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Dressmann Pori and the Recession

Degree Programme in IBS

2015

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Degree Programme in Innovative Business Services

November 2015

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Number of pages: 37

Appendices: 0

Keywords: Dressmann, Recession, Clothing retail, Customer survey

The purpose of this thesis was to study the effects of recession and customer behavior on clothing business, using Dressmann Pori as an example. The current recession and future challenges bring in new challenges, especially in Pori where unemployment rate is relatively high. The study tries to provide strategical advices to answer both challenges.

The survey data was collected through street questionnaire where interviewer collected answers from passers-by. The survey sessions were conducted in two locations in Pori to the potential customers of Dressmann (demographic groups who likely visit Dressmann stores). There was two sessions, which were held in two different times to cover effectively all potential consumer groups.

The research method was qualitative with interviewing method that gave interviewees time and space to express themselves as much as they could. The answers are only part of the picture that was created from the local consumers.

The analysis was full of nuances but the lack of consistent researches, it was hard to determine the changes in consumer behavior. Economical state was the strongest factor to change consuming behavior but also other demographic factors, like age. Continuous research is vital in this field and lack of it can explain how companies tend to be reactive rather than proactive.

The sample size was most likely too small but gave some insight to the current situation and can be seen as a warning sign from the future. The situation is not going to get better and even hard decisions are inevitable. It is also suggested that the organization invest more on customer surveys and methods to connect and communicate with customers.

CONTENTS

1	INTRODUCTION.....	4
2	CURRENT SITUATION.....	6
2.1	Financial depression.....	6
2.1.1	Finland	6
2.1.2	Satakunta	7
2.2	Dressmann.....	8
2.2.1	General Information.....	8
2.2.2	Dressmann in Pori.....	9
2.2.3	Performance in Pori.....	10
2.2.4	SWOT Analysis.....	11
2.3	Literature Review.....	13
2.3.1	Retail Business during the Recession.....	13
2.3.2	Consumer Mind.....	15
3	PURPOSE AND OBJECTIVES OF THESIS.....	19
3.1	Purpose.....	19
3.2	Objectives.....	20
3.2.1	Research	20
3.2.2	Improving Dressmann.....	21
4	IMPLEMENTATION OF THESIS PROCESS.....	22
4.1	Method.....	22
4.2	Target Group.....	23
4.3	Target Data.....	24
5	RESULTS.....	28
6	CONCLUSIONS.....	30
6.1	Research.....	30
6.1.1	Reliability	30
6.1.2	Conclusions	31
6.2	Recommendations.....	33

1 INTRODUCTION

The thesis evaluates the economics of Finland and how it effects to Dressmann clothing stores in Pori. During my practical training period in Dressmann Icco, I experienced how commerce had quieted down. This was in December 2014 and January 2015, which is considered being the peak of sales in the commercial sector. The topic emerged from the current phenomenon and I wanted to find reasons behind it while searching potential actions to cope with problems. My business studies have heavy emphasis on consulting and I have had many consulting projects in school so studies will support my thesis well. The topic is interesting as a recession is a big challenge to any business model, and I believe this work will help me to cope in future by letting me examine the positioning and consequences of phenomenon.

In my research I focus on the markets of Pori and the three stores that operate in this area. The general questions are: What has changed in sense of consumer behavior? What is affecting to the change? What is going to happen in future? I try to understand what is happening in local markets, and how local consumers behave. After that I research the potential strategies to cope with current and future situation. The concrete goal is to give strategic consultation based on the situation analysis.

The recession of Finland has been going on since 2009 if you count out the small recovery in 2010. Earlier government couldn't change the course and the new government has started to work in spring 2015 but it is unclear how will they fix the economy. Forecasts are not showing significant changes and to rise from the slope will take lots of effort. In local markets purchasing power seems to be an issue and internal markets are uncertain. The thesis will hopefully make the reader to realize how to take domestic economies into account and make him/her to think answers to the recession. I try to contribute by preparing Dressmann Pori to challenging times, which will be ahead as the recession has prolonged. In the other hand there is a positive side: The slowdown economy provides a good chance to a company evaluate itself and develop the business model.

The theoretical framework reviews the GDP and unemployment rate of Finland and Satakunta. Dressmann Oy Ab is going to be evaluated, for example, by using SWOT analysis. There will be also background work for the solution that is going to be proposed as a conclusion. Main point in the research is the consumer survey what is conducted in Pori. Survey questions tries to map out customer behavior and potential changes in there. Theory will help the company to address the issues, and integrate customers better in the process.

The goal is to find out best ways to cope with the situation in Pori and provide accurate consultation with the available information. It requires solid background information what the survey and the governmental statistics provide. It enables to choose strategies that maintain the good performance levels, and to avoid huge losses.

2 CURRENT SITUATION

2.1 Financial depression

2.1.1 Finland

The economic depression currently reigns in Finland. It started in 2008 during the Global Financial Crisis when the financial markets collapsed due the mortgage speculations in the United States. It's said to be the worst global recession after the recovery from Second World War.

The European Union got into a debt crisis that could result countries leaving the union, as the member countries are also part of the Economic and Monetary Union and some of them are part of euro currency. Greece, Ireland, Spain, Portugal and Italy suffered constantly from financial problems, and in order to save these countries, other member countries have loaned money for the recovery. Finland also loaned money despite they had to cope with the economic recession, which was caused by decreasing exports. The most recent fallback was the Ukraine crisis that has weakened ruble and damaged the trade relations between Finland and Russia.

Some specialists don't believe into optimistic views on the Finnish economy. Analyst Lars Christensen from Danske Bank states that the current depression is the deepest one, and professor Pekka Sutela says how the weakened ruble affect negatively to the economic growth. Realistically it takes time and effort to get the economic growth to improve.

The Union of Finnish Work has recently ordered a survey related to the Blue and White Footprint -campaign. It revealed that Finns would renovate home, garden, or summer cottage if they did have 2000€. A kitchen renovation and a new bed are the top priorities with the support of 18%, after them come furniture and other renova-

tion locations. This shows how people invest to their homes and concentrate on bigger purchases as budget for daily products has been possibly set.

In 2009 Finland's gross domestic product decreased greatly but started to grow again. In 2011 the gross domestic product volume started to decrease again and hasn't shown any marks to the economic growth for three years. The volume growth has been near zero during 2014. (Statistics Finland 2014)

Unemployment rate is slightly increasing, for example, unemployment rate increased 0.9 percent between December 2013 and December 2014. Long-term unemployment is increasing drastically as it has increased by almost 60,000. Helsingin Sanomat released news that states how unemployment treasuries are out of money and have to take loans. The situation is extremely challenging because increasing unemployment insurance payments would only put more strain on the companies and their competitiveness.

2.1.2 Satakunta

The Centers for Economic Development, Transport and the Environment takes responsibility for developing regions in Finland and launching the policies of government. They also provide statistics from the economic structure of local regions like Satakunta.

Unemployment rate has increased 3.3% in Satakunta between January 2012 and December 2014. In the whole region the unemployment rate was 14.5% while in Pori it was 17%, which was the highest value from Satakunta. There were a little over 15,000 unemployed job seekers and almost 1,700 laid-off workers in December 2014. The amount of long-term unemployed reached over 3900, which is more than 400 unemployed compared to last year.

The unemployment rate has increased in most professions except in office- and service jobs where it decreased a little. The amount of open job vacancies was about 1,300 in December 2014 and that was almost the same as last year.

Increasing unemployment rate give hints about the consumer markets. It's initially reducing the purchasing power of citizens when people lose their jobs. Uncertain situation in the job markets make rest of consumers make more careful decisions and save up for the worst case scenario.

People use fewer services and won't do big purchases. Addictive products like alcohol and tobacco won't take losses as addicted consumers need them. During bad times people tend to embrace escapism that reflects on the popularity of entertainment businesses. (Talbot, 2009)

2.2 Dressmann

2.2.1 General Information

Dressmann Oy Ab is a men's clothing store branch what is a part of the Varner-Gruppen AS, the largest textile retailer in Norway. There are Dressmann-stores located in Nordic countries, Germany and Latvia. Dressmann is a market leader in men's clothing business in Nordic countries, and the most important markets are Sweden and Finland after Norway. There are currently 380 Dressmann stores and 78 of them are located in Finland

The first Dressmann store was opened in Oslo in 1962 by Frank Varner. Dressmann XL was established in addition to Dressmann stores in 2007 and there are currently a few XL stores in Finland. The new concept offers clothes between 2XL and 9XL but otherwise it's similar to a regular store.

The country headquarter of Finland is based in Helsinki where it was established in 2000. The amount of employees has increased from 203 to 436 between 2009 and 2013 which tells about rapid expansion. The turnover has been moderate during the recent years when turnover in 2013 was 64 million euros with 6.2% increase from the earlier year. More notable results took place in 2010 when the turnover increased to 54 million euros by 22.3%.

Each retail store is supplied by the logistics center what distributes new products and supplements weekly basis. Segmentation related to locations exists only when there are unsold articles left from a selling season. Individual retail stores are led by local floor managers who are responsible for the performance of store, employee management and implementing company policies and campaigns.

2.2.2 Dressmann in Pori

There are total of three Dressmann retail stores in Pori. Each store is inside a shopping mall and provides same set of products. The first was founded in 2001 and opened its doors in the IsoKarhu mall, which is in the Pori downtown along the pedestrian street where most of the downtown businesses are concentrated. The next one was opened in 2008 in the Icco mall which is located in southern Pori, Mikkola where most of the infrastructure is devoted to the commercial sector. The newest store is in the Puuvilla mall where it opened its doors at the opening of mall in 30 November 2014. The mall is right next to the commercial downtown of Pori.

Dressmann IsoKarhu is inside of the mall that has been recently renovated as it was finished in 2014, and the store has changed its location as well to brand new premises. The mall has a good location being in the commercial downtown area right next to the pedestrian street Yrjönkatu and other services what has concentrated nearby. Even the current situation looks like stable in sense of liveliness but declining customer volumes are showing marks in the downtown area and in the mall.

The situation is worse in the Dressmann Icco. There are already a couple of empty retail premises that hasn't attracted any new companies. The location isn't optimal because K-citymarket, which is located in Icco, is losing customers to the next-door Prisma. The hallway of mall has been becoming quieter during this winter and it becomes quieter if other stores are dropping out from the mall.

There was promising customer visits in the mall when it first opened but the recession is starting to take its toll. Only time will show how profitable the Puuvilla mall

is going to be but for future it has good position considering that it's next to the city center and has lots of free parking slots.

2.2.3 Performance in Pori

Dressmann retail stores tracks their individual performance by comparing last year's performance to the current year. Comparable days are based on dates, so some changes can occur because the weekdays and some holidays don't hit same spots. One has to understand that sales are different for example between weekends and regular weekdays. Certain campaigns can also boost the sales, such as the post-Christmas sales.

Each store follows the daily income and customer amounts and compares the current results to the results of last year. Daily statistics measure a daily gross margin, the average amount of money used by a customer, how many purchasing customers there were, and an average from how many items a customer bought. Cash register collects the data and it's retrieved from their daily basis. A floor manager takes care of that the statistics are available for salespeople who can then plan their day based on the expected performance and goals.

35,038 customers visited the two Dressmann stores in Pori during 2013. Next year the amount was reduced by 0.3% to 34,925 customers, and the third store that was opened in 30 October 2014 is also included. There is a slight decrease in the amount of customers what can be a result of natural market changes, in which case the customer visits has been in stable state. Year 2014 has shown marks of slowing economic because especially the autumn was weak customer-wise and following Christmas season and winter season showed drops in customer volumes. Daily customer volumes have dropped in some days to half and even lower when comparing to the last year. Seems like the opening of new store didn't bring new customers even though it gathered visitors when at the same time the customer amounts dropped in the Iso-Karhu store by 13.7% and in the Icco store by 15.2%.

Despite the changes of customer volumes, all retail stores in Pori generated 6% increase in sales when comparing the sales in 2014 to the sales in 2013. It means that salespeople have managed to sell more items per customer which is the biggest reason for better sales.

2.2.4 SWOT Analysis

The analysis of strengths, weaknesses, opportunities, and threats (Illustration 1) are mainly reflected from Pori but can be possibly extended to the broader into the other branches of organization.

<p>Strengths</p> <ul style="list-style-type: none"> • Brand image • Performance measurement • Customer service • Products 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Orientation • Internal communications • Inflexibility
<p>Opportunities</p> <ul style="list-style-type: none"> • Good performance despite the recession • Strong market position 	<p>Threats</p> <ul style="list-style-type: none"> • Overstocking • False sense of security

Illustration 1. The analysis of strengths, weaknesses, opportunities, and threats.

The strengths of Dressmann have made successes possible and provide solid foundation for new expansions. Dressmann is a strong brand in Finland and people recognize it easily. Besides recognizing the brand, people associate it with men's clothes. This is a result of effective marketing campaigns and steady growth which have given Dressmann a better position compared to competitors. They have currently effec-

tive ways to measure the performance what is important to detect changes and address them fast enough. Measures are reflected in long-term scale which gives perspective to their functions and performance. The core competencies are a good service and quality clothes that are sold in competitive prices. These make the whole store chain shine out from competitors, and the attributes are also important to the customers. Dressmann is overall performing well regardless the recession and positive turnover speaks for it. This means that Dressmann can strengthen their position, and gives flexibility as they can develop their processes and try new methods.

There are flaws when it comes to orientate skills and knowledge to new salespeople as it is now. Orientation is a slow process as it is learn-by-doing and active monitoring is needed from the senior staff. New members may feel confused and uncertain as there is a gap between knowledge and senior staff won't always recognize this. The bigger weakness currently concerns the gap between higher management and store floor level. Higher tier management evaluates the situation based on numbers and make decisions based on these perceptions. This leads the management to follows sometimes inflexibly company policies because they can only rely on the measured numbers, which don't tell the whole story and makes decision-making reflective rather than proactive. In this sense, floor levels know the situation better but have little means to effect on the decision-making process. The most visible results are the supply shipments as the retail stores can't effect on the amounts and not even the volumes of clothing size. This leads into overstocking that is a huge burden during the recession.

As it was stated in the strengths, Dressmann has a positive turnover that gives it advantages over the competitors who have to cope with decreasing sales. It generates opportunities to take more aggressive stance compared to competitors or fortify their position. They are able to carry out new investments and concepts for their own benefit.

Like it being a weakness, the overstocking remains a threat as well when Varner-Gruppen purchases new batches of seasonal products. New products may be popular only for small sub stream customers while most of the customers avoid them, or product set may drift too much into "fashionable" direction. There is also a danger

that product set will spread too much and put a restraint on the supply line and the store floor, such as making it more time-consuming to manage. Decreasing purchasing power and the recession need close monitoring and tactics to cope with them and three stores have created a restraint as it lowers sales per store. Rapid expansion has affected to the stock price of Varner-Gruppen as it has decreased due the costs of opening new retail stores. When you're in good market position, it makes you to stick into old habits and restrict you not developing organization. This scenario opens doors to the threat of new competitors.

Despite being in the business field where there are other clothing companies, Dressmann does not have effective enough rivals. Other companies sell both female and male clothes but Dressmann has focus only on men's garments. That has allowed it to create a strong brand what carries their message to target audience.

2.3 Literature Review

2.3.1 Retail Business during the Recession

The recession hits heavily on unprepared retail stores. If a store had problems during the economic boom, it is surely in front of a great feat. The business can be saved when the management has good sense of situation and a healthy long-term plan. In this case the healthy plan is adjustable, realistic, and perceives risk factors accurately. It has to neither be groundbreaking if the business has a stable foundation. It is more about adjustments to processes and operations, as the operating rules are under realization.

A manager can execute safety actions during a recession, for example changing opening hours, unleashing marketing campaigns, reorganizing and so on. In the worst cases the management can waste resources by investing too many activities without a clear sense direction. They need to investigate carefully where the business can expand. First step could be to recognize the current loyal customers and the customers who will be out of the company's reach. The rest are potential customers who

don't swear loyalty any store in the relevant business sector. This 'switcher' group presents an opportunity that may require elaborate tactics to reach them.

After identifying the potential customers, they can be divided into smaller segments based on their consuming habits. This will help the company to make more accurate plans. Surveys are essential to determine different customer groups, even to recognize the loyal customers.

There is always a possibility to get customers spend more than they already had spent. The business needs to only offer what customers want but it requires effort to reveal customer's needs. The needs can be related to company attributes like services, products, locations, values or attributes. The optimization is an ongoing field of work but customer surveys can offer good advice as a tool. Customer surveys are important to avoid a trap where a company monitor sales and stocks, and ignore what customers are truly seeking.

Retailers have to cut costs when sales decrease to keep margins profitable. There is a risk in cutting costs from wrong places because costs can be divided into good and bad costs. Good costs add value, like service or atmosphere, to the customers, and taking them out will defeat the purpose to improve margins. Bad costs act in the opposite way; customers are not willing to pay for them. As the company change, it may convert once-necessary costs into unnecessary costs. If the organization does not evaluate their costs, they will eventually pile up and escalate. It is vital to recognize the type of cost as the results of saving in wrong places can decrease customer loyalty. The company has to track constantly customers because their values may change. Again, gathering information plays the core role.

When the organization hits a successful formula, it should be copied and used for expansions. In the other end, different locations require tailored approach. Managing between these two factors demands a cluster strategy where stores are divided into groups based on similar community traits. It's even possible that the stores in the same cluster are not geographically adjacent to each other. The cluster strategy requires segmentation work which includes: identifying proportion of target groups in

individual locations, exploiting opportunities in the market, and covering the whole customer base.

In conclusion the market information plays a crucial role to survive downturn times. The customer research is a tool to exploit opportunities, and to show the surroundings of company. The organization will quickly lose a realistic view of markets if they do not gather and analyze outside information, which makes customer researches viability in a long run. Merchandise planning receive information flow from the gathered intel what is used to determine expandable merchandise lines, expendable merchandise lines, merchandise lines that need boost, and merchandise lines that are fine like they are. Overall improvement processes, there is performance management monitoring the progress. It is obvious that different retail store clusters should not be compared to each other but the organization can easily fall for this trap. The management can also easily forget to plan further ahead during the recession though it is important for coherent decision-making.

2.3.2 Consumer Mind

Success will not come without effort. The company has to understand consumer's behavior, and gathering information is important. When you have created a detailed image of consumer, you can distribute your assets accurately and minimize losses.

In the heuristic studies conducted by Gesine E. Ziebarth and Xiao-Tian Wang, it was noted that in decision making process people prefer slightly more simple techniques than more complex strategies. The reference-point dependency plays also a big role when decision making takes place. But simplicity is not always the case when a customer chooses the decision-making model. (Saito 2009, 162-163)

James (2011, 59-66) has found out that many consumers do not notice changes in their decision-making process due the recession. Decision making is a subconscious function that may get ignored easily. Purchasing criteria may change due the economic trends, for example, in her study the value of product affected to decision making more during the recession.

World has changed as the technological advances have speeded up communications and transportation, and made it easier to access information. Consumers have also evolved to receive information differently, mostly due the technological innovations, for example, home phones are replaced by smart phones. Nowadays consumers are open for new innovations and purchases are heavily influenced by emotions, even purchases with rational motives. This applies at least when the economy of country is stable. (Yarrow 2014, 12-14)

Like mentioned earlier, consumers are eager to try new. New technologies have already entered and integrated into consumers' lives. Smart phones, and how often we use them, prove the high level of intimacy with technology. The bond with technology has strengthened while consumers can reach information, such as reviews, easier. This develops trust, which lets consumers feel superior over the company. There is a risk that even loyal customers change the brand if a company ceases to innovate. (Yarrow 2014, 14-18)

The company must realize the power of consumer empowerment because they can spread the awareness of brand. In this perspective, consumers are part of marketers through making reviews, commenting service and so on. They can be more effective because consumers trust more other consumers than the company. Product and service reviews creates credibility among customers and customer reviews are trusted more than professional ones if cars & electronics are excluded. It has become a standard when the power of conventional marketing has decreased. (Yarrow 2014, 18-23)

We process information differently due the overwhelming amount of data available. Neurological change has made our brains to process focused areas more efficiently and not-in-use areas slower. New technology makes older tasks faster what has made people to want everything faster; especially new generations scan and process information more hastily. Major problem in the new data processing method is that interruptions can severe focus easily, for example, interrupting a detail-oriented; price conscious buyer turns him or her to make goal-oriented, price insensitive decisions. (Yarrow 2014, 23-32)

As the data processing has become faster, using symbols has become more relevant. Influence of IT-pictures and videos are more common and preferred communication style and people prefer to use photos, visual cues, and symbolism. Lots of stimulus and data to process has made consumers more vulnerable for unconscious messages, for instance having something in the middle of horizontal view gains more attention and pleasant smells like peppermint makes spend more. Even words have an effect as customers associate them into familiar context, for example, Florida can be associated to the retired and old people. (Yarrow 2014, 33-39)

New ways of connecting has transformed our social lives radically. Social life is integrated with technology and made communicating more convenient. Social relationships are in the other hand more facilitated and less bonding. To reach customers in a virtual environment, the organization has to provide authentic profile, community feel, inspiration, and show that they are paying attention to consumers. (Yarrow 2014, 39-43)

Physical retail stores do not disappear even though online stores are growing their market share. The physical stores have to instead think about how they redesign company practices to match the modern customer's expectations. These new consumers require more two-way communications between customers and the company, and they also make more decisions based on their lifestyle values and bad times in the economy increase the importance of need-based decisions. Customers' values and decisions have become harder to track as they change positions in different situations. (KPMG 2009, 9-14)

The company can do several things to boost sales for new consumers: using less time on details and rather making a quick emotional connection, simplifying solutions, intensifying every aspect (product, experience, promotion), and increasing faster and more symbolic communication. These are minor details that can boost the campaigns. It is more important to involve customers more in the practices and gather information from ongoing and upcoming trends. The presented tactics are a result of changes what means how important is to understand the current situation in the markets. According to the changes of consumer behavior, the company can adjust their

functions to match current situation but before you can act, you have to gather market information, for example, with customer surveys.

3 PURPOSE AND OBJECTIVES OF THESIS

3.1 Purpose

The Finnish Economy has been struggling now several years and the annual volume of GDP has decreased now on three consecutive years. The domestic economy is suffering from the slowdown from several years and there haven't been many signs from the recovery. Companies are struggling which leads even large enterprises to make optimizations and decrease their expenses. In these times enterprises diminish the personnel costs what means large-scale dismissal, especially in heavy industries. On top of that structural changes are taking place in Finnish work life, as service business positions are replacing the primary production and heavy industry jobs. This has an effect on the consumers; as they feel insecure of their own individual finances, they spend money more carefully while cutting the costs. Some Finns purchasing power has even diminished what is devastating to the local economy and Pori isn't an exception.

The recession of Finland and decreased purchasing power serves as the perspective of thesis. The thesis concentrates on the Dressmann retail stores in Pori, and analyzes the current situation of markets. The target is to clarify the purchasing power of consumers and customer behavior when it comes to clothing store business. It tries to reveal the connections between the recession and consuming habits. This way it can be determined how Dressmann stores in Pori could respond to the current and future challenges.

The goal is to map out the market situation in Pori and provide consultation based on the research. It requires solid background information what the survey and the governmental statistics provide. It enables to choose strategies that maintain the good performance levels, and to avoid huge losses.

3.2 Objectives

3.2.1 Research

The research is going to support the consultation suggestions to improve Dressmann in Pori as the recession and decreasing purchasing power generate challenges to the clothing retail stores. It will provide evidence from the customer behavior and support the results of the study.

I will carry out a qualitative survey with where the core problem is: how the economic depression has affected to consuming habits from the clothing store business' point of view. Because Dressmann stores belong to the same market area, I will extend the analysis into all three Dressmann stores in Pori, which are located in the Puuvilla mall, the IsoKarhu mall, and the Icco mall, and handle them as whole to get a more accurate picture from the market situation in Pori. Actual surveys are held in two locations despite this. During this unique opportunity I'll try learn something new from the customer behavior and how to respond them. The research helps me to understand better how to survive from the economic depression and offers hints to create sustainable strategies.

Surveys must create simple profiles from interviewees that can be compared to each other. The profiles are anonymous but will show the interviewee's current purchasing power and what drives their consuming habits. Consuming habits are evaluated from the clothing industry's point of view, giving the emphasis for the Dressmann in Pori.

The literature provides theories for customer behavior and possible strategies to implement. Theories are evaluated based on their ability to cover the recession and market situation in Pori. The most potential ones are chosen in the process and combined to provide the best possible solution.

3.2.2 Improving Dressmann

The companies can never rest because the market environment changes constantly like dunes in a desert. The strategies must be re-evaluated from time to time as they must reflect current and future changes. When strategies are left unchecked and methods become more irrelevant, the company will eventually wither away. Current situation shows how Dressmann reacts too slowly to decreasing purchasing by opening a new store in Pori and putting restraint on the local branch. The recession has been going on few years but started effect on consumers just recently and Dressmann wasn't enough careful in this sense.

The goal is to heighten the awareness of Dressmann to avoid costly actions. The company has to become more proactive and to make proactive decisions; they have to possess tools and methods to get accurate and verified information.

Other important point is to respond to the recession as the losses can compound the longer it takes to address the problems. Dressmann needs strategies to cope with the problems that come along the economic depression. The main objectives in the strategy are to strengthen Dressmann's market position, develop data gathering, maintaining customer relations, and develop the responsiveness rate. The future developments are key survive from the recession and build base for a new market boom.

4 IMPLEMENTATION OF THESIS PROCESS

4.1 Method

The primary research method is surveys on regular consumers. The survey was conducted in Pori in two sessions where each voluntary passer-by was interviewed. The first location to the survey was the Puuvilla mall in Tuesday 7th April 2015. The survey location was near the Dressmann store, in the mall hallway. It took from 10 am to half past 12 to get 20 individual answers. The second location to the survey was Yrjönkatu in Thursday 9th April 2015. The survey location was at the South-West corner of IsoKarhu mall. It took from 2 pm to 5 pm to get 20 individual answers.

In the interview situation I introduced my case and myself and assured that the survey is anonymous. The emphasis was on the qualitative dimension during the questionnaire and interviewees were given their required time to answer. If a question raised questions, the dialogue was supported so answers could provide deeper motives. Questions were treated rather a framework for a dialogue. The last question was supported with a simple map of Dressmann store locations in Pori but otherwise the interviewees received additional information through the dialogue.

Both survey locations were chosen to be near Dressmann stores to reach potential customers but also to be enough busy locations to reach target data sample.

The interviewees answered anonymously but their gender (male or female) and age group (15-20, 20-30, 30-40, 40-50, 50-60, and 60 and older) were written down for evaluation purposes.

Survey questions are here in English but interviews are mostly conducted in Finnish:

1. How would you describe the current status of Finnish economy (with couple of words)?
2. What is your work status? The question was supported with alternatives: employed, unemployed, or something else.
3. Have you bought less casual clothes now than in last year?

4. The question was supported with alternatives: no, or yes, how much in a month and why?
5. What are the most important motives and criteria when you buy clothes?
6. Has it changed? The question was supported with alternatives: no, or yes, how?
7. What services/products go ahead of clothes?
8. Where do you prefer to use your money?
9. How many times in a year you visit Dressmann?
10. Have you visited Dressmann this winter less or more compared to the earlier year? The question was supported with alternatives: no, or yes.
11. Which Dressmann stores in Pori you visit/would visit the most? The question was supported with alternatives: Puuvilla, IsoKarhu, or Icco.

4.2 Target Group

My goal was to get 40 to 50 answers from different age groups, and I aim for equality in interviewee's gender because even Dressmann has female customers who buy clothes for men and overall thesis dilemma requires holistic approach. Survey periods took place at the midday and at the afternoon as I assumed that there is enough variety in age samples to get a reliable sample. This was true as the interviewees were younger in the afternoon session than in the midday session. There was also difference in how voluntary by-passers were to participate in the survey: in Puuvilla about 60% volunteered when in Yrjönkatu about 40% volunteered from confronted pedestrians.

The Puuvilla sample has twenty answers with 35% of them being from female interviewees when in the Yrjönkatu sample 15% were female interviewees. In total sample size 25% are female answers. In Puuvilla the age groups divided into following sets: 15% from 20 to 30, 20% from 30 to 40, 5% from 40 to 50, 25% from 50 to 60, and 35% older than 60 years. In Yrjönkatu the age groups divided into following sets: 60% from 20 to 30, 25% from 30 to 40, 5% from 50 to 60, and 10% older than 60 years. When both samples are combined the age groups are: 37.5% from 20 to 30, 22.5% from 30 to 40, 2.5% from 40 to 50, 15% from 50 to 60, and 22.5% older than 60 years.

To get all consumer demographics covered equally, picking out interviewees had to be selective. Other significant factor was to cover potential customers of Dressmann, which was relatively easy as gender and age is not a barrier. The selection of interviewees was based on the impressions of average customers in Dressmann from the practical training period.

Based on my own observations during the training period in Dressmann Icco, the majority of visiting customers were male but female customers were not a rare sight as they can be approximately from 35% to 45% from visiting customers on an average day. Age distribution among males are scattered but the tone is leaning towards middle-aged and older people. Female customers are mostly middle-aged and older as they are buying clothes as a present or a replacement. One cannot either underestimate how some women even urge their male relatives or familiars to buy new clothes.

4.3 Target Data

Survey interviews are offering multidimensional result as there are question answers, reactions from interviewees, and additional conversations that reveal more about the consumer's background besides deepening survey answers. Following part will describe only the actual answers to the questions but will not go any further.

1. How would you describe the current status of Finnish economy (with couple of words)?

The first question asked the interviewee to describe Finnish economy briefly in a form of quick impression. This acted at the same time as a warm-up question. The answers were colorful and were divided into three categories: positive, neutral, and negative. 5% of the answers were positive, 22.5% of the answers were neutral, while 72.5% of the answers were negative.

2. What is your work status?

The second question concerns the interviewees' work status. 45% of them were employed, 15% were unemployed, another 15% were students, and 25% were receiving pensions.

3. Have you bought less casual clothes now than in last year?

4. The question was supported with alternatives: no, or yes, how much in a month and why?

Interviewees were then asked to estimate have they bought less casual clothes recently. 65% of interviewees responded that they have not bought less casual clothes; couple of them had even spent a bit more money on casual clothes. The rest 35% had decreased their spending on clothes, and more than half of them had reduced their budget by 50% or more. Reduced budget was 52% in average and 50% was mode.

5. What are the most important motives and criteria when you buy clothes?

6. Has it changed?

In the fifth question, the interviewees listed their criteria to buy new clothes: 32.5% mentioned style, 30% mentioned price, 30% mentioned comfort, 30% mentioned need, 25% mentioned quality, and 7.5% mentioned practicality. Most popular combinations of criteria were: price and quality with 17.5%, and style and comfort with 17.5%. Some people chose only one criterion over others and the most popular were: need with 22.5%, comfort with 10%, and style with 7.5%. A couple them highlighted the importance of products' origin and the responsibility of company (5%) when a couple of them emphasized the joy of shopping (5%). The next question was related heavily on the fourth question because it asked have the criteria changed somehow. 62.5% of them answered negatively. From 37.5%, who answered positively, 12% interviewees said that their style has changed but it has been always a top criterion to choose clothes. The other 12% said that comfort has become their top criteria when they buy clothes. The price has become a decisive factor for the 16% of positive repliers, and the quality has become a decisive factor for the 20% of positive repliers. The 16% of positive repliers has started to put emphasis on the need.

7. What services/products go ahead of clothes?

In the seventh question interviewees evaluated what services or products are more important than clothes when it comes down to the financial priority. The combination of food and living expenses goes before clothes to the 37.5% of interviewees, food was priority to 10%, living expenses were priority to another 10%, and the combination of food, living expenses, and health expenses were priority to 7.5%. Current needs dictated the 12.5% of interviewees when 17.5% said that their hobbies or interests, such as travelling and music, took the top priority of spending.

8. Where do you prefer to use your money?

The next question charted where people like to use their money if they have no obligations. Some interviewees had only one choice and others had several: 12.5% had interest for vehicular hobby, 7.5% had interest for culinary, 10% had interest for clothes, 12.5% had interest for travelling, 10% had interest for culture and entertainment, 7.5% had interest for music, 12.5% had interest for physical exercise, 17.5% invested their money on other hobbies or were answered in a general scope, and 2% did not have any additional spending desires.

9. How many times in a year you visit Dressmann?

In the ninth question it was asked how many times people visited Dressmann stores in a year: 7.5% have not visited ever, 12.5% have visited every few years, 32.5% have visited from one to two times, 12.5% have visited from two to three times, 5% have visited from three to four times, 7.5% have visited from four to five times, 10% have visited from five to six times, and 12.5% have visited twelve times or more.

10. Have you visited Dressmann this winter less or more compared to the earlier year?

The following question asked; have the interviewees visited Dressmann in December 2014 and January 2015 less or more compared to the year back. The 82.5% of an-

swers were negative. The 17.5% of answers were positive and the interviewees have mostly decreased their visits.

11. Which Dressmann stores in Pori you visit/would visit the most?

The last question sorted out which Dressmann store people prefer to visit in Pori. In Puuvilla the votes were for Puuvilla 15%, IsoKarhu 65%, and Icco 20%. In Yrjönkatu the votes were Puuvilla 15%, IsoKarhu 80%, and Icco 5%. Combined votes were for Puuvilla 15%, IsoKarhu 72.5%, and Icco 12.5%.

5 RESULTS

Quite early during the first interview session, it became clear that these interviews offer information beyond what the questions tried to reveal. Even though it was not intended act in the beginning. Eventually the impressions of interviewees became as important as the actual answers, and the impressions support the results. When analysing the results, these impressions make it easier to organize results and realize trends from the data. Most interviewees got hooked into dialogue so much that they started to self-evaluate what gives deeper context to the study.

During the analysis phase, gender, age, and employment status combination were reflected to answers. If not mentioned separately, any demographics did not have significant influence to the results.

Most people did not have a positive view from the Finnish economy but some people wanted to stay positive about it and even admitted that. Seeing the economy as a negative and unstable subject makes consumers to be more careful to purchase. They start to focus only on the necessary things and maybe start to escape the negative symptoms. For example there were positive thinkers among unemployed.

About one third of interviewees said that they have bought less casual clothes. Majority of them were mostly from 20 to 40 years old. Unemployed and retired had reduced the spending more dramatically.

When it comes down to criteria, the older people (50 years and older) value need over other motives. Style, comfort, quality, and price were more important to people from 20 to 40 years old. This shows how different generations define their values, and younger generations see consuming more than a necessary action. In overall view, style was more important for younger people still, when comfort and practicality were on rise among all interviewees. Changes happen generally with longer pace, and bigger changes, such as unemployment, have a central role when the values are formed.

Hobbies and own interests appealed younger than older people, which shows how individualism reigns. In general scope the most people want to invest into experiences and hobbies when others want to improve their quality of life.

Younger people visited more often Dressmann stores than older people, and women visited Dressmann only couple of times. Here we have to understand how more visits does not always mean more purchases because some people check stores more often to get better deals or alternate products. Visits have stayed mostly on same levels but those who have changed their habits, decreased their visiting times. What we can see is that visiting habits were same but there were possibly fewer transactions or in other words: fewer paying customers.

The location related question showed that: most people want to preserve the downtown of Pori as a commercial centre, people prefer to go their closest location but the centrum is important.

Consumers in Pori are conservative and spend their money carefully at the moment. Going for shopping is seen only as a necessity and visiting the store seems to be only connection between the customers and the store. They are not either restricting their shopping into one location but visiting other Dressmann Pori locations also. Without touching the topic, some interviewees said that the current sizes of clothes in stores are not big enough.

6 CONCLUSIONS

6.1 Research

6.1.1 Reliability

The recession of Finland is undeniable fact and should be treated seriously as the current state is bad. The last government could not defeat the recession, which shows how it needs time and workload to turn situation. The new government has been elected and they are going to focus on improving the Finnish business field. Only time will show when the Finnish economy will recover but it can be guaranteed the recovery and the growth is going to be slow. Exports are recovering slowly but it has delayed impact on domestic markets. Statistics Finland and economists' comments were used to reflect the current Finnish economy, which can be considered to be very reliable.

The street survey was held in two locations in two different times to reach various demographics of Dressmann. It is hard to determine was the sample size enough large but dividing it into two sessions made it more reliable. There was a visible difference between two sessions in the case of demographic portions, for example, more young people were present during the second survey session. Gender proportions represent approximately the distribution of Dressmann customers and are based on the interviewer's observation.

The Dressmann Icco was not used as a survey location because assumption was that local consumers do not use only one store exclusively, they move freely between them in relation to their other errands. Due the visitor volumes of Icco mall, it would have been much more time consuming to gather enough answers, what could have affected the reliability. Answers from the two actual locations confirm the hypothesis.

Some age groups did not receive enough exposure in the street survey. People from 40 to 60 years old were the smallest demographic and especially people from 40 to

50 years old were almost completely absent. They had also smallest portion from the passersby when it comes to age groups. It is possible that time was wrong to get their answers to the survey but they are most likely the busiest age group due the work and other duties. Their consuming behavior is possibly determined more by the need as they do not usually have time for window shopping. In the other hand survey could have had the focus solely on the unemployed as the unemployment rate is relatively high and have hypothetically increasing effect on the domestic scale. To reach unemployed people would have been bigger challenge if the street survey had been the only method.

One of the reasons to choose a street survey over an online survey was to assure the honesty of answers. On face-to-face interviews it is easier to determine interviewees' honesty and I reckon the interviewees were very honest. The bigger concern is how correctly they reflected themselves on the answers as the interview situation is unexpected and quick event and on top of that some questions did not have ready-made answers. This means that interviewees rely a bit on intuition what can be a positive or a negative factor; answers are more likely honest but reflection might a bit off or wrong. The interviewer can help interviewees by explaining questions and asking more details if the answer was too sketchy.

The interview situation was approached with small talk and maintaining conversation was essential part of it. This way interviewees had their more trust towards interviewer and created a foundation to the core (questions and answers). It seemed to be a good approach as the interviewees had more valid output and made them to "invest" into the survey.

Even though the data sample was relatively small, it shows some impressions and patterns among consumers. The survey data can be used to draw valid conclusions.

6.1.2 Conclusions

The Finnish economy is still suffering from the recession as the economic growth is low. Exports are slowly recovering but domestic markets take more time to catch up

and Euro crisis has become expensive to Finland. The overall recovery will take more time and sudden movements in the economy will occur unlikely. The purchasing momentum will stay at the same level for a while, maybe a couple of years. Current development of economy growth has to be the foundation of business strategy.

The employment status is still the strongest factor how much people use money. Daily necessities and improving quality of life comes before clothes in their purchasing priority order. The unemployment rate can be seen as a very reliable indicator to determine the local consumers' purchasing power. The development of job markets determines also where the current development is going in the scope of purchasing power.

Street survey data points out that Finnish consumers base mostly their consuming decisions on the need and the usability, especially older people focus more on that motive. In the general scope they ponder what kind of impacts their purchasing decisions have on the surroundings based on their own life values. For example some people put emphasis on the nature issues and others for the economy questions. Despite the life values, the majority do not let their values dictate too much the decisions as it happens more on unconscious levels.

Uncertain times in the economic field have taken its toll as the Finnish consumers have negative view on the Finnish economy. The survey confirmed how negative thinking makes people more careful on the purchasing decisions as the negative impression from the economy has a harmful effect on the consumption. People ponder also longer in purchasing situations and they are careful on unconscious levels. Careful behavior manifests itself in the increased visiting rate compared to the purchases.

Dressmann is a big organization and efficiency is a constant problem that needs continuous development and monitoring. It has to be remembered that efficiency is not always about cutting concrete expenses. In a large organization the actual dilemma is to connect different parts together better and value the internal communications. Other priority is to communicate with the customers and allow them to be involved with the company so the "cold corporation" impression fades away.

It has become more relevant to ask how to get customers to invest into the company. Investing means in this case much more than making people to only purchase the goods. It is in the best scenario open dialogue between the company and consumers where customers are a partaking asset that improves the performance of company. Communication channels plays big role here and especially social medias can be a helpful alternative when utilized correctly.

6.2 Recommendations

Following recommendations are directed towards Dressmann Pori but can possibly be relevant in elsewhere as well. They are based on the current state of Finnish economy and the conducted street survey impressions. The goal is to adapt into the current economic situation and prepare Dressmann Pori to potential future threats.

The store situation requires rethinking as there is now three stores in Pori but the location requires tailoring. The three regular stores are not a necessary and one of them could be converted into a Dressmann XL store, which would increase target customer group because there are enough men who require larger clothes. The closest Dressmann XL -stores are located in Turku and Tampere but distance do not encourage customers to travel as they rather seek alternative stores in Pori and its surroundings. One has to understand that local customers will not travel outside the local region just for buying clothes and local consumers want to support local businesses. Eventually this would strengthen the customer base to reach all men in different sizes. Based on the survey, Dressmann IsoKarhu has the strongest support from the customer (it keeps the downtown of Pori alive) so the choice to convert a store into a Dressmann XL has to be made between Dressmann Icco and Dressmann Puuvilla. The Puuvilla could be the most potential choice because it is close to supporting IsoKarhu, it is easy to visit quickly, and the regular customer base is not solid yet.

Communications with customers are important to understand them better and make them to invest into company. Consumer behaviour change with environment and information technology has changed it faster. This is why the companies need to be close to their customers so they can adapt the changes faster and have familiar con-

nection with the customers. The main social media channels should be checked and possibly redefined every six months based on the customer usage, ongoing campaigns and customer feedback. Currently the most potential social media channels are Instagram and Twitter to share news and stories. Both are simple platforms where the organization can post clear and strong messages. The posts include of course campaign announcement and organization news but there could be also lighter posts that revolve around the company's daily life. These posts could start in a domestic scale and later on spread into a region based posting.

Dressmann marketing strategy has a flaw in it as the brand is thought to be a store for middle-aged and older men, even though their clothes suit also teens and young adults. The marketing message should have more emphasis how Dressmann will clothe men in varied ages. The clothing collection should not alienate itself too much from the taste of public when the Dressmann tries to reach young men, they should present their collection as a reliable alternative compared to other brands. Again, the whole case is a manifestation of how the organization does not connect enough with their customers.

Customer surveys provide essential information to the management of company. When the data sample is large enough and collected reliably, it provides an accurate picture from customers and reveals the current flaws of organization. In the best scenario customers tell what they actually want. For example there could be campaigns where customers can pick their favorite patterns to upcoming shirt collections. This way they get more involved and affect positively on sales through being active and influencing the company. Customer feedback surveys should work on regional level as they form their own clusters or in other words, market areas. Survey questionnaire should be short but offer customers to tell things in their own words in some sections, such as, improvements suggestions, describing shopping experience, and pinpointing the flaws. When the company is announcing or releasing something new, they could have surveys to gather reactions from customers to define how successful it was and what to do next. Surveys could be announced in the social media feed, like Twitter, and in stores as posters. Dressmann website should be provided as a platform for the surveys in the contact section.

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