

Kätlin Jurs

Buying behaviour toward electrical power tools

A study into the decision making and selection of power tools for purchase by Finnish construction professionals

Helsinki Metropolia University of Applied Sciences

Bachelor's in Business Administration

European Management

Buying behaviour towards electric power tools

05 May 2017

Author(s) Title	Kätlin Jurs Buying behaviour towards electric power tools: Study into the mind of the Finnish construction industry professional
Number of Pages Date	33 pages + 1 appendix 5 May 2017
Degree	Bachelor of Business Administration
Degree Programme	European Management
Specialisation option	Entrepreneurship
Instructor	John Greene, Supervising Lecturer
<p>The objective of the thesis is to examine consumer behaviour of Finnish construction professionals towards purchasing electric power tools in Finland and to analyse whether Rebir products could potentially reach the Finnish consumer.</p> <p>Rebir is a Latvian manufactured electric power tool brand with a broad and multifaceted product range directed towards professional end-users. Although the brand is well known and vastly used in Eastern Europe, it is a brand known among the Finnish consumers. Therefore, this study is done on behalf of Rebir to research consumer behaviour towards purchasing electric power tools in Finland to determine whether Rebir products could potentially reach the relevant market.</p> <p>The research was carried out through a quantitative methodology and the data was collected with the aid of a questionnaire. There were 225 questionnaires distributed in total, 173 were fully completed and collected, and 133 questionnaires were used in the analysis as they fulfilled the sample criteria.</p> <p>The results of the questionnaire revealed that the average Finnish construction industry professional that uses electric power tools and has a high degree of decision power regarding the purchase of that specific tool is predominately male in the age 25 to 50 years old. Moreover, it was found that the construction industry in Finland largely consists of small businesses and small independent contractors. Consumers in the construction industry purchased electric power tools often and they mostly participated in these purchases to a high degree. It was found that electric power tools are usually purchased from large retail chain stores but information on purchases is relied on online sources and industry advisors. The most valued qualities perceived for an electric power tool were product quality, price and durability whereas the brand Bosch was perceived to be most popular.</p> <p>The results of this thesis provide a good foundation for the Rebir brand in determining whether the Finnish construction industry professional can be reached. All in all, it was found that Rebir products could reach Finnish construction industry professionals on the basis of wanted product characteristics and it was recommended that Rebir should focus on establishing brand value through online reviews and industry advisors to best reach the customer. It was also recommended that they focus on the buying centre to reach key in-</p>	

fluencers and deciders in the purchases. Further research is however needed to determine a better understanding of consumer as well as business buyer needs and wants.

Keywords

consumer behaviour, electric power tools

Contents

1	Introduction	1
2	Literature review	2
2.1	Marketing process	2
2.2	Consumer behaviour	6
2.3	Buying decision behaviour	9
2.4	Business buyer behaviour	13
3	Methods	17
3.1	Research objectives	17
3.2	Research methodology	17
3.3	Questionnaire design and data collection	19
4	Results and analysis	20
4.1	Market overview	20
4.2	Customer needs and wants	23
4.3	Decision making process of buying electric power tools	26
5	Conclusions and recommendations	31
	References	34
	Appendices	
	Appendix 1. Questionnaire in English	

List of Figures and Tables

Figure 1. Marketing process.

Figure 2. Abraham Maslow's hierarchy of needs model.

Figure 3. Stimulus-Response model.

Figure 4. Factors influencing consumer behaviour.

Figure 5. Buyer decision process.

Figure 6. Four types of buying behaviour.

Figure 7. The O-continuum, from O-independent to O-dependent.

Figure 8. A model of business buying behaviour.

Figure 9. Major influences on business buying behaviour

Figure 10. Stages of business buying behaviour

Figure 11. Decision-making power towards electricity powered hand tools purchases.

Figure 12. Importance of product features among Finnish construction professionals.

Figure 13. Preferences of places for acquiring information about products.

Figure 14. Types of participation regarding electric power tool purchases.

Figure 15. Degree of influence regarding electric power tool purchases.

Figure 16. Perception of different electric power tools brands based on qualities.

1 Introduction

There were over 200 million units of electric power tools sold globally in 2015 accounting for over 70% of the total market share and their sales are expected to dominate the global market in the coming 10 years. On the basis of the end-user sector, the industrial segment, including construction, accounts for and is expected to remain the highest sector regarding purchases (Future Market Insights 2015, Market Intel Reports 2017). Finland is part of the Nordic market and has great potential for power tool sellers; however, there is little research done on consumer buying behaviour within the power tools sector. This study was undertaken to understand consumer buying behaviour towards electricity powered tools in Finland. More specifically, this study focuses on the buying behaviour of Finnish construction professionals. There are no studies currently available that aim to better understand the mentioned consumers in Finland regarding the specific topic. A better understanding on the buying behaviour of this specific customer would provide value for not only power tools sellers but also creates a greater potential in best meeting the needs, wants and demands of the consumer in question.

Rebir is a Latvian manufactured electric power tool brand with a broad and multifaceted product range directed towards professional end-users. Rebir power tools have been designed for use in the construction industry. The product range consists of electricity powered tools including sanders, grinders, chainsaws, jigsaw, circular saws, mixing machines, electric planers and electric drills that are of high quality, durable and powerful. Rebir products are positioned for professional end-users who purchase them from stores across Eastern Europe in Russia, Ukraine, Kazakhstan, Belarus, Poland, Latvia, Lithuania, Estonia and Moldova. Although customers are segmented into professional end-users and non-professional end-users, the product focus is mostly on two segments that benefit most from the products: surface contractors, and specialised or technical contractors. In addition, the target market in each country slightly varies according to customer needs and wants in that country.

The manufacturing company has earned a reliable reputation during 45 years of sales in its main markets Russia, Ukraine, Kazakhstan, Belarus, Poland, Latvia, Lithuania, Estonia and Moldova. Although Rebir is one of the fastest growing European power tool brands, it has not been fully introduced to the Nordic markets. Moreover, even

though there is a multitude of electric power tool brands available in Finland, including several market leaders such as Bosch, according to Estonian Rebir distributors, awareness and curiosity towards the Rebir brand has been growing, as Finnish consumers have shown strong interest in buying and using Rebir power tools. Therefore, Rebir has proposed the author to research consumer behaviour towards purchasing electric power tools in Finland to determine whether Rebir products could potentially reach the relevant market.

The aim of this thesis is to investigate the behaviour, perception and attitudes of Finnish construction industry professionals towards purchasing electric power tools to analyse whether Rebir products could potentially be sold to the Finnish consumers. Hence, the outcome of the study is an identification, analysis and in-depth insight of the main factors that influence the purchasing decisions of Finnish construction professionals towards electric power tools. Subsequently, the thesis provides a contribution for the Rebir company, as to gain better insight into the mind of the Finnish target customer and provide assistance in determining the feasibility of entering the Finnish electric power tool market. The main tool used as a basis for the findings and reaching the objectives is a survey distributed to a sample population in the target market.

2 Literature review

In order to review the potential for Rebir in the Finnish market it is important to first review marketing and consumer behaviour theory. The marketing process covers how a customer is determined, how a customer is targeted and how a product is differentiated and delivered in the market, and the importance of customer relationships. Consumer behaviour covers relevant models in relation to consumer behaviour.

2.1 Marketing process

According to the management guru Peter Drucker, companies have only one purpose and that is to create a customer (Grant 2012: 16). In all business environments but especially in competitive markets, businesses need to practice constant marketing to build a bridge between the product and the customer. In other words, good business can only be created through understanding customer needs and wants and the mar-

marketplace within which they operate. Kotler and Armstrong (2006: 5) have defined marketing as “the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return”. The model of marketing process (Figure 1) highlights the main steps for creating and capturing customer value.

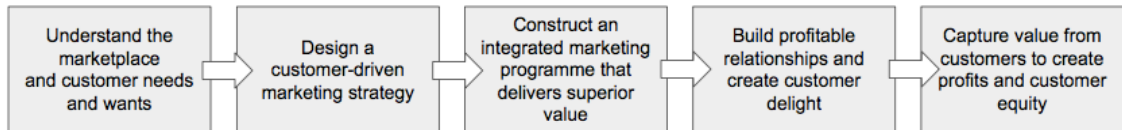


Figure 1. Marketing process.

As Figure 1 shows, before a company can satisfy consumers, it must first understand their needs and wants. Human needs are states of felt deprivation (Kotler et al. 2017: 6). A popular identification of human needs is the Maslow’s motivational theory in psychology depicting human needs in a five-tier hierarchy (Figure 2). In this model, human needs are ranked by placing physiological needs such as hunger, thirst and sleep as those that need to be met first while he believe that self-actualisation, such as creativity and acceptance can be met when all others have been fulfilled.

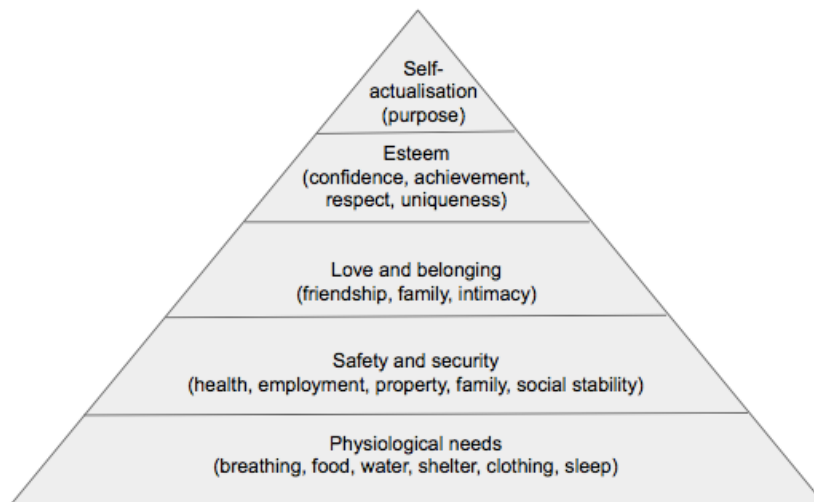


Figure 2. Abraham Maslow’s hierarchy of needs model.

Wants, on the other hand are the form that human needs take as they are shaped by culture and individual personality (Kotler et. al 2017: 6). Wants are extremely important in a marketplace because when wants are backed by customer buying power, they become demands that need to be met. Ideally, customer needs and wants are fulfilled through appropriate market offerings, which could be some combination of products,

services, information or experience to a market to satisfy a need or a want. After understanding what the consumer is looking for, businesses would usually move forward in the marketing process and start developing a customer driven marketing strategy. This can be achieved through a commonly applied customer analysis process, which in modern marketing is known as the STP process, consisting of market segmentation, target marketing, and market positioning.

Firstly, the company must first decide whom it will serve and it does this by dividing the market into segments of customers (Kotler et al. 2017: 9). Market segmentation is the process of aggregating prospective buyers into groups, or segments (Kotler et al. 2017: 9) that can be reached more efficiently and effectively with products matching their unique needs. The major variables used for segmenting a market are geographic, demographic, psychographic and behavioural. Geographic segmentation is about focusing on geographical differences in needs and wants. The market can be divided into continents, nations, regions, cities or smaller units such as a single street. Demographic segmentation uses variables such as age, gender, family size, family life cycle, income, occupation, education, religion, race, generation and nationality for segmenting markets. Demographic segmentation is the most used due to the easy measurement and accessibility of its variables. Psychographic segmentation divides buyers into different groups based on social class, lifestyle or personality characteristics. Behavioural segmentation divides buyers into groups based on their knowledge, attitudes, uses, or responses to a product. Marketers rarely limit their segmentation analysis to only one or a few variables. Rather, they are increasingly using multiple segmentation bases in an effort to identify smaller, better-defined target groups. (Armstrong et al. 2012: 188-196).

Secondly, in the STP approach, market segmentation is followed by target marketing, which involves evaluating each market segment's attractiveness and selecting one or more segments to enter. (Kotler et al. 2017: 9) A company should target segments in which it can profitably generate the greatest customer value and sustain it over time. A company might choose to serve several related segments, or a company with limited resources might decide to serve only one or a few special segments or market niches. Such niches specialise in serving market segments that major competitors overlook or ignore. (Kotler and Armstrong 2006: 47-49). Ultimately, it must be decided which customers the company should target and on the level, timing and nature of their demand (Kotler et al. 2017: 9).

If a product is perceived to be exactly like others in the market, consumers would have no reason to buy it. Therefore, after a company has decided which market segments to enter, it must decide what positions it wants to occupy in those segments and how it will differentiate itself in the marketplace. (Kotler et al. 2017: 9). The aim of market positioning is to arrange for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers. (Kotler and Armstrong 2006: 49; Perreault and McCarthy 2006: 73). In positioning its product, the company first identifies possible competitive advantages upon which to build the position. To gain competitive advantage, the company must offer greater value to target consumers compared to other companies in the same industry. A company can do this either by charging lower prices than competitors do or by offering more benefits to justify higher prices. All in all, effective positioning begins with actually differentiating the company's marketing offer so that it gives consumers more value (Kotler and Armstrong 2006: 50), thus, creating a brand's value proposition, which is "the set of benefits or values it promises to deliver to consumers to satisfy their needs." (Kotler et al. 2017: 9).

The next step in the marketing process involves delivering the brand's value proposition to customers by using the help of the Marketing Mix, or the 'four Ps'. Product, price, place and promotion are the set of controllable tactical marketing tools that a company uses to produce a desired response in the market. From a consumer's viewpoint, each marketing tool must deliver a customer benefit. One marketing expert suggests that companies should view the four Ps as the customer's four Cs: customer needs and wants, cost to the customer, convenience and communication (Kotler et al. 2005: 34-35). When a need-satisfying market offering that has a well thought through and determined price value, an accessible purchase location and the right promotion tactics, the company can move onto building and managing profitable customer relationships.

This is the most important step of the marketing process and it is done through customer relationship management, which is the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. Kotler (2017: 13) proposes that this may be the most important concept of modern marketing as it deals with all aspects of acquiring, engaging and growing customers. The outcome of customer relationship management and customer engagement is to produce high customer equity, which is the total combined customer lifetime value of all the company's customers. However, one of the underlying activities in reaching to

that final marketing process stage is understanding the attitudes, preferences, intentions and decisions regarding the behaviour of a consumer in the marketplace when purchasing a product or a service. Therefore, it is essential to discuss consumer behaviour theory.

2.2 Consumer behaviour

It is important to identify the role of the consumer in consumer behaviour. According to Walters (1974: 4), a consumer is “an individual who purchases, has the capacity to purchase, goods and services offered for sale by marketing institutions in order to satisfy personal or household needs, wants and desires.”

Consumer behaviour, according to Walters (1974: 6) represents “specific types of human actions, namely those concerned with the purchase of products and services from marketing organisations ... and, it is the process whereby individuals decide whether, what, when, where, how, and from whom to purchase goods and services”. Kotler defines consumer buyer behaviour as the buying behaviour of the individuals and households within the consumer market that buy goods or services for personal consumption (Kotler et al. 2017). According to Schiffman and Kanuk (1994: 7), consumer behaviour is the behaviour that “consumers display in searching, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs”. Studying consumer behaviour would refer to studying the decisions consumers make regarding spending their available resources (time, money, effort) on consumption-related items. Schiffman and Kanuk (1994: 7) also distinguish two different types of consumers – personal and organisational, whereas the utility purpose of the consumption is either for personal use (or as a gift) or product and service purchases for the proper running of an organisation. (Schiffman and Kanuk 1994: 7) Similarly to Schiffman and Kanuk, Solomon (2006: 6) defines consumer behaviour as “the study of the processes involved when individuals or groups select, purchase, use or dispose products, services, ideas or experiences to satisfy their needs and desires.”

All in all, consumer behaviour may very well be the central question for marketers as it helps to improve existing products or services, introduce new ones, and provides a basis for setting prices, devising channels and developing different marketing activities (Kotler et al. 2017, Blackwell et al. 2006). Literature provides several approaches to study consumer behaviour, however, it is still widely regarded as a relatively new field

of study. From the marketing perspective, consumer behaviour has gained importance with the development of the marketing concept, which was explained in the previous section of this thesis. In an attempt to further explain consumer theory, there have been various theories and models developed during history that aim to better understanding it. This thesis takes into consideration those that are seen to be most relevant in modern marketing theories and that provide most value to this research.

The very well known Maslow's hierarchy of needs explained in the previous section (Figure 2) is not classified as a consumer behaviour model. However, it provides theory on the motivation of human beings based on a hierarchy of human needs. Hence, it provides valued input into the theory of consumer behaviour. There has been criticism towards the theory, especially regarding the fact that the fulfilment of a need cannot be accurately tested (Schiffman and Kanuk 1994: 101), and that its gradual five-tier need-fulfilment does not offer enough complexity for marketing implications as one product may satisfy many numbers of needs. Moreover, it is argued that in many ways the theory applies to only one culture, as it does not seem to take into account the difference of values of different cultures. Despite the criticism, however, it is generally believed that the model provides value in understanding which type of appeal should marketers focus on regarding a specific product, and guidance in positioning it in the market. (Schiffman and Kanuk 1994, Solomon 2006)

The Stimulus-Response model (Figure 3) of buyer behaviour presents that marketing and other stimuli enter the consumer's 'black box' and produce a certain response. The marketing stimuli consists of the four Ps (product, price, place, promotion) and other stimuli includes major forces and events in the buyer's environment (economic, technological, cultural, social). As stimuli enters into the black box, it is affected by the buyer's characteristics (psychological, personal, social, cultural) and their behaviour. Marketers aim to understand how the stimuli are changed into responses inside the black box. (Kotler et al. 2017)

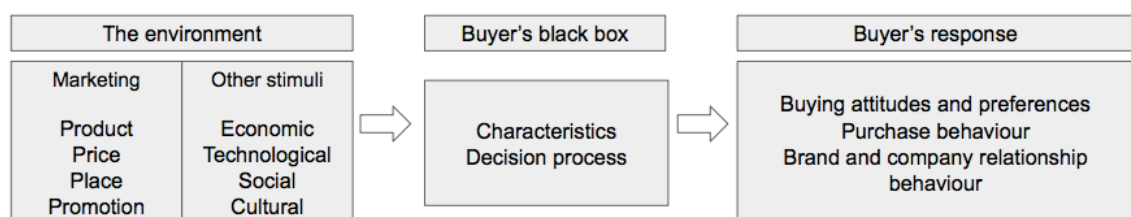


Figure 3. Stimulus-Response model.

According to Kotler and Armstrong (2006: 138), consumer purchases are strongly influenced by cultural (culture, subculture, social class), social (reference groups, family, roles and status), personal (age and life cycle stage, occupation, economic situation, lifestyle, personality and self-concept), and psychological characteristics (motivation, perception, learning, beliefs and attitudes). Although these factors cannot be controlled, each of these factors provides a different perspective for understanding the workings of the buyer's black box, and understanding their influences allows a company to adapt their marketing accordingly to their target market.

Cultural	Social	Personal	Psychological
Culture Subculture Social Class	Reference groups Family Roles and status	Age and life cycle stage Occupation Economic situation Lifestyle Personality and self-concept	Motivation Perception Learning Beliefs and attitudes

Figure 4. Factors influencing consumer behaviour.

Cultural factors include influences coming from culture, subculture and social class. Culture involves the set of basic values, perceptions, wants and behaviour learned by a member of society from family and other important institutions (Kotler et al. 2017: 140-144, Schiffman and Kanuk 1994: 409). Social factors are a relevant factor in influencing consumer behaviour. There are various types of groups and social network that a person may belong to which affect their behaviour. Marketers aim to identify the consumer's reference groups (family, friends, social networks, professional associations) that strongly affect product and brand choices. People's roles within their reference groups bring a more complex layer of decision making as roles and statuses (determining the appropriateness of a product) in social groups may greatly vary. (Kotler et al. 2017: 144-147, (Schiffman and Kanuk 1994). Personal factors include age and life cycle stage, occupation, economic situation, lifestyle, personality and self-concept. Consumer's buying choices are further influenced by four major psychological factors: motivation (human needs and wants), perception, learning, and beliefs and attitudes. In general, the factors can vary greatly, which requires a marketer to identify key influencing factors and adapt their marketing strategies accordingly.

Perception is the process by which people select, organize, and interpret information to form a meaningful picture of the worlds. A person's beliefs (descriptive thoughts) and attitudes (feelings and tendencies towards something) greatly affect their perception of a product or a brand. Since people are exposed to a great amount of stimuli every day, it is unlikely that they pay attention to or receive each of them fully. Instead, people tend to screen out most of the information they receive (selective attention), interpret received information according to existing beliefs (selective distortion), and tend to remember information according to supporting attitudes (selective retention). Therefore, very different perceptions of the same stimulus are formed. (Kotler et. al 2017: 151-153)

Martin Fishbein and Icek Ajzen developed the Theory of Reasoned Action (TRA) in 1967, which studies the relationship between attitudes and behaviours within human action. According to the theory, the intention to perform certain behaviour precedes the actual behaviour. In 1985, Azjen extended TRA to what he refers as the theory of planned behaviour (TPB), which predicts deliberate and planned behaviour (attitude-intention-behaviour relations). In other words, TPB proposes that behavioural intentions are influenced by attitude, subjective norms and perceived behavioural control. Firstly, Ajzen suggests that there are certain motivational factors that influence behaviour and create behavioural intention. Secondly, a person's favourable or unfavourable appraisal towards the products creates the attitude towards the behaviour. Finally, a combination of normative beliefs and motivation to comply constitute subjective norm create pressure for the person to perform or not to perform a given behaviour. (Asare 2015) TPB is widely used today in helping to understand how people's behaviour can be changed. However, the theory has limitations as it has an inability to consider environmental and economic influences. It also fails to take into account factors such as a person's fear, threat, mood or past experience. (Asare 2015, Lamorte 2016)

2.3 Buying decision behaviour

The model in Figure 5 suggests that customers pass through a certain process with every purchase they make. Cox et al. initially proposed model of the buyer decision process in 1983 and it is considered to be one of the most common models of consumer decision-making process to date. It consists of five stages: need recognition, information search, evaluation of alternatives, purchase decision, and post purchase behaviour. (Kotler et al. 2017, Dudovskiy 2013)

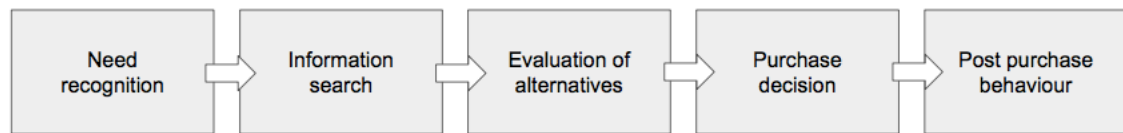


Figure 5. Buyer decision process.

The buying process begins with need recognition where the buyer recognises a need or a problem. The need can be triggered by internal stimuli (satisfying basic needs) or external stimuli (advertisements, discussions). Depending on the complexity of the purchase situation, the consumer may continue with or skip the next two stages in the buyer decision process. (Kotler et al. 2017: 155-157) That is, consumers facing new and complex purchase situations usually go through all five stages. The information search stage contains the buyer's actions related to searching for more information about the recognised need. The information is obtained from any of several available sources available at the disposal of the consumer (e.g. personal sources such as family or friends, commercial sources such as advertisements, web and mobile sites, product packaging, public sources such as mass media or social media, or experiential sources such as examining and using the product). (Kotler et al. 2017: 155-157)

The next stage in the buyer decision process is evaluation of alternatives, which is where consumers use information to evaluate alternative brands in the choice set. When the consumer finds the most preferred brand he or she forms a purchase intention based on factors such as expected income, expected price and expected product benefits. However, purchase decision is not made based solely on the purchase intention as it may be changed based on either the attitudes of others (e.g. advice from close friend) or unexpected situational factors (competitors lowering their prices). The final stage after the purchase decision is post purchase behaviour, which is where the relationship between the consumer's expectations and the product's perceived performance is determined. (Kotler et al. 2017: 155-157).

Kotler and Armstrong (2006: 138) propose four types of buying behaviour based on the degree of buyer involvement and the degree of differences among brands: i) complex buying behaviour, ii) dissonance-reducing buying behaviour, iii) habitual buying behaviour, and iv) variety-seeking buying behaviour. Figure 6 below provides an illustration of the types of buying behaviour and their basis.

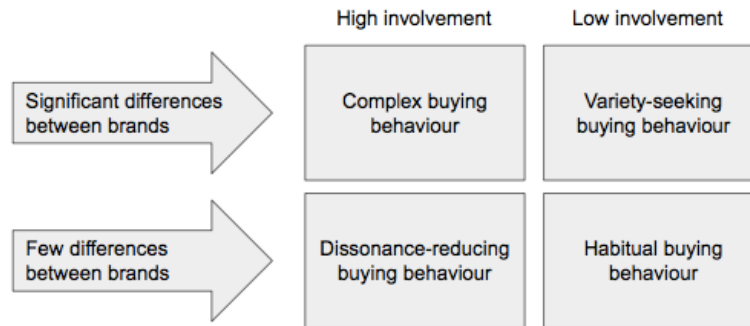


Figure 6. Four types of buying behaviour.

Complex buying behaviour occurs in situations characterised by high consumer involvement in a purchase and significant perceived differences among brands. Such type of behaviour surfaces when a consumer is trying to buy a product that is risky, expensive and is purchased infrequently (e.g. computer, car, house). Consumers undertake dissonance-reducing buying behaviour in situations characterised by high involvement but few perceived differences among brands. Similarly to complex buying behaviour, consumers would be purchasing a product that is risky, expensive and is purchased infrequently, however, the differences between brands are insignificant (e.g. furniture). Habitual buying behaviour occurs in situations characterised by low consumer involvement and few significant perceived brand differences. Such type of behaviour occurs when customers buy low cost frequently purchased products such as food or other everyday items. Consumers undertake variety-seeking buying behaviour in situations characterised by low consumer involvement but significant perceived brand differences. Examples of these types of purchases would include shoes, soap, detergent or other products where the customer would try out different brands of the same product. (Kotler and Armstrong 2006: 154; MBA Lectures 2010). Determining which behaviour buyers take allows a company to market their products better.

The major roles for a consumer in purchase decision-making process are initiator, influencer, decider, buyer, and user. Initiator is the person who first suggests or thinks of the idea of buying a particular product or service. He or she recognises the value of solving a problem or meeting a certain need and search for a solution. Influencer is a person whose advice or view carries some weight in making a final purchasing decision. Decider is a person who ultimately makes a buying decision or any part of it – whether to buy, what to buy, how to buy, or where to buy. Buyer is the person who makes an actual purchase. User is the person who consumes or uses a product or service. (Turban et al. 2009: 173-174) It is important to identify and analyse these roles

to predict, improve, or influence consumer decisions. One of the implications of understanding the role of the customer is for better marketing communication and segmentation.

The rising power of the information age has created a trend where customers increasingly use online reviews and other sources of peer-to-peer information to deliberate a product purchase. Simonson and Rosen (2014) argue that companies need to consider shifting their marketing mix in recognition that the opinions of existing customers affect future customers. Regarding this notion Simonson and Rosen identify three main factors that influence customers' purchasing decisions, together to be called the influence mix: i) prior preferences, beliefs, and experiences (P); ii) information from marketers, such as packaging pricing, and advertising (M); iii) input from other people, such as friends, family, and peers (O). They provide that the more a person is influenced by one of these factors, the less influence the other factors will have. By identifying the primary influencer, a company can fine tune their marketing strategy. Another tool that the authors propose is the O-continuum (opinion-continuum) for measuring the extent to which consumers are dependant on the role of other people's opinions (O) when making decisions about a certain product (Figure 4). (Simonson and Rosen 2014; Taylor 2015).



Figure 7. The O-continuum, from O-independent (left) to O-dependent (right).

Figure 7 illustrates that products included in commodity purchases, luxury goods, and chain restaurants and franchises are usually considered O-independent and others' opinions have little effect on customers' purchase decisions. These types of goods are

usually dependant on brand equity and customer loyalty due to which their market share and customer base is considered relatively stable. O-dependent products where others' opinions guide purchase decisions generally have greater market share volatility and branding takes on less importance. (Simonson and Rosen 2014). Knowing where a product falls on the O-continuum and drawing conclusions on the influence of P and M allows for making strategic decisions regarding better marketing and communication strategies. For example, with product influences by customers' prior beliefs and experiences (P), a company can focus on improving value and quality to encourage repurchasing. Companies that have products that are influenced by information from marketers (M) should focus on strengthening their brand. Likewise, O-dependant products can be marketed better when encouraging customers to share experiences with others and directing resources towards analysing customer reviews and developing a strong reputation. (Taylor 2015).

2.4 Business buyer behaviour

Business buyer behaviour refers to the buying behaviour of organisations that buy goods and services for use in the production of other products and services that are sold, rented or supplied to others. It also includes the behaviour of retailing and wholesaling firms that acquire goods to resell or rent to others at a profit. In the business buying process, business buyers determine which product and services their organisations need to purchase and then find, evaluate and choose among alternative suppliers and banks. Like with the business-to-consumer buyer behaviour, the aim of understanding it is to first engage customers, create superior customer value and build profitable relationships. (Kotler et al. 2017: 170) Business markets are both quite similar and different from consumer markets. Both involve people who assume buying roles and make purchase decisions to satisfy needs. The main differences are concerned with the market structure and demand, the nature of the buying unit, and the type of decisions and the decision process involved.

Regarding the market structure and demand, business markets usually tend to have less buyers compared to a consumer market since fewer buyers account for most of the purchases, whereas the demand is more inelastic and more fluctuating. That is, power tool sales are not greatly affected by price changes in business-to-business markets, unless power tool prices are lowered for consumers and consumers demand more of the products. As consumer demand increases, so does business demand. In

other words, business demand is derived demand, as it ultimately derives from consumer goods. Therefore, it would make sense for companies that depend on business-to-business transactions and wish to increase business demand, to promote their products directly to end consumers. (Kotler et al. 2017: 171) Regarding the nature of the buying unit, business purchases tend to require a more professional purchasing effort since often there are more decision participants involved. Moreover, the buying decisions are often more complex for business buyers since they need to consider the long term implications (technical and economic considerations) of each purchase. (Kotler et al. 2017: 172)

Similarly to the Stimulus-Response model for consumers, also business buyers also respond to various marketing stimuli and produce a certain response. The major differences with the consumer buyer behaviour (Figure 3), is the nature of the buying unit, types of decisions made and the decision process. Figure 8 below presents the model of business buyer behaviour. Like with the 'black box' in the Stimulus-Response model, where the characteristics and decision process of the consumer affected their response, marketers need to understand what happens within the organisation that turn stimuli into purchase responses.

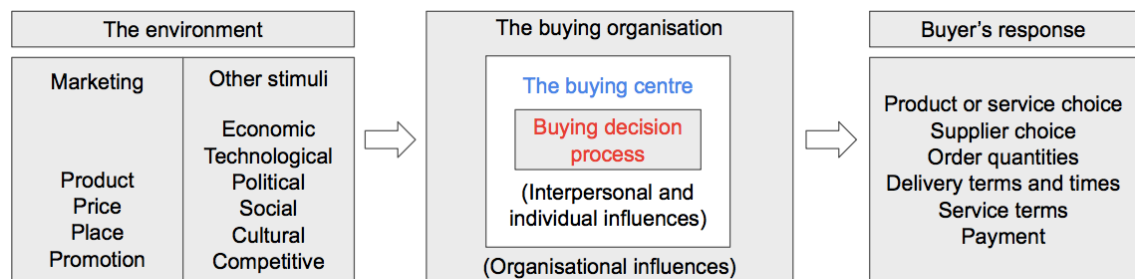


Figure 8. A model of business buying behaviour.

The buying activity is affected by the buying centre and the buying decision process, which are influenced by internal organisational, interpersonal and individual factors as well as external environmental factors. The model suggests four questions about business buyer behaviour:

- What buying decisions do business buyers make?
- Who participates in the business buyer behaviour?
- What are the major influences on buyers?
- How do business buyers make their buying decisions?

The buying centre, marked in blue on the model (Figure 8) represents all the people involved in the buying decisions. However, these people can play any of or multiple of and gatekeepers. Users are members of the organisation who will use the product. Often, users initiate the buying proposal and help define product specifications. Influencer's advice or view carries some weight in making a final purchasing decision. They often help define the specifications and also provide information for evaluating the alternatives. Buyers have formal authority to select the supplier and arrange terms of purchase. Their major role is to select the vendors and negotiate with them. Deciders have formal or informal power to select or approve the final suppliers. In routine buying, the buyers are often deciders, or at least the approvers. Gatekeepers control the flow of information to others such as preventing salespeople's contact with users or deciders. (Kotler et al. 2017: 174-175) Determining the participants in the buying centre, their relative influence and evaluation criteria each of them use is important for a company. However, it is a rather difficult task because the roles are not always straightforward and include many different agents controlling a purchase.

Like consumer buying decisions in Figure 4, business buying decisions are affected by an incredibly complex combination of environmental, interpersonal and individual influences, but with an extra layer of organisational factors in the mix. (Kotler et al. 2017) Figure 9 below provides the major influences on business buyer behaviour.

Environmental	Organisational	Interpersonal	Individual
Economic developments Supply conditions Technological change Political and regulatory developments Competitive developments Culture and customs	Objectives Policies Procedures Organisational structure Systems	Authority Status Empathy Persuasiveness	Age Income Education Job position Personality Risk attitudes

Figure 9. Major influences on business buying behaviour

Firstly, business buyers are affected by the economic, technological, political and competitive developments of the environment as well as the culture and customs. Secondly, each organisation has individual objectives, strategies, structure, systems and procedures of which a marketer should be aware. Thirdly, interpersonal factors play a role in the buying centre and play into the roles people may have regarding purchases. Finally, each participant in the buying decision process brings certain individual charac-

teristics such as motives, perceptions and preferences that play into their decision-making. (Kotler et al. 2017)

The business buying process is much longer compared to the buyer decision process presented in Figure 5. it consists of eight stages (Figure 10): problem recognition, general need description, product specification, supplier search, proposal solicitation, supplier selection, order-routine specification, performance review.

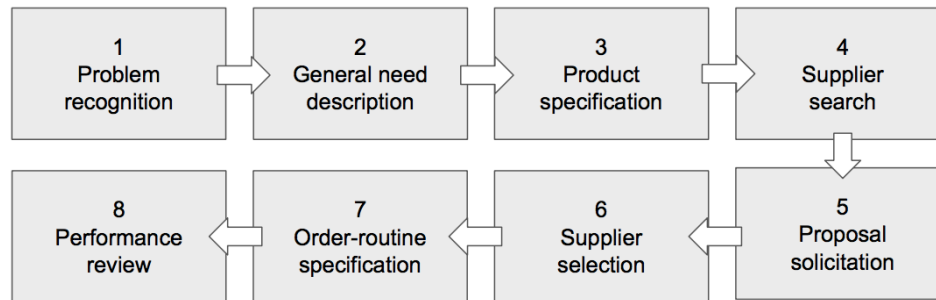


Figure 10. Stages of business buying behaviour

The buying process begins with the problem recognition stage when someone in the company recognises a problem or need that can be met by acquiring a specific product or service. Alerting business customers to potential problems may trigger the problem recognition stage. In the next stage, a general need description is prepared where the required product is generally described. Next, the technical product specifications are defined where the best technical product characteristics for a needed item are described. Providing information about the value of different product characteristics may direct the consumer into defining their needs according to a marketed solution. The supplier search is the following stage in the business buying process in which the buyer tries to find the best vendors. This is an important process for vendors as they could obtain new business if found. Proposal solicitation is where the buyer invites qualified suppliers to submit proposals. In the supplier selection stage, the buying centre chooses the supplier or suppliers based on the desired supplier attributes and their relative importance. Next, the buyer prepares an order-routine specification that includes the final order with the chosen supplier or suppliers and lists items such as technical specifications, quantity needs, expected delivery time, return policies and warranties. In the final stage of the business buying process, the buyer reviews supplier performance and decides to continue, modify or drop the arrangement. (Kotler et al. 2017: 176-178)

3 Methodology

3.1 Research objectives

Research is a logical and systematic search for new and useful information on a particular topic. It is an investigation of finding solutions to scientific and social problems through objective and systematic analysis. (Rajasekar et al. 2008) This research investigates the behaviour and attitudes of Finnish construction industry professionals in purchasing electric power tools to assess whether Rebir products could potentially be sold to Finnish construction industry professionals. Thus, the main objectives of this research are to identify and analyse the following in relation to the relevant consumer in Finland:

- General buying behaviour trends regarding electric power tools.
- Main factors influencing purchases of electric power tools.
- Decision making process of buying electric power tools.
- Attitudes and beliefs of towards purchasing electric power tools.

3.2 Research methodology

Research methodology is the strategy outlining the procedures by which researchers collect information and data for the purpose of answering specific research questions. It can also be explained as a systematic way to solve a problem. Research design presents the chosen approach, which facilitates in solving the problem easily and in a systematic way. It should present the various approaches to be used in solving the research problem, sources and information related to the problem and, time frame and the cost budget. (Rajasekar et al. 2008) There are three types of research designs: exploratory, descriptive, causal. Exploratory research design emphasises on gaining ideas and insights as opposed to collecting statistically accurate data. Descriptive research design emphasises on determining the frequency with which something occurs, or the covariance between two variables. The main idea behind this research design is defining and measuring the opinions, attitudes, or behaviours held by a group of people on a given subject. It is pre-planned and structured in design so the information collected can be statistically inferred on a population. Causal research design emphasises on determining cause and effect relationship between variables. (Rajasekar et al. 2008,

FluidSurveys 2014). Since the problem of the current research aims to obtain information concerning the current status of specified phenomena (online consumer behaviour regarding a type of product), the approach chosen is the descriptive research design. This approach allows for collecting a large amount of data for a detailed analysis that allow for drawing important recommendations and conclusions for Rebir. (USC Libraries 2016).

The data collection and analysis methods can be qualitative, quantitative or mixed. Quantitative data deals with quantities, values or numbers, making them measurable. Therefore, this method is used for answering questions about relationships among measured variables with the purpose of explaining, predicting, and controlling phenomena. Qualitative data is descriptive rather than numerical in nature and it is typically used to answer questions about the nature of the phenomena. This data is mostly gained through observation and is generally not measurable, rather it describes and understands the phenomena from the participants' point of view. (Rajasekar et al. 2008) Mixed methods use both qualitative and quantitative research methods to draw conclusions based on the most appropriate parts of each method. (USC Libraries 2016) Since the aim of this research is to discover facts about social phenomena (online buying behaviour), a quantitative approach has been chosen to specify its characteristics most accurately. This type of data collection allows to numerical comparisons and statistical inferences based on the findings. By using this approach, a larger portion of the population can be investigated which allows finding factors that determine of customer online shopping preferences for electric power tools.

Regarding the two core forms of research, secondary and primary, there have been both data collection methods used in this thesis. Secondary research generates relevant data that is collected from existing literature that supports the current research problem. It involves using the information that others have gathered through primary research. The available sources that have been used is the information on the internet and the existing market research results and statistics on the overall power tool industry in Finland, in the worlds and in Europe. Primary research, rather than data originating from already published sources, generates original data that is collected directly for the research purpose through surveys, direct observations or interviews. (Business Queensland n.d.) Secondary data will be used to gain insight into the general industry trends and market situation. New information is then used for designing a questionnaire for the target population that facilitates primary data collection. This method has been

chosen since quantitative questionnaires are suitable for the collection of great amounts of data from large populations in the most time-effective way. (Sanders et al. 2007: 138)

3.3 Questionnaire design and data collection

Survey research is a method of collecting information about a population of interest. The two key features of survey research are questionnaires and sampling. Questionnaires hold a predefined series of questions used to collect information from individuals. Sampling is a technique in which a subgroup of the population is selected to answer the survey questions. (University of Michigan 2016) The population of interest is defined as any Finnish construction industry professional having contact or is working with electric power tools, and having some degree of decision making power in product purchases regarding electric power tools. The sample is a selected subgroup of the population of interest within the construction industry consisting of different types of professionals in the field.

The questionnaire was designed to meet the research objectives. Questions in the questionnaire were developed to obtain the most complete and accurate information possible as well as to analyse and interpret the data regarding the research. The sample was presented the same predefined series of questions that focused on four key areas of interest:

- a. Descriptive statistics of the consumer
- b. Participation and influence in the buying decision
- c. Attitude and perception towards products and brands
- d. Buying intention and buying patterns

Descriptive statistics of the consumer allow determining the individual characteristics such as gender, age and occupation of the respondents. There are four questions in the survey to determine descriptive statistics. Identifying the relevant aspects of participation and influence in the buying decision for electric power tools is important for determining the role of a consumer in the decision making process. Questions in this area of interest are concerned with how often and where do respondents purchase power tools, as well as how and to what extent do they participate in buying power tools. Attitude and perception of consumers is measured by asking to rank different product

characteristics and brands regarding certain qualities that also are directly comparable with the Rebir brand. Buying intention and buying patterns are measured through analysing several previously mentioned questions as well as identifying how consumers act in different stages of the decision making process.

All questionnaires were translated into Finnish and they were distributed during the time period of 23 March 2017 until 13 April 2017 in paper format to different locations across the Uusimaa region in Finland through social contacts. Locations in this context refer to different types of constructions sites. This approach was chosen because social contacts provided information that people working in this business are not likely to respond to questions through an online survey. Moreover, it was believed that it is easier to access a wide range of different types of people with different job titles (and decision making roles) working on the construction site. There were a total of 9 different locations where the questionnaires were distributed. The questionnaires were mostly gathered on the same day they were distributed, which meant that any respondent had up to one day to fill out the survey. There were 225 questionnaires distributed in total and 173 filled questionnaire were fully completed and collected. This made the average amount of replies per location to be 19.2 respondents. However, one of the questions in the survey revealed that 133 people fulfilled the criteria of the sample regarding the power of purchasing electric power tools in their workplace. The results in the analysis only take into consideration the answers of the 133 questionnaires, which makes the average amount of respondents per each location 14.8 persons. All questionnaire results were transferred manually into Excel format for analysis. Excel is also used for presenting relevant figures and tables in this research.

4 Results and analysis

4.1 Market overview

This section provides a general overview of the power tools market. This will be done from the global as well as from Finland's perspective. Firstly, the section discusses the most common segmentation approaches for power tools as well as how each segment performs. The arguments in the before mention section also provide a basis for segmenting the Finnish industry. Secondly, an overview of the Finnish construction indus-

try is provided to shed light on a common Finnish customer. Thirdly, survey results are presented to identify the descriptive statistics of the average construction industry professional and their power in making decisions regarding power tools purchases.

The most common segmentation approach for power tools is segmenting the market based on the mode of operation of the tool or based on end-use sector. There are also studies done based on segmenting tools into corded and cordless types of power tools. Segmentation based on the mode of operation usually includes dividing the power tools by their power source into electric, pneumatic, and others. There can also be a much more detailed segmentation by equipment type in which case the power tools are divided into battery driven, electrical motor, hydraulic, pneumatic and powder actuated. (Market Intel Reports 2017) This thesis focuses on electric power tools. Other types of power tools are beyond the scope of this research. There were over 200 million units of electric power tools sold globally in 2015 accounting for over 70% of the total market share and their sales are expected to dominate the global market in the coming 10 years. The electric motor is preferred mostly because it has low cost, easy maintenance and versatility for the user. (Future Market Insights 2015, Market Intel Reports 2017). Based on end-use sector, the segmentation would divide users into professional and non-professional users, or industrial and household users, whereas the household demand is driven by the do-it-yourself (DIY) market and industrial power tools form a part of manufacturing and infrastructural end uses. (Market Intel Reports 2017) On the basis of the end-user sector, the industrial segment is expected to remain the highest sector regarding purchases (Future Market Insights 2015, Market Intel Reports 2017).

The Finnish construction industry employs around 250,000 professionals and workers creating a job for about every fifth employee in Finland. (Hirvilammi 2016, Metsälä 2017) Most are working in field of specialised or technical construction but also as surface contractors amounting to some 35,000 independent contractors and a large amount of small entrepreneurs. Although Finnish and Swedish companies such as YIT, SRV, NCC and Skanska tend to form a large part of the construction industry and tend to dominate the market (OECD 2016), the rest of the market consist of a large number of small companies that work as their subcontractors (Hirvilammi 2016) In fact, according to the Finnish Patent and Registration Office (PRH), there are around 40,000 to 50,000 small businesses working in the construction industry that dominate the market. Hence, the Finnish construction industry largely consists of numerous amounts of small entities. Often these entities, or independent contractors and small businesses consist

of one person to very few members. (Helminen 2013) Around third of the professionals working on construction sites are working for a prime contractor and the rest are employed by subcontractors or are agency workers. (Rakennusteollisuus 2016, Tilastokeskus 2016) This indicates a high probability of power tool usage as in the industry, each entity (independent contractors and small businesses) tends to not only use but own a set of equipment required for the job fulfilment and used by the employees. (Vero 2017)

The survey conducted for this research targeted Finnish construction industry professionals who have contact with or works with electricity powered hand tools that also had a degree of decision power in making purchase decisions regarding power tools. There were 9 different construction locations visited and after excluding the answers, which did not correspond to the population of interest (concerning buying decision making power), the sample size was 133 people. Most respondents (63%) in the survey identified their primary occupation as surface contractors, whereas 23% were either specialised or technical contractors. 10% of the respondents identified with another profession such as working in infrastructure or having a building company.

The decision making power of the respondents (Figure 11) was determined by asking to which degree they held power in buying electric power tools in their workplace. 27% (46 persons) claimed that they were in complete power of deciding which electric power tools to buy and 50% (87 individuals) shared the decision making power with their immediate supervisor. Hence, according to the survey results, Finnish construction professionals usually have a high amount of persons within the industry who have decision-making power regarding electricity powered hand tools purchases.

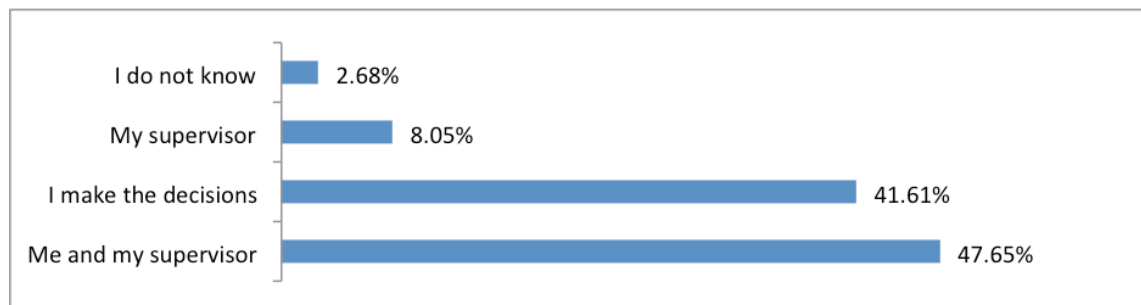


Figure 11. Decision-making power towards electricity powered hand tools purchases.

The survey also looked at the descriptive statistics of a person with decision-making power towards power tools purchases. The research population gender distribution

was calculated as being 80.45% male and 19.55% female equalling to 107 males and 26 females. The results are in correlation with the male being the predominant gender in the construction industry (Tilastokeskus 2016), which provides accuracy in extending the results onto a larger population. The respondents largely belonged to the age groups 25-34 (49%), 35-50 (44%), whereas 5% were 18-24 years old and 2% were 51 years and older. In addition, the survey aimed to which segmentation categories end-users fell in. When the respondents were asked their relation regarding the use of electric power tools, 56% of total respondents provided that they primarily use electric power tools for occupational needs, 77% provided that they use electric power tools in their workplace and 74% also use electric power tools regarding home renovations or in do-it-yourself (DIY) projects. The high response rates within each category indicate a high usage of electric power tools within different settings. The survey results also indicate that using electric tools for one purpose does not exclude the same person from using it for other purposes.

Since the respondents in this survey provided that they held a high degree of decision power regarding purchases in their workplace but also provided that they are likely to use electric power tools regarding home renovations or in DIY projects, there is strong indication that analysis needs to consider both consumer behaviour from a business buyer perspective as well as from a consumer perspective. What adds to it is the complexity of the Finnish construction market, as it indicates a strong presence of independent contractors who are either one-man businesses or small companies.

4.2 Customer needs and wants

Determining the needs and wants of the Finnish consumer might be one of the most important pieces of information for Rebir, as it allows to analyse whether there would be demand for Rebir products in Finland. It was determined in the previous section that the marketplace in which Rebir aims to operate in consists of construction industry professionals. The Technology Research Centre (VTT) in Finland has researched the building needs for Finland for the years 2016 to 2040. According to the results, the demand is to build a yearly amount of 30,000 new buildings amounting to 760,000 new buildings by the year 2040. (Vainio 2016) The RAKSU group who studies trends in construction in Finland expects total construction output to grow up to 3% during 2017 and up to 2% on 2018 and it will strongly focus on the Helsinki Metropolitan Area and Tampere region. (Ministry of Finance 2017) As there is growth in the construction busi-

ness, there is a greater demand for employees, which in turn creates a demand for necessary equipment. Since using electricity powered hand tools form a large part of the industry's ability to complete its work, this directly links into the professional's working needs. Another way of seeing it is that professional needs for power tools are largely linked to the second tier of the Maslow's hierarchy of needs. In other words, maintaining employment is important for fulfilling safety and security needs, and power driven tools are a tool to fulfilling those needs. Hence, customers are looking for a product that best helps them perform the needed work.

A survey ran with 1,800 respondents in the United States for Tools of the Trade website included the ranking of importance of certain purchasing considerations. The results indicated that the most important considerations regarding purchases were product quality (57.3%), price (25.7%), service (21.9%). Brand reputation, warranty and latest technology were all perceived equally important (21.2% each). Other factors perceived important were product availability (19%) and product performance features (16.1%). (Coptool 2012) The questionnaire results in Finland with 133 respondents showed similar results. Figure 12 below showcases the rankings of different purchasing considerations for the Finnish construction industry professionals. The results indicate that quality (59.4%), price (46.6%), durability of the power tools (45.9%), warranty (36%), and good product reviews (33.9%) provide the greatest importance when making purchase decisions.

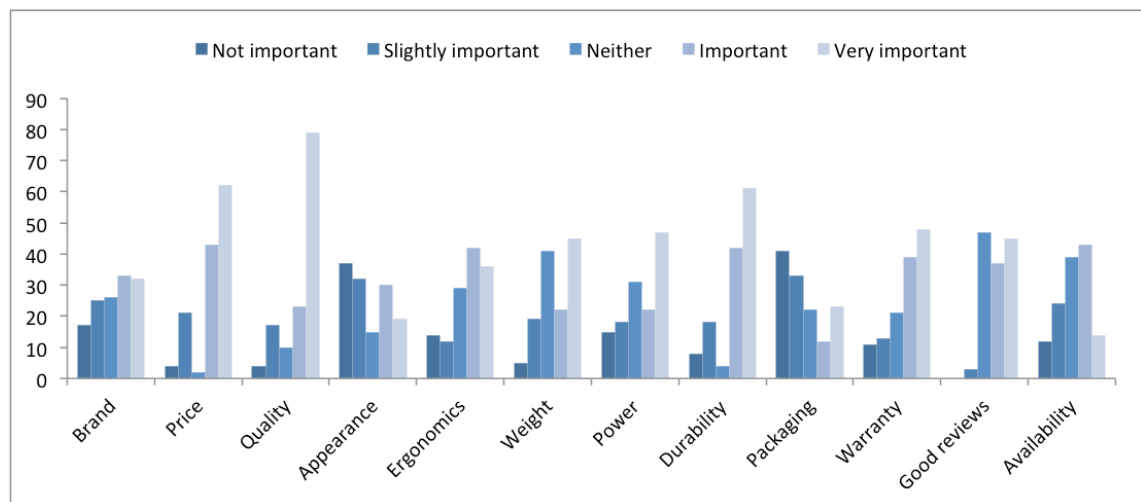


Figure 12. Importance of product features among Finnish construction professionals.

Hence, when evaluating alternatives, the most important criteria for the target consumers were quality, price and durability of the electric power tool, which provides infor-

mation about the most important needs for the target customer. The need has a rational basis because it allows completing a work assignment in the best way possible to carry out employment, hence fulfilling safety and security needs.

Rebir is an unknown brand of power tools in the Finnish construction industry, which would most likely hinder its usage, as people do not know the tool's product characteristics. However, according to the survey results, the brand of the product was not seen as forming the most significant part of needed product features. 24% of the respondents saw brand being a very important product feature, 24% as important, 20% as neither important nor not important, and 13% as not at all relevant. Taking into consideration of the value that good reviews form in a power tool features (61% saw it as important or very important) as a product feature among Finnish construction professionals, Rebir could potentially grow brand knowledge through good product reviews.

As explained, price and quality of the product were the most important product features with 46% of the survey respondents providing that they find price very important and 59% providing that they find quality of the product very important. Rebir power tools are built with each individual part of the product being tested before final assembly and each product is also tested before packaging. The testing processes take time but it is an integral part of the company's way of producing the items. It guarantees a high probability of the customer receiving a high quality product. Taking into consideration how quality is the most important criteria for the consumer, Rebir products would respond to the most important needs and wants regarding power tools for the Finnish consumer. In addition, Rebir power tools are usually sold at a lower market price level, which could be an advantage, as the Finnish consumer considers price as such an important product feature.

The ergonomics, weight and power of the power tools were also considered rather important than not important product features. Most Rebir power tools have ergonomic handles and design, which make the product a considerable candidate for purchase. The weight of the products can be considered to be average but it highly depends on the product category. For reference, Rebir mixing machine weight ranges from 3.4kg to 6.3kg whereas other products on the market in the same price and power range usually weigh below 5kg.

Finnish construction industry professionals also saw durability as one of the key product features. 46% of the survey population provided that durability of the power tools is very important, and 32% provided that it is important. Electric motors for power tools usually have brushed motors (motors that work with carbon brushes), but brushless motors are considered more efficient. (ToolGuyd 2014) For brushed motors, the carbon brushes need to be replaced every once in a while. Rebir products have brushed motors and as of 2017 there are no plans in moving into brushless technology. At the same time, although there is a clear trend in moving towards brushless motors (Market Intel Reports 2017), the vast majority of electricity powered hand tools in Finland have brushed motors. Therefore, although Rebir products require more maintenance regarding brush changes, which hinders durability of the tools, in the grand scale of the market it fits into the general product offerings in Finland. Warranty, which also relates to durability, had the following response: 36% provided that it is very important and 29% that it is important. All Rebir products have a product warranty of 2 years, which is an average in the Finnish market. Known brands in the Finnish market usually have warranties starting from 1 year up to a 5-year limited warranty. Therefore, Rebir products are competitive in meeting the needs and wants of the consumers.

4.3 Decision making process of buying electric power tools

It was discussed that in the buyer decision process, the customer passes through a certain process with every purchase they make, although they may do it either quickly or slowly, or skip or reverse some of the stages. The five-step process included stages of needs recognition, information search, evaluation of alternatives, purchase decision and post purchase behaviour. In the business buying process, there are eight stages: problem recognition, general need description, product specification, supplier search, proposal solicitation, supplier selection, order-routine specification, and performance review. The design of the questionnaire does not allow analysing all stages in both decision-making processes; however, it does allow focusing on some of crucial activities within the stages.

The previous section described what needs and wants a Finnish professional in the construction industry has. Therefore, needs in the need recognition stage are usually triggered by a need to acquire additional power tools for completing the required work. The need recognition stage is similar to both business buyers and consumers. What differs is that business buyers tend to purchase power tools more frequently; hence

recognising the need more often than normal consumers. In addition, business buyer needs differ from that of consumer's. Although both buyers need a quality tool within the most appropriate price range, behaviour is likely to differ when searching for information.

Regarding the information search stage, respondents were asked where they usually find out or collect information about electric power tools (brand or specific product) (Figure 13). 46% responded that they mainly acquire information from online sources by searching it themselves. An equally important information source for respondents was receiving advice from coworkers and people in the same industry (42%). Newspapers, magazines and advertisements on paper also provided an important source of information (17%), whereas 4% relied on information coming from television and radio, and 5% relied on friends and family. Additional research on the types of online sources would allow a more extensive overview of which sources should Rebir focus on to gain the most attention.

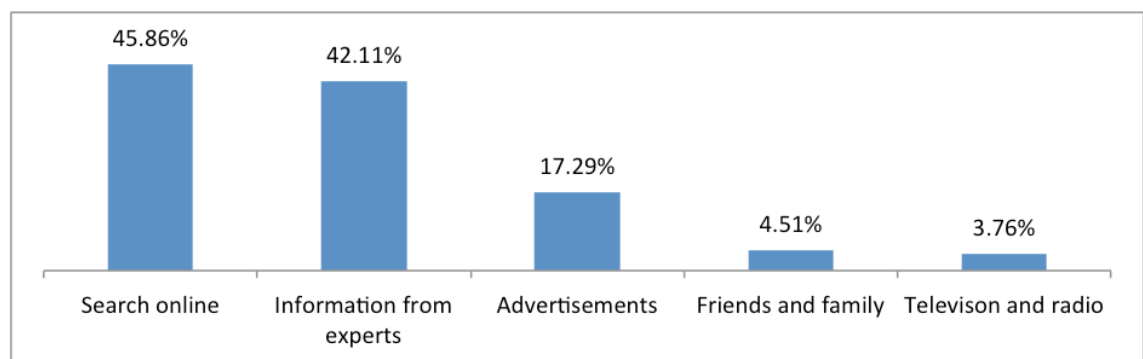


Figure 13. Preferences of places for acquiring information about products.

The rising power of the information age has created a trend where customers increasingly use online reviews and other sources of peer-to-peer information to deliberate a product purchase. Simonson and Rosen (2014) argue that companies need to consider shifting their marketing mix in recognition that the opinions of existing customers affect future customers. When looking at their three factors on the O-continuum: prior preferences, beliefs and experience, information from marketers, input from other people; and coordinate these with the results from the survey, we can determine, that the construction industry professional in Finland has two primary influencers for buying electric power tools. Firstly, the fact that they prefer to search online for information indicates that they have predefined preferences, beliefs and experiences regarding a product but wish to determine their hypotheses. Secondly, industry professional tend to depend on

other industry professionals for advice and recommendations. Hence, electric power tools in the mind of a Finnish consumer should focus on delivering value and quality to encourage repurchasing, and agreeing with Simonson and Rosen, it is important to encourage consumers to share their positive experiences with others in the industry.

When the population was asked about the usual place of purchase of electric power tools, the majority (48%) of the respondents replied that they mostly purchased their electric power tools from a large chain retail store. 32% of the respondents preferred small stores or specialty shops for their purchases, and 20% purchased their electric power tools from an online store, and 4% ordered power tools directly from the supplier. This indicates that electric power tools mostly reach the end-consumer through physical stores instead of online web stores. There is a high indication that business buyers do not tend to contact suppliers directly but rather choose to replace or purchase their power tools from large chain retail stores. Purchase locations, as well as online information sources need further research to understand potential in-store factors and information influences.

As this thesis is mostly concerned with the buying behaviour of industrial end-users, it is important to understand who has decision power in buying electric power tools in Finland. As can be seen from the Finnish construction industry overview above, the construction industry consists of a large amount of small entities. In the industry, each entity (independent contractors and small businesses) tends to own a set of equipment required for the job fulfilment and used by the employees. (Vero 2017) Often these entities, or independent contractors and small businesses consist of one person to very few members. (Helminen 2013) Therefore, the buyer decision process within the industrial end-users may vary according to the type of entity and the size of the entity in question. One-person independent contractors are likely to pass through a different decision process for purchasing power tools, as compared to a small business where more tools are purchased for more employees by a person with the decision making power. The decision making process will also likely highly differ when dealing with large businesses.

Regarding purchase frequency for electric power tools, the sample replied that 32% often purchased electric power tools, 31% replied that they purchased electric power tools very often. 16% responded that they sometimes purchase, 14% rarely purchased

and 7% claimed they never made electric power tool purchases. This shows that the target group usually rather participates in purchases than does not.

When asking about the type of participation in a power tool purchase, the results depicted in Figure 14 show that people mostly request from someone if they could purchase a power tool (35%). Advising someone on purchasing a certain power tool was also popular (26%). 23% provided that they had they right to buy the electric power tool. 15% claimed they had no participation in a purchase and 5% provided that they were the ones who gave out permission for conducting a purchase. It can be concluded that the buying centre consists mostly of people who have taken the role of initiator, influencer or decider. A strategic approach may be to identify and focus on the key influencers and the deciders. However, it is also needed to determine the degree of influence each category has.

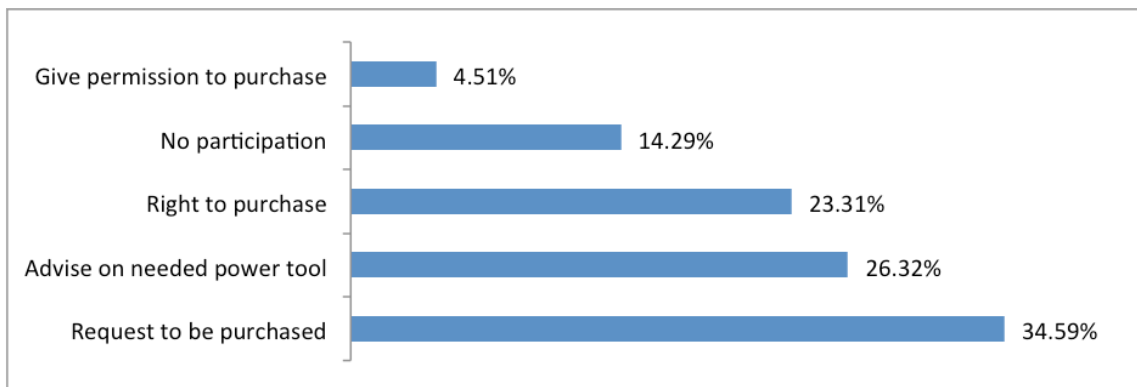


Figure 14. Type of participation regarding electric power tools purchases.

When the sample was asked to rate their degree of influence in buying electric power tools from a scale of 1 to 7 (Figure 15). Overall, the results showed that 35% of the respondents saw that they had low influence in buying decisions, 17% saw that they had neutral influence, 41% had some influence, and 11% felt that they had high influence over buying electric power tools in their workplace. In more detail, regarding the determining of the highest degree of influence for targeting, the results provided that the initiator and the decider had the highest degree of influence in purchases. Therefore, the right strategy would be to target the construction industry professionals who initiate the purchase as well as the professional who decides whether the purchase can be made.

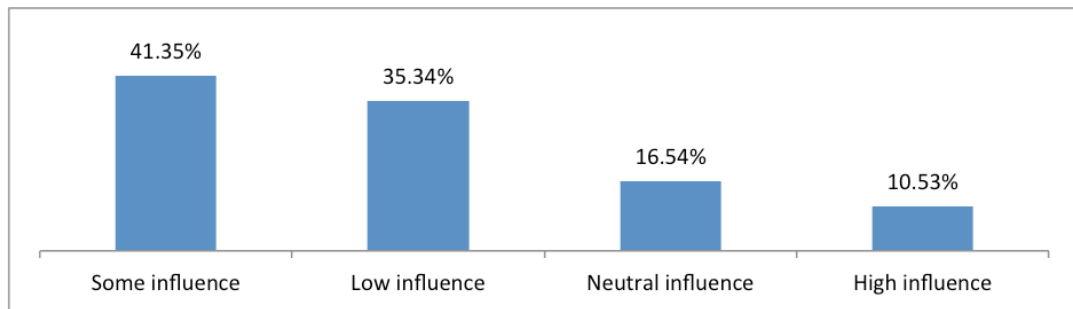


Figure 15. Degree of influence regarding electric power tool purchases.

All in all, survey results indicated that construction industry professionals highly take part in the decision-making process and purchase decisions regarding electric power tools. The most common type of participation is requesting to purchase an electric power tool. Nevertheless, the average construction industry professional perceives that they only have some to low influence in the final purchase decision.

Based on the most popular answers given by the respondents in a series of open ended questions about specific qualities (Figure 16), the brands Makita, Bosch, Hitachi, Milwaukee, Dewalt and Skil were identified to be perceived as the most well-known and used brands within the Finnish construction community.

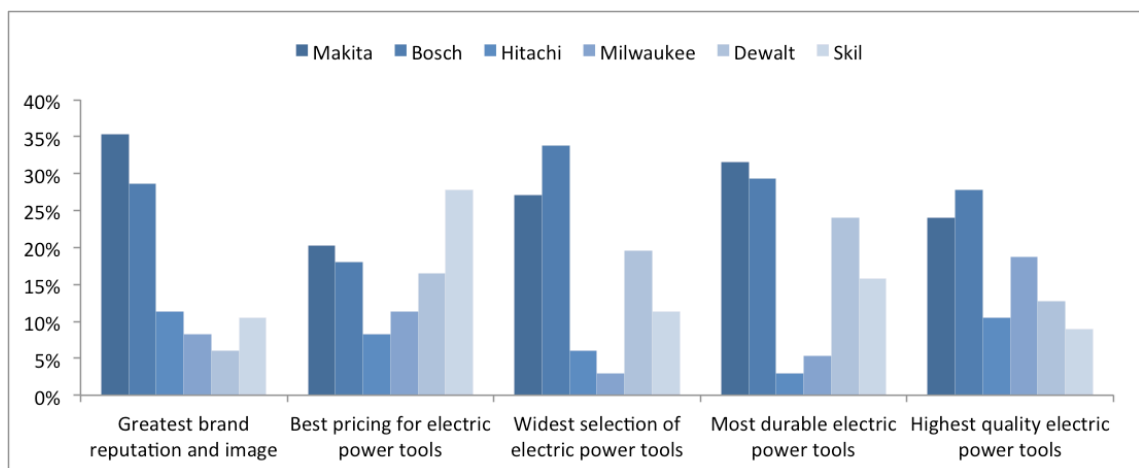


Figure 16. Perception of different electric power tools brands based on specific qualities.

The results indicate that Finnish construction professionals mostly preferred the brands Makita and Bosch considering their good brand reputation and image, durability and quality. Skil, which is also a brand developed by Bosch was considered to have the best pricing for electric power tools and people also perceived it as durable. Hitachi and Milwaukee were perceived to both be brands with average qualities and low durability,

however, they were overall considered to have rather high quality products. When combining these results with how Finnish construction professionals perceive the importance of product qualities (Figure 12), and taking into consideration that quality, price and durability of an electric power tool are perceived to be most important, it can be concluded that Bosch ranks the highest combined score. Therefore, according to the survey results, Bosch is perceived as the preferred brand of electric power tools for Finnish construction professionals.

5 Conclusions and recommendations

The purpose of this thesis was to investigate the behaviour, perception and attitudes of Finnish construction industry professionals towards purchasing electric power tools to analyse whether Rebir products could potentially reach the consumers. The topic of consumer behaviour is a broad and complex field of study with many influencing factors, relating to which there are many topics that the scope of this thesis did not touch upon. The outcome was a research covering the general buying behaviour trends, main factors influencing purchase decisions, decision-making process, and the attitudes and beliefs towards purchasing electric power tools from the perspective of the Finnish construction industry professional. This section provides the main conclusions and recommendations regarding the results on the mentioned topics.

Customers, as explained, are at the very centre of doing business. Regarding the needs and wants of the consumer, the most popular brand choice for the Finnish construction professional was Bosch and the consumers most valued price, quality and durability regarding electric power tools. Rebir needs to focus on delivering these key values for the Finnish consumer to receive good attitude and a positive perception from the Finnish consumer.

It was discussed that customers pass through a certain process with every purchase they make, known as the buyer decision process. In the need recognition stage, a consumer usually recognises a problem or a need after which the consumer searches for information about the recognised need. It was determined that the construction industry professional usually obtains their information mostly from online sources or advice from other industry professionals. When evaluating alternatives, the most important criteria

for the target consumers were quality, price and durability of the electric power tool. When a purchase intention is formed, the product is most likely to be purchased from a large chain retail store or from a smaller specialty shop. Regarding post purchase behaviour, the Bosch brand in Finland fulfils most desired product criteria and is perceived as the preferred brand for the Finnish construction industry professional.

The average construction industry professional that uses electric power tools and has some degree of decision power regarding the purchase of that specific tool is predominately male in the age of 25 to 50 years old. The average consumer using an electric power tool in a work setting and for occupational needs also uses it regarding home renovations or in do-it-yourself projects. Since the construction industry in Finland largely consists of small businesses and small independent contractors, they also mostly have a high degree of influence, or can easily be approached regarding the purchase decisions of electric power tools. Results showed that consumers in the construction industry purchased electric power tools often or very often and they mostly participated in these purchases to some degree. The buying centre consists mostly of people who are initiators, influencers or deciders in the buying decision as the most common type of participation is requesting to purchase an electric power tool. Most industry professionals perceived their influence in the buying decision as low to medium.

Knowing that consumers mainly purchase their electric power tools from large retail stores as well as from smaller shops instead of buying power tools online provides, that Rebir power tools could reach the Finnish consumer most likely through these types of mediums. Since the most common type of collecting information about electric power tools from a consumer's point of view is to search the information online or receive information from other experts in the industry, the most sensible approach to reach customers for Rebir would be to focus on providing a sufficient amount of product information online as well as focus on communicating the value of the product to consumers through industry experts. Depicting the Finnish consumer attitudes on the O-continuum revealed even further that electric power tools in the mind of a Finnish consumer should focus on delivering value and quality to encourage repurchasing (or purchasing in the first place), it is important to encourage consumers to share their positive experiences with others in the industry.

In conclusion, this thesis provided an overview of the consumer behaviour, perception and attitudes of Finnish construction professionals towards purchasing electric power tools in Finland. The results allow Rebir to draw relevant conclusions in how they can best fulfil the wants and needs of the target consumer. Further research possibilities include continuing with a deeper insight into consumer brand perception, as Rebir is an unknown brand in Finland among the construction professionals community. Another insightful research topic for Rebir is to further research the different stages in the decision making process as it would allow an even deeper understanding of the Finnish consumer.

References

- Asare, M. 2015 Using the theory of planned behavior to determine the condom use behavior among college students. [online] Available at: <<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4621079/>> [Last accessed 15 March 2017].
- Bauboniene, Ž. and Guleviciute, G. 2015. E-commerce factors influencing consumers' online shopping decision. [online pdf] Available at: <<https://www3.mruni.eu/ojs/social-technologies/article/download/4295/4067>> [Accessed 5 March 2017].
- Blackwell, R., Miniard, P., Engel, J. 2006. *Consumer behavior*. 10th edition. USA: Thomson South-Western
- Business Queensland. n.d. Market research methods. [online] Available at: <<https://www.business.qld.gov.au/starting-business/planning/market-customer-research/basics/methods>> [Accessed 5 March 2017].
- Coptool. 2012. Power tool survey results from Tools of Trade. [online] Available at: <<http://www.coptool.com/power-tool-survey-results-from-tools-of-the-trade/>> [Accessed 25 April 2017].
- FluidSurveys. 2014. 3 types of survey research, when to use them, and how they can benefit your organisation! [online] Available at: <<http://fluidsurveys.com/university/3-types-survey-research-use-can-benefit-organization/>> [Accessed 3 March 2017].
- Future Market Insights. 2015. Power tools market: global industry analysis and opportunity assessment, 2015 - 2025. [online] <<http://www.futuremarketinsights.com/articles/power-tools-market>> [Accessed 14 March 2017].
- Hamedani, S. 2015. Global power tools market. [online pdf] Available at: <http://www.fastener-world.com.tw/0_magazine/ebook/pdf_download/HCP_41_E_137.pdf> [Last accessed 14 March 2017].
- Helminen, Kristiina. 2013. Yrittäjä työllistää itsensä ympäri vuoden. [online] Available at: <<http://shl.fi/2013/03/21/yrittaja-tyollistaa-itsensa-ympari-vuoden/>> [Accessed 4 May 2017]
- Lamorte, W. 2016. Behavioural change models: the theory of planned behavior. [online] Available at: <<http://sphweb.bumc.bu.edu/otlt/MPH-Modules/SB/BehavioralChangeTheories/BehavioralChangeTheories3.html>> [Accessed 16 March 2017].
- Market Intel Reports. 2017. Global power tools market – strategic assessment and forecast 2017-2022. [online] Available at: <<http://www.marketintelreports.com/report/1702-04/global-power-tools-market--strategic-assessment-and-forecast-20172022?gclid=CKSd5dTAxdMCFUIJGQodCxEJRg>> [Last accessed 15 March 2017].

Metsälä, J. 2017. Suomi on unohtanut rakennusalan. [online] Available at: <<http://www.hs.fi/paakirjoitukset/art-2000005076326.html>> [Last accessed 25 April 2017].

Ministry of Finance. 2017. Economic trends in construction. [online] Available at: <<http://vm.fi/en/economic-trends-in-construction>> [Accessed 3 May 2017].

Rajasekar, S., Philominathan, P., Chinnathambi, V. 2008. Research methodology. [online pdf] Available at: <<https://arxiv.org/pdf/physics/0601009.pdf>> [Last accessed 12 March 2017].

Rakennusteollisuus. 2016. Rakennusalan työmarkkinat, perustietoa. [online] Available at: <<https://www.rakennusteollisuus.fi/Tietoa-alasta/Tyoelama/Tietoja-tyovoimasta-rakennusalalla/>> [Accessed 24 April 2017].

Robert Bosch Tool Corporation. 2017. Power tools for professionals. [online] <<http://www.boschtools.com/us/en/boschtools-ocs/power-tools-22064-c/>> [Accessed 25 March 2017].

Saunders, M., Lewis, P., Thornhill, A. 2007 *Research methods for business students. 4th ed.* Harlow: Pearson Education Limited.

Schiffman, L., Kanuk, L. 1994. *Consumer behavior.* New Jersey: Prentice Hall.

Solomon, M. et al. 2016 *Consumer behaviour: A European Perspective.* 3rd edition. Harlow: Prentice Hall.

Tilastokeskus. 2016a. Korjausrakentaminen. [online pdf] Rakennusyritysten korjaukset 2015. Available at: <http://www.stat.fi/til/kora/2015/02/kora_2015_02_2016-12-08_fi.pdf> [Accessed 23 April 2017]

Tilastokeskus. 2016. Naiset ja miehet Suomessa 2016. [online pdf] Available at: <http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yyti_namisu_201600_2016_16132_net.pdf> [Last accessed 16 March 2017].

Technavio. 2016. Global power tools market 2016-2020. [online] Available at: <<https://www.technavio.com/report/global-tools-and-components-power-tools-market>> [Last accessed 16 March 2017].

Turban, E., King, D., Lang, J., 2009. *Introduction to electronic commerce.* 2nd edition. New Jersey: Pearson Education.

ToolGuyd. 2014. Power tools tech: brushless motors 101. [online] Available at: <<http://toolguyd.com/power-tool-brushless-motors/>> [Accessed 3 May 2017].

University of Michigan. 2016. Survey research. [online] Available at: <<https://www.researchconnections.org/childcare/datamethods/survey.jsp>> [Last accessed 11 March 2017]

USC Libraries. 2016. Types of research designs. [online] Available at: <<http://libguides.usc.edu/writingguide/researchdesigns>> [Last accessed 26 February 2017].

Vainio, T. 2016. Asuntotuotantotarve 2015-2040. [online pdf] Available at: <https://www.rakennusteollisuus.fi/globalassets/suhdanteet-ja-tilastot/asuntotuotanto_2040/asuntotuotantotarve-2040-raportti.pdf> [Accessed 26 April 2017].

Walters, C. 1974. *Consumer behavior: Theory and practice*. Minnesota: R. D. Irwin.

Appendix 1. Questionnaire in English

1. What gender are you?

- a. Male
- b. Female

2. What age bracket are you in?

- a. 18-24
- b. 25-34
- c. 35-50
- d. 51 and older

3. Where do you primarily use electric power tools?

- a. Occupational need
- b. Workplace
- c. Home renovations and do-it-yourself (DIY)

4. What is your primary profession?

- a. Surface contractor
- b. Specialised or technical contractor
- c. Other, explain _____

5. How often do you purchase electric power tools?

- a. Very often
- b. Often
- c. Sometimes
- d. Rarely
- e. Never

6. Who makes purchase decisions regarding electric power tools in your workplace?

- a. Only me
- b. Mostly me and also my supervisor
- c. Only my supervisor
- d. I do not know

7. How do you usually participate when there is a need to buy an electric power tool?

Circle those that apply to you the most.

- a. I buy the electric power tool
- b. I tell my supervisor if I need a new electric power tool
- c. I give advice about what electric power tool is needed or is the best
- d. I decide if the product can be purchased by someone else
- e. I do not participate in any way

8. How much influence do you usually have in buying electric power tools in your company when 1 is the least amount of influence and 7 is the highest amount of influence?

1 2 3 4 5 6 7

9. Where do you usually shop for electric power tools?

- a. Online stores
- b. Large chain retail stores
- c. Small stores and specialty shops
- d. Order directly from supplier

10. Where do you collect or find out information about electric power tools?

- a. Search online
- b. Read product reviews
- c. Ask from store clerk
- d. Advice from other people
- e. Advertisements
- f. Friends and family

11. How important do you find the following features (1-5) when buying a new electric power tool when 1 is least important and 5 is extremely important?

Brand	1	2	3	4	5
Price	1	2	3	4	5
Quality	1	2	3	4	5
Appearance	1	2	3	4	5
Ergonomics	1	2	3	4	5
Weight	1	2	3	4	5
Power	1	2	3	4	5
Durability	1	2	3	4	5
Packaging	1	2	3	4	5
Warranty	1	2	3	4	5
Good reviews	1	2	3	4	5
Availability	1	2	3	4	5

12. Which brands of electric power tools would you buy most likely regarding the following qualities?

Brand with the greatest brand reputation and image is _____

Brand with the best pricing for electric power tools is _____

Brand with widest selection of electric power tools is _____

Most durable electric power tools brand is _____

Highest quality electric power tools brand is _____

Title of the Appendix

Content of the appendix is placed here.