

# **Strategic Management as a Competitive tool – Case Netseri**

**Mira Venla Kokkonen**

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Author(s) Kokkonen Mira Venla			
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<p><b>Abstract</b></p> <p>The aim of this study was to create a competitive operation plan to a Finnish micro company. By using the tools of market research and operational environment analysis the plan could be set. Market research will be conducted to identify customers' expectations and needs. The operational environment analysis will focus on the company's current competitors operating in Finland as well as abroad.</p> <p>The study was built on several research methods and a case study. The methods of the study make up a mix of quantitative and qualitative research. Several methods were selected to provide a wide enough basis of knowledge of the case company's operational environment.</p> <p>The competitor analysis was conducted using 2 Finnish companies operating in Finland and 2 foreign companies supplying to Finnish clients. The aim of the study was to concentrate of foreign competitors as significant amount of printed products such as clothes and other textiles are produced outside Finland, mostly in Europeans countries such as Estonia and Germany. Information gathered through the environmental analysis was used in the process of creating a strategic plan.</p> <p>The other part of the study was to do market research in order to better understand the customers' needs and expectations. The study was conducted by sending a questionnaire to 40 potential or existing customers. By combining the results from both of the studies, customers' needs and competitors could be recognized. The results were gathered and a competitive operation and management plan was formed by using the strategic management model.</p> <p>The results gathered from the questionnaire showed there was a need of deeper segmentation in terms of marketing and customer relationship management. The results affect on company's future strategic management and management decisions. Research gave vital information to the company about competitor's actions and customer's expectations.</p>			
<p><b>Keywords</b> strategic management, environment analysis</p>			

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## 1 INTRODUCTION

Globalization has brought companies, customers and products closer and closer to each other's. The use and availability of internet has made domestic markets and internal trade to lose its traditional meaning. Economy and markets are in constant unpredictable move. Customers price awareness has increased and the meaning of locally produced products has been replaced by the cheaper products brought from the cheap production countries. All of these reasons have forced Finnish small and medium sized companies to reshape their operations and fit into modern markets or disband.

Uncertainty of the companies' existence and markets has forced the companies to rethink their costs and how to maximize profits. Customer can find the products or services it needs, and the cost is only part of what it would be in local market.

Tightened domestic competition has increase the uncertainty of markets and made competitors' moves unpredictable. New companies arise and unprofitable ones decline. To be able to stay and maintain market share, companies need to gather constant information about competitors moves. This is especially important on the fields in which the obsolete technology may lead into losing the customers permanently. (Hill 2001, 11-13)

To be successful in a highly competitive field, companies must adapt themselves to be more competitive and to serve customers better than others. The aim of this study is to find out what are the factors that could increase the company's competitive position in the printing industry.

This study is to conduct by using several research tools, market research and competitor analysis. The study focuses on analyzing the company's main competitors and the service offerings. The reason for choosing the foreign competitors to be mainly analyzed instead of Finnish ones is simple. In Finland the cost of production is quite the same for all of the operators on the printing industry. The costs of materials, goods, machinery, employees and taxes are similar for the local competitors. The aim of the study is to find the competitive tools and plan the strategic operation plan in order to maintain and subsequently increase the market share in challenging global competition.

The topic of the thesis was introduced by the company during an internship. Netseri is Screen printing company based in Kuopio, Finland. Managed and partly operated by my family members. The thesis topic was settled with Kari Kokkonen, the company's General Manager.

Netseri has not done a full scale competitor analysis in recent years. All though, the company has continuous followed up of its local competitors. Recently the need to follow up the global operators and competitor has become apparent and the environment analysis is now necessary. Markets have changed as well as Netseri has also changed its focus from consumer goods and mass production towards subcontracting and more customized services. The change during the last couple years has not had major effect to its position in the markets.

The change towards business markets includes also huge risks as business consumers have the power on business discussions and the loss of one of the biggest customer would have major effect on company's economics. The risk of narrowing the customer base from various small customers into smaller amount of bigger customers has its risks and challenges too.

New strategic management plan has been introduced during the summer 2013. Alongside with the market research the new procedures will be taken into use. Company's operations in the field of customer service and marketing need to be updated with the help of newest technology such as internet applications.

## 2 COMPANY NETWORK COMPONENTS

It is important to make the clear categorization of the consumer groups as they vary from each other on customer expectations, buying habits, product offerings as well as on service demands. After the customers have been categorized into own segments, separate marketing actions can be planned according to each groups specific needs (Yankelovich & Meer 2006).

### 2.1 Consumer markets

Consumer markets consist of private customers and small groups such as societies and sports teams. The relationship to these customers is weak and the agreements between the customer and the supplier are short-term and often nonrecurring. These customers' actions are often unpredictable and few barriers of establishing and ending the relationships exist. (Talentree lecture 15.03.2013)

During the recession a change in consumer behavior in the consumer markets is visible. As customers they tend to be more affected by the marketing efforts and price discounts. They have low barriers to change the supplier as the consumer buyer possesses strong bargaining power. A consumer buyer bargaining power has increased as the product offering of various companies is undifferentiated. Katsuhiko Shimizu (2012, 24) found that buyers are powerful when:

- cost of switching suppliers is low
- importance of supplier's inputs is low
- high competition among suppliers: concentration of the industry is low
- substitute products offered by the other companies in the same industry are widely available

The products offered to the customer markets have often few differences and price level of the offered services and prices does not differ. The global competition among the consumer markets has increased due to the easy use of internet. Internet shops have increased customer's awareness and price sensitiveness. Barrier to switch supplier has lowered. (Peelen 2005, 155.)

Consumers on customer markets often look for fast delivery, small quantities and competitive prices. They seem to order the products according to the easiness of the purchasing process and also according to the quality-price ratio. (Kotler, Keller , Brady,



Goodman, Hansen 2012, 245-262) In customer markets the customers are also the end consumers of the product. Even though that as a customers they expect and need more time used per ordered item they should be as valued as business customers.

As consumer markets and consumer customers are most often the end users of the product, marketing has to be focused on the end users. Kotler et al. (2012, 252.) found that buyers' decisions are influenced by personal characteristics. These characters are the buyer's age, and stage in the life cycle; occupation and economic circumstances; personality and self-concept; and lifestyle and personal values (Demand Media 2013)

## 2.2 Business markets

Another part of the customers consists of business customers. According to Kotler et al. (2012, 294.) the business market consists of all the organizations that acquire goods and services used in the production of the other product or services and which are either sold, rented or supplied to others. These business customers are in a close relationship with the company and usually form the greatest share of the income in the companies operating in business to business markets. Business customers usually order products or services to be part of their own product offering. The product bought can be part of the final product or it can be sold forward as is. (Kotler 2012)

In this type of business relationships the quality of the product as well as the deep trust between both of the parties is in a significant role. "Because of the smaller customer base and the importance and power of the larger customers, suppliers are frequently expected to customize their offerings to individual business customer needs." Kotler et al. (2012, 294). As business customers may have huge role in company's operations and especially in its income, business customers has to be served in a more accurate and customized way.

Most often the business customer has the power on price discussions and on its demands. "An unequal distribution of power is often seen in knowledge- and skill-oriented services where the customer's fate depends upon the expertise of the service provider." Peelen. (2005, 26.) In close co-operative relationship the supplier must adapt its operations to fulfill the customers' needs.

Although in some cases the business consumers cannot risk to lose well established and reliable relationship built with the subcontractor. Kotler et al. (2012, 320.) found that the closets relationship between customers and suppliers arise when the supply was

important to the business customer and there were procurement obstacles, such as complex purchase requirements and few alternative suppliers.

By making the decision to change the contractor, business customer may harm its own business, if they are not capable of finding the new one and make the co-operation work seamlessly.

How the customer finds the best contractor and why they built long lasting relationships is often quite similar. According to the Kotler et al. (2012, 15.) the buyer chooses the offerings he or she perceives to deliver the most value, the sum of the tangible and intangible benefits and cost to them. The commitment between both of the parties is deep and relationship continuous. "Some relationships are continues because there are no better alternatives available and because terminating the relationship would invite a great number of problems. In these types of relationships it is the negative rather than the positive considerations which result in continuity." Peelen (2005 , 27.)

### 2.2.1 Subcontracting

Business customers and especially subcontractors look for high quality and trustful producer. To gain the trust, will take years and there is no room for errors. The delay on production will lead into problems on customers' sales and the delays will be multiplied. The relationship is valued and relationships are well kept. Peelen (2005, 34.) states that one gains competency when the skills and expertise are presented and one also has the capability or the opportunity to make use of these. This person or company must lead to these competencies being employed to protect the customer's interests. In the end supplier is to one to be prepared to provide assistance and places long-term customer interest above its own short-term interests. The loss of one of the biggest customers would harm the company's economic balance.

Direct purchases from business customers and the demand of the business goods is ultimately dependent on the demand of consumer goods. There is not much that the company can improve if the business customer is having problems on selling its own consumer goods to the end users. The problems will have direct impact into subcontractor too. Price reductions cannot be used to boost up the sales as business goods are in an inelastic demand category. The total demand for business goods and services id inelastic- that is not much affected by price changes. Kotler et all. (2012.) If the price of the print falls the business customer is not capable of increasing the number

of orders. Also in opposite if the price rises the customer still needs to purchase the product or service on the time it is needed.

### 2.3 Competitive position

The future position on the markets will depend on the factors illustrated on the Porters Diamond. Competition on the customer and business customer markets and competitors' actions on their service offerings will have impact on the company's own operation planning and implementation. Any technical progression made by competing companies will effect on their cost effectiveness and to the speed of service.

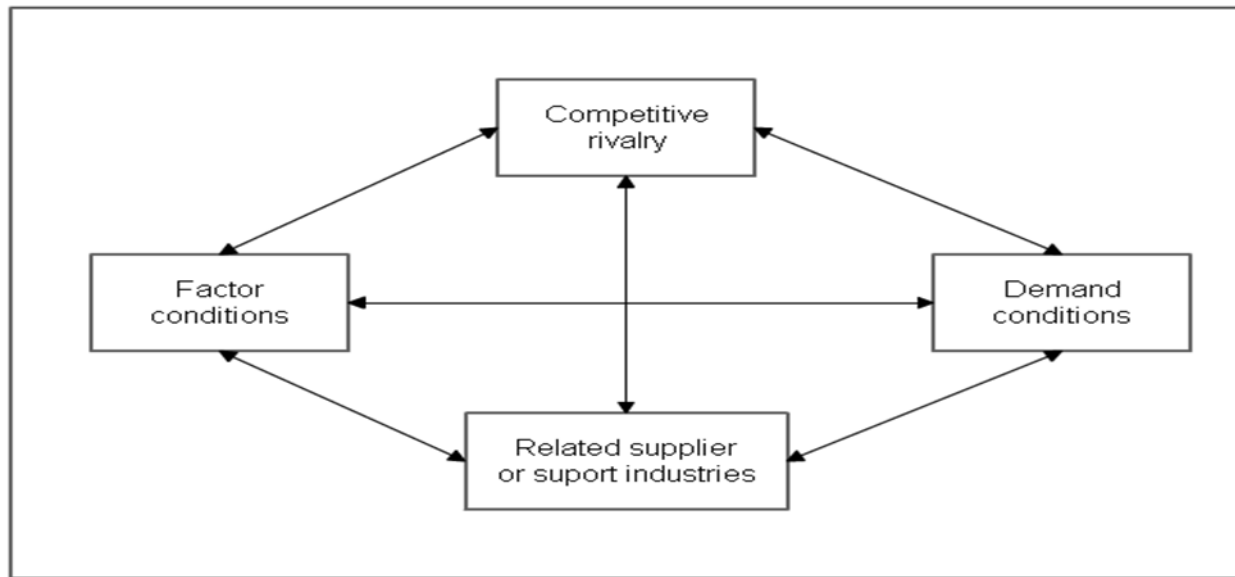


FIGURE 1 Determinants of National Competitive Advantage: Porter's Diamond (Porter 1990)

Hill (2011) argues that the factor conditions, especially basic factors such as location and demographics only provide an initial advantage that has to be supported and reinforced by investments into advanced factors. Advanced factors that include sophisticated and skilled labor as well as technical knowhow build the better competitive advantages.

In the end the future of any company is dependent on the customer's demand. If the demand suffers an unpredictable drop it will have a huge impact on the industry's operators. Companies with small overheads are more flexible and have the capability of adapting to changing demands on the markets. Changes on the product offering can be done in short notice. Differentiation strategy is an option for followers, rather than for market leaders. The differentiation strategy works best on the market situation in which the market leader has a cost advantage and the followers have problems matching into

the same prices. Differentiation strategy does not usually directly challenge the market leader and therefore minimizes the risk of market leader to react into emerging competitor by for example cutting the prices. (Friend, Zehle 2008)

### 3 COMPETITION

Competition and competitors, includes all the direct and potential rival service and product offerings as well as substitutes a buyer might consider. (Kotler et al. 2012, 16)

Threat of new entrants can be defined by the difficulty related to entering the markets, also called height of entry barriers (Katsuhiko Shimizu 2012, 24.)

Friend (2008,92) lists factors which lower the threat of new entrants to the market:

- Entry to the market requires heavy investments and industry is capital intensive
- Economies of scale play the key factor on operations. The size of the company and number of output will generally lower the price per unit as the fixed costs can be spread wider into more outputs.
- Access to resources is limited
- Access to distribution is problematic and buyer's switching costs are high.

In addition to the list, to be able to operate on skill oriented industry certain skills and know-how is required. Competitive advantages generated by the company may save the company from new companies. Companies that have built the knowledge and reputation during the year may be able to offer better services to the customers. The entry barrier to the printing industry is relatively low and set-up costs are relatively small. Companies' might also gain from low switching costs as they do not need to reduce their switching costs to attract customers from competitors.

After all, the switching costs are usually low because product offerings or services are very similar (Katsuhiko Shimizu 2012, 29.) Companies come and go but the ones that have survived the changes on the markets, have been able to adjust the operations and their product offerings successfully. The part of this study is to find and address the advantages and processes that the company could do to better compete on a challenging competitive environment.

#### 3.1 Competitive challenges

Economic downturn has tightened the competition. Price reductions do not help on the time when business customers vanish and stop operating anymore. There are several reasons for losing the customers although the biggest reason has been the financial difficulties of the customers. As most of the customers are other companies, any

problems on their sales will have direct impact to the suppliers too. Some of the customers have even got out of business.

Finland has lost its game on price competition. It is a cruel fact that Finnish companies cannot compete with other European countries on their prices. Taxes, raw material, employees and transportation are way more expensive than in Eastern Europe. (Positions&Promotions 2013) The use of internet and fast transportation methods has made the global competition to become local. Companies from abroad are taking part into sharing the local markets. As Finnish companies cannot compete with the price they have to find other assets on keeping their market position.

Kotler et. all. (2012, 173) suggest that due to the globalization and latest technological developments, the marketing environment is in rapid change and the change is more rapid than ever before. Due to the change on business environment it is essential that companies develop and maintain database management systems which provide a structured insight marketing decision making.

The better use of the latest technology on production as well as on marketing allows a better competitive advantage in the marketplace. "The internet does not in itself offer companies competitive advantage; rather, online success depends on companies' abilities to exploit online market opportunities" (Kotler et.all 2012, 143) It is not enough only to set up a homepage. The page itself should include something special or serve the customers in a new innovative way. Even though the internet applications allow the web store and order simulations those are not widely used in Finland in this certain business. E-commerce could be introduced to set-up direct internet sales, advertisements, social media, customer relationship management database and for better customer service.

"Small businesses' growth is contingent upon their knowledge acquisition. As a result, these firms tend to use their networks as the key means of acquiring knowledge. Development of these networks is based on the logic and needs of the business and are all defined and carried out by the executives of the firm." (Nelson 2013)

### 3.2 Competitive advantages

Printing industry, as well as other Finnish industries has faced dramatic changes and challenges during the previous years. Due to the global economic recession, Finland is

no more desired country for production in terms of cost effectiveness, as more and more industries are moving production overseas.(Positions&Promotions 2013)

The following chart introduced by Porter (2004) illustrates the factors effecting on company's competitive advantages. By concentrating on each segments and implementing them with lower cost than competitors, company may increase its competitive advantage on the market.

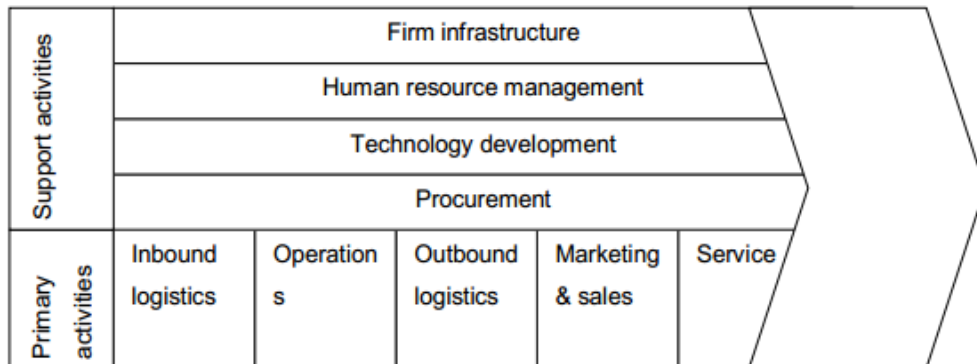


FIGURE 2 Value chain (Porter 2004)

### 3.3 Retention

“Retention in a marketing sense means holding on to customers. If a company becomes aware in time of those who demonstrate an increased likelihood of ending the relationship, then it may take action to prevent this.” (Peelen 2005, 239)

Business environment paradigm has changed since the establishment of the company. The markets have shifted from sellers' markets towards buyers' markets. To competition has changed and customers have a choice of possible providers. Due to the change the customers and customer relationship management has become a true focuses of the business activities.

After almost 15 years of prosperity and economic growth the recent recession has forced many of the companies struggle to survive. Customers are no longer coming to knock the door by themselves. Recession can be a time of challenges but in can also bring great opportunities as the company has to pay attention to its customer service and offering. The retention of the customers becomes vital.

When the times are challenging, all of the established customer relationships become extremely valuable. To be able to hold on the existing customer should be seen as

important as marketing effort to attract new customers. Frequent contacts with the customers through the new communication channels will be established. Communication channels will include website, customer service phone number, email and social media.

The selection of the customers, who will be approached for retention activities, should include both the existing and the former customers. The goal is to serve the customers as effectively as possible, due to that a standardized marketing approach, including mass marketing should not be implied. Especially on the business-to-business market on which every customer has its own requirements the marketing must be targeted. The marketing should be customized and addressed straight to specific customer. To be able to customize and personalize the offerings the customer and its needs must be well known. Direct marketing actions such as calls and direct customized emails to customers are best ways to get to know the customer if a face-to-face meetings cannot be arranged. Direct marketing is the use of consumer-direct channels to reach and market offerings to customers without using marketing middlemen.

### 3.4 Competitor analysis

Competitor analysis is usually created by using two primary activities; finding and creating information about competitors and by using the competitor information to predict competitor's behavior. (Business Knowledge Center 2013)

The information gathered from the competitors such as weaknesses and strengths as well as their strategies assists a company to determine its position in the market and to reform its own activities. (Asiakastieto 2013)

Even though that companies enter and exit the markets Friend & Zehle (2008, 91) points out that the structure of a specific industry does not change in the short term. The structure of the industry is something that irrespective of the general economic climate or temporal fluctuations in demand ultimately affects return on investment.

### 3.5 Direct competitors

The intensity and numbers of competitors will have a significant impact on the competence to generate sufficient margins. Friend et al. (2008) sums the factors effecting on competition among the companies on the same markets:



- Monopolies - Industries with only one ruling company are generally more stable than fragmented industries where some competitors may try to achieve the monopolistic position.
- Slow growth of the demand - If an industry stops growing, the only way the company can grow is to capture the market share from other companies. Competition will rise under the same industry and some companies might exit the markets.
- Undifferentiated products - competition focuses primarily on price. This will be harmful for all the operators on the markets. Under the scope for differentiation, the pressure for price competition will be lower.

## 4 STRATEGIC MANAGEMENT MODEL

The strategic management process can be best studied and adapted using a strategic management model. The following model represents the process of building the company's strategy. According to Davis (2011, 47) the strategic-management process is dynamic and continuous. A change in any one of the major components shown on (figure 1) table may have changing effect in any or all of the other factors on model components.

The model can be used as a guideline of the actions and strategic management. The table and its components as well as the relationship between them can be changed and reformed if needed. Strategic management is seen as a vital asset for large firms and corporations. The use of the model in small and micro companies has been underestimated.

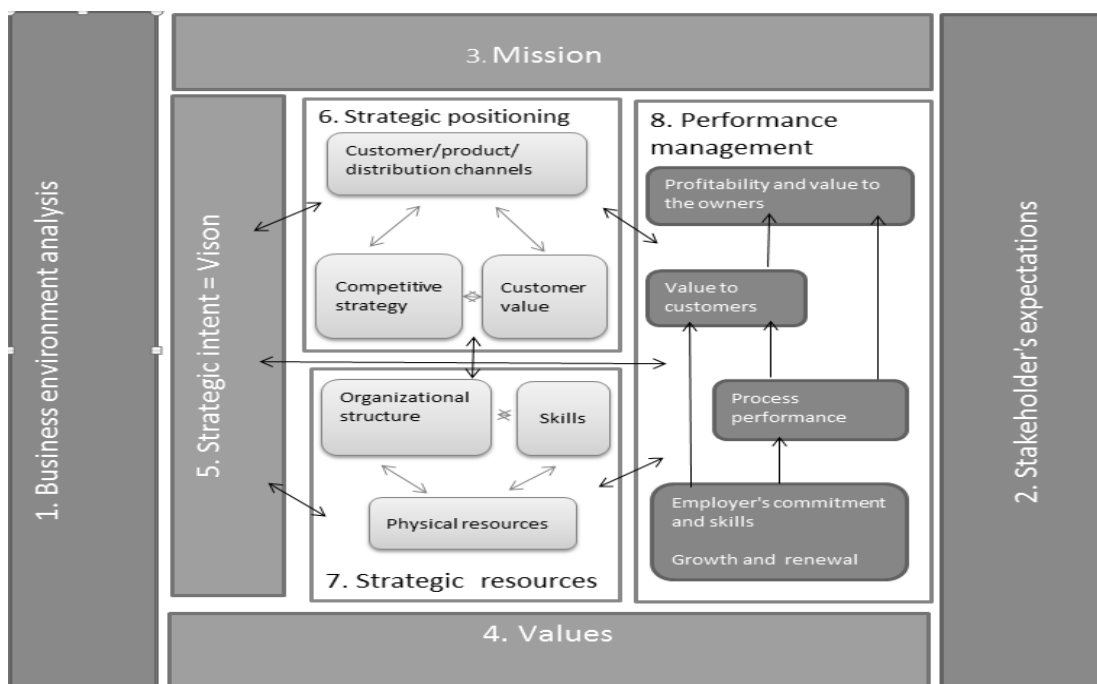


FIGURE 3. Strategic Management Model Modified, Antti Haapakorva, Talentree, Kuopio (Talentree CEO- training 2013)

### 4.1 Business environment analysis

Business environment analysis, as well as, industry analysis is performed to obtain certain objectives. It is important first to clarify the objective of the analysis. According to Katsuhiko Shimizu (2012, 20.) there are typically two objectives to be obtained in industry analysis:

- To understand the industry and attractiveness of the certain industry markets in terms of achievable high profits.
- To better understand the structure of the industry.

## 4.2 Competition

“We define competitors as companies that satisfy the same customer need.” Kotler et. al 2012, 333). Defining the concept of competitors is easy but the challenge is on identifying who are the actual competitors of the company. In this study the competitors are identified to those companies who have the same product offering or close substitutes to Netseri’s products. After all company competes with many rivals, some of which have more resources to identify and invest into certain customer group. Heavy investments into certain customer groups might be the only way for company to differentiate its offerings and survive on the markets in the long run (Katsuhiko Shimizu 2012, 8)

Competitor analysis has been taken to be the part of the strategic planning. National and international operators will be followed more frequently. Finland’s markets are relatively small and operators on the field know each other. The problem of following the competitors’ moves comes from international offerings.

Hill (2011, 5) found that the markets have moved away from a world in which national economies were relatively self-contained entities. Economies were isolated from each other by cross-border barriers to trade and investment; by long distances, time zones and language .The globalization of the markets has merged national markets into huge global marketplace. Today it is not enough to understand and know the actions of the local competitors. Term competitor consists of all the competitors in a global market. Open barriers and globalization have opened Finland’s markets to those who can produce most efficiently. Companies are facing increasing competition not only from domestic but also from foreign operators. From a customer’s point of view this means more alternatives and declined prices. Companies will suffer from rising marketing costs and shrinking profit margins.

When industry is wide and all of the competitors cannot be defined the limitations of resources will end up into very shallow industry analysis and useful insights might not be obtained (Katsuhiko Shimizu 2012, 8.)The more in-depth resource is needed to fully understand the competitors, competitor’s weaknesses and strengths as well as actual market shares.

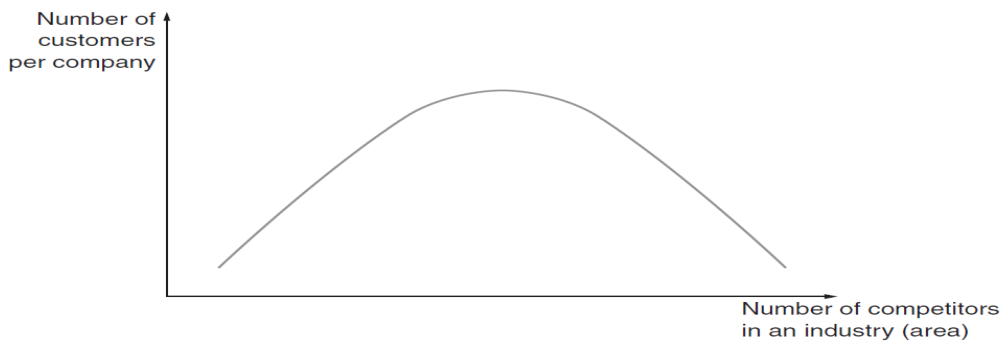


FIGURE 4. The relationship between the number of competitor and the number of customers per company. (Katsuhiko Shimizu 2012, 27.)

### 4.3 Stakeholder's expectations

Stakeholders' expectations are the driving forces of the whole company. The owner's expectations might not be the same as employees. The reason for running the business in the end is the profit and value it brings to the stakeholders. As a small family based company it is not only striven by maximum profits.

Even though creation of tangible assets such as office, manufacturing locations and machinery is vital for operating the company; intangible assets such as employees' skills, abilities and personal motivation drive the company forward. Creation of new work places has been also one of the prior reasons for doing the business. According to Katsuhiko Shimizu (2012, 35.) cooperative and family-like organizations can be strong competitive advantage for the company. The motivation of the employee's and effectiveness of the company can be increased easily. In other hand the family based companies might suffer from narrow- minded look and become insular on its operations.

Christoph H. Loch, Stephen E. Chick, Arnd Huchzermeier (2008, 15) found that although the success of the company is valued and perceived by stakeholders the success must include only wealth but also growth of the company, which in turn will effect into job creation. In this sense the success of the company is combination of creating value to the stakeholders as well as having positive role in local community, by creating new work places.

#### 4.4 Strategic positioning and building national advantages

Company's strategic positioning on the markets and its aim to build national competitive advantages. To be able to be strong globally, the local actions must take place first.

To better serve the customers and increase the customer value. Customer value can be increased by investing into quality and service. Increase of the price will decrease the customer value (Kotler 2012.)

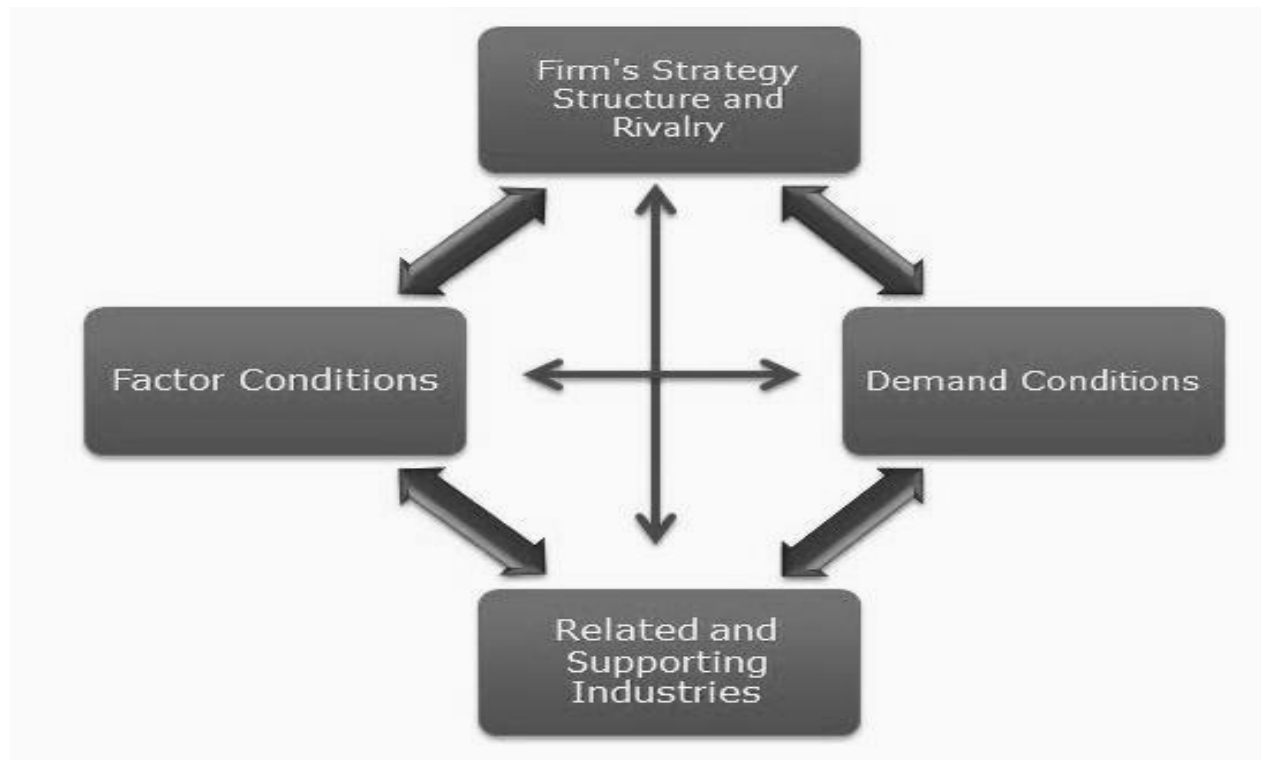


FIGURE 5 The competitive advantages of nations (1990) p.77, Michael E.Porter, Harward Business school Publishing.

#### 4.5 Performance management

The following picture illustrates the factors effecting to the company's performance. By managing the speed, quality, flexibility, dependability and costs the company can operate more effectively and competitive.

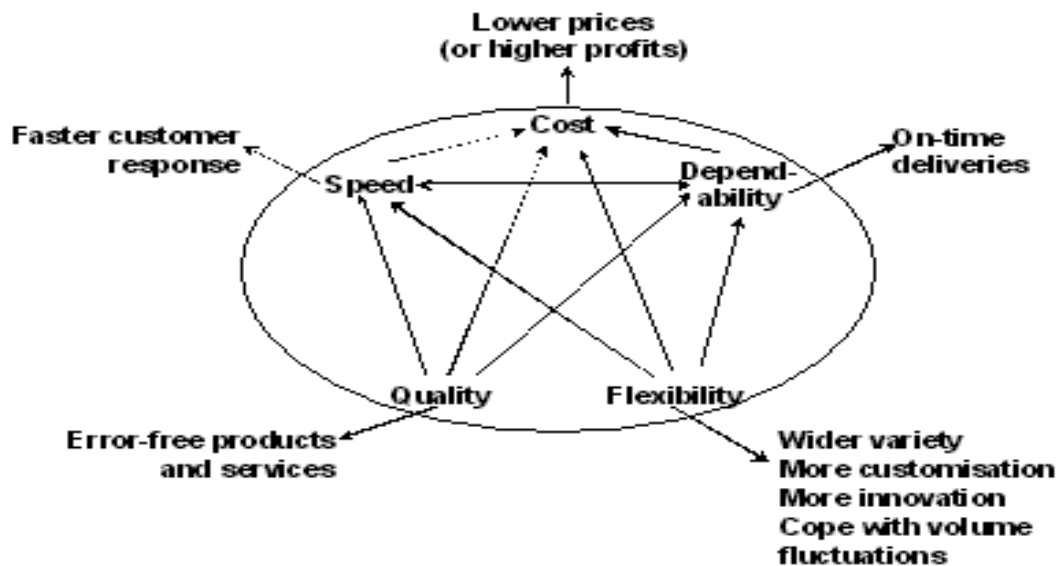


FIGURE 6 Pearson Education Company website, Operations management

#### 4.5.1 The speed objective

The speed is one of the major factors on customer service. The reduction of lead-time will benefit the customer as well as the company. When finished products leave the facility as fast as possible, no middle storages are needed. Slack et. all (2011) points out that main benefit to the products end user of speedy delivery of the product; the faster the product is shipped and received by the customer the more likely the customer is going to re purchase from the same place.

According to the market research the customers wish to receive their products within 3-5 days. The lead time has been reduced to the average of three days and the final mission is to be able to reduce it to two days. The flexibility of the small company and its operation can be seen as a competitive advantage as Netseri can reduce the lead-time more than bigger companies. The lead-time reduction has to be made without risking the prints' quality.

#### 4.5.2 Quality objective

All thought the products are send to the customers as fast as possible the certain level of quality must be set. The high level of quality, cost effectiveness and fast service do not go together. If costs are lowered it will have direct impact to the products quality. One of the company's success factors has been lasting quality prints that can be washed and used for long periods of time. Certain quality has to be performed also inside the company's processes. The employees are trained step by step to avoid

mistakes that lead into loss of time and excess costs. If the print that has been printed into customer's product is wrong or faulty the product has to be replaced.

#### 4.5.3 Flexibility objective

As a small company Netseri has the capability to reform its product and service offerings. All of the products are being customized according to customer's expectations. Customization and closeness to the customer means adjustments into customization of product offerings according to individual customer need (Loch, Chick, Huchzermeier 2008, 17.) Customization is used in all of the Netseri's services as service support and adjustments into delivery times and frequencies are part of everyday services.

The product variety could be more wider and new product lines and offerings may be offered to the customers. New innovations such as order editor should be brought to the markets to better compete on challenging markets (Rich 2010,196 .) Regarding collective uncertainty, it is a fact of life that unexpected events occur. As such, by their mere existence, firms face this type of uncertainty. As this cannot be avoided, collective uncertainty can only be coped with by flexibility or risk management

The flexibility of the operations as well as part time employees will help the company to be able to better face the uncertainties Flexibility and agility of the company in Netseri's case means responding to customer market requirements by creating new innovative services and products faster and flexibly.

#### 4.5.4 The dependability objective

Dependability objective is crucially important on business in which customer's future profit and sales are depended on on-time production of products. According to Slack et. al. (2011) dependability means doing things in time for customers, so that the customers will receive their services or products exactly when they are needed or at least when they were promised by the manufacturer.

In a manufacturing business such as printing industry dependability in the internal processes is vital. The lack of material or employees will lower the processes and will effect on the delivery time to the customers. Delays caused to customers will lower or even harm the company's reputation and might lead into losing customers.

#### 4.5.5 Cost objective

The printing companies which compete mostly on price, costs are clearly the major operation objectives. The machinery in the industry as well as materials is quite the same to all of the companies on the same field. The knowledge plays a huge role on delivering the best possible products to the customers; still the price is the driving force. The lower the cost of creating the product, the lower the price can be set to the final customer.

The cost of production in Finland is huge when comparing for example to Estonia. According to Statistics Estonia, in the 2nd quarter of 2013, the average monthly gross wages and salaries were 976 euros and the average hourly gross wages and salaries were 5.71 euros, the employer's average monthly labor costs per employee were 1,320 euros and the average hourly labor costs were 8.66 euros (Statistics Estonia 2013) On the contrary the corresponding average monthly gross salary in Finland was 3 180 euros and the employer's average monthly labor costs per employee 3 750 euros. (Statistics Finland)



## 5 COMPANY BACKGROUND

Screenprint Netseri was founded in 1980's by Kari Kokkonen who is the owner and the CEO of the company. The company concentrates on printing into different kind of textiles such as shirts, pants and overalls. The company has made conscious decision to shift focus from consumer goods into business customers who ask for work wears such as jackets and pants.

At beginning the company was operated by one person but over the time company's operations and customer base has grown and currently the company has 4 permanent employees and some extra staff that can be called in while the season time. Over the last 2 years company has increased its sales and has been growing constantly. (Netseri 2013.)

There are several Seri printing companies operating in Finland. Most of them have the common service offering and compete of the same share of the markets. Some are smaller, some bigger than Netseri. They all have quite similar machinery and knowhow. The company has the knowledge of its competitors and their strengths and weaknesses.

### 5.1 Customer segmentation

Netseri has made reformation on its operations and has shifted from operational Excellency strategy towards customer intimacy strategy. The focus used to be on combination of price, quality and quantity. Now the products and services are adapted to customers need and they are offering solutions instead of just a product. Netseri's customers can be divided into two major segments which market offering differ from the other. Customers can be now divided into two major customer groups.

The biggest difference between the business customers and consumers is that business customers order prints or printings usually into their own products such as work clothes and sweaters. The print is part of the customers own product and the quality of the print will determine the quality of the final product.

As mentioned above over the last couple years Netseri has focused more on subcontracting. Netseri has established some operational relationships with Finnish work wear producers.

Differences between the consumer markets and business markets were studied on the questionnaire, conducted during the strategic management plan process. The previous claim can be also seen on questionnaires answers. Young respondents and especially consumers were more open for ordering through the webpage and using order editors. Whereas the older customers as well as business customers felt that the safest and most reliable way to order was to use either the email or phone

## 5.2 Strategic management decisions

Internet shop and order editor in which the customer can create hi/her own printed product by choosing the product, size, color, print and its place are being created especially for the consumer buyers. Order editor works especially when the price is fixed and the volumes are relatively small. The editor can be also used by the business consumers but according to the questionnaire the business customers were not interested on using the editor as they look for higher customization, side services and deals on price.

The order editor is part of the company's strategic plan. The editor is being used by various global printing companies. There are no Finnish companies using it at the moment. One editor made by German company can be used also in Finland and it has been translated also into Finnish language. The editor lowers the order barriers as the customer can finish the order by themselves and no contact to the company is needed. By creating the working editor the company can use it as a competitive advantage. Technically editor is not hard to create and the first ones to offer the service will gain out from it as long as the other competitors do not offer the same service. By introducing the first order editor as a Finnish company Netseri will try to gain first-mover advantage.

The editor will be created with the help of information technology students of University of Applied Sciences Savonia. The editor could not be made by any own staff members as it takes too much time and efforts from the actual work. As a time consuming project many other companies might simply just ignore the need of the editor as they do not have assets to create one.

### 5.2.1 Goals and objectives

The concept is self-have not changed that much in 30 years. The equipment and machines have been developing all the time – this has made the work a lot easier. The company's mission is to provide high-quality products and fulfill the customer needs as

well as they can. As most of the customer's order the printings as subcontracting the company has to make sure that they can meet the end customer's needs too. Increase of cost-effectiveness, minimizing the lead-time and creation of new customer services procedures are the nearest future goals for the company.

As the company is now taking steps to grow bit more by making some corporate updates and by developing its services, the mission in future is to be leading player on this particular field. One of the biggest changes has been the change of the name to better serve future networking to abroad.

### 5.3 Competitive advantages

The reason Netseri has survived has been individualization of the product offering as well as individualized pricing police. All of the services are done under pure customization. The product will be produced, packed and distributed always according to every customer's expectations. With the help of the newest technology all of the pictures can be designed to fulfill the customers' needs.

In small company the in-process inventory can be kept in minimal as all of the finished products are ready to be sent on the same day. No actual inventory of products is kept. The inventory includes only the bought-in materials for next 2 – to 3 weeks. Small inventory and the lack of warehouse and small overhead costs have kept the company's price competitive on Finland's markets.

Flexibility of the operations and possibility to be reformed are the other factors that have kept the company on business. Small companies can make rapid changes and adapt themselves according to economic environment. The company's balance sheet is dept-free and the company has part time employees that can be called in when needed.

Gone are the days when companies worked without any strategies. Netseri has also faced the fact that strategic management plan is needed. Strategies made affect an organization's long-term prosperity. Strategic plans are typically made for at least five years. Strategies made in the company are thus future-oriented. Strategies have multidivisional consequences due that; strategies require consideration of both the external and internal factors facing the firm. (Davis 2011, 45)

The strategy has been adjusted and some professional help has been used during the year. With the help of the strategic management model the strategy has been and will be modified.

Strategic management has allowed the company to be more proactive and have the clear vision of the future goals. The most important party in the process of creating the strategic management plan has been the implementation the understanding and implementation of the employees. Understanding the plan is crucial to be able to commit to the plan and feel part of the operations. Taking employees to be part of the decision making has empowered the employees and they can feel that they are heard and important in company's decision making process. (Kotler 2012,49)

#### 5.4 Competitive challenges

Netseri has moved towards acting as a supplier to the other companies. By selecting this way of operating the company has not paid enough attention to direct sales through the internet. Company has concentrated much on established relationships rather than been constantly gathering and establishing the new ones.

The size of the company is serving as an assets as well as a risk. The company is practically run by one person all though there are several employees. All of the other employees are still on training, they can perform the basic daily tasks but still some help and guidance is needed.

#### 5.5 Marketing

Kotler et. al.(2012,174) finds that many companies are facing increasing global competition, fast pasted flow of information, increasing business complexity and rapidly changing customer needs and wants.

When the economic times were better and the orders came without extra efforts, the marketing was seen as something that was not needed. The customer base was already wide enough to serve the needs of the customers and fulfill the stakeholders' sales expectations. Wide range of satisfied customers and the buzz marketing, served the company. Although the company has been customer-driven, the own efforts on marketing and building the markets' knowledge of the company were forgotten.

Some mistakes have been made in the company during the recession. Company has responded to recession by trying to save on costs. Marketing budget has been reduced in order to save some money. The company's marketing plan and planning has become obsolete.

Kotler and Keller pointed out an interesting research result: Kotler et. al.(2012,22) found that clear winner's during the last recession were those companies that did not reduce their marketing budgets but instead invested on marketing. The companies which invested on marketing during the recession were able to achieve significantly higher growth than in normal times. When the times got better they had already wide customer base and working operations .Before the marketing has been simple and customers have not been categorized. The same advertising method has been used to both of the customer segments. After the market research the clear differences were seen and the actions will be customized into both of the segments.

Ohio State University (2013) states that some businesses treat the market as a whole, they tend to focus on what is common to the needs of customers, rather than on how they differentiate from each other's. If customer segments are not divided into subgroups and marketing targeted to each individual segments, undifferentiated marketing is used. This technique relies on mass advertising targeted to all customers and is implemented on the basis of cost savings to the business. Undifferentiated marketing can be successful when the competition is scarce or the product has mass appeal.

“Target marketing of products or services reduces the cost of production, distribution, and promotion. With differentiated marketing, there is the risk of the market going sour or a competitor entering the same market.” (Ohio State University 2013)

As a part of the updated strategic management plan the wider use of internet will be adopted. As the direct marketing is used to better communicate with the current customers the internet and social networking will be set to serve and attract the new ones.

#### 5.5.1 Marketing to consumer markets

On consumer markets the final decision of buying is on the user. She/he will be the final user of the product there are no middle-men on decision making.

Online traffic building should be upgraded to better serve and attract customers in the consumer markets. Internet pages could be developed in a way that the sites would serve consumers as well as business customers. Company has been working with an idea of creating second sites to serve the consumer markets better. As consumers are looking for an easy, fast and affordable service the sites could be created according to consumer needs. As business consumers look for more detailed, informative pages and personalized service, they could be served through the company's actual homepage.

The second site and its URL address should include the most used search words in a printing industry. Generic address or brand address can be purchased by the company. Generic addresses are usually named after a certain product category. (Peelen 2005)

The company has requested for some domain names that would lead the consumers into the company's pages. Official web page is [www.netseri.fi](http://www.netseri.fi) and the second, commercial webpage could include such words as shirt, web shirt, print shirt... This page will have easy order system with order editor. Consumers differ from business consumers also in the methods of payments. Business customers are always given a 14 to 30 days of credit and the invoice is sent to their billing address. Consumers are usually buying small volumes and they are required to pay the order prior the shipment. The payment could be done via internet bank or credit cards.

### 5.5.2 Marketing to business markets

Kotler et. al (2012, 303) found that most often, business buyers seek to obtain the highest benefit package. The benefits they are looking for are economic, technical, service and social in relation to a market offering's final costs to them. In other word they look for the best possible deal by translating all costs and benefits into monetary terms. To be able to make the best out of marketing, the advertisements must work in a way that the consumer can fully appreciate why the company's offerings are better and differ from others. The understanding of the business consumer must be understood as they differ greatly from the consumers who buy the goods for themselves.

Business customers differ from individual customers in a sense that differentiated marketing is needed to better aim into customers need and expectations. Differentiated and targeted marketing builds greater loyalty among business customers. Repeat purchasing is more likely if differentiated marketing is done by considering customer needs and wants. Differentiated marketing creates more total sales with a concentrated marketing effort in selected areas. With the help of concentrated or target marketing

company is able to gain market position within specialized market segments (Ohio State University 2013.)

Most often the business customers have many participants in the business buying process. It is not enough to please the user as the decision is being made by the agents and managers. As opposed to consumers users in which the individual and personal needs are motivating the buying process behavior the business buyers tend to set their organizational needs to steer the buying decision process and its outcomes. As the individual buyers are looking for a product the business buyers need solution. "They are buying solutions to two problems: the organization's economic and strategic problem and their own personal need for individual achievement and reward."Kotler et. all 2012, 303)

### 5.5.3 The effectiveness of the marketing efforts

Ultimately marketing strategies made by the company aim at increasing the sales. In creation of marketing strategies, companies look for segmentation of its consumers, the set of successful goods and services for each consumers as well as use of right promotional tools and pricing strategies to accomplish the company's objectives. (Çiğdem Karakaya, Bertan Badur & Can Aytekin 2011.) Working marketing strategy is built by using Marketing mix originally introduced by McCarthy in 1960s (Gröönroos 1994, 3.)

The effectiveness of marketing efforts can be also evaluated using marketing mix and 4 Ps; product, price, place and promotion. The product may appeal the customer base and price is set on the level of other market offerings. The problem on Netseri's marketing has been the lack of attention on place and promotion. As promotion has been minimal the customers have not found the company's offering and services. New marketing strategy was built and extra efforts are set to fulfill all the 4 Ps.

The first step of new marketing strategy was to create bases of the home page o internet. After the new web pages were opened the average weekly hits has been on a range of 70-to 200 hits per week. Previously even the monthly average could not rise into these numbers. New webpage was set generated using the homepage generator that allows the company to set up an own internet shop and is optimized to be found on a search engines, such as Google. Search engine optimization has improved the company's visibility and the volume of the hits to the webpage. More informative web

pages have also increased the number of page downloads that have lead into contact or even order.

## 5.6 Retention

As the marketing resources in terms of money and work force are limited the allocation of resources becomes essential. All thought the cost of customer reached by direct mail or call is higher than on mass marketing the prospects are better. The direct marketing, in Netseri's case means mostly follow-up calls to the customers. The frequent phone calls as a part of company's strategy allows the company to explore the customer's satisfaction and receive a direct feedback from them.

Part of the future marketing plan will be to allocate the resources in a way that the marketing and sales resources are balanced between attracting the new customers and growing the value that current customers represent.



## 6 ENVIRONMENTAL RESEARCH

The research was conducted by using the tools of two different kinds of research methods. To be able to have the wider understanding of the markets and company's customers the wider use of methods was selected. First competitor analysis was done to better understand competitor's position on the market.

The other method used was questionnaire sent to 40 potential or existing customers. The questionnaire and the research were made to have the customers point of view into the research. Customer research gave the company valuable information of the customers' behavior, wishes and the need of customer segmentation.

### 6.1 Competitor analysis

The company's environment was first studied by using environmental analysis and especially competitor analysis. The main idea and the reason of making the competitor analysis were to better understand the markets and organizations operating on it. Competitor analysis helped the company to better position itself into the markets and see how the other companies are operating and what their offering to the markets is.

#### 6.1.1 Kevama

Kevama Ltd was founded in 1965 and is wholly owned by the City of Kuopio. Kevama Ltd is a limited company working for rehabilitation services provider concentrated on social as well as on professional rehabilitation. Kevama has approximately 70 employees and the yearly turnover was around 2, 9 million euros (Kevama Oy Tasekirja 2011)

Currently Kevama operates on several different production and service departments. Examples of departments Kevama operates on: wood, furniture restoring, printing, screen printing and clothing department.

Seri and screen printing is one of the departments Kevama operates on. Kevama's competitive advantage is that they do manufacture textiles in their own textile department. The company offers textiles such as shirts and sports wears. Sport teams can order the clothing and the print from the same manufacturer. They can manufacture the clothes from the fabric until the finished product precisely according to customer's needs. They have built simple design tool on which the customer can design the product

on the company's web page. The employees are either on social or professional rehabilitation. Employees are trained while the work at the work place.

Kevama is one of the biggest competitors locally as they can produce mass volumes by a low costs. Sport teams are usually using Kevama's services as they can order also the textiles and the print from the same place. Kevama is also able to lower the prices to meet the teams' price expectations. Company's weaknesses are changing employee base and lack of skills as employees are only working for Kevama certain amount of time.

(Kevama Ltd 2013)

### 6.1.2 Spreadshirt.com

Spreadshirt is one of the biggest competitors on consumer markets. They have built the entire company and its operations around the order editor. The editor is easy to use and the product can be highly customized. The order editor (Appendix 2) has safe payment methods including card payments and bank transfers.

"Spreadshirt's customers can let their fantasies run free on over 100 different articles of clothing. They can use their own designs and texts, or use works from other designers. Whoever likes to create the pictures or would like more attention for their projects can also sell with Spreadshirt - in their own free Spreadshirt shop. Companies and clubs, artists and bloggers, individuals both private and famous take advantage of this offer"

Spreadshirt is not competing on price; it has decided to offer something special. Differentiation strategy includes product flexibility, more features, customization and greater convenience to the customers. They are not only offering print services but they have built the whole lifestyle around the brand. The company has various internet shops around the world from Canada to Europe. Customers can create the prints and leave the order by their own national languages.

As Spreadshirt is not only the service it is more like a lifestyle as customers can take part of the picture creation and even sell their own pictures and product on the company's pages. They have taken everything out from the internet pages as well as from the social media. Facebook and Twitter are major part of their customer service and advertisements. (Spreadshirt.com 2013)

### 6.1.3 Megaprint

Printing house, which was founded 1973. Company started with Seri printing and has now expanded its product range and service offerings. They have invested into new technology and they have the machines, which allow them to print into wide range of products. They also produce stickers, cards and all sorts of printed products. They also offer smaller amounts of prints.

The company is located in Helsinki city area and they are easy to be reached by the customers. The reason that makes Magaprint one of the biggest competitors is their machinery that allows them to produce small or big amounts of prints in short amount of time and still remain cost effectiveness.

Megaprint has taken the actions that Netseri could also follow in some extend. Customers who look for advertisement products such as textiles, cups, sticker can have all of the products they are looking for from the same place. Wide product range seems to be company's competitive advantage as they can serve several customer segments with their product and service offerings. (Megaprint 2013)

### 6.1.4 Sysprint

Sysprint is the biggest competitor on business consumer markets. They are one of the biggest print companies in Northern Europe. Sysprint is Estonian printing house that offers prints and printed products. They have wide range of services and they have the machinery to print into any surfaces. They have the cost leadership as well as the biggest market share on the business markets. They offer the services also in Finnish language and they have up to 20 employees.

The study found that they can produce the print approximately 4 times cheaper than the companies can in Finland. The small print costs around 45cents in Finland and they can offer it due to their larger size and Estonia's price levels with 10 cents. Some of the Netseri's former customers have shifted into using Sysprint and the only reason has been the cost. According to the market research they felt that the quality and the customer service were not as good as in Finland but the cost of production was four times cheaper. (Sysprint 2013)

## 6.2 Potential competitors

Seri printing industry is still relatively small in Finland. New companies enter rarely to the market. The competition and added capacity has arisen from abroad. These new entrants to an industry add capacity offered to the markets. If the capacity offered is greater than growth in markets demand, this will reduce companies' profitability.

## 7 MARKET RESEARCH

In addition to environmental analysis and competitor analysis, market research was conducted to support the environmental analysis and to get better overall picture of the markets. The following market research (Appendix 1) was conducted. Total of 40 questionnaires were sent to various companies in the textile industry as well as the customers using the printed textiles, such as sports teams and acquisition of the city of Kuopio. As the number of possible respondents was comparative small, no specific sampling was done. The respondents were selected by convenience. The questionnaires were sent as a paper version. The questionnaire can be found as an attachment Appendix 1.

The questionnaire included closed questions such as multiple choice, importance scale and likert scale questions. The questionnaire also included one open ended question into which the respondents could have written his or her, own opinion but only 2 of the respondents used the opportunity. I received back 19 questionnaires which means that response rate was 47, 5%

### 7.1 Responses

#### Question 1 Production of prints

The question was asked to first find out how many of the respondents are actually making the prints by themselves and how many of them could be potential customers. There are several printing companies that do sell the pictures and printed products; although they have outsourced the process of making the print.

6 out of 19 replants produce their print on their own facility, which means that 13 out of 19, almost 70% of the respondents are ordering the prints and have outsourced the process. 3 out of 6 who are still producing their prints said that they are going to change the producer within next 5 years, meaning that they are currently making the prints by themselves but have had plans to outsource the product in the next 5 years.

Couple of the replants wrote that they order the prints on paper and attach the print to their own products by themselves. In business point of view the customers, who only need the pictures and are able to attach them with their own press on their own facilities are the most profitable customers. No textiles are needed to order or shipped and handling only the print can be done within 1-2 days without any need of stocking the materials or prints.

In question number one, I also wanted to know how many potential customers are currently ordering their prints or printed products from abroad. Among these 19 replants 7 (37%) have ordered from abroad during the last 12 months.

Interesting on the responses was the fact that the change to order from abroad has happened within last 5 years. The rapid change can be seen from the responses as 5 out of 7 who are ordering from abroad had changed local manufacturer to foreign within last 5 years.

#### Question 2 Important factors on choosing the supplier

1=not at all 2=a little bit 3= I don't know 4= in some extend 5=significantly					
	1	2	3	4	5
Price	0	1	3	7	8
Quality	0	0	0	3	16
Fastness	0	0	2	10	7
well known supplier	1	2	0	8	8
long-term relationship to the supplier	1	2	3	9	4
location	4	5	2	6	2
professional staff members	0	1	1	8	9
easiness to find supplier	2	0	6	5	6

According to replies the quality of the product is the most important factor on choosing the supplier. Still the quality of the product is the major factor on choosing the producer, 16 out of 19 said that the quality of the product has significant importance on choosing the producer. Especially business customers marked quality and fastness of the service to be vital. For them professional staff members were important alongside with the quality of the product.

Well known supplier in terms of reputation raised also as a important factor on choosing the business partner and producer. Seems that respondents felt, better known the producer the better the service they might get and better the quality of the product. Reputation could be used on marketing as well. The use of existing customers' brands and names on marketing could lead into new customer relations. The use of the customers' names and logos must be always asked from the customer as some companies might like to keep it as a secret from where they are ordering part to their

products. The use of internet and fast post services can be seen on the responses as location does not play a role on choosing the supplier.

## Question number 2

Comparison of foreign and locally produced prints.

I asked on the question number two to compare the foreign products and the quality of it into Finnish products. Number of responses 18. The reason why I wanted to figure out respondent's opinions and feelings about foreign products compared to locally produced ones, was to find out do customers feel that there are major differences between them.

	Poor		Good		Excellent
Quality		4	5	6	3
Durability		6	4	4	4
Quality of the colors	1	4	5	3	6
Fastness	5	2	2	2	2
Customer service	5	7	3	2	1
Flexibility	4	8	3	2	1
Communication	5	7	3	2	1
Possibility to correct mistakes	6	8	1	3	
Environmental issues	2	5	7	1	3

According to responses customers feel that the quality of the print is quite same as in prints produced in Finland, still they thought that the durability of the print is not as good. The spread of the responses was wide in this question and if we look at the responses on good-excellent section we can see that most of the respondents felt that the durability of the print is quite good in foreign prints.

Factors which seem to be poor compared to Finnish companies are on customer service segments. Respondents felt that the products did not come to them as fast as from national producers. The customer service and communication between the supplier and the customers, as well as possibility to correct mistakes was also poor. The problems arise when mistakes should be corrected. There might not be always customer service available and the feedback and changes should be made via email. Immediate connection to the staff member could not be made.

These responses give consolation to Finnish companies as they might have lost the price war but still they can compete on the quality of the product and most important they can offer superior on time service to their customers. The customers might be even willing to pay more to have personal well working customer service.

Questions 3 & 4 The method of placing the order

Respondents' opinion was also asked whether they would like to use order editor set on company's webpage. User would be able to leave the order and see approximate price and shipment time straight from the webpage.

According to the responses, respondents felt that they prefer placing the order via email. 80% of the respondents choose email to be the first method of placing the order. Phone and web page were as popular but placing the order through the post was not appealing for the respondents.

The order editor seems to be welcomed among the respondents 13 out of 17 who respondent to the question said that they could use the editor on leaving the orders. The ones, who said that they would not want to leave the order, without getting the confirmation and quotation from the supplier, were mostly business customer.

Question 5. Has economic downturn affected on your need of prints

Question was asked to find out whether customers have decreased the number of their orders due to the economic downturn.

According to respondents most of them felt that the number of orders they are having have stayed the same. Surprisingly some said that the number of orders has even increased.

Question 6 and 7

Would you be ready to pay excess from domestically made prints?

Netseri has faced the fact that locally produced prints are slightly higher than foreign prints. Company wanted to see if customers would be willing to pay excess from domestically made prints.

12 out of 19 said that they would be ready to pay little bit more from Finnish made prints. In questionnaire the question was also asked to find out how much they would be able and willing to pay more. 60% of them said that they would pay 6-14% more than from print produced out of Finland 15% of them said that they could pay even 50% more and



25% of the respondents were willing to pay up to 5% excess compared to prints produced abroad.

#### Question 8

Within how many days you expect to receive your order?

The question was asked as it was clear after some competitor analysis that foreign competitor cannot produce and dispatch their shipments on couple of days. Netseri's advantage has been fast delivery as the product is ready to be sent to customer on the following day after receiving the order.

According to the responses customers look for fast delivery. 11 percentages of the respondents said that they wish to have the consignment day after the order. Most of the respondents, 55 percentages, said that they should receive the products within 2 to 5 days. 33 percentages could wait for 6 to 9 days. The maximum time of waiting for the products or prints to come seems to be one week, as no one from the respondents said that they could wait more than the week.

#### Question 9

This question was partly connected to question number 6 and 7 questions was asked to see if customers could pay excess from domestically produces prints and could they see that it could bring extra value to their final customers and their own products.

Respondents did not feel that print made in Finland would bring extra value to their own customers using the final product. Although, it might have, better quality and last longer on use. Just the fact that it has been made in Finland would not bring value to it. 72 percentages of the respondents felt that they are not willing to pay extra in terms of value creation on their products. As the print is only small part of the final product they cannot create value to the product if only part of the final product has been made in Finland.

## 8 CONCLUSION

The aim of this study was to create operational plan to Seri print company Netseri. The plan was made by using the tools of strategic management, competitor analysis and market research.

Competitor analysis was conducted by choosing some of the biggest competitors locally and globally. The focus was still kept on competitors operating in Europe as products coming from Asia and south-east of Europe serve quite different customer group's needs. Competitors were selected also according to their customer base. One of the biggest foreign competitor is working on customer markets and operates in Germany whereas business market's biggest competitor comes from Estonia.

Four biggest competitors were found and analyzed on competitor analysis. Analysis was made by using company information available at company's webpage and public economic information. Two of the companies, Kevama and Megaprint are operating in Finland. Locally Kevama is the biggest competitor as Kevama is operating in Kuopio.

Spreadshirt and Sysprint represented the foreign competitors as Spreadshirt is huge global company operating in various companies all over the world. Spreadshirt is internet based order service mainly focusing on consumer customer ordering smaller amounts of products. Sysprint operates in Estonia and offers also service in Finnish language due to that they are gathering business markets with constant growth. Sysprint has focused on investing into machinery and they can produce high volumes with extremely low prices compared to Finnish prices.

As competitor analysis was only part of the study the competitor analysis was kept in basic level and to be able to fully understand the competitors, more in depth research would be needed

Market research was sent to 40 potential customers. Among these customers were sport teams, stores, textile manufacturers and such. 19 out of 40 questionnaires returned back and response rate was as high as 47,5%. Market research gave the company valuable information and trust into markets.

Thanks to the high response rate the answers can be kept in value. Answers will give guideline and overall picture of the markets. Although, individual customers were not taken fully part of the research, research covered mainly business customers and

consumers were in minor role in the research. Consumer markets and full scale market research could be implemented later on.

The idea of creating order editor was reinforced after market research as the potential customers felt that they could use the editor. It is important to test new ideas like the order editor with markets before using huge amounts of time and other resources to create and build something that might not be accepted by users.

Company had thought that even more of the potential customer would be ordering from Estonia and Germany and have not paid attention on gaining new customer as they have thought that they cannot offer their services as cheap as abroad. Market research gave confidence and knowledge on how the operations should be planned in future to better serve the customers.

Netseri has already used the respondents on planning strategic plan and future operations. Responses reinforced to idea of separating the customers into segments. The customer segmentation will be kept on mind, on planning the order editor. The willingness of using the phone on ordering will be also kept in mind even though the order editor will be taken into use. Customers are still looking for personal customer service.

Research show that there is need for such services that Netseri is providing. Netseri should have now competitive prices and comparatively fast service. According to competitor analysis Netseri is one of the fastest suppliers on markets and may gain more market share due to the competitive advantage.

Efforts towards better marketing will be made and marketing will be targeted to each individual customer segments. According to market research, especially sport teams seemed to look forward to use the order editor as part of leaving their orders.

## 8.1 Evaluation

I felt that the thesis was successful. I managed to research the markets and competitors in a way that planning and implementing the strategic management is easier. The reason I choice the topic was that I felt that I had something to give for our family business. As I am personally part of the company I had to start to make some changes. The company has been successfully operated by my father and he has been

concentrating on doing what he can do best. He has learned the business while doing it. I have got theoretical teaches and I wanted to bring the company to 21th century.

The idea of the study was to create competitive plan for micro company. I felt that the topic could have been bit narrower so that I could have concentrated more on the actual topics and actions that need to be corrected to better compete on the markets. The risk of the study to be too shallow was actual and I tried to focus on each segment of the thesis in a way that the company could gain the most out of the outcomes of the research as well as whole thesis. The study works now as an idea giver and opened the eyes in terms of running the business.

Competitor analysis was the hardest part of the study as no actual information could be found. The information found was mostly out of company's own web pages and the information had flavors of marketing on it. The texts written on the homepage has been done, to be read by potential customers and are marketing the company and its operations. Competitor analysis gave good ideas and ways of how to improve the company's operation in the future.

The research showed the complexity of decision making and how useful well done strategic management plan is for the company. Some micro companies as well as smaller companies might feel that strict plans cannot, and even should not be made. I saw that planning makes company's everyday operations easier and drives the company into developing its operations.

In thesis I practically had to use all of the knowhow that I have gathered during my three years of studies. The knowhow of identifying important and valuable information out of tens of references helped me to use the information that I truly needed in my study. The knowledge of the print industry and its markets was also needed. Risk of using inaccurate information exists. The risk of using improper information was reduced as I had done my internship in the company and I had deep knowledge of this certain business and its product offerings.

I was not given a certain timeframe and due to that I did not hurry with starting the study. I had plenty of time to think and make smaller researches of the topic. The actual research process and writing the thesis felt easy and I was able to finish the thesis on time. The freedom in terms of timeframe worked with me but I can imagine how lack of certain timeframes can lead into forgetting the thesis and postponing to the future. The research gave me more clear view of how business management plan works and how

business decisions are being made. The process of personal growth has taught me to focus more on each task at time, confidence and independency. Over all I am pleased with the overcome of the thesis and my own work.

## 8.2 Future studies

The aim of this study was to create strategic management for the company to better plan its operations and decision making. The study was done by using tools of market research and competitor analysis. The suggestions for the future researches include mainly deeper market research and better competitor analysis. The company has now basic idea of its competitors' and their actions'. Continuous tracking of competitor's actions will keep the company developing its operations and services and to be competitive on the markets.

The research of prices would also help the company to better understand the markets and might help the company to set its own prices to the level of markets. This research excluded the price information of the services and products, since it was hard to get and would have required more researching and time. One idea for future studies would be full scale price research to find out price details of the competitor's products and services.

Now that the market research has been done and customer survey has showed the segmentation of the markets into business markets and customer markets the new marketing plan could be made. Creation of marketing plan and better customer survey could also help the company to better serve its customer base.

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Figures:

FIGURE 1 *Determinants of National Competitive Advantage: Porter's Diamond* (Porter 1990)

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FIGURE 2 Value chain porter 2004

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FIGURE 3. *Strategic Management Model* (Modified), Antti Haapakorva, Talentree, Kuopio (Talentree CEO- training 2013)

FIGURE 4. *The relationship between the number of competitor and the number of customers per company*. (Katsuhiko Shimizu 2012, 27.)

FIGURE 5 *The competitive advantages of nations* (1990) p.77, Michael E.Porter, Harward Business school Publishing

FIGURE 6 Pearson Education Company website, *Operations management*

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Hyvä Vastaanottaja!

Olen kansainvälisen liiketalouden opiskelija Savonia ammattikorkeakoulusta. Teen lopputyöhöni liittyen tutkimusta suomalaiselle pk-yritykselle, joka toimii painoalalla. Tutkimukseni tavoitteena on tutkia suomalaisen työn merkittävyyttä kyseisellä alalla.

Ohessa on kysely johon toivoisin teidän osallistuvan. Kyselyssä on 9 yksinkertaista kysymystä ja kyselyn täyttämiseen kuluu teiltä aikaa n. 5 minuuttia. Tuloksilla on kuitenkin suuri merkitys lopputyöni onnistumisen kannalta.

Tutkimukseen on valittu satunnaisia yrityksiä ja asiakkaita tekstiilialalta. Mukana on niin työasuja valmistavia yrityksiä, kuin myös pienempiä printtitekstiilejä myyviä liikkeitä. Jokaisen kyselyyn osallistuvan yrityksen panos lopputulokseen on yhtä merkittävä.

Kaikki tulokset käsitellään nimettöminä ja luottamuksellisesti. Tietojanne ei luovuteta kolmannelle osapuolelle. Mikäli ette halua hyödyntää alennusta, voitte vastata nimettömästi. Mikäli teillä on kysyttävää tutkimukseen liittyen, voitte olla yhteydessä sähköpostitse [mira.v.kokkonen@edu.savonia.fi](mailto:mira.v.kokkonen@edu.savonia.fi). Kyselyyn osallistuminen päättyy **15.9.2013**.

Ystävällisin Terveisin

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Venla Kokkonen  
Savonia ammattikorkeakoulu  
International Business



<b>Yrityksen nimi:</b>
<b>Toimiala:</b>
<b>Paikkakunta:</b>

<b>1. Painatusten valmistus</b>	Kyllä	Ei
Valmistatteko itse painatukset tekstiileihinne?		
Oletteko viimeisen 12kk aikana tilanneet painatuksia/painettuja tuotteita ulkomailta?		
Oletteko vaihtaneet suomalaisen toimittajan ulkomaiseen toimittajaan viimeisen 5 vuoden aikana?		
Oletteko vaihtaneet ulkomaisen toimittajan suomalaiseen toimittajaan viimeisen 5 vuoden aikana?		
Oletteko suunnitelleet vaihtavanne toimittajaa tulevien 1-3 vuoden aikana		

## 2. Merkitse janalle kuinka paljon alla olevat seikat vaikuttavat painatuksen tuottajan valintaan?

**1 = Ei ollenkaan 2= Jonkin verran 3= En osaa sanoa 4= jonkin verran 5= Merkittävästi**

HINTA	1-----2-----3-----4-----5
PAINATUKSEN LAATU	1-----2-----3-----4-----5
TOIMITUKSEN NOPEUS	1-----2-----3-----4-----5
TUTTU TOIMITTAJA	1-----2-----3-----4-----5
PITKÄAIKAINEN ASIAKASSUHDE TOIMITTAJAAN	1-----2-----3-----4-----5
YRITYKSEN LÄHEINEN SIJAINTI	1-----2-----3-----4-----5
YRITYKSEN TYÖNTEKIJÖIDEN AMMATTITAITO	1-----2-----3-----4-----5
PALVELUN LÖYDETTÄVYYS	1-----2-----3-----4-----5



- 2. Ympyröi jokaisen alapuolella luetellun kohteen oikealta puolelta numero, joka kuvaa parhaiten mielipidettäsi/mielikuvaasi kohteen laadusta.  
Käytä taulukon ylimmällä rivillä olevaa arvosteluasteikkoa.**

Vertaa ulkomailla valmistettua painatusta suomalaiseen painatukseen  Mikäli teillä ei ole kokemusta laadun eroista voitte täyttää kohdan/kohdat saamienne mielikuvien mukaan.	Asteikko				
	Heikko	Hyvä			Erinomainen
1. Kuvan painatuksen laatu	1	2	3	4	5
2. Painatuksen kestävyys	1	2	3	4	5
3. Painatuksessa käytettyjen värien laatu	1	2	3	4	5
4. Toimituksen nopeus	1	2	3	4	5
5. Asiakaspalvelu	1	2	3	4	5
6. Palvelun joustavuus	1	2	3	4	5
7. Yhteydenpito	1	2	3	4	5
8. Virheiden korjausmahdollisuus	1	2	3	4	5
9. Ympäristöystävällisyys	1	2	3	4	5

- 3. Kuinka toivoisitte voivanne jättää tilauksenne painatuksista?**

Merkitse numerojärjestyksessä (1.-4.) millä tavoin haluaisitte mieluiten jättää tilauksenne.	
Puhelimitse	
Postitse	
Sähköpostitse	
Nettikaupan kautta	

- 4. Mikäli yrityksen kotisivuilla olisi tilausohjelma, jonka kautta tuotteen pystyisi suunnittelemaan, tilaamaan ja näkemään lopullisen hinnan Käyttäisittekö k.o. tilauseditoria?**



**5. Kuinka paljon talouden taantuma on vaikuttanut painatusten/painettujen tuotteiden tilausmääriinne?**

- Vähentänyt paljon
- Vähentänyt jonkin verran
- Pysynyt samana
- Kasvanut jonkin verran
- Kasvanut paljon

**6. Olisitteko valmiita maksamaan kotimaisesta painatuksesta enemmän kuin ulkomailta valmistetusta?**

KYLLÄ

EI

**7. Mikäli vastasitte KYLLÄ kuinka monta prosenttia olisitte valmiita maksamaan enemmän?**

0-5%

6-14%

15-50%

50%-

**8. Kuinka monen päivän kuluttua tilauksesta toivotte saavanne toimituksen?**

0-1 päivää

2-5 päivää

6-9 päivää

10-14 päivää

15päivää -

**9. Uskotteko, että tuotteissanne käyttämänne kotimainen painatus toisi lisäarvoa tuotteellenne?**

KYLLÄ

EI

**Painatusten lisäksi, millaisia muita palveluita tarvitsette (esim.suunnittelu, alihankinta, joustava toimitus...)?**



**SAVONIA**

Savonia ammattikorkeakoulu  
International Business  
01.08.2013

Kiitos osallistumisestanne kyselyyn. Vastattuanne kyselyyn olette oikeutettuja Silkkipaino Netserin tarjoamaan 8% alennukseen kaikista tilauksistanne vuoden 2013 loppuun saakka.

Ohessa vastauskuori, jolla voitte postittaa vastauksenne. Postimaksu on valmiiksi maksettu. Vastausten avulla pystymme parantamaan palvelujamme ja palvelemaan asiakkaitamme paremmin.

Kyselyn toimeksiantaja:  
Silkkipaino Netseri, Kuopio  
<http://www.netseri.fi/>  
netseri@netseri.fi



## Appendix 2

### Spreadshirt Sample of order editor

The screenshot displays the Spreadshirt order editor interface. At the top, there are four main tabs: "Choose Product" (highlighted), "Choose Design", "Add Text", and "Upload Photo". To the right of these tabs are social media sharing icons for Facebook, Twitter, and others.

On the left side, there is a "Choose a product" panel. It includes a "Select Category" dropdown menu, "Sizes" and "Colors" dropdown menus, and a grid of 20 product icons representing various items like t-shirts, hoodies, mugs, and bags. Below the grid are "previous" and "next" navigation arrows, and a "1/6" indicator.

The central area features a large white t-shirt with a design placeholder that reads "Your Text Your Design Here!". To the right of the t-shirt, there is a color selection palette with 24 color swatches and a size selection row with buttons for "S", "M", "L", "XL", and "XXL".

At the bottom right, the price is displayed as "\$ 17.20" with "plus shipping" written below it. Next to the price is a blue button that says "Save up to 30%" with an information icon. To the right of the price is a prominent orange button labeled "Add to basket".





