era. Small businesses can and do compete with larger ones. In addition, companies that have established a strong digital presence have practically immediate access to an entire country and even the world. No longer are companies, large and small, competing with only local or equal size businesses; they are competing nationally and globally. This is of course due to ease of access to the Internet and digital world.

The overall aim of this thesis was to establish the pertinence of a digital for businesses and its increasing presence in today's business marketplace. First, there will be a focus on the theoretical foundation. This includes- historical background, digital market today, and digital transformation facts/stats. The synthesis of these three theoretical foundations will be important when moving into the research phase of the thesis. This will provide the thesis author with important understanding when interviewing companies.

At the end of the thesis, the thesis author provides the commissioner with concrete insight into digital transformation and how to overcome their perceived barriers right from the beginning. The commissioner and other interested companies will get a more complete understanding of the barriers to digitalization and how to strategically advance their digital efforts despite those barriers. The study was aimed at not just those companies that have not digitally transformed, but also those companies who

want to further their current weak digital presence. Finally and most importantly, suggestions will be made for the thesis commissioner in their efforts to digitally transform their business moving forward.

The thesis research method was interviews. The interview with companies consisted of, among other things, a discussion on finding out what level of digital maturity they are currently at and how they perceive the relevance of having a digital presence. The commissioner of this thesis, City Clinic of Jakobstad, Finland, currently does not have a significant digital presence. City Clinic is comprised of a small group of practitioners, but they have become more aware of the growing global trend of digital business and presence. They are keen on improving the services they offer and although they are mainly a health care organization, they are curious of learning how the e-business presence can be of use for their future growth and sustainment. A host of other small companies from different industries and backgrounds were interviewed. The purpose of the interviews being to observe the strengths, weaknesses, opportunities and threats surrounding the idea of digital presence for small businesses. The information gathered from interviews may prove to be useful for the City Clinic in their digital establishment efforts in the near future. In specific, the interview data gathered could help City Clinic develop a solid e-business strategy so that they don't end up wasting valuable resources or time.

2 MARKETING AND DIGITAL BACKGROUND

This chapter will first focus on establishing a solid background of marketing. This will include the 5 elements of marketing. Additionally, there will be discussion about the relevant technological advances that have brought business society to where it is currently. The aim is to gain a more complete understanding of business and technological evolution.

2.1 Marketing

The majority of definitions of marketing share a few common elements. According to Philip Kotler (2017), one of marketing's key objectives is communication. Additionally, marketing is considered to be the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. (Kotler 2017.) Marketing pinpoints and exploits unfulfilled needs and desires. In addition, it is marketing that analyzes, studies, and chooses potential target markets to attack. Furthermore, marketing is fully understanding a company's strengths and how to offer these strengths in the form of products or services to the target segment.

It is important here to note that marketing is not one single activity or element, as it is often misunderstood to be. According to Chernev (2012), one particular wrong perception of marketing is the idea that it is a tactical tool used to simply build awareness and incentivize people to buy a product or service. That perception is lacking the "big picture". This error in perception is a myopic view of marketing. Marketing is a business discipline that is composed of many moving elements. These elements should be seen more as a strategic process. (Chernev 2012, 3-5; Stirtz 2018) See the following section (2.1.1) and Figure 1 for descriptions of the moving elements of marketing.

Part of the marketing definition provided above assumes that marketing involves an exchange of products, services, or ideas between companies, customers and collaborators. Creating value therefore is a core element in marketing. The value that a company attempts to offer is expressed tactically through its 5 other marketing elements: product/service attributes, price and price incentives, branding, promotional campaigns and means of distribution. So, the 5 elements of marketing are supposed to supplement and work harmoniously together to *create value* for customers in a fashion that also benefits the company and its collaborators. (Chernev 2012, 4, 13; Stirtz 2018.)

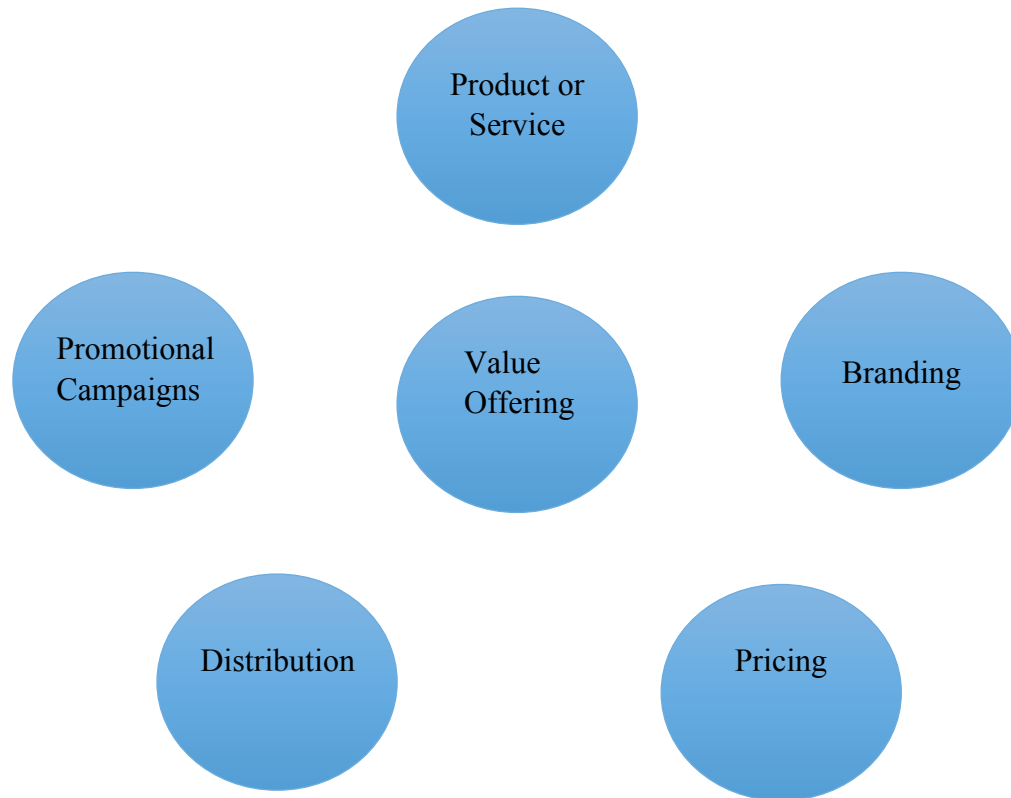


FIGURE 1. The five elements of marketing used to convey a *value offering* (adapted from Chernev 2012.)

2.1.1 Five elements of marketing

The *product and service* refers to the functional attributes of the company offering. It captures the key functional characteristics of the product or service. Unlike services, products usually change ownership from the company to the customer. With services, the customer only purchases the right to use the service for a specified time frame. Furthermore, services are usually delivered and consumed simultaneously. (Chernev 14 81-83; Kauffman Foundation 2007.)

The *brand* looks to establish a unique profile or set of associations that further enhances the product/service's value, beyond the product/service benefits. Quality brands can be the most valuable strategic assets of a business. Brands differentiate a company's offering in two ways: by creating a brand identity and by associating the brand with a relevant meaning that customers can relate to. The brand identity includes concepts such as name, logo, symbol, slogan, jingle, design and/or packaging. The

brand meaning reflects customer perceptions, beliefs and understanding of the brand (i.e. the brand promise). (Chernev 14, 89-91; Gunelius 2018.)

The *price and incentives* refer to the price that a company charges for an offering and the methods they use to augment their offering. Pricing plays a key role in the success or failure of a value offering. The price is the only marketing element that produces money for the business. All other marketing elements create costs. Three of the more popular pricing approaches are: cost-based pricing, competitive pricing and demand pricing. Cost based pricing refers to setting prices based on the costs incurred to develop the product or service. Competitive pricing refers to setting prices based on the competition. Demand pricing refers to setting prices based on how willing the consumer is to purchasing the benefits of the offering. (Chernev 2012, 14, 101-103, 111-112; Marn & Rosiello 1992.)

Distribution refers to the means or channels used to make an offering available. Furthermore, it delivers the value offering to the targeted group of customers. It usually involves the company collaborating with the likes of distributors, wholesalers and distributors. Every company creates their own unique distribution channel design which includes the structure, coordination, channel type, coverage of channel, and exclusivity of channel. (Chernev 2012, 14, 133-135; Business Dictionary 2018.)

Lastly, *promotional campaigning* attempts to communicate all of the previous 4 elements to customers and prospects. Therefore, the company communicates and informs the functional attributes of the product/service, the brand identity, its price/deals and where to get or find the product/service. Promotional campaigning informs all the customers, competitors, collaborators and stakeholders about the details of the business offering. (Chernev 2012, 119-123; Lake 2018)

2.1.2 Targeting and Segmentation

Marketing taught in the traditional sense typically begins with segmentation and targeting. Segmentation is dividing the market into homogenous groups based on characteristics such as geographical location, demography, psychographic and behavior. Targeting then, selects specific attractive segments to court. Of course, the idea behind segmentation and targeting is to better match the company's offering with the right customer needs. (Kotler, Kartajaya & Setiawan 2017, 46-47; American Marketing Association 2013)

Segmentation and targeting, in its traditional marketing use, demonstrates a vertical relationship between a company and a customer. Furthermore, the relationship communication has been unilateral in the sense that only the company can push messages and communication onto the unknowing customer. The customer has no voice in the process. It is not a two-way communication exchange. It is comparable to the idea of predator and prey; the predator being the company and the prey being the customer. As a result, the company pushes its message onto a group of consumers with the hope that their product/service resonates with many. If the product does not resonate then the customer may feel as though they are being “spammed”. To top it all off, the customer is in a lopsided relationship where they have almost no voice. (Kotler 2017, 46-48; Wyner 2016.)

2.1.3 Summary

The marketing tactical elements (price, product, promotion, distribution/place, and branding) used in conveying a value proposition have a particular unilateral pattern of use in the traditional sense (i.e. traditional marketing). In the traditional sense, the company tries to sell a product/service to the customer. This means that they craft a business proposition and then they proceed to sell it. The traditional form of promoting or communicating the idea to customers is expensive and difficult to track. These methods include mass media outlets such as TV, radio, newspapers, and magazines. Companies essentially have the freedom to intrude people’s lives unannounced; but this has been the traditional method of conveying a value proposition to consumers. (Lee 2012; Torben 2013.)

Furthermore, traditional targeting and segmenting methods were at best more similar to a shotgun approach, meaning that companies in the past were able to form a general identity of their customers, then aim their advertising in that general direction. These methods may have worked 30 years ago; however, they were expensive and difficult to know if they were working. That meant that companies with more money had more ability to reach customer segments and those with little money could not compete. Access to all types of digital technology has evened the playing field for businesses in many regards and allowed for a more efficient use of advertising money. (Gero 2018; Raj 2018; Saunders 2017.)

2.2 History of the Internet and Digitalization

The Internet was essentially born out of scientific and military fields in the 1960s. It was J.C.R. Licklider who first proposed the idea of a massive network of interconnected computers. Licklider contin-

ued on to actually help develop this idea further. Shortly after, an MIT student by the name of Leonard Kleinrock created the foundational basis of Internet connection by inventing something called “packet switching”. Then another MIT student, Lawrence Roberts, figured how to establish a dial up connection between two computers located in different states. This proved as another step toward the possibility of an interconnected computer network. There were many others who envisioned and contributed to the advent of the Internet. (Howe 2016; Navarria 2016.)

The Internet was finally up and running in 1969, but under a contract carried out by BBN of Cambridge, Massachusetts. The initial Internet connection was between 4 computers, each located on a different U.S. university. In each of the next few years there were other universities and corporations that were added to this Internet of interconnected computers. (Howe 2016; Navarria 2016.)

Like most new technologies, the Internet was a very complex system in its earlier years of existence. The only types of people using it were scientists, librarians, engineers and computer experts. The home computer had not yet surfaced so the use of computers and the Internet was left to specialists. (Howe 2016; Navarria 2016.)

Email was added to the Internet in 1972 as well as a FTP protocol, which facilitated transfer of files on the Internet. Libraries began to digitalize and automate their catalogs as well. Throughout the remaining 1970s the Internet architecture crystallized and allowed for a further maturing of Internet use. (Howe 2016; Navarria 2016.)

In the late 1980s the Internet started to become more user friendly than its infancy years. More university departments began to find effective use of the Internet and computing. At this point the Internet sites were few and easy to keep track of; however, more and more institutions joined the Internet making it more difficult to track sites. The need for a more effective way to track and organize the sites on the Internet grew. (Howe 2016; Navarria 2016.)

Initial efforts in 1989 to organize and track the Internet websites were made by an archiving platform called Archie. But it was not until 1991 that a user-friendlier interface arrived from colleagues at the University of Minnesota. They called the system “gopher”, named after the university mascot. The university was not actually looking for a solution to the Internet at the time. They stumbled upon it while looking for a better menu system to access information on the campus’s private local network. It

was not until some discussion afterwards that they discovered the gopher system. The gopher system grew to over 10,000 users. (Howe 2016; Navarra 2016.)

The government decided the initial use of the Internet, since they were the initial sponsors. It was to be used for research, education and, of course, government tasks. It is hard to believe now, but this policy for Internet use was in place all the way till the early 1990s. Delphi became the first company to offer the Internet to common consumers via subscription service. By 1995 the governmental policy for Internet use had been completely removed, making way for Internet providers such as AOL, CompuServe, and Prodigy. In 1998 Microsoft made their appearance on the Internet and service provider scene with Windows 98. (Howe 2016; Navarra 2016.)

The late 1990s was a period of massive growth in the Internet and service provider arena. Many companies were experimenting with the idea of creating profitable business models. Profits mostly came from advertising. Consumers were still weary of giving personal information to this new idea of the Internet. (Howe 2016; Investopedia 2018; Plusnet 2018)

The next trend was the growth of high-speed connections to the Internet, including cable modems and DSL connections. The evolution continued into the 2000s with Wi-Fi and Wi-Fi hotspots. With Wi-Fi came smaller devices such as smartphones and tablets, enabling individuals to connect to the Internet while on the move. Today (2018) there are wristwatches, game consoles and GPS devices that can all connect to the Internet. Websites have been adapting to make content available to suit devices other than computers. (Howe 2016; Plusnet 2018)

Most recently, the Internet has spurred on different ways to connect. Social media sites such as Facebook, Instagram, YouTube, Twitter, LinkedIn and more are making it easy for people to share information and their interests. The Internet has made geographical location irrelevant and individual network contacts are growing to show this. (Howe 2016; Hendricks 2013.)

As of 2017, the number of Internet users has grown to 3.58 billion people worldwide and the number has only been rising each year. In addition, the number of smartphone device users is over 2.1 billion and projected to reach 2.87 billion by 2020. By the end of 2018, it is projected that over 60% of those 2 billion plus users will access the Internet via their smartphone. (Statista 2017; Kemp 2017.)

2.3 Disruptive Technologies

Disruption alone is a concept that most business are aware of; however, the disruption that most companies of past are aware of includes only new products or maybe product/service adjustments. These types of disruptions happen at a pace that is easy to catch on to. On the other hand, the digital disruptions that have been taken place since the advent of the Internet, have been happening at a much faster pace. (Oxford College of Marketing 2018)

Digital disruption is a transformation that is caused by new digital technologies and further, new business models. These new technologies and models can impact the value of existing products and services offered in an industry and a market. So digital disruption explains the emergence of new digital products/services/businesses that disrupt the current market status quo and causes the need for re-evaluation. (Oxford College of Marketing 2018)

Digital disruption has proven to be a strong force that has gained enough momentum that fighting it would prove to be useless. The first massive digital disruption that affected many industries and businesses was the *Internet of things* (discussed above in 2.2). Now that the Internet is here to stay for a while, there are increasingly more digital disruptions that are changing business models and shaking up industries. (Oxford College of Marketing 2018)

According to James McQuivey, people + infrastructure = disruption. That general formula applies mainly to the pre Internet era of business. Now, James says that digital innovators + digital infrastructure = digital disruption. Companies of all sizes are at risk to be digitally disrupted. The common thought is that another equal or larger competitor will disrupt them; but this is not entirely true. Large technology companies have built digital infrastructure platforms that make it easier for small groups of people or even individuals, to come into a market and disrupt. A good example is the combination of computer access + Internet connection + app creation software + iTunes app store. With this combination, most individuals have the tools to enter any industry and disrupt the status quo. (Bernoff & McQuivey 2013.)

To avoid being wiped out by the next digital disruption, companies need to keep part of their focus on what they are doing and the other part of their focus on what the industry is doing. According to James McQuivey, companies of all sizes need to adopt a digital disruptor mindset. (Bernoff et al. 2013.) Later (in Chapter 4.1), this thesis will discuss a few larger companies that dramatically under-

estimated the very first phase of digital disruption, the *Internet of things*. These companies underestimated so largely that they were put completely out of business.

At its core, digital disruption is a marker for changes in consumer needs and behavior. There is a traditional marketing principle that still stands in the face of digital disruptions, and that is: the customer is a central component to business success. The customer has tilted the lever of power in their favor in this digital age of business. Then it makes sense why companies, large and small, should keep an eye on the changing behaviors of customers. (Oxford College of Marketing 2018; Bernoff et al. 2013.)

Digital disruption can and has happened on many levels of a business organization. This is regardless of whether the company makes digital products or not. The belief for many companies is that this type of disruption can happen just to the end product or service offering. It also happens on levels such as: processes deep within the business infrastructure, processes that govern partnerships, data collection, pricing, and even the management of labor or capital resources. In this way, digital disruption happens through digital technology, which will accelerate the rate of the disruption of physical products and services. (Bernoff et al. 2013; Sinofsky 2014)

The introduction of digitalization and further, e-commerce, has been the catalyst for an internal business transformation. This new electronic world of business progressively brought about increasingly disruptive business technologies such as web publishing and personalized marketing software solutions, which forced many organizations to make changes. The changes included development of new business processes and models, restructuring of organization hierarchies, the appearance of new business metrics and new jobs to support e-business. This all caused large disruptions in multiple business industries. Many companies have already lost the battle and have been forced to shutdown. This process is continually happening in varying degrees in different industries throughout the world. (Bughin, Dhingra, Lund, Manyika, Stamenov & Woetzel 2016; Oxford College of Marketing 2018)

Today, consumers have more power to customize and thus have a direct impact on manufacturing. Businesses can now monitor transactions from end to end across the value chain. This end-to-end visibility has revolutionized business models and has resulted in many organizational restructurings to support the needed changes for new age digital consumer behavior. (Bhargaw & Dillon 2017; Mohan 2017.)

3 DIGITAL MARKET OF TODAY

The business world is and has been going through a major shift. The shift is already affecting many industries; even those, which were once considered indestructible, such as travel and housing. Airbnb and Uber have taken over these once indestructible industries. Even new companies such as Tesla and Google are seriously challenging traditional car companies such as Ford and Volkswagen. (Beck, Libert, & Wind 2016; Puthiyamadam 2017.)

The digital era that the world steps in to, is not only connecting things with things, people with things, and people with people, but it will also make available a tremendous amount of valuable data. Having access to large amounts of data will further allow companies to build more value and improve their value offering. Many of the benefits from joining this digital revolution will come from not selling more products/services, but from properly analyzing and utilizing valuable data. A digital presence alone will not mean success; but, the analysis of relevant data will be the differentiating metric. (Beck et al. 2016; Puthiyamadam 2017.)

The digital transformation revolution has actually been happening for 20 years now. The initial phase that made products and services available to people all over the globe is now revealing previously unavailable useful information about consumers needs and wants. The strategic use of this new found data will give way to future phases of digital revolution and transformation. This is a critical moment in many business industries. Some companies will adapt and thrive, others will struggle to survive, and lastly there will be companies that fail to recognize the trend and therefore will fall. Technology is a new driving force that converges the world toward a previously nonexistent commonality. Technology and specifically digital technology has changed the way we communicate, travel, and purchase. (Beck et al. 2016; Puthiyamadam 2017.)

Businesses that are privy to the new digital technological reality benefit enormously in the areas of management, marketing, production, and distribution. This new technology has the ability to (and already has) destroy competitors that still live in a preexisting paradigm about how the new business world operates. Lastly, customer national or regional purchase preferences are fast disappearing. In the past prices were generally higher abroad than at home. Those days are fast disappearing. (Beck et al. 2016; Puthiyamadam 2017.)

3.1 The New Consumer

The single most important reason why companies need to have strong digital presence is: this is where their customers are in the 21st century. There are more than 4 billion people around the globe using the Internet, which is over half of the world's population. As smartphones become more affordable, even in third world countries, Internet usage is steadily increasing. To add to that, more than 3 billion people around the world are using social media, with 90% of them accessing the Internet via their mobile devices. (Kemp 2018; Waqar 2017.)

Prior to the digital economy, the consumer buying decision journey was linear. In simple terms, a consumer went into a store to buy an item such as shampoo. In the store, there was a choice of 10-15 different shampoos. The consumer considered the options based on things such as packaging, price, the details, its positioning on the shelf. This moment is what Proctor & Gamble called the "first moment of truth". The "second moment of truth" is when the customer takes home a product and experiences it. As one can see below, this model does not factor in digital technology or the Internet into the consumers' behavior. (Su 2017; Taylor 2016)



FIGURE 2. Linear Buying Decision Journey (Su 2017.)

The new digital customer buying decision journey looks as follows. If a customer goes into a store to buy a shampoo, they have a smartphone and Internet access to go beyond the shelf in order to evaluate a shampoo. Even more, the customer may not even be at the store at all when they are evaluating shampoos. Thus, when a customer needs an item such as a shampoo, they may not even visit a store at all before deciding which one to purchase. Their smartphone has access to websites such as Google, Amazon, and Wal-Mart. This moment has been called the "Zero moment of truth" by Google. This

”zero moment of truth” describes how social media and search engines have come to influence the customer decision journey. (Su 2017; Hanington 2012.)

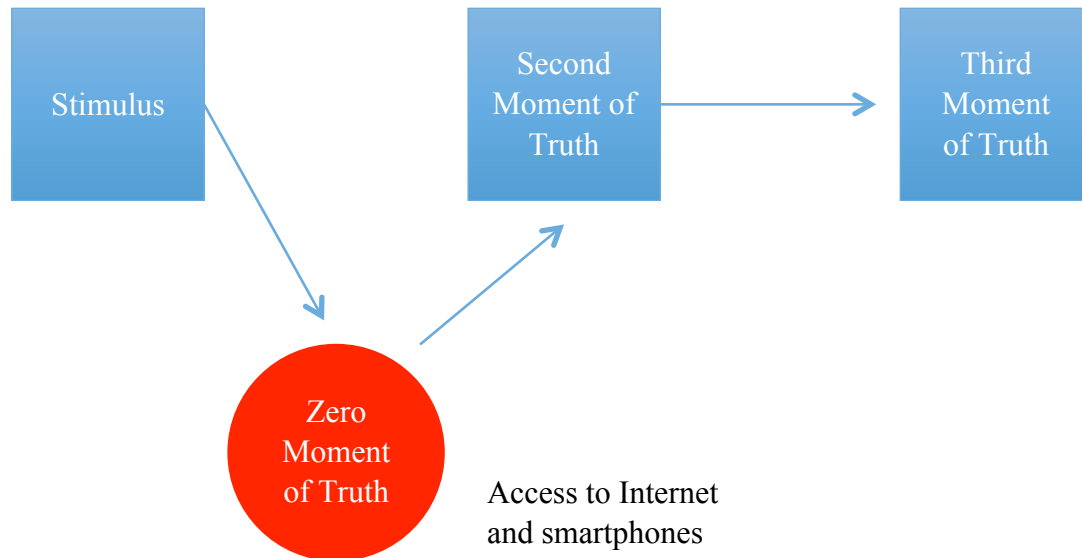


FIGURE 3. Buying Decision Model with *Zero Moment of Truth*. (adapted from Su 2017.)

Traditionally, consumers behaved in a funnel. It begins with the prospect (consumer) becoming aware of a product/service and brand. From there they proceed through several phases until they become loyal long-term customers. At each step or phase, the customer may drop off. It was the job of the marketer to ensure that customer drop off was minimized leading up to purchasing and finally brand loyalty. (Su 2017)



FIGURE 4. Traditional Consumer Funnel (Su 2017.)

Now, consumers have a massive amount of purchasing decision power and information provided by smartphones and the Internet. Thus, the majority of consumers in the 21st century no longer interact

with companies in a linear buying decision model. The new consumer's buying decision model is more of an iterative motion. Now they bounce between different stages of the funnel in a non linear fashion. In addition, this new model of the consumer-buying journey does not portray the consumer as dealing with only one company. Instead they now interact with multiple companies on their journey towards loyalty or lack there of. (Su 2017) See below:

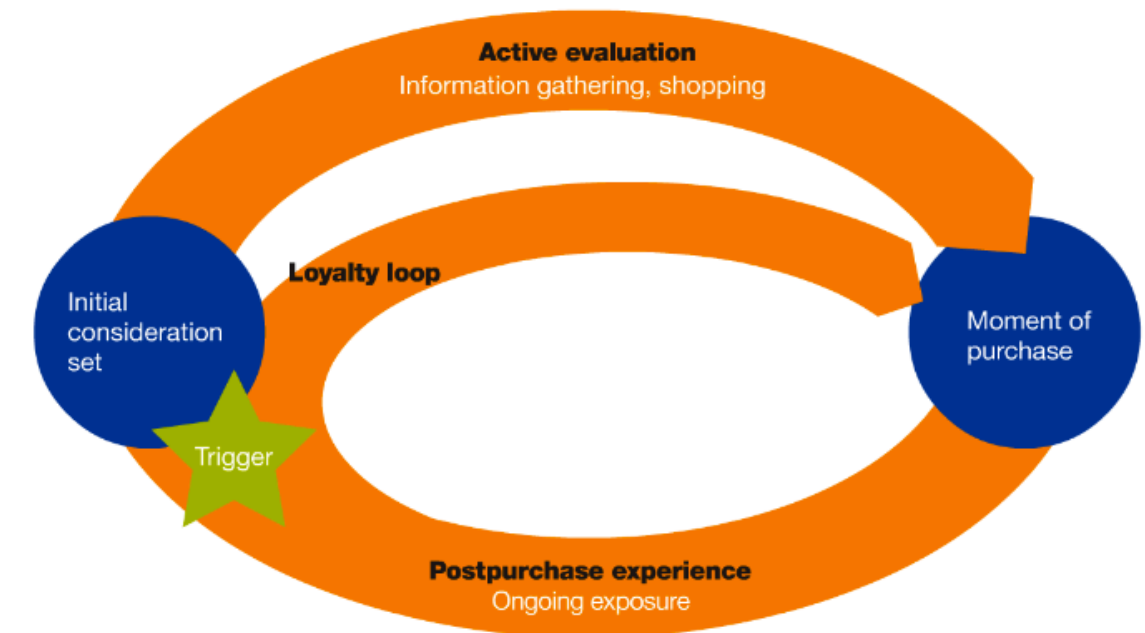


FIGURE 5. Iterative Consumer Buying Decision Model (Su 2017.)

Access to the Internet via mobile devices has been the most significant driver of the new digital business age. Peer to peer connectivity has shifted the balance of power to the consumer. Consumers, thus, are better informed compared to the pre mobile Internet consumer. This transition from traditional to digital marketing has required companies to adjust their approach. (Kotler 2017, 49-51; Grothaus 2016)

The digital economy has customers who are socially connected via communities. Unlike segments of traditional marketing, communities naturally form for customers within the interests and standards that they define. These digital customer communities cannot be spammed with random and irrelevant advertising messages as in the traditional marketing scenario. So, for companies to effectively engage with the digital consumer, they must be granted access. More specifically speaking, customers must give their consent for messaging from companies. (Kotler 2017, 47-48; Goldberg & Koch 2017.)

All of this demonstrates the change of relationship between the company and the consumer. In traditional marketing the relationship was vertical and unilateral (as mentioned in 2.1.2). In the digital age, the relationship is horizontal and two-way. The digital consumer has gained power and is now in a position to strictly evaluate and criticize a company's value offering. As with traditional marketing, companies are no longer able to make brash and outlandish claims. Customer communities are the driving power of companies now. (Kotler 2017, 43-44; Goldberg et al. 2017.)

The five marketing elements are still relevant in the digital economy; however, their method of use has considerably changed in comparison to the traditional marketing method. The product development method is co-creation. By involving customers in the product development phase, companies can have a higher success rate of creating products that actually resonate with the customer. This involvement may be something as simple as analyzing digital metrics provided by consumer digital behavior. (Kotler 2017, 49; Chernev 2012)

Dynamic pricing is more relevant in the digital economy. Dynamic pricing is the idea of setting flexible prices based on the demand. A good example is the pricing method of the airline industry. The airline companies offer different prices to different customers as well as different prices for various seasons. This same pricing strategy is becoming more utilized. (Kotler 2017, 50; Metcalfe 2017.)

Distribution channels have changed as well. In the digital economy, the most prevalent method is peer-to-peer distribution. A great example is companies such as Airbnb and Uber. These types of distribution methods highlight the idea of community. Consumers put their trust first and foremost in fellow consumers, instead of in the company. Companies such as Airbnb and Uber have realized this and have completely disrupted entire industries. (Kotler 2017, 50; Brown, Hagel, Mara, & Wooll 2016)

Promotion methods are one of the most significant changes in the digital economy. No longer are messages and branding force-fed to consumers. Companies need more clever ways of communicating their messages and branding to these communities of digital consumers. A useful method when trying to get out a message is finding social media influencers who stand for relevant values. In addition, social media has forced companies to actually converse with customers. (Kotler 2017, 51; Barker 2017.)

3.2 Strategic Phases and Development of Digitalization

The process of e-business/e-commerce development can be divided into 6 stages. The current step that a company may be on will also be the measure of its digital maturity. The six stages are: absence, static, dynamic, interactive, integrated and fully integrated. The spectrum goes from merely informational web service to operative web service at the opposite end. (Jääskeläinen 2018.)

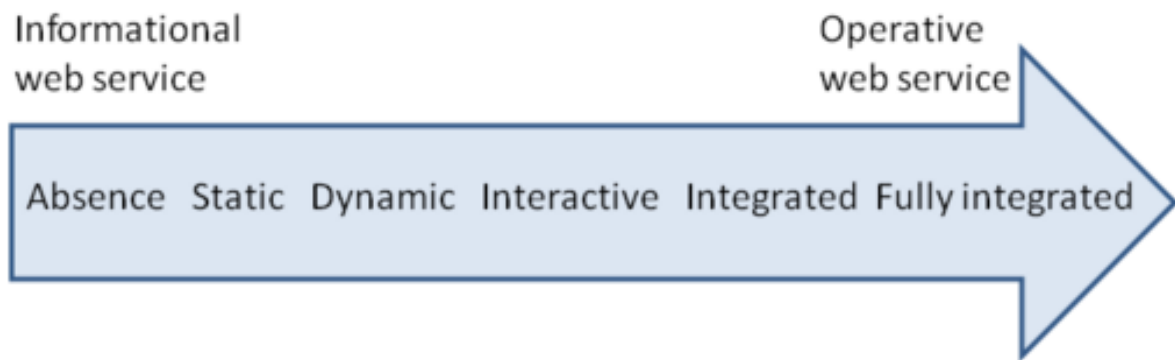


FIGURE 6. Phases and Development of Digital Maturity (Jääskeläinen 2018.)

The first step is called “absence”. In the absence stage the company has no information or presence on the Internet whatsoever. In the “static” phase the company has a small Internet presence in the form of basic information about the company. The presence also provides contact information, but no e-mail contact information is found. The web page(s) are updated sporadically or not at all. This level of e-business development is as beneficial as a paper brochure; which is to say that it still is not that beneficial and reliable. (Jääskeläinen 2018; Townsend 2015)

In the “dynamic” phase of e-commerce development the company’s Internet presence offers more diverse information about the company than in the “static” phase. There is information regarding the product or service and prices/quote options. The website is essentially built for low traffic. There is an option to contact the company via email. An FAQ section may be also found on the website. A company who is at this stage needs to continue to update and develop the website in order for its presence to remain relevant. (Jääskeläinen 2018.)

The “interactive” phase of e-commerce development is similar to the “dynamic” phase. This phase uses the Internet website as a sales channel which allows for better online customer service. Any potential customers can easily contact the company as well as make orders on the company’s website. This includes an updated social media presence. Different company activities may have different e-mail addresses. For example, there may be separate email addresses for orders, complaints, and trou-

bleshooting. For companies at this phase, data security becomes increasingly more important due to the amount of personal information the company acquires from customers. (Jääskeläinen 2018.)

The “integrated” phase of e-business/digital development is where the company’s internet website and overall digital presence is integrated into its business’s existing functions, including: inventory management, order systems, customer relationship management and financial management systems. This serves as an extension to the company’s traditional structures. At this point the company should launch an information system development project, in which e-business/digital systems are meshed into the organization's information systems network. (Jääskeläinen 2018.)

In a “fully integrated” phase, all of the company's primary business functions take advantage of digital technologies. This phase is a combination of intranet, extranet and the Internet. This seems to support the company's internal and external functions and also improves the company's internal and external communication. (Jääskeläinen 2018; Bertram & Schrauf 2016.)

3.3 Digital Presence

BearingPoint, a research company in Finland, has listed the key areas of digital presence as follows: digital marketing, digital product/service experience, e-commerce, electronic customer relationship management, social media presence and mobile optimization. Together, these areas make up a company’s digital presence. The assumption made is that the company already has at least a website. Many factors determine the specific make up of these areas in companies such as: the type of company, its industry, and its competitors. For example, a company selling products may require a stronger digital product experience than a company that sells a service. (Bearing Point 2018.)

Digital marketing uses specifically the Internet to reach consumers. It is important to decipher that digital marketing here does not refer to price, product, and distribution. Instead digital marketing here refers solely to the promotion or communication of the company value offering. It is an important distinction. Digital marketing includes text messaging, simple notification service, search engine optimization, electronic billboards, email ads, affiliate marketing, retargeting, and many other channels. All of these channels are used to communicate a company’s products and/or services to the consumer. The assumption made in digital marketing is that there is an advertiser and a receiver. The consumer is assumed to have access to the Internet and its digital areas. The advertiser is the company who sends

out marketing messages, which are usually targeted at a certain group of consumers. (Investopedia 2018B)

Digital product/service experience includes everything utilized when a customer interacts with a product/service on a digital platform (i.e. website). In the beginning of the *Internet of things*, companies who had an online presence expressed their *digital product experience* by just having a still photo of the product or service. Digital technologies today allow nearly a full product experience. These ideas include things such as virtually holding a product in one's hand and interacting with it. Digital experience display includes social media posts, 360-degree product or service view, a video display of product or service, and even interactive mobile apps. Of course, it also includes the well-known digital experience of in depth descriptions of products or services. (INDG 2018.)

Electronic commerce is a type of business model that allows a company to provide business products or services via the Internet. It also includes secure methods of payment for the customer. E-commerce operates in all four of the major market segments: business-to-business, business to consumer, consumer to consumer and consumer to business. Practically any product or service can be offered via e-commerce, from physical products like clothing, to services like travel bookings. E-commerce allows companys' to both establish a market presence and improve their current market positioning. (Investopedia 2018.)

Electronic customer relationship management is when companies apply Internet-based technologies to maintain and improve their customer relationships. These methods include emails, website chat rooms, forums and frequently asked questions (FAQ). Effective E-CRM increases the efficiency of business processes and more importantly, improves interaction with customers, thereby enabling businesses to customize products and services to better suit customer needs. (Technopedia 2018.)

Cambridge dictionary defines *social media* as: "websites and computer programs that allow people to communicate and share information on the Internet using a computer or mobile phone" (Cambridge 2018). This includes the many social media platforms such as: Facebook, twitter, Instagram, LinkedIn, blogs, Google+ and many more. Section 3.1 above gave statistics on how present day consumers interact with the digital world. One of the ways that consumers interact is via their mobile devices and their social media accounts. This is the reason that businesses are considering a presence on social media. It is where the customer is. (Bernstein 2017; Barnhart 2017.)

Mobile optimization has become important with the evolution of both digital technology, as well as consumer behavior. In the previous section (3.1) there was further description about the evolution of consumer behavior and reliance on mobile devices. Mobile optimization then, is the process of ensuring that visitors who access a company's website via their mobile devices have an experience optimized for the device they are using. In a business world where billions of people have access to smartphones and tablets, it becomes imperative for businesses to establish an optimized mobile site experience. (Clifford 2013.)

3.4 The most common barriers to digital transformation

The digital transformation and shift of businesses and industries is well underway; however, there are many businesses and even industries as a whole that are reluctant to make the shift, for many reasons. According to a study done by the Harvard Business Review, there are ten main barriers that businesses are facing in digital transformation. The study was a survey done with various company executives. (Harvard Business Review Report 2017.) See below for a visual representation.

Barrier Type	Consensus (in percentage)
Inability to experiment quickly	53%
Legacy systems	52%
Inability to work across silos	51%
Inadequate collaboration between IT and lines of Business	49%
Risk averse culture	47%
Change management capabilities	46%
Lack of corporate vision for digital	39%
Lack of talent/skills	38%
Insufficient budget	37%
Cyber security	34%

TABLE 1. Common Barriers to Digital Transformation (Adapted from Harvard Business Report 2017.)

The *inability to experiment quickly* ties into the idea of a lack of innovation within the company. In business, innovation is the result of new ideas being applied to the existing business in a way that ultimately better satisfies customers. Furthermore, innovation is the willingness to evolve and grow as a business, forever. (Business Dictionary 2018.) Furthermore, this area is closely connected with *risk averse* and *change management*. The business landscape is constantly changing and when combined with digital technology it means its changing at a faster rate (McQuivey 2013).

According to Technopedia, *legacy systems* refer to outdated computer and software programs. This poses a major issue in companies who are looking to make a digital transformation. *Legacy systems* can also refer to business processes that are no longer relevant to the current business context, thereby causing confusion throughout the business. In reality, many companies still have legacy systems. A legacy system can cause problem when it comes to digitally transforming a business. (Technopedia 2018)

According to BusinessDicitonary, *silos-mentality* is a particular mindset within some businesses where the different departments of the company do not want to share or do not have an effective method of sharing information with each other. The result is a lack of operational efficiency and productivity. (Business Dictionary 2018.) Departmental silos have long been recognized as a problem in businesses of all sizes (Gleeson 2013). The information technology department in a business takes care of the computer architecture and functioning of the business. The traditional departments of business include: distribution, sales, promotions, accounting, finance, and others. Many companies lack collaboration between the IT and business department, which can hamper any digital transformation efforts. (Kelchner 2017.)

Risk averse is defined as “unwilling to take risks or wanting to avoid risks as much as possible” (Cambridge 2018). The reality in many businesses today is that they have a culture that is firmly risked averse. This can prove to be an issue in any attempts to innovate (Ashkenas & Bodell 2014.) People and companies who are very risk averse are no more safe than those who take excessive risks. Safe behavior contains a lot more uncertainty than expected. According to Karen Firestone, the secret is to find a way to take sensible risks, not find a way to avoid all risks. (Firestone 2016.)

Change management is defined as: “The management of change and development within a business or similar organization” (Oxford Dictionary 2018). All businesses, large and small alike must face change and yet many models of change management are inadequate. Furthermore, many models of change are obsolete and need updating. Many businesses are completely satisfied with the status quo. (Tams 2018.) This area is closely connected with the previous area, risk averse.

Lack of corporate or strategic vision for digital is the lack of ability to see the long term and adopt a birds eye view of the organization, viewing it from the perspective of competition and the business economy. In addition, it means not being able to see the path through which a business can grow. In

many businesses the problem is that the business is too focused on day-to-day operations and not on the long-term strategy. (Zenger 2016.)

A survey conducted by Harvard Business Review revealed that many employees feel that they need updated skills to do better perform their job, especially *technology skills*. In addition, many businesses have voiced that they have found it difficult to find the personnel talent to get the job done. This poses a major issue in companies looking to make a digital transformation. An investment in retraining staff to meet the changing business landscape could prove useful. (Bessen 2014.)

Money, to a company, is the equivalent of the lifeblood of humans. Businesses are required to bring in enough money to take care of expenses and ultimately take advantage of growth opportunities. Digital transformation is a growth opportunity for businesses and it requires adequate funding. Of course, it depends on the objectives and size of the company. Either way, no company can operate without cash. (Cole 2017.)

Cyber security is the “measures taken to protect computers and computer systems against unauthorized access and attacks” (Webster Dictionary 2018). As businesses become more digitized they become exposed to more threats of cyber attack. This risk is an additional area that needs management as the company moves forward. It important to note that certain types of companies become more at risk than others; however, as a company becomes more digitally mature the cyber risks grow as well (Campbell 2017).

4 DIGITAL TRANSFORMATION FACTS & STATISTICS

Traditional companies continue to struggle with the new offerings from the web and how they could leverage this new technology. Many different companies made attempts to find their place on the Internet and how they could evolve to an e-business. Companies in every industry initially got rid of their Internet business and later reacquired it, as it was less distracting than trying to build the capability internally. Successful companies eventually modified their entire business functional interactions, metrics, processes, reporting relationships, and roles to evolve their business and outcomes.

4.1 Example companies that failed in digital shift

Some well-known companies did not make the necessary adjustments in order to come out on top of the digital shift in the business marketplace. The next few brick and mortar companies discussed were all market leaders in their respective industries; however, they are all gone now. No company is too big to fail, and no company is too big to ignore technological disruptions. In this case, the technological disruption is the digital e-business platforms. (Goh 2017.)

Blockbuster Video was a home and video game rental service started in 1985. They were one of the most recognized brands in the United States. At the peak of the company's existence, it employed over 80,000 people and had over 9,000 stores worldwide. Unfortunately, it had to file for bankruptcy in 2010, unable to successfully make a digital transformation. Ten years before its demise, Blockbuster was approached by Netflix with an offer to sell their company for 50 million U.S. dollars. Blockbuster declined, claiming that Netflix was merely a small niche business. As of 2017 Netflix has over 8 billion U.S. dollars in revenue and over 100 million subscribers. Blockbuster no longer exists. (Goh 2017; Packham 2016.)

Polaroid was founded in 1937 and was best known for its instant film and cameras. Polaroid was able to capture a large share of a market that had very few competitors; however, Polaroid failed to anticipate the impact that digital cameras would have on its business. The company fell complacent and neglected the necessity to explore new ideas and enhance their current value offering. The company declared bankruptcy in 2001 and the brand and pieces of the company were sold off. In May 2017, the Impossible Project, a company that was originally producing new instant films for Polaroid cameras, acquired the brand and intellectual property of the Polaroid Corporation. The Impossible Project was renamed to Polaroid Originals in September 2017. (Goh 2017; Packham 2016.)

Toys R Us is a more recent example of a company that failed to make a timely digital transition. The digital transformation of Toys R Us consisted of a multitude of problems. Prior to tapping into their own digital presence, they signed a 10-year contract to distribute toys on Amazon.com. In hindsight, this turned out to be a mistake because Amazon simultaneously allowed many other toy companies to directly compete with Toys R Us on its site. Toys R Us filed a claim against Amazon and was able to remove itself from the deal, but by that time they were too far behind to catch up with digital competitors solidifying market share. The company is now filing for bankruptcy and shutting down many of its stores. (Goh 2017; Lustig 2018.)

4.2 Companies that succeeded in their digital shift

Some well-known companies did make the necessary adjustments in order to meet the new digital trend in business. The next few companies discussed are all companies that survived and thrived through their digital transformation. No company is too big to fail and no company is too big to ignore technological disruptions. These following companies did not take the digital shift lightly and it paid off in their continued existence.

Dominoes Pizza is an American pizza delivery company that was founded in 1960 and currently has stores all across North America as well as other countries. During the early 2000s Dominoes was faced with more than the need to digitally transform. They were also faced with a brand image and sales problem (Dominoes 2018). During that time, Dominoes had to reinvent their menu and recipes. Under the leadership of Patrick Doyle, they also took this opportunity to digitally transform their business. In 2012, the CEO went to the board of the company and revealed the threats to them. The CEO believed that in order for Dominoes to survive, they had to think of themselves more as an e-business. The board of Dominoes eventually bought in to the idea and funded the operation. With the assistance of an analytics team, Dominoes was able to collect the necessary data for every new digital tool they tested. The first phase of their transformation was about establishing a way to order pizza from their website; and they happened to be the first company to do this within the industry. The second phase saw Dominoes create an app that allowed customers to order any type of pizza via the app. They were leaders in their industry. (Wong 2018.)

Wal-Mart is an American business that has a series of brick and mortar grocery and discount stores across the United States, Canada and other countries. Sam Walton founded the company in 1962 (Walmart 2011). Amazon.com has led the way in digital e-commerce and has proven to be a competitor with Wal-Mart in the same industry. Wal-Mart was forced to heavily invest in digital e-business transformation in order to capture a strong industry position. Wal-Mart first set up an online e-commerce business in 2011 when they purchased a social media marketing company called Kosmix and other media companies to expedite their digital shift (Walmart 2011). By 2015 Wal-Mart had employed 3,600 people specifically for its new e-commerce needs. Wal-Mart was forced to disrupt its own business model in order to survive and compete with Amazon.com. They have now linked their e-commerce with all their warehouses so that customers from all around the world can purchase items from them online. In addition they have shut down many physical locations, knowing that e-commerce and digital business is here to stay. They have inserted new purchase functions to better handle online customers, including smartphone app options to make purchases on. Since their e-commerce inception Wal-Mart's online revenue has grown more than 100%. And even with all of this investment, they are still second to Amazon.com as the leading online retailer. (Huawei 2018.)

Massage Envy is an American health and wellness company specializing in massages and skin therapy. They were founded in 2002. The workers are a combination of massage therapists and estheticians. Along with a brand reimagining, Massage Envy had a digital transformation that included the birth of an app (MassageEnvy.com 2018). The app allows clients to book appointments and leave feedback (Apple iTunes 2018).

4.3 Digital Presence in Finland

A research company called BearingPoint has carried out an in depth study on the digital presence of different industries in Finland. Out of sixteen different industries, the telecom and gambling industries were leaders in digital presence. The laggards were manufacturing and health care industries. The study conducted was based on 64 of the leading Finnish companies (in 16 different industries) and their digital maturity. The companies studied were medium to large enterprises. The dimensions of digital maturity that were considered were: digital marketing, digital product experience, e-commerce, electronic customer relationship management, and mobile/social media. (Bearing Point 2018.)



FIGURE 7. Sixteen different Finnish industries and their digital presence status. 10 being the best and 1 being the worst (Adapted from Bearing Point 2018.)

Finnish *digital marketing* is a little behind when compared with global leaders; however, Finnish companies are improving their marketing. The best performing area for Finnish companies has been *digital product/service experience*. Many Finnish company websites contain innovative content. The weakest dimension of digital maturity in Finnish companies has been *e-commerce*; however, they have recently made improvements in many online purchasing processes. While Finnish have improved their *E-CRM* scores over the past year, there is still room for improvement in this area. In particular, Finnish companies could improve at customer digital engagement and involvement. Overall, Finnish companies are on par with global leaders when it comes to *mobile optimization*. Of course, some industries display higher scores than others. *Social media* has not recently made any headway for Finnish companies; however, this area has been fairly strong. They still have room to better engage customers on social media platforms. (Bearing Point 2018; E-Commerce News 2018; Håkämies & Saikkonen 2014; Yle 2014.)

5 CITY CLINIC GROUP, JAKOBSTAD FINLAND

This chapter is about the thesis commissioner City Clinic that is located in Jakobstad city center. City Clinic is a small company comprised of multiple health care and beauty practitioners each operating with almost full autonomy. Two current members founded City Clinic in 2002. They are Johan Hult and Tomas Nylund. The foundation of their business offerings is service. Each practitioner working there has an expertise backed by a higher learning degree. They wish to explore and learn about the possibilities of establishing a solid digital presence and they do not have the time or resources to perform the necessary background research. (Hult 2017.)

5.1 General information and history

Two existing members founded City Clinic in 2002: Johan Hult (naprapath) and Tomas Nylund (physiotherapist). They then recruited other specialized practitioners to join the clinic. Many different types of health care practitioners have come and go over the years. Today, the founding members remain as well as Ulrika Lunabba-Domars (physiotherapist and Cambridge consultant), Jesper Ahlvik (sport massage and neuromuscular stimulation), Emma Oja (studying naprapath) and a part-timer Anna Hult (esthetician). Since City Clinic's inception the founding members have held strong and other health care professionals have come and go throughout the 16-year life span. Hult 2017.)

5.2 Important Customers

Throughout its history City Clinic has had the opportunity to work with many high profile local clients. Some top clients include FF Jaro, Mirka and UPM. Many of these organizations have hundreds of employees who perform a multitude of jobs both blue collar and white-collar jobs. Since the professionals at City Clinic offer mostly health care services, it makes sense that the majority of the clients come from the Jakobstad region. In addition to established relationships with local corporations, City Clinic serves individual customers. These people come from all walks of life and professions. (Hult 2017.)

FF Jaro is a professional football (soccer) club located in Jakobstad. The team was founded in 1965 and has played in the top league of Finland (Veikkausliiga). The team currently plays in the second tier of the Finnish football, the Ykkönen. Many players and staff have visited City Clinic to receive

naprapath care as well as rehabilitation from injuries. The business relationship between the City Clinic and FF Jaro is ongoing today. (FFJaro 2017; Hult 2017)

Mirka is a abrasives and patented products company located not too far from Jakobstad in Jeppo. They are a global company with subsidiary locations all across Europe, North America, South America, Middle East and Asia. Both blue collar workers as well as white collar workers have visited and still visit City Clinic for health care. The current CEO of Mirka is a client of City Clinic. (Hult 2017; Mirka 2018)

UPM is a forest-based bio fore company that focuses on sustainable and safe solutions to the growing global consumption demands. They make biofuels, bio composites, and bio chemicals. They are located in Jakobstad, Finland. They, like Mirka, are a global company that has over 19,000 employees across 12 countries and 6 continents. (UPM 2018). Similar to Mirka, they also have many workers both white collar and blue collar who still to this day visit City Clinic for health care. (Hult 2017; UPM 2018)

5.3 Services offered

Over the years of its existence City Clinic has offered many healthcare services and products to its clients. Some of the services include: Naprapathy, physical therapy, massage therapy, acupuncture, and esthetician. Naprapathy is a holistic approach of therapy derived from osteopathy and chiropractic. It focuses on connective tissue disorders, including muscles tendons and ligaments. It uses manual manipulation, stretches, and neurological practices to relieve the root pains of tissue, blood flow, and nerves. (Natural Healers 2018.)

Physical Therapy is a type of rehabilitation that uses unique exercises and equipment to help patients recover from injuries or overuse issues. Physical rehabilitation is prescribed to both white collar and blue-collar workers, as well as young and old. People who have been in accidents or sustained sporting injuries will also be prescribed physical therapy in order to regain their lost of mobility or bodily motor functioning. (Medicine Net 2016.)

6 IN FIELD STUDY

For the purposes of this thesis, qualitative research methods were used by six companies were interviewed on the main topic of *digital presence*. The interview was a standardized open-ended interview, meaning that the same interview questions were asked to each of the interviewees. Many of the questions encouraged the interviewees to explain further. This allowed the interviewee to speak in a more free flowing fashion, which further made each interview unique unto itself. Interviews were used in order to get a personal understanding of digital presence directly from the business owners. The interviewees were not randomly selected. The interviewees were selected based on the fact that they were small business owners who currently had at least a small digital presence. It was also considered that it would be beneficial for the commissioner if the interviewee companies were mostly local; however, two companies were from the United States. Four of the six chosen interviewee companies were located in Finland. In addition, the author felt it was necessary to speak directly with the owners of the businesses, as this would assure that the interviewee knew sufficient information about the current details of their business.

The number of questions in the interview was twenty and three of the interviews were administered via email as many business owners often have extremely busy days; however, two of the interviews were conducted by phone and one face to face. It should thus be noted that a phone call or face-to-face interview allowed for the interviewee to better express himself or herself. On the other hand, the email interview loses some human interaction and thus observation of human behavior. The interviewer cannot pick up on non verbal behavior or changes in voice via email. It also allowed for the interviewer to better explain the questions. The email distribution of the interview allowed the interviewees to answer at their leisure. It should also be noted that although the interview contained twenty questions, many of the questions had follow up questions and allowed the interviewee to express themselves further. Lastly, the email conversation that followed the interview provided more insight into where the company stood in its digital presence maturity and understanding.

The companies interviewed were: VOGA, Reviva Ab, Auren Design, Pearl's Health, MTB Consulting Services, Kaffia and Heath Exquisites. As stated earlier, all of the companies are local except for two; MTB Consulting and Heath Exquisites. MTB Consulting is located in Washington D.C., U.S.A. Heath Exquisites is located in Upper Marlboro, Maryland, U.S.A. The exact questions used in the interview can be found in the end of the thesis as an appendix. The individuals interviewed were all

business owners. The interviewees will be represented as company A, B, C, D, E, and F to protect information about each company.

6.1 Qualitative research method

A qualitative research method was used in conducting this thesis. The interviews were administered via email directly to the companies. One individual from each company participated in the interview. The interviewees were all chosen based on the fact that they had in depth knowledge about their company and they were each experiencing the in field phenomenon to some extent. Each participating company is considered to be a small business and because of that, the author was able to get knowledgeable individuals participating in the interview. Every interviewee was contacted either by email, phone, or face to face, with a list of the 20 questions that they needed to thoughtfully answer.

According to David Silverman, if one wants to find out facts or causes of some phenomenon then one should use *quantitative* research methods. On the other hand, if the researcher is more interested in how social phenomenon arises within participants then *qualitative* research method is better suited. (Silverman 2016, 22.) In this thesis the interest was more in how companies perceived digital presence and then compare those findings with the theoretical and statistical framework laid in the first half of this thesis. Many quantitative facts have already been established (in theoretical portion of thesis) and therefore the objective was to better understand the details of why companies view digital presence in the way that they do.

Qualitative research emphasizes the qualities of the subject matter and the meanings that are not experimentally examined or measured in terms of amount or intensity. Qualitative research focuses on the nature of reality, the relationship between the researcher and subject matter and the situational constraints that mold curiosity (interview questions). Qualitative research seeks answers to questions pertaining to how social experience is formed and further, defined. Qualitative researchers study participants' knowledge and practices pertaining to the object of the study, which in the case of this thesis happens to be *digital presence*. Qualitative research should be contrasted with Quantitative research; which instead, focuses on measurements and the analysis of variables. (Denzin, & Yvonna 2005, 10.)

There are five types of qualitative research methods: narrative research, phenomenology, ethnography, case study, and grounded theory. The main methods used in this thesis were a combination of phe-

nomenology and case study. Phenomenology is the study of how individuals experience a phenomenon. Interviews are a main method used to capture in field qualitative data in phenomenology. The researcher of phenomenology studies the structures of individual experiences and looks for patterns and commonalities across participants. *Case studies* focus on the how and why of certain phenomenon. The researcher observes behavior and does not manipulate. The researcher of a case study qualitative research seeks for deeper understanding of phenomenon especially if the boundaries between the context and the phenomenon are not so clear, as is the case for this thesis. Multiple methods of data gathering can be used in case study qualitative research including interviews, observation, and historical data. (Creswell 2013, 53, 57-59, 73-75.) In this thesis, interviews were the main method of data collection; however, the researcher was able to make simple online observations of the participants' digital presence, since it is available through Internet access.

There are three parts that make up a single qualitative research study: the design, the collection of the data, and the analysis of findings. The design refers to the researcher studying real life phenomena as they unfold in a natural environment, with an open acceptance of what emerges from the study (basically means that there are no predetermined constraints placed on the research). Furthermore, the study becomes more adaptable to what the researcher actually faces in the field; which means that the study cannot and should not be so rigid. The collection of data refers to the methods used in collecting data from the field; in this case interview. Lastly, the analysis refers to the in depth breakdown of findings. The analyses of this thesis are discussed in a subsequent chapter. (Berg 2000.)

The essential features of qualitative research are: choosing relevant methods and theories, the presence and respect for differing perspectives, the thesis authors' reflections on the research as part of the process of knowledge production, and the variety of approaches and methods. For this thesis, as discussed, the author will not be utilizing a variety of approaches and methods. Due to constraints with time, energy, and overall objectives, the author has solely focused upon the collecting of differing perspectives via interviews. The interviews were conducted using a standardized and open-ended format. This means that the same questions were asked to all participants. (Creswell 2013, 27.)

6.2 Reliability and validity of the study

The most important part of any qualitative research is the actual quality of the study. A good qualitative study can help the author and audience better understand a situation that would otherwise be chaotic. Reliability and validity then are concepts used in qualitative studies in which they seek to generate some depth of understanding. (Stenbacka 2001, 551.) However according to Healy and Perry (2000) It is important to note that the terms *reliability* and *validity* can be misleading in a qualitative research project and should be redefined for the purpose of qualitative research projects (Healy & Perry 2000; Stenbacka 2001). In persuading the audience to the quality of the research done, Healy and Perry (2000) state that the quality of a study should be judged by its own more relevant terms. In qualitative research, better terms to be used to judge the quality of the research are: credibility, neutrality, consistency, applicability, and rigor (Guba & Lincoln 1985). Thus, for the purpose of this thesis, these terms are used in describing the reliability and validity of the study, as they are more applicable to determining the quality of this study.

Credibility of the study refers to linking of the theoretical framework of the thesis with the real in field situations. In the case of this thesis, the questions on the interview have direct connections with the theoretical framework laid out in the first half of the thesis. The qualitative interview is soundly credible. *Neutrality* is defined as: “absence of decided views, expression, or strong feeling; impartial” (Oxford Dictionary 2018). The author was not completely neutral in the findings of the interviewees. The reason is that the author purposely chose the interviewees based on the fact that they had at least a small digital presence already. The author was providing more in depth, in field research on why digital presence is so important in business. The assumptions of digital presence importance came from the research done by the author. City Clinic Jakobstad commissioned the research. The interviews were very consistent in that all interviewees were asked the same questions. It should be noted that the interviewees were all encouraged to respond in an open-ended fashion. Some interviewees seemed to be more open than others. The *applicability* of the interviews to the interviewees was obvious. Each interviewee owns a business and is therefore competing in a business marketplace. *Rigor* of qualitative research mostly has to do with the how certain, accurate and precise the study was (Gasson & Woszczyński 2003). Due to time and scheduling constraints, the interview may not have been as in depth and rigorous as it could be otherwise. A more rigorous approach would involve multiple interviews and audits of each business to get a better picture of its digital maturity level and understanding. Moreover, there is no way of telling if the interviewees were completely truthful in their interview.

6.3 The interviews

A couple of the companies preferred to keep their personal information anonymous therefore from here on out the companies will be referred to as Company A, B, C, D, E and F. There was no sequential order in administering company interviews. As mentioned before the interview was structured and open-ended. Every company was by definition considered to be a small business. Every company was given the exact same questions; however, each company was encouraged to speak as much detail as they desired. Naturally some companies gave more in depth answers than others. Four out of the Six companies chosen to interview were locally situated in Finland. Three out of six interviews were administered via email, two by phone, and one in person. The initial target group of companies was 15 in number; however only 6 companies responded in due time. For the interviews that were administered via email, the companies were requested by the author to respond within a 2-week time frame. Naturally, some companies responded promptly while others had to be constantly reminded. A phone meeting date and time was set up for two company interviews. A meeting date and time was also set up for the one in person company interview. The three email interviews were all recorded via computer. The phone call and in person interviews were recorded by typing. Below is a summary of each interview.

Companies	Industry	Location	Number of Employees	Website Existing
Company A	Health and Beauty	Jakobstad, Finland	1	YES
Company B	Procurement and Contracts	Washington D.C., USA	2	NO
Company C	Graphic Arts	Vasa, Finland	1	YES
Company D	Food & Beverage	Jakobstad, Finland	2-5	YES (new)
Company E	Events	Upper Marlboro, MD, USA	3	YES
Company F	Fashion and Style	Jakobstad, Finland	2	YES

TABLE 2. General Information about Interviewed Companies (from Interviews with participating companies, 2018)

6.3.1 Company A

The first interview was conducted with what will be called Company A from here on out. Company A is a small business located locally in Jakobstad, Finland. The company has been existence since 2015 and operates almost exclusively online. It does not have brick and mortar location. The company owner operates the business from the comfort of their home and also delivers service/products to the clients at their residence. Company A has only one employee (the owner); however, the company outsources contractors on as needed bases. Company A operates in the health and beauty industry. Company A sells products as well as services. Similar to the upcoming interviews, this interview was looking to get a better feel for how Company A perceived and utilized digital; especially since it did not have a traditional brick and mortar location. The definition of digital presence described earlier in this thesis involved six core elements; digital marketing, digital product/service experience, e-commerce, electronic customer relationship management, social media presence, and mobile optimization. The interview gathered information from these six elements and other theoretical background to get a better feel for the entire meaning of *digital presence* regarding the company being interviewed.

Company A did have an active and updated business website. The website for Company A serves as a hub for everything else digital within the company. On their home website, they had links to their social media platforms. Upon landing on the webpage, Company A offers visitors the opportunity to enter their email address, thereby subscribing to more info and updates. This was the main CRM method Company A used to collect customer and prospect contact information, allowing them to reach out on a regular basis. The website also had a search feature and a visitor comment section. Company A's website also tracks visitor web traffic, allowing the company to establish a pattern to visitor activity; such as how long they spent on the site, where they are located in the world, or what they clicked on. This information allows Company A to better understand and cater to their customer. The comment section on the website allows customers to leave positive and negative feedback for the company.

Company A also has two different social media platforms, with the plan to add another in the near future. The platforms included Facebook and Instagram. They are extremely active on Instagram but not as much on Facebook. They even had a daily posting schedule to the Instagram account. Compa-

ny A put a lot of attention on the *digital product experience* in that they use a professional canon camera to capture the best features of their products and services. Company A thought that social media was especially useful as a sort of sales funnel. The accounts weren't used to directly sale; instead they were used to inspire followers who would eventually invest more time with the company, later leading to sales. The other idea was that the social media accounts (especially Instagram) drove heavy traffic to the company website.

Company A felt that a digital presence was imperative in their line of business. This is because their niche of customers is spread out all over the world. Through simple observation, the owner of the company has noticed that practically everyone has a smartphone today and especially their targeted market. In addition, Company A felt that consumers now have more power than just 10 years ago since they have access to so much information via the mobile internet. Although Company A felt they had carved out a niche here in the Jakobstad and Ostrobothnia region, they did acknowledge competitors from other parts of Europe.

On a scale of 1-10, with 1 being the lowest skill and 10 being the best skill, the owner of Company A felt that they were a 5 in tech savvy. They admitted that there was so much more to learn in terms of getting the most out of *digital presence*. They mostly wanted to find out more about how to reach relevant customers more efficiently and how to decipher the large amounts of data they were receiving from both their website and social media platforms. Company A felt that the digital presence that they had built was relatively cheap; however, they felt that they could spend much more in *digital marketing* in order to reach a larger target group.

Even though Company A largely reliant on the internet for business, they still utilizes some cost effective traditional marketing methods. These included features in magazine and newspaper articles and networking events. Company A felt that traditional methods of marketing were still very useful but that they were too expensive. They felt that if they had the resources, they would definitely do more expensive traditional marketing methods like newspaper ads or space advertising. Digital was an overall more efficient return on investment. Company A was fond of networking events; as they were good for establishing relationships and very cost effective.

Company A rated itself as a 3 when it came to risk averseness. They felt that they would only like to take calculated risks, meaning that they were not willing to be so aggressive without a plan. In the same light, Company A does have a growth strategy in place that involves firstly to expand their reach

(i.e. marketing). The only fear of the Internet that Company A had was that competitors could easily copy and steal ideas and concepts.

6.3.2 Company B

The second interview was conducted with what will be called Company B from here on out. Company B is a small business operating out of Washington D.C. The company has been existence since 2000 and operates almost exclusively from an office located in Washington D.C. or the offices of one of their clients. It currently does not have any *digital presence*. The company owner operates the business mainly from their main office location. Company B has only two full time employees (the owner plus a junior consultant). Company B operates in the consulting management and procurement industry. Company B sells only services to clientele. The questions of this interview were the same as all other interviews; however, each company responded to what was relevant to their particular situation. The choosing of Company B for an interview was because they sold strictly services. In addition the author was curious as to how Company B perceived and utilized digital; especially since it did not have a already have a website. The definition of digital presence described earlier in this thesis involved six core elements; digital marketing, digital product/service experience, e-commerce, electronic customer relationship management, social media presence, and mobile optimization. The interview pulled information from these six elements and other theoretical background to get a better grasp for the entire meaning of *digital presence* regarding the company being interviewed.

Company B did not have an active and updated business website. In fact, they did not have a website at all. Company B did not feel that it needed a website in its current situation. Company B supplies consulting services to businesses. Because Company B was a consulting company, they relied on just a handful of strong clients. They also said that their services were sold almost completely through word of mouth. This was interesting to hear. When asked if they would think they would do better if they had a website, Company B said that it was completely unnecessary. They continued by saying that they operate strategically and quietly within their industry. Anyone who needs them will have heard of them via the buzz within the industry. Company B felt that they were well established within their industry and had built a strong reputation for the company and therefore did not see a need for a website or *digital presence* for that matter.

Company B was not in any way against digital presence in the form of a website or social media. They said that if they were looking to change industries or expand offices into a new city/country, then they would definitely establish a digital presence. They would even hire a staff specifically for a *digital presence* operation; highlighting that they did not feel comfortable to run the digital operation with the existing staff. Company B stated that even they decided to expand into a new market, once they retained a few clients, then a *digital presence* would no longer be necessary. When asked if Company B would consider going more digital if they saw competitors who were, they said it was irrelevant because the strategy of the business is more important than what other consulting firms may be doing. As of now, Company simply meets with prospective clients (or existing ones) and quotes prices based on tailored needs, so having a website that shows a price list would be misleading to the client.

Company B did strongly believe in electronic customer relationship management. In the consulting line of business there are a lot of documents that need to always be organized and ready to access for the company or for a client. In this manner, Company B said that their business would go bankrupt if they did not have an efficient E-CRM system. Not having an e-CRM system may have been possible 40 years ago, they said.

Company B felt that consumers' behavior has changed since the growing ease of access to digital technology. They believed that consumers have more access to information and thus can make decisions faster; however, Company B believed that the access to information was excessive and did not help consumers make better decisions. Company B was also concerned about the security breach possibilities of the internet and digital. They pointed to the vulnerabilities of the Internet on a global scale; hinting at the recent United States presidential elections. Company B believed that they would be more interested in digital later down the line as they saw more security measures being confirmed. They also said that they believed that the digital technology will morph into something else as younger generations realize that all of their information being available is not a good thing. They did not think that digital was trend, but that it would remain; however, in a different form.

On a scale of 1-10, with 1 being the lowest skill and 10 being the best skill, the owner of Company B felt that they were a 2 in tech savvy. They admitted that there was so much more to learn and quite confusing. They also said that they did not feel capable of mastering it since the generation they grew up in did not have so much technology. As stated earlier, they would just hire a knowledgeable tech staff if the need for a digital presence arises. Company B did also mention that they still felt a little vulnerabl with their E-CRM systems. They pointed the fact that the documents and methodologies

they use could easily fall into the hands of a computer hacker. They did not feel 100% secure but realized that they could not conduct business without E-CRM.

6.3.3 Company C

The third interview was done with what will be called Company C from here on out. Company C is a small business located locally in Vasa, Finland. The company operates almost exclusively online. The company owner operates the business from an office located in the city center of Vasa. Company C has only one employee (the owner). Company C operates in the photography and graphic design contracting industry. They sell only services. Some of the services include: photo shoots, marketing material creation, logo design, website visual design. This interview was looking to get a better feel for how Company C perceived and utilized digital presence. The definition of digital presence described earlier in this thesis involved six core elements; digital marketing, digital product/service experience, e-commerce, electronic customer relationship management, social media presence, and mobile optimization. The interview pulled information from these six elements and other theoretical background to get a better feel for the entire meaning of *digital presence* regarding the company being interviewed.

Company C did have an active and updated business website. The website for Company C serves as a hub for everything else digital within the company and also serves as a marketing display for their services. On their home website, they did not have any links for their 1 social media account. Company C does not offer website visitors the opportunity to enter their email address. Company C did not see the need for an E-CRM method due to the fact that their customer base was not so large. The website did have a search feature as well as a portfolio containing previous work with satisfied clients. Company C's website did have Google analytics but the owner admitted that they never utilize it. There was no comment section on the website that allows customers to leave positive and negative feedback for the company; however as mentioned earlier the owner does post work done for their previously satisfied clientele.

Company C also has one social media platform, with the plan to add another. The single platform included Facebook. Company C admitted that they are not that active on their Facebook platform but they would never think of getting rid of the account. They did not have a posting schedule for their Facebook account but mentioned that they would look more into establishing one soon. Company C, being a photography and graphic design company, put a lot of attention on the *digital product/service*

experience in that they use only the best professional equipment to capture the best features of their services. Company C thought that social media was where all marketing happens in today's business marketplace; however, there was no real strategy in place to take advantage of it.

Company C felt that a *digital presence* was absolutely imperative in their line of business but they did not mention to what extent. This is because the services that they offer are mostly digitally based. Through simple observation, the owner of Company C has noticed that practically everyone has a smartphone today and especially their customer segment. Company C could not comment on the consumer change in behavior over the last 15 years or so. This was because they were solely focused on their own industry, in which the consumer and the services are foundationally dependent upon digital technology. Company C mentioned that their competitors included other marketing agencies. They also mentioned that all of their competitors had a strong *digital presence*, which is why they plan on improving their own in the future.

On a scale of 1-10, with 1 being the lowest skill and 10 being the best skill, the owner of Company C felt that they were a 5 in tech savvy. They admitted that they probably are underestimating the current importance of improving their own digital presence, in particular their digital marketing. They mostly wanted to find out more about how to reach relevant customers more efficiently and how to decipher the large amounts of data they were receiving from both their website and social media platforms. Company C felt that the digital presence that they had built was relatively cheap; as little as 150 euros a year they currently spent on digital presence; however, they recognized that they needed and wanted to spend more in the future in order to expand their client reach.

Company C did not see the need for any traditional marketing, outside of the occasional word of mouth. Company C felt that traditional methods of marketing were completely obsolete in their line of business and therefore a waste of resources. Company C stated that all of their competitors had a strong digital presence and that everyone is using mobile devices now.

Company C felt that the only risk they saw was not being able to find clients; therefore, they felt that they would only like to take more risks in finding clientele. Company C does not have a growth strategy in place but mentioned in general that they want to spend more on marketing their services. They felt that they were not being found. The only fear of the internet that Company C had was the security of their home website, but felt that the website provider was very reliable. Lastly, Company C felt strongly that the digital business world of today is not just a trend, but will last for a foreseeable future.

6.3.4 Company D

The fourth interview was done with what will be called Company D from here on out. Company D is a small business located locally in Jakobstad, Finland. The company has been existence since fall of 2016 and operates almost exclusively at their brick and mortar location. The company does have a website and delivers products only for special events. Otherwise customers visit their place of business. Company D has multiple employees; anywhere from 2-5 depending on current needs. Company D operates in the food and beverage industry. They sell products only. This interview was looking to get a better feel for how Company D perceived and utilized *digital presence*, especially since it is a traditional brick and mortar business. The definition of digital presence described earlier in this thesis involved six core elements; digital marketing, digital product/service experience, e-commerce, electronic customer relationship management (E-CRM), social media presence, and mobile optimization. The interview pulled information from these six elements and other theoretical background to get a better feel for the entire meaning of *digital presence* regarding the company being interviewed.

Company D did have an active and updated business website; but, the site had just recently been made in spring of 2018. Before their website was created they only operated on social media. On their home website, they do not have links to their social media platforms as of yet. Upon landing on the webpage, Company D does not offer visitors to enter an email address. The company does not utilize any E-CRM methods but considered their engagement on social media as a type of E-CRM method. The website had no search option and no section for customer comments. Company D's website has features to track visitor web traffic but is not currently utilized. The features include: how long they spent on the site, where they are located in the world, and what visitors click on. The owner said that they were well aware of website analytics but was still confused as to how it functions. Furthermore, they needed more time to figure it out.

Company D also has two different social media platforms. The platforms included Facebook and Instagram. They are very active on and Facebook and less so on Instagram. They do not have a specific posting schedule but abide by a rule of thumb to post daily, but no more than twice a day. Company D put a lot of attention on the *digital product experience* only in the fashion that they feel that the customer should know what they have to offer. They do not currently have professional equipment to post high quality pictures or videos. Occasionally, Company D gets help from students who have quality equipment to help them better digitally display their products. Company D thought that social media was especially useful as a sort of sales funnel. The accounts were not used to directly sale; in-

stead they were used entice followers to possibly visit their brick and mortar location. The owner mentioned that they only used Facebook for the first couple years into business establishment. They felt that the Facebook presence was beneficial because they were able to create personal relationships and many customers posted how satisfied they were on the account page. Company D also stated that they strongly felt that social media was the best method of marketing in today's business market.

Company D felt that a digital presence was necessary in their line of business. According to them, it allowed them to post about products, which in turn kept customers updated on their newest offerings. Just via their intuition, Company D owner realized that most people access the internet via their smartphones or tablets; therefore, they felt it was important to have an optimized mobile website. Company D could not say if they thought consumer behavior today had changed at all in the past 15-20 years; but felt that it was really important for all people to have access to as much information as possible. Company D has competitors locally who are also brick and mortar companies. They include 4 other companies who sell very similar products as they do. Company D says that they are forced to keep an eye on the competition. All of the competitors have a digital presence, but to varying degrees. Out of the four competitors, the owner of Company D stated that only competitor 1 is consistently active with their digital presence. Company D felt that competitor 2 was a franchise and therefore they did not need to be as active on digital for that reason. According to Company D, competitor 3 had a perfect location in town and therefore did not need to be so active digitally. Competitor 4 has a digital presence but is not active at all. See chart below for a visual representation of Company D competitors:

Competitors of Company D	Digital Activity (according to Company D)
Competitor 1	High digital activity
Competitor 2	Medium digital activity (but is a franchise)
Competitor 3	Low digital activity (but has best location in city)
Competitor 4	Very Low digital activity

TABLE 3. Company D Competitors (according to Interview with Company D, 2018)

Company D admitted that they do not have anyone hired who has an expertise in digital technology. Furthermore, they learn and figure out all digital related activities on their own. Company A felt that the digital presence that they had built thus far was relatively cheap; however, they wanted begin post-

ing more sponsored ads on Facebook to have more reach within the city of Jakobstad and surrounding areas.

Even though Company D had high activity with their digital presence (specifically social media), they do still use occasional traditional marketing methods. This year they have decided to invest 1000 euros for ad space in a local tourism magazine. In addition, they occasionally sponsor events or podcasts. They did state that they do not usually put so much resources into traditional marketing methods. Company D did not have any security concerns about digital at all. In terms of a growth strategy, Company D said that they simply set goals each month and when they meet those goals, they just set new ones.

6.3.5 Company E

The fifth interview was done with what will be called Company E from here on out. Company E is a small business located locally in Upper Marlboro, Maryland (USA). The company has been existence since 2007 and delivers their services directly to the clients. They do not have a brick and mortar location, but works from home office. Company E has three employees including the owner; however, the company outsources as needed. Company E operates in the event management and design industry. Company E sells mainly services but also does special order for certain decor products. Similar to the upcoming interviews, this interview was looking to get a better feel for how Company E perceived and utilized digital; especially since the entire staff is over the age of 50. The definition of digital presence described earlier in this thesis involved six core elements; digital marketing, digital product/service experience, e-commerce, electronic customer relationship management, social media presence, and mobile optimization. The interview pulled information from these six elements and other theoretical background to get a better feel for the entire meaning of *digital presence* regarding the company being interviewed.

Company E did have a website but it has not been updated in over a year. The home website of Company E simply displayed their brand story and services offered; however, no price lists. Company E does not offer webpage visitors the opportunity to enter their email address. Company E did not have any E-CRM method in place. They simply managed existing or previous customers via email. The website did not have a search feature or a visitor comment section. Company E's website has Google analytics but the company admitted to not ever learning to use it.

Company E has no presence on Social Media platforms; however, uses their personal social media Facebook platform to contact and discuss business. They did have a plan to establish a Facebook business page. Company E does not put a lot of attention on the *digital product experience* in that they do not use or hire professional equipment for quality display of their expertise. Company E thought it was important to have a website to tell potential customers to visit. They admitted that they saw some potential benefit in getting a Facebook business page to market their services and drive traffic to their webpage.

Company E felt that a *digital presence* was important for business in today's world but did not think it was absolutely necessary. They particularly felt this way because they attracted business mainly through referrals. The company employees as a whole recognized how much people rely on their smartphones today; however, they admitted that they only use the phone for calls, texts, email, and facebook. Company E had no comment on the change of consumer power. Company E felt that they did not have much competition for their objectives. They said that they carved out a niche based on relationships. Many return customers came back simply because they had good relationships with them.

On a scale of 1-10, with 1 being the lowest skill and 10 being the best skill, the owner of Company E felt that they were a 1 in tech savvy. They admitted that there was too much to learn in terms of getting the most out of *digital presence* and that they did not have to benefit of growing up with access to digital technology. They were not particularly interested in growing their business. They felt very comfortable in doing business with those in their circle who they trusted; however, did state that they would be interested in attracting corporate event bookings in the future. Company E felt that the digital presence that they had built was relatively cheap and would like to spend more but were not sure that their investment would be useful since they did not see a sure way of analyzing the effect of it. When asked about the mobile optimization, the company was not aware that mobile website optimization was not automatic when creating a website. They reconfirmed how much they do not know about digital technology.

Even though Company E is mostly relies on relationships for business, they still utilizes some cost effective traditional marketing methods. These included features in small local newspaper articles and networking events such as family reunions. They felt that if they had the resources, they would definitely spend more money on traditional marketing in strategic locations, like billboards. Company E

was very fond of networking events; as they allowed displaying their current services and building relationships with those who wanted something similar in the future. Basically, one event lead to the next 2 or three. This was their marketing model for getting repeat business. The clientele they dealt with felt the same way they did in doing business with people they know or have been referred to.

Company E does not have a growth strategy in place and feels that they could continue with their current way of doing business for the foreseeable future.

6.3.6 Company F

The sixth interview was done with what will be called Company F from here on out. Company F is a small business located in Jakobstad, Finland. The company operates almost exclusively online. It does not have brick and mortar location. The company owner operates the business from the comfort of where ever they are and also delivers service to the clients at their residence. Company F has only two employees. Company F operates in the fashion and styling industry. Company F sells only services. This interview was looking to get a better feel for how Company F perceived and utilized digital. The definition of digital presence described earlier in this thesis involved six core elements; digital marketing, digital product/service experience, e-commerce, electronic customer relationship management, social media presence, and mobile optimization. The interview pulled information from these six elements and other theoretical background to get a better feel for the entire meaning of *digital presence* regarding the company being interviewed.

Company F did have an active and updated business website. The website for Company F serves as a key central component for everything else digital within the company. On their home website, they had links to their social media platforms. Upon landing on the webpage, Company F offers visitors the opportunity to enter their email address, thereby subscribing to more info and updates. Email lists was the main CRM method Company F used to collect customer and prospect contact info; allowing them to reach out on a regular basis with updates and incentives. The website also had a search feature. Company F's website also tracks visitor web traffic, allowing them to capture patterns to visitor activity; such as how long they spent on the site, where they are located in the world, or what they clicked on. This information allows Company F to better understand and cater to their customer.

Company F also has five different social media platforms. The platforms included Facebook, Instagram, blog, YouTube, and Pinterest. They are active on all social media platforms. They even had a

daily posting schedule for each platform. They posted as little as twice per week on their blog and as much as 5 times per week on other platforms. Company F pays a lot of attention to the *digital product experience* in that they use a professional equipment to capture the best features of their services. Company F thought that social media was especially useful as a sort of sales funnel. They felt that all of their customer base and potential customers were using smartphones. The accounts were not used to directly sale; instead they were used to inspire followers who would eventually invest more time with the company, later leading to sales. In addition, Company F gave customers the possibility to book their service on their mobile devices as well as via email. They stated that they wanted to make the process as easy as possible for the customer.

Company F felt that a digital presence was imperative in their line of business. They did not see the possibility of running a business without digital presence. Their particular niche of customers was spread out all of the west coast of Finland. In addition, Company F felt that consumers now have more power since they have access to so much information, via the mobile internet. Although Company F felt they had carved out a niche in the Ostrobothnia region, they did acknowledge a competitor from Helsinki, Finland; however, they admitted that they did not pay too much attention to them.

On a scale of 1-10, with 1 being the lowest skill and 10 being the best skill, the owner of Company F felt that they were a 8 in tech savvy. Surprisingly they admitted that they were one of the best at what they do digitally. Further, they claimed that they need to be really good at understanding digital if they were to continue to make a living from it.. Company F felt that the digital presence that they had built was moderate; however, they felt that they could spend more in *digital marketing* in order to reach attract more paying customers.

Company F was solely reliant on the Internet for business. In fact, they had never and had planned to never invest in any traditional marketing channels. Company F felt that traditional methods of marketing were unnecessary and not easy to track. Digital was an overall more efficient return on investment.

Company F said that they had no security concerns about digital presence. The only fear they had was the status of the economy. They said that their offered service would not be purchased if the economy was bad. Company F does have a growth strategy in place but they declined to discuss details of it.

7 ANALYSIS

The first questions of the interview that were asked from each company were general questions which aimed to get an idea of the following: what industry, location, how many employees, and if they had a website. The companies represented a wide range of industries. As seen and mentioned earlier in each interview, the companies were all small sized businesses. Refer beginning to section 6 for overview of all six companies.

7.1 Phase of digital maturity

Looking at the status of digital maturity of each of the 6 interviewed companies; the author noticed that the companies were still in either the absence, static, or dynamic phase of digital maturity. None of the companies had even closely approached a fully integrated digital business. Companies A, C, D and F were all at various degrees of the static phase of digital maturity. They all had home websites and utilized social media for digital marketing purposes. Company B was in an absence phase, as they had no digital presence whatsoever. Company E was at the lower end of a static phase, in that they had a website with basic information on it.

Further research would need to be done to know if the phase of digital maturity affects the bottom line of profits. For the purposes of this thesis, the assumption based on the theoretical research, is that the digital presence in today's business marketplace is increasingly pertinent. This is because of new age consumer behavior. With that fact based assumption, the long-term outlook of companies will most likely be affected by their digital presence maturity, or lack thereof. Of course, many other elements of business also play a role.

7.2 Development and Awareness of Core Digital Presence Elements

Earlier in the thesis the author made it known that each interviewed company was not chosen at random. The author purposely chose companies based on location, size and digital presence. Some companies already had a digital presence to some extent; however, the interviews revealed that the companies had neither a digital development strategy nor a big picture understanding of the 6 core digital elements.

The definition of digital presence described earlier in this thesis involved six core elements; digital marketing, digital product/service experience, e-commerce, electronic customer relationship management, social media presence, and mobile optimization. All of the companies interviewed, except one (Company B), had a webpage where people could visit via the Internet. Company B, a consulting company, recognized the benefit of having a website only if they were new to a market or looking to grow the company.

When it came to *social media presence* Companies A and D were very active on social media and felt that their business would not thrive without it. The fascinating thing about it was that Company D was a traditional brick and mortar establishment; but still they felt that social media presence was a good way to grow relationships with their customers. Company C also had a social media presence but was not as active. Company F had by far the strongest social media presence with a posting schedule for 5 different platforms. Companies B and E did not have any social media presence. Company E had plans to establish a Facebook social media presence in the near future. Company B again said that they respect social media for its marketing accuracy capabilities but would only use it if they were looking to expand their business (which they are not looking to do).

Digital Marketing capability was the main value that every company saw in having any *digital presence*. Companies A, C, and D had already invested money in ads to bring more exposure to their business. Additionally they said that they would invest more money once resources became available. In every interview there was an undertone from each company that exposed what they thought *digital presence* meant. They saw digital presence as mainly meaning *digital marketing*. Of course digital presence includes digital marketing, as this thesis has aimed to highlight, but it also encompasses so much more.

Digital product/service experience was at least recognized by Companies A and C. Company had even invested in the right equipment that would allow them to display their products and services in a captivating way. Company A felt that it was very important for visitors to be drawn in to the digital display of their products and services. Company C also felt the need for captivating digital display. It makes sense also because Company C was a graphic design and photography business. Furthermore, they help other businesses better display their products or services.

The questions involving electronic customer relationship management were not answered so clearly by the majority of companies. Company B, the only company who had no website, was very adamant

about the importance of having an organized *E-CRM* system. They even went as far as saying that they would not be in business without it, due to the large amounts of files for each client. Company A also had an E-CRM method in which they collected prospects and returning customer's emails. This allowed them to build client lists and keep in touch via marketing messages. Company F also had a quality E-CRM email system to keep in touch with their customer base. Company D did not have an E-CRM method per say, but they did mention that their Facebook account was a way to keep track of customers.

Mobile optimization was essential to Companies A, C, and D. They all were aware that most of their target group used smartphones to access the internet and rarely computers. Company E and Company F were not so aware of the difference. E-commerce was non existent in each company. Company D did allow special orders to be made in advance via Facebook. No other companies allowed product purchases or service bookings via their website.

All but one of the companies (Company E) recognized the change of consumer behavior over recent years. Specifically, they were aware that consumers had better access to information because of the ease of Internet access on smartphones. Additionally, only one company showed a clear fear concerning digital security. That was the consulting company, Company B. They pointed to the fact that governments were not safe from digital breeches so how could the average person or company be. There was one company (Company F) who had software in place to accept bookings online.

7.3 Summary and Recommendations

In the theoretical part of this thesis, there was discussion about the phases of development for an e-business. The process of e-business/e-commerce development was divided into 6 stages. The six stages are: absence, static, dynamic, interactive, integrated, and fully integrated. The spectrum goes from merely informational web service to operative web service on the opposite end. The interviews with the six companies above revealed that the companies who are each at different points in their *digital maturity*. Company B had no digital presence at all. They represent the *absence* phase of digital maturity. Company E was a representation of the static phase *digital maturity*. They had a website but it was not kept up to date.

In the *dynamic* phase of e-commerce development the company's Internet presence offers more diverse information about the company than in the "static" phase. There is information regarding the product or service and prices/quote options. The website is essentially built for low traffic. There is an option to contact the company via email. (Jääskeläinen 2018). Companies A, C, E, and F were at this phase of e business development. It was interesting to see that none of the companies interviewed had reached beyond the dynamic phase of digital maturity, although Company F showed the most promise.

Many of the interviewed had a general growth strategy; however, this growth strategy simply consisted of merely a general direction the company was headed in. While all of the interviewed companies recognized in varying extents, the power of digital presence, none had a digital strategy in place. While some companies trusted their intuition when recognizing the growing use of smartphones and Internet. It is safe to assume that many if not all of the companies were unaware of the actual statistical fact that over half of the world population uses the Internet (Kemp 2018). Additionally, over 3 billion people of the world are using social media (Kemp 2018). As stated earlier in this thesis, these numbers are steadily rising.

It was interesting to see that even with the clear rise of digital presence, many companies still utilized traditional marketing methods. Company D was active on social media but also went as far as allocating 1000 euros to traditional marketing methods. Company A, that was also very active on social media, also invested in traditional marketing methods.

Based on the information collected, there are a few solid opening recommendations for the thesis commissioner. Firstly, the thesis commissioner should decide if they will undertake the digital transformation with the present staff or will they outsource to one or two freelancers. Secondly, the thesis commissioner should understand the difference between having a simple *static* digital presence versus being *fully integrated*. The commissioner should aim for the latter side of the spectrum if they want to have access to the many benefits of digital presence. Thirdly, it would probably be beneficial for the commissioner to have a plan of attack for all six core areas of digital presence; digital marketing, digital product/service experience, e-commerce, electronic customer relationship management, social media presence, and mobile optimization. Just knowing that these six core areas exist will already put the thesis commissioner in a better start position than any of the interviewed companies. In particular, the commissioners' business would do well to allow customers to book appointments online or via an app. The commissioner can set a plan as simple as attacking one of the core elements every two months or so. Last, but not least, the thesis commissioner should decide how much they want to spend in their

initial efforts to digitally transform. The interviews presented above show that many small companies lack a strategy to their digital efforts. Instead they rely on a free flowing approach. This method does not take advantage of the plethora of digital data that new age consumers leave for business to ethically exploit. Furthermore, those competitors in an industry who have a digital strategy to take full advantage of, will have an advantage against those companies who free flow their digital strategy.

8 CONCLUSIONS

The advent, growth and evolution of the Internet has not been an overnight process. It is important to remember that the Internet did not start off as a business tool. It started off as an organizational tool and a way of communicating. It was slowly introduced into the way companies used their marketing elements. Like most innovative disruptions, it was denied and fought against by many. The internet has only continued to evolve and now it is available in the palm of our hands. Industries that once thought of it being impossible to disrupt with digital technology have been overturned in a fraction of the time of their existence. The whole process has been because of the new consumer behavior. One just look at how people live their daily lives. The smartphone has become a third arm or second brain. Maybe there are still some industries that have not been fully disrupted by digital yet; however, the proof remains in the consumers' behavior. As this thesis has shown, the consumer has power now and rightfully so. If consumers are central to business success then businesses should be paying more attention to their changing behavior. The commissioner of this thesis was interested in the possibilities of digitally transforming. The research facts and in field studies are here for them to better decide their path.

Based on theoretical research combined with in field interviews, the objective was to provide some practical ideas for the commissioner, City Clinic Jakobstad, to think about in their future digital transformation efforts. The interviews with other small businesses from Finland and the United States have made it all the more obvious that a lot of small companies do not display a true strategic sense in their digital efforts. Some companies, like Companies A, C, D, and F, were at least more aware of the important role that digital technology has taken on in today's business marketplace. Other companies, such as B and E were discouraged to take the plunge at all due to a multitude of reasons, mostly relating to their generational upbringing. What was frightening for the author to see was that companies were maybe too concerned with the day-to-day tasks and not paying attention to the trends of the industry and business in general. This may keep them alive as a business in the short run, but may not be the most efficient use of energy and time long term.

After doing in depth theoretical research regarding digital presence, the author was able to more clearly understand the grand scheme of digital presence in business. The author found it difficult to watch the interviewed companies fumble in the dark with their digital strategies, or lack there of. At the same time, the author realized that it is much different when a business owner is caught up in the day-to-day stresses of actually running a business. It is easier to see things clearly when one is removed

from the daily stresses of it. Its a great reminder and lesson for the author as he heads back out into the business world. The universities will always be filled with bright students who do have practical advice to offer business owners.

It has been a long and educating journey in writing this thesis. The process seems deceptively clear on paper initially; but, the truth is that there were many setbacks and uncertainties along the way. One of the toughest truths to grasp was that the author would have liked to spend 3-4 years alone gathering information and doing multiple audits of companies. The author would have also liked to gain more insight into how financially stable the interviewed companies were and what has been the latest trend in their cash flows. So many more variables need to be accounted for in deciding whether or not digital presence is truly important or not. These variables are out there to be discovered but maybe not in such a short period. Such a rigorous process would have a better chance yielding more convincing results. All so often, industry leaders blaze a path that smaller companies tend to follow. This thesis revealed small companies from different industries who are more or less aware of digital trends but not informed enough to execute the ideas. Moreover, in some cases they were too afraid to execute digital ideas. It must be noted also that the author acknowledges the possibility of this thesis proving in the future to be completely wrong. Maybe companies do not need a digital presence at all. Maybe it depends on the industry of the company. Maybe this digital trend will be disrupted again by more traditional business practices. Only time and change will tell.

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INTERVIEW QUESTIONS (20)

1. What kind of company do you have? Explain
2. What type of engaging features do you have your website? (Example: search option, product/service video demonstration, etc.)
3. Do you sell products online or allow online bookings for services? Why or why not?
4. Do you use electronic software to keep track of your customer base? (e-CRM) Why or why not?
5. Do you maintain any social media accounts for your business? Which ones? How often do you Post? Why do you (or why not) use Social Media for your business?
6. Do you use Digital Marketing tools; like SEO, Google Analytics, etc.? Why do you use them? Or why don't you use them?
7. Is your over all digital presence (ex: website, social media, e-commerce, etc.) enhanced to suit mobile devices like smartphones and tablets? Why or why not is this important for your business?
8. Do you utilize any traditional marketing methods (like newspaper/magazine ad space, billboards, door to door sales, etc.)? If so, which ones? Why is that important for your business?
9. Do you have any concerns or worries about Internet/Digital safety or security? Please explain.
10. Does your business have a Growth Strategy? Why do you think this is important or Not important?
11. How risk averse is your company? (from 1-10; 1 being very safe and 10 being very risky). Would you like to take more risks or fewer risks? Please explain.
12. Do you think that Digital Marketing is a passing trend or here to stay for a long while? Please explain why?
13. Who are your main competitors? Do they have a strong Digital/Internet presence?
14. Hypothetical question: if you found out that all of your competitors had a high digital presence, would you seek to follow in their footsteps? Why or why not?
15. Do you think it is necessary to have an Internet Digital presence in your industry? Why or why not?
16. Do you think that the consumer's buying behavior has changed over the past 15 years because of easier Internet Access? If you think it has changed, please explain how? If you think that it has NOT changed, please explain.
17. Do you have someone who is Tech savvy working at the company?
18. How tech savvy is your staff (1-10, 1 being the worst and 10 the best)?
19. Do you have any Digital Plans moving forward into the future? If so, what are your general plans?

20. What portion of your budget or how much do you spend on Internet Digital Presence? (just give general numbers). Do you believe you should add more money or less money to digital? Why more or why less?