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| **How can Primatrassen improve its overall performance?** |
| **An analysis of the business environment and growth opportunities**  Cheryl Hofland 11101342 ES4N-5  Final project supervisor: Mr. Harris  Academy of European Studies  The Hague University of Applied Sciences |
| http://www.primatrassen.nl/img/primatrassen-1395145393.jpg |

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21-9-2015

# Executive Summary

The aim of this research report is to provide an analysis of the business environment and growth opportunities for the assignment provider Primatrassen. The research was based on answering the question: How can Primatrassen improve its overall performance? To be able to find the answer to this question, a marketing plan was used in order to guide the research.

Primatrassen is a company based in the Netherlands which sells box spring beds, matrasses and matrasses toppers through their own web shop and through a partnership with Groupon. Primatrassen was founded in July of 2014 and currently sells their products in four countries.

Firstly, an analysis was made of the internal and external situation, which showed several strengths of the company including their ability to quickly respond to changes and their established partnerships. This analysis also showed the opportunities to grow by adding new points of sale such as retailers. Nonetheless, several weaknesses were also found such as the fact that the organisation is unknown and has little competitive strength. Furthermore, threat of substitutes is also high.

Secondly, after segmenting the market in different segments that can be targeted, those segments were then ranked according to attractiveness. This showed that segment B, people aged 31 – 40 years old with a monthly income of € 1,501 - € 2,000 as the most attractive. Moreover, several objectives have been determined which includes achieving a turnover of € 2 million by 2016, expanding the marketing and sales channels and increasing brand awareness and market share.

Furthermore, the report focuses on developing marketing strategies to improve the organisations current situation and to be able to achieve the objectives. This showed that expanding, by selling the company’s products at retailers is feasible. Additionally, creating a positive relationship between the end user and the organisation can add value and brand awareness.

Finally, several recommendations were made based on the findings of the research. These recommendations include; hiring more employees, track and process basic data, improving the channel strategy, brand management and budgeting.

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# Introduction

“Thirteen percent of consumers buy their box springs online, while 19% consider to purchase their next box spring online (Koek & Gerritssen, 2013)”. This trend also applies to Primatrassen, a company founded in July of 2014, who in the first few months of operating received hundreds of orders for the products they sell, as an online shop. The customers placing these orders are from several countries, including Belgium, France and Luxembourg, making the company not only nationally a success but also internationally.

However, as all start-up companies the company would like to improve their performance and become even more successful in the market. Therefore, Primatrassen has created an assignment which will help the organisation to explore their current situation through a marketing plan. This marketing plan aims to provide Primatrassen with recommendations, which can help the company improve their performance and market situation.

The central question that will be answered in this report is:

***“How can Primatrassen improve its overall performance?”***

In order to answer the main research question, several sub questions have been developed:

* How is Primatrassen’s current market situation?
* What are the current markets Primatrassen operates in?
* Which segmentation, targeting and positioning steps should be taken?
* Which strategy is used now and which marketing strategies and programs should Primatrassen use in the future?
* How can Primatrassen plan metrics and implement control?

The methodology used for this report include desk research and field research. The desk research focused on determining what kind of marketing strategies there are and how they can be used. The field research mainly focuses on how the company works, most of this is based on the knowledge of the author who works for Primatrassen. Another aspect of the field research are the questionnaires which has been conducted amongst current customers of Primatrassen and the authors network, in order to establish what factors are important for deciding what type of product to buy and to clearly segment the target audience. Furthermore, several interviews have been conducted, with the owner of Primatrassen, the marketing coordinator and the customer services representative.

This report is divided into eight chapters. The first chapter focuses on the current market situation and provides an internal and external analysis. The second chapter provides an analysis of the market and customer needs and behaviours. Chapter three focuses on segmenting the market, targeting these segments and how to position the organisation within the market. Chapter four shows the companies objectives, focusing on the marketing, financial and societal objectives. The fifth chapter looks at the marketing an pricing strategies used by Primatrassen and how they can be improved. Chapter six gives an overview of how the marketing plan can be implemented and focuses on schedules and the budget necessary for implementing this plan. Chapter seven concludes the marketing plan and answers the main research question. The eight chapter provides several recommendations for the organisation on how to improve their performance. Furthermore, a list of resources used during the research is included and appendices.

# The current market situation

This chapter will provide an overview of the current situation, by analysing both the internal and external environment. The internal environment analysis will focus on Primatrassen’s resources, product offerings, their previous results and their business relationships. While the external analysis will have an PESTLE-analysis, Porters five forces and a competitor analysis.

## Internal analysis

### Mission

Primatrassen currently has no mission statement, but is planning on developing one.

### Resources

The resources Primatrassen works with are divers but can be divided into four main groups; human resources, financial resources, informational resources and supply resources. An overview of each of these main groups of resources will be given now.

*Human resources*

The company is owned by Mukadder Izci and Savas Akcay who both have different expertise. Where the expertise of Mr. Izci is programming and developing computer systems, which are used to run the company, Mr. Akcay expertise lies in sales. Mr. Akcay is the main sales representative and he maintains the relationships with Primatrassen’s customers. Besides that both have worked in a company selling matrasses and box springs for several years and know the market and industry.

Primatrassen also has two office employees, whom have different tasks, from answering phones and e-mails to planning the schedule for delivery of the products that have been ordered. There are also three employees who work in the warehouse who make sure all products are ready for delivery when they need to be. Finally, there are four employees who take care of the deliveries and installation of the box springs.

*Financial resources*

The company is a private limited liability company, the company rents a building where the warehousing facilities and the offices are located. The organisation has not planned any marketing related activities in their first year of operating, as a result of this there is no capital available or has been set aside to support marketing activities and achieve all the objectives set out by the organisation.

*Informational resources*

At this moment no research is done on marketing level, there is not sufficient time to conduct any research at the moment. Information about the market and the customers is derived from the experience of the owners and the companies employees.

The organisation currently does not have any informational resources, nor does the company have an employee who is responsible for gathering data.

*Supply resources*

Depending on the product, different suppliers are used, these suppliers are well known in the industry and deliver quality products.

Switching to different suppliers or manufactures can be costly and challenging as Primatrassen cannot be 100% sure about the quality that other manufactures will deliver.

### Product lines

Primatrassen’s product lines consist out of box spring beds and matrasses. All the box spring beds differ from each other in price, luxury and quality. By doing this the company can target a much bigger segment. Pictures of the product lines can be found in appendix 1.

The product range of Primatrassen consist out of the following products:

* Box spring Monaco: A well ventilated full box spring, it is available in seven different sizes and three colours. The price for the Monaco ranges from € 799 to € 939.
* Box spring Optima: The box spring Optima is an electric box spring with an 13,000 Newton motor and its frame can adjusted into several positions. It is available in seven different sizes and two different colours. The price for this box spring ranges from € 1,299 to € 1,499.
* Box spring Elegance: A flat spring box with an metal frame covered with comfort foam. The box spring is available in five different sizes and two colours and the prices varies from € 799 to € 1099.
* Box spring Berlin: The Berlin box spring has an thermic core of hardened inner springs, which is stabilized and reinforce with polyether beams. It is available in six different sizes and two different colours. The price ranges from € 299 to € 659.
* Box spring mattress topper: A mattress topper makes the gap between two mattresses disappear. They are made of memory foam which moulds to your body. It is suitable for any type of mattress or box spring. The toppers are available in two different thicknesses and 11 sizes. The prices range from € 69 to € 179.

### Previous results

As the company only has started operating in 2014, only the data from the months July 2014 to April 30th 2015 are currently available.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Monaco | Optima | Elegance | Berlin | Topper |
| Items sold | 196 | 589 | 88 | 973 | 3711 |
| Turnover | € 132,161.51 | € 686,244.98 | € 63,395.8 | € 467,319.23 | € 391,477.38 |

Table 1.1. Primatrassen sales per product group July 2014 to May 2015

### Business relationships

Primatrassen has close relationships with its business partners, many of those relationships go back years before Primatrassen was founded, as the mother company already had relationships with the suppliers and those who sell Primatrassen’s products on their behalf.

Even though the relationships with the suppliers have already been established, delivery mistakes are still made. However, no big mistakes were made or major problems were caused by the wrong deliveries.

One of these business partners, who sells Primatrassen’s product range is Groupon, who offers Primatrassen’s products for a limited time on their own website. By entering into a partnership with Groupon Primatrassen is able to reach a larger segment and make their products and company known to a broader audience.

Besides their partnership with Groupon who sells Primatrassen´s products, the organisation also has business relationships with several suppliers, as Pure Bedding and Ozler from Turkey, who supply them with several types of box springs offered by Primatrassen. The motors used in the electric box springs are delivered by a company named Akar, which is located in Westerbork, the Netherlands.

Mobipart from Romania is also a supplier of the organisation and supplies the legs for the box springs. The foam used in the matrasses is supplied by Draka, a company located in the Netherlands.

There are also two companies who help with all customs related activities, NDO who takes care of all customs related activities when supplies are being delivered by truck and Evergreen who helps when supplies are being shipped by boat and arrive at the Rotterdam harbour.

These eight companies are Primatrassens most important business relationships.

## External analysis

### PESTLE analysis

A pestle-analysis was made so current issues in the market can be discussed.

|  |  |
| --- | --- |
|  | Issue |
| Political-Legal | * Regulation (EU) No 1007/2011: Products containing textile components need to be labelled or marked (European Commission, 2011). |
| Economical | * Small economic growth in the whole Eurozone (Centraal Bureau voor de Statistiek, 2014, p. 1). * Dutch households spending on home furnishing is increasing (Centraal Bureau voor de Statistiek, 2014, p. 2) |
| Social-cultural | * Main target market: Middle income households in the Netherlands |
| Technological | * Developments in how a company can sell its products (online web shop) * Increase in consumers using smartphones and other mobile devices to buy products. |
| Environmental | * Increasing demand for products that are environmental friendly. For example mattresses with the EU Ecolabel. |

Table 1.2. PESTLE analysis

*Political-Legal*

Regulation (EU) No 1007/2011 of the European Union states that, when a matrass is made out of textile components, which is more than 80% of the total weight a label needs to be attached to the matrass which will provide information about their fibre composition when they are sold within the European Union (European Commission, 2011).

*Economical*

Dutch households increased their spending on durable goods, such as home furnishing articles, with 2.6% in comparison with twelve months earlier (Centraal Bureau voor de Statistiek, 2014, p. 2). As household spending is affected by factors such as developments in the job market, consumers own financial situation and their expectations, the small economic growth in the Eurozone might contribute to households spending more money on products. The countries where the customers of Primatrassen live have been experiencing economic growth. The GDP growth within Belgium is expected to grow to 1.7% in 2015, while private consumption is expected to grow with 1.5%, in comparison to 2013, to 1.7% (European Commission, 2014, pp. 48-49). The GDP in France is expected to grow to 1.7% in 2015, an increase of 1.4% in comparison with 2013. The private consumption in France is estimated to grow with 1.2% to 1.6% in 2015 (European Commission, 2014, pp. 66-67). Dutch GDP is estimated to grow to 1.3% in 2015, whereas the GDP in 2013 was -0.8% (European Commission, 2014, pp. 84-85). As Primatrassen sells its products to consumers within the Netherlands, Belgium and France currently, which are countries which are part of the Eurozone, the growth within their economies, the growth in GDP and the willingness of households to spend more on home furnishing is a positive factor.

*Social-cultural*

In 2014 the Netherlands had a population of 16,829,289 of which 49.52% were male and 50.47% were female. In 2014 77.2% of the population in the Netherlands was between 20 and 100 years old. There were also 7,590,000 households in the Netherlands in that same year (Centraal Bureau voor de Statistiek, 2014).

*Technological*

As stated in the introduction “13% of consumers buy their box springs online, while 19% consider to purchase their next box spring online (Koek & Gerritssen, 2013)”, this trend shows that an increasing number of consumers purchase items online. In 2012 9.8 million people in the Netherlands have bought items online, when it comes to buying furniture online approximately 30% of males do this as opposed to 27% of women (Centraal Bureau voor de Statistiek, 2013). Besides the increase of online shopping, there has also been an increase in the number of people using internet, 60% of all internet users in 2012 (Centraal Bureau voor de Statistiek, 2013), on their smartphones, tablets or laptops outside their homes .

*Environmental*

In recent years more and more people have been demanding products that are environmental friendly. Also when buying mattresses or beds the demand for eco-friendly products have been increasing. Because of this increasing demand the European Commission has created the EU Ecolabel, which is an voluntary scheme, which can be used to distinguish products and services with high environmental performances (Cordella, Wolf, Chapman, & Bojczuk, 2012). Primatrassen is currently not investing in producing eco-friendly products, but is planning on doing this in the future. Producing eco-friendly products can be done by using recycled materials, or raw materials which do not have a chemical basis. Also by adjusting and improving the packaging, by using materials that can be recycled the company can make more environmental friendly products.

### Porters five forces

Porters five forces are used on a macro-level, to define the competitive forces that operate in an industry. As the name already said it consists out of five different forces:

1. The threat of new entrants.
2. The threat of substitute services and products.
3. The bargaining power of suppliers.
4. The bargaining power of customers.
5. The rivalry amongst current competitors.

These five forces will be further explained in the following parts, and how they operate within the industry and market in which Primatrassen is currently operating.

*The threat of new entrants*

Potential new entrants to the market are companies who want to sell matrasses or box springs within the market in which Primatrassen is operating. As Primatrassen has an established relationship with its suppliers, it’s unlikely that new entrants will have the same benefits as Primatrassen has in their relationships with their suppliers. On the other hand, the products sold in the market are undifferentiated and do not obtain brand loyalty of customers in general. Also the switching cost of consumers are low and there almost no patents which protect the products against being copied. All of this combined results in a high threat of new entrants to the market.

*The threat of substitute services and products*

Substitutes of the box springs and matrasses sold by Primatrassen are any type of beds and matrasses sold by other companies in the market. As the products are undifferentiated it is easy for consumers to switch to another company to buy their products there. As the company is a start-up company it has not build any customer relationships yet, nor has obtained any brand loyalty of consumers yet.

*The bargaining power of suppliers*

The bargaining power of suppliers in the mattresses and box spring industry is relatively high, as there are a few major suppliers which can deliver the same products or raw materials. However, the quality of products delivered by them can vary greatly. As the suppliers of Primatrassen already have a long history of supplying products, parts or raw materials to Primatrassens mother company, Matrassenplaats, the company knows that the quality of the delivered products, parts and raw materials are up to par. Sometimes things do go wrong with the suppliers, such as not adding the right legs for the box springs. However, these kind of problems are minor and are easily fixed. And because of these relationships between the supplier and Primatrassen it is unlikely that Primatrassen will switch suppliers, as it will cost the company a lot of money to do so and the quality of products, parts or raw materials can be worse than those of the current supplier.

*The bargaining power of customers*

Primatrassen sells its products directly to the consumer, through its own web shop or through one online intermediary, Groupon. This means that a consumer only has two places where they can buy Primatrassens products. However, there are more companies which sell the same kind of products as Primatrassen does and the threat of substitute products is also relatively high. All of this combined results in a high bargaining power of consumers.

*The rivalry amongst current competitors*

The rivalry amongst current competitors is relatively high, mainly because there are many companies with the same kind of strategies within the market. This also results in similar prices for products which results in slow market growth for companies. However, as most of the companies in the industry focuses on the high segment or the low segment when it comes to the prices of their matrasses and box springs, Primatrassen has decided to focus on the middle segment, where there are less competitors. To conclude, the overall rivalry amongst competitors within the market is high, however, in the specific segment in which Primatrassen operates the rivalry among competitors is low.

### Competitor analysis

Primatrassen has several competitors, there are the direct competitors which sell the same products as them as Beter Bed and Bed4less, Bedden.nl. But also stores as Leen Bakker, Kwantum and other stores which sell matrasses and box springs are competitors for Primatrassen. However, for this report the focus lies on the previously mentioned three competitors Beter Bed, Bed4less, and Bedden.nl, as they sell the same products to more or less the same market segment as Primatrassen is targeting.

*Beter Bed*

Beter Bed is one of the most important competitors of Primatrassen, and also one who is well-known, with an estimated market share of 22.6% in 2013 in the Netherlands (Beter Bed Holding, 2014). They have more than 80 stores in the Netherlands and six stores in Belgium, they also have a web shop were the consumer can buy box springs and matrasses. However, Beter Bed’s product lines are more extended as that of Primatrassen as they also sell closets and other furniture for in the bedroom, pillows and bedding materials (Beter Bed, 2015). Furthermore, their assortment of box springs and matrasses is much wider than that of Primatrassen, also their prices are higher than the prices that Primatrassen has set for their products. This shows that not only Beter Bed has been operating for a long time, it was founded in the 1980’s (Beter Bed, 2015), therefore they were able to open so many stores and have such a varied assortment, but also that Beter Bed for most of their products are aiming to a higher (richer) segment of the market.

After researching both companies it can be concluded that both companies put emphasis on their knowledge of their products and the industry as a whole and offer long term warranty periods for up to ten years. Which is one of the most important factors that Primatrassen has in common with Beter Bed.

As both companies offer the same types of box springs and matrasses, and Beter Bed is more well-known it might be hard for Primatrassen to compete with Beter Bed, however Primatrassen can differentiate itself by offering different prices. As mentioned earlier, Beter Bed’s products are more expensive than Primatrassen products. In the following table the prices of products which Beter Bed sells with the same or similar specifications as the products of Primatrassen are shown, the prices for these products were taken from the web shops of both companies. As the prices vary according to the size all the prices were taken for the 160x200 size. Please note, that in the table the names of Primatrassens’ products are used, the name of the product Beter Bed sells can be different.

|  |  |  |
| --- | --- | --- |
|  | Beter Bed | Primatrassen |
| “Electric/Optima” box spring (160x200) | € 1,849 | € 1,399 |
| “Elegance” box spring  (160x200) | € 1,299 | € 849 |
| “Berlin” box spring  (160x200) | € 949 | € 499 |
| “Monaco” box spring  (160x200) | € 999 | € 799 |
| Matrass topper memory foam 6cm (160x200) | € 259 | € 134 |
| Matrass topper memory foam 8cm (160x200) | € 424 | € 154 |

Table 1.3. Beter Bed

As mentioned before Beter Bed sells its products in stores as well as online, through their own web shop but also other web shops such as Wehkamp. However in recent years, especially since the start of the economic crisis, Beter Bed’s revenue has decreased. In the fourth quarter of 2013, the company’s revenue decreased with 10% to 90.8 million euro in comparison with the previous quarter (van der Werff, 2014). This clearly shows the slump in the home furniture industry.

However, Beter Bed is taking several steps in order to increase their revenue. Firstly, they have started a new marketing campaign, which includes TV commercials, advertisements in magazines and online advertisements. Which seems to work as their revenue increased to 95.7 million euro in the second quarter of 2014 (RTLZ/ANP, 2014)

*Bed4Less*

Bed4Less offers similar products as Primatrassen, however they also offer bedding materials and furniture for in the bedroom. Bed4Less has three stores in the Netherlands, two in Amsterdam and one in Purmerend, furthermore they also offer consumers the option to buy their products online in their own web shop. They are also a producer of matrasses and box springs which gives them the possibility to offer their products to consumers for lower prices than other companies.

However the company is more focused on Business to Business selling, even though consumers can buy box springs or matrasses at their stores or in the web shop. Because they mainly focus on selling B2B, they are not well-known among the Dutch consumers.

In the following table the prices of products which Bed4Less sells with the same or similar specifications as the products of Primatrassen are shown, the prices for these products were taken from the web shops of both companies. As the prices vary according to the size all the prices were taken for the 160x200 size. Please note, that in the table the names of Primatrassens’ products are used, the name of the product Bed4Less sells can be different.

|  |  |  |
| --- | --- | --- |
|  | Bed4Less | Primatrassen |
| “Electric/Optima” box spring (160x200) | € 1,499 | € 1,399 |
| “Elegance” box spring  (160x200) | € 795 | € 849 |
| “Berlin” box spring  (160x200) | € 699 | € 499 |
| “Monaco” box spring  (160x200) | € 899 | € 799 |
| Matrass topper memory foam 6cm (160x200) | € 159 | € 134 |
| Matrass topper memory foam 8cm (160x200) | € 309 | € 154 |

Table 1.4. Bed4Less

Bed4Less has two different strategies when it comes to selling their products, as mentioned before one of this strategies is B2B selling. For their B2B selling they focus on hotels and Bed and Breakfast accommodations among others. Their second strategy is selling to consumers, they do this without using any intermediaries as they have their own shops and their own web shop. Their shops are all located in or around the city of Amsterdam, which suggests that their main focus is on this part of the country.

When it comes to the companies communication strategy, it can be concluded that they solely use their own website for this. They do have a Twitter account, however it has not been used since August 2014, same goes for their Facebook account, this has not been updated since March of 2012.

*Bedden.nl*

Bedden.nl is an online web shop, without having any physical locations which is the same as Primatrassen has. Furthermore, both companies deliver their products to both the Netherlands and Belgium. However, their assortments are different, whereas Primatrassen offers a small assortment of box springs and matrasses, Bedden.nl has a large assortment of box spring and matrasses and they also offer other types of beds, such as bunk beds, beds specially for children and also pillows, blankets and furniture.

In the following table the prices of products which Bedden.nl sells with the same or similar specifications as the products of Primatrassen are shown, the prices for these products were taken from the web shops of both companies. As the prices vary according to the size all the prices were taken for the 160x200 size. Please note, that in the table the names of Primatrassens’ products are used, the name of the product Bedden.nl sells can be different.

|  |  |  |
| --- | --- | --- |
|  | Bedden.nl | Primatrassen |
| “Electric/Optima” box spring (160x200) | € 1,854.95 | € 1,399 |
| “Elegance” box spring  (160x200) | € 1,199.95 | € 849 |
| “Berlin” box spring  (160x200) | € 659.95 | € 499 |
| Matrass topper memory foam 8cm (160x200) | € 204.95 | € 154 |

Table 1.5. Bedden.nl

Bedden.nl most important communication channel is their website which is easy to navigate, so that consumers can find what they are looking for in a blink of an eye. The website also has customer testimony’s where customers talk about their experiences with the company. The website also offers the option to have a live chat with an employee of Bedden.nl so the consumer can get advice or more information about the products.

The company also uses social media, such as Facebook, were they have 1815 likes, on their Facebook page they have contest were consumers can win products they sell such as a duvet cover.

## Conclusion

Looking at the internal analysis it can been seen that the organisation has several established business relationships with suppliers and sellers. Where the organisation has expertise when it comes to sales and the market, the company has no informational resources or data that they can consult. This is mainly because there is no capital for this at the moment.

The external analysis shows that there are several trends happening that are important to the organisation, such as the increasing online sales and the increase in consumer spending in durable goods combined with the economic growth.

There is also a high threat of new entrants to the market, this combined with a high bargaining power of customers means that Primatrassen has to work hard in order to create a name in the market and gain market share.

When looking at the competition one factor catches the eye straight away and that is that almost all the competitors have a web shop and physical locations where they sell their products, whereas Primatrassen only has a web shop. Another aspect is their assortments, Primatrassen has a small assortment while the competition has a wide and varied assortment. If Primatrassen wants to increase their market share, it is important for the company to differentiate itself from the competition. A way to do this is by offering lower prices than the competition, which results in attracting customers and stimulating them in buying the products.

# Understanding markets and customers

All organisations operate in a market and deal with customers. This chapter will provide an overview of the needs and behaviour of customers and will define the market Primatrassen operates in, the changes happening in that specific market and the current market share of the organisation. Also an overview of the organisations strengths, weaknesses, opportunities and threats will be discussed in a SWOT-analysis.

## Customer needs and behaviour

To start Primatrassen currently sells its products directly to the final consumer through their own web shop and through their partnership with Groupon. In order to find out what kind of needs the customer has, the company used their own market and industry to determine what type of products they would sell and for what price. As the company currently does not have any advertisements on television, in papers, magazines or any other printed material, all the promotion is done online or through word of mouth.

As Primatrassen has taken on a partnership with Groupon, which is a major website known throughout the whole world who advertise products for companies and where consumers can buy said products, is currently the company’s biggest market tool.

However, because the sale of the products is always done online it is relatively hard to determine a consumer profile as the company does not receive a lot of data other than the consumers name and address which can help with determining a consumer profile.

## Market analysis

### Market definition

Primatrassen sells box springs, matrasses and matrass toppers, which means they sell their products on the home furniture market and then especially the sleeping part of this market. When looking at the types of target markets available for Primatrassen, it is important to keep in mind that not all of these available target markets will be targeted by Primatrassen.

The main target audience or market for Primatrassen are those with a middle income, who need a matrass, bed or matrass topper. Primatrassen consider their broad or potential target audience to be anyone with a middle income, regardless of gender, age, occupation or location. Primatrassen’s products are already sold in this market through their online web shop and their partnership with Groupon. Therefore, Primatrassen already has penetrated this market, the penetrated market of Primatrassen consists out of the consumers whom already have bought products from Primatrassen and who might consider buying more products from the company.

### Market changes

As the economy is always changing, and so is the unemployment rate in the Netherlands, Belgium, France and other countries in which Primatrassen is currently operating or is planning on operating in, so is the percentage of the population with a middle income. This makes it hard to determine how many people currently fall in this target market and how many will fall in this category in ten years’ time. Therefore, it is important for Primatrassen to keep a close eye on all these changes in order to be able to react to an increase or decrease in size of their target market.

When solely focusing on the sleeping good market it is important to note that this market has not seen growth in the last couple of years. This is mainly because of the bad economy, which is resulting in consumers having less faith in the economy and therefore they spend less money. However, as the economy is expected to grow and also the sale of houses in the Netherlands is expected to grow, the sale of sleeping goods will most likely also grow.

### Market share

In order to be able to determine the market share Primatrassen has, annual profit results of the previous years have to be taken into account. As Primatrassen in a start-up company who is currently in the first months of operating this results are not known yet. Furthermore, the annual profits of the competitors are also unavailable.

According to data from 2013 a total of 1,294 million euro has spent by consumers in stores whom special in sleeping products, in the Netherlands (InRetail, 2014). However, this data does not differentiate between beds, matrasses and other sleeping products as blankets, pillows and others.

This all makes it nearly impossible to calculate the market share which Primatrassen currently has.

## SWOT analysis

|  |  |
| --- | --- |
| Strengths | Opportunities |
| * S1: Established partnerships. * S2: Knowledge about the products and industry. * S3: Company is small and can respond to changes in the industry quickly. | * **O1:** Expanding to selling the products in physical stores. * **O2:** Create and produce eco-friendly products. * **O3:** Product development. * **O4:** Penetrating unoccupied niche markets. |
| Weaknesses | **Threats** |
| * W1: Unknown company name. * W2: Relatively low competitive strength. * W3: Low capital. | * **T1:** Easy entry to the market. * **T2:** Multiple competitors. * **T3:** Undifferentiated products resulting in substitutes. * **T4:** No growth in market in last couple of years. |

Table 2.1. SWOT analysis

As mentioned in chapter 1, the organisation has several established business relationships and knowledge about the products and market, which are strengths for the organisation.

Looking at what can be weaknesses for the organisation is that the company is a start-up company which means that they currently have an unknown company name, low competitive strength but also they have a low capital, which can be used to turn the company into a well-known company with a high competitive strength.

The established business relationships is also an opportunity to the company as they can in cooperation with these business relations develop new products, such as eco-friendly products. Another opportunity is to expand to selling the products in physical locations, such as bed stores.

The threats come mostly from the type of products they sell, as they sell undifferentiated products it is easy to switch to substitutes. Also the easy entrance to the market for new companies is a big threat as could be seen in chapter 1.2.2. Porters five forces.

## Conclusion

Understanding the needs and behaviour of the customers of Primatrassen is hard as there is not enough data collected to see and connect certain patterns in their behaviour. The market the organisation operates in is the home furniture market and that especially the sleeping part of this market. At this moment Primatrassen is penetrating one main target market, which is those with an middle income regardless of age, sex, or location.

The market has been changing. Especially the target market, this is because the economy is changing every day. The SWOT analysis shows several areas in which the company needs to improve such as becoming more well known, increasing their competitive strength and creating more capital.

# Segmenting, targeting and positioning

This chapter focuses on defining the market and segmenting said market. After the market has been segmented, these segments will be assessed based on competitive, economic, business environment and market factors. Based on this assessment one segment will be chosen as the most attractive segment to target for Primatrassen. Also a positioning strategy will be discussed in this chapter.

## Market selection

The target market selected is the middle income households. However, this is a large market making it hard to target this market as a whole. Therefore, it is important to use segmentation and divided the target market in smaller segments which can be targeted. In order to be able to segment the market an questionnaire was distributed among current and potential customers of Primatrassen. The results of this questionnaire can be used for segmentation, the questionnaire focuses on demographics, age, monthly income and civil state. In addition customer behaviour and attitude were also researched in order to create a deeper insight in the consumers preferences and attitudes. The questionnaire that was used can be found in appendix 2.

## Assessing an targeting segments

The results of the questionnaires ( see appendix 3) were used to determine three different segments, which were then assessed based on competitive, economic, business environment and market factors.  
The results of the questionnaire showed three segments which can be targeted by Primatrassen.

**Segment A:**

|  |  |
| --- | --- |
| Age | 25-30 years old |
| Income | € 1,001 - € 1,500 a month |
| Important factors | Price |

**Segment B:**

|  |  |
| --- | --- |
| Age | 31-40 years old |
| Income | € 1,501 - € 2,000 a month |
| Important factors | Comfort, type/material |

**Segment C:**

|  |  |
| --- | --- |
| Age | Older than 45 |
| Income | € 2,000 - € 2,500 a month |
| Important factors | Comfort, material |

**Table 3.1. Consumer segments**

These three segments have been explored further in order to determine which segment is the most attractive to target for Primatrassen.

*Competitive factors*

As the products sold by Primatrassen are undifferentiated, and the threat of substitution is high as there are many alternatives for the beds and matrasses sold by Primatrassen. As for all the segments comfort, material or price are the most important factors for deciding what bed to buy, it can be determined that for all segments the threat of substitute products is high. However for segment A, for which the price is the most important this threat of substitution is lower as Primatrassen offers its products for lower prices than most of the competition. For segments B and C this threat is higher as they have a bigger budget for buying the products and they focus on material and comfort. Segment C has the biggest budget and is therefore more likely to buy products at one of Primatrassen’s competitors.

*Economic and technological factors*

As previously mentioned, barriers to enter the market are low, as the products are undifferentiated and there are not many laws and regulations within the market. The overall bargaining power of suppliers is high. This high bargaining power of suppliers might result in price increases in the future, which for segment C is more likely to accommodate to as they have a higher budget than the other two segments.

*Business environment*

The economic situation in the Netherlands is constantly changing, however GDP in the Netherlands is expected to grow to 1.3% in 2015 (European Commission, 2014, pp. 84-85). As well as the GDP in the other countries where Primatrassen has customers. Also the spending on durable goods, such as home furnishing articles, has been increasing in the Netherlands. This is positive for all segments. However, segments which is the segment with the oldest age group, will as their ages increase have lesser to spend as they retire and have less and less income. While segment A with the lowest budget will potential increase their budgets as they are getting more and more financially stable as the years pass.

*Market factors*

In 2014 1,139,524 fell into the age group 25-30 years old, while the age group 31-40 or segment B consisted out 1,944,906 people while segment C, older than 45, consisted out of 7,533,309 people (Centraal Bureau voor de Statistiek, 2014). As discussed in chapter 1, the bargaining power of the buyers is relatively high, this combined with the fact that a customer will only buy a bed once every several years the market will become saturated quickly. This results that segment C is the most attractive when it comes to the market factors mainly because the segment is bigger than the other two segments, but also because their budget is bigger which can result in them buying a new bed sooner than those in the other two segments.

*Segment ranking*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Segment | Score for market factors | Score for competitive factors | Score for fit with resources, competencies | Score for economic, technological factors | Score for potential environmental threats | Overall score |
| A | 2 | 3 | 3 | 1 | 5 | 14 |
| B | 3 | 2 | 4 | 3 | 3 | 15 |
| C | 4 | 1 | 2 | 5 | 1 | 13 |

**Table 3.2. Segment ranking**

Scoring key:

5= highly attractive 4= moderately attractive 3= average

2= moderately unattractive 1= highly unattractive

Based on the segment ranking, it can be concluded that segment B is the most attractive segment for Primatrassen.

All of these segments will be targeted through differentiated marketing.

## Positioning

Based on the questionnaire results a conclusion can be drawn about how Primatrassen should position itself in the market among its competition. Over 45% of the respondents indicate that they are willing to spend up to € 500 for a bed, and 68.5% indicated that they are also willing to spend up to € 500 for a matrass. 35% of the respondents indicate that the comfort of a bed is the most important factor on deciding what bed to buy, while for a matrass the most important is the material that it is made of, with 54%. These result combined with the findings of the competitor analysis show that Primatrassen should be positioned as an organization which sells comfortable and high quality beds and matrasses for a reasonable price.

## Conclusion

Based on the results of the questionnaire it can be conclude that the most attractive segment to target for the organisation is that of 31-40 years old, with an income of € 1,501 - € 2,000 a month, who are looking for comfort. The organisation should position itself as an organisation which sells comfortable and high quality beds and matrasses for a reasonable price.

# Planning direction, objectives and marketing support

This chapter will provide an overview of the objectives set out by the organization. Next to that it will also focus on marketing support, such as customer service and internal marketing.

## The companies objectives

Primatrassen has several objectives that they would like to achieve, these objectives can be divided into three main categories: marketing, financial and societal objectives. For each of this main categories several objectives have been made, based on the SWOT-analysis, the knowledge of the owners of the organization and their business relationships, which will be named in the following sections.

### Marketing objectives

The marketing objectives, which Primatrassen has set for itself are;

* Capture 10% of the Dutch market for beds and matrasses by January 1, 2016
* Develop three new products by September 1, 2015.
* Expand services, start selling the products in more countries by July 1, 2015.
* Sell 25 units of each type of box spring a month by January 1, 2016.
* Sell 300 matrass toppers a month by January 1, 2016
* Sell 200 matrasses a month by January 1, 2016.

### Financial objectives

Financial objectives which a company can have all relate to managing financial results, which includes sales, revenue and profits.

Financial objectives set by Primatrassen are:

* Achieve a yearly turnover of € 2,000,000 by January 1, 2016.
* Create budget for a marketing campaign by July 1, 2015.
* Achieve a yearly net profit of € 500,000 by January 1, 2016.

### Societal objectives

Societal objectives are about achieving certain results in social responsibilities.

* Create and produce a more eco-friendly matrass by July 2016.

## Marketing support

### Customer service

Customer service is of major importance for Primatrassen, as the company does not have any physical locations where customers can buy the products, it is very important that customer service is done correctly. In order to have good working customer service, which will help with influencing the customers’ perceptions and responses towards the company, several different customer services are important.

Firstly, before the sale it is very important that the website gives the right information about the products, from the types of material it is made from to which colors and sizes are available. Also the employees, whom are contacted by potential customer by e-mail or phone, have to know this. Secondly at the point of sale it is important that the customer receives information about delivery times, delivery options and other aspects. Lastly, after the sale it’s important for customers to know if in case they need assistance in installing their products that this is available, but also what they can do if their product is damaged or broken.

In order to be able to provide the customers with these types of information several customer service objectives have been made:

* To simplify the complaints process: Make the process of registering a complaint of a customer easier in order to create a better overview of the types of complaints and how to respond to them. This can be done by for example creating a form for the website, which the customer can use when they have a complaint.
* Streamline the communication flow: at times it is confusing for consumers whom to contact when they have questions or a problem. Therefore, it is important to make a plan on how to improve the communication between the employees within the company, the companies partners (Groupon) and the consumer.

### Internal marketing

Primatrassen does not have a clear hierarchy within the company, and communication within the company can go quite slowly. Therefore, it is important to hold a meeting once a week in which everyone is informed about what is going on at the moment, what has happened and what will happen in the near future, so that everyone knows what to expect.

For the internal marketing some goals have been set:

* Keep the employees focused on the customers: in order to create satisfaction with the customers it is important for every employee to be involved in creating this satisfaction. This is also important in order to achieve the objectives set in section 4.1.1. Marketing objectives.
* Improve employee performance and satisfaction: in order to achieve the objectives that have been mentioned previously, it is necessary for the employees to perform at their best and that they are satisfied with their role in the company and the work that they do.

## Conclusion

The organisation has set out several objectives which they want to achieve in the following two years, divided into three main groups namely; marketing, financial and societal objectives. The customer service is important to the organization, as there is no physical locations where customers can buy the products. Therefore, it is of major importance that the customer service is updated on things that are happening within the organisation, such as delays in deliveries so they can inform and give the right information to customers. In order to do this the communication flow in the organization itself needs to be improved.

# Marketing and pricing strategies

This chapter focuses on brand and product strategy, channel and logistics strategy, the pricing strategy and the marketing communications and influence strategy. The first part of the chapter will provide an overview of the features, benefits and services given by the organization and the branding of the products sold by the organization. Secondly, it focuses on the supply chain used and the logistics and any problems with them. Thirdly, it takes a look at the pricing strategy and the channel members. Next is the marketing communications and influence strategy where objectives and budget is discussed.

## Brand and product strategy

Primatrassen sells tangible products to consumers, the products which are currently offered by Primatrassen are mentioned in chapter 1, page 7.

Features on the products of Primatrassen include:

* Electric beds are adjustable.

Benefits include:

* Box springs are complete with matrasses and matrass toppers.

Services given to all products sold by Primatrassen are:

* Warranties: 5 to 10 years depending on the product.
* Installation of the box springs.
* Delivery.
* Repairs.
* Quick response to questions and complaints.

As the organisation sells different products which fulfil different needs and have different features and benefits, their performance capabilities also vary. However, it can be said that all products have one performance capability in common, which is being comfortable and they are supportive for the back and neck of the sleeper. The product packaging consists out of several parts, how many parts depends on the specific product, which are either wrapped in carton or plastic. The packaging also includes a pamphlet which states how to install the product, how to clean it and lastly explains the warranty terms and what to do when something is wrong with the product. The matrasses also have the companies name stitched into it.

The product lines currently offered can be divided into four groups: box springs, electric box springs, matrasses and matrass toppers.

### Branding and positioning

The organisations name is used in order to create a new brand. Even though all the products have different names, by stitching the companies name in the matrasses and adding name labels to the boxes of the beds to the organisation creates awareness of the brand. However, none of the participants of the questionnaires stated that the brand was important for deciding where or which box spring or matrasses to buy. As the organisation wishes to establish its own brand it is important to create awareness of the brand. In order to create this awareness it is important to establish strong relationships with consumers, next to that it is also important to influence their perceptions about the brand to create and raise brand loyalty.

## Channel and logistics strategy

Primatrassen orders its products at several different producers, depending on which box spring needs to be ordered. When the suppliers have finished the products will either be shipped to the port of Rotterdam (from Turkey), or will be delivered by truck to the warehouse of Primatrassen directly. After receiving the products in the ware house, Primatrassen will sell the products through their own web shop or through their partnership with Groupon. After a consumer has placed the order, through the companies own web shop or through Groupon, it will be delivered between two to five weeks after a delivery appointment has been made with the consumer.

### Supply chain

The supply chain currently used by the organisation is short, however this does not mean that no problems have risen. Even though these problems were small they did cause inconvenience to both the organisation itself and the consumers. Therefore, improvements have to be made in order for the organisation to achieve the objectives it has set for itself.

* Delivery problems need to be resolved. The organisation has to improve its communication with the suppliers in order to be certain that the order that has been placed is also the order they receive and that it is complete.
* In order for the company to grow it should hire more personnel who can focus on establishing more partnerships with for example retailers.

Currently the products are only sold online in the organisations own web shop or that of their partner. The company can expand this by also having retailers who sell their products or create their own physical location to sell the products to the end user.

### Logistics

The organisations inventory is currently stored at their own warehouse facilities, the organisations headquarter is also located in the same building. The inventory is based on the agreements made with their partner, which state how many of each product they will offer on their website and a small percentage of products the organisation sells in their own web shop.

The transportation of the products to the end user is carried out by the organisation itself, as the products will be installed at the end users home. Therefore, delivery of the products will be between two and five weeks after ordering the product, depending on where the end user lives and what product is ordered.

## Pricing strategy

The organization already has an existing pricing framework, therefore a short overview of Primatrassen’s pricing strategy will be given.

The products are sold for fixed prices in both the companies own web shop and the Groupon website. As there are no intermediaries, there are basically no channel members which needs to be considered when setting a price or when reducing the prices during a sale. However, the company does uses a margin of 60-70% on finished products in order to be able to calculate the prices that consumers have to pay.

## Marketing communications and influence strategy

Primatrassen is currently using a pull strategy, where customers ask for the products by ordering it through the web shop or via Groupon. However, the company is planning on establishing more partnerships with retailers in order to have more points of sale and also physical locations where consumers can buy Primatrassens products. When this is realised the company will also use a push strategy.

### Objectives and budget

Marketing communications is important for any company, however Primatrassen currently has no budget for this. Therefore, all communications are focused on the organizations own website and the website of their partner Groupon. In the first four months of operating however the company did place an advertisement in a local and regional newspaper and in May, they held an open day at the company where consumers could see all the products and see how the company operates.

Out of the respondents 70% has heard of Primatrassen, which is a total of 153 people. 62% of these people heard of Primatrassen through their partnership with Groupon. This means that the organisation is not doing enough to promote itself, therefore is it important that the organisation starts promoting itself more.

The communications tools that can be utilized by the organisation to promote itself include: advertising, public relations, social media and word of mouth.

*Advertising*

Advertising is expensive, but can be used to reach a bigger percentage of the target audience. These advertisements can be done in newspapers, magazines or online on websites about furniture for example. Doing this the company will be able to reach a large audience

*Public relations*

Public relations is free, by contribution to a good cause, for example donating beds to homeless shelters, the organisations name will then be known as a company who takes care of the community.

*Social media*

Social media as a tool is also free of use, and can be updated at any time and from everywhere. Creating a Facebook page for the organisation could raise awareness for the company and the products they offer. In order to draw people’s attention they could start competitions on the page where people can win products or offer discounts to Facebook users who like the page. The page will also have to have background information on the organisation and the products they offer.

*Word of mouth*

Word of mouth can be the most effective way of increasing brand recognition and awareness. Even though it might be the most effective, the company cannot influence what is being said. Word of mouth can create a good image for the company, but on the other hand it can also create a bad image when a consumer for example complains about delivery mistakes. Therefore, it is important to make sure all orders are handled correctly and to be customer friendly, which might lead to positive reviews and word of mouth and might result in gaining new customers.

## Conclusion

The brand is not important on deciding on what bed or matrass to buy according to the respondents of the questionnaire, however the organisation does want to create brand awareness by adding name labels to the products they sell. The supply chain used by the company can be improved by resolving delivery problems and establishing relationships with retailers who will sell the organisations products on their behalf.

The organisation has not done any promotion so far because there is not a budget for it. However they can promote themselves through social media and word of mouth which are both free of charge.

# Planning metrics and implementation control

## Marketing plan implementation

Communication within the organisation can be done easily, as the organisation is not that large and has a limited number or employees. Therefore, new decisions that have been made, changes, progress or problems can be communicated easily and clearly. In the first stage of implementing the marketing plan the focus should be on creating plans of action. After completing this stage and while implementing the plan, there should be a continually flow of communication within the organisation about the progress of the implementation. In this stage it is crucial to make changes or improvements to the plan if objectives are not being reached.

It is important for the organisation to track their data, in order to be able to measure their business performance and to help create new marketing plans. Data that can be tracked include, how much do they sell on a weekly or monthly basis, how much do they sell of each product or calculate market share. Also collecting data on their consumers such as demographics, geographic details to target their audience even more specific.

## Metrics

In order to track the data as previously mentioned, basic metrics can be used which creates a basis for a new marketing plan.

*Marketing metrics*

* Measure and create brand awareness.
* Measure market share.

*Financial metrics*

* Asses productivity.

## Forecasts and contingency

As the organisation is currently in its first year of operating, it is hard to calculated or estimate the forecasts of the sales in the coming months and years. However, as previously mentioned, spending on home furnishing has increased in the last year, this combined with a growing GDP it can be said that the sales will continue to grow.

A contingency plan based on the forecast can be made. Looking at the organisations objectives, the focus should lie on expanding the partnership with Groupon and establishing new partnerships and increasing their points of sale.

## Schedules and budget

An extended overview of the schedules, based on the objectives stated in chapter 4, is shown below.

*Marketing objectives*

|  |  |  |
| --- | --- | --- |
| What | When | How |
| Increase market share to 10% | January 1, 2016 | * Tracking sales. * Creating more channels to sell products. |
| Develop three new products | September 1, 2015 | * Designing. * Research trends. * Create focus groups. |
| Expand services | July 1, 2015 | * Form partnerships with foreign relations. |
| Sell 25 units of each box spring a month | January 1, 2016 | * Start a marketing campaign. * Creating more channels to sell the products. * Establish more partnerships |
| Sell 300 matrass toppers a month | January 1, 2016 | * Start a marketing campaign. * Creating more channels to sell the products. * Establish more partnerships |
| Sell 200 matrasses a month | January 1, 2016 | * Start a marketing campaign. * Creating more channels to sell the products. * Establish more partnerships |

**Table 6.1. Marketing objectives**

*Financial objectives*

|  |  |  |
| --- | --- | --- |
| What | When | How |
| Increase yearly turnover to € 2,000,000 | January 1, 2016 | * Tracking sales. * Creating more channels to sell the products. * Establish more partnerships |
| Create budget for a marketing campaign | July 1, 2015 | * Save a monthly sum. |
| Increase yearly net profit to € 500,000 | January 1, 2016 | * Tracking sales. * Lower costs. * Creating more channels to sell the products. * Establish more partnerships |

**Table 6.2. Financial objectives**

*Societal objectives*

|  |  |  |
| --- | --- | --- |
| What | When | How |
| Create an produce an eco-friendly matrass | July 1, 2016 | * Research the options. |

**Table 6.3. Societal objectives**

# Conclusion

The main question to be answered in this report was: How can Primatrassen improve its overall performance? After concluding the research necessary for creating this report several conclusions can be drawn.

The company is a start-up company and is solely focusing on the expertise of the owners of the organisations and its current business relationships to make a name in the market. They did not do any research in order to determine how they should position the organisation, how they should target their target audience and who fails in this target market. By doing no research the organisation does not know what trends are happening in the market and how to adjust to these trends.  
The PESTLE analysis and the porters five forces show that this knowledge of the market is important, because there are many competitors and there is a significant threat of new entrants to the market. The company needs to create a name for itself as there is also a high threat of substitutes.

The SWOT analysis was created after analysing the internal and external situation. This SWOT analysis showed several strengths of the organisation on which they can rely such as; established relationships and knowledge about the products. Furthermore, it also showed several opportunities for the organisation, including expanding their channels, which can help with improving the company’s business performance and position. However, several weaknesses have been identified as well, which need to be improved such as; their competitive strength and awareness of the company and their brand.

Research conducted and the results of the questionnaires shows that the most attractive segment for the organisation is that of 31-40 years old, with an income of € 1,501 - € 2,000 a month, who are looking for comfort.

Promotion has not been done yet, as there is no budget. However the company could promote itself through social media and word of mouth in creating a good image. However, it is important to keep in mind that word of mouth is a tool which cannot be influenced.

Furthermore, research showed that the distribution network could use improvement and that the product and pricing strategies could also be adjusted in order to be more successful.

The research also highlighted some problems which can be resolved on the basis of the recommendations that have been made.

# Recommendations

In order for the organisation to improve its overall performance, several recommendations can be made:

* Data should be collected.

Data should be collected on several different subject such as trends in the market and customer behaviour . But also tracking basic data as the amount of sales on a weekly or monthly basis, this would help gaining a better understanding of the organisations current situation and which improvements might be necessary. In order to this the informational resources of the organisations need to be improved.

* Brand awareness should be created.

By promoting the organisation and its products, brand awareness could be created. Researching brand awareness should be done on a regular basis, in order to create a successful brand strategy. Further research should also be conducted on the segments and their preferences and the current market situation.

* A budget should be created for marketing related activities.

Currently there is no budget for promotion or any other marketing related activities, this budget should however be created so that the organisation can start with creating a name for itself in the market and gain market share and increase their profits.

* A budget should be created for achieving the objectives.

A budget should be created to achieve the objectives which has been set by the organisation. When creating this budget special attention should be given to calculate and appoint the right budget to each of the objectives.

* More employees should be hired.

The organisation could hire more employees who established new partnerships with retailers or hire or appointed a current employee who is the main spokesperson when it comes to communicating with suppliers to avoid problems with orders.

* Improve the channel strategy.

The channel strategy used can be adjusted and improved. The organisation should expand its sales channels by including retailers and not only relay on online sales. By adding retailers into the channel strategy the company can gain a bigger market share and increase their profits.

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# Appendices

## Monaco Verende BoxspringAppendix 1: Product lines



Image10.1: Box spring “Monaco”





Image 10.3: Box spring “Elegance”

Image 10.4: Box spring “Berlin”

Image 10.2: Box spring “Optima”



Image 10.5: Matras topper

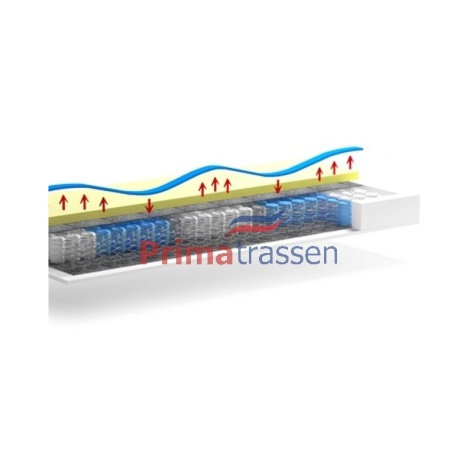


Image 10.6: Matras

## Appendix 2: Questionnaire

**Dear participant,**

**I am a 4th year student, studying European Studies at The Hague University of Applied Sciences in The Hague. Currently I am working on my dissertation, researching the current market situation of beds and matrasses in co-operation with the company Primatrassen. By means of this survey, we would like to find out how consumers decide on which bed or matrass to buy and if they ever heard of Primatrassen. The survey consists of 18 questions and will take approximately 10 minutes of your time. Every answer will be treated anonymously. Your contribution would be much appreciated and it would help my research greatly if you chose to fill in this survey.**

1. What is your gender?
   * Male
   * Female
2. What is your age?
   * 18-24
   * 25-30
   * 31-35
   * 36-40
   * 41-45
   * Older than 45
3. What is your civil state?
   * Single
   * Single and living with my parents
   * In a relationship
   * In a relationship and living with my parents
   * Single parent
   * Living together or married
   * Living together or married with children
4. What is your occupation?
   * Student
   * Business owner
   * Employed
   * Unemployed
   * Retired
5. What is your monthly income?
   * € 0 - € 500
   * € 501 - € 1000
   * € 1001 -€ 1500
   * € 1501 - € 2000
   * € 2001 - € 2500
   * More than € 2500
   * I would rather not say

*The next few questions will be about your bed and what the important factors are on deciding which bed to buy.*

1. What type of bed do you currently have?
   * Box spring
   * Bunk bed
   * Single bed
   * Double bed
   * Water bed
   * Other………….
2. What is the most important factor for deciding which bed to buy?
   * Comfort
   * Type of bed
   * Price
   * Design
   * Colour
   * Brand
   * Material it is made of
   * Other….
3. How much are you willing to spend on a bed?
   * Less than € 100,-
   * € 101 - € 500,-
   * € 501 - € 1000,-
   * More than € 1000,-

*The next few questions will be about your matrass and what the important factors are on deciding which mattress to buy.*

1. What type of matrass do you currently have?
   * Memory foam
   * Latex
   * Pocket spring
   * Other….
2. What is the most important factor for deciding what type of matrass to buy?
   * Material it is made of
   * Price
   * Design
   * Brand
   * Other….
3. How much are you willing to spend on a matrass?
   * Less than € 100,-
   * € 101 - € 500,-
   * € 501 - € 1000,-
   * More than € 1000,-
4. Does your bed have a matrass topper?
   * Yes
   * No

*The next few questions will be about Primatrassen, which is a web shop who sells box springs, matrasses and matrass toppers.*

1. Have you ever heard about Primatrassen?
   * Yes, please continue to question 14.
   * No, please continue to question 19.
2. If yes, how have you heard about Primatrassen?
   * Through advertisements
   * Online
   * Via friends or family
   * Via Groupon
3. Have you ever bought a product at Primatrassen?
   * Yes
   * No, continue to question 19
4. If yes, what kind of product did you buy?
   * Boxspring “Monaco”
   * Boxspring “Optima/ Electric”
   * Boxspring “Berlin”
   * Boxpring “Elegance”
   * Box spring topper
   * Matrass
5. What is the main reason you decided to buy a product at Primatrassen?
   * Price/ quality ratio
   * The design
   * The material it was made of
   * The price
   * Other…
6. Would you recommend Primatrassen and its products to others?
   * Definitely
   * Probably
   * Might or might not
   * Probably not
   * Definitely not
7. Do you have any comments or recommendations?

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

**Thank you for taking the time to fill in this questionnaire. Your responses are greatly appreciated.**

## Appendix 3: Questionnaire results

A survey was conducted through [www.thesistools.com](http://www.thesistools.com), and distributed among the authors network and the organizations network. Eventually 216 people filled out the survey, which was designed to find out more about the demographics of the potential target market, the factors they find important when it comes to buying beds and matrasses and their knowledge about Primatrassen.

The results that were yielded by the survey were put into a data matrix, from which pivot tables were created in order to analyse the results.

*Gender and age*

The survey was filled in by 104 males and 112 females. The biggest age group were the 25-30 years old with 55 respondents, followed by the 36-40 years old and the 41-45 years old with 41 respondents each.

**Graph 10.7. Age groups divided by gender**

*Budget*

The budget the respondents have, based on their monthly income varies greatly per age group as can been seen in the following table. 93 respondents would rather not say how much their monthly income was. However, 49 respondents answered that they have an income of € 1,501 to € 2,000,-.

**Graph 10.8. Monthly income according to age group**

*Primatrassen*

Out of the 216 respondents, 153 have heard of the company Primatrassen. Most of the participants have heard of the company through their partnership with Groupon, which is a group of 95 participants followed by 38 respondents whom have heard of the company via advertisements.

**Graph 10.9. How have you heard of Primatrassen**

Of the 153 respondents whom said they have heard of the company Primatrassen, 119 also bought a product at the company. Which products they bought can been seen in the following table.

**Graph 10.10. What product did you buy**

The reason why the participants decided to buy their products at Primatrassen includes: the price/quality ratio (57 participants), the price for 47 participants and for 15 respondents was the material it was made of the most important reason of buying their products at Primatrassen.

**Graph 10.11. Most important reason to buy product at Primatrassen**

*Purchasing decisions*

The most important factors on deciding on which bed to buy are the comfort of the bed, type of bed and the price of the bed. The following table shows the most important factor for deciding which bed to purchase according to age group.

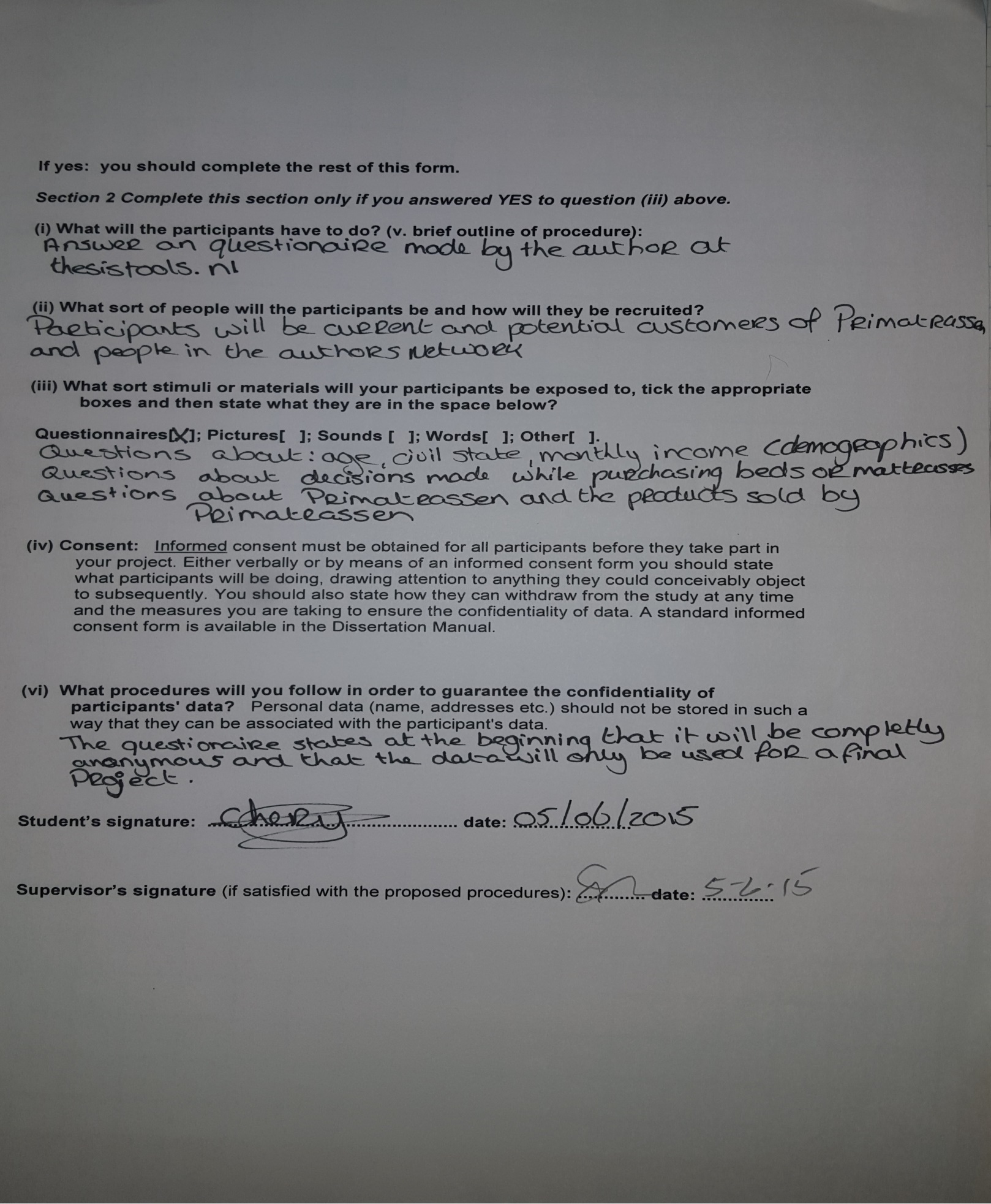
**Graph 10.12. Most important factor for buying a bed per age group**

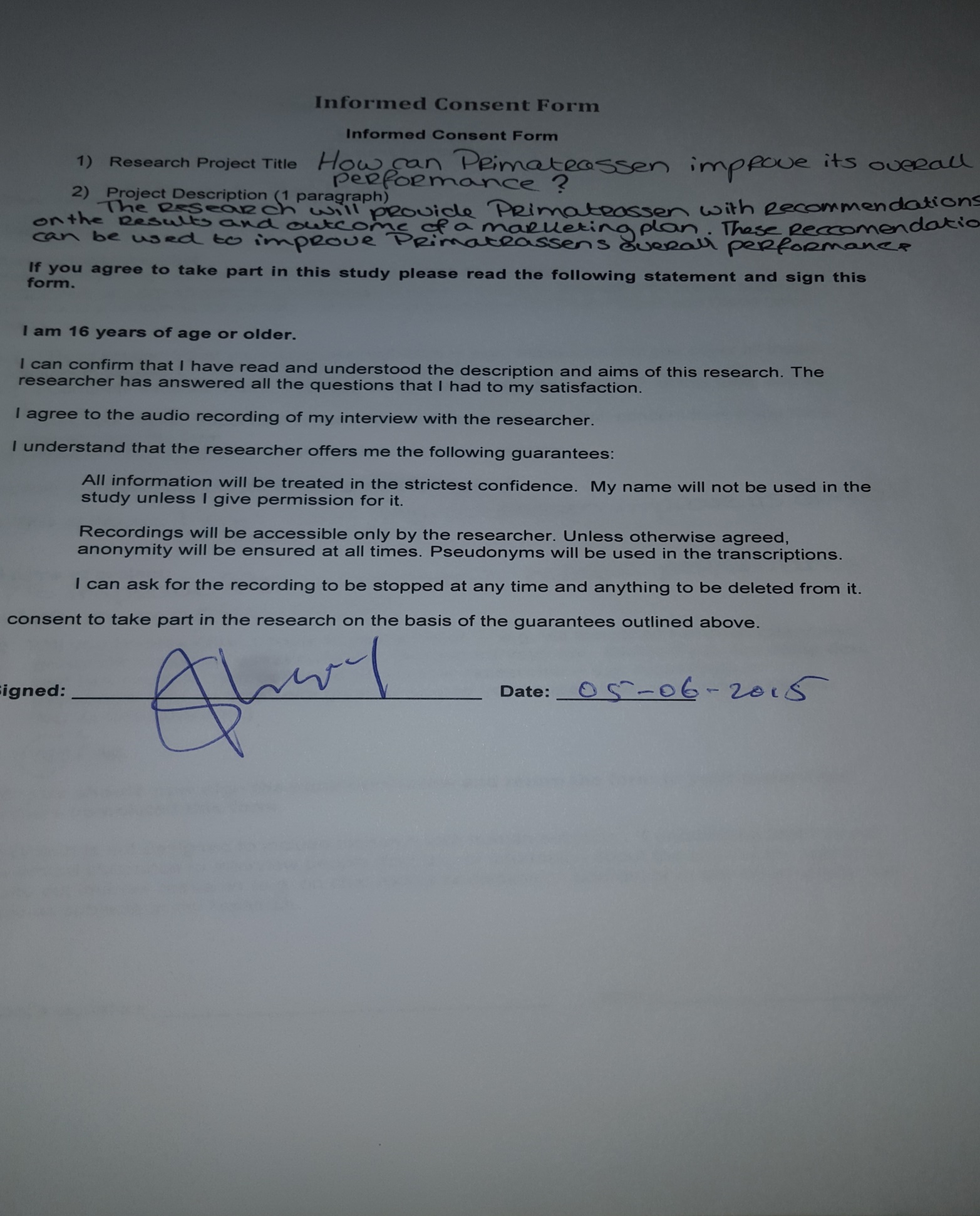
The amount of money the respondents are willing to spend on a bed varies from € 100 to more than € 1,000 euros. The following table shows the amount the respondents are willing to spend per age group.

**Graph 10.13. Amount willing to spend on a bed per age group**

## Appendix 4: Student Ethics form and Consent form

## C:\Users\chery_000\Desktop\harris 1.jpg





## C:\Users\chery_000\Desktop\Joke.jpg