Development of a strategy to attract and keep business customers.

DEVELOPMENT OF A STRATEGY TO ATTRACT AND KEEP BUSINESS CUSTOMERS
Case: Dreamline Arvutikeskus OÜ

HAMK
UNIVERSITY OF APPLIED SCIENCES

Bachelor's thesis

International Business

Valkeakoski / autumn 2014

Katarina Talasenko

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ABSTRACT

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The following thesis was conducted for Dreamline Arvutikeskus OU. It is an Estonian company that provids computers and IT services. In March 2014 the company decided to increase the number of business clients and to build long-term relationships with them. The main purpose of the thesis is to define needs of the target audience and to develop the strategy to attract and keep business customers. In order to perform that, the following steps in the research had been performed: 1) Collecting theoretical information about the thesis topic from books, magazines and journals. 2) Interviewing the supervisor from Dreamline Arvutikeskus OÜ in order to get information about the existing situation in the company. 3) Conducting survey among potential customers in order to identify their needs. 4) Determining problems and challenges that company faces. 5) Analyzing all gathered information and finding the ways to attract and keep business customers 6) Presenting outcomes and giving recommendations on how to improve the situation.

The results of the survey and the interview showed several problems and challenges that the company faces. It includes: wrong product offer; the unprofitability of providing services to business customers and the difficulty to promote services; the undefined right communication message; the fact that current advertising does not affect the business customers enough; lack of trust to the company; involvement of different groups to the decision-making process; absence of the database on every business customer and the loyalty programs.

The development plan that the author recommends to implement includes following steps: promoting and selling desktop computers to business clients, building the trust, implementing new marketing communication channels, the creation of the database and implementation of loyalty programs. Moreover, the author recommends to conduct the research on customer awareness about the company and its offers.

Keywords	Marketing communications, Customer relationship management, Sales
Pages	52 p. + appendices 4 p.

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1 INTRODUCTION

In all times it was believed that the biggest problem of wholesale and retail companies is the right way to attract and keep customers. For this purpose such science as marketing appeared.

Philip Kotler, an American marketing author, consultant, and professor, defined marketing as follows: "Marketing is getting the right goods and services to the right people at the right places at the right time at the right price with the right communications and promotion". Or shorter: «Marketing is about identifying and meeting human and social needs».

(Kotler 1991, 17.), (Kotler and Keller 2012, 5.)

This study is extremely important as it helps companies to define target segments, customers' needs, communicate with customers and sell products and services. The effectiveness of marketing activities directly depends on the efficiency of the entire organization.

The chosen topic sounds as follows: Development of a strategy to attract and keep business customers. The case company is Dreamline Arvutikeskus OU from Estonia.

In 1991, when Estonia became independent, less than a half of habitants had their own phone. Two decades later Estonia became one of the technological leaders and 79% of population (aged 16-74) used computer and Internet by 2012. Internet and computers became popular not only for home use, but also for many sectors of economy. For example, in the financial, insurance and public sectors almost all workers use computers, while in agriculture, forestry, fishing and mining industries - only a fifth of workers use computers at work. (International Telecommunication Union 2012.)

Moreover elections in Estonia for the first time in the world practice were held online in 2007; filling in annual tax returns takes around 5 minutes; medical records are stored in the Cloud; and people can pay for parking using a mobile phone or Internet.

Even based on this information, the reader can see how information technologies in Estonian market are important. The demand for computers, smartphones and Internet is very high, what in return creates a high competition among companies offering IT products and services. All shops and departments that sell IT products try to offer the best quality at the lowest price and keen to have wide range of goods and services.

The high level of competition makes marketing communications strategy and customer relationships management extremely important in the existing business environment. Marketing communications create channels through which the company delivers their communication message to the target audience. Moreover, marketing communications allows people to compare different brands and products, to get news about new products and make a choice what is better for them to purchase. While customer relationship management helps to build and maintain relationships with potential and existing customers.

Relevance of the chosen topic is determined by the fact, that there have been written many books and articles by different authors on how to attract and keep customers, but decision-making process in B2B sector is more complicated and demands an individual approach for every company and its customers. Moreover, there is no statistics on Estonian IT market and on preferences of customers, what makes this topic even more important.

As any project, marketing communications and customer relationship management requires a specific strategy and plan. In order to reach the target audience through some communication channel, the company has to know needs of their customers, awareness about the company and its offers. The process of choosing the right communication channels is complicated and requires various researches. When all these issues are identified, the strategy is developed and implemented, the need to build long-term relationships appears.

This thesis is conducted for Dreamline Arvutikeskus OÜ – the company, which has decided to get new business customers and to build long-term relationships with them. That decision requires a development and implementation of a new marketing communication strategy and an improvement of current customer relationship management system.

1.1 Company information

Dreamline Arvutikeskus OÜ is Estonian retail company. They sell new and second-hand laptops and tablets of different brands and also provide repair and improvement work of computers.

The brand was registered in 1999, in Tallinn. But it has been unknown until it was bought by current owners of the company and started to be developed in 2012. Nowadays Dreamline has 3 shops that cover 3 main areas of Tallinn.

The company positions itself as IT shop that offers computers with the lowest price in Estonia. Low prices are caused by the two reasons. First of all it is long-term cooperation with large international wholesale warehouses and second of all is the rental price of the shops. All departments have small rental space and are located on small streets next to big shopping centres and main streets. These factors help to keep low prices and ease access to customers.

The company has two managers and 6 workers. One of the managers is responsible for marketing, sales, purchasing, logistics and accounting, while another one is responsible for production, repair and maintenance service. Currently they are planning to outsource their e-marketing.

Most of the customers of Dreamline are private buyers who use computers only at home. The current situation with the clients, advertisement and partners is described in details in the topic 3.3 Interview.

1.2 Purpose and objectives

Until the beginning of 2014 all marketing communication activities of Dreamline were focused mainly on private customers.

In March 2014 the company decided to increase the number of business customers and start providing computers and repair service to wider audience. But as needs and preferences of B2B and B2C segments are different, it requires a different approach in order to attract this specific group.

The purpose of the thesis is to define the way to attract business companies to cooperate with Dreamline and to build long-term relationships with them.

The thesis research question is as follows:

- Which strategy Dreamline Arvutikeskus OÜ should implement in order to attract business customers for long-term cooperation?

In order to answer this question the author had firstly to define structure and objectives of the thesis.

The thesis is divided into 6 sections with sub-sections, which are:

- Introduction - contains general information on the topic, information about the case company, the research purpose and the methods that were used during the research

- Theory – theoretical information about marketing communication strategy, tendencies of IT market, long-term cooperation and main problems and challenges in these areas.

- Current situation at Dreamline and in Estonian IT market – this part includes survey and interview to understand the current situation.

- Problem statement – analysis and description of the biggest problems and challenges that company faces

- Development plan – the plan that company should implement in order to overcome problems and challenges in attracting and keeping business customers. It is based on the survey, interview and theory.

- Conclusion – contains summary of the work that the author reached from carrying out the research and directions for future investigations if needed.

To summarize everything previously mentioned, this research is supposed to help to identify business customers' needs and develop marketing communication strategy and improve business customer management to attract the target audience and to find the way to develop long-term relationships.

If the company will follow the outcome of the research, it would be able to increase business customer awareness, attract new customers, increase market share, sales and profit.

1.3 Methods

In order to answer the research question and solve the problem of the case company, following steps in the research had been performed:

- Collecting theoretical information about the thesis topic from books, magazines, journals that are available in libraries and on the Internet.

- Interviewing the supervisor from Dreamline Arvutikeskus OÜ and observing their action plan in order to get information about the existing situation in the company.

- Conducting survey among potential customers in order to identify their needs and by later analysis to define the way to attract and keep them.

- Determining problems and challenges that company faces in targeting and keeping business clients.

- Analyzing all gathered information and finding the ways to decrease the gaps between customers needs and Dreamline's offers.

- Presenting outcomes and giving recommendations on how to improve the situation.

The theory used in the thesis is based on the work of different authors. The work of Philip Kotler takes a significant place in the thesis.

The target group of the conducted survey is the companies from different business fields that use computers in their daily operations. All of them were reached by e-mails in June 2014. By middle of July 2014 all answers have been gathered and were ready for analysis. For collection and analyzing the information there were used such softwares as MC Excel and Google docs.

The questions of the survey and the interview in the company have been created in such way that helps to understand the needs of the target segment and problems of the company. They were based on theoretical part of the thesis and personal knowledge of the author.

It is important to mention that in order to motivate companies to fill out the survey, Dreamline decided to do a lottery and to reward the randomly chosen company. As in Estonia there are a lot of people whose mother tongue is Russian, the survey was conducted in Estonian and Russian languages, what made it easier for many people to fill out the survey. Moreover it was very important to have a short survey that does not take a lot of time and which contains clear multiple choice questions that made it faster to fulfil the questionnaire. More detailed information on the survey is described in the topic 3.1 «Survey».

The interview that was conducted at Dreamline helped to gather information on the company, its customers and its marketing activities. Mainly it contained questions on company's activities to attract business customers and maintain relationships with them. The gathered information is mentioned in the topic 3.3 «Interview».

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Theoretical information, personal knowledge of the author, analysis of the survey and interview results gave an opportunity to define main problems in the company and the way to reduce the gap between Dreamline's offers and the real expectations of the target audience.

2 THEORY

The information presented in this topic is based on the work of different writers and marketers. It includes general information about the chosen thesis topic, challenges that companies face working B2B and the information that companies should know in order to attract and keep business customers.

The theoretical information reveals the thesis topic and is the basis for writing development plan for the Dreamline Arvutikeskus OU.

2.1 Marketing communication strategy

Before answering the question «What is a marketing communication strategy?», it is necessary to define the term "marketing communications".

Marketing communications are described by P. Kotler and K. Keller as "the means by which firms attempt to inform, persuade, and remind consumers—directly or indirectly—about the products and brands they sell. <…>. Marketing communications also show how and why a product is used, by whom, where, and when. Consumers can learn who makes the product and what the company and the brand stand for." (Kotler and Keller 2014, 476.)

Marketing communication strategy is the business's plan for promoting products or services and increasing brand awareness among consumers.

The process of developing marketing communication strategy includes following steps:

1. Identification of target audience
2. Defining the purpose of communication and possible reaction of the audience
3. Choosing communication tools
4. Preparing and creation of communication message
5. Monitoring the reaction of the target audience

Target audience is a group of potential or existing customers who makes purchase or affects the decision-making process (e.g. managers, consultants, the nearest environment - relatives, friends, etc.) Knowing the target audience makes it possible to identify their awareness of the company and its products. The levels of awareness are also called buyer readiness stages.

By defining the target audience, the communicator has to define the purpose of the communication and possible reaction to the message. The purpose of marketing communications should be specific, measurable, achievable, realistic and time-limited (S.M.A.R.T.). For example the result of the campaign should increase profit by 10% by the end of the year. Very often the success of the campaign is expected by immediate profit growth, but buying is the result of a long process, especially if the communicator operates in B2B segment. That is why there is a need for careful preparation and implementation of a promotional message. The marketer needs to know in which state of readiness the target audience is, what are

the expectations and to which direction it is necessary to drive. The purpose of marketing communications is a gradual transition of buyer from one stage to another stage, where the final results are the purchase and the creation of customer loyalty.

(Romanov 2009; Kotler and Keller 2012, 482.)

In Business dictionary there are mentioned six stages through which a consumer passes on the way to adopting a good or a service:

1. Awareness of its existence

   At this stage the buyer does not know anything about the product, or has a minimalist idea about how the product can meet his needs.

2. Knowledge of its benefits

   At this stage, the consumer is aware of the product existence, but he has no idea of its benefits

3. Initial interest

   At this stage, the buyer is fully aware of the product and its benefits and starts to compare it with competing products.

4. Preference over the competing products

   At this stage buyer believes that the product is better than similar products offered by competitors

5. Conviction of its suitability to purpose

   At this stage, the consumer is fully convinced that the product can fully satisfy his needs.

6. Purchase

   At this stage the consumer buys the product, as he is absolutely confident that he has made the right choice.

Knowing at which stage consumer is, it makes easier to determine which promotional message is the most suitable for marketing campaign.

(BusinessDictionary.com n.d; Lindasyt 2014.)

The implementation of the communication campaign focusing on certain audience is not possible without prior collection of information. Company needs information about actual and potential size of the market, competitors, products and services, buyers' awareness, methods of sale and distribution channels.

To determine the effectiveness of communication activities there should be an analysis of costs and profit carried out. Furthermore, the additional research, based on the survey fulfilled by randomly chosen people from the target audience, is carried out. It helps to identifying the effectiveness of conducted promotional campaign. Testing can be done at the beginning of the campaign, in the implementation phase and after it.

(Romanov 2009.)

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There can be two types of communication activities – personal and non-personal, which also include sub-channels.

The first one is personal communication channels, which always include communication between two or more people. For example, a product can be presented face-to-face, by telephone, by mail or presented by a person in front of audience. This type of communication can include product presentation from salesperson, an independent expert or even a neighbour. It is also called as communications from advocate of the product, expert and social contacts respectively.

For companies this communication channel is very profitable and they try to develop it through different tools:

1. Identifying individuals who have more authority than others and apply more effort on them.

2. Creating opinion leaders by offering them a product on attractive terms.

3. Use of influential and trustable people in an advertisement.

4. Developing word of mouth promotion by asking satisfied clients to promote their product among their friends.

5. Creating communities and groups in social networks (e.g. facebook, youtube, etc)

The second one is non-personal communication channels, which do not include direct communications between two or more people. It consist of media (print media, broadcast media and electronic media), atmospheres (office environment), and events (e.g. sponsorships).
Non-personal communication channels very often lead to personal communication channels.
(Dr. Rao 2014.)

2.2   Marketing communications mix

The marketing communications mix is the tools used by the company to promote and introduce their products and services. It includes seven major forms of communication:

1. Advertising
2. Sales promotion
3. Events and experiences
4. Public relations and publicity
5. Direct marketing and interactive marketing
6. Word-of-mouth marketing
7. Personal selling

The next table reveals different communication platforms. It includes product's appearance and price, the shape and color of the package, the salesperson's manner and dress, the store decor, etc. All these factors affect buying decision, and they can strengthen or weaken a customer's view of a company.

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Advertising	Sales Promotion	Events and Experiences	Public Relations and Publicity	Direct and Interactive Marketing	Word-of-Mouth Marketing	Personal Selling
Print and broadcast ads	Contests, games, sweepstakes, lotteries	Sports	Press kits	Catalogs	Person-to-person	Sales presentations
Packaging–outer	Premiums and gifts	Entertainment	Speeches	Mailings	Chat rooms	Sales meetings
Packaging inserts	Sampling	Festivals	Seminars	Telemarketing	Blogs	Incentive programs
Cinema	Fairs and trade shows	Arts	Annual reports	Electronic shopping		Samples
Brochures and booklets	Exhibits	Causes	Charitable donations	TV shopping		Fairs and trade shows
Posters and leaflets	Demonstrations	Factory tours	Publications	Fax		
Directories	Coupons	Company museums	Community relations	E-mail		
Reprints of ads	Rebates	Street activities	Lobbying	Voice mail		
Billboards	Low-interest financing		Identity media	Company blogs		
Display signs	Trade-in allowances		Company magazine	Web sites		
Point-of-purchase displays	Continuity programs					
DVDs	Tie-ins					

Table 2.1. Common communication platforms *(*Kotler and Keller, 479).

1. <u>Advertising</u>

Advertising is a part of marketing communications mix where the product or service information is spread. It is the best way to reach geographically dispersed potential customers at a low cost. The company uses advertising in order to attract attention to the product, develop or keep interest to it.

It includes any paid form of non-personal presentation and promotion of products and services by sponsor through print media (e.g. newspapers, magazines), broadcast media (radio and television), network media (telephone, cable, satellite, wireless), electronic media (audiotape, videotape, videodisk, CD-ROM, Web page), and display media (billboards, signs, posters).

Advertisement gives to potential customers not only an opportunity to compare products, to get news about new products and make a choice what is better to buy, but also compare advertisement that different companies offer. The difference can be in color, sound, picture, thoughts and emotions that potential customer gets, etc. The better advertisement is – the more emotional effect person gets. The more emotional effect– the more likely that person will remember the product and will buy it.

2. <u>Sales promotion</u>

Sales promotion is another part of marketing mix, which offers consumers an additional motive for the purchase. Such tools as consumer promotions (e.g. samples, coupons, and premiums), trade promotions (such as advertising and display allowances), and business and sales force promotions (contests for sales representatives) are used in order to encourage people to purchase some product or service. Very often sales promotion includes some restrictions, for example the timing of the offer or a limited number of goods.

These tools also provide information about the product or service and increase awareness among people.

3. <u>Events and experiences</u>

Event marketing represents set of activities aimed at promoting the brand or the product in the internal and / or external marketing environment through the organization of special events, for example music festival sporting event, exhibition, etc.

4. <u>Public relations and publicity</u>

All companies have two types of audiences- external (consumers, other companies, the government, media, etc.) and internal (investors, employees). Public relations include different programs aimed at both audiences to promote or protect a company's image or its individual product communications. Moreover, it is the tool that helps organizations to achieve effective communications with different types of audiences through understanding their opinion, attitudes and values.

5. <u>Direct marketing and interactive marketing</u>

Direct marketing is a part of marketing mix, which consists of mail, telephone, fax, e-mail, or Internet to communicate directly with potential customers and prospects.

Interactive marketing is online activities and programs designed to attract customers and raise awareness, improve image, or to sell products and services.

It is important to mention that the company and potential customers are involved into the communication process. Accordingly, it clearly shows the respond of the customer and effectiveness of the direct and interactive marketing. That makes possible to determine income and expenses for establishing communication with the consumer. And the last but not least is possibility to create database for company about specific needs and preferences of a customer. Many web-pages remember all activities of their users (e.g. ebay.com, amazon.com) what allows companies to collect information and define needs of the customers So the message that is targeting potential buyer can be customized by taking into account his/her preferences, needs, life-style, etc.

These forms of marketing communications requires constant monitoring and interaction with customers on forums, by e-mails, phone, etc., because people remember better bad experiences of some customers than good ones. So even few unsolved problems of unsatisfied customers can lead to negative opinion about the company among all customers.

6. <u>Word-of-mouth marketing</u>
This form of marketing communication has been mentioned in the previous sub-topic. It is communication between people in oral, written, or in electronic way. It includes conversation when customers or potential customers share their opinions and experiences about purchasing or using specific products or services.

Word-of-mouth marketing is a form of marketing communications to which most of people tend to trust the most, as the person who recommends a product or service, does not have any personal benefits. Some companies knowing this fact hire people to promote their products or ser-

vices to their friends and acquaintances and in return they get discounts, money, free products, coupons, etc.

7. Personal selling

Personal selling is a form of marketing communications where communication is leading face-to-face. The goal of interaction is to present products or services that company offers, to answer questions of potential buyers and to make a deal.

The main task of personal selling is to build personal relationships - between the seller and the client. In other areas of marketing communications - for example, in advertising - the purpose of the tool is to create and deliver a message.

All interactions are individual for each potential customer. Thanks to immediate feedback that person gives, seller can change customer's opinion what make it more likely to make a deal.

(Dr. Rao 2014; Kotler and Keller 2012, 478, 490-492.)

Marketing communication tools	Index of perceived effectiveness
Business visits	100
Catalogues	46
Direct mails	39
Advertisement	38
Trade shows	35
Samples	34
PR	31
Entertainment events	26
Gifts	24

Table 2.1. The effectiveness of different marketing communication tools (Shkljar n.d.)

2.3 Differences between B2B and B2C segments

Decision-making processes of business customers depend on the size of a company, life-cycle, profit and other internal and external factors. But still it is possible to characterize main aspects that distinguish B2B from B2C segment.

Buying behavior

People have very good visual memory and emotional memory, which works on the principle of pleasant – unpleasant, impressed – unimpressed. Promotional materials inevitably impose unconscious emotional images. It is proved, that emotional memory affects the purchasing behaviour the most.

Many people consider shopping as a way to improve their mood and get satisfaction. That is why shopping gives people positive emotions. If person finds something interesting for him, emotionally colored, then the possibility of a spontaneous purchase is much higher. But the communication

messages, which are created without taking into account emotions of consumers, very often cause negative attitude to the subject of the advertisement.

From the standpoint of practical psychology, the essence of advertising is in programming people to perform certain actions. It also makes it easier for a good seller to sell some product or service to private customer by using psychological techniques.

While decision-making process in B2C very often based mainly on emotions, in B2B it is based on rational thinking where the choice of goods is based on their functionality - how it will work, what kind of coincidences this purchase will cause, etc.

(Lindsayt 2014; Person-vord-society 2010.)

Identifying needs

Usually business customers identify a need to buy something as a part of their business strategy and their business operations, while private customers, as it had been mentioned above, more likely to make spontaneous purchases and shop in order to improve the mood.

Quantity and price

Business customers buy products in bigger amounts than the private customers. Moreover, business clients are more likely to purchase more expensive products with special characteristics, or to purchase a special software, which will help them to improve their daily operations.

But even if business customer is ready to purchase additional service or product to improve his business, as almost all businessmen, the client will be more demanding in the price and quality as this purchase influences his business and risks are high.

Time

The seller in the company needs more time in order to sell some product to business customer than to private one. Purchases of business clients are more risky and demand careful evaluation of the situation, needs, characteristics of products, warrantee, etc. Also business customer wants to get more information about the product, the offers of competitors and often needs to discuss all details with his colleagues. Moreover, after a purchase there can be established long-term cooperation between seller-company and client-company (cooperation can include repair service or providing new products) - what makes this step even more important.

Evaluating suppliers

Business clients pay more attention to the reliability and the reputation of suppliers, while brand reputation is more important for private customers. The reputation of the supplier is based on what former customers said about him, which gives information to the client-company, if they can rely on this supplier or not.

Risk

A business client has higher risks than a private client. Before the purchase, a business client pays more attention to the following questions: Are the products that I will get good enough? How fast can I get repair work if something will be broken? How my operations will be effected if something goes wrong?

After sales

Very often relationships between the business customer and the seller do not finish after a purchase. After sales could be delivery, installation, maintenance service and development of long-term relationships.

If there are problems, it is more likely that business customers will address the problem to their supplier and will expect an immediate fixing of the problem. These clients have a huge need to solve the problem quickly and effectively, otherwise it could slow down the operational process what can lead to production decline and loss.

(Trofimov 2008; Egorov 2011; Scotter n.d.; Anikina 2013; Shkljar n.d.)

2.4 Long-term cooperation and loyalty

The author is using the term "long-term cooperation" in the thesis research question because long-term cooperation between companies always aim to long-term relationships with their clients as it brings several benefits. It reduces costs, increases revenues, improves margins and predictability, gives more information about customers' needs and makes the level of competition lower. By P. Kotler and K. Keller relationship marketing is «the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value» (Kotler 2003, 6).

Long-term cooperation is based on customer loyalty. It is positive attitude of the customer to a particular product, brand, store or service. While for companies, customer loyalty program means attracting the right customers, convincing them to buy, buy more often, buy in higher quantities and bring to the company new customers. They build customer loyalty by creating loyalty programs that are aimed at treating people how they want to be treated. There are five types of loyalty that are shown in table 2.4.1.

Types of loyalty	Reaction of customer
Monopoly	"I do not have a choice"
Difficulty of transaction	"Difficult to change"
Interest	"Why not to take advantage of the benefits?"
Habit	"It is so convenient"
Commitment	"They are the best"

Table 2.4.1 Types of loyalty

1. Loyalty due to the monopoly

In this case, the client has insufficient or no choice at all and his "loyalty" has nothing in common with devotion. Usually the client is unsatisfied as he does not have any other possibilities.

2. Loyalty due to the difficulty of the transition

Despite the presence of competitors on the market, the client cannot go to them, because costs, complexity, or anxiety associated with this move is too big. In such cases, consumers decide to change the supplier, only as the last option. However, this reluctance to change the supplier can hardly be considered as a real loyalty, and certainly does not involve faithfulness and devotion.

3. Loyalty due to the interest

The loyalty program based on collecting bonuses for regular customers is very popular these days. But even if the customer started to buy more frequently because of bonuses, it does not mean that he became loyal to the company. For example, most of the people in the UK have a discount card for more than one competing supermarkets, retailers, airlines and gas stations, and they consider the accumulation of benefits only as a supplement to the main advantages of a particular supplier.

4. Loyalty due to the habit

Habit is probably the most common reason why client comes to the same supplier again and again. Consumers have less time, their routine and familiar decisions become part of their lives. Products are purchased in the same supermarket, because it is comfortable and familiar; the car is fuelled with gasoline at the same station on the way to work; meetings with colleagues are always in the same pub. As a result, companies with a large share of regular customers often find a sense of security, while in fact the true commitment to a particular supplier can be very low. If there will appear a new supermarket, pub or petrol station, which is more convenient or cheaper, these "loyal" customers can change their usual supplier very easily, as before there was no solid foundation of loyalty.

5. Commitment

True customer loyalty involves more than repeat purchases. It contains a positive commitment to the supplier. These people promote the brand, buy products and do not want to change anything. There is a strong emotional bond between the customer and the brand/company.

The level of commitment can be used in the measurement of customer satisfaction and in the identification of customers whose loyalty is at risk. Customers in different segments of loyalty have different perceptions of the company's activities and therefore require different approaches. Companies, that know the type of customer loyalty, will always be able to keep them, to offer them products/services that are better than competitors'. (Hill 2009).

The company has to find individual approach to each customer and to build a fair, reliable, long-term and mutually beneficial relationship between the seller and the customer.

2.5 Loyalty programs

Based on the presentation of H.Tuomola there can be two approaches to tide customers – positive and negative.

Negative approach is based on tiding customers by financial, legal or technological ties. For example by creating an agreement with customer that is difficult to terminate, or by creating unique technologies that makes customer depended on the supplier.

Positive retention is based on rewarding a customer for remaining in a relationships. It this case companies try to meet and exceed expectations of their customers by providing higher quality products and services, customized products, discounts, special terms of delivery, assistance in complex solutions, risk reduction and by creating friendly and trusted personal relationships.

Companies should work on many issues in order to keep their regular customers, as many of them have fear of dependency, lack of perceived value in the relationship, lack of confidence in the supplier, fear of rapid technological changes and conflicts with companies' culture. The approach is important, because it helps to reduce fears and risks, and increase commitment to the supplier.

(Notes of a marketer 2014; Tuomola 2013.)

In order to reward a customer for remaining in the relationships and improve the commitment, many companies create different loyalty programs. Before introducing existing loyalty programs and their purpose, the author presents the definition of it. The loyalty program is described in Investopedia as a rewards program offered by a company to customers who frequently make purchases. A loyalty program may give a customer advanced access to new products, special sales coupons or free merchandise. (Investopedia n.d.)

All people like gifts, bonuses and feeling of uniqueness. Recent studies showed that bonuses and other loyalty programs are the most effective means of attracting and keeping customers. These actions create interest for a customer and put him to the "Loyalty due to the interest" niche.

Some companies give discounts to their loyal customers, some – create bonus programs. In order to find the difference between bonuses and discounts, the author presents their definition.

Discount is a tool to attract customers, oriented on a one-time massive influx of visitors, while bonus is an indicator of the individual work with each client, which demonstrate the company's interest in him as a client.

It is necessary to separate discount programs with fixed discount and real loyalty programs. Discounts do not create a bond with the company. For example, the owner of the bookstore discount card visits the shop because of the discount, but once he finds products cheaper, he will change the shop immediately. It makes sense to invest only in such loyalty program that encourages repeat purchases and create loyalty.

Loyalty programs based on bonuses make the client to come to the company again and again in order to get the bonus. According to statistics, as customer gets closer to the promised rewards, he starts to shop more often wanting to get the reward faster. That way the company creates profit, the base of regular customers and the confidence in the future for the company.

(Kotler and Keller 2012, 142; Management.com.ua 2013)

Statistics that marketers publish, confirm the profitability of loyalty programs for companies. For example, to attract a new customer, the company has to spend 5 times more than the cost of activities to keep the former customer. Implementation of loyalty programs can reduce the advertising costs by 75%, and increase sales up to 25%. (Kotler and Keller 2012, 20.)

There are many different loyalty programs that can be implemented. But the scheme of the loyalty program depends on the specifics of the business, size, and based on accurate calculations of costs. In addition, it is important to understand the purpose of loyalty program that is going to be implemented. Conventionally, there are several groups of bonus programs, and each of them has different ways of realization. 3 groups of loyalty programs based on bonuses are listed below.

Group №1. Accumulation of bonuses in proportion to the money spent.

These bonus programs are based on the amount spent by customer during each purchase. There are many different ways how bonuses can be collected and spent in the future:

- Bonus points can be collected until a certain amount, and only then used as a guaranteed bonus (gist, big discount, etc.),

- Bonus points can be spent at each subsequent purchase,

- Bonus points can be collected up to several levels, where at each level the client can receive a gift or continue to collect them until the next level with a greater gift,

- As in the previous way, points are collected up to several levels, but when the customer reaches each of them, he gets a discount or a gift, while the points are not charged and continue to be collected until the next level.

Group 2: Bonuses for actions.

The company can give bonuses to its customers for some actions. For example:

- Bonus for 10th visit,

- Bonus points for visit the web-page of the company, writing a review, answering survey questions, etc.,

- Bonus points for a purchase above a certain amount,

- Bonus points for participation in the marketing communication campaign

Group 3: Coalition bonus programs.

The company can create a loyalty program together with its business partners to ensure mutual exchange of the client database. In this group can be used any scheme of bonuses described earlier with the exception, that they will cover a number of different companies.

Loyalty programs give several benefits described below:

- Retain customers by making them regular ones,

- Increase business revenue - customers are motivated to purchase in bigger amounts and more frequently,

- Increase revenue through additional sales of new products and services,

- Create a group of customers, who make purchases not only because of the low price, but also because of the increased confidence and trust to the company,

- Help to get a competitive advantage,

- Attract new customers thanks to the word-of-mouth marketing, because satisfied customers are eager to share their experiences to their friends and colleagues.

(Payneteasy Team 2013.)

Below is presented one of good loyalty programs organized by American supplier of office accessories and computers.

OfficeMax MaxPerks has launched a loyalty program aimed at directors of schools and small businesses. Its essence is as follows: customer makes a purchase from the online store of the company and part of the money spent is returned to his account in the same store in the form of dollars. The customer can spend these dollars only in their shop. In addition, program participants can bring empty printer cartridges to OfficeMax - for each of them they get 1 dollar. Per month it is allowed to earn that way not more than 100 dollars. (Koshenkov 2013.)

2.6 Statistics on IT market

In April 2013, one of Russian newspapers published statistics on sales of desktop computers, laptops and tablets. As the results of research, conducted by Internation Data Corporation, showed, sales of desktop computers and laptops fell down up to 14% in the first quarter of 2013 - it's the biggest drop since 1994. Reasons for the decline are the popularity of smartphones and tablets, as well as problems of Windows 8, the new operating system of Microsoft. According to the analysts from IDC, the decline will continue until 2015, after which the market will begin to recover. (Bryzgalova 2013.)

Estonian informational portal Baltija, in October 2013 published the interview with Elion's business manager of retail sales. Elion is the largest telecommunications and Internet service provider in Estonia. Business manager of Elion claims that despite the decrease of sales of laptop be-

cause of Windows 8 and uprise of tablets on the market, laptops are still very demanded. The popularity of tablets and laptops does not mean that no one buys desktop computers anymore. "There are two distinct groups of buyers interested just in desktop computers. One group - the buyers of cheap office computers, another group - the buyers of expensive and powerful computers who purchase them for games or working with photo and video"- said business manager. (Baltja.eu 2013.)

3   CURRENT SITUATION

In order to define the way to attract and keep business customers, Dreamline has to know the needs and expectations of their target audience. In order to define that, the author conducted the survey among potential business customers. Also the interview of thesis supervisor from the company has been conducted. The gathered information allowed defining the current situation of IT market in Estonia, needs and expectations of the target audience and main problems and challenges that the company faces.

3.1   Survey

The survey has been conducted among different companies from different business fields. The main purpose of the survey was to define the current situation in the IT market, needs and expectations of companies.

In total 852 companies were contacted in June 2014, and by middle of July 2014, 102 answers were received.

In total the survey contained 17 questions. There were questions on IT products that companies use these days, and what they are planning to use in the future. This information was important in order to define tendency of the market and to learn what Dreamline should offer. Also it was necessary to know if the respondents cooperate with companies that provide IT products or services and which qualities of the supplier are essential for them. Based on this information it was possible to determine how long-term relationships between companies are popular on Estonian market and what companies appreciate the most. Moreover, questions about different channels of advertisement have been included to the survey in order to define the main tools that Dreamline should use while promoting its products and services, besides that there were questions containing general information on the company, such as its business field, size, location and contact information.

3.1.1   Survey results

In this sub-topic the description and explanation of questions and their results are presented. Results of the survey are correlated with each other and aimed to describe the IT market situation in details.

1. Do you use computer(s) at your company?

    First question of the survey was aimed to find out if companies use computers for their daily operations, as this makes them able to answer the following questions and to get more detailed information about their preferences and needs.

    As the survey showed, all 102 companies use computers for work, and that proves that nowadays computers play a vital role in all business fields.

2. Are you planning to buy computers in the future?

This question have been purposed for the case if some companies do not use computers, so it was important to know if they are planning to use them in the future, as it would make them potential customers for Dreamline. As showed in the previous question, all companies use computers, so there was no need for respondents to answer this question. But still 3 persons said that they are not planning to purchase computers in the future and skipped some further questions. These 3 companies are from different business fields and with different amount of employees. The author believes that some of them didnot understand the question correctly and thought about purchasing new computers in the nearest future.

3. How many computers of the following models do you have?

This question brought several results: firstly, the question helped to figure out the amount of computers of different models that companies use nowadays and secondly - the tendency of the market. In order to define the tendency it is necessary to correlate this question with question number 8.

As the graph 3.1 shows, nowadays tablet is the most unpopular model of computer for work - 58 respondents do not have any tablets at their company. Even if laptops can fulfil needs of most of the companies, desktop computers still take an important place in companies' daily operations. They are more demanded in big companies, while small companies prefer to use laptops.
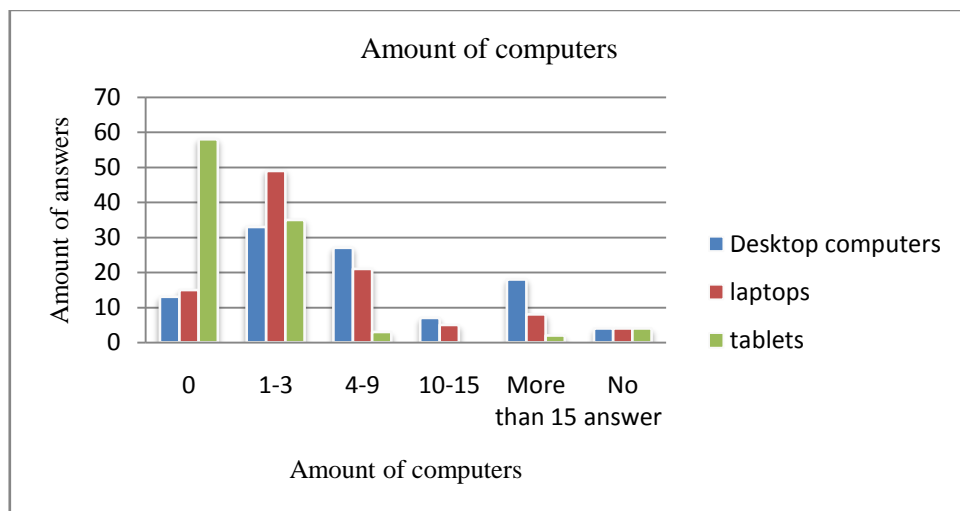
Graph 3.1. Amount of computers that companies use nowadays
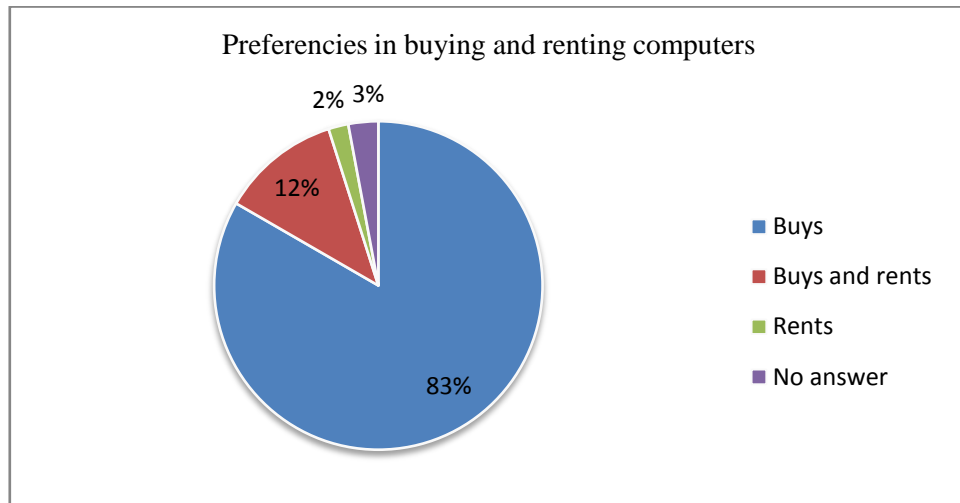
4. Does your company buy or rent computers?

This question showed what is more popular for companies – to rent or to buy computers.

Based on the survey results, 83% of companies prefer to buy computers, while 12% prefer to rent and buy in the same time and only 2% - to rent. 3% of the respondents didnot give any answer.

The question number 15 showed that the decision of renting does not depend on the size of the company as these companies that belong to 2% have absolutely different amount of employees. One of them has 1-5 employees and another one - 31-50 employees.
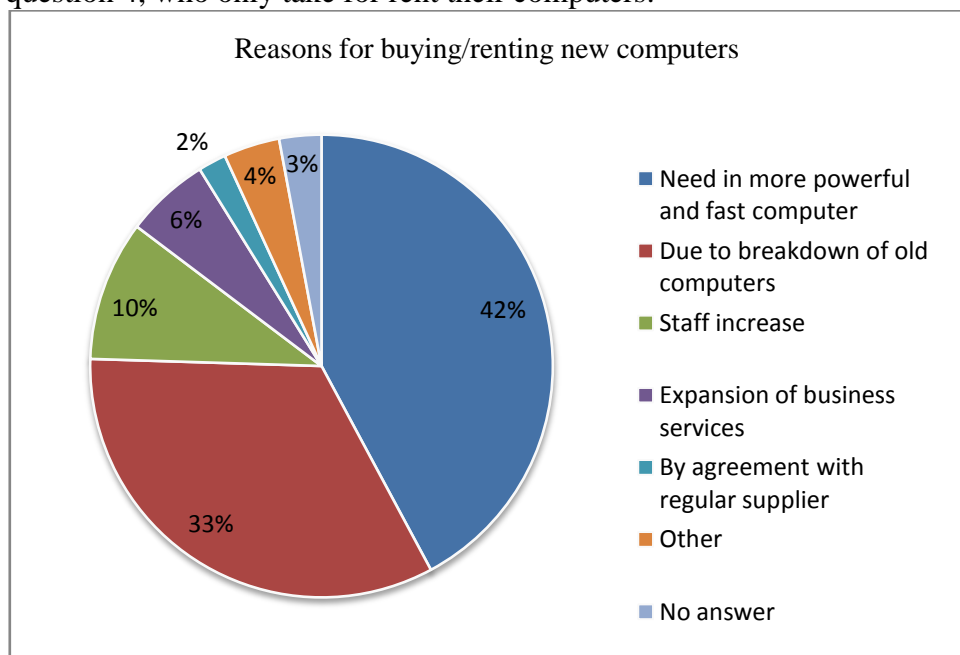
Development of a strategy to attract and keep business customers.

The author can state that most of the companies in Estonia prefer to buy computers.

Preferencies in buying and renting computers

2% 3%

12%

Buys
Buys and rents
Rents
No answer

83%

Graph 3.2. The percentage of companies renting and / or buying computers

5. <u>What is the main reason for buying/renting new computers?</u>

As the 5th question showed, the main reason for purchasing or renting new computers is a need in more powerful computers (42%) and the breakage of old computers (33%). Only 16% buy or rent new computers because of the staff increase (10% from all responders) and because of the expansion of their business activities (6% from all responders). 4% of all responders usually have different reason or found it difficult to choose only one option for buying or renting computers than it has been proposed in the given answers. 2% get new computers due to the agreement with their regular supplier. This answer has been given by the companies mentioned in the question 4, who only take for rent their computers.

Reasons for buying/renting new computers

2%
4% 3%
6%

10%

42%

33%

Need in more powerful and fast computer
Due to breakdown of old computers
Staff increase
Expansion of business services
By agreement with regular supplier
Other
No answer

Graph 3.3.Reasons for buying/renting new computers

6. <u>How did you find your last purchased/rented computer?</u>

This question showed the last advertisement channel that affected businesses' decision to buy or rent new computer. This advertisement channel should be considered as an important tool for communicating with potential customers.

As this question and question number 14 showed, the recommendation of close and trusted people affects the decision about purchasing new things the most. So 36% of the respondents found their last computer due to recommendation of the person responsible for the renewing computers in their company and 31% due to recommendation of their regular supplier. 12% of the responders said that they found their last computer due to the recommendation of their friends, family or colleagues.

As this question showed, 79% of companies found their last computer because of somebodys' recommendation. While only 13% used web search engine to find the most suitable product. 2% of people just came to a shop and the salesman helped them to choose the right product.

As it has been mentioned in the sub-topic 2.3 the choice of buying new computers, especially in big amounts is complicated and not a spontaneous decision and before doing that the company prefers to discuss that with people who they trust and know about this issue well.

How companies found their last purchaised / rented computer
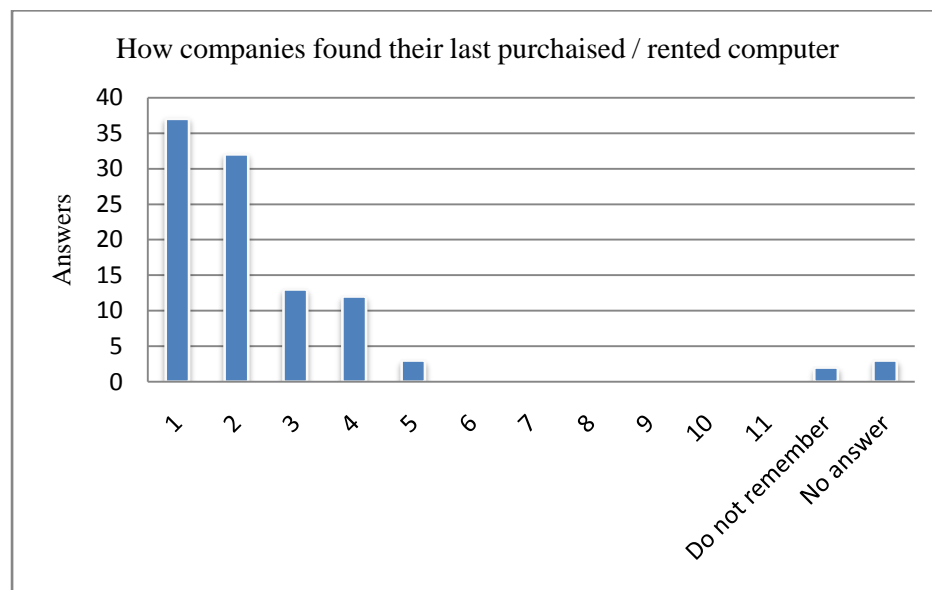
1 - Recommendation of the person responsible for the renewing computers in the company, 2 - Recommendation of their regular supplier, 3 - Web search engine, 4 - Recommendation of friends, colleagues, 5 - Seller's help in the shop, 6 - Advertisement by e-mail, phone, 7 - Advertisement by mail, 8 - Advertisement on radio, TV, 9 - Advertisement in newspapers, 10 - Advertisement on the Internet, 11 - Advertisement on the streets, buildings

Graph 3.4. Advertisement channels that helped companies to find their last purchased / rented computer

7. When did you purchase/rent your last computer of the following models?

As the question number 3 showed, tablets are not really popular for work, so 58 respondents have never had them and therefore have never bought

them. Most of the companies made their last purchase during the first semester of 2014.

Last purchaised computer
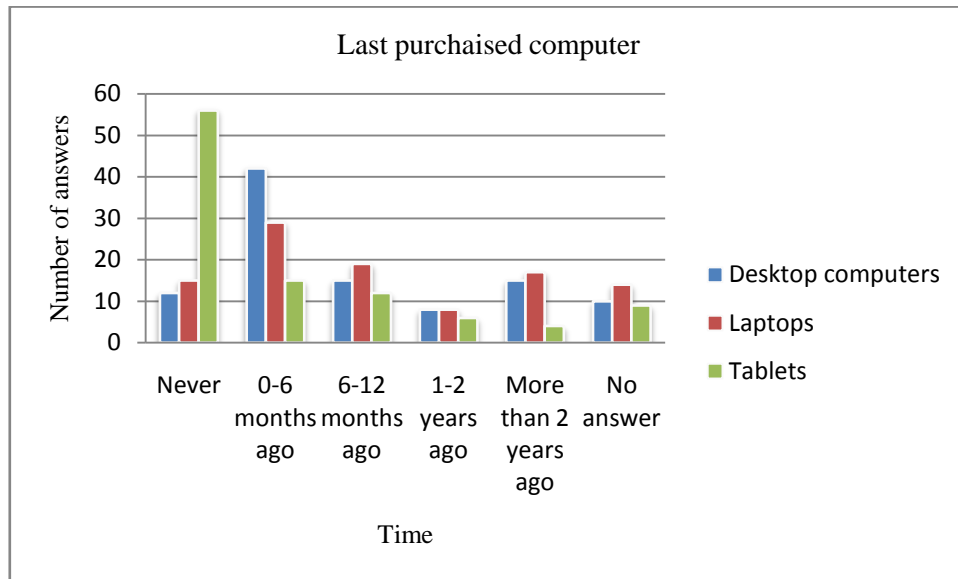
Graph 3.5. The time of the last purchase of a computer

8. <u>When do you think there will be a need to buy/rent new computer?</u>

6 of the respondents said that they will never buy tablets for their work. These 6 companies are different in size and field, 2 of these respondents already had or have from 1 to 3 tablets in their companies.

One company said that they will never buy a desktop computer. It is a micro-entity in the trade field with less than 6 employees.

This question also allowed defining the tendency of the market. Based on the results of the question 3, the author can state that most of the companies do not use tablets nowadays and are not planning to purchase them in the future. Most of the big-sized companies using computers nowadays are still planning to invest into them in the future. The popularity of desktop computers is caused mainly by the low prices and by stronger power.

Combining answers ofthe questions number 7 and 8 it is possible to state, that most of the companies purchase computers regularly. As the question 5 showed, the frequency of their purchases depends mainly on the appearance of need in more powerful machine, the breakdown of old computers and internal factors in the company.

Development of a strategy to attract and keep business customers.
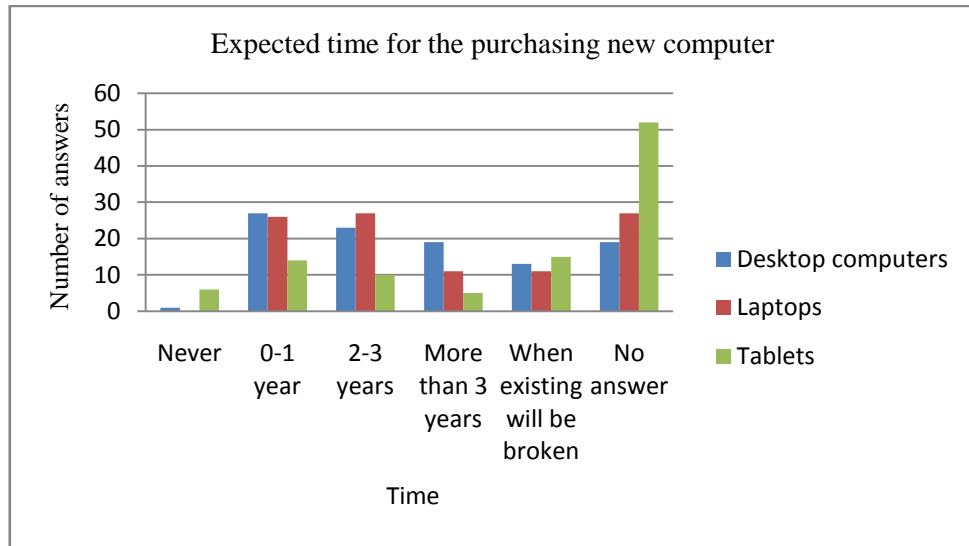
Graph 3.6. Expected time for the purchasing a new computer

9.   Please name 3 main choice criteria in buying/renting a new computer

The research showed that the most important criterion while choosing a new computer is the technical characteristics of the computer – 31% of respondents gave this answer. The quality and the guarantee that it will work long and well is also important for many respondents (27%). On the 3rd place by preferences is the appropriate price (20%). The possibility to get after-sales service took the 4th place in the list with 11% of answers. The brand of the computer was important only for 7% of companies. The year of construction (2%) and terms of delivery (1%) are the less important factors.

To sum up, companies want computers with good components inside and which will work long. This computer they would like to get by the low price, where the possibility to get after-sales service is considered as a strong advantage.
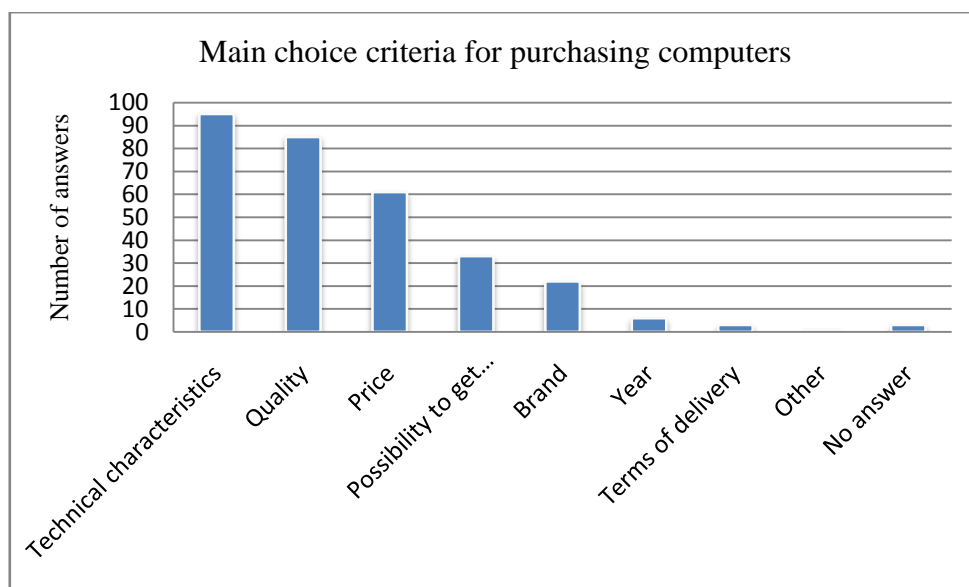
Graph 3.7. Main choice criteria while purchasing computers

10. Who decides in the company about buying/renting new computers?

Development of a strategy to attract and keep business customers.

In 77% of companies the decision about renting or buying new computers takes the company director.In 13% of companies this decision takes the IT administrator. Department managers take this decision only in 3% of companies. 3% representatives chose "Other" option and 4% didnot answer this question.

Responsible person for renewing computers
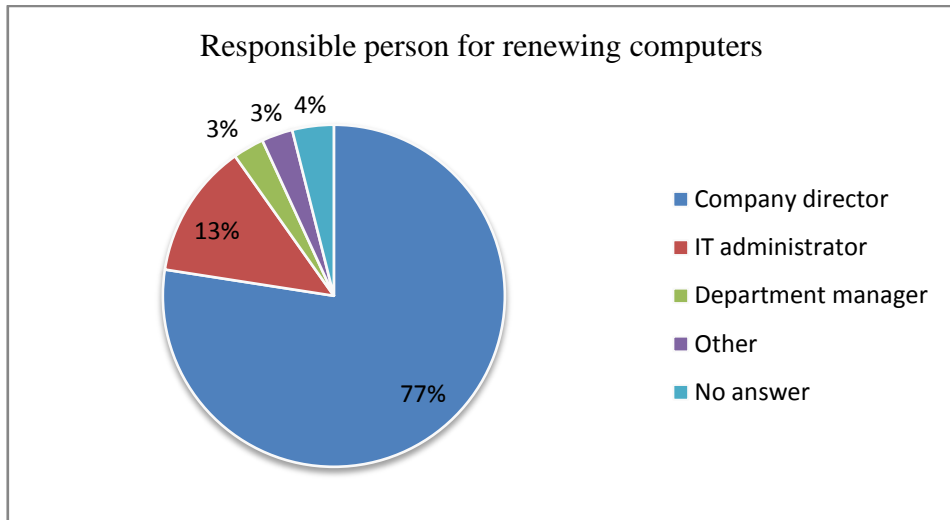
Graph 3.8 Personal responsible for renewing computers at the company

11. <u>Are you in partnership with any company that provides you services/equipment?</u>

61 % of all responders are in the partnership with other companies that provide services, equipment or both. 53% of all companies said that they are in partnership with another company that provides services as well as equipment for them and 7% of the respondents said that they are in cooperation with company providing only service (e.g. repair and improvement work). While only 1% is in partnership with a company providing only equipment. And 36% of the companies do not have any partnership. It was interesting to notice, that the decision on having regular supplier does not depend on the company size.
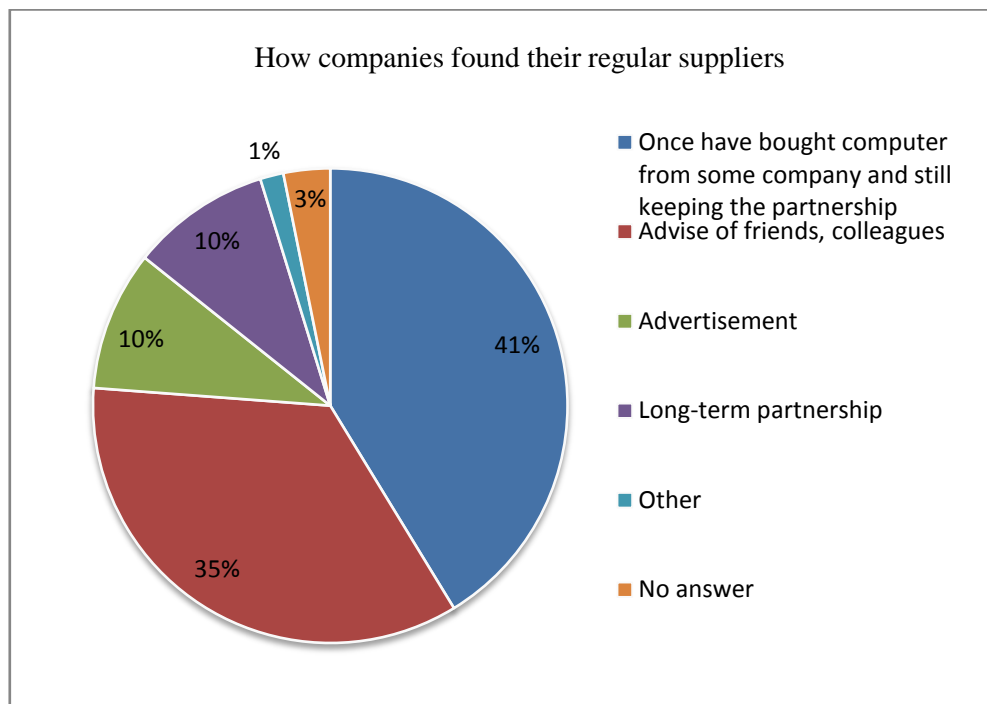
Long-term cooperation with suppliers
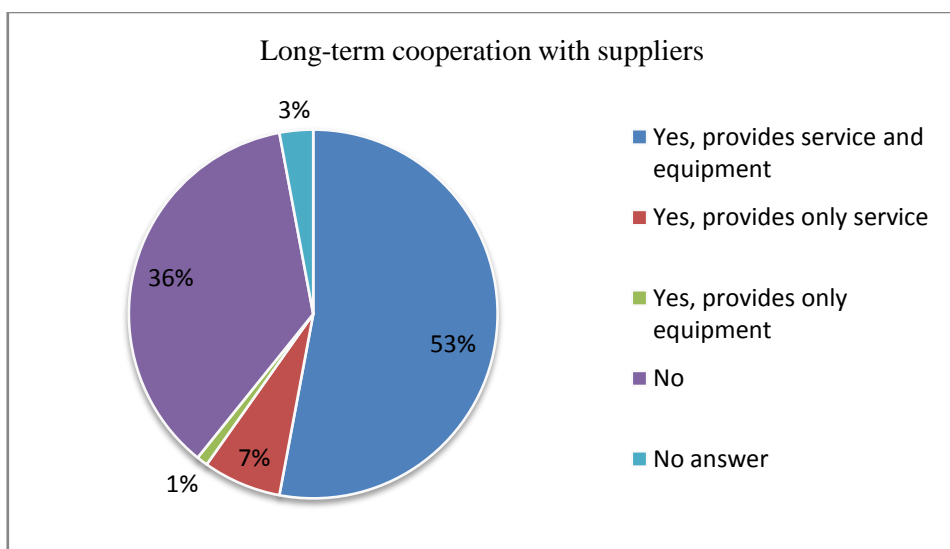
Graph 3.9.Percentage of companies constantly cooperating with the same supplier

Development of a strategy to attract and keep business customers.

12. How did you find your (last) supplier?

This question was not mandatory as not all companies have partnership with other companies that provide IT products or services, so only 60% of all interviewees gave an answer for this question.

41% of the companies who even do not have a signed partnership, still keep relationships with the same company that they had a deal once before. 35% of respondents found their regular supplier due to an advice of friends or colleagues. 10% of the respondents said that it is a very long-term relationship and they are not able to give an answer to this question. The same amount of the respondents (10%) said that they found their supplier due to an advertisement given in newspapers, sent by e-mail, etc). Only 1 company said that they were looking for the regular supplier for a long time, made research and interviewed candidates.


How companies found their regular suppliers

- Once have bought computer from some company and still keeping the partnership
- Advise of friends, colleagues
- Advertisement
- Long-term partnership
- Other
- No answer

Graph 3.10 The ways companies found their regular supplier

13. What are the most important criteria for choosing your supplier?

This question was aimed to define what kind of characteristics companies appreciate the most in their suppliers.

The quality of provided work and computers and the price by which they offer their products and services took the first positions with 25% and 24% respectively. The reputation of the supplier was also important for many respondents – 12% of companies chose it as one of the most important criteria. The next place took honest and friendly service (10%) – the situation when suppliers honestly try to understand the needs of companies and help. The 5th place in the list shared order lead time and terms of cooperation with 9% of answers both. As the survey showed, personal price offer and customized characteristics of computers were not so important for many companies.Only for 5% of the companies the personal price offer was important, while personalized computers were important only for 3%

of companies. Personal relationships were also important only for 3% of respondents.
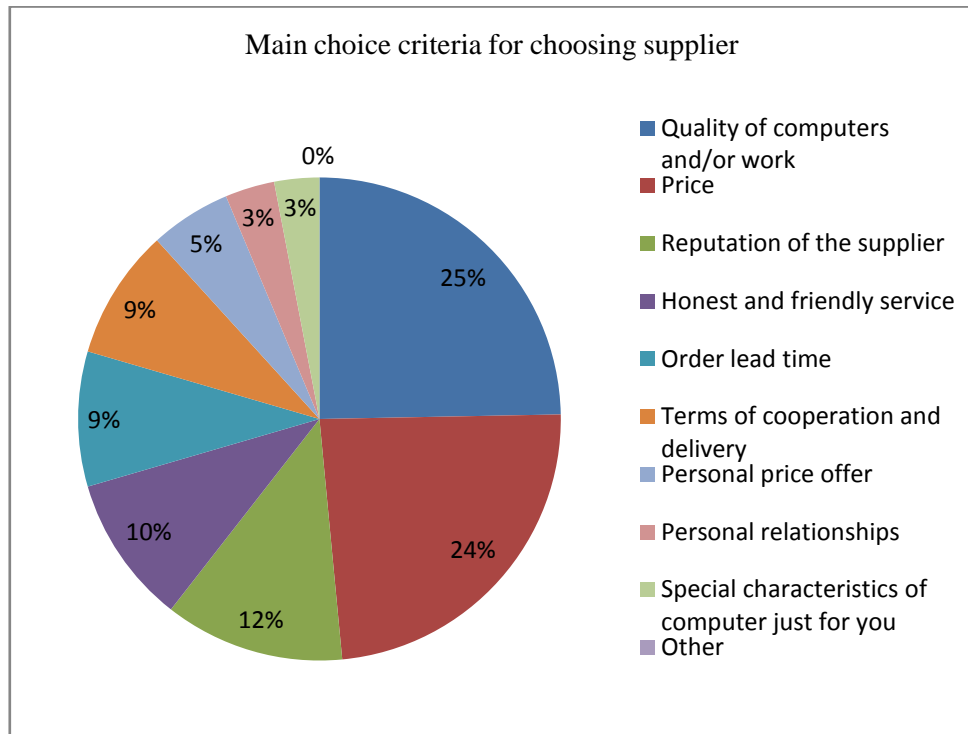
Graph 3.11 Main choice criteria for choosing the supplier

14. How do you react to different types of advertisement?

The scale from 1 to 4 was proposed in order to answer this question, where "1" was «never listen / do not read» and "4" – "listen / read carefully".

The results of this question have been calculated according to the points that different advertisement channels got.

So it is visible on the graph3.12 that recommendations of trusted people are the most valuable for many companies. This tendency also have been noticed when companies have been choosing a new product and suppliers.

Recommendation of regular supplier and recommendation of seller got 185 and 164 points respectively. Besides that, e-mails, mails, advertisement on the Internet and newspapers had been chosen as the channel that people pay attention the most, while radio, TV, billboards on the streets and telephone were the less attractive marketing communication channels for most of the companies.

So it confirms that word-of-mouth marketing is the most powerful advertisement channel. Direct marketing is also considered as a strong advertisement tool.

Development of a strategy to attract and keep business customers.

The most trustable advertisement channels
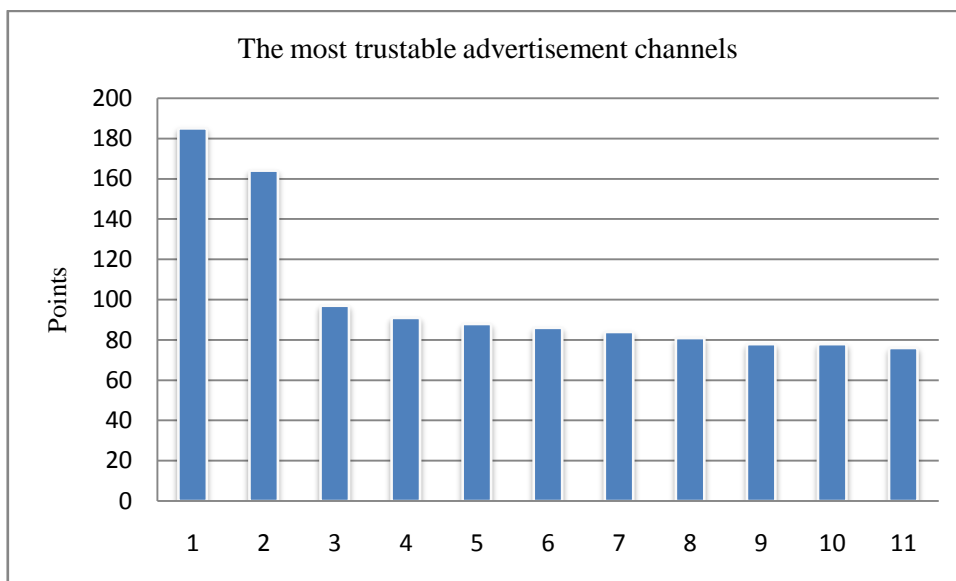
1 - Recommendation of your regular supplier, 2 - Recommendation of seller, 3 - E-mail,
4 - Banners on Internet, 5 – Mail, 6 – Newspapers, 7 – TV, 8 - Web-pages, 9 - Telephone,
10 - Billboards on the streets, 11 - Radio

Graph 3.12 The most trustable advertisement channels among respondents

15. How many employees do you have at your company?

As in Estonia micro- and small-sized companies are more popular than large-sized ones, in the question were purposed smaller numbers than it is stated by the European Commission where micro-entities are companies with up to 10 employees, small companies recruit up to 50 workers, medium-sized enterprises have up to 250 employees and large-sized enterprises have more than 250 employees.

31% of the respondents have 1-5 employees in their companies, 15%- 6-10 employees, 11% -11-15 employees, 7% - 16-20 employees, 4% - 21-30 employees, 12% - 31-50 employees and 20% - more than 50 employees. Classifying companies according to the European Commission classification, 46% of all respondents would belong to micro-entities, 34% to small companies and and 20% to medium or large-sized enterprises.
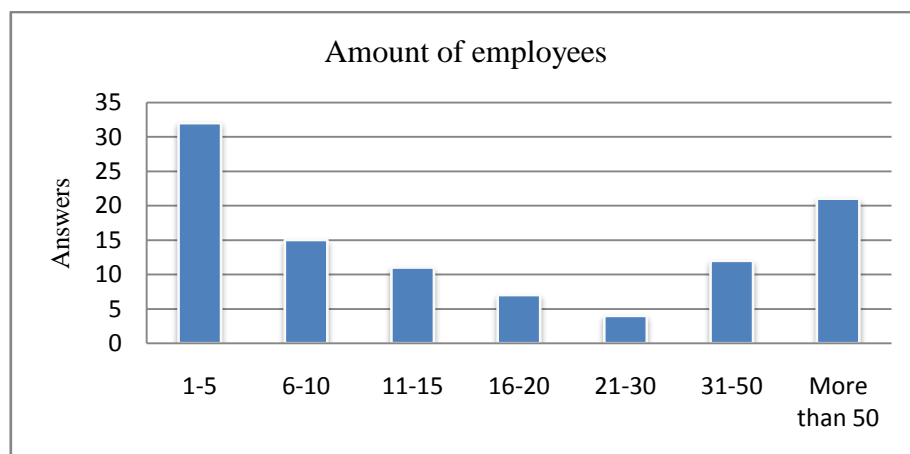

Graph 3.13 Amount of employees in the company

16. Business field

Development of a strategy to attract and keep business customers.

As the survey showed, most of the companies work in wholesale and retail business - 23% of the companies work in this area. 11% of the companies work in the industry and production field. As it is shown on the graph, all other fields are less popular among respondents – from 1% to 7%. 24% of the respondents said that their business field was not mentioned in the proposed answers. Many of them just did not put the right choice even if their field of business was mentioned in the list what made it more difficult to analyse the survey.
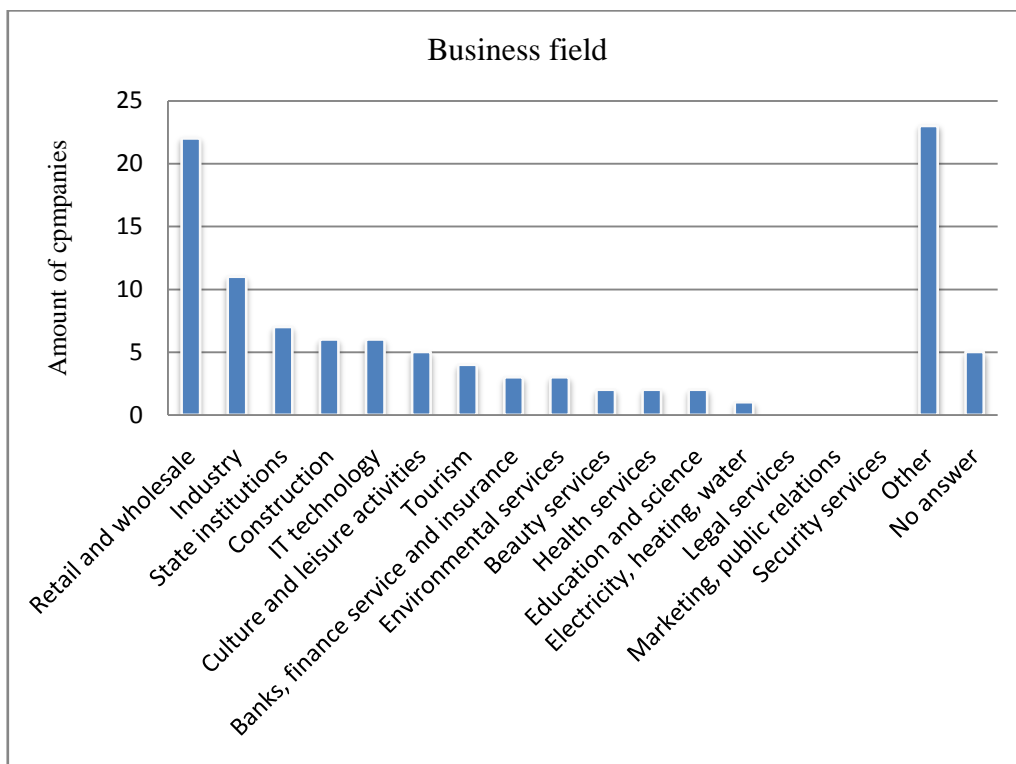
Graph 3.14 Business fields that respondents operates in
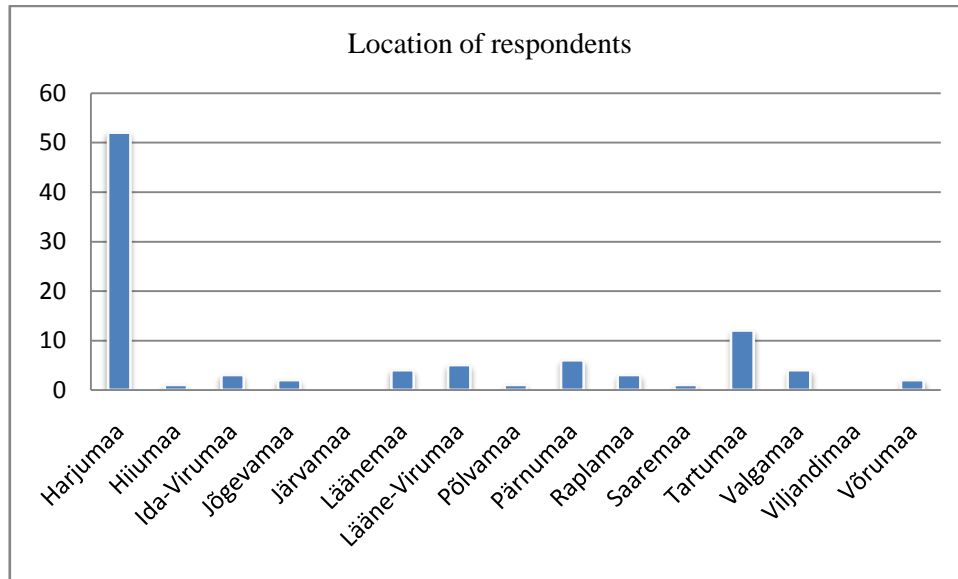
17. Location

As the diagram 3.15 shows, most of the respondents are located in Harjumaa area (Tallinn city) – 54%. 13% of answers have been received from Tartumaa (Tartu) and 7% from Pärnumaa (Pärnu).

Based on the received figures and population statistics of Estonia, these figures are mainly depending on the amount of habitants and infrastructure of the specific area.

Development of a strategy to attract and keep business customers.

Location of respondents

Graph 3.15.Geographical locations of respondents

3.2 Interview

In order to define current situation in the company the author had interviewed the thesis supervisor from DreamlineArvutikeskus OU. The interview contained 18 questions and was aimed at defining the companys' activities to attract and keep business customers.

According to Igor Podoljan (interview 5.08.2014) until April 2014 the company had a bit less than 50 business clients who came back after their first purchase. It is important to mention that there is around 300 000 companies registered in Estonia.

Majority of Dreamline's business customers do not have any signed partnership and come back to the company when a need for new products appears. Dreamline has a signed partnership with few companies that provide IT products and services in other countries and other areas. The base terms of cooperation describe quality of products, shipment time, terms of payment and guarantee issues. Dreamline seeks to organize terms of cooperation in the most comfortable way for the customers. They take all risks and responsibilities, while promotion and selling are remained as the main responsibilities of their clients.

In Dreamlines' opinion in order to become a regular supplier for their clients, they should offer personal price offer and keep good personal relationships. Moreover, in order to keep business clients the company offers 15-20% discounts on the second purchase. In addition the delivery, software and its installation is for free.

Dreamline mainly offers laptops to their business clients as they estimate it as the most demanded product for running a business. The most popular brand of laptops is Lenovo, tablets – Apple and desktop computers – Dell. Such softwares as Autocad, MC Word and MC Excel are very demanded among business clients. While choosing new computers the main roles play the possibility to get after-sales service, technical characteristics and

price of a product. But even if Dreamline provides repair services they are not eager to provide it for companies as it is much less profitable than to do it for private customers.

Dreamline deems that the main reason for purchasing new computers is the stuff incensement.

Besides the selling computers Dreamline also offers computers for rent. But the demand for renting is not very high in Estonian market and estimated at 20 clients per year.

To promote their products and services, the company uses different channels of advertisement: public transport, social networks (facebook.com, vk.com, instagram.com), Adwords, big banners on the streets (size 4m x 8m), free web-pages for advertisement (okidoki.ee, kv.ee, soov.ee), distribution of print media and brochures by mail and e-mail, newspapers.

Dreamline measures the efficiency of their advertising activities by Google Analytics and by asking customers where they learnt about the company. All received information is collected to a special database for further analysis. Advertisement by e-mail and in newspapers that are aimed at business people are identified by Dreamline as the most effective marketing communication channels for business clients.

The company has general database of their customers and a special database where results of their promotion activities by e-mails to business and private customers are registered.

4   PROBLEM STATEMENT

B2B sales are not aimed at the end user, but aimed at the companies of different sizes and fields – that can be as public as private organizations and as commercial as non-commercial organizations. And because of these and many other factors there appear many challenges for companies working B2B. The author made the table that summarizes all problems and challenges that Dreamline faces. The detailed explanation of it is described in the following sub-topics. The author developed all of them based on the theory, conducted survey and the interview that had been introduced earlier.

Area of the problem(s)	Problems / Challenges	Result
Products	1. Product offer	Potential customers go to competitors
Services	1. Advertisement of services 2. Unprofitability of services	Potential customers go to competitors Loose of money and time
Advertisement	1. Current advertisement does not affect enough big-sized companies 2. Wrong communication message	Lack of customers
Decision-making process	1. Rational thinking and lack of trust 2. Involvement of different groups	The process of advertising and selling becomes more complicated
Information on customers	1. No database	1. Difficulty to analyze needs of business customers 2. Difficulty to develop relationships with customers
Long-term relationships	1. No signed agreements on partnership 2. No loyalty programs	Lack of customers Uncertainty in the future Lack of information

Table 4.1 Challenges and problems faced by Dreamline OÜ

4.1   Product offer

As the statistics on IT market, presented in the topic 2.6 showed, tablets and smartphones are quickly replacing personal computers. But the demand for laptops is still high, while the demand for desktop computers becomes lower. The research, conducted by the author of the thesis, was aimed at defining products that business customers prefer to purchase. As the questions 3, 7 and 8 of the survey showed, despite the fact, that nowadays laptops replace desktop computers, big-sized companies still planning to buy desktop computer in the nearest future.
The problem of Dreamline is that they mainly offer laptops to their business customers. The current product offer clearly decreases the level of business customers and the possibility to become a regular supplier.

4.2 Services

Dreamline OÜ faces two different problems related to services. The first one is the complexity of services promotion and the second one is unprofitability of providing services to business clients.

While promoting services there may appear some challenges, as a service is an intangible product and the result of it can be only seen when it is completed. Impossibility to proof the quality and accurate description of a particular service makes it more difficult to promote.

Based on the research many companies expect to get after sales services. But for Dreamline after sales services concerning B2B are not profitable and they prefer to provide them to private customers. The unprofitability of services for business is caused by the implemented promotional campaign aimed at attracting new business customers. It offers business customers unlimited amount of services during some period of time and by the certain amomut of payment.

4.3 Advertisement

One of the challenges that Dreamline faces in attracting business clients is wrong communication message. It is caused by the undefined buyer readiness stages. Another challenge is wrong advertisement channels, which do not affect enough the business customers. These problems lead to the lack of business clients. Below the author introduced these problems in details.

4.3.1 Big-sized companies

As it had been mentioned in the topic 3.3 «Interview», Dreamline uses different channels of advertisement to promote their products and services. They include advertisement in public transport, social networks (facebook.com, vk.com, instagram.com), Adwords, big banners on the streets (size 4m x 8m), free web-pages for advertisement (okidoki.ee, kv.ee, soov.ee), distribution of printed media and brochures by mail and e-mail, newspapers. Taking into account these marketing communication channels, there appears one of the problems that Dreamline faces.

This problem consists of the fact, that current marketing communication channels mainly affect private customers and small-sized companies, which preferences and decision-making processes are very similar. Even if some of Dreamline's advertisement is aimed purely on business customers, such as printed media (newspapers) and direct marketing (e-mails), still it does not bring a tangible result. It is necessary to remember, that big-sized companies demand different approached than private customers.

As it had been mentioned in the theory and as the conducted survey showed, such marketing communication channels as personal selling, direct marketing and word-of-mouth marketing have been chosen as the most trusted and affective advertisement channels among companies.

Based on the research, the author can state, that recommendations (word-of-mouth marketing) of trusted and close people affected such decisions as choice of regular supplier and purchase of a new computer the most. But Dreamline does not use personal selling (except in the shop) and word-of-mouth marketing.

4.3.2 Buyer readiness / communication message

Another reason of the lack of business customers is the wrong communication message, which in its turn is caused by undefined level of buyer readiness. The target audience may not know anything about the company and what it offers or does not know enough. This problem can be caused by the fact, that the company is not for such a long period of time on the market and has only 3 shops, which are not located in the big shopping centres as most of biggest Estonian IT shops. But the author does not consider the location as the problem for Dreamline OÜ, as it helps to keep low costs of rent and low prices for their products and services.

Usually the process of selling products to business customers, which should always lead to long-term cooperation, is a very long and thorny way. Before selling products, the company should build trust towards the company and to the brand, and also build personal relationships with potential customers.

4.4 Decision-making process

The decision-making process in B2C and B2B is totally different. Purchases made by business customers are based on rational thinking and very often there is involvement of interested groups. So the communications channels and the communication message become different in B2B than in B2C segments.

4.4.1 Rational thinking

As it had been mentioned in the topic 2.3 «Differences between B2B and B2C», B2B sales are based on the rational thinking. That is why such advertisement that aims at targeting emotions of the potential clients, does not work as well as in B2C.
The purchase of new products for the company has its reasons and consequences, for example expansion of business activities, or improvement of work. This purchase is more risky and if something goes wrong, the company can lose not only the level of productivity, but also its customers, money and its reputation due to the inability to complete some orders on time.
There appears a challenge for companies working in B2B sales – to choose the right way of attracting and keeping business clients.

4.4.2 Involvement of different people

Usually all major decisions in a company are made by a group of people - it can include board of directors, consultants, suppliers or even organizations associated with a profit. Since the decisions are made by a group of interested people, there appears a one more challenge - interests of different groups. These groups have to be taken into account while building a communication strategy. While promoting computers, for example, to the owner of the company, it is important to remember that maybe he is not responsible for renewing computers in his company.

Two challenges appear – the first one is to define the right people, to whom Dreamline should promote their products and services, and the second one - to build personal relationships with all (possibly) involved groups (for example the owner can affect the purchasing decision of a person responsible for renewing computers in the company).

4.5 Database

Another problem is that many businessmen forget that they have already regular customers and there is no need to keep investing so much in advertisement. But it is much cheaper and faster to keep regular customers than to attract the new ones. Satisfied customers not only make frequent purchases, but also bring new customers as they are satisfied with the company's offers and want to recommend it to their friends and acquaintances.

Dreamline OÜ has database of their marketing communications activities and general database of their customers. Working in B2B, it is necessary to create and maintain the data of every single business customer. As the demands of each customer are different, it is impossible to create one strategy and one product offer that will be suitable for all business customers. All business customers should be taken into account as individuals. Absence of database on every customer creates many obstacles for the company. It becomes more difficult to identify customers' needs, to analyze the tendency of the market, to improve business activities, to build and maintain personal relationships with the clients and to inform them about some changes (for example, new location of the shop).

4.6 Long-term relationships

Another problem that is faced by Dreamline OÜ is the creation of long-term relationships. This problem is caused by the absence of signed partnerships with business clients and bad building and maintaining of personal relationships. Those factors cause uncertainty in the future for Dreamline OÜ.

By business dictionary an agreement is defined as a negotiated and usually legally enforceable understanding between two or more legally competent parties. Although a binding contract can (and often does) result from an agreement, an agreement typically documents the give-and-take of a nego-

tiated settlement and a contract specifies the minimum acceptable standard of performance (BusinessDictionary.com n.d.).

So agreement of cooperation is a document that commits to implementation of issues mentioned in the contract. Moreover, there can be mentioned responsibilities for the failure of the contract. For example, the repair company is obligated to provide warranty repairs to the shop selling computers, but for some reason they did not perform the promised service. As a result, the shop violates the law and incurs expenses, so they can ask for indemnification from the repair company.

In the cooperation agreement there can be specified what kind of services partners provide to each other, which information is transmitted, how and when to respond to any of the occurred problems.

Signed agreements on partnership give many benefits not only for the company-seller, but also for its customers. Customers can be sure that they will get promised products and services on time and by the agreed price, while seller can be sure that their client will purchase products and will pay on time. If one of the sides will violate the treaty, they will have to pay fees to the affected side.

As it had been mentioned in topic 3.3 «Interview», majority of Dreamline's business customers do not have any signed partnership and come back to the company when a need for new products appears. Dreamline OÜ has a signed partnership only with a few companies that provide IT products and services in other countries and other areas.

In Dreamline's opinion in order to become a regular supplier, they should offer personal prices and keep good personal relationships with their clients. Moreover, the company offers 15-20% discounts on the second purchase. In addition, the delivery, software and installation are for free.

As the research showed, business clients expect to have computers with high quality and by low prices. Even the personal price offer is not so important for them, if the general price is appropriate. Dreamline can offer computers with high quality and by low price, but there is no need to offer discounts all the time. It is reasonable to offer for the second purchase and then it is more reasonable to create signed partnership and then to continue providing personal price offer.

The reputation of the supplier was also important for many responders. It can be explained by the trust to the companies that they operate / are planning to operate with. The better reputation of the supplier is – the more trust customers have.

Even if companies said that personal relationships are not important for them, they still want to cooperate with the company, who is willing to help and takes active part in their customer's daily operations.

But even if many business customers come back again after the first purchase, there is no agreement between two sides, so basically Dreamline OÜ is not an official supplier of its customers. That makes the possibility for business clients to choose another supplier if some difficulties appear. So even if clients are satisfied with the service and products are provided by Dreamline OÜ, there is no guarantee that they will come back again. This situation causes uncertainty in the future for Dreamline.

The absence of signed agreements also makes it more difficult to analyze the needs of companies, and as result it causes the difficulty to offer the right products.

Long-term relationships provide constant sales of products and services and give an advantage over competitors.

The absence of contracts may be caused by different reasons:

- Weak emphasis on creation of signed partnership
- Terms of cooperation
- Fear of clients to be depended on somebody
- Lack of trust
- Bad personal relationships

4.6.1 Absence of loyalty programs

The last but not least problem is absence of loyalty programs in Dreamline. This issue makes more compliicated the develpment of personal relationships and keeping existing customers.

Development of a strategy to attract and keep business customers.

5   DEVELOPMENT PLAN

There are many factors that affect marketing communication strategy and also there are many reasons why Dreamline has lack of business customers. All the challenges and problems that the company faces are introduced in the Table 5.1. All of the listed factors have to be taken into account while developing the communication strategy.

Area of the problem(s)	Problems / Challenges	Solutions /Recommendations	Expected result
Products	1.Product offer	Promote and sell desktop computers	Big-sized companies as new customers
Services	1.Advertisement of services	Presenting experience of previous clients and competitive advantages	More orders for after-sales services
	2.Unprofitability of services	Putting limitations on provided services	Increase of profitability of provided services
Advertisement	1.Undefined level of buyer readiness	Research on buyer awareness and identification of the right communication message	Awareness rising about the company; new business customers
	2.Current advertisement does not affect enough big-sized companies	New marketing communication channels	New business customers
Decision-making process	1.Rational thinking	To built trust to the company and create analytical documents for business customers – proof that they can rely on DL	More trust to the company and new business clients
	2.Involvement of different groups	Improve personal relationships. Targeting all involved groups	Improving personal relationships and getting new business customers
Database	1.No database	Create database on every business customer using CRM software	1.Possibility of predicting the buying behaviour 2. Registration of feedbacks and results of advertising 3. Possibility to analyze needs of business customers 4.Development of personal relationships 5. Improvement of business activities
Long-term relationships	1.No signed agreements on partnership 2. Lack of trust	To build long-term relationships : Increase emphasis on creation of signed partnership Adapt terms of cooperation	Signed agreements will allow ensuring the future of the company, making it easier to analyze needs of the customers, get competitive

Development of a strategy to attract and keep business customers.

		for each customer	advantage and offer the right products.
		Decrease fear of clients to be depended on somebody	Increase of customer loyalty
		Build trust to the company	
		Create loyalty to the company	
		Improve personal relationships	

Table 5.1 Recommendations to overcome challenges and problems faced by Dreamline

5.1 Products

The company has to define needs of the target audience before attracting the new customers. As the survey conducted by the author of the thesis showed, many companies are planning to purchase desktop computers in the nearest future. What makes it extremely important to add desktop computers into the product offer. This step is supposed to increase the number of potential business customers.

5.2 Services

As the result from the question 9 showed, the possibility to get after-sales service is important for half of the respondents, which means that in order to become a regular supplier for its existing and future business customers, Dreamline should provide repair, maintenance and improvement services. The issues that the company has to solve are related to unprofitability of providing services for business clients and difficulty of promotion services.

The difficulty of promotion is caused by the fact that customers have no idea about the quality of work proposed by Dreamline. In this case, the image of the company, experience of the former clients and competitive advantages play vital role in the process of promotion and decision-making process. Increasing image of the company can be implemented through building the trust to the company. How company can build the trust is described below, in the topic 5.4 "Building trust to the company".

The unprofitability of services for business clients can be by putting some restrictions on services. For example now if the client can't update Flash Player, they can refer with the problem to Dreamline. But the services should include only fixing serious problems with computers, but not the help with installation of some software.

5.3 Research on buyer readiness stages

Another step, which Dreamline should implement before choosing the new marketing communication channels, is to conduct additional research

that will help to define buyer readiness stages. Undefined stages, through which a consumer passes on way to adopting a good or a service, is one of the problems that Dreamline faces and as a result it causes the creation of wrong communication message to the potential business customers.

In order to overcome that problem, the marketer at Dreamline has to define how the target audience is aware of their company and of offered products and services. For this purpose additional survey has to be conducted. The result of the survey can bring several results:

1. Awareness

    First one is that the target audience does not know anything about the company and what they offer, or just knows about the company existence on the market, but nothing more. If most of the target audience has no idea about the products, services and the company itself, then communication message should increase awareness of the target segment by informing about the company and its activities.

2. Knowledge

    The second possible stage of buyer readiness is called „Knowledge". Here the target audience may be aware of the existence of Dreamline and its products or services, but nothing more. Then marketer should find out which part of potential buyers have only heard about them, which part at least knows something about them and their products, and which part knows almost everything about the company and their offers. In order to reach the target group, the promotion message should inform about the quality and benefits of work with Dreamline and products and services they offer.

3. Initial interest

    At this stage all decisions on the communication message depend on the answer to questions about awareness of the company and its products. If potential clients are well aware of the company, its product and the service, the task of the marketer is to create positive relation to the products, services and to the company. If buyers are incredulous of the company and its offers, the marketer should figure out the reasons for this attitude and try to change it.

4. Preference over the competing products

    Another possible situation is that the target audience may like products and services of Dreamline, but that does not mean that it gives an advantage over competitors. In this case, the communication message should be aimed to form a preference among customers, highlighting qualities, benefits and values of products and services that Dreamline offers.

5. Conviction of its suitability to purpose

    The target audience may prefer offered products and services of Dreamline over products of competitors, but still be not entirely sure about buying them and cooperating with Dreamline. The promotional message should instil confidence of the potential buyer

that the goods and services of the company are the right ones for them.

When the stage of buyer readiness is defined, the marketer of the company can define the right communication message for the target audience. The message can deliver general information about the company and its products, or persuasive information, that specific products are the most suitable and can satisfy all needs of the target group.
When the right communication message is defined, the marketer can define marketing communication channels through which this message will be implemented.

5.4 Building trust to the company

As it had been mentioned earlier, in the topic 4.3.1 «Rational thinking», companies purchase new products for specific reasons and all of those actions have their consequences. The purchase can be caused by decision of the company to expand their business activities, or recruitment of new people, or improvement of the work processes. Purchases related to business activities are more risky, than purchases made by private clients. There are risks involved to product quality, guarantee, installation, time order, terms of delivery, cooperation, etc. Because of some mistake, the company can decrease their productivity; lose money, customers and their reputation. So the company, selling products to other businesses, has to reduce those risks and increase trust of their customer to the company.

The trust affects decision-making process of customers and the creation of long-term relationships. The author gives recommendations how Dreamline can increase the trust to the company, and that will reduce some risks.

Nowadays, before visiting the office of a potential supplier, first of all companies visit their web-pages. So the first step, which will help to increase the trust to the company, can be implemented through Dreamline's official web-page. But if the web-page does not cause the trust and does not bring enough information, the visitors will not come to the company's office.

The web-page of Dreamline looks professional and clear. Potential customers can find the company information, terms of delivery and of return, the explanation of issues related to guarantee, catalogue with prices, possibility to compare different products, current promotions and contact information. The author recommends to add there additional information.

One of the pages that the author recommends to add should contain previous experience of customers, as word-of-mouth marketing is one of the most effective ones. Not all customers trust the experience of former customers, but anyway that forms the image of the company. Potential customers want to know if they can trust the company, will their order be performed on time, what is the quality of services and products provided by Dreamline.

Those doubts can be easily dispelled by publishing real success stories of former customers and how Dreamline helped them. Even if nowadays

Dreamline has Facebook page, where customers can address their questions, it is better to have this information directly on the web-page. It will be beneficial not only for the business customers, but also for the private ones to find guest book or forum on the web-page of Dreamline, where customers of the company can write their experiences and feedback.

Moreover, potential customers should see that the company solves appeared problems of their customers fast and in a responsible way. But it is necessary to remember that one negative opinion about the company can «hide» 20 or even more positive ones. That is why the interaction with the clients is very important. If potential customers see, that the company works hard, honestly and knows their business well, visitors will be more motivated for further communication with Dreamline.

Working B2B can bring not only new business customers, but also private ones. By publishing real names of the companies that work with Dreamline, many visitors will be surer that the company is trustworthy. It is important to publish real names, not only, for example, abbreviation, otherwise it can bring the opposite result and potential customers will ask themselves – why they do not write real names? Are they really working with someone? Are they trying to hide something?

Ideally, potential business customers should be able to contact former business clients that worked or are working with Dreamline, in order to discuss experience and possible risks.

Another way to increase trust is to publish articles about the company that are written by trusted publishers.

Also in order to make potential business customers start cooperation with Dreamline, they should provide analytical data and economic performances in order to show the potential partners the real evidences that Dreamline can fulfil their needs and keep long-term partnership with them.

And the last, but not least way to increase trust is to provide different existing certificates and licenses.

It is important to mention one more time, that not all customers trust a lot to provided certificates, experience of former customers, economical statements, but still it affects their decision-making process. And the more data is presented – the better is base for building cooperation.
The build of trust will reduce some risks and will create a base for long-term cooperation.

5.5   New marketing communication channels

In order to attract business customers Dreamline should implement new marketing communication strategy. The new marketing communication strategy should target not only people that make purchases, but also people who affect the decision-making process (e.g. managers, consultants, the nearest environment - relatives, friends, etc.). As the question number 10 of the conducted research showed, in most of the companies it is company director (in 77% companies) and IT administrator (in 13% of companies)

who make the decision about purchasing new equipment. Based on the answers of questions number 12 and 14, the recommendations of friends and colleagues also affected the decision-making process of people responsible for purchasing new equipments. To sum up, first of all the target audience is company directors, then IT administrators and friends and colleagues of the previous ones.

Communication tools, that the company uses these days, are also very important as they attract private customers and small-sized companies, whose preferences are very similar with the first ones. Also these communication tools help to affect friends and families of people taking the decision of purchasing new computers, and as it had been mentioned earlier, their recommendations affect the decision-making process of potential business customers.

Knowing the buyer readiness stage of the potential customer and depending on its geographical location, it is possible to define the right communication channels. As the theory and the research showed, the most effective communication challenges are personal selling, direct marketing and word-of-mouth marketing.

Besides existing marketing communication channels, the author recommends to use paid advertisement in trusted sources such as banks.
Also the company can launch the promotional campaign in order to attract business customers in a short period of time. For example, to offer products to businesses by a really low price during a short period of time (e.g. 2 weeks).(to use billboards,e.g.)

Another channel is visiting different events where the company can present itself. It helps to created wide network and to meet potential cliets. It is necessary to note that the priority of events should be defined by the composition of the target audience. As the decision of choosing a permanent supplier is taken by board of directors and top managers of organizations it is more reasonable to invest in this kind of events where company-supplier can meet precisely them.

If the company has e-mails or addresses of some former customers, Dreamline can send letter by e-mail and mail. The letter can contain not only informative message, but also personal one, e.g. greeting cards to congratulate for New Year. It is not only the way to improve personal relationships, but also the way to remind former customers about the company. Some special offer because of the special occasion, e.g. New Year, can be also proposed.
The most powerful and trusted advertisement channel is word-of-month marketing, which is based on recommendations and experience of former customers. The author represents three ways to attract new customers to the company.
First one is implementation of bonus program. The company can launch the campaign, where satisfied customers are encouraged by some gift or discount, which is given if they will bring a new client to the company.
Second one had been described above – it is creation of the guest book, forum or community on the web-page, where former customers can leave their feedbacks.

Another way, which had been also mentioned above, is to publish positive experience not only of private customers, but also of business clients with the real name of the company.

Besides the above, the author recommends to add the page, which will inform visitors that the company also works B2B and provides computers in big amounts.

5.6 Agreements

As it had been mentioned in the topic 3.3 «Interview», Dreamline gives a discount from the second purchase and provides free delivery and installation of software in order to keep clients. As the research showed, business clients expect to have computers with high quality and by low price. Even the personal price offer is not so important for them, if the general price is appropriate. Dreamline can offer computers with high quality and by low price, but there is no need to offer discounts all the time. It is good to offer a discount for the second purchase and then it is more reasonable to create signed partnership and then to continue providing personal price offer.

The author recommends signing agreements on partnership with Dreamline's regular business clients. Besides constant sales and the advantage over competitors, long-term relationships can give guarantees about the future, possibility to analyze needs of customers, tendency of the market and increase customer loyalty to the company.

The author gives some recommendation how to create long-term partnership by presenting several steps.

First of all Dreamline should adapt terms of cooperation for each customer. Every company demands different terms of cooperation because of their size, of their business activities, their values, etc. The more flexible company can be, the easier it is to create partnerships with other companies. Both sides should understand that sometimes it is impossible to fulfil requirements of both sides and they should search for a compromise.

Secondly, Dreamline should decrease fears of the customers to be depended on someone. That is why customers should know that they can terminate the contract fast and easily.

Thirdly, Dreamline should increase the emphasis on creation of signed partnerships. Sellers should explain their business customers what kind of benefits and bonuses their business partners can get from signed relationships. Why there are no risks and fears to work with Dreamline.

5.7 Creation of database

As it had been mentioned earlier, demands and preferences of each business customer are different and it is impossible to create one strategy that will be suitable for everyone. In order to find the right approach for every customer, it is necessary to know their needs and know the way to build and maintain personal relationships.

Knowledge about who the customer helps to keep existing customers and make them loyal to the company. Without a database a situation may appear, where the company offers wrong or inappropriate benefits to their loyal customers. Database keeps information about all needs of the clients and thanks to that information it makes it possible to define the right benefits for particular client. For those and many other reasons Dreamline has to register all activities of their clients, starting with the date of birth and finishing with feedbacks.

The author recommends gathering information on Dreamline's customers. There are many ways to gather general information on the customers like questionnaires, interviews, observations, case studies, etc. But the most appropriate ones for Dreamline are through questionnaires and automatic collection of information.

The easiest and the cheapest way to reach customers are handouts. The questionnaire can be offered for fulfilling after the purchase in return to some promotional gift, discount, etc. If the customer does not have time right now, it should be possible to answer the survey online – there can be proposed two ways – to send the questionnaire to the customer's e-mail or to fulfil it on the Dreamline's web-page.

Automatic collection of data on the customers is another appropriate way to gather information. It is more a modern and convenient way to create a customer database, also it is easier to analyse this information than the information gathered from handouts. When the customer enters personal information into an electronic form (for example, by registering in the company's web-page), all this information becomes a database, which Dreamline can explore later by selecting the target group of people by their age, location, etc.

If the company is planning to make promotional campaigns for business customers, there appears another way to get contact information of the companies – by asking if the client is interested to get the information in the future about some product which will be offered by the low price only for business clients.

This information is needed for several reasons.

First of all, this information makes it possible to predict the buying behaviour and to determine the prospects of further relationships development.

Secondly, database helps to define the most effective communication channels, so it can also help to save the money that are aimed to the most ineffective marketing communication channels. Even if Dreamline already has the database about the effectiveness of different marketing communication challenges, the database on every customer would help to maintain the previous one.

Thirdly, after analyzing the customer database, the target audience and their awareness about the company's offers will be clearly identified. Already based on that, the communication message and marketing campaign will be more targeted.

A fourth advantage of the customer database is the possibility to gather feedbacks about particular product or service. This can be done, for example, through direct e-mails. The participation in the survey can be also encouraged by some gift. Of course, not all customers will participate, but even with having 10% of the answers it is already possible to analyze the situation and figure out what should be improved in the company. All comments and suggestions are automatically sent to the owner of the business that can quickly respond to a negative review and save the reputation of his company.

A fifth advantage is development of personal relationships, giving benefits of being a customer of the company and the possibility to remind the clients of the company one extra time without being intrusive. Knowing the basic information about the customers, the company is able to congratulate them on holidays, birthdays and propose exclusive offers, for example, during the business expansion. So in this case, the company does not impose its services, but offers them as a help at the right time.

However very often it happens so, that companies use customer database for the promotion of their products and services too many times, by sending sms-messages and e-mails. But promotions in unlimited quantities cause a backlash. And rather than to sustain the relationships with an account, the company can just lose it. So database should be used in a way to offer services and products in order to encourage clients for being the company's clients, but not in an aggressive way to impose new products.

There are many free and paid softwares that help to maintain database and manage customer relationships. Just as an example, the author presents SugarCRM, V Tiger CRM, Dolibarr ERP and CRM, but the choice of software depends on the size of the company, goal of the database and financial situation in the company.

It is important to mention, despite the good performance of companies, anyway they lose some amount of regular customers, so it is necessary to continue developing their marketing communication strategy and reward existing customer for being regular ones. For that purpose companies create loyalty programs.

5.8   Increasing customer loyalty

When the agreement of the partnership is signed, it becomes important to develop existing relationships and to avoid the termination of the agreement. For those reasons Dremline should provide high quality service and products, develop personal relationships and implement loyalty programs.

In the theoretical part the author had presented many different loyalty programs based on bonuses and the benefits that they give to the company. The author of the thesis recommends Dreamline to implement loyalty program depending on their financial situation. Investments for the loyalty program have to be returned with additional profit. For that reason, the company should choose such goods or services as rewards, the cost of which is relatively small for their business, but the perceived value for the customer is significant. Bonuses can include some products for business

operations, special price and product offers, personal gifts (e.g. vouchers and gifts not related to work), free services.

First of all the company has to calculate the risks and be sure that they will be able to cope with potential threats. Moreover, the company has to be aware of different administrative costs: the collection of bonuses, collecting answers of the surveys of clients, answer customer questions, resolution of disputes – all of those require a significant investment of time and effort of the employees. Especially the company has to assess its administrative capacity when they are planning to individualize their loyalty program, which is more suitable in the work with business clients.

If the economical situation in the company makes possible the implementation of loyalty program, the author recommends to do research on customers' needs, problems and interests, which can be related to the company's activities even indirectly. Interests can help to define the right bonus which can be presented during the program to loyal partners, while problems can define how Dreamline can help their partner to solve their problems with the business by proposing some additional service, product, consultation, etc.

There are two ways to understand what the interests and the problems are:

- analyze the market in which the partner operates and its competitive environment;
- ask personally or in the questionnaire.

The second way is much faster and will give more detailed information. All results of the research and the process of loyalty program should be registered in the database, what makes the step of creation database even more important.

The loyalty program can affect not only the people who decide on the purchasing new equipment for the company, but also people who affect their decisions. So a loyalty program can include all the target audience. For example, if the company-seller knows, that the child of their loyal partner has to go to the 1st grade this year, such bonus gift as a voucher for buying school accessories in the shop of another partner of Dreamline will be appropriate. Also loyalty programs can include some tickets, for example, to the theatre, if the company knows that their partner like to visit theatre. So the more individualized bonus programs are, the more satisfied the client will be, what in its turn will bring more profit and new clients to the company.

Based on the theory, the author presents loyalty programs based on collecting bonuses that would be the most appropriate for Dreamline's business partners:

- Accumulation of bonuses in proportion to the money spent.

  These bonus programs are based on the amount spent by customer during each purchase. This loyalty program will be the most appropriate for the business partners who for some reasons cannot or do not want to sign an agreement on the partnership. It will help to keep customers even without agreements

- Bonuses for actions.

  The company can give bonuses to its customers for some actions, for example, by fulfilling surveys. This program is good both for partners with agreement and partners without it.

- Coalition bonus programs.

  The company can create a loyalty program together with its business partners to ensure mutual exchange of client database.

Another way to encourage customers with signed agreement is personal price offer. But as the question 13 of conducted survey showed, personal price offer was important only for 5% of responders if the general price was appropriate.

Moreover, loyal customers can receive by e-mail and mail special product or price offer due to special occasions, for example, business expansion. The content of mails should not be purely informational and commercial; it can include, for example, greeting cards.

6 CONCLUSION

The purpose of the thesis was to define the strategy that Dreamline should implement in order to attract and keep business customers. The last topic of the thesis contains summary of the work that the author reached from carrying out the research and directions for future investigations.

6.1 Strategy to attract customers

6.1.1 Summary of the survey

In this topic the author represents the outcome of the conducted survey. Besides the current situation on the IT market, the conducted survey helped to understand needs and expectations of the target audience.

The conducted researched showed all responders use computers for their work operations. As Dreamline provides IT services and IT products, that means that all existing companies are potential customers for Dreamline.

Most of the responders are small-sized companies and have 1-5 employees. Important to mention, that 21 companies have more than 50 employees, so it was possible to compare answers of small-sized companies with big-sized enterprises. Based on the comment of Dreamline representative, the preferences of small-sized companies are very similar with private customers.

Most of the companies prefer to buy computers than to rent. The time gap between purchases does not depend on the size and field of the company. Small-sized companies mainly use laptops for their daily operations, while big-sized companies prefer to use desktop computers. The main reasons for buying or renting new computers are the need in more powerful machine and the breakdown of old computers.

As it had been mentioned earlier, most of the responders are small-sized companies, so they have never had desktop computers in the company and are not planning to purchase them in the future. Most of the companies said that they will never buy tablets for they work.

A bit more than a half of the responders are in the partnership with the company providing services and equipments. They found their supplier because once they have bought some equipment and decide to continue to cooperate with the same company. In most of the companies it is company director who is responsible for renewing computers in the company. The recommendations of the colleagues, family and friends affected the purchasing decision and the decision on choosing regular supplier the most. Quality and price are the main choice criteria in choosing new product or supplier. While personal price offer and personal characteristics are not so important for the most of the respondents if the general price is appropriate.

6.1.2   Implementation of marketing communication strategy

The problem of current marketing communication at Dreamline is that they target mainly private customers and small-businesses whose needs and preferences are very similar. In order to attract large-business customers, the company has to implement a marketing communication strategy. Based on the theory, the research and personal knowledge, the author introduced the steps of implementation marketing communication strategy in details.

1. Identification of target audience

The target audience of Dreamline is small and big sized companies. It includes not only company directors and IT administrators - people who make purchases, but also people who affect the decision-making process of previous ones - managers, consultants, colleagues, relatives and friends.

2. Defining the purpose of communication and possible reaction of the audience

Second step in developing a marketing communication strategy is identification of purpose of communications and the possible reaction on it. Before doing that step, it is important to realize on which buyer readiness stage the potential customer is. According to this stage there will be different purposes of communication messages, for example, if the potential customer does not know anything – it is necessary to introduce the company and its products, but if the potential customer knows about the company and its products well, the communication message should convince the target customer that the specific product is the most suitable one for him. To sum up, the purpose of marketing communications is a gradual transition of buyer from one stage to another stage, where the final results are purchase and later creating customer loyalty. Moreover, it should be specific, measurable, achievable, realistic and time-limited. The way to define buyer readiness stage was described in the sub-topic 5.1.2 „Buyer readiness".

The possible reaction of people on a communication message can also vary depending on many factors – the buyer readiness stage, the way communication message is delivered, the offered product and its price, etc. The reaction can be positive or negative. It is necessary to avoid the negative reaction by using the knowledge of buyer readiness stage, general communication techniques and what potential customers appreciate in products and in suppliers the most. Taking into account these different factors, first of all it will help to avoid the outcome where the potential customer may prefer a competitor, secondly it will help to attract his attention to the communication message, and the last, but not least – to bring him to the company and to make him loyal to the company.

3. Choosing communication tools

As the theory and the survey showed, the most effective communication channels are personal selling, direct marketing and word-of-mouth marketing. Knowing the geographical location of the target audience and the communication message, which depends on the buyer readiness stage, it becomes possible to define the right communication tools.

Communication channels, that the company uses these days, are also very important as they attract private customers and small-sized companies, whose preferences are very similar with the private customers. Also these communication tools help to affect friends and families of people taking the decision of purchasing new computers in the company, and as it had been mentioned earlier.

Besides existing marketing communication tools, the author recommends to use paid advertisement in trusted sources such as banks, to visit different events where the company can present itself, to send letters by e-mail and mail to the target audience with not only informative message, but also a personal reference. Furthermore, the author recommends launching the promotional campaign in order to attract business customers in a short period of time and to use word-of-mouth marketing to promote the company and increase the trust to the company. It includes several things. First one is implementation of bonus program – «Bring your friend and get a reward». Rewards depend on the customers and financial situation in the company. The second one is creation of a guest book, forum or community linked with the web-page, where former customers can leave their feedbacks. Also the author recommends addingthe web-page, which will inform visitors that the company also works B2B and provides computers in large amounts. In the end, the third one is publishing positive experience of business clients with real names and dates.

4. <u>Preparing and creation of the communication message</u>

All recommendations given by the author can be implemented after the research aimed at defining buyer awareness about the company and the products.

The author recommends using paid advertisement in the most popular banks in Estonia - Swedbank and SEB banks. It can include e-mails from bank, printed brochures and banners on the web-pages. The promotional campaign for business customers, which has limited time, can be implemented through e-mails, flyers, newspapers aimed at businessmen and billboards on the streets. The first 3 channels are considered as the cheapest ones.

The choice of events, which the company can visit, should depend on the expected guests of the event. Information about upcoming events can be found in newspapers. Bonus programs should be implemented after careful evaluation of costs. The forum or the guestbook can be created after the evaluation of administrative costs and risks – the company should understand the importance of immediate solution of customers' problems.

5. <u>Monitoring the reaction of the target audience</u>

Dreamline should measure the efficiency of their advertising by the same way they used before - Google Analytics and by asking customers where they learnt about the company. Moreover, to determine the effectiveness of communication activities there should be an analysis of costs and profit carried out. Also the company can conduct an additional research based on a survey filled out by randomly chosen people from the target audience. Testing can be done at the beginning of the campaign, in the implementation phase and after it. All these tests allow identification of the effectiveness of conducted promotional campaign.

6.1.3 Building trust

The trust affects decision-making process of customers and the creation of long-term relationships. For that reason the trust towardsDreamline has to be built. The author recommends adding the web-page which will contain the information on the experience of the former customers. It can be a guest book or forum where customers of the company can write their experiences and feedback.

Also the author recommends publishing the real names of the companies that work with Dreamline, to publish articles about the company that are written by trusted publishers and to provide different existing certificates and licenses.

Dreamline should have prepared analytical data and economic performances in order to show the potential partners the real evidences that the company can fulfil their needs and keep a long-term partnership with them.

6.2 Strategy to keep customers

6.2.1 Creation of database

Dreamline has database on their marketing communication activities, but not on the customers.

The author recommends creating a database where every business customer is included. Knowledge about who the customer is helps to keep existing customers and to make them loyal to the company. The database should contain all information related to the customer: starting by contact information and finishing by hobbies.

The easiest and the cheapest way to collect information on the customers are surveys in hard copies, online surveys and automatic collection of data.

There are many free and paid types of software that help to maintain database and manage customer relationships. The choice of software depends on the size of the company, goal of the database and financial situation in the company.

6.2.2 Implementation of loyalty programs

When the customers are attracted to the company, it becomes important to develop existing relationships and to sustain them. The best way to keep customers is to provide high quality service and products, develop personal relationships and to make them loyal to the company; such customers not only make purchases frequently, but also bring new customers. For those reasons the loyalty program has to be implemented.

Most importantly, the company has to calculate the risks and be sure that they will be able to cope with potential threats. If the economic situation in

the company makes possible the implementation of the loyalty programs, the author recommends launching the loyalty program based on the bonus system.

6.3 Further investigations

Additional research aimed at defining buyers' awareness about the company and the offers should be carried out. It can be done through online surveys and questionnaires proposed to the existing clients.
Also randomly chosen people from the target audience can be reached by e-mails. A proposed bonus as the reward for the fulfilling the survey can motivate responders to answer the questionnaire.
The results of the survey will help to define correctly the communication message that Dreamline should implement.

6.4 Expectations

The research is aimed at helping to identify business customers' needs and develop marketing communication strategy and business customer management in order to attract the target audience and to find the way to develop long-term relationships with them.

Attracting new customers, building loyalty among customers, proposing ideas to the development of clients' business – are the key steps for creating a successful development strategy in B2B.

If Dreamline OÜ will implement the development plan proposed by the author, it would help to increase business customer awareness, attract new customers, increase market share, sales and profit.
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Development of a strategy to attract and keep business customers.

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SURVEY

1. Do you use computer(s) at your company?
   - ○ Yes (go to question №3)
   - ○ No

2. If you do not have computers, are you planning to buy them in the future?
   - ○ Yes
   - ○ No (go to question №13)

3. How many computers of the following models do you have?

	0	1-3	4-9	10-15	> 15
Desktop computer	○	○	○	○	○
Laptop	○	○	○	○	○
Tablet	○	○	○	○	○

4. Does your company buy or rent computers?
   - ○ Buys
   - ○ Rents
   - ○ Buys and rents

5. What is the main reason for buying/renting new computers?

   - ○ Need in more powerful and fast computer
   - ○ Expansion of business services
   - ○ Increase in stuff
   - ○ Due to breakdown of old computers
   - ○ By agreement with a regular supplier
   - ○ Other

6. How did you find your last purchased/rented computer?

   - ○ Recommendation of your regular supplier
   - ○ Recommendation of friends, colleagues
   - ○ Recommendation of the person responsible for the renewal of computers in the company
   - ○ Advertisement on the Internet (e.g. okidoki, etc.)
   - ○ Advertisement on the streets, buildings (billboards, sportclubs, etc.)
   - ○ Advertisement by e-mail, phone
   - ○ Advertisement by mail
   - ○ Advertisement by radio, TV
   - ○ Advertisement in newspapers
   - ○ Web search engine (e.g. Google, bling, etc.)
   - ○ Shop assistants' help in the shop

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o   Do not remember
o   Other

7. When did you purchased/rented your last computer of following models?

	Never	0-6 months ago	6-12 months ago	1-2 years ago	More than 2 years ago
Desktop computer	○	○	○	○	○
Laptop	○	○	○	○	○
Tablet	○	○	○	○	○

8. When do you think there will be a need to buy/rent new computer?

	0-1 year	2-3 years	More than 3 years	When the existing will be broken	Never
Desktop computer	○	○	○	○	○
Laptop	○	○	○	○	○
Tablet	○	○	○	○	○

9. Please name 3 main choice criteria in buying/renting a new computer
    o   Technical characteristics
    o   Quality
    o   Known brand
    o   Possibility to get after-sales service (e.g. repair)
    o   Price
    o   Terms of delivery
    o   Year
    o   Other

10. Who decides in the company about buying/renting new computers?
    o   Company director
    o   IT administrator
    o   Department manager
    o   Other

11. Are you in partnership with any company that provides you services/equipment?
    o   Yes, provides service and equipment
    o   Yes, provides only equipment
    o   Yes, provides only service
    o   No (go to question №14)

12. How did you find your (last) supplier?

- o Advise of friends, colleagues
- o Advertisement (mail, newspaper, internet,etc.)
- o Once have bought computer from some company and still keep the partnership
- o Long-term partnership, so cannot answer
- o Other

13. What are the most important criteria for choosing your supplier? (maximum 3 points)
    - o Reputation of the supplier
    - o Price
    - o Order lead time
    - o Quality
    - o Honest and friendly service
    - o Personal price offer
    - o Special characteristics of the computer just for you
    - o Terms of cooperation and delivery
    - o Personal relationships
    - o Other

14. How do you react to different types of advertisement?
    (Select on the scale from 1 to 4, where "1" - never listen / never read, "4" - listen / read carefully)

	1	2	3	4
Recommendation of seller	○	○	○	○
Recommendation of your regular supplier	○	○	○	○
E-mail	○	○	○	○
Mail	○	○	○	○
Phone	○	○	○	○
Newspapers	○	○	○	○
Banners on Internet	○	○	○	○
Web-pages like okidoki.ee, soov.ee, etc.	○	○	○	○
Radio	○	○	○	○
TV	○	○	○	○
Billboards on the streets	○	○	○	○

- o How many employees do you have at your company?1-5
- o 6-10
- o 11-15

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- o   16-20
- o   21-30
- o   31-50
- o   More than 50

15. Business field
- o   Banks, finance service and insurance
- o   Beauty services
- o   Construction
- o   Culture and leisure activities
- o   Education and science
- o   Electricity, heating, water
- o   Environmental services
- o   Health services
- o   Industry
- o   IT technology
- o   Legal services
- o   Marketing, public relations
- o   Security services
- o   State institutions
- o   Tourism
- o   Trade
- o   Other

16. Location
- o   Harjumaa
- o   Hiiumaa
- o   Ida-Virumaa
- o   Jõgevamaa
- o   Järvamaa
- o   Läänemaa
- o   Lääne-Virumaa
- o   Põlvamaa
- o   Pärnumaa
- o   Raplamaa
- o   Saaremaa
- o   Tartumaa
- o   Valgamaa
- o   Viljandimaa
- o   Võrumaa

17. Contact information