

Arin André von Krogh

Strategic design for a startup company

Identifying, testing and developing strategies to benefit a startup company in the early stages of its existence

Master's thesis in Industrial Design Engineering

Supervisor: Andre Liem

August 2022

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Norwegian University of Science and Technology
Faculty of Architecture and Design
Department of Design

Masteroppgave for student Arin André von Krogh

Tjeneste- og forretningsdesign for oppstartsbedrift

Business and service design for a startup

Blumags er en oppstartsbedrift som produserer og selger undervannsmagneter til profesjonelt bruk. De samarbeider med Stryde, et konsultentselskap som spesialiserer seg på forretningsdesign, i utviklingen av forretningsmodell for oppstartsbedriften. Overordnet er det her jeg skal bidra med mitt masterprosjekt ved blant annet å kartlegge verdiforslag til bedriften, marked og kunder, for så å designe og validere passende forretningsmodell. I tillegg skal jeg ta i bruk tjenstedesignmetodikk for å utforme et referralprogram for kunderekuttering.

Foreslått arbeid innebærer:

- Kartlegge marked og Blumags sitt verdiforslag.
- Skissere kunde profiler.
- Skissere kundereise for én eller flere kunde profiler.
- Anvende tjenstedesign for å utforme et referralprogram for kunderekuttering.
- Utforskning av ulike partnerskapsmodeller for salg og distribusjon.
- Design av overordnet forretningsmodell.
- Prototyping og validering av forretningsmodell, samt potensielt utvalgte berøringspunkter som f.eks. web shop.

Opgaven utføres etter ”Retningslinjer for masteroppgaver i Industriell design”.

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Biveileder: Hallgrim Sagen

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Navn

Ansvarlig faglærer

(kan ikke signeres av stipendiat)



Sara Brinch

Instituttleder



Preface

This report documents my master's thesis at the Institute of Design at NTNU during the spring semester of 2022. The project was conducted in collaboration with the Norwegian startup company Blumags.

I would like to thank everyone who contributed to the project with valuable insight through their participation in interviews, workshops and user tests, as well as by answering surveys and polls. I would also like to thank Emil and Lars at Blumags, Hallgrim at Stryde, as well as my advisor Andre Liem, for all the guidance and feedback they provided along the way. Lastly, I would like to thank my classmates, particularly my colloquium, for their inputs, support and camaraderie during these past months.

The completion of this master's thesis represents the end of my degree at NTNU. These five years have been both fun and challenging, and most of all educational. I would like to extend my gratitude to NTNU, and the Institute of Design in particular, for everything I have learned over the course of these years.

Divergence from original project description

The original project description was formulated at a point when it was still unclear exactly what the contribution to Blumags this project would be. The idea was that it would include the design of a business model for the company, but precisely what this entailed was not properly defined. Some concrete tasks were outlined in an attempt to specify this further;

1. Mapping the value proposition, market and customers
2. Design and validate a fitting business model
3. Design a referral program for customer recruitment

(Some suggested work was also outlined in the bullet list, which are mainly subtasks of these three main tasks, defined with the purpose of detailing these main tasks further.)

The idea behind the first task (mapping the value proposition, market and customers) was that this was going to be the groundwork on which the following main task (design and validation of a fitting business model) would be based upon. However, since the content of this main task was not sufficiently specified, how the work in the first task would relate to this was not obvious. Also, the third task (design a referral program for customer recruitment) was not really related to any of the first two, but was rather an idea for a strategy Blumags wanted to implement.

The lack of clarity about the purpose and content of the project can be partly attributed to the fact that it was defined with the term “business model”, which has a quite broad meaning. It is therefore not necessarily evident what the statement “designing a business model” means. Investopedia defines a business model as “a company’s plan for making a profit”. They further elaborate that the business model “identifies the products or services the business plans to sell, its identified target market, and any anticipated expenses.” (Kopp, 2022). After some discussion it became apparent that Blumags’ overarching business model, i.e. how they intend to make a profit, was actually already quite clear; to sell underwater magnets to their target market segments. These target segments were defined and prioritized by three categories; a primary, secondary and a tertiary market segment.

What Blumags needed help with was more specific than a new such overarching business model. What they needed was concrete strategies they could implement to increase the probability of success for their existing business model. The goals of the project were therefore refined shortly after the project was initiated to the following;

1. Identify the strategies that will be of most benefit to Blumags.
2. Investigate the usefulness of some strategies that Blumags themselves had conceived prior to this project (the referral marketing program was one of these strategies).
3. Implement the strategies identified in the completion of the first goal.

From this point onward, this project was dedicated to the pursuit of these goals.

Abstract

Blumags is a Norwegian startup company that produces underwater magnets. This thesis has been a collaborative project with Blumags with the overarching purpose of identifying strategies the company can implement to become more viable. Three concrete goals were defined at the start of the project.

1. Identify the strategies that will be of most benefit to Blumags.
2. Investigate the usefulness of some strategies that Blumags themselves had conceived prior to this project.
3. Implement the strategies identified in the completion of the first goal.

The pursuit of these goals comprises this project.

Sammendrag

Blumags er en norsk startup som produserer undervannsmagneter. Denne masteroppgaven har vært et samarbeidsprosjekt med Blumags med det overordnede formålet å identifisere strategier Blumags kan implementere for å bli mer levedyktige. Tre konkrete delmål ble definert ved prosjektets begynnelse.

1. Identifisere strategiene som vil være mest fordelaktige for Blumags.
2. Undersøke effekten av noen strategier Blumags hadde tenkt ut før dette prosjektets begynnelse.
3. Implementere strategiene identifisert i oppnåelsen av første delmål.

Dette prosjektet utgjøres av prosessen utført for å oppfylle disse målene.

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INTROD

UCTION

Client

Blumags is a startup that produces premium underwater magnets, also called diving magnets. These magnets are used in a variety of marine operations, typically underwater construction, shipwreck recovery or oil spill recovery. They are used by both divers and ROVs (Remotely operated underwater vehicle), primarily to attach the user (diver or ROV) or equipment to metal surfaces underwater. This is done in order to fix the position of the user and/or equipment when doing work that requires a stable position over time, like welding.

Blumags was formally established in 2020 by two Norwegians, Emil Jahren and Lars Lind, who met while they worked together at another company that produces underwater magnets. Blumags currently have two magnets in production, both of which come in two versions with different holding force; the Flipper, with a holding force of either 100 kg or 250 kg, and the Willy, with a holding force of either 500 kg or 1000 kg. Both the Flipper and the Willy are meant to be used by divers. They also have a third magnet under development, Moby, which is meant for ROVs.

From before this project begun, Blumags had contracted Hallgrim Sagen from Stryde, a business design consultancy, to help them with the development of their business. Hallgrim was also involved in this project in an advisory role.

Project

The main focus of Blumags up to the point of this project had been product development. The value proposition of the company is premium underwater magnets, and so their first priority was to design such magnets. Having now reached a satisfactory level of quality for Flipper and Willy, they wanted to switch focus to developing the business in a way that would make the company more viable given their existing product inventory. This is what they wanted this project to help them with. After some initial unclarity as to exactly what this project should contribute (as previously explained), we agreed three goals for this project. This report consists of three parts, each one dedicated to the pursuit of one of these goals.

1. Identify the strategies that will be of most benefit to Blumags.
2. Investigate the usefulness of some strategies that Blumags themselves had conceived prior to this project.
3. Implement the strategies identified in the completion of the first goal.

As the end goal of this project is the design of strategies, and not products or services (which are usually the end goals of a design process), it's fair to say this project is an exercise of the discipline of strategic design.

METHOD

DOLOGY

The following section is divided between Process and Tools. Process refers to the systematic approach to solving the overarching goal of the relevant part of the project. Tools refers to concrete methods that were used for specific purposes within that process. The described process was used for Part 1. Part 2 and 3 are less comprehensive and were not conducted following a predetermined process. The described tools were also primarily used in Part 1, although the survey and interviews also contained questions relevant to Part 2.

Process

Delft Innovation Method

The Delft Innovation Method is a method for product and service innovation developed by Jan Buijs at the Delft University of Technology, presented in a book by the same name. The book is “a basic text on the complex process of innovating from within a company.” A part of the method is dedicated to strategy development. (Buijs, 2012, pp. 55-69).

A version of this method features in a course on strategy design at NTNU as a recommended approach to company strategy development. Part 1 of this project was conducted by following a process that was based on this approach. It was not necessarily followed to the letter, but rather modified to fit this specific project. The process that ended up being executed is illustrated in figure 1.

1. Company situation

This step involves mapping out and understanding the current state of the company.

2.1 Internal analysis

An analysis of the internal state of the company. The purpose is to identify strengths and weaknesses that the company possesses.

2.2 External analysis

An analysis of factors that are external to the company. The purpose is to identify opportunities and threats that exist in the environment surrounding the company.

3. SWOT analysis to generate Search Areas

In this step, the strengths, weaknesses, opportunities and threats are to be combined in a SWOT analysis with the purpose of generating Search Areas. A Search Area is something like the predecessor of a concrete strategy. It is not a refined strategy ready to be implemented, but rather a vague idea of one - an idea of something that it seems possible to somehow act upon in a way that will benefit the company. A simplified definition might be “something that should be investigated because beneficial strategies might be extracted from it”. Examples of Search Areas

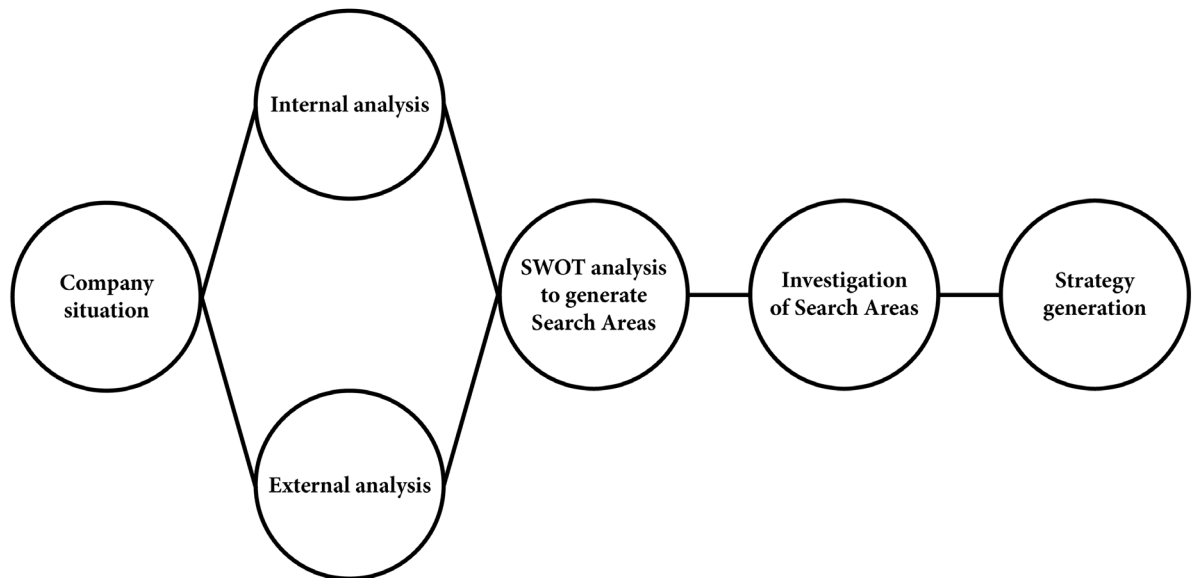


Figure 1: Illustration of the conducted process of Part 1, based on the Delft Innovation Method.

can be ideas for ways to; take advantage of new technologies, reach new customer segments, meet unsatisfied needs of existing customers, etc.

4. Investigation of Search Areas

These Search Areas should then be investigated. The goal is essentially to separate the ones that can be refined into concrete, beneficial strategies from the ones that cannot.

5. Strategy generation

The Search Areas should then be refined into such concrete, beneficial strategies. Jan Buijs explains the process in the following way; “Search Areas are relevant pieces of coherent external information in which the potential for innovation is possible. The companies have to chew on it to find the potential strategic nutrition hidden inside the Search Areas.”

Tools

Figure 2 illustrates in which phases of the process (of Part 1 of the project) the different tools were used. The tools in red are explained in this section (Methodologies). The tools in black were considered self-evident and therefore not necessary to be explained.

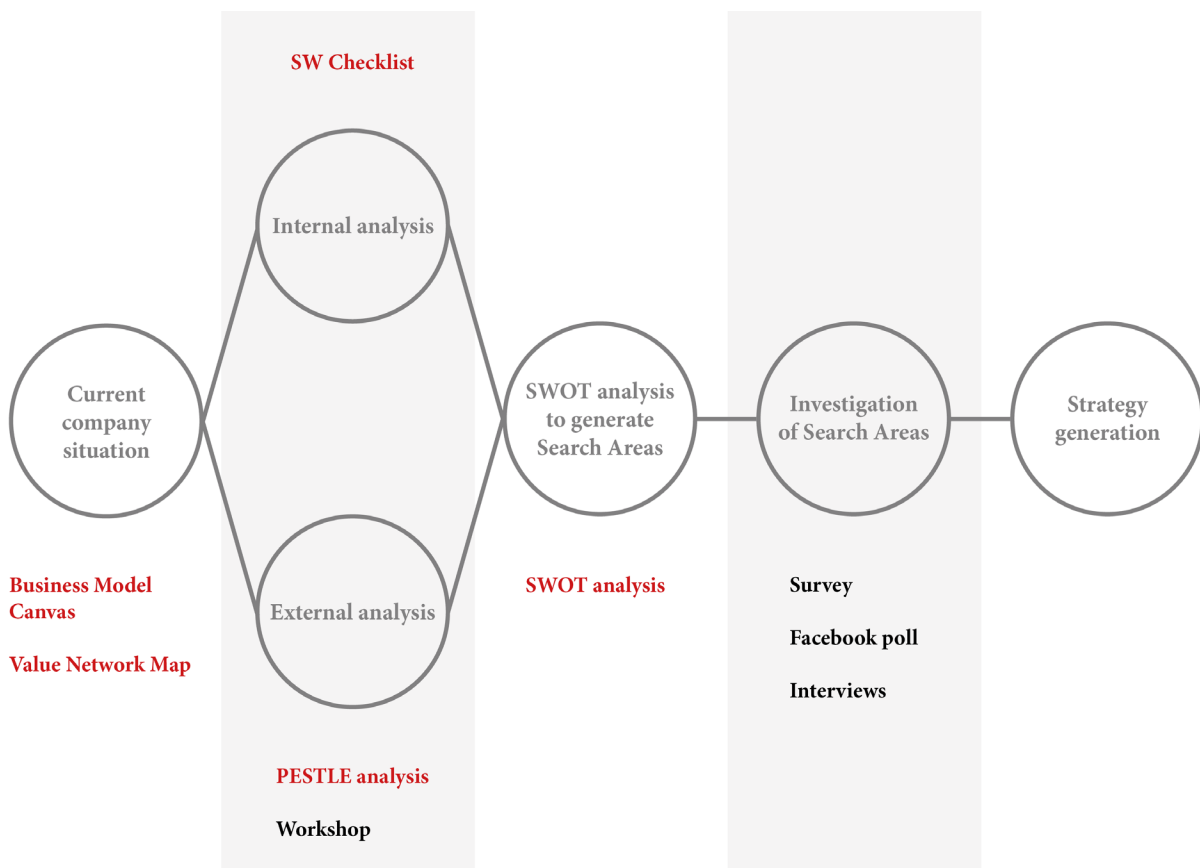


Figure 2: Illustration of the phases in which different tools were used.

Business Model Canvas

A tool that is very useful when it comes to mapping out the key aspects of a business is the Business Model Canvas. Developed by Alexander Osterwalder, the Business Model Canvas is a template that consists of nine “building blocks”, each one dedicated to describing one such key aspect of the business in question. The template is designed to fit on a single page. When filling out each of these blocks, one is left with a concise overview of the business and its core activities. The nine building blocks that compose the template are the following:

Value propositions: Summarizes the value the company offers to their customers through their products and/or services. A value proposition should include the company’s unique selling proposition, e.g. what separates them from competitors.

Customer segments: Describes the market segment(s) the company identifies as its core target group(s).

Channels: Describes through what mediums the company communicates with their customers segment to deliver the value proposition.

Customer relationship: Describes what kind of relationship a company establishes and maintains with each customer segment.

Key activities: Summarizes backstage processes the company needs to execute in order to offer the value proposition.

Key resources: Summarizes what the company needs to sustain and support the business, such as physical, human or financial assets.

Key partners: Describes the direct ecosystem in which a company operates, including stakeholders that are needed as suppliers of key resources and key activities.

Cost structure: Outlines the most important fixed and variable cost factors of the business model and which factors affect them.

Revenue stream: Describes how a company generates income from each customer segment, like how much the customer segment pays, what they pay for, how they pay, and how much of the total revenue this amounts to.

(Lawrence et al., 2018, pp. 76-78)

Value Network Map

No company exists in a vacuum, but rather in a complex ecosystem of actors that are in relation to each other. A Value Network Map is essentially a map of the external actors that a company is in relation to and the exchange of value between them. For partner individuals and companies, these exchanges tend to be transactional, i.e. both parts give and receive something. One side is usually money, so either the company in question pays the external individual or company for some sort of product or service, like manufacturing, transport or consultancy, or the customer pays the company in return for their product or service. Competitors should also be included, although companies do not tend to have such transactional relationships with them. The purpose of Value Network Map is to help visualize, and thus analyze, these external actors and the transactional values of their relationships. (Lawrence et al., 2018, pp. 58-62).

Strengths and weakness Checklist

The following template was retrieved from the book “Marketing Management, Global Edition” by Philip Kotler and Kevin Lane Keller. It is a checklist that can be used to rate different qualities of a company by its importance and the degree to which it is a strength or weakness. The checklist consists of 25 qualities that are divided into four categories; marketing, finance, manufacturing and organization. The purpose of the template is for it to be used for performing a strengths and weaknesses analysis, and it is especially relevant for companies that produce physical products, since manufacturing is one of the categories. (Keller & Kotler, 2015, 73).

	Performance				Importance			
	Major Strength	Minor Strength	Neutral	Minor Weakness	Major Weakness	High	Med.	Low
Marketing								
1. Company reputation	_____	_____	_____	X	_____	X	_____	_____
2. Market share	_____	_____	_____	_____	X	X	_____	_____
3. Customer satisfaction	_____	_____	X	_____	_____	X	_____	_____
4. Customer retention	_____	_____	X	_____	_____	X	_____	_____
5. Product quality	_____	X	_____	_____	_____	X	_____	_____
6. Service quality	_____	X	_____	_____	_____	_____	X	_____
7. Pricing effectiveness	_____	_____	X	_____	_____	_____	X	_____
8. Distribution effectiveness	_____	_____	_____	X	_____	_____	X	_____
9. Promotion effectiveness	_____	_____	_____	_____	X	X	_____	_____
10. Sales force effectiveness	_____	_____	_____	_____	X	X	_____	_____
11. Innovation effectiveness	X	_____	_____	_____	_____	_____	X	_____
12. Geographical coverage	_____	_____	_____	X	_____	X	_____	_____
Finance								
13. Cost or availability of capital	_____	_____	_____	X	_____	_____	_____	X
14. Cash flow	_____	_____	X	_____	_____	_____	_____	X
15. Financial stability	_____	_____	X	_____	_____	_____	_____	X
Manufacturing								
16. Facilities	_____	_____	_____	X	_____	_____	X	_____
17. Economies of scale	_____	_____	X	_____	_____	_____	X	_____
18. Capacity	_____	_____	X	_____	_____	_____	_____	X
19. Able, dedicated workforce	_____	_____	_____	X	_____	_____	X	_____
20. Ability to produce on time	_____	_____	_____	X	_____	_____	_____	X
21. Technical manufacturing skill	_____	_____	X	_____	_____	X	_____	_____
Organization								
22. Visionary, capable leadership	_____	X	_____	_____	_____	X	_____	_____
23. Dedicated employees	_____	_____	X	_____	_____	_____	X	_____
24. Entrepreneurial orientation	X	_____	_____	_____	_____	X	_____	_____
25. Flexible or responsive	_____	X	_____	_____	_____	X	_____	_____

Figure 3: Strength and weakness checklist (Keller & Kotler, 2015, 73).

PESTLE analysis

This framework is essentially an approach to identifying key macroeconomic factors that can significantly affect a company in the future. These factors are identified by focusing on different domains where such factors might arise, one domain at a time. The word STEEP is an acronym where each letter represents such a domain; Political (P), Economical (E), Sociological (S), Technological (T), Legal (L) Environmental (E). This framework thus suggests first focusing on identifying all sociological factors, then all technological factors, and so on. The result is a set of external factors that can potentially affect the company in the future, grouped by domain, which one can then take measures to protect oneself against if the effect is negative, or take advantage of if the effect is positive. (del Marmol & Feys, 2015, pp. 1-2)

SWOT analysis

SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats. A SWOT analysis is thus an analysis of the internal strengths and weaknesses, and the external opportunities and threats, of a company. The purpose of the analysis is to evaluate the company's competitive position and for it to be used as a decision-making tool for strategic planning. If the analysis is to be used as a basis for generating ideas for strategies the company can implement, the SWOTs can be organized in a SWOT matrix. This is a 2x2 matrix that juxtapositions the SWOTs, with the internal strengths and weaknesses in one axis and the external opportunities and threats in the other, which creates four intersections, as seen in figure 4. Each of these intersections will be composed of a combination of strengths or weaknesses and opportunities or threats, which facilitates four different approaches to strategy generation:

- **Strengths and opportunities:** Using strengths to take advantage of opportunities.
- **Weakness and opportunities:** Overcoming weaknesses by taking advantage of opportunities.
- **Strengths and threats:** Using strengths to avoid threats.
- **Weaknesses and threats:** Minimize weaknesses and avoid threats.

When brainstorming ideas for strategies the company can implement, one can switch between these different approaches in order to generate a wide range of ideas. (Speth, 2015, pp. 1-2; Courage et al., 2022; Ingenio Empresa, n.d.).

	STRENGTHS	WEAKNESSES
	Positive characteristics and advantages of the issue, situation, or technique	Negative characteristics and disadvantages of the issue, situation, or technique
OPPORTUNITIES	S-O Strategy/Analysis <i>Using strengths to take advantage of opportunities</i>	W-O Strategy/Analysis <i>Overcoming weaknesses by taking advantage of opportunities</i>
Factors, situations that can benefit, enhance or improve the issue, situation, or technique		
THREATS	S-T Strategy/Analysis <i>Using strengths to avoid threats</i>	W-T Strategy/Analysis <i>Minimize weaknesses and avoid threats</i>
Factors, situations that can hinder the issue, situation, or technique		

Figure 4: SWOT matrix (Skinner et al., 2012, p. 163).

DEVELO

MPMENT

Part 1

Objective:

Identify the strategies that will be of most benefit to Blumags

Current company situation

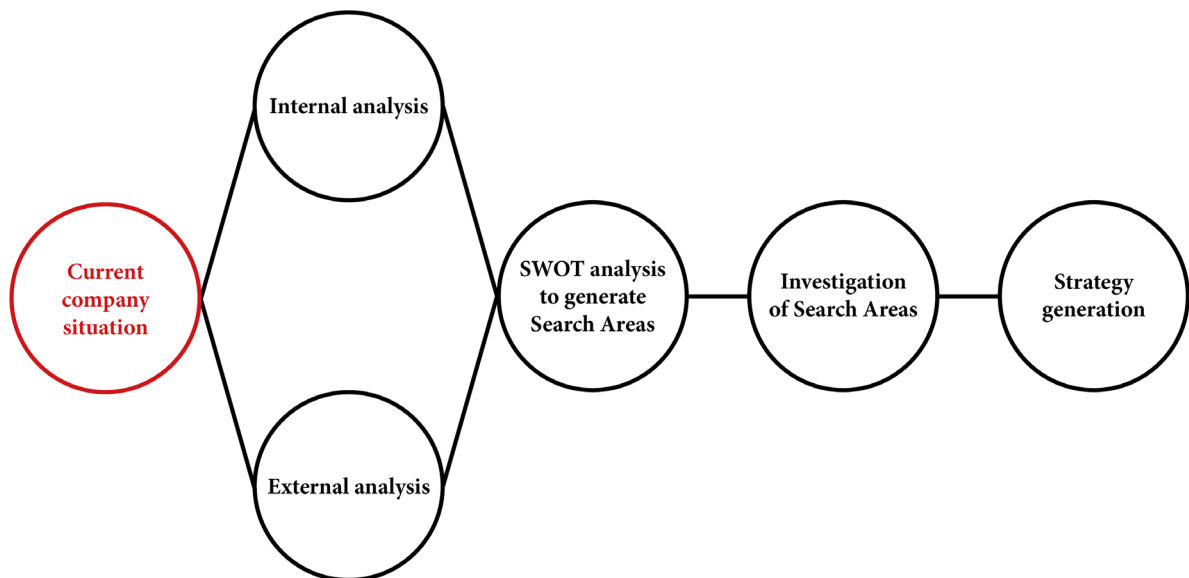


Figure 5: Current phase of Part 1.

Mission and vision statement

Mission statement

“To improve efficiency of marine operations for professionals worldwide. We aim towards 100% customer satisfaction through unmatched quality, functionality and innovation.”

Vision statement

“To be the number one producer of underwater magnets.”

Business Model Canvas

The first step of the process was to understand Blumags as it currently operates as a business, which is a prerequisite for helping them improve in any way. In order to develop this understanding, it was decided to create a Business Model Canvas of Blumags, which was achieved through a workshop with the two founders of the company, Emil and Lars, and Hallgrim from Stryde. The workshop was spent going through each of the building blocks one by one, discussing them in the case of Blumags and filling them in with the agreed upon entry. The finished Business Model Canvas can be seen in figure 6.

The Business Model Canvas

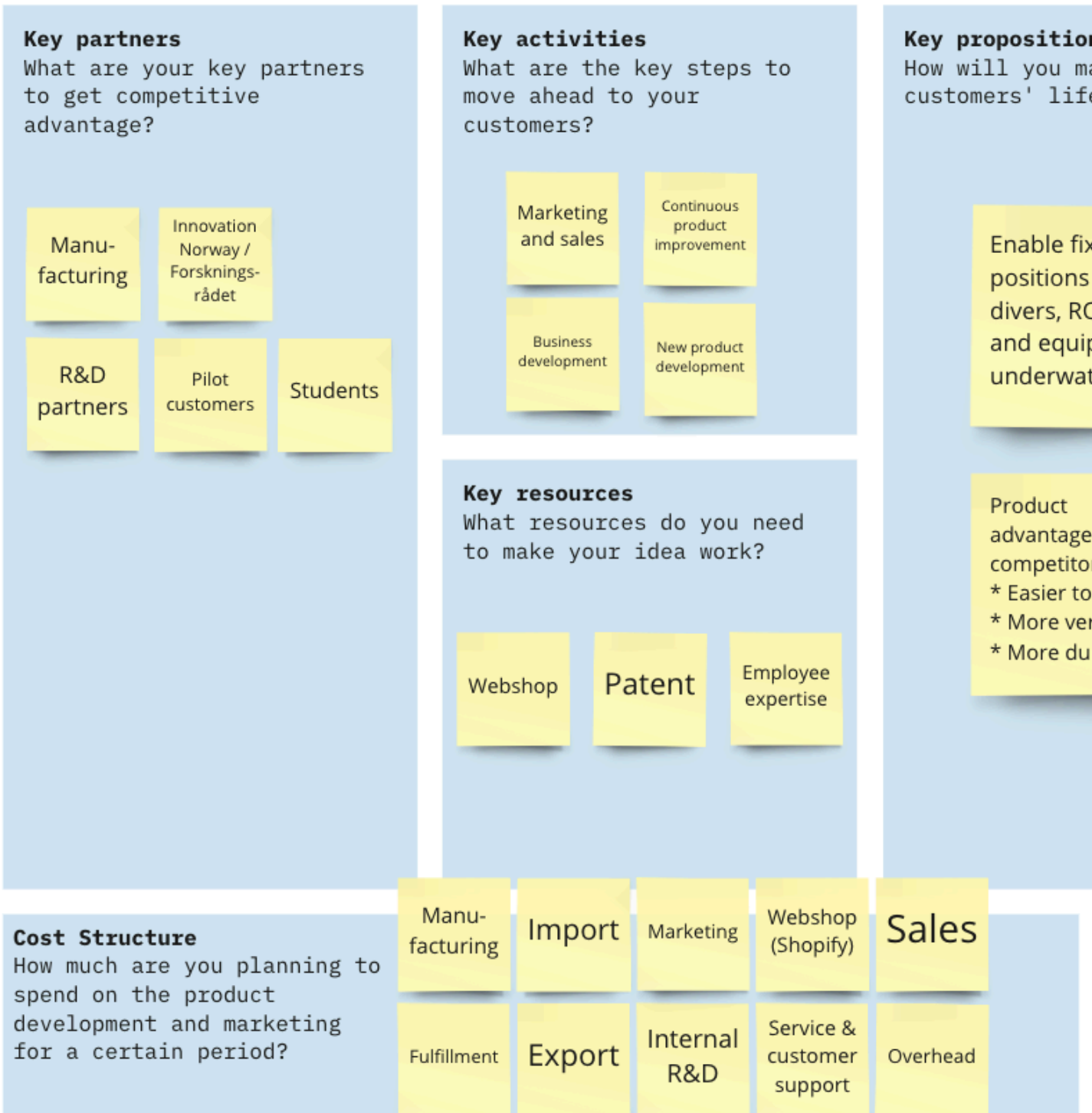


Figure 6: Business Model Canvas.

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er

s over
rs:
use
satellite
rable

Customer relationships
How often will you interact with your customers?

Co-creation

Personal assistance

Self-service

Channels
How are you going to reach your customers?

Email

Phone

Word of mouth

Facebook Ads

Website

Customer segments
Who are your customers? Describe your target audience in a couple of words.

1. Big players

2. Reseller

3. Small players

Revenue Streams
How much are you planning to earn in a certain period? Compare your costs and revenues.

Soft funding

Sales (of magnets)

Key partners

Innovasjon Norge and Forskningsrådet: Blumags receives soft funding from both Innovasjon Norge and Forskningsrådet, which is their only funding and by far their most important source of income. They have in recent times made some income through sales, but these amounts are fairly modest and not enough to sustain the business by themselves.

Manufacturer: Blumags have outsourced the production of their products to an external manufacturer in China. The details around this partnership are considered company secrets and so not much about this partnership was revealed, except the fact that it had taken Blumags some time to get the manufacturer to make the magnets exactly how they wanted them, but that they were eventually happy with the production.

R&D partners: These are a set of individuals that have helped Blumags out in different ways in the design of their magnets, including the ongoing design of the ROV magnet, Moby.

Pilot customers: These are a set of individuals of various occupations in the subsea industry that Blumags have received feedback from on their products. These individuals include commercial divers, heads of diving companies and ROV pilots.

Students: Blumags is receiving help from two sets of students; this thesis helping them develop business strategies, and a group of students at OsloMet helping them develop their new ROV magnet.

Key activities

Marketing and sales: As mentioned, while Blumags focused primarily on product development in the first stages of its existence, as products have become more mature, their main challenge is now to generate sales.

Business development: This point was quite vague, but refers to any activity Blumags can engage in to mature as a company, for example streamlining backend processes like fulfillment and thus become more efficient.

Continuous product improvement: Although Blumags are satisfied with the last iteration of their magnets, competitors will continue to iterate and improve, so it is important that Blumags do the same in order to keep up with the competition.

New product development: In addition to continuously improving their current products, Blumags should also be on the constant lookout for needs in the market that can be fulfilled by new products. Their current magnets, Flipper, Willy and the ROV magnet in development, are probably not sufficient to cover all possible use cases of underwater magnets.

Key resources

Webshop: The goal of Blumags is for their webshop to be their main sales channel, which allows them to automate their sales process.

Patent: The design of their magnets is patent pending. Achieving such a patent would be very important for them as it would stop other producers from copying their design.

Employee expertise: Both founders are experienced in magnet engineering, and have profound expertise in the field.

Key propositions

Enable fixed positions of divers, ROVs and equipment underwater: This is the main use case, and value proposition, of underwater magnets in general.

Product advantages over competitors: These are the specific features of the Blumags magnets that separates them from competitors.

1. Easier to use: Due to a handle that makes them easier to attach and detach.
2. Easier to customize: Due to the eye nut attachment point being a bolt that can be screwed in and out, and thus allow for different types of attachment points, instead of it being welded on the magnet.
3. More durable: Due to corrosion resistant, stainless steel.

Channels

Email and telephone: Email and telephone are the primary direct communication channels between Blumags and customers, both for marketing, sales and customer service purposes.

Website: The website provides product and company information, conveys brand impression and allows for sales.

Word of mouth: According to the first survey*, word of mouth is the most important source of information about underwater equipment among divers. It is therefore reasonable that a big percentage of new customers will hear about Blumags from other people in the industry.

Facebook ads: The social media platforms were also ranked as important information sources in the first survey. Blumags therefore also invested in ads on Facebook.

Customer relationships and customer segments

As can be seen in the template, these two aspects are linked in the case of Blumags. This is because they intend to have different relationships with the different customer segments depending on how important they are to the business. NB: Blumags do not necessarily have customers in each of these segments currently, but this is how they intend to communicate with them when/if they do.

* Two surveys are discussed in this report. To make it clearer which one I am referring to, I address them by two different names. The "first survey" refers to a survey that Blumags had already conducted before this project began. The "second survey" refers to a survey that was conducted as a part of this project.

Segment	Segment description	Importance	Relationship	Relationship description
“Big players”	Big, private diving and ROV companies, or public entities like the military og coastal administration.	High	Co-create	These customers are important enough to create customized one-off solutions for if requested
Resellers	Shops selling diving equipment	Medium	Personal assistance	These customers are important enough to have a personal relationship with, but not to create custom solutions for
“Small players”	Smaller diving and ROV companies, and freelance divers	Low	Self-service	These customers are not prioritized, and purchases from these would happen through the webshop without assistance from personnel

Table 1: Customer segments and relationships.

Cost structure

Since the company is new and has not yet made a large amount of sales, and because this information is quite sensitive, it was decided to leave out the details of the exact amounts of money and time required for each of the costs. The purpose of the Business Model Canvas was simply to allow for better understanding of the business operates on a macro-level, and so these details were not necessary in any case.

Manufacturing: Costs related to the manufacturing of the magnets, both raw materials and assembly.

Import: Transport of the products from the manufacturer in China to Norway.

Marketing: Marketing costs, primarily SEO (Search engine optimization) and Facebook ads.

Website: Their website and webshop is hosted on Shopify, which requires a monthly fee.

Sales: Corresponding with potential customers when making sales through email and phone. Orders through the website are automatic and require no effort.

Fulfillment: Fulfilling an order, i.e. packing and sending it.

Export: Transport of the products from the storage in Norway to the customer.

Internal R&D: Time and money spent developing their products.

Service and customer support: Time spent assisting potential and previous customers through phone and email.

Overhead: Other expenses related to running the business.

Revenue streams

Soft funding: As mentioned, Blumags' primary source of income is soft funding from Innovasjon Norge og forskningsrådet. With time, this funding will cease and the company will depend entirely on sales.

Sales: Sales of magnets.

Value Network Map

The first draft of the ecosystem map was created based on a detailed PowerPoint presentation of the company, and the information they had provided during the conversations up to that point. It was then refined during a digital workshop with founders.

As can be seen in the ecosystem map, the external actors are divided between competitors and partners. For each actor, the transaction between them and Blumags is also illustrated, with a transactional unit going one or both ways, depending on the relationship.

Transaction units

Money: No description needed

Service: Jobs performed on the behalf of Blumags.

Advisory: Individuals and companies that advise Blumags, both regarding product feedback and strategic decision-making.

Product: Physical products, both the finished magnets from the manufacturer, and the custom add-ons produced by Grumek.

Tool: Both physical and digital tools that Blumags uses. Only used in the case of Shopify, which can be described as a digital tool/solution they use.

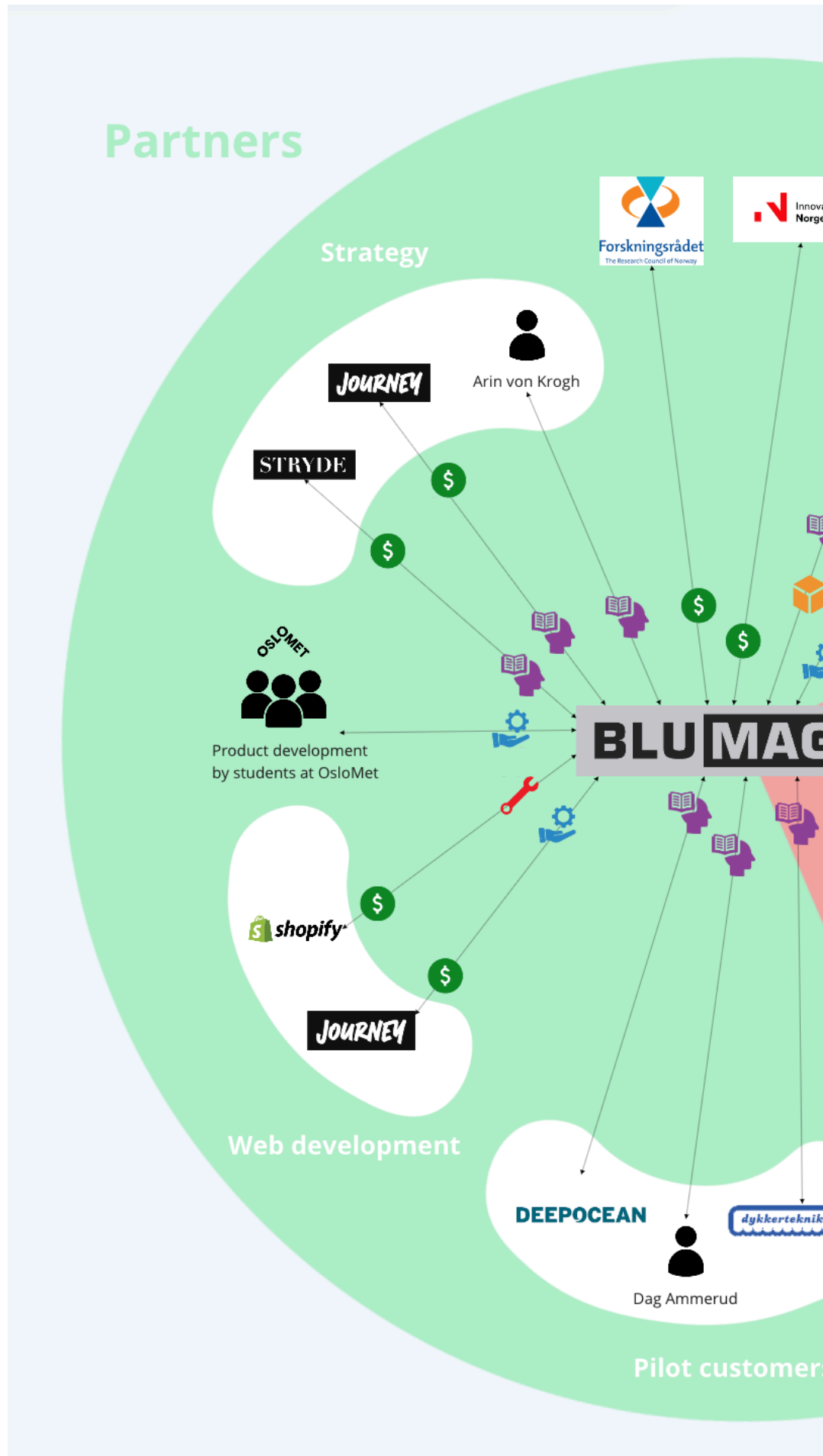
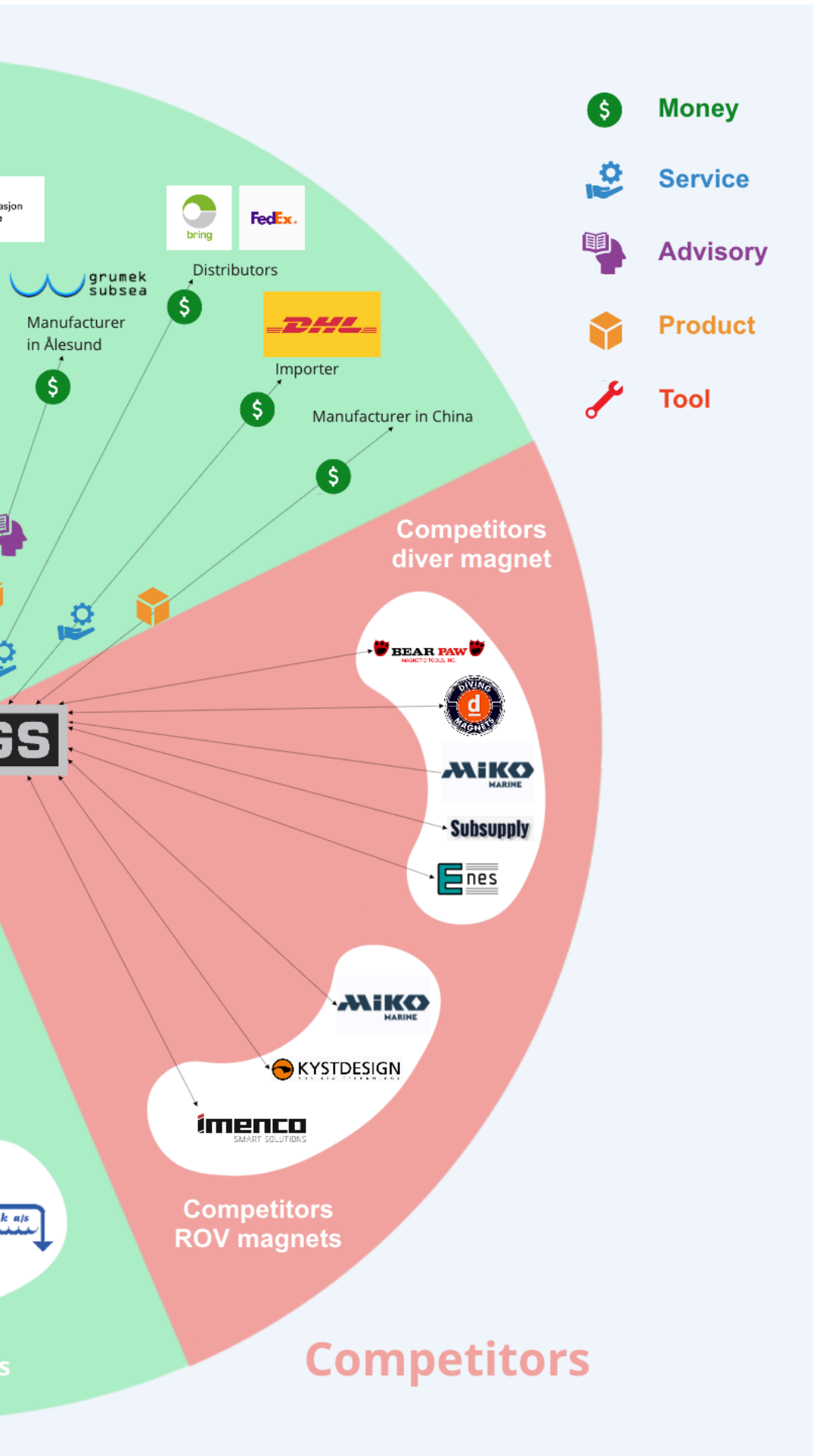


Figure 7: Value Network Map.



Competitors

The competitors are other producers of underwater magnets that the first survey revealed as the most important competitors.

Competitors in diving magnet segment

Name	Country of origin	Description
Bear Paw Magnetic Tools Inc.	USA	Sell a wide range of magnets tools like magnetic handles, magnetic angles, fishing magnets, etc.
Diving Magnets (Pty) Ltd.	South Africa	Sell primarily magnets, as well as some other related equipment like carabiners and measuring tapes.
Miko Marine AS	Norway	Sell underwater magnets, underwater blanking tools, marine salvage tools, as well as some marine sealing tools. Blumags' biggest competitor.
Subsupply	The Netherlands	Sell diving gear like knife sheaths, gloves and tool bags, as well as magnets.
ENES Magnesy	Polans	Sell various magnetic tools, as well as related equipment like Gauss meters and Tesla meters.

Table 2: Competitors in diving magnet segment.

Competitors in ROV magnet segment

Name	Country of origin	Description
Miko Marine AS	Norway	Already explained
Kystdesign AS	Norway	Provide a wide range of products within categories like electronics, hydraulics, machining, tooling and ROV systems. These products are meant for offshore industries like oil and gas, fish farming, ocean research, search and rescue, and navy.
Imenco AS	Norway	Provide many different products and services for ocean industries like oil and gas, aquaculture and renewable energy. Some of the products and services they provide are monitoring systems, offshore fueling systems, defense and naval fuel systems and offshore inspections.

Table 3: Competitors in ROV magnet segment.

Partners

Partner	Transaction	Description
Manufacturer in China	Product	Deliver finished product
DHL	Service	Transport of products from China to Norway

Bring	Service	National distribution, i.e. transport from storage in Norway to national customer
FedEx	Service	International distribution, i.e. transport from storage in Norway to customers abroad.
Grumek Subsea	Product and advisory	Production of customized add-on solutions for their magnets, and general design and production advice.
Innovasjon Norge	Money	Providing soft funding
Forskningsrådet	Money	Providing soft funding
Partners assisting in business strategy development:		
Arin von Krogh (Author)	Advisory	Writing the master thesis about developing business strategies for Blumags.
Journey Agency	Advisory	A consultant agency providing services in UX, coding, marketing, business development, etc. They advise Blumags in business development
Stryde	Advisory	A business design consultancy that assists Blumags with business development.
Students at Oslo-Met	Service	Employed in an internship at Blumags where they work on developing the new ROV-magnet.
Partners in web development		
Shopify	Tool	Not a partner per say, but a digital tool for management of online stores
Journey Agency	Service	Also assists Blumags with their website, like SEO (search engine optimization), marketing and development.
Øystein ROV supervisor	Advisory	Product feedback and general insight to the industry
Pilot customers		
Morten Diving and ROV supervisor	Advisory	Product feedback and general insight to the industry
Dag Former commercial diver and ROV pilot	Advisory	Product feedback and general insight to the industry

Table 4: Partners.

Internal analysis

Process

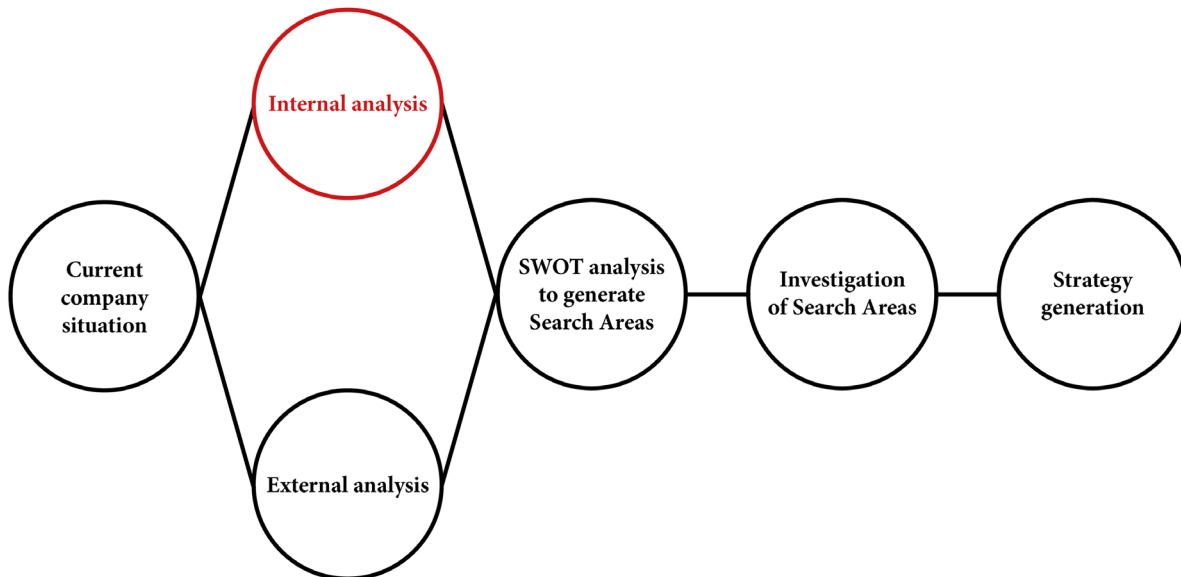


Figure 8: Current phase of Part 1.

The analysis was conducted through two workshops with Blumags by using Kotler and Keller's "SW Checklist". Each quality was discussed and rated chronologically until the template was completed.

Result

Marketing

Company reputation: New and little known company, but the customers are generally quite satisfied with the products.

Market share: Essentially no fixed customer base, only sporadic sales.

Customer satisfaction: Products are still work-in-progress. Customers of Flipper are generally dissatisfied, customers of Willy are generally satisfied.

Customer retention: Some recurring customers of Willy, few of Flipper.

Product quality: Very satisfied with Willy, not as much with Flipper.

Service quality: Highly motivated to provide excellent service to customers, but as they are only two employees they have limited time to provide this

	Performance				Importance			
	Major Strength	Minor Strength	Neutral	Minor Weakness	Major Weakness	High	Med.	Low
Marketing								
1. Company reputation	_____	_____	_____	X	_____	X	_____	_____
2. Market share	_____	_____	_____	_____	X	X	_____	_____
3. Customer satisfaction	_____	_____	X	_____	_____	X	_____	_____
4. Customer retention	_____	_____	X	_____	_____	X	_____	_____
5. Product quality	_____	X	_____	_____	_____	X	_____	_____
6. Service quality	_____	X	_____	_____	_____	_____	X	_____
7. Pricing effectiveness	_____	_____	X	_____	_____	_____	X	_____
8. Distribution effectiveness	_____	_____	_____	X	_____	_____	X	_____
9. Promotion effectiveness	_____	_____	_____	_____	X	X	_____	_____
10. Sales force effectiveness	_____	_____	_____	_____	X	X	_____	_____
11. Innovation effectiveness	X	_____	_____	_____	_____	_____	X	_____
12. Geographical coverage	_____	_____	_____	X	_____	X	_____	_____
Finance								
13. Cost or availability of capital	_____	_____	_____	X	_____	_____	_____	X
14. Cash flow	_____	_____	X	_____	_____	_____	_____	X
15. Financial stability	_____	_____	X	_____	_____	_____	_____	X
Manufacturing								
16. Facilities	_____	_____	_____	X	_____	_____	X	_____
17. Economies of scale	_____	_____	X	_____	_____	_____	X	_____
18. Capacity	_____	_____	X	_____	_____	_____	_____	X
19. Able, dedicated workforce	_____	_____	_____	X	_____	_____	X	_____
20. Ability to produce on time	_____	_____	_____	X	_____	_____	_____	X
21. Technical manufacturing skill	_____	_____	X	_____	_____	X	_____	_____
Organization								
22. Visionary, capable leadership	_____	X	_____	_____	_____	X	_____	_____
23. Dedicated employees	_____	_____	X	_____	_____	_____	X	_____
24. Entrepreneurial orientation	X	_____	_____	_____	_____	X	_____	_____
25. Flexible or responsive	_____	X	_____	_____	_____	X	_____	_____

Figure 9: Completed strength and weakness checklist.

Pricing effectiveness: Willy is well priced since it is cheaper than its only competitor in the (same holding force and quality), a magnet from Miko. Flipper has more competitors since there are more magnets in that holding force class. It is cheaper than the equivalent magnet from Miko, which is the main competitor in the premium segment, but there are cheaper non-premium alternatives with the same holding force. The importance of price is therefore medium for Willy since there are no cheaper alternatives, but high for Flipper since it has more competitors.

Distribution: The founders of Blumags ship the magnets themselves from their own garages. They don't have stock in other geographical areas. Shipping themselves from a single location is not a big problem as of now, but distributed storage and outsourced shipping will become important as they grow and get more customers from different countries.

Promotion effectiveness: Decent online promotion with SEO and Facebook ads, but weak in other marketing channels.

Sales force effectiveness: Blumags don't have sales agents. Miko, their biggest competitor, has dedicated agents world wide.

Innovation effectiveness: Being only two employees who are very innovation oriented makes this a major strength as innovation tends to be slower in bigger companies with more bureaucracy, according to their experience.

Geographical coverage: FedEx does a good job distributing internationally, although it would be even quicker with distributed storage. Bring ships quickly nationally.

Finance

Cost or availability of capital: Blumags don't have large capital available but don't really need it either since they still order products from the manufacturer in relatively small quantities, and don't have other costs that require large capital.

Cash flow: The biggest costs are partners, such as Stryde and Journey, but those are covered by Innovasjon Norge and Forskningsrådet. Other costs are connected to sales and thus not fixed, and are covered by the sale itself.

Financial stability: Soft funding means they are as of now financially stable, but this will not last forever and they will eventually have to depend solely on sales.

Manufacturing

Facilities: Manufacturing is completely outsourced. They have a disadvantage in that they have not visited the facilities in China, which they know their main competitor, Miko, has done. They also know that their manufacturer takes less responsibility for production faults than the manufacturer of Miko.

Economics of scale: Economics of scale are cost advantages gained with increased production, since the fixed costs are spread across a larger amount of units, and so the cost per unit decreases. Blumags have no scale advantages, but no competitor is big enough to have this to a significant degree either (to the best of their knowledge).

Capacity: Not close to reaching the production capacity of manufacturer

Able, dedicated workforce: No employees.

Ability to produce in time: Manufacturers are bad at producing on time, but this is of low importance since they buy in bulk and always have products in stock.

Technical manufacturing skills: The quality of manufacturing is acceptable considering the price, but units with production faults are rather common.

Organization

Visionary, capable leadership: There are no employees in Blumags apart from the two founders so there is no "leadership" per say, but the two founders are very innovation oriented.

Dedicated employees: No employees.

Entrepreneurial orientation: As mentioned, the founders are very innovation oriented.

Flexible and responsive: As they are a startup trying to penetrate the market, they prioritize responding to their customers quickly and thoroughly, and are willing to adhere to special requests.

Other

There were some qualities that were relevant for Blumags, either as a weakness or a strength, that the template did not cover, and so these were added as well.

Lack of different products: Blumags have a small product portfolio compared to some of the competition. Miko, for example, has a broad range of marine salvage tools and patching solutions for ships, in addition to a large number of underwater magnets. Minor Weakness, High importance.

Digitally oriented: Blumags are more digitally oriented than some of the competition, with a website that allows for online purchase and digital marketing in the form of search engine marketing and Facebook ads. Major strength, Medium importance.

Packaging & first impression: Blumags magnets come in a quality suitcase that the magnets can be stored in whenever not in use, which is much better than the packaging provided by the majority of the competition. Major strength, Medium importance.

Analysis

These qualities were then organized in a grid based on whether it was a strength or weakness and its importance. This grid allowed for a clearer visualization of the qualities that could have the most impact if targeted by specific strategies, due to its combination of importance and the degree to which it is a weakness or strength. The darker green corners are of high importance and either a major strength or weakness, and are the areas where strategies could have the most impact, either by utilizing the strengths or by protecting against the weaknesses. The lighter green areas contain qualities that are either of high importance and a minor strength/weakness, or of medium importance and major strength/weakness. Strategies targeted at these qualities could also have a big impact, but probably less than the ones in the dark green areas. Strategies directed at the other qualities have a lower probability of a big impact.

Note: Because product quality and customer satisfaction was quite different between the two magnets, Flipper and Moby, these qualities were split for each magnet.

Note: Company reputation has an ambiguous meaning in that it could mean both the degree to which the company is known by many (renownedness), and the degree to which this reputation is positive (acknowledgement). This quality was therefore split between Company reputation: renownedness and Company reputation: acknowledgement.

Major weakness and high importance

The qualities in this bracket are all related to marketing and sales. *Company reputation: renownedness* and *Promotion effectiveness* are both indicators of how well known the company is, which is mainly what marketing is for. Market share means how much of the total sale of

High	Market share Sales force effectiveness Company reputation: renownedness Promotion effectiveness	Lack of different products	Customer retention Flipper Technical manufacturing skills Product quality Flipper Customer satisfaction Flipper	Company reputation: acknowledgment Entrepreneurial orientation Flexible/responsive Customer retention Willy	Visionary, capable leadership Product quality Willy Customer satisfaction Willy
Medium		Distribution effectiveness Geographical coverage Facilities Able/dedicated workforce Price of Flipper	Economics of scale Dedicated employees	Price of Willy Service quality	Innovation effectiveness Packaging & first impression Digitally oriented
Low		Cost/availability of capital Ability to produce on time	Cash flow Financial stability Capacity		
	Major weakness	Minor weakness	Neutral	Minor strength	Major strength

Figure 10: Strength/weakness and importance matrix.

underwater magnets Blumags is responsible for, and *Sales force effectiveness* is the companies ability to sell products, which are both related to sales. The fact that all the major weaknesses of high importance belong to this category reveals that this really is a problem for Blumags. Luckily, these weaknesses are very actionable. Designing strategies to improve marketing and sales is very tangible, and something most startups have to contend with.

Major strength and high importance

The qualities in this bracket are less actionable. *Product quality Willy* and *Customer satisfaction Willy* simply means that both Blumags themselves and the customers are generally happy with the Willy magnet. Making good products is already the core of their business, so the fact that they manage to do that is not really an insight that lends itself to be acted upon to a great extent. The same goes for *Visionary, capable leadership*, which is simply the fact that the founders of Blumags rate themselves as visionary and capable (although they did so with a certain degree of humor).

Other

None of the qualities in the lighter green brackets were deemed as particularly actionable for the scope of this project either.

External analysis

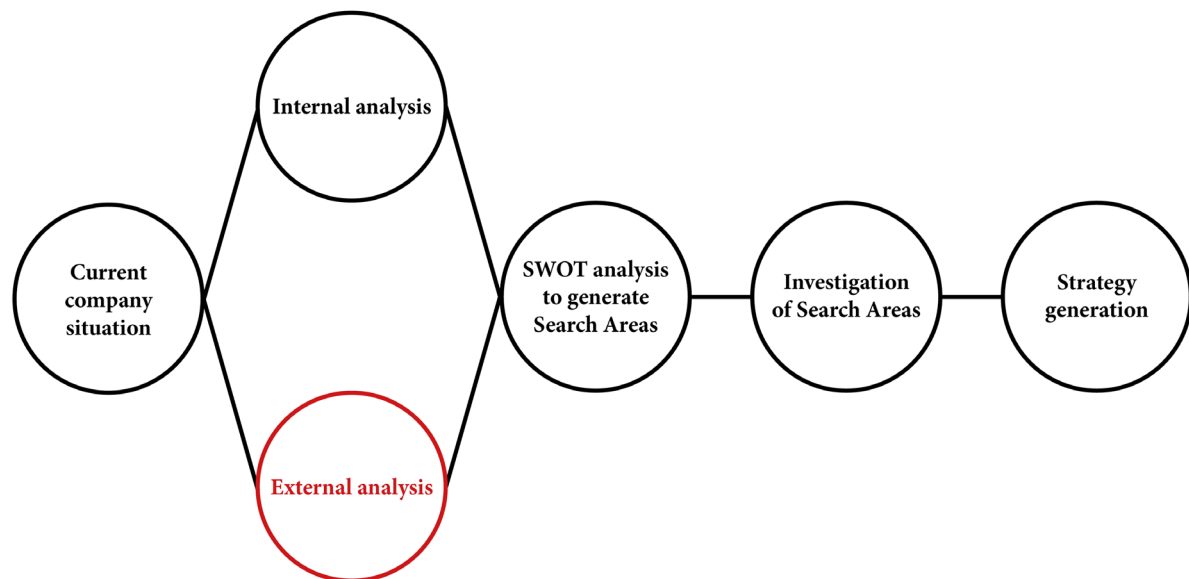


Figure 11: Current phase of Part 1.

PESTLE analysis

The analysis was performed through two workshops, one with Blumags and one with external individuals. The reason for this was to generate a wide range of ideas about external factors that might influence the company. The founders of Blumags obviously have a perspective that is very informed as they are familiar with the industry and know all the ins and outs of their own business. Their ideas would therefore be based on a lot of knowledge about the status quo of the different domains, which was of course highly desirable. At the same time, there was a possibility that having this knowledge of the status quo could somewhat restrain their thinking in terms of how things might change in the future. Also, the goal for this project was to be able to develop strategies that the founders of Blumags hadn't already thought of themselves. For these reasons, bringing in ideas from outsiders seemed appropriate. Another workshop with people with no relation to Blumags was therefore organized. The individuals that were asked to participate in the workshop were three students in my class, which was convenient for several reasons;

- They were flexible in terms of time as they are master students with few other obligations like daytime jobs and families, which meant the workshop was quick and easy to organize.
- They were easily accessible in terms of location, as they were writing their perspective thesis in the same classroom as me, making the workshop easy to perform physically.
- We had already formed something like a study circle regarding our master projects, meaning that we had met weekly throughout the semester up to that point to discuss our projects and to get feedback or help solving problems. This meant that they were already familiar with this project, and so no time had to be spent bringing them up to speed.

- As we were in this study circle together, I had contributed with similar types of help for their projects already, and so asking them to dedicate time to help back didn't feel intrusive.

The workshop with the students was done physically, and lasted about 60 minutes. The group went through each domain one by one and brainstormed about factors within each of them that had significant probability of affecting Blumags in the near or far future, either as a threat or an opportunity. The workshop with Blumags was done in a similar fashion, but digitally. The following threats and opportunities that were identified were the combined results of these two workshops.

Results

Threats

Opportunities

Political

Production in China affected by sanctions: Political conflict with China triggered by the current conflict in Europe, with Norway supporting Ukraine and China having strong ties with Russia, may bring along sanctions that make production and exportation from China more expensive.

Increase in the offshore oil and gas market: The US has declared a complete ban on oil, gas and coal imports from Russia, and the EU and UK have declared a similar ban taking effect at the end of 2022 (Horton et al., 2022). As a consequence, the demand for oil and gas from other sources will increase, which will probably spark increased offshore activity, both in Norway and other countries. As the offshore industry is among the main use domains for underwater magnets, the demand for these might increase as well.

Increase in military market: Another consequence of the war in Ukraine was Norway's decision to immediately increase the defense budget by 3 billion NOK. 800 million of these would be spent on increased surveillance of the sea areas in the north by more patrols with ships and submarines. A part of this investment will be put into maintenance of the vessels (Norges regjering, 2022). Work on ships, both construction and maintenance, is among the main use cases for underwater magnets, and so an investment of this size from the government in military waterborne vessels could mean a significant new market.

Economical

More expensive raw materials: Neodymium is element number 60 and one of the rare-earth elements, and is the core material of most high power magnets, including the ones from Blumags. The price of Neodymium has been increasing over the last two years, from around 350.000 CNY/MT (Chinese Yuan Renminbi per metric ton) \approx 50.000 USD/MT in May of 2022, to about 1.100.000 CNY/MT \approx 165.000 USD/MT in May of 2022, with a peak around 1.500.000 CNY/MT \approx 225.000 USD/MT in February of 2022 (Trading Economics, 2022). As mentioned above, this may be exacerbated by potential political conflict with China due to the war in Ukraine or other reasons, since most of the world's neodymium is mined in China (Isaak, 2018).

Renting out magnets: Since the magnets are quite expensive there might be a market for renting them out for a day rate instead of only selling them outright.

Technological

Chinese copycats: China has a reputation of having a copycat culture, meaning that Chinese companies tend to copy western products. The copies are often almost to the letter, with only minor modifications from the originals. There is even a proper word for such companies that are based on making fake or pirated products; Shanzhai. Some examples are the Chinese mobile manufacturers Samsing and Nokir (Lindtner et al., 2014). There is always the risk that a chinese manufacturer will copy the magnets from Blumags, especially since the magnets are produced in China and are quite simple products, which makes them easier to copy.

Legal

Stricter quality requirements: Because underwater magnets are used in an environment where there is a significant amount of risk involved, and the safety of the diver may partly depend on the magnets, stricter requirements of quality may be implemented within a country at any point, especially if an accident occurs where people are hurt. This may force the magnets to be redesigned in order to meet the new standards.

Environmental

Branding as environmentally friendly: As more people become concerned with the environment (GlobeScan, 2021; Pewresearch, 2020; Pewresearch, 2020) and these people increasingly regulates their consumer behavior to cause less damage (Wicker & Becken, 2013, 46), it becomes more important for businesses to demonstrate to the public that they are also taking measures to be more environmentally friendly. With this trend arises the opportunity for businesses to differentiate themselves from competitors by being more environmentally friendly. An example of a company that has implemented this strategy is Patagonia, who have since 1985 “pledged 1% of sales to the preservation and restoration of the natural environment” (Patagonia, n.d.). Blumags could potentially gain an advantage over competitors by implementing measures that would reduce their environmental footprint and thereby position themselves as the greener choice among underwater magnets.

New markets in offshore renewable energy and ocean cleanup: The emerging industries of offshore renewable energy, like offshore wind power and marine based energy sources like wave and tidal power, could mean a potential new market for the underwater magnets. Additionally, efforts to clean up the oceans could include new use cases for underwater magnets.

Requirements for recycling: As circular economy becomes more important, legislation with requirements for recycling of physical products may come into play, especially for products containing rare-earth elements. This may force Blumags to implement infrastructure to process recycling of their magnets.

Validity analysis

As the idea was to use the opportunities, threats, strengths and weaknesses as a basis for generating the Search Areas, it was important that these SWOTs were actually relevant. The strengths and weaknesses were identified based on feedback from the founders of Blumags, who are obviously very familiar with the current internal state of their own company, and so it wasn't considered necessary to further verify these. The external opportunities and threats on the other hand were to a greater extent identified based on assumptions about how the surrounding environment might change in the future. It therefore seemed wise to examine these further in order to evaluate their validity.

This validity analysis was conducted independently by myself by reading relevant information that could be found online. Specific questions were also posed to the founders of Blumags. This process took several days.

Result

Opportunities:

Increase in offshore oil and gas market & New markets in offshore renewable energy and ocean cleanup

It is not typically the oil and gas or renewable energy companies themselves that supply the divers and/or ROVs, or the tools they use, when they build offshore constructions. It is more common for them to hire specialized diving/ROV companies. It therefore does not make sense to specifically target marketing towards either the oil and gas or renewable energy industries, because they are neither the buyers nor the users of subsea tooling like underwater magnets. The buyers and users are generally the diving/ROV and subsea engineering companies they hire.

Investigate further? **No**

Increase in military market

Research was done to find out whether the Blumags magnets could be sold to the military as they were, or if they needed to meet any specific requirements. It was discovered that all entities that want to do business with the Armed forces in a NATO and Partnership for Peace (PfP) country need to have a NATO Commercial and Governmental Entity Code (NCAGE Code). This allows the entity to apply for their product to be registered in the NATO Master Catalogue of References for Logistics (NMCRL). All NATO and PfP countries share a common military supply system. All items in this supply system are registered in the NATO Codification System (NCS). The NCS is "the official programme under which equipment and parts of the military supply systems are uniformly named, described, classified, and assigned a NATO Stock Number." The NATO Stock Number (NSN) is a 13-digit numeric code that all the standardized material items of supply in the NCS are registered with. The NMCRL is thus the registry that contains all items approved and registered in the NCS. The Norwegian National Codification Bureau (NCB) is the organization that registers items of supply designed by Norwegian entities with the NCS and assigns a NSN (The Norwegian Defence Materiel Agency, n.d.). If Blumags could be approved and assigned a NCAGE Code and have their products approved and registered in the NMCRL, their magnets could become part of the standardized material items of supply in the shared NATO and PfP military supply system. This would put them amongst the

alternatives if the militaries of NATO or Pfp countries were to purchase underwater magnets in the future. This would open up a whole new market of potential customers with big budgets and a probable inclination to buy in large quantities. To get their magnets registered in the NMCRL therefore seemed like a potentially useful strategy. However, the next step in the development of this strategy would be to investigate the legal requirements and process for a company to get registered with the NCB and get assigned a NCAGE Code. The following step would be to investigate the legal requirements and process for a product to get registered in the NMCRL and get assigned a NSN. To spend this project investigating such legal matters was not the desired use of time for neither myself nor Blumags, as this was something they could do just as well on their own.

Investigate further? **No**

Branding as environmentally friendly

Indications from the first survey, which is analyzed later in the project, showed that this might have a positive effect on sales, and should there be looked further into.

Investigate further? **Yes**

Renting out magnets

According to Blumags, renting of equipment is quite common in the subsea industry, and their intuition was that this might also be the case for underwater magnets.

Investigate further? **Yes**

Threats

Production in China affected by sanctions

China is responsible for 29% of the total global manufacturing output (Global Upside, 2021). This means that essentially all other countries in the world depend on products made in China. It therefore seems unlikely that any other country, including Norway, would place broad range trade sanctions on Chinese goods for political reasons, as there is just no way to substitute such a large percentage. It is more likely for this to happen more specifically to a smaller category of products, but there are no indicators that any such sanctions on Chinese goods that would affect underwater magnets are forthcoming. It could also happen the other way around, with China placing trade sanctions on export to Norway, but there are no indicators that this is forthcoming either. Norway has taken more or less the same stance as the rest of the west in regards to the conflict in Ukraine, and so there does not seem to be any reasons why Norway would be targeted specifically.

Investigate further? **No**

More expensive raw materials

As mentioned, the price of neodymium has been rising since May of 2020, although it has been dropping for the last three months since February 2022. If the price continues to rise, Blumags could be forced to increase the price of their magnets, which would probably affect their sales. The price of neodymium is obviously completely out of their hands, and the material is hard to substitute as no other element is equal in qualities and abundance. It seems the only real strategy Blumags could employ to offset a trend towards more expensive neodymium is to take advantage of fluctuations in price and attempt to stockpile when the price drops.

Investigate further? **No**

Chinese copycats

The design of Blumags magnets is patent pending. Receiving the patent will prevent copying from legitimate businesses, but not outright pirating, which is almost impossible to protect against. The probability of making any significant progress in protecting Blumags' magnets against pirating within the size and timeframe of this project seems small so it was decided not to pursue this further.

Investigate further? **No**

Stricter quality requirements & Requirements for recycling

Both these potential threats are very hypothetical. Although there is a certain probability they might come into play at some point, there are no clues suggesting that it will happen any time soon, and so it was not considered the best use of time to develop strategies to protect against these eventualities.

Investigate further? **No**

Workshop

Process

The two PESTLE analyses provided insights from two different perspectives in terms of their prerequisite for identifying opportunities and threats in the market that could be relevant to Blumags. The founders have a perspective that is based in Blumags as a vantage point. Their relation to the diving industry comes from producing underwater magnets and trying to sell these to diving companies. They have expert knowledge of the specific magnet market, but lack detailed knowledge of the more general diving industry as none of them have worked as commercial divers or been directly related to the industry in other ways. They are also biased as they see everything through the lens of being emotionally invested in Blumags. The students on the other hand have the complete outside perspective. They have no relation to the diving industry, underwater magnets in general or Blumags in particular. They are therefore not biased but also lack any sort of expertise. Both perspectives were valuable as they gave rise to different types of ideas. There was, however, a perspective that was obviously lacking, namely that of unbiased experts on the broader diving industry. Someone with the vantage point of a buyer and/or user of underwater magnets instead of a seller, and that did not have any relationship with Blumags. In order to gain insights from such individuals, a workshop was organized with three people with different ties to the diving industry. These individuals were;

- Person A: senior project engineer at a subsea engineering company.
- Person B: runs a commercial diving company and webshop for diving equipment.
- Person C: freelance subsea videographer.

In addition to these three, both Lars and Emil from Blumags and Hallgrim from Stryde participated. The workshop lasted about 90 minutes and was executed using Miro, an online collaborative whiteboard platform. Similar to the two previous workshops, the purpose of this one was to identify potential threats and opportunities in the market that were relevant to Blumags.

However, it was decided not to use the PESTLE template in this case. The PESTLE template worked great for generating a wide range of ideas as it forces one to consider several different domains, but it is time consuming. Because these individuals were only available for a limited amount of time, and there were no guarantees of being able to talk to them again, it was decided to rather straight away focus on identifying the opportunities and threats that were most relevant.

Results

Two potential opportunities in the market were identified as a result of the workshop.

1. Selling to ship chandlers

Ship chandlers are businesses that specialize in providing supplies, equipment and services for ships that come through the harbor they are related to. The supplies can be anything from crew supplies like food, hygiene and medical products to technical equipment like tools, lifting equipment and spare parts for ship maintenance. They can also provide services like cleaning (of both crew laundry and the ship) and repairs (of the ship and equipment) (Freightcourse, n.d.). Ship chandlers are convenient for ships because they work as one-stop-shops, meaning that the ships can get everything they need from one centralized place, instead of having to navigate a large number of specialized providers in a city that might be unfamiliar, and where a different language is spoken. A single point of contact with connections to all the different local providers is much more efficient, which is especially important since the ships generally want to spend as little time passively in a harbor as possible.

Offshore diving and ROV missions are often based off of boats, and so ship chandlers are a natural channel for acquiring supplies and equipment for these missions. Even when they only lack a single type of equipment or supply, acquiring it through a local ship chandler can be advantageous because they might have it on local storage, which often means they can get it faster than if they need to order it from a producer as that would entail significant transport time.

The idea therefore emerged that selling through ship chandlers might open up a whole new market, namely the diving and ROV companies that operate off of boats and purchase equipment and supplies primarily from ship chandlers.

2. Subsea engineering companies

As the name suggests, these are companies that do engineering work under water, typically for the oil and gas and renewable energy industries. To get an idea of what such companies do, the company Oceaneering is used as an example. Overviews of the products and services they deliver can be seen in appendix item 1, and the integrated solutions they deliver can be seen in appendix item 2. The idea was that these companies might buy underwater magnets both to be used by divers and ROVs for subsea engineering work, or integrated as parts of these integrated solutions. Because the operations they do are typically large scale, they might buy in larger quantities than your average diving company.

SWOT analysis to generate Search Areas

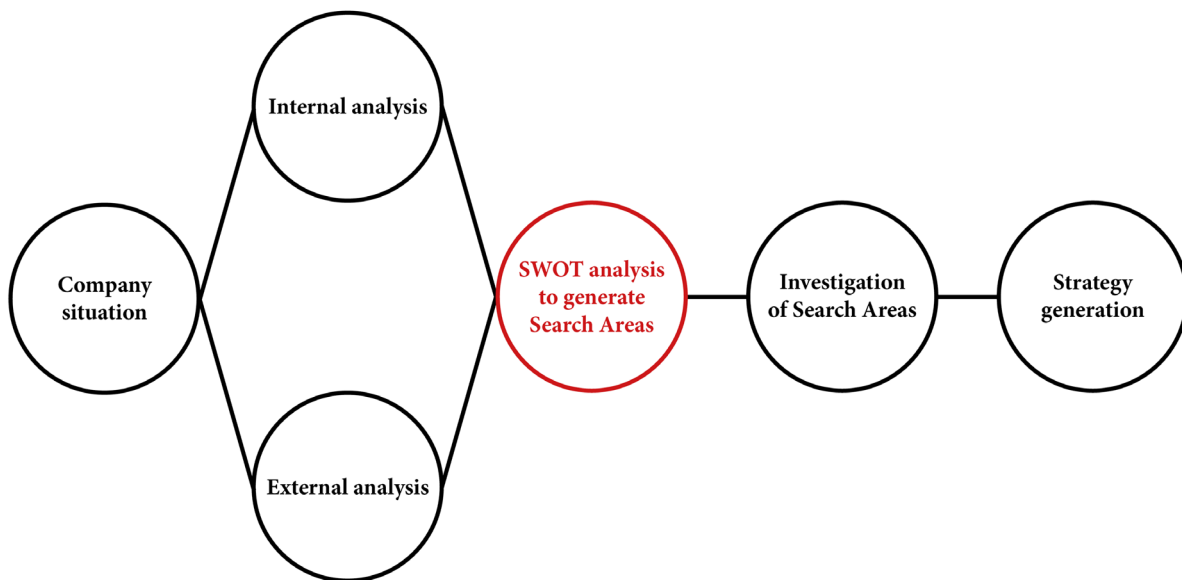


Figure 12: Current phase of Part 1.

To recap, among the strengths and weaknesses in the major strengths/weakness and high importance brackets, the ones that were deemed most actionable were the major weaknesses, which were the following;

- Company reputation: renownedness
- Promotion effectiveness
- Market share
- Sales force effectiveness

All these weaknesses belong to the same domain, marketing and sales, and so we can state that domain as the overarching weakness.

Of the opportunities and threats identified in the external analysis, the following had potential to be pursued further:

- Branding as environmentally friendly
- Renting out ROV magnet
- Sell to subsea engineering companies
- Sell to ship chandlers

All these were opportunities in the market.

Strengths	Weaknesses
	Marketing and sales ability <ul style="list-style-type: none"> • <i>Company reputation: renownedness</i> • <i>Promotion effectiveness</i> • <i>Market share</i> • <i>Sales force effectiveness</i>
Opportunities	Threats
Branding as environmentally friendly Renting out magnets Sell to subsea engineering companies Sell to ship chandlers	

Figure 13: SWOT analysis.

As explained, the SWOT matrix suggests four different approaches to strategy generation based on different combinations of the SWOTS. (In this project the analysis is used to identify Search Areas instead of directly identifying concrete strategies, but the approach is the same). The fact that a broader weakness and four opportunities were identified in this analysis suggest the approach described in the weakness-opportunity bracket, which is to “Overcome weaknesses by taking advantage of opportunities”.

	STRENGTHS	WEAKNESSES
OPPORTUNITIES	S-O Strategy/Analysis <i>Using strengths to take advantage of opportunities</i>	W-O Strategy/Analysis <i>Overcoming weaknesses by taking advantage of opportunities</i>
THREATS	S-T Strategy/Analysis <i>Using strengths to avoid threats</i>	W-T Strategy/Analysis <i>Minimize weaknesses and avoid threats</i>

Figure 14: SWOT matrix.

Each pairing of the weakness and one of the opportunities can be combined to make up a Search Area. Each Search Areas can be defined as a reseach question in the form of “Can we ... by ... “, in which the weakness is the goal and the opportunities are the courses of action:

1. Can we *increase marketing and/or sales* by *branding as environmentally friendly*?
2. Can we *increase marketing and/or sales* by *renting out ROV magnets*?
3. Can we *increase marketing and/or sales* by *selling to subsea engineering companies*?
4. Can we *increase marketing and/or sales* by *selling to ship chandlers*?

The Search Areas are thus what needs to be investigated in order to answer these research questions.

Investigation of Search Areas

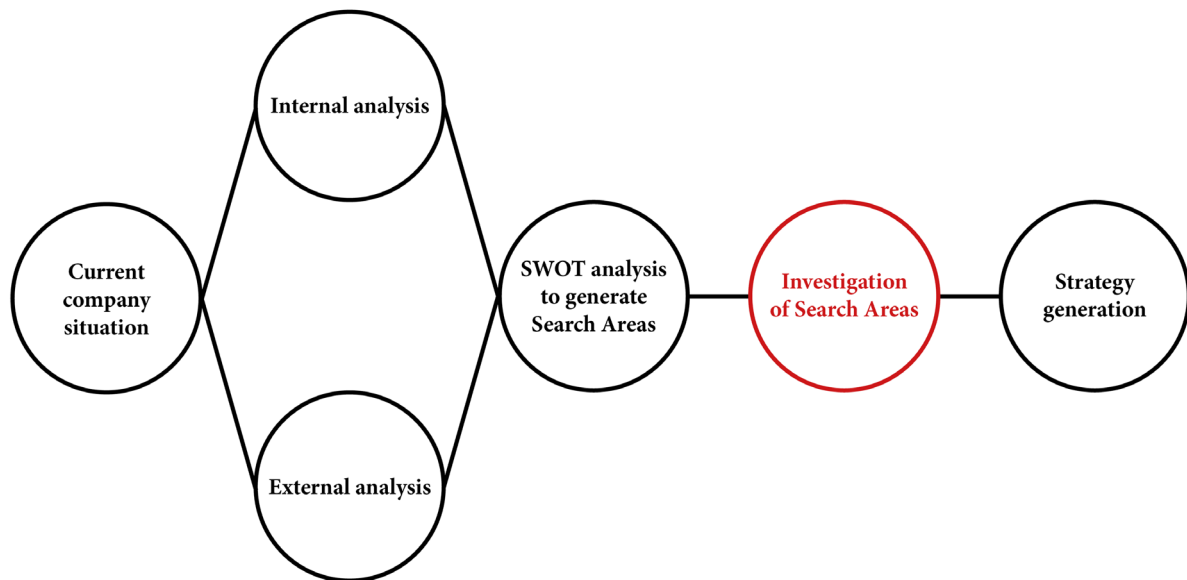


Figure 15: Current phase of Part 1.

More information about the different Search Areas was needed in order to investigate them thoroughly. A process of data collection was therefore initiated. The following methods were used.

Data collection

Revision of the first survey

This was a survey that Blumags had conducted prior to this project. It had 118 respondents, with roughly 70% of them being commercial divers. Other occupations included diving supervisors (17%), ROV pilots or supervisors (9%), project or operation manager (12%) and managers or owners (13%). Most of them worked in either underwater construction (48%), offshore oil and gas (36%) or in salvage (presumably human salvage or ship recovery) or oil recovery (33%). The full statistics can be seen in appendix items 3 and 4.

Execution of a second survey

In order to gain more quantitative data specifically related to the case of this project, a survey was created and spread across multiple Facebook and LinkedIn groups related to commercial diving. The survey got 44 responses. As can be seen in appendix item 5, 64% of the respondents were active commercial divers, 11% were former commercial divers that now had other jobs while 9% were former commercial divers that now hold another position in a diving company.

Interviews

In order to also gain qualitative data, interviews were conducted with several individuals with different ties to the subsea industry. The following interviews were conducted:

Commercial divers or similar

- Person A from the workshop
- Person B from the workshop
- Person C: an active commercial diver at big Norwegian diving company
- Person D: a former commercial diver and currently head of his own diving company
- Person E: active commercial diver hired in Person Ds diving company.
- Person F: active commercial diver
- Person G: former commercial diver and active diving supervisor
- Person H former commercial diver and active diving attendant
- Person I: head of a ROV tooling company in Norway
- All these interviews were conducted over the phone and lasted between 15 and 60 minutes.

Subsea engineering companies

Several subsea engineering companies were contacted, both within Norway and internationally. The first contact was made through email, to which four of these companies responded. After email connection was established, phone interviews were arranged and conducted with all four companies. The interview lasted between 15 and 30 minutes.

Ship chandlers

Interviews were conducted with six different ship chandlers, two of the biggest Norwegian ones and four international ones. All six interviews were conducted by phone and lasted between 15 and 30 minutes.

ROV tooling rental companies

Several ROV tooling rental companies were contacted. Representatives of two such companies agreed to interviews. The interviews were conducted over the phone and lasted between 15 and 30 minutes.

Results

Branding as environmentally friendly

First survey

The first survey had contained a couple of questions related to this proposition, which can be seen in appendix items 6 and 7. These statistics indicate a general sense of care for the environment among people in the subsea industry. To the question of how their impression of Blumags would be affected if they released a line of powerful corrosion protected fishing magnets used to remove steel objects from the seabed or riverbed, nearly 50% answered “Great, anything that helps clean the oceans is a good thing”. 24% answered that they would probably use them themselves, and 24% answered that it would not matter. Furthermore, to the question of whether they would be more likely to purchase magnets from Blumags if they donated part of their revenue to charities for saving the ocean, 59% answered yes, and that they would not mind chipping in either. 16% answered yes, given that they would not have to pay anything extra, while 23% answered that it would not make a difference to them.

Second survey

In order to further investigate whether becoming more environmentally friendly would be a beneficial strategy for Blumags, questions regarding this were also asked in the second survey. The first question asked the respondents to rate the importance of different factors if they were to buy underwater magnets on a scale from 1 to 10. The results can be seen in appendix items 8-13.

The average ratings of each factor can be seen in the table below.

Factor	Average rating
Product quality	9.52
Price	8.57
Website quality	8.70
Delivery time	8.14
Customer service	9.02
Environmental friendliness	6.27

Table 5: Ratings of company qualities.

Another question asked the respondents if they would be willing to pay a premium on the magnets from Blumags if this premium was due to measures the company had implemented to be more environmentally friendly, e.g. in production, transport, donating to charities, etc. As can be seen in appendix item 14, 55% of the respondents answered no, while 45% answered yes.

In the next question, the respondents were asked how much they would be willing to pay. The results can be seen in the following graph.

How much more would you be willing to pay? The magnets range in price between \$345 and \$1195.

20 responses

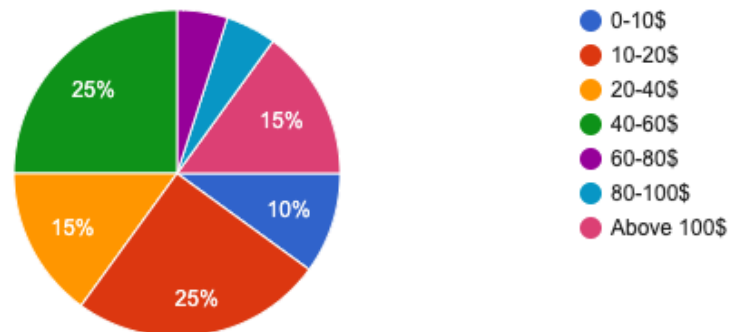


Figure 16: Diagram from the second survey.

Interviews

This notion was also asked about in the qualitative interviews. The responses were quite universal in that they thought being an environmentally friendly company would not help Blumags make more sales to any significant extent. The reason they gave was that the magnets are primarily purchased by companies and not consumers. There is a fundamental difference between selling to consumers and selling to companies, which is that the consumers have all the freedom in the world to make decisions on which brands to buy from based on their personal opinion of the brand. If the consumers have had a previous bad experience with a brand, don't like some of their policies or how they operate, e.g. its negative effect on the environment, they can choose to boycott that brand on a whim. The public's perception of them is therefore very important for B2C (business-to-consumer) companies. Blumags on the other hand is primarily a B2B (business-to-business) company. Their main customers are commercial diving companies, which again primarily do business with other companies in industries like oil and gas, renewable energy, aquaculture, shipping, etc. These companies do not have the same luxury of being able to pick and choose who to do business with to the same extent as consumers. Their top priority is to be profitable so that they can continue to exist, and so what ultimately weighs heaviest when making a decision, including who to do business with, is the bottom line. For this reason, the interviewees did not consider it likely that these companies would either increase or decrease their business with Blumags based on their environmental impact. According to them, the other qualities of the magnets that directly affect their own bottom line, like quality and price, matter much more. This is reflected in the results of the second survey, as shown above.

Conclusion

The results from quantitative research related to the importance of environmental measures were mixed. The results of the first survey were somewhat more positive to the importance of such measures. As mentioned, nearly 50% were positive to Blumags releasing a line of fishing magnets used to remove steel objects from the seabed of riverbed. However, this question did not ask if customers would be willing to pay for such a product, or if they would be willing to pay more for other products to sponsor the design and production of such fishing magnets.

In the question whether they would be more likely to purchase magnets from Blumags if they donated part of their revenue to charities for saving the ocean, the big majority (59%) answered yes, and that they would not mind chipping in either.

The respondents of the second survey were less enthusiastic about environmental measures. The average rating of the importance of “The degree of environmental friendliness of the company” was rated lower than all the other factors that were asked about by a significant margin. The majority (55%) also said no to the question of whether they would be willing to pay for “a premium on the products if this premium was due to measures the company had implemented to be more environmentally friendly”, although not by a large margin.

The response from the interviews was very clear that they did not think environmental friendliness would increase sales by any significant extent because the primary purchasers, being companies and not consumers, don't care as much about this aspect. It was decided to pay more importance to the qualitative feedback rather than the quantitative, for a couple of reasons.

First of all, the interviewees were all individuals with direct experience from the diving and subsea industry. What they say about how these companies rate the importance of environmental friendliness of a company producing underwater magnets is therefore likely true. Although the data from the first survey contradict this to a certain extent, these responses were given by individuals who are likely to think from an individual perspective; “How would I consider the importance of these factors?”. As explained, companies are likely to prioritize differently. As Blumags primarily sell to companies, their perspective is more relevant than that of individuals. Secondly, these statistics have to be taken with a grain of salt, as it is very easy to choose the “morally correct” alternatives in an online survey with no commitments like this one. Whether they would actually be willing to pay more for the products if Blumags implemented some measure that made the magnets more environmentally friendly, but also more expensive, is a question. It seems likely that these results are somewhat skewed towards environmental friendliness being reported as of a higher priority than what is actually the case. Thirdly, even to the extent that the responses from the survey are valid, the results were not overly convincing. The responses to the first survey were more positive while the responses to the second one were more negative. The results would have to have been consistently positive by a significant margin if this was to be acted upon.

It was therefore decided not to pursue this Search Area further

Note; this is absolutely not to say that being environmentally friendly is not important for Blumags. As for all businesses, organizations and individuals, it is obviously very important to be mindful of the environment and to cause as little harm as possible. What is argued, based on the data collected, is that Blumags positioning themselves as more environmentally friendly and branding themselves as such, is not likely to cause a significant improvement to their marketing ability or an increase in sales, which are the goals that were identified in the analysis.

Subsea engineering companies

The first question to answer was whether these subsea engineering companies actually ever purchased underwater magnets. Three of the four companies that were interviewed reported that they quite frequently bought and used underwater magnets for subsea engineering work. The one that didn't was the smallest one out of the three companies.

Ship chandler

The purpose of the interviews was to understand whether or not underwater magnets is something the ship chandlers tended to provide. During these interviews it became clear that there are differences between ship chandlers in terms of what they focus on providing. Some are more oriented towards consumer supplies like food and beverages, hygiene articles and medical supplies, and services like laundry, interior cleaning, etc. Others are more oriented towards technical equipment like tools and machinery. Out of the six companies that were interviewed, two of them were exclusively oriented towards consumer supplies and services. None of these provided any type of equipment, including underwater magnets. The four remaining ones on the other hand were more technically oriented. These four had similar models in terms of how they operate, which is that they essentially have three categories of equipment they supply. The first category is equipment that is expensive, durable and frequently requested. This type of equipment makes sense for the company to buy and keep on stock, so that they can rent it out whenever requested. Because the equipment is durable and frequently requested, the ship chandler can make this investment and make up the purchasing sum plus profit by leasing it out. It is convenient for the client to lease expensive equipment temporarily rather than to buy it outright and only use it for a limited period of time. The second type of equipment is equipment that is also frequently requested but that is cheaper and/or less durable. This type of equipment is also kept on stock so that they can be provided immediately, but only for sales rather than for leasing. Leasing does not make sense for equipment below a certain price point because the day rate becomes minuscule, nor for equipment that can't be reused many times. The third category is equipment that is not as frequently requested and therefore not kept on stock. When receiving requests for this type of equipment, the ship chandlers will acquire the equipment from other suppliers and thereby act as a middle man.

One out of the four technically oriented ship chandlers reported that they had not been requested to provide underwater magnets to any substantial degree. The other three, however, did report that underwater magnets were something that was requested with a certain frequency, although not to be kept on permanent stock. This meant that they would buy from other suppliers when underwater magnets were requested.

Renting out magnets

This Search Area was in the first stages investigated through the interviews that were conducted with people in the diving industry. It was discovered that the rental market is only relevant for equipment above a certain price point in the subsea industry. This price point is around 50.000 NOK. This is well above the price range of the magnets from Blumags, as the most expensive one of these is at \$1195, which is slightly less than 11.300 NOK. However, Blumags are currently developing a ROV magnet which will be in a much higher price range, probably above the 50.000 NOK mark, which would make it suitable for the rental market. However, it still needed to be discovered whether or not there was actually a market for renting ROV magnets.

During the two interviews with representatives from ROV tooling rental companies it was discovered that:

- There is definitely a market for rental of ROV magnets, they are pretty normal to have for ROV tooling rental companies
- The ROV tooling rental industry is a large industry with some big rental companies that have essentially all types of tooling related to ROVs
- Magnets are not the core of the business for any of these companies by any means, they're

more of a supplement.

- They are usually rented along with other equipment, like the ROVs themselves or related tooling. Most customers do not seek only ROV magnets.

Two of these facts; ROV magnets are usually rented out along with other equipment and there are huge companies in the market already, indicate that penetrating the ROV tooling rental market might be difficult for Blumags. First of all, it will generally be more convenient for clients to rent the ROVs and all the related equipment they need from a single company, instead of renting the ROVs and related tooling from one company, and only the magnets from Blumags. Secondly, with these big, well established competitors, Blumags would have to spend a lot of resources marketing themselves to stand a chance of stealing their customers. As they are currently in the process of trying to penetrate the sales market, these are resources that they don't necessarily have. Additionally, the rental market of ROV magnets is not even that profitable according to the representatives of the ROV tooling rental companies that were interviewed. For Blumags to allocate resources to trying to penetrate the ROV magnet rental market did therefore not seem like the smartest move. A strategy that could be profitable however would be to focus on selling the ROV magnet to these big rental companies. It was reported in the interviews that most of these companies above a certain size, which was not very big, keep ROV magnets on their shelf, so the market is definitely there.

Follow-up questions

To sum up, companies within all of the three new potential customer segments that were identified confirmed underwater magnets was something they bought from time to time. The next step was then to understand their purchasing process for this type of equipment. This was therefore also asked about in all of the interviews. To my surprise, their answers across the different industries were quite similar, and can be summarized in the following way:

1. Independently of the type of products they are buying, there is a preference towards buying from producers they are already familiar with. This familiarity can come from having purchased products from the company previously, or because they are well known and trusted in the industry in general. The reason this is preferred is because there is less risk connected to doing business with such familiar companies, both in terms of product quality, professionalism of the company, etc.
2. If none of the companies they are familiar with can provide the product they need, they typically rely on web search to find an adequate producer.

Familiar producers

As both the ship chandlers, subsea engineering and ROV rental companies mentioned they rely heavily on companies they are familiar with, questions were asked in all the interviews about what a startup like Blumags could do to take such a position in relation to them. The responses can be summarized in the following strategies:

- To contact their purchasing departments of these companies and arrange a meeting in order to present themselves and their products to them directly.
- To expose their products at trade fairs, as these were mentioned as important channels for acquiring awareness of what is out there on the market for these companies.

Web search

I also asked what factors weigh most heavily when deciding which of the different producers that are identified online to buy from. Two factors were generally mentioned as the most important ones:

- Everyone uses Google as the search engine, and they usually select one of the websites that appear higher up in the search engine result page (SERP).
- When investigating the different options (among the results that appeared higher up in the SERP), the website itself is very important. The following factors were mentioned as specially important:
 - A generally professional look and feel.
 - Information about the products, e.g. high quality images and specification, like holding force and materiality in the case of underwater magnets.
 - Information about the company and management, and contact information.

Explanations

Trade fairs

A lot of the equipment that is used in the subsea industry is big, expensive and highly specialized, and not something one can go and see in any type of store. Trade fairs are therefore organized so that manufacturers can display their products to potential buyers. These fairs are usually big and attract a large number of different actors from the industry. To participate in these trade fairs can therefore be very effective for exposing products to potential customers. Obviously these events are physical, and so anyone interested gets to see the products with their own eyes, physically interact with them, and also speak in person with representatives of the company making them. This gives interested buyers a level of familiarity to the products that they don't get by only viewing their website, which can facilitate sales that wouldn't otherwise happen.

Search engine visibility

Search engine visibility refers to how a webpage ranks among the results in the SERP for a search of specific keywords. The higher the website ranks, the more visible it is and the more clicks it will generate. Search engines typically have two sections in the SERP; the top section where paid results appear, and the rest of the page where organic (unpaid) results appear, each one with its own ranking protocol.

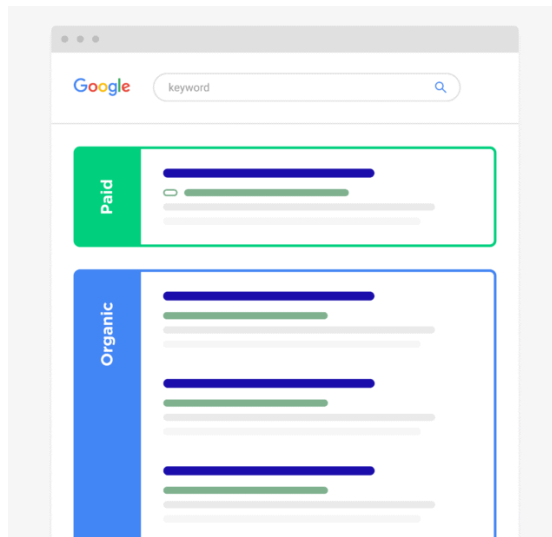


Figure 17: SEO/SEM (Backlinko, n.d.).

SEO, search engine optimization, is the process of improving a website in such a way that it ranks higher among the organic results for related searches. (Backlinko, n.d.) The results are ranked by the search engine’s algorithm, and are based on certain characteristics of the website called ranking signals. The system of how these ranking signals are calculated is complex. For example, Google’s search engine uses more than 200 ranking signals in their algorithm (Stein, 2021).

SEM, search engine marketing, means to pay for a search result to appear in the top section of the SERP. The results in this section are labeled as “Ads”. The originator of the ad pays a certain amount for each time someone clicks on the link, which is called pay-per-click (PPC). The amount they pay depends on what they bid for each click (Backlinko, n.d.). The rankings of the paid results are decided by a combination of the amount they bid for each click, the quality of the ads and landing page, in addition to some other factors (Google Ads Help, n.d.).

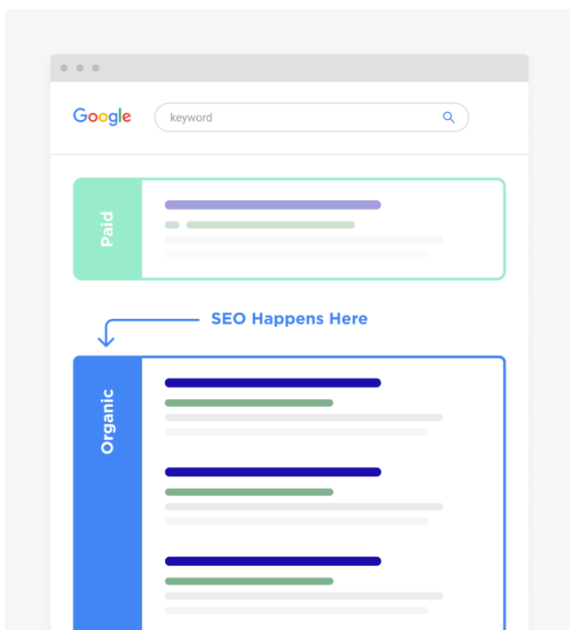


Figure 18: SEO/SEM (Backlinko, n.d.).

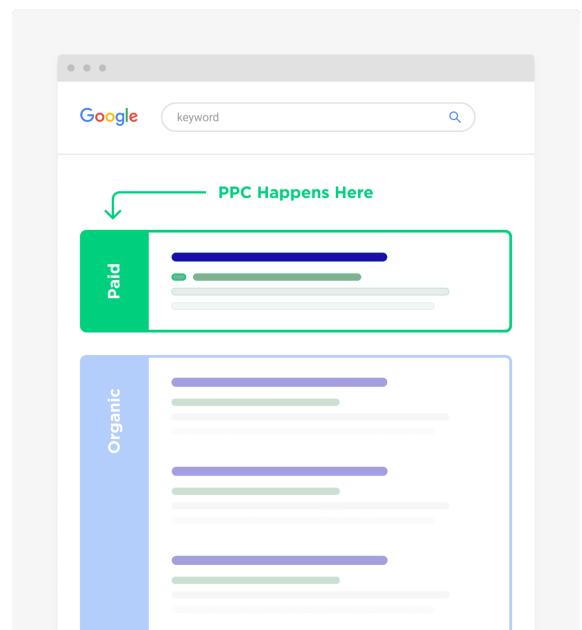


Figure 19: SEO/SEM (Backlinko, n.d.).

Strategy generation

Summary of data collection

Summary

- It was decided not to pursue branding as environmentally friendly as a strategy.
- Both subsea engineering companies and ship chandlers tend to buy underwater magnets, and so both these are potential customer segments.
- It will probably be difficult to penetrate the ROV tooling rental industry as a provider that only offers a single type of ROV magnet and no other ROV related equipment. However, the established rental companies tend to have underwater magnets on stock, and so these are also a potential customer segment.
- Both subsea ship chandlers and subsea engineering and ROV tooling rental companies have essentially the same process for buying equipment:
 1. Their first choice is to rely on producers they are already familiar with.
 2. If none of these can provide what they need they rely on web search to find other producers

Key takeaways

- Branding as environmentally friendly and renting out ROV magnets are strategies that are not likely to succeed and were therefore not pursued.
- Ship chandlers, subsea engineering and ROV tooling rental companies are potential customer segments.
- Companies in all these industries have essentially the same process for buying equipment:
 1. Their first choice is to rely on producers they are already familiar with.
 2. If none of these can provide what they need they rely on web search to find other producers

Based on the two purchasing approaches that were mentioned in the interviews (buying from familiar producers, or finding adequate ones by web search), three strategies can be recommended to Blumags with the goal of increasing the probability of making sales to these companies.

Buying from producers they are familiar with

1. Directly contacting the purchasing departments of these companies and present their magnets in order to familiarize them with their products.
2. Showcasing their products in trade fairs.

Web search

3. Search engine visibility and a well designed website.

Strategy selection

The first two strategies can be executed immediately and independently by Blumags, and so there was no need for further research or development of these. The third strategy on the other hand could be developed further, as both search engine visibility and the website design itself could potentially be improved. Since ending the project with the recommendation of the first two strategies felt somewhat inadequate for a project of this timeframe, and I wanted this project to contribute something tangible to Blumag, I decided to continue this project focusing on improving Blumags' ability to make sales to companies looking for adequate products through web search.

As mentioned in the interviews, there are two important factors that increase the probability of customer acquisition through the web:

1. **SEO/SEM:** In order for the website to generate clicks, it is essential that it appears as high up as possible in the SERP for searches of related keywords, which is exactly what SEO and SEM is for.
2. **Well designed website:** When the website is then visited, it needs to be well designed for it to fulfill the purpose it is intended. In the case of Blumags, this is primarily to provide product and company information, convey brand impression and to allow for sales.

It's important to be good at both. A website that fulfills its purpose but has no visitors is about as useless as a website with tons of visitors, but that doesn't fulfill its purpose.

The founders of Blumags are already quite good at SEO and have actively taken measures to improve their websites search engine visibility. They also get guidance on this from an IT consultancy company (Journey Agency). Blumags is currently the second highest rated organic result when searching for "underwater magnets", and fourth highest rated when searching for "diving magnets" in Google. As the SEO of the website is good, supplementing with SEM is not considered necessary at the present moment.

In terms of the design of their website on the other hand, there was a sense that there was room for improvement. The current website was created based on a Shopify template and has some shortcomings in terms of both aesthetics and usability. A new website with improvements in these areas could help Blumags acquire more customers through web search which would be very valuable to them. It would also be doable for the scope of this project and match well with my skill set.

(Changes to the existing website may affect the existing SEO. Depending on how much is changed with the new design, the SEO might therefore have to be reimplemented. But, considering the fact that Blumags are experienced in this field and are assisted by Journey, this should be easy for them to accomplish.)

The result of Part 1 of this project was thus the identification of a new website design as the strategy that would most benefit Blumags, and that would be developed further in Part 3.

The primary goal of this strategy would be to increase sales from companies within the new identified customer segments (subsea engineering companies, ROV tooling rental companies and ship chandlers) through web by having a better designed website than the competitors.

A new website design with a clearer and more aesthetically pleasing visual profile, that does a better job of communicating the brand identity, would also be beneficial for branding and marketing purposes.

Supportive results

In addition to the feedback from the interviews, there were also other indicators that a new and improved web design would be beneficial to Blumags.

Importance of web search

In the first survey, the respondents were asked to rate the importance of different sources of information about underwater equipment. The result can be seen in appendix figure 23. Two sources of information were reported as the most important one by much higher percentages of the respondents than any of the other sources; word of mouth (68%) and web search (64%). The third highest rated was Facebook (31%). The fact that web search was rated so highly is in alignment with what was reported in the interviews and supports the notion that SEO and a quality website is important for product discovery among the target customers.

Webshop the preferred purchasing channel

The respondents of the first survey were also asked which purchasing channel they, or their company, preferred. Appendix figure 15 shows the clear majority (53%) preferred webshop checkout. 37% preferred email, while only 9% preferred physical shops. In order to facilitate buying through their website, a well designed website with clear information about the products is important. Purchases through the webshop are also beneficial for Blumags as this process is automatic, in contrast to purchases through email or phone.

Website as the primary interaction channel

Blumags magnets are not found in any physical stores and they only do online advertisement in the form of ads on Facebook and Google Display Network, both of which direct any clicks to their website. Because of this, the website is really the only interaction that customers have with the brand, outside of actually using the magnets, which makes it particularly important for them. For other companies that sell their products in physical stores and have various advertisement channels like billboards and tv, the website is probably less important. Some examples of such companies are producers of grocery goods, sports equipment, clothing and hardware products.

Poor websites among competitors

The websites of Blumags' main competitors were analyzed in order to get an impression of what the competition was like. Screenshots of their websites can be seen in appendix items 16-22. As can be seen, with the exception of Miko, these websites are quite poor. The one from Subsupply is average, while the ones from Diving Magnets and Bearpaw Magnetic Tools are outright dysfunctional. Because the websites of the competitors are so poor, there is an opportunity for Blumags to differentiate themselves by having a well designed website, and thereby gain a competitive advantage.

Part 2

Objective:

Investigate the usefulness of some strategies that Blumags themselves had conceived prior to this project.

Before the initiation of this project, the founders of Blumags had some ideas for strategies they had come up with themselves that they wanted to test. In addition to generating new strategies independently, testing out these ideas was also considered to be an important part of this project. These ideas were the following:

1. A referral marketing program to incentivise word of mouth
2. Give magnets to diving schools for use in training of future commercial divers

Referral marketing

Background

Word of mouth

The first survey included a question where the respondents were asked which source of information about underwater equipment they considered most important. As seen in appendix item 23, 68% of the respondents reported word of mouth as the most important one, which was the highest percentage out of all. In marketing, word of mouth is when genuine recommendations of a product or service arise naturally in conversation with others, based on a personal and positive experience with it. This is a contrast to traditional marketing, where a company pays for an advertisement of a product or service they sell on a particular medium, like billboards, TV, internet, social media, etc.

According to research, people tend to trust advice from other people, through word-of-mouth and other sources, more than they trust traditional, paid marketing. In 2011, the American information, data and market measurement firm Nielsen Holdings Inc. performed a survey called the “Global Trust in Advertising Survey” (Nielsen Holdings Inc., 2012), which had more than 28,000 respondents from 56 countries. In this survey, 92% of the respondents reported that they “trust earned media, such as word-of-mouth or recommendations from friends and family, above all other forms of advertising”. The second most trusted source of brand information and messaging was online consumer reviews, trusted by 70% of the respondents. In comparison, traditional marketing channels, like television (47%), magazine (47%) and newspaper ads (46%) were trusted by a far lower percentage of the respondents. This of course makes sense. The companies have every incentive in the world to make people want to buy their offerings, and so recommendations from them about their own product or service are fundamentally different from recommendations from someone independent and trusted, like a friend or family member, who stand nothing to gain from recommending the product.

Why word of mouth is prevalent among divers

The reasons word of mouth is the most important source of information about underwater equipment among divers was elaborated on in some of the qualitative interviews that were performed, and is explained by the circumstances in which they work. Since the amount of time they can spend submerged for each dive is limited, there are usually multiple divers that rotate

being in the water. Each diver therefore spends a lot of time on the surface between dives.

They also reported that commercial diving is a field where equipment is central. Virtually every aspect of the job requires equipment, both diving gear and the tools they need to perform whatever task they are assigned to do underwater. The divers therefore tend to be interested in any type of gadgets and devices that somehow enhance their ability to perform their work. As one diver said in the interview, “anything that can be attached to the suit is awesome”. He followed up by describing divers as “gadget freaks”.

Given these two facts; the divers spend a lot of time together on-site and they tend to be interested in diving gear, it is natural that they converse a lot among each other and that these conversations frequently revolve around equipment related to their work. This happens to the extent to which word of mouth is the primary source of information about diving gear among the divers.

Idea

The founders of Blumags had the idea of creating a marketing strategy that somehow took advantage of these circumstances by becoming part of these conversations about equipment. Referral marketing is a strategy that directly targets this type of spread of information by word of mouth. It is however a marketing strategy that is aimed at individuals. Blumags’ primary customer segment up to this point have been companies, specifically commercial diving companies, but their idea was that this strategy might open up a new customer segment; individuals working in the diving industry (primarily divers hired at diving companies and freelance divers. ROV pilots do not tend to own any personal equipment as both ROVs and related equipment are very expensive, and so the companies tend to own everything themselves.)

Referral marketing

Referral marketing is when a company incentivises their existing customers (referrers) to spread the word about the company’s offerings to people they know. Some common incentives are discounts on future purchases, store credit, free products or a cash reward. They can be one-sided, given to only the referrer or the new customer, or two-sided, given to both, for every successful referral, i.e. for every new customer that makes a purchase based on the referrer’s recommendation. A typical way this is implemented is by giving the existing customers personal discount codes which they can hand out to friends and family. If they then make a purchase using that code they will get the correspondent discount, and the referrer will earn the prize for a successful referral. Some examples such referral programs are PayPal, who gives both the referrer and the referred friend \$10 when the referred friend spends their first \$5 (PayPal, n.d.), and Dropbox, who gives the referrer 500 MB of free storage for every referred Basic account, and 1 TB for every Plus account (Dropbox, n.d.).

Research shows that referred customers tend to bring in more revenue than nonreferred customers. According to a 2011 study, the value of referred customers in the six years after acquisition was 16% higher than that of nonreferred customers with similar demographic and time of acquisition. This is a conservative estimate because it does not account for the fact that the total cost of acquisition was lower for the referred customers than of nonreferred customers (Schmitt et al., 2011, 46). Also in the B2B (Business to business) market, referred customers tend to be more valuable than nonreferred ones. The company Implit compared the lead-to-deal conversion rate, i.e. the percentage of leads that results in sale, of different channels among their

US-based clients. The clear winner were leads generated from customer and employee referrals, with a conversion rate of 3.63%. This was more than 2 percentage points more than the second best channel, websites (1.55%). Facebook, Twitter and other social networks (1.47%) ranked third. No other channel passed 1%. Another metric they investigated was opportunity-to-deal, which is similar to lead-to-deal, but where an opportunity is defined as a prospect who is engaged in an active sales process, i.e. more advanced than a simple lead. 14.7% of opportunities generated from customer and employee referrals resulted in sales, making this the far superior channel by this metric as well. The channels with the second and third best conversion rates were Facebook, Twitter and other social networks (8.5%) and email campaigns (7.8%). (Emarketer, 2015).

According to the Chatter Matters: The 2018 Word of Mouth Report, “83% of Americans say that a word of mouth recommendation from a friend or family member makes them more likely to purchase that product or service” (Baer & Lemin, 2018).

Referral vs affiliate marketing

A concept that is similar to referral marketing is affiliate marketing, but there are some key differences. As mentioned, referral marketing programs are about incentivising existing customers to recommend the company’s products to people they already interact with frequently, like colleagues, friends and family. In contrast, affiliates of an affiliate marketing program are usually people with a large audience that fits the target customer profile of the company, like an influencer, to which they recommend the products. The scale of people an affiliate recommends products to is therefore bigger, and the relationship between them and their audience is less personal, compared to a typical referral marketing program.

Another key difference is the incentive of the person recommending the products. Because the scale of people in referral marketing is quite small, the incentives the referrers receive are usually more of a nice-to-have, or a bonus, like saving a certain percentage on a future purchase. The affiliates in affiliate marketing, on the other hand, are often rewarded with money, and because they reach a large number of people, this can amount to a significant return. The act of recommending products may be an important part of how they generate income, and they therefore operate similarly to marketing professionals in many ways. An example of a typical referrer of a referral marketing program may be a woman who has a particular favorite shampoo brand that she recommends to her friends when they hang out. An example of an equivalent affiliate could be someone who runs a beauty channel on Youtube, with several thousand followers, to which she recommends the shampoo in her videos.

To sum up, both concepts are about incentivising people familiar with their products to recommend them to other people, but affiliate marketing happens at a bigger scale and with a less personal relationship between the referrer and the person referred to. It may be fair to say that affiliate marketing is the viral version of referral marketing.

Process

Data collection

The information that was needed to evaluate this strategy was gathered simultaneously with the

data collection process in Part 1, and so questions regarding referral marketing were also asked during the interviews and survey (the second survey) that were described in that section.

Additionally, polls posted on Facebook groups related to commercial divers were used to gather more quantitative data.

Personal ownership of magnets

The first question that needed to be answered was how common it was to own personal diving magnets among company employed divers and freelance divers respectively. In order to figure this out, a question in the second survey asked the respondents to identify if they had worked at diving companies, as freelancers or done both during their career. As can be seen in appendix item 24, 24% reported having worked at a diving company, 18% reported having worked as freelancers, and 58% reported they had done both.

They were then asked if they had personally owned an underwater magnet. As can be seen appendix items 25, 26 and 27, the percentage of the respondents that answered yes was 33% for the divers at diving companies, 57% for the freelancers and 41% for those that had done both. It was therefore much more common for the freelance divers to have owned personal magnets than for those employed at diving companies. The reason for this was explained in the interviews conducted with the commercial divers and is quite logical. The divers that work at diving companies often get the equipment they need for a job provided for them by the diving company, including magnets. There is therefore less of a need for them to personally own such equipment. Freelancers on the other hand are to a greater extent expected to bring their own equipment, including magnets, which makes them more likely to own them personally. For some reason a large percentage of the ones that reported having done both reported not owning personal magnets. This may be explained by the fact that they might have primarily worked at diving companies and only done some freelance work here and there on the side, and therefore not bothered to make the investment of their own equipment, which is common among divers according to the interviews that were conducted.

Note: Facebook does not round up or down the percentages of responses for the different alternatives in their polls by default, and so the sum of these does not always add up to 100%.

Quantitative data on this matter was also collected through a poll that was posted on a Facebook group for Norwegian commercial divers. The poll, which can be seen in appendix item 28, did not differentiate between freelance divers and divers who worked at companies, but simply asked whether the divers in the group owned their own magnet. Out of the 46 replies, 56% responded that they owned their own magnet, while 43% reported that they did not. This result was in line with the results among the freelancers of the second survey which were also at 57% for personal ownership of magnets, and higher than for the company employed divers and those who had done both. This high number could be due to a high number of the respondents being freelance divers, personal ownership of magnets being more common in Norway than abroad, or just natural statistical variation.

As it seemed like the freelancers were generally more inclined to own their own underwater magnets it was decided to further look into this specific group. Polls directed specifically at freelance divers were therefore posted on two different Facebook groups for commercial divers, asking whether underwater magnets are something they use frequently enough to consider buying for their personal toolkit, or if it is more of a niche tool that would be provided by the

client if required for a job. The response alternatives were “Could buy” or “Would not buy”. As can be seen in appendix item 29, among the 43 responses on the first poll, 20% answered “Could buy”, while 16% answered “Would not buy”. The big majority of the responses (60%) were “Already own several”, which was not one of the original alternatives but rather added by the respondents. Many of the comments to the poll were also positive to personal ownership of magnets, especially for those who do ship husbandry and other work around metal, as can be seen in appendix item 30. The second poll got a total of 11 responses, 100% of which were “Could buy”, as seen in appendix item 31. These results provided further indications that personal ownership of underwater magnets was indeed prevalent among freelance divers.

Given these results it was necessary to understand how big the share of commercial divers that worked as freelancers was. Even if personal ownership was common among freelance divers, if only a small number of divers are freelancers they would not make up a large potential customer group. This was therefore asked about in the interviews. The responses varied somewhat, but the estimations were between 50/50 and 75/25 in favor of freelancers. This meant that there was a large number of divers that worked as freelancers. The interviewees were all Norwegian so this is primarily an estimation of the Norwegian market, but to the best of their knowledge they estimated it to be roughly the same internationally.

To sum up, it is clear that it is fairly common for divers to personally own magnets, especially freelance divers. The share of commercial divers that work as freelancers is also large, with estimates ranging between 50% and 75%. There is therefore definitely a market for selling underwater magnets to individuals.

Interest in a referral marketing program

With the market for personal ownership of underwater magnets confirmed, the next step was to understand whether a referral marketing program was something these individuals would likely take advantage of. This was therefore also asked about in the second survey. Two sets of questions were posed. The first set were two questions regarding to what degree the respondents thought company employed divers and freelance divers would take advantage of a referral marketing program in order to get a discount on a first magnet if they did not own one before. The questions were formulated in the following way:

Question to company employed divers (the concept was explained in this first question):

“Blumags is considering launching a referral program. This means that previous customers will receive a discount code that they can pass on to friends. If a previous customer, let’s call him Mike, passes on his referral code to a friend, Lisa, and Lisa buys a magnet using that code, she would get a \$100 discount on her purchase. Not only that, but Mike would also get a \$100 discount on his next purchase. To what degree do you think divers employed at diving companies that received such a discount code would take advantage of the offer and buy a magnet if they did not own one before?”

Question to freelancer:

”To what degree do you think freelance divers that received such a discount code would take advantage of the offer and buy a magnet if they did not own one before?”

In both questions the respondents were asked to give an answer in the form of a rating between

1 (Very few would take advantage of the offer) and 7 (Most would take advantage of the offer). The results can be seen in appendix items 32 and 33.

The average answer to the questions were the following:

(In retrospect, the results would have been clearer if the rating was from 0 to 10 as people are more used to thinking in percentages from 0 to 100. The numbers are therefore given twice, first in the original 1-7 rating and secondly converted to a 0-10 rating)

Company employed divers: 4.9 = 6.3

Freelance divers: 5.4 = 6.7

A question asking the respondents to explain why they had given different answers to the two questions if they had done so was posed afterwards. Most of the answers can be summarized to the same answers that were given during the interviews, which is that the diving companies tend to provide their employees with the equipment they need, whereas freelancers are expected to bring more of their own equipment.

The second set of questions were two questions regarding to what degree the respondents thought company employed divers and freelance divers would take advantage of a referral marketing program in order to get a discount on a second magnet if they already owned one. The second question was formulated in the same way for both groups. Again, in both questions the respondents were asked to give an answer in the form of a rating between 1 (Very few would take advantage of the offer) and 7 (Most would take advantage of the offer). The average answer is also here given twice; first in the original 1-7 system and secondly converted to a 0-10 rating. The results can be seen in appendix items 34 and 35.

The average answer to the questions were the following:

Company employed divers: 4.6 = 6.0

Freelance divers: 5.3 = 7.4

A question asking the respondents to explain why they had given different answers if they had done so was again asked after the second set of questions. The answers were largely the same as for the previous questions. A couple of answers stood out though, as they gave additional insight that was interesting and relevant;

- “Freelancers are more likely to take the chance of making a profit as they work for their own business.”
- “Freelance divers actively and necessarily network and maintain working friendships and working relationships with other divers more so than company divers who can be more competitive (i.e. for a promotion etc.)”.

Both these factors, the fact that freelance divers are more likely to make an effort to make profit as they work independently, and that they are more likely to maintain relationships with other divers, would make them more likely to make an effort to take advantage of a referral program.

To sum up, the average ratings (with the converted scale used) were the following:

First magnet, company employed: 6.3

First magnet, Freelancer: 6.7

Second magnet, company employed: 6.0

Second magnet, Freelancer: 7.4

With 10 meaning that most would take advantage of the offer and buy a magnet if they did not own one before, or spread their discount code to get a discount on a second magnet, these numbers are quite significant. A rating of 5 would mean the respondents thought half of the divers that were introduced to a referral marketing program would take advantage of it, and all these numbers are higher than that. The responses therefore indicated that divers in general would be quite enthusiastic about such a referral program.

Interviews

The referral marketing program was also asked about during the interviews. The response was somewhat mixed. Some did not believe in it because they did not think many divers personally own underwater magnets. This is not the case however, as the quantitative research presented earlier shows that many in fact do. Others did not believe in it because they simply didn't think divers would make the effort to spread the word about the program to other divers. But several of the interviewees also expressed that they thought a referral marketing program might work very well.

Pilot test

In order to really test if a referral marketing program would work, a pilot referral program was launched on the behalf of Blumags. The program involved giving previous customers the chance to receive personal coupon codes that they could distribute to friends. If anyone would then buy a magnet through the webstore using that code they would get a \$100 discount, which the referrer would also get on his or her next purchase. The discounts would accumulate, meaning that for three successful referrals one would get a discount of $3 \times \$100 = \300 on the next purchase. Any new customer would also get their own discount code that they could pass on to other new buyers, which would again give both parties the same \$100 discount. An email explaining this concept and that anyone interested would just have to respond to the email and they would then receive their personal coupon code, was sent out to a selected number of previous customers that were estimated to be more likely to participate in a referral program.

The incentive of a discount was chosen because it was the only incentive that Blumags was prepared to give. They would not give out cash rewards or similar. Regarding the amount, both percentage and fixed amount discounts were viable options. A fixed amount was chosen because it was considered to look more impressive, since the value of the discount is quite high. If the magnets had cost \$100 and the discount was for 10% = \$10, stating it in percentage would probably make it more appealing because most people don't care that much about \$10, and stating it in percentage would not focus on the actual value. However, since the amount is as significant as it is, stating it in actual value was considered to have more of an impact. The exact amount of \$100 was chosen by Blumags based on their own calculations.

Although these emails were sent out a long time ahead of the conclusion of this project, no one had responded with interest by the time it was concluded. However, this is by no means conclusive evidence that a referral marketing program would not work, as the reason for the lack of interest could lie elsewhere than the program itself. It could be that the customers that were contacted just happens to be a group of individuals to which a referral program doesn't appeal for various reasons, which is not unlikely as only six previous customers were contacted. It could also be that the email was not formulated optimally, or that email itself as the communication channel to inform about the program was not optimal. People tend to be quite skeptical

of emails from companies they have not exclusively asked to be on the mailing list for as these are quickly perceived as spam, so it is quite possible that this contributed to the lack of response.

Conclusion

Although the pilot test of the referral marketing program failed, there is enough data in favor of its success that it should not be abandoned just yet. To recap;

- Based on the second survey, the share of divers that had personally owned underwater magnets during their career was 33% for those employed at companies, 57% for freelancers, and 41% for those that had done both.
- Based on the poll that was answered by Norwegian divers without separating between company employed divers and freelancers, 57% owned their own magnets.
- In one of the two polls that asked freelancers specifically whether underwater magnet was something they would consider buying for their personal toolkit, 60% answered that they already owned several, 20% answered that it was something they could buy while only 16% answered they would not buy underwater magnets for their personal toolkit.
- In the other poll, 100% answered that it was something they could buy.
- Based on the interviews that were conducted with commercial divers and other people in the diving industry, the split between company employed divers and freelancers is probably between 50/50 and 75/25 in favor of the latter. According to the data, freelancers are more likely to own personal magnets, and so the fact that they make up a large percentage of divers means a bigger potential market.
- In the second survey, when asked to what degree they thought divers employed at diving companies that received a discount code would take advantage of the offer and buy a magnet if they did not own one before, on a scale from 0 (Very few would take advantage of the offer) and 10 (Most would take advantage of the offer), the average answer was 6.3 (Converted from a 1-7 scale).
- The average answer for freelance divers was 6.7.
- When asked to what degree they thought company employed divers would take advantage of a referral marketing program in order to get a discount on a second magnet if they already owned one, on a scale from 0 (Very few would take advantage of the offer) and 10 (Most would take advantage of the offer), the average answer was 6.0 (Converted from a 1-7 scale).
- The average answer for freelance divers 7.4
- The feedback in the interviews about a referral marketing program were somewhat mixed. Some did not believe in it because they did not think many divers personally own underwater magnets. This is not the case however, as the quantitative research presented earlier shows that many in fact do. Others did not believe in it because they simply didn't think divers would make the effort to spread the word about the program to other divers. But several of the interviewees also expressed that they thought a referral marketing program might work very well.

All this data makes it seem likely that it is possible for a referral marketing program to become a successful strategy for Blumags. **Pursuing this further is therefore the concluding**

recommendation of this project. A specific recommendation would be to look into how such a program could be launched in a way that generates more interest. As mentioned, it could be that the reason the pilot test failed was not the program itself, but rather the way it was communicated. Another recommendation would be to try to reach out to a larger number of previous customers, or to just advertise it publicly and try to reach as many potential customers as possible.

Give magnets to diving schools

Background

Another strategy that Blumags had thought about and wanted to test was to offer their diving magnets for free or at a reduced price to diving schools for use in the training of their students. The purpose of this would be to expose the students to their magnets and thereby create brand awareness among future commercial divers, with the goal of increasing the likelihood that they would choose Blumags magnets if they were to purchase underwater magnets in the future.

Process

Interviews

Similar to the referral marketing program, this strategy was investigated simultaneously with Part 1 of the project, and so questions regarding this strategy were also asked about in the interviews described in that section. The responses were very homogeneous in that they were all positive to this idea. A couple of the interviewees even mentioned this idea themselves when asked about marketing strategies they thought would work for Blumags, before they were asked about it specifically. As one of the workshop participants said; “Divers are creatures of habit. If you can get them used to your magnets during their training they will probably want to keep using them.”

Contact with diving school

In order to investigate this further, contact was established with Høgskulen på Vestlandet (HVL), which is one of two institutions in Norway that educate commercial divers, in addition to Norges yrkesdykkerskole (NYD). The reason NYD was not contacted was because one of the

board members is also a board member at Miko, Blumags' main competitor, and so the assumption was that they would likely not cooperate. As it was uncertain if such an arrangement would at all be interesting to HVL, the decision was made to offer them the best deal Blumags could at the first phone call, which was two free magnets, and see if they were even interested in continuing the conversation afterwards. As they did express an interest, a meeting was arranged with a representative at HVL to discuss the arrangement further. The goal was to figure out

- To what extent, if at all, they use underwater magnets in the training
- If receiving the magnets for free would be a requirement for this type of deal, or if they would still be interested if they were only offered the magnets at a discount. This would be useful to know if they were to propose similar arrangements to other diving schools, as the economic toll on Blumags would be reduced if they could sell at a discount instead of giving them away for free.

They responded that they did in fact use underwater magnets in the training of their students, most intensely during a ship inspection course lasting about a month, but also for other purposes throughout the training. As the magnets they already had were old and worn out they were eager to accept the offer of two free magnets. In return they agreed to guarantee that the magnets would in fact be used in training immediately, and not be locked away in a storage facility in case they might need them in the future. They also reported that they tend to expect discounts between 20 and 30% when they buy equipment for training purposes, and that they would probably still be interested in the magnets even if they had to buy them, as long as they received a discount of that amount.

This arrangement with HVL was seen as a pilot test for this strategy that, if successful, could also be arranged with other, international diving schools. What was desirable to test was whether the students' knowledge about underwater magnets in general, and Blumags in particular, was increased by being exposed to the magnets during training. In order to do this, it was agreed with HVL that a survey with questions regarding this could be distributed among the students at HVL at two points in time; once before they were exposed to the magnets in training, and once at the end of the semester. This would allow for comparison of the students' knowledge before and after exposure which would indicate whether this had been increased after using the magnets in training.

Results

The following table shows how the results from the two surveys compare.

	Survey 1	Survey 2
Number of respondents	12	8
Number of students who could mention at least one use case for underwater magnets	12	8
Number of students who had used underwater magnets before	10 (83%)	6 (75%)

Number of students who could name a brand of underwater magnets	0	0
Number of students who named Blumags specifically	0	0

Table 6: Giving magnets to diving schools survey results.

Conclusion

The data from the surveys suggest that this strategy was not successful at all, as there was a 0% increase in the number of students who could name Blumags as a producer of underwater magnets after having been exposed to their magnets in training. However, this study had two significant weaknesses.

1. Small sample size. Only 12 students answered the survey before exposure to the magnets, and only 8 answered afterwards. Each class (one per year) consists of 24 students, and so only $\frac{1}{2}$ and $\frac{1}{3}$ answered the two surveys respectively.
2. Short time frame. HVL only had the magnets for a couple of months before the end of the semester.

As with the referral marketing strategy, the amount of data that was gathered here is insufficient to draw certain conclusions about the effectiveness of this strategy, especially since the responses to the idea in the interviews that were conducted were generally very positive. For this reason, **the recommendation of this project is to repeat the study over a longer timeframe and with a bigger sample size in order to get better data.** Perfect data about the effect of this strategy over the entire study course could be obtained only if an entire class would answer a similar survey at the beginning of the first year, and then at the end of the third and last year. This study would of course take three years and require the commitment of all 24 students, which might be difficult to accomplish, but any increase in sample size and time frame would also improve the data. For example, if close to an entire class would answer one survey at the beginning of a school year and one at the end, those results, although not perfect, would be more indicative of the true effect of this strategy.

Part 3

Objective:

Implement the strategy identified in Part 1.

Existing website

The first step in the design of a new website was to analyze the existing one. The current website of Blumags is hosted on Shopify. Shopify is a complete e-commerce platform that allows for easy-to-use, module-based building of online stores, with additional features like order and customer history, analytics and marketing tools that are seamlessly integrated into any store hosted on the platform. The current version of Blumags' website was built by the founders of the company based on a third party template designed for Shopify.

The home page of the current website looks the following:

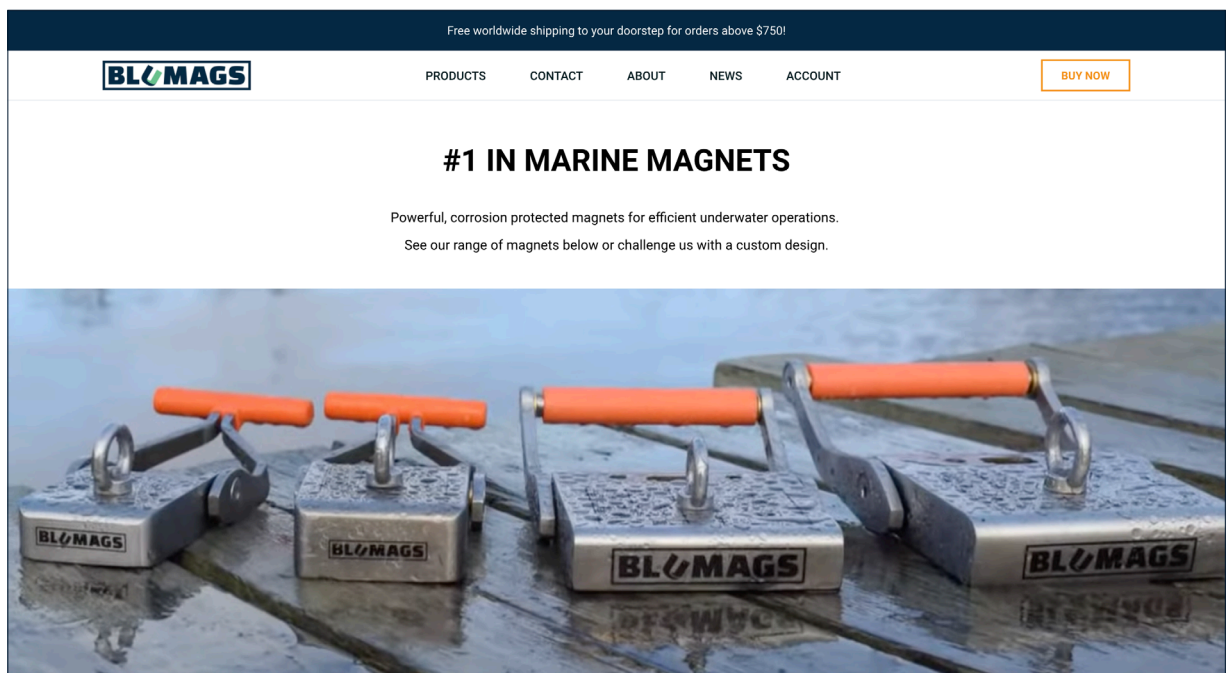


Figure 20: Website Home page

The website can be explained as a semi one-page website, with most of the content being stacked vertically on the home page. Clicking on "Products" or "Contact" in the top bar simply scrolls the page down to those sections on the home page. The "About" and "News" on the other hand have dedicated pages. The apparent image of the magnets is actually a video showing different clips of the magnets in use that loops continuously .

A zoomed out view of the homepage that shows how the content is ordered can be seen in figure 21.

#1 IN MARINE MAGNETS

Powerful, corrosion protected magnets for efficient underwater operations. See our range of magnets below or challenge us with a custom design.



Click the products for more information:



FLIPPER
100 kg | 220 lbs
\$345.00
incl. VAT

[ADD TO CART/QUOTE](#)



FLIPPER
250 kg | 550 lbs
\$595.00
incl. VAT

SOLD OUT



WILLY
500 kg | 1100 lbs
\$945.00
incl. VAT

[ADD TO CART/QUOTE](#)



WILLY
800 kg | 1750 lbs
\$1,195.00
incl. VAT

[ADD TO CART/QUOTE](#)

With Us, You're in Good Company



“ The Willy 800kg | 1750 lbs is by far the best diving magnet on the market.”

Jordan Moreno
Pacific Diving Operations Manager at Phoenix International

Latest News



May 27, 2022

Marine Magnets as Mooring Points for Boats

One of the most exciting parts of what we do is learning about all the different use cases that our clients find for our magnets, and it continues to fascinate us to explore how this technology can be such a natural fit into industries of all kinds. One application – perhaps lesser-known than others – is as mooring points for boats.



March 28, 2022

Meet us at Nor-Shipping 4-7 April!

Nor-shipping is a large maritime trade fair that is arranged every second year in Lillestrøm, Norway. It features a 21,000 square metre exhibition space and attracted some 50,000 visitors last time it was held.



January 09, 2022

One Year Later - Blücher Remains in Place

... and so does the magnet.

Features



Stainless

We provide supreme corrosion protection by encapsulating the magnetic core in a Ni-Cu-Ni coating, and a strong and thick epoxy layer on top of that. In addition, the housing is made of stainless steel, ideal for underwater use.



Neodymium

At the heart of our products is the world's most powerful magnetic material - Neodymium. Outperforming all other commercially available materials on magnetic flux and coercivity, this material is the obvious choice when holding force matters.



Multifunctional

Any piece of equipment can be firmly mounted directly onto the magnet. The eyerun assembly can be easily removed to provide a clearance hole for your own bolt – and should you need more, the Willy series has two additional holes.

Contact Us



Lars Lind
Naval Architect / Co-founder

Lars has worked with both theory and practice in the marine industry since 2009. With a background in Naval Architecture, the ocean is his passion.

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Emil S. Jahren
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Emil finds his motivation in learning new things, and has worked with product design and solving challenges in salvage, offshore and subsea sectors since 2008.

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In need of a custom design? We have experience with lots of different magnetic solutions, such as downhole fishing and string magnets or switch magnets.

We love a good challenge. Send us a message and we'll get back to you ASAP, within 24 hours!

EMAIL

NAME

COMPANY

MESSAGE

SUBMIT

Frequently Asked Questions

- Can the magnets be shipped by air?
- How is the holding force rating defined?
- What is the lateral holding force?

Figure 21: Website Home page zoomed out.

The dedicated “About” and “News” pages:

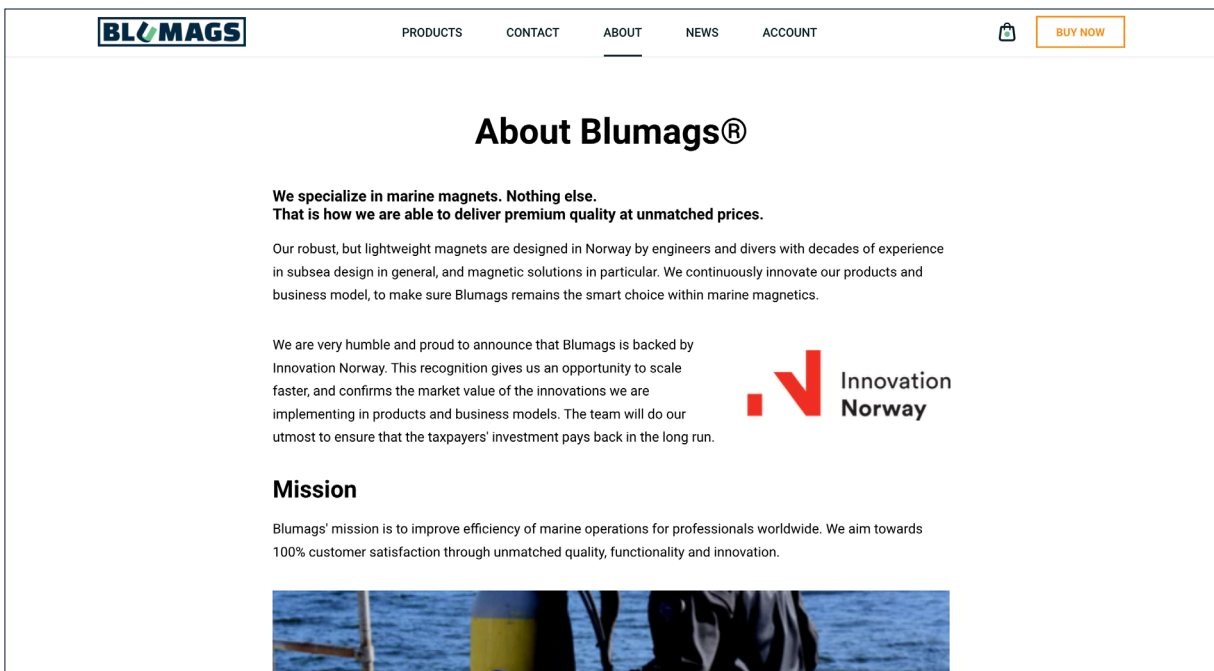


Figure 22: Website About page.

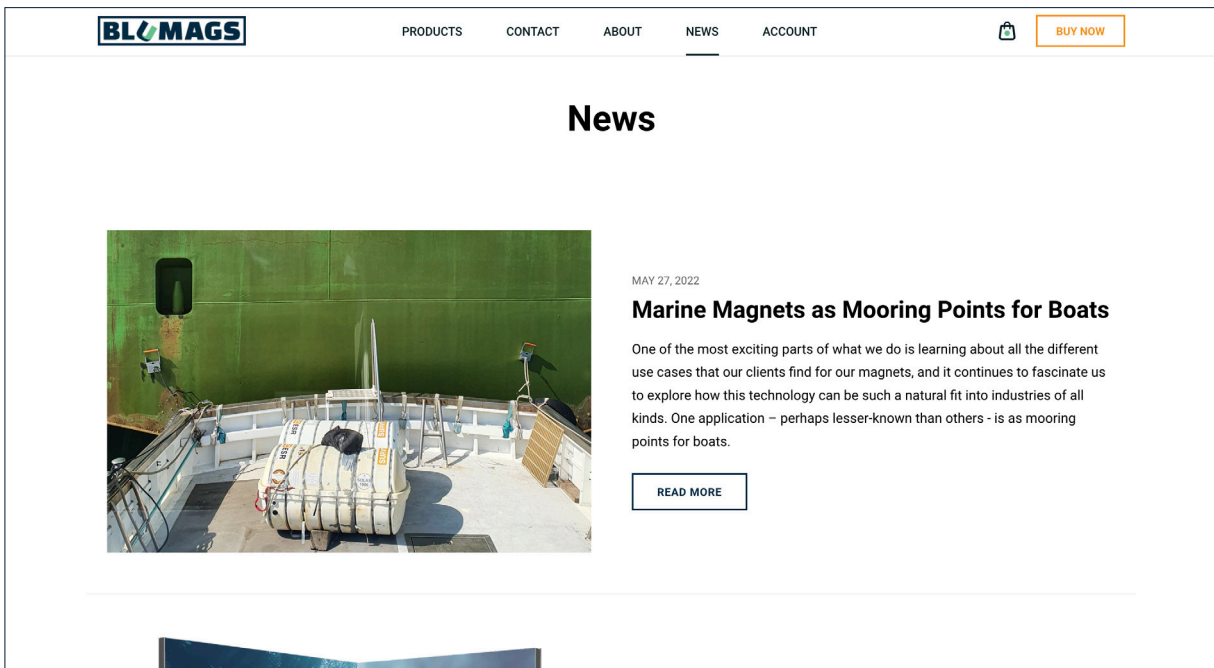



Figure 23: Website News page.

The product specific page that one navigates to when clicking on one of the magnets:

BLUMAGS
PRODUCTS CONTACT ABOUT NEWS ACCOUNT
BUY NOW



FLIPPER

100 kg | 220 lbs

[Browse products](#)

\$345.00 excl. VAT

ADD TO CART/QUOTE


Free worldwide shipping for orders above \$750!

Compact and handy, the Flipper™ series makes a perfect companion underwater. Use it to anchor yourself in position and free your arms and legs to do useful work instead. Hang your equipment off from it, secure a rope, or remove the lifting lug and fasten whatever you would like onto it.

	Holding force	100 kg 220 lbs
	Net weight	1.4 kg 3.1 lbs
	Eye nut dimension	M8
	Housing L x W x H	70 x 70 x 27 mm 2.76 x 2.76 x 1.06 in


[User Manual \(pdf\)](#)

Always with Blumags




Stainless

We provide supreme corrosion protection by encapsulating the magnetic core in a strong and thick epoxy layer, and Ni-Cu-Ni coating on top of that. In addition, the housing is made of stainless steel, ideal for underwater use.



Neodymium





At the heart of our products is the world's most powerful magnetic material - Neodymium. Outperforming all other commercially available materials on magnetic flux and coercivity, this material is the obvious choice when holding force matters.



Multifunctional

Any piece of equipment can be firmly mounted directly onto the magnet. The eyerut assembly can be easily removed to provide a clearance hole for your own bolt – and should you need more, the Willy series also has two additional holes.

Compare models

	Flipper		Willy	
				
	100 kg 220 lbs	250 kg 550 lbs	500 kg 1100 lbs	800 kg 1750 lbs
	1.4 kg 3.1 lbs	2.2 kg 4.9 lbs	3.1 kg 6.8 lbs	4.4 kg 9.7 lbs
	M8	M8	M8	M10
	70 x 70 x 27 mm 2.76 x 2.76 x 1.06 in	80 x 80 x 36 mm 3.15 x 3.15 x 1.42 in	117 x 127 x 30 mm 4.63 x 5.00 x 1.18 in	132 x 147 x 36 mm 5.22 x 5.79 x 1.42 in

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 Gvernarens vei 9B
 0284 Oslo
 Norway
hi@blumags.com
 Org. No. NO 924 362 170

Figure 24: Website Product page.

The “Account” page where one can create an account or login at the website.

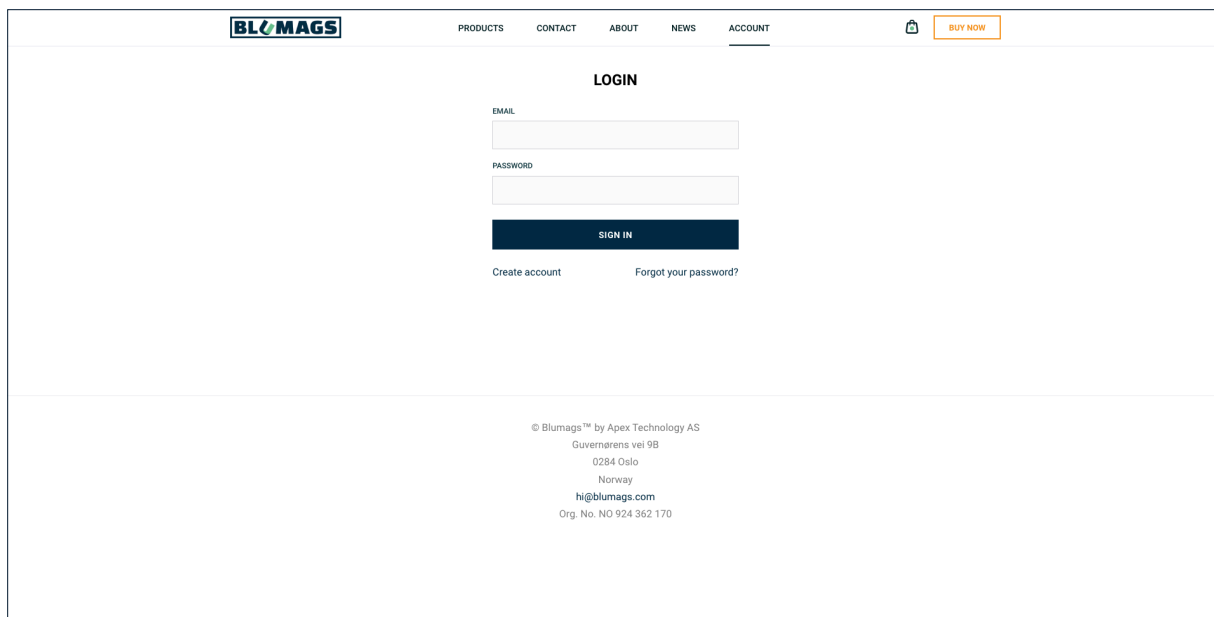


Figure 25: Website Login page.

To the right on the menu bar is also a shopping bag icon. This icon appears when a product is added to the shopping cart. Clicking it leads to a page where one can view the shopping cart and proceed to checkout if one wishes to purchase any products.

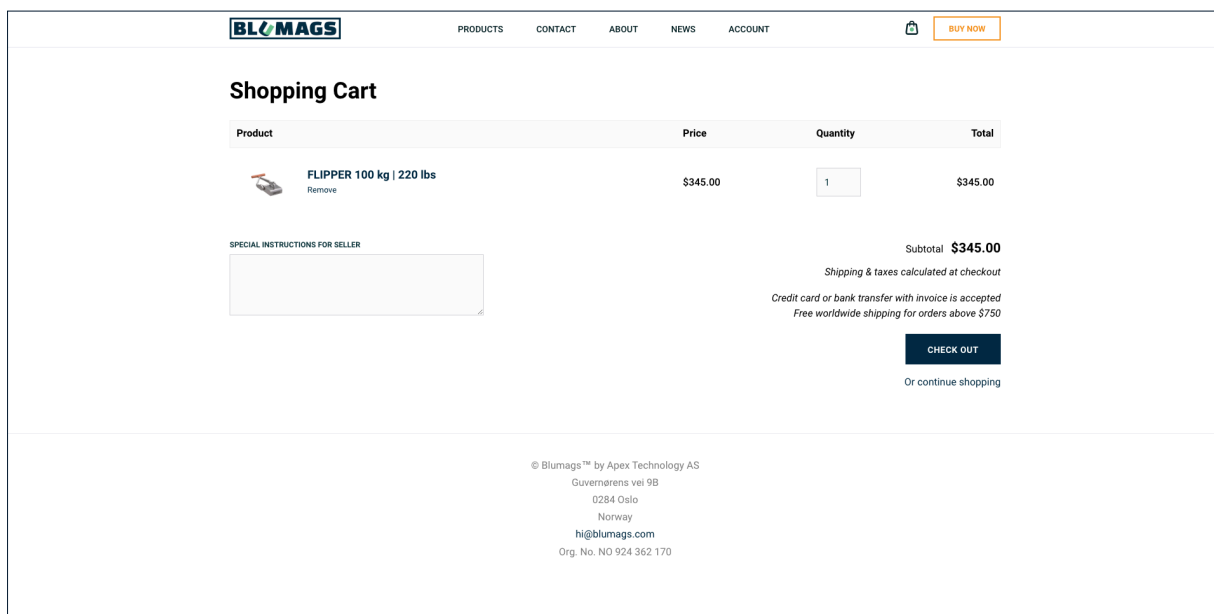


Figure 26: Website Shopping Cart page.

The “Buy now” button leads to a page with an overview of the magnets as displayed on the home page, some additional text and images as well as the “Always with Blumags” section and “Compare models” table that is also displayed on the product specific page.

Design process

User testing of existing website

A round of user testing was conducted in order to understand what aspects of the existing website that had most room for improvement. The users were asked to click through the website and give feedback on anything they had a particular opinion on, both aesthetically and in terms of functionality. Five user tests were conducted.

The results can be summarized in the following points:

Aesthetics:

- The site lacked a clear visual identity. There is no set of colors, fonts, etc. that are repeated throughout the website. This is a part of a bigger problem, which is that Blumags as a brand don't really have a clear visual identity.
- The site is quite generic, which is closely related to the first point. It is clear that there is a template that is used, and this template is quite standard and basic as far as e-commerce sites go.
- There is not much about the design that reflects the fact that the company sells underwater magnets, other than the video loop and the product overview on the first page. There are no references to diving, subsea construction, the marine world, etc.
- Some of the renders on the website are not great

Functionality

- The structure of the website was somewhat confusing. Two of the buttons in the top bar makes the page scroll down to the corresponding section of the home page, which acts like a one-pager. In contrast, the other buttons are connected to dedicated pages which one navigates to when clicking these.
- The product pages could do with clearer and better structured information.

New website structure

Based on the user feedback, it seemed clear that the structure of the website needed to be redesigned. The structure refers to how the content of the website is organized between sub pages and how one navigates between these. Feedback from the users indicated the semi one-pages did not work optimally, and Blumags had also expressed a wish to move away from this structure.

The first step that was taken was to break down the content of the existing website with the purpose of restructuring it in a more organized way. The one-pager was broken down in the following way.

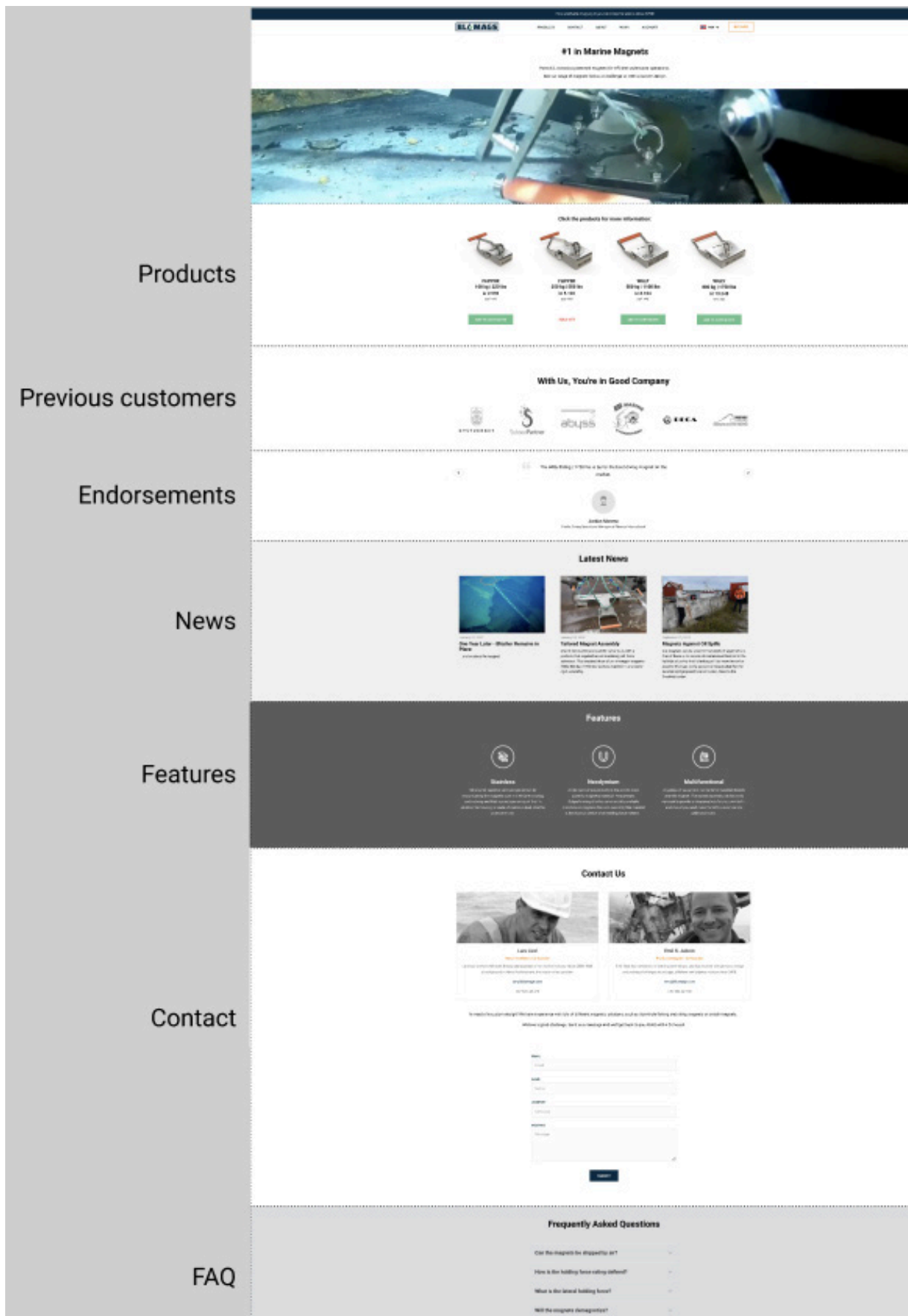


Figure 27: Website Home page content audit.

A process of restructuring the content was then conducted. This process included co-creation with users. Based on their feedback, the decision was made to break up the one-pager and rather distribute the content over various subpages. This structure was perceived as more logical and organized. The result was five subpages;

- Home page
- Products
- About
- News
- FAQ

The “Account” page and function was removed altogether, as essentially all the users considered it redundant. The general response was that they tried to limit the amount of accounts they created at different websites as much as possible, and would only do it at websites they used frequently. Blumags probably did not belong to this category, even for individuals of the customer segment. The “Buy now” button and correspondent page was also removed as all the elements on the page were either also on the home page, redundant, or could be just as well placed on other pages of the website.

The structure was thus changed in the following way:

Subpage

- *Section within subpage*



Figure 28: New website structure.

Multiple variations of how to organize these subpages in a menu bar were tested out. One example of a variation is shown in figure 28, where only “Home page”, “Products” and “Shopping Cart” are immediately visible, while “About”, “News” and “FAQ” are hidden behind a menu icon;



Figure 29: Menu bar iteration.

In the end, an open top menu bar with the different page buttons listed besides each other was chosen. This was among other things due to the fact that contact information, which was merged as part of the “About” page, was considered very important to have easily accessible for the users, as many buyers contacted them by phone or email before purchasing. Displaying “About” in the menu bar as well would leave just “News” and “FAQ” to be hidden behind the menu icon. This eliminated the point of having a menu icon as it would mean just one element less in the menu bar in total.



Figure 30: Menu bar final result.

The next step was then to design the different subpages.

Design of subpages

Blumags had already gotten a new graphical profile designed for them by a designer at Stryde. This included fonts, colors, images, general look and feel of the graphical identity, and even examples of how this could look like on a website. It was therefore not necessary to start the design process from scratch, but rather convert this graphical profile into a website of the decided upon structure.

The process for the design of all these subpages was the same. The first step was creating low-fidelity wireframes of each subpage in Figma. The purpose of these wireframes was to establish the structure of the content of each page. Colors, fonts, images, etc. were left til later. A continuous cycle of user testing and incremental improvements then followed until a satisfactory result was reached. The level of detail that was paid attention to increased for each cycle.

Result

THE POWER OF MAGNETS

Eget in massa turpis diam morbi lorem ipsum dictum. Nisi mauris gravida senectus et urna.

BROWSE OUR MAGNETS

FEATURES

STAINLESS

Arcu nunc ac dignissim nam pharetra. Aliquam sagittis, gravida adipiscing lorem. Arcu gravida semper ante blandit. Duismod vel cursus et ut nunc, sed habitant urna.

NEODYMIUM

Arcu nunc ac dignissim nam pharetra. Aliquam sagittis, gravida adipiscing lorem. Arcu gravida semper ante blandit. Duismod vel cursus et ut nunc, sed habitant urna.



MULTIFUNCTIONAL

Arcu nunc ac dignissim nam pharetra. Aliquam sagittis, gravida adipiscing lorem. Arcu gravida semper ante blandit. Duismod vel cursus et ut nunc, sed habitant urna.

TRUSTED PARTNERS



ENDORSEMENTS

“ Arcu nunc ac dignissim nam pharetra. Aliquam sagittis gravida. Quisque quis amet urna auctor volutpat pretium quam blandit. Porttitor nulla pellentesque.



Jordan Moreno
Commercial diver

“ Arcu nunc ac dignissim nam pharetra. Aliquam sagittis gravida. Quisque quis amet urna auctor volutpat pretium quam blandit. Porttitor nulla pellentesque.



Dag Ammerud
Commercial diver

“ Arcu nunc ac dignissim nam pharetra. Aliquam sagittis gravida. Quisque quis amet urna auctor volutpat pretium quam blandit. Porttitor nulla pellentesque.



Per Børre Kiserud
Commercial diver

Figure 31: New website Home page.

Home page

To use a large photo of the context in which underwater magnets are used was one of the suggestions that the new visual profile included. This gives the website a mood that is related to the products that are sold on it, and creates a connection between the brand of Blumags and the users and use-context of their products. This was considered a well thought out design measure and was therefore also implemented in the new web design. The call-to-action button guides the users to the product page, which is where the magnets can be purchased.

The unique features of the Blumags magnets are displayed in the context of a render of a magnet, instead of each feature having a corresponding icon that doesn't really help explaining it in any way, like on the existing home page.

Displaying trusted partners helps create trustworthiness among new customers and was therefore kept on the new front page.

This also applies to endorsements. The design of these were changed so that the quote, image and job position fits within a tall rectangle. This allows three to be displayed next to each other, instead only one that occupies the entire width of the screen, like on the existing home page.

MAGNETS



NAME	FLIPPER	
USER	DIVER	
LIFT CAP	100 kg	250 kg
PRICE	\$345	\$595



NAME	WILLY	
USER	DIVER	
LIFT CAP	500 kg	800 kg
PRICE	\$945	\$1195



NAME	MOBY	
USER	ROV	
LIFT CAP	100 kg	200 kg
PRICE	\$345	\$595

POLICIES

- Privacy Policy
- Refund Policy
- Shipping Policy
- Terms of Service
- Safety Instructions

QUICK LINKS

- Anchor Magnets
- Diving Magnets
- Marine Magnets
- Mooring Magnets
- Offshore Magnets
- Oil Boom Magnets
- Subsea Magnets

Figure 32: New website Products Overview page.

Product overview

The inspiration for this design was the way the information on top of the magnets is displayed. As can be seen in appendix item 36, this information is organized in a similar table. In addition to being an aesthetic reference to the magnets, this way of displaying the information is also very practical. The key characteristics of each magnet, and the differences between them, can easily be identified, and the user can quickly navigate to the magnet that best suits their specific need.



FLIPPER

LIFT CAP:

500 kg | 1100 lbs

Compact and handy, the Flipper™ series makes a perfect companion underwater. Use it to anchor yourself in position and free your arms and legs to do useful work instead. Hang your equipment off from it, secure a rope, or remove the lifting lug and fasten whatever you would like onto it.

199 EUR | 229 USD

x1



HOLDING FORCE
200 kg | 1100 lbs

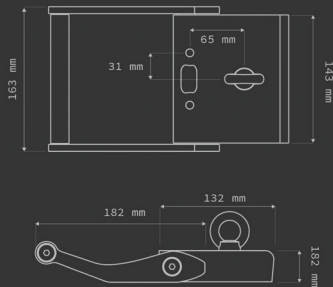
NET WEIGHT
1.4 kg | 3.1 lbs

EYE NUT DIMENSION
M8 (8mm)

DOCUMENTATION

- [User Manual](#)
- [Part Numbers](#)
- [Care & Maintenance](#)
- [Sales Brochure](#)
- [Tearsheet PDF](#)

MEASUREMENTS



Units

Overall height	143 mm
Overall width	31 mm
Overall depth	231 mm
Handle position	143 mm
Max torque	47 Nm
Handle length	231 mm
Magnet strength	10 000 N
Handle length	231 mm
Overall height	143 mm
Overall width	31 mm
Overall depth	231 mm
Handle position	143 mm
Max torque	47 Nm
Handle length	231 mm

ADD-ONS



PRODUCT NAME
59 EUR | 65 USD



PRODUCT NAME
59 EUR | 65 USD



PRODUCT NAME
59 EUR | 65 USD

Figure 33: New website Product page.

Specific product

This page was left largely unchanged from the design that was previously created as part of the new visual profile. The design was user tested but no significant flaws were revealed, and so only minor changes were made.


One of the questions that was asked in the survey that was sent out was the following;

”If you were to buy underwater magnets online, what features/functionalities of the website would you consider important?”


One of the most frequent answers to these questions was to show the specs of the magnets, like holding force, weight, magnet dimensions, eye nut dimensions, etc. This section of the product page was therefore very important.

ABOUT

Leadership



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Mission

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Erat at sed ullamcorper id in mi. Rhoncus egestas diam scelerisque diam. Venenatis egestas pulvinar vitae condimentum sit mi faucibus euismod integer. Enim lacus, diam bibendum sed vel pellentesque at adipiscing. Dolor viverra ac tortor semper consectetur rhoncus. Lorem ipsum dolor sit amet, consectetur adipiscing elit. Erat at sed ullamcorper id in mi. Rhoncus egestas diam scelerisque diam. Venenatis egestas pulvinar vitae condimentum sit mi faucibus euismod integer. Enim lacus, diam bibendum sed vel pellentesque at adipiscing. Dolor viverra ac tortor semper consectetur rhoncus.

History

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Erat at sed ullamcorper id in mi. Rhoncus egestas diam scelerisque diam. Venenatis egestas pulvinar vitae condimentum sit mi faucibus euismod integer. Enim lacus, diam bibendum sed vel pellentesque at adipiscing. Dolor viverra ac tortor semper consectetur rhoncus. Lorem ipsum dolor sit amet, consectetur adipiscing elit. Erat at sed ullamcorper id in mi. Rhoncus egestas diam scelerisque diam. Venenatis egestas pulvinar vitae condimentum sit mi faucibus euismod integer. Enim lacus, diam bibendum sed vel pellentesque at adipiscing. Dolor viverra ac tortor semper consectetur rhoncus.

POLICIES

- Safety Instructions
- Privacy Policy
- Refund Policy
- Shipping Policy
- Terms of Service

QUICK LINKS

- Anchor Magnets
- Offshore Magnets
- Diving Magnets
- Oil Boom Magnets
- Marine Magnets
- Subsea Magnets
- Mooring Magnets

Figure 34: New website About page.

About

This page contains more or less the same information as the corresponding page of the existing website, but the layout is redesigned to match with the new visual profile. The information about the founders is displayed in the same type of table as the information about the magnets on the product page. This was done to create a fun, graphical connection between the two pages. The mission statement and history of the company is displayed below this information.

LATEST NEWS

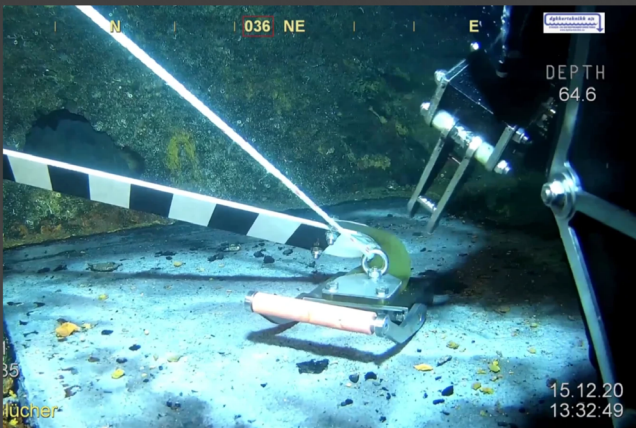


Say hello to the new Willy diving magnet!

July 15, 2021

One year since the official launch of Blumags in 2020, we are proud to introduce the new generation of Willy diving magnets. We made a few incremental improvements that will make the world's best diving magnets (according to our customers) even better.

[READ MORE](#)



Blumags Goes Subsea

December 15, 2020

[READ MORE](#)



Magnets Against Oil Spills

September 21, 2021

[READ MORE](#)

POLICIES

- [Safety Instructions](#)
- [Privacy Policy](#)
- [Refund Policy](#)
- [Shipping Policy](#)
- [Terms of Service](#)

QUICK LINKS

- [Anchor Magnets](#)
- [Diving Magnets](#)
- [Marine Magnets](#)
- [Mooring Magnets](#)
- [Offshore Magnets](#)
- [Oil Boom Magnets](#)
- [Subsea Magnets](#)

Figure 35: New website Latest News page.

Latest news

This page was also left largely unchanged from the design that was previously created as part of the new visual profile, as user tests revealed no major flaws.

FAQ and Shopping cart

As the FAQ and Shopping cart pages would be fairly simple and generic, it was deemed not necessary to design these pages.

Interactive prototype

An interactive prototype of the website can be accessed at the following link:

<https://www.figma.com/file/Uo5uqJGnI1X4WqbIHjVPcv/Blumags-master?node-id=0%3A1>

Specific features

Questions about what features would be important for a website selling underwater magnets were also asked in the quantitative interviews. One specific feature that was mentioned was high quality demonstration videos. One of the reasons that was given was that they wanted some sort of assurance of quality, since the magnets are quite expensive and are used in an environment where it is very important they function properly. As Blumags sell their magnets online, the buyers don't get to see them in real life and verify the quality before purchasing them. Videos displayed on the website demonstrating that they hold what they are supposed to would go some way in ensuring the buyers about the quality of the magnets.

In addition to showing that the magnets hold what they are supposed to, they could demonstrate the following aspects:

- Correct use
- Some of the main use cases
- The specific qualities of the Blumags magnets that separates them from competitors, for example that they are built in stainless steel, and the fact that the eye nut attachment point is a bolt that can be screwed in and out of the magnet, rather than welded on.

In order to get quantitative feedback about the usefulness of demonstration videos, a question asking the respondents to rate such videos from 1 (Unnecessary) to 7 (Very useful) was posed in the survey. The result can be seen in appendix figure 37.

As can be seen, when asked directly about the idea of demonstration videos, the big majority rated them at a 7, i.e. "Very useful" (61%). 18% rated them at a 6 and 14% at a 5, while only the remaining 7% rated the usefulness below 5. This data strongly indicated that demonstration videos would be very useful to have on the website.

However, there was also an open question in the survey where the respondents were asked to write features they would consider important for a website selling underwater magnets. Only two out of 44 respondents of the survey answered demonstration videos or similar to this question. There was therefore somewhat of a disparity between the responses when asked directly about demonstration videos, and the more open question about important features. This is to be expected though, and can partly be explained by the fact that the responses were generally short and only listed one thing. The majority of them were either related to user friendliness, like "Easy to use", "Easy to navigate" and "Simple checkout", or showing the specs of the magnets, as already mentioned. Since only one feature was generally mentioned it makes sense that most of the answers described what they considered to be the most important feature, but this obviously does not mean no other aspects are also important. That fact that even two of the answers mentioned demonstration videos goes some way to support the notion that they might be important.

If such videos were created they could also be used for marketing purposes, like posting it on the various social media platforms Blumags are present on or displaying them at trade fairs if they were to participate in these.

Miko, Blumags' main competitor, has such videos for some of their products which are quite informative.



Figure 35: Demonstration video on www.mikomarine.com

Considering creating such videos to display them on the website is therefore a recommendation to Blumags. However, creating such videos was not considered to be within the scope of this project, and so it was not pursued further.

DISCUSS
CONCLU

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Discussion

Part 1

As explained, the process methodology that was followed in Part 1 was based on an approach to company strategy development presented in a course on strategy design at NTNU, which was again based on the Delft Innovation Method. One of the reasons this method was attractive was that it clearly outlines a step-by-step path, from the starting point of not being familiar with the company to identifying the strategies that will most benefit it. As I had no previous experience with similar projects or how to approach them, I found this clearly outlined process very compelling. Overall I think the method worked quite well. Each step was conducted chronologically and the execution of these was generally fairly straightforward. However, there were some weaknesses in the execution of the process which are discussed here:

Internal analysis

Ideally, this process would have been conducted without relying so much on the feedback from the founders of Blumags, as this feedback is highly subjective and therefore prone to bias or plain misconception. In the case of a bigger company, the ideal approach would be to conduct a more independent internal analysis by objectively investigating the companies abilities in the different areas, instead of asking the founders what their opinions of those abilities were. However, since Blumags is such a new and small company, there is practically no information about them available outside what the founder can provide, and so I was left with few other choices than to rely on this information.

External analysis

The external analysis was conducted through two PESTLE analyses and a workshop. The purpose of the PESTLE analyses was to identify external threats and opportunities relevant to Blumags. It might have appeared strange that these analyses were followed by a validation analysis which rendered most of the identified threats and opportunities invalid, but this is a result of the fact that there was not enough time within the PESTLE workshops to thoroughly investigate the suggestions that came up. All suggestions that passed the “common sense” test were therefore included. The validation analysis was thus conducted afterwards, without a time limit, in order to dig into the suggestions further and thoroughly evaluate their relevance.

SWOT analysis to generate Search Areas

The one phase of the process where I felt it was not totally clear how to proceed was the step “SWOT analysis to generate Search Areas”. In the example that was used in the lecture notes of the NTNU course, many different strengths, weaknesses, opportunities and threats were identified. This allowed them to be organized in a grid in the following way:

		Opportunities					
		1.	2.	3.	4.	5.	6.
Strengths		Less material goods, more experiences	Centralization	Social neighbourhoods	Aging - elderly as customer group	Many elderly are lonely, healthy and rich	More social and local networks
1.	Network and networking		Use SW to facilitate for use of area	New ways of housing. Albas network can contribute to new solutions			
2.	Own kindergarten buildings	Use kindergarten area to offer experiences and/or services	Future kindergartens will be bigger			Use kindergarten are for services for elderly	
3.	Experience in kindergarten services	Use SW to facilitate for use of area					Use Kinso as basis for develop new solutions for social networks
4.	Great potential for developing good software		Large market for home services in smaller areas	CTC-services based on trust, when people know each other	Offer services to elderly		
5.	Entrepreneurship oriented and willing to innovate		New ways to run kindergartens in the future			Connect elderly to operation of kindergartens	

Figure 36: Strengths and opportunities matrix.

This purpose of juxtapositioning the SWOTs in that manner is for it to be used as a basis for brainstorming Search Areas. The ideal scenario is to combine the strengths and opportunities and to find a way to utilize a strength to take advantage of an opportunity. Other possible approaches based on other combinations of the SWOTs are the following;

- **Weakness and opportunities:** Overcoming weaknesses by taking advantage of opportunities.
- **Strengths and threats:** Using strengths to avoid threats.
- **Weaknesses and threats:** Minimize weaknesses and avoid threats.

In my project however, in the category of clear and actionable SWOTs, only a single weakness and four opportunities were identified, no strengths and weaknesses. Creating a grid as shown in figure X, with multiple SWOTs in each axis and many possible combinations was therefore not possible. I was thus left with trying to find a way to overcome the one identified weakness by taking advantage of any of the opportunities. This resulted in four Search Areas, defined in the form of research questions. This step might have appeared somewhat unclear in the documentation and is perhaps a weakness of the project.

The design of new website as the final strategy

Another step that should be discussed is the recommendation of a new website as the culmination of the strategy identification process. As previously explained, this process led to the identification of three new potential customer segments, and the goal of the strategy was to help Blumags make sales to companies in these industries. One can argue that the design of a new website is not a very specific measure for accomplishing this. This is a valid criticism. A new website will hopefully help Blumags make sales generally, but not necessarily more so

from these companies than from any other companies. This is perhaps another weakness of the project. Had I managed to identify a strategy that would have more directly fulfilled the aforementioned goal, that would have maybe resulted in a stronger project. However, I place great importance on being data-driven to the extent that is possible, and in my estimation, this was the result that the data most clearly led to.

Part 2

Part 2 of the project was conducted without following any particular process methodologies. The conducted process was simply to collect as much data as possible about the two strategy ideas Blumags wanted to evaluate. As part 1 and 3 were viewed as the main parts of the project, they were prioritized in terms of time allocation. It was therefore not enough time available to gather sufficient data to make definite conclusions about the efficiency of the two strategy ideas. However, the data there was time to collect was quite useful, in my estimation.

Referral marketing

A variety of methods were used in the investigation of a referral marketing program, both surveys, Facebook polls and interviews. Even though the effectiveness of this strategy was hard to test directly, I do believe the combined results from these different methods amounted to a decent indicator, which was that it showed some promise. As explained, the pilot test did not match these results, but that may very well be due to other factors than the program itself, which is why further investigation was recommended.

Give magnets to diving schools

The effectiveness of providing diving schools with magnets was as mentioned investigated by having the students answer a survey before and after exposure to the magnets. Even though this single research method only provides one type of data, I do believe this data is very indicative as it tests exactly what the strategy is supposed to affect, namely the difference in the number of students that are familiar with Blumags as a brand before and after exposure to the magnets in training. The reason this data was still not strong to draw conclusions based off of and further research was recommended was the fact that the number of students that answered the surveys, and the number of times they were exposed to the magnets between them, was too small.

Part 3

Part 3 of the project was dedicated to the design of a new website. The circumstances that made this part somewhat special was that Blumags had already had a new visual profile designed for them, and therefore understandably wanted the new website design to match it. This profile also included some examples of how it could look on a website, which Blumags liked, and wanted to be incorporated. In terms of aesthetics, the design work required from me was therefore

to apply this visual profile to the different pages of the website, except for the pages that were already designed. In terms of functionality, the work I performed was the following:

- Defining the new overarching website structure in a co-creation process with user feedback
- Designing the structures of the individual subpages in a process which including multiple rounds of user testing, and then applying the visual profile to these pages.
- User test the already designed subpages in order to reveal any potential flaws

Because the visual profile was already designed, one criticism one might make is that the part I contributed to the new website design is limited, which would be a fair criticism. However, my justification for this would be that;

- The most important aspect when designing a website for a client is that the client is happy with the result. If the circumstances are so that there exists some previous work that the client is happy with, and wants further development to be based upon, then that is something that needs to be accepted and accounted for. It would not be beneficial for Blumags for me to insist on designing everything from scratch because I thought the project demanded that of me.
- The most extensive and important part of this project is Part 1. With the amount of time that went into this phase, in addition to Part 2, there simply was not enough time left for a more extensive design process for the website.
- The most important parts of the website design, namely the overarching structure and the design of the different subpages, was still covered in this project. Even if more time was available, that time would have been spent refining details.

Conclusion

This project had three goals and consists of three parts, each one dedicated to the achievement of one of these goals;

1. Identify the strategies that will be of most benefit to Blumags.
2. Investigate the usefulness of some strategies that Blumags themselves had conceived prior to this project.
3. Implement the strategies identified in the completion of the first goal.

In Part 1, the overarching strategy that was identified was to sell magnets to companies within the three new potential customer segments that were identified (Ship chandlers, ROV rental tooling and subsea engineering companies). Three strategies were proposed with this goal in mind;

- Directly contacting the purchasing departments of these companies and present their magnets in order to familiarize them with their products.
- Showcasing their products in trade fairs.
- Designing a new, more compelling website than those of the competitors

The strategy that was selected to be developed further in Part 3 was the design of a new website. The result was a new complete design, based on the new visual profile that had been created.

In part 2, the two strategies proposed by Blumags were investigated. Not enough data were collected to make definite conclusions about the effectiveness of either strategy. The conclusion was therefore the recommendation of further investigation in both cases.

To sum up, the strategies that have been discussed in this project can be categorized in the following way:

Recommended and developed

- New website design

Recommended but not pursued further

- Participating in trade fairs
- Direct sales to Ship chandlers and subsea engineering and ROV tooling rental companies
- Implementing product demonstration videos on their website

Inconclusive and recommended to investigate further

- Referral marketing
- Giving magnets to diving schools

Not recommended

- Branding as environmentally friendly
- Renting out ROV magnets

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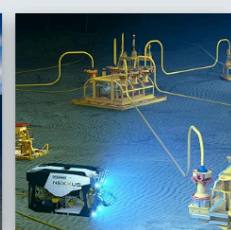
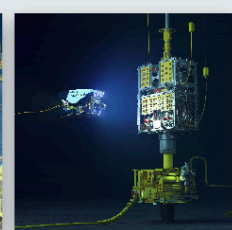
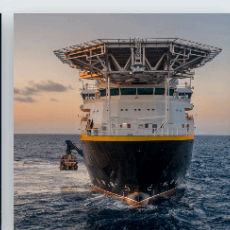
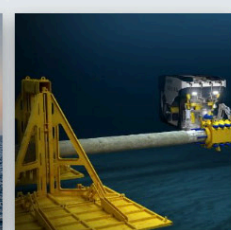
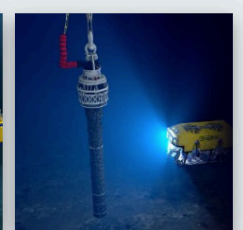
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Appendix

OCEANEERING Industries ▾ Integrated Solutions ▾ Products and Services ▾ Careers ▾ 

- Asset Integrity
- Automated Guided Vehicles (AGVs)
- C-Nav Positioning Solutions
- Data Management
- Decommissioning
- Diving
- Entertainment Systems (OES)
- Flow Assurance
- Global Explorer ROV
- Grayloc Technology
- Intervention Tooling
- Inform Inspect™
- Inspection and NDT
- Inspection, Maintenance, and Repair (IMR) Solutions
- Integrated Rig Services
- Intervention Workover Control Systems (IWOCSS)
- Marine Services Division (MSD)
- Maritime and Cargo Logistics
- Mobile Robotics (OMR)
- Oceaneering Technologies (OTECH)
- OceanSMART
- Pipeline Repair Connections (PCRS)
- Product Testing and Qualification
- Remote Services
- Remotely Operated Vehicles (ROVs)
- Renewable Energy
- Rotorator Technologies
- ROV Workover Control Systems (RWOCSS)
- Science and Research
- SeaPort-e
- Space Systems (OSS)
- Submarine and Ship Repair
- Submarine Rescue Solutions
- Subsea Connection Systems
- Subsea Distribution Solutions
- Subsea Projects
- Storage and Maintenance
- Subsea Pumping Technology
- Survey and Mapping
- Transportation Systems
- Umbilicals
- Valves
- Vessels
- Well Intervention
- Workover Control Systems (WOCSS)

Appendix item 1

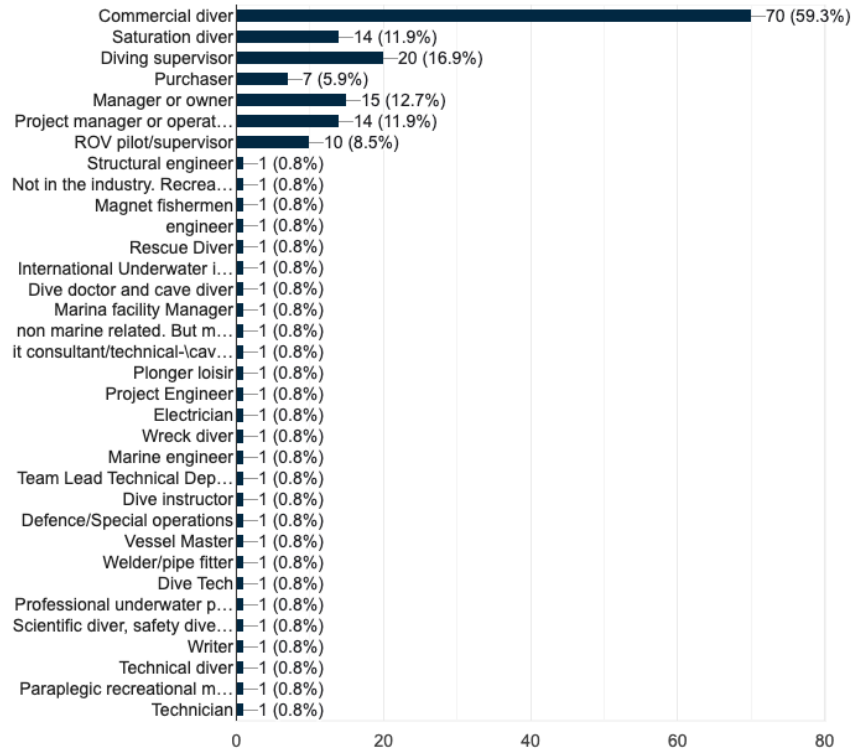
					
<p>Integrated Rig Services Oceaneering offers true integration of services to improve HSE, cut down on non-productive time, streamline activities, and reduce your overall costs.</p>	<p>Subsea Tieback From the manufacture of subsea connection hardware and umbilicals to vessel-based and ROV installation in the field, we safely provide customers a simpler, more cost-effective integrated solution.</p>	<p>Well Intervention Ensuring reliable well access through unmatched industry expertise and an innovative technology portfolio.</p>	<p>Inspection, Maintenance, and Repair (IMR) Solutions Mitigate the effects of unplanned repairs and improve your field's uptime with Oceaneering's integrated subsea IMR solutions.</p>	<p>Pipeline Repair Deploying rapid and safe pipeline solutions that minimize environmental impact and restore production quickly.</p>	<p>Decommissioning Solving decommissioning challenges safely and cost effectively, from end-to-end solutions to discrete tool hires.</p>

Appendix item 2

What is your current occupation?



118 responses

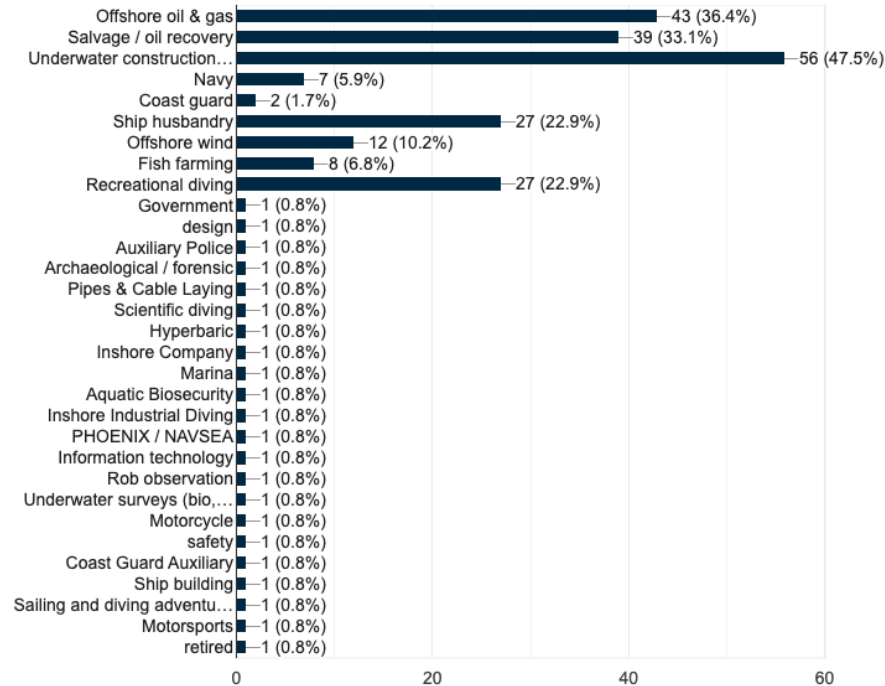


Appendix item 3

Which industry are you in?



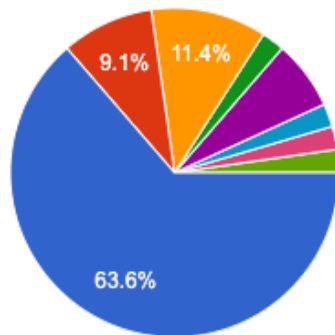
118 responses



Appendix item 4

What is your job situation?

44 responses

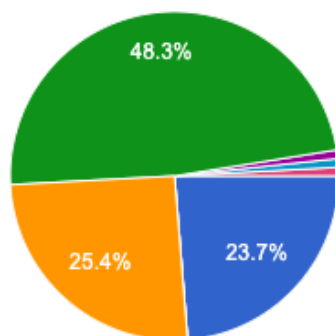


- Currently working as a commercial diver
- Former commercial diver, now hold other position in a diving company
- Former commercial diver, now do other work
- Former commercial diver, now retired
- Not a commercial diver, hold other po...
- supplier
- Avid interest in diving
- Truck mechanic

Appendix item 5

If Blumags released a line of powerful corrosion protected fishing magnets used to remove steel objects from the seabed or riverbed, how would it affect your impression of Blumags?

118 responses



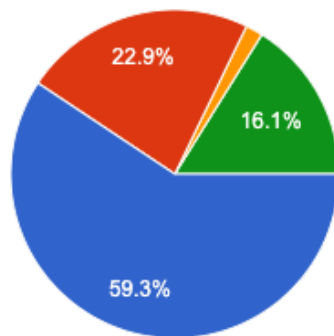
- Wouldn't matter
- Weakens my impression of the brand
- I would probably use them myself
- Great, anything that helps cleaning the oceans is a good thing
- We have used them I fast water currents that would not permit diving to recover...
- Its something I am looking to buy , fascinating way to remove scrap and t...
- I would absolutely love this!

Appendix item 6

Would you be more likely to purchase our magnets if we donated part of our revenue to charity for saving the oceans?



118 responses



- Yes, that's a great cause and I would not mind chipping in either
- Would not make a difference to me
- That's a bad idea, I suspect it would ultimately add to the price of magnets
- Yes, as long as I don't have to pay anything extra

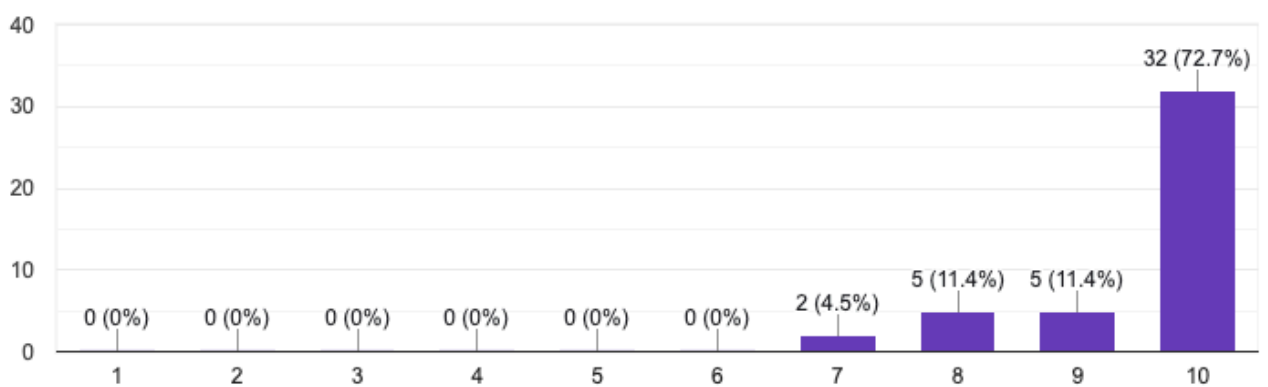
Appendix item 7

How important would you consider these factors if you were to buy an underwater magnet?

Product quality



44 responses

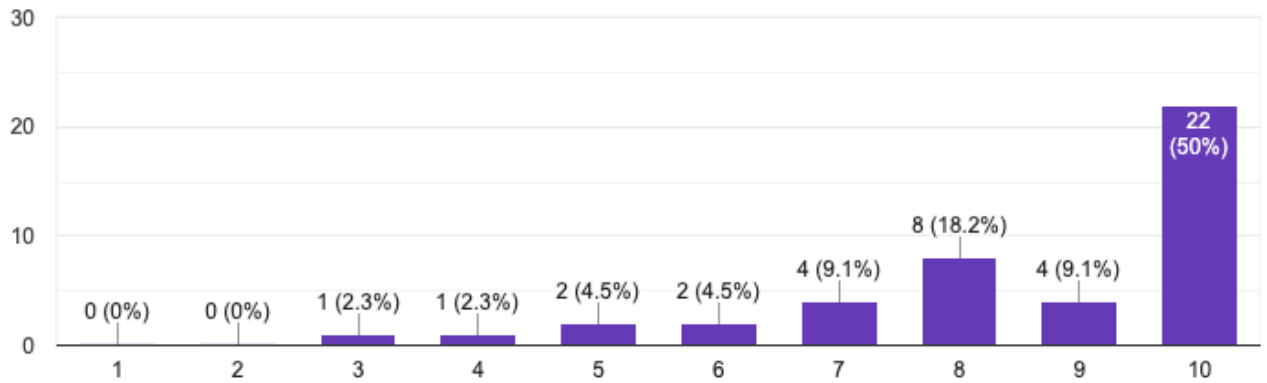


Appendix item 8


Price

 Copy

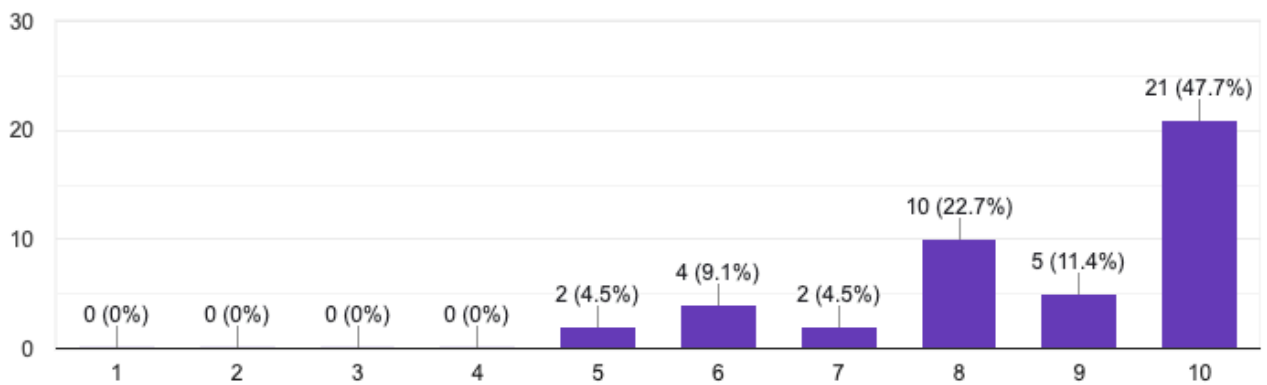
44 responses



Appendix item 9

The quality of the company's website in terms of clear information about the products, illustrating images, simple purchasing solution, general brand impression, etc.  Copy

44 responses

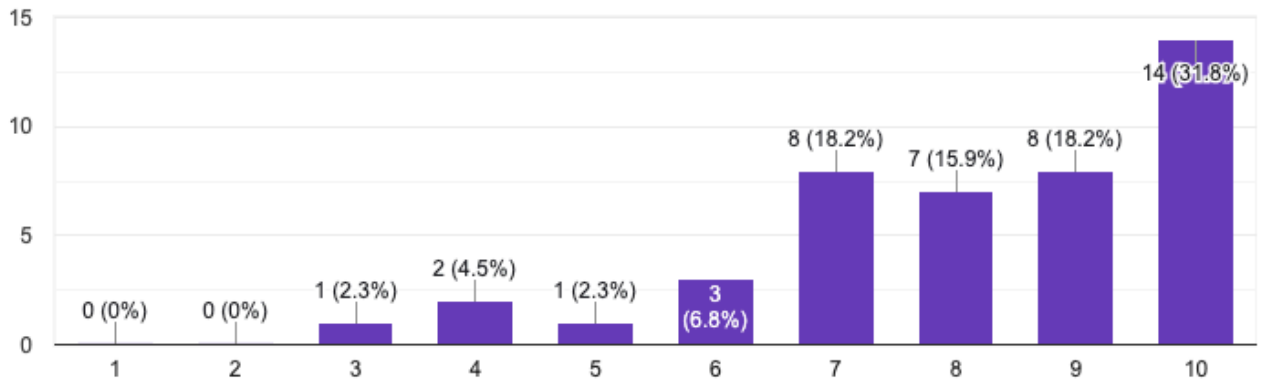


Appendix item 10

Delivery time



44 responses

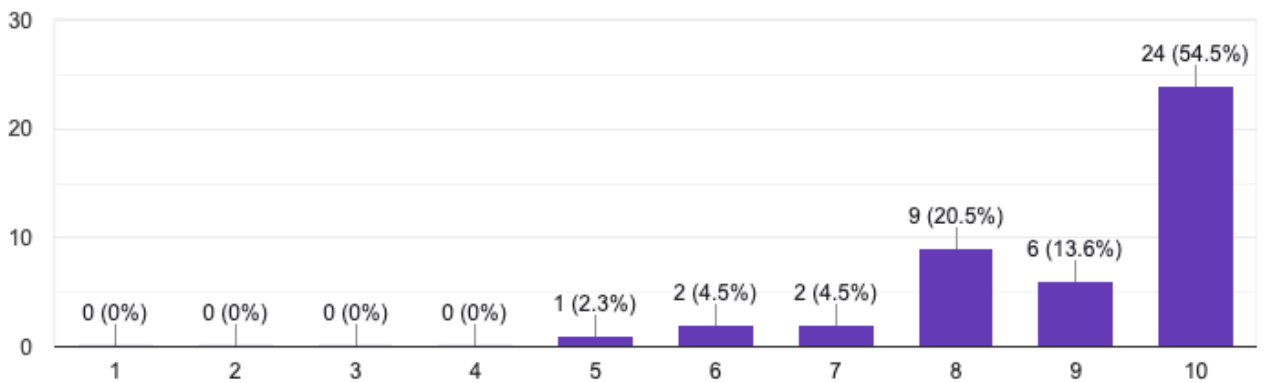


Appendix item 11

Good customer service in terms of quick and helpful communication



44 responses

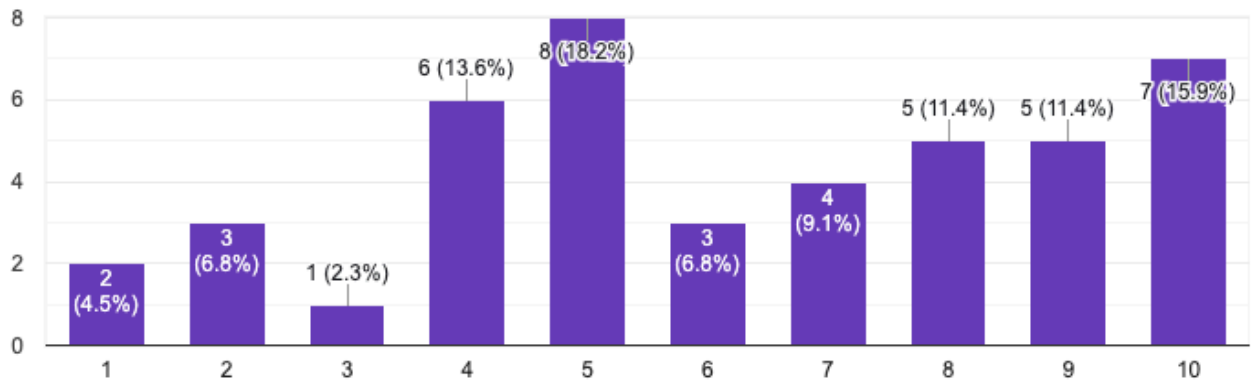


Appendix item 12

The degree of environmental friendliness of the company, e.g. in production, transport, donation to charities, etc.



44 responses

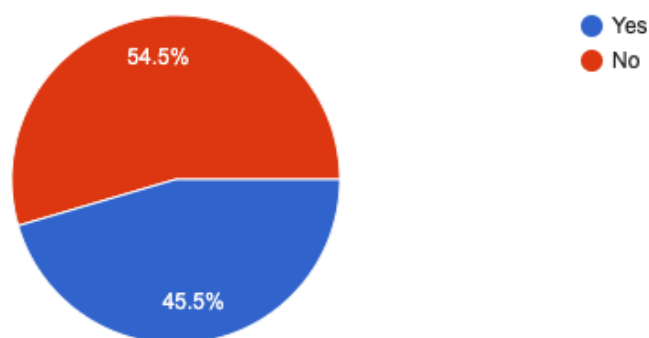


Appendix item 13

Would you be willing to pay a premium on the products if this premium was due to measures the company had implemented to be more environmentally friendly, e.g. in production, transport, donating to charities, etc?



44 responses

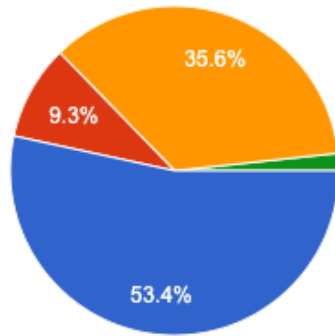


Appendix item 14

What is your, or your company's, preferred way to purchase?



118 responses



- Webshop checkout
- Physical shop
- Through e-mail (quotation, purchase order, etc)
- Telephone

Appendix item 15

Miko
MARINE

Products Services About us Contact

Check out more of our news from around the world

BAE Submarine Testimonials

"I have worked with Miko since late 2020 on the blanking plate project and have been consistently impressed with the professionalism and engineering capability they have offered. Miko have presented innovative design solutions to a number of complex and inter-related problems. The Team at Miko have designed, manufactured and tested a prototype solution which exceeded our already high expectations. Cato, Rana, Espen and Truls have been a pleasure to work with especially given the testing global COVID-19 restrictions imposed at the start of the project. Miko's ability to deliver high quality solutions under these conditions is a testament to their expertise and commitment to their customers."

Cookie Settings

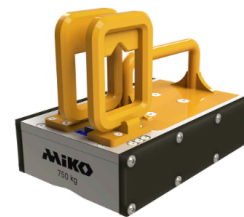
Appendix item 16

Underwater Magnets

Holding everything in place.

ROV Magnet

The switchable Miko ROV magnet has a fully mechanical on/off function and a holding force of 750 kg when activated.



MAM-Light

MAM-Light is the most compact Miko Anchor Magnet, yet it has a holding force equivalent to the weight of an adult man. Thanks to its handy size and minimal weight, this magnet is easily handled by divers in any situation.



MAM-001

MAM-001 has a holding force of 150 kg and can be used for fastening equipment such as Miko Plasters®, diving equipment, guide wires or anchor points for divers to ship sides or other steel structures.



Appendix item 17

Divingmagnets.com

Online Store (USD) | Online Store (ZAR) | Magnet Safety Guide | Technical Specifications | Contact

Diving Magnets Online Store (International)

International | South Africa

Kategori: Butikk

Kurv (1)

Product Name	Price	Action
Diver Magnet - 115	\$70.00	Kjøp nå
Diver Magnet - 160	\$95.00	Kjøp nå
Diver Magnet - 200	\$110.00	Kjøp nå
Diver Magnet - 250	\$125.00	Kjøp nå
Diver Magnet - 230	\$130.00	Kjøp nå
Diver Magnet - 280	\$145.00	Kjøp nå

Appendix item 18

- [Home](#)
- [Magnetic Handles](#)
- [Magnetic Angles](#)
- [Crane Assemblies](#)
- [Fishing Tools](#)
- [Safety Tool](#)
- [Other Tools](#)
- [More Information](#)
- [Order Forms](#)



Since 1961

We design permanent type magnets that need no recharging.

Special type tools considered.

THE BEAR PAW BROCHURE CAN BE DOWNLOADED AND PRINTED IN PDF FORMAT.

[BROCHURE](#)
277KB

Last Updated: 12/26/2021
Maintained by:
BBCC Inc

Appendix item 19

- [Home](#)
- [Magnetic Handles](#)
- [Magnetic Angles](#)
- [Crane Assemblies](#)
- [Fishing Tools](#)
- [Safety Tool](#)
- [Other Tools](#)
- [More Information](#)
- [Order Forms](#)



MAGNETIC HANDLES

PERMANENT TYPE MAGNET - NEEDS NO RECHARGING

Click on the Model number to see the tool description.
Click on the pictures to see more views of the tool.

[Model 100](#)

[Model 150](#)

[Model 250](#)



[Model 400](#)

[Model 600](#)



Appendix item 20



The commercial diver's every need.

Welcome at Subsupply

Subsupply The commercial diver's every need.

Subsupply is one of the smallest independent family businesses in the world of commercial divers and sport divers and perhaps the smallest A-brand in The Netherlands. Since 2001 Subsupply designs and produces sheaths for Green River knives, the dive knife for commercial divers around the world. Besides the production of the sheaths, we also produce gloves, magnets and tool bags in-house where slightest changes or desired customer specifications (depending on the number) can be implemented quickly.

Besides our own production, we are importer for the brands ProBlue and Lumica as well as dealer for Northern Diver, Victory and Spyderco knives. We keep all products in stock and we process your order immediately so we can keep our completion time as short as possible. Subsupply stands for quality and flexibility. For all commercial and recreational divers, we guarantee our products are reliable.

A need underwater.

Appendix item 21

Commercial divers magnet

This diving magnet is equipped with two attachment points and breaking lever for easy release. The magnet is coated to reduce corrosion and provide a smooth finish.

General specifications

- Total weigh: 1,3 Kg
- Max length: 16 cm
- Max width: 13 cm
- Material: Stainless steel 316
- Eyes and lever are welded
- Easy to release lever
- **With or without Peli case**

Specifications magnet

- Dimensions: 50,8 x 50,8 x 25,4 mm
- Type: Neodymium
- Strength: ca. 90 Kg
- Coating: Nickel-plated (Ni-Cu-Ni)
- Weight: 0,5 Kg



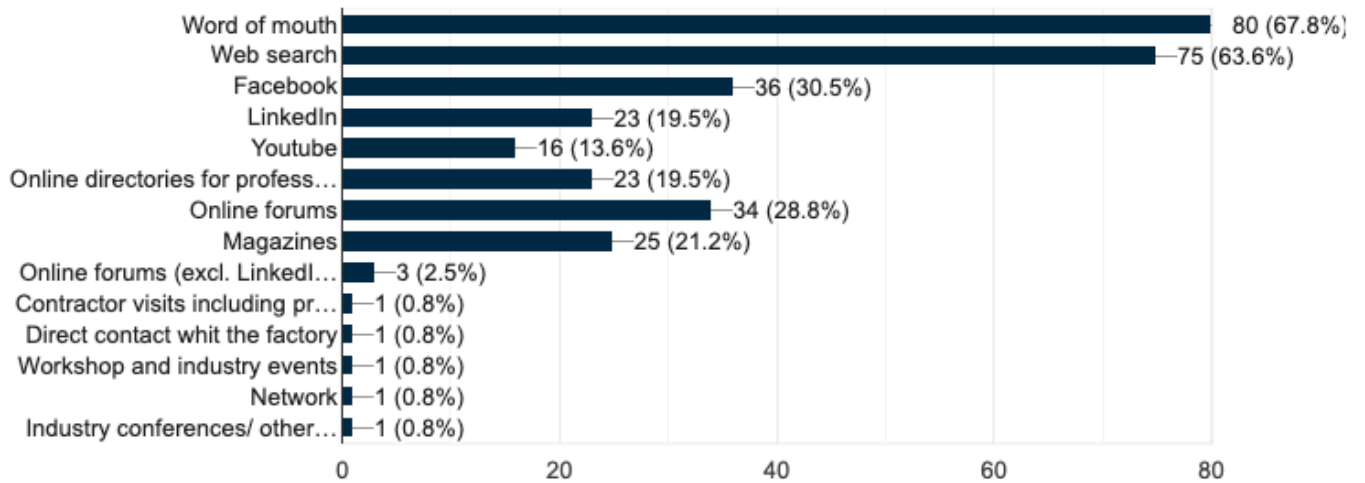
[Click on this link to order this product.](#)

Appendix item 22

What are your most important sources of information about underwater equipment?



118 responses

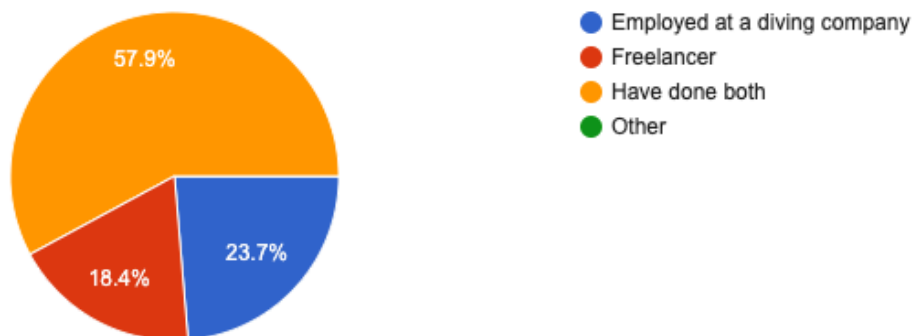


Appendix item 23

Have you been employed at a diving company or worked as a freelancer during your diving career?



38 responses



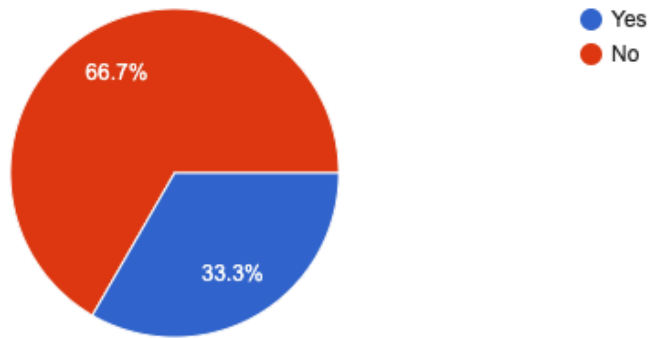
Appendix item 24

Employed at diving company

Have you personally owned an underwater magnet?

 Copy

9 responses



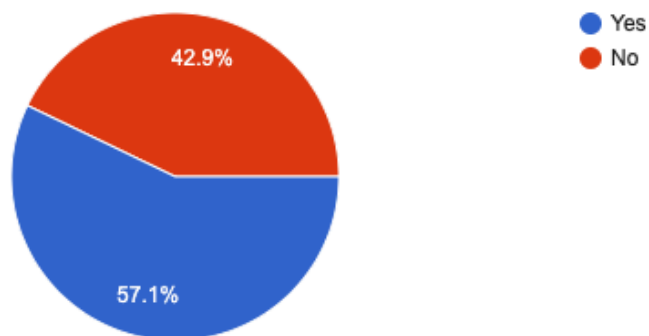
Appendix item 25

Freelancer

Have you personally owned an underwater magnet?

 Copy

7 responses



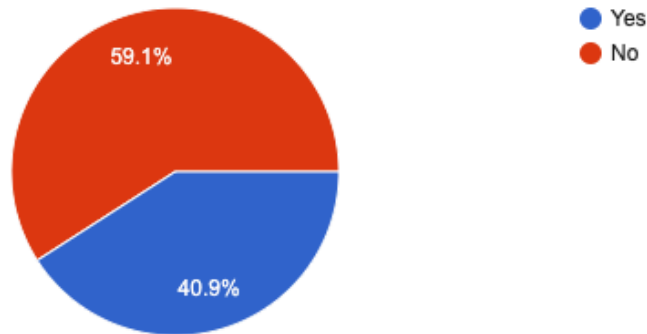
Appendix item 26

Have done both

Have you personally owned an underwater magnet?

 Copy



22 responses



Appendix item 27



Arin von Krogh har opprettet en meningsmåling.

 · 2. juni kl. 17:03 · 

...

Hei igjen,

Ikke meningen å mase, men innser at jeg formulerte meg litt feil på forrige poll. Det jeg egentlig lurer på er hvorvidt det er vanlig å eie egen dykkermagnet som yrkesdykker. Så, hvor mange eier egen magnet?



Eier egen magnet

56% >



Eier ikke egen magnet

43% >



 1

46 stemmer 5 kommentarer

Appendix item 28



Arin von Krogh har opprettet en meningsmåling.

22. april · 🌐

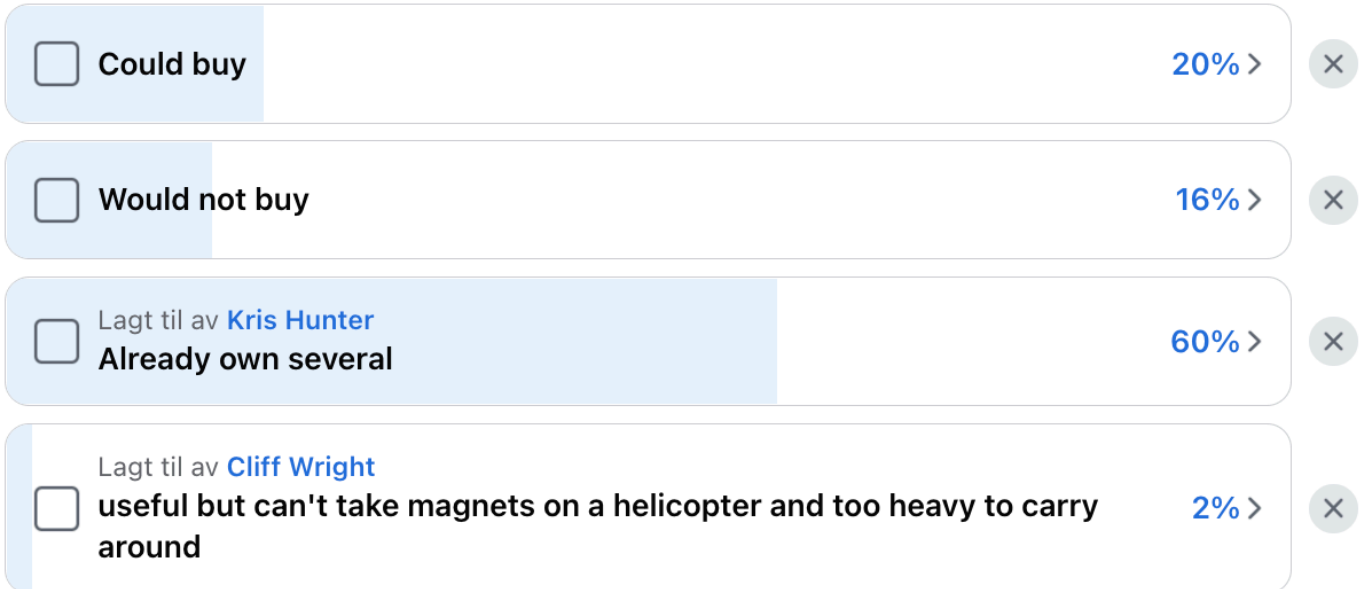


Hi! A quick question to the freelance divers here:

Are underwater magnets something you use frequently enough to consider buying for your personal tool kit, or is it more of a niche tool that would be provided by the client if required for a job?

I am considering buying one for myself.

Thanks in advance for any reply!



43 stemmer 9 kommentarer

Appendix item 29

**Darren Banner**

Many divers use them, I only ever used mine to tie my tool bag off to. They add quite a bit of weight to your kit and being a big guy I don't trust them to hang all my weight off them. They're most useful for pinning down the end of a tape measure in my mind

Liker Svar 5 u

**Ed Gate**

Very handy items to have at your disposal... never expect clientele to supply specialty tools

Liker Svar 5 u

**Tyrone Van Straaten**

Good when welding under a container ships Hull x2 big one to hang yourself on and small tool bag 👍

Liker Svar 5 u

**Kris Hunter**

I always have a couple 500 plus pounders. Impossible to stress how much they help. They're light enough to carry in a hat bag or in your dry bag.

Liker Svar 5 u

**Kris Walton**

7 p's is the name of the game!

Liker Svar 5 u

**Nick Colón**

Depends on what you're doing most of the time. Unless it's a lot of ships husbandry I wouldn't bother

Liker Svar 5 u

**Victor Rivera**

Have several never use them there holding tools up in my garage

Liker Svar 5 u

**David Orr**

Anything ship its a must have otherwise you do you

Liker Svar 5 u

**Jason Roberts**

Magnets are amazing for ship work. Shackle them on a lanyard to your bailout and you can crawl along the hull or anchor yourself in place instead of swimming a current for your entire bottom time. Other than that, I've never needed magnets.

So if you're gonna freelance wheel jobs and hull cleanings/inspections, get some magnets.

Liker Svar 5 u





Arin von Krogh har opprettet en meningsmåling.

22. april · 🌐



Hi! A quick question to the freelance divers here:

Are underwater magnets something you use frequently enough to consider buying for your personal tool kit, or is it more of a niche tool that would be provided by the client if required for a job?

I am considering buying one myself.

Thanks in advance for any reply!



Could buy

100% >



Would not buy

0% >



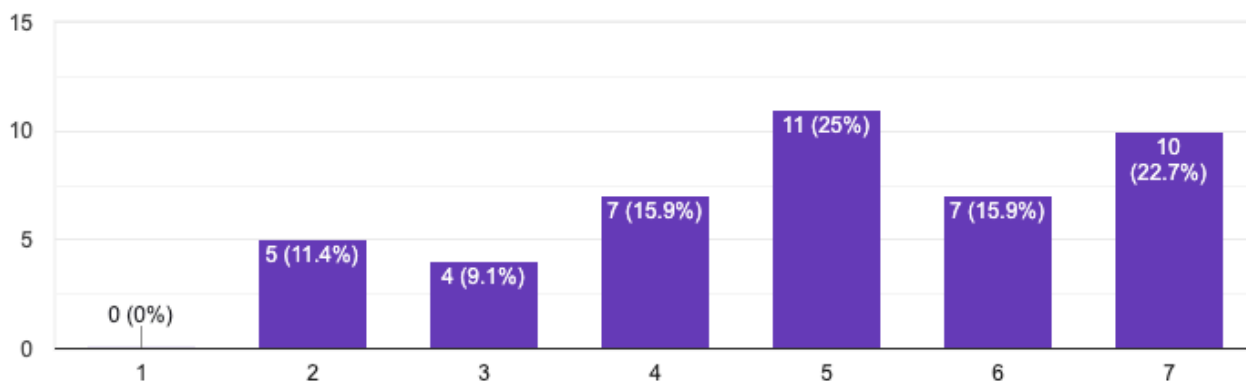
1

11 stemmer 2 kommentarer

Appendix item 31

Blumags is considering launching a referral program. This means that previous customers will receive a discount code that they can pass on to friends. If a previous customer, let's call him Mike, passes on his referral code to a friend, Lisa, and Lisa buys a magnet using that code, she would get a \$100 discount on her purchase. Not only that, but Mike would also get a \$100 discount on his next purchase. To what degree do you think divers employed at diving companies that received such a discount code would take advantage of the offer and buy a magnet if they did not own one before?

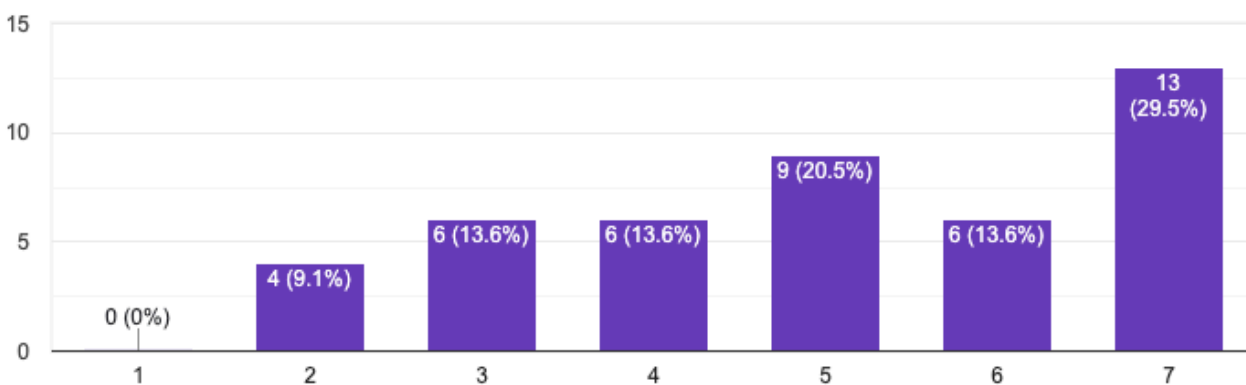
44 responses



Appendix item 32

To what degree do you think freelance divers that received such a discount code would take advantage of the offer and buy a magnet if they did not own one before?

44 responses

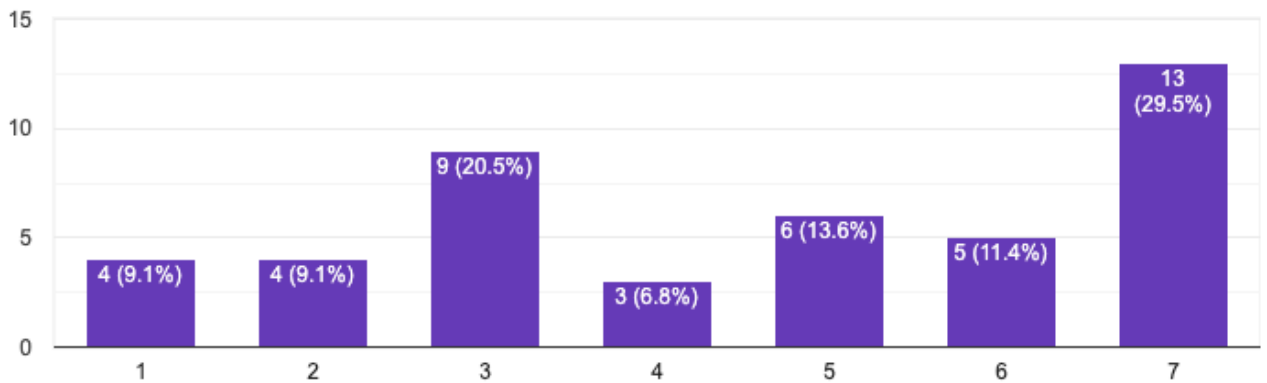


Appendix item 33

To what degree do you think divers employed at diving companies would make an effort to spread their discount code to other potential customers so that they could get a discount on a second magnet?



44 responses

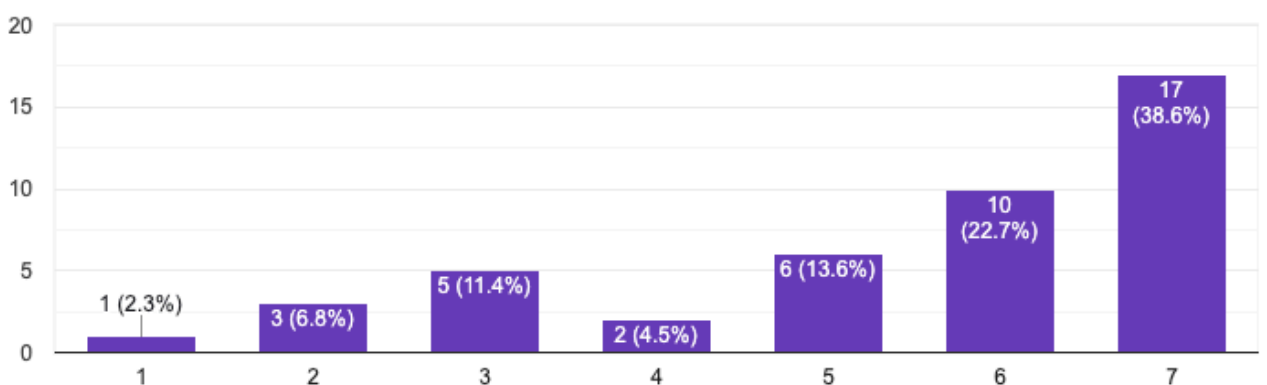


Appendix item 34

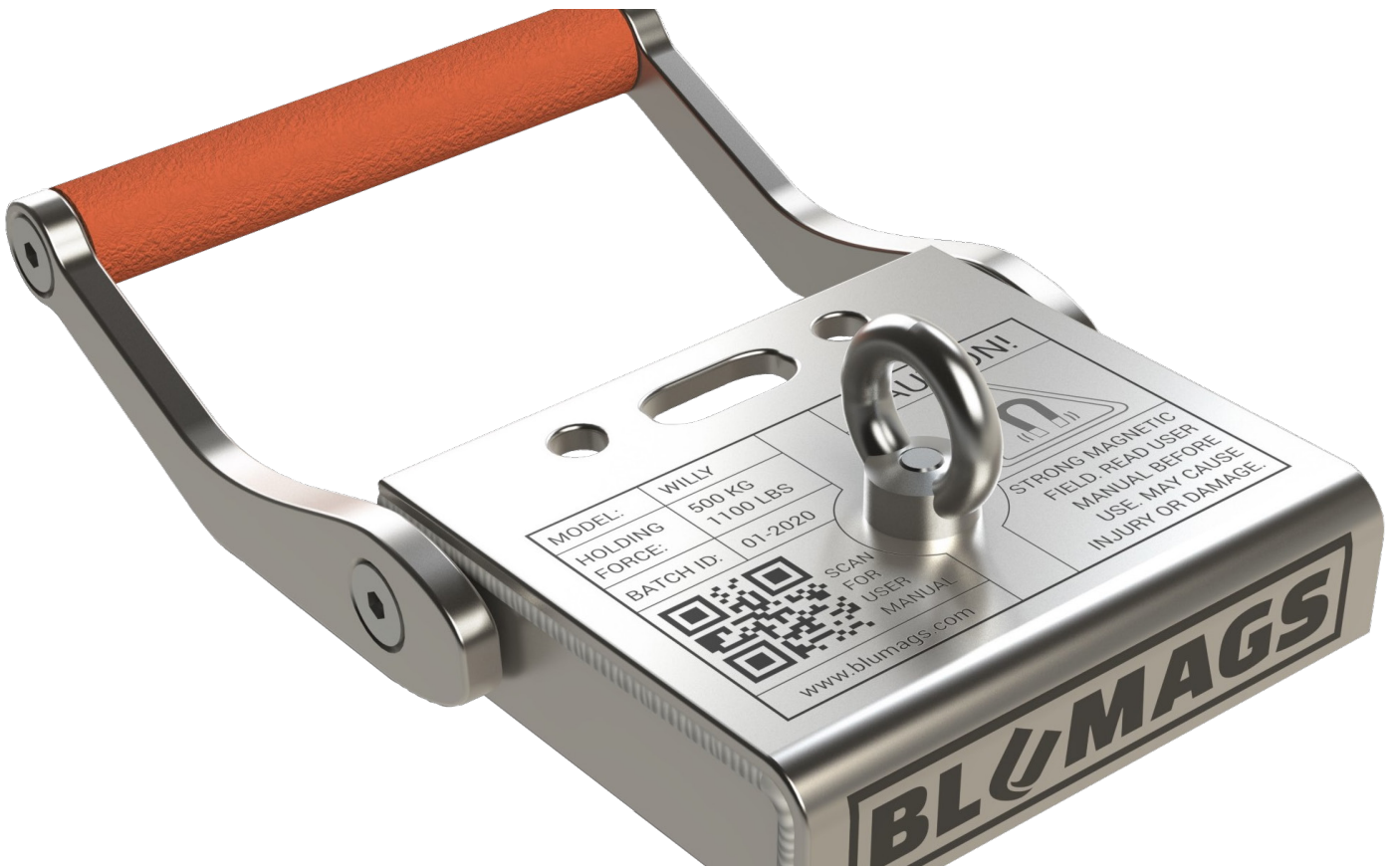
To what degree do you think freelance divers would make an effort to spread their discount code to other potential customers so that they could get a discount on a second purchase?



44 responses



Appendix item 35

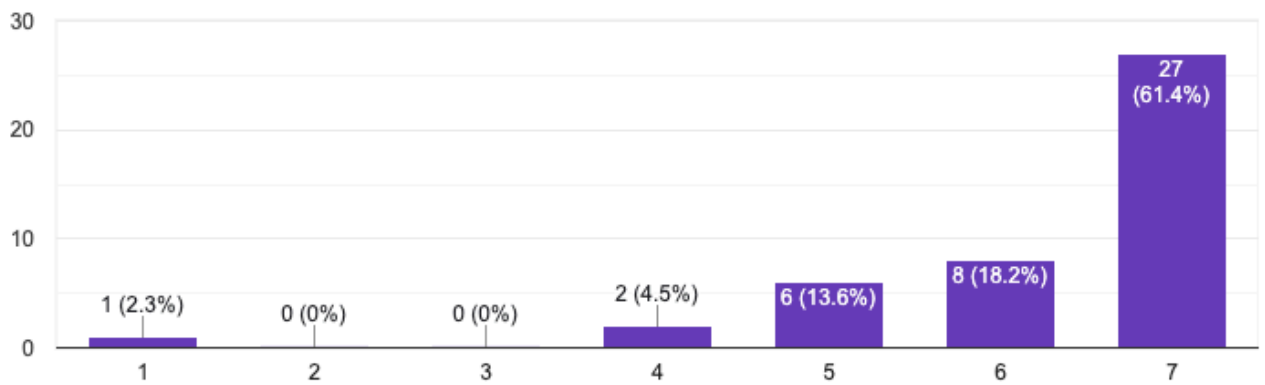


Appendix item 36

How would you consider videos on the website demonstrating correct use and some common use cases for the magnets?

 Copy

44 responses



Appendix item 37

