

LAUNCHING AVANT COMPACT MULTIFUNCTIONAL LOADERS IN SOUTHEAST ASIA

Golf, Construction, Landscaping and
Property Maintenance Industries

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Bachelor's thesis
November 2014
Degree Programme in
International Business

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ABSTRACT

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Bachelor's thesis 42 pages, appendices 0 pages
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The purpose of the thesis was to research target-industry environments within Southeast Asia and to provide Jebsen & Jessen Technology, Turf & Irrigation branches with means of introducing Avant compact multi-functional loaders to prospective customers in the region.

The emphasis of the research was on the golf industries of Singapore, Malaysia, Vietnam and Thailand, but research was also conducted on the construction, landscaping and property maintenance industries of the aforementioned countries as well as Myanmar, Laos, Cambodia, Brunei and Indonesia. Selling processes and marketing methods were researched in order to provide suggestions on approaching said target industries.

Findings were collected through contact with branch representatives, internet and literature-based research, as well as personal observations made in product demonstrations and internal discussions of early 2014. Personal experience in assembling and operating the products was utilised in suggesting ways of implementing them into various activities.

The findings indicate that the reception of Avant products has been mostly positive in for example Singapore and Thailand thus far, but due to the limited availability of information regarding machinery and equipment in the target industries of the region, further research is required for solid conclusions on market-entry potential.

Key words: product launch, compact multifunctional loaders, southeast asia,

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1 INTRODUCTION

1.1 Motivation and purpose of research

The motivation behind the thesis research arose from the current situation of the branches of Jebsen & Jessen Technology Turf & Irrigation (T&I) in Southeast Asia, whom are still in the launch-phase of Avant products in their respective regions and though some branches have had more success than others thus far, they are still far from the overall desired level of customer awareness and demand of Avant products. The Singapore branch has lead the way in Avant sales and other branches are gradually adopting the products into their sales.

The purpose of the thesis is to provide means of approaching three specific target industries: primarily the golf industry, secondarily the construction and landscaping industry as well as the property maintenance industry. By bringing Avant products into the mix of T&I operations, the branches can answer a larger variation of customer needs and in time, expand their operations from the golf industry towards other profitable markets.

The emphasis on approaching the target industries is primarily on Singapore, Malaysia, Thailand and Vietnam as specified by the commissioner, though Myanmar, Laos, Cambodia, Brunei and Indonesia will also be briefly covered in the research as a secondary objective.

1.2 Jebsen & Jessen Technology, Turf & Irrigation

Jebsen & Jessen is comprised of eight regional business units: Cable Technology, Chemicals, Communications, Life Sciences, Material Handling, Offshore, Packaging and Technology, many of which are divided into sub-divisions. The commissioner of the thesis is a sub-division of the Technology regional business unit, Turf & Irrigation (T&I). (Corporate info, 2011)

Founded in 1963, Jebsen & Jessen currently employ approximately 4,300 employees, serves over 20,000 customers and co-operates with global market leaders in various

industries, one of which as of late 2013 is the Finnish manufacturer of compact multi-functional loaders, Avant Tecno Oy. (Corporate info, 2011)

The Turf & Irrigation (T&I) sub-division specialises in providing customers with solutions such as turf maintenance machinery, golf buggies, irrigation systems, fertilisers and more recently, landscaping machinery for golf courses, stadiums, national parks and other similar facilities. (Jebsen & Jessen 2013)

1.3 Avant Tecno Oy

Avant Tecno Oy is the world-leading manufacturer of compact multi-functional loaders with an operating weight below 2000 kilograms. Since its founding in 1991, Avant Tecno Oy has sold over 25,000 loaders to over 45 countries throughout the world via an extensive dealer network. The turnover of Avant Tecno Oy is 81 million euros, with exports accounting for approximately 80 percent of sales. (Company profile 2014)

The manufacturing, product development, marketing and sales processes take place at the facilities in Ylöjärvi with a staff of 185 employees. Avant Tecno Oy has sales subsidiaries in Germany, the United Kingdom and the United States. (Company profile 2014)

Leguan lifts Oy is a manufacturer of personnel-lifting machinery and a subsidiary of Avant Tecno Oy. Leguan Lifts is also located in Ylöjärvi, Finland and operates in the same facilities as Avant Tecno Oy. Leguan Lifts Oy employs five persons, has a turnover of 3,6 million euros with approximately 70 percent of sales in exports. (Company profile 2014)

Avant loaders come in 12 models, all varying in size, operating capacity and compatibility with the over 150 available attachments for various activities in for example agriculture, property maintenance, industry, turf maintenance, construction, landscaping and demolition. The loaders have 40 standard and additional options available for boomlevelling, traction-control and air-conditioned cabins to name a few, depending on the needs of the customer. The products all share the unique bright green colour and are commonly referred to simply as Avants among customers. (Company profile 2014)

Avant loaders could be described as larger-scale quad bike-like vehicles with a two-part articulating frame as can be seen in figure 1. The concept grants the operator direct visibility to the working attachment at the front, as well as a low and stable centre of gravity for the loader even when fully articulated.

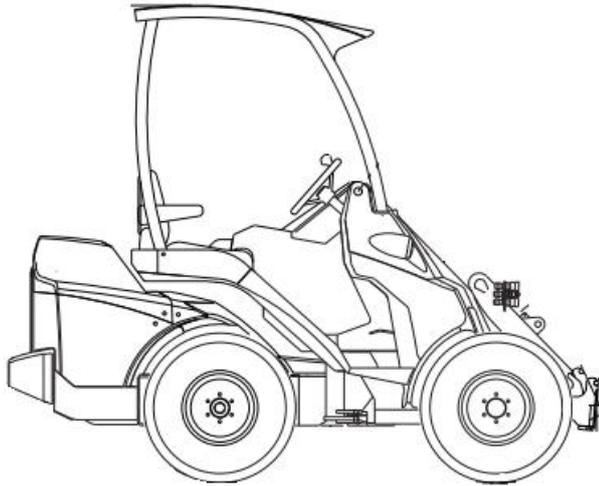


FIGURE 1. A side profile of an Avant 600-series model (600-series User's Manual 2014, 11, modified)

Unlike in traditional wheel-loaders, the operator is seated on the front-half of the frame behind the boom and the working attachment. The engine is located on the rear-half of the frame. When steering the loader, the rear-half of the frame articulates, causing the loader to turn as is depicted in figure 2.

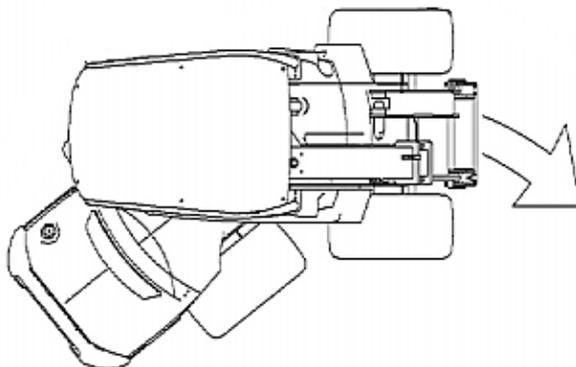


FIGURE 2. Top view of an Avant 600-series model in articulation (600-series User's Manual 2014, 22, modified)

1.4 Objectives and methodology

The primary objective of the thesis was to provide insight and suggestions via research to the sales representatives of respective T&I branches on approaching the most promising target industries in the region, with the most suitable Avant products. The main emphasis of the research was on the golf industry in Singapore, Malaysia, Thailand and Vietnam, but research also covered the construction, landscaping and property maintenance industries of the aforementioned as well as Myanmar, Laos, Cambodia, Brunei and Indonesia as a secondary objective.

A tertiary objective of the thesis was to bring forth the findings of local sales teams to other T&I branches in the region. An indirect objective of the thesis was to provide branches with added overall knowledge of the products, their history in other regions, and thoughts from Avant Tecno Oy on their operation, demonstration and marketing.

In order to meet the objectives, the research briefly overviews the current or most recent situation of the target industries and their respective market environments in the region by means of literature, internet research, observations made in the field, as well as communications with Jebsen & Jessen T&I branches. The research covers means of prospecting new and existing clients for product demonstrations and how said demonstrations could be conducted successfully.

A modification of Porter's model of industry attractiveness is introduced for evaluating the commissioner-designated target industries with factors relevant to the introduction and sales of Avant products. (Ranchhod, A & Gurau, C 2007, 43)

The IMPACT selling system process is introduced for approaching the target industry representatives. This six step system covers the crucial stages in finding, evaluating and closing a sale – Investigate, Meet, Probe, Apply, Convince and Tie-it-up (Brooks 2004). The IMPACT selling system is applicable to the sales operations of sales representatives of T&I, as a large number of customers are found through prospecting, especially concerning the new Avant products. The IMPACT selling system is also applicable to existing customers in the target industries. (Brooks 2004, 33)

Avant Tecno Oy aided by providing their findings throughout the years in new markets and collaborations with foreign dealers and gave insight on their success. Their advice and training aided in identifying key selling points and conducting product demonstrations on several occasions in the region in the spring of 2014.

2 INDUSTRY ENVIRONMENTS

The research focuses on Avant product launch by T&I branches primarily in the golf industry in Singapore, Malaysia, Thailand and Vietnam and secondarily in the construction, landscaping and property maintenance industries of the aforementioned as well as Myanmar, Laos, Cambodia, Brunei and Indonesia. Though there are significant differences in the target countries, the approaches in the launching of Avant products are of a universal nature. Further research on-site is required for a more in-depth, country-specific result for said target industries, as the information available varies significantly by country, industry and reliability.

One of the many challenges in conducting off-site research on the target countries and industries according to Regional Director of Turf & Irrigation, Henrik Friis (2014), is that statistics are often either not recorded or published and in some instances, industry statistics are warped as companies may be listed within several industries, though only a fraction of their operations are relevant to listed industries. (Friis 2014)

The strive for productivity and efficiency has caused rapid growth in the earthmoving machinery market globally in recent years, with the Asia-Pacific region surpassing North-America as the largest consumer in the field in 2007, according to a research conducted by ICD research (2011) over a review period from 2006 to 2011. The research shows that during the review period, the world consumption value of the Asia-Pacific region increased by 20.8 percentage points from 30.6 percent to 51.4 percent, whereas North-American and European world consumption values saw a decrease. Continual growth is likely in the region, but the rate of growth can only be estimated. The demand in machinery will only grow as industries gradually move away from manual labour. (ICD 2011, 34)

The research conducted by ICD (2011) categorises earthmoving machinery into three main categories: excavators, loaders and construction tractors. Sub-categories consist of crawler, wheeled, skid-steer and compact variations as well as bulldozers and mini excavators. Due to the multifunctional aspect of Avant products, they are not directly comparable to a single aforementioned category but rather several. However, Avant

products can be considered as compact wheeled-loaders when studying development in the industry, as this functions as their basic concept. (ICD 2011, 20)

Globally, crawler/wheeled compact loaders saw the largest increase in compound annual growth rate with an 8.36 percent growth, whereas the respective rate of skid-steer loaders decreased by 11.77 percent during the review period. The research forecasts compact loaders to achieve the most rapid global growth from 2011 to 2015 with a compound annual growth rate of 10.73 percent, with skid-steers following closely at a rate of 9.31 percent. The growing favour of compact loaders could potentially spark a cross-industry shift from traditionally favoured heavy-machinery, towards a new culture of compact machinery in operations. (ICD 2011, 38 – 46)

According to the research, the largest share consumption value with 46 percent was accounted for by loaders in 2010 in the Asia-Pacific region, followed by excavators and construction tractors. During the review period, loaders also marked a compound annual growth rate of 17.13 percent – the fastest growth in consumption among end-users markets. (ICD 2011, 127)

Even though the research covers the Asia-Pacific region as a whole, with large drivers of growth such as for example China, Japan, South Korea and Australia varying the results, an indication of increase in the preference of compact loaders within the South-east Asia region can be presumed as well.

The research process of evaluating and classifying target industries can be complex, but Porter's model of assessing industry attractiveness provides a relatively simple framework for Avant market penetration and the potential/threat factors involved. Figure 3 depicts the most relevant factors of Avant products within the target industries.

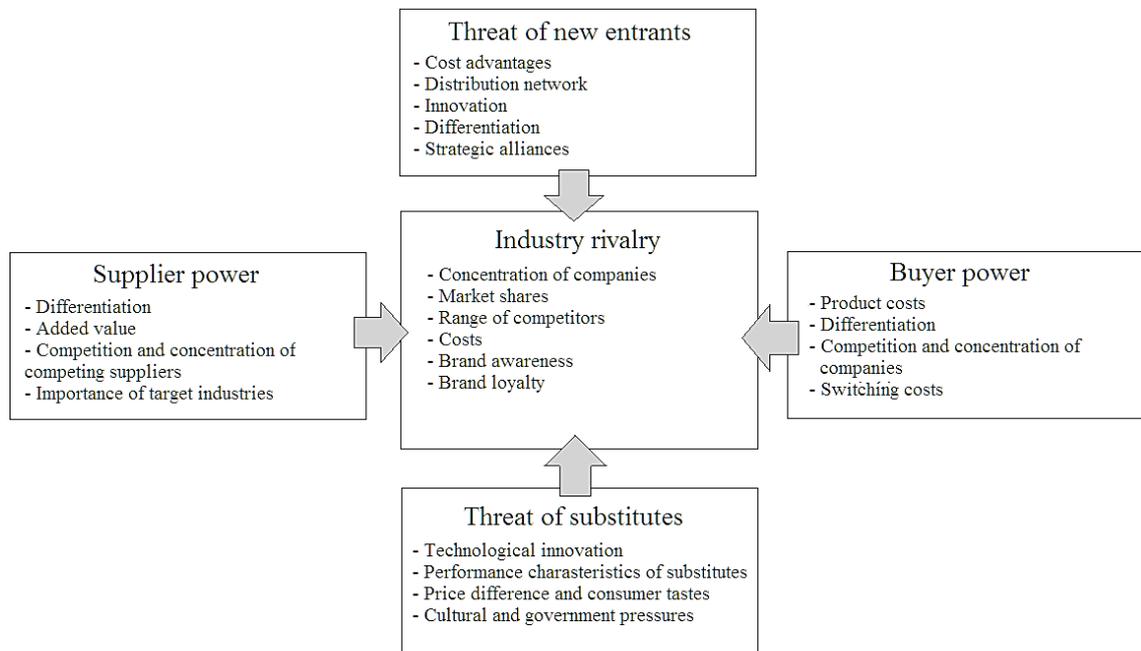


FIGURE 3. An adaptation of Porter's five forces model of industry analysis (Ranchodd & Gurau 2007, 43, modified)

The threat of new entrants is eventually likely, especially within the rapidly growing golf industry. Ranchodd and Gurau (2007) state that sector attractiveness is bound to bring new parties into the market and intensify competition, slowly reducing the attractiveness of the industry. The threat is significant if entrants are able to reach markets through more extensive distribution channels and with competitive prices and/or added value. If the competitors are able to better address customer needs and wants through innovation and differentiation, the competition for customers will likely become price-based and ultimately result in lower sales margins. A difficulty in price-based competition in machinery sales is the low degree of transparency in prices between competitors. Establishing a strong customer base through sales would undoubtedly raise the threshold for competitors' attempt at market entrance thus avoiding initial loss of sales margins to price-based competition. (Ranchodd & Gurau 2007, 41 – 43)

Buyers have the power of choice among several dealers and machinery manufacturers, but as the industry competitors are fairly similar in products offered and compete with brand-value, differentiation of products often takes place through dealer-provided added value in pricing, training, service-packages, et cetera. (Ranchodd & Gurau 2007, 43)

The threat of substitutes is significant, as the main competition in the region consists of skid-steer loaders, larger wheel-loaders and mini excavators, all of which are common and traditionally favoured in the target industries. Due to the fact that competitors are so similar to one another, it is possible that Avant products actually are the potential threat as substitutes among the competitors within the target industries. (Ranchodd & Gurau 2007, 43)

T&I branches have the power of supplier in differentiated products among competitors, but currently lack the brand-awareness and demand of Avant products. For this reason, competition through innovation, differentiation and added value is important. The target industries are seen as important to the branches, but in case market shares are lost to competitors, branches would still have a high market share in sales outside Avant products. In this case, sales efforts would have to be directed at other prospective industries instead. Due to the multifunctional aspect of the products, efforts can be directed at approaching any number of industries with less competition. (Ranchodd & Gurau 2007, 43)

The switching cost for the buyer from for example a skid-steer loader to an Avant loader must be considered. The costs involved in operator training and servicing of a new brand should be alleviated as much as possible to encourage the switch from traditionally favoured alternatives. Companies eventually update machinery and equipment regardless of the brand and so, timing the pitch to the upcoming switch can be a deciding factor in introducing the products successfully. (Ranchodd & Gurau 2007, 43)

The industry rivalry among dealers of machinery can function as an opportunity in introducing a different product concept, without competing head-on with the traditionally favoured brands. Differentiation also enables T&I branches to avoid competing solely based on price, though price is undoubtedly a significant factor in the initial closing of sales. Brand loyalty and awareness can be high among prospects since the competitors have been present in the region for years and decades. Overcoming competitor brand

loyalty can only be achieved through successful sales and satisfied customers, as has been done with Avant markets outside Southeast Asia. (Ranchodd & Gurau 2007, 43)

2.1 Golf industry in Singapore, Malaysia, Thailand and Vietnam

The golf industry was selected as the primary target for launching Avant products, mainly because of the presence of T&I branches in sales and service in the industry, but also because golf course facility maintenance provides a myriad of operations directly suitable to Avant loaders and attachments. Some success has already been achieved with Avants in product demonstrations and introduction of the products to customers in the region, but product awareness continues to be low.

The golf industry is also significantly less saturated with competitors such as Bobcat, John Deere, Caterpillar and Yanmar, to name a few, than for example the landscaping and construction industry within the region. Even though traditional skid-steer loaders such as Bobcats are not directly comparable to Avant loaders, they are generally considered as the main competitor in Southeast Asia, as most of the traditional rivalling manufacturers of Avant, such as for example Giant, Schäffer or Weidemann in Europe are not yet visibly present in the region. The main competitor of Avant Tecno Oy - CSF Multione however, has spread to Thailand recently, as can be determined from a video on YouTube (2014) concerning the launch of the Italian-manufactured products, though nothing suggests that they are being introduced to the golf industry at this time. However, as the industry is large, competition could possibly aid in raising awareness of the product concept of multifunctional compact loaders altogether. (The Italian multi-purpose 'Multione' ... 2014)

According to Asian Golf Industry Federation (AGIF), there are approximately 6000 golf courses in Asia altogether, a majority of which are located in China and Japan, with new golf courses constantly being developed in the region. The golf industry is likely the least challenging of the target industries for T&I branches to approach with Avant products, as an extensive customer relationship network has already been established through fertilisation and irrigation solutions, as well as TORO turf maintenance machinery over the years. Though the industry is seemingly endless due to the rising popu-

larity of golf, the Singapore branch is forced to consider expansion to other industries because of government regulations. (About us 2014)

Due to rapid growth and limited land available of the island state, Singapore moderates its land use by implementing long-term leases to golf courses. According to the Singapore Land Authority (2014), Singapore currently has 17 golf courses - 14 of which are privately owned. A majority of the golf courses are operating on a 30-year-lease for the land. After the lease expires, golf courses may be offered a lease extension, but in some cases the extensions are not offered in areas with construction plans such as for example a part of the East Coast of Singapore, where Changi International Airport is to be expanded. (Singapore Land Authority 2014)

Because of the moderation of land use, the growth of the golf industry in Singapore unlike in neighbouring countries is uncertain and challenging. This is both a constraint and an opportunity for the local T&I branch in introducing new, more efficient machinery to customers for maintenance and landscaping operations at the courses. However, courses without the possibility to renew their lease may be reluctant to update their machinery at all.

A product demonstration of an Avant loader with several work attachments was carried out in June 2014 for a prestigious golf club in Kuala Lumpur. The loader was the first Avant in Malaysia and the reception was positive. Several product demonstrations will be required before a presumption of the reception of Avant products can be made, but with at least 200 golf courses in the country according to Golfasian.com (2014), the potential for success is undoubtedly there. (Malaysia Golf Courses... 2014)

According to a message from Abby Wong (2014), Account Manager at T&I Malaysia, though the response to Avant products has been positive among prospects in the golf industry, some still prefer traditional alternatives that they know, have used and have seen before. According to Wong (2014) product demonstrations are the only solution to changing the mind-set of prospect towards Avant products. Wong (2014) anticipates that the margin in the selling price will have to be lowered in order to close sales in the initial phases of introducing the products. Wong (2014) also believes that the offered warranty is considered insufficient and one of the main reasons why prospects may be reluctant to make the purchase. (Wong 2014)

An online press release by Golfasian.com (2012) stated that Thailand is the third most popular golf destination after Spain and the United States, and hosts over 260 golf courses. According to Mark Siegel (2012), the president of Golfasian.com and founder of Thailand's number one marketing collective for inbound golf tourism, Thailand will surpass both Spain and the United States as the world leader in golf tourism destination by 2015 or 2016. The rising popularity of Thailand as a golfing destination will only add pressure to golf clubs to provide better greens to customers, which in turn will likely add emphasis on course quality and productivity. (Golf Tourism Exploding in Asia 2012; Golf in a Kingdom 2012)

According to Golfersguide.com, there are currently 29 golf courses in Vietnam, with many more expected to be opened in the coming years. As golf tourism grows, the demand for golf course maintenance machinery will undoubtedly increase to meet customer requirements in course quality. T&I branches will have more opportunities to introduce Avant products alongside TORO turf maintenance machinery and/or irrigation and fertiliser solutions. In an interview by Golfcoursearchitecture.net (2014) of Alan Prickett, Managing Director of Jacobsen turf maintenance machinery, Prickett states that a steady increase in golf course construction can be seen in the Philippines, Myanmar, Vietnam, Cambodia and Laos. (Vietnam Becoming Hotspot... 2014; Lawrence 2014)

2.2 Golf industry in Myanmar, Laos, Cambodia, Brunei and Indonesia

Despite the growing number of golf courses in Myanmar, Laos, Cambodia, Brunei and Indonesia, the golf clubs tend to rely heavily on manual labour and purchasing power for expensive machinery in the golf industry can vary significantly - especially when resources are allocated mainly on turf maintenance machinery and equipment for the courses, rather than for supporting operations equipment such as skid-steers and wheeled-loaders in for example loading sand onto top-dressing machinery.

According to AGIF, there are 127 golf courses in Myanmar and though the number indicates a large market, manual labour is predominant in maintenance operations according to Regional [TORO] Product Specialist, Joshua Gagnuss (2014) of T&I Singapore. Gagnuss (2014) states that skid-steer loaders are far less common in the golf industries

of Myanmar and Vietnam. The situation provides opportunity in introducing Avant products to the industry as competition is less saturated than elsewhere. However the availability of the necessary resources for the high-end machinery is low. (Myanmar Benefits from AGIF... 2014; Gagnuss 2014)

With an estimated 8,3 percent annual growth in gross domestic product in 2013, Laos is ranked as number nine in a country comparison by the Central Intelligence Agency (2014). Despite the rapid economic growth of Laos, the golf industry is at a modest level compared to some neighbouring countries. Varying estimates of the amount of golf courses currently operational in Laos can be found, but according to Thailandgolfzone.com (2013) there are at least seven in operation as of 2013. The small market size could be beneficial in the introduction of Avant products as the industry environment is not yet heavily saturated with competitors, but prove difficult in finding viable prospects with the necessary purchasing power or will to opt for the offered products, as is the case in neighbouring countries. (The World Factbook: Country Comparison... 2014; Golf in Thailand Versus... 2013)

Much like Laos, Cambodia witnessed a rapid annual growth of seven percent in gross domestic product in 2013, but remains among the poorest countries in Asia according to the Central Intelligence Agency (2014). Seecambodiadifferently.com (2014) states that there are seven golf courses in Cambodia, with more on their way in coming years as tourism grows. Again like Laos, the small-sized industry environment hosts potential in introducing existing and upcoming clubs with new machinery for landscaping activities, material handling and property management, before the competition does. (Economy - Cambodia...2014; Golf Cambodia 2014)

An article published by Exploringbrunei.com (2013) claims that there are at least five golf courses in Brunei, three of which according to Asiagolftoday.com (2005) are championship courses - these courses are not always necessarily open to the public, but rather the property of the royal family. If Avant products were to be successfully introduced to said courses, the testimonial advantage would be significant later on - provided that training, after-sales, et cetera are in order. According to the Central Intelligence Agency (2014), the gross domestic product of Brunei is among the highest in Asia – the buying power of golf clubs, much like Singapore is undoubtedly higher than in neigh-

bouring countries. (Careem 2005; Where to Golf in Brunei 2013; Introduction – Brunei...2014)

Data available on the state of the golf industry in Indonesia is limited, but according to 100topgolfcourses.com (2014), Indonesia hosts over 150 golf courses. The Central Intelligence Agency (2014) states that Indonesia has an estimated population of 253 million inhabitants in 2014 and has significantly increased its economy as of 2010. The country hosts potential in sheer market size, but poverty and unemployment are still large issues – labourers from Indonesia are widely present in the golf industry in Singapore and other countries. (Indonesia 2014; People and society – Indonesia...2014; Economy – Indonesia...2014)

The significance of using machinery for added productivity is undoubtedly lower with the vast availability of cheap-labour. However, as the golf industry develops over time in Indonesia, the demand for supporting machinery for golf facility operations will likely increase to accommodate the increasing amount of visitors.

2.2.1 Construction and landscaping industry

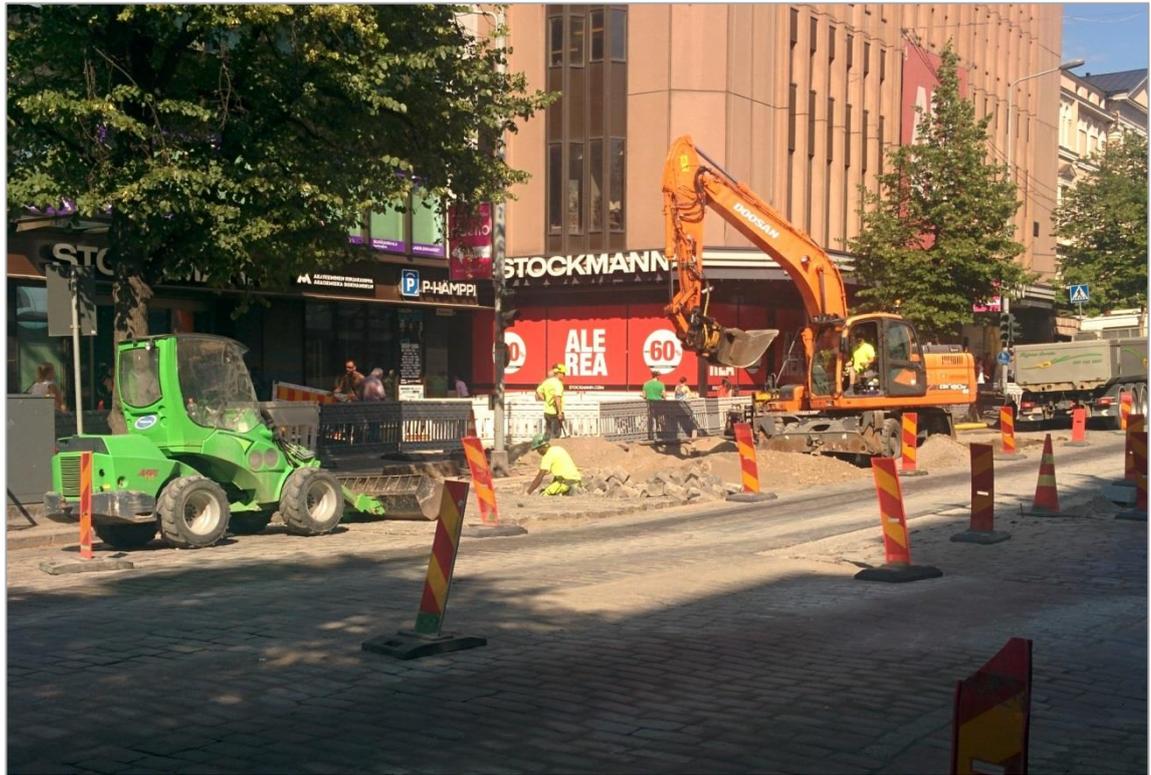
Construction companies in Singapore are typically using various-sized Kobelco, Kubota, Volvo and Yanmar excavators as well as Bobcat, Caterpillar and John Deere skid-steer and wheel-loaders on their sites to name a few, but common sights are also Hitachi and JCB loaders, as was concluded from personal observations during the spring of 2014. The competitors are largely present throughout the region. The majority of the aforementioned machines compete on a different level than Avant, as they are significantly larger and built for one or two functions with high lifting capacity and large bucket volumes for example, whereas Avants are designed for several activities of a smaller scale.

The aforementioned competing machinery manufacturers have been in the industry for decades and local contractors are well-accustomed to operating and servicing them, making it that much more challenging to change the mind-set of prospects from one manufacturer to another without clear justification and testimonials from other industry representatives on the products. According to Leong (2014), product demonstrations to

construction companies have indicated that companies in the industry are still sceptical about the comparability of Avant products and skid-steer loaders. The debate will undoubtedly stay around for a long period, but preferences can be changed over time as well. (Leong 2014)

Excavators of all sizes are widely used at construction sites in Southeast Asia and though accurate statistics of the region are almost non-existent, it is safe to assume from observations made in Singapore, Thailand and Malaysia that they are commonly used throughout the region. Though excavators are efficient in the operation of their main purpose, they are limited to a few tasks and often difficult to transport due to their size and weight – the treads inevitably leave marks on driving surfaces as well. Avants have been well-adopted in construction sites in Finland and other European countries as well as the United States, as they are easy and inexpensive to transport with vans and trailers from site to site. Avants can also be driven on public roads with the necessary traffic-kit, depending on the local legislation.

Picture 1 depicts how an Avant 750 model is being used in co-operation with a large excavator at a construction site on one of the busiest streets in central Tampere, Finland. The compact size of the loader enables it to navigate the site without disturbing on-going traffic. The added productivity enables construction crews to work in small teams.



PICTURE 1. An Avant 750 equipped with a bucket attachment, working alongside a Doosan excavator (Photo: Jaakko Mattila 2014)

Though the construction industry offers several possibilities and implementations for Avant products, the industry is heavily saturated with competition. Operations often require large construction and excavation machinery, as well as masses of man labour. The challenges involved in justifying the cost of acquiring and adopting new technology in a region with readily available cheap labour and more common machinery manufacturers are undeniable. However as firms strive for productivity and efficiency, they may be looking for new ways of carrying out operations. Regional Equipment Sales Manager, Chwee Eng Tan (2014) wishes to emphasise that T&I branches try their best to help their customers achieve productivity without entirely substituting manual-labourers. General Manager, Pisal Chitanuwat (2014) from Thailand also expresses his concerns on substituting human resources of customer companies with machinery. Finding ways of providing productivity through ethical means is an important factor in corporate so-

cial responsibility. The objective is not to replace manual labour but rather help increase its productivity with this new line of products. (Tan 2014; Chitanuwat 2014)

Skid-steer loaders are commonly used in landscaping activities, as was concluded from observations at sites, but as the wheels or tracks do not turn when changing driving direction, combined with their operating weight in most cases they are unsuitable for sensitive surfaces such as turf. Skid-steered loaders inadvertently either scalp or mark the turf, meaning that operations have to be carried out by hand in order to avoid damaging the working surface. Common large wheeled-loaders leave marks on sensitive surfaces as well due to their sheer weight. For this reason, the articulated chassis and low operating weight of Avant loaders can differentiate the products from the competition and enter the market as an alternative concept. When using turf-tyres and the drive release option, which enables the wheels to turn freely when steering the loader at a stand-still, the loader hardly makes an indentation on sensitive surfaces. Skid marks on concrete and indoor surfaces can be avoided just as well.

According to Leong (2014), Avant loaders with a hedge trimming attachment have been introduced in Singapore to existing customers of the local branch of T&I, and local construction and landscaping companies Ho Eng Huat Pte. Ltd. and Summer Pond & Landscaping Pte. Ltd. are currently using them in their operations. Along with other attachments, the hedge trimming attachment was also introduced in Malaysia to a golf club in Kuala Lumpur. The indication is that the hedge trimmer attachment is something that companies have use for, as trimming tall hedges by hand is extremely time-consuming and difficult. Vegetation is often heavy and invasive in the tropical climates of Southeast Asia and keeping it under control is especially important in for example the sidewalks and roads of urban environments. The reach of the boom and attachment, enable the trimming of hedges up to over four metres and due to the low impact on turf, the loader can be operated on sensitive surfaces virtually anywhere. (Leong 2014)

Machinery at construction and landscaping sites is often visible to by passers. The added visibility in any case is important in raising the overall brand-awareness of the products. In this sense, the distinct bright-green colour of Avant loaders and attachments is an advantage in standing out and becoming recognised. Also, since construction projects are often carried out in co-operation with several entities, visiting representatives of companies will potentially be exposed to the new products as well.

2.2.2 Property maintenance industry

The property maintenance industry in the region hosts large potential concerning Avant products, as a multitude of attachments are readily available for operations in the field and companies currently rely heavily on manual labour – both within and outside the property maintenance of golf courses. Avant loaders and property maintenance attachments are widely used in other regions, especially in regions that require for example snow removal during winter and leaf collecting in autumn. However, as this is not the case in the tropical climates of Southeast Asia, Avant products would best serve their purpose in for example cleaning large labour-intensive areas, facilities and similar sites of garbage, fallen leaves, sand, or function in material handling.

According to Leong (2014) the main focus of penetrating markets outside the golf industry in Singapore, has been on the construction, landscaping and property maintenance industry, where Avant products can be utilised in various activities as for example a forklift and cleaning streets. Avant products could be considered supporting machinery in the construction, landscaping and property maintenance industry, as Leong (2014) considers Avant to be a jack of trades, but a master of none – in other words, Avant products can perform a multitude of things well but are seldom the best at any one job. For example in street cleaning, Leong (2014) considers city-sweepers by the cleaning solution company Kärcher, to be the main competitor. In a case where for example street cleaning is the primary operation of a company or for example a municipality, the prospects would be more likely to prefer the Kärcher over an Avant. A challenge among others is competing with superior, ad hoc product manufacturers. (Leong 2014)

3 APPROACHING TARGET INDUSTRIES

The target industries specified by the commissioner were chosen as the most suitable industries in the region to initially approach with Avant products, since Avant loaders and attachments are directly applicable to many of the operations of said industries and can potentially function as a new way of working efficiently. The challenge with approaching for example the agriculture industry in the region instead, is the simple fact that a majority of the machinery currently in use is far more specialised for operations and less costly to acquire – for example in harvesting palm oil or rice cultivation. In other words, customers in the industry would need justification for spending more on new technology, to potentially achieve less than with existing machinery.

However, any industry is a prospective industry if customer needs can be satisfied with the products. For this reason the blue ocean strategy should be considered in finding new customers. Rather than competing with rivals for market shares of specific industries, approach unrivalled industries. The blue ocean strategy is rather suitable for T&I branches, as they operate in industries saturated with competition, and as Business Development Manager, Jason Leong (2014) of the Singapore T&I branch mentioned during a discussion in February 2014, Avant products are considered niche products in comparison to rivals. (Chan Kim, Mauborgne 2005, 4; Leong 2014)

For example emergency response services, local militaries, secluded holiday resort islands and waste-disposal facilities could benefit from multifunctional products. However as each prospective customer is unique, the task falls onto sales teams to investigate said needs, regardless of industry.

Even when targeting companies in more prospective industries such as for example the golf industry, which in many cases have the necessary resources to invest in machinery, it is crucial to keep in mind that the majority may be put off by the price of purchase – especially since investing in the new and unknown products may be considered a gamble. For this reason, Friis (2014) states that providing a financing solution for prospective customers is not only an option, but a necessity. Buy-back deals are also an effective show of confidence to the customer of the importer's faith in the product and should be considered in product launching. (Friis 2014)

Friis (2014) continued that providing extended warranty on Avant products is a relatively safe bet as the loaders have very few wear parts, yet adds significant value and assurance to the prospect. However, according to Friis (2014) lowering the margin in Avants is problematic because unlike most of the other products sold by T&I branches, the after-sales profits on Avant products are fairly low, again as the products have very few wear parts at all and servicing the machine is inexpensive and relatively infrequent. (Friis 2014)

Reaching out to machinery rental service providers in the target industries could prove beneficial in introducing Avant products to prospects on a wider scale than with individual prospecting. Rental services on behalf of T&I branches directly, could potentially lower the threshold for prospects to contact branches out of interest towards the products. However, a challenge with both offering rental services directly and through rental service providers is that all parties involved in operating the machinery must be trained in order to protect both operators and machinery from accidents and misuse, as well as help achieve the intended productivity that the products are designed to offer. Disappointing customer experiences in product performance due to lack of training would only damage the reputation of the brand unnecessarily.

A significant benefit of a rental option would be the availability of the machinery to companies that do not otherwise have the resources or conviction for making a purchase. Small and medium sized companies with occasional needs in various activities could benefit from the rental of a multifunctional loader, rather than designated machinery for individual tasks, especially if the company has several operations to conduct but wish to keep costs at bay.

An advantage of Avants in justifying the acquisition of unknown technology in the target industries is the fact that a majority of Avant loaders are powered by a Kubota engines. Kubota engines are very common in skid-steer loaders, larger wheel-loaders, TORO machinery and excavators. T&I branches are accustomed to servicing the engines and have spare parts readily available. Many companies that use common machinery brands know and trust the Kubota brand and are often familiar with servicing them themselves, as was observed during customer visits to existing clients in the golf industry.

3.1 Golf industry

It is necessary to bear in mind that though there are hundreds of golf courses in the region with more on their way, a minority of them are generally able or willing to invest in new machinery, though further research is needed for accurate mapping. However, any success in the golf sector would undoubtedly raise awareness of Avant products in the region and in time, pave way to reaching other markets. Finding the most prospective candidates for adopting Avant products will most likely be through TORO machinery, fertiliser, and irrigation sales and service, as T&I branches are well-recognised in the field and have an established trust-bond with their customers.

Although Avant products are not specifically manufactured for the golf industry per se, they can be considered niche products as there are no directly comparable alternatives available in the region. According to Kotler (2009), rather than aiming at an entire market upon entry, companies should initially aim for a niche. Because the region is so heavily saturated with market leaders that have been around for decades, it is reasonable to position Avant products as more specialised alternatives, rather than attempting to compete head-on with traditionally favoured skid-steer loaders such as Bobcats. Avant Tecno Oy (2013) positions their products between small walk-behind machinery and skid-steer loaders. (Kotler, Keller, Ang, Leong, Tan 2009, 352; Information about Avant...2013)

Businessdictionary.com (2014) defines niche products in the following manner:

A good or service with features that appeal to a particular market subgroup. A typical niche product will be easily distinguished from other products, and it will also be produced and sold for specialized uses within its corresponding market. (Businessdictionary.com 2014)

The features, size and concept of Avant are factors which distinguish them from competitors, whereas the specialised uses of the products vary by attachment. Through prospecting and sales, the market niche for Avant products will likely form within the target industries – be it golf course facility maintenance or for example landscaping machinery support.

If and when branches find themselves struggling with justifying Avant products over skid-steers, product demonstrations are virtually the only way to prove otherwise and

introduce the concept and multitude of attachments and options for various operations. Model specifications, lifting capacity figures and similar statistics are viable indicators of performance, but only by operating the loader and attachments, can a prospect see and feel the handling and capabilities of the products in a tangible manner.

Significant value can be added to tenders via extended warranties, service-packages, operator trainings, attachment-packages and even buy-back options in order to close the sale and launch the products into the industry. As with almost any new product, initial sales margins may be lower than hoped for, but rather than competing solely with price, Brooks (2005) encourages salespersons to compete by addressing specific needs and providing value through additional features and benefits and in doing so, achieve desirability and perceived value by the prospect. In 2013, a two-month campaign period was conducted in Norway for promoting a package-deal for an Avant 520 model along with some attachments – 150 loaders were sold during the period. Similar product-packages could function as an introductory kit to markets. However as the needs and wants of companies vary, the offered products would have to be chosen carefully to cover most common industry needs. For example, a package-deal for a mid-size Avant 500-series loader with a multifunctional bucket and pallet for attachment could be a viable option. (Brooks 2005, 129; Avant News 2013)

3.2 Construction and landscaping industry

Avant offers a wide range of attachments suited for construction and landscaping operations such as for example buckets in various shapes and sizes, grapples, concrete mixers, pallet forks, dozer blades et cetera. As direct substitutes, Avant loaders could potentially compete with skid-steers of similar size in lifting capacity, but a preferable option would be to have Avant loaders implemented for several other operations as versatility is among their greatest strengths – safety being another.

Visibility from Avant loaders to surroundings and the working attachment is almost completely unrestricted, making it an easy loader to safely manoeuvre through busy sites even with a load on. Due to the rigid articulating chassis there is no oscillation in the frame, resulting in a high tipping load and a stable form in uneven terrain. The loaders come equipped with seatbelts, hazard indicators, work lights and maintenance sup-

ports for the boom. Since safety is a significant concern in the industry, the available features should be introduced to the industry prospects thoroughly.

The availability of demolition attachments for Avant loaders, as well as the remote-controlled Avant Robot 185 model for demolition operations is a trump card in approaching prospects within the industry. Especially hazardous operations such as demolition activities, could function as the target scene for introducing remote-controlled Avant products to the industry, with safety being the main emphasis.

In the landscaping industry, heavy-duty machinery will always have larger operating capacity and specific tasks to carry out, whereas the compact size of Avants is truly an advantage only if lack of space is an issue and a smaller operating capacity is sufficient. Companies with specific needs in operations will likely prefer traditional, ad hoc manufacturers and choose to go for the skid-steer loader, mini-excavator or city-sweeper, et cetera. For this reason, if the needs of a prospect are limited to one or two operations, justifying the purchase of a multifunctional piece of machinery can be problematic at the least and should initially be avoided.

As for companies with several needs ranging from for example small-scale landscaping activities, forklifting operations and turf maintenance, Avant products can potentially provide significant savings in alleviating the need for several task-based pieces of equipment and help in increasing productivity.

According to an internal machinery market research report, conducted by Leong (2014), there are several ongoing initiatives in Singapore to help alleviate the initial costs of increasing productivity in operations. The Inclusive Growth Programme by the National Productivity Fund in Singapore was launched in 2010 to raise wages of low-wage employees through productivity. The programme enables companies to receive up to 50 percent co-funding for productivity improvements, including for example equipment upgrades. (Internal report, Leong 2014)

The Productivity and Innovation Credit scheme that offers small and medium sized enterprises with up to 400 percent allowances or tax deductions, or a 60 percent cash aid upon investing in for example innovative or automated upgrades. The Landscape Productivity Grant Scheme is provided by a unit of the National Parks Board of Singa-

pore, the Centre for Urban Greenery & Ecology. This scheme encourages landscaping companies to increase their productivity in landscape design, construction and maintenance operations through new landscaping machinery. Companies that receive the grant are entitled to monetary aid in alleviating the cost of the new equipment. (Internal report, Leong 2014)

Government issued grants can significantly lower the threshold for companies in adopting new and innovative technology, but said grants are not unfortunately available in all industries and countries within the region. In such cases, a financing option is a viable solution to offer prospect whom would otherwise be interested in updating their machinery for increased productivity but lack the resources or eligibility for government aid. (Internal report, Leong 2014)

The offered grants provide Singapore with a head-start opportunity in introducing Avant products to local markets and in raising their awareness throughout the Southeast Asia region. With this head-start, the Singapore branch will undoubtedly gain valuable insight in the sale of the products, to share with colleagues in neighbouring countries.

3.3 Property maintenance industry

Companies in the property maintenance industry could benefit from having a multifunctional loader available, as operations include anything from for example hedge trimming, tree pruning, street-cleaning, turf maintenance and material handling to paving new tiles on pathways – all of which can be labour-intensive and/or require designated machinery or manual labour for each task. In urban environments, compact equipment is beneficial in navigating for example pathways, facilities and narrow streets and though skid-steer loaders suitable in size, the treads or wheels leave markings on pavements and especially turf. Many will undoubtedly argue that the cost allocated in repairing such marks is less than the purchase of new machinery to alleviate the problem. In time the costs are bound to catch up and eliminating the repair-step would remove an unnecessary phase.

A selling point in introducing the product to property maintenance companies, much like in any industry, is versatility. The companies can utilise a sweeper, vacuum, bucket

or even a personnel lift with one machine, rather than several and simultaneously free up labour and equipment for other areas. Mountable attachments available include power-washers, as well as power and pressure generators for cases that require mobile electricity and/or power tools – a benefit when operating far away from electricity, or water sources for example.

Speed is another key selling point in introducing Avant products to the industry. Maintenance operations in for example massive warehouses, factories, hangars or long pathways can be time-consuming and/or labour-intensive. The relatively high top speeds of articulating Avant models that vary from 10 km/h up to 30 km/h are an advantage in such cases. Though speed is a benefit in moving across sites, more often than not reach is even more important. (Loaders 2014)

Leguan Lifts Oy provides personnel lifting solutions for challenging activities, such as for example maintenance operations in tall warehouses or tree pruning. The operational capacities of Leguan products range from the five-metre reach of the Leguan 50 attachment for Avant loaders, up to the 16-metre reach of the Leguan 160 personnel lift. The range of movement is wide, making Leguan products ideal for otherwise difficult-to-access places. Besides the Leguan 50 attachment, the products are skid-steer driven with either wheels, or tracks for additional traction.

Leguan products are self-propelled with either a Kubota or Honda engine, or a 230V electrical input, providing for quiet and clean operations within indoor facilities or congested areas, as well as mobility in off-road activities. The lifts can be safely operated in uneven terrain as the platform cannot be lifted until supporting legs reach sufficient hydraulic pressure and the lift is horizontally and vertically stable.

Leguan products are designed to be operated by one person and feature functions for a safe descent in case of loss of propulsion. Depending on the model, platforms hold either one or two persons, including additional weight from tools, making them an efficient piece of equipment for small teams of labourers.

The products are compact and easy to transport from site to site. Picture 2 demonstrates how a Leguan 125 model is operated from a towable trailer. The trailer provides for quick and flexible operations when the reach of the lift itself is not sufficient.



PICTURE 2. A Leguan 125 being operated off a towable trailer at the Avant factory (Photo: Avant Tecno Oy 2011)

3.3.1 Implementing the IMPACT selling system in personal selling

The role of personal selling is crucial in this case as the products are virtually unheard-of, internet exposure to marketing can be low in the region and the products themselves along with their concept, require a thorough introduction to prospects. It is safe to assume that more often than not, customers are unaware or have limited knowledge of the concept of multifunctional loaders – especially compact sized ones with articulated steering, as they are generally speaking far less common in the region than the more traditional skid-steer driven alternatives.

The salesperson establishes the prospects' confidence in the reliability and use of the loader along with its options and attachments as well as assures functioning after-sales and training to make the most of adopting the technology. The salesperson also func-

tions as the frontline in gauging prospect receptiveness to the products – a matter of importance in new markets. Though each prospective customer and case is unique, a clear and consistent framework can aid in avoiding dead ends and making the most of the sales process.

The IMPACT selling system, developed by Brooks (2004) can be used as an effective framework for assessing and approaching viable prospects as well as existing customers with Avant products. The system focuses on six crucial steps of finding the right prospects at the right time, with the right products in order to close the sale: Investigate, Meet, Probe, Apply, Convince and Tie-it-up. (Brooks 2004, 33)

Brooks (2004) qualifies viable prospects using the following five characteristics:

1. They have a need for what you sell and are aware of it
2. They have both the authority and the ability to pay you for it
3. They have a relative sense of urgency about the decision
4. They have a significant level of trust in you and your organization
5. They are willing to listen to you (Brooks 2005, 34)

The viable prospect may have several needs that could well be met with Avant products, but since awareness of the brand is virtually non-existent in the region, it is up to the salesperson to present their potential convincingly to address the specific needs of the prospect. In some cases the prospects may even be able to fulfil needs of which they had not been aware of which is why it is of paramount importance that the salesperson carefully probes the needs, wants, issues and hopes of the prospect, rather than giving an all-inclusive, generic sales presentation. (Brooks 2004, 34)

Even though the prospect may possess most of the aforementioned characteristics, if they do not have the authority or the ability to purchase the product, the sale cannot be closed. However, when prospecting in for example the golf industry, more often than not the prospect is a representative of the club such as for example a service manager, who in turn takes the proposal upwards to the board of shareholders or financing department. In other words, convincing a representative who does not have the authority or the ability to make the purchase may lead to a successful sale regardless. (Brooks 2004, 34)

An observation was made after a product demonstration at a golf club in Singapore where the club already had a skid-steer loader in operation; it was normally being used for a few hours every week to load sand onto top-dressing equipment after which it would sit idle at the workshop awaiting a task – this provided a situation where the justification for a multifunctional loader that has as many or more operations as it does work attachments was undeniable.

In order to avoid an unnecessarily lengthy sales process, it would be beneficial for T&I branches to reach prospects that have a more or less specific timeline of when they would be willing to make a purchase, for example if they have excess budget from a previous year that is planned to be used in upgrading machinery by the end of the fiscal year. If the prospects are not in a need for new machinery at the time, they certainly are not in the need for embarking on an investment in unknown technology. However, if the prospect has issues with their machinery or it does not fulfil their needs, Avant products could well function as the substitutes they have been looking for but have been unaware of. (Brooks 2004, 34)

Just as important as it is for the prospect to be willing to listen to a salesperson on new technology, the prospect must have trust in the person as well as the organisation. Establishing trust can be and often is a lengthy process, which is why existing customers are by far the most viable prospects for introducing Avant products. Prospects that trust the salesperson and organisation are undoubtedly more open to sharing needs they would like fulfilled, and less prejudiced to listening to the salesperson about new products – assuming they have been pleased with prior service and products of the organisation. (Brooks 2004, 34)

In order to ever have the chance of presenting Avant products to viable prospects, they have to be willing to listen to the presentation or pitch of the salesperson, which is why when this opportunity is granted the salesperson must be able to convincingly present and demonstrate the relevant features and concepts of the products, suited for the needs of the prospect. For this reason, product demonstrations should be regarded as make-or-break situations. There is certainly much to be told about the various features in Avant products but again, the most relevant features should be initially brought to the awareness of the prospect before going into further detail. (Brooks 2004, 34)

By thoroughly investigating the operations and purchasing power of companies and representatives of the target industries, T&I branches can avoid lengthy and costly set-ups for product demonstrations that will likely go no further in closing a sale. Even though raising awareness of the products is an important factor in introducing them to the region, without successful sales, product demonstrations to prospects without the ability to buy, or a need for the products will quickly turn into expensive advertisements. There will undoubtedly be a significant number of trial and error cases in launching the products, but with the meticulous investigation of viable prospects, the meet step and product demonstrations can be directed at prospects that can genuinely benefit from adopting the technology and have the means and interest in committing to the investment. (Brooks 2004, 48 – 88)

The meet step is a chance for the sales person to present the products to the viable prospect and probe their receptiveness and need for them more closely. This step is the cornerstone to listening to the prospect for their needs and wants, rather than elaborately presenting all things Avant. Prospects will undoubtedly be more receptive to additional info, if their needs and wants can be first be addressed with Avant solutions. (Brooks 2004, 89 – 117)

The apply step of the IMPACT selling system can be tricky one, as it requires great efforts and success in the earlier steps in the investigating, meeting and probing of viable prospects and their needs in order to demonstrate and pitch the correct products and services. Brooks (2004) defines the apply step as the setting where the salesperson shows the prospect how the recommended product and/or service meet their specific needs. In order to recommend the correct product and/or service to the prospect, they must see, feel and experience the application of the product and/or service in solving their specific needs. This is the moment of utmost importance, where the salesperson has the correct product available for the demonstration – in the case of Avant, the attachments and a model of suitable size and performance. Unfortunately there is no one solution for picking the correct model and attachments, but information available on the operational capacities of specific loaders and attachments should be studied closely to find the most suitable package. (Brooks 2004, 118)

A successful product demonstration paves way to convincing the prospect why this new, alternative product is a more productive and effective way of fulfilling their needs

and wants, rather than the field-tested and trusted skid-steer loader, excavator or large wheel-loader – or how it could work alongside one. Again, listening is of utmost importance as the prospect may have one or more concerns of the product and/or after-sales service that could impede an otherwise successful sale. (Brooks 2004, 138 – 152)

Part of convincing the prospect to take the proverbial leap of faith in adopting the new technology is the possibility of offering financing, or a buy-back option at full or almost full price of the product. It is crucial to consider the opportunity cost in either losing the entire deal, managing the risk of having to buy back the slightly used product or closing the sale successfully. As important as it is to have the prospect to have trust in the organisation, maybe even more so, trust is required from the organisation in its own products in order to confidently sell them with flexibility. (Brooks 2004, 138 – 152)

Part of convincing the prospect in the purchase is the assurance of after-sales servicing and training in the unfamiliar product – extended warranty can and should be used as an indication of trust in the product as well as added value and assurance to the prospect. If the Avant is a side-product of for example a TORO sale, package deals in the service of both brands could further re-assure the prospective customer. (Brooks 2004, 138 – 152)

The final tie-it-up step of the IMPACT selling system is where it all counts as the salesperson either closes or loses the deal. If the deal is lost at this step, the products have at the least been brought to the awareness of the prospect for future reference, possibly to their network of contacts as well. For future endeavours, it would be beneficial for the salesperson to find out what was the main reason for the prospect to either choose the competition or hold off a purchase altogether in order to attempt a different approach in the future, or knowledge on what to avoid. (Brooks 2004, 153 – 167)

4 MARKETING CHANNELS

4.1 Online marketing

Though the internet is a powerful tool in inexpensive marketing, it is important to consider the local internet exposure of customer segments as well as the efficiency of advertising products such as Avants, which require a more hands-on approach to convince target customers whom are generally more familiar with heavy-duty machinery and skid-steer loaders. Leong (2014) states that prospects often view Avant products as toy-like machines due to their compact size and plastic cowlings. Though the compact size is a primary concept of Avants, the traditional perception of bigger is better must be considered in marketing the products. Overcoming such perceptions is difficult without an actual product demonstration, but Avant videos can be used to alleviate initial scepticism as was seen in product introductions in Singapore, Thailand and Malaysia. (Leong 2014)

Avant products should be made as easy to find as possible for prospective customers who are looking for them in their local environment, regardless of how they came across them to begin with. Search engine optimisation could significantly lower the effort required for finding Avant products through Jebesen & Jessen websites. Even if internet exposure may not be as extensive as in more developed regions, growth in the field is inevitable and online marketing should not be overlooked when comparing to alternative forms of marketing.

4.2 Traditional marketing

Traditional means of marketing such as advertisements in golf, landscaping property maintenance and construction magazines can be expensive, yet raise visibility and brand-awareness when successfully carried out. Popular industry-specific magazines can potentially have the same effect on awareness and sales, as respective trade shows. In 2014, Avant products were featured in an article on Landscape Forum Magazine alongside the Landscape Productivity Grant scheme in Singapore. The article features an interview of Managing Director Neo Say Hwee, of Ho Eng Huat Pte. Ltd. of how the

company has used Avant to increase its productivity. Such testimonials from industry representatives are beneficial in increasing the visibility and credibility of the products, but often difficult to convey to prospective customers. (Working Smarter, Safer and Easier 2014)

A challenge among others with the often expensive form of marketing through magazines is that issues are not necessarily always purchased through a subscription, but rather individually – this factor could result in issues featuring the products being lost in the mass. Also, according to Kotler (2009), though magazines enable the provision of detailed information on the products they lack to provide their dynamic presentation – in the case of Avant products, this could mean that the concept of multi-functionality, compact size, articulated chassis and range of attachments is not successfully conveyed to the reader. (Kotler et al 2009, 566)

Advertising in television could aid in adding desired product-visibility, but prove too costly for branches to manage in the long-run. Kotler (2009) states that television advertising enables the vivid demonstration of products and their benefits to a wide range of customers with low cost per exposure, but as the target audience for Avant marketing is primarily representatives of the target industries, cost per exposure to target customers would be unreasonably expensive. (Kotler et al 2009, 565)

As the products are in a way targeted to niche markets, the channel of marketing should be quite selective as well in order to avoid costs involved in mass-advertising. The allocation of marketing resources should be directed to where the prospective customers most likely are, such as industry trade shows and fairs.

4.3 Trade shows

Avant Tecno Oy has actively participated in various industry-specific trade shows since its founding in 1991. The trade shows have allowed Avant representatives to introduce the products to prospective customers in a face-to-face situation, in which they could closely examine and try out the loaders themselves. Sales Manager, Mika Järvinen (2014) of Avant Tecno Oy, states that trade shows have been important in raising awareness of the products and improving sales. Järvinen (2014) also states that trade

shows have increased awareness of Avant Tecno Oy as a company, which in turn has helped in recruiting human resources. (Järvinen 2014)

Participating in trade shows can be costly, but provide much needed visibility in specific industries as well as a whole. Järvinen (2014) states that though there have been individual trade shows over the years that can be considered as less successful or profitable, the return on investments is definitely positive overall. Involvement in trade shows, advertising, sponsorships et cetera have all helped in raising brand-awareness and visibility. The direct effect on sales after individual trade shows is difficult to pinpoint, but the positive effect is undoubtedly existent and should be considered when selecting marketing alternatives. (Järvinen 2014)

Trade shows are excellent for attracting serious buyers from various industries as attendance and travel costs can be substantial. Larger trade shows are also often televised and covered in industry magazines, further adding visibility and brand awareness among industry representatives that do not attend trade shows. Depending on the available trade show facilities, collective Avant demonstrations can be conducted for larger groups of attendees at once as picture 3 from the world leading machinery trade show Bauma 2013 demonstrates. (Bauma 2014)



PICTURE 3. A public outdoor demonstration of an Avant 635 at Bauma (Photo: Avant Tecno Oy 2013)

5 CONCLUSION

5.1 Discussion

Further research is required for a country and industry-specific, in-depth market analysis. The availability of information concerning market sizes and machinery in use in the target industries varies significantly between the target countries and is in many cases, non-existent. Asia Pacific Golf Summit 2014 will present findings of a research claimed to be the first ever, extensive golf industry report of Southeast Asia in November 2014. The research may provide T&I branches with much needed answers on industry market sizes per country and the current state of facility management machinery. Vast growth in the golf industry is promised widely in news and articles, but few provide concrete evidence to support findings. For this reason, the research findings have to be assessed critically and used only to estimate potential market size. (APGS 2014 to unveil...2014)

As for market research concerning the construction, landscaping and property maintenance industries, findings, observations and existing customers in the industries are undoubtedly a more direct and reliable source for information than third-party research, due to the variation and availability of reliable and current information found in literature and the internet. Unfortunately, currently available information is not specific and transparent enough to make solid conclusions on a wider scale.

Mapping the reception of Avant products in specific countries and industries will take time and findings from the field, but the research provides factors to consider in finding prospective customers and in introducing the products. As sales progress, branches will undoubtedly gain valuable insight from customers and colleagues to further enhance the process of introducing Avant products successfully.

5.2 Challenges

Slight prejudice towards Avant loaders can be expected when first presenting to new prospects – mainly due the smaller size of them than compared to the competition, as was seen in product demonstrations in spring 2014 in Singapore and Thailand. Howev-

er, as was seen in Malaysia, after operating the loader the mind-set quickly changed to a more positive one. As Järvinen (2014) states, there will always be people with preconceptions towards the products, but overall new customers of Avant loaders have been positively surprised by their performance capabilities. For this reason, it is paramount that prospects have the opportunity to try out the loader themselves. Simply driving the loader in uneven terrain demonstrates its stability. There are of course dozens of videos online, depicting the loaders in action in different terrains with various attachments in use, which can be used in convincing sceptics, if the desired products or a suitable site is not available. (Järvinen 2014)

As well as convincing prospective customers, it is important to have the sales team convinced of the capabilities and potential of the products. According to Ojasalo & Ojasalo (2010), a common misconception is that only customers need to be convinced when creating brand-image. When the brand identity and positioning are clear among internal stakeholders, all parties involved will have motivation and a better plan of action for moving forward in sales. (Ojasalo & Ojasalo 2010, 212)

From what has been seen in conducted product presentations in Singapore, Malaysia and Thailand, prospective customers are somewhat shy in trying out the loaders themselves. For this reason it is important that the salesperson conducting the presentation is comfortable with functions and attachments of the loader. Equally important is the courage to operate them at full effect in order to convince prospects. Even though the loaders are relatively small, they are built to withstand intense operations and should be operated accordingly to achieve intended performance. Only through experience in testing and operating the products can this courage be gained.

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