

# **Marketing Plan**

# Abacus breaking into the Finnish Market

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# ABSTRACT

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This thesis was created for B2B sales and business gift company Rotor Form Oy. The study includes a marketing plan for Rotor Form, which is created for the Swedish golf sportswear brand Abacus. Abacus was launched in Finnish market in 2010. The study aims to create effective marketing plan to launch Abacus golf clothing in Finnish market. The plan is focused mainly on rain clothing of the brand. Marketing plan was implemented through customer survey to research brand awareness and visibility in Finnish market.

The objective of the paper is to create a marketing plan based on the business strategy that can be used as a basis when launching new brands in the market. The goal is to increase brand awareness and visibility of Abacus among potential customers. The study methods were customer survey and interviews. Results should help to boost the sales by setting short and long-term goals for the company.

Retail business is a new business area for Rotor Form. Abacus is still rather unknown and new brand in the market. Low awareness is a major issue for Abacus at this point. The results were presented for the CEO of Rotor Form and the feedback was given.

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#### **1 INTRODUCTION**

Rotor Form Oy is a small business gift and importing company focused on B2B sales. The main operations are in Tampere. Rotor Form's mission is to offer and represent quality products that all the other companies are not selling within the industry. Rotor Form focuses and develops sustainable relationships with its partners and wants to represent itself as reliable business partner with loyalty to its customers and collaborators. Rotor Form offers small range of quality and design products to its consumers. The main brands sold are Lexon, Steel Function, Suunto and Abacus.

Abacus is a Swedish sportswear manufacturing company specialised in sports and casualwear, especially in golf clothing. However the brand offers a comprehensive collection of clothing suitable for work, leisure, and many kinds of outdoor activities. Abacus has divided the clothes into four groups: rain, wind, warm and on tour. Each group is unique on their performance and weather protection features. On the top of the functionality products are very stylish. Rotor Form is the only distributor of Abacus in Finland. This thesis is written for Rotor Form by using the brand Abacus as the example when launching a new brand in the market. Abacus was chosen as a main focus because it has brought Rotor From face to face with the new challenge and expansion to the retail market. The Marketing activities have to be adjusted from B2B marketing as the marketing is directed straight to consumers.

#### 1.1.1 Objectives and purpose of the thesis

Main objective of the thesis is to come up with clear marketing plan that can be used as basis when launching new brands in the market. Research question can be formulated as follows:

"What is the effective marketing plan for Rotor to launch Abacus golf clothing to the Finnish market?"

The Purpose is to formulate a clear strategy based on the business plan for Rotor Form in terms of Abacus in Finnish market. The goal is to explain the purpose of effective planning and put it in action by using Abacus as an example. In addition short and longterm objective are set to boost the sales of Abacus. Purpose is to look back, what kind of actions have been taken when marketing Abacus in Finnish market over past two years, make recommendations for the future based on the theoretical analysis and complete the research by using customer survey. New brand in the market is challenging to get noticed, so the study seeks for results to gain higher brand awareness and visibility in the future.

#### **Objectives and goals:**

- Main objective is to come up with marketing plan that can be used as basis when launching new brands in the future.
- Formulate clear marketing strategy based on business strategy of Rotor Form. This includes SWOT analysis for the company.
- Come up with short and long term objectives for boosting the sales of Abacus in Finnish market.

#### **1.2** Scope and limitations

The study is focused only to the brand Abacus especially as a producer of functional rain clothing. Marketing plan only covers part of Rotor Forms business activities so the results can be only used to some extend in the future. First it was planned also interview to Pro Shop owners to analyze their buying behavior and knowledge about the brand Abacus. Time turned out to be a problem after such a high number of responses for the survey (407 replies). The survey was sent out only to Nokia River golf club because of the fastest and best connection. Sami Eljaala, the CEO of Rotor Form, has a close contact there and he suggested sending out the survey through this particular golf club. More than one golf club could be included in the study in the future. This golf club is located in Nokia nearby Tampere so the results come from Tampere region and do not cover the whole country.

The main part of the study is based on the customer survey sent to Nokia River golf club members. The questionnaire was created by using online tool "Surveymonkey." The questionnaire was sent to the members via email. The e-mail included a link to be clicked to find the questions. Nokia River Golf was very willing to help and they offered to make the layout for the e-mail with the official logo of River golf. The mail was sent on their behalf. I created the survey and formulated a text and explanation what is the survey about for the mail. My name was also marked in the end of the mail as a sender and contact person, even though the mail was sent out from Nokia River's server. It was also decided that Rotor offered to distribute some Abacus products within randomly selected respondents. That created an incentive to reply for the survey. This might be the reason for such a high respondent rate.

Data collection from the survey consists mainly on quantitative data collection that is put in graphs. Some questions were also asked in qualitative form so that the respondent could give recommendations or express the level of satisfaction on Abacus products. The thesis involves also information collected from qualitative interviews with the CEO of Rotor Form and the Marketing Manager. Interviews are used as a basis through out the marketing plan.

#### 1.4 Research process

Primary data was collected from the online customer survey with 407 respondents. Time set to answer the questionnaire was one month. Questionnaire was activated  $2^{nd}$  of October and by the end of the month the survey was closed. Other primary data is collected from Interviews made during the internship in Rotor Form. Books are the main source for the theoretical data collection but also some reliable websites and online books were used.

Secondary data consist of the various types of data collections. Lots of the information collected was done during the internship by observing the employees and by completing tasks that were educational about the company culture and policy. Other secondary information was collected from Rotor Form's internal server. The survey exceeded the expectations and it could be used in the future to create new survey to different golf clubs or Pro Shops. This kind of research could be done annually to monitor, how Abacus is improving its position and brand awareness in Finland.

#### **2** THEORETICAL FRAMEWORK

This part of the paper analyzes some important marketing concepts considered to be useful to understand before going through the actual marketing plan. The chapter is broken down to three part; Marketing concepts, customer analysis and strategic planning. The first part defines marketing and marketing plan thoroughly. As Rotor Form Oy operates in business markets it is crucial to explain business-to-business marketing and its deeper meaning to the reader. Marketing research is the key for the marketing plan, which is the last theory for the first part of this chapter. The second part analyses customer behaviour and strategies used for attracting and sustaining new and existing customers. The third part explains concepts of SWOT, PEST and core strategy used to gain competitive advantage.

### 2.1 Important marketing concepts and theories

For some people marketing is a subject to study in schools for others it is art and for some it is commercials seen on TV on daily bases. Marketing is around us even when not consciously thinking about it and it has a deeper meaning for the society. The following chapter gives deeper insight to the marketing and the planning of marketing.

### 2.1.1 What is Marketing?

There are various ways to define marketing by different authors and associations. It is vital to understand the concept and look at it from few different perspectives. Traditionally marketing is viewed as a business activity that exists to satisfy especially material human needs. Another way to look at it is from business perspective. It can be seen as an exchange process at least between two parties; buyer and seller. Each party gives up something for a value. Business perspective is a crucial part of defining marketing but over the time the critics have challenged definition. Critics have indicated that marketing also takes place in non-profit-organizations such as, hospitals, universities and government agencies. Thus, marketing has growing importance in our society. (AMA 2012, 1-2.) The American Marketing Association has a broader and more modern definition for marketing:

"Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals." (AMA 2012, 2).

Surprisingly selling is not the most important part of marketing. Kotler defines marketing as "Identifying and meeting human and social needs." (Kotler & Keller 2012, 27). Practical and short approach is to meet the needs profitably. Definition of marketing distinguishes between marketing management responsible for marketing decisions in an organization, and society. Marketing management sees marketing as an art of selling products, boosting customer numbers, choosing target markets and communicating customer value. Whereas, society can see marketing's role as: "Deliver a higher standard of living". (Kotler&Keller 2012, 27.)

There are ten main types of objects to be marketed. Those are: goods, services, events, persons, organizations, information, places, properties and ideas. Marketing as a model holds in another important concept called the market. Physically market is a place where buyer and seller gather to buy and sell goods. The following figure demonstrates the five basic markets and the connection flows between those markets. Let's start looking at the figure from manufacturer markets. Manufacturers move to resource markets by buying resources and turning them into goods and services. Then they sell finished goods to intermediaries, who again sell them to consumers. Note that resource markets include raw materials, labor and money. Consumers sell their money by paying for goods and services with money earned from the labor and other receivables. The government collects tax revenues to buy goods from resource, intermediary and manufacturer markets include raw materials, labor and money. Those links between the markets are called the exchange process. (Kotler&Keller 2012, 27.)

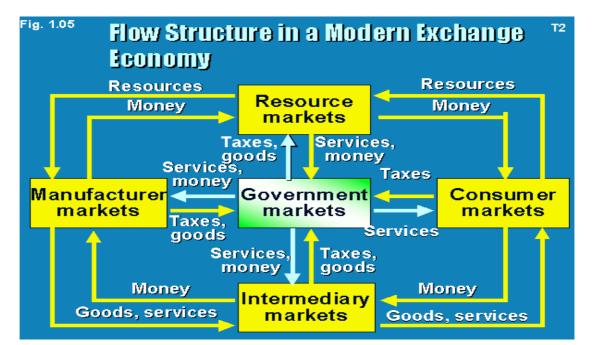


Figure 1: Structure of flows in a modern exchange economy (Kotler&Keller, 2012, 30.)

As mentioned before, AMA has approached marketing definition from more modern point of view. In 2004 new definition was created based on development process of Robert Lusch and Greg Marshall:

"Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and managing customer relationships in ways that benefit the organization and its stakeholders." (Hooley, Piercy & Nicoulaud 2008, 7).

Key points in this new approach towards beneficial exchanges are value, process and customer relationship. Kotler has also introduced a term 'holistic marketing', which reflects a wider perspective when looking at the term marketing as a whole. Holistic marketing consists of four main factors; relationship marketing, integrated marketing and socially responsible marketing. Marketing consists of the following three components: Organizational culture meaning the set of beliefs and values driven by the customer's needs to sustain profitability. Tactics is concerned with actual marketing activity of product management, pricing, distribution and marketing communications such as advertising and sales promotion. Finally strategy is searching for positive responses to changing environments. This includes segmentation and positioning the product as well as analyzing the target market. (Hooley, Piercy & Nicoulaud 2008, 8.)

#### 2.1.2 Definition of Marketing Plan

Formally marketing plan is defined as follows:

"A marketing plan is a written document containing the guidelines for the business unit's marketing programs and allocations over the planning period." (Lehman & Winer 2002, 2).

First and foremost marketing plan is a written document. Documentation includes strategies to ensure that failed and succeeded experience is not lost. So basically marketing plan points out previous activities and learning with the new guidelines and ideas for upcoming business activities. Marketing plan links and communicates vital information between areas such as manufacturing, sales, marketing and finance within a company. The bridge between different areas is crucial for implementing the plan successfully. Marketing plan also sets milestones and important dates with shared responsibilities in different areas for the company. Written plan provides continuity and helps new employees to catch up with the current situation and goals. Secondly marketing plan is usually written at the business unit level. This means that the plan is normally written for each brand separately since it is profit oriented. But this is not always the case. There are exceptions with companies making plans for brand groups or services especially when the costs are difficult to allocate by individual products. For instance McDonalds's had one marketing plan for all operations with only some regional exceptions according to the menu. (Lehman & Winer 2002, 2-3.)

In a nutshell, product managers create marketing plans also known as business plans for individual products, lines, brands, channels or customer groups. The plan is a summary of how the company is going to reach its marketing objectives within planned period of time. It contains tactical decisions and guidelines for the marketing programs and distribution of financial resources. (Kotler & Keller 2012, 76.)

Planning period can vary in time from product to product. For instance, automobiles have longer planning cycles due to the longer lead time for product development. Other factors affecting to the planning period are intensity of competition, technological change, and changing customer tastes among the target groups. Typically the plan covers one year. (Lehman & Winer 2002, 2-3.)

Strategic planning is easily confused with marketing planning. There is still a slight difference between these concepts. Marketing plans have more specific objectives and strategies on business center level such as market share and targeting the small business segment. Furthermore, strategic plan tend to have a longer time horizon than marketing plan. To sum up, marketing plan contains strategies and it is precise statement to reach short-term results. (Lehman & Winer 2002, 4.)

Marketing plan varies in length from 5 to 50 pages. It covers the following sections.

- **Executive summary** Marketing plan starts with a brief summary for senior management with the main objectives and goals.
- Situation analysis This part introduces the information on competition, costs, sales and the market. This section presents the background information on macro environment. The size of the market is defined as well as the growth of the market. Trends and critical issues are also discussed under situation analysis. This information is the source to carry on the SWOT analysis for the company.
- Marketing strategy This is the section for financial and marketing objectives, mission and positioning for the competition. Here all the other areas of business apart from marketing are taken into consideration. Input from purchasing, manufacturing, sales, finance and human resources are needed.
- Financial projections In this part sales forecast is given, forecast for expenses and break-even analysis. Revenue is calculated by monthly sales volume. Whereas expenses are listed by marketing costs in smaller categories. Break-even analysis estimate in how many years or how many units have to be sold monthly to exceed fixed costs.
- **Implementation controls** This is the last section of the plan. It manages implementation of the plan. Usually, the goals are summarized and the budget is calculated for each month or quarter. (Kotler & Keller 2012, 76-77.)

# 2.1.3 B- to-B Marketing

Business to business marketing also known as business marketing is marketing products or services to other companies, government bodies, institutions or other organizations instead of individual consumers. As an example McDonald's buy ingredients like salt and salad to produce their food. Business marketing also includes the products and services used to help running the core. Again as an example McDonald's buy paper for the copy machine. Copies ran through the copy machine to support the real business of McDonald's, which is making hamburgers and other fast food. Third example of business marketing is government agencies and institutions such as universities. Universities also buy salt for cafeteria to serve finished meals for the students. (Dweyer & Tanner 2002, 8.)

Compared to consumer marketing distribution channels are shorter and more direct in business marketing. The emphasis are more on personal selling and negotiation. The Web has a major role on strategic promotion. In business marketing relationship is crucial as both buyer and seller are organizations. Due to the highlighted importance of relationship in business marketing customer relationship management (CRM) is discussed later on in the paper. (Dweyer & Tanner 2002, 8.)

When companies make purchases the strategic importance is high and companies cannot afford to test and shop around different companies. This is the reason why many companies end up making long-term contracts to achieve trusting relationship and most beneficial deals with the right costs to ensure the future for both buyer and seller. Often distribution channels are direct from manufacturer to consumer who is buying the product, without including anyone in between. In case industrial distributor is used, the steps are still fewer between manufacturer and consumer compared to consumer marketing. This reflects to the relationship between buyer and seller. Shorter the channel is, closer the relationship. Buyer might have closer input to product planning process as well. (Dweyer & Tanner 2002, 9.)

Strong relationship also explains the reason why personal selling is in important role in business marketing. Direct communication is needed and someone has to be responsible for coordination of communication in the company. Salespeople are the coordinators of communication with the goal to satisfy their customers. Business can be successful by personally getting to know all the individuals involved in a purchase by directing the purchase process. Salesperson's responsibility is higher when the goal is to form partnerships with its customers. More relationships salesperson creates stronger the organizational relationship grows. (Dweyer & Tanner 2002, 9.)

The Web is a vital tool for the communication. The customer is able to track down shipment information, access helpful information for the management and agree on terms fixed between buyer and seller. (Dweyer & Tanner 2002, 9.)

Business customers are all the buyers buying for resale or to produce goods and services. There are different types of customers as follows. First group is manufacturers, farmers, real estate developers, bankers and hotel operators, who are called procedures of goods and services. Then there are middle men referring to wholesalers and retailers. Third group is the government units, which are the government agencies, state and local governments. There are also nonprofit organizations such as Red Cross and other national organizations like museums and churches. (Cannon, Perreault & McCarthy 2008, 178.)

Demand is a key word for business to business marketing. Business demand is driven by the demand for consumer goods. When there is a demand for finished consumer goods produced from the raw materials, there will also be a demand for the materials used to build the finished consumer goods. To simplify the situation, for instance as long as there is a high consumer demand for cars there will also be a high demand for steel and other car parts used to produce a car. This phenomenon is known as derived demand. Lots of business markets have inelastic demand. So when the price of a business product decreases the demand will not be affected a lot due to the price change. Manufacturers do not tend to buy more of a material for the products when the price goes down unless the demand for the finished good they are producing is increasing. Furthermore, business markets define demand to be more fluctuating then in consumer markets. The demand for business goods lean towards faster growth and have a tendency to change more than the demand for consumer goods. In comparison, a small shift in consumer demand can cause huge change in business demand. Buying decisions are more complex and more time consuming then in consumer level. Purchases might involve lot of money and complex technological and economic decisions. (Kotler & Armstrong 2001, 214-215.)

As mentioned before business-to-business marketing is more personal and has a tendency to build close and tight relationship between supplier and customer so that both parties can benefit from the relationship. For small companies building trust and long lasting relationship with the supplier may be more crucial than for larger corporations, because of the limited resources and technology. When trying to find potential customer companies on business marketing field, important things to be noted are industry type, customer technology and capabilities, different purchasing policies, as well as customer size and location. (Hooley, Piercy & Nicoulaud 2008, 226-228.)

# 2.1.4 Marketing Opportunities through Marketing Research

"Marketing research is the systematic and objective identification, collection, analysis, dissemination, and use of information that is undertaken to improve decision making related to identifying and solving problems in marketing" (Malhotra 2009, 30).

Marketing research is also known as seeking for opportunities in marketing. Marketing research is started with defining a problem and research question. Managers might want to underline problems related to market potential, brand, company image, sales or market share. Research can also be a long- or short-term forecasting or study of new trends. There are two types of researches. First one is problem identification, which analyzes possible upcoming challenges in the future that are not so apparent. After identifying the problem companies and decision makers take action on problem solving research to solve the problem. Segmentation, pricing, promotion and distribution go under problem solving research. Second step in the research process is to come up with the research question and think about suitable approach towards the problem. Research design involves decisions on, how to carry out the research and which tools to use. Decision whether to use surveys, tests groups or experiments needs to be done at this point. After that the data is actually collected on the field by using interviews through different channels. Collected data is analyzed very carefully to draw up conclusions and answer to the research question. Last part is to present the results in a written report and describe all the above mentioned formally in a document form. (Malhotra 2009, 30-36.)

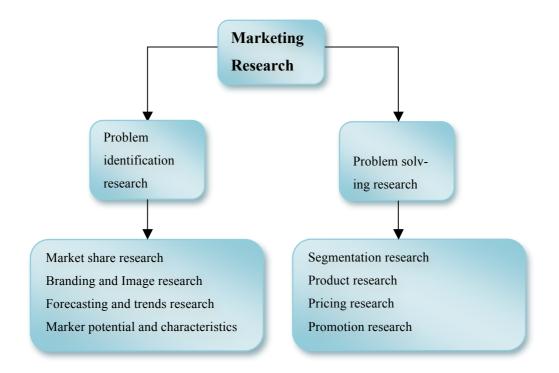


Figure 2: Classification of marketing research (Malhotra 2009, 33.)

Marketing research is very helpful tool for the management with accurate and up-todate information. Companies can aim to get or sustain competitive advantage through marketing research. Marketing research is the gate to understand customer and adjust to their needs and wants. Marketing research also helps to follow rapidly changing customer tastes and trends. The value of your product or service set in customer's mind can be defined in the result of the research. This again affects to the pricing as well as distribution channels selected after finding out, where your customer wants to buy your product. (Shukla 2008, 14-16.)

Marketing research gives effective guidance for the management problems and for the decisions made in marketing environment, it can also reduce risks. However, the risk of a failure always exists. Marketing research does not count out the possibility for the company to fail in its actions. Let's highlight the fact that marketing research only provides support in decision-making. There are many cases where marketers have counted on the intuitive research and the decisions have led to poor decision-making or in the worst case to the failure. The role of a marketing research is rather to make suggestions and assist decision makers with thoroughly collected data to step towards correct decision. (Shukla 2008, 26-27.)

Survey method is used when sample group contains of large amount of people. Basic way to conduct a survey is by mail, telephone or interviews in person. Surveys are made up from a questionnaire with relevant questions about the research problem. Surveys are one of the simplest most reliable tools for the research. Disadvantage of a survey is that the questions asked might not be answered honestly especially in case of more personal questions. Or subconsciously respondents do not know why exactly they prefer something over another thing and this makes it hard for them to define their motives. So the information is not always very accurate. It is also difficult to form clear and understandable questions and sometimes question might be too leading bringing people to answer something they do not really mean. (Malhotre 2008, 213-214.)

# 2.2 Customer Analysis

Customer analysis is crucial part of marketing plan. Organizations have to define their customers very precisely. This kind of analysis helps to find the most profitable target customer group or groups. In this section tools and concepts for customer analysis are explained.

# 2.2.1 Market Segmentation

Companies cannot try to sell their products to all type of buyers. People are looking for different kind of solutions to respond their needs and wants. Kotler and Armstrong (2001, 245) argue that customer type may differ in many ways such as in their wants, location, attitudes, resources and buying practises. One marker segment refers to the group of customers with similar mind set, needs and wants. Segments can be defined according to demographic, geographic, psychographic and behavioural characteristics. There are other ways and subcategorise for different segments but above mentioned tend to be majorly used. (Kotler & Keller 2012, 236.)

Geographic segmentation divides markets according to the location and geographical areas such as states, cities, countries or nations. Firms are looking to expand and open smaller stores in suburb areas and in small towns. Same company may also sell different consumer good in different areas according to buying behaviour, nationality, culture and

so on. Advertising efforts should fit the needs of the group within a certain area. (Kotler & Keller 2012, 236; Kotler & Armstrong 2001, 249-250.)

Demographic segmentation looks at the consumer according to family size, gender, occupation, education, religion, nationality, age and social status. These types of variables are easy to measure and very popular way to segment the customers among the markets. Men and women base their buying decisions differently. For instance, generally women and men look at the different things when purchasing a car. Consider countries with more singles and couples compared to the countries with big families where the package sizes must be a lot bigger for instance when buying groceries. (Kotler & Keller 2012, 238-239; Kotler & Armstrong 2001, 253-254.)

Psychographic segmentation comes from the work psychology and demographics. Trends, values and lifestyle are in major focus when dividing psychographic segments to smaller consumer groups. This has a lot to do with attitudes. Consider a fashion addict spending half of her income on clothing or a father looking for functioning technologies or career oriented people pushing their status with high quality products. Psychographics deal mainly with feelings. (Baines, Fill & Page 2011, 232-234; Kotler & Keller 2012, 248.)

Behavioural segmentation is based on the knowhow and the way people respond to the product or service. Behavioural segmentation is again broken down to different variables to measure customer needs. Occasion segmentation refers to time and occasion when the idea to buy the product is the strongest. For instance Christmas time boosts the sales of a wrapping paper. User status means nonusers, ex-users and potential user not buying the brand. Marketers have to find out why they are not buying, whether it is a belief or just lack of knowledge to understand and attract them to use their products or services. Usage rate explains the concept of heavy users who are consuming a lot of one brand or product. It would be more beneficial to attract one heavy user then many light users but the problem is that lot of heavy users are either loyal to one brand or only look for the cheapest price. Customers are looking for beneficial solutions. Toothpaste market has good example of successful behavioural segmentation strategy with different segments according to economical, cosmetic, medicinal and taste use. (Kotler & Keller 2012, 249-250; Kotler & Armstrong 2001, 257.)

After evaluating all possible segments a firm has to choose which and how many of the markets to target. Profitability, growth rate and sales of each segment must be examined at this point. Bargaining power of buyers and suppliers affects to the prices and again for decision. A firm also decides which strategy to use. Undifferentiated marketing closes out the segments and differentiation. It is also known as mass marketing in which case company goes after the whole market with one product with the purpose to appeal as many buyers as possible. Differentiated marketing strategy respectively means the aim to target different segments with different products or offers. Concentrated marketing is appealing for small companies with limited resources because company goes after a big share of only one or few segments. (Kotler & Armstrong 2001, 264-267.)

STP comes from the words Segmentation, targeting and positioning. STP process includes a strategy, target markets and positioning. The last part of the process is positioning the brand in the minds of consumers. This is very important for all the members of organization to understand. Successful positioning of a brand helps to reach the goal and helps the consumer to understand your brand. It is also important because this is where firms differentiate their brands from other brands. Positioning is communicating the product and the brand to the customer. It has a lot to do with design, attributes and functions of the product, yet it is not only the physical appearance that counts. Positioning is the judgement made by the customer. Judgement is based on what is promised versus how the product succeeds to deliver the promises. (Kotler & Keller 2012, 298; Baines P., Fill C. & Page K. 2011, 251-252.)

#### 2.2.2 Marketing Mix

Marketing mix is translating the strategy to efforts through price, promotion and distribution selection. Marketing mix should support decisions made concerning positioning of the brand. Strategy and marketing mix goes hand in hand, so evidently all the decisions on advertising and prising have to fit the strategy. Company has to choose right distribution channels to reach selected target customers and also the price has to be set to meet the quality of a product or a service. (Hooley, G., Piercy, N., Nicoulaud, B. 2008, 50.)

Marketing mix is divided in four P's: Product, price, place and promotion. All these variables are controllable tools affecting the demand of a product. Four P's is tactical

tool aiming to be effective guide to lead target customer's mind to make them believe in wanted values set by the company for its product. Four variables are explained below.

Product is the actual tangible end product or intangible service sold to the customer. Many products have more than one feature. Product includes things such as appearance, material colour and everything to do with physical appearance. It is also about the name of the brand, the way it differs from competitors and how it is used with its product features. (Kotler & Armstrong 2010, 76.)

Price is the money payed for the product or service. Price is defined by price elasticity whether the customer is sensitive for small changes in price or not. The price point among the competitors should be considered as well as possible use of discounts and offers to compete in competitive market. (Kotler & Armstrong 2010, 76.)

Place represents the platform where the product is made available for the customer. Place is where the product is sold. Often place is a store but company has to analyse in what kind of store or stores the product is sold. Is it available online or sold directly to customer? Or even all of that combined. (Kotler & Armstrong 2010, 76.)

Promotion means the advertising activities used to sell and communicate product to the customer. Elements of promotion are advertising, sales promotion, personal selling and direct marketing. Different channels for promotion are TV, radio, PR, newspaper and magazine, trade shows and broadcasts just to mention some. (Kotler & Armstrong 2010, 76.)

Below 4 P's are explained in a graphical form to highlight the main focus within each P.



Figure 3: 4 P's of marketing – The Marketing Mix Strategies (Business Funds 2011).

In practice to be successful a marketing program is planned by using all the elements from marketing mix to create extra value to the customer. Marketing mix has vital effect when aiming for strong position in competitive market. Marketing mix model is also looked at critically. Especially the absence of services and packaging has been criticised. Customers are looking for a value, convenience and effective communication. Customers value relationship and critics say marketers should first look at the model from customer's point of view considering the costs, solution for their needs, communication and convenience before analysing P's from company's perspective. (Kotler & Armstrong 2010, 77.)

4 P's have been extended to 7 P's over the time to satisfy customer needs better. First P added to the list is people. People refer directly to staff. Employees are critical asset especially in service sector. Motivated employees are more likely and capable to serve the customer well to build long term beneficial relationship for both sides. Employer's challenge is to provide employees with clear job descriptions, selecting people with right skills to the right jobs, provide a proper training and remember to give regular feedback and assessment on their performance in constructive manner. (Hooley, Piercy & Nicoulaud 2008, 363.)

Process refers to CRM system discussed in upcoming chapter. Process to deliver the product involves also the way customer judge the level of service not only staff's ability to serve the customer effectively. Order processing and delivery may require ICT tools such as CRM. CRM is a managing tool for the company to maintain and improve the relationship with the customer. In addition it ensures the level of contact made to the client at all times. CRM allows keeping track on buying behavior. Products particular customer has bought can be tracked down thus sending information on that or alternative product is easy for organizations. Companies producing baby products often send out offers to the customers according to the needs of a growing baby. (Hooley, Piercy & Nicoulaud 2008, 364.)

Physical evidence is the tangible part of a product or service. Physical evidence is everything from the packaging to the surrounding where the service or product is sold. To be clearer this can mean the building, lightning, uniforms worn by the sales people, brochures, web design, invoices and other documentation among many others. Quality or luxury can often be seen already from the packaging. (Hooley, Piercy & Nicoulaud 2008, 364-365.)

#### 2.2.3 Customer Relationship Management (CRM)

Customer relationship management has increased rapidly in organizations, as it has become an issue to save and analyse the data that companies hold on their customers. Customer relationship management's duty is to collect important information on customers and manage it to boost customer loyalty. When looking at the bigger picture customer relationship management is the process to build the relationship with the customer by delivering value and satisfaction. (Kotler & Armstrong 2010, 36.)

Companies gather information by managing customer touch points including purchases, sales force contacts, service and support calls, satisfaction surveys, Web site visits etc. Basically every contact made between customer and the company. Often this information is spread across the whole organization making it difficult to manage. CRM specialists have created electronic data warehouses with customer database. Purpose is not only to put the essential information together but also create accessible location for it. Advantage of CRM is gained marketing opportunities, higher level of customer service and more loyal and extended customer relationship. The purpose is mainly to attract,

and win over new clients as well as sustain already existing ones and even get the old customers return to your services. On the other hand the common mistake is to view CRM only as a technology. Intranet is commonly used in organizations to store important data to be easily accessed by employees, managers and other stakeholders. (Kotler & Armstrong 2010, 144-145.)

#### 2.3 Strategic Planning

Each company has to create a strategy. Following concepts are important part of the process of defining the strategy, allocating resources, choosing direction and making decisions. It is crucial for the company to understand its position and the possible options to take on action.

#### 2.3.1 Macro Environment

Macro environment consists of six main forces that affect the external environment of an organization. Demographic environment is one of the most powerful forces affecting the business world because it involves people, people who again make the markets. Without people there is no demand and different types of demographic groups according to age, family size and education make up different markets by demanding and consuming similar products within the group. All changes in structure of population and in demographic trends are interesting for marketers. Those changes keep them on a right track. (Kotler & Armstrong 2012, 94.)

Economic environment affects directly to consumer buying power and spending. The world consists of three different types of economies. Industrial economies include wealthy markets for many kinds of goods. The other extreme is subsistence economy meaning poor economies with mostly agricultural products and only a little market opportunity. Developing economies are those with great deal of possibilities for right kind of products. Even large corporation are affected with economic downfalls. To sum up, changing condition in economy has a huge impact on the markets. (Kotler & Armstrong 2012, 103-104.)

Natural environment in other words refers to natural resources needed for marketing activities. Think green, is growing trend and marketers should take few things into con-

sideration according to that. Shortage of raw materials is an increasing issue in a long run. Air gets polluted and water shortage is a problem even in many developed countries. Huge industries are destroying natural environment and people are aware of that. Last concern is government intervention meaning the action taken by the government towards cleaner environment. Companies and governments are building strategies to support environmental sustainability more and more. (Kotler & Armstrong 2010, 105.)

Technological environment creates new market opportunities as well as new product opportunities. Technological environment changes all the time as an example car, computer, and airplane. None of these existed a while ago. New technologies open new markets and innovations. (Kotler & Armstrong 2010, 105-106.)

Political and social environment affect to marketing decisions. Political environment consists of laws, regulations, government agencies and pressure groups which set limitations for organizations. Legislation is different in different countries but it affects to decisions in packaging, pricing product safety, trade practises just a few to mention. Organizations have to be aware of constantly changing laws and regulations when planning their products and marketing programs. Companies are demanded to think what is ethically right. Growing awareness of environmental issues has increased interest by the public on social responsibility in organizations. (Kotler & Armstrong 2010, 108-109.)

Kotler and Armstrong (2010, 111) summarizes that cultural environment is the surrounding people live and grow up. Different countries and areas have different values and beliefs. These values and beliefs affect the marketing decisions. Core values are learned values. They come from home and society. Schools, businesses and government pass on values to other people like parents pass on values and beliefs to their children. Secondary values are more likely to be affected and changed than core values. Secondary values reflect on trends such as style, music and movies. Marketers try to predict changing trends to find opportunities. People have distinct views of themselves; others look for pleasure and fun, whereas others define themselves for instance through a career or religion. People use different products and services to express themselves. Other aspects marketers are challenged to think are, how people view other people, organizations, nature, society and the universe. (Kotler & Armstrong 2010, 111-114.)

#### 2.3.2 SWOT analysis

SWOT is external and internal analysis put together on company's strengths, weaknesses, opportunities and threats. External environment consist of opportunities and threats. External environment consists of changing trends that are not managed by the company but they should find the marketing opportunities for their benefit on external environment. There are few ways to discover new opportunities. Offer lower price, customize a product or service, create new features or capabilities or faster delivery. Strengths are internal resources and positive situational factors helping to attract and serve the customers. For instance knowledge and educated and motivated workforce are considered company's strengths. Weaknesses are limitations such as shortage in workforce, poor technology or reputational factors. It is important for the company analyse their own strength and weaknesses to eliminate or minimize threats and weaknesses by maximising opportunities and strengths. (Kotler & Armstrong 2010, 77-78;Kotler & Keller 2012, 70-72.)

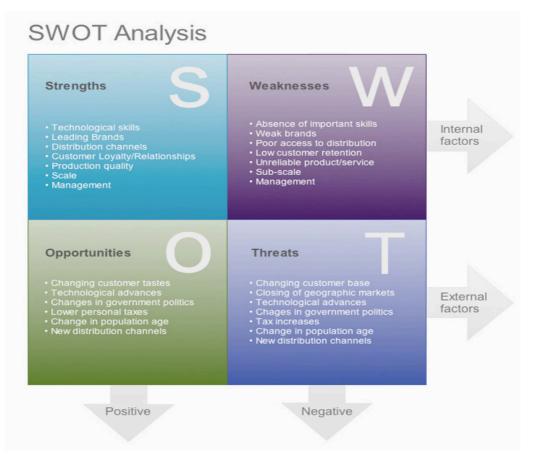


Figure 4: Swot analysis. (ICWA, ICWAI, and CS coaching articles 2011).

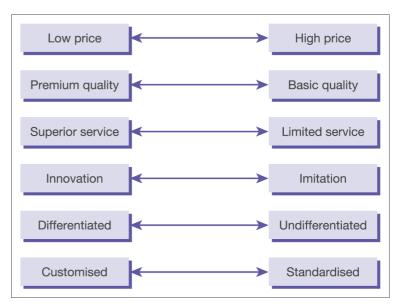
#### 2.3.3 Core Strategy

Core strategy is strategy or strategies used to achieve company's objectives and goals. Core strategy demands careful analysis on the market and available resources. Core strategy includes the mission and analysis on the business purpose. Resources involve analysis on skills of employees, financial capital as well as skills of management in financial and marketing planning. Crucial part is to consider how or whether those resources available can be used to abuse the market place to gain customer values. Product life cycle (PLC) is part of the core strategy. Kotler & Keller (2012, 332.) states that PLC has four stages; introduction, growth, maturity and decline. PLC indicates that in each state business activities and strategies used are different. Each state involves different opportunities and problems for the seller. Profits are also different in distinct states and different resources are required in each state. Moreover products have limited life. In decline phase it is important to consider whether to let the product die or invest more money to product development and try to recover. Firms are seeking key factors for success through SWOT analysis. First company analyses market opportunities and threats, industry and its key success factors. After that marketing objectives are set for short and long term purposes. In its all meaning core strategy is statement of how firm plans to achieve its objectives. (Hooley, Piercy & Nicoulaud 2008, 35-37; 42-44; Kotler & Keller 2012, 332.)

# 2.3.4 Positioning Strategies

Positioning is fitting the different target markets together and choosing right strategies

by using company's strong values and assets for its benefit to do better than competitors. The figure on the right shows six different strategies to position products. Strategic decisions can be based on price, with purpose to offer lower costs than competitors. Offer higher quality products than competitors. Offer high-



er quality of service by tailored service to meet the needs of the consumer. Discover new innovations, this is popular especially in high-tech industries. Customize products according to individual needs of the consumer. And last differentiate from competitors by creating new customer segments and uses for the product. (Hooley, Piercy & Nicoulaud 2008, 35-37; 42-44; Kotler & Keller 2012, 556-566.)

#### **3 MARKETING PLAN**

This marketing plan is mainly based on the analysis from the survey conducted with the purpose to gain information on the potential customers, consumers behaviour and brand awareness for the brand Abacus. Survey supports the findings on the marketing activities made in the past and recommendations for the future throughout the whole marketing plan. The survey was sent to Nokia River golf club's members. The plan is focused on Abacus rain clothing especially rain jackets to come up as effective plan as possible.

# 3.1 Structure and Objectives of the Marketing Plan

The plan consists of eight chapters. First the challenge Rotor Form is facing with new brand and expansion to the retail markets is explained. In the second chapter the situation analysis has been put together. The history and core business of Rotor Form is explained. The existing and potential customers for Abacus in Finnish market are analysed based on the survey results. Competitive environment is analysed for Rotor Form in terms of Abacus as well as the competition in B2B and business gift environment. Last part of situation analysis is the listing of Rotor Form's collaborators. Third chapter analyses generally the environment to do business in Finland. Forth chapter explains briefly the segmentation process for Abacus products as well as the questions from the survey about the buying behaviour are analysed here. After that the analyses marketing strategy is carried on through 4 P's of marketing mix for the Abacus rain jackets. To create extra value for the company blue ocean strategy canvas is drawn for Rotor Form as a whole. The second last chapter gives a brief forecast for the future in a long and short run for Rotor Form in terms of Abacus. The last chapter gives recommendations based on the survey answers from the respondents and lists, what are the customers hoping to see from Abacus products in the future.

Last year the sales of Abacus in Finland increased 191% from the year before. The goal of Abacus for the upcoming year 2013, is to increase sales by 50% and in a long run become a leading brand in the Finnish golf market. Rotor Form's biggest clients in terms of Abacus products are Pro Shops situated in almost every golf court. Business is growing steadily and new customers are reached every year. Abacus sets a budget for Rotor each year. In 2012 the budget was exceeded clearly and new customers were

reached. Before this year Rotor has been selling Abacus products without a clear marketing plan. (Henttonen M. 2012.)

The goal is to reach approximately 60 to 70 Pro Shop customers in total but the problem to gain such a number is that there are only 133 golf clubs is the whole country, so the customer potential is limited. Rotor is aiming to gain five to ten new customers per year. (Eljaala S. 2012).

There have also been some initial negotiations with Stockmann to sell some Abacus products in their stores. The plan is also to gain retail customers other than Pro Shops such as some smaller boutiques and clothing stores selling quality products. For instance, autumn and winter collection has products such as winter jackets with high potential to sell to other kind of stores selling clothes for leisure time (Eljaala S. 2012.)

#### **3.2** The Challenge

Abacus is a manufacturer of sports clothing specialized in golf clothing. The clothes are functional and the design is combined with quality and function. Abacus operates in twenty countries. Abacus has very strong market position in Sweden, Denmark, Holland, Germany and Canada. The goal of Abacus is to move towards lifestyle brand reaching new customers and areas beyond golf. (Abacussportswear 2012.)

Rotor Form and Abacus have been partners for two years. Rotor Form found Abacus by passionate interest on golf and the purpose to find a new brand to be marketed in Finland that was not yet established in the Finnish market. The challenge for Rotor Form has been to enter a totally new area in retail business as a distributor. Despite the new challenge and unknown business area with only little knowhow, the success of Abacus has exceeded the expectations. The results have been positive, and satisfied both Abacus in Sweden and Rotor in Finland.

The budget for the upcoming year 2013 has been set and the goal is to reach sales of 200 000 euros. From this 200 000 euros can already be calculated the pre orders made for the summer 2013. Those sales already reach 140 000 euros so the expectations to exceed 200 000 euros are rather high. The aim is to collect 50 000 euros from the reor-

ders made during the spring and summer 2013. The remaining 10 000 euros is supposed to account from the orders made from just released collection for autumn and winter 2013. From all the sales of Abacus 6-10 % has to be invested in marketing in the up-coming year. (Henttonen M. 2012.)

In terms of marketing the biggest challenge in near future is to gain visibility and brand awareness, and to stand out from the familiar big sports brands.

#### 3.3 Situation Analysis

This chapter gives analysis on the company operations in deeper level. The competition, existing and potential customers for the brand Abacus in Finnish market are presented. Collaborators of Rotor Form are listed briefly in the end of the chapter.

#### 3.3.1 Company Analysis

Rotor Form Oy is a small business gift and importing company focused on B2B sales. It was established in 1996 and in 2007 it was partly bought by Sami Eljaala the CEO of Rotor Form. Rotor Form is situated in the same premises with another business gift company High Peak. Jukka Lylykorpi is the owner of High Peak, and the founder of Rotor Form Oy still owning the biggest share of the company. In 2007 Rotor focused on importing the French brand called Lexon for B2B sales. Lexon designs promotional products. At that time turnover was approximately 80 000€. In 2009 Rotor took over the whole B2B sales of Suunto. This guided the company to the direction where they wanted to go by differentiating from the competition by selling products that other or most of the other companies do not offer in business gift field. Rotor has a contract with Suunto to be the only company handling the business sales in Finland. This means that other business gift firm cannot sell Suunto directly to their customers. Rotor also started to focus more on imports. Wilson came to B2B offering in December 2011. Rotor Form's Partnership with Swedish golf sportswear brand Abacus was negotiated in autumn 2010 and the first resale was made in summer 2011. Abacus has brought a new challenge and area expansion for the company in retail business. Rotor Form is the only distributor of Abacus in Finnish market. Rotor Form has no previous experience of this kind of marketing and business activity. In the 2011 turnover of Rotor accounted in 1,3 million euros. (Eljaala S. 2012.)

### 3.3.2 Employees

Rotor Form operates in Kaleva Tampere and Espoo, but the main office and operations are focused in Tampere. Rotor Form and High Peak have a shared show room where to exhibit and present the samples for the customers of their offering. Rotor employs three full-time employees and one part time sales person.

Mika Henttonen is mainly responsible for marketing but also involved with all the activities when needed. Taru Niilo-Rämä is "the right hand" of Sami Eljaala (CEO). She is responsible for business support, sales and handling the orders. She handles the customer database and the contacts. Ilari Kalliomäki is the full-time salesman. He is responsible for the business gifts and giveaways, which accounts the huge part of sales.Pasi Järvinen is salesman working for Rotor nearly full-time. He is selling only Abacus and Suunto and visits the office from time to time. He goes around the country visiting old and new potential customers personally. Sami Eljaala is the CEO and part owner of the company. Rotor has an office also in Espoo and that is Sami's main office. He visits the office in Tampere once or twice a week. Rotor has a signed contract with a person working for an advertising agency to do the web design. He is responsible for the IT support when it comes to the websites.

# 3.3.3 The Mission

The mission of the company is to offer highest quality and style to the customer as possible. Rotor Form values healthy lifestyle by encouraging employers to motivate their staff to move and enjoy healthier lifestyle. By doing that, employers can cut the amount of costly sickness leaves. Rotor Form is mainly focused in business marketing through imports, business gifts and giveaways. The core idea is to keep the quality and offer tailored and personalized service to the customer. At this point the focus is mainly on brands Suunto, Steel Function, Abacus and Lexon. Company values honesty and employees rights. Rotor Form wants to offer a good atmosphere for each employee to work in and possibility to affect and innovate. Rotor motivates its employees with flexibility and by involving them in decision-making as much as possible. (Eljaala S. 2012.) Great and personalized customer service is the main asset. Sami Eljaala also has a long background and knowledge as a salesman in B2B sector that is considered strength for the company. The main goal is not to be the biggest business gift company with the biggest share, but to make fair business and offer a good place to work and focus on quality and create loyal and long lasting customer relationships. Rotor concentrates on few segments instead of the whole market and increases sales on those areas through carefully considered quality offering of products. In a small company like Rotor resources are limited and knowledge and expertise can be limited compared to huge corporations. (Eljaala S. 2012.)

Rotor Star is the website where Rotor sells some products with lower prices to the employees of companies with the contract to use the site. This is a new business idea and could be one day sold to International markets. Most of the products sold at this point are Suunto products. The idea is to provide employers with the tool to encourage employees for healthier lifestyle as well as make them feel important for the company through employee benefits. Rotor delivers the products directly to the customer but the orders are made under the company's name where the person works. At this point this service is out of cost for the employer or the company making the contract. Later if expanding, the cost factor might be thought through again. It is very easy to get started with the service. Rotor only needs a contact person who will inform the staff about RotorStar, pass along the password and username of the server and send out newsletters when needed. In the future this is also going to be platform in terms of selling Abacus.

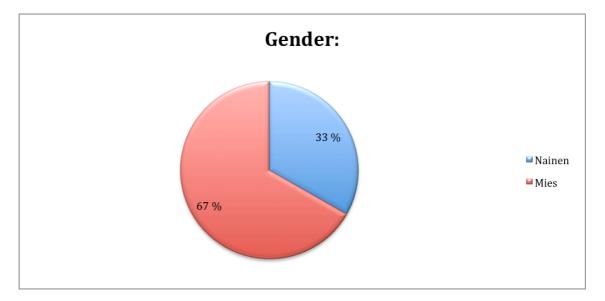
#### 3.3.4 Customer Analysis

Most of the resale customers are Pro Shops as mentioned before. At the moment Rotor has 30 Pro Shop customers and some of them have more than one shop located in few different golf courts. As an example Golf Balance is one of the bigger customers for Rotor and it has one store in Vantaa Varisto and Espoo Suomenoja both located in capital area. Abacus is not sold to big sports store chains like Intersport to sustain the value and price range of the products and to favor smaller professional golf stores to sustain customer loyalty. For Rotor Abacus customers are mostly golfers when talking about the end users. This area expansion is easy to control in such an early state.

As a brand Abacus values quality and functionality in their clothing. Abacus collection is divided in four categories; rain, wind, warm and on tour. However Abacus is focused especially in rain clothing. This is very beneficial in Finnish market as the weather conditions are unstable and it rains a lot. In other international markets Abacus is striving towards lifestyle brand by targeting different groups beyond golf. Abacus clothes are functional and suitable for all kind of use for leisure activities. In the future there are also potential customers other than golfers in Finnish market as well.

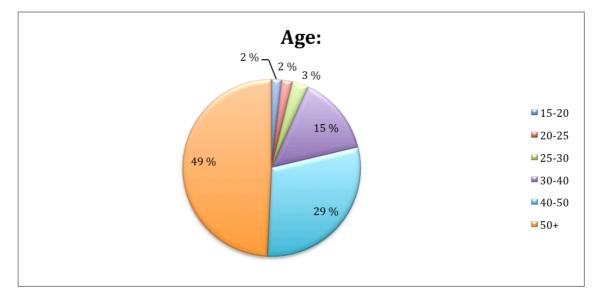
According to the survey following results were reached about existing and potential customers among the survey.

| Answer OptionsPercentCountFemale33,3%133Male66,8%267 | Gender:        |                   |
|--|----------------|-------------------|
| Male 66,8% 267                                       | Answer Options | Response<br>Count |
| answered question 4                                  |                |                   |
| skipped question                                     |                | 400<br>7          |



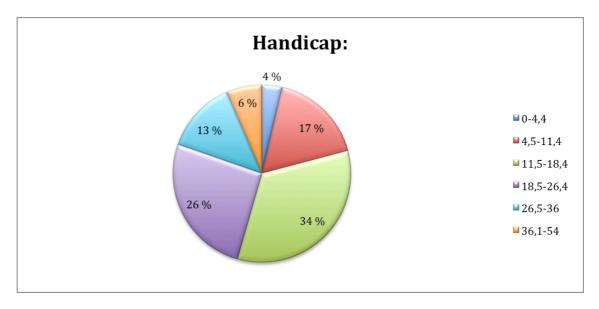
From 407 respondents 267 people 66,8% are men. It can be said that there are more male golfers thus male are more potential target group in terms of selling Abacus. However, the conclusion is not to target male customers only or more than woman. Abacus has full functioning line of clothing for women. It could be that golf is more popular hobby among men.

| Age:           |                     |                   |
|----------------|---------------------|-------------------|
| Answer Options | Response<br>Percent | Response<br>Count |
| 15-20          | 1,8%                | 7                 |
| 20-25          | 2,0%                | 8                 |
| 25-30          | 3,0%                | 12                |
| 30-40          | 14,5%               | 58                |
| 40-50          | 29,5%               | 118               |
| 50+            | 49,3%               | 197               |
| ans            | swered question     | 400               |
| s              | kipped question     | 7                 |



Looking at the graph it is clear that biggest potential is on over 30 years old people. Even 49,3% of 400 respondents is over 50 years old. This brings us to conclusion that golf is more popular hobby among aging or older people. Middle-aged group got the second biggest market potential according to the survey. It is rather clear that the amount of young golfers is small. Having said that, Abacus has also designs for kids and those can be marketed through parents who can be included as potential customer group.

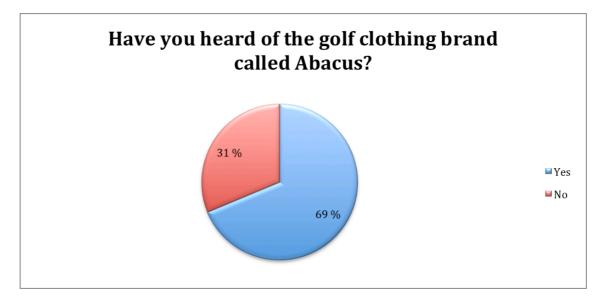
| Handicap:   |  |                                    |
|---|--|------------------------------------|
| Answer Options  | Response<br>Percent                              | Response<br>Count                  |
| 0-4,4<br>4,5-11,4<br>11,5-18,4<br>18,5-26,4<br>26,5-36<br>36,1-54 | 3,7%<br>17,2%<br>33,6%<br>25,9%<br>13,2%<br>6,5% | 15<br>69<br>135<br>104<br>53<br>26 |
|   | wered question kipped question                   | 402<br>5                           |



Handicap is important golf term and shows the skill level of a golfer. Smaller the number is, better the handicap is. Professional players do not have a handicap, whereas the beginners always start from handicap 54. (Eljaala S. 2012.)

For that reason it is a good variable to group different target groups. According to the survey 33,6% from the respondents have handicap between 11,5 -18,4. Second largest group is the ones with handicap 18,5 - 26,4. This leads to conclusion, that most of the respondents are very skilled and most likely practice throughout the whole year. Usually more professional players want to invest in good quality and are also ready to pay higher price than beginners or amateur players.

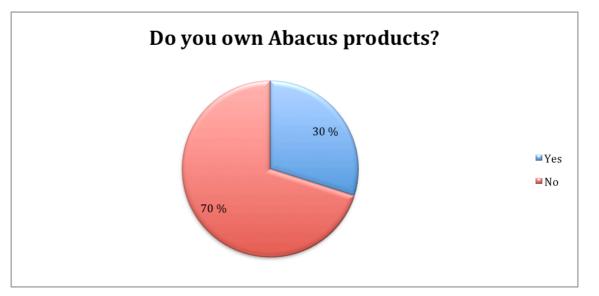
| Have you heard of the golf clothing brand called Abacus? |                                     |                   |  |  |  |  |
|--|-------------------------------------|-------------------|--|--|--|--|
| Answer Options   | Response<br>Percent                 | Response<br>Count |  |  |  |  |
| Yes<br>No  | 68,8%<br>31,3%                      | 275<br>125        |  |  |  |  |
|  | swered question<br>skipped question | 400<br>7          |  |  |  |  |



Survey reveals positive result in term of awareness of the brand. 68,8% of respondents have heard about the brand. There is still room for improvement in the future. The goal can be set to, for example 80 to 85% in the future depending on the marketing efforts. At the moment there is a big potential group of non-users who should be educated and informed about the existense of Abacus.

Do you own Abacus products?

| Answer Options | Response<br>Percent                | Response<br>Count |
|----------------|------------------------------------|-------------------|
| Yes<br>No      | 29,9%<br>70,1%                     | 116<br>272        |
| an             | swered question<br>kipped question | 388<br>19         |



Surprisingly only 30% of respondents own some Abacus products. This can be a result of availability only in smaller professional golf stores not in regular markets and sport equipment stores.

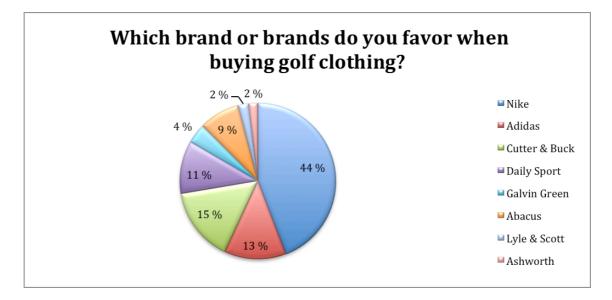
To sum up, the existing customers should be kept loyal but there is also potential on customers not buying or even knowing about Abacus. Rotor could also try to involve Abacus product more in business sales. Most potential new customers are middle-aged and older professionals or very trained and skilled golfers with good knowledge about the golf.

#### 3.3.5 Competitor Analysis

Rotor Form has plenty of competition in Tampere region plus all the other companies selling business gifts around the country. Tampere region itself has more than 50 firms operating in business gift sector. Also regular stores such as Alko and Stockmann can be named as competitors because there are many employers getting their gifts for the employees or partners from such stores. However, value drivers and strategy of Rotor Form differs from most of the other companies. Rotor invests in high quality and offers unique brands exclusively. Personalized customer service is a key factor as well. This sets Rotor apart from the highest competition in the market. (Eljaala S. 2012.)

In terms of Abacus competitors consist of different brands offering golf clothing or other sport clothing and equipment. Below is the question from the survey where the respondents were asked to recognize brands they favor when buying golf clothing.

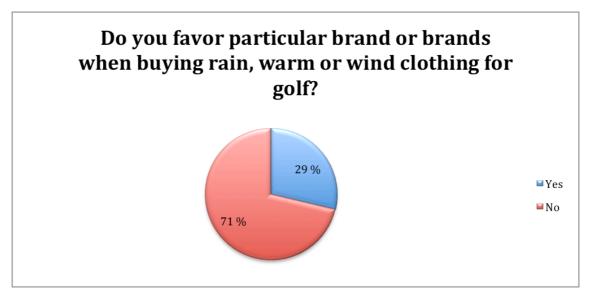
| Which brand or brands do you favor when buying golf clothing? |                     |                   |  |  |  |  |  |
|---|---------------------|-------------------|--|--|--|--|--|
| Answer Options  | Response<br>Percent | Response<br>Count |  |  |  |  |  |
| Nike  | 44,2%               | 141               |  |  |  |  |  |
| Adidas  | 12,9%               | 41                |  |  |  |  |  |
| Cutter & Buck   | 15,4%               | 49                |  |  |  |  |  |
| Daily Sport   | 11,0%               | 35                |  |  |  |  |  |
| Galvin Green  | 4,1%                | 13                |  |  |  |  |  |
| Abacus  | 8,5%                | 27                |  |  |  |  |  |
| Lyle & Scott  | 2,2%                | 7                 |  |  |  |  |  |
| Ashworth  | 1,9%                | 6                 |  |  |  |  |  |
| Another, which one?   |                     | 127               |  |  |  |  |  |
| an  | swered question     | 319               |  |  |  |  |  |
|   | skipped question    | 88                |  |  |  |  |  |



319 people of all 407 respondents answered to this question. The results show that fiercest competitor is Nike. 44% of all the respondents say that they prefer to buy Nike products for golf use. Other brands are competing more equally. There is no big difference between Adidas, Cutter & Buck and Daily Sport. 127 people said they prefer some other brand not included on the list. From those people 25 have mentioned Cross, 21 people mentioned Peak Performance and 11 people listed Rönisch as a favorable brand. Those two brands can be added to bigger competitors according to the survey. Other brands that were mentioned few times were Halti and Catmandoo.

| for golf?      | ing rain, warm or |          |   |
|----------------|-------------------|----------|---|
| Anower Options | Response          | Response |   |
| Answer Options | Percent           | Count    |   |
| Yes            | 28,7%             | 112      |   |
| No             | 71,3%             | 278      |   |
| ans            | swered question   | 390      | ) |
| S              | kipped question   | 17       | , |

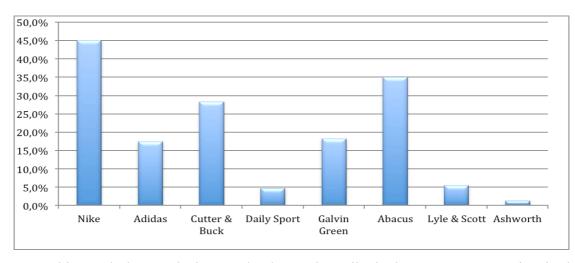
| Do you favor particular | brand | or bran | ds when | buying | rain, | warm | or | wind | clothing |
|-------------------------|-------|---------|---------|--------|-------|------|----|------|----------|
| for golf?               |       |         |         |        |       |      |    |      |          |



Questionnaire included particular questions about rain and wind clothing, as later on this marketing plan will focus more to that category because Abacus sees that as strong area for them. Most of the respondents answered that they do not prefer one brand when buying rain clothing. But there are still almost 30 % of the respondents saying that the brand matters,

|                | Response           | Response |  |  |  |
|----------------|--------------------|----------|--|--|--|
| Answer Options | Percent            | Count    |  |  |  |
| Nike           | 45,0%              | 67       |  |  |  |
| Adidas         | 17,4%              | 26       |  |  |  |
| Cutter & Buck  | 28,2%              | 42       |  |  |  |
| Daily Sport    | 4,7%               | 7        |  |  |  |
| Galvin Green   | 18,1%              | 27       |  |  |  |
| Abacus         | 34,9%              | 52       |  |  |  |
| Lyle & Scott   | 5,4%               | 8        |  |  |  |
| Ashworth       | 1,3%               | 2        |  |  |  |
| Muu, mikä?     |                    | 88       |  |  |  |
|                |                    |          |  |  |  |
| answei         | 149                |          |  |  |  |
| skipp          | skipped question 2 |          |  |  |  |

If yes, which brand or brands would you name a good producer of with above mentioned product features?



From this graph the conclusion can be drawn that Nike is the stongest competitor in the market. Those 30% who did favor some brand answered to the question, which brands are most preferred in hard weather conditions. Very pleasing surprise is that Abacus is ranking second with 34,9% from 149 people who answered this question. Abacus has definitely positioned itself in the Finnish market as a good producer for rain and wind clothing among those aware of the brand. Or at least they are going to the right direction. No new brand was mentioned outside this list. Again Peak Performance and Cross were mentioned multiple times and they should be considered as a competitors.

# 3.3.6 Collaborators

Collaborators selling Abacus products are Pro Shop owners. As mentioned before Stockmann is a potential new collaborator in the future. Other collaborators to mention are golf clubs advertising Abacus products such as Riverside golf and Tammergolf. Rotor has been collaborating with the golf clubs in different competitions by hosting some fairways of the competition and organizing the prices as well as by setting a stand to sell Abacus products.

Nanso Group and Rotor Form Oy have established a company Nanso Pro Oy that is subsidiary of Nanso Group. The idea is that all the activities related to B2B sales moves to Nanso Pro Oy from Nanso Group. Sami Eljaala will be the CEO of the company. (Eljaala S. 2012).

### 3.4 Environmental Analysis

Environmental Analysis is put together from general point of view about the Finnish market, where Rotor Form is operating.

## 3.4.1 Political and Legal Environment

The Political environment in Finland is stable and the corruption rate is one of the lowest in the world. (Helsingin Sanomat 2011.)

According to Finnish law companies are obligated to pay taxes. Taxation rate from capital income in 2011 was 28% but in 2012 it increased to 30%. From income over 50 000 euros the taxation rate is 32%. Companies are also obligated to pay wages for employees including employee benefits, insurance payments, retirement allowances and unemployment benefits. VAT payments from all the good sold need to be deducted. For most of the goods VAT rate id 23%, also for products Rotor Form is selling. Companies make out financial statements for the taxation purposes. There are also rules for employer about employment such as, how to end the employment. Employer must follow the contract. (Pääomatulo 2012.; Arvonlisävero 2012.; Osakeyritysten verotus 2012.)

As Rotor Form handles the packaging and sending the goods for its customers there are regulations in terms of logistics. It is sender's responsibility to make sure that the package will arrive as a whole without scratches. Sender is also obligated to include proper documentation. (Logistiikkayrityksen Liitto ry 2010.)

## 3.4.2 Economic Environment

Finland is highly industrialized free-market economy making it a good environment for making business and starting up new business. According to 2011 estimate GDP per capita is 36 000 US dollars. The real growth rate is 2.7%. Unemployment rate reach 7.8%. Inflation rate in 2010 was 1.7% but has risen to 3.3% in 2011. This shows recov-

ery from recession in 2009. Price level is stable and does not cause harm for businesses. Main industries in Finland consist of metals, electronic, shipbuilding, textiles and machinery. Finland experienced one of the deepest recessions in euro zone in 2009. The recovery of household's consumption, exports and domestic trade has been stable yet leaving the mark to the whole economy and economic growth. Business environment is stable but the country is facing a challenge in a long run to sustain economic growth and recovery. (Economy 2012.)

## 3.4.3 Social and cultural Environment

Population in 2012 is 5,262,930. From the whole population 65.6% are 15-56 years old. Swedish is the second official language of Finland. Abacus is a Swedish brand, which creates extra value for the product among some consumers. (People and Society 2012.)

"Think Green" is a growing trend as mentioned earlier in the paper. Growing trend is to look after your health. Often this includes doing sports. Abacus is selling golf sports clothes but can also target other groups. Finnish people tend to think of the comfortable side in their clothing and Abacus represents that, as well as colorful and trendy side of the sports clothes.

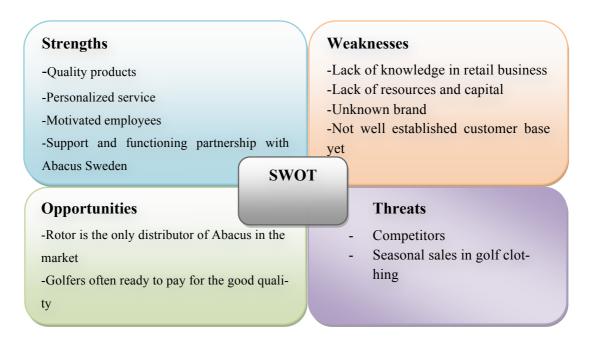
Global warming affects the golf season in Finland as it has become longer and it also rains more. Abacus produces quality rain clothing so this can be seen as a benefit.

## 3.4.4 Technological Environment

Finland is a leading country in high technologies. Everything boosted from the creation of Nokia mobile phones, now know all over the world. Finland spends big part from GDP to research and development. In 2008 3,5% of a gross domestic product was spend on R&D. EU wants to raise the investment on R&D for all the member states to 3%. Sustainable development in Finland takes into account cultural, social and economic factors. Finland is striving towards more and more sustainable environment and is known for being forerunner in the world. (Economy 2012.; Cnet 2008.)

## 3.4.5 SWOT

SWOT analysis is created for Rotor Form as the distributor of Abacus in Finnish market. The analysis does not include other company operations.



### 3.5 Segmentation

Potential of Abacus can be analyzed according to demographic values like age and gender. According to the survey, a most potential customer is rather a male than a female. That does not count out the female group as one segment. The age structure is from 30 to 50 plus as mentioned before. So basically the middle age group could be a one segment. Abacus is offering a good quality and functioning products to its customer. Abacus targets active golfers who not only plays golf, but also has active lifestyle, people who like to travel and be social. Psychographic segmentation for Abacus is to find segment that value trends and active lifestyle in general with high interest on golf. (Yllö A. 2012.)

What do you value the most, when buying golf clothing? Put the following variables in order from 1 to 5. 1 = Most important 5=least important

| Answer Options | 1   | 2   | 3   | 4  | 5  | Rating Average | Response Count |
|----------------|-----|-----|-----|----|----|----------------|----------------|
| Hinta          | 35  | 134 | 138 | 56 | 31 | 2,78           | 394            |
| Laatu          | 268 | 64  | 35  | 12 | 16 | 1,59           | 395            |
| Ulkoasu        | 65  | 149 | 136 | 32 | 12 | 2,43           | 394            |

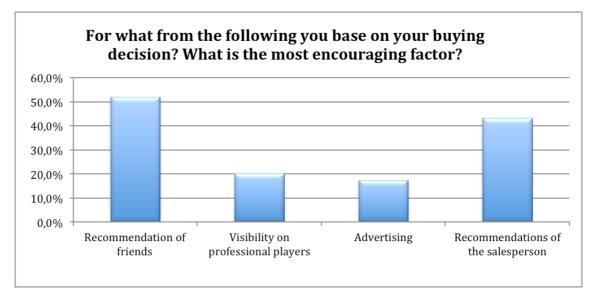
| Trendikkyys | 14  | 25       | 58      | 227 | 70  | 3,80 | 394 |
|-------------|-----|----------|---------|-----|-----|------|-----|
| Brändi      | 12  | 23       | 27      | 68  | 265 | 4,39 | 395 |
|             | ans | wered q  | uestion |     |     |      | 395 |
|             | si  | kipped q | uestion |     |     |      | 12  |

| 11. Mitä seuraavista vaalit eniten valittaessa golfvaatetusta asteikolla 1-5? Laita seuraavat järjestykseen 1 = tärkein 5 = vähiten tärkein. |                |                |                |                |                |                         |                         |  |
|--|----------------|----------------|----------------|----------------|----------------|-------------------------|-------------------------|--|
|  | 1              | 2              | 3              | 4              | 5              | Pisteitä<br>keskimäärin | Vastausten<br>lukumäärä |  |
| Hinta  | 8,9%<br>(35)   | 34,0%<br>(134) | 35,0%<br>(138) | 14,2%<br>(56)  | 7,9%<br>(31)   | 2,78                    | 394                     |  |
| Laatu  | 67,8%<br>(268) | 16,2%<br>(64)  | 8,9%<br>(35)   | 3,0%<br>(12)   | 4,1%<br>(16)   | 1,59                    | 395                     |  |
| Ulkoasu  | 16,5%<br>(65)  | 37,8%<br>(149) | 34,5%<br>(136) | 8,1%<br>(32)   | 3,0%<br>(12)   | 2,43                    | 394                     |  |
| Trendikkyys  | 3,6%<br>(14)   | 6,3%<br>(25)   | 14,7%<br>(58)  | 57,6%<br>(227) | 17,8%<br>(70)  | 3,80                    | 394                     |  |
| Brändi   | 3,0%<br>(12)   | 5,8%<br>(23)   | 6,8%<br>(27)   | 17,2%<br>(68)  | 67,1%<br>(265) | 4,39                    | 395                     |  |
|  |                |                |                |                | vastatu        | t kysymykset            | 395                     |  |
|  |                |                |                |                | ohitetu        | t kysymykset            | 12                      |  |

When buying golf clothing quality is valued the most with the rate 67,8% from 395 respondents ranking it to be most important aspect. Outfit of a product is ranked as second most important thing (37,8%), price comes in third and then trendiness and the least important aspect affecting buying decision is the brand itself.

# For what from the following you base on your buying decision? What is the most encouraging factor?

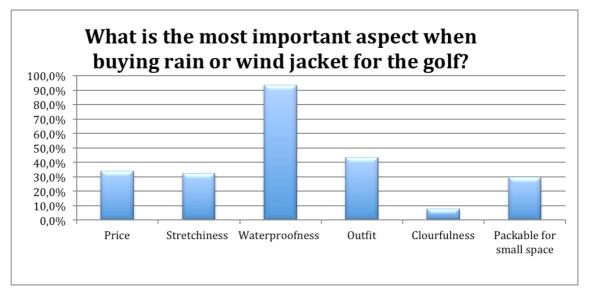
| Answer Options                     | Response         | Response |
|------------------------------------|------------------|----------|
| Answer Options                     | Percent          | Count    |
| Recommendation of friends          | 51,8%            | 144      |
| Visibility on professional players | 20,1%            | 56       |
| Advertising                        | 17,3%            | 48       |
| Recommendations of the salesperson | 43,2%            | 120      |
| Other, what?                       |                  | 135      |
| an                                 | swered question  | 278      |
|                                    | skipped question | 129      |



Half of the respondents base their buying decision on the recommendations of friends and nearly half of the people say that they trust the recommendations of sales person. Rotor Form could try to educate Pro Shop shop owner as well as possible about the functionality of the products so that they could pass on the word to the customer. Advertising seems to be the least effective factor in people's buying behavior. Other replies were mostly own judgment by trying on the clothes.

What is the most important aspect when buying rain or wind jacket for the golf?

| Answer Options           | Response<br>Percent | Response<br>Count |
|--------------------------|---------------------|-------------------|
| Price                    | 33,9%               | 132               |
| Stretchiness             | 32,1%               | 125               |
| Waterproofness           | 93,3%               | 363               |
| Outfit                   | 43,4%               | 169               |
| Clourfulness             | 7,7%                | 30                |
| Packable for small space | 29,6%               | 115               |
| Other, what?             |                     | 54                |
| an                       | swered question     | 389               |
| \$                       | kipped question     | 18                |



Waterproofness is clearly the most important factor when buying rain or wind jacket for golf. Secondly respondents value the outfit of the clothing, it should fit well. Respondents listed also factors such as breathability of the jacket, the cut has to fit on a body and it should be functional when playing golf. Abacus has one rain jacket model that can be packed to the pocket in a small space. 29,6% of the respondents feels that it is important that the jacket goes to small space and it is easy to carry.

# 3.6 Marketing Strategy

Marketing strategy analyses 4 P's of marketing mix. Marketing mix is concentrated on rain and wind clothing of Abacus to draw up precise analysis. The other part of the marketing strategy is Blue Ocean, an alternative new way of making strategic decision. Competitive strategy and positioning are analyzed in the end of the chapter.

## 3.6.1 Marketing Mix

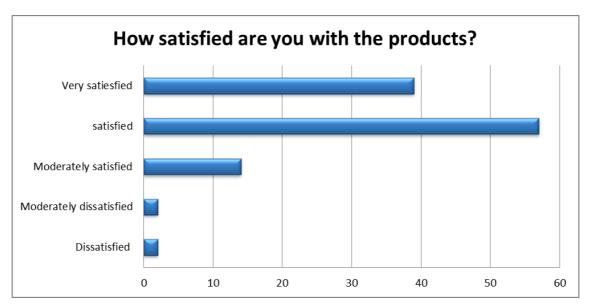
This part of the plan analysis the 4 P's of a marketing mix. The analysis is based on the decisions related to the brand Abacus and the focus is especially on rain and wind clothing to come up with more precise analysis.

## **Product**

The Products is Abacus rain jacket for men and women. There are six different models for both men and women in 2012 collection. Jackets are available in variation of colors but the color is mostly dark navy and black. Other colors available are red, white, trueblue, pink for women, black/white and dark red. All the jackets are made of 100%

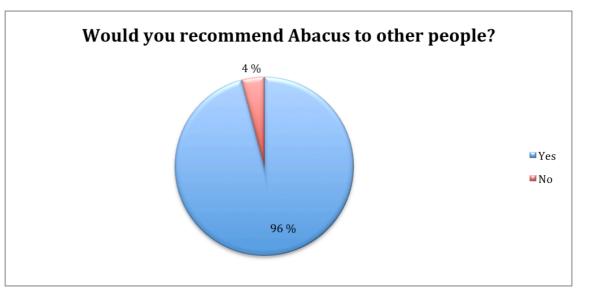
polyester. Rain clothing has at least 5000 mm waterproofness and the cloths designed for extreme weather conditions waterproofness is 15000 mm. In Europe the standard is only 1500 mm. The sizes are from XS to XXL in women's jackets and from S-XXXL in men's jackets. The material used for the jackets is stretchable or extremely stretchable. Seems are sealed and the breathability is from 8000 to even 30 000. All the rain jackets have the guarantee form one to two years depending on the model. One model called Barton stretchlite rain jacket is even packable to pocket. It goes in very small space. (Abacus 2012.)

| How saucts?                 | atisfied are y    | you with the                      | prod-                          |                |                         |                        |                        |
|-----------------------------|-------------------|-----------------------------------|--------------------------------|----------------|-------------------------|------------------------|------------------------|
| Ans-<br>wer<br>Opti-<br>ons | Dissatis-<br>fied | Modera-<br>tely dis-<br>satisfied | Modera-<br>tely sa-<br>tisfied | satis-<br>fied | Very<br>saties-<br>fied | Rating<br>Avera-<br>ge | Res-<br>ponse<br>Count |
|                             | 2                 | 2                                 | 14                             | 57             | 39                      | 4,13                   | 114<br>45              |
|                             | answe             | red question                      |                                |                |                         |                        | 114                    |
|                             |                   |                                   |                                |                | skipped                 | question               | 293                    |



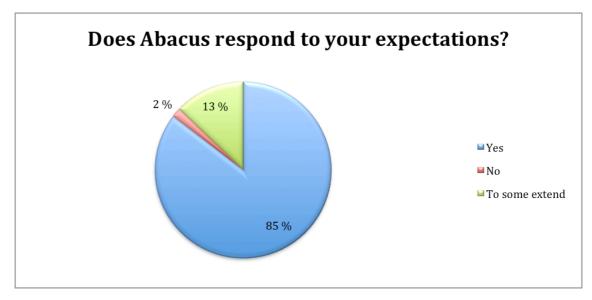
Horizontal line shows the amount of people responded to the question. According to the survey from the people who own Abacus products 50 people (50%) of the respondents are satisfied with the products. 39 people (34.2%) express to be very satisfied with the products. Only 4 people express to be dissatisfied or moderately dissatisfied with the products.

| Would you recommend Abacus to other people? |                 |          |
|---|-----------------|----------|
| Answer Options                              | Response        | Response |
|   | Percent         | Count    |
| Yes   | 95,9%           | 116      |
| No  | 4,1%            | 5        |
| an  | swered question | 121      |
| 5   | kipped question | 286      |



From 121 respondents 96% would recommend Abacus to other people. This rate exceeds the expectations.

| Does Abacus respond to your expectations? |                 |          |
|---|-----------------|----------|
| Answer Options                            | Response        | Response |
|   | Percent         | Count    |
| Yes                                       | 85,3%           | 99       |
| No  | 1,7%            | 2        |
| To some extend                            | 12,9%           | 15       |
| an  | swered question | 116      |
| ٤   | kipped question | 291      |

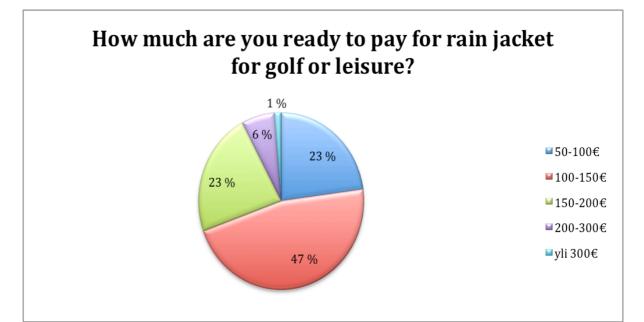


Even 85,3% of the respondents say the expectations of the product are met. This shows that Abacus has realistic promises for the consumer and Rotor Form has successfully held on to the initial values and positioned the brand as expected in consumers minds in Finnish market.

### **Price**

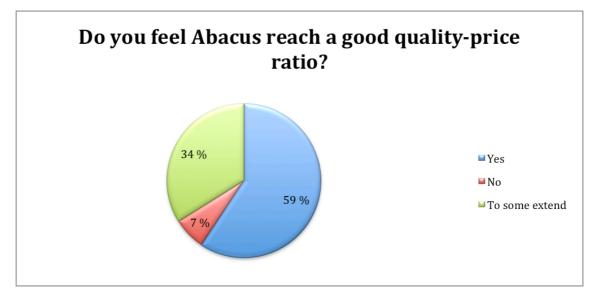
Suggested retail price for the cheapest Abacus ladies rain jacket (NXT rain jacket) is 119 euros. The most expensive jacket for women (Pitch 59 jacket) costs approximately 299 euros. For men the cheapest model is Nairn jacket with the suggested retail price of 119 euros. The most expensive jacket for men is also Pitch 59 model with the same price 299 euros. Rotor Form sets regularly offers from close-out products to its customers. Pricing of the products is fixed and comes directly from Abacus Sweden. (See Appendix. 3.)

| How much are you ready to pay for rain jacket for golf or leisure? |                     |                   |
|--|---------------------|-------------------|
| Answer Options   | Response<br>Percent | Response<br>Count |
| 50-100€  | 22,9%               | 91                |
| 100-150€   | 46,6%               | 185               |
| 150-200€   | 22,7%               | 90                |
| 200-300€   | 6,5%                | 26                |
| yli 300€   | 1,3%                | 5                 |
| ans  | swered question     | 397               |
| S  | kipped question     | 10                |



Price is always critical point to consider for the products sold. From the graph we can see, how much people are willing to pay for the rain jacket in average. As mentioned Abacus rain jacket's price varies from approximately 100 euros to 300 euros. 47% of the respondents would spend 100 to 150 euros for the rain jacket. Difference between price range from 50 to  $100 \in$  and from 150 to  $200 \in$  is almost nothing. Most of the respondents fit within the price range Abacus is targeting and surprisingly many are willing to pay a high price for a rain jacket. This can be due to the relatively high age in average among the respondents and because most of the golfers are ready to pay for functional clothing.

| Do you feel Abacus reach a good quality-price ratio? | •               |          |
|--|-----------------|----------|
| Answer Options                                       | Response        | Response |
|  | Percent         | Count    |
| Yes  | 59,3%           | 70       |
| No   | 6,8%            | 8        |
| To some extend                                       | 33,9%           | 40       |
| ans  | wered question  | 118      |
| Si   | kipped question | 289      |



59% of 118 respondents feels that Abacus reaches a good quality-price ratio and 34% says only to some extend. Only eight people express that the quality does not meet the price.

### **Place**

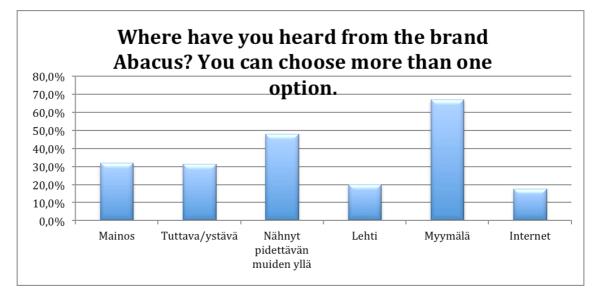
Abacus Products are always ordered from Sweden to Rotor Form. Rotor has own small warehouse in Tampere, which they share with the furniture company Isku and High Peak. So basically there is some little shelf space for Rotor Form's products. Rotor does not keep Abacus products on stock in necessary. When the order is made for Rotor the order is made to Sweden via, a program called sales platform or directly by e-mail. It takes few days to receive the order from the moment it is set. Rotor Form checks the order when it arrives handles the packaging and sends it on to the customer by post. All the previous is handled in Tampere. Rotor Form has a sales person who personally goes around potential and shops and passes the order on to people working in the office in Tampere to be handled. In the future RotorStar website is going to be more active channel to sell the products. For the end users Abacus products are found in 30 Pro Shops all over the country.

# **Promotion**

Rotor Form sends out newsletters regularly to its customers by e-mail. Advertising is also used in some golf clubs with hanging posters on the wall. Rotor is also hosting some golf competitions as mentioned before and sales people are doing personal selling by visiting the customers face to face. When comparing for instance to big brands like Nike this can be seen as an advantage as potential customers do not have to travel from far away to see the samples of the collection. Instead they get a personal visit. Rotor Form is also using sponsoring by clothing young potential new golf promises in Finland. This year two sponsor contracts have been made. This is a good way to get more awareness in the golf circles. Golf websites and golf magazine also promote the brand.

Where have you heard from the brand Abacus? You can choose more than one option.

| Answer Options          | Response        | Response |
|-------------------------|-----------------|----------|
|                         | Percent         | Count    |
| Advertisement           | 31,7%           | 85       |
| Friend/Acquaintance     | 31,0%           | 83       |
| Seen worn by the others | 47,8%           | 128      |
| Magazine                | 19,8%           | 53       |
| Shop                    | 66,8%           | 179      |
| Internet                | 17,5%           | 47       |
| Other, what?            |                 | 33       |
| ans                     | wered question  | 268      |
| SI                      | kipped question | 139      |



When people were asked were have they heard from the brand Abacus most of the respondents (66.8%) said a shop or store. 268 people out of 407 people responded to this question. Even 128 (47.8%) almost a half said they have seen Abacus worn by other people. Result is basically a tie between advertisement and heard form a friend. Other answered people gave were golf competitions, received as a price from the competition and fairs.

## 3.7 Competitive Strategy and Positioning

The strategy used to gain competitive advantage is mainly differentiation. Abacus can differentiate from competitors by targeting professional or amateur golfers. The quality is higher than basic quality but not as high as premium quality. Price is kept in the middle range. The main strategy is to target mid-price segment and the upper quality segment. Abacus tries to create value for money by keeping reasonable prices without compromising the quality. Abacus has a complete collection of clothing with men, ladies, juniors and accessories for golf and free time activities. Abacus offers bigger variety of products than many other competitors for golf use for different ages. Rotor Form positions Abacus products by using personalized high quality service to the customers. (Yllö A. 2012.)

### 3.7.1 Blue Ocean

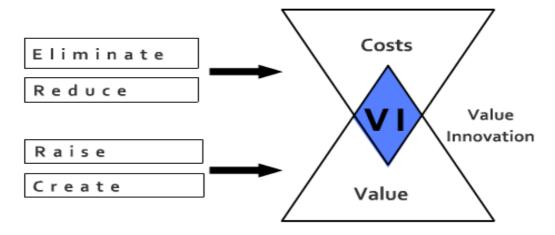
Objective of this new marketing strategy is to succeed without battling the competitors. It is argued that future market leaders can gain success by not fighting the competitors, instead creating "blue oceans" referring to new market space without competition ready for growth. (About BOS 2012.)

"Blue Ocean Strategy highlights the six principles that every company can use to successfully formulate and execute blue ocean strategies. The six principles show how to reconstruct market boundaries, focus on the big picture, reach beyond existing demand, get the strategic sequence right, overcome organizational hurdles, and build execution into strategy." (About BOS 2012).

| Red Ocean Strategy  | Blue Ocean Strategy   |
|---|---|
| Compete in existing market space  | Create uncontested market space   |
| Beat the competition  | Make the competition irrelevent   |
| Exploit existing demand   | Create and capture new demand   |
| Make the value-cost trade-off   | Break the value-cost trade-off  |
| Align the whole system of a firm's<br>activities with its strategic choice<br>of differentiation <b>or</b> low cost | Align the whole system of a firm's<br>activities in pursuit of<br>differentiation <b>and</b> low cost |

Figure 5: (Red Ocean vs. Blue Ocean 2012).

Value innovation is the heart of blue ocean strategy. Picture below illustrates the idea of the concept. The goal is to simultaneously eliminate costs but at the same time differentiate form the competitors by creating additional value. The main focus is to make competition irrelevant by creating a gap to the competition by creating value for the buyer



and the company itself. Goal is to open a new market place through the value creating. (Value Innovation 2012.)

Figire 6: Value Innovation of Blue Ocean (Value Innovation 2012).

Strategy Canvas is a main tool to build blue ocean strategy. Horizontal axis illustrates the competitive factors within the industry and where the company invest their money in. The vertical axis illustrates the level of offering for the buyers. One curve is the competitor's curve in the industry and the other is your company's curve. Curves allow you to see where the competition is high and the industry invests in. The idea is to set apart from the competition by creating values that differentiates you from the competition. (Strategy Canvas 2012.)

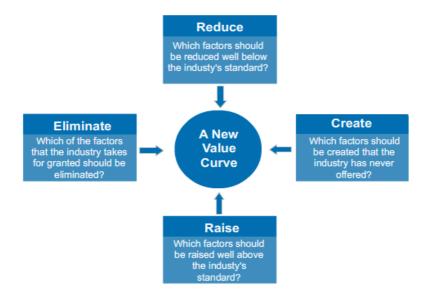
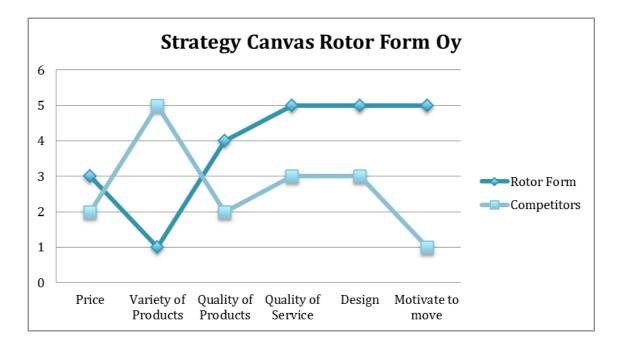


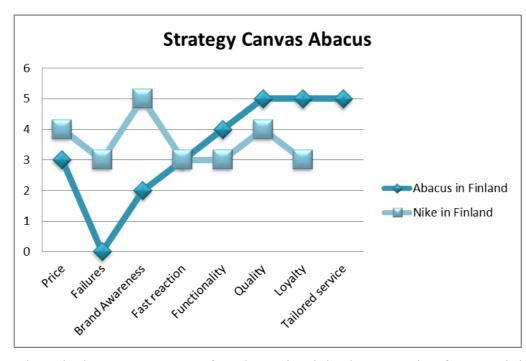
Figure 7: 4 Action Framework (4 Action framework 2012).

When creating a new value curve, four elements demonstrated above are used as bases. This framework challenges company to think, how to lower cost and create some new value at the same time. Basically the questions considered are; what should be eliminated, reduced, created and raised compared to the industry standard. (4 Action Framework 2012.)



# 3.7.2 Strategy Canvas

Above is the strategy canvas for Rotor Form Oy. Note that the canvas has been created for the company as a whole not for the brand Abacus. Competitors curve demonstrates other business gift companies in Finland. When looking at the curves Rotor's curve is strong. The price of the products is more or less the same among the competition, maybe little bit higher due to the quality of products. Variety of the products offered is very low compared to the industry. Rotor Form does not invest here as much to create value in another areas. Quality of the products and service is high or increasing. Rotor Form invest here and due to the small amount of employees the quality of service in relatively easy to control. Products are offered with good taste and the design aspect is high. As an example Lexon and Steel Function are designer products. Lexon uses french designers to create their unique products and Steel Function produces Danish high quality hosehold product. The last factor is to motivate to move. This was though through the brands Suunto and Abacus. Both of those products are related to sports and health. In the future this aspect could set Rotor Form even further apart from the competition.



Above is the strategy canvas for Abacus in Finland. Four action framework is considered to create value for Abacus in Finnish market. First of all price and other costs should be reduced to the minimum. Failures mean the mistakes in orders and product failures. Those factors should be eliminated. Nike's brand awareness reach the maximum and for Abacus that should be raised. Rotor is aiming for faster reaction for the complaints to sustain the customer satisfaction. Functionality of clothing is high but it should be raised above the industry standard. Quality of the products and the service can be also raised above the industry standard. Rotor Form is aiming to retain customer loyalty and create an extra value on that. Rotor Form can create value that Nike is not creating by focusing on tailored and personalized service for Pro Shops. As mentioned before Rotor Form is doing personal selling to Pro Shops. Compared to Nike and other big brands the samples of the collections are often seen only in capital area in particular time. Abacus can offer extraordinary service for its customers through Rotor Form. Personal visits and frequent contacts are necessary. Sales people can also create personal friendships with Pro Shop owners by inviting them for events, dinners etc.

#### 3.8 Short and long term Projections

Short term projections for Rotor Form in terms of Abacus is to start gaining profit within next few years from the sales. At the moment all the money invested in the brand and the money available is invested in marketing and product development to gain brand awareness. As mentioned earlier the goal is to get few more customers a year. That to be said the customer base is limited in Finnish market. Other short-term goal is to reach other retail customers apart from the Pro Shops and other smaller clients. Stockmann is one of the potential new customers in the future and through such a chain new customers can be reached. Rotor Form has to focus on the visibility and increasing brand awareness of the product intensively in the near future. In a long run Rotor Form could even expand its business activities to international markets through RotorStar. RotorStar is selling products to the end users through the company they work for with the discount prices. All in all Rotor Form can differentiate itself even more from the competition by highlighting and promoting its products by motivating people to move and by looking after their health. Short-term projections also include the boost of sales of autumn and winter collections of Abacus this is done easiest by finding collaborators other than golf shops.

## 3.9 Recommendations

Rotor Form should keep concentrating on certain area of a market and aim for the growth in that area not go after the whole market with undifferentiated mass marketing. According to the survey respondents were asked to give feedback of the brand Abacus and recommendations for the future if needed. Following feedback was given. Fiercer coloring in the clothing was desired. People felt that the size selection in the stores was not satisfying smaller sizes as well as larger sizes were hoped to be seen in the future. That can be due to the fact that Pro Shops had ordered only some samples to see, how people react to the new brand. Smaller sizes were missed as well as longer models for older people. One person also mentioned that the products are too cheap. In rain clothing the zippers and the placing of the pockets did not satisfy some respondents. Someone mentioned that the wind jacket for children is not suitable for golf use, it was said to be pressing from the shoulders.

Generally Rotor Form could try investing in marketing activities to reach customers outside of golf players. Clothes are suitable for leisure, trendy and flattering for women as well. One possibility could be to take part of different kind of fairs or organize some short of events to promote and present the Abacus collection. Rotor Form could also send someone to Pro Shops to hold presentation of Abacus clothing so that the consumers could also be able to take part of it to see samples and learn from the features of products. Pro Shop owner could be educated on the product features and try to make Abacus desired among them, so that they could easier promote and recommend Abacus brand to consumers. Rain clothing should definitely be focused on in the future as well. Survey results show that most of the respondents familiar with the rain clothing were very pleased with the quality and ready to pay the price for it. As mentioned before the more color options for the rain jackets as well as for the rain trousers were desired. Rotor could organize an event where the rain clothes could be tested with real water and wind, and let the customers see how the clothes are functioning in challenging conditions.

Rotor Form should aim to be forerunner when establishing long lasting partnerships. Rotor Form should focus on sustaining and improving the customer service to gain reputation as a reliable business partner.

#### 4 CONCLUSION

As a conclusion it can be said that Rotor Form have established a good customer base in Finnish market and the potential for stable growth is high in the future for Abacus. That to be said, gaining new Pro Shop retail customers is limited possibility in the Finnish market. In the future when launching new brands clear marketing planning and allocation of resources is crucial. Rotor Form should focus on the strengths such as service quality and differentiated product range. In term of Abacus, new potential customers can be found through focusing on the activities increasing the visibility of the brand. Every penny counts when planning on the marketing budget, so careful consideration when choosing different marketing channels. Rotor uses mainly online marketing, more precisely email advertising for the retailers. Abacus is striving towards positioning the brand more as a lifestyle brand and Rotor Form should support values of Abacus and sustain strong and functioning partnership with Abacus Sweden.

The strategy Rotor Form should use for selling Abacus is differentiation on concentrated segments. Mass marketing is not the way to go with unknown brand in Finnish market. Abacus is a brand for people who not only play golf, but also have interest on travelling and active lifestyle. Abacus is a lifestyle brand with medium price and high quality. Rotor Form should use its strengths and opportunities to overcome the strengths and weaknesses. With functioning relationship with Abacus Sweden, motivated employees and superior quality service Rotor can stand out from the competition. Rotor Form is the only distributor of the brand in Finnish market that gives the company a competitive advantage. Through blue ocean strategy canvas Rotor Form can create extra value for Abacus by focusing on the tailored customer service unlike the competitors. This is done by paying a personal visit to the retailers, being frequently in contact and let their opinions be heard and affect the decision-making. In the long run Abacus is aiming to be a leading brand in a Finnish golf market and aggressive challenger for competitor brands.

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## **APPENDICES**

Appendix 1. Interview. Eljaala S. & Henttonen M. CEO of Rotor Form OY and Marketing Manager of Rotor Form OY. Interview. 10.9. 2012. Interviewer Koivula L.

- 1. Voisitko kertoo yleisesti Rotorin tavotteista lähivuosina ja vaikka lyhyesti yrityksen kehityksestä tähän päivään. Eli mistä lähdettiin liikkeelle kun ostit firman ja, mihin ollaan tultu.
- 2. Ja siihen syssyyn siis, miten koet että mun oppari vois edesauttaa tavotteiden saavuttamista.
- 3. Ja kun nyt keskityn Abacukseen niin eritysesti tavotteista Abacuksen suhteen, miten sen mukaan tuleminen reilu vuosi sitten on vaikuttanu yrityksen toimintaa?
- 4. Mitä toiveita Abacuksen markkinointi aktiviteettien kehittämisen suhteen lähitulevaisuudessa?
- 5. Kuinka nopeaa kasvua tavoitellaan asiakkaiden suhteen esim kuinka monta uutta asiakasta per vuosi? Tähän voin sitten itse paneutua, miten tämä saavutettaisiin.
- 6. Sanoit, että Abacusta pitäisi saada myös myyntiin johonkin pieniin putiikkiin/putiikkeihin. Millaisella aikataululla tän kaltanen laajeneminen olis mahdollinen tai tavoteltavissa?
- 7. Tullaanko markkinointi budjettiin panostamaan enemmän kun tällä hetkellä?
- 8. Tavoitteena asiakas lojaalius, miten yritys tällä hetkellä on onnistunut lojaalin asiakassuhteen luomisessa?
- Missä parannettavaa?
- ja millä keinoin tähän ollaan tähdätty?
- Miten pitää asiakas lojaalina jatkossa?
- 9. Mitä Rotorilla on tarjota mitä muilla alan yrityksellä ei ole?

Appendix 2. Survey Questions

Abacus golfvaate kysely

Q1. Sukupuoli:

Q2. Ikä:

Q3. Tasoitus:

Q5. Jos kyllä, mistä olet kuullut merkistä? Valitse seuraavista, voit valita monta vaihtoehdoista.

Q6. Omistatko Abacus tuotteita? Jos vastaat tähän kohtaan ei, siirry suoraan kysymykseen 11.

Q7. Kuinka tyytyväinen olet Abacuksen tuotteisiin?

Q8. Suosittelisitko Abacusta muille käyttäjille?

Q9. Vastaako Abacus laadultaan odotuksiasi?

Q10. Koetko, että Abacus saavuttaa hyvän hintalaatusuhteen?

Q11. Mitä seuraavista vaalit eniten valittaessa golfvaatetusta asteikolla 1-5? Laita seuraavat järjestykseen 1 =tärkein 5 =vähiten tärkein.

Q12. Mihin seuraavista yleisesti perustat ostopäätöksesi tai, minkä koet kannustavimpana tekijänä seuraavista?

Q13. Mitä seuraavista merkeistä suosit ostaessasi golfvaatetusta?

Q14. Mikä on tärkeintä valitessa sopivaa sede- tai tuulitakkia? Voit valita useamman kuin yhden vastauksen.

Q15. Suositko, tiettyjä merkkejä valitessasi erityisesti sade-, tuuli- ja lämmintä golfvaatetusta?

Q16. Jos suosit, minkä merkin nimeäisit hyväksi valmistajaksi edellä mainittuihin sääoloihin? Voit valita enemmän kuin yhden vaihtoehdon.

Q17. Paljonko olet valmis maksamaan sadetakista golfiin ja vapaa-ajankäyttöön?

Q18. Voit vapaasti kommentoida tähän, mikä on tärkeää golfvaatetuksessa erityisesti vaikeisiin sääoloihin?

Q19. Jos omistat Abacuksen sade- tai tuulivaatteita kerro tähän, mitä mieltä olet niiden toimuvuudesta, laadusta ja ulkonäöstä. Voit antaa myös parannusehdotuksia tai kertoa, mihin et ole tyytyväinen.

Q20. Jätä tähän sähköpostiosoitteesi, jos haluat osallistua Abacus tuotteiden arvontaan.

Appendix 3. Interview Henttonen M. Marketing Manager of Rotor Form Oy.

1. Mitkä on Rotorin ja Abacuksen Suurimman kilpailijat?

- 2. Mikä on Rotorin markkinaosuus?
- 3. Suuntaa antava asiakasmäärä Rotorille?
- 4. Mikä on hinnoittelustrategia, vai tuleeko hinta suoraan Abacukselta?
- 5. Onko Abacuksen tuotteille mitään takuuta?
- 6. Voisitko katsoa mulle halvimman ja kalleimman sade/tuulitakin hinnan?
- 7. Mikä on Abacuksen markkinointi budjetti?

'Apendix 4. Interview Yllö A. Employee in marketing department of Abacus Sweden

What is the biggest market for abacus?

When was the company established?

What does abacus consider for its weaknesses and threats?

What about opportunities and strengths? Target customer type?

Goals for the sales in Finnish market and overall goal in terms of Abacus in Finland? (Maybe just some expected growth rate in percentage such as 5% bigger sales than last year).

What are most effective tools used for marketing?

How would Abacus describe the value drivers for the brand and positioning within the target customer group?

Overall market share if accessible information?

What is the pricing strategy?

Biggest competitors? If possible little explanation why they are seen the biggest ones