

Abstract

Market Research and Strategy “Special product groups”

Kurzzusammenfassung: What needs to be done if an existing product has not been analyzed for several years? The thesis illustrates one possible way of what a company can do in this situation. In a first step, the product and its current customers are analyzed before a market research is carried out to help determine the needs and wants of the customers. The last part of the thesis deals with the development of a marketing strategy which supports the company with marketing the product.

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Initial Position: The principal is an organization which operates in a B2B market for electrical and optical connectivity. With its various group companies and agencies, the company is represented worldwide. Four product types build the special product groups which have not been analyzed for several years. Nevertheless, these products likely offer a great potential for growth.

Objectives of the Thesis: These currently existing products need to be analyzed in order to find a strategy on how to sell more of them within, and outside, the main markets. Three listed goals are defined to be achieved in the thesis.

1. The first goal is to analyze the current customers and applications of the special product groups.
2. A market research should determine the purpose why customers buy the four products and where they apply them.
3. A marketing strategy including the marketing and financial objectives, positioning, marketing mix, control, budget and implementation needs to be provided.

Procedure: In a first step, the company is analyzed in order to gain an insight into its vision, mission and target markets. Having acquired some general knowledge about the corporation, the focus will be set on the four products which build the special product groups. The main parts of this section are the introduction of the products as well as an analysis of their sales reports. Knowing the products and their customers, a market research is carried out to determine the needs and wants of the customers. A marketing strategy is developed on the basis of the results of the market research and the analysis of the company and its products. Parts of the marketing strategy are the recommended marketing communications programs which should help to market the products successfully.

The main **findings** of this thesis are the following:

1. Analysis of the sales reports
 - *Downturn:* Similar to most companies, the special product groups suffered from the poor economic conditions in 2009. The impacts of the economic downturn led to lower sales quantities. With rising sales prices of the special product groups, heavier losses in net sales could be absorbed.

- *ABC customer analysis:* All four products explicitly show that 20% of the customers generate approximately 80% of the sales. The next 30% of customers are responsible for about 15% of sales and the half of the clients with the fewest purchases account for only 5% of the turnover.

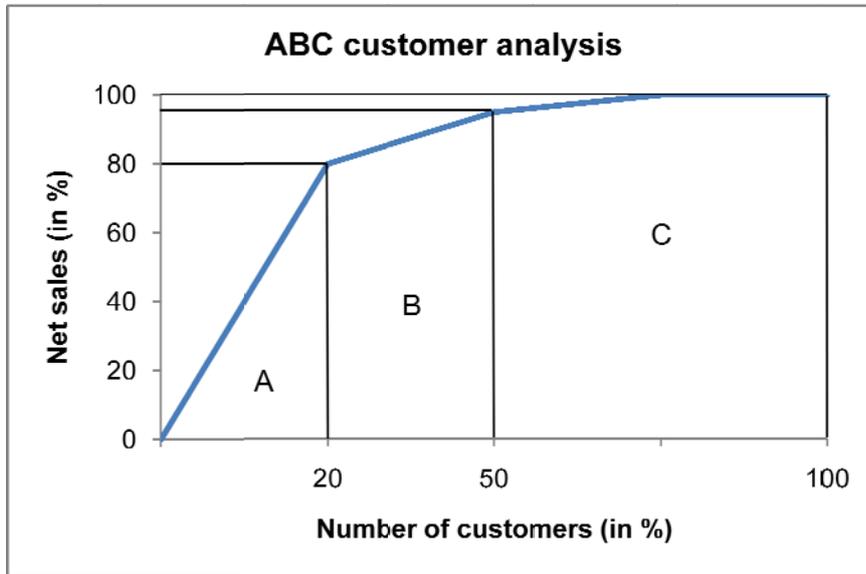


Fig. 1: ABC customer analysis. Source: own illustration based on Reinecke & Tomczak (2006, p. 228)

2. Results of market research

- The first contact with a customer was usually established personally. Recommendations of current customers and first contacts by sales representatives seem to be very effective ways to acquire new customers in B2B markets.
- The current customers of the company who are satisfied with the quality of the products are very loyal.

3. Marketing strategy

- Before a marketing strategy can be developed, the strategic direction needs to be defined. This strategic direction outlines the path a company or business unit follows to achieve its objectives. One method to define the strategic direction is the Ansoff-Matrix which is pictured in Tab. 1.

Tab. 1: The Ansoff-Matrix

	Existing Markets	New Markets
Existing Products	Market Penetration	Market Development

New Products	Product Development	Diversification
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Source: own illustration based on Campell, Houston & Stonehouse (2002, p. 175).

- The seven main components of a marketing strategy are as follows:
 - Marketing and Financial Objectives
 - Target Markets
 - Positioning
 - Marketing Mix
 - Budget
 - Controls
 - Implementation
- The analyzed organization uses the four common Business-to-Business marketing channels to sell its products. Those channels are illustrated in *Fig. 2*.

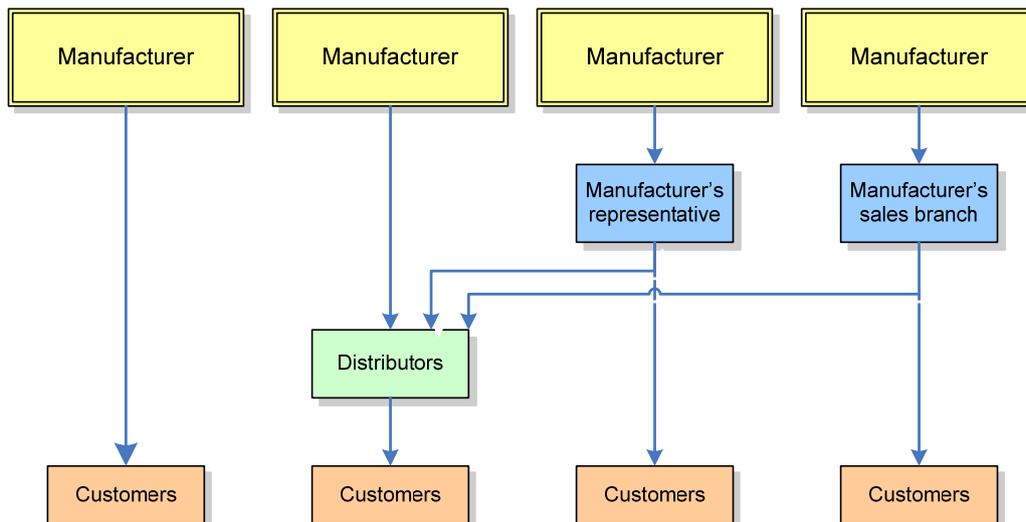


Fig. 2: B2B Marketing Channels. Source: own illustration based on Kotler & Keller (2009, p. 456)

- There are several ways to promote a product including advertising, sales promotion, events & experiences, public relations & publicity, interactive marketing, word-of-mouth marketing, personal selling or direct marketing (Kotler & Keller, 2009, p. 513). However, for companies who operate in B2B markets, marketing communications programs which focus on personal contact between an organization and its customers are the most suitable.

Sources:

Reinecke, S. & Tomczak, T. (2006). *Handbuch Marketing-Controlling* (2nd edition). Germany: Gabler Verlag

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