



TAMPEREEN AMMATTIKORKEAKOULU
UNIVERSITY OF APPLIED SCIENCES
BUSINESS SCHOOL

FINAL THESIS REPORT

Sales channel and area for field production Case: FutuVision

Qianqian Zeng

Degree Programme in International Business
August 2008
Supervisor: Simo Vesterinen

TAMPERE 2008

Writer(s): Zeng Qianqian

Study Programme(s): International Business

Title of Thesis Sales channel and area for field production Case: FutuVision

Title in English: Sales channel and area for field production Case: FutuVision

Month and Year of Completion: August 2008

Supervisor: Simo Vesterinen

Number of Pages: 43

ABSTRACT

The electronic market has been rapidly growing in Finland and other Nordic countries in recent years, including the field products. These products have increased their value due to the demands of various professions.

FutuVision is a company which is manufacturing and selling digital voice recorder. FutuVision is located in Tampere, Finland. I did my internship for BBA programme on 2007. My supervisor Sofia Yang has introduced me the product usability and market situation for field products during the time I was working there.

This thesis aims to find out the potential markets and sales channels in Nordic area for Digital voice recorder. This is analyzed on the basis of a survey conducted to support the research. FutuVision has provided the resources of customer lists for completing the questionnaire, points of the research, and information about existing markets.

The Nordic market is briefly introduced in the thesis; the focus of the analysis was the Finnish field products market. The analyses were made to find out what are the possible channels for launching digital voice recorder in Nordic market.

As the part of survey, there were 50 copies sent to customers, retailers and Journalists in Helsinki, Valkeakoski and Tampere in Finland. The purpose was finding out of distribution of the products into Nordic market, the most suitable channel for launching PAW120 and groups of potential customers who would purchase the products. 1 retailer, 28 lawyers and 10 Journalists answered the questionnaire and after I presented the product functions they showed their interests in knowing more about usability and price of product. Accordingly direct selling is the most suitable channel for local market in this field product. 28 lawyers have commented features of digital voice recorder, 10 Journalists were interested in usability of product if it is matching their demands. In Summary and Conclusions, there is more concrete analyzing of channels which are possible to be utilized for launching the new product as well as explained how the research basis on the data collected from survey.

Key words: Sales channel Market analysis Nordic market

Table of Contents

1	Introduction	4
1.1	Background of the research	4
1.2	Purpose of the research and research problems	6
1.3	The research question	6
1.4	Methodology of the research	7
1.5	Structure of the research	7
2	FutuVision	9
2.1	Business plan	9
2.2	Partners	9
2.3	Selected sales promotion - Exhibitions.....	10
2.4	Defining the product's market.....	9
2.5	Basic features of PAW 120	9
3	Nordic market.....	12
3.1	Current market situation	12
3.1.1	The over view of Nordic countries´ market.....	12
3.1.2	The Field products launched in domestic fast growing market.....	12
3.2	Sales channels	14
3.2.1	Direct marketing.....	14
3.2.2	Personal selling.....	16
3.3	Positioning	19
3.4	SWOT analysis of FutuVision and competitors.....	22
4	The survey	24
4.1	Questionnaire for PAW 120	24
4.2	Results of questionnaire.....	26
4.3	Analysis of Questionnaire.....	30
5	Recommendations: Sales Channels	32
6	Summary and Conclusions	36
	References	43

1 Introduction

The high technology products are utilized in Nordic countries and even other parts of world, creating challenges to develop new technology continuously. Voice recorder is a special high technology product, which is not very widely used in everyday life. There are certain groups who benefit from the voice recorder, for example reporters when they are interviewing people, professors when they keeping lectures, and lawyers when they are debating. In the future voice recorder can have new potential user groups and larger market.

In Nordic countries the company doesn't have clearly defined markets. The voice recorder product hasn't been known outside of the special customers known as field workers. Denmark's, Sweden's, Finland's, Norway's and Iceland's purchasing power per capita gives a potential to gain larger sales volume, but currently the users of voice recorder are rather rare in the companies, as it is only for field workers.

In Finland the market is still narrow but promising. Similar products from Maxell, Sony, and Olympus are not as competitive with the pricing, even though the functions are more or less similar. PAW120 is the newest version of the voice recorder which has launched in European market, the product hasn't reached to Nordic countries yet, but it is possible to distribute to Finnish market first as the first market in Nordic country.

However, to distribute the product in more areas is the target for the company. The first stage can be relating the product to e-business channel and then other channels for assisting the sales.

1.1 Background of the research

There are two retailers which have rights to sell PAW 120. Both of them are located in Europe, but for Nordic countries market is more difficult to enter. The limited resources and people affect the development of multimedia industry. But in a way, Finland and other Nordic countries all have their high technology leaders in various areas, Nokia and Ericsson are two famous brands to prove the high technology industry is well developed.

For more professional areas, PAW 120 has more markets. Even though there is other

competing industries in same areas, but it sometimes help the consumers to be aware the possible products. PAW 120 combines more of those methods.

To enter the market in Nordic countries, the company has two available channels that can be used. The first one is co-operating with other retailers domestically as a start of entering the Nordic market and the second one is direct marketing sales. FutuVision does the market research of the potential users who are living in this area, send the brochures, and contact them afterwards. This is so-called “door-to-door” sales.

In the beginning FutuVision built up a main office in Tampere. To start the business with Nordic countries, the location of headquarter is very important. Many of small-medium sized mixed firms are located in Tampere; few of the big companies are present in Tampere as well. Tampere has become one of the biggest and very high technology oriented city in Finland. With the connection to other media and small retailers, FutuVision has cooperated with other European retailers, yet not in Nordic countries.

To cooperate with local retailers in Finland FutuVision still needs to research more markets and individual customers. They are required to be professionals, as they are the targeted user group. This research will be closer to my studies of thesis.

Another option would be direct sales. This sales channel includes many aspects such as direct mails, and selling, these all are tools for direct sales. On-line sales are one of the ways to access the product information for the customers and retailers. FutuVision has created a website to connect business information to company sales. There are not only information of digital voice recorders, but also customer feedbacks, journalist’s comments of it on newspaper and all the current retailers contact information. The well built user platform has complete information of PAW 120.

The third option can be direct advertisements targeting legal offices, universities, hospitals and other potential customers who are required to have a recorder for their general work. Direct advertisements can be more customizable and recognizable. PAW120 is a more individualized product, the information will be provided as brochures directly to the customers. Direct advertisements are different from the second channel. These advertisements are more than just the Internet sales and the demand for the product, because with direct

detriments the customers are known via their companies, without doing any research of their current needs as well as interests. The direct marketing doesn't take as long time as the second option.

However, direct marketing is a very challenging way to go. For a rather new technical company, the choice of direct marketing would be closer to the needs of development in the entry level.

1.2 Purpose of the research and research problems

FutuVision is a new company in Finland and the business has extended to Switzerland and Spain. PAW120 is a new version of the digital voice recorder in "PAW series" which is manufactured in China. The plan of the company is to expand the business to all of the Nordic countries.

The research is aiming to find out a suitable channel for distribution of the new version of the digital voice recorder to market in Finland first. Meanwhile exploring the potential customers and promising retailers. Here is what the official website of FutuVision presents as a mission statement, "Endowed with solid business operations and a pool of talented IT and electronics professionals in both China and Finland, our mission is to become the most efficient business intermediary between China and Europe." (Mission, 2007)

One of the targets of this thesis is to find a suitable channel for FutuVision to distribute the PAW120 in Nordic countries. There are certain things needs to be taken into consideration. Not only one sales channel will be chosen in real sales, the analysis will be based on answers from questionnaires and customer feedbacks.

1.3 The research question

The main research target groups are professionals who are using digital voice recorders in their work. The aim of the questionnaire is to find out how to launch the product in the Nordic market and the potential intend of purchasing among these groups of professionals. There are five questions that will be asked:

- What is your profession?
- What brand of digital voice recorder you think is better?
- What qualifications are most important for you when you buy the digital voice recorder?
- Where would you buy the voice digital recorder?
- Do you like the after sales service of your current digital voice recorder? Why?

1.4 Methodology of the research

The research will gather information from both feedbacks of survey and public resources. The questionnaire will be sent to 18 lawyers and 10 journalists whom are mainly living in Tampere and Helsinki. The questionnaire contains one open question and four multiple choices.

Helsinki and Tampere are considerably bigger sized cities compared to other cities in Finland. Many companies are located in these two cities. As FutuVision has a main office in Tampere and also branch office at Helsinki it will be easier to reach the potential consumers nearby to start a direct marketing campaign. One other significant reason for choosing these two cities in Finland is the fact that there are a higher number of companies, which are international and familiar with different cultures.

The public resource includes media and relevant books. The company provides information of the products and other data research needs.

1.5 Structure of the research

The research will include four phases. The first phase FutuVision Technology's internal factors will be studied. The business vision and mission will be described with a special focus on the partners and resources in European market. PAW120 as a digital voice recorder will be introduced briefly in this part as well.

The market analysis and entry strategies are studied in the second phase. The SWOT

analysis will include the strengths and weaknesses of the company and product launch and analyses of the opportunities and threats of the market environment. The business plan and strategies on how to enter the Nordic market are introduced focusing on the current market situation. In this phase, sales channels are considered as significant points of the whole research. The channels are described as a plan for distributing the products; the different channels will be introduced with theoretical concepts.

The data and information of the new product distribution will be examined in the third phase. A questionnaire will be based on purpose of discovering a new market and new potential customers, the results will be analyzed at the end.

The last phase is a summary of the thesis. It tells how to position this high technology product in Nordic market. It will include more recommendations from current consumers and potential customers. The questionnaires and responses will be analyzed as well in the phase four.

2 FutuVision

FutuVision Technology Ltd. is a part of FutuVision Oyj. FutuVision specializes in consultation, distribution, electronic packaging and subcontracting services. The main goal of FutuVision Technology is to generate sales for the PAW series. FutuVision has co-operation with Informedia Digital Technologies Co., Informedia System Co., and Informedia Electronic Technologies Co. The factory and technical centre are located in China, and FutuVision Technology functions as sales office and after sales service provider for the product.

2.1 Business plan

The business plan is to launch the PAW120 and future products in the Nordic market. Since FutuVision has retailers in Spain and Switzerland, it is easier for consumers and retailers in Nordic countries to do business with the Tampere office. Informedia System Co. will manufacture the PAW series, new product development will also be based in China. FutuVision Technology is planning to co-operate with local retailers in Finland, to expand business to Finland and other Nordic countries. To find out the working sales channels is significant step for the first phase on entering the market.

The plan is to build up connection with the potential individual customers first. Potential customers and retailers are all in the range of this research. The positive outcome and methods on this research will also promote the sales. Becoming the most efficient business intermediary between China and Europe is the mission of the company. (Mission, 2007)

2.2 Partners

”Our long-term partners in China and Europe count among the leading actors in their respective fields of business. Through fruitful collaboration we have been able to create a solid foundation for us to work from when conducting business in China or Europe. ” (Partners, 2007)

Informedia System has a large range of broadcast automation systems, software management services for radio stations, embedded products, and broadcasting system

integration business. Informedia System now owns about 70% of the market share of the digital voice recorders, it is the biggest supplier of audio workstations and broadcast automation systems in Asia. Tampere is their main office in their strategy of entering the global market. Informedia System has set up its own commercial sales network in Shanghai, Guangzhou, Qingdao, Chengdu, Shenyang, Kunming and other locations in Asia. “Being able to take in charge all the operations linked with our products and pay attention to prestige is our creed. We make great efforts in opening up marketing channels, we also are the domestic distributor of many advanced products, and we use our own technological resources to make our own products, and thus achieve our goal.” (Empower media, 2006)

Informedia has four big partners (AEQ, LAWOW, HARRIS, and DIGIGRAM) working with resource distribution channels and technology co-operation.

Other retailers in Spain and Switzerland are sales centers; they play a big part in European market as they are functioning as distributors as well as intermediate for individual buyers, and act as a service center.

2.3 Selected sales promotion - Exhibitions

The niche markets within the ICT sector can offer profitable opportunities in Finland. In fact, Finland’s success in high-tech industries is based on its advanced R&D infrastructure, technology-friendly culture, highly educated workforce and extensive networking of resources and competencies. (Dynamic center of expanding markets, 2007)

It is difficult to enter the market with non-existent image of a company or the product; hence there is previous reputation and feedback from customers yet from the local markets. The first step company has had taken, was to build an office in Tampere. The aim of the office is to build up the sales network in other countries. The Tampere as selected office's location, has promoted itself as a new high tech city in Finland. The product can be promoted by local office employees and retailers discovered and other local agencies after the office has been set up.

Different communication problems exist for different types of product, including materials, services and small or large, simple or complex machinery. With materials the

selling feature or **unique sales proposition (USP)** maybe be communicated quite simple or through a low-communication medium. The different methods of communicating the USP of different types of product are termed communication strata. A product with a simple USP can be communicated through a low communication stratum, whereas a product with a complex USP can be best be communicated through a high communication stratum. The communication strata has series of process to promote the product (Figure 3: Campaign objectives (Jobber and Lancaster 2003: 191)

For FutuVision, the technology office has built up for few years in Finland. Selecting direct marketing as the prior sales channel is because FutuVision hasn't build up enough connection with potential customer groups. Through the presentations, not only represent the company's image to public, also create a newly image for products in front of potential customers. As a high-technology company, FutuVision may develop customers through information superhighway, to achieve the goal of launching in the field market domestically first.

2.3.1 Personal selling

Personal selling activities can be observed at various stages in the buying process of both the consumer and business-to-business markets. This is because the potency of personal communications is very high, and messages can be adapted on the spot to meet the requirements of both parties. It is different from other forms of communication and sales channels in that transmitted messages represent, mainly, dyadic communications.

Types of personal selling include:

- Performance network: This involves selling offering onwards through a particular channel network to other resellers. They turn will sell the offering to other members who are closer to the end-user.
- Industrial: It is the main type of selling consists of business-to-business marketing and requires the selling of components and parts to others for assembly or incorporation within larger offerings.
- Professional: this type of selling process requires ideas and offerings to be advanced to specifiers and influencers. They will in turn incorporate the offering within the projects they are developing.
- Consumer: This requires contact with the retail trade and the end user consumer. (Fill 2002:687)

The role of personal selling is largely one of representation. In Business-to-business markets sales personnel operate at the boundary of the organization. They provide the link between the needs of their own organization and the needs of their customers.

The sales net not only based on B2B, it is possible to build up with possesses of sales. As the figure above shows, Personal selling is a channel to representing the sales in a more professional way. (Fill 2002: 695)

2.4 Positioning

In marketing positioning has come to mean the process by which marketers try to create an image or identity in the minds of their target market for its product, brand or organization. It is the relative competitive comparison' their product occupies in a given market as perceived by the target market.

Generally, the product positioning process involves (Wikipedia, 2008):

- Defining the market in which the product or brand will compete (who the relevant buyers are)
- Identifying the attributes (also called dimensions) that define the product 'space'
- Collecting information from a sample of customers about their perceptions of each product on the relevant attributes
- Determine each product's share of mind
- Determine each product's current location in the product space
- Determine the target market's preferred combination of attributes
- Examine the fit between:
 - The position of your product
 - The position of the ideal vector
- Position

Positioning is about visibility and recognition of what a product/service represents for a buyer. In markets where the intensity of rivalry and competition are increasing and buyers have great choice, identification and understanding of a product's intrinsic values become critical. Positioning, therefore, is the natural conclusion to the sequence of activities that

constitute a core part of the marketing strategy. Market segmentation and target marketing are prerequisites to successful positioning. From the research data and the marketing strategy, it is necessary to formulate a positioning statement that is in tune with the promotional objectives.

The development of positions which buyers can relate to and understand is an important and vital part of the marketing communications plan. In essence, the position adopted is a statement about what the brand is, what it stands for and the values and beliefs that customers will come to associate with the particular brand. The visual images or the position statement represented in the striping may be a significant trigger which buyers use to recall images and associations of the brand.

The positioning era had developed mainly because of the increasingly competitive market conditions, where there is now little compositional, material or even structural difference between products within each class. Consequently, most products are now perceived relative to each other. (Fill 2002: 324)

) (Jobber and Lancaster 2003: 264)

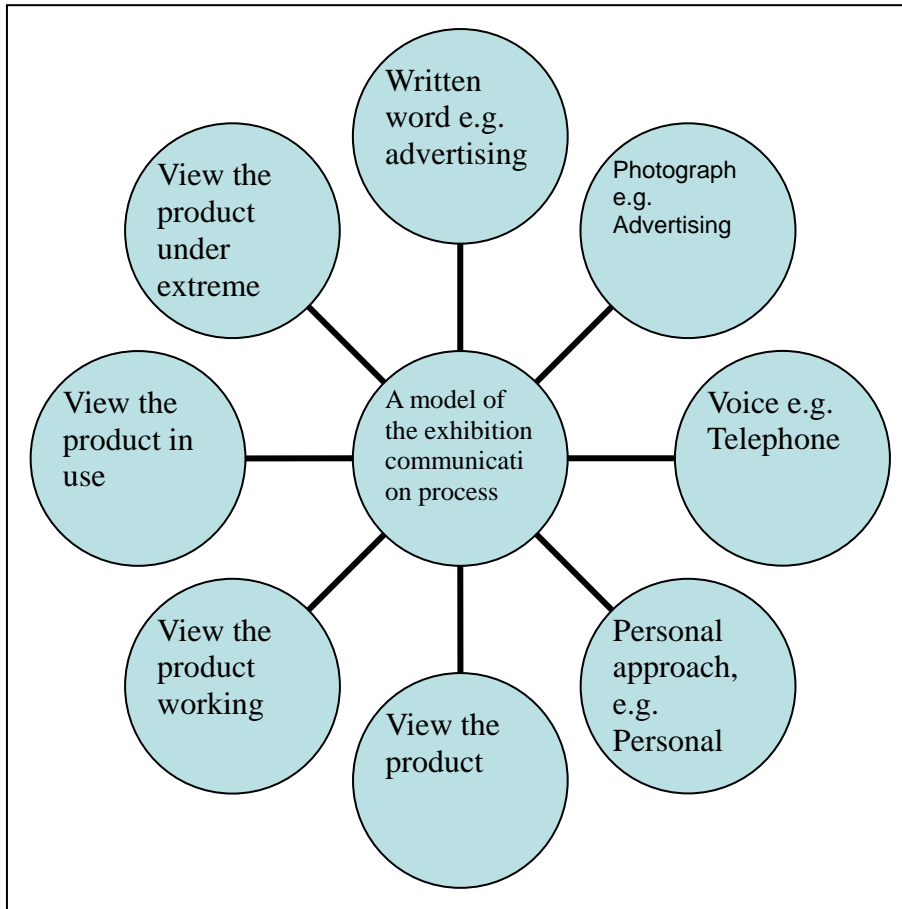


Figure 1: A model of the exhibition communication process (Jobber and Lancaster 2003: 262)

For FutuVision, the selected promotion method is exhibitions. Exhibitions are tangentially related to sales settings as the objective is not to sell from display stands, although in some circumstances exhibitions and trade fairs are locations where most of the business takes place. (Jobber and Lancaster 2003: 262)

The company has participated in several trade fairs in Finland to promote the product, as well as organized several events to represent the company. As for conducting sales channel in Finnish market, promoting the company's image takes the priority for the company. Therefore FutuVision will create a brand image before representing the products. Meanwhile, local office has found out the contacts of individual buyers, with exhibition of the products, they have had a basic impression of the new product and the company. (Sofia Yang, 30.11.2007, interview)

To use the exhibition method is a necessity for a new brand. To understand the

exhibition objectives and measure the results is important; USP is functioning in managing and pre-planning the exhibitions as well as in scientific process. PAW120 is a product with complex USP, as it is high technology product; there are many features and functions that need to be explained in a simple way.

With professional pre-planning and management, exhibitions can be powerful sales tools and not the expensive luxury that many companies at one time regarded them to be. (Jobber and Lancaster 2003: 266)

2.5 Defining the product's market

PAW120 is a newest version of the digital voice recorder product line, which has been developed based on PAW100. FutuVision and its partners are launching PAW120 as a new product in the field market. As they say, "The legend of PAW-100 in the journalist profession has led to the birth of PAW-120 with more powerful and state-of-art features for the professionals. " (PAW professional recorder, 2007)

PAW 120 has been designed not only for professionals but also for many other users who demand audio recording functions. FutuVision has given examples of how to use it as a comprehensive tool in life. For example: "Professional law enforcement and professional investigators can present high quality audios as good evidence. The high quality digital audio recorder is the perfect choice for them because it was built for them and gives them forensic type quality high tech recording results also students can use PAW120 to capture audio in school, such as instructors, lectures, group discussions, etc. An audio recording of a lecture or discussion can reduce the need to take accurate written notes while listening and participating. An audio recording also serves as a precise, documented account of a class that can be helpful to students who would like to review before an exam, or for students who were unable to attend class. " (PAW professional recorder, 2007)

2.6 Basic features of PAW 120

PAW 120 is a professional tool for interviewing and fixing audio. The basic and most important features of the product will be introduced to customers initially. As it mostly targets journalists and lawyers, it is designed for those groups of consumers. Especially built in microphone has saved time for reporters when they are in hurry to go for interviews. One of the journalists has given feedback that is published in FutuVision's official website: “As a busy journalist I appreciate the fact that all I need in my work is included in PAW 120. I don't have to worry about forgetting to take a minidisk with me or noticing suddenly that the microphone is left at the office. All that is needed is in one small beautifully designed package. When I have my Paw120 with me I just can't go wrong. ” (What professionals say about PAW 120, 2008)

Figure 2: Basic features of the PAW120, 2008

- Support any dynamic, capacitor and electrets microphone
- Built-in speaker
- Built-in waveform audio editor
- Automatic gain control recording
- Real-time MPEG and Linear PCM editing, support BWF (Broadcast Wave File) format
- OLED dual color display
- USB transfer FAT file format compatible with Windows and Mac OS
- Full metal case
- Easy integration into existing automation system



- Two modes of operation for the VOR system: Pause REC or Split Track; changeable voice control triggering level
- Standard Windows FAT16 file system
- Optional file management system
- Optional external stereo microphone with direct-contact feature and self-lock system
- Any microphone with standard mini-jack connector can be used

3 Nordic market

3.1 Current market situation

3.1.1 The over view of Nordic countries´ market

“The Nordic countries have taken a leading position in this change that transforms the industries from centrally planned monopoly structures to deregulated markets.” (Restructuring of electricity market, FutuVision 2008)

Norway, Iceland, Denmark are leading in electronic industries among the Nordic countries. Finland and Sweden are catching up the speed of development in high technical market.

The market in Nordic countries has common challenges, as the common values and business cultural background are more or less similar. There is related sustainable development for all the Nordic countries, to enhance the development; they cooperate with other global companies or foreign companies.

The certain model of how to cooperate with neighboring countries and foreign firms in Nordic countries are so called “Nordic model”. The Nordic Region regularly comes out at top in international studies of competitiveness, sustainable development, education, welfare, living standards and equality. (Mr. Paavo Väyrynen, 2007)

As the statistic shows, the global competitiveness index ranking 2006 at World Economy Forum, Nordic countries are all in top high ranks. The best performing countries were distinguished by their competent economic stewardship, investment in higher education and an emphasis on technology development and innovation. (US loses competitiveness spot)

3.1.2 The Field products launched in domestic fast growing market

The new field products basis on those innovation of high technologies, many firms are keeping update the products varieties, not only MP3 player, Mobiles, Cameras etc. which common families would purchase, also aiming at some special organizations and individuals whom are demanding for more processional products.

There are more on-line shops shows up in the markets in Nordic countries, the connection between customers and resellers are based on Internet pages. In fast growing Nordic markets, high technical products, especially field products with high technology elements are demanded from organizations and companies. A relevant report shows that Finland has one of the world's most sophisticated information and communication technology infrastructure and application development environment. According to IDC, the general outlook for IT sales has improved over the past three months based on stronger Nordic economies improved business profitability, and increased expectation for hardware sales in particular.

The particularly high rate of market in Finland and other Nordic countries raises the advanced knowledge of people for the high technical market in those countries. The selected channels are resellers and on-line services. Professionals aware the product as they use for their work, the target market will be this group of people. Generally the customer group divided into the professionals and individual customers.

For example, the purchasing power in Finland in recording equipment was comparably lower than other electronic devices, but since 2005, it raises to 43%. Digital voice recorder in Finland is still a smaller market compare to other technical devices.

The table shows the consumption of electronic equipments in Finland (Science, technology and information society, 2008 From Statistics Finland)

Device	2000	2001	2002	2003	2004	2005	2006
	% of households						
Home PC	47	51	55	59	63	66	71
Portable PC	..	..	..	12	16	21	29
Printer	38	41	45	46	48	51	53
Recording CD/DVD drive	..	..	..	..	..	43	51
Internet connection	30	36	41	45	49	57	64
Broadband ¹⁾	6	10	14	16	26	42	55
IP phone subscription	..	..	..	..	..	17	25

1) In 2000-2002, incl. ISDN.

Table 1: Frequency of information technology equipment in households

3.2 Sales channels

A sales channel is the route that goods take through the selling process from supplier to customer. Sometimes the channel is direct, especially where goods sold are incorporated into a manufacturing process. A sales channel can also be indirect, whereby a manufacturer sells to a wholesaler or agent, who sells in smaller lots to other customers. (Jobber and Lancaster 2003:244)

The main problem that companies have to face is in choosing the most appropriate channel. Basically, a manufacturer has the choice of one of four types of distributions.

- Direct. The manufacturer does not use a middleman and sells and delivers direct to the end customer.
- Selective. The manufacturer sells through a limited number of middlemen who are chosen because of special abilities or facilities to enable the product to be better marketed.
- Intensive. Maximum exposure at the point of sale is needed and the manufacturer sells through as many outlets as possible. Servicing and after-sales aspects are less important.
- Exclusive. The manufacturer sells to a restricted number of dealers. (Jobber and Lancaster 2003:248)

In this case, FutuVision have chosen direct selling as their representative sales channel. A new product without impressive brand image and reputation yet, it is a direct way for making the sales.

3.2.1 Direct marketing

Direct marketing is the use of consumer-direct (CD) channels to reach and deliver goods and services to customers without using marketing middlemen. These channels include direct mails, catalogs, telemarketing, interactive TV, kiosks, web sites and mobile devices. Direct marketing is one of the fastest growing avenues for serving customers. It attempts to acquire and retain customers by contacting them without the use of an intermediary. It is the

distribution of products, information and promotional benefits to target consumers through interactive communication in a way which allows response to be measured. It covers a wide array of methods, including the direct mailing and telemarketing. (Jobber and Lancaster 2003:179)

It is one of channels would be used in promoting product to customers for the company. As direct-marketing has commonly used in sales and marketing researches, it has been growing rapidly. Direct sales include sales to the customer market, B2B, and fund raising by charitable institutions. More and more business marketers have turned to direct mail and telemarketing in response to the high and increasing costs of reaching business markets through a sales force.(Philip 2003: 620)

Much direct marketing activity requires accurate information on customers so that they can be targeted through direct mail or telemarketing campaigns. This information is stored on a marketing database which comprises an electronic filing cabinet containing a list of names, addresses and transactional behavior. Information such as types of purchase, frequency of purchase, purchase value and responsiveness to promotional offers may be held in the database. This is so called “database marketing” in direct marketing.

Database marketing which defined as provide information to target audience, stimulate demand and stay close to customers by recording and storing an electronic database memory pf customers. Somehow, database marketing has tightly related to direct marketing. (Jobber and Lancaster 2003:188)

The direct marketing expenditure have grown since 1999, compare to other European countries, Finland and Denmark have risen to 800 and 500 millions of Euros since then. (Jobber and Lancaster 2003: 186)

To manage the direct marketing campaign has to aware how the product is positioned in the market place in terms of its target market and differential advantage. These issues will fundamentally affect who the campaign is targeted at and persuasive messages used to convince the target consumer to buy. (Jobber and Lancaster 2003:191)

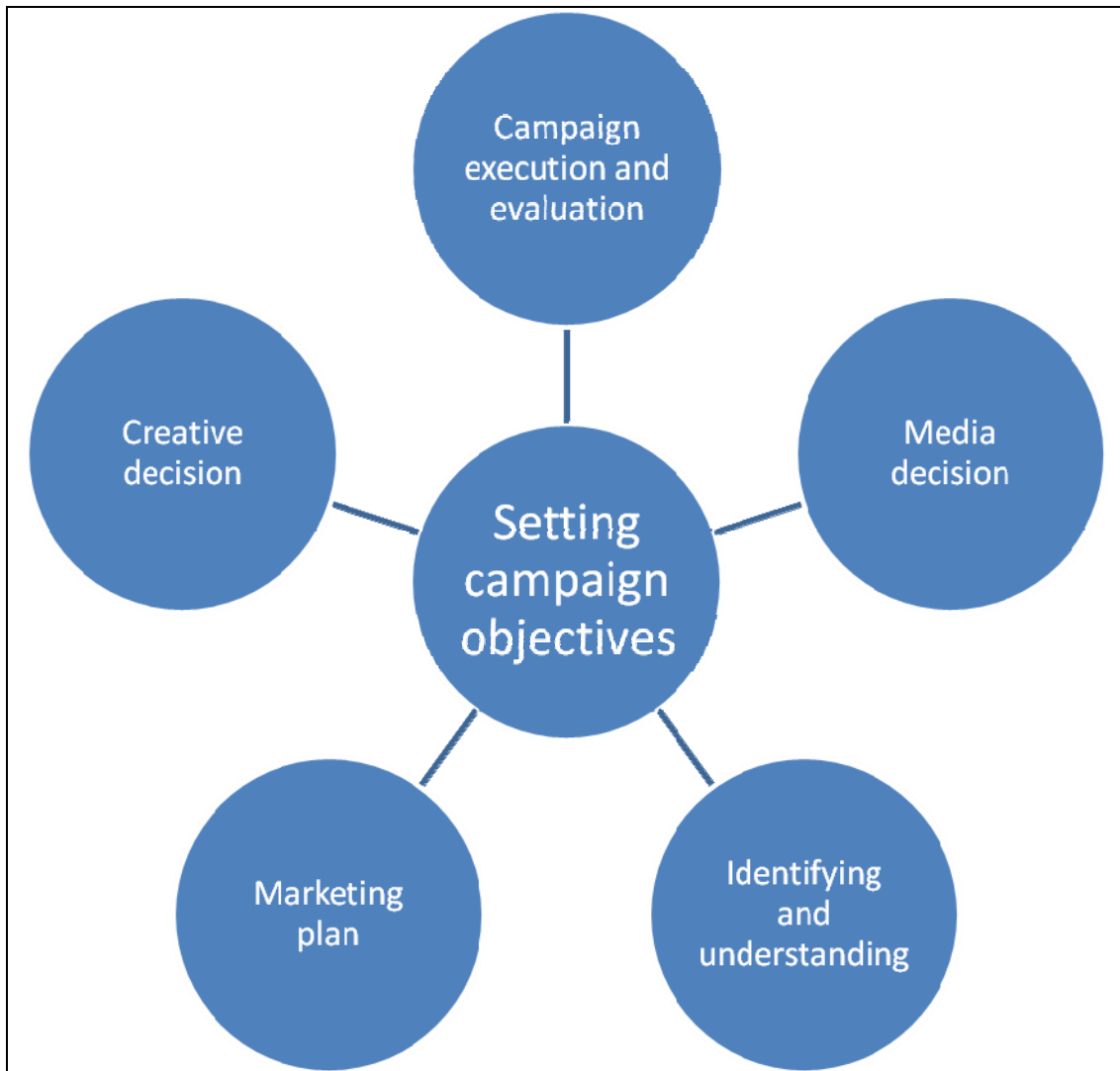


Figure 3: Campaign objectives (Jobber and Lancaster 2003: 191)

For FutuVision, the technology office has built up for few years in Finland. Selecting direct marketing as the prior sales channel is because FutuVision hasn't build up enough connection with potential customer groups. Through the presentations, not only represent the company's image to public, also create a newly image for products in front of potential customers. As a high-technology company, FutuVision may develop customers through information superhighway, to achieve the goal of launching in the field market domestically first.

3.2.2 Personal selling

Personal selling activities can be observed at various stages in the buying process of

both the consumer and business-to-business markets. This is because the potency of personal communications is very high, and messages can be adapted on the spot to meet the requirements of both parties. It is different from other forms of communication and sales channels in that transmitted messages represent, mainly, dyadic communications.

Types of personal selling include:

- Performance network: This involves selling offering onwards through a particular channel network to other resellers. They turn will sell the offering to other members who are closer to the end-user.
- Industrial: It is the main type of selling consists of business-to-business marketing and requires the selling of components and parts to others for assembly or incorporation within larger offerings.
- Professional: this type of selling process requires ideas and offerings to be advanced to specifiers and influencers. They will in turn incorporate the offering within the projects they are developing.
- Consumer: This requires contact with the retail trade and the end user consumer. (Fill 2002:687)

The role of personal selling is largely one of representation. In Business-to-business markets sales personnel operate at the boundary of the organization. They provide the link between the needs of their own organization and the needs of their customers.



Figure 4: Sales processes (Fill 2002: 695)

The sales net not only based on B2B, it is possible to build up with possesses of sales. As the figure above shows, Personal selling is a channel to representing the sales in a more professional way. (Fill 2002: 695)

3.3 Positioning

In marketing positioning has come to mean the process by which marketers try to create an image or identity in the minds of their target market for its product, brand or organization. It is the relative competitive comparison' their product occupies in a given market as perceived by the target market.

Generally, the product positioning process involves (Wikipedia, 2008):

- Defining the market in which the product or brand will compete (who the relevant buyers are)
- Identifying the attributes (also called dimensions) that define the product 'space'
- Collecting information from a sample of customers about their perceptions of each product on the relevant attributes
- Determine each product's share of mind
- Determine each product's current location in the product space
- Determine the target market's preferred combination of attributes
- Examine the fit between:
 - The position of your product
 - The position of the ideal vector
- Position

Positioning is about visibility and recognition of what a product/service represents for a buyer. In markets where the intensity of rivalry and competition are increasing and buyers have great choice, identification and understanding of a product's intrinsic values become

critical. Positioning, therefore, is the natural conclusion to the sequence of activities that constitute a core part of the marketing strategy. Market segmentation and target marketing are prerequisites to successful positioning. From the research data and the marketing strategy, it is necessary to formulate a positioning statement that is in tune with the promotional objectives.

The development of positions which buyers can relate to and understand is an important and vital part of the marketing communications plan. In essence, the position adopted is a statement about what the brand is, what it stands for and the values and beliefs that customers will come to associate with the particular brand. The visual images or the position statement represented in the striping may be a significant trigger which buyers use to recall images and associations of the brand.

The positioning era had developed mainly because of the increasingly competitive market conditions, where there is now little compositional, material or even structural difference between products within each class. Consequently, most products are now perceived relative to each other. (Fill 2002: 324)

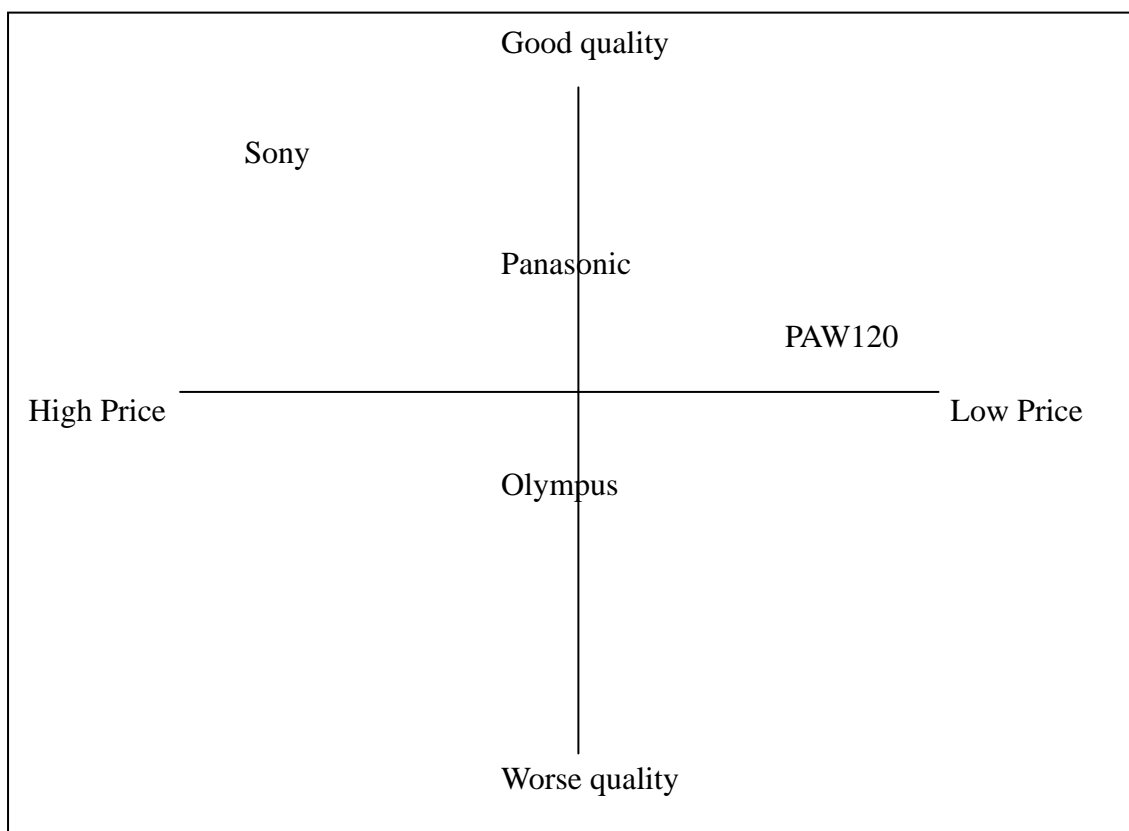


Figure 5 Positioning for PAW120 (Fill 2002: 324)

As the Figure shows, PAW120 has few strong branded competitors in current market. PAW120 can be positioned in Lower price but high quality sector. The closer products are clustered together, the greater the competition. The further apart the positions, the greater the opportunity to enter the market, as competition is less intense. (Fill 2002:687)

The product of PAW120 has a current targeted market – Nordic countries. As mentioned above, FutuVision has an office located in Finland for after-service and cooperating with China to solve varies of problems, the remained retailers have reached branch to Switzerland, Spain and Singapore.

3.4 SWOT analysis of FutuVision and competitors

SWOT analysis is a useful method of generating strategies that are directly related to the company's strengths and weaknesses and the opportunities and threats it faces. (Jobber and Lancaster 2003:42)

<p>Strengths</p> <ul style="list-style-type: none"> • Built up retailer's web in Europe • Low price • Cooperator has office in Tampere as well • From promoting other products, same time exhibited the PAW120 and raised reputation of company • Consistently have press released in the official website • A new business area 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Competitors are rather famous brand in the area • A new product in Nordic market • Not advertising enough yet • Technical center is located in China, engineers have different time zone to discuss problems from both places
<p>Opportunities</p> <ul style="list-style-type: none"> • There are not so many digital voice recorder brands in Finland • The business has reached to other European countries, even USA. 	<p>Threats</p> <ul style="list-style-type: none"> • Restricted sales channels, it limited the resources of consumers and market • As it is a new product, it has not build up a brand image yet.

Table 2: SWOT analysis

FutuVision has Paw professional digital recorder as their leading product for entering the market. The sales net work reach to Spain, Switzerland and Singapore. A reporter has posted an article of PAW120's usability to his website, he described as:” I’m pleased with this little recorder which has stood up admirably over five months of breaking news, disasters and

docs. It's yet to let me down.”(Linder, 2006)

Comparing to the similar types of production, PAW120 has not build up the brand image yet. Sony has entered the world's market with other products much earlier since early 80's. They are publishing ICD series for a long time ago. “As a journalist, I'd always been notepad-monogamous. But as my interviews got bigger and better, I knew I needed a reliable way to capture and store the best ones, both to double-check quotes and save great conversations for future use. “A journalist described her thinking of Digital voice recorder, she has chosen Sony as her reliable brand. (Sony ICD-P520 Digital voice recorder)

4 The survey

I started my internship in FutuVision Technology from 14.08.2007 to 14. 11.2007. In the first month, my supervisor Sofia yang (Sales representative) explained the function and retailer's line of PAW120. The idea is to distribute the product in Nordic countries, especially in Finland. The technical support center is located in China, as well as a group of engineers are hired in Finland. The sales web has spread in other European countries and USA through partners and retailers. At the moment, the company is planning to enter the Nordic market. Questionnaire was made in Microsoft word edited document, I contacted purchasers and potential consumers through phone calls as I thought it would be more efficient to gather answers. Finland was chosen as representative city of Nordic countries for the survey collecting and analyzing. 28 (56%) out of 50 questionnaires were answered and analyzed. 38% answers were from lawyers in Tamper and Valkeakoski, 10% answers were from journalists in Helsinki and Tampere.

In the beginning the questionnaires were made in Microsoft word edited version. It included 5 questions (both multiple choices and open questions), I used direct phone calls to reach them during November 2007 until December 2007. I continued my interviews from February 2008 again, this time I collected 36% of answers out of 50 questionnaires.

The target consumers were chosen from the customer list in FutuVision. Some of Journalists and one Media equipment shop I have contacted were through other resources. After made 50 copies of questionnaires, the answers were mainly collected through phone calls. It was aiming at finding out level of satisfaction of using PAW 120 and recommendation of PAW120. To the targeted potential customers, also questioned about their willing of try a new brand of digital voice recorder and asked if one media equipment shop have intend to become one of retailers. In this chapter, the questions are organized one by one as the order of questionnaire. The detail of customer's feedback will be analyzed.

4.1 Questionnaire for PAW 120

This questionnaire was made out for searching potential customers and retailers, as well as gathering information from existing consumers. The final version was made in Word

format document (Appendix 1), it contains 50 copies, 28 were answered through direct phone calls.

The five questions were mainly around the topic of PAW120. In five part to describe the usability of digital voice recorder and simply gather information of customer's willing and preference.

The first questions were related on customer's basic information. As target market is around professionals, so the question has contained the basic information from consumers, in case of developing new market, there is another option for purchasers to answer if they are working in other field. The point is professionals are not only limited in certain area such as: Journalists, lawyers, professors etc. I wish to search new potential consumer's even retailers.

The second question was related on product. It is aimed at finding out what brands are interviewees using and if consumers are interested in a new branch as PAW120. This also helps to find out potential competition and other competitors. For the further consideration, FutuVision can advertise PAW 120 through it.

The third question was targeted on exists consumers. This is a question mentioned by supervisor during my internship. The after-service center has to consider the needs of consumers; this question is aimed at finding out if consumers have any technical problems related on the voice recorder they are currently using, to help PAW120 to develop the remaining features.

The fourth question was targeting on the demands of consumers. For different users, their requirements are varies in this market, this question is aiming at find out what varies of features are main groups needs in the high technical products users' field. This was also researched what are important features competitors are offered to consumers, and what we do not have at the moment for the usage of digital voice recorder.

The fifth question was aiming at find out more potential retailers or direct sales. In some cases, the digital voice recorders are not purchased by name of individuals, this question is to research the shops or retailers who are managing the business of contacting individuals and companies.

4.2 Results of questionnaire

This questionnaire as seen in Appendix 1 is dealt with in this part. The questionnaire is made in English, as the FutuVision Oyj is an international company; it is easier to handout the result of questionnaire. Questions and collected answers are all explained question by question.

The first question was related on professions of consumers, which is recorded for possible later use. It is a multiple choice question:

What is your profession?

- A. Journalists
- B. Lawyers
- C. Professor
- D. Other _____

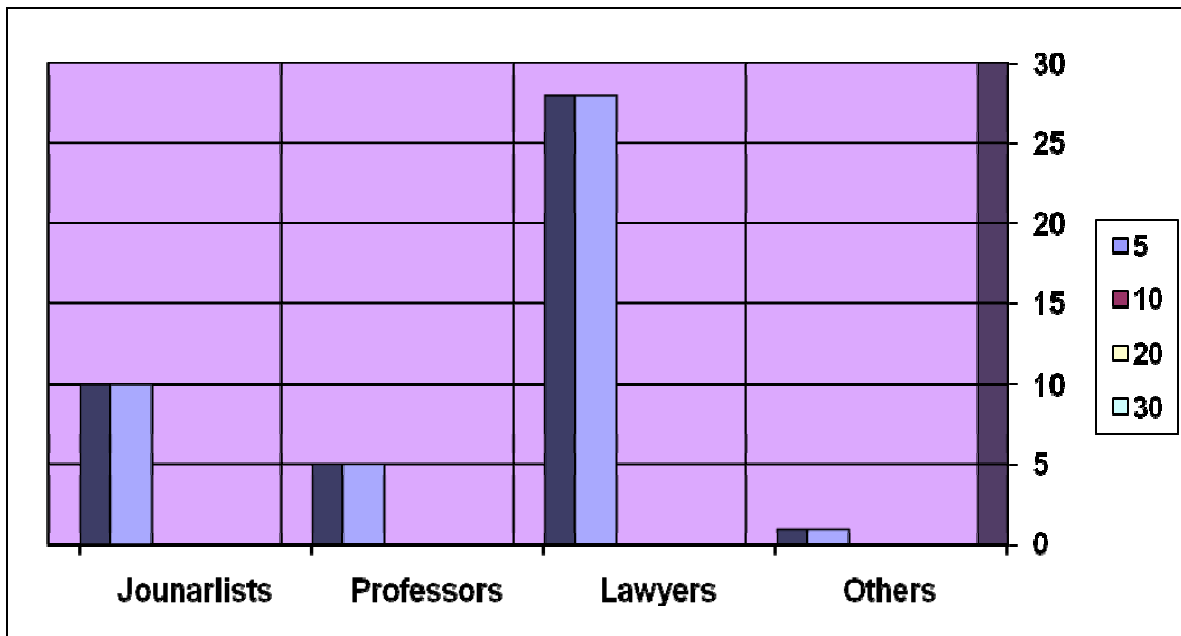


Table 3: Question 1: What is your profession?

As the table shows, the different groups divided into percentage. AS there are not so many other field has fulfilled the questionnaire, only one media retailer has answered the

questionnaire. It occupies 1% of the total number. 28 of lawyers out of 44 (36%) and 10 of Journalists (22%) were major groups of consumers. Therefore, the existing major consumers are pushing the designs of function turn to those two fields of professions.

The second question was what brand of digital voice recorder you think is better?

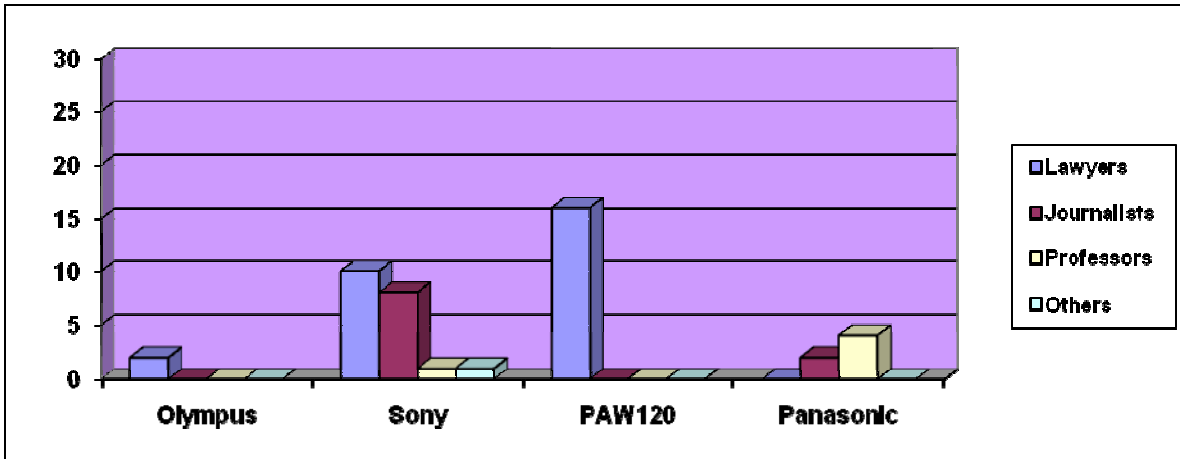


Table 4: Question 2 what brand of digital voice recorder you think is better?

This is an open question. Among all the answered questionnaires, PAW120 has a better reputation among the lawyers I have interviewed through phone calls, it took 16 out of 28 lawyers (57%), the second biggest groups of lawyers moved to Sony, 10 out of 28 (36%) has taken place in Sony's market. The figure shows even though Sony has a longer history and brand image in this field, but PAW 120 has the strategy of different consumer groups.

The third question was what qualification is more important for you if you buy a digital voice recorder?

- A. Price
- B. Quality
- C. After-service
- D. Sound editing

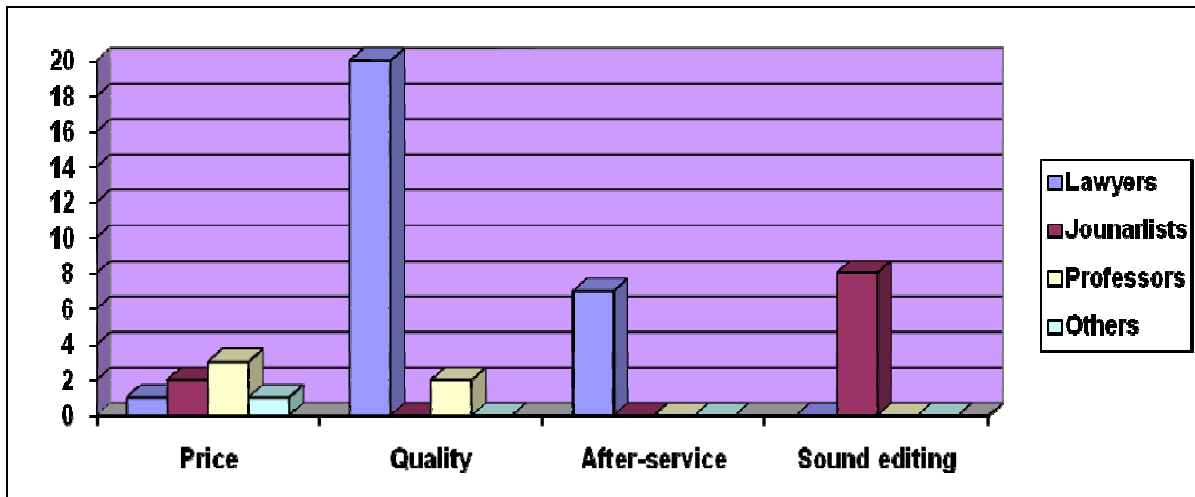


Table 5: Question 3 what qualification is more important for you if you buy a digital voice recorder?

As the table shows, the answers have separated with price, quality, function and sound editing four basic parts. Obviously, price and quality are two segments what consumers are focusing on. 3 out of 5 (60%) professors and 2 out of 10 (20%) Journalists are major groups in this section. It means the price is a more competitive element if the next stage target markets are in those fields.

A very high figure in quality section appears from Lawyers has show in the table. 20 out of 28 (71%) lawyers are major groups; the left 8 out of 28 (29%) were interested in after-service more. It shows the major customer groups are quality and service.

The special function – sound editing is highly focused by Journalists, 8 out of 10 (80%) Journalists are formed in this part, comparing to other professions, Journalists have more detailed requirement on digital voice recorder. It shows that in the future the design of voice recorder needs to satisfy with this group of professions as they are becoming the major group of customers.

The fourth question was where would you buy the digital voice recorder?

- A. Stores
- B. Multimedia shops
- C. Directly from resellers

D. I don't know

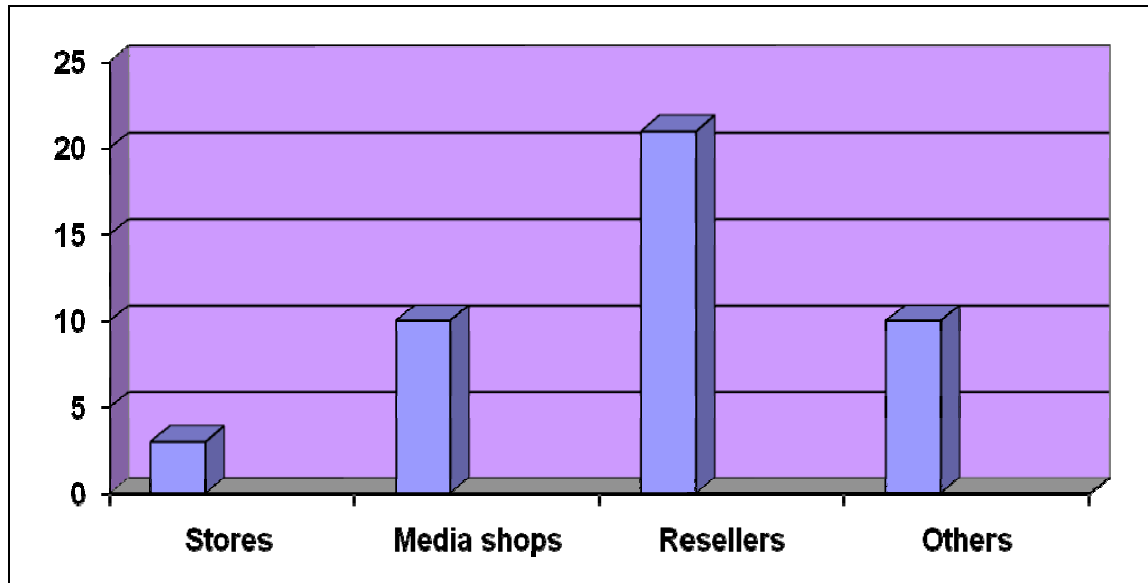


Table 6: Question 4 where would you buy the digital voice recorder?

There were 21 out of 44 (48%) consumers would prefer to buy their digital voice recorders from resellers, the rest of consumers went to media shops which takes 10 out of 44 (22%) for media and same as other channels. This question aimed in finding out the resources of distributing the products. This is a base for distributing the sales channels in local market. The data shows that mainly the concentration is still on the reseller and retailers for customers, the distribution channels are rather centralized in this point.

The fifth question was Do you like the after-service of current digital voice recorder? Why?

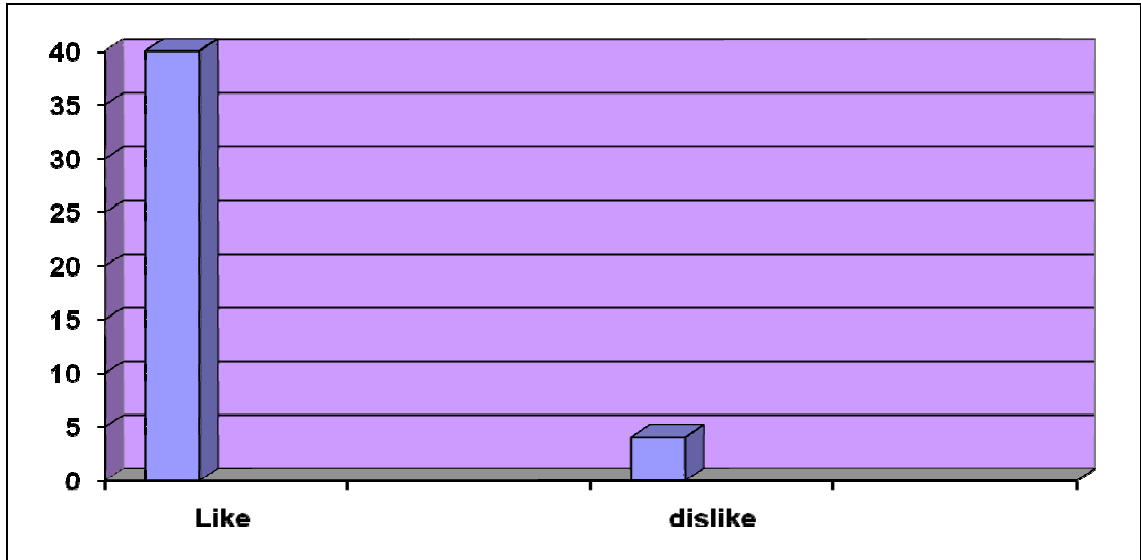


Table 7: Question 5 Do you like the after-service of current digital voice recorder? Why?

There were 40 out of 44 (90%) customers like the after service they are having now. Only 4 out of 44 (9%) dislike the products. It means the dislike the after service. FutuVision Oyj in Tampere is most managing after-service as I mentioned before, so this question was added for asking customers what kind of after-service they prefer to have in the future and how do they feel the after-service they have now. It means generally the scale of measuring the quality of after-service for those customers are pretty much similar, only few of customers have their feedback with negative comments.

4.3 Analysis of Questionnaire

The questionnaire made to answer if the potential customers and retailers would like to purchase the PAW120 and who are potential customers. According to the result of the questions, there are 28 out of 44 (64%) customers are lawyers; this is a major group to comment features of digital voice recorders. 10 out of 44 (23%) customers are Journalists, they asked for special features and digital voice recorder which may match their demand as well as professions. By discovering the major buyers of digital voice recorder, the potential customers are included students, professors and actors.

Question 2 and question 5 are open questions, they were made for discover which brands are real competitor for PWA120. Those professionals have used digital voice recorders, with varies of brands. The bigger brand is still occupies the major market, even

though PAW120 has 16 out of 44 (36%) lawyers are using PAW120. As the table 5 shows, 10 out of 44 (23%) lawyers and 8 out of 44 (18%) Journalists are using Sony as their trusted brand. As I mentioned in Chapter 3 SWOT analysis, Sony has a better reputation than PAW120, the PAW 120 still needs to improve the reputation in remained customer groups. The question 5 has 40 out of 44 (90%) customers like the after service they are having now. The potential customers have described the services they have; it is directly helped to improve the customer service FutuVision have.

The customers were chosen from two major cities: Tampere and Helsinki. I chose them as they are leading high-tech industry cities among the research markets as well as representatives for other Nordic cities. In the first question have already covered the main groups of customers, they are in professional fields. 28 out 44 (36%) lawyers, 10 out of 44 (23%) Journalists, 5 professors and 1 potential retailer were chosen from those two cities.

From the questions above, the conclusion is not only from those cities and targeting customers, as well as potential retailers are a big market. For propose of enlarging the current market, the retailers are possible to vary the customer groups and becoming business partners. According to the question 4, there are more potential partners' needs to be discovered.

5 Recommendations: Sales Channels

This chapter is proposes of some recommendations for FutuVision in product sales in the future on the basis of survey as a support. As the result of questionnaire shows that all the discovered customers are interested in new products and products features. IT is very possible to start the business from Finland to other Nordic countries.

It is rather difficult to choose the channel for a product which is made for professional workers. The third chapter has described the chosen sales channel for PAW120. Nordic countries are a big market under development, so there aren't many competitors yet. Due to the fact that office of FutuVision technology has located in Finland, the current market would be start from Finland. Direct selling would be the best channel for a company which is comparably young. The Table 8 shows that recorded media market total growth in Finland have risen to one of the top markets.

	2001	2002	2003	2004	2005	2006	Change %
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	2005-06
Daily newspapers (7-4 times a week)	956	936	931	970	982	1 027	5
Other newspapers (3-1 times a week)	113	115	112	118	121	122	0
Free papers	86	89	95	100	102	104	2
Magazines & periodicals	622	630	655	680	710	720	1
Books*	468	480	486	500	527	536	2
Printed advertising material	314	312	320	324	327	339	4
Printed media, total	2 558	2 563	2 599	2 692	2 769	2 847	3
Television**	509	516	529	590	615	638	4
Cable television	67	77	93	100	113	129	14
Radio	43	47	50	51	50	49	-1
Internet	59	56	59	64	75	99	32
Electronic media, total	676	695	731	804	853	916	7
Phonograms	128	118	120	110	98	99	1
Videos (DVD & VHS)	96	118	131	141	144	149	3
Cinemas	48	56	58	54	46	52	12
Recorded media, total	272	292	309	304	288	300	4
All total	3 506	3 550	3 639	3 801	3 910	4 062	4
Mass media/GDP, %	2.5	2.5	2.5	2.5	2.5	2.4	
* Includes also the sales of multimedia recordings (CD-ROMs etc.) by members of the Organization of the Booksellers' Association of Finland. The value at consumer prices was some EUR 5 million in 2006.							
** Includes also public service radio.							
Source: Statistics Finland, Mass media and cultural statistics							

Table 8: Mass media market in Finland 2001-2006

As discussed in chapter 3, to manage the direct marketing campaign has to aware how the product is positioned in the market place in terms of its target market and differential advantage. Thesis issues will fundamentally affect who the campaign is targeted at and

persuasive messages used to convince the target consumer to buy. (Jobber and Lancaster 2003:191)

FutuVision have launched the products in other markets, with indirect “image influence” the company has built up a brand image in local market. However, the sales chain in other European countries is an added value for the company, but the first stage for the company is to distribute the PAW120 in major cities in Finland, for example: Tampere and Helsinki. FutuVision could contact with some media shops, and train some local sales. That way helps to extend the sales web in local market; the local sales are more skilled in communication and familiar with the market here. As the answers of questionnaire shows, one media shop was interested in the cooperating.

To start the business in major cities in Finland, retailers are very important for the starting. As the other retailers in Europe, they could enlarge the current market in here and develop more customer lines. The ideal areas are Helsinki and Tampere, Helsinki could function as an information center, and Tampere could be the sales center. The existing customers are near or in Tampere, to extend the web of sales from the place where most customers are, could provide the future sales work a good base.

As the survey shows, there are 44 customers and retailer was interested in the product. Individual customers are still a big area of market. Lawyers and journalists were customers who took the most of places in sales market for FutuVision, those people mostly are not buying the digital voice recorder by themselves, through those customers, could discover a larger market of retailers or media shops. Other groups of customer like students and professors could be contacted in the future with the information of their addresses, emails and telephone numbers are recorded. The exhibitions of FutuVision could invite all those potential customers and retailers to come over.

On 19th of November 2007, FutuVision Technologies has established a new joint venture with the Beijing He Bai Yi Bio-energy Technology Development Co., Ltd. The new venture will engage in the importation, development, production, promotion, sales and distribution of relevant technologies and products in the field of renewable energy on both the Chinese and international markets. 19 Perhaps in the future, FutuVision could expand more sales channels to Nordic countries with the new partner in china; at least China became a

strong base for the product distribution.

6 Summary and Conclusions

In Nordic countries, many high technical products have grown very fast. High technical products is one of the supporting industries in Finland, many foreign brands have occupied the local high technical market. Digital voice recorder is part of under developing market. There are big brands like: Sony, Panasonic as competitors. But as they have varies of other products in Media and other areas, digital voice recorder seems not being their priorities product for the market in Nordic countries. In contrary, FutuVision is concentrating in this part of market. Although there are many other products in FutuVision, Digital voice recorder is the main product for entering the market and impresses the brand to consumers. However, PAW120 as a new brand has not take the leading place in same products field yet, but among small groups of individual buyers it has successfully spread the first impression of product. The after-service center is a strong base for continuing pushes the products to a more general market.

According to the official website of FutuVision Technology Oyj, PAW120 is not only the product for the professionals, also for people who demand to use in certain circumstances, for example: actors and students. Even thought the major research groups for this survey was not aiming on those fewer groups, but they have more or less enlarged the customer market if next stage of research could find out more potential customers. The company is trying to develop the product to a wider range of usage to customers.

The questionnaire has included two open questions. The second one was asking about what brand of digital voice recorder you think is better? PAW120 is not yet a complete image for many professionals in Finland, but most of lawyers have agreed that PWA120 has more suitable functions and after-service for them. Those are the reasons to make them FutuVision's customers so far. As it analyzed, Sony is a main competitor in this area. In chapter 3 has mentioned the channels for PAW 120, so it is necessary to making analyzing of Channels. Even though the channel has determined in the beginning, but it is flexible according to the needs of the market. Choosing a suitable channel is the purpose for this survey. The last question was asking about do they like the after-service they are having now. And Why? Most of PAW 120's customers are appreciate the after-service and fixing problems in time. Chinese partners have provided strong supporting for it, but it is also very convenient

for engineers to cooperating with customers in Finland.

This research is made out to find out a suitable channel for the field product. There is not particular channel has chosen by the company, main distribution channel would be direct selling. A survey was conducted that was supporting the questionnaire. The customers were chosen in Finland, a familiar market for FutuVision to start business with. 5 questions were answered by 28 lawyers (64%), 10 Journalists (23%), 5 professors (11%) and 1 Media shop (2%) out of 44 customers and potential customers.

The questionnaire was aimed at find out the potential customers for FutuVision as well as build up the brand image among the customers. It took two steps for accomplish the whole research process, in the first step there were only 10 of customers to answer the questionnaires, after I modified the questions, include the existing 10 answers, there were 44 answers from different professionals. One retailer shop's answer was made from an interview. The reason I only spread questionnaire in Tampere and Helsinki, is because those two cities are strategically main markets for FutuVision at the moment, spreading to other Nordic countries is the next strategy after the product has find a suitable channel to distribute. During the process of questionnaire, 15 customers (34%) out of 44 were interested in where is the brand manufactured and how is the after-service, 14 customers (32%) out of 44 were prefer to know the features of PAW120. The retailer shop has taken the interests on price part. This leads a conclusion that those customers would be potential customers for FutuVision.

As a conclusion, direct selling is a suitable channel for PAW120. A new brand in the local market is rather difficult to affect other long existing brands, competing with price is probably a more efficient way to choose for the moment. The choice of sales channel supports the marketing demands, if in the future sales net will expanded to other cities, sufficiently products will fulfill the demands of retailers. This research can be functioning in the future research work and sales net building for FutuVision Oyj.

7 References

Books:

David Jobber and Geoff Lancaster 2003. Selling and sales management. 6th Edition, Espoo, A division of Financial Times.

Chris Fill 2002, United States of America, marketing communications – Contexts, strategies and applications: Prentice Hall Europe.

Internet:

Sony ICD-P520 Digital Voice Recorder, from About.com: Journalism (15.01.2008)
<http://journalism.about.com/od/equipment/gr/sonyicdp520.htm>

Micheal Linder, an American opinion leader, recommends the AEQ PAW120 digital recorder on his website, May 30th 2006 referred (21.01.2008)
<http://www.linder.com/archives/catagory/paw-120-recorder/>

Mission, 2007 (on line) referred (12.03.2008)
<http://www.FutuVision.com/en/FutuVision-technologies/mission>

Mr. Paavo Väyrynen, Minister for foreign trade and Development of Finland < May 9 2007> Opening by Mr. Väyrynen at the UN commission on sustainable development, Nordic council of ministers' side event. Referred on (12.10..2007)
<http://formin.finland.fi/public/default.aspx?contentid=89550&nodeid=15317&contentlan=2&culture=en-us>

Partners, 2007 (on line) referred on (12.03.2008)
<http://www.FutuVision.com/en/FutuVision-technologies/partners>

Empower media, 2006 (on line) referred (12.03.2008)
<http://infomedia.net.cn/EN/InfoList.asp?TypeID=1>

PAW professional digital recorder, (on line) referred on 20.03.2008)
<http://www.pawrecorder.com/who.php>

PAW professional digital recorder, (on line) referred (20.03.2008)
<http://www.pawrecorder.com/who.php>

What professionals say about PAW120? (on line) refereed (20.03.2008)
<http://www.pawrecorder.com/who.php>

Science, technology and information society, 2008 From Statistics Finland. Referred (14.01.2008)
http://www.stat.fi/tup/suoluk/suoluk_tiede_en.html

Wikipedia (2008)
[http://en.wikipedia.org/wiki/Positioning_\(marketing\)](http://en.wikipedia.org/wiki/Positioning_(marketing))

Dynamic centre of expanding markets, (on line) referred (12.03.2008)
http://www.investinfinland.fi/why_finland/marketarea/

Other source:

Sofia Yang, FutuVision Oyj, Supervisor, Interview 30.11.2007, Tampere

Appendix:

Questionnaire for the potential market

1. What is your profession?

A. Journalists

B. Lawyers

C. Professor

D. Other: _____

2. What brand of digital voice recorder you think is better?

3. What qualification is more important for you if you buy a digital voice recorder?

A. Price

B. Quality

C. After-service

D. Sound editing

4. Where would you buy the digital voice recorder?

A. Stores

B. Multimedia shops

C. Directly from resellers

D. I don't know

5. Do you like the after-service of current digital voice recorder? Why?