Velipekka Hyväri

CUSTOMER SEGMENTATION RESEARCH

Case study to Regon AY

Thesis

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This thesis is made for Regon Ay, a company based in Haapajärvi, Finland. The Purpose of this thesis is to identify the segments of potential customers for firewood processors. The thesis aims to explain the most effective combination of marketing methods in order to reach potential customers. The relevant studies that were used in this thesis included theories of purchasing making process and linear model of communication-theory. The marketing mix tool, including 4P's theory was widely applied in the thesis also. The qualitative research was carried out by several interviews and a straw poll directed to forest owners. This thesis mainly focuses in buyer decision process research and to the evaluation of people's motivation to purchase and also to what kind of a decision making process people go through while making the actual purchasing decision.

Key words
Customer segmentation, Purchasing process, Decision making, Behavioural segmentation, Sub-segments

PREFACE
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1. INTRODUCTION

Before launching any marketing campaign or thinking further marketing strategies should any company gain an understanding about the factors that may have an effect on the company's core business strategy. There are both internal and external factors that any businesses should recognize. Those internal factors usually consists of the human resources available to perform the marketing activities or rather the lag of them. Another important internal factor to consider is the financial availability. This is probably the most limiting factor within the companies when it comes to marketing.

These days the outside factors affecting companies are probably greater than before. Globalization and internet have brought the new rules for marketing with. Whereas Globalization has brought a new level of competition the internet is offering a new, affordable way to market and to sell your product. However with 80,000 new web-sites created every day, it is becoming harder and harder to be distinguishable for example in browser's search engines. At the Same time Internet has become a main source of information when making a purchasing decision.

But one thing has barely changed: - The main task of a marketer is still to identify the customer. Customer segmentation is one of the best tools to identify your customer and to sort them into different categories.

Segmentation is one of the oldest terms related to marketing. The basis of Segmentation in marketing point of view dates back to the idea that different markets and different groups of customers have different preferences and different ways to behave while making the purchasing decision.

For small companies like Regon Ay, the case company of this thesis, segmentation is an important market research tool. It is obvious that small companies have less financial resources for marketing campaigns and researches and therefore the resources should be allocated effectively. Having a comprehensive picture about company's target customer segments and those segments' media, shopping and purchasing decision preferences will bring a competitive advantage to the company. It does, again, enable companies to allocate the marketing resources precisely and effectively.

2. OVERVIEW OF THESIS AND THE CASE COMPANY

2.1 Purpose of the Thesis

The purpose of this thesis is to gain an understanding of the case company's customer basis and customer segmentation. Because of the company's special product the target group to be researched is limited to a special, easily indentifiable groups and segments are relatively easy to divide. Thus, when researching customer segmentation in this thesis, I want to highlight and put an extra focus on behavioral segmentation. Customer segmentation research is carried out with several questionnaires and interviews.

Due to the case company's wishes, the behavioral segmentation in this thesis is being researched from the purchasing decision making point of view.

The second important purpose of the thesis is to determine the most effective combination of marketing methods for the case company. In other words the main task for this thesis maker, given by the case company is to determine a set of marketing methods to reach the whole potential customer basis and with reasonable price. The marketing analysis has been completed based on the results of the segmentation research.

2.2 Structure of the thesis

This thesis is divided into 6 parts: Introduction, Overview of thesis and Case Company, theoretical study, the study of different marketing methods and budgeting and finally the empirical study and conclusion.

The Introduction part introduces the thesis. Thesis overview introduces the case company, Regon AY and their product R1 firewood processor and the thesis problem. The theoretical part consists of the background study which is necessary for the empirical study of customer behavioral segmentation. The concept of segmentation is introduced in this part. Also the consumer behavior study and more detailed consumer buying decision process are demonstrated in this part.

The Second part of thesis studies the consumer behavior, segmentation and customer purchasing decision process.

Third part of this thesis introduces different marketing methods and budgeting.

The last part consists of the empirical study and conclusion. The empirical study analyses the firewood industry and forest owners segment generally and finally introduces the segment and sub-segments of forest owner, based on the questionnaire and other individual reports.

2.3 Introducing REGON

Regon Ay is a company based in Haapajärvi, Finland. Regon Ay was established in 2011. Company's main products are firewood processors which the company's staff have a very long experience with. At this moment The company has three staff person: Ismo Hallapuro, responsible for HR and production management, Juha Autio, responsible for Product development and Josh Camps, mainly responsible for exports. The company mainly focuses in Product development, quality management and marketing. In order to fully concentrate in those tasks and to be able to focus in creating a superior product the company has decided to outsource the production to local metal processing companies around the northern Ostrobothnia.

For the first two years in business, Regon fully concentrated in product development and not until lately the first machines have been sold and delivered to customers.

In the domestic sales, the company has a dealership agreements with 7 stores across the country.

2.3.1 REGON R1

Regon R1-firewood processor is the main product of Regon. The machine is targeted to people having their own forest or large source of timber and half professional firewood makers. From price perspective R1 is above the basic firewood processor but below the heavy machinery handling extremely large quantities of timber. R1 is a very sophisticated machine allowing person to work alone as the hydraulic elevator elevates the timber into the saw. A lot of effort and R&D hours have been used to ensure the safety of the machine. The concept of R1 bases on idea of creating a physically less demanding and more ergonomic machine. The designers of R1 have an experience of more than 60 years with firewood processors. Thus they have been able to make improvements to many features found inadequate in competitors’ machines.

The final product as whole - is a simple and physically easy to use, and from technical features, a superior product when looking at the price. The machine is very safe to use. It does easily meet the needs of at least 80% of firewood processor users. Regon R1 has three variants when it comes to power transmission: TR hydraulics, own hydraulics and electric (http://regon.fi/technical-information/?lang=en) Technical details of the product variants are presented in the table below.

POWER SOURCE	TR HYDRAULICS	PTO SHAFT DRIVEN	ELECTRIC
		400 R / min	5,5 kW 16A
Max length and diam.	20..40 cm / 25 cm	20..40 cm / 25 cm	20..40 cm / 25 cm
Outfeed conveyor	3,4 m	3,4 m	3,4 m
Splitting blade	standard 2 / 4, opt. 2 / 6	standard 2 / 4, opt. 2 / 6	standard 2 / 4, opt. 2 / 6
Bar and chain	13″ / 0,325″ / 58 links	13″ / 0,325″ / 58 links	13″ / 0,325″ / 58 links
Transmission	Hydraulic	Hydraulic	Hydraulic
Size in transport mode			
height, dept, length	2370, 1200, 2150	2370, 1200, 2150	2370, 1200, 2150
Weight	420 kg	470 kg	510 kg

TABLE 1. Regon R1 Variants. (adapted from http://regon.fi/technical-information/?lang=en)

3. THE STUDY BEHIND CONSUMER BEHAVIOUR

3.1 Consumer behavior studies

Consumer behavior research studies the habits of individuals or groups on how they use and dispose goods, services, ideas or experiences in order to satisfy their needs and wants. Those needs and wants usually vary very much depending on cultures, situations and individual characteristics. Consumer behavior study is usually divided to three sections: (1) Study of Culture, (2) study of social groups and (3) study of the individual.

Culture can be conceptualized as the meanings that are shared by most people of the group. Culture can also be thought as the blueprint for human behavior. The culture often dictates the standards of the average purchasing process of people.

Social factors such as reference groups, family and different social roles and statuses are also great influential in consumer behavior. For example most marketing researchers consider family the most important consumer buying organization in society. The social factors push individuals to embrace new behaviors, lifestyles and attitudes. For example co-workers may very much effect on your choice about what car you drive in or what brands you wear. It is very important for companies to evaluate how to reach and influence the people who can be considered as opinion leaders of groups. Today, these opinion leaders are very widely followed from different blogs, newspapers and other social media.

Study of Individual person is the last group of behavioral studies. Personal characteristics make a great influence in the great amount of purchasing decisions. These characteristics include for example consumer's age and the stage in the life cycle, occupation and economic circumstances, personality, self-concept, lifestyle and values.

For marketing perspective -when it comes to individual consumer research, it is necessary to identify the individual groups such as occupational groups which have an above average interest in company's products and services. Companies should also consider modifying their products for certain individual groups.

(Kotler, Keller, Brady, Goodman, Hansen 2009)

3.2 Definition of customer behavioral segmentation

Customer behavioral segmentation is as the name suggests, a practice which categorizes the customers into categories based on their behavior. The behavioral segmentation is all about understanding the potential customer. When a company starts a marketing process they should think the whole process from the consumer's point of view. The practice of customer behavioral segmentation seeks to find relationships between customer’s behavior and the groups they belong to. Those groups are many: - age, location, gender and interest among them. When doing a marketing research we want to put and extra focus on the behavior during purchasing decision-making process which includes the steps of identifying the need ,enabling conditions which make the purchase possible, information search, cost-benefit analysis and finally the behavioral response which can be either rejecting the offer or to complete the purchase.

(Baker 2007)

3.2.1 Purpose of customer behavioral segmentation

When you log into Facebook, or Netflix, or when you open a regular web-page containing GoogleaAds or maybe BingAds, the browser seems to know exactly what book you might like to read, what movie you would like to watch or which store you probably would like to buy your new shoes from. In many cases the browser is offering you exactly the product or service you have been looking for. This is the best example of how the advertisers are successfully using behavioral segmentation as a tool to reach customers in 21st century.

The purpose of segmentation is to understand the behavior of your company's prospects and customers. Understanding the following allows you to launch more effective marketing campaigns and you can easily allocate your different marketing methods to a specific group of consumers. The segmentation does also allow us to narrow our marketing focus on specific methods which are found to be most effective. Customer behavioral segmentation allows companies to improve their marketing and product development and by this way to diverse their client base.

The segmentation allows companies to allocate their marketing according to behavioral aspects such as the buyer-readiness stage, buyer's loyalty status, attitude, and benefit segments:

Starting from Benefits, customers vary very much on what benefits they are looking from the product. Some of the segments are looking for a highest economical return whereas some of the customers look more for example comfort and status improvement. A simplified segmentation process is presented in the Chart 1 below.

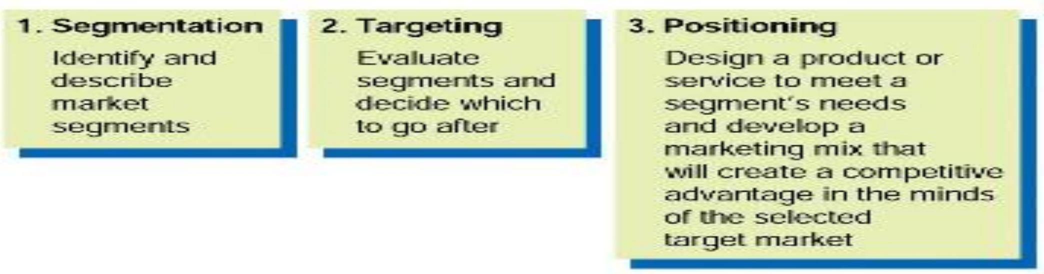


CHART 1. Segmentation Process. (adapted fromhttp://www.docstoc.com/docs/21382023/Target-Marketing-Process)

3.3 Consumers' purchasing decision making process

CHART 2. Purchasing decision making process (adapted from http://consumerchanneldynamics.wordpress.com)

Marketing scholars have developed the five-stage model to describe the buying decision process. The model is presented at Chart 2. In an ordinary purchase process consumer passes through all five stages which are problem recognition, information research, evaluation of alternatives, purchase decision, and post-purchase behavior. It is clear that the actual buying process starts long time before the actual purchase and has consequences long after the actual item is bought. It is obvious that consumers do not always pass through all the five stages of purchasing decision process. For example when consumers are buying dairy goods such as milk and toothpaste they might go directly from problem recognition (need for milk) to the purchasing decision and skipping the phases of information search and evaluation. But clearly, when researching the decision making process of the product concerning this thesis, all the five stages will apply.

Problem recognition is the first phase in the five stage model. This phase stats either from internal or external stimuli. Internal stimuli starts from person's normal needs such as hunger or thirst. This need rises to a threshold level and becomes a drive. In external stimuli the person becomes aware of the need by an external stimulus. It can be for example a TV-advertisement of a new car, which makes person think about possibility to make a purchase. A stimuli, such as a TV-advertisement can lead to an appetency of a product that the customer had never even heard about before. The job of Marketers is to find those circumstances that trigger a particular need. In other words, to create the thought of need to consumers. Also in discretionary purchases, marketers often need to increase consumer motivation so that the potential purchase becomes more serious consideration.

The second stage of the purchasing decision process is the information search. Naturally the more expensive and more serious the purchase gets the more consumers look information about the considered product. However many surveys have shown that consumers look surprisingly little information before the purchase. Information search can be divided to two states of heightened attention and active information search. In heightened attention the person becomes more receptive to information about a product whereas in active information search the person actually looks for reading material, calls friends, goes online and visits stores in order to learn more about the considered product.

Sources of Information can usually be sub-divided into four groups:

- Personal sources such as family and friends
- Commercial sources such as advertising, websites, salespeople, dealers, packaging and displays
- Public sources such as mass media, consumer rating organizations
- Experimental sources such as examining and using the actual product
- Customer segments can be clearly revealed already in information search stage because in this stage the consumer usually has a sort of idea what he is looking for. For example the segments based on search dynamics become evident during the information search stage: Consumers whose first priority is price are price dominant; customers who first look after a product from a certain country are nation-dominant and those who decide on manufacturer are brand dominant.

The third stage of the model is evaluation of alternatives. In this phase the consumer discusses and compares brand information and makes the final value judgment. The basic concept of evaluation of alternatives is following: First consumer looks for products/services to satisfy the need. Then, the consumer looks for benefits from a certain products available and finally, the consumer sees the available products as punch of attributes, each with different abilities for delivering the requirements to satisfy customers need. Those attributes differ from product to product. In a firewood processor those attributes could be for example ease of use , comfort, warranty, safety, quality and price.

Consumers acquire beliefs and attitudes towards products through learning, different experiences and information search. Beliefs are certain feelings that person holds about the product whereas attitudes are consumers favorable or unfavorable evaluations, emotional feelings and action tendencies towards the product. Attitudes usually drive consumer to either like or dislike a certain product. Based on the attitudes consumer usually develops a number of notions about where the certain brand belongs to in each attribute. The expectancy-Value model suggests that customer makes mental calculations by combining together all the attributes of a list of brands he or she is considering as a potential product.

As an example, a consumer has found four potential brands (Alfa, Bravo, Charlie and Delta) on which she wants to choose her firewood machine from. She is specially interested in four attributes: Quality, Warranty, comfort and ease to use and price. Obviously the brands perform differently in each attributes. The consumer has different weights on each attributes. In other words she values certain attributes more than another.

firewood processor		Attributes		
	Quality	Warranty	Comfort and ease to use	Price
Alfa	10	8	7	3
Bravo	7	6	6	9
Charlie	5	6	4	10
Delta	6	6	8	6

TABLE 2. Value of Attributes

Suppose the consumer values 40 per cent importance to firewood processor's quality, 25 percent to warranty, 20 percent to comfort and ease to use and 15 per cent to price. If the customer has graded the attributes of the products as in the table 2 above, the final value of the each product can be calculated in a following way.

FIREWOOD PROCESSOR ALFA = 0.4(10) + 0.25(8) + 0.20(7) + 0.15(3) =

FIREWOOD PROCESSOR BRAVO = 0.4(7) + 0.25(6) + 0.20(6) + 0.15(9) =

FIREWOOD PROCESSOR CHARLIE = 0.4(5) + 0.25(6) + 0.20(4) + 0.15(10) =

FIREWOOD PROCESSOR DELTA= 0.4(6) + 0.25(6) + 0.20(8) + 0.15(6) =

An Expectancy-value model suggests that the consumer would purchase the Alfa product. However the competitors Bravo, Charlie and Delta could apply strategies to increase customers interest in their products and to even lower the interest to Alfa's product. Those strategies could be for example:

- Psychological repositioning: improving the beliefs of company*s product for example through aggressive marketing.
- Competitive repositioning: impairing the beliefs of competitor's product. This makes sense especially when consumers mistakenly overestimate the attributes of competitor's product
- Directing the weighting of attributes: Persuading the consumers to pay more importance to the attributes the company is good at.
- Having the consumers paying more attention to ignored attributes such as style or power of the engineer.
- Repositioning: Redesigning the product
- Changing the customer thinking about ideal levels for attributes. For example changing the thinking about "best quality".

In the fourth stage of the buying decision process the actual purchase takes place. In this phase the customer has already evaluated the best possible product for him/her. However the evaluation may still be interfered by external factors such as negative feedback from friends or by an unexpected change in life situation (loosing job etc.). The last factor that may lead to the cancelling the purchase or to a postponement is the perceived risk. Obviously the more money is at stake the more likely the customer will perceive risks considering the purchase. According to Marketing Management book written by Kotler, Keller, Brady, Goodman and Hansen, The risks customer may observe can be for example.

- Functional risks: customer does not find the performance of product as good as expected
- Physical risk: The product is being perceived as threat to the customer himself or other people.
- Financial risk: Customer finds the product not to be priceworthy
- Social risk: "What does my family think about it?" Customer thinks the product may cause an embarrasment or disagreement by other people.
- Psychological risk: The product does not fit into the customers self-image.
- Time risk: Customer finds that the purchase is taking too much time and effort.

During the purchase decision process customers usually make some sub-decision about the purchase. Those sub-decisions can be for example definition of the brand to be purchased, deciding from which dealer to buy the product, defining the quantity of products to be purchased, choosing the payment method or choosing the exact time for purchase.

Post-purchase behavior is considered the final stage of the five stage model. After the purchase the customer may experience some sort of dissonance. The reasons for dissonance vary from hearing disfavorable comments about your brand, having undergone a difficult purchase decision, the large amount of alternative brands available et cetera.

For marketers point of view it is vital to monitor the post-purchase actions of their customer. It is important to keep a post purchase contact with the customer and to make him understand that he has made a favorable purchase. A great amount of companies manage to build a bond with their customers through loyalty programs A satisfied customer is much more likely to purchase from the company again whereas a dissatisfied customer may affect negatively to prospects buying decision for example by writing bad reviews.

(Kotler, Keller, Brady, Goodman, Hansen 2009, 150-170)

It makes a great difference if you can understand your propects' decision making process. Understanding the process allows you to appeal to buyers at every stage of the decision making process so that in when finally making the purchasing decision they know that your company offers the best response to their needs. According to Robert W. Bly in his Marketing Plan Handbook, In order to fully understand the decision making process one should know at least the following issues:

- Who makes the decision?
- Is the decision impulsive or deliberate
- How price sensitive is the market. Can I win business without being the low bid?
- Will my prospects research this purchase online before going to store?
- Are prospects in my industry mainly generated through referrals from their neighbors, relatives and friends?
- Do consumers feel knowledgeable about my product or do they need an expert to first guide and advise them?
- Do the decision-makes go look another similar products before they make the purchasing decision
- Are products and services like mine readily available, do my prospects know about the products?
- How much is worth to them to solve their problem or need?
- When and how do they purchase? locally? seasonally?
- Are they loyal to some brands?

(Bly 2009)

4. MARKETING METHODS FOR DIFFERENT SEGMENTS

4.1 Marketing communication for different segments

A well planned and performed marketing communication can provide significant success for companies and brands. However if marketing communications go wrong companies may end up in a lot of troubles. In 4P scenario, the fourth P, promotion refers to marketing communication. As the word promotion can be misleading, marketing experts do prefer to use word ”communication”. In recent years, the role of marketing communications has significantly increased in people's everyday lives. Marketing messages, advertisement and pop ups are everywhere. Marketing communication techniques have also became more sophisticated and also the ways to reach the specific audience.

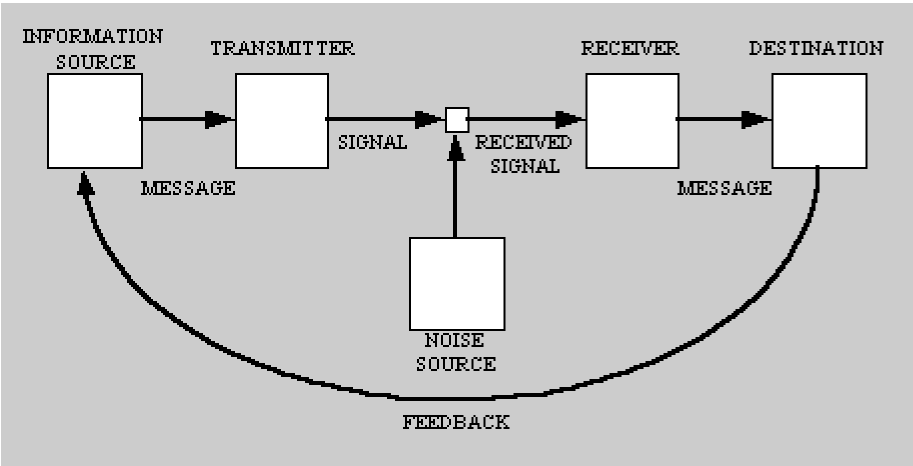


CHART 3. Linear model of communication. (adapted from http://www.david.foulgers.info)

No matter what segment you belong in to, the marketing communications does usually work in all cases at the same basic level. This linear model of communication is illustrated in chart 3 above. We have a source party which transmits the communication. The marketing message travels via a medium or several media and reaches the receiver who is the intended target for message. This basic code of marketing communication is simple but some additional factors can be added to the formula. For example if the marketers really understand the receiver or in other words the target group that the message is intended to, they usually ”encode” the message with signs, symbols and language that the target group will completely understand. For example a TV advert of trainees designed to runners might have a special message combined with a sort of music, a public figure, dress, or anything with what the marketers think the target group responds positively to. Those messages might be meaningless to another untargeted people, for example CEO's as they aren't the target receivers.

An important thing for marketers is to understand to encode the message so that the intended receiver understands the message completely and responds to it appropriately. In order to be able to do that the marketer does have to completely understand what their customers and segments are like. There is one more very important issue the marketers should be very careful of when they want to create and send messages to target group. This issue is usually referred as ”noise”. Noise is an issue which creates a barrier between source and receiver and interferes the receiver during the basic communication process. A good way to demonstrate the noise for yourself is to think about the last advert you saw. Can you still remember the name of the brand that was being advertised in the ad? Most people tend to struggle to remember even this simple thing about the ad, the very same ad the marketers have most likely spent significant amounts of money to reach you and other potential customers. The reason people forget the message (ads) is due to the noise. This noise can be information overload - we are simply being offered so much marketing that we just can't remember everything and also our minds become passive in receiving marketing messages. For this reason marketers need a lot of skills to understand the nature of noise and find a way for message to slither through the clutter that surrounds the consumers. There are plenty of ways to perform the slithering: We can use music: those born in 60's will probably respond to tunes from 1980's. Another tools that are used to draw consumers attention are for example animation, fantasy, imagery and sex.

(Gosnay, Richardson 2008, 103-121.)

4.2 Issues to consider when choosing communication tools

Before marketers decide the communication tools they are willing to use for transporting the message from sender to receiver they should think about the following questions.

-Target audience/receiver: who are our target audience and receiver? Do they probably have a specific kind of lifestyle or interest. Do they watch TV? which program? Do they read? What hobbies do they have? Being able to answer to those questions helps the marketer to encode their actual message to be sent to their receivers.

Message and objectives: What is the objective of your message? Do you want to raise the awareness of your customer and maybe create a need? Do you want to introduce the key benefits of your product?

Brand: What does your brand stand for? Do you want to convey the values and personality of your brand to the people via communication?

Budget/costs: How much money are you willing to invest on your communication´. The budget is probably the most determinant single factor when choosing the communication tools available to you.

Competition: It is very important to analyze tools, amount and success of your competitors communication before you make decisions about your own tools.

(Gosnay, Richardson 2008, 103-121.)

4.3 Communication Strategies - The 3 P's of marketing strategy

After you have considered the issues above you should think about the actual strategy that you will perform to reach customers. There are three strategies to apply to your marketing communication plan: push, pull and profile. In many cases, those strategies can also be applied together as a blended, combined strategy.

Push strategy is an "embodiment" of direct sales. As the name suggests, it pushes your product to the customers with a limited extent of previous advertising. Push strategy does involve a great amount of personal selling. A good example of Push strategy would be direct selling or exhibitions wherein a lot of personal selling occurs. In Push strategy a large storage and a well-performing supply-chain are required as the customers is very likely to make the purchasing decision ex-tempore.

(Simplydigitalmarketing 2014)

Pull strategy is a softer form of marketing but in many cases more costly form of marketing. In pull strategy customer is motivated via attractive advertisement campaigns and referrals to come to you. An example of pull strategy would be a manufacturer developing a second sales promotion which is aimed to final-users to motivate them to purchase and come to the store by advertising "buy one get one free". In Pull strategy, marketers create the demand for customers. Pull strategy usually requires a visible, strong brand.

Profile strategy is very different type of strategy compared to previous two strategies. Instead of advertising or customer contact, profile strategy seeks to increase awareness of the company by public relations or for example sponsorships. Profile strategy is more common among large companies.

After the company understands more about the communication process and has chosen the suitable strategy/strategies, they can start developing the knowledge for the tools that they are willing to use to communicate with their customers and receivers. Those tools are usually called a "communication mix". The Communication mix includes:

- advertising
- sales promotions
- public relations
- personal selling
- direct marketing
- sponsorship

4.4 Internet marketing

The internet is a low cost, it is open standard and thus available for every company for the purposes of marketing. Internet is the easiest way to reach a large amount of people simultaneously. According to Tilastokeskus'internet usage survey in 2013, 61 per cent of the Finns use internet several times per day. Internet is an excellent channel for SME-companies to market their products and to compete against the big players in the market. Traditionally small and medium sized companies have been struggling with having their products visible and competing with the bigger companies but in internet the size of the company does not play as important role but instead factors such as reliable and fast service are very important .

Internet is one of the easiest way to expand the size of the market. However internet does also migrate competition to price and does widen the geographic size of the market and by this way increases the number of competitors. Not only can internet be used for direct marketing to customers but it can also help companies to reduce customer search costs by offering detailed information about their products and possibly reducing the cost in traditional customer search methods. From customers point of view, search costs (for example the time, money resources used for finding the favorable product or service) are seen as one of the most important determinant of customers’ decision making processes. For customers, digital marketing (especially internet) allows to gain more information about products and services and at the same time to have a larger sample size to choose their products from. From companies point of view this can also be seen as a challenge to increase their digital visibility to keep their market share high among the competitors.

To become the most effective direct sales channel, internet does still have a long way to go. Only, 1.8 per cent of visits to online retailers lead to sales, compared with 5 percent of visits to department stores.

4.4.1 Internet marketing budget and prices

The budget of Internet marketing is very easy to set and keep in your desired level. During the thesis work I interviewed a GoogleAds employee and he gave me a following example of the pricing flexibility: If you create a marketing campaign and you have a marketing budget of 1500 dollars and Google AD's charges 1 dollar per ad clicked, the ads will close as soon as you have reached 1500 clicks. However, this 1500 dollars can be divided for a longer period of time so that only certain amount of maximum clicks will be used per day. For example if you want to make sure that the marketing campaign will last for at least 100 days. In that case the Ad Server sets the maximum clicks per day to be performed to 15 clicks. After those 15 clicks have been done, the server automatically closes the ads for that certain day.

The Cost per Click varies company by company. When you start your marketing campaign online you always set the maximum price you are ready to pay the ad provider per ad clicked. The word cost per click however usually refers to the actual price the advertiser pays for his page to be opened or his advertisement clicked. Actually you can make a great difference on the Cost-Per-Click prices.

In many Adservers the provider determines factors such as quality score and Quality Rank and based on those scores the actual Cost per click will be defined. However the cost per click will never exceed the amount you have set to be the maximum.

Companies aiming for a better visibility in search engines can also turn into professional web-page makers. The professionals can optimize your website so that the page contains enough keywords and vocabulary from your field of business. If the page is properly optimized companies can save a significant amount of money and gain “free” visibility. The key words need to be added in certain limits or company’s web page may end up in search engines black list.

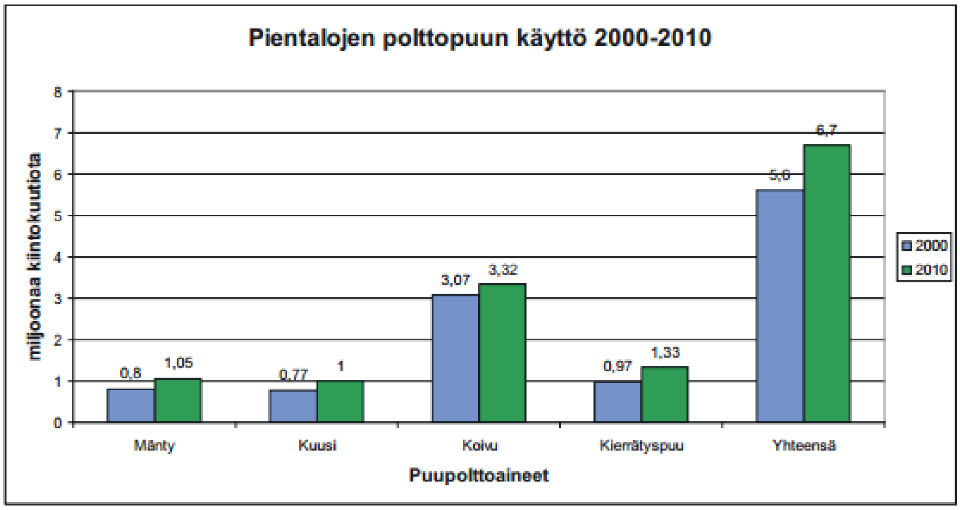
4.5 Traditional Marketing

Traditional marketing consists of strategies like direct sales, television, radio, email, printed collaterals (ads in newspapers, billboards or printed catalogs or brochures). Traditional marketing has been performed for centuries and people are used to it and do it all the time. Traditional marketing is in many cases the only way to reach a particular target group. For example very many of the forest owners in Finland aren't using internet or social media channels. Even though traditional marketing is expensive when compared to internet marketing it provides in many cases the irreplaceable feeling to customer of having something tangible and feeling that the advertising has really been allocated to him or her. Many people find traditional marketing more attractive because it either offers a tangible, hard copy material or person to person interface. Those both methods usually give receiver a feeling that the marketer has made an effort to reach him and he is being personally contacted unlike in most of the digital marketing methods. Whereas traditional marketing is expensive, it also usually requires a third party to help with the implementation. For example to set in the printing materials. Another negative thing about traditional marketing is that it can be experienced as pushy by receiver. This is because traditional marketing is usually targeted to receiver without asking his or her willing for it.

(Home Business 2014)

5. EMPIRICAL STUDY

5.1 Firewood Usage and production in Finland



Lähde: SVT: Metsäntutkimuslaitos, metsätilastollinen tietopalvelu.

DIAGRAM 1. Firewood usage in Finnish households. (Adapted from http://www.metsakeskus.fi/documents/10156/28763/Pilketuotanto-opas.pdf)

The upward trend in the price of energy plus Finland's and the EU's greenhouse gas emissions and climate targets provide an excellent platform for, increased use of domestic renewable energy. Despite the energy efficiency requirements in European Union and Finland, energy consumption is continuously increasing in Finland. In order to satisfy the increased need of energy, Finland has in the future to either increase their own production or increase the imports from abroad.

One stack cubic meter of birch wood has a gross heating value of 1700kilowatt hours. This is equivalent of 170 liters of light fuel oil. With the increasing energy prices firewood has become more and more viable and popular mean to heat within the households.

There are over 2.9 million fire places in Finland. In addition there are over 1.1 million fire heated saunas. Every year over 70,000 new fire places are constructed.

In households over 6.7 million cubic meters of firewood was used in 2010 and the amount is increasing. The amount of birch wood alone was 3.3 million cubic meters. The increased usage of firewood between 2000 and 2010 is illustrated in Diagram 1.

According to Finnish Metsäkeskus, in 2009 more than half of the used firewood in households have been acquired from own forest and some 20 per cent are purchased otherwise independently. Some 300,000 stack cubic meters of wood is sold every year and the value of the trade is around 30 million euros.

(Ämmälä, 2012)

5.1.2 Firewood production and selling among forest owners

It is hard to find any data about firewood production and selling but out of the 77 forest owner respondents in the questionnaire, around 15 percent had made some sort of business with selling firewoods. However more than 50 percent of the forest owners said they had produced firewood for their own usage- at least in some extent.

According to this thesis writer's survey, the firewood usage and business was very position and occupation dependent. From farmers and owners living in small conurbations, more than 90 percent said they had either produced firewood for their own usage, for selling purposes or both at least in some extent, whereas only 60 percent of the owners living in cities said the same.

The size of forest owned does also seem to make a great difference when looking at the firewood producing. Owners with smaller forest areas owned, tend to use more of their forest area for firewood production whereas the large area owners are more looking for a bigger business of timber trade with big wood industries.

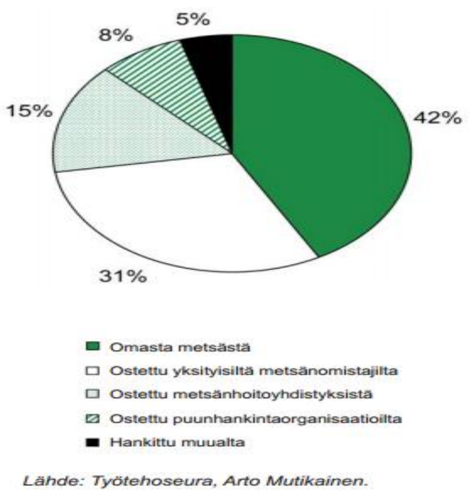


DIAGRAM 2. Firewood acquisition in private households. (adapted from http://www.metsakeskus.fi/documents/10156/28763/Pilketuotanto-opas.pdf)

5.2 Forest owners in Finland -The target group of the research

The focus group of this research is non-industrial private forest owners (NIPFs) owners in Finland. The whole group of forest owners is very massive as there are over 700,000 forest owners in Finland (2010) and the number of owners has been increasing. In fact over 60% of the forest in Finland is owed by private forest owners. Forest private owners consist mostly by private persons and families and to a lesser extent from heirs and for example taxation groups. Private forests play a key role in the forest industry roundwood supply. Their share of the supply of domestic raw wood to wood industries is about 80 per cent.

There are 423,300 people who own the forest by themselves or with spouse, whereas 143,000 own by proxy via tax corporations and 170,100 through the estate.

60 percent of all the forests are size of less than 20 acres whereas the proportion of them as whole from the forest land is some 17 percent. Even though the forests with the size of more than 100 acres accounts less than five percent of the total forests, their proportion of the whole forest land area in Finland is nearly 30 percent.

In recent years the structure of non-industrial private forest owners has changed dramatically. The average age of forest owner has increased very much being over 60 years these days. More than 45 per cent of the owners are retired whereas the proportion of people in the working life among the owners is only 30 per cent. The ageing of forest owners has also had an effect on the commercial use of forests. It's been found that older forest owners tend to sell less wood per hectare than younger owners.

The largest single occupation among forest owners is farmers as their percentage of total forest owners in Finland is 20 per cent, 16 percent of those are "full-time" farmers. This group represents over 60,000 farms. In this group the shareholder base stays younger because of the generational changes. Farmers do also own a larger are of forest than an average owner and the cover area of forests owned by farmers is over 30% of the total forest area.

(Suomalainen metsänomistaja 2010,Harri Hänninen, Heimo Karppinen ja Jussi Leppänen)

	Metsätilakokonaisuuden kokoluokka metsämaan pinta-alan mukaan, ha											Metsänomistajien lukumäärä, yli 2 ha:n tilat, kpl
	1–1,9	2–4,9	5–9,9	10–19	20–49	50–99	100–199	200–499	500–999	1000–		
Omistusmuoto	**Tilakokonaisuuksien lukumäärä, kpl**										**Yhteensä**	
Kaikki yhteensä	**29 501**	**65 622**	**62 315**	**74 349**	**90 184**	**41 498**	**15 049**	**3 356**	**474**	**346**	**382 694**	
Yksityiset henkilöt	**28 767**	**64 011**	**61 126**	**73 386**	**89 220**	**40 967**	**14 654**	**2 989**	**244**	**74**	**375 438**	**632 201**
Yksin tai puolison kanssa	20 932	47 675	45 183	53 762	65 332	30 028	10 923	2 308	180	54	276 377	319 182
Verotusyhtymät	3 858	8 540	8 171	10 041	13 012	6 640	2 450	509	60	18	53 299	145 879
Kuolinpesät	3 977	7 796	7 772	9 583	10 876	4 299	1 281	172	4	..	45 762	167 140
Muut omistajat	**734**	**1 611**	**1 189**	**963**	**964**	**531**	**395**	**367**	**230**	**272**	**7 256**	
Yhteismetsät	0	0	0	3	3	14	31	53	45	63	212	
Yhteisetuudet	61	99	71	53	50	32	13	..	..	..	383	
Avoimet ja kommandiittiyhtiöt sekä elinkeinoyhtymät	72	126	75	66	78	25	11	3	0	..	457	
Osuuskunnat	10	21	7	..	13	6	3	3	0	..	66	
Osakeyhtiöt	332	876	699	575	542	276	143	57	18	36	3 554	
Säätiöt	11	23	30	34	59	40	40	42	12	5	296	
Kirkko ja muut uskonnolliset yhdyskunnat	4	15	9	11	31	43	63	86	62	32	356	
Kunta, kuntayhtymä ja maakunta	4	4	6	8	12	14	35	94	86	120	383	
Valtio	..	..	..	..	..	..	..	..	..	..	18	
Kaikki muut	239	446	290	209	175	81	53	25	6	7	1 531	

TABLE 2. The size and the ownership of Finnish Forests in 2011, Tilastokeskus (adapted from http://www.stat.fi/til/metsom/index.html)

5.3 The Survey

The empirical study was carried out by questionnaire, which is presented in the attachments of this thesis. The questionnaire was created in Webropol. The thesis maker was provided a contact list of forest owners by Metsänhoitoyhdistys. The contact list contained over 500 email-addresses and phone numbers of which the writer was legally allowed to use during the empirical study.

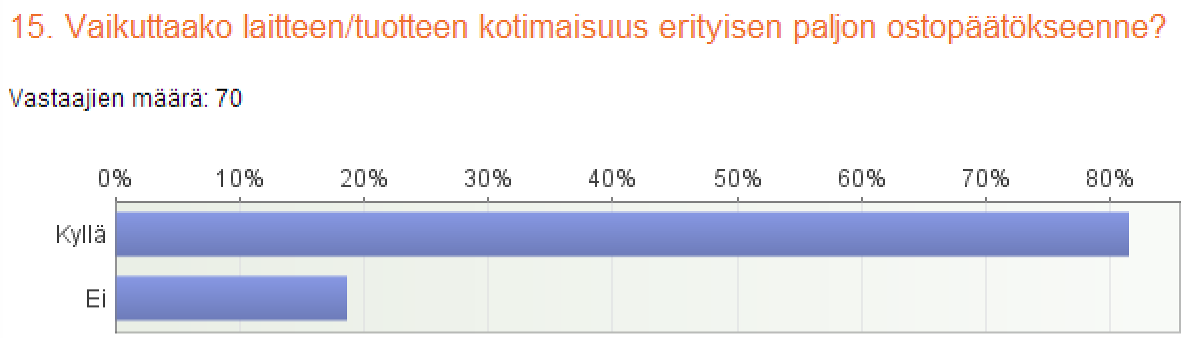
Approximately 60% of the respondents had to be contacted via phone because not enough respondents could be reached via e-mail links. Also because of the accuracy of the survey, it was important to reach the senior forest owners. Less than 10% of the Internet respondents were above 60 years old. This is why the age distribution of respondents does not fully correspond with the actual forest owner age distribution. However the purpose of this thesis was not to investigate the distribution of age, geography or gender of forest owners but to examine the relationships between those segments and purchasing behavior and to find correlations in appreciation of different product matters, and media usage within the segments.

The survey was mostly quantitative research and a lot of value was put for numbers and statistics. At the same time, during the phone interviews, the respondents could freely explain their answers and many of the interviews turned out to be more of discussions. Those discussions provided a great understanding for many matters and casual relations that could not fully have been understood with statistical studies only.

5.4 Forest owner as a segment

It is hard to say if forest owners can be classified as a segment. For hardly any forest owners, owning the forest can be classified as an occasion. Forest owners cannot be segmented by geography, demography (age,gender, religion), by lifestyle, by benefits or by any traditional segmentational category. Even the objectives of ownership and purchasing decision processes vary individually. However based on my research and many external studies forest owners do indeed have many similarities in behavior. (PELLERVO ECONOMIC RESEARCH INSTITUTE REPORTS No.221)

Finnish forest owner is usually close to nature. He/she sees not only economical potential but also a lot of recreational potential in their forest. Until these days, forest owners have also had a lot of emotional ties to their forest. Pellervo's economic report No.221 showed that only 1-2% of the forest lag any interest on their forest. Finnish forest owners has a great appreciation for domestic products. Over 80 percent of the questionnaire respondents said domesticity of a product has a great effect on their purchasing decision.



QUESTION 1. "Does the product domesticity have effect on your purchase decision?"

Forest owners can be also seen as family-orientated segment and they like perform the forestry work also by themselves with the family. Over 70% of the questionnaire respondents said they had performed forestry work in their forest land themselves with the family. One of the strongest resemblance among the segment was strong appreciation for domestic origin products and services.

In the questionnaire, 80% of the respondents said domestic originity is very significant factor when making a purchase decision. The locality is also important to forest owners. 65% of respondents said their primary aim was to find a product produced in the immediate area. However some sub-segmentation appeared in the questions above. Those sub segmentations specially stood out were based on age and geography.

The questionnaire and other general statistics suggest all that an average forest owner is a senior male. Approximately 80% of the respondents were male. However the ownership is not that straightforward. In many family-owned forests, there is a co-ownership between husband and wife. Anyhow, in forest management ownership registers, the husband is usually registered as a primary owner and only his contact details are in the lists. In this study, I was provided a contact list from the ownership register of Metsänhoitoyhdistys (MHY). Over 70% of the responders said their forest was a family domain plant but same time around 80% of the respondents were male. Having a quick look at the list proved that over 50% of the family-forests were co-owned between the husband and the wife of the family.

Finnish forest owner uses the wood from his forest land also for himself. Over 75% of the respondents in the questionnaire said they had made firewood from their forest either for their own use or for selling purposes. When it comes to purchasing decision process (machines), some medium resemblances can be found among the segment. Forest owner tends to look a significant amount of data and information about the machine before making the actual purchasing decision. Forest owners said they mainly looked information about the country of origin, technical details, and the reviews of the product from either previous users or from public reviewers.

Taulukko 36. Metsäalan lehtien tilaajat ja lukijat vuonna 2009.

Lehti	Tulee kotiin	Luen muualla	Tilaaja tai lukija
	% metsänomistajista		
Metsänhoitoyhdistyksen lehti	51	5	55
Maaseudun tulevaisuuden metsänomistajanumerot[1])	46	5	51
Metsäliiton Viesti / Skogsextra	40	3	42
Maaseudun tulevaisuus	38	16	54
Terve Metsä (Stora Enso)	33	3	36
Metsäkeskuksen lehti	29	5	33
Metsä (UPM)	22	4	25
Metsälehti	19	4	24
Landsbygdens Folk	4	1	4
Muut metsälan lehdet	4	0	4
Skogsbruket	3	1	4

[1]) Maaseudun tulevaisuuden metsänomistajanumero ilmestyy neljä kertaa vuodessa ja jaetaan ilmaiseksi kaikille metsänhoitomaksua maksaville metsänomistajille.

TABLE 3. Finnish forest owners printed media usage. (adapted from http://www.metla.fi/julkaisut/workingpapers/2011/mwp208.pdf)

The medium or media, forest owners favored did vary among the sub segments. However, traditional communication tools such as printed papers and magazines had a very important role. To give the perspective, over 50% of the respondents said they read Maaseudun Tulevaisuus-magazine daily whereas another 50% said they read another newspaper daily. Internet and digital media usage did vary very much among the sub segment of age. Television did not make a significant difference in the segment when comparing to the national average. Some 60% of the respondents said they watch TV daily whereas, according to Sonera economic research, 67% of the Finnish people watch TV in daily basis.

According to the questionnaire, Finnish forest owner sees concrete product presentation as the best way to market firewood machine. Comments for the best marketing method in the open comment box varied from "personal contact", "product presentation", "testing by himself", to "presentations". During the phone interview, when asked for respondents to specify the product presentation they were looking for, the most common response was the sort of a presentation where they can properly see how the machine work, and for the firewood machine, to see an example of the actual splitting and cutting process.

5.4.1 The sub-segments in the category of forest owners

There are many sub segments in the group of forest owners. Those easiest to identify are geological, gender, age and professional segments. The purchase decision making process does vary significantly between those segments.

People's needs, appetencies and behaviors change with age. Age was probably the factor having the most effect on purchasing process and especially to information seeking methods. The concept is based on the fact that consumer needs and desires change with age.

The segment of senior people which is the largest agile segment among forest owners, prefers the traditional information seeking methods. This is due to very limited internet and social media usage. When asked the media usage from respondents over 60 years old, only 6% of the respondents said they were using Facebook daily, another 4 percent said they watched Youtube daily whereas 18% percent said they use internet or another media. Same time 70% of the respondents said they had never used internet-store and 25% said they had used but more than one year ago. According to the questionnaire the is not very strong correlation between the age segments and the amount of forestry management work performed. However Metla's research from 2010, done by Hänninen, Karppinen and Leppänen suggests that older people tend to sell less wood and perform their forestry work in smaller amounts.

Geological segment is another sub-segment which stood out from the group of forest owners. In the questionnaire there were three rough categories of location: Countryside, conurbations or towns with less than 20,000 people and cities with over 20,000 people. Due to the unbalanced owner-register, the thesis maker was provided for questionnaire, the distribution of respondents location might have been slightly distorted. The easiest distinctive and variables to notice in relation to geological segments were forest management work, media usage and the size of forest land owed. As over 80% from the segment of countryside occupants answered they had performed forestry work by themselves or with a family in their forest in the past year, the same time less than 60% of the respondents from the segment of city occupants (over 20,000 people) said they had done the same. One of the biggest reason for this was the city owners far location from their owned forest. Also, in the cities, firewood usage for heating purposes is less common. Different geological segments did have surprisingly little differences in media usage. The most obvious difference was the readership of Maaseudun Tulevaisuus magazine. 75% of respondents from countryside said they read Maaseudun tulevaisuus-magazine daily whereas only 26% of the respondents from cities said the same.

9. Mitä seuraavista Medioista seuraat päivittäin

Vastaajien määrä: 66

	Asuinpaikkani		
	Maaseutu (N=28)	Taajama tai alle 20,000 asukkaan kaupunki (N=19)	Yli 20,000 asukkaan kaupunki (N=19)
Facebook	25%	10,53%	31,58%
Youtube	10,71%	10,53%	5,26%
Maaseudun Tulevaisuus	75%	31,58%	26,32%
Iltalehti	17,86%	31,58%	26,32%
Netti/Muu media/aikakausilehti mikä?	32,14%	63,16%	52,63%
Televisio	57,14%	63,16%	63,16%
Radio	46,43%	36,84%	57,89%

QUESTION 2. Media usage of Finnish forest owners

Gender was playing an important role on some issues. The most obvious differences between the male and female segments were related to forest management. 89% of the male respondents said at least some sort of forest management work was performed in their forest in the past 5 years. Forest management work can be for example clear-cutting, thinning, individual tree cutting or re-planting works. 65% of the female respondents said the same had been done in their forest in the past 5 years. Not very significant correlations between the gender segments and media usage could be seen. Many individual research suggest that women are more active in social media than men. This research, however suggested opposite. This is because the amount of young women that answered to the questionnaire was very small Only 9% of the women respondents were below 40 as 19% of the male respondents were below 40.

5.5 Preferred Marketing methods

As the base of forest owners is old-generation it is not a surprise that traditional marketing methods are the easiest way to reach owners for marketing purposes. Newspaper advertisement, direct marketing (printed marketing letters) Television ads and sample models in local special stores are still the most effective marketing methods when it comes to marketing machines to forest owners. However, the fact that forest group of forest owners is so huge advocates that even attempts to reach a percent from owners is worth a lot.

5.5.1 Internet Marketing possibility in Regon Ay's business

	Käyttänyt internetiä viimeisten 3 kk aikana	Käyttää internetiä yleensä useita kertoja päivässä	Käyttänyt verkkopankkia viimeisten 3 kk aikana	Ostanut tai tilannut jotain verkon kautta viimeisten 3 kk aikana	Seurannut jotain yhteisöpalvelua viimeisten 3 kk aikana
	%-osuus väestöstä				
16-24	100	76	78	55	87
25-34	100	88	98	70	78
35-44	99	80	98	69	67
45-54	97	67	92	52	41
55-64	85	52	80	29	26
65-74	65	33	55	16	13
75-89	27	8	22	3	3
Miehet	88	65	80	45	44
Naiset	83	57	77	44	49
Yhteensä 16—89	85	61	79	44	47
Yhteensä 16—74	92	66	84	49	51

TABLE 5. Share of internet users in Finland. Adapted from http://www.tilastokeskus.fi)

For Regon Ay, internet represents a cheap additional marketing method. Regon does especially benefit from servers possibility to communicate with IP addresses to limit the marketing to a certain segments (location, interests, age, forest ownership) and potential customers.

Collecting this data is also called behavioral targeting. In behavioral targeting, advertisers use so called cookies, which identify specific computers and decides what type of ads to send to a specific computer. Cookies can for example track if a user left company's web page without buying anything and later retarget customers with company's ads. Without consumer's even knowing, Advertisers collect significant amount of date about computer user's activity. By doing this, advertiser can have a very detailed picture of computer user's interest. For Regon Ay, Behavioral targeting is a very interesting possibility as the company's target group is limited to a small and relatively hardly reachable group.

Nationwide research shows that 80% of 35-44 years old, 67% from 45-54 years, 52% from 55-64 years old, 33% from 65-74 years old and 8 percent from 75-89 years old use internet many times a day. This means that approximately 40 % of Regon Ay's target group can be reached relatively easy by internet. 40% out of 700,000 forest owners is a huge amount.

As the case company has already created a web-site where all the necessary information about the product and services are available, setting an internet marketing campaign is very easy and does not take much efforts. Easiest way to start is to create a adword campaign in Google or in Bing. Adword campaign can be limited regionally. The territorial division can be carried out up to an accuracy of kilometer.

During the research, I called Google and Bing to ask for the CPC prices in their Adwords services. The Adwords service increases companies search engine visibility. For example Regon Ay could set a word of "firewood making", or "firewood machine" or "klapikone" as their keywords in Bing's adwords service. When an internet user types any of those words to Bing search engine, The Adwords service suggests Regon Ay in the list of search results. Depending on the maximum CPC defined by Regon, their web-page could be the first of even fiftieth search result.

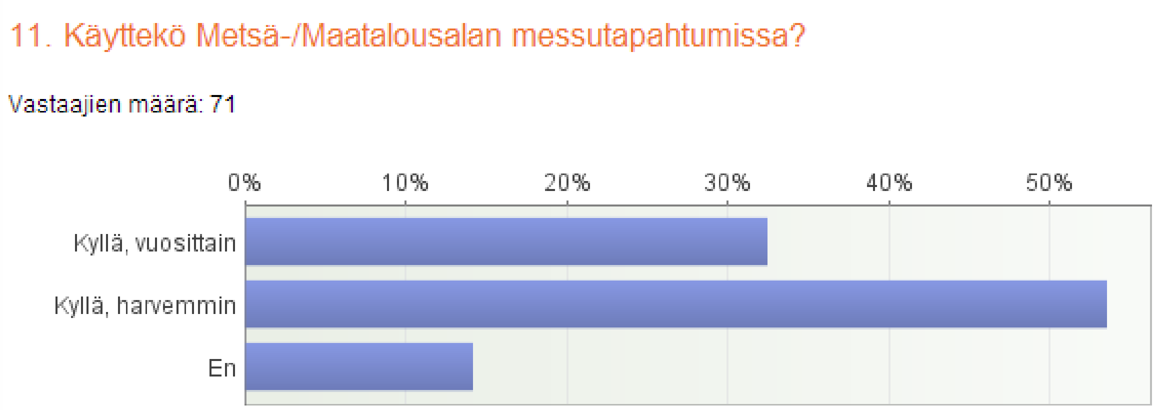
CPC prices varied a lot between Google and Bing. Bing could offer much cheaper service, CPC prices starting from 0.01e. In Google the salesman estimated CPC prices with "polttopuiden teko", "klapikone", "klapit" words given to start from 23 cents. The CPC price could go up to 2 euros depending on the word and territorial division.

According to Google salesman, A typical SME enterprise started the adwords campaign with a monthly budget of 300 euros.

Internet marketing should not be considered as the dominating marketing method in Regon Ay's case because of the age structure of the company's target group. As an average age of a forest owner is above 55 years, more traditional marketing methods aren't still to be displaced with internet marketing only. However older (55+) generation should absolutely not to be overlooked by Regon when it comes to internet marketing: Senior people are becoming more and more aware of the internet possibilities and soon, in Finland they are the largest single group of internet users and for example, at the moment 65+ aged people are the largest growing population within the social media. In facebook only, 11% of the people are above 65 years.

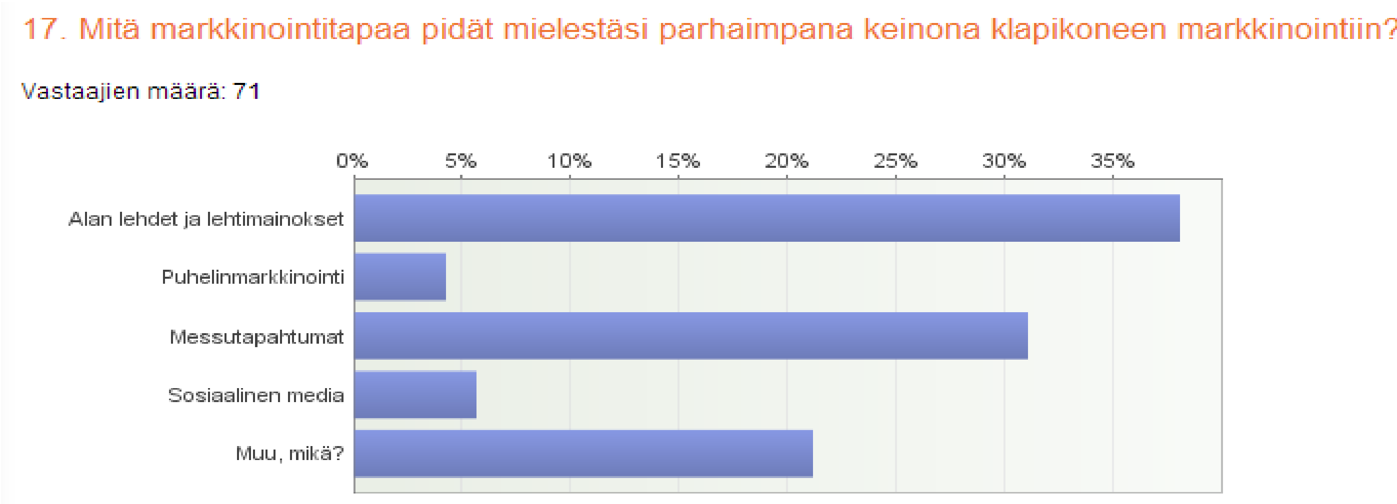
5.5.2 Fair trades, exhibition shows and other methods

According to the questionnaire, forest owners prefer exhibition shows and fair trades as a way to market a firewood machines. Some 80% of the respondents said they do visit agriculture and forestry trade fairs and out of those 30% said to visit them annually.



QUESTION 3. "Do you visit agriculture or forestry trade fairs?"

During the phone interviews I asked respondents to briefly explain on their own words, which type of marketing methods they consider the most effective for a firewood machine. Almost without exception all of the respondents said they prefer to have something concrete, something where they can actually see the product and even to "have a try and make few logs with the machine by themselves". It is understandable because the investment is quite big and customers want to be sure that they are making a good deal.



QUESTION 4. " What is the best marketing method for marketing firewood machines in your opinion?"

In Webropol questionnaire, when asked the best marketing method for firewood machines, surprisingly many chose newspapers and printed ads to be the best method. Some 38% chose newspapers and printed ads the best method, 32% chose fair trades, 7% chose social media and approximately 20% chose something else. Something else included answers such as "personal contact", "exhibitions" and "testing".

5 CONCLUSION

Consumers read magazines, use internet and other media to glean more information but above all else, people turn to the people around them for seeking advice and guidance. People ask colleagues, friends and mostly from family. Most likely any of us can remember a situation where we have found out that despite all the fancy communication material we see and research, the opinions of our closest friends or colleagues were the factors that weighted most to us when making the purchasing decision. For this very reason, Regon should also focus more on a two-stage communication process which refers to a heavy usage of innovators and opinion leaders in marketing.

If looking at the current situation, the traditional media still plays the main role in marketing to NIPS's but the situation is slowly but surely changing. The ageing population is getting more familiar with internet and other digital media.

It very challenging to create an effective marketing combination to a diverse and big group like forest owners. It is quite obvious that the whole group cannot be reached via single marketing method. Thus the case company either has to limit the amount of sub-segments they want to reach or to be ready to invest more money to their marketing budget and to create a more sophisticated, multiple method marketing and communication tool set.

According to the results in questionnaires, Regon Ay should focus on Push strategy in their marketing where a lot of personal selling occurs and the product is literally pushed to the customer either by retailers or by the company itself. The Push strategy should be combined with some level of pull strategy which consists of Ads, promotions mouth to mouth referrals et cetera. Especially in small cities and countryside where most of the potential customers are at this moment, mouth to mouth referrals are very important. In pull strategy, Regon Ay should focus on Creating a campaign (in mass media, or via printed ads) which would make the potential customers aware of the product and become the source of the vital mouth to mouth referrals.

When looking at the age structure now the owner base is at the point where the average age of forest owners is not getting older any longer. It is estimated that the owner base starts slowly to get younger and by 2030 the average age decreases from current 60 years to about 52 years. Due to rejuvenation the proportion of pensioners among forest owners is to decrease significantly being only around 35% when comparing the current situation (45%).

The segments are also changing dramatically. For example the proportion of the single largest occupational group among the forest owners, farmers is dramatically going to change. As farmers proportion of forest owners is now approximately 30 it is estimated to decrease down to 5% by 2030.

The geological segments are also experiencing some significant changes. Young people are moving to cities and therefore the group of "city owners" is already increasing. Being approximately 26% currently it is estimated that the proportion of city owners among all forest owners is to increase to up to 50% by 2030. At the same time it is estimated that the proportion of countryside-owners is to decrease from 55% to around 35%. This inevitably leads to a reduction in family and emotional ties to the owned forest land. When looking at the threats of the ongoing segmental changes on firewood machine industry's point of view, the biggest single threat would be the increase in remote ownership of forest land. It is estimated that remote ownership is to increase from 36% to up to 50% by 2030. Remote owners are less likely to perform forestry work on their own, with their own machines and are therefore less potential to purchase firewood machines of any sort. The segmental changes will bring a lot of benefits and opportunities to firewood processor industry in Finland. The younger owners are more likely to do the forestry work on their own and are therefore more potential customers. The role of marketing is also going to change and the role of digital marketing is to increase. As the younger forest owners look more information from internet, it is easier for small companies to compete and stand out with large competitors. Also the marketing costs of firewood machines are likely to decrease. (Pellervo economic research institute reports no. 221)

During the thesis and especially during the interviews I got a precise idea about the typical forest owner in Finland. The survey was not a success in terms of number of participants but having the challenge of reaching the target group by internet or by phone was a good information itself. Also, during the phone interviews it became obvious that most of the forest owners do not like being interviewed or bothered by phone or by any other means and they very much appreciate their privacy. Less than 20% of the people who answered the phone agreed to participate the 4 minutes interview. In most cases, the age structure of the target group did explain this behavior.
I am confident that Internet marketing will gain a toehold as an important marketing method for forest owners in some years but at this very moment Regon Ay should focus more on traditional marketing methods and approach the target group through opinion leaders, personal contacts and arouse the interest towards the product with concrete product presentations.

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APPENDICES

APPENDIX 1/1

1. Sukupuoleni

- Mies
- Nainen

2. Ikäni

- >25 vuotta
- 25-40 vuotta
- 40-60 vuotta
- yli 60 vuotta

3. Asuinpaikkani

- Maaseutu
- Taajama tai alle 20,000 asukkaan kaupunki
- Yli 20,000 asukkaan kaupunki

4. Omistamani metsätilan pinta-ala:

- >2 hehtaaria
- 2-4.9 hehtaaria
- 5-9.9 hehtaaria
- 10-19.9 hehtaaria
- 20-49.9 hehtaaria
- 50-99.9 hehtaaria
- <100 hehtaaria
- En omista metsätilaa

5. Ammattiasemani

- [ ] Palkansaaja
- [ ] Maanviljelijä -eläintenkasvattaja
- [ ] Maatalousyrittäjä
- [ ] Metsänhoitaja
- [ ] Moottoriajoneuvon kuljettaja
- [ ] Metsätalousyrittäjä
- [ ] Muu itsenäinen yrittäjä
- [ ] koneasentaja -korjaaja
- [ ] Myyntityöntekijä, (myyntiedustaja, -sihteeeri, -neuvottelija, tuote-esittelijä)
- [ ] Opiskelija
- [ ] Eläkeläinen
- [ ] Muu maa- ja metsätaloustyö
- [ ] Työtön
- [ ] Muu: Yksityinen sektori

6. Onko omistamallanne metsätilalla tehty metsänhoitotöitä viimeisen 5 vuoden aikana

○ Kyllä

○ Ei

7. Oletteko tehneet metsänhoitotöitä tilallanne omalla, perheen, tai lähipiirin panoksella.

○ Kyllä

○ Ei

8. Metsätilani omistusmuoto:

○ Perhetila

○ Yhtymä (esim veroyhtymä)

○ Perikunta

9. Mitä seuraavista Medioista seuraat päivittäin *

- [ ] Facebook
- [ ] Youtube
- [ ] Maaseudun Tulevaisuus
- [ ] Iltalehti
- [ ] Netti/Muu media/aikakausilehti mikä? ______________________________
- [ ] Televisio
- [ ] Radio

10. Oletteko käyttäneet verkkokauppaa ostoksienne tekemiseen?

- ○ Ei
- ○ Kyllä, viimeisen kuukauden aikana
- ○ Kyllä, viimeisen vuoden aikana
- ○ Kyllä, kauemmin kuin vuosi sitten

11. Käyttekö Metsä-/Maatalousalan messutapahtumissa?

- ○ Kyllä, vuosittain
- ○ Kyllä, harvemmin
- ○ En

12. Oletteko koskaan tehnyt konehankintaa mediassa näkyvän markkinointikampanjan perusteella? (Onko "tieto luonut tarpeen")

- ○ Kyllä
- ○ Ei

13. Harkitessanne metsänhoitoon käytettävän koneen hankintaa, kuinka otatte selvää mahdollisesti ostettavasta koneesta?

- [ ] Internet
- [ ] Tutut
- [ ] Tuotetta myyvät erikoisliikkeet
- [ ] Lehdet ja lehtiarvostelut
- [ ] Muu, mikä?________________________________

14. Onko henkilöpalaute sinulle ratkaisevaa ostopäätöstä tehdessäsi; Ottaisitteko ehdottomasti yhteyttä aiemmin vastaavan koneen hankkineeseen henkilöön?

○ Kyllä

○ Ei

15. Vaikuttaako laitteen/tuotteen kotimaisuus erityisen paljon ostopäätökseenne?

○ Kyllä

○ Ei

16. Suositteko erityisen paljon lähialueella tuotettuja laitteita/tuotteita? pyrittekö löytämään ostopäätöstä harkitessanne lähialueella tuotetun vaihtoehdon? *

○ Kyllä

○ Ei

17. Mitä markkinointitapaa pidät mielestäsi parhaimpana keinona klapikoneen markkinointiin?

○ Alan lehdet ja lehtimainokset

○ Puhelinmarkkinointi

○ Messutapahtumat

○ Sosiaalinen media

○ Muu, mikä?________________________________

18. Omistatteko klapikonetta?

○ Kyllä

○ Ei

19. Onko teillä tarvetta klapikoneelle? Oletteko suunnitelleet klapikoneen hankintaa?

- ◯ Kyllä
- ◯ Ei

20. Oletteko valmistaneet polttopuita metsätilaltanne viimeisen vuoden aikana ?

- ◯ Kyllä, omaan käyttööni
- ◯ Kyllä, omaan käyttööni ja myyntiin
- ◯ Kyllä vain myyntiin
- ◯ En ole

21. Mitkä asiat vaikuttavat/vaikuttaisivat erityisesti ostopäätökseenne konehankintaa (klapikone, muu metsänhoitokone) tehdessänne?

	Erittäin Paljon	Merkittävästi	Jonkun verran	Vain hiukan	Ei ollenkaan
Hinta	◯	◯	◯	◯	◯
Kotimaisuus	◯	◯	◯	◯	◯
Paikallisuus(Lähialueella tuotettu)	◯	◯	◯	◯	◯
Laatu	◯	◯	◯	◯	◯
Tuttu Brändi	◯	◯	◯	◯	◯
Laaja huoltoverkosto	◯	◯	◯	◯	◯
Aiempi kokemus laitteesta	◯	◯	◯	◯	◯