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**INTEGRATED MARKETING  
COMMUNICATIONS PLAN FOR ONLINE  
NEWSPAPER,**

**CASE: ESS.FI OF MEDIATALO ESA**

LAHTI UNIVERSITY OF APPLIED  
SCIENCES  
Degree programme in International  
Business  
Thesis  
Spring 2013  
Tu Bui

Lahti University of Applied Sciences  
Degree Programme in International Business

BUI, TU:

Integrated Marketing Plan for Online  
Newspaper  
Case: Ess.fi of Mediatalo Esa

Bachelor's Thesis in International Business 80 pages, 4 pages of appendices

Spring 2013

ABSTRACT

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The thesis is designed as an improved integrated marketing communications (IMC) plan for the online newspaper ESS.fi published by Mediatalo ESA, a leading media company in Lahti region. The identified problems are that the awareness of customers of ESS.fi has been low and the competition from big players has been fierce.

Analysis of this study is conducted by qualitative method, on the basis of deductive approach. The data collection process consisted of the interviews and informative e-mails with three members of the Marketing Department.

The theoretical part provides a framework of the integrated marketing communications planning including promotional tools and a creative brief which describes the requirements of the ad used in the campaign.

In the empirical part, the external factors of the Finnish newspaper industry, competitor analysis and internal factors of the case company are examined as a base for the suggested IMC plan. Following every single step of the IMC planning process, the plan tries to raise the awareness level of Mediatalo ESA's customers of the online newspaper ESS.fi and increase the number of subscriptions by the end of the year 2014.

Key words: integrated marketing communications, promotional mix, creative brief, online newspaper

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# 1 INTRODUCTION

## 1.1 Background of the Thesis

The author's interest in the Finnish newspaper industry, which then led to the main topic of the thesis, has its roots in the five-month practical training period at Mediatalo Esa – a local newspaper publisher in Lahti region. The training period lasted till the end of the year 2012, when the company was supposed to develop a new set of general strategic movements for each of its functions and departments. Working for both the finance and distribution departments gave the author a chance to achieve a broader view of the company's situation. Since the number of orders of the printed newspaper from local households had been declining steadily during the year, it was crucial that the company turn to a new direction of online publishing, which is also the background of the thesis.

In order to have an idea of how significant online publishing, as a main strategic direction of those companies operating in the newspaper industry, is, the author would like to briefly describe the development of this new media.

It all started with the introduction of the Internet – a worldwide communication network, which was developed in the 1960's when the U.S. Defense Department's network project called ARPA was trying to develop a network which helped to survive a nuclear strike and use the nuclear arms for a counter-attack in case of these wars (Castels 2000, 45-47).

The media started to take interest in Web publishing when it observed the increase in mass audiences gaining access to World Wide Web (WWW), which was launched in the 1990's (Castels 2000, 50). Newspaper, radio and television stations since then had their own online versions. American Palo Alto Weekly was the first online newspaper published in January of the year 1994 (Mäkinen 2004, 15).

The Finnish newspaper industry quickly managed to catch up with the new trend of online publishing with Turun Sanomat introducing its very first online newspaper in 1995. A year later, the whole country welcomed the online versions of Aamulehti, Helsingin Sanomat and a tabloid Iltalehti, which officially proved

that online publishing had become one of the most important functions of Finnish newspaper companies (Sauri 2002 & Rininen 2004, 60). According to a study published by the Finnish Newspaper Association in 2001, circa 80 percent of newspapers had an online outlet and more than half of them were planning to increase the journalistic output in the Web (Kiviranta 2001). To make the statement about the position of online newspaper in the future of the publishers stronger, Rininen, in her study about the relationship between the print and online newsrooms in Helsingin Sanomat in 2004, said that an online service was essential to this national newspaper's image.

Etelä-Sanomat of Mediatalo Esa introduced its online version ESS.fi in 2008, which was considered to be young and new compared to those who had already been operating online service for nearly 15 years, just in the Finnish market. However, the author strongly believes in the success of this strategic movement of the company since the significant position of this new trend has never caused a doubt to the direction board. Therefore, the developing ESS.fi into a professional official website that meets the local audiences' requirements is reckoned to be the priority of the company, which also helps the author to continue with the objectives of the thesis.

## 1.2 Objectives and Research Questions

The main objective is to improve an integrated marketing communication plan for introducing the online content (ESS.fi) published by Mediatalo Esa into the Finnish market. The plan involves coordinating the different promotional elements and other marketing activities that communicate with the firm's customers (Fawcett 1993, 1-2). The logical planning process of the integrated marketing communication planning used in the research is introduced in detail. Besides, all of the relevant features of the plan such as objectives, messages, target audiences, etc. are summarized in a creative brief as a tool to express the idea, methods and measurements agreed by the board and the creative team. The creative brief is discussed in the theoretical framework part.

In the attempt to conduct a study which may be considered to have practical meaning, the research question is defined as below



What promotional elements and marketing activities should be involved in an integrated marketing communication plan which Mediatulo ESA can apply to achieve the customer-orientation of its online newspaper?

However, in order to choose the most effective combination of tools in the promotional mix, the firms and their creative teams should put more effort into analyzing the current situation of both the market and of the company, identifying the communication problem and setting the objectives as the solutions to that certain problem.

What is the company's realistic objective of the planned integrated marketing communication plan?

After identifying the communication objective, some other elements should be questioned to provide adequate materials for the planning process.

Who is the target audience?

What message needs delivering?

How should the message be communicated?

When do the communications need to take place?

### 1.3 Scope and Limitations

First of all, the research is conducted within the Finnish market, which means cultural elements such as lifestyle, religious, ethical and social issues, etc. may have a great effect on choosing the appropriate promotional tools. It can be implied that the chosen communication tools will not be suitable in other countries, so a detailed market research should be conducted all over again to offer the most effective communication methods with target audiences.

Moreover, when going into details of the integrated marketing communication plan, outsourcing is planned in an attempt to create a professional advertising campaign. All of the material suppliers or service providers have been operating with the Finnish marketing industry. Therefore, certain elements such as price levels, costs of outsourcing, etc. depend remarkably on Finnish economic

conditions and policies. As a result, the budgeting suggestion can just be applied into a specific market (Finnish market) and a different budget should be set if companies try to enter other foreign markets. In this case, financial analysis is evaluated at a general level.

Second of all, the focused audience group is that of Finnish young people from 16-34 years of age. The reason for this targeting decision is the current emphasis on young audiences in the general strategy of the Finnish newspaper industry. Many researches and campaigns have been launched recently by Finnish Newspaper Associations such as “My Newspaper” (Finnish Newspaper Associations 2010), PISA studies, etc. directing at the role of young readers.

#### 1.4 Theoretical Framework

In general, the whole process of integrated marketing communication planning is discussed, including several important steps which need to be considered. The main points consist of the review of the marketing plan, the analysis of the promotional program situation, the access to the communications process, the budget determination, the design of integrated marketing communications program, and the implementing and evaluating process.

Besides, the analysis of external factors of the Finnish market is conducted based on the PEST model which mainly helps to analyze the business environment of the Finnish newspaper industry. After that, the access to the internal factors of the case company as well as its main competitors is based on SWOT analysis, which is used to bring a broader view of the strengths and weaknesses of the firm and its competitors.

Concerning the practical part of the research, the suggested integrated marketing communication plan is written in form of a creative brief. This kind of document is a framework the copywriters and other creative advertising practitioners use to channel their effort toward a solution to serve their clients, who in this case is the company trying to introduce the online newspaper into the Finnish newspaper industry. Indeed, the advertising agency presented by a creative team informs and

briefs their clients of a proposed advertising campaign which is supposed to meet all of the requirements and expectations discussed in advance (Shimp 2010, 219).

### 1.5 Research Method and Data Collection

Research methodology comes after the research problem identification in the way of offering systematic and scientific solutions to certain problems. Therefore, it is significant for researchers to know which of the research methods or techniques are relevant to the final output (Kumar 2008, 76-80). In brief, there are two main features should be mentioned when conducting a research: research approach and research method.

Regarding the research approach, it is important to make a distinction between different approaches of researching in terms of deductive and inductive research. Deductive research involves the development of an idea or hypothesis, from the existing theory which can then be tested through the collection of data (Gratton 2010, 45). In contrast to deductive research, inductive research begins with specific data, which are then used to develop a general explanation to account for the data (Engel & Schutt 2005, 60). The thesis starts with the analysis of the competition in Finnish newspaper industry environment as well as the opportunities offered to new entrants and the risks they have to face. With the background information, an integrated marketing communication plan is suggested to the case company - Mediatalo Esa. Therefore, the deductive approach is chosen for the planned research.

About the research method, the main characteristics of quantitative and qualitative research are discussed to come up with the most relevant one which then is applied to the case research. Quantitative research primarily follows the confirmatory scientific method because its focus is on hypothesis testing and theory testing with empirical data. On the other hand, qualitative research follows the exploratory scientific method. It helps to describe what is seen locally and sometimes come up with or generate new hypotheses and theories (Johnson 2012, 45-47). In the chosen case study, the new phenomenon of online version emerging in the Finnish newspaper industry is the main focus. The data collection and analysis is to help to understand how customers react to the new trends and find

some ways to build up the strong relationship between the firm and its potential customers. Consequently, qualitative research is chosen to get some insights about the customers' perception.

In the stage of understanding the new trend in Finnish newspaper industry, secondary data is collected to create a broad picture of the external and internal effects. This kind of data was first collected for another purpose and then used in a particular marketing research project. In this case study, secondary data is collected from the reports of Finnish Newspaper Association, the website of Finnish Statistic and some other journalism websites recommended in other master theses. Primary data is collected for the purpose of the current marketing research project. Generally, marketing research relies on secondary data to complement primary data (Patzner 1995, 75-100). Therefore, the primary data collection in the thesis is primarily based on the in-depth interviews with the staff of the Marketing Department and the analysis of the reports provided by the case company.

## 1.6 Structure of the Thesis

The thesis starts with the theoretical part presented in chapter 2. In this chapter, the integrated marketing communication planning and the creative brief creating process are discussed in detail.

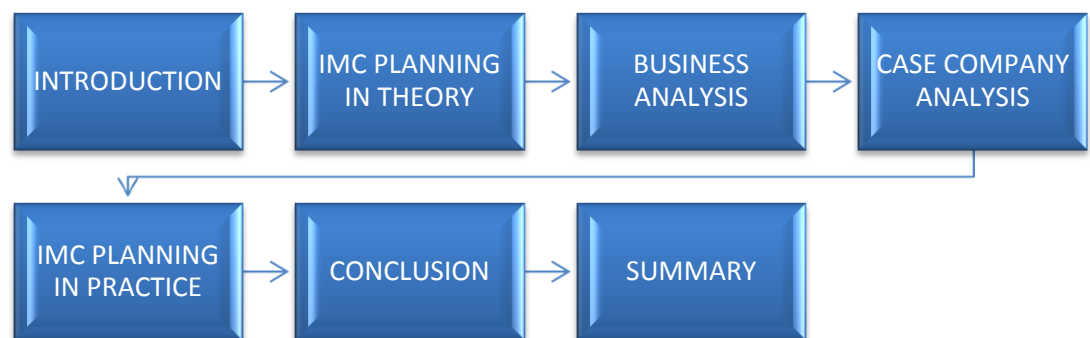


FIGURE1. Thesis Structure

Chapter 3 focuses on the analysis of the newspaper market and business environment while in chapter 4, more effort is devoted to the understanding of the case company business analysis. Chapter 5 completes the IMC plan for the online newspaper of the company and is concluded by chapter 6 with some recommendations and suggestions. Chapter 7 summarizes the IMC plan and gives some comments on improving the plan in future.

## 2 INTEGRATED MARKETING COMMUNICATIONS PLAN IN THEORY

### 2.1 From Mass Marketing to Marketing Communication

After World War II, mass marketing was invented for the purpose of selling a wide range of mass-produced products. The famous four P's marketing theory was articulated by a professor of Michigan State University in 1960, which was considered as a significant break-through in marketing principles. During this time, companies applying mass marketing in their business strategy priced their products to cover costs and tried to yield as much profit as possible. Promotion element, similarly, was more of product-orientation than of consumer-orientation (Schultz et al. 1993, 5).

Not long after the 4P's, marketers started to notice other relevant factors that should be included in the current marketing theories and practices. In the early 70's, the creative leaders in General Electric's huge advertising and sales promotion operation stated in their FOCUS theory, "All good advertising begins with a fundamental understanding of receiver." Coming along with the emphasis on customer analysis of General Electric's marketers, "positioning theory" was introduced by Jack Trout and Al Ries in 1972. Furthermore, John Naisbitt mentioned the effect of consumer attitudes on their purchasing behavior (Schultz et al., 7-8).

In the 90's, the new phrase "empowerment" emerged in marketing. This phrase gave some insights into consumer behavior shifting. People, at this time, required two-way communication instead of the traditional communication method in which marketers had tried to give people what they should perceive about their products. Later on, Robert F. Lauterborn introduced his four C's as a replacement of the four 4P's, mostly focusing on the new requirements in customer relationship.

*Forget Product. Study Consumer wants and needs. You can no longer sell whatever you can make. You can only sell what someone specifically wants to buy.*

*Forget Price. Understand the consumer's Cost to satisfy that want or need.*

*Forget Place. Think Convenience to buy.*

*Forget Promotion. The word in the '90s is Communication (Lauterborn 1990, 26)*

The introduction of new marketing elements from customer aspect marked a turning point in marketing theory. From there, integrated marketing communications emerged due to the fact that advertisers, their agencies and the media modified their relationships to serve new roles (Schultz et al. 1993, 13).

## 2.2 Integrated Marketing Communications Concept

Integrated marketing communications concept was built up as one of the 4P's – promotion – which mainly maintains the significant meaning of the 4P's theory in marketing. In general, an IMC plan is the combination of various promotional elements and different marketing activities that interact with the company's customers (Belch et al. 2001, 10).

The American Association of Advertising Agencies developed one of the first definitions of integrated marketing communications:

*A concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines – for example, general advertising, direct response, sales promotion, and public relations – and combines these disciplines to provide clarity, consistency, and maximum communications impact (Schultz et al. 1993, 17).*

According to Schultz, an IMC plan is created not only to transmit a consistent message about the company and its customers but also to choose the most effective methods for communicating and building relationship with the current and potential customers.

Moreover, Belch and his co-writer also identified some reasons that led to the success of IMC in the modern marketing theory.

- Mass media which used to be the main method of advertising chosen by many marketers has been replaced by other forms of promotion which is more of the consumer-orientation. This change helps to reduce the advertising cost since the traditional media advertising were expensive.
- Since the mass media just aimed at the increase in sales figures, new promotion tools such as event marketing, sponsorships, direct mail, etc. offer companies chances of solving most of the communication problems.
- The information technology development has been supporting the processing database marketing. All of the elements of customer profiles are saved and used to address target customers for the new marketing methods.
- The increasing demands for greater accountability from advertising agencies and how much they are compensated is also one reason. Nowadays, the compensation advertising agencies receive depends on the market sales, share and profitability. As a result, these agencies, by all means, provide their clients with the most cost-effective IMC plan.
- The rapid growth of the Internet as well as social networks such as twitter, facebook, etc. offer companies chances of getting closer to their customers in a interactive manner (Belch et al. 2011, 13-14)

The mentioned reasons for the growth of IMC applying indicates the significant role of IMC plan in marketing strategies of many companies. Therefore, it is important to learn more about the available promotional tools and its advantages and disadvantages in general.

### 2.3 Promotional Mix

Promotional mix refers to marketing communications mix. In service marketing, in addition to traditional marketing channels such as advertising, public relations, direct marketing, sales promotions, personal selling and Internet, many messages from service providers are transmitted through their own service delivery



channels, e.g. front line staff, service outlets and self-service delivering points. All of the tools are discussed in details below.

### Advertising

Advertising is defined as a paid form of nonpersonal communication about companies and their products/services (Belch et al. 2001, 15). This best-know form of promotion includes a wide range of advertising media such as broadcast with TV and radio, print with magazines and newspapers and many other types of outdoor media such as posters, billboards, electronic message boards, transits, etc. (Lovelock et al. 2011, 196).

Advertising is mostly used to grab the attention of a large group of individuals. The most relevant advantage of this mass media type is to create quickly and intentionally the brand image and the symbolic appeal of certain products/services (Belch et al. 2001, 15). However, the fact that thousands of advertisements are being produced everyday has put advertisers and their team under pressure of making an ad that is out-standing and does not make audiences consider themselves to be bombarded.

### Public Relations

Public relations includes news releases, press conferences, articles, photographs, etc. which are about the company, its products/services, and its employees, mainly concerning the credibility. In some cases, companies can gain the publicity by getting the media to cover a favorable story on its offerings to affect the awareness, knowledge, opinions and behaviors (Belch et al. 2001, 22). Furthermore, sponsorship and other special events such as fundraising, community activities, etc. are also listed in the public relations techniques.

### Direct Marketing

Direct marketing is a promotional tool in which companies communicate directly with their target customers in the attempt to receive a response or generate a transaction (Belch et al. 2001, 17). This form of promotion consists of mailings, e-mails, mail-order catalogs, telemarketing and direct-response ads. Using this tool, companies are required to have a sufficient database of information about

customers (Lovelock et al. 2011, 195). In return, customer relationship is built up quickly and effectively thanks to the reach of direct marketing since the lifestyle of people has been changing. They do not have time for in-store shopping but always need updating.

### Sales Promotion

Sales promotion is a marketing activity which provides extra values or incentives to sales force, distributors or consumers. The increase in sales volume or the profit gain after sales promotion campaign can be stimulated quickly (Belch et al. 2001, 21). Sales promotion normally comes in form on samples, coupons, discounts, gifts and competitions with prizes (Lovelock et al. 2011, 198). The purpose of these forms is to generate immediate purchase with customers or increase the volume in each purchase and in frequency of using.

### Personal Selling

Personal selling is set up in the attempt to educate customers and promote preference for a particular brand or products (Lovelock et al. 2011, 199). This marketing activity helps to enhance customer satisfaction which is the main focus of relationship building between companies and their customers. Moreover, personal selling offers advantages over other forms of marketing communication in such situations where customers need more explanations to certain complex information. However, this marketing activity can reach a small number of customers and would be expensive from the labor-extension aspect (Cant et al. 2004, 24).

### Interactive/ Internet Marketing

Internet marketing generally has the flow of information transferred back and forth between companies and their customers. As a result, the audiences can customize their received information and choose what they are interested in; therefore, they can make their own purchasing decisions or giving feedbacks (Belch et al. 2001, 19). The company's website is one of the internet tools in a marketing plan. Through its website, a company operates a wide range of communication tasks such as promoting customer awareness, providing

information about its product/service, receiving responses from customers and measuring the effectiveness of an advertising campaign. Online advertising is another form of internet marketing in which companies pay to place their advertising banner on famous websites like Yahoo or CNN or to see what customers need through search engine advertising (Lovelock et al. 2011, 200).

### Service Outlets

Besides marketing channels which traditionally serve as tools to transmit the messages from companies to their customers, delivery channels also offer such function. Based on the nature of services, promotion and consumption take place simultaneously. Both service providers and consumers participate in service production at a specified location, which also allows the message to be transmitted (Rao 2011, 292). Service outlet is one of the options for marketers who plan to use delivery channels as a marketing tool. The physical design of the service outlet can help to send the message to customers by catching customer offguard with some visual elements of both interiors and exteriors (Lovelock et al. 2011, 203).

### Frontline Employees and Customer Training

Employees in frontline positions are in charge of communicating with customers face-to-face. With direct contacts, the frontline employees can offer many supplementary services including providing information, taking reservations, receiving payments and solving problems. Some companies' frontline employees also carry out the customer training function. This function helps to familiarize customers with the offered products/services. The more professional frontline employees are, the higher the success in attracting new customers who tend to rely on frontline staff for help in learning how to use a service is (Lovelock et al. 2011, 203).

### Self-service Delivery Points

Self-service delivery points normally are operated through vending machines and websites where customers produce their own service based on the instructions provided by service providers. The main factor that determines if the message is

transmitted effectively to current and potential customers is how clear and detailed the instructions are designed to show customers how to operate the service (Lovelock et al. 2011, 203).

#### 2.4 Integrated Marketing Communication Planning Process

IMC planning process has been introduced in the form of many different models. The thesis plans to follow the traditional model offered by Christ Fill under the name of the marketing communications planning framework (MCPF). The whole process can be presented by the following flow chart.

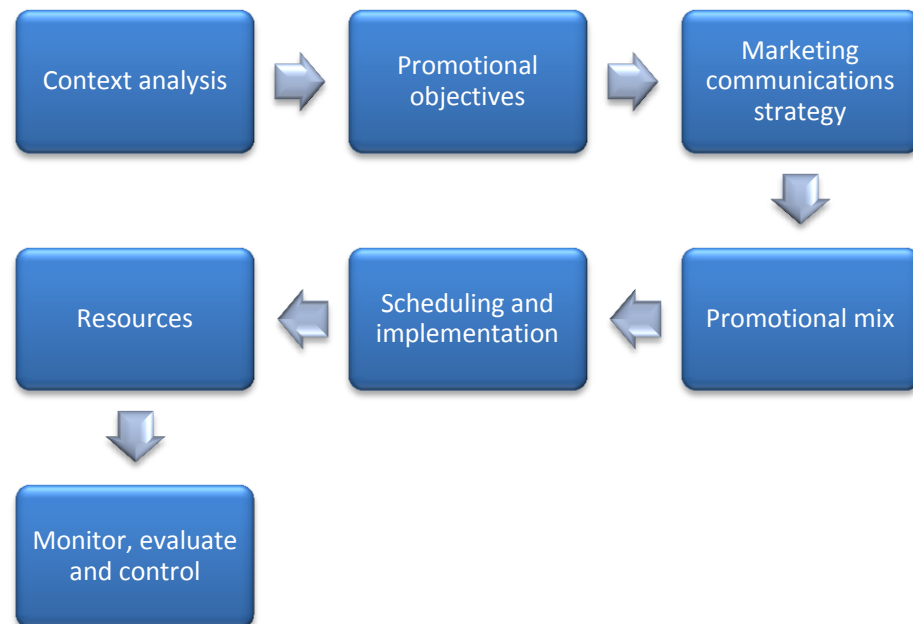


FIGURE 2. Marketing Communications Planning Framework (modified from Belch et al. 2001, 27)

##### Context Analysis

The context analysis suggested by Christ Fill makes the MCPF model more relevant among other IMC planning models. The context analysis concentrates more on communicating aspects in comparison with the situation analysis which

includes most of organizational factors and somehow forgets the communication elements. Starting with some basic background information such as target segments, marketing goals and competitors provided in an original marketing plan, Chirst Fill go deeper into the content analysis which suggests some focus points including target audience, marketing objectives, general information about the current financial resources and the availability of advertising agencies and other outsource activities.

### Promotional Objectives

Since the purpose of MCPF is the emphasis on the commucating manner of a marketing plan, the promotional objectives of a MCPF provides a balance to the plan in which sales- and customer-orientation are equal. Moreover, positioning analysis is conducted so that advertisers can have a base to choose the most suitable and effective promotional tools and set up a timeline of launching the chosen media and marketing activities. According to Chirst Fill, promotional objectives have three main elements that should be prepared intentionally: corporate objectives, marketing objectives and marketing communication objectives. Corporate objectives mention what a company wants to achieve under the influences of the size of business among other players, the views of owners and the managers concerning corporate culture, market conditions, etc. Marketing objectives are shaped by corporate objectives and mainly focus on sales-related plans. Marketing communication objectives help to understand the context with brand regconition such as awareness levels, perception, attitudes toward the product/service, etc.

### Marketing Communication Strategy

The final decision on a marketing communication strategy depends on the identified target audiences who can be consumers, distributors, dealer network and stakeholders. After selecting the target audience, push or pull promotion strategy can be applied. The push strategy is used when the company wants to push the product/service through marketing channels to final customers, using different kinds of marketing activities to promote the offerings to the customers. In contrast, companies using pull strategy try to turn their marketing activities

directly toward final customers and induce them to buy the product/service. As a result, consumers themselves will demand the product/service from distribution channels (Kotler, et al. 2010, 442).

#### Promotional Methods

There are two steps in this stage of MCPF. Firstly, it is important for communicators to design an effective message. In the AIDA model, the message should get Attention, hold Interest, arouse Desire, and obtain Action (Kotler, et al. 2010, 434). Therefore, the communicators should focus on message content, its structure and its format to make the message relevant and outstanding among thousands of messages introduced everyday. Secondly, the promotional mix takes part in the process in the attempt to provide tools to transmit the message to target audiences most effectively and remarkably (Fill 2005, 351).

#### Schedule

Scheduling helps to arrange the timeline during which the promotional tools are launched. This is a strategic process concerning the impact of each tool on the target audience. Normally, depending on circumstances such as seasons, specific events, public activities, etc., marketers will choose the most suitable time for the planned marketing activities. Moreover, the period of time during which each promotional tool is used also needs strategic decisions in terms of costs and expenditures (Fill 2005, 351).

#### Resources

Resources are referred as to financial issues as well as human resource concern of the Marketing Department and of advertising agencies. In this stage, communicators often use the Gantt chart to set the schedule of every marketing activity and the costs of each media a method will be presented on the right side of the chart (Fill 2005, 251).

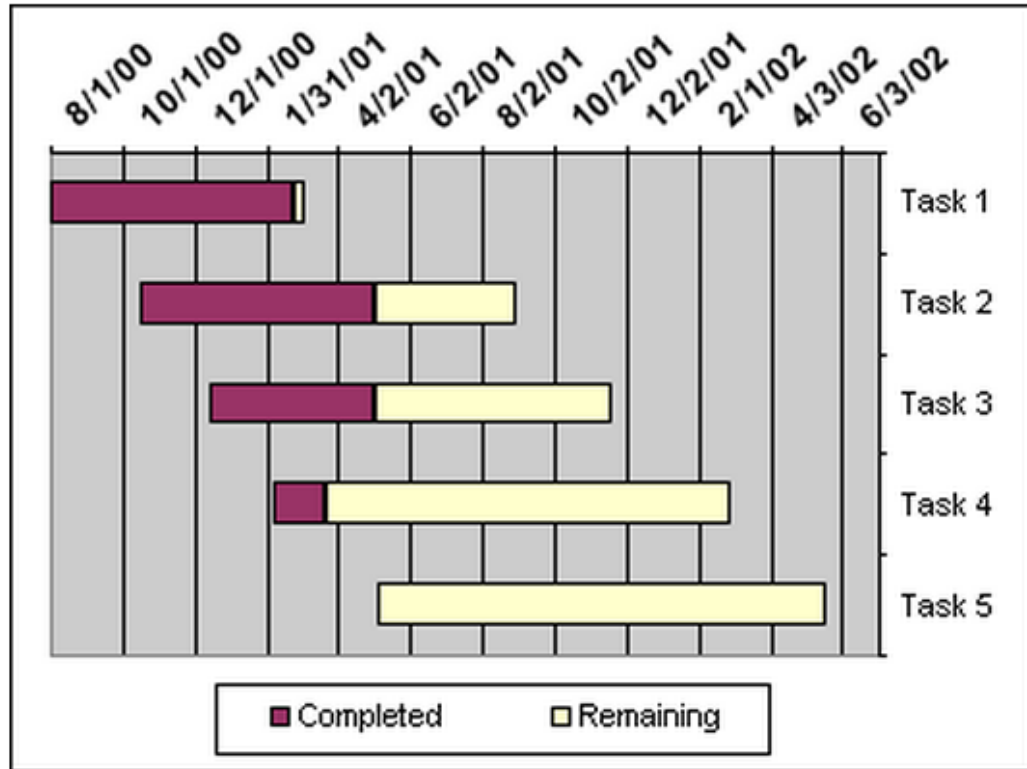


FIGURE 3. Gantt Chart (modified from Microsoft Excell 2002)

### Control, Evaluation and Feedback

The last stage concerns how well the program is meeting the communication objectives. Some research methods such as in-depth interview, focus group, observation, etc. can be used in order to evaluate the effectiveness of the campaign. Moreover, the increase in sales revenues or the number of orders also shows how strong the advertising campaign's impact has on target audience. Feedback from the board and target audiences may serve as a base of new advertising campaign in the future.

### 2.5 Creative Brief

Similar to what is mentioned in the theoretical framework, a creative brief is an agreement between an advertising agency and its client on reaching out to the intended customers and somehow getting back some responses or feedback.

Starting with the direction about how the communication problems the client is facing are solved, the creative platform including context, purpose and focus is implemented among the creative team to work on a creative advertising campaign (Egan 2007, 117).

A professional creative brief is supposed to fulfill the five key criteria. When a creative brief has been sketched, an opening dialogue is also created including background information, further debates and alternative routes. At this point, the whole process of creating an advertising campaign stays at the end of the strategic stage and the beginning of the creative process. A creative brief is also a point of focus which helps to answer two main questions about what you want to say and to whom you want to say it to. The third criterion mentions the contractual nature of this document, binding both the client and the creative team. This statement of intent includes the advertising objectives, the form of media, the tone of voice, the intended message and the target audiences. The list of these main features, from the beginning, is considered as an outline based on what the creative team comes up with including new subsequent ideas and concepts which may emerge during the creating process. In another way, a creative brief plays the role as a checklist so that all of the features can be tested. Finally, as mentioned above, the document is the first step to be achieved in the planning stage. Since the agreement upon the creative brief between the company and the creative team is set, more effect can be put into the process so that the creativity can emerge from the framework (Burtenshaw et al. 2006, 85-87).

A constructive creative brief should consist of some criteria:

- Background helps to explain why the client hires an advertising agency to perform such advertising tasks. For example, to introduce a brand new product/service, to increase sales, to add a new version of an established product/service, etc.
- Target audience answers the question ‘Who should be reached with the ad campaign?’ This criterion focuses on target market based on the knowledge of segmentation such as geographic, demographic and behavioral bases.



- Thoughts and feelings question what the target audiences currently think and feel about the firm's brand. Some researches should be conducted to understand customers' perception of the brand before sketching an effective brief.
- Objectives and measures focus on how the advertisers want their target audience to think and feel about the brand and what measurable effects advertising campaign should achieve.
- Behavioral outcome helps to identify what the next reaction of target audience should be after perceiving the message in form of the advertisement. For example, audiences may require further information, contact a salesperson, take part in a sweepstake or contest, etc.
- Messages concentrate on the most effective and appropriate message to be delivered to target audience. Moreover, advertisers should be able to choose the tone of voice and advertising appeal in which the messages can be transmitted completely.
- Reasons should be mentioned in order to show what the most relevant elements should be to make the offering the best choice among the other ones from competitors.
- Nitty-Gritty details set deadlines for the preparation for those advertising and marketing actions, which usually ends by the presentation from advertising agencies to their clients and is followed by the implementation of the campaign into the market (Shrimp 2010, 219-221).

In conclusion, the mentioned focus points of a valuable creative brief must be expressed clearly by the company and understood thoroughly by the hired creative team. Moreover, market research data about the competitiveness and consumers' current perceptions of the brand and its competition should be acquired (Shrimp 2010, 222).

### 3 BUSINESS ANALYSIS

Before going into details of what an effective integrated marketing communications plan, which the case company should have, is, it is suggested to examine the external factors in order to have a broader view of the business environment in which the case company has been operating. Starting with industry review which, to some extent, describes the characteristics of Finnish newspaper industry, its growth and its current trend, competitor review will continue to access each of the big players in the market to see what kind of value they have been offering in order to earn the customers' loyalty through SWOT analysis tool. Customer analysis comes last to serve as the background of target audience identifying process.

#### 3.1 Industry Review

In the industry review part, the description of the general business environment, especially the Finnish newspaper industry is discussed in more detail. The next two parts aim at the sales figures and the trends observed in the current situation.

##### 3.1.1 Description

The structure of the Finnish newspaper industry is composed of some strong nationwide newspapers, regional dailies and many local papers, in which four biggest players Sanoma, Alma Media, TS-Group and Keski-suomalainen account for 75 percent of the total newspaper circulation (Nikunen 2011, 24). Finnish newspaper industry is exceptionally well-known for its strong regional and local focus, which is reflected by the fact that 14 out of 20 biggest newspapers are provincial dailies (Grönlund et al. 2011, 19-51). The outstanding nature of the Finnish newspaper industry has its root in the time period between the world wars when one local newspaper was first created. The reasons for this change, according to Eeva-Liisa Aalto, were the implementation of the freedom of the press act in 1919 and the profane announcements that led to the need for local communication from other sources instead of church pulpit.

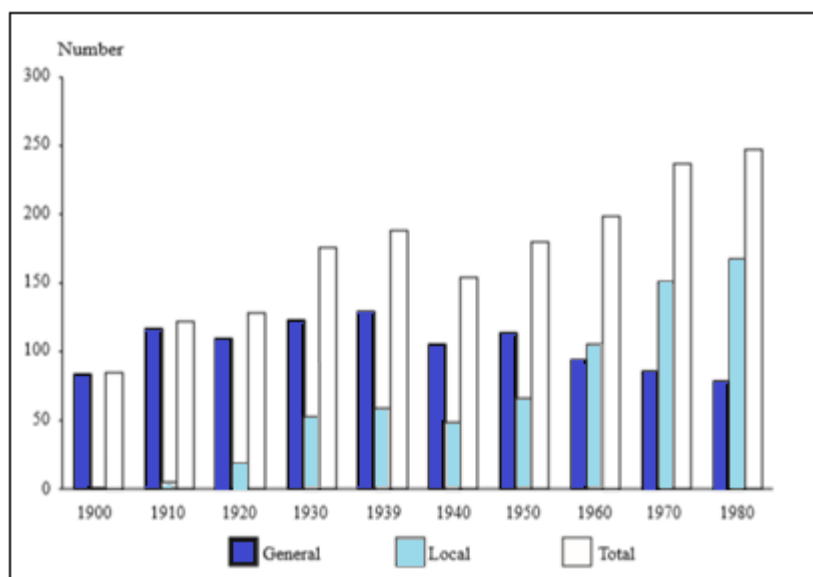


FIGURE 4. The Number of “General” and “Local” Newspaper in Finland, 1900-1980 (Salokangas 2010, 86)

As can be seen from the chart, from the early 1960s, the number of local newspapers started to grow and came to outnumber the general newspapers with over 100 newspapers compared to nearly 80 in the general category. As a matter of fact, the change in the history of Finnish newspaper industry helped to form the distinct feature of the increase in local newspapers.

The main characteristics of the Finnish newspaper landscape concentrate on the subscription model which was subsidised by the Government with a zero VAT until 2011 and the home delivery system. These two elements generate 90 percent of newspaper sales for the whole industry (Grönlund et al. 2011, 31-32). The efficient early-morning home delivery has been importantly supportive to the local retail business. On the other hand, retail business has been a key account of the local newspapers based on the fact that the business sector conducted up to 23 percent of advertising spending in Finland in 2012 (TNS Media Intelligence 2012).

The revenues of a news publishing company mainly come from two important sources: subscriptions and advertising. In the Finnish newspaper industry, the structure and portion of these two kinds of revenue have been changing over time. During the period from the 1970's to the 1980's, the advertising revenue

accounted for a high percentage of the total revenue of the Finnish newspaper industry with 75 percent. At the end of the 90's, the difference between advertising revenue and newspaper sales was 12 percent when the advertising income was 56 percent and the subscription number was 44 percent (Jyrkiäinen et al. 2003, 65). In 2010, the industry observed the changes in the share of these income sources. The subscriptions revenue took 51 percent and the advertising revenue took 49 percent.

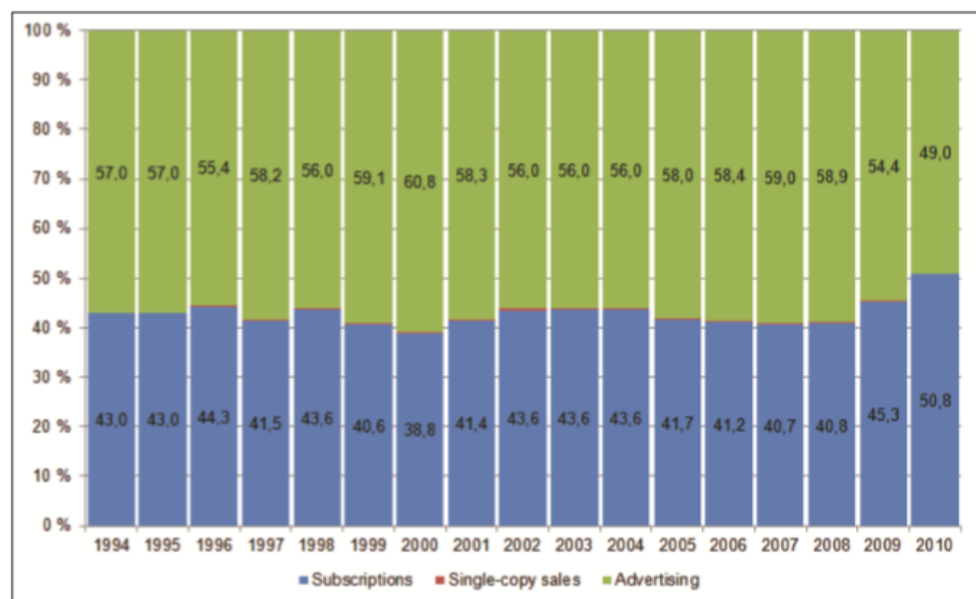


FIGURE 5. Revenue structure of the newspapers between 1994 and 2010 (Economic Statistics of the Graphic Arts Industry – Printing and Publishing and the Finnish Newspaper Association).

In general, Finland is considered to be a remarkable market for newspapers with the profitable subscription model and the efficient home delivery system which has been serving not only readers but also advertisers as an effective marketing channel. As a result, newspaper publishers can still retain good profits in spite of the convergence trends which will be discussed in the next part (Lehtisaari et al. 2012, 5-6).

### 3.1.2 Growth

During the last two decades, Finland observed a steady increase in the total turnover of the newspaper publishing industry, which proved the successful recovery from the depression in the early 1990s of the whole industry. After facing up to the recession in the early years of this century, Finnish newspaper publishing system started to grow moderately. However, not until 2008, the industry's turnover stopped rising and started to decline in 2009 (Lehtisaari, et al. 2012, 16).

According to the report from the Finnish Newspaper Association in 2012, there has been a decline in newspaper readership in Finland with the drop in newspaper circulation from the peak of 4.15 million copies in 1990 to 3.047 million in 2005, 2.8 million in 2010 and 2.695 million in 2011 (Finnish Newspaper Association 2012a). In 2011, approximately 200 paid-for newspaper titles which were the members of the association were published in Finland, in which 25 percent was dailies and 75 percent was non-dailies. The share of daily newspaper accounted for 22 percent of the total media market in 2010 compared to 27.5 percent in 2000 (Simpura 2005). The only sign of improvement of circulation revenue of daily newspapers was seen recently with the 1.5 percent increase from 2009 to 2010 (Finland's Press 2011, 23).

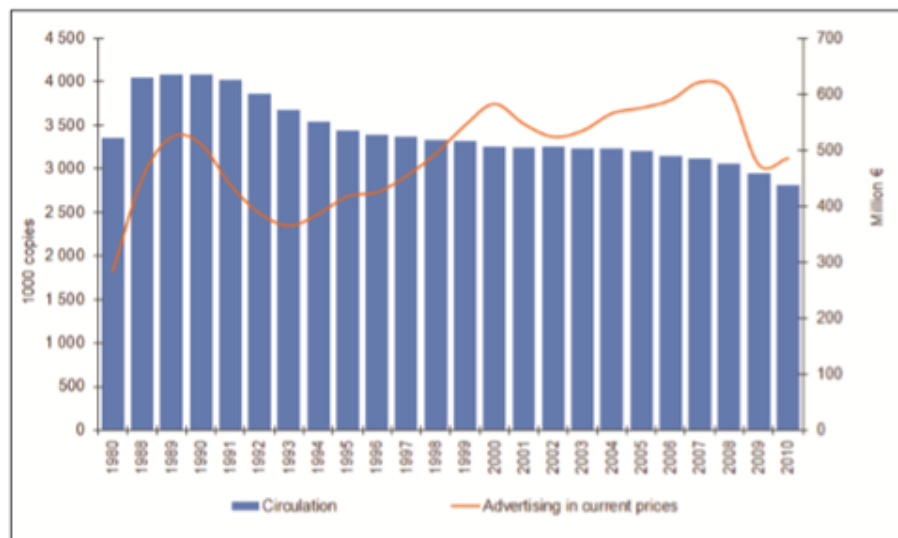


FIGURE 6. Newspaper Circulation and Newspaper Advertising 1980-2010 (TNS Media Intelligence 2012)

However, as can be seen from the chart, the circulation of newspapers, after the year 1990, has been decreasing steadily. Meanwhile, the revenue of non-dailies fluctuated around 10 percent. In 2009, the revenue dropped slightly to 7.5 percent and managed to recover and achieve 11 percent in 2010 (Statistic Finland 2009).

Newspaper advertising revenue is the second main source of income of the Finnish newspaper industry, which was also affected by the global financial crisis (Harala 2011). In 2009, while the advertising spending decreased by 16 percent, the spending on advertising in newspaper declined with 22 percent (TNS Media Intelligence 2012). The advertisement income was reported to drop from 575 million in 2005 to 486 million in 2010 (Statistics Finland 2011, 33). The chart also shows that even though the newspaper advertising revenue increased up to over 600 million from 2007 to 2008, the nation still observed the dramatic decline starting from 2009.

Public subsidies withdraw is an explanation for the decrease in both newspaper and advertising revenue. In 2010, it was considered that the public subsidies to the media in Finland were the highest among other European countries (Nielsen et al. 2001). However, in 2011, the policy in which Finnish newspapers were exempted from VAT (0-rate VAT) was cancelled. Later, the VAT of 9 percent in 2012 and 10 percent in 2013 was imposed. In addition, in the implementation of the EU Postal Directive, the policy of cross-subsidising of the newspaper delivery costs from other postal income was considered to be an illegal state aid (Pursiainen 2010). Therefore, the changes in the Finnish policy led to the fact that the costs of newspaper publishing has increased and the circulation and advertising income has decreased slightly in the last two years.

### 3.1.3 Current Trends

Media convergence recently has been used to describe the new trend in the Finnish newspaper industry. Originally, there are some changes in the media industry in which the boundaries between media, telecommunication and information technology have become blurred and the interconnection between these media sectors has been strengthened (Storsul et al. 2007). From the mentioned changes, media convergence emerged to offer the utilization of new

platforms and contents. In general, the media convergence is characterized by the Internet, the digitalization of information and the dissipation of boundaries (Lehtisaari et al. 2012, 5). In newspaper publishing, the convergence creates the content which allows many multimedia elements such as text, photographs, audio, video, graphic, etc. to participate in the message transmitting process. The improvement in the visual display tools of news referred to previously creates rooms for audience engagement and participation (Rosenstiel et al. 2011).

The emergence of media convergence brings up the discussion about the contents. Journalism is supposed to create the diversity of the current public sphere and make itself relevant in the life sphere of its readers (van Tuyl 2010, 477-486). Therefore, contextualized journalism becomes the focus of the storytelling transformation in an online and electronic environment. Contextualized journalism consists of five basic elements: communication modalities, hypermedia, audience involvement, dynamic content and customization (Pavlik 2001, 4-27). Communication modalities and hypermedia improve the visual displays of news contents on many platforms and formats by providing a wide range of tools such as audio, video, graphics, etc. and hyperlinks and links which allow readers to access many other sources of information and fulfill the need for details. Moreover, instead of one-way communication technique normally seen in printed newspapers, online editions allow their audiences to create and customize their own content display and interact with journalists. Therefore, the audience involvement has been brought to a new level which improves the customer satisfaction and customers' perception of the online newspaper.

The growth of the Internet recently has had some effects on the newspaper industry. In 2008, many daily newspapers had an online edition and nearly 75 percent of other newspapers had an online presence (Statistics Finland 2009, 175). However, since the introduction of online newspapers, some Finnish news publishers have been suffering from the decline in subscriptions and advertising revenues due to the cancellation of the Government's subsidies policy and the increasing free-of-charge online contents. As the result of this fact, the whole industry observed the increase in costs and the decrease in newspaper and advertising revenues. Therefore, some news publishers have announced that they will start to charge for the online contents. After January 2011 when

Keskisuomalainen, a famous regional daily newspaper, first announced that policy, several other newspapers said that they were planning on going with the same direction. New business models have been searched for by many media companies in order to earn profit from their online editions. Almost starting at the point of time and operating under certain circumstances, news publishers have been forced to invest in marketing activities in order to make their own product more relevant among a wide range of offerings.

### 3.2 Competitive Review

In this part, two big players in the newspaper market Helsingin Sanoma and Aamulehti are analyzed, using the SWOT model. This model includes the analysis of the strengths, weaknesses, opportunities and threats, directing at the internal factors of the companies.

#### 3.2.1 Helsingin Sanomat

Helsingin Sanomat is the largest daily newspaper in Finland. This newspaper is published by Sanoma News which is a subsidiary of Sanoma Corporation, a leading media group in Finnish media industry and the second largest media company in Nordic region. According to Editor-in-chief Mikael Pentikäinen, the company currently has been maintaining its printed newspaper which aims at the news quality and the effective distribution system. In addition, the published papers of the company have been built with a multi-platform presence which is available for both readers and advertisers (Lehtisaari et al. 2012, 25).

#### Strengths

Helsingin Sanomat, according to Pentikäinen, has an extensive advantage in developing newspaper editions for smartphones, e-readers and other electronic media (Pentikäinen 2012). In the autumn of 2010, Helsingin Sanomat became the first Finnish newspaper to publish an Ipad version (Sanoma 2012). One big example is the campaign launched in 2011 in which Helsingin Sanomat was in the attempt to transmit a message that showed a concrete way of how Helsingin Sanomat can be read, mainly suggesting some basic platforms such as Iphone,



Ipad and personal computers. The objective of the campaign was to get 9 000 people to order the try-out subscription and to communicate the new offering. At the end of the campaign, the results showed that the attention value of the campaign was extremely high with over 70% and the company achieved over 18 000 subscriptions which was two times more than the objective.

Nowadays, Helsingin Sanomat no longer introduces any printed products without their digital editions. It has been said that Helsingin Sanomat did succeed in developing a digital, cross-platform strategy for each of their products. On the other hand, the company has identified many target audience groups and conducted different strategies and business models for all of the platforms (Lehtisaari, et al. 2012, 24). The strategy which mainly focuses on what the customers are interested in and how they get the information from various platforms has strengthened the competitiveness of Helsingin Sanomat in a market where new entrants increasingly have been offering new contents on various platforms in an attempt to take over one of the most profitable markets in Finland.

TABLE 1. SWOT Analysis of Helsingin Sanomat

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- Various platforms</li> <li>- Combination of printed products and their digital editions</li> <li>- Identifying target audiences and strategy for each product</li> <li>- Biggest national publisher</li> </ul>	<ul style="list-style-type: none"> <li>- Online revenue is lower than revenue for other mediums</li> <li>- Slow increase in online business</li> <li>- Advertising revenue cannot cover the cost of online content production</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- Investment into journalistic resources and editorial work</li> <li>- Cooperation with universities for media innovations.</li> <li>- Charged online content</li> </ul>	<ul style="list-style-type: none"> <li>- Global competitors (Google, Facebook, Financial Times)</li> <li>- YLE and regional newspapers</li> <li>- Its other products: Metro and free sheets</li> <li>- Economic turndown</li> <li>- Possible new entrants</li> </ul>

## Weaknesses

According to Marja-Leena Tuomola, Chief Digital Officer at Sanoma News and Sanoma Media, the online revenue has been much lower than the revenue from television, magazines and newspaper produced by Sanomat Group (Tuomola 2012). Moreover, the company has seen the slow increase in its online business. Since the early 2000s, the company has been introducing many digital initiatives which later on helped to maintain the breakeven. Moreover, the revenue from another typical source of news publisher – advertising – has not been sufficient to cover the cost structure nor to sustain the concept of Helsingin Sanomat (Lehtisaari et al. 2012, 24). Developing effective strategies for all of the platforms has helped with the company's competitive advantage; however, it also causes the conflict between the news quality which includes the expensive section of public affairs and the decrease in the revenue of both subscriptions and advertising.

## Threats

Helsingin Sanomat has been facing the competition coming from some global competitors such as Google for the revenue, Facebook for the readers' time, and Financial Times for the international quality newspaper. Those players with global scales have been able to divide their investment cost globally and penetrate the Finnish media market without taking seriously the profitability of the business into consideration. In domestic news, Helsingin Sanomat with YLE and other regional newspapers also enhance the competition. In addition, within Helsinki area, there still exists the competition from Metro which belongs to Sanoma Group also and other free sheets (Lehtisaari et al. 2012, 25).

The damage caused by the most recent economic turndown, in 2011 still has its bad effects on Finnish newspaper industry. As a big player in this mature market, even though Helsingin Sanomat recovered well from the previous recession, it has been challenged by the decrease in subscriptions and advertising, originating from the suffering economy, the cancellation of the Government's subsidiaries and the competition of new entrants.

## Opportunities

In the interview, Pentikäinen indicated that there would be some new improvements Helsingin Sanomat could do in this current situation. First of all, the company has been investing in the journalistic resources and the management of the editorial work, which will help to keep the online content in good shape (Pentikäinen 2012). Moreover, some domestic innovations outside media house, such as conferences, magazines and books drew the company's attention to the cooperation between Sanoma News and Alto University to boost start-up activities and the growth in the digital media sector (Sanoma 2012).

Moreover, the fact is that readers treat paid contents with more credibility than free-of-charge contents. The opportunities emerged when the company decided what should be free-of-charge contents to catch the customers' attention and what should be charged for. Recently, Helsingin Sanomat has been concentrating on original Finnish content and localizing foreign contents. Furthermore, a business model in which printed newspapers and online editions support each other to generate more subscription and thus, more revenue (Lehtisaari et al. 2012, 26).

### 3.2.2 Aamulehti

Aamulehti belongs to Alma Media, a media group publishing over 30 newspapers. Aamulehti is considered to be the second largest daily newspaper, based in Tampere. As a regional newspaper serving readers in the Pirkanmaa region, the company has the total circulation of 130 000 (Lehtisaari et al. 2012, 31).

Aamulehti went online since 2007 and was developed into a digital unit that conceptualized and created a set of online solutions for the whole corporation in 2012. The SWOT analysis of the company is derived from the interview with the Editor-in-chief Jouko Jokinen of the Aamulehti conducted by a group of researchers from Helsinki University.

## Strengths

The quick recovery from the recession shows the strong potential of Alma Media, especially Aamulehti, in the fiercely competitive newspaper market in Finland. During the first decade of the millennium, the industry observed a steady growth

of this media group, which later on helped the company get through the financial recession of 2008 and 2009 without any drastic cut even though there was a significant drop in the advertising revenue at that time. The Editor-in-chief was confident with the company's ability to cope with the current economic difficulties by telling about the new plan for rationalizing operations. Meanwhile, Aamulehti has spent over EUR one million per year for online production, which proves the ability and the attempt of the company in keeping up with the new trends of media convergence (Jokinen 2012).

As mentioned before, the Finnish newspaper industry is exceptional for its emphasis on regional and local dailies. Generally, printed newspapers do not have to compete against each other and hardly face the overlap of contents; however, when it comes to online newspapers, the fierce competition emerges as a result of the fact that online content allows audiences to access the information sources on many platforms. Aamulehti has been coping with the similar situation of online content; however, being the biggest media company in Pirkanmaa region somehow makes the situation less serious in a way that the consumers' perception of the reliability and relevance of the quality newspaper published by Alma Media Group has been strengthened.

TABLE 2. SWOT Analysis of Aamulehti

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- Quick recovery from recession</li> <li>- Investment into online production</li> <li>- Number one newspaper in Pirkanmaa region</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of resources to cover the cost of online production</li> <li>- Lack of strategies for digital initiatives</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- Non-journalistic sources</li> <li>- Package offers</li> <li>- Customer relationship</li> <li>- Customers' perception of online newspaper</li> </ul>	<ul style="list-style-type: none"> <li>- Costs of new media investments</li> <li>- Technological solutions and maintaining cost</li> <li>- Negative uncertainties of economic recession</li> </ul>

## Weaknesses

The shift from printed newspapers to online ones requires most of the news publishers in Finland to put more effort, time and money to the developing process for various platforms as well as to the investments into news quality and journalistic resources. The common drawback of this transformation process is that the cost of online production has been much more than the revenue from subscriptions and advertising. Aamulehti is not one of the first newspapers going online in Finnish market and has been facing the same problem. The company does not have enough resources to afford the pioneer position in the new innovation. It is said that Alma Media has been struggling to search for the strategy in which digital initiatives can generate more revenue to cover the cost structure.

## Threats

One of the threats Alma Media Corporation has coped with recently is the increase in the cost of new media investments. The technical side of new technology including software, online solutions, platform development has been clumsy and expensive since most of them are outsourced, especially the frequent maintenance task.

Moreover, the changes in Finnish media landscape are mainly caused by negative uncertainties of the current economic recession and the slow recovery of the whole economy. The revenue from selling merely journalistic contents is not sufficient to maintain the strong status of the company in such mature market in Finland.

## Opportunities

Since the journalistic contents cannot themselves solve the problem of the increase in cost structure, Alma Media Group has been planning to make an investment in non-journalistic sources such as online stores, marketplaces and even services for senior citizens. Moreover, learning from the fact that printed and online newspapers support each other effectively, the company has been offering a package of printed paper with its online access which has a financially

significant meaning to the company. The localism somehow ensures the success of the package thanks to the closed nature of the Finnish media market. More investments in marketing activities and promotional campaign will help with building up customer relationship as well as improving their perception of the new online contents.

### 3.3 Buyer Analysis

Customer profile is the main point of buyer analysis. This part starts with presenting some figures of readership in Finland and is followed by the discussion about the emphasis of the Government's policy on Finnish young readers.

#### 3.3.1 Current Trends of Readership

One of the important elements that encourage the growth of Finnish newspaper industry is the reading habits of Finnish people which seemed not to be affected by the drastic development of electronic media. It is reported that during 2011, 96 percent of Finns had read printed newspaper on an average week (KMT Lukija 2011).

As can be seen from the bar chart below, in 2009, Finland had the second largest number of circulation per 1000 inhabitants with 462 just behind Norway with 538. This common and widespread activity has been seen in 95 percent of Finns over the age of 12 who read paper versions of newspaper and magazines everyday, according to a fresh National Readership Survey (Helsingin Sanomat 2012). Socio-economical factors are believed to support constantly the remarkable readership in Finland. The welfare system, a well-designed public education model and a modern network of libraries has been maintaining and improving the literacy rate of Finnish citizens (Lehtisaari et al. 2012, 13).

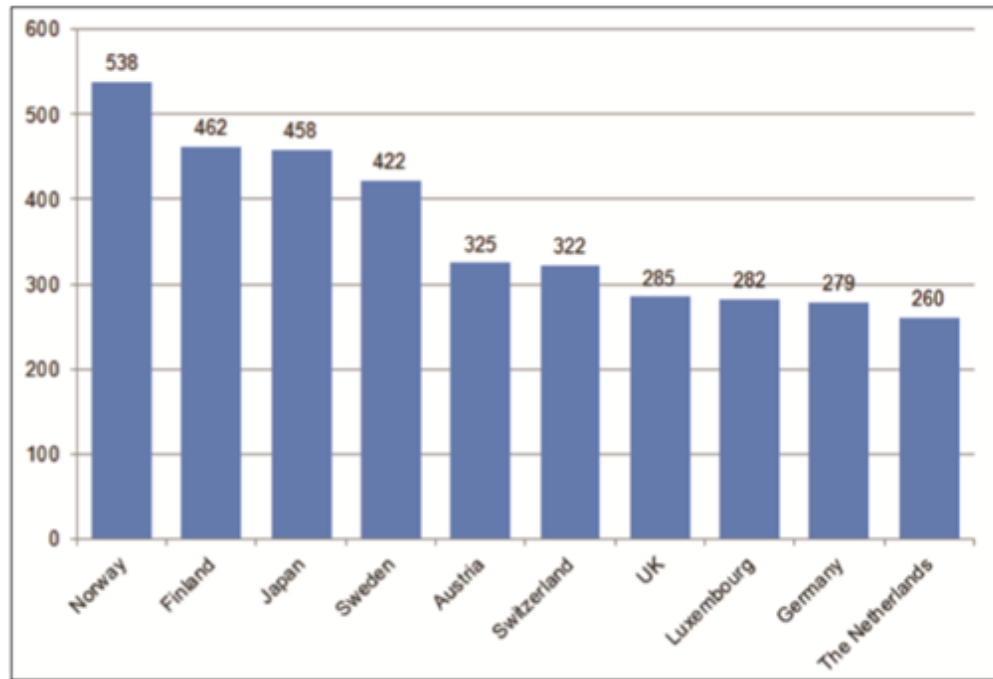


FIGURE 7. Circulation of Newspaper per 1000 Inhabitants in Different Countries, 2009 (Finnish Newspaper Association 2009)

Recently the whole newspaper industry in Finland has been suffering from the decline in the readership figures for Finnish printed media. In a fresh National Media Study, the readership figures of newspapers in printed form decreased by 2 percent during the last six months. The decline can be seen obviously in the readership figures of Helsingin Sanomat, whose readership for printed version went down from 945 000 to 905 000 in the spring of 2011 (Helsingin Sanomat 2012). However, some representatives from Finnish news publishers still remained optimistic about the future. Editor-in-Chief Mikael Pentikäinen commented that the recent results somehow showed the rapid change in the media, in which the readership of the printed newspaper seemed to have gone down but the use of the online contents was growing rapidly. In addition, Director Sirpa Kirjonen from the Finnish Newspaper Association said she was not worried about the decrease in readership figures. According to her, the downward trend had been slow and the possibilities offered to Finnish readers to read newspapers through various platforms were improving rapidly (Helsingin Sanomat 2012).

When it comes to the online newspapers, the role of the younger generation has been emphasized in the growth of the whole market. At the present time, nearly

two out of three Finns use their personal computer to read digital newspapers and magazines; besides, the figures of those who access smartphones and e-book readers for online contents have been increasing appreciably. Even though it is said that the revenue from online newspapers cannot cover the cost structure, Finnish news publishers still have hope in these new offerings thanks to the positive attitudes toward purchasing digital media. According the Finnish National Readership Survey, 15.6 percent of the Finns promised to subscribe to a newspaper or a magazine in an e-format (Helsingin Sanomat 2012).

### 3.3.2 Emphasis on Finnish Young Readers

Realizing the significance of the young generation in the shift of the Finnish newspaper industry from printed to online contents, many studies have been conducted, concentrating on this specific reader group. In PISA studies which were initiated by OECD and intitled University of Jyväskylä by OECD and later have aroused global attention, the Finnish youth were considered to be the best readers among all young people of the OECD nations.

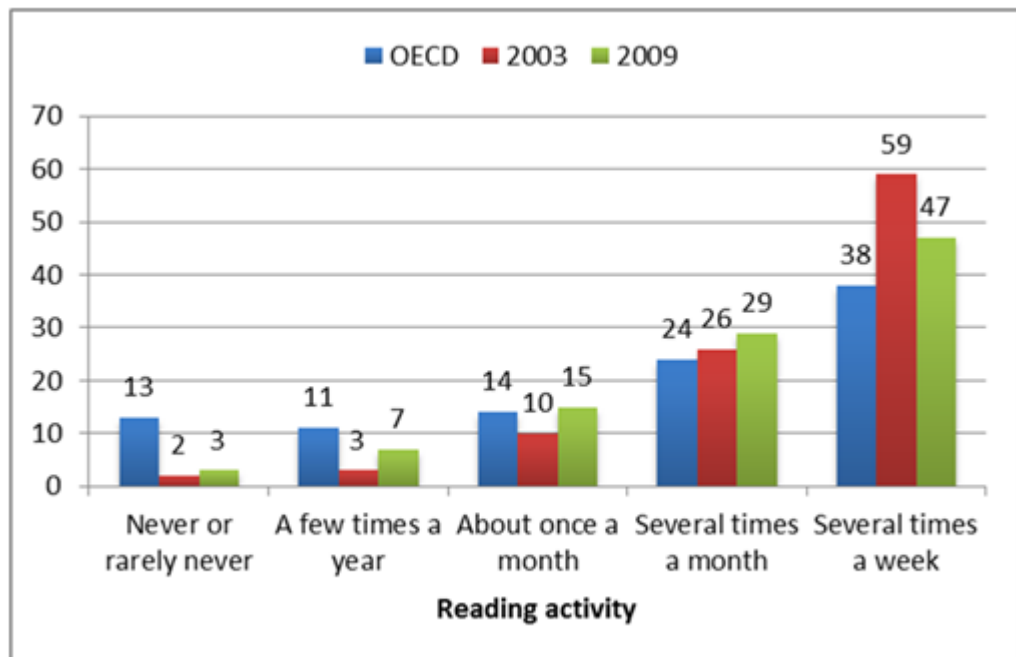


FIGURE 8. Newspaper Reading Frequency among youth in Finland from 2003 to 2009 and OECD countries in 2009 (Finnish Newspaper Association 2012)



The chart shows the frequency with which the Finnish young people read printed newspapers, compared to those from the other countries. University lecturer Sari Sulkunen from the University of Jyväskylä who took part in the research stated that Finnish young people read printed newspapers more frequently than those from the other countries (Finnish Newspaper Association 2012). In the group of those who read newspapers several times a week, the figures declined between 2003 and 2009, which can be explained by the fact that young people started to prefer to read texts online.

According to a study conducted by the Finnish Newspaper Association on August 31<sup>st</sup>, 2010 the majority of Finnish youth between 16 and 24 years old moved away from their parents' home and at that turning point, they seemed to end the relationship with newspapers due to the financial issue. Therefore, in the attempt to prevent this critical stage of young people's newspaper reading habits, "My Newspaper" campaign was launched a month after the study, aiming to meet young people halfway by offering a free two-month subscription to a newspaper or its online content. Fifty-one publishers within the country participated in this campaign, which proves the importance of young readers towards the whole industry. As true as it may be, news publishers also have the benefit from the supporting activities to enhance their image by fulfilling their social responsibility across the corporate boundaries, according to Manager, Young Readers and NiE, Pirjo-Riitta Puro from the Finnish Newspapers Association (Finnish Newspaper Associations 2010). In general, the increasing readership of online contents among Finnish young people and the need for enhancing the public image of many news publishers throughout the nation created the dependence between the newspaper industry and its target audiences.

#### 4 CASE COMPANY INTRODUCTION

Due to the unique characteristic of the Finnish newspaper industry which emphasizes the regional and local dailies, some external factors of the local markets are examined using PEST model to analyze the influences of political, economic, social and technological elements on the business model of the case company.

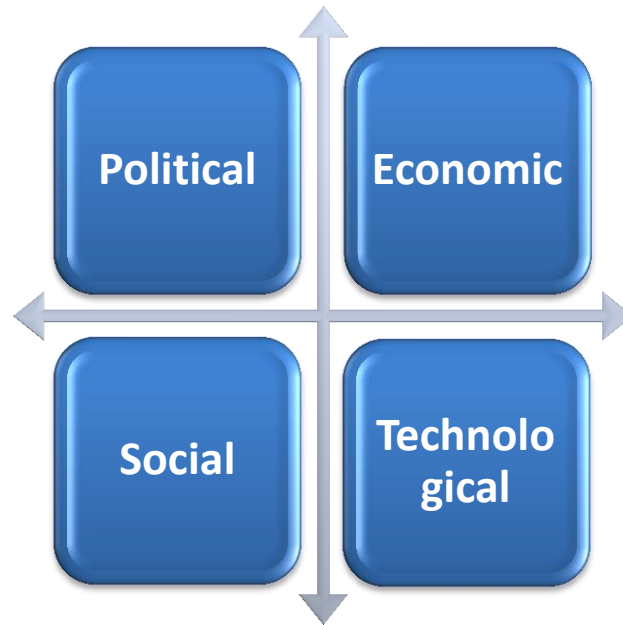


FIGURE 9. PEST Analysis Model (modified from Henry 2008, 52)

Secondly, the case company - Mediatalo ESA – is introduced with some general information about history, product lines and sales figures. Thirdly, the online product (ESS.fi) offered by the case company is mentioned along with its focus service, sales history and SWOT analysis.

##### 4.1 Local Business Environment

###### Political Factors

Political factors of PEST analysis tool refer to the effect of government policy including government stability, taxation policy and government regulation (Henry 2008, 52). The changes in Finnish Government's policy brought up some

problems that many newspaper companies have been struggling to cope with. The VAT rate which was changed from 0 to 9 percent in 2012 and added 1 percent starting from January 2013 is imposed on the Finnish newspaper industry at the present time. Besides, in 2010, the policy of cross-subsidising of the newspaper delivery costs from other postal income was said to be illegal and was asked to be cancelled (Lehtisaari et al. 2012, 7). The decline in the public subsidies and the increase in the VAT rate directly led to the increase in the production costs of Mediatulo ESA. Meanwhile, the decrease in subscriptions and advertising revenue has forced the company to prepare itself for the negative changes of the political system.

#### Economic Factors

Economic factors consist of interest rates, disposable income, unemployment rates, GDP, etc. (Henry 2008, 54). The economic condition of the local area in general has had some bad effects on the local business environment. Suffering from the banking crises of 2008 and 2009 and the current economic downturn, the local area has seen many companies declare bankrupt. In the situation of Mediatulo ESA, cutting out the workforce starting from those who have been contractual employees is a temporary solution. Moreover, the expansion to the non-journalistic resources such as advertisement products for television and radio, new delivering function of daily mail, etc. brings hope to the ability to deal with the decline in GDP. In an economic review of Finnish Ministry of Finance at the end of 2012, Finland's GDP growth rate was estimated to be 2.8 percent in 2011 and only 0.4 percent in 2012 (Repo 2012).

#### Social Factors

One of the most relevant elements of social indicators of Lahti region is the professional education system. The Lahti Region Educational Consortium consists of the Lahti Polytechnic, some colleges and vocational institutes. At the present, cooperating with some units of Helsinki University and other universities of technology, the region has had about 10 000 fulltime students (Lahden Kaupunki 2012). Moreover, a modern network of libraries in the city and surrounding areas has been established and facilitated in a way that their customers will be served

best and supported effectively in their study activities as well as the widespread reading habits. In 2012, the Main Library had an average of more than 2 600 visitors each day and about 43 000 citizens using their library cards (Lahden Kaupunginkirjasto-Maakintakirjasto 2012).

Besides, the fact that there has been a steady decline in general readership did have some effects on the Government's policy concerning the social factors. Some events organized by the Finnish Newspaper Association are trying to reach out to young readers. For example, Newspaper Week held during February of each year offered the cooperation between newspapers and schools in the attempt to provide the students free copies of publications (Finnish Newspaper Association 2012). Another example for such events is My Newspaper campaign with the participation of fifty-one newspapers across Finland offering a free two-month subscription for young people aged 16-24 years who are moving away from home (Finnish Newspaper Association 2010). As a member of the association, Mediatalo ESA has a chance to take part in such public events, through which the company can enhance its own image in terms of social responsibility and build up the relationship with young customers.

#### Technological Factors

Technological factors discuss the impact of new technology, the investment in technology, the spending on research and development, etc. (Gregory 2000, 50). The technological factor that has some influences on the Lahti region's business environment has been reflected in the technological issues at the national level. It is believed up to 96 percent of the population in Finland has the Internet access and the nation has been working hard on the project of developing an information society, according to Finland's communication minister Suvi Linden (BBC News 2010).

Moreover, the availability of technology institutes and organizations offers new opportunities of cooperation in digital production. The cooperation contract the company has with the global printing machine market specializing in the modernization, modification and retrofitting of web printing presses is one of the important steps toward the better future of this news publisher (WIFAG-Polytype

Holding AG 2012). Besides, a quite sufficient number of skilled and capable professionals available in Lahti region ensure the success of the penetration of new technology into this regional newspaper area.

## 4.2 Introduction of Mediatalo ESA

### History in Brief

At first, the company was founded in 1900 headquartered in the Lahti region. During the first few years, the company published the paper named Lahden Lehti which focused on the poor and their living conditions. The paper was trying to promote the well-being of the poor in the attempt to gain support from the Government and other regions. Between 1909 and 1914, the main paper of Lahti region published by the company was Lahden Sanomat before joining forces with Uusimaalainen to establish a new company under the name Etelä-Suomen Sanomat (Turpeinen 2000).

From 1918 to 1951, Etelä-Suomen Sanomat was attached to the National Progressive Party. Just after World War II, party newspapers declared themselves politically unaffiliated which was followed by a gradual decline in the party-political press (European Journalism Centre 2010). At the same time, when the role of the party in the political system was ended, Etelä-Suomen Sanomat announced itself to be a non-party and independent newspaper.

Nowadays, Etelä-Suomen Sanomat is one of the two main newspapers of Mediatalo Esa. The company has been a dominant regional publisher which is based at Lahti serving the local people within Lahti and surrounding areas including Nastola, Orimattila, Kouvola, Heinola, etc.

### Company Presentation

Mediatalo ESA is a leading media company of Lahti region, specializing in printed and digital content as well as other media services. The company has the vision of building up a long-term relationship with local readers as their customers and with other business partners, offering a spirit of community in an independent and responsible manner. The company serves to create a link between readers and

the world's happenings by keeping them updated with current phenomena, events and incidents (Sellheim 2012).

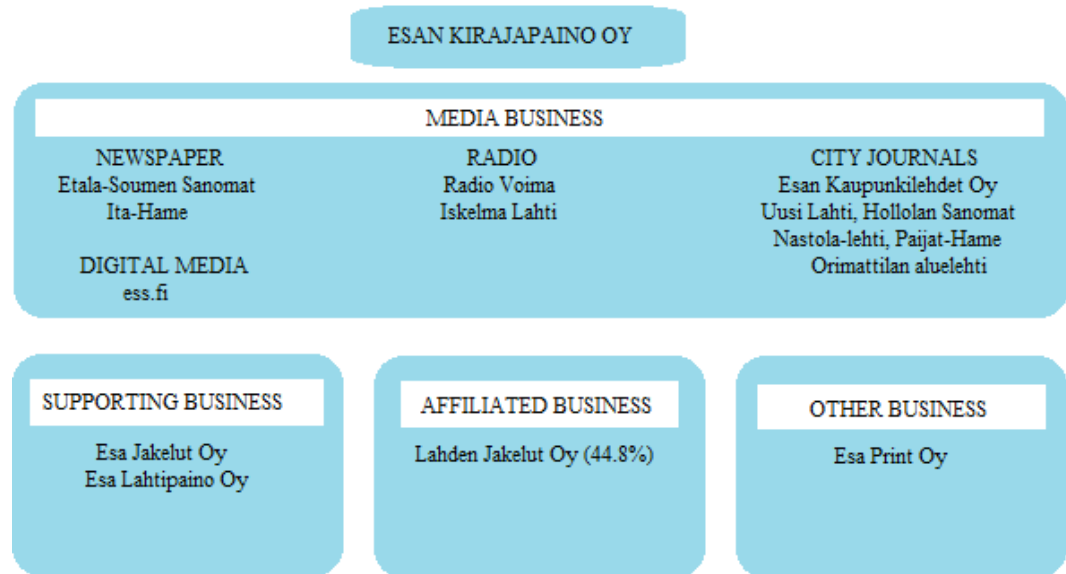


FIGURE 10. Mediatalo ESA Structure (Sellheim 2012)

Mediatalo ESA consists of the parent company Esan Kirjapaino and its subsidiaries including Esan Kaupunkilehdet Oy, Esa Print Oy, Esa Jakelut Oy, Esa Lehtipaino Oy and Esa Digital Oy.

Esan Kirjapaino is the main company in charge of two printed newspapers available for subscription, Etelä-Suomen Sanomat and Itä-Häme, as well as the online newspaper ESS.fi which was first introduced in 2008. In this main office, journalists have all of the supporting facilities to write articles for the two daily newspapers. In addition, other functions such as accounting, sales, marketing, etc. related to business activities of the main company and its subsidiaries are also taken care of by Esan Kirjapaino. Moreover, the company also offers radio channels including Radio Voima and Iskelmä Lahti for local people.

Esan Kaupunkilehdet is a subsidiary of Esan Kirjapaino. This company is responsible for city journals including Uusi Lahti and Seutu4 (Hollolan Sanomat, Nastola-lehti, Päijät-Häme, and Orimattilan aluelehti). The company also has been operating the printing function of these journals which will be delivered later on.

Esa Jakelut can be considered the distribution department of the main company. Jakelut offers home-delivery service for the subscribers of the two printed newspapers. Moreover, Helsingin Sanomat and other news publishers also pay for Jakelut's service to deliver their own newspaper in the local area.

Esa Lehtipaino takes care of the printing function after receiving the articles as well as the planned design of the two main newspapers Etelä-Suomen Sanomat and Itä-Häme from the press of Esan Kirjapaino. Most of the products from this company are normal newspapers.

Esa Print is also in charge of the printing function. The products of Esa Print come in the form of tabloids, flyers, brochures, etc. depending on the orders from other companies. Most of its products are in high-quality paper and multicolored.

Esa Digital was added into the company's structure as a new subsidiary in November 2012. The company offers solutions for digital content production network, television and radio advertising.

Lahden Jakelut Oy cooperates with Esan Kirjapaino with 44.8% share. This company receives the number of advertisement that the companies want to deliver to local people. The information provided by the companies can be used by the sorting team from Esa Jakelut.

### Sales History

Operating in a profitable newspaper market in Finland, Mediataalo ESA has been managing to maintain its business even though the recession of 2008 and 2009 and the current economic downturn have had some bad effects on the profitability of the company.

As can be seen from the chart which shows the profit earned by Mediatalo ESA from 2007 to 2011, the profit peaked in 2007 at EUR 3.8 million. During the banking recession in 2008, the profit dropped to EUR 3 million but managed to recover with EUR 3.4 million in the next year. However, the current economic downturn has affected negatively the business since the profit has decreased drastically to 2.1 in 2010 and 1.7 in 2011. Moreover, it was predicted that the

figures would decline more in the next few years unless the company managed to make some extensions to its own business to generate more profit sources.

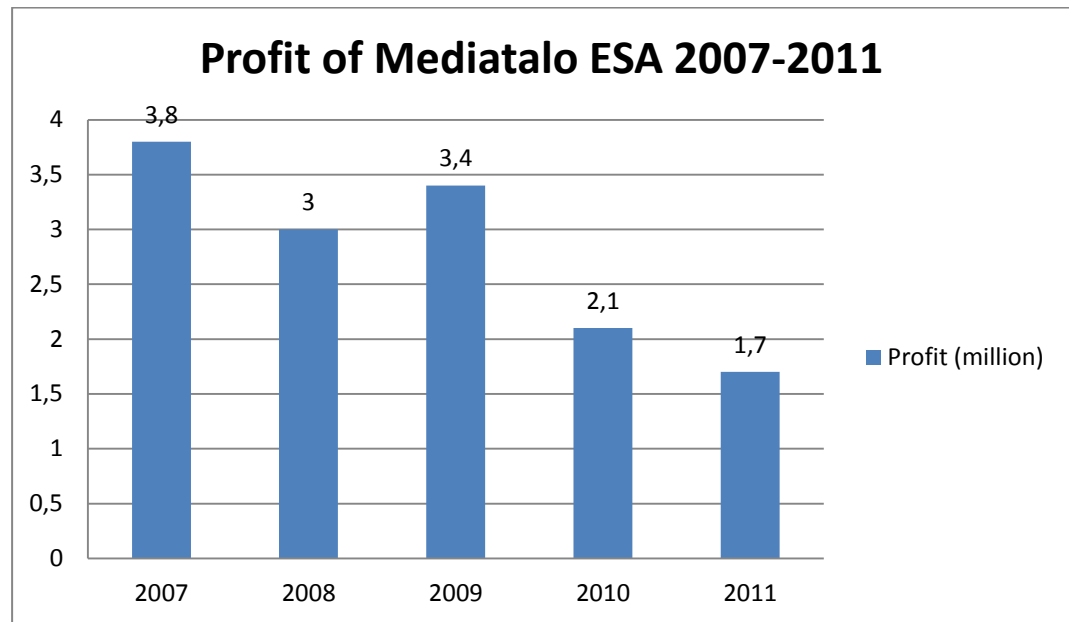


FIGURE 11. Profit of Mediatalo ESA 2007-2011 (Sellheim 2012)

Equity ratio refers to a company's financial leverage which helps to show the company's financial strength. Therefore, equity ration is also used to evaluate the the current conditions of the company.

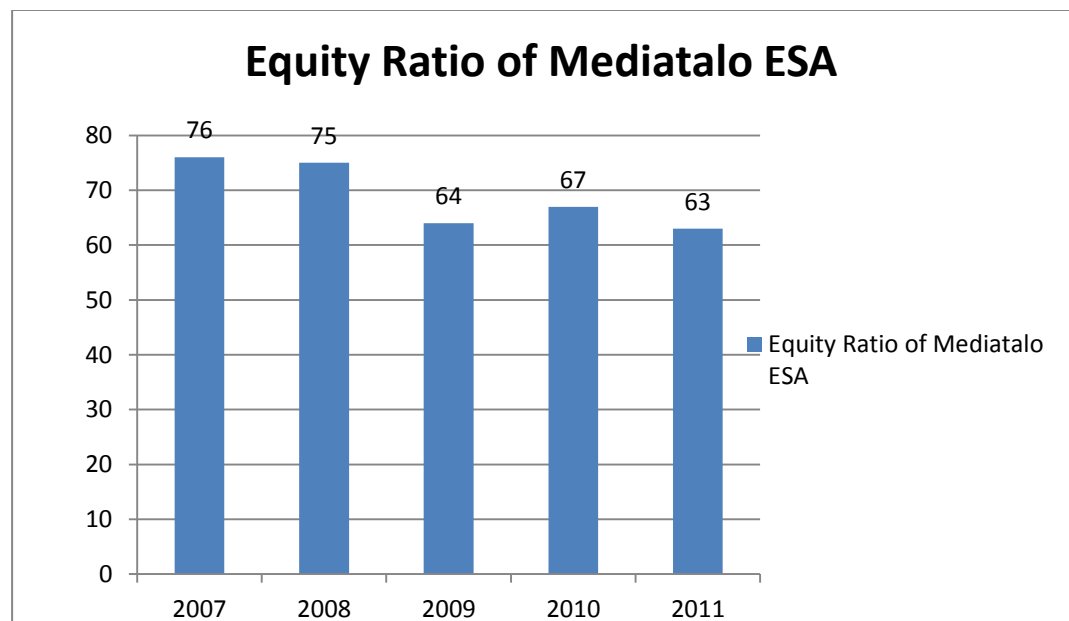


FIGURE 12. Equity Ratios of Mediatalo ESA 2007-2011 (Sellheim 2012)



In Mediatalo ESA's case, the equity ratio was the highest in 2007 and 2008 with relatively 76 and 75 percent. During the next three years, even when suffering from the recession, the company still managed to keep its equity ratio fluctuating around 64 percent, which somehow shows a sign of a better long-term solvency position.

Specifically, in the financial statements of Mediatalo ESA in 2009, 2010 and 2011, the profit had fallen slightly each year with 2.6 percent in 2010 as an example. In 2010, the company reported that the advertising and media sales decreased by 2.1 percent and the newspaper sales increased by 2.6 percent. Meanwhile, in 2011, the newspaper sales remained the same compared with the previous year's figures and the media sales grew by 6 percent. Besides, it was also shown that the circulation number declined from 58400 copies in 2010 to 56 616 copies in 2011 (Mediatalo ESA 2010 & 2011).

### 4.3 Product Review

The focus of this part is the advertised service ESS.fi which starts with the description of the online newspaper and its focus of service. Besides, the SWOT analysis is used to evaluate the offering.

#### 4.3.1 Focus of Service

ESS.fi was first introduced in 2008. Similar to other online newspapers that had been introduced before, ESS.fi offers services of advertising solutions for companies and business partners and online contents for individual readers.

It was estimated by the end of 2012, ESS.fi achieved the page impressions of 10.000.000 per week and the weekly coverage of 50 percent, which has made the website become one of the most effective promotional tools for companies, especially those that want to attract the young target group. As a matter of fact, this non-journalistic resource has brought Mediatalo ESA a great amount of revenue; therefore, recently the company has been investing more in the advertising function and its capacity by identifying some targeted advertising websites.

TABLE 3. Advertising Catalog of Mediatalo ESA. (Media Guide 2013)

WEBSITE	FOCUS OF TOPIC
Ess.fi/terve24	Health and well-being
Menoinfo.fi	Area categorized happenings
Kuvakuja.fi	Service for sharing photos
Ess.fi/kiekko Pelicans.fi	Ice hockey reports, videos, interviews and summaries from local perspective
Ess.fi/jalkapallo	Football reports, videos, interviews and summaries from local perspective
Ess.fi/omaa kotiin	Residence, neighborhood, home

Moreover, the clients can also pay for their advertisements to be displayed on the main webpage from which the audiences, while reading the news, can somehow catch a glimpse of the ad on a specific column of the webpage. In addition to advertising, a market place for cars, apartments and jobs, Oikotie.fi, has been exploited by the company similar to Sanoma Group which recently introduced the recruitment function of Oikotie.fi.

Online contents mainly focus on the customers living in Lahti region. The service can be used via the browser of mobile devices, which provides readers with ESS.fi news, weather service and digital papers available for subscriptions. Moreover, readers using applications on the iPad or iPhone and all kinds of smartphones and tablet devices running on Android OS can also have ESS.fi as an app for mobile devices. Recently the company has been developing Neo system which can be considered to be a solution for the content production. A timeline was set up during the year 2012, according to which, the journalists were trained to acquire the knowledge of the operating Neo in producing news contents and transform them into contents on multiplatforms. With this new system, Mediatalo ESA hopes to improve the flexibility and the quality of daily editorial work and enhance news contents and online interaction in a customer satisfactory manner.

#### 4.3.2 Sales History

In 2009, ESS.fi was reported to have an increasing number of visitors which had been growing steadily at that time. The figures indicated that the website had 70 000 more pageviews than was expected in 2009, which somehow proved the development of online news version in the regional market. However, the number of subscriptions to this online newspaper did not meet the expectation of the company (Mediatalo ESA 2009). This might be explained by the low level of customers' perception of this new product, the fierce competition from big players such HS.fi, Iltalehti.fi, Aamulehti.fi, etc. and the adaptation process of the company itself to the brand new display of news contents.

In 2010, the visitor number continued to increase steadily and exceeded the forecasted number with 80 000 visitors. The online sales were reported to double from the previous year; however, the number still could not satisfy the company's board (Mediatalo ESA 2010). At this time, the company was planning for a complete network strategy and re-organizing of the ESS.fi department.

In 2011, the visitor number surprisingly did not achieve the amount which was forecasted, 82 493 compared to 90 000 of the plan. Due to the strong growth of online newspapers and the emergence of other social media, Mediatalo ESA decided to cooperate with Lappeenranta University of Technology in an expert network assembly project. The cooperation aimed at creating a competent network and developing a new e-business (Mediatalo ESA 2011).

Moreover, in an e-mail from Jenni Grandell, Marketing Manager of Mediatalo ESA, answering about the sales volume of online contents, it was mentioned that the online subscriptions accounted for approximately 15 percent in the total circulation including printed and online newspapers counted in pieces. The online sales increased slightly in 2012 and were expected to grow up in the future since the product had responded quite well to the marketing operation.

### 4.3.3 SWOT Analysis of ESS.fi

TABLE 4. SWOT Analysis of Online Newspaper ESS.fi

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- Offer a combination of regional news and foreign issues</li> <li>- Investment in editorial work</li> <li>- New strategic plans have been developed</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of marketing strategies at this moment</li> <li>- Internal operation network is not effective</li> <li>- Decrease in circulation number and advertising sales</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- Improvement of education system</li> <li>- Cooperation with Lappeenranta University of Technology</li> <li>- Foreign news providers</li> </ul>	<ul style="list-style-type: none"> <li>- HS.fi and Iltalehti.fi</li> <li>- Cost of maintaining new technologies and training staff</li> <li>- Economic downturn</li> </ul>

#### Strengths

News contents focusing on the combination of special issues within Lahti region and foreign issues make ESS.fi become relevant among other competitors in terms of regional emphasis of the Finnish characterized newspaper market. The investment in the daily editorial work as the installation of Neo system and the training program for most of the journalists helped with the proficiency and flexibility in terms of news quality and time consumption matters. Moreover, the strategy network designed for the general structure, especially for the marketing plan, which has been set up and applied within the company, ensures a bright future of new customers for this new online product.

#### Weaknesses

ESS.fi is a new product penetrating the Lahti region's market. As a matter of fact, the marketing strategy and the whole operation network within the company were not well-prepared for this new process during the last three years. Besides, the decrease in circulation number and advertising sales at the recent time forces the company to come up with some short-term solutions to cope with the current situation. For example, downsizing and negotiating with contractual employees

have been some options for Mediatulo ESA during this economic downturn. Therefore, it is implied that the process of developing ESS.fi may be slowed down.

#### Threats

The competition from big players such as HS.fi, Iltalehti.fi, etc. has been a major threat to Mediatulo ESA since it has become a totally different situation for online papers even though in printed market, the newspapers hardly overlap between different regions and local areas. Another threat emerges when the company has planned to adopt new technology to improve the news contents since the cost of maintaining and training staff is not low. In addition, the bad effect the economic downturn has on the economy somehow affects the growth of the company.

#### Opportunities

The improvement in the education system which has been the establishment of Fellmania library for students of Lahti University of Applied Sciences and the strengthened marketing activities of the school recently will offer young people more chances to enrich their knowledge, enjoy their reading habit and get closer to the new technology ESS.fi has applied. Moreover, the cooperation with Lappeenranta University of Technology as well as foreign news providers and the available resource of skilled professionals enlighten the company about the opportunity of reaching out to their target groups with their qualified news contents and professional design.

## 5 INTEGRATED MARKETING COMMUNICATIONS PLAN IN PRACTICE

After the data of the external business environment in Lahti region and the internal system of the case company Mediatalo ESA have been collected, the integrated marketing communications plan for the company will be improved according to the background information. The IMC plan consists of the following specific steps:

**Context Analysis.** The current IMC plan the company has been following is described and evaluated based on the information collected from the in-depth interview with Katja Lindman and Anne Salminen, Project Managers and some informative e-mails with Jenni Grandell, Marketing Manager of Mediatalo ESA.

**Promotional Objectives.** Based on the background information provided by the context analysis, promotional objectives are addressed as a foundation of the improvement of the plan.

**Marketing Communications Strategy.** Pull and push strategy will be discussed in order to point out which strategy is the most suitable for the context. Along with the strategy, the task which helps to achieve such strategy is also determined.

**Promotional Methods.** A combination of promotional tools is considered. In this main part of the plan, the supporting activities and the costs of each tool are the conditions that the choosing process would have to take into consideration.

**Schedule.** Schedule takes part in the deployment of the tools according to the goals identified before hand. The schedule will be showed in a Gantt chart.

**Resources.** The resources including financial issues, personnel and timeline are allocated on the purpose of supporting the IMC plan.

### 5.1 Context Analysis

Context analysis focuses on the the key market and communication drivers that have some effects on how an IMC plan should be and how the plan is carried out in order to achieve some long-term objectives (Fill 2005, 348). In order to get

some information about the context that Mediatalo ESA has been operating in, an in-depth interview was conducted with two Project Managers Katja Lindman and Anne Salminen. The interview was semi-structured with open questions in order to guide the interviewees around the current IMC plan of the company and somehow give some insights of what they expect from the plan. The questionnaire mainly focuses on three main points: market segmentation, promotional objectives and promotional mix. The interview with the time length of 31 minutes was conducted at the company on December 21<sup>st</sup>, 2012 and was recorded for some further analyses. In addition, some private e-mails sent to Marketing Manager of Mediatato ESA Jenni Grandell during January 2013 also serve as a primary source for the analysis. The content of the e-mails mainly concerned the sales figures, budget for the IMC plan and the structure of marketing department (APPENDIX 2).

**Marketing Segmentation.** The Mediatalo ESA by that time had not had their specific segmentation on which they should focus their marketing activities and promotional campaigns. It was informed that the customer database mostly consisted of customers' addresses and the number of orders for the printed newspapers and e-mail addresses for the online papers. The interviewees indicated that it was not necessary to identify the market segmentation and in order to describe the customers, fixed-term subscribers and duration subscribers are two classified groups that the company had been paying attention to. However, there has been a research (tutkimus) that helps with the identifying the most relevant segmentation for the company coming in February and March 2013.

Evaluation. The lack of identifying market segmentation may be the reason for the modest effectiveness of the current IMC plan for ESS.fi. Before the introduction of ESS.fi, the IMC plan worked efficiently in such context since the regional emphasis and the delivery systems within Lahti region were the major elements of the company's strategy. However, when it comes to the online newspapers, the situation has changed in a way that the boundaries between the players in the market have blurred and the hyperlink allows the readers to access many sources to get whatever information they want. At this point, market segmentation and the strategy for each segment play a vital role in the success of the company in future.

**Structure of Marketing Department.** Mediatalo ESA possesses its own Marketing Department including a wide range of operating functions in consumer sales, marketing communications and customer services. The main purpose of all of the functions in the department emphasizes brand management and the relationship with consumers through customer retention, business expansion with new products, greater efficiency and a high quality level of customer service. Monitored by Marketing Manager Jenni Grandell, the team has Projects Managers Katja Lindman and Anne Salminen who are in charge of different marketing activities, projects and campaigns of Mediatalo ESA. Moreover, customer services are operated by a team of around 10 employees who are well trained in selling skills and customer educating. Sales forces and customer services staff are available for providing solutions to customers' problems as well as to generate transactions between new customers and new online product ESS.fi. Moreover, in the supporting function of brand management and launching campaigns, the company also has outsourced and cooperated with other marketing companies like Teboil to operate this function.

Evaluation. Marketing department of Mediatalo ESA is well- structured and has been carrying out an effective function of customer services which is an important element of a service provider. Moreover, the cooperation with professional marketing companies whose activities cover a large area of not only Lahti region but also surrounding areas allows the case company to introduce its new offerings to a majority of population in the region, gaining awareness from local people and creating the interaction with them.

**Promotional Objectives.** When being asked about the objectives of the promotional campaigns and marketing activities, the interviewees did not manage to point out a specific one with the reason that there would be many campaigns launched in the year 2013 and each of them concerns different objectives. However, after being explained to what a promotional objective is with the example of Helsingin Sanomat launching a campaign about an integrated set of platforms to increase the subscription number, the interviewees gave an idea of preventing the subscriptions from an unexpected decrease. By the end of the year, the sales figures are expected to increase but it is not planned or determined how much the company wants to earn. Another relevant insight is that there is no such



campaign focusing on ESS.fi, which means the objectives emphasize the combination of printed and online newspapers since the company's offering is not just ESS.fi but a package of a typical newspaper and its online editions.

Evaluation. The objectives which are derived from the interview show that the company has been aware of the current trends in which the number of subscriptions has declined. Moreover, the understanding that printed and online newspapers support each other was applied effectively in the IMC plan of Mediatulo ESA. However, since ESS.fi is a new product to both of the company and consumers, the current IMC plan does not emphasize the new role of online newspapers, which means the process of familiarizing the consumers with ESS.fi was unexpectedly slowed down.

**Promotional Tools.** The team has been using a wide range of promotional tools in their IMC plan. The main focus is the personal selling with a customer services team who has been trained to provide good and satisfactory services to its customers. Some materials of direct marketing such as brochures, flyers, e-mails etc. are spread out during certain seasons and occasions are combined with sales promotion to gain the awareness of the new offering. Another form of advertising which has been used is the ad spot on a high building when the company can set up a banner on the way to the city center. In addition, internet advertising also takes part in the IMC plan which is shown on the ESS.fi website.

Evaluation. The various promotional tools allow the company to reach out to their potential consumers all over the region. Some of the tools even encourage consumers to interact with the news providers to gain some information about ESS.fi. In another way, the company has a chance to get closer to their consumers, improve their perception of the product and build up the relationship with them. However, the promotional tools were just focusing on the general range of products, not a specific one. This could be understood since the origin idea is to keep the total subscriptions the same as before. Therefore, the awareness level of ESS.fi is not paid attention to and promoted as it should have been.

**Budgeting.** The amount of budget for marketing activities was not revealed during the interview. However, it was given a hint that the budget for the next

year does not change much since the team plans to operate at the same level as the previous year. According to the interviewees, the budget set for marketing was sufficient for all of the marketing activities and promotional tools.

Evaluation. The budgeting is a step in the IMC plan which allows the company to estimate the cost and compares it with their current assets. Mediatalo ESA so far has seemed to have sufficient resources for marketing activities. The only concern is whether the company can still afford the cost of advertising and other marketing activities when the focus turns to online newspapers.

## 5.2 Promotional Objectives

As mentioned before, promotional objectives include three main elements: corporate objectives, marketing objectives and marketing communications objectives. These three kinds of objectives complement each other in the way that marketing objectives suggest some solutions to be solved to achieve corporate objectives and marketing communications objectives carry out some priorities of the promotion part of the marketing plan.

**Corporate Objectives.** Mediatalo ESA has been the leading regional news publisher for nearly 110 years with its main printed newspapers Etelä-Suomen Sanomat and Itä-Häme without the overlap with other newspapers. However, when the company goes online, the competition becomes fierce due to the different nature of online newspapers. Therefore, the corporate objectives should be able to maintain the position of the most trusted and recognized media company in Lahti region, to enhance the company's image in terms of social responsibility and to increase the sales revenue by 5 percent with the journalistic contents.

**Marketing Objectives.** One of the most important marketing objectives is to achieve 90 percent excellent customer service each month, using the advantage of the professional customer service team. Moreover, the current attempt is to keep the subscription number from decreasing and at the end of 2014, the company expects a slight increase in the subscriptions. This can be said in terms of marketing objective as maintaining the same subscribers and generating 5 percent

sales of online newspapers through the subscription source during the last three months of the year 2014.

**Marketing Communications Objectives.** The focus of the suggested IMC plan is more on the online newspaper ESS.fi. With this plan, 90 percent of the target audiences will be aware of and interested in the new offering which is not a familiar service. The role of online newspaper ESS.fi not only as a part in the package but also of the service itself will be emphasized by the advertising and other promotional tools and recognized by the target audiences. Furthermore, the guarantee of a good service will provide reassurance which should be perceived by the customers.



FIGURE 13. Objective Identifying

The chart shows how the objectives of the IMC plan are identified. In the attempt to emphasize ESS.fi, the plan will be set up based on the marketing communications objects.

### 5.3 Marketing Communications Strategy

Marketing communications strategy discuss mainly the characteristics of the target audiences of the online newspaper ESS.fi. Later, based on the identified information about market segments, one positioning strategy will be chosen.

#### 5.3.1 Target Audience

**Determining Market Segmentation.** At this step the market is divided into groups on the basis of demographic variable focusing on age groups. In this case, the most reachable group of people will be those who are exposed to the internet the most. A research conducted by Statistic Finland shows that the internet usage is mainly related to the age groups.

TABLE 5. Prevalence of Internet Usage and Certain Purposes of Use in 2012 (Statistics Finland 2012)

	Used the Internet in the past 3 months	Uses the Internet usually several times a day	Used Internet banking in the past 3 months	Bought over the Internet in the past 3 months	Followed some social network service in the past 3 months	Used the Internet with a laptop outside home and workplace in the past 3 months	Used the Internet with a mobile phone in the past 3 months	Has a smartphone in own use
Percentage of population aged 16–74 years								
Aged 16-24	100	80	75	54	86	51	51	64
Aged 25-34	100	88	98	67	80	48	48	69
Aged 35-44	98	74	96	61	58	47	47	66
Aged 45-54	96	68	92	54	39	38	38	50
Aged 55-64	82	44	74	31	22	24	24	30
Aged 65-74	61	26	51	13	10	11	11	15
Men	90	66	81	46	44	42	42	54
Women	90	61	83	53	53	32	32	45

As can be seen in the table, the proportion of those who have been accessing the Internet and other online activities the most are the group of 16-26 years old and 25-34 years old. Moreover, those people belonging to the two groups also account for a high percentage of the number of people who have a smartphone for their own use. The figures based on the genders are not so different when comparing two groups, so the gender variables can be eliminated.

Psychographic variables such as people's lifestyle are also taken into consideration. In a research of Finnish Newspaper Association, it was said that young people 16-24 aged usually end their relationship with the newspapers they used to read at home when they move out (Finnish Newspaper Association 2010). The changes in lifestyle caused by financial and family issues may prevent young readers from their reading habit. Moreover, those young people are used to the fact that their parents pay for the subscription charge and when it is them who pay for the charge, they start to consider the necessity of newspaper subscription when free-of-charge online contents have been offered constantly on the Internet.

**Selecting a Target Market.** Combining demographic and psychographic variables helps to create the profiles of specific market segments. There are two target audience groups for the suggest IMC plan which are described as follow.

TABLE 6. Market Segmentation

Segmentation A Demographic	Segmentation B Demographic
- <b>Aged 16-24</b>	- <b>Aged 24-34</b>
- <b>Men and women</b>	- <b>Men and women</b>
- <b>Living in Lahti region</b>	- <b>Living in Lahti region</b>
- <b>High School or diploma</b>	- <b>Diploma or higher</b>
- <b>Part-time or unemployed</b>	- <b>Part-time/ Full-time job</b>
- <b>New place of resident</b>	- <b>Stable income</b>

Segment A represents the group of young readers who are possibly at the critical stage of giving up on their reading habit due to financial issues. These people are

studying at local high schools or some educational institutes such as Salpaus and University of Applied Sciences. Some of them have part-time jobs whereas some do not, which obviously has the strongest effect of their financial conditions. Above all, young people of this target group have just moved out from their parents' houses to live independently on their own. It means that they have to support themselves and the subscription charge may be considered to unnecessary extra costs. They are going to search for some cheaper information sources and the free-of-charge online content is a good option.

Segment B is those who almost finish their studying at Universities of Applied Sciences in the region and start to look for a full-time job or they have already had a part-time or full-time job. To describe this group, the thirst for information especially from the online sources which is needed in their studying and working life becomes the main characteristic the IMC plan should consider. It can be said that these people do not have serious problems with financial issues since most of them have stable income; however, the flexibility and proficiency in the computer skills and the adaptability to new mobile devices allow them to access to free-of-charge contents easily.

### 5.3.2 Pull-Push and Positioning Strategy

There are two main reasons for the choice of push strategy. First of all, a majority of the population of Lahti region has already subscribed to printed newspapers; therefore, the online newspaper is perceived as a complementary service of the printed version. Secondly, this is a new service for both the company and the customers. Earning trust from existing and potential customers must be achieved before acquiring the demand from them. The push strategy is applied in a way that through media and other promotional tools the company tries to reach to as many members of the target group as possible, persuade them to try the new product ESS.fi and generate transactions if possible. Moreover, the media coverage now should be put into the context so that the marketers will try to reach the whole or just part of the target group and avoid waste coverage of overexposure.

Originally, Mediatalo ESA was the regional news provider specializing in two main printed newspapers Etelä-Suomen Sanomat and Itä-Häme and some city

journals. The emphasis on regional news made the company become the leading newspaper company in Lahti region. When online newspapers become the new trend of reading habit, the lines between Mediatalo ESA and other competitors has been blurred and a new positioning strategy is required. In order to communicate a specific position for ESS.fi, the company should prove that ESS.fi is a reliable, unique and up-to-date information source of local events, issues and happenings. The ability of maintaining the leading position with online newspaper ESS.fi in terms of quality and resources should be perceived by regional consumers.

#### 5.4 Promotional Methods

Typical advertisements are shown on broadcast media and print media, usually television and newspapers. Moreover, some other support media such as out-of-home advertising is also utilized to create the largest coverage of advertising initiatives and the highest frequency of exposure to the ad.

**Television Advertisement.** A 30-second spot advertisement is created and shown on spot announcements which are bought from local stations and appear during time periods adjacent to network programs. The reason for choosing this broadcast media is that the concentrated coverage is limited to the geographic market so that the company can reach out to the market which is the most potential. The limitation of local stations eliminates the possibility of overexposure which usually results in the waste coverage. Moreover, a television ad consists of the interaction of sight and sound which helps to create effectively the dramatic and lifelike representation of ESS.fi. The introduction of Esa Digital, whose main function is to create advertisements for radio and television, offers a great chance to the company to create their own advertisement about ESS.fi reflecting exactly the communication objectives and somehow have a quick estimation of the coverage. The picture below modifies a 15-second spot of advertisement of Mediatalo ESA about a sales promotion on Valentine day in 2012.



FIGURE 14. Valentine Ad of Mediatalo ESA (modified from Youtube)

**Newspaper Advertisement.** Using the two main newspapers, Etelä-Suomen Sanomat and Itä-Häme, the ad about ESS.fi is shown on the frontpage and the last page of the newspapers during the first few weeks of the campaign to catch the attention of the readers and on the eye corner area of the front and last pages during the next two months of the campaign as a reminding purpose.

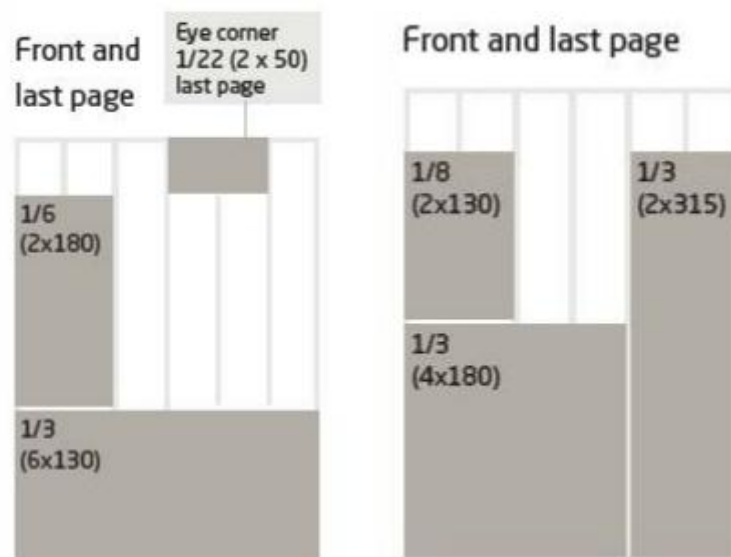


FIGURE 15. Advertising Module (Media Guide 2013)



This print media ensures the coverage of 67 percent of the main target region including Lahti, Hollola, Asikkala, Nastola, Orimattila, Artjärvi, Kärkölä, Hämeenkoski and Padasjoki with Etelä-Suomen Sanomat and 81 percent of Heinola, Hartola and Sysmä with Itä-Häme. Moreover, the average reading time of a person was estimated to be 35 minutes (Mediatalo ESA 2013) which means the frequency that a reader is exposed to the ad is supposed to be very often.

**Support Media.** Support media in this case refers to out-of-home advertising. This technique is supported and facilitated by a wide range of billboard, transit, mall advertising, bus shelters, sport stadiums/ arenas, etc. In the future IMC plan for Mediatalo ESA, one billboard and posters are used. A large billboard is set up on the advertising spot at the entrance of the city. Placing the billboard on the skyscraper on the way to the center of Lahti near Vesijärvenkatu Street allows the ad itself to catch the attention of many people who travel everyday from their place in the surrounding area of Lahti to work or to school and the frequency of exposure to the ad is expected to be high. Meanwhile, well-designed posters are also displayed at some public places where a large number of young people usually attend to such as bus shelters at the market place and two big shopping malls like Sokos and Trios. An impressive graphic design would be very important because it makes the ad pop up in the people's vision at the first sight when they are waiting for their buses or going into one of the mall.

**Direct Mail.** Mediatalo ESA provides a full service to their customers, which means the company is not only publishing the two main newspapers, advertisements, and city journals but also operating an effective home delivery system. This is also an advantage which can be used in the new campaign. By having the delivering team distribute a normal package to the customers' home addresses, a tri-fold brochure of ESS.fi and the platforms on which it can be read will be enclosed in the package. With this method, the campaign now can reach the second segment of 25-34 aged people. These customers may have ordered printed newspapers but have not got used to the new offering. Through the brochure, the campaign tries to transmit the message about the convenience of using online newspapers and how they support the printed newspapers.

**Contest.** This is the most important part of the campaign since it will help in creating publicity and enhance the image of Mediatalo ESA. The contest is mainly for young people especially students who are studying in high schools and in Lahti University of Applied Sciences, Salpaus, Nastola Polytechnic, etc. Participants are encouraged to create videos, photos, articles, etc. or any other creative forms to express their experiences, feelings and their memorable moments they have had with their friends, teachers at school, focusing on their majors. The products to be submitted can be a song composed by students from the Faculty of Music and Drama, a video clip about a trip of students majoring in Hospitality and Tourism, or a masterpiece of Design and Fine Arts. The purpose is to cooperate with the schools to understand more about the youth and their community, to encourage young people in their studying and personal hobbies and to fulfill the need of sharing and proving their ability and passion. The creative products will be classified and posted on Facebook for voting.

In order to prepare for the contest, flyers and posters about the contest will be printed and distributed to the schools. Moreover, an event will also be created on Facebook and Mediatalo ESA's website before and during the contest to attract young people to participate in the contest. The award will be based on the results of voting process in a fixed period of time. The winner of each category will receive EUR 500 and a free-of-charge package including a printed newspaper and ESS.fi during the first six months. In addition, the winning products will be uploaded on ESS.fi after the contest.

Through the contest, Mediatalo ESA will be able to fulfill their social responsibilities and enhance their image in the public. Moreover, the company can get closer to their target groups and collect customers' data during the contests for some further analyses. The general idea is to be part of the young people community and become the place where they go to daily to find what they want.

**Facebook.** Facebook can be the primary outlet of social media initiative of Mediatalo ESA. In Finland, Facebook penetration was estimated to be 43.23 percent compared to the country's population. The largest age group is 25-35 years old with 563 540 users, followed by the age group of 18-23 (Social Bakers 2012). Moreover, it is obvious that the target segments coincide with the two

largest Facebook user age groups in Finland. Facebook provides the company with an active and flexible tool to interact with the chosen target segments which are young people and their community through videos, discussions and status posts.

ESS.fi's Facebook page will be a forum on which young people in the community can get some up-to-date events focusing on sports, community activities and entertaining events and are alerted of upcoming events and how to get involved in such occasions. These articles shown on Facebook are supposed to attract young audiences and somehow guide them to the official ESS.fi, meaning that the Facebook page supplements the online newspaper ESS.fi. Moreover, this Facebook page aims at the two-way interaction in which its fans can also post their own opinions and ideas. Through this social network, the company will be able to evaluate the needs of the community and organize its future services.

## 5.5 Schedule

**Television Advertisement.** A television commercial is considered to be one of the most expensive promotional tools due to the advertising production cost and airtime expenditure; therefore, a timeline for this broadcast media should be planned carefully in advance.

A television advertisement allows the company to present its service in the most lifelike way with the effects of sight and sound, so that the customers will gain the most knowledge of the service from a television advertisement. Therefore, this broadcast media is used and presented first to the public in order to make a strong impression on the consumers in a large scale, which has a significant meaning to the company since ESS.fi is a new product and gaining the awareness of local consumers, especially the two target segments, is the main idea of the campaign. Young people who are identified as the target segments are the most active community compared to the other age groups in their daily activities including studying, working and social relations. Thus, their free time should be after school and work and during the weekends, which is the potential airtime of the advertisement.

In Mediatalo ESA's case, the company has its own in-house advertising agency ESA Digital which is in charge of television and radio commercial production for Mediatalo ESA as well as outside clients. A planning process of ESS.fi television advertisement production is arranged between Marketing Department and ESA Digital according to television/ cinema commercial production schedule approved by EACA/CFPE. After the planning and producing processes, the schedule of broadcasting the television commercial should be planned to be launched during January of the year 2014 on MTV3 channel which has a large number of young audiences.

**Newspaper Advertisement.** The print media is considered to be support for the television commercial. Lacking the sound element makes this promotional tool less relevant compared to broadcast media. However, the effective home delivery system and Esa Lehtipaino specializing in printing two main daily newspapers, Etelä-Suomen Sanomat and Itä-Häme allow this media to reach to their target market easily. There are two places that the ad can be displayed on these two papers. During the first one month, the ad will be arranged in the front page of both newspapers with an impressive design and all of the details about ESS.fi. By placing the ad there, the visual display will be seen at the very first moment when readers are skimming through the first page. During the next two months, eye corner areas of the first and last pages will be the place where the ad is displayed. The role of the ad during this period of time is to remind the readers of the online newspapers and to put more effort to encourage them to subscribe to the online versions.

**Support Media.** A billboard set up on the wall of a skyscraper near the entrance area of Lahti city center is planned for two months along with television advertising's airtime. The purpose of this promotional tool is to support the planned television commercial during the time of broadcasting, to make the message stronger and more effective and to increase the coverage and frequency of the ad.

Bus shelter advertising also plays a supporting role in the campaign; however, the schedule for this support media is different from the billboard. The time of displaying posters at bus shelters and stations depends on the period when a

number of young people, especially students, use buses to go to school. Therefore, the appropriate time is between September and December when the school year starts and between January and May after the winter break until the school year ends. The reason for not using bus shelter advertising during November and December is many Christmas campaigns boost the cost of display higher and the concentration of customers will be distracted by many other advertisements.

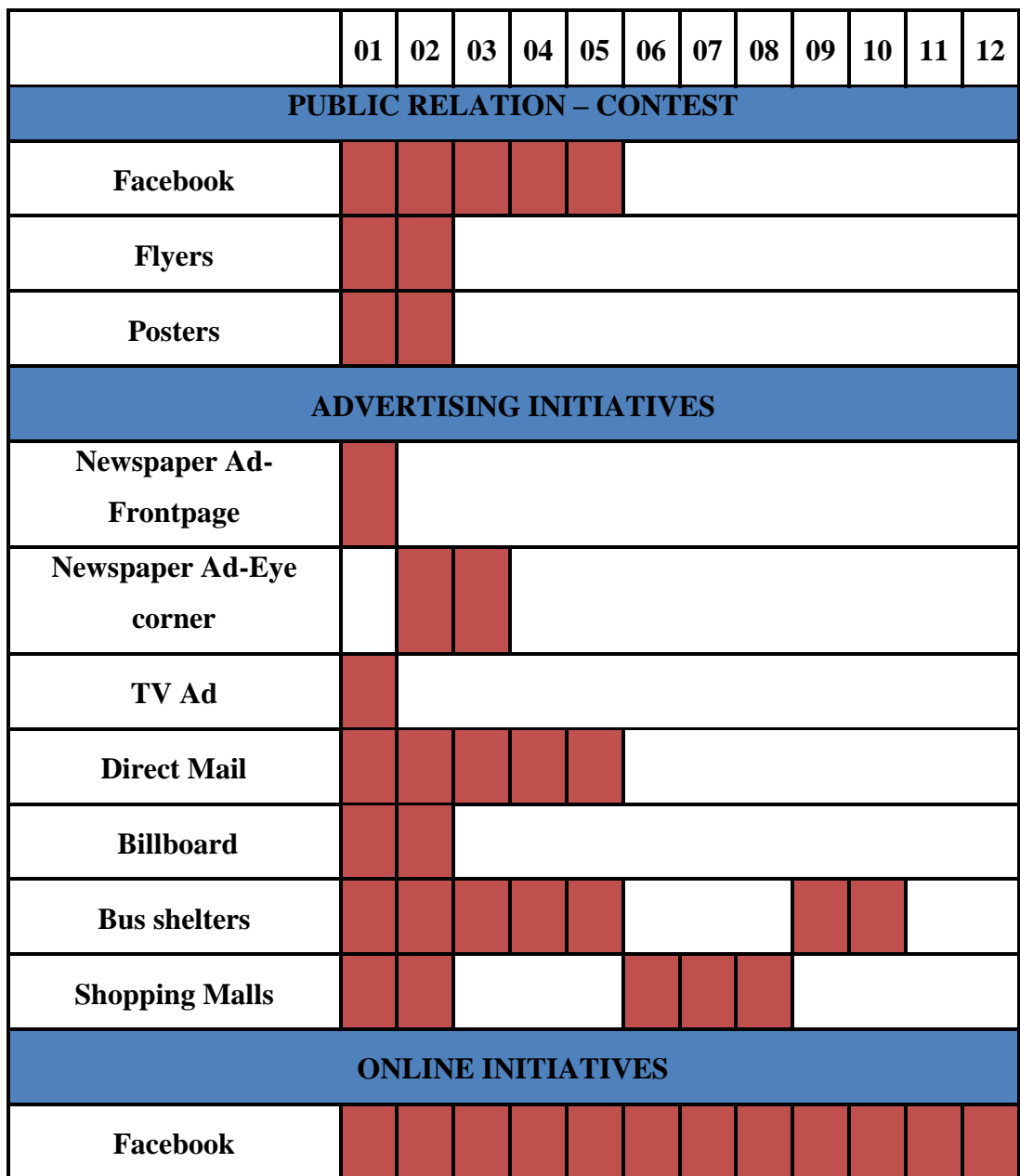


FIGURE 16. Gantt Chart of Schedule of IMC Plan for ESS.fi

Shopping mall advertising has different time of display than the other two tools. Due to the fact that there is a wide range of advertisements in shopping malls, the advertising posters of ESS.fi are planned during the two big sales periods in the winter and summer when there are a large number of shoppers. As a result, January-February and April-June are the two periods to display shopping mall advertisements.

**Direct Mail.** Instead of displaying ads in the public places, direct mails allow the company to reach out to its customers and expect more personal interactions. Tri-fold brochures about the general information of ESS.fi are enclosed to normal newspaper packages and delivered to customers everyday during the first five months by Esa Jakelut, the distribution company belongs to Mediatalo ESA. The delivery period ends after five months to avoid the overloaded frequency.

**Contest.** The contest is held at Lahti University of Applied Sciences, Nastola Polytechnic and some other high schools in the region. The time length for this contest is five months from January to May since at this time of the school year, the students have already get used to their study environment and the starting time allows the company enough to go through the whole process and get to the final stage of the contest when the participants are still studying at schools. The following table describes the contest schedule.

TABLE 7. Contest Schedule

<b>CONTEST SCHEDULE</b>	
<b>TIME</b>	<b>ACTIVITY</b>
1 <sup>st</sup> January – 31 <sup>st</sup> January	Introduction of Facebook event, posters and flyers at schools
3 <sup>rd</sup> February – 7 <sup>th</sup> February	Introduction section of representatives at schools
8 <sup>th</sup> February – 30 <sup>th</sup> April	Collecting participants' products Facebook updating
1 <sup>st</sup> May – 15 <sup>th</sup> May	Voting section on Facebook
20 <sup>th</sup> May	Announcing the winners of each major Award

**Facebook.** As the forum where the company can interact with young people, Facebook page of Mediatalo ESA is updated almost everyday with special events and incidents in Lahti region as well as from all over the world. This social network will be maintained and developed throughout the year in the attempt to attract many young people and encourage them to be active in many platforms of ESS.fi.

## 5.6 Resources

**Television Commercial.** The transmission of an ad from a publisher to target audiences consists of two processes: television commercial production and broadcasting. The ad about ESS.fi is designed by the company's in-house agency Esa Digital. According to the information provided by Production Manager Esa Rimpiläinen from Esa Digital, the television commercial production comprises various functions which require a certain budget. Below are the different tasks to produce a 30-second ad for ESS.fi:

- Script: EUR 1000
- Amateur actors (students from high school and local universities): EUR 1000
- Production group including audio, lights, makeup and setup: EUR 5000/day
- Post production: EUR 120/hour

Total cost for one day of production: EUR 7 960

Buying airtime at a local television station also accounts for a large percentage of the marketing budget. In this case, a local station of MTV3 in Päijät-Häme region offers spot TV advertising. The ad designed by Esa Digital will be sent to MTV3 broadcast station of MTV3 channel and be planned to appear during the breaks of certain programs including Diili, Selviytyjät Suomi, Salatut Elämä, Putous and Tulostuutu. The MTV3's website provides a formular with which its clients can estimate the general cost of their advertising campaign on TV.

The screenshot shows the 'MTV MEDIA SPOTTI' website interface. At the top, there is a navigation bar with 'MAINOSTAMINEN', 'OHJELMAT', 'PALKITUT', 'BLOGI', and 'OTA YHTEYTTÄ'. A search bar is also present.

The main content area is titled 'Kokeile tv-laskuria:' and contains three panels:

- 1. Näkyvyysalue:** A map of Finland with a red checkmark over the 'Päijät-Häme' region. A 'Valitse:' label is above the map.
- 2. Ohjelmat:** A list of programs with their respective frequencies:
 

Ohjelmat	Esityskerrat
Diili	4
Putous	4
Salatut elämät	4
Selviytyjät Suomi	4
Tulosruutu	3

 A '+ Lisää ohjelma tai syötä budjetti' button is at the bottom.
- 3. Mainoksen kesto:** A duration selector with options 10 s, 15 s, 20 s, and 30 s. The 15 s option is selected. Below it is a 'Yhteenveto' (Summary) box showing:
  - Kokonaiskontaktit (25-54-vuotiaat): 477 565
  - Bruttohinta (Alv. 0 %): 10 733 €
 A 'Jatka' (Continue) button and a 'Tallenna' (Save) button are at the bottom.

FIGURE 17. Advertising Broadcasting Costs (modified from spotti.fi)

Assuming that the ad pops up 4 times during one showtime for each of the five chosen programs, the website allows to calculate the total contacts or the number of people exposed to the ad as 477 565 times and the total cost of broadcasting time buying as EUR 10 733 for one campaign with a 30-second commercial during a typical week. As a result, the cost of launching the ad on television is:

$$\text{EUR } 10\,733 \times 4 = \text{EUR } 42\,932$$

In total, the budget for a television commercial should be: EUR 50 892

**Newspaper Advertising.** A well-designed ad will be displayed on the two main newspapers Etelä-Suomen Sanomat and Itä-Häme. During January, the ad is going to be placed on the frontpage of both papers and for the next two months it is planned to be displayed at the eye corner area. The budget for the newspaper advertising may cover the cost of graphic design and the space buying cost.

The graphic design is estimated to be EUR 400 at EUR 50/hour and the ad is created within the 8 hours of a working day.



Space buying is listed in Media Guide 2013 published by Mediatalo ESA. According to the guidebook, the prices of placing an ad in both papers are listed as the following:

TABLE 8. Advertising Costs on Etelä-Suomen Sanomat and Itä-Häme (Media Guide 2013)

<b>Paper</b>	<b>Size</b>	<b>Price per week</b>
Etelä-Suomen Sanomat	Frontpage (1/14 2x140)	EUR 1 232
Etelä-Suomen Sanomat	Lastpage (1/20 2x105)	EUR 819
Itä-Häme	Frontpage (1/8 2x130)	EUR 647
Itä-Häme	Eye Corner Lastpage (1/22 2x50)	EUR 212

For Etelä-Suomen Sanomat, the cost of placing an ad on the frontpage in January and lastpage in the next two months can be calculated:

$$\text{EUR } 1\,232 \times 4 + \text{EUR } 819 \times 8 = \text{EUR } 11\,480$$

For Itä-Häme, the cost of placing an ad on the frontpage in January and on the lastpage's eye corner in the next two months can be estimated as:

$$\text{EUR } 647 \times 4 + \text{EUR } 212 \times 8 = \text{EUR } 4\,332$$

In total, the budget for newspaper advertising is EUR 16 212.

### **Support Media.**

The price of a billboard is usually set based on the size and the location where it will be displayed. Placing a 8-sheet billboard at the entrance of the city will cost approximately EUR 3 000/month for renting space and EUR 1 200 for the production of one poster. Therefore, the total cost for the billboard advertising during the first two months along with the television advertising airtime of the campaign is EUR 7 200.

As planned, posters will be displayed at the bus shelters around the market square and the train station and two main shopping malls near the city center Sokos and Trio. The sizes of the poster for each place are different and described as below.

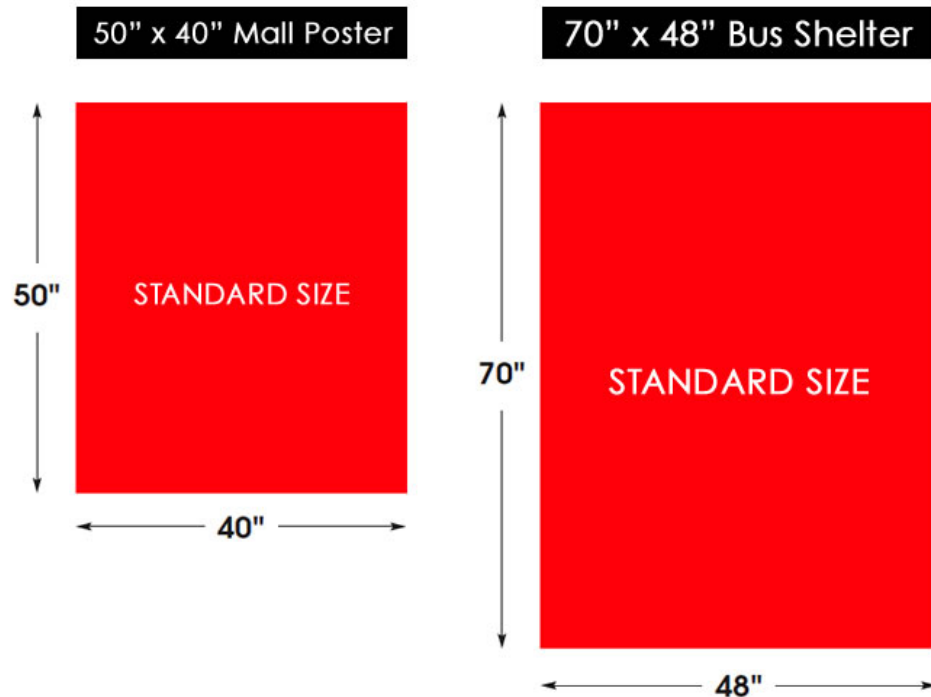


FIGURE 18. Post Sizes (modified from northadvertising.com)

Renting space for the bus shelter advertisement costs around EUR 280 for one bus stop in one-week time. Besides the cost of printing posters varies from EUR 100 to EUR 150/ poster depending on the size and the quality of the graphic design. Therefore, the total cost for the bus shelter advertising at 20 stops in the city including the price of renting space, printing and designing is:

$$(\text{EUR } 150 + \text{EUR } 280) \times 20 + \text{EUR } 400 = \text{EUR } 9\,000$$

Renting space in a shopping mall usually costs EUR 150 for one poster within one week. Thus, the cost of the mall advertising with 5 posters at each shopping mall with the same cost structure is:

$$(\text{EUR } 100 + \text{EUR } 280) \times 10 + \text{EUR } 400 = \text{EUR } 4\,200$$

Total cost of support media would be : EUR 20 400

**Contest.**

The posters about the contest to be distributed to high schools and local universities should in the same size as the mall posters. Therefore, the cost for 20 posters can be:  $\text{EUR } 100 \times 20 + \text{EUR } 400 = \text{EUR } 2\,400$

Flyers printing costs are based the price set at EUR 18,99/50pc. The flyers printing cost for at 10,000 students in the region would be:

$$(\text{EUR } 18,99 \times 10\,000) / 50 = \text{EUR } 3\,789$$

Prizes for the four winners of four categories would be:

$$\text{EUR } 500 \times 4 = \text{EUR } 2\,000$$

The total cost for the contest would be: EUR 8 189

**Direct Mail.**

An average price for printing tri-fold brochures is EUR 20/ 100pc, which gives an estimate of the printing costs for this promotional tool for the total circulation of both two newspapers of 67 043 pieces as:

$$(\text{EUR } 20 \times 67\,043) / 100 = \text{EUR } 13\,409$$

,According to Distribution Manager from Esa Jakelut Marika Jousala, distribution costs including sorting and delivery costs can be calculated as follow:

$$\text{Sorting cost (EUR } 0,01/\text{piece): } 0,01 \times 67\,043 = \text{EUR } 670$$

$$\text{Distribution (EUR } 0,032/\text{piece): } 0,032 \times 67\,043 = \text{EUR } 2\,145$$

Adding the design cost for a tri-fold brochure of EUR 400, the cost for the direct mail tool would be:

$$\text{EUR } 400 + \text{EUR } 13\,409 + \text{EUR } 670 + \text{EUR } 2\,145 = \text{EUR } 16\,623$$

## Summary

The price of each promotional tool is based on the information provided by the staff of the in-house agencies such as Esa Digital, Esa Jakelut, Esa Print as well as on the price lists from the other companies' websites specializing in some supporting functions. The costs for the chosen promotional tools are listed in the following table.

TABLE 9. Budget for Suggested IMC Plan

<i>PROMOTIONAL TOOLS</i>	<i>COSTS</i>
<b>Television Commercial</b>	EUR 50 892
<b>Newspaper Advertising</b>	EUR 16 212
<b>Support Media</b>	
Billboard	EUR 7 200
Bus Shelters	EUR 9 000
Shopping Mall	EUR 4 200
<b>Contest</b>	EUR 8 189
<b>Direct Mail</b>	EUR 16 623
<b>TOTAL</b>	<b>EUR 112 316</b>

The prices were set for the year 2013 and may be changed in the next year.

However, the most common trend is the television commercial always accounts for a large proportion of the budget and needs evaluating carefully in order to set the plan for this broadcast media. The other tools in the plan do not require much investment but still play an important role in the success of the IMC plan in a cost-effective manner.

## 5.7 Control, Evaluation and Feedback

**Advertising Evaluation.** Evaluation and control process should be conducted at the beginning of the campaign, even before the campaign is launched, until the report of the campaign's results is finished. Normally, advertisements are tested in terms of concept generation in order to observe the responses of the consumers to the ad concept which is expressed in words, pictures, symbols, etc. Rough art,

copy and commercial testing come after the concept generation, offering viewers different drafts of advertisement. The participants are asked to evaluate those ads and rank them according to their preferences. Using the winning ad from the rough testing round, the advertising agencies will develop a final ad and conduct a test with participants who are marketing researchers and their agencies. The purpose of this step is to gather advices, opinions and ideas to finalize the ad (Belch et al. 2001, 645 -653).

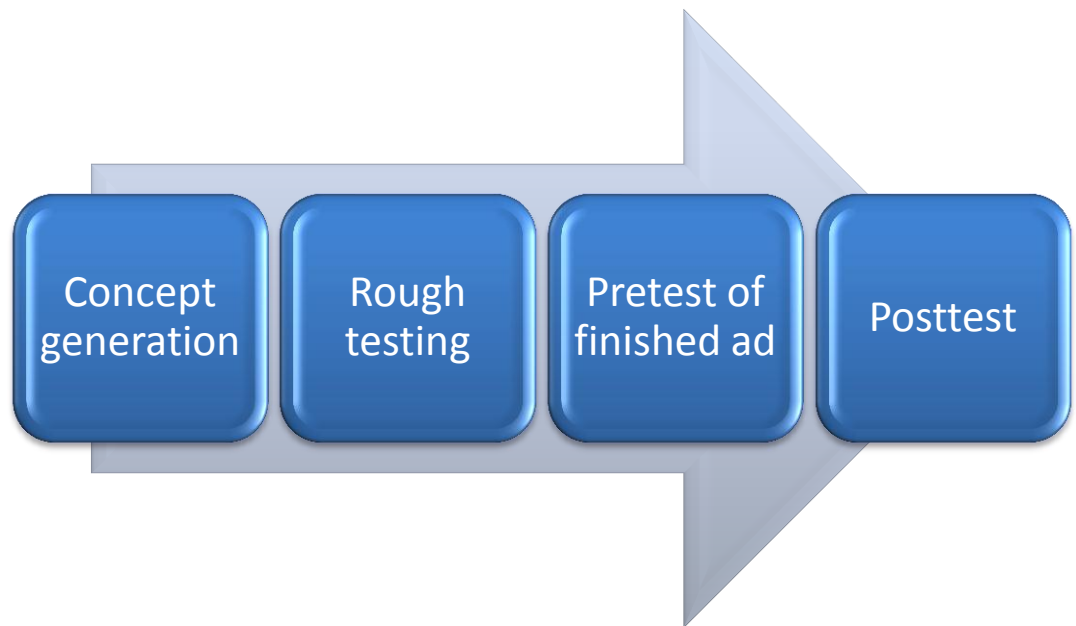


FIGURE 19. Evaluation Process. (Belch et al. 2001, 645)

Post-testing is the last step of evaluation process in which the results of the campaign are the focus of data collection. In this step, depending on what promotional tools used in the implemented IMC plan, different tests and feedback will be arranged. In general, methods used to collect data and responses are focus groups, in-depth interviews and surveys.

In the case of Mediatalo ESA, posttesting consists of quantifiable, awareness, media coverage and online evaluation.

**Quantifiable Evaluation.** The effectiveness of the IMC plan can be determined by sales reports which are quantifiable and collected monthly, quarterly and every financial year. Since the advertised product in this case is the online newspaper ESS.fi, the number of subscriptions to this online paper solely and the number of existing customers who agree the package of printed and online version can be collated and evaluated by Sales Department.

**Awareness Level Evaluation.** The level of awareness and public perception of the company can be tested by online surveys in order to avoid printing and distribution costs. It is suggested that the survey should be conducted by September and December so that the company has enough time for setting up a new plan for the upcoming year.

**Media Coverage Evaluation.** Gallup & Robinson Magazine Impact Research Service offers an option of testing the effect of print ads. The tested newspapers (Etelä-Suomen Sanomat and Itä-Häme) with the ad are sent to participants' places to read on that day. On the next day, a telephone interview is conducted to assess the recall of the ads and consumers' impression of the ad (Belch et al. 2001, 657). Recall tests can be done with the broadcast commercial to see how clearly the creative idea is understood.

**Online Evaluation.** Facebook page is the only online tool suggested in this IMC plan. The number of fans and how active young people are in the interaction with the company can be seen easily on the page and can evaluate how effective the Facebook page is compared to other tools.

## 5.8 Creative Brief

A creative brief is an agreement between advertising agencies and their clients on how an ad should be and what should be included in the ad. The purpose of a creative brief is to ensure the objectives and all of the support elements are clearly understood by both the company and creative teams. In the case of Mediatalo ESA, advertising agencies have been almost replaced by in-house agencies which are daughter companies of Mediatalo ESA. The role of each in-house company is described as below:

TABLE 10. Division of Tasks of In-House Agencies

<i>Task</i>	<i>Company</i>
<i>Television Commercial</i>	Esa Digital
<i>Newspaper Ad</i>	Esa Lehtipaino
<i>Posters &amp; Flyers</i>	Esa Print
<i>Contest</i>	Marketing team
<i>Direct Mail</i>	Design & Print: Esa Print Delivery: Esa Jakelut
<i>Facebook</i>	ESS.fi staff

**Background.** The IMC plan is set up based on the analysis of business environment of Lahti region as well as Mediatalo ESA's current situation to identify the problem and set the marketing communication objectives. The campaign aims at introducing the online newspaper ESS.fi with many platforms such as the iPad, iPhone, etc. The objectives are to gain the awareness of 90 percent of the target segment of this new offering and to achieve a slight increase of 5 percent in the number of subscriptions to ESS.fi.

**Target Audience.** There are two identified market segments based on some demographic factors. Segment A includes students from high schools and vocational institutes aged between 16 and 24 in Lahti region, most of whom have just moved out from their parents' home to live independently. Segment B focuses on a group of 25-34 year-old people who almost finish their study at local universities or educational institutes and have jobs with stable incomes.

**Thoughts and Feelings.** Normally, Mediatalo ESA is considered to be the biggest news publisher in Lahti region. The company is best known for two printed newspapers Etelä-Suomen Sanomat and Itä-Häme and some city journals. The customers, when subscribing to these papers, look for and expect to find regional events and incidents from these papers.

**Objective and Measures.** The perception that the campaign is trying to set in its target audiences' mind is that Mediatalo ESA offers the online newspaper ESS.fi as a new service to those who are in need of a more convenient way of reading

newspapers. ESS.fi is an integration of two online editions of printed newspapers and most recent updated news and events not only in Lahti region but also at a national level and foreign sources. Many platforms are provided so that readers can choose a concrete way to read the papers.

**Behavioral Outcome.** The ad is supposed to catch young people off-guard, make them curious about the online service ESS.fi, move to the next step of consumers' purchase decision process and search for information about the product.

Moreover, it is desirable that young people understand the company's attempt to build up a relationship with them, to be part of their community and to be one of the most relevant information sources, from which they can find news about the issues they are interested in.

**Messages.** With the slogan "NEWS IN YOUR PALM", the main message that the company is trying to transmit through the campaign is that ESS.fi always serves as a relevant source of information that provides up-to-date news in many aspects. Moreover, various platforms allow readers to access the service in the fastest and most effective way. The above slogan reflects almost completely the message.

**Tone of Voice.** Encouraging and modern style is applied in a way to make young audiences feel active and independent in their daily lives, with full of information sources of current events and happenings. They themselves can decide which source deserves to be their lead to the world of information.

**Reasons.** There are several complementary benefits customers will have when subscribing to the online newspaper ESS.fi

- Mediatalo ESA is the biggest media company in Lahti region
- Discount on a package of printed and online newspapers
- Full service warranty
- 24/7 customer service

**Schedule.**

16/12/2013 – 20/12/2013: present the creative review of the rough art, sketched with pencil



21/12/2013 – 23/12/2013: present revised creative ad. Half size, with color, hand or computer created

26/12/2013: finalize creative presentation

27/12/2013: creative & media presentation to the client. Full size, full color, hand or computer created.

30/12/2013: final material delivered to broadcaster / publishers.

## 6 CONCLUSIONS AND RECOMMENDATION

In this chapter, there are three main points mentioned starting with brief answers to the research questions in the first chapter. Coming to the findings, the whole research is evaluated in terms of reliability and validity. Last but not least, some recommendations are suggested to further plans of Mediatalo ESA.

### 6.1 Findings

The interview with two members of the Marketing Department and some e-mails from the Marketing Manager gave some insights into the current IMC plan of Mediatalo ESA. ESS.fi is a new product to the company which is reflected in low awareness results in the community and little media coverage. The reason for the inefficient IMC plan is the company could manage to identify neither specific target segment for each campaign nor realistic and specific objectives.

However, the company has been active in preparing itself for the transition from printed to online newspapers, resulting in the decline in advertising and printed paper subscriptions. The changes in the company's structure with the establishment of ESA Digital has proven the attempt at reducing costs of advertising production and other supporting tasks by employing in-house agencies including Esa Print, Esa Digital, Esa Lehtipaino and Esa Jakelut to operate a wide range of functions such as posters/flyers printing, graphic design, television commercial production, newspaper ad printing, distribution, etc. Moreover, the effort and investments in the customer service also offers great chances to the company to create its own competitive advantage.

The following table describes the suggested IMC plan for the year 2014 based on analysed primary data from the interview and secondary data about the business environment and current situation of the case company.

TABLE 11. Summary Table

RESEARCH QUESTIONS	FINDINGS
What promotional elements and marketing activities should involve in an integrated marketing communication plan which Mediatalo Esa can apply to achieve the customer-orientation of its online newspaper?	A combination of television commercial, newspaper ad, contest, direct mail and social network Facebook is planned.
What is the company's realistic objective of the planned integrated marketing communication plan?	<ul style="list-style-type: none"> <li>• 90 percent of target audience's awareness</li> <li>• 5 percent increase in online subscriptions</li> </ul>
Who is the target audience?	<ul style="list-style-type: none"> <li>• <b>Segment A:</b> aged between 16 and 24, high schools/diploma, live independently, Lahti region</li> <li>• <b>Segment B:</b> aged between 25 and 34, diploma/vocational, stable income, Lahti region</li> </ul>
What messages need delivering?	<ul style="list-style-type: none"> <li>• ESS.fi is a reliable online content in Lahti region</li> <li>• Many platforms allow ESS.fi to be accessed quickly and effectively</li> </ul>
How should the messages be communicated?	<ul style="list-style-type: none"> <li>• Encouraging and modern style</li> <li>• Speed up the participation in young people's community</li> </ul>
When do the communications need to take place?	APPENDIX 1

The suggested IMC plan helps solve the problem of lacking target segmentation and objective identification. The plan also applies the advantages of the company's structure to reduce the campaign's costs and strengthen the control of the company over their marketing and promotional activities. Besides, the focus on the offered ESS.fi makes the service itself more relevant and significant in the general marketing plan.

## 6.2 Reliability and Validity

**Reliability.** The interview with two members of the Marketing Department Anne Salminen and Katja Lindman took place 21<sup>st</sup> of December, 2012. The same questionnaire was used to ask for information from the Marketing Manager Jenni Grandell via e-mails at the beginning of 2013 without the participation of the previous responders. The results were exactly the same when the three participants were asked to evaluate the general situation and the current IMC plan of Mediatalo ESA. Moreover, by observing the sales features presented in the monthly meetings within the company, the promotional tools displayed in public places and the tasks operated by the staff, the results become more reliable. Later on, some surveys and questionnaires can be conducted to evaluate the effectiveness of the new IMC plan compared to the previous one. At the time, the results may somehow indicate the accuracy of the findings of this research. Therefore, the reliability level of the research can be considered to be good enough.

**Validity.** The questionnaire designed for the interview with two members of the Marketing Department and the e-mails with the Marketing Manager was about the current IMC plan of the company which included questions about market segmentation, structure of Marketing Department, promotional objectives, promotional tools and budgeting. The results find their own places in the suggested IMC plan which solves all of the problems the company has been facing in terms of the decline in total sales and the lack of objectives and target customers. As a result, the research managed to measure the main topics mentioned at the beginning of the thesis.

## 6.3 Recommendations and Suggestions

After the campaign, it is suggested that the evaluation process of the awareness level, the media coverage and the effectiveness of the IMC plan should be conducted carefully and thoroughly. The results should be collected and applied in a new plan which might have different objectives and target segments. It is important to see if the same target group still needs approaching or whether the

company can move on with different groups and set up a new strategy for the previous groups.

The changes in media convergence and the public interest in such media tools should also be studied in order to choose the appropriate promotional tools for new IMC plans for ESS.fi. A good combination of promotional tools always results in high media coverage and the ability of transmitting the messages to target audiences.

Each product/service has its own life cycle. At each stage of the cycle, the company needs to conduct specific analysis and study projects so that it will be able to predict some new trends in the market, some reactions of customers to the service ESS.fi and some emerged requirements from target segments. The changes in such factors may demand the adjustment of the current strategy as well as an IMC plan.

## 7 SUMMARY

The thesis is designed as an improved integrated marketing communications plan for the online newspaper ESS.fi published by Mediatalo ESA, a leading media company in Lahti region. The problem from which the research question emerged was identified due to the fact that ESS.fi was introduced into the market as 2008, so it can be implied that this is a new product to both the company and its customers. The awareness of customers of ESS.fi in the market has been low and the competition from big players such as HS.fi, Iltalehti.fi, Aamulehti.fi, etc. has been fierce. The thesis mainly focuses on two parts including theoretical and empirical sections.

In the theoretical part, the promotion mix consisting of various promotional tools is described in detail in terms of functions and benefits. Besides, the integrated marketing communications planning process which includes context analysis, promotional objectives, marketing communications strategy, promotional mix, scheduling, budgeting and evaluating, is described clearly. The bonus element which makes the thesis more relevant is the introduction of a creative brief in the attempt to exploit the creativity of the advertising agencies with their creative teams to develop the most effective and impressive campaign.

In the empirical part, the external factors of the Finnish newspaper industry are analysed in order to have a broader view of this mature market, the growth figures and the current trends in the market. Moreover, the competitor analysis is also constructed through SWOT analysis of Helsingin Sanomat and Aamulehti. Later on, internal factors such as the company presentation, product review and sales history are examined as a base for the suggested IMC plan. Following every single step of the IMC planning process, the plan tries to raise the awareness level of Mediatalo ESA's customers of the online newspaper ESS.fi and increase the number of subscriptions by the end of the year 2014.

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APPENDICES

APPENDIX 1.

Schedule of The Suggested IMC Plan

	01	02	03	04	05	06	07	08	09	10	11	12
<b>PUBLIC RELATION – CONTEST</b>												
Facebook												
Flyers												
Posters												
<b>ADVERTISING INITIATIVES</b>												
Newspaper Ad- Frontpage												
Newspaper Ad-Eye corner												
TV Ad												
Direct Mail												
Billboard												
Bus shelters												
Shopping Malls												
<b>ONLINE INITIATIVES</b>												
Facebook												

APPENDIX 2.

Semi-structured questionnaire the interviews with Project Managers of Mediatalo  
ESA

## Identifying Markets

- How many markets with unfulfilled needs can you define based on the result of previous researches?
- What are the main features of those markets?
- What are the reasons that cause those unfulfilled needs?

## Market Segmentation

- What kind of base have you used to segment the market in terms of geographic, demographic, psychographic, benefit segmentation?
- How many segments can you divide?
- Can you describe those segments?

## Selecting a Target Market

- In the defined market segments, how many of them did you decide to enter?
- In your opinion, what segment offers the most potential?

## Market Positioning

- What is the main focus of the company's current positioning strategy?  
Consumer or competition?
- What position does the company already have? (The answer should be from some researches)
- What position does the company want to have in future in terms of
  - ... product attribute
  - ... price/quality
  - ... use or application
  - ... product class
  - ... product users
  - ... cultural symbols
  - ... repositioning
- What companies does the company have to compete in order to achieve the goal?

## Internal factors

### Firm's promotional organization and capability

- Organization of promotional department
- Capability of the company to develop and execute promotional programs

- Determination of role and function of ad agency and other promotional facilitators

#### Review of firm's previous promotional programs and results

- Review previous promotional objectives
- Review previous promotional budgets and allocations
- Review previous promotional mix strategies and programs
- Review previous results of promotional programs

#### Strengths and weaknesses of product or service

- What are the strengths and weaknesses of product/ or service?
- What are its key benefits?
- Does it have any unit selling point (USP)?
- Assessment of brand image
- How does our product/ or service compare with competition?

#### External factors

#### Customer analysis

- Who buys our product?
- Who makes the decision to buy the product?
- Who influences the decision?
- How is the purchase made?
- What needs must be satisfied?
- Why do customers buy a particular brand?
- What social factors might influence the purchase decision?
- Do the customers' lifestyle influence their decisions?
- What do demographic factors influence the purchase decision?

#### Competitive analysis

- Who are our direct and indirect competitors?
- What key benefits and positioning are used by our competitors?
- What is our position relative to the competition?
- What message and media strategy are competitors using?

#### Environmental analysis

- Are there any current trend or development that might affect the promotional program?

## APPENDIX 3

### Price List of Newspaper Advertising on Etelä-Suomen Sanomat and Itä-Häme

#### COLUMN WIDTHS

	until 31.3.	from 1.4.
1 column	40 mm	39 mm
2 column	84 mm	82 mm
3 column	128 mm	125 mm
4 column	172 mm	168 mm
5 column	216 mm	211 mm
6 column	260 mm	254 mm

#### PAGE SIZES

front page 6 x 315 cmm  
text page 6 x 365 cmm  
double page 544 x 365 mm  
cmm = column millimetres

#### PUBLISHING DAYS

Itä-Häme is published six days a week (mon-sat), except the following days:  
Tuesday 1.1., Saturday 30.3., Monday 1.4.,  
Thursday 2.5., Friday 10.5. Saturday 22.6.,  
Wednesday 25.12. and Thursday 26.12.

#### EXPANDED DISTRIBUTIONS

Full coverage is delivered to every household in Heinola, Hartola, Joutsa, Pertunmaa and Sysmä. Delivery is in total 19 000 households. Full coverage dates: 9.1., 13.2., 13.3., 10.7., 14.8., 11.9., 9.10., 13.11. and 11.12.

#### COLUMN WIDTHS

1 column	44 mm
2 column	92 mm
3 column	140 mm
4 column	188 mm
5 column	236 mm
6 column	284 mm
7 column	332 mm
8 column	380 mm

#### PAGE SIZES

front page 8 x 485 cmm  
text page 8 x 510 cmm  
double page 780 x 510 mm  
cmm = column millimetres

#### PUBLISHING DAYS

Etelä-Suomen Sanomat is published every day, except the following days:  
Tuesday 1.1., Sunday 31.3., Monday 1.4.,  
Thursday 2.5., Saturday 22.6., Sunday 23.6.,  
Sunday 3.11., Wednesday 25.12.  
and Thursday 26.12.

#### ADVERTISMENT MODULES

Front page	
Module	€
1/1 (6 x 315)	4 706
1/2 (6 x 180)	2 689
1/3 (6 x 130)	1 942
1/3 (4 x 180)	1 793
1/3 (2 x 315)	1 569
1/6 (2 x 180)	896
1/8 (2 x 130)	647

Last page	
Module	€
1/1 (6 x 315)	4 007
1/2 (6 x 180)	2 290
1/3 (6 x 130)	1 654
1/3 (4 x 180)	1 526
1/3 (2 x 315)	1 336
1/6 (2 x 180)	763
1/8 (2 x 130)	551

Text pages	
Module	€
1/1 (6 x 365)	4 117
1/2 (6 x 180)	2 030
1/4 (3 x 180)	1 015
1/8 (3 x 90)	508
1/16 (2 x 65)	244

Target positions, eye corner 1/22 (2 x 50)	
Page	€
3. page and last page	120
Opinions, TV- and Radio page	100

#### ADVERTISMENT MODULES

Front page	
Module	€
1/1 (8 x 485)	17 072
2/3 (8 x 340)	11 968
1/4 (8 x 140)	4 928
1/5 (6 x 140)	3 696
1/7 (4 x 140)	2 464
1/14 (2 x 140)	1 232

Target positions, pages 3-4	
Module	€
1/4 (8 x 140)	4 088
1/5 (6 x 140)	3 066
1/7 (4 x 140)	2 044
1/14 (2 x 140)	1 022

Target position page 5	
Module max.	€
1/4 (2 x 510)	3 723

Text pages	
Module	€
1/1 (8 x 510)	14 076
1/2 (8 x 250)	6 900
1/4 (4 x 250)	3 450
1/8 (4 x 125)	1 725

Last page	
Module	€
1/2 (8 x 250)	7 800
1/4 (4 x 250)	3 900
1/16 (2 x 140)	1 092
1/20 (2 x 105)	819