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**International distribution channels for floorball
equipment to the Czech market**

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Thesis abstract

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The study is aimed at research about distribution channels. The main objective of the study is to find the optimal distribution channel for a Finnish company Kohonen Brothers Oy to bring its products to the new market in the Czech Republic.

The thesis is divided into two main parts. The theoretical part will deal with concept of marketing mix, distribution and distribution channels. Understanding of these concepts build an important theoretical basis for my research. This part continues with description of floorball history in the world and in the Czech Republic. The characteristic features of the Czech market are specified.

The practical part of my thesis deals with research of the top Scandinavian floorball brands currently represented on the Czech market from the point of view of their distribution strategies. Best practices are described and practical examples are given. The research allowed to propose implementation of certain distribution strategy for the company Kohonen Brothers Oy.

In conclusion results of the research are evaluated. Summary of the main part is given as well as personal opinions. The last part of the thesis includes comments on the future application of the outcomes of the research.

Keywords: Distribution, Distribution channels, Floorball brands, Czech market

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Terms and Abbreviations

B2B	Business to business
EDI	Electronic data interchange
IFF	International Floorball Federation
SME	Small and Medium Enterprise

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1 INTRODUCTION

The topic of this thesis relates to the concept of distribution and definition of distribution channels as an important part of overall marketing strategy of any company. Distribution is about getting company products or services to consumers. There is a number of different distribution channels that companies can opt for – from direct sales to retailers and e-commerce. And it is up to each company to conduct a market analysis in order to find the distribution channels that would match the buyer and the company's needs. Another key thing to keep in mind is that the distribution is always specific for a particular market.

This thesis deals with the Czech sports equipment market, more specifically the segment of floorball equipment for professional players. Since floorball has been long developed and is currently one of the most popular indoor sports in Finland. It is important to point out the fact that the author has personal experience with Finnish floorball environment which allowed him to make certain comparisons and conduct research in relation to the market in the Czech Republic. More and more Finnish companies are getting interested in the potential of the Czech market. All things considered, it seems reasonable to compare those two markets.

The general focus of this research is the comparison of international distribution channels in floorball business. The thesis will bring into focus the marketing channels for Finnish small and medium enterprise (SME) into the new market in the Czech Republic. The theoretical part of the thesis deals with overall marketing strategy of a company and the concept of a marketing mix. Moreover, a definition of the term of distribution and distribution channels in the framework of a marketing strategy is given. In the analytical part of the thesis the company Kohonen Brothers Oy is introduced. As the next step the current market situation in the sector of imported professional floorball goods in the Czech Republic is analyzed in order to define the advantages and disadvantages of distribution strategy of each individual company. In conclusion a solution for the Kohonen Brothers company is provided in terms of effective international distribution channels and a certain strategy is suggested for the company.

1.1 Research question

The purpose of this study generally is to obtain a deeper understanding of using distribution channels internationally. The thesis will in particular answer the following research question: what is the most effective distribution channel for professional floorball products produced in Finland to the Czech market.

In order to answer that question the following goals have been set. Firstly, to analyze the business of floorball equipment companies of both Finnish and Swedish origin currently active on the Czech market. This step would include a deeper comparative analysis of a number of factors connected with marketing strategies of the companies in question, their logistics solutions, distribution network, product range, market positioning etc.

The second goal would be to define best practices and most efficient distribution strategy elements of the Scandinavian brands, successfully operating on the Czech market.

The third goal is to analyze the results of the research in order to define the most suitable distribution channels for the trade connection between Finland and the Czech Republic in terms of professional sports goods. The outcomes of the research would propose a number of solutions and suggestions for the company Kohonen Brothers Oy to better understand possible problems and by fixing them take a strong position on the Czech market.

1.2 Research methods

In the thesis two types of research approaches are combined. Qualitative as well as quantitative methods are used, which are most suitable for this study. Firstly, during the research face to face interviews were held with representatives of sport equipment companies TONNISPORT Oy and Kohonen Brothers Oy which were chosen for my research. These interviews were open-ended.

Secondly, the main research methodology used in the empirical part of this thesis is questionnaire survey containing a number of open questions which were formu-

lated in accordance with the subject of the research. The questionnaire was spread among most popular Czech official distributors of top floorball brands. The respondents had to answer the same questions in order to ensure similar interview pattern. The questionnaire was done in the form of a fill-in form. The collected data were processed and formed the basis for the practical part of the thesis.

2 CONCEPT OF INTERNATIONAL DISTRIBUTION CHANNELS

The theoretical part of this thesis deals with the definition of marketing in general. Then the concept of the marketing mix and its elements are introduced and explained. The most substantial part of the theoretical research is going to be built around the concept of distribution and the international distribution channels because it is a relevant basis for my practical research.

2.1 Marketing

First of all, some general definitions of marketing should be introduced. Marketing professionals of today define marketing as a social management process by which individuals and groups acquire what they need and demand through the creation, supply and exchange of valuable products with others. To discover the only one universally acceptable definition of marketing is impossible. In professional publications, it is possible to find a number of different definitions of this term. The complexity and versatility of marketing process can be judged from different angles. According to authors Kotler and Keller (2013) marketing is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is “meeting needs profitably” (Kotler & Keller, 2013, 5). Other definition says that „marketing is the art and science of creating value by designing and managing successful exchanges” (Chernev, Kotler, 2014). In practice, it means that marketing focus on the exchange of services and goods as well as ideas.

Summarizing these definitions, marketing could be basically defined as a process that helps make the manufactured goods available to those customers who are interested in it, preferably in the right place and at the right time. The key point in this process is the price of the product and its promotion.

Marketing can be also understood as a means of achieving a goal. For a business company the main priority is always to identify customer needs and requirements and after that assess the production of products. Company offer derives from customer requirements that play a key role in marketing. Nowadays, at a time of in-

tense competition, it is often not enough just to meet wishes of our customers. It is necessary to establish a strong relationship with key customers. To meet their needs better than competition or even to discover new needs that have been hidden so far.

2.2 Marketing mix

The marketing mix is one of the most famous concepts in marketing area. These basic marketing tools help companies to achieve their goals. McCarthy classified marketing activities into marketing mix tools of four categories, which he called the four Ps of marketing. Let's look at each individual component of this marketing concept:

- product
- price
- promotion
- place

(Kotler & Keller, 2013, 25).



Figure 1. The Four P Components of the Marketing Mix (Kotler & Keller 2013).

2.2.1 Product

Product is supposed to be the basic part of the marketing mix with the rest of the components depending directly on it and built around it. Kotler and Armstrong (2012, 51) refer to product as “the goods and services combination the company offers to the target market”. Moreover, there are certain aspects to the concept of a product which include its particular variety, production quality, design, particular features, its brand name, packaging options and the services provided to the product consumers.

When looking at the sports segment of the market, then it is possible to talk about a sports product. Shank (2009, 198) defines a sports product as „a good, a service or any combination of the two that is designed to provide benefits to a sports spectator, participant or sponsor”. At the same time a clear distinction is made between the two terms – goods and services. While goods are tangible kind of products which are sold at the sport goods stores. Services on the contrast are intangible and have to do with customer experience. It is important to point out that not all sports products fall into one distinctive category and might combine characteristics of both of them.

The above mentioned classification is based on the aspect of tangibility. In addition to this, Shank (2009, 203) suggests that the goods and services could also be differentiated on the following basis: perishability, separability and standartization. To add to this companies offering several products have to consider the concepts of product line and product mix.

2.2.2 Price

Another tool of the marketing mix is the price which is a crucial element to the overall marketing strategy and the eventual profitability of the company leading to success or fail. Price in this case must be embraced in the context of a marketing approach. Kotler and Armstrong (2012, 52) refer to the price as „the amount of money customers must pay to obtain the product”.

Given the fact that product prices affect directly the revenue of the company and set the value positioning of a particular product it is impossible to underestimate the importance of development of the right pricing policy. The nature of the pricing decisions is very complex since it is important to consider a number of external factors like competition, customers and general marketing environment. Different companies set prices in their own way. Usually the pricing objectives come from the top management and are developed in close cooperation with the marketing and finance department.

Another key factor is that the price directly influences the customer's buying decision. It is a well-known fact that customers process the price information based on advertising, prior experience, informal references and other factors. (Kotler, Keller, 2013, 386) At the same time Shank puts value at the core of pricing by saying that „the perceived benefits of sports product, or what the product does for the user, are based on its tangible and intangible features” (Shank, 2009, 366). However, it is important to keep in mind that value varies a lot from consumer to consumer since the perceived benefit will always be based on a personal previous experience.

2.2.3 Promotion

Next crucial element of the marketing mix is promotion or targeted marketing communication. This element consists of a large number of activities focused on increasing consumer interest, company awareness and its products as well as the sales increase. According to Kotler and Keller (2013, 476) „the marketing communications are the means by which firms attempt to inform, persuade, and remind consumers—directly or indirectly—about the products and brands they sell”. Overall communication is designed to establish a dialogue between the producer and the customer. By this means can a firm build relationship with consumers. Marketing communication environment is changing over time following the latest trends and developments (Kotler & Keller, 2013, 476).

Kotler introduced the term of a marketing communications mix which consists of eight modes of communication:

- I. Advertising – kind of non-personal presentation in different types of media (newspapers, magazine, radio, television, telephone, web page, billboards and posters etc.).
- II. Sales promotion – different kind of activities aimed at boosting sales (such as coupons, samples, contests).
- III. Events and experiences – programs and activities designed by companies to create interactions with consumers (sports, entertainment, arts).
- IV. Public relations and publicity – a number of programs to communicate with external consumers, the government, media and other firms or internal employees of the firm to build a good company's image.
- V. Direct marketing – use of electronic devices to interact directly with targeted individual consumers.
- VI. Interactive marketing – online programs and activities build to make customers aware of the company, get a better image and eventually improve sales.
- VII. Word-of-mouth marketing – individual references regarding the product based on personal experience.
- VIII. Personal selling – presentations conducted by sales managers in order to sell the product and build a relationship with a customer (Kotler & Keller, 2013, 478).



Figure 2. Elements of Marketing Communication Mix (Marketing Communication [ref. 3 February 2017]).

2.2.4 Place

This element of the mix is as important as the ones listed above since companies have to make certain decisions on where to store, trade and move their products or services so that they are available in the best possible way and time to the consumers. In this thesis this element of the mix is going to be referred to as “distribution”. According to McKinnon (1989, 1) „physical distribution is the collective term for the series of inter-related functions (principally transport, stockholding, storage, goods handling and order processing) involved in the physical transfer of finished goods from producer to consumer, directly via intermediaries”. Kotler and Armstrong (2012, 357) however argue that „the topic has grown in importance, complexity and sophistication” and suggest that a term „marketing logistics” should be used instead.

Companies nowadays pay more and more attention to logistics for several reasons. First of all, better logistics allow companies to take advantage over competitors by better logistics planning and eventually better service and prices for the consumers. Second factor is connected with potential savings both on the side of the company and on the side of the consumers. Since transportation is more ex-

pensive than advertising and most of the marketing costs, saving on a single logistics operation can make a big difference in terms of forming final price. The third reason to keep in mind is the environmental responsibility of a company which is directly connected to logistics operations including warehousing, packaging, transport etc. (Kotler & Armstrong, 2012, 358).

This thesis is focused mainly on the research of international distribution channels that is why this concept is going to be analyzed in a deeper detail in part 2.3 and 2.4.

To sum up, Kotler and Armstrong (2012, 52) define the marketing mix as a set of tactical tools production, price, distribution and communication policy that enable the company to tailor the offer to customers wishes in the target market.

However, this is not the only possible approach to defining a marketing mix. Traditional “4P” is gradually growing and updated modern concept introduces other elements to the concept. They are people, processes, programs and performance (Kotler & Keller, 2013, 25).



Figure 3. The Evolution of Marketing Management (Kotler & Keller 2013).

➤ People

People means both human resources (employees working for the company) and as well as the customers from the point of view of consuming products and services (Kotler, Keller, 2013, 25).

➤ Processes

Processes stand for all kinds of structured activities that the company is involved in terms of building general marketing strategy. Kotler and Keller (2013, 25) point out that „only by instituting the right set of processes to guide activities and programs can a firm engage in mutually beneficial long-term relationships”.

➤ Programs

All the company's activities directed at the consumer. All those activities must be interconnected and act as a whole to serve one purpose in the framework of the marketing strategy (Kotler & Keller, 2013, 25).

➤ Performance

A sum of outcomes following the above mentioned activities designed by the company, both financial and nonfinancial. These new four Ps are connected to all activities in a company allowing managers to grow more closely aligned with the company (Kotler & Keller, 2013, 26).

The optimal combination of the marketing tools mentioned above allows to achieve maximum customer satisfaction and at the same time take advantage over the competitors on the market. This should be the main goal of any company which wants to be successful on this particular market.

2.3 Distribution

Distribution is an important tool of a company marketing and is one of the four basic element elements of a marketing mix. For the company it is important that the distribution is strongly connected with product, price and promotion and acts as a whole. The distribution solves a problem to whom and where the product will be sold and what is the best way to ensure that the goods and services are offered to the consumers at the right place and at the right time. The main instrument of distribution is distribution channel. According to Kotler and Keller (2013, 11) distribution channels are one of the three main marketing channels alongside with communication channels and service channels. „The marketer uses distribution channels to display, sell, or deliver the physical product or services to the buyer or user. These channels may be direct via the Internet, mail, or mobile phone or telephone, or indirect with distributors, wholesalers, retailers, and agents as intermediaries (Kotler & Keller, 2013, 11).

The importance of physical distribution can not be underestimated because only when product is delivered for purchase then it has a certain value and it allows to cover the costs of production and marketing. With regard to this McKinnon (1989, 8) uses the term availability and connects it with adequacy of stocks.

Theoretically it is possible for a producer to sell goods directly to final customers. But in the real life experience there is always the need for intermediaries. „The intervention of the middleman is justified mainly on the grounds of transactional efficiency, product assortment and functional specialization” (McKinnon, 1989, 28).

2.3.1 International distribution

Most of manufacturers nowadays get interested not only in selling their goods on the whole market but also going international and offering their products to foreign customers. The process of international distribution is connected with many challenges due to the fact that there are more transportation modes and there can be no delays at international borders. It is crucial to pay attention to particular national transport regulations for each country and keep more stock in order to compete

successfully with the domestic counterparts. This is why a well-thought-out and detailed planning is required which is in its turn complicated by use of foreign language and dealing with foreign currencies (McKinnon, 1989, 207).

It is clear that a lot of companies are facing these difficulties when entering foreign markets and some of them eventually fail due to a number of factors such as lack of trained personnel, wrong evaluation of costs etc.

➤ Internet in international marketing

Internet is becoming a more popular distribution channel and certainly forms a general trend. Internet allows direct communication with big amounts of customers. By using internet producers are able to offer their products all over the world and become more competitive from this point of view. However, the opportunity of using internet depends on whether it is a developed country and whether internet services are available for company and consumers. It is also important to keep in mind that internet can not be used for promoting all kinds of products (Machková, 2006, 169).

➤ Influence of internet on international distribution

International distribution nowadays is greatly influenced by internet. Different kinds of companies are represented on the internet at the moment. Some of them use only internet to sell their products, others use the global network as additional form of distribution. This form is appropriate for companies which use direct selling methods and offer their products and services directly to target customers. In the situation when there are more intermediaries involved in the sales process, a company uses online sources as a communication tool and not as a sales tool (Machková, 2006, 170).

Internet facilitates communication not only between producers and customers but also in the field of B2B. It allows to search for suppliers from all over the world, gain access to information about prices and other conditions, logistics processes as well as to decrease costs (Machková, 2006, 171).

It is clear that internet now has become an inseparable part of marketing strategy of most of companies. It brings a whole range of advantages from the point of view

of producers (lower costs, more efficient distribution, communication with customers globally, personalized offers, targeting, flexibility) and from the point of view of customers (better access to information, wider offer, easy shopping experience, less time consuming, comfort, individual approach and communication, better prices etc.).

The practical part of this thesis deals with internet strategies of the companies that were chosen for the research. It is important to compare and evaluate their official e-shops based on the following criteria: availability for customers, overall design, assortment, navigation.

2.3.2 Export marketing

In this part of the thesis a revue of opportunities is made for companies who are interested in exporting their products and doing marketing in other countries. It is important to know about different ways for a company to enter a foreign market depending on distribution channels designed for that market (McKinnon, 1989, 209).

2.3.3 Market penetration

McKinnon (1989, 209) suggests five methods of market entry in the framework of export of consumer goods:

- I. Indirect exporting – this involves selling products to agencies on the domestic market and they will take them abroad. Using this method has its advantages and disadvantages. One of the main advantages is that a company does not have to take care about international distribution. The main disadvantage is that the company subsequently lacks international marketing experience.
- II. Piggyback schemes – this method is very popular among producers who prefer to use foreign distribution system of other manufacturers.

- III. Specialist agencies – these agencies are export management companies or export intermediaries and they offer services of different range. Some of them take all the responsibility for distribution and marketing of all products. This can be called the best option from the customers' point of view.
- IV. Foreign distributors – in many foreign markets there are a lot of different kinds of agencies who take care of distribution of imported products. They work on different basis, some of them engaged in sales and promotion activities, others provide the physical distribution service.
- V. Foreign sales offices – a sales office is usually organized in order to manage marketing and distribution on a foreign market, using direct connections with wholesalers and retailers (Mckinnon, 1989, 211).

2.3.4 Transactional efficiency

Transactional efficiency is connected directly with a number of trading links in the marketing structure, most specifically with their reduction. By involving an intermediary into the sales process a company gains relative advantage in the form of possible reduction of transactions and working more efficiently with the intermediaries involved at each level (McKinnon, 1989, 29). The calculations on the picture below on figure 4 clearly illustrate how the number of transactions depends directly on the number of intermediaries involved.

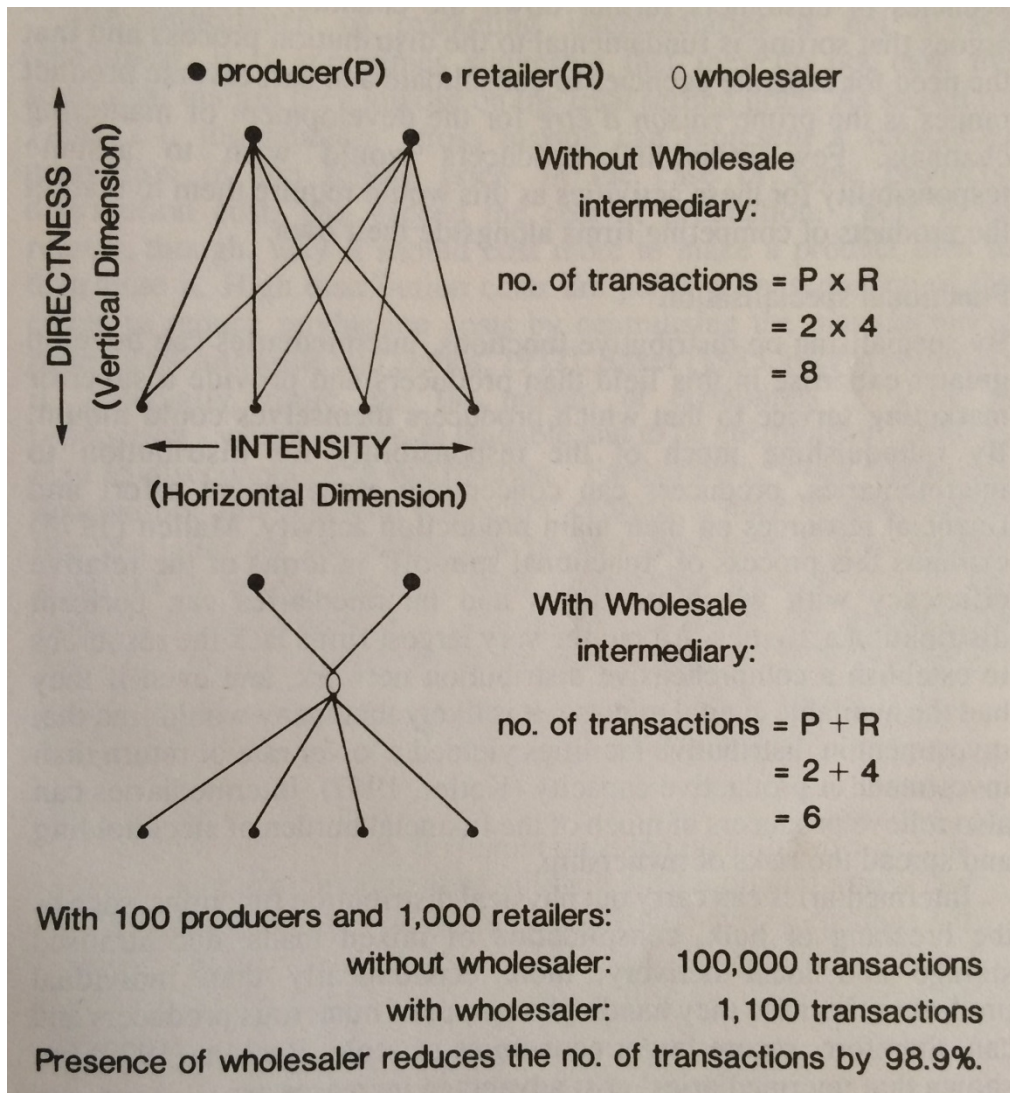


Figure 4. Marketing intermediaries (Mckinnon 1989).

2.3.5 Product assortment

It is a general interest of all companies to offer their consumers an assortment which would be adequate to satisfy their needs. Intermediaries get a big variety of products from many different producers, then orders are formed and distributed to agencies or consumers down the distribution channel (McKinnon, 1989, 30).

2.3.6 Functional specialization

Since it is the intermediaries who are specialized in distributive functions it is often the case that they are better in this field than the producers themselves and there-

fore they are able to provide a high level of marketing service which producers themselves could hardly ensure (McKinnon, 1989, 30).

2.4 Distribution channels

Channel of distribution is a route or pathway through which goods and services flow from producers to customers. Between producers and customers exist different kinds of distribution channels depending on the number of intermediaries. On the picture below figure 5 different marketing channels are illustrated depending on the length of a channel (Kotler & Keller, 2013, 420).

2.4.1 Channel levels

Zero-level channel consists only of manufacturer and consumer (end user). This path is mainly used by small producers which sell themselves. A one-level channel involves one intermediary, such as retailer. A two-level channel comprises two intermediaries, more often they are a wholesaler and a retailer. A three-level channel contains three intermediaries: a wholesaler, a jobber (smaller wholesaler) and a retailer. Zero-, one-, and two-level channels are generally most common (Kotler & Keller, 2013, 421).

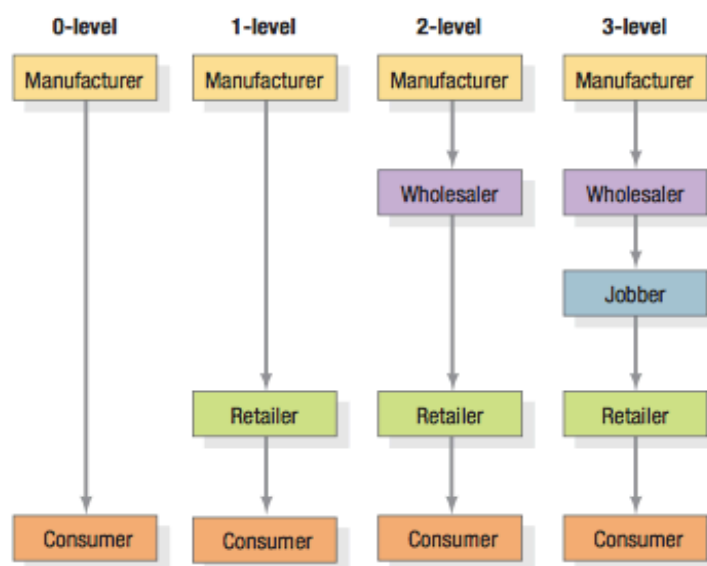


Figure 5. Consumer Marketing Channels (Kotler & Keller 2013).

➤ Wholesaler

According to Rolnicki (1998, 11) a wholesaler is „a distributor that sells into the consumer marketplace”. It is someone who purchases big amounts of goods in order to sell it to further intermediaries or to somebody who needs it for business purposes. Other activities of wholesalers include warehousing and expedition to retailers. Small producers have limited financial resources and they can not afford to build their own sales organization that is why a wholesalers' services are used. Alongside with these activities wholesalers often provide consulting services for retailers, product promotion and ensures transport up to retailers.

Major wholesaler types are:

- Merchant wholesalers
- Full-service wholesalers
- Limited-service wholesalers
- Brokers and agents
- Manufacturers' and retailers' branches and offices
- Specialized wholesalers

(Kotler & Keller 2013, 462).

➤ Jobber

Kotler and Keller (2013, 421) introduce a jobber as „a small-scale wholesalers”, who sell to small retailers. They include a jobber into a three-level marketing channel as an intermediary between a wholesaler and a retailer.

➤ Retailer

Rolnicki (1998, 12) defines a retailer as „a company that performs the same functions as a reseller but operates in the consumer arena”. It is the last element of a sales channel on the way to the target consumer. A retailer purchases directly

from a wholesaler and sometimes directly from the manufacturer. A retailer offers a wide range of products from many manufacturers.

The main types of retailers are the following:

- Department Stores
- Chain Stores
- Supermarkets
- Discount Houses
- Multiple Shops

(Retailing & Retail Formats, [ref. 10 February 2017]).

2.4.2 Direct and indirect channel distribution

Distribution channels may be direct or indirect. In this chapter their advantages are explained.

➤ Direct distribution channels

Direct distribution channels are more specific for smaller producers with limited customer range and their ability to sell their goods and services directly. The product is offered to single individuals or a group of people in a form of presentation and consultations (Rolnicki, 1998, 7).

Advantages of direct distribution channels:

- direct contact and communication with consumer
- effective and immediate feedback
- low costs due to the absence of the intermediaries.

➤ Indirect distribution channels

Between the producer and the target customer there are distribution intermediaries. They play different roles and they can be represented in the form of wholesalers, retailers and different kinds of agents (Rolnicki, 1998, 9).

Advantages of indirect distribution channels:

- goods and services are sold in a more efficient way
- lower expenses
- the producer does not have to take care of every aspect of the selling process due to the fact that the intermediary performs this function.

2.4.3 Selection of distribution channels

Choosing the right marketing channel is important for implementation of the marketing strategy of a company. These decisions begin with finding out the right information and setting of the goals which the company wants to achieve. It is important for the company to build on its strategy and its resources, buying behavior of consumers, competition and distribution channels (Machková, 2006, 166).

The choice of distribution channels depends also on the following:

- character and durability of product, life cycle, technical level, aftersales services
- what are the production capacities of manufacturers, location as well as material and personnel opportunities
- the availability of distribution intermediaries, their density and the level of provided services
- social and economic conditions, financial services and legislation (Machková, 2006, 166).

Advantages of distribution channels

Short channel:

- is preferable for producer
- more thorough sales control by producer
- enables more flexible service
- more flexible against market changes
- providing relevant training for a large number of sales managers is very expensive for a company

With the distribution channel getting longer:

- reducing the amount of money in inventory => faster capital turnover => increasing return on capital
- distribution costs are decreasing
- part of the profit is shared with distributors
- less control over the sale of own goods to customers

➤ Optimal producer

An optimal producer is a producer who delivers his goods in time, in the required quantity and range and in appropriate design and quality. It stimulates demand by adequate forms of promotion and has to use sales promotion tools in relation to distributors. The producer must comply with the warranty periods and provide consulting services which are related to the sale of products (Kotler & Armstrong, 2012, 351).

➤ Optimal intermediary of distribution channel

It should have access to the target market which the producer is focused on. It is also very important to keep the optimal stock in optimal structure. The right intermediary not only uses the stimulation programs of the producer but also imple-

ments its own stimulation mix. It delivers the products always in time and provides services which are necessary for sales (Kotler & Armstrong, 2012, 351).

2.4.4 Distribution channel functions

Goods are moving from producers to consumers by distribution channels. Members of this channels have a number of important functions.

Sales channel – includes all kind of activities which influence business between producers, intermediaries and customers. It is possible to add sales stimulation by advertising, personal sales and sales support.

Delivery channel – processes which take place in logistics chain intermediaries and means transformation of ordering certain products. It may include packaging, transport, stocking, control, issuing documents and invoices.

Service channel – help with goods flow from manufacturers to customers. Financial support is also partly provided by intermediary by means of a business loan. Support functions are for example information about environment, development trends and SWOT analysis (Kotler & Keller, 2013, 418).

Some of these functions such as storage and movement of goods form a forward flow of activity from a producer to the customer. Other functions such as payments, orders, form a backward flow from customers to the producers. It is important to point out that some of the functions take place in both direction (Kotler & Keller, 2013, 418).

2.4.5 Distribution strategy

In the field of distribution three basic strategies are usually used: exclusive distribution, selective distribution and intensive distribution (Kotler & Keller, 2013, 424).

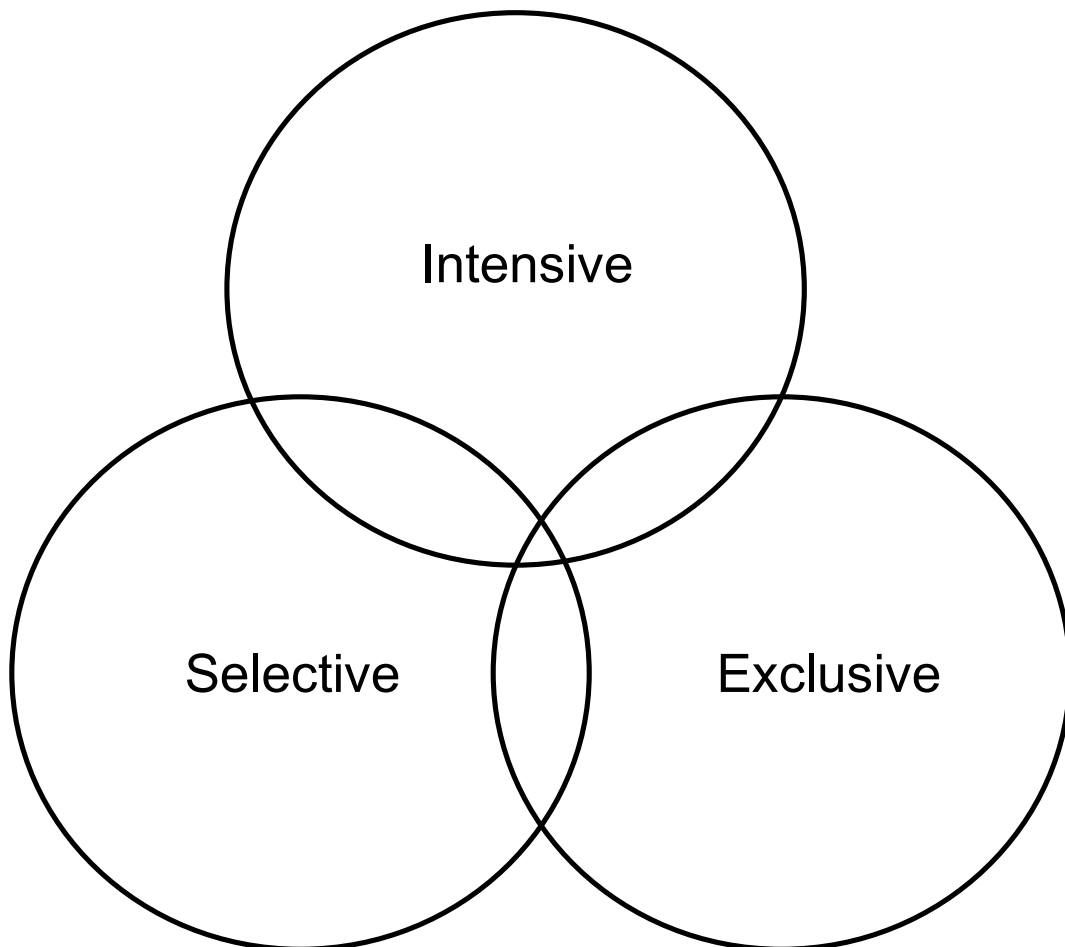


Figure 6. Three channel market coverage strategies (Rolnicki 1998).

➤ Exclusive distribution

Exclusive distribution means a very limited number of intermediaries involved. Such intermediaries obtain exclusive rights to sell the products in a particular location. It is often required from the distributor not to sell competitor's products. Exclusive distribution often takes the form of franchising. The advantage of this kind of distribution strategy is connected with a strong image of exclusivity of a product and an opportunity to set higher prices (Kotler & Keller, 2013, 424).

➤ Selective distribution

Selective distribution allows to producer to rely only on some of the intermediaries who are interested in dealing with a particular product. Such an intermediary has to fulfill challenging requirements such as quantitative (size, sales turnover) and qualitative (service quality, general image). This strategy is mainly implemented by producers of branded goods. The advantage of this strategy is that the producer is able to better control the distribution intermediaries influence the sales directly as well as the product promotion, communication with customers and pricing (Machková, 2006, 166).

➤ Intensive distribution

For a producer intensive distribution means placing the goods in as many outlets as possible. This particular strategy works good for snack food, soft drinks, candies etc. On the one hand due to such kind of distribution the products are easily available in a particular location and it also allows a producer to gain a big market share and achieve a high sales turnover. This are the factors which make a lot of manufacturers to move from exclusive or selective distribution to this intensive model. Apart from the listed advantages there are certain disadvantages to this strategy as well. It could be beneficial for producer in a short term but if it is not managed properly it may affect long-term performance in a negative way (Kotler & Keller, 2013, 425).

In order to manage its intermediaries a company can choose between two main approaches: push or pull.

I. Push strategy

When choosing a push strategy, a manufacturer stimulates its intermediaries to move, promote and sell the products to consumers. This strategy is appropriate in the situation of low brand loyalty when a buying decision is made in the store and the product itself is an impulse item (Kotler & Keller, 2013, 416).



Figure 7. Push strategy

II. Pull strategy

In the framework of a pull strategy the producer relies on promotion, advertising and other forms of communication to create demand for the product. The consumers will require the product from intermediaries and intermediaries will order it from the producer. This strategy is appropriate in the situation of high brand loyalty when the consumers choose the brand they want before they go to the store (Kotler & Keller, 2013, 416).

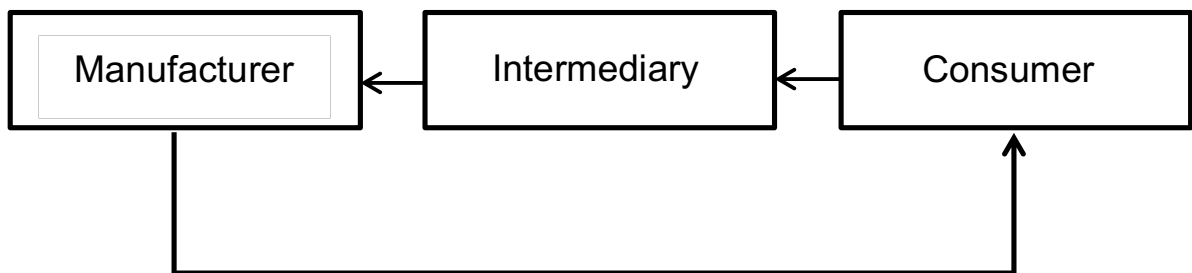


Figure 8. Pull strategy

Some of the top selling international companies efficiently combine both push and pull strategies.

2.4.6 Channel integration and systems

When talking about distribution channels it is important to keep in mind the following marketing systems: vertical, horizontal and multichannel. Let's take a closer look at how this systems operate, compete and conflict (Kotler & Keller, 2013, 431).

➤ Vertical marketing system

A vertical marketing system consists of the producer, wholesaler and retailer and they all act as a coordinated system. Vertical marketing system was established on the basis of the attempts of its members to gain control over the whole channel behavior and trying to minimize conflicts.

There are three types of vertical marketing system:

- I. corporate – it combines sequences of production and distribution within one single ownership.
- II. administered – it means that one of the members of a channel coordinates sequences of production and distribution due to its size and power. It is often the case of manufacturers of big brands who are able to establish strong ties with resellers.
- III. contractual – in a contractual system there are independent companies on different levels of production and distribution trying to coordinate their programs on a basis of a contract. This is usually done in order to reach higher sales results in the framework of coordinated actions than they could achieve alone. It is commonly referred to three main types of a contractual system:

- wholesaler-sponsored voluntary chains
- retailer cooperatives
- franchise organizations

(Kotler & Keller, 2013, 433).

➤ Horizontal marketing system

A horizontal marketing system consists of two or more companies which are not related but they put together different resources to take advantage of a particular market. Each individual company does not have enough production capacity, marketing and capital sources to enter the market alone. Working in this system may be organized on a temporary or permanent basis (Kotler & Keller, 2013, 433).

➤ Multichannel marketing system

Most companies nowadays implement multichannel marketing. Talking about this system it is essential to define an integrated marketing channel. It is a certain technique of combining different channels in the framework of integrating general

strategies and tactics. This method brings companies several benefits such as bigger market coverage, lower channel cost and more customized selling. There is no doubt that companies need to plan carefully their channel architecture and determine which channels should perform which functions (Kotler & Keller, 2013, 434).

2.4.7 Distribution flows

According to Kotler and Armstrong (2012, 344) all the institutions in one marketing channel are connected by several types of flows. They are the physical flow of products, the flow of ownership, the payment flow, the information flow and the promotion flow.

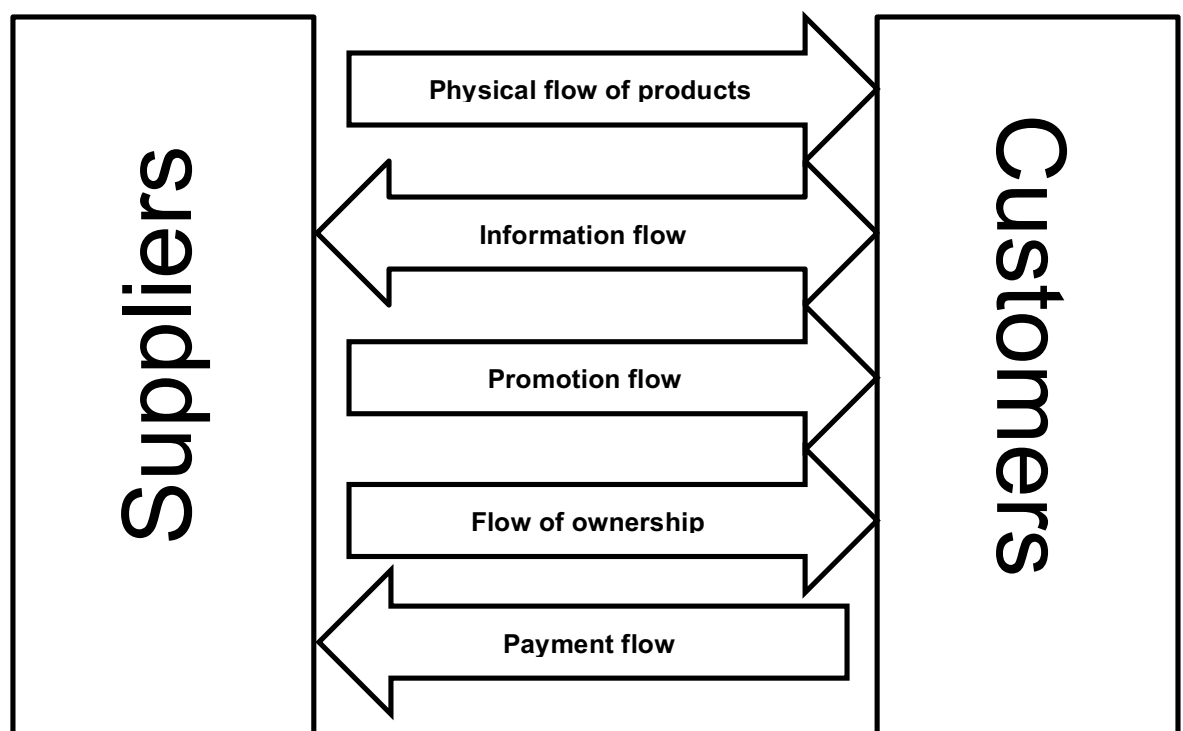


Figure 9. Distribution flows

2.5 Logistics

Following the concept of distribution flows this part of the thesis is going to focus more on the physical flows of goods and services, their planning, implementing and controlling in order to meet fully the customer requirements which can all be comprised and referred to as marketing logistics. Logistics in general means keeping control of packaging, unitizing, loading, unloading, transporting, moving, storing, sorting and reloading products. It also means keeping track of these actions, retracking data on locations and storage and looking for new ways of improving the warehousing and transit costs (Poirier & Reiter, 1996, 199).

The old approach suggested planning physical distribution starting with products at the factory and then trying to find the cheapest way to get them to customers. On the contrary modern companies prefer to build their logistics around the customer. The process starts at the market place and then goes all the way backward to the production site. Kotler and Armstrong (2012, 357) are of the opinion that marketing logistics involves outbound distribution (when products move from the plant to the resellers and then to the target customers) as well as inbound distribution (when products move from suppliers to the plant) and reverse distribution (when broken unsold products move back from consumers or resellers). In this case bringing all the described elements together it is possible to talk about supply chain management. It is defined by Kotler and Armstrong (2012, 357) as „managing upstream and downstream value-added flows of materials, final goods and related information among suppliers, the company, resellers and final consumers”.

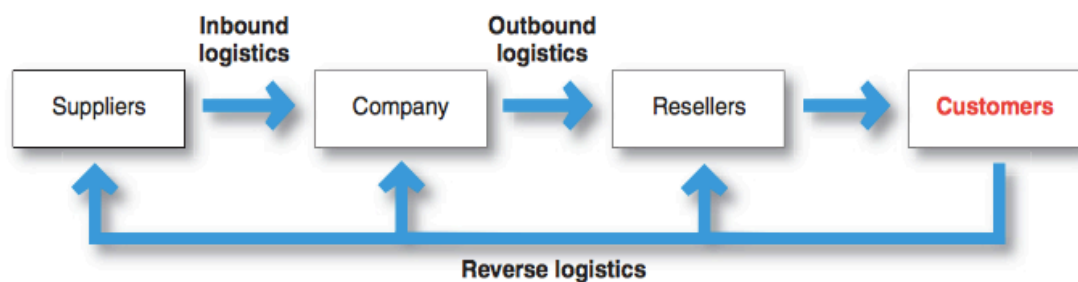


Figure 10. Supply chain management (Kotler & Armstrong 2012).

2.5.1 Goals of logistics system

When trying to define the logistics objective of a company, there is a certain contradiction. Most of the companies would like to provide the best customer service at the lowest possible cost. But maximum customer service means fast delivery, large stocks, flexible assortment and many other services all of which make distribution more expensive. On the other hand, minimizing distribution costs would automatically mean slower delivery, less stocks and larger shipping units which results in a generally lower level of customer service. To sum up the goal of marketing logistics should be to provide a targeted level of customer service at minimal cost (Kotler & Armstrong, 2012, 358).

2.5.2 Logistics functions

When a company sets the logistics objectives it has to design a system which will allow to reach these objectives at minimum cost. The main logistics functions are warehousing, inventory management, transportation and logistics information management. Each of these functions is characterized by specific features:

- I. *Warehousing* – is connected with the fact that most companies have to store their goods while they wait for the customers. This function helps to ensure that products are available to customers in the right quantities and at the right time. It is a company who makes decision on how many and what kind of warehouses it needs and where to locate them. It is possible to use storage warehouses or distribution centers. Storage warehouses store products for longer periods of time while distribution centers are handling goods dynamically.
- II. *Inventory management* – is also connected with customer satisfaction level. A company management must ensure the right balance between too little and too much inventory. Both contrary situations are connected with risks: when there is too little inventory, the company may not have the right products that consumers are interested in. At the same time too much inventory would mean too much costs. Many companies found an effective solution of

this problem by implementing *just-in-time* logistics systems. With this system in place it is possible to keep small inventories because new goods would arrive exactly when they are needed.

III. *Transportation* – decision on transportation methods influence directly product prices, delivery performance and the state of goods at the final point. This function also affects customer satisfaction a lot. There are several different transportation methods a company can choose from and they sometimes use intermodal transportation which combines two or more modes. The main transportation modes are:

- trucks – most popular transportation mode which is efficient in case of full service providers of global transportation services.
- railroads – stands for more than one third of total cargo moved. It is acknowledged to be one of the most cost effective models for shipment of large amount of goods over long distances.
- water carriers – allow to transport large amounts of goods by ships and barges by waterways. While it is a very cheap option, it is also very slow and may be affected by weather conditions.
- pipelines – are specialized means of shipping petroleum, natural gas and chemicals from sources to markets.
- air carriers – are the less popular transportation model. The products which are usually transported by air are perishables and high-value items.
- internet carriers – are designed for digital products which are moved with the help of a satellite, cable or phone wire.

IV. *Logistics information management* - the main tool for companies to manage their supply chains is information. Channel partners often share information

to work together more effectively. A flow of information includes many factors such as for example billing status, shipment information, customer data and so on. Companies need simple and precise processes for sharing and processing this information. The most common internet-based platform for sharing logistics information is electronic data interchange (EDI). Both wholesaler and retailer are usually connected to the system and it allows them to improve customer satisfaction level, to optimize expenses and mutually boost productivity (Kotler & Armstrong, 2012, 363).

It can be clearly seen that logistics management has complex nature and involves accurate management of a lot of internal and external operations. The basic principle of logistics management however should be based on functional integration. Kotler and Armstrong (2012) call this concept integrated logistics management. In the framework of this concept the organization of distribution operations requires close cooperation and teamwork of all the company's departments (sales, purchasing, marketing etc.). The general logistics strategy must be also regularly adapted to external circumstances such as legislation, currency rate, fuel prices and many more. A company must be able to forecast future trends in physical distribution regardless of the fact that it has little or no control over such external factors (McKinnon, 1989, 257).

Whatever distribution channels the company is implementing, the customer service is always in the center of its attention and a starting point for building the logistics strategy. The latest trends and developments show that manufacturers tend to purchase distribution services from external agencies rather than organize themselves. In the thesis this model is referred to as contract distribution (McKinnon, 1989, 262).

3 FLOORBALL MARKET IN THE CZECH REPUBLIC

This part of the thesis describes the general research environment and focuses on a very popular modern sport called floorball. This sport is very well-known among young generation, is dynamic, entertaining, requires good technical skills, but at the same time is not so difficult. The fact that the equipment for floorball is not very expensive makes this game very attractive. Both male and female players are engaged in floorball. For more and more people floorball is becoming part of their lifestyle. Due to the fact that floorball is a very young kind of sport it is reasonable to say a few words about its history and development in the Czech Republic.

3.1 Floorball history

Beginnings of floorball are connected with America. In the 1950-s the young Americans started to play a new sport called “floor hockey”. For this they used plastic sticks and a plastic ball with holes. The first country in Europe where the plastic stick was introduced was Sweden. Floor hockey was gaining popularity very quickly especially at universities, schools and youth clubs. This sport had many names such as plastic bandy, softbandy and floorbandy and there was a clear need for unification. The floorball in the form in which it is known today was born in Sweden in the mid 1970-s and got the name “innebandy”, because the stick was similar with the one, which was used to play “bandy” on ice. Gradually this new game innebandy got more popular than the original North American floor hockey and built the basis for modern floorball (Historie florbalu ve světě, [ref. 8 March 2017]).



Picture 1. First floorball sticks (History of Floorball [ref. 8 March 2017]).

With a very well organized youth sport clubs' system allowing the sport to be accessible to the public and the need of young people to try something new, the ideal conditions were created for the fast development of floorball in Sweden. In other countries where floorball was established, it was developing on a similar basis. In Switzerland this sport is known as "unihockey" and in Finland it got the name "salibandy". In 1981 the first floorball organization was based in Sweden – Svenska Innebandyförbundet. The establishment of the national floorball federation Switzerland and Finland followed in 1985. Consequently, in 1986 the International Floorball Federation (IFF) was founded in Huskvarna in Sweden. In 1993 the Czech Republic and The Russian Federation joined the IFF. The first Men's World Floorball Championship took place in Sweden in 1996. The growth of floorball popularity resulted in new level of requirements and goals for the players which needed each organization to work more professionally (Historie florbalu ve světě, [ref. 8 March 2017]).

Nowadays the International Floorball Federation has 62 Member Associations and according to IFF statistics from 2015 there is a total of 309 397 licensed players in these national floorball associations. In comparison to the number of licensed players in 2006 (258 306) it has grown by almost 17% over nine years' time. This is a clear evidence of the fact that this sport is becoming more and more attractive in the world (Players (licensed/registered) per association, [ref. 8 March 2017]).

The International Floorball Federation has recently been focused on the main goal, which is to make floorball one of the Olympic sports. After successfully filing an application to the International Olympic Committee and having been accepted in 2011 it is still in negotiation process. It is said that by the year 2024 floorball could officially enter the Olympic scene (Historie florbalu ve světě, [ref. 8 March 2017]).

3.2 Floorball history in the Czech Republic

Floorball was brought to the Czech Republic for the first time in 1984 by Finnish students who came to the Czech Republic from the university of Helsinki. They shared their floorball equipment with the Czech students and the first ever international match between Finns and Czechs was played. The Czech students were

still playing with the Finnish sticks for about a year afterwards. Since the floorball equipment was impossible to buy in the Czech Republic the sport was not developing till 1991 when this equipment was brought from Sweden and floorball was played again, mainly in Střešovice sports hall (Historie florbalu v ČR, [ref. 8 March 2017]).

Another important milestone of the history of floorball in the Czech Republic is related to the year 1992 when the Swiss unihockey team Mettmenstetten Unicorns came to the region of Eastern Bohemia for pre-season camp. In the following years the pioneers of Czech floorball helped to spread the sport to the region of Moravia. They were suppliers of floorball equipment in the region and this made it possible to organize first floorball tournaments in Northern Moravia (Historie florbalu v ČR, [ref. 8 March 2017]).

Later on floorball reached all regions of the Czech Republic and big floorball centers were founded in Prague, Ostrava, Liberec and Brno. In 1992 the Czech Floorball Union was established and one year later joined the IFF. It was already in the year 1998 that the Czech Republic hosted the second Men's World Floorball Championship which was a big success and an even bigger commitment for the future. The number of schools and universities where floorball was played was rapidly growing and it created awareness among children and teenagers. Nowadays, there is hardly a single school, where floorball is not represented (Historie florbalu v ČR, [ref. 8 March 2017]).

The most well-known international floorball tournament in the Czech Republic is called Czech Open and has a long history. It was first organized in 1993 and 43 teams from 5 countries participated in it. By the year 2016 the number of teams has grown up to 272 representatives of 18 countries which makes it the biggest international floorball tournament in the world (Historické statistiky, [ref. 8 March 2017]).

An important contribution to the promotion of floorball as a progressive, modern, attractive sport in the Czech Republic was made by the World Championship 2008 in Prague and Ostrava. It was a record breaking event and it marks an important milestone in the Czech floorball history. Ten years later the World Floorball Cham-

pionship going to take place in Prague again. During that time floorball has become the second most popular Czech sport after football. The graph below shows the evolution of the number of professional floorball players in the Czech Republic.

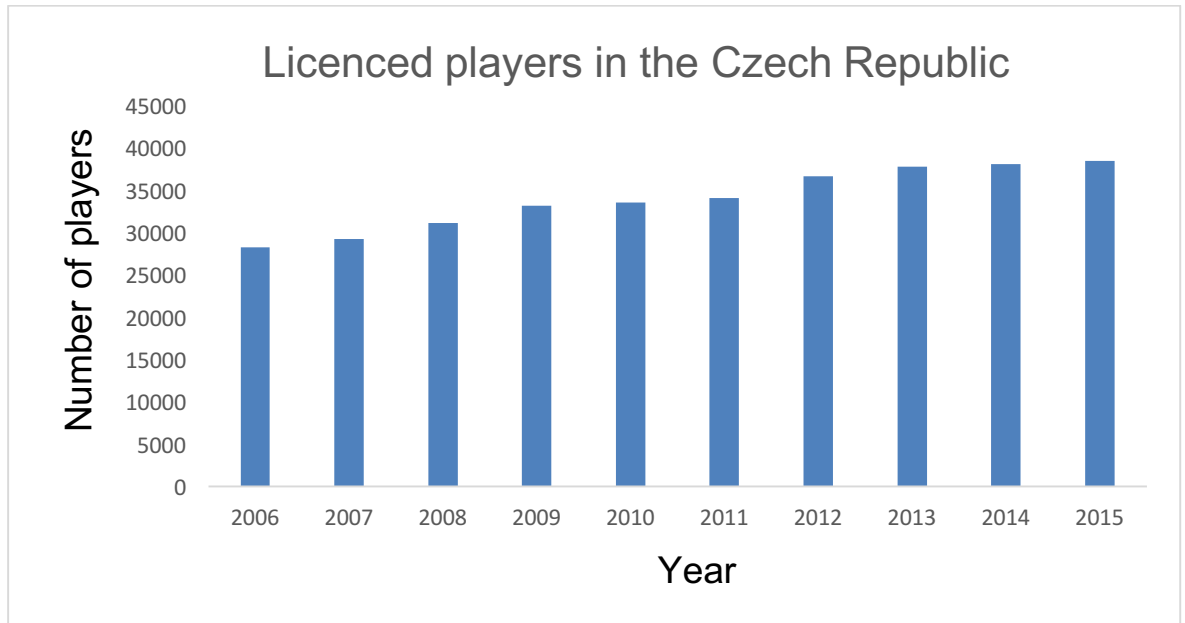


Figure 11. Number of licensed players in the Czech Republic (IFF: Players (licensed/registered) per association [ref. 8 March 2017]).

The upcoming World Floorball Championship 2018 is expected to be a highlight event for the whole country and will inspire more and more people to join the floorball community. It is a very attractive event for the media as well and it is in the center of attention for a lot of potential sponsors.

When talking about the Czech floorball calendar it is essential to mention the new concept of floorball Superfinal inspired by Sweden and introduced in 2012. It is held every year at the end of the season in Prague in O2 Arena where one game decides who will be the Czech champion. The Superfinal is organized in the atmosphere of celebration of floorball and it is a perfect platform for marketing promotion of different floorball brands. It was also in the year 2012 when the official social media accounts of the Czech floorball were created. The number of followers was growing rapidly ever since and today the official Facebook community of Czech floorball is considered to be the largest in the world with more than 100 000 followers in 2017. Generally social media play a key role in Czech floorball and is thought to be one of three pillars of media marketing development plan (Historie florbalu v ČR, [ref. 8 March 2017]).

All together these events make it possible to explore the potential of the floorball equipment market and move the floorball business in the Czech Republic to a higher level.

3.3 Czech floorball market and its features

It can be clearly seen from the historical perspective that the development of floorball in the Czech Republic was always following the developments on the Finnish market and the two countries were always interconnected from this point of view. This resulted in establishing certain kinds of business connections between the two markets: the well-saturated floorball market of Finland with its own producers and the developing floorball market of the Czech Republic with fast growth tempo and big demand for floorball equipment.

3.4 Brands on the Czech market

Due to the fact that the Czech floorball market is relatively young, the situation between competitive brands is changing all the time. Most of the brands on the market are originated from Scandinavia and there is high competition between them. There are also a few floorball brands of Czech origin which are trying to enter the market and stay there in the long term. Unfortunately, most of them are not able to compete with Scandinavian brands due a number of factors such as lack of technologies, know-how and financing. Another reason is the strong image of the Finnish and Swedish brands, which allows distributors to set higher prices. From the point of view of Czech customers, higher prices automatically mean better quality. In this situation the Czech manufacturers are forced to export their good to eastern countries.

The competitive situation on the market is also influenced by the standards set by IFF. It is strictly required that only the officially certified floorball equipment can be used at IFF competitions. In reality it means that if a company fails to get the certification for their products, it will not be able to enter the market and operate on high level (to supply the national team, Superleague teams etc.). Regardless of

the fact that some of the Czech floorball brands are officially certified according to IFF standards, it is still challenging for them to compete on the domestic market.

This thesis deals with the positioning analysis of most popular Scandinavian brands represented on the Czech market. They are Exel, Fat Pipe, Oxdog, Salm-
ing, Unihoc and Zone.

4 IMPLEMENTATION OF DISTRIBUTION STRATEGIES

In this part of the thesis the company Kohonen Brothers Oy., its products and the idea behind their business are introduced. The company's operations are reviewed by method of SWOT analysis. Then 6 floorball brands which were found relevant for the research are analyzed. Each company's profile, product information and distribution strategy on the Czech market are described. Evaluation of the results of this analysis is given. This part is followed by the suggestions regarding possible design of distribution channel for the Finnish company Kohonen Brothers Oy in the Czech Republic.

4.1 Company Kohonen Brothers Oy

It is essential to give a full description of a company profile which was chosen for this research. Due to the personal experience with the company and a chance to meet its founders it is possible to base this research on the information which was obtained from face to face interviews. It was also the main source of inspiration for the thesis.

4.1.1 Introduction of the company

Kohonen Brothers Oy is a Finnish floorball equipment company owned by brothers Mikko and Mika Kohonen. This firm was established in autumn 2012 and has an office in the city of Jyväskylä. Kohonen Brothers Oy is a small company and that is why they are using services under license of the company TONNISPORT Oy. It means that TONNISPORT Oy fully takes care of distribution and production sports equipment on the territory of Finland. The production facilities of this company are located in Estonia and the warehouse is situated in Alajärvi.

Their business was successful from the very beginning. One of the factors which contributed to this is that both brothers won the World Championship title and in addition Mika was awarded several times as the best floorball player in the world. Their popularity helped them to promote own business.

Another reason of the company success is the product. It is called 2MK pants and it comes in two versions (2MK Pro and 2MK Basic). This protective floorball pants are designed specially for the field players. Having had their own experience with leg injuries during a game the brothers decided to design pants which are light to wear and at the same time provide excellent protection from hits in game. The materials for the production are imported from Italy. Due to its features such as flexible and breathable fabric, carefully placed shields, flexible form, optimal cutting as well as a fitted cup the product is unique and is very well-known among Finnish and Swedish national team players (2MK by Kohonen Bros., [ref. 6 April 2017]).

The Kohonen Brothers products are a result of ideas, personal experience and desire to develop better product for floorball players around the world. The main principles of the company are focus on innovations, development and testing of the products by world's best players, charity activities as part of the business and a full satisfaction guarantee to the customers.

The vision of the company was to enter the main floorball markets and by now Kohonen Brothers Oy is represented in Norway, Sweden, Switzerland and Russia. For the international distribution the services of a global company UPS for package delivery are used. The Czech Republic is the next strategic destination (2MK by Kohonen Bros., [ref. 6 April 2017]).

4.1.2 SWOT analysis of the firm Kohonen Brothers Oy

Considering the fact that the company Kohonen Brothers Oy is very interested in the potential of the Czech market SWOT Analysis is applied in order to find out the strengths and the weaknesses as well as opportunities and hidden threats in relation to the possible entry of this new international market.

In the table below an overview of SWOT analysis of the company Kohonen Brothers Oy is given.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • unique product • strong brand image • experience with international markets • the product design meets the players demand • high quality guarantee • low competition 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • relatively high price • low product awareness • limited product assortment • poor quality of web page • limited budget and willingness to invest
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • cooperation with Czech national team • personal contracts with players • growing number of potential customers 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • long delivery time • unreliable foreign partners • language barriers • competitor's product

Table 1. SWOT analysis

When looking at the overview above one can clearly see that there are certain weaknesses of the company which might lead to possible failure on the new market. There are definite factors that represent risky situations and threaten the company's business in the long term perspective. On the other hand, there is the positive side which compiles a general competitive advantage and opens opportunities for a successful entry of the Czech market.

Taking into consideration all the above mentioned factors it is possible to preliminarily say that the firm Kohonen Brothers Oy has the ability to penetrate the Czech market. However, the eventual success of such penetration would depend a lot on a well thought-out strategy, which would ensure taking a strong position on the

new market. In order to offer effective solutions for such a strategy this thesis contains the examples of Finnish and Swedish manufacturers which managed to successfully implement a new international market entry strategy.

4.2 Analysis of top floorball brands on the Czech market

In order to fulfill the goals of this thesis which were set in the introduction part, a research of modern Czech floorball market was made. This research is mainly based on the data which were collected from the 6 top floorball equipment brands by method of questionnaire survey as well as personal interviews. This questionnaire can be found in appendix 1 of this thesis. The main reason for that is connected with the fact that the floorball market in the Czech Republic has relatively short history and there are not that many published sources to refer to. Another reason is related to the principles of confidentiality of internal business-related data and therefore lack of accessible information in the context of sales, turnover, marketing strategy, distribution etc.

On the following pages the research is presented as well as its results and interpretation of the collected data. This information will create the basis for proposal of a distribution strategy for company Kohonen Brothers Oy.

Czech floorball market is a highly competitive environment especially on the Superleague level. Every season the most prominent floorball brands are fighting aggressively for the best clubs in order to take a strong position on the market.

Let's take a closer look at the main players on the Czech market.

4.2.1 Unihoc

➤ Company

The name comes from the word unihockey, which was used for floorball in Switzerland. The brand is popular in all the IFF member countries including the Czech Republic where it exists since 1993. The first distributor to the Czech market was

the company Slavík sport, spol. s.r.o. and starting from the year 2000 it is Spinflo s.r.o. The owner of the brand Unihoc is the Swedish firm Renew Group Sweden AB which is also a producer of the brand Zone.

The estimated market share of the brand Unihoc in the Czech Republic is 30% according to its distributor. Floorball brand Salming is seen as the next biggest competitor on the market with 30% market share, the brands Exel and Oxdog follow with 15% and 12%. The brand Fat Pipe is seen as less competitive and is said to have 10% of the market share. Zone and other small brands have 3%.

According to the representative of the company Spinflo s.r.o. the Czech market is very price sensitive and it is the pricing policy which gives a company either a competitive advantage or an eventual loss of position.

As for the relationship between the Czech distributor and the Swedish manufacturer, it is evaluated as a good one. All the issues are solved on the basis of daily e-mail communication as well as calls in emergency situations. Personal meetings take place 3 or 4 times a year at the Swedish office of the company. It is also important to mention the meetings held at international events which involve discussions about new products, pricing and strategic plans for the next season. Generally, the distributor seems to be maximally satisfied with the current cooperation model with the manufacturer.

➤ Product

When talking about the company portfolio, floorball is the key business for Spinflo s.r.o. Unihoc is perceived as traditional, high quality exclusive floorball brand. The company also imports goods of the brand McDavid (protective sports gear) and "Tarkett sports", which is specialized in sports hall surfaces. Another part of the portfolio consists of rinks, cages and other sports hall equipment. Other brands brought to the Czech market by Spinflo s.r.o. are Shock Doctor, FootBalance, Puma, Asics and Isostar (brand of sport drinks).

The company's number one selling product are floorball sticks which account for about 70% of overall sales, the accessories come on the second place with 20%, textile makes 10% of the sales.

The company's main goal for the future is to further develop the brand Unihoc on the Czech market. The strategy of Spinflo s.r.o. relies a lot on innovations in design and technologies. One of the ideas of the company is to make their own design (which is possible with a minimum order of 500 units) so that the products are personalized and therefore more attractive. Another strategic goal of Spinflo s.r.o. is warehouse optimization and implementing best solutions in the sphere of online data sharing with the partners. It would allow not only to communicate better with retailers but also to ensure better delivery times and optimal stocking as well as save time.

➤ Distribution

On the manufacturer level it is interesting to point out the fact, that blades for Unihoc floorball sticks are manufactured in Sweden, whereas shafts are imported from Asia. The reason behind this is the fact that manufacturing a blade requires more technical expertise and supervision than manufacturing of a shaft.

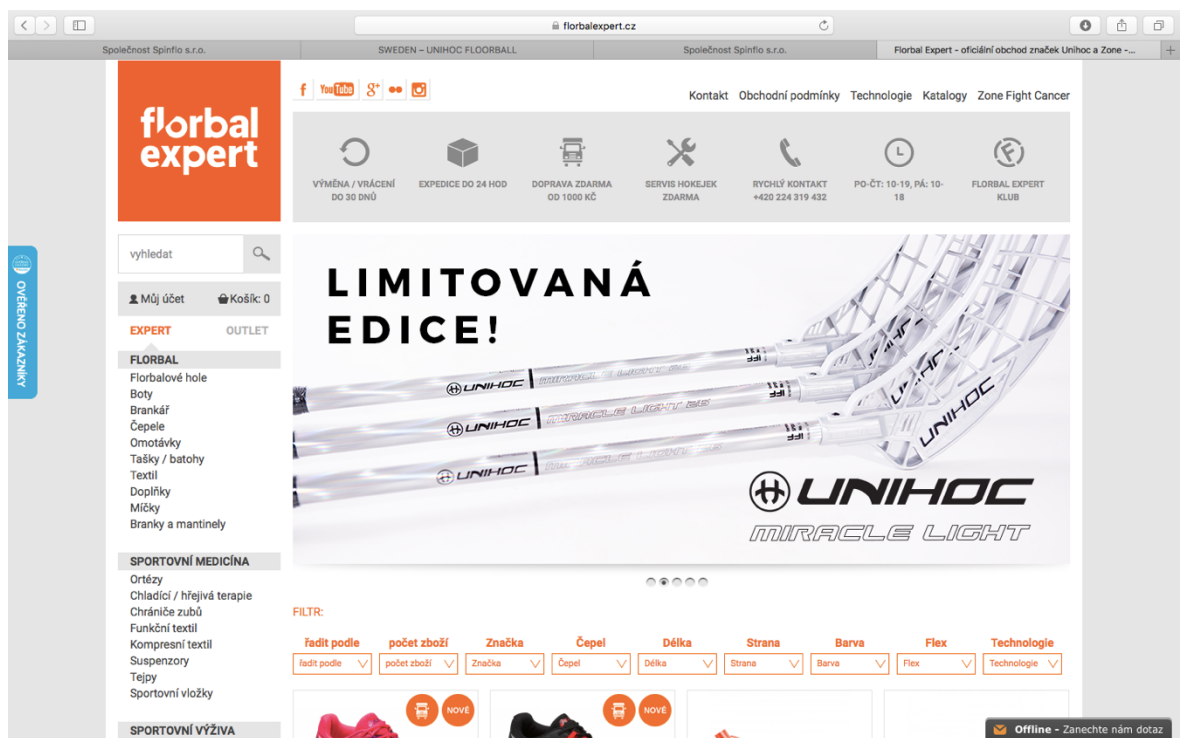
In the Czech Republic the main distribution channel for the brand Unihoc is selling through retailers and agents who are active in different regions of the country and attract customers. The distributor does not usually sell products directly to individual floorball players or clubs.

Floorball equipment is imported from Sweden and Belgium. For bigger orders – contractual transport companies are employed. Spinflo s.r.o. cooperates on the territory of the Czech Republic with the transportation company Bohemia Cargo, which offers not only contractual logistics services but also warehousing, customs services and trainings. Smaller orders are delivered in form of parcels with DHL which is the world's leading postal and logistics company.

Goods from Sweden are always imported according to the plan. New orders are usually delivered before the beginning of the floorball season. Pre-orders are sometimes made in order to keep full stock. In the period from October to December deliveries are scheduled once a month (re-stocking), while in the period from January till June the goods are delivered once in 2-3 months. After importing the goods, the distributor then sells it to a wholesaler in the Czech Republic who in its

turn distributes further to retail sports chain stores such as Sportisimo, Intersport, Hervis Sports, Decathlon.

In this regard it is clear that the biggest customers for Spinflo s.r.o. are the sports chain stores which make biggest turnover. Another group of customers are specialized floorball stores (about 10 stores in the Czech Republic) and their online shops. The company Spinflo s.r.o. owns one retail store in Prague called “Florbal Expert“. The store is also selling floorball goods via e-shop www.florbalexpert.cz. The e-shop offers a wide range of products and goods delivery within 24 hours on the territory of the Czech Republic with either the Czech Post or PPL. It is also possible to deliver orders to Slovakia. Generally, the e-shop is very well-designed and it is easy to navigate around.



Picture 2. E-shop www.florbalexpert.cz (Florbal Expert [ref. 12 May 2017]).

It is important to point out that the company Spinflo s.r.o. developed a successful marketing strategy which allows to promote the brand Unihoc on the Czech market. In the framework of this strategy the brand is officially represented at floorball Superfinal, the Czech Open and Floorball World Championships. The brand Unihoc is sponsoring the Czech and Swedish national floorball teams. Unihoc is also supplying Tatran Střešovice floorball club. Based on observations it is possible to

see a certain trend in strategic connections of floorball brands to certain professional clubs. It is definitely a mutually beneficial cooperation and this model can be recommended to any floorball brand trying to succeed on the Czech market.

4.2.2 Zone

➤ Company

The brand Zone was founded in 2001 in Sweden and starting from 2007 has been represented on the Czech market by the distributor Spinflo, s.r.o. It is possible to say that Zone is one of the youngest floorball brands in the Czech Republic.

➤ Product

Based on the information about the brand Unihoc above it can be seen that one distribution company represents two popular floorball brands on the Czech market. Both Unihoc and Zone floorball goods are from the same factory in Sweden. This is not a unique case: some other companies also combine different brands in their portfolio. Such strategy has both its advantages and hidden risks which a company needs to be able to foresee and to manage. In case of the company Spinflo s.r.o. the strategy is built on the principle of one leading brand and a sub-brand. The roles are clearly divided and the risk of overlapping of target customer groups and pricing segments is consequently minimized. While Unihoc is supposed to represent a high-quality, conservative, exclusive product, Zone in its turn is aimed at the young generation, has more dynamic characteristics and pays a lot of attention to design.

➤ Distribution

The company Spinflo s.r.o. is the official distributor for both brands Unihoc and Zone and the same distribution strategies are applied on the Czech market.

4.2.3 Salming

➤ Company

Salming is a Swedish brand named after a legendary hockey player Börje Salming. The exclusive distributor of the brand in the Czech Republic is the company Salming Czech, s.r.o. which is active on the Czech market since 2002. The firm was founded as a family business and has a head office in Prague.

According to the representatives of the company Salming Czech, s.r.o the market share of the floorball products under the brand Salming is about 30%. Unihoc is seen as the next big competitor with about 23% of the market, Exel comes next with 15%, smaller brands like Fat Pipe (10%), Zone (10%), Oxdog (8%) and the rest are following with an even lower percentage of the market share (4%). The distributor has certain concerns connected with the brand Fat Pipe and its potential on the Czech market.

As for the relationship with manufacturer, the distributor is satisfied with the mutual cooperation. Except for daily mail communication and occasional urgent mobile calls, the distributor representatives travel abroad two times a year to meet the Swedish colleagues.

➤ Product

As for the brands in the portfolio, the company represents Salming as well as a Canadian lifestyle hockey apparel brand GONGSHOW on the Czech market. Since 2012 the company started distribution of the floorball brand X3M. This brand is now a part of Salming.

Most selling products are said to be floorball sticks accounting for 70% of sales, the rest 30% are sales of bags, accessories and goalie equipment. The company portfolio includes goods for badminton, running, floorball, hockey, handball, squash as well as accessories, textile, bags, protective glasses, protective gear, sports underwear, cosmetics and sun glasses.

For the company Salming Czech, s.r.o the vision to the future is of course connected with its key brand Salming which is seen as future number one on the mar-

ket. The company is also interested in development of other portfolio components – mainly goods for running.

➤ Distribution

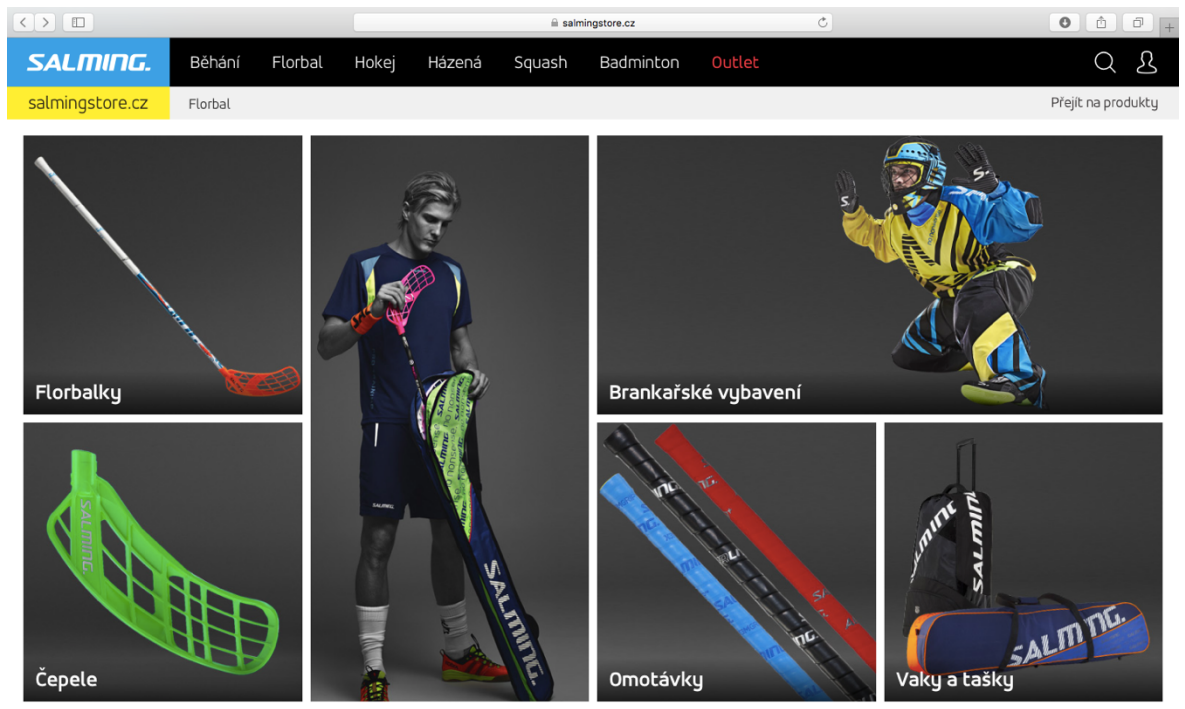
The main distribution channel is sales to retail chain stores such as Sportisimo and Decathlon. One more important distribution channel is direct sales to end customers. As it was already pointed out, in the Czech Republic strong connections are established between certain brands and floorball clubs. This is also the case with Salming Czech, s.r.o. Salming branded floorball goods belong to the official equipment of the floorball club Sparta Praha. As it was already mentioned above, a certain trend can be tracked here which allows to talk about a direct connection between sponsoring strategies and success in brand promotion.

The company Salming Czech, s.r.o. distributes besides Salming sports equipment also the brand GONGSHOW.

Salming Czech, s.r.o imports goods from Sweden and is using the services of a freight forwarding company TRANSCONSULT INTERNATIONAL s.r.o. Its main focus is Scandinavia, however they fully offer all worldwide services. During season the truck deliveries are scheduled two times per month, off the season the deliver cycle is once a month. Urgent orders are delivered via global express delivery company UPS.

The distributor owns a floorball equipment store in Prague. The store operates an e-shop www.jednadvacitka.cz. The e-shop offers a wide variety of floorball products and express delivery to end customers with courier delivery companies like GEIS, PPL, GLS and Czech post. The main distribution channel for Salming Czech, s.r.o are specialized floorball stores and e-shops for professional floorball players. Hobby players buy mainly low cost goods from chain sports stores like Hervis Sports (26 stores in the Czech Republic), Intersport (25 stores). Another channel are smaller sport stores and e-shops like www.sportobchod.cz. An important partner of Salming Czech, s.r.o is www.florbal.com – an e-shop which could be called one of the best floorball e-shops in the Czech Republic. The reason behind it is excellent marketing and high quality customer support. The dis-

tributor has its own e-shop www.salmingstore.cz. The e-shop has very logic visual hierarchy, offers big choice of products and a nice graphic presentation.



Picture 3. E-shop www.salmingstore.cz (Salming [ref. 12 May 2017]).

The company Salming Czech, s.r.o is running a special B2B system in form of an e-shop for resellers. Those resellers make orders directly in the system with a granted access. They can then track the order status and the stock status. Generally, it is possible to say that such order system facilitates the purchasing process in many ways.

4.2.4 Fat Pipe

➤ Company

Fat Pipe is a Finnish floorball brand. Its first distributor in the Czech Republic was Šifra-Alf, s.r.o. and it has been on the Czech market since 2001. Starting from 2011 the official distributor is Sportagon s.r.o. who was granted exclusive distribution rights for the Czech market and Central as well as Eastern Europe by the brand's Finnish headquarters.

From the point of view of the market share Salming and Unihoc are considered to be number one (more than 50% of the Czech market) mainly due to excellent customer service. The rest of the market is shared between smaller players such as Fat Pipe, Exel, Zone, Oxdog and others.

The current strategy of the company Sportagon s.r.o is aimed at getting the brand Fat Pipe to the TOP 3 in the Czech Republic. Currently its main competitors are Salming and Unihoc – the biggest and best brands on the Czech market.

Sportagon s.r.o is working in close cooperation with the manufacturer. The communication is mainly by email and phone, once a year representatives of the Czech distributor are travelling to Finland. Finnish colleagues sometimes come on a business trip to the Czech Republic. Generally, the communication works well.

➤ Product

The portfolio of the distributor is centered around floorball business and the best selling products are floorball sticks, goalie equipment, textile and accessories. The Finnish manufacture purchased the license for using Angry birds branding. The equipment with this kind of branding is also sold in the Czech Republic.

As its main goal and strategy for the future the company sees development of the floorball brand Fat Pipe on the Czech market. One of the problems of the company is small warehouse capacity. The plans for the nearest future include enlarging the warehouse capacities.

➤ Distribution

The strategic target group for Fat Pipe are mainly children, that is why the main distribution strategy is connected with getting products to sports chain stores. They purchase a lot of goods and have the biggest potential. Another distribution channel is selling directly to clubs including non-public discounts for top clubs. It is important to point out that Sportagon s.r.o is supplying Chodov floorball team in Superleague with Fat Pipe floorball equipment. The next distribution channel is selling to e-shops.

The brand Fat Pipe makes 80% of business portfolio of Sportagon s.r.o. Other brands in the portfolio include Icon (Swiss floorball brand), Score (floorball goods for hobby players) and Walter (Swiss brand of clothes).

The distributor imports the products from Finland once a month. Preorders are usually made in the period from February till March in the form of up to 3 deliveries by car with courier delivery companies such as PPL or DPD. Such deliveries come in 2 x 0,5 m packages from Finland.

Sportagon s.r.o has no own store on the territory of the Czech Republic. The company supplies floorball equipment to sports chain stores and 9 main specialized floorball stores: 3 in Prague (Jednadvacitka with e-shop www.jednadvacitka.cz, Florbal expert with e-shop www.florbalexpert.cz and SportObchod.cz with e-shop www.sportobchod.cz), 2 in Brno (Florbal.com with e-shop www.florbal.com and SportObchod.cz with e-shop www.sportobchod.cz), 1 in České Budějovice (Sport 15 with an e-shop www.florbalobchod.cz), 1 in Havířov (FLORBALSHOP with e-shop www.florbalshop.cz), 1 in Uherské Hradiště (eFlorbal with e-shop www.eflorbal.cz) and 1 in Ostrava (4sport-florbal with e-shop www.4sport-florbal.cz). Hobby players usually buy goods from chain stores and e-shops, top players buy from specialized stores.

The brand has a home page www.fatpipe.cz, which includes a link to a Finnish catalogue with photos, contacts of resellers in the Czech Republic and some other information. The web page is not an e-shop and there is no opportunity to buy products online. More than that the web page contains a lot of outdated information.

4.2.5 Exel and Oxdog

➤ Company

The first distributor of Exel in the Czech Republic was Rosco sport s.r.o. Since 2007 it was the company Charlies and Co s.r.o. In 2011 they introduced the brand Oxdog to the Czech market. A new company EXE SPORT s.r.o. was established in 2016 and till now it represents both brands Exel and Oxdog.

The first contact between the manufacturer and the distributor took place at the ISPO 1995 where the future cooperation has been discussed and agreements were made. Originally the agenda also included hockey business.

The market share of the brands Exel, Oxdog is estimated as 25-30%. According to the distributor, their main competitors in the Czech Republic are the brands Salm- ing and Unihoc having the biggest market share.

The communication with the manufacturer is based on daily e-mails, as well as business trips to Finland and Sweden two times per year.

➤ Product

The main brands in the company portfolio are Exel, Oxdog and Wooloc (special- ized in affordable floorball sticks). The most selling products are floorball sticks and Rotor balls. The company portfolio consists not only of floorball goods but also hockey equipment and textile as well as products for Nordic walking.

According to the representatives of the distributor the main focus for the company is further development of the brand. At the same time a distributor always depends on the manufacturer and has to follow the general strategy set by the headquar- ters.

➤ Distribution

The main distribution channel is selling via sports chain stores such as Sportisimo, Intersport and hypermarket chains like Tesco and Globus. Sales through own channels is another important component of the company's distribution strategy. Making offers directly to schools via local stores was proved to be an efficient way of selling. One more distribution channel is selling directly to floorball clubs. It is essential to mention that EXE SPORT s.r.o. cooperates with the club Bohemians Prague and provides them with Oxdog equipment. The brand Exel cooperates with two floorball Superleague clubs – 1.SC Tempish Vítkovice and FBC Liberec. The company also developed effective cooperation with a number of e-shops such as www.florbal.com, www.eflorbal.cz and www.4sport-florbal.cz.

Besides floorball equipment from Exel, Oxdog and Wooloc the company EXE SPORT s.r.o distributes products for Nordic walking, textile (hoodie Freez) and hockey equipment (Potma icehockey lines).

95% of Exel, Oxdog and Wooloc products are imported to the Czech Republic directly from Asia. Therefore, there is always a need for a precise sales forecast. Orders from Asia are then based on the forecasted sales numbers and the order amount is defined in this way.

The main warehouse in the Czech Republic is located in the city Jablonec nad Nisou. The company owns three floorball stores located in Jablonec nad Nisou, Prague and Milovice. The company has its own e-shop www.exesport.net with different kinds of sports goods but mainly focused on floorball equipment.

To sum up, the most goods are sold to sports chain stores, hypermarket chains, retailers and via own channels.

4.3 Evaluation of distribution channels of top floorball brands

In this part of the thesis the results of the research are summarized and comments on the observations are introduced.

Based on the analysis it is possible to say that the distributors of Scandinavian floorball brands, which were introduced in the previous part of this thesis, use similar distribution channel on the Czech market. The channel consists of a manufacturer which is either based in Finland or in Sweden, a Czech distributor and retailers.

Those distributors are exclusive representatives of the companies and are the only importers of the manufacturer's product on the Czech market. Some of them also cover the Slovakian market due to its proximity and historically conditioned similarity to the Czech one. They are quite independent and have substantial freedom in choosing their own customers and setting sales conditions. Each Scandinavian exporting company deals with only one distributor for the Czech Republic and ships to a single destination. Distributors then find relevant retailers, deal with

warehouses and repair services. As it can be seen from the research, most of the distributors seek exclusive rights for a specific sales territory, in our case it is the Czech Republic, and usually represent the manufacturer in all aspects of sales and service operations in this area.

Among the advantages of such model of cooperation between a manufacturer and a distributor the following can be listed: access to target market experience and direct contacts with potential customers. Such a distribution chain is relatively short compared to others with agents, brokers or export management company involved. The distributor also brings definite market knowledge and experience with particular area. Another advantage is gaining more control over the marketing mix.

The main disadvantages of such model include little control over market price and less distribution control. It is also essential to mention the need for some investment in sales organization. Establishing contacts between the company headquarters and the distributor should always be in the center of attention for the manufacturer. Other disadvantages may also imply cultural differences. Communication between the manufacturer and the distributor, which is located in another country, will always mean certain language barriers and translation costs connected with running the international business.

It is necessary to point out that the choice of intermediary is something which can not be underestimated. When choosing a distributor for the target market a company needs to pay attention to a lot of factors such as distributor's knowledge of the product, local market experience, overall expertise, ability to promote products in efficient way. To sum up, the distributor should match the manufacturer's ideal profile.

When an intermediary is selected, the next important step is negotiating a contract between the parties. A representative agreement is what the relationship between exporter and intermediary is based on. During the contract period it is important that the manufacturer takes care of the relationship with the distributor and provides necessary support and motivation. According to the research Scandinavian manufacturers are aware of that requirement. Based on the estimations of the rep-

representatives of the Czech floorball distributors it is possible to say that communication with headquarters works well and distributors are generally satisfied.

When designing a distribution channel, it is important for the company management to consider a number of factors such as target market coverage, customer service goals, profitability. When talking about the market coverage it is important to know the local customers' buying behavior. In order to choose the most effective intermediaries it is essential to figure out buying motives of target customers. Based on that it is then possible to figure out the relevant retailer segments, which will cover the target market. This brings up the question of choice of the type of distribution. Based on the findings, it is clear that distributors of Scandinavian floorball brands use selective type of distribution. It means that they are working with a limited number of stores. Provided that the retailer has been chosen carefully by the distributor, it is then possible to target only those customers who bring profit and build business relation with a retailer that works really well.

The research shows that distributors of the main Scandinavian floorball brands in the Czech Republic use the following distribution channels:

- Sales to retailers. Those retailers include chain stores like Globus and Tesco, as well as sports chain stores with a wide market coverage like Sportisimo, Decathlon, Intersport and Hervis Sports.
- Distribution to specialized floorball stores. Based on our research findings it is possible to say that all the distributors have established strong cooperation with specialized floorball stores in the Czech Republic.
- Sales through own channels. This channel includes sales via own stores as well as own e-shops. A structured and a well-designed e-shop plays a great role in attracting customers. 5 brands out of 6, which participated in the research, are operating their own e-shops. In the previous chapter the best examples of e-shops are illustrated. Distributors are trying to use this channel to the maximum for a clear reason. A distributor profits from the difference between its selling price and its buying price from the manufacturer and selling through own channels is the only way not to share the revenue with intermediaries.

- Sales to floorball clubs. In accordance with the findings, there are strong connections between certain brands and floorball clubs in the Czech Republic. Clubs are strategic customers and they purchase floorball equipment regularly. Superleague floorball clubs usually purchase equipment of one floorball brand. It is also essential to mention brands' sponsoring activities. According to the findings, top floorball brands in the Czech Republic sponsor professional floorball teams. It is a mutually beneficial cooperation.

As for the way, how the distributors import the goods, it is possible to talk about import from either Sweden or Finland in most of the cases. The only exception is the company Exesport, which is importing directly from Asia.

Another interesting observation is connected with the fact that one firm usually distributes two or more floorball brands (Unihoc and Zone; Fatpipe, Score and Icon; Exel, Oxdog and Wooloc). In this case it is necessary for the distributor to set the right marketing strategy and market segmentation for each of the brands in the portfolio.

4.4 Distribution channel design for Kohonen Brothers Oy

In accordance with the goals of the thesis which were set in the introduction a certain plan will be proposed in terms of distribution channel for the company Kohonen Brothers Oy.

As it was already mentioned, the company is based in Finland and it is interested in entering the Czech market. Its main product is protective pants for floorball players.

Firstly, it is important to choose a distributor in the Czech Republic. When making such a decision it is necessary to pay attention to several facts: the potential distributor must have experience with the market and it must be able to attract customers. A manufacturer should make sure that the distributor provides detailed market and financial data.

Salming Czech s.r.o. seems to be an optimal distributor for Kohonen Brothers Oy in the Czech Republic. The main reason for such a decision is that Salming is one of the most popular and successful brands on the Czech market. It has a well-designed distribution channel and good connections on the market. Spinflo s.r.o., the exclusive distributor of the brand Unihoc, could also be a possible alternative. The only problem here is the company portfolio, which includes competitor goods, more specifically McDavid floorball protective gear.

When designing the distribution channel for a company it is important to consider the product and the target customers. The firm Kohonen Brothers Oy offers protective floorball pants which come in two versions – basic and professional. Therefore, it is possible to say that the potential customers for those products would be hobby players as well as professional players. Consequently, a similar distribution channel could be offered for Kohonen Brothers as the one that main floorball brands are using. More specifically it would mean distribution to retail sports chain stores as well as specialized floorball stores. It is strongly recommended to establish cooperation with most popular floorball e-shops such as for example www.florbal.com or www.salmingstore.cz. Introducing their own e-shop does not really make sense for Kohonen Brothers Oy due to very limited range of products. But it would make sense to make a web page with detailed information about 2MK pants and the idea behind the product, which would be available in the Czech language. The web page should be linked to the Czech version of the Facebook page of 2MK. Next important recommendation is keeping control of the overall marketing mix and adaptation of the brand image to the expectations and needs of the Czech customers.

However, there are always certain risks for a company, which would like to enter a foreign market. In this case the firm Kohonen Brothers Oy has certain experience with exporting its products to other countries such as Sweden, Switzerland, Norway and Russia. When talking about the planned entrance to the Czech market, it is essential to be familiar with all the opportunities and threats in the relevant country.

One of the biggest risks is connected with the choice of the distributor. It is strongly recommended for the company Kohonen Brothers Oy to pay attention to the

selection of the potential distributor. It is vital to collect information about the distributor qualification including financial state, experience with this kind of product and category, marketing experience, overall engagement and activity, communication and contacts. It is important to treat a distributor as a long term business partner and build a close relationship.

Another factor which could complicate entering a new market is the competitive environment. Since Kohonen Brothers Oy has a very limited product portfolio, it will not be easy to gain competitive advantage and ensure profitability by selling floorball equipment other than protective gear.

One more thing which should be mentioned here is a language barrier. It could be considered as a minor risk, but it is something a company should plan and manage. It is possible to speak about a language barrier from the point of view of cultural differences as well as from the perspective of expenses connected with translations and localization.

To sum up, considering the best practices of the top floorball brands on the Czech market and provided that the company would stick to the recommendations, listed in this part of the thesis, it is possible to assume that Kohonen Brothers Oy could find an effective way of distribution in the Czech Republic.

5 CONCLUSION

At the beginning of the thesis several goals were set, which were fulfilled gradually as the research was made. The work is based on the theoretical as well as practical knowledge.

5.1 Research process analysis

The first part of this thesis deals with the theoretical background of the research question. It gives a definition of the marketing mix, distribution and distribution channels. As information sources available Czech and foreign publications are used. The aim was to use such information which would cover all the main aspects of the research area, would be up to date and at the same time useful for the further work. The theoretical basis for this thesis is followed by the practical part.

In the introduction to the practical part there is a brief overview of the history of floorball in the world as well as in the Czech Republic. Here the focus is on the specifics of the historical development of this sport in the Czech Republic and the peculiar features of the floorball equipment market, more specifically on its connections to the Swedish and Finnish manufacturers. As the next step the main goal is fulfilled and the company Kohonen Brothers Oy is introduced. Another step of this research consisted in analyzing the Finnish and Swedish floorball brands which already have strong positions on the Czech market. The main research method was questionnaire survey which the author designed by himself and which was used during personal interviews with companies' representatives. The conclusions which were made in this part are very important for the thesis.

It is essential to mention that the research process allowed the author to learn a lot of new information. He got a clear idea of how an international company operates and which strategies are used. It was also important to understand the interrelations between individual players on a market as well as running a business in terms of competitiveness, profitability and strategic management. It was definitely helpful for the author to have an insight into the distribution strategies of top floor-

ball brands on the Czech market and see the background behind successful business ideas.

Due to the personal experience with floorball environment in the Czech Republic as well as in Finland and in Sweden, author's own observations could be used. The practical experience that the author got during years of playing floorball was definitely useful for writing this thesis. It was also an advantage that there was an opportunity to meet the representatives of Scandinavian companies personally, ask them the questions related to this research and better understand the current situation on the floorball market as well as its development.

The challenging part of the thesis writing process was connected with data synthesizing. It took a lot of effort since the pieces of data, which had been collected, were not in any way consolidated and needed to be consequently examined. Then it was the question of their relevance to the research and a decision had to be made on how to filter that information. In addition, the information sources were limited and there was a need to use the data available on the Internet. This brought up the question of data reliability and if they are up-to-date. For a possible future research better results could be ensured by using further additional data collection methods. Except for the questionnaire and personal interviews, which are applied in this thesis, voice recordings could be useful.

As the research showed, the main distribution channels of the Scandinavian floorball equipment brands in the Czech Republic are sales to retailers (such as Globus and Tesco), as well as sports chain stores (for example Sportisimo, Decathlon, Intersport and Hervis Sports). The next distribution channel which is frequently used is sales to specialized floorball stores. Based on the research findings it is possible to say that all the distributors have established strong cooperation with specialized floorball stores in the Czech Republic. Another important strategy is sales through own channel. This channel includes sales via own stores as well as own e-shops. A comparison is made of several e-shops where Scandinavian floorball equipment is sold from the point of view of design, structure and product range. The best e-shops are defined and also illustrated. This part of the thesis deals with direct sales to floorball clubs. In accordance with the findings, there are strong connections between certain brands and floorball clubs in the Czech Re-

public. Clubs are strategic customers and they purchase floorball equipment regularly.

After this comparative analysis was complete and conclusions were made, it was possible to proceed to fulfilling the main goal of this thesis and concentrate on the suggestions of a distribution channel for the company Kohonen Brothers Oy. The suggested distribution channel is based on the best practices of other Finnish and Swedish manufacturers represented in the Czech Republic. The first given recommendation is to choose a distributor carefully and take into consideration its background, experience with the market, financial data and marketing skills. The next recommendation is connected with the importance of establishing a good long-term relationship between manufacturer and distributor. It is important that the distributor stays motivated. As for the type of distribution, it is suggested that Kohonen Brothers Oy should use selective kind of distribution as the most optimal one regarding the product nature and the targeted market coverage. The last recommendation is connected with high popularity of online shopping nowadays. Selling via e-shops proved to work well for other floorball brands on the Czech market and the assumptions are based on that fact. For the company Kohonen Brothers Oy it is suggested that it should cooperate with the best floorball e-shops in the Czech Republic.

When discussing opportunities, it is important to mention the fast growth of the floorball market in the Czech Republic and its big potential. This argument can be supported by statistics of fast growing number of both hobby and professional players in the Czech Republic. Such developments also mean more floorball clubs buying big amounts of equipment. A possible threat could be connected with the fact that the Czech market is a highly competitive environment and it requires fast adaptation, new technologies and high quality customer service.

5.2 Reliability and validity of the research

When talking about the research results it is necessary to assess their reliability. This research is based on six individual interviews with representatives of companies' top management. It is clear that in this case it is possible to talk about first-

hand information. On the other hand, one should keep in mind the human factor. The people who were interviewed were expressing their own opinions and in such interpersonal communication there is always a risk of misinterpretation. Moreover, the questions related to this research are connected with certain company know-how and confidential internal data which the interviewees did not want to talk about for obvious reasons. To conclude, the estimations based on this data are not perfect. It is possible to say that the research results are valid to a certain extent.

The concept of reliability is related to the concept of validity. When trying to estimate the ideas introduced in the practical part of this thesis, it is possible to claim that they are valid for the company Kohonen Brothers Oy. But the sphere where these results could be applied is larger and in general other Finnish sports goods manufacturers could use the model described in this thesis to start operations in the Czech Republic.

5.3 Potential topics for the future research

In the framework of this thesis the research process was aimed at certain concepts and at fulfillment of the goals set in the introduction. However, in parallel to the main research questions other issues arise in process. These new questions are interesting but they are not solved in this thesis. The following questions and concepts are worth a possible deeper research in the future:

- What are the logistics costs of an importing company and their calculation?
- What are other transportation options for goods delivery from Finland to the Czech Republic and which of them are most commonly used?
- What are the usual order volumes and how are they planned?
- What are the warehousing solutions of the companies? How much stock do they keep?
- Would a Finnish manufacturer profit from locating production in the Czech Republic? What are the advantages and disadvantages in this connection?

In the conclusion it is essential to point out that in this thesis the main effort was to come to such deductions which could be practically used in real life and hopefully these suggestions could be of practical use for the company Kohonen Brothers Oy and allow them to realize the plans of entering the Czech market and stay there in the long term with their unique products.

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APPENDICES

APPENDIX 1. Questionnaire

APPENDIX 1. Questionnaire

Hello, I am David Rytych, a student at Seinäjoki University of Applied Science. Currently I am conducting a research on my thesis "International distribution channels for floorball equipment to Czech market". I have made questions exclusively for Czech distributors of the top floorball brands. The reason is to obtain the general view of Czech market. I am kindly requesting to answer following questions:

1. Company

What is the name of your company?

Distributor of which floorball brands are you?

When your floorball brand entered to Czech market?

What is the reason why you chose this brand?

How would you estimate brands' percentage of the Czech market share?

Who are your main competitors on the market?

How is the communication and relationship with manufacturer?

2. Product

What is the content of your portfolio?

What are your most selling products?

What is your focus to the future or most interesting part of floorball business?

3. Distribution

What kind of channel do you use for selling your goods?

Do you distribute with this company also some other brands or products?

From where and how often do you import the goods?

How many shops do you have?

What type of stores buy the most goods from you?