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# Marketing Plan for a-collection

2017

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<p>The aim of the present thesis was to create marketing plan for a-collection brand for the year 2017. The brand itself is a private label for the technical wholesale company Ahlsell and consists of heating, plumbing, air conditioning and electrical products. The products studied in this thesis are manufactured for the use of professional users at a reasonable price.</p> <p>The need for a marketing plan occurred because national sales objectives were not reached. A-collection as a brand has not before had an individual marketing plan, which has affected the sales results. With a well-structured marketing plan Ahlsell as a company is going to have better opportunities to create its own brand, brand visibility and sales figures. This can also be used as an example when planning marketing activities for other Ahlsell's private labels. That is why it was important to create a plan for marketing actions, budget and resources needed, in order to create the circumstances to implement the plan in action.</p> <p>This thesis was conducted as an action research. The research was supported by both qualitative and quantitative data. The researcher worked inside the company closely co-operating with all the different departments. This action research was mainly based on interviews and the researcher's own perceptions and findings to achieve the best practices to develop the marketing plan for a-collection brand. In addition, quantitative data offered by the company's Enterprise Resource Planning system and marketing communication tools are used as part of analyzing and testing.</p> <p>As a result a lot of potential in the brand was identified. In order to accomplish all activities there still needs to be certain amount of money budgeted for a-collection marketing. The total costs for the planned actions are 180 000€ for the first year and about 100 000€ - 120 000€ for the following years. Many of the actions are conducted as in-house accomplishments but there is still going to be a lack of human resources.</p> <p>At the pilot phase, the sales almost doubled, which clearly indicates that Ahlsell used the right channels and targeted their message to the right audience. Based on this, it can be noted that it would be beneficial to start implementing the marketing plan introduced in the present thesis.</p>	
Keywords	Practice based study, action research, marketing plan, B2B marketing, purchase process, technical wholesale industry, HVAC, electrical, brand visibility

## Table of contents

1	Introduction	1
1.1	Purpose and background	1
1.2	Research design	2
2	Conceptual framework	3
2.1	Acquire	6
2.2	Convert	7
2.3	Serve	8
2.4	Sell	10
2.5	Keep	11
3	Marketing plan	13
3.1	Current state analysis	13
3.1.1	Products	15
3.1.2	Customers	17
3.1.3	Industry	18
3.1.4	Market	19
3.1.5	Competitors	20
3.2	Objectives	21
3.3	Plan of actions	22
3.3.1	Acquire	22
3.3.2	Convert	28
3.3.3	Serve	30
3.3.4	Sell	32
3.3.5	Keep	34
3.4	Tracking and testing	36
3.4.1	Timing and responsibilities	39
3.4.2	Budget and resources	40
4	Conclusions	40
	References	43
	Appendices	
	Appendix 1. The annual plan for a-collection marketing activities 2017	
	Appendix 2. Cost and resource plan 2017	

## 1 Introduction

Ahlsell is the leading technical wholesaler in the Nordic Countries and operates in several different business areas including heating and plumbing, electrical, industry and refrigeration. Company's product range also includes goods that are Ahlsell's private label products from all of the mentioned product categories.

In this paper a-collection is one of these own brands that has been chosen to be an example of systematic planning and development of marketing activities for year 2017.

A-collection is Ahlsell's own product line that is sold in Ahlsell Finland, Sweden and Norway. A-collection as a brand consists of carefully selected products for electrical and plumbing -product groups for a reasonable price. In Sweden a-collection is more profitable line than in Finland but the situation is that there are no properly designed marketing activities or plan in any Ahlsell countries. At the moment all activities are dependent on product managers' decisions to execute any marketing.

The aim of this thesis is to create a marketing plan for the a-collection. Well structured plan of actions will provide better opportunities to create this brand, its recognition and especially its sales figures. This can work as a baseline when planning marketing activities for other Ahlsell's private labels in the future.

### 1.1 Purpose and background

Based on discussions with Ahlsell's sales directors it is clear that a-collection as a brand is not familiar enough among company's customers or even within its own employees. This leads to situation where company's potential to gain profit is not used properly. This is seen as an important issue because Ahlsell could increase its profits by selling these private label products instead of suppliers' similar products which are more expensive for Ahlsell as a wholesaler and also for the end users.

Given this, the objective of this study is to improve the awareness of a-collection products among Ahlsell's customers. Aim is also motivate Ahlsell's sales personnel to im-

prove their product knowledge and find that way more efficient ways to sell these products. That way higher number of private label products sold can be achieved.

By planning the marketing actions and responsibilities in the organization, a-collection as a product entity has good opportunity to increase its sales figures. This is because at the moment there is no actual plan of actions for this brand. There are no responsibilities shared between employees or any budget reserved for marketing actions concerning these private label products. All this together leads to a situation where no-one is actually active on selling these products and desired profits will stay unattainable without structured actions.

## 1.2 Research design

This thesis has been conducted as a practice based study. Research is supported by both qualitative and quantitative data. Researcher has been working inside the company closely co-operating with all the different departments who have an influence on a-collection products from choosing the product all the way to after sales services.

This action research is mainly based on interviews and researchers' own perceptions and findings to achieve the best practices to develop marketing plan for a-collection brand. Managerial level of marketing, sales and acquisition personnel are in important role when searching the needs and barriers inside the company and also when analyzing customer behavior and demands. Sales directors are the right group on setting the objectives for aimed sales figures and also responsible for defining outlines for investments and resources to be used.

Taking into consideration the fact that Ahlsell Finland is just one part of the whole Nordic level organization it is crucial also to find out what actions have been chose and which channels are used in other Ahlsell countries, especially Sweden and Norway as the largest operators, to improve their private label marketing. Marketing managers and person in charge of private labels, in both Sweden and Norway, have been interviewed to find out their best practices. These can be considered as guidance in the case of marketing plan created for Ahlsell Finland. To obtain the clear picture of marketing activities and marketing materials conducted in other countries their home pages and Intranet are studied carefully.

Qualitative research is supported by marketing literature and analyzing the sales figures and reports available from company's ERP system. There is meaningful information available concerning a-collection sales from the last years. Final outcome is based on researches conclusions and analyzes based on collected data.

## **2 Conceptual framework**

Conceptual framework for this study is based on customer purchasing process. Marketing activities chosen for the marketing plan presented in this study will be based on different stages of customers' behavior during this process.

In order to have long profitable customer relationships and continuous sales it is important to track the phase of customers buying process in every step and support the actions towards purchase, re-buys and loyalty. As noted by Chaffey and Smith (2008) companies should get closer to customers by tracking them, asking them questions, creating a dialogue and learning about them and their needs that way.

The actual customer purchasing process starts by acquiring customer to recognize the product and get interested about it. In the second phase, when potential customer is interested about the product, possibilities to find information and also compare and evaluate those are discussed. Thirdly serving the customer in order to make the actual purchase as smooth as possible and offer suitable channels for different customers are analyzed. Next step in the process is selling which consists of guarantee and quality issues and mapping possibilities to re-buys and ongoing customer relationship. Finally keeping the customer is discussed while pointing out the importance of customer satisfaction and loyalty.

According to Luke (2013) there are five steps to taken into consideration when designing comprehensive marketing plan. This study is also following these steps in order to accomplish beneficial flow of working through the whole organization. Five main steps, Luke (2013) has mentioned are: clearly set goals and objectives, identifying strategies and tactics, budget for planned actions, set schedule and measuring the results. In this paper these steps will be discussed in more details. When talking about business organizations, all marketing should support revenue growth and profitable relationships. In the case of Ahlsell, its sales directors has set clear objectives for sales figures, which

are supported by the marketing plan established in this thesis. Actions have been chosen in order to achieve these goals.

After defining every planned action there are also tools and responsible people, budget and realistic schedule identified for every step, in order to maintain the chosen strategies successfully on time. Final step in this paper is to test and measure results, as preferred also by Luke (2013). "The final step in the marketing plan process is to measure your results and make adjustments throughout the year. Ideally, you should track the source of all new leads, prospects, and clients in your CRM and build the dashboards and reports that allow you to see the results of your marketing efforts in real time" (Luke, 2013, p.21).

Ahlsell also most probably has many loyal customers and profitable relationships but these are not tracked or developed enough. In order to achieve such profitable relationships company must find out which channels are influencing their sales most and concentrate on these. Web analytics are one opportunity according to Chaffey and Smith (2008) that can help to check whether your objectives are achieved and which needs improvements. Analytics can be used to track the popularity of brand and how this varies through time with seasonality, offline and online campaigns. Web analytics also provide opportunity to see what the most popular sites are and how long time customers spend on specific pages. Web analytics also offer data of which customer segments visit the pages and precise information of their purchase habits. Web statistics also track customers so that company gets the data how customers are searching and how they move from one page to another. Analytics can also reveal items or pages that are not popular.

Nevertheless, acquiring new customers is still the most important issue when discussing how any company can become or maintain successful according to Buttell (2009). Without buying customers it is pointless to discuss about the phases of their buying processes. "There's no better way to accomplish that task than to create and implement a marketing plan. An effective marketing plan defines and organizes your marketing efforts, so that you are focused on implementing the vision of your practice through targeted efforts, rather than trying to be all things to all people and ending up being nothing to anyone" (Buttell, 2009, p. 6).

On the other hand, Ahlsell does have already buying customers and likely to gather even more with carefully chosen actions. Therefore it is decent to discuss also the fact that before the actual marketing plan can be designed it is important to find out what customers are really thinking before the actual buying situation. The entire flow of different stages customers go through during the purchase process need to be mapped in order to find out how and why customers are really buying. According to Chaffey and Smith (2008) purchasing processes are divided mainly into two different modes of buying; high- and low-involvement purchases.

For a high-involvement purchase, like expensive machinery, in the case of a-collection products, customer might go through a long process all away from identification of existing problem, to search of information available, to evaluate suitability of product, to actual buying decision and re-buys. This kind of purchase process can be supported by a relevant web site or advertisement that helps buyers move through all, or most, of these stages in the buying process. Customers are different and some of them prefer to browse online and buy offline when some of them are willing to go through the whole process, testing, browsing and buying, online. That is why it seems to be important to be able to offer both online and offline options for customers to choose.

In the other hand, not all purchases require long process with multiple steps. When talking about low-involvement purchases, that are every day actions for Ahlsell's customers, this much effort is not needed. This kind of purchases might be the issue when talking about for example low cost spare parts.

All the stages of customer purchase process and different means to support that can be seen in the next figure. These steps and actions are discussed with more details in next theoretical paragraphs and the marketing plan itself.

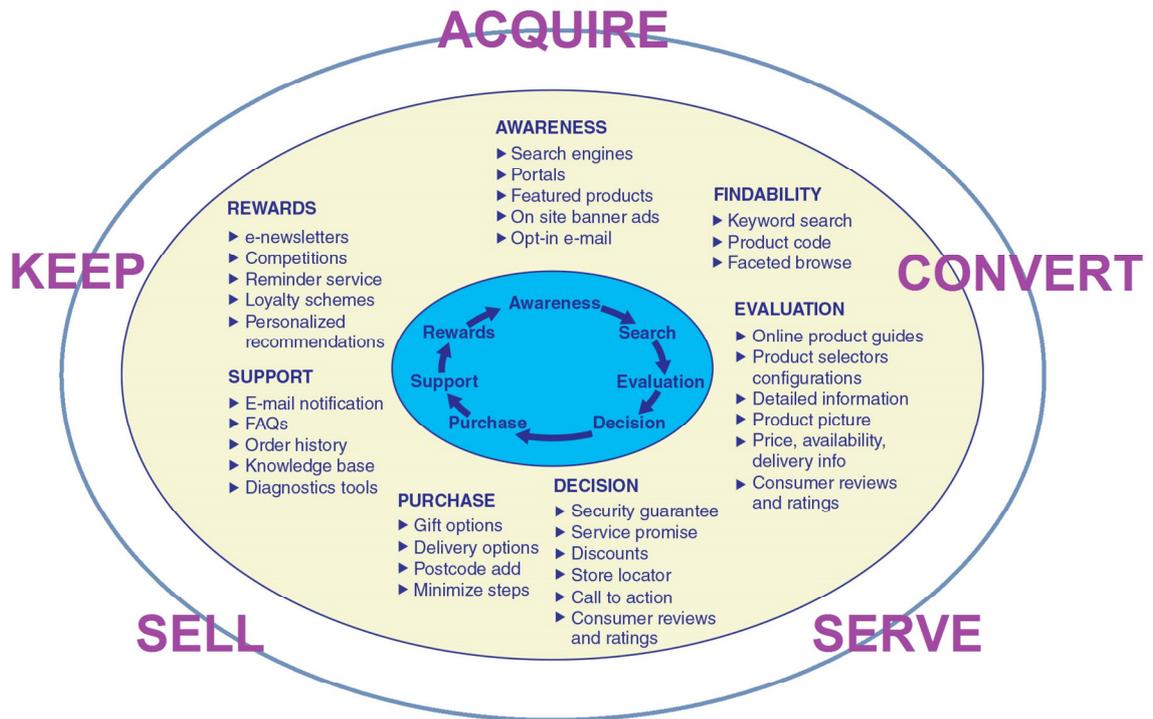


Figure 1. Model based on customer's buying process for starting point to design content into marketing plan of a-collection.

## 2.1 Acquire

In order to acquire customer Ahlsell as a product provider should have a-collection products visible enough for potential buyers. This is the crucial starting point in order to get them recognize the product, become interested about it and also start finding more information about it which leads to the actual buying decision.

At the moment potential customers for a-collection are not aware enough existence of the whole brand and products it is offering. It is possible Customer recognizes these products in Ahlsell web store, in product catalogues or in some of the campaign magazines. The truth still is that the brand does not separate itself from others in these medias and do not tell the benefits brand is offering for the customer. On the other words, a-collection disappears among numerous similar products and more well known brands.

It also has to be noted that a-collection products are not advertised nor campaigned with adequate effort at the moment. This occurs from the reality that there are no re-

sponsibilities set inside the organization that would support the development of brand visibility and recognition.

Part of the customer's acquiring process after recognition is to get the potential buyer interested enough to find information about the product and get familiar with it that way. As noted by Chaffey and Smith (2008) information gathering starts after customer has recognized a problem or need he/she finds important to get solution for. It is crucial to understand where and how customers search information. Increasing trend nowadays is to use web to find the needed information effectively. In the case of a-collection products, when customer has established a need, has recognized these products and also became interested to find more information, the Ahlsell's website is the best available source for that. There is open data base available where anyone is able to find product information without logging in. This still requires information about brand name or product number to find the accurate information – it is quite unlikely that customer finds this information accidentally from assortment of more than forty thousand other products. There is still lack of information which could support customer's purchasing decision. Even if customer is interested to search information about a-collection products all he/she is going to find is merely technical information instead the benefits compared to other brands.

In the case interested customer visits in one of Ahlsell's stores, sales personnel can offer product brochure which have been made for very small part of the a-collection products. In many cases, there are lot of campaign magazines and brochures in the stores but not all of them have put a-collection leaflets for visible place or they do not have these at all. Fortunately all Ahsell stores have had their own a-collection shelf end where some of the parts and products are introduced for customers who come into the store. These would still be needed for all main categories instead of one product family.

## 2.2 Convert

Evaluation of a-collection products based on information available is not simple and efficient enough for the customer. The most supporting information towards actual purchasing decision is probably found in Ahlsell's web store where customer can quite easily see the price that in most cases is lower than the price of suppliers' substitutive products. Chaffey and Smith (2008) concluded that it is important and beneficial for companies to present product features and tell about the benefits of the brand as ex-

tensively as possible in their own site which allows customer to do in-depth analysis and also make it easier for buyer to find all relevant information in same location instead searching elsewhere.

Also customer is able to get support and information from sales personnel to evaluation process but its outcome depends on sales person's level of expertise and knowledge about a-collection products. If he/she does not have accurate information it leads to situation where sales person is not comfortable to sell and recommend these products. According to Ahlsell's sales directors it is obvious that sales personnel do not put effort enough on selling these products even if it should be automatic reaction to offer private label product to substitute the one customer is asking for.

At the moment comparing products between a-collection and substitutive brands is not supported by Ahlsell at all, which makes it too complicated for customer even if he/she would be interested about the benefits a-collection product would offer. Products should be more easily compared and benefits shown more clearly in order to grow customer's willingness to make purchase decision towards a-collection products.

### 2.3 Serve

When buying process has reached the point where customer has been ensured and he/she is ready to make the buying decision it is extremely important to make the actual purchase as smooth as possible and serve the customer genuinely. As Chaffey and Smith (2008) noted once the decision has been made to complete the purchase, it is important to keep the customer in that state instead of losing him/her. This can be ensured by making the buying process simple enough for the customer. At this stage it is beneficial also to give for customers the choice of buying through alternative channels. That way customer is able to choose the alternative that is most comfortable for him/her to execute the actual purchase.

After obtained purchasing decision there are various channels for customer to choose when placing an order. This is important because different customers prefer different communication tools, channels or modes especially when they are making purchases.

The actual purchase can be made by Ahlsell's webshop, personally in any of the stores or by calling or e-mailing the sales personnel. "Often an appropriate incentive to 'buy

now' either online or offline helps to push the buyer over the edge and into the sale. The purchase can be made online particularly if suitable reassurances are made" (Chaffey and Smith, 2008, p.152). When considering the situation of a-collection products there is not enough suitable information available online at the moment in order to ensure the purchase. Also problem that often occurs in the offline situation is that quality of sales situation is unfortunately too dependable of sales persons own activity and interest to learn about a-collection products and their benefits. Because of that it might cause the lacking element that would offer the push into actual sales.

Chaffey and Smith (2008) also noted that company web sites should integrate with all other communications channels, both online and offline, according to different buying modes. It needs to be taken into account when paying attention to customers' preferences of browsing, comparing, selecting or buying products from different channels. In many cases customers are not using only one channel during their purchase process but conduct some activities of the buying process offline and some online. That is why site design and offline marketing communications should be integrated to support such mixed-mode buying.

When considering Ahlsell's customers there are people from all categories, from online buyer who are willing to go through the whole process online, to old school customers who prefer to visit in the store or call and communicate directly their own sales person, and customers between that who find the information and make comparing online but still want to make the actual purchase personally via chosen offline channel. The new website of Ahlsell serves online customers quite well at the moment. Web site offers clear and simple web shop with effective search engine, where all the product information is available, or should be at least. There are some lacks of information because of the amount of data needed and lack of resources handling it at the moment. Also genuine offline customers are served traditionally well as they are used to and Ahlsell as a company is trying to guide them to try their new online services too. This message is presented widely through marketing communication and sales personnel. For customers who are categorized into mixed-mode buying, the web site offers telephone numbers, e-mail addresses and street addresses for all the sales offices and sales personnel. That way customer is able to choose the preferred channel.

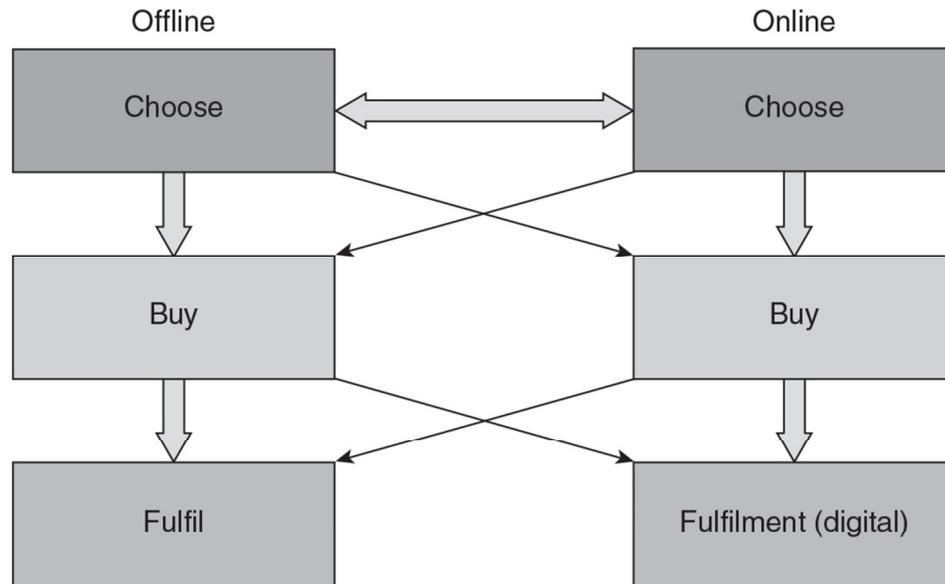


Figure 2. Alternative buying modes.

When actual purchase has been made it is also important that it is simple enough for customer to get the bought item into actual use and that there are clear instructions and support available if needed. That way customer feels that money paid is equivalent for item bought in the very beginning. In the case of a-collection this has covered via guidelines that are delivered with the product and sales personnel is helping and giving instructions when needed. As noted before, this is too dependent on sales personnel's willingness to serve customer and putting extra effort to finding information about the product itself. Unfortunately, this leads to situation where not all sales people have enough interest or information to support the customer. Sales personnel are also not reachable all the time why it would be beneficial to have some tips and instructions available also online.

## 2.4 Sell

When product has been taken into use it should claim all promises that have been made in the phase of acquiring customer. That is why all the goods under a-collection brand should meet expected quality level even if the one main competitive advantage of the brand is lower price when compared to others. There has been some quality issues which has lead to dropping some items out off the offered assortment. Situations where customer is not pleased, with the product bought or in the case of faults,

customer further satisfaction is covered by offering totally new product to replace the faults, for free.

In order to create continuous purchases customer need to be supported and communicated during the using phase of the product. Unfortunately customers are not encouraged by any mean to buy a-collection products again after first purchase at the moment. Only support available towards re-buys is customers own experiences based on earlier purchases which may conduct re-buys if the customer has been satisfied with his/her product.

In order to achieve higher profits it would be beneficial to motivate customers to make re-buys by communicating for them. For example one after sales service could be straight channel for the right person who is responsible of support and guarantee issues. Recently there is one person recruited who is responsible of all a-collection issues in HVAC branch but this is not communicated well enough for customers. As Chaffey and Smith (2008) noted it would be wise to have e-mail and web site available that offers support and service for customers. This would support customers to make re-buys and become loyal for the brand.

## 2.5 Keep

As noted above by Chaffey and Smith (2008) it would be beneficial for company to be able to reach re-buys and keep the existing customers. It has been estimated to be even five times more profitable for companies to maintaining the existing customer relations and having continuous sales than finding totally new ones. That is why it is extremely important to keep customers satisfied and achieve loyalty and continuous sales.

Because satisfied customer is also most probably willing to recommend products for others, in Ahlsell's case for other professional users, it would be beneficial according to Kotler (2003) to involve customers in to process of making or delivering the product. This has not been taken into account at Ahlsell at the moment. Also as Kotler (2003) noted social channels and word of mouth is influencing in sixty percent of cases when new brand is taking into use. This is because people always ask others – friends, relatives, professionals – for a recommendation when they have a need for some product or service. If customer who has confidence in the recommendation, he/she normally act

on the referral. When discussing situations like this, the recommender has benefited product or service bought as well as the person who is seeking answer for ongoing need. Word of mouth is convincing among people and effective for company. Satisfied customers are likely to make re-buys but they are also walking and talking advertisements for the brand. This is also relatively cost effective or even free way of market brand by satisfied customers.

Another mean Kotler (2003) mentioned was story telling by brand. Stories work because they communicate on an emotional level with customers. That could be an opportunity also in the case of a-collection for example by creating character that is, kind of a face of brand, telling the story of a-collection products that are making professionals' lives easier for affordable price through all the marketing communication materials. It would also make brand easier to remember and identify itself.

The best customers can also be educated and used as reference customers in order to create trustworthiness among other clients as Kotler (2003) argued.

Last but not the least Kotler (2003) discusses about importance of speed in complaint handling. As mentioned earlier set channel and proper answers in right time through a-collection service is important because negative feelings among customers may linger for years. Complaint handled well on the other hand may make the customer more satisfied than he/she was before complaint was made.

In the case of Ahlsell there is still a lack of knowledge if the customers using a-collection products are satisfied or not and what are they telling to their associates. Customers also do not have any opportunities to influence on product features or assortment which might strengthen the network of satisfied and recommending customers. Current case is that products are mainly chosen globally by Ahlsell's Chinese organization and Finnish product managers who are working in acquisition organization make the decisions concerning a-collection assortment for Finnish market. Problem is that they have very little to do with customer interface and because possible customer feedback is not saved anywhere people that make the decisions do not know what customers are wishing or thinking.

### 3 Marketing plan

In order to gain more profits from a-collection products it is important have marketing plan and clear responsibilities for this product line. The main goal of this study is to design needed actions based on customer needs and customers' buying process in order to conduct efficient marketing communication which reaches its target group and can be seen on developed sales figures in the future.

Marketing plan for a-collection brand is conducted strongly from customer point of view and how Ahlsell can affect customers' buying process towards purchase more of these products.

Figure below is another version of all the steps including in customer buying process and that way base for the steps this marketing plan is following.

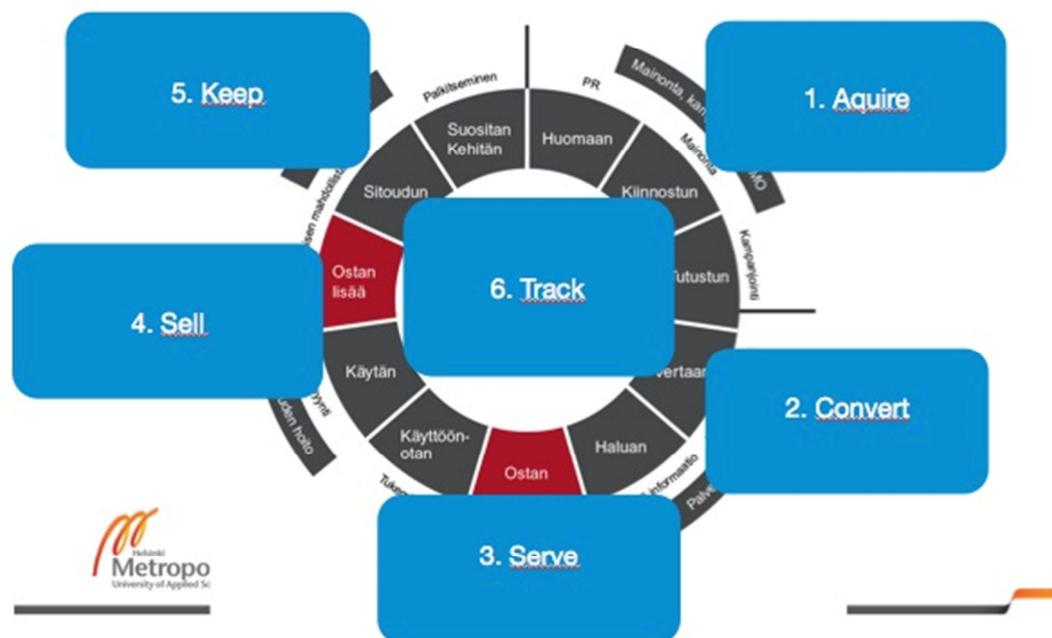


Figure 3. Purchase process is a base for plan of marketing actions.

#### 3.1 Current state analysis

A-collection is Ahlsell's own product line that is sold in Ahlsell Finland, Sweden and Norway. This brand includes various goods from HVAC and electrical branches. Products are carefully chosen and cost effective choice for professional use. In Sweden a-

collection is more profitable line than in Finland but the situation is that there are no properly designed marketing plan in any Ahlsell countries. At the moment all activities are dependent on product managers' decisions to execute any marketing actions.

As a brand a-collection is not new, it has been launched already two decades ago. Because of lacking marketing and enough focused actions this product line has not still reached aimed amount of sales. With right activities it still has good opportunities to grow and become more profitable line.

Ahlsell has concern level project which includes a-collection sales development and this needs to be quarterly reported to concern's directors. Branch specific objectives has been set for every country and in the case of Finland's HVAC branch, and its private label sales, this means need to increase private label sales from 9% to 13% from all warehouse and store sales this year. In addition, this means more than 5 million euro turnover increase within these products. This aim cannot be reached without active operations.

In order to achieve the level of satisfying sales figures Ahlsell as a company needs to understand and communicate the possibilities and benefits of these products. Also sales personnel needs to trust in their own product. Objectives have also been divided to product categories regionally to clear the work amount needed in store level.

At the moment a-collection has been marketed very little; it has been introduced in Ahlsell's product catalogues and web shop side by side with the other brands. Designed marketing activities are still not been systematically thought or executed. This leads to situation where this brand has not been visible enough for potential customers. Also sales department is unable to sell these products effectively enough, because of lacking product information.

Based on discussions with marketing department representatives in Sweden the surprising information that rose up is the lack of any kind of marketing plan also in the case of Sweden, which is the leading country in Ahlsell Corporation and also having more products under a-collection label than Ahlsell Finland.

In order to achieve the set objectives concerning private label sales a-collection need to be taken into part of Ahlsell's everyday life and all marketing activities to ease the goals to be reached.

### 3.1.1 Products

A-collection brand promises to offer quality for reasonable price for products from HVAC and electrical field. These products are mainly 5% cheaper for the customer than the other substitutive products. That way cheaper price is the main competitive advantage for the products of this brand. a-collection product line consists of basic, high volume goods which have substitutive options from many other suppliers.

Products are carefully chosen by local purchase department in Asia or produced in co-operation with Ahlsell's suppliers. It can also be noted that products are comparable for suppliers' products when discussing quality issues. Of course Ahlsell needs to be careful that this promise is always fulfilled and ensure quality meets the expectations with every product chosen to represent the brand. Final decisions concerning products are made by category group on concern level and after that product managers nationally. All the products are cost effective, both for Ahlsell as a supplier and for customer, when comparing to substitutive products from other suppliers. It would be extremely beneficial for Ahlsell to sell these products more and gain more profit than by selling suppliers' similar products. One problem still is, in the case of Ahlsell, that there are not enough products under this brand and margins are not used to develop the brand image in customers' minds.

There are still more than 2400 individual a-collection products stored in Ahlsell's central warehouse and in its sales programme in the end of Q3/2016. In practice, this means that all of these products are also available in Ahlsell web shop and customer is able to get the product for next morning from placed order all around the Finland. In total 87% of these items are HVAC products with annual sales for approximately 7 700 000€ and 13% electrical products with sales amount of 1 100 000€ for last twelve months.

All of the products stored by Ahlsell, including these a-collection goods, are presented in Ahlsell's web store, open data base in Ahlsell's web site and printed catalogues company is offering for their customers. Some product brochures have also been produced for small part of a-collection products. These brochures are available in Ahlsell's

Intranet for use of sales personnel and in some stores for customer use. Ahlsell's customers may have been recognizing some of the products also as a part of wider campaigns that consist of many products. Problem here is that in web based solutions there are thousands of other products and a-collection as a product line is not visible enough. That is why products may be hard to differentiate from other more known brands. There is no channel set for this brand itself to tell customers about product line as an entity and benefits it's offering.

As noted before private label products are profitable for Ahlsell because those have high margins compared to suppliers' products. Still it has to take into account that these margins need to cover for example after sales services and actions for marketing communications that have not been focused earlier almost at all. When comparing margins of these products between other Ahlsell countries it seems that Finland has the highest margin level in the Nordics. Therefore margins are going to be dropped a little and sales prices decreased to achieve higher volumes in a-collection sales. Part of the pricing strategy still is that products cannot be too inexpensive because of the brand image. The message of whole brand is to be product for professional users. One issue to consider is that suppliers are important asset for Ahlsell and they should not be irritated too much by pricing private label products too low.

In order to grow the sales figures there should be wider product range available under a-collection brand and new interesting products launched continuously. Whole new categories of private label products are needed to ensure profitable product line that answers customer needs. This means more efficient concentration on a-collection product category from local product managers and also concern level category group, which makes the final decision of new products. In the case of Finland product managers will be supported even more to find the new suitable products and product groups that could be part of the a-collection brand.

A-collection goods which are presented in Ahlsell's web store, open data base in Ahlsell's web site and printed catalogues need to be taken under improvement. These sources of information need to offer customer also other information than technical data. Suitable information about the benefits brand is offering and visions that builds the brand image. In order to make these products actually interesting for customers there need to also be own a-collection site built in Ahlsell's home page where benefits and information about the brand is easily available for customers. Product brochures

for all product lines need to be produced and set available on built a-collection site. These also need to be located in all stores for customer use and for Ahlsell's own sales staff. Products need to take part on every campaign Ahlsell produces and become visible in stores more efficiently.

### 3.1.2 Customers

Customers that have purchased a-collection products typically are small and medium size installation businesses. Besides these one important group are technical designers should be also taken into close consideration. This is important group because designers are the starting point where products are chosen for all bigger construction and maintaining projects. These persons who choose HVAC and electrical products into new targets are the persons who should be aware of existence and also the benefits a-collection products are offering.

When concerning technical wholesaler business, in many cases, the person who buys the product and the actual end user is not the same person. Customer base includes installers, designers and construction companies. The actual purchasing decision, especially in larger organizations, is made by professional purchaser who is not personally using the product. Things that affect on purchase decisions in these cases are mainly costs, availability, logistics, sustainability and reputation of the brand. The main target group for a-collection products is still the small installation and construction companies with from one to four installers. This group consists of almost 2 700 customer companies, in the case of Ahlsell.

Small installation companies have lot more potential on making purchases. That is why this is supported by more customer friendly pricing and more efficient marketing activities. Interest towards a-collection can be only created by increasing its visibility and customer's recognition and that way willingness to choose these products.

The other important potential customer segment, technical designers, are going to be connected, contacted and communicated with high intensity in the future. Because technical designers do not know a-collection products at the moment well enough, they do not include those in their plans either. Touch point in this case is the constructor that can be recommended to make a proposal for designer to change the chosen products for substitutive ones - a-collection. In order to achieve sales this way, Ahlsell still needs

communication towards designers which is going to be done by sending them product information and also by inviting them into a-collection events, where they will hopefully find these products suitable for their becoming projects.

### 3.1.3 Industry

Industry itself consist of numerous players from both branches; heating, plumbing and air conditioning as well as electrical field. There are many specialized producers, wholesalers and designers who decide which products will be used. Besides these there are also technicians who install the chosen products and finally the end user who lives or works in premises where HVAC and electrical equipments have been installed.

HVAC branch is very traditional and the main products have been on the market for decades or even centuries. Of course, goods that are visible for end user, for example toilet seats, are also updated every now and then. But when discussing about pipes and other invisible construction solutions, those are quite traditional and stable, if no new and better materials will be invented. Most of the companies making business in this field have long traditions and rather traditional and conservative marketing activities. These are also known by other parties, customers and competitors and usually replayed almost unchanged from year to another.

Electricity field, on the other hand, is changing and developing all the time because of new inventions and technologies. Also demand of luxury items and use of new technologies is rising when end users are nowadays willing to invest more on lightning and other electrical solutions. This leads to situation where launching novelties is part of marketing actions within the industry. These will be also used more efficiently with a-collection product marketing, for example by social media and videos that will be taken into use.

There are yearly trade shows where companies have their own fair areas, national campaigns conducted by wholesalers and suppliers informative product brochures and web sites. Many suppliers conduct their marketing activities in co-operation with the biggest wholesalers who have wide customer base and are logical purchase channel for customers in most cases. This can be seen for example when wholesalers, as

Ahlsell is too, are promoting suppliers' products in their own campaigns and stores and receiving payment for that.

In the case of a-collection, Ahlsell should consider the whole brand more like a supplier and have certain amount of money budgeted for various marketing actions in order to promote these products more on its own channels. As a product line a-collection cannot be considered as a novelty but it might be right angle to launch this brand into customers' awareness. It is important, especially in this point where it has not been done properly in time when it has been new on a market.

#### 3.1.4 Market

Most HVAC and electrical goods for professional use are sold for companies by wholesalers. Some products are also sold by the actual manufacturer but professional customers, in many cases, do value more supplier who is able to offer all needed products for reasonable price instead of one specific product. As noted before, customer gets a-collection products from Ahlsell with lower price, when comparing to substitutive products, but also all the other goods needed.

There still are many more known brands and suppliers who are offering similar products. On the other words, there is nothing new or different that could totally change the market, when discussing about a-collection as a brand.

That is why a-collection needs to gain market share with right marketing actions which makes it possible to get the target audience aware and interested about the products. That way it is possible to change their purchases from usual producer's products into a-collection ones.

As noted, Ahlsell has increased its sales while its margins have decreased. In order to correct the situation Ahlsell aims to grow the sales volumes in smaller customers because there is a lot of unused buying potential and those customers also have higher prices compared to bigger companies. In the case of a-collection this means that one way to increase volumes is to decrease prices, which is possible because of high margin level on private label products and higher prices of small customers, and increase volumes that way. With right pricing strategy this leads to a situation where

sales increases in wanted customer group, and over all, profit margin strengthens with higher market share.

### 3.1.5 Competitors

There are few main players in the market competing with Ahlsell. The main competitor from the very beginning for Ahlsell has been Finnish family company Onninen, recently merged to Kesko, which has long traditions in the market and strong background from HVAC field. Onninen is also offering electrical products for its customers which lead to situation where product range is very similar when comparing to Ahlsell. Furthermore there are also few significant and more branch focused competitors; for example LVI-Dahl from HVAC field and SLO and Rexel from electrical side. Besides these main competitors there are several smaller wholesalers, individual shops, hardware stores and web shops that are offering some same products but with smaller range of products as a whole.

Ahlsell's main competitors also have their own private label product lines; Onninen's Online and OPA brands, and LVI-Dahl's Altech, Alterna and NOVIPro. Onninen as a market leader has been working with private labels lot longer than Ahlsell and has wider product range under the own product labels. That is one reason Onninen is making lot more profit with these brands. Especially this difference can be seen on air conditioning branch, where Ahlsell has only few items, while competitor has the whole product line available under their own brand.

These brands can partly be seen as competitors, when discussing about a-collection, but customers' decisions from which wholesaler to buy are most probably not still made based on these private label products. Because of that, it is more logic to consider suppliers' substitutive products more accurate competitors for these private label products. When customer has decided to buy products they need from Ahlsell it is possible to offer and replace a-collection goods, as an alternative option, for the suppliers products customer is going to buy anyway.

This still might cause problems with some of the suppliers because they do have their own sales objectives for each wholesaler. Because of generalization of private label products suppliers have been forced to accept wholesalers own brands too, because their business is still dependable on sales offered by wholesalers. On the other hand

also wholesaler is dependable of suppliers why it is important not to mess for example range of pricing too much whit private label products. In order to find the situation that pleases both sides Ahlsell should also be alert if supplier is willing to offer their product to be sold under a-collection brand and develop the whole product line that way and benefit both operators.

When comparing a-collection to private product lines of Ahlsell's main competitors it is clear that more product families are needed, in order to reach the same profitability through private label products. First product group that needs to be taken under improvement is isolation that need to be part of a-collection brand with its own products. It is likely that also Ahlsell will achieve more market share with a-collection products under time but this could be intensified by right products, marketing activities and creating image of the brand instead of waiting only time to do its magic.

### 3.2 Objectives

Objective of creating structured marketing plan for a-collection product line is to achieve visibility and recognition among Ahlsell's customers and gain more market share as well as profits that way. By planning the marketing actions and responsibilities of the chosen operations, a-collection as a product entity has good opportunity to increase its sales figures. This is important part of the whole company strategy on Nordic level.

Another goal is to achieve the situation where sales personnel knows the products and have reliable support available to be able to sell this product line effectively.

In order to achieve these there need to be clear actions, schedule and responsibilities shared that are clearly communicated in Ahlsell's organization. This plan can be also used as a base for plans for becoming years and other private label brands. That is why it is important to plan all the actions and materials so that they can be translated and used in other countries too, if needed.

### 3.3 Plan of actions

Good starting point for planned actions is to realise that a-collection products need to increase their visibility among potential customers. Besides that Ahlsell cannot forget the importance of inner marketing especially for the sales personnel but also other departments who all are able to promote these products by their own work and decisions related to their missions. Personnel need to know why to sell or choose these products for campaign and how Ahlsell will benefit on this instead of promoting suppliers products. This demands inner consulting, training and communication before objectives can be achieved from customers' side.

One important issue of planning and also executing the plans is set budget for a-collection marketing. There is common marketing budget for all activities marketing department is implementing but because many of these actions are fund by suppliers' support it would contribute plans to become actions if there were clear budget reserved for a-collection marketing activities.

In order to reach the set objectives there need to be plan of actions which is based on customer purchase process as discussed earlier in this paper.

#### 3.3.1 Acquire

In order to acquire customer one needs to get potential buyer to recognize the product, get interested about it and also motivate to get familiar with it. Nowadays Internet is the easiest source of finding information and that is why a-collection needs to be clearly shown in Ahlsell's own web site and web shop. Brand must be one of the first things customer recognizes when he/she enter the Ahlsell's home page. This can be done for example by banners which lead customer for further information. The special a-collection site, under Ahlsell's home page, is the most important new source of information from customer point of view that will be launched.

To reach customer's awareness towards a-collection products Ahlsell needs to create special advertisements which tell about the benefits brand is offering and presents products under this product line. These adverts will be exposed in all Ahlsell's magazines and product catalogues and also in chosen industrial magazines under Ahlsell brand.

In addition there need to be product brochures produced for each product family at least to support the sales personnel and to offer information for customer. These brochures and other brand information should be easily available for both sales department and customers, online and offline.

Also printed and web versions of a-collection product catalogues will be produced and available in all Ahlsell sales stores, ordered from Ahlsell's website and available in electronic mode in the web site too. Taken customer segments and their interests into consideration there are two separate books made, one for HVAC segment and another for electrical branch.

Visibility of a-collection products needs to be included also into event designing. Ahlsell's sales offices are regularly arranging breakfast and training events where suppliers' representatives are presenting their products. In every such an event, and also every trade fair Ahlsell is taking part, this brand need to be introduced by chosen brand representatives. Segmented a-collection presentations, brochures, store materials, sample products and working clothes with a-collection logo can be used in these events to support the visibility. Also special a-collection campaign weeks can be organized once or twice a year where the main focus is presenting only these products.

A-collection products must be included somehow also in all other campaigns Ahlsell is arranging and outside medias they are using; for example Faktanet Live newsletter Ahlsell is taking part few times a year. In printed campaign magazines there could be center spread reserved for seasonal a-collection novelties or one chosen product family. These products introduced in printed magazines would be always supported by online activities too. Besides that there could be monthly a-collection product chosen which is campaigned threw e-mail campaign, on web store, social media channels and Ahlsell's home page. Another channel for market a-collection campaign products is QR-code that is in all coffee mugs that are available in Ahlsell stores. Ahlsell's customers could also be rewarded during summer time with water bottles branded for a-collection were they buying these products or not. Gift bottles as well as coffee mugs could have QR-code that is leading for page of month's a-collection product.

All devised visibility is supported by store materials. Marketing department together with chain team will be responsible of creating clear instructions for all sales offices how and where to place the a-collection products and brochures supporting the sales

of those. Marketing department also need to focus on store presentations and campaigns and make them more visual. One channel that is not used but would be extremely widely used, also for a-collection promotion, is centralized television in all stores, where private label products and also other campaigns and company information would have visible channel nationally. All planned store material is introduced for all the named managers in stores who are responsible for product sets and store issues. There is also going to be shelf speakers in the stores with a-collection products, banderols and t-shirts with logo and slogan as personnel's' working wear in special a-collection events and campaigns.

In addition to regular store materials one a-collection showroom is launched in one of Ahlsell's stores in Helsinki area. This is created according to shop in shop principle and have all the a-collection products presented there. This kind of place is great opportunity to show the brand for customers and other associates. In the future one could also be created for Ahlsell's head quarters in Hyvinkää, where suppliers and other associates are visiting daily. When Showroom has been built there are grand opening event arranged and all local potential customers and designers invited to familiarize with brand and products it is offering.

A-collection products are also installed for all new Ahlsell stores and also existing ones when repairing, and social facilities of those. Customers can see the products in actual use and feel that Ahlsell as a company also trusts and appreciates their own private label products.

These activities are strengthening a-collection's visibility and that way getting customers interested about the products and finally driving customer to search information and to find the benefits brand is offering to them so that they will buy these products.

### **Timing and responsibilities**

Starting point for marketing activities of a-collection products in the year 2017 (appendix 1) is to create and update brand related marketing materials. In the first quarter of the year, the state of all existing product brochures will be mapped and the ones that are not valid at the moment will be updated. Also product families that do not have their own brochures will be surveyed and marketing department creates needed brochures based on product managers choice of important entities and delivered data which needs

to be included. Marketing department is responsible of delivering ready material to printing house and electrical channels as company web site and Intranet.

Plan for special a-collection advertisements which can be widely used in different Ahlsell's magazines will be created in co-operation with product managers who choose the relevant products and deliver the product information. The visual look and main message Ahlsell is willing to tell to support a-collection brand is designed together with marketing department and advertising agency, who also creates the material which is approved by marketing department and product manager before marketing department will deliver material for printing house.

Separate product catalogues will be produced for both, HVAC and electrical branches in order to offer targeted marketing for different customers. HVAC catalogue has been published already in 2016 but first ever electrical book will be launched in March 2017. In order to create this kind of publication product managers need to choose the products that will be included in the book, check the validity of product information and pictures so that catalogue administrator is able to create draft of the publication from Ahlsell's data bank. Marketing department will create covers and advertisements and do the final file to be printed in co-operation with advertising agency. Electric version is created and published by marketing department.

One important issue is to create instructions for sales personnel how and where to put private label products in store area. Instructions are planned also during the first quarter on 2017 together with marketing department and chain management. The actual instructions will be created in printed and electrical mode for store personnel by marketing department. The final responsibility to ensure that planned actions will be taken lies over store manager.

Maybe one of the most important points in this marketing plan is to launch own site for a-collection under the address [www.ahsell.fi](http://www.ahsell.fi). This is planned to be released in September 2017, but planning needs to be started in the beginning of the year. In order to create valid and meaningful information from customer point of view for this site, marketing department needs to closely co-operate with sales department but also with product managers from acquisition side to collect all the data and ideas, which will offer value for customer interaction. Final responsibility is placed on marketing people who are in charge of content in company's websites. Marketing also executes all the sup-

porting activities for this launch such as newsletters and advertisements in different channels. After the site has been launched and new coffee mugs ordered to be spread in all Ahlsell stores around the country these mugs will have new QR-code that will lead the customer into a-collection site and more precisely for part where the a-collection product of the month is campaigned. This kind of electrical campaign will be put into monthly practice from the beginning of 2017 by marketing department based on information received from product managers.

Another big event that will be conducted in the end of the year is the grand opening of special a-collection showroom. Visual appearance is planned together with store manager, chain management, marketing department and store builder. The actual launching and opening event are executed together with program office and all needed communication inside and outside the organization is designed and conducted by marketing department. In this same context also first a-collection week is arranged in all Ahlsell stores where customers are introduced for these products and getting special offers. Similar kind of campaigns has been done with supplier products, which enables marketing department clear plan how to arrange this kind of campaign week together with store personnel.

Hopefully also year 2017 brings permission to invest on centralized television where a-collection products and benefits of those could be widely promoted together with suppliers' ads and product launches and important company information and service introduction. If so, launch of centralized television advertisement is planned for December in 2017. Material for television would be collected and prepared by marketing department.

### **Budget and resources**

Process of mapping the state of all existing a-collection brochures and updating the needed ones can be handled by existing personnel in Ahlsell's marketing department. Costs (attachment x) consist of printing and delivering costs of the printed material, which makes total of 10 000€ costs when ten different product families will be chosen to be introduced in printed brochure. Because the designing work is, in this case, made as an in-house production by existing workers, personnel costs are not calculated into this amount (appendix 2).

Planned a-collection advertisements which will be used in Ahlsell's own magazines will be created in co-operation with product managers, marketing department and advertis-

ing agency. According to marketing plan three different advertisements will be designed and used in nine separate magazines according the target audience. Budgeted amount for these advertisements is 4000€ including the designing work of advertising agency and printing costs (appendix 2).

As planned separate product catalogues will be produced for both, HVAC and electrical branches. In the case of HVAC, the electronic catalogue will be created together with Ahlsell's marketing personnel, product managers and catalogue administrator. Product catalogue for electrical branch does follow similar process but costs are much higher because of the printed version. Advertising agency is used for placing advertisements and designing the covers for this publication. Total cost of these catalogues is going to be 20 000€ which includes designing made by agency and printing the book (appendix 2).

Instructions for sales personnel are executed together with marketing department and chain management with existing human resources as well as launching the a-collection site under Ahlsell's home page, which is also planned to be implemented as in-house projects which include also the supportive activities such as newsletters, QR-codes in coffee mugs and electric campaigns (appendix 2).

One action that also creates cost is the grand opening of special a-collection showroom. The actual room is planned in co-operation with store manager, chain management, marketing department and store builder. Cost of designing and building the showroom is going to be approximately 2500€. Besides that the opening event and campaign week in Ahlsell stores, which are executed together with program office and marketing department will cost 15 000€ (appendix 2).

As noted before, centralized television is found as beneficial solution. Starting cost for the project is still relatively high; approximately 30 000€ (appendix 2). This amount could be still divided into different calculating points inside the company and sell media time also for suppliers besides a-collection advertisements, and cut off the costs that way.

Estimated total costs for acquire state is 81 500€ in the first year (appendix 2). When thinking the years to come, cost are going to be lower because building the showroom,

opening event and centralized televisions are one-time expenses that will build the brand also in the future.

### 3.3.2 Convert

As noted before evaluation of a-collection products based on information available is not simple and efficient enough at the moment. The most supporting information towards actual purchasing decision is found in Ahlsell's web store where customer can get familiar with the product features and see his/her personal purchasing price that in most cases is lower when comparing to suppliers' substitutive products. Because lack and also importance of product information and product pictures it is highly prioritized to get all the product data for proper state in Ahlsell's web store and open product data base where customers can familiarize with products and make comparings. A web site's main purpose is to help customer and push him/her into right direction during the purchase process. Added value or extra service becomes important part of the product in customers' eyes which should be taken into consideration especially with Ahlsell's own branded products that no one else is offering because this kind of communicates for the whole company and tells customer how Ahlsell as company is handling its own services and customers using them.

In order to be more reachable Ahlsell web site there need to be own a-collection section under product part. In this site customer is able to find information about products, benefits of these, guarantee information, contact information and straight channel to make an order. There could also be chat support that could offer help for customers searching for certain information and receive orders online.

When customer is logged in to Ahlsell's web shop there is going to be a-collection banners and web shop platform also recommends these products as alternatives when customer is searching or scoping suppliers' substitutive products. This makes it easier to customer to compare products and find the most suitable one for his/her own use. When logged in customer would also be able to download product information brochures as pdf-files. These brochures will be also linked into Ahlsell's ERP system under the product code which allows sales man easily add the visual product information for example into customer offer. Also special collection of a-collection products, features and competitive advantages are gathered into segmented presentations that

sales personnel can use when they are introducing these products for their own customers.

Because of the possible lack of information and motivation among Ahlsell's sales personnel there need to be special trainings arranged where product lines and clear opportunity to become more profitable by own brands are introduced to personnel by named a-collection specialist. Aim is to create base for more comfortable selling and recommending base and more confident sales personnel. Ahlsell also needs to create video instructions for sales personnel and also offer them other presentation material that can be used when introducing products for customers. There is clear lack of arguing skills for a-collection products that needs to be solved by helping sales staff to sell by support of managerial level and sales directors. That way also the strategic intent that private label products would be offered automatically for customers could be able to be fulfilled. This is also on agenda for becoming branch level meetings where sales personnel have straight connect on each other and managerial level.

With sales personnel putting more effort, online information and support, products should be more easily compared and benefits shown clearly for customers which leads to customer's increased willingness to make purchase decision towards a-collection products.

One important point of increasing customer value and product quality could be extra service or features around product. This can be executed by longer guarantee times compared to substitutive products, cheaper spare parts or for example extra features, like soft close cover for free when buying a-collection toilet seat, when suppliers' products do not include these and product itself is quite hard or impossible to be developed before next or totally new version launched. This kind of value adding features need to be taught through the whole product line.

### **Timing and responsibilities**

As noted before people are gathering information of the products they are interested in mainly online. That is why it is important that data development in Ahlsell's web store is started in the first thing in January 2017 (appendix 1). Evaluation of the data is made by responsible product manager and changes are conducted in co-operation with catalogue administrator from e-commerce department. Because web shop and catalogue program are using the same data base this also creates ground base for the new elec-

trical catalogue and advances also that project discussed in the phase of acquiring customers.

Next natural step for updated and totally new product brochures is to ensure availability of those, both for customers and personnel. Electrical versions that can be downloaded into pdf files too are created by marketing department and published in Ahlsell's Intranet and also in a-collection site after the launch of that. E-brochures will be also linked into Ahlsell's ERP system, by master data team who is responsible of product data updates, behind the actual product when sales personnel can easily find those, add into offers or e-mails that are delivered to customer. Printed brochures are delivered into all Ahlsell stores and stored also in the main warehouse where sales personnel are able to order more when needed.

In the end of first quarter of 2017, when all the basic marketing materials is available, marketing department collects and produces presentation material in co-operation with sales management for sales personnel. This is meant to be aid for introducing different product lines under a-collection for customers. Also video instructions especially of new products and online training are going to be part of marketing plan inside the organization during the second quarter. These are conducted by a-collection specialist who is responsible of increasing the sales in this area and support of sales personnel issues concerning products under the brand.

In the time of a-collection site launch marketing department also creates banner advertisement to support the visibility among customers.

### **Budget and resources**

Ahlsell's existing personnel is going to carry out the steps mentioned earlier, such as data development and availability, sales materials as presentations and videos, and visibility on company's own channels, in the phase of converting. Because of that there are not going to be any specified costs in the budget for this stage (appendix 2).

### **3.3.3 Serve**

As discussed earlier when buying process has reached the point where customer has been ensured and he/she is ready to make the buying decision Ahlsell is offering alternative channels to put the actual order in. There are still some online channels that

could be used to support the purchasing process even more. Few sites have service which allows visitors to request a telephone call from sales personnel to complete the purchase. This along with a chat service might also work well in Ahlsell's case. Some of the sales personnel are also already receiving orders through social media channels, mainly Facebook, where they are connected to their customers and communicating that way. This is popular especially with younger customers which is growing part of all customers, and that is why it is quite funny that Ahlsell do not have any social media sites of its own and its personnel is not allowed to visit social media sites on their working computers. This is still slowly changing, Ahlsell's VIP-club named A-Klubi is already getting the permission to be part of social media and personnel use social media sites with their mobile phones. These channels should also be used to inform existing club members to recognize a-collection products and maybe getting extra discounts or points by ordering them.

As noted before often an appropriate incentive to 'buy now' helps to push the buyer over the edge and that leads to a solution where all electronic campaign letters will be changed so that their visuals are designed according to Ahlsell's web site and web shop and there will be "Buy now" button added which leads straight to the web shop. That way customer's online experience will be integrated in every state and gives him/her the right direction during the purchase process. When taking customers that are willing to search information online but make the final purchase traditionally offline there could be more personalized e-mail marketing where there would be customer's personal sales man's name, photo and contact information in every letter. That way it would be easier for customer to contact sales personnel and he/she would already know who he/she is going to call or meet.

When actual purchase has been made there should be clear instructions and support available if needed. This need could be covered in a-collections own site where customer can find guidelines and instructions when ever needed. Site also would offer contact and guarantee information for all problematic situations concerning these products.

### **Timing and responsibilities**

As noted above it is important to offer customer smooth and easy purchasing channel why the platform of Ahlsell's electronic campaign letters will be changed so that their visuals are designed according to Ahlsell's web site and web shop and there will be "Buy now"

button added which leads straight to the web shop and opportunity to make purchases with less clicks. This change is conducted by company who offers the e-marketing platform, with help and approval of Ahlsell's marketing department. Changes this company is offering allows also more personalized e-mail marketing and simplify the processes in newsletter producing. New platform and features are going to be in use during the first quarter in 2017 (appendix 1).

Social media is not widely used in Ahlsell's communications, but the VIP club launched in the spring 2016 is using Instagram, Facebook and Twitter to communicate for its members. This channel are going to be taken into use on second quarter at least with the a-collection product of the month because customer base of this club is mainly also target audience for a-collection products. Afterwards this could also be channel for orders made by customers. At the moment chain manager is responsible of A-Klubi's social media sites together with marketing department but this might need more resources to be handled properly and in order to truly increase value for customers. Member of A-Klubi will also start to get special offers and opportunities to buy a-collection products by the points they are gathering by their purchases in the end of year 2017.

In the context of launching the a-collection site also special brand support is offered for customers. A-collection specialist is accountable for taking care of customer complaints, guarantee issues, questions and answering on those. This person is also responsible of finding the right person to answer issues concerning a-collection products if she does not have skills to help customer.

### **Budget and resources**

When discussing about serving the customer, development of the platform for electronic campaigns is one step that has to be taken into calculations. Designing and conducting the updated template will pay 1 100€ (appendix 2). Afterwards this tool is used by company's own marketing personnel. Also support and guarantee counselling is based on existing resources at Ahlsell.

#### **3.3.4 Sell**

In order to maintain customers satisfied guarantee issues need to be handled extremely well. In the case of product faults customer further satisfaction is covered by offering

totally new product to replace the faults for free. In addition for that there should be easily reachable channel for all kind of feedback concerning a-collection products, which is arranged through a-collection site in the future. That way customer feedback would come into right person and all comments could be answered fast and properly. This kind of discussion would also create bond between company and customer and support customer to make re-buys in the future.

Re-buys could also be supported by offering new models and supportive and related products for customers who have bought a-collection products earlier. This could be done by personalized e-mail marketing or by a contact of personal sales man.

### **Timing and responsibilities**

One important issue concerning customer satisfaction towards a-collection products is to set and communicate clear guarantee process through the whole organization. These instruction need to be created together with sales management and acquisition department and speak out by marketing representatives. Process needs to be taken into use in the beginning of the year (appendix 1) before the a-collection site and support service has been launched for customers.

Marketing department need to conduct more accurate and purchase based e-mail marketing for customers that have bought a-collection products to ensure re-buys and cross selling. Campaigned goods are determined by product managers who have the knowledge of suitable and cross functional products to be offered.

### **Budget and resources**

In selling phase, the guarantee process is in the most important role as noted earlier in this paper and also the biggest individual cost. Based on discussions with a-collection specialist the total amount of new products sent for customers that have not been satisfied with original good purchased, is from one to two percent of total sales, in case of a-collection products. When calculating the highest possible cost for guarantee cost for obsolescent products, we are talking about 88 000 € (appendix 2), which is based on two percent substitutive products of total sales when company's own purchasing price is on average fifty percent less than the selling price for customer.

### 3.3.5 Keep

After sales services is one of the most important ways of keeping customers satisfied and recommending products for other professional users. In order to fulfil customer expectations Ahlsell offers channel for feedback, and clear responsible who is handling that in the a-collection site in their home page. Also QR-codes could be used in product packages which would lead immediately to right place in Ahlsell's site to contact or find more information.

It is important to handle the customer well in the problematic situations and in the case of complaints. As in many large companies and in the case of Ahlsell too, there are lot of bureaucracy while the process that cannot show for the customer. Complaints need to be handled as fast as possible and if possible this is done by giving new product for customer right away and handling the inner bureaucracy later on.

In order to increase the positive word of mouth customers can also be educated and used as reference customers in order to create trustworthiness among other clients by case stories in Ahlsell magazine, by arranging special a-collection events and trainings.

Because of the lack of knowledge if the customers using a-collection products are satisfied or not and what are they telling to their associates, it would be profitable to arrange customer satisfaction survey that would tell the state of satisfaction and point out the issues that need further actions to meet the objectives. This survey's aim is to scan how well customers really know the brand and what products they would hope more for a-collection assortment. This would guide Ahlsell what need to be done and give customer a feeling of importance and interaction. Information gathered helps Ahlsell to develop the whole product line according to customer hopes. This would also support continuous purchases as mentioned before.

All customers answered would be rewarded by a-collection product. This is because one mean how to keep customers satisfied is to reward them. Good customers could be also rewarded for example loyalty or for buying large amounts at once or regular purchases. One step ahead is to use these private label products also in other situations as gifts instead of traditional wall clocks and t-shirts.

A-collection also lacks of character and story behind it. That is why the whole process from factory auditing and choosing the best suppliers all the way to product in the Ahlsell store shelf is going to be written open and told in a-collection site and pointed out in other marketing materials.

### **Timing and responsibilities**

After sales services and common rules concerning these are going to be set in the beginning of 2017 as guarantee process, which is part of that, mentioned before (appendix 1). Clear channels for product information, spare parts, instructions and support need to be planned correctly and established first for personnel and fully in the context of a-collection site publishing in autumn 2017. Sales management have the main responsibility of setting the rules and practises to be used. During the autumn also a-collection packages will get fresh touch in their designing and include QR-codes that leads customer for more precise information and instructions.

Based on data of purchases concerning a-collection products marketing department chooses a suitable customer with the help of sales department for interview that is conducted by professional journalist Ahlsell is using. That way Ahlsell gets great article and positive visibility to the brand for customer magazines in spring issue, published by marketing department.

Marketing is also responsible for all customer gifts and rewards. After conducting the customer satisfaction survey discussed more later on in this paper all responses will be rewarded by a-collection gift. Some products under private label brand are also going to be taken as an alternative for common customer gifts which can be offered from marketing department.

The most crucial issue is to build knowledge among sales personnel and enthusiastic attitude to offer private label products for customers. That is why personnel will be trained first and customer training events will be arranged in the beginning of 2018. Plan for training events' timetable and content is still conducted in the end of 2017.

### **Budget and resources**

New package design is not planned to made for all 2 400 unique products, but all new product families that will be launched. That way costs are not rising for large numbers and the change will happen naturally when products will substitute the old ones. In

yearly level this means about ten new product families and package designs which are conducted in co-operation with advertising agency. Cost for new package designs for these entities is approximately 2 200€ (appendix 2). The actual material costs are included in the product prices.

Also special case story by customer interview was planned to execute in keeping the customer state. Cost for article is 700 € (appendix 2), including paid journalist, layout made by agency and printing costs.

Customer satisfaction survey is also discussed more depth later on this paper. In this context customers will be rewarded by gifts which cause costs for 5 000€ (appendix 2).

Total budget for this stage is 7 900€ (appendix 2).

### 3.4 Tracking and testing

When discussing about Ahlsell and customer tracking there are no set actions for that. Customer might be interested about product but unsure and if Ahlsell as a company would realize that customer could be pushed into right direction by contacting him/her for example after two visits on the certain site if he/she has not yet placed an order. At the moment customer can freely be unsure and company can lost the sale even without knowing about it. There is possibility to track customers' behavior via e-mail marketing campaigns and see the amount and site of clicks and how many have opened the mail sent but unfortunately there is not resources enough to concentrate in this available data and make actions based on analyzed data. Web analytics have not been seen that important so far at Ahlsell but it might be beneficial to give a thought for that too in the future.

In order to get closer to its customers Ahlsell should start tracking them, asking them questions, creating a dialogue and learning about them and their needs. Partly this is done by customer satisfaction survey mentioned earlier but in order to be more profitable Ahlsell also must find out which channels are influencing their sales most.

There is already data available which customers have bought a-collection products and by which channels but this data is not analyzed by any mean. Data about campaigns is available for many details but this should be taken into closer examination and make

conclusions about segmented marketing and supportive offerings for customers that have already bought these products, or on the other hand for customers that have been visiting Ahlsell's web site for further information about campaigned products but still not made a purchase.

The actual testing of the marketing plan introduced in this research was conducted by campaigning a-collection products in selected campaigns during Q2 in 2016. Customer interests were tracked through analytics offered by email marketing software. Also sales figures were analyzed during the campaign and comparable time period from previous year when these products have not been campaigned. This was the final part of the testing stage of this study.

In more details, thirteen separate a-collection bathroom products were chosen to be campaigned twice during Q2/2016 by electronic campaign letters and one advertisement placed on segmented HVAC campaign magazine that was available as electronic magazine as well as printed version, between these campaigns.



Figure 4. Campaign advertisement in Ahlsell's electrical HVAC campaign magazine in may 2016.

Electric campaigns were sent for small HVAC customers with one to four installers who are the main target group for a-collection bathroom products, and were also available for all Ahlsell's customers in the web shop. Results were compared into Q1/2016 when chosen products were not campaigned.

The screenshot shows the Ahlsell website's campaign page for bathroom fixtures. The page is titled "UUTUUKSIA SANITEETTITILOIHIN" (New products for sanitary fixtures). It displays 15 product cards arranged in a 3x5 grid. Each card includes a product image, a brief description, the price in EUR, and a "Tilaa" (Add to cart) button. The products are:

Product Name	Price (EUR)
KUIVAUSTELINE VESIKIERTOINEN ULTRA A 500X740'S KROMI YLÄK.	142,88
KUIVAUSTELINE TIKAS CLASSIC M 500X600 KROMATTU	108,96
PESUALLAS TS 1 A-COLLECTION 56X44 CM	34,40
WC-LAITE COMPACT 4 8-LUKKO PILOV. 3/EL	119,11
WC-LAITE COMPACT 4 8-LUKKO PILOV 3/EL LIIMATTAVA	119,11
WC-LAITE COMPACT 4 P-LUKKO PILOV. 3/EL	119,11
WC-LAITE COMPACT 4 KORKEA 8-LUKKO PILOV. 3/EL	119,11
WC-ISTUINKANSI SOFT CLOSE VALK WC COMPACT 3 & 4	28,31
WC-ISTUINKANSI SOFT CLOSE MUST WC COMPACT 3 & 4	28,68
WC-PAPERITELINE AZUR KROM A-COLLECTION	8,48
ALLASKAAPPI A-COLLECTION L470XK640X8260MM	29,44
PESUALLASHANA BIDESUIH-KULLA 2370600 A-COLLECTION	46,88
KEITTIÖHANA PKV 31496000 A-COLLECTION	67,70

Figure 5. Campaign in Ahlsell's web store.

Targeted audience consisted of 1 358 individual customers who received the electric campaign. Based on campaign report the opening percent for this letter was 39,3% which consists of 528 individual opening. Fifty receivers which is 9,5% of the customers who opened the mail also clicked one or more of the links included in the campaign. Most of the openings were done in Finland as assumed because the customer base

mostly consists of Finnish companies. Campaign report available from service provider Apsis also gave information about devices customers had used to read this campaign. As noted during the analyzes 59,8% opened the mail by computer, 34,5% on the other hand used mobile device and 5,7% multiple devices.

Table 1. Sales of campaigned products Q1 versus Q2.

<b>Product name</b>	<b>QTY Q2 (pcs)</b>	<b>Q2 VS Q1 (pcs)</b>	<b>Sales Q2 (€)</b>	<b>Q2 VS Q1 (€)</b>
KUIVAUSTELINE VESIKIERTOINEN	28	<b>12</b>	5 160	<b>2 613</b>
KUIVAUSTELINE TIKAS	38	<b>-34</b>	6 207	<b>-4 500</b>
PESUALLAS TS 1	218	<b>17</b>	8 271	<b>595</b>
WC-LAITE COMPACT 4	188	<b>83</b>	23 875	<b>10 645</b>
WC-LAITE COMPACT 4	125	<b>82</b>	16 162	<b>11 274</b>
WC-LAITE COMPACT 4	84	<b>46</b>	11 035	<b>6 443</b>
WC-LAITE COMPACT 4 KORKEA	56	<b>30</b>	7 146	<b>3 958</b>
WC-ISTUINKANSI SOFT CLOSE VALK	79	<b>-1</b>	2 875	<b>-148</b>
WC-ISTUINKANSI SOFT CLOSE MUST	9	<b>2</b>	278	<b>-6</b>
WC-PAPERITELINE AZUR KROM	73	<b>16</b>	753	<b>179</b>
ALLASKAAPPI A-COLLECTION	88	<b>19</b>	3 816	<b>1 017</b>
PESUALLASHANA BIDESUIHKULLA	150	<b>138</b>	9 338	<b>8 603</b>
KEITTIÖHANA PKV	125	<b>115</b>	9 967	<b>9 234</b>
<b>Total:</b>	<b>1 261</b>	<b>+525</b>	<b>104 882</b>	<b>+49 907</b>

Total sales of chosen products during the Q2 period in 2016 were 1261 pieces and 104 882 Euros with margin of 13,5% (attachment x). When comparing the amounts for items sold during Q1/2016 when these products were not campaigned there were 525 pieces more sold which results 49 907 Euros more in sales.

#### 3.4.1 Timing and responsibilities

As noted above tracking has not played meaningful role in Ahlsell's marketing. According to this plan for year 2017 starting point for tracking customer actions (appendix 1) can be found in existing programs; firstly company's ERP Vivaldi, which offers all the information of purchases, channels and customers and secondly e-mail marketing platform Apsis where customers' interest towards Ahlsell's campaign letter can be covered by opening percents and links clicked. Big picture for example one year behind can be

found out by marketing department. After all this is going to be ongoing process that need to be done for example quarterly and after every campaign to be aware of which actions are profitable and which needs development.

Extremely important and interesting issue is customer satisfaction survey that will be conducted before autumn to find out customer expectations, experiences and level of recognition towards a-collection as a brand. Questions need to be designed together with sales management but the actual survey and result handling can be conducted by marketing department. Information that this survey offers will be used to create supportive actions and further marketing and also content for a-collection site launched later on the same year. After launching also web traffic in the site will be tracked and used for segmented marketing actions and development of the site according to customer interest.

#### 3.4.2 Budget and resources

Tracking of customer behavior is not executed properly this far but can be performed by Ahlsell's own personnel and existing tools, why it is not going to cause extra costs for budget (appendix 2).

## 4 Conclusions

The aim of this thesis was to create a marketing plan for the a-collection. With well structured marketing plan Ahlsell as a company is going to have better opportunities to create its own brand, brand recognition and sales figures. This can also be used as an example when planning marketing activities for other Ahlsell's private labels.

Validity of this study is on high level based on researcher's long working history in the company and strong know-how of issues handled and industry itself. Qualitative data analyzed is also widely supported by quantitative information available straight from company ERP and marketing communication tools. All gathered information together were also used in testing phase which seemed that results were working well and right actions have been chosen.

At the moment the objectives set by directors are not met. These cannot be reached without multiple actions. In order to achieve aimed results it has to be stated that personnel resources are quite limited. Especially this concerns marketing department which would be responsible of many of the actions introduced in marketing plan for the year 2017. This also gives direction of work amount for becoming years. After all, this is supposed to be ongoing process that needs to be developed all the time.

Another issue that need to be solved in order to accomplish this marketing plan is the budget. As researcher I do see lot of potential in this brand and its opportunities to grow with right and well planned actions. In order to accomplish all activities there still need to be certain amount budgeted for a-collection marketing (Attachment x). Many of the actions shown in plan are able to conduct as in house accomplishments, especially if the lack of personnel resources could be solved but there are still investments and costs that would need their own budget or extra part for Ahlsell's whole marketing fund calculated for year 2017, and years to come. Total costs for planned actions are nearly (attachment x) 180 000€ for the first year. After all some of the mentioned actions has been done in past years already and included the common marketing budget of Ahlsell. Also some of the chosen activities are one-time investments that bring profits and create brand value many years afterwards. Maintaining the marketing plan with this kind of yearly actions, without the few starting costs that burden the budget only on first year, would require about 100 000€ - 120 000€ yearly budget in the future. These numbers do not include any personnel cost inside the company.

According to positive results gathered in the testing point chosen marketing activities worked and did gain profit totally more than 14 000€ while sales almost doubled from 54 976 € in Q1 to 104 882 € in Q2 (attachment x). This leads to clear outcome that Ahlsell used right channels and targeted the message into right audience in the testing phase and based on this information can be noted that it would be beneficial from company's point of view to start making actions based on marketing plan introduced in this paper for year 2017 and increase a-collection sales this way in other product families too. As a researcher I do assume that set goals for products discussed in this paper can be reached. When comparing the budgeted costs and profit that could be collected after right actions and increased sales this plan can be pointed out to be more than successful. If aimed 13% share of total sales and 5 000 000€ increase in turnover with private label products is going to be achieved, investments plan and budgeted are going to be very beneficial for Ahlsell as a company.

As a conclusion of this research need to be mentioned that too little has been done, as could be assumed beforehand and there is lot that could be done to achieve visibility, customer recognition and increase in sales figures and market shares.

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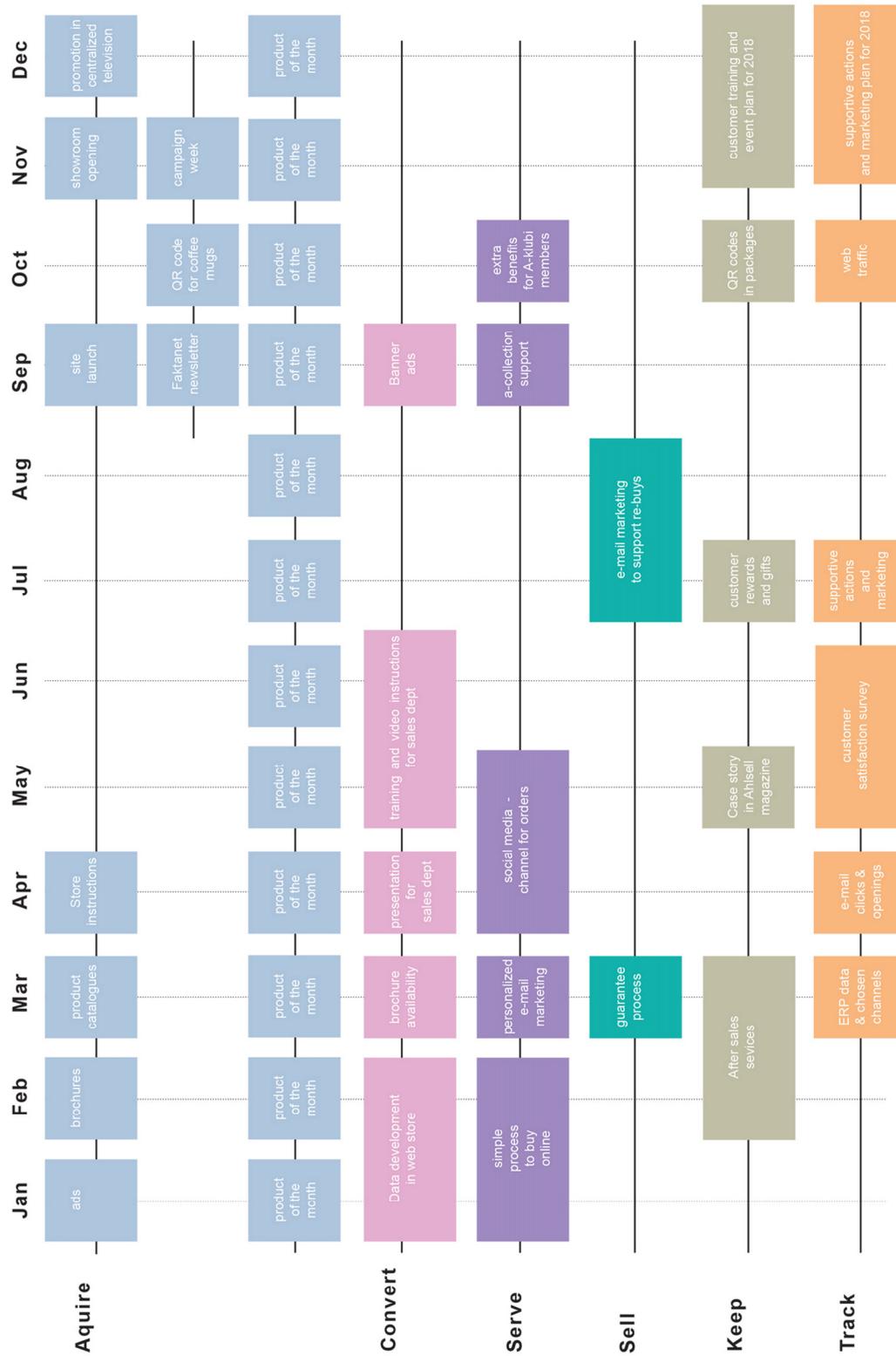
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### The annual plan for a-collection marketing activities 2017



## Cost and resource plan 2017

COST AND RESOURCE PLAN 2017	Budgeted (€)	Include	More information	Responsible for executing
Advertisements	4 000	Adv. agency + printing	3 ads in 9 magazines	Marketing dept + adv. Agency
Brochures	10 000	In-house prod. + printing	10 product families	Marketing dept
Catalogues	20 000	Adv. agency + printing	HVAC and Electrical	Marketing dept + adv. Agency
a-collection web site	-	in-house production	-	Marketing dept
Show room + Opening event	17 500	Production + products	Helsinki	Marketing dept + store builder + program office
Centralized TV	30 000	Purchase of items	All stores (34)	Marketing dept + Service provider
Faktanet newsletter	450	Production and sending	1	Marketing dept + Faktanet
QR code for coffee mugs	-	in-house production	Mugs already in use, change in layout	Marketing dept
Campaign week	-	in-house production		Marketing dept + local sales units
Product of the month	-	in-house production	12	Marketing dept + product manager
Data development in web store	-	in-house production		Catalogue administrator
Presentation for sales	-	in-house production		Marketing dept
Training and video instructions for sales	-	in-house production		Marketing dept + a-coll. specialist
Banner advertisement	-	in-house production		Marketing dept
E-mail marketing	1 100	Design and production	New template	Marketing dept + Apsis
Social media	-	in-house production	Facebook, Twitter, LinkedIn	Marketing dept
Support, guarantee process + after sales	88 000	in-house production		a-collection specialist / sales
Case story for Ahlsell magazine	700	Interview, layout and printing	1	Marketing dept + adv. Agency + reporter
Customer rewards	5 000	in-house production	1000 pcs a' 5€	Marketing dept
New package design	2 200	Package design	QR codes added	Marketing dept + adv. Agency
ERP data & channels	-	in-house production		Marketing dept + procurement dept
Customer satisfaction survey	-	in-house production		Marketing dept
Tracking	-	in-house production		Marketing dept
<b>Total Costs:</b>	<b>178 950</b>			