

“Which product-market strategy should FAAM Benelux apply, to increase their performance in the Dutch market and realize growth?”

This report provides research to increase sales from customers and how to improve the performance of the company.



Introduction

At the end of the bachelor Business Administration a scientific research has to be conducted. This research is held for the company FAAM Benelux, part of the Italian group FAAM. FAAM Benelux has a sales, logistic and service point for Motive Power Batteries for forklift application. Since 2000 FAAM has been working on Fuel Cell technology application, both for transport and for stationary use. In 2008, FAAM has created an innovative system, which is based on the promotion of high efficiency battery charger. The system, created and patented by FAAM, was tested by the Università Politecnica delle Marche, generating 27% energy savings as compared to its main competitors [*History-FAAM, n.d.*].

The actual product that FAAM is selling to customers, are lead-acid accumulators, also called cells, for traction. Lead-acid accumulators are made up of a polypropylene box containing a mixture of sulphuric acid and distilled water (electrolyte¹), with positive and negative plates dipping into the acid. Among the plates are interposed porous diaphragms (separators). The nominal operating voltage of every cell has been fixed in 2 volt; consequently the nominal operating voltage of a battery will be the result of the number of its cells multiplied twice. In combination with the battery, it is also possible to deliver battery chargers. The charger stops the current supply of energy when the battery has reached maximal capacity.

Besides selling traction batteries and chargers for forklift trucks, FAAM Benelux also offers service and maintenance. An agreement can be made with the customer to plan maintenance such as cleaning the battery cap, refilling the water compartment or quality check according to the BMW standards. The BMW certificate is a guarantee that the equipment is approved by quality checkups.

The BMW association is a branch organization of importers or producers of building machines, storehouse furnishing, road construction machinery, and transport material (Over BMW, z.d.). It can also be that service and maintenance is needed in urgent situations, also then the technicians are able to repair or advice the customer. A draw process of FAAM Benelux activities are figured in attachment 1A and 1B.

The current customers of FAAM Benelux can be categorized into four groups. The most important customers are the *end users*, which are the companies that use the forklift trucks. Not only because they are working with the FAAM products, but also because they form a bridge between the truck dealers and FAAM Benelux. The *end users* can stimulate the truck dealers to deliver a forklift truck with a FAAM battery. The truck dealers are the second most important group of FAAM Benelux. The third group of customers of FAAM Benelux is the Original Equipment companies, that are producing forklifts, reach trucks and pallet trucks. Finally, FAAM Benelux also has customers that are battery dealers. These companies sell different kinds of batteries and from different brands.

The purpose of this report is to provide recommendations about how FAAM Benelux can improve their performance in the Dutch market, so growth can be realized.

Structure of the research

2.1 research goal

The thesis will be focused on research and development on behalf of the sales and marketing department in the Netherlands. FAAM Benelux is currently undergoing a reorganization of people and activities, which should lead to better results. This research supports the further development of the performance of the company. The research goal is to provide information for the company which will support them in their activities. The research goal is formulated as follows:

‘Improve FA AM Benelux performance in the Dutch market of forklift batteries so growth can be realized.’

What is meant by performance is “the results of activities of an organization or investments over a given period of time” (investorwords.com, n.d.). Performance will be expressed by market share. To determine the performance of FAAM Benelux in the Dutch market, the market, as well as the organization will be analyzed. The two parts are important because there has to be cohesion between the two. When these two domains are analyzed, the strategy will be determined by which FAAM Benelux can realize growth

2.2 problem definition

FAAM Benelux is part of the Italian FAAM Group and is settled to become the hub for north-west Europe. The main focus of FAAM Benelux is currently the Dutch market. Due to many changes in the company and the lack of customer service in the past, many customers have become unsatisfied, which resulted in decreasing profits and sales. The problem of FAAM Benelux is that they haven’t made any profit since, at least, 2006. Reasons for this are not only the organizational performance, but also lack of understanding of what the market demands from the company. FAAM Benelux gets too many complaints from customers about the customer service. Therefore, the company would like to get a clear description of the Dutch market of forklift trucks, combined recommended improvements of the company performance. FAAM Benelux is trying to realize growth in the Dutch market. This research will support them in realizing their goal to gain a market share of 20% within two years.

This assignment will be separated into three parts. The first part will be a market analysis, which describes the market size, market share and the macro environment. This is necessary to determine the domain in which FAAM Benelux is operating. The second part addresses the organizational analysis. This involves the financial, internal and customer analysis, which all contributes to the performance of the company. The third part addresses the performance strategy which FAAM Benelux should adept, to realize growth in the Netherlands.

2.3 Research questions

Research questions are used to gradually answer the main research question. The main research question is:

“Which product-market strategy should FAAM Benelux apply, to increase their performance in the Dutch market and realize growth?”

Performance of a company can be influenced externally as well as internally. Therefore, there will be a separation between these domains. First, the external market will be described, followed by the internal organization.

In the first part, the market will be described by answering several questions. The market is important to analyze, because a company is for a great deal dependent of the standards and demands of the market. Also, the strategy of the company should be coherent with the market situation. The analysis of the market will be done step by step, by answering the following questions:

- What is the market size of electric forklift trucks in the Netherlands?

These questions will determine the market size in which FAAM Benelux is operating. This information is needed to determine the market share of FAAM Benelux.

- What is the market share of FAAM Benelux in the Netherlands?

Market share is the percentage of the total revenues in the market in which the company is operating (Cooper and Nakanishi, 1996). When companies want to increase their market share, they have to acquire more sales by existing customers or more sales by attracting new customers. Performance of FAAM Benelux in the Netherlands can be measured by market share. FAAM tries to gain a market share of 20% within the next two years. When the market share increases, it is likely that the performance also increases. Thus, market share will be the key aspect when talked about performance.

- *What does the macro-environment in the Netherlands look like?*

The macro-environment is the given market, which a company has no influence on (Yeates and Wakefield, 2004).

- *What does the competitive environment in the Dutch market looks like?*

The competitive environment is important, because it can limit or block some opportunities of the company. These forces help to determine a company's position the competitive market and provides a framework for competitive action (Daft, 2008)

The market analysis provides insights in the market potential and the market position of FAAM Benelux in the Dutch market.

The second part of this thesis concerns the internal organization analysis. The performance in the market can also be influenced by the way a company is organized. This will be analyzed by looking at the financial situation, the internal activities and the customer analysis. In the organizational analysis, insights in the business performance will be detected. The internal organization will be analyzed by answering the following questions:

- What is the financial situation of FAAM Benelux?

The financial situation of a company can give a lot of information about the performance. Companies that acquire a lot of profit, usually perform well in the market. Also, a stable financial situation is needed to make investments to realize growth.

- What are the perceptions of customers about FAAM Benelux?

Customers are the most important aspects of a company, because they produce the revenues. Satisfied customers are more willing to buy products than unsatisfied customers. The customers' perception is important to detect activities of the company that need to be improved.

- What is the organizational structure and characteristics?

A company can have a great product, but when the employees are not capable of selling the products or communicate with customers, the companies' performance will decrease. The structure and characteristics will be explored through interviews with employees. The characteristics of the company can be used to adjust the strategy of the company.

The organizational analysis provides information that will be used to improve the relationship with customers and business efficiency. The market analysis provides information in the market potential and the market position. The results of both analyses will be used to create a SWOT analysis of FAAM Benelux. The SWOT analyses both internal and external factors that are beneficial or unfavorable to new strategies. The SWOT analyses will support the decision making on the product-market strategy.

2.4 Structure of the report

First, a literature review is made, that will be used as a framework from which data will be collected. The literature review will be discussed in chapter three. In chapter four, the research strategy will be determined, that will be used to collect data. The fifth chapter addresses the market analyses, followed by the organizational analyses in chapter six. Chapter 7 involves the product-market strategy, which will be supported by the SWOT analyses. In chapter eight, the conclusions will be presented shortly, based on the found data in the previous chapters. Chapter nine concerns the recommendations given towards the company FAAM Benelux.

3. Literature review

Defining the theoretical framework is an important aspect of a research model. The framework forms a guiding line for research object and data collection. Verschuren & Doorewaard (2007) describe three steps to develop a solid framework. The first step is to determine the character of the research. In this case, it concerns a problem solving research. This means that there will be a conceptual model drawn from which the research material will be evaluated. The conceptual model will be drawn in this chapter. The second step is to determine the sources needed to define the theoretical framework. Also according to Verschuren & Doorewaard (2007), the best tool to make a selection of relevant scientific literature, is to formulate key concepts that are coherent with the objective of the thesis. The concepts will then function as key words from which relevant literature can be sourced (table 1). The third step is to work out the theoretical framework and literature review.

Key concepts	Theoretical framework
Market analysis	Market size Market share Macro-environment PESTEL Five competitive forces
Organizational analysis	Financial performance 7-s model Customer performance
Performance strategy	SWOT analysis Confrontation matrix Ansoff growth matrix

Table 1: Determining theoretical framework

In the rest of this chapter, the theoretical framework will be drawn as presented in table 1. In the first part, theory and models will be discussed that are used to determine the market situation of FAAM Benelux in the Dutch market. Following, the organization will be analyzed, which addresses theories about the internal performance of the organization. Finally, the strategy how to increase performance, and thus market share, will be discussed.

Market analysis

The insights in the current situation will be gathered by market and organizational analysis. For determining the growth strategy, the market-type has to be detected. The market situation will be discussed by market size, market share and market potential. These three aspects will first be discussed.

3.1 Market size

The size of the market is needed to determine the market share. As mentioned by McDonald and Dunbar (2004), a volume or value figure is required in order to size it as it is today, with estimates for the future

3.2 Market share

According to Cooper and Nakanishi (1996), the basic goal of market-share analysis is to evaluate the effectiveness of marketing actions in a competitive environment. In most cases, market share means shares of the actual sales (either in quantity sold or money volume) for a product in a given period and in a given geographical area. The formula by which the market share can be measured is:

$$S_i = (Q_i / Q) \times 100$$

Where:

S_i = the market share of firm i

Q_i = the total sales (quantity sold or money volume) of firm i's product

Q = the total sales (quantity sold or money volume) for the market

The market share of the company is constantly changing, due to new orders and losing sales. So, the market share is the given share on a particular moment and shows the position of the company in the market.

3.3 Macro-environment

The macro-environment in the Netherlands is also influencing the current situation of the company. The external factors will be described by the method of PESTEL. The PESTEL analysis includes those factors of the macro-environment which are common to all firms in the industry (Blythe, 2006). PESTEL stands for Political, Economic, Social, Technological, Environmental and Legal. Published by Yeates and Wakefield (2004) the explanation of PESTEL is as follows:

Political: Government attitudes towards private and state-owned enterprises, international politics, and the impact of conflicts and variations in the price of oil and raw material supplies are factors that can alter the future performance of an organization.

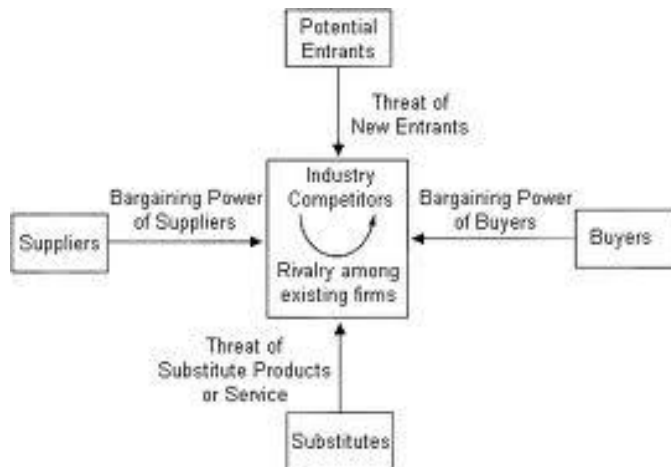
Economic: Interest rates and currency exchange rates will affect home and international markets. Consumer and business expenditure is related to inflation and the amount of disposable income present within the different economic groups within a society. This will affect the long-term planning.

Social: Social aspects may include demographic changes and the changing perceptions of the population, lifestyle changes, and changes in working conditions. Education, transport and family responsibilities are all examples of social issues.

Technology: Technological factors include the availability of new way of delivering a service through the use of technology, the use of technology to obtain and exploit marketing information, and the ability to extend choice and communicate readily with suppliers, customers and other agencies through the use of internetworking technology.

Environmental: Sustainability of raw material supplies, the use of energy, regional variations of climate, and the impact of the environment on the individual's lifestyle will affect the way the organization plans its growth.

Legal: Legal issues link closely with the political, social and environmental aspects of the PESTEL analysis, as the constraints that occur under these headings are enforced through law. Specific legislation may impact upon the organization on account of its location.



3.4 Five competitive forces

Figure 1 illustrates the competitive forces that exist in a company's environment. These forces help to determine a company's position the competitive market and provides a framework for competitive action (Daft, 2008).

Porter's five forces model is useful for determining which strategy FAAM Benelux should adapt to increase growth in the Dutch market of forklift trucks. The following 5 forces are of influence to the strategy development:

Figure 1: Porter's competitive forces

Potential new entrants

New entrants are trying to retain market share, which increases competition. Entry barriers and the reaction from existing competitors in the market are of influence on new entrants. The six main entry barriers are:

- Economy of scale: Entry on large scale requires enormous investments, entry on small scale requires lower investment costs, but the cost of goods sold is higher.
- Product differentiation: It is difficult to compete against companies that possess a high brand image and customer loyalty.
- Capital requirements: in some industries it requires a lot of investments before the production can even start. This can be a barrier for new entrants.
- Switch costs: when the costs to switch from one customer to another are high, it becomes more difficult to attract customers.
- Distribution access: Existing companies have often solid relationships with their distribution channels. It can cost new entrants a lot of money and effort to distribute their products through similar channels.
- Government policies: The government can limit or block new entrants from the market.

Bargaining power of suppliers

Suppliers can exercise power through threatening to increase costs or lowering the quality. The concentration of suppliers and the availability of substitute suppliers are significant factors in determining supplier power.

Bargaining power of buyers

When the bargaining power of buyers is high, they can put the price under pressure by playing two competitors against each other. Some aspects that affect the bargaining power of buyers are: the importance of the product for the buyer, degree of standardization, market revenue from the buyer, and the switch costs.

Threat of substitute products

The power of alternatives and substitutes for a company's product may be affected by changes in cost or in trends such as increased health consciousness that will deflect buyer loyalty.

Rivalry among competitors

Rivalry among competitors is influenced by the preceding four forces, as well as by cost and product differentiation. When the internal rivalry is high, the margins can be under pressure, which will lead to lower profitability.

A good positioning strategy is one way by which companies can defend themselves against the competitive forces. Which possible strategy to implement, depends on the structure of the industry in which the company is operating.

Organizational analysis

The organizational analysis will be divided in three parts. First, the financial status of the company will be described. This will be done by recorded data from the company's database. Second, the internal performance will be discussed, which will be done by the 7S-model of McKinsey. And Third, the customer performance will be analyzed, which will be done by a customer satisfaction survey.

3.5 Organizational structure and characteristics

A well known model to analyze the organization's performance is the 7S model of McKinsey. The characteristics from the 7S model will be used as input for the SWOT analysis, which will be discussed later on. In Kleijn and Rorink (2010) the seven elements of the model are addressed as follows:

Subordinate goals: What represents the company in the market?

Strategy: What is the strategy of FAAM Benelux to realize goals?

Structure: How is the company structured and organized?

Systems: Which support systems is FAAM Benelux using?

Style: What is the style of management?

Staff: Who are the employees and what are their characteristics?

Skills: What is the organizations knowledge and skills?

The shared values are used to organize the other six elements. A company should make sure that all the seven elements are well balanced within the company.

3.6 Customer performance

Customers often do not judge values and costs accurately or objectively, they act on perceived value. For example, when deciding whether to purchase a pair of jeans, customers will weigh values of quality, money and psychic costs of acquiring them (Kotler, 2010).

Customer satisfaction depends on the product's perceived performance relative to a buyer's expectations. If the product's performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied or delighted (Kotler, 2010).

There are many factors that affect customer satisfaction. According to Hokanson (1995), these factors include friendly employees, courteous employees, knowledgeable employees, helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service. These aspects will be used to measure the customer satisfaction.

Customer satisfaction does have a positive effect on an organization's profitability. According to Hoyer and MacInnis (2001) satisfied customers form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty and positive word of mouth. To maximize customer satisfaction, it is necessary ask customers what are the strengths and what are the weaknesses of the company. When these aspects are known, the company can improve itself.

Performance Strategy

3.7 SWOT

Before developing the strategy of a company, it is useful to make a SWOT analysis. This analysis will detect both internal and external factors that are beneficial or unfavorable to new strategies. According to Daft (2008), the SWOT analysis is a helpful method to obtain the strengths, weaknesses, opportunities and threats that affect the organizations activities. In the theories above, the characteristics of the SWOT analysis will be detected, which will be used to fill in the strengths, weaknesses, opportunities and threats. These aspects will be explained below.

- Strengths:** Positive internal characteristics that the organization can exploit to achieve its strategic performance goals.
- Weaknesses:** Internal characteristics that might inhibit or restrict the organization's performance.
- Threats:** characteristics of the external environment that may prevent achieving strategic goals.
- Opportunities:** Characteristics of the external environment that have the potential to help achieve or exceed strategic goals.

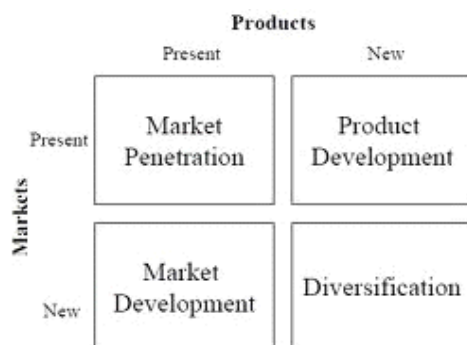
The performance of the organization will be analyzed by the assessment of strengths and weaknesses. The assessment of the strengths and weaknesses will be organized by the five operations performance objectives from Neely (2007). The five objectives are: Quality, Speed, Flexibility, Dependability and Costs. In attachment [6] these objective are illustrated by factors that can be used to measure these objectives.

3.8 Confrontation matrix

The findings in the SWOT analysis will be used to design a confrontation matrix. The most important strengths and weaknesses will be related to the most important opportunities and threats. According to Kotler and Armstrong (2010), these relationships can be expressed by strong positive (++), positive (+), neutral (0), negative (-), or strong negative (--). Next, the relationships will be discussed.

- 0 = no relationship, or strength and weakness are neutral, or weakness and opportunity are neutralizing each other.
- ++= strength and opportunity are complementing.
- + = strength is stronger than threat, or opportunity weights heavier then the weakness, or strength and opportunity positively influence each other.
- = weakness and threat are reinforcing each other mutually.
- = threat weights heavier than the strength, or weakness is stronger than the opportunity, or weakness and threat have a negative influence on each other.

The findings will be presented in a confrontation matrix, where the external factors are presented horizontally, and the internal factors vertically. The relationships found in the confrontation matrix, will help to decide how to design the product-market strategy, because it will show certain limitations or opportunities that will determine the success of the strategy of FAAM Benelux. The total of plusses and minuses will decide where the opportunities and threats are really occurring.



3.9 Product-Market Strategy

Following Kerin and Peterson (2007), a product-market strategy involves selecting specific markets and profitably reaching them through an integrated program called a marketing mix. Ansoff developed a growth matrix, which divides four different product-market strategies, depending on the market type and product offerings. The four different strategies are presented in the figure 2:

Figure 2: product-market matrix

A market-penetration strategy dictates that an organization seeks to gain greater dominance in a market which it already has offering. A penetration is usually more effective in a growth market.

A market-development strategy dictates that an organization introduce its existing offerings to markets other than those it is currently serving. Reaching new markets often requires modification of the basic offerings, different distribution outlets, or a change in sales effort and advertising.

The product-development strategy dictates that the organization creates new offerings for existing markets. Successful new offerings must have a significant point of difference reflected in superior product or service characteristics that deliver unique and wanted benefits to consumers.

Diversification involves the development or acquisition of offerings new to the organization and the introduction of those offerings to publics not previously served by the organization. Diversification is often a high-risk strategy, because there are many uncertainties (Kerin and Peterson, 2007).

4. Research Strategy

In this chapter, the research questions and the research design will be described. First, the research design will be mentioned. The design gives a complete view of the different steps that will be made to formulate recommendations and conclusions towards the company. Next, the choice of research methods that will be used to collect data will be addressed.

4.1 Research Design

This complete research design is presented in figure 3 below.

Figure 3: Research Design

The market analysis will be done by secondary research, as well as the financial status of FAAM Benelux. The customer and internal organization research will be done by primary research. The employees will be interviewed briefly about the activities and organization within FAAM Benelux. The customers will be sent a customer satisfaction survey, about the different business activities of FAAM Benelux. The data collection of the market and organizational analysis will be used to make a SWOT-analysis. This will give

an overview of the restraints and opportunities to which the determination of the strategy will be based on. Finally, the conclusion and the recommendations towards FAAM Benelux will be given.

4.2 Choice of Research Method

Different research methods will be used to collect data. This section will be used to explain the different resources that will be used to collect data.

4.2.1 Secondary Research

Secondary research is a good method to acquire a lot of information in a short period of time. Much information is already collected in the past. Databases are available of every kind of branch, industry or country. Because the market is too complicated to analyze, secondary research is used to obtain the necessary information that is needed to describe the Dutch market of forklift batteries.

Desk research is done to obtain information about the market situation. The financial data will be acquired by database records from FAAM Benelux. This database contains financial data from the period 2006 till the second half of 2011. The total profit/loss per year will be compared, which will be used to determine the current situation and the development of the performance.

Information and research from branch organization BMWT will be used to gather information about the market and the competitors. The branch organization consists of 165 companies that are selling batteries in the Netherlands. Information about the total amount of batteries, forklifts, inspections will be used to determine the total market size and the market share of FAAM Benelux.

The CPB is an organization that gathers statistics about the market environment in the Netherlands. Records of the past, current and prospect situation per industry are given, which will be used to describe the current and expected situation of the industry of FAAM Benelux. This information will be used to macro-environment.

4.2.2 Primary Research

Primary research is first-hand research, which is information that is acquired through self developed research. The two primary research methods that will be used are; interviews and survey questionnaire.

A qualitative interview is an interaction between an interviewer and a respondent in which the interviewer has a general plan of inquiry, including the topics to be covered, but not a set of questions that must be asked with particular words and in a particular order (Babbie, 2007).

The interview is held with employees of FAAM Benelux and addresses mostly the internal performance of the company. The different functions of interviewed employees can be found in figure 7. From this interview, the strength and weaknesses of the company will be addressed, which will help to complete the SWOT-analysis. The following questions were asked to employees:

Questions
- What are strengths of FAAM Benelux? Mention three points
- What are the weaknesses of FAAM Benelux? Mention three points
- What is the distinctive element of FAAM Benelux in comparison to competitors?

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- What can be the bottleneck for FAAM Benelux to grow?
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- How do you describe the strategy of FAAM Benelux?
 - What are the business processes within FAAM Benelux?
 - What is the structure of FAAM Benelux?
-

Table 2: Interview themes

The two questions, mention three strengths and three weaknesses of FAAM Benelux, where asked to all employees of the company, including the general manager. The purpose of this question is to understand how employees value the company and also, to acquire some data for the five competitive forces model and the SWOT analysis. The two questions were asked to all employees, because every employee focuses on different elements of the company.

Followed by the strengths and weaknesses, the key distinctive element of the company and the bottleneck of growth were asked. These questions were also asked addressed to all employees, to fully understand the core distinctive character and the threat to the growth potential.

The last three questions were specifically asked to the general manager, because this involves the more management questions. The strategy of the company is needed for the 7S-model of McKinsey. The general manager is usually responsible for developing and implementing the strategy of the company. The structure and business processes in the company are not always completely clear for the employees on the work floor. Therefore, the general manager, Schievink, was asked to explain the structure and processes more in detail.

Data analysis

The acquired information will be used to design some of the theories and models, described in the literature review, chapter 3. The strengths and weaknesses will be used for the SWOT analysis and five competitive forces model of Porter. The distinctive element and the potential bottleneck of FAAM Benelux will also be used to formulate the SWOT analysis.

The strategy explanation, structure of the company and the business processes will be used to formulate the 7S model of McKinsey and partially for the Ansoff growth model.

In general, the information given by the employees of FAAM Benelux, provide useful information when secondary data proves insufficient evidence. The company has not many employees; it is therefore more useful to interview every employee, which will provide a more complete understanding of the company.

Satisfaction survey

Another research method that will be used to collect primary data will be a quantitative field research. A quantitative research elicits information that is useful for analysis. A mail survey will be conducted among current customers. From the database that is kept by FAAM Benelux, customers will be randomly selected to send the questionnaire. The database contains about 80 contact persons with a known mail address. For analysis of the questionnaire a response around 25% ought to be collected to make an analysis. The current customers are mostly end-users, so in the selection of respondents, this will also be the majority. This is done to keep a realistic projection of the current situation. The results will be used

to answer the research question: 'How do customers value FAAM Benelux. The domains of the survey will address the subjects: product, price, service, quality, and brand.

The mail survey is more preferable than other, more time consuming, methods as telephone survey or interview, because of the limited time. The survey will be addressing the research questions mentioned in chapter 2, so answers can be given to these questions. The questionnaire tends to detect negative or positive aspects of FAAM according to the customers. What also will be obtained by the mail survey is the buying decision of customers. To improve the market position, these aspects should be discovered so that FAAM Benelux can adapt to this.

The questions that were asked were mostly based on the theoretical framework, but also by the interviews with employees of FAAM and the interview with the sales manager. The combined information formed the foundation of the survey. The results of the survey will then be compared with the theoretical framework to discover obvious differences. The complete questionnaire is in the attachment [5]

The questionnaire will be drawn up by the program of survey monkey, which is mostly used for designing research survey. This program provides a format, which can be used to design the questionnaire.

Unit of Analysis

According to Babbie (2007), units of analysis are those things we examine in order to create summary descriptions of all such units and to explain differences among them. Several common units of analysis in social research are: individuals, groups, organizations, social interactions, and social artifacts. In this case, FAAM Benelux is producing B2B products so the unit of analysis is organizations. Organizations are a fairly broad subject. The people within the organization that are responsible for purchase orders are; managers handling material equipment, or directors, or procurement officer. In general, the company purchaser of handling equipment is the unit of analysis, regardless of the function.

Data analysis

The analysis of the survey will be done by detecting uncommonly answers or clusters of answers that are possibilities for FAAM Benelux to improve performance. There will be looked at the good customer perceptions as well as negative customer perceptions. Especially the negative perceptions of customers will be used to provide recommendations towards FAAM Benelux. The customers view is important for every company, because it determines the performance of the company.

5. Market analysis

The market analysis consists of three parts. First there is the determination of the market size, followed by the market share of FAAM Benelux, and finally the macro-environment analysis.

5.1 Market size

According to The customers of FAAM Benelux can be segmented in four groups according: end-users, original equipment manufacturers, truck dealers, and battery dealers. Every company that uses electric forklift trucks can be a customer of FAAM Benelux. Because of this, the market size will be determined by the amounts of forklift trucks in the Netherlands.

From the branch organization BMWT, that collects information about the market and amount of forklifts sold, the total amount of forklift in the Netherlands in 2011 was 16906. If only the electric lift trucks are counted, the number is 15714. The complete file is in attachment [3]. Based on the 15714 forklift trucks in the Netherlands, the amount of batteries has to be more; this because the battery has to be charged sometimes and to continue operating the lift trucks, two batteries are needed for one lift truck. As said before, direct data is not available, so the actual number has to be estimated. Based on the interview with Hamhuis, the actual revenue from battery sold was around 1.5 million euro last year. This number includes all necessary parts that are needed to finish the battery. Presuming that the market share of the batteries of FAAM Benelux is 3%, which was estimated by the president of FAAM group Federico Vitali, the market size of forklift batteries is 50 million euro ($1.500.000/3 \times 100$). The price of a single traction battery is around 3250 euro, according to Hamhuis, so the total amount of batteries sold in the Netherlands in 2011 should be ($50.000.000/3200$) around 15.625. The amount of batteries sold by FAAM Benelux in 2011 is then 468 (3% of 15.625).

FAAM Benelux is also gaining profit from the inspections and other service activities. According to the BMWT organization, the total amount of control checks done in 2011 is 200156. This also is a part of the market size, because FAAM Benelux is dependent for a great part of revenues from the inspections and service.

5.2 Market share

The estimated market share by the president of FAAM group is around 3%. This percentage is not well explained, caused by lack of market information. The total amount of batteries in the Netherlands is not determined or examined by any institute. Since it is difficult to obtain data about the market size of batteries, there will be looked at another method to detect the market share.

The branch organization BMWT has collected information about the total amount of inspections done by battery companies. From information collected from BMWT, the total amount of inspection in 2010 was 187804. The reason that the year 2010 is chosen, is that data from FAAM Benelux of 2011 is only until July. This number is determined by collecting data from all the 165 battery selling company in the Netherlands. The amount of inspection done by FAAM Benelux was 2482 in 2010. Based on the inspections of batteries in the Netherlands, FAAM Benelux possesses a market share of 1.3 % according to the formula:

$$(Q_i = 2482 / Q = 187804) \times 100 = 1.32 \%$$

The market share of inspections done in the Netherlands is sufficiently lower than the 3% market share that from inside the company was determined. If the market of inspections in the Netherlands is taken into account, the total market share of FAAM Benelux is apparently lower than 3%.

5.3 Macro-environment

The analysis of the macro-environment will be conducted based on the method of PESTEL from Yeates and Wakefield (2004). Each domain of the analysis will be presented separately.

Political

Currently the government is cutting down in every sector of the market. Government investments in the industry are decreasing, which indirectly means that in general the industry is experiencing fewer orders. The customers of FAAM Benelux are mostly industrial orientated. When the customers of FAAM Benelux experiencing decreasing sales and orders, the machinery are used less. This means that (1) an investment in new equipment and material, such as forklift trucks or batteries, is postponed and (2) The equipment, for FAAM Benelux this means the battery, charger, cells, have a longer lifespan. The products of FAAM Benelux are consumable, but the investments in new batteries will only be done when the battery is completely destroyed and the forklift trucks can't be driven. Ideally, the battery should be replaced every 3 till 5 year. FAAM Benelux experiences indirectly the consequences of decreasing government investments by postponing investments of customers.

Economic

The amount of forklift trucks that are in use and the readiness to invest in the forklift trucks are dependent on the economic situation in the Netherlands. According to figures from the CPB about the economic prospect of 2012 are showing a shrink (attachment 4). The most important figures are marked in yellow. Especially the company investment decline of six percent is not a good prospect for FAAM Benelux. This means that companies are extending the lifetime of equipment and that the willingness to purchase new material is decreasing.

Also the production and economic growth are declining. The economic situation in the Netherlands at the moment is very bad. This will lead to more difficulties in achieving more sells. This is also supported by Stad (2012) in his article published on logistiek.nl, about the selling of forklift trucks that are under pressure. He stated in his article that the growth of forklift trucks is reaching the maximum. This will probably also count for the switch from LPG/Diesel to electric models. In economic declines, end-users are appearing to keep their own forklift models. Another article of Stad (2011), about the forklift market, he presents a chart of the amount of forklift trucks sold between 2001 and 2010. As shown in figure 2, in 2009, when the economic crisis was, there has been a strong decline in forklift selling. The prospects for 2012 are comparable with 2009, which can lead to the same decline as happened in 2009. This is a serious threat that will probably also affect FAAM Benelux.

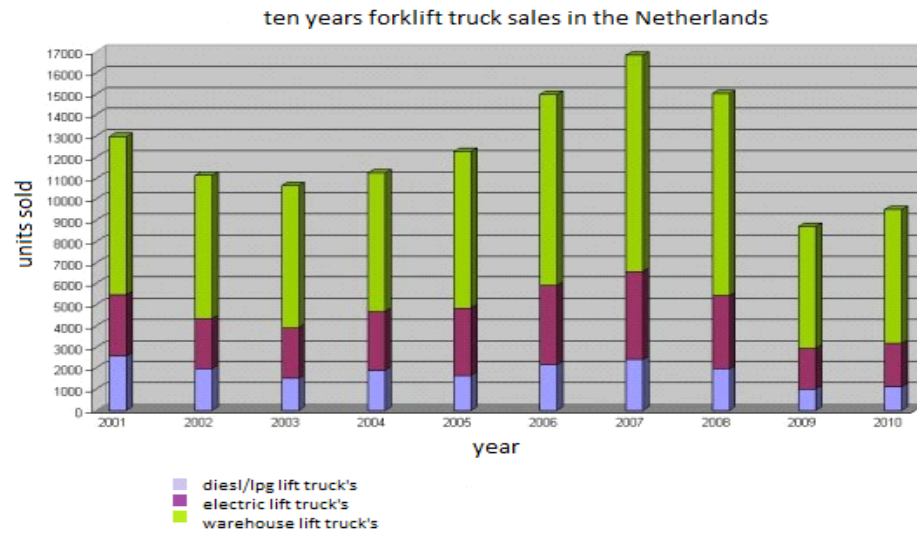


Figure 4: Ten year sales of forklift trucks in the Netherlands

Social

Corporate social responsibility (CSR) in the industry is becoming a greater issue. On Rabobank Figures and Trends is published an article by Versteegh (2007) about corporate social responsibility in the Netherlands. In 2007, the companies in the Netherlands have invested 2.5 billion euro in energy saving resources. More and more companies are taken the environment and the human aspect into account, as well inside as outside the company. The terms 'people', 'planet', and 'profit' are core dimensions of CSR of companies. CSR is, making profit by including environmental and social dimensions in the business management. The increasing importance of sustainability and the social environment can be an opportunity for FAAM Benelux to distinguish them in comparison with competitors. The energy saving element of the FAAM batteries can be an important selling point in convincing companies to buy FAAM products.

Technological

From research conducted by logistiektotaal (2010), where a comparison is made between electric lift trucks and LPG/diesel lift trucks, there has been concluded that electric lift trucks are cheaper to use than LPG lift trucks. By transporting one hundred pallets, in a timescale of five years, the electric lift truck is €23.500 euro cheaper in energy costs in comparison with the diesel trucks. Also the maintenance costs

of electric lift trucks are considered to be around €700 euro lower per year. Although the purchase price of an electric forklift truck is €6000 - €10.000 euro higher, the energy saving aspect would pay itself back during the use of the forklift truck.

It is not only sufficient to produce batteries for electric forklift trucks. There are a lot of competitors of FAAM Benelux in the Netherlands. The developments of batteries are currently aiming on lower the usage costs. The selling point of the battery is not only the price of the battery, but also the costs of using the battery in terms of energy costs. This aspect is becoming more important than the selling price of the battery.

Environmental

While more companies began to understand the many environmental impacts of how things were manufactured, a few companies realized that they needed to look at full environmental impacts of their products (Makower, 2009). Bob Lipp (2010) mentioned in his article that in B2B product marketing the buying decision would be dependent on three variables: cheaper, faster, better. Today, however, with more major companies becoming environmentally-conscious, which means products that save energy, conserve resources, reduce emissions, and are biodegradable or recyclable. Green has become a category all to itself. The marketing paradigm has shifted to: cheaper, faster, better and greener. FAAM batteries and chargers are constantly suffering development to decrease energy costs. The increased awareness of customers about sustainability and the political pressure to reduce use of energy is providing an opportunity for companies to offer sustainable products, so a competitive advantage can be realized.

Legal

Usage of forklift trucks till 4.000 kilogram capacity in closed or semi-closed spaces is strictly monitored by inspectors. Inside use of diesel lift truck is not allowed, due to the toxic gasses that are produced. Every diesel lift truck then needs to be replaced by a LPG lift truck, included with exhaust catalysis and proper ventilation shafts, or an electrically driven lift truck. Forklift trucks with a capacity of more than 4.000 kilogram can only be used inside, when the exhaust emission is reduced by at least 70% (Verhoeven, 2011).

Summarizing the elements of PESTEL, there are 165 battery selling companies in the Netherlands, which all have their own customers. The economic crisis in Europe and the rest of the world is making it more difficult for FAAM Benelux to realize company growth. Companies are less willing to invest in new equipment, when it is not really necessary. The unique selling point of FAAM Benelux can be that the battery realizes lower energy costs, which will be beneficial for the user of forklift truck. On one hand, there are great opportunities for FAAM Benelux due to the energy saving element of the batteries and the increasing awareness of environmental and social aspects. On the other hand, the economic situation of the economy in general and the amount of competitors seems to make it difficult for FAAM Benelux to exploit these opportunities.

5.4 Five competitive forces

Porter's competitive forces form a framework for competitive action. The five elements can influence industries in both positive and negative ways. The analysis of the competitive environment and design appropriate strategic actions for the product-market strategy will be discussed next.

Potential new entrants

Economy of scale: There is a difference between battery selling companies and battery production companies. When new entrants try to enter the market with their own product, a new battery, they will face big investments. When new entrants try to enter the market as battery selling company, the investments are relatively low. When batteries are only sold, the company has to seek production companies, who are willing to sell their product through the battery selling company. This means for the battery selling company that they have to sell a lot of batteries, because the supplier of batteries also wants to realize profit from the battery. Potential of new entrants is rather low in the Dutch market of forklift batteries.

Product differentiation: The batteries that are used in the forklift trucks are rather similar, because the battery has to be mounted according to the forklift standards. This means that there are limitations in the design of the battery. The quality of the battery can be different, because of the used materials, or the chemical proportions.

Capital requirements: Also mentioned by the economy of scale, the capital requirement for starting a production company is very high. It needs a factory for producing the batteries and distribution channels to transport the products.

Switch costs: The switch costs are relatively low, because the batteries are designed to fit the forklift truck. Therefore, batteries from competitors will also fit the forklift truck and they are easy to install. What could make a switch less attractive is that maybe the discount rate which is often given to loyal customers, is relatively high. FAAM Benelux gives their main customers a discount of about 10%, which is a significant amount when buying 10 a 20 new batteries.

Distribution access: This is difficult to detect in the Dutch market of forklift batteries. The batteries of FAAM Benelux are distributed through external transport companies. New entrants will, probably, have no difficulties in finding solid distribution channels.

Government policies: There are no policies found which could affect the entry of new battery selling companies.

Bargaining power of suppliers

Battery selling companies are very depended of the battery producing companies. Since FAAM Benelux is a production company, this is of little influence. As general manager Schievink also mentioned, they production selling companies are only used to get additional sales, but the margins from these companies are less attractive. When company producing companies are selling their batteries through

the battery selling companies, it loses a part of their margin. Thus, the power of suppliers is relatively high in the Dutch market of forklift trucks.

Bargaining power of buyers

Since there are many competitors in the Dutch market, the bargaining powers of buyers are high. It is easy for buyers to switch to other brands and suppliers. This strong bargaining power of buyers is also the effect of the fact that the batteries are adjusted to the forklift trucks, so other batteries can also be installed. A distinctive product, high quality product and a competitive price is needed to attract buyers.

Threat of substitute products

The threat of substitution is very low. There has been a switch from diesel and gas driven forklift trucks towards electric driven forklift trucks. There is currently no alternative to electricity, which can substitute batteries. Therefore, there is currently no threat of substitution. In the future, there can develop a more energy saving or sustainable way to run forklift trucks.

Rivalry among competitors

The high amount of competitors, high bargaining power of buyers, little differentiation and little threat of substitution, leads to high rivalry among competitors. Besides the original equipment companies like Toyota and Still, there are many smaller companies who are trying to gain a market share. Currently, the OEM's possess a major part of the market share, and it would be difficult to gain market share from these companies.

6. Organizational analysis

In this chapter, the analysis of the organization will be conducted. First, the financial situation will be discussed, followed by the 7S model of McKinsey which will address the internal performance and finally the customer performance.

6.1 Financial situation

As seen in figure 5 below, the company has not made any profit since 2006. The calculation of the profit/loss of FAAM Benelux is presented more in detail in attachment [2]. In 2007, the loss increased sufficiently to 332.600 euro. When looked at the financial database from Exact online, the decrease in brute revenue could be the factor that is responsible for the made loss. In 2006, the brute revenue was 636.723 euro, while in 2007 it was just 277.773. The profit from the products, and inspections was less than the year 2006.

In 2009, the loss is even larger than in 2007. Closer look at the profit/loss balance of FAAM Benelux from Exact online reveals that the value of supplies decreased from 537.310 in 2008 to 164.078 in 2009. Hamhuis told that due to the complete take-over by FAAM group, they transferred supplies from FAAM Benelux to FAAM group in Italy. This loss is calculated over 2009, which resulted in the loss of 419.200 euro.

Figure 5: Profit/loss FAAM Benelux 2006 – 2010

The total amount of service inspections are shown in figure 6. The total amounts of inspections done by FAAM Benelux in 2009 declined dramatically in comparison with 2008. The decline is in line with the loss made according to figure 5 in 2009. Though, the amount of inspections done in 2010 remains practically the same, the loss that is realized in 2009 is not that much in 2010. When asked for explanation, FAAM Benelux claimed that in 2009 the stock level has decreased significantly, which causes for the loss of almost 400.000 euro. When the decrease of the stock level was not included, the figures for 2009 would be more like those in 2010. The amount of inspections done in 2011 is almost the same as in 2010, which means that the company isn't experiencing growth. When the amount of inspections done per year increases, it means that the company has sold more batteries, which has a positive impact on the profit made per year.

The difference between 2008 and 2009, when looked at inspections, is not the cause of a lower stock level. In 2009, FAAM group took over Van Drempt, which is now called FAAM Benelux, but the revenues went down. Not all the customers were satisfied with the new owners, and decide to cooperate with other suppliers. Due to this, the amount of inspections decreased, which still isn't at the level of 2008.

Figure 6: Amount of inspections of FAAM Benelux per year
(2011*: this number is estimated, total inspection till June 2011 was 1146)

6.2 Internal analysis

The internal analysis will provide information that can be used to describe the strengths, weaknesses, opportunities and threats of FAAM Benelux. The 7S model of McKinsey will be used to analyze the internal performance.

Subordinate goals

FAAM works constantly to ensure that they encourage and reinforce social, environmental and regional aspect. The company's commitment to social values, as well as commitment to the highest quality product, permeates the company at all levels and is formalized in the company's mission statement:

"Working more with less effort, to bring to the world high efficiency energy storage system... creating value for the next 450 years."

Strategy

The current strategy of FAAM Benelux to develop growth in the Dutch market is to; first, improve the relationship with active customers, so that they see FAAM Benelux as a trustworthy company. The customer becomes a centre point of the business activity. This means that promises made with customers, have to be kept and that questions or complaints of customer directly have to be resolved. The goal for FAAM Benelux is to gain a market share of 20% within two years. This goal has been formulated, because the company has a distinctive product. From the interview with general manager Schievink, the strategy for the coming 2 years will focus on making and keeping current customers satisfied, more than focusing on attracting new customers. Although this is important, first there should be created a stable foundation from which FAAM Benelux can expand. There are a lot of things that we have to do that haven't been done in the past. There are a lot of inspections that have done, and a lot of payments that have to be made from the past. When this is completed, the company can reorganize their activities as intended. In the coming two years, the customer satisfaction has to be the core business. When the customer is satisfied kept satisfied, they will appreciate the products of FAAM more, which will result in stronger brand positioning.

Systems

Every employee of FAAM Benelux has their own job description. Also the systems that are used for processing data are determined by the general manager. In the past, the company used Exact as a program to organize the customer data and their own financial data. In here, company information and information about the relationship are addressed. This program is appropriate for maintaining data collection from customers, but the program has its limits. The software program which FAAM Benelux is currently using is called SAP. This stands for Systems Applications and Products in Data Processing. This program can also be used to combine the order from customer with the parts in stock, so the company can directly see if the order can be finished and, if not, when. Working with SAP is currently not fully optimized. According from the interviews with employees (attachment 7), there are still customer, suppliers and products missing in the SAP program. Also the stock level that should be present according to records from SAP is often different from the actual stock level in the depot.

The business processes are drawn in attachments 1A and 1B. There are two different business processes that can be detected. First, there is the business process that concerns order handling. Secondly there is a business process for service handling.

Order handling process

The order is coming in by either the salesperson or the administration. The administration fills in the order in the SAP system, which is an enterprise-wide information system designed to coordinate all the resources, information and activities needed to complete business processes as billing or stock level. If the necessary parts are not in stock, these have to be ordered by the office manager. The delivery time is a variable factor, which can be on time or delayed. When the parts arrive, they are checked on quality and quantity to make sure the right parts arrived. When all the necessary parts are in available, the assembly guy prepares the battery with the necessary attachments, included with a letter of contents (Schievink).

Service handling process

The service consists of two parts. First, there is the programmed service, which is planned by contract. This can be refilling the water component, inspection, BMW safety check, or cleaning the battery. Secondly, there is the urgent service for unexpected failures. Usually, the office manager or the administration processes these calls by arranging the time and date when the service person will be visiting the customer. The service person repairs the damage and draft the bill. The bill is then sent on paper or by mail to the administration. The administration checks the contractual deals for any agreements made and then sends the invoice to the customer (Schievink).

Structure

The structure of the organization is presented in figure 7 below.

Rachid Bouali
(stagiaire administrator)

Dennis Score
(mechanic)

Alexandra Damhuis
(Financial manager)

Elisa Lanciotti
(Salesperson)

Nicky Janssen
(Office manager)

Edwin Kroeze
(Depot manager)

Team South
Office department
Storage department
Sales department
General manager

(Alain Schievink)

Team North

**Alex Hamhuis
(Salesperson)**

Dick Meier
(Depot manager)

**Niek van Zutphen
(mechanic)**

Figure 7: Organization chart

The structure of FAAM Benelux is very informal, due to the small amount of employees. The different departments are functioning as a combined team. The sales department is split up recently into team south and team north. Currently there is one salesperson per team and one mechanic. In the future the mechanic should obtain a double role, as well mechanic as salesperson. Due to arrears of maintenance, the mechanic of each team is currently only working to get the service and maintenance up to date. It is for the teams necessary to keep each other informed about the recent development. The mechanic has more contact with the current customers, while the salesperson is responsible for acquiring new customers.

There is one office manager and one financial manager, currently strengthened with a stagier. They are responsible for processing the order properly and for keeping the stock leveled up.

One person is making sure that all the bought batteries and spare parts are ready for transport. Dick Meier is currently not able to work, due to physical injuries, but when he is able to start working, he will also assist Edwin in the storage department.

Style

When looked at the several leadership styles in Daft (2008), the transformational leadership style would be the most suited for FAAM Benelux. The general manager, Alain Schievink, is allocated to FAAM

Benelux to bring about innovation, change and encourage the team to look at old problems in new ways. He gives the employees the change to believe in their own potential and inspires them to create a better future for the company. In meetings with the staff, he informs everyone about the current situation and the expected situation. The employees then have the opportunity to bring in their own vision about the situation and what they think can be improved to optimize the efficiency. The positive attitude that the general manager brings over to the staff and to encourage the staff that they can develop their skills, is typically what a transformational leadership style comprises.

Staff

The company counts ten employees, including a stagier and a person who is currently unable to work due to a back-surgery. FAAM Benelux has a very young team. Due to the take-over by FAAM group in Italy, different people have been brought in the company. The most experienced employees are positioned in the sales department. Mister Hamhuis is 17 years employee of the company, when the company was still called Van Drempt.

There is one Italian employee, who is not speaking the Dutch language. So the other employees have to speak English with her. Sometimes this leads to difficult communication with each other.

Skills

The employees of FAAM Benelux have different skills and qualities. There is a mix between experienced employees and young/ambitious employees. The sales department possesses the most experienced and technical skills. This is necessary, because they have face to face contact with customers and they have to give answers to customers about the products and procedures.

In the office department there have been some changes. First, there only was one financial manager, who was responsible for the entire process of order handling and financial processing. This team is strengthened with another person who is strictly responsible for finance. The financial manager is young, but very eager to learn and she has a strong personality.

The general manager has the skill to motivate the employees in achieving the company's goals. This is important, because the company is not performing well since a long time and the team is young and greatly not well known with all the procedures and tasks that are expected from them.

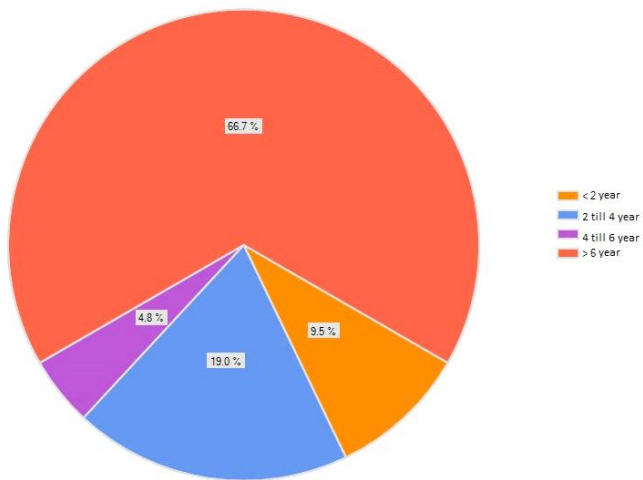
6.3 Customer analysis

The questionnaire from which the customer analysis will be made is included in attachment [5]. This questionnaire is sent to 80 contact persons. The questionnaire concerns the subjects: product, price, service, quality, and brand. Each subject will be discussed in this paragraph, whereby only the results which are interesting for this research will be analyzed in the paragraph. The other results can be found in attachment [5]. First, the active customer analysis will be presented. After this, the non active customer analysis will be briefly discussed and finally, there will be a short discussion about the validity of the survey results.

The questionnaire response rate is almost 29 percent. This includes two respondents who are currently non-active customers. From the 80 sent questionnaires, 23 customers replied the questionnaire.

The majority of the respondents own six till ten forklifts (figure 8). Also a great part own more than twenty forklift trucks, which means that more than a fifth of the respondents are big companies. The satisfactions of these large companies are very important for FAAM Benelux, because they can retain a lot of profit from them. Among the respondents, the majority is longer than six years customer of FAAM Benelux (figure 9). This means that a great part of the given answers are based on a long period of collaboration. These customers have experienced all the strong and weak aspects of FAAM Benelux, so the results should present a realistic picture of the situation.

How long are you a customer of FAAM Benelux?



The amount of forklift truck owned by a company

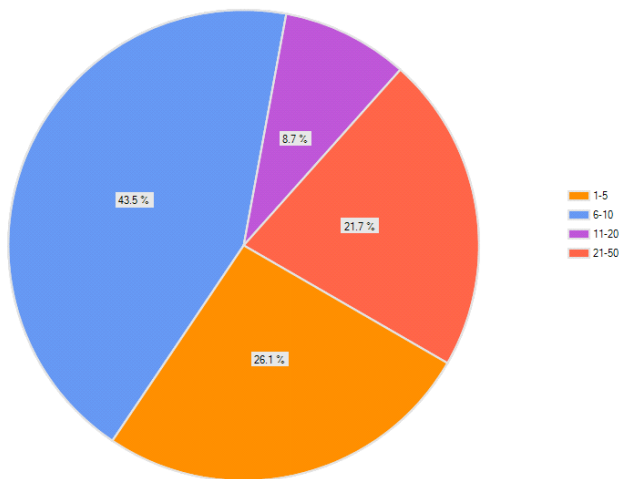


Figure 8: amount of forklift truck owned

Figure 9: amount of year's customer of FAAM

The above figures are presented to clarify which sorts of company have completed the questionnaire. The other questions about the general information are not presented in this report, because it is more of use for the company itself, than for this thesis.

Next, the five subject addressed to the respondents will be analyzed. The answering scale of the questions are divided by five answers, where the score 1 is the lowest score and 5 is the highest score. When looked at the average of the answers, the aspect with the lowest average score given by the customers will be detected as well as the aspect with the highest average score.

Finally there will be looked at the non active customer answers that have replied to the customer satisfaction survey and the threats to validity of this customer satisfaction survey.

User friendliness

The user friendliness measures the ease of use and ease of maintenance of the products. The scale is divided by 1= very difficult, 2= difficult, 3= reasonable, 4= simple, 5= very simple. Based on this scale rate, the aspect with the lowest average score is experienced by customers as worst user friendly.

Figure 10: User friendliness average scores FAAM Benelux

As seen in figure 10, the user friendliness of the products of FAAM is appreciated above reasonable. The averages are between 3.44, which is given to the removing of the battery out of the forklift truck and 4.30, which is assigned to the charging of the battery. For FAAM Benelux it is important that the customer experiences the distinctive features of the battery and other products as good. Installing and removing of the battery can be occurring due to the forklift truck or due to other reasons. Maintaining the battery and the charger are also experienced as simple, which is positive for the FAAM products. Overall, there are no extreme or significant outliers in the user friendliness of FAAM products. The user friendliness of FAAM products are experienced as simple.

Price-Quality appreciation

The price-quality appreciation is measured by several statements about the price of multiple products in relation to the quality experienced by the customer. The price of the battery, charger, spare parts, service and BMW inspection are compared to the quality of these products or services. The average scores of the price-quality appreciation are given in figure 11 on the next page. The customer can indicate whether or not they agree the statements given. The higher the average score, the more they agree to the statement about the price-quality appreciation. Figure 11 displays the average score, which shows no substantial differences. The score varies from 3.23 and 3.47, which response with answers between neutral and agreeing customers about the statements. The spare parts are considered to have the lowest price-quality appreciation. Spare parts can be cells, covers, hoses and plates, which can be separately ordered and/or replaced. The price of the battery is appreciated the best, which again implies that the main product of FAAM Benelux is good.

Figure 11: Price-quality appreciation average scores FAAM Benelux

There is small difference between the price-quality appreciation of the battery and charger, and the service, spare parts and BMW inspections. This implies that customers are more satisfied with the first-hand purchase products, than with the follow-up purchases and services.

Service

The service of FAAM Benelux is expected to be the most critical aspect, which is also mentioned in the interviews with employees of FAAM Benelux. After the purchase of products by customers, the service is an important factor by which a company can distinguish themselves from competitors. For FAAM Benelux, this is the main focus to improve the company's performance. Customers are experiencing the flaws and difficulties of FAAM Benelux the best, which have direct influence on the perception of customers about FAAM Benelux. The different aspects of service are presented to the customers and they can value these aspects as insufficient, reasonable, sufficient, good and very good.

Figure 12: Service average scores FAAM Benelux

The delivery time is scored the lowest, which was also mentioned in the interviews with the employees of FAAM Benelux. The reason that the delivery time of FAAM Benelux is inconsistent is because the stock supply is very low. Therefore, FAAM Benelux dependent on suppliers in Italy, which often takes longer than expected. The low score on sticking to appointments is connected with the long delivery time. When the agreed delivery time is not reachable, the communication with the customer is insufficient. This is also mentioned in the open answer box, in which the customer can give his remarks on the service of FAAM Benelux. Four people mentioned the reliability of delivery and appointments as the most negative aspect of FAAM Benelux. This is an aspect which FAAM Benelux has to improve, because customers, especially in B2B are depending on a good and reliable relationship to keep their business activities running.

Besides delivery time and sticking to appointments, also the clarity of bills and quality of problem solving scored low compared to other aspects. The comment given about the clarity of bills is to include a copy of the letter of contents, or statement number. This improves the check up on the delivered products and activities done by FAAM Benelux. The quality of problem solving scored an average of 3.26, but the quality of inspections and reparations scored relatively 3.64 and 3.72. The problem solving scored not as high as the inspections and reparations, so something else is responsible for the low score.

Friendliness of the staff scored the best, followed by the knowledge of the employees and the quality of reparations. Friendliness of the staff is important, because it is often the first impression of customers towards the company. The knowledge of employees has scored a 3.78 average, which leans towards 'good'.

At the end of the service part of FAAM Benelux, the customer was provided the opportunity to make recommendations towards FAAM Benelux. Four respondents made use of this opportunity to make improvements about the service of FAAM Benelux. The answers are listed below:

- *'Improve reliability of delivery'*
- *'Improve communication with contact person and sticking to agreements'*
- *'Please make sure that people that answer the phone can speak Dutch. Clarify the invoices by sending together with the invoice a copy of the letter of contents or order number. Make sure that the delivery time and date are delivered on their promises'*
- *'Do what you promise'*

In combination with figure 12, the weakest service points of FAAM Benelux, according to the customers, are concerning reliability, communication and clarity.

Quality

The quality of products of FAAM Benelux seems similar to the price-quality appreciation, but where the focus of price-quality is on the price, the aim is now to focus on the quality of the different qualities of the products. The scores are ranged from the lowest score, 1, till the highest score, 5. The main attention will be given to the battery, because this is the most important product of FAAM Benelux. The energy saving feature, which is promoted by FAAM to be distinctive from competitors, is ought to be experienced by the customers.

There is only one respondent who classifies the lifespan of the battery below average. All the other answers about the quality of the products are classified as average or better. This shows that FAAM Benelux provides solid products to the customers. The lowest average score on quality is given to the quality of the spare parts material.

The energy saving feature of the battery, which distinguishes FAAM from other products, has scored a 3.42 average. This seems to be less than the other quality aspects that were presented to the customers. Though, four respondents answered not applicable to this aspect, which has some effect on the average score. The capacity of the battery scored the highest average. Capacity of the battery is the amount of electric charge it can store. The necessary electric charge is dependent on the amount of weight the forklift truck has to shift and the distance it has to cover. Figure 13 clearly shows that the capacity of the battery is seen by customers as the best quality feature.

Figure 13: Quality average scores FAAM Benelux

Image of the company

The image of the company is measured by retaining the thoughts of the customers about the company FAAM Benelux in general. Five statements about the feeling towards FAAM Benelux, or the brand 'FAAM', are presented to the customers. Figure 14 shows the average scores from the customers about the image of FAAM Benelux.

Most of the respondents are satisfied with the brand 'FAAM', only one respondent is not satisfied with the brand. Seven of the seventeen respondents answered that before they became customer of FAAM Benelux, they weren't aware of the company FAAM. This means that the brand 'FAAM' is not widely

reckonable among the companies that use electric forklift trucks. This is also strengthened by the relative low average score on the last statement, 'the image of FAAM convinced me to become customer'.

Figure 14: Image of FAAM Benelux average scores

On one hand, the customers are mentioning that they are feeling positive about FAAM and that they are satisfied with the brand. On the other hand, the awareness of the brand in the market and the image of FAAM in general in the Netherlands, are less present.

At the end of the questionnaire, the customers were asked to value the performance of FAAM Benelux. Nineteen respondents gave their opinion; the most respondents have valued the performance as 'sufficient', followed by the valuation as 'good'. Figure 15 displays the scores given by the customers.

Figure 15: Valuation of the performance of FAAM Benelux

Non active customer reply

The questionnaire was sent to 80 respondents that were available in the database of FAAM Benelux. This database included data from former customers, which hasn't been filtered. The information from the former customers can be useful for this thesis, because it can reveal reasons why they quit the relationship with FAAM. A total of two respondents filled in the questionnaire as non active customer. One respondent mentioned that the reason for shifting to a different supplier was that the price of a battery was lower elsewhere. The other respondent mentioned the takeover by FAAM group and the discharging of the former director, as the main reason to swap over to R&W, a competitor of FAAM Benelux.

Threats to validity

The questionnaire was designed to measure the customer satisfaction. The total number of responses was 23, which may cause unreliable results from the questionnaire. One way to strengthen the analytical power of the questionnaire, according to Shadish, Cook and Campbell (2002), is to use larger sample sizes. When a questionnaire is sent to companies, it is more difficult to acquire responses, because the lack of time and interest of employees at companies. Of course an amount of more than 23 persons would be more preferable. Besides the low amount of companies, the response rate was around 29 percent which is high enough in this thesis.

At the start of the questionnaire, all 23 persons filled in the questions. Later on in the questionnaire, fewer responses have been given to questions. This is a threat to construct validity, which concerns the method used to acquire information. Some questions have been skipped, which makes the results less reliable. Though, these results are used to formulate conclusions about the customer satisfaction.

7. Performance Strategy

Currently, FAAM Benelux has no clearly defined strategy to present them in the market.

The combined results from the market, organization and customer analysis, will be used to generate the SWOT analysis. This will provide the boundaries and opportunities of which the right strategy will be decided. The elements of the SWOT analysis will first be presented based on the findings in this research. Following the SWOT analysis, the product-market strategy will be determined which is most suited for FAAM Benelux. Each opportunity, threat, weakness and strength is number, which will be used in the confrontation matrix in chapter 7.2.

7.1 SWOT analysis

The opportunities, threats, strengths and weaknesses are as follows:

Opportunities

(O1) The opportunities in the market are mostly involving the increasing awareness of sustainability and energy costs by companies and customers. Companies are paying more attention to the cost of usage, than to the purchase price. The reason for this is that the corporate social responsibility is becoming increasingly important. Another aspect which creates opportunities in the market of FAAM Benelux, are the increasing regulations and procedures in regard with CO₂ emission. This stimulates companies to buy sustainable and energy saving products. This can be the key factor that can help FAAM Benelux to bring their products in the market.

(O2) Another opportunity for FAAM Benelux is to increase their activities in Belgium, Germany and Luxembourg. Currently they are mainly providing the Dutch market. The Dutch market has many competitors and increasing the activities in other countries, can stimulate the growth opportunities. Whether or not this is possible within short-term is not certain, but this is something they should consider when the growth in the Netherlands can't be realized.

Threats

(T1) The most important threat for the market of FAAM Benelux is the presence of many competitors in the Netherlands. There are a lot of original equipment manufacturers such as Toyota and Still, which possess a large share of the market. It is very difficult for FAAM Benelux to compete with these companies, because they can offer a complete forklift truck including battery and chargers. Companies that buy the forklift trucks are often stuck to contracts with the selling company. Also, it is very easy for customers to switch supplier. There are low-entry barriers for competitors.

(T2) Another threat that is happening in the market is the economic crisis. The willingness to make investments is decreasing by 6%. This means that either non active customer of electric forklift trucks is less willingly to invest in new products or current customers are less willingly to purchase replacement batteries. Overall, the companies are less profitable in when the economy is declining, which results in less money to spend and even bankruptcy.

(T3) Also the growth of electric forklift trucks is reaching for its maximum, which is also a negative signal for the market of FAAM Benelux. When the growth of new forklift trucks is decreasing, it means for FAAM Benelux that new customers should be acquired by approaching the customers of competitive companies. The problem for attracting these potential customers is that these customers already have a relationship with their own suppliers of forklift batteries.

(T4) The high bargaining power of buyers is also a threat, because customers can easily switch to competitive companies. If FAAM Benelux lacks customer satisfaction, it can easily loose customers.

Strengths

(S1) According to the employees of FAAM Benelux the most important strength of FAAM Benelux, is their product, which is made of high quality material. The energy saving ability will eventually be noticeable by customers, which will attract the attention of other companies.

(S2) Another key factor of FAAM Benelux in relation with other battery selling companies is that FAAM Benelux is a production company. Because of this, FAAM Benelux offers good prices to customers. This is also supported by the customer analysis, which values the highest average score to price-quality of the battery.

(S3) The customer survey discovers also several other strengths that customers experience. The friendliness and knowledge of the employees are valued high in the service aspects. Also the quality of inspections and reparations was very good regarding with other aspects. Combined can be said that the human resource of FAAM Benelux is an important aspect, which customers can appreciate.

(S4) Almost 78% of the respondents are satisfied with the brand 'FAAM' and about 70% are having a positive feeling about the brand. Despite the difficult period that FAAM Benelux is experiencing, a lot of customers are satisfied with FAAM Benelux. This is a good signal for the further improvement of FAAM Benelux activities.

Weaknesses

(W1) The weaknesses of FAAM Benelux are more of organizational nature. The financial situation of FAAM Benelux is very difficult. Therefore, the possibilities to make investments are restricted. With little financial assets FAAM Benelux should be very creative. One of the outcomes of the difficult financial situation is the lack of money to attract employees. The service department of FAAM Benelux counts two official technicians, which have to cover the whole Dutch market. The service department is working under a lot of pressure to complete the tasks. This can result in lower quality of service provided to customers.

(W2) The delivery time of FAAM Benelux is most important aspect that should be improved. This conclusion is made by the interview with employees, as well as the customer survey. Both groups are seeing this as a serious obstacle for improving the company performance. The key for improving the

delivery time lies by the Italian Group FAAM. The batteries and cells have to be shipped from Italy to the Netherlands, either this is not always done properly. The stock level of FAAM Benelux needs to be increased to quickly deliver the products to the customers. Currently, the customer has to wait a long time to get their necessary products, which is not acceptable because they need their equipment in their daily activities.

(W3) Another weakness which is associated with the delivery time is the lack of sticking to promises. Delivery dates are often delayed, due to not receiving proper amount of products from Italy or due to delaying shipments. Customers are not always informed about the changes in delivery.

(W4)The lacking of sufficient service employees is also a weakness of FAAM Benelux. As mentioned in the customer survey, service is the most important aspect of the company to keep their customers. When the service department of FAAM Benelux cannot keep up with their orders, it will lead to lower value of service experienced by customers. This can result in losing customers.

7.2 Confrontation matrix

The strengths, weaknesses, opportunities and threats will now be presented as related to each other. The SWOT factors from chapter 7.1 will be used to design the confrontation matrix.

	EXTERNAL	OPPORTUNITIES		THREATS				
INTERNAL		O1	O2	T1	T2	T3	T4	TOTAL
strengt hs	S1	++	++	+	+	0	+	7
	S2	++	+	+	+	--	-	2
	S3	0	0	+	-	-	0	-1
	S4	0	0	+	0	0	++	1
weakn esses	W1	0	-	-	--	--	-	-8
	W2	0	-	--	-	0	--	-6
	W3	0	0	0	0	0	-	-2
	W4	0	--	0	0	0	-	-3
	TOTAL	4	-1	1	-2	-5	-3	

S1= high quality of products

S2= production company

S3= skills of employees

S4 = customers satisfaction

W1= financial situation

W2= long delivery time

W3= bad communication

W4= time pressure service department

O1= importance of sustainability

O2= expanding towards Germany/Belgium

T1= many competitors

Table 3: Confrontation matrix

T2= Economic decline

T3= Declining growth of forklift trucks

T4= High bargaining power of buyers

The confrontation matrix shows that the quality of products is the most important strength in relation to the opportunities and threats. The high quality and energy saving products can contribute highly to the two opportunities. Also, the fact that FAAM Benelux is a production company could be beneficial for exploiting the opportunities.

The financial situation and the long delivery time are the biggest threat of FAAM Benelux. The combination of strengths and weaknesses can reduce the risk of many competitors in the Dutch market. The strengths provide enough opportunities to reduce the threat of competition.

The opportunity of increasing importance of sustainability provides, according to the matrix, the best chance of success. The weaknesses of FAAM Benelux are all neutral, while the first two strengths (high product quality and the fact that FAAM Benelux is a production company) provide high support.

The high bargaining power of buyers and the decline of growth of forklift trucks remain a great risk and are difficult to resolve. The high bargaining power of buyers can be reduced by creating increased customer satisfaction.

The confrontation matrix shows the different relationships with opportunities, threats, strengths and weaknesses. Based on these results and the results from other theories and models described earlier, first the determination and explanation of the choice of product-market strategy will be given, followed by the operationalization of the content of the strategy.

7.3 Market-penetration strategy

As said in chapter 3.7, there are four different strategies that can be applied, depending on the market-type and product offerings. Looking at the market-type of FAAM Benelux, they are providing the products to existing markets. They are competing with many battery suppliers in the Netherlands, which all deliver to companies who use electric forklift trucks. The products that FAAM Benelux offers to the market are already present, minus some specific features. Therefore, matching the organizations' offerings with the market in which they operate, FAAM Benelux should consider to adopt a market-penetration strategy.

This strategy involves attempts to increase present buyers' usage or consumption rates of the offering, to attract buyers of competing offerings, or to stimulate product trial among potential customers (Kerin and Peterson, 2007). The mix of marketing activities might include lower prices for offerings, expanded distribution to provide wider coverage of an existing market, and heavier promotional efforts extolling the unique advantages of the offerings from FAAM Benelux over competitors' offerings.

Although the penetration strategy is most appropriate for FAAM Benelux, it is not certain that this strategy will result in growth in the Dutch market. Several factors have to be taken into account.

FAAM Benelux can increase the present buyers' usage or consumption rates of the offerings. To realize this, customer satisfactions should be high. Based on the customer satisfaction survey, delivery times, quality of problem solving, sticking to appointments and clarity of bills are points of improvements. According to the confrontation matrix, the bargaining power of buyers can be decreased by creating high customer satisfaction. FAAM Benelux should improve these aspects, so customers' satisfaction will increase, and consumption rates will be higher and the bargaining power lower.

The products of FAAM Benelux are distinguished by the energy saving abilities of the batteries. From the customer satisfaction survey, it is not always clear by customers that they distinguish them in the market by the energy saving features. The results from the confrontation matrix show that the product of FAAM Benelux can provide great opportunities in the market, because sustainability becomes more important. If FAAM Benelux wants to penetrate the market, it has to advertise the unique advantages of the products. Because the Dutch market consists of many competitors, customers can easily switch to other battery suppliers. Therefore, standing out in the market is very important. When advertising the unique advantages of the products is not reaching the customers, FAAM Benelux might consider lowering the price, which is also an important aspect were customer base their decision making on.

Based on the organizational analysis, it might be difficult for FAAM Benelux to penetrate the market through marketing campaigns. The costs of advertising are usually high, and the financial position of FAAM Benelux is very weak. Considering this, FAAM Benelux will more likely be successful in penetrating the market through lower prices.

FAAM Benelux' greatest advantage over many competitors is that they are also a production company. FAAM has a production plan in Italy, which should give the opportunity to lower prices.

The side effect of market penetration is that competitors are likely to react. If FAAM Benelux tries to attract customers from competitors, they can expect aggressive reaction by competitors. Following the PESTEL analysis, growth in the Dutch market is reaching its maximum. Therefore, it is more difficult for battery suppliers to attract new customers, which lead to aggressive competition.

Summarized, the penetration strategy fits best with FAAM Benelux and the market-type. First, growth can be realized by increase customer satisfaction. According to the literature, this will result in the increase present buyers' usage or consumption rates.

Second, the penetration strategy involves increase of marketing and advertising activities to expel the offerings advantages over the customer's offerings or lowering the offerings price. When trying to attract customers from competitors, FAAM Benelux should expect reaction from competitors.

The Dutch market of forklift trucks has many battery suppliers, which could make the penetration strategy become more difficult to be successful. Also, the weak financial position of FAAM Benelux could make it more difficult for the strategy to become successful. The advantage of FAAM Benelux is that they are a production company, with a production plan in Italy. This can provide advantages for FAAM Benelux to be flexible and to decrease costs of production.

The product-market penetration strategy can be successful, if FAAM Benelux can improve customer satisfaction and provide the products advantages over competitors towards customers.

8. Conclusion

Now the research has been conducted, several conclusions can be made, that will answer the sub questions, mentioned in chapter 2. The main research question that needs to be answered is:

“Which product-market strategy should FAAM Benelux apply, to increase their performance in the Dutch market and realize growth?”

The best fit for FAAM Benelux is the penetration strategy. The markets in which they are operating, and continue to operate, already exist and the offerings to the customers are also offered by competitors. The ability to improve customer satisfaction will result in increasing usage and consumption of customers. Second, because they are a production company, they can provide more flexibility and probably a lower price. Quality of the products and the production of their own batteries are an important strength, which could result in adapted the strategy successfully.

The main research question is answered at hand of several sub questions that were formulated in chapter 2. The sub questions provided a framework of which this report was written. Next, the sub question will be addressed, which all contributed to the main conclusion of the research question.

The market size of electric forklift trucks in the Netherlands is 15714 forklift trucks. This amount of forklift trucks has to be divided by 165 battery selling companies. Currently, FAAM Benelux has a market share of around 3% based on the inspections. The figures of batteries sold in the Netherlands were not available.

The PESTEL method which contributes in exploring the macro-environment, forecasts an economic decline for the upcoming years. The willingness to invest by companies, drops 6% and the sales of forklift trucks is reaching its maximum. The social and technological developments are in favor of FAAM Benelux. The increasing awareness of the environment and sustainability can provide an advantage for FAAM Benelux over competitors. The FAAM batteries are currently saving 27% energy comparable with competitors.

The high bargaining power of buyers, the rivalry among competitors, the low switch costs are threats to the company in the Dutch market of forklift trucks. The five forces model also shows that the threat of new entry is low, because of the strong rivalry and the economy of scale.

The internal organization contributes in detecting the strengths and weaknesses within the organization. The weak financial situation will increase the difficulty to realize growth. The lack of finance causes FAAM Benelux to be creative in their resources and development.

The characteristic of FAAM Benelux is that they are a young and ambitious team, with a very open culture. The company's mission statement is: *“Working more with less effort, to bring to the world high*

efficiency energy storage system... creating value for the next 450 years." Because FAAM Benelux has been taken over by FAAM group in Italy, a lot of administration has to be checked by Italy. If FAAM Benelux could work more independent, the speed of order handling will be increased.

The customer satisfaction survey detects several points of improvements that are necessary to improve the present customers' usage and consumption rate. The customers mentioned, delivery times, quality of problem solving, sticking to appointments and clarity of bills as points of improvements. Also according to the customers, the image of FAAM Benelux could be better exposed.

9. Recommendations

The recommendations made towards FAAM Benelux are based on the results of the market description and the organizational analysis. The recommended improvements are those that can be realized within a reasonable timescale and cost price.

Creating a website

The penetrating a market can be done by heavier promotional efforts extolling the unique advantages of the offerings from FAAM Benelux over competitors' offerings. FAAM Benelux should first of all create a website. FAAM Benelux currently doesn't have a website, beside the website of FAAM group which is in English or Italian. Customers are used to gain some information about the company or products by visiting the website of the company. When the company has an own website, potential customers are more likely to get known with the brand FAAM.

Lowering price

The aim of FAAM Benelux is to gain a market share of 20% within two years. Currently, the market share is around 3%, which means that the market share of FAAM should be seven times higher in two years. Based on the financial position there is not much money to spend on marketing, so lower the prices of products can be a good alternative.

Increase customer satisfaction

For a company it is important to keep their customers satisfied. Respondents from the customer satisfaction survey mentioned that the communication of FAAM Benelux can be improved. When a delivery of products is delayed, the customer is often informed too late. This is something that customers find annoying, because it is something that can be prevented rather easily. Better communication is something that employees have to take into account.

Furthermore, customer satisfaction decreases the threat of bargaining power of buyers. This will make the company more stable, because the risks of losing buyers will be lower.

Entering the amount of stock correctly into SAP

The stock level is something that is maybe difficult to improve in the short term, but even with the low stock level, it is not always clear which products are in stock en for whom it is ordered. There has to be one list with all the products that are in stock, which is clear for everyone that needs products from the shell. Bringing the SAP program for products up to date can make it more easily for employees to communicate changes in delivery time to customers.

Expanding their activities to surrounding countries

Since the Dutch market of forklift trucks is very competitive, it can be difficult to increase market share. Expanding to other markets can create more growth for FAAM Benelux as a company. When FAAM realizes growth as a company, they will be more able to compete in the Dutch market. As seen in the confrontation matrix, it is possible to successfully expand but it would take a lot of effort and time. The strengths of FAAM Benelux are simply not enough to cover all the weaknesses.

These recommendations are formulated, because they will contribute the realization of growth and increasing market share.

Discussion

The main issue in this research could be that the research domain is too general. Performance of a company can be measured by many tools, so choices had to be made. Rather than specify the performance of a specific subject of the company, the company in general was analyzed. The choice for this was that the company was dealing with reorganization, and they would like to have an overview of the business performance in the Dutch market. The downside of this research, is that the results are not that specified and detailed, but more superficial. For an extensive research on the performance level of FAAM Benelux, the subject of the research should be better specified. Nonetheless, the results of this report are given a good picture of the Dutch market of forklift trucks. Further research could be addressing the specification of the found improvements. Also there are some elements that have retrained this research.

This research experienced some limitations, which could have led to unreliable results. The total number of responses to the customer satisfaction survey was 23, which is a threat to validity. On way to strengthen the analytical power of the questionnaire, according to Shadish, Cook and Campbell (2002), is to use larger sample sizes. When a questionnaire is sent to companies, it is more difficult to acquire responses, because the lack of time and interest of employees at companies. Of course a response rate of more than 23 persons would be more preferable.

At the start of the questionnaire, all 23 persons filled in the questions. Later on in the questionnaire, fewer responses have been given to questions. This is a threat to construct validity, which concerns the method used to acquire information. Some questions have been skipped, which makes the results less reliable. Though, these results are used to formulate conclusions about the customer satisfaction.

The market of forklift trucks is not that clearly defined, so it was difficult to acquire relevant data that was directly applicable to FAAM Benelux. It can be that because of most data is indirect of influence to FAAM Benelux that some important details were missing. The market size of FAAM Benelux has been indirectly measured, because there was information available about the amounts of batteries sold in the Netherlands. Therefore, some results can be differing from the actual situation.

The confrontation matrix is filled in by one person, which could affect the reliability of the results. It would be better if the matrix was filled in by at least 5 persons, to decrease the probability factor.

Whether or not a market share of 20% can be reached with the proposed recommendations is not certain. The actual results should be measured after the implementation of the penetration strategy. Therefore, the implementation of the penetration strategy doesn't guarantee that growth and market share increases. The implementation of the strategy is determining the outcome.

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Attachments

Transport delivery

(Letter of contents)

Draw up

workpaper

Quality paper finish

Assembly of battery by assembly guy

Receive goods, process in SAP

Confirmation of sales time and condition

Order placed

Determine best price

Contact office manager to supply

no

Processing BoM:

Are the parts in stock?

af

Administration fills order in SAP

Order comes in by

Sales or Administration

[1a] Draw Process FAAM Benelux Activities (order handling)

Yes

[1b] Draw Process FAAM Benelux Activities (service handling)

3 service persons available

Information about contract deals

Service person fixes defect and drafts bill

Bill delivered to office manager

Organize service time and person

Refilling water

Inspection

BMWT safety

Cleaning

Programmed service
(planned)

Database Format
(contractual agreement)

**Urgent
service**
Service Order

Office manager processes call

Administration sends invoice to customer

[2] Profit/loss Data FAAM Benelux 2006 – 2010

	2006	2007	2008	2009	2010
Total brute revenue	636.723,75	277.773,30	661.833,26	252.917,20	530.850,84
Total running expenses	635.266,56	597.861,65	644.696,11	624.311,92	555.067,37
Total financial expenses	12.612,70	13.312,82	20.979,11	47.809,62	49.968,47
Extraordinary expenses/income		+/- 796.95			
TOTAL RESULT	-/- 11.155,51	-/- 332.604,22	-/- 3.841,96	-/- 419.204,34	-/- 74.185

[3] Amount of lift trucks 2011 in the Netherlands per model

Mit (januari 2011 - december 2011)										
Vorkheftrucks										
	tot 1499kg	1500-1999kg	2000-2999kg	3000-3999kg	4000-4999kg	5000-7499kg	7500-9999kg	10000-15999kg	16000-31999kg	32000kg en meer
LPG	0	63	265	182	34	39	5	0	0	0
diesel	0	43	93	220	39	115	22	6	33	5
elektrische 3-wiel (incl twin-wiel)	49	927	176	1	0	0	0	0	0	0
elektrische 4-wiel	1	224	509	383	36	18	5	6	0	0
vorkheftruck overig	2	4	0	0	0	0	0	0	0	0
Totaal	52	1261	1043	706	109	172	32	12	33	5
Trekken										
	0 tot 5000kg	5000-9999kg	10.000kg en meer	Totaal						
verbranding trek	0	0	9	9						
elektrisch trek	29	23	2	54						
Totaal	29	23	11	63						
Reachstackers										
	voor beladen containers	voor onbeladen containers	Totaal							
aantal	39	0	39							
Totaal	39	0	39							
Ruw-terrein heftrucks										
	alle maten	Totaal								
ruw-terrein heftrucks	23	23								
Totaal	23	23								
Reachtrucks										
	0-1599kg	1600-1999kg	2000kg en meer	Totaal						
t/m 500cm	25	38	32	95						
501 en hoger	233	450	158	841						
meerweg reachtruck	0	2	18	20						
Totaal	258	490	208	956						
Electrische stapelaars										
	500-999kg	1000-1499kg	1500kg en meer	Totaal						
electr. rijd./electr. heff meelopend	205	492	176	873						
electr. rijd./electr. heff meel./meerrijd.	0	96	68	164						
electr. rijd./electr. heff meerrijd	0	10	72	82						
staand/zittend	0	9	0	15						
handverrijdbaar electr. heffend	6	9	0	15						
Totaal	211	607	316	1134						
Zijladers										
	tot 4999kg	4999kg en meer	Totaal							
verbranding	13	6	19							
electrisch	27	5	32							
Totaal	40	11	51							
Orderpick-trucks										
	tot 999kg	1000-1499kg	1500kg en meer	Totaal						
horizontale orderp.	4	43	734	781						
vert. orderp. vorkhoogte	36	170	50	256						
Totaal	40	213	784	1037						
Smallegangentrucks										
	Man-Up tot 1499kg	Man-Up 1500kg en meer	Man-Down tot 1499kg	Man-Down 1500kg en meer	Totaal					
t/m 800cm	15	18	9	3	45					
801cm en meer	19	52	2	4	77					
Totaal	34	70	11	7	122					
Electrische pallettrucks										
	tot 1599kg	1600-1999kg	2000kg en meer	Totaal						
electr. rijd./electr. heff/meelop.	634	1410	230	2274						
electr. rijd./electr. heff/meelop./meerrijd	0	146	1151	1297						
electr. rijd./electr. heff./meerrijd	0	26	220	246						
staand/zitt	0	1582	1601	3817						
Totaal	634	1582	1601	3817						
Handpallettrucks										
	alle maten	Totaal								
handpallettrucks	5608	5608								
handpallettrucks met weegapparatuur	160	160								
hoogheffende handpallettrucks	471	471								
Totaal	6239	6239								

[4] Economic data Netherland

dec-raming, 13dec2011	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
mutaties per jaar in %											
Internationale conjunctuur											
Relevante wereldhandel	1,7	4,0	7,5	5,5	8,7	7,1	1,5	-13,4	11,1	3 3/4	- 3/4
Prijspeil goederenimport	-4,5	-2,4	1,0	3,1	3,6	1,7	4,9	-7,3	7,3	5	1 3/4
Concurrentenprijs	-1,3	-3,2	1,8	3,3	4,3	1,3	4,1	-4,8	7,7	5 1/2	0
Olieprijs (Brent, niveau in dollars per vat)	25,0	28,8	38,2	54,4	65,2	72,5	96,9	61,5	79,5	112	112
Eurokoers (dollar per euro)	0,94	1,13	1,24	1,24	1,26	1,37	1,47	1,4	1,33	1,40	1,38
Lange rente (niveau in %)	4,9	4,1	4,1	3,4	3,8	4,3	4,3	3,7	3,0	2,9	2,7
Volume bestedingen en buitenlandse handel											
Bruto binnenlands product (bbp, economische groei)	0,1	0,3	2,2	2,0	3,4	3,9	1,8	-3,5	1,7	1 1/2	- 1/2
Consumptie huishoudens	0,9	-0,2	1,0	1,0	-0,3	1,8	1,3	-2,6	0,4	- 3/4	- 1/2
Overheidsbestedingen	4,1	2,6	-1,0	1,1	8,9	3,6	3,1	4,8	0,7	0	-1
Bruto investeringen bedrijvensector (excl woningen)	-7,6	-1,0	-2,7	2,2	9,7	6,4	7,1	-12,4	-1,4	6 1/4	-6
Uitvoer van goederen (exclusief energie)	1,4	2,4	9,1	6,7	9,3	7,4	-0,1	-9,3	12,8	5 1/4	- 1/2
w.v. binnenlands geproduceerd	2,7	-2,8	4,1	1,1	4,6	5,2	-5,0	-10,5	9,4	2 1/2	-1 1/4
wedertvoer	-0,2	9,0	15,1	12,9	14,1	9,6	4,7	-8,2	15,8	7 1/2	0
Import van goederen	0,4	3,1	8,1	5,9	10,0	6,8	1,9	-9,7	12,6	3 1/2	-1 1/2
Prijzen, loven en koopkracht											
Prijspeil goederenimport (exclusief energie)	-2,6	-2,0	-0,2	0,9	1,2	1,8	2,1	-5,2	4,4	1	1/4
Prijsconcurrentiepositie (a)	-0,8	-2,9	0,7	0,1	0,9	-2,0	0,2	1,9	1,8	1	1/2
Consumentenprijsindex (CPI)	3,4	2,1	1,2	1,7	1,1	1,6	2,5	1,2	1,3	2 1/4	2
Contractloon marktsector	3,5	2,7	1,5	0,7	2,0	1,8	3,5	2,7	1,0	1 1/2	1 3/4
Loonwet marktsector	5,5	4,5	3,5	1,4	2,6	3,3	3,3	2,2	1,5	2 1/2	3 1/4
Koopkracht, mediane alle huishoudens	0,5	-1,2	0,3	-1,6	1,9	1,7	-0,1	1,7	-0,5	-1	-1 1/4
Arbeidsmarkt (conform internationale definities)											
Werkzame personen	0,5	-0,5	-0,9	0,5	1,7	2,6	1,5	-0,7	-0,3	1/4	- 1/2
Beroepsbevolking	1,8	-0,5	0,6	1,0	0,6	2,0	1,8	0,7	-0,3	- 1/4	1
Werkzame beroepsbevolking	1,3	-1,6	-0,3	0,7	1,6	2,9	2,3	0,1	-1,0	- 1/4	0
Werkloze beroepsbevolking (in tnd personen)	254	341	419	441	366	306	267	327	390	385	475
Werkloze beroepsbevolking (niveau in %)	3,1	4,2	5,1	5,3	4,4	3,6	3,1	3,7	4,5	4 1/2	5 1/4
Mem, conform nationale definitie (niveau in %)	4,1	5,4	6,4	6,5	5,5	4,5	3,8	4,8	5,4	5 1/2	6 1/2
Marktsector (b)											
Productie	-0,7	0,0	2,7	3,4	4,6	5,3	1,8	-5,1	1,3	2	- 3/4
Arbeidsproductiviteit	1,0	2,6	4,0	3,4	2,7	2,6	0,5	-3,0	3,0	2	1/2
Werkgelegenheid in arbeidsjaren	-1,7	-2,6	-1,3	0,0	1,9	2,7	1,3	-2,2	-1,6	0	-1
Prijs toegevoegde waarde	4,7	2,1	-0,5	1,3	-0,5	0,7	0,4	2,5	2,2	1/4	1 1/4
Reële arbeidskosten	0,8	2,4	4,0	0,1	3,2	2,6	2,9	-0,3	-0,6	2 1/4	2 1/4
niveau in %											
Arbeidsinkomensquote	80,4	80,2	80,0	77,3	77,5	77,4	79,3	81,1	78,7	78 1/4	79 3/4
Winstquote (van productie in Nederland) (c)	11,2	10,9	10,8	11,8	14,3	16,0	13,4	7,5	7,7	9 1/2	7 1/2
Collectieve sector											
EMU-saldo (% bbp)	-2,1	-3,1	-1,7	-0,3	0,5	0,2	0,5	-5,6	-5,1	-4,6	-4,1
EMU-schuld (% bbp)	50,5	52,0	52,4	51,8	47,4	45,3	58,5	60,8	62,9	65,2	68,2
Collectieve lastendruk (% bbp)	37,7	37,4	37,5	37,6	39,0	38,7	39,2	38,3	38,8	38,3	38,9
(a) Concurrentieprijzen minus uitvoerprijs binnenlands geproduceerde goederen.											
(b) Bedrijven exclusief zorg, defensiewinning en onroerend goed sector.											
(c) Marktsector exclusief banken en verzekeringen.											

[5] Customer satisfaction questionnaire

Questionnaire set-up in English

The questionnaire has been divided into different subjects, which all measure the customer satisfaction level. At first there is asked for general information as in which branch they are operating, the amount of lift truck machines they have and how many years they are customer of FAAM Benelux. The subjects are divided according to the theory, which are: product, price, service, quality and brand. The questions and answerers are formulated below:

First some general questions are asked.

- **What is the contact name?**
- **What is your company name?**
- **How many employees do your company has?**
- **What is your turnover per year**
- **In which industry is your company operating?**
- **How many forklift trucks does your company has?**
 - **1-5, 6-10, 11-20, 21-50**
- **Are you currently an active customer?**
 - If yes continue to question 4
 - If No skip to question 14
- **How many years are you a customer of FAAM Benelux?**
 - **< 2 year**
 - **2 till 4 years**
 - **4 till 6 years**
 - **> 6 years**
- **Questions are about the user friendliness.**

1= very difficult; 2= difficult; 3= reasonable; 4= simple; 5= very simple

Very difficult	difficult	reasonable	simple	Very simple	Not applicable
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Installing of the battery in the forklift truck

Charging of the battery

Maintenance of the battery

Use of the charger

Guarantee on the products

- **Statements about the price-quality of the product and service**

Totally disagree	Disagree	Neutral	Agree	Totally agree	Not applicable
------------------	----------	---------	-------	---------------	----------------

- The price of the battery is good according to the quality
- The price of the charger is good according to the quality
- The price of the spare parts is good according to the quality
- The service costs are good according to the quality
- The BMW inspection price is good according to the quality

- **What do you think of the following aspects of the service activities of FAAM Benelux**

1= insufficient; 2=reasonable; 3=sufficient; 4= good; 5= very good

Insufficient	Reasonable	Sufficient	Good	Very good	Not applicable
--------------	------------	------------	------	-----------	----------------

- Customer friendliness of staff
- Reachableness by phone
- Technical knowledge of employees
- Technical skills of employees
- Stick to appointments
- Clarity of bills
- Correctness of bills

- Quality of problem solving
- Speed of problem solving
- Delivery time
- Quality of inspections
- Quality of reparations

- What are according to you points of improvements?

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- **Quality of the different aspects of the products**

1= the lowest score; 3= average; 5= the highest score

1	2	3	4	5	Not applicable
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- Lifespan of the battery
- Capacity of the battery
- Driving time of the battery
- Recharge time of an empty battery
- Energy saving feature of the charger
- Quality of the battery material
- Quality of the charger material
- Quality of the spare parts material

14. FAAM Benelux' image section. The five statements have to be rated from 1= the strongest till 5= the weakest link with FAAM Benelux. I identify the brand FAAM the strongest with..

- Good quality
- Good prices

- Good service
- Sustainability
- Innovative products

Completely disagree	Disagree	Not disagree/ not agree	Agree	Completely agree
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15. The following statements are made:

- FAAM Benelux distinguish themselves from competitors
- I have a positive feeling about the brand “FAAM”
- I am satisfied with the brand FAAM
- I was aware of the company FAAM before I became customer
- The image of FAAM convinced me to become customer

16. Do you have further comments?

17. Which mark would you give FAAM Benelux? (Go to end of the survey)

Insufficient	reasonable	Sufficient	Good	Very good
--------------	------------	------------	------	-----------

18. You have answered that you are not an active customer anymore of FAAM Benelux. Can you point out what the reason(s) was/were?

- Elsewhere a better price Go to question 19
- Disappointing of the quality of the products Go to question 20
- Bad service Go to question 21
- Delivery times were too long Go to question 22
- Other, namely:

19. You answered that the price was the factor that your company is no longer a customer of FAAM Benelux. Can you point out which specific factors caused you to end the relationship? Multiple answers are possible. (Go to question 23)

- a. Price of the batter
- b. Price of the charger
- c. Price of the service costs
- d. Price of the spare parts

20. You answered that the quality of the products was the factor that your company is no longer a customer of FAAM Benelux. Can you point out which specific factors caused you to end the relationship? Multiple answers are possible. (Go to question 23)

- a. Driving time of the battery
- b. Charging time of the battery
- c. Capacity of the battery
- d. Material of the battery
- e. Energy saving ability of the battery
- f. Quality of the charger
- g. Quality of the spare parts

21. You answered that the service of FAAM Benelux was the factor that your company is no longer a customer of FAAM Benelux. Can you point out which specific factors caused you to end the relationship? Multiple answers are possible. (Go to question 23)

- a. Customer friendliness
- b. Willingness to help
- c. Reachableness
- d. Wrong billing
- e. Lack of knowledge
- f. Lack of skills
- g. Bad maintenance

22. You answered that the delivery time was the factor that your company is no longer a customer of FAAM Benelux. Can you point out which specific factors caused you to end the relationship? Multiple answers are possible. (Go to question 23)

- a. Wrong delivery
- b. Damaged delivery
- c. Long delivery time
- d. deviated delivery
- e. communication about the delivery

23. Would you appreciate that FAAM Benelux contacted you set up a meeting?

Yes go to question 16

No go to end of survey

If no, why not:

24. Would you like to fill in the data?

Name:

zip code:

Company:

Country:

Address:

Email:

Address 2:

phone number:

City:

State:

Among the respondents will be drawn a person who receives a gift check.

The results of the customer satisfaction survey are presented below. Not all the questions are discussed, because some of them are not relevant for this specific research. The results are presented by the average scores that were given by the customers.

The user friendliness

The scale is divided by 1= very difficult, 2= difficult, 3= reasonable, 4= simple, 5= very simple. Based on this scale rate, the aspect with the lowest average score is experienced as the less user friendliness.

	1	2	3	4	5	Not applicable	# respondents	average
Installing the battery in the forklift truck	0	3	6	5	4	2	20	3.55
Removing the battery out of the forklift truck	0	4	6	4	4	2	20	3.44
Charging the battery	0	0	2	10	8	0	20	4.30
Maintaining the battery	0	0	4	11	5	0	20	4.05
Maintaining the charger	0	0	5	8	4	3	20	3.94
Usage of the charge	0	0	1	12	5	2	20	4.22

Price-quality of the products

1= totally disagree, 2= disagree, 3= neutral, 4= agree, 5= totally agree

	1	2	3	4	5	Not applicable	# respondents	Average
The price of the battery is good according to the quality	0	0	11	10	0	0	21	3.47
The price of the charger is good according to the quality	0	0	9	7	0	4	20	3.43
The price of the spare parts is good according to the quality	0	1	11	5	0	3	20	3.23
The price of the service is good according to the quality	0	3	9	9	0	0	21	3.28
The price of the BMW inspections is good according to the quality	0	1	11	6	0	2	20	3.27

Service of FAAM Benelux

1= insufficient, 2= reasonable, 3= sufficient, 4= good, 5= very good

	1	2	3	4	5	Not applicable	# respondents	Average
Friendliness of staff	0	0	3	16	1	0	20	3.9
Reachableness by phone	0	3	4	13	0	0	20	3.5
Knowledge of employees	0	1	3	14	1	0	19	3.78
Technical knowledge of employees	0	1	5	14	0	0	20	3.65
Stick to appointments	2	4	2	10	2	0	20	3.3
Clarity of bills	2	4	4	9	1	0	20	3.15
Correctness of bills	1	3	4	11	1	0	20	3.4
Quality of problem solving	1	2	7	9	0	1	20	3.26
Speed of problem solving	1	1	8	11	0	0	20	3.55
Delivery time	2	1	4	10	1	0	20	3.05
Quality of inspections	0	1	4	12	0	2	19	3.64
Quality of reparations	0	0	5	13	0	1	19	3.72

Quality

1= the lowest score, 3= average, 5= the highest score

	1	2	3	4	5	Not applicable	# respondents	Average
Lifespan of the battery	0	1	8	8	1	0	18	3.5
Capacity of the battery	0	0	6	11	1	0	18	3.72
Driving time of the battery	0	0	9	8	1	0	18	3.55
Recharge time of the battery	0	0	8	10	0	0	18	3.55
Energy saving feature of the battery	0	0	8	6	0	4	18	3.42
Quality of the battery material	0	0	8	9	0	1	18	3.52
Quality of the charger material	0	0	9	6	0	3	18	3.4
Quality of the spare parts material	0	0	9	5	0	3	17	3.35

Image of FAAM Benelux

1= totally disagree, 2= disagree, 3= not disagree/ not agree, 4= agree, 5= totally agree

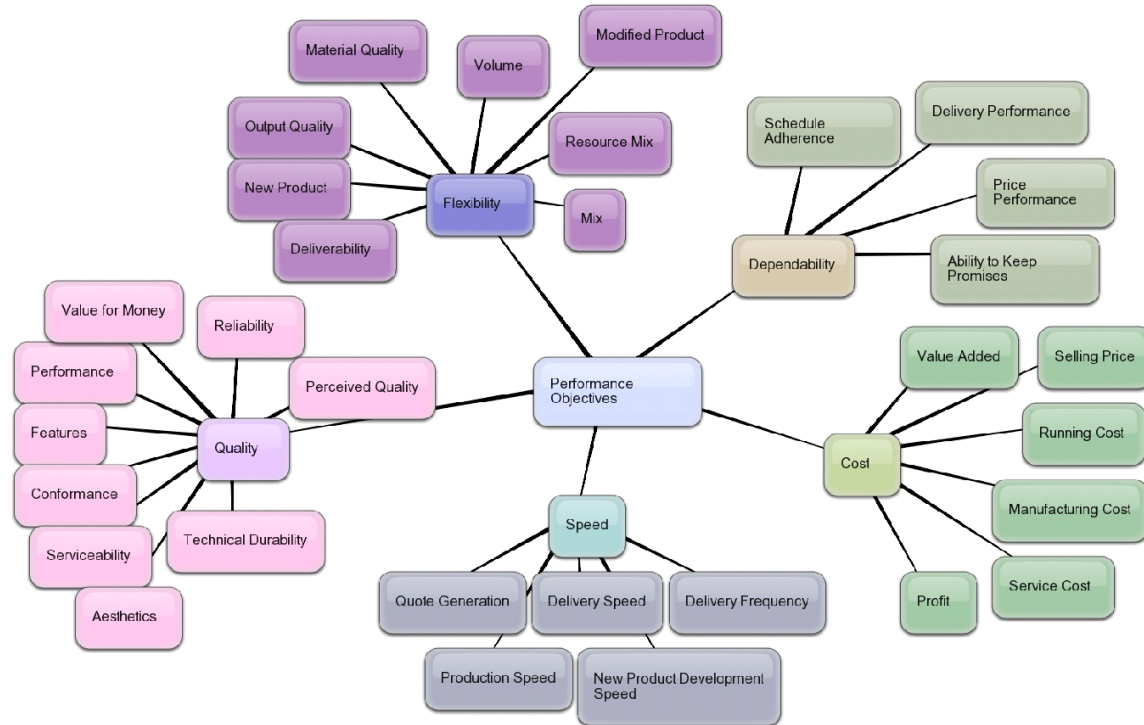
	1	2	3	4	5	# respondents	Average
FAAM Benelux distinguish themselves from competitors	0	1	12	5	0	18	3.22
I have a positive feeling about the brand 'FAAM'	0	0	5	12	0	17	3.70
I am satisfied with the brand 'FAAM'	0	1	3	14	0	18	3.72
I was aware of the company FAAM before I became customers	0	4	3	8	2	17	3.47
The image of FAAM convinced me to become customers	0	2	10	4	0	16	3.12

Identifications with FAAM Benelux

Finally, the customers were asked to order the following aspects, which identify the best with FAAM Benelux. The aspect which is the most appropriate for FAAM Benelux is given the score one. The least appropriate aspect is given the score five. In this case, number one is the best score, and number five is the lowest score. The aspect with the lowest average score is identified the most with FAAM.

	1	2	3	4	5	# respondents	Average
Good quality	4	3	2	3	1	13	2.53
Good prices	1	3	5	3	0	12	2.83
Good service	5	5	5	0	0	15	2
Sustainability	0	3	3	4	3	13	3.53
Innovative products	1	0	1	4	7	13	4.23

[6] The five operations performance objectives



[7] Interview with employees

The questions that were asked to employees were going about the internal performance of the company. The following questions were asked:

1. 'What are according to you the strengths of FAAM Benelux?'
2. 'What are according to you the weaknesses of FAAM Benelux?'
3. 'What do you see as the biggest constrain for the company?'
4. 'How is distinguishes FAAM Benelux themselves from competitors?'
5. To the general manager was also asked to sketch the strategy for the next two year, in which the goal is to reach a market share of 20%?
6. How do you describe business process of FAAM Benelux?
7. How does the structure of FAAM Benelux looks like?

The given answers about the strengths and weaknesses are presented below; the results of the interviews are combined, because some have given the same answers. Also the different answers are grouped to Quality, speed, cost, dependability and flexibility from attachment 6.

	Strengths	Weaknesses
Quality	<ul style="list-style-type: none">- FAAM Benelux possesses a lot of technical knowledge- Young and ambitious team- Quality of product is very good	<ul style="list-style-type: none">- Lack of service quality (2)- deceiving customers due to lack of time for inspections- Bad communication intern (2)- Retirement system- No collective employment agreement- Contact between employees can be better
Speed		<ul style="list-style-type: none">- Delivery times (4)- Delivery times from Italy- Pressure to finish job task- SAP system is not working correctly
Cost	<ul style="list-style-type: none">- Purchase price is low for FAAM Benelux- Selling price is good	<ul style="list-style-type: none">- FAAM Benelux is financial very limited-
Dependability	<ul style="list-style-type: none">- FAAM Benelux has all the necessary resources	<ul style="list-style-type: none">- FAAM Benelux have to do many procedures by Italy- Delivery times fluctuate very much, so promised delivery date has to be re-scheduled
Flexibility	<ul style="list-style-type: none">- FAAM is a production company	<ul style="list-style-type: none">- The stock level is very low, so

	- Besides traction batteries also selling starter batteries and semi-traction batteries	cells or batteries can't be sold - FAAM Benelux has only two official mechanics
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3. What do you see as the biggest constrain for FAAM Benelux?

- Delivery times (2)
- Communication internally and with Italy (2)
- The biggest concern for FAAM Benelux is that the company cannot put large amounts of batteries in the market by importers, so FAAM batteries is not standing on the customers top-3 list.

4. What would you change in the company?

- Hiring more people in the service
- Decrease the level of dependency of Italy, so that processing of orders and invoices can be quicker
- More assistance in the workplace

5. How is FAAM Benelux distinguishing themselves from competitors?

- FAAM Benelux is a producer of batteries in Italy (2)
- FAAM batteries are, in comparison with competitors, saving much more energy, while the price of the battery is compatible with that from competitors.

6. How do you see FAAM Benelux over 2 years? This question was asked to two employees who are very experienced at FAAM Benelux.

1. (A. Hamhuis) FAAM Benelux has a right to exist, but our position compared with competitors is not that strong, that we can double our revenues in two years. Despite that we have a solid product with the energy saving elements; it is difficult to improve our position. The Dutch market is too crowded with competitors who are all tightening their relationship with customers.

2. (A. Schievink) I think that it is possible to acquire a market share of 20% in two years. The president of FAAM group has claimed that they will support FAAM Benelux were ever they can. Also, they have said that they are willing to increase the stock level of FAAM Benelux. This is a positive development of FAAM Benelux, because the company can now decrease the delivery time, which is often proved to be a struggle for customers, despite that the price and product were good. If FAAM Benelux continues to promote the energy saving aspect of the battery and the cost benefits that is accompanied by that, customers will be easily convinced to become customer of FAAM. For FAAM Benelux is important that the end users are convinced of the product and service of FAAM, that they promote the brand FAAM at truck dealers and OEM companies.

7. (A. Schievink, General Manager)

The focus of FAAM Benelux is currently to make and keep current customers satisfied, more than focusing on attracting new customers. Although this is important, first there should be created a stable foundation from which FAAM Benelux can expand. There are a lot of things that we have to do that

haven't been done in the past. There are a lot of inspections that have done, and a lot of payments that have to be made from the past. When this is completed, the company can reorganize their activities as intended. In the coming two years, the customer satisfaction has to be the core business. When the customer is satisfied kept satisfied, they will appreciate the products of FAAM more, which will result in stronger brand positioning.