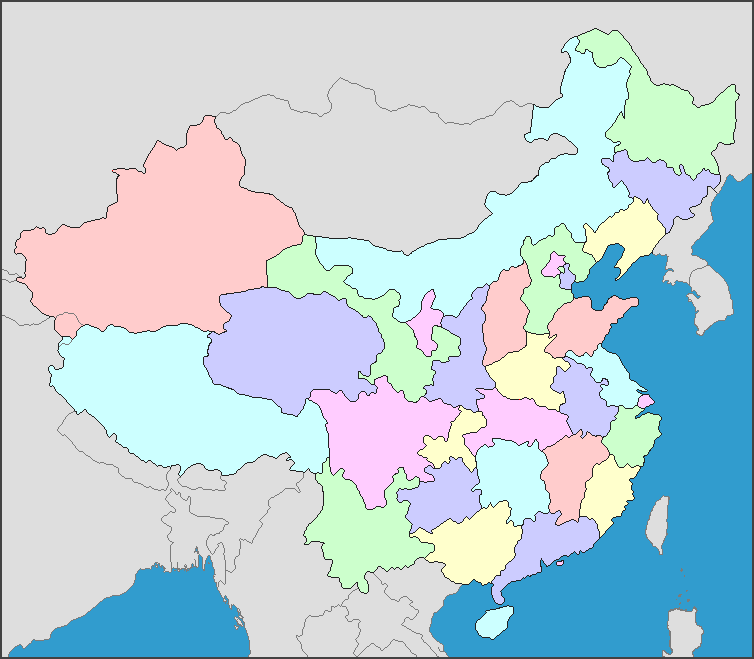
|  |
| --- |
| Wesmo |
| China West Europe Company |
| Our designs today…..Your success tomorrow |

|  |
| --- |
| Long Jun Qiu  Student ID 1559027  4-6-2014  Utrecht Business school University of applied Sciences  International business and languages year 4 |



# Executive summary

The relationship between China and the Netherlands can be situated on a dynamic scale. Chinese entrepreneurs are finding their way to the Netherlands, thereby continuously renewing and shaping this relationship. Currently, there are about 300 Chinese companies in the Netherlands, which amounts to approximately 6000 Chinese employees. According to the Dutch Central Planning Bureau, China will surpass the United States in amount of foreign investment in Europe after a couple of years.

A young Chinese company called Wesmo industries ltd was established in Guangzhou, which is located the southern part of China near Hong Kong. Wesmo exports bathroom accessory products to various countries in Oceania, South and North America, the Middle East and some parts of Europe.

During the year 2015-2016, Wesmo would like to expand their business to the Netherlands. The Dutch market is a good way to start this expansion in Europe, mainly because of the company’s strong connection to the Dutch company, Wesko.

Wesmo intends to build on the Dutch business to retail market. This market can be segmented into three groups: the fast moving consumer goods retail, the do-it-yourself stores and the web shops. Each of these business to business customers is active in selling bathroom accessories.

The field and desk research have shown various interesting targets for Wesmo in the aforementioned categories. During this research, a functional survey was executed by 75-80 Dutch households and expanded positioning research was conducted among business to business customers. The research has yielded valuable information on a lot of potential business to business customers.

A field study within the business to retail market was conducted to ensure the positioning of each business to business customer. The following fast moving consumer goods stores were analysed: Bijenkorf, Vroom and Dreesmann, Blokker, Hema and Markskramer. The following do-it-yourself stores were analysed: Praxis, Gamma, Karwei and Formido; and the following web shops were analysed: Bol.com, Wehkamp.nl, Sanitairwinkel.nl and Slimkopen.nl. The consumer prices of each retail store were analysed to show the positioning of each retail store in the Netherlands. The field research has resulted in a market positioning of the retail stores, do-it-yourself stores and the web shops. The valuable information from these analyses will help Wesmo to realise potential customers in the Dutch market.

The buyer analyses have shown a variation of potential customers for Wesmo. This will help Wesmo in entering the Dutch market. The competitor analysis has shown a transparency competition level in the Netherlands; the analysis showed high class, middle class and lower class competition. This analysis has shown the favourable position of Wesmo. The result of the buyer analysis showed the number of stores in the Netherlands and helped to calculate the estimated market size in the Dutch market. The fast moving consumer goods stores and do-it-yourself stores in the Netherlands have shown a drop in sales, but the web shops in the Netherlands have shown a huge rise of stores in the Netherlands.

The competitive analysis showed three important competitors in the Dutch market: Spirella, Zone Denmark and Inno Essentials. All the three competitors have their own strategy in the Dutch market and operate on a different scale than Wesmo. The manufacturer of bathroom accessory products like Spirella and Zone Denmark are cooperating with the Dutch companies Smartwares and Brigd to sell their products in the business to business market. Smartwares and Brigd are operating like a wholesalers and importers of bathroom accessories. Inno Essentials operate as a manufacturer and importer of bathroom accessories and sell to the business to business market. The strengths and weaknesses of all these competitors can be compared with those of Wesmo.

A variety of important analysis models also helps Wesmo to market itself in the Dutch market. The analysis of Porter and Treacy and Wiersema, for example, leads to a clear strategy for acting in the Dutch market, and the SWOT confrontation matrix highlights the threats and opportunities for Wesmo to enter into the Dutch market. The Porter analysis showed a positive situation for Wesmo in the Dutch market, and the Treacy and Wiersema analysis showed that the best strategic option for Wesmo is to use the “Operating excellence” strategy due to its production efficiency.

To enter the Dutch market, Wesmo should cooperate with the Dutch Wesko Group to export products to the Netherlands. From a strategic point of view, the distribution of products to the Dutch city of IJsselmuiden can be considered a very efficient way to supply the business to business customers in the Netherlands.

The SWOT analysis has shown all kinds of positive reasons to enter the Dutch market. The strengths, weakness, opportunities and threats are all visualised in a graph for a clear overview. Strengths like having their own warehouse in the Netherlands, the low overhead cost and the extensive range of products gives a clear overview of Wesmo’s strengths and offers a lot of perspectives. Also, such opportunities as the booming of online shopping in the Netherlands and the young bathroom accessories market improves Wesmo’s chances to operate in the Netherlands.

To enter into the Dutch market, Wesmo should use an operational marketing plan which is explicitly targeted to this purpose. This new marketing plan should show how Wesmo can operate in the Dutch market. A whole new marketing plan with new marketing tools, as such, would indicate how to attract the business to business customer and, finally, the Dutch consumers.

The recommendations from the study also imply that Wesmo should collaborate with Wesko in order to effectively enter the Dutch market and avoid other problems relating to the initial stages of product exportation. Furthermore, Wesmo should use promotional tools to increase its activity in the Dutch market.

Table of contents

[Executive summary 1](#_Toc389601903)

[Introduction 5](#_Toc389601904)

[Methodology 6](#_Toc389601905)

[Methodology Field Research for Wesmo 8](#_Toc389601906)

[1. What is the strategic profile of Wesmo? 10](#_Toc389601907)

[Business definition mission, vision 10](#_Toc389601908)

[2. What are the characteristics of the Dutch market of bathroom accessories? 15](#_Toc389601909)

[Market Analysis 15](#_Toc389601910)

[Buyer analysis 18](#_Toc389601911)

[Business to consumer field research 20](#_Toc389601912)

[Analysis field research 21](#_Toc389601913)

[Business to business field research 22](#_Toc389601914)

[Customer analysis 24](#_Toc389601915)

[Competitive analysis 27](#_Toc389601916)

[External distribution analysis 31](#_Toc389601917)

[3. How can Wesmo position itself to the Dutch market? 32](#_Toc389601918)

[Porter Five forces tool 32](#_Toc389601919)

[Entry strategy 33](#_Toc389601920)

[Porter Generic competitor analysis 34](#_Toc389601921)

[Treacy and Wiersema 35](#_Toc389601922)

[SWOT analysis & confrontation matrix 37](#_Toc389601923)

[4. How can Wesmo operate in the Dutch market? 40](#_Toc389601924)

[Operational Marketing plan 40](#_Toc389601925)

[Segmentation and target group Dutch market 40](#_Toc389601926)

[Positioning Dutch market 41](#_Toc389601927)

[Marketingmix Dutch Market 43](#_Toc389601928)

[Marketing communication tools 46](#_Toc389601929)

[Logistic aspects 48](#_Toc389601930)

[Financial analysis 48](#_Toc389601931)

[Financial resources 52](#_Toc389601932)

[Conclusion and recommendations 53](#_Toc389601933)

[Sources 54](#_Toc389601934)

[Appendix 56](#_Toc389601935)

[Appendix 1 Business definition Business to retail market 56](#_Toc389601936)

[Appendix 2 Business definition Business to consumer market 57](#_Toc389601937)

[Appendix 3 Organogram Wesmo 58](#_Toc389601938)

[Appendix 4 Graph web shops 58](#_Toc389601939)

[Appendix 5 turnover segments online shopping 58](#_Toc389601940)

[Appendix 6 Turnover segments each year 59](#_Toc389601941)

[Appendix 7 Turnover development do it yourself stores 59](#_Toc389601942)

[Appendix 8 field research business to consumer analysis. 59](#_Toc389601943)

[Appendix 9 Field research business to business market 62](#_Toc389601944)

[Appendix 10 five forces Porter 75](#_Toc389601945)

[Appendix 11 Porter Generic 76](#_Toc389601946)

[Appendix 12 Treacy and Wiersema 77](#_Toc389601947)

# Introduction

First of all I want to thank mister Westerink for giving me the opportunity to write this very challenging operational marketing plan. I also want to thank mister Rustenburg for his advice and help in writing this final product: the operational marketing plan. I want also thank Miss Biesemans as the second guide for reading my thesis. I also want to thank my beloved friend Ramon Mendoza Nunez, who was a good friend of mine and passed away last summer during the holidays, he showed me a lot of kindness and a good friendship, which helped to write this final plan.

During my final and fourth year of International Business& Languages study I did an internship in China to write a thesis as my graduation assignment. During my internship, I was asked to write a operational marketing plan for Wesmo Industries ltd to enter the Dutch Market.

Wesmo industries ltd is located in Guangzhou near the tech centre of China in Shenzhen. Wesmo operates as wholesaler and producer of bathroom accessories and is active mainly in the export branch.

Wesmo has a very wide assortment of bathroom accessories products and the peripheral assortment include table top products, kitchenware and wine accessories. The wide range of product has offered a significant opportunity to operate as an international entrepreneurship. Wesmo’s main target groups are hospitality market, retail shops and wholesale. Wesmo is active in the Middle East, North and South America and Oceania. In 2014-2016 Wesmo would like to expand to Europe starting with the Netherlands.

The operational marketing plan outlined in the following paper is based on the research that has done to answer the main question: “*how can Wesmo export bathroom accessories to and operate on the Dutch market”*

In order to do this, Wesmo will focus on the sales of the business to business segment of the Dutch market. This target group can be segmented in three groups retail shops in fast moving consumer goods, do it yourself retail shops and web shops selling bathroom accessories. Wesmo also operates within these markets in other countries.

This plan contains a diversity of analyses, which will create an effective tool to assist Wesmo in entering the Dutch market. This tool also reflected the Dutch market and gives explicit information about the target groups of Wesmo. The field research also provides a comprehensive overview, of which target group should be Wesmo’s focus.

After the research, investigation and analysis sections, the conclusion and recommendations, sections will offer the best recommendation for Wesmo to enter the Dutch market.

# Methodology

The main research question is: *how can Wesmo export bathroom accessories to and operate on the Dutch market?*

The thesis will also contain four sub questions, which will lead to four sections. These four sections will then lead to the final product, which is the operational marketing plan.

1. What is the strategic profile of Wesmo ?
2. What are the characteristics of the Dutch market of bathroom accessories?
3. How can Wesmo market itself to the Dutch market?
4. How can Wesmo operate on the Dutch market?

The methods which will be used for answering the sub-question 1 are:

* **The Abell business definition model**
  + This will help to define the business in a framework. It will be defined by three dimensions: customer groups (who will be served), customer needs (which customer needs will be addressed) and technology (how the customer needs will be met). This analysis will offer information pertaining to the company’s customers, products and services.
* **The marketing mix 6 p’s** 
  + The marketing mix 6 p’s will analyze the internal section of the organization. The analysis will cover the products, prices, promotional activities and distribution methods of Wesmo. The personnel department of Wesmo and the presentation of its products will also be analysed.
* The current customers of Wesmo
  + The customers from Wesmo’s customer database will be analyzed, and this analysis will help to define its business to business customers. A meeting with employees will render further information about the customers of Wesmo.

Sub-question 2 implies an analysis of information in the Dutch market and Dutch consumers. It will give a clear view of the Dutch market and the consumer behavior with regard to bathroom accessories in the Dutch market.

The methods which will be used for answering sub-question 2 are:

* **DESTEP analysis**
  + The Destep analysis compiles information about the demographical, economic, social, cultural, technological, ecological and political aspects of the company. By using the DESTEP analysis as a framework, the analysis can clarify the Dutch market and its latest developments. For this analysis, information will be extracted from the branch analysis, the ING Bank and Rabobank and the statics site of the Netherlands. This information will provide macro level information on the Dutch market.
* **Market analysis**
  + The market analysis will investigate the Dutch market on a closer scale than the DESTEP. It will define the developments of the bathroom accessory market. This analysis contains information about the amount of shops with bathroom accessories, the developments of the shops of bathroom accessories and the sales of bathroom accessories. The information will be extracted from the retail branch in the Netherlands (hbd.nl). The porter model will help to further analyze the Dutch market.
* **Buyer analysis** 
  + The buyer analysis will put the focus on potential customers of Wesmo. It will describe the potential business to business customers of Wesmo. The business to business customers in the Netherlands will be divided into three groups: the household retail shop, the do-it-yourself retail shop and the web shops that sell bathroom accessories. The information will be extracted from the retail branch.
* **Competitor analysis**
  + The competitor analysis will give a clear view of the wholesalers in bathroom accessories in the Netherlands. The competitor will be analyzed using the SWOT model (strengths, weaknesses, opportunities and threats), and their strategy will be further explained. With the help of SWOT, the opportunities and threats will be visualized for Wesmo. The source of the competitors will be found on the chamber of commerce of the Netherlands.
* **The Distribution analysis** 
  + The distribution analysis will help to identify to which channels Wesmo is selling their products. This will give a clear view of the distribution channels of the bathroom accessories. Further the developments and intermediaries will be explained with this analysis.
* **Customer Survey**
  + A survey of bathroom accessories consumers will be held. With data from the survey, the buying behavior of bathroom accessories consumers is analyzed.
* **Business to Business Research** 
  + An analysis of the prices of the business to business market will be held to ensure the positioning of each business to business customer in the Netherlands. Shops that will be researched are: de Bijenkorf, Vroom and Dreesmann, Blokker, Hema, Marskramer, Praxis, Gamma, Karwei, Formido, Bol.com, Wehkamp.nl, Sainitairwinkel.nl and Slimkopen.nl . The Business to business market is an essential market. This research contains the prices of the companies and comparison of the prices of each important retail shop in the Netherlands.

Sub question 3 will analyse another part of the thesis. It will contain information about Wesmo’s strategy and its position within the Dutch market.

The following methods will be used:

* **SWOT Confrontation Matrix** 
  + This will give a clear view of the company’s strengths, weaknesses, opportunities and threats in the Dutch market. The strengths and weaknesses of Wesmo will be confronted and compared to the opportunities and threats to provide a proper analysis and suggest a strategy.
* **The Five Forces of Porter** 
  + This analysis will offer a clear view of the Dutch market, with the help of five important forces, like supplier power, buyer power, competitive rivalry, threat of substitution and threat of new entry. This analysis will give a clear insight of the advantages and disadvantages of the market.
* **The Generic competitor analysis of Porter** 
  + This analysis will help Wesmo to analyze which strategy can be applied to the Dutch market. The Porter analysis includes such strategies as cost leadership (low cost and low pricing), differentiation (different products than those offered by competitors), cost focus (focus on low cost) and differentiation focus (focus on the differentiation of the products).
* **The Three Value Discipline of Treacy and Wieresema** 
  + This final analysis will describe the discipline of Wesmo, and it will help Wesmo choose the proper strategy for the Dutch market. The Three Value Discipline of Treacy and Wiersema covers strategies like operational excellence (reasonable quality and very low prices), product leadership (innovation and brand marketing) and customer intimacy (superior customer service and attention).

The answer to sub-question 4 will form the final part of the investigation. This will be called the operational part of the thesis; from the analysis of sub-question 3, a new marketing mix 4 p’s for Wesmo on the Dutch market, the new distribution channel, the potential promotional activities on the Dutch market, segmentation of the target group on the Dutch market, the positioning on the Dutch market and long and short objectives will be settled for Wesmo The following methods will be used:

* **The marketing mix 6 p’s**
* **The distribution analysis**
* **The new distribution channel**
* **The potential promotional activities** of Wesmo on the Dutch market, an example of promotional tools are the promotional activities: sales promotion, direct market, personal selling, and social communities.
* **The segmentation of the Dutch market**, the information about the target group of the Dutch market will be extracted from the market analysis
* **The positioning of Wesmo on the Dutch market** will be analyzed by the competitors analysis.

The long and short term objectives will be determined after the operational analysis

## Methodology Field Research for Wesmo

In order to answer the thesis question, two field studies will be conducted to ensure specific information about the Dutch market with regard to bathroom accessories. The first field study involves consumer research. This study will examine the buying behaviour of the Dutch consumer in terms of bathroom accessory products. The study contains 13 survey questions related to the field of buying behaviour. 100 respondents participated in this survey.

The second field study involves business to business research. This study focuses on the positioning of the business to business customers in the Dutch bathroom accessories market. This will lead to a selection of interesting potential business to business partners for Wesmo. This research contains a selection of five fast moving consumer goods retails shops, four do it yourself retail shops and four fast moving consumer web shops. All shops will be compared and analysed according to their prices. A selection of four products will be used in this study. These products, in respective order, are the most expensive, cheapest, most popular (of the cheapest) and most popular (of the most expensive) bathroom accessory products. These products will be selected and analysed. An average price for the four products groups will be established. The product groups are as follows: toothbrush holder, soap dispenser, soap holder and toilet brush. A selection of all the prices of each product group of the store and will calculate the average price of the product group. The average price will be found in the tables.

**Limitations on the research**

One of the drawbacks of the current research was that there was not enough specific information available about the soap holders in the area of the do-it-yourself retail shops. In addition, the interview research with the retailers could unfortunately not be realized because of insufficient candidates for the interview. Most of the retailer did not agree to an interview about the specific products and could not tell much about the buying process and positioning.

Luckily, the pricing research in the business to business market has provided a good view of the Dutch bathroom accessory market, and it has also shed light on the Dutch bathroom accessory market. In addition, some remarkable observations have been made during the study; for example, the prices of the do-it-yourself stores and the fast moving retail stores are almost equal, while most of the fast moving consumer goods stores are positioned in the middle of the upper-class segment. Additionally, the do-it-yourself stores are positioned in the lower class segment.

# What is the strategic profile of Wesmo?

## Business definition mission, vision

**Mission**

The mission of Wesmo is to provide contemporary brands of bathroom accessories for the business to business market.

**Vision**

Wesmo would like to expand their business in Europe through a sustainable way of producing bathroom accessories.

**Business definition**

The business definition of Wesmo indicates the connection between the needs of the buyers, the customer groups of Wesmo and the technologies, which Wesmo uses to definite its organization. To define the whole bathroom accessory market, there are two business definitions of Wesmo: first the business to business market and, second, the business to consumer market. The business definition model indicates a general description of Wesmo. Wesmo is active with the bathroom accessory products in the area of export. The core assortment of Wesmo are bathroom accessories products like the toothbrush holders, soap holders, soap dispensers and toilet brushes. These products are provided in such materials as stainless steel, porcelain, wood, plastic and glass.

*(see appendix 1)*

**Customer Needs**

The products of Wesmo fulfills a view of the needs of the buyers. Wesmo provides a wide range of products in bathroom accessory and have a diversity of products in their assortments. The brand name of Wesmo is not so well-known on the Dutch market. All products of Wesmo are quality products and durable home products. It is the way of Wesmo to indicate that their focus is more to produce the bathroom accessory. The customer needs, where Wesmo is not fulfilling are the high segmented target group, the expensive and high quality and expensive products. Wesmo is focusing on the low and middle class segmented target group

**Customer Groups**

Wesmo concentrate selling the products to hospitality, retail market and the wholesalers. The most important group are retail groups and the wholesalers. The hospitality market is the small group of buyers and still under developed.

**Technologies**

Wesmo operates on the Latin-American, Middle East, Africa and Oceania market. Due to current position Weso have adapted their website and some of the sales team to a foreign languages, the sales team can speak; Arabic, Spanish, Russian and French. Wesmo also offers several services like an online sales team and own design products on demand of the customers. In compare with other companies Wesmo provide low pricing and quality products.

*Business to consumer abell model*

*(See appendix 2)*

**Customer Need (business to consumer)**

Customers are the end users of Wesmo products. Wesmo products, as previously mentioned, are mainly bathroom accessories, such as soap dispensers, soap holders and toilet brushes, which provide functionality and design to the bathrooms of the consumers. Wesmo has a diversity of high quality products sold at reasonable prices.

**Customer groups (business to consumer)**

The consumer market can be segmented into different groups. The segmentation is made to form the business- to consumer market. Every customer group has one specific attribute, such as bathroom decoration. Each customer group has its own decoration preferences. The customer groups are young movers, students, housewives, households with children and single households.

**Technologies (business to consumer)**

Wesmo operates mainly on the business to retail market. The technologies of the business to consumer market are on minimal scale, but there some technologies which Wesmo is using at the moment. On the website, for example, there is an online catalogue and an online showroom of bathroom accessories. Wesmo is also active in the social media, like Facebook, Twitter and Google+.

**Objectives**

Wesmo has set long and short objectives for the Dutch market during the years 2014-2016:

* Expand our business to the Dutch business to business market
* Launch a new product line into the Dutch market 2014-2015
* Create a more expansive customer community in the Netherlands with approximately 10% market share

**Marketing objectives**

* Create 30% brand awareness in the Dutch market
* 10% customers of the web shops on the Dutch market

**Current marketing tools**

The main products of Wesmo are the bathroom accessories. Wesmo targets the business to business market, and most of the customers are wholesalers from abroad. The wholesalers are segmented into groups of fast moving consumer goods and home decoration. The positioning of Wesmo’s products are characterized by low prices and high quality. Wesmo uses mailing, personal selling, stands on fairies d the internet as promotional tools to use for contacting the business to business market. With these promotional tools, Wesmo is able to operate in the current market. Wesmo also has five personal sales managers active for personal contact with the business to business market. Wesmo operates on an operational excellence strategy which contains low cost production and an efficient way of working with logistics. Through its positioning into the middle class of business to business customers, Wesmo can cooperate with retail shops and agents. The retail shops sell the product to the upper middle class segment.

**Current marketing mix**

**Products**

As previously mentioned, Wesmo is a manufacturer and supplier of bathroom accessories, tabletop accessories, tableware and kitchenware. The bathroom accessories are produced in sets; each set includes a soap dispenser, toothbrush holder, tumbler, soap dish, cotton jar, tissue cover and waste basket. All the products in each set have the same design, and each set has its own unique design. Wesmo provide bathroom sets in porcelain material, polyresin material, wood, stainless steel, marble and plastic. Wesmo is also the manufacturer of the products and can offer a wide range of products, possibly even with a unique design.

**Price**

Due to the fact that Wesmo does its own manufacturing, it can offer low prices for high quality. In comparison with other companies in China, the prices are a bit lower than the competitors’ prices. The focus of Wesmo is on the business to business market. Especially the hospitality market is number focus of Wesmo. Beside the hospitality market, Wesmo also focus on the wholesalers. The segment of hospitality can be segmented to the middle and lower class hotels. These products of Wesmo values high quality, own design for cheap price. Wesmo segment of price are the lower and middle class segment.

**Place**

Wesmo is located in a trade zone which is easily accessible to the world and nearby the 7th biggest harbor of the world. From Guangzhou, it is easy to transport products to Hong Kong and further abroad. Wesmo operates as manufacturer, storage facility and warehouse of bathroom accessories product. After the order is made, Wesmo outsources the logistic transport and ships it abroad.

MC900297985[1] MC900079072[1] MC900310940[1]MC900285578[1]

Transport/carrier

Wesmo storage/warehouse

Wesmo

manufacturer

 MC900089220[1]MC900352099[1]

consumers

Business to business customer hospitality, retail and wholesale market

**Promotion**

The promotional activities of Wesmo are mailing, personal selling, exhibitions and internet. The business to business market is a difficult market to approach, which needs more of personal contact. Wesmo cooperate with 5 personal sales managers, which one of them can speak foreign languages as, Spanish, Arabic, French, Russian and English. These employees are all well-trained to be good sales managers, which is important to compete on the business to business market. The direct marketing and the personal selling are the most important promotional tools of Wesmo.

**Personnel**

The human resource department of Wesmo selects their employees in a professional way. The employees of Wesmo are an important factor of the company. The selection of the employees is based on the personal qualities of the employees. The Sales and Marketing Department selects employees based on the sales quality. The employees should have the abilities and attributes required to make sales. Also, education plays an important role in the selection of the right employee. After the selection of the employee, there will be a sales training session. In this training session, employees will be taught how to sell products, thereby making Wesmo more successful on the market. Wesmo will familiarize their sales employees with the level of the target group. In that way, the sales employee can be more successful and can learn the identity and attributes of the customer. This will make the negotiation much easier.

**Presentation**

The presentation of Wesmo’s products is another important factor. Wesmo provides courses for presenting the bathroom accessories, and this will help the business to business customers in selling products. There is also some advice that Wesmo gives about how to present the products. The toilet brush, for instance, should be presented on the bottom rack, and the soap dispenser and toothbrush holders should be presented on the middle rack. Wesmo has different styles of presenting its products.

**Strengths of Wesmo**

* Low overhead cost, offer high quality for cheap prices
* Extensive range of products in bathroom accessories
* Own central storage
* Small motivated, growing organization
* Low prices and reasonable quality products

**Weaknesses of Wesmo**

* Wesmo has a little market presence or reputation
* Wesmo does not have a clear marketing strategy
* Lack of financial resources
* There is a small staff (sales) with a shallow skills base, vulnerable to vital staff being sick or leaving
* All the process is done by Wesmo, the manufacturing, design, selling and etc. The only outsourcing activities are the transport of the products

As the result of Wesmo’s internal analysis, it seems that the marketing and the promotional tools of Wesmo are on a minimal level. The analysis shows that there is no clear marketing strategy, and there is a minimal use of promotional tools. The important promotional tool that Wesmo is using is the sales manager, who has personal contact with the customers. Their importance is to keep in touch with the customers and to continue to achieve sales. There are also several strengths that make Wesmo a company which is ready to enter the European market. These strengths include the low overhead cost, the extensive range of products, a large company-owned central storage unit in China and ability to produce cheap and high quality products.

**The current positioning of the company**

Wesmo concentrates on the international market because the positioning of the market in China is rather small. It is a unique concept of Wesmo to concentrate on the international market and, in particular, to focus on the Middle-East, Australia, North and South America. In contrast, most other Chinese suppliers focus only on the domestic market. In this regard, Wesmo differs from other suppliers in China.

Customer groups

Wesmo also focuses on the international business to business market. Most of Wesmo’s customers are from countries like Qatar, Australia, Canada, United States and more. The focus is on the wholesalers, retail shops and hospitality market. Main customers are the wholesalers, who sell the products to the retail shops in their country. Wesmo keeps contact with many wholesalers in each country.

Personnel and Organization (organogram)

*(See appendix 3)*

Wesmo operates with a functional structure, as illustrated in the figure above. It is organized into four divisions: production, finance, marketing & sales and logistics. Each division has its own specialization and tasks

Financial performance

The annual sales of Wesmo fall between $5 million-$10 million. The export percentage ranges from 91% to 100%. The contribution margin is between 35-40% for bathroom accessories; other products have a 20-30% contribution margin.

# What are the characteristics of the Dutch market of bathroom accessories?

## Market Analysis

Macro factors analysis of the Netherlands. The analysis contains demographic, ecological, social cultural, technology, economics and politics factors in the Netherlands

**Demographic**

The average household size in the Netherlands is around 2.2 people. According to the statistics Netherlands there are more movers in the Netherlands. In 2012 Almost 1,49 million people have moved in the Netherlands. That is 7000 people more than in 2012. The rehousing statistics have given a transparent view of the number of people moving house in the Netherlands.

In addition, consumer confidence grew significantly in the year 2013, and this affects the purchase of the bathroom accessories. In comparison with the year 2013, the consumer confidence has grown by 2%. Consumer confidence also affects the future purchase development in the Netherlands.

Population of the Netherlands 16 788 025 (April 2013)

Age structure

|  |  |  |
| --- | --- | --- |
| 20 year and younger | 3.870.423 | 23,1% |
| 20-40 year | 4.119.832 | 24,6% |
| 40-65 year | 5.963.523 | 35,5% |
| 65-80 year | 2.121.391 | 12,6% |
| 80 year and older | 702.856 | 4,2% |

The Netherlands has a total household of 7.513.000 dividend in 2 kinds of households. One person and more person households. One person household indicates 2.762.000

More people’s household indicates 4.751.000

The household index will affect the potential end-user of the bathroom accessories.

Amount of movers in the Netherland

|  |  |
| --- | --- |
| 2010 | 872.362 |
| 2011 | 865.306 |
| 2012 | 869.002 |

The amount of movers will possible affect the buying behavior of bathroom accessories.

**Ecological Efforts in the Netherlands**

The ecological aspect is becoming increasingly important in the business world. There many companies in The Netherlands which are taking the sustainable management concept seriously. Sustainable management implies the creation of defined practices in the ability of successfully maintaining the quality of life on our planet. This concept has three branches: the environment, the needs of present and future economics.

Important issues concerning ecological maintenance in the Netherlands are CO2 emission is a mandatory regulation for marking the products which are sold in the European Economic Area. The execution of sustainable management practices in the Netherlands is one of the objectives of the entrepreneurship in the Netherlands. The use of soft-plastic packaging, for example, will be held on a minimal scale level, due to the negative environmental image. The reuse of the plastic packaging is also an option. One consequence of this is that the methods of packaging will affect the prices of consumer goods. The packaging rules in the Netherlands can therefore influence Wesmo’s prices.

**Social cultural**

The Dutch typically enjoy making home improvements very much and usually decorate their homes with abundant plants and flowers. The Dutch consumers see their home as a private and comfortable place. As the macro economy is becoming more favorable, the purchasing power of the Dutch household is increasing. Most Dutch households are seeking new products for their homes.

The amount of movers are set at approximately 800.000, and the movers in the Netherlands distinguish themselves by completely renovating the new house. Approximately all movers in the Netherlands will completely redecorate their new houses, and this will affect the purchasing power of the fast moving consumer goods and the do-it-yourself stores. The movers will buy new couches, beds, new bathroom accessories, new kitchen tools and so on.

**Technological**

The Netherlands hosts the largest internet hub in Europe. The government’s stimulation of internet usage puts the Netherlands at the top of the list for access among major European countries. Also, communication technology is ranked highly in the Netherlands in the terms of energy infrastructure and telephone networks. Due to the highly ranked technology infrastructure, there is a severe competition of e-business in the Netherlands, and there has recently been a sharp rise in internet web shops. The Dutch government has played a significant role in these developments. The amount of internet web shops continues to rise dramatically, and due to this, there also websites offer comparisons of website. This leads the consumers to check all the prices before starting the buying process.

**Economic**

Income and purchasing power have faced a decline in the years of the recession (2008-present), but there are possible positive perspectives in the future. Due to new regulations passed by the Dutch government, the income of the single household will rise, and the purchasing power will also grow. An average household in the Netherlands has an income of approximately €35.000, and the upper-middle class Dutch household has an income of approximately €50.000. It is estimated that, in 2013, the model income will rise particularly for households without children. This projected rise in income and purchasing power will likely affect the buying behavior in the Netherlands.

Consumer confidence in the Netherlands is the “kryptonite” of Wesmo’s development in the Netherlands. Throughout the current recession, confidence has dropped to a very low level. Last year, it was the lowest that it had been in ten years. In 2012, consumer confidence was down 35%, and this year it has dropped to -33%. Consumer confidence is still low, but when considering the income and the purchasing power predictions, the consumer confidence is likely to grow in the following years.

According to the Rabobank, the real estate market will experience slow growth in 2014. As the real estate prices drop, they will become more affordable for the Dutch buyers. At the end of 2013, there was a growth in sales of the real-estate market, which has given a positive perspective. The positive news about the real-estate market has provided a more optimistic perspective for Wesmo with regard to the Dutch market.

According to the branch analysis of the DIY market and the retail market in the Netherlands, a decline of 7% in the year 2012 and 8% in the year 2013 has been indicated. This is mostly because of the disappointing real estate market in the Netherlands and due to the low amounts of real estate purchased in the Netherlands. For this reason, the consumer will not buy many home decorations products. The bathroom accessory products are in contrast with the DIY market and house hold products. Similarly, the decline of the DIY shops and the house hold products shops are further proof of the economic recession in the Netherlands.

On other the hand, e-business in the Netherlands has been growing. The numbers of web shops has been growing every year. Also, the segment of bathroom accessories has been growing. The turnover for the house and decoration market in 2012 was at the scale of 442 million euro.

Due to the economic recession in the European Union, the Netherlands has an unemployment rate of 6, 8%.In 2013, there was a decrease of 2.4 % of purchasing power in comparison with the previous year. Luxury goods are facing an especially strong decrease.

The wholesale market in the Netherlands is also facing difficulties, due to the economic recession, but there is a slight chance that demand of wholesale activities in the Netherlands will increase. The demand in wholesales are: food branch, non-food products, investments, construction and industry. Import trends in the wholesale market are the assortment and the supply chain. These trends are becoming more and more important for the wholesales company in the Netherlands. There are more than 75.000 wholesale companies active in the Netherlands, and the non-food sector is the biggest with 20.000 companies. The growth of the wholesale companies has been stopped, due to expansion, acquisitions and the economic circumstances.

**Political/juridical**

Tax

There are three different rates for the VAT in the Netherlands. Which rate to use depends on the type of goods. Most of the goods and services have 21% VAT. For food, the rate is 6% and medicines are 0%.

European product requirement

Product safety is an important aspect for importing products into the Netherlands; the NVWA is one of the Dutch auditors of product safety. All of the products in the European Union have the CE mark, which indicates the product safety and the trustworthiness of the product. It is a mandatory mark for the entire product in Europe.

The rules of mortgages in the Netherlands have changed in the year 2014. The mortgage loan will be dependent on the value of the real-estate. A Loan-to-Value rule, which contains that the amount of the mortgage cannot be larger than the value of the real-estate, has been set. The mortgages rules for young movers have also changed. The new rules make it easier for young buyers to obtain a mortgage. These new rules will affect Wesmo’s end consumers and house buyers in the Netherlands.

## Buyer analysis

The Netherlands is a real trade country, according to the 2012 statistics. It imported a total volume of €364.9 billion in 2011, which increased from € 331.9 in 2010. Most of the import products to the Netherlands are from Germany, China and Belgium. Regarding the European economy, the import and export are slowing down, due to the terms of import demand and the recession while the export value of domestic products keeps growing. Most of the products are produced in Germany.

In the Netherlands there are various providers of bathroom accessories. These groups can be segmented in three ways: the internet web shops, retail shops in household products and the Dutch hardware stores DIY. These three shops all provide bathroom accessories to the Dutch consumers. There is fierce competition between the internet web shops and retail shops in the Netherlands. The internet web shops have, in comparison with the Dutch retail shops, a lot of advantages. For instance, the overhead cost of the web shops are much lower than that of the normal retail shop, and also the stock of the web shops are more efficient than the retail shops.

**Internet web shop market bathroom accessories**

*(See appendix 4)*

This graph indicates thee turnover of web shops, the growth of online shopping and the growth in consumers who are buying products online via web shops. The internet web shop is a booming sector in the Netherlands, and the competition will likely become even fiercer. The amount of web shops is around 37000, and this includes retail shops, which also offer the possibility for consumers to buy their products on their websites.

According to the thuiswinkel Markt Monitor, the online shopping market in the Netherlands is a booming sector, and the turnovers and sales are growing every year. The numbers of internet web shops is growing too on very fast scale.

*(See appendix 5&6)*  
  
**Retail shops and fast moving consumer goods**

The Netherlands has 3.735 retail shops which sell glasses, kitchen accessories, bathroom accessories and other household products. However, consumer spending on household products has been dropping since 2010. In 2011, a total of 3.3 billion euro was spent on household products, but in 2012 there was an immediately decline of 10%. Specifically, retail shops specialized in household products faced a decline of 7% in turnover during the years 2012 and 2013. Retail shops selling household products are declining on a small scale; between the years 2010 and 2012, ten shops closed due to bankruptcy. The main reason for these declines is the difficult economic situation in the Netherlands.

Products Spending (millions) Household Per person

* Dishes and glassware €870 €116 €52
* Small households products € 1176 €157 €70
* Other households products € 1248 €167 €75

Shops in the regions

|  |  |  |
| --- | --- | --- |
|  | Amount of shops | WVO (shop Floor area) |
| Zuid Holland | 710 | 157.593 |
| Noord-Holland | 594 | 125.149 |
| Noord-Brabant | 496 | 124.075 |
| Gelderland | 467 | 115.914 |
| Overijssel | 270 | 69.564 |
| Limburg | 256 | 67.865 |
| Utrecht | 241 | 52.854 |
| Friesland | 204 | 42.735 |
| Zeeland | 161 | 32.429 |
| Groningen | 141 | 35.170 |
| Drenthe | 139 | 29.246 |
| Flevoland | 53 | 16.048 |
| **Total** | **3.735** | **868.732** |

***Source: http://www.detailhandel.info/pages/15/Winkels/Huishoudelijke-artikelenzaken/Aantal-winkels-per-provincie.html?subonderwerp\_id=333***

The annual report picture:

|  |  |  |
| --- | --- | --- |
|  | 2002 | 2011 |
| Total revenue | 100% | 100% |
| Cost of goods sold | 64% | 59% |
| Gross margin | 36% | 41% |
| Expenses | 31% | 36% |
| Salary expenses | 16% | 18% |
| Rent expenses | 7% | 9% |
| Sales expenses | 3% | 3% |
| Other operating expenses | 5% | 6% |
| **Net Income** | **4%** | **5%** |

This annual report indicates the significant expenses of retail shops in the Netherlands. It also emphasizes the growth of the gross margin and concludes that retail shops in the Netherlands are operating for low cost products with better gross margins.

**DYI shops**

The DIY retail shops are facing a significant decline in the retail market in the Netherlands. Most of the DIY shops are facing an 8% decline in turnover, due to the disappointing real estate market. The poor conditions of the real-estate market influence the DIY shops in the Netherlands. Also, spending has dropped very seriously in the last five years.

*(See appendix 7)*

This graph indicates the serious decline of the DIY shops in the Netherlands. As you can see, in 2007 there were 2.790 shops in the Netherlands, but at the moment there are only 2.300 shops.

The annual report picture:

|  |  |  |
| --- | --- | --- |
|  | 2002 | 2011 |
| Total revenue | 100% | 100% |
| Cost of goods sold | 66% | 62% |
| Gross margin | 34% | 38% |
| Expenses | 28% | 33% |
| Salary expenses | 13% | 15% |
| Rent expenses | 4% | 7% |
| Sales expenses | 4% | 4% |
| Other operating expenses | 7% | 7% |
| **Net Income** | **7%** | **6%** |

This annual reports shows the expanding gross margin. It emphasizes that DIY shops are searching for products which have larger sales margin.

Shops in the regions

|  |  |
| --- | --- |
|  | Amount of shops |
| Zuid Holland | 550 |
| Noord-Holland | 459 |
| Noord-Brabant | 323 |
| Gelderland | 223 |
| Overijssel | 142 |
| Friesland | 142 |
| Utrecht | 126 |
| Limburg | 108 |
| Groningen | 96 |
| Drenthe | 48 |
| Zeeland | 45 |
| Flevoland | 38 |
| **Total** | **2.300** |

The DIY shops have a smaller assortment of bathroom accessories. Most of the bathroom accessories are for the wall fitting accessories in the bathroom. However, some bathroom accessories are meant to stand-alone. Bathroom accessories are not intended to be the core segment of their assortment, but instead they constitute a more peripheral range of products in the assortment.

## Business to consumer field research

The online questionnaire has yielded approximately 75-80 respondents. The results from this study have been used to extract more information about the Dutch market in the field of bathroom accessories. The multifaceted purpose of the research is to extract information about where the Dutch consumers are buying, what the important factors of buying bathroom accessories are and what the average amount of spending on a bathroom accessories is. With the help of this questionnaire, the Dutch market will be more feasible for Wesmo.

## Analysis field research

*(See appendix 8)*

The data from the questionnaire indicate the following assertions. Most Dutch consumers will buy their bathroom accessories at fast moving consumer goods stores and department stores, and the frequency of the buying process is between two and six months. Consumers tend to spend 5 to more than 20 euros on bathroom accessories, >15 euros on soap dispensers and toothbrush holders and between 5 and 20 euros on soap holders. Furthermore, the spending on toilet brushes begins at around 20 euro. The important factors for buying a bathroom accessory are the design, price and quality of the product. The brand name, however, is not a very important factor. The Dutch consumers tend to prefer stainless steel products, and the inspiration for buying bathroom accessories comes from magazine and blogs read by Dutch consumers.

From the field research, the nature of Dutch consumer spending on bathroom accessories and the factors which play a role in the purchasing of bathroom accessories can be more clearly understood. This will be useful information for advising Wesmo on how to enter the Dutch market.

## Business to business field research

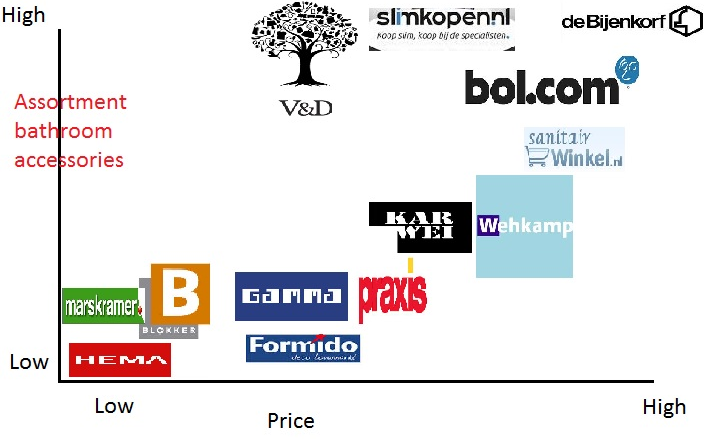
*(See appendix 9)*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Average prices fast moving consumer goods retail** |  |  |  |  |
|  | **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
| Bijenkorf | 18,95 | 27,96 | 18,65 | 67,12 |
| Vroom&Dreesmann | 9,75 | 22,50 | 8,65 | 35,45 |
| Hema | 3,97 | 6,7 | 3,23 | 5,72 |
| Blokker | 5,27 | 13,96 | 5,77 | 12,49 |
| Marskramer | 7,49 | 8,24 | 5,14 | 17,62 |
|  |  |  |  |  |
| **Average prices do it yourself retail shops** |  |  |  |  |
| Karwei | 10,04 | 17,25 |  | 29,34 |
| Praxis | 8,06 | 15,87 |  | 26,55 |
| Gamma | 8,48 | 16,12 |  | 24,96 |
| Formido | 9,1 | 13,6 |  | 36,62 |
|  |  |  |  |  |
| **Average prices fast moving consumer goods webshop** | |  |  |  |
| Bol.com | 19,88 | 32,1 | 8,36 | 49,45 |
| Wehkamp.nl | 12,35 | 40,29 |  | 42,84 |
| sanitairwinkel.nl | 20,96 | 24,82 | 28,85 | 52,24 |
| slimkopen.nl | 16,84 | 23,49 | 17,49 | 42,98 |

The field research in the area of the business to business market has resulted in the average pricing of bathroom accessories in the Dutch market. The positioning of each store can be rated from the average pricing details, which are based on the amount of the bathroom products and consumer pricing. Some stores, like the DYI stores and Wehkamp.nl, did not provide information on the soap holder product, the average pricing index concludes that the high positioned stores are: Bijenkorf, Karwei and Slimkopen.nl, and the low positioned stores are Hema, Praxis and sanitairwinkel.nl. The positioning of each store can illustrate which kinds of consumers are buying bathroom accessories. From this analysis, we can categorise Vroom & Dreesmann, Hema, Blokker, Marskramer, Karwei, Praxis, Gamma, Formido, sanitairwinkel.nl and slimkopen.nl as Wesmo’s target group because the average consumer prices for toothbrush holders, soap dispensers and soap holders range from 0-30 euros at these stores.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Numbers of products** |  |  |  |  |
|  | **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
| Bijenkorf | 16 | 36 | 8 | 9 |
| Vroom&Dreesmann | 37 | 69 | 4 | 70 |
| Hema | 3 | 4 | 2 | 3 |
| Blokker | 3 | 4 | 3 | 7 |
| Marskramer | 1 | 2 | 2 | 8 |
|  |  |  |  |  |
|  |  |  |  |  |
| Karwei | 15 | 17 | 0 | 18 |
| Praxis | 7 | 8 | 0 | 12 |
| Gamma | 6 | 6 | 0 | 6 |
| Formido | 2 | 2 | 0 | 2 |
|  |  |  |  |  |
|  |  |  |  |  |
| Bol.com | 29 | 24 | 16 | 61 |
| Wehkamp.nl | 15 | 11 | 0 | 30 |
| sanitairwinkel.nl | 22 | 26 | 11 | 11 |
| slimkopen.nl | 83 | 64 | 19 | 61 |

This table shows the amount of bathroom accessories that each store has in its assortment. From the analysis, it can be concluded that Slimkopen.nl has the most bathroom accessories in their assortment of the web shops, the Karwei has the most in the DYI shops and V&D have the most in the fast moving consumer goods stores.



**Estimated market size**

There are three group segments in the bathroom accessories market: the internet web shops, retail stores and the DIY stores.

It is estimated that there are around 20-30 web shops, about 1404 Dutch retail stores and about 518 DIY stores located in the Netherlands.

The percentage of the market size of web shops will be around 1,5%.

Retail stores will be around 71,9%.

DIY stores will be around 26,6%.

It can be concluded that retail stores are the biggest provider of the bathroom accessories in the Dutch market.

## Customer analysis

The potential Wesmo customers can be segmented in the following categories:

* Internet web shops (bol.com, sainitairwinkel.nl, wehkamp.nl etc.)
* Retail shops with household products (V&D, Blokker and Dille Kamille)
* Dutch hardware stores / DIY stores (Gamma and Praxis )

There are approximately more than twenty Dutch web shops which offer bathroom accessories. Most bathroom accessories are part of the peripheral product range. The core product range consists mostly of sanitary products for the bath and shower. Large web shops like otto.nl and Wehkamp offers all kinds of products, like a modern department store. The five online web shops with the greatest potential have been selected for review. The selection was based on assortment and annual sales.

**Web shop**

**Bol.com**

Bol.com, currently a part of Ahold, is a web shop with more than seven million products in their assortments. Bol.com can be considered one of the fast-growing and the number one webshops of the Netherlands. Its main products are books, DVDs, games, electronic devices and computers, but it also has fast moving consumer goods such as bathroom accessories. Bol.com’s range of bathroom accessories is quite large and includes brands like Zone, Aquanova and many more. Bol.com sells its products online.

**Wehkamp.nl**

Wehkamp.nl is a huge web shop, specialized in many product groups, like clothing, living, gardening, do it yourself, electronic devices, computers and sport articles. Wehkamp provides all kinds of products and can also be called an online department store. Nowadays, Wehkamp operates under RFS Holland Holding B.V., which also owns a few other web shops. Wehkamp also has an assortment of bathroom accessories, such as brands like Zone. However, the assortment of bathroom accessories is not as expansive as the other shops.

**Sanitairwinkel.nl**

Sanitairwinkell is a large internet web shop that offers a huge assortment of products, like whirlpool, steam cabines, saunas, baths, showers, washing sinks, bathroom furniture, toilets and bathroom accessories. This company also has a large showroom of more than 2000 square meters. It also offers various brands, like Grohe, Villeroy & Bosch and Geberit. Sanitairwinkel operates as an importer and supplier of sanitary products. Among the five potential customers analysed, Sanitairtotaal is the biggest company. Sanitairtotaal offers cheap prices for well-known brands. The design of the website is decent and very efficient to use. This company sells its products online and as the retail.

**Slimkopen.nl**

Slimkopen.nl is also a substantial online department store. Its consumers can buy all kinds of products to use both in and outside the house. It offers assortments from such product categories as do-it-yourself, gardening, living, kitchen, bathroom accessories, fast moving consumer goods and clothing. Slimkopen.nl is located in Staphorst, in the centre of the Netherlands, and it collaborates with two other online stores: Nijhof and Boer Staphorst. Its assortment of bathroom accessories of Slimkopen.nl is sizeable. There is a wide selection of toothbrush holders, soap dispensers, soap holders and toilet brushes.

**Retail shops (1404 stores)**

This analysis consists of three retail shops which specialize in fast moving consumer goods: Bijenkorf V&D, Blokker and Hema.

**Bijenkorf (10 stores)**

The Bijenkorf is a highly exclusive range of department stores in the Netherlands. Bijenkorf is focused on the value of customer intimacy, style and showcasing the premium collection. There are now around ten Bijenkorf stores in the Netherlands, and Bijenkorf also operates with a web shop. The assortment of bathroom accessories is quite expensive in comparison with other fast moving consumer goods shops because Bijenkorf provides premium brand name products.

**V&D (63 stores)**

V&D (Vroom and Dreesmann) is one of the biggest shopping flagship stores in the Netherlands, with 62 shopping malls and an average rate of 1.8 million customers per week. V&D sells everything: clothing, shoes, fashion accessories, home electric appliances, kitchen utensils, furniture, fine china, stationary, travel and camping equipment, books and CD´s.

V&D’s prices are never beyond average, and this choice addresses the wider public. Many clothes and other products are made especially for V&D. Recently, it has become possible for the customer to order products online at the V&D web shop. In the future, V&D will try to obtain a high market share in the Netherlands. It will expand to develop more shopping malls, and the online sales will also create a new source of income. The online sales doubled between 2011 and 2012. V&D is a large shopping mall which houses a medium-sized assortment of bathroom accessories. The assortment includes soap holders, soap dispensers, toothbrush holders and toilet brushes. Some, but not all, of the products are from the brand Zone. The bathroom accessories are made from stainless steel, plastic and ceramic.

**Blokker (836)**

Blokker is a retail shop specialized in household products, and it is one of the oldest retail shops in the Netherlands. Blokker sells garden products, kitchen accessories, home electric appliances, furniture and bath room accessories. The selection of bathroom accessories at Blokker is small. They use their own brand of toilet brushes, soap dispensers, soap holders and toothbrush holders. The bathroom accessories are made from stainless steel, plastic and glass.

Blokker is the Mother Company of Xenos (household retail) Intertoys, Bart Smit (a toy shop) and Big Bazaar (discount retail). There approximately 600 Blokker retail shops. Also, Blokker has web site, which has also grown to a very successful level. The customer can use the website to order products online.

Due to the economic recession, Blokker’s turnover has dropped from 2880 million euro to 2622 million. This may have happened because the consumer confidence of the retail market has decreased since the economic recession. However, the web shop has experienced an increase in sales.

**Hema (495)**

Hema is a well-known brand name in the Netherlands. Hema rtail shops provide their own brand name: HEMA. Hema offers the best basic fast moving consumer goods for the household. Hema’s assortment is large but not deep. There are around 495 flag stores in the Netherlands and 90 in Belgium. Nowadays, Hema also focuses on its online web shop to obtain greater market share on the internet shopping. The assortment of Hema’s bathroom accessories is not so large. Because Hema uses its own brand, there is not much variety in its assortment of bathroom accessories.

**DYI shops (518 total stores)**

This analysis consists of two largest Dutch DYI shops: Gamma and Praxis

**Gamma(165 stores) & Karwei (136 stores)**

Gamma is a low cost DIY company, it positions itself as a provider of low cost and good quality products. Gamma sells all kinds of DIY products which are not luxury but functional and friendly. Gamma is one of the market leaders in the DIY sector and is the mother company of another DIY retail shop called Karwei. Gamma's turnover is estimated at around €600 million.

Gamma’s assortment of bathroom accessories is substantial. Most of its bathroom accessory products are made from ceramics and stainless steel. Most of the bathroom accessory products, like soap dispensers and toothbrush holders are wall-fitting and ready for the installation. There are also a few soap dispensers and toilet brushes, which are stand-alone. Gamma’s bathroom accessory products are from the brands like Haceka and Spirella.

Gamma is the mother company of Karwei. The research of the do-it-yourself store indicates that Karwei focuses on interior design and is marketed directly to consumers. Gamma is a do-it-yourself store with products for the professional builder.

**Praxis (139 stores)& Formido (78 stores)**

Praxis is a Dutch DIY retail store which has approximately 140 retail stores in the Netherlands. It is the daughter company of the investment company Maxeda, which is also the owner of another Dutch DIY retail store called Formido. Praxis are very big stores, with around 5000 to 8000 square meters. Praxis sells not only DIY products but also garden products. The assortment of bathroom accessory products at Praxis is almost the same as Gamma; most of the bathroom accessory products are made from ceramic and stainless steel, and products like toothbrush holders and soap dispensers are for wall-fitting, which means that these products are ready for installation into the walls of the bathroom. There a few bathroom accessory products, like soap dispensers and toilet brushes, which are stand-alone. The brands of Praxis are Haceka, Spirella and the self-titled Praxis brand. The research indicates that Praxis is more of a do-it-yourself retail store for consumers, and the assortment contains products for the interiors of houses. Formido is the professional do-it-yourself store for the professional builder.

## Competitive analysis

**Spirella bathroom accessory & Smartwares B.V.**

Spirella is a Swiss company specialized in bathroom accessories, bath textiles, suspension systems and comfort items for the bathroom. Spirella has a large assortment of bathroom accessories. Most of the DIY retail shops and some web shops in the Netherlands have the brand Spirella in their assortment of bathroom accessory products. Spirella is not based in the Netherlands, but it has given licensing Smartwares BV.

Smartwares is a fast growing consumer goods company offering a wide selection of household products which are used for, in and around the home. Smartwares sells these products to the retailers like DIY retail shops, V&D, Blokker and Xenos. Smartwares has a large assortment of fast moving consumer goods, and in addition to bathroom accessories, they also sell decorations, safety and lightning products, cleaning products and home products. Smartwares operates as a wholesaler of all these products and sells them in the business to business market. Smartwares operates within the retail market and the webshops, and the same products from the brand name Spirella are also from Smartwares.

**Mission and strategy of Smartwares**

Smartwares’ strategy includes good quality, good design, solid product guarantees and reasonable pricing. Smartware’s strategy concentrates on operational excellence and customer intimacy, with a reliable product, good quality, high customer satisfaction rate, optimal service and reasonable pricing. Smartwares wishes to adapt to the Dutch market and create a real value for their products. This value should be combined with high standards of quality and reasonable pricing.

**SWOT Smartwares**

Strengths and weaknesses

Strengths

* Strong position in the growth market of fast moving consumer goods
* Strong market position, due to the economic recession
* Good financial position, with the possibilities to invest in or acquire other companies
* Leadership with fast moving consumer goods
* Strategic alliances with investment partnerships and private equity firms

Weaknesses

* Fully financed by private equity; the company does not have its own equity
* Operates mostly in the retail market; due to financial problems in the Netherlands, the retail market is at lowest level of the year

**Zone Denmark bathroom accessories**

Zone Denmark is a Danish company offering consumers designer home products with high quality Danish design. The target of Zone Denmark is the modern household. The range of products are for the kitchen and bathroom. The assortment of Zone contains products of bathroom accessories towels, soap dispensers or toilet brushes. Zone Denmark is active in more than 35 countries and is mainly focused in Europe. In the Netherlands, you can find these products in the V&D, Bijenkorf and several web shops. The wholesaler of Zone Denmark in the Netherlands named Bridg and is located in Zuidwolde.

**Bridg BV**

Bridg BV started in 1992 and has developed as a supplier and wholesaler of home decoration products. The home decoration products specialize in kitchen, bathroom and living room accessories. Brigd has a joint venture with the Bovictus group from Denmark, which represents brands like Zone, Galzone, KJ Collection, Villa Collection and Be on Fire. Besides its huge assortment of decoration products, Bridg also operates in the food market, with products such as chocolate, yoghurt, tiramisu and licorice. Bridg operates in the business to business market and sells the product brand Zone. Fast moving consumer goods stores like Bijenkorf, Vroom and Dreesmann, and web shops like Bol.com, Sainitairwinkel.nl and slimkopen.nl have the products from Zone in their assortment.

**Mission and strategy of Bridg BV**

The mission and strategy of Bridg advocates ease and pleasure at home. All of its products are of a high quality and a distinctive Zone Design, which is trendy and modern. The extensive range of products are colored design and with European quality. The design adds value to the home. Bridg targets the young household, from the late twenties to the early fifties. Its designs are focused on the modern target group. Bridg operates under a product leadership strategy which claims that the products of Bridg are both modern and the state of the art. Its focus is the innovation of the current product line. The products of Bridg are only sold in shopping malls as V&D and Bijenkorf and several web shops. Every year there is a new collection of the home decoration products.

**Strengths and weaknesses of Bridg**

Strengths

* Well designed and colorful products
* Specific target group (shopping malls) and exclusive web shops
* Joint venture with a popular brands worldwide
* Good relation with retail

Weaknesses

* High cost and price
* Small market share of product

**Inno Essentials**

Inno Essentials is a producer of home decoration products like bathroom accessories, kitchen accessories and living room accessories. Some of the famous product lines in the Netherlands are Herman’s (Herman den Blijker) kitchen accessories line, tooth brush holders, toilet brush holders, dispensers and so on. Inno Essentials is active in the Netherlands, Germany and Great Britain. The head office is located in Germany, but the sales office is in the Netherlands. The design of Inno essentials products looks very simple and employs basic colors like white, black and metallic. Inno Essentials operates in the Dutch market, although at the moment only Blokker and Marskramer have their products. Inno Essentials operates in the fast moving consumer goods stores.

**Mission and strategy of Inno essentials**

Inno Essentials focuses on a low pricing strategy for achieving operational excellence. The assortment of Inno Essentials is limited, and the total cost is low, due to the fact that Inno owns its production line. Therefore, Inno Essentials operates as a manufacturer, wholesaler and retailer. Working with this organization, Inno Essentials tries to keep the cost at a low level. Due to the short channel, Inno Essentials has the ability to transport its goods very fast and can sell the product for cheap prices. There are very limited retail shops which have the brand Inno Essentials. Only Blokker has it, but it is also active as a web shop in the Netherlands. The headquarters of the web shop is also located in the Netherlands. Inno Essentials maintains a collaborative partnership with some famous Dutch celebrities like Herman den Blijker and Leotien van Moorsel, who have introduced product lines like kitchen accessories and living room decorations.

**Strengths and weaknesses of Inno Essentials**

Strengths

* Short sales channel
* Partnership with Dutch celebrities
* Cheap home decoration products
* Own web shop of Inno Essentials

Weaknesses

* No specific target group
* Web shop has a large assortment of products
* Limited retail and web shops in the Netherlands; small market share in the Netherlands

**Competition vs Wesmo Netherlands**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Competition | Spirella | Zone Danmark | Inno Essentials | Wesmo |
| Customer segments | Upper Class middle segment | High upper class segment | Lower class middle segment | Lower and middle class segment |
| Value proposition | Innovation and convenience style | Design and innovation | Cheap | Innovative and cheap |
| Customer Relationships in the Netherlands | Retail, web shops Bijenkorf, V&D, Praxis, Karwei, Bol.com and slimkopen.nl | Retail stores and webshops Bijenkorf , V&D, bol.com, wehkamp.nl, sanitairwinkel.nl and slimkopen.nl | Fast moving consumer stores Blokker and Marskramer | Retail stores and web shops |
| Channels | Trade partners | Trade partners | Own distribution | Wesko B.V. |
| Key Activities | Bathroom accessories | Bathroom accessories | Bathroom accessories | Bathroom accessories |
| Partners | Smartwares | Birgd | None | Wesko B.V. |

## External distribution analysis

The distribution analysis will help Wesmo to get a clear view of logistics chain of the target groups in the Dutch market.

All three target groups have their own of distribution chain to their end user. These analyses will show how goods are distributed to the end user.

Shipment order

Supply chain

MC900297985[1] MC900079072[1] MC900310940[1] MC900285578[1] 

Warehouse/storage

Wesmo

Manufacturer

Wesmo

Whole Saler, agent, importer,and supplier

Transport/carrier



Headoffice

**Fast moving consumer goods**

Selffridge group (bijenkorf)

Sun Capital (V&D)

Blokker Holding (Blokker & Marskramer)

Lion Capital (Hema)

**Do-it-yourself stores**

Intergamma (Karwei & Gamma)

Maxeda ( Praxis & Formido)

**Web shops**

Ahold (bol.com)

Fonq (wehkamp)

Purchase order

MC900089220[1] 

Sanitairwinkel.nl

Slimkopen.nl

Web Shop

Retail shop

DYI-shop

End-User

Consumer

The analysis shows that the Wesmo efficiently distributes bathroom accessories to the market. Wesmo operates as two intermediaries: manufacturer and warehouse/storage. This gives Wesmo opportunities with the distributing the products to the foreign market and has the advantages in the cost analysis of the logistics. Wesmo will receive the order from the wholesaler/ importer and will send the shipment to the wholesaler/ importer; the wholesaler/ importer will then send it to the retail shop/DYI or web shop, and the retail will sell it to the end user, the Dutch consumer. Wesmo has these opportunities because it has control of both sales and production, which will cut a lot of cost.

# How can Wesmo position itself to the Dutch market?

## Porter Five forces tool

The Porter’s five forces tool helps Wesmo to understand the business situation in the Dutch market. It will help delineate the strengths of the competitive position and understand where the advantage lies for Wesmo. The Porter Five forces will identify the following five factors: supplier power, buyer power, competitive rivalry, threat of substitution and threat of new entry.

**Supplier Power**

The supplier power describes the numbers and size of suppliers, as well as the uniqueness of service and the cost of change. The amount of suppliers in stand-alone bathroom accessories are not great. The distribution analysis showed that Wesmo oversees the supply chain from China to the Netherlands. Wesmo does not have any relation with other suppliers. Wesmo produces bathroom accessories and has its own storage. It also has its own means of production and buys raw materials in China. This means that Wesmo will not have any trouble with supplier power in the Dutch market.

**Buyer power**

The buyer power indicates Wesmo’s target group and will help to understand the buying decision, the transparency of the bathroom accessories market and the gross margin of the bathroom accessories. The business to business market for bathroom accessories in the Netherlands has a huge amount of buyers, but there are differences between the stand-alone products and the build-in products. The stand-alone products are mostly available in department stores, fast moving consumer goods, web shops and DYI shops. The build-in products are available in web shops and DYI shops. The stand-alone products have all kinds of brands and are confronting a gross margin of 30-40%. The business to business market does not have the access to the production sources. In general the buyer power is quite neutral. The bathroom accessories can be sorted as a heterogeneous product. Most of the business- business market is controlled by the head office. From the business to business analysis there are around 2300 do-it-yourself stores in the Netherlands and 3735 fast moving consumer goods stores. The small web shops in the Netherlands have more buying power than the big chain stores of do it yourself, and the fast moving consumer goods stores, because the big chain are controlled by the Head office. The small web shops have the freedom to expand their assortment.

**Competitive Rivalry**

The competitive rivalry of the bathroom accessories is quite neutral. In the last few years, the competition of the bathroom accessories has remained equal and unchanged. The products of stand-alone bathroom accessories are changing slowly; mostly once a year the supplier changes its style. The market is confronting the cheaper alternatives more often. Due to the economic recession, the Dutch market searches for cheaper models. The situation in the Dutch market is affected by the economic recession, so average households cannot afford much and are seeking cheaper brands. The price and quality are becoming more important factors.

There are a lot of other bathroom accessory brands, like Spirella, Zone, Koziol and Inno-Essentials. Zone is in first place as the most expensive, and Spirella is second. Kozil is third, and Inno Essentials is the fourth cheapest.

**Threat of substitution**

The threat of substitution of the bathroom accessories market is low because there are no similar substitutions for the bathroom accessories. A few examples of substitution are cups as toothbrush holders and plastic bottles instead of soap dispenser. However, the threat of substitution on the Dutch market is minimal.

**Threat of new Entry**

The threat of new entry is affected by the ability of people to enter the market. There are no patents on the bathroom accessories; it is a transparence market. It is difficult for a new competitor to enter the market because the expensive producing cost and shipping cost to the Dutch market takes a lot of money and time. Only the well-known design brands or cheap brands can easily enter the market.

**Conclusion Porter model**

*(See appendix 10)*

The Porter analysis showed the threats for Wesmo before entering the Dutch market. The important threats are the bargaining power of buyers and rivalry among existing firms. The bargaining power of buyers is controlled by business to retail customers. These retail customers can easily change from supplier, which can affect the purchasing of the retail customers and some of the retail stores, like Bijenkorf and V&D, who have their own fixed suppliers. The rivalry among existing firms can also cause a threat for Wesmo. At the moment there are three big suppliers in the Netherlands: Zone Denmark, Spirella and Inno Essentials. Each of these competitors has its own market. Zone Denmark segments itself in the upper high class segment, Spirella segments itself in the upper middle class segment and Inno essentials segments itself in the lower middle class segment. The Dutch bathroom accessories market is divided by these three suppliers. The influence of these not a big threat at all, because the Dutch bathroom accessories market is still in the development and introduction stage. The market can still develop further, and Wesmo can position itself between the middle and lower class segments. There are enough opportunities to operate in the Dutch market.

## Entry strategy

There are many ways of entering a foreign market. To enter a foreign market, it is important to research it and select sales channels and companies which operate in the current market. The choice of the entry strategy depends on the distribution policy of Wesmo and internal and external factors. From the internal analysis, Wesmo is identified as a customer focused company with an extensive range of product lines. These factors have also shown that Wesmo has been active in the international market. Wesmo has exported its products to North and South America, the Middle East and Australia. The products of Wesmo are produced cheaply in China, which has the benefits of production and assembly. The external analysis has shown that the Netherlands is a completely new export country for Wesmo. The Dutch market has potential because of the small range of bathroom accessories available in the Dutch market. The situation also has its advantages because of the international joint venture opportunities of Wesmo.

Many Chinese companies choose an agent to operate in the Dutch market. However, Wesmo has its advantages because of the healthy relationships with the Wesko group. In a certain way, Wesmo can start a joint venture with the Dutch company to operate in the Dutch market. The Wesko group should have the knowledge of socio-cultural aspects, the situation and possibly the customers in the Dutch market.

**Joint selling**

For operating in the Dutch market, Wesmo should choose the international joint venture, which emphasizes two companies working together, to use the sales organization of a foreign company. In this case, Wesmo will use the Wesko group’s sales organization to operate in the Dutch market. The exchange of product ranges could bring advantages for both parties. Wesmo will can enter the market more quickly, the global investment of export will be much smaller and the two companies can help each other with the designing and selling of products.

## Porter Generic competitor analysis

*(See appendix 11)*

The Porter generic strategies concentrates on four kinds of strategies: cost leadership, differentiation, cost focus and differentiation focus. Each strategy has its own value. The cost leadership strategy contains increasing profits and increasing market share through reducing all cost and charging lowing prices. The cost leadership strategy focuses on a very efficient way to operate in the market, attempting to create a bigger market share through low cost base, efficient logistics, efficient marketing strategy and low cost production. The differentiation strategy involves making products or providing services differently than other competitors. One of the biggest examples is Apple. The differentiation strategy focuses on good research, development, innovation, ability to deliver high quality products, effective sales and marketing. The focus strategy concentrates on particular niche markets and attends to the unique needs of customers.

**Cost leadership**

Wesmo is gaining a sizeable competitive advantage because it is the producer of the bathroom accessories. All the production processes are controlled by Wesmo, and this can allow them to save a lot of cost and operate in a very efficient way in the market. In other words, Wesmo can offer low prices and good quality.

**Differentiation**

In the case of differentiation, Wesmo is improving their product line each year by adding colors or other handy features to their products to make them more easy to use. The development and innovation of Wesmo is not the same as other European competitors for two reasons. First of all, Wesmo products are better adapted to the Asian market. Secondly, the use of the products is sometimes not the same.

**The focus cost leadership strategy**

Wesmo operates in the B2B market, where it sells to the retail market and wholesalers. Due to the control over production and the cheap labor in China, Wesmo operates with cheap prices. The focus of the business to business market is mostly on the retail shops, which are selling to the lower and middle class consumers.

The best competitive strategy of Wesmo is the focus cost leadership. Wesmo should concentrate on the focus cost leadership strategy, which targets a particular group of consumers with the product line of Wesmo. This choice is mainly because Wesmo is a new in the Dutch market and does not have any market share. Also, because of the focus cost leadership strategy, Wesmo can concentrate on a particular target group with the strategy of Wesmo to obtain market share on the Dutch market. The external analysis indicates specific competitors who focus on their own target group. Competitors like Spirella and Inno Essentials, focus on the middle to lower segment of the Dutch market, and Zone Denmark focuses on the middle to upper class segment of the Dutch market. Wesmo should target the lower segment class of the Dutch market. The internal analysis indicates what Wesmo is capable of doing with their product line, and the own production of Wesmo showed the advantages of efficiency with the pricing. It can also make the other departments, such as marketing & sales and logistics on a certain level very efficient. The Joint Venture with the Dutch company Wesko can solve a lot of efficiency and cost for an import company. Wesmo can use the warehouse of Wesko and Wesko helps Wesmo to operate on the Dutch market, with this help Wesmo can cut a lot cost of export.

## Treacy and Wiersema

*(See appendix 12)*

The Treacy and Wiersema Value discipline models indicate two different values which are operating excellence: product leadership and customer intimacy. This model look familiar to the Porter generic strategy, but there are some differences between the generic strategy and the value discipline of Treacy and Wiersema. Treacy and Wiersema focused on the customer relationship by adding the customer intimacy value. Porter’s focus is the market focused values. The three values of Treacy and Wiersema are; product leadership, operating excellence and customer intimacy. The product leadership value is characterized by the product, which are the best in their market and have high values of the customers. The principles are innovations, quality and best service. Operating excellence value contains the low or lowest price with great excellence of operating. The principles are cost reducing and enterprise performance. The customer intimacy is characterize by only one value: customer niches. The principles are: understanding the individual customers and operating accordingly.

**Operational excellence**

Wesmo provides quality products for low prices, which is not comparable elsewhere in the Dutch market because the bathroom accessories in the Dutch market are from European suppliers. There are also some Dutch web shops operating with the same product line as the retail shops. All the retail shops and web shops buying products from the Dutch wholesalers, who import bathroom accessory products from Switzerland and Denmark. Wesmo can operate more efficiently by reducing the cost through production or other processes in the company.

**Product Leadership**

Wesmo innovates its products every year by changing its product line. The consumer can choose the basic product line of Wesmo, or there is a possibility to for full the customer needs and request. The product leadership is not the strongest point of Wesmo.

**Customer intimacy**

Wesmo is focused on the business to business market, and it has contacts in the Middle East, Asia, Oceania, North and South America. Wesmo sells their products to retail shops or wholesalers through their multilingual Sales & Marketing department, which can communicate in languages such as English Spanish and Arabic.

Best solution strategy in the Netherlands

From the internal and external analysis, it can be concluded that Wesmo can adapt the operating excellence value of Treacy and Wiersema. This value strategy emphasizes the efficient use of all the sources of the company. Due to the fact that Wesmo owns its own production line, its own Marketing & Sales Department, its own distribution and its own systems of pricing and quality control, it is clear that they can control all of the vital company processes. This can have a lot of advantages, such as quick delivery of products, and company controlled improvements to the products.

It is necessary to analyze the cost and the adjustment processes during production. All this efficiency can save Wesmo a lot of money and can lower the prices of the product. There is also the strategic advantage of being a producer and importer of the products. Wesmo can differentiate themselves from all other competitors through their methods of quick delivery, low pricing and high quality. All of these advantages can be used to distinguish Wesmo from other competitors in the Netherlands.

The competitors in the Netherlands are mostly from countries like Switzerland, Denmark and Germany. The competitors’ products go through the channel of the wholesaler and then to the retail shops. However, Wesmo’s joint venture relation can help them to surpass this channel and sell directly to retail shops or to consumers.

## SWOT analysis & confrontation matrix

Strengths

* Own storage warehouse
* Low overhead cost (cost advantage)
* Extensive range of products in bathroom accessories
* Small motivated growing organization
* Low prices and reasonable quality products

Weakness

* Not a clear marketing strategy
* Little market presence or reputation
* All the process are done by Wesmo, the manufacturing, design, selling, and etc; there are no outsourcing activities
* Lack of financial resources
* Small staffed organization

Opportunities

* The rise of the amount of web shops in the Netherlands has doubled over the past years
* The stand-alone bathroom accessory does not have a lot of brands
* Connection with the Dutch company
* Test reports of product (easier to export)
* There is no cheap brand on the market

Threats

* The sales decline of retail shops and DIY shops
* Strong competitors ( Smartwares and Zone Denmark)
* Weak Dutch market , decline of sales and bankruptcy of retail shops
* Not much experience in the Netherlands
* A few substitution product on the market

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **strenghts** | | | | | **weakness** | | | | |
|  |  |  | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
|  |  | Own storage warehouse | Low overhead cost | Extensive range of products bathroom accessories | Small motivated and growing organization | Low prices and reasonable quality products | Not a clear marketing strategy | Little market presence or reputation | Only one trade partner in the Netherlands | Lack of financial resources | Small staffed organization |
| **opportunities** | 1 | The rise of web shops in the Netherlands | **5** | **5** | **5** | **1** | **5** | **0** | **5** | **0** | **0** | **0** |
| 2 | The stand-alone products do not have many brands | **3** | **5** | **5** | **3** | **5** | **3** | **3** | **0** | **5** | **3** |
| 3 | Connection with the Dutch company | **5** | **3** | **5** | **3** | **5** | **3** | **3** | **3** | **3** | **5** |
| 4 | Test reports of products | **3** | **3** | **3** | **3** | **3** | **0** | **0** | **3** | **3** | **5** |
| 5 | There no cheap brands available on Dutch market | **3** | **5** | **3** | **5** | **3** | **3** | **3** | **5** | **3** | **3** |
| **threats** | 1 | The sales decline of retail shops | **0** | **0** | **0** | **0** | **0** | **5** | **0** | **0** | **3** | **3** |
| 2 | Strong competitors | **5** | **1** | **0** | **5** | **5** | **5** | **3** | **1** | **3** | **1** |
| 3 | Weak Dutch market decline sales, bankruptcy | **1** | **0** | **3** | **1** | **1** | **3** | **5** | **3** | **5** | **0** |
| 4 | Not much experience on the Dutch market | **3** | **3** | **3** | **1** | **1** | **3** | **3** | **5** | **0** | **3** |
| 5 | Few substitution product on the market | **1** | **3** | **1** | **0** | **3** | **0** | **0** | **3** | **3** | **3** |

Rate every combination

0 (no issue)

1 (low issue value)

3 (issue)

5 (important issue)

Green (positive)

Red (negative)

Blue (neutral)

**Conclusion of the SWOT confrontation matrix**

The confrontation matrix has shown the strategic value of the internal and external analyses and the value of the identified chances, weaknesses, strengths and threats, due to the matrix. In the confrontation matrix, there is a link between the all four strategic values. In the case of Wesmo, the analysis identifies the company as an operationally excellent company.

In the Netherlands, the rise of the web shop is enormous, but there is huge decline of retail shops. Due to this decline, retail shops are searching more for products which have a better gross margin. This is one of the large advantages of Wesmo. Wesmo can control their cost because of the all the processes that they control. The product range of Wesmo could affect the Dutch market because, in the Netherlands, there are no cheap bathroom accessory brands on the market. Due to the opportunities and the strengths of Wesmo, the both strengths and oppotunities can affect the Dutch market positively.

The extensive range, low prices and reasonable quality products of Wesmo’s could have a big influence on the opportunities in the Dutch market, because in the Dutch market, there are not many stand-alone products. The customer focused technique also has its advantage on the Dutch market; this will help to attract more web shops and to bring the product more easily to the Dutch market. Also, the small organization of Wesmo can change quickly, which will help to strengthen the opportunities to operate quickly in the web shop market and in the bathroom accessories market for stand-alone products.

One disadvantage for Wesmo is that it does not have a clear marketing strategy; this will increase threats from the strong competitors and the decline of retail sales. The minimal presence of Wesmo in the Dutch market and the weak Dutch market will negatively affect sales. The lack of financial resources will lead to more threats, also the weak Dutch market and the strong competitors, this will all affect the entering of Wesmo.

To strengthen the company and reverse the threats, Wesmo should invest in a clear marketing strategy, the operational marketing plan will help Wesmo entering the Dutch marketing. This will help Wesmo to be few steps ahead and to predict problems before entering the market. The lack of financial resource will lead to a difficult problem for Wesmo to enter the Dutch market. Wesmo should be very creative and efficient in the Dutch market. With a clear marketing plan, the company can create a bigger presence in the Dutch market. The small staff organization of Wesmo can also be expanded, but it take some time to reverse this weakness.

Wesmo’s focus is to clarify a marketing strategy and to be creative with the marketing tool; this will lead to more presence on the Dutch market and can strengthen the opportunities within the Dutch market. It will also help Wesmo to focus on its target group with the operational excellence strategy. The efficiently personal contact in promotion and place are important key factors. This will strongly emphasize Wesmo’s strategy, based on low pricing products, reasonable quality and personal contact with the customers.

The financial position of Wesmo has some drawbacks, but with its own production, Wesmo can determine the gross margin. While the Dutch market is experiencing a difficult time, Wesmo can decrease the gross margin, and when the Dutch market is booming again, Wesmo can raise the gross margin. This will put Wesmo in a favorable position and can also put pressure on the market.

# How can Wesmo operate in the Dutch market?

## Operational Marketing plan

Operational achievements

Short term objectives

Before entering the Dutch market, Wesmo will set goals and objectives

* To create 30% of the Dutch household brand awareness
* To achieve 10% market share on the business to business market
* To achieve at least 5% loyal customers
* To achieve 15% market share customers of the web shops

To achieve these goals and objectives requires a marketing plan for the Dutch market.

Long term objectives

* To create a sustainable distribution channel from China to the Netherlands in 2-3 years
* To create 50% of the Dutch Household brand awareness
* To achieve 25% market share in the business to business market
* To achieve at least 5% loyal customers
* To achieve 20% market share customers of the web shops

## Segmentation and target group Dutch market

To operate in the new market, Wesmo should investigate the new customer groups and segmented Dutch market and choose a target group. Wesmo operates in the business to business market, which is their speciality in comparison with existing customers. Therefore, Wesmo should concentrate on the business to business market in the Netherlands.

In order to be successful in the Dutch market, it is important to position on the Dutch market. The segmentation will allow Wesmo to distinguish their target group will help them to produce a specific marketing strategy to their desired target group.

From the internal analysis and the customer data base, Wesmo’s assortment has shown all kinds of models in bathroom accessories. This segmentation of Wesmo is in the direction of sales-oriented production, but for some large orders Wesmo can also design an exclusive product-line in bathroom accessories. In most of the cases, Wesmo has a sales-oriented production and control over its assortment. The segmentation of the business to retail market in the Netherlands are the retail shops in the Netherlands and the internet web shops. The retail shops can be segmented into DYI shops and household shops.

**List of possible target groups on the Dutch market**

|  |  |  |
| --- | --- | --- |
| Retail households shops | DYI retail shops | Internet web shops |
| Bijenkorf | Gamma | Bol.com |
| V&D (Vroom and Dreesmann) | Praxis | Wehkamp.nl |
| Blokker | Karwei | Sanitairwinkel.nl |
| Marskramer | Formido | Slimkopen.nl |
| Hema |  |  |

The business to retail market is a difficult market to approach. Most of its target group is controlled by the DMU (Decision Making Unit). The DMU makes decisions by buying products. Each customer groups has their own decision making unit by buying their stock.

|  |  |  |  |
| --- | --- | --- | --- |
| DMU | Internet web shop | Retail shop fast moving consumer good/ household | DYI retail shop |
| Buyer | X | X | X |
| Controller |  | X |  |
| User |  |  |  |
| Chief | X |  | X |

The graph showed that the Decision making unit or account management of the retail shop and do it yourself retail shop will make the decision of buying the products. Only the independent entrepreneurships and franchisee can make the decision easily of buying the products.

## Positioning Dutch market

The Dutch market is a new market for Wesmo, and to make Wesmo’s products successful in the Dutch market, it is important to create a brand which will translate the vision and mission of Wesmo® to the Dutch market. This brand will translate the benefits, unique selling points and unique reasons for buying Wesmo’s products. Wesmo will create buyer awareness, which will assist the strategic marketing promotion tool.

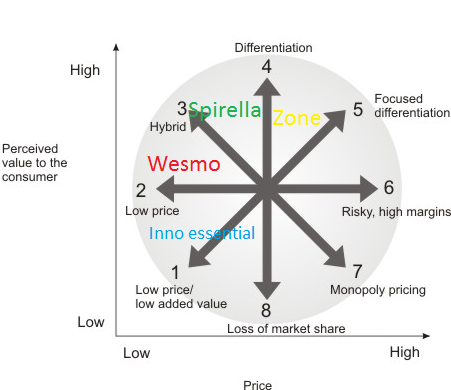
Wesmo’s main products are bathroom accessories, and Wesmo’s target groups are the business to business market and the end user, who is the Dutch consumer from the average Dutch household.

There three other active competitors in the Dutch market: Spirella (Smartwares), Zone (Bridg BV) and Inno Essentials. Each competitor has an agent who is active in the Dutch market. To define the positioning of the three competitors, it is first important to have a clear view of the positioning.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Spirella (Smartwares) | Zone (Bridg BV) | Inno Essentials | Wesmo (Wesko group) |
| Assortment | Small assortment bathroom accessory | Small assortment bathroom accessory | Small assortment bathroom accessory | Large assortment in bathroom accessory |
| Price/Quality | Cheap price/medium quality | Expensive prices and high quality | Cheap prices and low quality | low prices and reasonable quality |
| Marketing activities | Fairs and sales team | Fairs and sales team | Sales team | Fairs and sales team |
| Web shops | No | No | No | No |
| Segment | Average household | High household segment | Low household | Average and high household |
| Promotion ideas | Aimed at business to business market, to create more market share | Aimed at more exclusive and highly segmented retail shops | Aimed at low segmented retail shops | Aimed at the middle and highly segmented retail shops and web shops |

This tables shows that all three companies are divided in their own target group. That indicates that Wesmo will aim at one of the competitors target group. Wesmo will target the middle and highly segmented retail shops and web shops. They have advantages in cheap production of the Danish and Swiss products. Wesmo should use reasonable quality fabric to develop sustainable products that will fulfill the target group’s demands.

**Bowman’s strategy clock**



From the figure above, it is clear that Wesmo can be placed between the low price and the hybrid strategy. Wesmo will define its product as having a low price and a reasonable quality. The strategy analyses advises Wesmo on an operational excellence strategy which explains how to operate more efficiently than other suppliers. Wesmo can produce its product cheaply because of the low overhead and production cost, and this will help to keep the prices low for a reasonable quality. Wesmo will focus on the middle and lower class segment target group. This will position Wesmo between the brands Spirella and Inno Essentials.

## Marketingmix Dutch Market

**Product**

For the Dutch Market, Wesmo should first offer a small line of bathroom accessories products. These bathroom accessories should include such products as soap dispensers, toothbrush holders, soap holders and toilet brush holders. The competitors’ assortments are filled with materials such as stainless steel, plastic, marble and porcelain. Wesmo should therefore also design a new line for the Dutch market with the materials stainless steel, plastic, marble and porcelain. These products should have the appearance of modern products. Wesmo should position the product as high quality, innovative and functional home products.

Samples:



These will be included in the new product line for the Dutch market.

**Price**

Wesmo should position itself cheaper than two competitors as Zone Danmark and Spirella. The advantage of the price strategy is Wesmo’s unique production and design. Wesmo has the advantage of its own production and can produce the product cheaply. The cheap price and high quality will be an attractive unique selling point.

**Place (distribution)**

Wesmo cooperate with Wesko Group B.V. in an international joint venture. This is the following distribution channel:

Web shopsInternet Web shops supply chain

Web Shop

Warehouse/storage ijsselmuiden Wesko

Transport/carrier

Manufacturer

Wesmo

MC900297985[1] MC900285578[1] MC900079072[1] MC900089220[1] 

End-User

Consumer

Retail shop fast moving consumer goods & DYI shops

Shipment order

MC900297985[1] MC900285578[1] MC900310940[1] MC900079072[1]

Transport/carrier

Manufacturer

Wesmo

Warehouse/storage

IJsselmuiden Wesko



Purchase order

Headoffice

MC900089220[1] 

Retail shop&

DYI-shop

End-User

Consumer

From IJsselmuiden, the product will be supplied to the business to business market. This an interesting point of distribution because IJsselmuiden is situated in the North-middle section of the Netherlands.It will be easier to distribute the products from IJsselmuiden to the rest of the Netherlands.

**Promotion**

The promotion tool is one of the most important for Wesmo, due to its entrance into the Dutch market. The promotion tool will help Wesmo to create brand awareness and more sales in the Dutch market.

The following promotion tools are advised:

* Direct Marketing
* E-Marketing
* Personal selling
* Promotion (P.R. promotional activities)

With these tools, Wesmo will try to create its own brand awareness which includes good quality and innovative products. This will help them to achieve more sales in the Dutch market. All these tools will be explicit explained in the marketing communication tools section.

**Personnel**

The personnel tool includes the employees of Wesmo. In order to enter the Dutch market, Wesmo first needs to investigate the market, with the help of Westerink. To export the product into the Netherlands, Wesmo should have storage available for bathroom accessories. Wesmo’s Human Resource Department will select a salesman based on their abilities and education. The salesman will take responsibility for the sales in the Netherlands. If Wesmo successfully enters the market, more salesmen will be hired. The focus of the sales agent to communicate with the business to retail customers, the decision making unit and account management of the retail stores.

**Presentation**

The presentation of the bathroom accessories is an important issue. In the head office, bathroom accessories should be well-presented by Wesmo; each bathroom accessory’s picture will be made even more visually attractive to the customers. The business to business customer will be told by Wesmo how to present the bathroom accessories to attract the customers.

## Marketing communication tools

For entering the Dutch market, Wesmo should develop a marketing communication strategy to reach their target groups in the Netherlands. The unique selling points Wesmo will use to reach the desired target groups are the reasonable quality, low prices, innovation and usefulness of their products.

The followed promotional tools are advised for entering the Dutch market:

* **KVK startersdagen & Fenex membership**
* **Direct marketing**
* **E-marketing & social media**
* **Personal selling**
* **Promotion**

**KVK startersdagen & Fenex membership**

The Dutch market is an unfamiliar market for Wesmo, and therefore it is important to invest in the connection with the Dutch business to business market. The KVK startersdagen en Fenex memberships help foreign entrepreneurs to network. However, Wesmo’s current contacts in the Netherlands is insufficient. With the help of KVK starterdagen en Fenex memebership, Wesmo can gain more contacts with the Dutch business to business market and enter it successfully.

**Direct marketing**

The purpose of the direct marketing tool is to create a new customer community in the Dutch market. With the direct marketing approach, Wesmo will invest in sustainable relationships with their business to business customers. One of the direct marketing techniques that can be used is sales promotions; for example, the new customer will get a 10% discount. Wesmo can also arrange a “take a friend” discount. When existing customers come with a new customer he or she will receive a discount. Another possible sales promotion technique is when customer makes big order he will get a greater discount.

**E-Marketing & social media**

Nowadays, the internet is a powerful tool for many companies to stimulate their sales. However, the question is how to use the internet properly to stimulate sales. The purpose of e–marketing and social media is to create more sales and more brand awareness with a pull-effect. The amount of web shops in the Netherlands is still rising every year, and the sales notes are also very positive. For Wesmo, this is an opportunity to open an online web shop in the Dutch market, especially for the business to business market. The social media approach, using Facebook and Twitter, will create more brand awareness in the Dutch market. When Wesmo enters the Dutch market, no one will know the brand, but with the social media tool, Wesmo would like to create more brand awareness. Wesmo can open free Facebook and Twitter accounts to recruit followers and create a high level of brand awareness. This is a possible pull strategy which can be used to create more sales.

**Personal selling**

To create more sales in the Dutch market, Wesmo can also use personal selling techniques. The personal selling tool employs personal representatives and fairies. The sales representative will contact the business to business customer personally. In the Netherlands, there are many kinds of Home and living exhibitions which Wesmo can use many fairies with products. That is, Wesmo is active in the “Huishoudbeurs, Excellent Wonen & Leven Beurs and Lifestyle Beurs”. This exhibition contains all kinds of living decorations and accessories for the home. Wesmo can arrange a stand and promote their products. Another way of personal selling is to do an interactive marketing action with the Dutch consumers, Wesmo can help some Dutch consumers decorate their bathroom with the products of Wesmo.

**Promotion**

The purpose of promotion is to create more brand awareness, because Wesmo is a new brand and is still unknown in the Dutch market, it is important to create brand awareness. This promotional tool, which Wesmo can use to create brand awareness, is similar to public relations and affiliate marketing. Wesmo can use public relations to create more brand awareness by gaining the free publicity. The free publicity will be displayed on the local newspaper, in newsletters and maybe even in blogs and social media.

Affiliate marketing is performance based marketing, which will reward the affiliate for their marketing effort. Affiliate marketing will help Wesmo create a network of customers with the help of the publisher. Some of the advertising methods are the SEO search engine optimization, engine marketing and content marketing. This affiliate marketing is a new type of advertising and can help to create more brand awareness. Wesmo can choose the SEO the search engine optimization; this will help Wesmo to be more easily found through the search engine. Wesmo can also put some small advertisements on other websites to promote their brand awareness.

# Logistic aspects

The business will be expanded and exported to a whole new market. It is important that Wesmo export their product to the Netherlands. From the analysis, it is suggested that Wesmo use an international joint-venture. The joint venture will help Wesmo sell their products in the Dutch market. The products will be shipped to Rotterdam Harbour, and from the harbour they will be transported to the warehouse of Wesko B.V.

# Financial analysis

Financial analysis from the business to business market

From the recently industry analysis, it has been shown that the household retail shops are facing a sales loss of 3% in comparison of 7% in 2012. This indicates that sales were better in previous years, but due to the difficult economic situation and the real estate market, they have dropped significantly. The sales of DIY retail branches have dropped to 2,9%. The cause for this sales drop is also due to the weak real estate market. The difficult economic situation of 2012 and 2013 has recently reached a peak, but the bank cooperation ING and Rabobank have calculated a better prospective in 2014.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **General information from financial statements** | | | | | | |
|  | | | | | | |
| **Year:** | **2012** |  | **2011** |  | **2010** |  |
| Balancedate: | 31-12-2011 |  | 31-12-2010 |  | 31-12-2009 |  |
| set: | final |  | final |  | final |  |
|  |  |  |  |  |  |  |
| Months: | 12 |  | 12 |  | 12 |  |
| Employees: | 10 |  | 10 |  | 10 |  |
| 100% |  |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |
| **Balance sheet** | | | | | | |
| **Year:** | **2012** |  | **2011** |  | **2010** |  |
| Type financial statement: | Limited company |  | Limited company |  | Limited company |  |
|  |  |  |  |  |  |  |
| amount: | x 1 |  | x 1 |  | x 1 |  |
| Currency: | EUR |  | EUR |  | EUR |  |
|  | | | | | | |
| **Asset** | | | | | | |
| **Tangible fixed assets** | **109.713** |  | **120.726** |  | **447.722** |  |
|  |  |  |  |  |  |  |
| **FIXED ASSET** | **109.713** |  | **120.726** |  | **447.722** |  |
|  | | | | | | |
| Stock | 65.460 |  | 94.801 |  | 80.876 |  |
| Accounts payable | 561.280 |  | 556.440 |  | 337.044 |  |
| Cash | 1.457 |  | 115.459 |  | 40.380 |  |
|  |  |  |  |  |  |  |
| **CURRENT ASSET** | **628.197** |  | **766.700** |  | **458.300** |  |
|  | | | | | | |
|  |  |  |  |  |  |  |
| **TOTAL ASSET** | **737.910** |  | **887.426** |  | **906.022** |  |
|  | | | | | | |
| **Liabilities** |  |  |  |  |  |  |
| Owners Capital | 15.883 |  | 15.883 |  | 15.883 |  |
| Reserve | 7.252 |  | 113.907 |  | 11.699 |  |
|  |  |  |  |  |  |  |
| **OWNERS EQUITY** | **23.135** |  | **129.790** |  | **27.582** |  |
|  | | | | | | |
| Notes payable | 15.867 |  | 16.206 |  | 14.596 |  |
| Longterm loan | 384.883 |  | 403.279 |  | 421.675 |  |
| Shortterm loan | 314.025 |  | 338.151 |  | 442.169 |  |
|  |  |  |  |  |  |  |
| **Current Liabilities** | **714.775** |  | **757.636** |  | **878.440** |  |
|  | | | | | | |
|  |  |  |  |  |  |  |
| **TOTAL LIABILITIES** | **737.910** |  | **887.426** |  | **906.022** |  |
|  | | | | | | |
|  |  |  |  |  |  |  |
| The balance sheet shows a huge drop of the fixed assets during the period of 2009-2010. This indicates a huge depreciation of the machines or a sale of building. The stock has also dropped. The cash of the current assets have dropped from 115,469 till 1457. This indicates a huge loss for the company.  **RATIO** | | | | | | |
| **Year:** | **2012** |  | **2011** |  | **2010** |  |
|  | | | | | | |
| **Liquidity** | | | | | | |
| current ratio | 2,00 |  | 2,27 |  | 1,04 |  |
| quick ratio | 1,79 |  | 1,99 |  | 0,85 |  |
| Corporate finance | 0,26 |  | 0,22 |  | 0,97 |  |
|  | | | | | | |
| **Debt Ratio** | | | | | | |
| Balance total/current liabilities | 1,03 |  | 1,17 |  | 1,03 |  |
| Owners equity/ balance total | 0,03 |  | 0,15 |  | 0,03 |  |
| Owners equity/ current liability | 0,03 |  | 0,17 |  | 0,03 |  |
|  | | | | | | |
|  | | | | | | |
|  | | | | | | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | | | | | |
|  |  |  |  |  |  |  |
|  | | | | | | |
| Amount: | x 1 |  | x 1 |  | x 1 |  |
| Currency: | EUR |  | EUR |  | EUR |  |
| Working capital | 314.172 |  | 428.549 |  | 16.131 |  |

This financial report is from the international joint venture company Wesko B.V. in the Netherlands. The information was given by KVK.nl. The analysis will assess the solutions and the liquidity of the company.

The current ration measures whether the company has enough resources to pay its debt. The current ratio indicates 2.0, which means that Wesko B.V. is in generally a healthy company with good short term financial strength. The quick ratio values show that Wesko has enough cash to pay back its current liabilities.

The debt ratio measures a low capacity for the firm, which means that there is a risk that the loans cannot be paid by the owners’ equity. In the years from 2010 until 2012, the debt ratio measures are weak in comparison with the loans.

# Financial resources

Wesmo’s income statement for 2014

Revenues $5000.000

Cost of goods sold $3300.000

Gross profit $1700.000

Total Expenses $1410.000

Wages $ 650.000

Other Cost $ 620.000

Depreciation $ 70.000

General and Administrative expenses $ 65.000

Result $ 290.000

The income statement is calculated with the given percentage of the company.

Budget and cost analysis for the marketing activities during 1 year

|  |  |
| --- | --- |
| Marketing activities | Cost in one year in € |
| E-Marketing & Social Media (new website) | €3000 |
| Direct Marketing Personel cost | €1000 |
| Personal Selling | € 18000 |
| Promotion (email contact) | €0,- |
| Fair/exhibition stand 3x | € 5000 |
| Particpation fair/exhibition 2x3 | €1000 |
| Flyers and brochures for events | €1000 |
| Total Cost | 290000 |

**The prognosis of these marketing is as follows**

Wesmo will spend 10% of the result on the marketing activity in the Netherlands. This promotion has the purpose of brand awareness in the Dutch market. Through personal selling techniques, Wesmo will try to create more sales using a personal approach of the salespersons. This will lead to more sales and a good launch of Wesmo’s products.

The fair/exhibition technique will lead to increased exposure for Wesmo and, of course, increased brand awareness in the Dutch market.

The target group for Wesmo includes the Dutch business to business market. The three customers in this market segment are divided in three groups: the web shops selling bathroom accessories, retail shops in fast moving consumers goods, and retail shops of DIY branch. These customer groups are segmented in the Dutch market, and Wesmo will position itself among them.

Wesmo’s main assortment will be bathroom accessories. A few products will be selected and launched in the Dutch market, and these products will only be available in the Netherlands. The design and manufacturing of these products will be executed by Wesmo.

# Conclusion and recommendations

In conclusion, the following recommendations can be offered to Wesmo. Wesmo has a lot of experience in trading and exporting products abroad. With all this experience, it is advisable for Wesmo to enter the Dutch market, which has a lot opportunity and favourable entry strategy, due to the cooperation with Wesko Group B.V. This cooperation should lead to a successful entry strategy into the Dutch market.

Wesmo should focus on the business to business market; this market includes three groups: customer web shops, retail shops in fast moving consumer goods, and DYI retail shops. The business to business market is a very fierce market due to the economic recession; this market needs a lot of new strategies to stay active. Wesmo will provide this market an extra boost and renewal. The possible target groups are: Vroom and Dreesmann, Blokker, Hema, Marskramer, Praxis, Gamma, Formido, Karwei, Sanitairwinkel.nl and slimkopen.nl. From the field analysis, Wesmo can conclude that these are the target groups on which Wesmo should focus.

For gaining new customers, Wesmo should approach the business to business market with a strategy for renewal and a compliance marketing plan. During the current analysis, the following strategy theories were used: SWOT analysis, Ansoff, Porter, generic strategy and Traecy Wiersema. We can conclude that the strengths and the opportunities on the Dutch market yield a positive reaction; the business to business market could also be an interesting option for Wesmo.

This following recommendations are advised:

* The most suitable entry strategy is the international joint venture. This strategy involves two companies working together. Wesmo can cooperate with Westo group B.V. to launch the product in the Dutch business to business market.
* Wesmo should also use personal selling techniquest to promote their products by providing information at exhibitions and fairs.
* Before launching their product on the Dutch market, Wesmo should set up a new website to attract business to business customers.
* The participation in exhibitions and fairs should give Wesmo increased brand awareness in the Dutch market. After increasing brand awareness, Wesmo should approach potential customers.
* Set up a new product line which could be launched in the Dutch market

From the analyses and strategic options discussed, Wesmo could achieve their goals and objectives. With the renewal 4 p’s strategy and the analysis of the strategic options, Wesmo will have a clear strategy and target group on which to focus.

# Sources

**Reference**

Dr. J.Veldman (2010) Export Management A european perspective (First edition) Noordhoff Uitgevers BV

Ko H.M.G. Floor & W. Fred van Raaij. (2010) *Marketing Communication strategy* (first edition) Noordhoff Uitgevers B.V.

G.Rustenburg (red.), T. Gouw, A. Geus (2011) Strategische en Operationele marketingplanning (fifth edition) Noordhoff Uitgevers BV Groningen/ Houten the Netherlands

G. Rustenburg, A.Steenbeek (2011) Salesmanagement (fourth edition) Noordhoff Uitgevers BV Groningen/Houten the Netherlands

K.J. Alsem, E.J. Kostelijk (2009) Strategische marketingplanning(fifth edition) Noordhoff Uitgevers BV Groningen/Houten the Netherlands

Hoofdbedrijfschap Detailhandel (Rapportage sanitair branch Nederland)

T. van Elk, A. Doffer Rapportage sanitairbranch ( in opdracht van Hoofdbedrijfschap Detailhandel, Uneto-VNI, Centrale branchevereniging Wonen)

**Internet sources**

Abellmodel ( business model Abell)

Consulted 10 April 2013 of

<http://www.abellmodel.nl/>

Centraal bureau statistieken (Demographic)

Consulted 28 May 2013 of

<http://statline.cbs.nl/StatWeb/publication/?VW=T&DM=SLNL&PA=37296ned&D1=a&D2=0,10,20,30,40,50,60,(l-1),l&HD=130605-0924&HDR=G1&STB=T>

Centraal bureau statistieken (Moving)

Consulted 9 July 2013 of

<http://statline.cbs.nl/StatWeb/publication/?VW=T&DM=SLNL&PA=60048ned&D1=0-9,12-18,81-87&D2=0&D3=2,7,12,(l-2)-l&HD=090402-0916&HDR=G2&STB=G1,T>

CBS ( Economy the Netherlands)

Consulted 21 July 2013 of

<http://www.cbs.nl/nl-NL/menu/themas/macro-economie/publicaties/dne/default.htm>

Rijksoverheid (taxes political)

Consulted 23 July 2013 of

<http://www.rijksoverheid.nl/onderwerpen/invoer-en-douane/invoerbelastingen>

KVK (ondernemingen)

Consulted 20 August 2013 of

<http://www.kvk.nl/english/international-trade/how-to-import/standard-steps-of-importing-into-the-netherlands/>

Fenex (ondernemingen)

Consulted 27 Augustus 2013 of

<http://www.fenex.nl/over-fenex/activiteiten-van-fenex>

Thuiswinkel ( data web shop the Netherlands)

Consulted 11 August of

[www.thuiswinkel.nl](http://www.thuiswinkel.nl)

Detailhandel ( data retail stores the Netherlands)

Consulted 18 August of

<http://detailhandel.info/pages/14/Winkels/Huishoudelijke-artikelenzaken.html?branche_id=13&hoofdonderwerp_id=28>

Spirella ( competitors the Netherlands)

Consulted 10 September 2013 of

<http://www.spirella.ch/>

Zone (competitors the Netherlands)

Consulted 10 September 2013 of

[www.zone-danmark.dk](http://www.zone-danmark.dk)

Inno Essential ( competitors the Netherlands)

Consulted 10 September 2013 of

[www.inno-webshop.com](http://www.inno-webshop.com)

Qumedia ( business to business market)

Consulted 12 September 2013 of

[www.qumedia.nl](http://www.qumedia.nl)

Rabobank ( data business to business market)

Consulted 19 September 2013 of

[www.rabobank.nl](http://www.rabobank.nl)

Sanidirect ( web shop bathroom accessories Netherlands)

Consulted 10 October 2013 of

[www.sanidirect.nl](http://www.sanidirect.nl)

Bol.Com (web shop bathroom accessories Netherlands)

Consulted 11 October 2013 of

[www.bol.com](http://www.bol.com)

Wehkamp (web shop bathroom accessories Netherlands

Consulted 12 October 2013 of

[www.wehkamp.nl](http://www.wehkamp.nl)

Frank Watching ( marketing techniques)

Consulted 1 November 2013 of

[www.frakwatching.com](http://www.frakwatching.com)

123Management ( Marketing model)

Consulted 11 November 2013 of

[www.123management.nl](http://www.123management.nl)

Ruscon (porter model, treachy and wiersema)

Consulted 15 December 2013 of

<http://ruscon.nl/>

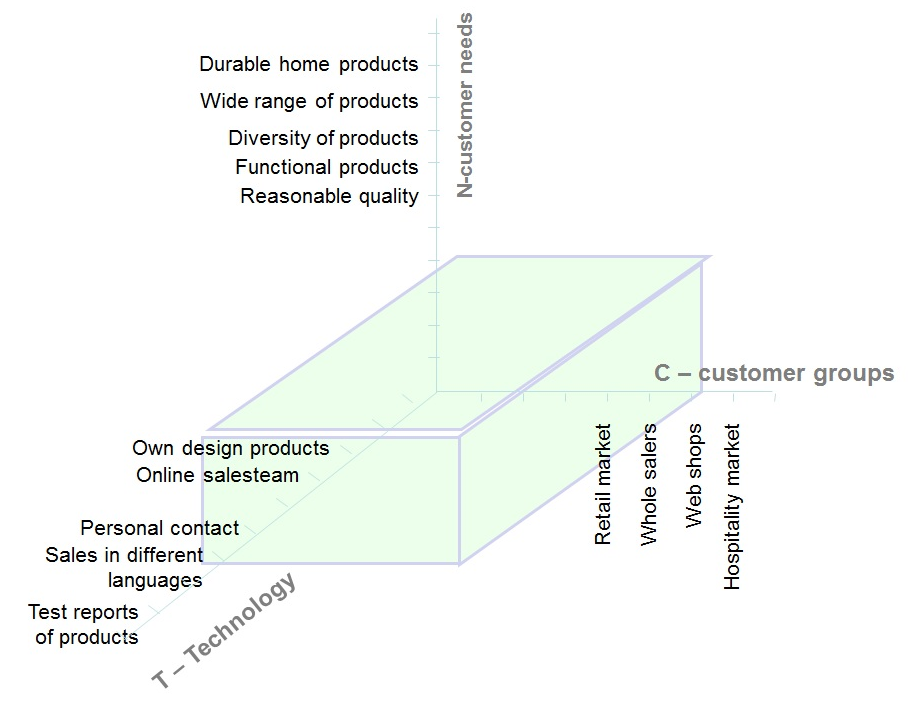
Vastgoedactueel (Moving)

Consulted 31 January 2014 of

<http://www.vastgoedactueel.nl/nieuws-2/item/1751-cbs-meer-verhuizingen-in-2013.html>

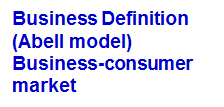
# Appendix

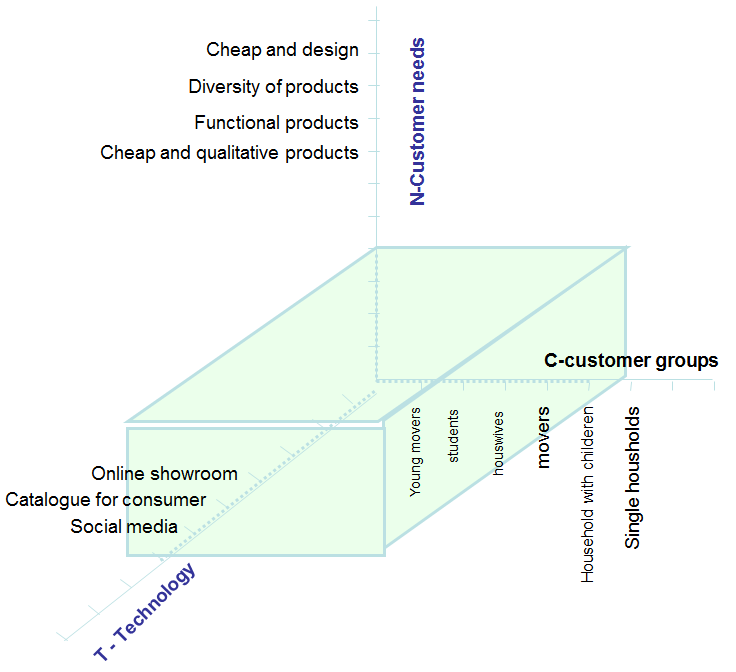
### Appendix 1 Business definition Business to retail market

*(Page 10)*

### Appendix 2 Business definition Business to consumer market

*(Page 11)*



****

### Appendix 3 Organogram Wesmo

*(Page 14)*

### Appendix 4 Graph web shops

*(Page 18)*

|  |
| --- |
|  |
|  | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 t/m june |
| Growth turnover webshops | - | - | - | - | - | 15% | 5% | 9% | 9% |
| Growth online spending | 25% | 28% | 39% | 40% | 15% | 15% | 12% | 10% | - |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

### Appendix 5 turnover segments online shopping

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| In millions of euros incl VAT | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** |
| **Package & apartments** | 928 | 1129 | 1551 | 1860 | 2050 | 2150 | 2240 | 2310 |  |
| **Flights & Hotels** | 496 | 604 | 829 | 995 | 1250 | 1360 | 1430 | 1490 |  |
| **Hard-and software** | 190 | 223 | 325 | 412 | 505 | 601 | 663 | 738 |  |
| **Telecom** | 214 | 273 | 370 | 754 | 766 | 920 | 1100 | 1250 |  |
| **Clothing** | 182 | 209 | 285 | 353 | 465 | 555 | 630 | 730 |  |
| **Books, CD, DVD, games** | 168 | 231 | 313 | 419 | 481 | 514 | 575 | 620 |  |
| **Electronics, white goods** | 242 | 329 | 453 | 554 | 634 | 730 | 762 | 765 |  |
| Food, nursing, home and garden | 117 | 147 | 216 | 269 | 317 | 340 | 376 | 442 |  |
| **Remaining** | 339 | 495 | 676 | 729 | 947 | 1023 | 1204 | 1409 |  |
| **Total** | **2,876** | **3640** | **5,018** | **6,345** | **7,415** | **8193** | **8980** | **9754** |  |

**Turnover segments online shopping**

### Appendix 6 Turnover segments each year

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| In millions of euros incl VAT | **2006-1** | **2007-1** | **2008-1** | **2009-1** | **2010-1** | **2011-1** | **2012-1** | **2013-1** |
| **Package & apartments** | 546 | 792 | 916 | 1050 | 1100 | 1140 | 1180 |  |
| **Flights & Hotels** | 291 | 423 | 489 | 560 | 590 | 690 | 710 |  |
| **Hard-and software** | 108 | 147 | 181 | 215 | 270 | 302 | 340 |  |
| **Telecom** | 137 | 185 | 377 | 380 | 440 | 540 | 610 |  |
| **Clothing** | 108 | 130 | 173 | 225 | 270 | 300 | 345 |  |
| **Books, CD, DVD, games** | 93 | 131 | 192 | 207 | 218 | 249 | 271 |  |
| **Electronics, white goods** | 150 | 202 | 277 | 300 | 350 | 362 | 370 |  |
| **Food, nursing, home and garden** | 69 | 99 | 130 | 165 | 170 | 180 | 216 |  |
| **Remaining** | 231 | 300 | 321 | 408 | 426 | 487 | 571 |  |
| **Total** | **1733** | **2409** | **3056** | **3510** | **3854** | **4250** | **4613** |  |

**Source: Home Shopping Market Monitor**

*(Page 18)*

### Appendix 7 Turnover development do it yourself stores

|  |
| --- |
|  |
|  | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 t/m juni |
| Turnover development (in comparison with the year before) (CBS) | 1,5 | -1,4 | -7,9 | -4,1 | 0,2 | -6,6 | -8% |
| Amount of shops | 2.790 | 2.730 | 2.670 | 2.500 | 2.420 | 2300 |  |

*(Page 19)*

### Appendix 8 field research business to consumer analysis.

Consumer analysis graph

*(Page 21)*

### Appendix 9 Field research business to business market

*(Page 22)*

expensive of the assortment

expensive and most popular of the assortment

cheap and most popular of the assortment

cheapest of the assortment

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Bijenkorf** |  |  |  |  |
| **Toothbrush holder** |  | **Soap dispenser** | **Soap holder** | **Toilet brush** |
| |  | | --- | | 69 | |  | |  | | --- | | 99 | | |  | | --- | | 59 | | |  | | --- | | 165 | |
| |  | | --- | | 13,9 | |  | |  | | --- | | 19,95 | | |  | | --- | | 17,95 | | |  | | --- | | 40 | |
| |  | | --- | | 12,95 | |  | |  | | --- | | 16,5 | | |  | | --- | | 11,95 | | |  | | --- | | 39,95 | |
| |  | | --- | | 9,95 | |  | |  | | --- | | 9 | | |  | | --- | | 8,95 | | 34,95 |
|  |  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | |  |  |
| **V&D** |  |  |  |
| **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
| |  | | --- | | 14,99 | | |  | | --- | | 51 | | |  | | --- | | 14,99 | | |  | | --- | | 77 | |
| |  | | --- | | 9,99 | | |  | | --- | | 19,99 | | |  | | --- | | 9,65 | | |  | | --- | | 27,99 | |
| |  | | --- | | 6,99 | | |  | | --- | | 12,99 | | |  | | --- | | 6,95 | | |  | | --- | | 19,95 | |
| |  | | --- | | 4,99 | | |  | | --- | | 5,95 | | |  | | --- | | 3 | | |  | | --- | | 17,99 | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Hema** |  |  |  |
| **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
|  | |  | | --- | | 9,95 | |  |  |
| |  | | --- | | 4,95 | | |  | | --- | | 8,95 | |  | |  | | --- | | 7,95 | |
| |  | | --- | | 4,95 | | |  | | --- | | 4,96 | | |  | | --- | | 3,95 | | |  | | --- | | 7,25 | |
| |  | | --- | | 2 | | |  | | --- | | 2,95 | | |  | | --- | | 2,5 | | |  | | --- | | 1,95 | |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Blokker** |  |  |  |
| **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
|  | |  | | --- | | 4,99 | |  | |  | | --- | | 24,99 | |
| |  | | --- | | 1,99 | | |  | | --- | | 3,99 | | |  | | --- | | 2,99 | | |  | | --- | | 9,99 | |
| |  | | --- | | 1,79 | | |  | | --- | | 2,49 | | |  | | --- | | 1,49 | | |  | | --- | | 8,99 | |
| |  | | --- | | 1,49 | | |  | | --- | | 2,49 | | |  | | --- | | 1,29 | | |  | | --- | | 5,99 | |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Marskramer** |  |  |  |
| **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
|  |  |  | |  | | --- | | 45,99 | |
|  | |  | | --- | | 10,49 | |  | |  | | --- | | 21,99 | |
| |  | | --- | | 7,49 | | |  | | --- | | 5,99 | | |  | | --- | | 6,99 | | |  | | --- | | 8,99 | |
|  |  | |  | | --- | | 3,29 | | |  | | --- | | 3,29 | |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Karwei** |  |  |  |
| **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
| |  | | --- | | 12,99 | | |  | | --- | | 25,5 | |  | |  | | --- | | 54,5 | |
| |  | | --- | | 10,95 | | |  | | --- | | 19,39 | |  | |  | | --- | | 34,95 | |
| |  | | --- | | 9,99 | | |  | | --- | | 11,95 | |  | |  | | --- | | 17,95 | |
| |  | | --- | | 5,99 | | |  | | --- | | 10,99 | |  | |  | | --- | | 6,99 | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Praxis** |  |  |  |
| **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
| |  | | --- | | 12,99 | | |  | | --- | | 19,99 | |  | |  | | --- | | 57,99 | |
| |  | | --- | | 9,99 | | |  | | --- | | 14,99 | |  | |  | | --- | | 29,99 | |
| |  | | --- | | 6,99 | | |  | | --- | | 12,99 | |  | |  | | --- | | 19,99 | |
| |  | | --- | | 2,99 | | |  | | --- | | 7,99 | |  | |  | | --- | | 9,99 | |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Gamma** |  |  |  |
| **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
| |  | | --- | | 12,95 | | |  | | --- | | 24,95 | |  | |  | | --- | | 47,95 | |
| |  | | --- | | 6,99 | | |  | | --- | | 17,95 | |  | |  | | --- | | 24,95 | |
| |  | | --- | | 5,99 | | |  | | --- | | 14,95 | |  | |  | | --- | | 22,95 | |
| |  | | --- | | 2,99 | | |  | | --- | | 11,95 | |  | |  | | --- | | 5,99 | |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Formido**  **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
|  |  |  | |  | | --- | | 55,95 | |
|  |  |  | |  | | --- | | 35,95 | |
| |  | | --- | | 11,25 | | |  | | --- | | 15,25 | |  | |  | | --- | | 17,95 | |
| |  | | --- | | 6,95 | | |  | | --- | | 11,95 | |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **bol.com** |  |  |  |
| **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
| |  | | --- | | 39,99 | | |  | | --- | | 80,99 | | |  | | --- | | 13,49 | | |  | | --- | | 99,5 | |
| |  | | --- | | 20,99 | | |  | | --- | | 44,99 | | |  | | --- | | 7,99 | | |  | | --- | | 37,9 | |
| |  | | --- | | 15,20 | | |  | | --- | | 17,99 | | |  | | --- | | 6,99 | | |  | | --- | | 28,9 | |
| |  | | --- | | 12,99 | | |  | | --- | | 12,99 | | |  | | --- | | 3,99 | | |  | | --- | | 6,99 | |

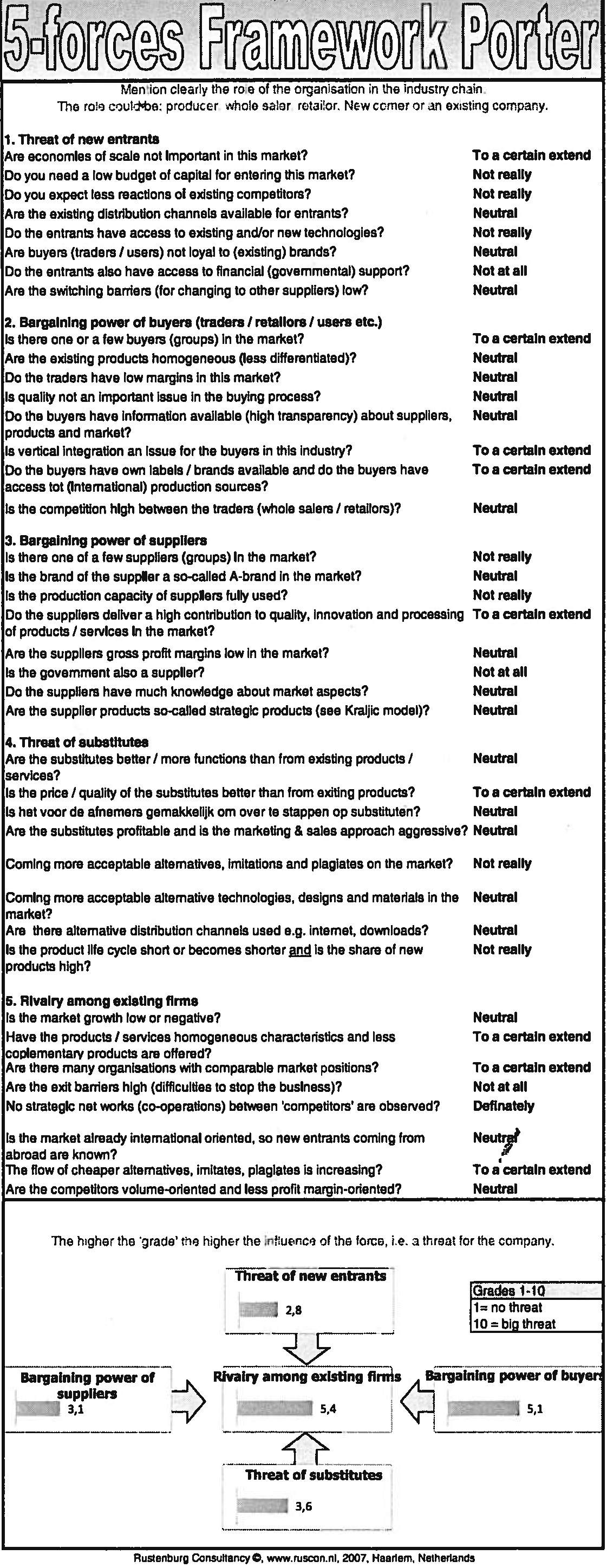
|  |  |  |  |
| --- | --- | --- | --- |
| **Wehkamp** |  |  |  |
| **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
| |  | | --- | | 11,95 | | |  | | --- | | 163,35 | |  | |  | | --- | | 77 | |
| |  | | --- | | 9,95 | | |  | | --- | | 19,95 | |  | |  | | --- | | 29,95 | |
| |  | | --- | | 7,95 | | |  | | --- | | 13,95 | |  | |  | | --- | | 19,95 | |
| |  | | --- | | 6,95 | | |  | | --- | | 9,95 | | |  | | --- | | 6,95 | | |  | | --- | | 14,95 | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Sanitairwinkel.nl** |  |  |  |
| **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
| |  | | --- | | 46,83 | | |  | | --- | | 51 | | |  | | --- | | 98 | | |  | | --- | | 120.48 | |
| |  | | --- | | 16 | | |  | | --- | | 19 | | |  | | --- | | 18 | | |  | | --- | | 27 | |
| |  | | --- | | 12,00 | | |  | | --- | | 15 | | |  | | --- | | 9,5 | | |  | | --- | | 19 | |
| |  | | --- | | 10 | | |  | | --- | | 13 | | |  | | --- | | 7 | | |  | | --- | | 14 | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Slimkopen.nl** |  |  |  |
| **Toothbrush holder** | **Soap dispenser** | **Soap holder** | **Toilet brush** |
| |  | | --- | | 14,95 | | |  | | --- | | 99 | | |  | | --- | | 59 | | |  | | --- | | 165 | |
| |  | | --- | | 18 | | |  | | --- | | 29,95 | | |  | | --- | | 14,95 | | |  | | --- | | 39,95 | |
| |  | | --- | | 9,95 | | |  | | --- | | 13,95 | | |  | | --- | | 8,3 | | |  | | --- | | 24,9 | |
| |  | | --- | | 4,95 | | |  | | --- | | 8,95 | | |  | | --- | | 5,95 | | |  | | --- | | 19,95 | |
|  |  |  |  |

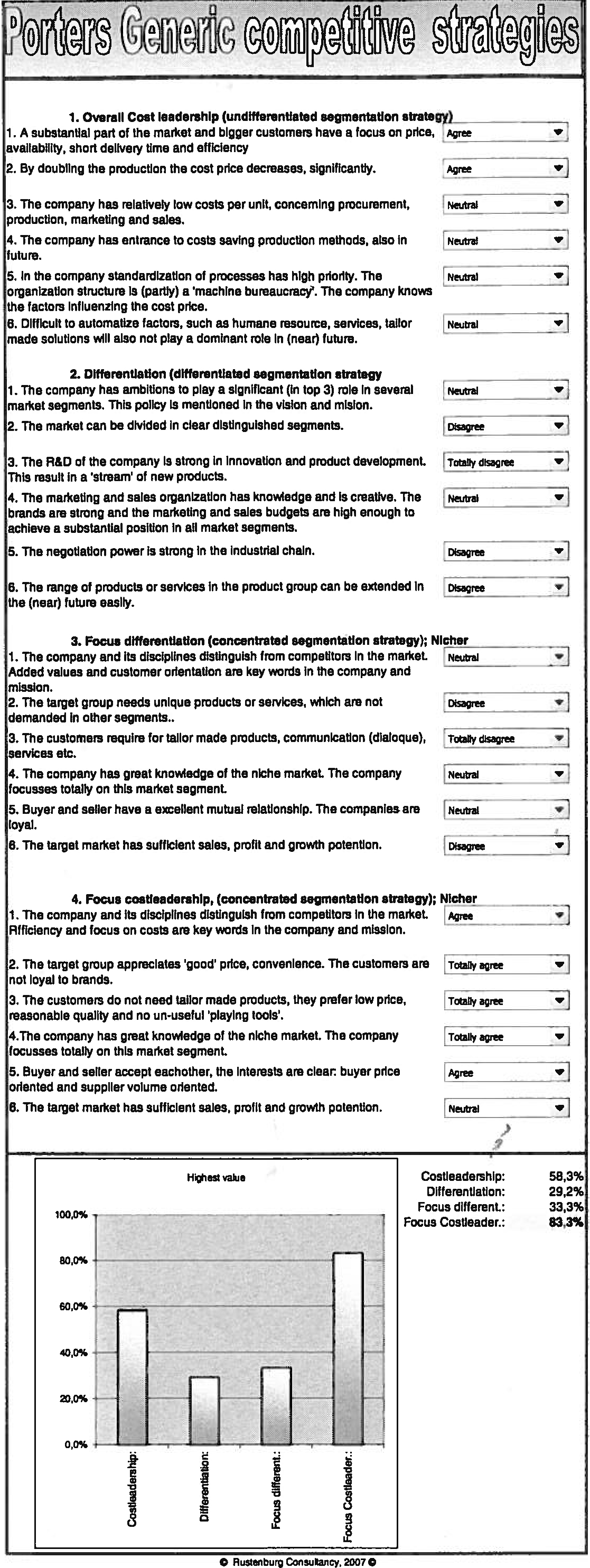
### Appendix 10 five forces Porter

*(see page 33 )*



### Appendix 11 Porter Generic

*(see page 34)*

**

### Appendix 12 Treacy and Wiersema

*(See page 35)*

