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HOHTO -POCKET

– New Kind of Reflective Accessory

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HOHTO -POCKET

- New Kind of Reflective Accessory

A traditional reflective badge has not experienced a remarkable change during the past decades. Contradictory the mobile phones have become irreplaceable equipment in our every day life. They are used to variety of different purposes than just calling. The purpose of this thesis was to look into if there is place in Finnish markets for a new innovative safety reflector product.

The methodological approach of this study is both qualitative and quantitative. The research was conducted as two separate, yet related surveys, which were shared in social media. The purpose of the surveys was to map out the factors that effect the consumers and their buying behaviours related to reflective products. The first surveys received 357 responds and the second survey 156 responds. Alongside with the surveys, the main comments of opinions and ideas were collected.

In conclusion the results found, that although Finnish respect the usage of reflectors, the traditional product requires updating. In addition, the results indicate that certain features of the reflector were primary in deciding whether to buy the product or not; price, attachment and design were the three main characteristics. The results also show that using a mobile phone is very common, yet attaching it as a reflective device was experienced questionable by the respondents.

These findings are preliminary and would require further examination. For product development the topic's profound studying would give more value.

KEYWORDS:

reflector, safety equipment, traffic safety, mobile phone, accessory, consumer behaviour, market strategy

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HOHTO -POCKET

- uudenlainen heijastintuote

Perinteinen suomalainen heijastin ei ole kokenut merkittäviä muutoksia viimeisten vuosikymmenten aikana. Sitä vastoin matkapuhelimista on tullut lähes korvaamaton arkitavara, jota käytetään muuhunkin kuin puheluiden soittamiseen. Tämän opinnäytetyön tavoite oli tutkia matkapuhelimeen liittyvän innovatiivisen tuotteen mahdollisuuksia suomalaisilla markkinoilla.

Tutkimuksessa käytettiin kvalitatiivista ja kvantitaavista tutkimusmenetelmää. Tutkimus toteutettiin kahtena erillisenä, mutta toisiinsa liittyvinä kyselyinä, jotka julkaistiin sosiaalisessa mediassa. Kyselyiden tarkoituksena oli kartoittaa kuluttajiin vaikuttavat tekijät sekä heidän nykyiset ostokäyttäytymiseen perustuvat piirteet liittyen heijastintuotteisiin. Ensimmäiseen kyselyyn osallistui 357 vastaajaa ja toiseen kyselyyn osallistui 156 vastaajaa. Kyselyn ohessa toteutettiin syvempiä mielipiteitä ja ideoita sisältävää keskustelua.

Tutkimustulokset osoittavat, että vaikka suomalaiset arvostavat heijastimen käyttöä, perinteinen tuote kaipaa päivitystä. Lisäksi heijastimen tietyt piirteet osoittautuivat kuluttajille ensisijaisiksi ostokriteereiksi: hinta, kiinnitys sekä muotoilu olivat kolme tärkeintä tekijää tuotetta valittaessa. Tutkimuksen mukaan matkapuhelimen käyttö on erittäin yleistä, mutta sen liittäminen heijastavaksi elementiksi asusteen avulla koettiin kyseenalaiseksi.

Tutkimustulokset ovat alustavia ja vaatisivat syvempää tarkastelua. Tuotekehityksen kannalta aiheen perinpohjainen tutkiminen antaisi lisäarvoa.

ASIASANAT:

heijastin, turvavaruste, liikenneturvallisuus, matkapuhelin, lisävaruste, kuluttaja käyttäytyminen, markkinointistrategia.

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LIST OF ABBREVIATIONS (OR) SYMBOLS

CE	CE marking is the manufacturers declaration that the product is conformity with the EU requirements that apply to it (European Union, 2017)
EN 13356	A European standard for visibility accessories for non-professional use (European Standards, 2017)

1 INTRODUCTION

The safety reflectors have been the main safety accessory for Finns since the 1960's (Embassy of Finland, 2010). More commonly known as the 'cheap life insurance' the traditional badge has not experienced a meaningful change during the past decades. Is the traditional badge the best solution for the visibility of pedestrians, especially, when considering the variable solutions the new technology can provide to develop the selection of reflectors and relative products?

From the Internet sources, such as Liikenneturva and IF websites, the authors have learned that pedestrians and cyclists can decrease the possibility of accidents by almost 50% if wearing a luminous badge (IF, 2017). However, only every third pedestrian uses a reflector in urban areas; outside urban areas two out of three pedestrians uses a reflector (Liikenneturva, 2017). Contradictory, every year over 400 pedestrians and over 800 cyclist are injured in different circumstances in Finland (Liikenneturva, 2017) (Liikenneturva, 2017). Every fifth person who dies in traffic accidents is a pedestrian or a cyclist and in addition, a third of pedestrian accidents, which lead to death, are happening in the dark time of year. Some of these accidents could be avoided with better visibility of the pedestrian or a cyclist. According to a survey made by Insurance company IF, every other pedestrian has forgotten to attach a safety reflector in their clothes (IF, 2017).

One of the most recognizable changes within the development of technology in general, is the necessity of mobile phones. Nowadays, the cell phones include many functions other than just calling to different destinations. With the different features and applications of smartphones people manage many affairs related to their everyday lives, from banking to relationships, work connections to hobby schedules. Phones have become the irreplaceable equipment that people carry around non-stop and includes the data of individual's focus of any given issue in life. The stat.fi research states that almost every Finn has used a mobile phone out of which approximately 77% owns a smartphone (Statistics Finland, 2017). According to authors' own opinion as an active reflector users, for the part of safety reflectors, the possibilities smartphones offer through applications and basic features, have not been considered as beneficial and advantageous as it could have been to develop reflective products, that would meet the needs of consumers.

The authors of this thesis participated to an innovativeness and creativity course, where a group of four International Business students had an idea of a new product. The group wanted to develop the traditional Finnish luminous badge into an updated form, make it more practical and cover at least their personal needs from the perspective of consumer. The Hohto –pocket was created and designed to be an accessory - an additional separate pocket attachable to any overcoat that would be convenient to carry around all the time and use with a smartphone as a safety reflector when necessary.

Moreover to their personal interest as reflector users and their desire to improve traffic safety, the authors became more interested in the reflectors history and the possibility to develop their original idea of The Hohto –pocket. To their surprise, they found out that as the safety reflectors are commonly used in Finland, they are poorly known or used worldwide (YLE, 2012), which could be recognized as a potential market niche for the safety reflector to conquer. However, for this thesis the subject and objectives were decided to limit to Finland, since the safety reflectors are already known by consumers, which provides a solid ground to research The Hohto –pocket’s potential to enter the market.

The authors begun to get acquainted with the subject. They first wanted to get an overview of the existing selection of reflective products, scale of prices and positioning that enabled to get an understanding of the marketeers. The chosen objectives, which are listed below, required data collection of different marketing strategies, knowledge of resellers and distributors with a plan of conducting a survey to consumers. The information of resellers and distributors was collected from Internet sites and through own observation. From the variety of marketing strategies and the product in question, the most interesting theory to construct a functional marketing strategy was to analyse the Hohto –pocket’s market potential through the Porter’s five forces -theory. The survey was conducted in two parts. Both were shared in closed group in Facebook. The timing and collecting any related information for this thesis was convenient, because the days have grown shorter and it is more important to be seen in the traffic as a pedestrian or a cyclist. Contemporally, the seasonal promotions, campaigns in social media (IF, 2017) (Liikenneturva, 2017) were launched. They did not provide a lot of new information, but revealed how encompassing the co-operation in Finland actually is. All in all the findings showed how deep the roots of the traditional safety reflector goes and that the market is lacking the required development.

1.1 Research objectives and methodology

The objective of this thesis is to look into if there is a market potential for Hohto –pocket and identify who would be a potential customer along with three most important features from target customers perspective. To have an understanding of the reflector markets today in Finland, the manufacturers and their distribution will be perfunctorily overviewed. The data will be collected through Internet surveys, which are shared in Facebook, from books, articles, Internet sources and earlier implemented researches.

From the market research point of view and the purpose of this thesis is to find answers to the following questions:

- what kind of factors do consumers need compared to the existing selection and does The Hohto –pocket have potential to enter the market
- how would people relate to a new product and adopt it
- what are the best strategies to enter the market and possibly identify a right company to co-operate with this product.

To accomplish these objectives, the authors will focus on consumer behaviour, consumer expectations, the existing products and resellers in Finland. Additionally, the work will include a new product's analysis (SWOT) and market related factors' analysis (PEST). For the part of marketing strategy, the authors will use Porter's five forces – theory to analyse the reflector markets in Finland.

2 REFLECTORS IN FINLAND

In this chapter the safety reflector, the main Finnish manufacturers and distributors and The Hohto –pocket are introduced in general. In addition, the chapter has an overview of common information of usage and regulation, some recent statistics of accidents involving pedestrians and cyclist and information how a reflector could have prevented those accidents. Furthermore, to conclude the overall image of the reflector markets in Finland the chapter provides information of seasonal events and promotions.

2.1 Reflectors

The traditional safety reflector was invented by a Finnish farmer Arvi Lehti. Originally, the reflector was for horse carriage as a warning sign. The concern for pedestrian safety was already then in the 1950's in the mind of the Finnish Road Safety Council and the Finnish flying squad and together they suggested that Lehti would develop a safety reflector for pedestrians. (YLE, 2012)

The first pedestrian reflectors were made out of hard plastic. Still today, the same form of reflectors is in use. The same kinds of badges are manufactured from PVC, which is softer and has made the wide range of features possible. PVC is easier to cut in different shapes and they are more resistant. The soft reflectors can also be easily printed, although the print cannot exceed 30% of the reflectors surface, which could affect the reflectors capacity to fulfil the requirements of standard EN13356 (Katva, 2016). The newest products are done out of reflective fabric, which has given more opportunities to produce different kinds of clothing and accessories. Especially the reflective fabric has opened a completely new facility to produce security equipment for the dark circumstances, and among others IF - a Finnish insurance company - for example, already provide a growing variety of different products that are made out of reflective fabric. The overcoats, caps, backpacks and gloves are inventive, but the reflective badges in general have not experienced a recognizable change. The traditional badges are either of hard plastic (prismaheijastin) or of the lately used softer PVC-plastic (YLE, 2012). The selection IF has brought to the market seems to be the only significant change according to the reflector for now.

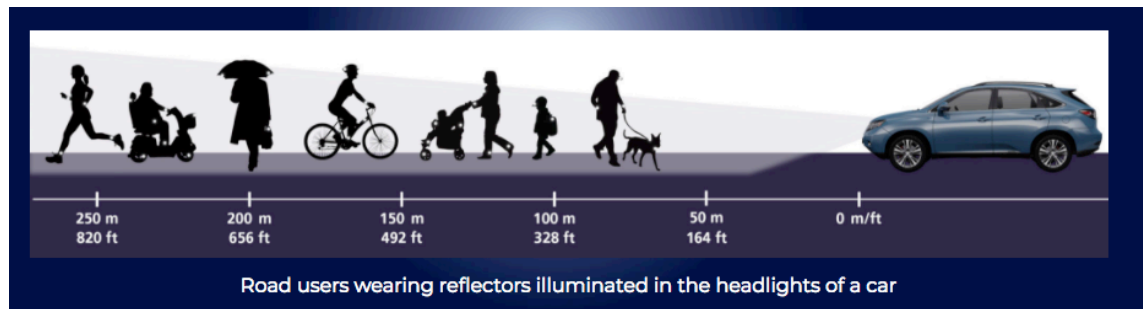


Picture 1. Traditional reflector and a backpack made of luminous fabric (Heijastinkauppa, 2017) (Turvakauppa IF, 2017)

2.2 Consumers and pedestrian safety

According to Finnish Road Safety Council's latest review (Liikenneturva, 2017) the use of the safety reflector prevents accidents and deaths in traffic. In order to be seen as efficiently as possible, people should wear several reflectors, as the reflectors are not ruling out one another, but completing the visibility of pedestrians (Liikenneturva, 2017).

When a car driver is driving in a dusky weather with low beams, he can see the pedestrian he is passing around 40 meters before if the pedestrian is not wearing any reflectors. When the reflector is worn, the pedestrian is visible up to 300 meters. This means that if a driver runs 80 km / h, he has about 7 seconds to see a pedestrian, slow down and give some space for the pedestrian if needed. The visibility of pedestrians is explained in the picture below. A pedestrian and cyclists can be difficult to detect in for example fog or rain and if the car windows are dirty, it can hinder the driver's view. (Liikenneturva, 2017)



Picture 2. Road users wearing reflectors illuminated in the headlights of a car (Finnex Reflectors, 2017)

The recommendation for the reflector is to attach it on the side of possible vehicles on the height of your knee. A freely hanging reflector is more visible, since the reflector has a possibility to swing. Wearing more than one reflector is better, since the reflector should be seen from all directions.



Picture 3. Instructions to attach a reflector (Liikenneturva, 2017)

Not wearing a reflector in the dark, slippery road conditions and alcohol consumption increase a pedestrian's risk of an accident. Each year, there are approximately 35 pedestrian fatalities and 550 injuries in road traffic. One out of six pedestrian victims suffering physical injuries are children. People older than 64 years old belong to the high-risk group. Nearly two thirds of pedestrian fatalities and nine out of ten injuries occur in densely populated areas. (Liikenneturva, 2017)

According to Traffic Safety Statistics Review, of all the dead and the injured 33% were over the age of 65. The risk of elderly pedestrians to die or to be injured in traffic compared to the rest of the population is nearly twice as large as the size of the age group. Almost every third person injured of pedestrians is 14 years old or younger. Young adults (15-24 years old) proportion of accidents is as bad as 40%. (Liikenneturva, 2017)

Nearly half of all deaths occurred in dim or dark. In 2014, the investigative committees of traffic accidents investigated 16 pedestrian death accidents occurred in the dark. 15 of them did not use a reflector. With a different probability, 21% of them could likely been saved from death if using a reflector. 45% of pedestrian injuries occurred in the darkest time of the year in October-November. In particular, personal injuries to the shelter were located in these months: more than 50% of pedestrian injuries on the shield occurred during this time. (Katva, 2016)

2.3 Rules and regulations

In Finland it is regulated by law that a bike has to be equipped with a light and also according to Road traffic law 42§, a pedestrian must, under normal circumstances, use an appropriate reflector while moving on the road during dark. Contradictory to the law, in urban areas only every third pedestrian uses a reflector; outside urban areas, two out of three pedestrians uses a reflector (Liikenneturva, 2017).

According to The Finnish Road Safety Council, an appropriate reflector should at least have the following features:

- CE
- EN 13356, reflector (EU standard)
- The name of the institution that performed the type classification (e.g. Finnish Institute of Occupational Health = FIOH)
- Instructions

2.4 Manufacturers and distributors

In Finland, the most visible industrial companies as safety reflector manufacturers are Coreplast Laitila Oy and Saintex Oy. The insurance company 'IF' designs clothes and accessories out of luminous fabric and their campaigns are effective. All of these three have products available for individual consumers, if not in their own shop or internet site, in different stores, kiosks and gas stations. Part of sales construct of orders from different firms, whichever the expertise – that are mainly safety reflectors shaped and printed with the firm's own logo and distributed as promotional gifts to their customers. The size of orders depends on the selling point or distribution of the product. Naturally, a small reseller is not as interested to do a consignment as big as a company is with thousands of customers.

In addition to pedestrian reflectors, Coreplast Laitila Oy is specialized in plastic product solutions for outdoor and sport activities, electronics, home appliance, healthcare and environment industry. The company's annual turnover is €12,7 million (Kauppalehti, 2017). The high-quality pedestrian reflectors have their own trademark Corereflect and the reflector's proportion of the whole turnover is over 10%. Coreplast is the biggest safety reflector manufacturer in the world that produces over 5 million pedestrian reflectors in a year. Their production includes promotional gifts ordered by other firms, selection for resellers and custom-made reflectors. Half of the produced reflectors are exported to over 30 countries. The company is heading for stronger export markets, especially Russia, Great Britain, Sweden and Norway and have targeted to increase the proportion of pedestrian reflectors to 50% of the company's whole turnover (YLE, 2012).

Together with the trademark Corereflect, Coreplast Oy has many promotional partners. In 2016, to improve their customer satisfaction and service, Coreplast Oy made a co-operational agreement with Safety Reflector Finland Oy, which took the responsibility of developing, printing, packaging, marketing and selling the reflectors to different distributors (Corereflect, 2017). Safety Reflector Finland Oy's area in business is based on international networks that include retail and promotional gift wholesales and their resellers in different countries. They concentrate on taking the 'Finnish classic' abroad and increasing the export figures (Suomalainen Työ, 2017)

Saintex Oy is a smaller company that has over the years concentrated on office supplies. In the beginning of the millennium, the company started to manufacture safety reflectors and for over ten years now, they have increased their speciality to designing them as well (Saintex, 2017). The annual turnover of Saintex is €2 million, and one third comes from reflectors (Kauppalehti, 2017). The company provides hundreds of different reflectors retailed for several companies. For consumers they offer a dozen of different reflectors a year. Saintex Oy is determined to follow and fulfil the needs of consumers and widen their market area by exporting their products to other countries. For now, their products are exported all the way to Switzerland and Japan, and one of their customers is Finnex reflectors in Vancouver Canada, which founder is originally from Finland. Finnex Reflector's objective is to export the Finnish inventions and products. The collaboration is a meaningful gate to the North-American market (Finnex Reflectors, 2017). Saintex Oy has also recognized the market niche in Central Europe and have targeted to spread their products there in the near future. Saintex Oy's promotional aspects arise from the designing team that includes famous designers such as Paola Suhonen, Eero Aarnio and Kristiina Isola. The company launched their 'LifeSaverHelsinki' collection in 2014. Today they continue to build a brand around it (Kauppalehti, 2011).

Even though 'IF' is an insurance company, they have launched a collection of clothes and accessories made out of luminous fabric for few years. The purpose is to increase safety in traffic. Together with known Finnish clothing designers 'IF' has had different campaigns with related products since 2015. The first collection and campaign was represented in Finland as 'loistavaa' – brilliant. The same campaign was realised in Norway and Sweden the same year. This year the campaign got a new feature with a luminous string and a name 'elämänlanka' – lifeline (IF, 2017). IF's turnover is not a relevant figure, since the percentage of reflective accessories of the whole turnover is not comparable. Moreover, the multinational company already has the international connections to expand their campaigns and offer the luminous products to their already existing 3,6 million customers, with operational network and distribution channels in Scandinavia and Baltic countries (Sampo, 2015)

Since the manufacturers have designed the industry strongly to produce reflectors in different shapes, colours, pictures and texts, the safety reflector has become a very common swag in Finland. The distribution of reflectors through companies is a significant proportion of the market. As mentioned before, Coreplast's distribution is

managed by Safety Reflector Finland Oy, Saintex Oy has channelled their distribution through their own company in co-operation with international companies, and IF's distribution is solely through their own internet site.

2.5 Promotions and events

One that effects the Finnish markets are the product related promotions and events. In the beginning of the period of polar night, several campaigns focus on promoting the safety of pedestrians. For example, the 1st of October is the official reflector day in Finland (Liikenneturva, 2017) and already in September the theme of the importance of reflectors start to show in tabloids, magazines, television and social media (YLE, 2017). Diverse articles in magazines offer different models to find your own stylish solution, they also test the reflectors practicality and compares different reflectors' effectiveness. In daily newspapers, the articles write about the statistics, the standards and the proper use and attachment. In social media, different companies organize events to share photos of people's reflectors in different situations. One important campaign was when Coreplast Oy was chosen to be a part the FIA's (International Automobile Federation) global road safety program, which co-operates with many international companies, i.e. Mercedes and Shell. Coreplast's role in the campaign is to inform how to promote pedestrian safety (YLE, 2012).

The Finnish society has programs to improve the visibility and safety in dark circumstances and during decades, it has been a tradition to give reflective badges to children in schools (Katva, 2016). Also The Finnish Road Safety Council – Liikenneturva, repeats their campaign every year to remind people of the importance of reflectors (Liikenneturva, 2017). In stores, kiosks, supermarkets and gas stations the reflective badges start to find their place near the cashier.

2.6 The Hohto –pocket

The Hohto –pocket was invented based on the needs that the group of four had observed to be a barrier in using a traditional safety reflector. The factors they wanted to accomplish were purely in practicality, attachment and technological vision. The pocket has a transparent front and a luminous material part and the purpose of the pocket is to provide a solution where to place a cell phone with the flashlight function switched on to get the advantage in use for safety. The product is one way to bind a mobile phone to clothing as a security feature. Having a phone attached to an overcoat for example, makes it easier to hear or use the phone while walking to work, riding a bike or jogging for instance. Additionally it can replace the typical luminous badge for visibility among the traffic. It is an independent accessory, which can be attached on the overcoat, slip to a handbag or use simply as a permanent phone cover, thus it could have a potential place as an individual product, a by-product or appurtenance with any of the competitive products.

The Hohto –pocket provides a different kind of solution compared to the attachable lamps for bikers and hikers, without the inconveniency to remember the separate equipment. Hohto -pocket is not solely a reflective badge or a piece of clothing or a lamp that people should remember to take with them every time they leave their house in the morning, in case it gets dark before they return.



Picture 4. A proto type of The Hohto –pocket

To summarise this chapter, the traditional safety reflector is strongly recognized as an important safety equipment in Finland, which improves the pedestrian/cyclist safety in traffic during dark circumstances. The seasonal promotions and campaigns have become the marketing strategy to spread the word of reflectors importance. It is understandable that the use of visibility equipment is ruled by law and that certain features such as effectiveness in visibility is regulated by EU standards. What comes to the manufacturers, the majority of reflector production is divided between three companies worth mentioning. These manufacturers provide the reflectors for Finns, nevertheless already a proportion of their turnover comes from international markets. According to the variety of selections, the market does not have a comparable product like The Hohto –pocket.

3 MARKETING STRATEGIES

The following chapter consists of different marketing related theories, which are generally used when entering a new product to the market. The theories are presented with a short definition and then used with the information of The Hohto –pocket. In addition, the chapter includes assisting forms of analysing the product itself – i.e. its opportunities and threats. With the combination of these theories and analyses the authors target is to come to a cohesive conclusion of the best marketing strategy.

According to Kotler and Keller (2012) companies cannot connect with all customers in large, broad, or diverse markets. However, they can divide such markets into groups of consumers or segments with distinct needs and wants. A company then needs to identify which market segments it can serve effectively. This decision requires a keen understanding of consumer behaviour and careful strategic thinking. To develop the best marketing plans, managers need to understand what makes each segment unique and different. Identifying and satisfying the right market segments is often the key to marketing success. As the competition increases, companies have to effectively embrace target marketing. They need to bind their marketing efforts and focus on the consumers they most likely are able to satisfy. Effective target marketing requires that marketers identify and profile distinct groups of buyers who differ in their needs and wants (market segmentation). They also need to select one or more market segments to enter the markets (market targeting), and for each target segment, establish and communicate the distinctive benefits of the company's market offering (market positioning). (Kotler & Keller, 2012)

3.1 Segmenting

According to Ferrel et. al (2016) customers can be grouped and markets segmented in many ways. One of the corner stones is to understand which are the most suitable ways to distinguish different product requirements. Profound understanding of customers is also important, as marketers who 'know' their targets are more likely to design an appropriate marketing mix for them. (Dibb;Simkin;Pride;& Ferrel, 2016)

According to Moutinho (2000), there are four strategies for market segmentation, undifferentiated, concentrated, differentiated and customized marketing.

Undifferentiated marketing is when marketers determine that there is little diversity among market segments. Concentrated marketing is when a marketer selects one segment, develops an appropriate marketing mix, and directs its marketing efforts and resources toward that market segment exclusively. Differentiated marketing (multiple market segmentation) is when an organization chooses more than one target market segment and prepares marketing mixes for each one. Customized marketing is when a market is so diverse that the company attempts to satisfy each customer's unique set of needs with a separate marketing mix. (Moutinho, 2000)

The approach we chose as marketing strategy for the Hohto -pocket is undifferentiated marketing, which treats all buyers, or potential buyers, as a homogeneous group. Rather than producing different marketing strategies for different segments of society, or even different products for different groups, undifferentiated marketing attempts to reach all potential buyers using one marketing strategy. In this way, undifferentiated marketing treats all segments of the population the same, and the strategy is to use one approach that aims to appeal to as many people as possible (Bass, 2017).

As a product, The Hohto -pocket is close to the traditional reflective badge with a difference that it is designed to be used with a mobile phone. Consequently, the segmentation for The Hohto -pocket is reasonable to concentrate the same way as the traditional reflective badge. The other solution would be to divide the segments in three age groups - children, young adults and adults and the elderly, because children do not represent high buying power and the traditional reflective badge is - in its current form - a suitable product for children and also the adoption and usage of mobile phones amongst the elderly is quite low (Statistics Finland, 2017). Furthermore, one of the benefits of undifferentiated marketing is that it does not require the same level of research into consumer expectations as other types of marketing. While differentiated and concentrated marketing are both research-intensive approaches, undifferentiated marketing requires an understanding of the largest possible segment of the population on a basic level to achieve mass appeal. In addition, undifferentiated marketing allows a company to appeal to a much wider audience than other marketing strategies (Chron, 2017). Contradictory, the weakness of undifferentiated marketing is that the approach assumes a high degree of similarity in peoples' expectations and motivations for buying. This can lead to a significant amount of overgeneralization in a society where people tend to have different tastes. As a result, undifferentiated marketing strategy may fall flat or even turn off certain groups of people, thus becoming counterproductive

(Chron, 2017). Two well known examples of undifferentiated marketing are Henry Ford and Coca-Cola. Henry Ford introduced the Ford Automobile by offering one model to the market with one color option, black, just like Coca-Cola was first introduced with only one beverage flavor to the general market. Also known as mass marketing the undifferentiated marketing is efficient way to represent a new product to the markets (Market Binder, 2017).

3.2 Targeting

After segmentation and recognizing the suitable approach it is time to select the potential customers to whom a business wishes to sell products or services, and possibly determining the products that will be offered in each segment. A business offering multiple products can determine if the various segments should receive one generic product (such as in mass marketing), or if each segment should receive a customized product (multi-segment), based upon the market's diversity, maturity, the level of competition and the volume of sales expected (Business Dictionary, 2017).

Central to this task is defining and analysing the competitive arena. The steps in selecting a target market strategy are as follows:

1. Decide how to form niches in the product market
2. Describe the consumers/organizations in each niche.
3. Evaluate target market alternatives.
4. Select a target market strategy.

Also Moutinho states that the possibilities for selecting the company's target group of customers in a product market range from attempting to appeal to most of the people in the market (a mass market approach) to going after one or more niches (subgroups or segments) within the market. Management must somehow identify possible niches and then, for each niche of interest, determine which marketing programme positioning strategy will obtain the most favourable profit contribution net of marketing costs (Moutinho, 2000).

When targeting the Hohto –pocket the focus would primarily be on the buying power and the role of decision maker, resulting that the biggest target group consists of the young adults and adults. Nevertheless, finding the most appealing target group it is

beneficial to look at different factors that effect within the market, thus in the following paragraph a theory of Porter's Five Forces is reviewed.

3.2.1 Porter's Five Forces

According to Kotler and Keller (2012) Michael Porter has identified five forces that determine the intrinsic long-run attractiveness of a market segment: industry competitors, potential entrants, substitutes, buyers and suppliers. The threats these forces pose are shown and explained below.



Figure 1. Porter's model of the industry rivalry - the five forcesPicture (Tutor2u, 2015)

1. **Threat of intense segment rivalry** – A segment is unattractive if it already contains numerous, strong or aggressive competitors. It's even more unattractive if it's stable or declining, if plant capacity must be added in large increments, if fixed costs or exit barriers are high, or if competitors have high stakes in staying in the segment. These conditions will lead to frequent price wars, advertising battles and new-product introductions and will make it expensive to compete. The mobile phone market has seen fierce competition due to segment rivalry.

For Hohto –pocket the competition would be low in the beginning, because it is a new kind of reflector product and it would be the new entrant in the reflector markets. The current market does not have many competitors, but they would stay within the same segment, however, it would not effect on neither reflective badges nor the Hohto –pocket's pricing, since the products are significantly different. For the part of advertising the Hohto –pocket and reflectors would compete in the same area. Preventing the introduction of new-products would be most likely.

2. **Threat of new entrants** – The most attractive segment is one in which entry barriers are high and exit barriers are low. Few new firms can enter the industry, and poorly performing firms can easily exit. When both entry and exit barriers are high, profit potential is high but firms face more risk because poorer-performing firms stay in and fight it out. When both entry and exit barriers are low, firms easily enter and leave the industry, and returns are stable but low. The worst case is when entry barriers are low and exit barriers are high: Here firms enter during good times but find it hard to leave during bad times. The result is chronic overcapacity and depressed earnings for all. The airline industry has low entry barriers but high exit barriers leaving all carriers struggling during economic downturns.

The reflector markets in Finland do not have high barriers to enter or exit the market, assuming that the industry's returns are somewhat stable. To produce the Hohto –pocket, new technology is not required, access to distribution channels is easy, requires only low capital and the market does not offer strong brands. However, the customer loyalty is existant toward the traditional reflective badge, which is the only factor that could build a barrier to enter the market. Expectedly innovators are looking for new solutions, thus supposedly it is only a matter of time that a product like Hohto –pocket is introduced to markets.

3. **Threat of substitute products** – A segment is unattractive when there are actual or potential substitutes for the product. Substitutes place a limit on prices and on profits. If technology advances or competition increases in these substitute industries, prices and profits are likely to fall. Air travel has severely challenged profitability for Greyhound and Amtrak.

A possible substitute product for Hohto –pocket could be a transparent pocket sewed in jackets or reflector vests, and it could replace the Hohto –pocket

easily. Another competitive product, a smart reflector, is planned and waiting to be launched by Corefect Oy (Corefect Oy, 2016), which proves that other designers have recognized the market niche when using a mobile phone as an additional device to bring visibility to safety equipment. The technology's development during the past decades have not influenced the current reflector products, thus the probability of the customers willingness to change the traditional reflector to the Hohto –pocket is preferable.

4. ***Threat of buyers' growing bargaining power*** – A segment is unattractive if buyers possess strong or growing bargaining power. The rise of retail giants such as Walmart has led some analysts to conclude that the potential profitability of packaged-goods companies will become curtailed. Buyers' bargaining power when they become more concentrated or organized, when the product represents a significant fraction of their cost, when the product is undifferentiated, when buyers' switching costs are low, when buyers are price-sensitive because of low profits, or when they can integrate upstream. To protect themselves, sellers might select buyers who have the least power to negotiate or switch suppliers. A better defence is developing superior offers that strong buyers cannot refuse.

The threat of buyers' growing bargaining power effects in this case to current reflector markets, and again it could influence the Hohto –pocket's pricing having a result of low profits.

5. ***Threat of suppliers' growing bargaining power*** – A segment is unattractive if the company's suppliers are able to raise prices or reduce quantity supplied. Suppliers tend to be powerful when they are concentrated or organized, when they can integrate downstream, when there are few substitutes, when the supplied product is an important input, and when the cost of switching suppliers are high. The best defences are to build win-win relationships with suppliers or use multiple supply sources.

Since the Hohto –pocket is not in production stage, analysing the threat of suppliers' growing bargaining power can only be done by assumption. Presuming that the Hohto –pocket would be manufactured in the same industry as safety reflectors, the suppliers could be able to raise prices because there are only few reflector manufacturers in Finland. Taking into account, that the same manufacturers are the Hohto –pocket's competitors. Therefore, the most

interesting arrangement would be to either unite with the competitor or study the possibilities to co-operate with a company that imports products from i.e. China.

One that is also important in marketing strategy, is positioning. According Etzel et. all, having identified the potential segments and the target group, the marketer must next decide what position to pursue. The position is how a product is viewed, thus positioning is to use all possible elements to create and maintain a particular image relative to competing products and simultaneously appeal the target market. In positioning all the elements of the marketing mix – the product, price, promotion, and distribution – should complement the intended position (Etzel;Walker;Stanton;& Pandit, 2006). The positioning for the Hohto –pocket would not differ significantly from the traditional reflector’s marketing strategy. However, for certain situations the Hohto –pocket could be positioned in particular channels that would strengthen the wide sales.

3.3 The Maslow’s hierarchy of needs

When he or she experiences a need it influences his or her behavior. Security, social acceptance, and prestige are examples of needs. A need must be stimulated before it comes a motive. Thus, a motive is a need sufficiently stimulated for an individual to react and seek satisfaction. Generally, the dormant needs are not sufficiently intense to impact on behaviour. (Etzel et. all, 2006)

Abraham Maslow has built a theory of humans’ basic needs, and divided them to five different levels, the lowest one being the most important and making the tip of the triangle the least meaningful needs. The levels are arrayed in the order in which seek to gratify them. According to Maslow a normal person is most likely simultaneously trying to achieve satisfaction on several levels. Nevertheless, the hierarchy indicates that the most important needs on particular level must be reasonably fulfilled before moving forward to the next higher level. (Ferrel et. all, 2016)



Figure 2. Maslow's hierarchy of needsPicture (Psychology Today, 2015)

Physiological needs

Level 1 indicates to biological and physiological needs, which include i.e. air, food, sleep, drink, shelter, sex and warmth. These are known as basic needs that people satisfy as their priority.

Safety needs

Level 2 indicates to safety needs, which are also classified as basic needs. These include protection, order, law, stability and freedom from fear. Obviously people try to satisfy these needs to feel secure and safe, i.e. rules, regulations, and laws have been designed to maintain tranquility and harmony in different areas of life. The level covers also many other aspects of safety, such as insurances, unemployment benefit and retirement pension, which create stability in case of change.

Social needs

Level 3 indicates to social needs, which are classified as psychological needs such as friendship, intimacy, trust and acceptance, receiving and giving affection and love. Affiliating, being part of a group (family, friends, work).

Esteem needs

Level 4 are also psychological which Maslow classified into two categories: esteem for oneself (dignity, achievement, mastery, independence) and the desire for reputation or respect from others (e.g., status, prestige). Maslow indicated that the need for respect or reputation is most important for children and adolescents and precedes real self-esteem or dignity.

Self-actualization

Level 5 are so called self-fulfilment needs such as realizing personal potential, self-fulfillment, seeking personal growth and peak experiences. A desire “to become everything one is capable of becoming”.

Reflector or the visibility device during dark circumstances would be placed to the second and third levels of needs. The basic feel of fear and insecurity in traffic awakens the need to be protected. The same applies to the third level when i.e. parents buy reflectors to their children. The social needs are also fulfilled for the part of belonging to a group, when small children all have the same kind of reflector.

In addition to psychological needs and social influences, the cultural factors, reference groups, personal influences, such as motivation and perception are also some of the factors that influence on consumers buying behaviour. Cultural factors are environmental factors, such as the nationalities, religions, ethnic groups, age groups, gender of the individual, etc. that affect and regulate buyers' habits. Culture satisfies physiological, personal and social needs. Effective communication with customers'

needs to be appropriate and well thought, when many messages, verbal and nonverbal, may have contradictory meaning.

The marketers are interested in different social classes, because the members share similar values, interests and behaviours. Social class is measured as a combination of occupation, income, education, wealth and other variables. In Finland, the socioeconomic status is not fixed (Statistics Finland, 2015). The society's structure and its division regarding these so called social classes in Finland show that majority of the population belong to the working- or middle class. In total, they obtain a massive buying power in every level of consuming. Family is considered one of the most effective social factors. Working class couples with children situated to the Family life cycle brings out the fact that it is a group that consumes to more than one person (The consumer factor, 2017).

3.4 PEST and SWOT-analyses

Very important part of marketing strategy is to analyse certain aspects to have a profound understanding of the product, the existing consumer goods, competition, and factors that influence the market as an entirety. For this kind of data, there are PEST and SWOT –analyses. (Ferrel et al., 2016)

PEST= political, economic, social and technological factors that might have an effect on the market of the product/service in question.

For the Hohto –pocket one political factor is the regulation and the standards governed by EU. The economic factors are not as relevant, but as economy experiences growth the consumption increases. The social factors that involve the Hohto –pocket were already mentioned above in the paragraph of Maslow's hierarchy of needs, to repeat the social factors arise from the need to showing affection, taking care of the people you love and need of belongingness. Technological factors that are related to the Hohto –pocket are obviously in development of mobile phones and eventually in the development of the Hohto –pocket itself. Also the technological development for the part of industry is relevant.

SWOT is to gather the products' strengths, weaknesses, opportunities and threats. SWOT includes examining the existing markets.

The most important strength of the Hohto –pocket is its innovativeness. The pocket brings practicality compared to traditional reflector and it combines the usually carried around mobile phone to one's safety. It is not solely a security equipment because it is also an independent accessory, which can be used as an additional pocket, phone cover or a hands freeing equipment. Contradictory, the Hohto –pockets weaknesses are a questionable attachment and the related issue of mobile phone's battery's durability.

The opportunities the Hohto –pocket offers is enlargening the target market and moreover, exporting it abroad. Nevertheless, one of the Hohto –pocket's major threat is the reflectors deep traditional roots in Finnish nation. From the perspective of industry the expectations in rapid success in conquering the market could be quickly interpreted as flop by the manufacturers.

To summarize, every market or industry has individual factors and marketer should be able to find differences between them in terms of size, structure, distribution channels, customer segmentation, growth, product selection and technology development. Furthermore, knowing the stage of different products and brands within the selection compared to the product life cycle is important. In case of the Hohto –pocket most of these factors are possible to recognize and analyse. Exclusively, the traditional reflector's product life cycle has not advanced in a conventional way, since its maturity phase there has not been a recognizable replacing product. Therefore, the Hohto –pocket has potential as entering and substitute product, having a strong possibility for the part of industrial rivalry. What comes to Maslow's hierarchy of needs the Hohto –pocket is placed to the second and third levels of need, thus it is considered as a product in which people would consume before other.

The market strategy for the Hohto –pocket would not differ significantly from the realised marketing strategy of reflectors. The segmentation would follow the concept of undifferentiated marketing to achieve a wide range of consumers. When comparing the strengths and weaknesses, and the opportunities and threats while keeping in mind the slowly growing industry of reflector markets, the disadvantages can be reflected as beneficial. In the Harvard Business Review, Karel Cool and Petros Paranikas write about how another factor can make even slow-growing markets highly dynamic: rapid turnover of the customer base (HBR, 2011).

4 RESEARCH METHODOLOGY

The purpose of marketing research is to provide information about customers' need and desires, marketing opportunities for particular goods and services, and the changing attitudes and purchase patterns of customers. (Ferrel et al., 2016)

Quantitative research uses techniques and sample sizes leading to the collection of data that can be statistically analysed and whose results can be expressed numerically. These data tend to come from large surveys, sales data or market forecasts. Qualitative research deals with information that is too difficult or expensive to quantify: subjective opinions and value judgements that are not amenable to statistical analysis and quantification, typically unearthed during in-depth interviews or discussion groups, but also now increasingly collected in online forums. (Ferrel et al., 2016). Mixed methods research is a methodology for conducting research that involves collecting, analysing and integrating quantitative (e.g., experiments, surveys) and qualitative (e.g., focus groups, interviews) research. This approach to research is used when this integration provides a better understanding of the research problem than either of each alone (FoodRisC, 2017).

For this thesis, the mixed method is used, to have a wide understanding of consumers' attitudes, opinions and judgements and achieve statistically analysable range of data.

4.1 Data collection methods

To cover both qualitative and quantitative aspects concerning the required data, two different surveys is launched in a closed group in Facebook. The group is chosen by the size of users, keeping the profound meaning of the survey in mind, as well as focusing the attention to an urban area, yet maintaining the objectivity on the matter. The first survey includes questions that gives a perspective of the current situation of consumers' thoughts of the reflector in general, their opinion of importance of the pedestrians' visibility and their choice of visibility equipment. The second survey is to get a deeper view of peoples' needs and interest in using their mobile phones in the same matter as reflectors or lamps, and their motivation in buying a reflective products and for what expense. Based on the survey results the analysis is done of consumers' needs, their buying behaviour and their attitude on the offered product. The analysis

gives an answer to two of the set thesis questions: what kind of factors do consumers need compared to the existing selection and how would people relate to a new product and adopt it. Furthermore, the conversation part of the topic in the Facebook group will be overviewed and the most repeated comments will be gathered. Additionally, the authors' personal observations of the topics will be included that are related to the reflector markets, such as price comparison and positioning in selling points, combinations of different reflective products and lamps and usage of reflectors in the street view. The list stated above will be attached as robust information. To make the analysis more solid, previously done studies will be used, which gives an understanding of the popularity of cell phones in Finland and usage of reflectors. Furthermore, certain articles that enlightens the area of reflector markets will be taken into account as well.

The survey questions, found in appendices, was open for a group in Facebook for ten days in 12.10.-22.10. The second survey was open for five days in 27.11.-1.12.2017. The second survey consisted of specified questions about the product characteristics. Posting the surveys at this time of the year (end of November), is very beneficiary for what we had set as our goal - to have as much responses as possible. The chosen forum is a group of 7715 people, living in a smaller city in the south-west coast of Finland (Naantali). The limited area maybe a disadvantage from the point of view of survey results, nevertheless we do not think it is a relevant weakness, since the group consists of both male and female of different ages and covers a variety of transport preferences. Moreover - as a strength - the first survey achieved our expectations with an answering percentage of 4,6 with 357 responses from a total population of 7715, resulting a confidence level of 95% with a margin error of 5% (SurveyMonkey, 2017). The second survey was not as successful as the first one, yet it achieved a confidence level of 80%. The survey was open only half of the time than the first survey (five days) having 156 answers in total.

5 ANALYSES

In the conversation, which started as free commentary under the shared link to the survey in Facebook, one of the most repeated concerns was the durability of cell phone batteries and how would they function in cold circumstances, and it arose a lot of opinions.

“Especially, in cold circumstances my iPhones battery does not last for long, and the flashlight function strains the battery even more.”

The durability of mobile phones battery is not related to our product development rather it belongs to the mobile phone industry’s department of development.

Magnetic attachment was also questionable for many but in general, the pocket solution got encouraging and positive feedback.

“I would definitely not place my phone to anything with a magnetic attachment, since mobile phones are really expensive. It is raining or snowing all the time and I would not be happy to notice that my device is ruined because of humidity. I would not be interested in using this pocket.”

“Great to see that people want to develop new products to increase safety in traffic and bring the safety reflector to a whole new level!”

The magnetic attachment was the choice when designing the Hohto –pocket, many other attachment solutions was considered, however the group did not want to solve the attachment with a previously seen safety pins or Velcro, which have been noticed to be unpractical. There was also one comment of an open pocket with a zipper to training conditions that we already thought of when Hohto –pocket was brainstormed. The magnetic attachment was the only solution that its’ user would not have to sew or glue anything to any overcoat that the attachment would not limit the use to only one overcoat. From the commentary, you can sense a speculative and questioning attitude toward the product; however, their understanding of the product was limited.

"Did I understand right that most of the teenagers think that reflective badges are embarrassing, yet the same time you would offer this quite clumsy looking pocket to the same teenagers with an idea to have their phone inside of it with the light on. I have to apologise, but as an idea this is so ridiculous and absurd!"

This kind of commentary was expected and it is natural that consumers have certain propensity to criticize and question new products. Yet, there are also people interested in finding it at the markets later.

"This is a genius idea, where would it be possible to buy in the future?"

A few comments revealed also how people respects the traditional badge and to defend it as the one and only proper reflective equipment.

"I hope you are not planning to replace the traditional reflector. We just bought a new badge for our daughter who is 8 years old and placed it to the right height on her jacket sleeve. She really loves the new accessory."

5.1 First survey

First survey got a total of 357 respondents. There were 12 questions, which help us to perceive a good overview of how people use reflectors in urban areas.

1. Gender

Number of respondents: 357

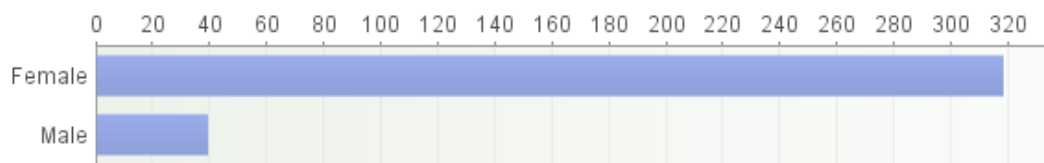


Figure 3. First survey chart, question 1

Although gender is irrelevant for the survey's results the division of respondents is visibly imbalance, thus it is safe to speculate that women would be a more interesting target group. However, men and youngsters are the most challenging targets (Katva, 2016) and these results back up her statement and prove that men and young people are not interested in answering this questionnaire. Additionally, what the results will reveal that it is good to keep in mind that even though men do not wear reflective badges their role and lifestyle has a significance in buying behaviour, i.e. being a father, owning a dog, jogging as a habit, riding a bike to work. It applies naturally to women, but under the circumstances that most of the respondents are women, we want to underline the factors that do effect on men's buying behaviour. According to Helsingin Sanomat, women are more influential to the decision making but men are increasingly participating to the decision making about households purchases. In Finland, couples follow surprisingly traditional gender roles. The equality in relationships supports the shared decision-making (Helsingin Sanomat, 2015). This could be directly interpreted that both men and women are potential buyers for the Hohto –pocket.

2. Age

Number of respondents: 357

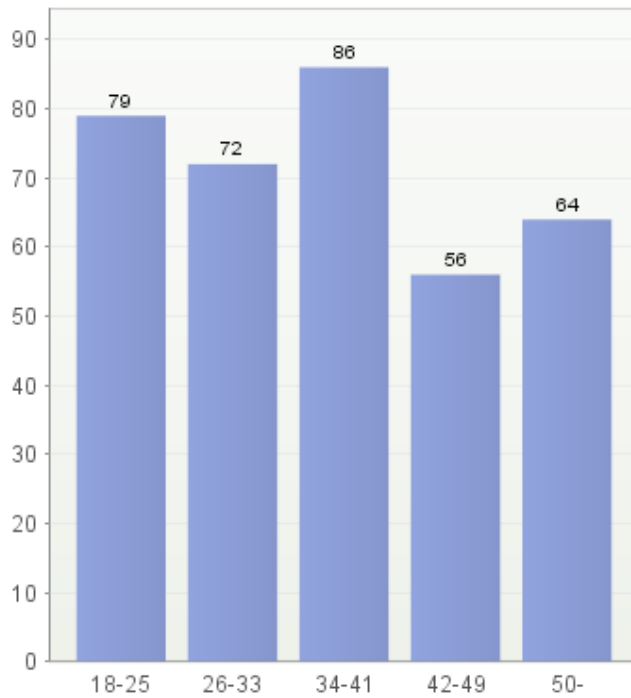


Figure 4. First survey chart, question 2

The age distribution is clearly more balanced. Every asked age classification was represented, the highest precentral proportion being the ones between 34 and 41 years old, leaving the older generations as a slight minority. We excluded the younger participant possibility, because their not known buying power.

3. In urban area I mainly

Number of respondents: 357

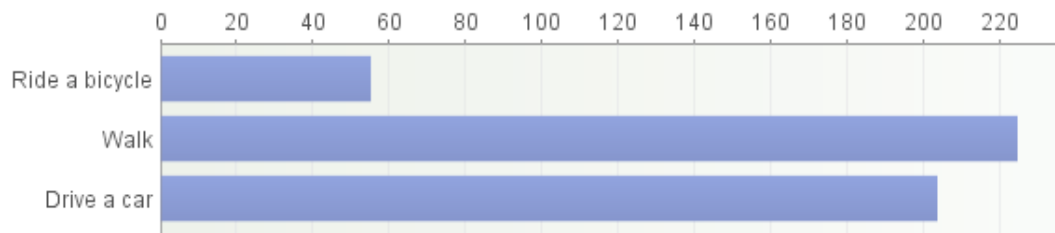


Figure 5. First survey chart, question 3

With this question, we wanted to find out the commonness of pedestrians and cyclists in urban area, but also have an idea of the preference of transport in urban area. The answering settings were not limited, so one respondent could answer 'yes' in each alternative. The difference between pedestrians/cyclist against to go by car is seemingly more preferred. In this case also not owning a car has an impact on the results. According to the results, more people either walk or ride a bike than drives a car the short distances in urban area.

4. I've been among traffic without a reflective/safety equipment during dark circumstances.

Number of respondents: 357

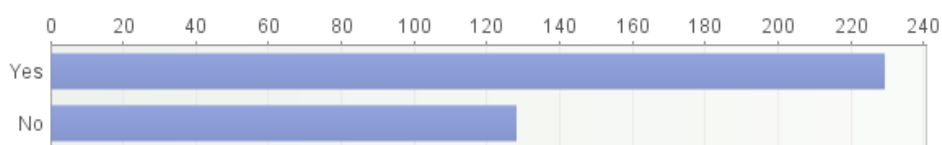


Figure 6. First survey chart, question 4

With this question, we wanted to prove how common it is that people do not have any reflecting equipment for their safety on them. Based on the answers approximately every third has some kind of reflective equipment, contradictory to two thirds of not having. The second survey asked the reasons for this kind of behaviour, so we will add a explanatory analysis on the second survey report.

5. As a pedestrian/cyclist I wear

Number of respondents: 357

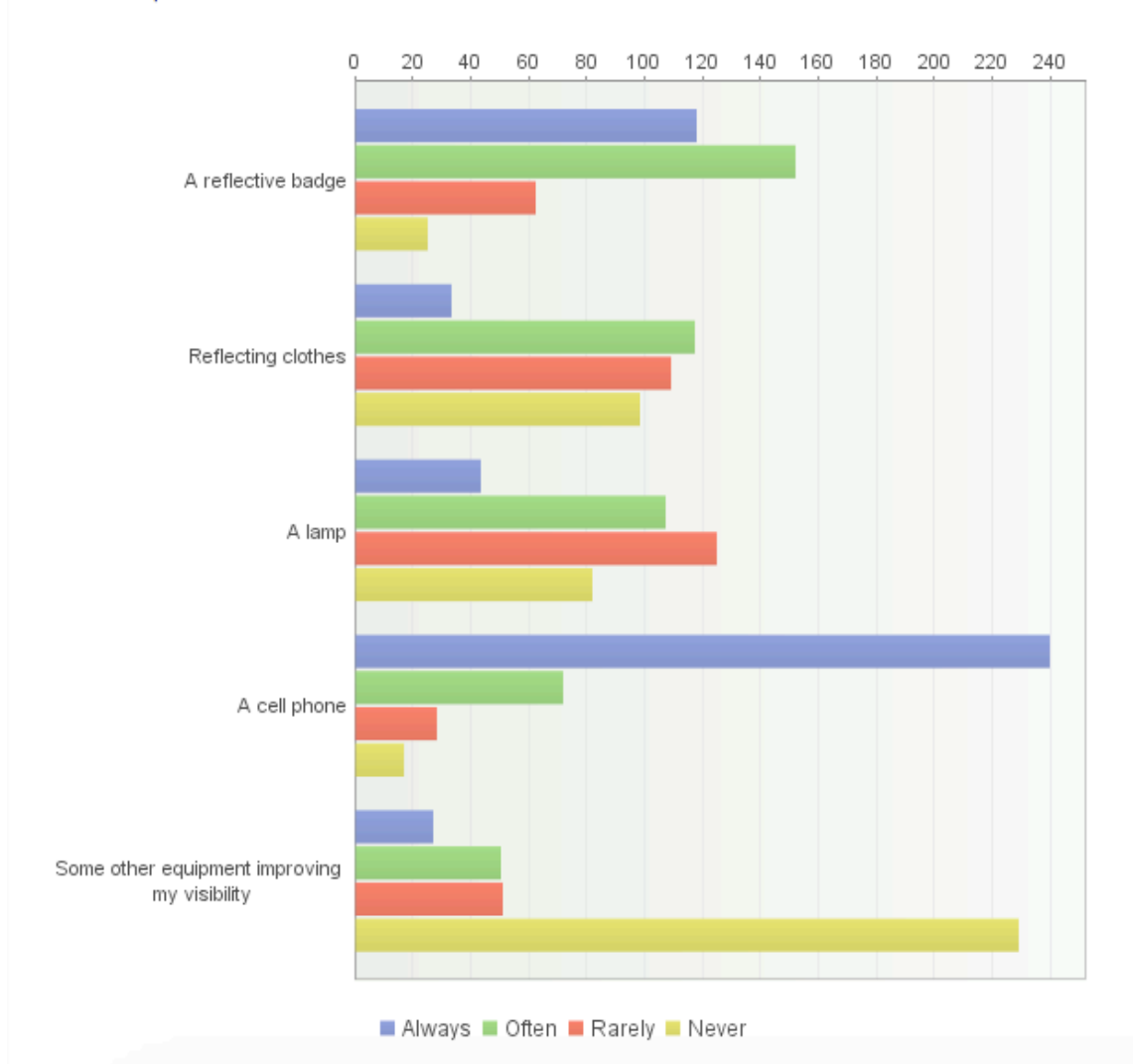


Figure 7. First survey chart, question 5

This chart explains the popularity of different reflective products and commonness to carry their cell phones with them, showing that a majority has their mobile phone with them all the time and that having a reflecting badge is still the most used safety accessory. Alongside the reflective clothes have become a potential alternative. It is safe to speculate, that since the answers for 'Some other equipment improving my visibility' are concentrated on the part 'Never' that there are not any known alternatives to replace the traditional reflecting badge and that there is a void in safety equipment product selection.

6. If You answered Some other... please define

Number of respondents: 95

Figure 8. First survey chart, question 6

Only five other different products were mentioned out of which here is a compilation and some examples of the comments.

Lamps + Leds (21)

“A small led lamp with a clips attachment in my jackets pocket or purse...”

Different accessories for pets (55)

“Our dogs have flickering lamps attached to their leash, which is also made of reflective fabric. They also have a luminous vests and separate badges.”

Reflective vest (26)

“I use my reflective vest only in the countryside.”

Clothing which have a part of reflective fabric (15)

“Outdoor clothing that has different reflective parts like piping and printings. The best solution!”

Strollers (8)

“Sometimes during the period of polar night I’ve decorated the strollers with Christmas lights that work with batteries.”

Answers reveal that certain issues effect on people’s choice of different reflectors, such as having children, hobbies, having pets and living in the outer boarders of urban area. Additionally, people’s innovativeness and creativity appears in different individual solutions. Between the lines, you could read that the available selection is not wide enough to meet the needs of consumers.

7. How often are you concerned as a pedestrian/cyclist of not being noticed in traffic by car drivers?

Number of respondents: 357

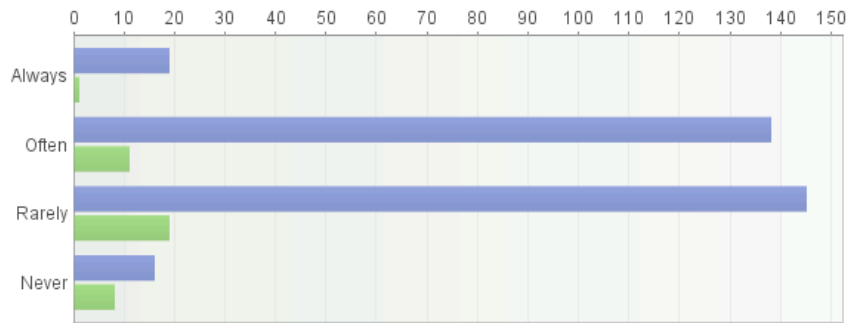


Figure 9. First survey chart, question 7

In this chart, we wanted to bring out the division between the genders since the difference is so significant, females being the blue line and males being the green line.

Without having a proper referencing, it is globally known that men are more secure of their knowledge of traffic rules. Based on our own observations women do know the traffic rules but are more insecure and the division of this part relates strongly to our speculation. Men hardly feel unsafe among traffic as a pedestrian/cyclist contradictory 50% of women find themselves afraid of accidents as a pedestrian or cyclist in traffic.

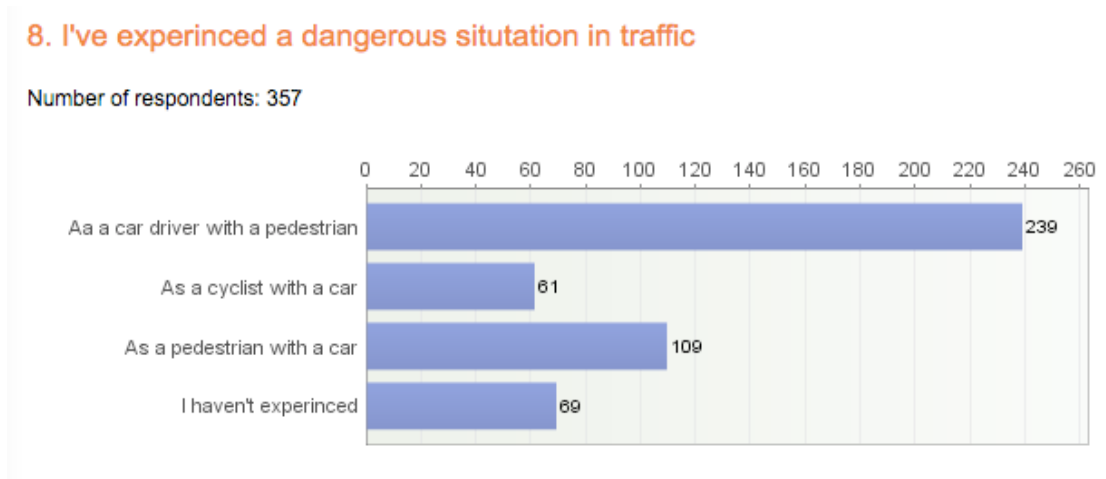


Figure 10. First survey chart, question 8

Most of the dangerous situations for the part of car drivers can be explained that some of those situations appeared with people aged under 18 who were excluded from this survey and explains the imbalance.

409 dangerous situations against 69 cases of 'I haven't experienced a dangerous situation' underlines the point that pedestrians and cyclist do have a meaningful need of safety equipment. As an example the usage of the cycling helmet has increased significantly during the last decades since it was highly promoted, recommended by the Finnish Council of Traffic safety. This gives a good direction for the marketing development of the reflective badges.

9. In my opinion the dangerous situation could have been avoided by

Number of respondents: 308

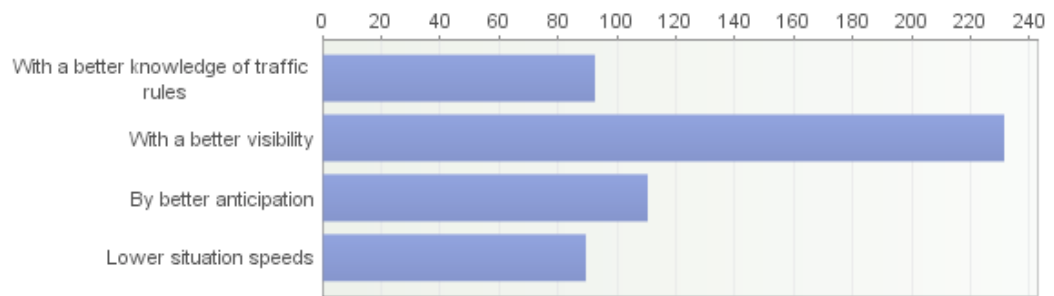


Figure 11. First survey chart, question 9

As a weakness this questions answer alternatives leads on choosing 'With a better visibility' because the whole questionnaire is related to dark circumstances. How ever, it reveals peoples' attitude and knowledge of the effects the dark circumstances have on the safety of pedestrians and cyclists.

10. Using a cell phone (the flashlight function) to improve my visibility in traffic would be useful

Number of respondents: 357

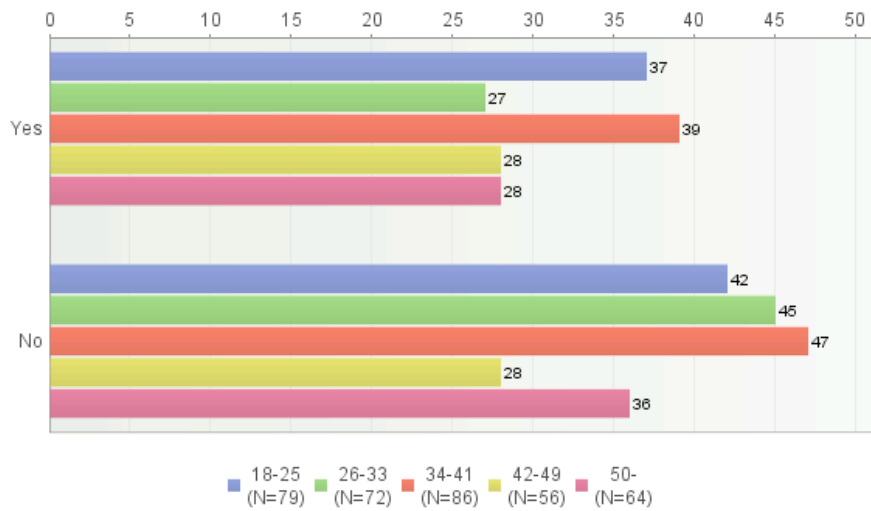


Figure 12. First survey chart, question 10

For this question, we simply chose to compare different age groups to get an understanding if young people would be more interested in using their mobilephones for visibility instead of a reflective badge. To our surprise, the results were not what we expected. While looking at the different ages and their answers, we conclude that age does not influence relevantly on the endorsement. The different generations are quite split in half. Not only because the majority of under aged are not reachable through Facebook, we decided to leave the under aged out of this survey, because in our opinion a survey this kind is not suitable for children and that the proportion of under 18 years old would be proper to examine in another manner. With this kind of channelled research, the interest in using mobile phones as a safety device could get a different kind of reply from a younger generation.

It is obvious that the majority has replied 'No', because of the negative influence of the cell phones in general in traffic, especially not having a profound product presentation to give them a better understanding of the solution in question. In addition, the proportion of 'Nos' consists of the sceptics, who have diverse reasons not to believe in this product. Nevertheless, though the proportions are not equal, the 'Yes'-answers are still relevantly high.

11. During the last year I've spent

Number of respondents: 357

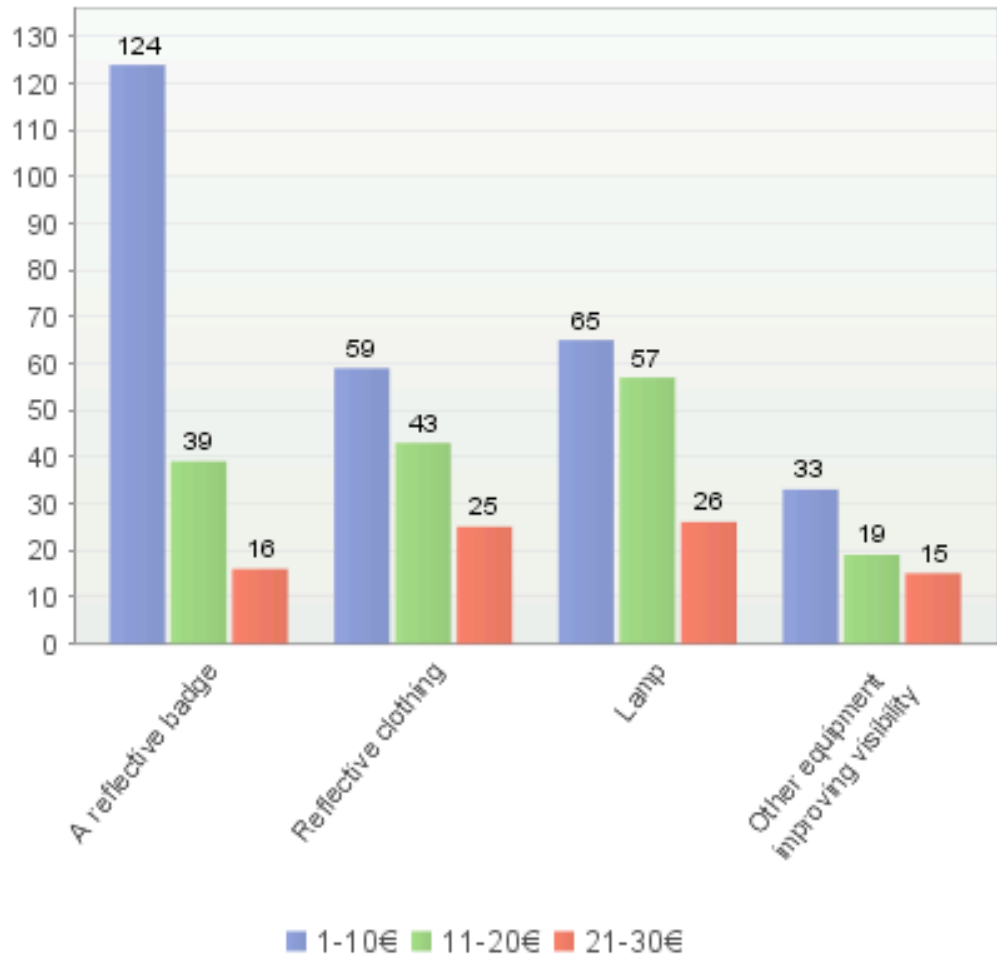


Figure 13. First survey chart, question 11

To map out how much people use money for reflective products, a list of most common products was attached to the question and alternative sums were given of how much one would use per product in a year. The chart shows that spending in reflective products is constant despite which category. However, the low price of a reflective badge and the choice in purchasing it can be seen as quantifiable buying behaviour.

12. I'd be interested in an accessory that enables using the cell phone (flashlight function) to improve my visibility in traffic

Number of respondents: 357

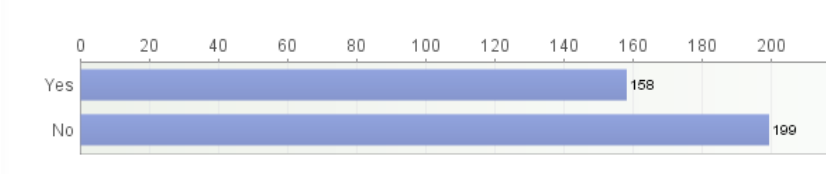


Figure 14. First survey chart, question 12

The negative impact if using a cell phone while driving a car for example misguides the respondents, since they do not have any idea of the product in question. Nevertheless, 158 respondent have foreseen the advantage of The Hohto –pocket.

5.2 Second survey

The second survey got a total of 156 responds and in this survey we had five additional questions with a presentation of The Hohto –pocket.

1. In my opinion, a suitable price for a reflective product is

Number of respondents: 156

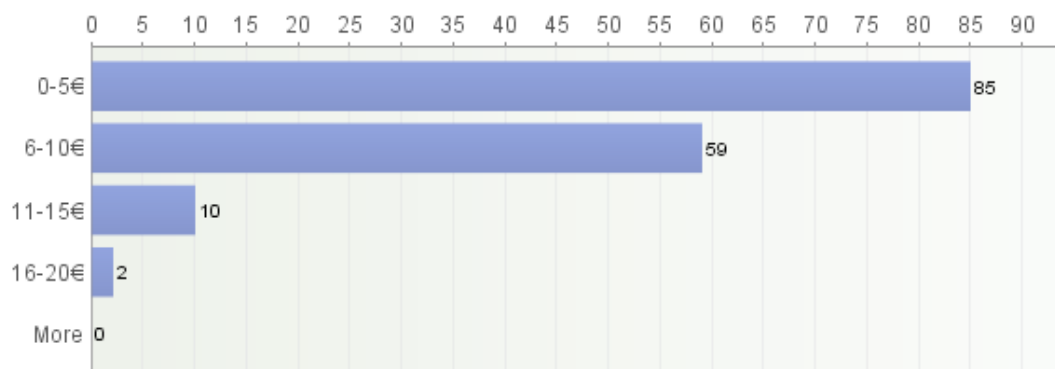


Figure 15. Second survey chart, question 1

This chart shows, that the traditional thought of 'the cheap Finnish life insurance' has taken root in the mind of Finnish consumers – and it is not a bad thing, thus the reflective badge is a light, functional, not expensive - if not even free. Unfortunately not as practical or as used as it could be. Only two respondents are willing to invest more than 15 euros to their security. Contradictory more than every third is ready to double five euros.

2. If You don't use a reflector, what's the main reason? Free word

Number of respondents: 156

Figure 16. Second survey chart, question 2

This question was compulsory so most of the respondents have answered 'I use a reflector'. Most reasons for not using a reflector was oblivion, the reflector was lost or in another coat, not 'stylish' enough and inconvenient attachment. According to these answers, we have well thought of the ordinary problems that people face in usage of visibility products.

"It's difficult to remember with different jackets, the attachment as well is inconvenient and unpractical with a safety pin and I've lost as many badges in a year as I've bought."

3. What are the three main features for a reflector product, that affect your buying decision?

Number of respondents: 156

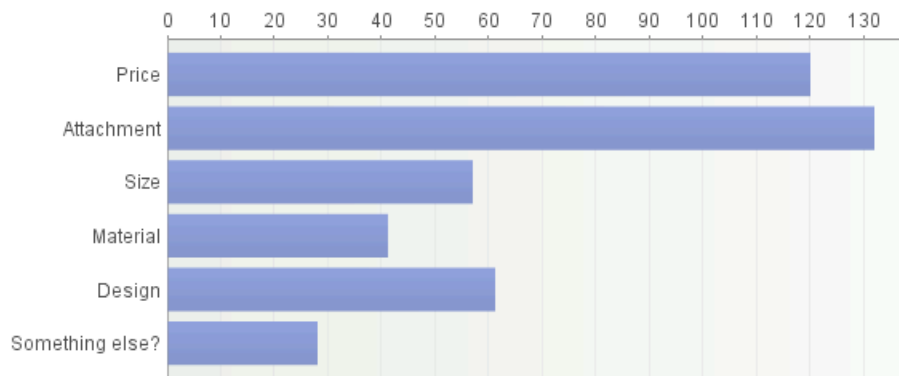


Figure 17. Second survey chart, question 3

The most common features that effect on buying a reflective product are attachment, price and design. In the world, there must be many different and developed alternatives as a solution to have a practical and solid attachment. A safety pin is one of the reasons that the price of a reflective badge can be kept so low. The magnetic attachment considered for The Hohto –pocket is still in developing stage and we have not examined different alternatives yet. Price has already proven to be a significant factor for consumers and because of the low price of reflective badges, it constructs, not only for The Hohto –pocket but for other reflective products as well, a barrier to enter the market. As mentioned many times before, the reflective badge is still marketed in its original form. The design has only developed to different shapes and colours. From the perspective of any consumer, the meaning of the 'life saver' is as important as how the product looks like.

This question included an open text part, where the participants could mention other features that effect their buying decision. The three most mentioned things were practicality, quality and effective visibility. These factors prove the Finnish buyers' knowledge of the required features in a reflective badge, but also its need to develop.

4. Would You use such a reflective product, a pocket with a magnetic attachment in which You can place your cell phone with the flashlight function switched on to improve your visibility in traffic?

Number of respondents: 156

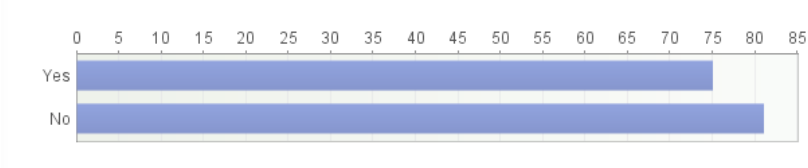


Figure 18. Second survey chart, question 4

Compared to the results of the former question in the first survey, the change is not remarkable, though the gap is narrower.

5. In case You answered yes, what would be a tolerable price for this pocket?

Number of respondents: 93

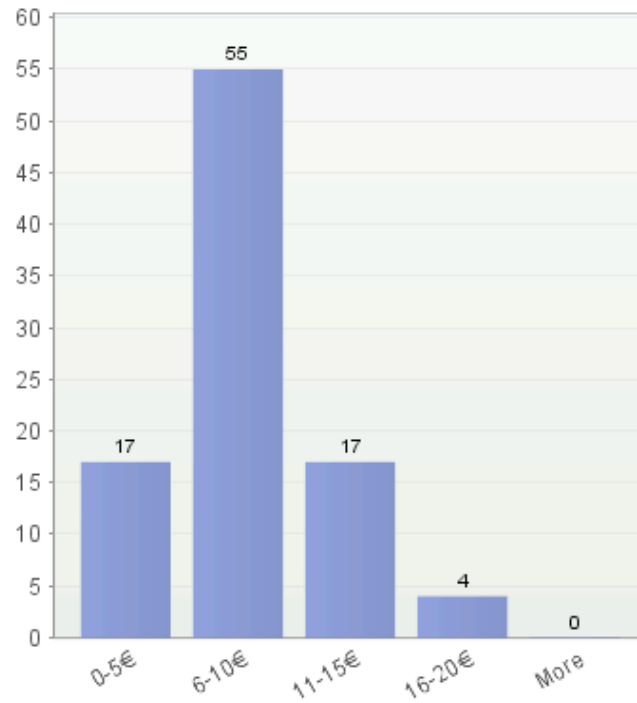


Figure 19. Second survey chart, question 5

Naturally, the costs of producing The Hohto –pocket would be so high that offering it with a price of a reflective badge is neither profitable nor interesting enough. One third would be ready to pay six to ten euros of The Hohto –pocket and additional 21 persons rate a proper price to over ten euros. The Hohto –pocket would be best to be sold with a price that is between six and eleven euros. Nevertheless, the price could be higher for a designed and more retailed version.

5.3 Observation

The personal observation that was made during the whole project of writing this thesis included price comparison of different reflective products and also seeing how the reflective products were positioned in selling points. Already in the beginning of September the reflective badges appeared next to the cashier counters in supermarkets and kiosks, the badges were even available in RTV, which is a store for construction goods. The badges price tags were from traditional plastic badges for few euros up to designed PVC-badges that cost almost 20 euros.

Soon the follow up spread to staring at people's visibility related safety equipment and their different combinations of them in the street view. The ones with bicycles were often equipped with more than one reflector and they had a lamp on their bike or a separate lamp attached on their clothes. The piping red lights were also quite common in the rear of bikes. The clothes made from reflective fabric are not seemingly popular, yet several reflective caps were worn by women. Women also have used reflective badges as accessories on their handbags and backpacks. Children are well-equipped with different badges and kids seem to prefer wearing several badges at a time – not minding about the safety pin. (YLE)

A quite thorough package of different seasonal promotions and events was also browsed, which were found mostly from local newspapers and the Internet. Many different companies started to promote safety reflectors with picture competitions in Twitter and Facebook, to get and spread different solutions people use to be seen in the dark. The authors received a few free badges through mail from different companies, i.e. Pohjantähti, Autoliike Sipilä. The local newspapers wrote about the importance of safety reflectors having the most important information provided to all readers (YLE, 2017).

From the perspective of the research, the usage of cell phones is obviously connected to the subject. Stat.fi has regularly done researches of how the usage of mobile phones develops in Finland, and recent statistics were found of mobile phones in the use of Finns, which shows how irreplaceable the cell phone is to people and how well the nation is covered in the 'ideal world of being available 24/7'. The stat.fi research states that almost every Finn has used a mobile phone out of which approximately 77% owns a smart phone (Tilastokeskus, 2017).

6 CONCLUSION

In the beginning of this thesis the stated objectives were to find the factors that consumers demand against the existing supply, and how would consumers relate to a new product. Through the analyses of different marketing strategy theories the purpose of this thesis was also to study if the Hohto –pocket has potential to enter the market and with what kind of approach.

The theories and marketing strategies were chosen particularly suitable for new products and the entirety of the overview the Hohto –pocket to enter the market are favourable regardless of the areas that the Porter's five forces were not completely covered.

One of the objectives was to possibly identify the best company to co-operate with this product and our idea in the beginning was to offer the solution to the Finnish insurance company 'IF'. While going through the different companies that expertise is focused on reflective products, we found few more interesting alternatives that have a variety of same strengths than 'IF'. Without having any future plans, this Thesis will provide information for any company interested in the area of safety reflectors and furthermore an opportunity to use our original idea of The Hohto –pocket.

Based on the results of the surveys, the reflector and visibility/safety equipment market definitely needs a new product, or at least an innovative approach to develop the available selection. Since The Hohto –pocket is still on its brainstorming stage, many of its features and presented solutions were questionable to the participants of the surveys. Yet combining mobile phones as an extra luminative device is recognizably supported and with a well considered and designed entirety the idea of Hohto –pocket is possible to implement as functional safety accessory.

Replacing the traditional Finnish reflective badge is challenging, because of the inheritance of generations, low pricing and the people's perception of change. The starting point of The Hohto –pocket was to create an updated version of a safety reflector. After analyzing the different data, it is safe to conclude that for The Hohto –pocket it could be easier to find its place among consumers if used as a resilient by-product, and promoted as a short term solution in case of lacking luminous badge or a lamp.

One factor that not only The Hohto –pocket but other new related products as well, have to keep in mind is the regulation and standards, which determine an effective luminous badge. If ever mobile phones were to replace the reflective badge, it would mean an overall rearrangement in regulations that would again require profound research and development, implementing the change in production, promotion and distribution of a new product. Nevertheless, one particular case came to our minds that was similar to the scale of change in attitudes and consumer behaviour; the usage of biker's helmet.

The factors that effect on the buying decision for consumers when choosing a safety reflectors are price, attachment and design. In the case of The Hohto –pocket, the price will relatively increase the more quality we want to offer in attachment and design. However, The Hohto –pocket is possible to produce with adequate features and a lower price.

It is safe to speculate, based on the compilation of the results of the surveys, that consumers are very aware of their responsibility in wearing a proper visibility equipment, people want to purchase the required accessories with a limited amount of money and get the best possible quality in return. The safety reflectors, lamps and clothes made out of luminous fabric all represent different price categories, leaving the reflector to the lead of chosen product despite that the attachment solution was strongly criticised.

The areas that were not examined, were the proportion of business gifts and the distribution through social communities. The reflective badges are commonly used as marketing hacks and in general they are given free from charge to the clientel of companies. For further research it would be recommended to study the area of company level orders in addition to survey the consumers under 18 years old, who most likely use reflectors given by schools. To the new products in their developing stage Katva (2016) used a form of consumer feedback in between the designed versions of her products. In the case of the Hohto –pocket it would have been interesting to conduct as well.

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First survey



Jalankulkijana hämärässä

Hei,

keräämme tietoa opinnäytetyötarkoitukseen.

Kartoitamme kuluttajien kokemuksia jalankulkijoina/pyöräilijöinä pimeään vuodenaikaan ja heidän tottumuksiaan näkyvyyttä parantavien tuotteiden käyttäjinä.

Kysely on anonyymi ja sen täyttämiseen menee muutama minuutti.

Kiitos osallistumisesta!

1. Sukupuoli *

Nainen

Mies

2. Ikä *

18-25

26-33

34-41

42-49

50-

3. Liikun taajamassa pääasiassa *

Pyöräillen

Jalan

Moottoriajoneuvolla

4. Olen ollut pimeään aikaan jalankulkijana/pyöräilijänä liikenteessä ilman näkyvyyttä parantavaa lisävarustetta (esim. heijastin) *

Kyllä

Ei

5. Jalankulkijana/pyöräilijänä minulla on mukana *

Aina Useimmiten Harvoin Ei koskaan

Irtoheijastin

Heijastinvaate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lamppu	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kännykkä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Muu näkyvyyttä parantava lisävaruste	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Jos vastasit edelliseen kysymykseen Muu näkyvyyttä parantava lisävaruste, ole hyvä ja kerro mikä

100 merkkiä jäljellä

7. Miten usein pelkää liikenteessä pimeään aikaan jalankulkijana/pyöräilijänä, että autoilijat eivät havaitse sinua? *

- Aina
- Useimmiten
- Harvoin
- Ei koskaan

8. Olen kokenut vaaratilanteen liikenteessä *

- Autoilijana kevyenliikenteen kanssa
- Pyöräilijänä autolijan kanssa
- Jalankulkijana autoilijan kanssa
- En ole kokenut

9. Vaaratilanteen olisi mielestäni voinut välttää

- Paremmalla liikennesääntöjen tuntemuksella
- Paremmalla näkyvyydellä
- Ennakoimalla
- Pienemmillä tilannenopeuksilla

10. Kännykän käyttö (taskulampputoiminto) näkyvyyteni parantamiseksi kevyessä liikenteessä olisi mielestäni hyödyllistä *

- Kyllä
- Ei

11. Olen viimeisen vuoden aikana käyttänyt rahaa *

	0€	1-10€	11-20€	21-30€	31€-
Irtoheijastin	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Heijastinvaate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lamppu	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Muu näkyvyyttä parantava lisävaruste	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. Olisin kiinnostunut kännykän käyttöä (taskulampputoimintoa) helpottavasta lisävarusteesta näkyvyteni parantamiseksi liikenteessä *

Kyllä

Ei

Second survey

Hei! Alkusyksystä kyselimme heijastimien käyttöön liittyviä kysymyksiä. Nyt haluamme esitellä innovaatiomme, joka meidät alunperin kirvoitti tekemään lopputyötä aiheesta.

Eli kyseessä on läpällinen, magneettikiinnityksellä toimiva tasku, jonka voi laittaa vaikka takin rintamukseen ja sitä käytetään pyöräillessä tai kävellessä pimeässä antamaan valoa omaan kulkemiseen ja tuomaan lisänäkyvyyttä kantajastaan muulle liikenteelle.

Kysely on täysi anonyymi ja sen täyttämiseen menee muutama minuutti.

Kiitos osallistumisesta!

1. Mikä on mielestäsi sopiva hinta heijastintuotteelle? *

0-5€

6-10€

11-15€

16-20€

enemmän

2. Mikäli et käytä heijastinta, mikä on pääasiallinen syy? Kerro vapaasti *

1000 merkkiä jäljellä

3. Mitkä ovat kolme tärkeintä piirrettä heijastintuotteella, jotka vaikuttavat ostopäätökseesi? *

hinta

kiinnitys

koko

materiaali

design

muu, mikä?

4. Käyttäisitkö kuvan mukaista, magneettikiinnityksellä olevaa heijastintaskua, johon voit laittaa matkapuhelimesi taskulampputoiminnolla antamaan valoa itsellesi ja tuomaan lisää näkyvyyttä muulle liikenteelle? *

kyllä

en



5. Mikäli vastasit kyllä, mikä olisi mielestäsi sopiva hinta kyseiselle taskulle?

0-5€

6-10€

11-15€

16-20€

enemmän