

MARKETING ANALYSIS FOR FUTURE STRATEGIC PLAN

Examensarbete – Högskoleingenjör

Industriell ekonomi

Mahsa Mousarezaei

2016.14.17



HÖGSKOLAN I BORÅS

Titel: Marketing analysis for future strategic plan

Year: 2016

Author: Mahsa Mousarezaei

Supervisor: Daniel Ekwál

Examiner: Sara Lorén

Abstract

Today's climate issues such as increasing temperatures and extreme change in weather pattern are one of the greatest threats. Therefore there is a united agreement that something needs to be done for reducing the causes of global warming and climate change. Businesses have accepted the fact that they need to take some actions so that they can help, although still some think that environmental solutions are time consuming and costly. (Shah, 2015)

Realizing the climate issues and the fact that greenhouse gases remain in the atmosphere for a long time, Sweden started an environmental protection agency in 1967. Since then Sweden has a strong reputation as one of leaders and environmental pioneer worldwide. The government provides various opportunities for environmentally friendly technologies developments within the country and abroad. (Sweden.se, 2016)

The case company is one of high technology Swedish companies that are trying to provide air treatment solutions for industries. They mostly work within food frying factories, waste handling and biogas industries. Their solution is highly beneficial technologically as it solve reduce industrial pollution as well as transferring the heat and purified water from the recovery process back to the system. Consequently they help companies to save costs through low energy consumption and to be environmentally friendly.

However, due to economical globalization and other competitors, especially in Sweden, their high technology is not a guarantee for financial and competitive

advantages. Marketing strategy and strategic marketing plan is the necessity for their success in the market within Sweden and internationally.

This paper is the fundamental base in strategic planning of marketing by analysing the current situation of company in the market through SWOT (Strength, Weakness, Opportunity, Threat) analysis. Through SWOT analysis I have highlighted the strength points which the case company needs to focus on when introducing their product to customers and compete with the competitors. On the other hand the weaknesses were also analysed and I have come up with a few suggestions that might help in this case in order to take advantage from their opportunities to improve weaknesses. The result of SWOT analysis clear that their products have a great opportunity in the market due to the high technology they have and they need to have better marketing strategy to introduce their technology and capability to the market.

Keywords: Marketing analysis, SWOT analysis, strategic marketing plan

Contents

1. Introduction	1
1.1 Background	1
1.2 Purpose	2
1.3 Research Question	2
2. Literature Review	3
2.1 What is strategy?	3
2.2 Marketing Strategy	4
2.3 Marketing Strategy for SMEs	4
2.3.1 Marketing Mix Strategy	5
2.3.2 Market Segmentation Strategy	6
2.3.3 Market/ Product Positioning Strategy	7
2.4 Marketing Intelligence	7
2.5 SWOT analysis	8
2.6 What is strategic marketing plan?	9
3. Method	12
3.1 Data Collection	12
3.1.1 Primary Data	12
3.1.2 Secondary Data	12
3.1.3 Interview	13
3.2 Qualitative VS. Quantitative Approach	13
3.3 Problems And Limitations	14
4. Case Study	15
4.1 Company Overview	15
4.2 Product And Service Description	15
4.2.1 Food frying industries	15
4.2.2 Waste odors and Biogas	17
4.3 Employees	18
4.4 Marketing Strategies/ Methods	18
5. Analysis of case study	20
5.1 SWOT analysis	20
5.2 Internal Analysis: Strengths and Weaknesses	20
5.3 External Analysis: Opportunities and threats	22

5.4	Strengths and Opportunities.....	23
5.5	Weaknesses and Threats.....	24
6.	Discussion	26
7.	Conclusion.....	28
8.	Future Research.....	29
9.	Reference	30

Appendix 1	Interview guide / Questionnaire
-------------------	--

1. Introduction

This research is focused on marketing strategies, strategic marketing plan and their importance in general terms. Consequently a case study will be presented and analyzed in SWOT (strength, weakness, opportunity, threat) framework as the first step of strategic planning. The following chapter will be discussing the background of the research question in order to create a short insight and understanding for readers to follow the sequent chapters.

1.1 Background

In the past few decades, countries all over the world have connected with one another more closely as the global interaction are increasing rapidly. Globalization phenomenon has affected different areas of our lives; it made the world to seem like a small village and most significantly made the market internationally. Consequently countries are now connected economically and politically, which made the opportunity for companies to grow and expand to an international scale. The international market is still based on customers' needs and expectation and customers' satisfaction is the main goal of all organizations. However globalization changed customers' expectation, which means they expect variety of products in high quality offered along with bonus services regardless of associated country. (Stonehouse, Hamill, Campbell & Purdie, 2001).

All of these made companies to think about expanding their business to overseas seeking better opportunities and to new potential customers in order to increase profits which comes along with intensive competition. Companies who want to compete in the global market should be aware of customers' complex requirements and their competitors' similarities and differences. Therefore the concept of marketing is much more complicated than it used to be and strategic plan is the necessity for success. (Stonehouse, Hamill, Campbell & Purdie, 2001).

This intensive competition can be the result of external factors such as customers, stakeholders and competitors and it grow more and more due to the fast shift in market paradigms worldwide. The only way for an organization in this situation is to be aware of their ability, competitors' capability and comparing them to be one step

ahead of competitors. Hence SWOT (strengths, weaknesses, opportunities, threats) analysis is the basic step for understanding the potentials and capabilities in order to build marketing strategic plan. (Razzaq et al., 2013)

The case company, which is analyzed in this paper, has been developed since 2007 aiming for solving air treatment problems in industries, mainly food frying, waste handling and biogas industries. Their solution brings environmental and economical advantages through high efficient recycling, low energy consumption, and recovering energy from the recycling process. The company is running with 5 engineering employees with the main office located in Sweden and partners in Canada, USA and Germany. Unique experience of staff and previous experience and researches made their product a great and high-tech competitor in the market. However their advanced technology and experience does not diminish the importance of strategic marketing plan for them.

1.2 Purpose

The purpose of this paper is to do marketing analysis within the SWOT analysis framework as the fundamental base for a strategic marketing plan. The internal and external factors, which might affect the case company in the market, were analyzed in detailed within the SWOT framework for future strategic marketing plan.

1.3 Research Question

Which internal or external factors could affect the case company for the strategic marketing plan?

2. Literature Review

This section is a review and declaration of related theories to the subject of marketing from different authors perspective.

2.1 What is strategy?

Many authors and researchers defined strategy from different perspectives and there is no specific, unambiguous and final definition. However the general definition of strategy is the combination of ideas, experience, researches and theories, which make a structured plan in order to achieve specific goals. This plan is made of actions in a way to lead activities toward goals and expectations considering the possibilities and resources. It is obvious from the definition that the base of strategy is goals and a deep understanding of goals is required for formulating strategy. Therefore for each company the basic and first step for strategic planning is to set and define specific goals based on analysis of resources and has discussion and debates over them. Moreover all staff members need to be aware of the set goals and be trained in the way to achieve the ends. In other words strategic plan makes a bridge from means to ends in four steps. First the aims need to be intelligibly discussed and defined, second is to choose a path to deploy resources needed for the goals (strategy), third is the way resources are used (tactic), and the last is the available resources themselves. (Nickols, 2016)

Considering the purpose of this paper Michael Porter's definition of strategy was chosen among all the definitions. Porter defines strategy as competitive strategy and the concept is to be different from competitors either by acting differently or by different set of actions. In this strategy customers have the main role and their needs and power of purchase build the competition. Therefore a structured strategy to meet customers' needs and expectations and exceed their needs is the most important factor in this case to compete. (Isoraite, 2009)

Porter declared that companies have to do continuous benchmarking in order to be flexible and offer greater values than rivals to customers within the market. The greater values give the companies the opportunity to charge higher prices per unit as well as lower unit costs. These financial and competitive advantages are the result of

efficient and different performance from rivals. Acting different may require investments, extra personnel or change in management. (Porter, 1996)

2.2 Marketing Strategy

Marketing strategy has the same concept as competitive strategy defined by Porter. It is a structured plan for directing long-term activities, which clarify exactly how to act, to get an edge in the market and have competitive advantage. Within this strategy the company should consider both customers and company itself. They should obtain available resources in a way to bring advantage for the company while they are meeting customers' needs. (Porter, 1996) Therefore a continuous analyze of market trend, customers' expectations and competitors is the necessary and basic requirement of this strategy. In addition the strategy itself is needed for companies looking for continuous improvement and stable competitive advantage in the market. Without a structured and strategic plan they are not able to stay and compete in the market for a long term sufficiently. However the most important in this case is to choose the appropriate strategy, which is focused on the specific objectives of company. Porter claimed that an appropriate marketing strategy for a company is the plan that can clarify long-term competitive advantage based on company's goals and the way to build the continuous competitive advantage. (Isoraite, 2009)

General Electric present marketing strategy as a philosophy, which guide all activities in the company, such as product design, advertisement, pricing, packaging, distribution, sales and after sales service to name a few. This philosophy helps companies to understand nature of market and basic needs of customers, which is changing continuously and in this new economic situation rapidly. Monitoring and control of how the strategy is working is the last and significant step in marketing strategy regardless of what strategy has been chosen. (Isoraite, 2009)

2.3 Marketing Strategy for SMEs

Considering the fact that different size companies has different management conditions the necessity of strategic marketing plan was questioned for Small and Mid-size Entrepreneurs (SMEs). In Europe companies are classified based on the number of employees and yearly turnover, which require different managerial nature. Due to the few number of employees and stakeholders the complexity of

management in SMEs is lower. Moreover as the SMEs have lower turnover in comparison with big companies they might have financial limitation for availability or obtaining some resources. For example big companies can make better use of media in their marketing considering the budget they have for advertisement. Simplicity of management, available resources, opportunity for obtaining new resources and environmental influences are factors, which differ SMEs from other big companies. However researchers have shown in different cases that strategic plan is necessary for SMEs the same as big companies and even the strategic marketing plan can become the overall strategy of enterprise. The strategy help enterprise to build a good reputation, brand name, product quality and service level which can result in a good pricing power and availability of resources. The most common strategies for SMEs are marketing mix strategy, market segmentation strategy, and product positioning strategy although all strategies can be deployed depending on the enterprise's objective. (Prymon, 2014)

2.3.1 Marketing Mix Strategy

James Culliton (1948) presented marketing executives as “decider” and “mixer of ingredients” and following this theory Borden (1950) explained that the decider make decisions upon a “marketing mix”. He made a list of these ingredients within 12 sections, which was reduced to “4 Ps” by McCarthy (1960). Nowadays common 4Ps are product, price, promotion and place, which marketing management concept was built on since then. The discussion of marketing management was either to add or subtract the ingredients to the marketing mix and the marketing managers are those who will decide about that. (Ehmke, Fulton and Lusk, 2007)

Product: this section refers to everything related to a product or service offered by the company that may attract customers such as quality, design, packaging, warranties and etc. the right decision should be made upon all these elements in order to satisfy customers with the “right product” in long-term. (Ehmke, Fulton and Lusk, 2007)

Price: the “right product” can be satisfactory for customers if it is offered at the “right price”. Pricing products is a hard, important and tricky decision to make, which should be neither greedy nor timid. The pricing decision is influenced by internal factors such as quality and design of product and external factors such as market common price

and brand name. There is a common mistake small businesses can make in pricing their products is that they think lower price than competitors always attract customers while this could be sometimes considered as a sign of lower quality by customers. Therefore in pricing products companies need to consider their position in the market and put a price on their product, which cover their costs and contain a profit margin. (Ehmke, Fulton and Lusk, 2007)

Promotion: the “right product” with the “right price” needs to be “advertised” in order to find its way in the market and known by customers. Advertising is the way companies let people know about what their product is, how it can be used and why the potential customer might need that. They usually highlight benefits of their products in advertisement to ensure customers that the product is satisfactory and what they need. Some marketing managers believe that the customer might be unaware of what they need and the right advertisement needs to inform them. (Ehmke, Fulton and Lusk, 2007)

Place: promoting the “right product” with the “right price” can be successful if it is in the “right place” which is available for the potential customer. For example, in fashion industry companies should consider the place they are providing their products to be match with the trend and season in that place. Place refers to distribution channel companies choose to deliver goods as well. For instance companies can choose to deliver products directly to customers or have small retailers and distributors. (Ehmke, Fulton and Lusk, 2007)

In general marketing mix strategy is the strategy to make decisions in a way to “promote” the “right product” with the “right price” at the “right place” to attract and satisfy customers. (Ehmke, Fulton and Lusk, 2007)

2.3.2 Market Segmentation Strategy

Dividing customers into subgroups based on some characteristics such as age, location, and purchase power is market segmentation. It is believed that companies should serve small groups efficiently with a distinct marketing mix in each segment since satisfying a heterogeneous market with the same product is not possible. (Shaw, 2012) Segmentation helps companies to balance the demand and supply in the market more precisely and rationally. Within market segmentation strategy

companies define a segment requirements and strive to improve product position in each segment effectively. In this case each segment of customers need to be informed about the products that are produced exactly for their needs, so advertisement in each segment is different likewise product. Benchmarking competitors in each segment is another part of market segmentation strategy, which helps to merchandise products competitively in the related market. (R.Smith, 1995)

2.3.3 Market/ Product Positioning Strategy

The foundation of marketing strategy is the place a product has in its market. In this fast-paced growing world a brand name has great significant role in customers mind and affect their purchase and the amount they are willing to pay directly. For example, a single customer would pay twice much for a dress from a popular brand than the same dress from unknown producer. That's why Wind (1990) claimed that the product position in the market is its reason of existence. (Ansari, Economides and Ghosh, 1994)

Product positioning strategy for a company is the strategy to design and sketch the company's image distinctively in customers mind. It is accepted for all marketing managers and researchers that competitive advantages and strength of a company is directly affected by its position, reputation and brand name in the market. The more alternative there is for a product the more this strategy might be in use for the product merchandising. (Ozcan and A. Sheinin, 2010)

The first step in designing the positioning strategy for a product is analyzing the consumers' requirements and competitors' behavior in the market simultaneously. The second step after finding the right position for the product is to put the right price for the product to be match with its position. There is a double-headed arrow between product's position and its price meaning that they affect each other at same time equally. (Ansari, Economides and Ghosh, 1994)

2.4 Marketing Intelligence

Any organization can be influenced by external factors such as customers, competitors, stakeholders and many more. Nowadays the international business and paradigm shift in the market make competition for organizations more intense day after day. Therefore analyzing competitors and market trend and keeping up with the

trend to stay one-step ahead is the way companies can join the competition which is called market intelligence. Ettore (1995) defined market intelligence as a process of analyzing competitors, their behavior, their position and their core competences to achieve knowledge that can help for planning short and long-term execution accordingly. In the past few decades scientists wrote a lot of articles explaining the crucial role marketing intelligence has in formulating the strategic marketing plan by reducing the internal flaws. This helps marketers to identify market potential and gain competitive advantage. The fast changing markets' environment and advanced technological improvement encourage marketers to engage in marketing intelligence more and more. (Razzaq et al., 2013)

2.5 SWOT analysis

Examining company's internal strength and weaknesses and the influence of external opportunities and threats is called SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. This analysis helps to identify core competencies of the company and use the possible opportunities for improvement besides decreasing the flaws and threats, which can cause weaknesses. Data gathered through this analysis can give marketers a meaningful insight about their position in the market and together with data from market intelligence make the best use of potential opportunities. In purpose of continuous improvement this analysis are done frequently in a meeting involving stakeholders representative. In this meeting everyone brings up their SWOT factors from different perspectives and area of expertise. Hours of discussion over these factors in one or a series of meetings result in a complete SWOT report. In each meeting they usually go through four basic steps consisting: 1-collecting and evaluating key data, 2-sorting data into SWOT categories, 3-drawing the SWOT matrix for each individual business alternative, 4-choose the best business alternative to achieve goals. The challenging part in this process is the sorting data into categories as a single factor can be considered as both weakness and strength depending on what perspective they look at it. Therefore determining what exactly they consider as strength, weakness, opportunity and threat is crucial. (Razzaq et al., SWOT analysis-strategy skills, 2013)

Despite of the importance of SWOT analysis for strategic marketing plan and decision-making process it is associated with some imperfections. The most

emphasized problem with SWOT is that it is highly subjective as everyone can interpret the situation differently. For example a single large distributor can be sign of strength, as they provide market fast or on the other hand a sign of weakness, as they are completely dependent on this distributor. However some factors such as no debt, committed employees and huge financial resource cannot be categorized as weakness regardless of the company's objectives or perspective. Therefore is the SWOT framework is not structured adequately and the terms (strength, weakness, opportunity, and threats) are not defined specifically the result of analysis can be imprecise, incorrect and harmful for system performance. (Razzaq et al., 2013)

Marketing intelligence and SWOT analysis provide qualitative and quantitative input data and clear insight for strategic marketing plan process. (Razzaq et al., 2013)

2.6 What is strategic marketing plan?

Considering the result from SWOT analysis and market intelligence process, aiming for competitive advantages all companies perform different activities such as continuous market analysis, communication with consumers, pricing, advertisement, and sales to name a few. All of these activities can be done planned or spontaneously although the planning activities bring benefits such as cost saving, reducing errors and easier to follow. Therefore usually marketing managers plan marketing activities in detailed including marketing strategies, tactics, required costs and predicted result in a specific period of time. In other words marketing plan is the decision about product development, market segmentation, target markets, and market programs for each individual product of the company within a period of time. With this plan all staff members are aware of what, why and how they should act for achieving pre-defined goals. Pranulis (2008) explained that a strategic marketing plan should cover all activities around a primary goal and guide entire organization's performance. (Isoraite, 2009)

Previous research showed that up to 85% of SMEs do not have a specified marketing plan. They have just an annual budget and they just try to perform activities somehow to fit into this budget. That makes it obvious why instead of strategies and goals they are focused on activities and tactics to perform in order to save costs as much as possible. However scientists believe that an effective,

appropriate, annual marketing plan force companies to think through strategies, their position in the market, sales, distribution and etc. along with customers' expectations and competitors performance. (The Strategic Marketing Process, 2013)

Meanwhile making an elegant balance between short-term efficiency and long-term effectiveness is a great challenge marketing managers face with in planning. Pranulis (2008) claimed that marketing plan connect, balance and harmonize all activities as a coherent whole, which cause better achievement of goals, if it is done properly. Hence there are few steps to follow in order to make an effective and efficient plan. These steps could differ slightly from case to case. (The Strategic Marketing Process, 2013)

In general following questions can guide managers through steps (figure 1):

1. What is your company background and what is your future goal?
2. What is your company current situation?
3. What is your target customer segment?
4. What behavior objectives you have in mind?
5. What are the benefits, barriers and competition in the target segment?
6. What position in the market you are aiming for?
7. What is your strategic marketing mix (4Ps)?
8. What monitoring and control system you will use?
9. What is your sources and budget limit?
10. How you will implement the plan? (R.Lee and Kotler, 2016)

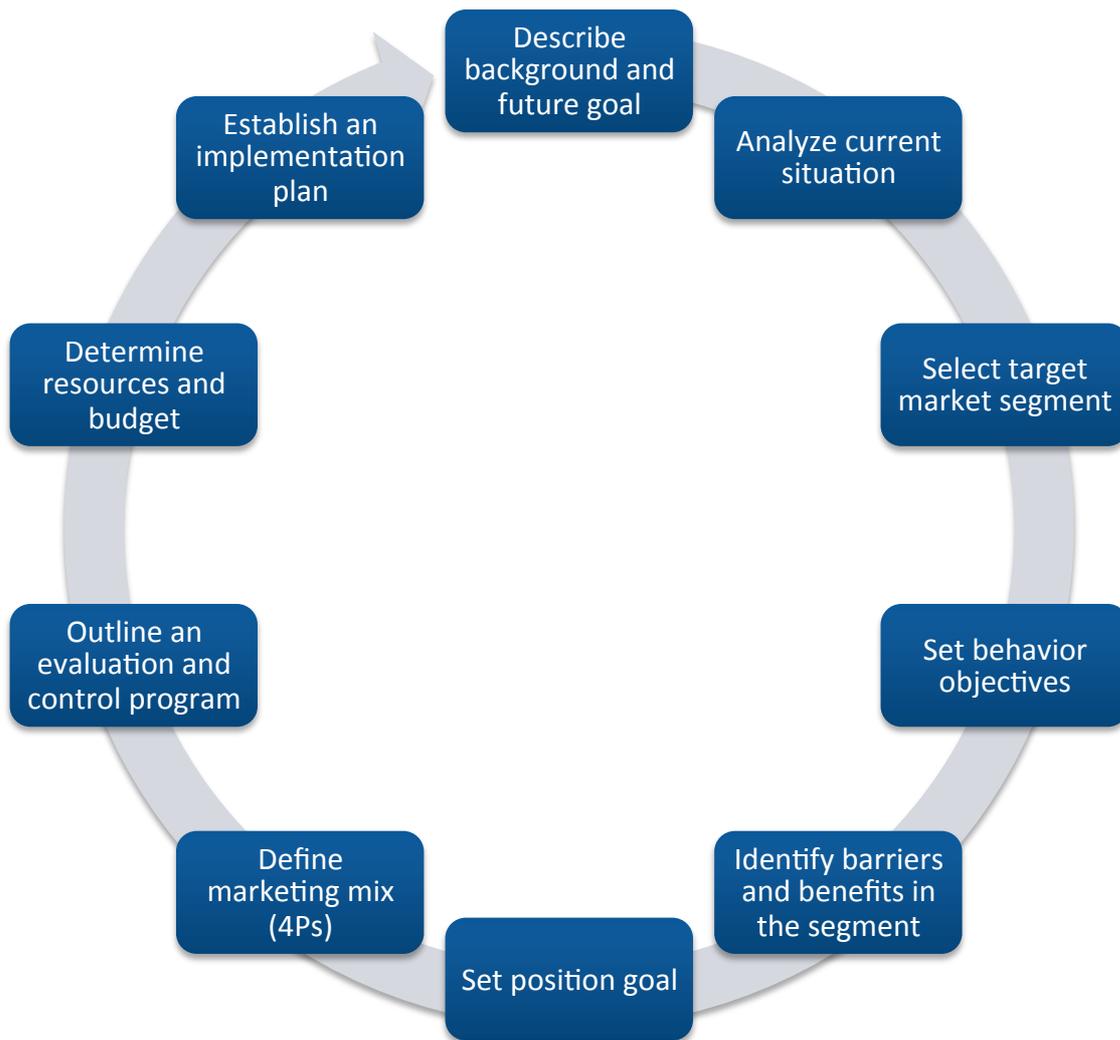


Figure 1: Marketing planning steps (R.Lee and Kotler, 2016)

Each of these questions needs to be answered considering all conditions and limitations, which require hours of discussion and debates. Answers should be clearly explained and justified. Marketing intelligence and SWOT analysis is the fundamental step for strategic marketing plan. (R.Lee and Kotler, 2016)

3. Method

In this chapter different methods and strategies of data collection will be defined. It will declare how and why these methods was used through this project to get logical and coherent answer to the research question.

3.1 Data Collection

Data collection is the most important part of each project and there are different strategies for that depending on the purpose and type of project. Generally data collection can be categorized in two groups of primary and secondary data. (Hox and R Boeije, 2005)

3.1.1 Primary Data

Gathering information and data for the specific research problem and directly by the researcher is generally defined as primary data. These data was not analyzed before by other researchers and are gathered from the information source in a way that fits the research problem the best. The best advantage of these data is that they are gathered specifically for the project and ensure the result. However this method is time and energy consuming and it can be costly. (Hox and R Boeije, 2005)

In purpose of this paper the primary data collection was the information from the case company directly and discussing the issue with the employees. Working once per week in their office helped me a lot to have a clear understanding of them, their products and how they work.

3.1.2 Secondary Data

Primary data for a project can be secondary data for another project. Every time a research is done new information and data are added to the store and source of knowledge and can be used in the future by others. Internet and new technologies make this process much easier and make the information available for others. The advantage of these data is availability and low cost to gather them however they might be not the best optimal answer to the in hand project or in case of quantitative information it might be hard to interpret the numbers. (Hox and R Boeije, 2005)

For this project secondary data was used under the heading of literature review for defining the basic theories and strategies related to the purpose of the paper. All the secondary data was collected from academic articles and books or reliable websites.

3.1.3 Interview

“Interview is a conversation with purpose” defined by Kahn and Cannel (1957). Interview is a survey with structured questionnaire, which consists of personal interactions and communications. Therefore it needs cooperation between interviewer and interviewee to be done. That is clear that in this case there might be limitations and problems such as unwillingness of interviewee, misunderstanding of questions or answers, and lack of skill in interviewer might result in wrong information. (Frechtling and Frierson, 2002)

In purpose of this project a questionnaire was designed based on SWOT analysis structure to interview customers of the case company. (Appendix 1) In order to ensure the accuracy of questionnaire my supervisor from university, the contact person from the case company and the project leader from Miljöbron reviewed and confirmed it. The first interviewee was the founder of case company.

3.2 Qualitative VS. Quantitative Approach

Since data collection is the base and most important part of any research, the right methods and approach should be chosen in order to provide and support reliable data. In general there are three different advanced approaches that can be used depending on the subject of research: quantitative, qualitative and mixed method. Qualitative and quantitative does not mean exact and absolute opposition but they provide different side of an issue while mixed approach is the combination of qualitative and quantitative approaches and stays in the middle. (Creswell, 2003)

Quantitative analysis means examining objective theories by evaluating the variables connection numerically and statistically. This analysis can be understood by anyone who is familiar with math and transfer information fast. Quantitative information is used when broad, comprehensive, and accurate understanding of an issue is needed. (Creswell, 2003)

Qualitative analysis is based on exploring and interpretation of meanings an individual or groups transport to the social issues. This approach is focused on the complexity and comprehending the meanings in a specific situation or issue and consists of various questions and possible answers. Qualitative information provides explanations and definitions of a discussion in words, which is required for deep and clear understanding the situation or issue. (Creswell, 2003)

The combination of these two approaches is a mixed method, which includes both philosophical and statistical information upon a specific problem. The mixed method is obviously stronger than each individual approach as it is aligned and balanced analysis of issue. (Creswell, 2003)

Considering the purpose of this paper and the fact that the subject requires an in-depth investigation the information will be carried out based on a qualitative approach and quantitative approach was eliminated. The research questions needs to be answered by interviews and analyzed in defined theories and frameworks.

3.3 Problems And Limitations

The main problem during this project was data collection specially the interviews. It was hard to arrange time for interview and usually the customer companies were unwilling to answer questions due to lack of time in most cases. This time arrangement caused a big delay in the process of this project. Hence most of data was collected from the case company and working once per week in their office was a great help to understand the situation better and to get information faster.

4. Case Study

In this section the case company, their products and services, their employees and customers will be described for further discussion and analysis.

4.1 Company Overview

The case study is a private company owned by management, founded in 2007 and located in Sweden. Common interest in environmentally friendly technologies and previous cooperation in the field lead the founders to establish the company. They are developing technologies for air treatment (vapor and particle removal) in industries mainly in food industries and waste/biogas handling. Their products help the industries to increase productivity while reducing running costs and air treatment problems. The company currently has four major distributors in USA, Germany, Canada and the head office is in Sweden.

4.2 Product And Service Description

The company categorized their product into two main sections for food frying industries and biogas/waste processing. In both sections they provide air treatment solutions to industries, which help them to increase productivity while decreasing costs and pollution.

4.2.1 Food frying industries

In this section any company producing fried food such as French fries, chicken, meat, crisp/chips and etc. can be their customer. The case company has a 10-15% of the market share in this area. They provide solution to filter fryer gas and gaseous components from frying oil, which result in oil that can be used again in fryers or be recycled, smell free gas, oil-free water and energy. In this process first gas is centrifuged and separated from oil particles, which is dragged out by gravity and depending on the quality of oil it goes back to the fryer or waste. The air centrifuge work continuously and can be installed close to the fryer due to its compacted size. In the next step the energy from gas is recovered in a heat exchanger, which transfer the heat to be used in the factory or other parts while it compress the water vapors to

water. In the final step the gas pass through UV radiation and ozone to oxidize the remaining gaseous components and odors. (figure 2)

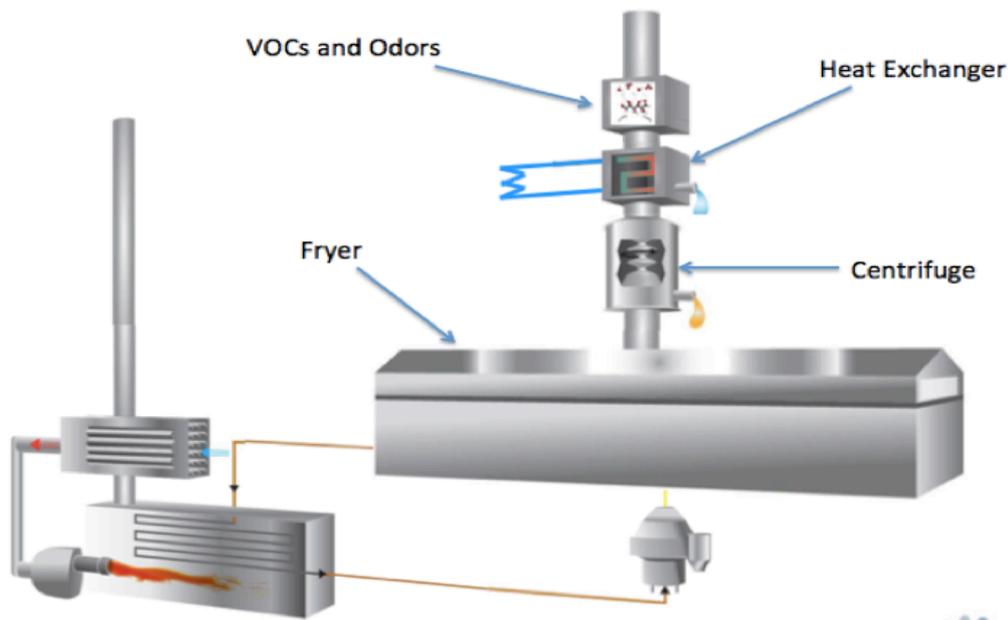


Figure 2: process for food frying companies

In this process energy is recovered from fryer exhaust and can be used for heating building and water. This makes the system to save energy highly in comparison to incinerators and 7% to 10% fuel saving. As it can be seen in figure 3 there is a great difference between incinerators and case solution comparing energy consumption and CO₂ emission. Moreover as in this system the equipment (rooftop, pipework) is kept clean the risk of fire hazards are minimized compared with incinerators or other filtering solutions. The great advantage of this system is that it is flexible and could be installed on different frying process.

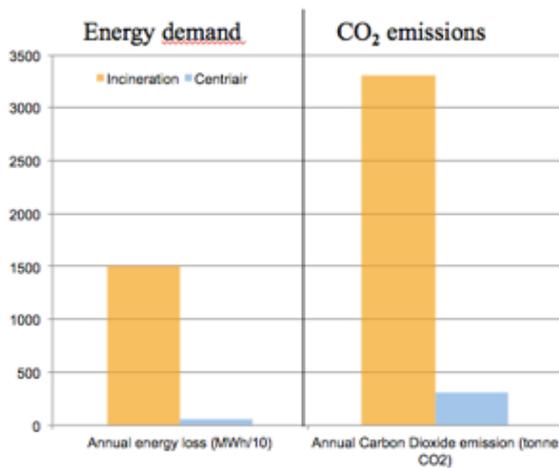


Figure 3: Comparison of CO2 emission and energy demand in incinerators and case company's product

4.2.2 Waste odors and Biogas

This section contains biogas production from waste treatment/handling and wastewater handling. The case company has 1% of market share in this area currently. However after many years of research and experience in the field of odor removal and air treatment it was the time to develop the technology into waste and biogas industry. Their system can be installed in various areas such as sludge dewatering, sludge storage, pumping stations and wastewater treatment plants.

Handling waste and waste odor removal needs a thorough analysis of the situation depending on the case due to the aggressive odor compounds. This is the pre-treatment stage, which helps to find a suitable solution for the case. There are different techniques such as active carbon filtration, scrubbing and oxidation that can be used separately or as a combination to maximize performance. The case company in this section provides solution in three main stages including pre-treatment stage (practical test of methods at the site/N.O.S.E), installing combination of suitable oxidation methods and final burnish with active carbon, and in post installation stage they provide support, control and validation services. As shown in the figure 4 the process flow is to first oxidize the gas through ozone and UV reactor, and final step is active carbon filtration, which gives the cleaned gas as the result.

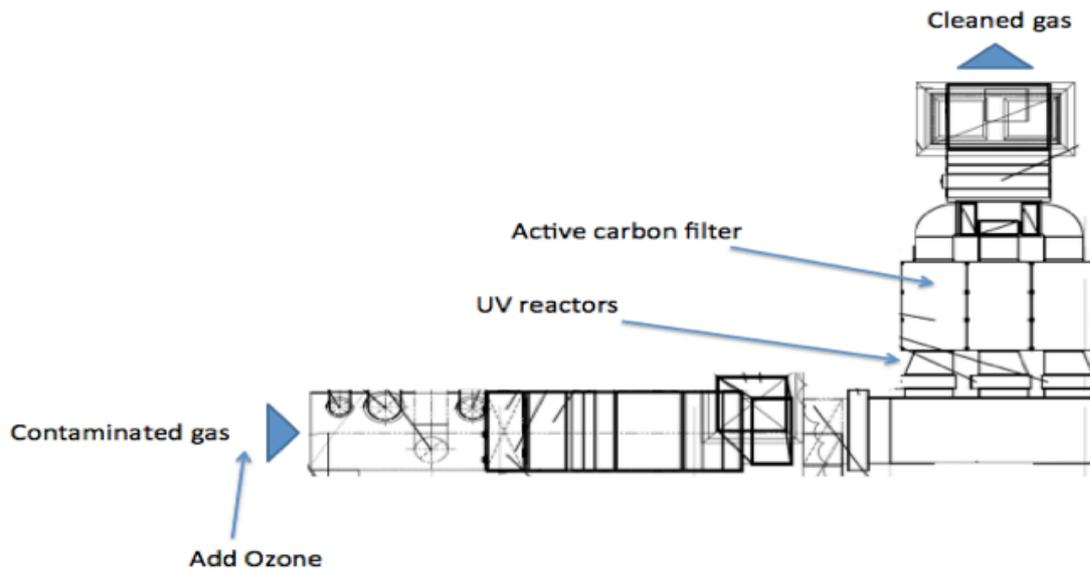


Figure 4: Process for air treatment in waste handling industries

According to previous customer perspective this solution has great advantages in comparison with the old techniques. Low energy consumption, low water consumption, compact and flexible installation, low maintenance costs and high performance is the key benefits of this system which make it distinguished from other technologies.

4.3 Employees

Currently the company is running by seven employees and in cooperation with research institutions and partners. Most of the employees have engineering background and are highly experienced in the field. They work together in a positive and friendly environment.

4.4 Marketing Strategies/ Methods

The case company advertises their products and services as a solution for customers to save costs and energy as well as considering environmental factors. Their product helps companies decrease carbine dioxide, odor components, and energy and water consumption. However in their marketing strategy they mostly highlight the cost saving benefits of the solution. Using their products and services companies can

save almost 200 000 € per year which results in almost 3 years return on investment for their purchase.

They have three market regions in Europe, Canada and USA. For Scandinavian countries they have their main office located in Sweden and they are in direct contact with the customers in this region. In other regions they sell products through independent suppliers and agencies.

In order to market their products they use different methods. They have a complete and structured website which is updated frequently. In their website there are enough information about the product, how it works and its advantages. Moreover they send a newsletter to their customers every 2-3 month. Google marketing and international fairs are other marketing methods they use. However they are mostly focused on their current customers and marketing their products to other potential customers and developing to other regions is part of their future marketing plan. Therefore analyzing the current market by customer perspective through SWOT analysis, which is the main purpose of this project, is the base for future development.

The last marketing project they had was in 2014 by a group of student. They had analyzed green marketing and green products marketing for the case company. Based on this project company's managers have understood that they need to focus and emphasize the environmental benefits of their product more in order to attract customers. Educating customers about the environmental benefits should be a big part of their marketing plan.

5. Analysis of case study

Understanding the marketing strategy and SWOT analysis in general subsequently in this section the case company is analyzed in the SWOT framework.

5.1 SWOT analysis

SWOT analysis will evaluate the Strength and weaknesses within the company and through external analysis will highlight the opportunities and threats the companies can face in the market. This analysis will be the base of their marketing plan application. (SWOT analysis-strategy skills, 2013)

5.2 Internal Analysis: Strengths and Weaknesses

Strength

Factors, which have positive effects on organization's performance, add value, and bring competitive advantages, are strength factors. This could include special equipment, unique information and process systems, and loyal customers. (SWOT analysis-strategy skills, 2013)

As a matter of fact CO₂ emission and other greenhouse gases is one of the most critical issues of climate change nowadays. Although Sweden has 0.2 percent of global emission the country started to work on reducing environmental issues and energy consumption more than other countries. The government set the goal of 20% more effective energy consumption in 2020 compared with 2008. Considering the importance of being environmentally friendly the case company make products and solution, which can decrease CO₂ emissions 91% more than incinerators. In addition as Sweden has the first place in using the organic and eco-friendly foods and Swedes prefer to buy these products better food industries try to be more environmentally friendly to compete in Swedish market. A recent study showed that 40% of Swedish customers buy eco-labeled product so established brands started to move their system towards producing eco-labeled items. Additionally utilization of organic food increased by 5-7% in all Europe. (Sweden.se, 2013) These have helped the case company to attract food industries both in Sweden and other European countries. Besides environmental factors, recycling oil in the food frying companies

helped them to save energy and water consumption as the heat and water are transferred back to the system to be reused. This means a significant reduction of costs for the companies, which encourage them to purchase the case solutions and products. Other particular advantages of this product is being compact and small which makes it easy to install and it does not occupy a big space so small factories can use it as well. Previous experience and researches helped the case company to design a high efficient solution and compete better in the market.

In the interview conducted with the case company manager and owner it was understood that the case company's products and solutions in comparison with other incinerators works more efficiently and costs almost 50% cheaper for the customer to purchase. Bio-filters can be the other competitor technology but harder installation, and higher running costs make the case company a better choice for customers claimed by the manager.

Weakness

Factors with negative effect on organization's performance, which detract value and put the organization in a disadvantage situation compared with the competitors, are weakness factors. Organizations should strive to remedy these factors with restructure and investment to change the situation. (SWOT analysis-strategy skills, 2013)

In the last decade statistics showed that Sweden went through a recycling revolution by recycling 99% of household waste in different ways, which was only 38% in 1975. There are different high-tech companies in the Swedish market for recycling waste and turning into energy or something to be reused. For example, newspaper are recycled and reused as mass paper, plastic and bottles are melted and became raw material for new items, and food waste are recycled by composition and turned into soil or biogas. (Sweden.se, 2013) Although the case company offers a high efficient odor removal treatment for this segment they did not work as expected in this part. The main reason for that is lack of proper marketing, lack of communication with customers and other competitors.

It is believed that high technology is not a guarantee for SMEs success if marketing capabilities does not augment it. Marketing strategy and activities to introduce the

innovation to the marketplace is the necessity of success. This include advertisement, sales, public relation, events and promotion or whatever that can familiar the potential customers with the technology. (Peng Cui, F. Walsh and Gallion, 2011) The company's manager stated they are not satisfied with their marketing results and that the case company could improve their marketing methods in different ways. Currently they only have website and newsletters and occasional participation in local fairs to inform customers about their products. Lack of a specific person as marketer who is educated in business field and focused only on marketing might be another reason of losing potential customers, although the founder and another colleague are working on marketing as part of their job. They need to have a marketing person who can communicate with customers and other competitors more often to have a great understanding of the market environment and culture. This person should be patient and flexible to communicate with customers, listen to their needs and make a network in the market.

Equipment costs, delivery costs and required investments are other factors that can stop case company from achieving their expectations in the market.

5.3 External Analysis: Opportunities and threats

Opportunity

Swedish government support environmental technology by establishing required conditions for their development and growth locally and internationally. They invested 100 million SEK per year from 2011 to 2014 for researches and experiments in this field and encourage export of environmental technologies. Moreover royal institute of technology in Stockholm is one of the leaders in Europe for environmental studies and researches in the field with a budget of 8 million SEK. The case company is in partnership with KTH for researches and developments, which can help them remarkably. This great trend in favor of environmental technologies and sustainability can help the case company remarkably. (Sweden.se, 2013)

In addition to investments in 1995 Sweden introduced a carbon tax for industries in purpose of reducing CO2 emissions. In 2012 this tax rate was almost twice the average of OECD (Organization for Economic Cooperation and Development). This

is leading many industries and factories to utilize recycling technologies more in order to save money and energy. (Sweden.se, 2013)

Threat

All the governmental investments and opportunities made Sweden an innovation leader in the field of environmental technology and sustainability. Many companies developed in the clean technology field and this made the market competitive. In 2014 Sweden was ranked as the 4th innovative country in clean technology and sustainability. Therefore the case company is not without competitors in the market and the competitors have the opportunity of development the same as them. Moreover companies who started sooner have developed better reputation in the market and they are attracting more customers. Therefore the case company may risk losing customers to other competitors or new innovations. (Sweden.se, 2016)

In addition in case of purchasing new technologies with high investment customers may face fear, uncertainty and doubt. Therefore they prefer to buy technologies that were proved in the market or postpone their purchase until the new technology is understood in the market. (Gliga and Evers, 2010) This is one of the barriers for the case company as a new technology in the market to prove its efficiency and effectiveness. Meanwhile bad economy, done push in the market, and low energy price can be threats for them.

5.4 Strengths and Opportunities

Considering the environmental issues, all countries around the world are trying to come up with solutions and technologies for reducing the pollution (especially industrial pollutions due to the consisted harmful elements) in order to be environmentally friendly as much as possible. In this case between all countries worldwide Sweden is known as an environmental pioneer because of all researches, investments and developed technologies during the last decades. For instance from 2011 to 2014 Swedish government devoted 100 million SEK per year for environmental researches and projects besides many other private investors and sponsors in this field. Moreover being environmentally friendly has been established in Swedish culture, as swedes prefer to buy eco-labeled products regardless of the fact that the same exact product without the eco-label is much cheaper. This has

forced many companies and producers in Sweden to use the recycling and other environmental technologies more and more to attract and satisfy customers better. Obviously a new high-tech product in this country has great opportunities to be designed, produced and developed. The case company has used the support of Royal Institute of Technology (KTH University) for their researches and developments. Making more and better use of these supports from universities and government or other sponsors can bring a great advantage for them.

In addition to all the investments and encouragements from the government or other parties, Swedish government considered a carbon tax as a force factor to lead companies and people to be more environmentally friendly. The carbon tax has made a lot of companies to think of filtration and recycling which is a great opportunity for the case company as their product help companies to reduce the CO₂ emissions 91% more than incinerators. The case company should emphasize and highlight this feature as well as the cost efficiency of their product in comparison with other competitors more in their marketing and advertisement in order to attract more customers.

5.5 Weaknesses and Threats

Reviewing the opportunities made by Swedish government and private partners in the field of clean technology there is always risk of new innovation and improvement of competitors. In this market as in all businesses the competitors who started sooner and gained reputation in the market has better opportunity of improvement and development, which is a risk for small and new established companies like the case company. Therefore they may need to spend more time, energy and money on their marketing in order to prove their product efficiency and effectiveness and attract more customers.

Furthermore the case company has worked in the waste section very poorly although Swedish market is the pioneer in waste recycling and biogas. Lack of continuous marketing is the basic and main reason for this problem. In this situation other competitors have extended their business in the market and many new innovated products entered market gradually. Accordingly a deep understanding of market, customers and competitors is needed in this field for the case company in order to

design advertisements and marketing methods to grow their market share. One of the other barriers for them is the cost as a new employee for marketing and advertisement is pretty high costly. However considering the long-term result it seems to be a beneficial investment.

6. Discussion

Reviewing SWOT (Strength, Weakness, Opportunity, Threat) factors for the case company showed that although technologically they are strong competitor in the market; they should work on other sections for attracting customers and gain competitive advantages. Analyzing situation through SWOT analysis and reviewing different marketing strategies gave me the conclusion that the best and most important strategy for the case company according to their current situation is product-positioning strategy. Since they have a high-tech competitive technology and they are using different opportunities, such as KTH partnership for studies and researches, now they need to find an edge and higher reputation in the market as the brand name is the most important factor in attracting customers. In purpose of designing the market position, the case company must have a more detailed information and closer communication with their customers, which can guide them in getting ideas for customers' satisfaction. For the next step they should have a better understanding and continuous analysis of existing and new entrants technologies. It is necessary for them to be up to date and familiar with the market in order to adjust and be one step ahead of competitors.

Following are some more recommendations that might help for future development:

1. **Improve marketing capability.** Analysis of their weaknesses showed that they are in lack of a marketing specialist. They need a person who will work continuously and specifically as marketing to communicate more often with customers and other competitors. This helps them to understand customers' needs and competitors' attitude in the market and be one step ahead in the market.
2. **Be creative in advertisement methods.** Using website and newsletters are common tools that almost all companies have. Therefore sometimes a new method can attract more customers. For example, short video clips which present their products and services fast and easy can attract customers even if they do not have time for reading newsletter and web page and it can be more impressive than words.
3. **Offer creative additional services.** In some cases, extra services attract customers better. For example the cost of their product is quite high and some

companies might not be able to invest such money even if they are interested in the technology. For these companies they can offer services such as leasing to encourage them for purchase. This makes a win-win situation for both competitors and customers. However marketing and advertising such services in a way to be interesting for customers is the most important.

4. **Use government opportunities.** As explained in the last parts Swedish government and institutes provide budget and opportunity for development. The more they use this opportunities the faster and better they can work in the market. For instance they can conduct some experiments and researches to find out if they can use their solution in other industries apart from food and waste industries. Many other companies might need air treatment solutions.
5. **Spread the market to other countries.** Many other countries are in lack of clean technologies and sustainability. Working in those countries can bring a great advantage as the market is quite big and with no or few competitors. Starting to export to other countries might seem hard and costly at the first glance but it is profitable in longer-term.

7. Conclusion

The purpose of this paper was to answer the question: Which internal or external factor could affect the case company for the strategic marketing plan? For answering this question a SWOT analysis was conducted, which is the first step in the way of marketing strategy plan. Analysis showed that the case company has strong technology and their system has more advantages comparing with the same products in the market. However they were not as successful as they were expecting due to different reasons, such as lack of continuous communication with customers, lack of deep understanding of market, lack of marketing activities, and lack of deep understanding of customers and other competitors.

Reviewing the causes of their failure lack of marketing strategy was the most effective. Therefore it has been concluded that since they already have developed technologically they just need to place their product in the right position in the market through product positioning strategy. This conclusion is based on the current situation and might differ in the future. That is why the continuous analysis of the market, customers and other competitors is the basic and necessary step for strategic marketing plan.

8. Future Research

Following SWOT analysis they need to go through two more steps to complete their marketing plan:

1. **Market intelligence:** as SWOT analysis showed their current situation in the market they need a clear and deep understanding of competitors in order to plan their marketing.
2. **Strategic marketing plan:** after understanding themselves and their competitors, they can start to write strategic marketing plan by answering 10 questions that was mentioned in the literature review.

9. Reference

Ansari, A., Economides, N. and Ghosh, A. (1994). *Marketing science*, 13(3), pp.248-273.

Creswell, J. (2014). *Research design*. 3 chapters one the selection of a research approach. Thousand Oaks, Calif.: Sage Publications, 4th Ed.

Ehmke, C., Fulton, J. and Lusk, J. (2007). *Marketing's four P's: first steps for new entrepreneurs*. 1st ed. [ebook] Purdue University. Available at: <https://www.extension.purdue.edu/extmedia/ec/ec-730.pdf> [Accessed 13 May 2016].

Frechtling, J. and Frierson, H. (2002). *The 2002 user-friendly handbook of project evaluation*. Arlington, VA: national science foundation, directorate for education & human resources, division of research, evaluation and communication.

Gliga, G. and Evers, N. (2010). Marketing challenges for high-tech SMEs. *Innovative marketing*, [online] 6(3), pp.104-112. Available at: http://businessperspectives.org/journals_free/im/2010/im_en_2010_3_Gliga.pdf [Accessed 13 May 2016]

Hox, J. and R Boeijs, H. (2005). data collection, primary versus secondary.

Isoraite, M (2009). Theoretical aspects of marketing strategy. *Ekonomika ir vadyba: aktualijos ir perspektyvos*, 1(14)(ISSN 1648-9098), pp.114-125.

Nickols, F. (2016). *Strategy, definitions and meanings*. 1st ed.
Ozcan, T. and A. Sheinin, D. (2010). Completeness as a product positioning strategy: a framing perspective.

Peng Cui, A., F. Walsh, M. and Gallion, D. (2011). Internationalization challenges for SMEs and global marketing managers: a case study. *International Journal of Business and Social Research (IJBSR)*, [online] 1(1), pp.57-69. Available at: <http://thejournalofbusiness.org/index.php/site/article/viewFile/213/212> [Accessed 13 May 2016].

Porter, M. (1996). What is strategy? *Harvard business review*. [Online] Available at: http://www.diba.cat/documents/175960/186321/promoeco-plans-info_web-documents_referencia-whystrategy_porter-pdf.pdf [Accessed 13 May 2016].

Prymon, M. (2014). A critical analysis of the concept of marketing strategies for small and mid-sized companies. *Economics, management, and financial Markets*, 9(4)(ISSN 1842-3191), pp.255-261.

R.Lee, N. and Kotler, P. (2016). *Social marketing- changing behavior for good*. 5th ed. United State Of America, pp.32-54.

R.Smith, W. (1995). Product Differentiation and Market Segmentation As Alternative Marketing Strategies. *Marketing management*, 4(3), pp.63-35.

Razzaq, A., Ayub, A., Salman Aslam, M. and Iftekhar, H. (2013). A conceptual framework on evaluating SWOT analysis as the mediator in strategic marketing planning through marketing intelligence. *Business and Social Sciences*, 2(1)(ISSN: 2235 -767X), pp.91-98.

Shah, A. (2015). *Climate Change and Global Warming — Global Issues*. [online] Globalissues.org. Available at: <http://www.globalissues.org/issue/178/climate-change-and-global-warming> [Accessed 13 May 2016].

Shaw, E. H (2012). Marketing strategy from the origin of the concept to the development of a conceptual framework. *Journal of historical research in marketing*, [online] 4(1), pp.30-50. Available at: <http://www.emeraldinsight.com/doi/abs/10.1108/17557501211195055> [Accessed 13 May 2016].

sweden.se. (2013). *Sustainable living in Sweden*. [online] Available at: <https://sweden.se/nature/sustainable-living/> [Accessed 13 May 2016].

sweden.se. (2016). *Sweden tackles climate change*. [online] Available at: <https://sweden.se/nature/sweden-tackles-climate-change/> [Accessed 13 May 2016].

SWOT analysis-strategy skills. (2013). 1st ed. free management e-books.

Stonehouse G, Hamill J. Campbell D. & Purdie T. (2001), "*Global & Transnational Business: Strategy & Management*" John Wiley & Sons limited; England Pp. 30-32

The strategic marketing process - how to structure your marketing activities to achieve better results. (2013). 2nd ed. [ebook] Moderandi Inc., pp.56-59.
Available at: <http://www.marketingmo.com/wp-content/uploads/2013/12/The-Strategic-Marketing-Process-eBook.pdf> [Accessed 13 May 2016].

Appendix 1

Date:

QUESTIONNAIRE

All questions contained in this questionnaire are strictly confidential

Name of company:

Contact person:

Position in company:

Sector type (manufacturing/service):

Number of employees:

Background questions:

1. When did you start working with the case company?
2. How well do you know about the case company (Company, employees, and etc.)?
3. Why do you need their service? What problem did you want to solve?
4. Did you seek any alternative solutions?
5. Have you investigated alternative manufacturers?
6. Has doing business with the case been a good investment for your company?
7. How have you experienced operating the case company products and services?

Strength questions:

1. Why did you choose the case company?
2. What was the most unique fact about their product?

3. What knowledge and skill makes them competitive in the market locally or internationally?
4. Is the advertisement and marketing strategy effective?

Weakness questions:

1. What makes other competitors better than the case company? Can you consider any other provider?
2. Do you find anyway the case company can improve its service or products?
3. Is there any additional service or features you have found in other competitors which you have not experienced in the case company?
4. Do you have any suggestion in expanding the case company corporate marketing methods? If yes, please describe how.

Opportunities questions:

1. What is the market trend currently for products like the case company?
2. Is this trend in favor of the case company? How?
3. What is the market missing? Is there any product or service that is not provided yet by the competitors?
4. Can the case company develop any additional technology in this market for its customers?
5. How do you think the case company can expand its business?
6. Do you see the cost of such products overall a good investment?
7. Do you think the cost of the case company products and services is competitive?

Threats questions:

1. What are the negative external factors that can affect the case company?
2. Can you name any weak aspects of the current market for such products?
3. What are the special knowledge, skills or technology that makes the competitors better?
4. Have you heard of any recent innovation in the market locally or internationally?



HÖGSKOLAN I BORÅS

Besöksadress: Allégatan 1 · Postadress: 501 90 Borås · Tfn: 033-435 40 00 · E-post: registrator@hb.se · Webb: www.hb.se