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MARKET RESEARCH IN CUSTOMER SATISFACTION AND  
FUTURE NEEDS FOR EXISTING INTERNATIONAL  
CUSTOMERS OF VITAPLAST OY

Degree Programme in International Business and  
Marketing Logistics  
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# MARKET RESEARCH IN CUSTOMER SATISFACTION AND FUTURE NEEDS FOR EXISTING INTERNATIONAL CUSTOMERS OF VITAPLAST OY

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The purpose of this Bachelor's thesis was to study the customer satisfaction and possible needs of the international customers of Vitaplast Oy and increase their future sales to those customers.

During the thesis process the plastic industry in Finland, the plastic parts planning, product development and production by injection molding was studied. In the theoretical part of this thesis the focus was on the customer relationships management from the business-to-business aspect explaining the importance of it and the process of keeping up the existing customer relationships. This thesis also covers the explanation of difference between marketing and market research and differences of conducting market research to business customers instead of consumer customers together with explanation on why a market research should be done.

The market research process started with studying the research methodology and implementation was conducted as a qualitative research via e-mailed interview questions to the existing international customers of Vitaplast Oy.

The results were analyzed and recommendations given to Vitaplast Oy for them to gain knowledge on their customer's level of satisfaction and the actions they should perform to make and keep their customers even more satisfied. Satisfied customers can lead into making more international sales in the future.

The results of the market research are valuable to Vitaplast Oy and this thesis met the research objectives that were set in the beginning of the process.

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## 1 INTRODUCTION

This thesis is made for the author to graduate from Satakunta University of Applied Sciences and to give the case company Vitaplast Oy opportunity to grow its sales to their already existing international customers by studying their customer satisfaction and possibility to offer them new products. While planning to start my thesis, I contacted the CEO of Vitaplast Oy, Jouni Nurmi, by the personal relationship we have and the experience of me working in the company some years ago, to ask if he would have a topic in international business perspective for me to study on.

Vitaplast Oy is a small production business and they have no resources to do this kind of study by themselves so I was given the opportunity to conduct this study for my thesis. The industry is interesting and even though the pollution and micro-plastic is a huge problem in the whole world the industry is still growing and employing many people. Vitaplast Oy is focusing on the business-to-business plastic parts production and does not offer any consumer products, so this thesis will not be taking into account the environmental issues of plastic. All the parts they produce, have an important role in the product or appliance it is used in and the leftover plastic is recycled or reused accordingly.

The second chapter will present the problem setting and the research objectives of this Bachelor's thesis. In the chapters three and four I will cover the plastic industry in Finland, more detailed information about the case company Vitaplast Oy, the processes of planning and product development and the processes of mold making and injection molding.

In the chapters five, six and seven the focus is on the theory of business-to-business customer relationships management, market research in the business-to-business customer relationships and the research methodology. The chapter eight will present the research results of the market research.

In chapter nine the theoretical part will be summarized and conclusions about the research will be made. In chapter ten the recommendations to the case company will be presented. Finally this thesis will end in final words in chapter 11 presenting the learning outcomes and my personal experience of the entire thesis process.

## 2 PROBLEM SETTING AND CONCEPTUAL FRAME OF REFERENCE

### 2.1 Problem setting

The case company Vitaplast Oy has already several international customer companies around the world and as the international trade is working well for them, they wish to get more orders from the already existing customers. On this basis the research problem of this thesis can be defined as follows: how can Vitaplast Oy increase its international sales and enhance its product development and customer relationships by finding out and meeting the needs of the existing international customers?

Based on the research problem the following research objectives can be formulated for the theoretical part of the thesis:

- 1) To get acquainted with Finnish plastics industry.
- 2) To get familiar with the importance of maintaining and enhancing existing customer relationships.
- 3) To find out how are the plastic parts produced in Vitaplast.
- 4) To study the product development process in plastic industry and especially in Vitaplast Oy.

For the implementation part of the thesis the following research objectives have been defined:

- 5) Who are the customers Vitaplast wants to focus on?
- 6) What are the parts they need?

- 7) What raw materials they want their parts to be made of?
- 8) Are there possibilities to produce the existing parts from different raw materials?
- 9) Are there needs for development of new parts?
- 10) Is there a need to give quotations for production of existing parts that some other company is producing to them now?

## 2.2 Conceptual frame of reference

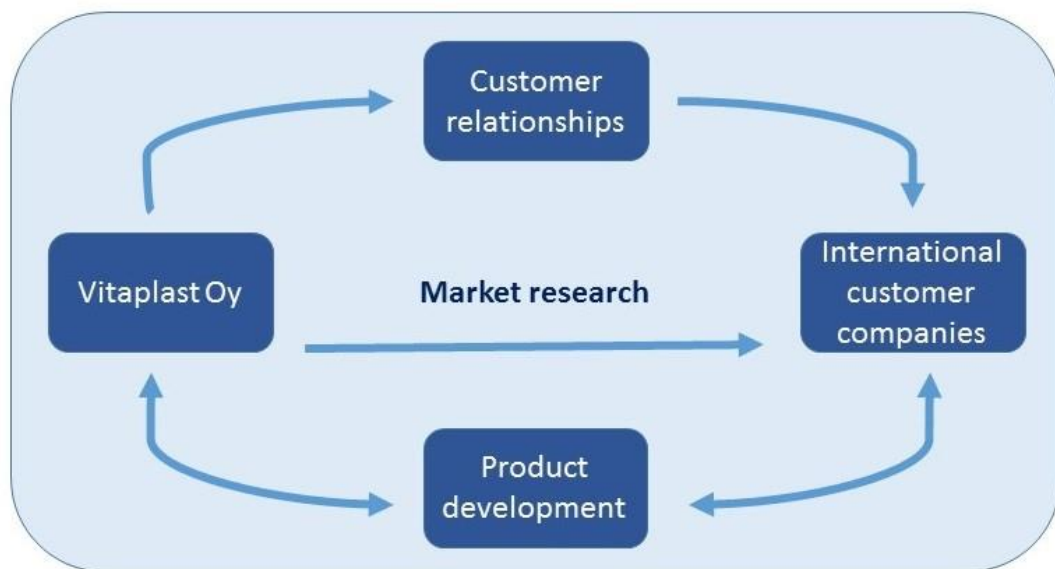


Figure 1. Conceptual framework: using market research in product development for existing international customers (Author of the thesis).

The figure 1 above is explaining the relationships of the concepts that will be covered in this thesis. The core is the market research made for Vitaplast Oy to find out if their international customers have any needs for production of plastic parts, either same they have already ordered or if they are trying to find a producer for a new part. Case company Vitaplast Oy is producing plastic parts to meet its customer companies' needs. Vitaplast can also take part in the product development part by making the molds inside the company. Vitaplast has also started the development of some plastic parts itself, replacing a part in an existing machine and offered them to the company

producing the machine in which the part is used and made international sales in that way.

International customer companies are important to a small business in Finland, due to the fact that in international sales the income is tax free and money will not be just circulate inside Finnish borders. Customer relationship management is also an important part in this thesis, because the customers are the existing customers, not new ones, and to have them place new orders the customer relationships need to be good and they need to be satisfied with the parts they have previously received. Good customer relationships can also help in getting new customer companies in the future by satisfied customers spreading good word-of-mouth.

### 3 FINNISH PLASTIC INDUSTRY AND THE CASE COMPANY

#### 3.1 Finnish plastic industry

The very first plastic material was nitrocellulose introduced by Alexander Parkes in the International Exhibition in London. Parkes named it *Parkesine* after himself. It was used to replace ivory, horn and other expensive natural materials in billiard balls and pianos. (The Plastics Historical Society, 2015.)

The first Finnish plastic factory was Sarvis Oy. It was founded in 1921 in Tampere and its first products were buttons, buckles and other utensils made out of milk-based Galalith. In the year 1932 Hartsiteollisuus Ab started producing Bakelite –fully synthetic plastic– products as the first company in Finland. (Finnish Plastics Industries Federation, 2017.)

In the year 2015 Finnish plastic industry employed around 12 000 people in 530 companies, producing many different things: consumer plastics, pipes, plastic sheets, films, packaging plastics, construction plastics, plastic additives and accessory agents (Finnish Plastics Industries Federation, 2016).



Plastic industry is constantly growing even though people have started to focus on diminishing their carbon footprint. From the Finnish plastic industries view it is a good thing that Finnish people are demanding more domestically produced goods and also more durable ones that will not break too soon and give them more value to the money they have spent. In business-to-business trade this shows by Finnish companies using more of Finnish subcontractors rather than foreign ones. This also means that the Finnish plastic industries are going to develop more environmentally-friendly products, either by changing the raw materials to biodegradable ones or by making more durable products that have a longer working-life and give more value for the user. (Halonen 2011, 28.)

### 3.2 Case company

In the year 1984 Jouni Nurmi started the machining business as a sole trader in the garage of his family. At first he did repairing machining and later moved on to tooling, subcontract machining and mold production. In the year 1987 he bought the first injection molding machine and participated in product development with his customer companies by making test molds and parts.

In the spring of 1989 the operations moved to new premises built on the other side of the road. By the year 1992 more than half of the turnover came from the plastic parts production. Limited company Vitaplast Oy was founded in the year 1998.

In June of 2016 Vitaplast Oy acquired the production and equipment of Suomen Muovituote Oy in Rauma and moved to their previous premises in Kaivopuisto. In May of 2017 Vitaplast Oy employs four people. During the summer 2017 the company moved to new premises in Uotila.

Vitaplast Oy has the capacity to produce plastic parts in weight range of 0,1 – 500g and batch size from hundreds to hundreds of thousands. Large

proportion of production is plastic parts for a company producing faucets. Mr. Nurmi made a spare part used in a machine at home for his personal use and after finding it to be working better than the original one, he contacted the company and gained a new customer to his company.

Vitaplast has nowadays many foreign customers and they are wishing to grow their sales to these existing customers rather than finding new customers, because it is easier to maintain the existing relationships than establishing new ones. (Nurmi, J. Personal communication on 25.9.2017.)

## 4 PRODUCT DEVELOPMENT IN PLASTIC INDUSTRY AND PLASTIC PARTS PRODUCTION

### 4.1 Product development and planning

Product development in subcontracting of plastic parts starts always with the need of a certain product. In terms of consumer products or other parts that are visible in the final product, the production starts with a technical designer. The designer gives the product the shape and appearance and makes a 3D model out of it. If the part is intended to be just functional and the appearance is not the main focus, the process can be started directly at the workshop making the mold. There too the process starts with the 3D model.

At this point it needs to be taken into account whether or not the part can be produced by injection molding, and if not, adjustments to the model need to be made. After possible adjustments the raw material is decided. In Vitaplast Oy raw materials vary from thermoplastic rubbers to fiber-reinforced polymers (e.g. fiberglass) that can even replace metallic parts. When the 3D model is approved by the customer, the quotation of both production and the tools needed for the production is given to the customer.

(Nurmi, J. Personal communication on 25.9.2017.)

## 4.2 The mold

The tooling process for the mold starts according to the 3D model. Molds are made out of different tool steels or aluminum. In the case of Vitaplast Oy, most molds are made inside the company, but some – the most complicated molds – are bought from reliable foreign workshops, mostly from China. In the other hand mold for a small and very simple part can be made within few hours of order in their own premises.

After tooling the mold and raw material are *test-driven* and if these samples are approved by the customer the injection molding will start. If they are not approved, adjustments to the mold will be made. The record of order – delivery from scratch is that the customer had the ready plastic parts delivered the very next day from order. (Nurmi, J. Personal communication on 25.9.2017.)

## 4.3 Production

The cycle of injection molding can be roughly divided into three parts:

- 1) Clamping (closing the mold)
- 2) Injection
- 3) Opening the mold and ejection of the plastic part

During the process of injection molding there are really happening many more things than those mentioned above; the plastic raw material needs to be molten before and cooled after injection. The process of one injection is called *a cycle*. The cycle is consisting of many operations that follow and overlap each other, as it is usually used in mass production and the injection molding machine is already preparing to inject the next part when it is still finishing the last one. (Järvelä, Syrjälä & Vastela 2000, 47 – 49.)

After the plastic part has been molded and dropped off by the injection molding machine, the *sprue* and *runner*, excess plastic material is removed. At the

same time the finished plastic part will have a quality check made by human eye before the parts are packed to be sent to the customer. The quality check is a very important part of the production to be able to have uniform quality and always first-class products without complaints and notices of defect. In some materials the excess plastic from the runner and sprue can be recycled and reused in the molding process, which will reduce the environmental effects of plastics production. (Järvelä, Syrjälä & Vastela 2000, 47 – 49.)



Picture 1. Two injection molding machines, KraussMaffei and Engel at Vitaplast Oy's factory. (Author of the thesis)

## 5 BUSINESS-TO-BUSINESS CUSTOMER RELATIONSHIP MANAGEMENT

### 5.1 Importance of business-to-business customer relationship management

For a relationship to be built in business-to-business (later in the thesis referred as *b2b*) trade there must be a common interest for a good outcome for both seller and buyer (Gordon 2013, 152). In business-to-consumer (later in the thesis referred as *b2c*) trade the fact is that losing a few customers is not making a big difference in the sales nor shaking the company's business

drastically. Then again in the case of b2b trade even a one customer diminishing its purchases or even worse, leaving for good can lead into a great damage and even make a business fall apart. (Gordon 2013, 141.)

Still in the beginning of 2000's, manufacturing companies have focused on the products rather than to the customers they are making their products for, but they have also started to focus on customer relationships management (later in the thesis *CRM*) and realized that the customers are an important part of the core of the business also for manufacturing companies. CRM should be an important part of the businesses actions, but in case of a manufacturing company CRM should be kept as the second most important thing after good products for those customers. The most important thing is to have our customers satisfied with the products, to keep them buying from us. (Supron 2003, 280 – 291.)

A company needs a customer to make sales, and to get and keep customers the company needs to manage their customer relationships. The customers keep the company running by making their purchases and they must be seen as the foundation of the business. In b2b, the customer companies can be very different from each other. Some make large purchases on a regular basis, some make small purchases and some make large purchases every other year, and in a small businesses point of view all of these customers are equally valuable in terms of keeping up the relationship. Good customer relationships keep the customers satisfied and that is what creates sales also in the future, and that is what the company needs to keep running. Even small customers should be considered as valuable customers, because one day they might have grown their business and the advantage of having them as your customer will increase your sales too.

(Ford, Gadde, Håkansson & Snehota 2011, 1 – 12.)

Consumer customers buy goods in three categories: convenience goods (e.g. food), shopping goods (e.g. clothes, services of a barber) and specialty goods (e.g. a car). By contrast b2b customers' purchases can be divided into few categories from services to raw materials, from infrastructure to equipment and

parts; all of which can have a different person (or a group of people) making the decisions and final purchase and which are purchased for different reasons, amounts and frequencies. In b2b market the customers also have more specific needs than the b2c market. The parts, services or products are needed to fulfill a need of specific, possibly demanding and targeted object. In b2c market the need is usually less demanding or specific.

(Gordon 2013, 142 – 146.)

Good business relationships are most commonly seen as an asset for a company. There are also negative aspects in all business relationships. Relationships management tends to produce costs to the company, not only monetary costs, but it also consumes the time and causes interruption of activities, especially in case of a small company like Vitaplast, because the manager also takes care of the majority of the actual production.

(Ford, Gadde, Håkansson & Snehota 2011, 40.)

Many companies make the mistake of forgetting about the existing customer, the one who already is buying from them and who would value the effort of marketing and giving them the customer service. The existing customers will be easily lost if a company is focusing too much on hunting new customers.

(Payne 2008, 111.)

The effectivity of customer relationships management is also effecting a company's relationships with its own suppliers, partners in development and financial institutions making decisions on possible investments or loans. This is a very important thing to keep in mind when planning and conducting CRM.

(Ford, Gadde, Håkansson & Snehota 2011, 42.)

## 5.2 Managing existing customer relationships

With existing customers there are few things which exceed the importance of good pricing and good quality of products. The supplier must remember to keep improving and advancing the goods they produce, to keep up with the

needs of the customers in terms of products but also possible post-delivery services, together with the logistics chain of the delivery to the customer.

(Ford, Gadde, Håkansson & Snehota 2011, 43.)

In b2b world the customer relationships can be very fragile, due to the fact that all businesses are eager to grow their own sales, to get the best advantages from their suppliers and to keep their own customers happy and there is a risk that this is done at the expense of the supplying company. Companies must always remember to maintain their customer relationships by keeping in touch, making offers, possibly giving discounts, making visits or having meetings face-to-face. Sometimes these might be only attached to the time of sales, but there might be possibilities to create more sales by doing this proactively and regularly, to remind your customers of your company's existence.

(Ford, Gadde, Håkansson & Snehota 2011, 51 – 71.)

For a small company all of the existing customers are extremely valuable, and they need to be held on to. A small company does not necessarily have any modern CRM software. CRM could be included in an ERP (Enterprise Resource Planning) software, but not all companies have those. Even if the case is that, there is some basic information about the b2b customers even a small company has to keep track about in terms of CRM. This information should include the following details:

- Contact information (contact person, address, phone number, e-mail and the company name)
- Segmentation information (company segmentation, personal segmentation, role in procurement process, customer relationship segmenting)
- Usage and experience information (when, what, how much and on what terms has bought; customer satisfaction)

By having this information at hand, it is easier to target the CRM and marketing activities on the right customers, and keeping up this kind of a small database is not taking too much time off from the actual production process even in a

small company. Even in b2b trade there is always a person behind the decision of purchasing and that is why the relationship is to be taken care of.

(Rope 1998, 234; 241.)

### 5.3 Key account management

In b2b trade there are usually some clients that can be seen to have a bigger importance to the company than others. Usually these are big customers who buy regularly with large amounts of money and which need more attention in order to keep them satisfied. These customers can be identified within the company as *key accounts*. (Brennan, Canning & McDowell 2010, 256.) Key accounts tend to have even more complicated purchasing and decision making process than the other b2b customers. They can have multiple offices and/or manufacturing sites around the world.

(Michel, Naudé, Salle & Valla 2003, 253.)

The key accounts are determined by analyzing the financial information the accounting system gives. This financial information can be for example sales, profits, number of units sold, percentage of total sales, cost savings, relationship age and cost-to-serve (including all customer support activities). It is important to remember, that the customer with the largest monetary purchases is not necessarily the most valuable or profitable. There is a lot of variation in the amount of work, time and raw materials that is required to create the same amount of sales to different customers, for example the tooling costs of a mold. In small businesses key account management is usually integrated with the sales department, but it can also be a department of its own. (Brennan, Canning & McDowell 2010, 240 – 243; 258.)

Key account management needs a large amount of resources; financial, human and technical resources. That is why it could be worthy of consideration to have an identified person in managing each key account, a so called *key account manager*. A key account manager's only job is to keep up the relationship with that one particular key account. It is easier for one person to



get acquainted with the key account's purchasing and decision making processes and strategies. Knowing the processes and strategies will give the supplier a better possibility to meet the key accounts needs and to keep it satisfied. (Michel, Naudé, Salle & Valla 2003, 253 – 254.)

Vitaplast Oy identifies their most important international key account being a faucet manufacturing company which has their domicile in Rauma, and four manufacturing sites around Europe. The key account is left out from this research, because their purchases are run from Rauma and the parts are only delivered to the manufacturing site in Poland.

(Nurmi, J. Personal communication on 1.6.2017.)

## 6 MARKET RESEARCH IN BUSINESS-TO-BUSINESS CUSTOMER RELATIONSHIPS

### 6.1 Market research vs. marketing research

It is quite difficult to find information on market research. In almost every book the terms “market research” and “marketing research” are used interchangeable synonyms. It seems anyhow that they are most definitely two different forms of research.

In marketing research “the four P’s” of marketing mix are studied; product, price, place and promotion whereas market research is focusing on only one of the P’s, place. This means that the focus of market research is –as the name indicates– to study a market, its size, trends and population. Marketing research then again is a broader investigation of all of the activities from brand to pricing and advertising, including the market research.

(Qualtrics 2010. Referred 29.4.2018.)



Figure 2. Overlapping of the terms “market research” and “marketing research” (Market Research Guy, 2011. Referred 12.1.2018).

According to “The Market Research Guy’s” blog the difference of these two is indeterminate and overlapping, but still existent as shown in Figure 2 above. Market research focuses on the market and overlaps with marketing research for example in area *demand estimation*, which is derived from the size of the market, and *competition*, which can be also studied through the knowledge about the market. Marketing research is more focusing in the effectiveness of advertising, brand attitude and other issues that can be affected in the future by marketing. (Market Research Guy, 2011.)

This thesis is focusing on the market research in product development for existing international customers of Vitaplast Oy, so distinguishing these two terms seemed to be important for the author to not study marketing research deeper.

## 6.2 Why should market research be done?

All businesses and other organizations need to have a clear overall objective. In business world the objective is quite obvious; to generate income. To

achieve this objective the business needs turnover and to generate turnover the business needs customers. (Webb 2002, 9.)

To get new customers the business needs to do market research in the market they are planning to sell their products in. Also in the case of generating sales to existing customers it is wise to do a market research. By conducting a market research the business can choose its' course of action; to expand to a new market, to stay in the existing market or to start researching more to find a new prospective market. (Webb 2002, 10 – 11.)

Market research will give a business market intelligence. When the market research has been made and analyzed, the business should have gained information about the customers and their customers, competitors and their customers, the markets of own business together with the information of the markets of the customers and competitors. (Vitale & Giglierano 2002, 146.)

To know the market, the business needs to know several things about their customers.

- What technologies the customer uses and how they apply the products you deliver them?
- What the product you deliver them does, where it goes and how it is used?
- What is the market your customer works in and who are their customers?
- Who are their competitors? They are also your competitors, if they are not considering you as their supplier.
- How the customers' customer is reached; logistics and other matters?
- How the purchasing decisions are made at your customer company?
- What is the culture of your customers?

These questions should give the organization a clear view of the market and it works on both existing and prospective customers.

(Vitale & Giglierano 2002, 146 – 147.)

### 6.3 Differences in market research in business-to-consumer and business-to-business marketing

In b2c trade in convenience goods the demand is quite stable. In the case of b2b trade the demand is also eventually derived from the consumer trade, which in some cases leads to discontinuous demand. Due to the fact that the demand is derived from their customers, there might be difficulties for them to forecast the future demands, and that due to that the replies to a research might not be very accurate. It also seems, that the response rates of b2b market researches is quite low, which makes it more difficult to perform such a research. The low response rates and high costs of market research has led in to b2b market researches being mostly secondary market research, which will most likely lead to not getting all of the pursued information. (Brennan, Canning & McDowell 2010, 122 - 123; Vitale & Giglierano 2002, 11-13.)

A sample is a representation of a population of for example a country, a certain age or customers of a certain company. In terms of sampling it is the same process and theory whether it is a b2c or b2b market research. However in b2c market research sampling is used most often, obviously because the population is usually large whereas in b2b market research the population can include all of the businesses on a certain area.

(Brennan, Canning & McDowell 2010, 123 – 124.)

## 7 METHODOLOGY

### 7.1 Research design

Exploratory research design is a good way to gain new information on a subject and to get to know the basics and preliminary information on a matter. Exploratory research is very flexible, but not very accurate research design, but it can give hints on how to proceed. The results of this kind of research

should not be taken too seriously. This will not be a good choice for this market research, because it would not provide all the needed information.

(Webb 2002, 20.)

Causal research is studying the cause-and-effect relationships of certain matters, explaining why something is happening. Causal research needs more detailed information than exploratory research and it is more difficult to conduct. It is also quite difficult to make accurate assumptions about what is the actual cause-effect relationship between two factors, and what are the other matters that have been effecting to the result. (Webb 2002, 21.)

Descriptive research studies the factual present state of matters. It is merely reporting the findings of the study and the author cannot effect on the results, because they are factual and based on an enquiry or a survey. By descriptive research one can for example study market potential of a product or a company on a certain market. Descriptive research will be used in this thesis, due to the fact that the objective is to research the actual needs of the existing international customers. (Webb 2002, 20.)

## 7.2 Research method, population and sample

There are two research methods, qualitative and quantitative. Quantitative research focuses on accurately measurable, numeral factors, such as money available or time with a large sample of respondents. It is good method when statistical replies of a large population is required. In qualitative research the focus is on a smaller group of respondents and deeper, more detailed replies from possibly a smaller population. (Myers 2013, 7 – 9.)

Qualitative research is usually done in fields of e.g. social sciences, psychology, marketing and health care and the research uses qualitative variables. In these researches the desired replies to questions “why?”, “how?” and “what kind of?” are pursued. In qualitative research the research material can be relatively concise. (Holopainen & Pulkkinen 2002, 20 – 21.)

In quantitative research the research material is broader, and phenomena are explained numerally. Qualitative research pursues to replies in questions “what?”, “where?”, “how often?” and “how much?”. Qualitative research uses scales and variables in the presentation of data.

(Holopainen & Pulkkinen 2002, 21.)

In the case of Vitaplast Oy the choice of qualitative research method was clear, because the replies do not need to be numeral, but easily approachable replies of their customer satisfaction and possible needs. There would not even be a possibility to perform a quantitative research, because the population of the research is very small, only five international customer companies. This also leads in to having a census instead of sampling (Webb 2002, 44). By having qualitative, accurate and specific replies, Vitaplast can continue to keep up the good customer relationships with their existing international customers, by responding and taking action on meeting the possible needs of these customers. (Myers 2013, 7 – 9.)

The data collected in this research will be primary data, collected directly from the respondents. The secondary data of previous orders, deliveries and products will be also used to get more information about the customers who will be researched. The primary data will be collected as individual interviews. (Webb 2002, 22; 124 - 125.)

### 7.3 The interview questions

The interview questions were formulated together with the CEO of Vitaplast Oy to make sure the questions are the ones that need to be asked. They should reply to the research objectives presented in the chapter 2.1, and give Vitaplast a good insight of the possible needs of the existing international customers. The first four research objectives were met in the theoretical part, in chapters 3 – 6 and the objective number five (who are the customers Vitaplast wants to focus on?) was also met when the decision of leaving

Finnish customers and the key account out of the research. The last five research objectives should be met by these ten interview questions.

Background information on the level of customer satisfaction:

1. Has your company been satisfied with the products Vitaplast has been producing for your company?
2. Have you been satisfied with the lead time and delivery?
3. Do you wish to be contacted more often from Vitaplast's side or are you happy with the current situation of communication?

Research objectives 6 – 8 (*What are the parts they need? What raw materials they want their parts to be made of? Are there possibilities to produce the existing parts from different raw materials?*)

4. Do you have plans to order the same parts from Vitaplast in the future?
5. Are you planning to have the same parts produced from different raw material?
6. Are you planning to have other changes made to the parts you have been purchasing from Vitaplast before?

Research objectives 9 and 10 (*Are there needs for development of new parts? Is there a need to give quotations for production of existing parts that some other company is producing to them now?*)

7. Do you have plans to order new parts from Vitaplast in the future?
8. Are you planning to change the supplier for some part that Vitaplast could produce for you?
9. Do you wish to get help for planning and product development of those parts?

10. Open comments on your level of customer satisfaction as a customer of Vitaplast Oy.

#### 7.4 Data collection and analysis

The data will be collected by sending an e-mail with the research questions to the personnel responsible of purchasing in the customer companies. After they have received the request to take part in the research I will telephone to them and perform the interviews via telephone and record the calls to ease the process of analyzing. These initial e-mails will be sent on 15.2.2018 and calls made on 19. – 23.2.2018.

The collected data should be easy to analyze, due to the fact that the population is very small as Vitaplast only has very few existing international customers. As the data is gathered, I will make memos of the interviews and the replies will be on paper all the way. The replies should be quite straight forward and easily determined whether the customers have needs for more of the previously produced parts or to start development of some new products.

#### 7.5 Validity and reliability

Validity of a research indicates if the research is able to measure exactly what it was meant to be measuring. Reliability of a study is the ability of a metric used, not to produce random results, but to give the same results from the same or similar data. (Holopainen & Pulkkinen 2002, 15 - 17.)

There is a risk of a non-response error of not getting replies from the customer companies' buyers. In this kind of a case where there are only so few respondents and there cannot be a sampling-error which is a big risk of non-reliability in a larger population when sampling is used.

(Webb 2002, 148 – 151.)

The validity of this research was diminished by the change from telephone interview to e-mail interview. The responses were not as thoroughly presented as they could have been by interviewing in telephone. There was also a misunderstanding in one of the interview questions (8. *Are you planning to*



*change the supplier for some part that Vitaplast could produce for you?*), and if the interview would have been performed as planned the misunderstanding could have been corrected. In the other questions the validity was good. The reliability of this research is also good, even though by having the personal telephone interviews it would have been better and the replies more detailed.

## 8 RESEARCH RESULTS

### 8.1 Changes in the research process

The research process described in chapter 7.3 did not work out as planned. Appendix 1 presents the e-mail sent to the customer companies' buyers to set the times for the telephone interviews. The suspected non-response error occurred and I only got two replies; one of the respondents asked if he could reply in e-mail, due to him having a long time illness and another one not considering their company as a customer of Vitaplast Oy for them having only delivered one batch of plastic parts to one of their subsidiaries over a year ago. None of the other buyers responded to me.

Due to the non-response error, I sent the questions to five companies' buyers via e-mail as presented in appendix 2. After a week of waiting three of them finally gave their replies. The response rate was 60%, which is actually quite good even though the actual amount is very small. There seems to be some kind of a cultural issue with replying to this kind of market research, since all of the three respondents are Northern Europeans and the ones not replying were from other parts of the world.

Studying cultural differences in replying this kind of research could be a good subject for a thesis.

## 8.2 Analysis

Three of the customer companies replied to the interview questions.

Company A is a Norwegian company purchasing one component, which they cover with metal and sell to another company. The raw material of the part is ABS, weight about 15g and batch from 5000 pcs to 10 000 pcs.

Company B is a Swedish company producing heaters for households. They purchase one part for the heater in two different sizes. The raw material is polyurethane. Smaller part weights 9 g and is produced in batches of 3200 pcs. Larger part weights 13g and is produced in batches of 600 pcs.

Company C is purchasing their parts to two different locations; United Kingdom and Singapore. They purchase 31 different parts from many different raw materials and batch sizes from tens to tens of thousands.

(Nurmi, J. Personal communication on 8.5.2018.)

The base of the analysis is the replies to the interview questions presented in the chapter 7.3 and the replies are presented in appendix 3 in the actual form the buyers gave them to me.

All of the replies indicate that the customers are very satisfied with the parts they have ordered from Vitaplast Oy before. This is the most important thing to keep in mind also in the future, to keep the customers satisfied by producing even quality on each batch of parts.

One of the replies indicated having some difficulties with the lead time in the past, but the problem with that has been fixed and all of the customers are happy with the current situation of lead time and delivery. It is also very important from the customer's point of view to receive the parts when they need them in their own production.

The customers are quite happy with the current situation of communication between Vitaplast and them. One of them requested to have an order confirmation each time, which is of course a very important form of communication and Vitaplast will be sending them each time in the future. One other reply asked for monthly or quarterly communication and that needs to be discussed with them to find out what kind of communication they wish it to be.

As the first part of the analysis states, all of the customers were very satisfied with the parts and will keep ordering them also in the future, so there is no fear of losing the existing customers to some other supplier. Of course there is a possibility for the customers to stop producing the appliance in which the part is used, but nothing like that is indicated in the replies.

The raw materials used for the parts Vitaplast produces to the customers have been thoroughly planned, tested and approved for the use it is intended for, and none of the customers implied having plans to change the raw material. The parts are components for larger ensemble, so if the raw material of one component would be changed that could require alterations on also other components.

As stated above changes to one component will impact on functions of other components in an appliance. No changes to the parts are planned by any of the customers, except one of them told that they have changed their logo and it will be changed to the part also in some time frame, but it is not decided when yet.

None of the customers have plans to order new parts from Vitaplast Oy in the near future. They are not planning to start producing any new products themselves which means they will not have a need for new parts either. This may change hopefully over time, and as they are satisfied with Vitaplast's parts I believe they will consider Vitaplast as a supplier if new needs are established.

The question number eight was a little bit confusing for one of the customers. He replied for not having a will to change the supplier AWAY from Vitaplast

Oy, when I meant the question to ask if they buy some parts from someone else, who they might not be as satisfied with and to change the production of those parts in favor of Vitaplast Oy. Other one thought it would be possible to change into Vitaplast delivering some existing part that someone else is producing at the moment. They would like to know more about Vitaplast's capacity and capabilities and possibly have an RFQ to look into changing a supplier. This question could have been formulated differently for them to better understand what I meant with this and to get better information from the customers.

In chapter 3.2 was described a process of generating a customer by making a part for personal use. One of the respondents represents the company Jouni Nurmi offered the part to. They replied to be open for also other improvements and having an open relationship and communication with Vitaplast. The other one told they use their own design team and are not in need of help for that matter.

On open comments concerning their customer satisfaction, the responses I got were again positive. They look forward in doing business with Vitaplast Oy also in the future and hope the minor communication problems presented earlier will be fixed for them to be even more satisfied.

The responses were mostly positive, yet not very extensive or deeply explained. But all and all it seems like Vitaplast has been doing well with their customer relationships management even with the minimal resources they have at the moment. They have a good competitive advantage when their customers are planning new products and looking for a supplier to parts used in them.

## 9 SUMMARY AND CONCLUSIONS

### 9.1 Summary

The research objectives for the theoretical part were: To get acquainted with Finnish plastics industry, to get familiar with the importance of maintaining and enhancing existing customer relationships, to find out how are the plastic parts produced in Vitaplast and to study the product development process in plastic industry and especially in Vitaplast Oy.

I started the thesis process by studying the subjects related to plastic industry, to have a boarder understanding of the field of business Vitaplast Oy operates in, and those matters you have now red in the chapters three and four. Plastic industry in Finland and all over the world is growing even though the environmental issues are been taken more seriously than earlier. Considering this, it is important to use responsible suppliers who reuse and recycle raw materials when possible. My purpose was to write about the subject in a way, which a person who knows nothing about the industry could also be able to understand the concepts related to it. Based on the comments of the opponents' it was successful and hopefully this applies to other readers too. In the chapter five we moved on to business-to-business customer relationship management. Business-to-business customer relationships management is very important, because losing even a one customer can be fatal to a small company and customers need to be satisfied for them to keep buying from us.

Good business relationships are most commonly seen as an asset for a company, but relationships' management tends to produce costs to the company, not only monetary costs, but it also consumes the time and causes interruption of activities at least in a small company like Vitaplast Oy. It was also mentioned, that in b2b world the customer relationships can be very fragile, due to the fact that all businesses are eager to grow their own sales. For a small company all of the existing customers are extremely valuable, and they need to be held on to. To be able to do so the customers need to be well

known and key accounts –most important customers– determined. By knowing customers well, it is easier to target the CRM and marketing activities on the right customers.

In chapter six we dived into the sea of market research. The first thing I studied in this chapter was the difference between market and marketing research. IT was not an easy task, because the terms are used interchangeably in many books. Even in the same chapter the both of them can be used. This was an important issue for me, as I did not want to start writing about making a marketing research as that would have been outside the planned framework. Long story short, market research is all about the *place* leaving out the other P's of the marketing mix. Market research will give the desired *market intelligence* i.e. above mentioned knowledge about the customers. Chapter six also covered the differences of making a market research for consumer customers and for business customers. The main differences pointed out were that the consumer markets are more stable than business markets, the purchase process is simpler and demands are more easily forecasted. The business market is derived from the actions of the consumers and they need to produce whatever the consumers decide to want to buy whenever they want it. This can lead to a discontinuous demand, which even the businesses themselves cannot forecast. It is also obvious that it is easier to get consumers than the business customers, to reply to a market research, as I have proved myself with this research.

## 9.2 Conclusions

Research objectives for the empirical part were: who are the customers Vita-plast wants to focus on? What are the parts they need? What raw materials they want their parts to be made of? Are there possibilities to produce the existing parts from different raw materials? Are there needs for development of new parts? Is there a need to give quotations for production of existing parts

that some other company is producing to them now? These research objectives were met by interviewing the customer companies' buyers and analyzing the replies.

The customers were not very keen on replying a student's request of making a research. This can be a result of being busy and having a lot of business to handle or they can be on holidays. It can also be, that they think they are not entitled to reply a research like this, or they do not trust to give this kind of information to someone outside their business. The research questions should have been more detailed and deeper perhaps, but because the response rate to the first attempt to set times for interviews was zero, I thought it would be best to keep them simple to get even some replies for my research material.

Even though there were only three replies to the interview the results are satisfying. The customers of Vitaplast Oy are happy and satisfied and plan to keep purchasing their parts from Vitaplast. One company was open in changing Vitaplast to be the supplier for a part produced somewhere also at the moment, and that is the best possible result for this research. It is easy to start manufacturing something that is not an entirely new product and the mold is already made, so they can start the production as soon as everything is agreed about.

Vitaplast Oy has now a chance to approach the customers with more details on what kind of parts and batches they are able to produce to increase their sales to their international customers. There is a high chance of getting also other parts to production when all of their customers are telling they are happy with the previously delivered parts, even though they are not planning to change their suppliers at the moment, but perhaps in the future. At least the one customer who asked for more information will be a good chance of increasing sales if they have parts that are possible to produce at Vitaplast Oy.

## 10 RECOMMENDATIONS

Customers expect to get an order confirmation including the details of delivery date and that is something Vitaplast should check that it will be sent each time. Maybe there should be created a basic layout for this order confirmation, one that is easy to fill out each time an order is taken in.

We agreed with CEO Jouni Nurmi that I will continue this project further with giving the customers the details they requested, for them to gain better insight on the capacity Vitaplast can offer them as he has to mainly focus to production at the moment. It could be beneficiary to also contact the one customer who misunderstood the question and the ones not responding at all, as they could have some parts for Vitaplast to manufacture.

It is clear that in a small business the actual production takes a lot of time and communication with the customers will inevitably focus on taking in orders and delivering them. Marketing and other sales promotion in b2b production and subcontracting is not in a big role, but it might be helpful for increasing the sales. In Vitaplast's case this would need more human resources, as the current employees and CEO have to keep the machines working and parts packed and delivered instead of sitting in front of a computer or speaking on the phone with their customers, so they should consider hiring a part-time secretary for handling the CRM and paper work.

## 11 FINAL WORDS

The process of writing this thesis was an interesting yet a difficult project for me. There were too many other things going on in my life and it was hard for me to concentrate and orientate into the project. The timing of my research was not very good, and it took too much time for me to remind the customers to reply to my research. It was also very hard for me to start writing about a



topic and not to worry about the wording and spelling at the time. I need to practice on being less hard on myself for future projects and tasks.

During the actual process of writing my thesis I have learnt a lot from the plastics industry, the case company Vitaplast Oy and also from myself. The results are useful for the business and I will continue to work on the matter on some scale even after this thesis process is over now. The information that this thesis provides to Vitaplast Oy is not very extensive, but it was in some form expected from their side, and they are happy that even one of their customer companies are open to having a new supplier for some of their parts, so this thesis is successful in meeting the research objectives. The case company Vitaplast Oy was a good choice for International Business and Marketing Logistics thesis, because they gave the actual international aspect to study instead of a national research.

My advice for others writing their thesis is to actually set their schedule into focusing to write almost daily for some months and start the project in time and as soon as possible. It is very difficult to start it after many years apart from the actual studies and to find the time to write while balancing between work and family.

I am thankful for CEO Jouni Nurmi to give me this chance to finish my studies by making my thesis for Vitaplast Oy and all the support he has given me during this process.

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## APPENDIX 1

E-mail sent to customers:

Dear customer

My name is Elina Nurmi and I am studying International Business and Marketing Logistics in the Satakunta University of Applied Sciences.

Jouni Nurmi from Vitaplast Oy has given me an opportunity to conclude my bachelors' thesis by conducting this market research. The purpose on this research is to study the possible needs of your company and to able to offer you better customer service by doing so.

This e-mail is an initial conversation starter, but I wish to conduct the actual research interview via Skype during Wednesday or Thursday next week, on 21st or 22th of February, which one suits you the best. The interview will take about 20 minutes of your time and I will record the interview solely for analyzing your reply.

After analysis the recording will be deleted and the replies will be given to Vitaplast Oy for CRM purposes. The replies will also be available to the public in my thesis, but in the public version no companies or actual products will be mentioned by name.

I am interested in discussing the following topics:

- Your level of customer satisfaction
- Satisfaction on the parts and materials
- Possible new products that you might be interested in ordering
- Product development matters

Please inform me about a time that suits you the best. If you have any questions regarding the study I am happy to give you more information. This market research will be of high importance to both Vitaplast Oy and to me personally, so I hope you are willing to be a part of it.

As Vitaplast is a small company, you are a valuable customer to us, and we are looking forward to continuing to do successful business with you.

In Rauma 15.2.2018

Elina Nurmi  
BBA student of the Satakunta University of Applied Sciences  
elina.nurmi@student.samk.fi

## APPENDIX 2

Second e-mail sent to the customers:

Hello,

I contacted you for the first time a little over a month ago. My name is Elina Nurmi and I am finishing up my studies in the Satakunta University of Applied Sciences in Rauma, Finland.

This market research for existing international customers of Vitaplast Oy is an important part of my Bachelor's Thesis, and I am hoping you will have time to answer these questions I have sent to you, as thoroughly as possible. The replies will be presented in my thesis anonymously and no names will be mentioned in the public thesis. Replies will also be given to Jouni Nurmi, CEO of Vitaplast Oy to better know their customers and to help the business grow.

There are only a few international customers I can interview for this research, so **each reply will be highly valued** and I really hope to hear from you within this month. If you for some reason hesitate to give me your reply, please let me know as soon as possible. You can also ask some other person in your company to contact me if you think you are not the right person to reply these questions.

Research questions for you to reply to:

1. Has your company been satisfied with the products Vitaplast has been producing for your company?
2. Have you been satisfied with the lead time and delivery?
3. Do you wish to be contacted more often from Vitaplast's side or are you happy with the current situation of communication?
4. Do you have plans to order the same parts from Vitaplast in the future?
5. Are you planning to have the same parts produced from different raw material?
6. Are you planning to have other changes made to the parts you have been purchasing from Vitaplast before?
7. Do you have plans to order new parts from Vitaplast in the future?
8. Are you planning to change the supplier for some part that Vitaplast could produce for you?
9. Do you wish to get help for planning and product development of those parts?

10. Open comments on your level of customer satisfaction as a customer of Vitaplast Oy

Best regards

Elina Nurmi  
International Business and Marketing Logistics student  
Satakunta University of Applied Sciences  
Rauma, Finland.

## APPENDIX 3

Customers' replies to research:

Customer 1:

1. Yes, we are pleased with the products delivered from Vitaplast.
2. Today, it works well with lead time and delivery.
3. We want Vitaplast to send order confirmation with delivery time.
4. As it appears today and we are pleased with Vitaplast as a supplier, we will continue to order the same parts.
5. No, our product has been tested with lock wings made of the raw material polyurethane so we will continue with it.
6. Our latest change is that we found a logotype, a few more changes, we do not seem to do just now.
7. As it seems today, we do not have anything we will manufacture on Vitaplast.
8. No, we are pleased with the quality and delivery so we will continue with Vitaplast as a supplier.
9. It is obvious to have an open dialogue with the supplier and has Vitaplast some ideas on product development are we grateful to them.
10. It was a little difficult to get an answer and the mail contact was not so fast at the beginning but today I think it works well and we are grateful for a company rating from Vitaplast to know what they have to offer as a manufacturer. It can provide a more comprehensive collaborative in the future.

Customer 2:

1. YES
2. YES
3. ARE HAPPY WITH THE SITUATION
4. YES
5. NO
6. NO
7. NO
8. NO
9. NO
- 10.-

Customer 3:

1. Yes Very Satisfied
2. Yes
3. Monthly or At Least Quarterly Updates would be Good.
4. YES
5. NO
6. NO Nothing Planned
7. Probably Not, We have established suppliers for most parts

8. Possibly, would need to know all your capabilities and would need RFQ etc.
9. Generally We Use Our Own Design Team
10. Very Good On The Items We Buy