

Creating Customers' Profile for ART-Stone Jewelry Company

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Abstract <p>The focus of this thesis is a Russian Jewelry Company ART-Stone. The company is seeking to enter the Austrian jewelry market with a precious jewelry collection called "SEA SIDE", which is in the process of design.</p> <p>The aim of the research is to create a customers' profile for this company.</p> <p>The thesis begins by establishing the research question and support questions. Next is the description of the ART-Stone Jewelry Company, which includes a brief company overview, production line for export and a SWOT analysis of the company.</p> <p>The next chapter of the thesis is a literature review. It gives different views on some methods of gathering data that are appropriate for this thesis.</p> <p>Next comes the methodology of the thesis. In this chapter the research tools chosen to carry out this research. These include Pragmatism philosophy, comparing induction and deduction research approach, survey research strategy, time horizons and implementation of the methods of quantitative and qualitative data collection. The methodology chapter gives a clear understanding of the nature of the research .</p> <p>The results of the research are then presented in the form of pie charts. Four customers' groups are defined based on the age and two of those are selected as the main groups of focus. The collected data is analyzed and a consumers' profile is created. The customers' profile shows the priority age, annual income, annual expenditure on precious jewelry, family status and occupation of people for the "SEA SIDE" collection. Also customer preferences in style and colour are analyzed.</p> <p>The discussion chapter gives the author's opinion on the research and its results as well as the views given in the literature review. The limitations chapter discusses the factors, which affected the research process, limiting the usefulness of the results. A conclusion is then reached.</p>		
Keywords Austrian Jewelry Market, customers' need, customers' profile, ART-Stone Jewelry Company, primary data collection, secondary data collection, SWOT analysis		
Miscellaneous		

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1 INTRODUCTION

It is known that marketing planning plays one of the most important roles in the organizational process of a company, providing directions and focus (Kotler 2005, appendix 1). Nowadays, every successful company in the world has a well-built marketing plan.

This thesis is concerned with the jewelry company Art-Stone. It is a company based in Russia, which, for now, only operates within Russia. In search for new customers and possibilities to expand Art-Stone intends to enter the Austrian jewelry market.

The global jewelry market today is a very established one, with many renowned brands that have been in it for the better part of the last century. It is the purpose of this thesis to help Art-Stone enter and establish itself in this highly competitive environment.

The focus of this thesis is the potential target customer group of Art-Stone. It is necessary to study the customers in the Austrian market in order for the company to be focused on the right customers and their needs. To understand what kind of customers Art-Stone should target in order to be successful in the Austrian market, it is necessary to create a customer profile, which includes the customers' characteristics and personal elements. That is the focus of this thesis.

In order to have a consistent approach towards the research area, this thesis is going to be structured in the following way: firstly, the research questions will be presented, followed by the company's background information, which includes thorough SWOT analysis. Furthermore, the literature review is going to take place so that the research problem is discussed within the right context. This thesis also has a substantial chapter concerning the methodology of the research, which discusses the plan of the research, data collection

methods as well as primary and secondary sources of information. The results and the analysis of the collected information are presented in separate chapters. This thesis also takes into consideration the limitations of the research, which are acknowledged by the author.

1.2 RESEARCH QUESTIONS

This chapter will describe the research questions, in which the ART-Stone Jewelry Company is interested. The set of questions was developed during the interviews and meetings with the CEO of the company.

The main question of the research was formulated in the following way: **Who are the main customers of the ART-Stone Company on the Austrian jewelry market?**

In order to answer the main research question, supporting questions have to be developed as well. Characteristics and additional questions that would be helpful in gathering valuable information from the respondents can be found below:

- Gender
 - Age
 - Characteristics and needs
 - Cultural elements
 - Personal elements
- Which style do potential customers prefer?
 - Which type of jewelry do potential customers prefer?
 - Which trade channels are most appropriate?
 - How much on average annually the customer spend on precious jewelry?
 - How much on average would the customer spend on precious earrings, precious necklaces and precious rings?

2 ART-STONE COMPANY BACKGROUND

This chapter presents a brief introduction of the ART-Stone Jewelry Company and its SWOT analysis. It has to be included in the thesis; otherwise, the conception of the research is not clear. The information in this chapter was mainly collected through interviews with the CEO manager Mikhail Pakhomchik. While some bits of the information were found on the official web page of ART-Stone.

2.1 ART-STONE: BRIEF OVERVIEW

ART-Stone is a Russian jewelry company established in 2004, which produces luxury goods made from precious metals and stones.

Currently there are three offices that are located in Russia:

- In St. Petersburg
- In Moscow
- In Obninsk

The main specialization of the company is producing statuettes, cups and unique jewelry sets. The advantage is that all products are unique, inimitable and hand-made. The company is able to meet any specific demands of its customers in terms of design and value of the final product.

The company has built strong relationship with its main customers in Russia. Here is a short list of the company's established regular customers:

- Administration of the president of the Russian Federation
- Gazprom
- Bank "Russkij Standart"
- Cinemas "Karo Film"
- Bank "Sberbank"

- Sports associations
- Businessmen
- Scientist workers
- Art workers

This year (September 2011) The ART-Stone Jewelry Company is going to participate in the London Jewelry Exhibition, where all the fabulous goods will be presented. For pictures of some of the products that will be presented at the exhibition see appendix 1.

2.2 ART-STONE: SWOT ANALYSIS

The SWOT analysis is necessary in order to provide a clear understanding of the current company's situation in the internal and external business environment and to support higher performance of the company. This SWOT analysis is composed using the following framework:

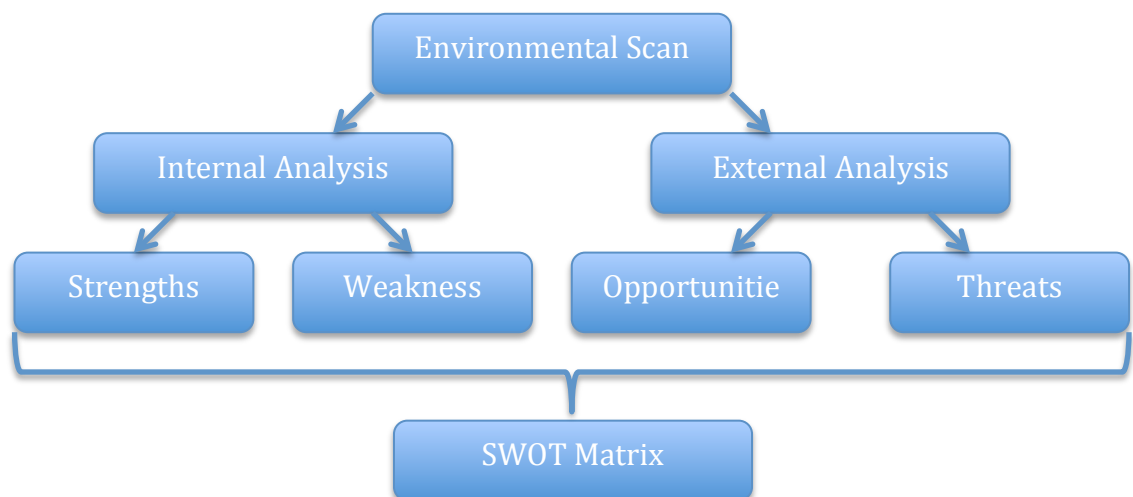


FIGURE 1. SWOT Analysis Framework (QuickMBA.com operated by Internet Center for Management and Business Administration. Inc. 2010)

TABLE 1. SWOT analysis of the ART-stone company

<i>Strengths</i>	<i>Weaknesses</i>
• Value pricing	• Lack of brand awareness
• Unique craftsmen and sculptors	• Lack of channel relationship
• Cost-effective production	
• Exclusive hand-made production	
• 3 D artists	
• Specialist gemologist	
<i>Opportunities</i>	<i>Threats</i>
• Developing of international networks	• Increasing amount of competitors
• Higher demand for hand-made statues and jewelry wares	• Increasing price of raw materials
	• Government restrictions

Strengths

1. *Value pricing.* The company gives to the customer the opportunity to create a suitable price by making it possible to choose the raw materials for the production. Providing their own materials is also an option for the customers
2. *Unique masters.* Craftsmen and sculptors create and produce unique high-quality artistic goods.
3. *Cost-effective production.* The company has already been operating on the Russian market for 6 years. During this period it has been able to develop cost-effective production methods for high quality goods.

4. *Exclusive hand-made production.* Hand-made goods include exclusive elements, combinations of different technologies that are hard to imitate.
5. *3D artist.* The 3D artists can create any intention of jewelry set or statue, with deep understanding of the master and customer's criteria.
6. *Specialist gemologist.* The specialist conducts consultations on gemstones and their peculiarity. Also the specialist is involved in the process of choosing the raw materials. Collaboration with the gemologist helps to avoid using low-quality materials, which adds values to the end customer.

Weaknesses

1. *Lack of brand awareness.* The company has not established a strong brand name in the market yet. The recognition of the company by customers is low. In this field the company is going to create an effective position of the brand, which will promote the image and develop positive perception of the company by customers.
2. *Lack of channel relationship.* The company does not have relationships with the leading department stores and exclusive shops; however, the company owns several small shops. Nowadays, the company has started negotiations with exclusive jewelry shops in Moscow, who might agree to sell wares.

Opportunities

1. *Developing of international networks.* International networks will provide opportunities to understand specifics of the international market, while attracting international investments. Hence opening shops, participating in exhibitions and promoting brand awareness in the home country and abroad can prove very effective for the company.

2. *Higher demand for hand-made statue and jewelry sets.* More people see hand-made jewelry and statue as an affordable luxury and therefore buy such products for themselves and for gifts. Demand of corporates and sport associates has grown very fast nowadays. Mainly due to interest in statues products that can be given as a gift to almost any business or sport contact.

Threats

1. *Increasing amount of competitors.* New competitors can negatively affect company. New talented masters, artist and sculptors with good taste can create new ideas and trends, which might be quite difficult to be in the same phase with.
2. *Increasing price of raw materials.* Fluctuating prices of raw materials can be seen, as a major threat due to the fact that the company will faces expenditure costs that in turn will increase the prices of the goods. That might be challenging because prices will not be affordable for customers. Hence the company might experience decreased demand, and as a result financial losses.
3. *Government restrictions.* ART-Stone should be extremely careful with government restrictions, as they might cause extra costs that can negatively affect the company's operations. Such restrictions as increasing taxes, complicated legislation and intension of bureaucracy slow down the company's growth.

2.3 ART-STONE: PRODUCTION LINES FOR EXPORT

The company plans to entry the Austrian market with collection "SEA SIDE". This line includes: earrings, rings, pendants, bracelets, and broaches. The concept of the design is built on the combination of white and blue stripes. The jewelry wares will be made from white gold, precious stones (diamonds

and sapphires) and enamel. Jewelry ware shapes like a puzzle into picture of sea and five ships with seagulls. The production is still in the phase of design and elaboration. In appendix 2 it is possible to observe a mockup of the collection.

3 LITERATURE REVIEW

This chapter will present different views on the research questions, expressed in books, magazines and articles from the Internet resources.

In the article “Demographic data helps target jewelry shoppers” published in “The IDEX online Magazine” the author defines two types of customers: potential and existing customers. To identify potential customers the author suggests using secondary data, i.e. “the government’s consumer data”, which can identify potential market and consumer opportunities by two criteria:

- *“Amount of annual expenditures for jewelry per household”*
- *“Aggregate demographic segment of the jewelry market”*

The article states that identifying the customers by the first criteria way is not a “smart strategy”: it gives an example of the U.S. jewelry market:

Asians spent more on jewelry than any other ethnicity – \$623 per household versus the national average of \$497 in 2008. However, Asians represent just 4 percent of all American households. Thus, a jeweler would need a well-honed product line aimed at Asian shoppers, if they expected to be successful. Essentially, by focusing on only 4 percent of the total U.S. households, they are ignoring 96 percent of all households.

Therefore this strategy may prove ineffective since it may ignore some important information.

The other strategy is to “focus on the largest market segment”. The author uses segmentation by education and by average annual expenditure of

households on jewelry. IDEX Online Research suggests that this segmentation is not very appropriate for targeting, but this data provides knowledge to jewelers about different levels of customers and their opportunities.

IDEX Online Research recommends using a “friend-finding” program: For example target customers bring a friend to the store and they get a discount for the next purchase.

IDEX Online Research defines one major problem with secondary data: “The data gets almost two years old before it is published.” This is a big issue for the companies since in such a long time the market may change significantly.

The article “Targeting Customers: The Key to Marketing Your Jewelry Business” was published in Halstead Jewelry Blog (2009). In the beginning of the article the author defines main problems of crashing marketing plans. If the jewelry company defines its target customers only by gender and age, the company has an illegible conception of target customers and therefore, cannot create a precise customer profile due to lack of knowledge. This might be one of the main reasons for a company.

In the article it is stated: *“Jewelry is an emotional purchase. Targeting needs to include tastes, interests and self-image or ‘psychographics’. To be a successful marketer of your products, you must define your primary customer base in much greater detail.”* Then it describes simple principles of targeting customers: it is important to define annual income of the customers or average expenditure on jewelry per year, but it is even more important to get information about the customers’ lifestyle. Using data about their family situation, primary social activities and so on, the company can create a profile of the potential customers. The author of the article suggests firstly to answer the questionnaire by oneself, and then ask people – that will help to identify the customer niche very similar to you, which might be your target customers.

The author (Halstead Jewelry Blog 2009) distinguishes three groups of target customers:

- Young Urbanites (women 22-30)
- Modern Stay at Home Mommies (women 27-30)
- Power Suits (women 40-60)

In each group the article presents a profile with basic information about the lifestyle of the customers, including how the target group spends its time, which shops does it prefer and other different characteristics.

This method gives the opportunity to design great samples of jewelry wares that can be directed at the specific target group. The author, however, acknowledges that it is not possible to attract everyone at all times, and that the jewelry market also consists of customers outside of the company's target group.

According to "Essential Guide to Marketing Planning", data about customers can be organized in the following way:

TABLE 2. Understanding behavior in consumer markets (Wood 2007)

<i>Customer characteristics and needs</i>	<i>Social connections</i>
• Demographic (age, occupation, family status)	• Family and friends
• Problem that product will solve	• Work associates
• Changes in stated/unstated needs	• Organizations
• Customer-perceived value	• Opinion leaders
<i>Cultural elements</i>	<i>Personal and psychological elements</i>
• Culture	• Life style
• Subculture	• Life style, psychographics
• Class	• Motivation and attitudes

This figure includes four main groups of the consumers' behavior. When constructing questionnaires to target the information in this structure, each consumer group can be described precisely therefore providing insights into the customers' intentions and abilities.

Customer characteristics and needs contain demographic data which develops primary profile of the customers. Cultural elements make sense on customers' behavior. It is a well-know fact that in different cultures people have diverse needs and wants. Social connections provide influence on people's choices and tastes. As an example the author says:" Children and teenagers are becoming more influential in family car purchases." Personal and psychological elements also play a big role in customer's choices. Lifestyle determines the way of consumers spending free time, motivation is the force of customers' acts, and attitudes consist from evaluation emotions of brands that affect customers acting.

4 METHODOLOGY

This chapter describes research philosophies and approaches. According to the book " Research methods for business students", written by Saunders, there is a research "onion". This "onion" consists of different research methods and approaches, which should be analyzed before starting a research process.

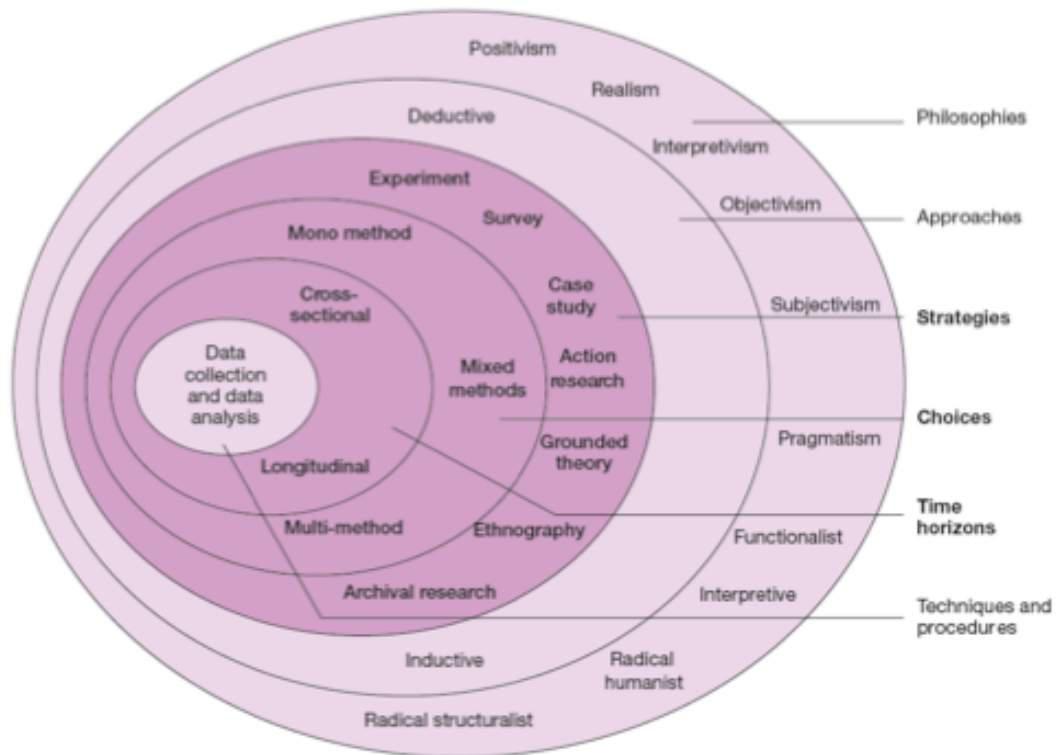


FIGURE 2. Research onion (Saunders et al, 2007)

4.1 PHILOSOPHICAL STANCE

The research philosophy authorizes the important assumptions about your view of the world (Saunders et al. 2009, 108). Also research philosophy helps to define special rules in research logical process, in evaluating data and in communication process. (Ghuri & Gronhaug. 2002, 41)

For this thesis Pragmatism philosophy was chosen. This includes a mix of philosophies, where ontology, epistemology and axiology are combined in order to answer the research questions. Hence, the research questions are answered in the most realistic and valuable way.

Ontology gives consideration to the nature of reality. It consists of objectivism and subjectivism. In his book Saunders says that Objectivism is “how social entities exist independent of social actors” (2009, p.110-111), i.e. looking at aspects of such entities that are independent of the individual approaches taken by the social actors in these entities. Subjectivism, on the other side, is

“understanding the meanings that individuals attach to social phenomena”(Saunders et al. 2009, 111), which is the direct opposite to objectivism.

Axiology is the aspect of philosophy that studies the role of values in research choices since value provides visible reasons of all human actions (Saunders et al. 2009, 116). Firstly in this philosophy it is important to distinguish the personal values appurtenant to the research topic. And secondly, the important values of the tutor and the university research committee (Saunders et al. 2009, 118).

Epistemology describes “acceptable knowledge in a field of study” (Saunders et al. 2009, 112). The author writes that in this philosophy gathering of data is intelligible, and information collected by “feelings” of the researcher has a value close to none. In the case of this philosophy machines or computers should gather the “real” data.

It follows that pragmatism philosophy excludes pointless debates about better philosophy (Saunders et al. 2009, 109). It can be argued that it is out of order in practice to choose just one strategy and follow it to the end of the research. Another reason is that this research philosophy covers multiple views on the research questions. Using this philosophy it is possible to determine different concepts and apply them to answer the research questions. Thereby this strategy brings more value in result and brings more positive outcome.

4.2 RESEARCH APPROACH

Saunders (2009, 124) argues that there are two main research approaches: deduction and induction. Induction research approach is characterized by building a theory. Such method provides a better feeling of the current problem. Usually a researcher establishes a research question, gathers data, analyzes the information and later builds a theory on that information. The

aim of this approach is to get a conception of what was going on in a certain situation. Such research approach may drive to a new and fresh solution of the problem, or may not. Usually such process takes a long time, because qualitative or quantitative data should be collected in a large amount and analyzed very carefully.

The second method is deduction. In other words “testing theory” (Saunders et al. 2009, 124). Such method gives the opportunity to gather specific data. A researcher can select exact samples of people based on chosen characteristics (gender, age, profession etc.). According to Robson (2002) there are five stages:

- 1) Deducing a hypothesis from the theory;
- 2) Expressing the hypothesis in operational terms, which propose a relationship between two specific concepts or variables;
- 3) Testing this operational hypothesis;
- 4) Examining the specific outcome of the inquiry;
- 5) If necessary, modifying the theory in the light of findings;

Colin Neville (2005), University of Bradford, School of Management gives a short description comparing deduction and induction research approaches, which clearly demonstrates key differences in these two research methods.

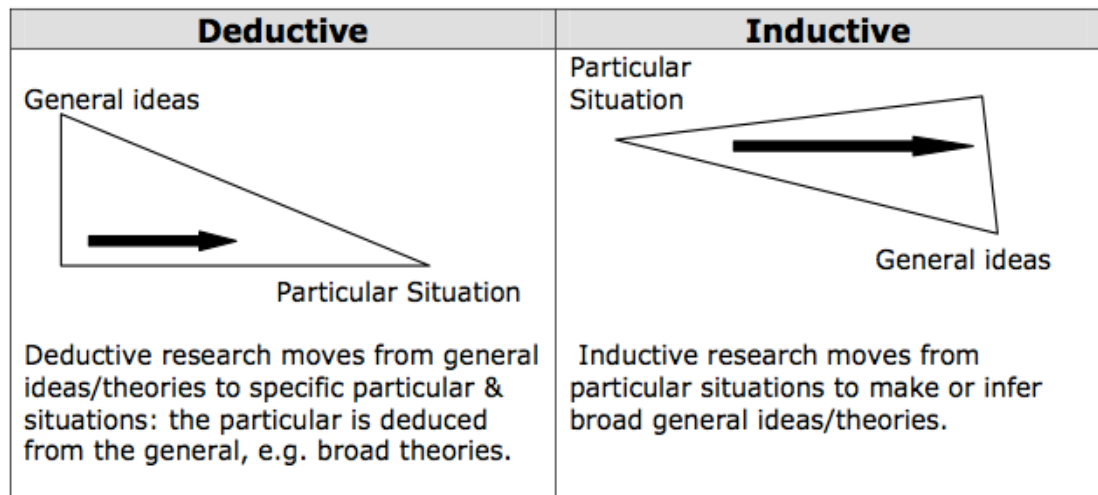


FIGURE 3. Inductive/Deductive research (Neville 2005)

After studying and comparing research methods, the deduction research approach was chosen for this thesis. This method is a systematic way of testing ideas on a specific range of people. It demands objectivism and gathering quantitative data for best results. It also allows the researcher to test theories in a shorter period of time, as it does not require excess amounts of data. This is beneficial because it gives an objective assessment of the situation in the jewelry market as it is today, enabling the company to make the necessary judgment in designing, producing and marketing the goods in question. It is possible that in this case induction research method would be more appropriate than deduction research method, but due to the scale of my research and time constraints the author is not able to carry out a proper survey suitable for induction.

4.3 PROPOSING THE THEORY

The collection "SEA SIDE" is in blue and white precious stones and metals; the sets are attractive and elegant. Goods are handmade from high quality precious stones and metals. A talented sculptor and 3D artist designed the

collection. Only high quality stones approved by a gemologist were used for the collection.

This collection consists of earrings, necklets, rings, bracelets and broaches for women. Such combination of colors and stones is suitable mostly for mild age women, because usually young ladies prefer to wear simple and casual jewelry.

Also a lot of resources and time was used for making this collection, therefore the price is high for a piece. Generally young ladies prefer jewelry at a low price, thus this collection is expensive for them.

Such jewelry is interesting for employed consumers, who have sufficient salaries. According to Eurostat from 2004 to 2008 the ratio of Austrian workingwomen has grown to 5,1%.

Also jewelry might be interesting for men as a gift for women. Obviously that mild age men are more interested in buying precious than men on the right side of thirty.

The ART-STONE company plans to open a shop in Vienna, so it will be easier and productive to attract women and men who live or visit Vienna.

Built up on these facts I can say that my theory is that main customers for the collection are women and men who live and visit Vienna, between 36-45 years, with annual income 95,000 EUR – 110,000 EUR.

4.4 RESEARCH STRATEGY

Research strategies give a framework for finding a rational and easy way of answering questions. Some strategies are appropriate for the deductive approach, others for the inductive approach, but all of them enable the researcher to meet his objectives.

Saunders in his book " Research methods for business students" (2009, p 141) defines seven research strategies:

- experiment
- archival research
- grounded theory
- ethnography
- action research
- survey
- case study

Different strategies work better in different research tasks. The survey strategy is generally associated with the deductive approach; whereas the grounded theory and ethnography are known as the most convenient strategies for the inductive method. Saunders says that an experiment strategy usually is more appropriate to the natural sciences or psychology while the survey strategy is very popular in business researches and management researches (2009, 142-144). Also James C. Koch in the article "Marketing research" states that experimental research is the best way of gathering causal information while exploratory research usually includes observation and the survey is appropriate for descriptive research.

The survey is the most famous method in collecting primary data. Such method can be used in different market fields and provides different kinds of information. The survey strategy provides a framework to collect a lot of quantitative data using a questionnaire. Therefore this method is flexible in research, which is a great opportunity to compose the best method for the research (James C. Koch "Marketing research"). Analyzing all advantages and disadvantages of all strategies I came to the conclusion that the survey strategy is the best way to collect data for this thesis. This method is also the best one for me as it is cheap and fast.

4.5 TIME HORIZONS

While planning a research it is important that the author designs his research according to his already established research questions. The research could be cross-sectional, which provides a 'snapshot' of the event in question; or longitudinal, which could be said to be a diary of the observations of the given event over a longer period of time. (Saunders et al. 2009,155).

In the case of this thesis a cross-sectional type of research is applicable because it studies the behavior and lifestyle of Austrian jewelry customers, as it exists today. The research outcomes will provide a certain value, but only for a short period of time. Later on market conditions could be dramatically changed.

4.6 DATA COLLECTION

Gathering information is one of the main parts of the research process. According to Berenson (2006, 7) there are primary and secondary, qualitative or quantitative types of information. In the following sub-chapters characteristics and application of mentioned types of data are going to be described.

4.7 PRIMARY AND SECONDARY DATA

Primary data is information, which a researcher has to collect by himself/herself in a certain period of time. Usually such information is gathered through face-to-face or phone interviews, surveys, questionnaires, focus group and interviews.

Secondary data, on the other hand, is information, which was already collected and presented.

It includes books, magazines, newspapers and reports. According to Saunders (2009, 259) secondary data divided in three aspects, which are expressed in the figure below.

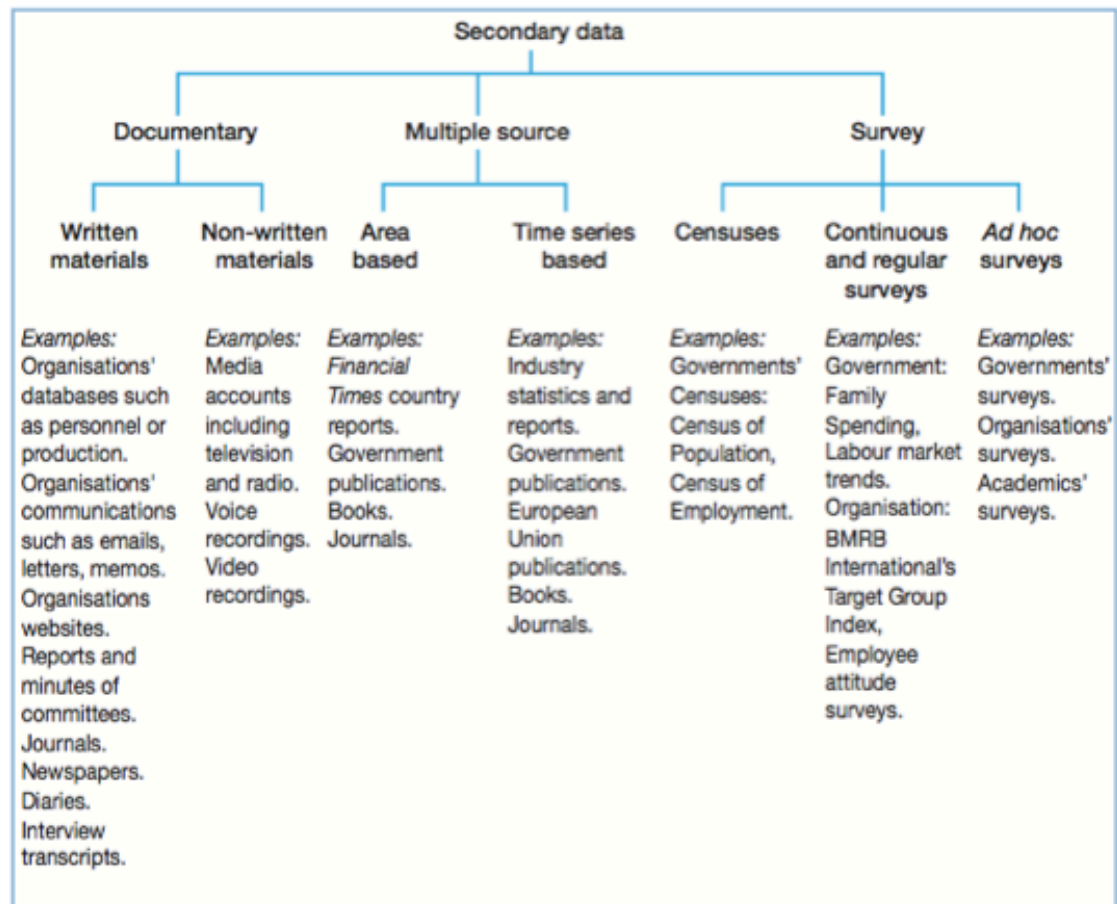


FIGURE 4. Types of data (Saunders et al. 2009)

The thesis is partly composed of information from the report about Austrian jewelry market. Therefore the type of secondary data for this thesis is “multiple source – time series based”

Primary and secondary data are appropriate for qualitative and quantitative data. Hence, both types of data are applicable for this thesis.

Primary data collected by questionnaire will be analyzed manually with help of Microsoft Excel. The author decided that this amount of information could be analyzed in a proper way without using any statistics programs as SPSS.

4.8 QUALITATIVE/QUANTITATIVE DATA COLLECTION

Qualitative and quantitative data are two different types of information. Each method of data collection occurs in different situations. The following figure introduces differences and threats of these two data collection methods.

Quantitative	Qualitative
<p>The emphasis of Quantitative research is on collecting and analysing numerical data; it concentrates on measuring the scale, range, frequency etc. of phenomena.</p> <p>This type of research, although harder to design initially, is usually highly detailed and structured and results can be easily collated and presented statistically.</p>	<p>Qualitative research is more subjective in nature than Quantitative research and involves examining and reflecting on the less tangible aspects of a research subject, e.g. values, attitudes, perceptions.</p> <p>Although this type of research can be easier to start, it can be often difficult to interpret and present the findings; the findings can also be challenged more easily.</p>

FIGURE 5. Quantitative/Qualitative Research (Neville 2005)

After studying different kinds of data and types of researches, the author makes a conclusion that this thesis is based on quantitative data collection method.

4.9 RESEARCH PLAN

In order to answer the research questions first of all it is necessary to study ART-Stone Company thoroughly. First step is to collect information and acquaint with the company's productions in tote and especially to investigate the collection "SEA SIDE" which is the base product for which the research questions are established. Also this step includes to study customers' preferences and characteristics in the existing markets. Second step is to gather information about company resources, personal and equipment. And

third step is to have a look on strengths and weakness of the company. Second and third steps are needed in order to make a SWOT analysis, which identifies resources and abilities of the company in one scope. All this steps in a complex provide an understanding of the current situation in order to start a valuable research.

In case of these tree steps the author had organized certain amount of interviews with CEO manager of the ART-Stone jewelry company Mikhail Pakhomchik. In total were organized three interviews. One interview was face-to-face, where the CEO manager had showed to the author the enterprise and products. Mikhail Pakhomchik had explained main trends of the company, showed the production and gave brief overview of the technology, metals and stones, which usually are used in jewelry wares. Also the CEO gave short description of the current customers in the existing market. Hence, this part of the communication was significant important in the preparation to the research. Other two interviews was obtain via "Skype" conferences, where all-important issues concerning the research questions and proposing the deductive theory where discussed and analyzed.

Next level of the research was data collection about the potential ART-Stone Austrian jewelry customers. The author had composed a questionnaire for a "SEA SIDE" collection, which was used as a framework for the further interviews, it could be found in the appendix 3. The questionnaire was conducted with covering letter that includes information about the purpose of the questionnaire and a guarantee of confidentiality, it could be found in appendix 4. Firstly the author had interviewed Austrian friends who had relevant general and personal elements and later asked some telephone number who could be asked also. This part was tricky, because a lot of people were averse to answer some questions. And secondly the questionnaire was administrated electronically using the Internet. In total the author had ask 35

Austrian people through phone calls and interviews and 15 people through Internet.

During the period of gathering primary data using questionnaire, the author had been gathering secondary data about the Austrian jewelry market and customers' characteristics and preferences. The information was collected in the Internet at CBI web pages. At this web site all reports are proved, therefore this source is reliable.

The next step of the research was analyzing collected primary and secondary data. After analyzing process and following this research plan the author had created a profile of the potential customers. The potential customers' profile is based on ART-Stone Jewelry Company's precatory words. And could be found in Chapter 5.

5 THE RESULTS

This chapter presents the results of the research, which are based on answers for questionnaire and gathered materials from the report "The Jewellery Market in Austria". Also this chapter includes profile of Austrian potential customers for ART-Stone Company.

5.1 ANSWERS FOR QUESTIONNAIRE.

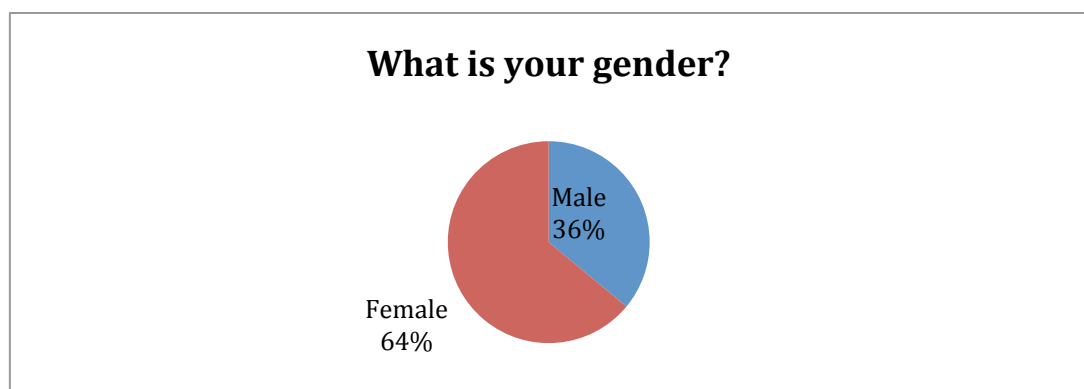


FIGURE 6. The question "What is your gender?"

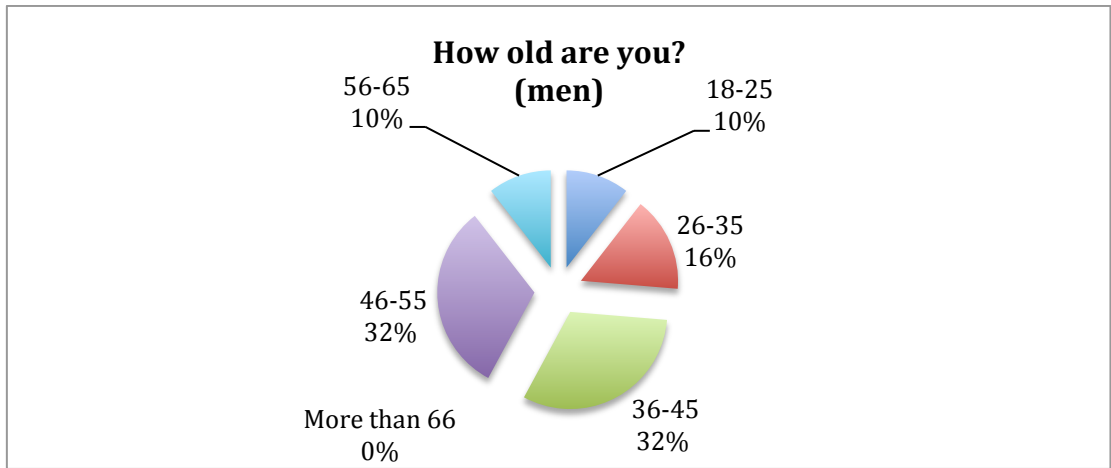


FIGURE 7. The question “How old are you?” answered by men.

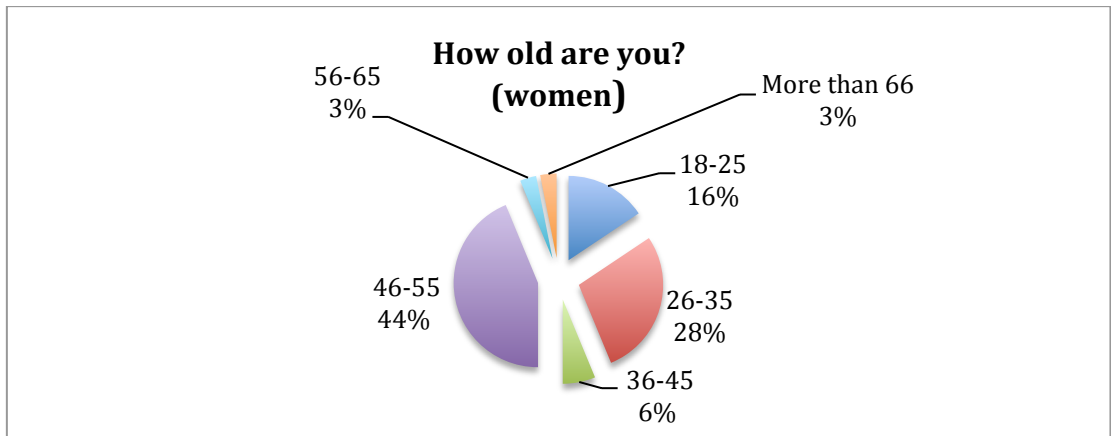


FIGURE 8. The question “How old are you?” answered by women.

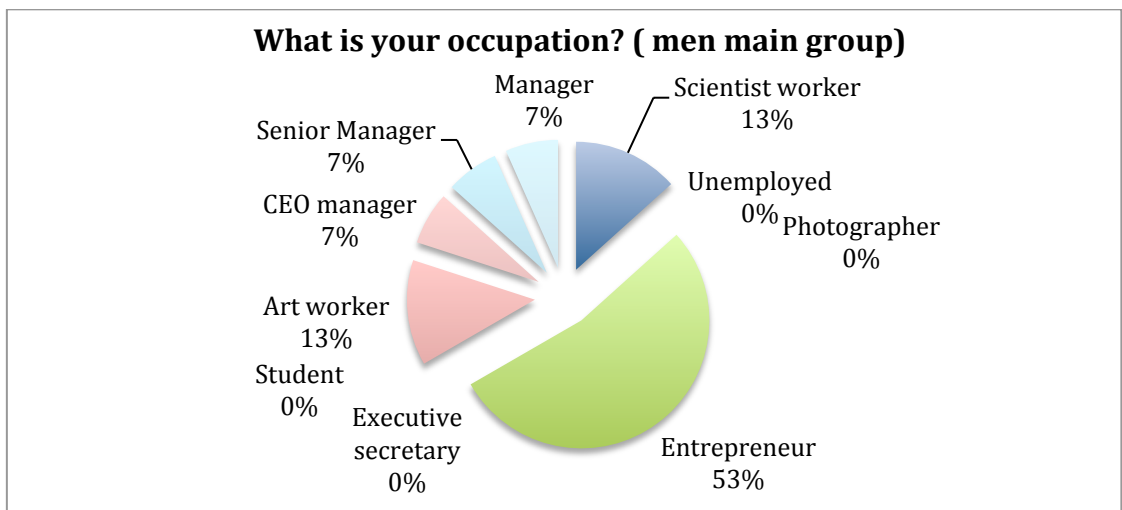


FIGURE 9. The question “What is your occupation?” answered by men from main group.

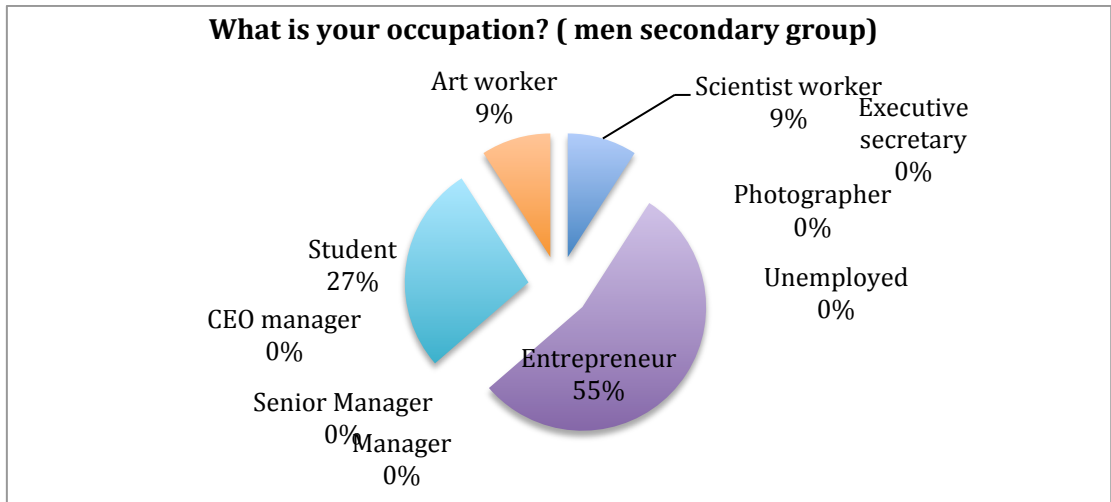


FIGURE 10. The question “What is your occupation?” answered by men secondary group.

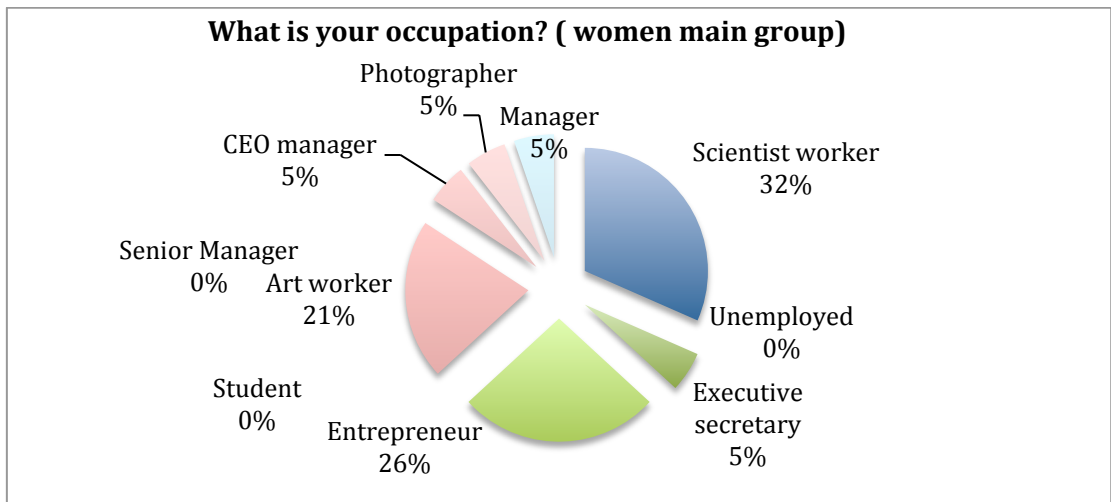


FIGURE 11. The question “What is your occupation?” answered by women main group.

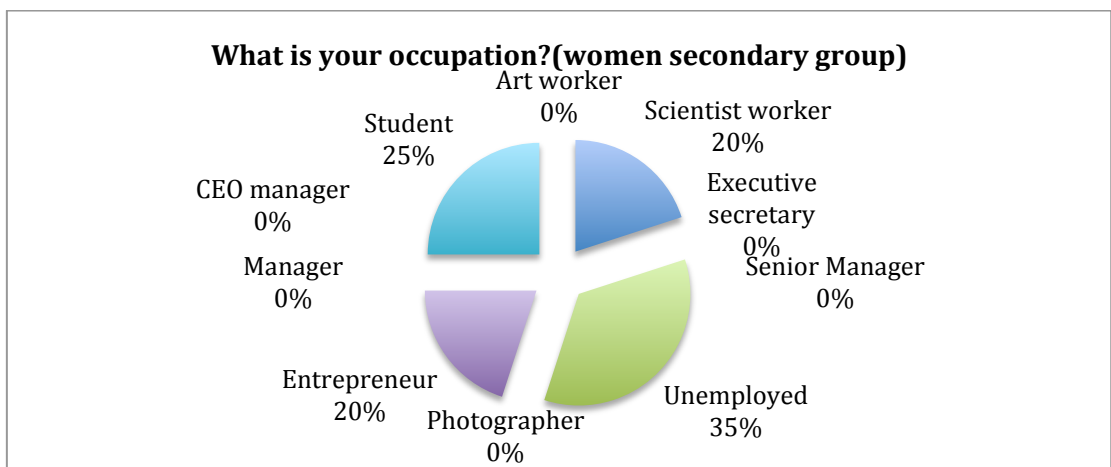


FIGURE 12. The question “What is your occupation?” answered by women secondary group.

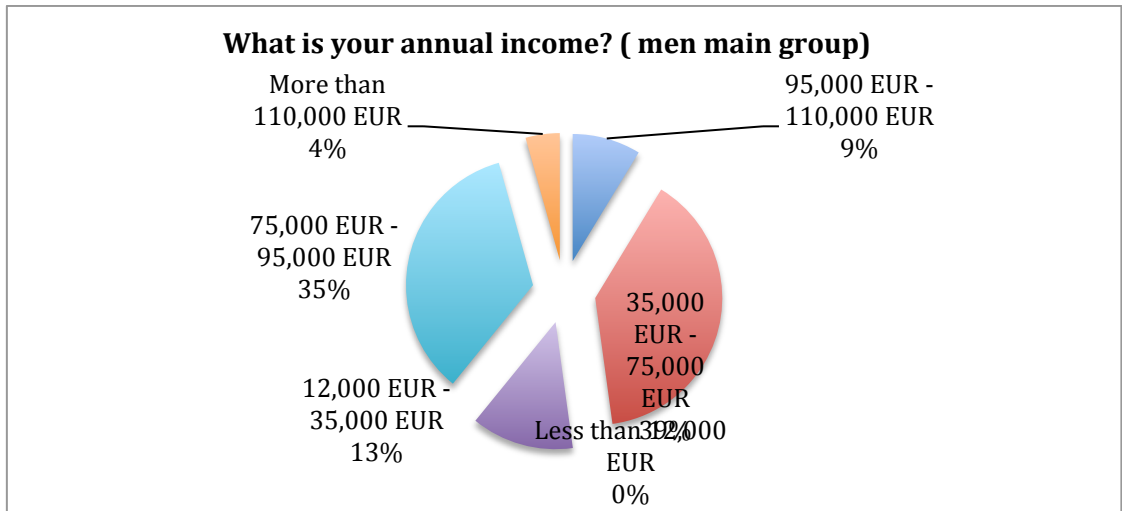


FIGURE 13. The question “What is your annual income?” answered by men main group.

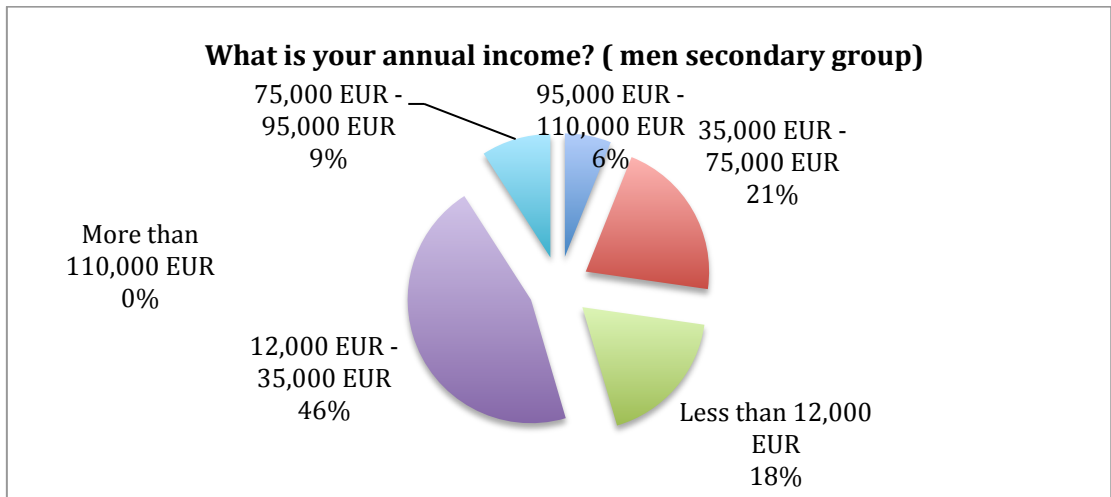


FIGURE 14. The question “What is your annual income?” answered by men secondary group.

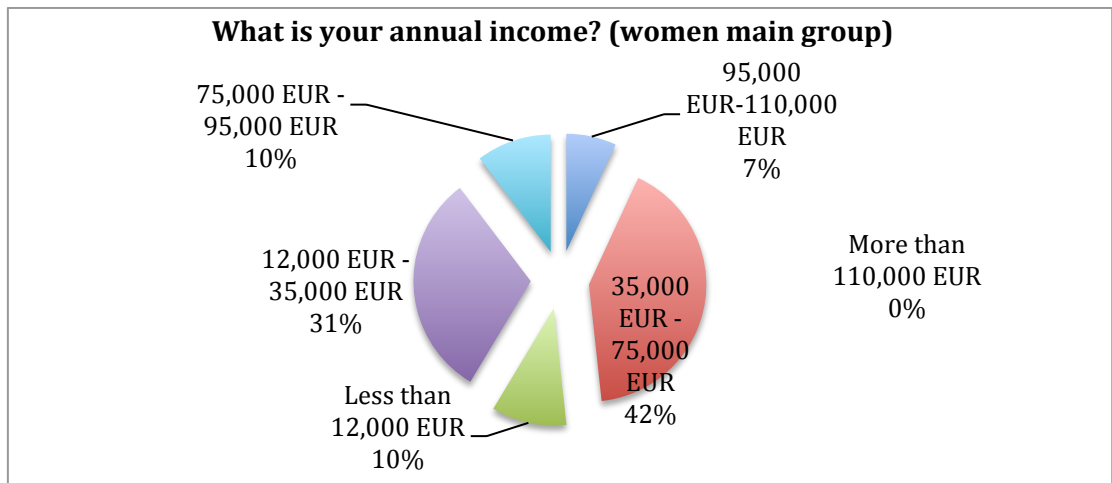


FIGURE 15. The question “What is your annual income?” answered by women main group.

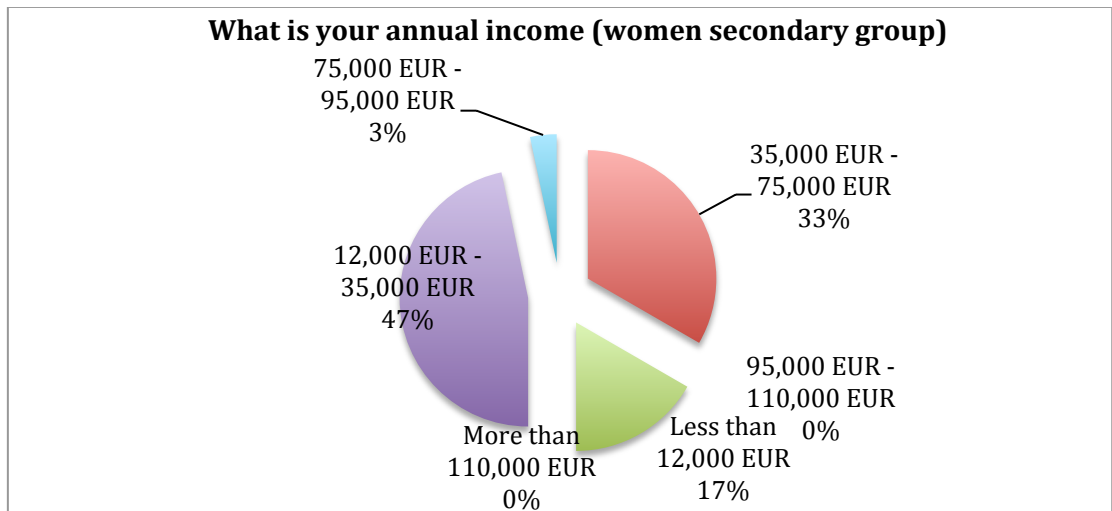


FIGURE 16. The question “What is your annual income?” answered by women secondary group.



FIGURE 17. The question “Do you have precious jewelry?” answered by women.

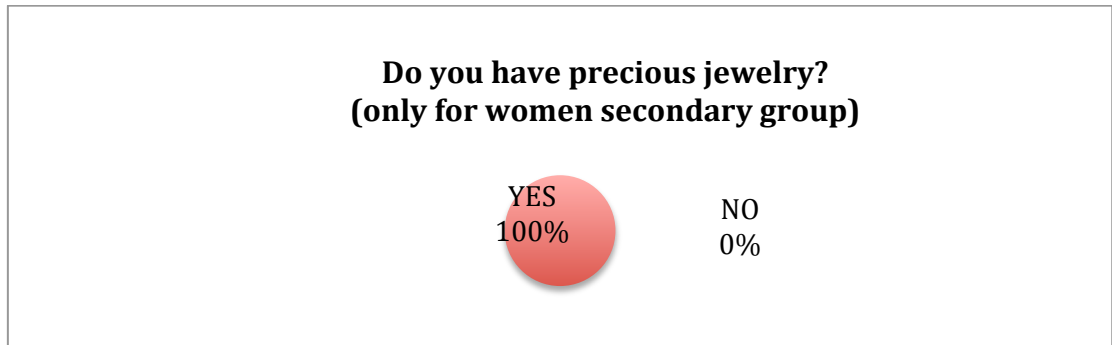


FIGURE 18. The question “Do you have precious jewelry?” answer by secondary group women.

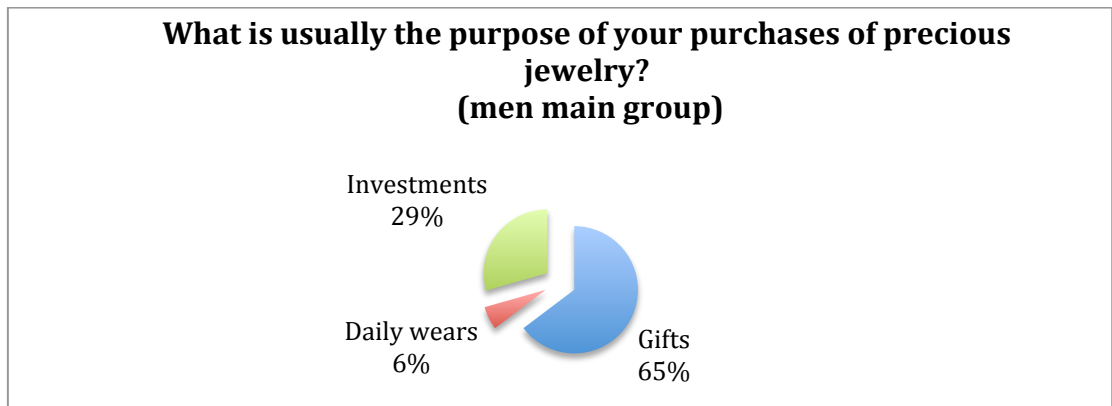


FIGURE 19. The question “What is usually the purpose of your purchases of precious jewelry?” answered by men main group.



FIGURE 20. The question “What is usually the purpose of your purchases of precious jewelry?” answered by men secondary group.

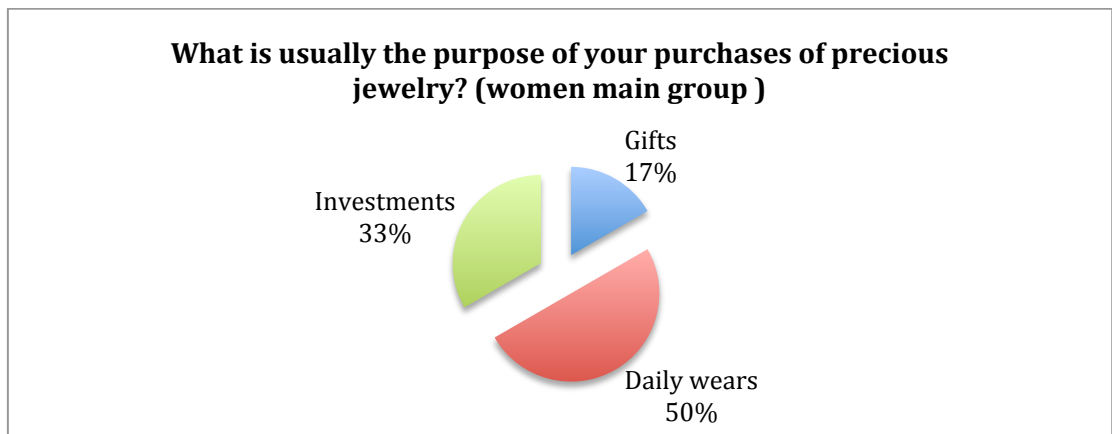


FIGURE 21. The question “What is usually the purpose of your purchases of precious jewelry?” answered by women main group.



FIGURE 22. The question “What is usually the purpose of your purchases of precious jewelry?” answered by women secondary group.

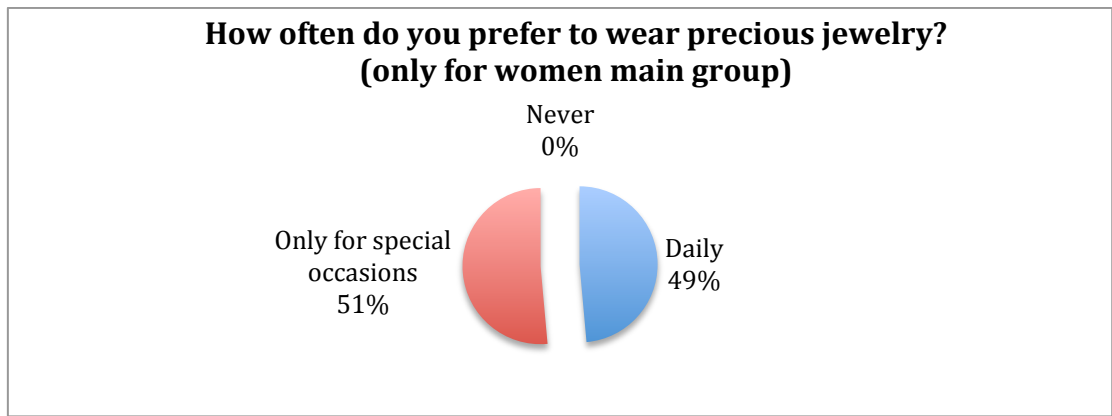


FIGURE 23. The question “How often do you prefer to wear precious jewelry?” answered by women main group.

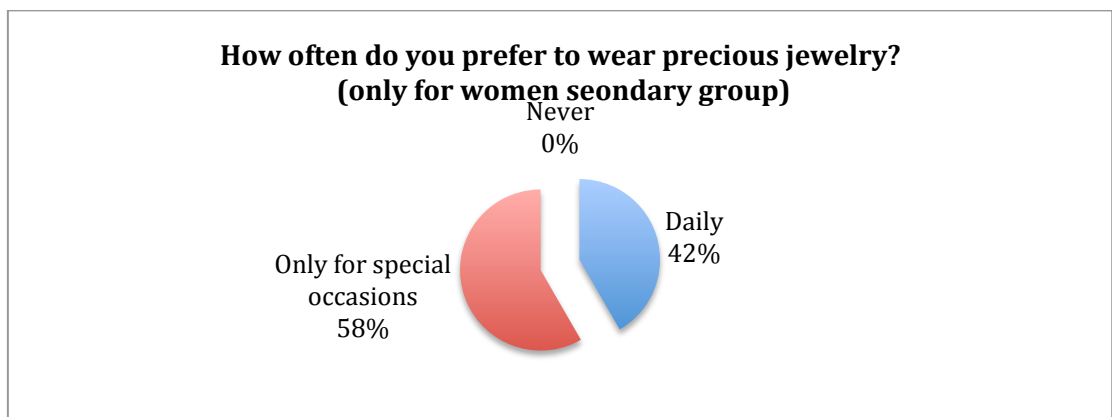


FIGURE 24. The question “How often do you prefer to wear precious jewelry?” answered by women secondary group.



FIGURE 25. The question “What style of jewelry products do you prefer?” answered by men main group.

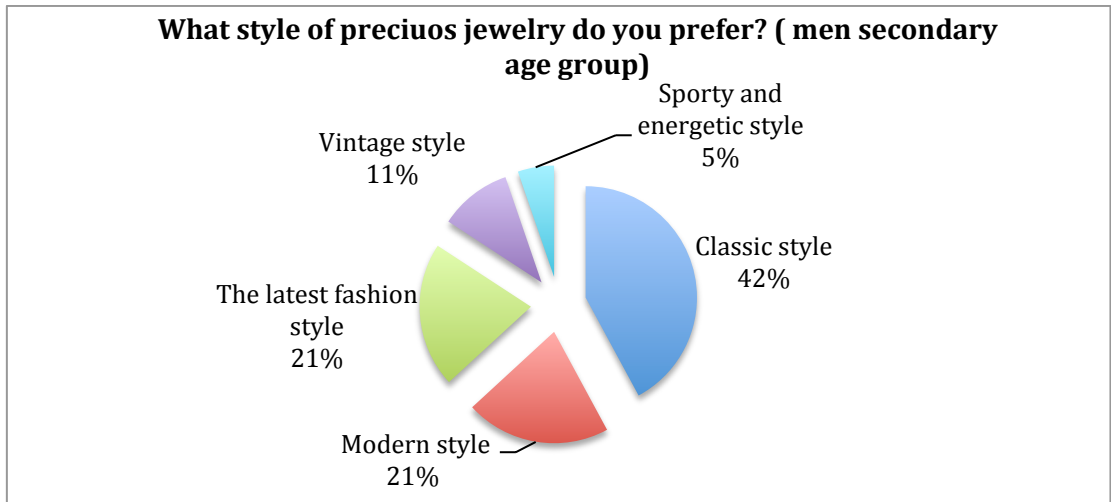


FIGURE 26. The question “What style of jewelry products do you prefer?” answered by men secondary group.

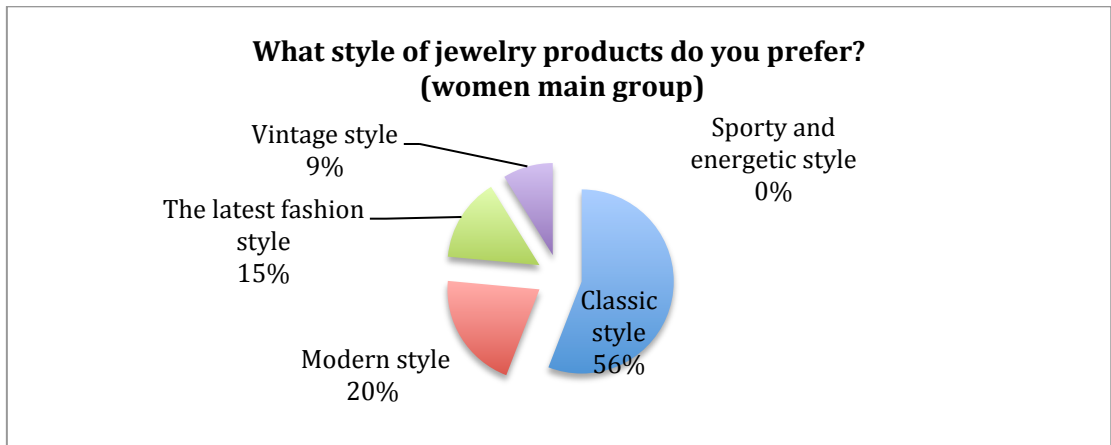


FIGURE 27. The question “What style of jewelry products do you prefer?” answered by women main group.

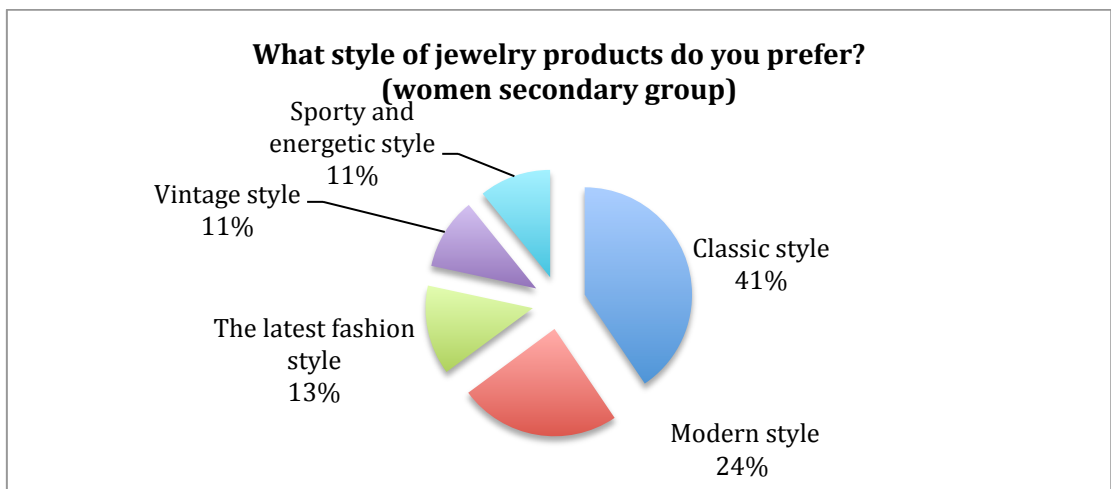


FIGURE 28. The question “What style of jewelry products do you prefer?” answered by women secondary group.

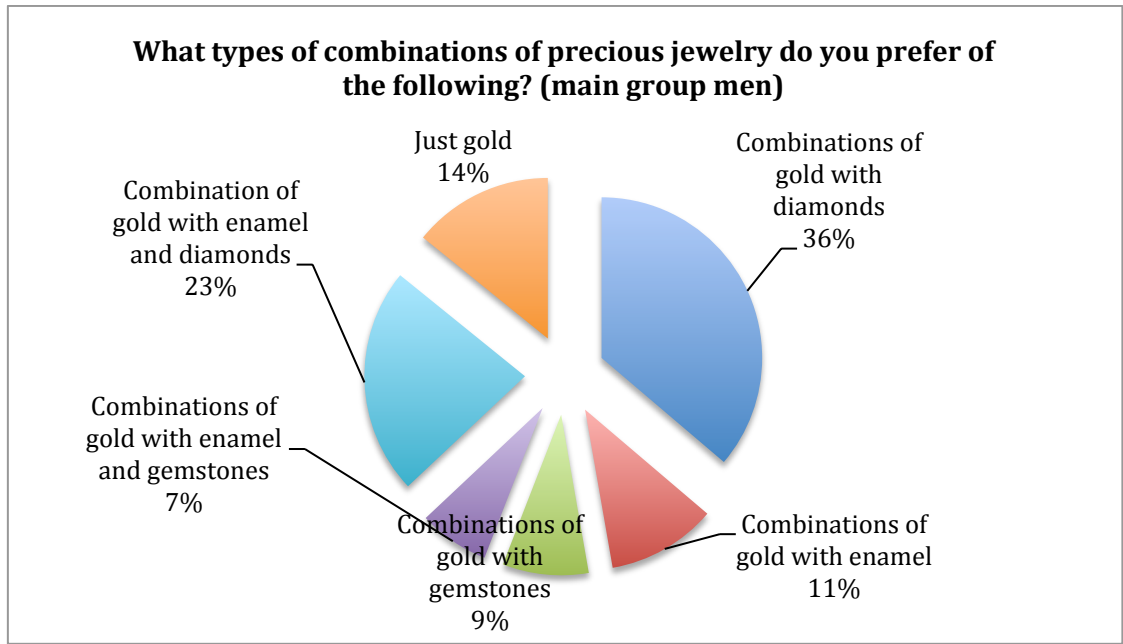


FIGURE 29. The question “What types of combinations of precious jewelry do you prefer of the following?” answered by men main group.

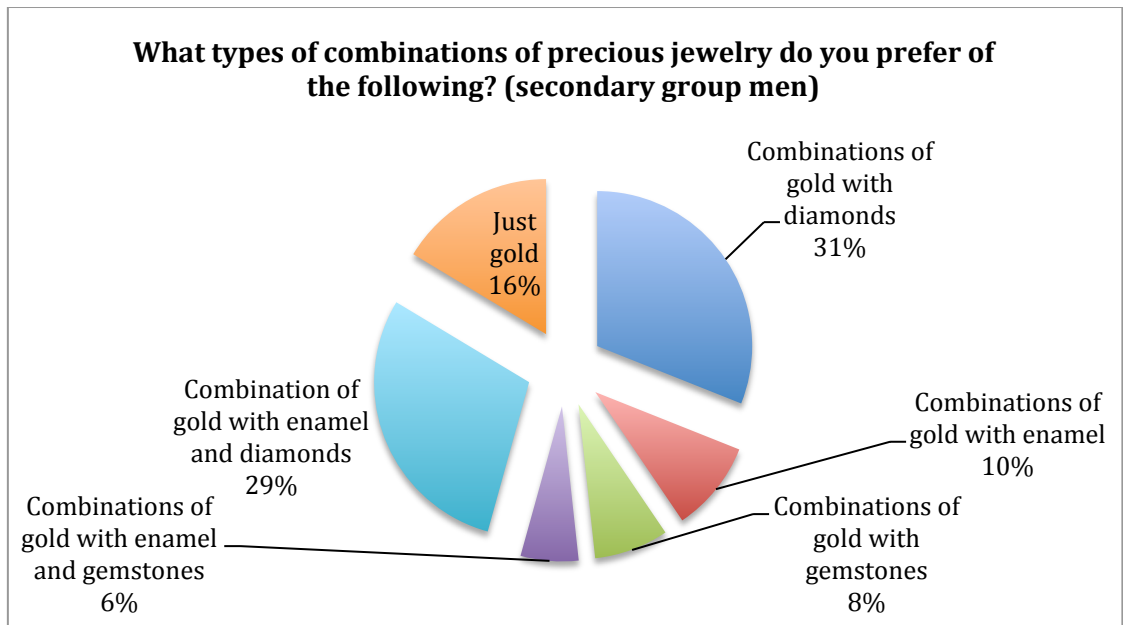


FIGURE 30. The question “What types of combinations of precious jewelry do you prefer of the following?” answered by men secondary group.

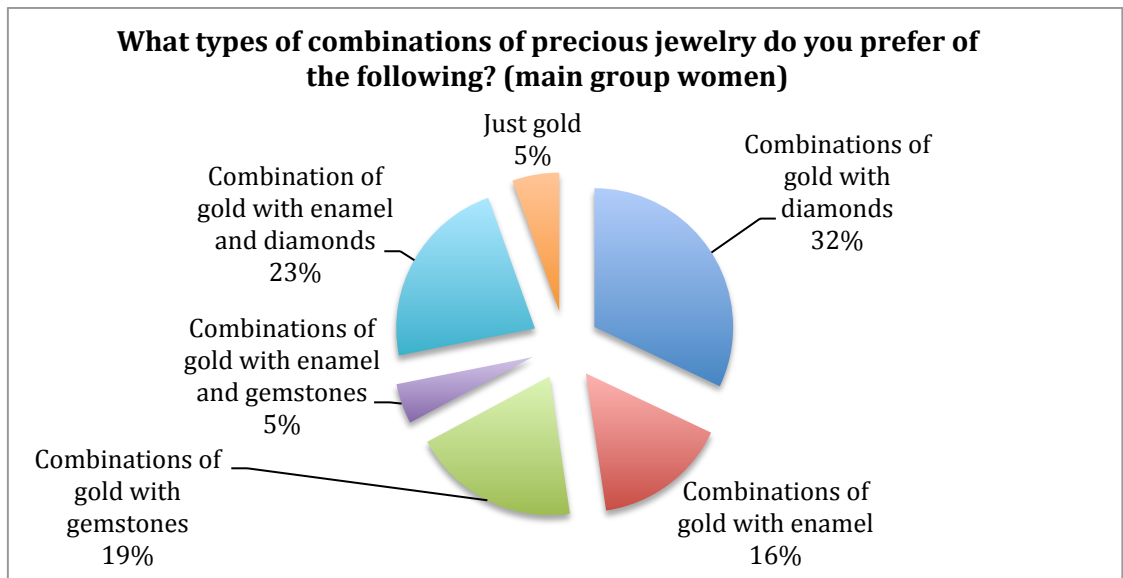


FIGURE 31. The question “What types of combinations of precious jewelry do you prefer of the following?” answered by women main group.

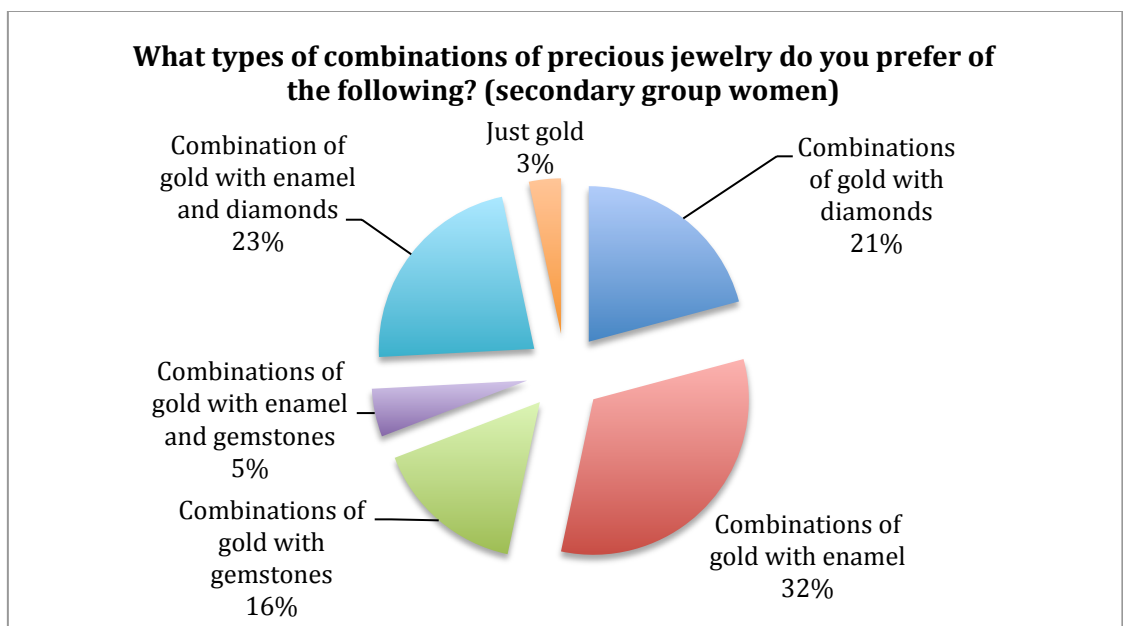


FIGURE 32. The question “What types of combinations of precious jewelry do you prefer of the following?” answered by women secondary group.

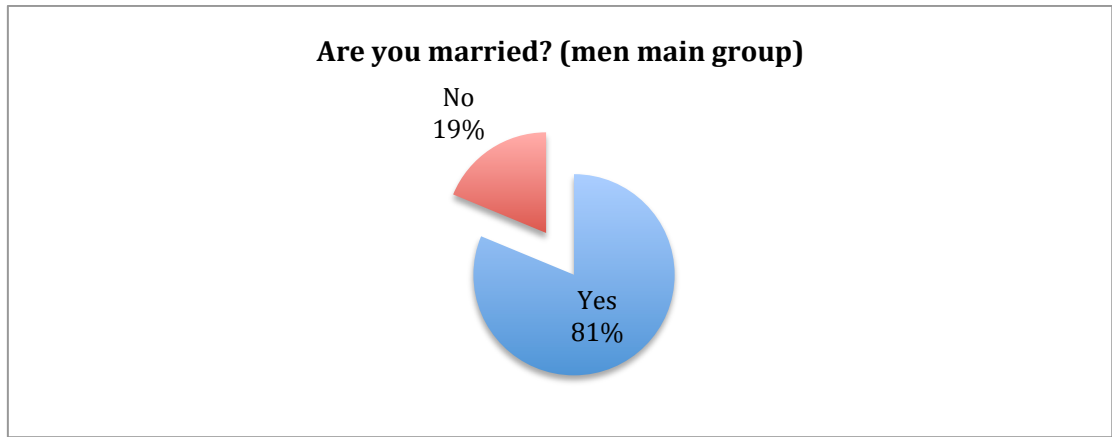


FIGURE 33. The question "Are you married?" answered by men main group.

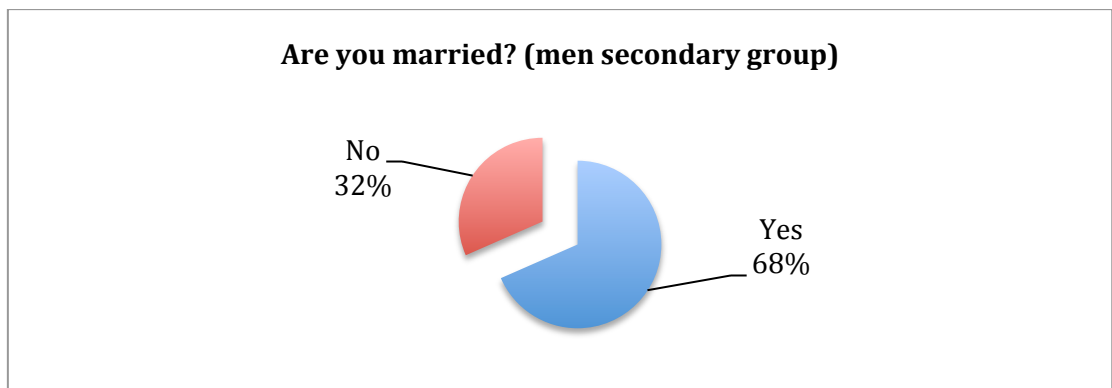


FIGURE 34. The question "Are you married?" answered by men secondary group.

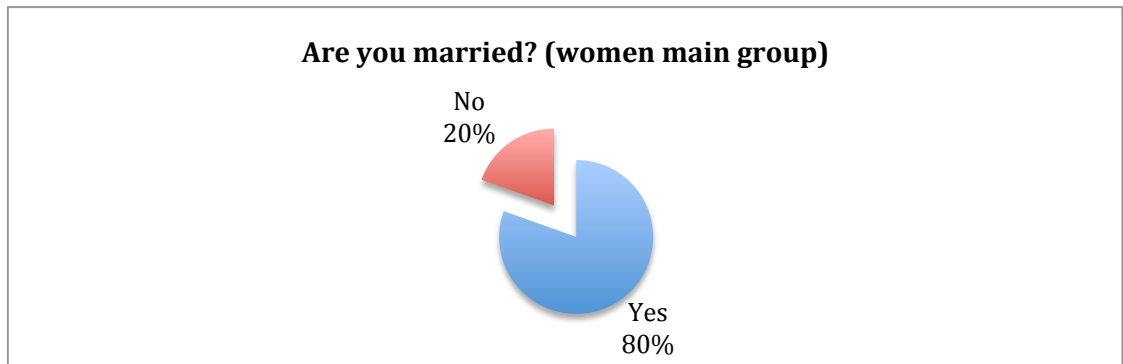


FIGURE 35. The question "Are you married?" answered by women main group.

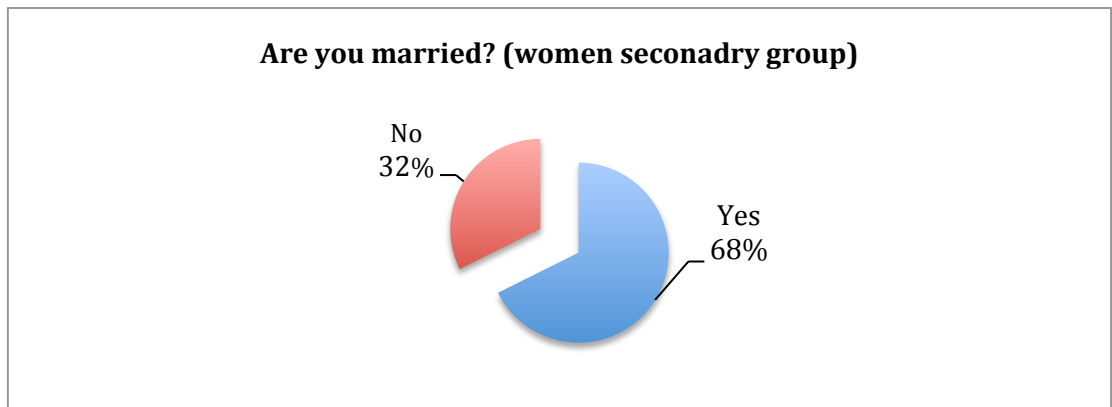


FIGURE 36. The question “Are you married?” answered by women secondary group.

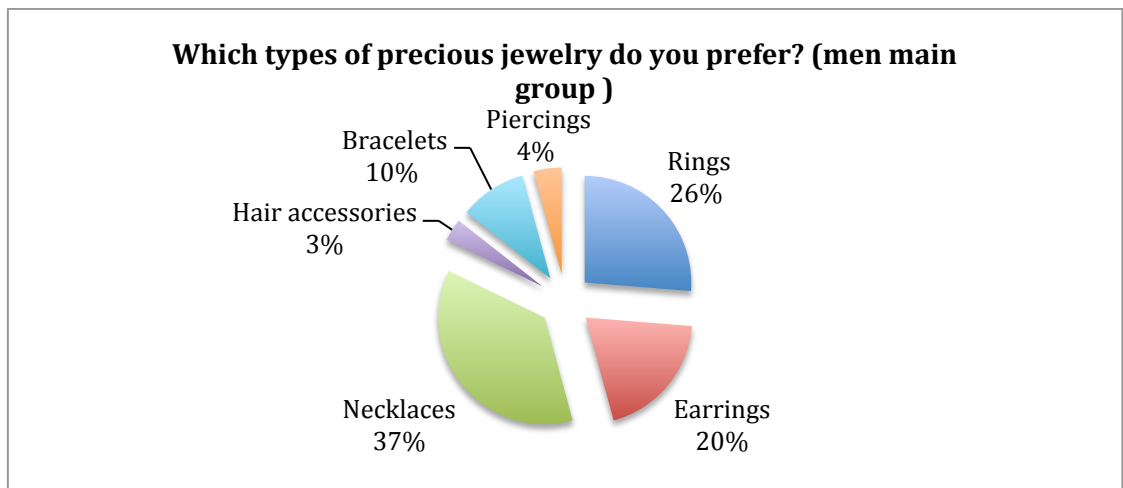


FIGURE 37. The question “Which types of precious jewelry do you like most?” answered by men main group.

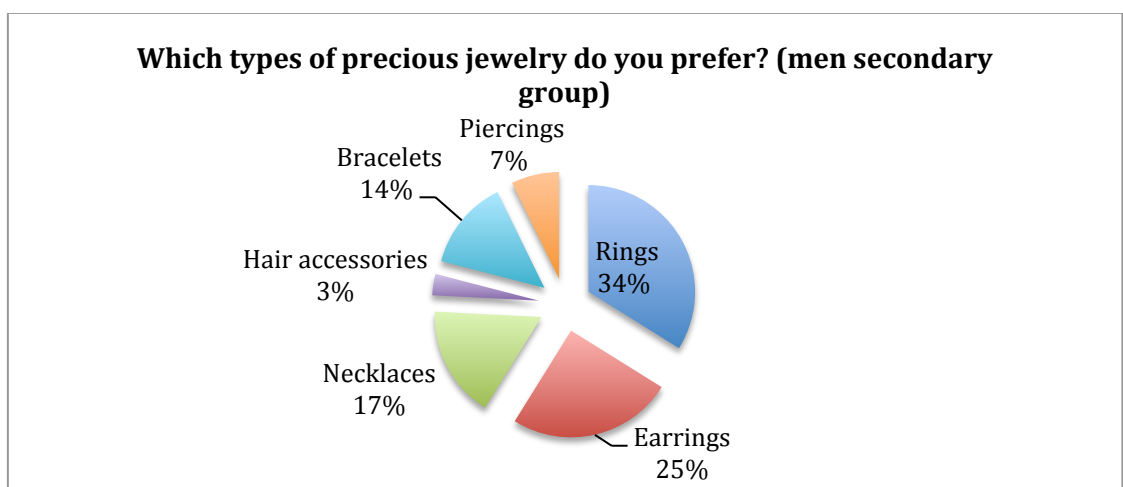


FIGURE 38. The question “Which types of precious jewelry do you like most?” answered by men secondary group.

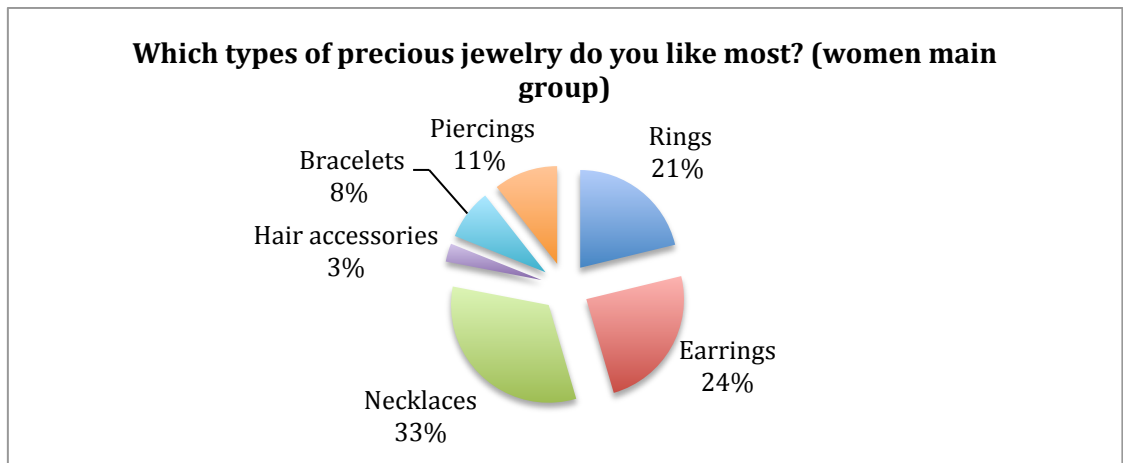


FIGURE 39. The question “Which types of precious jewelry do you like most?” answered by women main group.

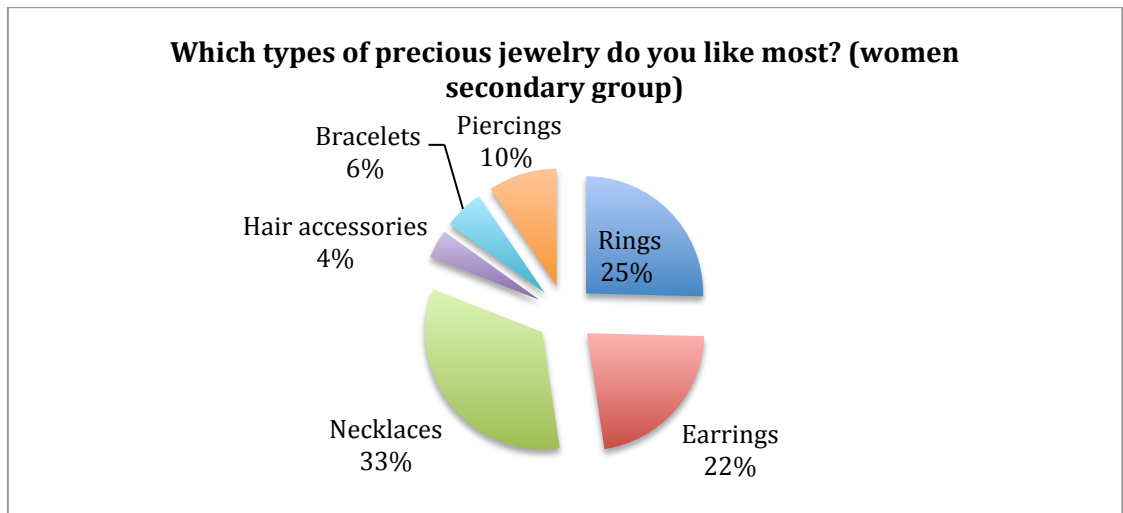


FIGURE 40. The question “Which types of precious jewelry do you like most?” answered by women secondary group.

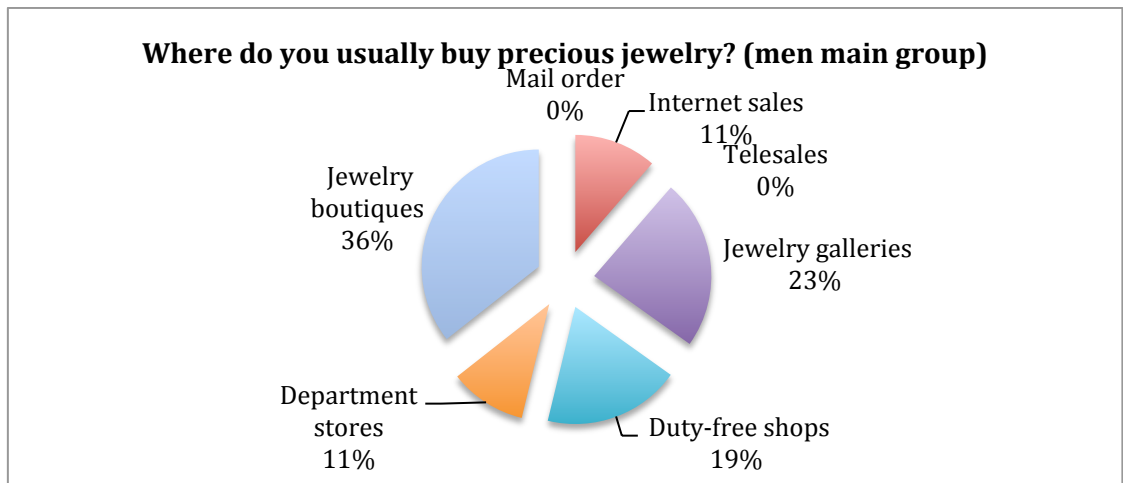


FIGURE 41. The question “Where do you usually buy precious jewelry?” answered by men main group.



FIGURE 42. The question “Where do you usually buy precious jewelry?” answered by men main secondary.

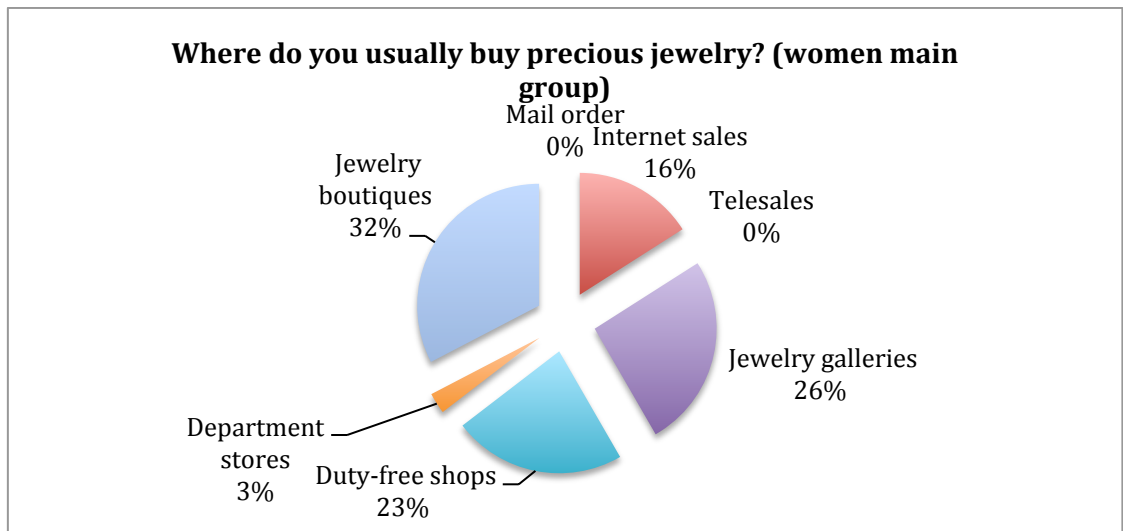


FIGURE 43. The question “Where do you usually buy precious jewelry?” answered by men main group.

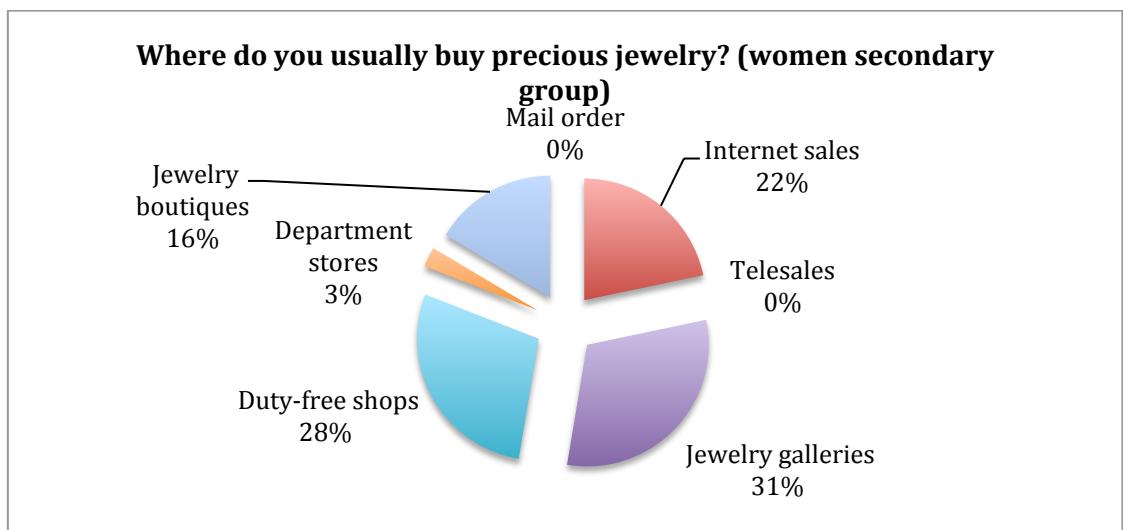


Figure 44. The question “Where do you usually buy precious jewelry?” answered by women secondary group.

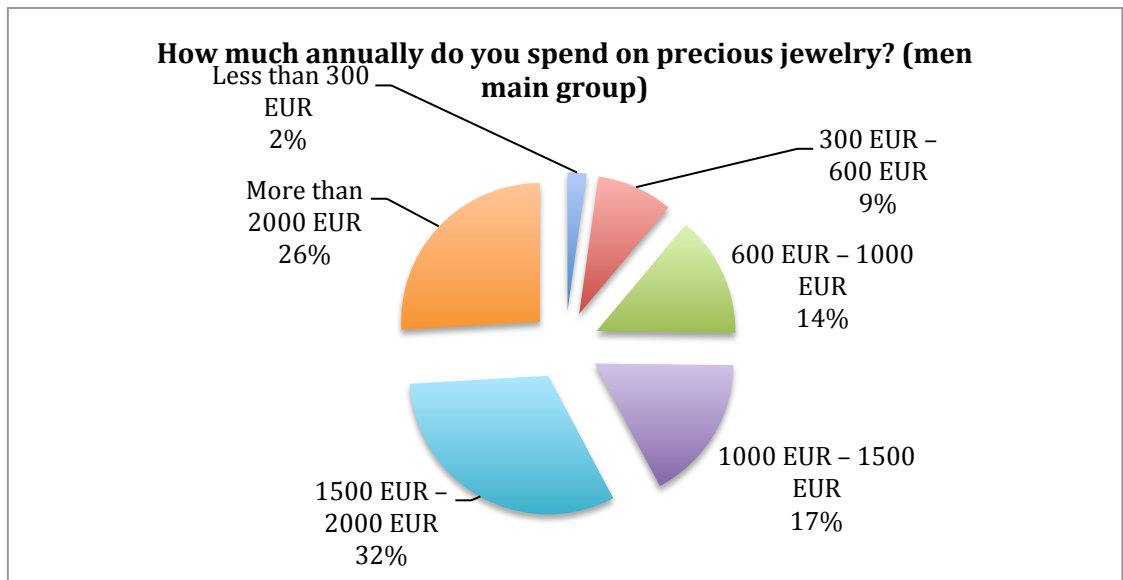


FIGURE 45. The question “How much annually do you spend on precious jewelry?” answered by men main group.

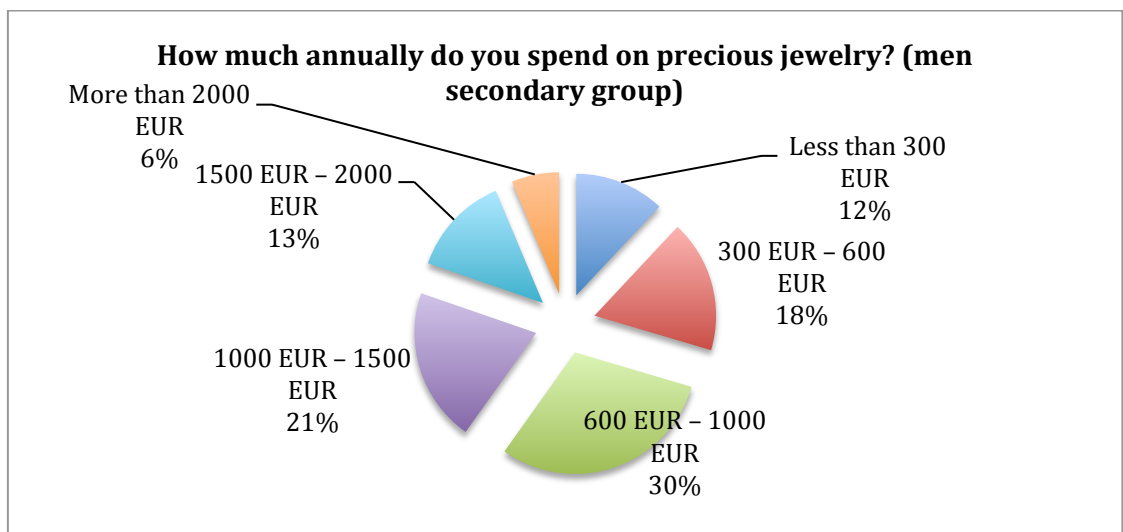


FIGURE 46. The question “How much annually do you spend on precious jewelry?” answered by men secondary group.

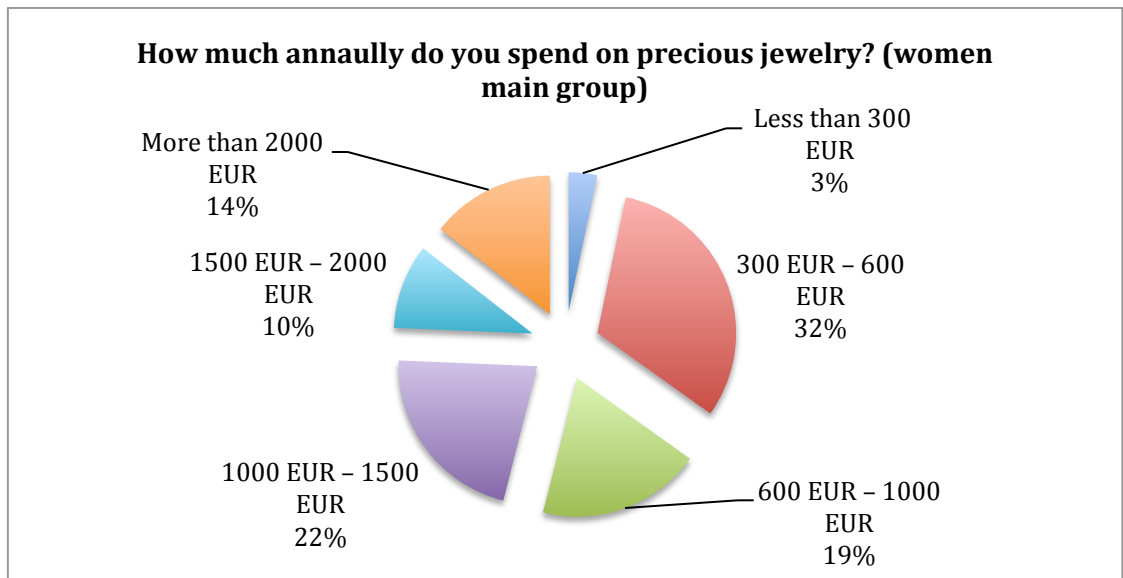


FIGURE 47. The question “How much annually do you spend on precious jewelry?” answered by women main group.

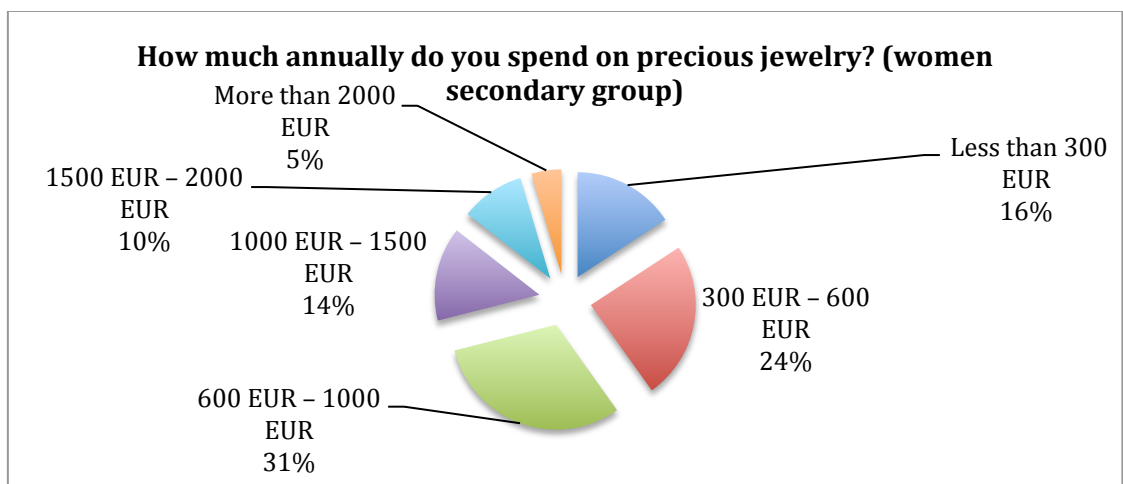


FIGURE 48. The question “How much annually do you spend on precious jewelry?” answered by women secondary group.

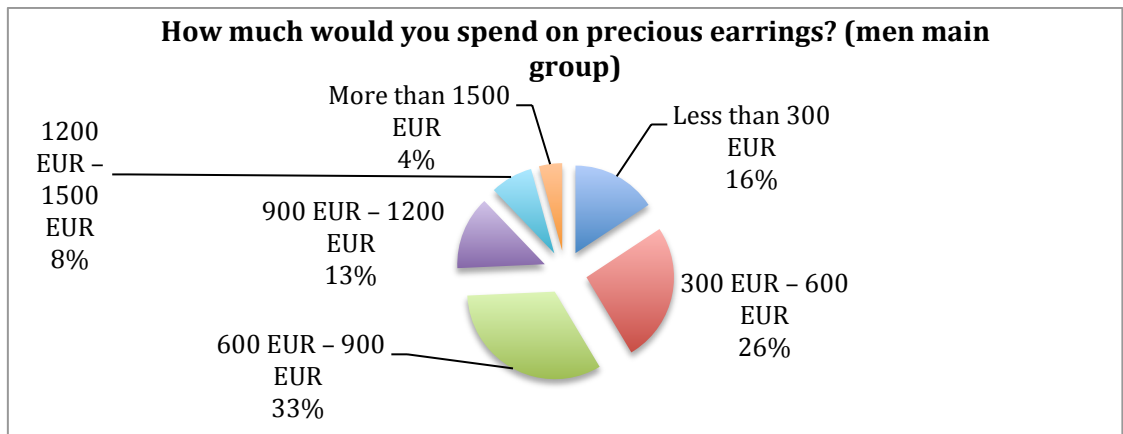


FIGURE 49. The question “How much would you spend on precious earrings?” answered by men main group.

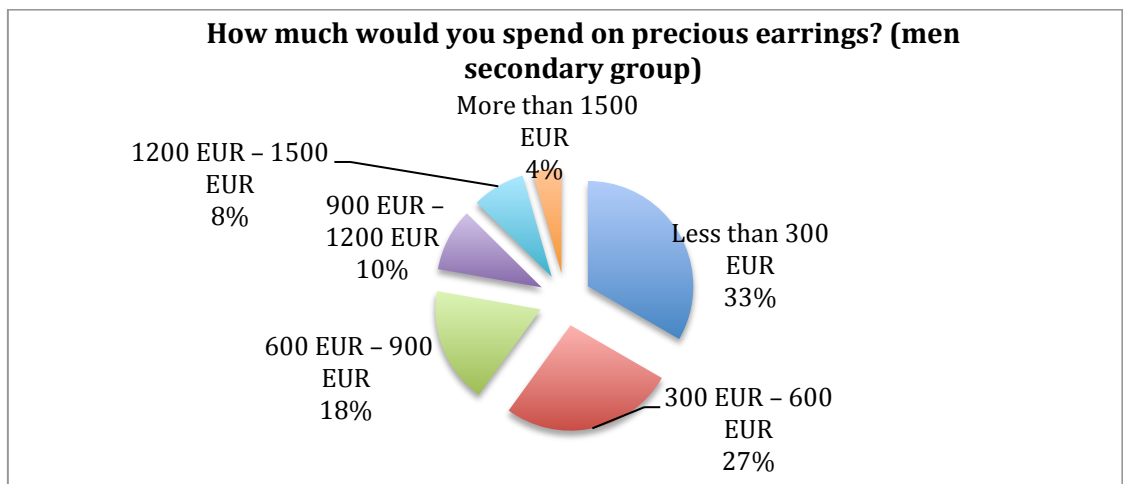


FIGURE 50. The question “How much would you spend on precious earrings?” answered by men secondary group.

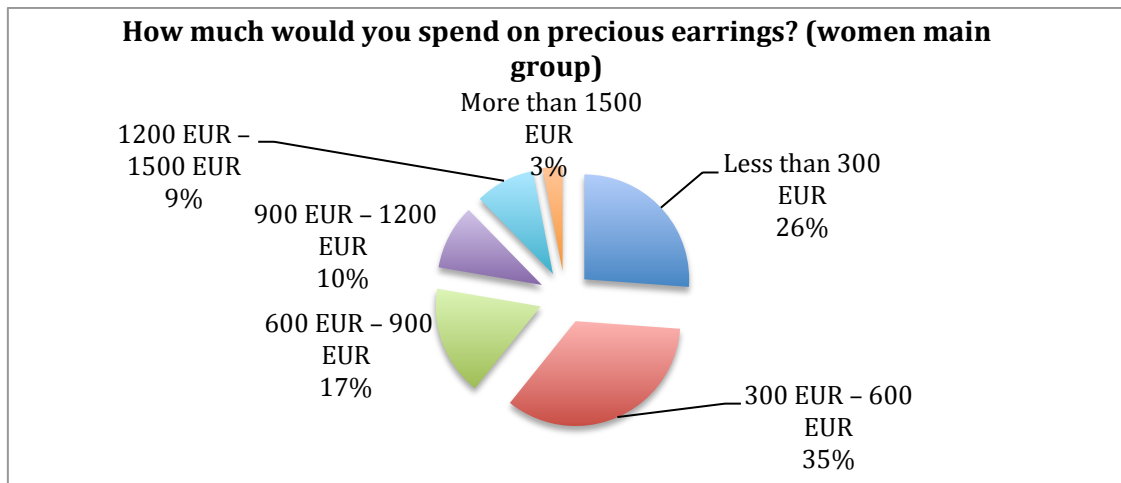


FIGURE 51. The question “How much would you spend on precious earrings?” answered by women main group.

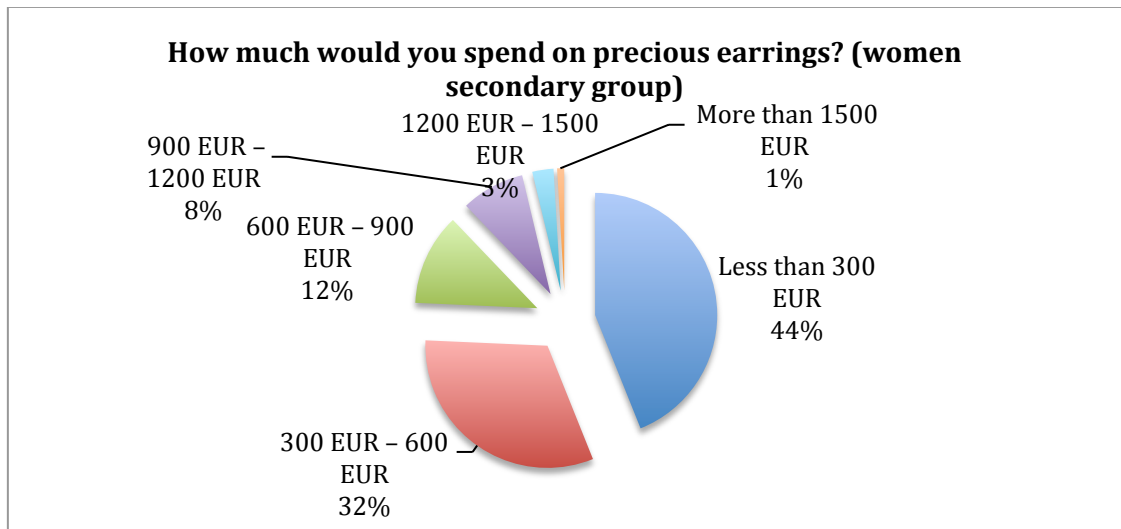


FIGURE 52. The question “How much would you spend on precious earrings?” answered by women secondary group.

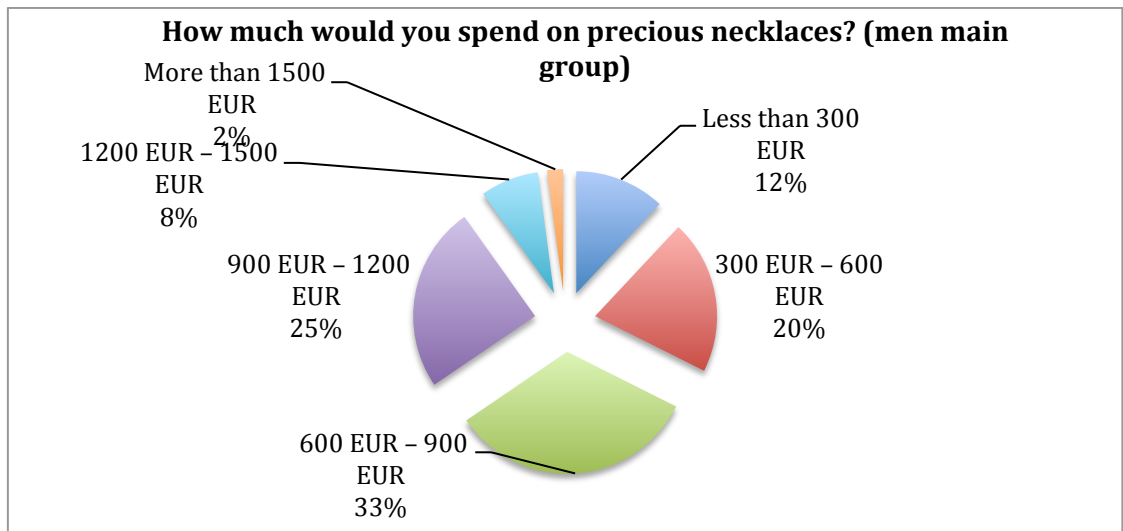


FIGURE 53. The question “How much would you spend on precious necklaces?” answered by men main group.

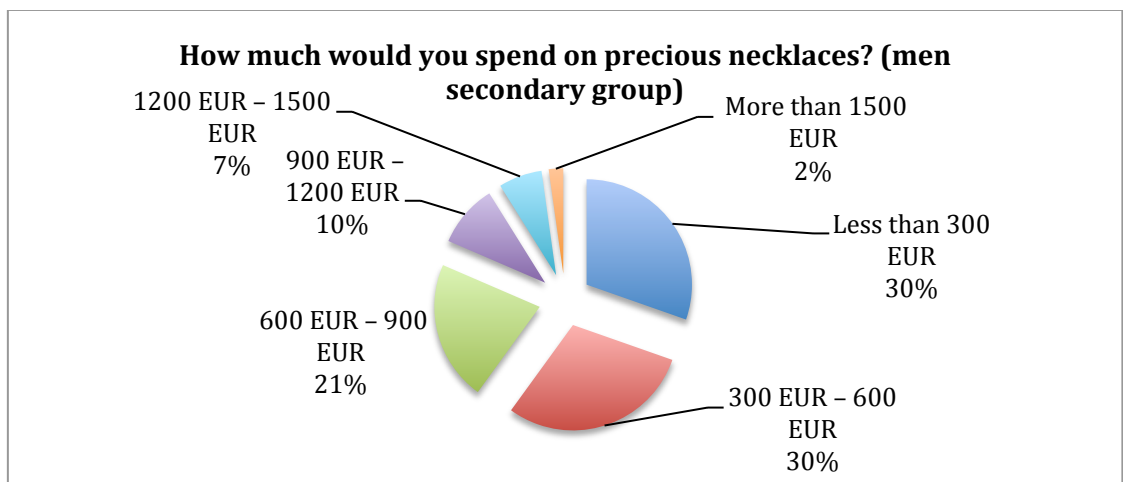


FIGURE 54. The question “How much would you spend on precious necklaces?” answered by men secondary group.

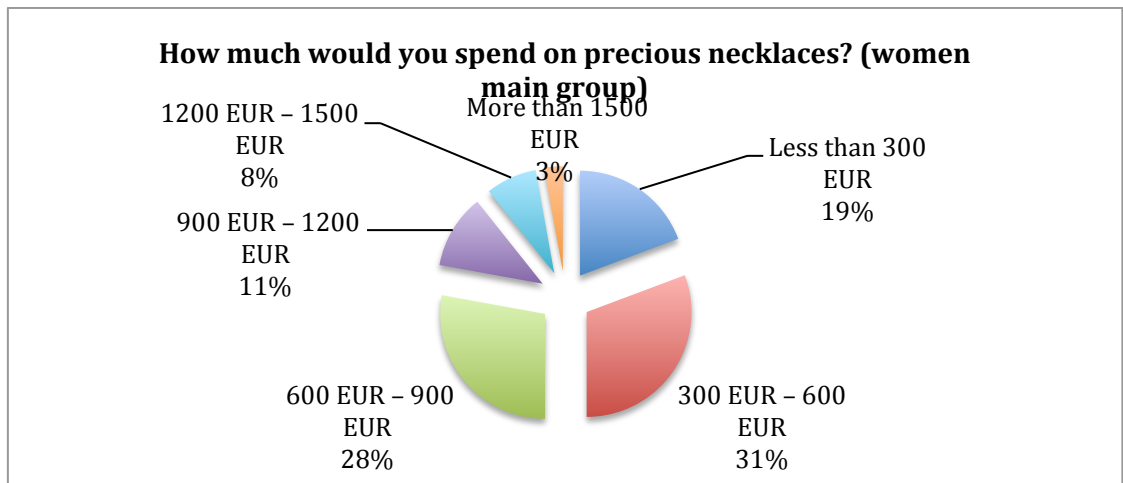


FIGURE 55. The question “How much would you spend on precious necklaces?” answered by women main group.

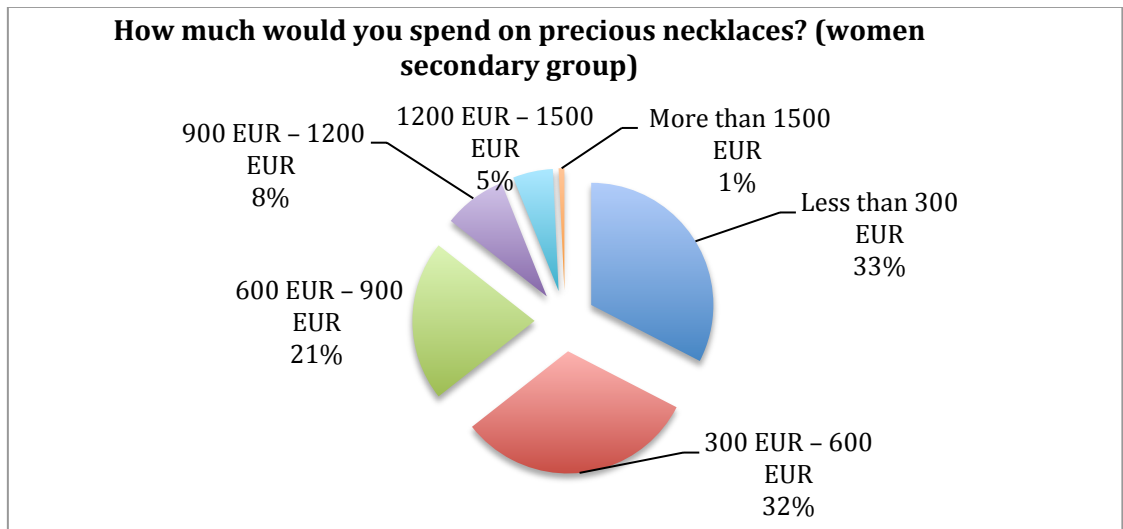


FIGURE 56. The question “How much would you spend on precious necklaces?” answered by women secondary group.

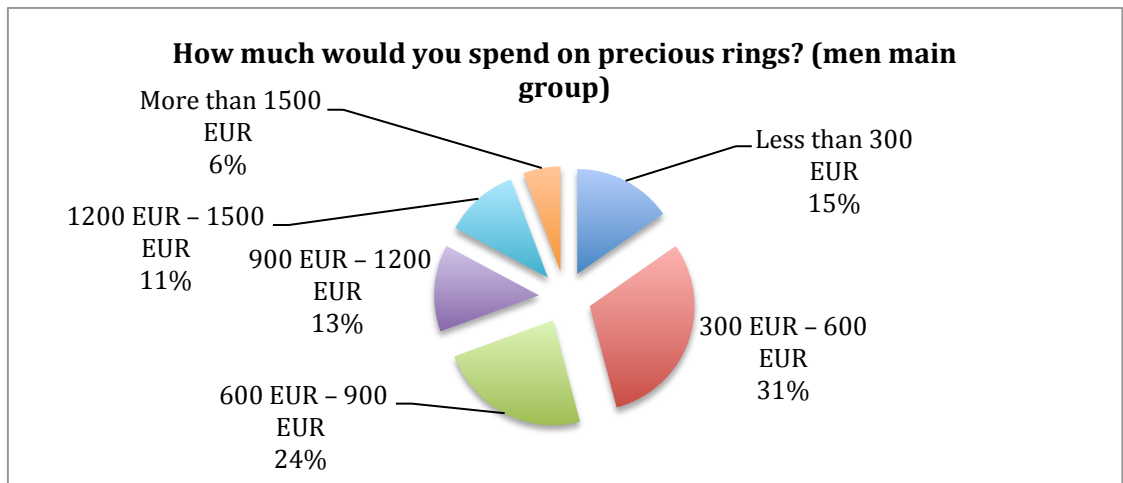


FIGURE 57. The question “How much would you spend on precious rings?” answered by men main group.

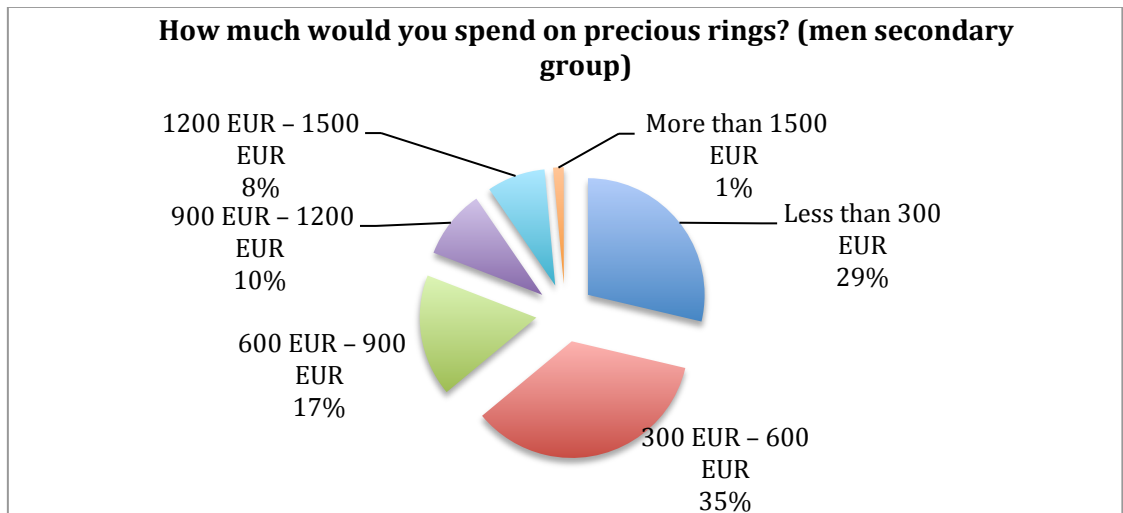


FIGURE 58. The question “How much would you spend on precious rings?” answered by men secondary group.

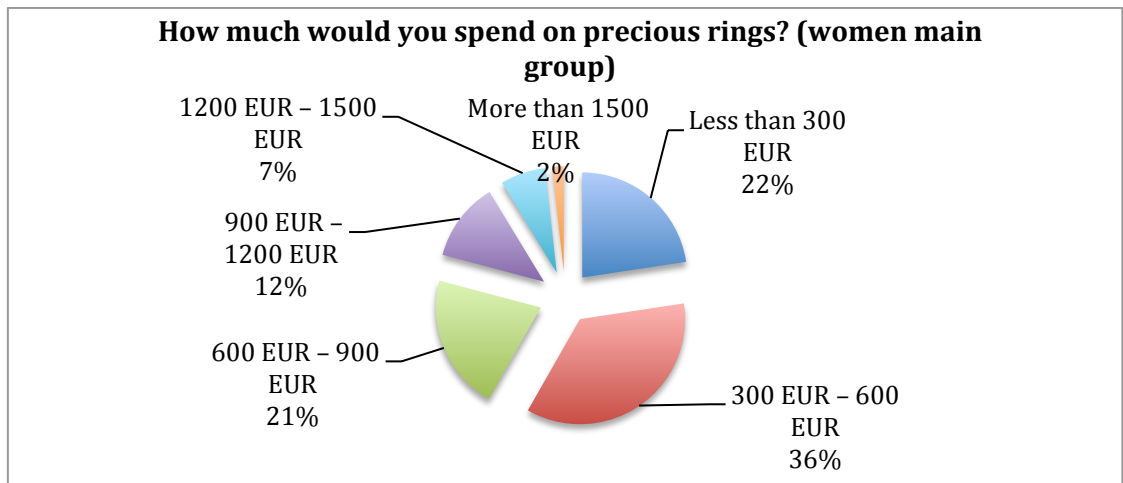


FIGURE 59. The question “How much would you spend on precious rings?” answered by women main group.

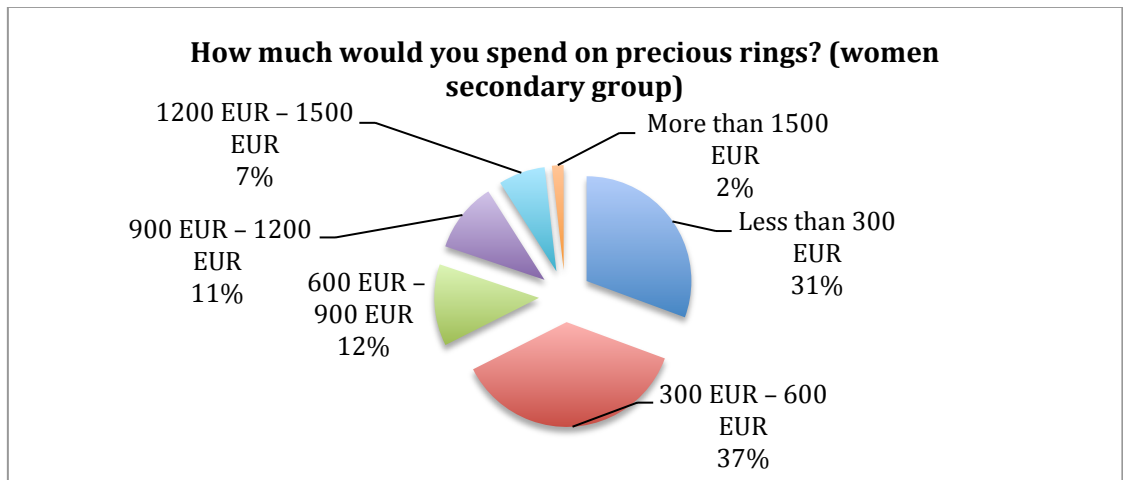


FIGURE 60. The question “How much would you spend on precious rings?” answered by women secondary group.

5.2 DATA FROM “The Jewelry Market in Austria” report (CBI Marker Survey)

According to this report Austrian consumers on jewelry market paying much attention to the quality of jewelry wares. Therefore, Austrian consumers less influenced by fast changing trends in fashion than people in other European countries. Here it is a chart showing preferences of style by gender.

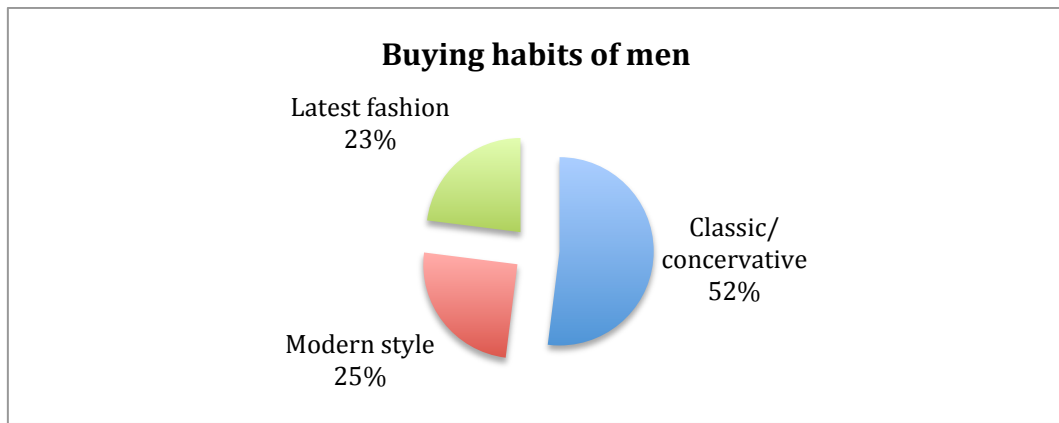


FIGURE 61. Buying habits of men (CBI market survey 2009)

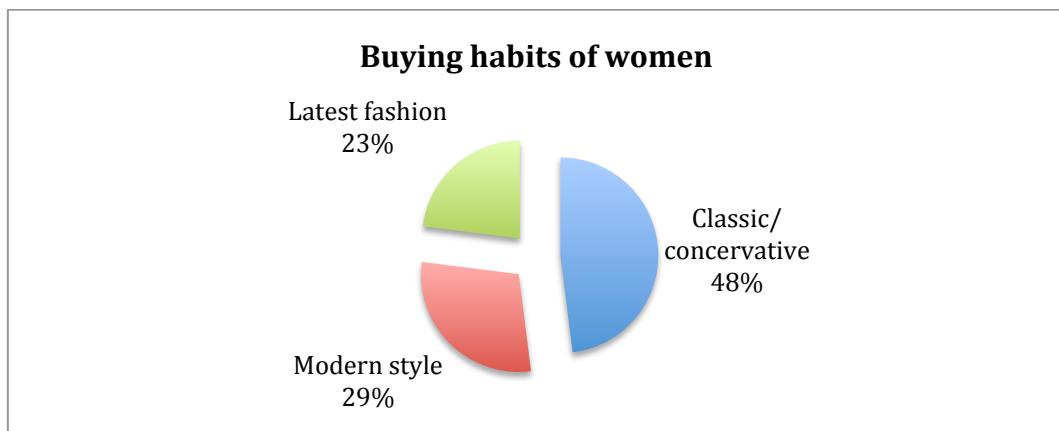


FIGURE 62. Buying habits of women (CBI market survey 2009)

6 ANALISYS

Figure 6 shows that more women completed the questionnaire than men. The survey was targeted mainly at women, because the theory proosed (sub-chapter 4.2.1) was considered mainly with women. According to the figure 7 the main age groups of men are 36-45 years and 46-55 years. Figure 8 shows that the main age groups of women are 26-35 years and 46-55 years. Most of asked people are married, figure 34, figure 35, figure 36 and figure 37 illustrates and proves this statement.

Due to the results the author decided to concentrate only on the main age groups of each gender, as these groups represent a greater part of total interviewed people. Figure 9 illustrates that most of men from the main group are entrepreneurs. And women main group, according to the figure 11, consists of scientists. Annual income of men main group is 75,000-95,000 EUR. Figure 14 shows that annual income of women main group is 35,000-75,000 and all women have precious jewelry (figure 17 and figure 18). Most of men main age group answered that they buy previous jewelry as a gift (figure 19). And 49% of women main age group answered that they wear jewelry on the daily basis; however, the majority of female respondents prefer to wear precious jewelry only on special occasions (figure 23).

Women and men main age group prefer more classic style than other styles. It is clearly illustrated on figure 25 and 27. To back up this statement the author also uses secondary data that is presented on figure 61 and figure 62, where it is indicated that discussed age category of respondents is in favor of a more classic style.

As it was mentioned earlier, "SEA SIDE" jewelry collection is still in the process of designing and 3D illustrating, it is important to know which combinations of precious metals and stone people prefer. Figure 29 and 31 show that men and women main age group prefer combination of gold and diamonds. It is an evident consequent of most attractive classic style. Men and women main age groups prefer necklaces more than rings, earrings, hair accessories, piercing or bracelets (figure 37 and figure 39).

Interviewed people usually buy precious jewelry in jewelry boutiques (figure 41, figure 42, figure 43, figure 44). Interesting fact is that men main group ages spend much more on precious jewelry than women main group age. Figure 45 and figure 47 illustrate annual expenditure on precious jewelry of these two groups. Men main age group spends annually 1500-2000 EUR on precious jewelry, and they are ready to spend on precious earrings 600-900 EUR, on

precious necklace 600-900 EUR and on precious ring 300-600 EUR. On the other hand women spend on precious jewelry annually 300-600 EUR, and they want to spend on precious earrings 300-600 EUR, on precious necklaces 600-900 EUR and on precious rings 300-600 EUR.

Due to these facts the author makes a conclusion that ART-Stone Jewelry Company has two types of potential customers: women and men with different preferences and characteristics. Next sub-chapter presents summary and a framework of collected and analyzed information.

6.2 CUSTOMER'S PROFILE

This section presents the summary of the research results in a comprehensive table, where all the information concerning the main research groups can be found.

TABLE 3. Customers' profile

	Men	Women												
Age	36-55 and 46-55	26-35 and 46-55												
Occupation	Entrepreneurs	Scientists												
Family status	Married	Married												
Annual income	75,000-95,000 EUR	35,000-75,000 EUR												
The purpose of precious jewelry	Gifts	Daily wears												
Favorite style and accessorize	Classic style (Gold with diamonds) (Necklaces)	Classic style (Gold with diamonds) (Necklaces)												
Place	Jewelry boutique	Jewelry boutique												
Annually expenditure on precious jewelry	1500-2000 EUR	300-600 EUR												
	<table border="1"> <thead> <tr> <th>Earrings</th> <th>Necklaces</th> <th>Rings</th> </tr> </thead> <tbody> <tr> <td>600-900 EUR</td> <td>600-900 EUR</td> <td>300-600 EUR</td> </tr> </tbody> </table>	Earrings	Necklaces	Rings	600-900 EUR	600-900 EUR	300-600 EUR	<table border="1"> <thead> <tr> <th>Earrings</th> <th>Necklaces</th> <th>Rings</th> </tr> </thead> <tbody> <tr> <td>300-600 EUR</td> <td>600-900 EUR</td> <td>300-600 EUR</td> </tr> </tbody> </table>	Earrings	Necklaces	Rings	300-600 EUR	600-900 EUR	300-600 EUR
Earrings	Necklaces	Rings												
600-900 EUR	600-900 EUR	300-600 EUR												
Earrings	Necklaces	Rings												
300-600 EUR	600-900 EUR	300-600 EUR												

7 DISCUSSION

Since there is a very high competition in the international business environment it is specifically important to identify the right potential customers and attract them for long-term relationships. There are numerous options and tools to indicate the potential customers using different actual criteria. Some companies prefer to use market surveys; some use statistics and demographic data; but usually companies prefer to create a customer profile and use it to be orientated on a specific range of people. There is a very common opinion that it is not possible to reach and satisfy all consumers: it is better to concentrated on a specific group and satisfy its needs.

I agree with the article "Targeting Customers: The Key to Marketing Your Jewelry Business" that buying jewelry is an emotional process. I also like the idea that persons who are interested in the result (in case of this thesis the author and CEO manager) should answer the questionnaire first. I applied this principle to my questionnaire - before asking other people I have confirmed and tested the questionnaire with the CEO manager of Art-Stone.

The article "Targeting Customers: The Key to Marketing Your Jewelry Business" provides three groups of potential customers, identified by age groups of women. In this thesis I decided to divide customers into groups by two criteria: age and gender. I also focused on customers' needs, characteristics and personal elements, presented in the book "Essential Guide to Marketing Planning".

The article "Demographic data helps target jewelry shoppers" published in "The IDEX online Magazine" provides a good example of dividing customers by two methods. First one is to focus on annual expenditure on precious jewelry per householder. Second is to focus on the largest segment of jewelry market and study their needs and characteristics. In my opinion, the first one is not the right strategy to implement because those who spend the most

might be a very small percentage of the market and so the company would not be targeting a sufficient audience and might fail. For this reason I did not focus solely on annual expenditure per householder, instead I took into account other factors such as tastes and preferences in order to create a wider customer profile.

This thesis is mainly based on primary data gathered through the questionnaire. From my point of view the results are subjective, because only Austrian people have completed the questionnaire.

8 LIMITATIONS

The main limitation of this project was the time frame. If I had more time I would have had the opportunity to gather more information about people, their life-style and personal elements, which would make the customer profile more incisive.

The questionnaire would have included more questions, in order to collect more qualitative information, which would help in identifying the exact customers' needs and preferences.

Also the communication process was limited. The reason is that I was not in Austria during the whole period of the project, and so had to take account of the time difference. Also the telephone calls were very expensive and I had to communicate with people using the Skype program.

9 CONCLUSION

The aim of this project was to create a customers' profile for the Austrian market. ART-Stone Jewelry Company plans to export jewelry collection "SEA SIDE" in the Austrian market. Therefore the proposed research question and research results should be seen as valuable information as it is highly

important to identify potential customers in a new market. As it known that external business environment is very competitive nowadays. Many competitors are in the Austrian existing market. In order to make right decision of the collection's promotion and allocation of resources, the customers' profile is one of the main tools of the successful market entering.

The customers' profile is based mainly on primary data, collected using the questionnaire. The questionnaire was agreed and tested with CEO manager Mihail Pakhomchik.

I think that this customers' profile is of the best quality, which could be produced in this short period of time.

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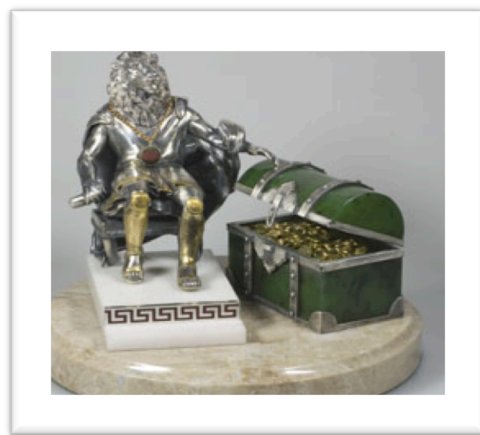
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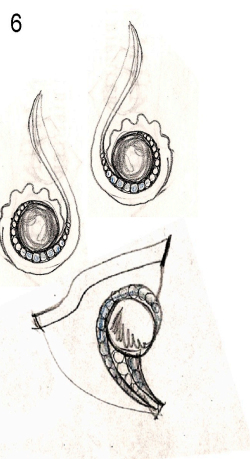
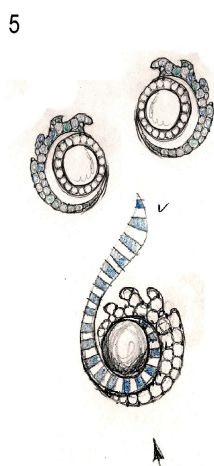
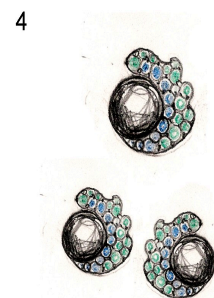
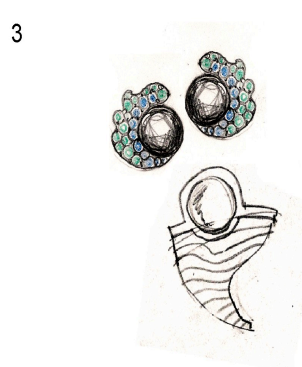
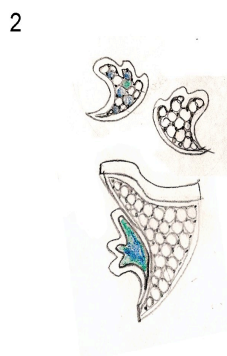
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Appendix 1 Picture of ART-Stone production for London Jewelry Exhibition





Appendix 2 Pictures of "SEA SIDE" collection



Appendix 3 Questionnaire and analysis

This appendix describes and explains the questionnaire. This part has to be in this thesis, because the most important primary information is collected using it.

First of all using a questionnaire is most popular method in collecting primary data. Saunders (2009) emphasizes there is two types Self-administered and Interviewer- administered. The first one includes Internet and intranet-mediated questionnaire, post questionnaire and delivery collection questionnaire. And second consists from telephone questionnaire and structured interview. (p. 363)

The questionnaire should be composed from valuable questions, should be well organized and good-looking. For each questionnaire was accompany with covering letter, which could be found out in appendix 1.

Most important questions are marked, analyzed and discussed in this part.

1) What is your gender?

- Male
- Female

This is one of the most important questions, which give strong position of attitude to precious jewelry by gender. Such information could be useful in future collections' design for the ART-Stone Jewelry Company.

2) How old are you?

- 18-25
- 26-35

- 36-45
- 46-55
- 56-65
- More than 66

It is important to have knowledge about the age group of potential customers. This information provides customers' values in each group and directs the company to satisfy customers' needs.

3) What is your occupation?

- Scientist worker
- Unemployed
- Art worker
- Entrepreneur
- Student
- Other _____

4) Are you married?

- Yes
- No

5) **What is your annual income?**

- Less than 12,000 EUR
- 12,000 EUR – 35,000 EUR
- 35,000 EUR – 75,000 EUR
- 75,000 EUR – 95,000 EUR
- 95,000 EUR – 110,000 EUR
- More than 110,000 EUR

This question provides conception of potential customers income and possibilities on which the company could rely on in producing new jewelry samples.

6) What is usually the purpose of your purchases of precious jewelry?

- Investments
- Gifts
- Daily wears
- Other _____

7) What style of jewelry products do you prefer?

- Classic style
- Modern style
- The latest fashion style
- Vintage style
- Sporty and energetic style
- Other _____

The collection is in a process of designing, therefore it is important to know which style Austrian potential customers prefer.

8) **What types of combinations of precious jewelry do you prefer of the following?**

- Combinations of gold with diamonds
- Combinations of gold with enamel
- Combinations of gold with gemstones
- Combinations of gold with enamel and gemstones
- Combination of gold with enamel and diamonds
- Just gold

As it was said before that the collection is in a process of design, it is important which combinations are most relevant on the Austrian market in order to improve it.

9) Which types of precious jewelry do you like most?

- Rings
- Earrings
- Necklaces
- Hair accessories
- Bracelets
- Piercings
- Other _____

By answering people this question the company can concentrate attention on the most popular jewelry accessory.

10) **Where do you usually buy precious jewelry?**

- Mail order
- Internet sales
- Telesales
- Jewelry galleries
- Duty-free shops
- Department stores
- Jewelry boutiques
- Other _____

This question is needed for the company in order to find out most valuable and popular trade channel. Also it might help in allocation of advertisements.

11) How much annually do you spend on precious jewelry?

- Less than 300 EUR
- 300 EUR – 600 EUR
- 600 EUR – 1000 EUR
- 1000 EUR – 1500 EUR
- 1500 EUR – 2000 EUR
- More than 2000 EUR

Question 11,12,13,14 provides overview on price policy in this market, which is important for a new company like ART-Stone Jewelry Company.

12) How much would you spend on precious earrings?

- Less than 300 EUR
- 300 EUR – 600 EUR
- 600 EUR – 900 EUR
- 900 EUR – 1200 EUR
- 1200 EUR – 1500 EUR
- More than 1500 EUR

13) How much would you spend on precious necklaces?

- Less than 300 EUR
- 300 EUR – 600 EUR
- 600 EUR – 900 EUR
- 900 EUR – 1200 EUR
- 1200 EUR – 1500 EUR
- More than 1500 EUR

14) How much would you spend on precious rings?

- Less than 300 EUR
- 300 EUR – 600 EUR
- 600 EUR – 900 EUR
- 900 EUR – 1200 EUR
- 1200 EUR – 1500 EUR
- More than 1500 EUR

ONLY FOR WOMEN

15) Do you have precious jewelry?

- Yes
- No

16) How often do you prefer to wear precious jewelry?

- Daily
- Only on special occasions
- Never
- Other _____

Appendix 4 Cover Letter

“SEA SIDE” Jewelry Collection

JAMK University of Applied Sciences

Rajakatu 35, Jyvaskyla

Finland 40500

ART-Stone Jewelry Company

Russia, Moscow

Web site : www.art-stone.ru

Email: info@art-stone.ru

Phone number: +7 (495) 411-2513

Dear Sir or Madam,

This questionnaire is a part of a research project to understand Austrian people views on jewelry wares and make a customer profile for ART-Stone Jewelry Company. Your responses are important in order to get some valuable data as possible for this topical issue.

The questionnaire should take you a few minutes to complete. Please answer following questions in spaces, which are provided. Provided information will be totally confident and secure. You will notice that is not necessary to include your name or address.

The answer from this questionnaire and other will be used as a main primary data for the research project for my degree in Business Administration at JAMK University of Applied Sciences in Jyvaskyla.

I hope that it won't be inconvenient to you answer these questions. If you have some questions or further information, please do not hesitate to contact me by e-mail alinatitova@me.com

Thank you for your help.

Mrs. Alina Titova