#### **Abstract**

This thesis provides an analysis of how an online business can increase its brand awareness through internet marketing efforts. The analysis is focused on two main fields, brand awareness and digital world, and backed by an empirical analysis of an online webshop LinenMe.

In the business society as it is today, Internet has become a necessary tool for companies doing business internationally. In order for a company to be profitable and achieve competitive advantage, it needs to be present in consumers' minds. This can be reached by increasing brand awareness of a certain product or a brand. This thesis proposes the roadmap to achieve higher brand awareness by focusing on stakeholders and on online tools (e.g. social media). This thesis also principally addresses the strategic importance of brand awareness through the development of brand equity and brand image among customers. Moreover, the analysis shows that brand awareness can be enhanced through different methods, such as word-of-mouth or recommendations.

Using the touchpoint model, it is presented that LinenMe can obtain a foundation for increasing its brand awareness and strengthen its customers' relationship after sale. Therefore, the results show that, by putting into practice a social network strategy, maximizing the brand presence in search engines and by giving a good customer service, the brand awareness and reputation of the brand will be enhanced and thus will lead to company's success.

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Action is the foundational key to all success. Pablo Picasso

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### 1. Introduction

New shopping methods have been developed in the last years due to a huge technological progress. This has led to a rapid growth in online-store shopping (Sharma and Sheth, 2004; Thompson, 1997), which allows consumers and businesses to reach products and services everywhere in the world without physical presence.

Online retailers have had rapid development in the last few years; the number of webshops has increased notably (Miyazaki and Fernandez, 2000). A few highly successful world-famous webshops have been on the internet for many years now, namely, Amazon and eBay. However, everybody can be a potential retailer at some point in time: by either opening a web shop, which has become much easier in recent years, or by merely selling a few personal items on one of the online marketplaces.

This new trend allows that most products/services can be purchased fast, conveniently and from home (Davison et al., 1982; Eroglu *et al.*, 2003; Rosenberg and Hirschman, 1980; Sheth, 1983). The key barrier of consumers for doing online shopping is security and trust (Gefen *et al.*, 2003). However, factors like high level of education or high income allow having a more favorable perception of online shopping (Bigne *et al.*, 2005), which in the end builds trust and loyalty. It is added that long exposure to technology helps develop favorable attitudes towards online shopping.

There are a lot of factors influencing a consumer in the purchase decision process. Different stakeholder groups are the influencers in this process (Frooman, 1999); therefore, it is important to study their behavior to successfully run a business. Price is another important factor. Due to the global financial crisis, consumers have become even more price-conscious, which means businesses need to be even more cost-driven or more focused on building awareness and strong brand equities. In this research study, the author analyzes how to increase brand awareness in the digital world and how different stakeholder groups can help in the process. To apply theory into practice, an analysis of a web shop called LinenMe is carried out.

LinenMe brand offers finest linen tablecloths, linen towels, luxury bed linens, curtains and upholstery fabrics. The company's headquarters are based in Surrey, United

Kingdom; however, the products are sold all over the world thanks to its online platform. To increase the research accuracy, the case study is focused only on the Danish market. Moreover, the author finds it interesting to focus only on the Danish market as Denmark is one of the countries where people consume most organic products in the world and where organic products have the largest market share (Panel Debate 2013, www.organicdenmark.dk). Besides, the sales of organic products have been increasing compared to conventional products. According to organicdenmark.dk website, Danes will spend even more money on organic products in the coming years. This can be a clear advantage for LinenMe as the company positions its product as "green" and ecological.

As a company, LinenMe is very peculiar and interesting to study because it is approaching and doing business in the Danish market without having any office or any employee present in Denmark. Foreign companies could learn how to do online business in Denmark without the need of being physically present in the country, based on their business model. The company has several dispersed employees and a family-owned operations center in Lithuania, a country with old traditions of linen-production. It is crucial to note, that the company is still driven by local (Danish) consumer knowledge and understanding; it services consumers in Danish language. Moreover, it employs people who are familiar with Danish culture, which is crucial to understand as it affects the way in which consumers think and behave (Madupu and Cooley, 2010). This case proves that Internet allows companies being present anywhere without having to have an office or a representative person.

### 1.1. Problem formulation and research question

After doing an intense research about the research question, which is *how can an online company increase its brand awareness through its different stakeholders*, it can be noted that there is limited scientific research or literature about the subject. Hence, the thesis will dig deeper in this matter. More specifically, several sub-questions will be answered, such as:

- How can a web shop increase its brand awareness? What is brand awareness in the virtual environment?
- What are the customer's touchpoints in a web shop? How can they improve brand awareness?
- Is the brand awareness in a web shop different than brand awareness in a physical shop? In which way?
- How can a foreign company learn doing online business abroad (specifically,
   Denmark) without having to be present physically in the country?
- How can a company engage more customers digitally?

#### 1.2. Structure

In this section the structure of the thesis will be outlined. The thesis is divided into 6 chapters.

In chapter 1, an introduction to this thesis is presented. The introduction together with the problem formulation gives the reader a clear overview of the topic of this thesis. This section aims to introduce the reader to the discussion by briefly outlining the main points that this thesis will cover. In this section the reader can also read about the delimitations that the author had while writing this thesis.

In chapter 2, the author gives an introduction to the scientific and methodological framework of this thesis. More precisely, this section sets the scene for how the author perceives and deals with the thesis' area of research. It also provides a clear image of which steps were taken through the entire writing process. It specifies which path was followed by the author to develop and discuss the main topic.

In chapter 3, the main brand awareness theories are presented and analyzed. By analyzing different theories, the author creates the basis for further discussion. In chapter 4, the virtual world and its main elements are described and analyzed. In

chapter 5, the company and the industry are presented. The main brand awareness theories are applied to the company of the case study. In chapter 6, the research study findings are discussed, while chapter 7 contains the concluding remarks and main findings of the thesis, which answer the research question and gives a brief overview of the main topics of this thesis.

## 2. Methodology

This section of the paper aims to present which scientific methods and methodological framework the author has used to solve the research question of this thesis. The author established the initial contact with Mindaugas Zeromskis, responsible of LinenMe.dk (LinenMe Denmark) in a workshop at Copenhagen Business School. Since the author was organizing his Master thesis back then, the author proposed M.Zeromskis if he wanted to cooperate and participate in his Master thesis. The author saw an opportunity to contribute to LinenMe success in the Danish market and an interesting topic for his Master thesis. Therefore M.Zeromskis was asked to collaborate and he accepted.

The author acknowledges the fact that this thesis deals with some limitations that stem from the scientific method used. First, this piece of work is based on a qualitative method in which there is no quantitative proof for the conclusions (Eisenhardt, 1989). Because of the difficulty of getting responses from many LinenMe Danish customers, the author decided to approach a qualitative method, also in order to obtain a more realistic evaluation and a more accurate picture of the reality.

The theory will be applied in this thesis through a case study. "The case study is a research strategy which focuses on understanding the dynamics present within single setting" (Eisenhardt, 1989, p. 534). The case study of this thesis involves only one company. The author decided to focus only on one company and analyze it from the core instead of analyzing various companies and, as Yin (1984) discusses, it is perfectly fine as case studies can have several levels of analysis within a single company. According to Yin (2004) a case study fulfills the three principles of the qualitative method, which are describing, understanding and explaining a contemporary phenomenon in its realistic context.

Developing theory from a case study research is a highly iterative process (Eisenhardt, 1989). The research that was made to write this paper also involved a sequence of steps back and forth. During the research process the interview was chosen as a method for collecting primary data. Five extensive interviews were carried out: two

with Mindaugas Zeromskis from LinenMe, one with Jan Nielsen, an experienced Danish graphic designer and 2 interviews with two Danish customers. All the interviews were recorded and the manuscripts of all the interviews can be found as appendices.

Interviewing a graphic designer is relevant to this thesis as brands and brand awareness are very connected to design. Consumers' first impressions are highly influenced by the design of the product, the design of the brand logo, the typography of the brand name, the brand name, etc. Design is what consumers first perceive or see through their eyes. Whether consumers like it or not is another issue, but the first image that consumers receive in their brain has to provide a positive feeling in order to make them remember the brand and consider it in future purchases. Hence, the evaluation of a graphic designer is beneficial for this thesis. The author met Jan Nielsen at the author's part time job in a student organization at Copenhagen Business School, called CBS Students. J.Nielsen made some work for CBS Students and also offered his help in this thesis.

The two customers were selected by LinenMe representative, Mindaugas Zeromskis. The contact details were provided by Mindaugas to the author with the permission of these two customers. More customers were contacted by Mindaugas to interview them, however, only two of them accepted to be interviewed. This represents one possible bias, as more, varied and richer data could have been gathered if more customers were interviewed. Therefore, the author is aware of the limitation of having only two customers being interviewed. Having only two customers' interviews is a good starting point for this thesis as their responses were very elaborated and full of interesting points. The fact that these two LinenMe customers accepted to participate in the interviews is a positive fact as they took time and effort selflessly in this project, which can mean that they have had positive experiences with LinenMe. Both interviews were also physical interviews and they took place in the Royal Library in Copenhagen (Det Kongelige Bibliotek). In order to make it easier to apply the touchpoint model, the questions for the customers' interview were also grouped in three sections: before the purchase, during the purchase and after the purchase.

Another bias of interviewing LinenMe customers is that they are already customers. They have already bought some products from LinenMe, which means that they have had a first positive perception of the brand.

To improve reliability of the findings and remove any possible bias, the suggestions of Eisenhardt (1989) were followed, and alternated interviews with empirical evidence were used. An *interview* can be defined as "a conversation in which one person (the interviewer) elicits information from another person (the subject or interviewee). A transcript or account of such a conversation is also called an interview" (Nordquist, About.com Guide). Nordquist adds that an interview is one of the most used research methods. Pope and Mays (2006, p. 12) mention that "interviews are the most commonly used qualitative technique". According to these authors, there are three kinds of interviews: structured, semi-structured and in-depth. This thesis contains only semi-structured interviews which contain mostly open questions. In order to make the interview more structured, the interviewer had an interview schedule with all the areas that needed to be covered. For example, in one of the interviews, the questions were grouped into ten segments (customers, suppliers, competitors, employees, founder, purchase, brand building, promotion, financial status and distribution).

After all the interviews were made with LinenMe representative M.Zeromskis, follow-up questions were asked via Skype calls for most of the answers – aiming to get richer data. Secondary data were also used in order to balance the weak aspects of the interview method.

Several sources of data were used to assure a good and effective triangulation in this thesis. Denzin (1978) defines triangulation as "the combination of methodologies in the study of the same phenomenon" (Denzin, 1978, p. 291). Hence, the author of this thesis combines empirical evidence with quantitative and scientific data on the same topic in order to obtain several reference points that will help to find out the real position of the phenomenon analyzed.

On the one hand, the author considers that brand awareness is one of the first and most important steps to make a business successful. If the customer does not know the existence of a brand, he/she will never purchase a product of that brand or even

take that brand into consideration. At the same time, the number of online brands and webshops has increased tremendously in the last years. Hence, this thesis mainly focuses on brand awareness in the virtual world. The author is aware of the concepts that derive from brand awareness (for example, brand loyalty, reputation, brand identity, etc.). These concepts will be discussed and their connection with brand awareness will be analyzed in order to get better conclusions.

## 2.1. Ontology and Epistemology

Ontology analyzes how the world is in reality, how the world is constituted, and thus the researcher assumes how the world operates (Sauders et al., 2006). In relation to this thesis, the ontological assumptions are made to study LinenMe virtual brand awareness. Epistemology identifies how and if we are able to know something about the real world (Fuglsang and Olsen, 2004). According to Fuglsang and Olsen (2004) epistemology relates to whether true knowledge exists and how are we able to know if this knowledge is true.

This thesis adopts a modern objectivistic epistemology, which mainly says that human knowledge is mainly reached through reason. Thus, the human mentality understands the world abstractly and logically (Thomas, 2012). In a modern objectivistic epistemology, science does not provide an objective truth of the world; science objectively explains the world through observation or through the logic explanation of reality (Thurén, 2004). This has implications for this thesis, as the author has collected data through the method of observation. The author perceives the world full of hypotheses. Knowledge was gathered by the author; however, its truthfulness is uncertain.

#### 2.2. Extensive Literature Review

According to Peng and Zhou (2006), a good research topic is constituted by "originality embodied in interesting questions, novel data, willingness to engage conventional

wisdom [...], and the necessity to have a strong passion, take risk, and craft exceptionally well written pieces". All these requirements are being addressed throughout the paper, and numerous sources of literature related to *Branding*, especially related to *Brand* awareness, are analyzed. While studying the branding field, the most beneficial authors were Aaker, Kapferer and Keller.

### 2.3. Research approaches

A research project design can be inductive or deductive in nature. In order to analyze theory and apply it in the case scenario data has to be collected and then analyzed to draw conclusions. This implies that an inductive method will be selected to answer the research question in this thesis. "The purpose would be here to get a feel of what was going on, so as to understand better the nature of the problem" (Saunders *et al.*, 2006, p. 118). This approach allows the researcher to understand the ways in which social agents sense the world.

There are three types of research design: exploratory research, descriptive research and casual research (Hair *et al.*, 2007). This thesis will adopt an exploratory research, in which a problem or situation will be investigated in order to let the author identify insights. Methods such as interviews, experiments, and other tactics will provide sufficient information (www.businessdictionary.com). One of the aims of this thesis is to discover new ideas and concepts about brand awareness in the virtual world; hence, an exploratory research is the most appropriate. According to Hair *et al.* (2007), an exploratory research will help to better understand the situation.

## 3. Brand awareness in Marketing

"The power of a brand resides in the minds of customers" (Keller, 2008)

A brand is "a name, term, sign, symbol, or design, or a combination of them which is intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors" (Heding et al. 2009, p. 9). A brand represents value for customers and companies (Hakala *et al.*, 2012). The role of brands has been changing over the history. They were a designed means to get and conserve customers (Hatch and Schultz, 2009). However, nowadays brands play a much more important role in the purchasing decision of a product (Kathuria and Jit, 2009).

Brands help in building emotional relationships with customers, which in turn brings tangible returns for the whole organization in terms of customer loyalty and identification of the customer to the brand (Kathuria and Jit, 2009; Hagel and Armstrong, 1997; Chaffey *et al.*, 2000). One of the top goals for any brand manager is to strengthen the relationship between customers with brands (Gummesson, 2002). For any company, having a strong brand is a very valuable asset (Aaker, 1991, 1996; Keller, 2003; Aaker and Jacobson, 2001). However, in order to survive among its competitors, a brand needs to offer something distinctive or unique (Farhana, 2012). Products can be copied but not the brands (Christiansen *et al.*, 2009).

Brands give a product a sense of uniqueness with regard to their competitors and develop and create an attachment between the brand and a customer (Rafi *et al.*, 2011). According to Kotler (2006), a brand adds dimensions and differentiates a product in some way from others products designed to satisfy the same need. Differentiation is an important factor that a brand should bring (Farhana, 2012). A successful brand is, therefore, an identifiable product, service, person or place, improved in a way that the buyer or user perceives it relevant, unique and matching their needs. Christiansen *et al.* (2009) indicate that "a valuable brand will endure in the customers' minds" (Christiansen *et al.*, 2009, p. 322). Furthermore, the success of a brand results from being able to sustain these added values among their competitors (de Chernatony & McDonald, 1998).. According to Farhana (2012), in today's

marketplace it is important to build, maintain and use brands to achieve strategic advantage.

According to Macdonald and Sharp (2000), one of the main aims of marketing is to generate and maintain brand awareness. It is easy to believe that marketers consider brand awareness and brand recognition as two of their top objectives for their online marketing efforts (Hollis, 2005). Gulati and Garino (2000) argue that nowadays companies hope to reach profitability more rapidly, and the fastest way to reach global brand awareness is through online channels.

#### 3.1. Brands and Stakeholders

As mentioned previously, brands are in mutual relationship with its stakeholders. By stakeholders the author means all the actors that have any kind of relation with the brand, like customers, suppliers, employees, and competitors.

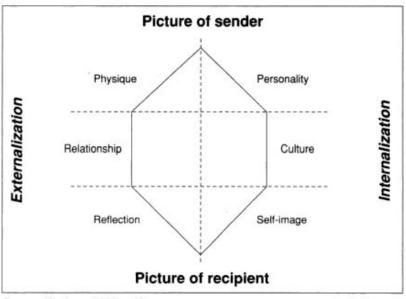
Internal brand commitment involves the stakeholders' engagement in the branding strategy (Sartori *et al.*, 2012). *Organizational* communication is any kind of communication with stakeholders with whom a company has contact with (Abratt and Kleyn, 2012). Nowadays branding is changing its domain from the product-consumer relations of product branding to company-stakeholder relations (Hatch and Schultz, 2009). Brands represent much more than just products, services, or a company that stands behind them; a brand represents the whole vision and all the interests that unite different stakeholders in the aim to achieve a common goal. Hatch and Schultz (2009, p.122) introduce in their article a new concept: "enterprise branding". The term implies that "brands are interpreted and judged by all who touch them". The entire company must be taken into consideration in all the different brand management practices in order to understand its stakeholders.

Employees have a big role in the life of a brand; it is important for employees to "understand where the organization is going and how it will get there" (Murphy, 2007, p. 30). Murhpy suggests that employees' education must take place to strengthen the

organization. It is vital for a company that its employees understand the company's values, as employees are important spokespersons of a brand (Christiansen *et al.*, 2009). In addition, customers might create an attitude towards a brand (Romaniuk and Sharp, 2004). They will remember their experience with certain brands when making a purchase.

Corporate branding has been defined as a "move towards conceiving more integrated relationships between internal and external stakeholders linking top management, employees, customers and other stakeholders" (Schultz *et al.*, 2005, p. 24). Corporate expression includes the organization's visual identity, brand promise and brand personality. It also includes how these facts will be communicated to the stakeholders (Abratt and Kleyn, 2012). These authors point out how important it is to create brand image in the minds of stakeholders. Stakeholders might be able to create brand images through the provision of good brand experiences. These good experiences will strengthen the relationship between stakeholders and the brand (Abratt and Kleyn, 2012).

In the same line, the article of Bronn *et al.* (2006) shows that successful branding also depends on having a consistent communication with stakeholders, which will lead to reinforcement of the organizational credibility. Stakeholders form images and communicate them to other stakeholders. This information can be seen as important feedback that can help a company to understand itself better (Hatch and Schultz, 2009). In relation to how other people (external stakeholders, e.g. customers, competitors, etc.) see the company and how the employees (or internal stakeholders) perceive it, Kapferer (2004) suggests the brand identity prism. Kapferer's brand identity prism is connected to brand awareness in a sense that, in order to get consumers remembering the brand, the image that the brand is giving needs to be aligned with the image that consumers perceive about that brand.



Source: Kapferer, 1992, p 38

The prism consists of six different aspects. *Physique* refers to the main brand purpose. The brand *personality* allows consumers to express their "self" through the use of a specific brand (Heding *et al.* 2009). Christiansen *et al.* (2009) indicate how there is a personality linked to every brand. All the employees of the company need to keep the brand personality active and alive. Consumers can identify themselves with the personality of a brand and can hence use the brand to construct their own identity. The *culture* is the strongest dimension in the prism. It is often provided by the people who are connected to the brand and have some kind of "*relationship*" with it. The brand will create a *reflection* of the type of person that consumes a brand and how this person will identify himself/herself with the brand. The target group's internal picture is called the *self-image*. It is very important that the image or perception that the external stakeholders have about the company matches with the image that the company is giving. Schultz and Hatch (2003) mention that there should not be a gap between the intended identity that companies communicate and the image that customers perceive.

Christiansen *et al.* (2009) identify two possible gaps: a gap between identity and product and a gap between product and image. "The product can meet expectations only if both gaps are closed" (Christiansen *et al.*, 2009, p. 322). In order to create the right brand identity, brand salience with customers' needs to be achieved (Keller, 2001). Keller indicates that brand salience is related to how often and easily can a

brand be evoked under different situations, or in other words, how easily a brand is recalled or recognized.

## 3.2. The evolution of the brand awareness definition

Brand awareness plays an important factor in any consumer choice decision. When a consumer faces a set of different brands, the brand with the highest brand awareness will be preferred, despite the quality and prices of the other brands (Macdonald and Sharp, 2000). Hence, a deep analysis of the concept of *brand awareness* will be provided. Brand awareness is a term which has been defined by many different authors since long time ago. Every author contributes in some way to get a wide overview and a complete definition of this relevant term. Brand awareness definitions will be organized chronologically.

One of the first definitions of this term is from Kanungo and Dutta (1966) who reported that brand awareness is more efficient if the brand name is highly meaningful than if it is of low meaningfulness, and that brand awareness of high-utility products is superior to that of low-utility products. In addition, they suggested that the technique of measuring meaningfulness of verbal labels could be used by the advertisers for the purpose of brand naming (Kanungo and Panda, 1964a, 1964b; Noble, 1961).

Two years later, Assael and Day (1968) expressed the idea of brand awareness being based on unaided brand recall. This pioneer idea was, later on, taken by other authors. Keiser (1975) stated in his article that managerial judgment and experience must be used when evaluating all the costs of securing brand awareness. Some years later, Rossiter and Percy (1987) related brand awareness to the strength of the brand node or trace in consumers' memory, as well as reflected by consumers' ability to identify or recognize the brand under different conditions.

In 1990, brand awareness was defined by Hoyer and Brown (1990) as an elementary level of brand knowledge involving recognition of the brand name. They argue that awareness represents the lowest end of a continuum of brand knowledge that scopes

from simple recognition of the brand name to a highly developed cognitive structure based on detailed information. Recognition is the process of perceiving a brand as previously encountered (Mandler, 1980). For Hoyer and Brown (1990), brand awareness is the major reason behind a consumer repeat purchase decisions. They point out that building brand awareness increases the probabilities of choosing a specific brand. They also add that brand awareness is a frequent choice tactic among inexperienced consumers facing a new decision task. Hoyer and Brown (1990), Srinivasan *et al.* (2005) and Farris *et al.* (2010) concluded that brand awareness notably influences consumer choice.

Nedungadi (1990) notes that having a high level of brand awareness will develop the trade to stock the brand, and this will provoke high brand availability and high brand choice probability. He adds that brand awareness is a necessary precondition for choice.

One year later, some new definitions came out. Rossiter and Percy (1991) claim that brand awareness is the essential first step when building a brand. They also argued that, when many options are present at the time of purchase (e.g., brands on a supermarket shelf), aided awareness is relevant; when they are not, spontaneous awareness should be used. Rossiter and Percy (1991) note that brand awareness is not always about the brand name but can be also about the color, shape of the packaging or other associated distinctive brand features. Aaker (1991, p.61) wrote about "the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category".

Aaker (1991) classifies brand awareness using a three-layer hierarchical format: first, the lowest level of awareness, brand recognition, is mainly based on an aided recall test; second, moderate level awareness, brand recall, is based on asking a person to name the brand in a certain product category and is also known as "spontaneous awareness" (Laurent *et al.*, 1995); and third, the highest level awareness, *top-of-mind awareness* (TOMA), which is the first brand being named in an unaided recall task (Aaker, 1991; Kucuk, 2010). Top-of-mind awareness takes place when a certain brand is recalled on the first place from a particular product category and is considered a

good indicator of how consumers develop their own preferences towards the brand (Hakala *et al.*, 2012). Brand awareness is considered as one of the key pillars of a brand's consumer-based brand equity (Aaker, 1991).

In 1992, Percy and Rossiter discuss brand awareness again as follows:

"... remembering the brand name is not necessary since the brand awareness may proceed by brand recognition. In other words, when a brand is recognized at point of purchase, brand awareness does not require brand recall. This is a key point in the consideration of brand require brand recall. Brand recognition and brand recall are two separate types of brand awareness. The difference depends upon the communication effect that occurs first in the buyer's mind: category need or brand awareness" (Percy and Rossiter, 1992, p. 264-5). Brand awareness is also discussed in dimensions of *brand recognition* and *brand recall* Kucuk, 2010).

Keller (1993) defines brand awareness as a brand recognition and brand recall performance. Brand recognition relates to consumer ability to confirm previous exposure to the brand when given the brand as a cue. It requires that consumers correctly discriminate the brand as having been seen or heard anteriorly. Brand recall relates to consumer ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or some other type of prove as a cue.

Laurent *et al.* (1995) describe brand awareness as a marketing concept used for measuring consumers' knowledge about the existence of a brand. It also shows the familiarity indexation of the brand. They also discuss how spontaneous awareness is a key factor in consumer behavior, as a well-known brand has more chance to be purchased than other less well-known.

As mentioned before, there are three widely used measures of brand awareness: top-of-mind, spontaneous and aided. Top of mind, or the first brand recalled in response to the product category cue, was one of the first brand awareness measures to get attention. Spontaneous awareness (e.g., unprompted recall of the brand name) and aided awareness (e.g., recognition of the brand name when prompted) are the other two commonly used measures (Laurent *et al.*, 1995; Romaniuk, *et al.*, 2004). Salience is

defined as the propensity of remembering a certain brand in a purchase situation (Romaniuk *et al.,* 2004). They discuss how improving the brand's salience is required in building brand awareness.

Aaker (1996, p.10) defines brand awareness as "the strength of a brand's presence in the consumer's mind". The author informs the readers that a brand is purchased because its name and symbols are familiar to the customers and create a comfortable feeling in them.

Brand awareness has been argued to have important effects on consumer decision making by influencing notably which brand(s) enter the consideration set. It also influences which brands are selected from the consideration set (Macdonald and Sharp, 1996). Brand awareness affects the latter as well through its use as a heuristic for choice (e.g., "I'll choose the brand I know") and its influence on perceived quality, (e.g., "I've heard of the brand, so it must be good"). Brand awareness is an important choice tactic for consumers when facing a new decision task (Macdonald and Sharp, 2000).

Keller (2001) describes building brand awareness as the way of making sure that potential customers know the categories in which the brand competes. He sees brand awareness as the basis of their equity model, as all other brand objectives then build on it. For him building brand awareness means making customers understand the product category in which the brand competes. It is important to create a strong and clear link to products sold under the brand name. According to Keller (2001), brand awareness has two dimensions: depth and breadth, which refers to how easily costumers can recognize the brand. In 2003, Keller defined Brand awareness as "the strength of the brand node or trace in memory" (Keller, 2003, p. 64). He discusses how strong, favorable and unique brand associations can improve brand preference.

Similarly, Ye and Van Raaij (2004) note in their article that brand awareness is notably related to brand recognition memory and connect brand awareness with the term "brand likeability". The authors add two new brand awareness categories, awareness sensitivity and awareness bias. Awareness sensitivity is the consumer ability for detecting brands that they have seen before from the brands that they have not seen

before. And awareness bias takes place when the consumer responds to a mix of brands, some of them seen before and others unseen before. In order to build a strong and solid brand awareness in consumers' memory is important to attract consumers' attention (Ye and Van Raaij, 2004).

Romaniuk *et al.* (2004) express that consumers rely on their memory when deciding what to purchase, even when all the options are in front of them. Consumers retrieve information from their memories.

In 2005, Srinivasan *et al.* proved that brand awareness is an important source of brand equity by incorporating the effects of improving brand awareness. Brand equity is the "incremental contribution per year obtained by the brand in comparison to the underlying product with no brand-building efforts" (Srinivasan *et al.*, 2005, p. 1433). These authors suggest that advertising can be very favorable for brand awareness and brand image. They add that the more money that a company spends in advertising, the more that its brand awareness will be increased. Various authors clarified that brand awareness is positively connected to consumer recognition, recall, knowledge dominance, and recall performance of brands (Kim *et al.* 2008; Lee and Back, 2008; Oh and Jeong, 2004; Valkenburg and Buijzen, 2005). Another brand awareness definition is found from 2008, when Keller points out that brand awareness refers to whether or not consumers can recall or recognize a brand, or simply whether or not consumers know something about a specific brand (Keller, 2008).

Another way of approaching the issue of brand awareness is the association between brand awareness and buyer behavior (Assael and Day, 1968; Hoyer, 1984; Nedungadi, 1990; Macdonald and Sharp, 2000). Heding *et al.* (2009) state that building brand awareness meticulously and carefully is one of the important first steps to take into consideration when marketing any brand. "Brand awareness might be the most important use of heuristics (the simplifying strategies) where consumers choose the well-known brand because it facilitates the choice process" (Heding et al. 2009, p. 104).

Kucuk (2010) proposes a new brand awareness concept, called "push-based brand awareness". Push-based awareness is created by in-store merchandising. Consumers

with no clear preferences are likely to be influenced by available brand in out-of-stock situations. Similarly, the author analyses how distribution and product availability might cause or enhance brand awareness. In addition, Kucuk (2010) adds that brand recall and recognition should be investigated in terms of media advertising to make better investments decisions related to increasing brand awareness. This can be the base of future brand loyalty and repeat purchases.

According to Huang and Sarigollu (2011), brand awareness can be built through some marketing mix elements, such as: *advertising*, which affects brand awareness positively by repeatedly exposing brands to customers and also increasing the chance of a brand being included in a consumers' consideration set; *distribution*, which enables a link between a brand and a product category; and *price promotion*, which also helps building brand awareness.

Yaseen *et al.* (2011) assure that profitability performance has a positive relationship with brand awareness. Dabija and Abrudan (2011) discuss how brand awareness together with other behavioral indicators like image, sympathy, trust, satisfaction or loyalty, are some of the main factors that contribute in a very efficient way to the creation of solid brand equity.

Farhana (2012) relates brand awareness to the strength of a brand in consumers' memory, as well as consumer ability to recognize different brand elements (e.g., brand name, logo, symbol, character, packaging and slogan). One of the approaches that a company can adopt to increase brand awareness and familiarity among its target consumers is differentiating approach of different brand elements (Farhana, 2012). Consumers easily recognize a brand if it has different factors than other brands.

The figure below presents the development of the concept of brand awareness through the last 40 years.



## 3.3. Customer-based brand equity model

Building strong brand is one of the main purposes of any company. To help companies achieve this goal, Kevin Keller (2001) developed a model called the customer-based brand equity (CBBE) model, which explains how brand equity should be managed.



Source: Keller (2001)

Keller (2001, p. 15) argues that "... the power of the brand lies in what customers have learned, felt, seen, and heard about the brand". A brand can be very powerful when it resides in customer's mind. Marketers have to make sure that customers get the right type of experience from the brand in order to make the customer achieve the desired thoughts, feelings, images, perceptions, and attitudes towards the brand (Boo *et al.*, 2009).

The customer-based brand equity model suggests four steps to the process of building a strong brand (Lassar *et al.*, 1995; Keller, 2001): identification of the brand in the customers' mind; clarifying the brand meaning in the customer's mind; obtaining the proper customer responses to this brand identification and brand meaning; and transforming brand response to create customer loyalty.

According to Keller's model, the main questions that a customer asks about a brand are:

- 1) Who is the brand? Identity
- 2) What is the brand? Meaning
- 3) What do I think or feel about the brand? Responses

4) Which kind and how much of a relation would I like to have with the brand? - Relationships

Keller (2001) approaches the issue of building a strong brand by suggesting four criteria that are crucial in order to create a strong brand. These are *quality*, *credibility*, *consideration* and *superiority*. Veloutsou (2007) suggests that, to build a consumerbrand relationship, the brand must play the role of a"friend".

### 3.4. Awareness concepts and theories

A brand interacts and makes impressions on customers, employees, and other stakeholders (Aaker, 2002). There are several ways in which a brand can reach or touch its customers. Each of these touches is called *brand touchpoints*. "Touchpoint is the interface of a product, a service or a brand with customers, non-customers, employees and other stakeholders – before, during, and after a transaction, respectively" (Davis and Dunn, 2002, p. 232). The author of this thesis considers the touchpoint model greatly relevant to this thesis because, as Aaker (2002) informs the readers, with every touchpoint, you raise your brand awareness if you are in touch with your customers. By keeping an active and efficient brand touchpoint, the company can assure a longer-term brand relationship with its customers and a deeper brand loyalty. The touchpoint model analyzes all the pre-purchase, during purchase, and post-purchase experiences.

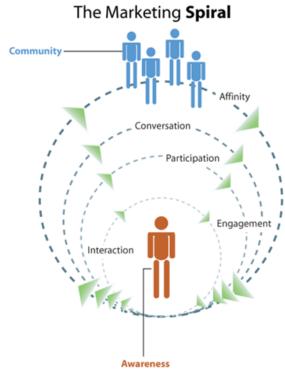
It is important to take into consideration the brand touchpoint model as it can help increase brand awareness as customers normally notice the brand before the purchase decision (e.g. website, word of mouth, recommendation), during the purchase (while purchasing), and after the purchase (by giving a post-purchase service to customers). When the employees are aligned with the brand strategy, they will spread the right brand expression to their customers at every touchpoint (Murphy, 2007).

Furthermore, David Armano (2007) suggests a new model that derives from the proliferation of interactive technologies and how these new technologies have altered

consumer behavior. Armano discusses how consumer behavior could be explained through a spiral model that begins with an interaction and, the more the spiral extends

itself, the more the consumer gets engaged to a brand or product. The process goes from interaction to engagement, then to participation, then conversation, then affinity and, finally, to community. When a consumer accepts and appreciates brand's characteristics, he/she will commit and engages himself/herself to the brand (Veloutsou, 2007).

Armano (2007) indicates that, most of the times, customer's first contact with a brand is happening through a digital touchpoint (e.g. a website). Sometimes a consumer hears about a brand from a friend or from a



Source: Armano (2007)

family member (the concept of word-of-mouth). Then he/she interacts with the brand by trying it, which leads to a deeper level of engagement. This action can itself add more cycles to the spiral. First, the consumer gets engaged with the brand. Then, he/she begins to participate. Then, the consumer consumes the brand. After that he/she talks to each other about how great the experience is. At that point, they become spokespersons of the brand. The spiral expands as the consumer engages with more touchpoints – not only the digital ones, but also the physical ones (Armano, 2007).

If the brand experience is positive, consumers who feel the same way gather together and form groups. In these groups, consumers share interests and experiences. Then, a new consumer hears about the brand, and the spiral process starts again.

Customers are one of the most important stakeholders that exist. They can help to increase the brand awareness notably (Keller, 2001). Thus, brand awareness is connected to brand loyalty as satisfied customers or loyal customers will help to

spread the word of buying specific brands by the method of "word-of-mouth" and, therefore, the awareness of the brand will be increased (Hoffman and Fodor, 2010). Word-of-mouth marketing is defined as "an unpaid form of promotion, oral or written, in which satisfied customers tell other people how much they like a business, product, service, or event" (businessdictionary.com). Hoffman and Fodor (2010) mention how consumers communicate their opinions to other consumers once they are engaged with a brand. Word-of-mouth is one of the most reliable forms of advertising as, every time somebody makes a recommendation, they put their reputation on the line without gaining anything (Entrepreneur Media website). In social networks, for example, a loyal and satisfied customer can unquestionably influence his/her friends to purchase a product (Ulusu, 2010). Through the method of word-of-mouth, a brand can build strong attachments and associations with its customers which may lead to the creation of emotional attachment and brand loyalty (Rafi et al., 2011).

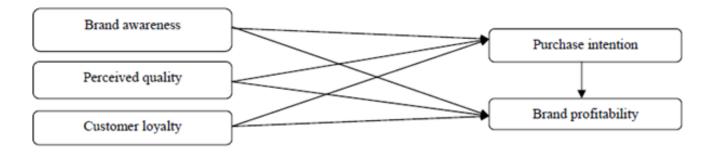
Hakala et al. (2012) note that satisfied customers may choose the product again. "Customer loyalty is an invaluable asset for firms as it can provide security and predictability on demand, create barriers against other firms trying to enter the market, and also translate into the willingness of customers to pay premium prices" (Kotler and Keller, 2006, p. 198). Gogoi and Kumar (2010) state in their article that consumer awareness is one of the most important factor to make consumer be loyal to a brand. Loyal customers are more likely to talk positively about a brand (Sasinovskaya and Anderson, 2011; Kim et al. 2008). According to de Chernatony (2001), customers discover new brands through conversations with other customers. Hoyer and Brown (1990) and Farris et al. (2010) mention that consumers have little motivation to purchase unknown brands, however, if the consumer has bought the product before with satisfactory results or has heard good references or comments from a friend about that product or brand, the probability of purchasing will be increased. Nedungadi (1990) focuses his article on memory-based choice situations and expresses the idea that during the brand-choice process the memory and past experiences with the brand play an important role. Memory or past experiences have a huge influence in brand choice. When consumer choice is memory based, memory factors could shape brand retrieval and considerations affecting the final choice (Nedungadi, 1990).

Up to 90 percent of consumers trust acquaintance people recommendations (Panel Debate 2013). According to Yasin and Zahari (2011), family recommendation has a significant influence on perceived quality and brand loyalty. Brand loyalty occurs when a consumer consistently purchases the same brand within a product class (Kathuria and Jit, 2009). It is the consumer's conscious or unconscious decision, expressed through intention or behavior to repurchase the same brand continually.

In particular, it is essential for the survival of a company to retain its current customers and to make them loyal to the brand. Brand loyal customers reduce the marketing costs of the firm, as the cost of attracting a new customer has been found to be about six times higher than the cost of retaining an old one (Rosenberg and Czepicl, 1983). Kathuria and Jit (2009) also argue that brand loyal customers are willing to pay higher prices and are less price-sensitive. Keller and Davey (2001) state that building a strong brand with a strong equity will help to get more faithful customer loyalty. They add that brand loyalty will imply larger margins, better customer response to price changes, greater support from customers and higher reputation.

Reputation is one of the strongest determinants of the sustainability of any company (Firestein, 2006). Reputation can be formed from the company's stakeholder perceptions. Fombrun and van Riel (2003) identify how companies with good reputation will attract positive and longtime stakeholder engagement. Reputation is therefore considered a strategic resource that can create competitive advantage (Abratt and Kleyn, 2012).

Yaseen *et al.* (2011) propose in their article a model where they connect some of the main factors that transform a regular customer into a loyal customer.



Source: Yaseen et al. (2011)

The authors of the model propose that brand managers need to work more on enhancing the purchase intentions and quality in order to attract more customers. This approach is connected to the "pull strategy" (analyzed below). The authors state that the relationship of the quality and profitability of a brand is mediated by the purchase intention. Brand managers must focus on the relationship between quality and profitability in order to be a more profitable company (Yaseen *et al.*, 2011).

Related to the company environment is the theory of differentiation. Porter (2007, p. 101) defines the concept of the differentiation theory as "providing something unique that is valuable to the buyer beyond simply offering a low price". The key is to create value for the customer (Bonchek, 2012). The customer needs to feel that he/she is getting some extra value when dealing with a brand. There are some tangible differentiation product characteristics like size, color, materials, and packaging. The theory of differentiation is related to brand awareness as, in order the make a customer remember the brand easily and rank it as his/her top choice preference, the previous experiences with the brand must have had some kind of positive impact on the customer; customers tend to remember unique, special or different treatments.

There are some intangible product characteristics that differentiate the brand and appeal to customer's image, status, identity and desire for exclusivity. Porter (2007) informs the readers that differentiation is not only about the product, it includes the whole relationship between the company and the customer. Differentiation concerns choices of how a company distinguishes its offerings from those of its competitors (Porter, 2007). It is important to understand what issues motivate a customer to buy from a certain brand.

One of the most common marketing strategies used by marketers is "push" and "pull" strategy. Push strategies take place when the marketer pushes the product or a brand to the target audience and is in control of it (Rimlinger, 2011, Srinivasan *et al.* 2005). Pull strategies take place when the consumer request your product. It is when the consumer demands a product. According to Rimlinger (2011), these strategies are used to increase the number of customers in the company and obtain loyal customers. By

"push" strategy the marketer makes sure that the consumer gets the brand in front of his/her eyes and reminds them of the company existence. Social media, like Facebook, is a good tool to get this "reminder" as companies post news or product pictures on their Facebook pages. Mailing customers with latest news or products that a customer might like is another way of applying this "push" strategy. The more that consumers see/perceive a brand, the bigger is the chance that he/she will recall that brand in a purchase decision.

Another key concern is that markets are always "in the making" (Latour, 1987). In the article of Christiansen *et al.* (2009) the network process perspective (NPP) is explained, which is based on a constructivist perspective. The network process perspective demonstrates that a brand is shaped by its network, where roles are continually negotiated in dynamic relations. They add that the brand has its own personality and this personality is influenced by the people who are around the brand. Innovations are needed to keep the brand personality active. The importance of relationships is vital. Keller (2001) adds that some of the criteria of brand meaning are *strength*, *favorability* and *uniqueness*.

The brand is continually co-constructed through different negotiations between actors in the network influencing the brand identity (Christiansen *et al.* 2009; Araujo *et al.*, 2010). Consumers are co-creators of value for any brand (Araujo *et al.*, 2010). By encouraging co-creation, a consumer can have an active part in the brand building process (Ind and Bjerke, 2007). Araujo *et al.* (2010) argue that the creation of value occurs during the direct interaction between a consumer and a producer. Brand identity is influenced by all the actors in the network who constitute the brand. These actors can be human and non-human and they connect to each other in order to create a stable network. Christiansen *et al.* (2009) state that brands are interchanged between people around the brand. They discuss the importance of relationships among actors in the network.

The word brand*ing* is an ongoing process (Schultz and Hatch, 2008). These scholars perceive this process as a continuous negotiation of the brand as it occurs constantly in a network where roles are steadily negotiated in dynamic relations. This network is not

stable *per se*, but is created, negotiated and dynamic (Christiansen *et al.*, 2009). Keller (2001) confirms this theory by affirming in his article that building a strong brand is a constructive and sequenced efforts process. Araujo *et al.* (2010) suggest the practice-based approach, which continues in the line of the actor-network theory (ANT). This approach studies the interaction of different actors and how they take shape in different exchange situations.

The existence of all the various brand awareness concepts and theories discussed above proves that there is no "one-concept-fits-all" solution for firm's efforts to increase brand awareness; every firm needs to tailor its efforts based on existing context. This concludes the brand awareness section of the thesis; in the next chapter, the theoretical foundation for Internet marketing will be laid.

# 4. Internet Marketing

Internet has revolutionized everybody's lives. It has changed radically the way people do things, like purchasing goods. Internet allows people make purchase at any time of the day and everywhere. With the use of table devices (smartphones, electronic devices, laptops) consumers are online all the time (Panel debate 2013). These days consumers are demanding an excellent digital experience in all the interactions with the company; this interaction can take place at anytime and anywhere (Weill and Woerner, 2013). Customers can be online all the time; hence, they can make a purchase at any time (Panel Debate 2013). Internet is growing fast and companies need to adapt their marketing strategies in order to keep in touch with changing consumer needs. Internet allows an open and almost cost-free exchange of data between actors in any market (Evans and Wurster, 1999).

Internet has a big role in marketing-related issues. It efficiently helps gather information and the communication process of a fast growing population of online customers and companies (Oh *et al.*, 2004; Eid *et al.* 2006). Internet Marketing is referred to marketing (generally promotion) of products or services on Internet (Chaffey *et al.*, 2000). It includes marketing done via email. Halliburton and Ziegfeld (2009) define online branding as the electronically communicated branding strategy that takes place on and through the Internet.

Internet Marketing is becoming more and more important due to the massive use of the Internet. Internet users can do a wide variety of activities on the net, from purchasing products to chatting to family or friends. Internet Marketing is also a beneficial tool for companies because of, among many reasons, the minimum costs that it implies. Therefore, customers have a bigger impact today that they had some years ago. They have a decisive role that influences the probability of success of a company or a brand (Weill and Woerner, 2013). These authors add that, in order to get customers by their side, many industries are digitalizing themselves by getting more intangible, more service-based and by more focus on customer experience. They also discuss that digitization is making companies incorporate more customer experiences,

execute more the business processes and work closely with the company's value chain partners.

#### 4.1. Brand awareness in the virtual environment

There are not many sources of literature about the concept of brand awareness in the virtual environment. A few authors who have discussed this topic are Woolgar (2002), Weston (2008), and Bonchek (2012).

A brand can be promoted and can get its awareness increased through many different ways on Internet, like through banners in other websites, by being mentioned in other websites or blogs, by social media, or by Search engine optimization (SEO) efforts for search engines, such as Google, Bing or Yahoo. A website can be ranked in Google through two different methods: Organic search and Google paid search (support.google.com). Organic search is the normal Google search which does not cost money. The ranking of websites depends on how relevant the content of the website is with the words that a user has written in the search field. The better the content of the website matches the search, the higher in the ranking the website will appear. Google paid search is, as its name indicates, a paid search where, after typing words in the search field, the websites that have paid Google, will appear in the right side column of the page or in the top in a yellow/pink background. These are called paid links.

Celuch and Murphy (2010) indicate that internet can be used to communicate with stakeholders. They add that Internet is being very beneficial to small and medium enterprises (SMEs), especially to online webshops. In addition, the authors state that one form of the various benefits for small companies is maximization of their limited resources.

#### 4.2. Online Brand communities

Our society is facing a big growth of new electronic information and communication technologies like Internet and World Wide Web, interactive multimedia

communications, video conferencing, computer-aided design, and virtual realities (Woolgar, 2002). Steve Woolgar (2002, p.1) argues that "all these technologies are set to modify the nature and experience of interpersonal relations and communications across a vast range of human activities". He brings out the question whether there are changes in how people behave and interact with each other as a result of new technologies. And certainly there is. Electronic technology enables people communicate between them via computers or via any kind of mobile devices (e.g. mobile phones) which is substituting face-to-face interaction (Woolgar, 2002). Hence, people are forming groups to discuss and share knowledge and opinions about certain topics. This is what we call "brand community". In a brand community, its members can provide and exchange information or feedback about common interests (Kim et al., 2008). Baym (1998) suggests how it is possible to electronically create social relationships built through improved community values. The huge development of social online networks has brought new possibilities for companies to shift more focus to customers (Sasinovskaya and Anderson, 2011). One of the main goals of companies is to make the consumer familiar with a brand and that the consumer recognizes the brand, not just as a business tool, but also as a way of living. According to Sasinovskaya and Anderson (2011), companies are recently letting customers participate actively in the product design process and in some marketing related issues. "Brand communities not only provide companies with an additional communication channel, but also allow the possibility of establishing linkages to devoted users" (Ulusu, 2010, p. 2949). Online brand communities are extremely beneficial for companies that want to get feedback or ideas from their customers, or just want to keep in touch with them as a way to retain and convert them into loyal customers. Ulusu (2010) points out that social network is a highly profitable marketing communication tool.

Muniz and O'Guinn (2000) define a brand community as a specialized, non-geographically bound community, where members celebrate the brand that they support. They add that a brand community is based on a structured set of social relationships connecting consumers to the brand, or consumers to other consumers. Companies are extremely interested in learning about online communities because they could help them gain competitive advantage and a cost-effective solution to

reach customers (Muniz and O'Guinn, 2000). Relatedly, Schouten and McAlexander (1995) argue that brand communities are a distinctive subgroup of society that self-selects on a basis of a shared commitment to a particular brand.

Brands are social entities which are experienced, shaped, formed, and modified in communities. Consumers generate their own brand meanings, which are then communicated back to marketers and to the rest of the brand community (Brown *et al.*, 2003). Brand communities include groups of individuals who share a system of values, standards or representations, and who accept and recognize linkages of membership with each other and with the whole (Veloutsou and Moutinho, 2009). Some customers feel identified and attached to certain brands. For them, a brand is more than just a brand, it is a way of expressing personal values (Heding *et al.*, 2009). Some customers consider a brand as a part of their personality (Rafi *et al.*, 2011). Customers finding factors to identify themselves with brands influence positively brand attachment and brand attitude (Rafi *et al.*, 2011). According to Veloutsou and Moutinho (2009) brand communities are more formal than brand tribes, which are looser in nature.

Heding *et al.* (2009) define brand community as a social entity in which consumers have the chance to interact socially with the brand. Most recently it is taking place on Internet-based settings like social media websites (e.g. Facebook and Twitter). A brand community occurs only when at least two consumers interact with each other. Heding *et al.* add that brand communities have provoked a change in negotiation power between the marketer and the consumer as consumers demand more power when acting in groups.

Brand communities focus mainly on relationships between customers and the brand, the firm, the product, and among customers (Algesheimer *et al.*, 2005; Fuller *et al.*, 2008; Sasinovskaya and Anderson, 2011). These authors support the idea that brand community members can contribute positively to product development, product design and to brand strengthening. Sasinovskaya and Anderson (2011) suggest that it is convenient for companies that their members communicate between themselves and

that they have the freedom of expression, which will lead to a positive online experience.

It can be said that, organizations with strong brand communities are more likely to build stronger reputation over time (Abratt and Kleyn, 2012). Different studies have shown that, customers involved in online brand communities have a strong impact on customer satisfaction and customer loyalty (Griffin and Hauser, 1993; McKeen *et al.*, 1994; Hagel and Armstrong, 1997; de Chernatony, 2001). De Chernatony (2001) propose that companies should encourage customers to share ideas and opinions in brand communities. However, brand owners need to pay attention to what customers say about the brand as negative feedback might come out damaging the brand image.

Some authors have affirmed that online brand communities are a big help for building strong relationships with one of the main stakeholders group: customers. An emotional connection between the customer and the brand might be made through a membership system as the member can feel that he/she is part of an "insider's club" (Kozinets, 1999; Williams and Cothrel, 2000).

Online communities are becoming extremely popular in firm's internet-marketing strategies (Hagel and Armstrong, 1997). Nowadays, people in general are using more social media than before with the aim of engaging with others (Mauri and Villamira, 2011). Social networking sites are key media for marketing and advertising purposes (Gerlich, *et al.* 2012). Facebook is one of the most famous and popular social networking site. "... Facebook deeply penetrate their users' everyday life and, as pervasive technology, tend to become invisible once they are widely adopted, ubiquitous, and taken for granted" (Debatin *et al.*, 2009, p. 83). Its creators define Facebook as "a social utility that helps people communicate more efficiently with their friends, family and coworkers" (website of Facebook creators). Facebook is the most trafficked social network website on the Internet (Facebook Newsroom, Statistics). Ulusu (2010, p. 2950) writes in his article: "Facebook is a unique social network that views itself as a social platform". According to Facebook Newsroom, its users spend more than 700 billion minutes per month on Facebook. The main Facebook usage factors are social networking, writing on wall, entertainment, searching for friends and

free time (Ulusu, 2010). Facebook is being used by many companies as an efficient advertising tool.

Some of the main Facebook features are instant messages, blogs, classified listing, interest groups, music, public comments, images, videos, rankings, and e-mails (Usulu, 2010). Facebook also facilitates Facebook Ads which allow advertisers to create Facebook ads engaging the right target audience (Facebook Newsroom). These ads will be displayed on a right side column of the Facebook page and can be based on demographic factors such as location, age, gender, or education.

Facebook can be also used by companies to collect information about consumers and learn about customers' needs by inviting them to write feedback, or just by observing customers' conversations on Facebook (Ulusu, 2010). Ulusu (2010) writes "Facebook has become crucial to the competitive success of the organizations" (Ulusu, 2010, p. 2955).

Many researches about brand communities show that these communities are making consumers being more attached to a brand and are benefiting consumers' brand attitude (McAlexander *et al.*, 2002). Ulusu (2010) made a study analysis for brand and advertising engagement from Facebook users. The results revealed that brand community engagement dimensions are more important for male Facebook users than for females. Results also indicate that users are in general interested in brand announcements on their Facebook page (Ulusu, 2010). Ulusu (2010) concludes his article by affirming that Facebook users use Facebook mainly for social needs, like networking with friends for example, rather than for brand engagement or advertising purposes.

# 5. Brand awareness in practice

After reviewing the theoretical foundation, it is important to understand the practical implications of brand awareness in the real business world. Companies are nowadays approaching different marketing strategies to increase their brand awareness. As already mentioned before, social media platforms have become increasingly important in achieving that. According to Houssem (2012) 80% of top companies are using at least one social media platform as an awareness strategy. Social media platforms help companies to amplify their messages and gain trust among customers (Weston, 2008).

The below sub-chapters analyze the home decoration market and more precisely, a web shop selling products for home decoration in a specific market.

## 5.1. Industry and Market analysis

The home decoration industry represents an interesting case of a sector influenced by tradition and local habits. Since long time ago, home decoration has been made mainly by women. In previous decades, there were mostly women buying home accessories to decorate their houses. Nowadays, however, the number of men taking part is increasing. Still, women are more likely to purchase home decoration than men (oxygen.mintel.com).

It has been proved that, despite the actual economic downturn, the home decoration market is growing (forbes.com). Home decoration and do-it-yourself (DIY) projects have become significantly popular in the last years. Hence, consumers are being more creative when decorating their homes. Nowadays consumers are more willing to work on their own by bringing their own ideas when they decorate their homes. It has been estimated that home decoration market is worth 65.2 billion US dollars (forbes.com).

In the Scandinavian countries, maintaining an attractive and well decorated home seems to be highly important (Gram-Hanssen and Bech-Danielsen, 2004). These two Danish authors explain that a clear evidence of their statement is the increased number of new magazines about home decoration.

Danish population spends almost one-third of their income on housing related products (Statistical Yearbook, 1999). According to Eurostat, 21.9 percent of the population in Denmark spends more than 40 percent of their income on housing (epp.eurostat.ec.europa.eu). Danish people are obsessed with coziness (studyindenmark.dk). Denmark is the country of "hygge", which means that it is all about having a comfortable feeling — a sentiment of warmth; therefore, having the right decoration at home is essential for a Danish person.

Hence, a house is much more than just a house; it is a home for its residents (as discussed by Gram-Hanssen and Bech-Danielsen, 2004). Bourdieu (1984) points out that home decoration is one of the ways in which higher social classes distinguish themselves from lower social classes. A modern perspective is suggested by Beck (1992), who analyses how each individual aims to express his or her own identity trough consumption of things, from clothes to home decoration items.

# 5.2. LinenMe webshop in the Danish market

LinenMe is a Lithuanian family-owned company which sells linen home textile, such as bed linen, table linen, bathroom linen, kitchen accessories, and clothes – exclusively online (LinenMe.dk). LinenMe collection can be used for residential, corporate and commercial interiors. They focus mainly on global market and LinenMe, an independent linen brand, was launched in 2007, and since then focused on the global market to sell "luxurious handmade Lithuanian linen" (LinenMe.com).

The company is well positioned in the market. LinenMe sells affordable luxury in "niche products" segment. By affordable luxury the company means that they sell high quality products at prices that are lower than on the high-street (Zeromskis Interview). Hence, LinenMe products are not as high-priced as others luxury brand shops like Magazine du Nord or Illum (big shopping malls in Copenhagen) because LinenMe, being a webshop, has less costs than a physical shop (e.g. establishment costs) (Zeromskis Interview).

LinenMe delivers luxurious Lithuanian linens to buyers in nearly 50 countries. According to LinenMe catalogue, purchasing unique Lithuanian linen has never been easier. From this catalogue we can assume that they put a big emphasis on communicating the origins of the brand and its home country, Lithuania. The company tries to be very family oriented by, for example, expressing how important it is for a mother to give her daughter linen accessories from previous generations on her wedding day (LinenMe Catalogue). This emotional act takes place in many different cultures, where tradition and family ties get stronger via this mother-daughter gesture. This is called brand prominence, where family memories and feelings are related to positive memories (Rafi *et al.*, 2011). According to M. Zeromskis, LinenMe employees are continuously focusing on quality and customer needs. The company helps customers who want to decorate their homes nicely, wives who want to be good housewives, or any person who just want to accomplish a basic need (e.g. getting dry with a towel after a shower). LinenMe also gives people the chance to make a good present to a friend (Zeromskis Interview).

#### 5.2.1. Raw materials: Linen fabrics

Lithuania is a country with a strong tradition of linen production (LinenMe Catalogue). Linen fabrics are breathable, antibacterial and hypo-allergenic. All the linen products from LinenMe are machine washable, durable, affordable, natural texture, and help to express one's personality. As Inga, the founder of the company mentions in LinenMe website, "linen is a very energetic fabric because flax, which is the raw material from which linen is produced from, can only be sown into the same plot once every seven years" (LinenMe.com). She also mentions that linen fabrics are perfect for light and heavy upholstery, table linen, curtains, cushions, bed spreads, and lamp shades.

Because of flax plants, linen is a sturdy, extremely durable material, and less prone to tearing. LinenMe carefully selects the best sources of flax. However, linen material is a bit more expensive than cotton, for example; but linen lasts for a longer period of time. Flax growing conditions and harvesting techniques influence the quality of the

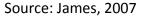
finished product (Labat and Salusso, 2003). Flax can be grown in many parts of the world; however, the high quality flax is mainly grown in Western Europe (Kadolph and Langford, 2007). Baltic countries linen has a good position in the top ranking of high quality linen.

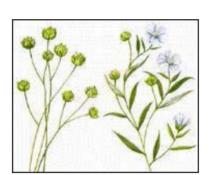
LinenMe produces from pure linen fabrics, and under very strict ecological standards (LinenMe.dk). All LinenMe products are hand-made. The manufacturing unit is owned by LinenMe; therefore it is easy for LinenMe to control these ecological requirements during the production process.

Denmark is one of the countries where people consume most of organic products in the world (Panel Debate 2013). Hence, this can be an advantage for LinenMe as they definitely give the image of being an eco-friendly company (LinenMe.com).

M. Zeromskis mentions that linen is such a special material, and not everybody likes it. That is why it can be concluded that linen is a *niche* product.









Flower flax field

## 5.2.2. LinenMe within the touchpoint model

Aaker (1996) suggests that one of the biggest tasks that a company needs to make to build a brand over time is analyzing the most influential touchpoints that may have an impact on the brand. Each touchpoint might have a huge impact on both current and potential stakeholders of the company. LinenMe has to make sure that, with every

touchpoint that they implement, LinenMe brand awareness increases. The different touchpoints can help LinenMe to maximize the purchase experience for customers.

Below follows the analysis of different stages of purchase of LinenMe products, based on Aaker's (1996) model.

### ■ Pre-purchase touchpoints

As mentioned before, Armano (2007) indicates that one of the first contacts that customers have with a brand takes place through digital means (e.g. a website). LinenMe website is being cited and publicized through banners in other websites like YouTube, shop-portalen.dk, foreignersindenmark.dk, find.tdc.dk or studenterrabatten.dk (LinenMe data, Appendix 7). Before the purchase, a customer can get information about LinenMe products through its website, its social media profiles (Facebook and Twitter), or even through word-of-mouth. Additionally, customers have the opportunity to contact any member of LinenMe staff to make any kind of enquiry (Zeromskis Interview). In the *Contact us* section of the website, a potential customer can find different ways of contacting LinenMe, e.g. via email or phone (LinenMe.com).

## Purchase touchpoints

During the purchase process, customers also have the chance to contact a LinenMe employee to get a clarification or help (Zeromskis Interview). One of the customers interviewed explains how she called the telephone number that she found on the website because she had a doubt about sizes (Interview with Julie Rasmussen, Appendix 4). She mentions how friendly the staff was with her and that she got her doubt resolved.

### ■ Post-purchase touchpoints

The main LinenMe post-purchase touchpoints are confirmation email, customer service, product return procedures, and newsletter emails (Zeromskis Interview). Just after completing the purchase process (the last step is entering the credit card details) the customer gets a confirmation email, which confirms that the purchase was

successfully made. Both customers being interviewed mention how convenient it is to receive this confirmation email to verify that the order went well (Appendices 3 and 4).

Customer service is all the activities intended to enhance the level of satisfaction among customers (Turban, 2002). The company takes into account and replies to every enquiry or order. They are open for customized orders or any comment. Inga wrote in LinenMe website "we love to dialogue with the customer!" LinenMe is also giving a high customer service by sending a confirmation email after every purchase, by having many different contact forms, by sending small questionnaires to customers, and by accepting any kind of inquiry or product request. Return policy refers to the process of returning an item that has been previously purchased by a customer ("Returning", 2013). LinenMe is flexible with its return policy: if a customer is not fully satisfied with the final product, he or she can return the product and the full amount of money will be refunded (Zeromskis Interview).

A newsletter email is a regular email generally with one main topic which is of interest to its subscribers (Seibold *et al.*, 1983). Seibold *et al.* (1983) suggest that newsletter emails are a good way to keep customers updated. LinenMe newsletter emails are sent to customers every second week. They contain information about new products and LinenMe news in general (Zeromskis Interview). As one of the customers suggested in the interview, these emails should have a fresh, catchy and excited subject to catch customers' attention and make them want to read the content of the email.

Clemm (1993) mentions that, in order to build relationship with customers after the sale, a company needs to identify their customers and create a customer information file, measure customers' satisfaction level, analyze customers' feedback, and answer customers' complaints. In the interview M.Zeromskis adds that LinenMe is trying to build strong relationships with their customers after the sale as one of the key strategies of the company is to build customer loyalty. Hence, in order to achieve this, LinenMe sends surveys to its customers to get feedback about their purchase experience (Zeromskis Interview). Following Clemm (1993) recommendations, LinenMe analyzes this feedback to improve their service. To drive participation and encourage customers to provide feedback, LinenMe adds vouchers with small amounts

of money (e.g. 30-50 DKK) for completing the survey that can be used for the next purchase (Zeromskis Interview; Interviews with customers, Appendices 3 and 4). Providing these vouchers to customers is a good strategy to increase sales, as they make customers feel more tempted to come back to the seller and purchase again (Lichtenstein *et al.*, 1993).

Online community networks (like Facebook or Twitter) also help to keep in touch with customers after the purchase (Oh *et al.*, 2004). LinenMe is maximizing all the opportunities that social communities offer as most of LinenMe's touchpoints are made through the virtual world (Zeromskis Interview).

The product, the packaging, the paper invoice, the little card with a product history, and all the physical materials with a LinenMe logo or name on them constitute a post-purchase touchpoint as well – they will remind about LinenMe brand to customers. These items with the LinenMe logo represent the physical evidence (physical evidence is one of the seven Ps), which is important in terms of brand awareness (Healey, 2008). Healey (2008) adds that having the brand logo shown on different items used daily (e.g. towels or kitchen accessories) is a way of making the company recognizable and preferred among competitors.

Touchpoints are critical for building loyalty after the sale (Aaker, 1996). To build loyalty among LinenMe customers, the company is aiming to provide a high quality service, which they try to improve by: a wide *approachability*, as they have a call center (phone and Skype line) that is open to hear what the customer has to say; *newsletters* and monthly *competitions* where customers can win exclusive prizes (Zeromskis interview). For the author of this paper, a high quality service takes place when the company representatives understand the needs of the customer. Hence, the company needs to be in consistent communication with the customer, carrying out a "follow-up" with them, and making an effort to understand what the customer requires. By doing so, customers will feel understood and valued.

Moreover, Skype is an effective tool for business communication (Gwilliam, 2012). Skype offers calling, messaging, video calling, and call conference, for free. Gwilliam (2012) points out that, companies have the chance of expanding globally and

communicating with international clients through Skype. Hence, Skype is effective, and it makes the communication between companies and clients easier (Skype.com). LinenMe considers Skype as an effective tool to communicate with customers (Zeromskis Interview).

### 5.2.3. LinenMe and other brand awareness theories

The marketing spiral model is a new consumer behavior model that can be applied to LinenMe. LinenMe is an internet based business; it exists thanks to Internet. Internet has changed the way consumers behave nowadays. A lot of consumers are discovering LinenMe in different blogs or websites where LinenMe is being mentioned. One of the customer being interviewed, Julie Rasmussen (Appendix 4) mentions how she read positive reviews about LinenMe in a blog and, after that, she decided to visit LinenMe website.

LinenMe customers first interact with LinenMe via LinenMe website. After navigating through it, reading about LinenMe history and checking out some products the consumer starts feeling engaged to LinenMe brand. Then the consumer participates with LinenMe by, purchasing a product for example; then the consumer converses with family or friends about the experience of buying a LinenMe product and they find affinity between them, they agree with LinenMe values and share the same taste; and finally they become part of a community (e.g. Facebook) where they can meet other people who also like LinenMe. In the interviews with the customers, both of them affirmed that they are members of the LinenMe Facebook group. If these customers talk about LinenMe in front of potential customers, these potential customers will feel influenced by them, and then the Marketing Spiral cycles will start again.

Another brand awareness theory that can be applied when analyzing LinenMe is Kapferer's brand identity prism. Kapferer looks at brand identity through a diagram with a six/sided prism (as shown above in section 5.2.3). Kapferer's brand identity prism can help companies to verify if there is an alignment between the image that a company is giving and the image that external stakeholders (e.g. customers) have about the company (Heding *et al.*, 2009). LinenMe internal image is luxurious

handmade Lithuanian products, *niche* products, reasonable prices, functional, corporative, traditional, family oriented, high quality products and easy to purchase (Zeromskis Interview). According to LinenMe founder, what LinenMe communicates is honesty, naturalness, coziness, frankness, handmade, and tradition (LinenMe Catalogue).

The two customers that were interviewed had some very positive opinions about the experience of buying LinenMe products. Customers felt identified with LinenMe as they used LinenMe products with prided and talked positively about the brand with other people (Interview with LinenMe customers, Appendix 3 and 4).

However, the image that customers have about LinenMe is not only positive. The Danish customer Julie Rasmussen mentions in her interview "it is not the most professional website" (Interview with Julie Rasmussen, Appendix 4). Graphic designer Jan Nielsen evaluates that the website and the logo do not look very exclusive (Interview with Jan Nielsen, Appendix 2). However, at the same time Jan explains how both the pictures in the website and in the catalogue look very professional and of high quality.

Consumer-based brand equity model is another framework that assesses the equity of the brand. Keller (2001) proposes this model which contributes to strength a brand. This model is based on brand identification and brand response. The aim of the model is to create loyal customers through different aspects of branding (Keller, 2001). LinenMe has been able to get some very loyal customers in the past years (Zeromskis Interview). Most loyal LinenMe customers have identified themselves with LinenMe brand, and with its values. As Veloutsou (2007, p.12) writes, "when consumers feel that the brand has a desired attitude towards the issues that they perceive as important to their system of values, they tend to support and buy that brand". In order to create customer loyalty, the identity of the brand has to connect with the customer identity.

## 5.2.4. LinenMe's entry into Danish market and its business model

LinenMe has entered into the Danish market back in 2007, when they launched their website in Danish language. In Appendix 5, a business model graph can be found, made by the company together with the author of this thesis during an enriching workshop moderated by the author of this thesis. Osterwalder *et al.* (2010, p. 14) inform the readers that "a business model describes the rationale of how an organization creates, delivers, and captures value". It is divided into nine different blocks: customer segment, value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partnerships and cost structure. Weill and Woerner (2013) add that a business model informs how a business makes money or how it is being sustained.

It is important to have a business model in order to develop a good understanding of the organization's environment (Osterwalder *et al.*, 2010). It also helps to conceive a stronger and, therefore more competitive scenario of how your business is being developed. Examining the company's environment is more important than ever as the complexity of the economic landscape is growing; there are more uncertainty (e.g. in technology) and the market disruptions are increasing as well. A business model helps to analyze a company and see which parts can be improved or modified. After having analyzed deeply LinenMe business model, the author got a clearer image of the company structure, how it performs, its goals, its vision, and its achievements.

One of the nine blocks in which the business model is divided is *value proposition*. A value proposition is defined as "the reason why customers turn to one company over another" (Osterwalder *et al.*, 2010, p. 22). It is things that bring value to the customer. It makes people wanted to pay more (price premium) than they would normally pay. It can solve a customer problem or can satisfy a customer need.

One of the main LinenMe's value propositions is affordable luxury by having high quality products at reasonable prices (Zeromskis Interview); it is good value for money for LinenMe customers. According to M. Zeromskis, another value proposition is that LinenMe offers exclusive designed products as Inga, the founder, is always searching

for new ideas and trends in textiles market: fabrics, combinations, shapes, and colors. LinenMe customers also have the chance to customize their products or ask for a bespoke product if they have specific measures or requirements. As Inga mentions in the website "at LinenMe we encourage our customers to design their home environment themselves, giving us ideas of what they want and letting us fulfill their expectations". Another value proposition is a possibility to give a good present to a friend or a family member.

LinenMe tries to facilitate an easy transaction process to their customers. The purchase procedure should be easy and smooth enough to make LinenMe customers feel secure and capable when buying LinenMe products. In the interviews with the customers (Appendix 3 and 4), there is evidence of this fact. Both customers responded that it was easy to purchase from LinenMe.

LinenMe key partners are fabric-producing suppliers, office suppliers, delivery partners and other websites. LinenMe main suppliers are fabrics from Lithuania (Zeromskis Interview). When mentioning delivery partner is important to mention how economies of scale have been beneficial to LinenMe. As M. Zeromskis mentions, 3 years ago when LinenMe had very few orders, it was difficult to negotiate with delivery companies to get a good deal from them. However, nowadays, as LinenMe sells much more, the company has got a bigger power and can negotiate better deals with its delivery company. Good relationships with partners are essential in this kind of business to gain relevant competitive advantage (Zeromskis Interview). According to LinenMe website, LinenMe products are delivered within a relatively short period of time. This fact is confirmed in the interviews with the Danish customers (Appendices 3 and 4). Being present in other websites is also a key factor for the success of any webshop (Hooper and Stobart, 2006). These websites are important to LinenMe as they help to promote the company (Zeromskis Interview). One of the websites where LinenMe is present is YouTube.com. YouTube is a video-sharing website on which users can basically upload, watch and share videos (Hopkins, 2006). In YouTube, 15 videos are available about LinenMe products. LinenMe seeks to be promoted and being present in different popular websites, in order to acquire a bigger number of users. LinenMe is being promoted in other websites in an efficient way as one of the customers found LinenMe

website just by navigating on Internet and by reading good reviews about LinenMe in some blogs (Interview with Julie Rasmussen, Appendix nr. 4).

The *key activities* that LinenMe has are the design and production of LinenMe products and presenting and selling LinenMe products. Providing a good customer service is also part of LinenMe working philosophy.

LinenMe has the total control of what they produce and how they produce it. The company has a family factory in Lithuania which produces products to its consumers (Zeromskis Interview). LinenMe makes sure that all LinenMe products fulfill a minimum level of high quality before they ended at the customers' hands. Inga and the rest of LinenMe staff are very proud of the craftsmanship and skills that their production team has acquired over the years. LinenMe has great experience with hand-embroidery, hemstitching and crocheting skills (LinenMe.com).

Once this family factory has produced the products, LinenMe make pictures of them and they put them on the website. They create a description for the products and promote them on social media. "We know the standards and we know what a high quality linen item should look like", says Inga Lukauskiene at LinenMe website. LinenMe also offers home decorating ideas based on LinenMe products. In the website, anybody can get ideas or recommendations of how to decorate a home and how to match different shapes and textures. LinenMe.dk is full of inspirational pictures and useful ideas available for everybody.

One of the *key resources* that LinenMe has are employees, customer relationship person, all the people who produce the products, pack them and send them out, the LinenMe brand, material, fabrics, and financial inputs. When talking about employees, we need to introduce the concept of "living the brand" elaborated by Karmark back in 2005. Employees that live the brand are the ones that incorporate and apply brand values in their lives (Heding *et al.*, 2009). Employees who live the brand deliver the best brand promise to customers. Employees are walking advertisements for a brand (Aaker, 1996). They talk about their job, and, therefore, about the brand to friends, family, and colleagues. According to Heding *et al.* (2009) "living the brand" take place when a brand is built on very powerful ideas that employees engage deeply to them

and, therefore to that brand as well. A higher employee involvement and commitment are some of the consequences of this concept. "Every employee needs to recognize that building a highly differentiated and well-executed brand is critical to the success of the organization" (Murphy, 2007, p. 30). LinenMe employees should think of themselves not only as attendants to LinenMe customers, but also as actors spreading out the LinenMe brand. LinenMe employees, but especially the founder Inga, has to be good communicators in order to communicate in an optimum way the vision of the company to external stakeholders (Abratt and Kleyn, 2012). In the interview with M. Zeromskis, he confirmed that most of LinenMe employees live the brand and that we can make sure that they live the brand by talking more about the company's philosophy or what the company stands for.

Another tool to build company's success is LinenMe's strong customer relationships. The company communicates with its customers through different forms. The main and more efficient ones are through social media (Facebook, Twitter), call center through Skype line and telephone, mailing list, and emails. LinenMe tries to have a high approachability for its customers at any time (Zeromskis Interview; Customer Interview 1: Julie Rasmussen). Julie Rasmussen points out that "...I actually called them, because I had a doubt about sizes, they pick up the phone and answered very kindly to all my questions. They were very nice". The second customer, Mette Pedersen mentions in the interview that she remembers seeing a "Contact us" section in the website. LinenMe want their customers to get a high quality service when they purchase an item, therefore, they reply fast and efficient to any type of enquiry.

Another way of getting customers engaged with the brand is through social media. LinenMe is present on two of the biggest social media platforms that exists, Facebook and Twitter. These two huge social platforms can be very beneficial to LinenMe as the social impact that social media has these days is massive. Facebook has revolutionized the way some companies do marketing nowadays. For any brand, having a profile on Facebook constitutes one of the essential marketing tools to be in contact with customers. LinenMe tries to get their customers active in the social media by posting pictures of their latest products or some relevant news. Facebook and social media in general are also good to get feedback from customers about certain issues that might

be important for LinenMe, like, which fabric color customers like the most. LinenMe, like most of companies nowadays, is taking advantage of this platform to build strong relationships with their consumers. According to Ulusu (2010), companies have opened up communication channels with their customers. In this line LinenMe also arranges monthly competitions on their Facebook page, where the people who have "liked" the LinenMe Facebook page can win exclusive LinenMe products if they provide some kind of feedback. According to Palmer and Koenig-Lewis (2009), a company can involve consumers to create value to the company by generating ideas. Therefore, Facebook provides possibility for active engagement from the customers' side.

LinenMe also uses a customer's mailing list to maintain its current customers. The company sends newsletters by emails to customers once every two weeks. In those emails they introduce new products, announce the winners of their Facebook competitions and tell about their attendance in trade fairs around the world.

Companies can reach its customers through different *channels*. For LinenMe, the most important one is the website. All the interactions that LinenMe has with its customers occur through the website. In LinenMe website, information about the different products that are for sale can be found. Relevant information like *Terms and Conditions* and *Contact* details are also present on the website.

LinenMe website should be clear, easy to navigate and easy to find in order to make customers navigate through it without any frustration or doubt. Negungadi (1990) expresses that a brand's easiness to be purchased may affect the probability of that brand being purchased. In the interview with M.Zeromskis, he mentions that "making a purchase is quite easy: choose a product, go to Paypal site, and enter credit card info". In order to verify his statement, the customers were also asked about the easiness of navigating and purchasing through the website or if they confronted any frustration while doing so. Mette (Appendix 3) mentions that "yes it was easy to navigate through it. The website was very clear". She adds that she got all the relevant information about the products and that the process of buying from LinenMe was similar to others websites. Similarly, the second customer, Julie, mentions that "yes, it

was fine navigating through the website. I like the way they structure the website, with all the pictures and info. There is a lot of important info in the website, so that's good. You can read a lot about how to design different parts of your house in the website, I took some inspiration from them" (Interview with Julie Rasmussen, Appendix nr. 4).

In order to reach the biggest number of Danish customers and have a better entry in the Danish market LinenMe.dk website is completely in Danish. This is an important factor because, even though most Danes speak English, it is more comfortable to read in your own mother language. Companies have to choose whether to have multiple websites in different languages or how much they want to globalize or localize their website across countries (Halliburton and Ziegfeld, 2009). Consumer's perceptions such as trust, reliability and traditional values might differ from country to country.

The picture below represents the front page of the LinenMe.dk website.



Each company has to take into consideration the objectives of the website and the message that it wants to communicate (Chaffey *et al.*, 2000). LinenMe website design is modern and with enough information for a customer to make a purchase. A home page consists of indices, icons and symbols that serve as a link to following sites (Okazaki and Rivas, 2002). The LinenMe home page (picture above) has a column on the left displaying different product categories, such as "Bed Linen", "Table Linen", (in Danish) and the likes; and a file on the top with wider main categories, such as "My Living Room", "My Kitchen", "My Bedroom" (also in Danish).

The content is a key factor in any website (Chaffey *et* al., 2000). It is what first attracts visitors to the website and retains them if there is a connection between the website and their expectations and values. LinenMe has invested in exclusive content. It combines high definition pictures with texts. According to Alsever (2013), online pictures are a great marketing tool for an online webshop. The purchase process is simple, with a virtual basket in which all the wanted items will end up, with the possibility of modifying this basket or "shopping cart" at the end of the process, before the payment. The payment is through *Paypal* or credit card.

LinenMe website is well structured and full of relevant content. They use mainly the color green, which is extremely related to the nature and it connects us with the nature (euroresidentes.com). Green color is related to meditation, calm, harmony, freshness, stability and resistance. The black background of LinenMe logo gives the message of sophistication, protection, infinity and silence. According to Halliburton and Ziegfeld (2009) there exist cross-country differences when dealing with colors, shapes and content of a website. LinenMe, as any other company, needs to adapt the elements of their internet communications in order to reach customers all over the world. However, some authors have stated that local differences, like culture, language, graphics, design or local online laws (e.g. consumer protection laws) need to be considered too (Barber and Badre, 1998; Tixier, 2005). Nowadays, companies tend to design corporate websites with the aim of reaching a large audience of customers worldwide and to present their corporate brand (Halliburton and Ziegfeld, 2009). Halliburton and Ziegfeld (2009) write in their article that "a corporate brand can be

used to build recognition and credibility, which can encourage relationship building" (Halliburton and Ziegfeld, 2009, p. 911).

In order to create a successful website, it has to offer a great digital customer experience (Weill and Woerner, 2013). If not, consumers, especially younger people, will move to competitors. LinenMe has three websites: LinenMe.com (in English), LinenMe.dk (in Danish), and LinenMe.fr (in French). They emphasize the importance of reaching customers by using their mother tongue; therefore, they have the same website translated into three different languages and with 3 different endings (.com, .dk, and .fr). Nevertheless, in the design of a website, culture needs to be taken into account, whether the purpose of the website is to merely provide information or whether it is to be used as a marketing tool (Fletcher, 2006). In our case, LinenMe website has both purposes. Halliburton and Ziegfeld's (2009) research shows that companies are adopting a "glocal" approach which varies depending of the country where it operates. All LinenMe websites have the same content and structure; the only thing that differs among them is the language and the currency of the product prices. A website can be intended to be interactive or passive. LinenMe website is interactive, as it includes many features and product lines.

Moreover, the company's *cost structure* is composed by the costs of employees, fabrics, material, physical facilities (store house), delivery costs, website domain, and some others. As LinenMe is a webshop, it allows consumers to buy LinenMe products directly over the Internet. Physical shops, on the other hand, have many more costs than webshops. They have to pay for the electricity, employees, and rent (among other costs), and, as LinenMe does not have any physical shop, their costs can be lower (Zeromskis Interview). He adds that one of the most important segments to focus on today is the "only online" way of selling LinenMe products because, as he mentions "we can keep our costs down, we don't need to hire employees for shops or invest in shop decorations" (Zeromskis Interview). The only cost that online shops have that physical shops do not have is the domain cost for the website. Internet reduces communication costs and it allows reaching a wider target population (Chaffey *et al.*, 2000). Intermediaries are not needed as Internet connects the end customer with the producer, which also means that the transaction occurs faster and at a lower cost.

In the catalogue, LinenMe founder mentions that the company is trying to avoid all the marketing gimmicks that are ineffective and that increase the final value of the product. LinenMe stays away from all the unnecessary and costly marketing actions. They stick to the basics to make sure that they can offer luxurious linen products at a very rational price (LinenMe Catalogue).

The last section of the business model is about the *revenue streams*. LinenMe's revenue streams are what LinenMe earns from the sale of products. This revenue has increased notably in the last years due to a solid customer base, among other facts. The company chose not to reveal its financial numbers due to confidentiality issues, however, this should not hinder from answering the key research questions.

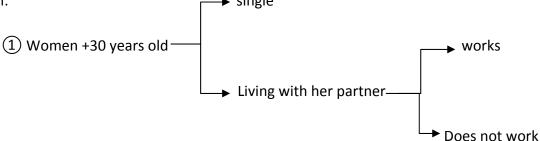
## 5.2.5. Customer segmentation

Keller (2003) informs the readers that identifying the customer target is necessary as different customers may have different perceptions and preferences when purchasing a brand. Hence, in order to make efficient and complete market segmentation, the author used the steps suggested by McDonald and Dunbar (1998). The first step is to understand the *market* and how it operates.

According to World Bank indicators (www.tradingeconomics.com), in Denmark there are 4.673.814 internet users. This number represents the 85'1% of the total Danish population.

The second step is to know *who* buys LinenMe products. LinenMe products are bought from:

single



- 2 Any person who wants to give a good present
- ③ Women who want to dress pretty

The woman +30 years old and single is an independent woman who lives alone, has a good job. It can be business women, who travel and are sophisticated.

The woman +30 years old and lives with her partner is a mother of two children, is married, she enjoys decorating her house, and cooks.

Other parameters:

## Demography

Gender: Men and women

Age: +18 (where +30 is the most strongly represented)

## Geography

Area of residence: All of Denmark

### **Socioeconomic factors**

Social class: All social classes

Income: 0-1,000,000+

## **Psychographic factors**

Lifestyle: All social classes

The third step suggested by McDonald and Dunbar (1998) is to understand *what* is bought. LinenMe products are: bathroom accessories, kitchen accessories, bedroom accessories, and female clothes.

The fourth step is to know who buys what.

- Bathroom accessories: (1), (2) and (3).
- Kitchen accessories: 1, 2 and 3.
- Bedroom accessories: 1, 2 and 3.
- Clothes and accessories (female clothes): (1), (2) and (3).

From the previous results, it can be concluded that all the three customers groups (1), 2 and 3) are potential buyers of any product category from LinenMe.

The fifth step is to understand why it is bought.

- Bathroom, kitchen and bedroom: primary necessity and to give a good present.
- Clothes: to look/feel prettier and to give a good present.

In addition, M. Zeromskis explains that "LinenMe ideal customer is the woman of 30 years plus, who likes decorating her house, many of them are housewives, or simply they are modern working women who like design" (Zeromskis Interview). However, he also points out that the company has also men buying LinenMe products. LinenMe is, therefore, open for any consumer online. Nevertheless, their main target communication is to women 30 years old and plus. M. Zeromskis explains how important it is to display the right pictures and the right message that LinenMe wants to express through its website pictures, he adds: "we always choose good-looking aspirational women who look young yet mature, to appeal more to the 30+ consumers" (Zeromskis Interview).

Huang and Sarigollu (2011) and Rafi *et al.*, (2011) discuss how customers make their own brand associations from any kind of brand knowledge in their minds. To analyze LinenMe customer associations, two customers from Denmark were interviewed, both of them Danish women, one was 29 years old, and the second one was 33 years old. LinenMe customers might associate LinenMe brand with quality as one of the customers explains that "the image that they are trying to give is quality. They use Lithuanian products, they are very authentic" (Interview with Mette Pedersen, Appendix nr. 3). The second customer expresses that "it looks like quality, like good materials. A bit too conservative. It looks like it's very fine. It's not something that everybody will buy, only people who want their home look good" (Interview with Julie Rasmussen, Appendix nr. 4).

## 5.2.6. Competitors

Yaseen et al. (2011) indicate that it is important to establish attraction in a brand to be in a better position than the rest of its competitors. Even though Hamel et al. (1989) mention that it is important to collaborate with competitors in order to gain competitive advantage, LinenMe has decided to approach another strategy by performing independently (Zeromskis Interview). Furthermore, Rafi et al. (2011) prove that one of the major drivers of success among competitors is the concept of brand dominance, which means that the consumer is aware of other brands with similar attributes, however, still perceives one brand to be better than the others.

After doing a research on the biggest Search Engine (Google), the author has identified three main competitors for LinenMe in Denmark: ren-linne.com, Textillita (textillita.com), and Hør her (hoerher.dk). All these competitors have a business model similar to LinenMe business model, which is selling products made of linen online.

The three competitors were deeply analyzed and compared to LinenMe in order to find out their strengthes and weaknesses. All LinenMe competitors and LinenMe have a section in their websites with instructions on how to wash linen products. The three LinenMe competitors and LinenMe state in the websites that they sell 100% organic and eco-friendly products. Both ren-linne.com and Hør her import the linen products from Lithuania (ren-linne.com also import linen products from Finland, Sweden and Wales). All LinenMe competitors' main offices are in Denmark and the owners are native Danish people. Ren-linne.com has a wide product portfolio, as they also sell linen shoes and linen toys. In the same line, Textillita also sells jewelry. Textillita explains in its website how their linen fabrics were treated according to the requirements of "Master of Linen" (e.g. exhaustive controls of raw material) (Textillita.com).

From the three competitors, only Textillita has a Facebook page where, as LinenMe does, they post news and pictures of products. However, they do not have any kind of competitions like LinenMe does. None of the competitors have a Twitter profile, videos on YouTube, or a Skype contact line.

Hør her founder affirms that Hør her is the first company in Denmark that imported high quality flax from Lithuania. He adds that the company is operative since 1990. Because of this fact, they might position themselves as a unique and pioneer company among their competitors.

All the three LinenMe competitors' websites are in Danish. Hør her and ren-linne.com websites are designed with Danish design standards - bright background, high definition and simple pictures, and a minimalistic structure.

Below a table is presented with two LinenMe competitors (Hør her and ren-linne.com) prices for a towel (badehåndklaeder in Danish) with similar characteristics.

Company	Size (cm)	Price (DKK)
LinenMe	70x130	139,00
Hør her	70X150	150,00
ren-linne.com	70X140	198,00

After comparing the different prices in the table above, it is clear that LinenMe offers the cheapest price, which will be appealing and attractive for customers and consumers.

Textillita does not sell home décor products; they only sell clothes and jewelry.

Therefore, in order to compare their prices, a pashmina prices will be compared. In

Textillita, a linen pashmina costs 250 DKK; in LinenMe.dk it costs 189 DKK. Hence, by
analyzing these prices, it can be estimated that LinenMe offers the lowest prices.

When comparing LinenMe with its Danish competitors, what is completely clear is that LinenMe website structure is much clearer than the other websites. If we take *Hør her* website, for example, the structure is not clear enough. One section of the website contains only product prices, without pictures of the products; and another different section contains pictures of the products without prices. This can make consumers

confused and irritated, as they need to visit many different pages in order to find out how much a product costs.

#### 5.2.7. Stakeholder feedback about LinenMe

Many are the feedbacks that the author of this thesis has got through the different interviews made to two Danish customers and a graphic designer. The feedback will be grouped in different segments:

#### Website

When the customers were asked about LinenMe website, one of them said "the website was ok. It was not super modern but was fine. It contained all the information that I needed so that's enough" (Interview with Mette Perdersen, Appendix 3). The second customer, Julie Rasmussen mentioned that "it is not the most professional website. It is not that it is not nice, it's just that you don't think this is really really nice. It looks like some kind of website that I have seen before, a bit old fashion". Jan Nielsen (graphic design) discusses how the photos from LinenMe catalogue express more quality. He adds that "the photos in the brochure are more luxurious than the website. The website seems a bit this is not an expensive product with the website design. The website content looks a bit cheaper than the products that I looked at the brochure. The website looks a bit cheap if I can say that. It doesn't look luxurious" (Interview with Jan Nielsen, Appendix 2). Similarly he discusses how "the product photos from the website are really nice, very luxurious and when I look at it I want to buy, but only from the photos, not from the design of the website. But the photos are really nice actually. I think they would be very appealing to the Danish market, there is something in the colors, in the tone, the way of presenting the linen are truly nice. But again the things around it doesn't have this quality feelings that the photographs have". Jan adds "the website looks a bit old fashioned, it has this sense of something like 5-10 years old" (Interview with Jan Nielsen, Appendix 2).

The two customers mention that in the website you can find clearly all the relevant data that you need to make a purchase, (e.g. sizes, prices, and delivery terms). LinenMe website includes all the information about products sizes, prices and even a

table with all the shipping rates and time that will take the product to arrive (LinenMe.com).

According to both customers, the process of purchasing from LinenMe.dk website was easy and smooth. Mette pointed out that "it was like in most online websites, so it was fine" (Interview with Mette Pedersen, Appendix 3). She adds "people are getting used to buy things online, so it is becoming very natural and normal to buy things from Internet". The second customer, Julie, explains how there is a "virtual basket" in the website where all the selected items end and this basket can be modified before heading to the payment process.

### Package

Packaging is an area that LinenMe takes a lot of care of. LinenMe puts a lot of effort and delicacy in the packaging of the product. LinenMe employees always include a small card with some history of the products being purchased. This action can be recognized as a *differentiation* theory approach because, by including these special cards in the package, LinenMe is doing something extraordinary, something that they are not supposed to do. LinenMe employees do it because they want their customers to feel emotional and privileged when they receive a package from LinenMe.

However, some customers do not care a lot about the packing of the product; Julie Rasmussen is one of them. In her interview she mentions "I don't care a lot about the packing, as long as what it is inside is the right quality then is fine". However, some other customers pay more attention to the package. Mette Pedersen is one of them; she said "the package was nice, a bit different from the others. I normally buy lots of things on the internet and the package is not that nice... but I remember also that I got a nice note with some history about the company and the fabrics, it was very unique. That's the way I felt" (Interview with Mette Pedersen, Appendix 3).

#### Product

When the author asked the customers about the product itself, both Julie Rasmussen and Mette Pedersen responded that the products were how they expected them to

be. Julie also adds "there was a list with all the things that I bought and I think it is good to get this as you can check if you got everything" (Interview with Julie Rasmussen, Appendix 4). Jan Nielsen only had the chance to see the products through the catalogue. His first impression was: "it's quite nice... it's actually very nice all their products" (Interview with Jan Nielsen, Appendix 2). He adds "the products seem quite luxurious, seem very nice, it looks like quality".

### Prices

Price is an important factor in any buying decision and more especially now with the financial crisis. The two LinenMe customers and the graphic designer were asked what they think about the prices of the different LinenMe products. Julie answered "they were ok. It was cheaper than buying the same products in a physical shop" (Interview with Julie Rasmussen, Appendix 4). Similarly Mette replied "the prices were fair enough. Of course they were a bit more expensive that a cotton product, but at the end, I think it was a good deal. I am very happy with my purchase" (Interview with Mette Pedersen, Appendix 3).

Jan Nielsen (graphic designer) perceptions about the different product prices werebased only on his short visit to LinenMe website. He mentions "they seem to be maybe a bit expensive". He adds how there is a connection between the prices and the pictures.

Logo



Bottomley and Doyle (2006) discuss the important role that color has in building the brand meaning and brand value. They add that choosing the right color for a brand name (or a brand logo) can bring high value to a brand. LinenMe has chosen to have its brand name in white in a black background. White color means purity, protection, peace, and comfort (euroresidentes.com). According to Euroresidentes.com, black color expresses protection and mystery. Black color is associated with silence, infinity,

and the mysterious feminine passive force. However, LinenMe logo has got some

critiques from the graphic designer Jan Nielsen. He mentions "I think the products look a lot better than the logo, don't think the logo is very exclusive, it's not luxurious". He compares the front page picture of the catalogue (picture on the side) with LinenMe logo and he adds "this seems to be quality (upper picture from the front page catalogue), but this (lower part of the front page catalogue with LinenMe logo) doesn't express that" (Interview with Jan Nielsen, Appendix 2).



Jan points out that the lines of the logo are symmetrical "in a bit strange way". He analyses how linen fabrics seem to be more organic, soft, smooth, and makes wrinkles, and not as 'controlled' as the logo seems like. Jan Nielsen expresses that "I don't think it (LinenMe brand logo) matches the product very well, I don't think there is a real connection to me". He adds that he does not think that the logo is the right one for the Danish consumer or the Danish market. He says "we (Danish people) like that there is a bigger connection between the product and the corporate logo".

When Jan was asked which characteristics, signs, or font he would use for LinenMe, he says "in Denmark we have a very strong, very strong design tradition for typography; we have some of the best typography designers and they would definitely make something else than this" (Interview with Jan Nielsen, Appendix 2). He adds "it (LinenMe logo) doesn't look Danish, as Danish design, I know it's not Danish, I can see that it isn't made here and we definitely do it differently if we had to make this logo in Denmark approaching the Danish market". Jan points out that LinenMe logo is a worldwide logo, therefore it has to match a lot of different criteria.

When analysis the prices of the products Jan said "the design of the logo doesn't feel like something in that price range".

### Newsletter emails

There are many companies that send newsletter emails regularly. LinenMe also sends newsletter emails every two weeks. These emails are in English and are sent to all

LinenMe customers all over the world. These emails contain information about new collections, competition winners, news, important facts, and trade shows where LinenMe products will be present.

The LinenMe customers were asked what they think about these emails and if they read them. Julie answered "I read almost most of them. I don't like when there is too much text. If there are many pictures then it is easy to read them. I spend no more than a minute in reading it, unless I found something that I find it interesting." (Interview with Julie Rasmussen, Appendix 4). Contrary, Mette answered "I don't like them. They are a bit annoying, I never read them" (Interview with Mette Pedersen, Appendix 3).

## 5.3. LinenMe's brand awareness efforts and results analysis

LinenMe.dk has got 8,467 visits in the period of October 19, 2011 to October 19, 2012 (Appendix 7). The average time that each person spends visiting the website is 2 minutes and 22 seconds (data for the same time period). Each visitor visits an average of 5.75 different pages from LinenMe.dk. There were also people visiting LinenMe.dk from other countries but this thesis focuses only in the relation of LinenMe.dk with the Danish customers. Out of the 8,467 visits, 6,475 visits come from the organic search of Google (Appendix 7).

LinenMe.dk is present in many different Danish websites, like shop-portalen.dk, foreignersindenmark.dk, gratis-ting.dk, find.tdc.dk, studenter-rabatten.dk and on YouTube (Appendix nr. 7).

One of the most efficient ways in which LinenMe.dk is being promoted is recommendations. LinenMe customers recommending LinenMe products have a big impact for LinenMe, because LinenMe has very limited marketing resources, hence, LinenMe relies on recommendations and word-of-mouth as marketing tools. One of the questions in the interviews to customers were "how did you hear about LinenMe?", one of the customers replied "it was some of my friends who recommend

me the website" (Interview with Julie Rasmussen, Appendix nr. 4). In the interviews with customers it is also asked if they would recommend LinenMe to others, Mette Pedersen replied that she has done it already; and Julie Rasmussen affirms that she would recommend LinenMe (Interview with Julie Rasmussen, Appendix nr. 4). According to Sivadas and Baker-Prewitt (2000), satisfied customers will end up recommending a product or a service to other people which is very profitable to companies.

Another strategy that LinenMe is applying is having discounted items on sale (they even show the old and the new price of pashminas being discounted). This shows how the company is trying to increase its sales not only via strengthened equity, but also via price promotions (Zeromskis Interview). However, price promotions are very limited at LinenMe as, what the company stands for is *affordable luxury*; therefore the overall price level should be affordable without price promotions.

# 6. Discussion

This chapter proposes a discussion revolving around the main theories touched upon in the previous chapters. First of all, the concept of brand awareness and the concept of virtual world will be mixed and applied to the LinenMe case. Secondly, the most effective online tools to increase brand awareness will be presented. This section includes a model created by the author which will help to clarify the main findings of this thesis. Then, the author will discuss how LinenMe is able to do business in Denmark without having any office or responsible person in the country, and how other companies can follow LinenMe steps. And at the end, LinenMe achievements and accomplishments will be evaluated.

## 6.1. Online brand awareness

As any other company, LinenMe can use the advantages that virtual world brings in order to strengthen their brand. LinenMe cannot afford making advertising on television or other media (Zeromskis Interview); therefore, LinenMe needs to take advantage of the different *cost free* ways of advertising, like through social media.

LinenMe Facebook page is full of new ideas of how to decorate, pictures of LinenMe products in different design fairs around the world and new LinenMe products (LinenMe.dk Facebook page), which helps building brand equity and brand awareness (Heding et al., 2009). This Facebook page can be used for both entertainment purposes (for example, videos, pictures, competitions) as well as for informative purposes (e.g. product launches). According to Booth and Matic (2011), a strategic and comprehensive social media approach will increase the brand awareness of a brand. Weston (2008) suggests that, in order to increase brand awareness, employers should encourage their employees to take part in social media marketing and to interact actively with the community. LinenMe founder encourages all LinenMe employees to adopt an active role in all social media platforms in which LinenMe is present: Facebook and Twitter (Zeromskis Interview).

The website is the most important touchpoint for any web shop or online business (Shankar *et al.*, 2002), and LinenMe is not an exception. The quality, design and content of the website will influence the final purchase decision of most consumers. LinenMe is having a global perspective (they sell products all around the world), but also a local perspective (by focusing on the Danish market). Therefore, the company needs to find a website design that suits both local and global approaches.

When discussing the relationship between LinenMe and Internet, we need to understand how important Internet marketing and Internet is to LinenMe. Internet is the main platform where LinenMe sell their product. Using the 7 Ps theory, we can say that Internet is the *place* where LinenMe operates.

The company can strengthen its brand by improving the following online touchpoints: effectively use the online tools (read more about online tools in section 6.2) (discussed by Aaker, 1996), improv customers' first digital impressions via a better designed website (analyzed by Armano, 2007), develop a loyal relationship with customers by giving a good customer service (discussed by Oh *et al.*, 2004), raise a good reputation among satisfied customers (examined by Firestein, 2006), which will lead to an increment of word-of-mouth provoked by customers recommending the brand; and brand awareness will be also increased (analyzed by Hoffman and Fodor, 2010).

Another important tool to increase brand awareness through the virtual world is through banners. LinenMe banner has to be present in the most popular Danish websites or Danish design blogs, like in bungalow5.dk, which is a Danish blog for people passionate about home décor and design in all its forms (bungalow5.dk). Other home design blogs are homesick.nu, blog.bahne.dk, casalicious.dk, and boligcious.com.

The fourth research sub question is *how a company can engage more customers digitally.* First, the customer service has to be excellent (Lea, 2012). As Lea (2012) wrote, one can achieve that by delivering "excellent service while you are meaningfully engaging customers". The new definition of customer engagement needs to be understood in order to create loyal relationships with customers (Lea, 2012). Secondly, while communicating with customers, a company has to communicate with customers in a results-driven way (Lea, 2012). Employees need to have in mind the goal of the

communication. Thirdly, as mention before, consumers are online all the time; the purchase can take place at anytime and anywhere. Companies have to take this aspect into consideration and being always operative. Lastly, the new customer engagement through social media is based on a "win-win" situation in which both the customer and the company win. Customers will feel heard; they will see the ways they are contributing to the company (Weston, 2008). At the same time LinenMe will get feedback, opinions and opportunities to improve.

# 6.2. Online tools for brand awareness

In the last years, advertising has become one of the main activities on the Internet (Ulusu, 2010). There are many different online tools to increase brand awareness. LinenMe has understood the importance of these online tools and the company is using them to increase its brand awareness. Organizing competitions on their Facebook profile is a good tactic for LinenMe (Zeromskis Interview). Through these competitions LinenMe encourages its customers to join and participate, which will lead to customer engagement (Hoffman and Fodor, 2010). LinenMe have kept their Facebook and Twitter profiles active by posting news, new decoration ideas, new products pictures, and competitions. Internet, and especially social media, allows retailers advertise a brand at a very low cost (Vance, et al., 2009). Every time LinenMe posts something new in their Facebook page, all the people who have "liked" LinenMe page on Facebook will see the new post on their "News Feed". According to Hoffman and Fodor (2010), the frequency of appearances in timeline, the number of posts on wall, the number of reposts/shares, and the number of responses to posts will encourage customers to talk about the brand and hence, the word-of-mouth approach will take place. Facebook has some pros and cons:

*Pros*: Facebook is a tremendous popular social media nowadays. It is efficient tool for any company who aims to strengths their brand. Facebook helps LinenMe to communicate with customers, to spread the brand image and brand identity, and to increase LinenMe awareness. Facebook enhances brand engagement (Hoffman and Fodor, 2010). However, Bonchek (2012) indicates that, in order to attract people to a

brand, a company has to give a reason why they (potential or existing customer) should like the company page on Facebook. Companies need to clarify that by clicking the like button, the customer will receive updates about the company in their Facebook news feed. Examples of engaging customers to like Facebook pages are: "Join us on Facebook to interact with us!" or "Join us on Facebook and you will have answer to all your questions" (Bonchek, 2012, p. 1). Bonchek (2012) expresses that the Facebook strategy does not finish there; the company has to deliver contents by keeping updated the Facebook page and post news regularly.

Cons: the freedom that Facebook led to consumers can be seen as an important danger to any company. Dissatisfied customers may share their negative opinions about a certain brand with other customers (Hoffman and Fodor, 2010). Customers can write anything in LinenMe Facebook profile; even not so good reviews. The negative impact of those bad comments on the Facebook page of LinenMe can be very harmful to LinenMe reputation.

According to Hoffman and Fodor (2010) one of the main social media objectives is to increase brand awareness. These two authors discuss how increased exposures on social media will enhance and strengthen associations of the brand in customers' minds. The more time a consumer sees a brand logo, the bigger is the chance of choosing that brand to purchase.

Another useful tool to increase brand awareness is the Search Engine Optimization (SEO), which is a process that affects the visibility of a website in a search engine's unpaid search (Beel *et al.*, 2010). The most famous search engines are Google, Yahoo!, Bing, and Ask.com. One of the specific goals and objectives for building the LinenMe brand is to build top-notch Search Engine Optimization system and capability (Zeromskis Interview).

When searching for key product categories of LinenMe (e.g. linen napkins, linen tablecloths, linen bed linen, linen scarves, linen towels), the website has number 1 or 2 position of organic search of Google. Friedman (2006) expresses how, due to the rapid development of Google, consumers now have access to a large amount of information about any possible topic. This trend is changing consumer behavior by making

consumers having more knowledge about a product and being more skilled. The company pays Google to be ranked in the top 3 of the search results. People make 2.8 billion searches on Google each day (MacMillan, 2010). There are estimated to be more than one billion web pages in the Internet, therefore, the chance that a causal user will visit LinenMe by chance is very small (Zeromskis Interview).

An efficient tool for increasing brand awareness is through banners (business.hibu.co.uk). Banners are one of the most commonly used forms of advertising on the World Wide Web, which is part of Internet (Briggs and Hollis, 1997). It requires embedding an advertisement into a web page. Banners main function is to attract traffic to another website by linking the banner. Therefore, banners have to be catching, easy to recognize and attractive to targeted customers. This kind of advertisement is also known as "click through". When the advertiser detects that a customer has visited the advertiser's website by clicking on the banner ad, the advertiser ask for a payback. According to MacMillan (2010), companies are using mainly display ads and banners to increase the awareness of a brand or a product.

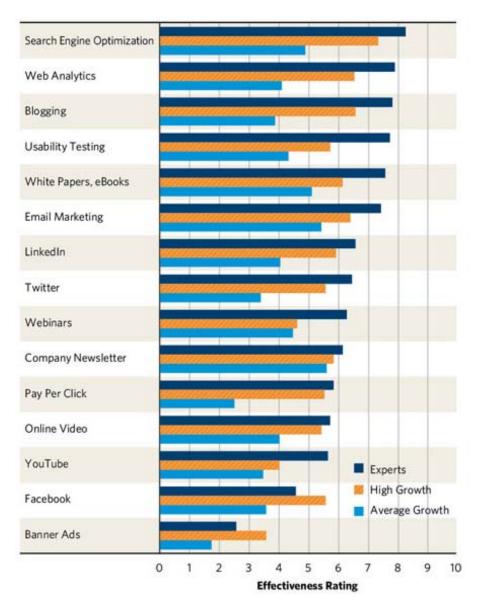
When banners advertising first appeared on the Internet they had a response rate of 10 percent and, due to a massive usage, it dropped to 1 percent by 2002 (Tellis, 2004). In the same line, Ulusu (2010) reveals in his article that some users tend to ignore the online ads. Some studies have shown that there is a negative public attitude towards online ads (Alwitt and Prabhaker, 1994; Zanot, 1981). Byfield (2002) and Frederiksen (2013) note that banners are often irrelevant. However, Hofacker and Murphy (1998) indicate how the imperative messages on banners, like "Click here" have a positive effect. According to Hibu business website, banners are a popular method to online companies as banners drive traffic to their website (business.hibu.co.uk).

LinenMe has banners in different websites, mostly with the help of affiliate marketing. Affiliate marketing company is a firm that has two different pools: one pool has the owners of websites that have space for advertisement, for banners, for example. Another pool is a group of companies that want to put banners on different websites, and this company pulls and matches them together (Collins, 2000). LinenMe supplies its banner to some affiliate marketing companies and now LinenMe banners are being

played in many different websites. LinenMe pays per purchase, which means that after a consumer purchases a product from LinenMe after having clicked LinenMe banner (from birdsanddogs.dk, for example), then the cookies will alert the affiliate company through a special tracking code that this person has made a purchase from LinenMe website from one of the banners that this company provides.

Other useful online tools are blogs. A blog is defined as a discussion or an informational site published on the Internet and contains different entries ("posts") which are displayed in a chronological order, appearing first the most recent post (Blood, R., 2000). A blog is considered a virtual community (Baym, 1995; Boyd, 2002; Rheingold, 1993; Rothaermel and Sugiyama, 2001), which take place in a virtual settlements or virtual place in which people have the chance to interact with each other (Blanchard, 2004). Jones (1997) suggests that a virtual community occurs when there are a number of public interactions with a variety of communicators with a sustained membership. Writing a blog has increased its popularity in huge measures (Blanchard, 2004). Consumers are writing and sharing information about which products they like. People are easily influenced with others people opinions, especially from friends or family (Stefanone and Jang, 2007). Blogs bring a sense of community (SOC), which is a community where its members have feelings of memberships, feeling of having influence on something, share emotional connections, and feel integrate and fulfilled (McMillan and Chavis, 1986).

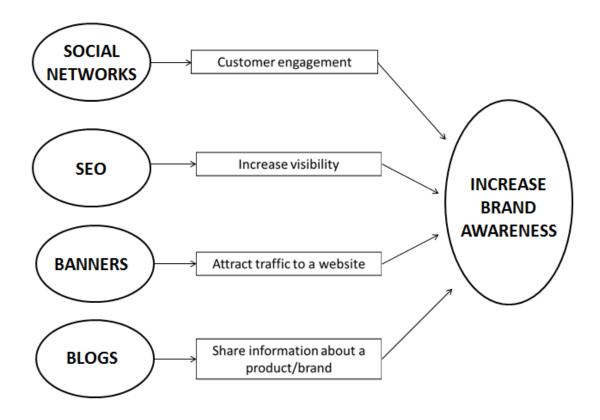
The figure below shows a ranking of the 15 most effectiveness online tools.



Source: Frederiksen, (2013)

From the figure and after the Frederiksen's (2013) analysis, one could make a conclusion that Search Engine Optimization (SEO) is the most effective online marketing tool. SEO is closely followed by web analytics and thirdly, blogs.

In order to have a clearer image of the online tools' benefits, the author of this thesis created a model (figure below) with all the main online tools' functions.



# 6.3. Doing business abroad

As mentioned before, one of LinenMe's employees has lived in Copenhagen for 5 years; he learned the Danish language and the culture in those years. Now he is taking control of the Danish market and the Danish customers while being based in Switzerland. This is possible thanks to Internet and the new technologies. Internet allows companies do business in other countries without having to be present in those countries. LinenMe is answering customers' emails in Danish, answering phone and Skype calls also in Danish, and posting and writing in LinenMe.dk Facebook profiles without physical presence in Denmark. LinenMe is applying the term "glocal", which is basically thinking on a global scale and acting at a local level (http://searchcio.techtarget.com). LinenMe is thinking globally and acting locally in Denmark (Zeromskis Interview).

There is an important aspect that we need to take into consideration when discussing doing business in Denmark: the Danish language. It has been proved that the English

level of Danish people is quite good (Lewis, 2009); however, as one of the customers (Julie) mentions in the interview, most Danish people prefer to use Danish language when they purchase online, as they feel more comfortable when the website is in Danish (Interview with Julie Rasmussen, appendix 4). Julie adds that she associates the language of a website with the delivering time that it can take for the products to arrive, meaning that if the website is in English, for example, the delivery time will be longer as it would be assumed that the products that she is buying are not in Denmark.

In order to be successful in the Danish market, foreign companies need to adapt to the Danish culture in many different aspects. One aspect is the website. Even though Danes are fluent in English, they feel more comfortable online shopping in their mother language. Having the website in Danish will also help to get the website ranked high on different search engines, like Google or Bing. Another important aspect to take into consideration is to communicate with customers in Danish, when answering emails, for example. Danes are highly attached to social media, therefore, being present in Facebook and Twitter is recommendable. Having product videos uploaded on YouTube is positive too. Keeping the Facebook page active will encourage customers to purchase the brand. Being present in different Danish websites and blogs is also relevant. Understanding the Danish culture is a plus to be successful in Denmark, therefore, spending some time living in Denmark is advisable.

#### 6.4. LinenMe achievements

When looking at LinenMe, the first impression gained is that it is an online company that has managed to expand its business internationally and to create a brand that customers identify themselves with (Zeromskis Interview). During the first years not many people knew the brand. Hence, LinenMe employees worked hard to promote LinenMe and gain more customers.

LinenMe has been growing sales year by year, since its launch (Zeromskis Interview). This can be linked to increased brand awareness in the Danish market, which was achieved by social media tools. Hoffman and Fodor (2010) indicate that the brand

awareness of a social network can be measured by the number of members/fans among other facts. In Facebook, LinenMe.dk has 25 "likes"; LinenMe.com has 3,770 "likes"; and in Twitter, LinenMe has 447 people following LinenMe. Facebook "likes" are the number of Facebook users that has clicked the "like" button in the Facebook profile of a brand. After doing this, users will see posts about these brands on their "News Feed" (https://newsroom.fb.com/). The reason why the Danish Facebook page has so few fans is likely because of the key focus that the company is putting on international Facebook page.

There are LinenMe videos available on YouTube. Just under the video, there are the video details, which are displayed to everybody. These details include the date when the video was submitted, how many more videos have uploaded the same person, and how many people have watched that video. LinenMe has got 786 views for one of it videos on YouTube.

Out of the three main LinenMe competitors in Denmark (named and discussed before), only one of them (Textillita) has a Facebook page. Textillita has 169 "likes" among Facebook users. Similarly to LinenMe Facebook page, Textillita page is full of news, relevant information like contact details, colorful pictures, and videos.

LinenMe has not carried out any brand awareness studies for the brand, however, the company counts with other parameters to estimate brand awareness, like the number of "likes" on Facebook, the number of Twitter users following LinenMe, and a customer database.

# 7. Conclusions

Throughout this thesis an understanding of how Internet has revolutionized people's lives in different ways has been sought. The way consumers purchase products has changed dramatically. The number of webshops has increased notably. This huge development is making online purchase easier, faster, and more convenient for customers and companies. Stakeholders have a big influence in this process. Hence, the author felt motivated to find answers to the research question, which is a mix of the concept of brand awareness and the field of internet marketing.

The meaning of brands has evolved in the last years. A brand is much more than just a name or a logo – it brings emotions and feelings to customers who feel attached to a brand. Consumers are using brands as a way of living, and to express their personalities.

In this context, and in order to answer the research question, the author looked at the relation between brands and stakeholders and how this relation is influenced by the online world. By stakeholders the author means any person who has any kind of relation with a brand; from suppliers, employees, competitors, to customers (to name a few). Employees can influence the brand image depending on how they deliver the brand experience. Kapferer's brand identity prism states that there must be an alignment in the brand perception of employees and customers. The image that the company thinks is giving should be the same one as the image that customers have about the company.

First, the concept of brand awareness was investigated. The majority of authors agree that brand awareness is linked with brand recall and brand recognition. Moreover, theories linked to brand awareness were examined. The customer-based brand equity model helps to build strong brand equity. The touchpoint model is important and need to be taken seriously as the brand is in constant contact with its consumers - there occur different interactions between a brand and a consumer not only before the purchase, but also during and, especially after the purchase – the theory advocated by Aaker. His argument is that, in order to maximize the brand performance, all the

interactions with customers need to be prioritized and managed well. The author of this thesis and Aaker (1996) consider the touchpoint model to be one of the most significant models when dealing with brand awareness, because it helps companies to recognize all the possible interaction channels between a company and its customers, and it gives the company the chance to improve on these interactions. The marketing spiral model explains how these interactions leads to engagement, then to participation, then to consumption, and finally to recommendation of the brand. Customers can contribute notably to increase the brand awareness by the method of word-of-mouth or recommendations. Satisfied customers, who might also become loyal customers, will talk positively about the brand to other consumers, will show a positive attitude towards the brand, and will repurchase the product (Sivadas and Baker-Prewitt, 2000). Finally, the differentiation theory by Porter expresses that, in order to get customers attached to a brand, the brand needs to provide a unique value to the customer.

Next, the virtual world was analyzed and so all the parameters that are related to it.

Consumer behavior has been modified and nowadays consumers are purchasing almost everything online. Online brand communities were studied and explained why and how they can contribute to increase brand awareness. Facebook, the most famous online community ever, was examined as well as put into practice into LinenMe.

Later on, a case study with the company LinenMe was carried out. LinenMe was chosen as a case study because of its peculiar way of doing business in different countries without being physically present in them. As already mentioned, this is possible thanks to Internet. Danish market was chosen because Denmark is the country where people consume most organic products in the world. To start the empirical analysis, the author looked at the home décor industry and stated several interesting factors about the Danish behavior on this issue. Data were collected through different methods: interviews with Danish customers, a graphic designer, and with the Danish market representative of LinenMe, M. Zeromskis; empirical observations of relevant facts, competitors' analysis, and the likes. Then LinenMe webshop was explained and analyzed by the touchpoint model. The two interviews with the Danish customers helped to identify the different actions that comprise the

model. Other brand awareness-related theories were applied to LinenMe to get a deeper understanding of the company and how this company is increasing its brand awareness. Then, a business model was made by the author in collaboration with some LinenMe employees. Naming all the company's value propositions were crucial in order to fully understand its business model and what the company stands for. Other significant players like partners, delivery companies, and suppliers were described to give a full and clear framework to the business model. In the business model it is explained how important it is for a web shop to have a rich social media approach, on Facebook for example.

Exhaustive customer segmentation was made in order to shape and delimit the customer target of the company. The customer segmentation was supportive in the understanding of relevant facts like the company value propositions. Then the main competitors were identified and explored. Strengths and weaknesses of LinenMe competitors were studied. Hence, after analyzing these inputs, LinenMe can learn from them. Later on, feedback was collected from the interviews with the customers and with the graphic designer Jan Nielsen.

After analyzing how LinenMe has built its brand, it becomes clear that its first objective is being the first choice when thinking about decorating home. In order to achieve this, the company has put lot of effort in being ranked high in SEOs, especially in Google, offering high quality service, selling only high quality products with best design, and offering a wide variety of linen products in all their categories. Furthermore, the company is approaching the strategy of being present in different blogs and home decoration website. LinenMe banner is placed in many relevant Danish websites, like shop-portalen.dk. However, in spite of all these achievements, LinenMe aim to get a more recognized and well-known brand in the Danish market.

# 7.1. Thesis put in Perspective

The way of using and exploiting online tools (e.g. social media, SEOs, banners, and blogs) still contains a sense of uncertainty. It is the author's opinion that companies

should build their brand awareness by, among many approaches, using effectively online tools.

The results achieved in this thesis are relevant for LinenMe in order for them to exploit the enormous number of opportunities that online tools can offer. This thesis' results are suitable for LinenMe, as LinenMe can apply them in the development of future strategies. When considering this thesis' result, the only possible critique is the limited number of customers being interviewed for analyzing LinenMe brand.

A Facebook strategic plan should be made by LinenMe in order to reach their objectives. Facebook functions like "advertising" through Facebook ads could be very beneficial to increase LinenMe brand awareness. This ads method is very convenient, as it can be defined the target population to whom the ad will be shown (e.g. Danish woman from 35 years old to 45 years). Besides, its cost is not extremely high. Hoffman and Fodor (2010) express in their article that social media campaigns help to develop customer commitment, reinforce loyalty to the brand and make the customer support the brand in the future.

It needs to be noted that, when a project comes to an end, there are several things that could have been done in different ways. The final product of any project is the outcome of a number of choices made, and these choices reflect on what should be done in the future.

One of the key elements is the website format. LinenMe website has to be designed in a way that consumers will spend more time on it, by visiting different sections full of relevant and stimulating content. Weston (2008) proposes that companies can create their own interactive programs on sites like Facebook. This could be like creating a Facebook app where consumers can choose different LinenMe products to decorate a virtual home. This app would make customers getting involved with the brand.

Online tools, especially Facebook, are in continuous development. Therefore, future research should focus on how to analyze these new developments, and how LinenMe can take advantages of them, if possible. Previous research shows that Danish Facebook users are a bit uncertain about entering into a direct commercial contact

with a brand. However, one thing is clear. The massive growth and attractiveness that Facebook has achieved in such a short period of time makes curious people (like the author of this thesis) wanted to be alert of new developments and findings about this matter.

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## Appendix 1. Interview with M. Zeromskis

Transcription - Interview 18-10-2012 Interviewer: Emilio Rios Galvez Interviewee: Mindaugas Zeromskis

Place: Copenhagen Business School, Frederiksberg, Denmark.

#### **Customers:**

**Interviewer:** What is LinenMe main target group?

**Interviewee:** Ladies 30+ years old who like decorating their home. Our ideal customers is the lady, 30 years plus, who likes decorating her house, many of them are housewives, or simply they are modern working woman who likes design or staff like that. Now, it doesn't mean that we don't have men buying LinenMe products, we have, actually in the last 2 months, I remember we had at least 4 or 5 men buying, so, I mean, we are open to any consumer online, but our prime prospect, or the core that we target our communication to is the lady 30 years old and plus.

Their goal is to find products to decorate their house, to prove that they are good housewives, to prove that they are good wives, to show off in front of their friends, like when their friends come for some nice afternoon tea they say "ohhh such a nice napkin that you have", "ohhhh yeah, I bought it online....I can't tell you where... it's a little secret...". So, I mean, their goals are just to, you know, to be a good woman, to be a good housewives, to be a good wife, to be a good mother, to be a good friend, to show that she can decorate her house, to create the nice atmosphere at home and staff like that.

**Interviewer:** What are all of the different ways in which LinenMe believes it touches the customer today?

**Interviewee:** We help to design their homes. We provide natural and traditional textile products in modern design to refresh their homes. We help in confirming that they are good housewives, good wives, good mothers, and have good taste in home decoration. On top of that, we also sell linen clothes that are very comfortable and durable.

**Interviewer:** What are the different market segments in which LinenMe operates?

**Interviewee:** *Different angles of the market:* 

Angle #1: Sales channels - 100% online

Angle #2: industry sector – textiles / home décor & linen clothes

Angle #3: consumers – those who appreciate linen and ready to pay premium for a fabric other than cotton

**Intervieweer** Which are the most important segments to focus on today? Why? **Interviewee:** #1-only online. This is because we can keep our costs down (no need to hire employees for shops, invest in shop decorations, etc.)

#2-textiles. This is because this is where we have competitive advantage (modern designs, family-run factory in low-cost country, etc)

#3-linen consumers. Because they know what qualities linen has and why it is worth paying more for a linen item instead of cotton item

**Interviewer:** What do you think are the most effective ways to reach your target segments?

Interviewee: Online.

**Interviewer:** What do you think are the key purchase drivers for your customers?

**Interviewee:** Quality, relatively low price, bespoke production, modern and traditional designs

**Interviewer:** In what ways are we continuing to build relationships with these customers after the sale? is there any "follow-up" with customers?

**Interviewee:** Yes, we send them our survey for their feedback. We also add vouchers

with small amounts (e.g. 30-50 kr.) for their next purchase.

**Interviewer:** How do you create "loyal" customers?

**Interviewee:** *Via:* 

1) High quality service

- 2) Approachability (we have call center that is open to hear them on the phone and on Skype)
- 3) High quality products
- 4) Newsletters
- 5) Competitions to win prizes every month

**Interviewer:** Do you "use" your customers as a resource of information (trends,...)? **Interviewee:** We rather focus on industry trends (we participate in industry fairs, exhibitions, etc). But we get their feedback seriously, so we rather use their opinion to improve our internal processes and service quality.

#### **Suppliers:**

**Interviewer:** Who are the main suppliers of LinenMe?

**Interviewee:** LinenMe main suppliers are fabrics suppliers from Lithuania and surrounding countries. The fabrics that the company selects is directly seen by the customers at the end, because in the end, what we select as a fabric, then after we produce the product, that's what the consumer sees. So the way we select the fabrics is very easy, basically we have the same suppliers, we don't really change them much, but what's important is going back to brand equity of LinenMe, which is higher as much as possible quality, durability, and good designs, and partly we also influence the way the designs look, cause Inga, who is the owner, she has a degree in design and she also makes, she designs the fabrics, so for example, if she makes a new design of the fabrics, she sent them to the suppliers, and then the suppliers can make this type of design. For example, she decides that ok, for the next summer pink color would be a super popular, and it would be, you know, top of top, would be very... then she..., pink with a black flowers, for example, then she makes a sketch, designs it, and then she sends it to the supplier, and she says "ok, for next month I need 10,000 square meters of this fabric, can you produce it for me?", and then the suppliers says "yes, I can", then the supplier delivers the fabric (10,000 square meters of pink with black flowers fabric), and then what Inga does, or what LinenMe does, LinenMe then produces the products itself, so for example, after we get the fabric we produce pillow case. We have a family factory in Lithuania which produces products to LinenMe. So after this family has produced the products, then we make pictures of the products, then we put them on the Internet, we create the description of the product, and we say "look at this fashionable pink pillow case", then the consumer sees it, and then he buys it. This family factory is called Linomeda (linomeda.lt), and they also produce products to other big brands, so for example, there are several big big linen brands in the world, and they also sells in the department store, even if you go to Magazin du Nord in Copenhagen or in Illum, maybe there are some products that Linomeda has produced for these big brands. So

basically what they did is that they produce the product and then they put "brand name" of these famous brands and then they send them, they ship them to these companies. But LinenMe is privately own brand, which is like you know, we get the products from them as well, like, we get the products from Linomeda as well.

#### **Competitors:**

**Interviewer:** What are LinenMe main competitors?

**Interviewee:** Other linen online shops in Denmark; other linen online shops abroad;

from a broader perspective: physical shops that sell linen.

Interviewer: How are you trying to differentiate/position your company from your

competitors?

**Interviewee:** *Top line: affordable luxury. This is what we offer: relatively low prices (affordability) and top quality products with trendy and traditional designs (luxury).* **Interviewer:** Which strategies are they doing that LinenMe is not doing? Can LinenMe

adopt some of these strategies?

**Interviewee:** *Not sure.* 

**Interviewer:** Who are their partners?

**Interviewee:** *Don't know...* 

#### **Employees:**

**Interviewer:** Are the employees "living the brand"? **Interviewee:** *Yes. Some are full-time, some are not.* **Interviewer:** How can we make them "live the brand"? **Interviewee:** *By talking more about our philosophy...* 

#### **Purchase**

**Interviewer:** How easy/difficult it is to find LinenMe website on Internet?

(accessibility)

**Interviewee:** It is on the top of Google search in Denmark... Many product categories are among top 7 in Google search.

**Interviewer:** How easy/difficult it is to make a purchase? (payment, delivery time,...) **Interviewee:** *It is quite easy: choose a product, go to PayPal site, and enter credit card info.* 

**Interviewer:** Is there any transaction costs involved? (How easy it is to find/buy from LinenMe)

**Interviewee:** It is quite easy. The only transaction costs are the time spent choosing the product.

#### **Brand building:**

**Interviewer:** What are your specific goals and objectives for building the brand?

**Interviewee:** *Being #1 choice when thinking about decorating her home.* 

Goals to do that:

Build top-notch Search Engine Optimization system & capability

Offer high quality service (easy to contact us, easy to return products, fast delivery, etc)

Sell only high quality products at best designs

Offer big assortments in categories we play in

**Interviewer:** What is your brand's image today? And how well does that align with what your brand is trying to achieve over the long term?

**Interviewee:** *Pretty much aligned with our objectives. The only problem is that brand awareness is not so high.* 

**Interviewer:** What are your brand's strengths and weaknesses in relation to the competition?

**Interviewee:** Strengths: low costs, modern designs, big product assortment, scale from delivering around the globe.

Weaknesses: not a Danish firm, no dedicated full time employees for the Danish business, delivery from Lithuania (which takes some more days vs. delivery from Denmark)

**Interviewer:** How well is your brand positioned today? Is your positioning relevant to customers and differentiated from the competition?

**Interviewee:** *It is very relevant (affordable luxury). Also differentiation is quite strong.* **Interviewer:** How would you rate your brand-building efforts to date? What are your brand-building strengths and weakness?

**Interviewee:** 4 out of 10.

The same as strengths and weaknesses above.

**Promotion:** 

**Interviewer:** Is there any physical evidence LinenMe material?

**Interviewee:** No, only a promotional catalogue.

**Interviewer:** Is there any membership card for loyal customers?

**Interviewee:** No. Instead we choose to delivery highest possible quality in production

and service.

**Interviewer:** Does LinenMe have a "gift card"?

**Interviewee:** We used to have, but not anymore. Not many people were interested.

**Interviewer:** Celebrity promoting LinenMe clothes?

**Interviewee:** Not a celebrity. But we always choose good-looking aspirational women

who look young yet mature (to appeal more the 30+ consumers).

#### **Financial status**

**Interviewer:** Is LinenMe.dk making profit?

**Interviewee:** Yes, of course.

**Interviewer:** Have you reached the break-even point?

**Interviewee:** No, we are not profitable yet. And we haven't reached the break-even point. We as corporation, we are not yet profitable, we haven't reached the break-even point, because we are not profitable. If we have to pay a salary we will go bankrupt.

**Interviewer:** Have LinenMe ever had a business plan?

**Interviewee:** No we haven 't. we are running a project now that would refresh the brand of LinenMe. So basically what we will do is that we will build a completely new web site, with nice super cool features, very modern design, much more closer to the consumer, talk to her in her language, be much more like a warm brand, instead of being very corporate, very framed. So we are now working on this design, of the web site, and are actually hiring a professional agency to do that, professional marketing agency. There are two marketing agency, and they made like an analysis of LinenMe strengths, weaknesses, opportunities, threads, and things like that.

Before we were focusing in another things, like building our brand itself, talking to our suppliers, for example our logistics partners change many times because, one of the weaknesses of LinenMe is that we always produce in Lithuania and we ship from Lithuania, which takes more days than shipping from, let's say London. If we were in London and the person buys it in London we can deliver it the next morning, whereas

now if we send it from Lithuania and the person pays for a "standard delivery", not for a "express delivery" that means that the person would get it in like 3, 4 days, which is you know, not so good. So we've been working a lot with our distribution partners, and we were focusing in another things,... assortment of products,... and staff like that. But now we have realized that is enough, now that we already have the "consumer based" that are coming back to LinenMe by time to time, and we are constantly building the consumer flow to the web site, we decided that it is time to the brand to refresh itself, to renew the brand, and one part of this is redesigning the web site. The products would be the same.

#### **Distribution**

**Interviewer:** In LinenMe web site you can see that you can buy some LinenMe products from Amazon and Ebay, how is this possible?

**Interviewee:** Yes, we are there. We are one of their sellers, so basically we are registered as a seller, and we have a lot of products on Ebay and in Amazon. We have some specific products that we sell only on Ebay because, for example, they are very cheap, like they are cheaper to produce and in Ebay we can give a better price, and we also have products that we sell on the web site, so we have both. Some of the products that we sell on Ebay are on sale in our web site too.

**Interviewer:** How is your relationship with delivering companies?

**Interviewee:** 3 years ago, when we had very few orders, of course it was difficult to negotiate with delivery companies. But now because we sells so much more we have much more bigger power to negotiate with delivering companies and we've got better deals now.

**Interviewer:** so in *Magazine* and *Illum* they have to pay for the electricity, for the shop,...

**Interviewee**: for the employees, for rent, and we don't have physical shops so that's why the costs are much lower.

Interviewer: so what does it means affordable goods?

**Interviewee**: affordable means that it's good value, it is still a bit more expensive than cotton products, because the material linen is a special material, but, we call it affordable because it's,... you know, the prices are lower than the ones in Illum or in Magazine.

**Interviewer**: why don't LinenMe imports the material from China? For example? **Interviewee**: simply because, then we wouldn't be able to claim "it's luxury" because, in many cases they have very low quality, especially the work that they do, so every linen product combines two things: one is the fabrics, another one is the way you sold it. So first of all their materials are not very high quality, and second of all the way they do it is not very advance sort to say.

Interviewer: so LinenMe products are 100% made in Lithuania?

Interviewee: yes.

**Interviewer**: How is LinenMe being promote in Denmark?

**Interviewee**: in Denmark? Ok, I can start from general strategy, because the shop is online, right?, so we can't have a tv advertisement simply because it wouldn't be a good "return on investments". It would be very expensive, yeah.

**Interviewer**: I have seen to advertisement for web sites...

**Interviewee**: yes, but usually these web sites have really big critical mass to attract the consumers and we say that our products are niche, so, it's not like everybody would be interested in them, simply because, first of all it's more expensive than cotton, so any

random person who doesn't know a thing about linen, he would say "oh, but that's more expensive than the other thing, so why should I pay more?", and, another thing is that linen is a special material, so not everybody likes it, so it truly depends. That's why we say is a niche product.

So that's why the strategy to mainly focus on online, kind of, promotion, online marketing basically, and there are different things, so one is "Google wodo", so Google adds, you know when you type a, whatever, "linen towels" we are in the... you know, we try to be on the...

**Interviewer**: so you are paying Google to place LinenMe on the top of the search list? **Interviewee**: yeah. We also do the Search engine optimization (SEO). So basically, when we talk about Google, there are two things: one is "organic search", and this is when, basically, there are many different rules, how to be better in organic search. So when you search for "linen towels", there is a list of things that appear for you, right? And, here you want to be as high as possible, so among top 3 basically. You don't have to pay to be in this top 3 ranking. Another Google thing is "Google paid search", here again when you type linen towels, there would be on the side, and also on the top in the yellow area the commercial or how you call it, paid links. And, this is where, basically, paid search comes. So it's two things, one organic, one paid. With organic you don't paid anything, whether your web site is super relevant for your phrase, then it would appear high in organic search. We can even check online now if you want. You can search for it on google.dk or whatever, even in the Spanish google. The ranking of web sites in the google search depends on how relevant the content of the web site is with the words that you have written in the search field. When the content of the web site matches your search very well, it will appear high.

**Interviewee**: another thing is the advertisement, so, we also do some... for example we have some banners produced that appear in different web sites, and,... what else?...

**Interviewer**: do you pay the web sites to have your banner?

**Interviewee**: mainly yes but, this where the third big rock comes, it is called "affiliate marketing", so it's basically, is a company that has two different pools: one pool has the owners of web sites that has space for advertisement, so for banners, another pool is a group of companies that want to put banners on different web sites, and this company pull, kind of matches them together. And now we produce some banners that we supply to this company and now these banners are being played in these web sites, in many different web sites. We pay for purchase, so actually we have installed a special code in our web site and when a consumer goes to, I don't know, a "birdsanddogs.dk", and he sees the banner of LinenMe, he clicks, and it the cookies there is a special tracking code that, if you buy the product in LlinenMe.dk then, this company that is called affiliate marketing company, they would get like 10 whatever per cent agree.

**Interviewer**: so LinenMe send the banner to this web site, and this web site put the banner in a lot of different web sites.

**Interviewee**: yes, but when I send the banner, I can also tell the criteria, for example I can tell them "I want to be present in design web sites, fashion, home decoration, textiles. But please I don't want to be present in porn web sites, whatever else you... cause they are not relevant. I don't want to be in the car web sites, whatever,...". So that's how it works.

The affiliate marketing company pays the web sites owners as well to put LinenMe banner. And they get the margin, most probably, I don't know. And we pay the affiliate marketing company depending on what we agree. So now currently we pay them 10%.

So when you visit a small web site, and you see LinenMe banner, and you click it, and you buy some LinenMe products you will not know that the first web site that you have visit will get some revenue from your purchase, you get "track". But the affiliate marketing company will know, and they will say this guy bought it, so please pay us. And the cookies work for one month I think, so even you buy something from LinenMe in a different day, clicking directly LinenMe web site, the cookies will still show that you have visit LinenMe web site thanks to other web site, and the affiliate marketing web site will know, unless you delete all your cookies. Click per sale. so that's the third rock, what else do we have? I think that's basically it. In the end we have a lot of things, so... We also have a blog which helps, because, how it works is that if you have many links from web sites that are higher in the rating, in the ranking of Google, then your ranking goes higher as well. Every web site has a ranking, from 1 to 10 on Google, so for example Google.com. Banners I don't think it counts, it's more like... someone writes about you so... "I think these are cool" so they put your link www.linenme.dk, and then this counts as a link, but if it is just a banner I don't think it counts. So Linkedin, ...

**Interviewer**: so many things no?

**Interviewee**: is a lot of things... what else...? Another thing to make it higher is... ah, we are also on Facebook, ...

**Interviewer**: Twitter?

**Interviewee**: yes, but not linenMe.dk, it's only LinenMe.com, so you see from linenme.france there were 54, from Facebook,...

So you see "studenter-rabatten" we give 10% discount or whatever the discount was and we are on their web site and you can see that we had 30 people coming from studenter-rabatten.

So you see, most probably I..., at one point I was going through all Danish web sites that are about design or whatever and then I would add these... you see search on "design.dk" and here you can see...

**Interviewer**: but how do people know that they have to search for "LinenMe"? **Interviewee**: well, that's the thing. They search for linen towels, for example. Here it says "check the shops for furniture and textiles". And then you just click and you will be tract directly to the web site. That was the link, yes. And we don't pay them because their goal is to have as many shops as possible cause their customers, people come there just to check what they can see on internet, so for them is important to have as many web sites as possible.

**Interviewer**: how do they make money then?

**Interviewee**: they have banners. This is also an affiliate marketing company, so they make business as well.

So here you can see that mainly all sales come from, or all business comes from Denmark, out of 9000 we have 8500 coming from Denmark, then we have Russia, Lithuania, the US, Canada, UK, France, ... you can check the specific places where the people has visit the web site from. You can also check how many time the visitors spent visiting LinenMe.dk.

**Interviewer**: so LinenMe.dk is present in a lot of different web sites...

**Interviewee**: *yeah*.

**Interviewer**: and even that is not very...

**Interviewee**: it's not enough, I mean, think about how many web sites link to Google or Facebook, and ...

**Interviewer**: what about Facebook? Is Facebook helping?

**Interviewee**: very little because, I can show you what we have... there is LinenMe.com on Facebook and LinenMe.dk and LinenMe.france. so if you go to LinenMe.com you

will see a lot of activities, so here we share the biggest news, here it's the blog that we have,...

**Interviewer**: you have a blog as well?

**Interviewee**: yes. That's LinenMe.com, competition, we have every month different

competitions, now you can win a plate.

Interviewer: how?

**Interviewee**: if you share "this" on your Facebook, you can win the competition. I think you need to write your favorite color, "choose your favorite and win", so you can choose between three colors and then you can participate. So a lot of things. There is also LinenMe.dk which we don't drive so actively because of my Danish language, I don't feel comfortable with writing everything without mistakes so it's really bad if you talk with mistakes, so it's better not to talk at all, to not create a bad image. So you can see the new collection... some staff... and here you see the blog. So why do we need a blog?

**Interviewer**: is that "LinenMe blog"?

**Interviewee**: that 's the thing, it is not, because, if you run a web shop, Google will not rank you as well as it would be for a blog, because then they kind of think that, ok you are driving your products, that 's why you are using all this metal descriptions and things like that, whereas in case of the blog, you don't sell anything, you just write, so it 's kind of... they try to make... it 's something different, and, when we write on the blog, what we do is that sometimes, but only sometimes, we would link to LinenMe, so it 's like you, as if you were a blogger, and then sometimes you link to LinenMe web site. But the main purpose of the blog is to promote LinenMe. So here you can see for example, "5 simple tips to maintain your bed linens", so, we kind of help consumers to...

**Interviewer**: but then you have to promote this blog as well...

**Interviewee**: no, but that's the thing, Google promotes it itself, because it ranks it much higher than LinenMe.dk or LinenMe.com.

So here you can see different articles about how to maintain the bed linen, amazing linen fabrics, which table clothes choose to your table design, about the towels, so for example if you want to read about the towels you click here, and you read about towels. You read a lot, you read a lot, but there is no link, you see?, yeah, it's LinenMe, but the pictures on Google doesn't track anyway, so you see, it's not even linked to LinenMe this article, but in small instances, in certain instances we add a link, and then Google cannot really track whether it's made by the same company or not. It's a bit of a "game".

**Interviewer**: what is the "meta description"?

**Interviewee**: I can show you. The Meta descriptions are the sentences that kind of represent the site, not the web site, but that specific page within the web site, on Google search.

**Interviewer**: why LinenMe is not very successful in Denmark?

**Interviewee**: my theory is that first of all is not a... it's quite a niche category, or... so not many people like linen, cause it's a bit more expensive, and there are certain disadvantages, like for example the towels, people prefer proper towels than linen towels because linen towels are thin and they are a bit more raft. But at the same time there are occasion when they are more practical, for example if you go to the beach you don't want to bring your big, heavy towel, you rather bring the linen one so... it's advantages and disadvantages.

## Appendix 2. Interview with Graphic designer Jan Nielsen

Transcription - Interview 16-01-2013 Interviewer: Emilio Rios Galvez

Interviewee: Jan Nielsen, Danish Graphic designer

**Interviewer**: Just for an introduction, could just tell us who you are, please.

Interviewee: yes, my name is Jan Nielsen, I am a Danish Graphic designer and I've

worked as a graphic design for more than 10 years.

So this is their present brochure, company brochure? Ok.

**Interviewer**: yes, it's only for promotion... they don't have any physical shop, it's only online shop.

**Interviewee**: and this is for... is this more corporate or more product? (looking at the catalogue)... it's quite nice... ok... it's actually very nice all their products...

**Interviewer**: so I'd like to ask you what do you think about the brand logo?

**Interviewee**: ok... well... since I haven 't... well I don't know them very well, just have this (catalogue) for a short second to look at... but I mean, you can show me also their web site. From seeing their products, the products seem quite luxurious, seems very nice, looks like quality, I don't know if it is but it looks really nice, and actually I think the products look a lot better than the logo, yeah, because I don't think the logo is very... what's the word for it... it's not exclusive, it's not luxurious, I think the products look better than this (brand logo). This seems, I mean, can I say...?, this is... this seems to be quality (upper picture front page catalogue), but this (lower part of the front page catalogue with LinenMe logo) doesn't express that, I don't think that, the lines are somehow... I know of course it's soft, because it's so symmetrical in a... a bit strange way some of the letter the emics for instance... it's a bit strange, this symmetrical thing has to do with the linen, which seem to be more... organic, soft and..., you know... not as controlled as... I mean, of course a clothes is square but, the fabric is soft and smooth and, makes wrinkles,... but this is quite different, so I don't think it (LinenMe brand logo) matches the product very well, it could be that it's a choice they made to... that they don't, as a corporate logo has to look exactly like the product, that's a choice, I mean, you don't have to, but... I don't think they do look like the product, and when you have it directly here together with the picture and the product (LinenMe catalogue front page) and the logo... but I don't think there is a real connection to me.

**Interviewer**: what do you think about the logo in the Danish market? Do you think Danish consumers might like this logo?

**Interviewee**: I don't really think that the logo it's right for the Danish consumer, or the Danish market. There is something, well it's not that we don't like symmetrical shape, we do but, I think we like that there is a bigger connection between the product and the corporate logo. Something in these signals... something else... than the product, but that's the biggest trouble with it actually, I think.

**Interviewer**: which characteristics would you use then?

**Interviewee**: well... what can I say... in Denmark we have a very strong, very strong design tradition for typography, we have some really, some of the best typography designers and they would definitely make something else than this, so it 's a sense to..., it doesn't look Danish, as Danish design, I know it 's not Danish, I can see that it isn't made here and we definitely do it differently if we had to make this logo in Denmark

approaching the Danish market but I mean, this is a world, probably a worldwide thing so of course that's different.

Interviewer: what do you think about the company name?

**Interviewee**: LinenMe... a bit strange... I think it's a bit strange actually. Why? LinenMe? What does that mean actually?. I don't understand it, actually. Give me linen... give me whatever... I don't understand it actually, just like, first impression. LinenMe. On the Danish market I think it is a bit, a little bit weird.

**Interviewer**: this is how the web site looks like... what is your first impression? **Interviewee**: my first impression is that the brochure and again the photos in the brochure are signing a lot more quality, a lot more luxurious, a much more luxurious than the web site. The web site seems a bit, a little bit "this is not an expensive product" the web site design. It seems to me this (web site content) has to be a bit cheaper than the products that I looked at the brochure. This is more luxurious (brochure), this is more... "oh", a little bit cheap if I can say that, I don't know the prices for it but I doesn't look... it doesn't look luxurious.

(while visiting the web site and checking some bathroom products) again I think the products photos are really nice, very luxurious and when I look at it I want to buy, but only from the photos, not from the design of the web site or not from the logo. But the photos are really nice actually. I think they would be very appealing to the Danish market, there is something in the colors, in the tone, the way of presenting the linen are truly nice. But again the things around it doesn't have this "quality" feelings that the photographs have actually, I don't think so.

**Interviewer**: what do you think about the prices of the different products? **Interviewee**: (checking bathroom towels prices) *I am not sure what that does usually cost... one towel cost 2 well it seems to be maybe a bit expensive. But there is a connection between the prices and the pictures. But the design of the logo doesn't feel like something in that price range.* 

If I had to do the web site I would definitely use this quality feeling that they have in the photographs, use bigger photographs, you know they signal not only products, but also kind of a lifestyle, and quality, and..., if they spent... use less space in, you know... (in both sides of the web site) the round corners and everything around it... and focus a bit more on larger photos, it will give this sense of luxury, and I think it would be appealing more to the Danes, would be my guess.

The web site looks a bit old fashion actually, it has this sense of... something like 5-10 years old, something like that... so it is a good thing that they make it look a little bit more up to date.

Interviewer: thank you very much for you time.

# **Appendix 3. Interview with customer: Mette Pedersen**

Transcription - Interview 23-03-2013 Interviewer: Emilio Rios Galvez Interviewee: Mette Pedersen

Interviewer: so could just tell us who you are.

Interviewee: my name is Mette, I am 29 years old. I am from Alborg, Denmark and I

work at in a kinder garden.

**Interviewer**: how did you hear about LinenMe?

**Interviewee**: *I think it was some of my friends who recommend me the web site. I checked the web site and I felt immediately connected and identified with it.* **Interviewer**: What was your first impression of the web site? Did you like it?

**Interviewee**: the web site was ok. It was not super modern but was fine. It contained all

the information that I needed so that's enough.

**Interviewer**: Was it easy to navigate through the web site?

**Interviewee**: yes it was. The web site was very clear. I really like the pictures of the

different things that are on sale on the web site, and that you can zoom it.

**Interviewer**: Did you get all the relevant information of the products when navigating through the web site? (sizes, prices, etc.)

**Interviewee**: yes, everything was clear and smooth.

**During** 

Interviewer: How was the process of buying a LinenMe product (easy, clear,

challenging,...)?

**Interviewee**: it was like in most online web sites, so it was fine. I think people are getting used to buy things online, so it is becoming very natural and normal to buy things from Internet.

**Interviewer**: Did you have the chance to contact them via telephone or email during the purchase process?

**Interviewee**: I didn't have to. I didn't have any problem while buying from them. I think I remember that there was a "contact us" section in the web site, but I am not sure.

**Interviewer**: what do you think about the prices of the different products?

**Interviewee**: the prices were fair enough. Of course they were a bit more expensive that a cotton product, but at the end, I think it was a good deal. I am very happy with my purchase.

After

**Interviewer**: Did you get any kind of confirmation email after making the purchase? **Interviewe**: yes, I did. It is important for me to get this email because then you know the order has gone through.

**Interviewer**: How long did it take to the product to arrive? Was it the period of time that they said it was going to take?

**Interviewee**: 2-3 days. As usual. Yes it was.

**Interviewer**: How was the package of the product? What you first impression? Was it like you expected it to be?

**Interviewee**: it was nice, a bit different from the others. I mean, I normally buy lots of things on the internet and the package is not that nice... but I remember also that I got a nice note with some history about the company and the fabrics, it was very unique. That's the way I felt.

**Interviewer**: What was your first impression of the product? Was it how you expected it to be?

**Interviewee**: the product was ok, as I expected it to be.

Interviewer: Would you recommend LinenMe to your family/friends?

**Interviewee**: I have done it already.

**Interviewer**: What do you think about the newsletter emails? Do you read them? **Interviewee**: *I don't like them. They are a bit annoying, I never read them.* 

Interviewer: finally, what is your perception of the brand? Which image are they trying

to communicate?

**Interviewee**: I think the image that they are trying to give is quality. They use

Lithuanian products, so that's nice, they are very authentic.

**Interviewer**: what is the image that Danish people have about Lithuania?

**Interviewee**: it's a very neutral image.

**Interviewer**: are you member of LinenMe facebook group?

Interviewee: yes I am. I am part of many different Facebook groups, so why not

LinenMe too?

**Interviewer:** When you purchase products online, is it important for you that the web

site is in Danish compare to English?

**Interviewee**: I don't care. I mean, it would probably be more relevant for older people, for example my mom would care. She is 50, she would probably care if it is not in Danish, but I don't care.

# Appendix 4. Interview with customer: Julie Rasmussen

Transcription - Interview 22-03-2013 Interviewer: Emilio Rios Galvez Interviewee: Julie Rasmussen

**Interviewer**: Just for a short introduction, could just tell us who you are, please. **Interviewee**: yes, my name is Julie Rasmussen, I am from Denmark and I work as a

shop assistant. I am 33 years old.

**Interviewer**: first of all, how did you hear about LinenMe?

**Interviewee**: I was navigating on Internet and I read some good reviews about

LinenMe in some kind of blog, so I visited the web site right away.

**Interviewer**: What was your first impression of the web site? Did you like it?

**Interviewee**: it is not the most professional web site. It is not that it is not nice, it's just that you don't think "this is really really nice". It looks like some kind of web site that I have seen before, a bit old fashion. The products look nice. I think it is difficult when you cannot see the products in live, and you see then only in pictures. But the material look nice.

**Interviewer**: Was it easy to navigate through the web site?

**Interviewee**: yes, it was fine. I like the way they structure the web site, with all the pictures and info. There is a lot of important info in the web site, so that s good. You can read a lot about how to design different parts of your house in the web site, I took some inspiration from them.

**Interviewer**: Did you get all the relevant information of the products when navigating through the web site? (Sizes, prices, etc.)

**Interviewee**: as I mention before, yes, you get all the data you need.

During

**Interviewer**: How was the process of buying a LinenMe product (easy, clear, challenging....)?

**Interviewee**: it was ok, it was easy. You don't need to be an expert in computers to get along their web site. I just chose some different things from the web site and then there was like a "virtual basket" with all the products that you have selected, and then you pay with your credit card, it is so easy.

**Interviewer**: Did you have the chance to contact them via telephone or email during the purchase process?

**Interviewee**: Yes, there was a telephone number available, and I actually called them, because I had a doubt about sizes, they pick up the phone and answer very kindly to all my questions. They were very nice.

**Interviewer**: what do you think about the prices of the different products?

**Interviewee**: they were ok. It was cheaper than buying the same products in a physical shop for example.

After

**Interviewer**: Did you get any kind of confirmation email after making the purchase? **Interviewee**: yes, I think I got an email one day later or something. It is nice to get it and it is important that you get information about what to do in case you don't receive what you have bought. And they also say how long the product will take to arrive home, so you know more or less when to expect them.

**Interviewer**: How long did it take to the product to arrive? Was it the period of time that they said it was going to take?

**Interviewee**: I think it took like 3 days, can't remember. Yes, it was more or less the time that they told me it would take.

**Interviewer**: How was the package of the product? What you first impression? Was it like you expected it to be?

**Interviewee**: I don't care a lot about the packing, as long as what it is inside is the right quality then is fine. There was a list with all the things that I bought and I think it is good to get this as you can check if you got everything.

**Interviewer**: What was your first impression of the product? Was it how you expected it to be?

**Interviewee**: yes, it was how I expected, it was fine.

**Interviewer**: Would you recommend LinenMe to your family/friends?

Interviewee: yes, sure.

**Interviewer**: What do you think about the newsletter emails? Do you read them? **Interviewe**: Yes, I read almost most of them. I use to read them. I don't like when there are too much text. If there are many pictures, then it is easy to read them. I spend no more than a minute in reading it, unless I found something that I find it interesting. Also depend of what it is written in the "subject" of the email. If it is something catchy or something that I would like to read more about I would then definitely read it. **Interviewer**: what is your perception of the brand? What is the image that you think they are trying to give?

**Interviewee**: it looks like quality, like good materials. A little bit too conservative maybe. It looks like "It's very fine". It's not something that everybody will buy, only people who wants their home looks good in a way.

Interviewer: are you a member of LinenMe Facebook group?

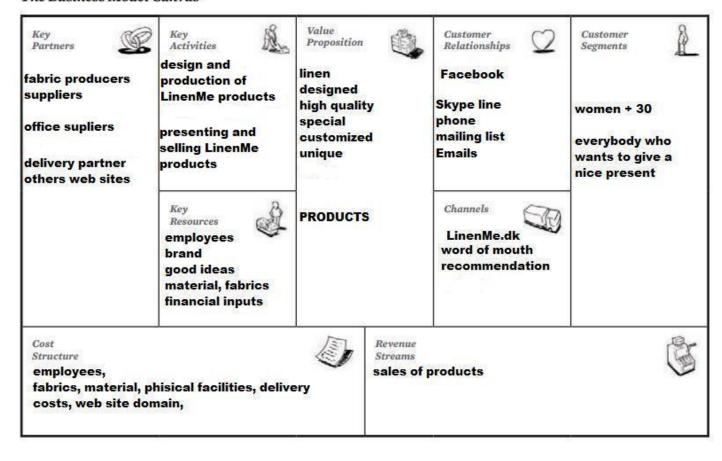
**Interviewee**: yes and I participate always in all the competitions.

**Interviewer**: When you purchase products online, is it important for you that the web site is in Danish compare to English?

**Interviewee**: Yes, I'd definitely prefer the web site to be in Danish rather than in English, because it would take me less time to buy the product. And especially when I am buying a present to a friend for example, because if the web site is in English I would think automatically about the delivering time that It would take. But If I am buying some flight tickets or something related to travelling I don't care.

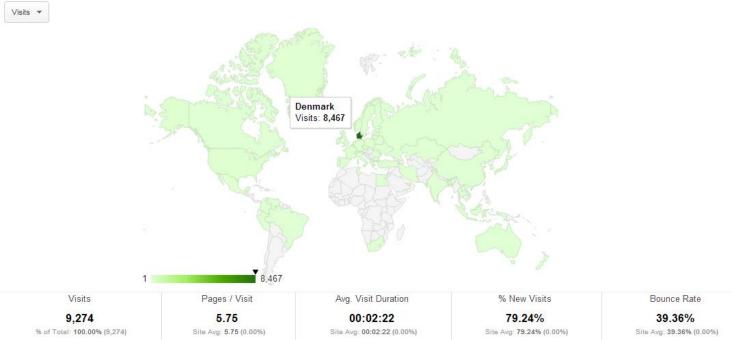
# Appendix 5. LinenMe business model

#### The Business Model Canvas



Business model Canvas, Osterwalder et al. (2010).

# Appendix 6. Data about LinenMe website



Data from 19<sup>th</sup> October 2012.

# Appendix 7. Data about LinenMe website

LinenMe data from 19th October 2012.

	Source / Medium	Visits ↓
1.	google / organic	6,475
2.	linenme.com / referral	720
3.	(direct) / (none)	690
4.	google / cpc	272
5.	google.dk / referral	167
6.	bing / organic	123
7.	shop-portalen.dk / referral	90
8.	foreignersindenmark.dk / referral	69
9.	gratis-ting.dk / referral	58
10.	ask / organic	56
11.	linenme.fr / referral	54
12.	google.com / referral	34
13.	facebook.com / referral	30
14.	find.tdc.dk / referral	30
15.	studenter-rabatten.dk / referral	30