

Saimaa University of Applied Sciences  
Faculty of Business Administration, Lappeenranta  
Degree Programme in International Business

Kristina Ivanova

**Market Potential Analysis of Finland and the UK  
Business case – “Sidebar Business Proposition”  
Case company: Orion Automotive**

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## **Abstract**

Kristina Ivanova

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Instructor: Ms. Anu Kurvinen, Senior Lecturer, Saimaa University of Applied Sciences

The purpose of the study was to explore a new market area for the case company Orion Automotive, which is primarily operating in the Netherlands, and to find out suitable ways of reaching more potential customers there. Both, theoretical and empirical parts were included in this thesis. First includes analysis of macro-environmental factors – PEST and SWOT and also vital concepts related to the study. For the empirical part, desk research and previous research for Orion Company were used for providing conclusions and recommendations. The study was conducted in cooperation with Orion Automotive Company in order to provide deeper understanding of two the most attractive markets for the company – Finland and the United Kingdom.

All the information was collected through appropriate literature, the company’s books and booklets, Internet resources, phone interviews and questionnaires. The literature review was based on different books, journals, magazines, articles and brochures. Some of the useful literature was found in the university library.

As a result, two markets were analyzed. Potential clients were found as well as probable difficulties in Finland and the UK markets. Competitors for Orion Automotive were also found and investigated. Recommendations were given to the company according to both markets’ features and opportunities for expanding Orion business.

Keywords: market, market analysis, SWOT analysis, PEST analysis, Porter’s Five Forces

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# 1. Introduction and Problem Definition

Orion Automotive, a sidebar specialist, is a Dutch operating company in the field of stainless steel sidebars for vans and SUV's and various car accessories like push bars, roll bars, step back, window protectors, roof racks, etc. to the worldwide market. Orion's products are mostly manufactured In-house, likewise, it sources OEM quality products worldwide for the Automotive Industry.

With a changing economy resulting in an increasing level of competition and an increasing amount of substitution goods, Orion's company owner decided to undertake action to reach more potential customers on the two markets via collaborating with the student - Kristina Ivanova, educated in International Business, faculty of Business Administration to analyze the sidebar market and its market potential in two mostly attractive countries.

Acknowledgeable in the current state of business is the lack of knowledge on certain European potential markets. Decided is to perform research focusing on the Finnish and United Kingdom market. To find out more about the customers and the markets Orion can operate in, a deep understanding is needed of these markets and customers. In this way, the company can use their resources more efficiently in the automotive field.

The central problem is stated as followed:

'Lack of knowledge is noticeable on potential customer markets, as well on perceptions and motivations of current clients to invest in sidebars.'

The aim of the thesis is to provide the market potential analysis and to find out what kind of companies are the most appropriate potential customers Orion should focus in the Finnish and UK market. Thereby, in order to gain competitive advantage, being aware of the customer's market, needs, perceptions and motivations that drive Orion's customers to use sidebar adds value in having a better understanding of how to approach potential customers by defining each country specific factors.

The research method in this business case is majorly based on desk research and partially field research through performing investigations on the internet in articles, statistics, figures, reports, questionnaires and telephone interviews. The outcomes of the preliminary research helped extensively in setting out

examinations in a reliable and suitable way into this main intrinsic case study. The outcomes of this principal research are important for the growth, stability and continuity of company Orion Automotive.

The first chapter explains the research methodology, research question, data analysis and limitations of the work. Also, the first chapter consists of how the previous research about the Dutch and the German markets was done. Then, the theoretical part is described in details. After that, the student presented how the research was done about Finland and the United Kingdom and suggested recommendations for the Orion Company about these two markets. The last chapter describes the conclusions that lead to the final advice product for the company. In the supplementary parts, a list of sources and bibliography used during the research is provided.

### **1.1 Previous Research**

In the previous research, the Dutch and German markets were analyzed by *Ivanova et al. (2014)*, in order to have a better understanding of Orion Automotive market and customers' attitude towards sidebars. The research period began February 2014 and ended June 2014. The research consisted of field research with companies across the Netherlands and desk research of the German market.

On the introductory research stage, a face- to-face and phone interviews were made with the 10 companies around the Netherlands, including the current customers of Orion Company, potential customer, formal customer and insurances.

The face-to-face interviews provided deep insight on the automotive industry and usage of sidebars on the vans by different companies. Deep insight information is gained about the advantages and disadvantages of sidebars, the market, its customers and the product itself.

After analysing the data from the preliminary research, a well-structured questionnaire was produced for the main research. The questionnaire was written in three different languages (Dutch, English and German) for sending to companies in two different markets: the Netherlands, Germany. The main aim of the questionnaire was to gather important information about various

companies that use vans for their business: large, medium and small size, and to find out what kind of fleet the companies have, what damage prevention tools they use and how the companies protect their vans for longer use. In addition, it was a vital point to ask the companies' opinion about sidebars, its price, usefulness and effectiveness on the vans. A lot of Dutch companies agreed that sidebars protect vehicles from the small side and back damages, German companies gave just the opinion that sidebars can be the good protection tool.

Also, a desk research was used to find important information about markets and companies for interviews. Relevant facts and figures were found on the websites of the related industries, associations, companies and government departments, as well as online news, magazines and journal.

### **1.1.1 Short Overview of the Dutch market**

For the Dutch market conducted by *Ivanova et al. (2014)*, the research is focused on companies that use vans as a core part of their business. Transport and delivery companies would benefit the most from using sidebars as they are in higher exposure to suffer small damages to the sides of the vehicle. Other potential customers would be construction companies since the usage of vans is a big part of their daily operations. These potential customers are located in large and dense cities like Amsterdam, Rotterdam, 's-Gravehage, Haarlemmermeer and Utrecht. It is suggested that Orion should promote their products particularly in the months or prior to the months when more vans are registered. It is observed that more vans are registered in January, March and October. This cycle has repeated over the years. In order to convince the potential customers, Orion should distinguish itself from other competitors in terms of price, quality, shipping cost, mounting time, payment methods etc.

### **1.1.2 Short Overview of the German market**

According to the market study made by *Ivanova (2014)*, the German market is not easy to reach due to the language barrier. It would be difficult to have a smooth conversation with the German companies. Despite the limitations, the list of potential customers in Germany can be suggested.

The industries that use vans as a core part of their business are mainly the courier express service, delivery and logistic service and taxi companies. The

22 potential customers are mostly located in Berlin, Düsseldorf (Ruhr district) and Frankfurt. The top 5 potential customers are recommended mainly based on the number of vans that the company possesses. They are the Deutsche Post DHL, TNT - The People Network, DPD - Dynamic Parcel Distribution, Citius Express GMBH and City Funk Berlin.

There are no exact or clear competitors found from the online desk research, but substitutes of sidebars do exist. In order to prevent accidents and damage on vans, German people are more likely to rely on drivers training and drivers' information system instead of sidebars.

## **1.2 Research Methodology and Limitations**

This chapter covers the research question and methodology, questionnaire design, sampling approach, method of data analysis and the limitations occurred during the research. Basically, the purpose of this chapter is to set out details of the research approach and to explain the framed path that leads to a solution for the research problem.

### **1.2.1 Research Question**

The aim of the study is to conduct the research on the Finnish and the UK markets, to investigate the market potential there and try to find as many potential clients as possible for the Orion Company. Finally, there should be an advice to the company whether each market is reachable or not and whether business could be expanded and prosper better.

To give a better understanding of the issues, the researcher will compare Finnish and British markets with the Dutch and German markets to analyze where the conditions for business are the most suitable, where it is ease to do business and where it is the most profitable to operate for the Orion Automotive.

The general subject matter is to expand business in other European markets, especially Finland and the United Kingdom, so the researcher will have to investigate several research questions:

- What kind of market potential does the sidebar market have in two attractive countries?

- What is the target market for the Orion Automotive company?

### **1.2.2 Research Method and Data Analysis**

Online market research is the process by which the Internet is used to gather data to evaluate how well a product or service is selling to consumers. The information provided by a careful market analysis conducted online can also identify popular trends that can assist a company in creating a strategy that will get better results. When used properly, online market research can be an effective tool that a company can use to experience higher revenues.

In addition, to identify potential areas for growth, online market research can help a company to learn more about its target consumers. The information gathered from doing an online market research study is helpful to track this type of behavior.

The preliminary phase includes qualitative research and quantitative research. First, qualitative research is used in the form of phone interviews with the UK companies in order to get more information and insight about the industry. Secondly, quantitative research is used in the form of emails.

Moreover, the preliminary phase will provide insights on the business case with the view to find out what kind of research, interview participants and research questions need to be implemented in this study. In addition, it will bring forth insights in such a way that knowledge on the market, client and product will be received.

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In this intrinsic case study for Orion, secondary data is used to perform desk research. Online market research is implemented in order to receive insights on the potential sidebar market in Finland and the United Kingdom. Secondary data is in fact information that has been previously gathered for some purposes

other than the current research project. The data is available free and can be easily delivered electronically by computer. Gathering such information from primary research would be very expensive and time consuming.

The secondary data searched on the internet is carefully analyzed and organized by highlighting articles and statistics. Later on, this data is implemented and revised into the report. To each part of information a source is added. Finally, for each potential market conclusions and recommendations are provided based on the desk research performed.

### **1.2.3 Questionnaire Design**

The (categorized) questionnaire consists of three phases:

#### *1. The introduction phase*

- Introduction of the researcher and the topic which is needed to be discussed
- Topics and objectives of the questionnaire
- Name of the person who filled in the questionnaire and name of the company

#### *2. The discussion phase*

- Questions related to the company exactly, its size, company type, number of vans, etc.
- Topic questions about sidebars and damage prevention, 10 questions.

#### *3. Evaluation phase*

- Summarizing the information
- Asking the most important questions for Orion Company

### 1.2.4 Sampling Approach

The steps of the sampling process will be examined below:

- *Step 1: Define the population of interest*

The population of interest is the total group of people that the researcher wishes to interview during the preliminary research. The population of interest can be divided into three groups: potential customers, formal customers and insurances. In addition, car repair shops can be interviewed as well if it is possible.

- *Step 2: Determine whether to sample or census*

Looking at the timescale, it is impossible to have a lot of interviews during the research. A sample method will be used in order to get information for every interview category.

- *Step 3: Select the sampling frame*

The sampling frame of the interviewed company will be small. There are a lot of potential customers, formal customers and insurances in both markets. Therefore at minimum one company in each category should be interviewed in order to gain a deeper insight into the market, customers and the product itself.

- *Step 4: Choose a sampling method*

The non-probability sampling method is chosen. This method can be executed more quickly and easily than the probability method. The most important targets can be interviewed in order to fulfil the preliminary research. Out of the four different non-probability methods, judgments sampling is chosen. The researcher consciously selects companies for a sample that considers the most appropriate for the preliminary research.

- *Step 5: Determine sample size*

There is not a lot of time during the preliminary research, therefore precision against time and cost consideration in the data collection process should be determined. First, qualitative research and quantitative research will be done

during the preliminary research. Furthermore more quantitative and desk research will be done for the final report.

- *Step 6: Implement the sampling procedure*

When the sampling procedure and the sample size are selected, the selection of the interviews and the interviews can be performed. In cooperation with Orion, interviewees will be chosen. After the interviews a short feedback session with the interviewee will be done in order to improve the interviewer's skills.

### **1.2.5 Method of Data Analysis**

LeCompte and Schensul (1999) define analysis as the process a researcher uses to reduce data to a story and its interpretation. Data analysis is the process of reducing large amounts of collected data to make sense of them. They describe data analysis as including inscription, description, and transcription.

During qualitative research organization data and interpretation of data are really important aspects. In this case, telephone calls to companies need to be recorded if possible and answers from questionnaire on Finnish language should be translated into English as the whole thesis is done in English language.

- *Organization*

The transcripts should be in order by date and category. It will be easier for the researcher to read through the written transcripts in order to get a good understanding of the gathered information.

The researcher will create summaries of phone interviews and questionnaire results and make the list of the most important facts that could be beneficial for Orion Company.

- *Interpretation*

The identification of what is gained during the questionnaire is a really important aspect. The researcher should determine what messages the respondents are trying to communicate during the questionnaire. This is really important in order to determine the research findings, research objectives and the final results.

### **1.2.6 Limitations**

For some research questions there will be no available source of data, for instance in the previous research about German market, it was difficult to find data for the potential market in the English language. In this case, it can also be a language barrier or no information related sidebars and vans' industry.

Next is the 'suitable data' problem. It can occur that there will be a very interesting data found, but it is not related to the project's case.

In addition, the problem can occur when there is no control over the accuracy of the secondary data. In this case it is different statistics or data from several countries that is collected in various ways, using different methods.

Lastly, comparability is often a problem when integrating and examining data from different sources. This is particularly in this case where information is being collected from a number of different countries. Difference occurs in reliability of the information, frequency of the studies, measurement units, and difference in circumstances.

## 2 Theoretical Background

The theoretical background of this thesis covers the main aspects related to the market: market definition in general, market analysis, market research as well as PEST and SWOT analyses which help to identify the situation in the country from different corners and to find out the strong and weak sides of a company which would like to enter a new market.

### 2.1 Market

In the book *Principles of Marketing* by Kotler P. & Armstrong G. (2010), the concepts of exchange and relationships lead to the concept of a market. Market is the set of all actual and potential buyers of a product or service. These buyers share a particular need or want that can be satisfied through exchange relationships.

According to the World of Knowledge - marketing web-site, market refers to the group of consumers or organizations that is interested in the product, has the resources to purchase the product, and is permitted by law and other regulations to acquire the product. The market definition starts with the total population and progressively narrows as shown in the following diagram.

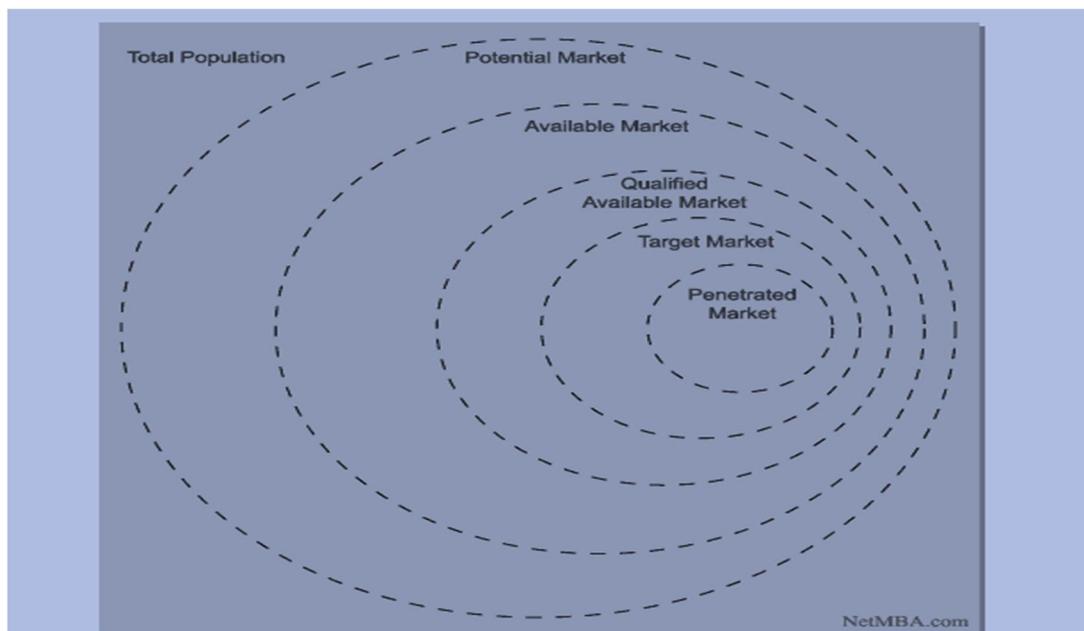


Figure 1. Market Conceptual Diagram by World of Knowledge – Marketing web-site, 2008.

There is total population and other forms that are used to describe the market based on the level of narrowing:

- Total population
- Potential market – those in the total population who have interest in acquiring the product.
- Available market – those in the total population who have enough money to buy the product.
- Qualified available market – those in the available markets who legally are permitted to buy the product.
- Target market – the segment of the qualified market that the company has decided to serve.
- Penetrated market – those in the target market who have purchased the product.

## **2.2 Market Analysis**

Market analysis includes studies about the development and the dynamics of a certain market within a special industry, in this case automotive industry of Finland and the UK will be analyzed. Moreover, market analysis consists of macro-environmental factors such as SWOT and PEST analysis. With the help of these two analyses, the company can define the strong and weak sides of a Finnish market and choose the most appropriate strategy to enter it.

Market analysis is the understanding of how the market works and what customers' want is vital. Market analysis can help to identify where to focus the efforts and how to maintain a competitive edge.

David A. Aaker outlined the following dimensions of a market analysis:

- Market size (current and future)
- Market growth rate
- Market profitability

- Industry cost structure
- Distribution channels
- Market trends

### **2.3 Market Size**

The size of the market can be evaluated based on present sales and on potential sales if the use of the product were expanded. The following are some information sources for determining the market size (Aaker & McLoughlin 2010, p. 62):

- Government data
- Trade associations
- Financing data from major players
- Customer surveys

### **2.4 Market Growth Rate**

A simple means of forecasting the market growth rate is extrapolate historical data into the future. While this method can provide first-order estimation, it does not predict the important turning points. A better method is to study the market trends and sales growth in complementary products. These drivers serve as leading indicators that are more accurate than simply extrapolating historical data (Aaker & McLoughlin 2010, p. 66-67).

Important inflection in the market growth rate sometimes can be predicted by constructing a product diffusion curve. The shape of the curve can be estimated by studying the characteristics of the adoption rate of a similar product in the past.

Figure 2 shows the Product Diffusion Curve model that uses a bell-shaped curve or an s-shaped curve to show the stages in which a successful product is adopted by people within the market.

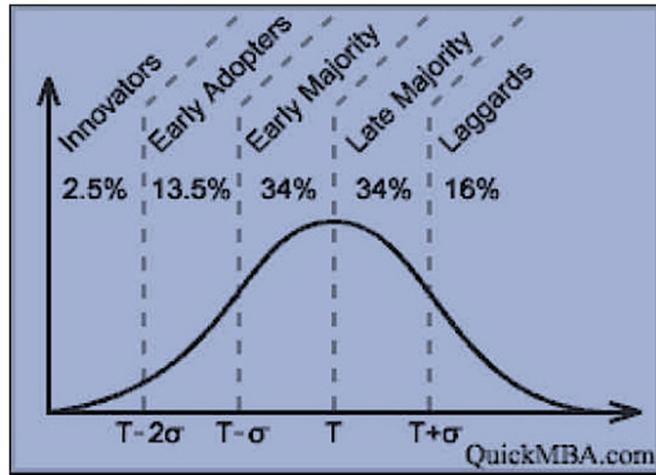


Figure 2. Product Diffusion Curve by QuickMBA, 2010.

Figure 2 shows people within the market, depending on how quickly they accept and purchase new products. Some welcome novelty, adopting new products as soon as they come to market. Others only purchase new products when it becomes the last resort.

## 2.5 Market Profitability

While different organizations in the market will have various levels of profitability, they are all similar to different market conditions. Michael Porter in his book *The five competitive forces that shape strategy* (2008), devised a useful framework for evaluating the attractiveness of an industry or a market. This framework, known as Porter's five forces, identifies five factors that influence the market profitability (Aaker & McLoughlin 2010, p.69)

- Supplier power
- Buyer power
- Barriers to entry
- Threat of substitute products
- Rivalry among firms in the industry

## **2.6 Distribution Channels**

A channel of distribution or trade channel is defined as the path or route along which goods move from producers or manufacturers to ultimate consumers or industrial users.

According to Aaker and McLoughlin (2010, p.71), the following aspects of the distribution system are useful in a market analysis:

- Existing distribution channels - could be described by how direct they are to the customer.
- Trends and the emerging channels - new channels can offer the opportunity to develop a competitive advantage on the market.
- Channel power structure – applies when a product having little brand equity, retailers have negotiating power over manufacturers and can capture more margin.

## **2.7 Market Trends**

Changes in the market are important because they often are the source of new opportunities and threats. The relevant trends are industry-dependent, but some examples include changes in price sensitivity, demand for variety, and level of emphasis on service and support. Regional trends may also be relevant (Aaker & McLoughlin 2010, p. 71).

## **2.8 PEST Analysis**

PEST analysis is an analysis of the external macro-environment that affects companies. It is a simple but very important and widely-used tool which helps to understand the big picture of the Political, Economic, Socio-cultural and Technical environment.

Many macro-environmental factors are country-specific and PEST analysis has to be performed in order to have better understanding of a certain country situation (NetMBA Internet Center).

Political Analysis includes analyzing vastly the following factors: political stability, risk of military invasion, legal framework for contract enforcement,

trade regulations and tariffs, anti-trust laws, pricing regulations and industrial safety regulations.

Economic Analysis consists of the type of economic system in the country, government intervention in the free market, comparative advantages of host country, exchange rates and stability of a host country currency, efficiency of financial markets, economic growth rate, inflation rate and interest rate.

Social Analysis contains such important factors like demographics, culture, class structure, education, entrepreneurial spirit, attitudes (health, environmental consciousness, etc.) and leisure interests.

Technological Analysis covers the following aspects: recent technological developments, technology's impact on product offering, impact on cost structure, impact on value chain structure and rate of technological diffusion.

In fact, it is vital for companies to take into consideration the most appropriate factors that can affect the industry to operate in.

## **2.9 SWOT Analysis**

SWOT analysis, an acronym of Strengths, Weaknesses, Opportunities and Threats, is a simple framework for generating alternatives from a situation analysis. The analysis takes account of internal resources and capabilities (strengths and weaknesses) and external factors (opportunities and threats). It is a general technique that can be applied to diverse activities and it is particularly appropriate during the early stages of planning a specific task or project (Internet Center NetMBA).

SWOT analysis can provide:

- A framework for identifying and analyzing multiple factors.
- A platform for assessing core capabilities and competences.

- Preferred direction to that change.
- A Launch pad from which to develop suitable tactics.

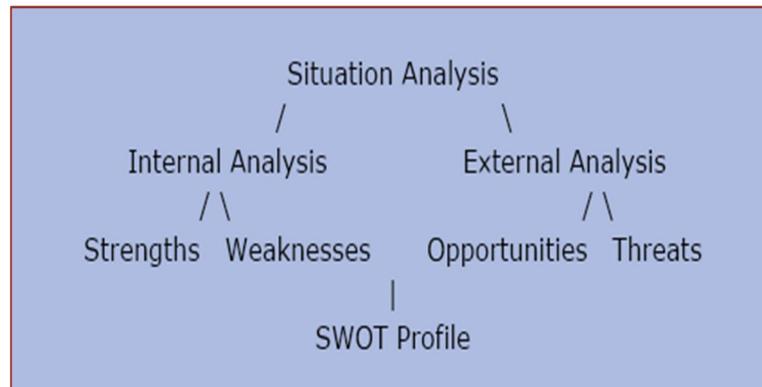


Figure 3. SWOT analysis by NetMBA, 2004.

## 2.10 Market Research

According to book *Essentials of Marketing* by Jim Blythe (3d edition, 2005, p.100), market research is the process of collecting, analyzing and presenting useful information about consumers. Marketing research also includes the more general research into markets, which includes competitive activities and also environmental issues such as government activities and economic shifts.

The purpose of the research is to collect data (and sometimes information) and process it into usable information that can be used to make management decisions. The first stage in any research process is to define the problem and set objectives. Figure 4 shows the research process.

After setting the objectives, the process of collecting the data can begin. Data can be collected from either primary sources or secondary sources. Primary sources are original research: questionnaires, interviews, experiments or product tests with consumers. Secondary research (also called desk research) comes from already published information in journals, newspapers, commercially published market research, government statistics, directories, yearbooks, CD-ROM databases, the Internet, and other published materials. Secondary data are, in effect, second-hand data. (Jim Blythe, 2005, p.102)

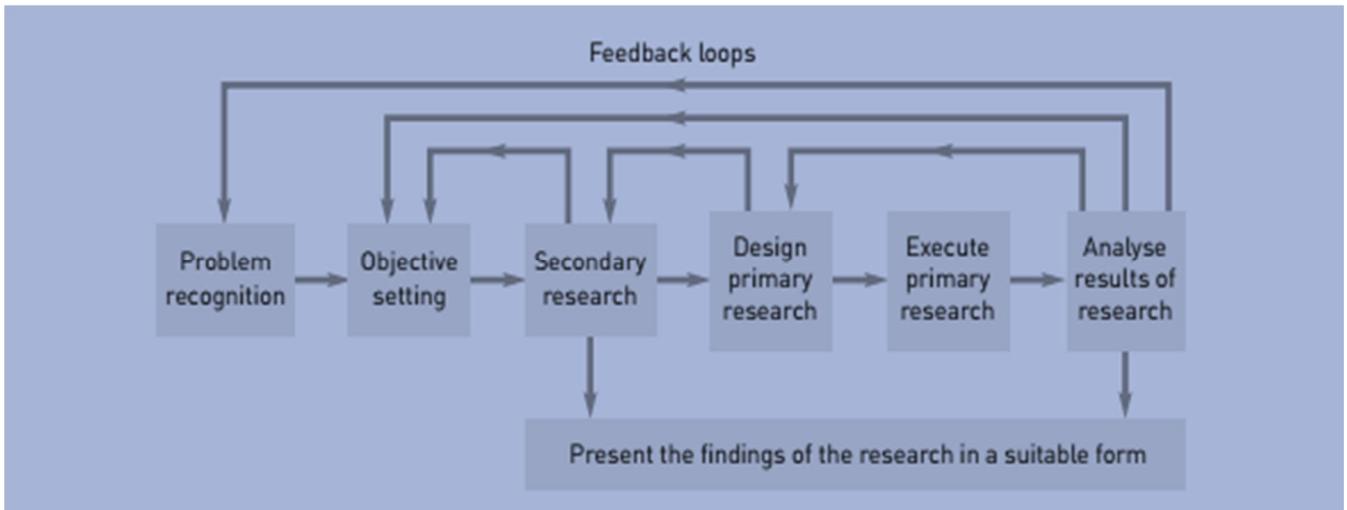


Figure 4. The market research process by Jim Blythe, 2005.

Normally it is sensible to begin the research process by looking at secondary sources. The reasons for this are as follows: it is always cheaper and quicker; sometimes all the necessary information for making the decision has already been published and is available; even when the published information is incomplete, the researchers will only have to fill in the gaps with primary research rather than gather all the information first-hand.

### **3. Market Potential Research**

#### **3.1 Market Research in Finland**

##### **3.1.1 General Overview of Finland**

The Finnish road network is approximately 454,000 kilometers long in total. It includes around 350,000 kilometers of private and forest roads and 26,000 kilometers of municipal streets. In total, the Finnish Transport Agency is responsible for approximately 78,000 kilometers of highway.

Highways and main roads comprise more than 13,000 kilometers, 700 kilometers of which are motorways. Most of the total road length of 64,900 kilometers consists of local and connecting roads. However, these represent just over a third of all traffic. Half of the roads are low-volume roads.

Approximately 65 per cent of roads, or some 50,000 kilometers, are paved.

With respect to the low-volume road network, approximately 41,000 kilometers of road are in the lowest maintenance category. This totals more than half of the total road network. It is impossible to maintain all roads in such condition that, during the most challenging weather conditions, no problems will occur anywhere in the road network.

In Finland, there are 20 per cent of dirt roads or forest roads where it could be gravel, grit or crushed stones. So, it means that it is possible to get small damages on both sides of the vehicle or at the back of it often by the more rebounds from stones or gravel.

According to statistics, there are about 3 million cars in Finland which are used annually around the whole country. Motorization rate is very high in Finland - 14 out of 183. Currently in this small country there are about 5 million vehicles, while the entire population of the country at the same time is 5.4 million people.

Vehicles are "hot products" in Finland. In August 2012, Finland took the third place in the European Union in terms of growth in car sales. Finnish people mostly prefer German and Japanese cars and also all-wheel drive cars because the weather conditions have become harsher in the country in recent years.

At the end of 2014, the Finnish vehicle register contained 6,014,610 vehicles, of which 5,043,523 were in traffic use. The total number of registered vehicles grew by 2.6 per cent and the number of vehicles in traffic use went up by 1.0 per cent compared with the situation at the end of 2013. There are approximately 3,1 million passenger cars registered in the country, and only 2.6 million of them are exploited which means that about 1.9 million cars have the status of freight or specialized cars like ambulances, police cars and special buses.

To have a better understanding of the Finnish potential market and the possible opportunities different aspects will be taken into account such as number of registered vans, new van make registration or road network.

According to the Autoalan Tiedotuskeskus statistics, all registered vehicles from the year 2000 are presented here in Figure 5. If take into account all vehicles in Finland, there is a huge increase in every index during 14 years. As it is illustrated, there were 387,674 registered vans in Finland in 2013 and related to 2014, the number of vans increased by 3.2 per cent. It means that vans are used more in Finland in different industries and there is a demand on it for various purposes.

Year	Passenger cars	Vans	Trucks	Buses	Others	Total
2000	2 120 749	236 290	64 820	9 811	16 917	2 448 587
2001	2 146 243	241 125	68 145	9 730	16 218	2 481 461
2002	2 180 025	244 299	72 019	9 966	15 564	2 521 873
2003	2 259 383	247 139	76 552	10 318	14 940	2 608 332
2004	2 331 190	269 586	82 012	10 676	14 535	2 707 999
2005	2 414 477	273 278	86 690	10 878	14 054	2 799 377
2006	2 489 287	281 407	90 925	11 147	13 590	2 886 356
2007	2 553 556	294 196	96 610	11 500	13 264	2 969 126
2008	2 682 831	315 275	105 106	12 230	13 030	3 128 472
2009	2 758 291	328 962	110 638	12 974	12 821	3 223 686
2010	2 858 244	343 343	116 476	13 607	12 646	3 344 316
2011	2 958 568	361 499	122 673	14 185	12 463	3 469 388
2012	3 036 618	375 059	128 080	14 885	12 293	3 566 935
2013	3 105 834	387 674	133 392	15 485	12 104	3 654 489
2014	3 172 735	400 396	137 285	16 202	11 923	3 738 541

Figure 5. Vehicles in register by Autoalan Tiedotuskeskus, 2014.

Most vans are located in the capital of Finland Helsinki and the surrounding towns Espoo, Vantaa and Kauniainen. Also, most of the car companies are located on the coast of Finland and Gulf of Bothnia because the sea is a

continuation of the assembly line for the Finnish industry. There is a port in Kotka, so there are a lot of small and medium companies that use vans for deliveries of goods to different Finnish cities.

In fact, the damages that sidebars prevent are the damages related to parking and maneuvering and this usually occurs in urban areas, within cities, where traffic is intense. The kinds of companies that operate in this context are transport companies for both people and goods, such as taxi companies and courier companies. These transport and delivery companies would benefit the most of the use of sidebars since these are in constant exposure to suffer small damages to the sides of the vehicle.

There is the latest statistics on the top fifty van makes registered in Finland in 2013, excluding Åland (Appendix 1). There are five the most popular van makes inside the country: the 1<sup>st</sup> place goes to Toyota (92,301), the 2<sup>nd</sup> place is occupied by Volkswagen (73,041), the 3<sup>rd</sup> place is taken by Ford (47,040), the 4<sup>th</sup> place goes to Mercedes- Benz (31,899) and Nissan make took the 5<sup>th</sup> place in Finland (24,716). In comparison to 2012, there is a slight increase in demand of these five the most popular vans makes. Mercedes-Benz and Volkswagen vans are bought more than other three van makes in 2013.

Therefore Orion should have more of these models in their inventory to avoid delays. Moreover, Orion can use this table to see the number of other van makes in top of 50 and understand what people prefer more and what other kinds of vehicles increased or decreased in demand.

Figure 6 shows the average age of vehicles in register and in use in Finland. Related to the vans statistics of 2013, the average age of vans in use is 11.9 year. It describes that Finnish people are using their vehicles very thriftily during the whole car life. After this period new vehicles will be bought and therefore a new opportunity to sell sidebars appears.

	In register	In use
Passenger cars	13,1	11,2
Vans	14,3	11,9
Trucks	13,8	12,1
Buses	14	11,6

Figure 6. Average age of vehicle in use 31.12.2013 by Statistics Finland, 2013.

Sidebars are damage prevention accessories and thus are usually installed by the purchase of a new van in order to avoid damages or the new investment. Therefore it is interesting to know when Orion should approach companies in order to convince them to install sidebars on the new vans.

Related to the statistics of February 2015, a total of 12,103 new motor vehicles were registered, of which 9,107 were automobiles and 1,118 of light commercial vehicles which are < 3.5 t. Figure 7 illustrates that vehicle registrations decreased by 2.3 per cent from the corresponding month of the previous year. It could be interesting for Orion that from January to February 2015 the most common passenger cars registered in Finland were Volkswagen, Toyota and Skoda.

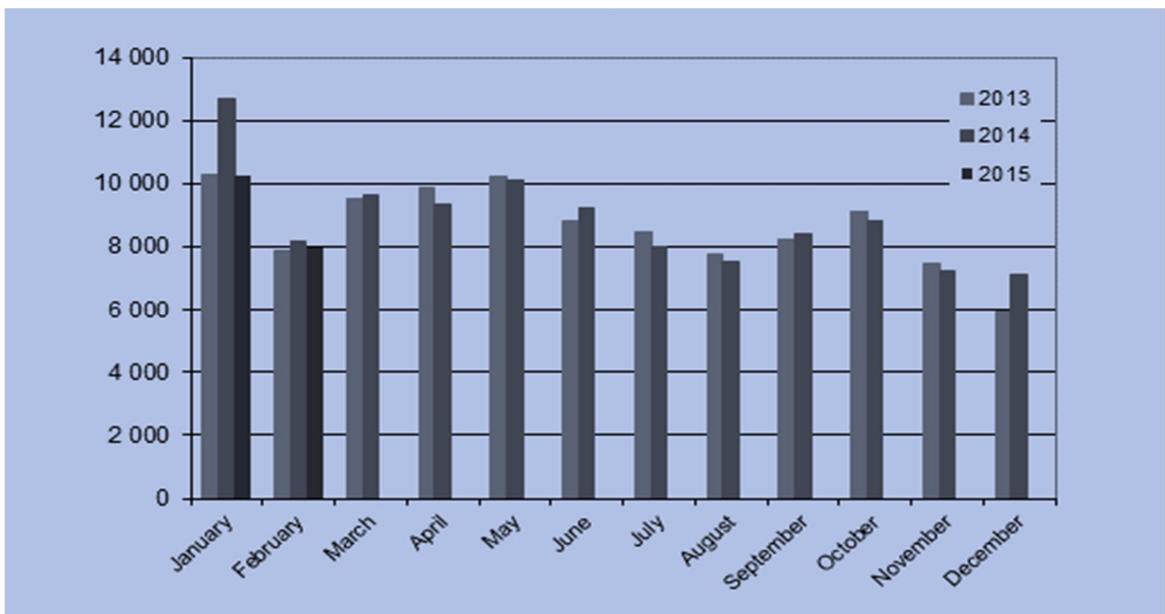


Figure 7. First registration of vehicles by Statistics Finland, 5 March 2015

According to Statistics Finland, Figure 8 shows that the retail trade of motor vehicles generated 37.1 per cent and the wholesale trade of motor vehicles 36.1 per cent of the almost EUR 14.5 billion turnover from products in the motor vehicle trade in 2010. Inclusive of other retail and wholesale trade, as well as turnover from other activities, the total turnover in the motor vehicle trade amounted to nearly EUR 15.3 billion. The share of retail trade of motor vehicle parts and accessories was 7.9 per cent while the share of their wholesale trade was 10.9 per cent. Maintenance and repair services generated eight per cent of the turnover of motor vehicle trade products.

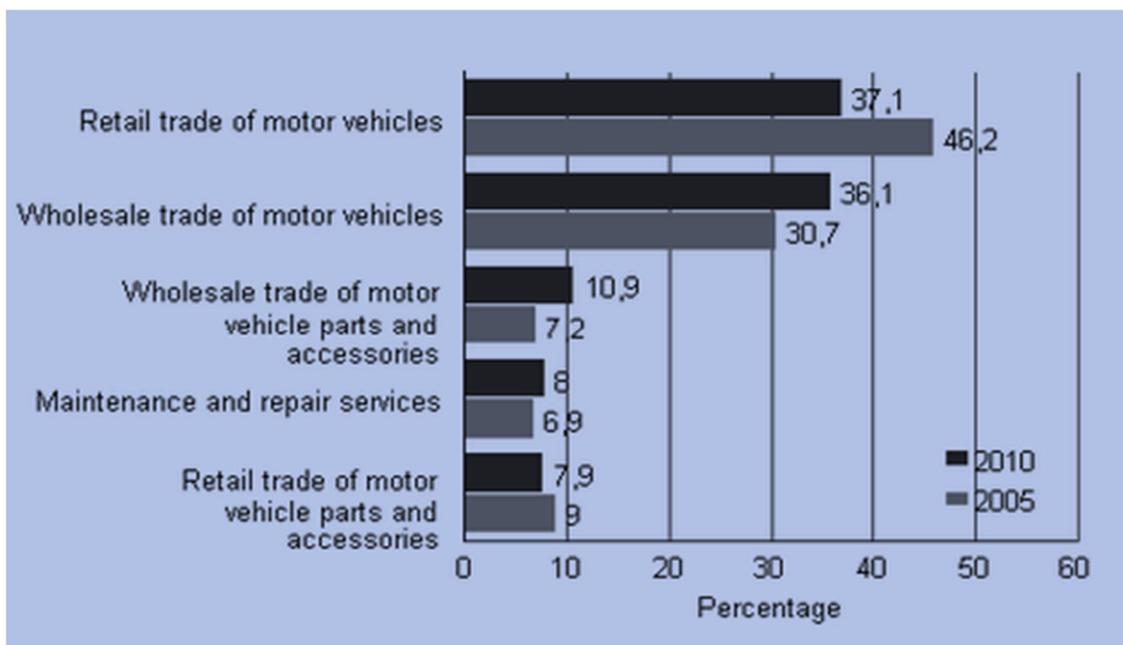


Figure 8. Percentage shares of turnover of motor vehicle trade products in industry categories 4511-4540 by Statistics Finland, 2012.

### 3.1.2 Market Growth Rate

Related to Statista (2015), the number of passenger cars registered in January 2015 decreased on 18.9 per cent in comparison with January 2014. But despite the decrease in 2015, the car sales growth forecast is positive for the next few years. It is going to be an increase in demand.

According to European Automobile Manufacturers Association (ACEA), the forecast is also optimistic for the vehicle sales growth. ACEA expects growth to continue in 2015, but at a considerably slower pace, with a year-on-year forecast in the region of 2 per cent. In terms of units, this would mean edging closer to the 13 million units mark.

### **3.1.3 Market Profitability and Porter's Five Forces Analysis**

Finnish Automotive Industry is well developed nowadays and still continuing growing. Global passenger demand is on the rise both in mature and emerging markets, where the population is becoming increasingly affluent and mobile.

Despite the growing number of bicycles, motorcycles, coaches, trains, planes, the automobile is still the most popular form of passenger travel. Thanks to the car's popularity, the automotive industry has made a strong comeback from the 2008 financial crisis (by Statista 2015). Porter's Five Forces Analysis can help a new company that would like to enter a new market, to understand the industry structure and to make an effective decision.

#### **Supplier power**

In Finnish Automotive Industry there are a lot of suppliers, unlimited number of volume of deliveries and some of them do not have stated relations with clients and it puts those companies in a difficult situation. So, it would be wise to admit that suppliers have a moderate bargaining power over consumers

#### **Buyer power**

In the Finnish market, it is not easy for customers to drive the prices down because they purchase the products in small amounts or rarely in big amounts, so it means that the buyer power is low. Also, as it was mentioned earlier, customers buy good quality sidebars from the other companies in Finland that have the USA sidebars. Furthermore, Finnish people are sensitive to the price; it can affect the business of the company. It is possible to state that in Finland customers do have a strong bargaining power over the companies.

#### **Competitive Rivalry**

Related to competitors, there are not so many of them in Finland but they all suggest good quality car accessories and sidebars which can be an obstacle for Orion to enter the market. But, with high quality of stainless steel materials and the TUV certification Orion Company can have a little power on the Finnish market among other competitors. If these two factors are not enough to compete with other companies, Orion should think about the investments to be more unique in the Finnish market.

## **Threat of Substitution**

It was already mentioned in the thesis that there are other preventative tools for the vehicles that could be substitution products and are quite often used by Finnish customers: backup cameras and sensors. Nowadays, these helpful tools can be installed on the factory to a new vehicle or be installed in car repair shops. Of course, there are a lot of car repair shops in Finland that provide this kind of service. So, as sidebars are another damage prevention tool, it can be installed directly to the vehicle like protection or it can be an additional tool for protection with sensors or backup cameras. In any case, sidebars are useful damage prevention tools.

## **Threat of New Entry**

As Finland is a member of the European Union, potential companies from other EU countries can also try to enter the Finnish market and make some difficulties for Orion Automotive. Product requirements are equal for all the members of the EU, so it can be a high attraction for new players.

### **3.1.4 SWOT Analysis**

By providing a SWOT analysis for Orion Automotive, it can be easier to highlight the positive factors that can help the company to develop itself on the market and the negative factors such as obstacles and difficulties that can occur during the entering to a new market.

Internal	Strengths	Weaknesses
	<ul style="list-style-type: none"> <li>• Wide range of the car accessories for vans and SUV's</li> <li>• Efficient pricing</li> <li>• High-quality materials</li> <li>• Level of knowledge of the car accessories companies in the market</li> <li>• High level of sale service</li> </ul>	<ul style="list-style-type: none"> <li>• Company does not have certain numbers about sidebars to show how much money client can save</li> <li>• Clients think sidebars are for better looking of a car, not for protection</li> <li>• Company does not suggest every day products</li> <li>• Company needs distribution channel improvements</li> <li>• Lack of strategies of promotion</li> </ul>
External		
	<ul style="list-style-type: none"> <li>• Developing market</li> <li>• Growing market potential</li> <li>• Coverage of new needs of current customers</li> <li>• Collaboration with DHL Finland</li> <li>• Favorable economic environment</li> </ul>	<ul style="list-style-type: none"> <li>• Political and economic situations</li> <li>• Rising costs and cost of raw materials</li> <li>• High competition</li> <li>• Changes of customer preferences</li> <li>• Changes in the level of income of customers</li> </ul>

Table 1. SWOT analysis of Finland for Orion Automotive

For the internal factors, Orion Automotive needs to develop the strategy of reaching new clients by providing a high level of customer service, new marketing campaigns, and new brochures with more vital numbers that proof the quality and usefulness of products. In addition to this, Orion Company can use the collaboration with DHL Netherlands to reach DHL Finland and suggest sidebars.

In Finland, people always take into account every important detail of a product, especially the price, quality of material and the necessity of a product. So, Orion Company should think carefully about these points and brand awareness to reach new customers.

### **3.1.5 PEST Analysis**

In this PEST analysis the macro-environmental factor of Finland will be covered. It is needed for better understanding the whole picture of the country by explaining the environment where Orion would like to expand its business.

#### **Political factors**

Finland is a parliamentary democracy with a multi-party political system. The President is the head of state, while the Prime Minister is the head of government. The powers of the Executive, Legislative and Judicial Branches are set out in the Constitution adopted in 1919.

#### *Member of EU*

Finnish EU membership seems to have fulfilled most of its promises and most of the fears have not materialized. There is a very broad consensus among Finnish economists and policymakers that the stability of the economy is now much better than it used to be in the past, and that the policy trade-offs are much more favorable now. It is, of course, difficult to say, what exactly is due to the EU membership and what is due to other favorable trends and factors. The past eleven years have been good times for Finland. The economic development has been strong and also relatively stable despite of the large swings in the global economy. In this sense EMU has improved the resilience of the Finnish economy. Finland's EU experience is widely seen as a highly positive process.

## *Regulation and Restriction on the International Trade*

Membership of Finland in the World Trade Organization is a deterrent to any radical changes, so global changes are not expected in few years. Related to the Finnish Automotive industry, there will be no major changes.

### **Economic factors**

#### *Inflation Rate*

According to the Statistics of Finland, the average of the inflation rate has been 5.04 percent from 1961 until 2015. The highest indicator of 19.31 percent was reached in January 1975 and the lowest record was 1.54 per cent in October 2009. The inflation rate in Finland was recorded at 0.10 percent in March of 2015.

Gross National Product in Finland increased to 46,649 EUR Million in the fourth quarter of 2014 from 46,056 EUR Million in the third quarter of 2014. In 1990 - 2014, the average of Gross National Product in Finland has been 33,193,65 EUR Million. The highest record was 46,649 EUR Million in the fourth quarter of 2014 and the lowest record was 22,765 EUR Million in the first quarter of 1993.

Related to Finnish Tax Administration, the Corporate Tax Rate in Finland stands at 20 per cent. Corporate Tax Rate in Finland averaged 26.65 percent from 1995 until 2014, reaching an all-time high of 29 per cent in 2000 and a record low of 20 per cent in 2014.

Evidently, the lowest point of the fall of the economy has already passed, and starting from 2015, it will increase the pace of recovery and growth of economic indicators. It is possible to predict the steady growth in demand for services over the next 3-5 years. That is why, entry into the market at the moment and the gradual expansion of its presence is beneficial.

#### *Currency*

The Euro has appeared in Finland since 1999. Finland, as a member of the EU and WTO promotes free movement and investment of the capital. One of the main directions of the Finnish government's economic policy is to provide the right conditions to maintain investment and entrepreneurial activity in the

country. One of the main directions of the Finnish government's economic policy is to provide the right conditions to maintain investment and entrepreneurial activity in the country. Since the beginning of the 1990s, Finland abolished exchange controls, which allows companies and entrepreneurs to export the capital from the country for investment activities abroad freely.

### *Import of Goods*

By Statistics of Finland, Finnish principal imports are food stuffs, petroleum and petroleum products, chemicals, transport equipment, iron and steel, machinery, textile yarn and fabrics and grains. Its main import partners are Germany, Russia, Sweden, the Netherlands and China. Imports in Finland increased to 4,355 EUR Million in February 2015 from 4,190 EUR Million in January 2015. Imports in Finland averaged 2,337 EUR Million from 1975 until 2015, reaching an all-time high of 5,877,90 EUR Million in March of 2011 and a record low of 311,30 EUR Million in April 1976.

According to preliminary data, Finland's foreign trade turnover of goods and services was 81.8 per cent compared to the GDP of the state, reaching 158,2 billion in 2013. In 2013, the economy of Finland functioned complicated by the macroeconomic environment, which has a negative impact on the dynamics of foreign trade and is reducing economic growth. Nowadays, Finnish economy is going to focus on its development to establish own production and reduce the number of exported products.

### **Socio-cultural factors**

#### *Environmentally-friendly Products*

In Finland, the development of "clean technologies" is considered as one of the most strategic, forward-looking and popular areas of innovation. Finland is a leader in the field of eco-innovation and shows a higher rate of growth in the sector of "clean technologies" in comparison with the world.

In the development of the economy the forest sector plays an important role and will play in future, taking into account the fact that at the moment it accounts for more than half of the projects related to the bio economy. Furthermore, the development of this sector will promote the formation of new forms of cross-border cooperation. In addition to the forest sector, a chemical industry, construction, energy, the production of food and the service sector will play the vital role.

### **Technological factors**

Finland enters the first group of countries to develop technological innovations. The primary scientific research areas in Finland are the forest industry, the metal industry and the information and communication technology (ICT) industry. Other areas of research expertise include: Biotechnology, food and agriculture, nanotechnology, Nano science and materials and new production technologies.

In addition, the general fields of health research, the environment and business feature highly on the list defined by the Science and Technology Policy Council of Finland. The Finnish science system is divided into nine clusters, each with their own specific focus areas:

1)The information and communications cluster; 2)The metal cluster; 3)The forest cluster; 4)The well-being cluster; 5)The chemical and bio cluster; 6)The environmental cluster; 7)The energy cluster; 8)The real estate and construction cluster; 9)The food cluster.

The Finnish innovation and research system framework consists of four operational levels:

- Level 1 consists of the Finnish government, supported by the Research and Innovation Council. This advisory body is responsible for the strategic development and co-ordination of Finnish science and technology policy, and the national innovation system as a whole.
- Level 2 consists of the ministries.
- Level 3 includes the R&D funding agencies. These include the Academy of Finland and Tekes, the Finnish Funding Agency for Technology and

Innovation. At this level, research priorities are set, funding decisions (excluding the allocation between ministries) are made and co-operation is facilitated.

- At Level 4 there are the organizations that conduct research: universities, public research institutes, private research organizations and business enterprises.

### **3.1.6 Road Transport**

It is also interesting for Orion Company to know the situation on the crossing board of Finland. International border crossing points on the land border between Finland and Russia are located in Imatra, Kuusamo, Niirala, Nuijamaa, Rajajooseppi, Salla, Vaalimaa, Vainikkala and Vartius.

The border crossings between Finland and Sweden are located in Aavasaksa, Muonio, Ropinsalmi, Karesuvanto, Pello, Saarikoski, Kolari, Pätikkä and Tornio.

The border crossings between Finland and Norway are concentrated in Karigasniemi, Nuorgam, Kilpisjärvi, Näätämö and Utsjoki.

In addition to this, Finland has a lot of ports inside the country such as: Eckerö, Hamina, Helsinki, Kaskinen, Oulu, Porvoo, Lappeenranta, Turku, and many others. This factor shows that there is a high turnover of goods for import and export in Finland. Mostly, trucks or vans are used to carry goods from ports to the final destination and also to cross the border. So, vans are very popular means of delivery transport of various goods in Finland.

Here in Figure 9, there is a Road Transport Statistics including the annually published road statistics and data on the vehicle traffic volumes at the border crossing points. The change refers to the traffic volumes of the last twelve months compared to the previous twelve months.

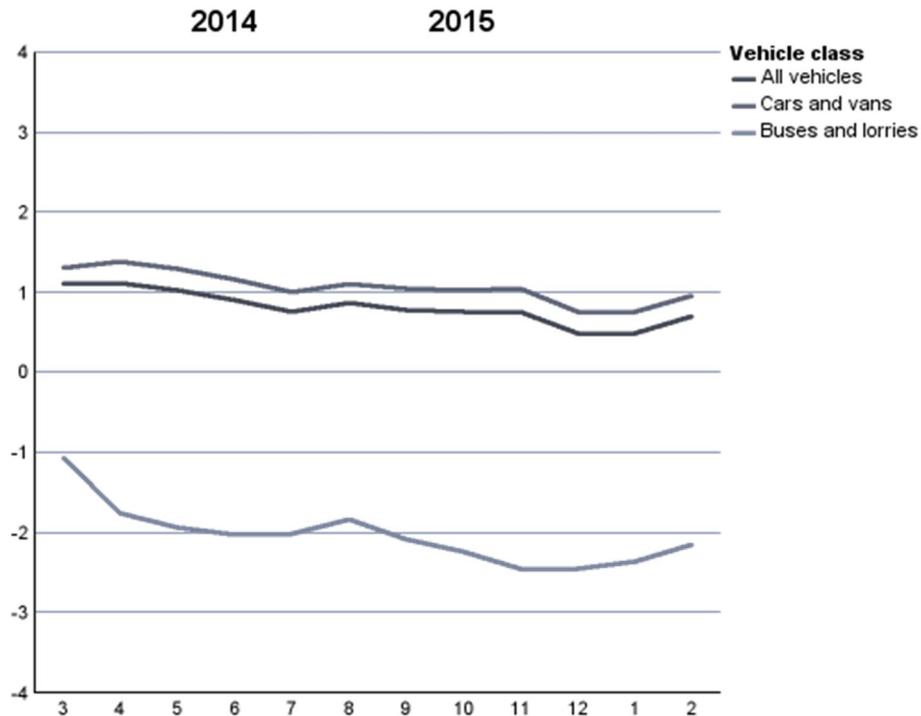


Figure 9. 12 month change on main roads in the whole country (%) by the Road Transport Statistics, 2015.

### 3.1.7 Industries in Finland where vans are a core part of the business

Closed or delivery vans are well suited to transport small objects. They can be used flexibly, such as for periodic distribution of materials and goods.

Figure 10 below consists of vans registered to different organizations in Finland, excluding Åland. It is visible that Volkswagen, Ford, Mercedes-Benz, Opel and Toyota are the most desirable vans in Finnish companies in case of usability, comfort and safety. Nissan and Citroen vans are also in a high demand in comparison with other vans makes the number of which is lower than hundred vehicles in organizations.

Make	Organisation	All	Share of the make (%)	Market share (%)
1. VOLKSWAGEN	727	803	91	27,47
2. FORD	680	739	92	25,69
3. MERCEDES-BENZ	346	363	95	13,07
4. OPEL	257	276	93	9,71
5. TOYOTA	163	213	77	6,16
6. NISSAN	136	147	93	5,14
7. CITROEN	103	120	86	3,89
8. RENAULT	67	69	97	2,53
9. PEUGEOT	48	52	92	1,81
10. ISUZU	30	44	68	1,13
11. IVECO	29	30	97	1,10
12. DACIA	22	28	79	0,83
13. FIAT	13	14	93	0,49
14. MITSUBISHI	11	21	52	0,42
15. KIA	5	5	100	0,19
16. LAND ROVER	5	7	71	0,19
17. BMW	1	4	25	0,04
18. FUSO	1	1	100	0,04
19. SKODA	1	2	50	0,04
20. VOLVO	1	4	25	0,04
21. UNKNOWN	1	1	100	0,04
<b>TOTAL</b>	<b>2 647</b>	<b>2 943</b>	<b>90</b>	<b>100,00</b>
<b>Others</b>	<b>.</b>	<b>2</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>2 647</b>	<b>2 945</b>	<b>90</b>	<b>100,00</b>

Figure 10. Van registered to organization 1-03/2015 by Autoalan Tiedotuskeskus, 2015.

Autoalan Tiedotuskeskus statistics include the number of different vehicle groups registered according to the municipality of Finland in 2015 in comparison with 2014 year (Appendix 2). In this table Orion can see where vans are in demand and put all forces to reach customers there and suggest its production. The majority of vans are gathered in the capital of Finland, Helsinki and nearby cities like Espoo and Vantaa. Other such big amounts of vans are located in Tampere and the north city Oulu.

The industries in which most company-owned vehicles are used according to the Statistic of Finland are: Construction; Trade; Renting and other business services; Industry; Specialized business services; Agriculture, Forestry and fishing; and Transportation and storage. These numbers include special cars like tractors, harvesters, watering machines, trucks, lorries and buses which are not related to this thesis research. Further research has shown that the vehicles on which sidebars can be installed are mostly used in the sector of Transportation, Delivery and storage, Construction, Trade and Renting.

Therefore in Finland the company Orion should be focused on transport companies for both people and goods, such as taxi companies and courier companies; postal companies of Finland and to construction companies.

### **3.1.8 Alternative Damage Prevention Methods**

Sidebars can to some extent prevent damages on the vehicles. There are also other preventive things like back up cameras, sensors and driver trainings that can affect the vehicle damage.

One method that not only prevents from small damages but also from bigger is driver trainings courses. During these practical lessons the driver will be taught how to perform in certain conditions, driving safer and more cost efficiently.

This method does not focus on the vehicle but on the person, making the company invest in an asset that at some point can leave the organization. This method is not something that shows results immediately since the course takes several sessions to be effective. Another important factor to take into account is the price; the drivers will have to spend a lot of hours following the course which increases the price of the already expensive course itself.

A backup camera is another prevention tool. This tool as the sidebars has to be installed in each vehicle. It is a special type of video camera that is produced specifically for the purpose of being attached to the rear of a vehicle to aid in backing up, and to alleviate the rear blind spot. Backup cameras are alternatively known as 'reversing cameras' or 'rear view cameras'. It is specifically designed to avoid a backup collision. This tool prevents a similar kind of damage sidebars do. The difference is that this tool prevents the damage from happening, making it easier to maneuver the vehicle and on the contrary sidebars minimize the damage once it happened. If a collision occurs having the camera the damage is going to be as bad as without the camera. On the other hand if a vehicle with sidebars hits an obstacle the damage will be considerably less.

### 3.1.9 Competition

In Finland sidebars and push bars are frequently-used accessories for vehicles. It is visible on the streets in cities and roads around the country. They are exactly used by Police, Ambulances and Post vans. Also, a lot of delivery companies and farmer vehicles are equipped with sidebars because they always use forest roads to get to the needed place. The stainless steel bars can be installed on vans or SUV for two reasons: damage prevention or aesthetics reason. In Finland sidebars are most commonly installed for damage prevention or protection of the vehicles and not for their appearance. It means that Finnish people always think about the safety of the vans as they need to drive long distances every day to deliver people, goods, materials, parcels and other.

These are the competitors for Orion Automotive in Finland. Auto-Kilta has a big variety of vans accessories, also sidebars for Mercedes-Benz, Volvo and Ford makes. Ruukki company which is located in Helsinki has a huge list of stainless steel accessories for van: angle bars, round bars, flat bars, square flat bars, etc. These both companies do active marketing by showing the movie about the company, its time of delivery and the way of working. Moreover, companies have tables with the size of products, materials and delivery conditions and certificates and EC-declarations. These competitors do not only use the own web shop to sell the product but they use dealers.

The prices of the sidebars in the different web shops are difficult to compare. This is because it is not always clear what the final price is going to be, some do not include VAT in the first price they show and others do not include the shipping costs or the installation cost. For the customer the price is not the only aspect that matters: quality, return policy, payment methods and mounting time are also very important. This is an opportunity for Orion, to clearly provide this information so that the customer gets exactly what he expects.

### 3.1.10 Distribution of Potential Customers in Finland

This map shows the potential customers for Orion Automotive in Finland with the link to their own web sites. The first six companies are the biggest ones and they are located in the capital of Finland Helsinki and nearby cities which are also quite big such as Vantaa and Espoo. Other companies are a bit smaller but all of them would like to invest in sidebars and to try them on their vans as a protection tool.

-  **Posti Oy, Helsinki**  
(<http://www.posti.fi/private/>)
-  **AR-Rent Oy (Hertz), Vantaa**  
(<https://www.hertz.fi/rentacar/reservation/>)
-  **Avis, Vantaa** (<http://www.avis.fi>)
-  **AutoFit Oy, Espoo** (<http://www.autofit.fi/>)
-  **Auto-Lehtinen Oy, Muurla** (<http://www.auto-lehtinen.fi/>)
-  **AutoAlex Oy, Helsinki**  
(<http://www.autoalex.fi/>)
-  **Sixt, Lappeenranta**  
(<http://www.sixt.com/car-rental/finland/lappeenranta>)
-  **Motoral Ltd., Helsinki**  
(<http://www.motoral.fi/>)
-  **Lacara, Helsinki**  
(<http://lacara.net/en/moving-vans/>)
-  **Transwell, Helsinki** (<http://www.transvell.fi/>)
-  **Auto Suni, Lapeenranta** (<http://www.auto-suni.fi/uk/>)
-  **Raskone, Lappeenranta**  
(<http://www.raskone.fi>)



## 3.2 Market Research in the United Kingdom

### 3.2.1 General Overview of the UK

To forecast the business opportunities in the UK, a desk research on the situation of road accidents and vans-related industries was conducted.

According to the official statistic, there are around 730,000 road casualties in the UK per year. Out of this figure, it is estimated that, in 2007-2009, Westminster had the highest rate of crashes, with 455 crashes per day. London ranked the second place, with 410 crashes per day. Hackney, Camden and Lambeth had 375,371 and 324 crashes per day respectively.

The number of vans on UK's roads increased to 4,279,078 between 2002-2012. For road accidents and safety statistics especially for vans and light goods vehicles, several reports published by the Department for Transport were reviewed. It is found that light damages are the most likely to happen, which may be avoided by sidebars effectively. Around 10,000 vans suffered light damages in 2012.

For vans/light goods vehicles:

Types of damages	Number of vehicles involved in
Fatal	170
Serious	1623
Light	10782
All	12575

Figure 11. Number of vehicles that has damages by the UK Department for Transport, 2012.

It is found in Figure 11 that light damages are the most likely to happen, which may be avoided by sidebars effectively. Around 10,000 vans suffered light damages in 2012.

Years old	Years	Volume
Less than three	2012-2010	5,934,404
Three to six	2009-2007	6,338,691
Six to nine	2006-2004	6,948,141
Nine to twelve	2003-2001	6,584,587
More than twelve	Pre-2001	5,675,730
Total		31,481,823

Figure 12. The age of cars on the road by the UK Department for Transport, 2012.

In Figure 12 it is shown that vans which are 6 to 9 years old are used more often as the number of them is the largest - 6,948,141; the least number in this table is 5,675,730, so it means that vans which are more than 12 years old are used less than others but still the number is quite high.

According to the UK statistics, more accidents happen on urban roads (493) than on rural roads (243), with almost a double of accident rate (Appendix 3). The UK has its own road numbering system which includes A, B, C, D and U (undefined) roads, with A-Roads having the highest traffic density. In urban areas, more accidents happened on A-roads than other roads, while in rural areas; A-roads had a lower accident occurrence than the other roads.

Related to the junction types that vans have accidents most likely, it was revealed that roundabouts, T or staggered junctions and crossroads are the most popular ones (Appendix 4).

By the AA Insurance's Van Value Study which questioned 200 commercial van owners in the UK, over half (59 per cent) of the drivers believe that their van is essential to the smooth running of their business and almost a quarter (24 per cent) of them said that significant money (on average £362 per day) would be lost if their van was not available for a day or longer.

At the same time, the Department for Transport reported that in terms of manoeuvre, accidents mostly occur when a van is parked, slowing or stopping, turning right and going ahead others (Appendix 5).

Last but not least, the Van Value Study reveals that over one-third (35 per cent) of commercial van drivers are women (Appendix 6). From the statistic provided by the Department of Transport, drivers of the age of 20-24 and 40-49 are more likely to be involved in accidents. Male drivers have a higher frequency but lower severity of accidents than female drivers.

### **3.2.2 Market Growth Rate**

According to the Society of Motor Manufacturers and Traders (SMMT), Commercial vehicle market grows 25.3 per cent in March to 67,965 units, due to positive van and truck performance. Van registrations led by 2.5 – 3.5t vans, up 23.8 per cent to 34,007 in March. The third consecutive month of increased truck demand sees 41.0 per cent growth in 2015.

In the van and truck markets, there has been a clear shift towards the larger vehicles in the sector in the first three months of the year 2015. Both 2.5 – 3.5t vans and 3-axle artic trucks have seen a sharp increase in registrations as operators seek to make their fleets as flexible and cost-effective as possible.

### **3.2.3 Market Profitability and Porter's Five Forces Analysis**

As for the UK market, figures released today by the Society of Motor Manufacturers and Traders (SMMT) show that the UK new car market has grown for a 36<sup>th</sup> consecutive month which is a record growth period. In February, traditionally one of the quietest months of the year ahead of a number plate change in March, the market grew 12.0 per cent year-on-year with 76,958 new cars registered, achieving a year-to-date rise of 8.3 per cent. Fleet buyers drove this increase with registrations up 19.9 per cent in February, while the private market saw an increase of 3.4 per cent. For the year 2015, it is expected a more stable market to operate in.

#### **Supplier power**

The increasing importance of infotainment and telematics systems is disruptive for OEMs and traditional suppliers, putting a premium on innovation and changing the ways that industry players design and develop new products and services. Software breakthroughs are becoming as critical as hardware innovation, and competition is increasingly coming from nontraditional players. All these mean that the suppliers need to increase the prices because of the new innovative materials.

The UK Automotive market is big and open. There are a lot of substitute goods, so suppliers do not have a strong power.

#### **Buyer power**

Buyers have significant market power when they are informed about the prices and quality of goods. Buyers also have the ability to control the price, quality and service conditions. In the UK, customers are trying to decrease the prices and get the high quality of products. Also, customers are not well informed about the sidebars target, mostly people think that they are for better looking of the car. So, it could mean that customers do not have a strong power of controlling the sidebars production.

### **Competitive Rivalry**

The UK market is very competitive for Orion Automotive as there is a huge amount of companies that sell sidebars and car accessories. The competition is also so wide because the demand for sidebars is not high. And, a lot of companies sell the products for different reasons. The main one is-great appearance of the car, not the protection. So, it could be a challenging task for Orion to enter the market. It needs a strong approval brochure with numbers to affect the customers' minds.

### **Threat of Substitution**

There are a lot of UK companies that provide customers with the wide range of car accessories and sidebars in different colors and shapes. Also, the prices depend on the companies and the quality of materials. Often, the material used to produce sidebars in UK companies is stainless steel, but it does not tell the truth. In many cases, customers buy them and are not satisfied with the quality after some time because in real the sidebar was made of a cheaper material. That could be a real difficulty for Orion to change people attitude that Orion sells a real sidebar.

## **Threat of New Entry**

As the UK is an expensive country with its own currency, there could be extra costs while entering its market, also additional tariffs and boundaries, political and administrative obstacles like special licenses, certification, standards, etc.

### **3.2.4 Industries in the UK where vans are used**

During the project, several largest industries where vans are used were found. The major one is delivery or courier companies that are used to deliver different kinds of goods, luggage, furniture and other things according to the order. The largest courier companies in the UK are: DHL, FedEx, EMS International, TNT, Yodel, DPD, AJG Parcel, etc.

Taxi companies as well as shuttle companies are also a big industry where vans are used to transfer people to different destinations around the country. There are over 40 airports in the UK, so transferring people to airports is an everyday challenge for taxi and shuttle companies.

Other industries where vans are used: postal services, police and ambulance. All three governmental organizations have vans fleets to deliver: posts inside the country and concerning the police and ambulance, people in case of different accidents and occasions.

### **3.2.5 Usage and Popularity of the sidebars in the UK**

The main question to answer in this part is what people in the UK are thinking about sidebars, are they for protection or for the stylish look of a van.

Most companies claim that sidebars are only a luxury accessory for the car and just a waste of money. Also, another opinion is that sidebars reduce the space between the car and the ground, so it can be the cause of small damages. For example, when parking the car on the higher ground or when driving the rural roads, the sidebar can be the reason the car has damage on both sides and bottom.

Some companies say that sidebars can protect the van from small defects and damages. The main point is that sidebar prevents small damage, so the owners of vans do not need to keep repainting the vehicle every time it has a little

scrape, saving time and money. Moreover, sidebars are robust and do not need replacement often.

### **3.2.6 Competitors in the UK**

Concerning competitors that provide sidebars to clients, there are plenty of them in the UK. Almost all of them produce different kinds of sidebars of various high quality materials: polished stainless steel, stainless steel chrome, black matt or gloss, carbon dipped or custom dipped color. The size of a sidebar depends on the vehicle used.

One of the main competitors is Vanstyle Company which has built on more than 25 years of experience selling into the automotive industry. Also, Vanstyle is the largest importer and distributor of van styling accessories in the UK for different kinds of vans. The company tries to stay competitive on the market by setting attractive prices for the products. Moreover, it provides the client with Free Fitting Service, installing the purchased products to the van.

Another big competitor is DCC4x4 Company, providing a big variety of sidebars from medium price to expensive and from simple to luxurious models. Most of the sidebars are predrilled and customers just need to bolt on the sidebar to the vehicle and they are not expensive. New models of Range Rover have protective sidebars, the price of which is higher than the normal one.

The third competitor is Sidesteps UK, a family business which is operating in the market since 2003. All stepbars and sidebars are made in the UK – the West Midlands. The price for all sidebars in this company is 210 euro per pair. The installation of one sidebar will take 10 minutes as a Quick Fitting Service.

Shipment: for most companies inside the UK, the delivery time of sidebar is 24 hours. But, delivery times vary depending on the shipping destination and service chosen. Also, they can deliver larger parts to the UK and many to EEC countries via UK Couriers including Night Freight and UPS. Smaller parts can be delivered worldwide using standard small packets postage.

Installation: not all companies provide clients with the installation service; they just send the instruction about the installation of sidebars.

Payment: all payments must be made in £GBP (Sterling) and if there is another currency, it is transferred to Sterling, according to currency exchange.

Installation of sidebars on the van is in additional price.

Return policy: clients can return unused items in 'as new' condition for a refund.

The number of day when the customer can send the sidebars back varies from 7 to 14 days, according to different companies. Related to distance selling regulations, the client is obliged to write about a defected sidebar within 7 days by letter or email, and the new shipment will be made in 14 days.

### **3.2.7 Damage Prevention Methods in the UK**

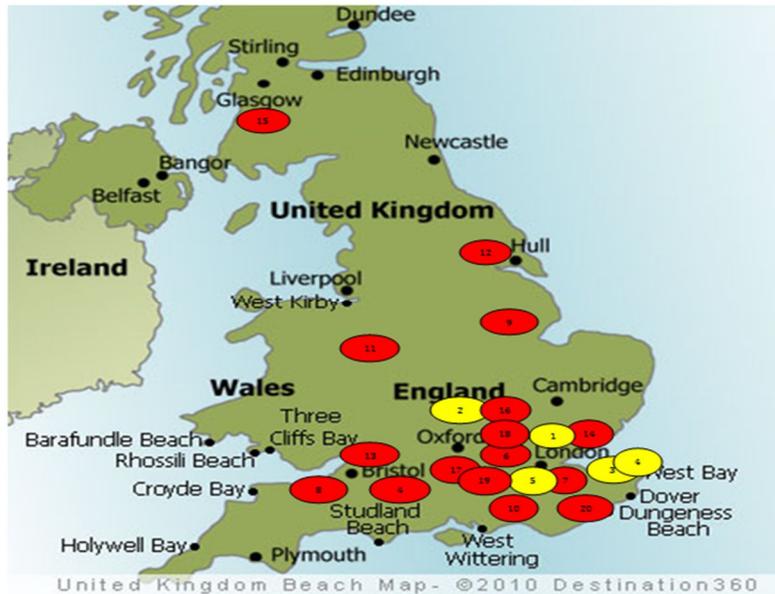
In the UK there are several methods used to prevent small damages on vehicles such as: parking sensors or cameras. Parking sensors are obstacle detection systems which utilize ultrasonic technology to help drivers maneuver more safely. They are equipped with either one or two pairs of sensors which beam an ultrasonic (sound) signal. The sensors both transmit and receive signals and warn for possible obstacles. It is a very popular prevention method as well as cameras, especially 3<sup>rd</sup> eye monitor cameras, fixed view cameras and Tilt cameras for looking the road behind.

In addition to this, driver trainings are also damage prevention methods.

Therefore, a lot of companies that use vans for the core part of their business suggest trainings for their drivers to improve skills and be more experienced on the road and parking places. Also, the aim of training is to minimize occupational road risk and reduce fleet running costs.

### 3.2.8 Distribution of Potential Customers in the UK

Underneath is the list of 20 potential clients for the company in the UK with the link to their own website. They are operating as delivery, transfer, taxi and parcel companies around the whole country and also Europe. The first 5 are the biggest companies which have large fleets and they are represented with yellow dots on the map. The red dots represent smaller companies that do not use sidebars either.



- 1- Yodel (<http://www.yodel.co.uk/> )
- 2- Panther logistic experts (<http://www.panthergroup.co.uk/> )
- 3- Addison Lee (<http://www.addisonlee.com/>)
- 4- TAXI-VAN (<http://www.taxivandelivery.com/> )
- 5- Anyvan (<http://www.anyvan.com/> )
- 6- Taxi Van & Truck Ltd ( <http://www.taxivanandtruck.co.uk/tvthome.asp> )
- 7- London Airport Taxi Service ( <http://www.ukairportcab.co.uk/> )
- 8- OTS Airport Taxi Service ( <http://www.airporttaxi-uk.co.uk/> )
- 9- Lincoln Taxi Van ( <http://www.lincolntaxivan.co.uk/our-services/> )
- 10-Taxi Vans Cardiff ( <http://www.cardiff-taxi-van.co.uk/index.php/our-vans> )
- 11-Urban Conversion ( <http://www.urban-conversions.co.uk/>)
- 12-Foxy Rental Ltd. ( <http://www.foxyrentals.co.uk/vehicles-on-fleet/> )
- 13-Bristol Taxis ( <http://www.taxibristol.co.uk/contact/> )
- 14-T Cars services (<http://tcarsservice.co.uk/> )
- 15-AJG parcels ( <http://www.ajgparcels.com/> )
- 16-Knights of Old Group ( <http://www.mainland.co.uk/> )
- 17-Rapid Dispatch ( <http://www.rapiddispatch.co.uk/> )
- 18-Knights of Old Group ( <http://www.mainland.co.uk/> )
- 19-Swift ( <http://www.swiftcouriers.com/> )
- 20-Interparcel ( <http://www.interparcel.com/sameday/> )

## **4. Summary and Discussion**

The purpose of the study was to explore the market potential of Finnish and UK markets and to help the Orion Automotive Company to find ways of expanding the business there. Also, the aim of this thesis was to find potential customers in both markets and suggest ways of reaching them.

Previous research about Dutch and German markets made by *Ivanova et al.* (2014) was taken as the foundation of this thesis. The Finnish and the UK markets were explored by the same structure as the Dutch and the German ones because it was suggested by Orion Automotive to use one way of investigating the markets for providing better comparisons and recommendations to the company finally.

The whole research for this thesis was made in cooperation with the case company Orion Automotive. The main goals of the company were to understand how each market develops nowadays in automotive industry, how many companies use sidebars and for what reasons, advantages and disadvantages of sidebars and the number of reachable potential customers. So, the company was mostly interested in the statistical information about the markets and answers given by potential companies during the interviews and questionnaires.

The empirical part of the thesis was based on the desk research and the answers from questionnaires that were sent to companies in Finland, and also from phone interviews with UK companies. All the information was gathered from the existing sources and real companies.

To sum up, all the vital information from the questionnaires and phone interviews is presented below in the second part of this chapter and the following recommendations in the third part of this chapter.

### **4.1 Discussion of Findings**

#### **4.1.1 Finland**

During the research, the questionnaire was sent to 25 companies. Replies were got only from 12 of them and they have been very beneficial for Orion Automotive as the knowledge and market potential of sidebars becomes clearer

now. Only 3 companies gave positive answers related to sidebars and told important numbers.

### **Posti Oy**

Posti Oy is a very old delivery company in Finland which is operated around the whole country and has more than 100 vans in its fleet. It is claimed that damages on the left/right/back side of the vehicle occur usually more than 1 per year. Table 2 shows the most common type of damages on the vehicle.

Type of a damage	%
Front	40%
Side	50%
Back	50%

Table 2. Most common damages on the vehicle by Posti Oy

It is visible from table 3 that sidebars can save approximately 90 per cent of costs.

Damage costs without sidebars	Damage costs with sidebars
2.500	250
(100%)	(10%)

Table 3. Saving costs by using sidebars

Posti Oy has used standard protection tools as preventive measures. Also, it has already used sidebars on its vans as a protection tool and has been satisfied with it. The company always repairs vans in car repair shops. Posti Oy would like to invest in sidebars again and recommends sidebars to other companies because the damage costs will definitely decrease by its opinion.

### **AR-Rent Oy (Hertz)**

Hertz is a well-known car rental company around many countries and also in Finland. It has up to 20 vans in its fleet in Vantaa. The company did not use sidebars on its vans but it believes that sidebars protect the vehicle and save money for the client. Moreover, Hertz said that 30 per cent of the total damages are on the side of a car and 55 per cent are on the front of the car.

Type of a damage	%
Front	55%
Side	30%
Back	15%

Table 4. Most common damages on the vehicle by Hertz

### **AutoFit**

AutoFit is a huge car repair shop in Finland and has a lot of branches through the country. It works with many big companies in Finland and repairs vans. The company claimed that sidebars exactly added value to vehicles and saved money. The most common damage occurs on the side and back of the vehicle as there are a lot of maneuvers backwards or on the forest roads or while parking where these side or back parts can suffer. The repair costs are high in Finland that is why the company recommends using sidebars, especially on the new vans or SUV's.

During the research, 3 companies from 12 gave negative attitude to the sidebars and refused to use them on their vans because they think sidebars are not for the protection and do not save money. They understand the concept of sidebar but to their opinion, the damage figures did not outweigh investments.

### **DHL**

DHL, a multinational company, operates in more than 220 countries worldwide. It has been operating on the Finnish market more than 30 years now. It has more than 100 vans in fleet. DHL Finland is one of the companies which do not want to use sidebars on their vans.

Damage prevention is a really important aspect for DHL. It repairs vans rarely and only in car repair shops, approximately once per year and uses only standard preventive tools from small side and back damages like backup cameras, sensors and special trainings for drivers to better react on the dangerous situations on the roads. DHL has special bonuses for drivers if they drive without damages on the car for a certain period of time.

DHL is a very important company for Orion that is why despite of the company's attitude to sidebars, it can be better to reach the company directly, show Orion sidebars and give brochures and contacts. The high quality of Orion sidebars

and suitable price can affect the DHL position related to sidebars installation to vehicles.

Back to the research questionnaire, other 6 companies gave vague answers to questions related to sidebars. They do not know exactly the concept of sidebars and cannot decide whether they would like to invest in sidebars or not.

Companies claimed that buying a pair of sidebars can cost a lot for them: cost of installation, fixing and maintaining of an ideal appearance after.

Also, companies thought that sidebars protrude out of the car it is sometimes unclear whether a sidebar actually prevented damage or not. The belief is that it might have been damaged because of its protrusion. This is an understandable argument, but in most cases an invalid one. Because the sidebar's protrusion is relatively small, the only damages that might be caused by the sidebar itself when turning are the ones at the rear tip of the sidebars.

Companies need clear advantages of using sidebars and explanations how sidebars can save money, so they need to see numbers which Orion has to show to companies in Finland. Furthermore, some of these companies said that driver training is far more superior to any other damage prevention measure.

#### **4.1.2 The United Kingdom**

During the research by *Ivanova et.al* (2014), 33 companies were called and answered the questionnaire including a short description of the company itself, some statistics about van fleets and usage of sidebars. Only 3 companies gave exact answers and numbers:

- 1) Yodel** – delivery company (operated 5,000 vans)
- 2) T Cars Services** – taxi company (operated 40 vans)
- 3) Addison Lee** - London's Largest Minicab Company ( operated 120 vans)

All these companies operate mostly in dense populated areas because their service is connected to delivery of people and goods inside the cities and nearby. The taxi company on the other hand operates everywhere, in different kinds of locations.

In addition to this, these 3 companies do not use sidebars because in their opinion it is a waste of money, since it is not only about the purchase itself but also the installation. Damages that occurred to vans are always fixed by company's own mechanics, not in special garages or car services because it costs more, especially when it is a big van fleet.

Concerning the questionnaire, it was divided into 3 parts: general questions, questions related to damages and statements part that required an agree/disagree answer.

The first question, related to the amount of miles that every van drove, was not answered. Especially companies that have a big number of vans could not give any correct numbers as they did not calculate this kind of information.

Taking into consideration the questions about damages to the vans, it was difficult for companies to answer them in a short time, during the phone call because they said these questions have more individual character.

According to the statements of the questionnaire, companies gave only their perceptions about sidebars because they do not use them on vans. For the statement - "Sidebar is an easy way of reducing damage costs", companies totally disagree because they do not spend money on any small defects on vans. So, most of the companies disagreed about having sidebars on vans because when a side damage occurs, the sidebar shifts the front rail of a car and it will cost much more money to repair the vehicle.

To sum up, UK companies are hardly reachable by email as well as by phone calls. Also, most companies did not want to share any kind of information related to detailed numbers, statistics because they did not have time for it or they did not have any helpful information for the project. The majority of the companies was not friendly and was really skeptical to every kind of question that affected the project strongly.

## **4.2 Recommendations to Orion Automotive**

### **Finland**

To conclude, by exploring the Finnish market and making the deep desk research, automotive industry is well developed in Finland. There are a lot of different companies related to vehicle business which Orion can reach and suggest its sidebars. In fact, sidebars are used quite often by Finnish companies, but generally, the market is not saturated of sidebars in comparison with the Netherlands and the UK markets. It is very common in Finland to use online web shops, especially in ordering automotive vehicle parts. The most orders are made in the USA companies which provide different sidebars. By this fact, it is valuable for Orion Company to create an online web shop in the Finnish online market for providing car accessories and sidebars.

By the desk research, a lot of useful statistics and information was found. Finland has 20 per cent of not paved roads, a lot of forest roads, so a big number of vans can suffer and have small side and back damages from gravel, small stones, etc. Sidebars can protect vehicles from it that is why Orion needs to suggest its production to different companies that use vans and SUV's daily, for example to delivery companies.

Finland has a very rigorous climate. In winter there is a lot of snow everywhere and it could be a stone or an obstacle on the forest road under the snow. The sidebar can save the vehicle from small damages that can occur, so it is a good product for this market.

Also, sidebars can reduce the clearance of the car, but Finland has good smooth roads, so it will not be a problem for vehicles and for companies to use it. So, Orion Company can promote its sidebars in different parts of the country.

Every certain time, Finnish drivers have to take special trainings to improve driving skills at companies. It means that Finnish drivers are very careful and attentive, but despite of this fact, they always think about the safety of a car, that is why sidebars can be suggested to them in any case.

The average age of vans in Finland is 12.6, according to 2012. It means that there are a lot of old vans that need the protection like Orion sidebars.

According to the Finnish Statistics, the most popular vans makes inside the country are: Toyota, Volkswagen, Ford, Mercedes-Benz and Nissan. Mercedes-Benz and Volkswagen are bought more often than the other three brands, so Orion Company should have more sidebars and car accessories in warehouse for these brands.

As sidebars are a damage prevention tool, they are always put to a new vehicle to avoid extra costs to fix the damage. Orion should approach companies in order to convince them to install sidebars on the new vans.

The questionnaire gave the important information related to different industries and companies in Finland. It was sent to 25 companies and only 12 of them answered and gave some vital numbers. Approximately 3 big companies have more than 100 vans in their fleets. About 6 companies have up to 20 vans in usage. Other companies have up to 10 vans. Also, during the interview it was said by 3 companies that they would like to buy sidebars because sidebars can save money and protect the car from light damages. Another 3 companies do not want to invest in sidebars as sidebars are a very expensive protection tool and do not save the car from damages on roads. The last part of companies does not know the exact concept of sidebars. They do not know whether it is a good way to invest in sidebars for their companies or not. Orion Company should straightly suggest its production to every group of companies because the high quality certified sidebars can affect the attitude of the companies and make them all invest in this product.

The main industries where vans are used in Finland are transport and delivery companies, construction companies, forestry companies and rental companies.

According to the investigation of the Finnish Automotive industry, the most active season for vans sales are spring months March, April and May. Knowing when most vans are bought will allow companies as Orion to choose the right moment to promote their products among companies and linked to that have enough products in stock to be able to handle the bigger amount of orders.

According to the latest Finnish Statistics, in February 2015, 1,118 light commercial vehicles were registered. This number is 2.3 per cent higher than the previous year. The most common brands registered from January to February are Volkswagen, Toyota and Skoda.

Related to competitors, the number of them is not high in comparison with the UK and the Netherlands. The price of competitors' sidebars is quite high as well as the maintenance of it, so Orion can benefit in the Finnish market by providing its stainless steel high quality sidebars.

As Orion Company has the collaboration with DHL Netherlands, it can be the first step to connect with DHL Finland and discuss the sidebar product.

After investigation of the Finnish market, it was found out that there are more Web shops with car accessories in Finland that provide sidebars to customers. So, it can be a profitable way for Orion Company to create firstly a Web shop in Finland to enter the market a bit quicker or find dealers who can sell Orion sidebars in the Finnish market.

### **The United Kingdom**

In conclusion, all the results about the UK market in this project were found mainly during the desk research which took more than one month of exploring the UK market. Special attention was put on searching for potential clients for Orion, companies that are using sidebars already and competitors that are selling sidebars around the UK. Also, some results were found from the interviews with 33 British companies but not much because a lot of them were unreachable in case of lack of information, not enough time for speaking and just putting the phone down without any reason.

The desk research shows that the UK market is not easy to reach and collect all useful information about sidebars, its usage and important information related to it. The main point about the UK is that people prefer to put sidebars on their cars as the luxury accessory, not for the protection because there are a lot of luxurious cars in the UK and people want to make their cars more attractive. Moreover, there are some methods of prevention that are used in the UK to protect the car from damage. The most popular ones are different kinds of cameras and parking sensors.

The largest industries where vans are used are delivery companies as the main van business in the country and taxi and shuttle companies because there are more than 40 airports in the UK and transferring of people there is needed very often.

Concerning competitors, the number of them is quite big around the UK. They sell different kinds of sidebars in various colors. The price depends on the material and the location of production. The majority of companies deliver sidebars in 24 hours which is very convenient for clients. Also, many companies operate all over Europe and distribute their own production to different regions.

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<b>MAKE</b>	<b>2013</b>	<b>2012</b>	<b>Change %</b>
TOYOTA	92 301	91 306	1,1
VOLKSWAGEN	73 041	69 376	5,3
FORD	47 040	45 029	4,5
MERCEDES-BENZ	31 899	30 105	6
NISSAN	24 716	24 259	1,9
FIAT	16 131	15 842	1,8
MITSUBISHI	14 759	14 606	1
CITROEN	14 430	13 818	4,4
PEUGEOT	13 002	12 585	3,3
OPEL	11 396	10 848	5,1
CHEVROLET	9 828	9 900	-0,7
RENAULT	7 539	7 156	5,4
MAZDA	6 447	6 516	-1,1
VOLVO	3 974	3 552	11,9
SKODA	3 390	3 324	2
ISUZU	3 166	3 038	4,2
HYUNDAI	2 213	2 177	1,7
LAND ROVER	1 200	1 125	6,7
AUDI	1 018	838	21,5
BMW	1 016	903	12,5
SEAT	1 002	910	10,1
DODGE	977	976	0,1
SUZUKI	773	752	2,8
GMC	701	704	-0,4
DACIA	696	557	25
SUBARU	638	646	-1,2
IVECO	586	539	8,7
BUICK	456	465	-1,9
JEEP	445	405	9,9
OLDSMOBILE	311	317	-1,9
CHRYSLER	294	281	4,6
KIA	288	244	18
DAIHATSU	284	284	0
PONTIAC	273	278	-1,8
BEDFORD	221	222	-0,5
RANGE-ROVER	137	132	3,8
MERCURY	118	118	0
MOSKVITSH	112	112	0

<b>SUBARU-ELCAT</b>	95	96	-1
<b>SSANGYONG</b>	88	84	4,8
<b>HONDA</b>	69	62	11,3
<b>SAAB</b>	68	58	17,2
<b>UAZ</b>	48	47	2,1
<b>MORRIS</b>	22	22	0
<b>TEIJO</b>	20	20	0
<b>ROVER</b>	19	18	5,6
<b>GAZ</b>	19	18	5,6
<b>CADILLAC</b>	18	18	0
<b>AUSTIN</b>	18	18	0
<b>WILLYS</b>	12	12	0

Vans in register by make 31.12.2013, Top 50 by Autoalan Tiedotuskeskus, 2014.

Mainland Finland	Passenger cars*		Vans		Trucks		Buses		Motor homes		All cars		Change (%)					
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014						
Helsinki	4 070	4 254	-4.3	359	354	1.4	53	28	89.3	14	13	7.7	6	7	-14.3	4 502	4 656	-3.3
Espoo	2 496	2 420	3.1	170	143	18.9	21	32	-34.4	9	10	-10.0	14	11	27.3	2 710	2 616	3.6
Tampere	1 088	1 078	0.9	110	124	-11.3	13	28	-53.6	2			14	3	366.7	1 227	1 233	-0.5
Vantaa	2 871	2 625	9.4	325	280	16.1	34	42	-19.0	1			33	4	725.0	3 264	2 951	10.6
Oulu	1 016	972	4.5	90	54	66.7	10	17	-41.2	1	1	0.0	3	4	-25.0	1 120	1 048	6.9
Turku	910	898	1.3	71	72	-1.4	23	13	76.9	18			15	6	150.0	1 037	989	4.9
Jyväskylä	622	659	-5.6	60	69	-13.0	27	15	80.0		2	-100.0	32	15	113.3	741	760	-2.5
Kuopio	563	670	-16.0	62	58	6.9	12	11	9.1				5	6	-16.7	642	745	-13.8
Lahti	543	571	-4.9	43	40	7.5	6	6	0.0		1	-100.0	6	11	-45.5	598	629	-4.9
Kouvola	464	512	-9.4	36	44	-18.2	5	16	-68.8	2			3	3	0.0	510	575	-11.3
Pori	450	450	0.0	51	47	8.5	15	14	7.1				4	4	-100.0	516	515	0.2
Joensuu	305	352	-13.4	44	42	4.8	5	6	-16.7				4	2	100.0	358	402	-10.9
Lappeenranta	386	477	-19.1	30	28	7.1	10	8	25.0	1	2	-50.0	5	3	66.7	432	518	-16.6
Hämeenlinna	328	375	-12.5	38	29	31.0	1	6	-83.3				3	3	0.0	370	413	-10.4
Vaasa	289	307	-5.9	46	34	35.3	5	5	0.0				1	1	-100.0	340	347	-2.0
Rovaniemi	258	274	-5.8	28	33	-15.2	6	8	-25.0	4	2	100.0	3	1	200.0	299	318	-6.0
Seinäjoki	352	377	-6.6	41	32	28.1	21	11	90.9	2			4	7	-42.9	420	427	-1.6
Kotka	285	304	-6.3	20	15	33.3	2	6	-66.7				1	1	-100.0	307	326	-5.8
Mikkeli	284	262	8.4	28	22	27.3	5	4	25.0	2	1	100.0	2	1	100.0	321	290	10.7
Salo	299	347	-13.8	42	35	20.0	2	10	-80.0	4	1	300.0				347	393	-11.7
Porvoo	289	309	-6.5	31	27	14.8	6	7	-14.3				2	2	-100.0	326	345	-5.5
Lohja	324	313	3.5	36	30	20.0	8	5	60.0		1	-100.0		4	-100.0	368	353	4.2
Kokkola	226	213	6.1	22	24	-8.3	8	20	-60.0	1	1	0.0	16	6	166.7	273	264	3.4
Hyvinkää	261	287	-9.1	22	22	0.0	4	5	-20.0		1	-100.0	9	3	200.0	296	318	-6.9
Nurmijärvi	257	217	18.4	16	17	-5.9	7	8	-12.5	5	1	400.0	5	2	150.0	290	245	18.4
Järvenpää	265	238	11.3	26	11	136.4	1						1	1	0.0	293	250	17.2
Rauma	189	171	10.5	30	21	42.9		3	-100.0		2	-100.0	1	1	0.0	220	198	11.1
Tuusula	223	238	-6.3	33	23	43.5	6	9	-33.3				2	3	-33.3	264	273	-3.3
Kirkkonummi	240	245	-2.0	16	16	0.0	5	2	150.0					1	-100.0	261	264	-1.1
Kajaani	127	153	-17.0	15	16	-6.3		2	-100.0				1	1		143	171	-16.4
Savonlinna	120	165	-27.3	18	20	-10.0	3	1	200.0	2	1	100.0	1	2	-50.0	144	189	-23.8
Kerava	198	197	0.5	18	10	80.0		5	-100.0		1	-100.0		1	-100.0	216	214	0.9
Nokia	142	177	-19.8	23	8	187.5		5	-100.0				3	4	-25.0	168	194	-13.4
Kaarina	188	187	0.5	17	14	21.4	2	3	-33.3				3			210	204	2.9
Yläjärvi	92	132	-30.3	12	4	200.0	4	3	33.3		2	-100.0				108	141	-23.4
Kangasala	112	150	-25.3	10	8	25.0	4	2	100.0							126	160	-21.3
Riihimäki	141	137	2.9	10	11	-9.1	7	2	250.0					1	-100.0	158	151	4.6
Vihri	189	202	-6.4	19	12	58.3	2	2	0.0	1			9	6	50.0	220	222	-0.9
Raasepori	138	142	-2.8	16	12	33.3	5	6	-16.7							159	160	-0.6
Imatra	129	145	-11.0	11	5	120.0		1	-100.0				1	1		141	151	-6.6
Raahе	82	97	-15.5	7	5	40.0	2	1	100.0							91	103	-11.7
Sastamala	103	88	17.0	16	15	6.7	5	2	150.0		1	-100.0				124	106	17.0
Others	7 170	7 929	-9.6	827	816	1.3	235	297	-20.9	31	24	29.2	67	57	17.5	8330	9123	-8.6923
<b>TOTAL</b>	<b>29 084</b>	<b>30 316</b>	<b>-4.1</b>	<b>2 945</b>	<b>2 702</b>	<b>9.0</b>	<b>590</b>	<b>677</b>	<b>-12.9</b>	<b>100</b>	<b>68</b>	<b>47.1</b>	<b>271</b>	<b>187</b>	<b>44.9</b>	<b>32980</b>	<b>33950</b>	<b>-2.8277</b>

\*excluding Motor homes

Vans in register by municipality and vehicle group 1-03/2015 and 1-03/2014 by Autoalan Tiedotuskeskus, 2015.

## APPENDIX 3

	<i>Rate per billion vehicle miles</i>						
	<u>Pedal cycles</u>	<u>Motor-cycles</u>	<u>Cars</u>	<u>Buses or coaches</u>	<u>Vans / Light goods vehicles</u>	<u>Heavy goods vehicles</u>	<u>All vehicles<sup>1</sup></u>
<b>Urban roads<sup>2,5</sup></b>							
<b>A roads</b>							
Fatal	77	119	6.0	40	4.1	28	8.9
Fatal or serious	2,764	2,872	136	498	71	145	187
All severities	17,136	14,204	1,412	3,794	603	907	1,613
<b>Other roads<sup>3</sup></b>							
Fatal	12	75	5.8	25	3.1	40	7.3
Fatal or serious	793	1,736	143	367	58	236	178
All severities	4,827	7,151	1,263	2,801	416	1,229	1,366
<b>All urban roads<sup>4</sup></b>							
Fatal	25	91	5.9	32	3.5	32	8.0
Fatal or serious	1,164	2,143	140	426	63	173	182
All severities	7,139	9,677	1,326	3,247	493	1,005	1,471
<b>Rural roads<sup>2,5</sup></b>							
<b>A roads</b>							
Fatal	326	225	11	17	6.8	25	14
Fatal or serious	3,355	2,150	85	140	37	94	101
All severities	13,119	5,209	545	741	215	395	550
<b>Other roads<sup>3</sup></b>							
Fatal	45	156	12	18	4.0	24	14
Fatal or serious	710	2,048	138	326	52	213	166
All severities	2,825	5,314	849	1,910	297	1,007	885
<b>All rural roads<sup>4</sup></b>							
Fatal	82	194	11	18	5.9	24	13.7
Fatal or serious	1,057	2,104	102	193	42	108	122
All severities	4,178	5,256	643	1,072	243	469	657

Areas where more accidents have happened by the Department for Transport, 2012.

## APPENDIX 4

		Number of vehicles							
		Round- about	T or staggered junction	Crossroads	Junction with more than 4 arms <sup>1</sup>	Slip road	Other junction	Using private drive or entrance	Not at or within 20 metres of junction
Pedal cycles	Built-up roads	2,575	7,672	2,149	256	80	434	959	4,031
	Non built-up roads	269	291	55	9	27	31	54	813
	Motorways	2	0	0	0	0	0	0	1
	All roads <sup>c</sup>	2,846	7,963	2,204	265	107	465	1,013	4,845
Motorcycles	Built-up roads	1,611	7,016	1,781	201	83	344	929	3,769
	Non built-up roads	532	728	159	30	99	107	195	2,329
	Motorways	26	0	0	3	24	0	0	205
	All roads <sup>c</sup>	2,169	7,744	1,940	234	206	451	1,124	6,303
Cars	Built-up roads	15,808	54,148	18,498	2,513	887	3,689	5,997	41,732
	Non built-up roads	4,515	7,831	2,269	321	1,520	909	1,734	25,268
	Motorways	540	61	11	28	1,097	74	3	7,935
	All roads <sup>c</sup>	20,863	62,040	20,778	2,862	3,504	4,672	7,734	74,935
Buses or coaches	Built-up roads	467	2,260	703	137	27	126	93	2,068
	Non built-up roads	28	78	17	5	7	9	20	237
	Motorways	1	1	0	1	3	1	0	29
	All roads <sup>c</sup>	496	2,339	720	143	37	136	113	2,334
Vans / Light good vehicles	Built-up roads	770	3,310	1,159	120	44	174	401	2,608
	Non built-up roads	300	508	143	19	98	78	156	1,863
	Motorways	40	4	0	3	88	6	0	683
	All roads <sup>c</sup>	1,110	3,822	1,302	142	230	258	557	5,154

Junction types that caused more accidents by the Department for Transport, 2012.

## APPENDIX 5

	Number of vehicles					
	Cars	Buses or coaches	Vans / Light goods vehicles	Heavy goods vehicles		All vehicles other than two-wheel <sup>a</sup>
				HGVs involved	of which LHD <sup>b</sup>	
Reversing	3,094	19	456	123	5	3,763
Parked	8,259	392	746	347	22	9,923
Waiting to go ahead but held up	14,137	337	681	210	7	15,492
Slowing or stopping	16,779	1,045	1,044	448	19	19,451
Moving off	8,488	772	484	246	14	10,132
U turning	1,815	5	157	38	6	2,035
Turning left	7,099	211	561	229	11	8,226
Waiting to turn left	1,239	11	49	13	0	1,323
Turning right	22,205	310	1,334	408	38	24,524
Waiting to turn right	3,645	34	166	52	2	3,933
Changing lane to left	1,599	32	172	312	14	2,136
Changing lane to right	1,702	45	138	406	201	2,325
Overtaking a moving vehicle - offside	2,911	80	265	132	15	3,457
Overtaking a stationary vehicle - offside	1,745	67	119	53	2	2,014
Overtaking - nearside	751	26	68	29	1	896
Going ahead on a left-hand bend	7,078	117	385	258	7	7,947
Going ahead on a right-hand bend	7,847	168	406	290	14	8,839
Going ahead other	86,993	2,647	5,344	3,126	186	99,579
All known manoeuvres	197,386	6,318	12,575	6,720	564	225,995
Number of vehicles involved in accidents <sup>2</sup>	197,388	6,318	12,575	6,720	564	225,998
of which - at a junction	122,453	3,984	7,421	2,961	183	138,401

Driving maneuvers that led to accidents by the Department for Transport, 2012.

	Number of drivers or riders/percentage								
	Male			Female			All drivers or riders <sup>1</sup>		
	Involved	of which casualties		Involved	of which casualties		Involved	of which casualties	
		Number	Percentage		Number	Percentage		Number	Percentage
Car drivers									
Under 17	60	37	62	11	5	45	72	42	58
17-19	5,998	3,039	51	4,225	2,719	64	10,235	5,758	56
20-24	13,242	6,295	48	9,484	5,879	62	22,805	12,174	53
25-29	12,504	5,353	43	8,192	4,770	58	20,772	10,123	49
30-34	11,826	4,601	39	7,643	4,035	53	19,680	8,636	44
35-39	10,171	3,972	39	6,798	3,535	52	17,089	7,507	44
40-49	20,911	7,892	38	14,226	7,484	53	35,315	15,376	44
50-59	14,711	5,380	37	8,999	4,729	53	23,799	10,109	42
60-69	9,201	3,271	36	4,752	2,336	49	14,011	5,607	40
70 and over	7,540	3,088	41	3,363	1,794	53	10,927	4,882	45
Age not reported	8,026	388	5	2,777	238	9	22,683	627	3
	41	41	41	41	41	41	41	41	41

Drivers in reported accidents by gender, number injured, road user type and age by the Department for Transport, 2012.

Questionnaire for Finnish companies

## Questionnaire

### Introduction questions

1. What is the name of the company?
2. What is your name and position in the company?
3. How long has your company been operating in the Finnish market?

Answer:

4. How many vans do you have in your company?  
 up to 20       to 50       to 100       > 100
5. What are your vans mainly used for?  
 Parcel Delivery     Car Rental       Taxi       Other
6. How often do you have damages on the left / right / back side of the car?  
 Never       Rare (once per year)       Usually (>1 per year)  
 Very often (>5 per year)
7. What preventive measures have you taken?  
 Do not use       Use standard protection tools       Use sidebars as a  
protection       Use additional protection tools
8. How do you repair your vans?  
 In-house       Car repair shops       Other





## Main questions

1. Have you heard about sidebars?

\*(Sidebar is a stainless steel round tube which is put to the both side of the van, used as a protection tool from small damages, cleavages and scratches.)

Yes                       No

2. If you are using sidebars in your company's vans, where do you buy sidebars?

Dealers                       Sidebars company                       Other way

3. Do you believe that sidebar can prevent damage and save costs?

I believe                       I do not believe                       I do not know

4. Would you like to invest in sidebars?

Yes                       No                       I do not know

Interview questions for UK companies.

### **Interview Questions**

1. What is your name?
2. What does your company do and what is your position in the company?
3. How many vans do you have in your fleet?
4. How many kilometers drive your vans on average per year?
5. How often do you have damages on the left/right/back side of the van?
6. Do you use sidebars on your vans?
7. If you use sidebars on your vans, where do you buy them?
8. Do you agree that sidebars can decrease the damage costs?
9. Do you recommend installing sidebars to new vans as a protection tool?
10. If you do not use sidebars on your vans, would you like to invest in it?
11. What other preventative tools do you use on your vans?
12. How often do you repair your vans?
13. Where do you repair your vans?