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**DEVELOPING MARKETING AND INTERNATIONALIZATION STRATEGIES FOR
AN ICE ARENA SUPPLIER**

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AN ICE ARENA SUPPLIER**

Matti Kälviä
Bachelor's Thesis
Spring 2014
Degree in International Business
Oulu University of Applied Sciences

ABSTRACT

Oulu University of Applied Sciences
Degree Programme in International Business

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Title of Bachelor's Thesis: Developing marketing and internationalization strategies for an ice arena supplier

Supervisor: Helena Ahola

Term and year of completion: Spring 2014

Number of pages: 78

The commissioner of this thesis is Prorink International, a company specialized in products and services required for sporting and recreational ice areas. The objective of this thesis is to find suitable ways for SMEs, the commissioner in particular, to develop their marketing and to become more international. The marketing part was the author's idea and the commissioner's wish was to also help them become more international.

The theoretical part consists of marketing and internationalization theories, provided by acknowledged professionals on their fields. First, marketing principles are discussed and some attention is also given to B2B marketing, which is the market the commissioner operates in. The marketing theories are followed by internationalization and international marketing principles. The last theoretical part deals with marketing communication and distribution strategies. Desktop research was used in making the theoretical framework.

The outcome of this thesis is recommendations for the commissioner on how to improve their marketing and what needs to be considered when becoming more international. This thesis suggests the commissioner some useful marketing activities to use on daily basis. In addition, this thesis provides the commissioner and readers with useful theories on marketing and internationalization.

As a conclusion, the recommendations are there for the commissioner to work as a guideline and are mainly to be used for the ice paints but they can be easily modified and used to other products as well. There might be some issues in taking the recommendations into action due to lack of resources, even though they are chosen to suit an SME.

As for development suggestions a business plan would be something very useful for the company and the commissioner could get OUAS students to do that for them.

Keywords: Marketing, marketing communication, internationalization, exporting

TIIVISTELMÄ

Oulun seudun ammattikorkeakoulu
Degree Programme in International Business

Tekijä: Matti Kälviä

Opinnäytetyön nimi: Developing marketing and internationalization strategies for an ice arena supplier

Työn ohjaaja: Helena Ahola

Työn valmistuslukuksi ja –vuosi: Kevät 2014

Sivumäärä: 78

Työn toimeksiantaja on Prorink International – yritys, joka on erikoistunut jääurheiluun liittyviin tuotteisiin ja palveluihin. Opinnäytetyön tarkoitus on etsiä PK-yrityksille, erityisesti toimeksiantajalle sopivia markkinointi- ja kansainvälistymiskeinoja. Työn markkinointiosa on tekijän ehdotus toimeksiantajalle ja heidän toiveensa oli auttaa yritystä tulemaan kansainvälisemmäksi.

Työn teoreettinen osuus koostuu markkinointi- ja kansainvälistymisteorioista, joiden lähteinä on käytetty alojen arvostettujen ammattilaisten teoksia. Ensiksi, markkinoinnin perusteet käsitellään, minkä jälkeen jonkin verran huomiota annetaan B2B-markkinoinnille, joka kuvaa toimeksiantajan markkinoita parhaiten. Markkinointiteorioita seuraa kansainvälistymisen ja kansainvälisen markkinoinnin perusteet. Viimeinen teoreettinen osio käsittelee markkinointiviestintää ja jakelustrategioita. Teoreettisen kehityksen tutkimusmenetelmä käytettiin kirjoituspöytätyöstä.

Opinnäytetyön tuloksena on suosituksia toimeksiantajalle, kuinka he voisivat kehittää markkinointiaan ja mitä tulee ottaa huomioon kun aiotaan kansainvälistyä. Opinnäytetyö ehdottaa toimeksiantajalle muutamia hyödyllisiä markkinointikeinoja osaksi päivittäistä liiketoimintaa. Lisäksi, opinnäytetyö tarjoaa toimeksiantajalle ja lukijoilleen hyödyllisiä teorioita markkinoinnista ja kansainvälistymisestä.

Yhteenvedon voidaan todeta, että suosituksia toimeksiantajalle ovat käytännössä suuntaviivoja ja niitä tulee käyttää jäämaalityönteisiin, mutta pienillä muutoksilla ne soveltuvat myös muille tuotteille. Joidenkin suositusten käyttöönottamisessa saattaa ilmetä lieviä yrityksen resurssien asettamia ongelmia, vaikkakin suosituksen ovat PK-yrityksille soveltuvia.

Kehitysehdotuksena yritykselle voisi olla liiketoimintasuunnitelman tekeminen, joka olisi yrityksen kannalta erittäin hyödyllistä. Toimeksiantaja voisi saada tälle tekijöitä Oulun ammattikorkeakoulusta.

Asiasanat: Markkinointi, markkinointiviestintä, kansainvälistyminen, vienti

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1 INTRODUCTION

Marketing is in the core of every business; its main function is to enable the growth of the business and it supports the company's every activity. Marketing creates, communicates and delivers value to customers and it is also used in managing customer relationships. Marketing helps to understand customers so that the company knows what kind of products and services should be offered.

Nowadays companies are becoming more international. Internationalization makes it possible for companies to grow remarkably. The success in international markets requires financial investments, know-how and experience in international markets from the company. Internationalization also requires developing services and products to suit the foreign markets.

1.1 The Commissioner

Prorink International was established in Oulainen, Finland in 1997. The company is specialized in goods and services related with sporting and recreational ice areas. Prorink manufactures and contracts both permanent and demountable refrigeration pipe systems for ice rinks and other recreational facilities.

The company supplies and installs ice rink dasher board systems as well as other types of boards to meet customer requirements. Prorink also makes various machines for maintaining the ice. Prorink is the authorized Zamboni® -ice resurfacing machines dealer in Finland and they represent Mycom® industrial compressors that are particularly designed for the rink and recreational ice industry. Company's own brands are Park Ice -mat systems, Crystal Ice – refrigeration units and ice paints as well as Prorink dasher boards.

The company is active in both domestic and foreign markets and hopes to become more international in the future. They have a sister company in Poland representing them, Prorink Polska Sp.zo.o.

1.2 Industry & competition

First of all it is a rather difficult task to find information about the industry since there are not any industry reports available online nor a union/institution that keeps track on the companies in the industry in Finland. I am using secondary data gathered by the company and me, which I gathered during my internship in the company in 2011.

The company is located in a small city of Oulainen in Northern Ostrobothnia from which also another company in the field, Raita-Sport comes from. Only 30km South, in Ylivieska is the home for a company called Icepro and these two companies are the major rivalries for Prorink in the industry in Finland. There is also a company called Kenttävaruste, or Ke-va located in Tampere, Finland but its product line is not as versatile as the ones of the three above mentioned and it operates also in other sport industries.

Hockey is the number one sport in Finland and there are 246 indoor rinks according to International Ice Hockey Federation (<http://www.iihf.com/iihf-home/countries/finland.html>) and 30 outdoor rinks. I would argue that the latter number is in reality much larger but the IIHF has not been reported about all of them. Ice hockey is also one of the major income sources in the industry. In addition, all the figure skating, curling, bandy and other ice sport facilities are other major sources of income.

There is a huge market in North America but it is also a saturated one. For instance 24 of the 30 NHL arenas have CrystaPlex® boards. They are also expanding to East and have supplied 3 boards to Kontinental Hockey League, or KHL. (<http://www.sportsystemscorp.com/>). Also the costs of distributing products to North America might give competitive advantages to the competitors.

According to IIHF, there are 2486 indoor rinks and 5000 outdoor rinks only in Canada. In U.S there are 2000 indoor rinks but the amount of outdoor rinks is unknown. This shows that the amount of potential customers is very large compared to the domestic market.

The main focus in this thesis will, however be on ice paints and services related to that. The ice can be painted white, giving it a better look and contrast which makes sponsors' logos look more attractive and vibrant. The outdoor ice rinks or bandy fields can also be painted white and this can

actually lead to cost savings, since the white surface reflects the sunbeam away most effectively from the ice, keeping it colder. This leads to a situation in which the refrigeration system can be operated with lower output e.g. using less energy and giving cost savings on electricity bills. It also saves nature.

The major rivalries are, according to the research done by Prorink, located in North America. Jet Ice is the biggest company in the field and it is the preferred supplier of the National Hockey League (NHL), and Hockey Canada. Jet Ice has also supplied paints to many Winter Olympic Games. There are also other companies operating in the field in North America such as White Ice and Naf's Ice Paints but all in all the amount of companies providing a range of their own ice paints is less than ten companies.

1.3 Background

The background to this thesis has its roots in 2011 when I was doing my internship in the company. My main tasks were related to the ice paints and doing some secondary research related to the product, markets and potential customers as well as competitors. I also did some direct mailing.

After studying more and spending an exchange period in Canada, I started to think about a subject for my thesis and it was quite clear from the beginning that it would be related to the company, Prorink. My idea was to focus on the company's marketing activities.

After some time I contacted the company CEO, Ari Penttilä to ask his interest and opinion on the thesis. He seemed to be interested in it and had some suggestions in his mind too. In the conversation we decided on that the topic would somehow be related with improving the marketing activities of the company and also to becoming more international.

When the topic was somewhat clear, I filled in the application form for the topic approval and got it accepted. Helena Ahola was appointed as my tutoring teacher for the thesis and I went to see her in the OUAS. Together we narrowed down the topic to focus mainly on the marketing of the ice paints and selling them internationally.

The thesis also discusses the internationalization process and principles of marketing and international marketing. The B2B markets are also discussed and whenever possible, the focus is on small and medium sized enterprises, SMEs, because Prorink belongs to this category.

1.4 Research questions and methods

The main research question is:

What kind of marketing strategies SMEs need when going to international markets?

The research sub-questions are the following:

What kind of marketing concepts are essential for an SME to understand customer oriented marketing?

What kind of requirements have to be met when SMEs internationalize?

What are the key issues of marketing communication and distribution which have to be taken into account when designing the strategy?

What kind of recommendations can be given for Prorink International's ice paint based on benchmarking and discussions with the company management team?

Case study

The main method used in this thesis is case study method which will be explained deeper in the next chapter.

According to Yin (2014, 3) case study research is one of the more challenging methods in social science. The process begins with reading lots of relevant books and articles and after that, forming the research questions. It is also very important to commit to the formal and precise methods related to doing research.

Yin (2012, 4) also states that the case study method has its strengths as well as its weaknesses or limitations. Just like other types or researches, it complements the limitations of other methods. It can also be used as the only research method in, for instance, social science just like some methods can be used alone in natural sciences.

Case study research process contains seven steps that don't necessarily have to be done in a specific order even though each the step is very important for the whole process. Next, the process will be explained more in depth and each step individually.

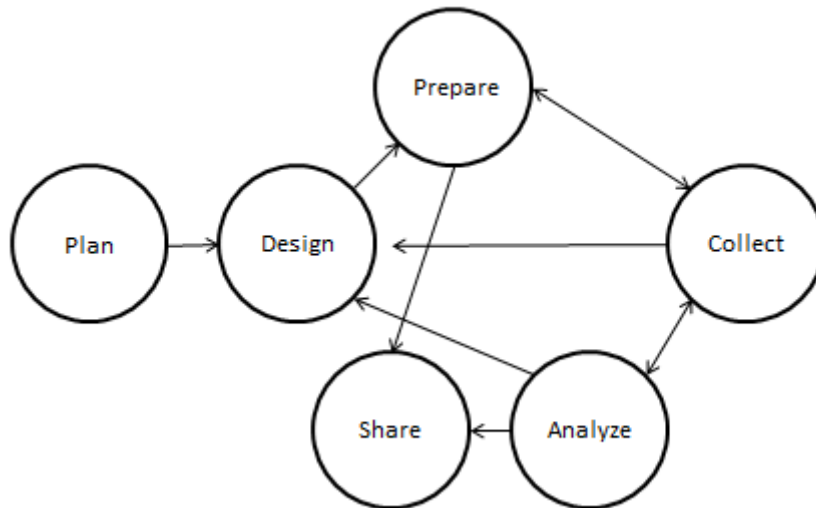


FIGURE 1. Doing Case Study Research: A linear but iterative process (Yin 2014, 1)

In the first step the researcher will start planning the process and compares different methods and chooses the one that fits. As a research method case study research suits for many occasions and it might be at its best when the main research questions start with “why” and “how” or when there is not much control over people’s behavior. Also, the focus is in present or future rather than in past phenomena. The definition of case study can be divided into two parts and the first one focuses on current phenomenon in its real factual connection. The other part is related to the design of case study and the data collection process: case studies tend to have more variables of interests than data points. Case study research can have many cases or focus just in one. (Yin 2014, 2.)

The second step, according to Yin (2014, 26), could be the design of the study which includes the definition of different cases and entities to be analyzed and studied. In this section for instance the theories and concepts are presented to guide the research and to work as a ground for the

findings that are stemmed from here later on. In the design section the researcher chooses the amount of cases and the overall design for the research.

Yin (2014, 70) states that after designing the research, the next step is often the preparation for conducting a case study research. The person conducting the research should have some previous knowledge about doing a case study research or study it before starting own research. It is often falsely thought that conducting a case study is an easy process even though it is actually one of the most difficult types of research since it doesn't have much of recorded processes. This will lead to uncertainties and the person conducting the research must be aware of it and prepare for that. It is also very important for the researcher to be able to ask relevant questions and to be a good listener, which includes the adaptability to different situations.

The fifth step, according to Yin (2014, 102), would be collecting information for the research and for case studies it can be gathered from six sources: interviews, documents, archival records, physical artifacts, direct observation and participant observation. Collecting the data may take a lot of work - even in the field. It is also wise to use many sources to get uniform results. It might also be wise to gather all the collected data to a single source, a database to have everything in order.

The sixth step in case study research is analyzing all the collected data to produce empiric data based on it. There are no defined analyzing techniques for case study findings and that usually causes difficulties. One way is just to start analyzing the evidence: The aim is to find out what to analyze and why. Computer programs will help in handling lots of data but a general analytic strategy is still needed. (Yin, 2014. 132.)

The last step is sharing the results of the case study. The results can be presented either in a written or oral form, or both, and the idea is to present the findings. The audience should be identified and before the presentation it is wise to have drafts examined by others. (Yin, 2014. 176.)

2 MARKETING

Marketing is the business function that deals most with the customer. Probably one of the simplest definitions of marketing is: "Marketing is managing profitable customer relationships". Basically marketing has two main goals, firstly attracting new customers by promising the best possible value and secondly retaining existing customers by delivering them satisfaction. (Kotler, Armstrong, Cunningham, Trifts 2011, 4.)

Kotler et al (2011, 5) state that people know a lot about marketing without even studying it because it is everywhere around us. It can be seen in the vast variety of products in the local super markets, in television advertisements, it is in the magazines, and in the radio. The emergence of the Internet and new technologies have given marketers new tools of marketing their products: company websites, blogs, Facebook and other forms of social media, without forgetting cellphones.

According to Blythe (2012, 4) marketing's aim is to make sure that the target consumers buy the company's products and not their competitors' ones. To make sure this will happen, the marketers have to offer the consumers what they want with a reasonable price. Customers want value for their money.

Marketing in strategic terms is about choosing the right features, price and distribution channels to a product. It also involves budgeting the operations related to that and also many other long-term decisions. Marketers need to be able to make short-term, or, tactical decisions which can for instance include actions related to the design of the product packaging or the exact wording in it. Marketing indeed is a never ending process. It has to be continuously monitored, improved and changed, yet never to be put down. (Kotler, Keller, Brady, Goodman & Hansen 2009, 6.)

2.1 Marketing thinking

The following definition is approved by the American Marketing Association Board of Directors (Approved in July 2013):

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (American Marketing Association, date of retrieval 16.10.2013)

Today, according to Kotler et al (2011, 5) marketing is understood in a much broader sense than in the past. It is no more just selling and/or advertising. It is about satisfying customer needs and preferably in an ethical and socially responsible way. Selling should be relatively easy if the customer needs are understood, product development creates superior customer value, prices are set to the right level and distribution and promotion are done effectively.

Kotler et al (2011, 6) state that the basic assumption in marketing is that people have needs, wants and demands. Needs are the most basic concept in marketing. They are states of felt deprivation and include basic physical, social and individual needs. Examples of needs are food, clothes, belonging and needs for knowledge. Blythe (2012, 15) adds that customers can be either people or companies and that consumers are the ones that will actually use the product. Still, in many cases the customer is not the one to consume the product. For instance a company could market and sell some kind of accessories for Prorink International which would use them in their ice hockey rinks and then they would sell them to their customers. In this case Prorink would not be the consumer of the equipment.

Wants are needs that are shaped by surrounding cultures and individual personality. A Finn needs food but wants a breakfast oatmeal and coffee. These wants are shaped over time by the society one lives in and also by marketers. (Kotler et al 2011. 7.)

Demands are wants that are backed by buying power. When people have the money to buy and they know what they want, they demand products that satisfy them the most and give them the most value. (Kotler et al 2011. 7.) According to Blythe (2012, 15) several marketers have made good profits by giving consumers ways to pay for the goods and services, not just producing the products. "The demand for a given product is therefore a function of need, want and ability to pay".

Kotler et al (2011, 7) state that in order to gain the biggest profits, companies should really learn about their customers' needs, wants and demands by researching and analyzing data about them. Companies should have people staying close to the customers at all company levels.

Market offerings

According to Kotler et al (2011, 7) Market offerings consist of company's products, services and such that satisfy customers' needs and wants. It is important to remember that the market offerings are not only the physical products that the company is selling but also services offered and they don't have to be related to the products sold. Kotler & Keller (2012, 49) add that the following are also considered market offerings: the quality of the product, its design and features as well as packaging. If the company wants to gain competitive advantage it may also offer delivery, repair or leasing services, and training programs as a part of the offering. Hill, McShane, Rose & Rowney (2011, 116) define competitive advantage as "the advantage obtained when a company outperforms its rivals".

Marketers need to be careful not to fall in marketing myopia in which the main focus is too much, or only on existing wants, simultaneously forgetting the customer need. The product only gives a solution to the problem. A marketer may think that the customer wants the most powerful chainsaw in the market when he really just needs a tree cut down. (Kotler et al 2011, 7.)

Customer value and satisfaction

There is a huge amount of products that customers have to choose from and marketers want to know how those are chosen. Kotler et al (2011, 8.) state that people have expectations about the value and satisfaction the products offer and choose the ones that give them the most. If they are satisfied, they will buy again and if not, they will buy your competitor's products the next time.

Brennan et al (2011, 94) refer to Zeithaml and point out that there are four ways in which customers find value: "value is whatever I want in a product; value is the quality I get for the price I pay; and value is what I get for what I give". Brennan et al (2012, 96) also state that the customer value can be seen as the difference of benefits that the product gives to the customers and the sacrifices they have to make to get the product. The sacrifice is often a monetary one.

Kotler et al (2012, 55) note that every company has to deliver their customers value and get profit in return. In today's rapid and dynamic competition with more and more professional buyers that have huge variety of suppliers to choose from, a business can survive only by improving its value delivery process and by offering and communicating its customers with superior value compared with the competitors.

Exchanges and relationships

Exchange occurs, according to Kotler et al (2011, 8), when something is obtained from someone and usually something is given back in return. In business the most common way of exchange is obtaining a product and giving money in return. Relationships are formed to better satisfy the customers' needs and wants.

One of the main points in marketing is to create and maintain strong relationships. It can be done by delivering superior customer value at all times. (Kotler et al 2011, 8.) The marketing thinking has moved towards a concept called relationship marketing. Blythe (2012, 8-9) also states that marketing has traditionally focused on short term activities while the focus in the newest concept is in the lifetime value of the customer. The company should identify potentially loyal customers and create value for them throughout their life by offering products that suit the customer in every step in his life cycle. It is the marketer's job to form and preserve the relationships. Futrell et al (2012, 34) add that "retaining customers is much less expensive and time consuming than finding new ones".

Markets

Put simply, market is a place where products and services are bought. It involves both potential and actual buyers. The sellers are trying to find customers to sell to and identify their needs and design attractive offerings with reasonable prices, promote them and store them in warehouses and of course deliver them to customers. (Kotler et al 2011, 8.)

Czinkota et al (2010, 34) note that the primary measures of a market can be found by taking into account the parameters that are related with the population, geographical and environmental features, infrastructure, and the amount of foreign involvement.

There is competition in the markets among businesses. Blythe (2012, 28) states that companies don't always know who their competitors are because they define their competition in a wrong way. The reason for this is because they define their own business in a wrong way too. Blythe (2012, 28) also gives a good example of this:

For instance, if a bus company defines itself solely as being in the bus business, the management might reasonably define the competitors as being other bus companies. If, on the other hand, the company defines itself as being in the transportation business, the management will recognize the competition railways, taxis and even bicycles.

Kotler et al (2011, 8-9) point out that marketing includes helping customers and simultaneously having to deal with competition. The firm and its competition have to do constant market research and relate to their potential and existing customers to understand their needs. After that they can make and transmit their market offerings and market messages to consumers. This can be done directly by the companies or by using middlemen. Both the company and its competitors face major environmental forces such as economic, legal, physical, legal, social, etc. The following figure illustrates the marketing system.

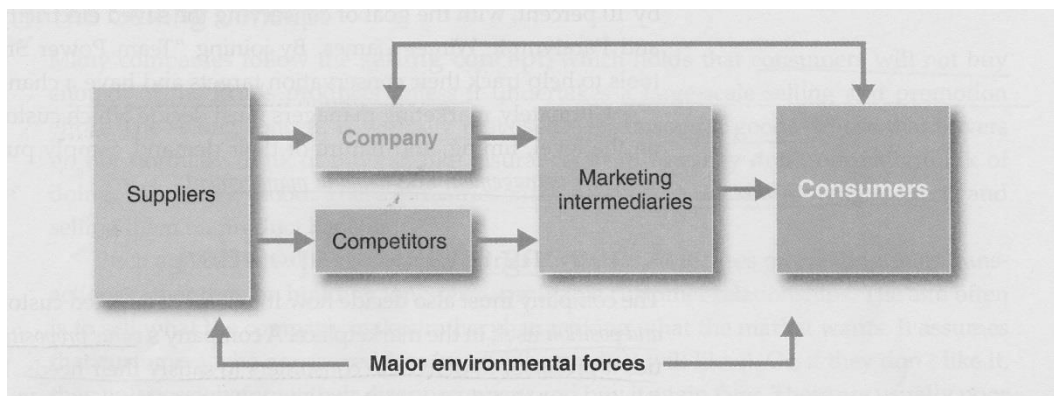


FIGURE 2. A modern marketing system (Kotler et al 2011, 9)

2.2 Strategic marketing

Czinkota and Ronkainen (2010, 19) define strategic marketing as follows:

“The marketing manager’s task is to plan and execute programs that will ensure a long-term competitive advantage for the company. This task has two integral parts: (1) the determining of specific target markets and (2) marketing management, which consist of developing and operationalizing marketing mix elements to best satisfy the needs of individual target markets.”

Kotler et al (2011, 50) continue: A company should have a strategic plan which specifies its mission and objectives and there is an own role for marketing in the strategic plan. The focus in this section will be in customer driven marketing strategy and the marketing mix. The primary marketing activities in a strategic plan are shown in the FIGURE 3.

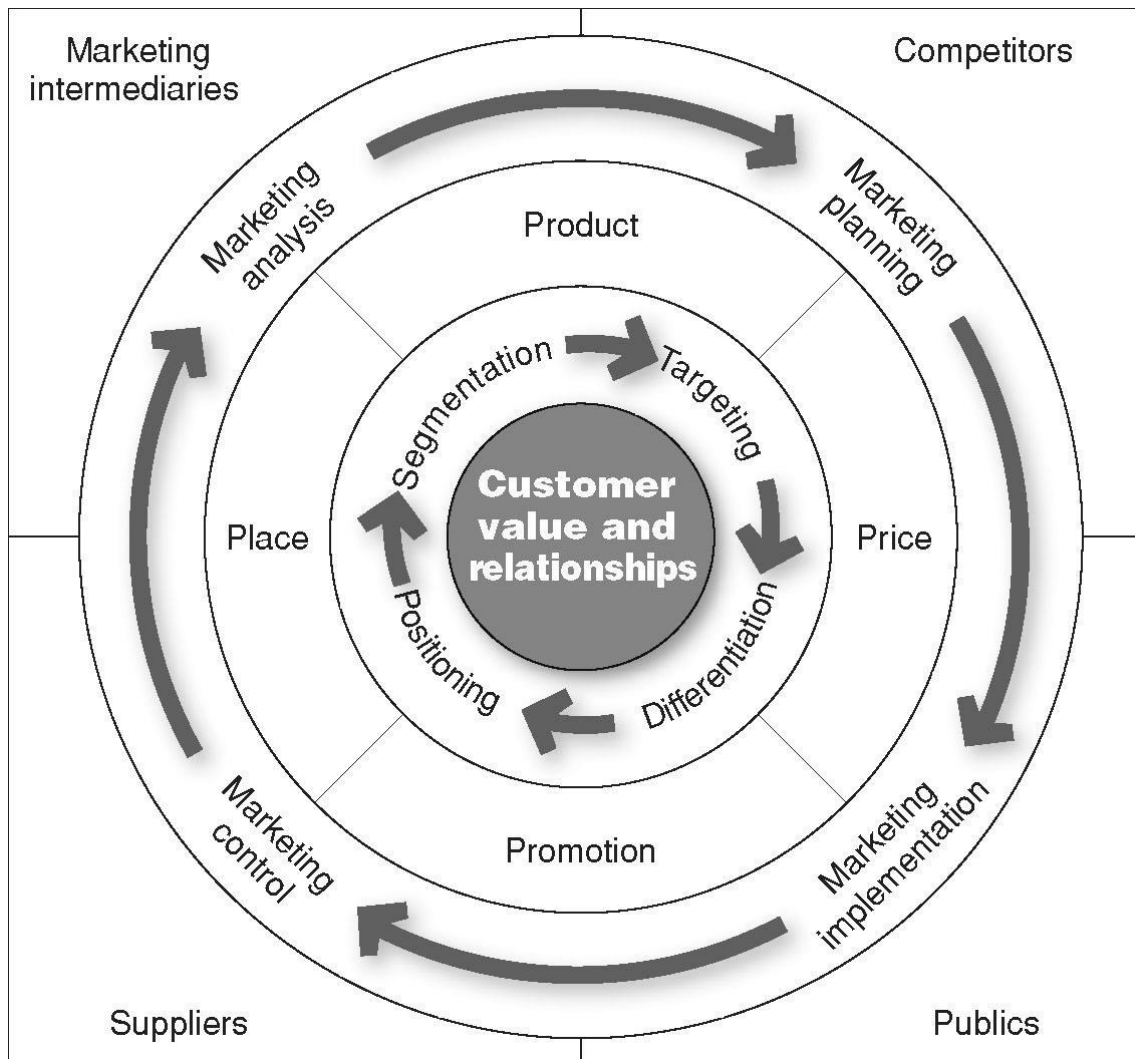


FIGURE 3. Managing marketing strategies and the marketing mix (Kotler et al 2011, 51)

As it can be seen from the figure, customer is in the middle and as Kotler et al (2011, 50) put it, the most important thing should be creating value for the customers and building long term relationships with them that are also profitable. The second circle from the middle is the actual marketing strategy by which the firm tries to achieve its goals of creating customer value and attaining profitable relationships. Segmentation and targeting are strategies in which the company chooses the customers to serve whereas differentiation and positioning are strategies on how to serve them. First, the whole market is determined and after that it is split into smaller segments. Then the segments with the best potential are chosen and customers in these will be served and satisfied best.

After the marketing strategy, the company has to create a marketing mix which is directed by the marketing strategy. According to Kotler et al (2011, 51) the marketing mix consists of the four Ps -

product, price, place and promotion. In order to know what would be the best marketing strategy and mix, there are four important things that need to be done and they are: marketing analysis, planning, implementation and control. As the business environment is constantly changing these are the activities the company has to do to find out about them and to adapt to them. These were only short explanations about the marketing strategy activities and marketing mix and they will be explained more thoroughly next.

There are different kinds of customers in the market and they have different needs. Therefore there also has to be different products (Kotler et al 2011, 51). This is not an easy thing for the marketers and as Blythe puts it (2012, 76) the companies cannot customize their products to meet every customer's needs. Czinkota and Ronkainen continue (2011, 19) and state that the marketer must decide which customers to serve and that the customers can be divided into different groups based on demographic (age, sex, nationality, etc.), geographic (city, country, region, etc.) psychographic (social class, lifestyle, personality, etc), and behavioral (user rates, loyalty status, etc.) factors. This process is called market segmentation. Kotler also states (2011, 52) that "market segment consists of consumers who respond in a similar way to a given set of marketing efforts."

When the company has divided the market into segments the next step is to enter one or more of these markets. Kotler et al (2011, 52) says market targeting requires the company to assess all the segments and then choose which one(s) to enter. Obviously, the one with the greatest possibility to create most customer value should be targeted. Czinkota et al (2010, 20) points out that the decision of which market to target is very important since they operate in an environment of scarcity and the strengths of the companies are relational to each other.

When the company knows which market segments they are going to enter, they need to start thinking about how to differentiate their offerings to every chosen segment. The position of a product means how consumers, in their minds, see your products compared to the competitors' ones. (Kotler et al 2011, 54.) Brennan, Canning and McDowell continue (2011, 163) and state that positioning means that the company's product takes a place in consumers' minds relative to the competitors' offerings. For instance Dell computers are positioned as being extremely customizable yet affordable. Kotler et al (2011, 54) adds that marketers try to separate their products from the competing ones with positioning them and by doing so, getting advantage on competitors in the selected markets.

The marketers should first select the wanted position in the customers' minds and then support it and really communicate it to the customers. Kotler et al (2011, 54) also points out that "effective positioning begins with differentiation - actually differentiating the company's market offerings so that it gives consumers more value".

Now that the marketing strategy has been discussed more in depth, it is time to move on to the marketing mix. According to Kotler et al (2011, 55) the marketing mix is a batch of tactical tools that can be controlled. They are used together and simultaneously with the purpose of getting a desirable response in the targeted market. Everything that can have an impact on the product's demand belongs to marketing mix. These different options can be divided into four groups, the four Ps and they are: product, price, place and promotion. The following figure will illustrate the tools in each category.

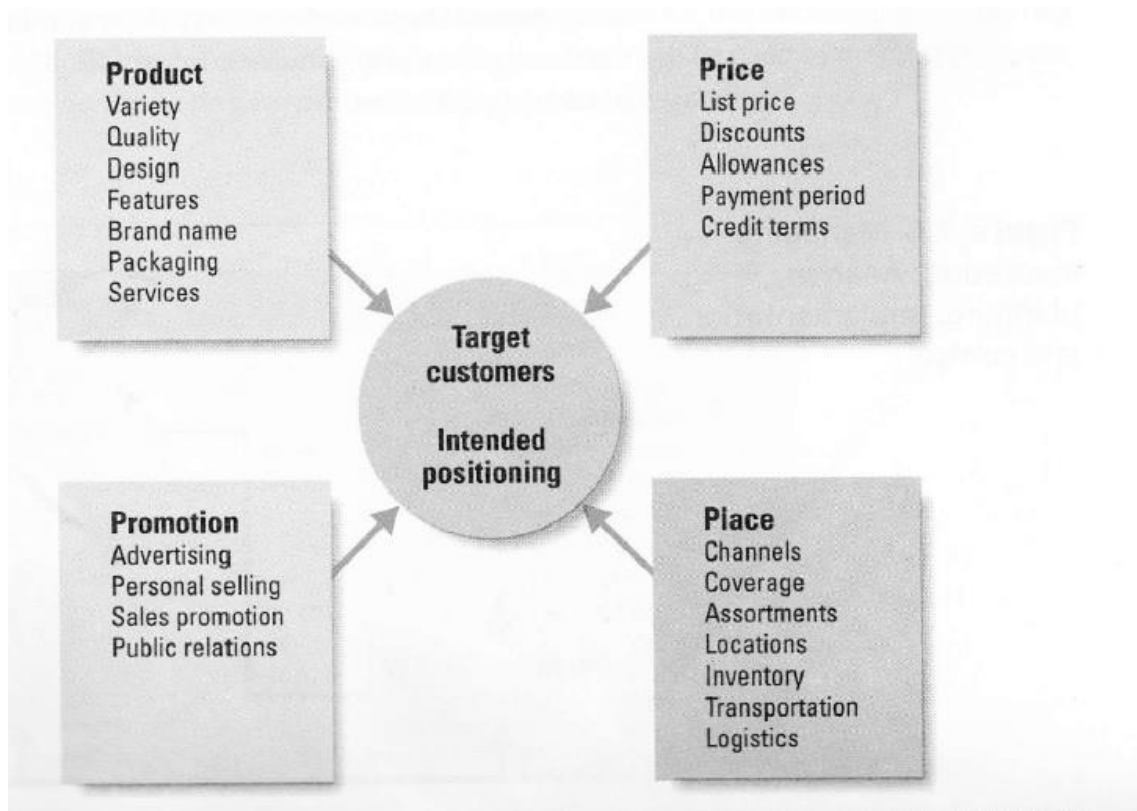


FIGURE 4. The four Ps of the marketing mix (Kotler et al 2011, 55)

Product means basically the market offering, products and services, the company has for the targeted customers. It should fulfill the consumers' expectations and work as promised. (Blythe 2012, 11; Kotler et al 2011, 55.) Price is obviously the cost of the product for the customers and it can, in many cases, be negotiated lower than the list price is. Place means all the action the

company does to make their products accessible for the customers. It should be as easy as possible for the customer to get the product and this could mean a web store, a catalogue or anything else. Finally the company will have to do promotion which includes all the actions the company does to inform the customers about the products and to make them buy. (Kotler et al 2011, 55.) It is also important to understand that the elements of the marketing mix are supposed to be used together, blended. One element doesn't replace another and the companies have to use right amounts at the right time to achieve the maximal customer satisfaction. (Blythe 2012, 12.)

According to Kotler et al (2011, 57) the marketing operation begins with analyzing the company's overall situation. A good way of doing it is conducting a SWOT analysis which measures the company's strengths, weaknesses, opportunities and threats. The first two are internal factors and come inside the company while the last two are external factor, coming outside the company. The aim of the analysis is to find interesting opportunities and making the company aware of possible threats. After the analysis the company starts marketing planning which includes deciding the suitable marketing strategies that are in line with the company's marketing objectives. There should be a separate plan for each product and brand.

The analysis and plan are not worth much if the company fails to implement them. In the marketing implementation the objective is to achieve the objectives by putting the plans into action. The implementation is not always an easy task and unpredictable things may occur. Therefore the company has to control the process constantly. This involves assessing the plans and strategies and making corrections to them if necessary. (Kotler et al 2011, 58-60)

2.3 B2B marketing

According to Fill & Fill (2005, 4.) goods and services are also bought and sold between businesses. The business to business market is enormous, in fact it is much larger than the consumer market and it is formed by companies of many different sizes and types. Common thing to the organizations in the business market is that they form relationships of varying significance and duration. A key character to business market is also that companies are interdependent on each other even though the companies are independent. They need to work closely together to achieve their goals.

Wright (2004, 1) defines B2B markets as “markets where one business markets and sell products and services for an organization’s own use or to sell on to other businesses for their own use”.

Differences between B2B and B2C marketing

In business markets organizations buy goods or services in order to use them in the production of their own products or services that are sold, rented or supplied to other companies. The biggest business markets are manufacturing, mining, forestry, agriculture, transportation, and banking.

There are several characteristics that separate business markets from consumer markets. First of all there are fewer buyers in business markets. (Kotler & Keller 2012, 205-206.) For instance a car tire manufacturer may get an order from one of the car manufacturers to supply tires for one of their new models but when selling replacement tires to consumers, the company has billions of car owners as potential customers.

Second, the buyers are also larger and fewer in numbers in the business markets (Kotler et al 2012, 206). For example, there are only few large buyers in shipbuilding industry and they do most of the purchasing of ship engines and such. Kotler (1997, 204-205) also points out that the relationships are more important and closer in business markets where the customer base is smaller. Suppliers are many times expected to customize their products to better fit their customers’ needs.

Brennan et al (2011, 12-13) note that the demand in consumer markets is direct whilst in business markets it is derived. “At its simplest, it is supposed that consumers only buy goods and services to satisfy their wants, whereas businesses only buy things to facilitate the production of goods and services”. Kotler has a good example of this: (1997, 205) Cotton is bought because people want to buy clothes. If the customer demand slackens, the demand for materials used for production will also decrease. The demand is also inelastic in business markets. Let us assume that the price of leather falls. Because of that, the belt manufacturer won’t be buying more leather nor will the company buy less leather if the price rises.

Brennan et al (2011, 19) state that one of the most significant differences between the two markets is that the buyers in business markets are professionals and that the buying is not only a transaction but a situation with formal procedures and certain decision making routines. Kotler et al (2012, 207) continue and point out that they are trained for the job and follow company’s

policies. The professional buyers constantly want to become better buyers and educate themselves. This will also force marketers, in many cases, to provide more detailed data about their offerings and also state reasons why their products should be bought instead of the competitors. Brennan et al (2011, 19) add that the salespersons often need to design the suitable product offering to meet the customer needs and often their aim often is to provide customers with complete resolutions rather than only selling the product.

According to Kotler et al (2012, 207) There are also more people influencing the business buying behavior than in consumer buying. Different managers and technical experts may be involved in the decision making process. Marketers need to be well trained and prepared for the meetings with professional buyers. Many times personal selling is the most effective marketing tool in these situations. Business buyers tend to buy directly from manufacturers without any intermediaries, especially so when the product is complex and expensive.

As a conclusion a figure will sum up the differences of B2B and B2C marketing. The figure is divided into three parts and they are: differences in market structures, differences in buying behavior and marketing practice differences.

Table 1.2 Differences between business and consumer markets

Market structure differences		
<i>Dimension</i>	<i>Business marketing</i>	<i>Consumer marketing</i>
Nature of demand	Derived	Direct
Demand volatility	Greater volatility	Less volatility
Demand elasticity	Less elastic	More elastic
Reverse elasticity	More common	Less common
Nature of customers	Greater heterogeneity	Greater homogeneity
Market fragmentation	Greater fragmentation	Less fragmentation
Market complexity	More complex	Less complex
Market size	Larger overall value	Smaller overall value
Number of buyers per seller	Few	Many
Number of buyers per segment	Few	Many
Relative size of buyer/seller	Often similar	Seller much larger
Geographic concentration	Often clustered	Usually dispersed
Buying behaviour differences		
<i>Dimension</i>	<i>Business marketing</i>	<i>Consumer marketing</i>
Buying influences	Many	Few
Purchase cycles	Often long	Usually short
Transaction value	Often high	Usually small
Buying process complexity	Often complex	Usually simple
Buyer/seller interdependence	Often high	Usually low
Purchase professionalism	Often high	Usually low
Importance of relationships	Often important	Usually unimportant
Degree of interactivity	Often high	Usually low
Formal, written rules	Common	Uncommon
Marketing practice differences		
<i>Dimension</i>	<i>Business marketing</i>	<i>Consumer marketing</i>
Selling process	Systems selling	Product selling
Personal selling	Used extensively	Limited
Use of relationships	Used extensively	Limited
Promotional strategies	Limited, customer-specific	Mass market
Web integration	Greater	Limited
Branding	Limited	Extensive, sophisticated
Market research	Limited	Extensive
Segmentation	Unsophisticated	Sophisticated
Competitor awareness	Lower	Higher
Product complexity	Greater	Lesser

TABLE 1. Differences between business and consumer markets (Brennan et al 2011, 11)

Organizational buying behavior

As the differences between business and consumer markets have now been addressed, it is rational to continue to the organizational buying behavior. Kotler et al (2012, 205) refer to Frederick E. Webster Jr. and Yoram Wind when they define organizational buying as “the decision making process by which formal organizations establish the need for purchased

products and services and identify, evaluate, and choose among alternative brands and suppliers”.

One of the important aspects of this definition is that organizational buying behavior is a process rather than a static, one-off event. There are a number of stages, or phases, associated with product procurement, each one often requiring a key decision to be made. As Fill et al (2005, 113) note that organizations buy products and services on a regular basis and professional purchasing is a requirement in most businesses. Thus organizational buying behavior is an integral part of the external relationships that an enterprise develops, either as a part of market-based exchanges or as fully developed relational exchanges.

Fill et al (2005, 113) also point out that there are many different risks that need to be taken into account in the organizational buying process. The complexity of the product or service and buying frequency may have an impact on the risks involved. Many organizations have formalized their purchasing behavior to lower the risks.

There are three different situations in organizational buying: Straight rebuy, modified rebuy and new task or new buy. In straight rebuy situation the company is making a routine order which could be something as simple office supplies and the order doesn't even have to be done by a purchasing agent. (Futrell and Valvasori 2012, 88; Kotler et al 2012 207-208.) A straight rebuy situation for Prorink International could be when their secretary orders for instance more pencils with the company logo on them.

The modified rebuy situation, according to Kotler et al (2012, 208) takes place when the purchasing party wants to make changes to the order such as negotiate the price or delivery terms again, make changes to the product specifications or something similar. An example of modified rebuy situation for Prorink could be when they have to order new cell phones for the office employees or new computers.

The new task or new buy situation occurs when, according to Futrell et al (2012, 88), when the company is buying something for the first time or when the purchase is a major one. Kotler et al (2012, 208) add that the more the purchase costs it usually involves also more risk and thus the number of people involved in the buying process increases. It also requires more information collection and takes more time to decide whether to buy or not and which product to buy. For

Prorink, a new task situation could be when they are investing a new machine used making the dasher boards.

Organizational buying behavior is more than buying goods and services. It is also a lot about forming, maintaining and developing relationships with people outside your organization. (Fill et al 2005. 113.) Thus the desire for long lasting relationships comes, or should come, from both the buyer and seller sides.

3 INTERNATIONALIZATION AND INTERNATIONAL MARKETING

Internationality, according to Ahokangas & Pihkala (2002, 7), can be defined as company's or individual's ability to act in different environments that are not limited or described by any single national circumstances or characteristics. Internationality in turn can be seen as a process in which a company or an individual person develops its readiness to act in different kinds of nationally and culturally independent environments. Internationalization can also be seen as a process that is visible in many individual levels such as in attitudes, thinking and action. Every person involved in the business must think of what the internationalization means to him both in personal level and as a member of the organization.

Vahvaselkä (2009, 17) states that internationalization is, for businesses, a comprehensive process in which the share of international business or taking part in international operations increases. Internationalization is also a part of company's growth strategy, because the company's actions and decisions are adjusted to meet the environmental requirements.

3.1 Reasons for internationalization

According to Kananen (2011, 11) companies start international activities for different reasons. Some companies prepare and plan for years while others might drift to the international markets almost by accident. For some companies it is the only way to stay in business. The company might get a stimulus from a foreign market and this leads to exporting or somebody in a foreign market is interested in the company's products. In most cases there is an actual reason for going to international markets. Vahvaselkä (2009, 61-63) states that internationalization is usually a natural part of company's growth and development strategy and that the reasons for it can be observed through factors affecting it. These factors can be divided into ones that come inside the company and to ones that come outside the company. They can also be called as proactive and reactive motivations.

Kananen (2011, 11-12) states that an SME practically has two options in internationalization: exporting products on its own or through export activities. A company can also be considered to have international activities if it is importing, for instance, raw materials.

Often companies start exporting after noticing that their products are selling well in domestic market and many times they can succeed in international markets as well. A good way of securing the business in international markets also in the future is to combine goods with services. Services will create revenue longer than the actual product. (Kananen 2011, 12.)

Czinkota et al (2009, 217-218) suggest that international operations are not conceived unless there is a stimulus for that. There are different motivations that either push or pull companies to go international and they can be divided into proactive and reactive ones.

PROACTIVE MOTIVATIONS	REACTIVE MOTIVATIONS
Profit advantage	Competitive pressure
Unique product	Overproduction
Technological advantage	Declining domestic sales
Exclusive information	Excess capacity
Tax benefit	Saturated domestic markets
Economies of scale	Proximity to customers and parts

TABLE 2. Major motivations to firms (Czinkota et al 2009, 217)

Proactive motivations come from inside the company while reactive motivations are company's attempts to respond and adapt to the changing business environment. Proactive motivations could also be described as pulling factors and reactive motivations as pushing factors: "In other words, firms with proactive motivations go international because they want to; those with reactive motivations go international because they have to." (Czinkota et al, 2009, 218)

3.1.1 Proactive motivations

Vahvaselvä (2009, 63) states that proactive motivations are ones that make a strategic change in a company, increasing the company's own activity and start the internationalization. Proactive motivations can be both internal and external motivations. An example of the first is a unique product and an example of the latter is the economies of scale.

According to Czinkota et al (2009, 219) the greatest proactive motivation to going international markets is gaining more profit. It is often thought by the managers that the company may get bigger profits in international markets but often the expectations are too high from what they are in reality. Still, many companies start their international activities based on these too good assumptions. Especially many start-up operations may be unprofitable or even fail because the costs of becoming an international company are rather high and many wrong decisions and mistakes are made. There are many changes in the international environment that affect the business but cannot be avoided even with good planning, such as changes in exchange rates.

Czinkota et al (2009, 218) state that the second to motivations to going international markets are unique products or a technological advantage. Again the expectations and assumptions can be too high because many companies think that their products are unique, and it actually might be the case in domestic markets, but no more in the international markets. But if the company actually has superior technologies or products compared with the ones of the competitors, it will definitely have a competitive advantage. It must be kept in mind that these advantages will not last forever. Vahvaselkä (2009, 95) notes that competitive advantage can also be gained through unique selling proposition, which tells the company's promised value for the customer in terms of the benefit(s) of the product.

The company may have a stimulus of going international if it has exceptional knowledge about the foreign consumers or markets. The company might have networks in the country they are interested in which are not easy for others to enter, or they might have done a thorough research about it. Sometimes the special information can be acquired by accident. This will not give advantage on competitors in the long term since they will definitely catch up. (Hill et al 2011, 529; Czinkota et al 2009, 218.)

According to Czinkota et al (2009, 218) the fifth proactive motivation is tax benefits. This will give the company a possibility to either sell products at a lower price and gain more market share or keep the price same and gain higher profit through that.

The last proactive motivation is realizing scale economies. International operations might enable companies to attain economies of scale; increase the outputs, lower costs and increase profits. If the company can add more production to international markets, it may be able to cut the costs of

production of products sold in domestic markets and become more competitive in that market as well. (Czinkota et al 2009, 218.)

3.1.2 Reactive motivations

Vahvaselkä (2009, 63) states that reactive motivations can also be divided into internal reactive motivations, such as excess capacity and declining domestic sales, and to external reactive motivations such as saturated domestic markets.

According to Cherunilam (2010, 11) the competitive pressure may be a major reactive motivation to internationalization. Czinkota et al (2009, 219) state that a company might be afraid of losing its domestic market share to competitors that have realized scale economies through international business operations. The companies that currently have a certain market share will most likely retain it also in the future.

The company may also have overproduction which is often a consequence of a recession. During the financial instability in the domestic market the company can sell its products in the foreign markets. This is often only a temporary solution by the company and selling abroad stops as soon as the demand in the domestic market returns to normal. (Czinkota et al 2009, 219.)

Another reactive motivation, according to Czinkota et al (2009, 219), is declining domestic sales. The products sold in the home markets might be in the later stages in the product life cycle. An alternative option to spending more money on, for instance, marketing the goods in the domestic market, the company can go international and expand the market. This might put the product to an earlier stage in the life cycle. Cherunilam (2010, 11) states that especially if the company is operating in a small market and the sales are declining, the only way to achieve notable growth is to enter international markets.

Having extra capacity may also act as a strong motivational factor. Sometimes companies are able to produce more than they are doing at the moment. Going international and reaching more customers works as a good way to distribute fixed costs in a wider way. (Czinkota et al 2009, 219.)

Czinkota et al (2009, 219) state that the fifth motivation is saturated domestic market. This has same kind of outcomes as declining domestic sales does. The same solutions work here as well as they work with the declining domestic sales.

The last reactive motivation is the proximity to customers and ports. If the company is located close to another country's border, it will most probably play a vital role in internationalization process. In fact, it may not even be considered as going abroad in the company since it feels so natural. (Czinkota et al 2009, 219.)

3.1.3 Barriers and challenges in international trade

According to Ahokangas et al (2002, 120) internationalization is facing a change – it is characterized by even larger amount of things to be adapted and by a need to work according to different cultures. The managers that have traditionally been involved in internationalization had, the following characteristics:

- Focusing in only one country and in the parent company – subsidiary relationship
- Managing only one cultural area
- Working with people from only one cultural area at a time
- Integrating host country nationals to home country's culture
- Adjust to living in a foreign culture
- Communication between different cultures, mainly during work periods abroad
- Communication through clear hierarchies and organizational structures

Ahokangas et al (2012, 1120-121) continue and state that especially a growing and developing company's early stages of internationalization can be described as above. When the destination is only one country and one operation form, also the need to adapt is smaller. The birth of new international, multinational, global and supranational organizations have introduced new challenges to the managers:

- More cultures need to be familiarized with
- One needs to adapt living in a multicultural environment
- One must work and learn simultaneously in a multicultural working environment
- An organization that creates cultural synergy must be created

- One must strive for equality amongst foreign colleagues
- Global business must be understood
- The role of supranational career paths must be understood in the organization

In most cases the internationalization is not a particularly fast process. Rather, it is happened in periods, of which each has a lot of time for learning and adapting. Despite all that, it is good to recognize learning necessities lying ahead. (Ahokangas et al 2002, 120-121.)

Vahvaselkä (2009, 15) states that doing international business requires the people involved to also have the ability to build strong relationships and preferably they should also have a good education and international experience.

According to Kananen (2011, 19.) doing some desktop research will help the company in avoiding risks in international trade. Often the chosen market does have the required demand but it is the other factors that create challenges and they can be called border barriers. These barriers can be divided into two: artificial and natural. Artificial barriers are mostly obstacles created by governments and these include tariffs, quotas, regulations and national standards. The natural are more related to the prevailing culture, customs, habits and also to the location of the nation.

3.2 Specific features of international marketing

International marketing, according to Cateora & Graham (2007, 9), is the organization's activity in which the products, both goods and services are planned, priced, promoted and distributed to customers in more than one nation to make a profit. Basically the only difference between international and domestic marketing is that the first takes place in more than one country. Marketing concepts, processes, and principles are universal, and marketer's task is the same no matter where in the world he is. The goal is to make profit by using the basic marketing principles of promoting, pricing and distributing products in the chosen markets

Cateora et al (2007, 9) also state that differences can, however be found in domestic and international marketing but they are not quite in the concepts but rather in the environment where

the marketing operations take place. There is a unique flavor to every country's way of doing business and companies might run into unfamiliar situations. It is wise to be well prepared to be able to use different strategies to cope with uncertainty for instance. The differences in domestic and international marketing will be discussed more in detail in chapter 3.4.

Blythe (2012, 37) notes that marketing communication tools often have to be adapted to the foreign cultures and sometimes even major changes have to place. The market segmentation criteria may be more based on geographical issues. Also the fact that the foreign markets can be distant creates marketers challenges in controlling and observing them.

There are uncontrollable elements also in the foreign markets. Cateora et al (2007, 9) state that such elements can be legal restraints, government controls, weather, and many others that marketers need to adjust or adapt to in order to be successful.

The new and strange marketing environment in the foreign markets is the usual reason for most problems faced by marketers. To be successful the marketers need to assess and adjust to the foreign environment. A good international marketer must have qualities of psychologist, businessperson, anthropologist, diplomat, sociologist, and lawyer. (Cateora et al 2007, 23-24.)

The most effective approach to international marketing is to study marketing environments, people and cultures and how these have an impact on the marketing process. (Cateora et al 2007, 23-24.)

3.3 Differences between domestic and international marketing

Accordin to Doole & Lowe (2012, 19) the international marketing differs from the domestic one in some ways by adding more challenges to it. Companies have to deal with cross-cultural markets that are sometimes very fragmented and often extensive, too. Primary data about international markets may be difficult to gather and secondary may not be available. Data can be purchased but it is often expensive. Some markets are not politically stable and this increases the risks of entering them. Omar (2009, 5) states that consumers in different markets have different tastes and there are differences in the way people do business. Also the economies can be very different in different countries and the markets as well. These are all factors that need to be taken

seriously and the company needs to do careful research and planning before entering international markets.

In many countries the governments are regulating imports to the country as well as foreign investments. The economic situations can be very vulnerable in some markets and together with unstable currencies the risk of doing business in these markets is heavily increased. Financial systems may differ heavily from the ones in the domestic markets and they may even be regulated by the government. The ways of doing business may vary a lot in different countries and they often have varied rules that are influenced by the surrounding cultures. Companies may also lack control over the operations in different markets, especially if doing business in multiple countries. (Doole et al 2012, 19.)

Blythe (2012, 37) states that the segmentation of markets in international marketing will be more based on geographical factor. Also, the fact that the markets are possibly not close to the company makes the monitoring and controlling of them challenging.

4 MARKETING COMMUNICATION AND DISTRIBUTION STRATEGIES FOR SME'S

The marketing communication provides companies tools that can be used for different outcomes. Fill (2006, 6.) states that main reasons for them to be used are informing customers about the company's products and persuading them to buy them. This might lead the customer into a relationship with the organization. The purpose of marketing communication is also to strengthen those relationships and to have an influence on their decision making. Blythe (2012, 190) notes that there's nothing as visible in marketing as marketing communication tools and their main task is to get the company's message to the customers and other publics.

There is a so called promotional mix which includes the following: advertising, sales promotion, personal selling and public relations (PR). According to Blythe (2012, 195) this promotional mix is somewhat old fashioned since it was build up when there were only these four methods available for marketers. Nowadays some new promotional methods are hard to put into any of these four categories. Still, these four methods are thought to be the marketers' main promotional tools. Kotler and Keller (2012, 512-514.) add three more tools to the marketing communications mix to make it a total of seven. The additional three tools are events and experiences, direct interactive marketing and word-of-mouth marketing.

Blythe (2012, 195.) also states that the word mix is important here since the promotional tools don't work alone but need to be used together to serve their main purpose best, which is getting the right message to the customers in an efficient manner. The message will have the biggest impact on what tool should be used.

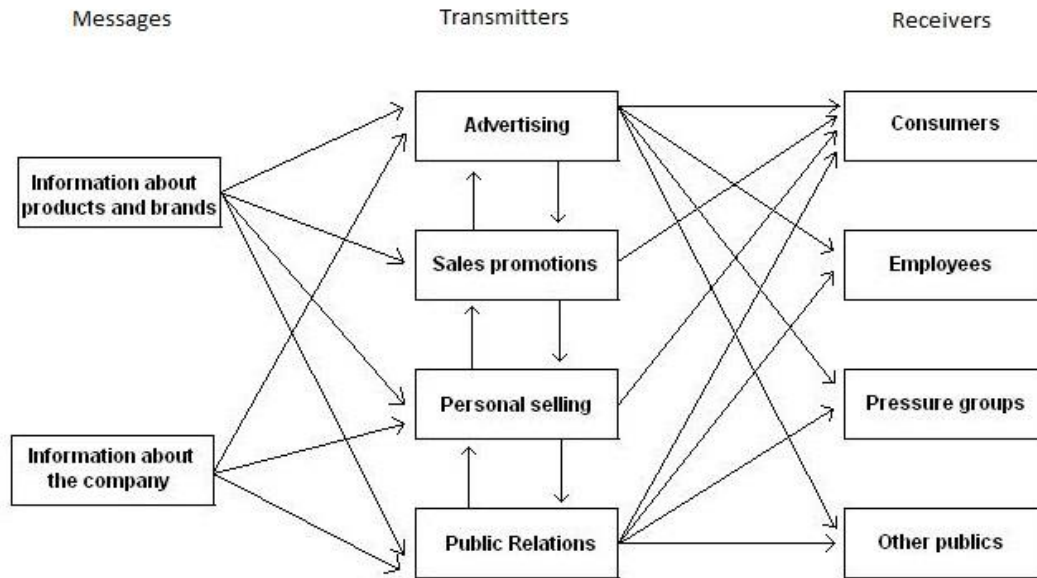


FIGURE 5. The promotional mix (Blythe 2012, 195)

4.1 Marketing communication strategies

The main focus in marketing communication chapter is on the ice paint products but some of the ideas can also be used with other products and services. The idea is to keep the developments realistic and achievable for an SME, such as Prorink, which tend to have limited resources.

Internet marketing

Online or internet marketing can be considered as part of direct marketing but in here it is examined under its own heading. Direct marketing will be discussed later on.

Kotler et al (2011, 562.) state that Internet marketing is the fastest-growing form of direct marketing and the progress of information technology is behind this rapid growth. The Internet connects people from all over the globe making it the biggest existing market place. Due to the easiness of use, speed and many other factors, the Internet has changed marketer's ways of creating value and building strong relationships with customers.

The internet has definitely given new ways of doing business and marketing. For instance the amount of companies using Ecommerce has grown rapidly. According to Kotler and Keller (2012, 460), Ecommerce is a website in which transactions of selling products and/or services take place. Nowadays, there are some companies that are located only online while others still have real business premises as well. Blythe (2012, 180) states that Ecommerce was earlier used by B2B companies but it is nowadays used in consumer markets as well, thanks to companies like Amazon.com.

Prorink could consider starting to use Ecommerce, since it would make it very easy for customers to buy Prorink's ice paints online. It would be a fast way of buying the necessary amount of each product needed, especially for rebuy customers who are already familiar with the product. To make the customer experience pleasant, the website needs to be fast, simplistic and smooth to use. One thing that has led to unfavorable experiences in Ecommerce is the lack of customer service and many firms have improved it by adding, for instance, online chats to help and guide customers through the online buying process. Another crucial factor is the feel of security and privacy. Companies should pay attention to the design and different steps that help consumers feel safe. Still, the use of Ecommerce is lacking the social experience that some people want to feel and the possibility to bargain is very limited or impossible. (Blythe 2012, 180; Kotler et al 2012, 460-462.),

Another good way of internet marketing is website marketing which will help the customers find your company. Kotler et al (2011, 567-568) state that the basic features mentioned in the Ecommerce paragraph are the very least companies should have on their website. Even though the good looks of the website may be important, it really has to be useful too. Therefore, good websites have important information about company's products and services and even promotions on them.

Company website must be promoted or it will be of no use. The name should be easily remembered and preferably promoted also online, for instance in other companies' websites or on sites that are related with the field your company operates. (Kotler et al 2011, 567-568.)

According to Safko (2012, 412) search engine optimization means how high a company ranks in search engines when products and services that the company offers are searched by people. Appearing high in these search engines will help the customers to find the company's website,

but getting there requires actions from the company. McCartney (2011, 145) states that the more inbound links a company has, the higher it will appear in search engines. An inbound link is a link to your website from another website. Therefore it is useful to use various social media such as Facebook, Twitter, LinkedIn etc. As a simplified summary, the more the company or its products appear in the internet, the higher it will be found in the search engines and the easier the potential customers will find the company.

According to Kotler et al (2001, 572-573) one of the cheapest ways of marketing is email marketing. It gives an easy way to tell new and current customers about new products, promotions and it also provides customer support. There is, however, a risk of getting your mails directed to junk mail folder. People get more and more commercial emails nowadays, and it is often referred as spam – especially if it is unwanted. According to a study the amount of spam people receive is somewhere between 80 to 95% of all email.

Furthermore, other ways of communication can be used in internet marketing strategy, such as writing blogs and articles on magazines or websites related to the industry. Social networking is also important these days and there are many tools for that, Facebook and Twitter probably being the most commonly known in Finland. These are free promotion tools for companies and they will help them get more visitors to their websites too, possibly increasing sales. The companies can also show their products there and build relationships with various stakeholders, such as customers and suppliers. (Kotler et al 2012, 570-573.)

Advertising

Blythe (2012, 196) defines advertising as “a paid message inserted in a medium”. Sometime there is an article about the company which can also communicate the company’s message but it is not an advertisement unless the company pays for it. The advertisement should also include a message hidden in it. Advertisements always appear in media and should not be confused with promotion such as brochures or clothes with company logos.

According to Kotler et al (2011, 486-487) advertising dates a long way back in history, even to the Roman Empire and the golden age in Greece. Basically it means a paid promotion of a good, service etc. The worldwide spending on advertising is around \$600 billion annually. Advertising is a great way of informing consumers or businesses about your products or services and persuading them to buy from your company. Blythe (2012, 197) notes that the main reason

companies advertise is that they want to get consumers' attention and interest. There are four major steps to a successful advertising plan: setting advertising objectives, setting advertising budget, developing advertising strategy and evaluating advertising campaigns. (Kotler et al 2011, 486-487).

The objective is the first step in advertising campaign and it should be based on decisions about the company's target market, positioning and marketing mix. An advertising objective is a communication related effort that needs to be done in a certain time with a chosen target audience. (Kotler et al 2011, 487.)

Informative advertising	
Communicating customer value	Suggesting new uses for a product
Building a brand and company image	Informing the market of a price change
Telling the market about a new product	Describing available services and support
Explaining how the product works	Correcting false impression
Persuasive advertising	
Building brand preference	Persuading customer to purchase now
Encouraging switching to your brand	Persuading customers to receive a sales call
Changing customers' perception of product value	Convincing customers to tell other about the brand
Reminder advertising	
Maintaining customer relationship	Reminding consumers where to buy the product
Reminding consumers that the product may be needed in the near future	Keeping the brand in customers' minds during off seasons

TABLE 3. Possible advertising objectives (Kotler et al 2011, 488)

The three main objectives of advertising are presented in the table above. The aim is to inform, persuade and remind customers. Especially informative advertising would be an important objective for Prorink's Crystal Ice product range, since it is a rather new one.

When the objectives are chosen, the next step will be setting the advertising budget. Many times the budget depends on the stage your product is on the product life cycle. Usually, the newer the

product is the more companies spend on advertising it. The products in mature stage of the cycle are not usually advertised heavily. Also the market share affects greatly on advertising. Gaining more share requires more money spent on advertising than only maintaining current share. It is a difficult task to set the budget correctly because knowing whether the company is spending too much, too little or enough is not always clear. (Kotler et al 2011, 489.)

The third step, the advertising strategy, can be divided in two parts: creating advertising message and selecting advertising media. Today, it is understood that the selection of the right media is even more important than the creativity of the campaign. The company can easily waste a lot of money in advertising if their message fails to get attention or communicate with the correct audience. However, the first thing is to plan the message strategy – to develop the message communicated to the consumers. They need to get a feeling that they will benefit from the product or they won't buy. Therefore, it is crucial to identify customer benefits and appeal on them in the advertising. When selecting the media, the company first needs to think about the reach, frequency and impact. Second, the choice of major media types, third is selecting media vehicles and last, deciding on media timing. (Kotler et al 2011, 486-490.)

The last step major step in advertising according to Kotler et al (2011, 500) is the evaluation of its effectiveness and return on advertising investment. There are two things the companies should evaluate when running advertisements or campaigns: the communication effects and the sales and profit effects. Measuring the first mentioned will tell the company whether the customers get the message that is communicated with the advertisement. It is possible to try the ads on consumers before they are launched and ask their opinions about it and whether it changes their attitudes or not. Then they can be measured after they run the advertisement and determine how it affected on consumers awareness and knowledge of the company's product and customer preferences. The advertisements effects on sales and profit are usually more difficult to measure since they are affected by many other things as well. It is possible to measure the advertisements effect on sales and profit by comparing previous sales and profits with previous costs of advertising. Another option is to do experiments with different ads and using different media.

Customer care

According to Kotler et al (2011, 13-14), building profitable customer relationships is the most important step in the marketing process. The customer relationship management (CRM) is possibly the most important concept in modern marketing and it means “the overall process of

building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. The process involves getting, retaining and growing customers. It is a known fact that satisfied customers will bring more money to the company because they tend to be more loyal. Omar (2009, 243) states that good quality of products is not sufficient for satisfying customers, but also good customers service and support is required.

Kotler et al (2011, 14) state that getting new customers may not be an easy job and the market is often full of competitors' products and services. Customers choose the products that offer the biggest customer-perceived value, which is the result of customer's evaluation of market offering. The product with the biggest value is the one with best benefits and/or price in relation to the competing products. According to Dlabay & Scott (2011, 498) retaining existing customers is cheaper than getting new ones and therefore many companies have started communicating with their customers on a regular basis with the aim of keeping them.

Customer relationships come in many levels. They can be basic customers who buy, for instance your company's laundry detergent or you can have full partnerships with you customers in fields where there are only few customers. The relationships can also be anything in between these two extremes. (Kotler et al 2011, 17.)

Customer care can be seen as part of relationship marketing which was discussed earlier in chapter 2.

Personal selling

It is often heard that selling and marketing mean same things or that marketing is only advertising. In fact, selling is only one part of marketing. Futrell and Valvasori (2012, 4) describe personal selling as follows:

“In business, personal selling refers to the personal communication of information to persuade a prospective customer to buy something - a good, service, idea, or something else - that satisfies the individual's need on a personal level, or on a business level when an individual is purchasing for company.”

Many times the sellers are working with current customers or future prospects to get to know their needs, give them information, propose a good or service to meet the need(s), and to give after-sale services to guarantee customer satisfaction in the long run. (Futrell et al 2012, 4.)

According to Blythe (2012, 206) personal selling is perhaps the most effective marketing tool since it will most likely get the company new customers or more sales than any other sales promotion tool or advertising does. On the other hand, it is also the most expensive tool for the company. That is why personal selling should be used mainly for products that are new, have high value, or that are hi-tech and therefore the buying takes time.

Futrell et al (2012, 19) state that salespersons are no more trying to manipulate customers to buy their products in any possible way. Rather, they work together with their customers to solve their problems and consult them or even work as partners to them. This is called relationship selling, in which the main idea is to make and keep strong relationships with customers. Today's sellers are professionals and they know even more about the field than the buyers do. This helps the sellers to become closer with the clients and to actually help them accomplish their short- and long-term objectives. After that the sellers give their customers service and follow-up to make sure they are content with the buying process. This will strengthen customer loyalty which will lead to a relationship between the buyer and seller.

Blythe (2012, 207) notes that the selling process should be started with finding out the customer's needs which will be followed by determining the suitable products to meet the needs in a best possible way. Then the seller should explain the benefits of the product to the customer and explain how these benefits will meet the needs. In the last step, the deal is closed by the seller by asking for order.

One important thing in selling is that the seller should know his customers. It is impossible to bring together benefits with buyers' needs if you don't know who they are. When selling to a customer you have never met before, it is very important to ask about his needs. The selling process with a new business-to-business customer may take even many weeks of time and it requires many more questions to be asked. The salespeople should also know well the products they are selling and some companies have come up with a solution to put the sales persons work in the manufacturing plant which has given them a much better understanding on the products. (Futrell et al 2012, 135-136.)

Direct marketing

Today, more and more companies are using direct marketing as their primary marketing approach. Some companies use it to supplement their marketing. Direct marketing is

communicating directly, without intermediaries, with targeted customers to get instantaneous response and to grow relationships with customers. (Wright 2004, 392; Kotler et al 2011, 550.) According to Czinkota et al (2010, 388) “the purpose of direct marketing is to establish a relationship with a customer in order to initiate immediate and measurable responses. This is accomplished through direct-response advertising, telemarketing and direct selling”.

In the early days of direct marketing, companies would collect customer names and use mainly telephone and mail to sell the products. Contemporary direct marketers use advanced technologies such as improved databases and new media, especially the Internet. For some companies direct marketing and especially online marketing is the core of the whole business. (Kotler et al 2011, 550.)

According to Kotler and Keller (2012, 558), multiple ways of direct marketing can be used in reaching prospects and customers. Probably the most important ones are direct mail, catalog marketing, telemarketing and web sites. Using different mediums also allows the marketing department to find the most cost effective approach and the company's offers and marketing strategies are not easily available for competitors to see, when using direct marketing. Customer transactions can and should be used as opportunities to up-sell, cross-sell or to just improving customer relationships. In such cases, it is very important to have a deep knowledge about customer preferences and wants to be able to customize and personalize direct marketing messages and quotes to them.

As mentioned earlier, there are many ways of direct marketing. Direct mail is, according to Kotler et al (2012, 560.) very popular form since it allows marketers to target customers effectively, it is easy to personalize and it is adjustable. It is more expensive than mass media but the people reached are a lot better prospects. One problem is that customers receive even too much direct mail these days and some of them can end up in the waste bin without being even read. Wright (2004, 393) states that if the direct mail is targeted well and sent to a right person, there is a good chance of getting a new buyer contact. Packages and letters are still opened by most people especially if they look interesting and essential. It might also be a good idea to phone the buyer before sending direct mail or make a follow-up phone call to make sure that the full potential of this method will be utilized.

According to Kotler et al (2012, 560) direct mail campaigns' success may be difficult to measure. However, an order-response rate of 2-4% is usually considered as rather good. The rate alters with different products and prices. Using direct mail the marketers can discover new prospects and reinforce customer relationships. Also, direct mail provides customers information and educates them as well as reminds them about the company. It may also strengthen recent customer purchase decisions.

Companies can also send their customers catalogs containing their complete product line, or special catalogs to premium customers. These are forms of catalog marketing. In most cases catalogs are in print form but they can also be in digital form, either as CDs or online. Having catalogs online helps the company to get customers across the globe while saving money used in printing and mailing. (Kotler et al 2012, 561.) Catalogs are useful according to Czinkota et al (2010, 388) especially when the company's products are very technological and when the company is contacting only specialist of the field.

Brennan et al (2011, 205) state that telemarketing is a marketing communication system which includes both sales and marketing activities that are executed by professionals over telephones and it systems. It can be divided into inbound and outbound telemarketing, the former meaning that the company is contacted by an existing or potential customer and the latter meaning that the company makes the contact. According to Kotler et al (2012, 561) telemarketing is a good way to contact prospects and customers. It can also be used in customer service and if it is done well, it can reduce the costs of selling, especially by reducing the costs of travel. Even though it has made selling more efficient, in a way, it can never replace regular sales calls.

Direct marketing benefits buyers in many ways. It is very pleasant, effortless and private. Websites or catalogues can easily be browsed whenever possible for the customers. There is no need to change physical location because the selection and buying process can be done in the office or at home. Buyers can also get a lot of information about the company and its products as well as about the industry and competitors through various direct marketing channels. Direct marketing can also be very interactive process between sellers and buyers. A good example of this is telemarketing in which the two parties can make changes to products and services and so forth. Also, the control is entirely in the hands of buyer because, after all they decide which catalogues to read. (Kotler et al 2011, 552.)

For sellers, direct marketing is a strong way for building customer relationships. With the help of rich databases, marketers have become able to target smaller groups and even individual customers. Direct marketing is mostly one-to-one based and this increases the interaction between the buyer and seller, giving buyers better information about their customers' needs. This leads to better designed products and services and in return, marketers receive feedback. As mentioned before, direct marketing is also a low cost and efficient way to reach prospects and customers. Lastly, direct marketing provides marketers a way to reach customers that they normally would not. Small companies can send catalogs outside their local markets and through internet, companies can reach customers globally. (Kotler et al 2011, 552.)

Exhibitions and events

According to Czinkota et al (2010, 391) marketing products in fairs has been a tradition in Europe at least since the 13th century. Today, trade shows are the second biggest marketing related cost after personal selling. Typically trade shows are considered as venues for industrial companies but this is not the case anymore as many consumer product companies take part in them as well.

Wright (2004, 396-397) states that trade shows and exhibitions are very important and strategic pieces of marketing communication and promotional plan, especially for B2B companies. Companies gather to these events to present their products and services. Kotler et al (2011, 540) describe exhibitions, trade shows and events as great places for networking: Sellers meet new sales leads, they can contact current customers, demonstrate new products, come across new customers, sell more to existing ones, and educate potential buyers with different kinds of print and audiovisual material. At trade shows, sellers can also reach customers they normally would not. Brennan et al (2011, 191) state that companies can obtain a chance to communicate with key decision makers of existing and potential customer firms and even make sales with them in trade shows.

Sellers can also meet suppliers, investors and other key persons in the field in trade shows. Also, if the company is thinking about going abroad they can find intermediaries in trade shows and exhibitions. There are events fundamentally for every industry and these can really make a difference to small companies' marketing. (Kotler et al 2011, 540; Czinkota et al 2010, 392.)

Public relations

Public relations or PR is, according to Kotler et al (2011, 505-506) a form of mass promotion in which the company tries to build good relations with different publics by getting good publicity, creating favorable corporate image and treating bad rumors. Public relations can be used in promoting company's products and services. It is also used in building positive relationships with such stakeholders as customers, investors, communities in which the company belongs and also the media. Blythe (2012, 211-212) continues and states that PR is also about making the company look good in the eyes of the consumers. The public relations function through press, television news stories, WOM (word-of-mouth), etc. The goal is to get people think and talk in a positive way about the company and its products.

According to Kotler et al (2011, 505-506) public relations may result in great public awareness with a much cheaper price than advertising. The firm does not have to pay at all to appear in the media. Companies sometimes have different kinds of events and displays. These should be somehow interesting and attract different media to have the similar effects as advertising would, without having to pay fortunes.

Public relations is a promotion tool like any other and the companies should actually have PR objectives set by the managers, who should also think of the PR message the company wants to deliver and through which channels, have a plan which is also implemented in the company. This all should then be assessed and, if needed, corrective actions must be taken. (Kotler et al 2011, 505-506.) It is often thought that PR is only the responsibility of the PR manager or marketer, and this is true most of the time. However, everyone in the company that has to deal with people outside the company is responsible for public relations. This includes secretaries, telemarketers, truck drivers and even people working in the warehouses. (Blythe 2012, 212)

4.2 Distribution strategies for SMEs

According to Doole & Lowe (2012, 143-144) there are many different strategies for small and medium sized enterprises (SMEs) to make profit in international markets. These strategies offer various methods in internationalization.

- Exporting is mainly used when selling domestic products and services in international markets

- International niche marketing is primarily used when company is marketing highly differentiated products abroad, in most cases to segments with one or few customers. In this case, all the marketing and market entry resources are used.
- Niche services that are created and provided in domestic markets can also be marketed and delivered to possible visitors. This will engage the company in international activities.
- Direct marketing with e-commerce enables the company to market and sell goods and services globally from a single domestic location.
- Taking part in a supply chain of an international company might allow smaller companies to piggyback multinational enterprises and develop simultaneously. This might be related to production in home country or setting up new facilities nearby the MNEs recent international sites.

Vahvaselkä (2009, 71-73) states that many factors have an impact on company's choice of operation mode: internal factors come inside the company and can, for instance, be related to the product while external factors come outside the company and may be related to the target market. Selin (2004, 23) notes that the internationalization process can be started in many different ways, however, the most common way to start it is by exporting. As the company gains more expertise and the international activities have expanded, the company may start using more exigent means in internationalization.

It takes time to make exporting a regular part of a company's day-to-day activities and the early steps require real decisiveness from the managers. The company must also do well financially in order to be able to start exporting since the expenses are, in most cases, higher than the income. Normally it might take a few years until the company starts making real profit from exporting. There will also be extra costs for the company in the beginning of the exporting process since it may require visits to foreign markets in terms of meeting possible intermediaries or taking part in trade shows, the company may have to design and print brochures and other promotional material and conduct market research. (Vahvaselkä, 2009, 64-65; Selin 2004, 17)

Foreign market entry modes

The foreign market entry modes will be discussed under the following headings. They are divided into non-equity modes and equity based modes. The first includes exporting, licensing and franchising and the latter includes joint ventures and wholly owned subsidiaries.

4.2.1 Non-equity modes

The non-equity modes, according to Peng (2013, 171), are often smaller scale operations and they don't require a high level of commitment from the company. Also, there is no need to set up organizations to foreign countries. In other words, non-equity market entry modes allow companies to do international business without using equity. The non-equity modes will be discussed more in detail next.

Ways of exporting

Vahvaselkä (2009, 73) states that most companies start their international business operations by exporting their products. In exporting the company manufactures its products in the home land and then exports them to the chosen foreign market(s). The exporting can be done completely by the company i.e. as own export or the company can use middlemen in the process which makes it either direct or indirect exporting.

According to Czinkota et al (2010, 401) the design of the export channel means how many and what kind of intermediaries the company uses in the exporting process. There are variations in the design depending on the products and the customers. For instance consumer goods are often exported using multiple intermediaries like wholesalers and retailers whereas industrial products may be exported by the company or only small amount of intermediaries are used.

The following figure will demonstrate all the export entry modes. Each of them will be presented more in depth right after.

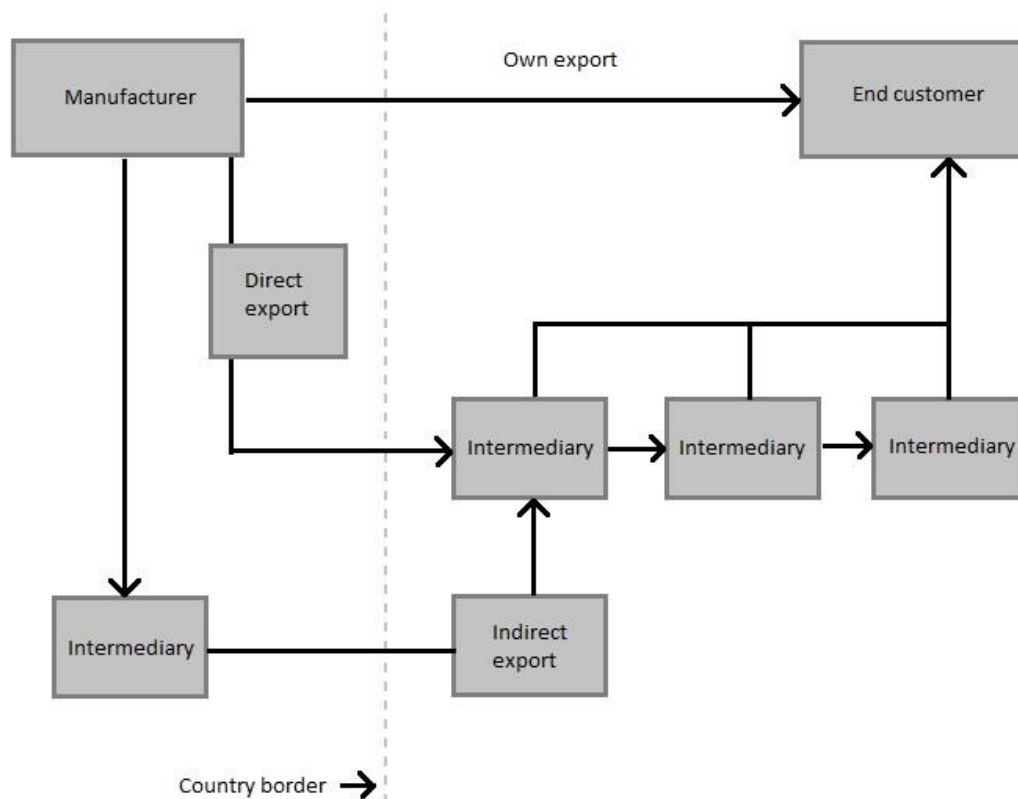


FIGURE 6. Export alternatives. (Vahvaselkä, 2009, 73)

Indirect exporting

Ahokangas & Pihkala (2002, 30-31) state that indirect exporting virtually means outsourcing company's export operations to other domestic company. In many cases the exporting will be handled by an agent or by a distributor. Also selling to a foreign company operating in domestic market can be seen as exporting. Kotler et al (2012, 625) add that there is much less investing involved compared with other internationalization forms and the company does not have to set up an own department for exporting. Also, the intermediaries will take care of foreign sales and bring their international network to the country.

By and large, indirect exporting does not require special expertise in international business or in dealing with foreign customers and markets. It can be seen as a natural continuum to domestic sales operations and there are also only minor risks involved in indirect exporting because the middlemen will transmit the know-how and services to customers, leaving the seller less room for mistakes. Indirect exporting is also an easy way to sell to remote markets without or with only little extra effort. For companies that are inexperienced in foreign markets or to those that have a lot of mass production, indirect exporting can be a good way to start internationalization. (Kotler et al 2012, 625; Ahokangas et al 2002, 30-31.) In most cases the intermediaries are completely

accountable for marketing the product in the foreign markets and on the whole, the company is required to have only very little skills on foreign trade if they choose indirect exporting. (Karhu, 2002, 79-80) Indirect exporting may seem like a rather passive form of internationalization but for SMEs like Prorink it might be the best option since the resources are limited.

The major issues related to indirect exporting, according to Ahokangas et al (2002, 30-31), are usually related with the lack of information on export destinations and customers. The information received from intermediaries is always filtered and can even be intentionally distorted. It is also often received with a time delay. The intermediary can also be unwilling to share its know-how outside the company and this can lead to an unhealthy relationship between the buyer and seller.

Direct exporting

Ahokangas et al (2002, 32-33) state that direct exporting requires a lot of expertise in international business, such as: language skills, knowledge of export routines and internal processes through which actions are executed. Therefore it can be seen as an actual export operation for the company. Depending on which countries the company chooses to export, there is a change that it has to deal with currency exchange. Kotler et al (2012, 626) point out that there is also more risks involved in direct marketing than in indirect marketing but the potential profits are also greater.

In direct exporting the goods are delivered to foreign intermediaries or other buying organizations that will handle the marketing and distribution of them to the end users. The buyer's duties, opportunities, knowledge and market coverage alter depending on the buyer. The support from the top management is also a crucial factor for successful and continuing direct exporting. Usually the buyer requires some kind of guarantee of continuity and it is not uncommon to negotiate a contract in which both parties try to regulate and limit the term of notice. (Ahokangas et al 2002, 32-33.) Kotler et al (2012, 626) note that numerous firms use indirect exporting mainly to find out about the foreign market before doing major investments there such as building a manufacturing plant.

According to Ahokangas et al (2002, 32-33) the advantages of direct exporting are often involved with the fact that a foreign intermediary is being used. Compared with indirect exporting, the distribution channel from the company to the end customer is often a lot shorter and the communication may also be smoother. The foreign intermediary may also have a better market

knowledge, better relationships and knowledge of end users than the domestic one, and it may have alternative distribution channels.

If the foreign intermediary is doing its job well, the exporting company will naturally have better opportunities to adapt to the requirements of the export markets and develop its activities and products to better suit their foreign customers. It can also plan the future operations and even affect the competition, at least in some amount, in the target markets. (Ahokangas et al 2002, 32-33.)

Direct exporting also has its challenges. Ahokangas et al (2002, 32-33) state that most common challenges are related to the reporting and ensuring its functionality. Other common challenges are motivating, rewarding, following and supporting the intermediaries. The training of new sales people is extremely difficult. Other problems in indirect exporting are higher costs and investments and also the difficulty of finding a suitable intermediary.

Omar (2009, 179) notes that it is very important to make contracts with the intermediaries. The contract should include all the rights and obligations the intermediary has and it should be written together with both parties. The contracts will be the ground for the relationship and will provide security for the company. Ahokangas et al (2002, 32-33) states that also the negotiation and planning of the contracts and the contents of them is far more complex than in indirect exporting that are dealt with domestic intermediaries. Reasons for this can be a weak situation in negotiations or inability to use own contract layout due to some other issues. As a result of this the company has to act under a foreign law. A rule of thumb is to always use a good lawyer when making complex contracts.

Own export

Kananen (2011, 63) describes own export as follows:

“Own export means exporting directly to the end customer without foreign middlemen. The distribution channel of an export firm may include middlemen of its own in the target country such as a sales unit, a wholesaler or a manufacturer. An exporter can also do business directly with the end customer. Own export can be temporary or on-going.”

Selin (2004, 65) states that own export calls for more resources from the company than direct and indirect exporting. As there are no intermediaries used in own exporting, the company can sell its products from its home country or from a foreign sales office. Karhu (2002, 111-112)

points out that in own exporting the persons in the company responsible for exporting are required to have good language skills and know how to deal with different cultures. They also need to be familiar with doing international business.

According to Kananen (2011, 62-63), in the beginning of exporting, the products can be delivered straight to the buyer particularly if the suggestion comes from the buyer's side. The exporting company will have to check the customer's ability to pay. This information can many times be found from the credit companies' customer databases. It is important to be sure that the information is still valid. The irrevocable letter of credit is the only safe paying method for the both parties in international trade.

Karhu (2012, 110-112) states that own export makes sense when the company doesn't have many foreign customers and when the orders are large or they are expensive. Also own export has been used by many companies to test the market and to gain useful information. This is not very common though, because it is rather expensive to gain information through own export. Kananen et al (2011, 62-63) note that casual deliveries can be handled without any intermediaries. Exporting to countries close to domestic markets can, in many cases, be done by company's own sales force and the internet has enabled companies to do business with foreign companies without intermediaries. However, if the number of potential customers in a foreign country is low, it may be wise not to spend money on middlemen.

It is also possible to have a continuing own export. Some goods should not or cannot be stored and they might also be made to order. Examples of this kind of products are expensive machines used in factories. Small quantities may be shipped directly to customers regardless of what they are. This is especially so when the company is selling to a foreign government or to a national buying organization, because it may not be possible to use intermediaries then. (Kananen 2011, 62-63.)

According to Karhu (2002, 112) own export demands more marketing than direct and indirect exporting and therefore requires more from the company. The reason for this is because the company has to market its products straight to the foreign customers whilst in the other exporting forms the company only has to market its products to the middlemen and they will take care or the rest. Own export often requires travelling to the foreign countries to promote the products and that will add more costs for the company.

Licensing

In licensing, according to Czinkota et al (2009, 228-229), two companies make a contract in which one of the companies give rights to the other, allowing it to use its intellectual properties and to receive payment for that as royalties. The receiving company is called licensee. There are various things that can be licensed, such as: trademarks, technology, patents, copyrights, special business skills and know how. Kotler et al (2011, 627) state that a company gets into a foreign market easily and with little risk through licensing. Also the licensee benefits from licensing since it gets the production taken care of the licensor and perhaps a well-known product to market which will help especially in the beginning.

Vahvaselä (2009, 75) states that licensing is a good option when the company wants to utilize its product or service innovation worldwide but when its resources, like know-how, economic resources or human resources, are insufficient. According to Czinkota et al (2009, 228-229) licensing might appeal on many managers that are thinking about expanding operations abroad since there is no need to invest any capital in it or to deal with clients overseas. Licensing can also make possible to utilize R&D already carried out. When the preliminary costs are handled, the licensor can profit from the deal until the contract comes to an end.

Countries may try to regulate foreign equity ventures and licensing gives a solution to that. It can also work as a testing channel of foreign markets without having to invest great amounts of money and time. Licensing also saves the company from altering the products to every market to match the customer needs. (Czinkota et al 2009, 228-229.)

There are some specific forms of licensing and one that is worth noticing is trademark licensing. Many big companies have profited from trading their names and characters such as Coca Cola, Angry Birds and Harry Potter to name a few. Trademark licensing lets other companies use their logos or names, characters, food, games, sports teams etc. It is a rather easy way for licensors to make money and the licensees will also benefit from being able to use recognizable brands or products. (Wright, 208; Czinkota et al 2009, 228-229.)

Czinkota et al (2009, 228-229) state that as everything, licensing has its negative side too. It does not really give the ability to participate for the licensor and it does not help in expanding the business later on. There is also a risk that the licensor creates a competitor for the licensee in the

agreed market and even in other countries. Kotler et al (2011, 627) add that if the licensee turns out to have a lot of success, the company has lost those profits.

Licensing has also been criticized by governments of many countries and by multinational companies. They accuse that licensing has been used to gain profit in developed countries by using old technology, even though it provides a tested concept with very fast market entry. It also minimizes or even gets rid of failing in research and development. (Czinkota et al 2009, 228-229.)

Franchising

According to Ahokangas et al (2002, 39) franchising is about selling and buying a standardized business concept. Typical examples are McDonald's and Shell. For the company that creates the concept, franchising is a way to expand geographically, even internationally. At the same time the franchisor is minimizing the organization's internal, organic growth and maximizing the autonomy and profit-orientation of the franchisee. Czinkota et al (2009, 230-231) add that franchising is a concept in which the mother company, the franchisor, gives another company, the franchisee, a right to do business in a strictly specified way. The franchising right gives the franchisee permission to use the name, products and marketing techniques of the franchisor. In many cases the franchisee uses many or all of the previously mentioned components. Kotler et al (2012, 472) note that the franchisors plan, guide and control the franchisees' operations and that the franchisee has to pay the operation's innovator to be a part of it.

Czinkota et al (2009, 230-321) state that in order to be successful in global franchising, the company has to provide differentiated products or unique selling proposition. The franchisor has to make sure that the offices, restaurants etc. are standardized. They don't have to be fully in-line with each other but certainly recognizable. Franchisors should bear in mind that they might have to adapt to local customs due to religious or cultural reasons, for instance.

The domestic markets might already be saturated, greater profits can be gained from international markets and there might a lot bigger customer potential in international markets. These are the reasons why many franchisors are expanding to international markets. (Czinkota et al 2009, 230-231.)

According Ahokangas et al (2002, 41) the central problem in franchising is how the companies can take into account the differences in products and services in different countries and what kind

of changes can be done in a way the brand doesn't suffer. Czinkota et al (2009, 231) state that franchising has been a growing form of internationalization but it has been restricted in some countries by the governments and this has created problems. Another difficulty has been with recruiting and training new franchisees. Some attempts have fallen because of too rapid growth, leading to incompetent totalities. Even though the local markets are known best by the franchisees, also the franchisors should study them to be able to make product adaptations and decisions related to operating the business.

4.2.2 Equity based modes

Peng (2013, 171) states that equity based market entry modes take place in a much larger scale than the non-equity ones. The equity based modes require more commitment from the company and are more difficult cancel than the non-equity modes. In equity based modes the company sets up independent organizations to a foreign country. A company that uses equity based market entry modes is considered a multi-national enterprise, MNE. The equity based modes will be presented next.

Joint ventures

According to Omar (2009, 155) in joint ventures two or more businesses join and make a new company that has a particular purpose. The main purpose of creating joint ventures is to combine the strengths of the companies together into a strong one. Kotler et al (2012, 627) state that in joint venture the company joins with a foreign company which they then mutually own and control. Joint ventures are often formed in developing countries, especially in large ones with complicated market systems. Blythe (2012, 242) points out that joint ventures can also be formed by two companies from the same country. In these situations the other company is already operating in the targeted foreign market. There is also another form of joint venture that is called piggy-backing, in which one company markets the other company's products together with its own. In order to make it work, it is best if the products are not competing with each other and in the best case they are complementary products such as cosmetics and perfumes.

Traditional reasons for companies to create joint ventures are the lack of resources, the possibility to divide risks and to reduce costs. Also, the foreign companies might need more managerial, financial or physical resources and in some countries a joint venture is a requirement

for the entry. In developing countries, it helps companies to avoid undeveloped legal systems. A joint venture might help the company in gaining a positive image in the target market and it can also help learning the local customs. (Ahokangas et al, 2002, 45; Kotler et al 2012, 243)

As with everything, the joint ventures also have its disadvantages. Kotler et al (2012, 243) state that there might be dissonance with the parties that are related with marketing and investments, for instance. Ahokangas et al (2002, 45) continue and state that there may also be problems in finding a suitable partner and even if one is found, problems may occur when negotiating contracts with them. The parties may also have cultural differences that create problems or they may have different goals. Also, a typical problem is related with protecting the know-how.

Wholly owned subsidiaries

According to Hill & Hernández-Requejo (2011, 457) a wholly owned subsidiary is a subsidiary which is completely owned by the company, i.e. all the stocks belong to the company. A wholly owned subsidiary can be set up in two different ways. The company can establish a new business to the foreign target market and this is called a greenfield venture, The other way is to acquire an existing company in the foreign country.

Ahokangas et al (2002, 43) state that by establishing a completely new subsidiary to a foreign country, the company gets the advantages and image of a local company and direct relationships with the target market's customers and thus a direct information channel to the customers.

According to Omar (2009, 147) establishing wholly owned subsidiaries requires huge investment and thus there are also high risks involved. Often smaller companies lack the needed managerial skills to set up subsidiaries abroad. Ahokangas et al (2002, 44) state that there are various services for companies that are going to establish subsidiaries such as company founding services and office hotels in which the company can operate before finding and choosing suitable premises.

Ahokangas et al (2002, 44) note that acquisitions are an alternative way for companies to expand. It is also a good way to advance in a rather fast pace in international markets and take over some business, clientele and market share. Through acquisition the company can also gain a well-functioning organization, distribution channels and a ready-made infrastructure for the company. The acquisition can even be profitable since the very beginning.

According to Hill et al (2011, 457) there are many advantages in wholly owned subsidiaries. First of all it diminishes the risk of letting the competitors gain access to the company's competitive advantage, especially if it is related to technology. Wholly owned subsidiaries also allow the mother company to have a good control over its foreign activities. Compared with many non-equity entry modes which may have limited control over the foreign operations, this is clearly an advantage of wholly owned subsidiaries. Also, all the profit created by the wholly owned subsidiary goes to the mother company.

The wholly owned subsidiaries have disadvantages too, according to Hill et al (2011. 457-458). It is the most expensive way to enter foreign markets in terms of the capital required to invest to it. The mother company is completely responsible for the costs and risks related with the wholly owned subsidiaries. The acquisition method is less risky since the knowledge of doing business in the target market is already there, but other kinds of problems may occur when the subsidiary is tried to be unified with the mother company.

5 RECOMMENDATIONS FOR PRORINK INTERNATIONAL

The following chapter will provide the company with some suitable recommendations that are based on the theories and concepts introduced in the previous chapters. A meeting was held with the company representatives in Prorink International's premises December 17 2013, and their opinions are also taken into account together with the author's suggestions. Again, the main focus will be in the ice paints but they can easily be used in more general level.

5.1 Current marketing situation

The current marketing situation is explained using the notes and recordings made in a meeting with the company executives and they are also based on my own output and observations during the practical training. The marketing mix contains brochures and support activities for the Crystal Ice -ice paints and related products. The company also has an advertisement in a Swedish magazine, Nordic Sports & Fritid, 12 times a year and once a year there is an article about the company.

At the moment, the Swedish bandy leagues final game's ice is painted with Crystal Ice paints. Also the bandy ices in Norrtälje and Raksila have been painted white with the company's paints and the feedback has been very positive, such as 'finally the ball can be seen'. There are also proven results that the painted ice will create energy and cost savings in outdoor surfaces.

The CEO has taken part in FSP exhibition in Cologne, Germany and in Sportec exhibitions in both Sweden and Finland. The opinion about these is that they are expensive and it is difficult to stand out from the mass.

5.2 Benchmarking competitors

Benchmarking means comparing own products, services or procedures to the ones of competitors, especially market leaders, with the aim of recognizing best practices and to discover

a way to amend quality and performance. Nowadays, benchmarking is commonly used by companies that are trying to compete with their rivalries. (Kotler et al 2011, 589)

Jet Ice

Jet Ice is the market leading company providing similar ice paint products and services as Prorink does. The company has its head office in Newmarket Ontario, Canada and a second office in the Western Canada, in Emerald Park, Saskatchewan.

Jet Ice is the preferred supplier for the NHL and an official supplier for Hockey Canada, World Curling Federation and Canadian Curling Association. The company has also provided ice paints for 2002 and 2006 Winter Olympics. Prorink could also try and become an official or preferred supplier for various organizations such as different national hockey or bandy leagues in Europe and Russia, and even for the International Ice Hockey Federation. To get there, Prorink has to do many marketing related actions such as personal selling, advertising and PR. (www.jetice.com.)

Jet Ice has a wide network of distributors and agents in North America with 4 associates in Canada and 6 in the USA. The company also has a strong network in International markets, having distributors or agents in the UK, Germany, Scandinavia, Japan, China, Middle East and Russia. Prorink is also aiming to become a more international company and will focus in the European and possibly Russian markets in the future. Prorink could get distributors and agents in various exhibitions. (<http://www.jetice.com/Distributors2>)

There is a wide portfolio in Jet Ice website (<http://www.jetice.com/HockeyPortfolio2>) showing their work with pictures. Prorink also has a portfolio on their website related on other products but not yet about ice paints. There is a place for improvement for the company.

Jet Ice also has an Ecommerce possibility in their website and this is something Prorink should also have ease the purchasing process of the ice paints. This was also discussed earlier in the recommendations section.

Jet Ice also has their own channel on YouTube which contains instructional videos on how to paint ice surfaces etc. This works as both a customer care and as a free marketing channel.

Prorink could also consider posting instructional videos on YouTube about how to use their paints and show the easiness of use of their paints.

During the practical training in Prorink International I got to see some Jet Ice brochures and other printed material which were very professional looking and it could really be seen that the company had put an effort on that. When we had the discussion with company's management team, one thing that came up was hiring an advertising agency to design the company's advertising and brochures etc. It would be a good way to get more professional looking marketing material which attracts customers better.

5.3 Recommendations for the commissioner

The following chapter deals with the authors recommendations for the commissioner. First, the marketing related recommendations will be presented and they are followed by the recommendations related with the commissioner's internationalization. The following table presents the marketing recommendations in brief, one by one and it includes both the author's rationale based on the marketing theories as well as the commissioner's opinion about the same things, based on the meeting held in December 2013.

Recommendation	Why?	Company's opinion
Internet marketing	Fast growing, international, easy and cheap, networking	The company is willing to increase online marketing and for instance benchmark competitors
Sales	To increase sales, to ease CEO's workload, to build relationships	The CEO has thought about hiring a sales person
Advertising	A good way to inform customers and promote products and services	The company sees challenges in advertising but are willing to increase it and even hire an advertising agency to improve the ads
Exhibitions and events	Great way of networking, prospecting and selling. Possibility to find foreign intermediaries	The opinion about exhibitions and events is that they are expensive and it is difficult to stand out from the mass
Public relations	Free promotion for the company and its products and services. Can make the company look good in the eyes of the stakeholders	There is an article about the company once a year. The company would like to have more PR
Direct marketing	A rather easy and cheap way of creating sales. Also informs and reminds the customers.	The direct marketing is seen a little old fashioned and inefficient
Customer care	A good way to build, develop and maintain relationships	The company wants to improve their customer care and improve relationships by, for instance, offering services to existing customers.

TABLE 4 Recommendations for the commissioner

Internet marketing

A good recommendation for the company would be updating their website. After all, the web is nowadays the biggest existing market place, engaging the company in international markets, which is also one of the company's future goals - to become more international. The internet helps in communicating with customers and stakeholders from all over the globe and these features will turn into advantages for the company as it enables them to do business over the internet i.e. sell their products and services regardless of time and physical location. The greatest benefit for the company is getting more customers and through that more sales and profit.

With that being said, another recommendation for company is to have some kind of web store or Ecommerce possibility, especially for the ice paints which can easily be sold in the internet. When customers are making straight or modified rebuys, the possibility of doing it in Prorink's website would make the whole process fast and easy. These advantages can be turned into customer benefits such as time savings for the buyers. Also, this would not be a very expensive alternative for the company to make.

The internet also works as a good tool in networking which will help the company even more in becoming international. Through internet the company can find dealers and customers for the ice paints, and also communicate with them. Customers can also find the company through the internet and this is why it is important to have the appearance and visibility of the website in high level. One way to get more customers to the website is to become active in different social media which will ultimately make the company appear higher in search engines when products and services similar to theirs are searched.

The great thing about social media, such as Facebook and Twitter, is that they are free and provide the company a possibility to show their products and promotions there very easily. A possibility is to write articles or blogs about the company or its services etc. on industry related websites. All of these give the company a chance to build and maintain relationships with different stakeholders, like customers and the local community. A cheap and easy way of informing customers about company's new products and services or promotions is email marketing. There is, however, the risk of company's mails being directed to junk mail.

Personal selling

The company is relatively small and the CEO has to take care of many things. A good suggestion for the company would be hiring a sales person to create more sales and revenue and also to

ease the work load of the CEO which would also allow him to focus more on other important issues. Many of the company's products are either high in value or complex, thus requiring personal selling to customers. Selling products with high value takes time and often the seller has to build a relationship with the buyer to make the sale. Because the ice paints are relatively new products in the market, they require more personal selling.

The company could also hire sales agents in foreign markets or one that takes care of Central Europe which is the preferred area in which the company wants to expand. The agent would already have contacts and networks in the area, helping the company in international activities such as selling abroad. Some research will be needed in finding a suitable person to work as an agent for the company. Hiring one will obviously create more expenses for the company but it may be worth trying instead of starting to sell on their own, through trial and error, which might lead to spending even more money.

As mentioned in chapter four, selling is nowadays more about building and maintaining relationships. If the company hired a new salesperson he or she would have more time to take care of customer relationships as well as sell products and services.

Advertising

At the moment the company does only a little advertising but they are interested in investing more in advertising. A good idea that came up during the meeting was to contact an advertising agency and ask them to design their ads to look more attractive and to stand out from the crowd. The agency could also design brochures and leaflets for the company that could be easily modified to different products of the company. The company's advertising should also be uniform.

Advertising is a good way to inform consumers about new products and also promoting older ones. But before doing it blindly, it would be recommended that the company started advertising by following the four major steps and created an advertising plan. They should first decide the objective for the advertisement and for the ice paints it could be the informative advertising, since the product is rather new and unknown for the market. The second step is to determine the budget for the advertisement. As the ice paints are still in an early stage of the product life cycle, the company needs to spend more money on them. Next, the advertising media should be selected. Online advertising might work for the company due to the fact that there are not too many publications in the field. For example having advertisements on ice paints in different

national and international ice hockey federations' web sites would help the company in reaching the right customers. Also social media and search engine marketing can be considered as parts of internet or online advertising and parts of the advertising plan of the company. Even more important than selecting the media is to create a message for the advertisement which should state a benefit for the customer, such as the cost savings that the ice paints can create etc. Last but not least the advertisement (campaign) needs to be evaluated. The company can compare their previous sales and profits and the previous advertising costs to with the new ones to find out about the effects of the advertisement.

Because the ice paints are in an early stage of their product life cycle, they need to be advertised more to get people and therefore the advertising budget should be big in the beginning. Ice paints may also be a new thing for many customers and that is why they need to be informed about the products and also communicate the benefits of them, such as the cost saving, to the customers to reinforce their buying decision.

Exhibitions and events

Exhibitions and events were not really first in the company executives' minds when talking about marketing activities, mostly due to high expenses and difficulties in standing out from the crowd. However, these both are very good possibilities of networking with customers and dealers as well as with suppliers. The company could also find a suitable intermediary for their international activities. Participating in trade shows will also help the company to keep up with the latest technologies and innovations in the industry. It is also possible to do this and even have face-to-face conversations with potential customers without being an exhibitor. The company representatives can attend trade shows as visitors and still be making contacts and even deals. Prorink can demonstrate and educate their customers about their ice paints in different exhibitions and show the differences between painted and unpainted ice surfaces.

Hiring more sales force will also help the company in solving the problems faced with the exhibitions earlier. Obviously more employees will create costs but a good sales person can, besides selling more and prospecting, also help in standing out in the events as well as allowing the company to communicate more with potential or existing customers than the CEO alone has been able to. They will also help in creating a good strategy for a particular event or exhibition.

Prorink could also hold an event of their own, for instance, related to ice paints and –painting in which they could demonstrate their products and services as well as educate the customers. There are many possible places for holding the event, one of which could be prior to the Bandy finals in Sweden. They finals attract huge audience and holding an event before a game would demonstrate the differences between painted and unpainted ices and also the easiness of using the company's products. This could immediately boost sales and create word-or-mouth, which could lead to inquiries and possibly sales in the future. Holding an own event and creating buzz around it might attract media there, and the company could invite them, to write an article about the company and/or its products. The company should emphasize the product's environmental friendliness and cost savings. This would be part of the company's PR, which is discussed more later on.

Another good place to hold an event would be in Russia with the aim of penetrating the huge market. KHL is the biggest Ice Hockey league outside of North America and there might be market for the ice paints although research needs to be done.

PR

As mentioned earlier there is an article about the company once a year in a Swedish magazine. The company does have more public relations potential especially with their ice paints because they are proven to be environmentally friendly and also energy saving in outdoor use. If the company could get more articles written about the ice paints, it would create free advertising for them and could potentially get more customers from both national and international leagues as well as from the IIHF.

It is good to remember that PR can be used as a free promoting tool for the company's products and services. It is virtually free compared to advertising. PR can also be used in building good relationship with various stakeholders like customers and communities, in other words it can be used to make the company look good in the eyes of others. The company should also set PR objectives so that the potential would actually be used.

Direct marketing

Direct marketing, especially direct mail is considered old fashioned in the company and that it drowns in the mass. However, direct mail is a lot more than just direct mail as can be found out in the previous chapter.

Even direct mail can have good results and a good recommendation for the company is to make a comprehensive database of their customers. The database would include customer preferences and other useful information that can be used to cross selling or improving customer relationships. Also customized direct mail can be done based on this information. Direct mail to existing customers could include sending product catalogues and brochures etc. Internet can also be used in direct marketing but it was already discussed under the online marketing. The customers can be phoned before or after sending the direct mail to make it more effective. It is good to keep in mind that even if the direct mail would not create sales, it would still provide information for the customers and remind them about the company.

One of commonly used forms is telemarketing which may not be the most respected form, but definitely is effective especially in prospecting. It is clearly a cheaper way of prospecting than actual sales call but cannot completely replace it. Telemarketing can also be used as customer service and it might even improve the relationships between the company and its customers.

Customer care

Like it was mentioned before, according to Kotler the most important part in marketing process is building profitable customer relationships. When you have good relationships with the customers they will be more satisfied and it is a known fact that satisfied customers spend more money.

Therefore it is very important to contact existing customers and ask them questions to understand them and/or their problems better in order to improve your products to create more value for the customers. After all, the product with most perceived value will have the best chance to be chosen by the customer. This will automatically build, develop and maintain relationships with customers.

Customer service is also an important part of customer care. Handling complaints is also something that should companies should prepare for. If the customer care is good the customers will be satisfied even though if problems occur. This will strengthen relationships.

SME seen as possibility

Finally there will be something about the company size. The fact that the company is small in size is not always a bad thing. In fact in many cases it is just the opposite because the bureaucracy in smaller companies is a lot lighter giving the companies a possibility to be more flexible.

Also, small companies and “one man’s marketing units” can be rather innovative and creative just as well as bigger teams. Therefore it should be seen as a possibility rather than as a burden or challenge.

Internationalization

Due to the nature of the commissioner’s business, their products and the desire of getting an agent to help them in the international markets, the author’s main suggestion for the company to become more international, based on the above mentioned facts, justified with the theories presented in chapter four, is indirect exporting. The method is good for the commissioner because, as a relatively small company, indirect exporting doesn’t require too much work from the company and they don’t have to have a lot of expertise in international business and they don’t have to familiarize themselves with the foreign culture, language and markets.

Indirect exporting is also a natural way of expanding business from home markets to the international ones and the risks related to the method are relatively low. It is also a great method when the company has a lot of mass production, such as the commissioner’s ice paints. The negative aspects of the method are related with the small amount of information the company receives about the customers and the foreign markets.

The second best suggestion would be direct exporting which requires more from the company such as language skills, knowledge on exporting routines and country specific information. This method involves more risks but also there is also possibility to make more profit. The advantage of direct exporting versus indirect exporting is, that in this method the company uses foreign intermediaries that usually have better knowledge on the foreign markets and customers and also have better relationships with them.

Another suggestion for the company in becoming more international one is to go online. The topic has already been discussed earlier but it cannot be emphasized too much. After all, everything is going online these days and by doing so companies can do business easily with foreign companies regardless of location and time. It is also a very easy way to do international business and it doesn’t require an awful lot from the company.

There is also a great company in Finland called Finpro that provides many kinds of services for Finnish companies that want to do international business, such as consulting, providing information about different countries and industries & fields, foresights and help in starting exporting. Through Finpro companies can find new contacts and business opportunities.

It is always wise to start an action like this by creating a good plan. A lot of research needs to be done about the foreign country or countries and strategies need to be created. As the company's preference was to find dealers for their products, the best strategy would then be the direct exporting.

6 CONCLUSIONS

The task of this thesis was to find suitable marketing strategies for an SME that strives for international markets, especially in Europe. The research method of the thesis is case study research and the thesis is conducted based on marketing and internationalization theories. After that development suggestions are given for the case company.

It is important to understand that marketing is not just selling and definitely not just advertising. Rather, it is about satisfying customer needs and creating long-term relationships with them. In the most basic level the customers have needs which can be physical, social and individual, such as food and shelter. Wants and also needs are shaped by the culture the individual lives in as well as by the personalities. For instance, a Finn needs food but wants to eat reindeer meat. When people have more money, they start to demand for better products that will give them the most value. Companies want to maximize their profits and in order to do so, they need to research their customers and analyze the data to understand their needs, wants and demands.

The customer needs, wants and demands are satisfied with the company's market offerings. They include the products and services and also the quality of the products, their design, features and packaging. Companies can gain competitive advantage by offering additional services such as delivery and repair services or training. However, it is important to avoid one of the marketing's most common pitfalls, marketing myopia, in which the company focuses too much on existing wants and forgets the customer need. For instance, the company might think that the customer wants to have the most powerful drill in the market when he actually only needs a hole in a wall.

Today, there are a huge amount of products that customers need to choose from and the ones that they think give them the most value and satisfaction will be chosen. If the customer is satisfied, they will buy the products again and not, they will choose competing ones. The value is, in a way the difference between the benefit a product gives for the customer and the cost of it. So the company delivers its customers value and gets profit in return. In order to be successful against the competition, the company has to improve its value delivery process and offer the customers superior value.

One of the most important things in marketing these days is building and maintaining strong relationships which can be done by delivering superior value to customers. The marketing has been moving towards a concept called relationship marketing which focuses in the lifetime value of the customers. The key point is to find potentially loyal customers and offer them suitable products and services throughout their lives. After all, finding new customers is a lot more expensive than keeping existing ones.

Markets are a place in which products are sold and bought. There are potential and actual buyers in the markets as well as competitors. However it is not always clear who the actual competitors are and they are defined in a wrong way mainly because the company defines its business in a wrong way. A hockey skate manufacturer is not only in the hockey business but also in sports business. Its competitors are not just other skate manufacturers but also other sports companies. Also, not everyone likes sports and therefore the competition can be expanded to everything related to spending free time.

The main goal of the business is to create customer value and build profitable relationships and the company needs to have a marketing strategy to be able to do that. The strategy usually starts with segmentation in which the company divides the market into segments which have people with similar needs and wants. Then the company chooses the best segments and targets its products to the customers in those segments. When the segments the company wants to target are chosen, the company will differentiate its product offering to best meet the customer needs. The company can also position its products in the minds of the customers with the aim of separating them from the competing ones.

The next step is to create a marketing mix which is directed by the marketing strategy. The mix consists of the four P's that are product, price, place and promotion. These four P's are marketing tools that can be controlled by the company and are used together, simultaneously. They are used for creating demand for the company's products. Before the company knows what are the best marketing strategies and mix, they need to do marketing analysis, planning, implementation and control. After all, the markets are in a constant change and the company needs to adapt to them.

Many companies are becoming more international these days. However, a company should have a stimulus for internationalization. The stimulus can either push or pull the company to the

international markets. These are also often called proactive and reactive motivations, the first meaning motivation coming from inside the company and the latter meaning a company's attempt to respond and adapt to the changing environment. Examples of proactive motivations are unique product and technological advantage, and examples of reactive motivations are competitive pressure and over production. It can be said that companies with proactive motivations go to international markets because they can do it and companies with reactive motivations go to international markets because they have to in order to survive.

In order to be successful in international markets the people involved in the process in the companies need to have many different skills. They need to study and familiarize themselves with foreign cultures and habits and possibly even adapt to living in a foreign culture. They also need to have good language skills and an ability to work with people from different cultures. It is also important to know the international business procedures and understand that internationalization is not a fast process, and that it happens in many steps that require learning and adaptation. It is also an advantage if the people have an ability to build good relationships. The company has to do research at least to some extent to avoid or minimize the risks involved in the process. It can be time consuming and cost some money but is definitely worth doing.

It should also be taken into account that since the way of doing business varies to some extent in every country and people have differences in taste, the companies may face strange situations. Therefore it is necessary to be well prepared and have different strategies if something unexpected occurs. Also, the marketing and especially marketing communication tools need sometimes even heavy adjustments to make them work in different countries. There are uncontrollable elements in foreign markets too, such as legal or governmental changes which require adaptability from the company.

The marketing communication provides the company a set of tools that help the company to inform customers about their products and also persuade them to buy them. The marketing communication tools are also used to creating relationships with customers or strengthening existing ones and also influencing their decision making. The marketing communication should be used as a mix of different tools to serve their purpose best, getting the right message to the customers fast and effectively.

There are many different strategies for SMEs starting international operations and many factors have an impact on them. Internal factor may have an effect on the product and external factors may affect the choice of the foreign market. Most companies start their internationalization by exporting and it is used especially when the company wants to sell domestic products and services in international markets. Exporting, too, takes time before it is part of company's regular activities. It also requires capital from the company since especially in the beginning the expenses are higher than the incomes. Usually it takes a couple of years before the company starts making profit from exporting. There are also additional costs when the exporting is started because there may be compulsory visits to foreign markets in terms of meeting intermediaries or taking part in exhibitions and the company may have to design completely new promotional material for the foreign market.

There are many marketing communication strategies the commissioner could use and make a mix of them to improve their marketing and increase profits. The company could start with internet marketing, because it is probably the fastest growing market, which is already international. It is also easy and relatively cheap to use and the internet provides many great ways of networking. The commissioner is also willing to increase internet marketing and possibly benchmark its competitors. Another suggestion for the company is to hire a new sales person to increase sales and ease the CEO's workload, since he has to do perhaps too much on his own. By doing so the CEO could focus more on day-to-day business activities and running the company. The salesperson would also build and maintain relationships with customers. Hiring a new sales person has also been the CEO's mind.

One thing that the commissioner could improve about their marketing communication is to increase advertising. It is a good way of informing both new and potential customers about the company's products. It can also be used in promoting the company's products and services. During the meeting with the management some challenges with advertising emerged but the commissioner would still want to increase advertising and perhaps hire an agency to improve it. Exhibitions and events were thought as an expensive way of marketing by the company. Also the CEO pointed out that it is difficult to stand out in the events. However they are a great of networking, prospecting and selling. It is also possible to find foreign intermediaries in the events. The company could also create an own event and create buzz around it to get customers and even media interested. An own event could also be seen as a PR activity. The reason why PR is a good method is because it gives free promotion for the company's products and services and it

can give the company a positive image. There is an article about the company once a year and they would like to increase the PR activity.

Direct marketing would also be a good promotional tool for the commissioner due to the easiness of use. Even though it was though a little inefficient in the company, it is still possible to create sales by using it. Direct marketing is also a great way to inform and remind the customers about the company and its products. The company could also build, develop and maintain relationships through customer care which also came up in the meeting. The company tries to offer their customers services and education.

The market leader of ice paint products is a Canadian company called Jet Ice, a company that is active in each continent where hockey and ice sports are popular. The company is the preferred supplier of many North American ice hockey leagues, including the best league in the world, the NHL. Prorink International could also strive to become a supplier of major hockey and bandy leagues in Europe and Russia. They could also try to become the preferred supplier for the International Ice Hockey Federation (IIHF) to get more visibility and a reliable image for the products. This will obviously require marketing actions from the commissioner, such as advertising, PR and personal selling.

The author had the possibility to see Jet Ice's marketing material during a practical training in Prorink International. The material was very professional like and definitely communicates the quality of the products and the company to the customers. It is also both the author's and the commissioner's desire to improve the company's marketing material by hiring an advertising agency.

The company would also like to become more international and the author's main suggestion for the commissioner is to do that by using the indirect export method. The reason for that is the easiness of the method and it doesn't require a lot from a small company. The company is dealing with a domestic intermediary and that makes the process easier since there are no language or cultural barriers and also the risks are relatively small. It is also a good to method of exporting mass produced goods such as the commissioner's ice paints. Another option is to use the direct export method which requires more actions from the company. In this method the company uses a foreign intermediary and therefore it is necessary to have good language skills and also know something about doing international business. The risks are higher in direct

exporting but it is also possible to make bigger profits. Possibly the best way for the company to get good intermediaries is participating in exhibitions and trade shows.

7 DISCUSSION

The goals of this thesis were to develop the commissioner's marketing and help them in the internationalization process. The idea for the first part of the thesis came from the author and the idea for the second part came from the commissioner. The commissioner agreed on the author's idea and the author agreed on the commissioner's idea. Later on they were modified to the final form together with the tutor teacher. The process began with a desktop research on marketing and internationalization theories and after that the author produced suitable theory parts for the thesis. The theories discuss first the basic marketing theories and later on go into more detail in B2B marketing, international marketing and marketing communication. The empirical part followed the writing of the theories in the thesis. The research method used in the thesis is case study research. The theoretical part gave a good base for the empirical part which is focused more on the commissioner's wants and the author's suggestions for the company.

The process related to the thesis has given the author a better understanding on marketing process as a whole and also on internationalization as well as exporting. The main outcomes of this thesis are on marketing processes that are suitable for SMEs. Also it provides the commissioner and readers with theories and practices on going to international markets. The idea was to give the company ideas on how they could have more marketing activities and benefit from them. Even though they are a relatively small company, they have potential in growing and becoming more active in international markets.

In the beginning the process felt rather confusing and it was difficult to know how to start because the subject wasn't clear enough. After meetings with the tutor teacher and every seminar the task has become clearer and it was narrowed down to be related with the ice paint products. The author has always been interested in marketing and noticed some deficiency in the commissioner's marketing which motivated to.

The author's suggestion for the company is to read the theories thoroughly first to better understand the suggestions and make the most out of them. The thesis begins with basic marketing theories, followed by theories on internationalization and international marketing. After that, suitable marketing communication and distribution strategies for SMEs are presented, followed by the author's recommendations for the company. The recommendations are written

based on the theories and a meeting which was held in December 2013 with the company managers.

A further development task for the company could be developing a business plan. The commissioner could market itself for the OUAS students to get help from the in making that. The business plan helps the company to reach the goals that will be set in the plan.

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