



Meng Wu

HOW TO SUCCEED IN SHANGHAI, CHINA

Case company: Marimekko Oy

Business Economics and Tourism

2013

ACKNOWLEDGEMENT

For one thing, I will give thousands of thanks to my supervisor, Helena Blomquist, who was patient to direct me in each step of the process of my thesis and gave me some valuable suggestions.

For another thing, this thesis cannot leave out other people's help.

Thanks to Chen Xiwen who helped me solve many problems.

Thanks to Cao Wen who gave me some useful suggestions in designing questionnaires.

Thanks to Hu Qiaonasen and other friends who helped me find more target respondents.

At last, thanks to my parents and those who cared, encouraged, and supported me all the time.

ABSTRACT

Author	Wu Meng
Title	How to Succeed in Shanghai, China. Case Company: Marimekko Oy.
Year	2013
Language	English
Pages	91 Appendices
Name of Supervisor	Helena Blomquist

Fashion industry has been developing so fast in recent years so that many fashion brands opened stores in China, especially in Shanghai which gathers a large number of fashion brands including domestic and international brands. Marimekko chose Shanghai as the first station for advancing in China.

The purpose of this thesis is to analyze how to promote Marimekko and achieves its objective in Chinese market under facing the keen competition, especially in Shanghai segment. The main problem is to find out the most cost-efficient promotion methods to satisfy and affect consumers in order to penetrate Chinese market and earn more market shares.

In order to reach this goal, the author presents an overview of consumer behavior, analyzes the communication environment, describes the four types of promotion strategy, and portrays how to manage promotion strategy.

The author uses quantitative method to collect data via a questionnaire delivered to respondents by Internet. Then Excel is used to illustrate and analyze the data collected.

Empirical findings show that the most popular promotion tools are advertising and sales promotion and the awareness of Marimekko in Shanghai is a little low. Based on the results, the author also gives some suggestions and an outlook for Marimekko.

Key words promotion tool, fashion, Marimekko

TABLE OF CONTENTS

ACKNOWLEDGEMENT

ABSTRACT

TIIVISTELMÄ

1	INTRODUCTION.....	9
1.1	Background of the Study	9
1.1.1	Chinese Fashion Industry.....	10
1.1.2	Introduction to Marimekko	14
1.2	Research Problem and Aims.....	16
1.3	The Limitations of the Research.....	16
1.4	Thesis Outline	17
2	CONSUMER BEHAVIOR AND PROMOTION STRATEGY.....	19
2.1	The Overview of the Consumer Behavior	19
2.2	The Promotion/Communications Environment.....	23
2.2.1	The PEST Analysis of The Macro Environment	23
2.3	Promotion/Communication Tools	26
2.3.1	Advertising.....	30
2.3.2	Sales Promotion	34
2.3.3	Personal Selling	38
2.3.4	Publicity and Public Relations	39
2.3.5	Direct Marketing	41
2.3.6	Other Promotion Tools	42
2.4	Managing Promotion Strategies	45
3	RESEARCH METHODOLOGY	49
3.1	Research Design and Method	50
3.2	Data Collection and Sample	51
3.2.1	Sampling	51

3.2.2	Questionnaire	53
3.3	Data Analyzing Methods	54
3.4	Reliability and Validity.....	54
4	EMPIRICAL FINDINGS.....	56
4.1	Basic Information Finding	56
4.2	Attitudes Towards Marketing Communication Patterns	58
4.3	The Cognition Degree of Marimekko.....	65
5	CONCLUSION	71
5.1	Summary of the Research.....	71
5.2	Suggestion and Outlook for Marimekko	72
5.3	Suggestion for the Further Study	74
6	REFERENCES	75
	APPENDIX 1:	80
	APPENDIX 2:	87

LIST OF FIGURES AND TABLES

Picture 1. Investment in China's Textile & Clothing Industry in 2005-H1 2011 (Zero21PO Group 2011).	12
Picture 2. China Consumer Spending in 2002-2012 (Trading Economics 2012).....	12
Picture 3. China GDP in 2002-2012 (Trading Economics 2012).	13
Picture 4. The logos of renren and weibo.	68
Figure 1. The structure of the thesis.	18
Figure 2. Three elements for consumer analysis (Peter and Olson 2008).....	21
Figure 3. The Basic Model of Communication Process (Schiffman and Kanuk 2000).	28
Figure 4. Possible ingredients of an organization's promotional mix (see Dibb et al. 2012).....	29
Figure 5. General steps for developing and implementing an advertising campaign (Dibb et al. 2012, 497).....	31
Figure 6. Relationship among the Stage in the Research Process (Jr. and Iacobucci 2002, 56).....	49
Figure 7. Approaches to collecting data (Dibb et al. 2012, 268).....	52
Figure 8. The outline of thesis.	71
Graph 1. Respondents' gender.	56
Graph 2. Respondents' age.....	57
Graph 3. Respondents' occupation.	57
Graph 4. Respondents' revenue per month.	58
Graph 5. Respondents' preferences for promotion tools in getting information of garments and home furnishings.....	60

Graph 6. Preferences for different types of advertising.	61
Graph 7. Preferences for different types of sales promotion.....	62
Graph 8. Preferences for different types of personal selling.	63
Graph 9. Preferences for different types of public relations.	63
Graph 10. Preferences for different types of direct marketing.	64
Graph 11. Respondents' awareness of Marimekko.	65
Graph 12. How to know Marimekko.	66
Graph 13. Interest to purchase Marimekko.....	67
Table 1. The “black box” model (Sandhusen 2000).	20
Table 2. The strengths and limitations of five major elements of promotional mix (Bovee, Thill & Mescon 2005).....	30
Table 3. An Analysis of Consumer Vulnerability (Peter and Olson 2008, 434).	47
Table 4. The basic Research Objective and Research Design (Burns and Bush 2000, 130).....	50
Table 5. Respondents' attitudes towards marketing factors in purchasing garments and home furnishings.	59

LIST OF APPENDICES

APPENDIX 1. Original Chinese Questionnaire

APPENDIX 2. Translated English Questionnaire

1 INTRODUCTION

At first, the introduction of this thesis will present the background of the study, which includes a present situation of Chinese fashion industry and a general introduction of the case company Marimekko. Then an explanation of the research problems and purposes will be stated. The limitations of the research and the outline of this thesis will be also provided in this chapter.

1.1 Background of the Study

Paul Nystrom said that fashion is the fact of social psychology, social emulation, and esthetic imitation (Wills and Midgley 1973, 11). Many people think that fashion includes many other things besides clothes, like bags, architecture, furniture, and most of the applied arts (Wills and Midgley 1973, 341). However, for the purposes of this thesis, fashion mainly refers to clothing and bags.

Clothing is not only as one of the necessities of life, but it also shows that human beings pursue beauty and fashion in recent years. Consumer demand for clothing is gradually growing, as someone said that a woman is always lacking of some clothing in her wardrobe. Therefore, the fashion industry attracts a lot of researchers' attention and brings commercial opportunities. Almost every world famous fashion brand releases its own new style every season and participates in one of the top international fashion weeks in order to attract more customers with unique design and high quality. However, it is difficult to analyze fashion accurately, because fashion always needs to be studied from several aspects, "mainly behavioural, such as psychological, sociological and anthropological" (Wills and Midgley 1973, 12). Thus, fashion marketing is closely connected with consumer behavior.

Consumers refer to the end users of products or services produced and have to pay for what they want to purchase. Therefore, we, as consumers, play an important role

within the economic and social system. Without effective consumer demand, companies would lose a vital motivation to produce products or provide services.

Today, most of successful companies around the world have analyzed their entire organizations and made some changes to serve customers better and get close to them (Peter and Olson 2008, 4). One of the major reasons for the increased focusing on consumers is the development of the internet as a marketing tool. The internet can transmit information about products and services to consumers who received most of needed information from traditional print and media advertising (Peter and Olson 2008, 5).

As shown in Consumer Behavior and Marketing Strategy (Peter and Olson 2008, 5): Consumer behavior includes “the thoughts and feelings people experience and the actions that they perform in consumption processes.” In consumer markets, it is very important to design a good marketing strategy to increase the opportunities with which “consumers will have favorable thoughts and feelings about particular products, services, and brands, and will try them and repeatedly purchase them” (Peter and Olson 2008, 12). Thus, consumer analysis and marketing strategy will be the key point explored in this thesis.

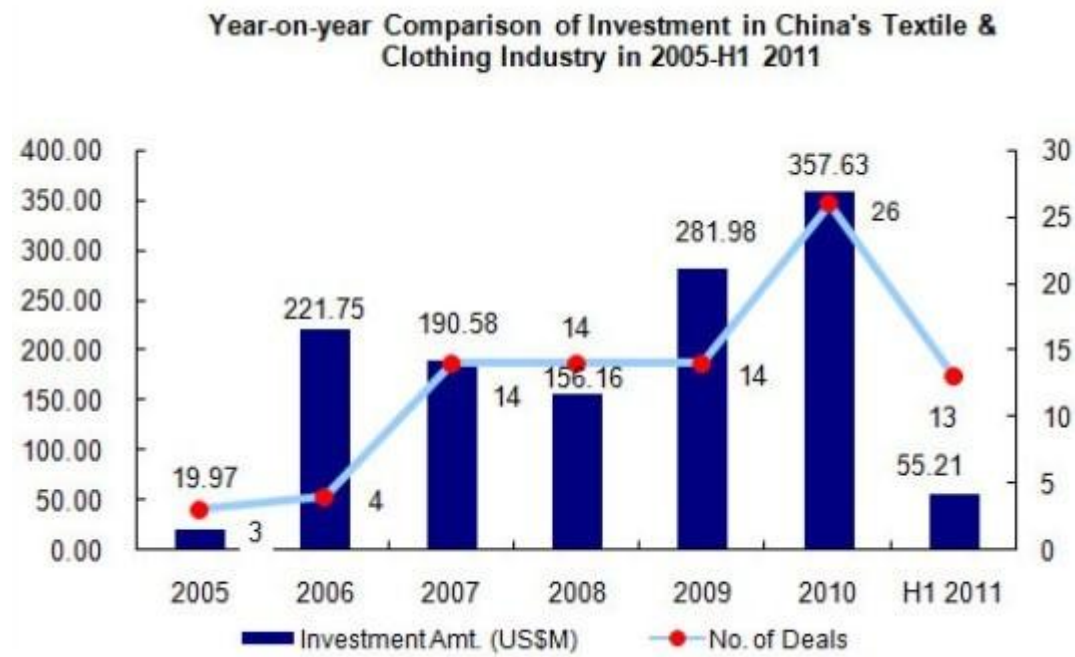
1.1.1 Chinese Fashion Industry

With the rapid economic growth of China and the increased consumer demand, the pattern of Chinese consumption is changing gradually. People have more requirements for clothing which is expected to show diversification, individuation, and fashion-orientation, so clothing is not only the basic necessity of life but also an embodiment of what people use to pursue personality and individuality or status. Often a brand originated in the US or Europe is valued more highly than that a native brand or other Asian brands (Docstoc 2011). Additionally, price is not the only element cared about by the Chinese consumers any longer, when they increasingly are

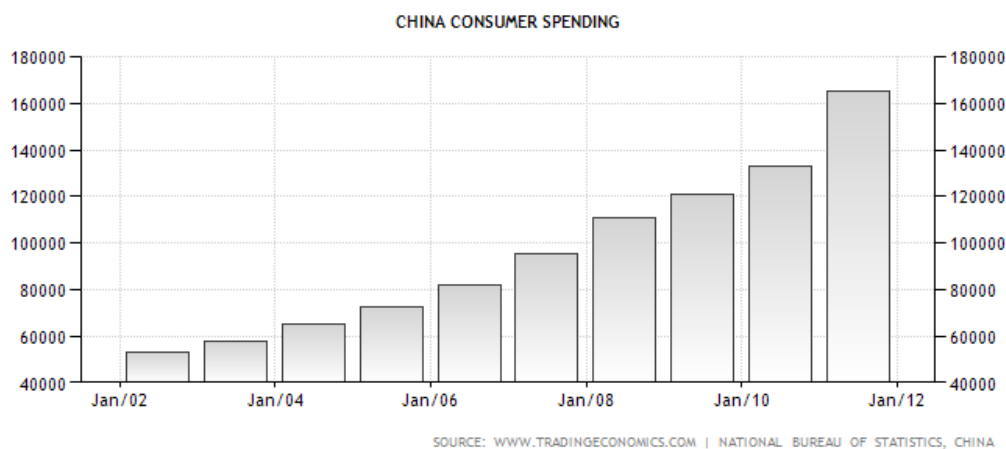
concerned about product quality and customer service. This means that advertising and promotional tools are much more important for a brand's development (Docstoc 2011). Thus, many signs state that in the future Chinese fashion industry will compete in product brand rather than in product scale (see news.china.com.cn 2013).

Jeacy Yan, a member of 2011 Forbes China Fashion 25 List, said that the Chinese fashion industry is still young and has a lot of potential for growing in the future (Forbes.com 2013). The Chinese clothing market has grown at 7%, and the Chinese clothing industry now is a USD40 billion industry, evaluated to stand rapid growth (Docstoc 2011; Zero21PO Group 2011). Zero21PO Research Center (2011) indicated that Chinese clothing industry peaked up a new high in investment during 2005 and H1'2011 (see Picture 1). For all this, the Chinese clothing industry still faces severe rivalry and an instable landscape. Regardless of the large-scale companies and industry leaders, latecomers gain a strong momentum and keep up the high growth, impacting upon those brand leaders (Zero21PO Group 2011).

Furthermore, China is converting itself “from an export-oriented economy into a consumption-driven economy” (Forbes.com 2013). With the rapid growth of China's middle class, a fast rise in both urbanization and rural consumption represents a sustainable and positive trend in China (Docstoc 2011). Moreover, fashion brand occupies a large portion of consumer brands, and the considerable potential growth is expected in such segments of the apparel industry as high-end casual wear, fast-fashion brands, and luxury brands (Forbes.com 2013). According to the statistics reported by the National Bureau of Statistics, China, consumer spending has grown at an average annual speed of 20% from 2002 to 2012 (see Picture 2). Similarly, GDP in China also increases dramatically in the last decade according to the statistics reported by The World Bank Group (See Picture 3).



Picture 1. Investment in China's Textile & Clothing Industry in 2005-H1 2011 (Zero21PO Group 2011).



Picture 2. China Consumer Spending in 2002-2012 (Trading Economics 2012).

In addition, China has the largest population in the world, so it is obvious that China would be the largest costume consumption and manufacturing country, there is no doubt that the potential market is large. Therefore, for these reasons, rising incomes, increased consumer spending, and an increasingly open business environment, Chinese market has attracted a variety of international fashion brands, which include

high tier brands, like Chanel, LV, Christian Dior, Gucci, Prada, Burberrys, and fast-fashion brands, like H&M, Zara, GAP, UNIQLO, all wanting to take a share of the spoils or profits and entry the China market as a long-term global growth strategy.



Picture 3. China GDP in 2002-2012 (Trading Economics 2012).

Certainly, although Chinese fashion market has a lot of benefits and potential, companies still will face some challenges. One of the challenges in China is the rampant pirated products, which seriously harm the fashion/textile industry (Helsinki Sanomat 2012). The other challenge to international brands comes from Chinese domestic apparel brands. In recent years, many Chinese fashion designers who have set up their own individual brands and displayed their fashion works in top international fashion weeks have had a keen international outlook and experience and more easily know what styles can cater for Chinese consumers' tastes better. China is endeavoring to transform itself from a "made in China" impression to a "created in China" identity (MovingCities 2012).

Shanghai as one of the four province-level municipalities of the PRC is the biggest city in China, with a total population of over 23 million in 2010, and is one of tier 1 cities based on population, GDP, and GDP per capita along with Beijing and Guangzhou (Docstoc 2011). Shanghai not only is a major commercial and financial

center of mainland China, but also is a global city and a major financial and trading center in the world, having an influence in commerce, finance, media, fashion, technology, and transport. In 2011, Shanghai's total GDP of 1.92 trillion yuan and GDP per capita of 82560 yuan both ranked first in China according to the statistics provided by the Statistical Bureau of Shanghai (dfdaily.com).

In the late decades, the fashion industry in Shanghai has been rapidly reviving. Recently, Shanghai has held its own fashion weeks, called Shanghai Fashion Week, twice every year in April and October. Shanghai Fashion Week, mainly a business and cultural event at a national level, hosted by the Shanghai Municipal Government and supported by the People's Republic Ministry of Commerce, aims to establish an international and professional platform to all top and talented designers of Asia. Although the Shanghai Fashion Week characterizes international designers and gives some promising young fashion designers an opportunity to showcase their own unique styles and creativity, the principal goal is to show Chinese native designers (vogue.co.uk). As a result of these factors, a variety of fashion brands including domestic and international brands is marching on towards Shanghai.

1.1.2 Introduction to Marimekko

Marimekko, established in 1951 by Viljo and Armi Ratia, is a leading Finnish textile and clothing design company located in Helsinki that has made significant contributions to fashion, especially in the 1960s and 1970s. Its products include garments and home furnishings with its unique style—brightly colored printed fabrics and simple styles—influencing late 20th-century taste. Nowadays, Marimekko Corporation designs, manufactures, and markets its clothing, interior decoration textiles, bags, and other accessories both in Finland and overseas (FinnishDesign.com 2012). “Marimekko's vision is to be the most acclaimed print designer in the world and one of the most appealing design-based consumer brands. The company's

objective is to grow and succeed in the international arena as a Finnish design company that has a strong identity. ” (FinnishDesign.com 2012)

By the September 2011, there were 84 Marimekko stores across the world located, for example, located in Finland, Sweden, the United States, Canada, Japan, South Korea, and so on (Guardian News and Media Limited 2013). “Marimekko has been expanding its store network systematically in the Asia-Pacific.” (Helsinki Sanomat 2012) In 2012 Marimekko has opened 4 stores in Hong Kong so far, and 2 stores in Shanghai, which is the first city selected to open Marimekko’s stores in mainland China. As Marimekko’s CEO Mika Ihmuotila said that Marimekko is in the process of opening some new stores in East Asia, planned to open 14 stores totally in China by the end of 2016, expected China to have a substantial influence on Marimekko’s operations, and become one of the most appealing design brands in China. And its target group in China is positioned in increasingly flourishing middle class who cannot afford to the most expensive luxury goods but do not satisfy with the cheap textiles, either (Helsinki Sanomat 2012; GlobeNewswire, Inc 2013).

In 2010 Shanghai World Expo Marimekko was the first time introduced into Shanghai public. The next introduction was on 27 October 2012 in the People’s Park in Shanghai to showcase its autumn/winter 2012 clothing collection through a unique pattern to express fashion. At the same day, an exhibition called “Design Colours Life” opened in the Museum of Contemporary Art Shanghai and would last to 7 December 2012 (GlobeNewswire, Inc 2013). Ihmuotila confessed that despite market studies he was not sure about Chinese consumer behavior, but he is still confident that the investments they are making will yield fruit soon (Helsinki Sanomat 2012; GlobeNewswire, Inc 2013).

1.2 Research Problem and Aims

The aim of this thesis is mainly from a marketing perspective to analyze how to promote Marimekko and achieves its objectives in the Chinese market when facing keen competition, especially in Shanghai. The main problem is to find out the most cost-efficient promotion methods to satisfy and affect consumers in order to penetrate the Chinese market and earn more market.

In order to achieve the main aims, the following sub-objectives are set:

- To theoretically describe what environmental factors influence consumer behavior
- To theoretically describe promotion tools
- To empirically analyze which promotion tools are the most prevalent and accepted among Shanghai consumers and examine Marimekko's recognition in Shanghai

The scope of the empirical study is to define as the exploration of the most effective promotion tools for Marimekko in Shanghai. Understanding consumers' demands, cognition, behaviors, and environments can help companies develop more effective marketing strategies to meet customer satisfaction (Caine and Forsythe 1997, Peter and Olson 2008). Then, the know-how of all kinds of promotional tools and environment factors will be presented in the following theoretical chapter. At last, the mentioned problems will be analyzed through a questionnaire.

1.3 The Limitations of the Research

Almost all research is limited in some certain respects, also this research. Shanghai has a large population, so due to the limited time and funds the scope of target group is too small to represent the opinions of all Shanghai consumers. In addition, the research results are just derived from the questionnaire which is completed by

consumers, so the study lacks of some relevant views from the company's own perspective.

1.4 Thesis Outline

This thesis includes 6 chapters and each chapter is tightly related to the others. The thesis starts with a simple introduction. And then, the theoretical chapter provides some necessary and useful knowledge to help readers understand the logic of the thesis, including such concepts as consumer behavior, PEST analysis, promotional tools, and promotion strategy managing. Based on the theoretical concepts, an empirical review about what Marimekko has been doing in promotion aspects will be discussed. At last, in the light of research methodology an empirical survey and related data and conclusion will be completed.

The integral structure of this thesis is shown in Figure 1.

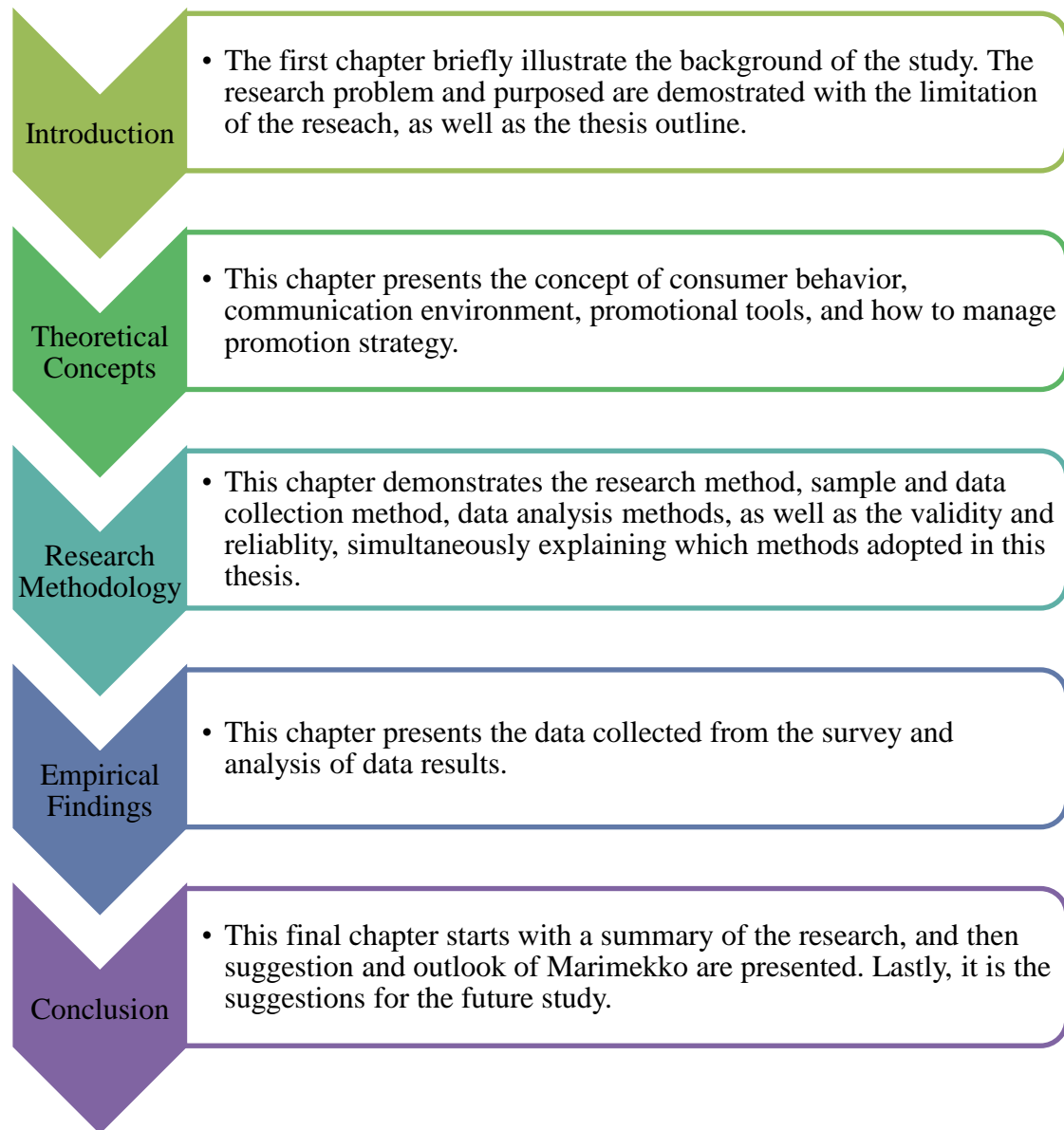


Figure 1. The structure of the thesis.

2 CONSUMER BEHAVIOR AND PROMOTION STRATEGY

When a company launches a new product or launched its products to a foreign market, it really hopes that the product can be sold well, so the first step is to let the consumer see it and want to try out. The question here is how to promote a new product to the world or an existing product to a foreign market. Before that, marketers should know consumers' affective and cognitive responses and their behaviors which is critical in developing successful marketing strategy (Peter and Olson 2008). In this chapter, the author will present an overview of consumer behavior, analyze the communication environment, describe the main promotion tools, and portray how to manage the promotion strategy.

2.1 The Overview of the Consumer Behavior

Consumer behavior can be defined as a series of decisions and activities involved in searching for, purchasing, using, evaluating, and disposing of products, services, or ideas which consumers expect to satisfy their needs (Schiffman and Kanuk 2000, 4; Sandhusen 2000, 217). A consumer often refers to two sorts of consuming entities which are the personal consumer and the organizational consumer such as private business, government agencies, and institutions (Schiffman and Kanuk 2000, 4).

Sandhusen (2000, 218) indicates that the nature of consumer behavior, concentrating on when, why, how, and where people do or do not purchases goods, is shown in the Table 1, the "black box" model.

In this black box model, Sandusen (2000, 218) deemed that the marketing stimuli are planned and processed by the companies, whereas the environmental stimuli are influenced by social factors. The interaction of environmental factor, buyer characteristics, decision process, and buyer's response together determine the final consumer behavior. Therefore, for a company, marketers have to analyze not only the

consumers of their goods, services, and brands but also consumers of competitors and the reasons that they buy competitive products (Peter and Olson 2008).

Environmental Factors		BUYER'S BLACK BOX		BUYER'S RESPONSE
Marketing Stimuli	Environmental Stimuli	Buyer Characteristics	Decision Process	
Product	Economic	Attitudes	Problem recognition	Product choice
Price	Technological	Motivation	Information search	Brand choice
Place	Political	Perceptions	Alternative evaluation	Dealer choice
Promotion	Cultural	Personality	Purchase decision	Purchase timing
	Demographic	Lifestyle	Post-purchase behavior	Purchase amount
	Natural	Knowledge		

Table 1. The “black box” model (Sandhusen 2000).

Certainly, the “black box” model has its limitation. Some researchers argued that consumers’ buying behavior can be changed by sudden and unforeseen stimuli, so it is difficult to keep the process systematic (Quan 2011, 19). Nevertheless, there is a general framework in Figure 2 to help marketers analyze and understand consumer behavior from developing a new product or service to improving marketing strategies for existing products and service, and make more effective strategies (Peter and Olson 2008, 21).

Consumer affect and cognition is used to describe two different kinds of mental responses that consumers display towards stimuli and events in their environment. The term affect refers to consumers’ feelings to stimuli and events, as they like or dislike a product or service, including relatively intense emotions like love or anger, less strong feeling states like satisfaction or frustration, moods like boredom or relaxation, and milder overall attitudes such as liking or disliking. Affective responses

can vary in intensity between favorable and unfavorable, so in order to increase the opportunity that consumers will purchase the products, marketers have to develop effective strategies to create positive affect for their products and brands. The term cognition refers to consumers' mental structures and processes involved in thinking, understanding, and interpreting stimuli and events, such as their knowledge, meanings, and beliefs about a certain product stored in their memories, which include the processes from focusing on and understanding stimuli and events, forming evaluation, to making purchasing decision. Marketers usually try to attract consumers' attention and increase their knowledge to products (Peter and Olson 2008, 22).

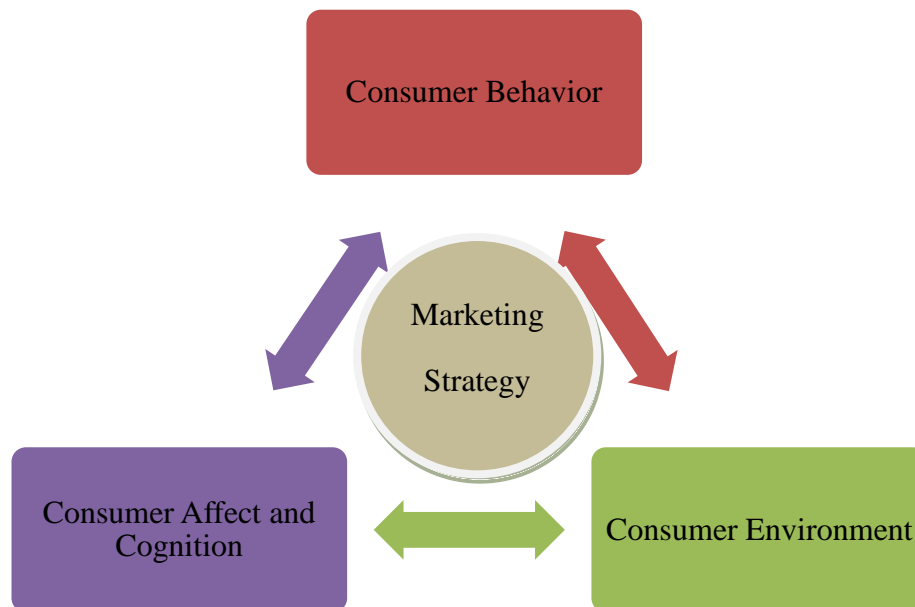


Figure 2. Three elements for consumer analysis (Peter and Olson 2008).

Behavior refers to the physical action of consumers that can be observed and measured directly by others, also called overt behavior, which differs from mental activities, like thinking, that cannot be measured directly. Marketing strategies are designed to influence consumer affect and cognition, but these strategies finally result in consumer overt behavior which can generate profits that is more important for a

company, so it is crucial for marketers to analyze and impact consumer overt behavior (Peter and Olson 2008, 23).

Consumer environment refers to the external factors that influence consumers' thoughts, feelings, and actions, encompassing social stimuli, such as culture, social classes, and physical stimuli, such as products, stores, advertisements. The consumer environment is the medium in which stimuli are set to influence consumers, so it is critical to marketing strategy (Peter and Olson 2008, 24).

Each of the elements, affect and cognition, behavior, and environment, can be either a cause or an effect of a change in one or more of the other element (Peter and Olson 2008, 24).

From a consumer analysis's perspective, a marketing strategy is a set of stimuli put in consumer environments to impact their affect, cognition, and behavior. These stimuli encompass products, stores, advertisements, salesperson's communication, and other such things. When marketers analyze consumers, the logical sequence is to first analyze what consumers think, feel, and do to the offerings of their companies and those of rivals. Then an analysis of consumer environments is required to understand what factors are influencing consumers and what changes are happening. According to this analysis, a marketing strategy is developed that involves setting goals, specifying a suitable target market, and developing a marketing mix and ultimately influence consumer behavior (Peter and Olson 2008, 26). Certainly, marketing strategies are also influenced by consumers, so marketing strategies should be developed, implemented, and altered based upon consumer research and analysis (Peter and Olson 2008, 27).

2.2 The Promotion/Communications Environment

As a part of the three elements of consumer analysis mentioned above (see Picture 4), the environment can influence consumers' affective and cognitive responses and their behavior. Along with the rapidly changing business environment, marketing communications are affected enormously, so yesterday's marketing communications strategy may be obsolete soon (Peter and Olson 2008, 256; Smith and Zook 2011, 246).

The marketing environment can fall into two categories: macro and micro. Marketers need determine which kind of environment analysis is relevant for a marketing issue and design their research and promotion strategies properly. The macro environment includes large-scale, broad environmental factors such as the political, legal, regulatory, societal, technological, and economic/competitive impacts. These macro factors have a general impact on behavior. The micro environment is more situation – and organization – specific, including the organization's internal environment, suppliers, marketing intermediaries, customers, and competitors and so forth. These small-scale factors have a direct impact on consumers' specific behaviors, thought, and feelings. (Peter and Olson 2008, 256; Dibb et al. 2012, 76).

2.2.1 The PEST Analysis of The Macro Environment

In this thesis, the PEST-type model is used to scan the business environment for any of these changing factors that directly or indirectly influence an organization's marketing activities and its communication (Smith and Zook 2011, 246):

- Political (including politics, regulations and laws)
- Economic (such as global economic shifts and cycles of recession and boom)
- Social (including new values, attitudes, lifestyle, ethics, and demographics)

- Technological (involving the internet, database, digital TV) (Smith and Zook 2011, 246)

Political

The political environment involves a growing and changing amount of legislation. It includes protection of companies from each other, of consumers from unfair business behavior such as unfair or misleading advertising and packaging, and of the larger interests of society against unbridled business behavior. There are many both national and international laws and regulations that influence a business and its marketing communication. Some of the legislation may not appear to directly influence the marketing communication, for example product liability laws, but caution is required (Copley 2004, 19; Smith and Zook 2011, 248).

In addition, many professional bodies draft their own codes of practice to which their members must obey. A violation of the self-regulation may result in expulsion and negative publicity. Even though marketing communication must follow to the laws of the land, the voluntary codes are both cheaper and faster to apply and also provide useful guidance to the marketers (Smith and Zook 2011, 249).

Therefore, before doing business in international marketing, marketers need understand the host country's law and regulations and maintain good relations with elected political officials (see Dibb et al. 2012, 80).

Economic

Economic changes influence industrial and consumer markets and, in turn, a marketer's selection of marketing message. Economy moves in cycle, but it is hard to forecast exactly economic trends across different regions. The global shift in economic power from West to East is influencing various markets. Exchange rate, interest, unemployment, inflation, taxation, and levels of disposable income all

influence purchasing power, consumers' willingness to spend, consumer spending patterns and, in a sense, the size of many markets and industries (Smith and Zook 2011, 251-252).

During a recession consumers and companies both spend less. Many companies cut back on all types of expenditure, including marketing. Meanwhile, advertisers have to solve the difficulty of encouraging consumers to purchase during a serious recession. Even a phenomenally strong economic recovery may not bring back the consumer spending patterns, and consumers' value, attitudes, and lifestyles may bind to create lower level of consumption, new buying process, and a whole pattern of trade down (away from premium-price brands). Marketing messages have to change to match the consumers' mood and advertising have to design more difficult information, for example advertising messages moving away from images of personal achievement to images of personal relationships (Smith and Zook 2011, 252).

Social

Social consciousness amongst consumers is important, but the degree of importance can vary over time. Probably it is associated with economic cycle. Many consumers want to know more about products and their producers, for example whether they damage environment, whether they donate political funds, and so on. Customers have an interest in ensuring that an organization operates in a socially responsible fashion. Moreover, an unrelated factor that influences the business environment is the environment per se. If the world continues to warm, northern European attitudes, emotions, and feelings about varied stimuli, particularly color, may change. This would influence almost all types of marketing communications (Smith and Zook 2011, 254-255).

The statistical analysis of a population by age, sex, and social status helps marketers to form the segments of market. This can be connected with geographic and

contextual information. The life expectancy, birth rate, young people proportion, family size, marriage age, divorce rate, education standard, indiscriminate television viewing, and reading all contribute to the demographic strands (Copley 2004, 20; Smith and Zook 2011, 255).

Social environment involves norms, values, ethic, and demographics with a geographical property. Therefore, analyzing social environment of target market is the premise to design appropriate international marketing communications. Failure to do so might generate the organization losing its competitiveness.

Technology

Technology continues changing the face of marketing communications in different ways. It is a remarkable time for marketing, because such new chances allow marketing-driven business model to satisfy consumers, deepen brand loyalty, spread messages, and improve whole business operations. For instance, packing technology has furnished self-heating tins; print technology allows magazines to play liquid-filled ads, heat-sensitive ads, 3D ads, perfumed ads, and singing and speaking press ads; the internet provides virtual items such as virtual meeting places, virtual greeting cards and so forth (Smith and Zook 2011, 256).

Even though available technology can quickly improve their products or some elements of promotional mix, some companies postpone using this technology as long as their competitors do not try to apply it. Thus, how an organization applies or does not apply technology is crucial for its long-term survival (Dibb et al. 2012, 89-90).

2.3 Promotion/Communication Tools

To be short, promotion as one element of marketing mix is primarily concerned with effectively and persuasively communicating the results of the marketing strategy to target audiences in order to facilitate exchange between the marketer and the

consumer and to help satisfy the goals of both sides (Burnett 1993, 5). There are five objectives for marketing promotions, as following:

- Build Awareness: When a new product or a new company goes to a market, the initial promotional step must establish an identity. In this situation, the promotion must effectively reach customers and tell customers who the product is and what the company can offer.
- Create Interest: This means to move customers from cognizing a product to making a purchasing decision. This focuses on creating messages to persuade consumers to purchase.
- Provide Information: This is aimed to differentiate the marketer's products from those of competitors.
- Stimulate Demand: In the case of products that a customer never bought before or has not bought in a long time, the right promotion tools can drive consumers to make a purchase.
- Reinforce the Brand: when a customer has previously purchased, marketing promotions can help build a strong and long relationship that can make the customer become a loyal customer. (KnowThis LLC, 2013)

Nowadays, charging the lowest price, producing the best product, or simply being around the longest does not stand for consumers' loyalty. Innovative, informative, and interesting messages also play a vital role. A successful company needs to find out what consumers want and let them know that the company's offerings meet those wants. This relies on effective and coordinated communication (Burnett 1993, 5). Overall, communication is the bridge between marketer and consumers and between consumers and their sociocultural environments (Schiffman and Kanuk 2000, 228).

Communication is a unique tool that marketers use to make consumers act in a desired way, can evoke emotions that place consumers in a more receptive mind, and can

encourage purchases. The general definition of communication agreed by most marketers is the transmission of a message from a sender to a receiver through a channel or medium of transmission. Figure 3 pictures the basic model of communication process for promotion (Schiffman and Kanuk 2000, 228).

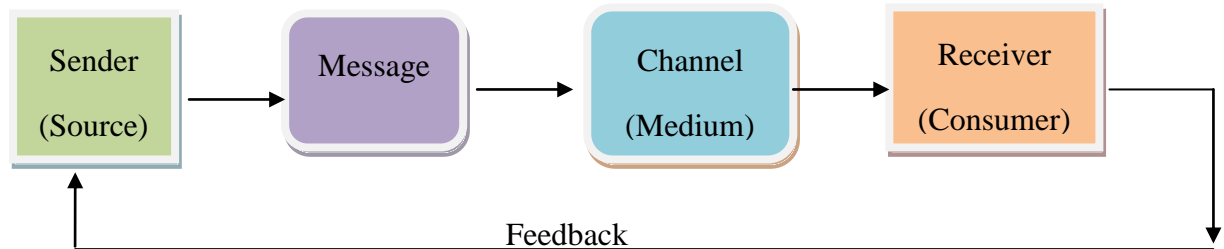


Figure 3. The Basic Model of Communication Process (Schiffman and Kanuk 2000).

There are four traditional types of promotion: advertising, sales promotion, personal selling, and public relations (Peter and Olson 2008, 413). However, due to the rapid development of Internet the Web enables communication to audiences and potential users with actually immediate responses and follow-up possible with tailored one-to-one message not previously possible with mass media communication, so the internet is added to the promotion tools as well as three recent increasing additions: sponsorship, direct marketing, and direct mail (see Figure 4) (Dibb, Simkin, Pride & Ferrell 2012).

Clearly, each tool has its strength and weakness, but each must be related to the product sort's accepted norms, to target customers' expectations and behaviors, and to the brand positioning and tone of voice (Dibb et al. 2012, 495). Table 2 depicts some pros and cons of five key ingredients of promotional mix. In the next sectors, the author will explore the eight promotion tools.

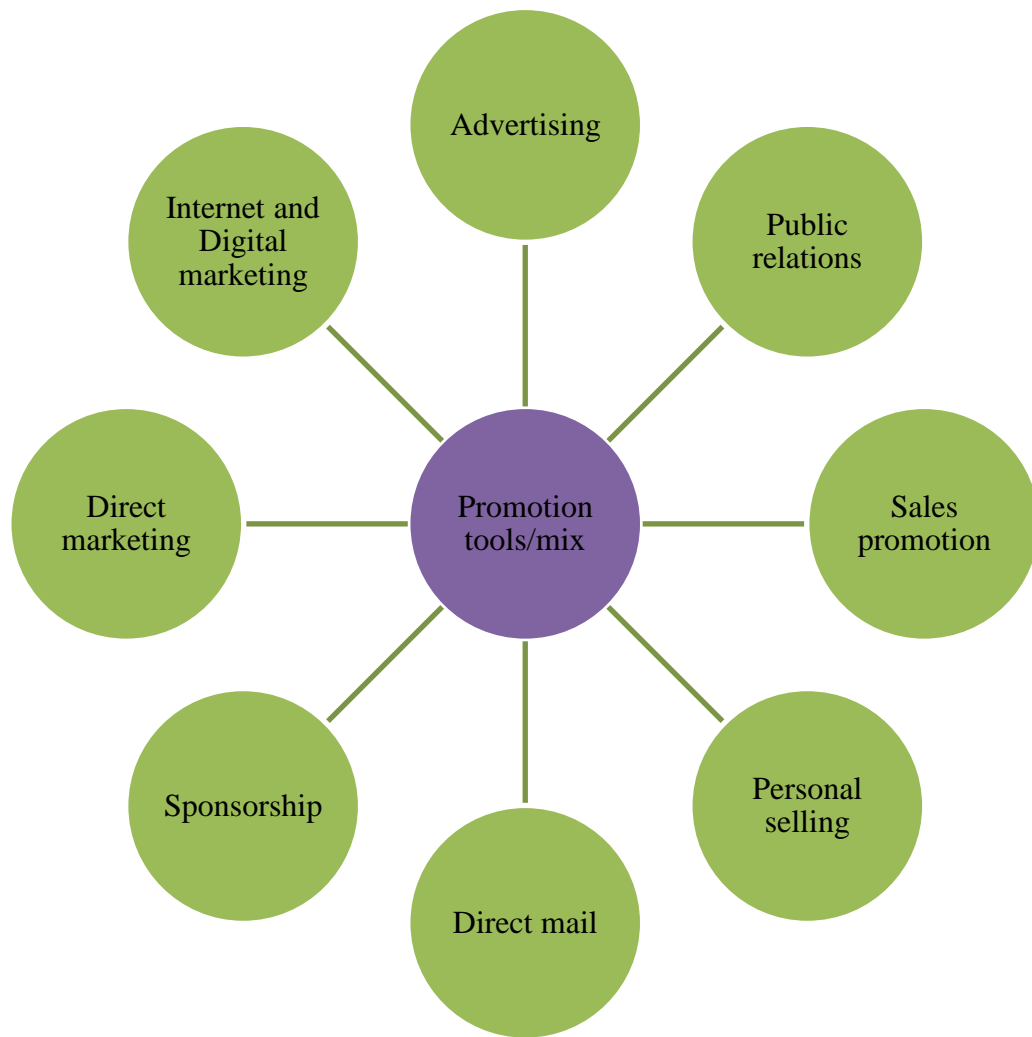


Figure 4. Possible ingredients of an organization's promotional mix (see Dibb et al. 2012).

The Promotional Mix				
Activity	Reach	Timing	Cost Flexibility	Exposure
Personal selling	Direct Interaction Limited Reach	Regular Contact	Taiored Message	Relatively High
Advertising	Indirect Interaction Large Reach	Regular Contact	Standard Message	Low to Moderate
Direct marketing	Direct Interaction Large Reach	Intermittent	Customized Message	Relatively High
Sales Promotion	Indirect Interaction Large Reach	Intermittent	Standard Message	Varies
Public relations	Indirect Interaction Large Reach	Intermittent	Standard Message	No Direct Cost

Table 2. The strengths and limitations of five major elements of promotional mix (Bovee, Thill & Mescon 2005).

2.3.1 Advertising

Advertising is any paid presentation of nonpersonal information about a product, brand, organization, or store to influence consumers' affect and cognition such as their feelings, knowledge, beliefs, meaning, attitudes, evaluation, and images concerning products and brands. Although advertising first influence affect and cognition, the ultimate objective is to influence consumers' purchasing behavior (Peter and Olson 2008, 414). For most of companies, advertising facilitates the sale of products and builds companies' reputation (Burnett 1993, 276).

Advertising has several strengths. Firstly, it is a highly cost-efficient promotional approach because it can reach a large number of audiences at a low cost per person. In addition, advertising enables the user to repeat the information many times. Sometimes advertising repetition is considered to be extremely effective for brand name extensions beyond the original product category. Advertising also can add a product's value in a certain way. For example, a company's car is advertised as having more sophistication, style and technical innovation than its competitors' cars.

Lastly, the visibility that a company obtains from advertising improves the organization's public image (Dibb et al. 2012, 496-497).

Obviously, advertising also has its disadvantages. Firstly, the cost per person reached may be low, but the total monetary expense can be extremely high, especially for advertisements played during popular television programs. Furthermore, advertising seldom offers rapid feedback, measuring its effect on sales is hard, and it usually has a less persuasive influence on consumers than some other promotion tools, for instance, personal selling (Dibb et al. 2012, 497).

Figure 5 illustrates eight stages in developing an advertising campaign.

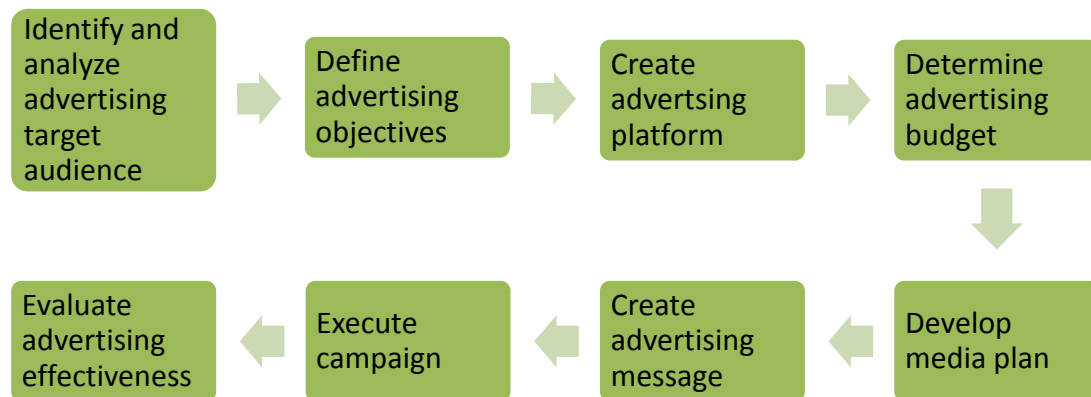


Figure 5. General steps for developing and implementing an advertising campaign (Dibb et al. 2012, 497).

Advertising can be transmitted to a target consumer via a variety of media – television, radio, print (newspaper, magazines), direct mail, public transport, outdoor displays, miscellaneous media such as hot-air balloons and T-shirt decals, and the Internet. Even though consumers are exposed to all kinds of ads, the most of these messages receive low levels of attention and comprehension, so it is a challenge for marketers to develop effective advertising message and select suitable media that can expose audiences, attract their attention, and generate proper comprehension (Peter and Olson

2008, 414; Dibb et al. 2012, 496). Mentioned below are the major types of advertising.

Print advertising – Newspapers, Magazines, Brochures, Fliers

Print media has been used for long time and a popular advertising selection. The newspaper and magazines are common practice and sell the advertising space. The cost of advertising depends on the space occupied, the position of the publication such as front page or inside page, the quality of paper, and the supplement in which ads appear. In addition, companies can also promote their offerings via brochures and fliers (Buzzle 2013). Print media can provide a clear and extensive explanation with its visual nature (Burnett 1998, 293).

Television advertising

Combining moving pictures, voices, music, and persuasive acting, television, as an important role in our culture, allows audiences to know more about the product, the spokesman, and the message because consumers are more personally involved and provides wide flexibility in respect to market coverage. However, the disadvantages of television are the high cost and clutter. In addition, television cannot work with products that are unattractive, that cannot be displayed, or that do not have inherent emotional characteristics and associations (Burnett 1993, 478).

Radio advertising

Radio can deliver a highly selective audience at a quite low cost, so it is one of the few media that can allow market penetration and high repetition. In addition, a radio station is tolerant of last-minute changes, unusual formats, mobile hookups, and so on, so radio can be used by a wide variety of companies and businesses (Burnett 1993, 486).

Outdoor advertising – Billboards, Kiosks, Trade-shows, and Events

Such advertising use several tools and techniques to attract audiences outdoors. Billboard is very popular and is really terse and catchy to grasp the attention of the passerby. Kiosks not only offer an easy outlet for the company's offerings but also are effective advertising tool to promote the company's offerings. Organizing or sponsoring special events provides an excellent advertising chance and strategy, as the company can organize trade fairs and exhibitions or several events closely associated with their field (Buzzle 2013). Through combining color, art, and short copy, outdoor ads can rapidly build an association with a specific brand. And outdoor advertising has a reasonable cost, provides repetition, and gains attention by sheer size. Certainly, outdoor advertising has weaknesses, as outdoor copy must be brief because it is perceived when the audience is on the move, many uncontrollable factors may weaken the effectiveness of outdoor ads such as trees and traffic signals, and many people think outdoor ads as an ecological nuisance (Burnett 1993, 489-490).

Online advertising

Online advertising uses the Internet and World Wide Web to send marketing information to attract consumers, encompassing blogs, social network advertising, banner ads, email marketing, interstitial ads, and so on. The Internet can allow companies to increase its presence in the market and to communicate its whole mission and messages about its marketing mix, allow 24-hour access to audiences and prospects, and improve customer service by allowing customers to serve themselves. In addition, internet marketers can easily and inexpensively gather information and measure statistics. However, the main limitations are that the customer cannot feel or try on the product physically and information security is critical to both companies and customers (see Czinkota and Ronkainen 2010, 390).

Covert advertising

Covert advertising is a unique sort of advertising in which a product or a brand is embedded in some entertainment channels such as films and even sport games. There is no commercial advertising in the entertainment but the product or the brand is subtly or sometimes obviously showed in the entertainment (Buzzle 2013).

Public service advertising

Such advertising is for the public causes, including a lot of important matters such as AIDS, political integrity, energy conservation, illiteracy, poverty, and so on. These matters need more awareness as far as general public is concerned (managementstudyguide.com 2012).

Apps

Apps are useful software application which offer and allow users to do anything from a mobile phone, such as music identifier, stock market feeds, weather forecast, calculator, sports news, language learning tool, and so on. Some brands have their own relevant apps, and other apps are invented by developers and sold to companies that think them useful for their consumers and relevant to their brands. Apps can effectively put a brand name on to millions of devices worldwide and add value to consumer experiences, brand awareness and affinity through extending brand usage (Smith and Zook 2011).

2.3.2 Sales Promotion

Sales promotion is a direct inducement by offering added value to consumers to make a purchase (Peter and Olson 2008, 414; Dibb et al. 2012, 499). Recently, marketers spend about half as much on sales promotion as they do on advertising, so sales promotion appears to be used more than advertising. In fact, marketers frequently depend on sales promotion to improve the effectiveness of other promotion tools,

especially advertising and personal selling. And marketers design sale promotion to generate immediate, short-term sales increases (Dibb et al. 2012, 499).

The most significant strength of sales promotion is that it tends to influence the later stages of the communication and buying process and it is action orientated, especially they often entice consumers to buy or at least try the product or service. In addition, sales promotion provides an easy method to measure response and is relatively reasonable, fast, and flexible (Smith and Zook 2011, 358; Copley 2004, 189).

The weaknesses of sales promotion are that it may appear a short-run “quick fix”, cheapen the brand image, may not work without retailers’ cooperating, and may have a high cost in terms of allowances (Copley 2004, 189).

The objects of sales promotion can be consumers or any part of the supply chain. In this thesis, the author main target to consumers, so the consumer sales promotions have several different types as following (Copley 2004, 193).

Coupons

Coupons are to reduce the purchase price of an item to motivate customers to try the product. Ordinarily, the larger the coupon’s cash provide, the better the recognition created. Additionally, coupons are a good way to reward current users, win back former users, and encourage repeat purchase. The drawbacks of coupons are that fraud is possible and the redemption period can be very long, and stores often do not have enough coupon items in stock, this situation which can bring about ill-will towards the store, the product, or the brand (Dibb et al. 2012, 565-566).

Frequent user incentives

Frequent user incentives are motivated method that rewards users who engage in repeat purchases, including a loyalty card and trading stamps. A loyalty card provides

discounts or free goods to regular users, so it helps foster customer loyalty to a specific company that offers extra incentives for patronage. Trading stamps are dispensed in proportion to the quantity of a customer's purchase and can be accumulated redeemed for merchandise. This method is attractive to customers if only they do not raise the price of products (Dibb et al. 2012, 568).

Point-of-sale (POS) materials

With two third of purchasing deriving from in-store decisions, POS materials, encompassing such items as outside signs, window displays, counter pieces, display racks, and self-service cartons, can help sustain incremental sales if a brand's essential ingredients – brand name, positioning, and visual image – are the foundations of the POS display (Dibb et al. 2012, 568-569).

Sampling

The key objective of sampling is to try and to break old loyalties. The methods of delivering the sample include door-to-door, in-store, in-store demonstration, through the mail, or through the use of newspaper delivery. Overall, sampling can be quite effective, but it will not make consumers retry a product that is inferior (Copley 2004, 193).

Competitions and sweepstakes

Competitions encourage consumers to compete for prizes. This method can incorporate product-knowledge tests that can help in the learning process, can be reasonably low-cost promotion, have retailer support, and can add excitement in and, if designed well, can bind with brand management to contribute to brand image and development. Awareness, attention, and interest can be built among a large number of consumers. Sweepstakes come in many forms, a popular one such as scratch card, and are used a lot in direct mailing, tending to attract more participants, used more often,

and costing less than competitions. The entrants in a sweepstake submit their names for inclusion through drawing for prizes. The two promotions have a fixed, known cost, and they allow marketers to develop the brand through getting consumers involved. For example, the essence of a competition may let consumers name a brand, this act which suggests that the brand belongs to the consumer (Dibb et al, 2012, 570; Copley 2004, 194-195).

Money refunds

Money refunds concerns consumers purchasing the product in the knowledge that there will be the facility of a refund, minimizing the risk to the consumer and encouraging repeat purchasing (Copley 2004, 195).

Premiums, bonus packs and price-off

A premium is an extra item provided for free or at a low cost. It can attract brand switchers and be used for the current users to repeat purchasing. The bonus pack is an easy way to give extra value and can be attractive to the brand switchers, because giving them extra may take them out of the market and away from the competition very well. A price-off deal ordinarily involves on-pack price reductions, as “three for two” or “buy one get one free” is common (Copley 2004, 195-196).

Exhibitions

Exhibitions are influential forums that are a shop window where existing and potential consumers can see, touch, and feel the product, offering a chance to interact with consumers, to answer questions, and more often than not to sell goods (Copley 2004, 196).

Packaging

Packaging has functional and emotional properties and is important to brand images, but it is a much ignored area of marketing communications. Indeed, packaging is an essential and visual part of the brand's identity and a part of the brand's personality and the expression of brand value. Therefore, packaging is more than the information that appears, is more like a cloth that the brand wears (Copley 2004, 196).

2.3.3 Personal Selling

Personal selling is the process of informing and persuading consumers to buy products through personal interactions, giving marketers the greatest freedom to adjust a message to satisfy consumers' demand and enabling marketers to focus on the most promising sales prospects compared with another promotion tools (Dibb et al. 2012, 549).

Personal selling is such powerful for several reasons. Firstly, the personal interaction with the salesperson can increase the customers' involvement in the product or the decision process, so customers may be more motivated to comprehend the message that the salesperson presents about the product. Secondly, the interactive communication allows salesperson to adjust their sales presentation to cater the information need of each potential consumer. Lastly, salesperson can get the feedback and evaluation immediately through this form of communication (Peter and Olson 2008, 415; Copley 2004, 333). However, generally personal selling is the most expensive method among the promotion tools due to the associated costs of salaries, cars, and expenses (Dibb et al. 2012, 549).

The types of personal selling can be briefly divided into two categories: "inside" and "outside". Inside sales involve telephone sales, mainstream retail sales including imaginative use of point of sale (POS) material and effective store layouts, and auto sales and similar equipment sales where consumers visit the dealership. Inside sales may be connected with other functions, for instance, scheduling and gathering early

information for an outside agent (Mansueto Ventures LLC. 2013; Groucutt, Leadley & Forsyth 2004, 368).

Outside sales happen either at the prospective customer's residence or at the place of business or in a third-party location. Outside sales may be connected with estimating tasks or product delivery. The driver-salespeople sometimes also have a sales responsibility. A special position is the sales engineer who is not only trained in selling skills, but also highly trained in another discipline, and therefore both to understand requirements and to provide technical support (Mansueto Ventures LLC. 2013).

2.3.4 Publicity and Public Relations

Publicity is any unpaid form of communication about an organization, its products, or its brand through a mass medium, sometimes is regarded as part of public relations. Public relations is a planned and sustained effort to develop and maintain good relationships with different publics, and its target publics involve customers, employees, the media, shareholders, trade bodies, suppliers, government officials, and society generally. Publicity can be positive or negative, and sometimes it can be more effective than advertising because customers may not so promptly screen out the messages (Peter and Olson 2008, 417; Dibb et al. 2012, 533; Smith and Zook 2011, 312).

Public relations have two important strengths that differentiate editorial coverage from advertising. Firstly, the PR has no media cost. In addition, the editorial coverage is more credible than advertising copy because it is not presented by marketing organization. However, the disadvantage of the PR is lack of control over the message (Peter and Olson 2008, 417; Smith and Zook 2011, 329).

Publicity mechanism has six different types. The most common is the **press release** or news release, which is usually consisting of a single page of typewritten copy containing up to about 300 words and also gives the company's name, address, phone number, and details of the contact people. A **feature article**, a longer manuscript than press release (up to 3000 words), is usually prepared for a particular publication. A **captioned photograph** is photograph with a simple description to explain the picture's content, especially effective for demonstrating a new or improved product with extremely visible features. A **press conference** is a meeting held to announce a main news event (Dibb et al. 2012, 534).

To many, the most important tool to the PR has been the **digital environment**, in which a stunt, idea, or activity can be the focus of blogs and tweets, whether from client personnel or by customers. Facebook and Twitter can rapidly share poor experiences of a product, service or value for money, but the digital environment has showed marketers with a host of PR chances and a completed new channel of activity (Dibb et al. 2012, 534).

Third-party endorsement is a recommendation from an opinion leader, a trade body, VIP, or respective figure used to increase the credibility of public and PR. The use of apparently fair endorsement from among the general public, within social media communities, is a new but vital form of endorsement. Customers are increasingly affected by the visible support that they see on the Facebook, Twitter, or YouTube about a brand and its activities and events (Dibb et al. 2012, 534).

A marketer's selection of specific kinds of publicity relies on such consideration that encompass the type of information transmitted, the characteristics of the target customers, the receptivity of media personnel, the importance of a product to the public, and the amount of information that need to be presented. Sometimes marketers

use a single type of publicity, and in other case they may use multiple publicity mechanisms (Dibb et al. 2012, 534).

2.3.5 Direct Marketing

Direct marketing is a decision made by marketers to choose a marketing channel that avoids to depend on marketing channel intermediaries, like retail outlets, wholesale depots, or industrial distributors, and to concern marketing communication activities on promotional mix ingredients that deal directly with target audiences, including all the communication tools such as direct mail, telemarketing, direct response television advertising, door-to-door/personal selling, the Internet, mobile marketing, and some application of social media. In essence, it is to create a long-term relationship with customers in gaining knowledge of customers (Dibb et al. 2012, 539; Groucutt, Leadley & Forsyth 2004, 347).

In terms of the promotional mix, direct marketing has six major implications, as follows (Dibb et al. 2012, 581):

- Direct mail is increasing (Dibb et al. 2012, 581).
- Telemarketing has grown and will continue as more businesses switch to direct marketing toolkit aided by advances in automated call centers (Dibb et al. 2012, 581).
- Personal selling has survived from previous poorly identified sales targeting, and better geodemographic targeting and improved analysis of direct marketing responses are enabling more focused utilization of personal selling (Dibb et al. 2012, 581).
- Door-to-door selling and leaflet dropping are also increasing and are visible form of direct marketing faced by most families (Dibb et al. 2012, 581).
- In 1989, direct response advertising, containing a call for action within the advertisement by coupon or telephone, accounted for less than one fifth of

advertising revenue. Recently the proportion is near to a third as marketers increasingly turn to the direct marketing and as the increase in satellite and cable television channels enables more direct response television advertising (Dibb et al. 2012, 581).

- The clearest implication is using Internet to communicate with current and potential consumers. As increasingly more customers hook up to the Internet whether at home or on the move, the chance is growing for marketers to communicate directly with customers with increasingly regular messages (Dibb et al. 2012, 581).

Overall, direct marketing is neither a substitute for marketing practice per se nor a substitute for the traditional promotional mix. It is an increasingly popular addition of marketing, deriving from certain marketers' strategic selections in terms of marketing channel and the choice of which promotion tool tactics will best facilitate contact with prospective consumers (Dibb et al. 2012, 582).

2.3.6 Other Promotion Tools

Sponsorship

Sponsorship is the financial or material support of an activity, event, person, or organization by an unrelated sponsor which can be an organization or donor. In general, a sponsor gets some prominent exposure of its name or brand through funding the recipient of the sponsorship deal (Dibb et al. 2012, 539).

The popularity of company sponsorship has increased dramatically: few large sports or arts events are without company sponsorship. Sponsors trust that there are two main benefits to their companies and products. Firstly, media coverage is unbridled. Few spectators at large sports games can fail to notice the identities of the sponsors. Secondly, the benefit of company sponsorship is internal. Many organizations think

that their sponsorship of events will help improve the morale of their workforce. On a high-profile level, brand-building sponsorship reassures the workforce and reaffirms the organization's leading position in its market. On a more human level, sponsorship for an altruistic program helps give employees a positive feeling towards their employers (Dibb et al. 2012, 539-540).

Certainly, before the sponsorship dealing, the sponsor must assure that the recipient organization, event, or person is recognized by the sponsor's own target customers, that the sponsorship is welcome and acceptable to its target customers, and that the sponsorship is a reputable and ethical dealing (Dibb et al. 2012, 541).

Direct Mail

Direct mail is to deliver the printed advertising material to a target's home or work address in order to contact prospective customers or donors and solicit their interest in products or services. It is used to build brand awareness and motivate product adoption through the postal service, private delivery businesses, e-mail, and the web (Dibb et al. 2012, 572).

Direct mail has a variety advantages, as the medium provides many styles and formats and the package can be personalized. Moreover, direct mail is received and read alone, not in competition with other promotions from other competitors, and extensive and detailed information can be involved. However, the primary weakness is the increasing consumer opinion that direct mail is "junk mail" which can be deleted without even being opened. In addition, if used on a large size, direct mail may be costly- probably less than a salesperson or television advertising, but more expensive than many public relations events and some local advertising. And direct mail packages and campaigns need to be updated to sustain fresh to fight against the junk mail image (Dibb et al. 2012, 575).

Internet and Digital Marketing

The internet is a network of computer networks spreading all over the world, links computers of different types, and shares information. As increasingly businesses utilize the power of the Web and millions of families daily subscribe to internet services offered by the hosts like MSN, Virgin Media, AOL, or BT, the chances for interacting with existing and potential customers are enormous. Nowadays, most profit and non-profit organizations have their own websites and web links on their advertising, direct mail, or brochures, often to facilitate far more than sharing information. The internet also enables frequent and customized changes of information targeted at specific customers. Owing to the increasing global acceptance of the web, eMarketing is a major revenue stream in most companies and is extremely important for developing global markets and international opportunities (Dibb et al. 2012, 575-576).

Digital marketing refers to tools and techniques used by marketers to improve their proposition to audiences and all-sided competitiveness. These tools and techniques encompass website, online public relations, e-mail, blogs/microblogs, social networks, podcasts, wikis, and search engine management to assure preferential web search (Dibb et al. 2012, 577).

Mobile marketing, as an important development of digital marketing, represents marketing through a mobile device like a smartphone to provide consumers with time and location-sensitive, personalized information that promotes products, services, and ideas. Now many brand managers launch apps and develop interactive websites adequate for smartphones and laptops on the move. Technology currently allows ready and immediate access to consumers whenever and wherever they are, and whatever they are doing. (Dibb et al. 2012, 578)

Social media and networks may be the best challenge to marketers, such as Twitter, Facebook, MySpace, LinkedIn, and YouTube, because consumers may share their poor experience and negative opinions with each other and social media postings are hard to be controlled by brand managers, but they should be monitored. In any case, the web, digital marketing, and social media have influenced consumers' buying behavior, so that is why they are important for marketers to explore how to grab the attention of potential customers and maintain relationships with existing ones (Dibb et al. 2012, 577-578).

2.4 Managing Promotion Strategies

Developing and implementing effective promotion strategies is a complicated and hard task, including four key steps: (1) analyzing consumer-product relationships; (2) determining the promotion purposes and budget; (3) designing and implementing a promotion strategy; (4) evaluating the effects of the promotion strategy (Peter and Olson 2008, 431).

Step 1 Analyzing consumer-product relationships

This step requires identifying the suitable target market for the products. In addition, marketers must identify customers' demands and values, their levels of product and brand knowledge and involvement, and their recent attitudes, lifestyles, and behavior patterns. Overall, marketers must endeavor to understand the relationship between their target customers and the product and brand of interest (Peter and Olson 2008, 431).

Step 2 Determining promotion objectives and budget

Promotion can influence customers' affect, cognition, and behaviors, so promotion strategy may be designed to fulfill one or more of the following purposes: (Peter and Olson 2008, 433)

- To affect behaviors. Change or retain customers' specific behaviors to the product or brand – usually buying behaviors.
- To enlighten. Establish new knowledge, meaning, value, or belief about the product or brand in customers' memories.
- To convert affective responses. Adjust the image, feeling, thought, and emotion that are activated when customers consider the product or brand.
- To remind. Increase the activation potential of the brand name or product meaning in customers' memories.

(Peter and Olson 2008, 433)

The long-term purpose of most promotion strategies is to affect consumer behavior, in particular shop patronage and product purchase. Some promotion strategies have multiple purposes which not only create more brand-loyalty customers in long-term but also stimulate prompt sales and encourage repeat sales in short-term (Peter and Olson 2008, 433).

Additionally, some promotions are designed to first affect consumers' cognitions in expectation of a later impact on their overt behaviors. When a new product or brand is introduced, a principal purpose for advertising promotion may be to form awareness of the product and some brief beliefs about it. Marketers also strive to attract publicity for a new product or brand and to create a favorable brand attitude. These cognitions are planned to affect buying intention and sales behavior later (Peter and Olson 2008, 433).

Step 3 Designing and implementing a promotion strategy

Designing alternative promotion strategies and choosing the most effective one to fulfill the promotion purposes mentioned in step 2 are largely based upon the consumer-product relationships identified by marketing research. Implementing the

promotion strategy includes using promotion tools such as creating ads and placing them in appropriate media, designing and delivering coupons, and holding publicity events. Part of these matters can be done within the help of an advertising agency or a promotion consultant (Peter and Olson 2008, 434).

The design of an effective promotion strategy must be sensitive to the consumer-product relationships characterized in various market segments. The different consumer segments are described in Table 3 (Peter and Olson 2008, 434).

		Attitude toward our brand		
		Like	Neutral	Dislike
Past purchase patters of our brand	Buy regularly	Loyal to our brand	Our regular customers who are vulnerable to our competitors	
	Buy occasionally	Occasional customer of our brand who are vulnerable to our competitors		
	Never buy	Customers of competing brands who are vulnerable to our brand		Forget it!

Table 3. An Analysis of Consumer Vulnerability (Peter and Olson 2008, 434).

From the figure we can find that customers who dislike a brand and never buy its products are not influenced by any promotion at all, so they can be ignored. However, customers who never buy a brand but have a favorable at least neutral attitude toward it can be vulnerable to the company's promotions, so free samples and coupons may create an intention to consider the brand and move customers to an occasional-user group (Peter and Olson 2008, 434).

There are three important points that marketers need pay attention to. Firstly, adequate promotions rely on the type of the consumer-product relationships, particularly their intrinsic self-relevance. Secondly, promotion approaches change in their effectiveness for meeting certain purpose. For instance, personal selling is always more effective for closing sales, nevertheless advertising is more effective for creating and increasing

consumers' awareness of a brand. Thirdly, promotion purposes may vary over a product's life cycle as changes occur in the consumer-product relationships and the competitive environment. The promotion strategy that was successful when the product was introduced is unlikely to be effective at the growth, maturity, or decent stage (Peter and Olson 2008, 435).

Step 4 Evaluating effects of the promotion strategy

This step involves comparing its results with its purposes and it can be more difficult than it looks like. For instance, even a clear described purpose, such as “increase brand awareness by 20 percent”, is not easily evaluated because different ways of measuring brand awareness may generate various results. Furthermore, it is also hard to determine whether a change in brand awareness stems from the promotion strategy or something else, like word-of-mouth communication (Peter and Olson 2008, 438).

However, in other cases, evaluating promotion effect can be relatively easy and simple. Sales promotion tools are used to stimulate short-run sales, such as coupons, and coupon redemption rates can reflect a good idea of effectiveness. The number of products sold by different salesperson can be compared to evaluate their effectiveness (Peter and Olson 2008, 438-440).

3 RESEARCH METHODOLOGY

Marketing research provides information about customers' wants and desires, studies marketing chances for specific products and services, and the changing attitudes and purchase patterns of consumers, and can help an organization better understand marketing chances, confirm the potential for the success of a new product, and ascertain the feasibility of a specific marketing strategy (Dibb et al. 2012, 261). Marketing research process has a sequence of steps (See Figure 6).

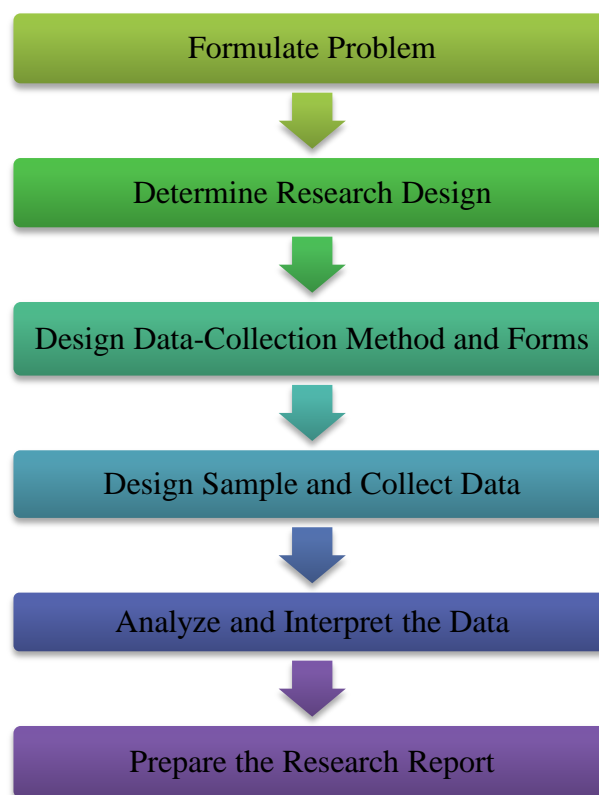


Figure 6. Relationship among the Stage in the Research Process (Jr. and Iacobucci 2002, 56).

The problem of research has already been given in chapter 1. Therefore, this chapter will demonstrate the research method chosen, sample and data collection, data analysis method, and the last section will examine the validity and reliability of research.

3.1 Research Design and Method

Research designs can basically be classified into three categories: exploratory, descriptive, and causal research. The most appropriate choice of research designs depends largely on the research objectives. Table 4 gives the relationships between the three types of research designs and the basic research objectives (Burns and Bush 2000, 129). This research should be defined as descriptive research, because it is going to describe the most cost-efficient promotion tools in the Shanghai market of China.

Research Objective	Appropriate Design
To gain background information, to define terms, to clarify problems and hypotheses, to establish research priorities	Exploratory
To describe and measure marketing phenomena at a point in time	Descriptive
To determine causality, to make “if-then” statements	Causal

Table 4. The basic Research Objective and Research Design (Burns and Bush 2000, 130).

What comes to the research methods, broadly there are two types of marketing research: quantitative and qualitative. Quantitative research uses techniques and sample sizes producing the collection of data, which can be statistically analyzed and whose results can be expressed numerically and tend to come from large surveys, sales data, or market forecasts, and asks larger surveys numerical questions like “who”, “what”, “when”, “where”, and “how” (Dibb et al. 2012, 261-262; Smith and Zook 2011, 145-146). Qualitative research handles information which is too difficult

or expensive to quantify, such as subjective opinions and value judges that are not tractable to be statistically analyzed and quantified, and involves an in-depth, unstructured exploration with either a small group of individuals such as discussion group or individuals on a one-to-one basis such as in-depth interview, but now many information is collected in online forums (Dibb et al. 2012, 262; Smith and Zook 2011, 141).

Because this study explores the most cost-efficient promotion tools in Shanghai segment and the target group has a large number of individuals, it was decided to use quantitative research to collect and analyze data. Based on an overall consideration of various factors, such as financial, social, and ethic factors, it is likely that a questionnaire is relatively the most cost-efficient and convenient method to collect data.

3.2 Data Collection and Sample

There are two types of data: primary data and second data. Primary data are collected directly from respondents for the current purpose. Secondary data are collected inside or outside the organization for a previous purpose other than the present investigation (Dibb et al. 2012, 267; Jr. and Iacobucci 2002, 196). Figure 7 illustrates the differences of primary and secondary sources. Because this research aims to explore the most cost-efficient promotion tools in Shanghai, this situation may require specific primary data collection and a survey method will be used in this research.

3.2.1 Sampling

Due to the limited time and resources available for research, it is almost impossible to collect information from each member of a target market. A sample is a limited number of units selected to stand for the characteristics of a total population (Dibb et al. 2012, 271). Because the purpose of this research is to find the most cost-efficient

promotion tools in the Shanghai segment, the target group is those persons who are living in Shanghai.

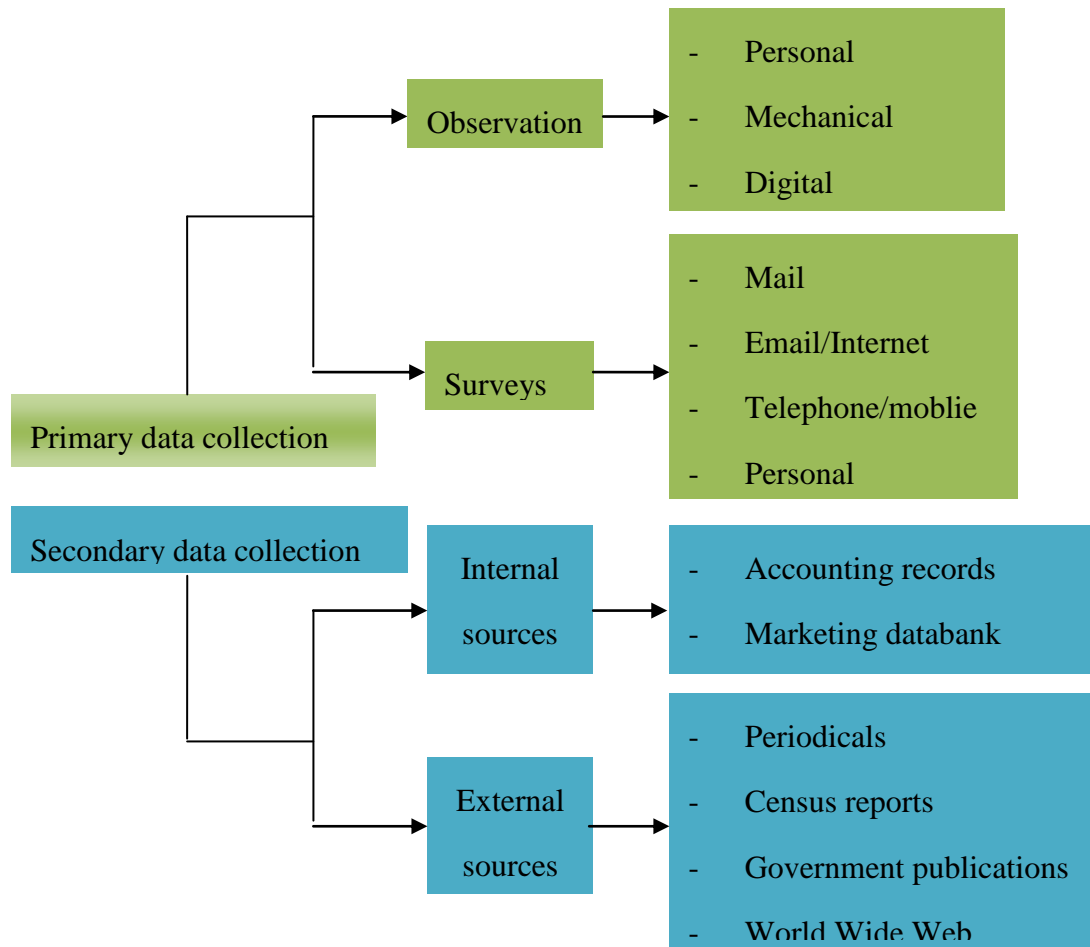


Figure 7. Approaches to collecting data (Dibb et al. 2012, 268).

The types of sampling can simply be divided into probability and non-probability samples. Non-probability samples include convenience samples, judgment samples, and quota samples; probability samples include simple random samples, stratified samples, and cluster samples (Jr. and Iacobucci 2002, 453-454). In order to ensure the sample elements that can serve the research purpose, judgment samples are developed. Owing to the restriction of geography, the snowball sample, a judgment sample, will be used. The information can be transmitted through email, the internet, telephone, and mobile to get many participants (see Jr. and Iacobucci 2002, 456). Although this method cannot represent the total population in Shanghai, the data collected are still

from the target group and can to a certain degree bespeak about the condition of market penetration of Marimekko and which promotion tools the Shanghai consumers prefer most.

3.2.2 Questionnaire

In this research, a survey based on questionnaires is conducted to record data from a sample group. The questionnaire has six key functions as follows:

- 1) It translates the research purpose into specific questions that are asked of the respondents;
- 2) It standardizes the questions and response categories so each participant responds to identical stimuli;
- 3) It fosters cooperation and keeps respondents motivated throughout the interview by its wording, question flow, and appearance;
- 4) It serves as permanent records of the research;
- 5) It accelerates the process of data analysis;
- 6) It involves the information on which reliability assessments such as test-retest or equivalent-form questions may be made, and it is used in follow-up validation of respondents' participation in the survey. (Burns and Bush 2000)

A questionnaire can affect the validity and usefulness of the results, so the design of the questionnaire is quite important (Dibb et al. 2012, 277). There are some difficulties which need to be eliminated when conducting a survey. Therefore, in order to make the respondents understand some professional terms or questions more clearly, some explanations were given for each option. In addition, the questionnaire was tested on several respondents before conducting a full survey to ensure the quality of the questionnaire. Some modifications were also made.

Based on the research objective, this questionnaire is divided into three parts: basic information, attitudes towards marketing communication patterns of garments and home furnishings, and the cognition degree of Marimekko (See APPENDIX 1: The Original Chinese Questionnaire or APPENDIX 2: The Translated English Questionnaire). At the beginning of the third part, there is a filter question: “Do you know the brand Marimekko?” If the respondent answers “No”, s/he will skip the following question “In which way do you know Marimekko?” This information makes the results more accurate.

This questionnaire is conducted on an online-survey on website SOJUMP. The final questionnaire can be sent to the target group through a web-link. A total of 115 responses which are eligible after examining were received.

3.3 Data Analyzing Methods

In this research, firstly the SOJUMP website summed the statistical data up, and then Windows Excel was as a tool to analyze the data through graphs and textual descriptions.

3.4 Reliability and Validity

Reliability is the consistency of responses to an identical or near-identical question in the same or in a very similar manner. An unreliable measurement will get different responses from respondents who have identical opinions. Exactly why the measurement is unreliable is never very certain. Possibly, the instruction on a questionnaire is unclear. Perhaps the respondents are not motivated to give attention, or the respondents may be confused by the wording of a question. Because researchers initially assume that the measurement determines reliability, if responses are unreliable, we should first concern the instruction, questions, response options,

and so on, to be at fault before concerning the respondents (Burns and Bush 2000, 329-330).

Validity is completely different from reliability, and it is possible to have thoroughly reliable measurements that are invalid. Validity is defined as the accuracy of responses to a measure and as an assessment of the precision of the measurement relative to what actually exists.

In this study, measurement reliability was improved in three ways. Firstly, in the instance of quite unreliable measurements, the questions were left out of the studies or revised and reevaluated before the final survey form was created, because the development and testing of reliable questions is a very necessary step in the marketing research process. Secondly, the scales that have so many gradations were collapsed. Thirdly, through direct comparison of each respondent's test answer with the retest and equivalent answer, it may be possible to identify unreliable respondents and leave out their answers from the final analysis (Burns and Bush 2000, 331-332). In addition, the validity of the research is developed through many previous studies as references in the whole thesis process.

4 EMPIRICAL FINDINGS

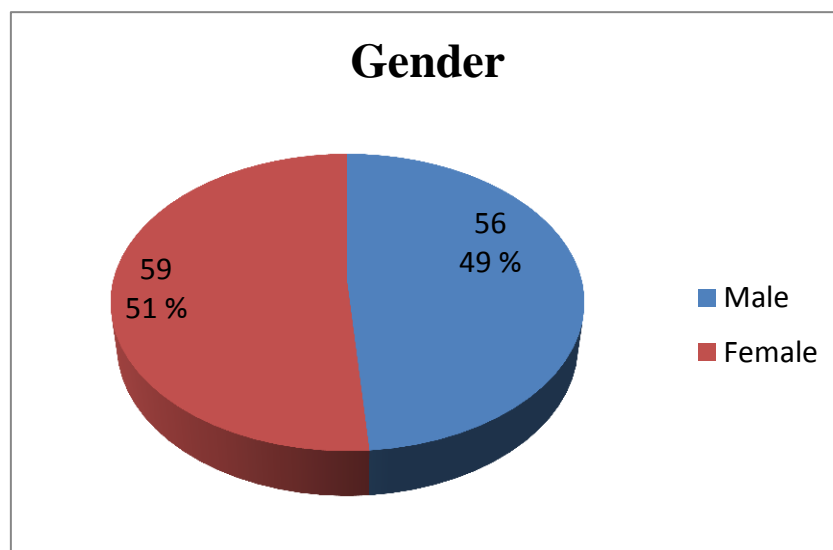
In this chapter, the results of the empirical study are presented from the three sections of the questionnaire: basic information, attitudes towards marketing communication patterns of garments and home furnishings, and the cognition degree of Marimekko.

4.1 Basic Information Finding

The basic information questions involve gender, age, occupation, and revenue. All of these questions are single-choice questions illustrated by using pie charts.

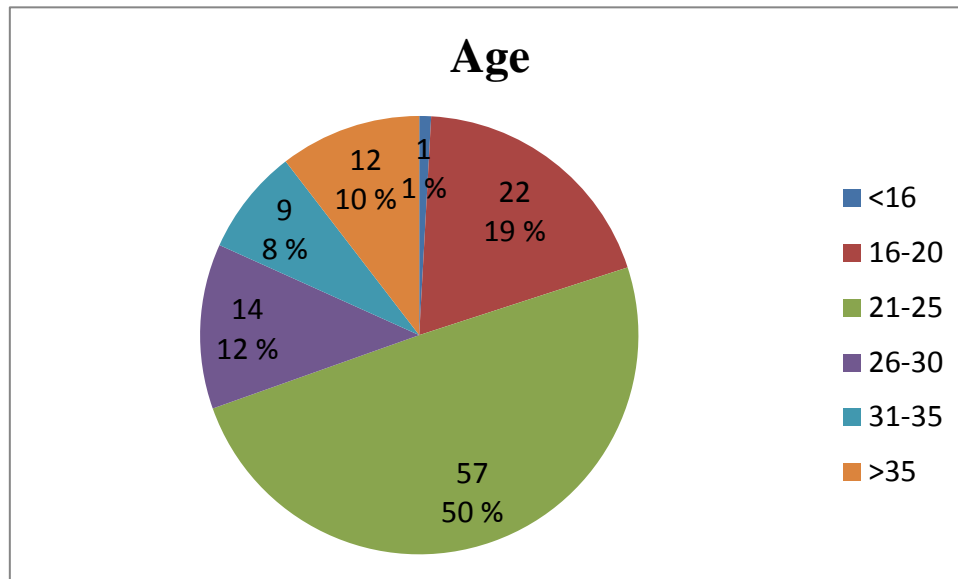
Question1: Gender

Among the 115 respondents, the number of females is 59, accounting for 51% of the total responses, and the number of males is 56, accounting for 49% of the total responses (See Graph 1).

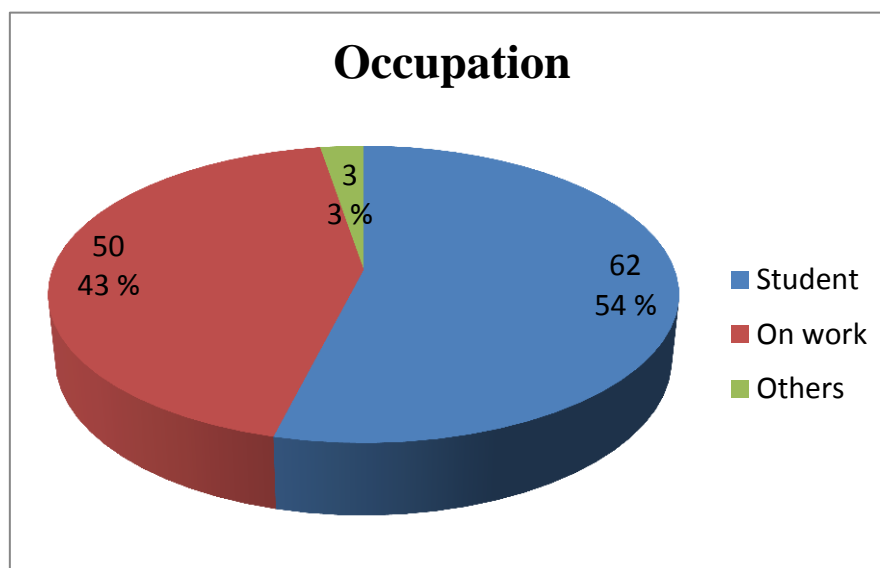


Graph 1. Respondents' gender.

Questions 2-4: Age, Occupation, and Revenue



Graph 2. Respondents' age.

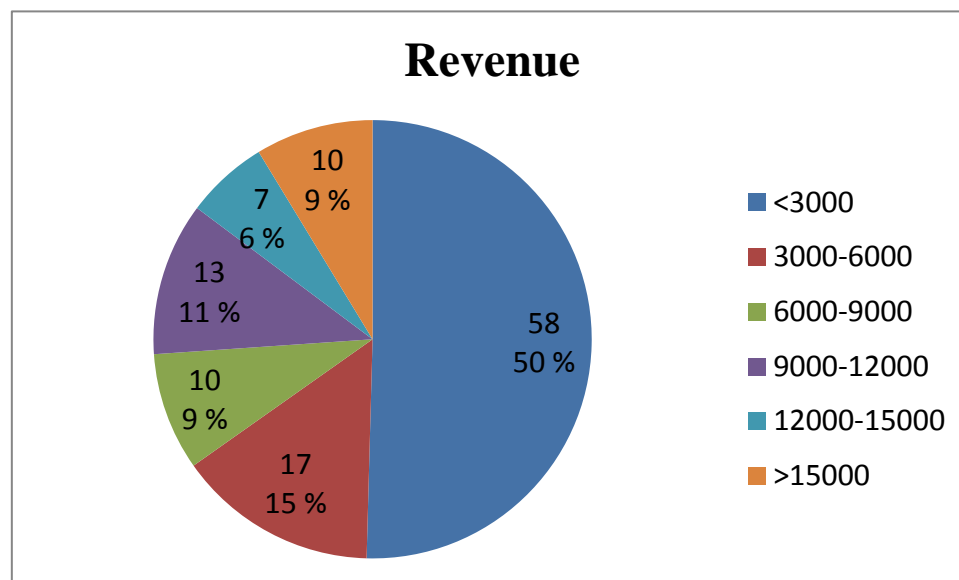


Graph 3. Respondents' occupation.

Graph 2, 3, and 4 respectively illustrate the distributions of the respondents' age, occupation, and revenue per month. As the researcher is a student, the target group is mainly from university students whose ages are mainly between 18 and 23. Therefore, the respondents' ages are mostly between 21 and 25, appropriating a half of the total respondents; the respondents' occupation is mostly student, accounting for 54% of the

total; 50% of respondents' revenue per month is under 3000 CNY, because students seldom have sources of income.

In graph 4, it is shown that the amount of respondents' revenue between 3000 and 6000 accounts 15%; the amount of income level between 6.000-9.000, 9.000-12.000, and above 15.000 CNY is quite close, respectively accounting for 9%, 11%, and 9%; the amount of revenue between 12.000 and 15.000 CNY only makes up 6%. Because Shanghai is a first-tier city in China, the average income and the commodity prices in Shanghai are higher than those in other cities. That means the revenue in middle class should be between 10.000 and 20.000 CNY in Shanghai.



Graph 4. Respondents' revenue per month.

4.2 Attitudes Towards Marketing Communication Patterns

In this section, all the questions center on Shanghai consumers' attitudes towards marketing communication patterns of garments and home furnishings. The author hopes to obtain information about consumers' general opinion to which promotion tools they prefer.

Question 5: The importance of marketing factors that influence consumers' buying behavior

This question is aimed to find out the degree of marketing stimuli's influence on consumers' purchasing behavior. The respondents choose one degree from "Low", "Relatively Low", "Moderate", "Relatively High", and "High" to value the four marketing stimuli: product, price, place, and promotion.

	Low	Relatively Low	Moderate	Relatively High	High	Total
Product	2(1,7%)	0	4(3,5%)	31(27,0%)	78(67,8%)	115
Price	2(1,7%)	1(0,9%)	16(13,9%)	70(60,9%)	26(22,6%)	115
Place	11(9,6%)	30(26,1%)	47(40,9%)	17(14,8%)	10(8,7%)	115
Promotion	17(14,8%)	32(27,8%)	43(37,4%)	15(13,0%)	8(7%)	115

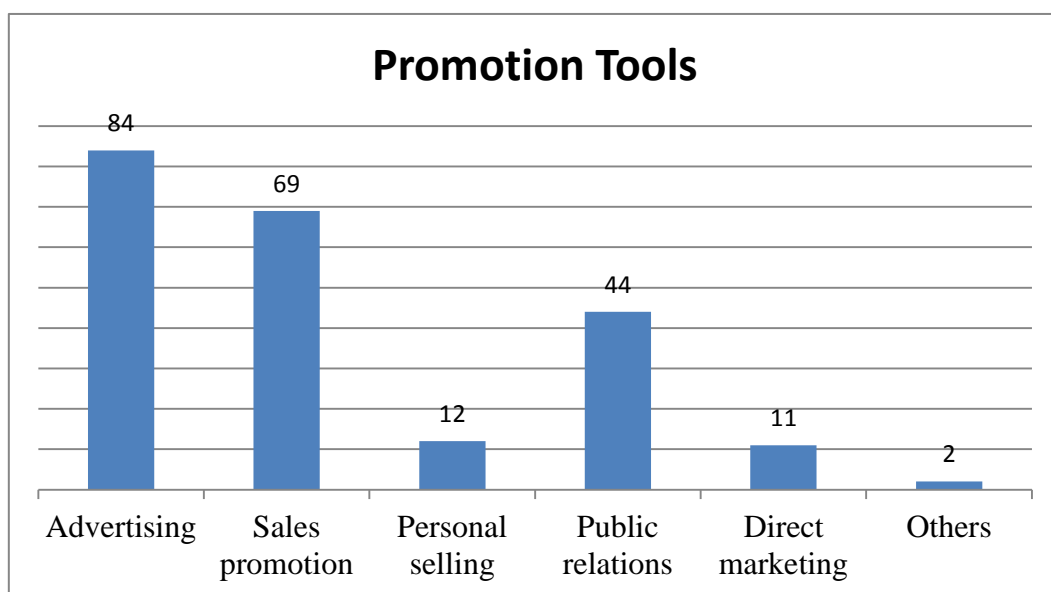
Table 5. Respondents' attitudes towards marketing factors in purchasing garments and home furnishings.

Table 5 shows that product has the greatest influence on consumers' buying behavior in terms of garments and home furnishings, with 78 out of 115 respondents choosing the "High" option. Price ranks second, having 26 out of 115 responses, and 60,9% of the respondents thought that the importance of price is relatively high. Place has a similar result with promotion. Just 10 and 8 respondents respectively thought that they are very important, and most respondents chose "Moderate" option, accounting for 40,9% and 37,4%.

Although among the four marketing stimuli promotion ranks the last in the importance of influence, promotion has tight connections with other marketing

elements. For example, coupons or price-off and other such sales promotion tools can impact price and indirectly influence customers. In addition, for a new product or a new brand, it is very important to establish awareness of products and attract customers' interest through promotion. For an existed product or brand, it also needs promotion to reinforce brand and remind the existing customers of this brand of buying the product again soon.

Question 6: Preference to promotion tools.



Graph 5. Respondents' preferences for promotion tools in getting information of garments and home furnishings.

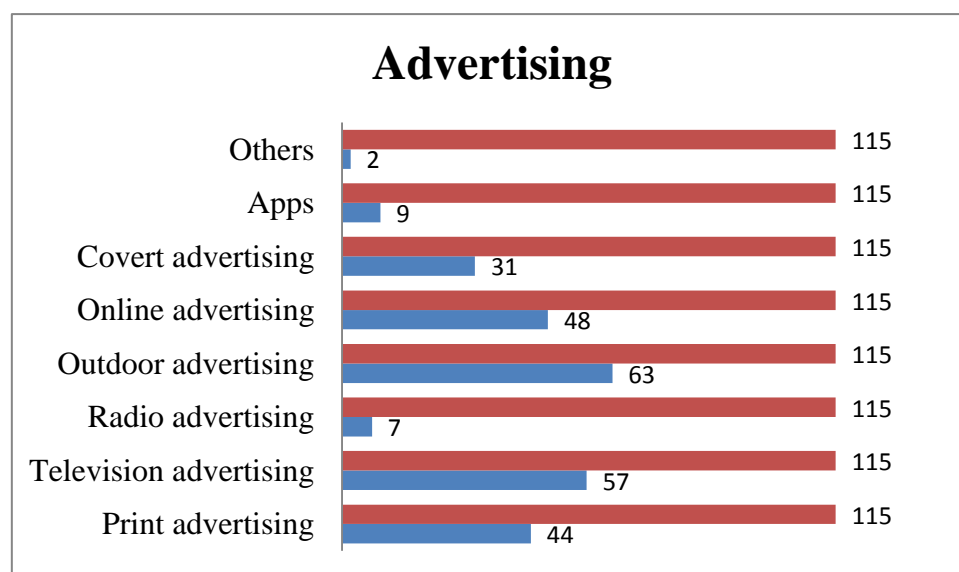
This is a multiple-choice question which the respondents can choose more than one option from the five promotion tools introduced in the previous chapter and the sixth option is "Others". As shown in graph 5, "advertising" obtains the most responses, 84 all together, so it can roughly be that most of consumers tend to get information from advertising. This result should be reliable, because in China advertising floods people's lives from television, newspapers, the interne etc. The promotion tool that respondents prefer is sales promotion, which gets 69 responses. As mentioned before,

some sales promotion types can influence price so that it is a very important factor in influencing consumers' purchasing behavior, as most of people are unable to resist price-offs.

Public relations rank the third, having 44 responses. Indeed, in recent years, public relations have developed fast, especially among young people. Personal selling and direct marketing are relatively unpopular, respectively having 12 and 11 responses. This is mainly because counterfeit and fake products are flooding the Chinese market and trust issues may cause customers to worry about the quality of products.

Question {7-11: Preferences to the different types of each promotion tool

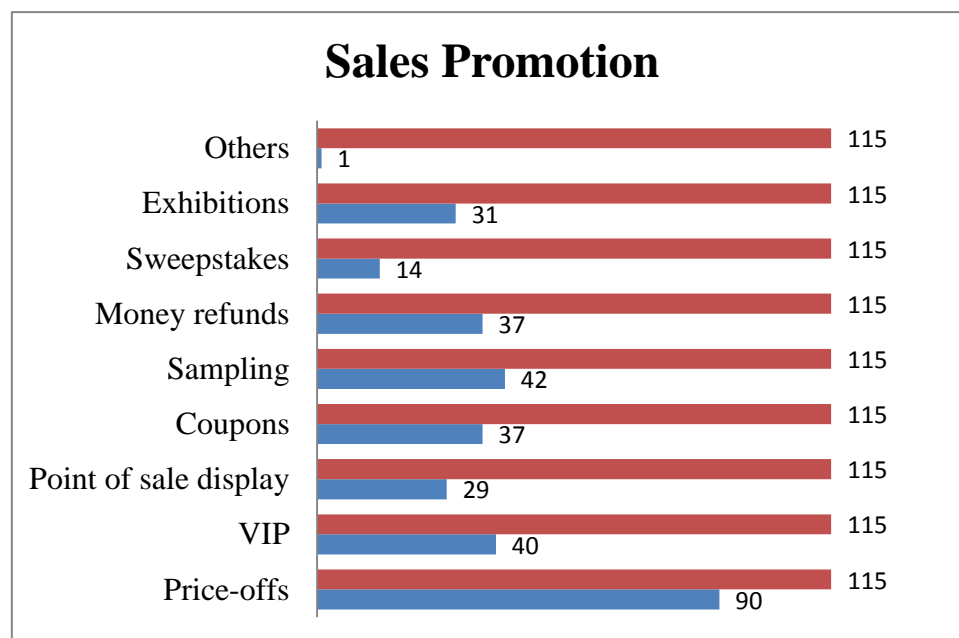
Question {7-11 is to explore the most popular types of each promotion tool for garments and home furnishings among 115 respondents, and all these questions are multiple-choice questions.



Graph 6. Preferences for different types of advertising.

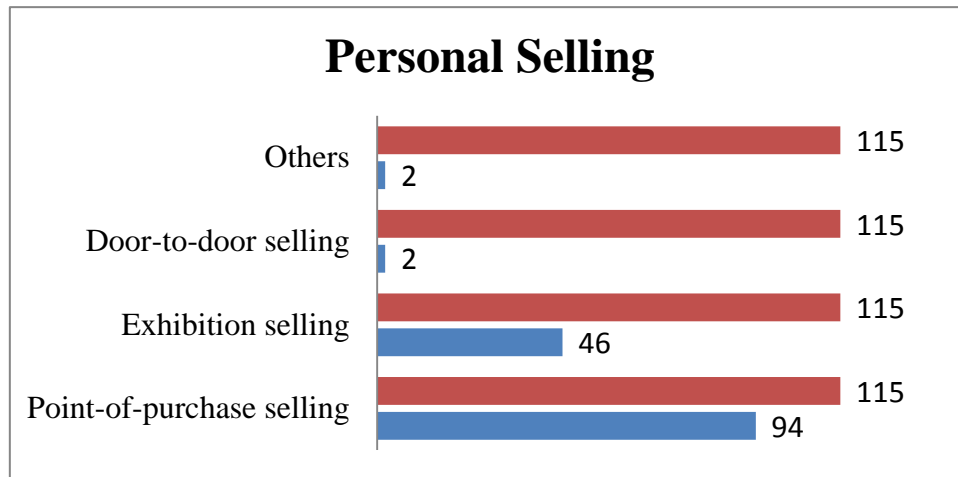
Graph 6 illustrates that outdoor advertising is the most popular media in China. In 2000, outdoor advertising leaped to second most popular media preceded only by

television advertising. In 2008 as the Olympic Games were held in Beijing, the Chinese outdoor advertising market faced a big development spur. Not everyone watches television, reads newspapers, or gets on the internet, but anyone can see the outdoor advertising when they leave home. Beautiful billboards, kiosks, bus shelters, and shopping centers all teem with outdoor advertising (See Baidu, 2013). Television as a traditional advertising media follows closely behind outdoor advertising. Online advertising ranks third, and it mainly affects in young people. Print advertising and covert advertising rank respectively fourth and fifth, and only few of the respondents chose apps and radio advertising as their preference.



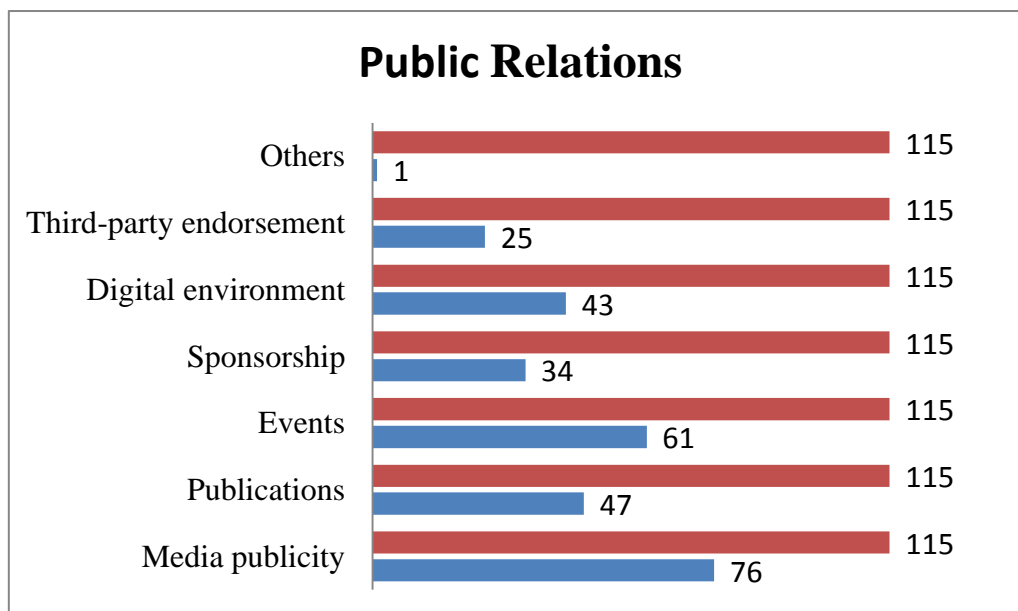
Graph 7. Preferences for different types of sales promotion.

It is obvious that price-offs is the most popular type of sales promotion as shown in graph 7, and 90 out of 115 responses is far above other types of sales promotion. This can be explained due to the influence of price on consumers' purchasing behavior, because the benefit that customers can get from discounts or price-offs is more practical and direct form of sales promotion.



Graph 8. Preferences for different types of personal selling.

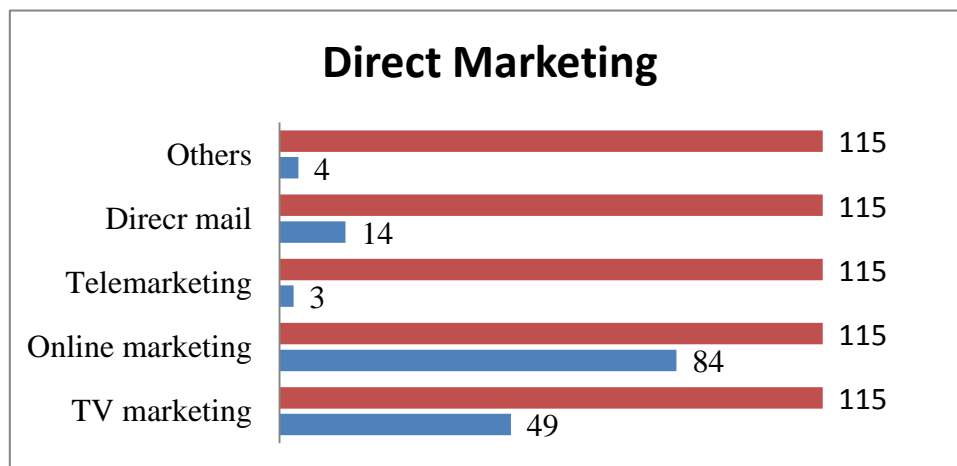
Graph 8 shows that most of respondents prefers to point-of-purchase selling, fewer than half of respondents chose exhibition selling, and just 2 chose door-to-door selling. In fact, for garments and home furnishings, it is difficult to use door-to-door selling. Therefore, how to improve point-of-purchase selling is most important in terms of personal selling.



Graph 9. Preferences for different types of public relations.

Graph 9 shows that media publicity as a general mass media ranks first with 76 responses. Events follow closely behind. Because more and more people are interested in sports games and socially useful activities, such public relations will appeal to potential consumers. Although digital environment and third-party endorsement do not obtain too many responses, they always combine together to play an important role. In recent years in China, forums and some social networks have attracted many young people, so it is easy to influence opinions by other users and opinion leaders. Any good or bad news will quickly be spread and sometimes news is greatly exaggerated. Therefore, how to utilize the digital environment well is very crucial for marketers.

As shown in graph 10, online marketing is the most popular type of direct marketing in terms of direct marketing, and the following is TV marketing. Compared with telemarketing and direct mail, the advantage of online marketing and TV marketing is that consumers can see the physical goods, and this factor which is very important for garments and home furnishings.

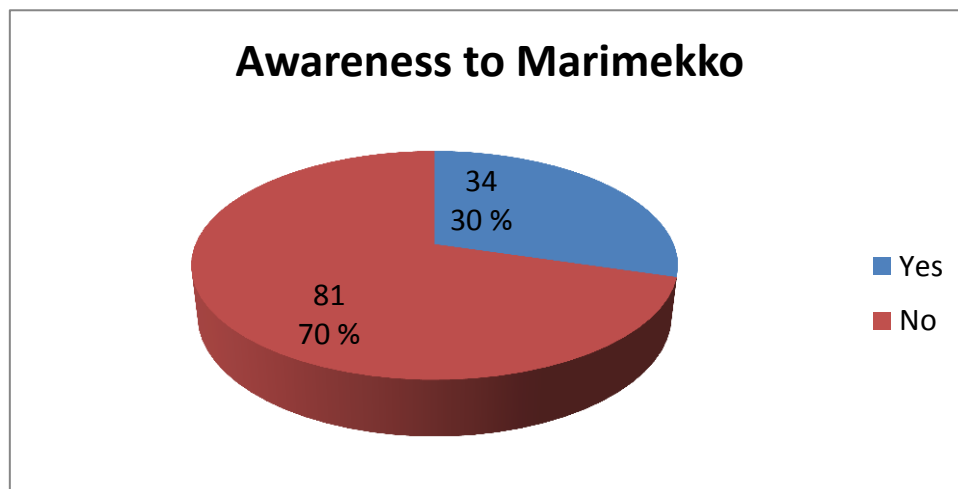


Graph 10. Preferences for different types of direct marketing.

4.3 The Cognition Degree of Marimekko

This section presents the current situation of Marimekko in Shanghai and the results of its promotion. In addition, through respondents' suggestions and opinions, how Marimekko can improve and perfect its marketing communication so that achieves its objectives is the central key issue.

Question 12: Awareness to Marimekko



Graph 11. Respondents' awareness of Marimekko.

Graph 11 clearly presents that only 30% of the respondents know Marimekko, so Marimekko is still an unfamiliar brand for many Shanghai consumers. Of course, it cannot prove that Marimekko has a poor promotional strategy, because it has arrived in Shanghai no more than half a year ago. In addition, it means that Marimekko has much room for promoting itself.

Question 13: How to know Marimekko

This is a single question, and only those respondents who chose "Yes" in question 12 can answer this question, thus there are just 34 responses for this question.

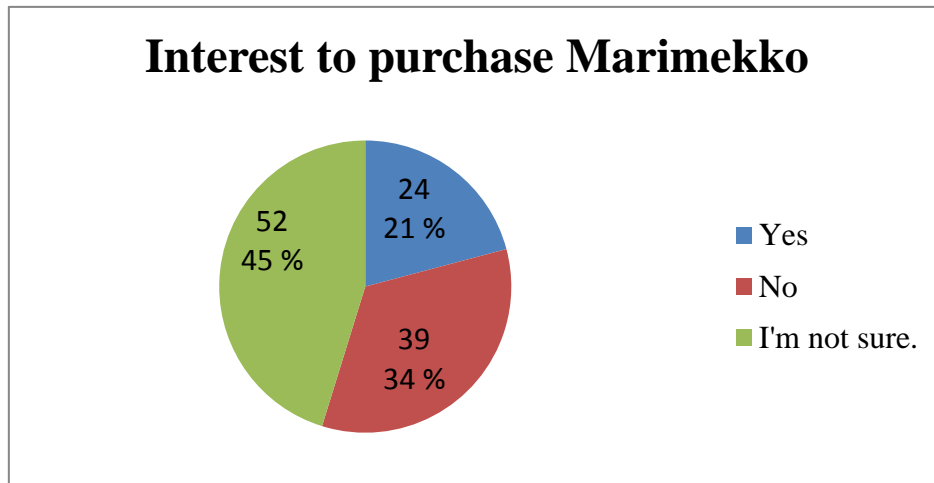


Graph 12. How to know Marimekko.

Graph 12 shows that only one respondent know Marimekkos through advertising, six from the internet, and none from public relations, direct marketing, personal selling, and sales promotion. Most of the respondents know Marimekko through going window-shopping by accident and words-of-mouth. This data shows two aspects: one is that advertising is a very important promotion tool for garments and home furnishings; the other is that Marimekko is more waiting for customers to get to know it, not introducing itself to customers on its own initiative.

Question 14: Interest to purchase Marimekko

The data from graph 13 shows that 45% of the respondents were not sure whether they will buy Marimekko's products, 34% said no, and 21% chose "Yes". Although the number of respondents who said yes is not many, Marimekko can make those respondents whose opinions are indefinite become its loyal customers through effective promotion. Therefore, Marimekko still has a lot of room for increasing customers' interest for purchasing its products.



Graph 13. Interest to purchase Marimekko.

Question 15: Suggestion to Marimekko's promotion in China

This is an open question, so some useful and constructive answers were chosen, and some suggestions were generalized and integrated. The first suggestion is to confirm a suitable market orientation. Marimekko is a Nordic fashion design brand and Shanghai is a fashion metropolis, so the target market should be consumers in middle and upper classes of society. Marimekko's target market position is middle class consumers, so it coincides with the respondents' suggestions.

The second suggestion is about propaganda. Because Marimekko has a unique Finnish design style, Marimekko can use this feature as a key selling point for propaganda and touch customers through not only its externally beautiful products but also its inner design thinking.

The third suggestion is about consumer psychology. There are big cultural differences between Finland and China, so Marimekko needs to understand the Chinese consumption concept, especially in the middle class. Also in different cities the so-called middle class has different consumption concepts.

The last suggestion is about promotion tools and ways. Some respondents thought that Marimekko should make good use of renren and weibo, which are Chinese equivalents to Facebook and Twitter (See picture 4), for such social networks, advertising, magazines, the internet, and discounts for promotion. In addition, Marimekko could open more regular chains or specialty stores in high-grade business districts. Because Marimekko mainly markets garments and home furnishings, its promotion should emphasize product display. Like radio advertising, those promotion ways which cannot give customers a directly perceived feeling of the products are unsuitable. Thus, Marimekko can hold some activities, for instance, letting customer directly taste the products. Furthermore, as the price of Marimekko is not that cheap, it could invite some celebrities to promote the brand, a person who can quickly have great influence over the public. Also Marimekko could hold high-grade press conferences and fashion collections which could build brand awareness in middle and upper and fashion consumers. Last but not least, Marimekko could cooperate with local well-known companies to launch joint products in order to expand and raise brand awareness.



Picture 4. The logos of renren and weibo.

Question 16: Opinions on the market prospects of Marimekko in China

This is also an open question. Through generalizing and integrating, the opinions on the market prospects of Marimekko in Shanghai segment can be divided into three aspects: positive, negative, and uncertain opinions.

Firstly, let us see the positive opinion. Obviously, some respondents thought that Marimekko would have a good market prospects, especially in the young and middle aged consumer group. There are four main reasons for this:

- 1) Nordic design is well-known in the world, and Chinese people highly value Nordic brands. The concise and unique design style, brilliant colors that can bring urbanites relaxation and enjoyment, and high quality of Marimekko would help it appeal to Chinese consumers. Although many potential consumers do not know this brand, once they get to know it they may become loyal customers to a large extent.
- 2) The Chinese like foreign goods which are taken as high-end goods, and domestic brands are relatively weak competitors. Moreover, many Chinese fancy being out of common and to show their status, so as long as a new product is promoted well, it is likely to lead to a tidal current.
- 3) With the rapid development of Chinese economy, Chinese consumption level is gradually increasing, so people are starting to consider other elements besides price, such as fashion, comfort, and so on. However, there is still a need cater for public taste, how to catch such customers depends on the market position and promotion.
- 4) It is beneficial to choose Shanghai as the first landing, since Shanghai is the biggest city in China, its consuming capacity is relatively high compared to other cities, and people are more willing and likely to accept new things.

Now let us move to the negative opinion. Some respondents took a dim view of the market prospects of Marimekko. They have totally different reasons as follows:

- 1) Some respondents thought that in short term market penetration is hopeless, and the company needs at least five years for promotion. Also the products are easy to copy, when the counterfeit goods become rampant, it must influence the sales due to the expensive price.
- 2) The brand is too strange and name recognition is not enough, so it will take a lot of time to implant the brand awareness in consumers. Moreover, Shanghai gathers a large number of brands and has a vast range of products, so a new landing brand has difficulties in succeeding only by traditional means. Also as Shanghai does not lack of fresh, high-quality, and mysterious imported goods, if Marimekko does not have any unique characteristics, it will be hard to find a selling point to promote.
- 3) The market position of Marimekko is middle class, but actually a so-called middle class does not exist in China. Also many consumers have no knowledge about this brand, so the cost of buying its products can be spent on more famous brands. Due to a different culture, the different aesthetic standards may result in lack of understanding such style.

Lastly, some respondents took an uncertain opinion on the market prospects of Marimekko. Whether the masses can accept such style, it is hard to say. Therefore, it is important how to practice niche marketing, attract some customers who are interested in this brand, and let these loyal customers influence other customers to pay attention to this brand.

5 CONCLUSION

In this chapter, a summary is presented based on previous theoretical concepts and empirical findings, including research results, evaluation, suggestion, and the outlooks of Marimekko, together with suggestions for future study. The following figure 8 is the outline of the thesis.

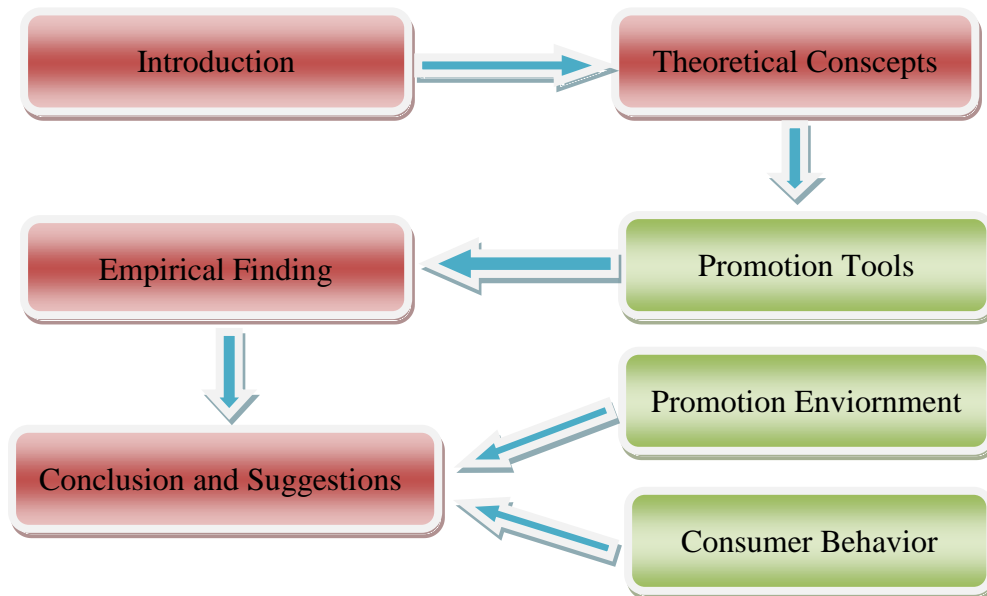


Figure 8. The outline of thesis.

5.1 Summary of the Research

The main aims of this thesis is to find out the most cost-efficient promotion methods for Marimekko to satisfy and affect consumers, and based on the main purpose the following sub-objectives have also been set:

- To theoretically describe what environmental factors influence consumer behavior
- To theoretically describe promotion tools
- To empirically analyze which promotion tools are the most prevalent and acceptable to Shanghai consumers and examine the cognition degree of Marimekko in Shanghai

The first two sub-objectives were solved in chapter 2, which provided an overview of what environmental factors influence consumer behavior and a detailed description of promotion tools through theoretical knowledge.

The third sub-objective was solved in chapter 4, which presents the research data collected through a questionnaire and data analysis. Firstly, let us see the most popular promotion tool. From the research results we can find that among five main promotion tools, advertising and sales promotion are the most prevalent and accepted by Shanghai consumers concerning garments and home furnishings, both accounting for more than half. In addition, in advertising, outdoor advertising is the most popular type accounting for 55%, and television advertising and online advertising behind, occupying about 50% of the total responses. In sales promotion, price-offs are far ahead of the other types, accounting for 78%. Sampling ranks second, only occupying 37%.

Moving to the cognition degree of Marimekko, it was discovered that most of respondents do not know Marimekko. Only 30% respondents know this brand through words-of-mouth and from random window-shopping, and few know the company through the internet and advertising. No one knows Marimekko by other promotion tools.

5.2 Suggestion and Outlook for Marimekko

Based on the research results, the respondents' suggestions were combined with theoretical principles to summarize two main suggestions:

- Strengthen publicity. Although among four marketing elements, promotion is not the most important marketing stimulus for Shanghai consumers in purchasing behavior, it is still essential for a new brand and a new product. Even if a product has a high-quality and unique design, it cannot tell customers how excellent it is.

Especially, for a product positioned in the middle class segment, as such product has a relatively high price, if consumers do not know the product and its design concepts, they might not buy this product and intend to choose other products known well at the same price. Since Marimekko has its unique design concept, fashion style, and high quality, it can use these features to promote itself. Considering the research results, outdoor advertising and television advertising are very helpful tools, and some new promotion types, like social networks, have an increasing influence on the Chinese consumers. In addition, celebrities can have a great impact on the public, their attitudes decides public attitudes to a large extent. Because Marimekko's products mainly involve garments and home furnishings, it should consider choosing those promotion tools which can let consumers see and touch the products.

- Consumer psychology. There are big cultural differences between Finland and China, so Marimekko needs to understand the Chinese consumption concept, especially in the middle class. Moreover, the target market of Marimekko is middle class, so how to appeal to them is very important. In China, there is not real middle class. Such consumers who are in the so-called middle class trend to purchase high-end products or low-end products. On the one hand, in this group, many prefer to “MianZi” product. For example, Louis Vuitton came to China and found that the main purchasing customers are not those who were considered as target group at the beginning. On the other hand, many people just recently joined in middle class, so their consumption still remains on the previous level that follows low and middle class consumption. Therefore, Marimekko needs to collect enough data to analyze such middle class's consumption habits and psychology. Otherwise, it may fall into the “middle-class consumption” trap. (See Alibaba, 2013)

Although the target market of Marimekko is middle class and in this survey most of respondents are students, it can still show the low brand awareness in Shanghai consumers to a certain degree. After all, promotion generally orients the public. In spite of this, Marimekko can still foster a hope. As Marimeeko has just arrived in Shanghai not more than half a year ago, if only it could understand consumer behavior and find the most cost-effective promotion methods to promote itself, it might have positive market prospects, be able to attract more consumers, and earn more market share, as Shanghai is a city full of opportunities and challenges, but there is no denying the fact that Marimekko has a long way to go if it wants to penetrate a niche of the Chinese market.

5.3 Suggestion for the Further Study

In the end, there are some suggestions that can be made for future study. In this thesis, the influence of the marketing communication over a brand in a certain market was mainly described, but the consumer behavior was just briefly generalized. As we know, consumer behavior also plays a very important role in the making of a marketing strategy. In addition, a finding of this study is that consumers are very sensitive to product, so future study can combine the two factors, namely consumer perceptions on products and brand.

As chapter 1 mentioned, this research has some limitations. Firstly, the sample of this survey is small and is mainly made up of university students, so future study can collect a larger sample from different social classes. Secondly, since Marimekko was launched to Shanghai not long ago, future study also can make a similar investigation to see the cognition degree of Marimekko in Shanghai, and then analyze the reasons that generate different results.

6 REFERENCES

Gordon Wills and David Midgley (1973). Fashion Marketing. George Allen & Unwin Ltd 1973.

J.Paul.Peter and Jerry C.Olson (2008). Consumer Behavior and Marketing Strategy. The McGrawHill Companies, Inc.

Docstoc (2011). China Fashion Industry. Accessed 05.01.2013. Available from the Internet:

<URL:<http://www.docstoc.com/docs/19643466/china-fashion-industry>>

News.china.com.cn (2013). Compete in scale or in brand. Accessed 04.01.2013. Available from the internet:

<URL:http://news.china.com.cn/live/2013-01/04/content_17987961.htm>

Forbes.com (2013). China's Fashion Industry Has Plenty Of Room To Grow, IDG's Jeacy Yan Says. Accessed 04.01.2013. Available from the internet:

<URL:<http://www.forbes.com/sites/russellflannery/2011/06/26/chinas-fashion-industry-has-plenty-of-room-to-grow-idgs-jeacy-yan-says>>

Zero21PO Group (2011). Fast Fashion & E-commerce Fuel Investment in China's Clothing Sector. Accessed 05.01.2013. Available from the Internet:

<URL:<http://www.pedaily.cn/Item.aspx?id=218059>>

Trading Economics (2012). China Consumer Spending. Accessed 05.01.2013. Available from the internet:

<URL:<http://www.tradingeconomics.com/china/consumer-spending>>

Trading Economics (2012). China GDP. Accessed 05.01.2013. Available from the Internet:

<URL:<http://www.tradingeconomics.com/china/gdp>>

Helsinki Sanomat (2012). Marimekko enters Chinese market. Accessed 01.06.2013. Available from the internet:

<URL:<http://www.hs.fi/english/article/Marimekko+enters+Chinese+market/1329103983628>>

MovingCities (2012). Fashion in China Maapping | DutchDFA. Accessed 05.01.2013. Available from the Internet:

<URL:<http://movingcities.org/projects/design-and-fashion-in-china-mappings/fashion/>>

Dfdaily.com (2012). Shanghai's GDP Per Capita Passed Beyond Beijing's, Ranking First In Entire Country. Accessed 05.01.2013. Available from the Internet:

<URL:<http://www.dfdaily.com/html/3/2012/1/20/733021.shtml>>

Vogue.co.uk (2008). Shanghai Calling. Accessed 05.01.2013. Available from the internet:

<URL:<http://www.vogue.co.uk/news/2008/10/27/aminaka-wilmont-show-in-shanghai>>

FinnishDesign.com (2012). Marimekko. Accessed 06.01.2013. Available from the internet:

<URL:<http://www.finnishdesign.com/finnish-design-companies/marimekko>>

FinnishDesign.com (2012). Marimekko Today. Accessed 06.01.2013. Available from the internet:

<URL:<http://www.finnishdesign.com/finnish-design-companies/marimekko/marimekko-today>>

Guardian News and Media Limited (2013). Marimekko's bid for world domination. Accessed 06.01.2013. Available from the internet:

<URL:<http://www.guardian.co.uk/lifeandstyle/house-and-homes-blog/2011/sep/20/marimekko-textile-design>>

GlobeNewswire, Inc (2013). Marimekko Prints and Colours Dance in Shanghai's People's Park on 27 October 2012. Accessed 01.06.2013. Available from the internet:

<URL:<http://globenewswire.com/news-release/2012/10/19/498237/0/en/MARIMEKKO-PRINTS-AND-COLOURS-DANCE-IN-SHANGHAI-S-PEOPLE-S-PARK-ON-27-OCTOBER-2012.html>>

Caine, C. and Forsythe, S. Consumer (1997). Consumer Choice of U.S. Brands in Foreign Markets: Opportunities for Alabama Textile and Apparel Manufacturers, *Highlights of Agricultural Research*, 44(3), 3-4.

Leon G. Schiffman and Leslie Lazar Kanuk (2000). *Consumer Behavior*. Prentice-Hall, Inc. Upper Saddle River, New Jersey 07458.

Richard L. Sandhusen (2000). *Marketing*. Barron's Education Series, Inc.

Xueying Quan (2011). Lanching Brand in China – Case company: Lumene Oy. 19 Accessed 11.01.2013.

<URL:http://publications.theseus.fi/bitstream/handle/10024/25033/QUAN_Xueying.pdf?sequence=1>

John J. Burnett (1993). Promotion Management. Houghton Mifflin Company.

Sally Dibb, Lyndon Simkin, William M. Pride & O.C. Ferrell (2012). Marketing Concepts & Strategies. Cengage Learning EMEA.

KnowThis LLC (1998-2013). Types of Promotion Objectives. Accessed 30.03.2013.

<<http://www.knowthis.com/principles-of-marketing-tutorials/promotion-decisions/types-of-promotion-objectives/>>

Courtland L. Bovee, John V. Thill & Michael H. Meson (2005). Excellence in Business. Prentice Hall. 1995-2010 Pearson Education.

Buzzle (2013). Different Types of Advertising. Accessed 13.01.2013. Available from the internet:

<URL:<http://www.buzzle.com/articles/different-types-of-advertising.html>>

Burnett, John, Moriarty & Sandra (1998). Introduction to marketing communication: an integrated approach. Upper Saddle River, NJ: Prentice-Hall. Print.

Michael R. Czinkota and Ilkka A. Ronkainen (2010). Principles of International Marketing, 9th Edition. South-Western, Cengage Learning.

Managementstudyguide.com (2012). Classification of Advertising. Accessed 13.01.2013. Available from the internet:

<URL:<http://www.managementstudyguide.com/classification-of-advertising.htm>>

PR Smith and Ze Zook (2011). Marketing Communications. Integrating offline and online with social media. P R Smith.

Paul Copley (2004). Marketing Communications Management: concepts and theories, cases and practices.

Mansueto Ventures LLC. (2013). Personal Selling. Accessed 17.01.2013. Available from the internet:

<URL:http://www.inc.com/encyclopedia/personal-selling_page_2.html>

Jonathan Grooucutt, Peter Leadley & Patrick Forsyth (2004). Markeing essential principles, new realities.

Gilbert A. Churchill, Jr. And Dawn Iacobucci (2002). Marketing Research Methodological Foundations. Harcourt, Inc.

Alvin C. Burns and Ronalo F. Bush (2000). Marketing Research. Prebbtuce-Hall, Inc.

Baidu (2013). The advantages of Chinese outdoor advertising. Accessed 30.03.2013.

<<http://wenku.baidu.com/view/bac0f12fb4daa58da0114ae6.html>>

Alibaba (2013). “Middle-class consumption” traps sports brands. Accessed 01.04.2013.

<<http://info.china.alibaba.com/detail/1030284901.html>>

APPENDIX 1

Original Chinese Questionnaire

“Marimekko 玛莉美歌”在上海的市场营销调研

尊敬的先生/女士：我是瓦萨应用科技大学国际贸易专业的学生，这是一份有关“Marimekko/玛莉美歌”的调查问卷，恳请您能协助回答下列问题，完成这份问卷只占用您 10 分钟左右的时间。如果在做此问卷期间，有疑问可以通过邮件方式 kidwoo81@gmail.com 来联系调查员。该问卷仅适用于上海地区的朋友填写。

问卷说明：Marimekko 是芬兰著名的服装、家品、布艺设计品牌，Marimekko 的专卖店在去年登陆上海，目标消费群为中产阶级消费者。该问卷旨在探索 Marimekko 在上海市场的营销传播最有效的方式。本问卷采用不记名方式填答，所获资料仅供学术研究之用，绝不对外公开，敬请根据自己的实际情况放心填答。感谢您在百忙之中填写问卷。

基本信息

1. 性别* [单选题]

- ☒ 男
- ☐ 女

2. 年龄* [单选题]

- ☐ <16
- ☐ 16-20
- ☐ 21-25
- ☐ 26-30
- ☐ 31-35

☐ >35

3. 职业* [单选题]

☐ 学生

☐ 在职

☐ 其他

4. 收入（元/月）* [单选题]

☐ <3000

☐ 3000-6000

☐ 6000-9000

☐ 9000-12000

☐ 12000-15000

☐ >15000

一下问题是关于您对服装家品营销方式的看法

5. 如果您准备购买某一服装家品，您觉得下列因素的重要性*

	完全不重要	比较不重要	一般	比较重要	非常重要
产品本身	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
价格	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
购买地点	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
推销方式	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. 服装家品的营销传播方式，您倾向于* [多选题]

- ☐ 广告（报纸杂志、电视广告、广告牌、网络广告等）
 - ☐ 促销（优惠券、抽奖、赠送、展示会等）
 - ☐ 个人推销（推销人员在特定地点推销产品等）
 - ☐ 公共关系（发布会、公益活动、舆论领袖等）
 - ☐ 直销（电视推销、电话推销、邮递邮件推销等）
 - ☐ 其它
-

7. 服装家品的广告类型，您倾向于* [多选题]

- ☐ 印刷物广告
- ☐ 电视广告

- ☐ 电台广告
 - ☐ 户外广告（广告牌、宣传车等）
 - ☐ 网络广告
 - ☐ 隐形广告（电影赞助等）
 - ☐ 手机应用程序广告
 - ☐ 其它
-

8. 服装家品的促销形式中，您倾向于* [多选题]

- ☐ 降价销售
 - ☐ 会员制
 - ☐ 销售点展示
 - ☐ 赠券
 - ☐ 样品试用
 - ☐ 钱款返还
 - ☐ 抽奖
 - ☐ 展览会
 - ☐ 其它
-

9. 服装家品的个人推销中，您倾向于* [多选题]

- ☐ 销售点推销
 - ☐ 展销会推销
 - ☐ 上门推销
 - ☐ 其它
-

10. 服装家品的公共宣传类型，您倾向于* [多选题]

- ☐ 媒体宣传（新闻发布会、电视节目等）
 - ☐ 出版物宣传（专稿、社论等）
 - ☐ 活动（文体类公共活动，公益活动等）
 - ☐ 赞助
 - ☐ 论坛，博客、微博等
 - ☐ 舆论领袖、新闻人物等
 - ☐ 其它
-

11. 服装家品的直销方式，您倾向于* [多选题]

- ☐ 电视推销
- ☐ 网络推销
- ☐ 电话推销
- ☐ 邮递邮件推销

☐ 其它

以下是您对“Marimekko/玛莉美歌”的了解程度

12. 您是否知道“Marimekko/玛莉美歌”？ * [单选题]

- ☐ 知道
- ☐ 不知道
-

13. 您是如何知道“Marimekko/玛莉美歌”的？ * [单选题]

- ☐ 广告
- ☐ 网络
- ☐ 个人推销
- ☐ 直销
- ☐ 公共活动
- ☐ 口口相传、朋友介绍
- ☐ 逛街中无意看到
- ☐ 其它
-

14. 您有购买“Marimekko/玛莉美歌”产品的欲望吗？* [必答题]

- ☐ 有
 - ☐ 没有
 - ☐ 不确定
-

15. 您对“Marimekko/玛莉美歌”的产品在中国推广有什么意见或建议？

16. 您对“Marimekko/玛莉美歌”在中国的市场前景有什么看法? [填空题]

谢谢您的参与！

APPENTIXE 2

The Translated English Questionnaire

Marketing Communication Research of Marimekko in Shanghai

Dear respondents:

I am a student from the University of Applied Sciences Vaasa, majoring in the International Business. Marimekko is a famous Finnish fashion brand, and its products include garments and home furnishings. Last year Marimekko opened its first shop in Shanghai and its target group is positioned in middle class. I am conducting a survey about Marimekko's marketing communication in Shanghai segment. If you have any questions about filling the questionnaire, you can contact me via kidwoo81@gmail.com. I would be grateful if you could spend 10 minutes to complete the following questions.

This research is conducted to find out the most cost-efficient promotion tools for Marimekko in Shanghai segment. All personal information will be analyzed confidentially and anonymously.

Basic information

1. Please choose your gender.*

- a) Male
- b) Female

2. Please choose your age.*

- a) < 16
- b) 16 – 20
- c) 21 - 25
- d) 26 – 30

e) 31 – 35

f) >35

3. Please choose your occupation.*

a) Student

b) On work

c) Others

4. Please choose your revenue (Chinese Yen/per month):*

a) <3000

b) 3000-6000

c) 6000-9000

d) 9000-12000

e) 12000-15000

f) >15000

Attitudes towards marketing communication patterns of garments and home furnishings:

5. In general, what do you think about the importance of the following factors when you buy garments or home furnishings (only one choice on scale from low to high)*

Low Relatively low Moderate Relatively high High

Product

Price

Place

Promotion

6. In general, in which way do you tend to obtain information of garments and home furnishing? (Multi-choice)*

- a) Advertising (newspapers, magazines, television ads, billboards, etc.)
- b) Sales promotion (coupons, sweepstakes, exhibitions, samples, etc.)
- c) Personal selling
- d) Public relations (press conference, third-party endorsement, etc)
- e) Direct marketing
- f) Others

7. Which types of advertising do you prefer? (Multi-choice)*

- a) Print advertising (Newspapers, Magazines, Brochures, Filers)
- b) Television advertising
- c) Radio advertising
- d) Outdoor advertising (Billboards, Kiosks, Trade-shows, and Events)
- e) Online advertising
- f) Covert advertising (films)
- g) Apps
- h) Others

8. Which types of sales promotion do you prefer? (Multi-choice)*

- a) Price-offs
- b) VIP
- c) Point of sale display
- d) Coupons
- e) Sampling
- f) Money refunds
- g) Sweepstakes
- h) Exhibitions
- i) Others

9. Which types of personal selling do you prefer? (Multi-choice) *

- a) Point-of-purchase selling
- b) Exhibition selling
- c) Door-to-door selling
- d) Others

10. Which types of public relations do you prefer? (Multi-choice)*

- a) Media publicity (press conference, etc.)
- b) Publications (feature articles, press release, etc.)
- c) Events (literature and art, and sport events, etc.)
- d) Sponsorship
- e) Digital environment (blog, Facebook, Twitter, YouTube) (Chinese version)
- f) Third-party endorsement (opinion leaders, etc.)
- g) Others

11. Which types of direct marketing do you prefer? (Multi-choice) *

- a) TV marketing
- b) Online marketing
- c) Telemarketing
- d) Direct mail
- e) Others

The cognition degree of Marimekko:

12. Do you know the brand Marimekko?*

- a) Yes
- b) No (questionnaire over)

13. In which way do you know Marimekko?*

- a) Advertising
- b) Internet
- c) Sales promotion
- d) Direct marketing
- e) Public relations
- f) Words-of-mouths
- g) Go window-shopping by accident
- h) Others

14. Would you be interested in purchasing Marimekko products?*

- a) Yes
- b) No
- c) I am not sure

15. Your suggestion to Marimekko's promotion in China

--

16. Your opinion on the market prospect of Marimekko in China

--

Thank you for your time and cooperation!