

Norrmade

Digital Marketing Strategy

Annalisa Mason, Camile Doussy,
Fiona Okafor, Tamas Torok, YoungHyun Son

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Introduction to the problem

- Company Identity profile

The brand Norrmade creates accessory furniture with a clean, minimal Nordic design aesthetic. The name Norrmade comes from “norr” (Swedish for North) and nomad. Their design philosophy is to make “nomadic” furniture that can move easily and adapt to different places in the home. They specialise in accessory furniture that can fit anywhere and adapt to various spaces within the home. Their products are good quality, long lasting, stylish, adaptable, small, convenient, easy to install and designed by the renowned designers, Claus Jensen & Henrik Holbæk.

- Case

Norrmade is looking to create a digital showroom to attract the right customers and get them to buy their products. They would like to focus on the European market and Scandinavia in particular where they have strong competition from established names in the Nordic design homeware market.

- Problem area

They haven't been able to get into the Danish market due to their lack of physical presence and poor online presence.

They currently have a physical showroom in Fredensborg but this is for B 2 B clients. Now they need a digital showroom to attract consumers.

They have failed to establish their target audience and therefore haven't created a marketing strategy. Norrmade believe their target market could be young families and couples starting out who live in small flats in urban areas and who are also design conscious. They don't want to buy cheap furniture anymore but can't afford really expensive brands yet. They are people who want to feel good about selecting a functional but smart piece of furniture that, also retirees who are downsizing and moving into smaller spaces.

They are a mid range in terms of price and they are too expensive for people who think they can find something similar in Ikea for less and are not established enough for people who enjoy spending money on quality/design furniture.

Their biggest market is in Japan but their struggling against local, well known competitors in Scandinavia such as Normann Copenhagen, Hay and Muuto.

The company has two website, a .dk and a .com. The .dk website has the shop and more information but people online are directed to .com before .dk

Research

The Business Environment

- PEST Analysis (Macro factors)

POLITICAL

- Regulations in Slovenia related to production. Norrmade must follow laws and regulation of Slovenia.
- Changes in laws, taxation could affect Norrmade.
- Possible loss of UK one of the biggest economies in Europe as a free trade country in the EU.
- Current political environment is stable in Europe.

ECONOMIC

- Changes in the Danish could affect the amount of disposable income that Danes have to spend on design furniture.
- Norrmade plans to enter new markets and must adapt to cultural tastes in terms of marketing
- Currency exchange rates and taxation.

SOCIAL

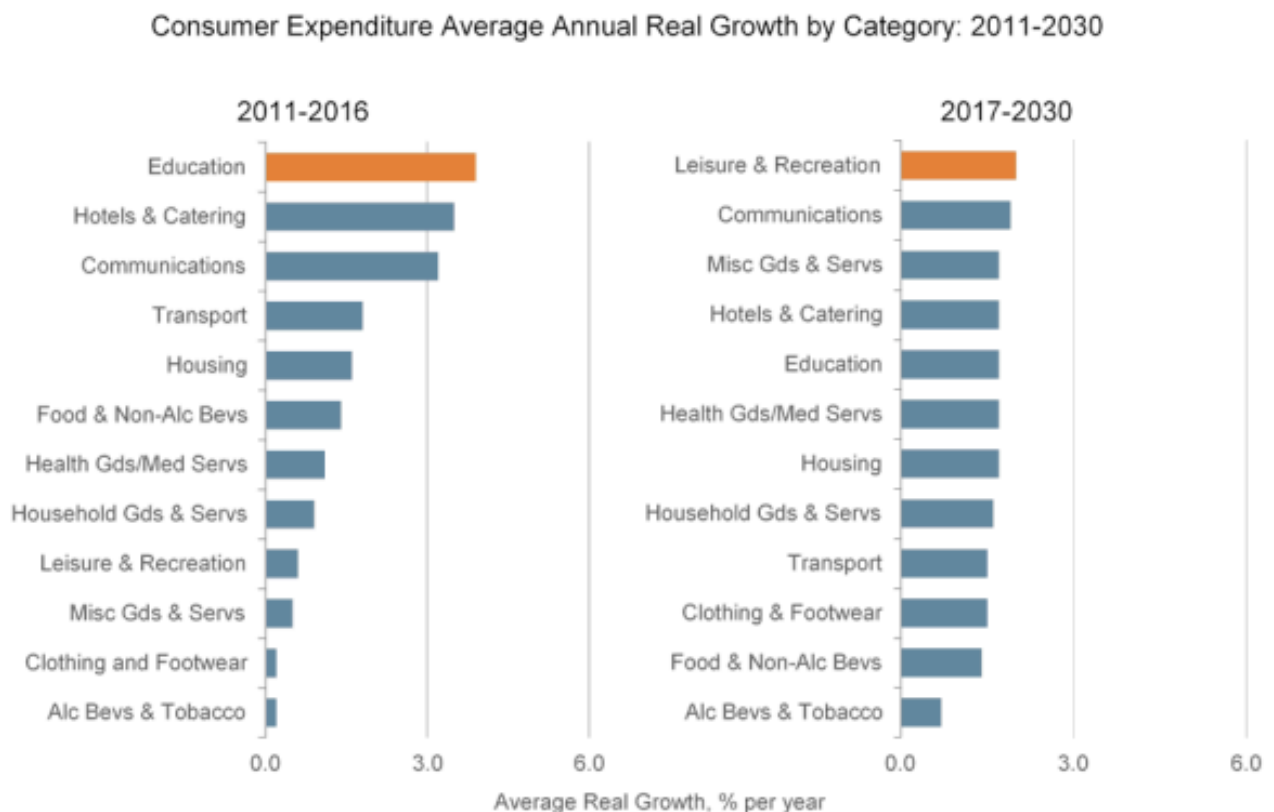
- Urbanization, increase in move to smaller flats in cities and need for small furniture and adaptable items.
- Effects of “ethical chic” and customer awareness of CO2 footprint of products and sustainability
- Most people still prefer to buy furniture in physical stores eg 93.1% in Sweden.
- Trend for Scandinavian style and furniture

TECHNOLOGICAL

- Social media and new ways to market furniture and lifestyle.
- Website will need to be updated to target a clearer group of consumers and to keep up with competitors online platforms. Increased use of mobile access.
- Giving customers an immersive experience through a website that can replace a physical shop.

- **Micro factors**

- **Consumer Behaviour** : According to the resource, the Danish population has one of the highest income levels in EU. The Danish consumer, therefore, has some of the highest product expectations in Europe. While the Danish are early adopters of hi-tech products, they are usually quite conservative in their purchases. As such, Danish consumers are more likely to purchase products from companies that have been established for a long time in the country.
- **Consumer Profile**: The average Danish consumer is relatively well-off. Denmark has a high GDP and low population. Like other Scandinavian countries, Denmark enjoys high connectivity with modern infrastructure. Even though the income tax is quite high, Danes generally enjoy one of the best qualities of life.



Source: Euromonitor International from national statistics/UN/OECD

Note: Data for 2017-2030 are forecasts

- **Consumer Expenditure**: As you can see above, the expenditure of Household Good & Services are expected to grow in the future.

User Research

- Customer interviews:

In order to more fully understand our target audience in Denmark we visited HAY and Muuto and asked some customers to fill in a survey for us. The demographics of the majority of our participants mirrored our desired target audience, i.e. young professional couples (aged between 28-42) without children who work in creative industries.

The respondents reported that they purchase their furniture and lifestyle products from a wide variety of places, some of which included Norrmade's main competitors (i.e. HAY, Normann and Muuto) as well as sourcing some items from second hand stores and cheaper, larger companies like IKEA.

Design and durability of the furniture were reported as the two main deciding factors when choosing which items to purchase and that seeing the products in person before purchasing was considered a high priority. Regarding where customers looked for inspiration for their interior lifestyle products, participants reported Instagram and real life environments as their main reference points.

STAKEHOLDER ANALYSIS

A - Extremely Important




B - Fairly Important

C - Not too important

STAKEHOLDER	STAKEHOLDER INTEREST IN A PROJECT	ASSESSMENT OF IMPACT	POTENTIAL STRATEGIES FOR OBTAINING SUPPORT OR REDUCING OBSTACLES
Norrmade	Improving Sales/profits Increased cashflow to grow and market themselves Room for growth	A	Improve online platform to showcase goods, attract the right customers and increase sales
Customers	They buy good, durable products Satisfaction from good service	A	Keep customers informed with new products and updated online presence and marketing
Economy	Contributes to healthy economy Jobs and taxes	B	Watch changes in the economy in Denmark, Slovenia and the EU.
Local Community	Creates employment as company grows Reduce waste from cheap products that don't last	C	Keep them informed on events where they will promote their products

STAKEHOLDER INTEREST DIAGRAM



-  advocates and supporters
-  blockers and critics
-  others who are neutral

Analysis

- Competitor Analysis

	NORRMADE®	HAY	normann COPENHAGEN	MUUTO
Value Proposition	Quality products, functional design, good use of space, roots in nature	Modern Scandinavian designed life-style pieces	Chic, fashionable Scandinavian design of high quality	Understated, contemporary Nordic design of high quality
Audience	Design focused families who shop online	Aspirational, young, design aware professionals	People who are interested in image and statement pieces	Modern, fashionable people who want spaces of status
Range of authority	Small range of home accessories, small furniture pieces (i.e. stools)	Wide range - furniture, lighting, homeware, accessories, textiles, stationary	Wide range - homeware, furniture, accessories, textiles, ceramics	Fairly small range of product types - furniture, lighting, accessories
Relationship	Superior designed products, core nomadic values	Approachable and stylish lifestyle	Exclusive high end products impressively displayed	Contemporary, simple and sleek

SWOT

- **Strengths**

- Quality, durable, timeless products
- Minimalistic design - popular in Scandinavia
- Small company, they have smaller expenses
- Their ideology strong identity
- They have a niche market for accessory furniture
- Affordable prices for the middle class, young professionals in Scandinavia
- Jail showroom - unique, original, potential as a space to show products
- Potential to evolve
- The designers, famous with awards, well known

- **Weakness**

- Consumers are hesitant to buy more expensive items online
- Norrmade has no physical store
- They have not established a target group so they are targeting a wide group
- Price too high for some and too low for others
- No showroom for selling or showing products to end user
- Too few products and no range in their furniture categories
- Functionality of International commercial (.com) website
- Current target audience are not only wanderer or, Norrmade as described in philosophy
- Weak brand presence in the EU

- Ignorance to environment and compliance issues
- No emotional selling point
- Their showroom does not represent the brand's image
- They have a low budget to spend on marketing

- **Opportunities**

- They can make use of free advertising from online users sharing pictures
- Nordic minimal design is trendy
- Young people have more money and want more special products
- Nordic = quality. Good opportunity to market themselves as a nordic product.
- Danish apartments are small - it benefits the company.

- **Threats**

- Market is competitive
- E-commerce has decreased by 5% in Denmark
- Norrmade does not have much leeway if the economy fluctuates
- Increase in housing prices means consumers have less disposable cash
- Competitors have a physical presence

- TOWS

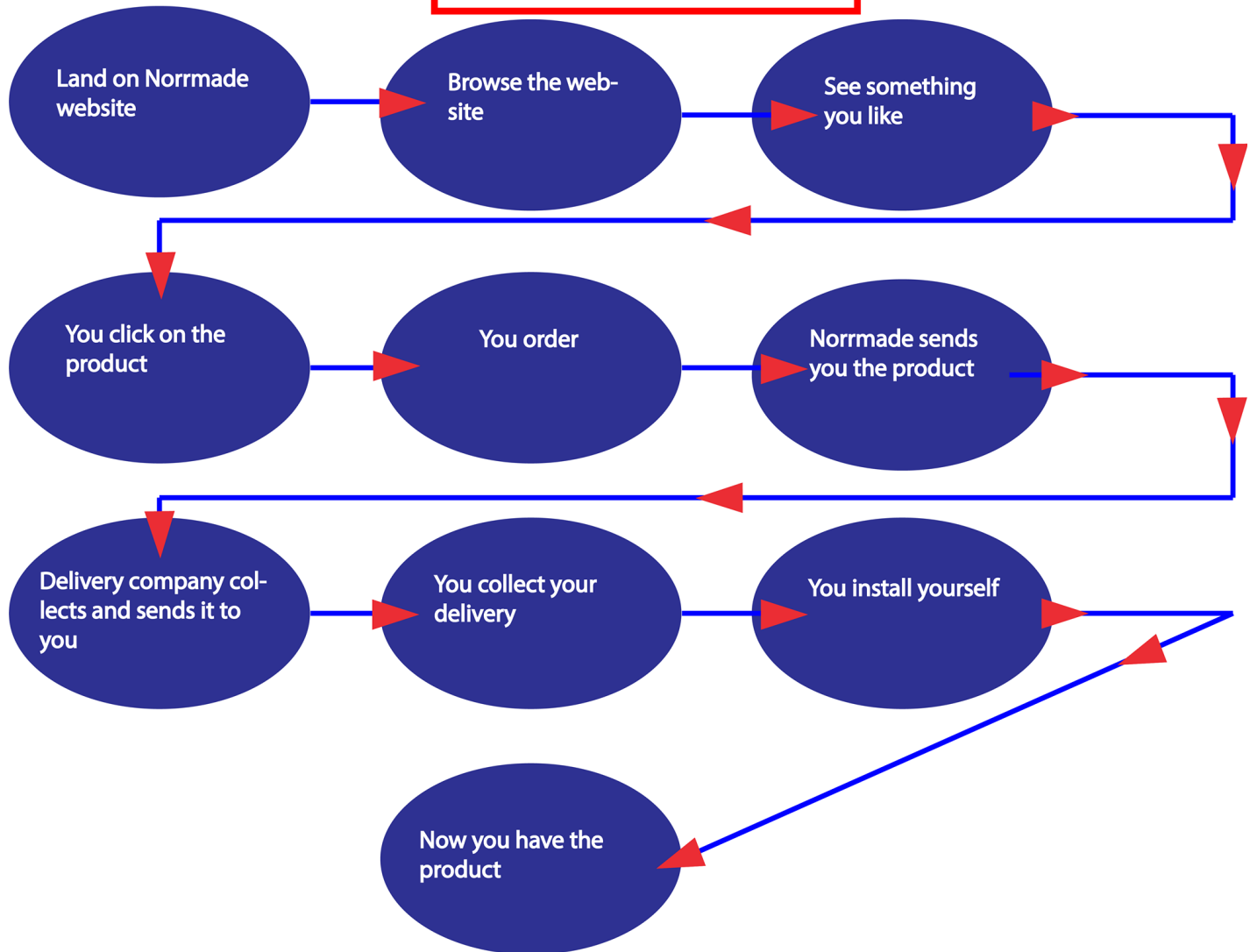
	<u>Strengths</u>	<u>Weaknesses</u>
	<p>S1 Quality, durable, timeless products</p> <p>S2 Minimalistic design - popular in Scandinavia</p> <p>S3 Small company, they have smaller expenses</p> <p>S4 Their ideology strong identity</p> <p>S5 They have a niche market for accessory furniture</p> <p>S6 Affordable prices for the middle class, young professionals in Scandinavia</p> <p>S7 Jail showroom - unique, original, potential as a space to show products</p> <p>S8 Potential to evolve</p> <p>S9 The designers, famous with awards, well known</p>	<p>W1 Consumers are hesitant to buy more expensive items online</p> <p>W2 Norrmade has no physical store</p> <p>W3 They have not established a target group so they are targeting a wide group</p> <p>W4 Price too high for some and too low for others</p> <p>W5 No showroom for selling or showing products to end user</p> <p>W6 Too few products and no range in their furniture categories</p> <p>W7 Functionality of International commercial (.com) website</p> <p>W8 Current target audience are not only wanderer or, Nomad as described in philosophy</p> <p>W9 Weak brand presence in the EU</p> <p>W10 Ignorance to environment and compliance issues</p> <p>W11 No emotional selling point</p> <p>W12 Their showroom does not representing the product</p> <p>◦They have a low budget to spend on marketing</p>

<p><u>Opportunities</u></p> <p>O1 They can make use of free advertising from online users sharing pictures</p> <p>O2 Nordic minimal design is trendy</p> <p>O3 Young people have more money and want more special products</p> <p>O4 Nordic = quality. Good opportunity to market themselves as a nordic product.</p> <p>O5 Danish apartments are small - it benefits the company.</p>	<p>T S - Maxi O - Maxi</p> <ul style="list-style-type: none"> • O1, S2 Send products to influencers using social media • O2, O3, S2, S6 Investing in aiming a younger target audience, fresher • O5, S2, S9 Making deals with hotels/ housing associations • O2, S7, S8 Advertising local events, guerilla marketing • O3, O2, S2, S8, S9 Special discounts online advertisers • O2, S7, S8, S9 Attend trade and design fairs • O2, S8, S9 Collaborate online 	<p>O W - Mini O - Maxi</p> <p>W1, W2, O2, O1 They should participate in local events e.g. furniture, festival, bloggers to advertise their products</p> <p>O1, O2, W1 Social media advertising</p>
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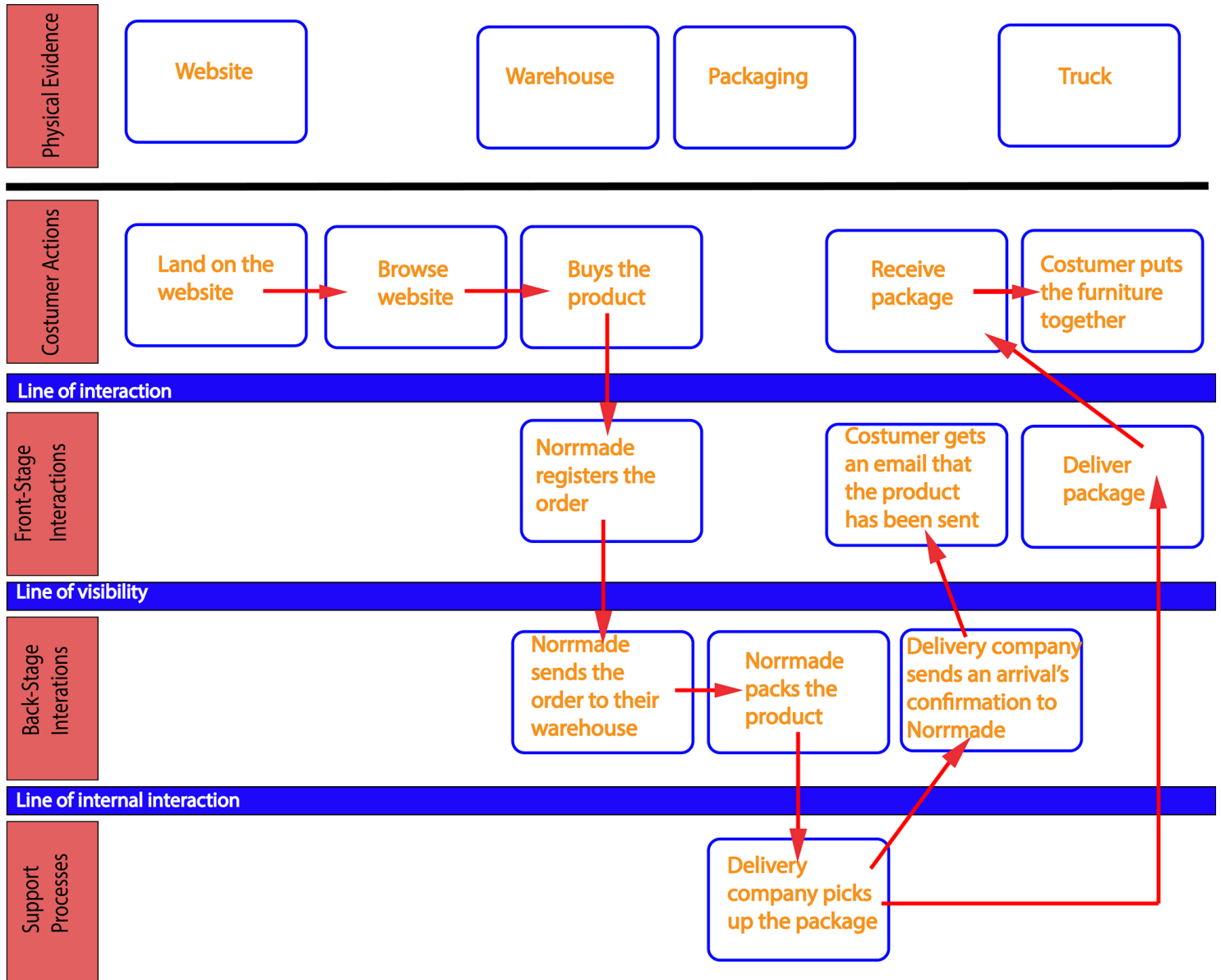
<p>Threats</p> <p>T1 Market is competitive</p> <p>T2 E-commerce has decreased by 5% in Denmark</p> <p>T3 Norrmade does not have much leeway if the economy fluctuates</p> <p>T4 Increase in housing prices means consumers have less disposable cash</p> <p>T5 Competitors have a physical presence</p>	<p>W S - Maxi T - Mini T7, S6 - Develop a digital showroom to differentiate themselves from the competitors.</p> <p>T1, S9 - Promote the designers more. It add value to the brand.</p> <p>T5, S5 - Promote the quality of the materials. -emphasise the niche accessory idea</p>	<p>S W - Mini T - Mini</p> <p>T1, T2, W3 define your mission vision values then create a market strategy</p> <p>T1, W4 - Since the market of designer furniture is very competitive, they should extend the range of products to appeal to a bigger audience.</p> <p>T2, W7 - Norrmade should focus more on marketing and branding, because new competitors can easily step into the market and can't steal their customers.</p> <p>T1, W7 - Norrmade should invest more in building the brand in the EU so that they can become more recognizable and valuable on the market.</p> <p>T1, T7, T5, W7, W8 - Make the brand more appealing by using eco friendly technologies in production of the furniture - forest preservation and restoration, clean water and water conservation, fair wages and a safe workplace. They need to commit to</p>
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Customer Journey

JOURNEY MAP



Service Blueprint



Solution

Mission

We want to create happiness in the home.

Vision

We want to achieve our mission by providing beautiful, stylish and durable accessories that enhance the aesthetics of the urban life. These products can adapt easily in small spaces and can be used for a variety of needs.

Value

Aesthetics

The company provides good looking accessories and

Connectivity

Social media connects Norrmade to customers to the public and there is mutual sharing of images and inspiration.

Trust

Norrmade creates products that customers trust are well made and worth the money paid.

Concept Description

From our research on the company and its issues in connecting with their target group and the current market we got to the following conclusions :

- We need to narrow the target group that the company has right now
- Investing in a younger target audience
- Promote the designers more in order to add value to the brand, we should promote the brand more too
- Connect both website (.com and .dk)
- We could maybe have a short video that shows each product, since they don't have a physical store. It could improve the trust between the company/product and the customer.
- Show the products being used in "real buyer's" houses/ apartment

Customer Segmentation

We have identified our target audience as sophisticated young professionals with a university education and an interest in design, style and a healthy social life. They are from Scandinavia and are aged between 27 and 37 years old. They are upwardly mobile and care about what their home looks like and want to impress their social circle with their smart, innovative purchases. They are living in small flats in the city and need small adaptable items that don't take up much space. Many of them are in relationships and co-habiting and are just beginning to buy pricier furniture that will last as they start to have families. They have some disposable income but are still a little price aware and are buying for themselves. They have active social lives and their personalities are conscientious, agreeable and sociable. They use social media and share their lives with their circle.

Trends in Denmark

Danes are proud of their design furniture and have been recognised for this since the 1950's with world renowned designers such as Verner Panton and Arne Jacobsen. With the long, dark Danish winter, it is really important to create a warm, inviting home. The concept of 'hygge' is one that the Danes are proud of and this has led to Danes investing in good quality and stylish homeware.

Since Danes have one of the biggest incomes in the EU with an average of DKK 24,315 per annum, spending on designer furniture is on the increase. The contemporary designers address the needs of small spaces by fusing technology and connectivity to create innovative bedroom products, which tends to be a problem in smaller apartments. Also the movability of the furniture is an advantage since people move more frequently.

Digital Media Communication

In order to increase Norrmade social activity, we would like to improve their impact on Instagram, on their potential costumers. Since that in the next 5 years, the social media marketing will grow over 20%, we want to focus a lot on how the brand can evolve within its generation and embrace their sales and popularity. The solution we thought about involves costumers that have bought an item from Norrmade, and then post it on Instagram with a special hashtag that could be visible also on their website. This solution will also maybe solve the issue that they have by not having a physical shop where costumers can see the products physically and create a stronger relationship towards the

product, growing positive brand sentiment , increasing consumer involvement with the brand, and building relationships with influencers. We also thought about making videos, or 360 degree pictures , to get a trustworthy overview of each product so that the potential costumers knows what they are going for.

Generic Strategies

Differentiation: We would set ourselves apart from our competitors by having a more personal experience. The customer will be rewarded for loyalty with discounts and will have the chance to take products home for a 30 day trial and will be able to send the product back if they do not want it. Norrmade will have the confidence that customers will love their product. The customer will feel closer to the Norrmade! They will make the customer feel special!

Personalized marketing: With the use of cookie data and researching the target audience more specifically we could improve their customer experience.

Norrmade could offer customers a discounts online eg 10% off their next purchase.

Conclusion

We found that Norrmade had no target audience and we have identified them as single professional and young couples in their late 20's and thirties who are starting out and nest building. We looked at their lifestyle and knew that they were willing to spend money on pricey furniture and we concluded that we could attract by giving them a more personal experience compared to Norrmades competitors. We will focus on social media platforms that they use, mostly Instagram and engage with them on a regular basis.

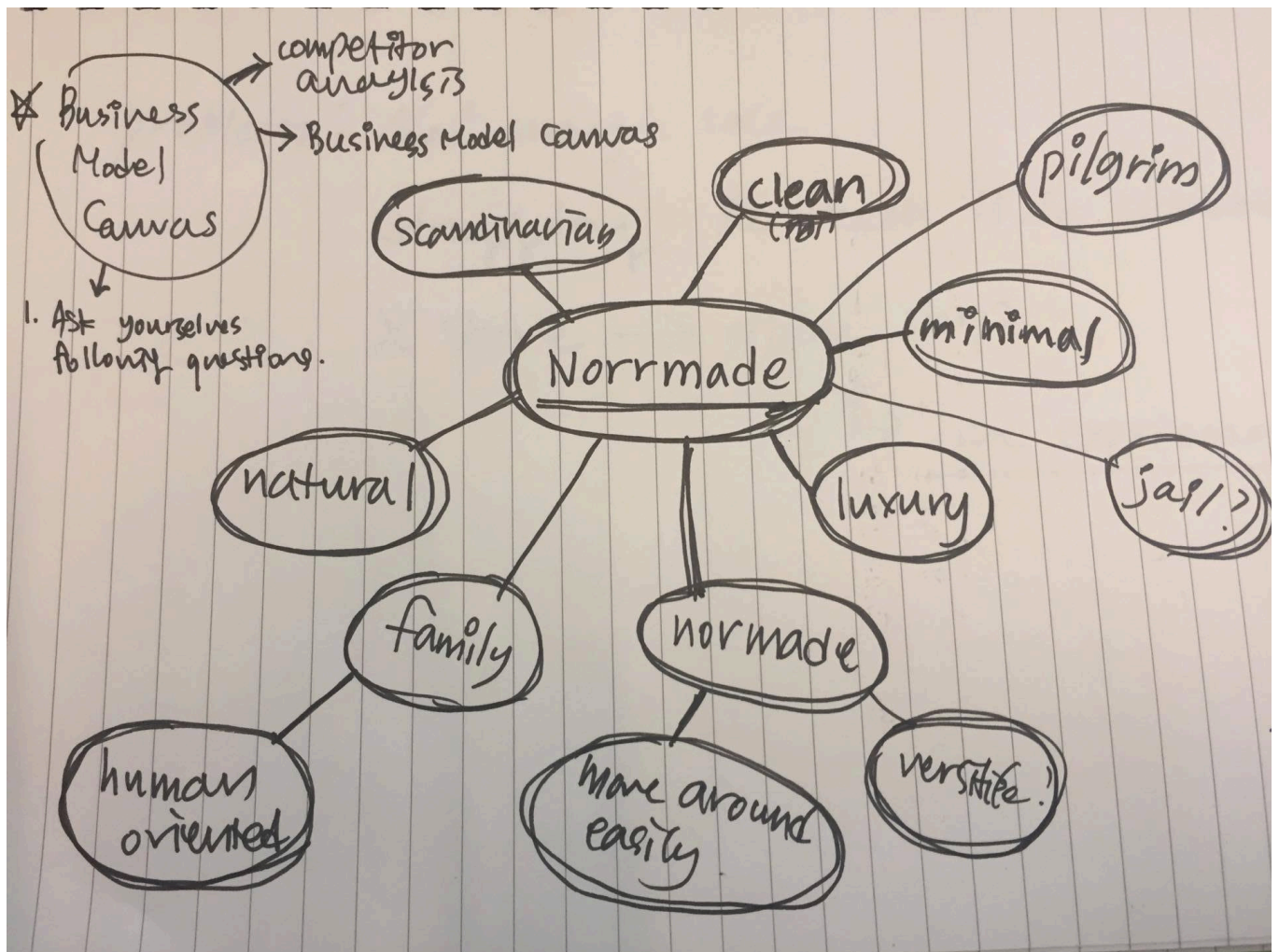
Reference List

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2. **Consumer Expenditure Average Annual Real Growth by Category:**
Euromonitor International from national statistics/UN/OECD
3. **Digital Media Communication:** <http://www.business2community.com/social-media/understanding-social-media-roi-01723059#ktif6p6UP1PuqDYH.97>
4. **Trends in Denmark:** "Befolkningens Løn" (PDF). Statistics Denmark.

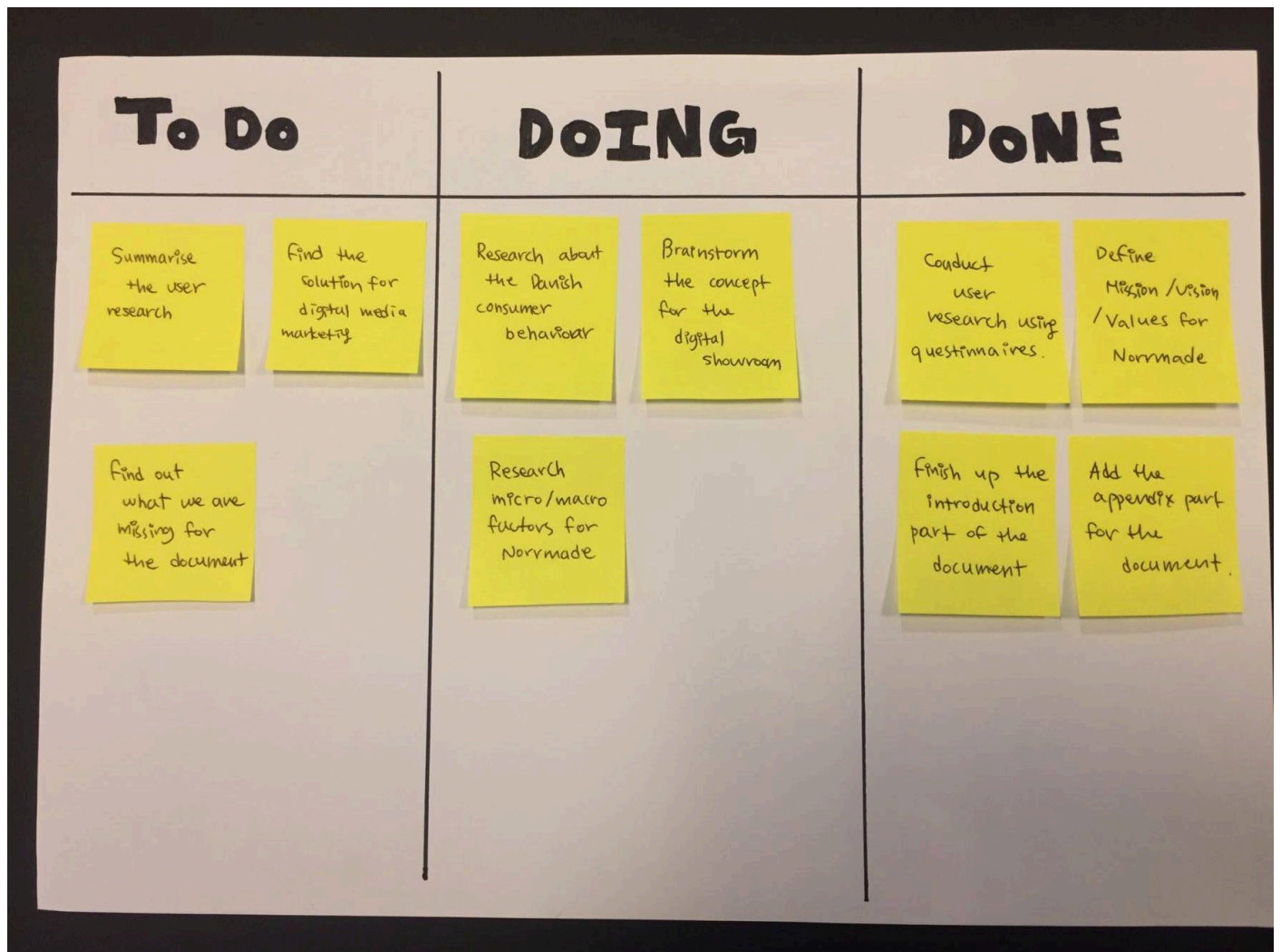
Appendix

-Process documentation

1. Brainstorming: Before we started the whole process, we thought it would be good to identify the brand Norrmade in our words. So we did a mini brain storm about the brand as below.



2. Kanban-Chart: We used kanban-chart to visualise the whole process of the documentation.



3. Digital Showroom: idea sketch of our prototype

