
Market Research about customer segmentation

A thesis commissioned by Tokmanni Oy Tajoustalo




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ABSTRACT

The commissioner of this thesis is the Finnish local retailing business Tokmanni Oy Tarjoustalo in Forssa. The purpose of this thesis is to solve two problems. One is to find out what customer segmentation Tarjoustalo has and to utilize customer segmentation and the 20/80 rule both analysis methods to identify different groups of customers, and provide the best possible products to meet individual requirements. Another problem is to find out who Tarjoustalo's competitors are and what products do customers buy from its competitors. SWOT analysis as a method was used during the case analysis.

Some relevant theory knowledge was applied in this thesis, such as customer segmentation, customer service, why customer service is important in supply chain, ABC analysis and competitor analysis.

The qualitative research method was used with the main focus on the use of questionnaires. In total, 65 surveys were used in market research analysis. The main results of research are that Tarjoustalo mainly serves the customer group are female, over 60 years old, live in a two person household in Forssa. They usually shop once a week at Tarjoustalo and normally purchase detergent products, household goods and clothes due to low price and good customer service. The toughest competitor is Prisma. SPSS as a statistics tool is used to analyse the data and make the graph for each question.

In conclusion, Tarjoustalo, in order to make a profit growth, has to make sure those core products are always available for the customers and the key customers are always fulfilled.

Keywords Customer segmentation, competitors, 20/80 rule, SWOT analysis

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Appendix 1 Thesis Questionnaire English edition

Appendix 2 Thesis Questionnaire Finnish edition

1 INTRODUCTION

There are two main competitive advantages of supply chain management: cost advantage and value advantage. No matter what kind of industry, they all struggle with lowering the total cost and optimizing customer service in order to enhance added value. (Martin Christopher 2011, 5-6.) Tarjoustalo as a retailing business also face a similar issue. Either it has to reduce its costs such as to utilize outsourcing manufacture or provide adding value, for example, enhance its customer service and offer a wide range of categories to satisfy the needs of quite different ‘benefit segments’. Hence, customer segmentation is absolutely necessary for clear up what customer target group which Tarjoustalo has. Thereby it is significant to aim to the target and to fulfil the different customer groups meanwhile improve its customer service.

This paper is divided into several parts. Firstly of all, the author introduces the purpose and objectives of this thesis and gives a briefly introduction to the commissioning company Tarjoustalo in Chapter 1. And in Chapter 2, the author literally introduces the theory related to customer segmentation, customer service, 80/20 rule, ABC categorization and introduces simply about strategic marketing planning process. In Chapter 3 and 4, is the practical part of thesis it mainly introduces the research methods which are applied in this case and the details of the result of this market research. The result is based on the data, which is collected from surveys. The study covers what kinds of customer groups and competitors does Tarjoustalo has. As a result, the author gives relatively recommendation and conclusion for the case.

1.1 Purpose and objectives

The purpose of this thesis is mainly to solve two research questions. One is to find out what customer segmentation Tarjoustalo has. Another one is to find out what products customers buy from the competitors of Tarjoustalo.

To solve the first question, the author utilizes customer segmentation and 80/20 rule both methods to identify different groups of customers. It provides the best possible products to meet variable individual requirements. The core customer and the core products have to be found out in Tarjoustalo.

Another issue is to seek out who the key competitors of Tarjoustalo are. What products do customers buy from its competitors? SWOT analysis as a method was used during the case analysis. It included that customer analysis, competitor analysis, industry analysis and analysis of distribution and suppliers.

1.2 The commissioning company introduction

Tarjoustalo is a national discount-store chain under the Tokmanni Group. The Tokmanni Group is Finland's largest and most diverse discount-store chain consist of 147 stores spread around Finland. There are seven different brands under Tokmanni Group: Tokmanni, Tarjoustalo, Vapaa Valinta, Robinhood, Säästöporssi, Maxi-Makasiini and Maxi Kodintukku. Its headquarter is located in Mäntsälä which is in southern Finland. The Tokmanni Group's net sales in 2012 amounted to EUR 690.2 million. The company has about 2,900 employees around Finland. Forssa Tarjoustalo was founded in 2008 and, has around 20 employees. (Tokmanni Oy company website)

1.2.1 Mission, Vision, and Company culture

The Group's mission is to offer an extensive range of quality products at affordable prices. Tokmanni's professional and skilled personnel, a well-organised purchasing organisation and an efficient logistics system, our network of stores is able to offer customers a wide range of both Finnish and international brand products.

The Tokmanni Group began with Okman Oy, founded by brothers Kyösti and Kari Kakkonen in 1989. The ownership structure changed in October 2004 when funds managed by private equity investor CapMan became Tokmanni's major shareholder. The change in ownership structure has made it possible to pursue a strong growth strategy. In July 2012 Nordic Capital acquired 100 % of Tokmanni's shares. (Tokmanni Oy company website)

The Tokmanni Group is experiencing a period of substantial growth and transformation. Nordic Capital is investing in the growth and development of the discount store sector, as it firmly believes the sector's position will continue to strengthen in the future. Expansion of our international activities has also begun well and includes joint purchasing with Norway's largest discount store chain, Europris. The review of strategy included an adjustment to the company's short-term goals. (Tokmanni Oy company website)

1.2.2 Products (Tokmanni Oy Tarjoustalo)

Tokmanni Group has six major product groups: household detergent, cosmetics and toiletries, electronic and leisure, DIY and home improvement, grocery, clothing and house ware.

Household detergents, cosmetics and toiletries group is divided into four subcategories: personal care, home care, household paper products and "others".

Electronic appliances and outdoor or fitness group is divided in four subcategories: home electronics and appliances, hiking and fishing and fitness and sports and motor vehicles.

DIY and home improvement group is divided into six subcategories: power tools, hand tools, car accessories, home electronics, general and decorative lighting and electronic accessories.

Grocery group is divided into five subcategories: beverages, snacks, cookies and candies, pet food and accessories, diet and nutrition, canned food, and perishable food.

Clothing group has six subcategories are: ladies wear, menswear, children wear, underwear and nightwear, socks and accessories and shoes and bags.

House ware group is divided into seven subcategories: home textiles, interior decorations, household supplies, cleaning tools, toys, garden furniture and other garden products.

2 CUSTOMER SEGMENTATION, CUSTOMER SERVICE AND MARKETING PLANNING

The theory part consists of the following sections, such as customer segmentation, 80/20 rule and ABC analysis, customer service and the process of strategic marketing planning. There are plenty of data need to be analysis after market research implemented at store. The aim is to describe what customer groups Tarjoustalo has and to analyses its customer service against its competitors, then design a marketing plan for the future.

2.1 Definition of customer segmentation

No matter what kinds of business you do, you need to know what kinds of customer you have. Customer segmentation is the practice of dividing a customer base into groups of individuals that are similar in specific ways relevant to marketing, such as age, gender, interests, spending habits and so on. (Customer segmentation, 2007)

2.1.1 The purpose of customer segmentation

In a good strategic plan or good strategy, we are always working on growing organizations whether looking for more profits or greater social impact. We grow by providing value. Hence, in order to growth, targeting right customer groups is necessary. (How to perform customer segmentation)

2.2 80/20 rule and ABC categorisation

The **ABC-Analysis** is an instrument which allows the classification of different products about their contribution to the corporate turnover. It is according to the Pareto Analysis which is also known as the 80/20 rule founded by Vilefredo Pareto in the nineteenth century. It points out that 20 percent of the effort is responsible for 80 percent of the results. According to this rule 20 percent of the products are generating 80 percent of the turnover. But the ABC-Analysis differs to the original Pareto Analysis regarding the fact that the products are subdivided in three different segments. (Everything about Logistic's)

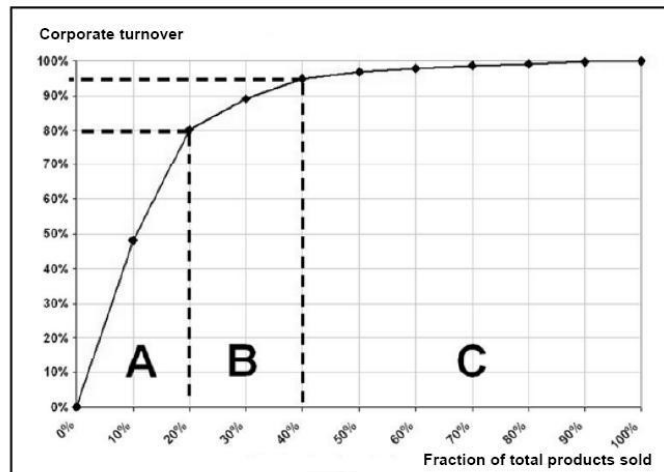


Figure 1 Diagram of an ABC-Analysis (Wannenwetsch (2006), Integrierte Materialwirtschaft und Logistik, p. 77.)

Kind of products	Contribution to corporate turnover	Fraction of the total products
A-Products	60-80%	15-25%
B-Products	10-25%	30-40%
C-Products	5-15%	40-70%

Figure 2 The range of A,B,C products difference

With the evaluation of an ABC-Analysis the core products can be filtered out. Due to the fact that A products contribute most to the corporate turnover, improving them has the biggest effect on the performance of the company. (They should be considered most in change situations)

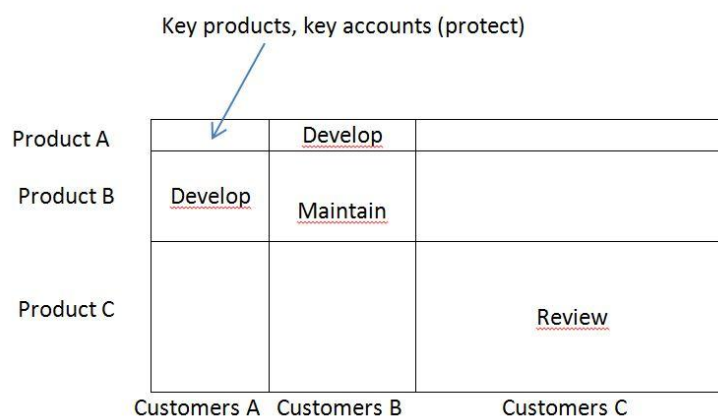


Figure 3 Customer service and the 80/20 rule

The Figure 3 applies 80/20 rule to both customers and products. The company should focus resources on key accounts as well as key products. 20% of customers buying the 20% products equal to 4% of all customer/ product transactions. Hence, the company should offer the highest level of service and availability to key customers ordering key products. On the other hand, the company should reconsider those products and customers which are making less profit and determine to give up them or pay less attention on them. In between, the company requires maintaining its part of B products and B customers meanwhile developing their B customers and B products convert to core products and key customers in order to make profits.

2.3 Definition of customer service

Customer service is the service provided to customers before, during and after purchasing and using goods and services. Good customer service provides an experience that meets customer expectations. It produces satisfied customers. Bad customer service can generate complaints. It can result in lost sales, because consumers might take their business to a competitor. (businesscasestudies.co.uk. Page 2: What is customer service?)

2.3.1 The importance of customer service

Customer service is one of the most important ingredients of the marketing mix for products and services. High quality customer service helps to create customer loyalty. Customers today are not only interested in the product they are being offered but all the additional elements of service that they receive from the greeting they receive when they enter a retail outlet, to the refund and help that they receive when they have a complaint about a faulty product that they have paid for. (Operations theory, The importance of customer service)

2.4 The process of strategic marketing planning

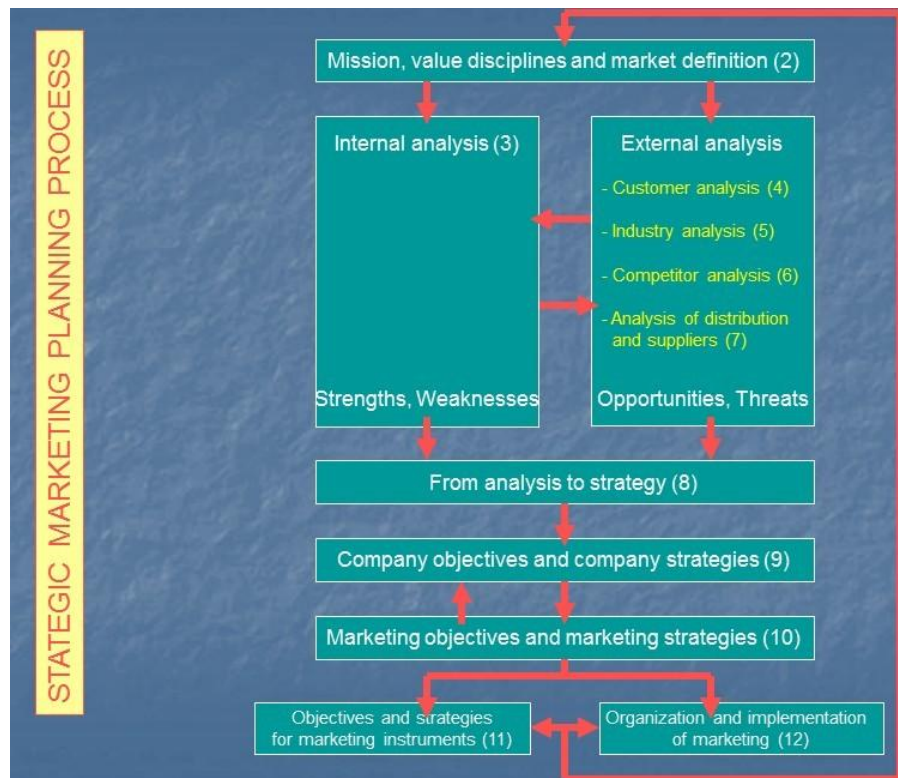


Figure 4 Strategic marketing planning process (Karel Jan Alsem, 2006)

The process of strategic marketing planning is through company mission statement and value disciplines to identify the problem. Based on the company internal and external analysis to analyse the current situation of the commissioning company. Ultimately, from analysis to strategy, the company select a best optional strategy from several strategic options for the company future.

As far as we know, Tokmanni Group is looking for a transmission to become an international company which we can know from its company mission statement. For example, Wal-Mart, Carrefour, Metro AG they all are top international standard company. In Finland, Kesko and S Group are the largest supermarkets among the world’s top 100 retailers. (Finnish supermarket chains among the world’s top 100 retailers-Good news from Finland). Tokmanni sets a goal to be in the top three in Finland and top ten supermarket in Nordic country. This expansion requires Tokmanni not only remain its current customers but also be able to attract its potential customers. Hence, how to satisfy its customers is a key. It has to provide a wide range of products, but also excellence customer service. In order to fulfil its customers, the customer demand has to be discovered. Internal analysis in Chapter 5.2 reveals that what kind of products categories would meet the Tarjoustalo’s customer requirements.

Figure 2 shows the process of making a strategic marketing plan. During Chapter 5, the author gives the answers step by step.

3 RESEARCH METHODS

The research methods utilized in this case are both desk research and quantitative research. The questionnaire as a main research method applies during this case. The most significant data collected from 65 questionnaires from the store. The desk research is the theoretical part back up.

The desk research mainly focuses on books and Internet sources. The books concentrate on marketing, logistics and supply chain management and market research in practice. The several online marketing website gives knowledge about customer service and customer segmentation.

In quantitative research, the company arranged the questionnaire campaign in the store. Cashier chose different time and variety age group to fill the questionnaires. In order to attract more customers to fill the surveys, the company gave a package of coffee for reward. There are totally 65 customers fill the surveys and the information used by this case completely.

4 MAIN RESULT OF THE RESEARCH

The following figures are analysed according to the answers given by the respondents. Sixty-five questionnaires were completed by various age groups and different times in each working day within a week in the store. One of the cashiers was responsible for giving the surveys to random customers. There are 10 multiple choice questions and one open question.

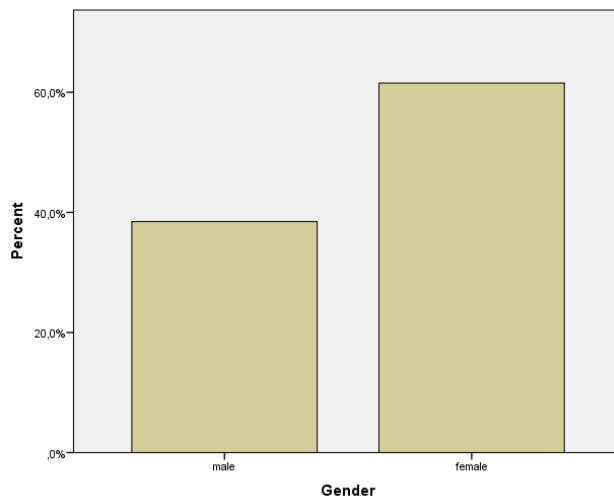


Figure 5 Gender of customers

In total, 65 customers filled the questionnaire, forty female customers (60% of customers are female) and 25 male customers (40% of customers are male). It shows that Tarjoustalo attract more female customers than male customers. Normally, the female

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customers come for clothing and textile, décor, cooking, detergent products and cosmetics. And male customers come for construction products, working tools and leisure time products. Regardless of their gender, they both like car accessories and garden products. Certainly, there are some special cases such as there is a 51-60 years old woman interested in construction, car accessories and riding.

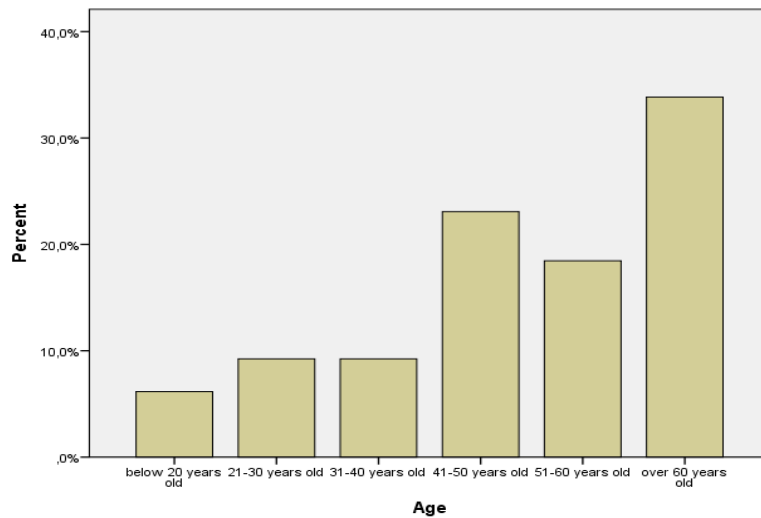


Figure 6 The age group of customers

The biggest respondent group is over 60 years old which is over 30% from the entire respondent. The people who above 40 years old are majority group shopping at Tarjoustalo; 75% customers come from it. It shows Tarjoustalo attract more people who get retired than others.

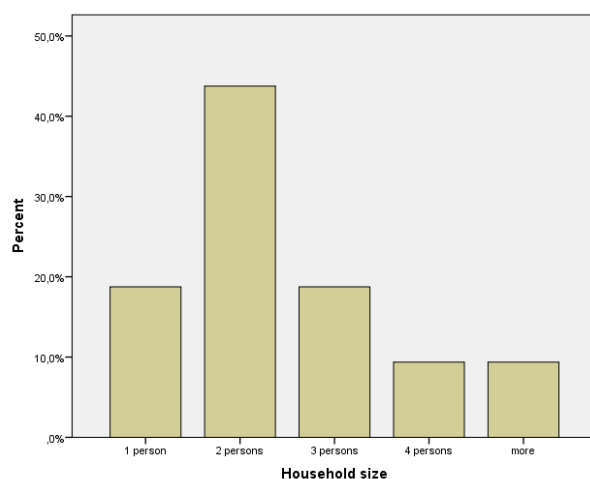


Figure 7 The size of household

Figure 3 shows over 40% respondents lived in a household size of two persons. We suppose that over 60 years' old customers and young couples who live in a household size of two persons. The amount of customers lived alone as same as the number of customers lived in a household size of three persons. The respondents who lived in a household size of four persons almost equal to the customers who lived in a household size of more than four persons. Both are under 10% respectively. The person who lives with more than four people are normally aged around 30-40 years old.

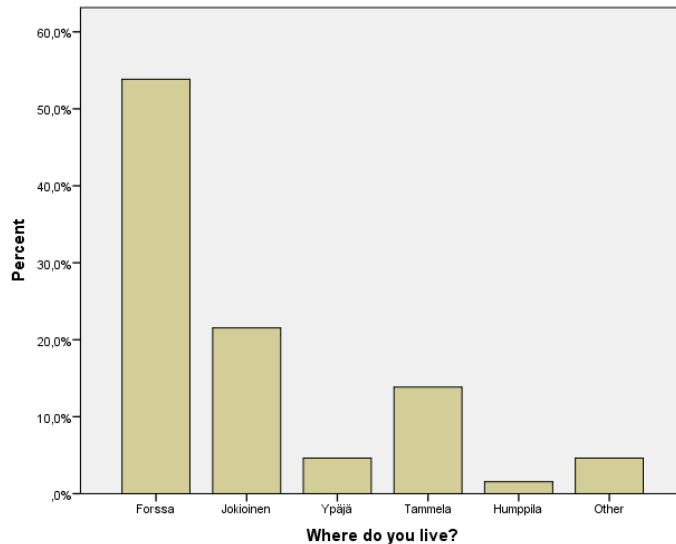


Figure 8 Where do you live?

Over half of the respondents are Forssa local people. We suppose the Forssa local people are able to shopping at Tarjoustalo daily due to they can access it easily compare with people who live far away from Forssa. Besides that, there are 20% respondents from Jokioinen and 15% respondents from Tammela. Jokioinen and Tammela both town are most close to Forssa. Both towns have around 10 kilometers far from Forssa. They probably come once or twice a week by car. Ypäjä and Humppila plus together have under 10% customers visit Tarjoustalo. The rest others from Somero which is around 30 kilometers away from Forssa, Espoo and Lempäälä both are over 60 kilometers and 100 kilometers away from Forssa.

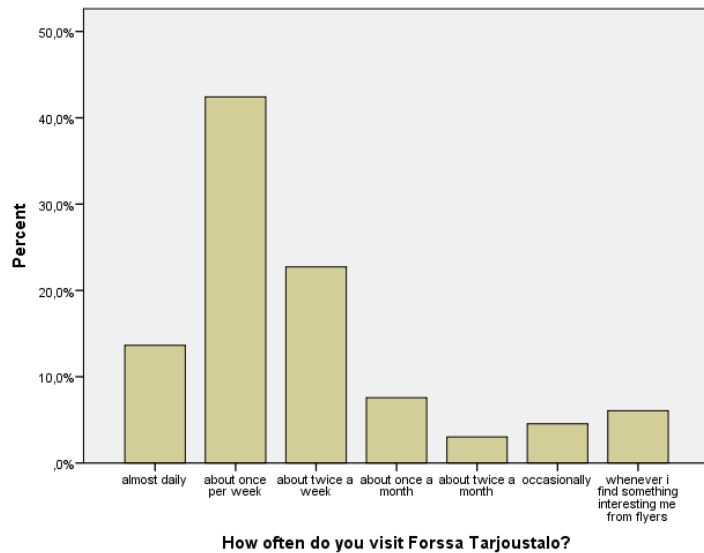


Figure 9 How often do you visit Forssa Tarjoustalo?

There are over 40% of customers regularly shopping at Tarjoustalo about once a week. The reason probably because of they get the weekly marketing flyers to home. Or, they have to purchase pet food weekly for their pets at home. Over 20% of customers come to Tarjoustalo about twice a week. There are approximately 15% customers come and shopping at Tarjoustalo almost their daily task. The author considers that almost 80% customers are loyalty customers during this research.

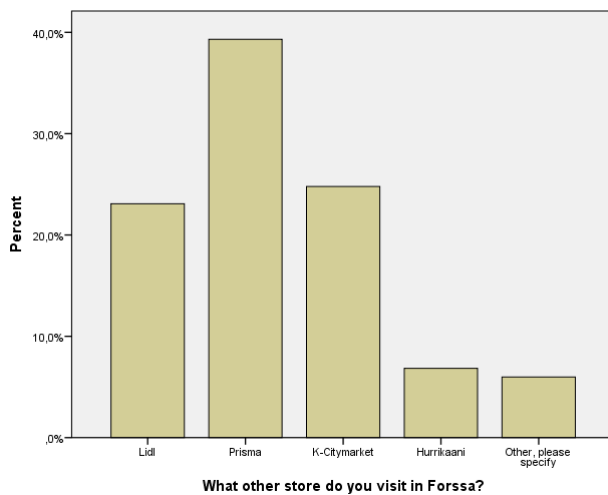


Figure 10 What other store do you visit in Forssa expect Tarjoustalo?

Concerning the competitors of Tarjoustalo, top three competitors are Prisma, K-Citymarket and Lidl. There is 40% respondents vote Prisma. The Prisma obviously is the toughest player among other retail supermarkets. The second tough competitor is K-Citymarket which is a slightly more popular than Lidl. Both of them receive over 20% of customers vote respectively. Hurrikaani only has under 10% people supporting it.

Other competitors are S-market, SIWA, Alepa and Sale, they all belong to S group except SIWA.

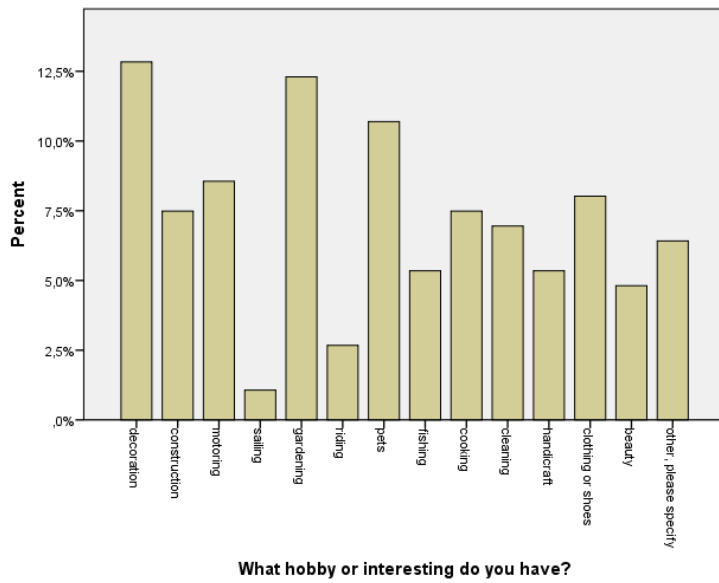


Figure 11 What hobby or interesting do you have?

This question is multiple choice. Customers can choose whatever they favor. Top three categories that people most favorite are decoration (13% people most interesting category), the second one is gardening (have 12% people interesting it) and the third one is pets (11% people interesting it). Clothing ranks the fourth as popular as motoring. The number of customer favor cooking almost as much as construction. The other products are also interesting such as cycling, exercise, motorbike, agricultural, computer and outdoor activities. The author defines these customers' hobby as potential business opportunities. Tarjoustalo can consider expand their product category in the future base on the customer demand.

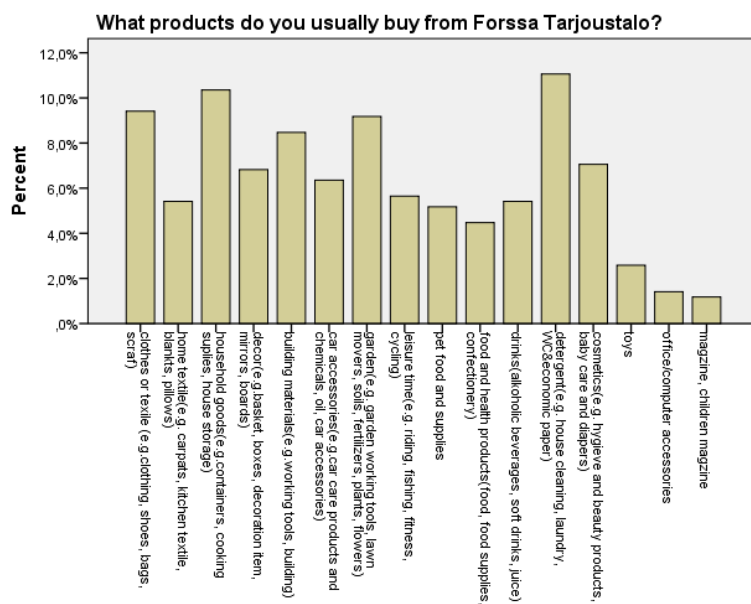


Figure 12 What products do you usually buy from Forssa Tarjoustalo?

This question again is multiple choice. Top three categories which are customers usually buy from Forssa Tarjoustalo are 11% people buy detergent, the second is 10.5% customers like to purchase household goods and 9.5% people usually buy clothes or textile from Forssa Tarjoustalo. Gardening products also quite popular, 9% of customers buy them. In addition to, the pet products not looks as popular as people interested it, only 5.5% spend money on it. This is a slightly different compare with the category which are customer most interested.

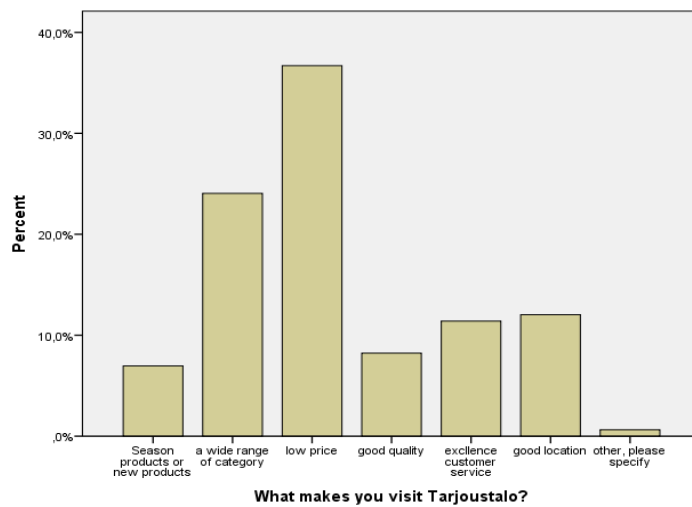


Figure 13 What makes you visit Tarjoustalo?

Most customers (37% of customers) shopping at Forssa Tarjoustalo are due to its low price. 25% customers consider that Forssa Tarjoustalo has a wide range of category. There are two main reasons of customer shopping at Tarjoustalo. Many people think the excellent customer service of Forssa Tarjoustalo almost equal to its good location. Young people might focus on more season products or lately products than other age groups.

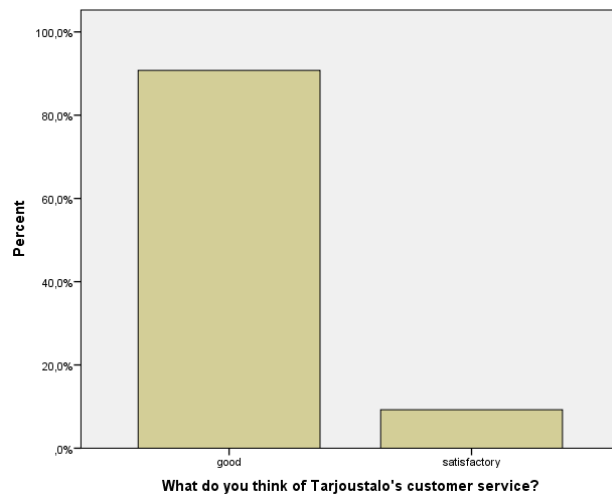


Figure 14 What do you think of Tarjoustalo's customer service?

There are 90% of customers consider Tarjoustalo have good customer service. Only 10% customers satisfy its customer service. None of the customers think Tarjoustalo has weak customer service.

There is only one open question. Let the customers write down which category Forssa Tarjoustalo is missing. Or what they want to buy from Tarjoustalo but it doesn't offer. There are mainly two different ideas. Most people expect Forssa Tarjoustalo can offer some basic food product such as milk, bread, fruits and vegetables. Another group of people think Tarjoustalo covered pretty much enough categories. One people consider Tarjoustalo need to add more sports products.

5 ANALYSIS OF THE COMMISSIONING COMPANY

5.1 SWOT Analysis of the company

Strengths <ul style="list-style-type: none"> • Product price rather cheaper than its competitors • A wide range of product categories • Relatively good customer service • Effectively marketing way, e.g. weekly promotion flyers to home 	Weaknesses <ul style="list-style-type: none"> • No perishable food products • Tarjoustalo is not located within a shopping mall • No customer relationship management system
Opportunities <ul style="list-style-type: none"> • Good location • Possible to expand to other countries 	Threats <ul style="list-style-type: none"> • Strong competition from Kesko and S group

Figure 15 The SWOT analysis of commissioning company

The author used SWOT as a tool analyses the company from internal to external. Internal included that Strengths and Weakness. External consists of Opportunities and Threats. According to the result of investigate, in the Strengths aspect, the low price is the main reason makes the customers shopping at Tarjoustalo. Tarjoustalo offers the lowest price in the country. Most of customers think Tarjoustalo has a wide range of product categories and quite good customer service. There is one thing have to motioned here, the marketing way of Tarjoustalo is really successful, it can shows from most customers make weekly purchase in the store.

The Weaknesses parts are the store does not offer any perishable food products, such as milk products, meat products, vegetables and fruits. Half of the respondents hope the store can expand their product categories. Besides, the Tarjoustalo do not have customer relationship management tools, instead its competitors have membership card as a tool to track their customers consume record and to build the long term relationship with their customers.

The opportunities of Tarjoustalo are the company is experiencing the dramatically growth and transformation. The new investor Nordic Capital believes the development of discount store. The international activities also expansion such as joint purchasing with Norway's largest discount store chain, Europris. In addition to, the Tarjoustalo have to figure out how to attract its potential customers from people who live around Forssa in order to utilize the good location.

The threats come from its competitors which are Kesko Group and S Group. Compare with Kesko Group has 2,000 stores and S group has over 1,600 outlets. The Tokmanni Group only have 145 stores all over the Finland. There is more explanation in 5.3.1 competitors' analysis.

5.2 Internal Analysis

There are two main issues can be analysed during internal analysis, tangible products and intangible customer service. Tarjoustalo has relatively good customer service performance based on the result of questionnaire. Majority of customers consider Tarjoustalo has a wide enough category in store. It reveal Tarjoustalo good at providing add value-customer service. Besides that, finding the core products is a key to develop for the future growth.

Most of customers consider Tarjoustalo as a discount store. Hence, price advantage is most an attractive thing to the customers. Besides that, through Figure 14, it illustrates the core products are detergent product such as house cleaning, laundry, WC and economic paper. The second most sale products are household goods, for example, containers, cooking suppliers and house-storage. These two products create 20% fraction of total product sold and brings 80% corporate turnover. Tarjoustalo Forssa should concentrate on protect these two core products and make sure they

are always available for the customers, meanwhile, maintaining and developing clothing products, building materials, cosmetic, décor and garden products. They should also review the products that are making less profit to the company, for example, magazine, children magazine, office/computer accessories, toys, food and health products and home textile, pets' food and supplies and leisure time products.

Products category A (20%)	Products category B (50%)	Products category C (30%)
Detergent products	Clothing products	Magazine, children magazine
Household goods	Garden products(only available during summer)	Office/computer accessories
	Building materials	Toys
	Cosmetic	Food and health products
	Décor	Home textile
	Car accessories	Pets' food and supplies
	Drinks	Leisure time products

Figure 16 ABC categories of Tarjoustalo products

5.3 External Analysis

External analysis also called situation analysis which is included that customer analysis, industry analysis, competitor analysis and analysis of distribution and suppliers. This chapter introduces what kind of customers do Forssa Tarjoustalo have, who are the key customers for the company. What types of products do they buy from Tarjoustalo and compare with its competitor, what kinds of improvement or adjustment does company should make. Can the distribution and suppliers be threats or opportunities for the company?

5.3.1 Customer analysis

According to Pareto Law, the author categorizes three types of customers: the main stream of current customers of Forssa Tarjoustalo is over 40 years old people especially retired people. The household size of customers mainly concentrates on two persons who live in Forssa. They usually came to Forssa Tarjoustalo shopping about once a week. Low price and a wide range of categories are two critical factors for the customers came to Forssa Tarjoustalo. The products which are customer buy most are detergent (e.g. housecleaning, laundry, WC& economic paper), household products (e.g. containers, cooking supplies and home storage), clothing/textile (e.g. clothing, shoes, bags and scarves) and gardening products (gardening working tools, Lawn Mowers, soils, fertilizes, plants and flowers) which is seasonal products only sale in summer.

Customers A	<ul style="list-style-type: none"> Shopping at Tarjoustalo Forssa almost daily and once or twice a week
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	<ul style="list-style-type: none"> • They are over 60 years old with two person household size who are Forssa citizen
Customers B	<ul style="list-style-type: none"> • Shopping at Tarjoustalo Forssa once or twice a month • Their age between 40-60 years old with 1 person or 3 persons household size who are live around Forssa, such as Jokioinen, Tammela
Customers C	<ul style="list-style-type: none"> • Occasionally shopping at Tarjoustalo Forssa and when find interesting promotion products on weekly flyers • Their age under 40 years old, the household size 4 persons or more who live in Ypäjä and Humppila or other cities

Figure 17 ABC categorize Forssa Tarjoustalo customer types

To clarify the reason of the potential customers do not purchase at Forssa Tarjoustalo. The author considers that the customers prefer to one stop purchase base on the customer behaviour. Generally speaking, people prefer to buy everything what they want at one place. Through the market research, Forssa Prisma is the toughest competitor against Tarjoustalo Forssa. It's not only because of surrounding Prisma is a shopping shall, but also Prisma included that perishable food which is Tarjoustalo Forssa do not offer. Those perishable food products that customers required daily are, for example, milk products, bakery products, vegetables and meat. The characteristics of these products are easy perish, low profits and customers easy to make decision during purchase process. Instead, Tarjoustalo offer those products just opposite, the customers need to take longer time to make a purchasing decision, such as clothing, perfume, and etc.

5.3.2 Industry analysis

From world-wide scale to study retail business, the world's top ten retailers in 2010 were Wal-Mart (USA), Tesco (Britain), Metro (Germany), The Kroger (USA), Schwarz Unternehmens Treuhand (Germany), Costco Wholesale Corporation (USA), The Home Depot (USA), Walgreen (USA) and Aldi (Germany). Finnish supermarket chain S-ryhma and Kesko have made it to the Deloitte's Global Powers of Retailing 2012 survey which ranks the world's 250 most powerful retailers around the world. S-ryhma is ranked as number 85 and Kesko as number 91 in the world based on their retail sales. (Published on Finnish supermarket chains among the world's top 100 retailers-Good News from Finland)

From national scale, compare with the competitors of Tokmanni Oy, S-ryhma (retail sales in 2010 were 11,007 million US dollars) and Kesko's 10,356 US dollars. S-group has operations in five countries and Kesko in eight countries. Kesko has 2,000 stores engaged in chain operations in the Nordic and Baltic countries, Russia and Belarus. However, S Group has more than 1,600 outlets in Finland. Tokmanni Group has total 147 stores and generating net sales in 2012 amounted to 690.2 million euro which equal to 885.7 million US dollars. (Published on Finnish supermarket chains among the world's top 100 retailers-Good News from Finland)

5.3.3 Competitor analysis

In Forssa, people prefer to go shopping at Prisma, Lidl, City-market and S-market. Since all of these stores have milk, bread, fresh vegetables, fruits and meats can offer to the customers. Tarjoustalo Forssa cannot fulfil the customer daily demand even through it has food and beverage section. In addition to, the competitors also have good customer relationship management system such as membership card which can bind the exist customers for long term development.

Prisma is part of the S group which is the most popular store and shows in the result of market research. The author concerned that the major difference of Prisma compared with other stores is that it is a big shopping mall with multifunction. For example, it consists of Telephone Company, post office, book store, pets store, jewellery shop, SOKOS emotion which is cosmetics store, couple big brand clothing shops such as Villa, Jack& Jones and VERO MODA, etc. and couple restaurants such like Hesburger and Pizza Buffa. These all are adding value to the customers compare with other retail stores. Plus, it has the most fresh and good quality, wide range of perishable products in Forssa.

Citymarket belonging to KESKO group is quite similar to Prisma. The products prices in Citymarket are a little cheaper than Prisma. S-Group and Kesko Group both offer customer membership card to customers which can track what customers buy, where and when. Some products with discount are only offered to those customers who with membership card. This is a good way to encourage people consume at their store and get benefits. The company returns bonus money back to the customers every month. They build long term relationship with their customers. The Tokmanni Group need to consider about how to manage their relationship with their customers.

Lidl is Germany based international franchise chain supermarket. The scale of store is much smaller than Citymarket and Prisma. The product price is the core competence for Lidl. They offer cheaper products and perishable food products for customers daily purchasing. But product category is limited compare with K-Citymarket and Prisma.

5.3.4 Analysis of distribution and suppliers

All the suppliers of Tokmanni Group are mainly from Asian countries such as Bangladesh, Pakistan, India, Southern Korea and China, etc. They are OEM (Original equipment manufacturer). It means that the company outsourcing their products to their subcontractors. The OEMs responsible for produces the products and put the Tokmanni's own trademark. All the finished goods delivery to the distribution center which is also the head-quarter of Tokmanni Group in Mäntsälä. Each store belonging to Tokmanni Group collected their cargo every week from Monday to Friday and distributes the cargo every week from Tuesday to Saturday to each stores. The products always keep updated especially toys and clothing. The company is experiencing the dramatically growth meanwhile keep the lower costs.

6 CONCLUSION AND SUMMARY

This research was aimed at investigating the customer segmentation and competitor analysis of Forssa Tarjoustalo. The main arguments are filtering the core products and key customers. The contribution for the company is to protect those valuable core products and key customers based on 80/20 rule, maintain the B level customers and products and review the C level customers and products. Therefore, improve the adding value for Forssa Tarjoustalo.

The research method is qualitative. The author, associated with commissioning company Forssa Tarjoustalo, gathered 65 questionnaires during a week. The research collected from different age group and various genders in distinct time.

As a result, the main finding 1) the key customers are over 40 years' old customers with 2 person household size. The number of female customer more than male customer. These customers mainly live in Forssa city. They shop at Forssa Tarjoustalo at least once a week regularly. Some of the customers even visit store almost every day.

Main finding 2) The core products are detergent products and household goods. They from 20% fraction of total product sold make the 80% corporate turnover for the company. The company should hundred per cent ensure they have these products available for its key customers.

Main finding 3) Prisma is the biggest winner among other supermarkets. Almost 40 per cent of customers prefer shopping at Prisma. The author think the main reason is Prisma located within a shopping mall. Customers tend to shopping everything at one place, for example, it consists of Telephone Company, post office, jewellery shop, Alko, SOKOS emotion which is cosmetics store, couple big brand clothing shops such as Villa, Jack& Jones and VERO MODA, etc. and couple restaurants such as Pizza Buffa and Hesburger. These all are adding value enhances its customer service compare with other retail stores. Plus, it has the most fresh and

good quality, a wide range of meat products in Forssa City. It is the best place for daily shopping.

Main finding 4) Tarjoustalo's competitors know how to manage their customer relationship. Membership card is the good way to binding exist customers. Small benefits can bring customer loyalty.

The recommendation for Tarjoustalo Forssa is that it should emphasize the customer service such as widen its products categories or provide some adding service, for example, offer the membership cards for the customers to build the long term relationship, and cooperate with restaurants or other extra service surrounding if possible. The company should focus on consolidate its key customer group who are shop at Tarjoustalo at least once a week regularly. Meanwhile, develop its potential customers.

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Questionnaire

1 What's your gender?

- Man
- Women

2 what is your age group?

- Under 20
- 21-30
- 31-40
- 41-50
- 51-60
- Over 60

3 How many people live with you?

- 1 person
- 2 person
- 3 person
- 4 person
- More

4 Where do you live?

- Forssa
- Jokioinen
- Ypäjä
- Tammela
- Humppila
- Other, please specific

5 How often do you visit Tarjoustalo?

- Almost everyday
- Once a week
- Twice a week

- Once a month
- Twice a month
- Occasionally
- When have some interesting products on the Tarjoustalo flyers

6 What other stores you shopping in Forssa?

- Lidl
- Prisma
- K-Citymarket
- Hurrikaani
- Other, please specific

7 What are your hobby/interesting?

- Decoration
- Construction
- Car products
- Sailing
- Gardening
- Riding
- Pets
- Fishing
- Cooking
- Cleaning
- Handicraft
- Clothing/shoes
- Beauty
- Other, please specific

8 What products you usually buy from Tarjoustalo?

- Textile (e.g. clothes, jeans, scarf, handbags and shoes)
- House textile (e.g. carpets, kitchen textile, blankets, pillows)
- Household products (e.g. containers, cooing supplies, home storage)
- Décor (e.g. baskets/boxes, decoration items, mirrors, boards)
- Building materials (e.g. working tools, building)
- Beverage(e.g. beer, cider, soft drinks and energy drinks)

- Car accessories (e.g. car care products and chemicals, oil, car equipment)
- Garden (e.g. garden working tools, lawn movers, soils, fertilizers, plants, flowers)
- Leisure-time (e.g. riding, fishing, fitness, cycling)
- Pet food and supplies
- Food and Health products (e.g. food, food supplies, confectionery)
- Drinks (e.g. alcoholic beverages, soft drinks, juice)
- Detergent (e.g. house cleaning, laundry, WC& economic papers)
- Cosmetics (e.g. hygiene and beauty products, baby care, and diapers)
- Toys
- Computer accessories
- Magazine, children magazine

9 In addition to those products which Tarjoustalo already have. What else product do you want to buy but Tarjoustalo do not offer?

- Please write it down

10 What's makes you shopping at Tarjoustalo?

- Season/new products
- A wide range/category
- Low price
- Products with good quality
- Customer service
- Location
- Other, please specific

11 What do you think the customer service in Forssa Tarjoustalo?

- Good
- Satisfactory
- Not good

Thank you for your participation, have a nice spring time!

Asiakastutkimus

Vastatkaa jokaiseen kysymykseen.

Valitkaa yksi tai useampi vaihtoehto.

1. Sukupuoli?

- mies
- nainen

2. Ikäryhmäsi?

- alle 20 v
- 21-30 v
- 31-40 v
- 41-50 v
- 51-60 v
- yli 60 v

3. Taloutesi koko?

- 1 hlö
- 2 hlöä
- 3 hlöä
- 4 hlöä
- Enemmän

4. Asuinpaikkakuntasi?

- Forssa
- Jokioinen
- Ypäjä
- Tammela
- Humppila
- Muu, mikä _____

5. Kuinka usein käytte Forssan Tarjoustalossa?

- Lähes päivittäin
- noin kerran viikossa
- noin kaksi kertaa viikossa
- noin kerran kuukaudessa
- noin kaksi kertaa kuukaudessa
- satunnaisesti
- aina kun huomaan jotain minua kiinnostavaa Tarjoustalon mainoslehdessä

6. Missä muussa/muissa päivittäistavara-kaupoissa asioit säännöllisesti?

- Lidl
- Prisma
- K-Citymarket
- Hurrikaani
- Muu, mikä _____

7. Mitä harrastat / mielenkiinnon kohteesi?

- Sisustaminen
- Rakentaminen
- Autoilu
- Veneily
- Puutarhanhoito
- Ratsastaminen
- Lemmikit
- Kalastus
- Kokkaus
- Siivous
- Askartelu
- vaatteet/kengät
- kauneudenhoito
- muu, mikä _____

8. Mitä tuotteita yleensä ostat Forssan Tarjoustalosta?

- Pukeutuminen**
(esim. vaatteet, kengät, laukut, huivit)
- Kodintekstiilit**
(esim. matot, keittiötekstiilit, peitot, tyyny)
- Taloustavarat**
(esim. astiat, ruoanlaittovälineet, kodin säilytys)
- Sisustus**
(esim. korit/laatikot, koriste-esineet, peilit, taulut)
- Rakennustarvikkeet**
(esim. työkalut, rakennusmateriaalit)
- Autotarvikkeet**
(esim. autonhoitotuotteet ja -kemikaalit, öljyt, auton varusteet)
- Puutarha**
(esim. puutarhan työkalut, ruohonleikkurit, mullat, lannoitteet, kasvit, kukat)
- Vapaa-aika**
(esim. ratsastus, kalastus, kuntoilu, pyöräily)
- Lemmikkien ruoat/tarvikkeet**

- Elintarvikkeet ja luontaistuotteet** (esim. ruoka, ravintolisät, makeiset)
- Juomat**
(alkoholijuomat, virvoitusjuomat, mehut)
- Pesuaineet**
(esim.kodin puhdistus, pyykki, WC&talouspaperit)
- Kosmetiikka**
(esim. hygienia- ja kauneudenhoitotuotteet, vauvanhoito ja vaipat, siteet)
- Lelut**
- Konttori/ATK tarvikkeet**
- Lehdet, lasten puuhalehdet**

9. Valikoimassa olevien tuotteiden lisäksi, mitä muuta haluaisit ostaa jatkossa Forssan Tarjoustalosta?

- _____

10. Mikä saa sinut asioimaan Tarjoustalossa?

- Sesonki / uutuustuotteet
- Laaja valikoima
- Edullinen hintataso
- Tuotteiden hyvä laatu
- Asiakaspalvelu / henkikökunta
- Sijainti
- Muu, mikä _____

11. Millaisena pidät Forssan Tarjoustalon asiakaspalvelua?

- Hyvä
- Tyydyttävä
- Heikko

*Kiitos osallistumisestanne.
Hyvää kevään jatkoa!*