



MARKETING PLAN FOR B-TO-B CUSTOMERS

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ABSTRACT

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Marketing Plan for B-to-B Customers
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The aim of this bachelor's thesis was to create a marketing plan for business-to-business customers of TJM-Putkitekniikka Oy. The company operates in the field of heating, ventilation and air conditioning. The company needed a structured marketing plan to do more efficient marketing and to strengthen its position on the business-to-business markets. The main reason for the marketing plan was to achieve more visibility and new customers. The objective of the thesis was to find out what factors influence in the decision making of business customers when choosing the HVAC company to operate in their premises. The information gathered from the survey was used for the marketing plan in order to assist in the selection of appropriate marketing tools for different customer groups.

The theoretical framework focuses on services marketing because it is very different to product marketing. The other important factor in the thesis is how to do business-to-business marketing. Due to confidentiality reasons the marketing plan is not published and it can be found in the appendices of this thesis.

The aim was to offer different kind of marketing possibilities for the company. The selected marketing tools are appropriate for a small company which aims to achieve more sales. For the company it is important to choose the tools that are suitable for the chosen customer group.

In order to ensure the growth of the company in the future the actions in the marketing plan should be implemented. The marketing plan was created for the current situation of the company. After the goals have been achieved it is time to update the marketing plan. It is important to follow the changes in the external environment and react to them.

Key words: marketing plan, b-to-b customers, services marketing

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1 INTRODUCTION

The aim of this bachelor's thesis was to create a marketing plan for business-to-business customers of TJM-Putkitekniikka Oy. The company operates in the field of heating, ventilation and air conditioning. It operates in the Tampere region. The company had done marketing by advertising in magazines and newspapers. Also word of mouth has had a great role in its marketing. TJM-Putkitekniikka Oy wanted to have a marketing plan due to the aim to strengthen its position on the business-to-business markets. TJM-Putkitekniikka Oy needed a marketing plan because it did not have it before. The competition grows and it was important to analyse the growing possibilities in the field of large industrial companies. The topic was chosen by the author because of the gained skills in the studies of international business and marketing.

The aim of the thesis was to find out what factors influence in the decision making of business customers when choosing the HVAC company to operate in their premises. The information gathered from the survey was used for the marketing plan in order to assist in the selection of appropriate marketing tools for different customer groups.

The theoretical framework focuses on services marketing because it is very different to product marketing. The other important factor is how to do business-to-business marketing.

The objective of this thesis was to offer solutions for effective marketing. It takes into account the size of the company and its marketing capability. With this marketing survey and marketing plan, the company could find the most effective ways of marketing for large industrial company customers.

2 COMPANY

TJM-Putkitekniikka Oy operates in the field of heating, ventilation and air conditioning (later HVAC). The company locates in Vaskivesi, Virrat and it operates in the Tampere region. It was established in 2005. The company has both private households and large industrial companies as customers.

TJM-Putkitekniikka Oy offers good quality for their customers. The services that they offer are:

- HVAC installations
- HVAC product sales
- HVAC renovations
- HVAC contractor services
- Industrial pipe installations
- Pipe installations for detached houses
- Piping installations
- Plumbing repair

The company employs permanently CEO and six other persons.

3 THEORETICAL FRAMEWORK

3.1 Marketing concepts and theoretical framework

3.1.1 Marketing

“The central idea of marketing is to match the organization’s capabilities with the needs of customers in order to achieve the objectives of both parties.” (Frow, Payne & McDonald 2011, 8).

The marketing is about competing for the customer’s time and money. The human and social needs are important to be identified to know what customers prefer. The goal of marketing is to gain more profitability and boost the company’s sales. (Kotler & Keller 2012, 27.)

The concept “marketing” is really wide, and it includes also selling and advertising. What is included in marketing is explained in the book “Principles of marketing” by using the next example:

1. First analyse the requirements of the product X users. Do they want to have similar products that they already have in the markets or is there something that they don’t like (defining the markets).
2. Visualize your product.
3. Estimate the amount of customers who will use this particular product and the quantity that they will buy (determine the value proposition to meet their needs).
4. Estimate the price at what the customers purchase their product and calculate whether the company can get profit out of it.
5. Find out where the customers are and how they will get your product.
6. Decide the type of promotion to be used to sell the product to customers.
7. Evaluate the competitor’s position on the market where you sell. The evaluation should be in terms of quantity they produce, their price, packaging, what kind of promotion strategy they have etc.

All these things are part of the marketing process. The marketing process leads to the right direction and helps to find the suitable products for customers and how the product will end up to the customers. (Hundekar, Appannaiah, Ramanath & Reddy 2010, 2.)

3.1.2 Business-to-business marketing

The concept of business-to-business marketing means that the buyer is a company or an organization. There are three different customer groups in b-to-b marketing:

-commercial organizations

-public organizations

-non-profit organizations

The capital goods can be categorised by the situation where the goods are needed. The purchases can be categorised as follows:

1. One-time purchase

- installed capital assets

- production and operating systems (f. ex. computer programs)

2. Ongoing purchases

- raw materials and components

- accessories (f. ex. copy papers)

3. Irregular purchases

- production equipment (machines)

- professional services (cleaning, education etc.)

When comparing capital goods and consumer products, the difference between marketing is due to different kind of markets. In the following table the difference between capital goods and consumer goods is described (Rope 2004, 15):

TABLE 1. Comparison between capital and consumer goods

<i>Capital goods</i>	<i>Consumer goods</i>
- Satisfy the needs of organizations	- Satisfy the need of individual
- The amount of potential customers is limited	- The amount of potential customers is unlimited
- Complicated and multistage buying process	- Simple buying process
- Expensive purchase price	- Inexpensive purchase price
- Complicated product	- Simple product
- A great need for maintenance	- A little need for maintenance
- The buyers are professional	- The buyers are “non-professional”
- Direct contact between manufacturer and user	- Not direct contact between manufacturer and buyer
- It is hard to define the decision maker group of the purchase	- It is easy to define who makes the decision on purchase
- Focus on rational buying motive	- Irrational buying motive is significant

The table focuses on the opposites. Sometimes it is possible that in the following issues the difference between consumer goods and capital goods is narrow:

- complication of buying process
- expensiveness of the purchase
- need for maintenance
- contact between manufacturer and user
- rationality of buying motive

The crucial factors in the table are:

1. Organizational buying process vs. individual buying process
2. Organizational needs as the reason to buy vs. individual needs
3. Professional purchasing process vs. non-professional purchase

These factors should be taken into account when the marketing decisions are made.

When doing marketing with b-to-b customers, the person who is responsible for the decision in the purchase process should be known by the marketer. Only in the case that the marketer knows the decision maker, the marketer can consciously direct the purchase process for the own best interest. (Rope 2004, 34.)

3.1.3 Services marketing

The difference between marketing a product or service is that the services are intangible. When the customer buys a service she/he buys the knowledge or experience of the service provider. For the customer it is difficult to evaluate and compare the services beforehand because of their intangibility. When planning the marketing of the services, the “product” should get some tangible images by the marketers. This helps the customer to identify the service that the company is selling. The other thing that differ services from products is inseparability. Inseparability means that the customer consumes the service at the same time when it is performed. To get the service occur both the buyer and the seller must be at the same place at the same time. Perishability is also one feature of services. The service buyer cannot store or re-use the service. Thus it is important that the service provider has enough opportunities to offer the service. The fourth significant factor in services is variability. This signifies that it is difficult to offer the same service every time because the service situations and customers’ needs differ. It depends also on who offers the service. Thus it is challenging to measure and control the quality. (Gilmore 2003, 10-12.)

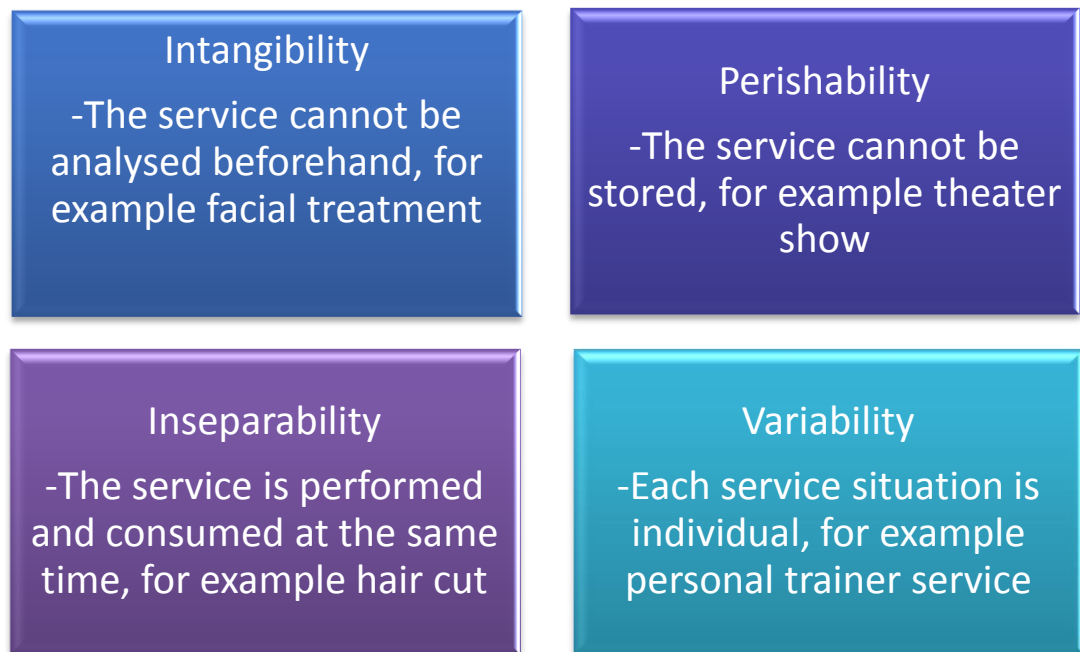


FIGURE 1. Characteristics of services (Gilmore 2003, 10-11)

In the service sector the service provider's personality has an important role. The relationship with the customer is important in order to the customer to use the service again. The knowledge, intelligence and interpersonal skills effect on how the customer experiences the service. It is essential to appreciate the customer. There is a theory called SKAP to analyse the potential service marketing person. SKAP comes from the words skills, knowledge, ability and personal characteristics. Skills are learnable, knowledge is information, theories and facts, and ability is the innate or learned competence to perform the tasks. The personal characteristics are the social interaction behaviour. (Danyi 2008, 175-176.)

The ways how the service can be evaluated, listed by Audrey Gilmore (2003), can be technical, functional, tangible, intangible, physical facilities, accessibility, reliability, responsiveness, communication, credibility, security, empathy and understanding the customer and image.

- The technical dimension means for example the customers' expectations of the instruments and tools that the service provider is using.
- Functional dimension subscribes the functionality of the service, how everything works.

- The tangible dimensions are for example service environment, equipment and facilities.
- The intangible aspects are the acts and the performance of the service process.
- Physical facility is the place where the service takes place.
- Accessibility is a dimension about easiness of reaching the company. For example is it easy to go there (location) or what are their opening hours.
- Reliability is the measurement whether the company can keep up with the plans and timetables.
- Responsiveness means the willingness of the staff to deliver the service.
- Communication means that the company should communicate in a clear way with its customers in order to avoid misunderstandings.
- Credibility from customer's point of view means how trustworthy and believable the company is.
- Security refers to the feeling of the customer, how safe or dangerous the service feels like. It means both financial confidentiality and physical safety.
- Empathy and understanding the customer has a great impact on the customer. Customers feel themselves accepted and liked, and they are willing to use again company's services.
- Image is the way how customers and staff see the company and its services. It is a very influential factor. The company should carefully plan what kind of image it has, because it has a great impact on the customer's decisions. (Gilmore 2003, 13-16.)

3.1.4 Segmentation

“Market segmentation is the process of splitting customers, or potential customers in a market into different groups, or segments.” (McDonald 2012, 9). It is sharing your customers to groups with same needs. This means that it is important to know who the customers are and what their needs are. The idea of segmenting is to make specific acts for each segment in order to serve the chosen segment according to the customers' requirements. The manager should identify which markets the company can serve effectively. The entrepreneur should find a gap in the market that is not yet satisfied. The gap should be large enough in order to have potential for profitable sales. The company should also be capable to communicate with this customer group. The large

size of the segment is not the most important factor when choosing it because on the larger markets there is more competition. Figure two shows how the customers can be categorized by the length of customer relationship. The knowledge of the customers grows and the relationship develops during the time. (Kotler & Keller 2012, 235; Ruskin-Brown 2006, 76.)

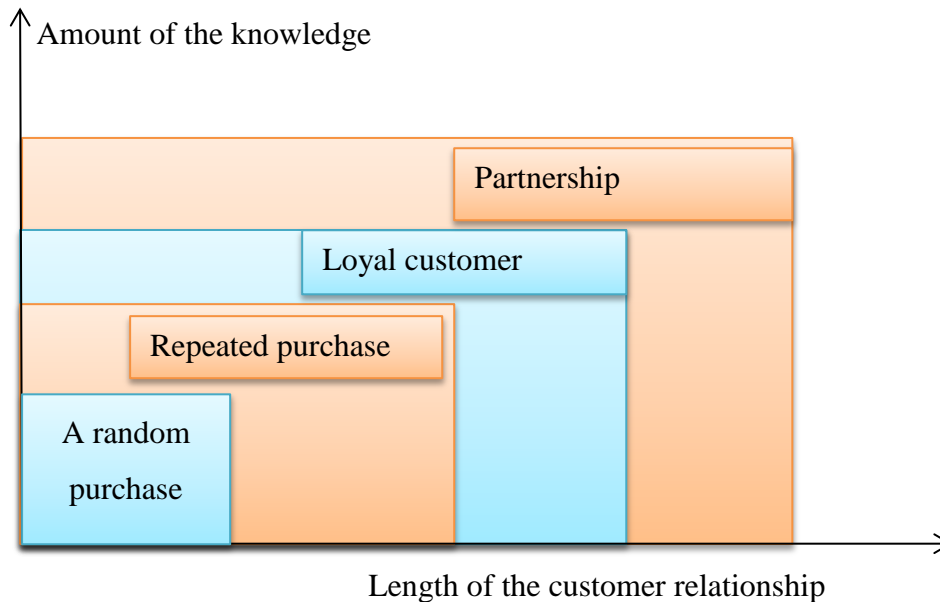


FIGURE 2. The amount of the knowledge and the length of the customer relationship (Aarnikoivu 2005, 41)

The segmentation of markets is based on the idea that it is not worth to handle the heterogenic total market as a whole but rather to try to find smaller, internally homogenous groups which are more profitable than other potential customer groups (Rope 2005, 153-154).

If there are many attractive segments, there are three different strategies to use for approaching these (Ruskin-Brown 2006, 74):

1. Undifferentiated strategy: Company offers the same marketing mix for each segment.
2. Differentiated strategy: Company targets many attractive segments individually with a customised marketing mix.

3. Concentration strategy: Company chooses the most attractive segment and uses a tailored marketing mix for that.

In the business-to-business marketing the chosen segment's size and profitability are relevant factors. When looking for the proper segment the information that is worth to know is the size of the customer companies, are they in service sector or manufacturing sector and what sort of industry they are in. The segment should be large enough that it is worth to use more effort. If the firm has few customers it might be useful to make segmentation for each customer. The segmentation helps to understand the customers' needs and to identify the market opportunities and it offers ideas for decision making of the actions that should be taken (Ruskin-Brown 2006, 73.)

Measuring the characteristics of potential customers makes the categorizing easier. It is easier to segment business markets for example based on the industry, company size or location. The segmentation should be extended to the employees of the target company and these segmenting factors can be for example age, status or job. Reachability is about the targeting and differentiating the segments from each other. Reachability means how effectively the company can target the marketing effort and inform each target segment of the interesting products. (Rope 2004, 57-58.)

When doing segmentation for services marketing, the things that should be taken into account are time, people and psychographic factors. The concept of time consists of punctuality, speed of response, availability, duration and speed of innovation. People means the customers that are going to be served and psychographic analysis consists of analysis of the customers' lifestyles (perceptions of the risks, education, interests, statements...). (Ruskin-Brown 2006, 82.)

3.1.5 Marketing mix

The basic marketing tool is 4Ps (Product, Price, Place and Promotion). The marketing mix is based on the goal of the company and on the identified target audiences. Before starting to create the marketing mix the performance goal for the business must be specified. When starting to plan the marketing mix, in the beginning you should define the product, which is the first P. The product can be goods or services. When there is a

physical product, the way how the product looks and what functions it has, should be defined. After that it is easier to think and find the target customers who need this product. (Rope 2004, 76; Gerson & Shotwell 1991, 28.)

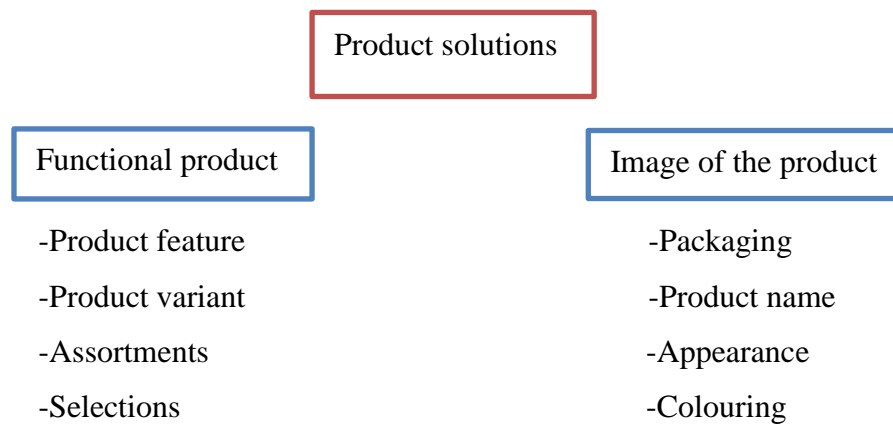


FIGURE 3. Product solutions

The marketing product consists of these elements. The functional product means the made product and the image for the product will be added to give marketing value for it. These elements must meet customers' needs. If there is more than one target market or segment, it is important to design the product to be suitable for each market. (Ramachandra, Chandrashekar & Shivakumar 2010, 60.)

Price is the second P. Price is the value that customers must pay to get the goods or services. When using price as a competing element, it is formed by the actual price, price increments, discounts and terms of payment. The price is (Rope 2004, 93):

- value measure of the product (shows the product's value for the customers)
- forms the value for the product (forms the image of the product)
- element of competition (low or high price)
- element that effects on profitability (what price is best for the sales volume)
- product positioning (the price should be right for the target customer group)

The third P is place, meaning the physical distribution channels, location, coverage, transportation and logistics management. When planning this, the questions are: What are the ways that the product is going through to the customers? How many different steps are there? What is the role of each step and task when taking the product to the

customer? Place is where the product is available for target customers, in other words it can also mean the website or the catalogue where the products can be seen. (Rope 2004, 117; Blythe 2009, 131.)

The last P is promotion. It is the way how the company communicates with its customers, in which way the customers get the message and how to convince them to investigate for the product. The possibilities are for example hiring an advertising office to make ads and campaigns, hire a marketing specialist to analyse the customers etc. Promotion can be split into the promotional mix which consists of advertising, public relations, sales promotion and personal selling. (Blythe 2009, 131.)

In the case of services marketing there are also three additional P's used in the marketing mix. Those are People, Process and Physical evidence (Blythe 2009, 131):

- People means the employees that are included in the service offering, for example when a customer goes to a restaurant, she or he buys the skills of the chef.
- Process is the activities and systems of the company that effect on the execution of its services, for example the speed of query handling.
- Physical evidence is the evidence that shows that the service has happened. The product itself is physical evidence but in the services marketing the evidence can be seen for example in hair cut as shortened hair.

3.2 Research questions

The research questions for the thesis were related to the marketing plan. In the beginning the question was how to target the customer groups to whom the marketing will be focused. When that was clear the second thing was to plan what kind of goals the company has.

The basic idea of a marketing plan is to reach more customers and to get the wider customer base aware of the company. This marketing plan focuses on B-to-B customers' needs. By interviewing the target customers the author found out the needs and other important issues. Those are described later in the marketing plan.

3.3 Data and methods

The qualitative method was used in this thesis. It was chosen because the qualitative research is generally used for discretionary sampling. There are not many studied units chosen and they are thoroughly investigated, so important is the quality of the material. The size of the data still also plays a role. The material should be comprehensive in relation to the type of analysis and interpretation that will be made. The material should be appropriate and theoretically justified. (Eskola & Suoranta 1998, 18, 60-61.)

The basic data that was needed in the thesis was collected from the CEO of TJM-Putkitekniikka Oy. The theoretical framework needed in the thesis is based on various books and e-sources.

3.4 Research process

The thesis consists of the main body and three appendices. The thesis body consists of the theoretical background for the marketing plan. The marketing plan and the qualitative approaches that were used to draw it up are in the appendices. The thesis process began with the information search of needed theories and with a customer satisfaction survey, which offered valuable information for the case company.

The thesis body consists of five chapters. The first chapter is introduction where the aim of the thesis is introduced. Second chapter introduces the case company. Chapter three deals with the marketing concepts and theoretical framework, research questions, used data and methods and the research process. Chapter four is the marketing plan, which is the result of the thesis. The marketing plan can be found in the appendix and will not be published in order to protect the privacy of the case company. Chapter four includes also the needed analysis of the external environment. Chapter five is the conclusion of the thesis.

Appendix one is the marketing plan for TJM-Putkitekniikka Oy. Appendix two includes customer interviews which offered information about the customer satisfaction and useful marketing channels. Appendix three is the interview of the case company which was made in order to get the needed background information on the company.

4 **MARKETING PLAN**

The marketing plan for TJM-Putkitekniikka Oy can be found in the appendices. In the marketing plan the business environments are analysed in order to draw up an efficient marketing plan. It offers advice and help for marketing decisions for the manager of TJM-Putkitekniikka Oy. In order to protect the privacy of the company the marketing plan is not published with the thesis.

4.1 **Analysis of macro environment**

The macro environment describes the environment where the company is working. The macro factors are issues that affect the company from outside. These kinds of factors are uncontrollable and they have effect on the decision making, strategies and performance. (Business dictionary 20.10.2014.)

The macro forces are uncontrollable which means that it is important for the company to adapt to the changing situations. The macro environmental factors are demographic environment, economic environment, natural environment, technological environment, political and social environment and sociocultural environment. (Cherunilam 2009, 8.)

4.1.1 **Demographic environment**

The demographic environment consists of the size and growth rate of the population, age composition, spatial distribution of population, family size, income levels, education level and religion. The population growth worldwide is fast but in Finland and Europe the growth is slow or even negative. The age composition in developed countries has been similar for some time. The birth-rate is small and the middle age and old people form the majority of population. The ethnic markets mean the variation of different nationalities and how to take ethnical groups into account when doing marketing. The education groups are divided into the illiterates, dropouts, high school diplomas, college degrees and professional degrees. The amount of educated people grows the demand for quality products and services. The family size is normally two adults and children. However, it is now more common to live alone in a single apartment. This has effects on packaging size and furniture. In b-to-b markets the

demographic environment analysis helps to focus on the areas where possible customers are and the marketing can be focused on those ones. (Kotler & Keller 2012, 97-99.)

4.1.2 Economic environment

The economic factors that influence on the businesses are income level, economic structure, unemployment level, stage of development of the economy, resources and monetary policy. These factors are important because they are related to the customers' purchasing power. The important economic policies are for example industrial policy, trade policy and foreign exchange policy. The book "Business environment" (Chenurilam 2009, 19) says that the economic environment has influence on business strategy, for example low income level may be the reason for low demand of a product. Thus the price should get lower that the sales increase.

The economic lifecycle will effect on customers' buying decisions. When there is economic growth the customers are willing to consume more. The economic downturns have negative effect on business because customers start to cut costs and save money.

4.1.3 Natural environment

The natural environment consists of the climate, natural resources and weather. The natural environment varies based on the location. For example the closeness of sea or lake offers many possibilities for business. From the sea people can get food, it offers travelling possibilities by boat and different kind of hobby possibilities. The different kind of natural environment like heavy metals prospers at the area creates companies and new jobs. The occurrence of metals and their price has a great effect on industrial businesses. (Chenurilam 2009, 12.)

The natural environment means also the nature pollution and global warming. The environment protection is a growing business around the world. The international companies have strict environmental protection rules and they require this also from the companies that they are co-operating. The environmentally friendly products are becoming more popular in the developed countries but the developing countries still are not aware of the risks of pollution and climate change.

The non-renewable product like oil faces the increase of price as its depletion approaches. Thus there is a great market gap for companies to develop the alternative energy sources for the vehicles and for warming the houses. (Kotler & Keller 2012, 102-103.)

4.1.4 Technological environment

The technological environment consists of the technological development and infrastructure. The roads and the level of information technology have an impact on the businesses. If there is no internet access where the company operates, it requires great investments from the firm. The developed countries often have very good technological environments which offer good possibilities to easily develop the businesses.

The technological environment can be developed by investing on R&D. It offers competitive advantage when the technological environment is highly developed. The high level of education also improves the quality of technology. (Chenurilam 2009, 13.)

The adaptation of new technologies is vital when the company wants to stay in the top. The old innovations will be replaced if a better one has been invented, for example the internet is replacing television and newspapers. When the newspaper starts to invest on e-services, it will reach new customers and stays within the competition. If the newspaper has only a paper version, the producing costs grow and this effects on the selling price and might lower the sales. It does not either reach the customers who start to be more used to read news by using computer. Technological development helps to find possible customers by using the analysing tools in the internet. This helps to focus on the effective marketing that reaches the customers. (Kotler & Keller 2012, 103.)

4.1.5 Political environment

The political environment consists of legislation and norms. The political decisions can be on the regional, national or on the international level. The political parties and governments have a great decision making power. They have effect on for example the taxation, laws, fiscal policy and trade policy. The decision can cause opportunities or

threats, for example the monetary policy effects on the export and import. (Cherunilam 2009, 21.)

The government has an important role for entrepreneurship. It can offer funds and support for certain business sectors like for agriculture. Government also can own companies. In Finland, the government owns the Alko, which has the monopoly to sell alcoholic beverages to consumers in Finland. Due to its monopoly position the Alko sets the price level as government has decided. The political factors effect on the regulations of entrepreneurship and the bureaucracy (amount of paperwork). (Cherunilam 2009, 26.)

The business legislation protects the customers from unfair business acts and companies from unfair competition. In Europe the European Commission has established new laws concerning on standards, product safety and packaging. These acts are for protecting the consumers. The country's own law must adapt to these regulations. (Kotler & Keller 2012, 106.)

4.1.6 Sociocultural environment

The analysis of sociocultural environment reviews the different countries' social structure and the effect of cultural differences on the business world. The sociocultural environment has great influence on people's world view, relationship to each other, relationship to organizations, nature and the universe. (Kotler & Keller 2012, 100.)

To manage to run the business the owner should be aware of the customs, traditions and taboos of the culture. These things should be taken into account when doing marketing in the new areas. The same advertisement might get different image depending on the receiver. The social system can be a family or an organization or a total society. Some of the dividing sociocultural factors are also the location, the amount of population and the density, sex, age and education. The sociocultural environment has similar norms and habits. It effects on the concept of time (very punctual or non-punctual) or whether the society prefers individualism or collectivism (does things together or makes decisions alone). The buying and consumption habits also go hand in hand with the culture.

(Cherunilam 2009, 36; <http://yrittys.hannumikkonen.com/yrikoulu/markympa.html>)

The culture has core values which it prefers like hard working and honesty. The core belief goes from parents to children and is reinforced by society. Kotler & Keller (2012, 101) gives as an example of a core belief that getting married is good. The secondary belief is affected by trends and current values. The secondary belief could be that getting married when you are young is good. The marketers can change the secondary beliefs, for example celebrities can change the hairstyle and clothing trends. (Kotler & Keller 2012, 101.)

4.2 Market and competition analysis

Market and competition analyses are necessary when preparing a marketing plan. The analysis includes the size of the market, structure and future trends. With the help of this information the company can analyse whether the market is favourable for the company to achieve its expectations and goals. If the market is going to be smaller and unfavourable, there should be a good reasoning before the company invests more on the market. When the market is favourable, the business should start soon.

The analyses of the market structure include the supply chain, customers and their decision making processes and focuses of the markets. For example in construction business it is important to know who has the influence on the decision making process: consultant, contractor or architect.

The following of the future trends is even more important than the current situation analysis and it often solves the development of the business. If you are aware of the changes in the markets in the future, the decisions can be done before the change happens and the business does not suffer.

The competition analysis focuses on the strengths and weaknesses of the competitors and their strategies. The information of this helps the company to know its position on the market and to determine the price for its product. The competitors' ways of marketing and budgets offer information for own planning. (Kotler & Keller 2012, 109-113; <http://www.finsve.com/index.php/fi/markkinavalmistelu/markkina-analyysi>.)

4.3 SWOT analysis

The SWOT analyses the internal and external factors that influence on the business. SWOT comes from the words Strengths, Weaknesses, Opportunities and Threats. The SWOT analysis can be used for many cases, for example the analysis can be about the whole organization or some specific products. It can be used to analyse competitors, too.

It is useful to analyse first the current SWOT and after that make another analysis of the future's SWOT (Lindroos & Lohivesi 2010, 219).

The external factors are analysed by the opportunity and threat analysis. In this analysis the focus is on the ability to earn profit. The opportunities mean the needs and interests of the customers that are possible to meet. Kotler and Keller, 2012 define the three main sources of market opportunities. The first one is to offer goods that have a shortcoming. Customers are willing to buy the product because of the need. The second thing is to offer the already existing product in a new way. The product might have a better quality or more features than before and thus it will be more interesting for customers. To get good results it will be necessary to consult customers of their wishes and ideas for the development. The third main source is to ask customers to identify the steps when they purchase, use and dispose the product. Often this leads to a new product or a service. When evaluating the opportunities, it is useful to make a market opportunity analysis with the questions like "Are the benefits formulated suitable for the chosen target market?" or "Are we able to deliver the benefits better than our potential competitors?"

The threat is a challenge for the business. It might be a harmful trend or market development which would lead to lower sales if the company will not defence with suitable marketing actions. The company should be prepared for different kind of threats and make plans how to solve them. (Kotler & Keller, 2012, 70-71.)

The strengths and weaknesses are found based on the analysis of the internal business environment. It is important to know the strengths of the business. Those are issues that offer a competitive advantage for the company. Those also differentiate the company from its competitors. The weaknesses then are the soft spots in the business that may affect negatively on the sales and the position on the markets. When weaknesses have

been found and listed, the next step is to find a better solution and start to correct the weaknesses. (Kotler & Keller, 2012, 72.)

4.4 Marketing communications

The marketing communications are a vital part of a company's everyday actions. It is worth to develop because it can be a competitive advantage. Marketing communications mean introducing the products or services to customers and also creating and maintaining the relationships with customers and other partners. The communication effects on the image of the company, and the image has a great effect on customers whether they are willing to consume the product or not. Each meeting that can be personal, literal, digital or electric, is communications. With the help of communication, the company is in interactions with the business environment. Each employer is responsible for the success of the communication. The communication can be planned or unplanned. The planned communication is controlled and carefully done by the marketing department of the company. It has defined goals and target customers, timetable and budget. The unplanned communication is uncontrollable and difficult to follow. It might be a customer's negative opinion about some products, and the opinion spreads larger. It would be necessary to follow the unplanned communication with surveys and investigations, and try to correct the wrong information. (Isohookana 2007, 9-20.)

The success of the company depends on the responsiveness of the changing markets. The planning helps the company to adapt to the future changes. When there is a change in the business environment, it should be analysed and the acts should be planned again. The marketing communications should support the goal and the strategy. Figure four shows the process of marketing communications planning. The first step includes the analysis of the current state. It requires the information collection and using this information to support the decision making. In the planning phase the goals are set and the strategy is chosen. The implementation consists of making the concrete implementation plan that includes timetable, budget and the persons who are responsible for the projects. The last phase is planning the monitoring. It is decided what areas are going to be monitored which measures the success of the plan. When the whole plan is done, the information that is collected in the fourth phase will be used in the situation analysis of the second round. (Isohookana 2007, 92-94.)

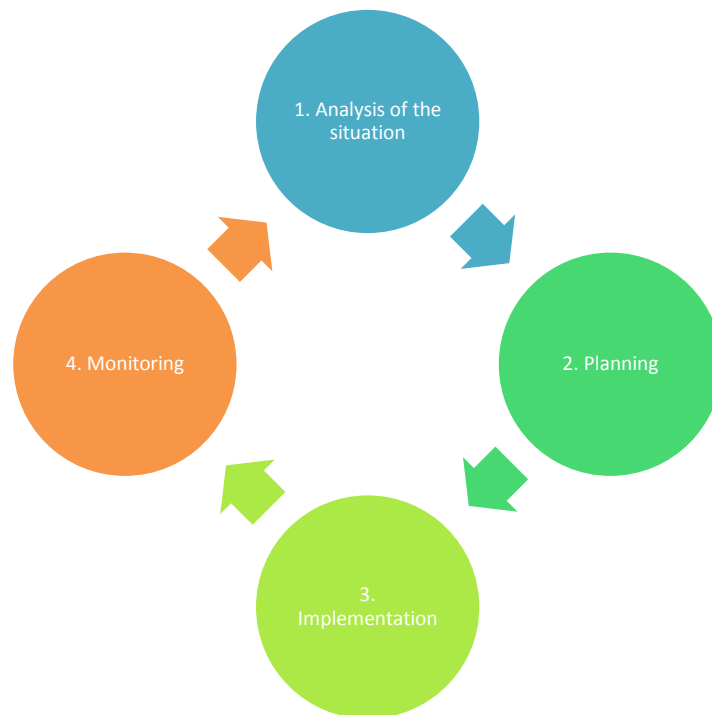


FIGURE 4. The process of marketing communications planning (Isohookana 2007, 94)

The marketing communications are divided into four sections: personal selling and customer service, advertising, promotion, PR and communication. The personal selling has a key role in the selling because the salesman/woman is the link between the company and the customer. The personal selling and customer service means the listening of the customer's needs and the salesman helps to find a suitable product. The salesman should think the goals of the company, the customer's needs and the situation. The advertising is the most visible for the customer. Advertising is paid mass communication which aims to offer information on the products or services. The sales promotion includes the support and motivation of own sales staff, make distribution more effective and promote sales for the customers. The last one is PR and communication and its meaning is to create and develop the interaction with the stakeholders. It also effects on stakeholders' image of the company. (Isohookana 2007, 132-133, 161, 189.)

4.5 Budgeting

Budgeting is necessary to include in the marketing plan because then the marketing actions will be planned carefully beforehand. The amount to be used for a marketing budget depends on the marketing share that the company would like to achieve, how heavily the competitors do advertising, how often the marketing campaign should be done and which marketing channels will be used. The marketing budget shows clearly how the money will be used and helps to control the expenses. (Kotler & Keller 2012, 527.)

5 CONCLUSION

This bachelor's thesis includes the marketing plan for TJM-Putkitekniikka Oy. The aim of the marketing plan was to be suitable for the needs of a small company. TJM-Putkitekniikka Oy inquired the marketing plan in order to assist the company to increase its business-to-business customer base and visibility in the Tampere region. The company expressed its targets, which were taken into account when making the marketing suggestions. Before drawing up the marketing plan, the author carried out a customer satisfaction survey. The information of the survey helped to find out the right types of marketing tools to be used in the plan. All the marketing actions in the plan are suitable for a company which had not had a previous marketing plan and which had executed little marketing actions before.

It was important to take into account the external environment when making the marketing suggestions. The environment analysis included a survey about the demographic, economic, technological, natural, social, political and cultural environment. This analysis offered useful information about the external possibilities and threats. For example the economic situation in Finland has a great effect on the company's success. The competition and the demand were analysed, too. The marketing plan includes a market survey which analysed competitors and helped to find out the advantages of TJM-Putkitekniikka Oy.

There are several marketing communications tools proposed in the marketing plan. The aim was to offer for the company different kind of possibilities that are easy to implement. For the company it is important to choose the tools that are appropriate for the chosen customer groups.

The marketing plan was created for the current situation of the company. After the goals have been achieved it is time to update the marketing plan. It is important to follow up the changes in the external environment and react to them.

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APPENDICES

Appendix 1: Marketing Plan for B-to-B Customers

Appendix 2: Customer interviews

Appendix 3: The interview of the company representative