Strategic Communication Plan for Spotzer Media Group BV



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Executive Summary

The purpose of this research is to design a high-level strategic communication plan that can help Spotzer to position their product or concept to small and medium enterprises in The Netherlands. The objective of the communication plan is to increase awareness of online video advertising to Dutch SMEs. These were summarized by formulating the central question "What communication strategy would be most effective to use to increase the awareness of online video advertising to small and medium enterprises in The Netherlands?"

In order to provide a clear answer to the central question, three possible scenarios were drawn that helped in guiding this research. These scenarios also were set as a guideline in determining the communication objectives, the target group and the strategy of the communication plan. The research methods used in this research were quantitative and qualitative research. It also included my own personal observations and experience as a former intern of Spotzer.

The result of the research shows that the market in online video advertising is growing. However, online video advertising is a new concept that companies like Spotzer are still developing and determining how this will really work. The competitor analysis showed that Spotzer has an advantage against its competitors. The research also showed that SMEs have no idea about Spotzer and very little knowledge about online video advertising. In communication analysis, it was shown that there is no direct link between Spotzer and SMEs. The research also showed that large Enterprises are looking for alternatives in advertising, and Spotzer has a possibility for a partnership with media and online directory companies.

Based on the research, the communication strategy that will be used is the STOP and SIT strategy, because this strategy will lead this communication plan in a clear direction. The communication tools to be used for implementing the strategy are advertising, public relations, exhibitions/trade shows, and personal selling with the use of Internet and print media. The communication tools and media were chosen in consideration of the B2B marketing. All three given scenarios will be used as a recommendation for Spotzer because these three scenarios will cover not just the communication recommendation as well as none-communication recommendation.

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Introduction

Advertising has been present since the Victorian era, and has become the means of attracting attention and providing information (A&SR, 2006). For most of us, we are familiar with the 30- second TV commercial, radio commercials, print ad campaigns in magazine, newspapers, and billboards. However, these types of advertising are very expensive and only big companies can afford it. For example, the traditional 30-second media spot can vary widely in cost and can run in excess of \$250,000 per spot for the creative alone (AdAge, 2006). In addition, this does not guarantee any return of investment.

Back in the era of mass products, mass markets and media, it did not matter whether advertising was clever or annoying. If companies were willing to throw enough money at ads, buying enough "gross rating points" they could sell anything (Washingtonpost, 2006). However, these days the power shifted from marketer to consumer (Washingtonpost, 2006). For example: now, viewers can watch their favorite TV shows without the interruption of the commercials watching TV shows on the Internet or the famous TiVo in the US. Unlike television, the Internet provides the user all the power they need to sort, browse, and filter content according to their needs. Video online became very popular, according to the research of Blinkx Survey (2007), 136 million Americans watch videos online and 43 percent of British background watch video online once a week. Marketers and advertisers realized that Internet users are the new target markets especially the online video viewers. One of the pioneers in this market was Spotzer Media Group (Washingtonpost, 2006).

Spotzer Media Group (BV) is an online ad agency that is making video advertising fast, affordable and highly successful for businesses globally. Spotzer began in 2006 by Andrew Klein, an American entrepreneur, together with Thed Lenssen, an award winning Dutch commercial director. Spotzer's head office is located in Amsterdam, The Netherlands. Spotzer is led by a talented team with decades of accomplishments in the creative, advertising, Internet and technology sectors. The key people on the management team of Spotzer Media Group have diversified experiences in the business and have achieved a set of success in their fields.

Aim and description of the assignment

Spotzer Media Group BV would like to promote online video advertising to small and medium enterprises (SMEs) in The Netherlands. However, this type of advertising is new and still being considered on a testing ground. Being a pioneer in this industry could be very risky and will entail a lot of trial and error in order to achieve their goal.

The main objective of this research is to design a communication plan on a high level strategic planning that will aide Spotzer in positioning their product and/or concept to small and medium enterprises in The Netherlands. High level strategic planning means that the key elements that play an important role in achieving Spotzer's goal in promoting online video advertising to small and medium enterprises will be prioritized (McDonald, 2007). The main target group of this communication plan are SMEs in The Netherlands and covers one year from June 2009-June 2010.

Central Question

What communication strategy would be most effective to use to increase the awareness of online video advertising to small and medium enterprises in The Netherlands?

To support this central question, the following sub questions will allow my research to determine the possibilities to create a marketing communication plan.

Sub-questions:

- 1. What is the general perception of SMEs in the Netherlands towards advertising?
- 2. What are the latest trends in advertising?
- 3. Who are the direct/primary competitors of Spotzer in The Netherlands?
- 4. What are the characteristics of small and medium enterprises in The Netherlands?

Three scenarios

Based on my initial research, I created three scenarios that would be recommendations to suggest to Spotzer. These scenarios will also help determine the communication objectives of the communication plan, determine the target groups, the strategies and communication tools to use later on as part of this research.

First Scenario: Develop a partnership scheme with online directories and media companies could help Spotzer promote online video advertising.

Second Scenario: Change of target group from small and medium enterprises to medium and large enterprises.

Third scenario: Form a sales team or reform a sales team that will promote Spotzer and video advertising

Research Methods

In order to develop a clear answer to the research questions both quantitative and qualitative researches were used. Also included were my observations and personal experiences during my internship at Spotzer as an intern for Business Development.

Desk research

Desk research is a very useful method because existing information can already be analyzed. Since online video advertising is very new, no books or long articles were written about this. The desk research will consist of sources from the Internet using search engines, e.g. *Google, Yahoo and MSN*. Blogs and forums about Spotzer and companies with the same product will be used to determine who are the direct and indirect competitors of Spotzer and what are the latest trends in online video advertising. I also used information I acquired during my internship at Spotzer that includes previous projects, minutes, and personal experiences.

Questionnaires

A questionnaire includes all techniques of data collection in which each person is asked to respond to the same set of questions in a predetermined order (Saunders et al., 2000). The questionnaires were distributed to 50 SMEs in The Netherlands, which represented as a sample of the whole target group.

Interview

In depth interviews are very useful to find out what has happened and currently happening, and to seek new insights (Saunders et al., 2000:313). To have an in depth insight about Spotzer, I interviewed Mr. Jeroen Coppelmans, VP of business development of Spotzer. This interview with Mr. Coppelmans focused on the latest happenings in Spotzer, online video advertising, and what Spotzer wants to achieve in the future. Also interviewed were 3 proprietors of small and medium enterprises in the Netherlands to give

qualitative focus on the questionnaires and obtain in depth insight of SMEs in The Netherlands

Chapters Overview

Chapter I: Situation Analysis

The first chapter focuses on the situation analysis. It analyzed the internal and external factors that directly and indirectly affect Spotzer and online video advertising. The internal factors focused on the performance level of Spotzer and its products and services. The external analysis focused on the meso and macro environments. The meso-environment analyzed the market, competition, consumer, financier and distribution. The macro-environment analyzed the economy, political and technological factors. Chapter I also includes the SWOT analysis, which summarizes the strengths and weaknesses of Spotzer and its products as well as the opportunities and threats to the organization.

Chapter II: Communication Analysis

The second chapter focuses on the analysis of communication. It analyzed how Spotzer communicates to the interested parties and how the interested parties are related to the problem and how they can help in developing solutions.

Chapter III: Target groups and Objectives

The third chapter determined the target groups and formulated the communication objectives.

Chapter IV: Strategies

The fourth chapter demonstrated how to achieve the communication objectives. It determined which communication tools and which media to use.

Chapter V: Strategy Implementation

In the fifth chapter the communication tools were matched to a specific target group and when it will be implemented.

Chapter VI: Conclusion and Recommendations

The last chapter of this research presents the recommendations that were chosen based on the 3 scenarios presented in the introduction.

1. Situation Analysis

1.1 Internal Analysis

Internal analysis is conducted to help develop a communication plan that takes into consideration the different internal factors and maximizes the potential of the strengths while minimizing the impact of the weaknesses (Vos, Otte & Linders, 2003, p.29). The internal analysis of this research focused on the performance level of the organization and its products and services.

1.1.1 Spotzer Media Group BV

Spotzer Media Group (BV) is the first web-based global advertising agency dedicated to making high quality video advertising fast, affordable and highly targeted. Spotzer offers an online library of creative, ready-to-air commercials produced by industry-leading professionals from around the world (Spotzer, 2007). Spotzer also assists clients plan and buy spots across multiple advertising media, including television, the web, and narrow cast networks (specific locations, out-of-home networks). Spotzer uses the latest technologies for targeting advertising to limited geographic areas and well-defined demographic audiences. This helps the client better target customers and brings efficiency and cost-effectiveness to video advertising. Best of all, Spotzer manages advertising campaigns from beginning to end freeing the clients to focus their time and energy on growing their business (Spotzer, 2007).

Vision

"Commitment in achieving the highest standards of creative excellence"

Spotzer is achieving its vision through their teams. Spotzer is led by talented team with decades of accomplishments in the creative, advertising, Internet and technology sectors. Spotzer's Executive Creative Director, Thed Lenssen, is a highly acclaimed international film director. Lenssen has been voted Europe's Director of the Year twice and been the recipient of three Cannes Lions. Many other members of Spotzer have also received awards from the major advertising festivals around the world. In addition to Spotzer's inhouse team of world-class professionals, they work with a wide network of independent, award-winning, professional freelancers and third party agencies

Mission

"Spotzer makes highly targeted video advertising fast, easy and affordable for local businesses around the world"

According to Jeroen Coppelmans (2009), VP of Business Development of Spotzer, the company defines local businesses as the small and medium businesses or small and medium enterprises (Personal Interview, March 2009). Spotzer lives up to their mission by maintaining their products and services affordable without compromising their commitment in providing the highest quality video advertising to local businesses (Spotzer, 2006).

For a start up company problems and challenges are inevitable and Spotzer has a share of these challenges that they are facing. For example, employee turnover is very high. Every six months people leave the company and new people arrive (J. Coppelmans, Personal Interview, March 2009). In addition, the organization of the company also changes constantly. Just recently, Spotzer terminated their sales department and will only engage in third party sales or outsourcing. Furthermore, for over two years Spotzer has not generated any profit and still rely on investor's money.

1.1.2 Products and services

The importance of analyzing the products and services is to show whether the products and services of Spotzer are competitive enough to compete in the video advertising market. The analysis will also focus on the limitation of the products and services of Spotzer.

1.1.2.1 Video: Ready-to-Air video ads and Promotional Videos

Library of Ready-to Air video ads

Spotzer offers clients professionally produced ready-to-air video ads at remarkably low costs. These videos are compatible to use for TV format, Online or World Wide Web format, Out-of-Home or narrowcast format and mobile phone format. These videos can also be used by all types of businesses using the same video. Clients of Spotzer can purchase the rights to these videos of a certain locality or area and for a specified period of time. This means that when Client X from Amsterdam purchases the rights of one of these pre-produced videos, Client X from Rotterdam can also buy the rights of the same

video. Or when Client X from Amsterdam buys the rights of a video for three months, then after three months client Y from Amsterdam can use the same video. This platform decreases the overall cost of producing a video that enables Spotzer to sell the rights to clients at a remarkably low price. These Ready-to-Air Videos include professionally written script, voiceover and music information about a client's business and, in some cases, digital photos. Reselling the license of these videos allows Spotzer to recover the production cost quickly. By lowering the production cost Spotzer is able to sell these videos at a very affordable price that starts at \$500 (Spotzer, 2008).

Spotzer's pre-produced videos offer high quality videos that mostly can be seen as a 30-second TV commercial. Since the videos are being sold on geo-exclusive basis, Spotzer is able to lease these videos at an affordable price without compromising the quality of the video. However, the drawback of these videos is that, it looses the personal touch. It is a more generic video than showing the personality of a local business.

Promotional Videos

Spotzer offers two kinds of promotional videos, photo collage video and custom video. *Photo Collage video* is video produced from digital photographs with a professional script, voiceover and music. The cost of photo collage starts at \$750 (Training module, Spotzer, 2008) *Custom Video* is a Video shot by Spotzer at a client's location with a professional script, voiceover and music. It is 1-2 hours of on-site video shoot by a one person crew at the clients location and Spotzer offers, creative concepts and script, professional voiceover, post-production and editing, basic text and graphics, and royalty-free music to clients. This video may be enhanced with greater production resources or with video from the Spotzer library. The cost of a custom video starts at \$1200 (Training module, Spotzer, 2008). One of the best features of promotional videos is that these videos are more exclusive for a specific client and show the personality of the clients business.

According to Andrew Klein (2008), CEO of Spotzer, for some businesses the custom video is the best option. Klein (2008) also added that these videos are more personal and show more details of the client's products and services (as cited in Kelsey Group, 2008). However, one of the biggest challenges Spotzer is facing in selling custom videos is getting SMEs to schedule time to film the ads once the sale is made (A. Klein, as cited in Kelsey Group, 2008). Another issue of selling custom videos is that these videos are

more expensive and the price may be too costly for a small business like Joe's Pizza in the corner of Amsterdam.

1.1.2.2 Media

With the establishment of the video ads of Spotzer, the questions are what to do with these videos? Where can you place these videos? This is where the media expertise of Spotzer fits in. Spotzer offers a customized media recommendation that is tailored to meet client's specific needs. Spotzer also helps clients plan and purchase spots across multiple advertising media, including television, the web, and narrow cast networks (Spotzer, 2008). The following shows the media expertise that Spotzer offers:

SEO & online distribution

SEO is the process of improving the volume and quality of traffic to a web site from search engines via "natural" ("organic" or "algorithmic") search results. Spotzer provides search engine optimization and syndication services that will ensure clients' prospective customers find their video on the web. Online video marketing is abundant on the Internet because it is such an easy way for people to digest information visually. Spotzer wants to help the clients with all aspects of online marketing and social marketing that is now a huge part of online advertising. Once Spotzer finishes producing a video, they will help the clients distribute to some of the social video sites like YouTube and social media like Facebook, Friendster, My Space and Hyves.

Local Advertising on National & Regional TV

In the advertising industry we know something about Designated Market Area (DMA). It is the market or region where the population can receive the same (or similar) television and radio station offerings, and may also include other types of media including newspapers and Internet content. These market areas can also be used to define restrictions on rebroadcasting of broadcast television signals. Generally speaking, only stations within the same market area can be rebroadcast. Therefore Spotzer offers clients the media planning for TV ads; they match the location of client's customers with the footprint of best available media. Spotzer also uses advanced research metrics and technologies to align the media that clients buy with what information the clients know about their customer's demographics and psychographics (age, economic status, education, marital status, interests and affiliations). Spotzer's planning services are powered by media experts that help the clients find the right mix, reach and frequency to fit their objectives and budgets.

When it comes to buying, because Spotzer arranges media campaigns for thousands of advertisers, they have access to prices and inventory that are not available to most businesses.

Out of Home or Narrowcasting and Mobile Phones

According to Klein, narrowcasting and mobile phones are highly recommended for SMEs because it is highly targeted. The videos of SME will be shown directly to their clients anywhere and anytime. For example, a local shop in The Hague that sells toys can have their videos placed in various restaurants of McDonalds in The Hague that offers narrowcasting spots.

1.1.2.3 Campaign Management

Spotzer also offers a campaign management capability called "agency in a box." Spotzer comprehensively solves the client's advertising needs by handling all of the details associated with getting the campaign on the air and in front of the customers.

Spotzer helps to determine a client's advertising objectives and provide a high quality online library of memorable Ads from which clients can select the right video for their business. Spotzer will manage the campaign from beginning to end for as little as \$10,000 depending on the package and client's needs.

1.1.3 Conclusion

The uniqueness of Spotzer relies on the people that work for the company and the products and services that Spotzer provides (J.Coppelmans, Personal Interview, March 2009). Spotzer's commitment in creating high quality affordable video is their main priority. Spotzer's library of ready-to-air videos and promotional videos are compelling and high quality in a very affordable price. However, some issues that Spotzer needs to address are high turnover of the employees, the transparency of actual prices of video ads that Spotzer offers and the issues of the video ads on being generic.

Spotzer and online video advertising are both a new concept in the advertising industry. According to Klein (2006) "What we are trying to do is not easy, we have to define an entire new genre of commercial that works for multiple advertisers operating in different cultures" (as cited in *Alarm Clock Euro*, 2006). He also added "the creative is actually very challenging and we are spending a huge amount of time with exceptional people trying to

figure out what will work. Then, beyond the ads, there are the challenges of getting the message to local, small advertisers" (A. Klein, 2006, as cited in *Alarm Clock Euro*, 2006). For Dutch SMEs this concept is very abstract and it is up to Spotzer to send the message to Dutch SMEs about Spotzer and online video ads.

1.2 External Analysis

The external analysis is conducted to research the developments within the environment that could have radical consequences for the organizations (Vos et al., 2003, p.30). Moreover, the external analysis is conducted through researching both the meso and macro-environment. The meso-environment focused on the analysis of the market, competition, consumer, financier and distribution, whilst in the macro-environment the focus will be on the economy, political and technological factors.

1.2.1 Meso-Environment

1.2.1.1 Online Video Ads

The niche market that Spotzer is focusing on is the online video advertising. Web-based or online video advertising is one of the fastest growing industries in the world (Z. Rodgers, 2005). According to the recent report of K. Abrams (2008) online video ad spending in the US alone will grow in the next four years from \$260 million in 2008 to \$2.1 billion in 2012 (eMarketer research firm, 2008). In Europe the market is expected to grow even faster from \$200 million in 2008 to \$2.6 billion in 2012 (K. Abrams, 2008).

Online advertising in the Netherlands proves to be one of the biggest in Europe with €8.3 billion estimated online ad spending in 2006 (Finfacts Team, 2006). According to Finfacts Ireland (2007), The Netherlands is the fourth largest in Europe with 7 percent (€564.3 million) of overall online ad spending. Leading the top is the UK with 39% (3.101 billion), and then Germany on the second spot with 22% (€1.752 billion) and the third is France with 15%, (€1.179 billion). Marketers in The Netherlands also have a high interest on online video advertising due to the growing number of video online viewers. According to Interactive Advertising Bureau Nederland (2009) "the total number of online video stream in the Netherlands in 2008 were 658.4 million, a number that marketers are so interested in". Today, online video advertising is one of the fastest growing advertising mediums- but also one of the toughest for marketers to grasp and effectively use (M. Brown, The Ad Age, 2008).

1.2.1.2 Competitors

Since the popularity of online video advertising in 2005-2006, a lot of web-based advertising companies want to compete in this market. All these companies have the same goal, monetizing online video (Martin Hayward, 2009, Media Post). According to J. Coppelmans (2009) the biggest competitors they consider at this moment are TurnHere, Spotrunner, and AdReady because they are all competing on getting partnership with other media companies, and online directories. The objective is to produce videos for media companies and online directories. The media companies and online directories will sell the video license to their existing clients.

Table 1. Competitors Analysis: Competitors Analysis, Spotzer, 2008

	Products						Target	Uniqueness
Company	Video	Promotional		Campaign	Pricing Strategy	Location	Group	and other
	Library	Videos	Media	Management				Assets
Spotzer Media Group								Fast affordable
http://www.spotzer.com							CME	high quality
<u> </u>					Starts at \$500		SMEs.	videos. Service
spotzer	Χ	Χ	Χ	Χ	Promotional video	Global	All	includes Do-It-
					starts at \$1200		business sector	Yourself service
								center on their
								website
Spotrunner						US.		
http://www.spotrunner.com						Currently		
						active on	SMEs.	The first
Chat Dunnar						raising	All	established web
Spot Runner	Χ		Χ	Χ	Starts at \$499	funding to	business	based video ad
						enter the	sector	agency
						European		g ,
						Market		
Ad Ready							SMEs.	Service includes
http://www.adready.com							All	Do-It-Yourself
	Χ	X	Χ	Χ	Not specified	US	business	service center
Ad Ready"							sector	on their website
Making display a							360101	
Turn Here						Small	With 5,000	
http://turnhere.com		Х	Х	Х	Promo- video starts at \$1000	Global and	and	filmmakers
TURNHERE							Large.	around the
·							J	globe.

Notes:

X- means the company offers the product

Blank- blank column means product is not being offered

Table 1, shows the differences and similarities of Spotzer's products and services they offered compared to the other three companies. As mentioned in internal analysis Spotzer offers both TV and Online ads and Narrowcasting. Spotrunner, Spotzer's biggest competitor (J. Coppelmans, Personal Interview, 2009), only offers video library for local TV broadcasting. Table 1, also shows that the price to buy a license from Spotrunner starts at \$499 compared to Spotzer that starts at \$500. It can be concluded that the price strategy of Spotzer is competitive against its competitors. The price of promotional videos that Spotzer offers is a little higher than Turn Here.

Spotzer is the first web-based agency based in Amsterdam, The Netherlands. This is an advantage to Spotzer compare to their competitors. However, last year Spotrunner received a financial funding from media companies and private investors to start their venture in Europe ("Spotrunner", 2008). This is something that Spotzer has to watch out since online video advertising is a new concept a lot of new companies will be exploring on this concept.

1.2.1.3 Consumer

For this research, SMEs are being considered as the *consumer* of online video ads. As mentioned on the internal analysis, online video ad is still abstract for Dutch SMEs and some may not have heard about this new concept. So in order to get the views and opinions of Dutch SMEs towards online video ads, I conducted a survey to 50 Dutch SMEs in The Netherlands and interviewed 3 proprietors of SMEs. In addition to SMEs, large enterprises will also be analyzed to gain insights of their participation in the growing industry of online video ads.

Opinion about online video advertising

In order to get the opinion of SMEs about online video advertising, samples of these videos were shown to the respondents of the survey and to the interviewees. The following shows the overview of the survey and the interview (See appendix 5 for the template of the survey question):

- ❖ 60% of respondents have never heard about video advertising before
- ❖ When asked if they want to try this concept 47% of the respondents said yes

- Respondents who showed interest in online video ads are travel and vacation companies
- 54% of the respondents who showed interest would like to broadcast their video over the Internet
- ❖ None of the respondents or interviewees have heard of Spotzer before
- ❖ Of the interview with Servaas Verbrugge (see appendix 2) he finds these videos very "Americanize." He did not think that these videos would fit in the personality of his company. He also added that as a business consultant he thinks that the videos did not show the personal touch of businesses in The Netherlands. Though he said that if he would want to reach new clients, he would want to have this type of video ads but more on an interview style that he can show his prospective client how he handles his business. In addition he also said that it is quite complicated to understand how this concept works.
- ❖ Same goes with Yvonne (see appendix 3), she said that she's been in advertising business as a graphic designer. She said that these videos look so cool but lack of personal touch that would fit with the Dutch SMEs.

Behaviour

The survey also focused on the behaviour of Dutch SMEs to advertising. How do they advertise? How do they communicate to their own clients? The following shows the overview of the survey and the interview:

- 40% percent of the respondents already advertised mostly using flyers and posters
- ❖ 69% percent of the respondents who already tried to advertise said that they have annual budget for advertising from 500 euro to 2000 euro
- ❖ 52% percent of the respondents did their own advertising or a colleague made it.
- All of the respondents are listed on online yellow pages like the Gouden Gids
- ❖ Of the interview with Servaas Verbrugge he said that he advertised on the website of the Chamber of Commerce (KvK) for 200 euro but that was in 2002. He also has a free ad in Linked In, a social media website for professionals and businesses. He said that he gets most of his clients through word of mouth and recommendation from his clients. Moreover, he said that his business started to boost when he had an interview on a local newspaper (Servaas Verbrugge, Personal Interview, 2009).

- ❖ Of the interview with Yvonne, she said that her website is linked to an online magazine. She does her own online advertising because she owns a small graphic designing company. She said that she gets clients through word of mouth and recommendation of clients (Yvonne, Personal Interview, 2009).
- Saskia, owner of Saskia's Huiskamer, said that the only advertising she did was in the start of her company 2 year ago. She had an announcement in a local newspaper. She also said that a local TV in Amsterdam interviewed her to talk about the uniqueness of her business. She also added that he gets most of his clients through word of mouth and recommendation of other customers (Saskia, Personal Interview, 2009).

Large Enterprises

According to T. Herman (2007) 23 of the top 50 brands have utilized online video ads since its official launch in August 2004. They include some of the very biggest companies like: Pfizer, Procter & Gamble, General Motors (GM) and Johnson and Johnson (as cited on ClickZ, 2007). Herman (2007) included "These companies really led the way, GM is in a very strong leadership position now in online video. Then the financial services are starting to explore this tool including retail stores and Entertainment is also big" (as cited on ClickZ Zachary Rodgers, 2007). Although these companies showed interest, they are quite skeptical on the distribution of the video ads (M. Brown, The Ad Age, 2008). Compare to TV, the audience reach is smaller and the lack of success of crossover video advertising format (M. Brown, The Ad Age, 2008).

1.2.1.4 Financiers

Financiers play an important role in raising capital for organizations. Four companies (including a corporation) legally own one or more shares of stock in a joint stock company of Spotzer. Since launching, Spotzer attracted various investors both investment companies and individual investors. For Spotzer's first financing round, Spotzer attracted 10 million euro funding. The financing is led by Sierra Ventures, followed by the DutchView, the Netherlands' largest post-production company, and the yellow pages operator European Directories. The most recent funding round came from Cyrte Investments, a large telecom, media, and technology owned by a Dutch media tycoon named John de Mol. According to A. Klein (2007), CEO of Spotzer, investors are supporting this business venture because investors believe that the opportunity here is very large (as cited in Paidcontent.org). Support from financiers for Spotzer is very

important not just for financial back up but also these financiers could help support Spotzer on promoting the company and their business. It will be easier for Dutch SMEs to relate with Spotzer if they see that Spotzer is being finance by a Dutch company.

1.2.1.5 Reseller

Media companies and online directories can be considered the reseller of Spotzer. According to J. Coppelmans (2009), right now Spotzer is mainly focusing on their partnership scheme with local media companies and online directories across the globe (Personal Interview, 2009). For example, Spotzer formed a partnership with Merchant Circle, a business directory in the US. Spotzer created one thousand pre-produced videos to be placed on the website of Merchant Circle's merchant page. Merchant Circle offer these videos for free for 30 days and after 30 days the video will come down if a local business hasn't opted for one of the packages, which range from \$39 to \$79 per month. Spotzer also wants to form this kind of partnership with European Directories and Yellow Pages in The EU (Gouden Gids in The Netherlands), Russia, Asia and Australia.

This partnership scheme raised advantages and disadvantages. The advantage is, partnership with media companies and directories means profit. For example, Merchant Circle ordered 2000 videos from Spotzer for a great deal of money. In addition the awareness of online video ads towards SMEs will increase because Merchant Circle already has a huge client base that will ensure good exposure. On the other hand, the disadvantage is that Spotzer is becoming hidden (J. Coppelmans, Personal Interview, March 2009). If the client of Merchant circle wants to personalize the video they chose, clients would be redirected to an out source company representing Merchant Circle and not Spotzer. This is not beneficial for Spotzer in the sense that, although the online videos will become popular, a lot of web-based agencies can copy Spotzer and promote online video directly to SMEs.

1.2.2 Macro-environment

1.2.2.1 **Economy**

The Netherlands has a prosperous and open economy, which depends heavily on foreign trade. In 2008, the estimated GDP of the Netherlands is \$670.2 billion, and \$40,300 GDP per capita. Unemployment rate in 2008 was estimated to 4.5 percent. However, the recent world financial crisis raised the fear of recession this year, 2009. According to the recent figures release by The Central Planning Bureau (CPB) the Dutch economy is expected to

shrink to 3.5 percent of this year (Expatica, 2009). Unemployment rate is expected to reach up to 5.5 this year and is expected to climb to 8.75 percent in 2010.

It is important that Spotzer take the current global economic crisis in consideration, this will play a big factor on the spending behavior of SMEs in The Netherlands. SMEs will have to rethink if they have enough budgets for advertising or even if they have, SMEs will rather save it to be ready for the feared recession. On the other hand, Spotzer could take advantage of this economic crisis. In this time of economic crisis, large companies will look for alternatives that will ensure return of investment and this where online video fit in (G. Pingul, 2008).

1.2.2.2 Regulations

Online video advertising is still new in Europe so there are no rules or regulations that are already set yet. However, Interactive Advertising Bureau Europe (IAB Europe, 2009), an organization that is dedicated to the growth of the interactive advertising marketplace, is recommending a guideline to standardize the online video advertising. The said guideline is still in talks, however, this is something that Spotzer needs to take in consideration especially in the upcoming future.

1.2.2.3 Technology

As already mentioned, online video is a new concept both to the advertising agency and online advertising. Also mentioned in the market analysis, the issues of the format and the length of the videos need to be resolved .For the format, would it be pre-roll or post roll? Maybe the best format is overlay; overlay is a lot like in TV. For example you are watching Holland's Got Talent on SBS6, on the bottom right (or left) of your screen a moving object will appear like a local ads of Carpet right. The length of the video is also a concern, according to Pitlyuk (2007) " as a user, I don't want to watch a 30 second ad just to watch a 25 second video clip on every video play, how do you solve that problem? Make the video 10 seconds or under?" ("Internet Video and Where It Is Going", 2007).

Another development in online video that Spotzer has to be aware of is the interactive video ads or *click video*. Click video is when viewers can interact on the video they are watching. For example, Lloyd Hotel in Amsterdam has a video that when viewers click on the item on the video e.g. the hotel rooms, the video will show information about the

rooms. Viewers can go around the hotels and even interact with the hotel staff (M. Chang, 16th Letter, 2008).

1.2.3 Conclusions

The external analysis showed that there is indeed a growing market of online video ads in the Netherlands along with the growth of online ads. Online video advertising is a new concept and still very difficult for companies to understand how this concept work, the lack of uniformity is still not very clear. The analysis also showed that Spotzer has to be aware with the growing competition especially on the partnership scheme. Spotzer also needs to consider the perception and behavior of Dutch SMEs towards online video ads. By considering the perception and behavior of Dutch SMEs Spotzer will have an idea on how they will approach the Dutch SMEs. In addition to the analysis, it also showed that financiers have confidence in the business of Spotzer and believe that online video will work out. Potential on partnership also showed through media companies and online directories. Though there are disadvantages on this partnership, the partners will help Spotzer to increase awareness of online video ads to Dutch SMEs. In addition to the analysis, Spotzer has to be aware of the current economic crisis in The Netherlands because this crisis can certainly have a huge influence on the buying behavior of Dutch SMEs.

2. SWOT Analysis

The SWOT analysis shows the complete analysis of the internal and external analysis. The SWOT analysis will serve as a guide to gaining insight into the situation in which the organization finds itself (Vos et. al, 2003, p. 35).

Table 2. SWOT Analysis

Strengths

- Spotzer is one of the pioneer in the concept of online video advertising
- Spotzer's organization is consists of talented and experienced group in advertising and online marketing
- Spotzer's target group is clear, SMEs
- High Quality Videos
- Ready-to-Air videos are very universal that SMEs around the globe can use
- Promotional videos could fit in the personal appeal that SMEs need
- Fast production, could finish video ads in as short as two weeks
- Unique platform on video production
- Media technology expertise
- Comprehensive Campaign management
- Easy access both to the US and Dutch SMEs

Weaknesses

- Turn over of employees is high
- Ready-to-Air videos are generic and looses the personal touch that SMEs needs
- Spotzer has not generated profit yet and still rely on investor's money

Opportunities

- Financiers believe on Spotzer and the future of online video ads
- Huge advantage on competition in terms of price, products and location
- Online video ads is a fastest growing industry
- Can form partnership with video distribution like online directories and social media like Linked In.
- Partnership can help increase awareness of online video ads to SMEs
- Large Enterprises could lower their expectation and take advantage of the concept of online video ads
- Business sectors like travel and hotel business, car dealers, retail stores, entertainment and financial and business service company showed interest in online video ads

Threats

- Dutch SMEs has never heard of Spotzer
- Copycats of other companies
- Most of the Dutch SMEs has never heard about online video ads
- Spotzer is becoming hidden due to the partnership scheme
- Online video ads is new and still needs to fix some issues like the format, and the length of the videos
- SMEs do not understand this new concept
- World financial crisis could affect the behavior of SMEs on advertising
- Number of startup companies like Spotzer is growing
- Dutch SMEs are too big
- Dutch SMEs thought that the videos of Spotzer were too "Americanize"

Base on the SWOT analysis, it was revealed that the strength of Spotzer relies on the talented team that works for Spotzer. The online videos of Spotzer are high quality,

affordable and the production is fast. Their Ready-to-Air videos are affordable with out compromising the quality in producing the videos. A weakness that could be overcome is the issue of the Ready-to-Air videos being generic. By choosing the promotional videos, SMEs can have a video that will show the personality and the sense of locality of their business.

To benefit from the available opportunities is not difficult. Spotzer's online video ads are very competitive in terms of price, quality and wide range of videos and media services. The location of Spotzer gives an added advantage among competitors being the only company that operates both in the US and in the Netherlands. Also Spotzer's partnership scheme will help to increase awareness of online video ads to SMEs.

Resist to threats: The fear of economic recession is high right now, and this could affect the buying factors of Dutch SMEs, however, this could also be an opportunity for Spotzer to explore on a different target group. Large companies are looking for alternatives that will ensure return of investment through the use of online video ads.

Bottleneck and Core Problem

The bottleneck and the core problem is that Spotzer and online video ads is a new concept. SMEs have no idea about Spotzer and how online video advertising works. Spotzer and online video ads are both on a testing ground and still figuring out how to reach SMEs and how to deliver the benefits of online video ads.

2.1 Three Scenarios

The main objective of this communication plan is to increase the awareness of Spotzer and online video advertising to Dutch SMEs. In order to achieve this, it needs to determine how this will be achieved. The objective of the communication plan and how this will be achieved were summarized by formulating the central question: What communication strategy would be most effective to use to increase the awareness of online video advertising to small and medium enterprises in The Netherlands?

In order to achieve this goal, three scenarios were drawn to help in making this communication plan. The three scenarios will also help determine the communication objective and the target groups of the communication plan. The following are the three given scenarios:

- First Scenario: Develop a partnership scheme with online directories and media companies that could help Spotzer promote online video advertising.
- Second Scenario: Change of target group from small and medium enterprises to medium and large enterprises.
- > Third scenario: Form a sales team or reform a sales team that will promote Spotzer and video advertising

2.2 Conclusion

Based on the research, it was shown that Spotzer focused their business in forming partnership with media and online directory companies. This partnership provides profit to Spotzer and it increases the awareness of online video advertising. The research also showed that there are no direct link between Spotzer and their target group, the Dutch SMEs. The research also showed that large enterprises are looking for alternatives in advertising due to the recent economic crisis. Moreover, the research also showed that online video advertising is a new product or concept in advertising. Companies like Spotzer are still determining on how this new concept will work and how this will help clients. In addition, the technology of this new concept is also under development on what is the best method to use in online video advertising. Last but not the least, three given scenarios will be used to guide in formulating the communication objective and the target groups of the communication plan.

3. Communication Analysis

The communication analysis focused on researching the field of forces in which the organization functions (Vos et. al, 2003, p. 43). This chapter will also focus on how Spotzer communicate to the interested parties and how they are related to the problem and how they can help in solving it.

3.1 Key Players

The key question within communication analysis is: "which parties are concerned with the problem and who can play a role in solving it?" (Vos et. al, 2003, p. 44). In Spotzer's case, SMEs are the main concerned of the problem and the reseller could play an important role in solving it.

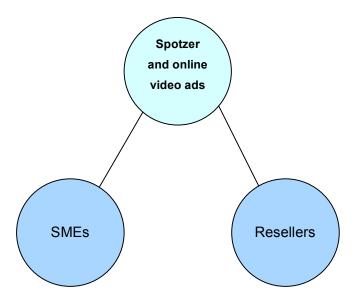


Figure 1. Field of Forces

3.1.1 SMEs

As mentioned on consumer analysis, SMEs are considered the consumer of the online video ads, the SMEs are the one who will use the video ads and post it on online media. So how does Spotzer communicate with the Dutch SMEs? At the beginning, Spotzer had a sales team both in the US in the Netherlands. The sales team was given a sales lead to call and their main task is to promote, sell and convince SMEs to buy or try online videos to promote their company. However, last year in November of 2008 Spotzer terminated their sales team both in the US and in The Netherlands. According to J. Coppelmans (2009) one of the reasons why Spotzer terminated their sales team is that they did not get enough clients through their sales department. Another reason why Spotzer terminated

their sales team is that they found a way on producing videos without the burden of selling to SMEs (J. Coppelmans, Personal Interview, 2009). This is by forming a partnership with media companies and online directories. So as of this moment, Spotzer is not directly communicating with the SMEs.

Intermediaries

Intermediaries are supporters, opponents and influencers who inform or influence public groups (Vos et. al, 2003, p. 45). This is important for Spotzer to know because as a new company Spotzer has not established trust or confidence towards Dutch SMEs yet and intermediaries can help bridge this gap. Also in most cases, intermediaries have easy access to the desired group and in Spotzer's case, the SMEs.

Business Service Companies are one form of intermediaries in The Netherlands for SMEs. According to S. Verbrugge (2009), an Administration and business adviser for SMEs, said that most of his clients, ask his opinion and advice with their business. He also gives lectures to these SMEs on how to improve their business and if a business venture would be a success or not. He also said that: "my relationship with my client is based on trust and they follow or take my advice in consideration" (S. Verbrugge, personal interview, April 2009). S. Verbrugge added that his clients including him read local magazine or newspaper for entrepreneur. This newspapers and magazines also give advice to Dutch SMEs on latest trends about entrepreneurship, latest trends in technology and business fair where SMEs can participate (S. Verbrugge, personal interview, April 2009).

3.1.2 Reseller

Spotzer and online video ads are still new and on a testing ground, so Spotzer needs groups that can help them build trust and confidence towards SMEs. This is where reseller will fit in. As mentioned on the external analysis Spotzer is focussing on forming partnership with media companies and online directories across the globe. Spotzer formed a partnership with Merchant Circle, Yellow Pages US, and Microsoft. Spotzer will produce videos for these companies and the said companies will resell the videos to their existing clients. According to J. Coppelmans (2009) this partnership scheme is their priority right now, as this will ensure them profit (Personal Interview, 2009). Spotzer communicate to media companies and online directories through networking. Spotzer present a business plan or partnership plan to this company on how online video ads

could leverage their online property. For example, *Gouden Gids* has a huge client base; aside from the ads space that *Gouden Gids* offer they could also offer online videos to their client to be added on the business information and this could also guarantee the clients to be on top of the page search. This partnership scheme will help increase awareness of online video ads to Dutch SMEs.

3.2 Conclusion

In situation analysis, it was shown that SMEs has no idea about Spotzer and they have little knowledge on how online video ads work. In communication analysis, it was shown that there is no direct communication between Spotzer and the Dutch SMEs. However, the partnership that Spotzer wants to form with media companies and online directories will help increase awareness of online video ads to Dutch SMEs. Also it was shown that it is important that Spotzer communicate with intermediaries like business service adviser, local newspapers and magazine because these intermediaries have an easy access to SMEs and SMEs have confidence on them. For these reasons, the three given scenarios will be used in making the communication plan. However, the First scenario, which is to develop a partnership scheme with online directories and media companies, will be the top priority. The reason for prioritizing the first scenario is because this is the focus of Spotzer on leveraging its business. Also, prioritizing the first scenario will help Spotzer to increase the awareness of online video advertising to Dutch SMEs.

4. Target Groups and Objectives

4.1 Target Groups

It is very clear that the primary target group of Spotzer is the Dutch SMEs. However, considering the situation analysis, SWOT analysis and communication analysis the Dutch SMEs needs to be segmented. It has to be determined who needs to be approached first and which ones can be approached later. Determining a clear target group will help to determine the achievable communication objectives (Vos et. al, 2003, p. 57).

4.1.1 Primary communication target groups

The primary communication target groups are the main concern of this communication plan. By communicating with the primary communication groups, it is expected to solve a large part of the problem (Vos et. al, 2003, p. 57). For this communication plan the primary communication target groups are the online directories (re-sellers) in the Netherlands. The reason for choosing the online directories is because, first, this is what Spotzer is focusing right now. Second reason is that online directories have a huge client base that can help Spotzer to promote online video advertising to Dutch SMEs.

4.1.2 Secondary communication target groups

The secondary communication target groups that will be approached are the Dutch SMEs. However, the Dutch SMEs are very big, according to the Dutch chamber of commerce (Kamer van Koophandel), there are 768,000 active small and medium size enterprises in The Netherlands (2008). For this communication plan, the business sectors that will be approached are those businesses that showed interest on online video advertising. Based on the survey, interviews and desk research (Chapter 1.2, external analysis), the business sectors that showed interest are the following:

- Travels and Vacation businesses
- > Hotels
- Car Dealers
- Financial and Business Services
- Retail Stores
- > Entertainment Business

In addition to the Dutch SMEs, large enterprises in The Netherlands will also be approached. Approaching the large enterprises will deviate the vision and mission of Spotzer (chapter 1.1, Internal analysis). However, based on the SWOT analysis, the feared recession showed an opportunity for Spotzer to approach the large enterprises. Large enterprises already have experience in advertising and since online video advertising is new, it will be easier for Spotzer to explain this new concept to large enterprises compare to small and medium enterprises in The Netherlands.

4.1.3 Intermediate communication target groups

The intermediate target groups will be the business newspapers and magazines. Spotzer needs to contact these groups because they are very influential in the decision making of Dutch SMEs (Smith & Taylor, 2004, p. 32). Approaching the business newspapers and magazines will balance the recognition of online video advertising and Spotzer.

4.2 Objectives

The current situation of Spotzer has now been established and the target group has been segmented. The next step is to determine as specific as possible "where do we want to go" by formulating the objectives. Objectives are the criteria used for determining the success of the communication effort" (Vos, Otte & Linders, 2003, p. 66). Therefore, the objectives should be SMART (Smith & Taylor, 2002, p.41): Specific, Measurable, Actionable, Realistic and Time specific. Additionally, communication objectives will be formulated in terms of what the target groups need to know, want, feel, find, be able to or do within a certain period (Vos et al., 2003, p.65).

Table 3. Primary communication target groups

	Objectives
Knowledge	2 months after the launching of the campaign,
	90% of online directories in The Netherlands will
	be aware about Spotzer and online video
	advertising.
Attitude	4 months after the launching of the campaign,
	70% percent of online directories will believe
	that online video advertising will help leverage
	the business of their clients.
Behavioral	6 months after the launching of the campaign,
	40% of online directories will sign a partnership

deal with Spotzer.

Table 4. Secondary communication target groups

	Objectives
Knowledge	2 month after the launching of the campaign,
	80% of the target group will be aware about
	Spotzer and online video advertising.
Attitude	3 months after the launching of the campaign,
	70% of the target group will believe that online
	video ads will help leverage their business.
Behavioral	6 months after the launching of the campaign,
	50% percent of the target group will inquire to
	Spotzer about online video advertising.

Table 5. Intermediate target groups

	Objectives		
Knowledge	1 month after the launching of the campaign,		
	80% local business newspapers and magazine		
	will be aware about Spotzer and online video		
	advertising.		
Attitude	2 months after the launching of the campaign,		
	60% of local business newspapers and		
	magazines will understand the concept of		
	Spotzer and online video advertising.		
Behavioral	3 months after launching of the campaign, 50		
	percent of local business newspapers and		
	magazines will write an article about Spotzer		
	and online video advertising.		

In this chapter, it is now known the target groups of the communication plan. The target groups were divided into primary communication target group, secondary communication target group and the intermediate target group. In addition, this chapter determined the communication objective for each target groups.

5. Strategies

The communication strategy describes how to achieve the formulated objectives (Vos et. al, 2003, p.75). For this communication plan the STOP and SIT concept will be used because this strategy will lead the communication plan on a right direction (Smith & Taylor, 2006, p. 47).

Stage 1: Presenting "Spotzer Media, Remarkably affordable video advertising". This will be the central theme of the campaign. The company, Spotzer Media Group BV, its products and services will be the focused of the campaign. Also the emphasis of words "remarkably affordable" will focus on the high quality and affordable price of the products and services that Spotzer offers. Target groups: Primary and secondary communication target groups and intermediate target groups.

Stage 2: Building solid relationship- Target group: Primary communication target groups.

Stage 3: Building solid relationship- Target group: Secondary communication target groups.

Stage 1: Press Release

On this stage, Spotzer will have first contact to the stakeholders. Spotzer will have a press release about the new approach in online advertising. On the press release, Spotzer's mission and vision will be emphasized as well as its products and services. This will be a pull factor; SMEs and large enterprises will be drawn to inquire about Spotzer and online video advertising. SMEs and large enterprises will also be aware of Spotzer's logo. Recognition of Spotzer's logo, name and positioning statement will balance the recognition of online video advertising and Spotzer.

"Spotzer Media, Remarkably affordable video advertising"



Figure 2. Spotzer logo:

Stage 2: Building solid relationship (Appointment with online directories)

On this stage, Spotzer will meet up with the decision-making unit of online directory companies namely Kompass Netherlands, Yellowpages Netherlands and Europages Netherlands. Spotzer will present the organization and the product, the competence of Spotzer group and the benefits of online video advertising to the clients of online directories. Before approaching the decision makers of these companies, it has to keep in mind that Spotzer is approaching business-to-business market. Although there is no big difference in B2B and consumer market, some restrictions will apply (Blythe & Zimmerman, 2005, p.223). An extremely vital part of success in B2B marketing is the development and maintenance of personal relationship (Blythe & Zimmerman, 2005, p.11). The target group's decisions aren't based on "buy now" campaigns, but rather in knowing that Spotzer will be around in the future to service what they sell, and to provide information and training, if needed (Fluid Media Group, 2002). This is a push and pull factor. Spotzer is making a partnership to companies of online directories (push) and the companies of online directories will resell the online video ads to SMEs and large enterprises (pull).

Stage 3: Building solid relationship (Approaching Dutch SMEs and Large Enterprises)
On this stage the information about Spotzer and online video advertising is already high. It is now time to approach the Dutch SMEs and large enterprises. Approaching Dutch SMEs and large enterprises is almost the same as approaching the online directory companies. On this stage, Dutch SMEs and large enterprises are now aware of Spotzer, the brand logo and positioning statement.

5.1 Communication Tools

Choosing the right communication tools will help achieve the objectives as effectively and efficiently as possible (Vos et. al, 2003, p.83). The following communication instruments will be used in executing the strategy: advertising, public relations, exhibitions/trade shows, and personal selling:

5.1.1 Advertising

Advertising is a non-personal communication compared to personal selling or word-of-mouth (Blythe & Zimmerman, 2006, p. 231). As already stated, one of the vital part of B2B approach is personal relationship. Organizational buyers rarely buy goods and services through advertising alone, so advertising generally act as a support mechanism rather

than a primary means of communication (Blythe & Zimmerman, 2006, p. 231). The roles of advertising to Spotzer are the following:

- To create a favorable climate for personal selling- Salespeople whose companies advertise widely, rarely have a problem with making appointments (Blythe & Zimmerman, 2006, p. 231). If the awareness is high, it will be easier for Spotzer to make an appointment with the buying or decision-making unit of companies of online directories.
- 2. To reach inaccessible and unknown buying influences- some of the members of the buying unit are inaccessible to salespeople or in many cases it is impossible to know who are the influencers in the buying decision (Blythe & Zimmerman, 2006, p. 231). These influencers may, however, read the business press and may well have formed an opinion about the company and its products (Blythe & Zimmerman, 2006, p. 231). Clearly advertising can help Spotzer to have access to these influencers.
- 3. To inform channel intermediaries- both present and prospective channel intermediaries can be stimulated by advertising (Blythe & Zimmerman, 2006, p. 231). With the right message, intermediaries can give a good opinion about Spotzer and online video advertising to SMEs and large enterprises.

5.1.2 Publicity and PR

Publicity objectives can vary from promoting a product (product PR) to promoting a company (Corporate PR) among employees, customers, investors, the community, local government etc (Smith & Taylor, 2006, p. 446). In B2B markets, PR activities include the use of lobbying and charitable donations, press releases, corporate advertising, seminars and publications but the running of or contribution to seminars and publications can be particularly valuable in enhancing a company's reputations and its products or problem-solving abilities (Brennan et. al, 2008, p. 195). Since Spotzer is a new company, a good publicity is necessary to be recognized in the Dutch market by the used of press release and interviews from the local media.

5.1.3 Exhibitions/Trade shows

Exhibitions are a key element in approaching B2B markets (Brennan et. al, 2008, p. 185). According to Taylor & Smith (2006): Exhibitions are unique in that they are the only medium that brings the whole market together- buyers, sellers and competitors all under one roof. Products and services can be seen, demonstrated and tested, and face-to-face

contact can be made with a large number of relevant decision makers in a short period of time (p.504).

5.1.4 Personal Selling

Some markets, particularly B2B markets, depend on personal selling more than othersfor example winning an order of 1000 videos from yellowpages Netherlands cannot be done by advertising, direct mail or telemarketing (Smith & Taylor, 2006, p. 291). According to Brennan et al (2008) Personal selling involves a suppliers employees communicating directly with managers from a customer company. Personal selling applies to Spotzer when approaching the influencers of companies of online directories. Personal selling also applies when approaching medium and large enterprises.

5.2 Media

One thing to keep in mind in choosing the right media is that in B2B marketing, the use of mass media would not be as effective as business to consumer marketing (Blythe & Zimmerman, 2006, p. 223). However, for this to happen, the audience has to be exposed so careful consideration of media choice is needed. Brennan et al (2008)

5.2.1 Internet

The Internet offers a whole gamut of communications opportunities, including two –way communications, for example listening as well as talking and collecting as well as sending information, in short it is *interactive* (Smith & Taylor, 2006, p. 204).

5.2.1.1 Website

Spotzer can make the use of their own website linking their website to other websites. Spotzer can also send their website with the use of direct e-mail.

5.2.1.2 Search engine

It is important that when clients search "online video ads" Spotzer will appear on top of the search engine like *Google* or *Ask*, Spotzer will be on the top page. *Google* is chosen being the famous search engine in the world and *Ask* was chosen because Ask.com is connected to yellowpages.nl and Spotzer can take make a use of this.

5.2.1.3 Social Media

Spotzer can make the use of social networking or social media like *Facebook* and particularly *LinkedIn*. Social media allows users to be the author and audience at the

same time. In addition, users can interact with each other in a short period of time (Huer, 2007). Unlike *Facebook*, users of *LinkedIn* are companies and professionals. Spotzer can make a use of social media to increase awareness on the benefits of Spotzer and online video ads to SMEs.

5.2.2 Print Media

Print media or Trade publications that are specific to particular trades, profession or industries and the business press are some of the principal forms of printed media used in business markets (Brennan et. al, 2008, p. 181). In The Netherlands, there are 2 business newspapers (*Het financieel dagblad, NRC Handelsblad*) and 5 business magazines including new technology and media magazines that Spotzer can use as a form of print media (*FEM Business, Quote, Bizz, Marketing Tribune, Rendement*).

6. Strategy implementation

This last stage of the plan is the implementation of the strategy. It summarizes the specific communication tools to use for every target group and when it will be implemented.

Central Theme

"Spotzer Media, Remarkably affordable video advertising" June 2009-June 2010

Table 6. Strategy implementation

Communication Tools	Target group	When
Advertising	Online directories	June-July
> Internet (Social	Press	
media, search	SMEs and large	
engine)	enterprises	
> Print media		
(business		
newspapers and		
magazines		
Publicity and PR	Online directories	June-July
> Internet (Social	Press	
media, search	SMEs and large	
engine)	enterprises	
> Print media		
(business		
newspapers and		
magazines		
Exhibitions Tradeshows	Online directories	August
	SMEs and large	
	enterprises	
Personal selling	Online directories	July- June 2010
	SMEs and large	
	enterprises	
		L

7. Conclusions and Recommendations

7.1 Conclusion

The overall objective of this research is to write a strategic communication plan for Spotzer Media Group BV. The goal of this strategic communication plan is to help Spotzer increase the awareness of its company and the online video advertising to Dutch SMEs. In order to achieved this goal, it was first determined how to answer the central question: What Communication strategy would be best effective to use to increase the awareness of online video advertising to small and medium enterprises in The Netherlands? Base on the research, SWOT analysis, and communication analysis the communication strategy used for this communication plan is the STOP and SIT strategy. Also different communication tools will be used considering that the target group is a business-to-business market.

Base on the research, it was determined that Spotzer's advertising platform is still new and under development. Spotzer is yet to determine how online video advertising can really work and how Spotzer can convince SMEs that this will help leverage a business. The research also showed that there is no direct communication between Spotzer and the Dutch SMEs. Regardless of these reasons, SMEs including large enterprises showed interest in online video advertising. Also based on the research, it was determined that all three scenarios that were drawn in the beginning of the research will be used as a recommendation to Spotzer.

The relevance of this research is that SMEs need to understand Spotzer's new concept in advertising because this new concept will give an opportunity to SMEs to advertise their company and products and services. SMEs can advertise on TV, online and narrowcasting without spending a lot of money using Spotzer's new concept. With the help of this strategic communication plan, Spotzer will have an idea on how to approach the Dutch SMEs and be able to communicate with them regarding online video advertising.

7.2 Recommendation

In regards to the three scenarios, the following recommendations were concluded:

> Spotzer will form a partnership with online directories. This will provide profit to Spotzer and at the same time the online directories will serve as a link between

SMEs and Spotzer. Though not directly but it's a start to increasing the awareness of online video advertising.

- > Spotzer will form a sales team either internal sales team or outsourcing. By doing this, it will balance the recognition of online video advertising and Spotzer. It is important that by increasing the awareness of online video advertising, the recognition of Spotzer has to follow.
- Spotzer will keep the focus in targeting SMEs with the inclusion of large enterprises. It is important to keep the focus on SMEs because this is what online video advertising is for and this is the focus of Spotzer's mission. The inclusion of large enterprises will deviate the mission of Spotzer, however, due to economic recession large enterprises are looking for alternatives in advertising.
- > Spotzer has to determine how their pre-produced videos will not look so generic so the Dutch SMEs can relate to the videos.

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Appendices

1. Interview with Jeroen Coppelmans VP of Business Development of Spotzer

Jeroen Coppelmans is the vice president of business development of Spotzer Media Group. Mr. Coppelmans was also my supervisor during my internship in Spotzer. The interview focused on the latest development in Spotzer and also the future plan of the company and how to attain its goals.

According to J. Coppelmans right now Spotzer is mainly focusing on their partnership scheme with local media companies and online directories across the globe. This partnership is their main priority right now. Recently Spotzer formed a partnership with Merchant Circle, a leading business directories in the US. Merchant Circle ordered one thousand pre-produced videos from Spotzer. Merchant Circle will offer this videos to their existing clients, specifically to local business, for free within 30 days and after 30 days the video will come down if a local business hasn't opted for one of the packages, which range from \$39 to \$79 per month. This ensured profit to Spotzer. However, the drawback is that Spotzer is becoming hidden with this type of partnership.

When asked what are the difficulties that Spotzer encounters pioneering in online video advertising Mr. Coppelman said that they are figuring out what are the best way to distribute the videos to SMEs and the best way right now is through their partnership. When asked if Spotzer intends to target large enterprises Mr. Coppelman said that their priority is to produce videos for SMEs because they believe that the future in this new format will be big. Also pioneering means that Spotzer expects constant changes, that's why they have to terminate their sales team because they believe that it will be easier for Spotzer to have an outsource sales than their own sales team. When asked if this is the reason for high turn over of the company, he said that it is related because Spotzer wants to form a group of team that will deliver high competence in the field of advertising and online video.

When asked who are the biggest competitors of Spotzer, Mr. Coppelman said that their biggest competitors are TurnHere, Spotrunner, and AdReady because they are all competing on getting partnership with other media companies, and online directories. However, Spotzer is very confident that they are competitive enough; Spotzer has a

unique team of highly qualified in the marketing, video production and advertising, their price is also very competitive compare to their competitors.

2. Interview with Servaas Verbrugge, proprietor of Verbrugge Administratie

Verbrugge Administratie is a financial and tax advisor for small businesses and professionals, established in 2000 and located in Amsterdam. Servaas Verbrugge is managing Verbrugge Administratie alone, however, during busy season or tax season, December to April, Servaas has a part timer helping him for 10-15 hours a week. He has over 200 clients mostly small businesses in Amsterdam and some clients outside Amsterdam. Servaas gets most of his clients through networking, recommendation or mouth-to-mouth. He said that he never had problems getting clients and actually now on maximum capacity that he has to turn down new clients. When I asked him why doesn't he accept new clients and asked his part timer to work for more hours? He answered that he wants to keep his business small. His business is he and defines his personality on how he runs his business, select his clients and communicate with his clients.

According to Servaas, he has his own website that he updates himself regularly if there were any changes on his work portfolio. His company can also be seen on phone book and online yellow pages. In addition, his company is on the social network website called *Linked In*. He said that he got some clients through *Linked In*. When I asked if he advertised his company, he said answered yes. He advertised once in 2000 in KvK (Chamber of Commerce) newspaper, he paid 200 euro and got zero reaction. What really gave a boost to his company was an interview from a local paper in early 2002. Through this interview he received phone calls from companies who looks for a book keeping company that matches the personality of their company. At small scale, Verbrugge can be searched through Google and his website is linked on another websites, interviewsites.nl.

When I asked him if he knows about Video advertising, he said yes. He actually said that if he needs clients again he will consider about adding a short clip on his website. An interview style setting like the two articles on his website but as a video clip. He said that he will not pay to broadcast this video clip but he will place this video clip online so the people who knows or heard his company can find him on Google or link it on a website. I showed to Servaas a sample of ready to air videos of Spotzer and asked his opinion. He said that he finds the videos very "American", as a business adviser, he said that he did not think that these videos can connect enough with the local businesses in Amsterdam. He also added the videos of Spotzer needed a local touch of The Netherlands or Amsterdam.

3. Interview with Yvonne Nelson proprietor of YN Art Direction+Design

Yvonne Nelson is an art director and graphic designer with extensive experience in visual branding, advertising and design in cross-cultural, international environments based in Amsterdam. YN Art Direction+Design is a one-man company. According to Yvonne her company can be considered a "mini-micro" enterprise. Yvonne helps starting established companies and non-profits find exciting, smart and effective solutions for a wide range of communication needs. Welcome. Yvonne has been in advertising business for over almost 20 years.

When asked about her opinion about the growing popularity of online video advertising, she said, "it looks very cool" but who are watching these videos? Small and medium Enterprises especially SMEs in The Netherlands will not want their commercial to be broadcasted in YouTube. She was quite skeptic about this new format because of the lack of personal touch that local businesses like hers want. She also believes that for local businesses this is still quite expensive specially buying media. As a communication specialist she thinks that the videos needed some development that suits the Dutch market. Although, she thinks that the videos are adoptable to most countries.

As for Yvonne's own company, she get clients through word-of-mouth, she updates her website regularly so her existing and prospect client can have access to her portfolio. She also has a business profile in LinkedIn and also listed in GoudenGinds.NI.

4. Interview with Saskia Bongearts proprietor of Saskia's Huiskamer

Saskia Bongearts is the owner of Saskia's Huiskamer, Saskia first started catering to students living in de Pijp Amsterdam back in 2005. Saskia said that her former clients were art students and performing artist. Through them, they gave suggestions to Saskia about a unique way of having a restaurant and that's how she got the idea of Saskia's Huiskamer. Saskia's Huiskamer is a very unique restaurant compare to other restaurants in Amsterdam. In Saskia's Huiskamer, guests will all sit in a long table with a capacity of 20 people. The guests can enjoy the warm food and the comfort of being in your own living room. The host of the party or the one who organize the gatherings can help serve the food that the team of Saskia has prepared. The restaurant also catered for organize party outside the restaurant. Saskia's Huiskamer has variety of dishes depending on the taste of the clients and mood from French, Italian, Spanish and Moroccan or in summer a barbecue buffet. This unique restaurant has become famous in its own way through word-of-mouth by its former clients.

According to Saskia she never really did any paid advertising. In the beginning of Saskia's Huiskamer, Saskia had an interview by a local newspaper and after that interview other local newspapers and magazine for hotels and restaurants also featured the unique style of her restaurant. When asked why she doesn't advertise she simply said that she doesn't need it. The restaurant has enough clients in fact they have to turn down clients because it is very busy. Clients have to book one month in advance or even longer during summer and Christmas holiday. Right now, she is contented with the profit that the restaurant generates, perhaps in the future when she opens a new branch either another one in Amsterdam or Utrecht she will need to advertise. When I showed her the samples of ready to air video and promotional video she said that it looks very interesting. She added that she likes the promotional videos, it's like the interview she had for the local newspaper.

Saskia's Huiskamer, is listed in the Gouden Gids, it also has a website where clients can book a reservation, on the website is also the location of the restaurant, the menu and the prices. According to Saskia, she wants her business to be personal and also the way she keeps contact to her clients. She likes that her clients get to know her restaurant because of the quality and comfort that Saskia's Huiskamer offered.

5. Template of the survey questions

Video advertising for small and medium enterprises

Dear Respondent,

I am a student of European Studies specialized in Communication at The Hague University. I am conducting a survey for the completion of my dissertation.

The purpose of the enclosed survey is to gather information about the new approaches and possibilities for Small and Medium Enterprises to increase brand awareness through video advertising over the Internet.

This survey will take 10 to 15 minutes to complete. All your responses will be kept confidential. Only people directly involved with this project will have access to the survey and will not be used for sales purposes.

Questions about this study can be directed to me or to my supervising professor, Mr. Peter Hanssen, HEBO, The Hague University (Haagse Hogeschool), Johanna Westerdijkplein 75, 2521 EN The Hague, The Netherlands, +31 70 -445 8888.

Thank you for taking the time to participate in this research.

2.	Company name

3.	What is the nature of your business? (Please tick one answer)
	⊂ Art, Collectibles and Hobbies
	C Automotive Services
	© Bars and Clubs
	© Beauty and Spas
	© Business Services
	© Educational Services
	© Entertainment
	© Event Planning
	☐ Financial Services
	C Food
	○ Home and Garden
	C Hotels
	C Legal Services
	C Medical Services
	C Pets
	C Real Estate
	C Restaurants
	© Sports and Fitness
	○ Travel
	C

4.	What is the total number of your employees?
	c 1 - 10
	C 11 - 20
	C 21 - 30 C 31 - 40
	C 41 - 50
	© more than 51
5.	What is the annual turnover of your company?
	○ 0 - 99.000 euro
	C 100.000 – 199.000 euro
	200.000 – 299.000 euro 300.000 – 499.000 euro
	c more than 500.000 euro
6.	In which region of The Netherlands is your company located? (More than one answer is possible)
	□ Drenthe
	Flevoland
	Friesland
	☐ Gelderland ☐ Groningen
	Limburg
	Noord-Brabant
	□ Noord-Holland □ Overijssel
	Utrecht
	☐ Zeeland
	☐ Zuid-Holland

	Questions about your knowledge and experience in advertising (Please tick the box that most closely matches your experience)
7.	Does your company already advertise?
T.	C Yes C No (go to question 13)
8.	What kind of advertising? (More than one answer is possible)
	□ TV commercial □ Radio commercial □ Print ad on a magazine □ Flyers □ Posters □ Newspaper ad □ Web video advertising
9.	Who make the advertising for your company?
	☐ I do it myself ☐ Another person (colleague) ☐ The marketing department ☐ An advertising agency
10	How much is your everage budget on every advertising compaign?
10.	How much is your average budget on every advertising campaign? C 1 - 500 euro C 500 - 1000 euro C 1000 - 2000 euro C 2000 - 5000 euro C 5000 - 10000 euro C more than 10000 euro

11.	How much time it takes from creating the advertising till launching?
	C 1 day C 1 week
	C 2 weeks
	C 3 weeks
	C 1 month C 2 months

	Very satisfied	Satisfied	Not satisfied/ Not dissatisfied	Dissatisfied	Very dissatisfied	Don't know/ No experience
I reach new customers	c	C	C	С	C	С
The sales increases	C	0	C	0	C	С
The loyalty of my current customers gets stronger	c	C	С	C	С	C
My company gained positive image	c	С	c	С	С	С
It boosts the morale of my employees	С	0	С	C	C	C

Questions about advertising in general

		Strongly agree	Agree	Agree nor disagree	Disagree	Strongly disagree	Don't know/ No experience
	Advertising increases sales and profit	С	C	С	С	С	С
	Advertising increases general awareness of the brand and services	С	C	С	С	С	С
	Advertising helps to gain new customers	c	С	C	С	С	С
	Advertising increases loyalty of your customers	C	С	C	С	С	С
	Advertising gives a positive image to your company	С	О	С	Ċ	С	С
	Advertising boosts the morale of the employees	c	C	C	C	С	C
	Advertising is very expensive	С	С	0	С	С	C
	Advertising is only for big companies	C	0	С	С	С	C
	Advertising is not necessary for me	C	С	C	C	C	C

This part of the questionnaire explains the new approach of advertising specific for small and medium enterprises.

A new approach in advertising has recently started in the US. For as low as 500 euro, a company can have their own video advertising that they can broadcast on TV, Internet, Out-of-home/narrowcasting and mobile phone. At the moment also advertising companies in The Netherlands has started to offer this concept.

The concept is to offer small and medium enterprises an online library of creative, ready-to-air commercials produced by industry-leading professionals from around the world. In as short as one week, you are able to have yourown custom made video advertisement.

The following 3-step proces in the concept are:

- Purchase rights to use one of the pre-produced commercials with a degree of exclusivity that matches your specific needs and budget



-Personalize your selected commercial with your own logo, pictures, slogans and contact information.



-Create and execute highly targeted media plans based on your specific objectives, audience and budget. Benefits you will get with this method are the following: -Video cost as low as 500 euro; -Fast as short as 1 week you can have your own video; -Professional support by the advertising company;
-Geo-targeting will be used, you can be sure that you will reach your target group;
-You don't need a website to post your video online; -You have a choice on where you want to broadcast your video, either on TV, online, out-of-home or mobile phone; Questions on your interest and on how you feel about this new approach in advertising (Please tick the box that best suits your answer) 14. Have you already heard this concept of video advertising? ○ Yes C No (go to question 16) 15. Where did you hear about this concept? From a friend C From a colleague From the internet

Through an ad agency

16. Which of the following companies are you familiar with? (More than one answer is possible) □ Spotzer □ Spotrunner ☐ Turn Here ☐ Adlinks ☐ Ad Edge ☐ EZ Show ☐ Harbinger Media ☐ Pixel Fish ☐ I don't know any of these companies ☐ Visible World 17. Have you ever done this kind of video advertising before? ○ Yes C No (go to question 20) 18. Who created the video commercial? Friend or relative Professional service (Agency) ○ Online tools (Do it your self service) 19. Where did you broadcast the video commercial? (More than one answer is possible) □ TV ☐ Internet ☐ Out-of-Home/ Narrowcasting ☐ Mobile phone 20. Now that there's an opportunity for your company for video advertising, would you consider this new approach? ○ Yes No (go to question 22)

21.	Where would you like to broadcast your video (More than one answer is possible)
	□ TV □ Internet □ Out-of-Home/ Narrowcasting □ Mobile phone

		Strongly agree	Agree	Agree nor disagree	Disagree	Strongly disagree	Don't know/ No experience
	With this new approach, I can directly reach my customers	C	С	С	С	С	С
	With this new approach, new customers will be reached easily	C	С	С	C	C	С
	The quality of video advertising is almost the same as the 30-second commercial spot on TV	C	С	С	C	C	С
	500 euro is too high for small and medium enterprises	C	С	С	О	С	С
	The 3 steps, described in the intro text, are easy to understand	C	Ö	С	C	С	С
	With video advertising I think my company will be stronger towards competitors	С	С	C	C	C	C