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Marketing Plan for Design Jewelry



Case Anniina Dunder

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Abstract

Jewelry designers might not be as customer-centered as Kotler recommend. Additionally, they are not constantly seeking to grow and make the most profit out of satisfying consumer needs better than competitors. However, it is imperative even for an individual designer to examine what the customers want and demand as well as think of a plan to satisfy this demand. Consequently, the purpose of this study is to create a guideline for a marketing plan for a beginning jewelry designers using jewelry designer Anniina Dunder as an example. A qualitative method was chosen for this study in form of interviews and observation. Moreover, secondary data was collected in order to gain a wider and clearer picture of the subject.

Based on this study an individual actor has every possibility to reach the desired level of profit in the jewelry market in Helsinki by designing and producing jewelry. Reaching this level of profit requires activeness, customer-centered view and productivity from the designer. Consequently, individual designers should start paying more attention to potential customers' needs and wants even when designing collection jewelry and be constantly aware of changes in these wants in order to satisfy customers even in the future.

Key words: *Marketing planning, small business, jewelry designer*

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1 Introduction

In this chapter, an introduction to the subject and the problem formulation are discussed and followed by the purpose of the study. Additionally, Finnish design, its supporting organizations, design jewelry as well as the jewelry designer Anniina Dunder are introduced.

1.1 Marketing View vs. Jewelry Designers' Actions

The basic idea of Kotler's, and most of the other customer-centered marketing theories is that a company should continuously seek to grow their market share and make more profit by satisfying consumer needs and wants better than competitors. In order to do this, a company needs to constantly monitor and evaluate the market, which consist of customers, competitors and other external factors, and be aware of the changes in consumer needs and wants as well as competitors' offerings. In order to succeed in increasing market share and profit, a company needs to respond to these changes and find differentiating factors, which create competitive advantages for the company. Additionally, a company needs to be excellent in communicating these advantages to consumers. Even though a company should focus on its strengths when choosing the segment(s) to target, it is the consumer needs and wants that direct the formation of a company's offering. (Kotler et al. 2002)

The intention of beginning Finnish jewelry designers, such as Anniina Dunder, is not to constantly increase market share or profit. This might not even be a realistic possibility due to other values, such as Finnish hand-made production, designing and personal products that restrict the expansion, being more important. The aim is more likely to increase sales and profit to high enough level that a designer could concentrate on designing and making jewelry without needing to worry about the financial issues.

Moreover, jewelry designers might not be as customer-centered as Kotler recommend. Traditionally design jewelry can be considered as the result of a creative and artistic work, and thereby it might be other factors than finding out consumer wants and needs which inspire designers. In Anniina Dunder's case it is the nature and surroundings as well as taking pictures and drawing which influence her creativity and give her new ideas when designing and making collection products.

However, due to today's competitive market situation it is imperative that designers take customers into consideration already when designing products. In other words, designers who are not already doing it should adopt more customer-centered view and find out who their customers are, where do they buy and which factors create more value for them. Additionally, jewelry designers should get a clearer picture of the additional factors that affect the total sales and think of a plan to act on them.

1.2 Purpose

The purpose of this study is to create a guideline for a marketing plan for beginning jewelry designers using a jewelry designer Anniina Dunder as an example.

1.3 Finnish Design

There are currently many variables that shape consumers' view and demand for design products. This chapter presents the history of Finnish design in order to gain an understanding of and background to the issue. Furthermore, different actors that may have an influence on the overall appreciation of Finnish design are introduced.

1.3.1 History of Finnish Design

"Finnish design has a reputation based on its strong history, original styling and high-quality manufacture" (Stenros 2004a). Considering the ninety-year-old age of Finland,

history of Finnish design is long. It began when a group of people, consisting of industrial leaders and influential persons in the cultural arena, started promoting Finnish design and founded the *Finnish Society of Crafts and Design* (FSCD) in 1875. This society maintained a school, which gradually became leading Finnish college in its field and is today known as the *University of Art and Design Helsinki*, founded a *Museum of Art and Design* and acquired an extensive industrial arts and crafts collection. (Stenros 2004b)

“International activities have [...] always played an important part in the society's work.” (Design Forum Finland 2007c). Attending and winning awards in Milan Triennials in the 1950's and 60's made Finnish Design, FSCD and individual designers, such as Tapio Wirkkala, Timo Sarpaneva and Kaj Franck, famous world wide. Prior to the success at the Triennials Alvar Aalto had already drawn attraction internationally with his original furniture and modern glassware. Additionally, FSCD organized touring exhibitions abroad, which made the Finnish and Nordic design even more known. (Design Forum Finland 2007c, Stenros 2004a, Suortti-Vuorio 2007.)

After the Second World War modern everyday lifestyle and new international image were built by means of industry and talented designers. “Practicality, closeness to everyday life, sparing use of materials and techniques, combined with innovative and perceptive design solutions were a collectively shared reality and a foundation of values in the industrial arts.” (Stenros 2004a). This resulted in long lasting, timeless designs, which were made more individual and suitable for different situations by combining different forms and colors. Many of the products designed during this period are still in production and in demand. Since Finns did not have the opportunity to travel or read foreign magazines to the same extent as today, international influences were more rare. Consequently, Finnish design grew partly in isolation and become original and exotic for foreigners. Designers often got inspiration from Finnish nature and life style. Hence, simplified and pure forms, clean colors and natural materials are typical characteristics of Finnish design. (Stenros 2004a, Suortti-Vuorio 2007, Varakas 2007)

1.3.2 Design Forum Finland

In 1989 FSCD turned its efforts into new direction and changed its name into Design Forum Finland (DFF). Today DFF promotes Finnish handicraft, applied arts and industrial design, and aims to awaken companies' and consumers' interest towards design, design organizations and their products. This is done partly by organizing exhibitions in Finland and internationally. DFF has its own exhibition rooms together with *Design Forum Shop* and *Café Kakkugalleria* in Helsinki city centre. Moreover, DFF contributes organizing competitions and giving awards to lift up new talented designers as well as encouraging companies to use design services and perceive design as competitive advantage. Besides competitions and exhibitions DFF's activities include publicity, publications and communications, which nowadays take printed and electronic form. (Design Forum Finland 2006a)

According to Suortti-Vuorio (2007), the areas DFF covers depend on DFF's CEO and committee, and vary therefore from time to time. She continues that as per the current CEO Mikko Kalhama DFF covers even handicraft, and further design jewelry. On the other hand Finland does not have an organization, which would concentrate only on promoting handicraft or small batch produced products. (Suortti-Vuorio 2007, Varakas 2007).

1.3.3 Design District Helsinki

Organization Designkortteli ry, established in 2005, is the foundation of Design District Helsinki. DFF, executive committee, executive director and commission coordinate Designkortteli ry's activities. The aim of these activities is to connect design-oriented units in a central Helsinki, and in this way make the area more attractive and known for Finns and foreigners. (Design District Helsinki c)

Design District consists of 25 streets around Diananpuisto Park, and has 150 members including clothing shops, jewelry designers, restaurants, museums and galleries. It offers a neighborhood full of places to purchase high quality Finnish design products, and opportunities to get to know Finnish design and its culture. (Design District Helsinki b)

1.4 Design Jewelry

The majority of jewelry designers have graduated in jewelry and object design or in jewelry and silver design from *the Institute of Design of Lahti University of Applied Sciences*. These degrees differ from those of goldsmith as to greater emphasis on creativity and design. Moreover, most of the Finnish design jewelry is often designed, hand-made produced and distributed to final consumers or retailers by the designer. Thereby, the name *design jewelry* is based on the education of the designer as well as on the characteristics of jewelry. (Kujanen 2007)

1.5 Designer Anniina Dunder and Dunder Design

1.5.1 Jewelry Designer Anniina Dunder

Anniina Dunder graduated as a jewelry and silver designer from the *Institute of Design of Lahti University of Applied Sciences* in spring 2007. During her studies she was one of the finalists in the competition organized by The Finnish Goldsmith Association, and won the international Fabergé Biennale 2005 jewelry design competition's youth division with necklace Kleopatra. Year 2006 she designed and made Design District's first own product out of old Design District maps. This Paper News-brooch was sold under year 2006-2007 as Design District's symbol product. In her graduation year 2007 she took part of Pukkila's Streets Furniture Design competition and was placed fourth. In august 2007 she was the designer of the month chosen by Design Forum Finland. In addition to designing and making jewelry, Dunder studies business at *Hanken, Swedish School of Business and Economics*. (Dunder 2007a, Design District Helsinki a)

All Dunder's jewelry is hand-made and designed by her, which according to Dunder makes her jewelry more exclusive compared to the ones industrially manufactured and sold in gold chain stores. Anniina Dunder makes small batch produced collections (later referred as collections) and unique custom-made jewelry. Silver is used in all of her collection jewelry, and in most of them it is combined with more unusual jewelry materials

such as leather and paper string. When designing the former type of jewelry Dunder does not normally take account of consumer needs or wants. It is rather her inner inspiration as well as examining various forms and working with different materials that enthrust her to try new ways to form jewelry. However, her collection jewelry designs can often be modified as to the material and size by customers' request. The customized pieces of jewelry in turn are often influenced by customers' ideas, but even in this case Dunder does not design and make jewelry that is against her own artistic perception. (Dunder 2007a)

As a material, silver is cheaper than gold, 336,43 €/kg and 18,93 €/g respectively (K.A. Rasmussen 2008). Due to Dunder using mostly silver as well as to the factors mentioned above she is more dependable on time resources than financial resources. On the other hand, significant amount of the value comes from the time spend in designing and making jewelry regardless of the material used. Due to the lack of time Dunder normally makes products following the demand. Sometimes she might have few extra pieces to take to retailing stores, which currently are Design Forum Shop and Galleria Koru store/ jewelry workshop in central Helsinki, to replace the sold ones, but regularly she makes them after hearing that her pieces of jewelry have run out. In other words she does not have a stock of jewelry. (Dunder 2007a)

Dunder's (2007a) aim for the future is to be a full-time jewelry designer. Additionally, she would like to create a strong brand for her products as well as for Dunder Design, the name and the company her jewelry are sold under (see chapter below). However, apart from competing in different competitions, Dunder does not currently have any promotional activities to enhance the brand image or to bring her visibility. Dunder has grown into the business through her education, but it is the constant new challenges and new creative ways to go that makes jewelry designing her passion. Moreover, creative work itself and succeeding in it gives her fulfillment.

1.5.2 Dunder Design Ky

Dunder Design Ky (DDK) is a limited partnership consisting of one ordinary and four dormant partners, Anniina Dunder being one of them. The activity of DDK is divided between two business units. The first one is focusing on investing to arts and has thus pieces of art in its possession. However, currently this business unit is not active in selling or buying art, and therefore its only real costs consists of the annually insurance for the pieces of artwork. The second business unit covers all Anniina Dunder's jewelry making and selling activities, and is thereby operating more actively than the first one. (Heikki Dunder 2008, Trade Register 2007)

Dormant partners as well as the ordinary partner can work for the company and get paid for it. The compensation can be done either in form of salary payment or distributing of profits, but in both cases the amount of compensation is in accordance with the amount of work done and/ or profit made. In addition to the possibility to work for DDK, partners can even withdraw from or make a deposit into company's account due to the limited partnership's relatively flexible money transactions. (Heikki Dunder 2008, Trade Register 2007)

2 Theory

In this chapter, the theoretical framework of the study is presented followed by delimitations of the study. The structure of the rest of the thesis is going to be based on the structure of the model presented in this section.

2.1 Marketing Planning Process

The Marketing Planning Process from the article *The theory and practice of marketing planning in the smaller business* by Brooksbank (1999) is used as a groundwork for the theory. This model was chosen because it is a clear presentation of how marketing planning process can be applied to small companies. The original marketing planning process model by Brooksbank consists of four main phases: analyzing, strategizing, implementing and controlling. Although the company should take into consideration the controlling phase, it is outside of this study due to the time frame and thus not illustrated in the model presented in figure 1. The modified model together with complementary aspects from *Principles of Marketing* by Kotler et al. (2002) and from *A Framework for Marketing Management* by Kotler (2001) presents a theoretical framework for this study.

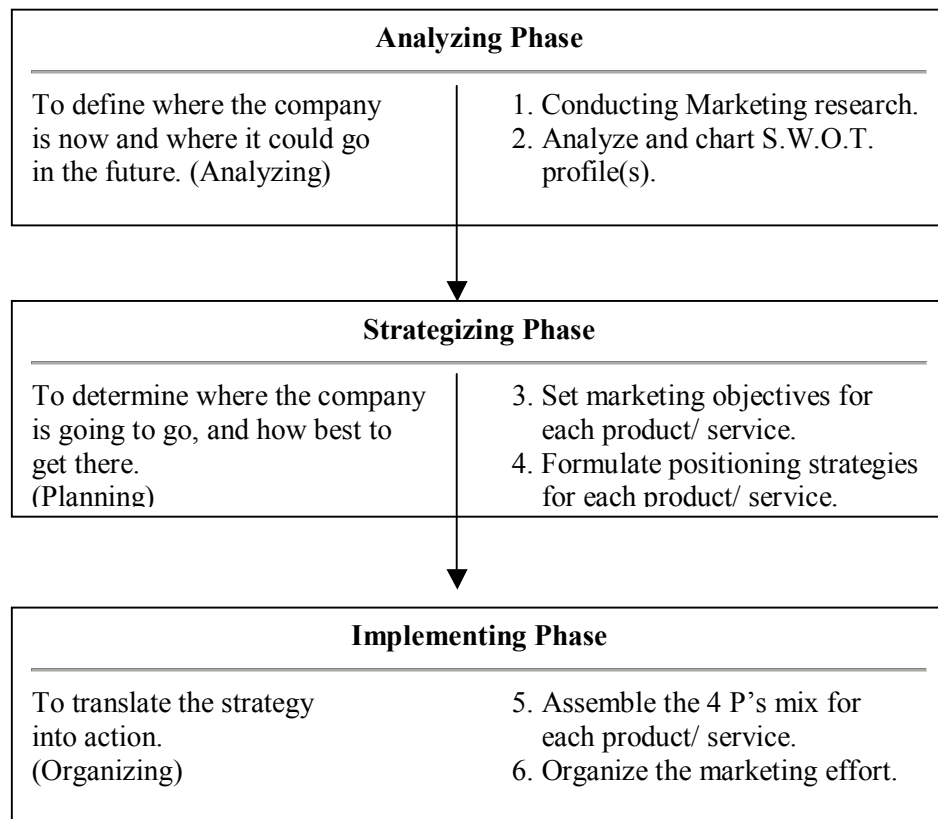


Figure 1 The Marketing Planning Process (modified). From Brooksbank 1999: *The theory and practice of marketing planning in the smaller business*

According to Brooksbank (1999:78) “[t]here are three fundamental principles which underpin the proposed framework”. The first one considers the market orientation. A company should focus on satisfying customer needs and wants rather than just developing great products with low costs, *a production-oriented company*, or persuading customers to buy their products, *a sales-oriented company*.

A second principle considers the four ‘classic’ managerial functions, analyzing, planning, organizing and controlling, that company should be adapted in order to have comprehensive and effective planning approach. These four functions are equally

important and “mutually supportive of one another in enabling a company to successfully create and keep customers for a long term”. (Ibid.)

Thirdly, marketing planning should be continuous process in order to keep up with the changing environment. Furthermore a marketing plan should exploit these chances of the modern business environment to company’s best advantages. (Ibid.)

2.2 *Analyzing Phase*

2.2.1 Marketing Research

According to Brooksbank (1999:78ff) the first task in the analyzing phase is to conduct a marketing research in order to better analyze company’s competitive situation, and to answer questions *where are we now* and *where could we go in the future*. Moreover, the information collected in this phase works as a base for the rest of the marketing plan. The focus of the analyses should be on company’s current and potential customers, its competitors and the market(s) the company operates in. A company should also examine its prerequisite for competing and succeeding in this market when taking into account factors mentioned above. Moreover, environmental elements can have an impact on company’s performance. These different factors are now discussed in detail.

Markets and Customers: Companies cannot apply to all consumers in the market with a same offering. Therefore it is necessary to divide the market into smaller groups of customers, segments, and target the ones whose needs and wants company can satisfy the best. It is also important to examine how attractive each segment is as to size, demand, and buying power and behavior. In addition, customer needs and wants should be reviewed with respect to the chances in the market environment. (Kotler et al. 2002:101, Brooksbank 1999:79f)

Competitors: A company should identify their competitors and make a deeper analysis of the main ones. This analysis should include competitors' activity as well as their strategies for product quality, pricing, distribution and promotion. Company should also examine performance and competitive advantages of its main competitors. Based on this information a company can analyze its position in the market relative to its actual or potential competitors. (Ibid.)

Company's Prerequisite: Company should outline its internal strengths and weaknesses relative to the market and its main competitors. This part should involve all aspect of the business; such as financial capabilities, distributor relationships, and the controllable marketing mix variables price, product, distribution and promotion. (Ibid.)

Environment: A company should monitor the key forces in its macro environment, because changes in political, economical, social and technological areas shape the behavior of competitors and consumers. A company cannot influence these changes, but it can and should act on the opportunities and threats that arise from them. Changes in these behaviors can further cause new opportunities and threats to the company depending on its strengths. (Brooksbank 1999:80, Kotler 2001: 46)

2.2.2 SWOT

After analyzing factors mentioned above company's main *Strengths*, *Weaknesses*, *Opportunities* and *Threats* can be summarized in a SWOT analysis chart (Kotler et al. 2002:101). According to Brooksbank (1999:80) "[a] good SWOT profile facilitates the development of a strategy which capitalizes on a company's strengths, minimizes any weaknesses, exploits emerging opportunities and avoids, as far as possible, any threats".

2.3 Strategizing Phase

2.3.1 Marketing Objectives

With a situation analysis and a SWOT chart as a base, company sets marketing objectives, which it would like to achieve. These objectives should be realistic, specific, and relative to the desired level of achievement in both demand and supply side. Goals in demand side normally reflect the target profit levels and number of sales to be made. The supply side objectives in turn include the marketing costs, such as the use of physical resources (production and distribution facilities), human resources (people employment) and monetary resources. (Brooksbank 1999:82)

2.3.2 Strategy Formulation

The task for this phase is to form a broad marketing strategy or a game plan for achieving objectives (Kotler et al. 2002:101). According to Brooksbank (1999:82), a company should start its positioning strategy by choosing segment(s) to focus on, followed by identifying the competitors who target the same segment(s), and finally define which differentiate the company from these competitors and thus gives it competitive advantage. It is important to remember that segments differ in their needs and wants, responses to marketing, and profitability. The company should focus on the ones that it could serve best, and create more value relative to the competitors (Kotler et al. 2002:101f).

According to Kotler et al. (2002:343ff) there are three fundamental options to target the market. With *undifferentiated marketing* company “[goes] after the whole market with one offer” (Ibid. p. 343) in order to gain cost economics and savings in advertisement costs. Using *differentiated marketing* a company directs different marketing offers towards distinct segments, and thus targets several segments. The aim is to enhance customers’ overall recognition of the company as well as increase the total amount of purchases. In *concentrated marketing* strategy a firm hopes to gain large shares by focusing on one or few subsegments. Brooksbank (1999:83) discusses that when deciding which way to go, a

company should take its size and resources into consideration. Undifferentiated marketing can be suitable for big companies, but for a smaller company it is often more fitting to target either few or one specific segments.

In reference to Kotler et al. (2002:355, 357, 369) a company can choose to differentiate itself or its product in many different ways. However, the intention of differentiating is always to offer the greatest value to targeted customers. This can be done either through lower prices or greater benefits, which justify higher prices, relative to competitors. When a company has found differentiating factors, which can work as advantage against competitors, a company needs to communicate these advantages to consumers by product positioning. The difference between a competitive advantage and product's position is that the former is the strength of a company and the latter a consumer's perception of a product.

2.4 Implementing Phase

2.4.1 Marketing Mix

Kotler et al. (2002:97) state that in this phase specific marketing mix strategies are outlined for the chosen segment(s). The authors define marketing mix as “the set of controllable tactical marketing tools that the firm blends to produce the response it wants in the target market” (ibid. p. 97). It is imperative that all four parts of marketing mix, product, price, place and promotion, are in balance.

2.4.1.1 Product

Kotler (2001:183) argue that a product is the key element in market offering, and therefore marketing-mix planning should always start with formulating an offering that meets or exceeds customer needs and wants. Product can be defined as anything that can be offered to the market to satisfy a want or a need. In order to gain competitive advantage a company should aim to produce a product that creates more value to the customer than the

competing ones. Brand can add additional value for consumers especially when it is clearly and positively positioned in the consumers' minds (Kotler et al. 2002:469ff).

2.4.1.2 Price

In reference to Kotler et al. (2002:566-577) the narrow definition of price is the amount of money paid for a product. A broad description of a price is "the sum of all the values that consumers exchange for the benefits of having or using a product" (ibid. p. 566). The following factors influence company's price setting: cost of producing, desired position in the market, competitors price setting as well as the market and the demand of the product.

2.4.1.3 Place

According to Kotler et al. (2002:738) marketing channel decisions are connected to every other marketing decision. Moreover, choosing the right distribution channels can work as competitive advantage for the company. A company can choose to deliver a product or a service to the customer either directly or indirectly by using one or more levels of intermediaries, such as retailers and agents. In addition to these more traditional channels a company can sell directly to customers via Internet.

2.4.1.4 Promotion

Companies must do more than offer good products and services; they must communicate the benefits of a product or a service to potential customers and try to achieve the wanted position in customers' minds. A company can use personal or non-personal communication channels. The former includes face-to-face, person to audience, over the telephone and through email communications. In addition, word-of-mouth, which is personal communication between two or more parties, is considered to be part of personal communication. The personal communication approach can be useful when product is expensive, risky or highly visible. The latter, non-personal communication channels, in turn cover major media, atmospheres and events. (Kotler et al. 2002:624, 639f)

2.4.2 Organizing the Marketing Effort

Marketing strategies and marketing mixes are further formed into specific action plans, which answer the questions: *What* will be done? *When* will it be done? *Who* is responsible of doing it? *How much* will it cost? (Kotler et al. 2002:102)

2.5 Delimitation of the Theory and the Study

Since the purpose of the study is to build a guideline for an individual beginning jewelry designer, the model is rather used for the designer than for separate products or services. Furthermore, this study does not consider time frames or calculations, which normally play important parts of marketing plan, due to their complex nature and uncertainty. However, jewelry designers should reflect on these factors and make calculations of how many products are needed to be sold in order to reach the desired level of profit. This delimitation together with the focus on individual designers makes the formulation of specific action plan unnecessary and therefore the last chapter of the theory, organizing the marketing effort, is not discussed further.

3 Method

In this chapter, the chosen literature and method are discussed followed by an introduction of the interviewees. Finally, criticism towards the chosen method is presented.

3.1 Choice of Literature

In order to gain knowledge about different theories and to find appropriate one, the author searched for books and articles through the Internet and from Uppsala University's library database by using search words *marketing planning*, *strategic planning* and *small business*. Additionally, old course books were viewed. Books *Principles of Marketing* by Kotler et al. (2002) and *A Framework for Marketing Management* by Kotler (2001) were chosen due to the wide and well-explained view of marketing they present. However, the examples in these books are mainly directed to bigger companies and thereby an article by Brooksbank was chosen to gain small business perspective to the issue. Brooksbank's article *The theory and practice of marketing planning in the smaller business* refers to many authors, including Kotler, who have wrote about marketing planning and therefore this article can be considered trustworthy.

3.2 Choice of Method

The aim of this study requires collecting great variety of information from different areas. Interviewing right people was believed to be a suitable way to get relevant, truthful and up-to-date information about the design jewelry market and its actors. Consequently a qualitative method was chosen for this study in form of interviews and observation. Moreover, secondary data was collected in order to gain a wider and clearer picture of Finnish design, its market, and the environmental factors that may have an effect on consumers' behavior in this market.

3.2.1 Primary Data

Several semi-structured interviews were conducted to collect primary data. These interviews differed in duration, content, type of communication and use of recording devices. Interviewees were chosen based on their useful knowledge or experience of subjects related to the study. All interviews, except one, were carried out in Finnish, mother tongue of both parties. This was done in order to avoid any misunderstanding that a foreign language could create. All of the interviewees for longer face-to-face interviews were contacted prior to the actual interview. This gave the interviewer a possibility to present the purpose of the study and ask for a suitable time and place. These interviews were carried out in interviewees' workplaces.

The interviewer had drafted lists of topics (see appendix 1), which were used as a base for the interviews. Some of the subjects were discussed during more than one interview in order to get broader and versatile view. Interviewees were allowed answer freely and additional question were asked if answers remained unclear. To avoid the interviewer effect, in other words the possible impact that interviewers tone of voice, nonverbal signs and such could have on interviewees' answer (Christiansen et al. 2001:168), interviewer attempted to be as objective and neutral as possible during the interviews.

Three of the interviews, two to four in the following list, were recorded using minidisk recorder. Minidisks were listened shortly after conducting interviews and data was written down in Finnish. Another listening following the text assured that no important information was left out. After this, the main points were carefully translated in English from the written text paying attention to the content and the tone of the answers. Notes were taken during other interviews and they were rewritten in full sentences soon after the interviews. This assured that no relevant information was left out or misinterpreted due to not understanding the notes.

Additional data of the jewelry market in Helsinki was collected in form of observation. This observation consisted of visiting different jewelry stores, and examining their

collections. Moreover, other types of boutiques were visited in order to see their image and atmosphere as well as ask question related to the study (see chapter below). Notes were taken during or right after making observations.

3.2.1.1 Interviewees

Two separate telephone interviews, forty minutes each, were conducted with a jewelry designer Anniina Dunder. Questions asked considered her current situation as a jewelry designer and her jewelry. Moreover, she was asked questions related to the overall jewelry market in Helsinki.

Auli Suortti-Vuorio, a researcher of Design Forum Finland, and Anna Varakas, a brand manager of Design Forum Finland, were interviewed simultaneously for forty minutes to get familiar with Finnish design, its history, its past and current image as well as Finnish jewelry designers' possibilities in Finland and abroad.

Mari Kallionpää, an exhibition coordinator of Design Forum Finland and a part-time jewelry designer, was interviewed for twenty minutes about variables considering overall jewelry market in Helsinki, such as competition, customers, and appreciation of design jewelry. Additionally, she was asked, what are the most important factors for a beginning jewelry designer.

Kati Kujanen, a store manager of Design Forum Shop, was interviewed for thirty minutes concerning Finnish design, jewelry market in Helsinki, customers who buy design jewelry and buying behavior of these customers. Additionally, she was asked questions related to Design Forum Shop, its jewelry assortment and Design Forum Shop's criteria as a retailer.

Sonja Flowers, a jewelry designer and one of the three owners of Galleria Koru, was interviewed for twenty minutes considering same issues as the interview with Kati Kujanen. Instead of asking questions about Design Forum Shop, they were directed to Galleria Koru, its customers and product assortment.

Cecilia Karlander, a Swedish jewelry designer, was asked questions considering factors that beginning jewelry designer should think about. Additionally, she was interviewed about her products, customers, distribution channels and pricing. This interview lasted for thirty minutes and was conducted in Swedish, as it is the native language of interviewee.

In addition, three shorter telephone interviews and three shorter face-to-face interviews were conducted to get more specific information about Dunder Design Ky and its activities as well as different distribution places and promotion means. Both types of interviews had a fairly informal character. Following persons were interviewed: Heikki Dunder, the CEO of Dunder Design Ky; Nanna Silvonen, a purchasing agent of Stockmann department stores' jewelry; Milla Häkkinen, a fashion editor of Trendi magazine; Sara Karlsson and Nina Kyyhkyläinen-Kallioniemi, salespersons of clothing store Gaudete; Helinä Harima, a salesperson of clothing and assessor store Valkoinen Elefantti.

3.2.2 Secondary Data

Secondary data was mainly collected from web sites and reports that were received through them. This data is used primarily for background information of Finnish Design, Design Forum Finland, Design District Helsinki, Stockmann and Galleria Koru. Additionally, articles from newspapers were examined in order to find environmental trends that could have an impact on the study and its results.

3.3 Criticism Towards Collected Data

The author is aware of the possibility that interviewees' relation to the subject could influence their answers. Secondary data collected from the Internet might have been shaped in accordance with the purpose of the web sites, which is not only to inform the reader, but also to promote the organization or the cause. In order to ignore the promotional message of the web sites as well as the personal opinions of the interviewees, information concerning same issues was collected through different means when possible. In practice, this was done by asking similar questions from different interviewees and/or

by searching additional, completing or verifying information from the Internet. No significant differences appeared between different sources. Hence, information received can be considered to be reliable.

However, due to chosen method a great amount of data is based on personal views and experiences. Even though a qualitative method is regarded as the most suitable considering the purpose of the study and the material available, it should be remembered that the results of the study are rather assumptions than facts.

4 Analyzing Phase

In this chapter, the first section, Marketing Research, presents the empirical findings as well as information considering Anniina Dunder's current situation. This data together with the theoretical framework discussed earlier are going to function as a base for the rest of the thesis. In the second section, SWOT Analysis, the material presented in the first section is analyzed in order to find the main strengths, weaknesses, opportunities and threats for jewelry designer Anniina Dunder followed by a summarizing SWOT chart.

4.1 Marketing Research

4.1.1 Market and Customers

Customers who purchases design jewelry are mainly thirty-year-old women, who value individual high-quality products. These people are often interested in design and therefore hearing about the designer creates them additional value. Questions are often asked related to the age, personality and history of the designer. (Flowers 2007, Kujaanen 2007)

Another factor that might generate more value to these customers is a strong brand due to consumers having become more brand-aware even when purchasing jewelry (Kallionpää 2007, Silvonen 2007, Kujaanen 2007). One example of the brand's influence could be jewelry by Efva Attling. According to Kallionpää (2007) they are not that special and therefore she believes that Attling's high sales are due to her strong brand. However, brand is not seen as a necessity for an individual designer and in some cases the personality and history of a designer can be more important to the customer than a strong brand (Kujaanen 2007, Karlander 2007).

When it comes to price sensitivity, Flowers (2007) believes that customers who value design understand the higher prices of design jewelry relative to the prices of gold chain stores. Controversially, most of the consumers do not comprehend the amount of time spend in making and designing handicraft jewelry. In other words, they feel that the price asked for design jewelry made out of silver is too high, which leads them purchasing jewelry from gold chain stores. Even though the consumer group interested in design jewelry has grown during the past years, it has remained quite small due to the issue that the value of design jewelry is not generally understood.

Kujanen (2007) considers the price sensitivity matter and states, that even though consumers do not normally come to DFS expecting to buy cheap pieces of jewelry, their customers are more or less price sensitive. She explains that for DFS's customers round hundred euros is an acceptable price to pay for a piece of jewelry, but when the price is higher customers spend more time evaluating the relation between the price and the product. Price is a less important factor when jewelry is bought for a specific occasion or as a gift.

Varakas (2007) discusses an alternative choice for Finnish jewelry designer, which is to start selling abroad where the consumer group is bigger. Even though interests in different countries vary as to the cultural history of these countries, Finnish design has in general a positive image abroad. Additionally, appearance of Finnish design could arouse interest and curiosity in foreign countries, especially if the locals have not heard or seen it for a while. She continues, that design relations between Finland and Japan have been good for a long time due to the appreciation of similar elements in design. This makes Finnish design very popular in Japan.

4.1.2 Competition

Dunder (2007a) feels that in a large scale she is competing against all luxury products, such as beauty treatments, exclusive clothing, electronics and concert tickets. Flowers (2007) presents another view for this issue. She feels that the gold chain stores get the most of the potential customers, and thereby they are seen as biggest competitors. This view is

motivated further: Due to the individual style of different jewelry designers, their pieces of jewelry normally attract different types of consumers. Kallionpää (2007) in turn believes that it is the other jewelry designers, mostly the people she studied with, that are her main competitors. However, no specific action is taken against these actors because they do not feel like real competitors (Dunder 2007a, Flowers 2007, Kallionpää 2007).

None of the interviewed jewelry designers see low-price jewelry as their competitors due to the idea of not competing with price, but quality and design (Dunder 2007a, Kallionpää 2007, Karlander 2007). Despite of this, Karlander (2007) believes that a designer should have an overview of the whole market in order to keep differentiating even from the low-price jewelry with form and idea, and not only with quality.

When making observations about possible competitors' jewelry in Helsinki, it consists mostly of jewelry made out of silver. Additionally, different stones and bead are commonly used as main or additional materials for jewelry. Other precious metals are not used as often as materials mentioned above, and the use of uncommon jewelry materials, such as leather, is rare. Design jewelry varies in style, form and size from one designer to another. (Observation 2007)

4.1.3 Designer's Prerequisite

This part of the marketing planning process normally presents the prerequisite of a company. However, in this thesis the chapter designer's prerequisite discusses about different possibilities as to place and promotion for an individual designer as well as factors that impact on the price of the pieces of jewelry.

4.1.3.1 Place

When considering the possible selling places for design jewelry in Helsinki, four different types of stores have been brought up during the interviews. These representative stores have further been chosen because they would enhance the wanted image of Dunder's jewelry. Dunder products are already on sale in the first two stores presented below. The

third and fourth represent new kinds of selling place, because they differ as to the assortment, size and/or style.

4.1.3.1.1 Design Forum Shop

Design Forum Shop (DFS) works as an exhibition and a showcase for Finnish handicraft. The main purpose of it is to make a contact between ordinary Finnish consumer and Finnish Design. Moreover, tourists visit DFS during tourist season. Due to these factors DFS's salespersons are service oriented, and inform customers about the products and the designers. The overall selection of DFS is composed of quality items of glass, wood and ceramics, textiles, industrial design, publications and jewelry, which all are 100% Finnish design. Even though DFS only sells high quality products its assortment includes, in addition to higher price articles, even inexpensive souvenirs for tourists. (Kujanen 2007, Design Forum Finland 2006b)

DFS has a wide variety of design jewelry that consists of individual designers' small batch collections and distinct pieces of jewelry, mostly made out of silver. Consequently, its selection is more special and unique than the ones sold in jewelry chain stores. All pieces of jewelry in DFS are sold on sales account, and DFS gets forty percents contribution margin of jewelry's selling price before the value added tax (VAT). (Kujanen 2007)

4.1.3.1.2 Galleria Koru

"The contemporary [jewelry] designs of Galleria Koru bring a unique and timeless touch to every occasion" (Galleria Koru 2007). Its assortment consists of jewelries by 10 Finnish jewelry designers and goldsmiths. Five of them work as salespersons in, and rent a worktable from Galleria Koru. GK gets forty percent contribution margin of all the products sold. This forty percents margin is calculated from the final price including VAT. (Flowers 2007, Dunder 2007a)

4.1.3.1.3 Gaudete

Gaudete is a small clothing boutique located in central Helsinki. Its assortment consists of clothing brands of good quality such as Acne, Burberry and French Connection. Customers of Gaudete are twenty to seventy-year-old brand-aware women who appreciate quality and individuality in clothes. Consequently, price is not an issue when these customers find something that they like from Gaudete. (Karlsson 2007, Kyyhkyläinen-Kallioniemi 2007, Observation 2007)

In addition to clothes, Gaudete has few pieces of fashion jewelry that are sold on sales account. Salespersons believe that it is an advantage if customer can find whole outfit, including clothes and accessories, from one place. They have thought of the possibility of starting to sell more jewelry in Gaudete, but this idea has not yet been developed further. (Karlsson 2007, Kyyhkyläinen-Kallioniemi 2007)

4.1.3.1.4 Stockmann

Stockmann is a customer service oriented department store, which offers quality products. There are seven Stockmann department stores in Finland and six abroad: four in Russia, one in Tallinn and one in Riga. The jewelry section in Helsinki department store is divided in two: Fashion jewelry and jewelry made out of precious materials. Stockmann concern has separate purchasing agents for these jewelry categories, and they choose the jewelry for all the Stockmann department stores. Precious material jewelry is not sold in Stockmann department stores in foreign countries. (Stockmann 2007a & 2007b, Silvonen 2007)

Silvonen (2007), the purchasing agent for jewelry of precious materials, discusses that some pieces of jewelry sold in Stockmann are bought in, while others are sold on sales account. Stockmann normally round hundred or two hundreds pieces takes for sale at a time, and in case of campaign products the amount can be even higher. Furthermore, these repertoire collections should consist of dozens of pieces. Consequently, when considering new jewelry suppliers Stockmann is interested in the ones that can supply larger amounts of jewelry. Additionally, Silvonen mentions that new suppliers should already have

established themselves in the market by selling jewelry or alternatively have merits from other areas, such as a strong clothing brand.

4.1.3.2 Promotion

Different ways to promote an individual jewelry designer came up during the interviews. Kallionpää (2007) stresses the importance of designer's own web site. According to Karlander (2007), jewelry designer's web site works as a sample for the final consumers as well as for possible retailers. Additionally, the positive effect of famous people and public figures wearing designer's pieces of jewelry was mentioned. One more factor that is essential for beginning and even for more experienced designers is showing in different magazines and occasions, such as competitions, events and exhibitions. For example, when DFS loan jewelry to different magazines, it results people calling and coming to DFS looking for these products. (Kallionpää 2007, Karlander 2007, Kujanen 2007, Varakas 2007, Suortti-Vuorio 2007) In what ways can an individual designer get in contact with the suitable magazines?

According to Milla Häkkinen (2007), a fashion editor of monthly Trendi magazine, themes and subjects for articles are known three to six months before magazine comes out. Consequently, products are often collected from PR firms, which can provide fashionable products even long time in advance. Alternatively, it is possible that fashion editors contact smaller boutiques where they believe to find products that fit to the image of the article or fashion number. She also mentions that due to the time frame exhibitions and such are not the kind of item they normally write about. According to her, these kinds of items are more suitable for magazines that have more frequent circulation.

Helinä Harima (2007), a salesperson of Valkoinen Elefantti, in turn believes that the best contacts with the magazines are personal. The products sold in clothing and assessor boutique Valkoinen Elefantti are often shown in different magazines due to personal contacts. According to her, an individual designer should seek contact by sending e-mail with pictures of products offered. Face-to-face contact would be more personal way to get

in touch with the wanted people, but due to their busy schedules, she believes that e-mail is a more realistic way to reach them.

4.1.3.3 Price

According to Dunder (2007b) following factors should be taken into account when setting a price for a piece of jewelry:

- The amount/share of raw materials, such as chains, materials and molding works
- Time used in manufacturing x hourly rate. Alternatively costs of subcontracting
- Charge for designing divided by the quantity of the products manufactured
- Other operating costs, such as insurance, rent, telephone bill and tools, are divided by the amount of collections produced and further by the volume of the pieces of jewelry
- Margins of the vendor vary between 20-40%, so the retail margin is calculated by adding 30% to the total amount of the previous calculations
- Finally, 22 % VAT is added on top of the price

In addition to factors mentioned above, a designer should take into consideration the overall price level of design jewelry (Dunder 2007b, Flowers 2007).

4.1.4 Environment – Economical and Social factors

In reference to an article in Aamulehti (2007:A15), which summarized opinions of Finnish economists Raija Volk, Pasi Sorjonen, Markus Lahtinen and Jari Honko, the growth of world economy has been significant throughout past years, and in Finland year 2007 belongs to one of the good economical years in the recent history. The growth in productivity as well as in employment was positive, and increase in purchasing power had an effect on peoples' expenditure and buying behavior. On the other hand, it appears that the uncommonly strong economical growth is going to slow down indeterminate amount in the near future. Despite of this, these four economists do not believe that the slowing economical growth will lead to economical meltdown or recession.

When thinking about the social factors, Suortti-Vuorio (2007) discusses that compared to many other nationalities Finns are more modest, and thereby they do not want to stand out from the rest. She continues, that even though Finnish people have become wealthier within past years they do not necessarily want to show it by having for example expensive jewelry. Kujanen (2007) and Varakas (2007) in turn feel that wearing jewelry has changed from being worn only in special occasions to more casual use. Moreover, Finnish people are not that shy to show their personality as earlier.

4.1.5 Anniina Dunder

As mentioned in the chapter 1.5.1, Anniina Dunder makes small batch produced collections and unique custom-made pieces of jewelry. Dunder (2007b) mentions that ideally she would like to concentrate only on making customized jewelry, but the price insensitive customers who appreciate the value of handicraft are difficult to find. Currently customized products are made and sold only occasionally and are thus the minor source of profit for Dunder Design. Consequently, Dunder's aim at this point is to make most profit out of collection jewelry.

At the moment, Dunder has five collections, which each includes two to six pieces. The themes and materials used vary from one collection to another, but there is a factor, namely a repeating symbol shape, that connects all Dunder's collection jewelry. For example the pieces of Kenno collection (see appendix 2) made out of silver are repeating the form of honeycomb. Due to the material and more classic style this collection is suitable for wider group of consumers. Kleopatra collection (see appendix 3) in turn is more extraordinary and requires strong personality from its owner. The main material of Kleopatra jewelry is reindeer leather and it is combined with silver. (Galleria Koru 2007, Dunder 2007b, observation)

The collection jewelry is currently sold in two stores in central Helsinki: Design Forum Shop and Galleria Koru store/ jewelry workshop (presented 4.1.3.1). Dunder explains that the aim is to have two pieces of each product in DFS at a time. One is in the showcase and

the other is there in case the first one gets sold. Sometimes designers are informed by phone when one or both pieces have been sold, but other times DFS does not contact the designer before sending a report of the pieces of jewelry sold. This report is send to designers every other month. In order to prevent her pieces of jewelry running out Dunder visits or contacts DFS every ones in a while and checks or asks about the situation of her jewelry. (Dunder 2007b)

In addition to the collection jewelry even custom-made jewelry can be ordered in Galleria Koru, where Dunder has a rental worktable. Because Dunder is making jewelry in Galleria Koru she has the possibility to add pieces of jewelry to the showcase as they are sold. However, in the beginning of February Dunder and her friend Jaana Virtanen open a jewelry design agency (JDA) one kilometer outside of Helsinki city center. The main purpose of JDA is to work as workshop for Dunder and Virtanen, but it will even have a small boutique with design jewelry showcases. Despite of moving her workplace to a different location Dunder believes that communication with Galleria Koru about products sold will function effectively even in the future. (Dunder, 2007b)

4.1.5.1 Resources

Chapter 1.5.1 discussed Dunder being more dependable on time resources than financial resources due to the fact that hand-made production requires time and that a large part of materials used are not expensive. However, even financial resources are needed in order to produce jewelry. If Dunder does not have the amount needed to buy in raw materials and pay operating costs, or needs to make bigger investments, she has two options: a withdrawal/loan from DDK or a loan from a bank. When considering the lucrativeness of these two options, the former is less expensive due to the relatively flexible money transactions between DDK and its partners, which makes it possible to pro tempore withdraw from, and redeposit into DDK, without paying an interest. However, the amount of withdrawal from DDK cannot exceed the amount of investment that Dunder has made in DDK. A loan from a bank in turn can be larger than the withdrawal, but in this case Dunder needs to convince the bank in order to get the loan as well as pay an interest on top of the money loaned. (Dunder 2007 b, Heikki Dunder 2008)

When considering the scarce time issue, also discussed in chapter 1.5.1, and solving it, Dunder has thought about starting to subcontract the production of collection jewelry to other qualified jewelry designers and/or goldsmiths in Finland. Due to the connection between customer, unique pieces of jewelry and designer, Dunder wants and aims to design and make all the unique and customized products herself even in the future. Moreover, since the personality of designer is significant and creates more value for the customers, subcontracting custom-made pieces of jewelry could leave customers disappointed or even betrayed. (Dunder 2007b)

Subcontractors are typically paid per piece of jewelry. Dunder considers the relation between quality and compensation, and states that she rather pays subcontractors good, and gets the result that matches her demand on quality, than ends up with badly made jewelry sold under her name. Subcontracting has naturally a negative effect on profit per piece of jewelry. (Dunder 2007b)

4.2 *SWOT Analysis*

4.2.1 External Opportunities and Threats

The consumer group interested in design jewelry has grown throughout past years, but it is still the gold chain stores that get the most of the potential customers. Gold chain stores can also diffuse the value and image of design jewelry due to their cheaper manufacturing methods and prices. Thereby the gold chain stores can be considered to cause threats for jewelry designers. However, even the customers who understand the value of design jewelry are more or less price sensitive.

Economical situation in Finland has been good in the past years. If this economic trend continues and more people become wealthier it could have a positive effect even on the demand of hand-made jewelry. On the other hand the prediction is that economical growth

is going to slow down, which may have a negative or neutral impact on people buying hand-made jewelry that they do not necessarily need. However, the slowing economical growth is not believed to lead to economical meltdown, and therefore economical trends are not considered to cause threats for jewelry designers. Hence, chances in economical situation could create opportunities or remain as a neutral force.

Another factor that can affect the demand of design jewelry is that wearing jewelry has become more common. However, increase in total demand does not automatically mean that consumers start buying more hand-made jewelry. Since consumers are more price-sensitive when piece of jewelry is bought for everyday use, it is possible that this trend has an impact only on the purchases of cheaper jewelry. On the other hand, if the total amount of jewelry purchases increase it can affect positively even the demand of hand-made jewelry.

Moreover, the activities of DFF and DD may influence consumers' curiosity towards design jewelry. Although, an organization focused only on design jewelry and handicraft would be more effective, it is possible that DFF's actions promoting Finnish design in general increase purchases of design jewelry. Furthermore, the increasing amount of smaller boutiques, together with the organization DD that connects them, can change consumers' purchasing behavior and bring more customers from gold chain stores to jewelry designers. Additionally, if DFF continues promoting Finnish design and jewelry designers keep on delivering the quality they promise a positive word-of-mouth can emerge among consumers and lead to more customers buying design jewelry. DFF and DD are thereby considered to create opportunities for jewelry designers.

When considering an alternative market with a larger consumer base, starting to sell jewelry in other countries such as Japan, could be an opportunity for Dunder in a future. In addition to her high quality jewelry, the positive image of Finnish design can be more valued abroad. However, at the moment Dunder does not have enough products or collections to start selling internationally.

4.2.2 Anniina Dunder's Strengths and Weaknesses as a Jewelry Designer

Due to the lack of time Anniina Dunder has very few collections and hardly any extra pieces of jewelry in case they run out from the stores. On the other hand, the business studies that are currently limiting her time in jewelry making are going to be strength in the future due to the new, more business minded way of thinking. However, the scarce time resources are at the moment a major weakness for Dunder. Another factor that could be seen as a weakness is the lack of promotion activities. Controversially, Dunder does have merits and awards from competitions, which can be considered as strengths when trying to attract possible retailers and final customers.

The current stores that sell Dunder's jewelry are focused on selling high-quality Finnish design and thus enhance the wanted image. Additionally, Dunder has continual contact with these boutiques, which may affect her relationship with the distributors in a positive way. Due to these aspects, these distribution channels can work as advantage for Dunder and thus be regarded as strengths. On the other hand, selling only in two smaller boutiques might not be an adequate number of distributors to attain higher sales. At the moment, this could limit Dunder's possibilities in getting greater amount of customers. Thereby, selling only in two stores can be considered as weakness.

When considering Dunder's financial capabilities, Dunder has a bigger company DDK supporting her. This can be considered as a major strength since Dunder does not need to apply for a bank loan every time she needs to make a smaller investment for a shorter period of time.

4.2.3 SWOT Chart

Figure 2 summarizes Anniina Dunder's strengths, weaknesses, opportunities and threats as a jewelry designer.

Strengths High-quality Hand-made Finnish Design Business studies Dunder Design Ky Merits and awards Good distributors	Weaknesses Limited resources in time Few selling places Lack of promotion Limited production
Opportunities Interest in design products Strong economy International market Design Forum Finland Design District Helsinki Change in wearing jewelry	Threats Many actors in the market Gold jewelry chain stores Relatively small consumer segment

Figure 2 Strengths, weaknesses, opportunities and threats of jewelry designer Anniina Dunder

5 Strategizing Phase

In this chapter, Marketing objectives are presented followed by a strategy formulation for jewelry designer Anniina Dunder.

5.1 Marketing Objectives

In order to increase total sales, jewelry designer Anniina Dunder has following objectives:

- Increase in volume and in variety of products
- Increase in visibility, which can lead to increase in demand from the consumers' side
- Increase in selling places

5.2 Strategy Formulation

Dunder should concentrate on serving customers who are interested in, and understand the value of hand-made design jewelry. This option suits her due to the limited resources, small size as an individual actor and objectives of her products being seen as exclusive high-quality design jewelry. However, this concentration does not mean that there would not be many actors targeting the same segment. Hence, additional differentiators are needed.

The competitors targeting the same subsegment consists of jewelry designers and goldsmiths. Due to her education as jewelry- and silver designer she can differentiate her jewelry from those of goldsmiths' as to focusing on design. Furthermore, her style in jewelry combined with unusual materials used, such paper and leather, is not common in Helsinki. She is not the only one who experiences with different forms, but extraordinary

forms together with the uncommon jewelry materials could work as a positive differentiator even against other jewelry designers, because it makes her product more unique and personal. However, this differentiator can have a decreasing effect on the amount of consumers, and thereby Dunder should consider designing different styles of collection jewelry. This idea will be discussed further in chapter 6.1.1. Dunder should even seek to communicate her personality and history to possible customers in order to increase interest in her jewelry as well as create additional value for the customers.

6 Implementing Phase

In this chapter, the marketing mix variables are analyzed and suggestions are made to form a better and more business oriented marketing mix for design jewelry by Anniina Dunder.

6.1 Marketing Mix

Dunder should seek to position her products as high-quality, hand-made design jewelry. Consequently, all the decisions about the marketing mix should support the wanted position as well as be in balance with one another.

6.1.1 Product

Dunder's idea and style of forms combined with unusual materials is not common in jewelry market in Helsinki and therefore Dunder should value these elements in her jewelry. Additionally, the customer segment is asking for personal, unique jewelry that are hand-made and thereby Dunder's jewelry can create more value for them. On the other hand, Dunder has a quite limited amount of pieces in her assortment, which limits higher sales.

In order to increase sales, reach the interest of possible retailing boutiques and wider consumer base, Dunder needs to increase the amount of pieces of jewelry made as well as design new collections and pieces of jewelry. One option is to start subcontracting a part of the jewelry making, and thereby increase the production as well as gain more time for designing. Another option is to make the production process more efficient by making many pieces of the same product at a time. Dunder should seek to have extra pieces constantly and thereby prevent her jewelry running out from the stores for a longer period of time. On the other hand, Dunder needs to be cautious about not making too many pieces

due to the risk that they will never be sold further from the stores, which means that she gets no compensation for her work.

Another way to increase sales is to target bigger consumer group and therefore Dunder should consider having two different types of collections: The first types of collections should be commercial and thereby attract more people as well as make more profit due to higher sales. The other types in turn could target more courageous and personal consumers with creative and spectacular jewelry that shows Dunder's artistic personality. In order to design and produce the first types of collections and make profit from them Dunder should start paying attention to consumer needs and wants. Moreover, these needs and wants should be taken into account already when designing collections. A designer should seek to find a way to satisfy customer wants and needs without forgetting her own idea or personality as a designer.

6.1.2 Price

Dunder's jewelry competes against other hand-made jewelry and therefore she should, in some extent, follow the pricing of these actors. The aim for Dunder is to brand her products and therefore the price can be over the average price of design jewelry. It is possible to raise the prices additionally when Dunder has established her name as a designer due to the more value the known name or a brand creates for customers. Higher price also clarifies the difference between high-quality design jewelry and industrially manufactures middle-priced jewelry and creates additional value for them who understand this difference. However, it is important to continuously deliver the promised quality and value to customers that higher price promises.

There is another side to the pricing issue, namely the cost of producing. Even though the prices would be considered as high, they are high mostly due to the expensiveness of hand-made production and retailers' high contribution margins. However, there are possible ways to increase the designers' margin per product. The first one is relative to the amount of sales. When sales go up operational costs per product go down, because they are divided by larger amount of products, and margin per piece of jewelry increases. The second one

depends on the efficiency of the designer. As discussed in the chapter above, a designer can make jewelry producing more efficient by making many pieces of the same product at a time. This in turn would lower the time spend per piece and result to higher margins. The last one concerns the purchases of raw materials. If possible Dunder should seek to buy greater amounts at once and thereby get a quantity discount. On the other hand, Dunder makes small batch collections, and thus the volume of raw materials needed may not be sufficient to get the discount.

6.1.3 Place

In order to increase the total sales Dunder should also start selling in more places. Dunder needs to sell the idea of her jewelry to the owners or purchasing agents and explain how it can add value for their boutiques. For example in clothing store her jewelry can work as complementary products, which further makes the whole boutique more attractive in customers eyes. In stores that already sell jewelry, Dunder's pieces of jewelry can enhance the total image of the store on account of a wider and more versatile assortment.

Dunder should make a list of possible boutiques and start contacting them either by telephone or by visiting. Since different types of distributing places seem to sell jewelry on sales account this is not a deciding factor when choosing the possible retailers. On the other hand, the amount of contribution margin varies between stores. When choosing suitable retailing boutiques it is imperative to consider the image of the possible ones. Since Dunder wants to position her jewelry as exclusive high-quality products, a retailing boutique that supports the same aspects would enhance the desired image for her jewelry. Moreover, settling for places that do not support same values as her would jeopardize the wanted image.

Since Dunder's assortment consists of small batch produced collections, smaller boutiques seem to be the best option. Furthermore, it is more common to find service oriented sales personal in smaller boutiques. Stockmann department store requests large amount of jewelries and therefore it is not a possible distribution channel option at the moment. Controversially, a small clothing boutique with the right style and image could be a

potential selling place. Through selling in clothing stores Dunder's jewelry would reach wider customer base, namely those who are interested in style, quality and personal products, but who do not normally visit boutiques concentrated on design.

Dunder's customized jewelry will be sold directly to the final consumers from the new JDA. Because JDA has showcases for collection products, Dunder has the possibility to sell ever her collection jewelry directly to final consumers. Dunder should take the advantage of the situation and communicate the difference between hand-made jewelry and the ones sold in gold chain stores to these consumers. This can lead to more people understanding the difference and starting to value hand-made jewelry.

6.1.4 Promotion

In addition to good products designer needs to introduce them to possible consumers. Therefore it is imperative to show in different ways. Dunder should seek more visibility through non-personal communication channels, such as different magazines and other medias. She can do this either by using an external public relation agency or by being active in making direct contacts with fashion editors, assistants and photographers. Since she has limited resources the latter option is considered to be more suitable for her. When searching the right people to contact she should pay attention to their style in order to contact the ones that can enhance the image she seeks to have for her jewelry. Thereafter she should contact these people with pictures. Additionally, she could inform chosen weekly magazines about the opening of the design jewelry agency and other similar issues.

Designer can also gain visibility by participating competitions and making appearance in events. Therefore it is important that Dunder is representing her self, her jewelry and her personality in different occasions. This could lead to meeting and making contacts with new important or famous people. Finland is a small country and thereby it is possible that some of Dunder's friends or contacts have further contacts with famous people and public figures. Dunder should take advantage of these contacts and seek to get some of the famous people and public figures as her customers.

Another way to get more visibility is through a web site, which includes high quality pictures of jewelry, a description of designer's history, personality and mindset as well as contact information. For final consumers this type of web site does not only offer a possibility to see designer's products, but also to enter the designer's world. Additionally, a web site can work as a sample for possible retailers.

In conclusion, Dunder should seek to have more visibility than her competitors. Types of publicity mentioned above are inexpensive, or even free, effective and trustworthy promotion for the designer. Additionally, personal communication in form of positive word of mouth can be created if the designer continuously meets or exceeds the value and quality promised.

7 Conclusions

In this chapter, a brief summary of the thesis is presented followed by conclusions.

Jewelry designers might not be as customer-centered as Kotler and others recommend. Moreover, they are not constantly seeking to grow and make the most profit out of satisfying consumer needs better than competitors. However, it is imperative even for an individual designer to examine what the customers want and demand as well as think of a plan to satisfy this demand.

Based on this study the consumer group interested in hand-made design jewelry does exist in Helsinki and it is possible that it will get larger due to external factors. Although this consumer group is relatively small, an individual actor has every possibility to reach the desired level of profit in this market by designing and producing jewelry. Reaching this level of profit requires activeness, customer-centered view and productivity from the designer. Consequently, individual designers should start paying more attention to potential customers' needs and wants even when designing collection jewelry as well as be constantly aware of changes in these wants in order to satisfy customers even in the future. A designer should also concentrate on finding those distribution channels that enhance the wanted image of jewelry as well as seek more visibility, for example through a web site, magazines and events, which in turn increase the interest among consumers

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Appendix 1: Combined List of Topics for the Interviews

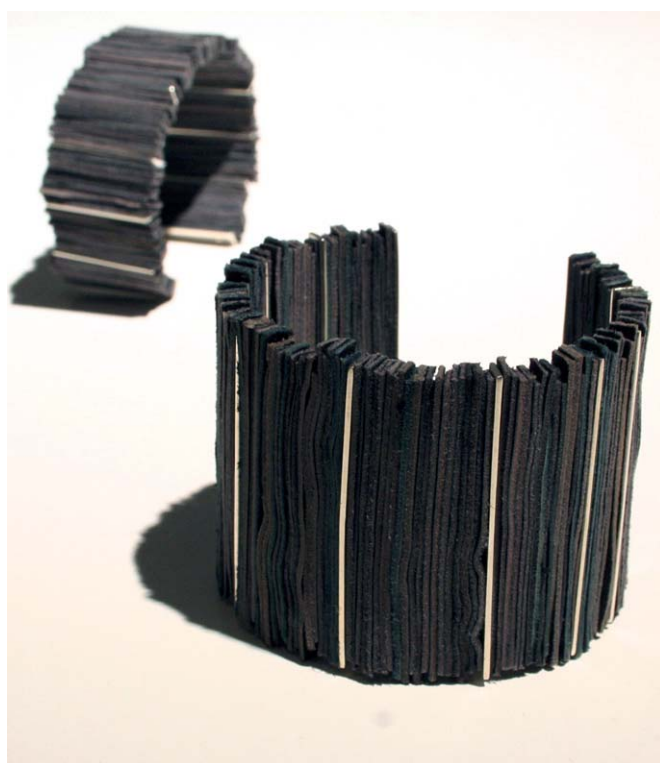
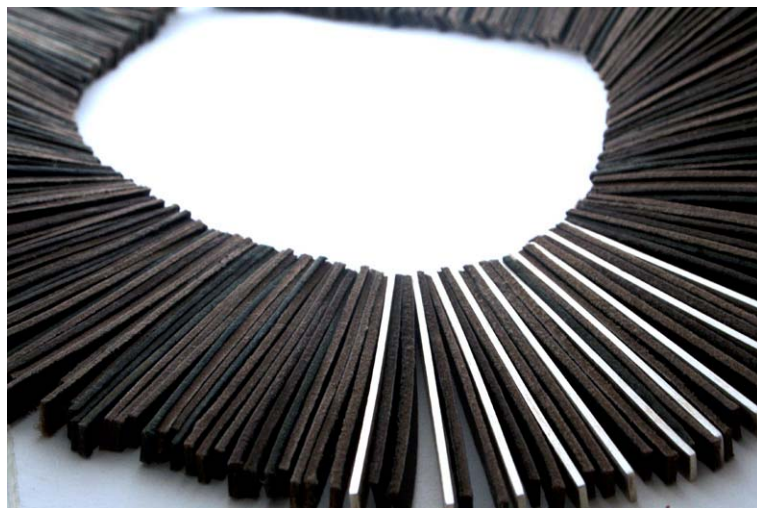
- Background of the interviewee
- Finnish Design
 - Definition
 - History
 - Image
- Design Jewelry
- Assortment of the store
- Customers of the store
 - Who, How, Why
 - Price sensitivity
 - Important factors for them
 - Purchasing behavior
 - Changes
- Sales personal
- Criteria and terms as a retailer
- Alternative selling places in Helsinki for design jewelry
 - Why
- Channels for promoting jewelry designers
- Competition in Helsinki
- Important factors for beginning jewelry designer
- Prerequisite for jewelry designer's success

Appendix 2: Kenno



Jewelries and Pictures by Anniina Dunder

Appendix 3: Kleopatra



Jewelries and Pictures by Anniina Dunder

Appendix 4: Diploma Work



Jewelries by Anniina Dunder and Pictures by Jenni Kauppila