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THE RETAILER'S PERSPECTIVE OF A  
SHOE AGENCY'S SALES AND SER-  
VICES, CASE: BRANDED SHOES LTD.

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## ABSTRACT

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Today the importance of knowing the customer becomes more relevant due to the economic situation and intensifying competition from the existing and new brands. The competition has also been noticed in the case agency as decreased sales. In order to bring back the sales the case company found that it would be vital to re-evaluate their every-day work. From there came also the topic of the thesis.

The objective of the study is to find ways of improving the company's present sales and services and discover new solutions, which would better meet the retailer's needs and expectations of the agency. That is why the research was done from the retailer's perspective. The theories are in conjunction with the thesis objectives. In more detail the theory related to the topic are purchasing, organizational buying behavior, relationship, new trends in purchasing, personal selling, sales objectives and strategies, sales force, sales process, sales promotion and services with a quality perception.

The research was performed using quantitative research method and answers were collected during the period of 30.11.2010-10.12.2010. The research was divided into the three main categories of purchasing, selling and services according to the theories. Because of the categorization the results were easier to analyze and conclude. The third part of the thesis discusses and analyzes the theories and the results from the quantitative research together.

The results of the research indicated that the case company's selling and services need improvement. The biggest findings were in the initiative in contacting, cooperative relationship, E-commerce as well as willingness for receiving training from the case company. The fourth part discusses from the basis of the research results the different suggestions the case company could utilize in their future strategies. In addition the part will give suggestions for further research that could be executed in the company.

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Keywords: Agency, organizational buying behavior, sales, services

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Kansainvälinen kauppa

## TIIVISTELMÄ

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Nykyään asiakastuntemus muuttuu yhä tärkeämmäksi taloudellisen tilanteen ja alati kovenevan kilpailun myötä. Kilpailua kiristävät sekä markkinoilla jo pidempään olleet että myös uudet tuotemerkit. Nämä tekijät ovat olleet myös nähtävissä esimerkkiyrityksen heikkenevissä myyntituloksissa. Päästäkseen aikaisempiin tuloksiin, päivittäisten työrutiinien uudelleen arviointi olisi ensiarvoisen tärkeää. Näistä edellä mainituista huomioista ja tarpeista syntyi tämän opinnäytetyön aihe.

Tämän tutkimuksen tavoitteena on löytää tapoja, joilla voidaan kehittää toimeksiantajan vanhoja sekä uusia myyntistrategioita ja palveluita, jotka vastaisivat paremmin jälleenmyyjän tarpeita. Tästä syystä tutkimus on tehty jälleenmyyjän näkökulmasta. Tutkimukseen liittyvät teoriat kulkevat yhdenmukaisesti opinnäytetyön tavoitteiden kanssa. Tarkemmin määriteltynä sisältö käsittelee teorioita ostotoiminnasta, organisaation ostokäyttäytymisestä, liikesuhteesta, ostotoiminnan tulevaisuudesta, myynnistä, myynnin tavoitteista ja strategioista, myyntihenkilökunnasta, myyntiprosessista, myynnin edistämisestä, palveluista ja palveluiden laatukäsityksestä.

Tutkimuksessa käytettiin kvantitatiivista tutkimusmenetelmää ja sen tulokset kerättiin ajanjaksolla 30.11.2010–10.12.2010. Markkinatutkimus jaettiin kolmeen pääkategoriaan: ostotoiminta, myynti ja palvelut. Jaottelun ansiosta tulokset olivat helpommin käsiteltävissä ja analysoitavissa kuhunkin aihealueeseen liittyen. Kolmannessa osiossa pohditaan ja analysoidaan sekä teoriaa että tutkimustuloksia yhdessä.

Tutkimustulokset osoittivat, että esimerkkiyrityksen myynti ja palvelut ovat kehityksen tarpeessa. Suurimmat haasteet olivat seuraavilla osa-alueilla; omaaloitteisuus yhteydenottamisessa, yhteistyön omaksuminen osana liikesuhdetta, sähköinen ostotoiminta ja koulutus. Neljännessä osiossa esitellään tutkimustulosten perusteella muodostetut kehitysehdotukset, joita esimerkkiyritys voi tulevaisuudessa hyödyntää strategiassaan. Lisäksi viimeinen osio antaa ehdotuksia jatko-tutkimuksille, joita yrityksessä voitaisiin suorittaa.

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Avainsanat: Agentuuri, organisaation ostokäyttäytyminen, myynti, palvelut

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# 1 INTRODUCTION

The introduction is the opening of this thesis. It will familiarize the reader with the research topic and from where the topic emerged. The introduction also prepares the reader for the development of thesis, thus it is easier to follow and understand. The main objective of this section is to create interest and present the topic in short.

The section is structured so that first the background of the study is introduced. From there the thesis continues to objectives of the research, which will create an understanding on what is obtained with this research. Section 1.3 introduces the research questions that give the outline for the thesis. The limitations also existed in the research and those are pointed out in section 1.4. The structure of the thesis will be the last part in the introduction and from there the thesis will continue to the next section which is the theoretical framework.

## 1.1 Background of the Study

Branded Shoes Ltd. is a middle sized shoe agency that represents international brands such as camel active from Germany, Think! from Austria and Sebago from USA. With camel active and Think! the company has straight contacts with the manufacturers but with Sebago they have an agency contract with the Swedish importer. The brands that Branded Shoes Ltd. represent are average and highly priced brands in the outselling price range of 89,00€-290,00€.

The very core of Branded Shoes Ltd.'s operations is the selling and offering services. It could be said that the flow of the service operations goes in two directions, as the agency is the link between purchaser and producer. The services that Branded Shoes Ltd. offer for the moment are mainly consisting of the planning of the retailer channel, after sales service such as claims, supplementary sales and follow-up of deliveries and other problem solving, choosing the shoe selection sold to Finland and as well as helping the principal/brands with the collection of

money and problem solving. The service which is offered to the retailers for the moment requires mostly information flow from the case company.

Other matters where Branded Shoes Ltd. give their know-how of the Finnish market are the negotiating contracts and terms, translation, pricing and also in the product development. Even though the agency offers their know-how of the market, it should be noted that this does not still mean that they are the ultimate decision making power. For example the negotiations are usually between the purchasing organization and producer/principal. The agency only acts in this case as an intermediary delivering the information from point A to point B. Also in pricing Branded Shoes Ltd. can give their knowledge of the competitors' prices in the Finnish market as well as suggest the recommended retail prices with the multiplier, but the principal makes the ultimate decision. The matter which should be mentioned also is that the biggest difference between the agency and the importer is that the agency does not at any point have the ownership of goods during the flow of goods.

The present economic situation has had its own effect on the income of Branded Shoes Ltd. For example the purchasers are very careful to take their own stock while placing the forward order at the moment and they rely much on the stock of the principal. That is the normal risk management of the retailers in this area if the producer has a functioning stock program. On the contrast many of the principals establish their decision of the stock volume on the clients' forward orders. So if the agency cannot get the forward orders to overcome the minimum requirements to justice the producing items to stock they cannot be expecting big stock volume. Thus for Branded Shoes Ltd. as well as to the principals that is an immediate loss of an income from the potential stock sales when the agency is forced to sell "do not have". Therefore the sales encounter decrease in the forward order as well as in the stock orders.

Continuing to the matter presented above it was also stated in William Atkinson's article, which was the outcome of the interview with James Rank the Purchasing

manager of iDirect, (2010) that the buyer usually cuts or has the chance to cut the costs/purchasing budget during the economic recession while the curve is in the bottom. That is when the demand again begins to increase. The supplier on the contrary acts to the economic situation later than the purchaser. James Rank came then to the conclusion from the purchaser's point of view that: "Now that the economy is returning, it's not a matter of what you are going to buy, it is a matter of if you can buy, where you can buy and what place you stand in line to buy." This is also the half true in the shoe producing industry as there are two seasons per year; the rebuilding of the business become always half a year later than in the retailing.

Nowadays the deepening and toughening competition is affecting the company's actions and strategies. The price competition and the emerging of the new brands is an everyday life in all industries and one might say that the competition gets now more high-lighted for the sake of the bad economic situation. This is also the case in shoe industry. The prices of shoes are getting lower and lower. For example one of the most important brands who own one of the biggest market shares in shoe business in the Finnish shoe market is Ecco and they made a decision to lower their prices with noticeable 15%. This has a relatively high effect in the consumers mind not only to the price image of Ecco but on the overall price image. What if the brands of Branded Shoes Ltd. cannot respond to this kind of price competition? The Rubanovitsch and Aalto (2005: 16) introduced in their book an interesting point that a small or medium sized companies should not even try to set their foot on the price competition as the big performer will always draw the longest straw out of the bunch as they have more resources and most likely will gain more discounts than the SME's. In their opinion SME's on the contrary should concentrate on giving thorough and well contemplated selling situation and services.

The combination of the economic situation, lowering income and the toughening competition has lead this specific shoe agency to thinking of the specific service

and selling strategies in order to increase the sales. The questions that rose were that which operations are functioning well, are those meeting with the expectations of the customer and if not what are the strategies that should be implemented in the company, should the service offering be increased and what should be their next step. The interest especially was around the issues that directly impacted Branded Shoes Ltd. functions.

In the earlier days there were only two employees, including the owner, in the company and the working time was mainly consisting of the basic operational matters such as collecting forward orders and after sales service e.g. stock sales, complaint handling and problem solving. The personnel increased in quantity in spring 2010; today Branded Shoes Ltd. has three employees. This leads to the fact that the company could now have the resources in time and “available hands” for creating new strategies in order to better meet the sales and services to the needs of the retailers.

The above presented matters also became the topic of the thesis. The author wants to research if the agency’s present selling and services are working well, if those need improvement and what selling and service activities Branded Shoes Ltd. could add to their existing portfolio. Hence the thesis got the title “The Retailer’s Perspective of a Shoe Agency’s Selling and Services”. The research is made through the perspective of the retailer. Many functions of Branded Shoes Ltd. often overlap with the functions of the principals. Therefore for example functions that require from Branded Shoes Ltd. only the information flow between retailer and manufacturer; will not be researched in detail. Communication and information flow in the other hand is included as it is an important part of the service process.

This research is important for Branded Shoes Ltd. as it might give an idea how they could increase the sales during this difficult time. Also that might enhance the company’s perception of what actually is important for the purchaser and to create a long-term relationship to the customer. One fact is also that the agency

should strive now to find the competitive edge in relation to the other agencies. For example if the other agencies do not offer training for the retailer's personnel. The thesis also gives better understanding to the principals/brands. They can take the advantage and implement the results in their strategies as well. For example if the principal is not yet offering an online stock ordering program and need for those occurs.

## **1.2 Objective of the Research**

The first objective of the research is to develop a clear understanding of the retailer's perspective; what the retailers expect, what are their needs and what the retailers want from the case agency. The main focus is on the services and selling as these are the core functions of the agency. The advantage for the retailer is that they receive more tailor made solutions and get their voice heard.

Also one side of the research is to identify if Branded Shoes Ltd.'s present selling and services are working well, are those satisfactory and would there be new improved ways of selling and service methods for the moment. To come to the conclusion, the core objective of the research is to help Branded Shoes Ltd. find the best possible solutions to meet the retailers' needs. The principals may also utilize some of the research results, but that was not the main objective of this thesis.

The selling and services from the retailer perspective in general is quite a thoroughly researched matter but what makes this study different is that it investigates the agency's selling and services. The reason that makes it different to the normal selling and offering of services is that the agency is an intermediary and has to some extent work in limitations as the agency base some of their actions on the principal's resources. In other words what resources the principal is able to offer in order to enhance the agency's ability to improve the business. As already mentioned before, the functions between the agent and principal sometimes overlap. Thus one objective is also that the thesis will give the reader the perception of one

agency company and their work in practice and what are the limitations of an agency company.

### **1.3 Research Questions**

The research questions give a better understanding of what actually is being researched and the questions also create the foundation to reach the thesis' objectives. When the thesis comes to its end the reader should have answers for these specific questions in their hands. The research questions of the thesis are the following:

- Is case agency's present selling strategies and sales process functioning well for the retailers?
- Are case agency's present services functioning well for the retailers?
- What could the case agency company improve in their selling strategies, selling process and services?
- What new selling strategies, selling processes and services should the case agency include to their portfolio?

### **1.4 Limitations**

The agency could be said to have two clients; the principal and the purchaser and it is vital to understand the needs of both of them. However, this thesis will focus on the retailer perspective of the agency, so the principal's point of view will not be evaluated. This means that the principal's needs and expectations of the agency as well as the retailers' needs and expectations of the principal which is also their supplier is not included. As also mentioned before the agency's operations often overlap with the principal's operations so the principal cannot entirely to be ignored in the research, but for example packaging and delivery will not be researched. The promotion is hard to handle in an agency case, as the agency may have influence that which type of method is used for promotion but usually in the case of advertising at least nowadays is that it is entirely handled by the principal;

by the outlook of the advertising, message and the media used. Therefore advertising as an example is not researched thoroughly but it is added as a comparison tool of which promotional direction Branded Shoes should drive the principal to.

Also the fact that the agency does not have the decision making power or authorization to perform some matters limits the research. Those are for example negotiation over prices, costs, contracts and terms, stock handling and deciding the products raw materials. Here again the agency can try to influence some of the matters, but the principal will have the last word.

One limitation for the thesis which was also mentioned before is the information flow. The matters that require only information flow from the agency between the principal and the purchaser will not be researched in detail. The information flow as a whole will be researched as of course this is one of the agency's tasks for the retailer. It can also have an influence over the retailers' perception of the service and thus is important for the agency to research.

### **1.5 Methodology**

The methodology that is used in the thesis will consist of both secondary and primary research. The secondary data will be collected from the literature such as books and articles as well as from the discussions with Branded Shoes Ltd.'s personnel. The primary data will be collected via a questionnaire with including all the four question methods; open, dichotomous, multiple choice and Likert scale. The first reason why the questionnaire was chosen is because the area to cover is rather large. The second reason came from the fact that there has not been made any research in the company so far.

The questionnaire was developed in cooperation with Branded Shoes Ltd.'s personnel as it is necessary to know which matters should or should not be included to the questionnaire. The questionnaire will be handed out to the entire case agency's present customer base. The questionnaire was answered by the shop owners themselves or by the most relevant person relating to the matter e.g. a purchaser in

bigger organization. The questionnaire was delivered as an electronic form to the most of the respondents but as still some of them do not know how to use Internet or e-mail, few of the respondents will receive it by post.

## **1.6 Structure of the Study**

The first part of the thesis gives the background of the problem, how the problem was found and what the problem is. It introduces the company and gives the understanding of the company's concerns. The introduction also presents the advantages of different aspects. The first part creates the outline of the thesis by what is the objective, methods used as well as the limitations impacting the overall thesis structure.

The second part familiarizes the reader to the theoretical background. First it introduces the purchasing side of the chain, which is constructed for keeping in mind the subject agency. The section will first start with the definition of buying, what are the types of different purchasing markets, roles of a purchaser and as well the objectives of the purchaser. Then the research will be followed by the organizational buying behavior introducing the structure, criteria and motives of the purchaser. The relationship with the supplier gives the idea how the purchaser consider the relationship with the supplier/seller. Lastly the purchasing theory will have a look at trends that are gaining a bigger share of purchasing day by day and also the upcoming trends in purchasing.

The second part of the theory section gives a deeper outlook on selling point of view. The section starts with the definition of a personal selling. Personal selling includes also the strategies and objectives of the selling. The next topic is the sales force; the persons involved in the sales force and the structural areas of the sales force. The sales process will be discussed next with the different phases and also with the time management of the meeting. The sales process will be followed by the sales promotion; what is the objective, what are the different sales promotion methods and what are the sales promotion advantages.

The next theory part will process the service. First the service is discussed by its functions and characteristics. The main consideration in this section is the service quality and the aspects of it. Different approaches can be found to perceive the quality in service and how service quality can be achieved. The last part of this section discuss that what are the biggest barriers in the delivering of quality service.

The third part of the thesis will introduce the empirical study of the research. First the empirical part will introduce Branded Shoes Ltd.'s operations in more detail. How the selling has been done and what are the strategies there, which has been the services offered and how those have been delivered to the customer. The empirical part will then be followed with the introduction of how the market research is implemented in practice; what are the sample size, the reasoning for the questions and how the research will be delivered to the retailers. The questionnaire will be then analyzed in detail. First is discussed that how was succeeded with the questionnaire; matters like how many responded to the questionnaire and did the market research go as expected. Then following from there is the analysis of the questionnaire results.

The analysis will then lead to the conclusions and the last part of the thesis. This section introduces the recommendations for the company. The research results are presented and suggestions are given how the results could be implemented in the company. Following from there the thesis will suggest further research that could be made in this company to complement this research.

## **2 THEORETICAL FRAMEWORK**

Now the research has been introduced and it is time to move on to theory part. A theoretical framework is a combination of theories which are created in order to guide the research and give implications of what is being measured. It will create a better understanding of the retailer perspective and the aspects that are present in the agency's work.

The first theory in the theoretical framework is purchasing. The purchasing describes the retailer's perspective and what can be the needs. From there the thesis carries on to section 2.2, to the selling, and in section 2.3 the services. Those will be measuring the agency part of the research; what the case agency should and could do. The connection of the theories presented in section 2.2 and 2.3 to section 2.1 where the possible needs can be detected is that how the agency could respond to those needs. Both selling and services are the main tasks of the agency. From there the theoretical framework moves on to the market research theory in section 2.4. This section will create comprehension over the questionnaire development and how the research should be implemented in practice in the best possible way.

### **2.2 Purchasing**

This part gives an understanding to the core of the purchasing, objectives and motives of the purchaser, purchaser's relationship with the supplier and also the upcoming trends which will be seen in a bigger spectrum in the future of purchasing. The purchasing was chosen to the theory as it is the customer point of view which in fact is the most important view of the agency.

The section has been constructed with keeping in mind the relation with the seller which in this case is the agency. It is therefore narrowed down to meet the focus of the research. The whole purchasing theory would be burdensome for the thesis

which would end up the theory to be excessively broad. Now the thesis will continue with the definition and the objectives of purchasing.

### **2.2.1 The Definition and the Objectives**

The purchasing is a decision-making process of an organization where they discover to have a need and after identifying, evaluating and choosing then purchase from a supplier or brand that satisfy their needs. The pure definition of it is that it is "...the purchasing of goods and/or services for business use". (Ward 2010) Purchasing has also been described with the terms procurement and sourcing. Gadde and also Pooler & Pooler states that purchased goods' costs accounts 50 - 60% of the total turnover or even more in many of the companies where the purchasing is one of the core functions. In these companies also the purchasing has a direct effect on the revenues. (Kotler & Keller 2009: 222; Gadde 1993: 2; Pooler & Pooler 1997: 2)

The business-to-business purchases can be classified in three categories; purchases are made to produce other goods and services, resell purchases to other business users or consumers or to use purchases to conduct business. Therefore the purchasing may include of raw materials and components, fully produced and formed products or services such as attorneys or advertising agency. The side we are researching here are the resell purchases as the products are already ready products with brands. (Webb 2005)

The resell market is an intermediary market where the purchaser buys finished goods and re-sells them to make profit. The purchaser therefore does not make any physical changes to the product. Often the resell market consists of wholesalers and retailers. In this case Branded Shoes Ltd. sells the principal's products to retailers and retailers sell it to the end consumers. In small and medium sized companies the owner usually makes the purchasing when in large companies there are one or more employees to handle the purchasing. In a chain store there might be a buyer or buying committee in the central organization that makes the deci-

sions, in Finnish shoe retailing market the Kesko's K-kenkä and Andiamo could be a fine example of chain store. (Dibb, Simkin, Pride & Ferrell 2001: 140-143)

Baily, Farmer, Jessop & Jones represent the basic idea of purchasing that has been the main concept for many years. The purchasing idea is gaining the right items, at the right price, at the right quality and quantity and at the right time, from the right source. The quality should be the most suitable for the purpose and it should be measured from two points of view; from the performance and conformance quality. Performance quality refers to the buyer's ability to inform their needs and the conformance on the supplier's or seller's ability to follow the needs. The quantity aspect gives implication of is the good bought for direct use or for stock and especially what is being stocked and in which quantity. The delivering the goods refers to the time aspect, unless the good is not been ordered or delivered on time it may reflect as lost sales, production to be stopped or dissatisfaction of the customers. The ordering on time means that the purchaser needs to be aware of the supplier's delivery time. The delivery of the goods on time requests demanding it from the supplier and surveillance of the delivery from the purchaser's side. The choice of a supplier is varied process but e.g. right quality and quantity delivered at the right time influences the decision. Other matters affecting are the services, information, economic background and relationship. Price is impacted by all the above mentioned matters but as well from the cost of production, customer's price perception and market conditions for example competition. (Baily et al. 1994: 17, 79-80, 94-95, 107, 122, 143)

Pooler et al. adds that today purchasing is more wide spreading because the business world is also changing and is becoming more professional. The most important objectives of purchasing in their opinion are to ensure the economic supply and have an efficient control in order to impact on the profits. These two objectives are reached by:

- Getting the apt quality with minimum costs.

- Having reasonably low prices, negotiating and following the company obligations.
- Well performing supplier network and creating a relationship with the suppliers.
- Controlling the performance of suppliers.
- Bidding and evaluating the suppliers.
- Having reasonably low inventories.
- Enhancing the control system and procedures.
- Cutting the costs of purchasing and keeping the acquisition costs at minimum. (Pooler et al. 1997: 4)

Gadde introduces that there are three different roles of purchasing: rationalization, development and structural. The rationalization role comprises of decreasing the costs via value analysis from the flow of goods to the technical functions of the goods. "Value analysis is an attempt to systemize a review of various functions of a given product or a solution and to find alternative ways of satisfying the corresponding functions." (Gadde 1993: 8) Also Pooler et al. represent the cost reduction techniques and mention the value analysis method. The Gadde's development role refers to co-operation between the buyer and seller. Cooperation is considered to be the most valuable asset to create the competitive edge for the purchasing firm. The developing may consist of product development, resource and/or time management. The structural role is the way that the purchasing company creates their supplier network; is it divided in several suppliers or does the company concentrate their supplier network. The factors affecting on the structure are geographic placement, innovative know-how or resources. (Gadde 1993: 7-10)

The interesting parts that were found from the above sections were whether the agency has facilitated the basic functions of the purchaser. The functional role that this requires from the agency is mainly being an informational tool between the supplier and buyer. Informational flow will be researched but all the different variations of it will not be researched in detail. The variations might be for example

the follow-up of deliveries, enhancing the deliveries, cost reduction, negotiation of terms, prices etc. Which was also mentioned before in section 1.4 that is because the subject agency rarely has decision-making power over the e.g. different delivery possibilities and also the agency is often not informed of the various costs for example the components costs. Therefore the agency is not eligible to negotiate they can only mediate the information.

Gadde's development role in fact is very interesting from the agency's point of view as one of the most important tasks of an agency is to enhance and maintain the customer relationship which undeniably includes co-operation with the buyer. Again the agency cannot make the ultimate decisions but they have for example the knowledge of the product and are often involved into the product development of the brands as they have the know-how of the market such as climate. In order to reach the development phase the agency need information on the organizations purchasing motives and criterions. The motive and criteria behind the purchasing is essential for the agency to discover as it will show where the focus of the agency should be. Therefore the next part examines the organizational buying behavior including the motives and criterions in purchasing.

### 2.2.2 Organizational Buying Behavior

The definition of a consumer buying behavior is defined as a "process by which individuals search for, select, purchase, use, and dispose of goods and services, in satisfaction of their needs and wants." (Business Dictionary) The organizational buying behavior differs in many points from the consumer buying behavior which can be seen from the table 1.

	Consumer	Organizational buyer
Buying motives	The purchasing motives for the consumer are rational, emotional or a combination of those. The examples of mo-	The organizational buyer is rational and the motives are very much related to the company's benefits. The motives

	tives are replacing an old with a new product, facilitation of every-day life or status improvement.	for the organizational buyer are for example increased sales, reduced costs or improved quality.
<b>Product and market knowledge</b>	The product and market knowledge of a consumer might be quite good, but not as thorough as a sales person's knowledge. That is because the sales person is specialized in that area.	The organizational buyer's comprehension over product and market is very thorough. The reason for this is the specialization for the purchasing on the one or several products.
<b>Purchasing situation</b>	The buying situation is usually very informal and the information is passed on verbally. The consumer often attends the situation alone but also friends and family members may take part.	The situation is very formal and information is delivered written for example by offers or verbally. The situation may be attended by several persons such as colleagues, decision-makers or decision-making unit.
<b>Selection criteria</b>	The consumer's criteria for purchasing are also rational, emotional or a combination of those. The different criteria are functions, convenience, quality, outlook of the product and/or a color of the product.	The organizational buyer use the criteria in order to maximize benefits at minimum risk. The criteria that the purchaser uses are price, quality, service or supplier's reputation.

**Table 1.** Differences between consumer and organizational buying behavior. (Adapted from Webb 2005, modified by the author.)

What should be though noted that the company's buying motives might have also similarities with the consumer buying behavior, where the buyer depends on their emotions. This might not be the most professional approach but a good example of this is the increase of the shop status. Some small and possibly also medium

sized shoe stores may take brands just to increase the shop status, those are also known as profile brands. Even though the profile brands are bought for the increase of shop status it does not mean that the shop owners would not think of the profits as well. Thus the brand should bring higher status but as well as profit. Jobber also points out that the buyer need to justify their decisions to the organization by the economic and technical criteria even though the purchasing process includes people with their values and emotional factors. (Jobber 1995: 96)

The understanding of the organizational buying behavior starts with who buys and how they buy, the choice of criteria used, where and when they buy. The main considerations in the organizational buying behavior are that buying is often a group process, it is less frequent, the orders are in large quantities, negotiation period is longer compared to consumer negotiations, customer service is required and the consistency of quality and supply are important. The next table describes further the criteria the purchasers use in their decision-making. (Dibb et al. 2001: 144; Jobber 1995: 96-97)

	<b>The criteria</b>
<b>Price/ Cost</b>	The purchasers on an increasing amount are counting the product's total lifetime costs. The lifetime cost includes the initial price, inward freight, operating costs, repairs and maintenance.
<b>Product</b>	The product criteria include design suitability, reliability, durability, consistency and low defect rate.
<b>Service</b>	The service criteria include reliable availability, on-time delivery, design assistance, training, willingness and ability to respond to and solve problems quickly.
<b>Buying method</b>	The different buying methods create different criteria; the different methods are risk reduction and promotion. The risk reduction creates stability and consistency with suppliers, quantities and ranges. The promotion concentrates on successful negotiation and cost reduction.

It is also suggested that the method may also be oriented with personal goals as it might be recognition or ego driven.

**Table 2.** Criteria in organizational buying. (Adapted from Webb 2005, modified by the author.)

Dibb presents that the re-sell market consider following factors while making their purchasing decision: demand, quantity, price, space required, potential profit, first trials, supplier's ability when and where the retailer needs the products, ease of making business, technical assistance and training. The demand of the resell markets have three main considerations which are that it derives from the consumer, it is inelastic to changes in prices and that the demand can fluctuate widely. The inelasticity to changes in price means that the "demand of a product does not increase or decrease correspondingly with the fall or rise in its price". (Business Dictionary) The purchaser often evaluates also that does the product compete with the other products or is it completing the product range. The intangible factors that might effect on the buying decision are the seller's credibility and the seller's ability to understand the customer's needs. (Dibb et al. 2001: 142, 150; Webb 2005)

The conceptual models describe organizational buying behavior. There are four major influencers affecting the buying decision; the environment, the organization, the buying center and the individual participants. The environment includes the sub determinants that are physical and technological e.g. suppliers and customers, economic and political that include the government, labor unions and trade associations and finally the legal and cultural which contains e.g. other business firms like competitors. The environmental aspect is considered to be rather persuasive and subtle. The organizational determinants are consisted of the organizational climate in physical, technological, economic and cultural aspects. Organizational buying behavior is seen as being motivated and directed by the organization's goals and is contained by its financial, technological and human resources. The individual participant determinants include the buying center consisting of the buyers, engineers, users and others and especially their actions and expectations.

The individual participation therefore includes the variables of the personal behavior and perceptual differences. (Baily 1994: 332-335; Kotler 1997: 210-213)

From this section one can notice the different motives and criteria the purchaser might utilize in their decision-making. This would prove useful to further examine that what are the motives and criteria for Branded Shoes Ltd.'s customers. This would enhance in founding out the expectations of the subject agent's clients and where the agency should improve and focus their actions. Also are there other ways in increasing sales such as creating bigger demand in the consumer base.

Now when the information of the aspects of different purchasing approaches has obtained and also the motives to purchase the study will move forward to the relationship aspect and which type of relationships the purchasing companies try to approach. The selling companies' one task is to build a relationship and unless they know the type of the relationship the purchaser wants it can go awfully wrong.

### **2.2.3 Relationship with the Supplier**

The number of suppliers of the purchaser has steadily decreased. Therefore the purchaser and seller relationship has evolved to be more co-operative. The result of co-operation and long-term relationship may effect on the direct costs of purchasing as it is easier to communicate and have mutual understanding and trust. The relationship according to Gadde is a social process in which different types of confidence-building activities are important. The key issues are the adaptation, constructive handling of the conflicts and honesty from both sides. It is said that long-term relationship has some of the same characteristics as investments, first the expenses may grow but during time income will eventually grow as well. (Gadde 1993: 62-63)

Baily et al. represent the mutual relationship which means building a satisfactory outcome together. "Confidence and support are invested by both sides with the intention of adding value...". This theory is relating to the Gadde's development

role introduced in section 2.2.1 but have few additions in it. The different factors of the mutual relationship can be seen in figure 1.



**Figure 1.** Mutual relationship. (Baily et al. 2004: 11)

In Baily's theory the emotional aspect is present but also tools and operational things have been added. Biggest asset is that the buyer and seller share the factors. Therefore the flow of for example information, confidence and technology runs both ways. (Baily et al. 1994: 10-11)

The big buyers have had very powerful impact on the small sellers as they were able to make "ultimatums". Pooler et al. suggest that the buyer should take this advantage and have the powerful impact on sellers. This kind of prerequisite for the seller is for example that purchaser will not create a contract before they decrease the prices by 10% for them. This is rarely happening any more as straight bargaining, but the big purchasers often have terms which has nearly the same effect on reducing the price. That kind of term can for example be the payment term. (Pooler 1997: 16)

Gadde represents the contrasting theory that the general misunderstanding of a purchaser is that if the prices are decreased, it will have a straight impact on the profit. What they cannot see that the reduction of price might bring indirect costs.

Indirect costs may occur if the supplier is forced to take the price reduction for example from the materials which lowers the quality. Therefore the purchaser may get more claims from the goods. Spong also states in his article of Marketing Week: "We should be focusing on sharing best practice, because that is all about performance, not price". (2009) (Gadde 1993: 5)

Pooler et al. informs few of the negative aspects from the purchasers point of view which might occur with sales representatives. Those are lack of knowledge of the product, sales engineers who design the product for the buyer's company's engineers, condemning arguments or trying to be too clever during the purchasing process. Gadde presents another point concerning the meeting between purchaser and seller. He suggests that often the price is expected to be the focus and the purchaser are expected to be the passive side in the meeting and sales person to be the active side presenting the arguments and proposals. In contrast the more convenient way would be the analyzing of goods, information and cash flows. (Pooler 1997: 123; Gadde 1993: 33)

The relationship building is very much in the heart of the agency company as building a long-term relationship is as mentioned before in section 2.2.1 one of the most important tasks. What would be especially important is what type of relationship the client wants and would they prefer for example to be more involved in developing the business. Of course the negative points Pooler & Pooler and Gadde show us must be researched so that the subject agent does not pitfall on those.

Finally the purchasing theory will have a look on trends that are gaining a bigger share of purchasing day by day and also the upcoming trends in purchasing. The information is important for the selling companies as it might have an effect on them as well. Usually the suppliers who are able to follow the trends and be more efficient are the ones who will survive from the competition; the business life is the survival of the fittest.

### **2.2.4 New Trends in Purchasing**

The world is changing and along with it changes the business. The companies need to then by their best ability to forecast or follow the trends which are occurring. If one sector of the business implements new functions or strategies it affects the whole network which is involved with this sector. Therefore new trends which are happening in the purchasing sector are interesting from the eyes of the agency. At some point it might mean for the agencies of changing their functions or strategies and then the question is why would not be among the first ones making the change?

Barrat & Whitehead point out that there have been several changes in the purchasing that has started already 10-20 years ago but yet has not gotten a big margin over the purchasing. Those changes are outsourcing, globalization and specialization. What has emerged during the past few years are the more ethical and environmental friendly purchasing as well as shifting from the price conscious to the quality, service and brand conscious way of thinking, which of course is a healthy change and little bit balancing the business after the rumbling “Made in China”-years. Also the role of the purchaser has become more and more important. (Barrat et al. 2004: 244)

One of the most empowering trends which could be noticed was the E-commerce and this topic is further explored in the following section.

#### **2.2.4.1 E-commerce**

Barrat and Whitehead defines the E-commerce as a set of business practices and tools that support the electronic movement of structured and unstructured business information between places and people. E-procurement is therefore ordering products over the Internet. The fast real-time information and data has been proven useful and brought great benefit for the companies. Other benefits that were noticed are the time saving from the fast access to data or software, cost saving as well as the matter that it is applicable where ever the user is. These benefits only

occur if there is the know-how in using the Internet or software. (Barrat et al. 2004: 151-171)

E-commerce is still quite young tool and for the time being the true value of it is noticed. It should be though realized that after the E-commerce practices have been applied and the beginning hurdle has slowed down also the benefits will not be further noticeable; the practice thus is waiting the next step for the next improvement. For Branded Shoes Ltd. the E-commerce is right around the corner as some principals have started to develop their programs. Thus it will be interesting to research that are the retailers ready for the change. (Barrat et al. 2004: 151-171)

The purchasing trends in many aspects are important for the seller even though if it would be outsourcing or E-commerce; those will have the effect on the seller's future also. This was the last part of the theory of purchasing and next the study move on to the theory part of how the agency could respond to the needs or methods which were presented above. The theory part following is the sales theory.

### **2.3 Sales**

As the knowledge of the purchasing and the retailer's perspective has been collected, the theory moves to the agency side. The agency's side in this transactional setting includes selling and services. This part is introducing the selling. The selling part will give perception to the research of what should be done and what could be done.

In this section is presented first the personal selling. Then it moves on to the sales objectives and strategies in section 2.3.2. The sales force is introduced in the part 2.3.3 with the sales personnel, sales manager and sales force structuring. In the personnel and manager part the focus is on the skills each should gain. Next the study presents the selling process and which phases it includes. This part will end to the sales promotion section.

### **2.3.1 Personal Selling**

The personal selling is nowadays becoming more and more consultative as the business is more professional. “Personal selling is the process of informing customers and persuading them to purchase products through personal communication in an exchange situation.” (Dibb et al. 2001: 523) Futrell also adds here that nowadays the personal selling definition is added with the word “unselfishly” because the selling needs to get more ethical to bring better results in gaining trust and the long-term relationships. It is said that personal selling counts the biggest cost share of marketer’s promotional mix. (Dibb et al. 2001: 523; Futrell 2006: 5)

The very core goal of personal selling is to find new potential customers, persuading them and also maintaining the customers. Thus it is not unusual that the sales person is the closest contact to the actual customer. Personal selling aims to a specific communication between the purchaser and the decision making unit. One of the advantages of personal selling is that it gives straight feedback of the performance. (Dibb et al. 2001: 523)

### **2.3.2 Sales Objectives and Strategies**

Objectives define what is expected to achieve. The objectives can be sales volume, market share, profitability, service levels and/or sales force costs. The sales force strategy outlines how the objectives can be achieved. The strategies can be the call rates, call rate on existing and potential accounts, discount policy, percentage of resources such as is it a new or existing customer, or possesses high or low potentiality and is the meaning to sell or give after-sales service, improving customer and market response from the sales force and enhancing customer relationship. (Jobber 1995: 406-407)

According to Jobber the importance of key account selling increases, and therefore developing strategies for penetrating major accounts is important. One strategy that can be used to gain a new customer in the strengthened competition is the diversion strategy. The objective is to divert a competitor concentrating its re-

sources on protecting one customer and thereby overlooking another. There comes the possibility for winning over the overlooked customer. Once the awareness of what the sales manager's hope to achieve and what is the best way to reach the objectives they can make their decisions concerning the sales force design. (Jobber 1995: 408, 410)

### **2.3.3 The Sales Force**

The sales force is an important part of the implementation of the sales strategies and objectives. It influences the company image, profitability and success of the company. This is why theory of the sales force cannot be ignored. Therefore next the study moves forward to the sales force theory.

The following sections will introduce first the sales personnel, the types of sales personnel and which skills they should obtain. Second part consists of the sales manager and their tasks. The third part presents the different strategies for structuring the sales force. The part will also introduce the benefits and disadvantages of the different structures.

#### **2.3.3.1 Sales Personnel**

The types of sales people that exist today are the order getters, order takers and support personnel. The order getter is involved in the creative side of selling which is finding the new customers or increasing the current customers' purchases. The order takers seek for the repeat sales distantly for example over the phone or on the field. Support personnel creates the facilitating systems and are usually involved in the locating the potential customers, training the customers, building goodwill and provide after sales service. (Dibb et al. 2001: 526-527)

The top salesman must manage the charting of the needs and have the overall knowledge of the company's goods as well as of the competitors good. The salesmen should be efficient, assuring, understandable, initiative, friendly and polite. Nowadays the salesmen should, in order to succeed, familiarize with a more con-

sulting role. Sales skills are considered to consist of the listening, argumentation, managing the counterarguments, suggesting a solution, closing, providing the service and additional sales. Skills in service area are considered to be the noticing the customers, greeting, friendliness and courtesy, activity, desire of sell, convincing and skill of manage the service situation. Donaldson also present few additional characteristics the sales people should obtain, those are: enthusiasm, confidence, intelligence, self-worth and communication skills. (Rubanovitsch et al. 2005: 21-23; Donaldson 1998: 46-47)

#### 2.3.3.2 Sales Manager

Sales managers need to recruit, train, motivate and evaluate their staff besides setting objectives and strategies and designing the sales force. The significance of employing skilled salespeople cannot be exaggerated. The quality of salespeople that sales managers recruit has a substantial effect on performance. When recruiting salespeople a commonly held assumption is that money is the most valued attraction for the sales people. This might not always be like this as; also working methods and independence is appreciated, probably even more than earnings. Therefore the sales managers need to discover the motives why people want to become salespeople so that they can create the most attracting work environment in order to maintain the best sales people in their market. This also applies to the motivating when the recruitment has already been made. (Jobber 1995: 412-413)

The different motivational tools the sales manager can use are the financial compensation, working environment, power and authority, job security and possibility to stand out from the sales personnel. Sales contests can also be a great motivational tool but in order it to succeed the targets must be reachable and profitable. Some companies may also use negative motivational tools such as financial penalties or terminating the employment contract. (Dibb et al. 2001: 533-534)

The training program provides the ground where the sales person can base their learning. A training program should consist information about the company and

its objectives and strategies, about the company's products' features and benefits, of the competitors and their products, selling procedures and techniques, working environment and the organizing of the sales including reporting and relationship management. "Success at selling comes when the skills are performed automatically without consciously thinking about them." (Jobber 1995: 415)

#### 2.3.3.3 Structure of a Sales Force

Sales force organization can be divided using three different methods; geographic, product and customer based structures. The geographic structure distributes the area into regions based on work capacity and its potential aspect and then a salesperson is assigned to each area to sell all of the company's product range. This provides a simple definition of each salesperson's sales territories and also enhances the salesperson's ability to develop a personal relationship to the customers. It is a cost efficient solution comparing to the product or customer-based systems as there is only one salesperson to travel that specific area. The disadvantage in the geographic structure is that when products are technically different, it may be difficult for a salesperson to obtain the knowledge of all products and their functions. When the company has a wide product range it is more preferable to use the product or customer-based structure. (Jobber 1995: 409-410)

As mentioned above the product dividing is effective when a company has a wide product range and especially when products are sold to different customers or different people in an organization. The situation changes if the products are sold to the same customers. That creates problems such as route duplication, which thus creates higher travel costs and increase of calls on the same customer. Product specialization at its best allows each salesperson to be well informed about a product line, its applications and customer benefits. (Jobber 1995: 410)

In the customer based structure the sales force can be structured along market segment, account size or new versus existing customers. It yields in to gaining in-depth knowledge of customers and to be able to have knowledge of trends in the

industry that may affect demand for the company's products. Increasing trend in the sales force dividing is the key account management. The key accounts are usually handled by key account sales force consisting of senior salespeople because they have the skills to create long-term relationships, manage well-formed sales arguments and perform negotiation situations. There are number of advantages in key account structure:

1. The salesperson knows who makes the decisions and who influences the decision.
2. Improved communication and coordination.
3. More time to follow-up and provide after sales service.
4. There is more time to develop a functioning relationship with the key account.
5. Higher sales.
6. The salespeople have a better opportunity for promotion. (Jobber 1995: 411-412)

Some companies familiarize with a three-tier system, where senior salespeople manage the key accounts, sales representatives sell to medium-sized accounts and a telemarketing team dealing with small accounts. In practice a combination of the structures may be the best solution to gain the best efficiency and results. For example the geographic structure combined with the product specialization or customer-based systems. (Jobber 1995: 412)

Now when the information of the core functions and the persons in sales has been obtained the study carries on to the sales process. The sales process is the enforcement of the above presented theories of sales. The sales process hence combines the objectives and strategies of the sales with the sales force.

#### **2.3.4 Sales Process**

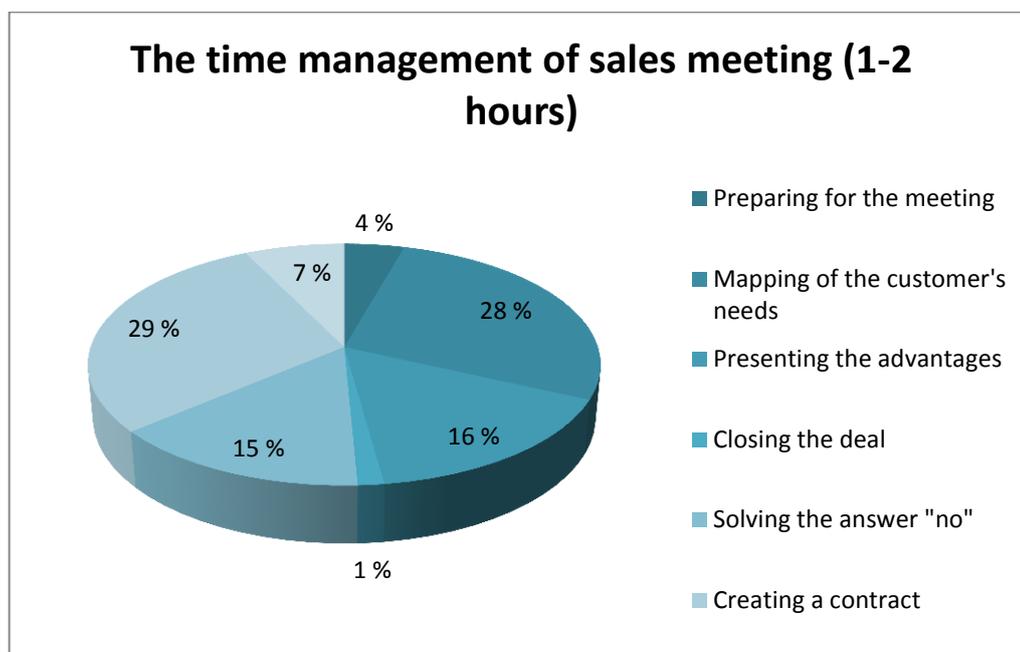
In B-2-B market it is very important to create a positive buying experience for the purchaser because the markets are internally very compact. The people know each

other in the market and therefore the word-of-mouth also circle through organizations very fast. The market tends to be also very limited unless it is a question of very large market. If the market is limited it means for the selling organization that every customer that has been lost cannot be replaced with a new customer. Once the selling organization has been able to create a long-term relationship to the buying organization's key person, the customers are very loyal and are more willing to overcome obstacles. Donaldson suggests that the sales process should be seen more as a problem-solving instead of only selling an available product. The selling is not pushing and forcing the client to purchase in contrast it is finding the solution for the needs. (Rope 1998: 24; Donaldson 1998: 7)

The sales process is considered to start from the prospecting, which means finding the potential customers, and end to the after sales service. The phases in between are the planning for the first approach, approach, planning the presentation or meeting, meeting, need charting overcoming objections and closing. The sales process should proceed promptly in order to keep the customers interested. (Jobber 1995: 397; Rubanovitsch et al. 2005: 37)

According to Rubanovitsch et al. the normal and efficient sales meeting should not require more than an hour to two hours. They highlight the importance of need charting and also suggest that the actual meeting should start with the charting of the customer's needs. The need charting should also possess the biggest share of the time used in the meeting. After the need charting the salesman should be able to suggest a solution that would meet with the needs and presenting the advantages of the solution/product. It should be noted that the price is not actually presenting the advantages; the salesman ought to bring out the real advantages such as functions and how they help the customer's business. Presenting of the advantages then is followed by the closing of the deal. If the purchaser is hesitant and prefers to reject the offer, the following part is to solve the answer "no". If the salesman succeeds to change the purchasers mind the creation of the contract becomes current. When the sales process progress organized there is time left in the

end of the meeting to agree on the performance and make the possible additional sales. The time management of the sales meeting can be seen from chart 1. (Rubanovitsch et al. 2005: 35-37, 53-133)



**Chart 1.** Time management of sales meeting (adapted from Rubanovitsch & Aalto 2005: 37)

The follow-up and the after sales service happens after the meeting. The main advantage in planning the sales process is that after the meeting there is no need to draw up the new calculations, write e-mails or talk on the telephone by hours with the customer. Therefore the time can be spent for example repeat sales or gaining new customers. It is stated that sales men usually increases their selling rate as they can focus right after meeting on the after sales service and additional sales. (Rubanovitsch et al. 2005: 36)

For the sales person the taking initiative and contacting the customer is essential. The contacting might not lead immediately to sales but it can happen when the customers are kept up to date during time. The Rubanovitsch et al. presents that when 100 customers are contacted only five of them lead to sales, but the more is contacted the more sales are done. (Rubanovitsch et al. 2005: 47-49)

When the products have been sold the sales person's task is to help their customer's to resell it forward. This can be performed through services for example training or on the other hand through promotion. Next we will move on to the promotions theory that will create an understanding of the objectives and different tools to promote sales. (Futrell 2006: 25)

### **2.3.5 Promotion of reselling**

As it was mentioned above the sales person need to find promotional ways to help the customers resell the goods that have been sold to them. This section will introduce the different promotional methods to use to increase the derived demand or increase the retailer's purchasing directly or indirectly. These different approaches are the sales promotion and the other promotions such as advertising or exhibitions.

The sales promotion can be considered as a direct method of increasing the retailer's purchases as those are as well directly appointed to the retailers. The advertising for example is an indirect promotion method as it creates derived demand and from there increase the retailer's purchases. Here first in section 2.3.5.1 is introduced the sales promotion methods and then in section 2.3.5.2 is introduced the other ways of promoting.

#### **2.3.5.1 Sales Promotion**

The core idea behind any sales promotion is to provide extra value that encourages purchase. The objective of sales promotion such as fast short-term sales increases may be required for to reduce inventories or meet budgets, moving stocks of an old model in order to fill the stock with new items or to block the competitor's product launch by filling the customers' stock. Also gaining extra shelf place as well as distribution is considered to be very important. The sales promotions can be very useful in encouraging the first trial also. If new buyers like the brand the long-term effect of the promotion may be positive. What needs to be realized that sales promotion should not be used as a means of for example getting rid of

badly performing product or poor positioning. The sales promotion may be made with a connection to another promotional method for example advertising. This sort of promotion is called a ratchet effect. The main sales promotions used are the discounts, allowances, competitions, free gifts, displays and joint promotion. (Dibb et al. 2001: 536-537; Jobber 1995: 435-436)

The trade may be offered discounts in return for purchase for example a quantity discount. The discount may be part of a joint promotion whereby the retailer agrees to devote extra shelf space, buy larger quantities or allow shop-in-shop demonstrations. An alternative to a price discount is to offer more merchandise at the same price. (Jobber 1995: 434)

Setting up a competition involves a manufacturer to offer financial stimulus or prizes to distributors' sales forces. The meaning of the competition is to create sales targets or percentage increase in sales for the distributor's personnel of the products. The other option is to give the prize to the sales force with the best sales figures. (Jobber 1995: 434)

A manufacturer may offer an allowance for the distributor. The allowance is given in return for the retailer to make promotional amenities in their store. An advertising allowance would be paid by a manufacturer to a retailer in order to receive their brands into the retailer's advertising. (Jobber 1995: 434)

An example of a joint promotion could be a dealer listing. Dealer listing means that advertisement, which promotes a good, also has a list of retailers who are involved to the promotion or who sell the good. This may enhance the retailer to buy that specific product and further the consumer to buy it from the retailers. (Dibb et al. 2001: 544)

During this time of recession it is vital for the sales person to find the ways that could be help in the selling of their products. It could be said that every inch of the shelves is important as that space is away from the competitors. Actually few of the sales promotions could be very easily arranged by the agency themselves like

for example competitions wouldn't necessarily require the principals resources at all. There are also other ways to promote which has effect on sales as well but aren't considered directly as sales promotions. Those promotions need more principal's involvement and also their approval therefore the agency can only work as a "driving force" towards that promotion. In the next section is presented more thoroughly the other promotional tools.

#### 2.3.5.2 Other Promotions

The promotions that have effect on the sales but are not considered as direct sales promotions are advertising, PR including publicity and sponsorship and exhibitions. The advertising is paid non-personal communication of the product in media such as television, radio, direct mail, catalogues, newspaper or billboards. The difficulty in advertising is that which form the communication should be informed by layout, message and media used. (Futrell 2006: 50)

Publicity is major element of public relations. It can be defined as the communication about a product or organization by placing those in the media without paying for the time or space directly. The information distribution may be through news releases, news conferences, interviews, feature articles, photo calls and public speaking. (Jobber 1995: 437-442)

The sponsorship is defined by Dibb et al. as "The financial or material support of an event, activity, person, organisation or product by an unrelated organisation or donor". The five principal objectives of sponsorship are gaining publicity, creating entertainment opportunities, fostering favourable brand and company associations, improving community relations and creating promotional opportunities. The reasons for the sponsorship should be clear as sometimes the sponsoring might bring bad will on the brand by the badly behaving sponsored. (Dibb et al. 2001: 466; Jobber 1995: 452-453)

Exhibitions are considered as one promotional tool as well. Exhibitions are unique in that way that those are the only place to bring buyers, sellers and the competi-

tors together in a commercial setting. It is a fine source of information in the industrial buying process. Exhibitions can achieve a number of objectives including for example reaching prospective customers, create awareness, provide product demonstration, gather knowledge of the competitors or introduce a new product. (Jobber 1995: 454-455)

The sales promotions and other promotions give the company and brand a better visibility in the market if it is by getting more models into the stores or by advertising. These are well-established tools to create for example the derived demand (see section 2.2.2) for the retailer and from there increase the sales. Also the promotion is meant for the supporting the retailer so that they are created the best possible resell situation. Therefore it is vital for the case company to discover the best considered sales promotions.

The promotions were the last part of the sales theory. It was the first section of the methods the agency could use in order to respond to the needs of the purchaser. The second main task of the agency is to provide service. Therefore the theory of the service is introduced next.

## **2.4 Service**

The previous sections have now familiarized the reader with the retailer perspective and the agency perspective with the selling. This part continues the thesis with the service aspect, which is also one of the main operations the agency has. The service is the last aspect in the basic outlines which will guide the market research.

This section will first familiarize with the characteristics of the service in order to understand the basic functions of the service. Then it will move on to the quality perception of a service and the barriers to deliver high quality service. This part also introduces few tools how quality service can be provided to the customer. Most of the agency's service providing involves information flow and that is the main focus also in the study.

### 2.4.1 Characteristics of Service

“A service is an intangible product involving a deed, a performance or an effort that cannot be physically possessed.” (Dibb et al. 2001, 320) The business services include the repair and maintenance, consulting and professional advice, installation, equipment leasing, marketing research, advertising, temporary office personnel and caretaking services. (Dibb et al. 2001: 320-321)

Service consists of the technical outcome and the functional dimension. The technical outcome dimension in general means the kind of service is being produced and functional dimension means the way of making the service also referred to as service delivery. The most important characteristics of a service are the intangibility, inseparability and heterogeneity. (Schneider & White 2004: 5-9)

The intangibility means that pure services cannot be seen, touched, held or stored. Pure services are essentially processes and experiences but often the service processes might include also tangible components. Therefore products as a whole are a combination of both tangible goods and intangible delivery experiences. (Schneider et al. 2004: 6)

According to Schneider and White the pure services cannot be produced at one time and place and then stored for a later use at another place. It is therefore produced by the company and used by the customers at the same time. Therefore the service is inseparable. (Schneider et al. 2004: 7-8)

The heterogeneity aspect of a service becomes when the services involve interaction between at least two persons. The service thus cannot always be exactly the same every time as the individuality of customers; the customers may have different kind of needs according to the service and also the service personnel may change during time and in person. Also the interaction between the customer and the service personnel are heterogeneous every time as the level of acquaintance changes. (Schneider et al. 2004: 8-9)

### 2.4.2 Quality in Services

The service quality can be regarded as investment for the future as good service may make customers more loyal. The defining of the quality may seem easy at first but it is difficult to constitute one single universal definition for it. There are several different ways to approach the definition of quality: the philosophical approach, the technical approach and the user-based approach. (Schneider et al. 2004: 9-11)

The philosophical approach suggests that quality is noticed by the people when they see it but cannot actually tell what made it a good service. The technical approach concerns with the range to which a product meets to the technical standards. The quality is therefore measured with numbers in relation to the standards set by a customer or another person. The user-based service quality approach suggests that the quality is subjective and depends on the individual perceptions, needs and wants of the customers'. The quality of a product is high when the customer says it is and other way around. Necessarily the judgement does not include the product in this case. The user-based approach is especially appealing in those kinds of situations which refer straight to the nature of the service delivery. (Schneider et al. 2004: 10-11)

The difficulty to bring a high quality service every time lies in the fact that service situations are very differing from each other's which creates a consistency problem. Reducing the possible variables in the actual service process might establish long-term benefits for the company and reduce the risk of offering bad service. One tool for this might be involving the customers more into the process. This means that the service provider involves the customer to be in to role-setting of the parties and in the assessing of the expectations, train the customer, motivate the customer by rewarding their effort, ensuring they enjoy participation and appraise customer performance. The most important ingredient is that the service company's employees have the needed tools in order to deliver the good service.

Thus the personnel need training to have the skills but they need as well as the equipment that is necessary to the success. (Schneider et al. 2004: 76-79)

#### 2.4.2.1 Barriers for Delivering Quality Service

Jobber presents four barriers that impact in service consumer's perception of the service quality: misconception, inadequate resources, inadequate delivery and exaggerated promises barrier. The misconception barrier emerges from the lack of knowledge of the customer's expectations needs and wants. Therefore those need a careful research what the customer actually values. The inadequate resources barrier occurs when the resources does not meet with the customer expectations for example time used in the service situation. It may arise if the company's strategy is to enhance productivity or reduce costs. The inadequate delivery barrier refers to an inconsistent service as the personnel might have poor communication skills. This is solved by selecting the right people to the job, training as well as rewarding them. The exaggerated promises barrier is literally promising too much. The service provider should think carefully through that are the promises realistic. If the promises are unachievable or misleading, the customer expectations from the start are then higher than the service quality that can be provided which leads to the fact that the customer may be unsatisfied. (Jobber 1995: 666-668)

“A key to providing service quality is the understanding and meeting of customer expectations.” (Jobber 1995: 668) It might not only be the outcome that defines the customer's perception of the service quality; often also service delivery has its own impact. The focal points that should be seriously considered are:

1. Access: the service should always easy to access by location as well as so that customer does not need to wait the service.
2. Reliability: service should be consistent and trustworthy.
3. Credibility: customer should feel a sense of trust towards the company and the personnel.
4. Security: service should not create risk for the customer.

5. Understanding the customer.
6. Responsiveness to the customer's problems, inquiries and requests.
7. Courtesy
8. Competence: personnel should obtain the know-how and skills.
9. Communication: clear and precise information is needed.
10. Tangibles: with this it is meant the service delivery environment and also the outlook of the people. (Jobber 1995: 668)

Delivering the customers quality service is the key to obtain customer satisfaction. When the customers are satisfied it will create loyalty and hence it is easier to create a long-term relationship with the customer. That is what the case agency should also strive in their actions first delivering quality service and gradually move forward to the creation of long-term relationship. It will eventually bring higher sales and also reduce costs.

The service aspect was the last part of giving the outlines for the research. The other parts the research measures are the purchasing and the selling which were presented earlier in the paper. In order the research of these concepts is succeeded the study needs the theory for market researching and therefore it is presented on the next section 2.5. The market research is the last part of the theoretical frame work.

## **2.5 Market Research**

In this thesis the sales and services of the case agency will be measured from the retailer's perspective with the help of the quantitative market research. The quantitative research method is being performed in the form of a questionnaire. Hence the market research is an essential part for this thesis success.

The market research theory is added in order to receive the apt knowledge and structure for the questionnaire. The following sections include theory of the stages of the research, research methods, forming the questionnaire and also the keys for

a successful market research. The thesis continues with the research stages and the methods of a research.

### **2.5.1 Stages and the Methods of a Research**

The research usually starts with defining the problem. When the problem has been defined the research needs a plan. The plan consists of defining the aim, budget, time schedule, deciding the method of collecting information, defining the size of the sample, choosing the sampling method, research method and how to process the material received. After the plan it is time to form the questions and do the field work. When that has been performed the information needs to be processed, analysed and interpreted which follows then with the reporting and utilizing of the results. (Lahtinen & Isoviita 1998: 30)

There are two different research methods; quantitative and qualitative. The qualitative research summarizes the fundamental topics and matters, creates hypothesis of the customer's actions, investigates the different behavioural patterns and creates perception of the needs, wants, expectations, motives, attitudes and behaviour. Qualitative research is considered to be independently well functioning as well as it complements very well the quantitative research when the goal is to learn to understand the overall customer behaviour and motivation to buy. The quantitative research is a more statistical approach and the results of it can be expressed numerically.

The research can be performed with very different ways. Few of the options are face-to-face interview, phone interview, interview with a computer, letter questionnaire and informed questionnaire. In this case the quantitative research method was used in form of a questionnaire. Therefore the following section introduces the theory of questionnaire. (Dibb et al. 2001: 169; Lahtinen et al. 1998: 49)

### 2.5.2 Questionnaire

The questions have usually the biggest effect when errors occur in the questionnaires. The time usually that is spent on making the questions in care, makes it less costly and time consuming in the latter phases. The form of the questions must be based on what information is wanted to obtain with the research. A typical error in the questions is that the questionnaire becomes too long and if the questionnaire is too long the respondent might feel that it takes too much time. (Lahtinen et al. 1998: 71, 74)

The perspective defines how the questions should be formed; if the perspective is descriptive, evaluating, explaining or pre-emptive. With a descriptive research the present or earlier situation is researched. The questions usually start with who, what, how much, how often, where, when and on which occasions. The evaluating research the state of matters is evaluated and usually companies or products are put in order of superiority. The purpose of the explaining research is to get an answer to why some matter or situation is certain way. This type of research usually investigates the behaviour and motives. With the pre-emptive research is measured that how will the matters change in the future e.g. which way the demand and sales figure will develop in following months. The nature and tasks of the questions effect on the order of the questions. The easy questions are placed as first to break the ice and sensitive or difficult questions last in the questionnaire. (Lahtinen et al. 1998: 74)

The types of questions have been put in to four categories: open, dichotomous, multiple choice, and Likert scale. The open question gives the respondent the “freedom of speech” as they can form the answer by themselves. In dichotomous question the answer is simple yes or no. The multiple choice question then gives the respondent the option to choose from several answers. Likert scale questions measures the degree of the specified matter; for example on a scale 1-5 how important do you think this matter is when 1 is very important and 5 not important at all. (Dibb et al. 2001: 191)

The things that should be taken into consideration in designing the questionnaire are the following:

- The length of the questionnaire and the number of questions.
- The questionnaire should be clear and the layout should be good.
- The order of the questions should be logical.
- Using of control questions (the same thing is asked in a different way so that the reliability can be checked).
- The questions should be understandable.
- Asking the questions in personal way (How do you feel about it?).
- Placing the easy questions first and difficult last.
- Use the questions and statements appropriately and according to the situation.
- Use of open and closed questions according to the situation. (Lahtinen et al. 1998: 75)

In this study the perspective of the research is descriptive and pre-emptive as the present situation and the future is investigated. All of the types of questions were chosen to be used to have a more comprehensive understanding over the matters. The questionnaire has fairly many questions; hence most of the questions are in dichotomous or multiple choice questions, because those are easy and quick to answer. The questionnaire is tried to keep as short as possible but the area to cover is rather long which of course lengthens the questionnaire. The questionnaire will have control questions so that the reliability (see chapter 2.5.3) of the research can be checked. What the research needs more to succeed in addition with the above mentioned matters will be introduced next. That is the last part of the market research theory as well as the final part of the theoretical framework.

### **2.5.3 Successful Research**

In order the market research would succeed it is extremely important to minimize the risks. The risks may emerge every step of the way for example in choosing the

target group, in creating research questions as well as in the interpreting of the results. The basic requirements for well performed market research are validity, reliability, objectivity, relevancy and feasibility. The validity of the research tells that the measuring responds to wanted matter. Validity is good when the target group and the questions are the correct ones. The reliability is good if the outcome of the research has not resulted from a coincidence; in other words if the research is renewed it should give in the same circumstances the same results. How the reliability would be able to reach is that the questions should be literal and understandable and that the interviews have been done carefully. The research results can be used in decision-making only if the researcher has done the research objectively and has not let his/her own values, experiences or opinions to effect on the results. Therefore the objectivity is vital for the research. Irrelevant information is useless; those add costs, are time consuming and complicate decision-making. Therefore with the research it is worthwhile to acquire information which is relevant for the decision-making and cannot be defined in any other way. (Lahtinen et al. 1998: 26)

The validation of this research is secured so that the questionnaire is answered only by the present customer base so that the information the customer inform are up to date. The validation regards that the right people answer to the questionnaire is taken care of so that the questionnaire will be delivered straight to the persons who is wanted to answer it. The reliability of the research will be checked with the control questions as mentioned in section 2.5.2. The feasibility of the research will be reached with the formation of the questions. The questions are objective as all the different options are included for example to the multiple choice questions and unless something is missing from the options the respondents are offered an “other”-option. The objectivity is also maintained by the fact that the respondents’ identity stays unknown; hence no “personal feelings” can’t be attached to the respondents. The objectivity is also followed through in the analysis. This means that no answers are left out if it is relevant to the asked matter.

As it was mentioned in the end of the chapter 2.5.2 this is the last part of the theoretical frame work. Next is introduced the empirical framework. There is presented the implementation of the research and also the analysis of the research. The empirical framework is the outcome of the theoretical framework and the practice.

### **3 EMPIRICAL FRAMEWORK**

In the earlier parts the thesis has introduced the research problem, the research question and the theoretical framework. The empirical part combines the above sections along with the questionnaire to become the evaluative part of the thesis. The empirical framework will give the foundation for to solve the research problem and answering the research question. Therefore this is the analysis part which will create the final conclusions of the research.

The empirical part will start with the more thorough description of the case company. Then the thesis is moving on to the questionnaire how it was performed and why and also how the questionnaire succeeded. The questionnaire includes the question description and evaluation method for some questions that need to be opened up little further. Finally the questionnaire results are analyzed.

#### **3.2 Branded Shoes Ltd.**

The agent position can be easily described as a salesman that works as an independent entrepreneur that will take care of the costs occurring such as paying salaries and taxation, employing or making sub-agent contracts. The main responsibility that agent has is to constantly promote the sales or the buying of the goods. Agent must strive to get more clients for the principal but also enhance and maintain the former customer relationships. Many of the tasks depend on the principal for example if the agent receives the permissions to perform something or gets the necessary tools for performing.

Branded Shoes Ltd. has three employees of which one is also the owner of the company. In principal all of the employees do every task there is. That counts from cleaning to selling and from displaying of the shoe models to handling reclamations. Branded Shoes Ltd. works from the showroom mainly. At times traveling is also required due to sales conference meetings of the principals, exhibitions or order collection. The company's show room is based in Helsinki. The wish of

Branded Shoes Ltd. is to have all of the customers' to see the collection or make the forward order purchases in the show room in order to minimize the expenditures coming from the travelling. The advantage for the retailer is that they can see the whole collection and every brand if they visit the show room. If the customers are visited in their shop, the sales person can take only the bestselling models. This is due to the capacity restrictions; how many models do fit to the bags or car.

The sales situations that are existent in Branded Shoes Ltd. are forward order sales, in stock sales and also discounted sales or stock clearance sales. The main emphasis is on the forward orders as it counts the biggest share of the incomes and also in most case they are sales that can be predicted better than the in stock sales as the in stock sales depends of many variables. Most of the forward sales are done in the showroom but also other aspects as field sales, exhibition sales and also electronically made sales are done. The in stock selling as well as the stock clearance selling is done usually over telephone or electronically with e-mail. Also one extension to the electronically made sales, which is rather new, is the Internet website that two of the principals have. The website is especially meant for stock sales via Internet but the retailer may use it also as checking the availability of products. The stock clearance sale in general is very rapid and very difficult to have real time situation as the stock clearance list changes continuously.

The main objective of Branded Shoes Ltd. in selling is to recommend the best shoe models so that the retailer will obtain profit of the shoes. The fact is that if the company cannot recommend the commercial models it will have straight effect on the outselling figures, the stock rotation figures as well as the coming seasons forward order sales. Eventually the retailer most likely will end up leaving the brands behind as non-profitable brands.

The exhibition Branded Shoes Ltd. attends every season is called GDS which is located in Düsseldorf. Sometimes there has been one representative from Branded Shoes Ltd. in other fairs such as CIFF in Copenhagen and Micam in Milan but these visits are decreasing every season. The Finnish shoe fairs have had great dif-

facilities and today Finland has only one actual shoe fair which is located in Ikaalinen.

The sales areas have been divided using the product specialization approach. One brand is therefore represented by one person and that person also specializes to sell that brand. Also key account approach is used in some extent where the most experienced sales person handles the sales of the big accounts and less experienced sales persons takes care of the sales of the SMEs. The field selling is handled by two of the persons in the company and during this time the third person's sales area is handled by the field sales representatives.

The sales promotions Branded Shoes Ltd. has been utilizing are the discounts and allowances. Here must say that the brands have different policies some may agree on for example allowances and some may not. The other sales promotion tools have not been used and for example training the retailer's sales personnel would only be in Branded Shoes Ltd.'s hands and therefore would be a very convenient practice. The other promotional methods Branded Shoes Ltd. has been involved in are the advertising with camel active and recently also with a PR-agency with Sebago and Think!. The new change in the advertising was the fact that it became too difficult for the agency as the principal created restrictions and Branded Shoes Ltd. decided to withdraw the advertising. With PR the company has been able to get shoes in magazines and also some publicity in fashion industry magazines.

The services Branded Shoes are now performing for the retailers are the consulting, professional advising and after sales services. The after sales services will consist then of reclamation handling, problem solving and dealer support in general. The service needs the most of information flow and it flows to two directions; from agency to the retailer and from agency to the principals.

The retailers that Branded Shoes Ltd. has are very familiar as the shoe business in Finland can be regarded as very compact branch. Many who are involved in the shoe business whether it is retailing, producing or the wholesaling know each oth-

er. Branded Shoes Ltd.'s customer base includes SMEs, department stores and chain stores as well. There are in total 71 different stores in Branded Shoes Ltd.'s customer base. The shoe retailing business is rather old fashioned in Finland. This can be seen in the tools, strategies and behavior. The best examples can be seen in the tools; Internet or even thorough cash registering system has not been adapted very well. Finland is a very tough country to enter with an entirely new brand. That is because retailers use rather a reference list than to follow what is their shop image or customer segment. A reference list basically means that who other retailers selling the brand, what is their opinion or has it been sold before in Finland. The reference list usually ends up with the fact that every store is selling almost the same brands.

### **3.3 The Questionnaire**

The questionnaire was made in cooperation with Branded Shoes Ltd. That means that the author of the thesis made the outlines of the questionnaire but after that the questionnaire was discussed with the personnel of Branded Shoes Ltd. to find improvements. The main emphasis of the discussion was that should something be added or taken away from the questionnaire.

On the next section the study introduces the aspects of the questionnaire, which was send to the retailers. First it will create understanding of the sample and the delivery of the questionnaire and reasons why it was chosen to be delivered this way. Following from there is section 3.3.2 which creates the understanding on the questions. There few of the questions are reasoned and also the categorization of the questions is introduced.

#### **3.3.1 The Sample and Delivery of the Questionnaire**

The sample of the research is the entire Branded Shoes Ltd.'s existing customer base. It counts in total 71 stores. The questionnaire was sent directly to the persons that wanted to answer to the questionnaire. The respondents were the store owners or other person, which is closest to Branded Shoes Ltd. in buying and

evaluating their performance. Usually the other persons are either shop managers or purchasers in bigger organizations. The questionnaire was distributed in total to 73 persons which is also the sample size. The difference to the quantity of stores is because larger companies may have different purchasers in the men's and women's shoes or by areas. Branded Shoes Ltd. has in one organization three different buyers.

The questionnaire was chosen to be delivered to the respondents in an e-format, especially using the online questionnaire. The website used in here is Question Pro.com. One retailer was sent the research by mail because they do not use any other technological device than telephone. The reason why online questionnaire was used is that it is easy and fast to deliver and as well answer which hopefully will bring more answers than for example letter questionnaire. Also the website gives more thorough statistics than other methods. One good example worth mentioning is how many times the questionnaire is viewed, started to answer and how many completed the questionnaire. The online questionnaire made some restrictions also; some questions could not be asked in the form it had been planned, therefore the questions needed to be altered in the sense that it suits to the objectives of the questionnaire but also that the question form was available in the Question Pro.

### **3.3.2 The Questions**

The questionnaire had 49 questions out of which 9 is open ended questions and 2 Likert scale questions, 12 dichotomous questions and 26 is multiple choice questions with one option or several options. The questionnaire was tried to keep quite compact in order to maintain the respondents interested in answering but of course not on the expense of validity, reliability or coverage of areas. As it can be seen from the number of questions, the questionnaire can be considered rather long already.

The reasoning for the questions will be introduced next so that the reader will understand why something were asked and researched; all of the questions will not be reasoned but the ones that need extra attention. The questions will be shortened with using only with Q (question) and the ordinal number but the entire questionnaire can be seen from the appendices. The questions have been categorized in three main categories the purchasing, the selling and services but also conclusive questions are kept as their own category.

### 3.3.2.1 The Purchasing Questions

The purchasing categorization includes questions Q1 - Q9, Q12 - Q16, Q21 and Q22. The main emphases on the purchasing questions are the motives, needs and also methods the retailer desires to use. The first two questions are more introductory questions. By these the needs for different brands and needs of different sized retailers can be researched by cross tabulating with other question. On the Q2 Branded Shoes Ltd. categorized the sizes of the retailers to be the following: small sized companies are fewer than 5 employees, medium sized companies have 5-20 employees and large companies are over 20 employees. The Q3-Q9 describes the main motives and also the profitability by the profit margin. The questions of the price and profit margin came from Branded Shoes Ltd. as they reflect the answers to the multipliers which Branded Shoes Ltd. has recommended to the brands. Therefore the agency wants to know that have they made the right decision. It was important to ask the profit margin with regards the percentage and the value (€) as the shoes may be out of different price category so only researching the percentage would not give a thorough understanding. The Q9 was added to seek validation in to the questions Q6, Q7 and Q8. For example if the retailer answers to have rather a high selling out price and profit margin it should also be scaled in the Q9 to the “big profit margin and less volume”-end. The Q12-Q15 will define the future aspects of the retailers’ purchasing and the possible changings. The Q16 was added from the wish of Branded Shoes Ltd. as they wanted to know that how the purchasers plan/budget their purchasing.

### 3.3.2.2 The Selling Questions

The selling category includes the Q10, Q11, Q17-Q20 and Q23-Q37. The main emphasis here is that has the selling been performed as expected or should it be changed by place, way of performing or by promotional way. The questions Q17-Q22 research the relationship that Branded Shoes Ltd. has been able to create and should the relationship become more cooperative. The types of relationship were formed from the combination of secondary data and from the discussion with Branded Shoes Ltd. personnel and the final result was the following: normal seller-buyer, friendly, cooperation, empowering from the agency side and empowering from the purchaser side. The Q10, Q11 and Q23-Q35 will research the basic functions of Branded Shoes Ltd. in selling including the personnel and the environment. The personnel and the environment were decided to be added in the sales category as the selling is the most important function in the agency. The Q23-Q26 handles the selling has the agency chosen the most convenient way to make the purchases or should there be a change. Here should be mentioned that in the stock buying the most interesting matter is the E-commerce, that do the retailers feel ready for it. The Q27 and Q28 will define that is there a need for Branded Shoes Ltd. to attend certain fairs and have the agency chosen the correct fair. The Q29 and Q30 will describe Branded Shoes Ltd.'s premises and also the selling situation. In both of these questions were decided to use the adjectives where the answered adjectives will be categorized to the positive, neutral and negative category and from there notice the retailers feelings towards the matters. The Q36 and the Q37 will research the possible sales promotion Branded Shoes Ltd. could or should use. Even though the PR and advertising cannot really put in the sales promotion category those were added to this question as they are also promotional methods and the comparison of which methods the retailers perceive the best can be investigated.

### 3.3.2.3 The Service Questions

The service category includes the Q38-Q46. The Q38, Q39 and Q40 research Branded Shoes Ltd.'s information flow. The E-commerce was researched earlier but it wanted to research deeper. The Q41 and Q42 describes goes deeper into the matter that would there exist a need for Internet service providing. The most obvious service that Branded Shoes Ltd. does not have for the moment is training and the need for the training wanted to be researched as a separate point in the Q43. Also Q44, Q45 and Q46 question will research that does the company has some service which is missing and is the service perceived as quality service by the retailers.

### 3.3.2.4 The Conclusive Questions

The Q47, Q48 and Q49 will conclude the questionnaire. The agency wanted to research if there are possible problems the retailer may be facing at the moment and is there anything that Branded Shoes Ltd. could help in the situation. The Q49 research the possible matter that had not been researched and is important to get to the knowledge of Branded Shoes Ltd. This question was created to minimize the questionnaire disadvantage of that something is not noted.

## 3.3.3 Analyzing of Results

The link to the questionnaire was sent on 30.11.2010 and the respondents were asked to answer before 10.12.2010. During that time the respondents were sent a reminder on 7.12.2010 in order to collect as many responses as possible. All of the responses were received through the online questionnaire. Out of the 73 sent questionnaires 32 responded, 52 viewed the questionnaire and no respondent terminated the questionnaire after starting it so therefore the drop-out rate is 0%. The response rate of the questionnaire is 43,8% which can be considered as fairly good. The average of the response rate has been regarded to be around 30%. (Lahtinen et al. 1998: 86) It was expected that the response rate would have been even higher, because the respondents are familiar with the company. What can be

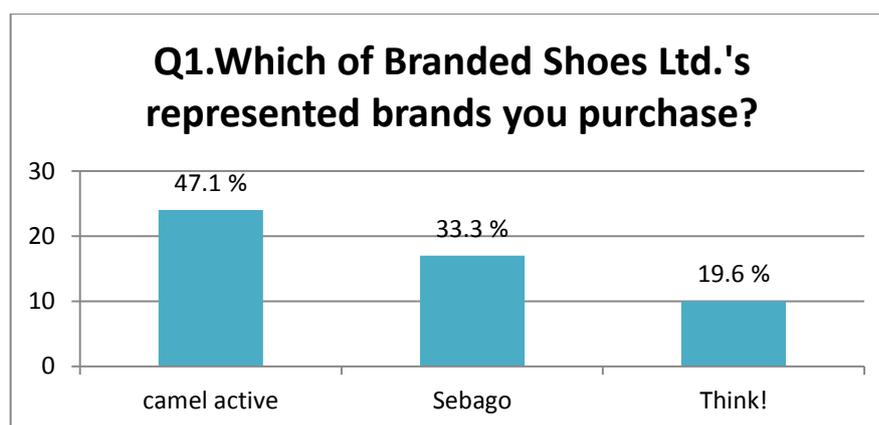
drawn from the 20 times viewing the questionnaire and not answering that the questionnaire might have been considered be time consuming. The average time used to answering the questionnaire was 18 minutes.

The answers in the questionnaire were mostly very relevant to the subject. It was noted though that few of the answers were irrelevant to the researched subject. Those were either related to the principals' actions such as deliveries, entirely of the track or inappropriate. Many of the respondents had not answered all the open ended questions even though that specific question would have not been relating to the former question. This was a disadvantage as from the open-ended questions one could have gained more thorough understanding.

Next the results of the questions will be analyzed following the categorization presented in section 3.2.2.

### 3.3.3.1 The Results in the Purchasing Category

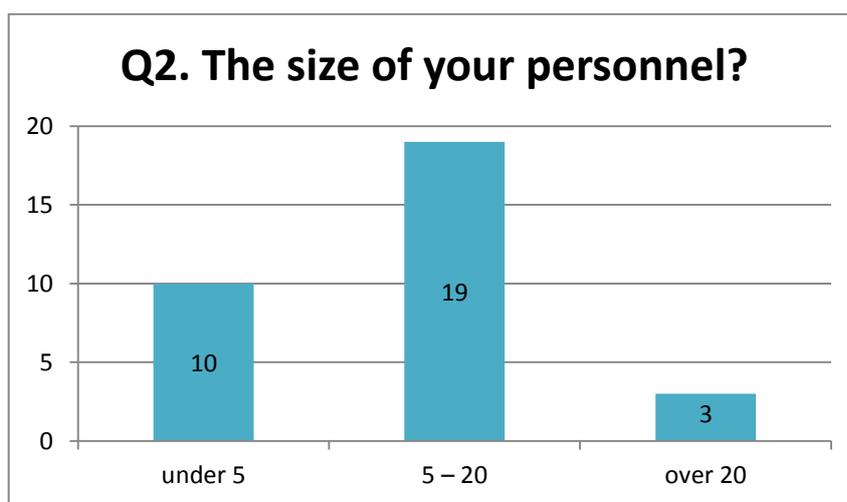
The questionnaire starts with two introductory questions Q1 and Q2. The results coming from there were the following:



**Chart 2.** The division of purchases for Branded Shoes Ltd.'s representative brands.

Biggest share of the respondents' purchases are for the camel active which is not a surprise as it Branded Shoes Ltd.'s biggest brand. Sebago comes second and Think! as third. Think! is the newest brand and therefore the share is also smaller,

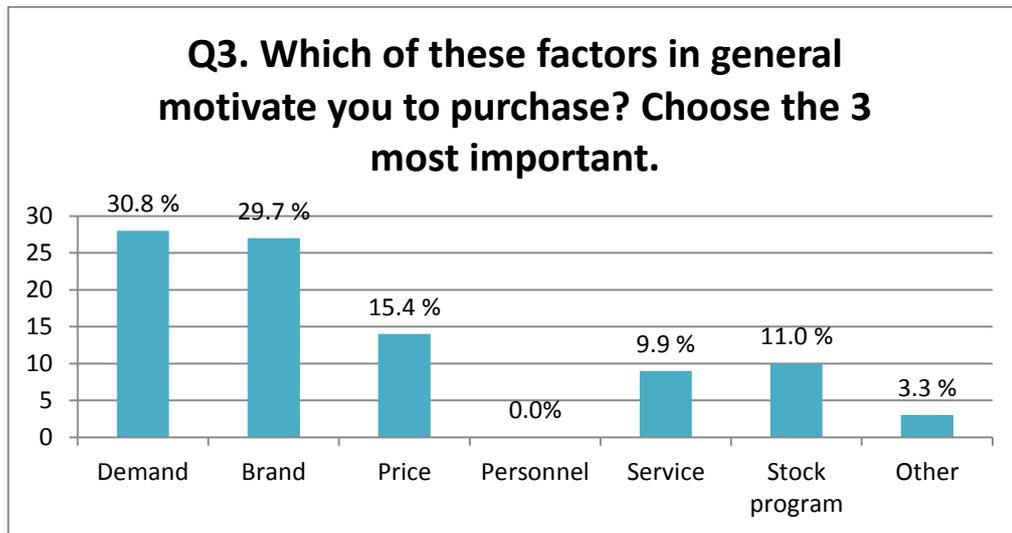
it is though expected to increase in the future. The ideal situation would be that the retailers would buy all three brands from Branded Shoes Ltd., but of course as some of the respondents are specialized in for example boating industry, the ideal situation is not possible to reach. Of the respondents 3 buy every brand, 13 buy two of the brands and 16 buy one brand.



**Chart 3.** Size of the retailer's personnel.

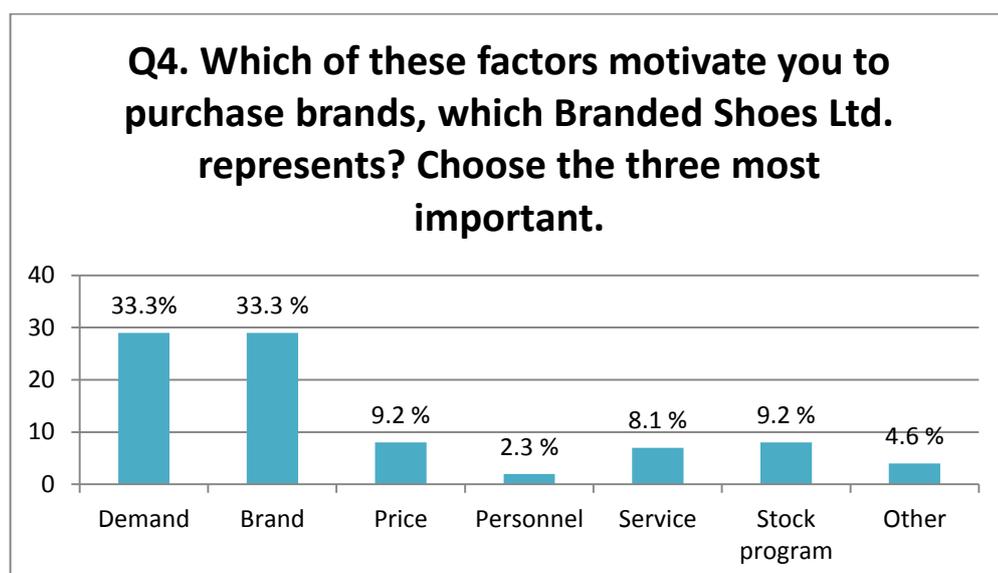
As it can be seen from chart 3 the majority of the respondents are medium sized stores. The actual big organizations share is the smallest and this has a very simple explanation as there are actually two big organizations Sokos and Stockmann. Kesko is big as a group but the separate stores are mainly not owned by the organization but by individual persons thus it will not get categorized as the group but by the individual owners.

Next the questions 3 and 4 will analyze the motives of the purchaser to buy. The results received were the following:



**Chart 4.** Factors that motivate to purchase in general.

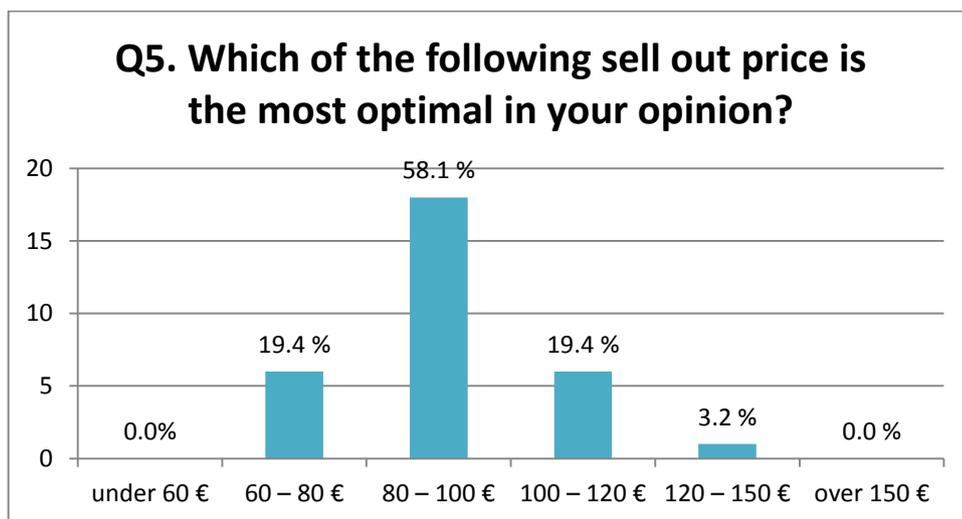
The biggest factors, which motivate the purchaser to buy, are the demand and brand as it can be seen in chart 4. The third important factor for the respondents was price following with stock program, service and other. The personnel were not considered in general as a motivating factor at all. The option “other” received the following answers: the quality and functions of the shoes, sales, profitability, fast rotation. The sales and rotation are much related to the demand, but probably the respondent felt like pointing them out as a separate point.



**Chart 5.** Factors that motivate to purchase Branded Shoes Ltd.'s representative brands.

Here again the demand and the brand scored the highest points. At a shared third place come the price and the stock program. Then following the third place come the service, other and also personnel. The option “other” here resulted the following responses: quality products, great personnel, image and good sell out figures. As a surprise in this question came that actually a personnel can work as a motivational factor in the B-2-B market as well.

Questions 5-9 are describing the purchasers' thinking of price and the profitability through profit margin. Following are the answers:



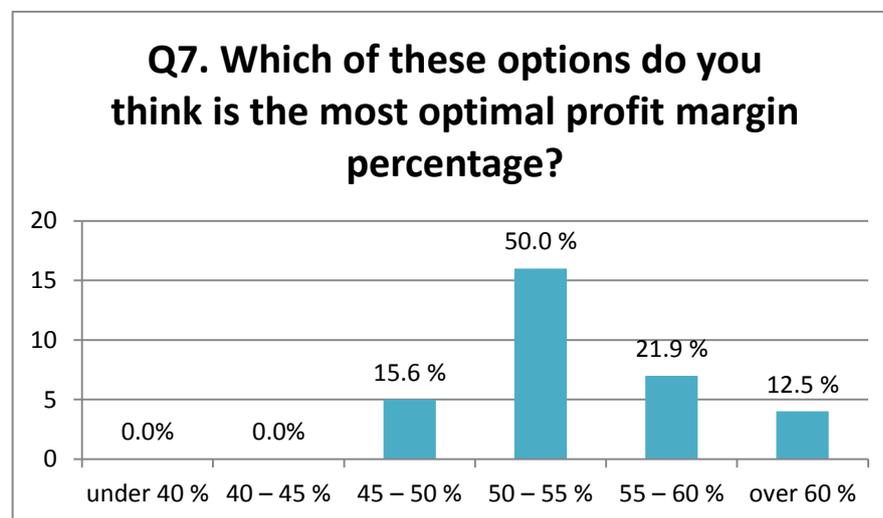
**Chart 6.** The most optimal sell out price.

58.1% of the respondents consider that the out selling price of 80-100€ is the most optimal choice. This certainly proves the different rumors that in Finland the retailers are afraid to cross the line of 99.99€. The rest of the response are scattered around to the categories 60-80€, 100-120€ and 120-150€.



**Chart 7.** Satisfaction for Branded Shoes Ltd. representative brands profit margin.

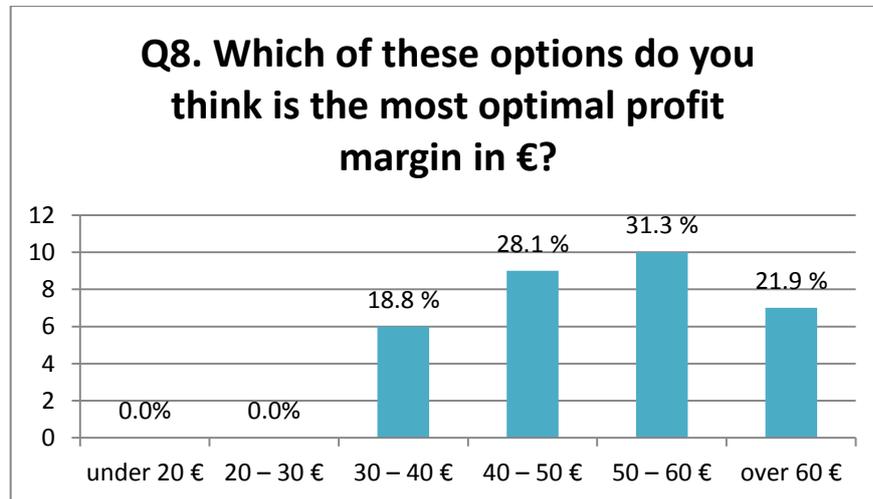
This chart shows that the majority of the respondents consider the profit margin of Branded Shoes Ltd. to be in the right place but the part of the respondents that does not consider the profit margin to be good is nearly half of all respondents. The part of saying no cannot be ignored.



**Chart 8.** The most optimal profit margin percentage.

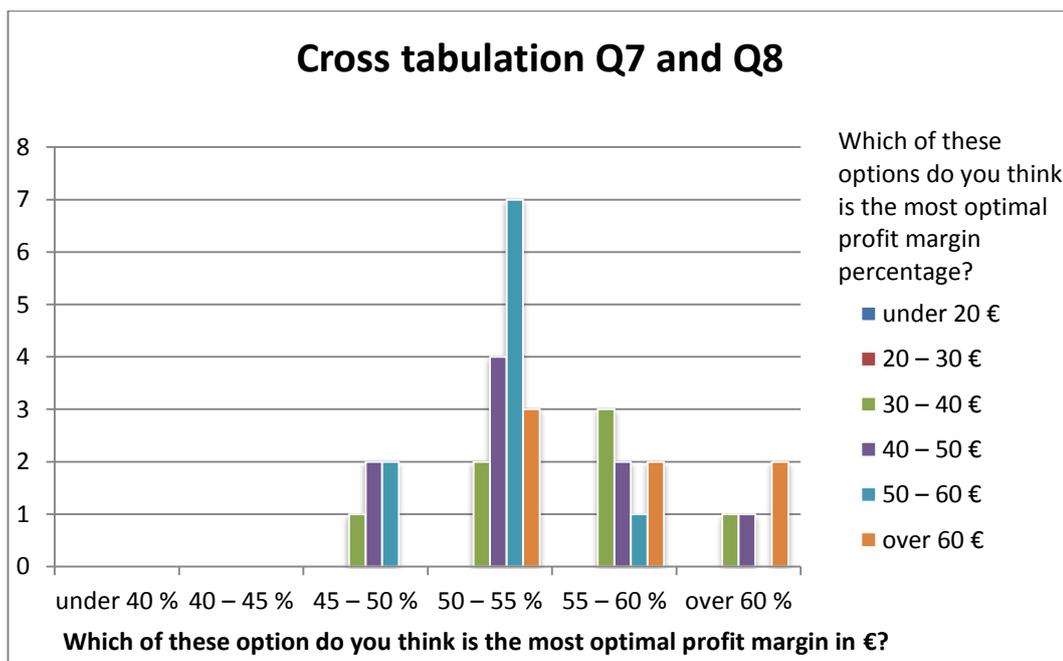
Chart 8 shows that the profit margin percentage the retailers consider to be the most optimal is 50-55%. Second comes 55-60%, third 45-50% and fourth an over

60% profit margin. The 50-55% profit margin has been rated as the average in the shoe retailing business.



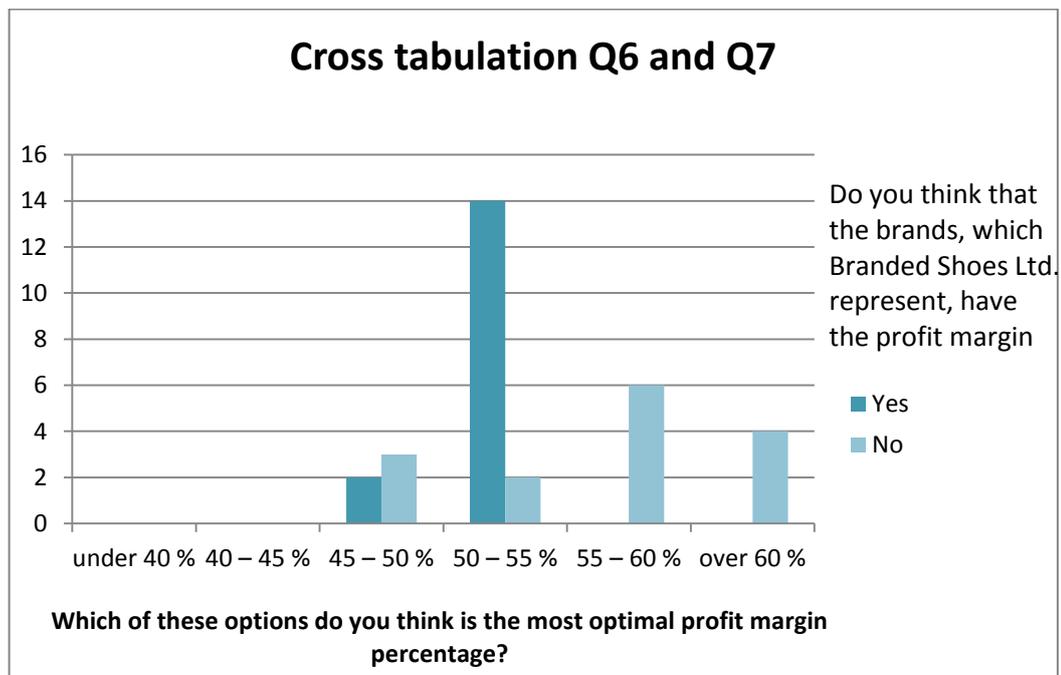
**Chart 9.** The most optimal profit margin in €.

The deviation in the profit margin in € is bigger than in the percentage profit margin. Here the biggest answer was 50-60€, which was followed next by 40-50€, over 60€ and then by 30-40€ profit margin. In order to get a better perception of the profit margin thinking of the retailers, the cross tabulation will be used next.



**Chart 10.** The relation of the optimal profit margin in percentage and in euros.

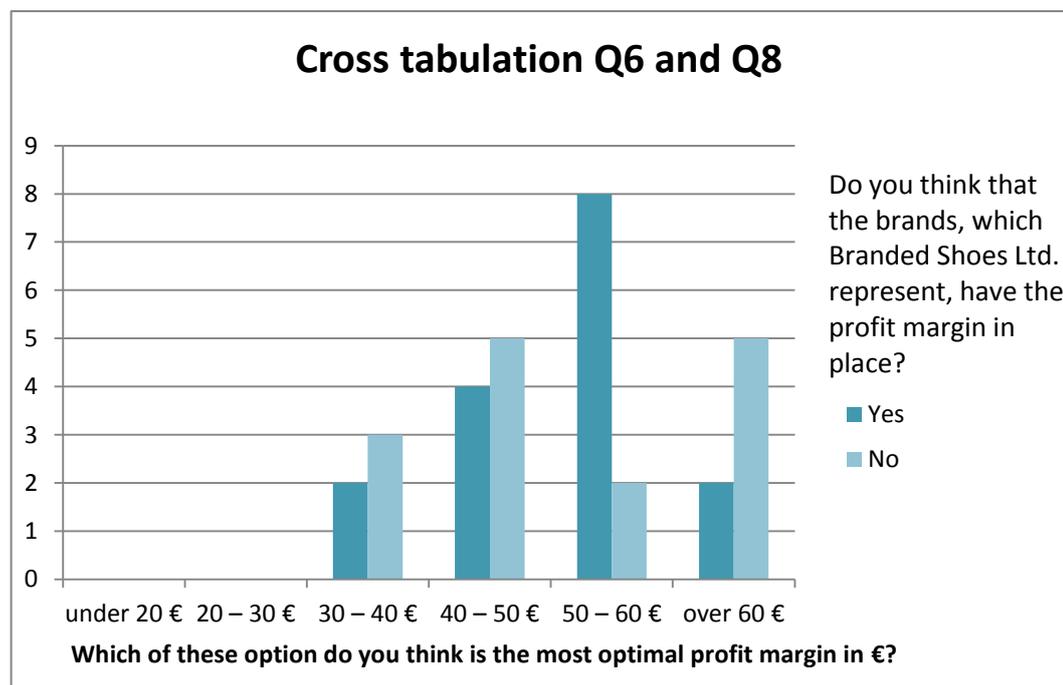
From chart 10 can be seen that the most optimal profit margin would be to receive 50-60 € with a percentage of 50-55. The next optimal profit margin relation was to receive 40-50 € with the percentage of 50-55. Following from there came over 60 € with the percentage of 50-55 and 30-40€ with 55-60%. The rest of that answers are very scattered with 1-2 relational responds. From here can be seen that the respondents consider very different prices in their evaluation. For example if the expect to receive 50-55 % of profit margin and it would gain 50- 60 €, the selling price would be around 90-120€.



**Chart 11.** Relation of the profit margin percentage and the satisfaction to Branded Shoes Ltd.'s brands profit margin.

This cross tabulation gives an idea about what kind of profit margins the retailers expect from Branded Shoes Ltd as the optimality aspect of a profit margin and the satisfaction aspect of Branded Shoes Ltd.'s profit margin are in relation. As it can be seen the biggest share of the respondents has said yes to the satisfaction and thinks the profit margin of 50-55% to be the most optimal. Some of the respondents are also satisfied but think the 45-50% profit margin as the most optimal. The

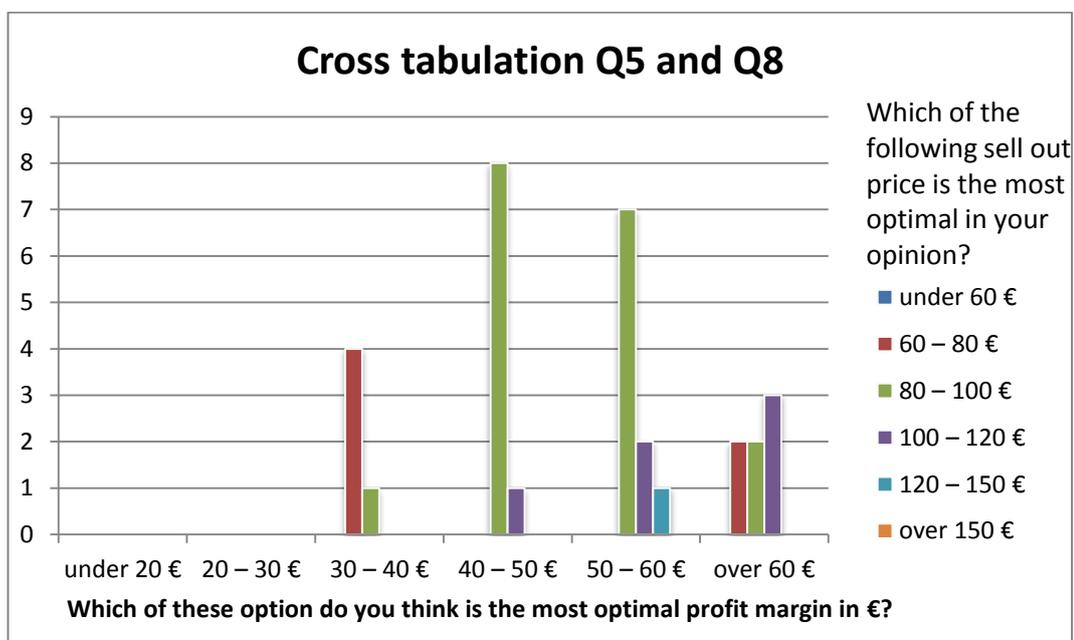
biggest share of answering “no” to the Q6 think the profit margin should be in the category 55-60% or over 60%. The smaller share of answering no thinks the most optimal profit margin is 45-50% or 50-55%. The reason that in these categories can be seen some deviation between the answer yes and no, might be for example if the respondent has been forced to sell the products with even a smaller profit margin by discounting the products for example.



**Chart 12.** Relation between the profit margin in € and the satisfaction to Branded Shoes Ltd.’s brands profit margin.

From chart 12 can be seen that the answers have deviated a lot and therefore a simple analysis cannot be drawn from here. The answer “yes” seems to be more systematic than the answer “no”. The yes answers steadily increase from the 30-40€ to the 50-60€ profit margin. It can be seen though that respondents answering the category 50-60 € profit margin consider Branded Shoes Ltd.’s profit margin is in place. Still few of the respondents, who do consider Branded Shoes Ltd.’s profit margin to be in place, think the over 60 € profit margin is the most optimal one.

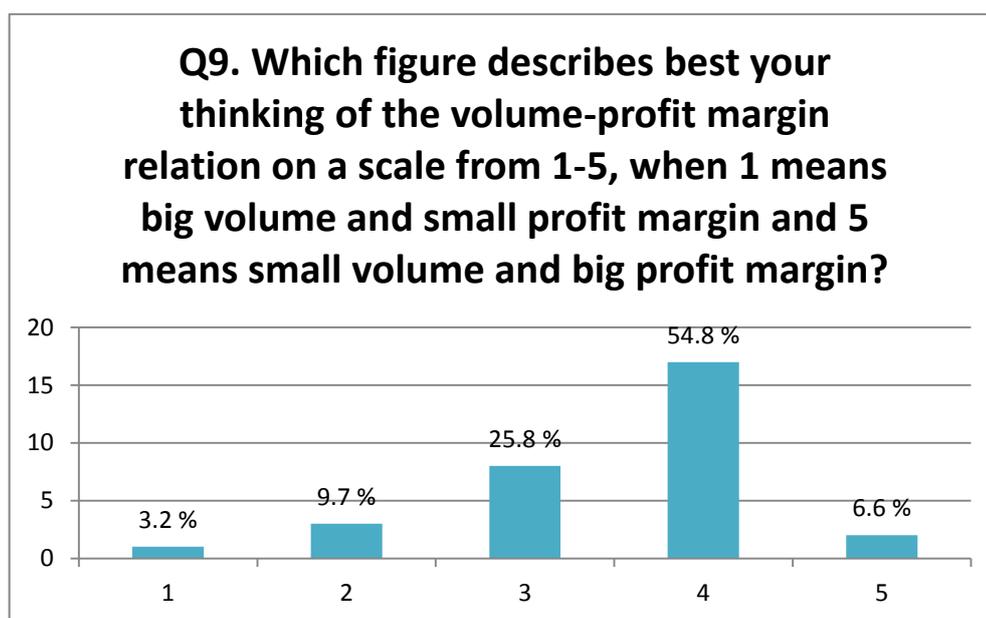
The respondents who do not consider Branded Shoes Ltd.'s profit margin to be in place have answered that the two most optimal profit margin in € would be 40-50 € and over 60 €. On the third place comes the category 30-40 € profit margin and on the fourth 50-60 € profit margin. Most likely what was also mentioned before that the respondents who chose the profit margin of 30-40€ and 40-50€ to be the most optimal might be forced to sell the products with even lower profit margin and therefore cannot reach the optimal profit margin. The answer over 60 € might involve the fact that Branded Shoes Ltd.'s representative brands' profit margin just will not reach the desired profit margin.



**Chart 13.** Relation between the optimal profit margin in € and the optimal sell out price.

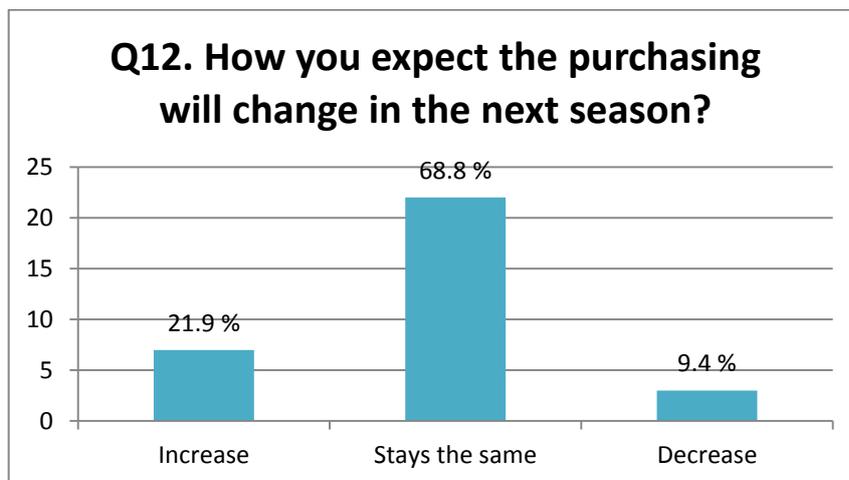
Chart 12 measures the relation between the most optimal sell out price and the most optimal profit margin in €. Only the most optimal profit margin in € was chose to this cross tabulation because both the answers comes in € and therefore the trend can be seen very easily from there. From the chart can be noticed a bias. For example six in total responded that the most optimal sell out price to be 60-80 €. Out of those six respondents two answered that the most optimal profit margin is “over 60 €”. How can the retailer actually achieve this goal to achieve over 60 € of profit margin of a product which would cost for example 60€ in the store? The

answer is that it is an impossible combination. Of course if the shoes cost 80 € pair from the store and the profit margin would be 61€ there would be some room for the in selling price and the taxes but not a realistic amount though. The answers in the profit margin categories 30-40€, 40-50€, 50-60 € and the over 60 € partially can be regarded as realistic, but of course the bias increase some doubts.



**Chart 14.** Volume – profit margin thinking of the retailer.

In chart 13 can be seen that the retailers prefer the volume to be rather smaller in comparison the profit margin to be bigger. The second most answered is the volume and profit margin to be in balance or both an average. The third place is taken by the thinking the volume should be bigger in relation the profit margin should be lesser. Then the following answer was big profit margin and small volume and big volume and small profit margin. From here can draw that retailers seek better profit margins than bigger volumes. Big volumes can also be related to low prices so therefore Branded Shoes Ltd. should be focusing on the profit margin. As it was mentioned in section 3.3.2.1 that this question is validating the former question of profit margin and it can be seen that the retailers did answer systematically, which then seems to validate their answers.



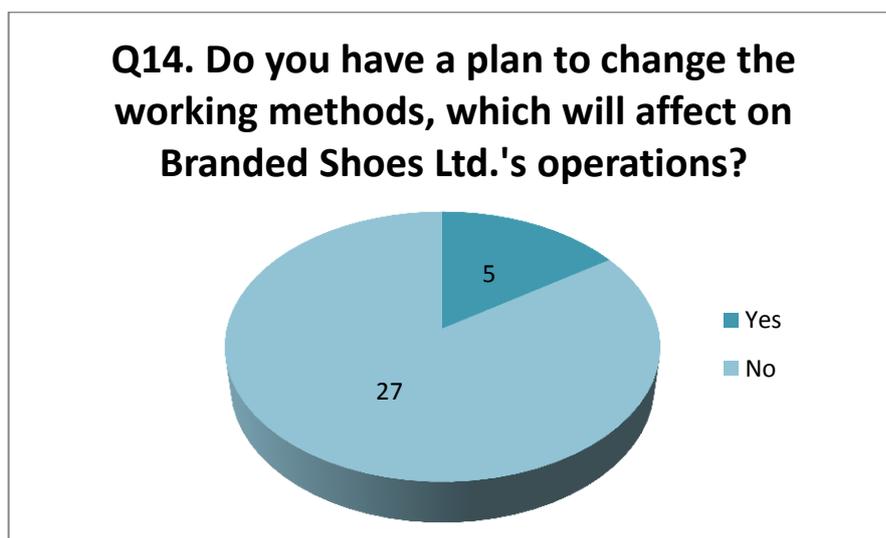
**Chart 15.** Change in the purchasing.

From chart 15 Branded Shoes Ltd. can prepare for the upcoming season. Branded Shoes Ltd. as probably many others have noticed big decreases in the sales during past few years. As can be seen from the chart most of the retailers expect that their purchasing will stay the same, which implies that shoe business has not yet recovered entirely of the recession. A little glimpse of recovery though is noticeable in the respond “increase” as 21.9% answered that they will expect an increase in their purchasing.

The biggest reason for increase was the increasing demand. “Men buy more active at the moment than during the recession.” Other reasons that could be seen from the answers were the successful models in the collection and stock figures. Stock figures in this context means that the retailer does not have much stock left.

The reasons why the purchases stay the same were the demand, market situation, competition, focusing the purchases, price, stock situation and satisfaction with the present purchases. As one respondent stated “The demand in the future is hard to predict.” From here can be seen that the retailers still are quite careful with the economic situation, for example few of the answers included straight the “situation in the Europe” and “general market condition”. One also stated that “The final direction of the purchases development is found out after the collection has been seen, but at the moment the developing the sales seem pretty difficult.”

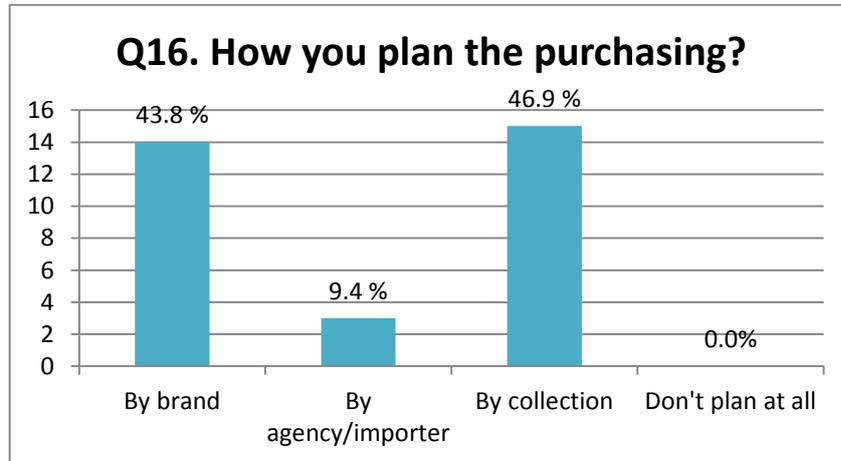
The respondents who considered that the purchases will decrease point out the unsatisfactory collection, men's buying behavior, stock pressure and demand. One states that "The demand has decreased in the shoes that cost over hundred euros."



**Chart 16.** Change in the working methods.

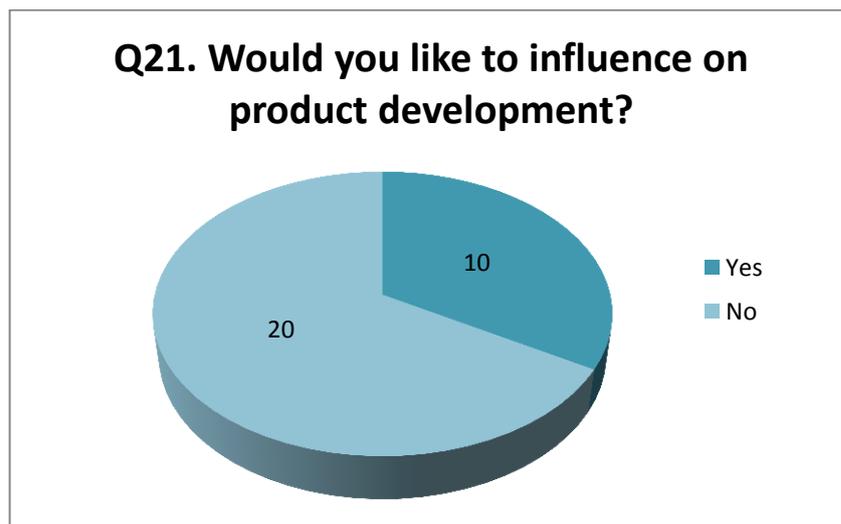
Chart 16 shows that the purchasers will have changes in their working methods in the future. Most of the respondents will not change their working methods but 5 of them will change. The shoe business can therefore be considered as quite stable with regards the adaptation of new methods. Definitely it is not the most adaptive in the method adaptation and can be considered quite old fashioned which was also mentioned in section 3.2.

Question 15 asks that how they are going to change their purchasing. One stated of the five respondents that "Buying strategy will be even tougher. There are too many retailers in the area." Other similar answers were that purchasing will get more selective in their company: "Thinking through whether camel is a necessary product". One respondent's answer was very cheerful "I am going to drink more coffee and spend more quality purchasing time with you."



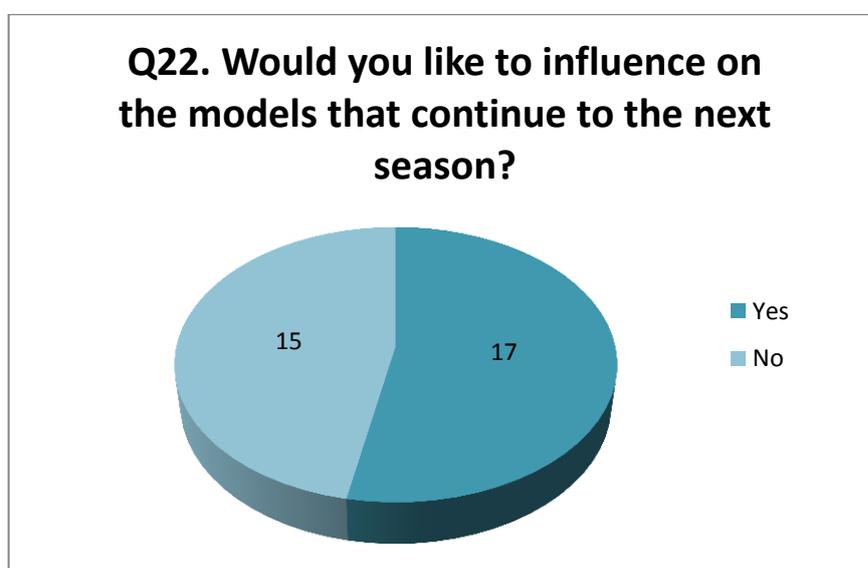
**Chart 17.** The planning of the purchasing.

The retailers plan their purchasing according to chart 17 mostly by the brand and by the collection. A minority plans their purchases with regards to the agency/importer and there were no respondent which do not plan their purchases at all. If they are planning by brand or by agency/importer mean that they have created budgets for their purchases before the meeting. Because of this kind of planning of purchasing a sales person cannot have a big influence on the purchasers' during the sales meeting. If the purchaser considers the collection in planning of the purchases, the sales person might have a small influence.



**Chart 18.** Involvement in the product development.

Chart 18 shows whether the retailers would like to be more involved in the product development. As can be seen most of the respondents do not want to be involved. A third of the respondents would like to be involved in the product development more. Branded Shoes Ltd. is at times asked for opinions and product development suggestions when the old models need an update. It could be sensed at times that the agency has ideas but cannot make them concrete. Here the help of the retailer might be very useful.



**Chart 19.** The involvement for the collection creation.

The results in question 22 show that more than half of the retailers would like to influence on the models that continue to the next equivalent season. The amount that did not want to influence on the models that continue was less than a half. Here the obvious matter is that the retailers want to be more involved and influence the decision-making. It would facilitate Branded Shoes Ltd.'s decision-making as well.

To summarize the answers in the purchasing questions the most motivating matters for the retailers are demand and brand both generally as well as in the case of Branded Shoes Ltd. The most valued outselling price is from 80 € to 100 € and the most appreciated profit margin is 50-55% or 50-60 €. The satisfaction for the

profit margin was half and half; half was satisfied and half was not satisfied. The ones that would like to receive 55-60% of profit margin were usually unsatisfied with profit margin of brands which Branded Shoes Ltd. represents. From the € profit margin was difficult to draw a deeper analysis as mentioned earlier since there seemed to be some sort of bias in the answers. From the answers could be noticed that retailers appreciated profit margin over volume. Most of the retailers think that their purchases will stay the same and majority also thought that their working methods will not change in the future. The purchases is planned usually by brand or by collection and as also mentioned before if the purchase are planned by brand the sales man rarely at that point have much increase of sales opportunities during the season when the budget is used for that brand. Most of the respondents considered that they do not want to be involved in the product development but the on the other hand more than half want to influence on the models that continue for the next season.

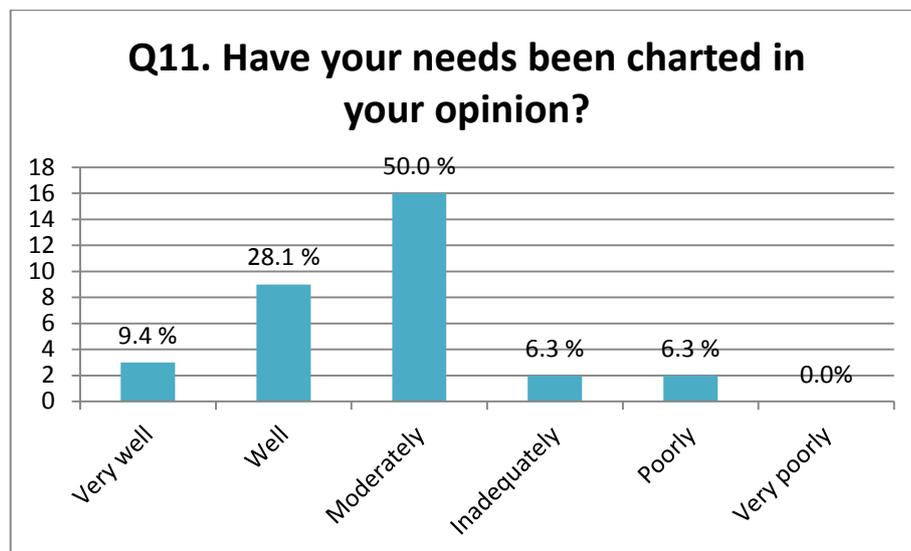
### 3.3.3.2 The Results in the Selling Category

As mentioned before in section 2.3 the selling part were created to in order to find out what should and could be done for the retailers. The selling questions included topics such as profit margin, need charting, business relationship, way of making the forward orders and additional orders, sales meeting, sales place, sales promotion, personnel, exhibitions, sales areas and initiative. The thesis will next measure the results of the selling category's questions.



**Chart 20.** The model recommendations.

Chart 20 shows that the most of the respondents feel that Branded Shoes Ltd. has recommended to them right models. Three of the respondents have felt that the shoe models have not been the right ones and 7 of the respondents do not know if Branded Shoes Ltd. has recommended the correct shoe models. The “do not know” section could be new customers that yet do not have a perception. This chart shows that the agency has been rather successful in the selling.



**Chart 21.** Need charting.

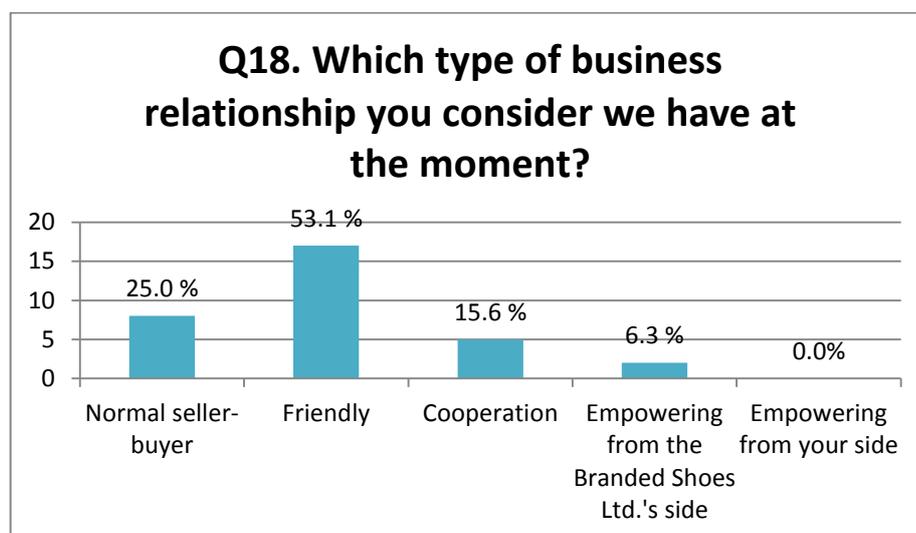
Chart 21 show that half of the respondents consider that Branded Shoes Ltd. has charted the retailer’s needs moderately. 28.1% thinks that the needs have been

charted well and 9.4% has answered very well. The inadequately and poorly have both 6.3% of the answers. Branded Shoes Ltd. therefore has not made a thorough need charting.



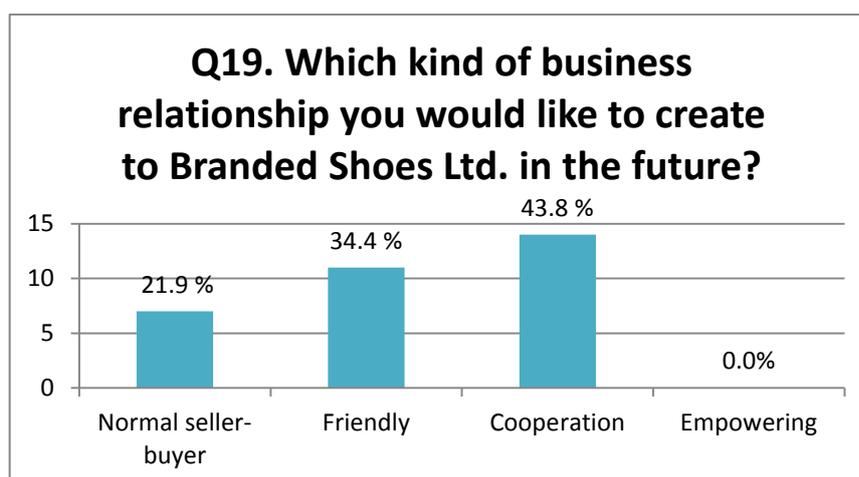
**Chart 22.** Success of the relationship.

From the answers to question 17 it is noticeable that most of the retailers think that the business relationship is functioning. Only one of the respondents thinks that the relationship has not been functioning. The “no” margin is thus so small that here applies the saying “you cannot please everybody”. These results show that Branded Shoes Ltd. has been able to create a functioning relationship with the retailers.



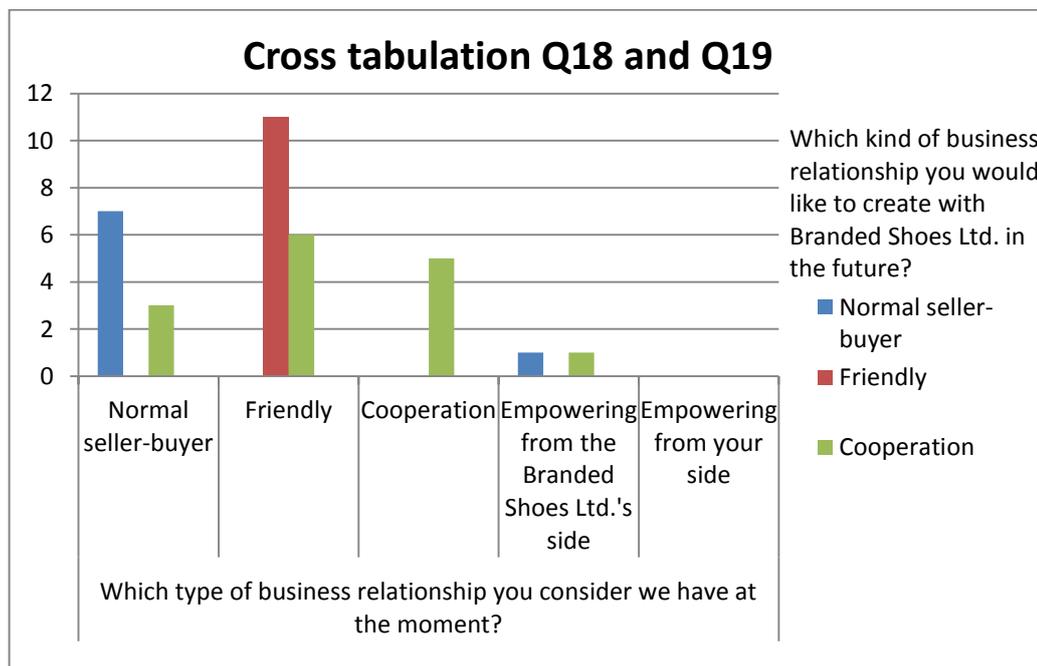
**Chart 23.** Type of business relationship.

When asking the respondents, which type of relationship they consider to have with Branded Shoes Ltd., over half of them answered friendly. Next came the normal seller-buyer relationship, third the cooperation and last few of the respondents felt that the relationship was empowering from Branded Shoes Ltd. side. The friendly relationship cannot be really considered as very professional relationship but it cannot be considered as bad. The 6.3% in the empowering though cannot be considered as good; it would be in the best interest of the agency not to have the retailers feeling like they are empowered by Branded Shoes Ltd. One of the respondents who felt that they were empowered had also answered that they are not satisfied with the relationship.



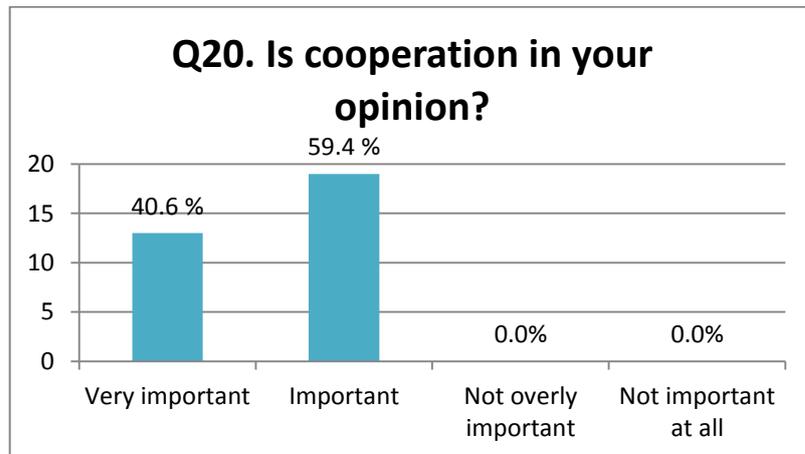
**Chart 24.** The future relationship.

From this chart can be measured the type of relationship the retailers would like to create with Branded Shoes Ltd. and the agency should strive to do their best to achieve that wish. As can be seen from chart 24 the cooperation was the most answered one with 43.8 %. Friendly received second most answers, 34.9%, and normal seller-buyer relationship scored 21.9% of the answers. Branded Shoes Ltd. should according to these results, concentrate on creating cooperation. In order to understand the relationship entirely next there will cross tabulation between the present relationship and the future relationship.



**Chart 25.** Relation between the present and the future relationship.

In chart 25 has been combined the retailers' perspective of the present relationship on the x-axis and which kind of relationship they would like to have in the future as different color indicators. From the chart can be seen that most who have considered the relationship to be normal seller-buyer want to keep it that way, a part would like the relationship to be cooperative. A big part with whom Branded Shoes Ltd. has friendly relationship also want to keep the relationship as it is way but over a third of the respondents in this section want to create cooperative relationship. Cooperation seems to be the most satisfied group as none of them feel like having another type of relationship in the future. From the empowering section one wants to have a normal buyer relationship and the other one would like to have a cooperative.



**Chart 26.** Importance of cooperation.

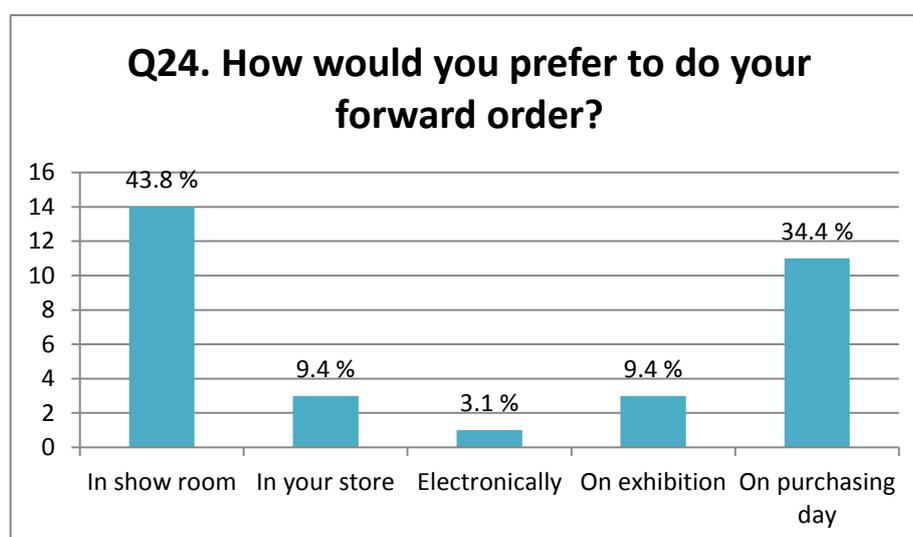
The information whether cooperation in the business relationship is important or not can be seen from chart 26. Almost 60% think that cooperation is important and the rest 40% thinks that the cooperation is very important. This also validates the results of question 19 as the cooperating relationship was considered as the best type of relationship.



**Chart 27.** Present place of forward order selling.

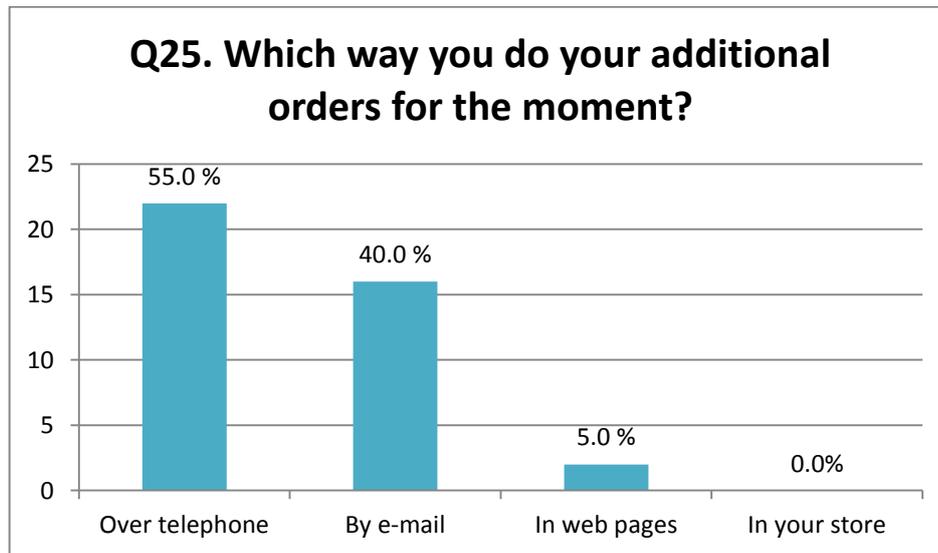
Chart 27 shows that the most common place for the retailer to make their forward order is Branded Shoes Ltd.'s showroom. Next after the showroom is the purchasing day, on third place is the retailer's shop, fourth electronically and fifth exhibi-

tion. As mentioned in section 3.2 Branded Shoes Ltd. would like to have nearly all the retailers to visit the showroom as it is less costly and the retailers could see the entire collection. 46% of the respondents is very promising figure with regards to the above mentioned Branded Shoes Ltd.'s plan. Of course it might not be the retailers' first option so next we will have a look where they would like to make their forward orders.



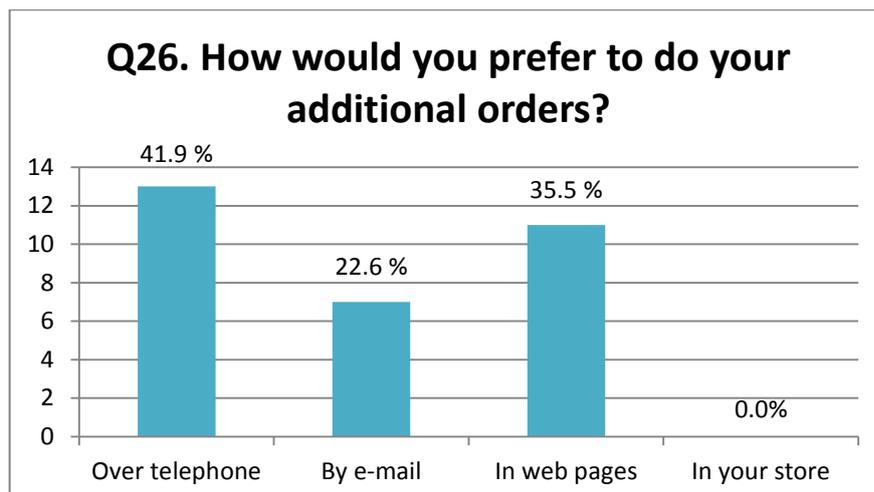
**Chart 28.** The wanted place of making forward order.

Still most of the respondents want to make their purchases in the showroom which can be seen from chart 28, but the share has slightly decreased. Also the share of “making the purchases in the retailer’s store” and “electronically made forward orders” answers decreased. Respondents would like to make purchases more on exhibitions and on buying days compared to chart 27. Most likely Branded Shoes should according to this figure create more possibilities for the retailer to come and buy on exhibition or purchasing day.



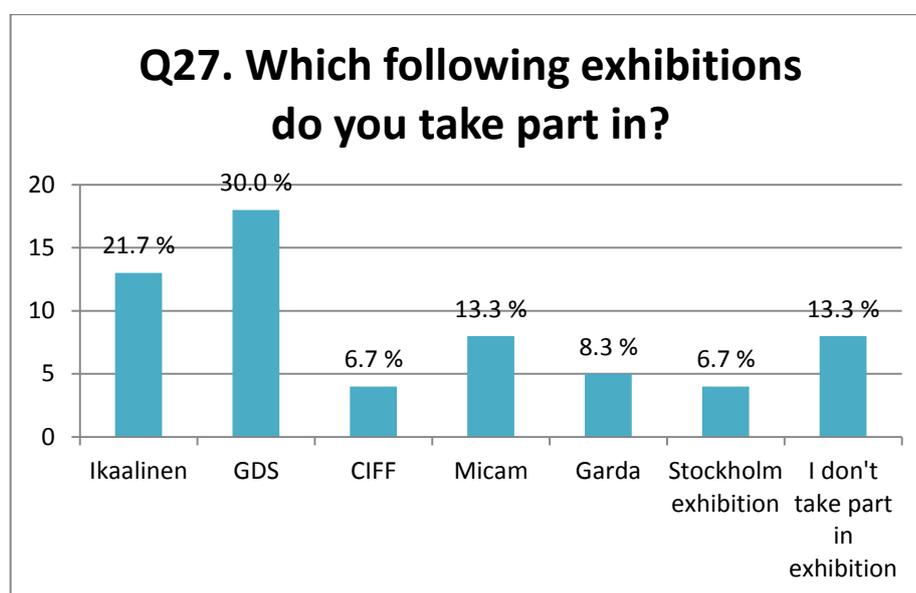
**Chart 29.** Way of making additional orders.

A noticeable 95% of the respondents make their additional orders over telephone and e-mail. Also a small minority of 5% make their additional order purchases on the webpages. No one responded that they would like to make additional orders in their store. The web page ordering program of additional orders is quite new approach and has not been presented to many retailers. It is good to see that some of the retailers have already got acquainted with the web page program.



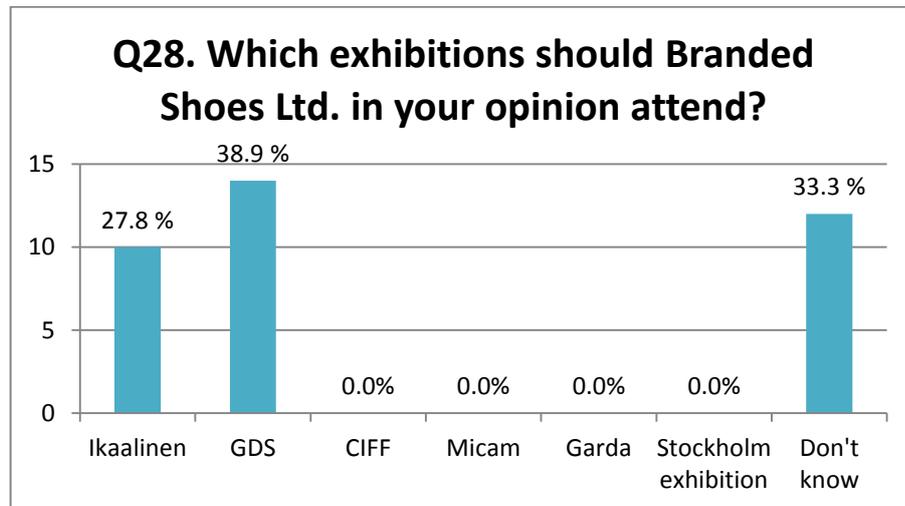
**Chart 30.** The preference of making additional orders.

Of the answers to question 26 can be seen that the telephone is still the most wanted way of making additional orders, but on the second place jumped the web page past the e-mail. Still no one responded that they would like to do the additional orders in their store. This is very welcoming surprise for the case agency as the additional order processing is sometimes time consuming. A conclusion can be drawn from here also that at least part of the retailers feels ready for ordering online.



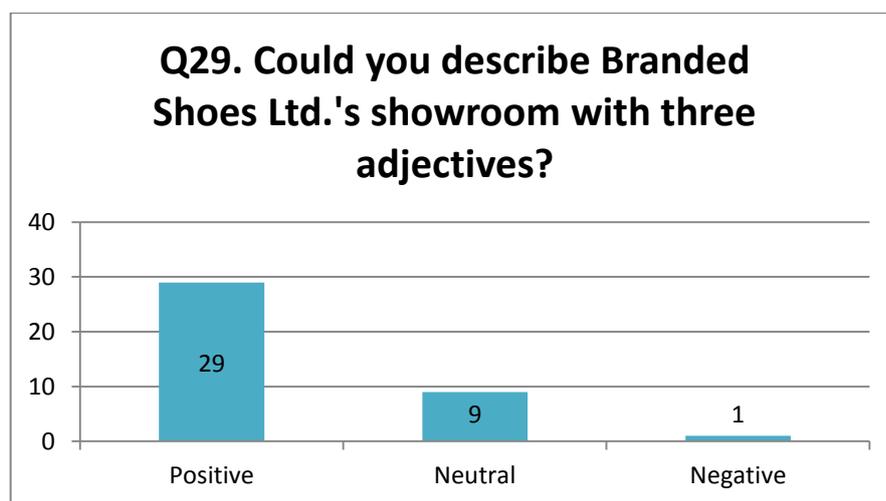
**Chart 31.** Exhibitions taken part in.

It can be seen in chart 31 that more or less every nearby fair of the shoe industry is taken part in, but there is also a 13.3% part that does not take part in the fairs. The three most attended fairs are GDS, Ikaalinen and Micam. In order to understand whether Branded Shoes Ltd. is attending the right fairs it was also asked which fairs the retailers expect Branded Shoes Ltd. to attend, which answers analysis part will have a look next.



**Chart 32.** The prospective exhibitions.

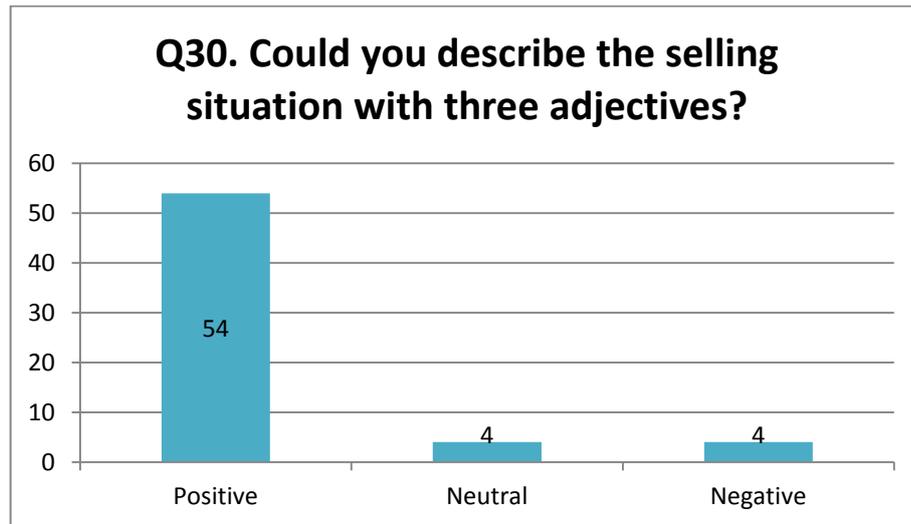
Here the answers were divided between Ikaalinen, GDS and 33.3% of “do not know” -answer. The most answered was GDS and this also is the fair Branded Shoes is already attending and according to the results that should not be changed. The next fair that was answered was the Ikaalinen. This fair Branded Shoes Ltd. has not been attending and with regards to the results, the company should probably consider to take part in this fair.



**Chart 33.** Impression of the show room.

Chart 33 shows that respondents have a positive impression of Branded Shoes Ltd.'s show room as 29 of the answered adjectives were positive, 9 were neutral

and only 1 negative. The positive adjectives included for example (bright), pleasant, clean, happy, clear, spacious and trendy. The neutral category included adjectives like appropriate, functional, expensive, modern, applicable and pretty nice. The negative adjective that was mentioned was unnecessary.



**Chart 34.** Impression of the selling situation.

The impression of the selling situation according to chart 34 is positive as there were 54 positive adjectives, 4 neutral adjectives and 4 negative. The types of adjectives that were categorized to the positive section of the results are for example relaxed, pleasant, nice, friendly, respectful, interesting and flexible. The adjectives that came from the neutral category were sensitive, beautiful, including feedback and fast. Words sensitive and beautiful were added to the neutral side as they seem to be rather awkward in describing a situation. The negative adjectives that could be found from the answers were: the selling is tied to pair quantity, bad name memory, unpleasant and arrogant. The pair quantity answer implies to the pair minimums which are set by the principal and which the agency needs to follow.



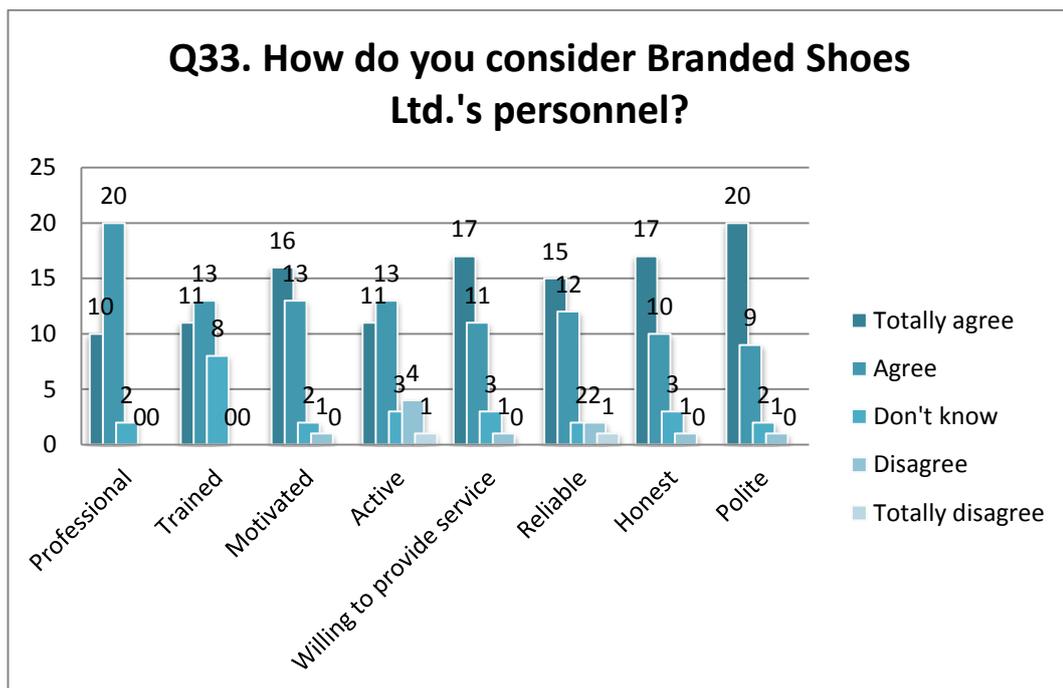
**Chart 35.** Visiting the retailer.

The majority of the respondents answered that they did not want Branded Shoes Ltd. to visit their store more often according to chart 35. This might be because the retailers usually have their hands full in the store so a visitor would only be as an interruption to the working. There were still 13 respondents that wanted Branded Shoes Ltd. visiting their store more often. Some retailers may feel that they want to show which kind of stores they have and how well for example Branded Shoes Ltd.'s representative brands are displayed.



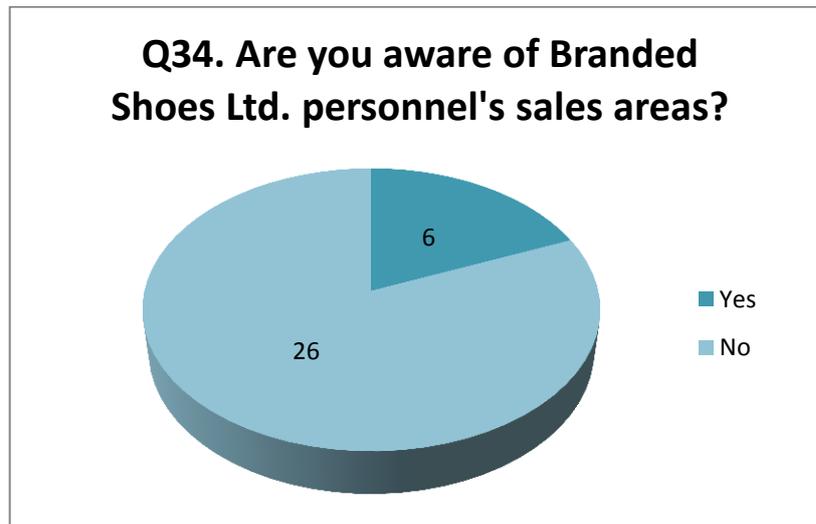
**Chart 36.** The initiative of contacting.

In chart 36 can be seen that Branded Shoes Ltd. is considered to be moderately in contact with the retailer. The image is that it is not quite enough of contacting. Overall the chart looks rather poor as the rest of the answers are concentrated to the poor side of the answers. Here definitely Branded Shoes Ltd. needs an improvement.



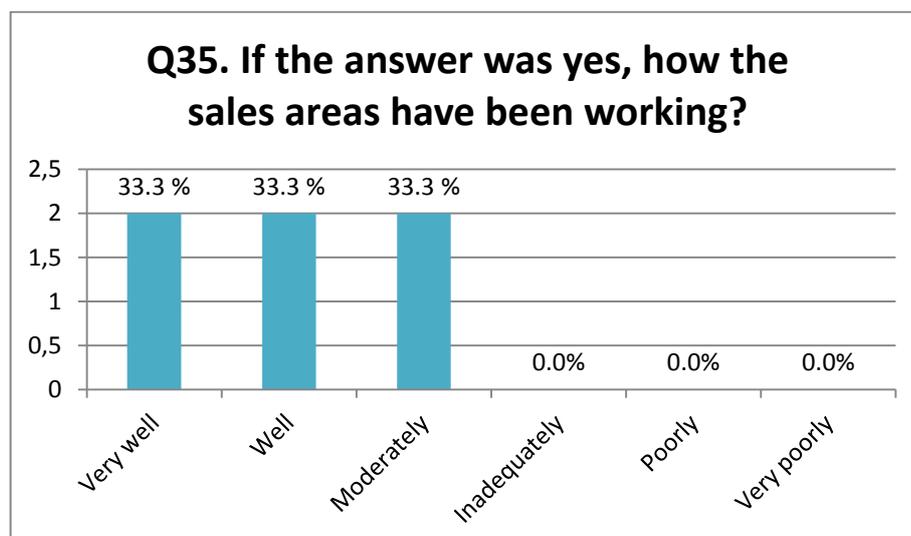
**Chart 37.** The personnel.

Branded Shoes Ltd.'s personnel seem to score very high ranks on question 33 with which was measured if the personnel was professional, trained, motivated, active, willing to provide service, reliable, honest and polite. According to chart 37 most of the respondents have answered totally agree or agree on every aspect. The few points that could be mentioned is that in the section "trained" there are 8 respondents who do not know, if Branded Shoes Ltd.'s personnel is trained. Also in section "active" seems to be the biggest disagreement with 4 responds. This answer might be relating to the former question Q32, where the retailers thought Branded Shoes Ltd. not taken initiative in contacting.



**Chart 38.** Awareness of sales areas.

Question 34 was measuring the retailers' awareness of the sales areas of Branded Shoes Ltd. The results show that retailers are not aware of the sales areas. Only 6 responded that they are aware of the sales areas. The sales areas are newly adapted to Branded Shoes Ltd.'s strategy as it was also mentioned in section 3.2. Therefore the knowledge of those has not probably reached everybody. Thing that also effects on the awareness is that only two of the sales persons do field work and at that time they also take responsibility of the one person's sales area when visiting the retailers that refuse to come to the showroom.



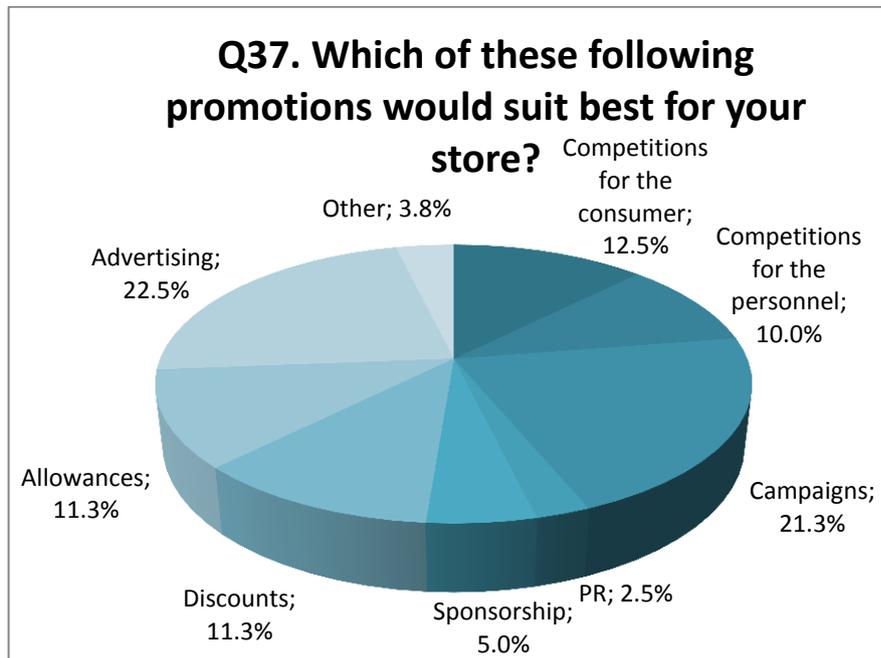
**Chart 39.** Sales area's functioning.

Next it was necessary to ask that those who were aware of the sales areas that how it has been working in the retailer's opinion. Chart 39 shows that it has been working equally very well, well and moderately. It can though be considered that this is the better side of the answers so sales areas are working well.



**Chart 40.** Sales promotion.

Chart 40 indicates that almost every retailer would like to have some sort of sales promotion done for them. Only six of the respondents do not want to have promotion. It was also asked that which type of sales promotion the respondents would like to have and the results for this question can be seen next.



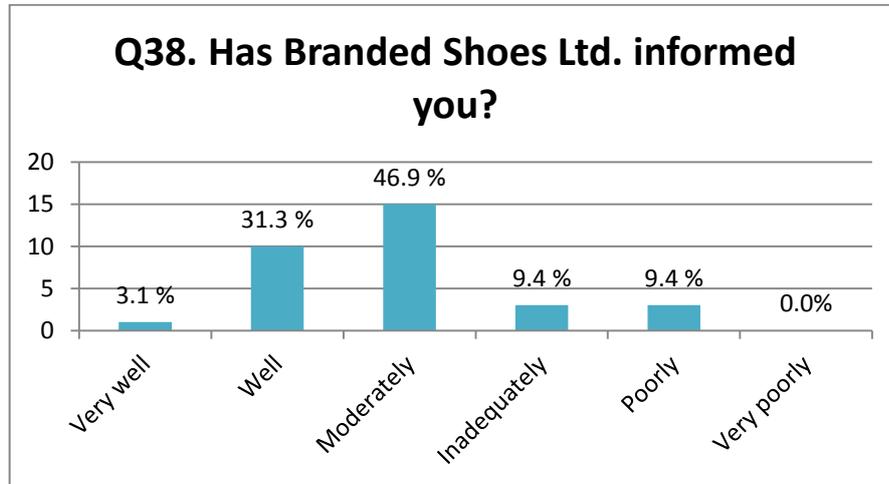
**Chart 41.** Types of sales promotion.

The types of sales promotions which were regarded as most suitable were advertising with 22.5% and campaigns with 21.3%. Following from there emerged the competitions for consumers with 12.5%, allowances with 11.3%, discounts with 11.3% and competitions for the personnel with 10.0%. Least suitable from the promotions were sponsorship with 5.0%, other with 3.8% and public relations with 2.5%. The answers that were marked as other were defined as following: product presentations, point of sale material and also training was considered as one sales promotion tool. Branded Shoes Ltd. has been using the PR during the past year and as it can be seen it is not regarded as good promotional way. The purpose in here was to create derived demand for the retailer's and increase the consumers' knowledge of the products. The disadvantage in PR is that very often the reporters choose the most extravagant product from the selection, which most likely is not in the stores. The retailers will not benefit from what is not already in the stores or cannot be delivered within few days. Therefore the agency could be thinking other options which would be useful for the retailer as well.

To summarize the answers in the selling category questions Branded Shoes Ltd. has recommended the right models to the retailers but has only done moderate need charting. The business relationship is considered as functional and the most of the retailers considered the relationship to be friendly at the moment, however most of the respondents would like the relationship be cooperative and consider cooperation to be important. The retailers do their forward orders in most of the cases in Branded Shoes Ltd. and also like to continue that way but what could be noticed that also they wish to do the forward orders more in the purchasing days. The additional orders were made mostly over telephone or e-mail, but how the retailers would also like to make their supplementary purchasing is via web site. The exhibitions that Branded Shoes Ltd. should attend in the retailers' opinion are the GDS and Ikaalinen. The showroom was considered comfortable and functional as well as the retailers also were satisfied in the selling situation. Over half of the respondents did not want Branded Shoes Ltd. to visit their store more often. From the answers could be noticed that Branded Shoes Ltd. has not been in contact in retailer's opinion enough; the answers for the contacting were only moderate or less. The personnel was considered overall good, but the trained section many of the respondents did not know to answer and activity got most of the different characteristics disagreement, but not in an extensive amount though. The sales areas were not in the knowledge of the retailers but the ones that were aware of those considered that the sales areas had been working well. Most of the respondents want have sales promotion in their store and the most valued promotions were advertising and campaigns.

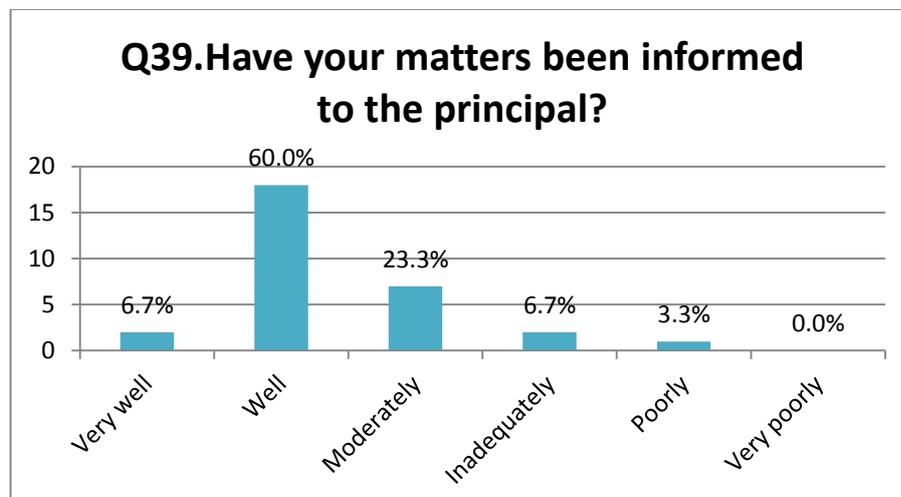
### 3.3.3.3 The Results in the Service Category

The service questions include the information flow, communication, E-commerce, training and the general questions of have Branded Shoes Ltd. been able to deliver quality service or is Branded Shoes Ltd. missing a service. This part is presenting and analyzing the results that were received from the answers of retailer to the service category questions.



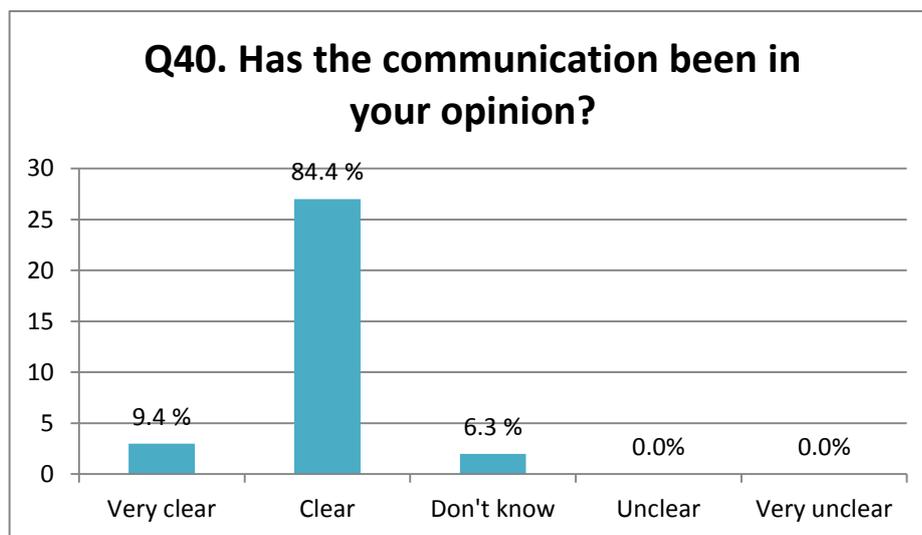
**Chart 42.** Information flow to retailer.

In chart 42 the information flow means matters that principal has informed to agency and the agency should forward the information to the retailer. The results from the question 38 in chart 42 show that the information flow from agency to the retailer has been moderate according to 46.9%. Next most answered was that the information flow has been well with 31.3%. Inadequately and poorly were 9.4% of the responds and very well were 3.1%. From these results can be seen that the information flow from agency to retailer has been fairly good, but room for improving still exists. The agency should be able to erase the inadequately and poorly answers entirely in order to keep the retailers happy.



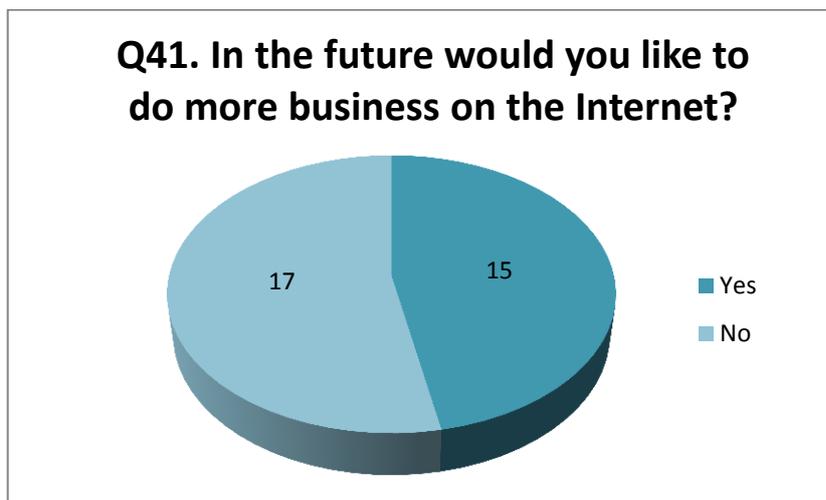
**Chart 43.** Information flow from agency to principal.

The information flow in chart 43 means the matters that retailer informs to agency and which the agency should forward to the principal. According to chart 43 the information flow from the agency to a principal has been well with 60.0% of the responds. Moderately were answered with 23.3%, very well and inadequately with 6.7% and poorly 3.3%. It can be seen that in this information flow direction Branded Shoes Ltd has performed better than in informing the retailer.



**Chart 44.** Communication.

The results from question 40 show that the communication has been clear mostly. 9.4% thought that the communication has been very clear and 6.3% could not say that has what kind of the communication has been. From the communication perspective the agency brings satisfying results but as mentioned above the informing of the retailer needs improvement.



**Chart 45.** E-commerce.

From question 41 can be measured the retailers capacity for E-commerce. As chart 45 shows over half are still not ready. Nearly half though considers that they would like to use more the Internet in the future. The online order programs therefore gain more support from these results.

The respondents were also asked what they consider is the advantage and disadvantage in doing business over the Internet. The advantages the retailers mentioned were: fast, effortless, easy, real time information, availability, does not tie to time or place, clarity and efficient. One respondent stated that "Always open and available. The same information for everybody." The disadvantages that were mentioned in the responses were the impersonality, sometimes unclear, lack of additional information and uncertainty if the information is up to date. One retailer indicated that "The usage of Internet for the time being is enough, the new models needs to be seen in physical before making the purchasing decision." Also an interesting suggestion could be found from the answers. The respondent suggests that the stock clearance purchasing could be done over Internet. That has not been probably thought about before and it would make the purchasing and also selling much more efficient.



**Chart 46.** Training.

It was mentioned in section 3.2 that the training is entirely missing from Branded Shoes Ltd.'s service portfolio. Therefore the retailers were asked training as a separate question. The results can be seen in chart 46. Nearly two thirds of the respondents want to have training from Branded Shoes Ltd. Slightly over a third of the respondents did not want to receive training. This verifies that Branded Shoes Ltd. would need to consider training in their service portfolio.



**Chart 47.** Service.

Chart 47 shows that Branded Shoes Ltd. is not considered missing a service. Question 44 resulted in answers where 23 of the respondents considered that

Branded Shoes Ltd. is not missing a service and 6 thought that the agency were missing a service.

For the ones that answered yes to question 44 was asked to specify that which service they considered that Branded Shoes Ltd. is missing. The answers which were received were the following: training, Internet web page for additional orders, good and servicing web page, different types of shoe models for casual wear not just sailing shoes, little Christmas party and customer oriented sales person or owner. As it can be seen some of the answers were not really relating to services. Some answers though can be used in enhancing the services such as the training and the web pages.



**Chart 48.** Quality service.

Chart 48 shows that most of the respondents consider Branded Shoes Ltd. been able to deliver quality service for them. Only three retailers consider that Branded Shoes Ltd. has not been able to deliver quality service. This is a very good result considering the case agency as offering quality service increases customer loyalty according to section 2.4.2.

To summarize the results in the service category questions the informing of the retailer has been moderate and the informing of the retailer's matters has been done well. The communication has been clear. The majority of the retailers would not want to make business over the Internet more but nearly half would like to.

The making additional orders over the Internet were though considered acceptable. The advantages of the Internet were considered that it is fast, easy, not dependent on time or place, real time information available all the time. The disadvantages and risks in the Internet were considered to be the lack of personal communication, lack of security, not updated all the time, clarity and the fact that one cannot have the shoe “in hands”. Over half of the respondents would like to have training for their personnel. Branded Shoes Ltd. was not missing any service in the retailers’ opinion and the agency was considered been able to deliver quality service.

#### 3.3.3.4 The Results in the Conclusive Category

In the conclusive questions the challenges which retailers face at the moment were asked (see appendix 1 question 47). The answers which were received were the lack of selectivity, availability of stock goods, risk sharing lean on the retailers’ side, payment terms, prices, gaining the most commercial models and finding new commercial models with good price-quality relation. One of the respondents answered of the lack of selectivity that: ”The problem is that camel active is sold by chains, which discount the prices with 20%. It creates a situation where the brand is more difficult to sell and weakens the brand’s credibility.” This is partially true and Branded Shoes Ltd. wants definitely to avoid the price decreasing as it gives also wrong price image for the consumers. The other side in here is that the agency cannot force anyone to preserve some price; the company might be accused of restricting the competition which is also illegal.

The solutions that the retailers suggested in their answers for question 48 (see appendix 1) for example to the price discounting that those retailers should be left out, in other words the agency should be more selective. In the challenge of choosing the commercial models one respondent suggested a list of the bestselling groups. Generally there were also wishes of sending clear directions for the retailers of the methods which different brand have and keep the retailers up to date. Few of the problems were very much related to the principal and also the retailers

realize it in most cases; therefore the solutions for risk sharing, payment term challenges and challenges in prices were suggested that the agency would take a bigger role as being the spokesman, for example one respondent states the solution would be “tell truths to the principals”. Some also suggested that Branded Shoes Ltd. should take some commercial volume brand for men and women next to the quality brands. Branded Shoes Ltd. has been trying to find a volume brand but has not yet been able to find one that would be very interesting in price and quality and also that the new brand would not compete with the existing brands. One retailer wished that Branded Shoes Ltd. would take the whole collections to Finland so that the retailer could make the ultimate decision if they consider them to be commercial or not.

The last question number 49 was asking whether the retailers feel that something was not researched in the questionnaire which they consider to be important. One respondent says that the minimum pair quantities today is very old fashioned and camel active’s collection should be a lot better for the next spring/summer season. It is true that the camel active’s spring/summer season often is less successful than the autumn/winter and Branded Shoes Ltd. could study that what the retailers are expecting from the camel active for the spring/summer seasons. The minimum quantity for forward orders though cannot be changed as this is a requirement from the brands. It is understandable that they also set requirements for the retailers. For example the differences between selling two models instead of six models is huge for the visibility in the store. The two models only blend in with the other brands. One respondent requested that there would be more goods in stock. This is also a tricky matter as mentioned in section 1.1 that the stock values are based on the forward orders. Of course here the agency could try to make the principal take a little bit more risk in the stock value. One respondent pointed out that the principal should provide more point of sale material and this the agency can also suggest for the principals. Payment term was also mentioned and the respondent especially wishes that it could be longer than it is for the moment. Some brands are more flexible with the payment terms than others but generally the payment terms

are settled and can be considered as quite good. This is also what Branded Shoes Ltd. may suggest for the principals but in general does not have the decision making power over it.

## **4 CONCLUSIONS**

The conclusion is the last part of the research analysis and it will explain how the research was proven. The conclusion part will summarize the theory and questionnaire results into full concepts as well as answers to the research questions, which were presented in section 1.3. The main objective of this part is to create recommendations for the case agency, which they can utilize in their planning of different strategies in selling and service providing.

The first section is the recommendations for the company, which will include the selling and service aspect. First can be seen which matters the agency did perform well and should be preserved as they are. The other aspect in section 4.2 is the improvement part in sub headings and there can be found the categorization for selling, service, contacting and relationship. The contacting and the relationship were chosen to put as separate sections as there was seen to be biggest need for change. The last part of the conclusion section will then give recommendations for the case agency for further research. There will be pointed out what the agency could possibly measure next.

### **4.2 Recommendations for the Company**

The most driving motives for the purchasers to buy that could be noticed were the brand and demand. The purchasers considered mostly that their purchases are staying the same and the biggest reason for that was economic situation or pressure to reduce stocks. This is not very good news for the company as after the decrease in the sales the thought is on the recovery from it. There could not be discovered any changes happening in the future purchasing methods, therefore it does not require changes from Branded Shoes Ltd. The purchasers mainly plan their purchasing according to the brand and collection, as a small minority came planning by importer/agency. This shows that in most of the cases the sales person cannot influence the purchasing decision by increasing it as they have planned their budgets beforehand. Planning by collection can be influenced the most, but

of course here the purchasers' own perception of the collection as well has an impact.

Branded Shoes Ltd. has created a functioning business relationship with the retailers and this might be because almost 90% of the retailers consider that Branded Shoes Ltd. has delivered them quality service. This is the right path in order to create a long-term relationship with the retailers and in the creation of a trusting environment. The implications that the personnel are considered trustworthy come from the perception the retailer has of the personnel; the personnel were rated in the questionnaire to be very satisfactory. The personnel is a very important factor in the creating the long-term relationship with the retailer as they are the ones giving the image of the company while they are providing service or selling. Branded Shoes Ltd. obviously has been skilled in the recruitment process.

In the selling Branded Shoes Ltd. has been able to suggest the right shoes for the stores. This would implicate that they have been the most commercial models and has proven themselves in the selling. For half of the retailers the profit margin was also working well. For them the models have also been very profitable. Branded Shoes Ltd. has proven to be skilled in finding the commercial models from the collection. Some of the retailers wanted to have a list of bestselling models, which could be noticed from the answers. The list should be applied for to ease the retailers' perception of the most commercial models.

The sales situation has been performed well in the customers' opinion and Branded Shoes Ltd. can continue in the same way. The selling places which worked well were the exhibition side and the showroom. Branded Shoes Ltd. has attended the correct exhibition and it should be attended in the future as well. GDS was attended by the retailers the most and also in their opinion the case agency should attend it. The showroom mainly got positive feedback and it was considered as comfortable and clean. This is very good results as then the main focus on the sales meetings are on the shoes rather than on the unpleasant environment.

On the service side many of the respondents considered that Branded Shoes Ltd. was not missing any service and this is rather good news for the company. As also mentioned above the case agency has been able to deliver the retailers quality service. Where the company has been successful was informing the retailers' matters to the principals and in communicating in a clear manner. The communication has not then been a barrier for delivering quality service which was introduced in the chapter 2.4.2.1.

#### **4.2.1 Improvements in Selling**

What could be noticed from the responds is that the level of satisfaction for the profit margin was half and half. The ones that were not satisfied with the profit margin mostly expected that the profit margin should be around 55-60% or 50-70€. What also was noticed that the retailer value the profit margin over the volume. Volume is generally also related to the low prices; therefore Branded Shoes Ltd. should focus on providing more profit rather than try to lower prices. Anyhow the outselling price, which was regarded as the most optimal one were lower than 100 € and brands of Branded Shoes Ltd. have higher prices. This result however is indicating the contrasting. The most optimal situation for the retailer would be to have models with under 100 € with 55-60% or 50-70 € of profit margin. This should be Branded Shoes Ltd.'s goal while they plan the multiplier suggestions for the brands.

The matter that noticed related to prices was the lack of selectivity for those retailers that decrease the prices. The lack of selectivity in this setting is rather difficult matter. Branded Shoes Ltd. cannot say to those retailers that "we do not sell to you unless you increase your prices". This would be a possible lawsuit and a sure loss in the court, because the restriction of the competition is an illegal act. The evaluation of the retailers though should be highlighted in the future while choosing between whether to sell or not to sell. Anyhow some things just go above on the price discounting as it is known and mentioned in section 1.1 that the biggest organizations have the power of doing this. Therefore if the shop is con-

sidered as representing the brand image well and to buy quantity the price discounting of the retailer is a secondary matter. Branded Shoes Ltd. has acknowledged that even though hypermarkets could buy thousands of pairs and would bring the money in, regardless is not a place to enter in as it doesn't represent the brand and they would also decrease the prices into a level where the others could not follow.

In the sales situation Branded Shoes Ltd. had been made need charting moderately. Need charting was very much emphasized in the theories and this part needs definitely improvement in the case agency. The need charting ensures that the retailers receive what they expect, nothing less. From the customer satisfaction point of view it is desirable that the retailers receive more. The need charting enhances Branded Shoes Ltd.'s ability also to suggest the solution immediately after when the need charting has been made and also they can prepare for the arguments for that solution while the charting is done. The agency could try to agree with the personnel to spend a specified minimum time for the need charting. The time spent here should be more than spent before.

The selling places were pretty much the same as it was asked that where the retailers make their forward order purchases and where they would like to do the purchases, the exception was the purchasing day. Ikaalinen fair is a purchasing day fair and when asked that which fair Branded Shoes Ltd. should take part in the Ikaalinen was the only answer in fairs besides the GDS, which the agency is already attending. The suggestion for the company is thus to attend Ikaalinen fair as well if they are able to do that. This most likely will bring the sales meeting more available for some retailers. The additional order making was also pretty much the same. Only making additional orders over the Internet according to the results peaked in the answers for how they would like to make their additional orders, but this matter is discussed in section 4.2.2 in more detail.

Branded Shoes Ltd.'s sales areas were not clear for the retailers. In principal the idea in Branded Shoes Ltd. of using sales areas in products and also in key ac-

counts (see section 3.2) is justified by the results that the retailers who knew about them considered the sales areas are working well. Anyhow the adaptation of this sales area strategy has not yet been well established as even the knowledge of those areas has not went much further than the borders of the company itself.

The sales areas can create a great advantage. The product specification can gain better knowledge over the product and also the retailer's needs for that specific brand. The key accounts are the biggest and most important customers and they often have higher demands than the smaller customer. Hence the key accounts should be taken care of the most experienced person because that person knows exactly that what can be done in which situation. Anyhow the sales area needs some emphasis before it can function properly. Therefore the suggestion would be to establish a clear strategy of how the sales areas could be implemented to the methods rationally and how the flow from one sales area to another is handled if for example some smaller customer purchases more than two brands.

To promotion of sales seemed to be important because many of the retailers want to receive it. As it was mentioned in section 3.2 Branded Shoes Ltd. has presently made promotion with the PR-agency. PR though was the least appreciated promotion that there was mentioned. Most appreciated were the advertising and the campaigns. Branded Shoes Ltd. should probably then try to drive these promotions forward to the principals' actions. The biggest motivational factor for purchasing was demand and with the well-established advertising this can be achieved. PR though seeks the demand aspect from another view but as it was mentioned in the analysis of question 37 that it might not support the actual retailer due to the fact that the journalists often choose the most extravagant models from the collection which may not be the most commercial.

A new way of selling the stock clearance goods emerged from the answers of the questionnaire. The stock clearance selling is always on an international level and it is very hectic. The pair quantity is changing constantly and it is very difficult to have the list all the time up to date because new list is sent every morning until the

stock is empty. It would be more efficient to have the stock list online where the retailers could see the stock situation all the time updated and possibly make their orders as well. In the situation where the retailer does not know how to make the order online or does not have skills to use the Internet it would be easier for the agency also to follow the situation and make the order.

#### **4.2.2 Improvements for Services**

In the service area there did not emerge many improvements, but one, in addition to the contacting and informing, which is handled as separate part, was the adapting the web page ordering program. Many of the respondents felt like the additional orders could rather be done through a web page as it is accessible all the time and they can see the stock situation for the model for themselves. Other advantages were that it was fast and the order can be made where ever they are. The advantages were very much in tune with what Barrat et al. also introduced in their book (see section 2.2.4.1). Few matters in the answers were highlighted; the web page itself should be secured, easy to use, clear and updated all the time.

As mentioned in section 3.2 two of the brands camel active and Think! have already created web page ordering program. Hence Branded Shoes Ltd. could try Sebago also to create a web ordering program. One option to minimize the passwords or the user names would be for the agency to have their own ordering program which could be linked to the principals systems. That would need more investigating of the systems and also a specialist to create this program as there is not enough know-how in the company.

A whole new service that the case agency has not yet performed is the training. Over half of the respondents considered that they would like to receive training from Branded Shoes Ltd. The training would consist mainly of the products but it could also include the information of the brands such as history of the brands and vision and mission. The training usually has an effect of the retailers personnel where they feel more engaged and possibly more motivated to sell those brands.

In order to find out that who want to receive training Branded Shoes Ltd. could make an inquiry for the retailers. The inquiry could also include that what type of training they want to receive, where they want to have the emphasis on and for which brand. There the company could plan a so called training route and also the form of the training. In order to have a full use on the training if it involves long travelling distances some other promotions could be performed at the same time. The promotion could be for example product presentations for the consumers in the shop.

#### **4.2.3 Improvements in Relationship**

Even though 90% considered that the business relationship is functioning, it was obvious in the results that the retailers want a cooperative relationship with Branded Shoes Ltd. Therefore the Gadde's development role of purchasing (see section 2.2.1) applies here. The development role includes cooperation and for example it is applied in product development. The results though showed that only third of the respondents want to be involved in the product development. The product development needs definitely a thorough discussion with the retailers. Hence the suggestion would be that Branded Shoes Ltd. tries to have for example 15 minutes of discussion with the retailers of the models that needs improvement.

According to the questionnaire results the retailers want to influence especially on the continuation models and this would include cooperation between the parties. How the involving in the continuation models could be performed in practice is that the retailers could be simply sent a small poll before the collection meeting that which of the models they want to have for the next season. The models that would receive the most answers is then tried to get for the next season.

Baily's mutual relationship (see section 2.2.3) should be utilized here. In the mutual relationship the parties share their confidence, technology, commitment, efficiency, information and support. This supports for example the idea that Branded Shoes Ltd. should take the additional order web site into use as the sharing of the

technology. The information flow from the agency to the retailer was considered to be moderate and this is against the creation of mutual relationship. In order the relationship would be more cooperative the information flow needs to be improved but the methods of improving the information and contacting is discussed more on the next section 4.2.4.

#### **4.2.4 Improvements in Contacting**

Branded Shoes Ltd. was appraised in the personnel question but the activity section there received the most disagreement. Also the contacting of the customer was considered to be mostly moderate or less. The contacting the retailer can also be considered as taking initiative and as it was mentioned before in section 3.3.3.2 most likely the activity and taking initiative are related to one another.

The contacting does not always need to lead to sales, and that should not be the most obvious reason for the contact as it might feel like pressuring. The contacting should be keeping the agency up to date that where they stand. The informing of the retailer also was considered to be inadequate so increasing the contacting for to inform what their situation is would be very important. Eventually this increase of contacting might lead to additional sales and as it was mentioned in section 2.3.4 the more contact is made the more is sold.

Contacting the retailer does not always mean by telephone, one alternative option is that the retailers are visited. Nearly half of the respondents answered to question 31 that Branded Shoes Ltd. would visit their store more often. Sometimes this might be troublesome though if it is time consuming or very costly for example if the retailer's store is in the north part of Finland as the focal point of the case agency is in the south.

Here the suggestion for the company would be to increase the activity level and also take more contact on the customer. The case company could possibly make contact quotas for the personnel. The quota could be categorized by the customer size, importance or for example potentiality to A, B, C categories and the contact-

ing quota should be specified for that category. Also the contacting could be categorized according to the sales areas. This would need a follow-up of the contact times from the entire personnel so that the same customer will not be called during one day or following days and possibly asked the same questions. Therefore a daily updated customer data could be adapted in the company. The customer data could be including the date when contacted and what was the reason. The thorough customer base was also missing from Branded Shoes Ltd. except for the very basic information of phone, e-mail and address.

### **4.3 Recommendation for Further Research**

This research as it can be noticed from section 4.2 did give the agency an understanding that where they could improve. However as the quantitative research were quite long and included many aspects, the agency could now concentrate on making a qualitative research of the problem points. The qualitative research would give a more thorough understanding and would help to create the overall picture. From the overall picture then the case company can then detect the correct methods to implement in their strategies.

The agency's work is very multifaceted because they are the intermediaries between retailer and manufacturer. The continuation of measuring the agency's work there would be the principal aspect still to investigate. As they are the "boss" of the agency, it could be rather interesting to know what they are expecting from the agency.

The matter that could be noticed from the questionnaire answers are that a significant amount of them were very much related to the principal such as deliveries, risk-sharing, the stock volume and cost reduction. It is also understandable as the principals offer the retailers the tangibles/product and all the matters relevant for those such as the price, delivery, stock and so forth. Hence the agency could also perform a thorough research that what are the retailer's expecting from the principal. That would have a very profound affect most likely as the principals could

see themselves what is that they need to improve in as sometimes the word of the agency is not enough.

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## APPENDIX 1

### QUESTIONNAIRE

#### **Purchasing category:**

Q1. Which of Branded Shoes Ltd.'s represented brands you purchase? You can choose more than one.

1. camel active
2. Sebago
3. Think!

Q2. The size of your personnel?

1. Under 5
2. 5 – 20
3. Over 20

Q3. Which of these factors in general motivate you to purchase? Choose three most important.

1. Demand
2. Brand
3. Price
4. Personnel
5. Service
6. Stock program
7. Other, which is it?

Q4. Which of these factors motivate you to purchase brands, which Branded Shoes Ltd. represents? Choose the 3 most important.

1. Demand
2. Brand
3. Price
4. Personnel
5. Service
6. Stock program
7. Other, which is it?

Q5. Which of the following sell out price is the most optimal in your opinion?

1. Under 60 €
2. 60 – 80 €
3. 80 – 100 €
4. 100 – 120 €
5. 120 – 150 €
6. Over 150 €

Q6. Do you think that the brands, which Branded Shoes Ltd. represents, have the profit margin in place?

1. Yes
2. No

Q7. Which of these options do you think is the most optimal profit margin percentage?

1. Under 40 %
2. 40 – 45 %
3. 45 – 50 %

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4. 50 – 55 %
5. 55 – 60 %
6. Over 60 %

Q8. Which of these options do you think is the most optimal profit margin in €?

1. Under 20 €
2. 20 – 30 €
3. 30 – 40 €
4. 40 – 50 €
5. 50 – 60 €
6. Over 60 €

Q9. Which figure describes best of your thinking of the volume-profit margin relation on a scale from 1-5, when 1 means big volume and small profit margin and 5 means small volume and big profit margin?

	1	2	3	4	5
volume – profit margin	<input type="checkbox"/>				

Q12. How you expect that the purchasing will change in the next season?

1. Increase
2. Stays the same
3. Decrease

Q13. What are the reasons for the change in the purchasing?

Q14. Do you have a plan to change your working methods, which will effect on Branded Shoes Ltd.'s operations?

1. Yes
2. No

Q15. If you answered yes, could you please tell in which way you are changing your working methods?

Q16. How you plan your purchasing?

1. By brand
2. By agency/importer
3. By collection
4. Do not plan at all

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Q21. Would you like to influence on product development?

1. Yes
2. No

Q22. Would you like to influence on the models that continue to the next season?

1. Yes
2. No

### **Selling category:**

Q10. Has Branded Shoes Ltd. recommended the right shoe models to your store?

1. Yes
2. No
3. Do not know

Q11. Has your needs been charted in your opinion?

1. Very well
2. Well
3. Moderately
4. Inadequately
5. Poorly
6. Very poorly

Q17. Do you consider that our business relationship is functioning?

1. Yes
2. No

Q18. Which type of business relationship you consider you have at the moment with Branded Shoes Ltd.?

1. Normal seller-buyer
2. Friendly
3. Cooperation
4. Empowering from Branded Shoes Ltd.'s side
5. Empowering from your side

Q19. Which kind of business relationship you would like to create to Branded Shoes Ltd. in the future?

1. Normal seller-buyer
2. Friendly
3. Cooperation
4. Empowering

Q20. Is cooperation in your opinion?

1. Very important
2. Important
3. Not overly important
4. Not important at all

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Q23. Which way you do your forward order of Branded Shoes Ltd.'s representative brands?

1. In Branded Shoes Ltd.'s show room
2. In your shop
3. Electronically
4. On exhibition
5. On purchasing day

Q24. How would you prefer to do you forward order?

1. In show room
2. In your store
3. Electronically
4. On exhibition
5. On purchasing day

Q25. Which way you do your additional orders for the moment?

1. Over telephone
2. By e-mail
3. In web pages
4. In your store

Q26. How would you prefer to do your additional orders? You can choose more than one options.

1. Over telephone
2. By e-mail
3. In web pages
4. In your store

Q27. Which following exhibitions do you take part in? You can choose more than one options.

1. Ikaalinen
2. GDS
3. CIFF
4. Micam
5. Garda
6. Stockholm fair
7. I don't take part in exhibition

Q28. Which exhibitions should Branded Shoes Ltd. in your opinion attend?

1. Ikaalinen
2. GDS
3. CIFF
4. Micam
5. Garda
6. Stockholm fair
7. Do not know

Q29. Could you describe Branded Shoes Ltd.'s showroom with three adjectives?

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Q30. Could you describe the selling situation with three adjectives?

Q31. Should Branded Shoes Ltd. visit your store more frequently?

1. Yes
2. No

Q32. Has Branded Shoes Ltd. been in contact with you?

1. Very well
2. Well
3. Moderately
4. Inadequately
5. Poorly
6. Very poorly

Q33. How do you consider Branded Shoes Ltd.'s personnel?

	Totally agree	Agree	Do not know	Disagree	Totally disagree
Professional	<input type="checkbox"/>				
Trained	<input type="checkbox"/>				
Motivated	<input type="checkbox"/>				
Active	<input type="checkbox"/>				
Willing to provide service	<input type="checkbox"/>				
Reliable	<input type="checkbox"/>				
Honest	<input type="checkbox"/>				
Polite	<input type="checkbox"/>				

Q34. Are you aware of Branded Shoes Ltd. personnel's sales areas?

1. Yes
2. No

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Q35. If the answer was yes, how the sales areas have been working?

1. Very well
2. Well
3. Moderately
4. Inadequately
5. Poorly
6. Very poorly

Q36. Would you like to have sales promotion in your store?

1. Yes
2. No

Q37. Which of these following sales promotions would suit best for your store? Choose three most suitable.

1. Competitions for the consumer
2. Competitions for the personnel
3. Campaigns
4. PR
5. Sponsorship
6. Discounts
7. Allowances
8. Advertising
9. Other, which is it?

### **Service category:**

Q38. Has Branded Shoes Ltd. informed you?

1. Very well
2. Well
3. Moderately
4. Inadequately
5. Poorly
6. Very poorly

Q39. Has your matters been informed to the principal?

1. Very well
2. Well
3. Moderately
4. Inadequately
5. Poorly
6. Very poorly

Q40. Has the communication been in your opinion?

1. Very clear
2. Clear
3. Don't know
4. Unclear
5. Very unclear

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Q41. Would you in the future like to do business more in the Internet?

1. Yes
2. No

Q42. Could you please describe in short, what are the advantages and disadvantages in making business over Internet?

Q43. Do you want Branded Shoes Ltd. to train your personnel?

1. Yes
2. No

Q44. Is Branded Shoes Ltd. missing a service?

1. Yes
2. No

Q45. If you answered yes, could you please describe in short what/which service(s) are Branded Shoes Ltd. missing?

Q46. Has Branded Shoes Ltd. been able to offer you quality service?

1. Yes
2. No

Q47. What is your current challenge in regards with the purchasing and agency?

Q48. How could Branded Shoes Ltd. help you in this challenge?

49. Would you like to bring to the knowledge of Branded Shoes Ltd. something that has not been researched in this questionnaire? The word is free!

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