

International Business/International Marketing/BM06

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P.ART: PARTY ARTISTIC SOLUTIONS OY: BUSINESS CONCEPT
DEVELOPMENT

Bachelor's thesis 2010

ABSTRACT

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P.Art: Party Artistic Solutions Oy: Business Concept
Development

Bachelor's Thesis

60 pages

Supervisor

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Commissioned by

P.Art: Party Artistic Solutions Oy

May 2010

Keywords

business concept, brand, positioning, integrated
marketing communication (IMC)

The thesis is devoted to key points which shall be considered when re-developing a business concept. The thesis explains how the business concept was modified in order to meet the changes in the market and to remain competitive on the market of entertainment.

The current thesis determines the main factors that influence the perception of the company's values by its customers. Based on this, such points of marketing theory were studied as positioning, branding and IMC.

The empirical part of the work was based on the results of the market analysis carried out with the help of FONECTA database which allowed imaging the market of entertainment in Finland. Besides the FONECTA research, the results of the surveys, held by the P.Art: Party Artistic Solutions Oy, were used.

As a result of the work, P.Art: Party Artistic Solutions Oy needs to develop its business concept further and change into marketing agency, which would concentrate on B2B relations and operate internationally. This would require creation of new communication profile that could be used as one of the company's main assets.

Contents

Abstract.....	2
1. Introduction.....	5
2. Brand.....	6
2.1. Brand management.....	7
2.2. Re-branding.....	12
2.3. Brand protection.....	17
2.3.1. Trademarks.....	18
2.3.2. Copyrights.....	19
2.3.3. Internet.....	20
2.4. Brand architecture.....	21
3. Positioning.....	22
3.1. Market segmentation.....	22
3.2. Product positioning.....	27
4. Integrated marketing communication.....	29
5. Market analysis.....	34
5.1. Company description.....	34
5.2. Partner network description.....	34
5.3. Service package description.....	35
5.4. Target group and market place description.....	36
5.5. Competitors analysis.....	39
6. P.Art: Party Artistic Solutions Oy concept development.....	40
6.1. Current business concept.....	40
6.1.1. P.Art: Party Artistic Solutions Oy brand.....	41
6.1.2. P.Art: Party Artistic Solution Oy communication profile.....	46
6.1.3. Customer analysis.....	46
6.1.4. Overview of the current market situation.....	47
6.2. Development of the business concept.....	49
6.2.1. Repositioning.....	49
6.2.2. Creation of new service package.....	52
6.2.3. Creation of new company image.....	53

6.2.4. Development of communication profile	54
6.2.4.1. Official web-page	55
6.2.4.2. Communication mix	57
6.2.4.3. Customer relationship management	57
6.2.4.4. The Message	58
7. List of references	60

List of figures

Figure 1. Original 5-level hierarchy of needs by Maslow.....	9
Figure 2. Brand perception through communication.....	11
Figure 3. Brand perception through communication (improved brand image)..	12
Figure 4. Life Cycle curve.....	15
Figure 5. Positioning map.....	27
Figure 6. The communication process.....	29
Figure 7. Bars and night restaurants by province.....	36
Figure 8. Provinces.....	37
Figure 9. Event management and artist promotion companies by province.....	38
Figure 10. P.Art: Party Artistic Solutions Oy current logo.....	42
Figure 11. P.Art: Party Artistic Solutions Oy icon.....	42
Figure 12. Old business model.....	49
Figure 13. New business model.....	50
Figure 14. New business logotype.....	53
Figure 15. Communication map.....	57

List of tables

Table 1. Strong and weak sides of the company name.....	41
Table 2. Strong and weak sides of the logotype.....	42
Table 3. SWOT analysis.....	47

1. INTRODUCTION

Business concept in the modern business environment defines how a company positions itself on the market and determines the key competitive advantage factors. Obviously, well developed business concept would play a key role in the company's future.

The current work is devoted to development of the existing business concept into a more advanced business model that would help the company staying on the market and remain competitive. The topic is stated as P.Art: Party Artistic Solutions Oy: Business concept redevelopment.

The thesis's main goals are to determine the most influential factors from the marketing point of view and to describe the process of their development.

The work consists of theoretical and empirical parts as well as of market analysis.

The theoretical part describes branding, positioning and integrated marketing communication. The theoretic part is followed by the market analysis on the company's field of operations. The results of the market analysis together with the theoretical outcomes are the basis for the further empirical part.

The empirical part is the main section of the thesis and, thus, the one which is emphasized the most. It explains what actions are needed to be undertaken in order to build a new business concept and not lose the acquired customers.

The idea of how to structure the work is taken from the Gary Hamel's book "Leading the revolution" (2002). However, the book is not referenced through the thesis as the thesis idea is to create an advanced business concept which is based on the existing business concept. The thesis shows the extensive role of wise positioning and customer communication.

The case company is called P.Art: Party Artistic Solutions Oy. The company was established as an event management agency with the main focus on production of night-club events.

The 2-year history has shown company's instability and determined a strong need in the business concept change.

Another reason of the business concept development lies in the exceptionally high competition in the field of operation.

Due to the company's weak financial position, the company has to find relatively cheap and appropriate way of re-entering the market.

The most suitable option is changing the company's services from event managers to marketing consultants. The decision is based on the market analysis results and the results of company resources monitoring. Besides that P.Art: Party Artistic Solutions Oy has provided the results of marketing research conducted previously by the company.

The new concept is proposed by the author of the thesis and is accepted by the case company, underlining its creativity and novelty in the approach.

The strongest points of such approach are that the company does not have to change its market, does not require much investment, keep its existing customers and gains an image of trustworthy company that is beneficial to cooperate with.

Much attention is paid to the company image which is said to be one of the main assets of the new business.

The creation of a new image and use of it in the company's strategy is explained in chapters devoted to branding and IMC relatively.

2. BRAND

When a new business concept is brought into power, one of the most important concerns is to develop the business face in a right way to the interest groups. Defining a brand is one of the key elements affecting business growth and its position in the market of operations.

According to the American Marketing Association, brand is a "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition."

In other words, brand comprises the company's name, the way the name is displayed through its logo and also the way the name and logo extend throughout the company's communication.

Brand is what people see and where they receive their first impression about the company from. Thus, branding is as important as actually acting on the market.

2.1. BRAND MANAGEMENT

Brand management can be in general defined as a process of maintenance and development of brand. The efficient use of brand management results in better perception of a product/service; in increasing sales volumes; in higher customer satisfaction and loyalty.

Keller (2001, 14) describes a customer-based brand equity (CBBE) model, which defines the features of a strong brand and ways of building it.

Keller outlines four steps of building a strong brand:

1. Brand identity
2. Brand meaning
3. Brand responses
4. Brand relationships

All four steps of the brand-building ladder (relationship, response, meaning and identity) are the reflection of consumer attitude to a brand. In other words, brand equity is only dependant on consumers who *perceive* the brand.

Brand identity and brand meaning describe what a company wants to be in the consumer's eyes. On the other hand, consumer interprets the brand identity and meaning, *responds* to it and either accepts it or not. This is what company

actually is in the consumer's eyes. Acceptance of brand results in consumer's loyalty and level of relationship between consumer and brand (see also Pringle and Thompson, 1999).

Keller maps out six components of a brand-building process: salience, performance, imagery, judgments, feelings, and resonance. These components refer to consumers' feelings about the brand.

Brand salience relates to two-dimensional brand awareness:

1. Y-dimension: depth – how easily consumers recall and recognize the brand;
2. X-dimension: breadth – how often consumers will to consume the brand

Depth and breadth depend on how a company identifies its brand, i.e. how a company distinguishes its brand from the other brands of a kind and what meaning it applies to its brand. A brand meaning is its image and characteristics that *shall* stand in consumers' mind.

A company shall create such a brand image that describes a product as a good, favourable and unique product; the product shall not harm, be reliable, effective, stylish and price-competitive.

Brand meaning refers to consumers' performance associations of product, and their interpretations of its features. Well created brand image results in its judgement by consumers. Consumers tend to look for quality, credibility and excitement. The better the product, the more it is trustworthy and unique, the more it is secured and approved, the better consumers feel about the product and the easier they accept it and distinguish from others. As a result, consumers respond to the brand in a needed manner – they accept the brand.

Thus, in order to succeed in building a strong brand company has to:

1. Know its target group and its features;
2. *Understand its needs and feelings*

Needs and feelings determine people's behavior, state of mind and, consequently, attitude to external factors.

The best influence of needs is described in Maslow's hierarchy of needs theory.¹ This presented in Figure 1.

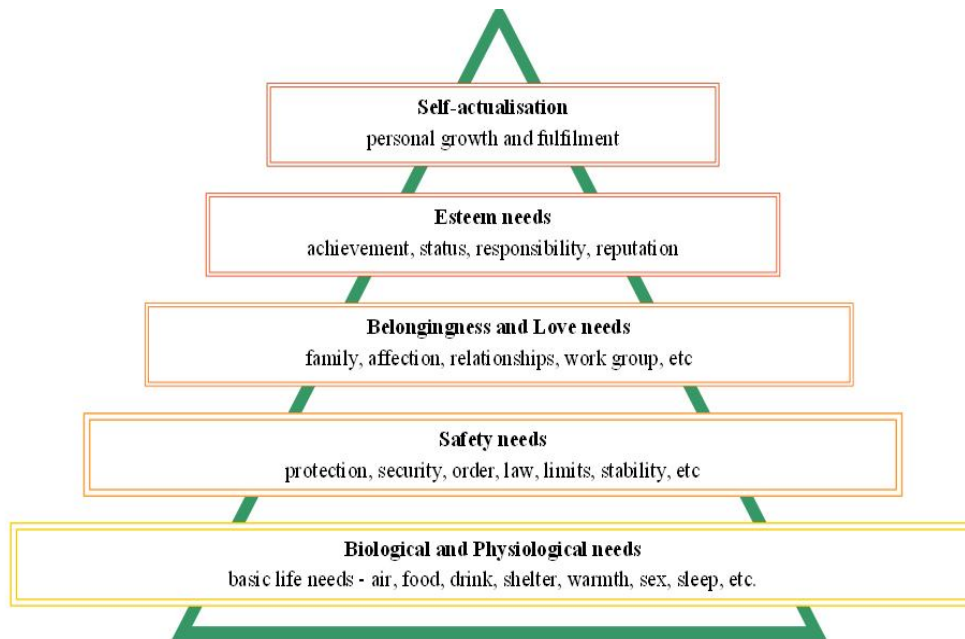


Figure 1. Original 5-level hierarchy of needs by Maslow

The pyramid of needs describes how the humans' needs motivate and affect their behavior. The theory states that one must satisfy each need in turn, starting with the first level needs and moving upwards. Only when the lower order needs of physical and emotional well-being are satisfied are we concerned with the higher order needs of influence and personal development.

The theory is a very good model for understanding human motivation and behavior. This model is applicable not only in psychology, but in any field of science related to understanding people.

Marketing is one of these fields. Knowing the psychology of consumer behavior, one can predict the needs and thus be proactive in choosing the marketing strategy.

¹ The theory of motivation was first introduced by Dr. Abraham Maslow in year 1943 in article "A Theory of Human Motivation" in Psychological Review. Even though the theory was introduced within psychology, it has been widely used in marketing. From this theory of motivation, modern leaders and executive managers find means of motivation for the purposes of employee and workforce management. Read more in *Motivation and Personality* (Maslow, 1954).

Maslow's theory of needs can also be useful in designing company's logo and message. However, it would not be correct to base the visual representation of a brand only on knowing people's requirements.

Marketing defines the main features of a good logotype and company's message: clearness, precision and simplicity and shall provide consumers with powerful brand recognition (for more detailed discussion, see Manville, 1965). When designing the logo it is important to keep in mind that logo:

1. has a balanced image
2. is distinctive and bold in design
3. has graphic imagery that looks appropriate for your business
4. works well with your company name
5. is done in an easy to read font
6. communicates your business clearly
7. looks good in black and white, as well as in color

Design is used to deliver a message that attracts the target audience to the target audience. Such a message shall create confidence in your brand and at the same time differentiate you and your competitors.

Another messaging tool is *tag line*. The tag line shall not exceed 7-8 words and be original and fresh (Lake, Laura). One of the most important requirements of a good tag line – its relation to the nature of business. As well as logo, tag line shall represent the company identity, remind of a friendly and quality service, and evoke the product of the company.

Creation of a tag line is as important as designing logo of the company. Even though there is huge amount of advertisement agencies that can create a good and remarkable tag line, it is essential to know the process of its creation.

The best and only suitable technique of creation a tag line is *brainstorming*. According to the Oxford English dictionary (1989), brainstorming is a way of making a group of people all think about something at the same time in order to solve a problem or to create good ideas.

Brainstorming allows coming up with fresh and new ideas. Only *absolutely original* saying can be chosen as a tag line, which must be distinctive. Plagiarizing a tag line most likely will drop level of trust to your company among your customers.

Figure 2 shows how the marketing communication process is important. Communication can be described as information flows through various channels between a sender and a receiver, including confirmation of a message and elements of disturbance in the process (Nitsch, 1998). The communication process thus implies that what a company “says” is not always what is perceived by the receiver or based in product characteristics.

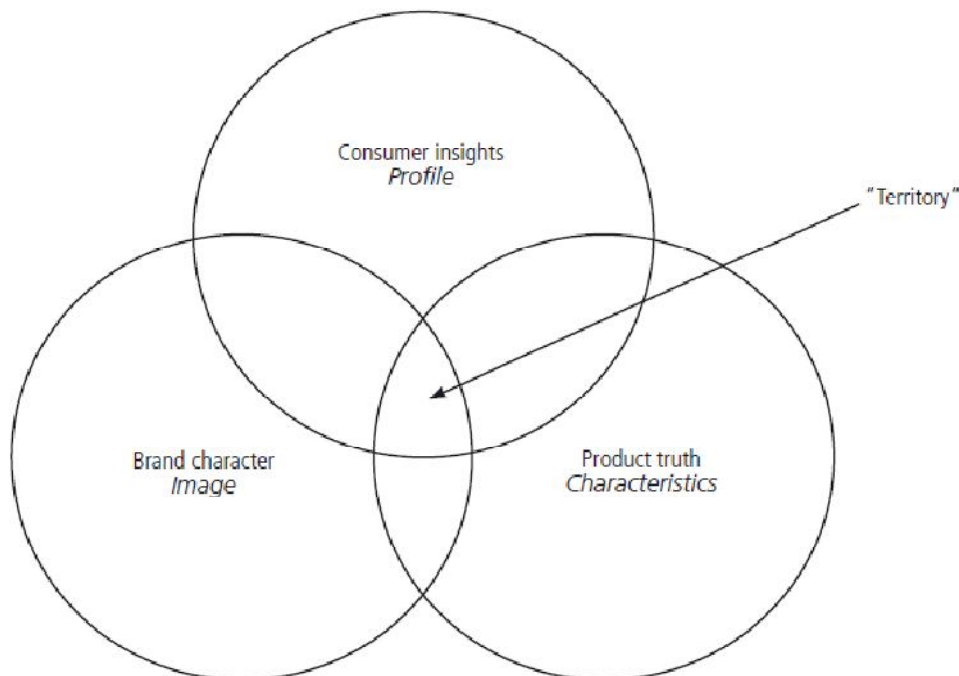


Figure 2. Brand perception through communication

The “territory” is a ground for perception of a brand (Pringle and Thompson 1999, 155). The bigger the territory the better the brand is perceived. The territory can be enlarged either through product characteristics adaptation or through brand management. Nevertheless, changing brand image is more realistic and requires less financial expenses than improving the production lines, increasing investments in them and so on. Of course, it is impossible to create a strong brand for a low quality product, but it is impossible to take leading position on a market just by offering a good product (not outstanding!). A strong brand adds value and improves competitive position.

In other words, successful brand management can enlarge the territory of perception (see figure 3).

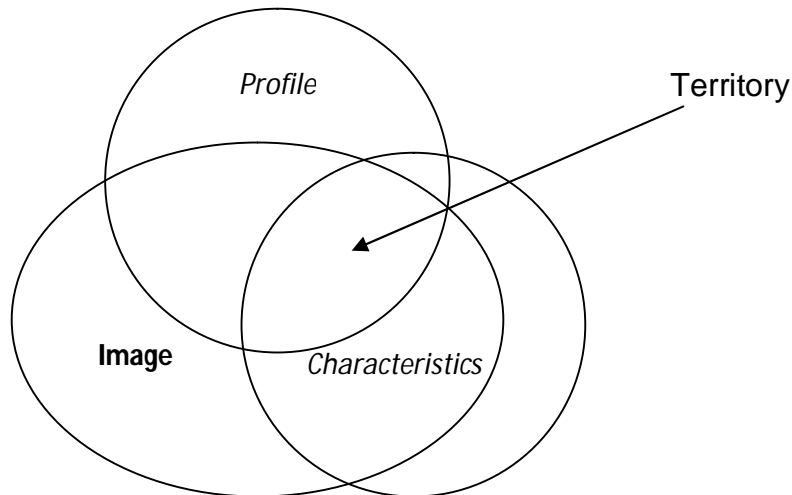


Figure 3. Brand perception through communication (improved brand image)

As we see, brand management can influence perception and company's image dramatically. Sometimes brand loses its strength: gets old or unwanted, due to different reasons.²

In this case if the company struggles to remain on the market with the same product it has to invent new image of a company. One of the components of a new image is a new brand.

2.2. RE-BRANDING

Rebranding is changing identity of a company or a specific product (depending on rebranding type: corporate or product rebranding). This change involves every single component of a brand: from imagery and slogan to marketing strategy and complete repositioning.

Rebranding is a large-scale and multi-level process which consumes more time and finances than establishment of a new brand. It also accumulates

² Read more about brand identity in Marketing Management (Keler, 2001), and Before the brand: creating the unique DNA of an enduring brand identity (Perry, 2003).

more risks as it has to refresh or even reintroduce the brand so that new identity is well adopted.

The actual process of rebranding is preceded by preparation and evaluation period that has 5 stages:

1. Analysis of development potential through internal resources.
2. Audit of the brand.
3. Analysis and segmentation of the target group's value attributes
4. Analysis of the financial resources of the enterprise.
5. Analysis of the negative features of the brand.

The 1st stage, analysis of development potential through internal resources, is a stage when the decision about necessity of rebranding shall be made. It is crucial to make sure that the problem lies outside the company, not in low proficiency of personnel or wrong pricing strategy.

However, when the situation is such that the level of company's product or service is high and consumer cannot be dissatisfied with it, obviously the problem lies outside of the company –in the consumer's minds and their attitude. Consumer builds its attitude to a brand basing on brand communication process, which creates a certain image in consumers' minds. If the image is formed incorrectly (not as company would like it to be) the reason is located in an inadequate and inconsistent messaging.

That is why the second stage is audit of the brand. It is needed to understand what makes existing brand unwanted by consumers. The best is to analyze every component of the brand and find out what makes it disharmonized.

Every target group has its own value attributes. It is crucial to recognize them and offer a product or a service that meets the requirements of the chosen group.

Analysis and segmentation of the target group's value attributes is a very complex marketing analysis that shall be executed by a professional marketer as all the following steps of marketing activities will be based on its results.

Let us assume that a number of studies have shown that switching to another brand with another target group has more market potential than continuing

using of the existing one. New target group define new market segment. Another segment shall already have its actors. At this point a company shall analyze its financial resources.

Competition and obtaining customers can be a highly money consuming process. And if a company does not possess enough resources for implementing chosen rebranding strategy the rebranding can be a tough challenge for it, sometimes even fatal.

The last stage on the way to rebranding is analysis of possible negative effects of the existing brand (old brand). If the existing brand is not well known or too controversial or even has negative feedback it is better to build completely new brand with new identities.

According to Keller and Lehmann (2006) brands are one of the most valuable intangible assets companies have. As a result a company shall maintain its brands accurately and think strategic-wise, considering the future.

When a company decides that rebranding shall take place one has to remember about the most common mistakes made during rebranding. According to Rebrandtm there are common mistakes marketers make when rebranding and certain tips to avoid them.

The important rule of rebranding is being relevant with time. Assumptions made when the brand was established may no longer hold true. Effective rebrands rely on a creative brief to keep everyone focused as the project progresses. It is vital to consider the needs and mindset of the target market carefully before digging into the process.

The rebranding story must be believable given the existing brand experience and customer perception. It must also hold credibility internally. If employees who live the brand day-to-day don't believe, the target audience won't either.

More about the main mistakes of rebranding can be found in the article "The Top 20 Mistakes Marketers Make When Rebranding", published by the Rebrandtm.

The main target of rebranding is implementation of such a change of the perception of a company in consumers' minds that would definitely lead to

increase in sales, better acceptance by the target group, stronger position on the market, etc.

Depending on the aims of rebranding, it can bring either new product to its target group or introduce new company in a new market place to a new target group.

Obviously, rebranding is executed on the latest stage of company or product/service lifecycle (see Figure 4).

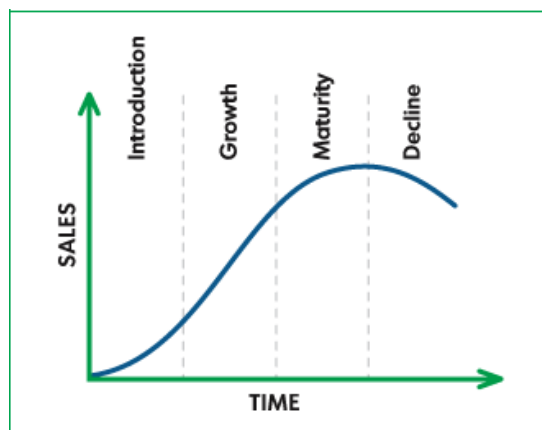


Figure 4. Life Cycle curve

At decline stage there is a downturn in the market. Since sales decline, a company has to decide what next step is to undertake. Usually, there are 3 possible steps to choose from:

1. Maintain the existing product, but adding new features to it
2. Reduce costs and continue to offer it in order to stay on the market as long as possible
3. Eliminate the product

However, when we are talking about service offered by a company that is the only activity a company sells we cannot neither eliminate the service nor reduce the cost of it. This will definitely lead to a disaster. Even adding new features to the existing product can hardly be effective as there are other services of a kind, but new and attractive. The only way to survive on the market is to re-conquer it. A company has to reintroduce itself to the market. Here comes *rebranding*.

Marketers of one of the leading Russian marketing agencies “Svoi Biznes” outline 5 main reasons for rebranding, which appear at the latest stage of life cycle:

1. “Erasing history”: this reason appears when the difference between past company image and the wanted image is so huge that would controvert new brand in consumers’ minds. I.e. a company changes its appearance and approach totally, offering to its clients absolutely new communication message and emphasize on new values.
2. Brand inconsistency: very often a company broader its service offer within years, diversifies its product range. The older brand does not anymore reflect the company’s profile, and a new brand is needed.
3. Improvement of communication to consumers: sometimes the product offered by a company is on its highest quality level and the further development of it is cost inefficient businesswise. However, there are still competitors on the market with a similar products and in order to keep the clients and obtain new ones a company shall create a new image that would replace the older strategy of consumer management through product features with a newer strategy through a company’s face attractiveness. This situation often is seen in the market of telecommunication systems and mobile connections. The product range is almost the same offered by players, but new approach is needed for handling the competition.
4. Change of consumers’ value attributes: this is reasonable when the consumers’ portrait is changing. For example, rebranding of a company that offers clothes for pregnant women could be aimed at attracting customers who care for their appearance during pregnancy period. Nowadays more and more people really pay attention to how they look and offering stylish clothes to them is a key to success. In this case rebranding emphasis is made mainly on restyling of a brand. For example, changing colors from orange to light pink.
5. Expansion of market: changing the territory of operations causes need in change of brand appearance. If a company has always be operating within a local market, say, Russian Siberia, under a Russian name, it would hardly be accepted in Japanese market with the same name

and logo. In this case rebranding means internationalization of a company image.

The first main element to be changed during the process of rebranding is company's imagery. Imagery, as was discussed before, is what consumers see when they first meet a brand. Even if one is not acquainted with company's service features, personnel and approach, first impression is delivered via visual representation of a brand.

Restyling of a brand is a commonly used tool of brand updating and can be used as an initial step of a long-term rebranding process. When restyling is being implemented, the brand name and main company's features do not change. Restyling applies only to the outlook of the brand name and its slogan. In other words, the idea and the strategy of a company remains the same, but consumers meet new logo and receive new message from a company. Good example for it is PepsiCo company that has changed its logo 11 times since the drink was invented by Caleb Bradham in 1898. The last change took place in

Although there have been 11 logos altogether, PepsiCo has never changed its marketing and communication strategy.

2.3. BRAND PROTECTION

Intellectual property is any product of human intellect that is intangible but has a certain value on the marketplace. This kind of property is a very valuable asset and shall be handled as any other asset, including its legal protection.

Marketers have always outlined 4 main ways of intellectual property protection. Nowadays, intellectual property can be protected by:

1. Patent
2. Trademark
3. Copyright

4. Trade secret

When considering legal protection of a brand, it is reasonable to deem trademarks and copyrights.

2.3.1. TRADEMARKS

According to the National board of patents and registration of Finland a trademark is a symbol used for goods or services purveyed in business in order to distinguish them from goods or services of other traders.

Trademark law protects the following items:

- Words: all combinations of words are eligible for registration, e.g. Walt Disney Pictures
- Numbers and letters: numbers and letters are eligible for registration, e.g. 3M, BBC
- Designs and logos: sole images or in combination with words can be registered as trademark, e.g. Nike swoosh
- Jingles: distinctive sounds can be registered as trademark, e.g. Intel Inside four-tone sound used in their commercials
- Shapes: shape of a product can be trademarked as long as it has no impact on the product's functions, e.g. Coca-Cola curved bottle
- Colors: a color can be registered as a trademark if it does not influence the product's function, e.g. Apple iMac white color
- Package: a package can be trademarked if it distinguishes the product from the similar ones.

Trademark protection is broad and provides opportunity for businesses to distinguish themselves from one another.

A trademark can be registered if it meets the following conditions:

1. Has a distinctive character
2. Has no confusing similarity

In order to register a trademark in Finland, one has to apply to the National board of patents and registration of Finland in written or via online application form. The requirements for application are listed on the official web-page of the National board of patents and registration of Finland.

If the trademark is registered it is protected for 10 years and requires further notice for prolongation of registration.

2.3.2. COPYRIGHTS

A copyright is a form of intellectual property protection that grants to the owner of the work the legal right to determine how the work is used and to obtain the economic benefits from the work. The work must be in tangible form. If something is not in tangible form, such as a speech that has never been recorded, copyright law does not protect it.

Copyright law protects “original works of authorship” that are fixed in a tangible form of expression and are not older than 70 years old:

- Literary works: anything that is written down is protected by the copyright law
- Musical compositions: any musical work including any accompanying words that is in fixed form (i.e. recorded) is protectable. Derivative works are also copyrightable if they are unique. In other words, anyone who reproduces a Metallica song in such a way that it is considered as a new work of art has a copyright for it. However, Metallica can claim the infringement of their rights.
- Dramatic works: any theatrical performance is a dramatic work and can be protected under a single copyright, including all the musical, literary and other components of the performance.
- Pantomime and choreographic works: copyright law protects ballets, dance movement and mime works
- Pictorial, graphic and sculptural works: photography, prints, art reproductions, cartoons, maps, globes, jewelry, fabrics, games,

technical drawings, diagrams, posters, toys, sculptures and charts can be protected by the copyright law.

As it is seen from above only tangible forms are protectable by the copyright law. Copyright law does not protect ideas. Other exclusions from copyright protection are facts (e.g. statistic), titles (e.g. title of a book) and lists of ingredients (e.g. recipes)³.

In Finland the copyright law is regulated by the Copyright Act (Law No. 404 of July 8, 1961, as last Amended by Law No. 365 of April 25, 1997). The copyright act applies to:

- works whose author is a Finnish national or a person ordinarily resident in Finland;
- works first published in Finland or published in Finland within 30 days of having been first published in another country;
- cinematographic works whose producer has his headquarters or is ordinarily resident in Finland;
- to works of architecture located in Finland; and
- to works of art incorporated in a building located in Finland, or otherwise fixed to Finnish soil. (Copyright Act. Chapter 8)

Copyright does not require any legal registration. However, there shall be an evidence of possession of copyright. The main organization in Finland that deals with Copyrights is Copyright Council of Ministry of Education.

2.3.3. INTERNET

An the end of 20th century when Internet started to be widely used, registration of a domain name and creation of personal web page became another tool of protection of intellectual property. It became another way of making intellectual product tangible and as a result eligible for copyrighting. Whenever a work is uploaded to a web page ad becomes public it is protected by the copyright law. Any graphic designs, self produced pictures and literary works are

³ However, ingredients can be protected as a trade secret (e.g. Coca-cola protects its recipe as a trade secret)

automatically copyrighted and can be easier controlled over copying or illegal distribution.

On the other hand, a web-page is used as a marketing tool to promote products or services.

However, due to web-page's public access it is necessary to think over a way of protecting the information from being stolen. Some companies create a registration page and monitor their clients, some restrict access to certain groups of visitors, and others simply do not publish the complete or ready-to-use information. In any ways, one shall always consider risks and be proactive when going online.

2.4. BRAND ARCHITECTURE

According to Rajagopal (2004, 233-247), Brand architecture may be defined as an integrated process of brand building through establishing brand relationships among branding options in the competitive environment.

There are three levels of brands:

1. Corporate brand:

At this level a company's name is used as a brand name for all the products and services offered by the company. As a result, one advertising campaign can be used. The corporate branding is not distinguishing the products of the company. For example, Disney includes "Disney" logo in its cartoons and films (Aaker 2004, 6-18).

2. Sub-brand:

At this level a brand includes also its parent brand name (e.g. Sony Playstation) as an endorsement, which shall raise credibility of a product.

3. Individual brand:

At this level each product of a company has its own brand name. The advantage of individual branding strategy is that each product has a

unique image and can be marketed differently and individually. The product is not referred to the company. There are many examples of individual branding: Procter & Gamble's Pampers for example (Sibirian).

3. POSITIONING

Market segmentation and product positioning is a very important part of successful marketing.

3.1. MARKET SEGMENTATION

It is obvious that different consumers want to buy different products. To meet these diverse needs, producers and sellers tend to identify such groups of consumers that are likely to respond positively to the proposed products.

Here it is appropriate to recall the Pareto law which is based on statistical research, according to which 20% of consumers buy 80% of the goods of a certain brand. The remaining 80% of consumers purchase 20% of the goods of this brand and have no clear preference for this - they are likely to make random purchases. Manufacturers tend to orient their products and marketing activities on the first 20% of consumers rather than on the whole market as such a strategy of market activity is more effective.

Market segmentation is a division of a market on different consumer groups that have different needs and, thus, require different approach.

According to online Business Dictionary market segment is an identifiable group of individuals, families, firms, or organizations, sharing one or more characteristics or needs in an otherwise homogenous market. Market segments generally respond in a predictable manner to a marketing or promotion offer.

Segmentation in Consumer markets

Kotler (1991) has proposed that consumer markets should be divided according to geographic, demographic, socio-economic, psychographic, and behavioral variables.

Geographic segmentation is division of market into geographical units, such as countries, regions, cities, districts, etc. Geographical segmentation is very commonly used. Geographical segments are usually easy to identify and to use. However, pure geographical segmentation is a very poor tool and most effectively can be used only in service sector where the territory is very important factor.

Demographic segmentation is a division of market into groups depending on such consumer characteristics as: age, sex, marital status, social class, religion, nationality, race, etc. However, demographic segmentation is very rarely used separately from other segmentation criteria as even in one group the consumer behavior and needs are very different. Never the less, demographic segmentation is very important when marketing a clearly oriented product, for example, cosmetics which can be for women, men and children.

Socio-economic segmentation is a division of market according to consumers' income level, occupation, level of education. It is obvious that the above mentioned criteria directly affect the individual's needs and, as a result, means of meeting them.

Psychographic segmentation is a dividing of market into different groups depending on consumers' lifestyle or personal characteristics.

Consumers' lifestyle is a separation of consumers into groups, based on their hobbies, interests, and other aspects of their lifestyles.

Personal characteristics are used as criteria in segmentation of market for a product that is already launched and is sold by the competitors. Personal characteristics help to approach a certain group of consumers with certain features. For example, motorcycle buyers can be identified as independent, impulsive, macho, ready to change, confident people.

Due to the fact that the psychographic criteria are difficult to measure in comparison with other segmentation criteria, they are often used to better understand consumers, segmented using other criteria.

Behavioral segmentation is based on actual customer behavior toward products. Some behavioralistic variables include:

- Benefits sought: benefits gained with a product purchased, i.e. what features consumers are looking for when buy the product.
- Usage rate: how often the product is purchased by a group of consumers. Consumer can be divided into weak, moderate and active consumers.
- Brand loyalty: shows the level of consumer loyalty to a certain product or brand. There 6 main levels of loyalty are known based on the buyers intensity in consuming a certain product or brand :
 - Consumers with high level of loyalty
 - Consumers who can switch to another product and reduce the level of purchased products of a certain brand
 - Occasional consumers, the number of which could be increased
 - Occasional consumers who can lower the amount of purchased product and start purchasing it from other producer
 - Potential consumers who can start buying the product in case of its modification or improvement
 - Non-consumers who do not buy and have strong negative attitude to the product
- Readiness to buy: shows the consumers' readiness to use the product. According to this characteristics the consumers can be divided into those who:
 - Do not know about the product
 - Know a bit about the product's features

- Know a lot about the product's features
- Are interested in buying the product
- Consider buying the product
- Buy the product

Behavioral segmentation has the advantage of using variables that are closely related to the product itself.

Segmentation in Industrial markets

In contrast to consumers, industrial customers tend to be fewer in number and purchase larger quantities. They evaluate offerings in more detail, and the decision process usually involves more than one person. These characteristics apply to organizations such as manufacturers and service providers, as well as resellers, governments, and institutions.

Many of the consumer market segmentation variables can be applied to industrial markets. Industrial markets might be segmented on characteristics such as:

- Location
- Company type
- Behavioral characteristics

Location

In industrial markets, customer location may be important in some cases. Shipping costs may be a purchase factor for vendor selection for products having a high bulk to value ratio, so distance from the vendor may be critical. In some industries firms tend to cluster together geographically and therefore may have similar needs within a region.

Company Type

Business customers can be classified according to type as follows:

- Company size: influence the procedure of purchase and its amount. Very often the constant customers receive discounts or special offers.
- Industry: the product affects the means of its sales.
- Decision making unit: it is important to reach the right person in industrial sales. This defines the marketing strategy of a seller.
- Purchase criteria: important criterion that defines what product is demanded. Sometimes the name of a company can be such a criterion.

Behavioral Characteristics

In industrial markets, patterns of purchase behavior can be a basis for segmentation. Such behavioral characteristics may include:

- Usage rate
- Buying status: potential, first-time, regular, etc.
- Purchase procedure: sealed bids, negotiations, etc.

These criteria are pretty similar to the Consumer market segmentation.

The segments derived from accurate marketing segmentation must be:

- Definite, meaning that inside each segment consumers have common features and react to marketing activities in the same way
- Big enough, meaning that the product supply will be effective within the chosen segment
- Open for marketing activities
- Measurable
- Can be used for a long period of time

If the segments meet the above mentioned requirements the positioning can be started.

3.2. PRODUCT POSITIONING

Position of a product or service is an opinion of target segment, i.e. target consumers, about the main features of the product or service. Thus, positioning is outlining of such product or service features that, in accordance with the target segment values, would be a product or service competitive advantage on the market. This requires very detailed and deep market analysis of what the consumers tend to get when purchasing the product.

When consumers evaluate offered products or services they do that from the point of view of their personal benefits. That is why any organization shall be able to offer additional values of marketed products or services, e.g. high quality, low price, etc.

Figure 5 shows the positioning map of competing products on the same market segments. The positioning parameters are price and quality.

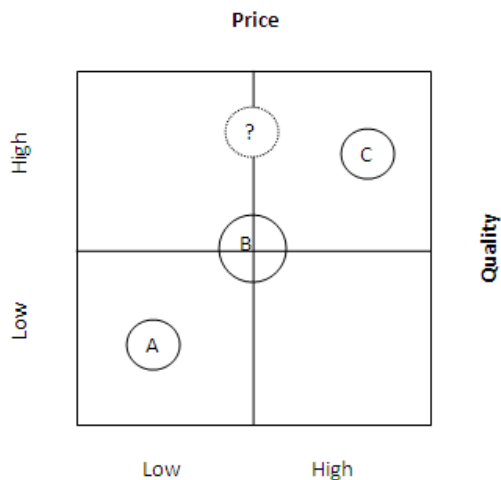


Figure 5. Positioning map

A, B and C are the existing products on a market segment; “?” is a new product’s possible position on the market.

Position of product “?” is based on a desire to occupy such a niche on the market segment where the competition is relatively low (according to the positioning map the product shall be of a relatively high quality and is average priced).

There can be different parameters chosen when creating a positioning map. These parameters are totally dependent on the positioning products and market preferences or needs.

For conquering stronger position of a marketed product or service a company outlines the key characteristics of the product/service in order to differentiate the product/service from the other competing products or services existing on the market.

There are three main types of differentiation:

1. Product differentiation
2. Service differentiation
3. Personnel differentiation

Product differentiation is based on creating better characteristics and/or design of a product in comparison with competing products.

Service differentiation involves special customer treatment, customer relationship management, delivery of a product, etc.

Personnel differentiation is recruitment and training of personnel in order to maintain the company’s communication profile on a competitive level.

Together with a strong brand smart and well conducted differentiation creates a strongly desired product or service.

Often a chosen market segment can become inefficient. In this case *repositioning* takes place. Repositioning is a marketing strategy that changes

aspects of a product or brand in order to change market position and alter consumer perceptions (CBS, 2010).

There two different strategies of repositioning exist: tangible repositioning strategy and psychological repositioning strategy. Tangible repositioning includes launching of a new product or modifying the existing one (in quality, price, etc.). Psychological repositioning strategy applies to the consumers' opinion about the company about the competitors or about the values of a product/service (Kotler, 1991).

4. INTEGRATED MARKETING COMMUNICATION

Customer communication is one of the essentials of a successful business. Knowing the clients and their needs helps service/product supplier deliver the right product at right time. On the other hand, delivering the right message to the targeted group of customers influences the better understanding and brand treatment from the customers' side. In other words, communication enables deeper relationships between a supplier and a consumer.

Smith et al. (2002, 21-22) define communication as an act of exchange of information. The process of the information exchange always has three components: the sender of the information, its receiver and the information itself.

The nature of the communication process is illustrated in the Figure 6.

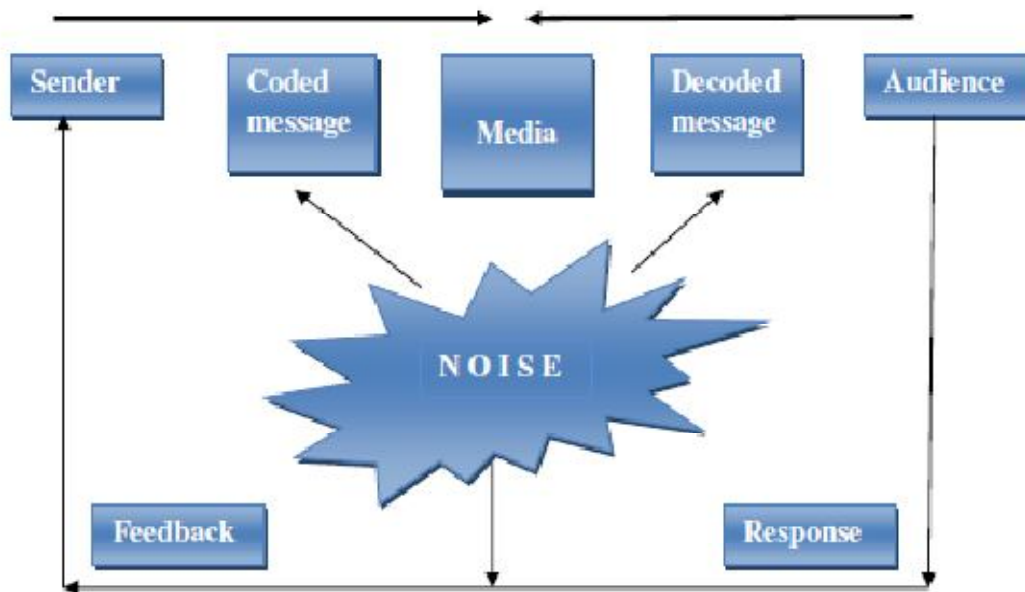


Figure 6. The communication process

Kotler and Keller (2006, 539) explain the elements of the communication process as follows:

Sender: The party sending the message to another party

Encoding/coded message: The process of putting thought into symbolic form

Message: The set of symbols that the sender transmits

Media: The communication channels through which the message moves from sender to receiver

Decoding/decoded message: The process by which the receiver assigns meaning to the symbols encoded by the sender

Receiver/audience: The party receiving the message sent by another party

Response: The reactions of the receiver after being exposed to the message

Feedback: The part of the receiver's response communicated back to the sender

Noise: The unplanned static or distortion during the communication process, which results in the receiver's getting a different message than the one the sender sent.

This model points out several key factors in good communication. Senders need to know what audiences they wish to reach and what responses they want. They must be good at encoding messages that take into account how the target audience decodes them. They must send messages through media that reach target audiences, and they must develop feedback channels so that they can assess the audience's response to the message.

In order to deliver a clear, consistent, and compelling message about the organization and its products one shall use certain tools. Within the integrated marketing communication these tools are:

- Advertising
- Sales promotion
- Public relations
- Personal selling
- Direct marketing

Advertising is any non-personal presentation and promotion of ideas, goods, or services by an identified company. The strong point of advertising is its high geographical coverage and ability to repeat the message many times. On the other hand, advertising is usually expensive and cannot be delivered to a chosen group only, i.e. advertising is not direct and as a result lower cost-efficient.

Sales promotion is the short-term incentives to encourage the purchase or sale of a product or service. Sales promotion is more targeted and makes it possible to reach the target groups directly. The examples of sales promotions are discounts, coupons, package deals, etc. The strong point of this tool is that it can be applied within B2B and B2C business operations models.

Public relations involve building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.

Personal selling is the personal presentation by the firm's sales force for the purpose of making sales and building customer relationships. This can be the most effective method at certain stages of the buying process, particularly in building buyers' preferences, convictions, and actions and developing customer relationships. Personal selling can be very effective especially in B2B sales as it allows building up or strengthening business relations with new or existing business partners.

The last but not the least important tool of IMC is direct marketing. Direct marketing allows marketing any product or service individually. It involves making direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships—by using direct mail, telephone, direct-response television, e-mail, and the Internet to communicate directly with specific consumers. However, one shall keep in mind that direct marketing can have also a harmful effect if it is misused. For example, on-line marketing may feel like SPAM if it is sent to the consumers too often.

IMC tends to customize marketing. This model could be very effective for both B2B and to B2C businesses. However, it shall be well planned to be successful. As well it requires more personal treatment and as a result – more work-load.

According to Kotler and Keller (2006, 536) IMC solution calls for recognizing all contact points at which the customer may encounter the company, its products, and its brands. Each brand contact will deliver a message, whether good, bad, or indifferent. The company must strive to deliver a consistent and positive message at all contact points.

Kotler and Keller (2006, 540-549) outline six steps in developing effective communication:

1. Identifying the target audience, i.e. whom the message shall reach

2. Determining the communication objectives, i.e. what returns the message shall bring
3. Designing the message, i.e. structure and format of the message
4. Choosing the media, i.e. message transmission channels
5. Selecting the message source, i.e. by whom or where shall the message be delivered
6. Collecting feedback, i.e. research of the message effect on the target audience

The other point that shall be carefully counted is communication budget. There are different methods of budgeting and money split. These methods are based on the company's available resources and objectives:

1. Affordable Method
2. Percentage-of-Sales Method
3. Competitive-Parity Method
4. Objective-and-Task Method

Affordable method is usually used by small businesses that set the promotion budget at the level the company can afford.

Percentage-of-sales method is defined by setting the promotion budget at a certain percentage of current or forecasted sales or as a percentage of the sales price.

Competitive-parity method is setting the promotion budget to match competitors' outlays.

Objective-and-task method develops the promotion budget by defining specific objectives, determining the tasks that must be performed to achieve these objectives, and estimating the costs of performing these tasks.

5. MARKET ANALYSIS

5.1. COMPANY DESCRIPTION

Lack of specific happenings and small variety of choice is the current situation on the Finnish night-life market. P.Art: Party Artistic Solutions Oy offers its own approach to improving the situation in the entertainment industry in Finland.

P.Art: Party Artistic Solutions Oy was established in November, 2008, as a business-to-business operating small company. The company was registered as an organization providing artists and event promotion services in the field of clubbing and social event performances.

Club events are the main priority of the business. Working on the contract base with clubs/ bars/ restaurants P.Art: Party Artistic Solutions Oy is offers complete package of services which include: DJs, dance show, decorations, lights, equipment and design of promotion materials. More importantly, P.Art: Party Artistic Solutions Oy is actively engaged into marketing of the events.

Social Events are developed for show, artist, culture, and modern art promotion; for instance: public exhibitions, shows, concerts, performances, festivals, etc. Social events are often developed in cooperation with diverse interest groups, private organizations and companies.

As P.Art: Party Artistic Solutions Oy provides services there is no particular need for premises. However, the company sets its goal to establish own restaurant in the long run.

5.2. PARTNER NETWORK DESCRIPTION

P.Art: Party Artistic Solutions Oy sets a goal to create a wide partner network for constant cooperation. The partners are divided into 3 groups:

- Equipment and related services suppliers
- Artists and artist agencies
- Consuming organizations (providers of premises)

All the business relations are secured by the contracts. The contracts are drawn individually for each particular event.

Even though all three groups of partners are important, P.Art: Party Artistic Solutions Oy concentrates on developing relations with consuming organizations mainly. The company strives to establish strong relations with night clubs in different cities of Finland. It is important to reach the right places which have quality sound and light systems, stage and high capacity. If these requirements are met P.Art: Party Artistic Solutions Oy does not need to search for equipment suppliers, which decreases the costs of the happening and makes it easier to organize. Current artist portfolio allows diversifying the offers.

5.3. SERVICE PACKAGE DESCRIPTION

P.Art: Party Artistic Solutions Oy offers to its client complete service package which consists of:

- Descriptive project plan for an event, worked out for a specific place (club, restaurant, etc.). The plan contains the following details:
 - Project description
 - Outline of the main points meant to attract visitors
 - Music specification
 - Decoration suggestions
 - List of the best suitable artists
- Promotional campaign:
 - Preparation of promo materials' design
 - Distribution of promo materials
 - Organization of promo performances prior to the event (if needed)
 - Selection of means of advertisement (depends on specifications of the event contents and place)

- Event itself:
 - Organization of technical support (if needed)
 - Decoration of the premises
 - Organization of artists' transportation (visa support if needed)
 - Organization of highlight of the event by local media and own photographers

I.e. accepting the offer consumer can concentrate its work on administration, but not on product management and self-promotion.

5.4. TARGET GROUP AND MARKET PLACE DESCRIPTION

P.Art: Party Artistic Solutions Oy operates in a business-to-business market and the whole scope of its products/service packages are offered to Businesses. To describe the target groups (I.e. customers) it is necessary to outline the products' features.

As it was mentioned above, P.Art: Party Artistic Solutions Oy works in the fields of clubbing and social event performances. Since social events are not the core product of the company, P.Art: Party Artistic Solutions Oy concentrates on development and promotion of its offers within the clubbing event management.

Thus, the following product description will refer only to the night-life events, offered to bars, pubs and night restaurants.

All company's projects of club event have common features:

- They are oriented on 18-27 years old people
- Each project brings uniqueness and novelty
- All projects shall meet certain sound and light systems requirement
- The projects aim to attract 200-600 people
- The projects do not repeat each other

According to the FONECTA database there are over 1500 night restaurants and bars in Finland. Those are not all the possible venues, of course, but these figures allow picturing the market.

The Figure 7 shows that the biggest number of venues is located in 4

Code	Description	PCS
01	Uudenmaan maakunta	333
06	Pirkanmaan maakunta	168
02	Varsinais-Suomen maakunta	120
08	Kymenlaakson maakunta	93
Code	Description	PCS
19	Lapin maakunta	64
09	Etelä-Karjalan maakunta	56
05	Kanta-Hämeen maakunta	50
14	Etelä-Pohjanmaan maakunta	31
12	Pohjois-Karjalan maakunta	31
15	Pohjanmaan maakunta	30
20	Itä-Uudenmaan maakunta	21
18	Kainuun maakunta	21
16	Keski-Pohjanmaan maakunta	16
21	Ahvenanmaan maakunta	6

Figure 7. Bars and night restaurants by province

provinces: Uusimaa (333), Pirkanmaa (168), Varsinais Suomi (120) and Kymenlaakso (93). However, P.Art: Party Artistic Solutions Oy has chosen 4 more provinces for its operations, basing on the geographical location: Päijät Häme (71), Itä Uusimaa (21), Kanta Häme (50) and Etelä Karja (56) (see Figure 8).

Reaching the venues in other provinces is economically ineffective as the transportation costs raise the expenses dramatically.

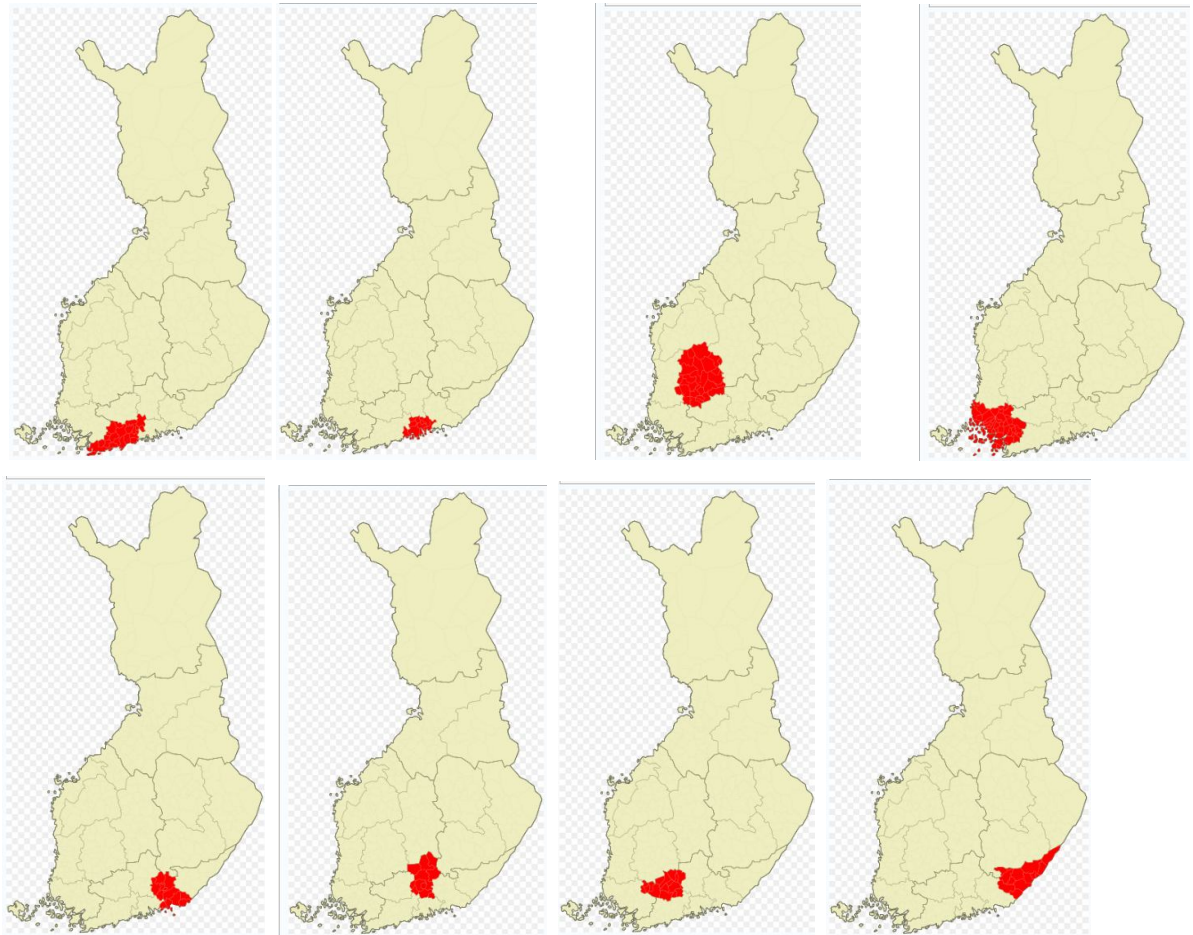


Figure 8. Provinces (from left to right: Uusimaa, Itä Uusimaa, Pirkanmaa, Varsinais Suomi, Kymenlaakso, Päijät Häme, Kanta Häme, Etelä Karja)

The chosen region of operations provides P.Art: Party Artistic Solutions Oy with at least 912 venues, which is 60% of all venues in Finland, listed in FONECTA database.

To be more precise with the market analysis P.Art: Party Artistic Solutions Oy has chosen several cities for investigation. Those cities are picked according to the following criteria:

- Population
- Regional center
- Geographical location

Thus, the picked cities are:

Helsinki (582000 people), Espoo (244000 people); Porvoo (49000 people); Nokia (30500 people), Tampere (212000 people); Turku (175000 people);

Lahti (100000 people); Hämeenlinna (66500 people); Kotka (55000 people), Kouvola (30000 people); Lappeenranta (70000 people), Imatra (29000 people) (see Population register center).

In these cities there are located venues:

Helsinki – 221 venues, Espoo – 32, Porvoo - 10; Nokia - 4, Tampere - 109; Turku - 59; Lahti - 46; Hämeenlinna - 17; Kotka - 29, Kouvola - 19; Lappeenranta - 33, Imatra – 10.

5.5. COMPETITORS ANALYSIS

The FONECTA database was chosen for estimation of the competition on the chosen market place.

According to the search results there are 894 registered companies in Finland, which are dealing with event management and artist promotion. The majority of these companies are located in the selected regions (see Figure 9).

Code	Description	DCS
01	Uudenmaan maakunta	315
06	Pirkanmaan maakunta	105
19	Lapin maakunta	75
02	Varsinais-Suomen maakunta	57
		--
Code	Description	DCS
05	Kanta-Hämeen maakunta	24
14	Etelä-Pohjanmaan maakunta	22
08	Kymenlaakson maakunta	21
10	Etelä-Savon maakunta	17
15	Pohjanmaan maakunta	15
09	Etelä-Karjalan maakunta	13
20	Itä-Uudenmaan maakunta	11
18	Kainuun maakunta	7
16	Keski-Pohjanmaan maakunta	4

Figure 9. Event management and artist promotion companies by province

The region of P.Art: Party Artistic Solutions Oy operations comprises 586 organizations:

Uusimaa – 315, Pirkanmaa – 105, Itä Uusimaa – 11, Varsinais Suomi – 57, Päijät Häme – 40, Kanta Häme – 24, Kymenlaakso – 21, Etelä Karja – 13.

With deeper analysis (by the cities) the following figures appear:

Helsinki – 182 organizations, Espoo – 45, Porvoo - 3; Nokia - 2, Tampere - 63; Turku - 31; Lahti - 19; Hämeenlinna - 6; Kotka - 7, Kouvola - 3; Lappeenranta - 7, Imatra – 2.

The figures above outline the high level of competition in number of the selected cities (Helsinki, Espoo, Tampere and Turku). That means that P.Art: Party Artistic Solutions Oy needs to find its own niche in the industry of entertainment in order to be competitive on the market.

6. P.ART: PARTY ARTISTIC SOLUTIONS OY CONCEPT DEVELOPMENT

6.1. CURRENT BUSINESS CONCEPT

P.Art: Party Artistic Solutions Oy was established as an event management company in the end of 2008. Its history has shown, on the one hand, the effectiveness of the chosen concept and, on the other hand – its narrow usability.

When being established, the company was meant to bring novelty into the night life events organization: uniqueness of each events, wide range of artists as well as attractive facility décor. Social and cultural events are used as a promotional tool for the company's brand and are not the profit makers.

Although the company works mainly within Business-to-business field, it is essential to understand the values of the final consumers who are the visitors of clubs or night restaurants. Due to that P.Art: Party Artistic Solutions Oy has to have two faces: face of a successful business model for the business partners and the face of attractive party organizers for the final consumers.

In order to fulfill these requirements P.Art: Party Artistic Solutions Oy created logo, message, business image, web-page and other tools which were supposed to strengthen the company's market position.

6.1.1. P.ART: PARTY ARTISTIC SOLUTIONS OY BRAND

Since the newly established company had to cut into the market as fast as possible there was a strong need of creating an attractive and memorable image already in the very beginning of company's operations. As initially the company did not have financial resources, brand image should have been the main asset of the company, representing and delivering the message to the customers (business organizations) and consumers (final buyers of the product).

As it was stated in the company description part of the work, the main target group shall comprise the following features:

- The consumers are 18-27 years old people
- Company is looking for uniqueness and novelty in performance
- Able to host around 600 people
- Located in Helsinki, Espoo, Porvoo, Nokia, Tampere, Turku, Lahti, Hämeenlinna, Kotka, Kouvola, Lappeenranta, Imatra.

The business concept was developed in order to meet the expectations and requirements of the above mentioned group.

Company name

The company name shall recall the company's scope of operations. Since the company was meant to produce and promote events of different kinds with the focus on night life events, it was decided to include word "Party" in the title. That should have created a certain reflection of positive image of the company, its main field of operations and attitude to life. That was supposed to attract party hunters who are the main consumers of the company's product. "Party" was supposed to affect customers (target group businesses) in the same way.

With the same logic "Artistic Solutions" should have distinguished the company from the competitors by emphasizing on the company's unique and novel approach.

The following Table 1 summarizes the strong and weak sides of the chosen name:

	Strong sides	Weak sides
P.Art: Party Artistic Solutions Oy	<ul style="list-style-type: none"> • Equally attractive and understandable for both customers and final users • “P.ART” is repeated in the logo which makes it easier to recollect the company • “Oy” shows its legal status which helps to gain customers’ trust • Even though the name is long, it is possible to use only “P.ART” with no confusion 	<ul style="list-style-type: none"> • “Party” narrows the scope of possible operations down, not letting to expand the activities without losing the relevance of the name to the business field

Table 1. Strong and weak sides of the company name

The summary has shown that the number of strong sides of the chosen name exceeds the number of the weak ones, and they shall be kept as an asset. However, the weak point of the name not being applicable for any other business activity requires attention as it creates difficulties for future development of the company.

Logo

Since the logotype of a company shall recall the company and its characteristics, P.Art: Party Artistic Solutions Oy has created own logo being associated with colors, excitement and free atmosphere (see Figure 10).



Figure 10. P.Art: Party Artistic Solutions Oy current logo

The logo consists of four stylized letters and repeats the part of the official company name.

The letter “P” (see Figure 11) is used as an icon in the company web-page address.



Figure 11. P.Art: Party Artistic Solutions Oy icon

The rainbow colors are used in all official documents and publications of the company.

The following Table 2 summarizes the strong and weak sides of the logotype:


	Strong sides	Weak sides
	<ul style="list-style-type: none"> Recalls the company's field of operations Colorful and memorizing Looks well as printed and published online 	<ul style="list-style-type: none"> Is not applicable for any other scope of business but night parties and leisure events Not good in black-and-white

Table 2. Strong and weak sides of the logotype

The logo analysis has show that although there is number of strong sides, the weak sides are more crucial and require changes.

Slogan

As a slogan is supposed to represent either the company's mission or its vision of the business, P.Art: Party Artistic Solutions Oy has decided to use the following slogan:

"We take fun seriously!"

The slogan is based on the commonly used expression "Take it seriously!", which is well known and represents the serious attitude. In the company slogan the emphasis is done on "Fun" appealing to the main company's activity. Thus, the slogan corresponds with the original idea of the company well, but can become irrelative with the business concept changes.

Web-page and domain name

Right after the company was established, P.Art: Party Artistic Solutions Oy bought the most relevant to the company idea available domain name: www.partyart.eu.

Unfortunately, this domain name can only be used with the current of P.Art: Party Artistic Solutions Oy – organization of unique night parties, which is a huge disadvantage from the change-in-concept point of view.

Needs of the clients

The next step undertaken by the company was finding out the final users opinion about the services provided as well as their needs and expectations. The survey was conducted via Internet and in person among the final users of the P.Art: Party Artistic Solutions Oy services. The target region was Kotka, Kouvola and Lappeenranta.

Altogether, 350 people were surveyed. The results of the survey were as follows:

Age group:

77% - 18-25 years;

23% - 26-30 years;

Music preferences (People may select more than one answer, so percentages may add up to more than 100%):

54% - House music;

38% - Trance music;

31% - Electro;

30% - Pop and R-n-B music;

Other music styles gained less than 10% of the responses and are not included into the summary of the survey.

How often do you visit night-clubs:

42% of the surveyed answered that they visit night-clubs once a month;

23% - twice a month;

30% - once in two months or even more rarely;

5% - only when a star is performing.

What would you like to see in the club party (People may select more than one answer, so percentages may add up to more than 100%):

62% would like to see a star DJ or artist performing;

38% would like to attend a theme party with foam, bubble machine

35% are looking for a professional Dance show;

27% are heading for a live performance;

23% - fire show;

Besides that 65% of the surveyed people are 18-25 years old and visit night-clubs once a month and would like to see a star DJ or artist.

The summary of the results of the survey shows that the current business approach is adequate and related to the customers' needs. However, due to

the low density of population in the region of operations, P.Art: Party Artistic Solutions Oy has to broaden its offers in order to gain enough customers.

6.1.2. P.ART: PARTY ARTISTIC SOLUTION OY COMMUNICATION PROFILE

P.Art: Party Artistic Solutions Oy believes that personal approach to its services consumers is vital as these are the people who attend the events. Due to that company decided to create a mailing list of its clients (not the customer organizations!). At the moment, the company has a list of about 100 constantly attending people. The list was gathered at the parties organized by P.Art: Party Artistic Solutions Oy.

The company sends out info letters and events calendar. This list mainly contains the key clients who bring in average 5 people with them. This list shall be widen up and maintained more properly as it has become an asset of the company.

Besides the mailing list, P.Art: Party Artistic Solutions Oy has its profiles in internet space: Facebook account, Vkontakte.ru (Russian analog of Facebook) account and official web-page.

6.1.3. CUSTOMER ANALYSIS

Since the establishment the company has mainly worked together with night clubs of Kotka and Lappeenranta. Besides the night clubs the company has been in close cooperation with Jaakko Pub in Kotka. Jaakko pub is the only bar with which P.Art: Party Artistic Solutions Oy has business relations. However, the cooperation with this bar has shown a necessity to deepen the bar offers.

On the other hand, P.Art: Party Artistic Solutions Oy has failed to build strong relations with service providers (such as light or equipment suppliers). This

shall be taken into consideration as well when redeveloping the existing business concept.

6.1.4. OVERVIEW OF THE CURRENT MARKET SITUATION

P.Art: Party Artistic Solutions Oy is an event management agency, mainly operating in the regions of Kotka, Kouvola and Lappeenranta. Initially the concept was based on uniqueness of performances by P.Art: Party Artistic Solutions Oy. With the time it became obvious that the concept can no longer exist in its original state.

Below there is the 8-field SWOT analysis (see Table 3) which clearly shows all pros and cons of the current business idea.

	Strengths	Weaknesses
	S1 Marketing, Business and Public Relations Education	W1Lack of long term contracts
	S2 Different cultural backgrounds of the company's managers	W2P.Art doesn't own premises, constant requirements for contracts
	S3 Involvement in different spheres of spare time activities, social events and club events.	W3Lack of external and internal investments
	S4 Ready-to-use product	W4Undeveloped communication profile
	S5 Company name is an asset	W5Poor cooperation with other actors
	S6 P.Art is a legally	W6No active Finnish origin representative
		W7Low profitability

	registered organization S7 English and Russian speaking company	W8 Image of the company is oriented on final user, not customers (businesses)
Opportunities O1 Complementary business activities, e.g. recording, promoting artists O2 International market O3 More diverse marketing activities	S1O1 Development of trustworthy company S2S7O2 Entrance of other markets than Finland (Russia, Estonia, Sweden) S6O3 New services offered by the company	O3W8 Creation of more B2B image O1W5 More extended relations with other actors O2W6 Strengthening of company's position on Finnish market via recruiting a Finn W2O3 Switch to activities that do not require premises O2W5 New actors abroad
Threats T1 Financial risks T2 Loose of consumers due to the lack of activities on the market T3 Growing competition	S7T2T3 Foreigner-friendly image S5T1 Development of trust within B2B relations	W5W7T1 Development of communication profile within B2B relations W1T3 New reliable partners W3T3 Turning competitors into partners W6T1 Hire Finnish speaker

Table 3. SWOT analysis

Summary of the SWOT analysis shows that the company requires development, especially in the following aspects:

1. Creation of trustworthy Business image
2. Expenditure business activities
3. Entrance of international markets
4. Cooperation with other actors
5. Strengthening of position on Finnish market

6. Creation of friendly image for foreigners
7. Development of new communication profile

In other word, P.Art: Party Artistic Solutions Oy has to expand its service pack, establish more long-term relations with customers and partners and reorient on business-to-business activities within the current business field. This will create a strong base for rise of demand in the company's services and attract new customers.

6.2. DEVELOPMENT OF THE BUSINESS CONCEPT

The company's concept needs adjustments and improvements in several directions of its operations.

First of all, P.Art: Party Artistic Solutions Oy shall create new image of business oriented company. This means escape from "fun organizers" face. The following chapter explains how the company's business concept changes:

1. Repositioning
2. Creation of new service package
3. Creation of new company image
4. Development of communication profile

The above mentioned dimensions allow creating a new and attractive image of a reliable business partner.

6.2.1. REPOSITIONING

New business concept converts P.Art: Party Artistic Solutions Oy from event management agency into marketing agency. The competitive advantage of the new concept its high level of internationalization and operation on global market place as P.Art: Party Artistic Solutions Oy tends to enter new markets: Russia and Estonia on the first stages of its operations.

As a result, new target groups appear. Due to the new service package (explained in the following section), the former competing organizations are converted into potential clients.

According to the results of market analysis after the changes in the business concept P.Art: Party Artistic Solutions Oy gains up to 600 potential customers (former competitors) and does not lose the existing customers. New customers profile looks like event management organizations on the one hand and event management organizations services consumers on the other hand. This result is achieved due to the new role of P.Art: Party Artistic Solutions Oy – intermediate consultant. Due to the same reason P.Art: Party Artistic Solutions Oy does not get many new competitors in the new international markets – it still remains the middleman between the main actors.

Figures 12 and 13 below compare the old and the new company's business model and its relations with customers:

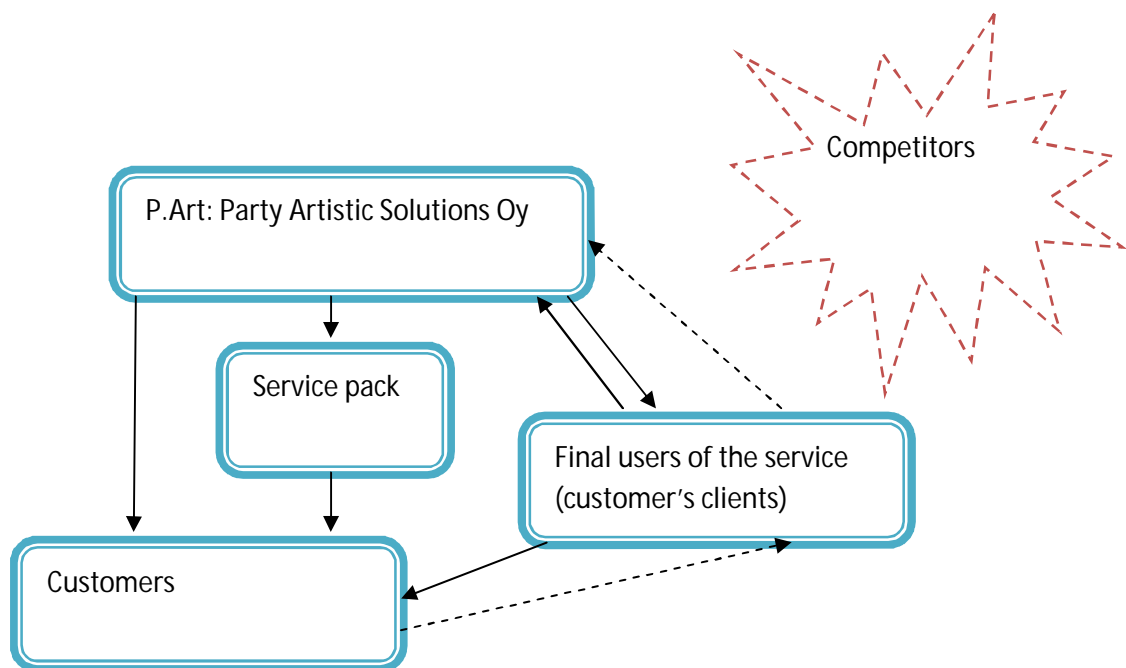


Figure 12. Old business model

The model shows the relations of P.Art: Party Artistic Solutions Oy with its customers. The arrows show the direction of these relations:

1. P.Art: Party Artistic Solutions Oy had to reach the customers on its own in order to be able to offer its service pack;
2. The service pack was totally dependent on the customers' view, although it is created by P.Art;
3. P.Art: Party Artistic Solutions Oy had to maintain the relations with the final users of the service in order to assure that the service offered is in demand;
4. P.Art: Party Artistic Solutions Oy built its communication profile on the final users' respond, not customers' one;
5. Customers based their relationship with P.Art: Party Artistic Solutions Oy on their clients respond only, which created the risk of underestimation of P.Art's work (dashed arrows);
6. There is no clear structure of relationship between P.Art: Party Artistic Solutions Oy and its customers which often scared the customers and prevented them from cooperation;
7. P.Art: Party Artistic Solutions Oy mainly benefited from the cooperation, which made the whole business model unattractive for customers, i.e. win-lose situation;
8. Huge influence of competitors.

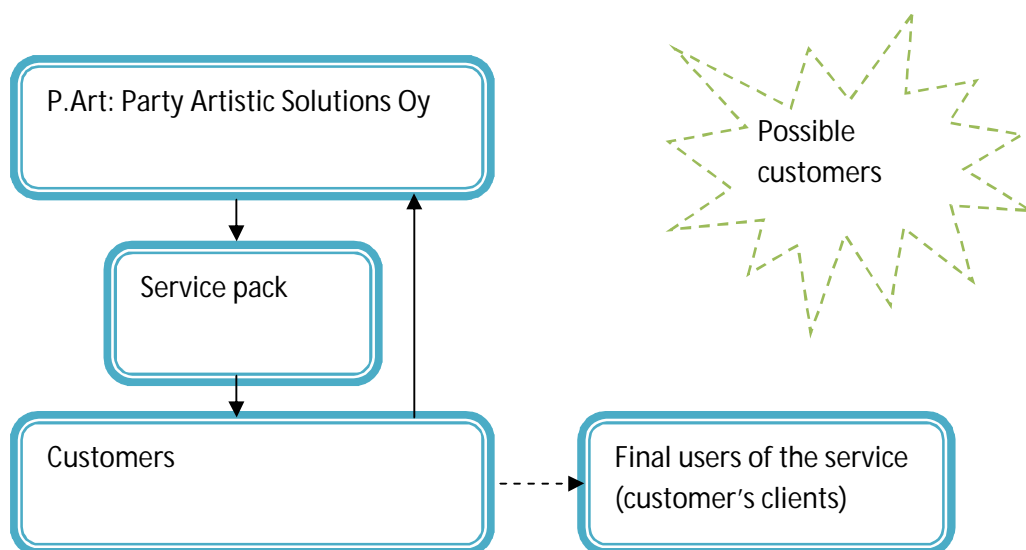


Figure 13. New business model

The new business model shows the simplicity in business relations between P.Art: Party Artistic Solutions Oy and its customers:

1. Both P.Art: Party Artistic Solutions Oy and its potential customers can reach each other in order to use the service pack;
2. The service pack is totally dependent of the customer and P.Art: Party Artistic Solutions Oy just edits it according to the preferences;
3. P.Art: Party Artistic Solutions Oy maintains only the relations with its customers;
4. P.Art: Party Artistic Solutions Oy communication profile is based on the B2B relations;
5. The customers' respond to P.Art's services is based only the B2B relations and their cooperation;
6. Both P.Art: Party Artistic Solutions Oy and its customers benefit from cooperation, i.e. win-win situation;
7. Competitors are converted into potential customers of the services.

The comparison of the business models clearly shows new, business oriented strategy, which also creates new customer groups and cuts out high competition within the selected field of operations.

A very strong point of new position is that it allows using the same name and web address in company's activities.

6.2.2. CREATION OF NEW SERVICE PACKAGE

New concept involves extension of service offer. Until now the service package of the company included creation of an event's unique idea, planning of promotion campaign and handling of the event itself, which overloaded the company with work and did not allow working on other project separately due to the lack of labor force. Other weak point of this service package was that

the company was mainly oriented on attracting clients to the service buyer, not to itself.

In order to optimize its work P.Art: Party Artistic Solutions Oy has made several changes to its service offer. From then the company offers mainly consulting and marketing services to its clients. The new service package includes:

1. Market research
2. Suggestions on project contents
 - a. Selection of target group
 - b. Outline of points of attraction
 - c. Suggestions on project image
3. Planning and implementing of marketing campaign
4. Promotion
5. Search for partners in other countries

As it is clearly seen, the service is fully business oriented and is in interest of major segment of event management market.

6.2.3. CREATION OF NEW COMPANY IMAGE

In order to be able to meet customers' expectations, P.Art: Party Artistic Solutions Oy has to create a new and reliable image. This requires restyling of the existing logotype and company style as well as reevaluation of customers' values.

According to the Maslow's pyramid of needs, one of the first needs to satisfy is safety. P.Art: Party Artistic Solutions Oy needs to create such a business image that could guarantee its customers proper results and rise level of trust to the company. Safety and trustworthy are chosen to be the key elements of the new brand and will be emphasized.

Since P.Art: Party Artistic Solutions Oy has already gained a certain number of partners and followers, it is essential to keep new logo linked to the previous one.

Figure 14 below gives an example of a new possible logotype that shall match new business concept on the hand, and relate it to the previous business image on the other hand.



Figure 14. New business logotype

Summarizing the features of the new logo it is right to say that:

1. It meets the requirements from the design point of view (no complicated elements, two-colored, easy to draw);
2. It recalls the company business idea;
3. It can be easily used in black and white;
4. It give more business-like impression;
5. It is applicable for printed and web-published documents equally;
6. It is related to the company name.

The strong point of this variant of logo is that it uses the company motto, which is aimed to create an image of quality treatment and serious approach to work.

Obviously, such a rebranding that does not actually require reestablishment of the brand is a very positive activity. It reintroduces the company to its present and new customers and presents new values. In other words it brings the company to the launching phase in its lifecycle and creates conditions for successful penetration of the brand key values into the customers' minds. Thus, customers receive only carefully structured message, the message that was based on the previous results and outcomes.

6.2.4. DEVELOPMENT OF COMMUNICATION PROFILE

The previous business model due to its complicated structure of relationships with its customers, partners (both B2B) and final users of the product (B2C) did not allow building of strong and successful communication profile. P.Art:

Party Artistic Solutions Oy had to maintain relations with too many groups. This situation increase the workload significantly and as a result decreased the effectiveness of its communications.

However, the previous communication with the final users of the product made it possible to collect important data on people preferences within the field of entertainment in Finland. These results can be used further in working with “new” target groups.

Renewed business concept concentrates on B2B relations.

6.2.4.1. OFFICIAL WEB-PAGE

P.Art: Party Artistic Solutions Oy has chosen web-page as the main message source. Since P.Art: Party Artistic Solutions Oy does not change its legal name and web-domain address, it can continue using the previous web space.

However, due to the changes in the company’s style it is necessary to reorganize and restyle the web page and make it more user-friendly and customized.

Since the web-page is meant to be the main message source, it shall be designed so that:

1. It is easy to navigate the page
2. It allows to see the information customized for the main target groups
3. It supports different languages (at least Finnish, English and Russian)
4. It is reach information-wise
5. it can be used as a communication tool

In order to meet the above mentioned requirements P.Art: Party Artistic Solutions Oy plans the web page as follows:

Structure

The web shall be divided into 3 sections: for partners, for customers and for ordinary visitors. The page for not specified visitors is the home page and loads first. It shall contain information about the upcoming happenings and

banners of partners. This page also contains links to partners' page and page for customers. It is possible to sign up for new stream, which will come as e-mail message that announces the upcoming events and tells about news of the company.

The partners' page contains information about company's partners with contact details. This service is free for the partners in case when they agree to promote P.Art: Party Artistic Solutions Oy on their pages and the number of visitors of their pages is sufficient.

The customers' section requires logging in with the log-in details provided by P.Art: Party Artistic Solutions Oy to each customer. There it is possible to sign up for newsletters and communicate with P.Art: Party Artistic Solutions Oy about purchased services.

Media

The web-page shall not contain much media files loaded on page start up. This is made in order to fasten up page load period as in different countries Internet connection speed is different. The page must be equally convenient to use for all target groups.

Communication tools

The page provides its visitors with opportunity to sign up for newsletters and updates. As one signs up for such letters the contact details are stored in the company's database and can be used later.

Online feedback form shall simplify the process of getting customers respond. It is available only in customers' section and is hidden for the other groups of viewers.

Advertising

Any company can purchase a place on the front page for its banner if P.Art: Party Artistic Solutions Oy approves it. Besides that it is possible to purchase a space for banner on the customers' pages according to the customers' business profile. This makes such advertisement more targeted and, probably, more effective.

If P.Art: Party Artistic Solutions Oy organizes some event on its own in partners' or customers' premises, the event and the partner/customer is promoted without charge.

6.2.4.2. PRINTED NEWSLETTERS

The other means of achieving the target groups is sending out printed newsletters on a regular base. The newsletters are meant to inform the customers on company's activities updates as well as company's new partners. Even though newsletters are not the main channel of message delivery they are needed in order to reach the customers with higher efficiency.

6.2.4.3. COMMUNICATION MIX

Besides web-page P.Art: Party Artistic Solutions Oy tends to use communication mix as alternative source for own promotion. The major part of marketing campaign shall be implemented through personal selling and direct marketing. In order to enforce the promotion effect, P.Art: Party Artistic Solutions Oy has to work out special offers for its customers and partners that could make them interested in delivering P.Art: Party Artistic Solutions Oy message to their own contacts. Such offers could be accumulative discount for each customer if a P.Art: Party Artistic Solutions Oy receives new customers from the existing one.

6.2.4.4. CUSTOMER RELATIONSHIP MANAGEMENT

In order to manage the relationship with its customers P.Art: Party Artistic Solutions Oy decides to obtain a database software such as Filemaker Pro or similar to it.

The huge advantage of the database software is its applicability to any business model and ease of use. Such software allows maintaining the relations with customers, producing reports, enabling automatic and customized mailing, fast searching of data, etc.

Obviously, this increases the quality of service and as a result its value.

6.2.4.5. THE MESSAGE

The main aim of the renewed company's message is to make its customers understand that working with P.Art: Party Artistic Solutions Oy is beneficial for them.

The communication map in this case shall look like it is described in Figure 15:

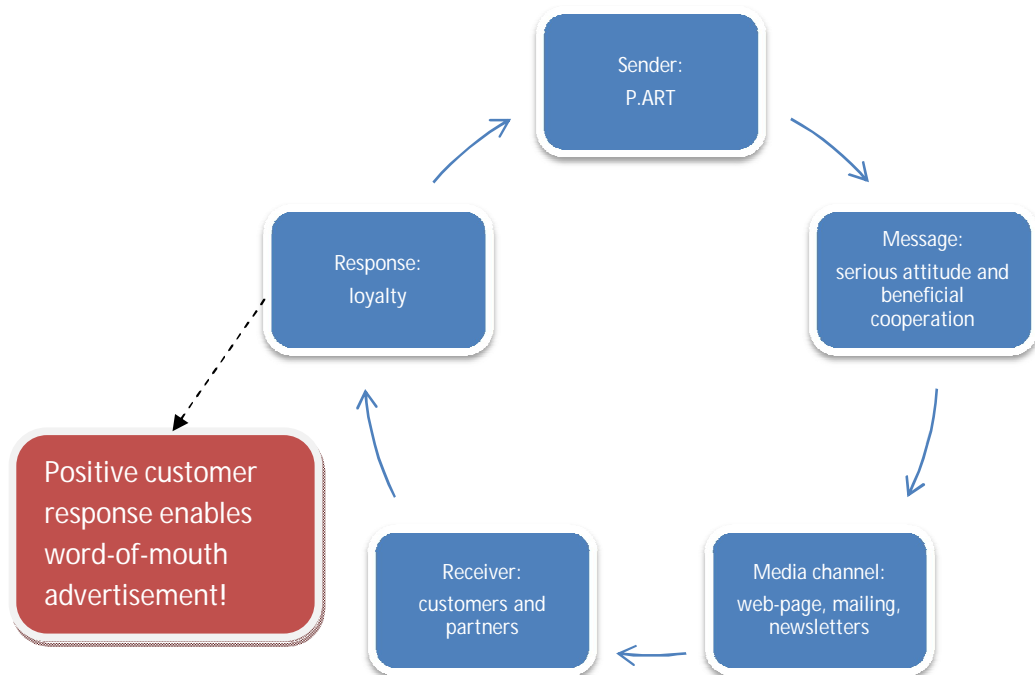


Figure 15. Communication map

P.Art: Party Artistic Solutions Oy shall send such a message to its partners and customers that produces the view of P.Art's serious attitude to its work and shows cooperation with P.Art as beneficial. The media channels are chosen as web-page, mailing and printed newsletters. The message shall create loyal attitude to P.Art: Party Artistic Solutions Oy and a desire to

cooperate. If such response is created it would allow spreading of positive information about P.Art among partners' and customers' contacts which enables word-of-mouth advertisement of P.Art services. It is very important to assure that the message is interpreted correctly and accepted by the partners and customers, because otherwise it can produce an uncontrollable spread of negative feedback. Thus, P.Art: Party Artistic Solutions Oy must react to customers and partners response accurately and in time.

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