Johanna Narkiniemi

Using Digital Marketing to Develop a Modern Marketing Strategy for a Startup

Case study: Design With Benefits

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The purpose of this study was to discover how digital marketing can promote a newly launched startup's business in the United States market. Other objectives were to more precisely define the market where company is operating, to identify its main challenges and find ways to build stronger brand equity, and how to engage the target customers. The study also aims to provide a comprehensive situational analysis of the market and conduct realistic research of the marketing possibilities, and suggest potential marketing actions. The Approach was to conduct a case study about Design With Benefits, whose business idea is to sell designer products with social and environmental benefits. Even though the concept is good and functional, reaching the potential customers and defining the market is challenging for every starting company. This was the reason why there was a need to perform this study.

Qualitative research was chosen to gather the primary data. This was done through conversations and emails with the co-founder of Design With Benefits. The primary data provided better understanding of the business idea and the objectives for marketing. The primary data provided the basis for where to build the research. Articles, books, statistics, and e-journals were used as a secondary data.

The findings showed that the future of marketing is in digital marketing, and companies are quickly moving towards it because consumers are spending increasing amounts of time online. The study also discovered that amount of consumers making purchases online is growing. Therefore, in order to promote Design With Benefits' marketing actions, a need to add digital marketing strategy as a part of overall marketing plan arose.

Keywords	Marketing strategy, digital marketing, social media, e-commerce

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1   Introduction

The purpose of this study is to examine how digital marketing can be used more effectively as part of a company's overall marketing strategy. This can be achieved by identifying efficient digital marketing actions for the company to increase sales and most importantly, customer engagement with the company. Also, this exploratory research aims to define the company´s target market more precisely, which is still vague and based on assumptions. The main focus is to find ways to improve these two topics in practice.

Nowadays people are becoming more and more environmentally conscious, which encourages the establishment of new companies with the same values. This was the case when the startup, Design With Benefits, was founded. The startup's idea is to sell designer products with social and/or environmental benefits. In addition, all products have a unique story and are high in quality. However, even though the concept is good and functional, finding their potential customers and defining the market is challenging for every starting company. Currently, Design With Benefits' sales are increasing, but slowly. This was the reason why there was a necessity to perform this study.

The company is operating in the North American market, and more precisely in the United States (US). The market is highly competitive but smaller companies can still find their market share, since purchasing power is huge when compared to many other countries. This will be discussed further in the study when analyzing the market in more detail. The positive prospects include the fact that online shops have increased their popularity every year, so it was a natural choice for Design With Benefits to concentrate on online sales rather than through brick- and mortal stores. According to statistics, the US online retail sales are forecasted to reach $327 billion dollars by 2016 (Indvik 2012). This indicates that purchasing from online stores is becoming a part of common buying behavior.

1.1   The Company's Background

Design With Benefits (www.designwithbenefits.com) is a new and curated product website that explores the intersection of design and social responsibility. The company was launched in January 2013 and is now searching for ways to build brand awareness and ways to market its website efficiently and cost-effectively. Design With Benefits sell products through its website (see picture 1) such as apparel, furniture, jewelry, books, art and toys, all of which have social benefits. The sales are only conducted online and the company does not have a physical location. One third of the site is dedicated to compiling news and stories about current projects in the area of design activism, from architecture and urban design to product design; any project utilizing design as a means of solving social issues. The heart of the site features the sale of beautiful, clever, design-driven products that provide social benefits in unique ways.
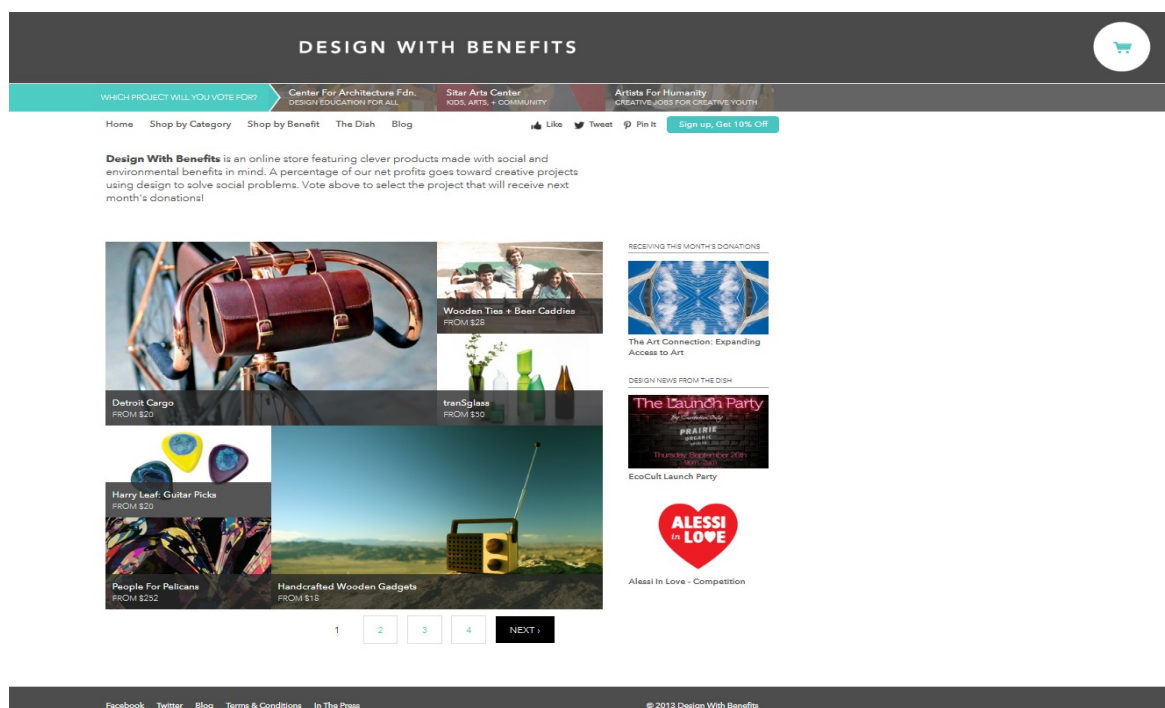
Picture 1. The home page of Design With Benefits' online shop. (Design With Benefits 2013)

Design With Benefits hopes to foster a sustainable model, including environmental, economic, and equitable sustainability. Partnering with companies, promoting design efforts, and selling products on the website that embody these values is at the core of their businesses. Design With Benefits seeks out products made from upcycled and

recycled materials. They are partnering with local organizations to create unique products that create jobs and reinvigorate local economies, and featuring and donating a percentage of the profits to organizations with ethical and equitable business models. (Garbe 2013)

According to conversations with Garbe (2013) it was clear from the beginning that Design With Benefits would choose a business model where the company operates solely through its website, and this will not change in the near future. The business model is a method by which the organization sustains itself in the long-term and includes its value proposition for partner and customers as well as its revenue stream (Strauss and Frost 2009: 27-28). Design With Benefits' model is a combination of customer relationship management (CRM) and community building, since the former involves retaining and growing business and involving individual customers by keeping the customers for the long-term, as well as increasing the frequency of their transactions with the company. The second, community building, seeks to draw groups of special interest users by engaging them with the company through the company's blog, social media, and website. (Strauss and Frost 2009: 32-33)

To promote the model it was natural for them to choose a business strategy from the business strategies that are designed for e-commerce. The aim of the strategy is to achieve a particular goal through the contingent plan of action designed. (Casadesus-Masanell and Ricart 2010:9) When the business strategy includes information technology components, it will become e-business strategy. (Strauss and Frost 2009: 27) The main goal that Garbe pointed out was growth, in sales and company awareness. In this case, Design With Benefits' e-business strategy is to reach its growth goals through the online retail store and use digital marketing as part of the marketing actions to promote the strategy. The company earns its profits through a traditional sales model by purchasing wholesale from vendors and selling retail without holding inventory or risk. Giving back a percentage of the company's profits is an integral part of their business strategy. Not only does this provide an additional social benefit to a worthy cause, but it also helps to attract new potential visitors to the site. Because featured organizations wish to increase their chances of winning donations, they are encouraged to utilize their media and customer channels to drive more traffic to the site. This creates a win-win for projects, vendors, and the site. Designers are looking to get information on

participatory Design/Community Design/Design Activism and customers who are social-ly oriented and who care about responsible purchasing.

2   Literature Review

This section goes through a number of basic theories of traditional marketing and digi-tal marketing in order to understand the decisions concerning Design With Benefits' digital marketing actions. Particularly, when it is a startup and has recently entered into the market, it is important to identify different marketing tools to be able to create a comprehensive marketing plan to reach its target market. Before moving to explain and review marketing theory, it is important to understand and define what a startup is. There is no official definition of a startup, but one of the most used ones is Steve Blank's (Forbes 2012) definition: "A startup is essentially an organization built to search for a repeatable and scalable business model", or as described in USLegal Inc (2013), "A startup company or startup is a company with a limited operating history. These companies, generally newly created, are in a phase of development and research for markets".

2.1   Marketing

The basic function of marketing is to manage customer relationships. According to AMA (American Marketing Association 2013) it is defined as such: "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchang-ing offerings that have value for customers, clients, partners, and society at large." The twofold goal of marketing is to attract new customers and keep and grow current cus-tomers by delivering satisfaction. It is a process by which companies create value for their customers and build long-lasting and strong customer relationship in order to gain value from customers in return. (Armstrong 2012: 8).

It would be easy to assume that marketing is nothing more than selling and advertis-ing, but all marketing functions aim to create value for customers to earn their lifetime loyalty and minimize customer turnover. The concept of marketing has changed over the years and has become more customer-oriented since the old days of making a sale

by telling and selling. The marketer has to understand consumer needs, wants, and demands to be able to develop products and services that provide superior customer value, as well as pricing, distributing and promoting them effectively. Since selling and advertising are only part of a larger marketing mix, an effective marketing strategy combines all of these four components (price, product, promotion, place) together. The concept of 4P's (marketing mix) will be explained in more depth further in the study. (Armstrong 2012: 8-9; Kotler 2013: 4 - 8)
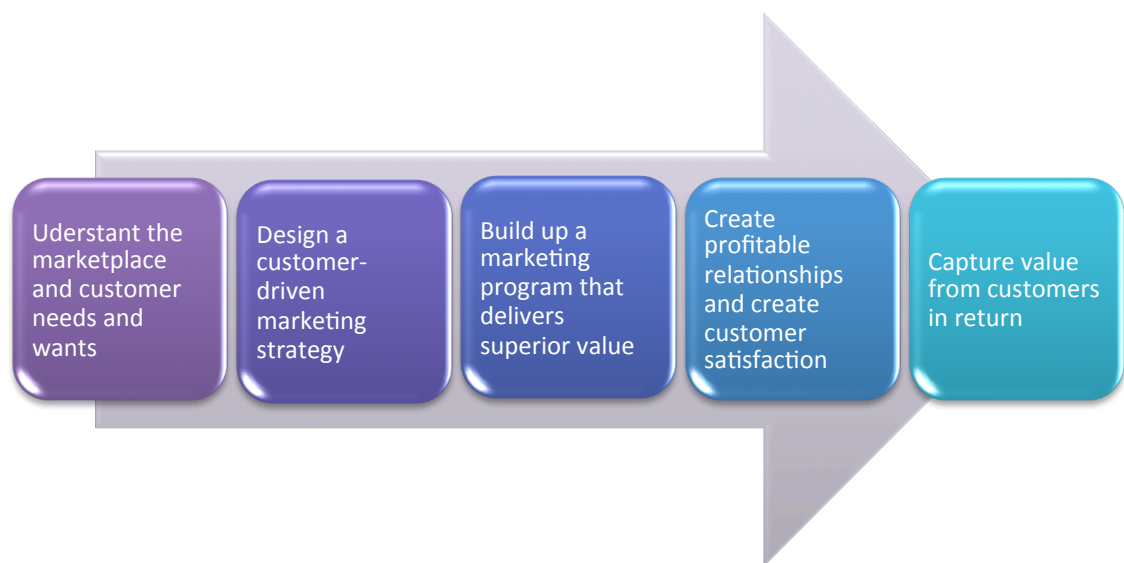
Figure 1. Marketing process model. Adapted from Armstrong (2012: 9).

Figure 1 explains the marketing process. It is a simple model for companies in five steps: first, understanding the customer; second, designing a marketing strategy that appeals to potential customers; third, creating customer value; fourth, building strong customer relationships; and in the final step, creating value for customers. In return, the company receives value from the consumers in the form of sales, profits, and long-term customer equity.   (Armstrong 2012: 9; Kotler 2013: 5)

2.2   Marketing Plan

A marketing plan is a comprehensive document about how the company's strategic objectives will be achieved by using specific marketing strategies and tactics. The marketing strategy defines which customer groups the company will pursue and how it will

create value for these customers. After creating an overall marketing plan, the company will design a marketing program, which will actually deliver the intended value to target customers. The program will build customer relationships by putting the strategy into action. The purpose of the marketing plan is to give direction and focus to the company, brand, or product. The foundation for marketing plan, is to define the target market and segment, to position the product and to decide the marketing mix factors. (Armstrong 2012: 56, 559)

2.3 Defining Market

Nowadays, companies have realized that it is impossible to appeal and reach all the consumers in the market, at least not in the same way. There consumers are too vast and widely-scattered in number, and they vary greatly in their needs and buying behavior. Moreover, companies themselves differ significantly in their abilities to serve different segments in the market. Therefore, to be the most profitable it can be, a company needs to identify these parts of the market that it can serve the best. Through segmentation, companies can select one or more market segments and develop products and marketing practices tailored to each. (Armstrong 2012: 187- 190) Figure 2 shows the three major steps when defining market. The first describes segmentation, the second step is target marketing, and the third is market positioning. (Armstrong 2012: 187 - 188) The following chapters will explain each of these steps.

Figure 2. Three steps of building a competitive strategy. (Armstrong 2012: 188)

2.3.1 Segmentation

The market consists of diverse consumers that differ in many ways. The difference may lie in their wants, how they use the product, location, buying attitudes, and buying practices. Market segmentation is a way for companies to divide large and hetero-geneous markets into smaller segments that can be reached more effectively with products and services that match the needs of customers. There are many ways to segment the market. The best way to find the most suitable segments is to try different segment variables alone and together. The most commonly used variables in the consumer market are: geographic, demographic, psychographic, and behavioral. (Armstrong 2012: 187 – 188; Kotler 2013: 204-213)

Geographic segmentation divides the market into different geographical sectors based on region, country, town/city size, population density, and climate. Demographic segmentation divides the market into groups based on age, gender, family size, income, occupation, education, nationality, ethnicity, generation, and life-cycle stage. Psychographic segmentation divides consumers into groups based on social class, lifestyle, and personality, because even in same demographic segment there might be several psychographic groups. The last segment is behavioral, whose groups are based on

consumers' knowledge, attitudes, uses, and responses to a product. (Armstrong 2012: 188 - 196)

2.3.2 Target Marketing

Through targeting the market, based on revealed segments, the company will find more realistic opportunities. Fist, the company has to evaluate the discovered segments by looking at three factors: segment size, growth rate, and expected profitability of the segment. Major structural factors that affect long-term segment attractiveness also need to be evaluated. For example, are there already too many big competitors in the same segment market, or if the segment is not attractive enough then the buyers might have a lot of bargaining power and force the prices down. Hence, the company should consider its own objectives and resources to decide if they can succeed in an attractive market. According to Armstrong et al. (Armstrong 2012: 201), that is why the company should only enter into segments in which they can offer superior value and gain an advantage over their competitors. Company should choose the target marketing strategy based on their resources. (Armstrong 2012: 202; Kotler 2013: 214-220)

2.3.3 Positioning and Differentiation

After selecting the target group through segmenting, it is time to decide on the product or service positioning. During this process, the product or service will be defined in the minds of the customers through important attributes. One once said "Products are created in the factory, but brands are created in the mind" (Armstrong 2012: 208). Some examples of positioning in the market: In the fashion world Gucci and Prada can be categorized as a luxury brands, H&M is positioned as trendy and cheap street fashion, Rip Curl is positioned as skater/surfer brand and Peak Performance is positioned to be an above mid-range outdoor clothing line. In the end, consumers will do the positioning in the market with or without the help of the marketer. Therefore, the company should do the positioning itself to define its own place in the target market. (Armstrong 2012: 208; Kotler 2013: 221).

Differentiation is an important part of the positioning process. Through differentiation, the product or service stands out from other similar products or services. The differentiation process includes three steps: identifying a set of possible customer value differences, choosing the right competitive advantages, and selecting the overall positioning strategy. Differentiation can be done by the line of the products, services, images, people, and channels. A competitive advantage is gained by offering consumers greater value either through lower prices or providing better benefits than competitors, which justify higher prices. (Kotler 2013: 221)

2.4   Marketing Mix (4p's)

After deciding the overall direction of the marketing strategy, the next thing is to decide the company's marketing mix. It is one of the major concepts of modern marketing. The marketing mix consists of four Ps: product, place, price, and promotion. Figure 3 explains what every P includes. These are the four marketing strategy elements that make marketing operations profitable. The aim is to find a combination of marketing policies that will reach the customers at minimum cost. (Kotler 2013: 53) According to Kotler et al. (2013: 53) the marketing mix is the set of tactical marketing tools that the firm blends to produce the response it wants in the target market. The following chapters will explain each P in more depth.
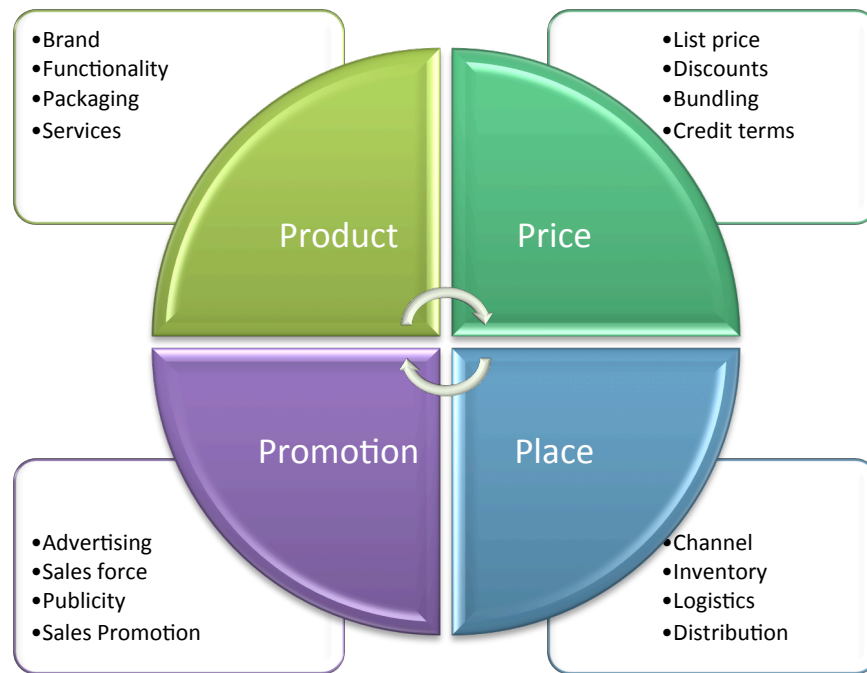
Figure 3. The four factors of the marketing mix. Adapted from Kotler (2013: 53).

2.4.1 Product

According to Armstrong et al. (2012: 226), product can be defined as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfying a customer's wants or needs. The concept of a product includes more than just tangible goods. It can be also physical objectives, services, events, persons, places, organizations, ideas, or a mixture of these factors. Special attention goes to services, since they play a big part in the world's economy. Services are an intangible form of a product that consists of activities and benefits offered for sale that are essentially intangible and cannot be owned. (Armstrong 2012: 226)

Every product has its own life cycle (PLC), and according to it, the course of sales and profits over its lifetime can be seen. PLC has five identifiable stages, which are demonstrated in the figure 4. PLC models can also be applied to concepts such as fashion, styles and trends.

Sales and Profits
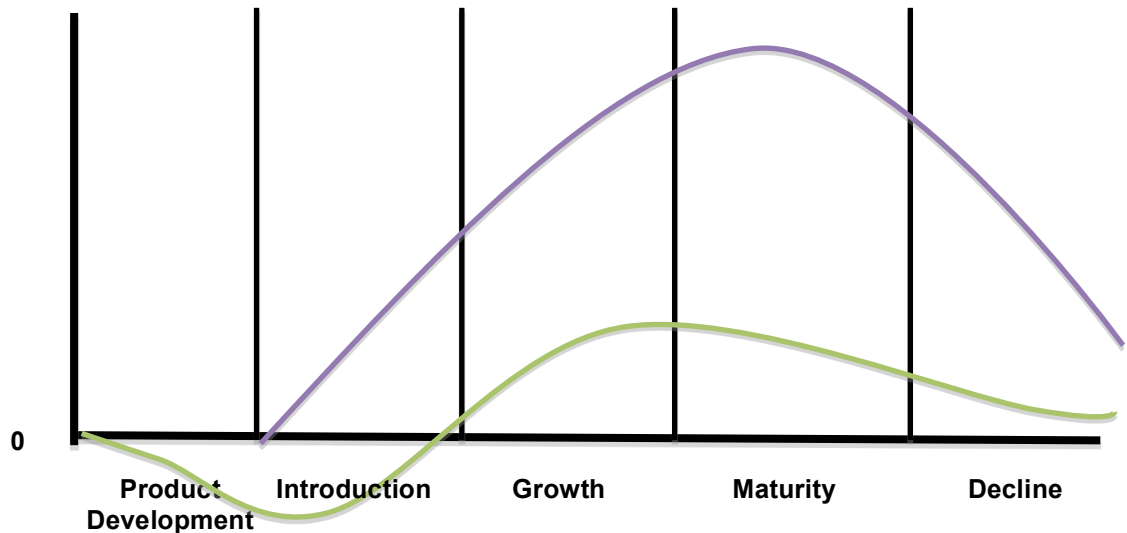
Figure 4. How sales and profits vary over time in Product Life Cycle. Adapted from Armstrong et al. (2012: 277)

1. Product development – The company finds and develops a new product idea. Sales are zero during this phase but the company has investment costs.
2. Introduction – The period when sales grow slowly and the product is introduced to the market. Profits are non-existent since introduction into the market incurs heavy expenses.
3. Growth – This period is when rapid market acceptance begins and profits increase.
4. Maturity – Sales growth flattens out because the product is now accepted by most potential buyers.
5. Decline - The period when sales decrease and profits drop.

(Armstrong et al. 2012: 278; Kotler et al 2013: 287)

2.4.2 Place

The purpose of placing is to make the product or service available for customers. Place includes choosing channels, assortments, locations, inventories, transportation, logistics, and coverage. Making a service or product available for consumers involves building relationships with customer, as well as resellers in the company's supply chain. Some of the more commonly-used distribution channels include wholesalers and retailers. Armstrong et al. (2012: 328) emphasizes that channel members add value, when introducing a product or service, by bridging the major time, place, and processing gaps that separate goods and services from their users. This can be done by using various different consumer and business marketing channels, or a combination of these. An example of a channel: producer → wholesaler → retailer → consumer or producer → consumer. The first one has more intermediaries that the last option. Therefore, the last one is called a direct marketing channel and the rest are called indirect marketing channels, since they contain more intermediaries. (Armstrong 2012: 326-329)

In order to understand why a company should choose a certain channel, the company needs to indentify a pattern in how the consumer generally goes into the buying action. This is called the purchase funnel or marketing funnel. (Haven 2007: 3) There are several versions of the purchase funnel but all of them are based on the AIDA model (Awareness, Intention, Desire, and Action), which describes the steps a customer undergoes when making a purchasing action. The consumer goes through five stages of adopting a new product, but according to Kotler et al. (2013: 161) in more routine purchases, the consumer often skip some of the stages. The traditional purchase funnel explains the process, which triggers the buying action. Since there are several versions of the model, Forrester's model was used as an example in this study.

According to the model (see figure 5) the first thing marketers should concentrate on in their marketing actions is building awareness for their product in order to get the attention of the consumer. The second stage involves the consumer considering buying the product or service and the consumer starting to seek out more information about the product. The third step is preference, when the customer, after evaluating different products or services, prefers a certain product or service over others. The fourth step

leads to a buying action, and the fifth stage is loyalty, which is built after the consumer has used the product or service. (Court 2009; Haven 2007: 3; Petit 2011)
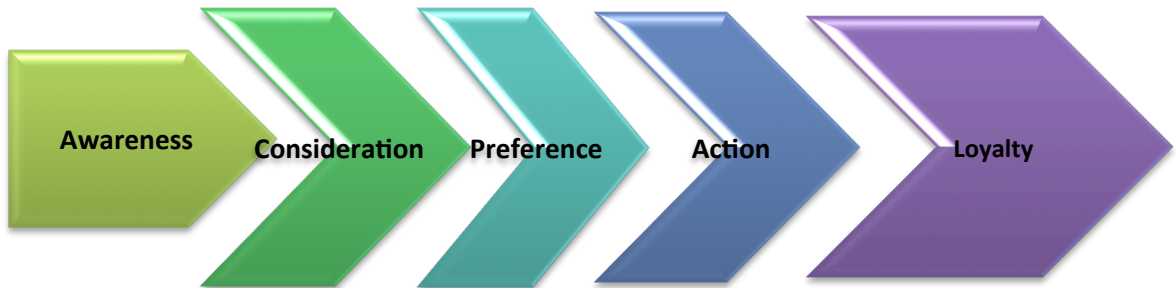
Figure 5. Forrester's purchase funnel model. Describing the customer's steps in a buying action. Adapted from Haven (2007: 3).

2.4.3 Price

Price is the amount of money that consumers need to pay to have the product or service. Price is one of the most important factors that affect the customer's choice, and it still plays a major role. However, after years pass, the non-price factors gained importance in consumer selection. Both the effectiveness of the logistics and physical distribution have a significant impact on customer satisfaction and company costs. (Armstrong 2012: 56, 292)

In the marketing mix, price is the only factor, that makes revenue. All of the other elements incur costs. Even though price is the most flexible element of the marketing mix, it can be one of the most problematic ones from the marketing aspect. This means that pricing is not always set according to the value that it is worth to consumer although it has a great importance. Overall costs also define the price level, since they will set the bottom line. According to Armstrong et al. (2012: 292), pricing should be more value-oriented than cost-oriented and should take into account the other marketing mix elements. The price of the product or service is the key factor when creating customer value and building customer relationships. (Armstrong 2012: 259)

New product pricing

Market-skimming pricing

Setting first a high price (max. revenue) then lower the price for middle, lowest and last for the bottom income

Market-penetration pricing

First low price for new product to gain attraction of buyers and dominant market share

Product mix pricing

Product line pricing

Setting price steps between product line items

Optional line pricing

Accessory product sold with the main product

Product-bundle pricing

Several products sold together

Captive-product pricing

Product which must use with the main product

By-product pricing

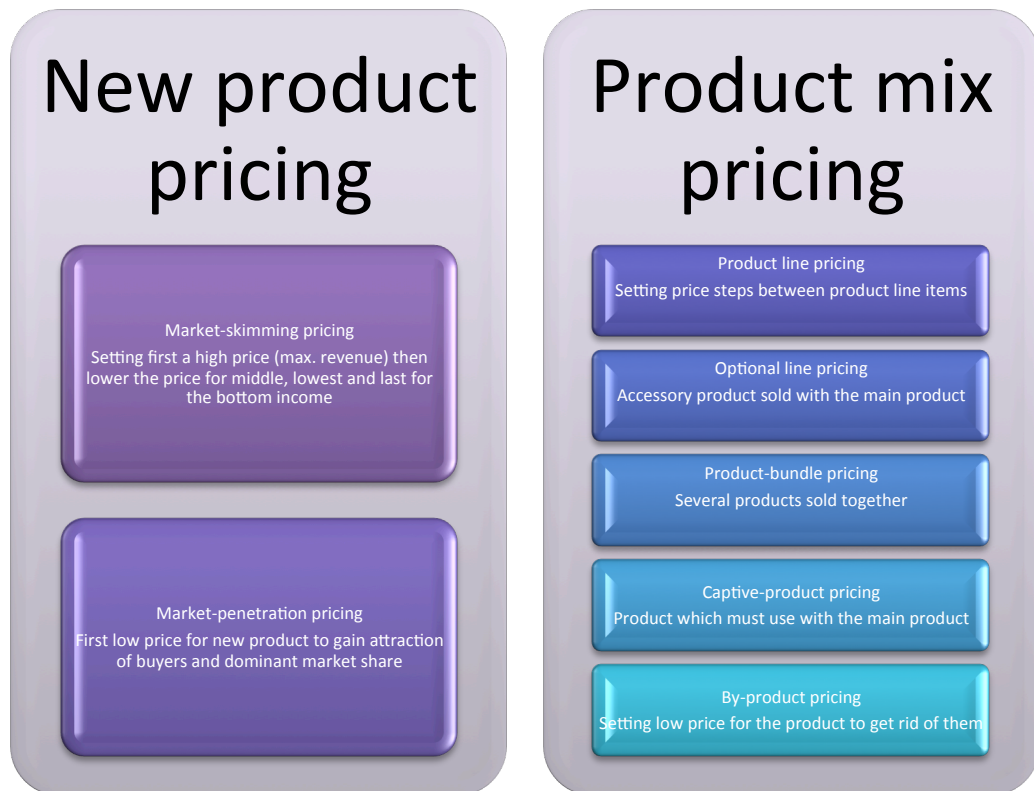Setting low price for the product to get rid of them

Figure 6. The major dynamic pricing strategies available for new products and product mixes. (Kotler 2013: 330-332).

Figure 6 shows the different pricing strategies for new products and product mixes. These new product strategies are meant for products in the introductory phase of the product life cycle. It is challenging for companies, since the product is being presented the first time. Product mix strategies are for related products in the product mix. This is because prices often change during the product life cycle. The aim is to maximize the profits on the product mix by changing the pricing. (Armstrong 2012: 304 - 307)

2.4.4 Promotion

The fourth element of the marketing mix is promotion, and it consists of the following five promotion tools: advertising, sales promotion, public relations, personal selling, and direct marketing. Through these elements the company communicates with the customer with the goal of building strong customer relationships. Every company should choose which promotion tools they will use to create their coordinated promo-

tion mix. It can be, for example, personal selling and direct marketing or advertising and sales promotion together. (Armstrong 2012: 386-389)

2.5   Branding

Kotler et al. (2013: 257) states in their book that brands are more than names and symbols. They represent the consumer's perceptions and feelings about the product and its performance, so brands actually exist in the minds of the customers. Therefore, powerful and successful brands have high brand equity, which mean the brand has a positive differential effect on customers. It is also a measure of the brand's ability to capture consumer preference and loyalty. As such, companies are carefully building and managing brands. Companies such as Coca-Cola, Disney, and Gucci have created a brand, that is more valuable than the actual product or service they produce. Brands that have the highest market share do not have it because of unique benefits, or reliable service alone, but because consumers feel that they gain some special value through the brand.

Figure 7 demonstrates how brand strength can be valued through four consumer perception dimensions: differentiation: how the brand stands out; knowledge: how much consumers know about the brand; esteem: how much consumers value the brand; and relevance: how much customers feel they achieve through the brand and how it meets their needs. High brand equity affords many competitive advantages to the company. According to Kotler et al. (2013:257) the brand has positive brand equity when consumers react more favorably to it than to another similar product. To be successful in branding, the company needs to have a good balance between these four dimensions, since highly a differentiated brand does not necessarily mean that the customers will buy it. (Armstrong 2012: 239-240) A survey made by Rossiter and Bellman (2012) states that emotional branding is very effective. This means that the company creates strong emotional bond between the customer and product or service. For example, this can be companionship or love of the brand. These emotionally attached customers are the most profitable since they do not need promotions or offers to buy the brand. (Rossiter 2012: 291-295)

Figure 7. Four factors of high brand strength. (Armstrong 2012: 239)

2.5.1   Customer-Based Brand Equity

Keller (2001: 5) shows in his research that a strong brand can be built by using the customer-based brand equity (CBBE) model as help. This model provides a benchmark for companies to assess their brand-building efforts. According to the model, it involves four steps: firstly, establishing the proper brand identity; secondly, creating the appropriate brand meaning through strong, unique and favorable brand associations; thirdly, electing positive, accessible brand responses; and fourthly, building brand relationship with customers that have intense and active loyalty. To achieve these four steps, brand needs to establish six brand-building blocks: brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance. The following figure 8 illustrates how steps and blocks affect each other. When the brand achieves the most valuable brand-building block, brand resonance, the customers show a high degree of loyalty to the brand and actively interact with the brand and share experiences with others. Brand resonance occurs after all of the other brand-building blocks are established. (Keller 2001: 5-7)

Brand
Resonance

Consumer Jugment
and Consumer
feelings

Brand Performance and Brand
Imagery

Brand Salience

4.Relationships
What about you
and me?

Intense and active
relationship

3. Responses
What about you?

Positive and
accessible responses

2. Meaning
What are you?

Strong, favorable,
and unique brand
associations

1. Identity
Who are you?

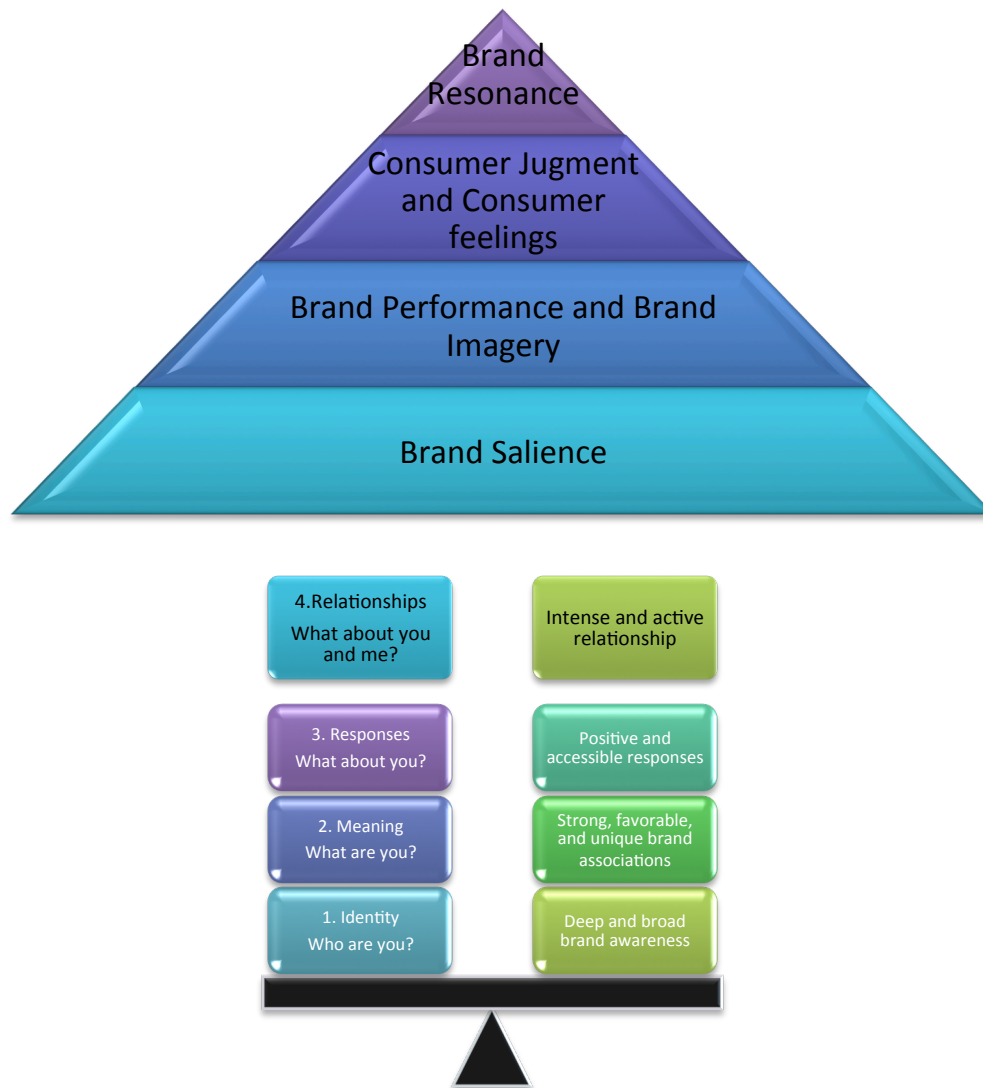Deep and broad
brand awareness

Figure 8. Customer-based brand equity model for strong brand building. Adapted from Keller (2001: 5-7).

2.6   Digital Marketing

After reviewing the principles of marketing this section concentrates on defining digital marketing and exploring its opportunities. The concept of marketing has changed with the growth of the Internet. It has shifted consumers from magazines, newspapers, and even some cases television and radio to the Internet. According to the Internet World Stats (2013), in 2012 the Internet was used by 2.4 billion people around the world, and those numbers are increasing every year. In the United Sates, the same number was 273.8 million users and in Europe 518.5 million. The Internet is not only accessed

through computers, but also by mobile phones, tablets, game consoles, and other portable devices. Therefore, the new era of marketing has a digital form. Digital marketing could be defined as a sub-branch of traditional marketing that uses digital channels to achieve the same goal as traditional marketing, which is, to attract new customers and keep old ones by promising superior value. This is only done by engaging the customer with the brand through social media, blogs, forums, email marketing, mobile applications, website optimization and online display marketing. Below, figure 9 shows how Internet users are scattered around the world. The higher users are Asia, Europe, and North America. (Internet World Stats 2012)

Internet Users in the World 2012

- Asia — 44.80%
- Europe — 21.50%
- North America — 11.40%
- Latin America/ Carribean — 10.40%
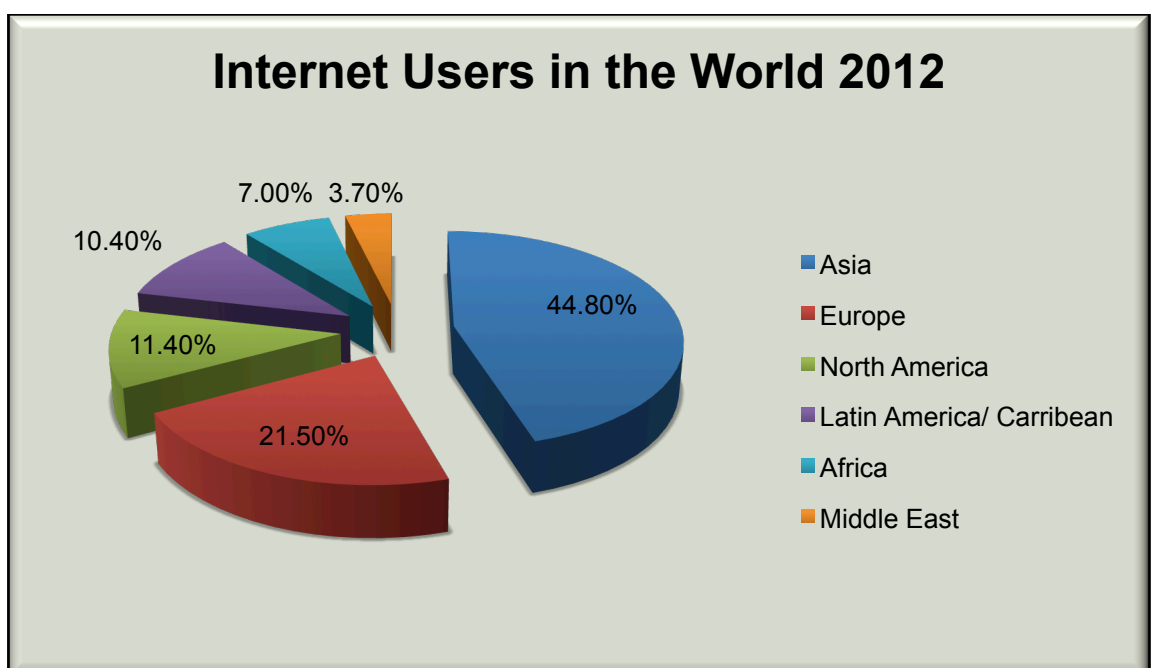- Africa — 7.00%
- Middle East — 3.70%

Figure 9. Internet users around the world. Distribution by world region in 2012. Adapted from Internet World Stats (2012).

Scott states (2010: 6) that the web has created a huge opportunity to reach niche buyers directly with targeted information that costs a fraction of what big-budget advertising costs. As such, smaller companies can even reach their target market via digital marketing without necessitating huge marketing budgets. They only have to find the best and more suitable digital marketing tools such as newsletters, social media, online banners, blogs, and pay-per-click marketing. Only problem is that digital marketing requires innovation, since it can reach millions of people with well-planned marketing, or only few. Creative campaigns usually get the most attention and sometimes even have to be a bit bold and annoy the public.

According to Garder's survey (2013), the top priority in digital marketing investment will be to improve commerce experiences through social marketing, content creation and management and mobile marketing. Key findings also revealed that a companies' marketing success relies mostly on their website, social marketing, and digital advertising, which are all parts of digital marketing. In addition, savings made by using digital marketing can be reinvested elsewhere. Normally, companies spend 10 percent of their revenue on marketing and 2.4 percent on digital marketing, which will increase to 9 percent in the future. (Garder 2013) The next chapter about web 2.0 will explain how the evolution of digital marketing started.

2.6.1   Web 2.0

The term web 2.0 emerged in 2004 to describe the new way in which software developers and end-users started to utilize the World Wide Web. The Internet was no longer a platform where content and applications were created and published by individuals. In Web 2.0, the content is modified by all users in a participatory and co-operational fashion. Personal web pages, online encyclopedias, and the idea of content publishing were replaced by blogs, wikis, and collaborative projects in Web 2.0. According to an article by Andreas M. Kaplan and Michael Haenlein (2010), Web 2.0 can be considered to be the platform for the evolution of social media, which will be discussed in the following chapter. As Web 2.0 is considered to be more of an ideological and technological foundation, user generated content (UGC) can be seen as the sum of the ways people make use of social media. The term UGC is generally used to describe various forms of media content that are publicly available and created by end-users. (Kaplan 2010:61) The prediction is that Web 2.0 is starting to shift to Web 3.0, which means that there will be more interaction with consumers; they will be creating the content and impacting how the web functions.

2.6.2   E-commerce

In order to understand business model of Design With Benefits it is important to define the term e-commerce. It refers to online transactions: selling goods and services on

the Internet, either in one transaction or over time with an ongoing subscription price. Online retail firms buy products and resell them online. Physical products are delivered by using traditional transportation methods and digital products, such as software and music, can be delivered via the Internet. (Strauss and Frost 2009: 33)

According to Kril (2013) online shopping can be considered to be a sub-category of e-commerce as it strongly refers to business-to-consumer transactions such as online retail or online auctions. Online shopping also refers to online purchases from bricks-and-mortar retailers or from online retailing corporations. Online shopping has in-creased significantly in recent years and therefore many traditional department stores have expanded to include online sales. In addition, some new companies have concen-trated on selling only through online store. Figure 10 shows the number of online sales in the US and globally.
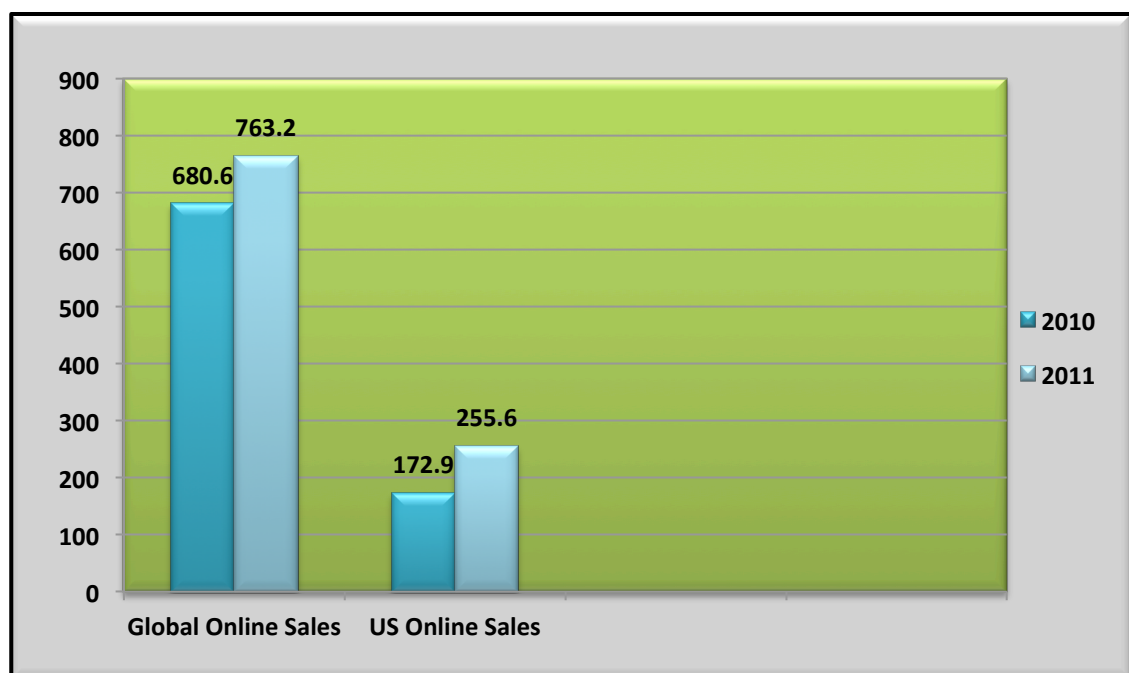

Figure 10. Online sales globally and in the US. Billion US dollars (Forester 2013)

For the website to be as selling as much as possible, the look and feel of it is im-portant. The company can outsource the web designing, and if they choose to do that, they need to make sure the website will be displayed it in a manner so that it reaches the intended target audience by appealing to them in a fashion they are comfortable with and can easily understand. A typical visitor will not read the entire content of

company's website. Therefore, the main points have to be represented clearly. Navigation needs to be easy; for example, finding the content should be easy and the designer should avoid too many layers on the site. The website has to be fast, since user will leave if it takes more than seven seconds to download. Factors such as monitor resolution, blug-ins and browsers need to be also taken into consideration. Because not everyone uses the same monitor, all browsers should be supported, and in some cases sound and video clips might require separate programs (plug-ins) to function. Factors such as age, gender, and nationality should be taken in to consideration when deciding the colours, animations, graphics, and text appearance. It is important to understand the company's audience, such as the culture and how they use information. Another important aspect of design comes down to presenting an image of credibility. This means that the website is the face of the company especially when it is only operating online. The social media used should be in the same line as the website by using the same colours, logos, and text format. The basic idea is to create a website that appeals to the largest possible audience without sacrificing potential customers. (W3bschools 2013; CMS Geeks 2013)

For an online store, it is important to increase the website's visibility in order to get customers to visit the website. This can be done by letting search engines know about the website, describing the content as clearly as possible, by creating great content that search engines prefer, by optimizing photos and videos well to describe what they contain and getting a Google account. Even though there are other search engines, Google happens to be the most popular at the present time. Google evaluates e-commerce sites by their credibility. Tools to manage visibility in Google search include AdWords and Analytics. They give preference to companies that actually sell products. (Ramos and Cotta 2009: 185) These will be explained in the chapter 2.6.4, which is about other digital marketing tools.

2.6.3   Social Media

This chapter goes over the social media aspect in digital marketing, and identifies its possibilities for the company. The general definition of social media according to Kaplan and Haenlein (2010:61), is that, "social media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content". Some of the most well-know examples of social media are Facebook, Twitter, LinkedIn, YouTube, Instagram, Pinterest and MySpace. Figure 11 demonstrates the most visited social networking sites. It also expresses the change of usage. The top three are Facebook, Blogger and Twitter. (Nielsen 2012:5)

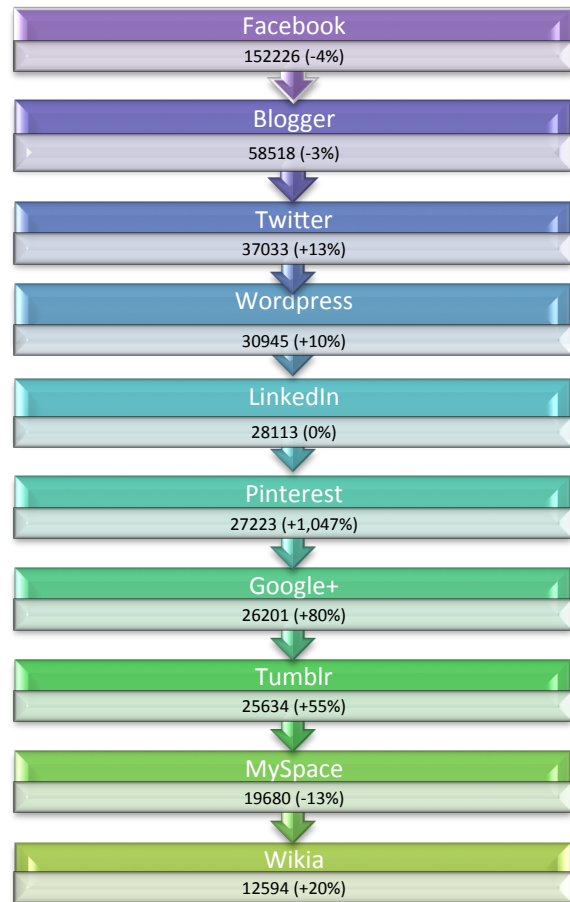| Facebook |
| 152226 (-4%) |
| Blogger |
| 58518 (-3%) |
| Twitter |
| 37033 (+13%) |
| Wordpress |
| 30945 (+10%) |
| LinkedIn |
| 28113 (0%) |
| Pinterest |
| 27223 (+1,047%) |
| Google+ |
| 26201 (+80%) |
| Tumblr |
| 25634 (+55%) |
| MySpace |
| 19680 (-13%) |
| Wikia |
| 12594 (+20%) |

Figure 11. The most-visited social media networking sites in all regions. Adapted from Nielsen (2012:13).

According to Nielsen's study (2013) consumers spend more time on social networks than on any other category of website. Approximately 20 percent of their total time online was used on a personal computer (PC) and 30 percent of total time online on a mobile device. Other devices such as tablets, game consoles, handheld music players and e-readers also increased in popularity for accessing social media. In addition, Nielsen's (2012:7) survey indicated that social media is not solely connected from home, but for example, more than half of people aged 25-34 use social networking in the office. It also revealed that social media has fundamentally changed the consumer decision journey. In other words, the days when companies could tightly control brand messaging and progress consumers along a linear purchase funnel have ended. Consumer decisions and behaviors are increasingly driven by the opinions, tastes and preferences of an exponentially larger, global pool of friends, peers and influencers. It

came up that 70 percent of the social media users hear others' experiences online, 65 percent learn about brands, products and services, 53 percent compliment brands, 50 percent express concerns and complains about brands and services, and 47 percent of them share monetary incentives. (Nielsen 2012:11)

Nielsen's survey (2012:13) discovered that social media has a strong influence on purchasing all over the world, but it is the strongest in the Asian Pacific, Latin America, Middle East, and Africa regions. Approximately 30 percent of users in these regions used social media on a daily basis to learn more about brands, products, and services. Social media has a strong potential to influence consumers across all regions. This means that social media represents a huge opportunity for brands to gain brand awareness and positive favor with consumers. Figure 12 illustrates that social media had the most influence on the purchase decision of entertainment and home electronics in the US. Following that was travel/leisure, appliances, food/beverages, clothing/fashion and restaurants.
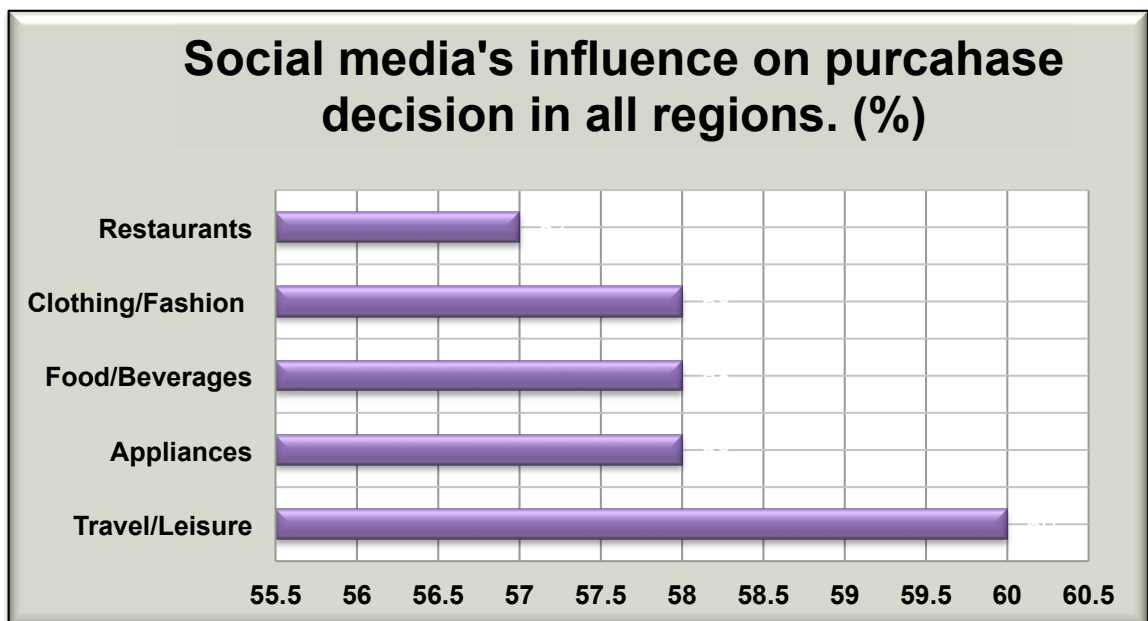

Figure 12. The most discussed product and service categories in social media. Adapted from Nielsen (2012:10).

Ryan and Jones state in their book (2011: 14) that the shift towards social media is perhaps the most significant recent development in online marketing. It can be seen that social media represents a great opportunity for companies and brands to gain positive favor with consumers. Marketers can impact their business by using the adoption

and influence of social media, and harness the growing incomes of emerging markets such as Asia, Latin America, and the Middle East. The consumers in these regions will spend more money online in the future. (Nielsen 2012: 13) The following figure 13 tells the percentage of how many consumers take action after seeing social ads and how many made purchases after seeing social ads. (Nielsen 2012: 10)

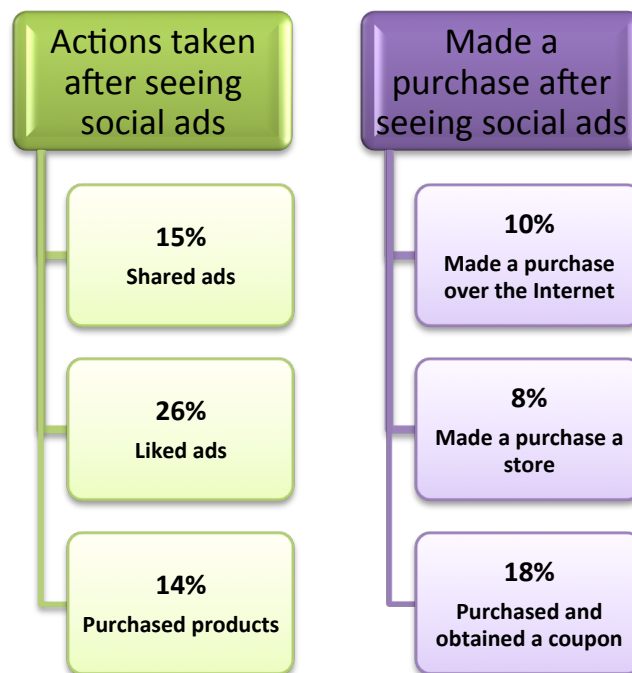| Actions taken after seeing social ads	Made a purchase after seeing social ads
15% Shared ads	**10%** Made a purchase over the Internet
26% Liked ads	**8%** Made a purchase a store
14% Purchased products	**18%** Purchased and obtained a coupon

Figure 13. Advertising in social media: How consumers act after seeing social ads. Adapted from Nielsen (2012: 10).

Social media has not only changed how people communicate online, but it has also changed the consumption of other media too. Online social connections are used to filter, discuss, disseminate, and validate news, entertainment, and products for consumption. (Ryan 2011: 15) The next chapters will explain more about each of the world's current most widely used social medias. There are, of course, many other social networks and applications (apps) available but considering the study, the focus is on the main medias.

Blogs – Independent web-based journals where blog writers (bloggers) publish content such as news, pictures, product reviews, opinions and experiences. Modern blogging has evolved from online diaries in the mid-90s to the new decade as it is now.

There are several blogging platforms available, and the most known ones are Blogger (Google Inc.), Tumblr and WorldPress. (Scott 2011:61- 64; Ryan 2012; 163)

Google+ - A network for sharing photos, interests, videos and news with circles of friends, family, classmates, colleagues, or acquaintances. Google+ can be linked with other Google accounts and services (AdWords, Statistics, YouTube, Blogger). The network was launched in 2011 by Google and currently has over 400 million users, approximately 343 million of which are active. This means that it is now challenging Twitter as the second most engaged social network. (Google 2013; Watkins 2013)

Facebook – A network where people share their photos, journals, videos, music and interests with their network of friends. It was founded in 2004 and is now the most widely-used social media in the world. Facebook reported that it had 699 million daily active users all over the world in June 2013. Approximately 80 percent of them are outside the US and Canada. For marketers Facebook has provided the opportunity to share their paid ads based on demographic factors such as age, gender, location, education, work, and interests. Paid sponsored stories are also on the way for companies to support their marketing action on Facebook. (Scott 2011: 213; Facebook 2013)

Instagram – A free social network for photo and video sharing. It was launched in 2010 and in 2013 it reported having 150 million users. (Instagram 2013) At first, Instagram was mainly used by individuals to share content with their followers but now companies such as PUMA, Converse, GAP, Gucci, and Nike have entered and share pictures and videos of their products and services. At the moment, it is free of charge for marketers. (Instagram 2013)

LinkedIn – A network for professionals to build a network of colleagues, classmates, and friends. By creating an online profile it is possible to discover professional opportunities, business deals, new ventures and share interesting news, ideas and opinions. For companies it works mainly as a career and introduction portal, but it also provides paid advertising and marketing consulting for businesses. It was officially launched in May 2003. In 2013 it reported having 225 million members worldwide. (LinkedIn 2013)

Twitter - A real-time information network that connects users to the latest news, stories, ideas, opinions and interests. Messages called Tweets are 140 characters long, which can contain text, photos and videos. In Twitter, the user can contribute by posting Tweets, participating in conversations, or just exploring Tweets posted by others. The network was founded in 2006 and has over 200 million active users who create over 400 million Tweets every day. (Twitter 2013)

Pinterest – The online pinboard where users can pin their favorite pictures and videos according to their interests. It follows the traditional scrapbook idea, but online. It was launched in March 2010 and now has 70 million users. According to user demographics, the current statistics show that 80 percent of the active users are women. (Nielsen 2013) They use Pinterest to get ideas, for example, for decoration, fashion, and travelling. (Pinterest 2013)

YouTube – A social video sharing network, where individuals and companies share video content. This user-generated video content includes movie and TV clips, video blogs, music videos, educational videos and many other subjects. YouTube was founded 2005 and is now a part of Google Inc. (YouTube 2013). It has over 1 billion visitors each month and over 6 billion hours of video are watched each month on YouTube. (YouTube 2013)

Wikis – Websites that allows the visitors themselves to add, remove, update, and change content on the site. The most famous wiki is Wikipedia, which contains more than 17 million articles, and is in the top 10 most-visited sites on the web. It therefore has a large impact on search engine rankings. (Damian 2012: 275; Scott 2012:52)

2.6.4   Other Digital Marketing Tools

There are tools marketers can add to their digital marketing strategy other than social media. These tools are valuable additions to a company's digital marketing, and some of them are closely linked to social media networks, or can enhance and support their usability. Some of the most used ones are explained below.

Display advertising – This can be, for example, in the form of banner ads on websites or in emails. For marketers this is a visible way to create brand awareness but it does not necessarily translate into direct clicks. Targeted product recommendations based on users clicks are also a rapidly growing means of advertising which may increase product awareness and trigger purchase action. (Blanding 2013; Damian 2011:267; Court 2009)

Email (Newsletter) – Newsletters have been around as long as email and they still have value for marketers. They are fast methods for businesses to quickly share information about sales, promotions, new products, or any other current issues with interested customers, since customers choose to receive (subscribe to) the company's newsletter. (Damian 2012: 31; Scott 2012: 171-177)

Mobile Applications - Accessing social content and the Internet has changed since the arrival of mobile devices and tablets. Mobile application (app) usage now comprises more than a third of social networking time across personal computers (PC) and mobile devices. Nielsen (2013) states in its survey that compared to year 2011 consumers increased their social app time by 76 percent. This means that seven times the amount of minutes have been spent on apps than the mobile web; for example, Facebook was used through its mobile app by 819 million people monthly (Facebook 2013).

Pay-Per-Click Marketing (PPC) – This is also known as sponsored search or paid search. PPC marketing offers to the potential for marketers to bid for placement in the paid listings search results by choosing relevant search terms for their business. Companies pay the amount of their bid only when consumer clicks on their listing. Undoubtedly, the most well known PPC tool is Google AdWords, and Google Analytics for monitoring the results, but Yahoo and Microsoft are also offering the same tools. (Damian 2012: 273) Through these tools it is possible to increase website visibility and evaluate its effectiveness. AdWords is a service to create PPC campaigns by setting relevant keywords. It allows the user to add, delete, and manage bids. Google Analytics is a tool designed to evaluate a company's performance in Google searches, clicks on the website, how users entered the website, and customer acquisition. These two tools have evolved as a unified tool. (Ramos and Cotta 2009: 48, 180-182)

Search Engine Optimization (SEO) – This is a process that aims to enhance the website's listing in search engine results. SEO is done by improving the website's search engine friendliness. In other words, phrases on the site, blog, or other online content are found by the search engines. SEO is often outsourced. (Damian 2011: 273; Scott 2012: 298)

There are wide variety of marketing tools for companies to use. That is why every company should evaluate their goals and their target customer in order to choose the best tools for their purposes. This applies to traditional marketing as well as digital marketing, since the purpose of marketing in general is to reach the target market.

3   Research Methodology

The past chapters have reviewed the theory behind traditional- and digital marketing, so this chapter concentrates on explaining how the study was conducted in order to understand how the data was collected and what questions the study intends to answer. The main objective for this research is to find out how digital marketing can promote a newly-launched startup's business in cost-effective and sustainable ways. The startup was launched earlier this year in 2013. At this point, Design With Benefits has not had much marketing actions and therefore, the company needs more visibility in its market, increased brand awareness, needs to identify its main challenges, create a modern long-term marketing plan, and most importantly, needs to engage with customers. The study also aims to provide a comprehensive situational analysis of the market and conduct realistic research on the marketing possibilities.

A more detailed study of the startup, the market, and how Design with Benefits could be marketed more efficiently, showed that the visibility of the startup is currently low. The digital marketing actions are then based on identifying its core marketing actions and building stronger brand equity and rate. The research question that arose during the process is as follows: How can digital marketing promote the company's marketing in cost-effective and sustainable ways? Some more questions that needed thorough attention included: How can the company be marketed to their selected target group? What is the main target group? How can the company increase visibility? What are the

right marketing channels? How can the customers be engaged effectively, resulting in long-term customer relations? One of the main objectives for the marketing is to increase customer awareness, encourage customers to visit the website frequently, and finally convert the website traffic into sales.

3.1   Research Types

One definition of research is: the process of finding solutions to a problem after thorough study and analysis of the situational factor (Sekaran 2003:3). In a business context, the aim is to search for the truth about business phenomena by using scientific methods. This process includes idea and theory development, problem definition, searching and collecting information, analyzing data, and showing the findings and their implications. (Zikmund et al. 2010: 5) There are three types of business research: exploratory research, which is conducted to clarify ambiguous situations or discover potential business opportunities; descriptive research, which describes the characteristics of objectives, people, groups, organizations or environments; and causal research, in which the objective is to identify cause-and-effect relationships. (Zikmund et al. 2010: 55-57) For this study, the most suitable type of research was exploratory research, since the study sought to discover digital marketing's potential as part of the marketing strategy. However, the study also contains features of descriptive research because it intends to define the potential target group in the market.

3.2   Structure and Research Design

The research was conducted during the spring and summer of 2013. The process followed the general research pattern. The first phase was to choose a topic, that was interesting, current, and in need of improvement. After this, planning for the research method and data gathering began. The last phases of the research were conducted during summer and autumn 2013 and these involved writing the theoretical framework of the study, analyzing data critically, and developing the digital marketing strategy. (Zikmund et al. 2010: 61)

When choosing a research design it is important to evaluate what kind of survey is needed and what kind of information the research intends to deliver. Research design normally describes the purpose of the study, what the research questions are, and how the data is collected. Based on the previous factors, it is possible to select a quantitative or qualitative approach to the survey. (Gray 2009: 132) Qualitative research design was chosen because of its suitability for the research topic, since the design aims to define the actual phenomenon, clarifies factors behind it, and explains how the factors affect each other. The purpose of the qualitative research is to deliver deep, intense, holistic data of the topic under study. (Kananen 2011: 5) Compared to quantitative research, which approaches its topic objectively, establishes relations and causation, tests theories, is measurable, and strives for generalization, the qualitative method better answers the research questions in this study. (Gray 2009: 439 – 450, Kananen 2011:72 - 73)

The research is structured by applying a case study model. Case studies are used when there is a need to research one or two subjects or phenomena in depth. Case study seeks to deliver specific and intensive knowledge about the subject or phenomenon. Case study does not intend to generalize the research but tries to understand and interpret the results of a single case in a way that the case study can show, to some extent, the possibility for generalization and transferability. (University of Jyväskylä, 2013) Therefore, this research can be classified as a case study since the aim is to survey a single case descriptively and develop the state of the subject by producing wider data about. (Taideteollinen Korkeakoulu) All primary data has been collected by interviewing the co-founder of the company and searching and studying the relevant existing secondary data, such as field-specific articles, studies, e-journals, statistics, and literature. The primary data has been collected through discussions and emails with the co-founder in order to understand the business model and what the marketing objectives are. (See appendix 6)

3.3   Reliability and Validity

In every study, reliability, validity, and quality should be ensured. When doing qualitative research, this is more difficult to confirm than in quantitative research because its measures were developed in natural sciences, such as physics and chemistry. Every-

thing is measured through formulas, but in qualitative research, the researcher is dealing with non-rational and non-systematic thinking, emotions, and people's own opinions. However, when writing an academic text such as a thesis reliability, and validity should be taken in consideration. Kananen (2011: 66-69) states in his book that reliability refers to consistency and repeatability of research results and therefore, it is easily to applicable to quantitative research. Validity refers to whether or not the study answered the questions it was suppose to answer. To be able to assess the study is also one of the key factors when measuring reliability and validity in qualitative research. (Kananen 2011: 66 - 69) In this study, reliability was ensured in each part of the thesis by documenting all email conversations with the co-founder of the company, and all of the references used were documented. All of the interpreted data is consistent, ensuring the informant's reliability. This way, the research's credibility has been taken into consideration. Also, validity was covered in the study by answering the main research question: "How can digital marketing promote the company's marketing in cost-effective and sustainable ways?" and its sub-questions.

4 Digital Marketing Plan

After examining different methodologies, it was natural to choose the case study approach and develop a digital marketing plan in practice. This section discusses the most relevant parts of the plan for Design With Benefits. When planning a marketing strategy, is important to first understand the market being pursued. Through this understanding, it is easier for the company to assess its business potential, make investment decisions, identify marketing opportunities, find prospective customers and develop marketing. Also it helps the company plan a better sales strategy and helps decide where to put their focus. Consequently, this study also starts by explaining what kind of market our example company, Design With Benefits is operating in.

4.1 Market Potential

Design with Benefits is operating in a huge market; the United States (US) is the 3rd largest country in the world by population and is the world's biggest and most technologically powerful economy in the world with GDP (purchasing power parity) $15.94

trillion, and real growth rate of 2.2 percent. According to the CIA (2013) in the US, business firms enjoy greater flexibility than their counterparts in Western Europe and Japan when it comes to decisions to expand capital plant, to lay off surplus workers, and to develop new products. However, at the same time, they face higher barriers when entering their rivals' home markets than foreign firms face entering US markets. It is worth nothing that this does not concern Design With Benefits at the moment, since the site is concentrating solely on the US market. US household spending in 2011 was $9428.8 billion dollars, which is enormous when compared to the whole European area, which was $5660.4 billion dollars in the same year. The latest statistics show that average household spending in 2012 was $51.442 (see table 1), an increase of 3.5 percent from 2011. This means that the US market has a lot of consumer power, even though the impact of the world's economic crisis between 2007-2009 can be seen in the US economy. (OECD 2013; Jacobsen 2011; CIA 2013)

Table 1. Average annual expenditure and percentages 2011-2012. Adapted from BLS (2012: 4).

Average Annual Spending	2011	2012	2011-2012 (%)
Total	49.705	51.441	3.5
Food	6.458	6.599	2.2
Housing	16.803	16.887	0.5
Apparel and Services	1.740	1.736	-0.2
Transportation	8.293	8.998	8.5
Entertainment	2.572	2.605	1.3
Health Care	3.313	3.556	7.3

Social, health and environmental influences have grown in consumer purchasing. In recent years, emphasis has been on the food, cosmetics and toiletry industries. In fact, in North America, the natural and organic sector is the fastest growing in the cosmetic sector with a 20 percent increase in sales every year. (Organic Monitor: 2007; ITC 2012: 19) The food and functional food ('superfood') market in the US is expected to continue growing and at the moment, the US market is the most valuable functional food and beverages market in the world, estimated at $155 billion in retail value. The

natural cosmetics market has passed the $5 billion mark. Natural pet foods have grown 4 percent and retail sales reached $18.4 billion in 2010. The sustainable and ethical segment (including fair trade products, ethical product area and sustainable growth) is also growing in popularity. For example, in 2009 the United States' retail sales reached over $851 million. By comparison, Canada had retail sales of $201 billion in 2009, having 66 percent growth from 2008. (ITC 2012: 21) Design With Benefits can be categorized as a part of the last group since its products have these features. However, according to ITC's (2012: 21) report consumers in this group demand transparency when starting with organic ingredients and sustainable manufacturing, all the way to a proof of third-party certifications.

The assumption is that 'green thinking' will spread more heavily in to other industries as well, such as clothing and consumer goods, which promises good prospects to Design With Benefits. This can already be seen in the clothing industry. For example, in Europe clothing giant H&M had a 2013 campaign of 'conscious consuming', which promoted recycling of clothes, avoiding electricity waste when washing the clothes, and use of ecological and recycled materials. Other giants such as Wal-Mart are also paying attention to the conscious consumers in their selection of goods. (Murray 2013) This means that there is a growing demand for products that take social and environmental factors into consideration, from manufacturing to disposal. In this sense, Design With Benefits has every opportunity to succeed in this environmentally and socially conscious sector. According to ITC's (2012: 5) survey, the natural product market requires suppliers to compete in several areas: quality, price, and more recently sustainability certification used to convince the consumers. At this point, the organic market is still in the growth stage of the product life cycle. In that sense, Design With Benefits is entering the market at a favorable time. Design With Benefits' concept is still in the introductory stage.

4.1.1   Social Media and Online Retail Users in the United States

Now that we have defined the overall market to concern in the United States, the more precise intention is to pursue consumers from the natural and organic product market and people with green values. As well, the users of Design With Benefits' digital marketing channels have to be taken into consideration. As such, is important to pinpoint

what exactly are the specific channels. In the early stage, it is more reasonable to concentrate on only a few channels to be able to measure the functionality and effectiveness. In this section we will further study the user demographics of those selected social medias. Online retail behavior needs to be examined as well.

The research done by Duggan and Brenner (2013: 2) indicates, that over half of social media users are women between ages 18-29. The study also shows that Hispanic and Black people are more likely to use social media, and people who are living in urban settings (see appendix 2). Facebook, Pinterest and Instagram are more popular among women than for example Tumblr, whose users are equally divided into men and women. (See table 2) Twitter is slightly more popular among men. (Desilver 2013; Duggan and Brenner 2013: 3)

Table 2. Demographics of social media users in the United States. Adapted from Duggan and Brenner (2013: 2).

	Internet users who (%)	The service especially appealing to
Use any social networking site	67	Adults aged 18-29, Women
Use Facebook	67	Adult aged 18-19, Women
Use Twitter	16	Adults ages 18-29, African-Americans, urban residents
Use Pinterest	15	Women, Adults under 50, Caucasians with some college education
Use Instagram	13	Adults aged 18-29, African-Americans, Latinos, Women, Urban Residents
Use Tumblr	6	Adults aged 18-29

Statistics show that e-commerce has started to boom, surpassing $200 billion in the United States and the forecast is that it will continue growing. In 2016, it is estimated to be $327 billion. Figure 14 demonstrates the current growth and prediction for the future in the US. This means that Design With Benefits' chosen distribution channel, their own website, has good prospects. It is also more economically favorable since it does not have the same expenses that brick- and mortal stores have, such as employees and rent. Design With Benefits does not store the products either. In addition, organic shoppers are increasingly choosing the convenience and variety of home delivery over supermarkets. (Indvik 2012; Garbe 2013; Soil Association 2013: 6)

US Online Retail Forecast 2012-2016

	2012	2013	2014	2015	2016
US billions	$226	$252	$278	$304	$327
Change %	12%	12%	10%	9%	8%
per cent age of total change	7%	8%	8%	8%	9%
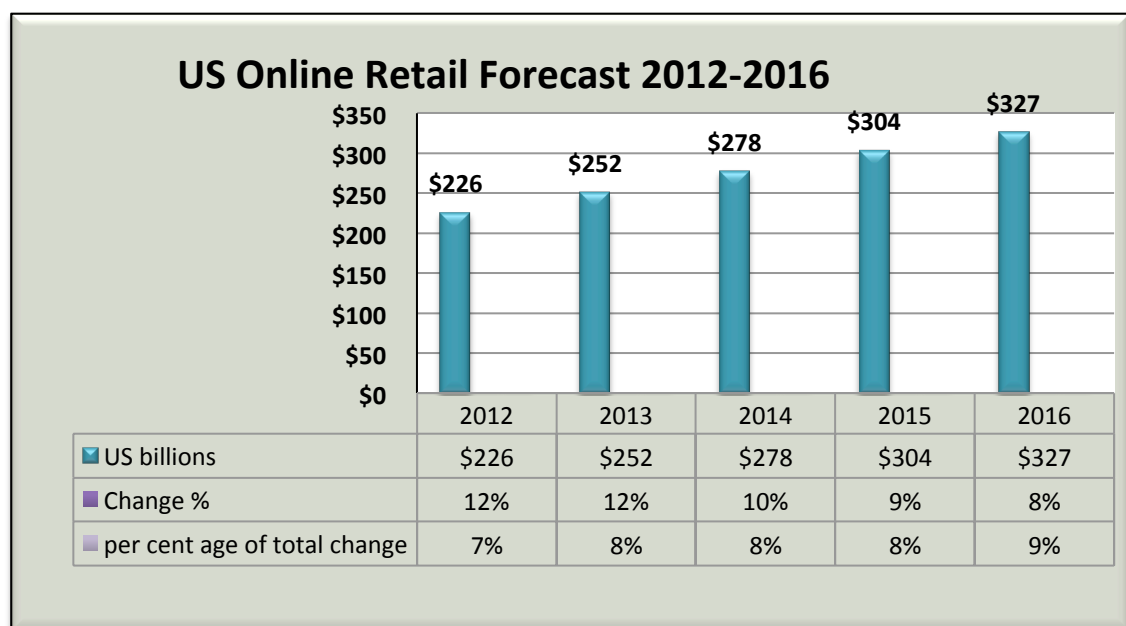
Figure 14. Forecast for change in online retail sales in 2012-2016. Adapted from Forester (2012).

4.1.2   Target Market

As we discussed in the chapter about segmentation, by using geographical areas as variables, companies can decide to operate in one or many of these. Demographics: These variables are one of the most popular ways of segmenting customer groups. This is because many times the consumer's needs, wants, and usage rates vary closely in line. Also, demographic factors are easier to measure. Armstrong et al. (2012: 200) states that the way to achieve effective segmentation is to use segments that are

measurable, accessible, substantial, differentiable, and actionable. Otherwise the company will not benefit from the segmentation. (Armstrong 2012: 188 - 196)

According to co-founder Garbe (2013), the outlined target customers have three main groups. The first includes socially-minded customers who enjoy contributing in a small and meaningful ways through their everyday purchases. The second group are individuals from various design professions who want to keep up with the latest developments in design activism and social design. Currently, there is no major site dedicated entirely to aggregating developments in this area. These customers may come for news, but leave with a purchase. The third group includes customers who are looking for unique gifts with compelling stories. (Garbe 2013)

According to Soil Associations' research, young shoppers increased their organic expenses in textiles up to 10 percent, health and beauty up to 5.6 percent, and box scheme and home delivery sales up to 4.4 percent. The same study showed that ethically aware consumers under the age of 35 significantly increased their average spending on organic products in 2012. (Soil Association 2012) Dettmann's (2008: 11) study about organic food consumers in the US revealed that African-Americans were less likely to purchase organic produce when compared to Caucasians. In addition, higher levels of education and incomes increased a consumer's likelihood of purchasing organic produce, when compared to consumers without college education, and those with incomes below $30,000. The most common reasons for making the purchase include environmental concerns, promotion of animal welfare, supporting local economy, and the recent trendiness associated with the purchase ecological products. (Dettmann 2008: 11) Therefore, based on the user demographics of Internet users and consumer behavior in the organic market, the precisely defined primary target customer of Design With Benefits is a Caucasian, ethically-conscious female, educated, and aged 18-29. The people who are more likely to buy organic products are also more likely to invest in a product with social or environmental benefits. In addition, the target customer would be interested in design and fashion.

The exact attainable market can be evaluated with the help of TAM, SAM, SOM analysis. TAM represents the whole worldwide organic market, SAM represents the worldwide sustainable and ethical segment, and SOM would be the realistic and obtainable

market in the US when considering competition, country, and sales channels altogether. (Schade 2009) In this study the numbers are only approximate since there is no recent and reliable data available about the sustainable and ethical segment. Most of the data available concerns the organic food and beverages segment. Therefore, there is no TAM SAM SOM analysis in figures, since the numbers would be inaccurate and unreliable. The analysis would require wider market research. However, in order to provide a rough idea of the potential in the segment, Fairtrade's product sales figures were used as an example, because this is a big part of the ethical and sustainable segment. The US' sales figures of all natural and organic products were nearly $91 billion dollars in 2011. These figures indicate overall growth in the whole sustainable and ethical segment. In 2011, shoppers spent €4.9 billion on Fairtrade products globally, and in the United States the same figure was one billion (a 10 percent increase from year 2010). (FTO 2011-2012: 3-17; NFM 2012) Overall prospects are good in the organic segment since the organic consumer in the US is generally willing to pay more for organic products regardless of their economic situation due to social, health, or ethical reasons.

4.1.3 Competition

The market research should always include evaluation of possible competitors in the market, because the study will provide a realistic idea of the market potential. This chapter concentrates on evaluating the competition in the market in general. Therefore, this is not a thorough overview of all possible competitors but it analyses the current market situation.

Since consumer demand has grown in the green business, there are naturally some competitors in the market, and in the future there will be even more. One good example is Etsy.com, which is a marketplace for a huge variety of unique design products from all over the world. It is already covering the future objective of Design With Benefits, which is to become a hub for designers and producers. Besides that, Etsy.com has significantly cheaper products, as well as a B certification, which promotes social and environmental awareness to the customers. B Corporations are defined as new kinds of companies that use the power of business to solve social and environmental problems. (B Lab 2013) Therefore, applying different certificates would be beneficial for a socially

and environmentally aware company, and in this way Design With Benefits could boost its 'green image'. This would be part of the already conducted emotional branding in Design With Benefits' marketing. Alongside this, Design With Benefits should aim to differentiate its concept more to be recognized as high quality and artsy designs, since it cannot presently compete with lower prices. However, the most important thing is that the customer can identify with the brand.
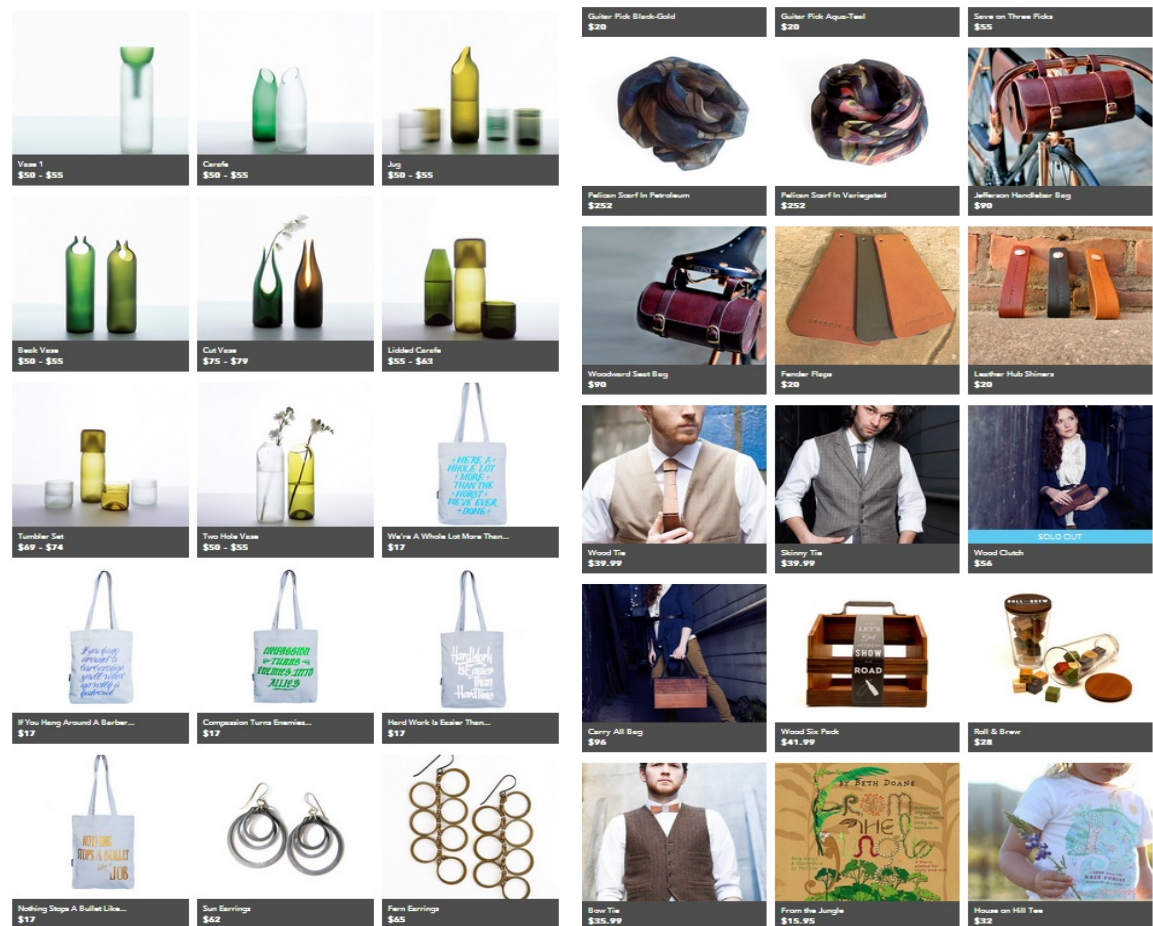
4.2 Marketing Mix

All the four Ps are an important part of a creating a comprehensive and profitable marketing strategy. Therefore, all of these need to be taken into consideration as well when creating a digital marketing plan. All of the Ps have their own factors, so each P is an individual unit that, in the end, creates a coherent whole known as the marketing mix. (Kotler 2013:12)

4.2.1 Product

Product is an essential part of the marketing mix, since customer value can be created through it. The company's offering can include both tangible and intangible products, and this marketing offering intends to build a profitable relationship with the customer. Understanding that modern customers are buying much more than just products and services will help companies to create a market offering that will provide profits. (Armstrong 2012: 226 - 227) This is applied to Design With Benefits' products since their product selection intends to offer, alongside the core product, values that the consumer can easily relate to.

There are three levels of product and services and each level adds more customer value. The first basic level is the core benefit that the consumer seeks. The second level is the actual product, which is further developed with service features, design, and quality. The final level is the augmented product, which has additional services and benefits, such as warranty and customer service. Development of a product starts from identifying the core product, then designing the actual product, and the final step is to add the supplemental features to the augmented product. After this, the product can

be defined as consumer products or industrial products. Consumer products are bought by final customers for personal consumption, and industrial products are for further processing or use in conducting a business. Further development of the product involves defining the product attributes such as quality, features, style, and design. If company has several product lines it has a product mix. Design With Benefits' product mix consists of consumer products such as accessories, jewelry, books, toys, gadgets, home products, apparel, pet's products and art. The core product can be defined as design goods with social and environmental benefits. (Armstrong 2012: 226 - 239; Design With Benefits 2013)

Picture 2. Example of Design With Benefits' product selection. (Design With Benefits 2013)

After studying the market, the next step is where the company sets the competitive positioning for the product, and creates a detailed marketing mix. (Armstrong 2012: 187 - 188) Design With Benefits has positioned its products to be high-quality design with

green values, and seeks to differentiate its product mix through these attributes. The differentiation can be done by the line of the products, services, images, people, and channels. A competitive advantage is gained by offering consumers greater value either through lower prices or providing better benefits than competitors, which justify higher prices. Examples of creating these competitive advantages are to offer, for example, better fabric material or unique clothing designs, mobile phones with more functions and higher quality, or by offering top-level customer service. All of these functions promote the sales of the product or service. (Kotler 2013: 221) Design With Benefits' products' social and environmental factors intend to differentiate the offering from the other design products, since price is not an asset for them. The personal and artistic product design again differentiates the products from other social and environmentally friendly products, and justifies the higher prices.

4.2.2 Place

After choosing the positioning and differentiation attributes the company has to consider the best options to store, handle and move their products and services. Nowadays, the time of delivery and costs for customers has increased their importance when competing in the market. The faster the delivery and the lower the costs, the more likely customers will buy the product or service. Modern logistics is not just trucks and warehouses, but also involves planning, implementing, and controlling the physical flow of goods and services. The most important thing is to get the right product to the right customer at the right time. (Armstrong 2012: 342-346) When the company chooses a distribution channel, it also affects their marketing decisions. For example, it has a direct effect on prices whether the company is selling through a department store or through their own website.

The business model that Design With Benefits is carrying out is reasonable when considering the pros and cons, and the nature of the products. When operating through an online store, the benefits include savings on rent and employee expenses, but also easy access from all over the county, and no need for warehousing, which prevents the stock surplus and minimize the warehousing costs. The major cons involve being found and differentiated amongst the thousands of entering startups and online shops

with the same mindset. At the moment, their distribution is only within North America. In the future, the business could consider expanding into Europe.

Chapter 2.4.2 discussed the traditional purchase funnel that indicates the route in which the consumer evaluates the product and ends up making the buying decision. This chapter again goes over how Design With Benefits can take this into consideration when planning their sales and marketing strategy. Although the traditional purchase funnel model has been a guide for marketers for years, it seems inevitable that the model needs upgrading after the shifts towards online shopping and digital marketing. According to Court et al. (2009), marketers have been taught to push marketing towards the consumer in every stage of the funnel to influence their behavior. But since traditional media channels such as television (TV), newspapers, and radio have weakened and people have transitioned into the online world, the influence of other consumers has more significance. This means that product awareness is still important, but the middle section of the funnel ignores certain factors, such as how today's consumers rely on product reviews, recommendations, product comparison, and are more critical towards marketing. In the Forrester's study, Haven (2007: 5) states that these gaps in the funnel could be replaced with consumer engagement. According to Haven (2007: 5), engagement is the level of involvement, interaction, intimacy, and influence an individual has with a brand over time. The updated purchase funnel should also be taken into consideration in Design With Benefits' marketing actions, especially regarding digital marketing actions. By creating sustainable relationships with the customers Design With Benefits can increase customer engagement, and in the end this can lead to increased sales. The ways for increasing engagement will be discussed more in the chapter about marketing actions.

The following table 3 shows examples of how to track engagement's four components of a brand, product, or service. There are two types of engagements: emotional and behavioral. The former is more popular but in the later, it is more important to have interaction between the consumer and the brand. (Marketing NVP 2008: 2)

Table 3. The four components of engagement. Adopted from Haven (2007: 5).

INVOLVEMENT	INTERACTION	INTIMACY	INFLUENCE
What to track			
• **Site visits** • **Time spent** • **Pages viewed** • **Search keywords** • **Site logins**	• Comments on blogs • Quantity and frequency of written reviews, blog comments, forum discussion user generated content (UGC)	• Sentiment track on third-party sites • Sentiment tracking of internal customer contributions • Opinions expressed by the customer	• Net promoter score • Product/service satisfaction ratings • Content forwarded • Brand affinity • Posts on high-profile blogs
How to track			
• **Web analytics**	• E-commerce/ social media platforms	• Brand monitoring • Customer service calls • Surveys	• Brand monitoring • Customer service calls • Surveys

4.2.3 Price

The price is one of the most important marketing mix factors since it is the only one which makes revenue. Therefore, it needs to be defined to a level that the consumer is ready to pay for the product. (Armstrong 2012: 56, 292) The consumers need to feel that they will actually gain a valuable asset when buying the product. For example, a $20 pick (Design With Benefits online store), which normally costs 0.60 – 5.00 US dollars might have too high a price gap for a general pick user (see picture 1). Normally picks tend to get lost and wear out with use, so sound and price tend to be the main incentives when making a purchase. Either the brand itself is not yet creating more value for the products, they are not made by well-known designers. Therefore, the consumer's perceptions about the products and the company are key factors when marketing, because Design With Benefits' prices are relatively high in every product category, even though the market-skimming pricing has been applied. As a result, there has to be greater value for the consumer to buy the more expensive alternative.
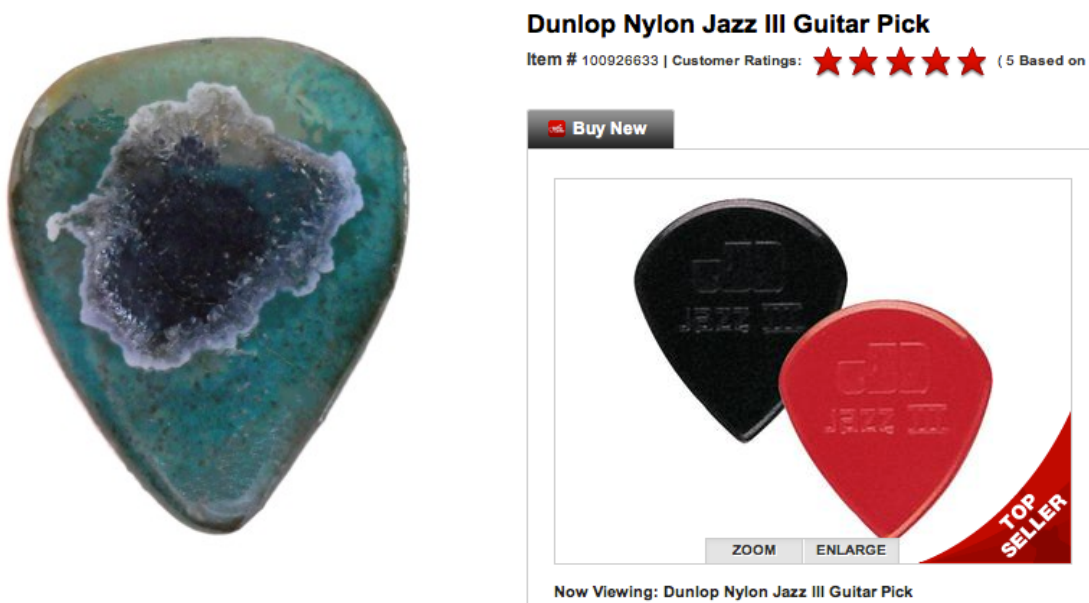
Picture 3. Comparison of $20 (left: Design With Benefits 2013) and $4.29 (x6) (right: Guitar Center 2013) picks.

In order to achieve the consumer price acceptance, the product attributes have to be well-defined for the customer. For Design With Benefits, these need to be even stronger than in the organic food sector or in the natural make-up sector because among green causes, products in those sectors also directly benefit the consumer. Therefore, even though Design With Benefits is justifying its high prices through interesting stories behind the product, sustainable materials, hand-made products, social and environmental benefits that the consumer is enhancing, or through the designs, it really needs to engage its target customers by building brand equity that avoids the customers' rejection of high prices. This could be done through the design community and engaging with people in the business. This would improve the image of them being a company with unique and fashionable designs. Cooperating with design bloggers, online magazines, and influencers in design and fashion could also help. One good type of promotion is to get publicity through people who influence consumers and who are interested in promoting social and environmental issues. At the moment, many celebrities are very keen on promoting social and environmental causes. (Murray 2013) Building awareness for the online shop is the first step in the direction of getting the

customer to visit the site, and which can later on lead to sales. The ways of creating customer engagement will be discussed in more detailed further on in the study.

4.3 Branding

When building a strong brand the main concern is not solely the product or service, but the name, positioning, brand sponsorship, and brand development also play important roles. Firstly, the brand has to be positioned carefully in the target customers' minds. For example, Duracell is branded to be a long-lasting battery; Levis are high quality and fashionable jeans; and Canon focuses on being easy to use, "with Canon you can". Secondly, a well-chosen name can promote a brand's success immensely if it reflects the product somehow, it is short and catchy, it can be easily translated easily into other languages, and it does not have negative connotations. (Armstrong 2012: 243-245) According to Garbe (2013), Design With Benefits wants to be branded as the home of high-quality designs that delivers, besides unique and beautiful products, public good for the environment and communities. The chosen name and positioning are both strongly promoting the image of a socially and environmentally aware company, also supporting the fact that the brands that deliver emotional benefits are the strongest ones. In the future, Design With Benefits wants to be the hub for designers who are devoted to creating products with social and environmental attributes, and this is the way to gain a footstep in the design community.

Apart from the above-mentioned factors, packaging and labeling are also important parts of the brand's image. Labeling identifies the product, and can perform several functions and explain important things about the product. Packaging is not only a cover for the product, but can also add value to the product. For example, it could be, recyclable, it could be travel sized, or it could have a trendy color and shape. (Armstrong 2012: 234-236) Recyclable or otherwise re-usable cover in particular can add more value to Design With Benefits' brand image.

4.4 Marketing Actions

When watching the bigger picture of the marketing strategy, the focus of Design With Benefits' digital marketing should include more than just social media, and one of the

most traditional factors is the newsletter. This is a great way to spread the word about new products, promotions and other current issues. Holiday seasons, such as Christmas, Easter, and summer are especially good times to send newsletters more frequently. During these times, people are searching for unique gifts for weddings, birthdays, and other occasions. It is good to remind subscribers about the product selection, but also offer some incentives, such as free shipping during the first weeks of December in order to boost Christmas sales. Design With Benefits' newsletter is a good informative package about the latest products (see appendix 4) but it could also include news about current donation targets, sneak peeks into design news, the current state of the competitions on the website, and more promotions and offers so the customer will enter the site. The newsletters could be sent more often since e-mail marketing is also a good way to maintain relationships with customers.

Another important thing would be to optimize the company's website effectively so the target customers can find it. This includes, for example, having easily searchable content on the website and content that is optimized in a way that the user stays on the website after visiting. This can be implemented through search engine optimization (SEO). Design With Benefits could consider outsourcing the SEO depending on the budget. However, it is good to have in-house knowledge about SEO procedures even if company would choose to buy the service from somewhere else. This way, it is possible to ensure the company is getting value from its investment and the other company is doing its job. The same could be done with the company's social media sites (SMO - Social Media Optimization), so the site could be more easily linked to, more visible in social media searches, and frequently included in relevant posts on blogs and podcasts. (Michael and Salter 2013: 1-26) Design With Benefits should add their information to wikis such as Wikipedia because this would improve its visibility in search engines, and consumers could also find out more information about the company's ideology. Pay per click (PPC) marketing is also a good addition to Design With Benefits digital marketing palette. For example, Google AdWords and Analytics provide usable tools for campaign implementation and analyzing outcomes. At first, PPC might feel complex but after being familiarized with it and using it in practice, the company can make a profit by spending only a small amount of money.

As was discussed in chapter 2.6.2 any online store site should be as user friendly as possible: easy to navigate, include a search bar, and be logically divided according to

product groups. The overall layout of Design With Benefits' web site (see appendix 3) is clear, professional-looking, and stylish. However, it could be even more clear from the customer's point of view if the product categories would be in view on the main site rather than behind the 'shop by category' navigation bar. By adding categories like 'ideas' and 'gifts', it could inspire people to make purchases. 'Design News', as well as 'Monthly Donations' could also have their own navigation bars. A search bar would definitely help the customer to find content on the site.

In past years, mobile shopping has become more popular, with customers increasingly using their mobile devices for various online shopping activities. In 2012, mobile commerce revenue in the United States amounted to approximately 10 billion US dollars. At the moment, more than 37.6 million people in the US are mobile buyers, using their portable devices to shop online. (Kril 2013) Therefore, marketers are in a position to develop their websites to be used via application so usability is more consumer-friendly and appealing. This also provides easy access to the website for the customer at any time, wherever they are located. (Nielsen 2013) (see appendix 1). This means that all of the content in Design With Benefits' website should be easy to read, regardless of the device the customer is using. In the future, creating an application could boost the usage in portable devices. The site should also point out who Design With Benefits is as a company and what their mission and vision is. This way, the customer can relate to the company.

4.4.1 Actions in Social Media

When planning to market via social media, at first it is wise to choose only a few networks on which to concentrate. This makes it easier to measure results and the effectiveness on different social platforms. After this, the company can think of signing up for other, if it is necessary to reach potential customers and if the company has the resources. Design With Benefits has chosen Facebook, Twitter and Pinterest which are among the most used social medias. After the conversation with Garbe and considering the social media demographics, the conclusion is that the target customers are also more likely to use these networks.

Design With Benefits' Pinterest page (picture 4) is nicely categorized and consists of quality images to inspire people in different categories such as home décor and art. A video board would be a nice addition to the page, to share the company's own videos or videos from others thus creating value for the business. According to Sevitt' and Samuel's article (2013), Pinterest is especially popular as it drives users to make in-store sales since 21 percent of the users said they made purchases after pinning, re-pining, or liking. For companies, Pinterest promotes possibilities to interact and find new customers. It also added a new feature for marketers; web analytics to analyze their performance on the network and the possibility to buy ads. (Pinterest 2013)
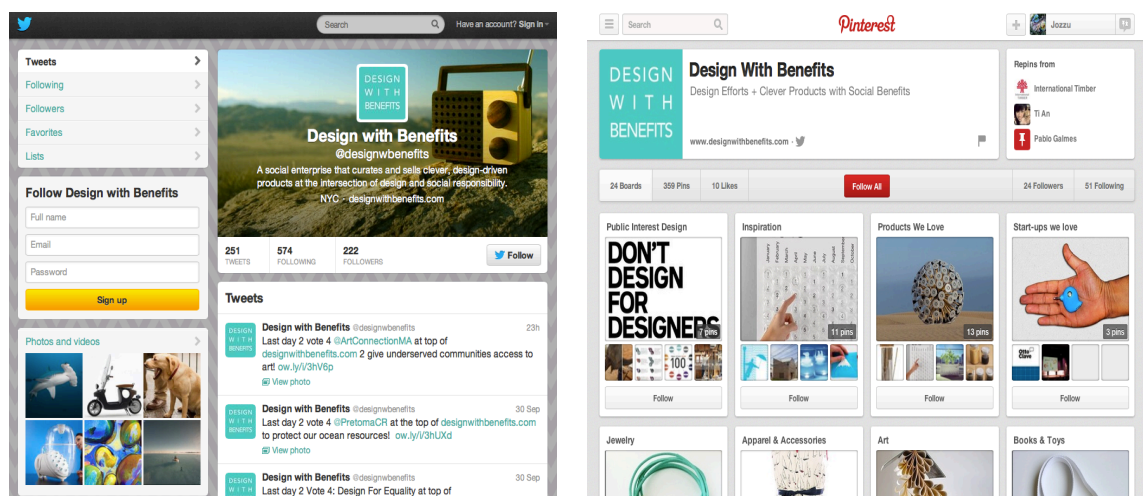
Picture 4. Design With Benefits' Twitter and Pinterest pages. (Design With Benefits 2013)

Twitter has the same appearance as the web site, so it is linked with the company. However, at the moment the pages do not have many followers so the pages would need more user interaction. For businesses, Twitter offers a great platform where companies can share information about their products and services, gather information and feedback and also build relationships with customers, partners and influencers. The key factor in Pinterest as well in Twitter and Facebook is engagement with other users. Liking, re-pining, re-tweeting and commenting will encourage others to do the same in their pages. Even though it is not wise to share too much of the same content in different social networks, all of these networks should be linked together. The only way to get to know the company's audience on these sites is to have discussion with them, ask questions and do polling. The potential in the United States is great since, for

example, it is in the top Twitter countries and one of the fastest-growing 'Tweet cities' is New York (Cheng and Evans 2009). Facebook and Pinterest have the same number one ranking in country comparison. (Internet World Stats 2013)

Alongside sharing interesting stories and product news on Facebook, display advertising is a worthy addition to build awareness for Design With Benefits. Advertisements can be directed towards wanted target groups based on demographics, such as country, city, age, gender and interests. In addition paid sponsored stories increase the visibility amongst users, such as in individual Facebook user checks-in (sharing a location on Facebook where they mention the company), e.g. in a restaurant or a hotel, which will then be seen by user's friends. The company can also purchase sponsored stories to promote stories that people have liked on their Facebook page. (Scott 2011: 213; Facebook 2013) Display advertising could focus on discounts and special offers to see how much it could increase their sales, likes, and site visibility.

As discussed in the in the chapter about social media (2.6.3), modern consumers tend to search for product information, compare different brands, and are influenced by other consumers when purchasing. Bloggers have become influential in this sector and are the ones who provide information and user experience. Companies have noticed the influence of blogs since many businesses have started to use them as a tool for external and internal communication by writing their own company blog, but it is also a part of promotion, since many bloggers promote products and services for other consumers based on their experiences. For that reason, blogger interaction should not be undervalued, and for Design With Benefits, there would be potential for interaction with design-minded and environmentally aware bloggers. However, the best option would be to concentrate on creating content into the company's own blog, which would influence and inspire the consumers by sharing interesting stories about current issues and would encourage followers to participate by leaving comments and opinions. This way, true consumer engagement would happen naturally on the site. Besides purchasing the consumer would return to the site to seek information and the latest news, and others would follow. Through blogs, businesses can also monitor what people are saying about them, they can participate in the discussions, work with bloggers to promote their products and services, and contribute their own conversations by creating and writing their own blogs. (Scott 2011:61- 64; Ryan 2012; 163)

In summary, since Design With Benefits has limited resources, they should first concentrate on Facebook, Pinterest, blogs and Twitter. This is not solely because these are the most popular social platforms at the moment, but also because its target group is using these medias the most. As discussed in the chapter 2.6.3, social media encourages and influences people with their purchases, and are an important part of the modern purchase funnel. In the future, when the company has broader knowledge and experience of managing social media, Instagram would be good to consider because of its increasing number of active users and user demographics. Moreover, Google+ and YouTube could be utilized because they are tightly connected with the major search engine Google. Google+ could have a more business-to-business focus, besides the customers, by connecting with potential business partners. YouTube could be used to promote their business by adding paid ads to the beginning of videos. Wanted demographics can be adjusted according to the company's target market. However, most of these ads can be skipped by the user. When a freshly-launched company has an issue, resources are not usually that plentiful. Therefore, an intern is always a possibility for the company economically and when considering limited employee resources, to help manage the social media actions.

4.4.2   Campaigns and Promotion

After deciding the means of marketing this chapter goes through some campaign and promotional ideas for digital marketing in order to enhance consumer engagement. Customers are always searching for discounts and promotions, so to encourage them to visit the online shop, Design With Benefits, apart from the sign up offer (10 percent discount), could organize more competitions. Some possible ideas could include the best comment on Facebook, the best tweet or best donation idea, and discounts on different product categories each month. The best campaigns that make an impact in digital marketing are usually different, innovative, and daring. As a newcomer, it is important is to increase company awareness within the target group as much as possible. This is especially true during high–profile seasons, such as Christmas, which are great opportunities for campaigns. According to statistics, online shopping is especially popular during the holiday season as consumers wish to avoid crowded stores when shopping for Christmas gifts. The Monday after Thanksgiving has become the most

important online shopping day in the United States. Taking the concept of Black Friday to the Internet, e-retailers lure consumers with special Cyber Monday deals. In 2012, US online shoppers spent 1.47 billion US dollars on this day, making Cyber Monday 2012 the biggest online spending day of all time. (Kril 2013) Interactive gift cards would be a good addition to the product selection to promote gift purchasing.

Well-known influencers are improving company visibility in the media and Design With Benefits could, in the future, consider cooperation with designers, artists, and celebrities who fit their image and have endorsement value. This is one way to strengthen the brand image, but it is good to keep in mind that not just anyone can bring value to a brand. (Ace Metric 2011: 5-7) For example, the Finnish clothing company makiaclothing.com is collaborating with local celebrities, such as actors and artists, but also with normal people who fit the company image to promote the brand. The goal is to show that anyone can relate with the brand. They are also cooperating with WWF (World Wildlife Fund) to boost their image as an environmentally conscious company. Design With Benefits should seek partners like WWF, Unicef and companies who boost the green values but also companies from the design world to enhance the trendy side of the company's image. Through these campaigns, brand awareness and sales can be promoted.

4.4.3 Post-Purchase Actions

After the sales, it is important for a company to gather information to improve the company's overall performance, since there are many factors other than the price and product that influence the customer's level of satisfaction. This should be done a couple times a year, or whenever a flaw is noticed in the process. Data can be gathered, for example, about customer service, delivery time, overall experience, and satisfaction. Preferably from the customers who recently made a purchase. Appendix 5 is an example of a survey conducted by a Swedish online shop. The survey has only two questions, so it is not time consuming and it has the incentive of a ten percent discount on the next order. By maintaining a good level of overall service, the company makes sure that the purchase funnel's fifth and the most important step, loyalty is achieved.

5   Results and Discussion

The purpose of this study was to clarify how Design With Benefits could take advantage of digital marketing more effectively in their overall marketing strategy. After an in-depth study of the theory of traditional marketing and different aspects of modern marketing and trends, the indisputable fact is that the future of marketing is increasingly shifting towards the online world. This includes social media advertising, as well digital marketing tools such as newsletters and search engine marketing (SEM), including search engine optimization (SEO), social media optimization (SMO), and pay-per-click (PPC) advertising. Their business is new in the US market, so the company's visibility and awareness are low. The target segment also needs a more precise definition.

There is plenty of literature, research, and statistics available on marketing, as well as digital marketing, and the main focus was to gather a comprehensive theoretical foundation for the study based on this information. The target market-related articles, statistics, and surveys were also extensively used when evaluating the overall prospects. Among these sources, the study involved gathering primary data through discussions and emails with Design With Benefits' co-founder (appendix 6). The primary data provided a better understanding of the business idea and objectives for the marketing.

The findings showed strong evidence that consumers are shifting online, and likewise are companies' marketing actions. In the US, the increase in online retail sales from 2011 to 2012 was 12 percent and the total sales in 2012 ware 226 billion dollars. (Forester 2012) In addition, the consumers' access to the Internet has increased every year and social media has become popular across social classes and nations (Nielsen 2012). The study indicated, that through digital marketing, a company can conduct most of its marketing actions more cost-effectively compared to traditional marketing. The digital marketing can also be conducted without using any outsourced marketing company. Because of this, it is faster to implement online marketing campaigns. That being said, the traditional marketing channels should not yet be forgotten entirely.

Nielsen's (2012: 10) survey showed that social ads were influencing purchasing behavior, for example, 58 percent of respondents were influenced by social media when

making purchases in the clothing and fashion sector. Naturally, marketers need to move to where they can interact with the consumers, which nowadays involves the Internet more and more. This means that Design With Benefits can reach potential customers with a smaller budget through intensified digital marketing. Despite a general shift towards social media marketing, it is hard to predict the next upcoming social platform or application, and therefore marketers need to follow the movements of consumers and how they engage with the media closely. To make the most of digital marketing, the best thing for Design With Benefits would be to develop in-house knowledge of how to manage it effectively.

The findings also indicated that the demand for businesses with green values is increasing every year because people care more about how their consumption affects social and environmental factors. This means that Design With Benefits has good prospects in the market since they offer design products as well as these values. Increased online sales in the organic market also support Design With Benefits' choice to operate through an online store (Soil Association 2013: 6). By using the online store to conduct sales actions, in the future the business will be easier to expand to other regions. In Europe in particular, an increasing number of consumers are adapting to the idea of sustainable consuming. After defining the potential of the target market and who the users of the main social networks are, the primary target consumer for Design With Benefits was identified as a Caucasian, ethically conscious female, educated, between the ages of 18- and 29, with an interest in design and fashion. As this study is more descriptive and works as grounds for more comprehensive market research, it is clear that Design With Benefits should conduct a research to define its possible attainable market more precisely (e.g. by using TAM SAM SOM analysis), and find out the exact demographics of its customer base. In the future, this would help to concentrate their digital marketing to the right social platforms and adjust the SEM more precisely.

According to studies, emotional branding is the most effective way to strengthen brand equity because emotionally attached customers are the most profitable since they do not need promotions or offers to buy the brand. (Rossiter 2012: 291-295) Therefore, brand building is essential for Design With Benefits, and they should concentrate on having a tight relationship with the consumers and should show that they can relate to the company's values. However, at this point, in the brand building process, Design

With Benefits needs to concentrate on increasing company awareness, which happens through campaigns, promotions, and well-planned marketing. For this, digital marketing is an ideal addition to their marketing strategy because, through various channels such as Pinterest, Facebook, blogs, newsletters, search engines, and paid ads the company can achieve greater visibility among their precisely-defined target group. In addition, the company should try to engage their target market, as studies have indicated that engaged consumers are more likely to promote the company in social media. The difficult thing at this point is to indicate the right digital marketing channels. In the study, it became evident that Design With Benefits' target group would most likely to use Pinterest, Facebook, Twitter, and find information from design and environment related blogs. In summary, digital marketing's potential for companies lies in its possibility to manage marketing actions with lower budgets, the porential to adjust the advertisements' demographics very precisely, and can engage the users with the company.

6 Conclusion and Recommendations

The study started surveying the basics of marketing and shifted to the aspects of modern marketing. Through the evaluation of both, many of traditional marketing's ground rules still apply to modern marketing, such as the purpose of marketing, how to define the target market, and the marketing mix. However, the marketing channels have changed considerably because of the Internet. People tend to spend more time online than around the traditional marketing channels such as television, radio, and magazine. These are replaced by social platforms such as Facebook and Twitter, online publications, and online streaming series. Despite digital marketing's potential, the main concern is still whether the target group is being pursued by using the correct channels. This means that, if the company is able to identify how its target consumers are using the Internet, and understand the modern way of finding information about the products and comparing them, then can make the most of digital marketing. This understanding is the basis of creating a successful digital marketing plan in practice.

In order to gain deeper knowledge of the consumer demographics, Design With Benefits should conduct more comprehensive market research, since in this study the statis-

tics are approximate. In the future, Design With Benefits could conduct a study on how their digital marketing actions have increased sales, whether their marketing has reached the right consumer groups, and what their level of consumer engagement is by analyzing sales figures and visits to social networks. In addition, determine whether SEO and PPC- marketing brought in any actual profit, or has it just increased the number of clicks. The future study could exclude ineffective social media networks and digital marketing channels so the company can concentrate on the ones which actually bring revenue.

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How and How Many People Use the Internet and Social Media (US)

PC
52.435,000/ 96.176,000 (-4%)

APP

MOBILE APPS
55.001,000/ 101.802,000(↑85%)

MOBILE WEB
52.435,000/ 95.176,000 (↑82%)

The figures illustrate how many people are connecting to the Internet by PC, Mobile apps, and mobile devices in the US. These numbers were recorded in July 2011 and July 2012.

TOTAL	21%	520.1 / 430.4
PC	4%	362.7 / 348.6
MOBILE WEB	22%	28.1 / 23
MOBILE APPS	120%	129.4 / 58.8

Legend:
■ Change
■ Jun-12
■ Jun-11

0   100   200   300   400   500   600
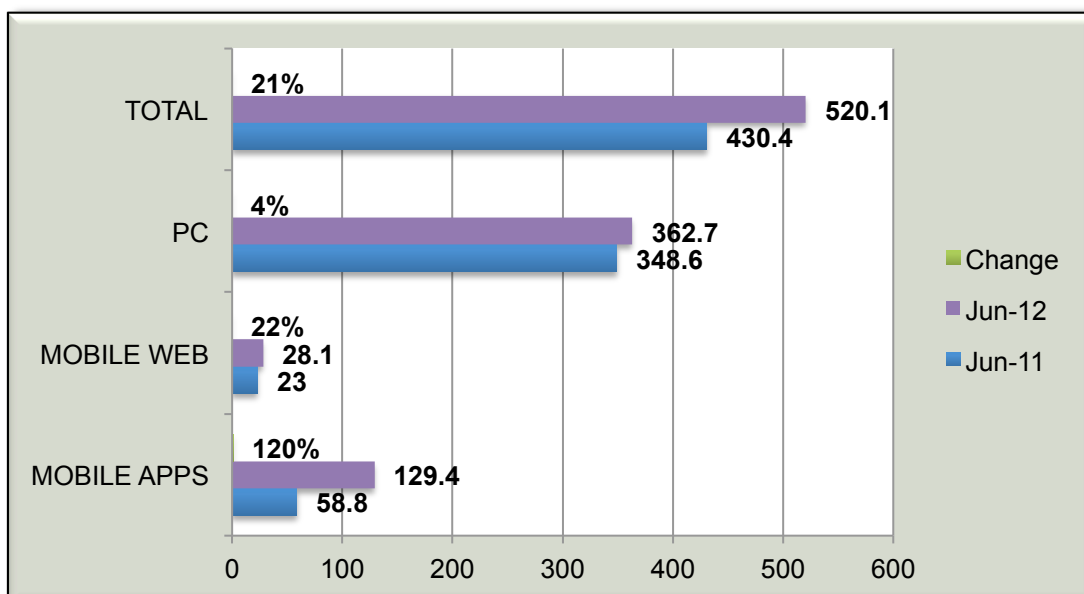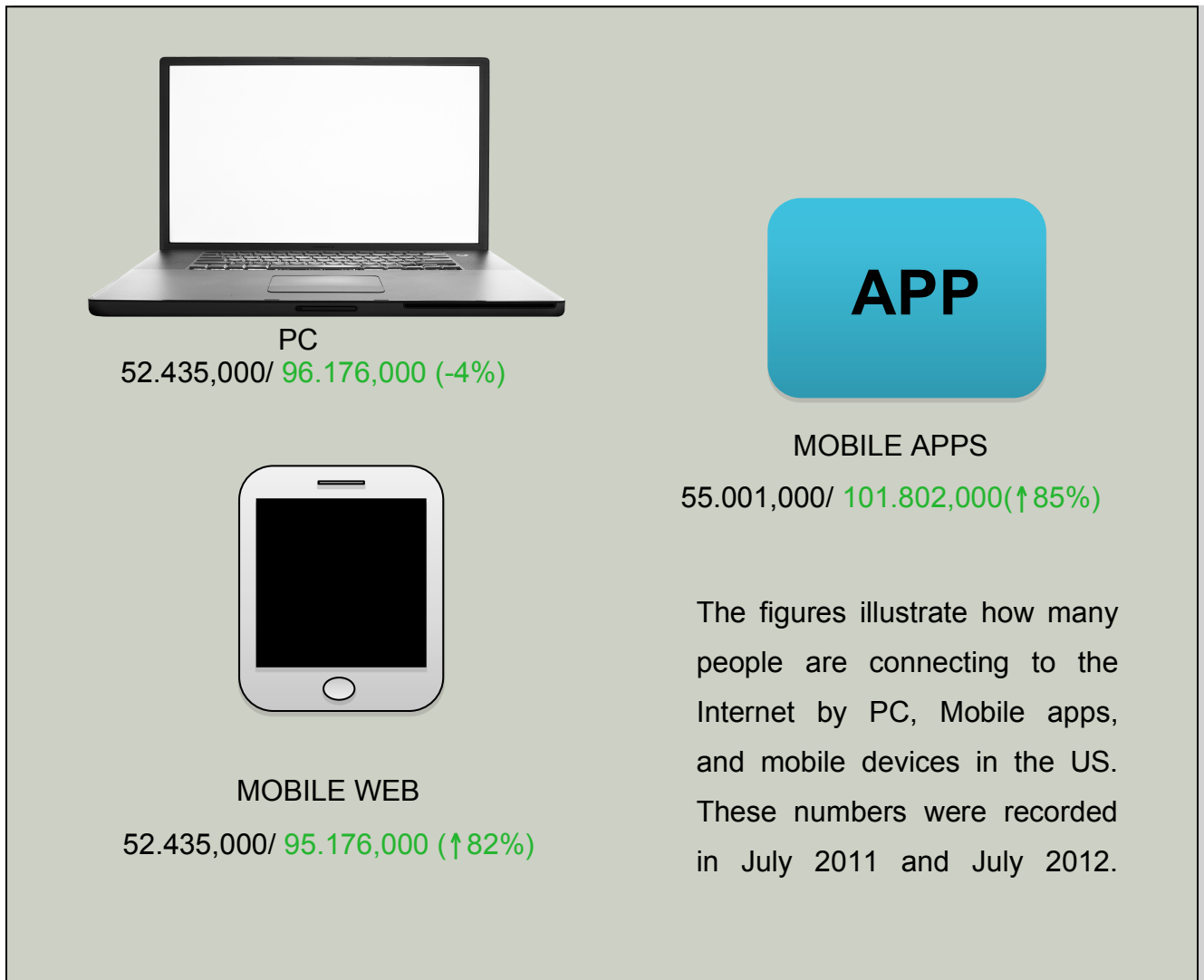
User Demographics of Social Networking Sites in the US (%)

a.	Men	62
b.	Women	71
Race/ etnicity		
a.	White	65
b.	Black	68
c.	Hispanic	72
Age		
a.	18-29	83
b.	30-49	77
c.	50-64	52
d.	64+	32
Education		
a.	Less than high school/ High School grad	66
b.	Some college	69
c.	College+	65
Household Income		
a.	Less than $30,000 (year)	72
b.	$30,000-$49,999	65
c.	$50,000-$74,999	66
d.	$75,000+	66
Urbanity		
a.	Urban	70
b.	Suburban	67
c.	Rural	61

(Adapted from Duggan and Brenner 2013: 5)

The Website of Design With Benefits

Design With Benefits' Newsletter
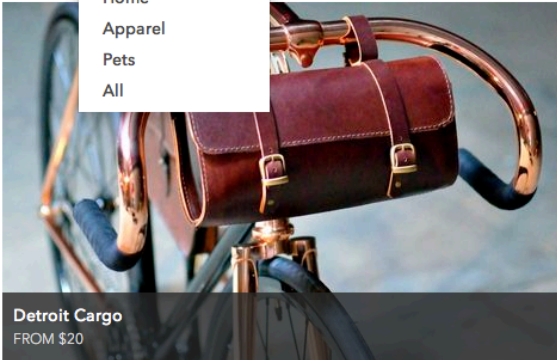
Lisää▾

Design With Benefits Newsletter- September 25, 2013   Postilaatikko x

Design With Benefits hello@designwithbenefits.com verkkotunnuksen mail27.wdc03.rsgsv.net kautta
-> minä

25. syyskuuta

englanti▾ > suomi▾ Käännä viesti   Poista käytöstä kielessä englanti x

DESIGN WITH BENEFITS

September 25, 2013

DETROIT CARGO

A collection of high quality leather bicycle accessories with a sleek vintage appeal. Coming in mouth-watering colors like *Amber*, *Lager*, and *Stout*, these fender mud flaps, hub shiners, and **classic bicycle bags** bring minimalist, retro design to your road bike. Made in Detroit and built to last.

SHOP THE STORY

PEOPLE FOR PELICANS

Three years following the disastrous BP Oil Spill, a project called People for Pelicans strives to help the struggling waterbirds affected by the disaster. Through the sale of gorgeous limited edition silk scarves, the company donates **5 % of profit to International Bird Rescue**.

SHOP THE STORY

RAIN TEES

RainTees donates school supplies to children living in areas facing rapid environmental destruction, and asks them to illustrate what they see happening in their world every day. Each eco-friendly cotton tee features their thoughts and illustrations alongside their name. The best part: **Every tee sold plants a tree** in a critically endangered rainforest!

SHOP THE STORY

Also available
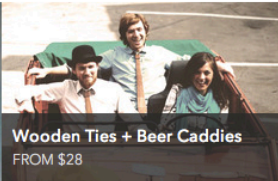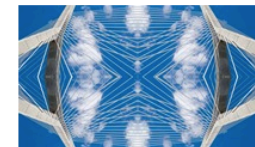
Wooden Ties + Beer Caddies
upcycled redwood wearables

Iran8glass
Wine Bottle Vases, Tumblers, Carafes

Sword + Fern Jewelry
Found Materials

Handcrafted Wooden Gadgets
Wooden Radios

Playful Products

Shape-Shifting Felt

Brooklyn Butcher

Make Your Own Wall

Example Survey of Zoovillage.com

Your order in Zoovillage.com   Postilaatikko   x

Johanna Narkiniemi <johanna.narkiniemi@gmail.com>   10.14 (8 minuuttia sitten)

-> minä

Dear Johanna

We would like to be your favorite web store, when you buy online. We know we have the right brands and good prices, but we also know that other factors influence the whole experience.

Therefore we need your help to improve our online store to the best possible level for you and we hope you could use 2 minutes to answer couple of questions concerning your latest order. By answering you get 10% discount from your next order.

<https://www.survs.com/survey/87d80wpnpa/tdhaoxy3n7>

Thank you for you time and hope to see you again in Zoovillage.com.

Sincerely,

████████

CEO, Zoovillage.com

- - - - - - - - - - - - - - - - - -
if you do not want to receive any surveys, click here: <http://www.survs.com/optOut/87D80WPNPA/TDHAOXY3N7>

(Adapted from Zoovillage 2013)

Discussion with The Co-founder Tania Garbe

The interview questions asked:

1. What is the concept of Design With Benefits?
2. How everything started?
3. What is the main business strategy?
4. How are the designers participating and how they are selected?
5. How many people are working in the company?
6. What is the pursued market?
7. Do you have a broader knowledge about the market?
8. Who would you think to be the potential customer?
9. What are the marketing actions you have already conducted?
10. Have you planned what the marketing strategy should include?
11. What are the main objectives of your marketing?
12. What is the current state of the company? e.g. sales, new partners, designers?
13. What are the recourses that can be directed into digital marketing?
14. How is the website managed? Can there be changes?
15. What social media is in use?
16. How do you manage the social media?
17. What other digital media tools are in use?
18. Which ones would you prefer to use?
19. Do you have in-house knowledge about marketing?
20. Has someone helped you with the marketing?