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Market Intelligence Plan-Oulu

Ideal Money Transfer (Case Company)

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ABSTRACT

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The aim of thesis is to conduct market research for Oulu for Italian Commissioner Company "Ideal Money Transfer". Commissioner Company is willing to initiate new office for money transfer business in Oulu. Oulu is the 5th largest city in Finland having 200000 inhabitants. Market research includes customer analysis and competitor analysis. Research objectives include measurement of market potential and provide information about prospective customers and competitors for further development of business plan.

The theoretical framework consists of the key terms regarding marketing and market segmentation. In addition to that, design questionnaire for acquisition of information about potential customers. Furthermore, research on competitors' situation in the market was conducted. Both research methods are applied while working qualitative as well as quantitative. Theoretical part based on literary sources along with desktop search. Empirical part consists of collection of customer data through questionnaire. Customers' response against questionnaire was 462. Only six small outlet competitors are working in the market. Customers belong to 9 countries Iraq, Pakistan, China, Nepal, Russia, Bangladesh, Vietnam, Somalia and Thailand. Based on this market survey 50.86 % of customers are working; a relatively small number of customers are students and pensioners.

Based on market research Oulu could be a good place for starting money transfer business. Customers want low service charges, high exchange rate and low lead time funds. This business is based on Non-EU countries population. They are doing jobs, studies and pensioners. Development of marketing communication plan is important for this business. Because in past some businesses have failed because of bad communication plan.

Keywords: Marketing Plan, Money Transfer, Target Marketing, Market Segmentation,

CONTENTS

1	INTRODUCTION	5
2	THEORETICAL FRAMEWORK	7
2.1	How exchange companies work?	7
2.2	Marketing.....	8
2.2.1	Marketing process.....	8
2.2.2	Market intelligence	9
2.3	Customer analysis	11
2.3.1	Market segmentation	11
2.3.2	Target market selection.....	13
2.3.3	Market positioning.....	15
2.4	Competitor analysis.....	15
3	EMPIRICAL RESEARCH FOR IDEAL MONEY TRANSFER	16
3.1	Market study.....	16
3.2	Customer analysis.....	16
3.3	Competitor analysis.....	32
4	CONCLUSIONS	37
5	DISCUSSION AND RECOMENDATIONS.....	38
6	REFERENCES	40
7	APPENDIX	42

1 INTRODUCTION

Graduates have two options to initiate practical life. First way is to start a job and second one is develop a business. Turn your potential into performance is called doing job instead business.

Unfortunately, approximately 99.8% of business graduates from University of Applied Sciences as well as others follow this statement successfully. Those students after 16 years of education become employees. These persons are backbone of 1% population of the world, who has 80% resources of this world.

After one year from having graduated some 60%+ have a job, some 40%+ are unemployed or jobseekers. In addition to that, quite a few of both employed and unemployed individuals have continued their studies. Few graduates start their own business as well as several jobs.

Almost 0.2% business graduates do not consider above mentioned statement as their future direction. Their objectives are: Turn your potential into profit. Based on this principle effective utilization of potential, authors select this business unit for business development in Oulu. Commissioner has astonished entrepreneur skills. Only € 500 investment becomes immense in a short period of time. (TRAL 2016, cited 20.01.2016)

Ideal Money Transfer is an Italian small enterprise. It has 3 offices in Italy. 15 professional are working. It offers money transfer services, money exchange services, and air travel reservation to general public. At the moment the commissioner is interesting in expanding his business in other EU countries. It means the company does not hire people as employees. Company makes agreement based on profit sharing, it depends on business situation.

Commissioner assigned Marketing Intelligence Plan-Oulu to us. The aim of the research work is investigating that Oulu is suitable market for money transfer or not. Therefore, two research problem are first what is the market potential of money transfer business in Oulu? Second what is money transfer business competitors' situation in Oulu? Customers' survey and interviews has deep significance in this research. Both research methods (qualitative and quantitative) are applicable on these tasks.

There is a demand for European countries because European financial system takes longer time to send and receive funds among countries. In addition to that, foreigners needs this service

every time, because European banks take more charges and time to send money to other countries. European money transfer business is based on SEPA. The Single Euro Payment Area is an agreement among EU, EEA and some other countries. These countries businessmen and general public can send and receive funds in Euro under the same terms and conditions regardless of location.

It is really useful for business as well as personal purposes. But, this system has still some issues such as; if Mr. A transfers online funds from Nordea/any bank in Finland to Mr. B bank account in any other EU or EEA country, it will take 2 to 3 days and sometime bank charge some fee. Due to this drawback, money transfer business has demand in EU & EEA countries (European Commission 2016, cited 11.02.2016).

Money transfer companies offer services globally to get money from 5 minutes to 3 days. They offer fast and reliable services superior to banks.

Oulu is the fifth most populated city in Finland and first in northern Finland. Around 200,000 inhabitants are enjoying life in Oulu. People of Oulu are working in Oulu Region, other cities of Finland and different other countries of the world. Moreover, citizens have a stable income level and purchasing power (City of Oulu 2016, cited 25.02.2016).

Approximately from 3% to 5% population is belonging to Non-EU countries. These persons have strong ties with their countries and send funds frequently. Oulu is also a student city, exchange students come from EU and other countries, and they also need money transfer services. Company seeking demand of money transfer business in Oulu and expected from 5% to 8% inhabitants need money transfer services.

Research Questions

The purpose of research work is to present solution of commissioner's following tasks:-

1. What is market potential of money transfer business in Oulu?
2. What is money transfer business competitors' situation in Oulu?

2 THEORETICAL FRAMEWORK

2.1 How exchange companies work?

There are a lot of money transfer companies in the world such as Western Union, Moneygram, RIA, World Remit, Aftab Currency Exchange, Small World and many others. Western Union is the most popular company worldwide. Western Union sends as well as receives money from one country to another country. Western Union has contracts with banks in 218 countries and they have many branches in those countries in almost every city.

When the customer wants to send money, the customer would visit the Western Union office with the cash and then the agent will ask the customer about his ID and where does he want to send money. The customer will give them their address and the name and address of the person who is receiving money in another country. There are two options for sending money; either "Next Day Payment" or "Money in Minutes". After entering the data in system, the system will generate the Money Transfer Control Number (MTCN) which will be given to the Customer after that it will be sent to the receiver by customer. The agent will charge the fee depending on the sender's and receiver's location on the same time it also varies on agent location.

After receiving the MTCN number the receiver can visit any branch of the Western Union shows them the ID and MTCN number and can receive the money. Western Union also has the online system where a user should sign up for the account then he has to send them his ID to verify identity. After verification the user is allowed to send money anywhere within the limits which is 5000€ per day. The user should add their credit or debit card detail in the account to do the transaction. The other procedure is the same as described in the second paragraph.

Western Union also offers the mobile payments in 218 countries with 700 network companies. First the user should check that the receiver has a mobile wallet with one of the listed mobile company in their country. The user can send the money from the agent location or from the online system. The user has to provide the receiver's mobile number and if the money is being sent from the agent then the customers phone number as well. Notification will be received to the Customer and the receiver on their networks and the receiver can use this money to pay bills, purchase airtime, and withdraw cash, buy goods and services. (Western Union, How it works, cited 07.06.2016)

2.2 Marketing

Marketing is an art of exploring needs of target markets and delivering products/services to satisfy them profitably. It identifies potential profit and the segments which are best fit to the company. (Cohen Heidi, Marketing Definitions, cited 25.02.2016).

2.2.1 Marketing process

Marketing process is combination of several activities; exploring market opportunities, analyzing and choosing target markets, developing strategies, planning marketing programs, and implementation and controlling it. Marketing process has four stages (Kotler 2000, 50).

Analyzing market opportunities

Initial activity of marketing process is to analyze market opportunities. At this stage marketer seek out opportunities and figure out market potential, market trends, consumer behavior, needs and wants of customers. Modern marketers consider their competitors and pay close attention to main segments of market (Kotler 2000, 50).

Developing marketing strategies

After analysis of market, marketers develop a marketing strategy. The company cannot provide or renders goods and services to all customers; therefore, in this activity marketing professionals divide customers into different segments. Based on company's capabilities and resources, they select the best segments of the market and provide goods/services to target customers. In consequence, they fulfill the customers' needs as well as earn profit (Kotler 2000, 50).

Planning marketing programs

In this phase, they estimate the marketing budget and its allocation on different products/services, sales areas, media and channels (Kotler 2000, 50).

Managing the marketing effort

In last phase of marketing process, marketers execute marketing plan. Marketers pay close attention to marketing activities and evaluate as well as compare targets. They get feedback from customers and manage surprises and disappointments. The ultimate aim is to achieve company's targets (Kotler 2000, 51).

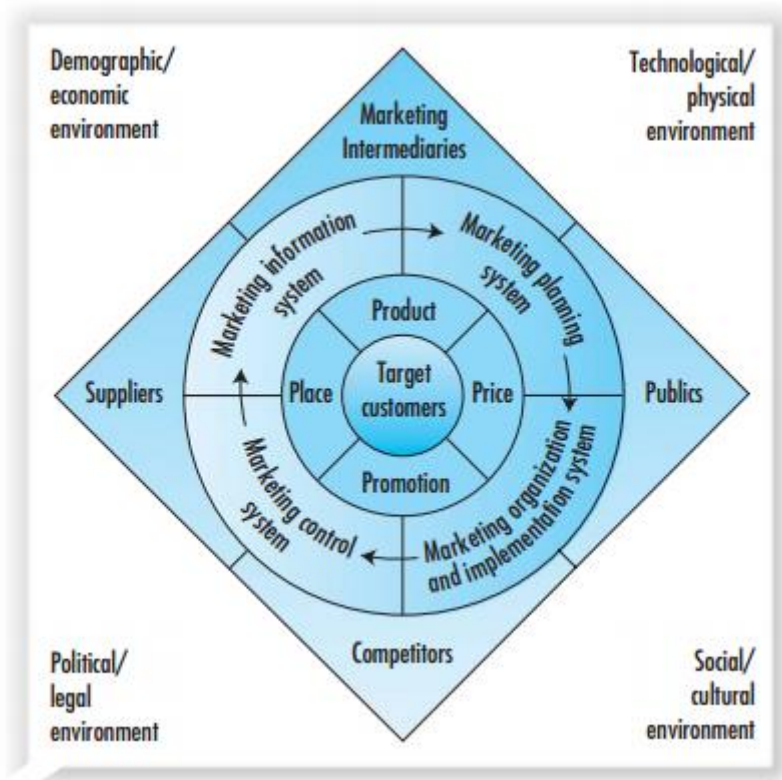


Figure 1. The marketing process and the factors that shape the company's marketing strategy (Kotler 2000, 51).

2.2.2 Market intelligence

Market intelligence is information about company's market activities. Companies always collect and analyze data relevant to market for future decision making such as market strategy and market development (Kotler, Keller, Koshy and Jha 2009, 67).



Figure 2: Market Intelligence (Quirks 2016, cited 25.02.2016)

Market potential

Market potential is estimated sales volume of all suppliers of products/services in a market. For instance; there are three companies working in one market and their individual sales are one, two and three billion euros respectively, then their combined sales volume will be six billion Euros. These six billion Euros are called market potential. (Business Dictionary 2016, Definition, cited 25.02.2016).

Market trends

“A trend is a direction or sequence of events that have some momentum and durability”. For example now a days money transfer companies are launching mobile applications for online funds transfer services. In addition to that, few companies offer incentive to their customers for referral to new clients. Such kinds of events in any market are called market trends (Kotler 2000, 136).

Market segments

Market segmentation is a technique which divides particular market into different segments. Each segment of the market has diverse features against other segments. This tool is really for satisfying customers' needs (NetMBA 2016, Market Segmentation, cited 25.02.2016).

2.3 Customer analysis

Customer analysis is important and complex activity of marketing. Marketing is an art of identifying customers' needs and wants and satisfy them better than competitors. Customer analysis is fundamentally consisting of three phases;

- I. Customer/client/market segmentation,
- II. Target market
- III. Market positioning.

2.3.1 Market segmentation

Market segmentation is a technique which divides particular market into different segments. Each segment of the market has diverse features against other segments. After identification of different customers need, then marketers serve better, for example in one market we divide customers countrywide and then select one country's customers to whom we serve better and gain good profit. This division of customers is called market segmentation (NetMBA 2016, Market Segmentation, cited 25.02.2016).

Need for market segmentation

When a company starts a new business or launches a new product or enters into new market, it is difficult for an enterprise to serve all types of customers immediately. Sometimes, they do not even have resources and capabilities after 5 to 15 years to serve 100% customers in that market. Therefore, they divide customers in several groups based on their characteristics. For instance; there are two persons living in one town Mr. A and Mr. B. Mr. A's salary is 5000€ per month and Mr. B has 2000€. Both are seeking for new apartment in the town. Mr. A hire an apartment for 1400€ on the other hand Mr. B for 700€. They select same size apartment but their locations and rent are different. Because Mr. A has higher income level compared to Mr. B. If in this market a property investor wants to build apartments then he must study the potential customer features such as income level, life style and other associated features, then design new apartments (NetMBA 2016, Market Segmentation, cited 25.02.2016).

Requirements for market segments

Market segmentation is a division of market into different groups, but this division must satisfy the following criteria:

- **Identifiable** Each segment of market must be different from other segment and also measurable, so any one can identifies.
- **Accessible** Segments differentiate in the way that they are accessible for distribution channels and communication.
- **Substantial** Size of segment must be substantial for implementation of marketing plan; resource allocation and output.
- **Unique needs** Segments show diversity of needs for instance; they require different marketing mix.
- **Durable** The segment must be stable, for instance today the company develops a plan for one segment but after 15 days the requirement of segment has changed.

An ideal market segmentation outcome is segments aesthetically heterogeneous and internally homogenous. It means, these are similar within market segment and different between market segments (NetMBA 2016, Market Segmentation, cited 25.02.2016).

Bases for segmentation in consumer markets

There is no specific method to divide customers into several groups. Marketers pay attention to customers' variables in different combinations and sometimes based on one variable for division of consumers. Marketers segment consumer markets based on following four customer characteristics; geographic, demographic, psychographic and behavioral.

Geographic segmentation

Division of customers based on geographic units is called geographic segmentation. Normally geographic units are region, towns, states, cities, nations and many other units. A company may decide to operate in one or few geographic area; it will be convenient for company to advertise and promote their products and services in the market and achieve optimum allocation of marketing budget (Philip Kotler 2000, 263).

Demographic segmentation

Division of customers into different groups based on variables such as gender, age, life style, occupation religion, generation, nationality, family size and social class is called demographic segmentation. It is most popular method of consumer segmentation due to easy measurability (Kotler 2000, 263-266).

Psychographic segmentation

Segmentation of customers based on their activities, interests and opinion is called psychographic segmentation. Sometime, a customer is part of demographic segment but he/she has different interest and activities compared to other members of demographic segment (Kotler 2000, 266-267).

Behavioristic segmentation

Behavioral segmentation is a method of dividing customers on the basis of their knowledge, attitudes, uses, or responses to a product. Several marketers believe that it is the best way of segmentation due to its variable for instance; occasions, usage rate, benefits, user status, loyalty status, buyer readiness stage and attitude (Kotler 2000, 267-270).

2.3.2 Target market selection

Target market is the process of selecting one or more market segments (Kotler 2000, 274).

Target market selection criteria

Two factors have significance for selection of target market;

- Attractiveness of a market segment
- Compatibility of segment to the company

Marketers assess segment attraction for instance; market size, growth rate, competition situation, brand loyal customers, expected profit margin and sales potential in the segment. It is not necessary that larger segments are profitable. If market segment attraction is matched then either it is a small or large segment, it will be profitable. Contrary, if segment does not match attraction then it will be give low level of profit (NetMBA 2016, Market Segmentation, cited 25.02.2016).

Market segment must have attraction and also suitable with company's objectives, capabilities and resources. For instance; company has sufficient resources and capabilities to offer superior products/services to customers as compare to competitors. Either company will get handsome return on investment in this segment and many other factors (NetMBA 2016, Market Segmentation, cited 25.02.2016).

Target market strategies

There are several target marketing strategies having pros and cons;

- Single Segment Concentration
- Selective Specialization
- Product Specialization
- Market Specialization
- Full Market Coverage

Single segment concentration

Selection of a single segment is called single segment concentration. Single segment selection has higher risks as compare to other strategies. This strategy is suitable when marketer have strong knowledge of their customers' needs & wants.

Selective specialization

It is a multiple segment strategy. Companies offer diverse marketing mix to segments. Companies propose one or some times more products to segments. The advantage of this selection is low risk as compare to concentration strategy.

Product specialization

Some enterprises have unique as well as famous products/services. They offer one product/service to different segments. Offering only one product is risky, because any competitor manufactured superior product will collapsed entire market.

Market specialization

In this strategy, companies focus on particular market and offer an attractive range of products/services. This strategy has one main risk is change in buying power of segment.

Full market coverage

Some firms offer all products to entire market that is called full market coverage. Generally large scale companies follow this strategy. (Kotler 2000, 274-276)

The following diagrams show examples of the five market selection patterns given three market segments S_1 , S_2 , and S_3 , and three products P_1 , P_2 , and P_3 .

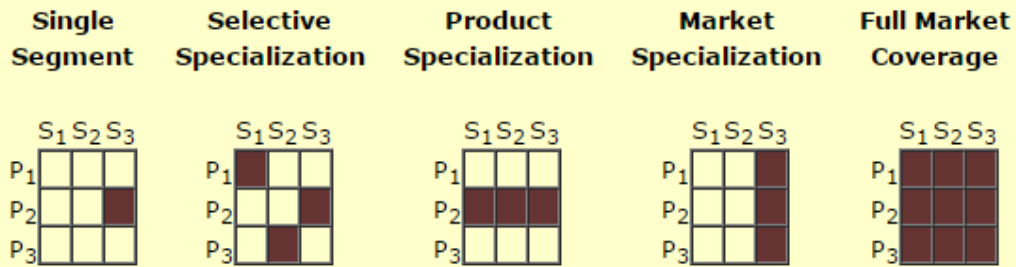


Figure 3: Target Market Strategies (NetMBA 2016, cited 25.02.2016)

2.3.3 Market positioning

Marketing positioning is the process of creation more value of goods/services in the mind of potential customers. Developing and communication of unique features of products/services in the market is called market positioning (Kotler 2000, 256).

2.4 Competitor analysis

Competitor analysis is important and challenging activity. The basic theme is to developing understanding about competitors and making strategy to service customers better than them in market (Pesteanalysis 2016, Marketing Competitors Analysis, cited 25.02.2016).

Following question will help us to analysis of competitors:-

- Who are our competitors?
- What products/services are they offering?
- How much market share do they possess?
- What were their past market strategies?
- Are they using the same market strategy?
- How violent are they on the advertising?
- How competitive are they?
- Are their strengths and weaknesses the same as yours?
- How big of a threat are they to you?
- How do their strategies affect our business?

3 EMPIRICAL RESEARCH FOR IDEAL MONEY TRANSFER

3.1 Market study

Empirical part consists of two portions. First a customer analysis is conducted for the sake of market potential measurement. The second phase is competitor analysis for entry in new market. Customer analysis is initiated with development of questionnaire and distribution of questionnaire as hard copies as well as soft copies. In order to collect market data, 300 emails were forwarded to different persons, only 35 persons replied. In addition to that, printed copies of questionnaires were distributed and approximately 427 out of 600 replied.

3.2 Customer analysis

This chapter briefly describes results of customer market survey. The aim of customer analysis was to collect information about customers at every level to better understand customer behavior and their needs.

Figure 4 shows details about genders distribution. The males were major participants of this survey. On the other hand, slightly low percentage of females' contribution in this survey. Based on this figure, we can pay almost equal attention to both genders in future for development of our business plan.

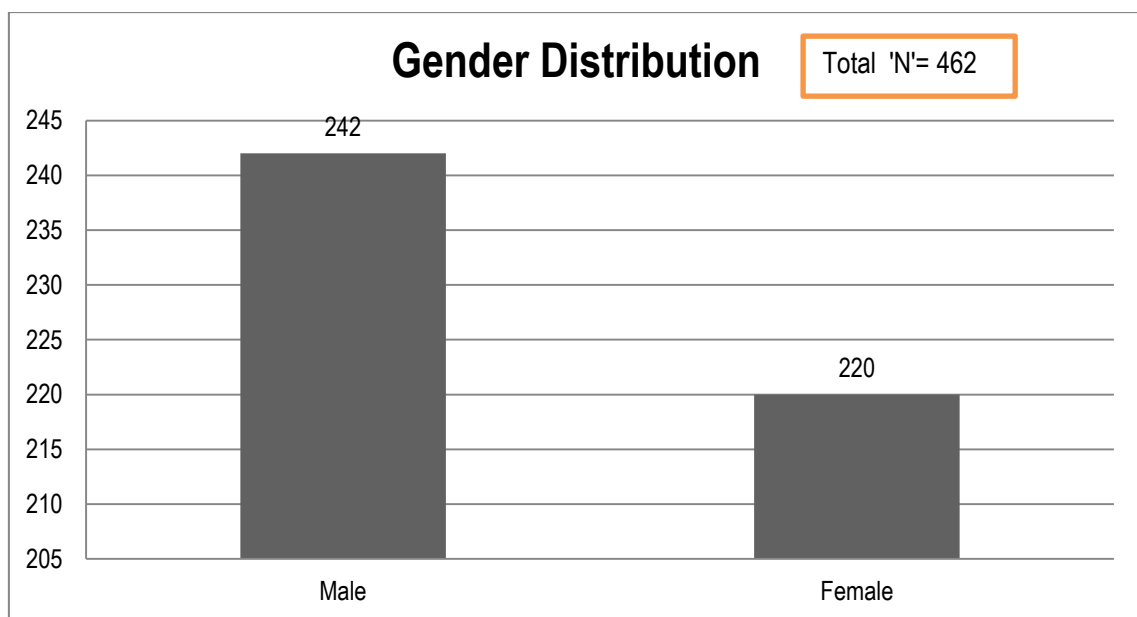


Figure 4. Gender Distribution

The figure 5 presents different ranges of age groups from 20 to 65 years, total number of respondents are 462, who already use money transfer services in Oulu. The highest users belong to age group 31 to 35 years 33,33%. The second largest group ranges 26 to 30 years is 24% of total. Third group 36 to 40 years slightly higher than 20 to 25 years' group 19% and 14% respectively. 41 to 50 years' people had never used funds transfer services. Two groups 51 to 60 year and 61 to 65 years have same share 5% each. Approximately 90% potential customers are young.

Clients from Pakistan, Nepal, China and Vietnam belong to 20 to 25 years and 26 to 30 years' age group. People from Iraq participate in group 31 to 35 and 36 to 40. Based on these results, company focus on younger people compared to elders, while development of business plan and especially marketing communication plan.

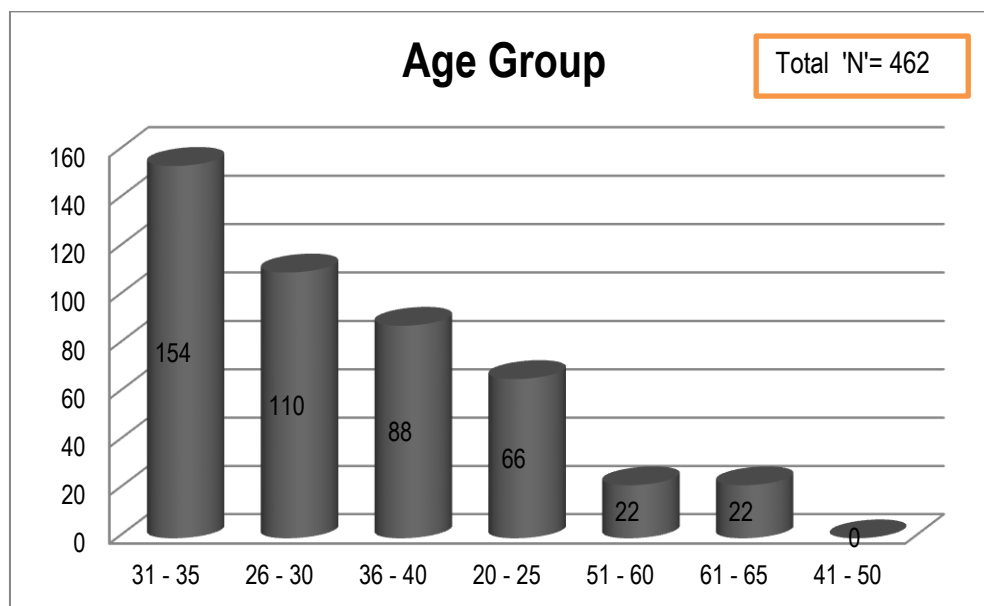


Figure 5. Age Group

Figure 6 describes similar results with age group results. The potential customers have excellent level of education around 76% have bachelor's degrees, because these people are quite young, these persons from Pakistan, China, Vietnam, Nepal and Iraq. Customers having School and Masters Education are parallel in numbers. Doctoral education is half of Master's degree. School and other categories do not represent any client.

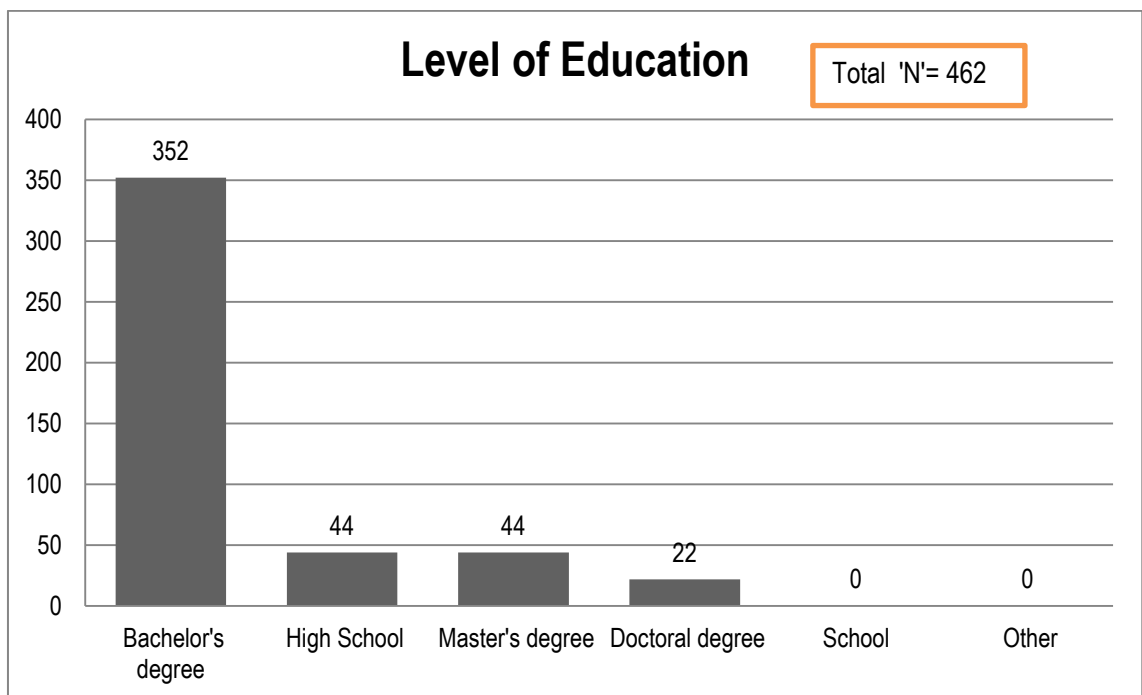


Figure 6. Level of Education

Figure 7 demonstrates life situation of customers. 50.86% customers are employed, 30.95% customers are unemployed, and students are three times higher than pensioner. Most of customers are working in Oulu and they have good employment positions. They frequently send funds to their home countries. On the other hand, second biggest group is unemployed persons, basically these persons are refugees. They do not have good job or permanent jobs, they are receiving money from Government of Finland and a small amount out of which send to their home country for families. Oulu is city of students; a small number of students from Non-EU countries are studying here. They need frequent funds from their home countries on monthly basis. Few people who are living in Oulu for a long time, now they are receiving pension from Government, they also send funds to their home countries but quite small amount.

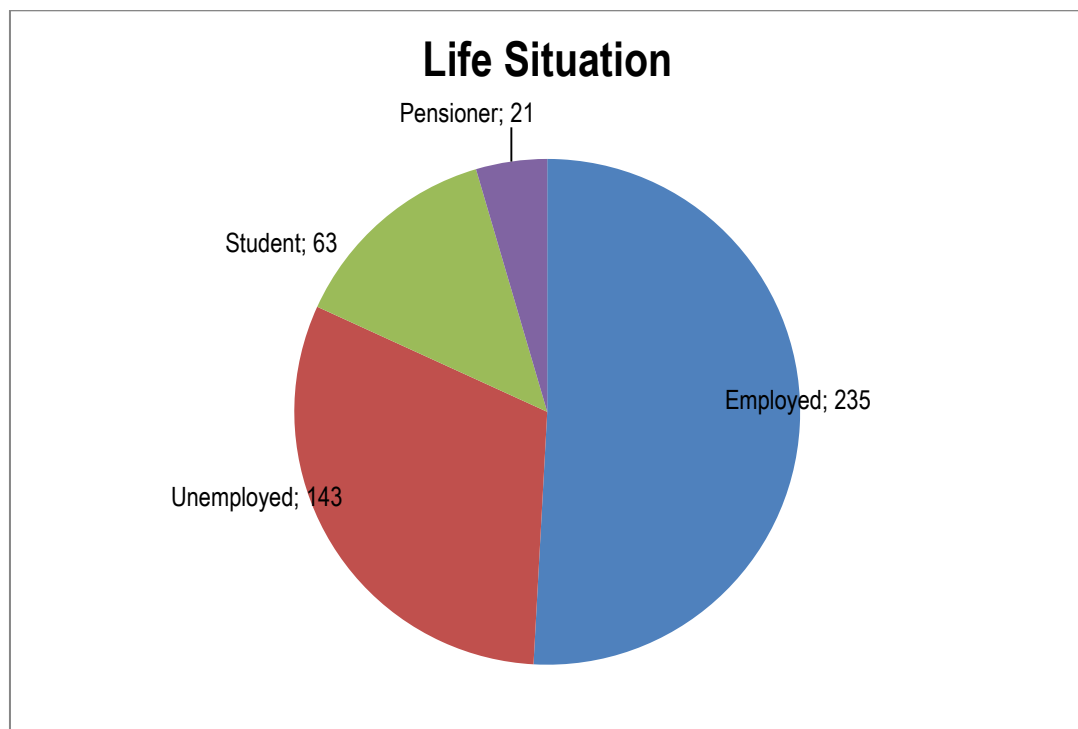


Figure 7. Life Situation

Figure 8 displays the residence location of surveyed customers. Biggest group of customers live in City Centre, then second and third group live in Toppila and Linnanmaa they have same number of persons. In addition to that Tuira and Raksila also have same percentage of persons but they represent 13.63% of total. Lowest persons live in Koskela and double of koskela live in Rajakylä. Persons who have good job positions and some bachelors level students are living in City Centre. Students are living in Linnanmaa and Raksila. Refugees are living in Tuira and Rajakylä. This information is quite helpful for development of business plan in future. Commissioner can develop diverse strategies based on residence location to better access customers.

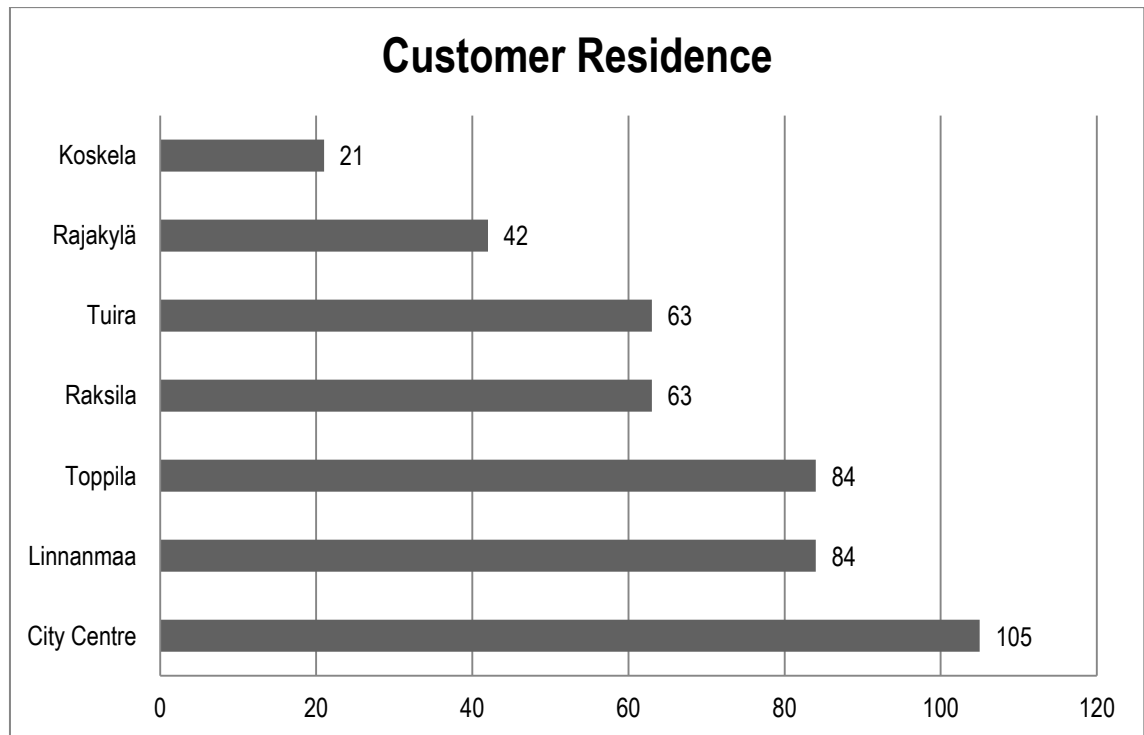


Figure 8. Customer Residence

Brand always has great worth. Figure 9 witness of that, people trust on Western Union brand. 85.71% use Western Union for transfer funds to their home countries. Even though, Western Union charges higher commission and low exchange rate. On the other hand just two companies who used by only two countries people Aftab Currency by Pakistanies and Worldremit by Bangladeshi. Pakistanies are twice of Banladeshi people in this survey, so they are twice of Worldremit. Commissioner further study competitors working style and develop better value added services to gain market share.

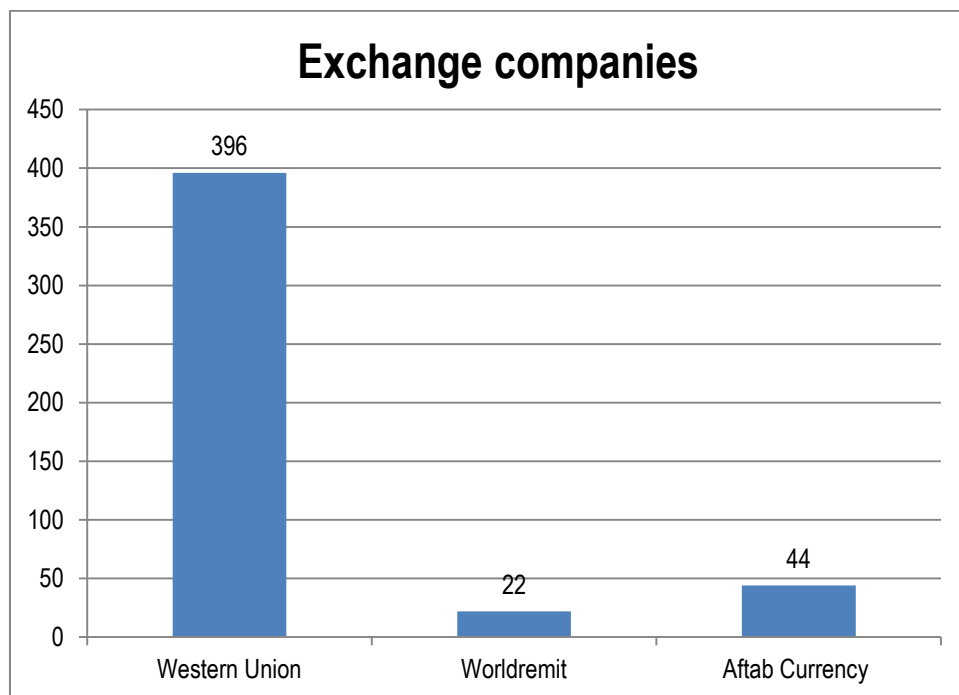


Figure 9. Exchange Companies.

Figure 10 shows the customers nationalities as well as funds transfer destinations. It is quite surprising figures, highest group of customers belong to Iraq represents 28.57%, on the other hand slightly low is Pakistan participate 23.80%. Russia, Somalia and Thailand have same percentage 9.52% each. Bangladesh, China, Vietnam and Nepal also have equal percentage which half of Russia, Somalia and Thailand.

People from Iraq and Somalia are refugees; people from Pakistan, Nepal, Vietnam, China and Bangladesh are students, customers from Russia and Thailand are living with their families. Nationality information is quite handy because in future we can offer more valuable services to customers from country to country and also devise plan for approaching these persons. Customers from Russia and Thailand are doing jobs as well as business. Iraqis' and Somalia's people are unemployed, employed and learning Finnish languages.

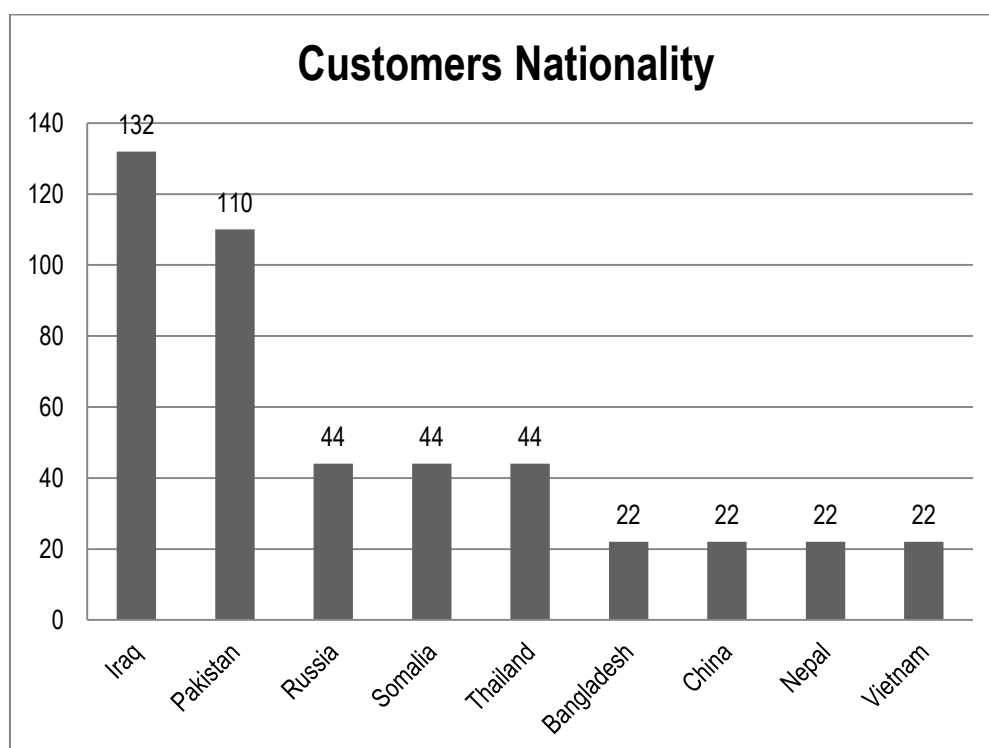


Figure 10. Customers Nationality.

Figure 11 shows fund transfer range by different customers. More than 50% customers are sending funds 701 Euro to 1300 Euro. 28.57% customers are sending funds 301 to 700 €. 14.28% customers are forwarding funds 1301 to 2000 €. Only 4.67% persons are sending funds over 2000€. Employed persons have quite handsome income level and they are sending funds frequently and over 1000€. Refugees have small level of income, so they send money 300 to 500 €. Some persons who have executive jobs they are sending over 1000€.

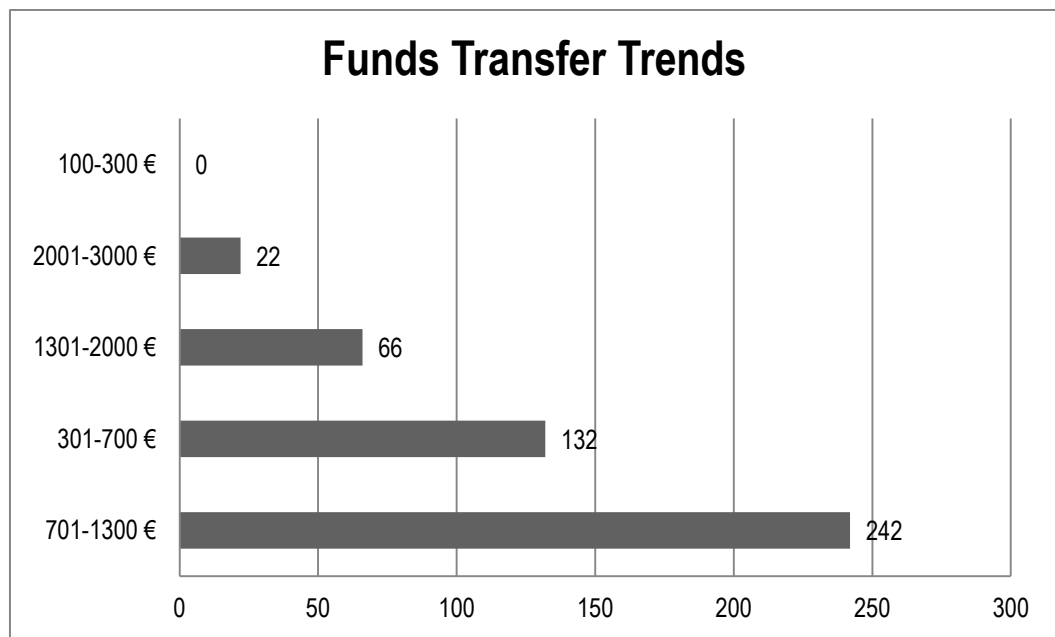


Figure 11. Funds transfer trend.

Figure 12 describes about funds received by the potential customers out of Finland. 90.47% are not using this service and they do not need it. Non-EU students need funds every month, so they received funds through funds transfer companies 301 to 700€. On the other hand, exchange students from EU as well as Non-EU countries using banking system instead of money transfer companies' services. Students from Pakistan, Bangladesh and Vietnam are using these services.

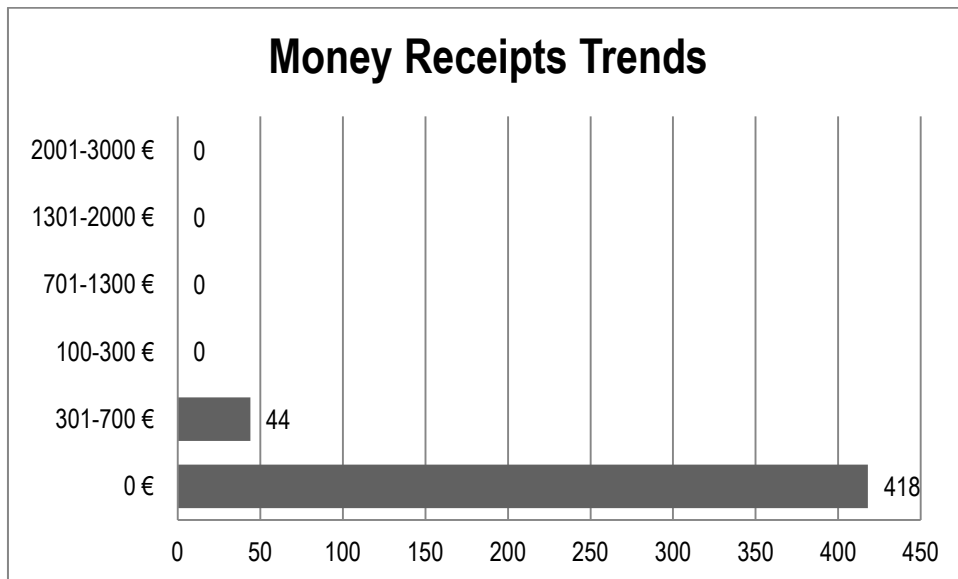


Figure 12. Money receipts trend.

Figure 13 display customers' willingness to send money at money transfer outlet as well as through internet banking. 76.15% are using online services to transfer funds to their home country and rest of using outlet services. Based on these facts, commissioner pay attention on online services and develop mobile applications to gain good market share. In addition to that, if company wants to increase customers in outlet then, it offers more incentives to customers on outlet transactions.

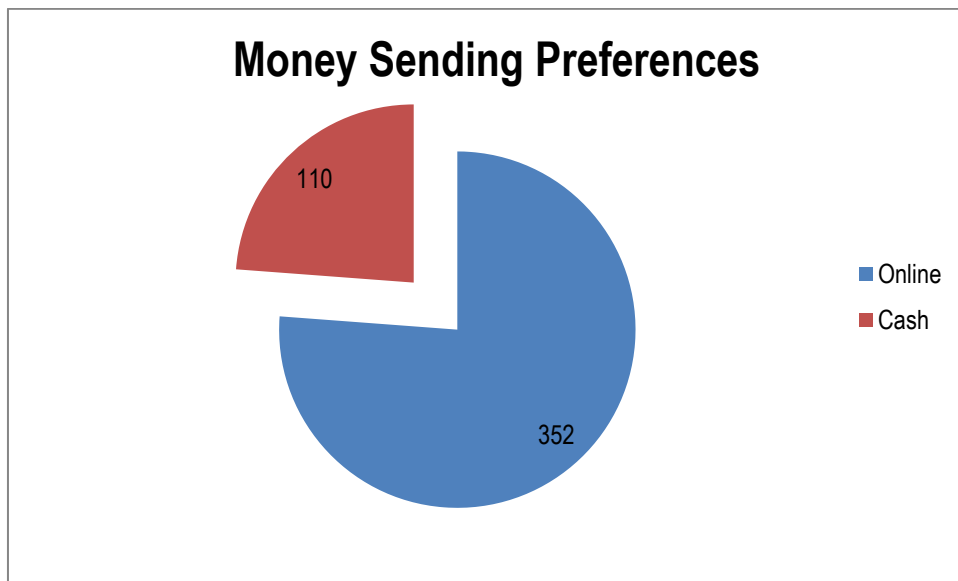


Figure 13. Money sending preferences.

Figure 14 shows money receipts preferences. 80.95% are willing to get money through their online bank account and others are cash at outlet location. This service is using by students, they pay dues like apartment rent, grocery bills and other expenses through online banking and ATM cards. So, they prefer to receive money in their bank account instead of cash at outlet location. Otherwise they need time to go to bank and pay more charges to bank for banks deposit services and transfer funds.

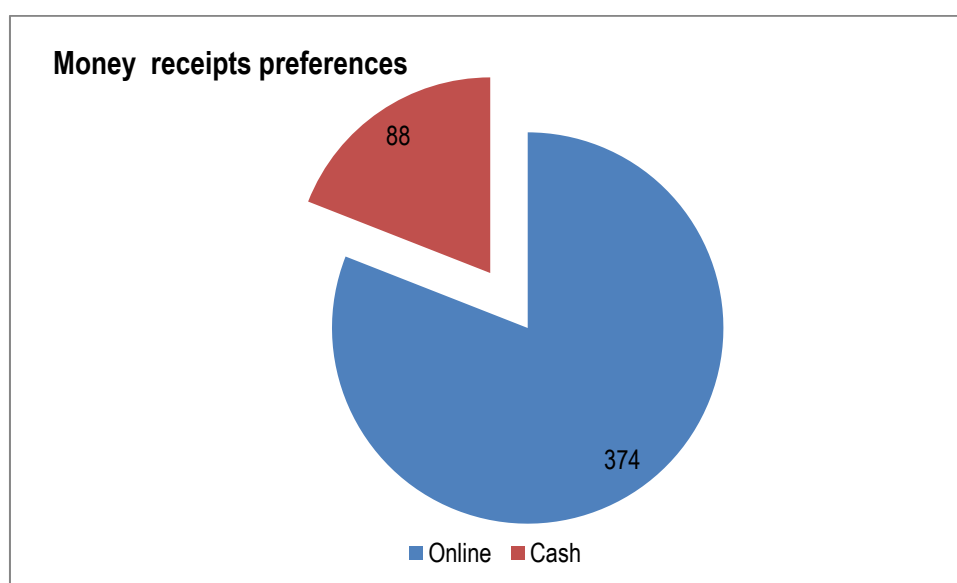


Figure 14. Money receipts preferences.

	Level	Time	Customer Service	Exchange Rate	Location	Brand	Service charges	Total
5	Very important	440	22	330	132	66	374	1364
4	Fairly important	0	198	0	88	88	22	396
3	Important	22	22	110	110	110	22	396
2	Slightly important	0	154	0	110	88	44	396
1	Not at all important	0	66	22	22	110	0	220
	Total	462	462	462	462	462	462	2772

Table 01. Customers level of preferences.

Table 01 describes customer's level of preferences about money transfer company's services. Customers pay more attention to three main factors delivery time of funds, exchange rate and service charges of funds transfer. They also considered customer services, locations and brand.

Figure 15 demonstrate delivery time of funds. 95.23% persons focus on time while selection of funds transfer company services, remaining can adjust it with exchange rate or service charges. People have different sources of income and their payments dates vary. On the other hand their families waiting for payments in home countries. They are paying different dues on monthly basis, so customers want to send money within short period of time. Normally Western Union offer two services, first customer's beneficiary will receive money after 5 minutes after execution of transaction. Second beneficiary can receive money in his account with 2 to 3 days. Numerous customers are using 5 minutes services instead of 2 to 3 days services. Western Union charges more commission in 5 minutes services and offer less commission on other services. Another important aspect is exchange rate, in 5 minute service they offer low exchange and better exchange rates in other services. Commissioner company design different services to customers but pay attention to time.

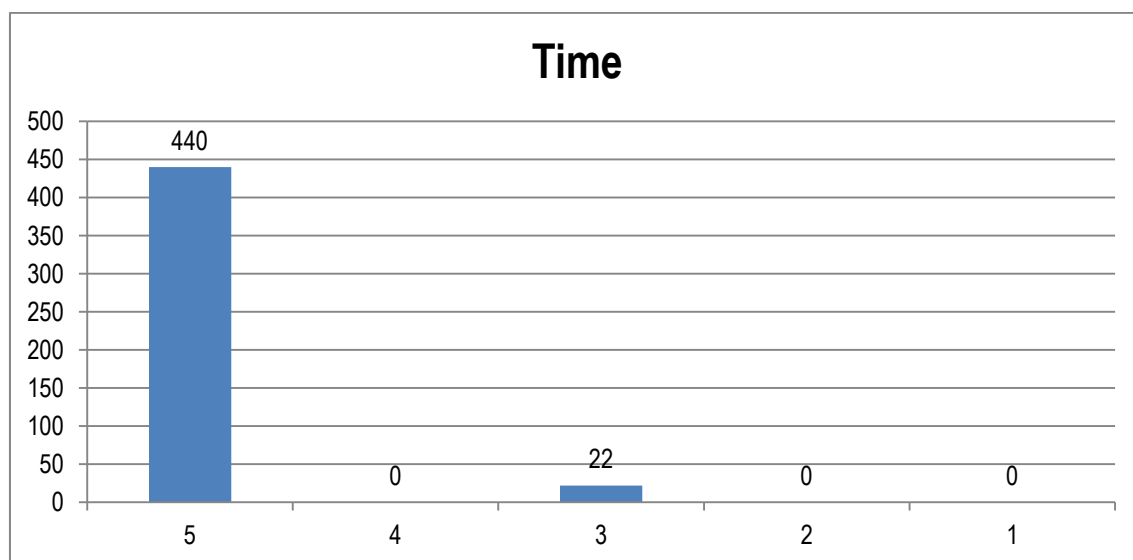


Figure 15. Delivery time of funds.

Customer service always a good tool for companies to develop their goodwill in the mind of their customers. Both type of customers either they are using online service or offline services of any company they need such kind of services. In the field of money transfer services, mostly customers are quite satisfied with their services but still 14.28% consider it too important. 33.33% also pay special attention to it. 42.85% persons have opinion of just follow up to customers. At the moment, Western Union contacts their customers through phone call. But new companies offer more contact channels especially social media. In these days they contact their customers through Facebook, Skype and many other platforms.

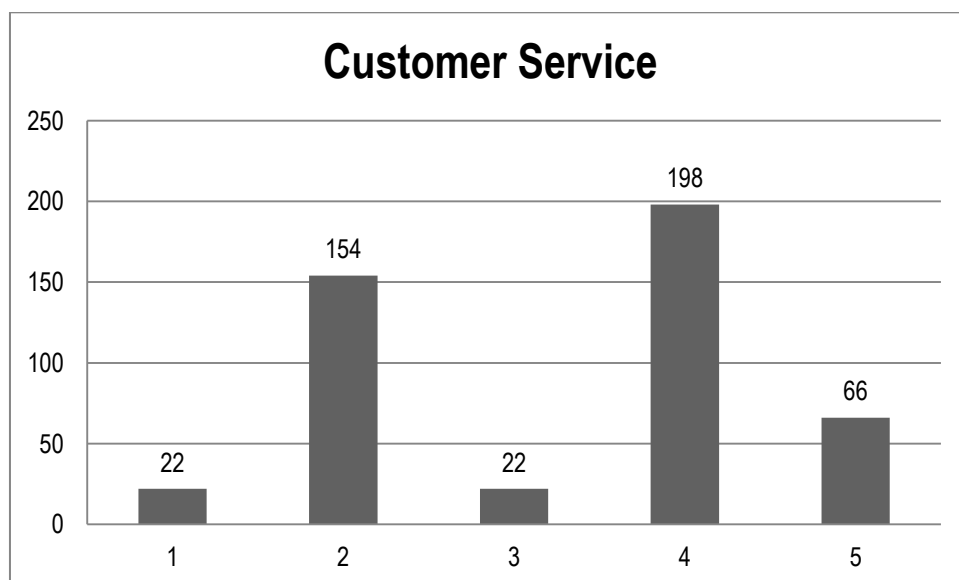


Figure 16. Customer Service

Figure 17 shows customer opinion about exchange rate. We have seen that most of the customers are paying more attention to the exchange rate. If Exchange Company offers more exchange rates then his beneficiary will receive more money. 71.42% customers pay attention on exchange rate for selection of any company service. 21.64% compromise with delivery of time with exchange rate. 4.76% do not pay full attention on exchange rate. Western Union offers low exchange rate on 5 minute services and high exchange rate on 2 to 3 days services. Exchange rate also ways different based on location and service package. If lead time is high then low exchange rate and vice versa. Company studies the behavior of customers and offer better exchange rates.

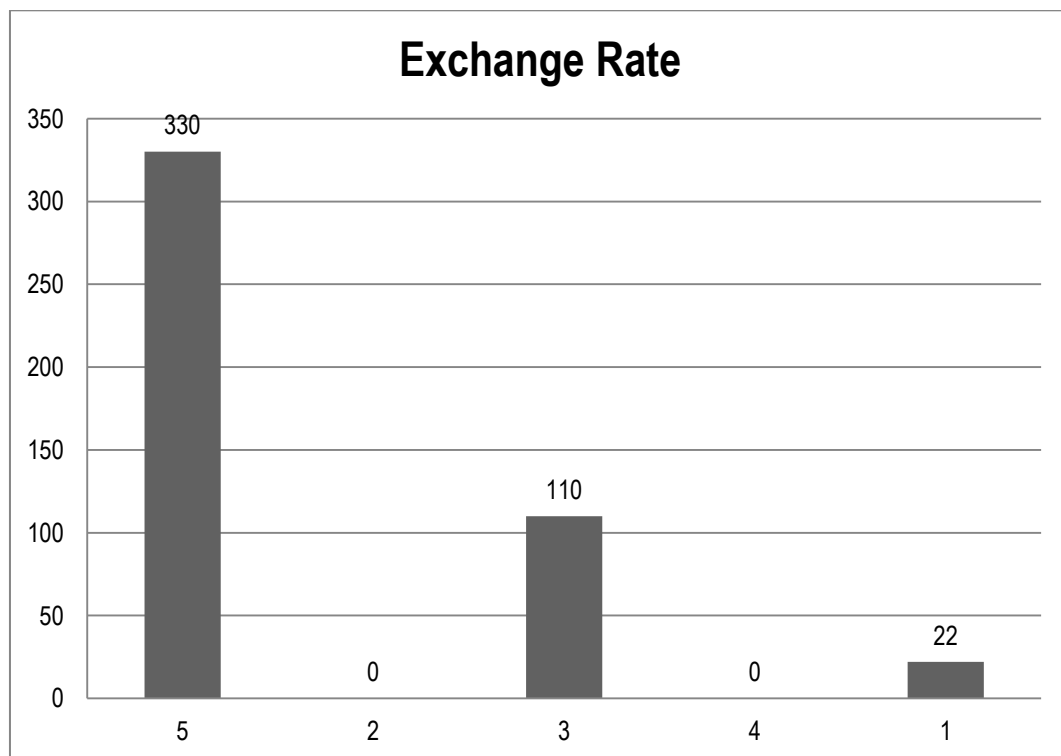


Figure 17. Exchange Rate

Figure 18 shows customers focus on funds forward and receipts locations. 28.57% customers pay higher preference to location while sending or receiving money from any company. 19.04% customers pay slightly low focus on location. Every customer wants to use funds transfer services near to his house or work location. But still they pay average attention to this factor as compare to exchange rates and lead time. Company starts his office, where more customers are willing to use services.

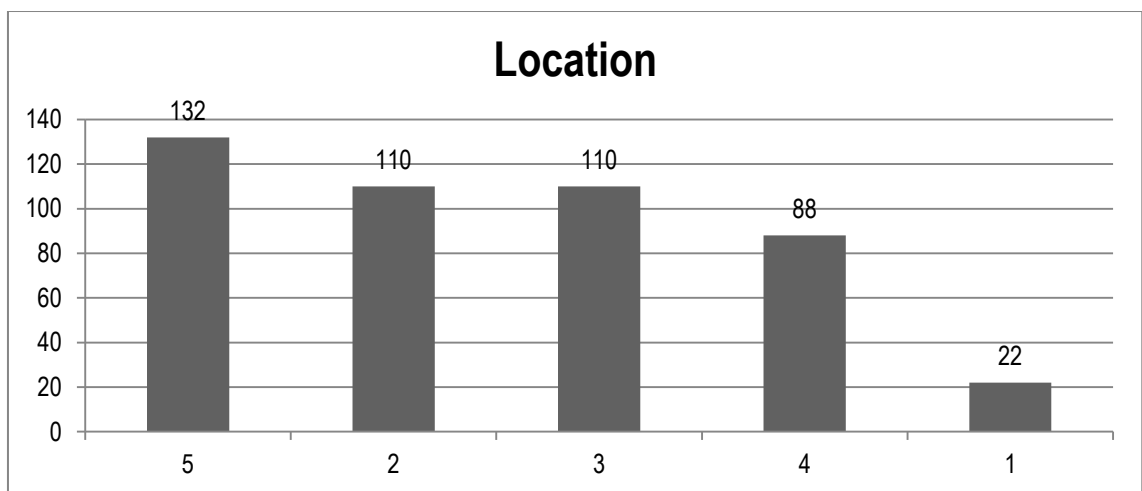


Figure 18. Location

Figure 19 show customers opinion about brand. Approximately more than 90% customers are using only one company service that is Western Union but still they have different opinion about brand. 24% customers are using brand service instead of delivery time and exchange rate. Another 24% pay relative low attention to brand.

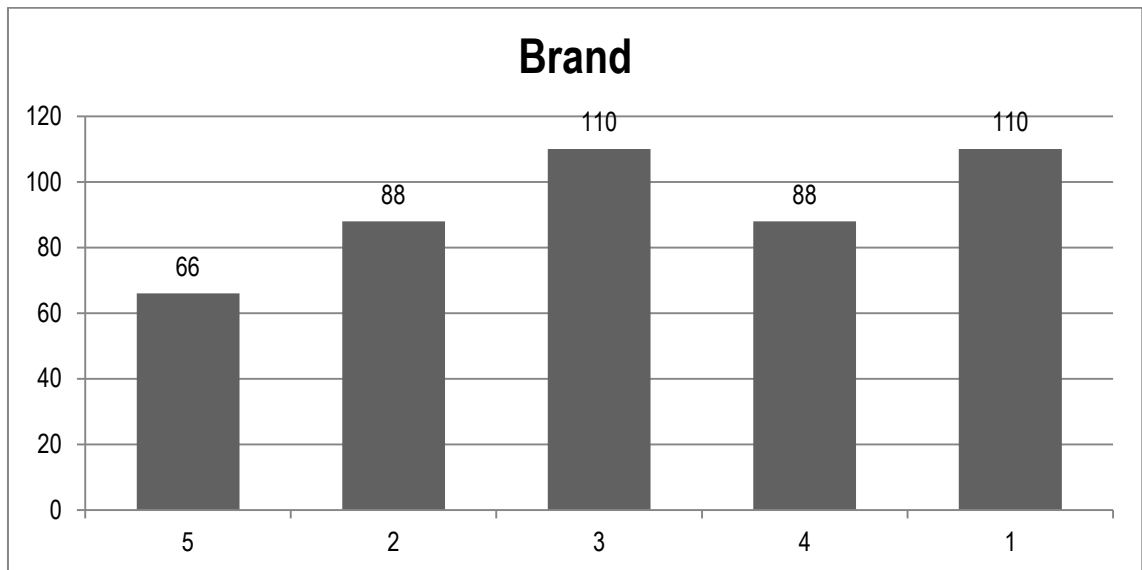


Figure 19. Brand

Figure 20 demonstrates customer preferences about service charges. 80.95% customers concentrate on service charges as compare to brand and delivery time. Other customers pay comparatively less attention. Companies offer different service charges based on location, lead time, service package and many other factors. For instance, Western Union offer 4.99€ upto 500€ on online service. On the other hand it offer 20€ up to 500€ on outlet location. It also varies from country to country. But commissioner analyzes his target customers and design better service charges offers.

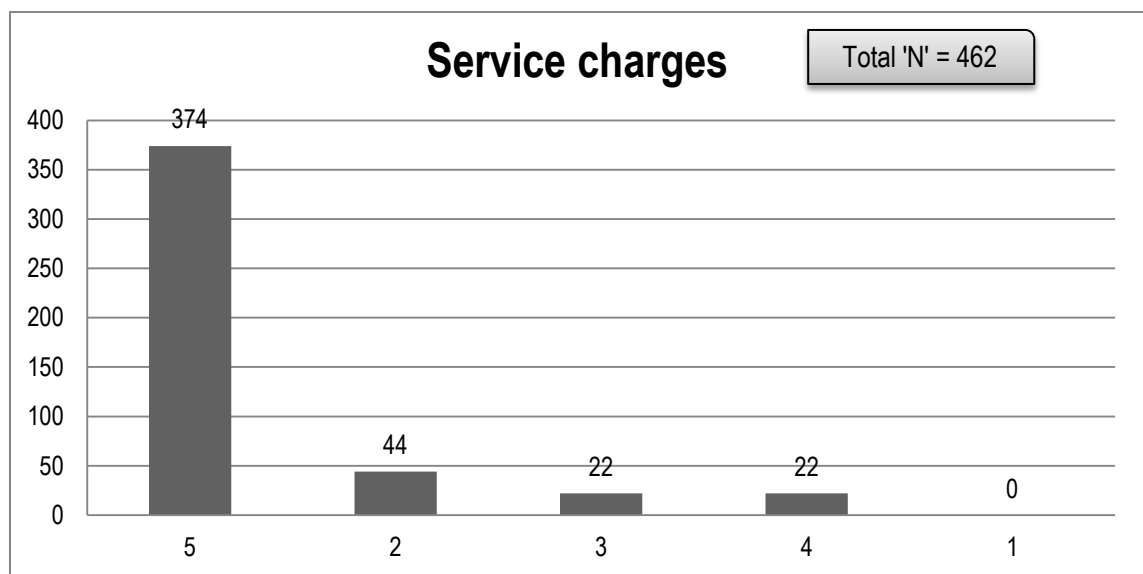


Figure 20. Service Charges.

3.3 Competitor analysis

For entering in a new market is quite challenging. A new company only survives when it offers the better services at comparatively low price than competitors. In Oulu, Western Union is only competitor who has service different locations outlets (Pesteanalysis 2016, Marketing Competitors Analysis, cited 25.02.2016).

Following are service location of Western Union in Oulu;

Visit a Western Union® agent location near Oulu, Finland to send or receive money fast.

Western Union® is a quick and reliable way to send or receive money in worldwide locations such as supermarkets, check cashers, and convenience stores.

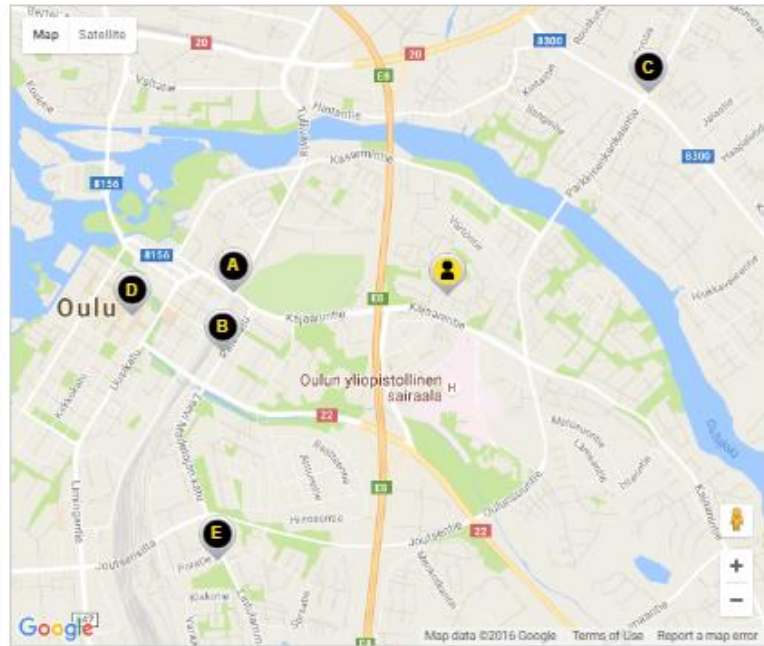
Search By: Address Agent Name

Country: Finland City: Oulu Postal: 90230

Western Union Services?
 Money Transfer Money Transfer to a Bank Account Mobile Money Transfer
 Quick Pay

> Report a problem with a location

A	STOCKMANN OYJ WU RETAIL Palvelupiste Kirkkokatu 14 Oulu, 90100 +358-800-141414 Hours & Info Directions Share	1.43 km
B	MATKAHUOLTO WU RETAIL Linja-autoasema Ratakatu 6 Oulu, +358-800-141414 Hours & Info Directions Share	1.66 km
C	SHELL OULU HAAPALEHTO Parkkisenkankaantie 5 Oulu, Pohjois Pohjanmaa 90650 +358-800-141414 Hours & Info Directions Share	1.91 km
D	FOREX BANK Kauppurienkatu 13 Uleaborg, Norra Osterbotten +35-8207512681 Hours & Info Directions Share	2.11 km
E	ST1 OULU KARJASILTA Poratie 1 Oulu, Pohjois Pohjanmaa 90150 +358-800-141414 Hours & Info Directions Share	2.33 km



Visit a Western Union® agent location near Oulu, Finland to send or receive money fast.

Western Union® is a quick and reliable way to send or receive money in worldwide locations such as supermarkets, check cashers, and convenience stores.

Search By: Address Agent Name

Country: Finland Street: Peltolankaari City: Oulu Postal: 90230

Hide Search Filters

Western Union Services? Money Transfer Quick Pay Money Transfer to a Bank Account Mobile Money Transfer

> Report a problem with a location

A	SHELL OULUNSALO 8.16 km Tetriantie 2 Oulunsalo, Pohjois Pohjanmaa 90460 +358-800-141414 Hours & Info Directions Share
B	SHELL OULU PATENIEMI 8.80 km Kajantie 1 Oulu, Pohjois Pohjanmaa 90800 +358-800-141414 Hours & Info Directions Share
C	SHELL KEMPELE SOHJANANTIE 11.10 km Sohjanantie 1 Kempele, Pohjois Pohjanmaa 90440 +358-800-141414 Hours & Info Directions Share
D	SHELL KEMPELE ZEPPELIN 12.20 km Zeppeliintie 1 2 Kempele 2, Pohjois Pohjanmaa 90450 +358-800-141414 Hours & Info Directions Share
E	SHELL II 34.47 km Leipojantie 1 Ii, Pohjois Pohjanmaa 91100 +358-800-141414 Hours & Info Directions Share

Figure 21. Western Union Locations, (Western Union, cited 20.05.2016)

Western Union is a big multinational company all over the world. Their service charges are higher and exchange rates are low as compare to commissioner company's services. Here is one service charges and exchange rate comparison:-

Now based on figure 22 and 23, customer will benefit 10,64€ on every 500€ money transfer while leaving the Western Union as explain in figure 24.

Small World Finland - Small World LOGIN REGISTER

[More Information](#) [Track My Order](#) [Money Transfer](#)

Send money

- Cash Pickup
- Mobile Top-Up
- Bank Deposit
- Track My Order

Best available Online Pricing

50.00 EUR	0.99 EUR
100.00 EUR	0.99 EUR
250.00 EUR	0.99 EUR
500.00 EUR	0.99 EUR

Ramadan Mubarak!
Place 1 free online money transfer, every week during Ramadan!

Send Money to Pakistan

5,760 available destinations

Ramadan Kareem! Small World wishes you and your loved ones a blessed Ramadan. On this joyous occasion we want to help you feel closer to your family. For this we have a special promotion for you: every 7th day, one free online money transfer to Pakistan, from 6th June to 6th July!

Send Money Online

From: Finland Euros

Send Money to: Pakistan Pakistan

Delivery Method: Cash Pickup

Amount to Send EUR:

Best Available Exchange Rate Online: 118.3000 EUR

Fee: 1.99 EUR

Beneficiary will receive: 11,830.00 PKR

Figure 22. Smallworld, (Send Money Online, cited 07.01.2016)

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Finland English

[Sign In](#) [Register](#) | [Money Transfer](#) [Find a Location](#) [Transfer Status](#)

Calculate Price for Online Services

Pricing calculator

Send money to:

Pay with:

Delivery method:

Amount to send: EUR

Amount to receive:

Maximum online transfer is 5000.00 EUR. [Learn more.](#)

Transfer summary

Speed:	Sending to:	Fees:
• In minutes	Pakistan	4.90 EUR

** Exchange rate: 1 Euro (EUR) = 116.5082427 Pakistan Rupee (PKR)

Amount we will send:	500.00 EUR
Transfer fee:	4.90 EUR
Total price:	504.90 EUR
Amount paid to receiver:	58254.12 PKR

[Register Now](#) [send money now](#)

Figure 23. Western Union (Calculate Price, cited 07.01.2016)

Description	Western Union	Commissioner	Difference
Amount in €	500	500	0
Service charges in €	4,90	1,99	2,91
Exchange rate	116,5	118,3	-1,8
Amount in PKR	58250	59150	-900

Amount difference in €	7,73
Service charges differences in €	2,91
Total difference	<u>10,64</u>

Figure 24. Comparison of Competitor Prices

Commissioner also has many other options for different countries, which will be more beneficial for potential customers.

There are three competitors in this market Western Union, Aftab Currency Exchange and World Remit. They are offering same services; firstly customers can send funds within minutes from bank account or outlet locations to beneficiary bank account or outlet locations across the world. Secondly customers can send funds from bank account to beneficiary bank account 2 to 3 days. At the moment Western Union is the market leader and others have minor share in the market. Western Union is market leader due to big network of outlet locations across the world. It operates 215 countries, in addition to that millions of outlet locations. Other competitors are working in few countries and small number of outlet locations. But Western Union has Brand loyal customers. In these days, other companies offer higher exchange rates but still they have small market share. Western Union has more strengths as compare to competitors in terms of locations worldwide. Western Union has more effective marketing plan than others. Other competitors pay more attention on social media but still plenty of factors they cannot covered.

4 CONCLUSIONS

All in all, it seems that there Oulu could be a good place to start money transfer business. Primarily there are only few competitors in the market and Commissioner Company could compete while offering better services in the market. Potential clients mainly belong to Non-EU countries. Mostly customers work in Oulu and their family members are living in home country. They frequently send funds to their families on a monthly basis. On the other hand, Non-EU students also use money transfer services because they need funds for their daily expenses. Prevailed bad law and order situation worldwide; people are migrating to other countries. A significant number of persons come from several countries to Oulu. These persons are living alone and their families are away. They are also sending funds to their families but on a low level. Last group of customers are Finns; who also use money transfer services in exceptional cases.

Prospective customers belong to 9 countries and they are employed, unemployed, students, refugees and pensioners. Persons from Pakistan, China, Vietnam, Nepal and Bangladesh are studying in Oulu in Bachelor's, Master's and Doctoral programs. Customers from Russia and Thailand are employed. Clients from Iraq and Somalia are refugees. The majority of customers have permanent income level, so this business has quite strong base as well as growing number of customers. Due to market survey, it is easy for commissioning company to develop good business plan based on customers' preferences.

Customers need services at low charges, higher exchange rates, and less funds transfer delivery time. Approximately 25% of the customers are Brand conscious, so it is quite hard to divert them. The Company could initially focus on employed persons and achieve market share.

The company needs an attractive marketing communication plan to enter the market. Because in past some individuals initiated such kind of business but due to lack of customer's connection cannot run business properly.

5 DISCUSSION AND RECOMENDATIONS

This project looked like an easy task but it required massive efforts. At initial stage we supposed to complete it within one to two months but as time goes on it become more and more challenging. The most difficult part was market survey. On the other hand meeting different people from various countries, speak their native languages, diverse cultural background is also a challenging part.

We devised plan to conduct market survey in different phases. First, we approached educational institutions for instance Oulu University of Applied Sciences, Oulu University, and many other educational units where foreigners are studying. Secondly we approached different markets like Prisma, K City Market, Sale, Siwa, Lidl, K Super Market, S Market, and many small shops and stores. Thirdly we contacted different community representatives for instance Pakistan, Nepal, China, Vietnam, Russia, Somalia, Iraq, Thailand, India, Bangladesh and different other countries for collection of information through questionnaires.

First we assumed that the empirical framework will take two to three weeks but it became difficult as time elapsed. Every day visit markets 5 to 8 hours on different locations. We also request some Finnish friends to help us for these tasks as well as few foreigners representative. Without their help we could not complete this task. In addition to that, join different community's events and gathering places from time to time. At start people were hesitating to answers questioners but gradually we understand different cultural behavior and finally complete work.

During this project we develop several skills for instance; contact management, interviewing, time management, event management, customer service management, data management, documentation management and many smaller skills. Hopefully these skills and contacts will be helpful in our future career.

After research on Oulu money transfer market, we think that our commissioner should pay attention on following grounds.

Western Union has high market share and they offer two packages to customer. First package you can send funds online up to 5000 Euros for only 4.99 Euros within 5 minutes across the world. Second package you can send funds in bank accounts within 2 to 3 days without any commission or service charges. Based on these packages our Commissioner Company offers

same as well as better packages in the market. On the other hand, company already has one competitive advantage over competitors that is better exchange rate. If company offers higher exchange rate then within short period of time Commissioner Company will become a market leader. Because customers pay more attention to exchange rates as compare to lead time, brand, customers services and other factors.

We also suggest that first target group would be people from those countries to whom company offer better services as compare to competitors for instance in this market survey, people from Russia and Thailand have strong income level and they are sending money frequently at high level. If Commissioner Company offers them competitive services and gain market share and gradually target other countries customers one by one or in different groups. This strategy will give effective results in short time.

Company should also develop effective market communication plan in advance. Because in past many businessmen try to operate these kind of businesses in Oulu but due to lack of communication of company services to prospective customers, they cannot survive long term. It is also a good topic for thesis in future for upcoming students to develop marketing communication plan for this company.

Company should also develop mobile applications and official website for online transactions. Because customers do not wants to visit any office or outlet. Company should have to offer some incentives to bring the customer to the outlets.

Commissioner Company should evaluate customer survey results and based on their past experience and current trends of money transfer business, designed services on customers' needs. Commissioner Company should further divide their customers into segments like country wise and offer competitive packages. They should also formulate an attractive marketing communication plan to approach customers in the market. Commissioner could visit Oulu market personally or any marketing person before starting business. Company could launch website for city of Oulu and offer all up to date services and also offer all and all online services. Company should pay special attention on social media and shares their new services as well as exchange rate instantly to their prospective clients.

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7 APPENDIX



Money Transfer Services Oulu

1. Gender *

- Male
- Female

2. Year of birth

2017

3. Level of Education *

- School
- High School
- Bachelor's degree
- Master's degree
- Doctoral degree
- Other

4. Occupation

5. Residence location (Where do you live?)



6. Have you used money transfer services before?

- Yes
- No

7. Which money transfer service you used. (Bank transfer, Western Union, Moneygram or any other).

8. Have you received money through money transfer services?

- Yes
- No

9. Do you care about the brand of the service providers? *

- Yes
- No

10. From where do you get information about money transfer companies? *

- Internet
- TV
- Radio
- Newspaper
- Others

11. To which country do you send money usually?

12. From which country do you received the money?

13. How much money do you usually send out of the country? *

- 100-300 €
- 301-700 €
- 701-1300 €
- 1301-2000 €
- 2001-3000 €

14. How much money do you usually receive from money transfer services? *

- 100-300 €
- 301-700 €
- 701-1300 €
- 1301-2000 €
- 2001-3000 €

15. From where (area in Oulu) do you prefer send or receive money?

16. Do you prefer to send money online or cash? *

- Online from your bank account
- By cash at agent location

17. Do you prefer to receive money online or cash? *

- Online to your bank account
- By cash at agents location

18. How important when you are sending or receiving money through a money transfer company.

	5	4	3	2	1
Time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exchange rate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pick up locations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service charges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>