

Bachelor Thesis



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EXECUTIVE SUMMARY

Ningbo United Products wants to expand its line of business from solely business to business to a company that also has a business to consumer branch. They found a product, the foldable solar panel, that they want to do that with. The purpose of this report is to find out the market potential for the product and to find a possible entry strategy if the business idea is feasible. Therefore the main question of this report is as follows:

Is there a potential market for the foldable solar panels in The Netherlands, and if so how to enter this market before the summer of 2014?

The answer to this question will be found through desk and field research. Business models and theories will be applied to analyze the company and to see if they are ready for a change like this. The market will be evaluated through a combination of desk research (reading of journals and articles) and the conduction of surveys and a focus group.

The foldable solar charger is a product that makes it easy for people to charge their mobile phones, laptops and tablets at any place. It is weather proof and has low light performance . It has a plug and play design and is super thin and flexible which makes it easy for users to take the product on their travels and/or to a festival.

The internal analysis was used to see if the company itself is ready for a change of this size. The 7s-model analyzed various internal aspects of the company. The most important findings where that the company has a traditional structure which does not create a lot of space for employees to come up with innovative ideas or new ideas for the company. People only feel responsible for small tasks and are not motivated to look beyond these tasks. The systems used by the company are slightly outdated which could create a problem in the long run. Besides that the training in English for the staff should be more intensive if they want to become a B2C company that operates in the international market.

The five forces model from porter showed that it is a market with little direct competition due to the innovative nature of the product but the market does have a lot of substitutes. Therefore introduction of the product should be all about getting people informed about the product. The supplier of the solar panels in the US has a strong grip on Ningbo United Products as they are the only supplier of these specific type of solar panels. But the relationship between the two companies is good and there is some sort of co-dependency as Ningbo United product also is one of the only buyers of their product.

The internal analysis showed that the company is not completely ready for the changes from a B2B to a B2C company. Most important is the training of the staff in English and in new systems to support the new planned branch of the company.

The external analysis was used to see if there was actually a potential market for the product and if it there is a chance of success when introducing this product into the Netherlands.

The PEST analysis showed that because of the political and economical climate the consumer trust is one of the lowest in Europe. Dutch consumers save more than they spend, and they also save on the

activities in which the foldable solar panel can be used. There is only one group excluded from this statement, the young adults. They are less frightened to spend money on luxurious items and holidays. Besides that there is an environmentally friendly trend going on in which the product perfectly blends.

With the Rogers 5 factors the succession rate of an innovative product can be predicted. When meeting 3 of the 5 factors (relative advantage, compatibility, simplicity, trialability and observability) positively Rogers states that there is a high probability of adoption by the potential customers. The foldable solar panel meets all five factors positively which means that there is a high probability that the product will be received positively by the target market. And even though it has an innovative character the product can get out of the innovator stage quite rapidly.

Another important external factor influencing the plan of Ningbo United Products is “the great firewall of China”. Because they want to sell and promote online the censorship of the Chinese internet can be a great limitation to the company and the possibilities for the product. To use the internet to the fullest of its possibilities some of the online activities have to be outsourced to areas where there is no censored internet.

After this a SWOT was drawn up and a confrontation matrix was made. The most important findings in this chapter were that Ningbo United Products their strength is in the defensive quadrant. This means that they should take a defensive strategy where they use their strengths to defend themselves against market threats.

The outcomes of the survey showed that there is definitely a market and interest for the product amongst the target group. The willingness to buy was about 66% amongst the surveyed. The optimal price for the product is between €50,- and €100,-. And the survey also shows that the pricing of the product is most important when a potential customer is debating on whether to buy the product or not.

By using the Abell model more insights were gained on the boundaries of the playing field of the product. After studying the Abell model it was decided that the solar panel charging, plug and play design and the outdoor/weather proofing of the product are the most important technologies when it comes to the needs of the consumers. When creating a marketing strategy those are the technologies to keep in mind and to focus on when advertising the perks of the product.

The target group for the foldable solar panel is between 18 and 26 years old. They frequently visit festivals and/or are involved in outdoor sports and activities. They are active on social media, innovators and sensitive to trends. The motivation groups where this fits in best are the post modern hedonists and the cosmopolitans. When looking at the Netherlands and this target group the total potential market comes to 2 844 207 people and the total potential customers comes to 1 137 683.

After the internal and external analysis it became clear that with a few adjustments Ningbo United Products will be ready to extend their business into the business to consumer market. The focus internally should be on training of the staff and outsourcing their social media due to the lack of experience in it and the Chinese censoring of the internet. The report now moved on to the marketing and communications plan.

The marketing mix describes the product, price place and promotions that Ningbo United Products should use for their foldable solar charger.

The product will be positioned as an easy and sustainable way to charge your phone on all your outdoor activities. The major focus points will be the convenience, the weather proof design and the plug and play aspects of the product. The packaging will be simple and informative.

For pricing two different pricing strategies will be used simultaneously, being penetration pricing and product line pricing. The penetration pricing will be used for the introduction phase of the product. After establishing a steady customer base the other models will be introduced and product line pricing will be applied.

The sales will be done online for the introduction phase of the product because of the lower start-up costs. An own web shop and two famous retailers (Bol.com and Amazon) will be used for the first year. After that the product will also be introduced to physical retailers through various European trade fairs.

The promotions will be done online and offline. The core of the promotions will be done by the principles of social proof and liking (as described by Robert Cialdini). For this famous lifestyle bloggers and YouTubers will be used. These can be hired through agencies such as “Blogmij” to use your product and write blog posts or make YouTube video’s about them using it. For them to write these articles they will also have to use these products outside which ensures online and offline exposure. Bloggers are the new “it-girls and boys” of this time and are perceived much more thrust worthy than celebrities by society. Therefore the influence strategies of social proof and liking are in effect while using bloggers. Besides that a mix of social media and Google AdWords will be used to attract more customers to the products’ website. For the Google AdWords campaign long tail search terms will be used. For the social media plan like, share and win activities are the main promotional tool.

The financial justification and the feasibility analysis showed that all the start-up costs and the promotional plan fall well within the planned budget by Ningbo United Products. Besides that the plan is feasible with a possible profit of €235.017,92 in the first year.

If Ningbo United Products starts preparations for the introduction of the product now they will be ready before the summer of 2014 to introduce the foldable solar panel. Planning shows that they will need at least 3 quarters to properly prepare for the introduction of the product.

The conclusion of this report is that there is definitely a market for the foldable solar panel in the Netherlands. Trends and culture have created a natural space for a product that can charge electronic devices. Together with the sustainable nature of the product it fits in perfectly within the target group established. Entering the market should be done in a defensive way with an informative promotional strategy.

INTRODUCTION

This report is written as a part of an advice given to Ningbo United Products. In this report the possibilities for the cooperation with Guanghao Solar Energy Technology will be explored and in the end an advice about the cooperation and introduction of the products will be given.

Ningbo United Products is a traditional trading and sourcing agency in Ningbo, China. They specialize in hand tools and promotional products, but they source and sell many other items as well. The company itself was established in 2003, but the owners of Ningbo United Products already have more than 25-years of experience in the trading business.

The purpose of this report is exploring the possibilities for the foldable solar panel in the Netherlands. Ningbo United Products is interested in selling this product on these markets B2C. As they have little experience in B2C sales they want to use this opportunity to find out the possibilities for them in this market. The trend of producers going in to the market themselves directly has been going on for a while now and they are inspired by the success stories of others (RetailNews, 2013).

The choice for Europe was made based on contracts in North- and Latin America for this product. Big retailers such as Wall-Mart and Target already have contracts with Guanghoa Solar Energy Technology about the exclusive sales in their area. Ningbo United has 10 years of experience with exporting to the European markets and have good business relationships in the Netherlands so therefore the choice for the Netherlands was easy to make.

The main question answered in this report will be:

“Is there a potential market for the foldable solar panels in The Netherlands, and if so how to enter this market before the summer of 2014?”

This specific topic was chosen as it is the perfect combination of marketing and export and it uses all knowledge learned in the bachelor program. The topic creates room for innovative thinking and forces her to make connections between different subjects that have been taught in the course of the bachelor.

In this report answers to sub questions will be given leading up to answering the main question. The sub questions being answered in this report are:

1. Is the company ready for business to consumer sales with this product?
2. Is the product strong enough to survive in the Dutch market, and is there room for the product in the Dutch market?
3. What is the market situation in the Netherlands right now?
4. Which market entry strategy is most suitable for Ningbo United Products and what is the feasibility of this strategy?

The report will be divided in two sections, the analysis and the strategy section. Questions one till three will be answered in the analysis section. The analysis section will be the frame for the strategy. Questions 4 and 5 will be answered in the strategy section of this report.

The conclusion will briefly refer to these answers and answer the main question of the report.

RESEARCH METHOD & STRUCTURE

For this report a combination of desk and field research was used. The market situation are reviewed trough desk research and field research (through surveys and focus groups) to gain better insights in to the minds of the potential customer.

Previous knowledge about business models and theories are applied to the internal analysis which is filled in by observational research and interviews.

Observation and inquiry was used for the competitor analysis. As there is an opportunity to go to the Canton fair all competitors where observed there. The stands of the competitors were visited and they were asked for their prices and sales methods. Besides that their websites, web shops and catalogues will be reviewed.

PRODUCT INTRODUCTION

This report is written for the introduction of the foldable solar panel in the Netherlands. Before discussing possible strategies the product will be defined in this chapter. When reading foldable solar panel or portable solar panel further on in the report, it will refer to a foldable solar panel as explained in this chapter.

The foldable solar panel from GuangHoa is made of flexible silicon solar cells that do well under many outdoor circumstances. They are lightweight, durable, super thin, high and low temperature resistant, have low light performance(in some cases also shadow proof) and are dust (and in some cases water) proof.

There are different variations of the product, but the smallest one is able to charge any type of mobile phone, mp3 & mp4 players, special (rechargeable) flashlights and all kinds of other small digital products. This makes them perfect for outdoor activities such as camping or fishing. The medium size adds the possibility of charging tablets and low power test equipment such as radio's, walk-talkies and GPS devices. The largest size is able to charge your laptop and even an accumulator cell.

Below you can find a picture of the middle size solar panel. It is foldable to a small package that has a size comparable with an e-book.



Figure 1.1 – Foldable solar panel, GuangHoa

The pricing of the product will be ranging from €80,- for the simpler models up to €200,- for the more luxurious models. The exact pricing strategy will be discussed in the strategy part of this report where a more in depth explanation of the pricing will be given.

ANALYSIS

INTERNAL ANALYSIS

In this chapter an internal analysis of Ningbo United Products is drawn up. The internal analysis is based on the 7s model by McKinsey. Components of the 7s model are: structure, systems, style, staff, skills, strategy and shared values. Current discussions also talk about an eight s, the s of solidarity. With this “s” the solidarity within the company is analyzed (CreativeCreation, 2012). In this report this eight “s” will be shortly discussed under “staff” as it is an important aspect of Chinese business culture.

7SMODEL

Strategy

The strategy of Ningbo United tools is being a professional trading company for the lower priced hand tools and the preferred partner for European companies. But this strategy does not fit with their new business plans of also selling B2C. For this a new business plan a new mission statement, vision statement and objectives are drawn up.

Mission statement

“Being the top brand for foldable solar-panels in the market. Becoming a market leader and have a customer satisfaction rate of 98% on all of our sales. We want to be competitive on price and quality offering our customers the best experience for what they can afford.”

Vision statement

“To provide the world an environmentally friendly and affordable way to portably charge their precious electronic items so everyone can be connected any time anywhere.”

Objectives

- Successfully entering the B2C market and break-even by the end of 2015.
- Sell to at least 2% of the TPC by the end of 2015.
- Opening shops in 5 other European countries and sell to these countries by 2020.

Systems

The systems used within the company are very simple. There is no customer relations system, no special bookkeeping program and no central program where all the employees can access all the product information .

The main program used while working is excel, they have saved everything in excel files that are protected against editing so only the owner of the company can authorize changes to prizes and product information. Same goes for customer information, this is saved per department and only the handler of that particular customer is authorized to edit the files of this customer. Even though it is not very state of the art technology all information that you would need is there and sensitive information is protected with passwords on multiple levels.

They could probably gain some by implementing real office packages designed for company communication and saving of data about products or customers. As their systems are a bit outdated this could cause problems in the long run when their business shifts from B2B to B2B and B2C. To keep both of the branches organized and efficient newer CRM and bookkeeping software would be a big improvement. Certainly when they also want to do the after sales service for their foldable solar panels.

Structure

Below you can find a visualization of the basic structure of the company.

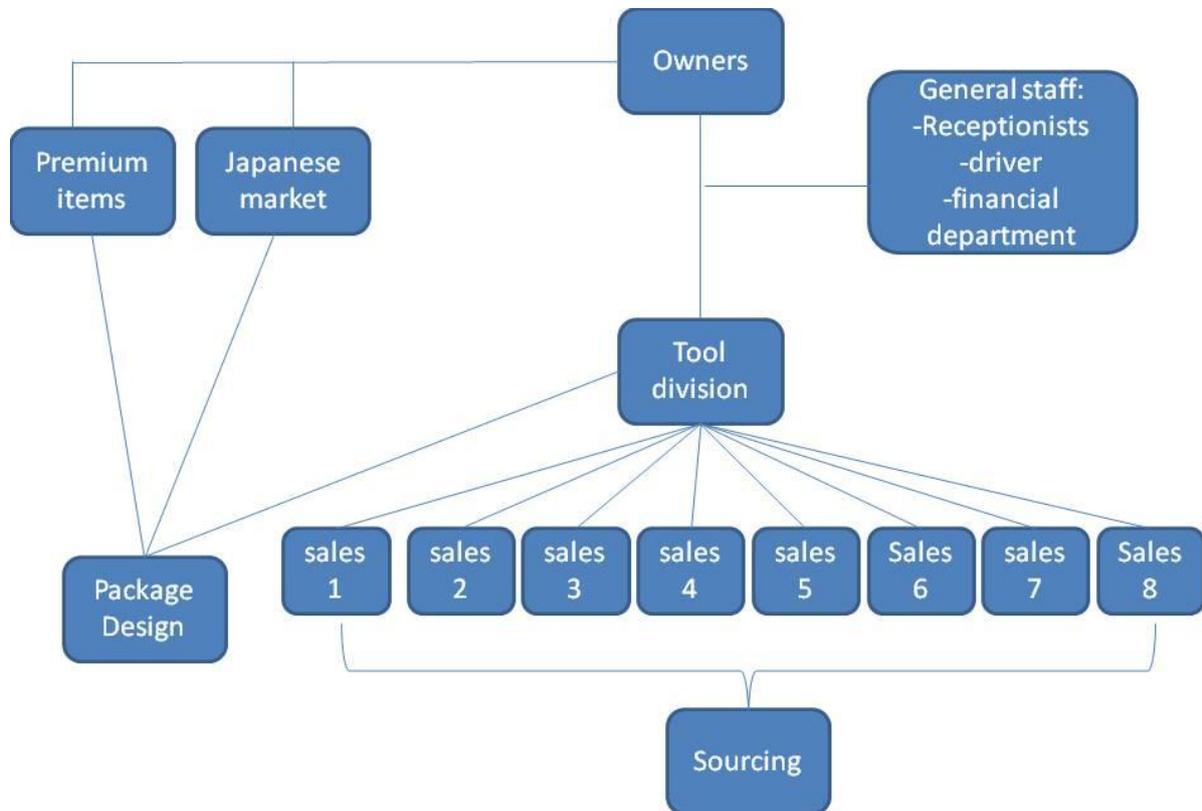


Figure 2.1 – Company structure

All sales teams consists out of 10 members per team. The premium items department also has 10 members, but the department for the Japanese market only has one employee. The tool division has its own sourcing division to do all the sourcing for their sales teams. The premium items and Japanese market departments have to source all their products themselves. All departments use the design department for their package designs.

The company has no specific HR-department; this is typical for a traditional Chinese company. The owner of a company deals with all hiring and firing decisions and decides and arranges all other things a HR department would usually do. They get assistance in these tasks by the financial department and their receptionists (Feng, 2013).

Style

The management style is a typical Chinese one. Hierarchy is very important, and no one talks to someone from a “higher” layer unless you’ve been asked something. You do not show your feelings or express your opinions and you do exactly as you are told. Only a select group of people is allowed to interact with the boss/owner of the company and the employees show their greatest respect at all times.

The management dictates how people work and when they work. An example of this is that no one of the department is allowed to go home until the manager goes home. This results in many hours of unpaid overwork, about two hours every day. From a western perspective this can be seen as unfair or unreasonable. But in Chinese culture this is considered completely normal and it happens in all trading companies.

Staff

The staff at Ningbo United Products is made up out of 19 male and 26 female employees. The average grade that they would give for their job and how satisfied they are with their jobs is a 7,2. Almost everyone found the work load a bit too much compared to the other criteria, but in follow up interviews this was disregarded as “it comes with the job” (Job Satisfaction Survey, 2013).



Figure 2.2 – Employee satisfaction, source: job satisfaction survey 2013

Staff turnover has been pretty big in all Chinese companies over the last few years. Ningbo United Product is no exception to this. Biggest reasons are the large differences in salary and working conditions amongst various companies. Besides that the younger generation of Chinese are now “job hopping” instead of staying with a company for a long time.

Within the staff of Ningbo United Products there are many specializations. Sales, sourcing and purchasing are all equally represented. The skill that is lacking in almost all departments is the language skill. Only a few employees within the company speak, write and understand business English. So if they are out of office and something official has to be drawn up, read or signed this becomes a problem.

All sales employees have basic English skills to communicate with their overseas customers so it would only take a couple of more lessons to improve their English to a “business English” level.

Skills

Ningbo United Products has many years of experience in trading and has good relations with the various factories they work with. This contact is extensive, monthly factory visits and weekly phone calls and emails makes the relationship between the trader and the factories almost friendly.

The advantage of this for Ningbo United Products is that they have greater control over the factories and that they can ensure quality and the lowest price. They have factories in all ranges of quality (as there are many quality differences between factories in china), this means that they are able to find a factory that fits their clients' needs best.

Shared Values

The core internal values all have to do with professionalism, hierarchy and solidarity. Everyone is very formal and is actively working for about 95% of the time. If one person in the department is doing overtime everyone is doing overtime. If one person is ill or cannot come in one day all their work automatically is divided throughout the department.

There is no competitiveness in the company. Something that also shows in the way they do sales. They are not as "cut throat" as they should be in this business. If a customer does not like a certain design or the price is too high they just stop the negotiations instead of trying to find a way to sell to this customer.

EXTERNAL ANALYSIS

In this chapter external factors influencing Ningbo United Products their new product is discussed. For this analysis the 5 forces model of Porter is used. Besides that a DESTEP of the Netherlands was drawn up. The five forces model discusses intensity of competition, new competitors, substitutes, suppliers and buyers

After that the diffusion of innovations model by Rogers in relation to the product is discussed. This model explains how easy it will be for a product to be introduced and how willing people are to adopt to this new product (Ellsworth, 2000). The model looks at five factors influencing this behavior. These factors are: relative advantage, compatibility, simplicity, trial ability and observe ability. Completion of this model will give more insight into the strengths and weaknesses of the product in relation to smooth adaptation.

5 FORCES MODEL

Intensity of competition

The market of portable solar chargers is not very competitive yet. A lot of products are still in the development stage. As the market is now it is a "nice- market" as it only caters a specific kind of

consumer in a specific situation. If there is a power outlet somewhere most consumers will divert to using their regular charger.

Below the biggest competitor on the Dutch market, A-solar, is analyzed. They are the only other specialized producer and seller of portable solar chargers.

A-solar

The Biggest competitor on the market is A-Solar. They create portable chargers and also use solar technology in their designs. They are a Dutch based company and the winners of the red dot design award in 2011.

Their Star products are all focused on iPhones but they also sell mobile chargers for other phone brands. The solar charger that they sell has the same functionality as the one of Ningbo United Product but it has a completely different design and way of working. Below you will find a picture illustrating their product and a description of their product.



Figure 3.1 a-solar portable chargers, Source: (A-solar)

Their solar panel connects to their mobile battery pack (that also has a small solar panel on its own). The thin foldable panel cannot be used without this mobile battery pack. You either charge the mobile battery pack first to use later on, or use it as a transmitter to charge your electronic devices right away. The foldable panel is pretty durable, but the portable battery pack is a lot more fragile.

The retail price of this complete set (the cheapest version) comes down to:

Platinum Charger (AM110)	€45,00
<u>SOLARBOOSTER 4WATT PANEL (AP100)</u>	<u>€59,00</u>
TOTAL	€104,00

Of course the “platinum charger” can also be purchased separately and be used as a solar charger on its own. It has a capacity of 3,7V/120mA and is about 120 grams (A-solar, 2013).

As seen the product is slightly different and it also has an added function. This makes the competition not only on design but also on function. The A-solar charger needs an additional device for it to work, but this device is able to store the energy collected through the solar panel.

The design of the charger and battery pack makes it a less durable option than the charger of Ningbo United products. This could indicate that people that want to use these devices in outdoor activities could be tempted to purchase the more durable charger.

Threat of new entrants

Because it is a fairly new market and new technology, the costs to enter into this market are high. When looking at the diffusion of innovations model of Everett Rogers the product group is still in the “innovators” stage. The development and production of the solar panels are high cost and because the market is fairly new the sales volume is still small.

The phone, tablet and PC market goes through an enormous growth and new innovations and developments happen almost on a daily basis, therefore many companies do try to enter this market to gain their own “15 minutes of fame”.

Substitutes

In a market as fast moving as the electronic market there are many possibilities for substitutes, even ones that we do not think of today. Substitutes that exist right now are for example spare battery packs, extra large standard batteries, portable charging packs and battery savers. All these products cater to the same consumer need : extending the time you can use your electronic devices.

In our society smart phones, laptops and tablets are part of people’s daily lives. Some people are even heavily dependent on these products. Therefore techniques to extend the battery life and techniques to charge any where will be developed at a fast rate. This is one of the biggest markets today and it is growing every day. It is hard to predict when and where a new substitute will show up and what this product will look like.

Suppliers

The power of the supplier of the solar panels used to create the foldable solar panel is quite big. They are the only one in the world selling thin, flexible and durable solar panels that are fit for the purposes of Ningbo United Products.

On the other hand is Ningbo United Products the biggest buyer at the moment so there is a co-dependence relationship. Therefore neither of the parties pressures the other for low/high prices and is a “power game” nearly impossible (Ming, 2012).

Buyers

As the product for now is something for innovators and/or early adopters the buyers are very important. There are many options out there (substitutes) and one major competitor (A-solar). Therefore the buyer has a great deal of power over the company and they should focus on aspects that are important for their target group to convince them to choose their product. Important is to cater their needs and tackle their fears and reservations.

As a second part of the external analysis a PEST analysis of the Netherlands has been made. A PEST analysis deals with the political, economic, sociological and technological characteristics of a country. It is a useful tool to do an external analysis of the Netherlands (Science Progress, 2012). In this PEST analysis the characteristics important for Ningbo United Products will be discussed.

Political

The political situation in the Netherlands right now is called tense and unstable. Since 2002 the composition of the Dutch government has had a wide variety of political sides (combinations between left and right winged parties). This together with the financial and euro crisis has caused great instability in the political landscape of the Netherlands. People have lost trust in their leaders and blame them for the current situation even though a lot of it happens all over Europe and not just in the Netherlands.

The government is widely blamed for the decreasing spending capability of households and all budget costs are received with great resistance. (Europa Nu, 2013)

Economic

In the Netherlands as well as in the rest of Europe the effects of the “euro crisis” are felt. Consumers tend to keep their money in their savings accounts. The only purchases being made are the ones that are necessary. The average income of households keeps on shrinking which has a negative impact on consumers trust. (CBS, 2013)

Not all consumers are careful with their spending though. The younger generation of students and graduates (age 16 to 23) keep on spending money. (NIBUD, 2012) They spend it on luxuries such as for example holidays to sunny destinations or gadgets. They are price sensitive as 53% does say to look for the best deal. But the crisis seems to have a smaller impact on them opposed to other consumer groups. (Tourpress, 2013)

Sociological

There is a worldwide trend of being environmentally friendly and the “eco shops” and “eco products” are popping up everywhere. This is no difference in the Netherlands where environmentally friendly is the new trendy thing. Besides that the Dutch have a big festival culture and they are travelers.

Because of the crisis more people decide to go low budget when it comes to these activities. They will “inter-rail” or “backpack” to the countries of their choice (in or outside of Europe) and will stay at cheaper hotels or hostels. This kind of travelling usually means being on the road a lot and there is not always a power outlet at hand when travelling long ways. But amongst all of these travelers a new group of travelers was formed. They are being called “flashpackers”, they want to have all the same experiences that backpackers have but then with the usage of smart phones, laptops and tablets. (Carlos, 2011)

Technological

The environmental and sustainable trend is not only a sociological trend but also a technological trend. Consumers are getting more and more aware of what they are buying and the impact that this has on the environment. Sustainable technological developments are created because of this trend. The possibilities seem endless as there are many different options when it comes to sustainable and environmentally friendly technology and it is a field that is developing at a very fast rate. (Global trends, 2013)

ROGERS 5 FACTORS (DIFFUSION OF INNOVATION) & TECHNOLOGY ADOPTION CYCLE

Relative advantage

The relative advantage in the Rogers model is all about the perceived advantage by the users. These can come in many forms: economic, increased benefits or non economic advantages. The more advantages there are for a product the easier it is for a consumer to adapt this product in their routine. (Rogers, 1995)

Below the relative advantages of the foldable solar panel are stated.

- Portable can charge anywhere. As a consumer you are no longer bound to power outlets. This is convenient for travelers, festival crowd or people with outdoor hobbies.
- In line with current trends (sustainable) so the product has a positive influence on your status
- After initial purchase costs usage is free, even if the savings are small it does save somewhat on the electricity bill.
- The product is water, shock and dustproof, which makes it the most durable option compared to its competitors.

These relative advantages are pretty strong and answer a current need for consumers. As mentioned before, the keeping in touch and having electronics fully charged and ready to use at all times.

Compatibility

The compatibility factor in the Rogers model is about the degree in which the product/innovation is perceived as consistent with values and experiences of the potential adopter. (Rogers, 1995) When looking at the foldable solar panel the compatibility is perceived as good. It specifically designed to charge products that are already integrated in consumers and potential adopters lives. Compatibility because of dependency on existing (popular) products is one of the safest ways of making sure that your product is compatible for your potential adopters.

Simplicity

Simplicity in the Rogers model is not only about how simple it is to use the product but also about how simple it is to understand the product. A good example of this is the mobile phone, the usage was extremely simple but understanding how it worked wasn't. Therefore the adoption of the mobile phone took very long and went through various "rough patches". (PPT LAB, 2012)

The foldable solar panel is perceived as pretty simple. People know in the basics how solar technology works and the product has a plug and play design. This makes the function and usage of the product easy to understand as a potential consumer. Even without owning the packaging or the start-up guide it is simple to figure out how the product works.

An observation with various people in the target group showed that on average the products function was figured out within 2 minutes. After that finding out how the product worked took less than 30 seconds. (Focus group, 2013)

Trial ability

The trial ability for the foldable solar panel is fairly limited. As the initial costs can be perceived as quite high it will be hard in the beginning for people to find other people that own the charger to see how it works or to test it out themselves. Ningbo United Products could tackle this problem by showing it at fairs and/or meetings for potential customers.

Observe ability

Observe ability in the Rogers model is about the visibility of the usage of the product. The more visible a product is during usage the better it is for adoption. (Rogers, 1995) In the case of the foldable solar panel the observe ability is high as the product has to be out in the open to work. People that are in the area of the consumer will see that they are using the product. Because even though it is a thin product and flexible it is still big enough to be noticed.

Technology adoption cycle

When looking at the technology adoption cycle it is very clear that the product after launch will be in the early market phase where innovators will be the first ones to buy the product. This because it is a fairly new product group and it still has to prove its function and value to the market. (ChasmInstitute, 2012)

All the factors of this model are met in a positive way for the foldable solar panel. This means that the foldable solar panel has a fairly good chance of succeeding in integrating in potential customers lives. People will be able to adapt to this innovation easily according to this model because they score positive on all the five factors. Rogers states that a product has a chance of succeeding after meeting at least three of the five factors in a positive way. So when meeting all five of them it is safe to state that the product has a good chance of becoming a successful consumer product.

OTHER EXTERNAL FACTORS

“The great firewall of China”

The internet is not a free place in China, all actions are closely monitored and many western websites are blocked for users of the Chinese internet. And if websites aren't blocked they are slower than the domestic websites. This makes it difficult for Chinese companies to keep up with the latest trends, and to know what kind of innovations in terms of business are coming up.

When wanting to open an online shop open for the world market this can also cause problems. First of all they are not able to monitor popular western social media such as Facebook and Twitter. Indexing their websites in Google is also harder. Manly because their own web designers have no experience in designing websites that are easy to index for Google as they do not use this search engine themselves.

SWOT & CONFRONTATION MATRIX

In this chapter a SWOT will be drawn up. The SWOT will be made up out of results found earlier in this report. After that a confrontation matrix will be done.

SWOT

Strengths

- Experience on the Dutch market.
- Product can be adapted in various situations.
- Strength in the supply chain
- Innovative product

Oppertunities

- The environmental trend
- Backpacking is becoming a popular way to travel
- The festival culture
- People wanting to have their smartphones/laptops or tablets fully charged all the time

Weaknesses

- The Chinese censoring makes it difficult to open up a shop on well known websites.
- English speaking staff is more expensive and hard to find.
- Product is in the “innovators” stage
- The traditional layout of the company makes innovation a little bit difficult

Threats

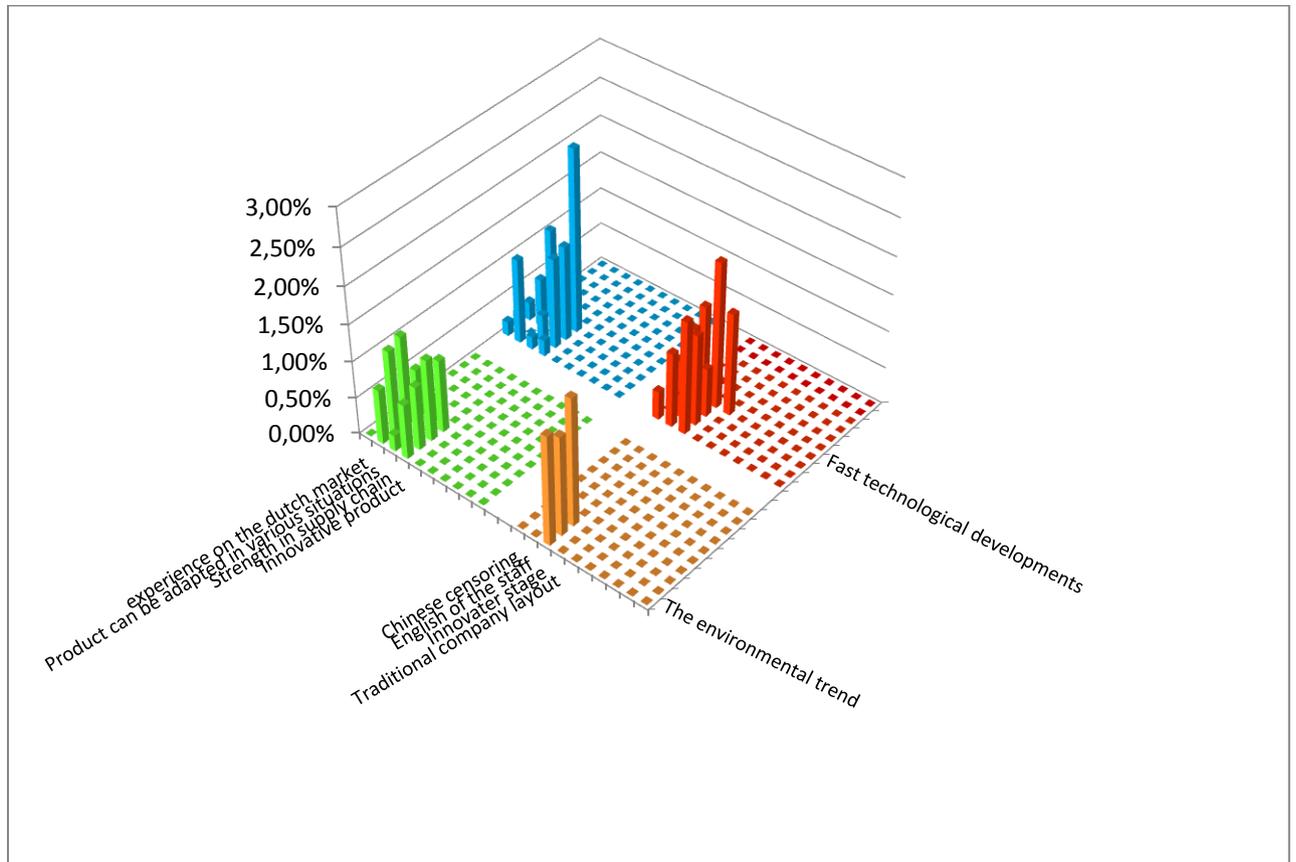
- Many different substitutes
- The initial costs for the products can be perceived as high compared to the prices for the substitute products
- The bad image of “made in china” products.
- Fast technological developments

CONFRONTATION MATRIX

The in depth confrontation matrix can be found in the appendix of this report. In this chapter the most important findings of the confrontation matrix will be stated.

When looking at the SWOT confrontation matrix drawn up for Ningbo United Products and their new business idea their strength is in the defensive quadrant. This means that they should take a defensive strategy where they use their strengths to defend themselves against market threats. Looking at outcomes of other analysis done in this part of the report this strokes with the idea’s

drawn up earlier. The threats from the market such as substitutes and the bad image of products made in china are the biggest ones they should tackle with their strengths. Below you will find a visual representation of the SWOT confrontation matrix. A more elaborate overview can be found in appendix 1.



SURVEY OUTCOMES

After determining the target market (will be described in the strategy chapter of this report) a survey was conducted on people in the target group. Questions about price, usage and willingness to purchase were covered in this survey. Below the most important outcomes will be stated, the full outcome of the survey will be added as an appendix (appendix 2).

Price

The survey showed that the product is price sensitive. The perceived value of the product was between €50 and €100 and about 72% would only purchase the product if the price was not perceived as “expensive”. As the product is not a necessity to people this was somewhat expected on

beforehand. When asked what the most important thing is when purchasing a product online price was again the most popular answer (69%).

Willingness to buy & usage

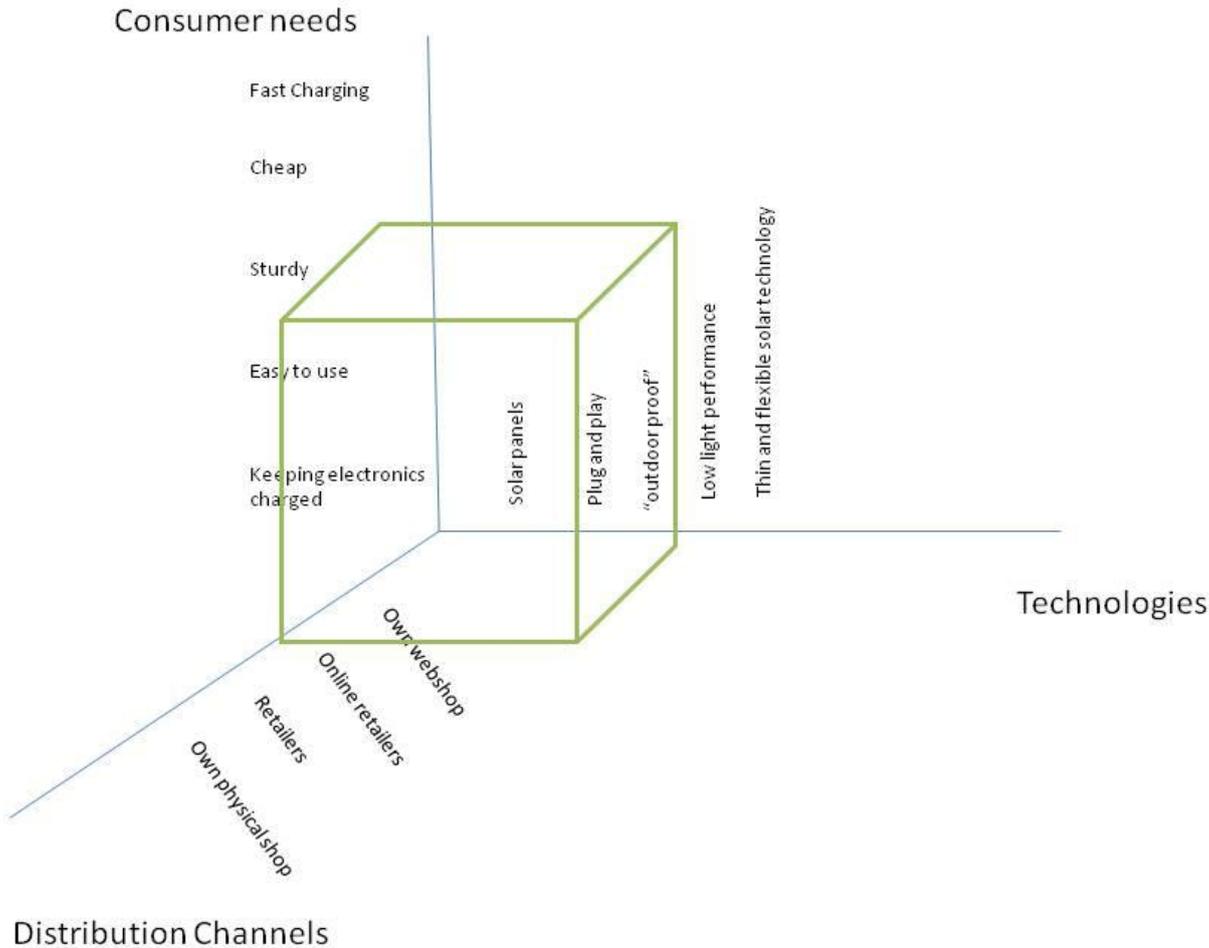
The vast majority of the servants will use the product to charge their mobile phones. About 66% says that they would actually buy the product. Of those people about 85% would buy the product online.

When purchasing a product online the target group values price (69%) as the most important. This is followed by customer service (16%), fast delivery (8%) and payment options (7%).

The outcome of this survey shows that there is definitely a market for this product. But when introducing this product the price should be considered carefully. Positioning should firstly be done by price before considering any of the other aspects. It seems that for this product “the cheaper the better” is the best fit. This could very well be because of the innovation status of the product, people are not sure if the product is convenient so a low price is used to convince the innovators to try the product.

ABELL MODEL

To conclude the internal and external analysis a graph based on the ABELL model is drawn up. This will show the “playing field” of Ningbo United Products and will define the needs, technologies and distribution channels for the foldable solar panels. For this model conclusions and findings of other models mentioned in the internal and external analysis are used. The findings of the survey and the



focus group are also included in this model.

In this model the consumers needs are put together with the technologies used and the possible distribution channel. The cubical in the middle of the graph shows the playing field of Ningbo United Products. When creating the marketing and communication plan this is the market situation to keep in mind.

As this model shows Ningbo United Products meets more than half of the consumers needs with the technologies they use. These technologies should be the focus in marketing and communication outings about the product to have a strong message to potential customers.

CONCLUSION OF THE ANALYSIS

After using the different models and analyzing the internal and external environment of the company and the product the first three sub questions will be answered below as a conclusion of the analysis part of this report.

The sub questions that can be answered after the micro, meso and macro analysis are:

1. Is the company ready for business to consumer sales with this product?
2. Is the product strong enough to survive in the Dutch market, and is there room for the product in the Dutch market?
3. What is the market situation in the Netherlands right now?

Is the company ready for business to consumer sales with this product?

The company has a stable environment suitable to expand their business to the foldable solar panels. Although it would be wise to train the staff to improve their English. This is a small investment but can go a long way when doing business in other countries than China. If their entire department responsible for this product can speak and write English, instead of only the sales people, this can benefit the after sales. The department will not rely on only one person speaking English, when he or she calls in sick this will no longer cause great problems for the company.

Besides that the company should make room for personal opinions and brainstorm sessions to improve the innovativeness of its staff. This also makes people feel more involved in the company as a whole and not just the "task" that they have to do on a daily basis. Of course this should be done in a way that suits the Chinese business culture, the sessions will be done by people that work on the same "social level" so everyone feels comfortable stating their opinions. After that a general report will be drawn up with ideas and suggestions coming from the group. This report will be passed on to the management who can read and discuss this amongst themselves again. From a western business culture perspective this still seems very closed, but for Chinese businesses this could already be a great improvement.

In terms of product and supply chain the company is strong enough to proceed with the introduction of their new product and their expansion to the B2C market.

Is the product strong enough to survive in the Dutch market, and is there room for the product in the Dutch market.

Looking at the 5 factors from Rogers the product has a great chance of success. It scores high or average on all of the 5 points. This means that a product can easily be accepted and integrated in the daily life of the target group.

The only concern for the product is the economic situation in the Netherlands right now. As the product is classified as a luxurious good it can suffer from the “penny pinching” mentality that the Netherlands has now more than ever. People tend to save up their money as much as possible instead of spending it. Even though research shows that the target group still spends money they are also living more frugal than before. This means that the marketing strategy should have some strong appeal that connects the potential customer to the product.

What is the market situation in the Netherlands right now

Like all the other European countries the market situation is not that good right now. People are living a frugal lifestyle and are afraid of all the changes that will come upon them. There is no consumer trust which causes a major decline in money spent on luxurious goods. Even people who have above average incomes are “penny pinching” which is not stimulating for the economy at all.

Looking at this some would argue that this is the wrong time to introduce a new product into the Dutch market. But the situation has been like this for a couple of years now and certain groups of people are starting to spend money again on luxurious goods.

When looking at trends the market is flooded with “green” “sustainable” and “environmentally friendly”. Living in the here and now and experience oriented are terms that come to mind when describing the new market trends. The foldable solar panel could easily be positioned to fit perfectly with these trends. How to integrate these trends with the product and how to position it will be discussed in the strategy part of this report.

STRATEGY

TARGET GROUP AND POTENTIAL MARKET

In this chapter the target group, potential market and the outcome of the survey held under people in the target group are discussed. The purpose of this chapter in the report is defining the target group more clearly and gain insight in their behavior and preferences.

TARGET GROUP

The target group for the foldable solar panel have the following characteristics:

- Between 18 and 26 years old
- Frequently visit festivals
- Take part in outdoor activities or have “backpack” style holidays
- Are active on social media
- Are curious for new developments and are not afraid to try new products
- Are environmentally friendly or follow the trend of being sustainable

The introduction of the foldable solar panel will be focused on this target group. If the launch and introduction is successful foldable solar panels for different target groups can be developed and launched. But when looking at results of the research in earlier chapters this target group is safest for introduction. Firstly because they have a need of staying connected through their mobile phones, tablets or laptops and secondly because their spending is least affected by the “euro crisis”.

When looking at the “motivation mentality groups” the target group can be placed in various mentality groups. The mentality groups that fit these criteria best are post modern hedonists and cosmopolitans. They are both sensitive for trends, like new experiences and are not shy for innovation. (Motivaction, 2013) Categorizing your target group in the mentality model gives better insights on what the priorities of your target group are and how to best reach them.

POTENTIAL MARKET

Based upon the target group that was stated in the previous chapter a total potential market can be estimated. Calculating the total potential market is useful when you are contemplating on whether you should launch a new product or not. Besides that it is also proven useful in terms of calculating budget and pricing strategies.

The total population in the Netherlands is 16730632 (Indexmundi, 2013). When looking at age 17% of the population falls in to our target group (Indexmundi, 2013). An estimation based on a survey done for the product shows us that in that group 40% would be a potential customer for the foldable solar panel.

Based on these facts and assumptions the total potential market for the foldable solar panel would be:

$$16730632 * 17\% = 2844207,44$$

$$2844207,44 * 40\% = 1137682,976$$

Total potential market = 2 844 207

Total potential consumer = 1 137 683

MARKETING MIX

Product

The foldable solar panel will be brought to the market with the name: “foldable solar charger”. The packaging will be simple but informative. It will show a picture of situations the product can be used for instant recognition. On the back of the packaging a brief explanation of the product and its functions will be stated. Clean and simple is a trend in package design that we see throughout different product groups. The foldable solar charger will go with this trend as it falls in line with the informative promotional strategy that was chosen for this product. As the product is a fairly new and innovative there is a need to explain the usage and relative advantage of the product to the consumers. Communicating this through the packaging therefore ensures that the information will get to the potential customer.

The product will be positioned as convenient and sustainable. The perfect product for the backpacker or festival visitor who wants to keep his/her phone charged at all times. The product is trendy and green, a perfect fit for today’s active lifestyle. The focus of the product will be on the quality and the “plug and play” usage as this is what differentiates the product from its competitors. As seen in the Abell model the technologies used that meet the needs of the consumer are the “outdoor proofing, the convenient solar charging technology and the plug and play design of the product. Therefore it is important to position the product with emphasis on these aspects. Otherwise the company will be positioning the product in a too broad spectrum which can have a negative impact on the willingness to buy from potential customers.

Price

For the pricing strategy a combination of two different pricing strategies will be used simultaneously. The first one will be penetration pricing, where a product is introduced with a low price to peak peoples interest and slowly migrate to a price that is more suitable for the market. This pricing

strategy is especially suitable for this situation as the target group is price sensitive and the economic situation also asks for a lower starting price.

Besides that product line pricing will be used. The foldable solar chargers have various quality differences. It goes from a basic model to a model that could be used under heavy circumstances and that could even power an aggregate. At the launch only the basic model that is suitable for the target group as described earlier will be available but after launching that one successfully other models in different price ranges will be introduced. (Learn Marketing, 2011)

When looking at the SWOT and the survey it is safe to say that pricing is an important factor for this product. First of all is the target group price sensitive and price is also their most important decision-making factor. This is due to the fact that the product is fairly new and the type of product is still in the innovator stage. This means that people do not have a strong need for the product yet, it is more a curiosity that could turn into a need if the innovators have a positive attitude towards the product.

Therefore a penetration pricing strategy is chosen for the introduction of the product. For the first year this will be the only strategy used. For the introduction only the basic model will be promoted. When this is successful other models will be introduced gradually. With the introduction of other products another pricing strategy will be implemented. When there is a range of products product pricing almost always becomes a part of the pricing strategy. It will be no different in this case.

When determining the consumer price for the product a good profit margin had to be determined. The average profit margin you use on a product differs per industry. And because this is a fairly new type of product not a lot of information about pricing and profit margins was out there. What was known is that in computer and electronics the profit margin usually is quite high, around 50%. (Houston, 2011) Looking at this product it definitely falls into the electronics category, but a profit margin of 50% does not match the penetration pricing that Ningbo United Products should aim for. Therefore a profit margin of 30% is advised. Below an overview of the pricing build-up is shown. For this particular case “top-down” pricing was used. Started with a price that fitted the strategy by looking at competitor prices and what was an acceptable price for the target group. After that the numbers were filled in to see if that consumer price was feasible for Ningbo United Products.

Pricing	
Consumer price	€ 80,00
Unit cost	€ 32,50
Expenses p.u.	€ 5,80
Shipping	€ 3,00
Tax (19%)	€ 15,20
Profit p.u. (29,3%)	€ 23,50

The choice of €80,- was made because it is significantly cheaper than its competitor, but not so cheap that it ruins the market. The product will still be perceived as high quality and not a cheap knock-off of the more expensive competitor. Besides that it is well within the range of the preferred price that came out of the survey.

Place

The product will get its own website with information and a web shop. Besides that the product will be sold at Bol.com and Amazon.com for the first period of the launch. This because consumers are already familiar with these web shops, so fear for being scammed will not be a barrier to purchase. Selling the product on various online marketplaces also enlarges your reach and can help the product getting out of the innovator stage quicker.

When selling your products through other online retailers such as bol.com and amazon.com there will always be some loss of profit as they ask for a certain percentage of your sales. But when introducing a new product coming from a brand that people don't know selling on a website they trust is a big plus. In that way you can build a customer base and get your brand name out there.

One of the threats earlier identified in this report was the image of products that are made in China. Another benefit of selling through domestic retailers is that the products origin is perceived differently. Even if the product is made in China the retailer is not from China. This strategy therefore tackles a big part of that market threat.

After the initial introduction possibilities for physical retailers will come. The kind of retailers Ningbo United Products should try to contact are outdoor sports shops and gadget shops. As Ningbo United Products already has experience in going to trade fairs in Europe (and does this multiple times a year) these fair seasons should be used to promote the foldable solar charger as well. The choice of starting with online selling first is because of the lower initial start up costs and the amount of control the company still has over the pricing and image of the product. After the product and its image is established online there is space to expand to physical retailers.

Promotion

The promotions will be done online and offline using various channels for promotion. The website, bloggers and promoters will be used to inform more people about our product.

The purpose of the promotion will be informing and call to action, although the focus will be on the informative. Because of the innovative nature of the product some explanation towards its usage is needed. Therefore an informative promotion strategy will be perfect to explain the product to our potential customers. Because the target group is very active online the informative campaign will also have its core online.

Bloggers and blogs are the new "it-girls/-boys" and magazines so some samples will be sent out to famous travel/lifestyle blogs for them to review. They will inform their readers on how to use the product, where to use the product and what they think of the product. As bloggers are becoming more and more famous they are also being recognized when they are outside, therefore giving them the product will also ensure offline exposure. Bloggers can be reached through either their PR agencies or through their own blogs/contact information. By sending them free items the item will usually be featured in at least one blog post. Besides that you can pay them to write blog post, prices for this range from €75,- to €500,- for a blog post depending on the nature of the blog post and the popularity of the blogger. (Blogmij, 2013) Using bloggers is especially effective because you apply to two principles of influence by Robert Cialdini. The social proof and the liking principle. Social proof is

based on the fact that people copy behavior that they see. When they see bloggers using these items on their website or offline at a festival or out and about in the city people tend to copy other peoples behavior. The liking principle comes in play when someone they like or aspire tells them about something. People are more likely to be persuaded by someone they like. Bloggers are not just a celebrity, because they give people a little sneak peak in to their lives they usually feel like friends. Or at least like someone they know. When they recommend a product potential customers are more easily persuaded to buy this product than when a random stranger would tell the exact same story. (Cialdini, 2001)

Besides that the website will be a promotional tool in itself too. First of all it will inform people on the product and it will have a web shop where people can actually purchase the item. Besides that there will be contests on the website for people to win the foldable solar panel. A forum will also be created where people can plan meet-ups to go hiking, camping, cycling or to find a group to go to a festival with. To create a community around the product and to create a positive outlook towards the product and brand.

The website will also be optimized for search engines so when the target group looks for topics related to the product they will end up on the solar panel website. This is also where the forum and blogposts come in. When the product isn't relevant but the product was used in the situation someone is searching for online (for example a festival packaging list) they will still be exposed to the product.

This is how SEO works, when people search for a certain topic and you website, blogpost, tweet or Facebook update is relevant it will show up in the search results. Therefore good optimized copy should be written for their own website and also by the bloggers that get the free items.

Google AdWords will also be used for promotional purposes. Google AdWords is a fairly cheap way to get "your name out there" as a brand. It is important to not only be found on the product name but also on related topics such as outdoor sports and festival necessities. This can be reached by using "long tail search terms" which are less popular but more specific search terms that have higher conversion rates. To find the correct long tail search terms for Ningbo United Products a "hit and miss" approach should be taken. It starts out with using broad search terms in your Google AdWords campaign and getting more specific each week after intensive monitoring of the conversion rates of the search terms. After about two months on average the optimal long tail search terms are found and the AdWords campaign can be optimized on these search terms together with some popular search terms that are worth the conversion rates.

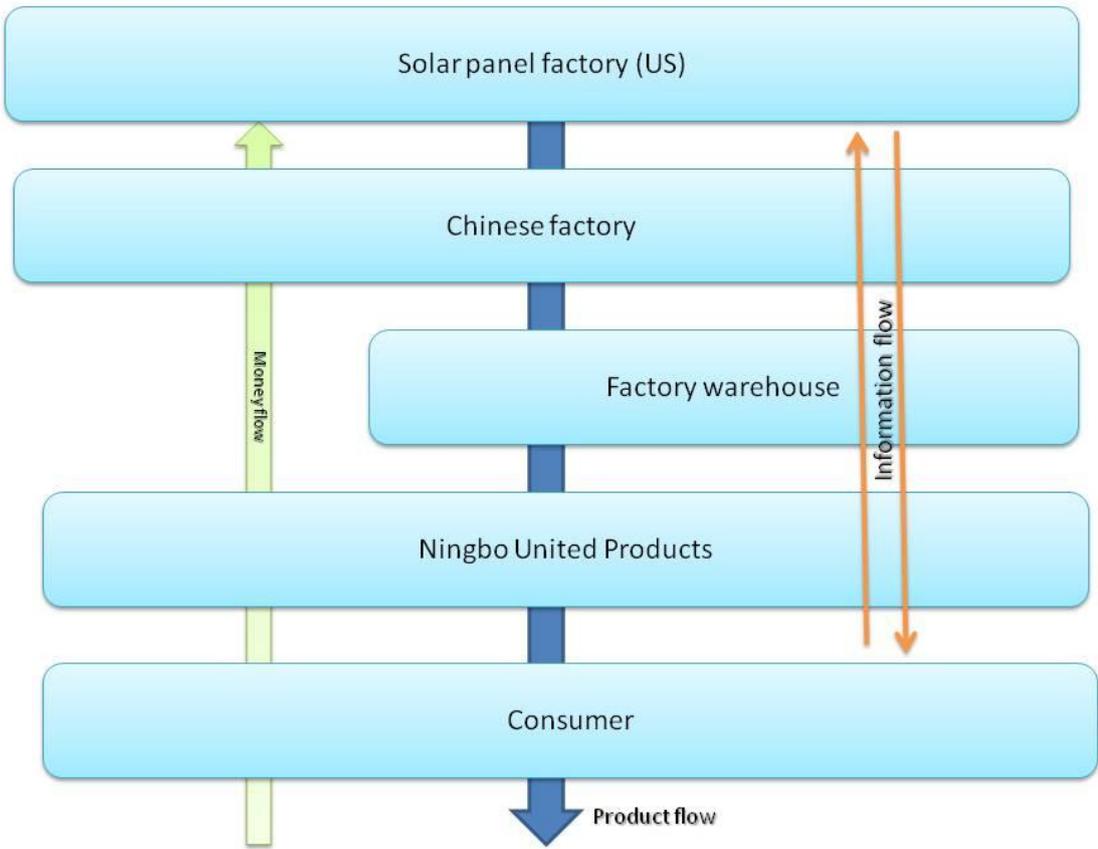
Besides that the product should have a presence in western social media such as Facebook, Twitter and Instagram. Because of the limitations of the Chinese internet they cannot do this themselves. For Instagram the bloggers can be used as Instagram updates can also included in the Blogmij contracts. For Facebook and Twitter this becomes more complicated as consumers use that to communicate with the brand. Therefore Ningbo United product can contact agencies in for example Hong Kong that can take care of this type of customer support. Besides that they could also hire a freelancer in an area where Facebook and Twitter are legally accessible. Even though this is a big hurdle in online promotions it is not one that is hard to overcome when outsourcing this activity.

Once active on social media the foldable solar charger should be promoted as a product that because of its weather proof design can make sure that you are always in touch with your friends. In line with

this picture contests with a like and share nature usually gain the most exposure. People upload pictures to the Facebook page of the foldable solar panel with a certain theme as for example “staying connected” or “the coolest place to charge your phone in the world” and by getting the most likes and shares they can win a foldable solar package for free. These kind of contest create a place for potential customers to have fun with the idea of the product and at the same time create great exposure for the brand.

SUPPLY CHAIN FLOWCHART

Below a visual representation of the supply chain is given. The green arrow represents the money flow from the consumer all the way down to the factory in the US that produces the flexible solar panels.



The blue arrow shows the product flow. The flexible solar panel will be shipped from the US to China after where it will be put in the final product. After that the foldable solar panels are stored in their warehouse. Ningbo United Products will have no foldable solar panels in their own stock, so they will order out of the stock of the factory. Because of the factories’ contracts with Wall-mart and other big retailers the basic model will always be in stock as they keep a pretty high “emergency stock”. The benefit for Ningbo United Products is that they do not have to deal with the risk of overstocking their

own warehouse. The downside of this strategy is that the delivery time can be a bit longer when the factory doesn't have the ordered model in stock. But when looking back at the survey delivery time was not an important factor with the target group. Therefore the benefit outweighs the opposing argument of keeping own stock.

The consumer will always order from an online shop. It can be the companies web shop, bol.com or amazon.com. The processing of these orders is the same, the source of the order does not influence this. The products will be delivered from the factories stock directly to the consumer. The product will be sent with airfreight as that is the safest and fastest way to send the articles. Because they are small and light the price of airmailing the product is still within reason (HKpost, 2013).

But when quality problems arise or customers need some other form of after sales service Ningbo United Products is the one they contact. Consumers will not have to deal with the factory themselves and the liability in terms of the quality also lies with Ningbo United Products.

They will ensure the quality of their products by going on regular quality checks to the factories. Something they already do for their other products. On these quality checks products and their packaging will be tested to ensure that the quality is constant.

FINANCIAL JUSTIFICATION & FEASIBILITY ANALYSIS

For the financial justification and feasibility analysis the standard price per unit of €80,- was used. This pricing decision was further explained in the pricing chapter of this report. The target group and total potential customers mentioned are the same as stated in the target group chapter of this report. With these numbers and educated estimates of the monthly and start-up costs a financial planning and an expected profit has been calculated.

Expected sales

The expected sales is based on the total potential customer base established in an earlier chapter of this report. A three year prediction of sales has been made, this estimate is done based on the innovative state of the product. Where a slow growth in the start-up phase is been taken into account. Looking at innovative products the first two years are usually the slower years where the product is finding its way from the innovators to the masses.

		TPM	2844207
		TPC	1137683
	expected sales (% of tpc)		€
1st year	0,5%	5688	€ 455.073,20
2nd year	1%	11377	€ 910.146,40
3rd year	2%	22754	€ 1.820.292,80

Costs

When looking at the costs for this project there are the fixed monthly costs and the initial start-up costs. Because the factory and all the materials are already there the company does not have to pay for these costs. The fixed costs are all in the building of the website and the promotions around the launch.

Start up costs		
Website	€	700,00
Design	€	1.500,00
Promotions	€	50.000,00
Total	€	52.200,00

Besides that there are the fixed reoccurring costs that they will need to pay to keep the company running. In this table an estimate of the payments to the online retailers is based on the assumption that 80% of all sales in the first year will be through the online retailers(BOL&Amazon). They ask for 3% of the sales price as an negotiators fee.

Monthly costs		
Website	€	62,00
Salary	€	497,88
Promotions	€	4.000,00
Payments to retailer	€	1.820,29
Utilities	€	9,98
Google AdWords	€	50,00
SEO	€	50,00
Training of the staff (English & after-sales)	€	74,60
Total monthly costs	€	6.564,75
Yearly	€	78.777,03

With these figures an simple overview of the first year financial situation can be drawn up.

1st year overview		
Expenses		
Fixed costs	€	67.855,28
Start up costs	€	52.200,00
Unexpected expenses	€	100.000,00
Income		
Expected sales	€	455.073,20
Profit	€	235.017,92

Looking at this figures the investment for Ningbo United Products would be a feasible one in terms of this project. The sales potential and the low start-up costs add to this conclusion.

IMPLEMENTATION - TIMEFRAME

Below you will find a schedule of the implementation planning. Ningbo United Products has a year to prepare the company, the product and their staff for the planned launch of summer 2014.

Launch foldable solar panels													
	jul-13	aug-13	sep-13	oct-13	nov-13	dec-13	jan-14	feb-14	mrt-14	apr-14	may-14	jun-14	
Creating website													
Hiring staff													
Training staff													
Setting up accounts for other retailers													
Approval of other retailers													
Website trial run													
Website online													
Preparing other retailers for product													
Blog posts													
Social media													
Launch of the product													

CONCLUSION

After the research done in this report and the exploration of the strategic options this chapter will conclude the report and answer the main and sub questions.

After using the different models and analyzing the internal and external environment of the company and the product the first three sub questions will be answered below as a conclusion of the analysis part of this report.

The sub questions that can be answered after the micro, meso and macro analysis are:

1. Is the company ready for business to consumer sales with this product?
2. Is the product strong enough to survive in the Dutch market, and is there room for the product in the Dutch market?
3. What is the market situation in the Netherlands right now?

Is the company ready for business to consumer sales with this product?

The company has a stable environment suitable to expand their business to the foldable solar panels. Although it would be wise to train the staff to improve their English. This is a small investment but can go a long way when doing business in other countries than China. If their entire department responsible for this product can speak and write English, instead of only the sales people, this can benefit the after sales. The department will not rely on only one person speaking English, when he or she calls in sick this will no longer cause great problems for the company.

Besides that the company should make room for personal opinions and brainstorm sessions to improve the innovativeness of its staff. This also makes people feel more involved in the company as a whole and not just the “task” that they have to do on a daily basis. Of course this should be done in a way that suits the Chinese business culture, the sessions will be done by people that work on the same “social level” so everyone feels comfortable stating their opinions. After that a general report will be drawn up with ideas and suggestions coming from the group. This report will be passed on to the management who can read and discuss this amongst themselves again. From a western business culture perspective this still seems very closed, but for Chinese businesses this could already be a great improvement.

In terms of product and supply chain the company is strong enough to proceed with the introduction of their new product and their expansion to the B2C market.

Is the product strong enough to survive in the Dutch market, and is there room for the product in the Dutch market?

When looking at the TPM and TPC there is definitely a solid base for the introduction of the product. There is a market there and when looking at the survey answers most consumers in the target group have a positive “willingness to buy” attitude towards the product.

Looking at the 5 factors from Rogers the product has a great chance of success. It scores high or average on all of the 5 points. This means that a product can easily be accepted and integrated in the daily life of the target group.

The only concern for the product is the economic situation in the Netherlands right now. As the product is classified as a luxurious good it can suffer from the “penny pinching” mentality that the Netherlands has now more than ever. People tend to save up their money as much as possible instead of spending it. Even though research shows that the target group still spends money they are also living more frugal than before. This means that the marketing strategy should have some strong appeal that connects the potential customer to the product.

What is the market situation in the Netherlands right now?

Like all the other European countries the market situation is not that good right now. People are living a frugal lifestyle and are afraid of all the changes that will come upon them. There is no consumer trust which causes a major decline in money spent on luxurious goods. Even people who earn above average incomes are “penny pinching” which is not stimulating for the domestic economy.

Looking at this some would argue that this is the wrong time to introduce a new product into the Dutch market. But the situation has been like this for a couple of years now and certain groups of people are starting to spend money again on luxurious goods.

When looking at trends the market is flooded with “green” “sustainable” and “environmentally friendly”. Living in the here and now and experience oriented are terms that come to mind when describing the new market trends. The foldable solar panel could easily be positioned to fit perfectly with these trends.

After this we come to answering the last sub question before we can answer the main question.

Which market entry strategy is most suitable for Ningbo United Products and what is the feasibility of this strategy?

Looking at the SWOT confrontation matrix a defensive strategy should be implemented. One that is focused on the market threats identified, more specifically the threat of substitutes and the image of products made in China. These threats can be tackled by selling the product through domestic retailers and using bloggers and other social influencers to promote your product. In this way people actually do not notice and/or care that the product is produced in China. Besides that the social influences promote your product, not the substitutes which makes it more likely that potential customers see your product as the preferred option instead of the substitutes. While using this promotional technique you actually create a need for your product instead of a need for a solution.

To conclude this report the main question will be answered.

Is there a potential market for the foldable solar panels in The Netherlands, and if so how to enter this market before the summer of 2014?

There is definitely a market for the foldable solar panel in the Netherlands, trends and culture have created a natural space for a product that can charge electronic devices. Together with the sustainable

nature of the product it fits in perfectly within the target group established. Entering the market should be done in a defensive and informative way. Defensive as in tackling the market threats within your promotion. Informative is to tackle the unknown and innovative stage the product is in right now. Give potential customers the feeling that they are being informed about the product instead of being persuaded to buy the product.

The main selling points in the first phase should be online as that minimizes the risk for Ningbo United Products and it is the main retail place for the target group. Most people in the target group start their research online before buying something and do not oppose (and some even prefer) to purchasing their products online.

The most important factor when it comes to selling the product is price, as the survey showed the price of the product is the most important decision making factor. This also came forward in the focus group, when people want to try a new product price shouldn't be a barrier. Therefore it is important to keep an eye on the market value of the product and to price the product attractive for the target market. To price it as a product for the masses, not as a niche product even though it is not in the phase of mass consumption yet.

Concluding this report and the research it is safe to say that with the foldable solar panel Ningbo United Products has a great opportunity at hand to enter the business to consumer market. If they are willing to take the risk and to restructure their company from within it could be a very successful business opportunity for them that will make them more than just another Chinese trading company.

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APPENDIX

For the digital version of this report the appendixes can be found in other attachments sent with the email.

“bijlage 1” is the swot confrontation matrix

“bijlagen scriptie” are the survey outcomes (potential customer & staff), financial justification and the focussgroup findings.