

Efficient direct marketing

Case: Valtapinnoite OY

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ABSTRACT

Marketing has faced changes in the previous years, because of globalization and Internet revolution, but the traditional marketing strategies still exist and they are used by most of the companies. Over the past years, competition is intensifying and the companies are facing difficulties to sustain their market share in an industry. It has pushed the companies to seek more different marketing opportunities and strategies. This thesis aims to research the marketing strategies that are commonly used in the construction sector. The final goal is to provide a development plan for the case company and to help them to identify their direct competitors marketing strategies.

The study is using qualitative methods and is proceeding with a deductive approach. Data is collected from primary and secondary sources. Primary data is collected from interviews and from author's observations. In the other hand, secondary data is gathered from the written books and from electronic sources.

Theory is based on the marketing concepts and on benchmarking. Marketing is opened from the perspective of direct marketing and the tools of marketing mix and SWOT analysis are presented. In addition, customer targeting and segmentation is examined as a tool for the research. Benchmarking is used as a tool to examine the competitors operations. All in all, the tools presented are used in the development plan process.

Findings from this research show that with precise customer segmentation and targeting, direct marketing strategies are effective. By the use of the provided development plan, the case company can reach new customers and gain more profits.

Key words: Marketing, direct marketing, benchmarking, development plan, customer targeting, customer segmenting.

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TIIVISTELMÄ

Markkinointi on kohdannut muutoksia viimevuosina, globalisoinnin sekä internetin vallankumouksen vaikutuksesta, mutta perinteiset markkinointi strategiat ovat silti käytössä monilla eri yrityksillä. Viimevuosien ajan kilpailu on kiristynyt ja yritykset ovat kohdanneet vaikeuksia säilyttää heidän markkinaosansa eri aloilla. Se on painostanut yrityksiä etsimään erilaisia markkinointi mahdollisuuksia ja strategioita. Tämä opinnäytetyö tähtää tutkimaan markkinointi strategioita jotka on yleisesti käytössä rakennusalan sektorilla. Lopullinen tavoite on tarjota kehitys-suunnitelma case yritykselle.

Tämä tutkimus käyttää kvalitatiivista tutkimus menetelmää ja etenee deduktiivisesti. Tieto on kerätty primääreistä ja sekundääreistä lähteistä. Primääri tieto on kerätty haastatteluista sekä kirjoittajan omista näkemyksistä. Sekundäärinen tieto on kerätty kirjoitetuista kirjoista ja elektronisista lähteistä.

Teoria pohjautuu markkinoinnin konsepteihin ja vertailukehittämiseen. Markkinointi on avattu suoramarkkinoinnin perspektiivistä, mutta myös työkalut markkinointi-mixistä sekä SWOT analyysistä on esitelty. Lisäksi asiakas kohdentamista ja segmentointia on käytetty yhtenä työkaluna tälle tutkimukselle. Vertailukehittämistä on käytetty kilpailijoiden tutkimisessa. Kaikki esitellyt työkalut ovat käytössä kehitys-suunnitelman laatimisessa.

Tämän tutkimuksen löydökset osoittavat että tarkalla asiakas segmentoinnilla ja kohdentamisella suoramarkkinointi strategiat ovat tehokkaita. Kehitys-suunnitelmaa käyttämällä case yritys voi tavoittaa uusia asiakkaita ja tehdä lisää tulosta.

Avainsanat: Markkinointi, suoramarkkinointi, vertailukehittäminen, kehitys-suunnitelma, asiakas kohdentaminen, asiakas segmentointi.

CONTENTS

1	INTRODUCTION	1
1.1	Research Background	1
1.2	Thesis Objective, Research Questions and Limitations	2
1.3	Theoretical Framework	3
1.4	Research Methodology and Data collection	4
1.5	Thesis Structure	6
2	MARKETING CONCEPT	8
2.1	Definition of marketing	8
2.2	Marketing today	11
2.3	Marketing planning	12
2.4	SWOT- Analysis	14
3	TARGET MARKETING	16
3.1	Target marketing definition	16
3.2	Market segmentation	18
3.3	Direct marketing	19
3.3.1	Direct mail	20
3.3.2	Door-to-door marketing	22
4	BENCHMARKING	25
4.1	Benchmarking definition	25
4.2	Competitors	26
5	CASE COMPANY	29
5.1	Competitors and industry	31
5.1.1	Eliittikatot	32
5.1.2	Kattocenter	33
6	EMPIRICAL RESEARCH AND DATA ANALYSIS	34
6.1	Empirical research design	34
6.2	Data acquisition and analysis	35
6.3	Company interview analysis	36
6.4	Competitors marketing activities	36
6.5	Customer interview analysis	37
6.6	Potential customer interview analysis	38
7	DEVELOPMENT PLAN	39

7.1	SWOT analysis	39
7.2	Direct marketing plan	41
7.2.1	Private households	44
7.2.2	Bigger buildings	46
7.3	Plan Conclusion	48
8	CONCLUSION	50
8.1	Research question answers	50
8.2	Validity and reliability	52
8.3	Suggestions on further research	52
9	SUMMARY	53
	REFERENCES	55
	APPENDICES	58

LIST OF FIGURES

FIGURE 1. Methods of the research

FIGURE 2. Thesis structure

FIGURE 3. Planning process

FIGURE 4. SWOT analysis

FIGURE 5. Managing a target marketing campaign

FIGURE 6. Target marketing groups.

FIGURE 7. Advertising prohibitions in postal lockers, Finland 2014

FIGURE 8. The buying funnel.

FIGURE 9. Forces governing competition in an industry (Porter 1998, 22.)

FIGURE 10. Private households marketing plan.

FIGURE 11. Marketing plan for larger buildings.

LIST OF TABLES

TABLE 1. Four p's of marketing mix

TABLE 2. Marketing segmentation.

TABLE 3. Case company SWOT analysis.

TABLE 4. Marketing segments.

TABLE 5. Development plan conclusion.

LIST OF PICTURES

PICTURE 1. Case company leaflet in spring 2016.

PICTURE 2. Direct competitor's public advertising.

1 INTRODUCTION

This chapter introduces the reader to the thesis background and objectives. It will explain all the methods used, which will be needed to complete the research. Research questions are presented and explained. Also the idea and motivation behind the research is explained.

1.1 Research Background

Marketing today is mainly about creating customer value and building customer relationship that benefits both parties. The world of marketing is fast changing, and because of the new technology, the marketing channels have changed during the past years into the Internet. (Armstrong & Kotler 2013, 21.)

The process of marketing can be seen as a way of satisfying customer needs, in a way that the products or services could be sold without paying much of attention to the selling process. That keeps customers engaged to the company and values relationship between customers and companies. (Armstrong & Kotler 2013, 33.)

This research takes a look in to a common way of marketing, because the case company is a small sized and has limited resources to use in marketing. Therefore, marketing should be directed straight for the potential customers and it is better known as, direct marketing.

Direct marketing is all about engaging the wanted customers by contacting them without the use of an intermediary. That action can be a simple phone call or a house visit, which makes the marketing process simple and straightforward. Usual assumption can be that the technology has lowered the usage of direct marketing, but since computer technology has risen, it has allowed companies to capture more direct group of people. (Jobber & Lancaster 2003, 186-187.)

Different ways of marketing will attract different type of customers and that can give challenges to companies. This research looks to find the

outcomes out of direct marketing methods and how that engages the customer attention. However, some marketing examples from the existing companies are used in way of benchmarking them and how their operations have succeeded.

Key things to conduct this research are the ways to understand different marketing methods. Therefore, a deeper understanding to the world of marketing needs to be gathered. The goal is to create a direct marketing plan for the case company. The case company is a traditional construction company from Lahti, Finland, Valtapinnoite OY, which is specializing on roofing's. Company has its peak season during the summer, because of the warm and suitable weather for their operations. During the winter company is reducing its operations and is seeking job opportunities for the next upcoming summer. Company is operating mainly in southern part of Finland on Lahti/Helsinki region, but works from other regions are accepted too.

The purpose of this study is to help the case company to identify different direct marketing ways to attract more customers. Valtapinnoite through the years has mainly relied on the brand recognition and good reputation used almost no marketing. At the moment the company is trying to seek more customers and this study tries to help the case company to find and to evaluate different direct marketing ways for them. The company wanted to use traditional direct marketing methods, which are commonly used in the field of construction. One aspect that will backup the research is to benchmark other similar type of companies operations on how they have marketed their actions.

1.2 Thesis Objective, Research Questions and Limitations

This thesis aims to provide a direct marketing plan, which will help the case company to boost their business operations. The plan is to give an insight on different marketing methods, possibilities and threats, and how they would help the case company. A marketing plan will be presented and explained for the company's benefit.

Planning and determining a research question is an important task. Question guides the researcher on what the research should seek answers to. Particular question should be clear and focused, which will answer the research problem. (Yin 2014, 240.) In this research the main question is:

- How should the case company direct market their operations to reach the maximum amount of new customers?

To answer the research question properly, sub questions are created to back up the research. Sub questions in this research are:

- What is direct marketing?
- What are the differences between different direct marketing methods used in this research?
- How are direct competitors using marketing?

While conducting a research plan always the limitations need to be thought. Limitation of this research is that it will only focus on the case company marketing through direct marketing ways. No other methods than the researched are presented. That limits the case study to focus only on few aspects of marketing. Also this research is mainly focusing on the marketing of one particular company and this type of target marketing cannot be implemented to others businesses, but only on very similar type of companies.

1.3 Theoretical Framework

The research is seeking answers to marketing problems and therefore it is vital to explain the used theory parts of marketing for the reader. Starting from the marketing concept, which includes marketing mix and SWOT-analysis.

As new consumers are searched, direct/target marketing is a way to

attract customers. Therefore, it is important to understand how those new customers are attracted. Theories of different direct marketing methods are opened, because the case company wanted to research traditional direct marketing methods on the construction sector.

While the process of marketing plan is created, it is a good way to make well thought decisions by backing up the plan with examples from the real working world. Process of benchmarking other similar companies will give the direct marketing plan more helpful information, which creates more profitable outcomes. Benchmarking is opened as a tool and how it can be helpful in the company operations.

1.4 Research Methodology and Data collection



FIGURE 1. Methods of the research

Research can be conducted in different ways and the key is to understand the methods and then the methods can be chosen. Firstly, the research approach should be planned and the ways are: deductive reasoning and inductive reasoning. Deductive reasoning is a method where the research is started with general knowledge and during the research the analysis

gets into more detailed. Inductive reasoning, in the other hand, is other way around where firstly the detailed research is the main topic and at the end the general ideas are discussed. (Myers 2013, 23.) In this research the way of approaching the research is deductive, because more general knowledge should be stated first before the detailed information so that the reader understands the study more easily.

After the research approach is chosen, the way of data collection and methodology should be thought. The most common research methodologies are qualitative and quantitative. In this study, only qualitative method is used, so that the research question could be answered more profoundly.

Quantitative method is about collecting data and measuring something. Graphs, charts and statistics are a big part of quantitative method and they all exist so that the main research question could be answered (Saunders, Lewis & Thornhill 2009, 414). Qualitative data is all the other data, which is not numeric and cannot be quantified. It can be a short list of responses to a questionnaire or more complex data like transcript of interviews (Saunders, Lewis & Thornhill 2009, 480).

Lastly, data collection method should be chosen. There are two sources where the data can be collected and those are primary and secondary sources. Primary sources are the ones, which are observed and found during the research (Saunders, Lewis & Thornhill 2009, 288). Secondary sources differ from the primary sources in a way that the data is collected from the published sources. It is about reanalyzing the data, which is already collected. (Saunders, Lewis & Thornhill 2009, 256.) This research uses primary and secondary sources and the reason is that the answers could be found more precisely to the research questions.

1.5 Thesis Structure

Thesis structure is divided into two bigger parts: theoretical and empirical part. Theory is opened firstly with a concept of basic marketing. The theoretical part continues with a target-marketing segment and ends up in benchmarking. All that is backed up with the empirical findings and afterwards everything is collected to create a development plan for the case company. In the end the research is summarized. Thesis structure is presented on the figure below.

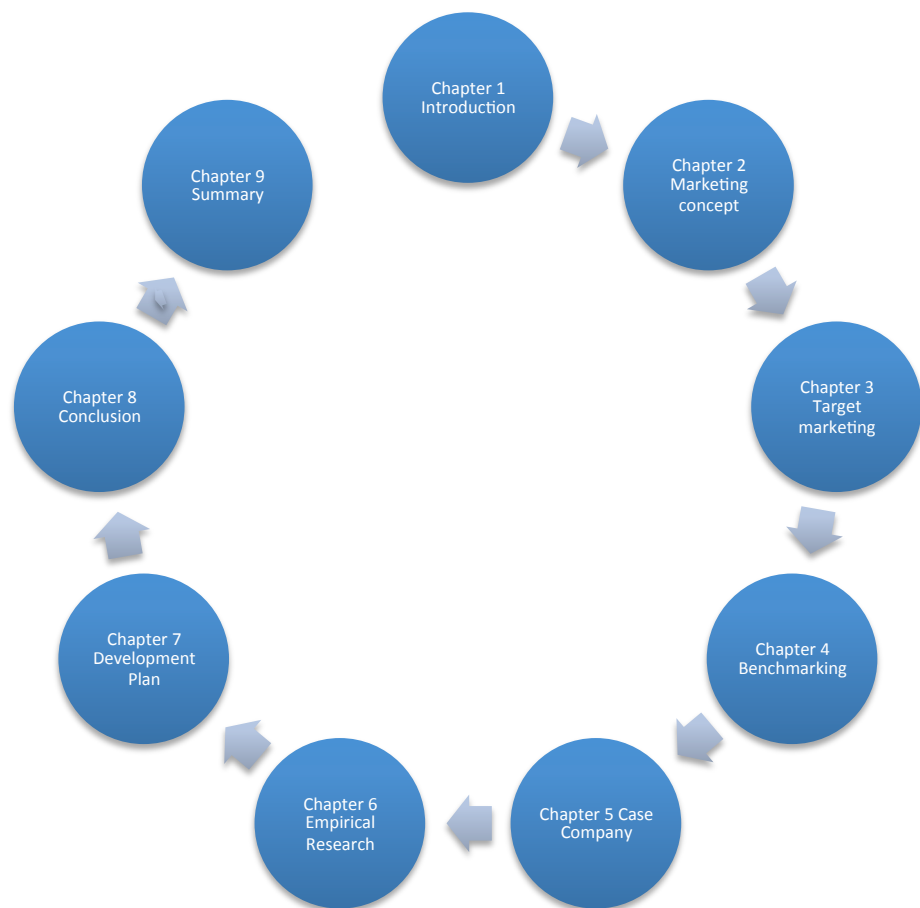


FIGURE 2. Thesis structure.

The introduction gives the reader the real purpose of the study and how the study is going to be structured. Meaning that all the framework and methodologies are explained.

Chapter two explains what marketing truly is in its core and the chapter three is following that same theoretical part by providing an insight to the world of target and direct marketing. Continuing with the theoretical part chapter four is all about benchmarking.

In the sixth chapter, the case company is presented and the direct competitors are presented and benchmarked. Empirical part is explained in the chapter six.

Chapter seven includes the whole development plan for the case company. It contains parts from the theory and empirical part. The development plan provides actions and timeline for the company use. Last chapters from the thesis are summarizing and concluding the research together.

2 MARKETING CONCEPT

In this chapter marketing theories are presented. Chapter takes a look into the basics of marketing and what marketing really means. Aim is to also provide an insight from the perspective of marketing planning.

2.1 Definition of marketing

Marketing is the only business function that truly engages with customers. The action of marketing cannot be defined in to one particular action that explains the whole concept. Although, it can be simply put that the goal of marketing is to attract new customers by promising value and to keep the existing customers happy by delivering satisfaction. Normal consumer sees marketing everywhere they go. It can be advertisements in the street corner or in a TV. In the recent years, because of the technology being improved, the marketers have found more channels to attract customers. Internet and personal mobile phones can give companies an edge to direct their marketing for the customers. (Armstrong & Kotler 2013, 33.)

In the core, marketing bases on the fact that the customer needs and wants need to be understood before any marketing action can be implemented. Needs and wants are shaped by the person's society and therefore the market segment should be researched. (Armstrong & Kotler 2013, 34-36.) Marketing can be thought as identification, creation, communication, delivery and monitoring of customer value (Kotler, Keller, Brady, Goodman & Hansen 2009, 17).

One purpose of marketing is the competition, especially companies who are competing on the same field of profession. Sometimes companies are forced to pursue marketing, since everyone else is doing it and that limits the company profitability. Therefore, marketing efforts should be used that the shareholders profits could be maximized. (Brenket 2008, 22-23.)

Marketing can be understood as one part of sales. Usually there is a friction between marketing and sales departments and the reason can be economic or cultural. Mainly the issues are faced when the sales and

marketing target budget should be achieved, which is provided from the management. Marketing spends more money, since it has to take account three of the four P's: price promotion and product. (Kotler, Rackham & Krishnaswamy 2006, 28-29.)

One part of successful marketing is the full use of marketing mix. It consists from combination of tools, which include four variables: price, promotion, placement and product. It is worth noting that the first list of marketing mix included 52 elements and they have now been narrowed down to four (Kotler, Keller, Brady, Goodman & Hansen 2009, 17.) These four variables are called, four P's of marketing mix. Companies try to find the best possible solution for their marketing strategy and by using the tools in marketing, it will adapt to the marketing environment to create profit. (Armstrong & Kotler 2013, 76.)

The following table presents the four variables and their objectives.

TABLE 1. The four p's of marketing mix. (Brocke 2012)



Since this thesis is mainly focusing on attracting new customers and trying to look new marketing channels, the promotion from the marketing mix, is one of the key aspects to this study from the four variables. Promotion is an action that connects customers with businesses through an interaction. Furthermore, promotion is an action that creates more opportunities to captivate more probable customers. The most common ways of promotion are advertising and direct selling. (Jobber & Lancaster 2003, 23-24.)

Other important part from the marketing mix for this research is the place. Because placement of the product/service is vital when new customers are searched. When new customers are searched, placing makes the product available for the targeted customers. Placing of the product can determine

the cost of distributing the product in some extent. (Armstrong & Kotler 2013, 81.)

2.2 Marketing today

The marketing methods from today are opened, because the case company has used marketing methods, which are popular today and are based in Internet.

Marketing has seen some major improvements since the technology has improved. Most of today's marketing efforts are seen from the screens people see throughout the day. Screens meaning: TV, Phone and computers. People spend more and more time using their personal devices, which creates an astonishing amount of new channels and opportunities for the companies to market their products and services. Especially on the Internet, which is the largest marketplace in history. (Blyth 2011.)

Old assumption of marketing does not apply in today's world. On the previous years marketing simply meant advertising and that advertising was only one-way: company to consumer. In addition, marketing was seen as an effort on selling products only, which meant creating more profit. (Scott 2009, 12.)

Nowadays, marketing is seen as more than just advertising. It is about building a relationship that interacts together. Markets are targeted so that unnecessary audience can be cut and efforts are not wasted. (Scott 2009, 25.)

Most of the people around the world are connected to the Internet and that way customers can be reached globally if needed. At the end of 2009, 1.8 billion Internet users were found all over the world and that covers 26.6% of the population. (Blyth 2011, 9.)

Internet searches are mainly relying on few sources and one search engine is above all, Google. Roughly 90 % of all Internet searches in

Europe are made via Google. That means that all the information searched is certainly searched from Google. Therefore, the first relevant website that matches the search, will be chosen and that creates an opportunity for companies to direct their marketing through search engine optimization. That can be seen as a way of marketing directly to the customers. (Blyth 2011, 32-33.)

2.3 Marketing planning

Effective marketing requires an effective planning and implementation of the strategy. Planning can be seen as a process of forecasting the company business environment. Marketing strategy needs to be planned together with company operations, if not done correctly; marketing strategy could be formulated to pursue wrong markets. Company corporate level has to be in interaction between the marketers so that the objectives and guidelines are discussed. (Brassington & Pettitt 2013, 499-500.)

Planning of a marketing strategy will define the target markets with the combination of other factors. Marketing plans are detailed, written projects, which will define time scales, markets, budget and resources for the operation. Majority of marketing plans are annual, but the time scale depends on the size of organization and focus. (Brassington & Pettitt 2013, 502.)

This research will take other similar type of companies marketing strategies in to account and therefore competitor strategies are opened. Competitors can have an impact on the marketing strategy. Smaller companies are forced to market their operations more aggressively, because the biggest competitors already are dominant on the markets. Customers are open to new services and products, if the marketing is effective. Dominant competitors on the markets however are not that eager to gather new customers by their marketing, but are trying to create value in to the relationship between them and customer. (Brassington & Pettitt 2013, 505-506.)

Perfect marketing plans does not exist, since the companies and their operations are always unique. Although, the process of planning the strategy can be divided in to different parts and that helps the process planning. Figure 3 presents that marketing process is a non-stop cycle that keeps going as long as the marketing efforts are made. Therefore, marketing process should be implemented on a longer timescale, than just for the start.

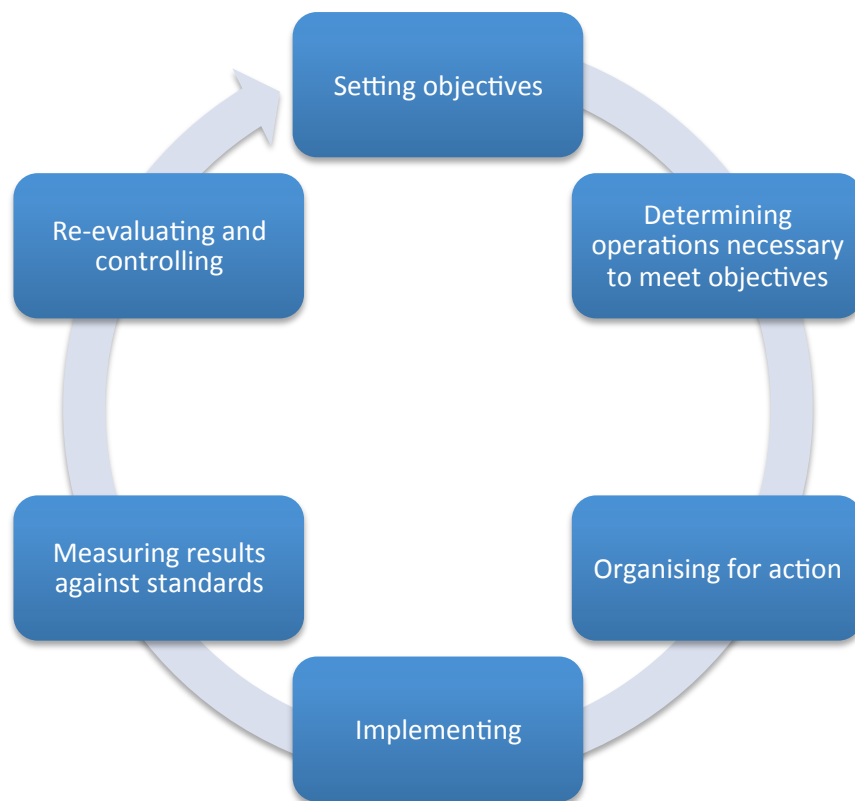


FIGURE 3. The planning process (Jobber & Lancaster 2003, 35.)

One aspect of marketing planning should be to centre the customer and supply their needs and wants. Many businesses have approached marketing as a way to please their customers and their company objectives are set around it. Even though, their main objectives are different and the main interest is to create profits for the company and maximize the shareholders value. (Brenkert 2008, 46.)

2.4 SWOT- Analysis

The company can be evaluated by using a SWOT analysis tool that monitors the external and internal environment of the company. Marketing efforts can be boosted by the full use of SWOT tool, because the company operations are audited internally or externally. That helps the company to recognize their pros and cons. SWOT comes from the words: strength, weaknesses, opportunities and threats. (Kotler, Keller, Brady, Goodman & Hansen 2009, 101). In this research the case company will be monitored, by using this analysis tool.



FIGURE 4. SWOT analysis

Strengths: Internal factors and characteristics which are favourable for organization.

Weaknesses: internal factors and characteristics which are unfavourable for organization.

Opportunities: External factors which organization may use for its advantage

Threats: External characteristics which might be potential sources of failure for organization.

SWOT analysis should be seen as a list of items, which will characterize company business, but do not speak about its actions. In other words, it should be seen as basic initial review tool. Major thing is to pick the parts from every category, which should be improved and how that could affect company's future. Still, the company might have lot of positive features, but it lacks the effort from the personnel and that phenomena cannot be identified, by using SWOT analysis tool. (Kotler, Keller, Brady, Goodman & Hansen 2009, 104-105.)

3 TARGET MARKETING

Marketing is a broad term and one-way of marketing is that it can be targeted to a certain group of people or area. Products usually do not appeal for all consumers and therefore products should be in some extent targeted. Since in this research, the case company wants to attract certain people from targeted areas, target marketing will help to maximize success.

3.1 Target marketing definition

Many marketing efforts require accurate information on customers so that those customers can be targeted by different, planned, marketing methods. Target marketing can be, for example, direct mail or door-to-door marketing just to name a few. All the efforts, which are directly targeted straight to the customers, are known as target marketing. (Jobber & Lancaster 2003, 188.)

Target marketing can sometimes be seen as too discriminating to attract customers. Targeted group of people might be too narrow and that way can seem to be biased against others who are not affected directly through campaign. Therefore, targeted group should be larger than expected so that other consumers are affected in a positive way through marketing. (Peter & Olson 2008, 368.)

Market targeting has become easier in the past years, because of the technology improvements. Search engine optimization and data collection through Internet has helped marketers a lot to reach maximum amount of customers (Blyth 2011). Therefore, marketing can be targeted to a certain group of people who already is interested on the similar type of products or service. Data collection from consumers is the key thing. Data collected can consist of: actual information about the consumers, geographical information and promotional information. After the information is collected, the methods of marketing are chosen by use of collected data. There are several ways to market products and services by using different target

marketing methods. Direct mail and telemarketing are the most traditional ones. At the same time, technology has proven its power since today's marketing can be done with less money and time on Internet. (Jobber & Lancaster 2003, 189.)

Following figure presents the process of managing a target marketing campaign.

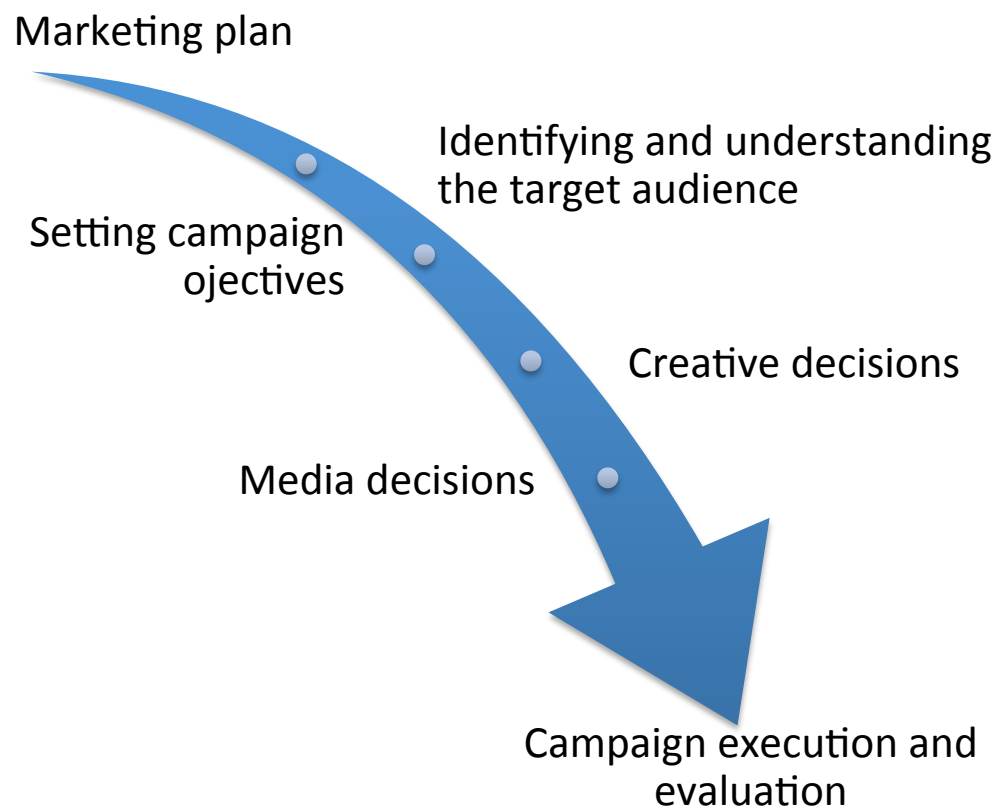


FIGURE 5. Managing a target marketing campaign (Jobber & Lancaster 2003.)

There is few alternative ways to divide target marketing. People can be targeted by various reasons and main reasons are: segment-, niche-, local- and individual marketing. Following figure 6, explains the entire target marketing groups (Brenkert 2008, 82).



FIGURE 6. Target marketing groups.

As seen from the figure above, targeted markets can be divided into different groups and the company has to choose its own path, which will be most profitable marketing channel for them.

3.2 Market segmentation

Market segmentation is one part of target marketing, because companies who are seeking to improve their marketing efforts, have to implement some sort of market segmentation. Consumers in this method are divided in different segments, which gives the company an edge to understand their customers. Categories can be made of anything, but the most common ones are geo-demographical. Through geo-demographical divide, consumers can be divided into smaller groups. Marital status, age, income and the size of household are just to name a few important ones, which are dividing consumers in different segments. That creates an

opportunity for companies to segment their markets only for preferred customers. (Aaker, Kumar & Day 2006, 126.)

TABLE 2. Marketing segmentation.

Benefit segmentation	Benefits people seek in consuming given product
Psychographic segmentation	Lifestyle: Activities, interests and opinions.
Person/situation segmentation	Consumer sex and size. Weather conditions and physical/social activities.
Geo-demographic segmentation	Identifies households within a market. Focuses on local geography.

As stated above, markets can be divided into different segments by the customer characteristics. These characteristics can only be found by researching the marketplace and customers. (Peter & Olson 2008, 371-79.)

3.3 Direct marketing

There is few different definitions of direct marketing, but maybe the most common one is that it is direct selling of products or services to the public. Direct marketing association (DMA) defines it “an interactive system of marketing which uses one or more advertising media to affect measurable response and/or transaction at any location” (Kumar 2012, 230.)

Direct marketing is a database driven marketing method, which relies on communicating with consumers. It can be seen as a way to seek direct response from the customers and therefore it is found to be very effective way to market. The process of direct contact with customers has gone easier, because of the new IT technology, but still the old traditional ways are used. Activities, contests and face-to-face selling are still used by many companies. (Kumar 2012, 230.)

In addition, direct marketing is a way to market company products and services and has lot of similarities with other types of marketing. It includes the process of: defining objectives, planning, researching and executing, like any other method of marketing. (Donaldson 2007, 122-123.)

Direct contact with customers also gives a chance for the marketer to provide information and create awareness about the services or products. That creates an open communication where the customer can ask further questions and those can be answered immediately via verbally or through printed or electronic literature. (Brassington & Pettitt 2013, 424.)

Next two sub-chapters will open up the direct marketing methods, which will be used in the development plan process since the case company wanted to research common direct marketing methods used on the construction sector.

3.3.1 Direct mail

Direct mail is a material based marketing technique. Material is distributed through a postal system for the chosen addresses. Recipients can be home or business addresses and material distributed is promoting a service or a product. Distributed material can vary from a short introducing letter or a longer catalogue, but the main idea stays the same, promotion of product or service. Most of the direct mail is distributed for the customers, which are unknown for the company. Some of the customers might have already used marketed product or service. Also possibility of mailing the same consumers many times is negative. Therefore, data

collection of geographical locations, where and when, the direct mail is provided is important. Customers who receive numerous direct mails from the same companies might get annoyed and it can work as a downside for the company. (Brassington & Pettitt 2013, 426-7.)

Only problem with direct mail is that can be seen as a junk in the eyes of the customers. Normal consumers who are living in a regular household might receive few direct mails per day from different companies whom they have no interest into. (Brassington & Pettitt 2013, 428.)

Still in many examples, direct mail has been proven to be effective if done correctly. In Finland almost 22% of all the marketing is done through direct mail. Number has drop down in past years slightly, but still it has a real impact in the marketing world, since it covers almost one fourth of all the marketing done in Finland. (Honkaniemi 2012.)

In Europe it has been proven that 60% of consumers prefer to have their direct service and products offerings through direct mail. That is more than any other type of channel including newspaper adverts and online advertising. Also Finland ranks second in the usage percentage of direct mail marketing in Europe. (ELMA 2016.)

Since advertising is expensive, advertisers are seeking direct response from the customers who have received marketing information. In that distributed direct mail, can be an order inquiry for the customers who then fill and contact companies. Either with a phone call to seek in more information or with an inquiry to ask for a service/product. (Brassington & Pettitt 2013, 429-30.)

In Finland, some households do not like to receive advertisements through the postal service. They might have signs over their respective post lockers, which are indicating that no advertisements should be delivered. The post deliverers always respect that customer decision and are not delivering advertisements to those households.

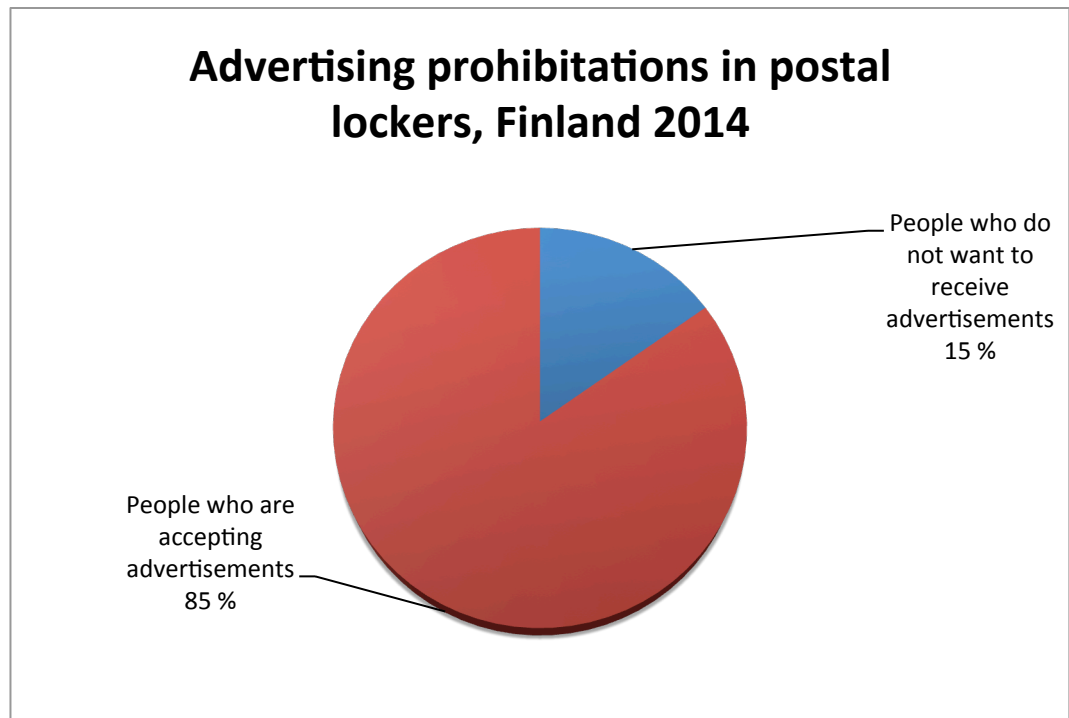


FIGURE 7. Advertising prohibitions in postal lockers, Finland 2014 (SSM 2014).

Above figure presents that some households in Finland do not want to receive advertisements and that can limit the direct mail efficiency.

3.3.2 Door-to-door marketing

Door-to-door marketing is a way to market products directly to the customer's private house or in public businesses. Usually, when products or services are really expensive and customers are demanding more time to think their buying decision. Door-to-door marketing is completely similar with face-to-face (F2F) selling. Main goal is to provide the information straight for the customer, which covers the marketing part and afterwards, product or service is sold. In the case when no products or service is sold, the process is only called door-to-door marketing. (Donaldson 2007, 21.)

In addition, this process should be viewed as a F2F selling, because everything included in the marketing process is a part of sales process also. Therefore, door-to-door and F2F should not be compared against each other, but they should support each other's respective processes.

When looking at the sales process the buying funnel explains how marketing and sales belong together. (Kotler, Rackham & Krishnaswamy 2006, 42.)

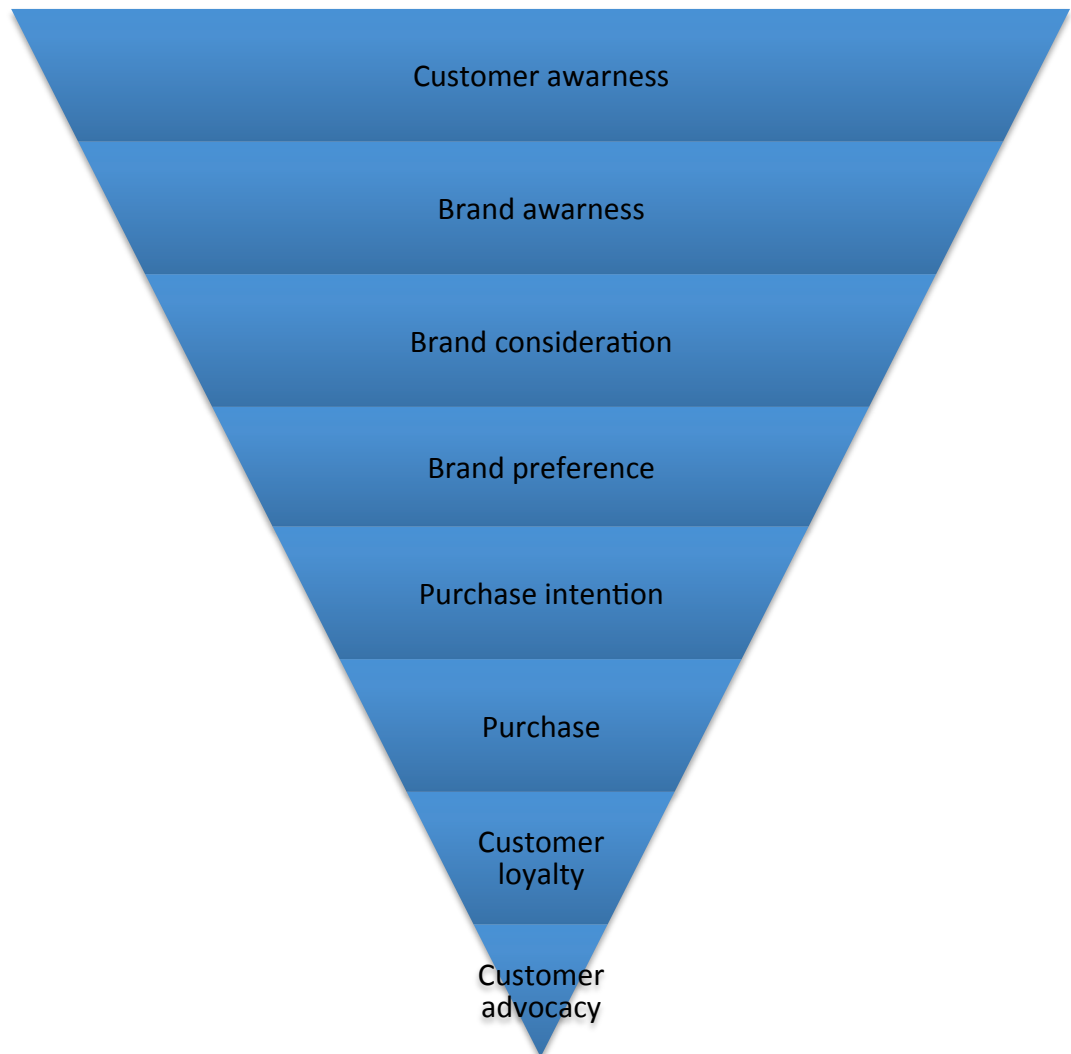


FIGURE 8. The buying funnel. (Kotler, Rackham & Krishnaswamy 2006, 42.)

First four steps indicate the marketing process and four next steps indicate the sales process. As it can be seen from the above figure, marketing acts as a starter for the process of selling. That explains why door-to-door marketing is acting as a representative for both, sales and marketing. Also when in this research case company is smaller company who does not have marketing and sales department, this approach of marketing works

perfectly in this case where marketing and sales are together. One company representative handles the whole process of door-to-door marketing from the company's behalf, which means that the representative markets and possibly sells the service/product for the customer. If not, then the process only involves marketing of that service/product. (Kotler, Rackham & Krishnaswamy 2006, 42.)

4 BENCHMARKING

Research is focusing on the marketing planning and therefore competitors should be researched on how they have implemented marketing plans. Benchmarking is a process, which takes a look at a particular company's operations and how they have implemented their strategies and then reflects those back to the case company. That action will help the case company in this case to notify successful and unsuccessful marketing plans and create their own with that knowledge.

4.1 Benchmarking definition

There are several ways to implement benchmarking strategy and it totally depends on the type of organization. Company size and the field of industry are in key position. Still, there are few common ways to implement benchmarking strategy and they are opened below.

The types to benchmark vary and the initial idea on what to use comes from the company itself. Firstly, operations can be benchmarked to company's own history on how they have performed in the previous years. That way company can identify the changes what has happened during the year and how those changes have affected the company. (Johnson, Scholes & Whittington 2006, 145.)

Operations can be benchmarked through their strategies and processes. Process involves comparing the strategies against other organizations that are working on the same field. Results will help to understand the nature of the industry. (Niva & Tuominen 2005, 12-14.)

Products and services of the organizations can be benchmarked also. Depending on the product there are ways to identify new improvements for the own product just by examining the others products which are similar. Even though, products can be almost identical there will always be something that can be learned from others. (Niva & Tuominen 2005, 13.)

Industry and sector benchmarking involves looking at the other companies performance who are working on the same industry or sector. Whole organizations are audited and no particular organization is picked for the process, but several companies are examined if possible. (Johnson, Scholes & Whittington 2006, 145.)

Lastly, one of the most common practises is to benchmark operations with best in class. Company who is performing the best in that sector is examined and compared. It does not have to be the biggest competitor, but the one that works the most efficient with the resources they have. Smaller companies are usually performing better than the bigger ones, because their economy is no that great and they have to perform really good to keep on operating. (Johnson, Scholes & Whittington 2006, 145.)

Even though, benchmarking compares inputs (resources) and outputs it is good to remember that it does not identify the reasons for the good or bad performance. It only shows the results of some action, which is performed and the reasons cannot be understood. Although, with a good observation skills and research these underlying reasons for results can be understood. (Johnson, Scholes & Whittington 2006, 145-146.)

4.2 Competitors

Action of benchmarking rises from one factor, competition. It defines how intensive the markets are and makes the organizations to work harder to gain their market share. Competition can be seen as a threat, but successful companies see it as a tool of improving their own organization, by comparing their operations to another organization. Competition brings contending forces for the organization and those forces are illustrated in the figure below. (Porter 1998, 1-3.)

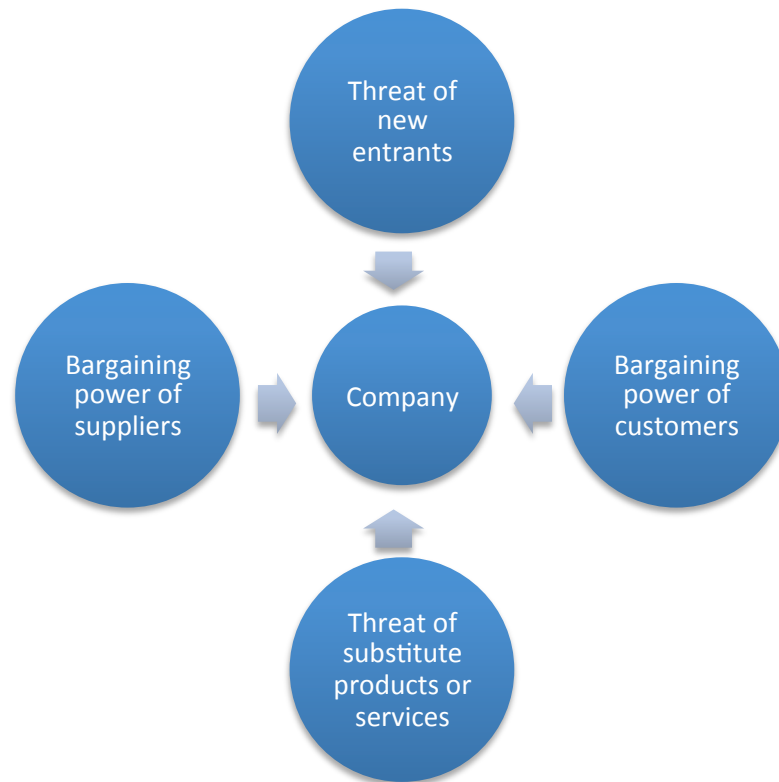


FIGURE 9. Forces governing competition in an industry (Porter 1998, 22.)

The company in an industry is facing different competition forces that are external. Forces are divided into different segments and those are explained next.

Threat of new entrants is always existing, but only when there are no barriers to enter the markets. New competitors in the markets push prices downward and squeeze the margins. Still, when the competition is rising the companies are performing better. (Keegan 2014, 267.)

Threat of substitute products and services is influencing the competition. Availability of the substitute products is limiting the market leaders prices. For example, high prices are making the buyers to switch on cheaper substitute products. (Keegan 2014, 268.)

Bargaining power of suppliers can rise the prices in an industry if they have leverage over the particular industry. Usually this leverage is seen in the oil industry where few suppliers are switching the prices and the

companies who are using oil are in situation where they have the change prices too so that the profits can be made. (Keegan 2014, 269.)

Bargaining power of buyers is about the customer choices and needs. Most of the customers are choosing the product, which is available for them at the lowest possible price. It means the customers are driving competitors profitability down. (Keegan 2014, 269.)

5 CASE COMPANY

The case company is a small sized, local construction company, which has experience from the field for over 30 years. Company has established strong brand recognition in the field of roofing's and renovation. Main season of work is during the summer, because most of the roofing work cannot be done during the winter, due to a cold weather. On the summer time company is focusing only on working and not marketing or gathering new jobs. Even though, new jobs can be found during the summer too, but the main reason is the brand recognition and good relationships with customers.

Main customers for the case company are private households and also buildings with a large roofing area, which include for example: Factories, apartment buildings and schools. Majority of the work is concentrating on larger roofing's, because larger work will create more profits for the company. Most of the jobs are acquired by good contacts with existing customers.

Company does not use much of marketing and has always relied on good relationships and word of mouth. Some marketing efforts have been tried, but those have not created many new customers. Company uses search engine optimization and is updating their website from time to time. Main marketing season is during the winter/spring, when households start to recognize their house roofing's underneath the snow and water leaks and damages are found. Then the initial contact is made from the behalf of customers. (Interview, CEO 2016).

Company had a small marketing action via postal mail in the spring of 2016. Idea was to try how the customers would react and how many new contacts could be made. Direct mail was used to send 5000 copies of a leaflet to local households around Lahti area. Leaflet was designed together with an advertisement company who then also handled the distribution. Costs were relatively low and therefore it was a good idea to try and see how would the consumers react.



PITÄVÄN PINNAN PUOLESTA - 30 VUODEN KOKEMUKSELLA

HUONOKUNTOINEN KATTO ON RISKI

Jos edellisestä kunnostuksesta on kulunut yli 10 vuotta, on aika tarkastaa katon kunto. Maalattujen vesikattojen ruoste jäljet tai maalin irtoaminen ovat varmoja merkkejä kunnostustarpeesta. Kun tiilikaton pesu tai harjaus tehdään muutaman vuoden välein, vältetään katon sammaloitumiselta.

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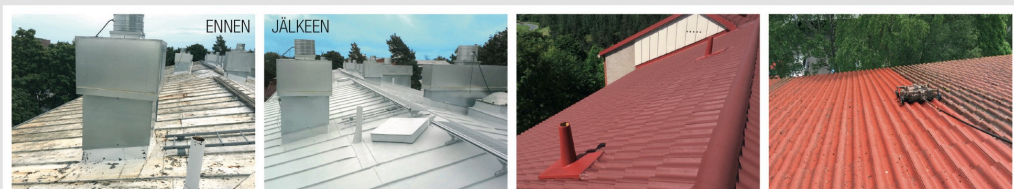
PALVELUMME

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- ✔ Vesikattojen pinnoitukset ja maalaukset
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PICTURE 1. Case company leaflet in spring 2016.

Results were that three contacts have been made during two months (02.05.2016) through those 5000 copies. Company expectations were higher and they were disappointed for the result. It tells that the customers were not that interested or the leaflet was not either distributed in the right

area or the consumers who received the leaflet were not interested on buying the services. Also the time of the season when leaflet was distributed can also be wrong and therefore no conclusions should be made that the direct mail strategy could not work, if it would be implemented effectively for the right consumers at the right time. Company has decided to not use direct mail before more effective strategy could be found. In addition, company also wanted to know how effective would it be to directly market services from door-to-door.

5.1 Competitors and industry

The construction industry is really competitive and there are several companies who are operating in the field of construction. That is why case company is mainly concentrating on roofing's. Sector is not that competitive and most of the companies who are working in the same sector are not that experienced and relatively new.

As companies are operating at their sector there are few forces that are raising the competition. Those forces from the construction sector are presented next.

Since the case company is operating on the field of construction, substitute products and services can be taken out from the equation, because buildings cannot be built and renovated in any other method. Threat of new entrants always exists, but the costs are really high if a company would like to enter in to the markets.

Bargaining power is created from the behalf of customers usually, because typical customer always chooses the service, which is the cheapest. Especially when construction works are costing thousands of euros, cheapest available service attracts the customer.

Suppliers cannot create a competition in the sector mainly because few factories around Finland provide most of the supplied goods. They are not connected to the companies who are building and renovating in any other sense than just by being the retailers. It means that they are not owned or

controlled by construction companies. Therefore, prices are always staying same for every company who is buying the supplies goods from the retailers.

So that the industry and sector could be understood better, similar but bigger direct competitors marketing efforts are benchmarked. In this case two companies who are operating at the same field, roofing's, are examined. Especially their marketing methods are looked.

5.1.1 Eliittikatot

Eliittikatot is a Finnish roofing company, which is operating around Finland. Their operations are relatively around five times bigger if looking at the personnel and revenue (Kauppalehti 2015.) Their operations are similar compared to the case company, but the amount of marketing efforts they are using are larger.

Looking at their efforts used in marketing, it can be seen directly that there is a simple strategy and the customer satisfaction is their key. Website is clear to use and everything a customer could want from the website, can be found easily. By examining their operations in marketing, few things pop out. First being the magazine what is distributed for customers. Eliittikatot has their own magazine, which is directed for the customers who have already used the services and for the ones who are interested. In the magazine reader can find information about roofing's and how the company works. Also some stories from existing works are published. Magazine connects the customer with the company and the magazine is working as a direct marketing tool for them. It replaces the traditional direct mail leaflet and connects the consumer with the company and is also familiarizing the consumer to its operations. (Eliittikatot 2016.)

Other thing that they are using is sales personnel who are trained. They are constantly recruiting new sellers at their website and providing the recruits with a sales training. All in all, their marketing efforts are focusing on the sales and customer engagement.

5.1.2 Kattocenter

Kattocenter is also a Finnish Roofing company, which is operating around Finland, but mainly around southern part of Finland. Company is around eight times bigger by revenue and personnel (Kauppalehti 2015.)

Kattocenter is specialising in roofing's and on jobs what the case company is working on also. Also Company is headquartered in Lahti and is a local competitor.

Their marketing efforts are mainly relying on the visibility. It can be seen around the city by their cars, which are covered in their advertisements. Also they are using help center, which can be found from their website. Customers can contact their professionals and seek for help on their problems. That way company can interact with potential customers and offer their services without them have to be making the initial contact. Therefore, customers are feeling valuable because they are helped. Also the company does not have to use lot of resources in the action since the help center is mainly operating by call back system, which means that when professionals are not available, they are calling back whenever they have time. (Kattocenter 2016.)

Still company is not using that much marketing efforts and all the efforts are put on their website, which is clear and informative. Through their website the customer can easily find the information about all the works they are operating.

All in all, Company is using relatively few marketing methods and is putting their efforts on brand and the customer satisfaction. In a sense their marketing efforts can be compared with the case company, since they are similarly relying on good relationships.

6 EMPIRICAL RESEARCH AND DATA ANALYSIS

This part of the research will make the reader more familiar with the empirical research and explains how the study is designed and formulated. Chapter starts with introducing the research methods and then moves to explain the data acquisition.

Empirical part consists of the interview with the CEO from the case company and with the experiences the author has had throughout the years while working in the case company. Also two previous and one potential customer were interviewed. All the results, which are gathered from the interviews, will be used as a valid source of information and no further analysis is needed. Interviews are based on the basic information regarding the case company. Marketing efforts were discussed with the company representative in a sense where company CEO gave his thoughts about marketing actions in the field of construction. By the information gained from the interview, researcher wanted to use benchmarking process to see other companies marketing efforts. When customers were interviewed, it was found how the company was seen in the eyes of the customer.

6.1 Empirical research design

Empirical research bases on the observations and it is about the experiences gathered and not about the theory. As it was mentioned in the first chapter, there are two ways to conduct this research and the method used in this one was qualitative, because no quantitative data is collected during the research.

Like it was stated before, empirical research is based on the interviews along with the experiences researcher has had by working in the case company. Interview was done face to face with the company CEO and some details were also discussed over the phone. Main discussion was about marketing and how the company would benefit the most if any marketing efforts were used. Interview gave more insight into the company

operations and goals. Researcher found out that company does not want to put efforts on marketing and that the company was satisfied with the current situation. Even though, they are constantly worrying about gaining new customers it was obvious that they should seek more customers by marketing. After a quick review it was found out that the company does not use carefully planned marketing efforts and is strongly relying on good relationships.

6.2 Data acquisition and analysis

Data collection was gathered on a tight time schedule. The theory gathering and interview was done during the April. Results were written down immediately after getting the information during the April and May.

Writing process started at the late April of 2016. Firstly, all the existing theory from marketing methods was collected regarding the topics previously presented in this research. Interview with the company CEO was done at the same time when process started so that the needed theory could be chosen and planned. After the theory was written, it was time to reflect those findings in together with the interview information and the development plan could be formulated.

Gathered research information was analysed firstly by inspecting the company operations on marketing. Efforts on marketing were seen to be non-existent and that the company lacked the motivation on pursuing marketing strategies. All the marketing actions were put on search engine optimization and providing customers with a simple website. On the respective website, customers can find what company does and some basic information about the company is represented. Also a contact form can be found, which way customers can contact company representative by email/phone or fill an online work request form. (Valtapinnoite 2016.)

It can be seen that company is putting their efforts on online marketing and relying on the good reputation, when considering about the marketing out of Internet. Lack of resources, knowledge and motivation is behind the

fact that company has decided to rely on these methods. Marketing should be spread more for the public eye, so that the maximum amount of customers could be reached and that was the main goal for this research. Therefore, direct competitors marketing strategies were benchmarked so that it could be understood how different marketing methods are used in the same sector to attract more customers.

6.3 Company interview analysis

Interview with the company CEO, gave an insight in to the company operations and helped the author gain more knowledge about the marketing efforts. The interview was done by face-to-face, but more matters were discussed over the phone. Topics, which were talked, consisted mainly about marketing in the case company. Discussion and the questions were pre-planned and the questions consisted only about the case company marketing and their strategy. The answers are used in the study when the development plan was planned.

6.4 Competitors marketing activities

The competitors marketing activities were examined so that the sector could be understood better. Chosen companies are direct competitors, but they are operating with larger revenues. Even though, they have been established in the past ten years. Companies were examined by their actions on the Internet and what type of services they are providing for the customers.

It was found out that the competitors are using strategies, which are more concentrated to providing the customer with different services. Also the marketing channels used are different and those findings were used while conducting the development plan.

6.5 Customer interview analysis

Previous customers were used to understand more about the customers and why they chose to use the services from the case company. Previous customers were chosen from the same segments, which are used in the development plan, private households and bigger buildings.

Private household previous customer was chosen randomly and the interview happened by phone. Interview consisted about their experience what they have had when they used the services of the case company.

Bigger buildings interview was done also by phone and with a customer who takes care of an apartment building and who was a part of that particular housing association. Topic and the questions were same as in the private household interview.

Both discussions had the same questions and they were asked in the same order to see the differences between their answers. Questions asked were: Why they chose the case company, were they satisfied in the service and how they would like to be reached with this type of matter. Answers were used in the development plan to conduct more reliable results.

Representatives who were interviewed had almost similar answers. Both were satisfied with the service and would like to be reached when they are in need of help. Only difference was seen when they were asked about on why they chose the case company, Private households "Customer X" chose the case company by searching the internet and found the case company website. Bigger buildings representative "Customer Y" chose the case company, because their friend had used the case company services.

That meant that the jobs were acquired by good relationships and brand recognition through different marketing channels. This proves the fact what the Interview with company CEO stated, the private customers are gained from different channels than the bigger buildings ones.

6.6 Potential customer interview analysis

Two potential customers were interviewed to answer the questions: why they would like to choose the case company and how they would like to be reached. Potential customers were chosen randomly from the Lahti area. Discussion was with a person who is living in a private household and has had some problems with their roof.

They were looking for a roofing company, which is not expensive and can handle a small project quickly. Potential customer was trying to search information about the roofing companies, but chose to select the one, which was recommended by their friends and family. It tells that the potential customers are trying use the services that are proven to be reliable and customers are satisfied with the service. Therefore, case company should not only rely on the relationships, but also market their operations so that when the customers are in need of help, service is available. That can happen by providing the households with a leaflet before and after the season, which means during the spring and late summer.

7 DEVELOPMENT PLAN

Since the research tries to find the answers on, how the case company should direct market their operations, development plan is created to help the case company. The author, who has also been working at the case company, creates this plan. Development plan starts by analysing the case company with SWOT analysis.

7.1 SWOT analysis

The case company is examined by its strengths, weaknesses, opportunities and threats. Base for this analysis is the authors experience in working at the company for several summers.

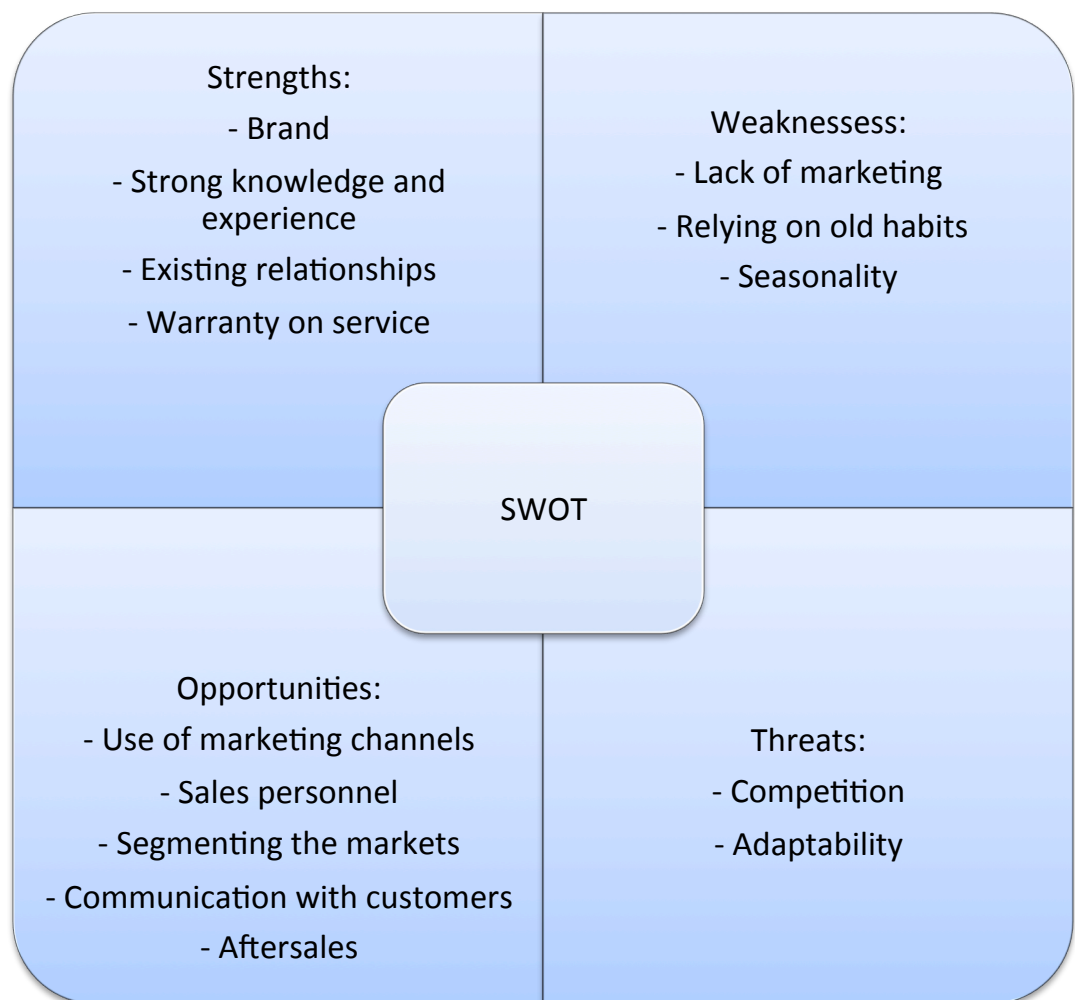


TABLE 3. Case company SWOT analysis.

Company has build its reputation at the field of construction for over three decades and that has created a positive brand recognition in Lahti-Helsinki region, which is also the main market for the case company. Through those years a good relationship with customers has been created and that has always been the most effective way for case company to get new jobs. Also during the years the same core of main workers has stayed in the company and the knowledge has grown through experiences.

Still company has some weaknesses, which could be solved by bringing their operations in to this date. Those are that the company is relying too much on the relationships and being satisfied with the current situation. Construction markets are always relevant, and in the year of 2014, renovation markets in Finland were almost 6 billion euros, which is the same result than in previous years (SVT 2016). If the company can change their habits by adapting new marketing plans and benchmark their operations with the other who are working on the same sector, new profits could be found.

Company has a great opportunity to bring a sales person who has an opportunity to bring more profits. Company has never used a salesperson and therefore they should give it a try, how it would affect their sales. Also they have an opportunity to implement aftersales strategy that could give them information about how the jobs have been done and what could be improved. All in all, everything bases on the marketing, because without new customers any other opportunity cannot rise for them.

One aspect is that the markets are really competitive and that brings also challenges for the company. Competitors and their ability to adapt in to the markets are threatening them on future operations. Other similar, but younger, companies are marketing really strongly during spring season and their advertisements can be found almost everywhere around the city from billboards.



PICTURE 2. Direct competitor's public advertising.

That tells that the others are trying to gather customers by visible marketing efforts. Companies who are using such a marketing effort on the construction sector are the ones, which have been established during the past years and are new to the markets. Existing companies, who have established a market share, are relying on the relationships and are not eager to use advertisements.

7.2 Direct marketing plan

Case company wanted to attract new customers and the idea for them was to use direct marketing, because it has been used commonly in the field of construction. They only have had one experimental direct mail strategy and the idea was to identify the flaws on that idea and improve it to work better.

Direct mail strategy what the company had implemented during the spring of 2016, did not turn out as expected since it only attracted three contacts from the customers (Interview, CEO 2015). Strategy was to distribute

leaflets to 5000 private households in the local area. Plan was seen to be a failure for them. Reasons for the failure are explained and how the plan should be improved and implemented.

What the company did not use is the segmentation of the customer base. Leaflet was distributed in the Lahti region for random customers who were not interested on buying that type of service. It should be distributed for the consumers who are living in a household, which is in a need of renovation. Those households can be identified from the age of the house. Majority of the houses, which are built before the year 2000, are requiring at least a check up of the roof. Main reason is that Finnish weather affect buildings and houses really hard and the roofs are always exposed on the weather conditions. Especially during the winter when snow is resting on the roof area, damages are done for the roof. (Toivonen 2012.) When the spring comes and the snow starts melting, the damages are revealed underneath the snow. That creates an urgent need of a repairmen to renovate the roofing's. Taking a care of the roofs can prevent damages. Therefore, Strategy is that all the direct mail efforts need to be done before the winter and immediately after the winter. One campaign should be about prevention of damages during the late summer, when the works could still be done. Another one should be before the spring arrives in Finland and the campaign should be about renovating the damages. Customers for who the campaign should be used are the ones who are having an older house (before year 2000) and are living in a private household.

To understand more about the customers they should be segmented in a way that the company benefits the most out of it. Following table segments the customer base for the case company and by use of segmentation the right marketing method can be used.

TABLE 4. Marketing segments.

Local&Niche marketing

- Private households that are older -> use of zipcodes

Individual marketing

- Apartment buildings, factories and schools = Bigger buildings

To explain the segmentation, let us first compare the segments. Why their households segment the customers, is that the private households are smaller when compared to the apartment buildings. The roofing area is a lot smaller on private households when compared to the apartment buildings and bigger buildings. For the company it means that the more profitable ones are bigger roofing areas. (Interview, CEO 2015.) That is why more expensive marketing efforts should be out on the bigger buildings that the most value could be gathered. In addition, the difference between a private households and public houses is that the consumer who the marketing is targeted, is different. On bigger buildings the customer is a person, or a board of people who takes care of the whole property and on private households, regular customer takes care of their private property. Therefore, marketing methods used, should be different for both targeted segments and the customers bases are explained in the following sub-chapters.

7.2.1 Private households

Starting with the private households marketing strategy, case company should plan to target them with a direct marketing strategy that is cheap and effective. Since smaller works create fewer profits, best method for them is to target private houses with use of only direct mail. Even though, company's previous marketing effort did not create enough new customers. What the strategy lacked was the targeted customer base, because it is not a good idea to distribute mail for customers who are not demanding and needing the service. When the consumers are in a need of the service the direct mail should be available for them. Furthermore, seasonality and private households age should be taken in to account when planning the direct marketing.

To collect the database for the households, local area maps should be used to understand the ages of houses. Local area maps are for the public and can be used by anyone. Especially in this case, company should use the maps to segment their local customers and then divide the direct mail for those addresses that are found to be older. Leaflet what was distributed previously does not need any graphical improvements, but the company should make it more consumers friendly. Meaning that now the leaflet was about insisting the consumer to call for company and ask for a price. To compare the marketing to other competitors they are using more of friendly approach by asking the customers to ask help from them if needed. That connects the customer to the company in a friendly relationship way and not only by business.

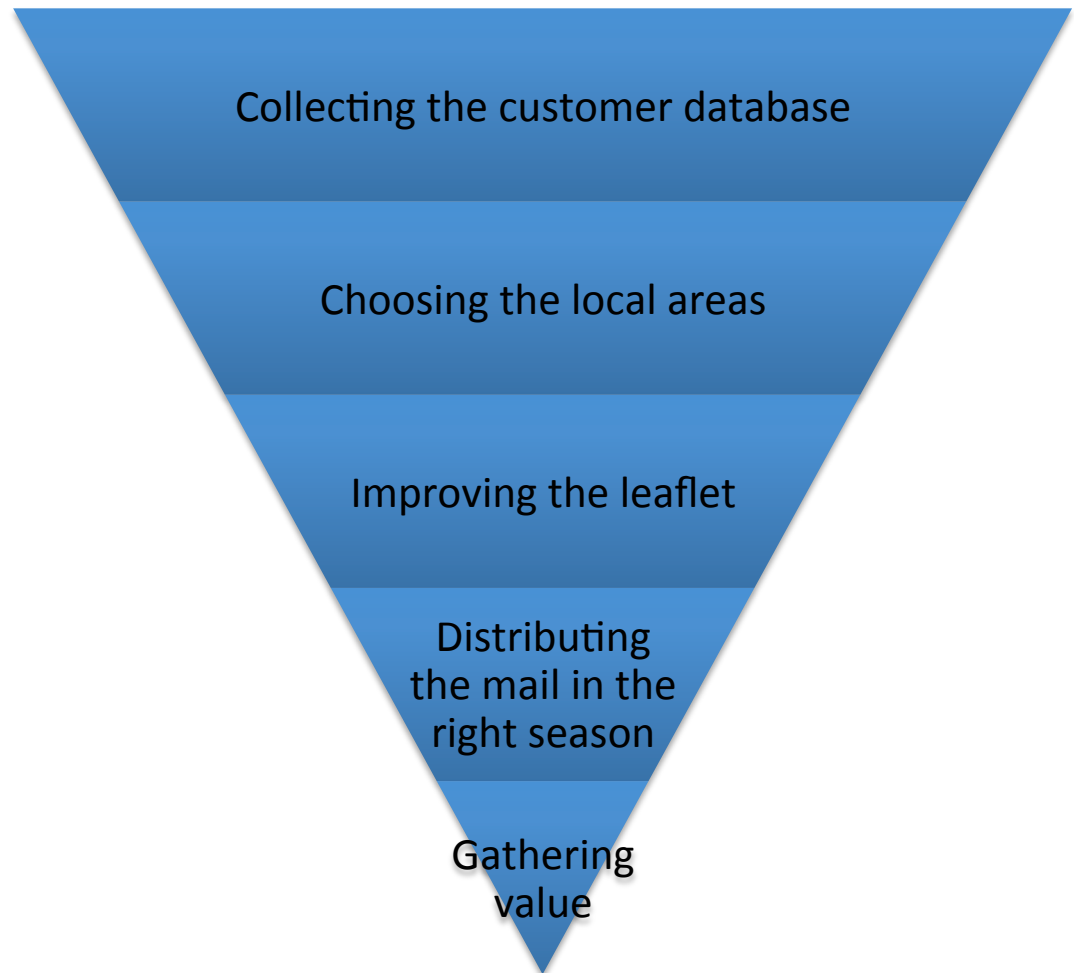


FIGURE 10. Private households marketing plan.

Database is collected from the public records of households and then used in the local areas, which are the most suitable by their age for the company. Houses should be the ones, which are built before the year 2000, so there is a need for a renovation. Leaflet should be improved to be more customers friendly by informing consumers to ask help about roofing's if needed. Mail should be distributed in two different times of year. First being before the summer ends and it should include information about preventing the damages on roofs. Second one should be during the spring when the roofs are revealed underneath the snow and damages could be repaired. After the marketing plan is created and put in to action, company needs to interact with customers who contact them. Either via phone calls or emails.

Problem with this approach is that it only affects people who are willing to receive advertisements through the postal services. Since, in Finland almost 15% of the population did not want to receive advertisements it does limit the customer base. (SSM 2014).

Costs of this method are already known since the design and distribution of the previous leaflet was 500 euros on 5000 leaflets. By knowing the previous costs, future strategies can be planned with an exact cost per household. (Interview, CEO 2016.)

7.2.2 Bigger buildings

Marketing strategy with a larger roofing area should be different, because the customer base is different. Customers will be apartment buildings, schools, factories and all the other larger buildings. All of those buildings have one thing in common; company or a person takes care of the building. Decisions are made by a housing association or a condominium. Therefore, all the marketing efforts should be targeted for those people who are responsible on decision-making. Those people are previously been reached only by relationships and it should be a good idea to direct market them by a person who goes from door-to-door.

To gather most value out of that interaction between the customer and the company, person who is marketing should be well aware of company operations. That person could be an existing worker of the company or the company should hire a person who then handles the marketing process. To compare how other companies have done their door-to-door marketing, they have hired a sales person who markets and sells services from door-to-door. The case company should also consider hiring and training a sales person who is marketing and selling at the same time like other companies are operating. They should back up that process by providing the customer with a particular leaflet, which is designed to act as a marketing tool like the direct mail. Since most of the jobs are expensive and require a long thought process on the customer's behalf. Following figure 11 explains the planning process for larger buildings.

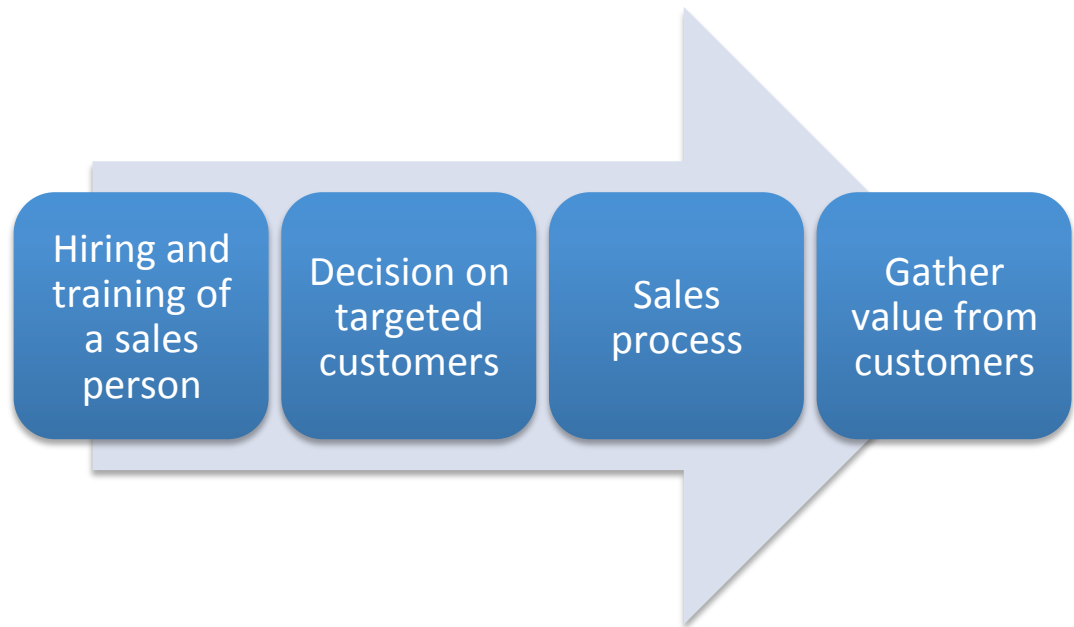


FIGURE 11. Marketing plan for larger buildings.

Problem with this approach is that sales person is more expensive than direct mail marketing method. That creates a situation where risk needs to be taken with this approach, so that the reward could be gathered. Also the results cannot be known before sales person is put to use. Some examples can be used from other companies, but their operations and sales persons could be trained differently and can not be compared against case company in this case.

Costs on this method are relatively high since a sales person needs to be hired and trained. To understand how much, comparisons from the companies who are using a sales person are presented.

Most of the sales people who are working with a base salary are earning around 2000-2800€ per month. Depending on the experience they have

on selling and their school education. (Palkkavertailu 2016.) Sometimes also sales people might have bonuses when making a certain amount of sales during the month or the whole salary is based on sales. It can be so that for every single service sold, employee gets their share in percentage out of the sales total. Bonuses then acts as an incentive for the employee who then needs work harder so that any money can be earned. The type of incentive salary is popular in the field of construction amongst the sales people.

All in all, the company should focus its sales persons in to the addresses where the profits are higher, meaning bigger buildings. Using the network of existing customers, which has been created over the years, could identify these buildings what company could target with sales people.

7.3 Plan Conclusion

To conclude the planning process, steps are presented in the following table.

TABLE 5. Development plan conclusion.

Private household marketing strategy	<ul style="list-style-type: none"> • Customers database is collected from the public records of households. • Local areas are chosen where the marketing is targeted. -> older households. • Leaflet improvement to be more customer friendly. • Mail distribution during the seasonality. -> spring and late summer. • Preparing to answer for customer contacts and providing them with help and service.
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<p>Schools, Factories, Apartment buildings = Bigger buildings</p>	<ul style="list-style-type: none"> • Hiring and training of a sales person. • Targeting and selecting the buildings from the public records, which are older. • Providing the sales person with a leaflet that can be given for the customer. • Sales process from door-to-door. • Preparing to answer customer contacts and providing them with help and service.
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As it can be seen from the table, strategies are different on each respective segment of customers. Company needs to segment customers firstly and then start the planning process. Like it was stated in the previous chapters, marketing planning should start with the marketing planning and identifying and understanding the target audience (Jobber & Lancaster 2003). After the company has identified the target audience, marketing campaign can be executed.

All in all, case company has to implement direct marketing strategies on both customer segments, which were identified by their roofing areas. Then proceed on implementing marketing actions.

8 CONCLUSION

This chapter concludes all the information gathered during the research and answers on the research questions presented. Also in the later chapter the validity and reliability of this research is presented. Lastly some suggestions on further research are explained.

8.1 Research question answers

Research focused on direct marketing and understanding the competitors marketing strategies. Those findings were used together to answer the main research question: **How should the case company direct market their operations to reach the maximum amount of new customers?**

To answer more profoundly for the research question, sub-questions were created and those are answered firstly.

What is direct marketing?

Direct marketing is a direct interaction between a consumer and a marketer. Marketers are using direct marketing to getting a response from the consumers. It is a database driven marketing method and all the consumers who are reached with direct marketing method are in some extent targeted directly. Customers can also be provided with information through interaction and it creates awareness about the services or products. Via direct contact customers can ask further questions and those can be answered immediately by verbally or through printed or electronic literature.

What are the differences between different direct marketing methods used in this research?

Used marketing methods in this research are different, because customer bases are different, and they cannot be reached as effectively when using a particular method. Therefore customer base need to be understood before marketing methods are chosen. Marketing methods used in this research were the traditional marketing methods used on construction

field: Direct mail and door-to-door. Direct mail is more about understanding and segmenting the customers where as door-to-door marketing is about engaging the customer's interest on any given location. Also door-to-door method is about selling products and not only about marketing. Costs on both methods are different and effectiveness cannot be compared since customers targeted are different.

How are direct competitors using marketing?

Competitors from the same sector are using marketing very similarly, but more publicly. Advertisements can be found more easily, when compared to the case company, and also the marketing channels are used more widely. Most of the marketing efforts can be found from the Internet where companies try to gather the interest of the consumers by various of services provided through their websites. Furthermore, direct mail and sales personnel were also used amongst the competitors and their strategies were benchmarked to back up the development plan in this research.

How should the case company direct market their operations to reach the maximum amount of new customers?

After researching the competitor's strategies and by having the discussion with the case company CEO, it was obvious that the direct marketing efforts should be used to reach more customers. But on how to reach maximum amount, it was vital to collect secondary data regarding the customer segmentation and direct marketing strategies. Customer segmentation helped to understand the fact on how the customers should be segmented. They were segmented in categories of private households and bigger buildings. Since customers were segmented, it was time to reflect the marketing strategy ideologies on the segments and it was decided that the private households are targeted with direct mail and bigger buildings with a sales person. That way case company could reach the customers who are most demanding the certain service.

8.2 Validity and reliability

Main purpose of the research was to seek answers on the research questions and the answers were found during the process. Information was found using primary and secondary sources. Primary information was collected from the interview with the company CEO and lot of the information was also coming from the experiences that the author has had during the years of working in the case company. Also previous and potential customers were interviewed. Secondary information was gathered from the books, journals and electronic sources. According to these facts it can be stated that the research is valid and reliable.

8.3 Suggestions on further research

Since this research was only focusing on the facts regarding direct marketing on construction sector like it was stated in the beginning of the research, it would be good for the company to understand more about marketing if other methods of marketing could be researched. Wider research about other marketing methods in the construction sector will help the case company to pursue more marketing channels.

9 SUMMARY

The target for this research was to provide knowledge about direct marketing and how customers can be targeted in construction sector. Final target was to use that learned knowledge in a development plan, which was created to help the case company to use effective direct marketing methods and gain more customers by using them.

This study started with examining the marketing concepts and since the goal was to collect strategies regarding direct marketing, methods of direct mail and door-to-door marketing were presented. Also the customer segments were presented so that they could be segmented in to more preferable segments. As the final goal was to find out how new customers could be reached in the industry of construction, other competitors marketing strategies were presented by the use of benchmarking process.

The case company and the industry were presented in the chapter five of the research, so that the company operations and the industry could be understood more profoundly. Direct competitors were presented so that the marketing in the sector could be identified. It was found out that the competitors are using more marketing when compared to the case company and their strategies were reflected on the development plan.

Research also wanted to find out reasons on how the company is operating and how the customers were gained. Interviews were targeted for company CEO and also for the previous and potential customers in the empirical part. Interviews proved that the company is not using enough marketing methods so that the maximum amount of customers could be reached.

Based on the theory and empirical part, development plan was conducted for the company. It was suggested that the company should segment their customers and use a particular strategy in the chosen segments. That way the company could reach their goal of gathering new customers by using new marketing channels.

In addition, this research has limitations since it is only considering direct marketing strategies and the whole industry of construction should be researched so that marketing efforts could be implemented more effective.

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APPENDICES

APPENDIX 1. Interview with the company CEO.

1. What methods are the company using on marketing?
2. How company has used marketing?
3. What type of customers the company has?
4. Why does company not use marketing?
5. How company sees competitors?
6. Any other things you want to add about the company, regarding marketing?

APPENDIX 2. Interview with previous customers.

1. Why you chose the case company services?
2. Were you satisfied in the company service?
3. How you would like to be reached with this type of matter in the future?

APPENDIX 3. Interview with potential customers.

1. Why you would like to choose the case company services?
2. How you would like to be reached by marketing, regarding the construction matters?