



Customer Buying Behavior

Case Study: Algol Technics



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Customer Buying Behavior
Case Study: Algol Technics

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The purpose of this study is to research the customer buying behavior in a specific market. This thesis is made for a subgroup of Algol Technics which specializes in the marketing of driver seats. The research areas included brand recognition, price and quality, as well as the communications channels.

The theoretical framework presented consists of the marketing strategies, marketing mix, Porter's five forces analysis, customer relationship marketing, and market analysis. The case company is profoundly presented and analyzed using the SWOT tool.

The input for the empirical part is to get an understanding about whether the sales team are using successful marketing tactics when marketing their products to a specific customer segment or what kind of changes they would need to make to improve the business.

The research was conducted using both the qualitative and quantitative approach. The secondary data was collected from related topic literature, and the primary data was gathered from an in-depth interview and a market survey. The sales manager of the company was interviewed to gain more insight of the company processed and history. The main research was conducted with a questionnaire which was sent to Algol's current customers as well as prospects. The questionnaire was made with an online survey program with which the results were analyzed.

The research results implicate in which areas the company should develop their strategies. The main area that requires additional emphasis is the promotional process including strengthening brand awareness and optimizing means of communication. The questionnaire analyses are presented in the end of the thesis in addition to general findings and recommendations.

Key words Customer behavior, marketing communication, brand awareness

Nina Weckman

Kunders köpbeteende; Case Study: Algol Technics

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Syftet med denna studie är att undersöka kundernas beteende inom ett specifikt marknadsområde. Studien är gjord för en undergrupp till Algol Technics som har specialiserat sig på försäljning av förarsäten. Undersökningsområden inkluderar märkeskännedom, pris och kvalitet, och även kommunikationskanaler.

Studiens teoretiska del innehåller marknadsföringsstrategier, marknadsföringsmixen, Porters fem konkurrenskrafter, kundförhållanden (CRM), och marknadsanalyser. Case företaget är presenterat i detalj och analyserat med SWOT redskapet.

Insatsen för den empiriska delen är gjord för att få ett bättre förståelse ifall försäljningsteamet använder framgångsrika marknadsföringstaktiker i samband med försäljning av deras produkter i ett specifikt marknadssegment, eller huruvida eventuella förändringar borde göras för att förbättra försäljningen.

Undersökningen utträttades med hjälp av både kvalitativa och kvantitativa metoder. Sekundära datan samlades från jämförbara literaturkällor, medan primära datan samlades från en fördjupad intervju med försäljningschefen och från en marknadsundersökning. Försäljningschefen intervjuades för att få en djupare inblick i företagets processer och förflutna. Största undersökningen utträttades med hjälp av en förfrågan som sändes till Algols nuvarande kunder samt prospekter. Förfrågan gjordes med ett online undersökningsprogram som resultaten analyserades med.

Undersökningsresultaten visar inom vilka områden företaget kunde utveckla sina strategier. Områden som borde betonas mest är marknadsföringen inklusive förstärkande av märkeskännedom och optimering av kommunikationsmedel. Undersökningen är analyserad och presenterad i slutet av studien i samband med helhetsresultaten samt rekommendationer.

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1 INTRODUCTION

Gaining market share is the main objective for companies involved in sales marketing of specific products. However, deciding on the right marketing strategies is challenging due to numerous factors influencing customer purchasing decisions. It is therefore important to understand the customer values and the major preferences, for instance the quality versus price, levels of services, brand loyalty, distribution channels. This study researches customer behavior in a specific market and product area.

1.1 Purpose of the Study

The purpose of this study is to assist the case company in concluding whether they are using the right marketing approach in a specific market. The company supplies driver seats to retailers and end users, and the sales team requested a research of the consumer behaviors and preferences in the construction machinery market where they have the lowest market share compared to their other product markets.

1.2 Choice of Research Context

The executor of the study is employed at the case company in question and approached the sales team about making an empirical research. The sales team was asked exactly what they would want to research, and the context was agreed on during an internal meeting. The sales team suggested in which segment the research should be conducted and consequently let the executor of the study choose the research methods. A questionnaire was created which was approved by the company and from there on, the material collected was related to the topic.

1.3 Research Challenges

The research challenges included the selection of the correct target group as well as the composition of the questionnaire to be compact enough to get the required response rate. In addition, the questions needed to be simple enough and self explanatory to be able to get a clear analysis of the results.

2 THEORETICAL FRAMEWORK

The theoretical methods in section 2 (See Figure 1) have been chosen based on the marketing process of the case company in addition to the findings of the market survey.



Figure 1: Theoretical framework of thesis

2.1 Marketing Defined

According to the American Marketing Association, quoted by Kotler & Keller (2006, 6), marketing can be defined as “an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders”. In other words, marketing in a simplified meaning indicates that the product or service being marketed should meet the customers demand, needs and values. Furthermore, another simpler definition is presented as marketing “includes anticipating demand, managing demand, and satisfying demand” (Evans & Berman 1997, 7). Marketing could also be defined in a few words with “mutually satisfying exchange relationships” (Baker 2006, 4-5). At times it can be difficult to determine the actual difference between marketing and sales, therefore Fifield (2006, 1) has defined the two as sales being “about ensuring the customer buys what the company makes” and marketing being “about ensuring that the company makes what the customer wants to buy”.

2.1.1 Marketing Concept

The marketing concept includes the whole marketing process. “An organization focuses all of its efforts on making products or providing services that satisfy its customers at a profit” as defined by Lindgren and Shimp (1996, 23). The whole marketing concepts includes three basic orientations toward maximizing the marketing success. The first one is customer orientation which focuses all of the company’s thinking and activities on the customer. Another element is to coordinate and integrate all of the different organizational departments to be able to reach a common goal, and the profit orientation focuses on maximizing customer satisfaction

(Baker 2006, 740). The marketing concept is also defined as "the achievement of corporate goals through meeting and exceeding customer needs better than the competition". (Jobber & Fahy 2003, 4)

2.1.2 Marketing Planning

A marketing plan contains numerous elements, for example the marketing objectives and strategies, mission statement, assumptions. The plan can be defined as "the detailed scheme of the marketing strategies and activities associated with each product's marketing mix" (Lindgren & Shimp 1996, 623). The whole marketing planning involves "the process by which businesses analyze the environment and their capabilities, decide upon courses of marketing actions and implement those decisions" (Jobber & Fahy 2003, 330).

2.2 Marketing Strategies

Marketing strategy is the basic method of how the company wishes to reach its marketing objectives. The marketing objectives define "where the company intends to be at some time in the future" (Mercer 1999, 210). Marketing is affected by several factors which companies have to consider when establishing their marketing strategies. The markets are very versatile and changes in technology, globalization, and customizations are only a few factors that affect the markets constantly. The marketing strategy "outlines the way in which the marketing mix is used to attract and satisfy the target market and achieve an organization's goals" (Evans & Berman 1997, 61). The marketing mix will be presented thoroughly in chapter 2.3.

2.2.1 Marketing Strategy Process

The whole process of marketing strategy is defined as involving "the plans, budgets, and controls needed to direct a firm's product, promotion, distribution, and pricing activities" (Lindgren & Shimp 1996, 623) (See Figure 2). The process can be summarized in a few steps. First, the company has to analyze the market opportunities which refer to the prospect customers in a market whose needs and interest the company's product could satisfy and hence gain market share. Secondly, the selection of target markets is a necessity. A target market is the market that the company decides to pursue business in, a smaller market segment for instance. A target market is defined as being the "group to which an organization appeals" (Evans & Berman 1997, 31) or as "a segment that has been selected as a focus for the company's offerings or communications" (Jobber & Fahy 2003, 333). Once the market is entered, it is referred to as a penetrated market which is the set of consumers that already are buying the product the company has to offer.

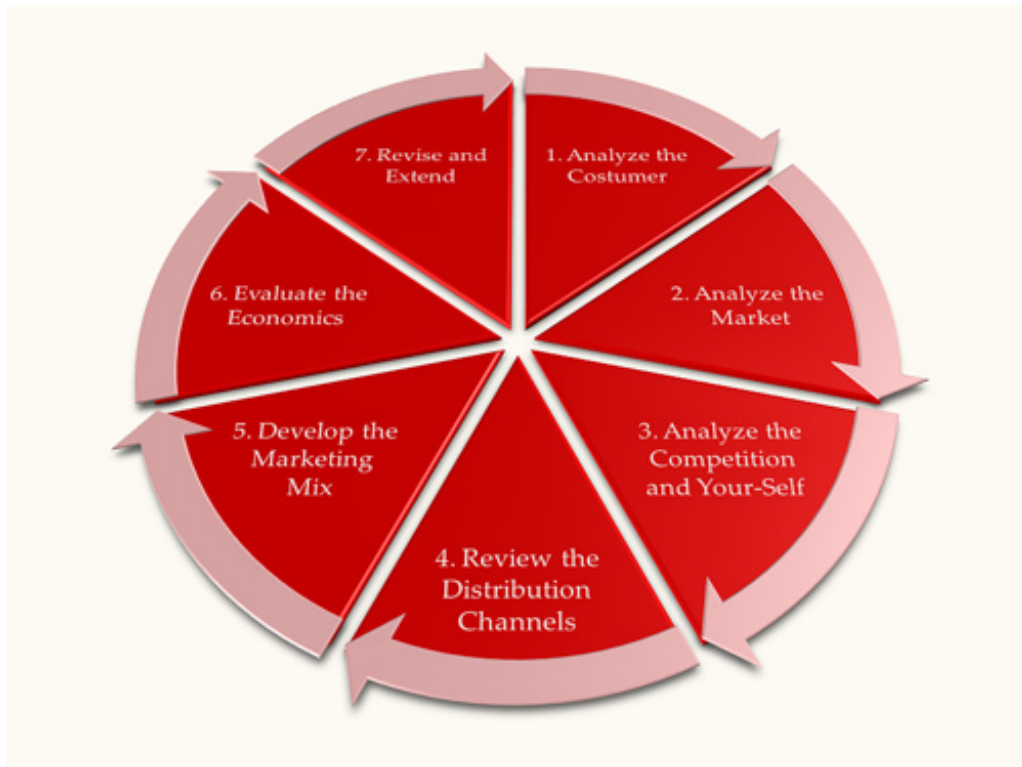


Figure 2: Marketing Strategy Process

2.2.2 Mission Statement

To be able to set up marketing strategies, the company should primarily determine its mission statement. A mission statement determines in which are the company will operate in, as well as the particular marketing segment. The chosen industry and target market will also be clarified in the mission statement, along with the competences of the company and product specifications (Kotler & Keller 2006, 45). A mission statement "is the statement about the purpose of the organization. It will state what business the company is in, who the customers are, what the firm is in business for, and what sort of business we are" (Blythe 2006, 60).

2.2.3 Market Segmentation

Market segmentation "involves subdividing a market into clear subsets of customers that act in the same way or that have comparable needs" (Evans & Berman 1997, 262) and is a crucial step in the whole marketing process. Before the company can determine which market they should penetrate, they need to divide the market into smaller pieces which have similar attributes. "Dividing a market into distinctive groups of buyers who have distinct needs, characteristics, or behavior and who might require separate products or marketing mixes" (Kotler & Armstrong, 2004, 54). Baker (2006, 739) defines the concept in a larger business scale as "a

group of buyers who have broadly similar needs and wants that differ in some relevant way from those of other customers in the same market”.

2.2.4 Production and Selling Concept

Concepts in marketing strategy also involve production and selling. The production concept is based on the fact that customers prefer products that are available and affordable. This means that production managers focus on the superiority of products as well as constant product development. The selling concept is based on the drive of the marketing, in other words that the customer will not buy enough of a single product unless it is constantly promoted.

(Kotler & Keller. 2006, 15)

2.2.5 Marketing Penetration

Marketing penetration is a strategic move that a company can make to increase market sales of current products by entering new markets while keeping the product the same (Kotler & Armstrong, 2004, 48). It can also be defined as “where the company seeks increased sales for its present products in its present markets through more aggressive pricing, promotion and distribution” (Baker 2006, 739) or as “a strategy that is used to increase sales and market share with existing products in their existing markets” (Lindgren & Shimp 1996, 622).

2.2.6 Market and Product Development

Market development is another strategic move that increases company sales by identifying and developing new market segments for current products. The procedure is defined as “a strategy where the company seeks increased sales by expanding into a new geographical market” (Baker 2006, 739). Product development on the other hand involves modification of an existing product or introduction of a new product to an existing market segment.

2.2.7 Competitive Advantage

To be able to plan a profitable marketing strategy, the company has to consider how to gain competitive advantage over competitors to maximize sales profits and market shares. A core strategy consists of “the means of achieving marketing objectives, including target markets, competitor targets and competitive advantage” (Jobber & Fahy 2003, 284). Competitive advantage is “a source of differentiation between a firm and its competitors which confers an advantage on it” (Baker 2006, 730). It also includes knowledge of how to grow the business by having different or superior product from those of the competitors, and choosing the right

customer segments and the right ways of business (Kotler & Keller, 2006, 6). When the strategy is defined, the next step is marketing implementation which means that the strategies are put into practice in order to reach the determined targets.

2.3 The Four P's of the Marketing Mix

The marketing mix is defined as “the specific combination of marketing elements used to achieve objectives and satisfy the target market. It encompasses decisions regarding four major variables: product, distribution, promotion, and price” (Evans & Berman 1997, 20). The distributions factor refers to place in the marketing mix and therefore stands for the fourth P. The four P's was a concept introduced by Eugene McCarthy in the 1960s and make the outline for the marketing mix (See Figure 3). They are the basic factors a company should consider when planning their marketing approach towards the target market. The whole marketing mix is defined as “the set of controllable of controllable tactical marketing tools - product, price, place, and promotion - that the firm blends to produce the response it wants in the target market”. (Kotler & Armstrong, 2004, 56)



Figure 3: The four P's of the marketing mix

2.3.1 Product

A product can be referred to as any thing that is produced or manufactured that satisfies the desires or wants of a customer. A product is defined "a good or service offered or performed by an organization or individual, which is capable of satisfying customer needs" (Jobber & Fahy 2003, 330). The product part of the marketing mix includes the preferences of the customer compared to the actual features of the product including brand, looks, and differentiating qualities. For what purposes the product is about to be purchased and how it will meet the consumer's needs are also significant questions the consumer tries to answer during the purchasing process. The product strategies can be summarized as "developing new products, repositioning or re-launching existing ones, scrapping old ones; adding new features and benefits; balancing product portfolios; changing the design or packaging" (Mercer 1999, 214).

2.3.1.1 Core Marketing Concepts

In order for a company to have an absolute competitive advantage, it needs to have a superior product to that of its competitors. Core competencies are what determine product superiority and these competencies can make considerable contributions to perceived customer benefits for example. Core competencies "are those capabilities that are critical to an organization achieving competitive advantage" (Fifield 2006, 105).

In addition, a core competence has applications in a wide variety of markets and is difficult for competitors to copy. The core product is not tangible, but it is the benefit the customer receives from the product and is what differentiates the product from the ones of competitors. The actual product includes the brand name, features, capabilities, qualities, designs, and packaging (See Figure 3). The outer shell of the product concept is referred to as the augmented product which involves the post-sales stages such as warranty, personnel, installation, after sales support, delivery and credit, as well as the customer service (See Figure 4). According to Levitt (Baker 2006, 726) an augmented product is "the combination of the core product and added attributes". It is also defined as including "not only the tangible elements of a product, but also the accompanying cluster of image and service features" (Evans & Berman 1997, 301).

Once the product core competencies have been determined, core marketing is the whole process of promoting the product to the customer. The core marketing concept (See Figure 5) includes the basic instincts of people. The first step would be to appeal to the basic needs, wants, and demands of customers. Satisfying the felt need is also referred to as the core benefit (Baker 2006, 731). The next step is to present the marketing offerings, in other words

“some combination of services, products, information, or experiences offered to a market to satisfy a need or want” (Kotler & Armstrong, 2004, 6).

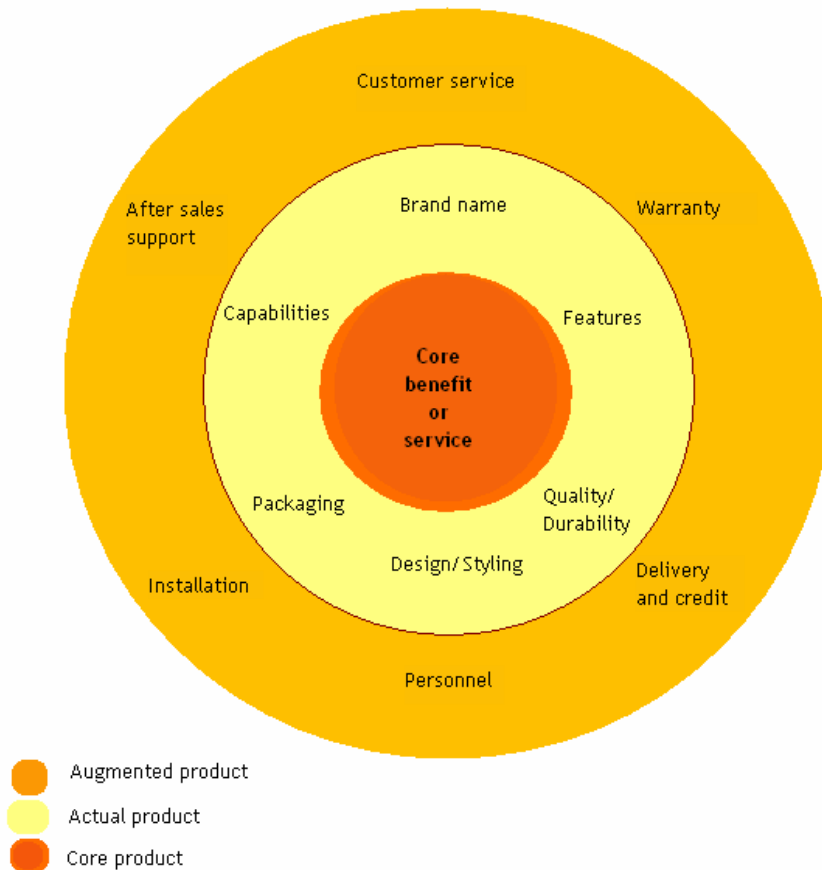


Figure 4: Three Levels of Product (Source: adapted from Dibb et al. 2001, 254)

The third concept step involves the value, satisfaction and quality. Customer value is the difference between the values the customer gains when owning and using the product compared to the cost of acquiring the product. Customer satisfaction refers to how well the product or service meets the perceived expectations and also affect the consumer behavior. Consumer behavior is defined as “the actions of the individual or the organization which lead to the attainment of the good or service” (Baker 2006, 731). The following marketing concept step includes the exchange, transactions, and relationships. The exchange part is what the customer receives in return, in addition to the actual product, when conducting business with the seller. The sales type and the actual trade between the seller and the buyer represent the transaction part, and the result of the transaction can be determined as the customer value which is defined as “perceived benefits minus the perceived sacrifice” (Jobber & Fahy 2003, 6). The actual markets belong to the last step in the core marketing concepts. A market

is defined as “a set of all actual and potential buyers of a product or service” (Kotler & Armstrong 2004, 10).



Figure 5: Core Marketing Concepts

Core competencies also indicate the competitive position of the company. The company has to determine carefully which competencies actually give the company a sustainable and competitive advantage over its competitors. Mercer (1999, 80) states that for a product or service “to be a genuine core competence it has to be sustainable over the long term”. Once companies have determined their correct core competencies they should also prepare for future developments and timescales to be able to affirm the sales success.

2.3.1.2 Brands

A brand is “the distinctive product offering created by the use of a name, symbol, design, packaging, or some combination of these intended to differentiate it from its competitors” (Jobber & Fahy 2003, 131). In other words, a brand is something that symbolizes why the product or service in question differs from those of competitors even if it satisfies the same need. A simplified definition is that “a brand is something (e.g. a name, a logo) which both identifies a product and differentiates it from its competitors” (Baker 2006, 728).

A brand can be tangible or intangible, and it can represent emotions as well as physical performance of the product. Brand elements include different components such as brand names, symbols, logos, and package designs. The position of the brand is the aspect of brand identity than differentiates the brand from its competitors in the marketplace. The popularity of a

brand is generally measured in brand equity which is a “brand with high level of sales and brand loyalty, due in large part to a high-quality reputation” (Lindgren & Shimp 1996, 611).

2.3.2 Place

The place part of the marketing mix refers to how the customer purchases the product. This includes the place from where it is purchased as well as the distribution channels. Place is defined as “the distribution channels to be used, outlet locations, methods of transportation” (Jobber & Fahy 2003, 331) or by Baker (2006, 744) as taking “into account all those activities involved in making products available to customers. The production process involves observing the manufacturing and other activities of the distribution process. This can also be referred to as the value chain which is “the set of the firm’s activities that are conducted to design, manufacture, market, distribute and service its products” (Jobber & Fahy 2003, 333).

There are numerous different types of distributors but the more common ones include wholesalers, retailers, factors, and other types of intermediaries. The distribution channel includes the seller, who could be a wholesaler, who distributes to the retailer, or a retailer itself who sells to the end consumer. A definition for the channel of distribution is “the arrangement of businesses that are involved in performing marketing functions and transferring goods and services and their ownership to end-users” (Lindgren & Shimp 1996, 612). Different purchasing methods are also included in the marketing mix. A customer can consider several purchasing approaches, for instance from the shop, by telephone, via the suppliers web page, or even directly from the warehouse. Distribution strategy involves getting the right kind of product to the right place where the customer desires it. Management of the channel includes “the management of the tasks involved in progressing the transfer of goods and service between seller and buyer” (Baker 2006, 729).

2.3.2.1 Retailers

According to Kotler & Keller (2006, 504), retailing involves all activities in selling goods or services directly or indirectly to final consumers for personal non-business use. It is also referred to as retailing when any organization sells the product or service to an end customer, no matter of the actual organizational structure, whether it is a manufacturer, wholesaler, or retailer.

2.3.2.2 Wholesalers

The concept of wholesalers includes the products being sold to those who buy for resale or for business use. Wholesaling is defined as “the exchange of goods and services between produc-

ers and channel intermediaries, but not the actual consumer" (Lindgren & Shimp 1996, 634). Since wholesalers do not sell directly to the end consumer, they have to focus less on marketing and promotion of the products and can leave the major part of those activities to the next in line, such as retailers. Wholesalers "buy or handle merchandise and its subsequent resale to organizational users, retailers, and other wholesalers" (Evans & Berman 1997, 21).

When comparing wholesalers to retailers, the wholesale transactions are usually larger than those of retailers, and they cover a larger trade area. Positive sides to wholesalers are that they can reach a larger customer base with less of an effort, and they have a wider product assortment than retailers. Wholesalers also have the possibility to order large quantities at once which then can be split up into smaller units leading to cost savings for the customers. Inventory management is also considered as an additional benefit when dealing with wholesalers. Wholesalers can store large product quantities in their warehouse and deliver them to retailers or other customers on demand, saving transportation time and costs in comparison to ordering from factories in other countries as an example. Wholesalers also have a broad knowledge of the current market information which the customers can benefit from. (Kotler & Keller, 2006, 520)

A wholesaler needs to revise some fundamentals before entering a new market. The first decision would be what market to enter. The company needs to do wide market research to be sure that they have the correct product assortment required to gain share in the new market. Another important factor that wholesalers need to determine when starting is the placement of the business premises. The size of inventory can also affect the business operations a great deal. Demand estimate is important to be able to balance the cost of holding inventory to the profit of the goods sold.

Furthermore, the price setting of the actual product is one of the most defining factors of success. The price of the product ideally needs to cover the expenses generated when acquiring and holding the product, and usually wholesalers calculate a percentage mark-up that is added the cost to be able to generate profit from the transaction. This pricing method is called cost-plus pricing. (Kotler & Armstrong, 2004, 357)

Most wholesalers need to pay close attention to the whole logistical chain. The chain starts from the production of the goods at a factory wherefrom the products are shipped to the wholesaler. It requires planning the infrastructure to meet demand, and controlling of the actual flows of material and final goods from point of origin to point of use, and to meet customer requirements at profit. This step alone requires price considerations and the suitable transportation methods need to be chosen carefully to keep the costs low. The next step is the delivery of the goods to the retailers or consumers. The delivery times should be deter-

mined, as well as choosing the right networks strategies for reaching the customers. Getting demand estimates from customers is a constant challenge, so deciding about the correct warehouse and material's management is very important. Dividing market logistics into different groups brings out the most efficient way to deliver values to customers.

2.3.2.3 Marketing Intermediaries

A marketing intermediary is any firm that helps the supplier to promote, sell, and distribute the goods to the final buyer. Intermediaries include resellers, marketing service agencies, and financial intermediaries. An intermediary can be defined as "a person or organization that buys and re-sells without changing the form of the product" (Baker 2006, 737).

2.3.2.4 Inventory Management

Keeping the right amount of inventory is a challenging task for most companies. Matching the inventory to the customer's demand requires working communication between the parties, as well as estimating future sales quantities to maximize the inventory substance. Surplus inventory leads to additional holding costs, while undersized inventory can lead to loss of sales if the customer does not get the demanded goods in a given time period. Inventory management is defined as "providing a continuous flow of goods and matching the quantity of goods kept in inventory as closely as possible with customer demand" (Evans & Berman 1997, 419).

2.3.3 Promotion

Promotion refers to the motivational methods of getting the consumer to purchase the product. Promotion is referred to as "any communication used to inform, persuade, and/or remind people about an organization's or individual's goods, Services, image, ideas, community involvement, or impact on society" (Evans & Berman 1997, 501). Promotion (also referred to as Integrated Marketing Communication (IMC)) mainly consists of messages and related media that are used to communicate with the market. IMC is defined as "a marketing communications strategy which requires that a company adopts strategies that coordinate different promotional elements and that these promotional activities are integrated with other marketing activities that communicate with customers" (Baker 2006, 737). The basics of promotional strategy involve delivering the communicational message from the producer to the consumer.

IMC could also be defined as a concept that combines all elements of marketing communication such as advertising, sales and promotion, public relations, and direct marketing work together as a combined strength instead of every aspect working separately (Lake, 2003). These elements are included in the integrated marketing communications mix (See Figure 6).

The main purpose of IMC is to ensure a steady use of messages and the corresponding use of media. The two types of communication channels that belong to IMC are off- and online marketing. Offline marketing includes mail order, magazines, newspaper, radio, and television. The online marketing channel consists of any e-marketing programs such as e-mail, blogs, podcasts and internet television. Companies usually use these two marketing channels combined as well as the complete marketing mix (See Chapter 2.3) to find the most suitable strategies for their market. IMC also includes sales promotion which is referred to as how the customers get information about the goods and desires to purchase the product in question. Before companies can begin the communicational process towards the consumer, they need to define the promotional objectives. These are the objectives “which determine a firm’s promotional strategy, for example, increasing sales or improving brand recognition may require a different promotional mix” (Baker 2006, 746).

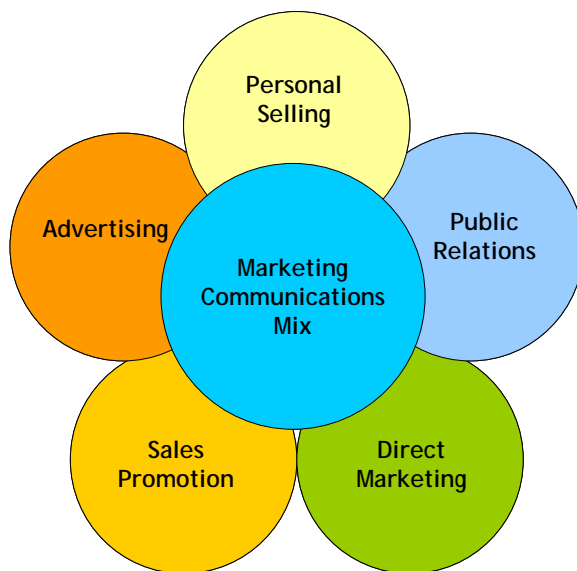


Figure 6: The elements of the Marketing Communications Mix

2.3.3.1 Marketing Communications Mix

The marketing communications mix consists of different means of presenting the product or service to the customer (See Figure 6). Advertising is defined as the paid insertion of a messages as well as involving “either mass communication via newspapers, magazines, radio, television, and other media or direct-to-consumer communication via direct mail” (Lindgren & Shimp 1996, 609). A method of this is through informative advertising which is “advertising with a high informative content designed to explain the features of a product or service and stimulate primary demand for it” (Baker 2006, 737). Personal selling refers to the “person-to-person communication in which a seller informs and educates prospective customers and at-

tempts to persuade them to purchase the company's products or services" (Lindgren & Shimp 1996, 625). Public relations indicate the strategy to "successfully manage the relationship between a firm and the public" (Baker 2006, 746). Industrial advertising (also referred to as B-2-B advertising) is designed to enhance the initial awareness of a product and to eventually lead to customer visits and closing of deals. This indicates that much of industrial advertising is therefore conducted to make the customer response to the promotion which eventually will lead to a sales visit (Mercer 1999, 163).

Direct marketing involves obtaining new and retaining existing customers without using intermediaries. It is also defined as "marketing and selling products directly to and interactively with an individual, through channels such as mail, internet and telephone" (Baker 2006, 553-570). Another part of the marketing mix is the sales promotion. Sales promotion is described as "incentives to customers or the trade that are designed to stimulate purchase" (Jobber & Fahy 2003, 332). In other words, sales promotion includes all the marketing activities of presenting the product or service to the customer in the most attractive way.

2.3.4 Price

Price "represents the value of a good or service for both the seller and the buyer" (Evans & Berman 1997, 586). The price of a product or service is what the customer pays for obtaining it. When determining the price, the company should take into consideration what the actual value of the product or service is to the customer. Value can be determined in how time consuming the actual acquiring of the product or service is for instance, or any factor that can be included in the exchange for the product or service. Price is also defined as "the agreed value placed on the exchange by a buyer and seller" (Jobber & Fahy 2003, 331). Pricing is generally based on what the cost of the actual product is to the supplier.

2.3.4.1 Pricing Strategies

The company has to define its own marketing strategy before setting the price. In case the company wants to become a market share leader, setting a low price is the most effective method. However, low prices seldom generate much profit, so if the objective is to gain current profit maximization, the company determines which price results in the maximum profit, return on investment or cash flow. If the company desires to reach product quality leadership, it involves setting the price higher than competitor prices to cover the extra cost that goes into quality development (Kotler & Armstrong, 2004, 348).

Pricing strategies includes "setting the right price to facilitate the exchange between the consumer and the producer" (Lindgren & Shimp 1996, 626). Basic pricing includes skimming or

penetrate strategies, different prices for market segments, or deciding on countermeasures to meet competitors' pricing (Mercer 1999, 285). Skimming pricing involves using a high price to attract those customers that are more attracted to the quality, uniqueness and status of the product than the actual price. Skimming requires the product to be unique and new in the market, and the prices are usually lowered once competitors with similar products join the market in question (Czinkota & Kotabe 2001, 319). Penetration pricing includes the use of "low prices to capture the mass market for a good or service" (Evans & Berman 1997, 612). Penetration pricing is generally used if competitors are likely to enter the market fast and products are undifferentiated. Skimming pricing is set in a distinct market segment while penetration pricing can be used in multiple markets.

Other common pricing strategies include quantity discounts, cash discounts, optional features and product bundling. Quantity discount includes a discount or frequent incentive to the buyers if they purchase in larger quantities instead of small piece purchases. Cash discount encourages the buyer to pay their invoices before the due date and in return gets an incentive for the prompt payment (Czinkota & Kotabe 2001, 324). Importers or wholesalers tend to use the optional features strategy when setting the prices. This specific strategy includes adding beneficial features to the basic product at an extra cost for the buyer. Another pricing strategy is product bundling which involves offering accessories to go with the basic product at a lower cost than if it would be purchased separately.

2.3.4.2 Price and Quality

A high price is generally associated with high quality although determining the right price may not always be based on the quality of a product. The price-quality association is "a concept stating that consumers may believe high prices represent high quality and low prices represent low quality" (Evans & Berman 1997, 626). The intense competition between suppliers in a market can occasionally lead to price wars. These wars are based on which company wants to gain the most market share, and at what cost. High competition forces businesses to lower their prices which can lead to severe results, and the most common downside of price wars is loss of profit. Matching competitor's prices usually lead to reduction of the own product price and the consequences of price drops can lead to the product being labeled as having a low-quality. This indicates that the product may be regarded as being of poorer quality since customers tend to affiliate high price with high quality. Another countermeasure to the moves of competitors is to actually maintain the same price as before and hope that the market switches and the competitors are forced to raise their prices back to the same level. There are numerous other ways to gain market shares, including promoting the product further to establish a high-quality image for instance (Czinkota & Kotabe 2001, 330).

2.4 Porter's Five Forces Analysis

Porter's five forces analysis is developed to work as assistance for a business to be able to understand and analyze the market it is working in better (See Figure 7). The model also aids the business in determining its own competitive advantages compared to those of rivals.

One step in the model is the threat of new entrants. Before heading into a market, the company should measure how easy it is to enter or exit the chosen segment. The market is referred to as most attractive when entry barriers are high and exit barriers are low. This means that companies entering require a competitive edge to afford the entry, and if the business under some circumstances is not profitable, the company is able to exit the market at a low cost. A market is highly unattractive if entry barriers are low because it means that everyone can join the market at a low cost which leads to lower market shares. The worst situation is when in addition to entry barriers being low, the exit barriers are high. This leads to overcapacity since the failing companies can not afford to leave the market and have to keep on producing. (Porter, 1998, 4)

The threat of substitutes is another factor in Porter's analysis. Substitute products are usually made at a lower cost which means that they can be marketed at a lower price. In case a product lacks a competitive edge in comparison to the substitute one, the customer is likely to purchase the substitute instead.

The main purpose of a product is to meet the customer wants and therefore giving them the freedom of choice, but growing power of the customers may also be an obstacle in obtaining market share. Customers may decide to go with another supplier in case switching costs are low, or the threat of switching may cause your company to lower the prices. Suppliers tend to go with customers with the lowest risk of switching even though they may buy at lower prices. The company should be able to offer a completely superior and differentiated product to be able to ensure continued market share at any situation.

The fourth factor in Porter's five forces analysis is the threat of suppliers' bargaining power. This power also influences the attractiveness of the market since buyers do not prefer suppliers who have the power to raise prices or reduce quantities at any given point in time. These five forces determine the competitive intensity and attractiveness of a market. (Porter, 1998, 4)

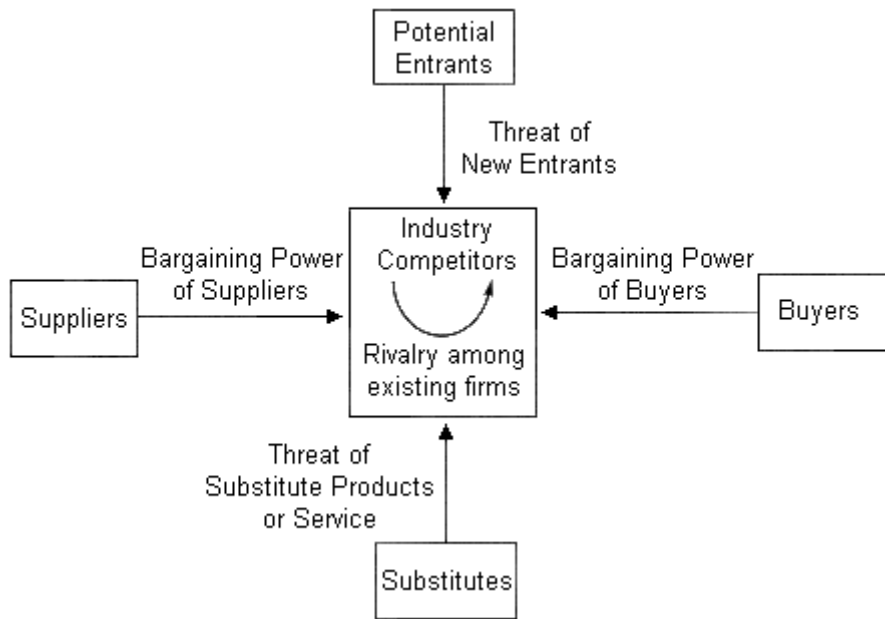


Figure 7: Forces driving industry competition

2.5 Market Analysis

A way of measuring market demand is to look at the potential market. The potential market includes customers which have the ability and preferences to purchase the product that the company has to offer. These customers must also be able to afford the product as well as to have the geographical availability to it. The available market refers to all the prospect customers that could legally be a customer. People belonging to the available market are “the set of consumers who have interest, income, access, and qualifications for the particular market offer” (Kotler & Keller, 2006, 126).

2.6 Customer Relationship Management

Companies generally pursue long term customer relationships to be able to ensure continued business with the customer in the future. To be able to uphold a sustainable customer relationship, the company needs to determine the customer values and satisfactions. Customer perceived value can be described as “the difference between total customer value and total customer cost” (Kotler & Armstrong, 2004, 17). A customer will not buy the same company’s product if the first purchase did not satisfy the values perceived compared to the price of the product. The total customer cost includes every aspect the customer expects to face during the purchasing process such as “evaluating, obtaining, using, and disposing of the given market offering, including monetary, time, energy, and psychic costs” (Kotler & Keller, 2006, 141).

Customer relationship management (CRM) is defined as “an aspect of marketing management particularly concerned with creating and sustaining customer loyalty by ‘managing’ the relationship with the customer” (Baker 2006, 732). CRM can be managed by carefully identifying the current customers and prospects. Companies also benefit from dividing the customers into different segments in terms of their needs and value to the company. Customers that generate much profit at relative low effort costs are classified as more important than smaller customers that require more time effort but still generate low profit. Companies should also make low-profit customers more profitable or completely terminate them. Furthermore, by getting closer to some customers, companies may gain insight that could reduce the rate of customer defection, and also get more knowledge of certain customers that could help them establish new customer relationships. A definition of CRM covering these elements is “the practice of using information technology to build customer profiles with the objective of identifying, serving and retaining the ‘best’ customers” (Jobber & Fahy 2003, 9).

When a company manages to build a strong relationship with the customer, it may possibly lead to brand loyalty from the customer’s side. The purpose of relationship marketing is to increase long-term customer loyalty as well as being “the process of creating, maintaining and enhancing strong relationships with customers and other stakeholders” (Jobber & Fahy 2003, 67).

Loyalty can be built by basic marketing, which means that the customer contacts the seller when in need of the product. The seller can also conduct reactive marketing that includes the seller encouraging the customer to contact the seller in case of unclear issues or questions in general. Accountable marketing takes the sale one step further. In this case the seller contacts the customer to check if the product is meeting the expectations, and at the same time asks for possible improvement ideas or dissatisfactions. This shows the customer that the seller cares and increases the loyalty through appealing to the emotional side of the customer. Proactive marketing means that the seller contacts the customer at different points in time to inform about new or improved products. A fifth marketing approach when building loyalty is partnership marketing which involves the company assisting the cooperative partners in improving their marketing performance. (Kotler & Keller, 2006, 157)

2.7 Implications for the Empirical Study

The theories presented in this chapter are connected to the processes of the case company. Numerous different mixes of both products, marketing, communication and distribution is required to generate the maximum business profits as can be concluded from the theories. The theories are also presented to support the case company when implementing possible research findings into the business processes.

3 CUSTOMER BUYING BEHAVIOR IN CONSTRUCTION MACHINERY SEAT MARKET

This section includes the presentation of the case company and the company's strengths, weaknesses, opportunities, and threats.

3.1 Algol Oy

Algol was established in 1894 and is a Finnish multi-branch industrial and pharmaceutical supplier specializing in trade. The company is divided into three specialized business areas (See Figure 8): Algol Chemicals, Algol Technics and Algol Pharma.

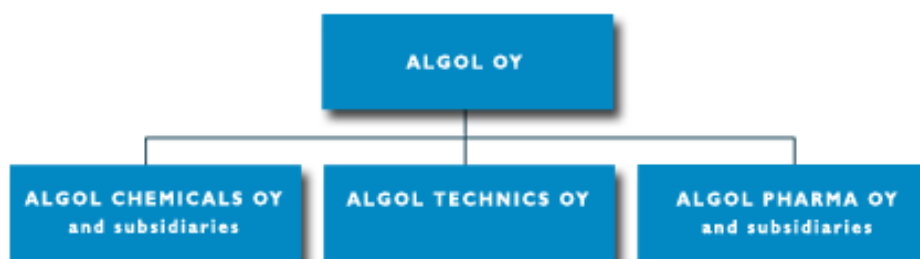


Figure 8: Algol Oy company division (www.algol.fi)

Algol Chemicals deals with raw materials and semi-finished while Algol Pharma operates with healthcare products. The third grouping is Algol Technics which supplies machinery and equipment.

3.1.1 Algol Technics

Algol Technics, for which this market research is conducted, is also divided into subgroups. The subgroups specialize in lifting and conveyor equipment and storage technology, industrial machinery and equipment, railway technology products, metals and metal alloys, as well as installations, maintenance and technical inspection services.

In the department of industrial machinery and equipment, there is a team of three persons that specialize in the marketing and selling of driver seats. The driver seats are mainly sold to be equipped in tractors, forklift trucks and construction machines. This thesis focuses on the construction machinery seat market. Algol Technics will be defined as Algol in the subsequent chapters.

3.1.2 Grammer

The seats and spare parts are ordered from Grammer AG, a German seat manufacturing company. The orders are generally sent to Grammer once a month and consist of different spare parts as well as whole seats. Grammer emphasizes on ergonomics of the seat, and this is also what could be determined as the competitive advantages of the seats compared to competitors. The seats have numerous adjustment specifications that are designed to reduce friction and enhance the comfort of the driver.

The co-operation with Grammer has been successful especially in the agricultural market where Algol is a market leader with 80% due to highly technically developed seats since many years back. However, even though Algol also has supplied seats for construction machines for almost two decades, the core competencies of the product have been lacking since Grammer only during recent years started to invest similar amounts in technological developments for those types of seats. This has led to Algol only having 1/3 of the market share due to previous lack of product differentiation from those of competitors. This thesis is aimed to support Algol in developing the marketing strategies of the company in the construction machinery market by researching the customer preferences and behaviors.

3.1.3 Algol Products

Algol supplies driver seats which are sold either as standard models or with installation specifications and additional parts according to the customer preferences (See Figure 9). Standardized seat models that are developed for construction machines have either pneumatic or mechanical suspensions and come in different sizes. Options for these seats are usually armrests, and additional features such as heating and safety switches can be attached at an additional cost.

3.1.4 Company Sales Processes

The sales team consists of two salespersons and one sales assistant. The marketing approach towards the customer is made by phone calls, e-mails and preferably customer visits.

The seat department works as an importer and wholesaler, ordering the products from Grammer and selling them forward to either retailers or end users. The flow of the supply chain has a major effect on the number of business transactions customers have with Algol. It can easily be depicted as; if Algol runs out of goods, the customer will contact the competitor in case they have matching parts that meets the customer's needs. Algol runs a warehouse where the company strives to uphold the balance between the customers' orders and the stock ordered from Grammer.



Figure 9: Grammer seat models for construction machines

The product that Algol markets, attracts the customer due to not only visible and functional features, but to the fact that the ergonomics of the seat could help prevent possible future medical damages to the user. This is one of the main features that Algol should promote when trying to gain more customers, as well as when penetrating new markets.

Grammer uses a quantity discount strategy which indicates that if Algol purchases a larger specified quantity, the price is lowered by a given percentage. The Grammer seat prices are somewhat higher than those of competitors, especially among the pneumatic seats as is stated in the interview with the sales manager (See Chapter 4.5). The high price is due to Grammer constantly developing the seats which requires new technology and raw materials and eventually leads to greater costs. This does not have to be regarded as a negative factor since it means that the seats are more advanced than those of competitors and could be seen as having product quality leadership over competitors. The only scenario where it could have a negative impact is if the customer is very price sensitive and all the core competencies of the products are not communicated to the customers sufficiently enough for them to differentiate Grammer seats from other seats offered in the same market.

Algol's main promoting strategy is to sustain customer relationships by frequent customer visits and communication by telephone or via e-mail. The company has few marketing campaigns, and in case of special offerings, informative advertising is used. Usually a leaflet with an offer is sent by mail which includes all technical information about the seat which stimulates the demand for the product in question. In case of new seat models, Algol will send out information via e-mail or traditional mail as well as market the new product when managing regular sales orders.

Algol' average delivery time is 1-2 days depending on where in Finland the customer is located. The customer is free to choose the delivery terms although usually the items are shipped by the customer's agreement shipping company, or with Algol' freight company but at an additional freight cost. A pricing strategy that Algol has implemented is freight-absorbing. This means that the seller absorbs part of the freight charges in order to get the desired business. An example of this strategy is that the customer gets the seats delivered freight-free if they purchase two seats instead of one.

The threat of new entrants is quite small since the market is somewhat standardized. Customers, either they are retailers or end users, have a tendency to buy the same brands from the same places as they have done for decades. The survey also shows (See Chapter 5.2.3) that even though there are five major brands in the market, only two or three are well-known and have established a strong market stand. Every competitor strives to introduce products that could work as a substitute for the other company. Algol has the advantage of supplying such an advanced seat that the product features and technology are difficult to mimic, especially not at a lower cost without jeopardizing the quality of the product.

The customers in the market have great bargaining power. They have the liberty of choosing the preferable products they want, and it is up to the seller to maintain good customer relations to be able to secure future deals and keep the customer from switching seller. When it works as its best, it is a win-win situation for both parties since they both gain what they want from the deal. The bargaining power of suppliers would in Algol's case be the power Grammer has. Unfortunately, Grammer has a tendency to increase prices and delivery conditions which Algol has to adapt to as they occur. The price increases are at times very steep so communicating these increases and at the same time convincing the customer to still purchase the item can be challenging.

Some of the most unexpected results in the survey concerned the communication channels. The fact that Algol customers assess that they receive most information from customer visits, conducted by the sales representatives, shows that this is a possibility method in gaining business among prospects as well. The main problem is getting a new customer to grant the salesperson the time and courtesy to introduce their product. Before considering contacting new customers, the company needs to get their brand more visible to the prospects.

Algol is classified as a supplier since the receiving parties are retailers as well as end users. Even though the distributional model of the company is close to the definition of wholesaling strategies, the company for instance has to put more effort into promotional moves since it can not rely fully on retailers handling it because end users are also involved. Algol has a

large warehouse where it stores seats and spare parts according to estimated customer demands. Challenges include receiving the items from Grammer in the given timeframe, and to save in transportation costs by ordering larger quantities at once.

3.1.5 SWOT Analysis

A SWOT analysis includes measuring the different sides of a company's strategic position. The word SWOT stands for strengths, weaknesses, opportunities, and threats. The strengths and weaknesses are regarded as being internal factors since they are affected by the company's own decisions. The external factors are the opportunities and threats since they are influenced by the environment and competition (Mercer 1999, 384).

3.1.5.1 Strengths

The main strength of Algol is the product superiority. The features of Grammer seats are more advanced than those of competitors', with a significant emphasize on the enhancement of ergonomics. Another competitive advantage involves customization of the seats. The customers are able to choose which features and additional parts they desire to be assembled to result in their own preferred model. Another strength that Algol possesses is in transportation of the products. The company invests in having a sufficient inventory system and enough stock to be able to ship the required item to the customer on demand within a couple of days. Long-term relationship management has lead to customer loyalty which also is considered a strength since it reduces the amount of constant marketing to verify sales.

3.1.5.2 Weaknesses

The high prices of the Grammer seats could be considered as a weakness when it comes to direct marketing. Since customers tend to be price sensitive, a high price is an obstacle especially when trying to gain more market share. Algol's products require to be promoted as quality emphasized and special features weighing more than price, but this is difficult to present to prospect customers since they tend to make purchasing decisions based on the prices primarily. The seat sales team consists of only two salespersons and one part-timely working assistant which means that the number of customer visits during one week is quite limited since at least one person needs to keep the telephone lines open at the office.

3.1.5.3 Opportunities

The survey shows that Grammer is a known brand, and since many companies consider ergonomics a very important feature, proper marketing campaigns could boost sales in the re-

searched market. The survey should be expanded to be able to explore the exact areas where the marketing could be increased. More visibility for Grammer and Algol through additional personal visits could gain more market share, though this would require firms getting invited by the prospect customer. The global financial situation, although very cost orientated, could cause some companies to completely renew their purchase strategy which could give Algol a chance to catch some market share if using the correct marketing tactics.

An example of a current opportunity is that Algol has quite recently started to supply seats to boat manufacturers and the boating industry seems to be a growing business opportunity. Algol had in fact supplied the seat to the boat manufacturer whose boat won the award of "boat of the year". This gave Algol, and hence Grammer, great brand visibility. Unexpected exposures like that would help in all of Algol's markets.

3.1.5.4 Threats

The current acquisition process in the construction machinery market is highly standardized which makes it difficult for any new company to gain any market share. Most retailers or end users know only the current supplier and apparently they do not put an effort in exploring alternatives since their current contacts are meeting their demands well enough. The high costs are constantly going to be an obstacle for lowering the sales prices and therefore making the seats more attractive to the customer.

3.2 Empirical Study

The case company wanted to investigate whether the current marketing strategies used in a specific sales segment were supporting the products and were efficient enough to gain market share. The sales team decided, together with the executor of this thesis, that a market research concentrated on customer buying behavior could reveal the strengths and weaknesses of the current marketing processes. Since the thesis executor had been working for the company for over six months, it was regarded as a suitable topic as well as a chance for the company to get new insights based on the results of the research. A timeline and different means were given, and the executor was also asked to present the findings for the company once the research was finished to possibly implement the results in the daily sales methods.

3.3 Methodology of Study

The major framework of the marketing research is presented in theory in this section. Furthermore, the validity and reliability of the research results are displayed.

3.3.1 Marketing Research

Marketing research defined is “the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organization” (Kotler & Keller, 2006, 102). Another definition of market research is that it “is essentially about the disciplined collection and evaluation of specific data in order to help suppliers understand their customer needs better” (Chisnall 1992, 5-6). Marketing research is basically the “function that links the consumer, customer, and public to the marketer through information” (Lindgren & Shimp 1996, 74). In other words, the purpose of a marketing research is to explore the preferences and wants of customers. A broader definition of marketing research is made by the American Marketing Association as follows: “The systematic gathering, recording, and analyzing of data with respect to a particular market, where market refers to a specific customer group in a specific geographic area”. (<http://www.marketingpower.com>)

3.3.2 Research Approach

The first step in approaching a research case is to determine the problem that needs to be investigated. The research issue needs to be narrowed down to be able to conduct a precise enough research. There are different methods on how to conduct the research, mainly through qualitative and quantitative research.

3.3.3 Market Research Process

Companies conduct market researches to gain insight of the customer buying behavior and preferences in a specific market. The research plan has to be divided into steps to be able to cover the major factors needed (Evans & Berman 1997, 90)(See Figure 10). The major steps in the market research process are:

- Defining the objectives
- Determining the research approach
- Examining the secondary data
- Creating primary data
- Analyzing the results
- Reporting the findings
- Implementation

3.3.3.1 Defining the Objectives

Firstly, the problems, as well as the research objectives need to be determined. Objectives are defined as “goals of the organization and the decision maker that must be considered in

order to conduct successful marketing research" (Malhotra 2006, 43). Problems are referred to as "a broad statement of the general marketing research problem and identification of its specific components" (Malhotra 2006, 35). This step needs to be concluded for the researcher to be able to narrow down the research area sufficiently (Evans & Berman 1997, 90).

The topic for this thesis was decided by the whole seat sales team. The background information for the thesis was gained by interviewing the sales manager, as well as from personal work experience of the study executor. Theoretical parts were chosen from main marketing books, and from the internet and the choices were made on the basis that they could be implemented into the company's sales processes. Survey results, as well as findings from the whole study, are evaluated in the end of the thesis, and the main findings that could assist the companies are specified.

3.3.3.2 Planning the Research

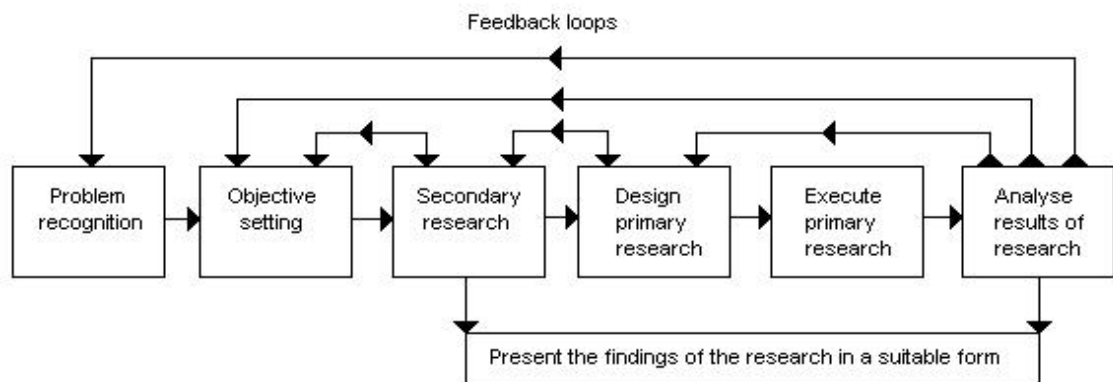
Secondly, the researcher has to develop the research plan for collecting information and by doing this, determine what kind of data will be collected. Secondary data consists of material collected for another purpose that already exists and is defined as "data that has already been collected by another researcher for another purpose" (Jobber & Fahy 2003, 86). "Information collected by or for an organization to address that organization's specific research question or needs" (Lindgren & Shimp 1996, 79) is referred to as primary data. It can also be identified as the fresh data that the researcher collects for the specific research on hand. After the preliminaries have been determined, the methodologies of the research need to be chosen.

3.3.3.3 Data Collection Method

The main methodologies used in marketing research are qualitative and quantitative research. Qualitative data is defined as "exploratory research that aims to understand consumer's attitudes, values, behavior and beliefs" (Jobber & Fahy 2003, 332). Qualitative research provides information about the motives behind the customer decisions, or their perceptions and expectations of products. The aim is to get responses about the respondent's thoughts and feelings on the given topic and examples of qualitative research methods include depth interviews and focus groups (Proctor 2003, 15). Qualitative data is referred to as "data that reflects attitudes and opinions collected by unstructured or semi-structured methods to gain insight into buyer behavior" (Baker 2006, 302). Qualitative research is also referred to as information that can not be put into a numerical format.

The other research methodology is quantitative research which is defined as “a method of analysis which provides data, normally numerical, for statistical analysis” (Baker 2006, 746). Quantitative research produces numbers and figures and shows the quantities of respondents who for instance, recognize a specific product or brand. The target group is usually large so that the responses could be projected as the opinions of the whole population. Quantitative research are generally gathered with surveys and presented in a numerical format in statistics, tables, and graphs. Surveys are defined as “interviews with a large number of respondents using a pre-designed questionnaire” (Malhotra 2006, 125). Questionnaires consist of different types of research questions which are given to the respondent with the aim of acquiring specific information. Questionnaires are “a form of survey using questions which can be either open-ended, or have a choice of pre-set answers” (Baker 2006, 746). The correct target groups need to be determined in both methodologies to secure the desired responses and research results.

The empirical data for this thesis was collected with both quantitative and qualitative methods. The main research method was conducted with a questionnaire that was sent to a specific amount of people, with the hope of a minimum of respondent finishing the survey. The qualitative approach was through an in-depth interview with the sales manager for the company department in question.



The market research process (Blythe 2001)

Figure 10: The Market Research Process

3.3.3.4 Data Analysis

After the collection, the next step for the researcher is to analyze the data and eventually present the findings to the company or client who requested the research. In case of a quantitative research, the researcher can tabulate data and develop frequency distributions. “A

mathematical distribution whose objective is to obtain a count of the number of responses associated with different values of one variable and to express these counts in percentage terms" (Malhotra 2006, 448) is the definition of frequency distribution. Data analysis is defined as "the coding, tabulation, and analysis of marketing research" (Evans & Berman 1997, 99). Usually averages and measures are computed for major variables, although to be able to draw comprehensive conclusions from the research, the response rate has to be high enough. The response rate is the amount of respondents that agree to participate in the research, and the expected rate is usually determined in the beginning stages of the research process. The researcher can draw conclusions from the final findings and make recommendations on which the company can make future decisions. (Kotler & Keller, 2006, 103)

The analysis of the data in this thesis was conducted with the help of a survey program (<http://www.surveyconsole.com/>) the questionnaire was made with. The program calculated the averages and percentages of each respondent, and from there the answers were segmented by the executor of the study. The segmentation was made on the basis of which information would interest and benefit the company the most. The respondents were divided into groups depending on their sales background and line of business, and the analysis results are presented in different smaller segments as well as the average responses of the whole target group. The frequency distributions per segments are presented in section 4.2.

3.3.4 Validity

"A measure is valid to the extent that variability in scores among objects reflects the true differences of the characteristics being measured" (Churchill & Iacobucci 2005, 294). The validity represents the valid level of the responses in terms of how the responses matched the aim of the research question. Basically if a research is valid, the research has met the purpose of what was supposed to be measured. Malhotra (2006, 283) defines validity as "the extent to which differences in observed scale scores reflect true differences among objects on the characteristics being measures, rather than systematic or random errors". A research is not measured as valid if the respondent have not understood the question asked correctly but the research executor still analyzes the results in question.

The research conducted for this thesis is valid because the analysis was based only on the questions that were correctly comprehended by the respondents. One question was misinterpreted by the majority of respondents and was therefore impossible to analyze as is stated in section 4.2.3.

3.3.5 Reliability

Reliability is defined as being “the similarity of results provided by independent but complex measures of the same object or construct” (Churchill & Iacobucci 2005, 295). In other words, reliability assures that there is similarity in the results between similar researches.

The research in this thesis is reliable due to the fact that the responses were clear and somewhat general. An identical research has not been conducted in the specific product market in question, but a marketing company researched consumer preferences in another market of the seat department. The results were similar although the questions were different and the survey was conducted by telephone which enabled freer answers from the respondents.

Another reliability aspect is that the survey request was sent out to personal e-mail addresses so it could be determined that the intended and correct person actually answered the questionnaire.

3.3.6 Methodological Implications

There are different methods of conducting market research although the major guidelines are generally followed. The research process presents the different steps that need to be considered before starting the research. When the process is completed and the results are analyzed, the validity and reliability of the results need to be examined. The validity and reliability of the research conducted in this thesis are solid although the questions in the survey could be extended and specified to gain more specific answers. Recommendations and the indications of the research results are discussed further in chapter 5.2.

4 EMPIRICAL FINDINGS

The research results were obtained by both qualitative and quantitative methods. This chapter presents the answers from an in-depth interview as well as the response results from the questionnaire.

4.1 Framework of the Interview Area

The qualitative research method was conducted by interviewing the sales manager of the seat department at Algol. The purpose of the interview was to get an insight to how the sales processes are constructed, as well as to explore the seat department sales history. Furthermore, one main purpose was to get an understanding of future developments and possible

expansions. The sales manager has been an employee of Algol for nine years and is responsible for half of the sales deals in the team.

The interviewee was asked how Grammer seats differ from competitors' and due to which main factors. The response was that Grammer emphasizes on ergonomics and quality more than competitors which makes the brand highly technically competitive. To be able to technically develop the seats, Grammer needs to invest in new components and possible raw materials which cause cost increases as well. These costs are also reflected in why Algol's actual customer prices in some cases are higher than those of competitors. Many competitors have not renewed their seat models in years and have saved in costs by not having to invest in new tools. Newer seats also mean newer components which are more expensive than older ones. In some cases, the raw materials in different seats also vary which causes price differences.

When asked what the sales manager would like to improve in the business, the reply was that it would be the cooperation between Algol and the supplier, Grammer. The supplier could be more flexible when it comes to orders and products in general. Grammer has a tendency to conduct business according to their ways without consulting the receiving end of the goods which sometimes causes inventory problems and delays. The communication between the two parties also requires improving since the response times are quite long, especially since the main communication method is by e-mail. Uncomfortable situations are, according to the interviewee, for instance when Algol's customer wants a prompt answer to a question that only Grammer can provide, and Grammer does not even reply in a few days.

Another question was why Algol have a much lower share in the construction machinery market than in other markets, and the interviewee explained that Grammer has only during the past 4-5 years invested the same development effort in seats intended for construction machines as for seats in other markets. Even though Algol has been a part of supplying seats for the construction machinery market for about 20 years, it has not had the opportunity to present its product as superior from those of competitors until recently. Algol has 35% of the market share at the moment, but the company is naturally trying to gain more share. The interviewee hopes that the results of the research conducted in this thesis will reveal in which areas the team should improve their marketing strategies.

A current topic affecting every business is the economic situation globally. According to the interviewee, the recession has had an impact on the seat market in Finland. Sales have generally dropped almost 60%-70% compared to the year before, and the machinery market to which the seats are supplied, have had general sales decreases of about 50%. The impact of the recession on Algol has not been as negative since the company is increasing its share in

other markets. Due to the current economic situation in every market, the interviewee was reluctant to give any future predictions about sales and possible strategic modifications.

4.2 Questionnaire

The quantitative part of the study was conducted through a questionnaire. The target group for the survey consisted of companies involved in the construction machinery business. Either they were end users, retailers, manufacturers, or service companies. The survey was made by a free internet survey program (<http://www.surveyconsole.com>) and was sent by e-mail to 123 persons, and the final response number that completed the survey was 30. 105 persons viewed the survey, but only 76 started answering it, and of these, 30 persons completed it which was a percentage of about 41%. Since the market is quite small, the wanted response quantity was 30 persons, and this was accomplished. The survey request was sent to companies of which 1/3 had at some point purchased seats or spare parts from Algol, and 2/3 were prospective customers. Surprisingly enough, 2/3 of the completed responses consisted of Algol customers, and 1/3 of prospective customers. Since the survey was conducted anonymously and could not be traced back to Algol, the response division shows that Algol customers actually want to take part in developing and affecting the seat market.

4.2.1 Questionnaire Timeframe

The survey request was at first sent to 40 persons, already Algol customers, who were given two weeks time to answer the questionnaire. Surprisingly enough, during the first couple of days, 8 persons completed the survey which was a larger number than expected. Since the response rate was so high, the survey was sent to yet another 40 companies, this time prospect customers to Algol. These companies were chosen by the sales persons as prospect customers whose answers would be of interest to the sales team to get a possible insight of how to win them over in the future. The respond percentage of these companies was low, so after one additional week, the survey request was sent to the remaining 53 companies consisting of prospects.

4.2.2 Target Group Selection

The companies were selected either from Algol's own database or from an online search engine under the heading of "construction machinery". It was challenging to divide the market into specific groups just based on the company name, so some companies responded that they could not influence on the seat brands since they bought whole machines, and some were not

in the construction machinery business despite of the contact heading they had set up on the internet. The fact that these companies replied at all was a positive gesture.

The preliminary plan was to contact the target group by telephone, but since it almost seemed easier to send the online survey by e-mail, this became the preferable choice. Studies show that persons find it easier to answer surveys if they have it visible instead of questions being verbally presented to them via telephone. In case the response rate during the given time period would have remained inadequate, the next approach would have been by telephone.

Since some of the target companies were very small (less than 5 employees), it was not expected to get responses from them because the e-mail addresses were quite unofficial looking. The final response rate received by sending the survey link by e-mail was surprisingly high. One factor that might have affected the results was the simplicity of the online survey. The questions were short and clear and usually only one choice was to be selected, and the open-ended questions were also easy to fill in. The scale to most multiple-choice questions was 1-5 and they consisted of brand recognition and how the respondents value price and quality. One seat feature that Grammer emphasizes is ergonomics therefore one question was to estimate how important ergonomics is for the respondent.

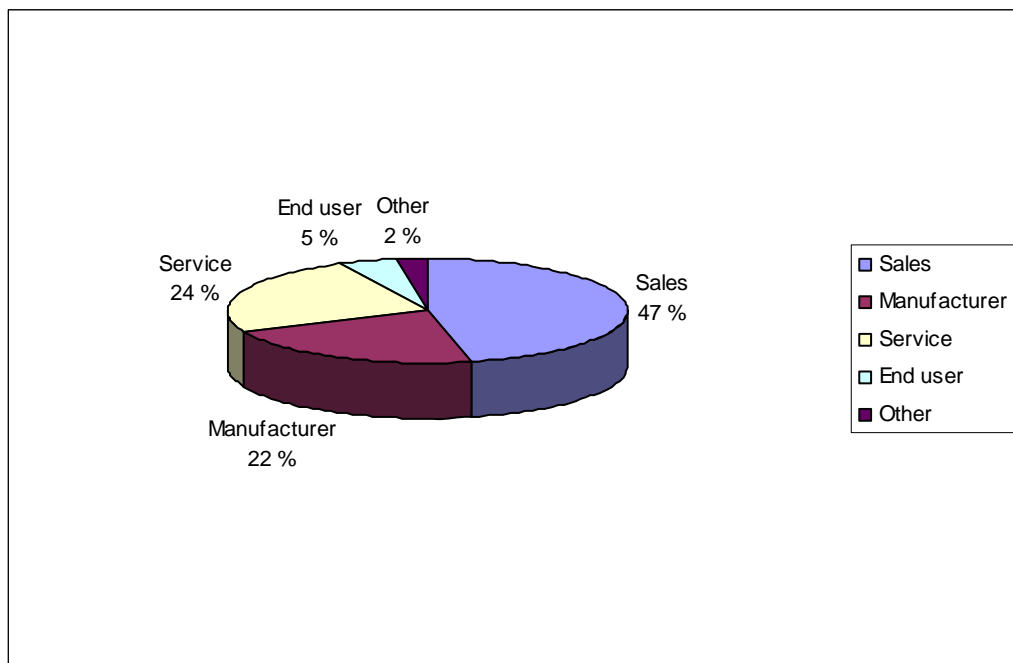


Figure 11: Line of business results among all respondents

4.2.3 Response Analysis of All Participants

The first question consisted of finding out some basic information about the company which included the name and annual turnover. Up to 22 of 31 companies stated their turnover in the questionnaire and the average annual turnover was about 11 million EUR. The next question, by which the respondents are analyzed more closely, was to choose to which line of business category the company belongs. Of all the respondents, up to 46% classified themselves as sales companies (See Figure 11). Manufacturers consisted of 22% and service companies were 24%. Only 5% of the respondents were end users and 2% chose the "other" option and added that their main line of business included ground and metal works.

Question three concerned the size of employment. Up to 60% answered that their employment consisted of 1-20 persons which was quite unexpected considering that some of these companies have an annual turnover of up to 20 million EUR. 17% of the companies had 20-40 employees, and only a small percent had more than that.

Next, the respondents were asked to answer which seat and spare part brands they purchase, as well as wherefrom. Over 50% order the products from an importer, and about 30% from retailers (See Figure 12). 19 respondents answered that they purchase Grammer seats and 17 purchase Kab seats. Many companies tend to purchase a mix of brands, and the most usual is a combination of Bege, Grammer, and Kab. Only two stated that they purchase Seat, which can clearly be seen in the low percentages that brand got in the rest of the survey.

Algol has an average delivery time of 2-3 days therefore it would be interesting to see what the delivery time of other brands would be. Unfortunately the respondents were not asked to separate the delivery times between brands, so the result of an average delivery time of 12 days for seats consists of all the brands. The average delivery time for spare parts proved to be 6.5 days. In the same question, the companies were asked to calculate the average quantity and monetary sum of annual purchases. Almost 75 seats was the annual average acquisition per respondent, while the quantity of spare parts seemed to be too complex for most respondents to understand so no clear result could be retrieved from that question. The respondents did not know if they should write the number of spare parts ordered per year, or the number of orders made during a year so therefore the question was not analyzed. The average amount for seat purchases was about 55000 EUR annually, while the same calculation for spare parts was 615050 EUR.

Another important survey question was how the respondents value price and quality. On a scale of 1-5, price was rated as 3.47 while quality got a slightly higher rate of 3.83. A more

specific response could have been achieved by directly asking the respondents to rate which is more important, price or quality.

Since Algol emphasizes on ergonomics features, respondents were asked to rate how important ergonomics is when purchasing seats. The average result was 4.23 of a maximum of 5, and almost 47% considered ergonomics to be very important.

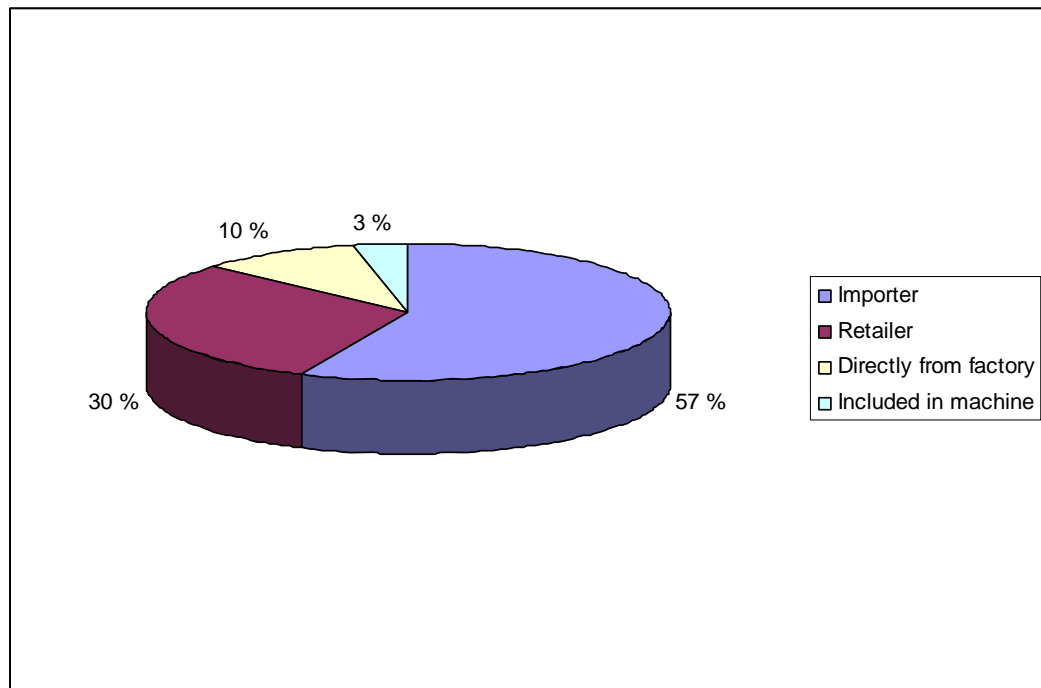


Figure 12: Distribution channels among all respondents

Algol wanted to research how well Grammer is known among the customers and prospect customers. The respondents were given a chance to rate how well they know five different seat brands as well as if price or quality was more important when dealing with that brand. When looking at all responses, Grammer was best known with a rate of 4.33 on a scale from 1-5 (See Table 1). Next best known was Kab with 4.07, and then came Bege and Isri that got slightly over 3. Seat got a rate of 2.21, while Sears was the least known brand with a rate of 1.93. Since all the respondents consisted of 2/3 of Algol customers, the results were also divided into Algol customers and prospect customers (See Chapters 4.2.4 and 4.2.5).

Almost 42% of all the respondents considered quality to be more important than price when considering Grammer. This meant a rate of 3.83, and Isri was also rated as quality being more valued than price with a rating of 3.17 as well as Bege with 3.08 and Kab with 3.04. The only brands that got a rating lower than 3, and almost reached an equal ratio of price and quality were Seat with 2.86 and Sears with 2.7.

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|---------------------|-----------|---------|---------------|--------------------|
| Valid | Not familiar at all | 2 | 6.67 | 6.67 | 6.67 |
| | Not very familiar | 2 | 6.67 | 6.67 | 13.34 |
| | No opinion | 1 | 3.33 | 3.33 | 16.67 |
| | Fairly familiar | 4 | 13.33 | 13.33 | 30 |
| | Very familiar | 21 | 70 | 70 | 100 |
| | | | 30 | 100 | |

Table 1: Frequency distribution: Grammer brand recognition among all respondents

The respondents were also asked to choose the communication methods from which they receive information. Internet was the major source of information receiving with a percentage of 24. Almost 21% answered that information was received through meetings with the salespersons which was somewhat unexpected. Considering that most sales teams at different companies consist of very few persons (1-5), this means that prospect customers should be contacted by personal meetings. Next in line as important information gathering were trade fairs with 16%. Magazines, product demonstrations, recommendations, and traditional mailing all got percentages of 10 or under.

4.2.4 Current Algol Customer Response Analysis

Among the respondents, Algol customers consisted of 19 out of 31, so almost 2/3. The customer segmentation showed that 46% were involved in sales, while 29% were in the service market, and 22% were manufacturers. Only one company turned out to be an end user. 2/3 of the responded stated to have 1-20 employees which again show how small the companies in the construction machinery market are. Price was rated as 3.63 on a scale of 1-5, while quality received a rating of 4.1. 53% of the respondents valued ergonomics as extremely important and an average score of 4.5 which again strengthens Grammer's, and hence Algol's, main competitive advantage compared to competitors. In other words, the response rate shows why these respondents are Algol customers since they value ergonomics so highly which is Grammer's, and hence Algol's, main emphasized feature.

Retailers often sell more than one brand of seats, therefore the brand recognition results were interesting to find out. As expected among Algol customers, Grammer was rated as the best-known with a rating of 4.84. Next in line was Kab with 4.47, and Bege and Isri received the same rating of 3.42. Seat managed to get an average rating of 2.42, and Sears was the least known with a rate of 2 (See figure 13).

When it came to the comparison of brands in relation to price versus quality, Grammer got an average score of 3.79 which means that Algol customers value quality more in comparison to price. Kab was a close second with an average rate of 3.39 and Bege and Isri both had 3.25. Seat and Sears were rated around 2.5 which means that the perception of these brands is that neither the price nor the quality weighs more if purchasing them.

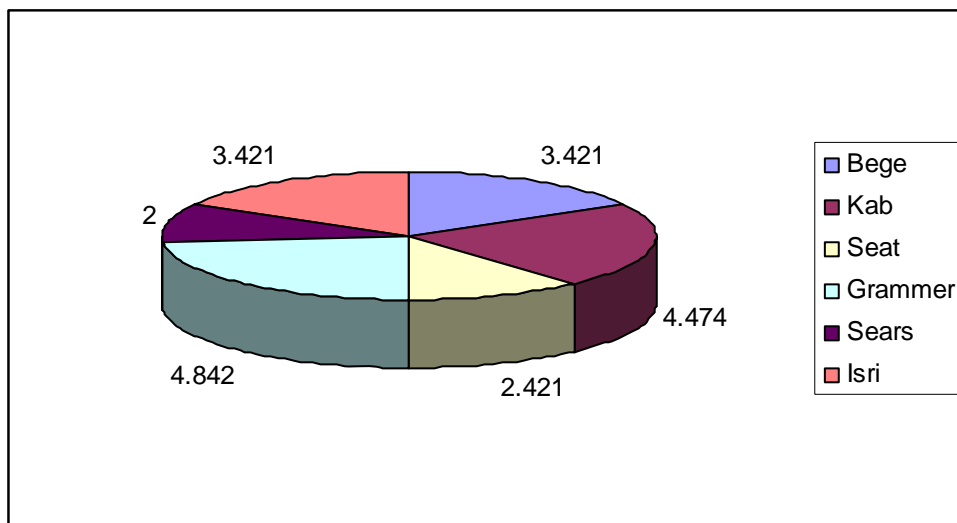


Figure 13: Brand recognition among Algol customers

The survey results of all the respondents show that the most preferable source of information is the internet, but Algol customers find meetings with the salespersons to be the most important choice of communication with a number of almost 27% (See Table 2). The second most chosen option was getting information online, and trade fares as well as product presentations were valued at about 13%. The least attractive option would be to receive information by mail since only two out of 19 respondents preferred that option.

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|------------------|-----------|---------|---------------|--------------------|
| Valid | Mail | 2 | 3.85 | 3.85 | 3.85 |
| | Magazines | 3 | 5.77 | 5.77 | 9.62 |
| | Trade fares | 7 | 13.46 | 13.46 | 23.08 |
| | Customer visits | 14 | 26.92 | 26.92 | 50 |
| | Product displays | 7 | 13.46 | 13.46 | 63.46 |
| | Recommendations | 4 | 7.69 | 7.69 | 71.15 |
| | Internet | 13 | 25 | 25 | 96.15 |
| | Other | 2 | 3.85 | 3.85 | 100 |
| | | 52 | 100 | | |

Table 2: Frequency distribution: Communication channels among current customer

4.2.5 Prospects Response Analysis

As in the other survey results, the main line of business among prospect customer was also sales which covered almost half of the segment. Manufacturers represented 23% of the segment, while service companies stood for 16%. Only one respondent of 19 turned out to be an end user. The most selected employee amount option was the amount of 1-20 which stands for 55% of the customer segment. Almost 30% of the prospect customers had 20-40 employees compared to Algol's existing customers of which only 11% had the same employee amount. Prospect customers valued price with a rate of 3.18 and quality with 3.46 which shows that prospect customer value quality considerably less than Algol customers.

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------------|-----------|---------|---------------|--------------------|
| Valid | Not important at all | 0 | 0 | 0 | 0 |
| | Not very important | 1 | 11.11 | 11.11 | 11.11 |
| | No opinion | 1 | 11.11 | 11.11 | 22.22 |
| | Fairly important | 6 | 66.67 | 66.67 | 88.89 |
| | Very important | 1 | 11.11 | 11.11 | 100 |
| | | 9 | 100 | | |

Table 3: Frequency distribution: Ergonomics ratings among prospects

Ergonomics got a rating of almost 3.78 (See Table 3) which could mean that Algol has a chance of gaining market share by presenting the Grammer seats as ergonomically advanced. Although the prospect customers had not at any point purchased seats from Algol, Grammer still seemed to be the most recognizable brand with a rating of 3.45 compared to the second most known brand which was Kab with 3.36 (See Figure 14). Bege got a rating of 3.18 while Isri was rated with an average of 2.8. Almost 55% of the prospect respondents answered that they do not know Seat or Sears at all, so they both received a rating below 2.

The prospect customer rated Grammer to be the most quality valued among the brands. 40% chose quality to be very important compared to price, and the average rating for Grammer is 3.9. Sears, Isri and Seat managed to get almost 3, while Kab and Bege seemed to be valued more for their prices compared to quality by getting a 2.45 and 2.8 considerable.

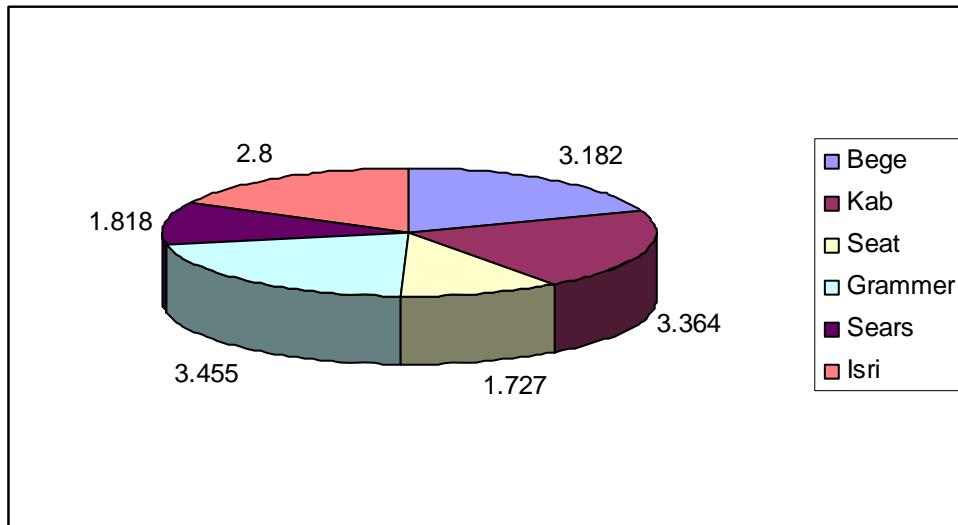


Figure 14: Brand recognition among prospect customers

The most important source of information among the prospects seemed to be the internet which got a percentage of almost 24%. The options of information gathering from magazines and through recommendations both reached 13% while the least favorable choice was product presentation. The greatest difference between the communication results of Algol customer compared to prospects was that while Algol customer prefer meeting with the salespersons, only 10% of the prospects chose that alternative as a current mean of receiving information.

5 SUMMARY

This section consists of the most relevant findings from the research and recommendations of how these factors could be implemented in the company's marketing processes.

5.1 Findings

The majority of the results were somewhat predictable, although there were some unexpected findings. The first surprising factor in the survey results was that over 2/3 of the respondent companies revealed their annual turnover. Even though the respondents knew that the survey was conducted anonymously, the answer amount was a positive surprise since financial information is generally considered to be the greatest market secret. The employee number of the companies, either prospects or current Algol customers, was also unpredictably low. This simply shows that even though company turnovers can be considered high, the actual number of employees generating the turnover is quite small.

Grammer turned out to be one of the best known brands in the market among all the customers, which shows that there is potential for sales increases if Algol could implement additional improvements in the marketing approaches. Grammer seats and spare parts also had the least amounts of delivery days which definitely could be considered as a competitive advantage for Algol. Current Algol customer rated quality and ergonomics to be very important, compared to prospect customers who were more price sensitive. Prospect customer seem to consider price to be more important than quality, therefore marketing the quality and developed features of the Grammer seat could lead to possible sales increases.

Although the current Algol customers found communication through mail to be least attractive alternative, a recent campaign was marketed by sending out leaflets with a special offering by traditional mail. The campaign in question proved to be successful and the marketing decision turned out to be very efficient which contradicts the survey findings. The success of the campaign might on the other hand be a result of the unstable market situation today, so any low-price offering coming from the preferred supplier is obviously regarded as very attractive. One other interesting result about communication channels was that Algol customers seem to get most of the product information from customer visits. Even though the sales team at Algol only consists of two persons, they seem to have a well-operating contact network among the customers and are visiting them on a regular basis.

5.2 Recommendations

More brand visibility would enable more sales. Today, Algol has a strong market share in both the agricultural machinery and forklift trucks market so getting a similar position in the construction machinery market is highly possible. Even though this research revealed major preferences of customers in the construction machine market, a recommendation would be to expand the survey questions to get a deeper insight to the customers' opinions. Researching which seat features the customers prefer as well as giving them the opportunity to freely state which non-existing seat features they would value could present a development opening for both Algol and Grammer.

The promotional side of the company could possibly be enhanced by additionally emphasizing the importance of ergonomics in the long-run. Since ergonomics is the strong point of Grammer seats, the basic promotional message should be based on that feature. Even if the survey results showed that traditional mail would be a weak channel of communication, the recent marketing campaign showed that advertisement sent with this method still is an effective way of getting attention. A recommendation would therefore be to use the same marketing approach for future campaign as well as sending the leaflet offerings by e-mail. The prospects on the other hand responded to getting most of the information from the internet, therefore

Algol could have an opportunity of marketing their sales as personalized to possible new customers. Though getting the prospects to grant a new salesperson the time to introduce differentiated products is a great challenge.

In case Algol intends to enter a new market, the quality of the seat should be emphasized. The research shows that the Grammer brand is perceived as representing high quality which is an advantage and eases the transition into new markets. Since the brand is combined with quality, the company should also use price skimming when familiarizing the seat to possible new customers.

5.3 Conclusions

The purpose of this study was to give an insight to customer preferences in the construction machinery seat market, and the objectives were achieved to some extent. The research results of this study provide new information as to which areas more effort should be put into. The research could have been more extensive to get a deeper view of the customers' opinion on the product itself, even though the research provided a general picture of the market preferences. Especially the communications results as well as the brand perceptions will certainly be implemented in the promotion process of the sales team.

Although the company is the leader in two markets and has a good share in the third, the future business outcomes are difficult to predict. The current global financial situation in almost every market forces everyone to forecast the future in a precautionary way. Algol has ambitions of still increasing its market share in all markets they do business in, as well as expanding into new markets. The research findings will be presented to the company and will possibly assist the company in developing their business transactions.

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Appendix 1: Interview with sales manager

Interview

18.3.2009

Algol Technics

Sales Manager - Grammer seats

-
1. What are the strengths and weaknesses of Algol/Grammer compared to competitor?
Main differentiating features of the seats?
 2. How long has Algol supplied seats in the construction machinery market?
 3. How large is Algol Technics' market share in the construction machinery market?
 4. Why does Algol have a relatively small market share in the construction machinery industry compared to the strong market share in agricultural machinery market?
 5. Why are Algol/Grammer seats more expensive than competitors'?
 6. How has the recession affected Algol Technics' sales results?
 7. Does the sales manager have any suggestions for improvements?
 8. What are Algol Technics' future goals?

Appendix 2: Questionnaire in English

PROSPECTS - COPIED [glvclfnysl]

Page 1 of 3

Market Research

Dear recipient

I am a student of International Business at Laurea and am writing my thesis based on a market research concerning seats for construction machinery. I would highly appreciate if you could use 5 minutes of your time to answer my questionnaire to ensure a comprehensive enough response rate.

In case you are not the right person for answering this survey, please forward this to the right person in your company.

The responses will be processed anonymously and are part of the research.

Thank you for your cooperation and time,
Nina Weckman

Company _____

Annual turnover (EUR) _____

Line of business

- Sales
- Manufacturer
- Service
- End user
- Other

Number of employees

- 1-20
- 20-40
- 40-80
- 80-120
- 120-150
- 150-200
- 200-300
- 300-500
- Other

a) Wherefrom do you purchase seats?

b) Wherefrom do you purchase spare parts?

c) Which seat brand?

d) Which spare parts brand?

e) Average delivery time of seats?

f) Average delivery time of spare parts?

g) Annual seat purchases (quantity)?

h) Annual spare parts purchases (quantity)?

i) Annual seat purchases (EUR)?

j) Annual spare parts purchases (EUR)?

Please estimate how much price and quality affect your purchasing decisions

| | 1 Not at all important | 2 | 3 | 4 | 5 Extremely important |
|---------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Price | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Quality | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

How important do you find ergonomics?

- 1 Not at all important
- 2
- 3
- 4
- 5 Extremely important

How well do you know the following manufacturers?

| | 1 I do not recognise the manufacturer | 2 | 3 | 4 | 5 I know the manufacturer extremely well |
|---------|---------------------------------------|-----------------------|-----------------------|-----------------------|--|
| Bege | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Kab | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Seat | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Grammer | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Sears | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Isri | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Which has more value with the following brands, price or quality?

| | 1 Price | 2 | 3 | 4 | 5 Quality |
|---------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Bege | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Kab | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Seat | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Grammer | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Sears | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Isri | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

PROSPECTS - COPIED [glvclfnstyl]

Page 3 of 3

How do you receive information about the products?

- Mail
- Magazines
- Trade fares
- Meeting with salesperson
- Product presentations
- Recommendations
- Internet
- Other

Please contact nina.weckman@laurea.fi if you have any questions regarding this survey.

Powered By [SurveyConsole Survey Software](#)

Appendix 3: Questionnaire in Finnish

Markkinatutkimus

Page 1 of 3

Markkinatutkimus

Hyvä vastaanottaja

Opiskelen Laureassa kansainvälistä liiketaloutta ja teen opinnäytetyönäni markkinatutkimuksen työkaluistensa. Olisin erittäin kiitollinen jos ehtisitte käyttää noin 5 minuuttia vastataksenne kyselyni, jotta saisin mahdollisimman kattavan vastausprosentin tutkimustani varten.

Mikäli ette ole oikea henkilö vastaamaan yrityksenne työkaluistensa istuin/varaosahankinnoista, voisitteko ystävällisesti ohjata tämän kyselyn yrityksessänne oikealle henkilölle.

Vastaukset käsitellään anonymieinä ja ovat osa tutkimuskokonaisuutta.

Yhteistyöstä kiittäen,

Nina Weckman
Laurea-ammattikorkeakoulu

Tutkimukseen pääsette painamalla "Continue"-nappia. Kiitos ajastanne!

Yritys

Liikevaihto vuodessa (EUR)

Toimiala

- Myynti
- Valmistaja
- Huolto
- Loppukäyttäjä
- Muu

Henkilömäärä

- 1-20
- 20-40
- 40-80
- 80-120
- 120-150
- 150-200
- 200-300
- 300-500
- Muu

a) Mistä istuimet ostetaan?

b) Mistä varaosat ostetaan?

c) Minkä merkkiset istuimet?

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- d) Minkä merkiset varaosat?
- e) Istuinten keskimääräinen toimitusaika
- f) Varaosien keskimääräinen toimitusaika
- g) Istuinostokset vuodessa (kpl)
- h) Varaosaostokset vuodessa (kpl)
- i) Istuinostokset vuodessa (EUR)
- j) Varaosaostokset vuodessa (EUR)

Arvioi tuotteen hinnan ja laadun merkitys ostopäätöstä tehtäessä

| | 1 Ei niin tärkeä | 2 | 3 | 4 | 5 Erittäin tärkeä |
|-------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Hinta | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Laatu | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Miten tärkeänä pidät istuimen ergonomiaa?

- 1 Ei niin tärkeänä
- 2
- 3
- 4
- 5 Erittäin tärkeänä

Miten hyvin tunnistat seuraavat valmistajat?

| | 1 En tunnista valmistajaa | 2 | 3 | 4 | 5 Tunnistan valmistajan erittäin hyvin |
|---------|---------------------------|-----------------------|-----------------------|-----------------------|--|
| Bege | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Kab | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Seat | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Grammer | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Sears | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Isri | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Kumpi painaa enemmän seuraavien merkkien kohdalla, hinta vai laatu?

| | 1 Hinta | 2 | 3 | 4 | 5 Laatu |
|---------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Bege | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Kab | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Seat | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Grammer | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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| | | | | | |
|-------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Sears | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Isri | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Mistä saatte tiedot tuotteista?

- Postitse
- Lehdistä
- Messuilta
- Myyjän tapaamisilta
- Tuote-esittelyistä
- Suosituksista
- Netistä
- Muu

Please contact nina.weckman@laurea.fi if you have any questions regarding this survey.

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