



UNIVERSITEIT TWENTE.



INSTITUTO DEL BIENESTAR (IDB)
Investigación y servicios para tu felicidad

**‘FINDING THE PROPER E-MARKETING STRATEGY FOR A MENTAL
WELLNESS INSTITUTE’**

BY
JUAN PEREZ NIJHUIS

SUPERVISORS:
DR. E. CONSTANTINIDES
UNIVERSITY OF TWENTE
FACULTY OF MANAGEMENT AND GOVERNANCE

R.P.A. LOOHUIS MBA
UNIVERSITY OF TWENTE
FACULTY OF MANAGEMENT AND GOVERNANCE

BACHELOR THESIS
BUSINESS ADMINISTRATION
UNIVERSITY OF TWENTE

‘FINDING THE PROPER E-MARKETING STRATEGY FOR IDB IN ORDER TO CONTRIBUTE TO THE
COMPANY’S SUCCESS AND TO OBTAIN COMPETITIVE ADVANTAGE’

STUDENT

Name: Juan Perez Nijhuis
Study: Business Administration
Student number: s1011812
E-mail: j.pereznijhuis@student.utwente.nl
Period: April 2013 – January 2014

EXAM BOARD

Dr. E. Constantinides (University of Twente)
R.P.A. Loohuis MBA (University of Twente)

INSTITUTO DEL BIENESTAR

A. MalloI
SEO consultant
M. Mansilla
SEO Consultant

CONTACT

University of Twente
School of Management & Governance
PO Box 217
7500 AE Enschede
The Netherlands
www.mb.utwente.nl

El Instituto del Bienestar
Gran Via de les Corts Catalans 392
08015 Barcelona
Spain
www.institutodelbienestar.com

TABLE OF CONTENTS

MANAGEMENT SUMMARY.....	5
1. INTRODUCTION	7
1.1 INTRODUCTION.....	7
1.2 BACKGROUND TO THE RESEARCH.....	7
1.3 RESEARCH GOAL.....	8
1.4 RESEARCH PROBLEM	9
1.5 RESEARCH PROCESS	9
2 LITERATURE REVIEW.....	11
2.1 INTRODUCTION.....	11
2.2 THE INTERNET NOWADAYS.....	11
2.3 E-MARKETING STRATEGIES.....	12
2.3.1 THE E-MARKETING PROGRAM.....	13
2.4 DEVELOPING AN E-MARKETING STRATEGY	14
2.4.1 THE WEB MARKETING MIX (THE 4S MODEL)	14
2.4.2 THE SOSTAC MODEL	15
2.5 CREATING A NEW MODEL.....	15
2.5.1 DISTINGUISHING SIMILARITIES	15
2.5.2 CREATION OF THE MODEL.....	16
2.6 SUPPORTING THEORIES.....	17
2.7 CONCLUSION.....	19
3 METHODOLOGY	20
3.1 INTRODUCTION.....	20
3.2 ENVIRONMENTAL ANALYSIS.....	20
3.2.1 INTERNAL ANALYSIS – 7S MODEL.....	20
3.2.2 EXTERNAL ANALYSIS (DIRECT ENVIRONMENT) – PORTER’S 5 FORCES MODEL.....	20
3.2.3 EXTERNAL ANALYSIS (MACRO ENVIRONMENT) – PESTEL FRAMEWORK	20
3.3 VALIDITY	21
3.3.1 CONSTRUCT VALIDITY.....	21
3.3.2 INTERNAL VALIDITY.....	21
3.3.3 EXTERNAL VALIDITY.....	21
4 DATA COLLECTION AND ANALYSIS	22
4.1 INTRODUCTION.....	22
4.2 PRODUCT/SERVICE: DETERMINING STRATEGIC OBJECTIVES.....	22
4.3 E-MARKETING ORGANIZATION: INTERNAL AND EXTERNAL ANALYSIS.....	23
4.3.1 INTERNAL ANALYSIS.....	23
4.3.2 EXTERNAL ANALYSIS.....	25
4.3.2.2 Market Environment Analysis.....	26
4.3.2.3 Macro Environment Analysis.....	28
4.3.3 POSITIONING	30
4.4 E-MARKETING STRATEGY.....	35
4.4.1 E-MARKETING STRATEGY	35
4.4.2 WEB 1.0: DETERMINING STRATEGIC ROLE AND DEVELOPING WEBSITE	35
4.4.2.1 DETERMINING STRATEGIC ROLE.....	36
4.4.2.2 DEVELOPMENT OF WEBSITE.....	36
4.4.3 WEB 2.0: DETERMINING SOCIAL MEDIA STRATEGY	38
4.4.3.1 DETERMINING IDB’S SOCIAL MEDIA STRATEGY	38
4.4.4 CONCLUSION	40

5 CONCLUSIONS AND RECOMMENDATIONS.....	42
5.1 WEB 1.0	42
5.2 WEB 2.0	43
5.2.1 AUGMENTING BRAND AWARENESS AMONG SELECTED CUSTOMER GROUPS	43
5.2.2 RAISE REVENUE	44
5.3 RECOMMENDATIONS	44
REFERENCES.....	45
APPENDIXES.....	49
APPENDIX A – FIGURES.....	49
APPENDIX B – THE E-MARKETING PYRAMID.....	54
APPENDIX C – THE 4S MODEL.....	55
APPENDIX D – THE SOSTAC CYCLE.....	58
APPENDIX E – 7S MODEL (WATERMAN, 1980)	59
APPENDIX F – PORTER’S 5 FORCES MODEL (PORTER, 1985).....	61
APPENDIX G – PESTEL MODEL (FAHEY & NARAYAN, 1986).....	63
APPENDIX H – BUILDING AN ONLINE BRAND (ROWLEY, 2002)	65
APPENDIX I – WEB 2.0 (CONSTANTINIDES, 2008).....	67
APPENDIX J – THE WELLNESS CLUSTER.....	69
APPENDIX K – REFLECTION.....	71

MANAGEMENT SUMMARY

IDB wishes to be successful. More specifically, IDB wants to grow and establish a firm position on the wellness market. The challenge that arises concerns describing a successful, online marketing strategy that will realize at least a positive return on investment of the company's business. The research problem that goes along with the management problem is the following:

'What is the proper online strategy for IDB in order to contribute to the company's success and to obtain competitive advantage?'

In order to answer this question, firstly a literature study is executed. This study provided several theories that are suitable to serve as basis for the research. A model is developed that combines several theories. The basis of this model is formed by Constantinides' e-marketing program (2008). This four level program describes exactly which development phases are to be considered when developing an e-marketing strategy. Each phase of this model is coupled with concrete steps to take, coming from a combination of two e-marketing development models: Constantinides' Web Marketing Mix (2002) and Smith's SOSTAC Model (2001). The combination of these theories leads to a new e-marketing development model, presented in Appendix A (figure 8).

Determination of strategic objectives:

The strategic objectives for the e-marketing strategy are built on the overall business strategy developed by the company. Because IDB did not yet develop an overall business strategy, this was a difficult step to take. The following strategic objectives have been chosen to pursue: *'augmenting brand awareness among selected customer groups'* and *'raise revenue.'*

Execution of internal analysis and of the external analysis (Market and Macro environment):

To do the internal analysis, the 7S model is used. This means the organization is split into seven components (Structure, System, Style, Staff, Skills, Strategy and Shared values) that are analyzed separately. The market environment can be scanned by using Porter's 5 Forces model (1985). The macro environment can be described by using the PESTEL framework. Final step of the external analyses concerns the combination of internal factors and external factors in order to determine positioning for future company strategy. This is done, by using a confrontation matrix.

The conclusion of these analyses lead to the following scenarios:

IDB can behave **offensively** because of the economic crisis in Spain. The crisis creates opportunities for IDB such as the possibility to create a flexible workforce, the chance to benefit from people facing mental health issues and the prospective to serve people who can no longer be served in the public health sector. Also the company should promote their service more actively, showing how their unique service can reach the wide public by using multiple communication channels. IDB must behave **defensively** when it comes to the high entrance rate of companies in the industry, the loss of clientele to other sectors of the wellness industry and the high bargaining power of customers. The effective decision-making, the unique service that is offered and especially staying in contact with customers can help IDB in coping with the threats. The multi-channel service of IDB can also create competitive advantage over competition with the trend of low-cost psychologists, which is currently active. The area where IDB should **strengthen** exists of all the five distinguished weaknesses, being IDB's one-dimensional strategy, the absence of mission and vision to follow, the absence of shared values, the user-unfriendly website and the fact that the service does not have any perceived added value. IDB should benefit of the growing group of people facing mental health issues and IDB should promote their unique service (PMBP) as the remedy for these illnesses. The company has to strengthen this area in order to gain customers. Lastly IDB should focus on **surviving**, because it has

to deal with an already established competing company, which uses the exact same URL as IDB does. IDB's one-dimensional SEO strategy is therefore extra vulnerable in this area.

Determination of strategic role(s) for the online operation:

The strategic role has to match the company's positioning and strengths. As a result from the analyses that have been executed, IDB's website's strategic roles will be the following: **promotional** in order to show the unique and affordable PMBP service that is offered and the **relational** to create a connection with (potential) customers and staying in contact with them.

Development of the company's website:

This is the first step that provides a solution to the management problem. Jennifer Rowley's (2004) website development model was used. Firstly the context for the brand was set. Corresponding with the strategic roles that were chosen in the last paragraph, the importance was stressed of the promotional, relational and transactional tasks of the website. In the next step the website's message and objectives are formulated. The brand message that was chosen: *'creating a happier life for everyone'*, was based on IDB's mission statement. It is concluded that professionals should be hired in order to design a better logo and a better overall website design. Finally IDB should periodically control, review, evolve and protect their brand, in order to cope with changing external forces.

Determination of the social media strategy:

Constantinides was able to develop a taxonomy model in which different types of social media applications are linked to different marketing objectives. The company's strategic objectives are linked to specific goals for the social media strategy. These goals are the following: PR and direct marketing, reaching new influencers, listening in, capturing customer invoice and tapping customer creativity. Social media applications that have to be used by IDB are web logs, (company) social networks pages, content aggregators, forums/bulletin boards and (corporate) content communities.

1. INTRODUCTION

1.1 INTRODUCTION

Nowadays getting in good physical and mental shape, and staying in such a shape, is getting increasingly important for people. In order to get there a lifestyle change could be needed, but what exactly has to be altered? Along with the desire to live healthy and the questions that come along with it, wellness consultancies flourish. There seems to be no better time for entrepreneurs to start a business in this industry (Pilzer, 2010, p.1-5). The subject in this thesis will be one of these 'healthy living' consultancies, namely El Instituto del Bienestar.

1.2 BACKGROUND TO THE RESEARCH

El Instituto del Bienestar (from now on referred to as IDB), which in English would be called the institute of wellbeing, was founded in 2012 with the goal of improving people's mental wellbeing. The company is based in Spain, but has future ambitions to reach all the Spanish-speaking countries in the world, with South America as main area of interest. The product, or rather service, IDB offers consists of consulting people how to be happier and how to reach a higher level of wellbeing in general. IDB offers their services in four different ways, namely by giving lessons on how to be happier, by giving training sessions, by giving advice and by selling books in which methods are explained on how to live happier.

As a B2C company, the target audience is very simply defined by IDB as the 'needed individuals'. Every person who feels like they need to improve their lifestyle in order to reach a bigger happiness can apply for one of IDB's services (institutodelbienestar.com). However next to individuals IDB has plans to offer their services to businesses, colleges and institutes by positively stimulating the workforce at those places (Paya, 2012, p.11). IDB has not yet defined what their customer group looks like exactly, but CEO Javier Paya thinks the ideal target audience would consist of people varying between the ages of 25 to 65 (mailcontact J. Paya, 08-08-2013). These people are generally still vitally living their life, but may need a positive stimulus to help improve their mental wellbeing.

As stated earlier, IDB offers four services; all focused on teaching people methods for living a happier life. These four services can be seen in Appendix A (figure 1), where they are ranked from higher information richness to lower information richness. The reason why IDB calls itself an institute is because a big part of the offered services consist of teaching courses and giving training sessions. All the information that is supplied by the company is based on an in-house developed program, called the PMBP® (Programa de Mejora del Bienestar Personal). It consists of a combination of techniques, used by the institute for the improvement of people's wellbeing. The techniques are all based on the conclusions of hundreds of studies, in which experiments have been conducted on thousands of persons (institutodelbienestar.com).

The **courses** are the most extensive service that is offered. There are different 'graduation' levels, which are denominated as follows: Initiation level, Medium level and the Advanced level. The study hours mainly define the amount of information, where for the initiation level, hundred hours of training is enough, for the advanced level you will need to do more than 2.500 hours of studying.

On the website of IDB, it is stated that during the courses you will be taught the adequate techniques on both a theoretical level as well as on a practical level, in order to enhance wellbeing. Also there are three ways of following the courses, that is, in full presence, semi-presence or non-presence. Full presence implies physically being in a classroom and non-presence implies following the courses virtually. The semi-presence course exists of a combination of both extremes (institutodelbienestar.com).

The **training sessions** are another possibility of benefiting from IDB's services. The training sessions are very practical, showing people techniques how to enhance their wellbeing. The sessions are given individually, accompanied by a personal trainer who motivates the client and shows him/her the

way. The training sessions are compared to sessions in the sports world, where a trainer shows how to do a technique, after which the sport players train until they master and dominate the technique. It is not stated very clearly on their website, but IDB declares the training sessions are the same as the lessons in the course, only less extensive and simpler (institutodelbienestar).

The third service IDB offers is **advice**. The advisory process exists of solving troubled people's problems in order to enhance their wellness. There is a group of advisors, all PMBP®specialised, who can improve the general wellness or help in solving particular problems. Advisors usual give guidelines that the client may or may not apply. Also, the advisors are listeners. They listen to the clients' problems and are not afraid to give their opinion. If the advisor detects psychological problems, keeping the clients dissatisfied, they might recommend a certain therapy, which can help them, overcome their problems (institutodelbienestar). The communication with the advisors is done virtually, via mail or telephone.

Finally there are the **book sales**. All the books, which hold the information being taught in the courses, training sessions and advices, are for sale. The books will be especially valuable for people who prefer an autodidactic approach to learning (institutodelbienestar). In the figure the 'book sales' are named last, implying the books to be lowest in information richness. This is not necessarily the case, but because of the absence of communication with specialized IDB personnel it is placed at its current position.

1.3 RESEARCH GOAL

IDB wishes to be successful. More detailed, IDB wants to grow and establish a firm position on the wellness market. As stated earlier the company is based in Spain, but has ambitions to, in the future, expand to the South American market. Because of this fact, the company has chosen to rely mainly on an Internet strategy, given its wide reach. The challenge that arises concerns describing a cost efficient, yet successful, online marketing strategy that will realize at least a positive return on investment.

IDB is a wellness institute, which wishes to grow without spending a lot of money. That is one of the reasons why IDB's current online marketing activities only consist of the so-called Search Engine Optimization (SEO). SEO is a cost effective process that can help drive the volume and quality of traffic to a website via search results, therefore increasing the sites visibility (Wang, 2011, p. 2767). There are different ways of using SEO, but the goal is to always end up in the search engines' top rankings. Of course, being in these top rankings can generate revenue, but it is a one-dimensional marketing approach. It is important to have a strategy, a plan, to back up everything you do. Next to the fact it that a strategy gives a clear direction for future growth, it also translates the company's purpose to the employees.

In the development of an online marketing strategy, a lot of factors play part. Focus should be on what kind of product is offered and where in the market IDB as a company should be positioned in order to obtain a firm position and competitive advantage. In analysing this, the internal environment and external environment of the company should be taken into mind. Think of internal factors like the company's core competencies and think of external factors like competitors and legislations.

So the research goal of this paper is finding a cost efficient, yet successful, online marketing strategy for IDB. The strategy will determine IDB's ideal position within the market by exploring ways to reach the customer group that best fits the offered service. The strategy has to contribute to the company's main objective, obtaining competitive advantage.

There is both a social importance of the investigation and a scientific importance. Clearly, the social importance is promoting the services of IDB. Showing people ways how to increase their wellbeing and general happiness is of value for society. Moving on to the scientific importance of the research. In the methodology section, several theories are being set apart. This thesis gives the opportunity of seeing the theories work in practice.

1.4 RESEARCH PROBLEM

The management problem described earlier, brings us to the following main research problem:

'What is the proper online strategy for IDB in order to contribute to the company's success and to obtain competitive advantage?'

In order to solve this research problem, five research questions have been formulated in order to guide the process. The exact steps that have to be taken will be discussed in the next paragraph.

Firstly a theoretic framework has to be developed, in order to concretize the direction of the research. The following two questions will help in doing so.

- What are theories and approaches in online strategic marketing?
- What are useable models in developing an online marketing strategy for IDB?

After defining a theoretic background and choosing or developing a theoretic model for the development of an online marketing strategy, a look at the company has to be taken. The theory has to be linked to the company and its surroundings. Two questions have been formulated to describe the company. The outcomes of these questions lead to a final research question. The answers to this question helps in determining how the e-marketing strategy can create competitive advantage for IDB.

- What are IDB's core competencies and weaknesses?
- What does IDB's market look like in terms of competition, opportunities and threats?
- What are the main strategic issues for IDB?

1.5 RESEARCH PROCESS

There are different purposes for conducting research; this means there are multiple research designs. Research can broadly be split in two ways, namely exploratory research and conclusive research (Malhotra et al., 2000, p.75). The research conducted in this paper will be conclusive with the objective of finding a new and successful online marketing strategy for a Spanish mental wellness consultancy. In order to do this, qualitative research will be done using secondary data sources in order to describe the company's internal and external environment. This means that data will be collected with the goal to find relations and no hypotheses will be tested. This type of research is called cross-sectional. It is known for the fact that only a post-test is executed, so randomization is not applicable (Gerring, 2012). A negative consequence of the absence of randomization is a weaker validity than for researches where randomization is applied. However randomization is not applicable in this context. The notation of this research design is, according to Shadish, Cook and Campbell (2002) as follows, where O stands for observations and 1 for the point in time:

O1

More steps have to be taken in order to solve the research problem as can be seen in the inverted pyramid (figure 2). A more detailed overview of the steps follows.

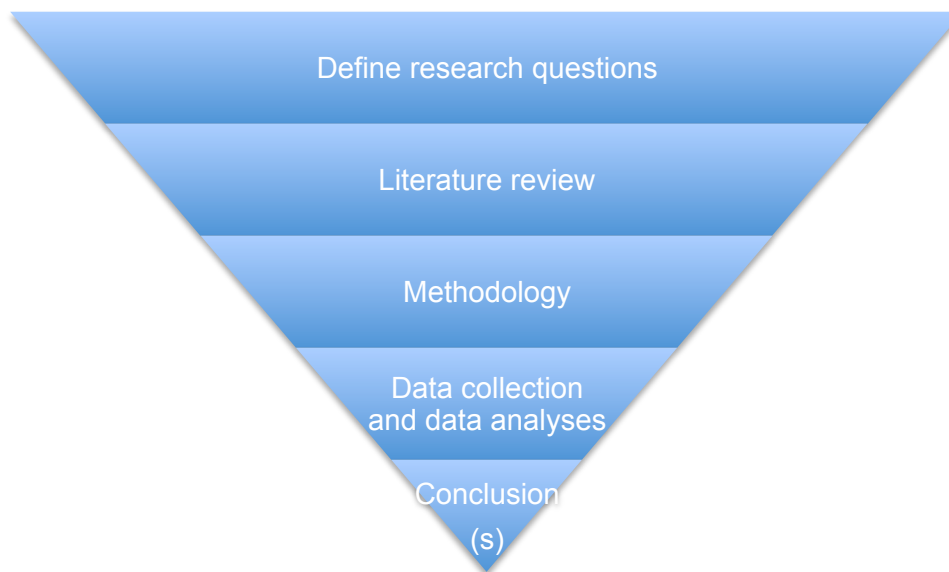


Figure 2: The research process

As can be seen in pyramid, the first step consists of the formulation of research questions. This has already been done in the last paragraph. The questions guide the research process, gradually working towards solving the main research problem. In other words, the research questions set out a certain direction for the research to be followed.

The second chapter consists of a literature review, covering themes like e-marketing, services marketing, social media and branding. The first two research questions can be seen as guidelines for this chapter. Online scientific literature databases like Scopus, Google Scholar and ScienceDirect will be used in order to find suitable literature and theoretic models. The findings in this section lead to a decision concerning the choice of a model for the development of an online marketing strategy. This can be an already existing model, but might also be a newly created model.

After the decision is made for a model, which will be used in developing an online marketing strategy, data has to be collected. This data will form input for the model. But before data can actually be collected, the methodology of the data collection has to be discussed. This will be done in chapter three. Justification of the methodology, description of the unit of analyses, sources of data, limitations of the methodology and ethical issues are examples of topics of interest (Perry, 2002, p.32-33). Because this is a qualitative research, the Internet and literature will form a great source of data. Also connections with the company's CEO and a participant observation period of three months can be seen as sources of data.

Having justified the methodology and having explained how the data is to be collected, the time has come for the actual data collection. The third, fourth and fifth research question form the guidelines for chapter four. After the data has been collected, the analysis can start. By applying data to strategy development model, chosen in chapter two, the analyses can be executed. The outcomes of the analyses will form the starting point for the last chapter.

In this last chapter the conclusions are being set apart. Here is clarified what the outcome of the data analyses really means. Also concrete advice can be given to IDB. In other words, in this chapter the solution to the main research problem is presented.

2 LITERATURE REVIEW

2.1 INTRODUCTION

This chapter will provide a theoretic framework covering the areas of e-marketing, services marketing, social media and branding. Multiple theories will be discussed and considered, contributing to the main purpose of this chapter: providing theoretical (background) information, theoretic models and usable sources to strengthen the research process and findings of this thesis. A start will be made with describing the current day web-characteristics, followed by an explanation of e-marketing. The next paragraph will present a description of the different phases that play part in developing an e-marketing strategy and conclusively several e-marketing development models will be described. The goal of distinguishing several development models is the contribution to the choice that is to be made for a development model, suitable for use in this thesis. Finally the two research questions, formulated in the introduction will be answered. These questions are: 'What are theories and approaches in strategic e-marketing?' and 'What are usable models in developing an e-marketing strategy for IDB?'

2.2 THE INTERNET NOWADAYS

Since the launch, over 20 years ago, a lot has been written about the Internet. The web has evolved from a brochure-ware type medium, providing static and read-only information to a social environment thriving under content created by the users of the web. In this paragraph the focus will be on the characteristics of current day Internet.

The Internet is nowadays characterized as web 2.0, a term first coined by Darcy DiNucci in 1999 in her article 'Fragmented Future'. Initially the term did not gain a lot of attention, but after the reintroduction of the term by Tim O'Reilly at the O'Reilly Media Web 2.0 conference in late 2004 it reached the bigger public. The term represents the 'second' phase of the Internet, changing from a rather static web environment, referred to as web 1.0, to a more organic one. Initially the term web 2.0 had to deal with a lot of criticism, because there still was not one clear definition. Many people saw the term as just a marketing trick businesses liked to use, to show clients and competitors they were ahead of their time. In 2006 Tim O'Reilly and John Musser established the following definition for web 2.0:

'Web 2.0 is a set of economic, social and technology trends that collectively form the basis for the next generation of the internet – a more mature, distinctive medium characterized by user participation, openness and network effects' (Musser and O'Reilly, 2006).

A phenomenon that plays a big part in web 2.0 is social media. Social media, often and wrongly seen as interchangeable with the term web 2.0, represent all the different online platforms where users contribute to the website's content (Kaplan and Haenlein, 2009). This content is called Customer- or User-Generated Content (CGC/UGC) (Constantinides et al., 2008, p. 233). The Organization for Economic Co-operation and Development (OECD, 2007) has set three basic characteristics online content has to have in order to be considered as UGC.

Firstly there is the *publication requirement*. The work the user produces has to be published online in some context, be it on a publicly accessible website or on a page on a social networking only accessible to a select group of people.

Secondly there has to be a sign of *creative effort*. Users must add their own value to the work. It is often hard to define what is to be seen as containing creative effort and what not. For example if someone copies and pastes a television show, to share it on online, this is not seen as UGC because of the lack of creative effort. If a user uploads their pictures, writes a blog or creates a video of some kind it is considered as UGC.

Lastly the creation of the content is done *outside professional routines and practices*. UGC often does

not have an institutional or a commercial market context. The motivating factors of UGC include: connecting with peers, achieving a certain level of fame, notoriety or prestige and the desire to express oneself.

The introduction of UGC has changed the composition of contributors to the web. The largest group of contributors to web applications nowadays are the Internet users, which made the web evolve to an opinion- and experience-sharing place. Wikipedia replaced online encyclopedias and mp3 sharing sites replaced mp3 downloading sites (O'reilly, 2007). The current trend shows that users trust more in opinions of fellow users instead of the opinion of so called experts (Parise and Guinan, 2008). These web developments have made the establishment of an e-marketing strategy more complex, but also more promising.

A change in strategy development had to occur in order to cope with the new challenges arising along with the rise of web 2.0 (Shuen, 2008, p. 107). Organizations should be adjusting their hierarchical organizations, outdated business models and strictly in-house capabilities to the new strategy challenges of the digital and knowledge economy (Shuen, 2008, p. 108). In this new environment the company can no longer have a 'wait and see' approach in managing gains, products and services, but they should be determined to 'create value' in order to conquer a notable position in the market. In paragraph 2.3.1, a general blue print for developing an e-marketing strategy is presented.

2.3 E-MARKETING STRATEGIES

Just like the Internet, marketing as a management activity has been subject to a lot of change during the last thirty years. Unfortunately, strategies that used to work at one point are not as effective as they once were and therefore old marketing tools have to make way for new, more effective, ones. Marketers feel that the era of push and mass tactics is over (Constantinides, 2008, p. 2). Other ways of gaining competitive advantage have to be found and a good way of doing so is by using the Internet. A term that covers this area of online marketing is e-marketing. To be precise, the term e-marketing or electronic marketing refers to an external perspective of how the Internet can be used in combination with traditional media to acquire and deliver services to customers. An alternative term that can be used for this phenomenon is 'Internet marketing' (McDonald et al., 1999; Smith et al., 2005), where e-marketing is considered to have a broader scope since it refers to digital media such as web, e-mail and wireless media, but also includes management of digital customer data and electronic customer relationship management systems (e-CRM systems) (Chaffey et al., 2006, p.9).

The development of the web and that of other technological appliances have initiated the growth of e-marketing strategies, making it one of the fastest growing fields within the world of strategic marketing. The terms e-marketing, e-commerce and e-business are often and wrongly used in an interchangeable way. E-business is a wider concept, covering all electronic information-streams occurring in- and outside of the organization, which support the full range of business processes. E-commerce stands for all financial and informational electronic exchanges between the organization and their external stakeholders. So e-commerce represents all transactions, paid or not, by ways of an electronic network. In Appendix A (figure 3) the relation of all e-activities is presented. (Chaffey, 2010, p.8).

While the field of e-marketing is relatively new, it has played a big role in shaping the e-business industry. E-business is based on traditional business principles, but the emphasis on the marketing aspect carries a greater significance in a very interactive environment. The online environment gives people 'perfect' information, dynamic pricing and endless choices, making creativeness an almost obligatory asset for companies in this increasingly competitive setting. 'Therefore an effective e-

marketing strategy remains an important aspect of any successful business whether it is a 'brick-and-mortar company or a dot-com company' (Shabazz, 2004, p.118).

As stated earlier, e-business is based on traditional business principles. One of these principles is the marketing mix, proposed by Borden and later popularized as the 4Ps (price, promotion, place, product) by McCarthy (Constantinides, 2002, p.58). It is assumed that, at least initially, a lot of e-marketers literally transferred the traditional marketing mix onto the new web-environment. This assumption is based on the high degree of acceptance of the 4Ps framework among marketing practitioners. With Grönroos (1997) even stating that '...marketing in practice has, to a large extent, been turned into managing this toolbox.' However the e-business platform provides more flexibility and agility as it allows customers a wider range of choices and possibilities (Shabazz, 2004, p.119). At the start of 1995 most of the more than 10.000 companies active on the Internet simply transferred their traditional marketing plans onto the web, while they should have adapted their message to the dynamics of this new medium (Strangelove, 1995, p.43). Part of the explanation why companies initially did not adapt well to the new environment, is simply because of a poor understanding of its possibilities (Shabazz, 2004, p.119).

In talking about online marketing strategy, the 4Ps marketing framework is more to be seen as an operational rather than a strategic tool. Applying the 4Ps marketing mix model as an exclusive planning platform for e-commerce operations could mean that strategic aspects remain underexposed or disregarded altogether (Constantinides, 2004, p.60). Looking back at the text above, transferring traditional strategy straight onto the web has not proven to be an attractive option. The different phases that the development of an e-marketing strategy should consist of are described in the e-marketing program below.

2.3.1 THE E-MARKETING PROGRAM

Constantinides et al. (2008) developed a four-level e-marketing program, describing the different development phases of e-marketing strategies. The use of the web 2.0 as an e-marketing tool is seen as the pinnacle of the marketing process. The four levels can be seen in figure 4 and a more elaborate explanation of each step can be found in Appendix B. Failing to address issues arising in all four levels can lead to disappointments, waste of resources and loss of customer goodwill.

- Product/Service: The basis of a marketing strategy should be the quality of the product or service that is offered, along with the customer and market orientation of a company.
- E-Marketing Organization: After the basis follows a stage that is concerned with creating and maintaining a market-oriented organization able to support traditional as well as online marketing activities.
- Web 1.0: After having created a market-oriented organization to support the online marketing activities, the corporate website can be developed.
- Web 2.0: The last step concerns the involvement of web 2.0 as marketing tool. Having an impeccable online presence is of utmost importance before taking this step.

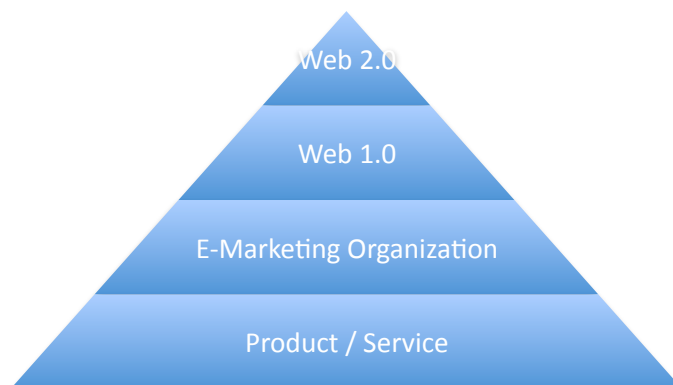


Figure 4: The E-Marketing Pyramid (Constantinides et al., 2008)

2.4 DEVELOPING AN E-MARKETING STRATEGY

Question remains, what are ways to deploy an e-marketing strategy? There is not one best way of developing such a strategy. A literature research provided the following two theories: Constantinides' Web Marketing Mix and Smith's SOSTAC Model. These two theories have been chosen because of their concrete character, each model describing a step-by-step plan in order to develop an e-marketing strategy. A closer look will be taken into these strategies.

2.4.1 THE WEB MARKETING MIX (THE 4S MODEL)

Constantinides opts to alter the traditional marketing mix model to a new web marketing mix model (WMM model). Originally the WMM model was designed for conventional, physical companies planning to develop an Internet presence. The model has proved to be an appropriate basis for the web strategic and marketing planning, with the focus on click-and-mortar companies, operating in the Business-to-Consumer segment (Constantinides, 2002, p.61). The WMM model distinguishes four key factors covering the different levels discussed above, these factors are: the Scope, the Site, the Synergy and the System. The fact that all the key factors begin with the letter S gives the Web Marketing Mix Model the nickname 4S model. A more detailed overview of the steps taking in the model can be found in Appendix C along with figure 5.



Figure 5: The 4S Model (Constantinides, 2002)

The content of each S-group is based on the previous step, but it is to be noted that feedback during the planning process is necessary for fine-tuning each step. After finishing all the steps the Web Strategic and Marketing Plan will be formed as the basis of the Internet project. It is only the groundwork that is finished at that point (Constantinides, 2002, p.62). Developing a complete e-strategy includes several more stages, like the development of the technical and organizational infrastructure, the technical implementation, the testing of processes and the commercialization of the website.

2.4.2 THE SOSTAC MODEL

The SOSTAC model was originally developed by Paul R. Smith in the 1990's to help with marketing planning. Later on, in 2001, Smith publicized '*E-marketing Excellence*' alongside coauthor Dave Chaffey. In this book the SOSTAC model was altered to use as an Internet marketing model. The model consists of six steps, covering an internal and external analysis, the formulation of objectives and finally the online marketing strategy. The SOSTAC abbreviation stands for Situation, Objectives, Strategy, Tactics, Action and Control, each term representing a phase in developing the online marketing plan. Chaffey created six clear phases in order to give a transparent overview, but in reality there is always some kind of overlap between the different phases of the model: preceding phases can be repeated and fine-tuned (Chaffey et al., 2012, p.110). An overview of each step is presented in appendix D along with figure 6.

2.5 CREATING A NEW MODEL

Although two different theories have been discussed covering the subject of e-marketing development, a lot of overlap between the theories can be seen. Distinguishing the steps taken per model and comparing them with each other can show a list of necessary steps that have to be considered in the development of an e-marketing model. This gives the possibility to create a suitable hybrid model to use in this thesis. This model will be built on the basis of the e-marketing program that was discussed in 2.3.1, providing the multiple development phases of the e-marketing strategy.



Figure 6: The SOSTAC Cycle (Chaffey et al., 2012)

2.5.1 DISTINGUISHING SIMILARITIES

As can be seen in the last paragraph, the development of an e-marketing strategy is done in multiple phases. But what similar steps can be distinguished? In this part a short overview of the phases executed in the 4S model is presented, followed by an overview of the steps taken in the SOSTAC model. Firstly it has to be pointed out that the SOSTAC model goes further in developing a complete e-marketing plan, by already adjusting technical and organizational infrastructure and the implementation of control systems. Due to the restrictive nature of this thesis, the objective is limited to the creation of a basis for the Internet project. This means that only the first four steps in the SOSTAC model (Situation, Objectives, Strategy and Tactics) will be taken into consideration. These four steps have the same reach as the 4S model, excluding the technical and organizational

infrastructure, the technical implementation, the testing of processes and the commercialization of the website.

Looking at the 4S model, the following steps can be described:

- Determining strategic objectives
- Market analysis, determining initial site positioning and unique selling proposition
- Internal analysis, determining the readiness of the organization
- Determining strategic role
- Website development
- Synergy in front office, back office and with third parties
- Technological issues of the website (site construction, security)

The same is done for the SOSTAC model, where the first steps are fairly similar to that of the 4S model:

- Internal analysis, determining the readiness of the organization
- External analysis, concerning the market environment and the macro environment
- Determining strategic role
- Determining strategic objectives
- Determining positioning and unique selling proposition
- Developing the website and determining use of social media

What is learned from the comparison is that the two models complement each other. The e-marketing strategy development model that will be used in this thesis builds, just like the 4S model, on already existing objectives of the physical company. The external analysis of the strategy development model will cover the market as well as the macro environment, just like in the SOSTAC model. Lastly, the SOSTAC model covers an important part of the e-marketing strategy being the social media strategy. The e-marketing strategy development model at least consists of the following steps:

- Analysis of the internal environment
- Analysis of the external environment
- Determining strategic objectives
- Determining strategic role
- Determining positioning and unique selling proposition
- Developing an online presence that creates competitive advantages.

2.5.2 CREATION OF THE MODEL

In the text above, multiple disconnections and similarities have been pointed out between the SOSTAC model and the 4S model. In this part, choices are made concerning which steps to use and in which order to use them, thus creating the e-marketing strategy model that is used in this thesis. As stated before, the e-marketing program will be used as basis for the new model.

Product/Service

Since the e-marketing strategy is built on the overall business strategy, it has to set its objectives in such a way that they contribute to the physical company's objectives. So the first step in the new model is determining **strategic objectives** for the e-marketing strategy.

E-Marketing Organization

Step two of the e-marketing program represents a stage that is concerned with creating and maintaining a market-oriented organization able to support traditional as well as online marketing activities. To determine the readiness of the organization for online operation an **internal analysis** has to be done. After the internal analysis, the **external environment** will be analyzed. In order to get a clear view of the overall environment of the company, the **market** environment as well as the

macro environment will be analyzed. Appendix A (figure 7) shows an overview of all the environments that have to be analyzed. After these steps, conclusions about the unique selling proposition and ideal positioning in the market can be drawn.

Web 1.0

The third step of the e-marketing program focuses on the **strategic role** of the companies online activities. The already existing reputation and competitive advantages of the company are influenced by the online approaches that the company uses, where inefficient and substandard online approaches can lead to deterioration of customer quality perception and a damaged image of the online and physical business. Assigning a strategic role to the website that contributes to the overall marketing objectives helps in creating the proper customer online experience and integrating the online business into the overall business plan.

Web 2.0

The last step of the e-marketing program concerned web 2.0, or social media. The 4S model does not discuss the implementation of social media into the e-marketing strategy. This last step consists of creating a **social media strategy** synergized with web 1.0.

Summarizing what has been found leads to a model that can be seen in Appendix A (figure 8), the pyramid on the left represents the four different phases of the e-marketing strategy development. At the right side of the model, the different actions that have to be performed are described, corresponding with each phase of the e-marketing program.

2.6 SUPPORTING THEORIES

Now that the model that is going to be used is developed, there is still certain vagueness about how precisely the steps have to be executed. In order to do an internal analysis for example, an approach has to be chosen to complete this step. In this paragraph the model will be studied step-by-step, presenting useful theories where needed.

Determining Strategic Objectives

In the first step of the model, determining strategic objectives, no real theory can help. The strategic objectives for the e-marketing strategy are built on the overall business strategy developed by the company. It is useful to base strategic objectives on the product or service that is offered by a company. In a lot of cases the product determines the reach of a company on the market. It is important that the objectives set for the online operation are in line with the company's overall objectives, so the online operation can generate additional value and help the physical organisation to reach the corporate objectives (Constantinides, 2002, p.62).

Executing Internal Analysis

The internal analysis is executed to determine the readiness of the organization for the online operation. A useful model to use in this case is the 7S framework, a management model designed in the 1980's by two McKinsey consultants, Robert H. Waterman Jr. and Tom Peters in their article *Structure Is Not Organization*. Waterman and Peters refer to it as 'the model of organization change' (Waterman et al., p.19, 1980). However the model has also proven to be a useful tool for reviewing an organization's capabilities to implement an e-marketing strategy (Chaffey et al., 2000, p.225). All components of the model start with the letter S: Structure, System, Style, Staff, Skills, Strategy and Shared values. The model's spectrum can be divided into a hard end and a soft end. The hard end consists of Structure, System and Strategy, while the soft end consists of Staff, Skills, Style and Shared values. The soft side is harder to manage, because the components keep on changing

(Waterman et al., 1980, p.22-23). A more detailed description of each element is found in Appendix E.

Executing External Analysis

The external analysis that has to be done consists of a description of the market environment as well as a description of the macro environment. The market environment can be scanned by using Porter's 5 Forces model (Porter, 1985). It is used to describe five forces in the company's direct, market environment, which shape the industry. These five forces are – the threat of new entrants, the threat of substitute products, the bargaining power of customers, the bargaining power of suppliers and the rivalry amongst existing competitors. A more detailed overview of the model can be found in appendix F.

The company's macro environment can be described by using the PESTEL framework. The PESTEL analysis helps to identify the forces that play part in this environment. The model consists of the following forces, political, economic, socio-cultural, technological, environmental and legal. What these forces exactly are and how they can shape management policies can be seen in appendix G.

The data that has been collected up to this point forms the input of the SWOT analysis (Strengths, Weaknesses, Opportunities and Threats). The SWOT analysis is a useful technique for companies to understand their strengths and weaknesses and to define the opportunities and threats in their environment (Pickton & Wright, 1998). Although the SWOT analysis looks like a rational model, one has to keep in mind that human interpretation of internal and external factors defines its usefulness (Boddy, 2008, p.191). When the SWOT analysis is completed, to get a better understanding of the positioning of a company, a confrontation matrix can be developed. In this matrix, the strengths and weaknesses are literally confronted by the opportunities and threats. This matrix rates cross points, making important future options, otherwise overlooked, visible.

Determining Strategic Role

After the positioning of the company, certain measures have to be taken in order for the company to move in the desired market direction. Therefore a suitable strategic role for the online activities has to be chosen. Most common strategic roles that are chosen are the informational role, educational role, service oriented role, promotional role and the transactional role (Constantinides, 2002, p.64).

Development of Website

Jennifer Rowley (2004) developed a model focusing on developing of an online brand, focusing on websites. This model consists of the following eight phases: setting the context for the brand, deciding on brand objectives and message, developing a brand specification, creating a brand design, creating the website and other communications using the brand, launching and promoting the brand, building the brand experience and reviewing, evolving and protecting the brand. A more extensive explanation of each step can be found in appendix H.

Determining Social Media Strategy

Social media can be used as a low cost, yet effective instrument that helps marketers in identifying market needs, customer experiences, competitive movements and trends. Also the customer can be used to contribute to the company's innovation processes and product design. As a communication tool social media can play multiple roles, like assisting the PR efforts, reaching early adopters and support interaction with customers. Building on these principles, Constantinides (2008) was able to develop a taxonomy model in which different types of social media applications are linked to different marketing objectives, as can be seen in appendix I.

2.7 CONCLUSION

Now that the literature study is completed, it is time to answer the research questions that are linked to this chapter. This will be done step by step, starting by answering the first research question, after which the second research question will be answered with.

What are usable theories and approaches in developing an e-marketing strategy?

In setting apart different theories about strategic e-marketing, a start was made with describing the characteristics of the current day web. It was concluded that the Internet has evolved over time, distinguishing itself nowadays by the important role User Generated Content (UGC) plays. A suitable definition for this new web generation is web 2.0: *'Web 2.0 is a set of economic, social and technology trends that collectively form the basis for the next generation of the internet – a more mature, distinctive medium characterized by user participation, openness and network effects'* (Musser and O'Reilly, 2006). Although the field of e-marketing is relatively new, it has played a big role in shaping the e-business industry. An effective e-marketing strategy is a crucial aspect of any successful business, being a dot-com company or a brick-and-mortar company (Shabazz, 2004, p.118). Initially companies did not know how to develop an e-marketing strategy, so they opted to just transfer traditional marketing strategies to the Internet. At the start of 1995 most of the more than 10.000 companies active on the Internet simply transferred their traditional marketing plans onto the web, while they should have adapted their message to the dynamics of this new medium (Strangelove, 1995, p.43). Part of the explanation why companies initially did not adapt well to the new environment, is simply because of a poor understanding of its possibilities (Shabazz, 2004, p.119). The new online environment gives people 'perfect' information, dynamic pricing and endless choices. Constantinides (2008) created a useful framework that can be used in the rest of this thesis, considering the development of an e-marketing strategy. This, so-called, e-marketing program divides the marketing process into four levels: product / service, e-marketing organization, web 1.0 and web 2.0. These four phases will form the basis of the steps IDB has to take in order to develop a successful e-marketing strategy.

What are useable models in developing an e-marketing strategy for IDB?

Finding concrete models that describe how to develop an e-marketing strategy was challenging. Ultimately two models have been selected, namely the 4S model and the SOSTAC model. The choice for these models was made because they presented a strategy development model described in concrete steps. The models are different, whereas the 4S model is a step-by-step model and the SOSTAC model represents a development cycle. Nonetheless, there is a lot of overlap. In this chapter the two models have been compared. The steps to be taken per model are set apart and the matching steps have been distinguished. These matching steps are the steps that are taken in this thesis, with the goal of developing an e-marketing strategy for IDB. These steps are linked to the e-marketing program, which can be seen as the foundation of the model. This lead to the creation of the e-marketing development model, that is to be used in this thesis.

3 METHODOLOGY

3.1 INTRODUCTION

In this chapter the methodology of the data collection methods and analysis, to be executed in chapter 4, will be discussed. In chapter two, theories have been selected which combined describe a certain sequence of analyses to be executed. This chapter provides an overview of how data is collected for every analysis.

3.2 ENVIRONMENTAL ANALYSIS

For the environmental analyses, consisting of an internal, a market and a macro analysis, three models have been assigned. These are the 7S model, Porter's 5 forces model and the PESTEL framework. For each of the models, different units of observation can be set apart. This will be done in the following part.

3.2.1 INTERNAL ANALYSIS – 7S MODEL

Over the years several models for assessing the internal environment of a company have been developed. Examples are Galbraith's Star model (1960s), Weisbord's Six Box model (1970s), Nadler and Tushman's Congruence model (1980s), Burke-Litwin model (1992) and the McKinsey's 7S model (1968) (PeopleWix Consulting, 2012). In this thesis the choice is made to use the 7S model, where it concretely describes important organizational elements. The model consists of the following components: Structure, System, Style, Staff, Skills, Strategy and Shared values. These seven components are the units of observation. These units of observation can be divided into a hard end and a soft end. The hard end consists of Structure, System and Strategy, while the soft end consists of Staff, Skills, Style and Shared values. The units of observation classified as hard can be analyzed more easily.

The **structure**, **system** and **strategy** of the organization can all be derived directly from documents received from IDB. In the document: '*Centro Integral del Bienestar: Funciones y Procedimientos*' written by the CEO J. Paya, the hierarchy, a list of procedures and future goals are described. Also a three-month participant observation has been done, which provides extra information to execute the analysis.

The **staff**, **skills**, **style** and **shared values** are all based on the experiences lived during the participant observation. During this three month observation the day-to-day business is experienced, including communication with the employees and employer, work activities and company trips. In this time a clear picture of the four components has been made.

3.2.2 EXTERNAL ANALYSIS (DIRECT ENVIRONMENT) – PORTER'S 5 FORCES MODEL

There are multiple approaches to assess the market environment: Baaken's framework (1989), Dean and Meyer's model (1996), Hinterhuber's framework (1995) and Porter's five forces model (1985) (Spohn, 2004). In this thesis the Porter's model will be used, being a comprehensive model that is one of the most widely used tools for strategic planning (Spohn, 2004, p.67). In this model several threats are analyzed, namely the threat of new entrants, the threat of substitute products, the threat of competition, the threat of a high bargaining power of customers and the threat of high bargaining power of suppliers. In this section a clear image of threats to IDB is to be formed. This will be based on information provided by the Stanford Research Institute (SRI), which published a report of the sector IDB is active in, namely the spa and wellness sector. The SRI is a well-known independent and non-profit research institute, once founded in collaboration with the Stanford University. Therefore it is taken to be a reliable source to base the analysis of the direct environment on. Also a report of the government of Catalonia about the wellness industry in the region is used as a source of information. In this report complete wellness industry is studied in the region IDB is active in.

3.2.3 EXTERNAL ANALYSIS (MACRO ENVIRONMENT) – PESTEL FRAMEWORK

When it comes to executing an analysis of the macro environment, there are several models all build

on the same foundation to choose from. Examples are the PEST model, the SLEPT model, the STEER model, the PESTO and the PESTEL model. In this thesis the PESTEL model is chosen to analyse the macro environment. The model consists of the following factors: political, economical, socio-cultural, technological, environmental and legal. A lot of the factors are tied to government policies of a certain country. Concerning IDB, the company is based in Barcelona in Spain, but due to the high level of self-government within the region of Catalonia where the company is located, there are cases where one has to take in mind regional legislation and politics above the national ones. Still the company is focused on the Spanish market as a whole, so national legislation is also relevant. The Internet is used to gain insight about legislation and economic situation. The websites of the Spanish and Catalanian governments can be useful sources of information. Also the latest public report of the Datamonitor, an international company providing all sorts of market information is used. In this report a general PESTEL analysis is executed with Spain as subject country.

3.3 VALIDITY

The validity section deals with the reliability and legitimacy of scientific research. There are three types of validity; these are construct validity, internal validity and external validity (Van Aken et al., 2010). These types of validity will be explained and applied to the research that is done in this thesis.

3.3.1 CONSTRUCT VALIDITY

The construct validity refers to the validity of inferences that observations or measurement tools really represent or measure the construct being investigated (Van Aken et al., 2010). Van Aken states that the construct validity is high when the manner in which is measured corresponds with the meaning of the concept. There are two sides to construct validity; the concept has to be covered completely and, when measuring, there is no place for components that do not fit the concept.

In this thesis, data from the Internet is used. So there has to be searched for data from secondary sources until the quality of the collected data is deemed satisfactory by the researcher. Also, in the case of the internal analysis, the findings are based on a participant observation. So one has to deal with the view of a person on the concept. This means that there will always be the danger that this view is biased.

3.3.2 INTERNAL VALIDITY

The internal validity looks at if a causal conclusion of a study is actually warranted (Van Aken et al., 2010). To guarantee the internal validity of a study it is important that all other plausible causes are ruled out. Looking at the study from different perspectives can help increase the internal validity (Van Aken et al., 2010, p. 165).

As can be seen throughout the thesis, when developing an e-marketing strategy different environments have to be analyzed and described. Not only the internal, but also the external environments are being studied in this process. On top of that, the external environment is analyzed in two different perspectives, namely a market analysis and an overall environment analysis. The use of several perspectives enhances the research's internal validity.

3.3.3 EXTERNAL VALIDITY

External validity refers to the validity of generalized inferences in scientific studies. External validity focuses on the applicability of findings of this study to other organizations (Van Aken et al., p. 166).

In a theoretic study, the external validity plays a big part. In this case it is of importance to which degree conclusions for IDB can also be applied to other organizations in the same market sector. The external validity increases when multiple units of observation are being studied. This is the case, because the environments that are studied exist of multiple layers. Nonetheless, the external validity will not be very high for the research that is done in this thesis. The internal analysis for example is tied to the company that is studied and cannot be generalized. The market- and direct environment on the other hand can be used by other mental wellness consultancies active in the same region as IDB, namely Catalonia, Spain.

4 DATA COLLECTION AND ANALYSIS

4.1 INTRODUCTION

Following the process executed in chapter 2, an e-marketing strategy development model has been developed. This model guides the steps that are to be executed in this chapter, aimed at developing a new e-marketing strategy for el Instituto del Bienestar. To refresh the mind, the steps that have to be taken according to the model are the following: 1.determine strategic objectives, 2.execute internal analysis, 3.execute external analysis (market and macro environment), 4.determine the strategic role of the website, 5.develop the website and 6.determine the social media strategy (Appendix A; figure 8). At the end of the chapter the three research questions formulated in the introduction can be answered. These were the following questions: ‘what are IDB’s core competencies and weaknesses?’, ‘what does IDB’s market look like in terms of competition, opportunities and threats?’ and ‘what are the main strategic issues for IDB?’

4.2 PRODUCT/SERVICE: DETERMINING STRATEGIC OBJECTIVES

In this first step of the newly developed model, the first phase of the e-marketing program is taken into consideration: product/service. This first phase is linked to the action of determining online strategic objectives. The basis of every marketing strategy should be the product or, in this case, service that is offered, along with the customer and market orientation of a company (Constantinides, 2008, p.7). This paragraph focuses on the first step, namely defining the service that is offered and the choosing of online strategic objectives in relation to this service.

IDB’s services consist of consulting people on how to be happier and how to reach a higher level of wellbeing in general. IDB offers their services in four different ways, namely by giving lessons on how to be happier, by giving training sessions, by giving advice and by selling books in which methods are explained on how to be happier. IDB’s unique selling proposition is an in-house developed program, called the PMBP® (Programa de Mejora del Bienestar Personal). It consists of a combination of scientifically proved techniques, used by the institute for the improvement of people’s wellbeing (institutodelbienestar.com).

Now that the service is described, a look will be taken at the strategic goals the company has determined. The online activities must pursue their own clearly defined strategic objectives, in line with the corporate mission and strategic goals. This way the online operation can generate additional value and help the physical organisation to reach the corporate objectives (Constantinides, 2002, p.62). However in trying to do this, it became clear that IDB has not fully thought out their reason of existence. The corporate mission is not formulated yet and there are no corporate strategic objectives to be pursued. The main focus is simply on getting high rankings on the search engine Google, an activity that is also known as Search Engine Optimization (SEO). After mail contact with IDB it became clear what the company’s goal is, namely gaining a respectable Return on Investment (ROI), at least covering the calculated costs for the courses and book production (M. Mansilla, Mail Contact, 08-26-2013). This objective is very shallow, but has to be followed in order to set out a direction for the company’s online activities.

As a newly founded company that is trying to gain a respectable ROI, the most important goal should be to promote the company. The first strategic objective is the following: *‘augmenting brand awareness among selected customer groups.’* This strategic objective requires both the positioning of the company and the development of promotional strategies to raise brand awareness. What customer group is selected will be concluded when the positioning of the company’s business activities is determined. Another strategic objective, referring to the company’s wish of gaining a respectable ROI, will be to *raise revenue*. This will go hand in hand with gaining and maintaining customers.

4.3 E-MARKETING ORGANIZATION: INTERNAL AND EXTERNAL ANALYSIS

Second step of the model is called e-marketing organization and focuses on determining the readiness of an organization for the start of the online operation. To do this, an internal analysis will be done using McKinsey's 7S model. After determining the internal readiness of the organization, the external environments will be analyzed in order to determine the company's ideal positioning. This will be done by using Porter's five forces model for the market analysis and by using the PESTEL framework for the macro environment.

4.3.1 INTERNAL ANALYSIS

This paragraph shows the results of the internal analysis of IDB. The 7S model is used, meaning the organization is split into seven components that are analyzed separately. At the end of the paragraph the conclusions will be summarized.

Structure

IDB is a small business, with a total of five regular employees and one chief executive officer all working in the same room. An advantage of being a small company is the flat structure and short and direct communication lines between employees making IDB flexible, able to react quickly to changes in and outside the company. Next to regular staff, there are two variably changing groups of workers, namely the specialized professionals and the interns. The size of the group of professionals depends on the amount of client applications are received, and the size of the group of interns always varies between the 10 and 14 people. Four of the five regular employees are individually in charge of a department within IDB (Administration, Human Resources, Research and Development, and Marketing), the other employee fills in the role of coordinator within the HR-department (Paya, 2012, p.2). An overview of IDB's organization chart can be viewed in appendix A (figure 10).

Strategy

IDB has not developed a clear picture of the traditional and online competition around them and neither did they set strategic goals, or did they develop a mission statement and a vision for the company. The company relies on SEO as a strategy and completely ignores competition around them by not promoting the company's service in any other way. IDB is able to offer unique value through their unique PMBP® (Programa de Mejora del Bienestar Personal), which is the combination of techniques used by the institute for the improvement of people's wellbeing. This program is developed completely within the company, which can give them an advantage over competitors by being able to sell a unique service, without being dependant on suppliers. However, because IDB offers an intangible service, it is important to show potential customers the added value of the service. Currently this cannot be seen at the company's website, which can be described as user unfriendly and unclear.

Systems

There are several systems within IDB. The person responsible for the administration department focuses on payrolls of the other employees as well as of the professionals (Paya, 2012, p.10).

At the human resources department the person in charge has to make sure that newly hired people live up to a list of requirements formed by the CEO. After getting through the first phase, professionals have to study the PMBP® and pass their tests in order to get the job. These professionals in their turn have to keep in mind certain procedures while working. There are three ways of receiving advice on wellbeing: face-to-face, by telephone or by mail. For each of these methods there are some restrictions, for example a face-to-face or telephone consult cannot take longer than one hour and after the consult the professionals have to fill in their advice on a form for the client. Also the customers need to fill in a form with basic information like address, phone number and e-mail address. IDB wants to track progress of their services by staying in contact with the client (Paya, 2012, p.5).

Also working in the HR department is the coordinator. The coordinator has to deal with a lot of different things like informing the clients, coordinating the provision of services and the sale of products. Especially concerning the provision of services and the sale of products there is a list of prescribed actions to take in certain situations (Paya, 2012, p.7).

The leader of the R&D department has a couple of responsibilities, like the development and improvement of the PMBP®, the investigation and development of wellbeing services for companies, colleges and institutions and developing new proved methods and services able to improve ones wellbeing. These responsibilities are not tight down by lists of procedures (Paya, 2012, p.11).

Style

The management style at IDB can be described as supporting. All the employees, working at different departments can go to each other when facing issues. There is an informal atmosphere, making communication very easy. The CEO of the company is not always at the office, but drops in from time to time, taking time to talk with everyone in the office (including the interns). In these moments there is always the possibility to ask something, or to propose something to the CEO. Although the CEO's talks' intention might be to keep informed of what is going on in the company, this does not really seem to work because one-on-one conversations with people do not often take place. Consequently, the CEO does not always know what people are working on. The list of procedures leads people the way, while there still exists the feeling of flexibility in performing the job.

Staff

There are certain requirements for personnel in IDB. Sometimes experience in other companies is required, while in other cases a college degree is enough. Every newly hired professional has to attend a course in which the PMBP® method will be explained. The height of the wage for the professionals consists of a predetermined amount of money per hour. The other employees also receive their wages this way, except for the interns (Paya, 2012, p.5). Interns do not get paid, but do get a refund for travelling costs.

Skills

As stated before, the company offers a unique service, presented in the PMBP®, which is the name of the in-house developed 'scientifically proved' combination of techniques used by the institute for the improvement of people's wellbeing. This method is constantly improved and controlled by letting customers fill in a survey after having received advice from IDB (Paya, 2012, p.5). The hired professionals get a course concerning the program after which they are expected to be capable of teaching and advising IDB's method. It is this method that can be seen as a particular strength of IDB. Next to the unique message, the company also benefits from the large group of international interns. These are all university-level students, enrolled in studies varying from Language and Culture to Web development. The broad mix of educational backgrounds gives a multi-dimensional character to the company, valuable in decision-making processes. Besides the intellectual value they bring into the company, there also is the advantage of being a cheap group of (skilled) workers. These interns can help with IDB's online operations, namely by developing the website, developing logos, staying in contact via social media etc.

Shared Values

This is not a very strong point in IDB. Companies often develop a mission statement in order to create a sense of shared expectations or shared values (Baetz et al., 1996, p.528). As was mentioned in the strategy section, IDB has not formulated strategic goals or a mission statement and vision, making it difficult for employees to share an objective. A positive point is that all of the department leaders work in the same room. This makes communication easy, so the whole group can stay on the same page. If the marketing team leader is doing something that is frowned upon by the rest of the employees, he will be corrected. This means that all the employees in the company can keep moving

in the same direction.

Conclusions of the Analysis

The 7S analysis has brought forward some weak and some strong points of IDB's internal environment. The most important weaknesses are set apart:

- IDB's 'SEO strategy' is very one dimensional, only focusing on getting high rankings in search engines. So there is no real promotion of the company's services.
- IDB's strategy has no mission statement or vision to follow.
- There is no bonus structure in the company, so employees do not often go the extra mile. This can lead to indifference in trying to meet objectives. This has to do with the fact that they work an unpaid job, and only stay for a definite period of time. Also the interns work in a different room than the employees, making the segregation clearer.
- The company's website is not very user-friendly, keeping customers unsure about what services IDB provides.
- IDB offers an intangible service, so the perceived value is hard to distinguish for customers.

Of course there are also strong points brought forward by the 7S analysis. These are the following:

- The company has a small company with an informal atmosphere, a flat structure and short and direct communication lines between the employees. This makes for good communication within the company and effective decision-making.
- IDB offers a unique service without being dependant on suppliers. This service consists of the PMBP® (Programa de Mejora del Bienestar Personal), which is the combination of techniques used by the institute for the improvement of people's wellbeing. This program can give the company a competitive advantage.
- The interns, who are active in the company in a period varying from 3 to 5 months, provide a diverse educational background. This gives IDB the change to benefit from their free services, like Web Development, Language and Culture, Business Administration and so on.
- IDB's approaches and methods to cure mental illnesses are completely based on an in-house developed program (PMBP). This makes them independent from suppliers.
- IDB stays in contact with their clients by making them fill in a form after their service is provided. In this form basic client information is asked like name and e-mail address. Also the clients are asked to fill in a form on points of improvement for IDB's service.
- IDB is able to serve a wide range of customers because of the different channels that are used to reach the customer, namely telephone, e-mail and face-to-face.

4.3.2 EXTERNAL ANALYSIS

By doing an external analysis one has to keep in mind that the external environment of a company exists of a market environment and a macro environment. Where the previous paragraph started with analyzing the internal environment, the next step will consist of an analysis of the market environment after which the macro environment will be analyzed. IDB is a company that tries to positively influence the mental wellbeing of people by teaching and advising. Therefore the company is seen as part of the wellness industry. The Stanford Research Institute (SRI International) developed a model that includes nine industry sectors, each one positioned along the wellness continuum. This continuum tries to define the wellness industry and therefore helps with classifying wellness companies in a certain sector. IDB cannot be positioned within one particular sector. The best fit is the Complementary & Alternative Medicine sector, where IDB provides a mental-health service that

is not part of conventional medicine. A short description of the nine sectors within the wellness industry can be found in appendix J along with Appendix A (figure 11).

4.3.2.2 Market Environment Analysis

To describe the market environment, Porter's 5 forces model will be used. This model is based on a theory on how to gain and sustain competitive advantage (Porter, 1980). The model is described more extensively in appendix B. The conclusions of this analysis will be presented at the end of the paragraph along with the results of the macro environment analysis.

Threat of new entrants

The wellness industry is currently, despite the economical crisis, steadily growing. This growth results in more room for competitors to enter the market. There are three main drivers responsible for the global growth of this industry.

- *The world gets sicker and older:* Especially in the more developed countries populations are ageing. In these countries older people (60 and older) started to outnumber children (under 15) in 1998 (Global Spa Summit, 2010, p.11). Worldwide this trend is setting through and, according to numbers of the United Nations, it is expected that older people outnumber children for the first time in 2047 (UN, 2007). Along with age comes decreasing health, opening doors for the wellness industry and companies like IDB.
- *Medical systems fail:* Worldwide health systems can't keep up with the growing number of aging and chronically diseased patients. Main problems the medical systems are facing currently involve cost problems, availability and quality of care as well as an emphasis shift from treating sickness to preventing sickness. This lures new entrants into the wellness industry, where well-documented evidence indicates that workplace wellness programs – if implemented correctly – yield a return on investment of as much as 3:1 or more (Global Spa Summit, 2010, p.16).
- *Globalization:* It gets easier to find and share information about diseases on the Internet. This information is not limited anymore by geographical boundaries, and individuals can join digital communities to exchange information on treatments and to provide mutual support and coping techniques (Global Spa Summit, 2010, p.17).

The growth of the market indicates new entrants enter the market at a high rate nowadays. Next to the attractiveness of the market, it is also easy to start a new business, as the market is information driven and economies of scale do not necessarily play a part. IBISworld also predicts the corporate wellness services industry to be a hotbed in the coming years for new start-ups.

Threat of substitute products

In identifying the threat of substitute products/services for IDB, a look should be taken into what the company's services actually promise to deliver. The company's homepage states that their services: 'are for everybody in search of happiness' with the emphasis on mental issues (institutodelbienestar.com). So the service IDB offers promises people to help overcome or prevent mental illnesses.

- *Medicine:* A substitute of overcoming mental illnesses like stress, anxiety, mood disorders and depression coming from another industry than the wellness industry can be medicines. There are hundreds of medicines promising to lower stress or anxiety levels. Besides the negative side effects medicines tend to have, the effect of these products finally wears out.
- *Psychologists:* Another possible substitute threat comes from psychologists. A quick web search shows that prices of psychologists in the area of Catalonia are approximately 50 – 60 Euros per hourly session, comparable to IDB's 50 euros per hourly session. (Enfemenino, 2012, Mundo Psicólogos, 2012; Todo Expertos, 2011; Vogue, 2010 –

Instituto del Bienestar, 2013). Recently in the Madrid area, a new initiative has been taken by a group of psychologists who founded a company, Mentas Abiertas (Open Minds), which offers their services at 20 Euros per hour. Their objective is to bring Psychology closer to a big number of people in times of economical crisis (Lopez, 2012). It can be concluded that the biggest threat from other industries comes from psychologists.

Bargaining power of customers

There is a high threat of new entrants and a reasonable threat of substitute products. So one can state that the bargaining power of customers is high. If a person is not satisfied with the service they are offered, they can easily switch to the competition, which does satisfy the customers' needs. So it is important for companies in this market to convince customers of the service's value that is offered. The ability to communicate with - and ultimately foster a relationship of trust with customers is necessary in keeping clients true to your company.

Bargaining power of suppliers

The service IDB offers is completely produced in-house and therefore not subject to the bargaining power of suppliers. So in IDB's case, the bargaining power of suppliers is none existent.

Rivalry amongst existing competitors

The wellness market in Catalonia can be divided into three main sectors: the Healthy Eating/Nutrition & Weight Loss sector (93 active companies), the Beauty and anti-aging sector (185 active companies) and the Sports and Wellness Center sector (34 active companies) (Generalitat de Catalunya, 2011, p.41). All the companies focus on enhancing people's wellbeing, but companies from the Sports and Wellness Center sector (mainly wellness centers) focus, just like IDB, on mental wellbeing and can therefore be seen as competition for. By using certain baths and touch massages positive mental feelings can be enhanced, such as wellbeing, pleasure, comfort, relaxation and confidence (Agren and Berg, 2006, Bergsten et al., 2005, Cronfalk et al., 2009, Cronfalk et al., 2010, Henricson et al., 2009, Skovdahl et al., 2007).

As stated earlier, psychologists can also be seen as competition, where they are the go-to persons when facing mental problems, often times being recommended by general practitioners. Psychologists offer their services in approximately the same price range (50-60 Euros/hour), but recently a group of psychologists in the Madrid area started offering their services at only 20 Euros per hour. In the Barcelona area a comparable company is yet to be founded, but IDB should be aware that this might occur.

Other sources of competition come from the Internet. A particular weak point is IDB's domain name: institutodelbienestar.com, being the same as the top listed website in the search engines: institutodelbienestar.cl. IDB can lose Internet traffic and potential clients to this top listed website. While this company is based in Chili, it offers no real threat, but IDB can lose Internet traffic and potential clients to this top listed website. IDB could consider changing their domain name in order to avoid online competition and customer confusion altogether. Because IDB's service exists for a large part of giving advice and consulting, free online websites like lifeoptimizer.org and happiness-project.com, where people can discuss their mental issues with peers, can be seen as competition. IDB can distinguish by guaranteeing quality service, based on scientifically proved methods.

Finally, IDB offers books on how to learn and apply several methods on happiness. Naturally IDB will experience competition from other booksellers on the subject 'wellbeing and happiness'. IDB tries to cope with this competition by offering their books on their website at low prices and in e-book form as well as in classic book form. This way, IDB promotes their books as a low-cost alternative to the more extensive and personalized services IDB offers. So IDB can teach everybody to be happy, from rich to not so rich people (institutodelbienestar).

4.3.2.3 Macro Environment Analysis

To describe the macro environment of IDB, we can use the PESTEL theory. This theory is described more extensively in appendix G. At the end of this paragraph the opportunities and threats of the external environments will be summarized.

Political factors

Initially the political environment in Spain was mainly dominated by the centre left Spanish socialist workers' party (PSOE), from 1996 the centre right, People's party (PP) emerged as largest single grouping (Datamonitor, 2010, p.12) and came to power again in 2000. In this time Spain enjoyed economic successes, but still the domestic popularity of the PP declined after two terms, because the government supported the US's Iraq policy. This led to the change of power in 2004, where PP leader Jose Maria Aznar ceded his place as prime minister and PSOE leader Jose Zapatero took over (Datamonitor, 2010, p.12). The PSOE led the country until 2011 after which PP's new leader Mariano Rajoy won the elections. Although PP has the majority in the current parliament does not mean there is a stable political situation. Spain is a country known for its different regions with each their own ideas of independence. This is important to notice while operating in the Spanish market. The instability of the political situation and disagreements inside the borders of the country are issues that have to be taken into mind (Expatica, 2012). Especially IDB has to cope with this because it is situated in the region of Catalonia, one of region's that is most determined to gain independency.

Economic factors

Like in a lot of countries, the economy in Spain has been on a downturn since the later part of 2007. The average economic growth came down to a low point in the period 2007-2009 by growing only 0,4%. This decline in growth had to do with Spain's excessive dependence on the real estate sector, which had deteriorated because of the impact of global financial turbulence and the US sub-prime crisis (Datamonitor, 2010, p.15). This crisis got worse following low domestic demand and rising inflation. This inflation turned into deflation (-3%) in 2009 with declining prices. The overall government budget also showed deficits from -4.5% 2008 till -10.6% of the Gross Domestic Product now (tradingeconomics, 2013). Exports came under pressure in this period, because of deteriorating economic conditions in major markets. In 2012 the CIA stated that Spain's unemployment rate had reached a highpoint at 25.1%, a rate even higher than in Greece and Portugal (CIA, 2012). Therefore Spain has the highest unemployment rate among all EU members. Looking at the region of Catalonia, a slightly lower unemployment number is measured, while still being very high at 22,3% in December 2013 (Datosmacro, 2014). Of course this unemployment rate can turn out as something positive as potential employees are at the companies' disposal at all time and the employees are also more flexible (FMI, 2013), giving IDB the change to adjust their workforce quickly in order to match demand.

Socio-cultural factors

The economic growth period also has had effects on some aspects of the social landscape of the nation. As many other EU countries, Spain is currently dealing with increasing unemployment rates and an aging population. The economic crisis has led to a significant increase in mental health risks. Comparing the pre-crisis period in 2006 to 2010, increase in mental illnesses like major depression (19,4%), anxiety (8,4%), somatoform (7,3%) and alcohol related disorders (4,6%) have been measured (Gili et al, 2012, p.1). Although these numbers are based on the country, it is very likely that the same tendencies are present in the region of Catalonia. This increase in mental illnesses creates a clear possible working area for IDB, especially since the government has undertaken initiatives to increase the involvement of private sector players.

Technological factors

Spain has been one of the slackers concerning technological advancements, compared to other EU countries. Spain is ranked 16th on the Innovation Union Scoreboard (2013) in a list of 27 EU nations. The unforthcoming innovation climate in Spain is a result of the larger role the public sector with respect to R&D development. An increase in the number of authorities and the diversity of funding programs has increased the complexity of the innovative system. Changes in the level of coordination and initiatives like the INGENIO 2010 program are set to improve the overall innovative climate of the organization. Enhancing incentives and making the venture capitalist procedure simpler could create a more positive environment, but question remains if priorities lay here in the economic crisis people are in.

Environmental factors

There is a lot of focus on tackling environmental issues nowadays. Just like with the technological factors, Spain was not actively engaged concerning the tackling of these issues. When Spain became member of the EU in 1996 this process started gaining momentum. IDB will not have to deal with environmental laws, because they are a service company that does not emit greenhouse gasses.

Legal factors

The economic reform programs Spain has implemented were coupled with regulatory changes to meet the challenges in the new economic landscape. The Spanish government initiated legal reforms to ensure integration with the EU. Tax rates have been reduced, investment regulations have been eased and restricted sectors are being opened up to stimulate private investment (Datamonitor, 2010, p.25). Still the government plays a big part in the economy by, almost obligatory interference in the labor market and by restricting access in some sectors.

The Spanish legal system is federal in nature, but nonetheless is, for jurisdictional purposes, divided into municipalities, judicial districts provinces and autonomous communities. The autonomous communities have a lot of legislative and executive powers.

Conclusion

The analysis of the external environments has brought forward opportunities and threats coming from market or macro environment. Firstly an overview of the threats is presented:

- IDB has the exact same URL of a successful business in Chili.
- There is a high threat of new entrants for IDB.
- There is a reasonable threat coming from within the industry. IDB should be cautious with respect to losing clientele to other sectors in the wellness industry.
- A threat comes from low-cost psychologists. In the Madrid area an association of these kinds of psychologists has been founded.
- The bargaining power of costumers is high.
- IDB has to deal with competition on a lot of different channels (telephone, internet, face-to-face).
- The instability of the political situation and disagreements between Spain and Catalonia has to be taken into mind.

Opportunities for IDB that have been distinguished are the following:

- The economic crisis has significantly increased mental health risks.
- The company has the opportunity to promote the unique PMBP in such a way that customers perceive it as 'the key to success'.
- Due to the economic crisis, IDB can create a flexible workforce.
- High unemployment rate means there are always people willing to work.
- The Spanish government has undertaken initiatives to increase the involvement of private sector players concerning their health care system.

- Recently tax rates have been reduced, investment regulations have been eased and restricted sectors are being opened up to stimulate private investment.

4.3.3 POSITIONING

In determining IDB's ideal positioning in the market a SWOT analysis is done. The goal of this analysis is determining which opportunities and threats come from the external environments and which internal strengths and weaknesses can help in coping with these factors. The internal analysis showed the weaker and stronger points within the company. The same has been done for the external environments. The results from the previously executed environmental analyses will form the input for the SWOT analysis, presented in figure 14.

	Strengths	Weaknesses
Internal Environment	<i>Effective decision-making</i> <i>Unique service</i> <i>Diverse educational background</i> <i>Not dependent on suppliers</i> <i>Staying in contact with clients</i> <i>Multi-channel service</i>	<i>One dimensional strategy</i> <i>No mission and vision to follow</i> <i>No shared values</i> <i>Website not user-friendly</i> <i>No perceived added value</i>
	Opportunities	Threats
External Environment	<i>Increased mental health risks people</i> <i>Promote PMBP has key to succes</i> <i>Creation of flexible workforce</i> <i>Always employees at disposal</i> <i>Public sector shorthanded</i> <i>Private investment stimulated</i>	<i>Same URL as succesful company</i> <i>High threat of new entrants</i> <i>Losing clients to wellness industry</i> <i>Low cost psychologists</i> <i>High bargaining power customers</i> <i>Multi-channel competition</i> <i>Instable political situation Catalonia</i>

Figure 14: IDB's SWOT Analysis

Where the SWOT analysis already provides information that can be used as a foundation for the development of a strategy and for choosing a strategic role. Developing a confrontation matrix goes one step further. In this matrix, the strengths and weaknesses are confronted by the opportunities and threats. This matrix creates cross points, exposing otherwise overlooked important future chances. The cross points are rated as follows:

- ++: Very positive effect between the two points
- +: Positive effect between the two points
- o: No effect between the two points
- : Negative effect between the two points
- : Very negative effect between the two points

It should be noted that the model is subject to human interpretation and therefore there are multiple outcomes possible. Various scenarios for IDB can be formulated as a result from the confrontation matrix that is seen in figure 15. In the following text all scenarios are presented.

	Opportunities															
		Increased mental health risks (O1)	Promote PMBP has key to success (O2)	Creation of flexible workforce (O3)	Always employees at disposal (O4)	Public sector shorthanded (O5)	Private investment stimulated (O6)	Threats	Same URL as successful company (T1)	High threat of new entrants (T2)	Losing clients to wellness industry (T3)	Low-cost psychologists (T4)	High bargaining power customers (T5)	Multi-channel competition (T6)	Instable political situation (T7)	
		Strengths														
		Effective decision-making (S1)	O	O	+	O	O	O		O	+	O	O	O	O	+
		Unique service (S2)	++	++	O	O	+	O		O	+	+	+	O	O	O
		Diverse educational background (S3)	O	O	O	+	O	O		O	O	O	O	O	O	O
		Not dependent on suppliers (S4)	O	O	O	O	O	O		O	+	O	O	O	O	O
		Staying in contact with clients (S5)	++	O	O	O	O	O		O	++	++	++	++	O	O
		Multi-channel service (S6)	++	O	O	O	O	O		O	O	O	++	O	O	O
		Weaknesses														
One dimensional strategy (W1)	-	-	O	O	O	O		--	O	O	O	O	O	O		
No mission and vision to follow (W2)	-	-	O	O	O	O		O	O	O	O	O	O	O		
No shared values (W3)	O	O	O	O	O	O		O	O	O	O	O	O	O		
Website not user-friendly (W4)	--	--	O	O	O	O		--	--	--	--	--	O	O		
No perceived added value (W5)	--	-	O	O	O	O		O	O	O	--	O	O	O		

Figure 15: IDB's Confrontation Matrix

The goal of the SWOT matrix and SWOT confrontation matrix was to point out strengths and weaknesses in relation to opportunities and threats. The analysis showed seventeen future scenarios IDB has to take in mind. Four sections that are distinguished can be linked to company strategies, being offensive (strengths-opportunities), defensive (strengths-threats), to strengthen (weaknesses-opportunities) or to survive (weaknesses-threats). Below these sections are set apart.

Strengths – Opportunities (Offensive)

1. S1 - O3 (+): The current economic situation in Catalonia creates opportunities for IDB with respect to the creation of a flexible workforce. People are willing to work part-time, as long as they have a job. The effective decision-making process within the company creates the ability to adjust the workforce quickly to fluctuating market demand.
2. S2 - O1 (++) , O2 (++) , O5 (+): IDB can use their unique service to help cure mental health issues, which currently are increasing due to the economic crisis. However there has not been a lot of promotion of IDB's unique service PMBP. Because no other company can deliver this service there is an opportunity to start using PMBP as the factor that sets IDB apart from the rest. Also the public health care sector is shorthanded and cannot match the growing demand for health care. Private companies come into the picture. IDB can serve as an institute that cures and prevents mental illnesses.
3. S3 - O4 (+): IDB can effectively choose interns of certain educational backgrounds when needed. So if the website needs to be redesigned, interns with experience in web-development can contribute in a cost-effective way. Also the fact that currently a lot of people are looking for jobs in Catalonia is something IDB can benefit from.

4. S5 - O1 (++) : By staying in contact with customers, IDB can monitor progression/effectiveness of the approach applied while at the same time making sure that the customers are satisfied and thus retained.
5. S6 - O1 (++) : IDB can use their multi-channel service to reach different customer groups (e.g. older people might prefer a phone consult over an online consult). Also, because of the multi-channel service, the company is not geographically tied down to their own region. Also because of this, IDB has the opportunity to benefit more from the growing number of mental health issues in the country.

To conclude, IDB can behave in an offensive manner when it comes to the creation of a flexible workforce due to the current economic situation in Spain. Also the promotion of the company's services should be done more actively, so that the company's unique service can recruit new customers. This unique service can also create the future opportunity of curing people that can no longer be served in the public health sector. The diverse educational background of interns in IDB gives the opportunity to benefit from their skills in a cost-effective way. Finally IDB can serve a wide range of customers because of the fact that the Internet, as well as physical and telephone contact is offered.

Strengths – Threats (Defensive)

6. S1 - T2 (+), T7 (+): With a high entrance rate of new wellness companies, demand can fluctuate. IDB can respond quickly because of their effective decision-making process addresses in point 1. Also IDB can adapt quickly to changes in political situation, due to the instable political situation.
7. S2 - T2 (+), T3 (+), T4 (+): IDB can differentiate from competitors by promoting their unique service. This reduces the threat of a possible loss of clients to other companies and psychologists as well as the threat coming from the high entrance rate of new companies.
8. S4 - T2 (+): Although there are a lot of new entrants, IDB can set itself apart by relying on the fact that their service is completely based on in-house developed methods. This can give them an advantage over new entrants.
9. S5 - T2 (++) , T3 (++) , T4 (++) , T5 (++) : Staying in contact with customers can influence the threat of new entrants, the loss of clientele to other companies and the high bargaining power of customers in a positive way. For example IDB can keep the customers updated about new offers and services. Also offering people that have already used IDB's services special offers or by staying interested in their mental health they might gain the customer's loyalty.
10. S6 - T2 (+), T4 (++) : IDB's multi-channel service can help in gaining competitive advantage over (low-cost) psychologists who do not offer telephone and virtual sessions.

IDB should behave defensively when it comes to the high entrance rate of companies in the industry, the loss of clientele to other sectors of the wellness industry and the high bargaining power of customers. The effective decision-making, the unique service that is offered and especially staying in contact with customers can help IDB in coping with the threats. The multi-channel service of IDB can also create competitive advantage over psychologists.

Weaknesses – Opportunities (Strengthen)

11. W1 - O1 (-), O2 (-): The promotion of PMBP can contribute to the current one-dimensional SEO strategy. Customers can be gained by actively promoting their service, instead of relying only on SEO.
12. W2 - O1 (-), O2 (-): Currently, no real mission statement and vision have been developed. In order to change this, IDB can incorporate the PMBP in their mission statement and vision as an element of their identity.

13. W4 - O1 (--), O2 (--): The biggest weakness of IDB is their user-unfriendly website. IDB can alter this by simplifying their website and increase the information about their services, making their strengths the main message on the website, thereby also convincing customers in search of happiness of the added value of the PMBP.
14. W5 - O1 (--), O2 (-): In these scenarios IDB loses potential clientele because of the fact that these customers cannot see what the added value of IDB's services is. Promoting the PMBP can change this by showing people what service IDB can deliver.

The area where IDB should strengthen exists of all the five distinguished weaknesses, being IDB's one-dimensional strategy, the absence of mission and vision to follow, the absence of shared values, the user-unfriendly website and the fact that the service does not have any perceived added value. IDB should benefit of the growing group of customers who currently are in search of happiness and IDB should promote their unique service (PMBP) as the key to this happiness. The company has to strengthen this area in order to gain customers.

Weaknesses – Threats (Survive)

15. W1 - T1 (--): IDB's SEO strategy is very vulnerable for it has to deal with competition of an already established company from Chile. This company uses the exact same URL-name as IDB except for the fact that its country code is dot cl instead of dot com.
16. W4 - T2 (--), T3 (--), T4 (--): A big threat is to lose clientele to other companies because of IDB's user-unfriendly website. There are a lot of new entrants, high competition in the industry and potentially from low cost psychologists. Furthermore IDB has the same URL than another wellness company. This threat can be reduced by improving the company's website and changing their URL.
17. W5 - T4 (--): The possibility of competing with low-cost psychologists increases the need for IDB to show the perceived added value of their services.

The company should focus on surviving here, because it has to deal with an already established competing company, which uses the exact same URL as IDB does. IDB's one-dimensional SEO strategy is therefore extra vulnerable in this area. Next to that, IDB's website is not very user friendly. Because their website is the only way customers can get in contact with the company, this is probably the reason of the high bounce rate the site currently has. Furthermore in order to compete with possible low-cost psychologists, IDB has to show the perceived added value of their service.

Conclusion

The main purpose of this paragraph was to identify IDB's ideal positioning when it comes to selling their services. The analyses and the confrontation matrix brought forward strengths, weaknesses, opportunities and threats.

The most important conclusions for IDB are the need for **promotion** of their services (PMBP) in order to gain and retain customers. But what customer group must IDB focus on specifically? A big opportunity for IDB is the increasing group of people suffering from mental health issues due to the economic crisis in Spain. This group mostly consists of people that have lost their job and do not have high purchasing power. Psychologists in the Madrid area have already started to capitalize on this opportunity by founding an association of 'anti-crisis' psychologists who offer their services at low prices (20 Euros/hour vs. 50-60 Euros/hour). IDB has the opportunity to promote their own services as an 'anti-crisis' remedy in the Barcelona area. This means the company will be positioned as can be seen in appendix figure 16.

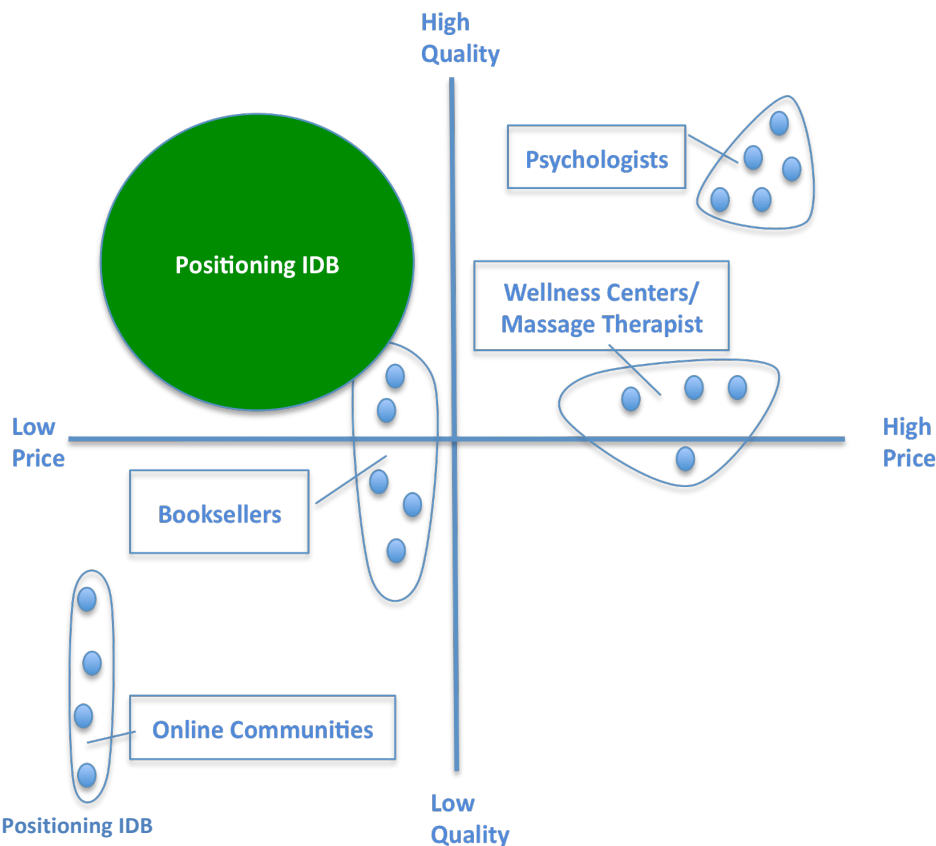


Figure 16: Positioning IDB

In this case IDB offers their services to **people who normally do not have the money to visit a psychologist**, so not solely people affected by the economic crisis. When competition does rise, IDB can further separate themselves from this competition with their multi-channel service, meaning IDB's services are offered via mail, phone and face-to-face.

There are also weak points IDB has to be improved upon, being IDB's **one-dimensional strategy SEO marketing strategy**, the **absence of mission and vision** to follow leading to the **absence of shared values** in the company, the **user-unfriendly website** and the fact that the service shows **no perceived added value**. Also, IDB should consider **changing their domain name**, in order to avoid online competition and customer confusion with a Chilean wellness company having the same domain name except for the country code.

The mission and vision can be formulated now that the positioning of IDB is determined. This can lead to shared values inside the company and will help in the creation of the website, discussed in the next paragraph. This website can help promote IDB's unique service and show the unique added value of the service that is offered. According to Bart (1997) a mission statement consists of three components, being: a key market (who is your target customer?), the contribution (what product or service do you offer?) and distinction (what makes your product or service unique?). When applying these three requirements to IDB's situation a suitable mission statement is the following:

'To offer affordable, quality lessons and advice on mental health issues based on a unique scientifically proved collection of methods, in order to achieve and maintain a high mental wellbeing for all layers of society.'

The corresponding vision statement of IDB is:

'Creating a happier world in which every person can benefit from quality mental help services whenever and wherever.'

4.4 E-MARKETING STRATEGY

In this paragraph the final two steps of the new e-marketing development model are executed (Appendix A; figure 8). The findings of the environment analyses will be linked to the development of the e-marketing strategy.

4.4.1 E-MARKETING STRATEGY

The first two steps of the e-marketing development model (Appendix A; figure 8) have created a clear image of IDB's surroundings, combining the company's strengths and weaknesses with external threats and opportunities. As a result, the segmentation and positioning of IDB could be formulated and captured in the following, newly established, mission statement:

'To offer affordable, quality lessons and advice on mental health issues based on a unique scientifically proved collection of methods, in order to achieve and maintain a high mental wellbeing for all layers of society.'

To clarify, IDB wishes to focus on the low cost section of the market, while still offering a qualitative and unique service (Appendix A; figure 16). By positioning their business in this way, the target public of IDB are people who are facing mental health issues with not enough purchasing power to benefit from more expensive services, such as psychologists. This group exists of a growing group of people in the Catalanian population, often facing difficulties related to the economic crisis. This information will form the foundation of IDB's e-marketing strategy.

Before IDB starts renewing their online activities, it is important that the back office is designed in such a way that it supports these activities. Because the online presence of the company is the only form of marketing IDB will be carrying out, there are no real boundaries as to how to divide these tasks. Constantinides (2002) splits the synergy with the back office up into three different components, namely organisational integration, legacy integration and integration with the company's value systems. For a more detailed explanation of these concepts, see appendix C. For IDB, only the organisational integration is of importance.

Organisational integration focuses on delivering a good service, with competitors being at just one click away. For a service company such as IDB dangers could lay in failure to react to customers, reacting too late, or delivering a service that does not live up to the promised quality. Customer reactions and dissatisfied customers need to be dealt with on a professional manner. Because IDB is such a small company, dealing with this kind of customer communication can be an ideal task for the interns active in the company. There has so to be set up a protocol to guide the process of dealing with different customer reactions, in order to keep a uniform company policy. If interns have to deal with complicated customer reactions, the leader of the marketing department can provide them with advise.

4.4.2 WEB 1.0: DETERMINING STRATEGIC ROLE AND DEVELOPING WEBSITE

The next phase of the E-Marketing development model is called Web 1.0. This step concerns assigning a strategic role for IDB's online operation. Assigning a role to the website that contributes to the overall marketing objectives helps in creating the proper customer online experience and integrating the online business into the overall business plan. The overall marketing objectives are 'to augment brand awareness among selected customer groups' and 'raise revenue'. The strategic role follows the objectives and the positioning of IDB, described in the previous paragraph. For a well-founded creation of the website, Rowley's eight phase model will be used.

4.4.2.1 DETERMINING STRATEGIC ROLE

To describe the tasks assigned to the online activity, one or more strategic roles have to be chosen. A strategic role has consequences for the site identity, positioning, style and atmosphere. The most common generic strategic roles that can be chosen are the informational, educational, service-oriented, promotional, relational and transactional role. IDB's website's strategic roles will be the promotional and the relational role. In the text below specific outcomes of the confrontation matrix are matched with the strategic roles in order to state IDB's specific strong and weak points in relation to the environment.

- Promotional role:

A positive side for IDB is their **unique service**, which cannot be copied easily by competition. This unique PMBP formula sets IDB apart from the rest. It is important that, when promoting their services online, IDB is focused at the right customer group, namely people who are facing mental health issues (possibly due to the economic crisis). This unique program, along with a **relatively low pricing** (following the example of the low-cost psychologists, around 20 Euros per hourly session), has to be the pointer of IDB online promotional role.

Next to these stronger points, the confrontation matrix also brought forward some important focus points. Firstly there is the **URL** that is, excluding the country code, the same as that of a Chilean company. This might be a cause for confusion when people are trying to find the company via online search engines. Secondly, the current website of IDB is very **user-unfriendly**. This means that the message of the company is not being communicated efficiently to the web visitors.

- Relational role:

Looking at the confrontation matrix shows that IDB already wishes to **stay in contact** with their customers. The relational role of the online operation is of importance, because the progression/effectiveness of the approaches IDB applies can be measured through e-mail and social media. Complaints of dissatisfied customers can also be handled via this way. Another strong point IDB already possesses is their **multi-channel service**. The online project must enable web visitors to get in contact with the company by clearly placing their e-mail address, physical address and telephone number on their website and on social networks.

There are also some weaknesses concerning IDB's relational role. Just like with the promotional role, the Chilean website with the same **URL** might cause for confusion and consequently obstruct the possible relation with people using search engines. Next to that, the **user-unfriendly** website forms a big threat to lose clientele to other companies due to the high rate of new entrants and the high competition. Especially the threat of competition calls for a good relation with customers.

4.4.2.2 DEVELOPMENT OF WEBSITE

The development of IDB's website can be based on the promotional and relational role that have been chosen in the last sub-paragraph. Looking at the website, the prime mission is to generate traffic, establish traffic, establish contact with the online target markets and to brand the online organization (Constantinides, 2002, p.65). In the following part follows an overview of the changes that need to be made in order to develop the website.

Brand context

Concerning the relational role, it is important that IDB's online brand has an approachable character, while still showing quality. IDB can create a more 'approachable character by uploading pictures of the specialists and CEO of the company, giving the company a 'face'. Next to that, the overall quality of IDB's website should be of a higher quality than it is at the moment. Enhancing the website's aesthetics can do this. Looking at the promotional role, IDB has to provide the public with all the

information they need, concerning services and prices. It is also important to explicitly state why the company exists and what IDB's mission and vision is.

Brand message

A suitable brand message for IDB that is based on the mission statement and that really focuses on the target market is for example the following phrase: *'creating a happier life for everyone'*. This brand message describes IDB's core business, namely helping people to solve their mental health issues by offering affordable services.

Brand specification

The brand logo should match the brand message. This means a logo has to be developed that appeals to the target market. The target market that was chosen exists of people dealing with mental health issues while having a low purchasing power. This logo has to be usable in all types of communication, including online, professionally printed promotions, photocopies and in-house communication.

Developing a logo

There is room for improvement in the current logo, especially concerning the text, which is written in a standard Times New Roman font (Appendix A; figure 17). The text says: *'Investigation and services for your happiness'*. This text should be replaced by the earlier formulated brand message: *'Creating a happier life for everyone'*. Also instead of using the full company name, just using IDB is enough, since the company's purpose is described in the brand message. To develop a more presentable logo, IDB can hire a specialist like a graphic designer, but a more cost effective way is to apply an intern to do this. IDB must keep in mind that the process of developing a brand logo is be interactive where the designer creates a range of proposals, where managers, designers and users have the possibility to deliver structured input.

Creating the website and other communications using the brand

An important point is keeping the website design structured and usable with the focus on communication and messages, in other words making the website more user-friendly. This was one of IDB's weaker points, showed in the outcome of the confrontation matrix. The current website misses indispensable website elements, like an about us' section and a 'contact' section, important for both the promotional as well as for the relational strategic role of the website.

When focusing on the promotional role, it is important that the website clearly states the company's strengths and their mission and vision. Web visitors need to understand quickly that IDB offers a unique and affordable service that is offered via face-to-face, telephone and e-mail communication. This has to be prominently stated on the website.

Concerning the relational role, a strong point the confrontation matrix showed was that IDB wishes to stay in contact with their customers. They can do this by letting customers fill in their e-mail address when applying for the company's services. This does mean a database has to be created where customer information is kept. This way IDB can communicate with customers via e-mail, giving personal advice and expressing interest in the customer's current mental state, making it possible to track progression of the treatment and receive points of improvement directly from the customers. Another strong point of IDB concerning the relational role was the fact that their service is offered through multiple channels. This means information about the company's physical address, telephone number and e-mail address has to be shown on the website.

Using a template as the basis for a website automatically provides a lot of important elements. Also looking at website from other companies might help. It is advised that IDB either hires a professional

web developer or hires an intern with a background in web development who can completely redo the website, implementing the desired information and giving it a more professional appearance to the public.

Launching and promoting the brand

When IDB's new website is created, in addition to simply launching it, it is recommended to promote the launching. An economical way to do this is by using social media networks, but also offline publicity in local newspaper or on local radio stations, television stations and by hosting a launch event are ways to do this. When promoting IDB, it is important that the message contains information about the company's unique and affordable service, which should be directed at the target group.

Building the brand online

IDB as a 'happiness provider' should translate the happiness on their website. Having friendly pictures of the specialist on the site, using a friendly and stimulating writing style and using bright colours can do this. In other words, interaction through the website should be associated with the brand, including the ease of navigation of the website, value of pointers to external information and communicating in the same style online, as offline. These different factors all contribute to the building of brand experience.

Reviewing, evolving and protecting the brand

It is important that IDB keeps on monitoring, reviewing, evolving and protecting their brand. It is not very likely that brands are being copied in the case of IDB, but there is still the possibility that this will happen. This copying can lead to the damaging of brand and company image. Looking at associations users build with the brand are important components in evaluating marketing communications and more widely the success of the company in engaging audiences. The brand should not be ignored as time passes, therefore periodical audits of how the brand is applied and perceived should be held. This provides information that can be used for the brand evolution.

4.4.3 WEB 2.0: DETERMINING SOCIAL MEDIA STRATEGY

IDB still has to develop their web 1.0 online presence, but this paragraph's objective is to create a clear framework for IDB to use in developing their social media strategy. The objectives of this web 2.0 operation have to be very clear. In IDB's case the objectives are the same as the company's objectives: 'To augment brand awareness among selected customer groups' and to 'raise revenue'. Here as well, the strategy is formed by the strategic roles that have been distinguished earlier.

4.4.3.1 DETERMINING IDB'S SOCIAL MEDIA STRATEGY

A look will be taken at the possible tasks social media can fulfil as part of the e-marketing process, contributing to the development of the social media strategy. The roles social media will play in IDB are based on the promotional and relational strengths and weaknesses that were distinguished in the confrontation matrix. In this paragraph a look will be taken at what kind of social media can be used and in what way, so that it is of added value to IDB. To do this Constantinides' taxonomy model (2008) will be used, presented in appendix A (figure 9).

As can be seen in this model, there are passive approaches and active approaches. All these approaches have different outcomes, depending on the objectives that have to be fulfilled. In IDB's case, the overall strategic objectives are *augmenting brand awareness among selected customer groups* and *raise revenue*. Social media can help in meeting the two overall strategic objectives by successfully applying the promotional and relational role to the social media strategy.

Augmenting brand awareness among selected customer groups

Firstly, it is important that marketing efforts are directed at the selected customer group: people who are facing mental health issues with not enough purchasing power to benefit from more expensive services like psychologists. Augmenting brand awareness can be done via the promotional role of the social media, where it is important that IDB's unique service and its low pricing are being communicated to the target group. When looking at the taxonomy model there are two marketing objectives described aimed at promoting, these are 'PR and direct marketing' and 'reaching new influencers'. The model shows that useful social media tools that in reaching these objectives are Web logs, Social Networks, Content Aggregators and Forums/Bulletin Boards.

Considering the market objective **PR and direct marketing** there is a lot of online dialogue taking place in blogs, forums and social networks.

- IDB can attract these dialogues by hosting their own corporate blogs. In these blogs IDB can introduce their unique PMBP method and its low pricing to people who address they are in need of mental advice.
- Another low-cost way to engage social media is to utilize content communities like YouTube as communication and advertising channels of corporate promotional material. IDB can introduce their method via these videos, easily reaching a big crowd by using at practically no cost.
- IDB can keep customers informed about their services by adding a RSS (Rich Site Summary) capability to the company's website. That way, marketers can reach millions of Internet users who filter the online content they receive by subscribing to RSS readers like Feedly, Inoreader and Newsblur.
- Finally IDB can use more traditional online advertising tools like videos, links or banners placed in special interest blogs, communities or forums enabling them to reach special interest publics and a phenomenon described as the Long Tail: Market niches or individual customers looking for products that can not be found in the main-street shops (Constantinides, 2007, p.237).

When trying to **reach new influencers** to promote the company, IDB has to engage specialized press and industry media. This has always been part of the commercialization process of new products. IDB can do this in the web environment by engaging online opinion leaders and personalities who address and review IDB's services in their blogs or forums. If opinion leaders are not found, the local newspaper can be asked to publish a news piece on the new company, because IDB offers such a actual and new service, that is aimed at fighting negative consequences of the crisis. This is brought forward as a possibility because the low-budget psychologists from Madrid also reached the national newspaper 'El Mundo' (Lopez, 2012).

Raise revenue

This is a very broad objective and the promotional role and relational role both play part in achieving it. IDB can raise revenue by listening-in and by tapping customer creativity. Applications types that are used in these processes are blogs, online communities, forums, corporate content communities and company social network pages.

It is important for IDB to **listen-in** to the customer voice, because it reveals needs, experiences, complaints, expectations and market trends (Constantinides, 2008, p.9). So it is of vital importance for the communication with the target groups and crucial for successful product/service development. IDB is able to access the 'live' customer voice on a continuous basis by listening in or participating in the online conversation. To do this, locating and monitoring what people discuss or publish is important. The best possible web 2.0 applications for listening in are blogs, online communities and forums.

Tapping customer creativity is another possibility to raise revenue. Customers seem to trust more in opinions of fellow customers, because the perception is that peers reflect genuine feelings and experiences (Constantinides, 2008, 10). Therefore customers should be involved in the innovation process. As stated before, IDB can collect the customers' e-mail addresses and keep them in a database. This way IDB can communicate with customers via e-mail, giving personal advice and expressing interest in the customer's current mental state, making it possible to track progression of the treatment and receive points of improvement directly from the customers. Next to the forms customers fill in, IDB can establish corporate content communities and company social network pages, which offer a place to promote services and communicate directly with customers, concerning service improvement.

4.4.4 CONCLUSION

At the end of the chapter, answers can be given to the research questions that were linked to this chapter. In chapter one, there were three research questions formulated, being:

- What are IDB's core competencies and weaknesses?
- What does IDB's market look like in terms of competition, opportunities and threats?
- What are the main strategic issues for IDB?

What are IDB's core competencies and weaknesses?

In determining the company's internal strengths and weaknesses, the McKinsey 7S model was used. This model provided a framework consisting of seven components (Structure, System, Style, Staff, Skills, Strategy and Shared values) in which the internal environment of IDB has been split up. The conclusion of this analysis brought forward strong points and weak points of the IDB's internal environment.

The strong points are the **effective decision-making process** (due to the flat company structure), The **unique service** that is offered (the PMBP is unique and can only be used by IDB), the **diverse educational background** (created by the interns active in IDB), the fact that IDB is **not dependant on suppliers**, the fact that IDB **stays in contact with customers** and the **multi channel service** that is offered (IDB offers their services via telephone, the internet and face-to-face).

The company's internal weaknesses are their **one-dimensional strategy**, the **absence of a mission statement and vision** automatically leading to the **absence of shared values**, the **user-unfriendly website** and finally the fact that IDB's service has **no perceived added value**.

What does IDB's market look like in terms of competition, opportunities and threats?

The competition and opportunities and threats are all forces that come from the external environment. To analyse this environment, Porter's 5 forces model and the PESTEL framework have been used. The 5 forces model focused on the direct environment, measuring forces in IDB's industry (the threat of new entrants, the threat of substitute products, the bargaining power of customers, the bargaining power of suppliers and the rivalry amongst existing competitors). The PESTEL model focused on threats and opportunities coming from the macro environment. This framework takes political, economic, socio-cultural, technological, environmental and legal factors into consideration.

The outcomes of the analysis provided a list of distinguished opportunities and threats. The main opportunities for IDB are the **increase in mental health risks** (due to the economic crisis in Spain), the opportunity to **promote the PMBP as a key to success** (being a unique program, only available to IDB), the **creation of a flexible workforce** (the economic crisis makes hiring and firing easier), the fact that there are **always employees at disposal** (as a positive side of the high unemployment rate,

people are willing to work), the fact that **the public sector will be shorthanded** rapidly (private sector players will be involved by government) and the fact that **private investment is stimulated**.

Threats for IDB is the fact that the **same URL is used by a Chilean company** (institutodelbienestar.cl-institutotdelbienestar.com), the **high threat of new entrants in the market**, the threat of **losing clients to the wellness industry**, the fact that **low costs psychologists might be on the rise**, the **high bargaining power of the customers**, the fact that IDB has to deal with **competition on various channels** (telephone, internet and face-to-face) and the **instable political situation in Catalonia** (IDB is based within a region determined with gaining independence).

What are the main strategic issues for IDB?

In determining the main strategic issues for IDB, the outcomes of the previously executed analyses have been combined in a confrontation matrix (Figure 15). In this matrix, strengths as well as the weaknesses of IDB are linked to the opportunities and threats. Cross points have been rated in order to give a clear picture of the main strategic issues for IDB. This information has also led to the positioning of IDB in the market. There are four different areas of interest for IDB to be taken into consideration.

To conclude, IDB can behave in an **offensive** manner when it comes to the creation of a flexible workforce due to the current economic situation in Spain. Also the promotion of the company's services should be done more actively, so that the company's unique service can recruit new customers. A big opportunity lies in the customers facing mental health issues due to the economic crisis. As a future prospective, IDB's unique service can serve as a cure for people that can no longer be served in the public health sector, which is projected to be shorthanded in the near future. The diverse educational background of interns in IDB gives the opportunity to benefit from their skills in a cost-effective way. Finally IDB can serve a wide range of customers because of the fact that the Internet, as well as physical and telephone contact is offered.

IDB should behave **defensively** when it comes to the high entrance rate of companies in the industry, the loss of clientele to other sectors of the wellness industry and the high bargaining power of customers. The effective decision-making, the unique service that is offered and especially staying in contact with customers can help IDB in coping with the threats. The multi-channel service of IDB can also create competitive advantage over competition with psychologists.

The area where IDB should **strengthen** exists of all the five distinguished weaknesses, being IDB's one-dimensional strategy, the absence of mission and vision to follow, the absence of shared values, the user-unfriendly website and the fact that the service does not have any perceived added value. IDB should benefit of the growing group of people facing mental health issues and IDB should promote their unique service (PMBP) as the remedy for these illnesses. The company has to strengthen this area in order to gain customers.

The company should focus on **surviving** here, because it has to deal with an already established competing company, which uses the exact same URL as IDB does. IDB's one-dimensional SEO strategy is therefore extra vulnerable in this area. Next to that, IDB's website is not very user friendly. The website is currently the only way customers can get in contact with the company, this is probably the reason of the high bounce rate the site currently has. Furthermore in order to compete with possible low-cost psychologists, IDB has to show the perceived added value of their service.

5 CONCLUSIONS AND RECOMMENDATIONS

In this conclusive chapter the solution to the research problem will be presented. To refresh the minds, the research problem was the following: *What is the proper online strategy for IDB in order to contribute to the company's success and to obtain competitive advantage?*

The conclusions of the previous chapter have showed IDB's strengths, weaknesses, opportunities and threats, by analyzing the internal as well as the external environments of the company. Finally the information about the environments served as input for a confrontation matrix that showed multiple possible future scenarios for IDB. This ultimately led to the development of the company's missing mission and vision statement and the company's positioning and segmentation on the market.

With the firm's strategic objectives as foundation (*'to augment brand awareness among a selected customer group'* and to *'raise revenue'*) the following positioning has been chosen. Research has shown that IDB should ideally focus on the low cost section of the market, while still offering a qualitative and unique service (figure 16). The selected customer group exists of people who are facing mental health issues with not enough purchasing power to benefit from more expensive services, such as psychologists. This group is growing as people suffering from the consequences of the economic crisis represent a big part of it. The newly developed mission and vision statement are formulated as follows:

Mission:

'To offer affordable, quality lessons and advice on mental health issues based on a unique scientifically proved collection of methods, in order to achieve and maintain a high mental wellbeing for all layers of society.'

Vision:

'Creating a happier world in which every person can benefit from quality mental help services whenever and wherever.'

The development of the e-marketing strategy begins here. So in the next part concrete points of improvement will be presented, aimed to solve the research problem. Two strategic roles have been assigned to give direction to the online operation of IDB, being the promotional role and the relational role. What follows is a description of proper online strategy for IDB.

5.1 WEB 1.0

In order for the new strategy to work, changes do not only have to be made to the current website, but also to the company back office. Organisational integration with the website is of importance for IDB, with competitors being at just one click away. Because IDB is such a small company, dealing with customer communication in general can be an ideal task for the interns active in the company. There has to be set up a protocol to guide the process of dealing with different customer reactions, in order to keep a uniform company policy. If interns have to deal with complicated customer reactions, the leader of the marketing department can provide them with advice. A list of the outcomes of the website improvement is presented below:

Brand context – The site should have an approachable yet qualitative character. To do this, for example pictures of the professionals and the CEO can be uploaded to the site. Also the aesthetics need to be enhanced, to show more quality. Concerning the promotional role, there has to be clear information about the company's mission, vision, services and prices.

Brand message and objectives – A suitable brand message, based on the mission statement is the following phrase: *'creating a happier life for everyone'*.

Brand specification and logo development – The current logo needs to be rethought, the new logo has to match brand message and has to be usable in all types of communication, including online, professionally printed promotions, photocopies and in-house communication. Hiring a specialist like a graphic designer or a specialized intern to develop a more presentable logo is recommended.

Creation of website – Concerning the promotional role, it is important that IDB's mission, vision and unique selling proposition (PMBP with low price) have a prominent place on the website. Concerning the relational role, IDB should make sure to collect the e-mail addresses of existing customers. Also communication with IDB through the various channels should be promoted by placing information about the company's physical address, telephone number and e-mail address.

Launching brand – Use social media to launch the website. Also a launch event and traditional media such as local newspapers and radio stations can be used to promote the new website. It has to be made sure that the main message is about IDB's affordable service, directly focused at the target group.

Building the brand online – Introduce the staff to the public by showing friendly pictures, use a friendly and stimulating writing style via all online applications and use bright, lively colours in the website design.

Reviewing, evolving and protecting the brand – The brand should not be ignored as time passes, therefore periodical audits of how the brand is applied and perceived should be held. This provides information that can be used for the brand evolution.

5.2 WEB 2.0

The web 2.0 strategies are built on the web 1.0 strategy. This means the same strategic roles are applied (promotional, and relational) and the same strategic objectives are pursued as with the web 1.0 development.

5.2.1 AUGMENTING BRAND AWARENESS AMONG SELECTED CUSTOMER GROUPS

This strategic objective can mainly be reached through promotional ways. The message has to be directed at people with mental health issues and a lower purchasing power. Two matching marketing objectives can be distinguished from Constantinides' taxonomy model (2008), which links social media applications to e-marketing objectives. The e-marketing objectives that match the promotional role are 'PR and direct marketing' and 'reaching new influencers'.

PR and direct marketing:

Affordable and good ways to attract a public is by hosting a **corporate blog**. In this blog interesting themes concerning mental health can be discussed, where ultimately IDB's services can be recommended to the customers. Applications such as Blogger, Tumblr and Wordpress are examples of sources for the development of a corporate blog. Another way that IDB can attract customers is by using a content community like **YouTube**. Small clips discussing mental health issues, or simply a promotion of IDB's unique and affordable service are ways to use this application. Also company **social networks pages**, like Twitter, Facebook, Google+ should be developed. IDB's page should be interesting to join, so their online network grows. This can be done by regularly publishing interesting facts about the company's services or related subjects.

Reaching new influencers:

IDB can do this in the web environment by engaging online opinion leaders and personalities who address and review IDB's services in their blogs or forums. If these persons are not found, the local newspaper can be asked to publish a piece on the new company, because IDB offers a new type of service.

5.2.2 RAISE REVENUE

The promotional and relational roles both play part in achieving this objective. IDB can raise revenue by listening-in and by tapping customer creativity.

Listening in:

To listen-in, locating and monitoring what people discuss or publish is important. The best possible web 2.0 applications to do this are **blogs, online communities** and **forums**. There are various ways to listen-in, varying from free-of-charge tools like Google Alerts and Talkwalker to more detailed paid services like Nielsen Buzz Metrics.

Tapping customer creativity:

Customers seem to trust more in opinions of fellow customers. Therefore customers should be involved in the innovation process. Next to simply e-mailing the company, IDB has to establish places where customers can voice complaints and advices for future improvement. Useful applications are **corporate content communities** and **company social network pages**.

5.3 RECOMMENDATIONS

Due to the limited nature of this thesis, the actual implementation of this strategy could not be tested. However, there are certain remarks to be made concerning the implementation and application of the strategy.

The key to developing the online strategy within IDB is to benefit from the diverse educational background that the interns create in the company. Interns with experience in web development, graphic design and marketing should be assigned to carry out the planned changes. This is a cost-effective way to improve the company's current online presence. It should be noted that these tasks should only be assigned to interns, if they have got enough experience in developing websites and logos.

Up to this point, interns were mainly bothered with SEO related activities in the office. With the new Internet strategy their ideal tasks exist of managing the social media applications with the chief of marketing controlling and guiding this process. This way the professionals, who provide customers the actual service, only deal with paying customers. A possible future danger lies in assigning new interns. When one intern ends his/her period at IDB, a new and inexperienced intern comes in. This means there will be periods in which more attention on controlling and guiding by the chief of marketing is needed.

Looking at the future, there is currently no direct competition in Catalonia for IDB. However there is a chance that low-cost psychologists will start offering their services. This is already the case in Madrid, where a group of psychologists is very successful in offering more affordable services. IDB has the advantage of being an early entrant in the market, but should still be on guard for possible new entrants.

Lastly, in the thesis the threat of customer confusion with a Chilean company operating with the same URL has been stated. IDB should consider to change their URL in order to avoid confusion altogether. However, if it is opted not to do this, the company has to make sure that the correct URL is explicitly mentioned in the promotional activities.

REFERENCES

LITERATURE

- Agren, A. & Berg, M. (2006) *Tactile massage and severe nausea and vomiting during pregnancy--women's experiences*. Scand J Caring Sci, 20, 169-76
- Aken, van, J. E., Berends, H., & Bij, van der., H. (2010). *Problem solving in organizations: A methodological handbook for business students*. Cambridge: University Press
- Babbie, E. (2010). *The Practice of Social Research* (12 ed.). Wadsworth, USA: Pearson Education Limited
- Baetz, M. & Bart, C. K. (1996). *Developing Mission Statements, which Work*. Long Range Planning, Vol. 29, Number 4, pp. 444-526.
- Bart, C. K. (1997). *Sex, Lies and Mission Statements*. Business Horizons, pp. 9-18
- Bergsten, U., Peterson, I. F. & Arvidsson, B. (2005) *Perception of tactile massage as a complement to other forms of pain relief in rheumatic disease*. Musculoskeletal Care, 3, 157-67.
- Boddy, D. (2008) *Management An Introduction*. Pearson Education Limited.
- Borden, N.H. (1964). *The concept of the Marketing Mix*, Journal of Advertising Research 4 pp. 2-7.
- Bueno, B. (2012). *Hot industries for start-ups*. Los Angeles: IBISworld,
- Chaffey D., Ellis-Chadwick F., Mayer R., Johnston K. (2000), *Internet Marketing Strategy, Implementation and Practice*, Harlow: Prentice Hall.
- Chaffey, D., Ellis-Chadwick F. (2012) *Principles of Internetmarketing*, Upper Saddle River, New Jersey, Pearson Education Limited.
- Christensen, C.M. (1998). *The Innovator's Dilemma*, Cambridge MA: Harvard Business School Press.
- Christensen, C.M. (2000). *After the Gold Rush: Patterns of Success and Failure on the Internet*. Innosight, LLC.
- Constantinides, E. (2002). *The 4S Web-Marketing Mix Model*. University of Twente
- Constantnides, E., Fountain, S. J. (2007) *Special Issue Papers Web 2.0: Conceptual foundations and marketing issues*, University of Twente.
- Constantinides, E. (2008). *Survival in the Era of the Empowered Customer: Turning the Web 2.0 Menace into a Strategic Opportunity*, University of Twente.
- Constantinides E., Lorenzo C., Gómez M.A. (2008) *Social Media: A New Frontier for*

Retailers?, European Retail Research, vol. 22, Springer

- Cronfalk, B. S., Strang, P. & Ternestedt, B. M. (2009) *Inner power, physical strength and existential well-being in daily life: relatives' experiences of receiving soft tissue massage in palliative home care*. J Clin Nurs, 18, 2225-33.
- Cronfalk, B. S., Ternestedt, B. M. & Strang, P. (2010) *Soft tissue massage: early intervention for relatives whose family members died in palliative cancer care*. J Clin Nurs, 19, 1040-8.
- Datamonitor (2010). *Country Analysis Report, Spain: In-depth Pestle Analysis*. Datamonitor.
- DiNucci, D. (1999). *A fragmented future*, Database Systems Journal.
- Fahey, L., & Narayanan, V. K. (1986). *Macroenvironmental Analysis for Strategic Management (The West Series in Strategic Management)*. St. Paul, Minnesota: West Publishing Company.
- Gerring, J. (2012) *Social Science Methodology: A Unified Framework*. 2nd Edition: Cambridge University Press.
- Gili, M., Roca, M., Basu, S., McKee, M., Stuckler, D. (2012) *The mental health risks of economic crisis in Spain: evidence from primary care centres, 2006 and 2010*. IUNICS, Palma de Mallorca, Spain.
- Global Spa Summit (2010). *Spas and the Global Wellness Market: Synergies and Opportunities*. Global Spa Summit, Stanford Research Institute International.
- Grönroos, C. (1997). *From Marketing Mix to Relationship Marketing—Towards a Paradigm Shift in Marketing*, Management Decision 34/5, Bradford; MCB University Press, pp. 322–339.
- Henricson, M., Segesten, K., Berglund, A. L. & Maatta, S. (2009) *Enjoying tactile touch and gaining hope when being cared for in intensive care—a phenomenological hermeneutical study*. Intensive Crit Care Nurs, 25, 323-31.
- Kaplan, A. & Haenlein, M. (2009). *Users of the world, unite! The challenges and opportunities of Social Media*. Business Horizons, 2010 January-February (No. 1), p. 59-68.
- Malhotra, N. K., Birks, D.F. (2000). *Marketing Research. An Applied Approach*. European Edition, Prentice Hall
- Marse Vidri, M. & Costa, N.J. (2010). *La Industria del Benestar a Catalunya*, Generalitat de Catalunya: Departament d'Empresa i Ocupacio
- McCarthy, E. J. (1964) *Basic Marketing, a Managerial Approach*. Irwin, Homewood, IL.
- Musser, J. and O'Reilly, T. (2006) *Web 2.0 principles and best practices*, O'Reilly Radar.

- Parise, S.; Guinan, P.J. (2008). *Marketing Using Web 2.0*. Proceedings of the 41st Hawaii Conference on System Sciences, Manoa, Hi.
- Paya, J. (2012). *Centro Integral del Bienestar: Funciones y Procedimientos*. Barcelona, Catalonia.
- Perry, C. (2002). *A Structured Approach to Presenting Theses: Notes for Students and Their Supervisors*. Australian Marketing Journal, vol. 6, no. 1, pp. 63- 86.
- Pickton, D. W.; Wright, S. (1998). *What's SWOT in Strategic Analysis?* Strategic Change volume 7, issue 2, pp. 101- 109.
- Pilzer, P. E. (2010) *The New Wellness Revolution, How to make a fortune in the next trillion dollar industry, second edition*, Hoboken, New Jersey: John Wiley & Sons, Inc.
- Porter, M. E. (1985). *Competitive Advantage*, New York: Free Press /Macmillan.
- Shadish, W. R., Cook, T. D., & Campbell, D. T. (2002). *Experimental and Quasi-Experimental Designs for Generalized Causal Inference*. Boston: Houghton Mifflin Company
- Segal-Horn, S. (2004). *The Strategy Reader*, Great Britain: The Open University.
- Skovdahl, K., Sorlie, V. & Kihlgren, M. (2007) *Tactile stimulation associated with nursing care to individuals with dementia showing aggressive or restless tendencies: an intervention study in dementia care*. Int J Older People Nurs, 2, 162-70.
- Shuen, A (2008). *Web 2.0: A Strategy Guide*. O'Reilly Media, Inc.
- Strangelove, M. (1995). *The Walls Come Down*, Internet World, pp. 40-44.
- United Nations (2007). *World Population Ageing 2007*, Department of Economic and Social Affairs: United Nations.
- Wang, F., Li, Y., & Zhang, Y. (2011). *An empirical study on the search engine optimization technique and its outcomes*. Artificial Intelligence, Management Science and Electronic Commerce, pp. 2767-2770.
- Waterman, R. H., Peters, T. J., Phillips, J. R. (1980), *Structure is not Organization*. McKinsey Quarterly in-house journal, McKinsey & Co., New York, 1980.
- Wunsch-Vincent, S.; Vickery, G. (2007). *Participative Web: User-Generated Content*. Digital content published by the Secretary-General of the OECD

INTERNET

CIA (2012), acquired on 30 November 2013:

<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2129rank.html>

Datosmacro (2014), acquired on 25 Januari 2014:

<http://www.datosmacro.com/paro-epa/espana-comunidades-autonomas/cataluna?sector=Tasa-de-paro&sc=EPA->

Enfemenino (2012), acquired on 18 December 2013:

http://foro.enfemenino.com/forum/psycho1/___f14298_psycho1-Por-que-los-psicologos-son-tan-tan-tan-carisimos.html

Expatica (2013), acquired on 30 November 2013:

http://www.expatica.com/es/news/spanish-news/spain-says-catalan-tensions-cause-tremendous-instability-_245141.html

IMF (2012), acquired on 30 November 2013:

<http://www.imf.org/external/pubs/ft/wp/2012/wp1264.pdf>

Innovation Union Scorecard, acquired on 1 December 2013:

http://ec.europa.eu/enterprise/policies/innovation/files/ius-2013_en.pdf

Instituto del bienestar (2013), acquired on 21 april 2013:

<http://www.institutodelbienestar.com>

Lopez, A. (2012), acquired on 20 December 2013:

<http://www.elmundo.es/elmundosalud/2012/10/25/neurociencia/1351182575.html>

Mundopsicologos (2012), acquired on 18 December 2013:

<http://www.mundopsicologos.com/consultas/esta-angustia-me-esta-matando-cuanto-cuesta-una-terapia>

People Wix Consulting, acquired on 3 December 2013:

<http://www.slideshare.net/peoplewizconsulting/a-comparison-of-five-popular-organization-design-models>

People Wix Consulting, acquired on 3 December 2013:

<http://www.slideshare.net/peoplewizconsulting/a-comparison-of-five-popular-organization-design-models>

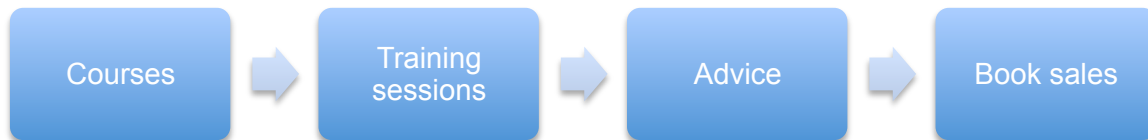
Vogue (2010), acquired on 18 December 2013:

<http://foros.vogue.es/viewtopic.php?f=68&t=176596>

APPENDIXES

APPENDIX A – FIGURES

Figure 1: IDB's services



IDB's services ranked from high information richness (Courses) to lower information richness (Book sales)

Figure 3: Relation E-Activities



Figure 7: A Company's Environments

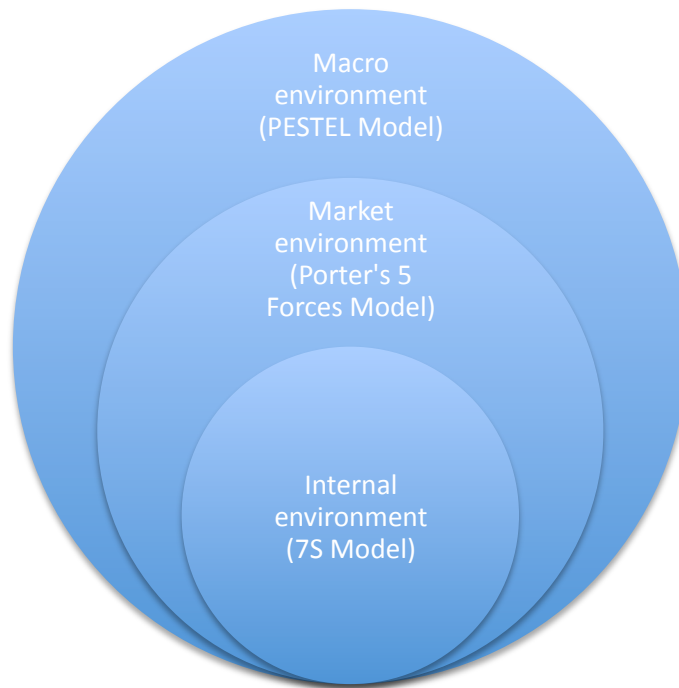


Figure 8: New E-Marketing Development Model

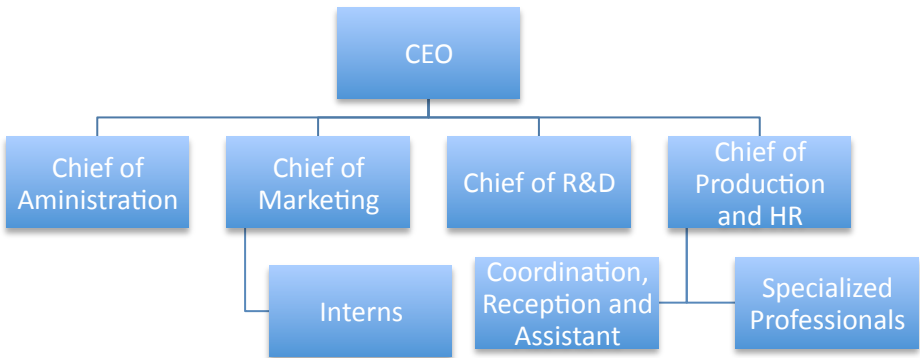


Figure 9: Constantinides’ Taxonomy Model, image adapted from:
Constantinides, E. (2008). *Survival in the Era of the Empowered Customer: Turning the Web 2.0 Menace into a Strategic Opportunity*, University of Twente.

	Passive	Active			
Marketing objective	Listening in	PR and direct marketing	Reaching new influencers	Personalizing customer experience	Tapping customer creativity
Application type					
Web logs	XXX	XXX	XXX		
(Content) Communities	XXX	X		XXX	XXX
Social Networks	X	XX		XX	XX
Forums/Bulletin Boards	XXX	X	XXX		
Content Aggregators		XXX	X		

Figure A. Web 2.0 Applications as Marketing Tools: XXX: very suitable, XX: moderately suitable, X: less suitable, Blank: not suitable

Figure 10: Organization Chart IDB, Image adapted from:
Paya, J. (2012). *Centro Integral del Bienestar: Funciones y Procedimientos*. Barcelona, Catalonia.



Organization chart of IDB (Paya, p.2, 2012)

Figure 11: Wellness Industry Cluster, image adapted from: Global Spa Summit (2010). *Spas and the Global Wellness Market: Synergies and Opportunities*. Global Spa Summit, Stanford Research Institute International.

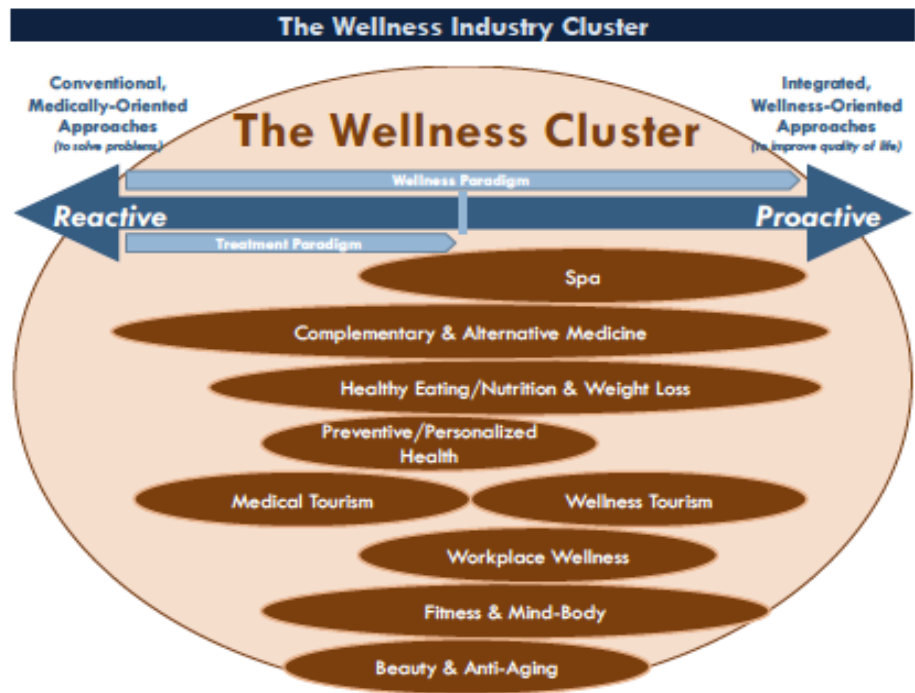


Figure 12: Distribution of the Wellness Industry in Catalonia, image adapted from: Marse Vidri, M. & Costa, N.J. (2010). *La Industria del Benestar a Catalunya*, Generalitat de Catalunya: Departament d'Empresa i Ocupacio



Figure 13: Perceptual Map of IDB's Competing Forces

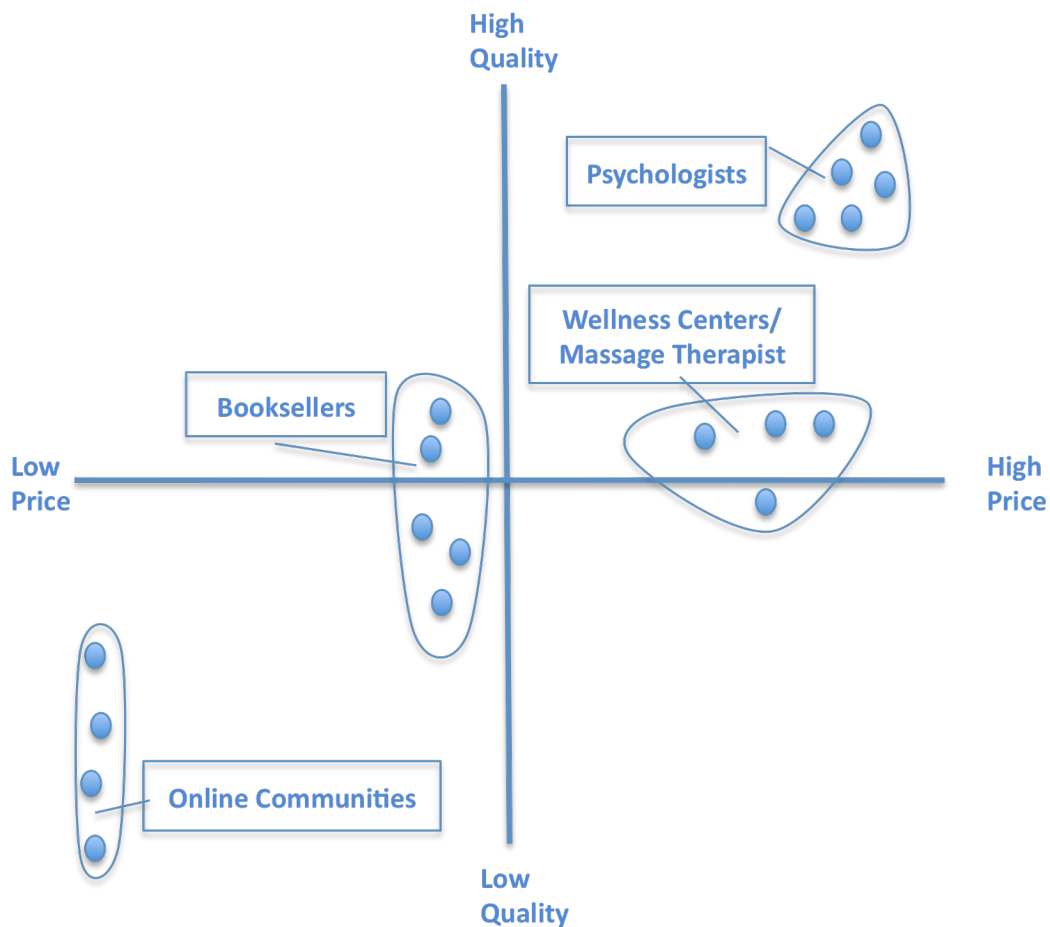


Figure 17: IDB's Current Logo, image adapted from: institutodelbienestar.com (2013)



APPENDIX B – THE E-MARKETING PYRAMID

Product/Service

The basis of a marketing strategy should be the quality of the product or service that is offered, along with the customer and market orientation of a company. These two parameters help in defining the company's mission, unique selling proposition, market image and market positioning. Failing to deliver what is promised can lead to negative exposure for companies on the web, by users getting in touch with (potential) users, reading blogs or looking for reviews. This makes quality control systems and continuous innovation important strategic foundations in this stage (Constantinides, p.7, 2008).

E-Marketing Organization

After the basis follows a stage that is concerned with creating and maintaining a market-oriented organization able to support traditional as well as online marketing activities. This is an important phase because experience has shown that many traditional organizations adopting online marketing often had difficulties to adapt their organization and reach the level of refinement required for online operation. That is why for some companies the Internet is a sustaining technology, while for others it is a disruptive one (Constantinides, p.7, 2008).

Web 1.0

After having created a market-oriented organization to support the online marketing activities, the corporate website can be developed. Competitive advantages and already existing reputation are sources of value and customer goodwill for online operations. Note that these sources are influenced by the online approaches that the company uses, where inefficient and substandard online approaches can lead to deterioration of customer quality perception and a damaged image of the online and physical business. This is why online marketers have to understand the importance of a well designed and credible website. Assigning a role to the website that contributes to the overall marketing objectives helps in creating the proper customer online experience and integrating the online business into the overall business plan (Constantinides, p.7-8, 2008).

Web 2.0

The last step concerns the involvement of web 2.0 as marketing tool. Having an impeccable online presence is of utmost importance before taking this step, because synergy with the web 1.0 environment is vital and steps towards web 2.0 must be founded on the resources and capabilities of the organizational back office. This is why the objectives of the web 2.0 strategy have to be very clear. It is necessary to identify organizational or other changes that are needed; effectively using web 2.0 as a marketing strategy is a long-term process requiring resources and above all organizational commitment (Constantinides, p.8, 2008).

APPENDIX C – THE 4S MODEL

Scope

The scope focuses on strategic issues. There are several steps that have to be taken during this phase all determining the scope of the online marketing project.

Firstly the **strategic objectives** need to be defined. These objectives have to be in line with the corporate mission and strategic goals. This way the e-business strategy generates additional value and helps the organization reach its main objectives. The online marketing objectives do not necessarily differ from traditional marketing objectives. Examples are: Improving company image, increasing profits, expanding the customer base, increasing customer retention or augmenting the product and brand awareness among new groups. These objectives will form the basis for the e-marketing strategy that will be implemented (Constantinides, p.62, 2002).

The second step concerns a **market analysis**. It is very important for companies to identify their market domain, market potential, the profiles of potential customers and the online strategies of competitors. The online customer may differ from the physical customer. Web clients can be people from different geographical areas and different backgrounds. This can bring serious logistic, legal and administrative problems. If market research data is not available, a number of initial assumptions has to be made as the most likely profiles, needs, motives, attitudes and demographics of the potential web customers. These assumptions help the online marketer in identifying potential market segments and decide the initial site positioning, unique selling proposition, style, design, structure, product assortment policies and pricing strategy. Naturally these assumptions should be refined using online as well as physically collected customer and market information (Constantinides, p.62, 2002).

After the market analysis follows the **internal analysis**. Because a firm's resources, processes and values determine if a technology will be sustaining or disruptive, an internal analysis should be done on these three factors (Christensen, 1998). The result of the analysis will determine the readiness of the organization to take on e-marketing and assess the possible effects of it on the organizational value chain (Porter, 1985). A negative result is likely to lead to a so-called No-Go decision. The low added value or the high degree of organizational disruption, are examples of reasons why a company may decide to consider alternative options (Constantinides, p.64, 2002).

The last step in describing the Scope is the **strategic role**. The strategic role describes the tasks assigned to the online activity and will be reflected on the firms online model. Examples of strategic roles are the informational, educational, service oriented, promotional, relational, and the transactional role. Normally the actual strategic role is based on one or more of these roles (Constantinides, p.64, 2002).

Site

The company's website represents a big part of their image. It is the prime source of customer-experience and is therefore the most important communication element of e-marketing. The website can be seen as the virtual product display, promotional material, price catalogue and sales/distribution point. Designing a well functioning website is not all. The prime mission is generating traffic, establishing contact with the online target markets and branding the online organization (Constantinides, p.64-65, 2002).

Synergy

'Synergy is the interaction of multiple elements in a system to produce an effect different from or greater than the sum of their individual effects.'

(The Strategy Reader, 2004)

The term synergy comes from the Greek word *synergia*, meaning as much as 'working together' (Segal-Horn, 2004). In the WMM model context, synergy is defined as the integrating processes necessary for realizing the virtual organization's objectives. These synergies can be developed

between the physical and the virtual organization, as well as between the virtual organization and third parties. Constantinides distinguished three different levels where synergy is desired, namely the Front Office, the Back Office and the Third Parties. Each of these levels will be described below.

Normally in the web industry the **Front Office** is referred to as the website itself. In the WMM model however, front office refers to the traditional corporate communication and distribution strategies. The Front Office element underlines the need to examine and identify ways that can facilitate the full integration of the web operation into the company's communication plan.

The need for integration and synergy between the web environment and the physical communication plan is clear. Existing customers tend to be more sensitive to company communication than non-customers, and are therefore most probably willing to make use of the online functionality. Taking advantage of this customer goodwill is economical, time saving and more effective than launching new promotional campaigns with the purpose of creating new commercial concepts and brand identities.

Next to the promotional integration, it is also important that the web operation can operate along the existing distribution framework, adding value to it. There is the fear of companies, that online sales will disrupt the traditional distribution channels, causing profit losses. However, empirical evidence shows examples of successful integration of web business with physical business without influencing existing distribution channels (Christensen, 2000). It is up to the web marketer to find ways to minimize problems by recognizing mutual benefits and turning them into a win-win situation for all parties (Constantinides, p.65-66, 2002).

The **Back Office** synergy embraces three integration issues. These are organizational integration, legacy integration and integration with the company value system. Creating new organizational infrastructures is not an easy job, but can come with benefits like economies of scale and learning effects. So whenever changes in existing infrastructures are necessary in order to meet the higher standards of web operations, the company as a whole benefits, both the physical as the virtual side. E-commerce therefore can be a catalyst of organizational change.

Organizational integration stands for the integration into existing support operations. This is necessary for the online firm in order to be able to provide the fulfillment and Back Office support expected by web customers. On the Internet, the competition is only one click away. This means companies need to satisfy customers by providing a good service experience.

Secondly there is legacy integration. This concerns the integration of online activities into the information infrastructure. Efficient Resource Planning (ERP) systems, databases and data warehouses are examples where integration is vital for management and administration of e-marketing activities. Good use of the company IT legacy, will lead to cost advantages, improved decision-making and more efficient information management.

Lastly there is the integration with the company value system. In the case of a transactional site this means that the company's boundaries should be expanded by including all external participants in the firm's value system: intermediaries, suppliers of raw materials and other parties directly or indirectly linked to the company's production, distribution and logistic processes. Also for online ordering new strategies are required. These Efficient Consumer Response (ECR) strategies demand a high degree of efficiency within the value system. Introducing the Intranet and Extranet can help in creating a higher efficiency and cost reductions (Constantinides, p.66-67, 2002).

Finally there is the synergy between the company and **Third Parties**. Co-operation with third parties in order to be more competitive in the online market place is the main objective. These co-operations can be seen as complementary to the already existing promotional activities. Examples of partners for such synergies can be affiliate networks (banners paid based on click through rate), online advertising (banners, links or buttons on high traffic sites) and search engine and web directories (SEO) (Constantinides, p.67-68, 2002).

System

The last step in the 4S model concerns system. This factor identifies technological issues as well as site servicing issues to be addressed by the e-marketing management. In the beginning of the Internet, technology was considered to be the driving force behind Internet growth. However, too much emphasis on the technological aspect of the website can result in customer confusion, dissatisfaction, declining web experience and ultimately lost business. This so-called technology overkill should be avoided and the company's strategic and commercial principles should underpin the online organization at all time. So the role of technology should be put into perspective and therefore technology should never become the starting point of online activities. There are a lot of areas where system-related decision can be made, a few examples are web site administration, web server hosting, site construction, content management, site security and transaction functionality (Constantinides, p.68, 2002).

APPENDIX D – THE SOSTAC CYCLE

- Situation analysis – *Where are we now?*

In the situation analysis the internal and external environment will be analyzed. To be precise, three environments will be analyzed, namely the internal environment, the microenvironment and the macro environment. The microenvironment represents factors playing part in the company's direct area, like competitors, customers, suppliers and so on. The macro environment represents general factors each company in every sector has to keep in mind when operating in a certain country. Examples are political, economical, socio-cultural and environmental factors. The last step of the situation analysis concerns obtaining a clear overview of all the factors playing part in and around the company, contributing to the decision to be made later on concerning the positioning of the company in the market.

- Objectives – *Where do we want to be?*

This element can be translated into the company's vision and mission, but can also be a result of the role the company decides to play. Do they want focus on increasing sales, serving the customers as good as possible or save on costs made by the physical company? A company can adopt various roles as long as they do not interfere each other's purpose.

- Strategy – *How do we get there?*

This step describes the strategy a company should adopt, based on the results from the previous two steps. Depending on the level, different decisions have to be made. On a strategic level it is important to determine where to position the company and which markets to enter, while on a operational level, decisions concerning which target group to focus on are more important. Before determining which target group to focus on, the company should have a clear idea of their online value proposition. In other words, the activities in this step concern segmentation, target group choice, differentiation and positioning.

- Tactics – *How exactly do we get there?*

This step's main purpose is bringing forward details of the strategy. Defining what steps have to be taken and at what moment exactly. It supports the previous step. Here decisions are made on what communication tools to use, how they will be used, what messages will be sent to the customers and if the messages are consistent among all communications tools. Also is determined if resource and budget conditions are being met.

- Actions – *The details of tactics.*

After having brought forward the details of the strategy in the last step, this step focuses on bringing forward details from the tactics. This concerns the adjusting of roles and structures within the organization. Determined is who does what and when, if internal staff is used or external agencies, and what system processes are in place. Also in this step the Key Performance Indicators (KPIs) are being set apart and ways of recording performance are discussed.

- Control – *How do we monitor performance?*

To make sure the company keeps on moving towards the right direction, performance must be controlled. KPI are controlled, customer satisfaction surveys are being held and site visitor profiles are being monitored. With the use of this information the company can opt to introduce certain changes in the strategy to improve strategy performance or to adjust objectives.

APPENDIX E – 7S MODEL (WATERMAN, 1980)

The 7S framework is a management model designed in the 1980's by two McKinsey consultants, Robert H. Waterman Jr. and Tom Peters in their article *Structure Is Not Organization*. The model is also referred to as the McKinsey 7S framework, after the McKinsey management consultancy firm. The model is designed to analyze the internal environment of a company and is most often used as a tool to assess and monitor changes in the internal situation of a company. Waterman and Peters also refer to it as 'the model of organization change' (Waterman et al., p.19, 1980). However the model has also proven to be a useful tool for reviewing an organization's capabilities to implement an online marketing strategy (Chaffey et al., p.225, 2000). All components of the model start with the letter S: Structure, System, Style, Staff, Skills, Strategy and Shared values. The model's spectrum can be divided into a hard end and a soft end. The hard end consists of Structure, System and Strategy, while the soft end consists of Staff, Skills, Style and Shared values. The soft side is harder to manage, because the components keep on changing. Below follows a description of each of the model's components. The idea behind the model is that an organization has to align all the elements in order to perform well.

Structure

Structure simply stands for how the company is organized. Aspects in a company that are important in describing the structure are for example the number of layers in the company, if it is clear where employees have to go with their problems, if the company's layout is centralized or decentralized. An organization chart can help in getting a clear overview of the company's structure.

Strategy

By 'Strategy' is meant those actions a company plans in response to or anticipation of changes in its external environment, its customers and its competitors (Waterman et al., p.20, 1980). It can be seen as the organization's way of saying: 'Here is how we will create unique value.'

System

'System' refers to all kinds of systems there are. These are all the procedures, formal and informal, that make the organization go, day by day and year by year: capital budgeting systems, training systems, cost accounting procedures and budgeting systems (Waterman et al., p.21, 1980). When a change in the company is desired, the systems should be changed.

Style

People often think managing styles are all about words. Waterman et al. (1980) state that not words but patterns are decisive, making the power of style manageable. Henry Mintzberg has pointed out; managers don't spend their time in the neatly compartmentalized planning, organizing, motivating and controlling modes of classical management theory. Their days are unorganized, with a seemingly infinity of things that need attention (Waterman et al., p.22, 1980).

Staff

Staff (or personnel) can be treated in two ways. At the hard end of the spectrum (Structure, System, Strategy) is looked at appraisal systems, pay scales, formal training programs and the like. While at the soft end of the spectrum (Style, Staff, Skills, Shared values) is looked at morale, attitude, motivation and behavior.

Skills

This element of the model looks at what attributes a company has that sets them apart from others. People often forget that when a company is to be described in a few words, strategy or structure don't matter. It is what the company does best that counts (Waterman et al., p.24, 1980).

Shared values

These 'shared values' describes factors of mutual interest of the employees. These values can also be seen as guiding concepts – a set of values and aspirations, mostly unwritten, that goes beyond the conventional formal statement of corporate objectives.

APPENDIX F – PORTER’S 5 FORCES MODEL (PORTER, 1985)

In this theory, Michael E. Porter (1985) addresses five main forces an organization has deal with in creating a successful strategy. It is used to describe five forces in the company’s direct environment, which shape the industry. These five forces are – the threat of new entrants, the threat of substitute products, the bargaining power of customers, the bargaining power of suppliers and the rivalry amongst existing competitors. Porter believes that the collective strength of the five forces determines the industry’s profitability. The stronger the collective of the forces, the less profitable the industry will be and vice versa. The forces have an effect on prices, costs and investment requirements. Buyer power, competition between firms, the thread of substitute products and the possible entrance of new competitors all influence the price a company can ask for a product. The bargaining power of suppliers determines the cost of product-inputs, also having an effect on the company’s profitability.

Threat of new entrants

How strong this threat is depends on a few factors. The threat of new entrants is not so big when there is a need for economies of scale; these are difficult to achieve when a company is just starting its business. Another possible factor is the height of the entry cost. If a significant capital investment is required, entering the market is not desired. Sometimes there is simply no place for new entrants in the market; when the industry is not very big and there are not many distribution channels, this might be the case. The government also can play a part in weakening the position of starting businesses, by giving subsidies to existing companies in the industry at the expense of the new entrants. A factor that makes entering more difficult is when the existing companies are so accustomed to the industry giving them advantages like easier access to raw materials, cost advantages or know-how. Finally there is the possibility that customers are very loyal to their brand, especially in industries with strong product or service differentiation.

Threat of substitute products

Substitute products in Porter’s refer to products in other industries that can perform the same function. So when a customer switches from one beer brand to a different one, the different beer brand is not considered a substitute. It will be considered a substitute if customers would choose for wine instead of beer. This might not be a very strong example because beer and wine can be considered very different. Another example is a can-factory. A can factory cannot raise prizes too high because bottles can easily replace the can’s function. Next to the straightforward substitute products, there is also a technological force and the risk of obsolescence. This is happening with YouTube who threatens the position of established media companies.

Bargaining power of customers

With customers (B2B and B2C) always scanning the market for good deals, low prizes or higher quality at a constant price, prices and profitability are forced down. Customer power is high when a customer purchases a large part of the supplier’s output. Also when there are a lot of substitute products at hand, allowing easy switching, the customer’s bargaining power is higher.

Bargaining power of suppliers

The conditions that increase the bargaining power of suppliers are exactly the opposites of those of applying to customers. For example, the power of the supplier is high when there are few suppliers, the product is distinctive or the customer is a small or irregular purchaser. All morals aside, the supplier also has the possibility to threaten to extend their business to compete with the customer.

Rivalry amongst existing competitors

It is known that strong competitive rivalry lowers profitability. To refresh the minds, here follow a few situations in which there is a lot of competition. Firstly, there is a lot of competition when there are many firms in an industry, without one being dominant. Secondly, when there is slow market growth, companies have to fight for market share, which logically creates rivalry between the competing firms. Also, when products are very much the same so customers can switch easily there is a lot of competition. Normally the highly competitive markets also face threats from new entrants (Boddy, p.94, 2008).

APPENDIX G – PESTEL MODEL (FAHEY & NARAYAN, 1986)

Zooming out an extra step brings us to the macro environment. The PESTEL analysis helps to identify the forces that play part in this environment. **Francis Aguilar** first used the term 'PEST' in his 1967 book, 'Scanning the business environment'. Later **Fahey and Narayanan** added the E and L (Environmental and Legal forces), thus creating the PESTEL analysis. The model consists of the following forces, political, economic, socio-cultural, technological, environmental and legal. What these forces exactly are and how they can shape management policies follows next.

Political factors

The main characteristics of politics are 'making a common and uniform decision applying in the same way to all members of a group of people' and 'the use of power by one person or group to affect the behavior of another person or group' (Shively, 2008). Political factors should be analyzed before doing business in a country, because these factors can lead to political risk (political disruption), which in turn could lead to market, financial, and personnel losses. In short, political factors refer to government policy and the degree to which it influences the economy. Aspects that can be considered are the type of government (political ideologies), public ownership versus private ownership, government protection of economic activities and government stability (Ball et al., 2006)

Economic factors

Wage levels, inflation and interest rates affect a company's profitability. Companies nowadays look across the border in search of favorable economic environments. This is the reason why a lot of electronic companies have switched to low-wage countries in Asia. Similarly, clothing companies manufacture more and more clothes in Turkey and India for the sake of economic advantages.

Before deciding to enter a foreign market, economic information is needed to estimate the market potential. Key factors are for example the gross national income (GNI), the gross domestic product (GDP), the GDP per capita, the purchasing power parity (PPP), which measures purchasing power to compare standards of living, including exchange rate of a currency; inflation rates; investment rates and exchange rates (Ball et al., 2004).

Socio-cultural factors

Culture can be defined as the sum of the beliefs, rules, techniques, institutions, and artifacts that characterize human populations (Brady & Isaac, 1975 in Ball et al., 2006). Crucial factors that define culture are aesthetics, attitudes and beliefs, religion, material culture, education, language and societal organization (Ball et al., 2006). A lot of these factors can be found demographics, making demographics very important for organizations. Think about situation where a company has to adjust to changes in size and age of the population. When there are a lot of single people in the population, housing plans need to be adjusted to this. Another example is the ageing population, where the need grows for better health care and more pharmaceuticals. Also consumers' tastes and preferences change; in the current food market there is a shift going on to more healthier products (Global Spa Summit, p.24, 2010).

Technological factors

The technological environment is shaped by level and direction of technological advancements (Narayanan, 2001). Monitoring advances in technology is important for companies. Where before there were different devices at the base of the information revolution, like the telephone, the television and the computer, nowadays the boundaries between these devices are eroding. Processing and transferring in the same digital format will greatly enhance their ability to exchange information. Also the growing use of the Internet opens more distribution channels, making it easier for new competitors to enter the market at a lower entry cost. Also because of the growth of the Internet, allow employees to work more at remote locations.

Environmental factors

Available natural resources, like minerals, agricultural land and the prevailing climate and topography affect the kind of business managers create (Ball et al., 2006). Nowadays there is a lot of attention on climate change and what it means for countries and businesses. A lot of companies are being affected by this climate change, for example water companies and insurance companies.

Legal factors

Logically there is a legal framework in which companies have to operate. Think about health and safety, employment, consumer protection and pollution control. An international business environment can particularly provide some challenges. To be successful in a foreign country, it is important that the foreign company is protected by the legal system of the host country. A country with a protective legal system is governed by rule of law, has a dispute resolution in international contracts, acknowledges intellectual property and acknowledges standardized world laws (Ball et al., 2006).

APPENDIX H – BUILDING AN ONLINE BRAND (ROWLEY, 2002)

Setting the context for the brand

Any brand mark needs to be developed while taking into account the corporate brand. Values that are embedded in the corporate brand need to be translated into the company brand, but interpreted to match the unique services offered by the company. Offline values need to be echoed in online channels. Think about values as friendliness of staff, relaxed atmosphere, informative help, attractive displays of a company can be represented online through friendly tone of voice, simple site, uncluttered, easy navigation, similar colour pattern as the physical company and helpful e-mail contact points.

Deciding on brand objectives and message

Marketing communications across all media need to deliver the same message. The first step consists of understanding what this message is, focusing on the concept of brand as a set of values. These values have to match the values the customers are looking seek in using a product or service. Along with the creation of a company message comes the matter of objectives of online branding. A small selection of examples of objectives for websites follows:

- raise awareness of online and offline services;
- encourage a higher level of use;
- enhance the effectiveness of communication between users and the library;
- encourage more frequent visits to the website;
- change people's attitude to the library.

Developing a brand specification

Next to the message there are other elements of the specification that to be identified. Especially in context of the brand mark. A brand needs to be recognisable en memorable, visible and usable in different marketing channels, including online as well as offline communication methods.

Developing a brand design

In translating a specification into a design, it is helpful to rely on professional assistance to a designer or a design agency. This should be an interactive process where the designer makes a range of proposals, where manager, staff and users have the possibility to deliver structured input.

Creating the website and other communications using the brand

The design of the website should be done in such a way that the brand is reinforced and communicated. Messages become clear from all elements of the website. But it has to be kept in mind that effective website design remains important in terms of usability. The central focus in the branding process is on communication and messages.

Launching and promoting the brand

After the website is ready, one does not simply launches it. In addition to the launching it is important to continue building brand presence offline by publicity, launch events or word-of-mouth in training seminars for example.

Building the brand experience

Once the brand is launched it is important to deliver a brand experience. Think about interaction through those activities associated with the brand, including ease of navigation of the website, value of pointers to external information and delivering the same quality of service online as offline. These examples of a website's characteristics all contribute to building the brand experience.

Reviewing, evolving and protecting the brand

Although it is not very likely that a company's brand is being emulated and used to sell t-shirts for example, it is important to monitor and control the use of the brand. This should be done on the level of its use in corporate communications, and the interaction between the use of online and offline presentations of the brand. The associations users are building with the brand are important components in evaluating marketing communications, and more widely the success of the company in engaging its audiences. It is important to not ignore the brand overtime, but hold periodical audits of how the brand is applied and perceived. This delivers important information for brand evolution.

APPENDIX I – WEB 2.0 (CONSTANTINIDES, 2008)

In figure 2.6, Constantinides' taxonomy model is presented. On the vertical dimension of the model, five application types are set apart, while on the horizontal dimension of the model, main marketing objectives are identified that can be attributed to the social media as marketing tools, in two categories of approaches: the passive or the active approach. Firstly the social media applications are explained, after which these two approaches will be set apart (Appendix A; figure 9).

Social media applications

Web logs

Better known as blogs or online journals. This is the most known and fastest growing application (Du, 2006), often seen combined with podcasts or videos that can be streamed or downloaded to portable devices.

Social Networks

These platforms allow users to build personal web sites accessible to other users for exchange of personal content and communication. These networks give the opportunity to create contacts in all fields, from professional to personal (Dans, 2007). Examples are Facebook, Google+, Twitter and LinkedIn. Individuals, groups and companies can use these websites. McKinsey (2007) described social networks as systems that allow members to learn about other members' skills, talents, knowledge or preferences.

Content Communities

Websites focused on sharing a particular type of content, examples are video sharing sites like YouTube and Vimeo; photo sharing sites like Flickr; and publicly edited encyclopedias like Wikipedia.

Forums/ Bulletin Boards

These are sites for exchanging ideas and information around special interests. Examples are Epinions, Python and Personaldemocracy.

Content aggregators

These are applications allowing users to fully customize the web content they wish to access. These sites use a technique called Rich Site Summary (RSS). Examples of social media aggregators are Reddit, Mixx, Digg and Publish2.

Passive way: Using the web 2.0 domain as source of intelligence

The people on the Internet nowadays can be characterized as information sharers. They like to talk online exchanging reviews, experiences, problems and ideas about products or services. A lot of customer dialogue takes place on social media applications like web logs (blogs), forums and content communities. People participating in the online discussion often use video, audio or other types of rich media to strengthen their point. The information that is posted online sometimes is so powerful that it even reaches mainstream media and the general public.

It is important for marketers to capture the customer voice, because it reveals needs, experiences, complaints, expectations and market trends. So it is vital for the communication with the target markets and crucial for successful product/service development. Nowadays marketers are able to access the 'live' customer voice on a continuous basis by listening in or participating in the online conversation. To do this, locating and monitoring what people discuss or publish is important. The best possible web 2.0 applications for listening in are blogs, online communities and forums.

Active ways: Using web 2.0 applications as PR, Direct Marketing and Customer Influence Tools

The active approach consists of multiple manners. It is divided in four sub-categories.

- Using web 2.0-based applications as PR and Direct Marketing tools

As the previous part showed, an increasing number of marketers recognize the importance of the online dialogue, taking place in web logs, online forums and user communities. Such environments can also be introduced as part of the corporate online presence. This allows corporate executives to attract the dialogue in their own quarters and directly discuss with their customers.

Next to these corporate blogs, a simple and low-cost way to engage the social media as PR tool is to utilize content communities like YouTube and Daily Motion as communication / advertising channels of corporate promotional material. While using these sites, a public of thousands or maybe even millions can be reached with practically no cost. Also more traditional online advertising tools like videos, links or banners placed in special interest blogs, communities or forums enable marketers to reach special interest publics and a phenomenon described as the Long Tail: Market niches or individual customers looking for products that can not be found in the main-street shops.

Firms can keep their customers informed about their products by adding a RSS (Rich Site Summary) capability to the company's website. That way, marketers can reach millions of Internet users who filter the online content they receive by subscribing to RSS readers like Feedly, Inoreader and Newsblur. The most suitable web 2.0 applications for online PR are blogs, forums and content aggregators.

- Engaging social media personalities as product or brand advocates

Engaging the specialized press and industry media has always been part of the commercialization process of new products. Nowadays marketers see that engaging online opinion leaders and personalities can do the same by addressing and reviewing the product in their blogs or in forums. The endorsement of product innovations by online influencers is often decisive for the adoption of products by mainstream customers. It is of great value to establish working relationships with these leading figures on the web, so that they will continue reviewing, discussing and commenting the company's new products. Best social media tools are blogs and forums.

- Using social media for personalizing customer experience or customizing products

This approach gives customers the chance to design and customize their online experience or even customize their own products. Next to this many companies have developed interactive online applications and tools allowing customers to partly or fully shape physical products they buy online. This customization strategy addresses the increase in customer need for individual products instead of mass products. This strategy can contribute to higher customer retention and efficient customer focused branding. Most suitable web 2.0 applications are a web 2.0 enabled website in the form of sponsored online forums and social networks.

- Engaging the customer as a contributor of product reviews, advertising concepts and as part of the innovation process

This approach is built on the assumption that opinions and reviews of peers are perceived as better than those written by experts. Customers seem to trust more in opinions of customers, because the perception is that peers reflect genuine feelings and experiences. This process is inspired by the Open innovation principles, advocating business partners to participate in the innovation process. This approach goes one step further by involving customers in this process. This innovative customer can fulfill several roles; product conceptualizer, product designer, product tester, product support specialist and product marketer. Advantages are shorter development trajectories, better products, low innovation costs and flexibility. Applying this approach requires Virtual Customer Environments, these can be formed by content communities and social networks.

APPENDIX J – THE WELLNESS CLUSTER

There are different kinds of wellness a company can offer. When applying the term ‘wellness’ to economic and business fields, shows that there is not one clearly defined wellness industry yet. As stated earlier, there is the emerging sense that such an industry does exist and is growing in a rapid manner (Global Spa Summit, p.ii, 2010). Because of the broadness of the term ‘wellness’, there are a lot of different sectors in this industry. In positioning a company it is best to view the wellness industry on a continuum. On the left-hand side reactive approaches to health and wellness are distinguished like conventional medicine. In the middle of the continuum, or the balance point, no real industry sector can be described. People addressing problems and having them cured form this middle point. The right-hand side represents the proactive approaches, with other words, industries that try to enhance the quality of life, improve health and bring people to high levels of wellbeing (Global Spa Summit, p.iii, 2010). The Stanford Research Institute (SRI International) developed a model that includes nine industry sectors, each one positioned along the wellness continuum (Appendix P). This figure helps defining the wellness industry. A short description of the nine sectors within the wellness industry follows below.

Spa - According to the Global Spa Economy 2007, the spa sector exists of establishments that promote wellness through the provision of therapeutic and other professional services aimed at renewing the body, mind and spirit (The Global Spa Economy 2007, p.8, 2008). In the Global Spa Summit this definition is extended by including all types of spa operations, as well as spa-related education; spa-branded products; spa consulting; spa media, associations and events; and spa capital investment. The Spa cluster is predominantly placed at the proactive side of the wellness continuum because its general purpose is to help already healthy people feel even better. Nonetheless the cluster is also partly placed on the reactive side of the continuum, because there are some spas serving patients with specific problems e.g. skin problems.

Complementary & Alternative Medicine (CAM) - As can be seen in the wellness cluster, CAM covers proactive as well as reactive approaches. This is because CAM includes diverse medical health care, holistic and mentally or spiritually based systems, practices, and products that are not considered to be part of conventional medicine or the main health care system (e.g. homeopathic, naturopathic, meditation, herbal remedies, etc.) (Global Spa Summit, p.20, 2010).

Healthy Eating/Nutrition & Weight Loss - A sector also predominantly covering the right hand side of the wellness continuum. This sector includes vitamins and supplements; functional foods/nutraceuticals; health foods; natural and organic foods; weight – loss and diet service providers and advisory services; weight loss and diet foods and meal services; and anti obesity prescription and over-the-counter drugs (Global Spa Summit, p.21, 2010). The reactive side of this sector includes changes in diets and eating habits in response to specific conditions like diabetes or high blood pressure. Also weight – loss and dieting fall on this side of the continuum, as methods used against the chronic health problem of obesity.

Preventive/Personalized Help - Positioned mainly on the reactive side of the continuum, this cluster includes medical services that focus on treating people, preventing disease or detecting risk factors – for example, routine physical exams, diagnostic/screening tests and so on. Personalized health consists mainly of approaches not typically done by conventional medical providers. The main focus is on using sophisticated information and data for individual patients to provide custom-fit approaches for preventing disease, managing risk factors or treating conditions (Global Spa Summit, p.20, 2010).

Medical Tourism - This cluster is placed on the reactive side of the continuum because it consists of persons travelling to another place in order to receive medical, surgical or dental care – primarily

because the care is more affordable, of higher quality or more accessible. This sector includes any providers of services to medical tourists during their trips, such as hospital/doctor, a hotel, food, shopping and so on (Global Spa Summit, p.20, 2010).

Wellness Tourism - Placed on the same line as Medical Tourism but on the other side of the continuum, Wellness Tourism consists of person travelling to another place in order to receive a wellness-oriented treatment. Holistic, preventive or lifestyle-based services that enhance personal well – being are pursued. This sector includes providers of services to wellness tourists – including almost everything included in the wellness cluster, but specifically targeting wellness tourists, along with supportive services like lodging, food, shopping etc (Global Spa Summit, p.20, 2010).

Workplace Wellness - Positioned mainly on the right side of the wellness continuum, this cluster includes programs offered by companies and businesses aimed at improving the health and wellness of employees, in order to reduce costs and enhance productivity and performance. It is mainly seen as a proactive approach, raising awareness, providing education and offering incentives that address specific health risk factors and behaviors to employees (Global Spa Summit, p.21, 2010). Naturally, these services also point out a lack of exercise, poor eating habits, stress, obesity and so on, making the approach reactive in some cases.

Fitness & Mind-Body - This cluster mainly consists of proactive approaches improving people's health and wellness but can also be pursued reactively, in response to certain physical conditions. Think of gyms/health clubs; personal training; yoga, pilates, tai-chi, and other mind-body practices; fitness and exercise clothing and equipment (Global Spa Summit, p.21, 2010).

Beauty and anti-aging - This sector crosses both sides of the continuum, being partly reactive (covering up perceived flaws in appearance or responding to perceived or real problems related to getting older) and partly proactive (pursuing ways to enhance self-image). This sector includes beauty services; skin, hair and nail care services and products; cosmetics and other personal care products and services that specifically address age-related health and appearance issues (Global Spa Summit, p.21, 2010).

This continuum tries to define the wellness industry and therefore helps with classifying wellness companies in a certain sector. However, a company's view on whether or how to use the word 'wellness' in marketing is best left to individual businesses to decide (Global Spa Summit, p.ii, 2010). IDB cannot be positioned within one particular sector. The best fit is the Complementary & Alternative Medicine sector, where IDB provides a mental-health service that is not part of conventional medicine. IDB's advice service comes closest to what psychologists do, but in a more commercialized setting. This commercialized setting is represented by the 'one-best-program (PMBP)' message of IDB and the book sales that are pursued by the company. IDB's experts give personalized advice and lessons on mental health issues, solely based on the PMBP.

APPENDIX K – REFLECTION

Before I started working on my bachelor thesis, right after finding a suitable internship, I told myself that I had to work as structured as possible and preferably finish my thesis while still being abroad. This gave me the opportunity to start a Master study in September. However, once I had arrived in Barcelona this proved to be a difficult task for me.

The process of writing my bachelor thesis was a long-term rut. In the beginning of April 2013, when I had just arrived in Barcelona, I was still full of positive feelings, but if I have to think of a possible downside of being abroad in a city like Barcelona it is the undermining of the importance of finishing your schoolwork. Social activities overtook the planning schedule I made in the Netherlands. The same happened to a second planning schedule I made in Spain. Quickly it became clear that graduating in the same educational year would be near to impossible. However, I do not feel sorry for this lack of discipline.

There were more positive sides than negative sides during my internship. I got to know a lot of different kinds of people from all over the world, which has extended the geographical boundaries of my social life to worldwide proportions. Especially in Europe I find myself having contacts in almost every country, until this day staying in contact with an Oxford student, a student at the University of Prague and a filmmaker currently living in Paris. Contacts I would not have gotten if I had decided to stay close to home. Another plus was the fact that I had to talk English and Spanish on a daily basis, which has improved my language and communication skills considerably.

The hard part began when I came back to the Netherlands during summer break. Feeling like a new person due to the international experience, I really started enjoying everything I did in life. Writing my thesis was not one of those things. Of course I had worked on my thesis when I was in Barcelona, and also during the summer break in the Netherlands, but by far not enough to make any real progress.

It was after my first appointment with my supervisor, E. Constantinides that my work ethos increased. There were times when I got so caught up in writing, that I did not see the wood for the trees. After having talks with my brother and sister-in-law, I got back on track again. I finished my concept version with 70 pages full of text, not knowing that there were certain limitations one has to keep in mind. I mailed my supervisor who immediately replied that the maximum of pages of my thesis has to be around 30. This meant that almost 60 percent of the total had to be discharged. This was a big setback, because in the ideal scenario I wanted to finish the thesis in 2013.

At the moment I am typing this reflection it already is January 2014. I have not reached my goal to graduate in 2013, but instead I will start 2014 on a positive note. I can conclude that I have learned a lot during this period. Never have I been faced with real challenges through pre, mid and high school, so it this was new to me. The problems I have faced taught me valuable lessons for the future. For me it is important to work structured and to create a clear line between work and leisure time. That is why ideally I should work in a library setting during fixed working hours. Working according a detailed schedule is not my favourite way to work. I prefer to work towards concrete goals that are set every week or month. Conclusively I can state that I am thankful for the setbacks I had to deal with, where they have contributed to my personal growth.