

# **How to increase the sales of Addinol Hungaria Ltd's lubricant products in the Hungarian price elastic market?**

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# **1 Executive Summary**

The thesis aims to research the possible ways to increase the sales of Addinol Hungaria Ltd's lubricant products. To be more specific, the thesis is dedicated to find the best method in order to increase sales of a premium oil brand in the Hungarian price elastic market. After theories are studied a research is carried out in order to give final recommendation for the company on the research topic.

The lubricant market is such a special market where there is not really a subsidiary product. There are many companies on the market who are trying to establish their future by selling lubricant products. The Situational Analysis covers the company's current situation in the Hungarian oil market according to economical, political, technological environment. Also it describes the strength and weaknesses of the company. In order to be able to increase its sales efficiently the company has to build up a marketing strategy by selecting the right tools that meet the given business environment characteristics.

The Theoretical Background analyses different aspects which can help Addinol Hungaria Ltd to increase its sales. Such marketing tools are the promotion mix, Kotler's 4P and the plus 3P. ISO 9004 accreditation plays as well a huge role to keep the heavily gained market position. The analyses of these materials showed the importance of choosing the right tools in order to reach the desired outcome.

The Conceptual Model represents a summary of the first two parts as it gives the different factors influencing the desired situation of the research. According to the above mentioned factors and the given oil market situation in Hungary, it was concluded that the following factors can build up the marketing strategy for Addinol Hungaria Ltd: Process improvement (ISO 9004 accreditation), Product and service improvement (new product introduction, increase the level of oil analysis), Promotional mix (personal selling, advertising, direct marketing, sales promotion) and Distribution channel (word of mouth, agent distribution). These are the moderating factors that have effect on the dependent variable which is the increase of sales.

Based on the Conceptual Model, a research was carried out. This research included a deep interview with József Cserti the company's CEO and a sales data analysis for a six month period when the marketing strategy was implemented.

The Recommendations part gives the final conclusion of the thesis. In this part the results of the research are analysed and communicated in forms of recommendations for Addinol Hungaria Ltd. The results shows that the introduction of a new product line, increased level of oil analysis and the usage of the promotion mix's tools have significant role in the increased sales. The company could develop an efficient marketing strategy by using these recommendations. In order to gain deeper insight in the topic, further researches should be carried out by Addinol Hungaria Ltd.

## **2 Rationale**

"The organizations that succeed realize that offering a remarkable product with a great story is more important and more profitable than doing what everyone else is doing just a bit better." (12)

It is worthy for all the participants in the market (whom only desire is selling their products) to consider the words of Seth Godin, who is a well known marketing expert. You need to grab the customer's attention somehow.

This thought is not newfangled: Before the industrial revolution, selling of a good was based on the buyer's and seller's personal communication. The buyer picked up the good, observed it, talked about it, so the buyer was an active participant of the sale process. (12)

Sales techniques and methods turned upside down with the appearance of the mass production and mass communication. People became simple message receivers and 'shopping robots', sitting in front of the TV or internet. Buyers put the good and product into their shopping cart without any personal communication with the trader. (12)

Perhaps no one thought that this process will ever change. However, nowadays such amount of information showers to consumers that they became immune to advertising. (12)

To be recognised in the market businesses need to do, need to provide more. The big question is: What is this more?

The aim of my paper is to analyse the factors that can influence the sales growth of Addinol Hungaria Ltd. The company is a lubricant product distributor. The lubricant market is such a specialised market where there is not really a subsidiary product. There are many companies on the market who are trying to establish their future by selling lubricant products. There are no big differences between the products. Especially not for

the layman, who only can differentiate lubricant products by the name of the known brands.

What can a lubricant distributor company do with such a business environment? What is the best marketing strategy to increase its sales in the given business situation?

This paper is sought to answer this question. I wish to use the marketing science tools in defining the right strategy for the company, in order to reach its goals.

## **3 Situational Analysis**

### **3.1 The company**

#### **3.1.1 About the company**

Addinol Hungaria Ltd. was established in 2007 with the aim of successfully supporting Hungarian companies to reach efficient and optimized machine operation. The main objective of the company are the followings: distribution of the German Addinol Lube Oil Ltd.'s lubricant products, lubricant-analyses (since 2012) and support in oil care.

Addinol Hungaria Ltd is the exclusive distributor of the German company's lubricant products. However Addinol Hungaria Ltd's connection with Addinol Lube Oil Ltd. is just in the name. It is not a subsidiary company to Addinol Lube Oil Ltd. The German company has no capital invested in Addinol Hungaria Ltd.

#### **3.1.2 The products and services of Addinol Hungaria Ltd.**

Addinol Hungaria Ltd. is basically a lubricant product trading company. The product structure of the company is the following:

- Premium oil and lubricant products: Addinol Lube Oil GmbH (the German producer) develops and produces high-performance lubricants of the latest generation. Among these are high-performance lubricants for highest demands and pioneering innovations. Customers all over the world appreciate the high quality standard of Addinol products, the wide know-how, the extraordinary service and last but not least the absolute reliability.
- In 2013 the company started a new innovative service. This was the oil analysis. The company bought an OSA4 MicroLab® from the American company On-Site Analysis Inc. at the end of 2012. It was partly funded from own- and partly from EU project capital. This oil laboratory "provides automated lab-quality diagnostic analysis of engine, generator, gear box, hydraulics, power steering, and transmission fluids."(3) This is a complex machine that does the whole oil analysis in one sequence. The competitor's method is divided into different laboratory processes. For example for measuring viscosity they have one laboratory process, for the solid particle count (according to ISO4406) in the oil is another process.

Addinol Hungaria Ltd's machine can do all of these laboratory processes at once creating an advantage for the company in the lubricants market. There are only 5 more of this kind of machine in Europe: England, Russia, Ukraine, Portugal and Italy (4)

### 3.1.3 The customers of the company

Addinol Hungaria Ltd. connected with end users and partly acts as a wholesaler. The company's main business partners are agricultural companies, engineering companies and timber industry companies. From these areas Addinol Hungaria Ltd. has high profile clients only representing 4-5% of the whole clientele but providing half of the company's revenue. With the given product range the company could supply much wider clientele. For example the company has special lubricant product for food industry machines as well. (14)

The company operates in whole Hungary. 54% of the customers coming from the western part of the country. This is not a surprise because Addinol Hungaria Ltd. has its headquarters in this area (Nagykanizsa, Zala County). The North region gives 28% of the customers because the company has two of their main partners in this area (DB Schenker, Komárom Agricultural PLC). Rest of the clients are from the South with 8%, the East region with 7% and there is 8% in the capital, Budapest. (14)

### 3.1.4 The company on the Hungarian oil market

The Hungarian lubricant market is a business environment with quite much stakeholders. Many companies try to find the perfect way to the same potential buyers. The most known are: Total, Castrol, Shell, MOL, Esso, Aral, OMW, and Mobil. The Hungarian market for lubricant is strongly price elastic. This is coming from the strong direct competition. All the producers have their own brand for each type of oil. For example given an oil with this parameter: **Engine oil CG4 15W40**. For this type there are the following products on the market:

- Mobil Delvac Super 1400 15W-40
- Shell Rotella T 15W40
- TOTAL Rubia TIR 4400
- MOL Dynamic Super Diesel 15W-40
- Essolube XT 3 15W-40
- ADDINOL Super Star MX 1547

This is only one product and each company has more than 700 types of products.

The main driver for customers is the price. The lower the price the more they are keen on buying it. Since Addinol lubricant products have a higher price than other competitor's products, most of the customers go for cheaper - but lower quality products. The quality is not so important, especially when there are cheaper lubricants on the market.

Addinol brand name is not known in Hungary compared to the above mentioned brands. The problem is the low level of brand awareness in the Hungarian market. This is not a surprise because Addinol Hungaria is the exclusive importer of the brand since 2007. Also the company did not concentrate to high level of marketing in the given time period.

It might be a good question that why Addinol Hungaria Ltd. is trying to compete with the big names on the market instead of trying to compete with other brands with low brand awareness? The answer is because Addinol's brand is a high quality brand with a relatively high price and that is why Addinol Hungaria Ltd is trying to position its products with the big brands on the market. The brand needs to be recognised among the big names in order to get the same customer appreciation as the other brands get. It is not an option to be considered as a low-end-product on the market.

### **3.2 STEEP analysis**

In the following part I will use STEEP analysis method to show what kind of external factors can influence the company's business. (13)

The STEEP analysis is built up of the following parts:

- Social (demographic conditions, education conditions, health conditions, changes in lifestyle)
- Technological (spreading of and breakthrough in new technology, new patents and products, development in R&D)
- Economical (inflation rate, GNP, interest level, unemployment)
- Environmental (ecology, pollution conditions, 'green' energy, biotechnology)
- Political (global, regional and national political development, labor market politics, agricultural politics, trade political conditions, tax politics) (13)

I will not discuss the Social section because it has no significant effect on the sale of lubricant products in the Hungarian market.



### **3.2.1 Technological**

Without being an expert in the production of the lubricant products it is easy to recognise how significant effect of the rapidly changing technological environment has on the lubricant product market. In the middle of the '60s a new science was established to examine the friction, wear and lubrication. This was the time when new methods were needed to increase efficiency and lifetime of delicate machinery due to the rapid development of space research and the development of mining. This new science is called tribology. It is also evident that parallel with the development of the automobile industry and engineering production the lubricant production techniques must have to be improved as well. If a manufacturer does not recognise these patterns it will be out of business pretty quick.

According to Addinol Hungaria Ltd. we cannot talk about product innovation due to the fact, that this company is only a distributor and product development is not the company's task. On the other hand it is important to follow the developments of the German manufacturer in order to increase the company's clientele and to satisfy its current customers according to the changing business environment.

However, the service innovation is a vital part in Addinol Hungarian Ltd.'s business. With OSA4 MicroLab® the company is capable to satisfy such needs which can lead to acquire new customers and ensure keeping existing customers in the long run.

### **3.2.2 Economical**

In the last few years the economic crisis had its negative impacts on the world's economy:

- Decrease in industrial production
- Decrease in vehicle production due to lower demand
- Several manufacturer and raw material distributor increased their prices due to lower income

The economic crisis still has effects on the Hungarian lubricant market according to the new car sales. It has decreased by 70% after 2008. (5) This causes problems in the course of business because if there are fewer cars sold then less lubricant products are necessary for customers. According to car industry there is a positive industrial outlook due to new automotive investments in Hungary (Audi, Mercedes).

On the agricultural side the situation is dual as well. The positive side is that there are significant investments into agricultural machinery due to governmental subsidy. This means that the company will have larger market to exploit. The negative side of the situation is that most of the tractor importers started to sell their own branded lubricants and this means bigger competition in the lubricant market.

One effect of the financial crisis is appreciation of all cost saving opportunities. This is really important for the companies. The new oil analysing equipment is able to determine the level of oil deterioration with a few minutes analysis from only 1 dl oil. With this service the company is able to optimise the oil change intervals for their customers. Also it is a further benefit of the analysis that it is capable to determine any given failure of the machine. Furthermore, it is possible to extend the life time of the given machine or engine. These factors can lead to great advantages for Addinol Hungaria Ltd. in this price elastic market.

### **3.2.3 Environmental**

Nowadays to be 'green' is not just a positive plus to a company but it is a social expectation. The lubricant and oil product manufacturers wish to meet this external pressure with the following factors:

- Almost every manufacturer produces biologically degradable lubricant products
- There are more lubricant products having extended usage period (increased oil change interval)
- Recycling became more important and it has a cost saving effect for the manufacturers as well.
- During the research and development phase it is really important aspect to support the vehicle manufacturers' main aim: that is decreasing the fuel consumption of the vehicles

When selecting its product range, the biggest responsibility -with the given business environment- is to pay attention to environmental aspects.

Addinol Hungaria Ltd. despite of the fact, that it is selling and analysing oil can be regarded as an environmentally green company. With the given analysing technology (OSA4 MicroLab®) the company is able to optimise the oil change intervals. This means that less oil will be necessary to use in the given industries. Also the quality of the Addinol lubricant products means (compared to low price brands) that one unit of oil for

a given machine (automobile 3-4 l, tractor 4-5 l, locomotive 80 l, gas motor 350-670 l) can run for more working hours.

### **3.2.4 Political**

Regarding political environment it is important to mention the current governmental legislative system's influential factors on the business.

Currently there are two important laws in Hungary that influence Addinol's business in the lubricant market:

1. Environmental fee
2. Excise tax

These two laws influence the company's business in the following two ways:

- It influences the selling price
- It helps to normalise the lubricant market

#### **1. Added environmental fees to be paid:**

- 112HUF/kg for the lubricant
- Packing:
  - 20HUF/kg-metal and wood
  - 42HUF/kg- plastic
  - 52HUF/kg-mixed

This environmental fee can be claimed back for the recycled used oil if it's correctly documented. (2)

There is no such environmental fee in the EU and it is relatively high. This environmental protection product fee is based on the regulations before 2004 (introduced in 1998), when Hungary was not part of the European Union, and was paid during the custom clearance control as the importer declared the amount of oil imported. That time the importer could not get away without paying the fee. Since Hungary joined the EU there is no custom clearance control anymore. So the payment of environmental protection product fee works like an honesty box since there is no custom clearance. For example if a company orders oil from Vienna and if does not declare the amount of traded oil, there will be no consequences because no one checks up on the end user. (2) Legally operating importers lost market against illegal ones, which are avoiding the payment of the environmental fee. (2)

In order to control this situation the government introduces the excise law on the lubricant products.

**2.** From the 1st of Jan 2014 lubricants fall within the scope of excise tax Act. Y.2003/CXXVII. 104§ (like tobacco and alcohol) where wholesale dealers have to meet the following requirements:

- Excise duty license
- 5 million HUF deposit
- Min. 50m2 warehouse / storage facility
- Admin software must be approved by the tax authority
- Regular monthly reporting (product movement and customers) (14)

The above mentioned regulation had the following effects on the lubricant market in Hungary:

- On the negative side the cost of the dealers and wholesalers has been increased - due to the tax liability
- On the positive side unfair market participants could be excluded from the market - due to the restrictive effect of the regulation

### **3.3 SWOT analysis**

SWOT analysis is an efficient tool for identifying and analysing internal and external environment, in order to create an established marketing plan to Addinol Hungaria Ltd. By the help of SWOT analysis weaknesses can be converted into strengths, strengths can be indentified what the future of a company can be built on, opportunities can be exploited and threats can be avoided. According to the situational analysis I created the SWOT analysis in an irregular way. I created a matrix where I gathered the primary SWOT factors, where each factor has an impact on another, and outlined the necessary measurements what Addinol Hungaria Ltd. should meet. (6)

	<p><b>STRENGTH</b></p> <ol style="list-style-type: none"> <li>1. Unique oil analyzing machine: <ul style="list-style-type: none"> <li>• faster than any other method in the country</li> <li>• analysis cheaper than any other of its competitors'</li> </ul> </li> <li>2. Wide range of products</li> <li>3. Premium high quality products</li> <li>4. Advanced knowledge of the management</li> </ol>	<p><b>WEAKNESS</b></p> <ol style="list-style-type: none"> <li>1. Since Addinol is a premium brand, it is more expensive than the concurrent products</li> <li>2. Not really known brand to customers (low level of brand awareness)</li> <li>3. The stronger control of administration is missing.</li> </ol>
<p><b>OPPORTUNITY</b></p> <ol style="list-style-type: none"> <li>1. Potential customers looking for cost saving</li> <li>2. Because of previous lubricant adulteration, people are looking for reliable companies</li> <li>3. It is a common world tendency that environmental friendly aspects come into view</li> <li>4. Competitors who do not pay the excise tax will fall out from the market.</li> </ol>	<p>Addinol Hungaria Ltd. owns special analysing equipment wherewith the company is able to analyse oil faster and cheaper than their competitors. The importance of the analysis is that it is possible to extend the oil changing intervals and to increase the lifetime of a machine or an engine. This analysis creates confidence in the customers and it aids to keep customers in the long run. Another confident building factor is the advanced knowledge of the management because customers do not feel that Addinol Hungaria Ltd. trying to force a product on them but provide real solution for their needs.</p>	<p>Through the detailed discussion of the analysis results the company have to make their customers understand that what kind of differences are in quality between the cheap and expensive lubricant products. In order to be ahead of competitors it may be necessary to introduce new additional services and some kind of controlling system (ISO) also has to be introduced</p>
<p><b>THREATS</b></p> <ol style="list-style-type: none"> <li>1. Competitors recognise the potential of quick oil analysing possibility</li> <li>2. Relapse in production or cessation of the German producer Addinol.</li> <li>3. With the development of car production and motor technologies less and less lubricant needed</li> <li>4. Popping up of Addinol products on the market from "unknown resources" despite of the exclusive rights of Addinol Hungaria Ltd.</li> </ol>	<p>There will be no problem importing the products from Germany because of the reliability of the German manufacturer. To avoid the negative impacts of "illegal Addinol dealers" the company has to strengthen their position through the oil analyzing service and through better and smooth running service providing.</p>	<p>Addinol Hunaria Ltd. have to keep in mind that their competitors will shift to this new technology, hence the company will lose its advantage on the market. The company need to consider what kind of new services or new improvements should be introduced in the future. It is nearly impossible that Addinol brand will reach the level of the big brand names (Shell, Castrol, and Total) and that is why the most important task of the company is to keep the customers they have already acquired.</p>

## **4 Theoretical Background**

### **4.1 Marketing Mix**

The traditional marketing mix is made up of the four Ps which are; product, price, promotion and place (8). The way a company uses these 4 elements gives the marketing mix. Moreover, the marketing mix determines the desirability and the demand towards not just the products, but towards the whole company. To sum up, it is a way how the company is perceived by the customers and how it positions itself on the market.

Since we are talking about service the traditional 4 P of marketing mix has to be completed with 3 additional elements: People, Process and Physical Evidence.

#### **4.1.1 Product**

Kotler says that a product can be anything on the market that draws attention and might satisfy customers' needs or wants. (8).

Products have different levels according to the aim of their final use and value for the customers. The first level is the core products which is the basic product. The core product is the simplest one, satisfying the customers' basic needs and wants. When the customer buys that products the special characteristics are not taken into consideration, only the primer function is of the essence. The second level is the actual product which, next to satisfying the basic needs of the customers, takes into consideration the following; quality and attributes, design, packaging, and brand name. The final level is the augmented product. This level does not only deal with the product, but links to it the quality of the different services during and after the consumption. (8)

#### **4.1.2 Price**

The next P is the price. Price is *"the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or the service"*. (8) Price is determined by internal and external factors. Internal factors consist of the marketing objectives and marketing strategy of the company. Moreover, it contains the price setting strategy and the cost of the different products. External factors are the ones which the company does not have direct control over. They affect the prices constantly. Such factors are; competition, demand and the market itself. These internal and external factors together are responsible for the price setting of a product.

### **4.1.3 Place**

Place means the premises on which the product is sold. However, this should be viewed as a broad concept as place is not only the shop itself, but the whole surrounding that has an effect on the customers. Moreover, the distribution channel of the company is also responsible for setting the place of consumption. There can be in-house distribution, wholesale distribution, retail distribution, agent distribution, etc. The different mediators have different premises that affect sales. (8)

### **4.1.4 Promotion**

Promotion helps the company to reach its customers with the products. The different promotional tools are used in order to make the customers feel worth buying the product. Some of the promotional tools are the following: sales promotion, advertising, public relations, direct sales and direct marketing. With varying these tools and customizing them to the buyers the promotional mix is created. (8)

### **4.1.5 People**

People are essential ingredients in service provision; recruiting and training the right staff is required to create a competitive advantage. Customers make judgments about service provision and delivery based on the people representing your organisation. This is because people are one of the few elements of the service that customers can see and interact with. (9)

### **4.1.6 Process**

This element of the marketing mix looks at the systems used to deliver the service. All services need to be underpinned by clearly defined and efficient processes. This will avoid confusion and promote a consistent service. In other words processes mean that everybody knows what to do and how to do it. (9)

### **4.1.7 Physical Evidence (Physical Environment)**

Physical evidence is about where the service is being delivered from. It is particularly relevant to retailers operating out of shops. This element of the marketing mix will distinguish a company from its competitors. Physical evidence can be used to charge a premium price for a service and establish a positive experience. Customers will make judgments about the organisation based on the physical evidence. (9)

## **4.2 Price Elasticity**

Price elasticity tells how much of an impact a change in price will have on the consumers' willingness to buy that item. If the price rises, the law of demand states that the quantity demanded of that item will decrease. Price elasticity of demand tells you how much the quantity demanded decreases. Elastic demand means that the consumers of that good or service are highly sensitive to changes in price. Usually, a good which is not a necessity or has numerous substitutes has elastic demand. Inelastic demand means that the consumers of that good are not highly sensitive to price changes. (10)

## **4.3 Promotional mix**

To reach its promotional goals, a company needs to develop an effective promotional mix which is a combination of strategies and a cost-effective allocation of resources. The strategies in the mix are designed to complement one another. (11)

Promotional mix is built up from 5 elements:

1. Personal Selling
2. Advertising
3. Direct Marketing
4. Sales Promotion
5. Personal Relations

### **4.3.1 Personal Selling:**

Basically personal selling is one-to-one communication between seller and the buyer. It generates direct contact with customers. It is one of the most expensive forms of promotion. Personal selling methods can be: personal meetings, telemarketing, e-mails, and correspondence. (11)

### **4.3.2 Advertising**

This is a form of non-personal promotion. Advertising is when companies pay to promote ideas, goods, or services in a variety of media channels. You can find advertisement everywhere. With advertising, a company engages in a one-way communication to the customer. Companies can advertise in television, on the internet, magazines and newspapers. (11)



### **4.3.3 Direct Marketing**

Direct marketing is directed to a targeted group of customers rather than to a mass audience. The purpose of direct marketing is to generate sales. Direct marketing allows a company to reach its customers in a one-way communication. There are two type of direct marketing: direct mail and e-mail. (11)

### **4.3.4 Sales Promotion**

Sales promotion is used to stimulate purchasing and sales. The aims of any sales promotion are to increase sales, create a positive business image and to inform potential customers about new products. For example: coupons, point-of-purchase displays and product samples. (11)

### **4.3.5 Personal Relations**

Public relations activities empower an organization to influence its target audience. Public relation campaigns try to create a value for a company, its products, or its policies. The aim of these campaigns is to give news releases to announce developments about a company's products, services, distribution channels, facilities, operations, partners, revenues, earnings, employees, and events. The key is publicity. This means that the company provide valuable information about itself to the public. Most common forms of public relations are the following: media tours, sponsorships, employee relations, community relations and philanthropy, media relations and newsletter. (11)

## **4.4 ISO 9004**

International Standards provides technological, economic and social benefits for a company. It helps to harmonize technical specifications of products and services making businesses more efficient. Also it helps breaking down barriers to international trade. If a company meets the standards of International Standards, consumers will be aware of that its products are safe, efficient and good for the environment.

In order to successfully tackle the most demanding problems and challenges of the modern business, companies need the International Standards' strategic tools and guidelines. These tool and guidelines ensure that business operations are as efficient as possible, increase productivity and help companies' access new markets.

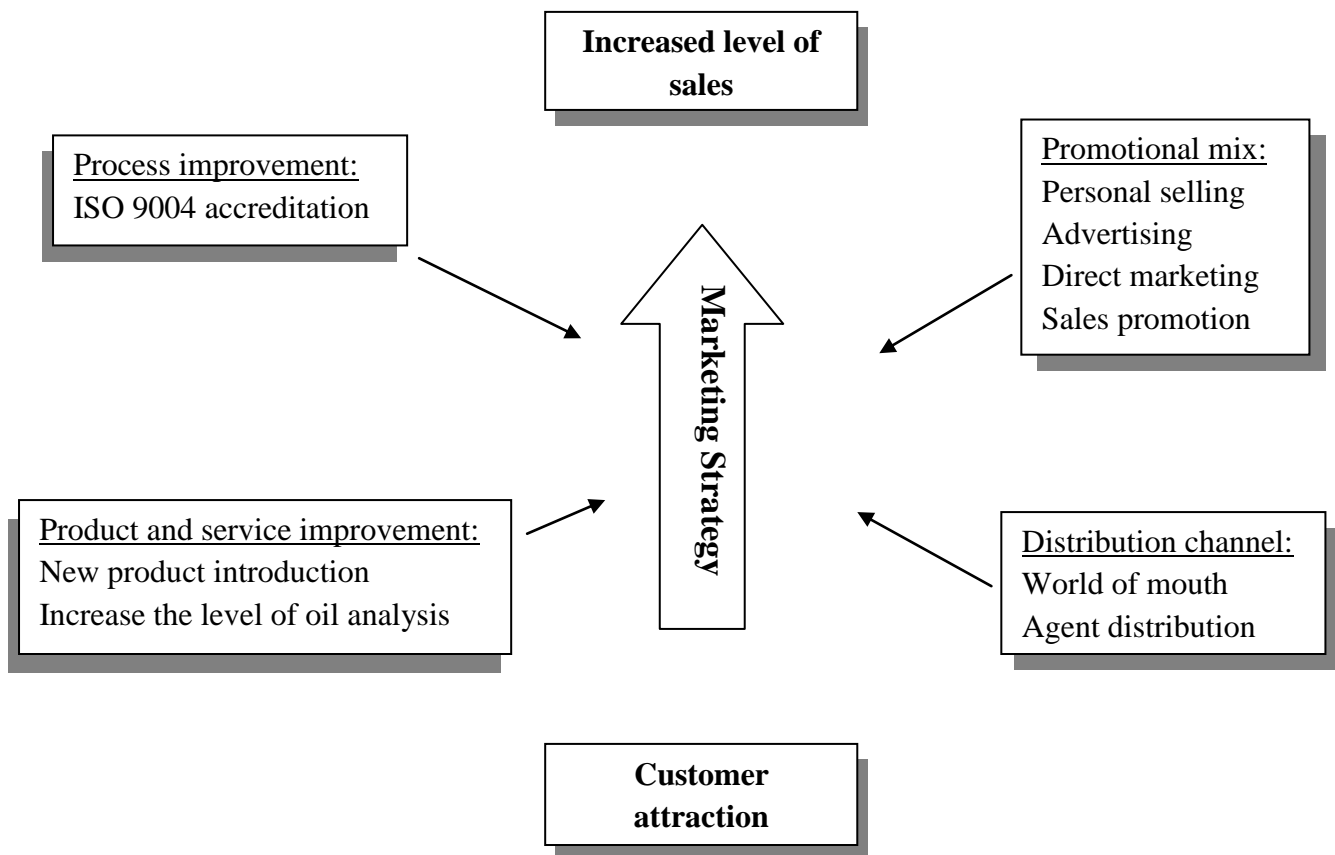
ISO 9004 has the following benefits for a company:

- **Cost savings** - International Standards help optimise operations and therefore improve the bottom line
- **Enhanced customer satisfaction** - International Standards help improve quality, enhance customer satisfaction and increase sales
- **Access to new markets** - International Standards help prevent trade barriers and open up global markets
- **Increased market share** - International Standards help increase productivity and competitive advantage
- **Environmental benefits** - International Standards help reduce negative impacts on the environment

Businesses also benefit from taking part in the standard development process.' (7)

## 5 Conceptual model

Based on the Situational Analysis and the Theoretical Background a model was developed to list the factors that can help to achieve Addinol Hungaria Ltd.'s goal to increase sales.



The Conceptual model describes the factors that build up the marketing strategy of the company. The independent variable is the Customer attraction. This variable has an effect on the dependent variable, which is the Increased level of sales. The independent variable provides the input which is modified by the model to change the output. With the help of the independent factor and the one dependent factor, a cause-effect relationship can be formulated in order to come out with the exact hypotheses.

**Hypothesis 1: ISO 9004 accreditation will result increase in sales.**

With the ISO 9004 accreditation the company is able to harmonize technical specifications of products and services making its businesses more efficient. It helps the company to optimise its operations. If the company is efficient and well organised customer satisfaction will increase. If the customers are satisfied and they see that the company is reliable then they will buy its products and services which means increase in sales.

**Hypothesis 2: The introduction of a new product group and increased level of service will result increase in sales.**

If the company introduces a new product group and increases the level of oil analysis it will be able to obtain new customers. New line of cheaper but still reliable products will help to reach more customers and it will increase total sales.

Reliable oil analysis helps the company to build its reputation. Customers are more likely to purchase from a company with a good product and service reputation. Also if the company does more analysis, the sales of services will increase which will mean total sales data will increase.

**Hypothesis 3: Using the right promotion tools the company can increase its sales.**

With the help of the promotional mix tools the company can reach new-, and retain old customers. Addinol Hungaria Ltd. has to do everything in its power to ensure that their customers be well informed about the company's current activities.

Personal selling can increase customer trust and appreciation. Advertising in professional news papers will increase brand awareness. Using Google AdWords will increase and optimise the webpage utilization and it will direct more target customers to the company. With direct mails the company's customers will be aware of the company's new activities on time. Sales promotions will help bring in more customers. For example: buy a barrel of oil and get 3 free oil analyses, better prices for returning customers.

All these actions can lead to increased sales.

Hypothesis 4: ***With the involvement of outsider distribution agents and with the power of word of mouth the company is able to increase its sales.***

If the company involve outsider distributors (for example agricultural product agents) both parties may benefit. They can help each other out. The agent already has a given size clientele, who the agent can introduce the company's products and services. In return the company will pay the agent commission after the deals are made. If this system is working well the sales of the company will increase.

People do not know about Addinol since the brand awareness is low. However it was recognised by the company that lot of its satisfied customers advise people to buy lubricant products from Addinol Hungaria Ltd. Also with the oil analysis service that the company provides companies started to be interested and started to talk about in their operation area where Addinol Hungaria Ltd. has no advertising at all. The good reputation made the tool of word of mouth possible which should result in increase in sales.

The ideal situation would be if all of the four variables could be applied at the same time. These tools are sufficient enough, to state that applying into hypotheses can arouse the business problem to the next stage to prepare a research. The research will most likely give the answer for the research question: **How to increase sales of a premium oil brand in the Hungarian price elastic market?**

## **6 Research design**

In order to give answer to our research question, a research has to be executed. Before compiling the actual research, the research design is fabricated to have a plan. The plan contains a deep interview with József Cserti, the CEO of Addinol Hungaria Ltd. and a sales data analysis for a six month period.

The interview will provide in-depth data about the company's future and plans. It will cover the results of the implementation of the marketing strategy which were created in order to increase Addinol Hungaria Ltd.'s sales. The questions will be about Addinol lubricant products and the effect of the introduced new lubricant products. There will be question about the oil analysis service. How will it help the company and how can it influence the company's future. Also the interview will contain questions about the introduction of ISO 9004 and also about the effects of the promotion campaign. The deep interview will show that how the company was doing at the end of the six month period.

During the research, quantitative data will be gathered from Addinol Hungaria Ltd. The gathered sales data will prove the efficiency or inefficiency of the conceptual model. I will show the changes in net sales, net profit, profit margin and the number of sales according to the number of invoices.

After the data gathering is done, data will be analyzed and the conclusions and recommendations can be given.

## **7 Research results**

During the interview I was able to gather information about the effects of the actions that the company made in order to increase its sales.

First of all the introduction of the new PKN ORLEN's products were really successful. Because of the expanded product portfolio and the cheaper price of the PKN ORLEN's products the sales increased in the given period (six month). The increase coming from the fact that Addinol Hungaria Ltd. is able to import and sale mass volumes (1000 l/package) of lubricant products on cheap price. In a price elastic market where companies choose what kind of lubricants they should buy just according to price, Addinol Hungaria Ltd. is now able to provide good quality on cheaper price than most of

its competitors. Also stock turnover has increased. In 2013 the average stock turnover was 5,32 and in the first 4 months of 2014 it rose to 6,72. This means that the company is selling more because the products go out faster than previously.

The level of oil analysis is increased as well. (table 1) The company was able to obtain big agricultural companies as partners and helped them to understand the importance and cost saving factors of the oil analysis. From the CEO's point of view the purpose of the oil analysis is to build customer trust and loyalty in order to make them see that Addinol Hungaria Ltd. is a professional lubricant product trading company with good quality products and services and it is an efficient way to attract new customers. According to the CEO with the oily analysing service the company was able to attract and obtain new customers. Nearly half out of these customers became regular customers.

The promotion tools were efficient according to the CEO and the sales data. The most significant result came from Google AdWords. It has multiplied the number of visitors on the company's webpage in those months when the company used Google AdWords (January, March). (table 2) Data shows that this led to obtain new customers. (table 3). Table 3 clearly shows that there is a correlation between using Google AdWords and obtaining new customers. Also the company used this in the right time because agricultural activities start in March. So the timing was perfect to be visible for the potential customers.

The sales promotion offers increased sales as well. With the combination of the company's oil analysis service and the expanded product line Addinol Hungaria Ltd. was able to increase its sales.

Direct mails did not meet the expectations. The reply rate was very low: from the 213 direct mails only 34 were replied. It is 15,9% which is not efficient.

On the other hand personal selling was useful for the company according to the company's CEO. He said that it helped the company to keep their already obtained customers.

The company did not finish the ISO 9004 accreditation. The CEO has told that the importance of this accreditation is vital in order to reach the next level in Addinol Hungaria Ltd's future. There is a possibility to move into the Austrian market with the oil analysis service and to be successful ISO 9004 is a must have standard. Currently they are working on this accreditation.

Agent distribution did not meet the required standards. This is coming from the fact that the company do not want to establish a distribution chain. With a few number of outside

distributors (3 agents) and personal selling is efficient for the company at this time. Also the three agents do not bring many customers to the company. It is not a vital problem because the company does not have to pay salary to the agents, they work for commission.

The power of word of mouth was hard to measure and the company is not sure whether that it is efficient or not. Although the CEO has told that it has to come from the company's reputation.

Overall using the promotion mix and new products' introduction have helped the company to increase its sales.

The sales data is very promising for the given period. In 2013 the net sales were € 425 905, for the first 4 months of 2014 the net sales are € 248 923. This means that company can have more than double net sales for 2014 if they follow the current business model. From this data it is clear that the sales increased. (14)

According to net sales for the six month period the company was efficient. It is clear from table 4 that net sales have increased. There was a slight decrease from November until January, but this is because the company has its major partners from the agricultural sector and during this time they are not active in oil consumption. Also there was the introduction of the excise tax Act which had some effect on business environment. Companies had to adapt to these circumstances. After January net sales has increased rapidly. (14)

From table 5 it is clear that compared to 2013 the sales has nearly doubled according to the number of invoices. Also this is true on net sales as well. Compared to the 2013 data the net sales have increase in the first 4 month of 2014. (table 6)

During this period the company did not have the oil analysis service and did not use any promotion tools. Therefore the marketing strategy is efficient. (14)

The profit margin did not follow the same curve as the net sales. The data shows that it was stable, only in March with 20,48%, it was lower than the company's standard goal. (table 7). This means that the company is managing its sales in an efficient way because they can keep the profit margin in a stable mode. (14)

There is an increase in the number of deals the company made in the given period. This can be measured by the number of invoices the company made which is equal to the



number of sales deals that Addinol Hungaria made in the given months. After January the number of deals started to increase. From November until Aril the number of sales increased from 60 to 128. (table 8) (14)

Overall, it is clear that sales have increased according to the above mentioned measures. All the above mentioned data that is presented is the property of Addinol Hungaria Ltd.

In conclusion, Addinol Hungari Ltd's sales have increased which made the company more profitable. Due to the efficient marketing strategy the sales are increased and become steady.

## **7. Recommendations**

The thesis aimed to find the most suitable marketing strategy tools for Addinol Hungaria Ltd in order to increase its sales. After a deep market and company analysis 4 main actions have been chosen to be the driving factors of sales increase. The theoretical background showed the importance of these tools in order to increase sales. Recommendations are based on the results of the research.

The result of the research shows that the introduction of the new cheaper product line has increased sales. Customers like the fact that Addinol Hungaria can offer a wide range of products on different prices. The next step should be improving business relationship with PKN ORLEN in order to be able to sell their lower (1l, 4l, 5l, 20l, 205l) volume products not just the mass volume ones (1000l).

According to the results oil analysis service has a big part in building the company's reputation. It creates loyalty among the customers of Addinol Hungaria Ltd. and helps to increase brand awareness. The company has to do everything in its power to capitalise this competitive advantage before the competitors will realise the potential of this service.

The use of Google AdWords made a huge impact on the number of visitors on the company's webpage. The company only used it in 2 months so it would be wise to use it every month in order to attract more potential customers.

According to other promotion mix tools Addinol Hungaria Ltd should use more sales promotions. To be most efficient the company is considering to combine the oil analysis service and the wide product range in order to attract more customers. The results showed that potential customers are interested in oil analysis and willing to live with these sales promotions. With the direct mails the company should focus on gather correct contact emails and after the emails are sent the company should follow up each partner with a phone call in order to make sure that they received the email.

Addinol Hungary Ltd. should acquire the ISO 9004 accreditation as soon as possible. In order to make one step forward to the big international companies the company has to have this license. The company already sees the importance of ISO 9004 and they have been already working on it.

According to the result agent distribution is not efficient for the company and it is not the company's main goal to sell through agents. However the company should not stop the

already existing agent distribution system. A few customers still can come from this channel and it has not got high operating costs. The power of word of mouth is coming from the company's reputation and reliability. The company should focus to keep and build its current reputation with the help of the oil analysis and with the high knowledge and know-how of the lubricant products. People will talk about the company if it's working hard and efficient.

As the oil analysis service had its positive effects on the company, an introduction of a new service could be efficient as well. The company may consider introducing by-pass oil filtration service and the distribution of the external filters. These new activities could be synergic with the company's present activities. As a result of the oil analysis the most common recommendation to our customers is to change the given machine filters. So it would be wise to provide this kind of service as well.

In order to achieve the desired sales result and maintain stable market position the presented marketing strategy and improvement opportunities are vital factors. Nevertheless, this not means that the outlined strategy could be eternal. Marketing planning is not a momentary activity, but its process that serves the company's current goals. The business environment is always changing and if a company do not adapt to these changes than it can lose its hardly gained market position. Through this thesis I wanted to show a strategy that can be a basis of future marketing strategies for Addinol Hungaria Ltd.

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## **8 Additional Theoretical Background**

### **Theory on promotional strategies and activities**

Sven Hollensen (Global Marketing, 2007) indicates that the marketing communication has an essential role in the relationship between the seller and the buyer. He stated that the effective marketing communication has four elements:

- Sender
- A message
- A communication channel
- A receiver

Although he is not talking about the noises, that could disturb the way of the message. For instance, the potential customers cannot read the advertisement, or they misunderstand the message of the company and then in the long run all these kinds of happenings can make the company's reputation worse and worse.

In the book of Albaum (International Marketing and Export Management, 2008) three types of policies for international promotional activities are mentioned.

- "gravity = no promotion: the marketer sells to an intermediary and lets the product find its own way to ultimate consumers and users
- Push: promotion through marketing channel, members must aggressively sell and promote the products to other members at lower levels
- Pull: distribution is bought by establishing customer demand."

The **3C's model** points out that the managers should focus on the three key factors for success. The three main players –corporation, customer, and competitors have to be taken into account (Ohmae, 2007).

- Corporation-based Strategy

The corporation needs strategies aiming to maximize the corporation's strengths relative to the competition in functional areas that are critical to achieve success in the industry. As it was studied in the Situational Analysis, the SWOT Analysis gave a clear and reliable picture about the company's strengths. It is believed that the

company should emphasize and focus on these factors and realize that it does not have to be a leader in every function. If it can gain decisive edge in one key function, it will eventually be able to improve its other function of the competition.

In nowadays economic environment it is inevitable to mention cost-effectiveness. It can be meant whether reducing basic cost much more effectively than the competition, exercising greater selectivity in terms of orders accepted or sharing a certain key function among the corporation's other businesses or even with other companies.

- Customer-based Strategy

This could be the most critical issue, because even if it is assumed as a factor for achieving success in competitiveness, it has not to be forgotten, that the real problem is lying in customer attraction. According to Ohmae (2007), clients are the base of any strategy. Consequently, the primary goal is supposed to be the interest of the customer.

Segmentation is helping to understand customers (Ohmae, 2007). However, companies should optimize the range of market coverage. It can happen that over an extended period of time the effectiveness of a given strategic segmentation will tend to decline. In this situation it is wise to pick up a small group of customers and reexamine what it is that they are looking for.

- Competitor-based Strategy

The competitor based strategies are based on differentiation. Product and service performance are quite the same, and difficult to diverse them. Therefore the image can be the only source of positive differentiation.

Another important factor is to capitalize on profit and cost structure differences, which means that the contrast in source of profit may be exploited. Furthermore a difference in ratio of fixed costs and variable costs may also be exploited strategically. A company with lower fixed cost ratio can lower prices in stagnant market and gain market share (Ohmae, 2007).

## Attraction of Customers

Customer attraction is all about building relationships and helping people find answers. It is a common business problem for almost every company to find new customers (Roemer, 2009). In the current context, the assignment concentrates on a marketing

agency who wants to create more international clients for it. Consequently it is studying how to attract new B2B clients, as MarujaLimon S.L. offers marketing services to other companies. Before dealing with the exact attraction, there are some inevitable steps which have to be considered.

The first step in every process which is linked to customers is to carefully choose, in other word, to target the right customers. Small business owners need to be more tactical and focused in hard economic times. Furthermore, they should not use broad-based marketing (Berry, 2009). If it is creating new B2B customers, the company is not allowed to concentrate on its own business but focus on customers wants. This is where marketing comes in. When it is selling B2B, it is needed to focus on the needs of the business, while still understanding that there is a real person at the end of each transaction (Black, 2010).

Finding out everything about the customer before, and contacting them for the first time can be very simple but inevitable step in this process. Those companies who want to succeed in attracting new customers, they have to have a clear product or service offering and value proposition, accordingly at the sales and marketing strategy, it is needed to package the product or service in a way that is easy to understand very quickly. Once, if it can be surely stated that there is a comprehensive value proposition, the company can move on to actually attracting customers (Zamkow, 2009).

Direct approach is the most obvious way to contact B2B customers. This can be meant by identifying companies that would take advantage from the product or services what the company offers, and then finding the executives within those organization. However, direct approach can be effective and cost effective method, though it is not that simple. Most of the times, the timing is not right, it is difficult to set up meeting with the contact or the potential customer started to work with the competitors ( Zamkow,2009).

It has to be mentioned, that establishing authority can be an competent way to get to know the company and show interest in the offers. Simply, making noise out there and to blog about the services and industry, twitter about them, do some free direct PR and turning the website and blog into a resource centre that assists to educate the potential clients about everything relating to the product, service or industry (Zamkow, 2009).

Interesting method can be the Gravitational Marketing (J.Vee, T. Miller and J. Bauer, 2008) as well. The gravitational marketing can be implemented by any company who needs to attract customers. It is believed that the gravitational marketing has 4 primary components:

**Gravitate** – The process begins by either choosing who the existing product or service would be right for or by finding the who first and then determining what they want. That is the so called targeting.

**Captivate** – It happens once the company gets the prospects' attention. They ask for more information about the solution that the agency is offering and it has a chance to present the findings to them. But it has to be presented in a way that it is unforgettable. The agency has to be sensational, memorable and unique and must captivate the audience to hold their attention.

**Invigorate** – To help the company to understand how deep the problem is, that they are facing now and how appropriate the solution could be. The agency needs to involve their emotions in the process and help them understand the depth of their problem but also the true availability.

**Motivate** - To take the action the company want them to take. It have to be known ahead of time what that action should be. With clear vision of the desired action, the company can overwhelm the prospect with benefits, bonuses, offers, and value that make doing business with irresistible.

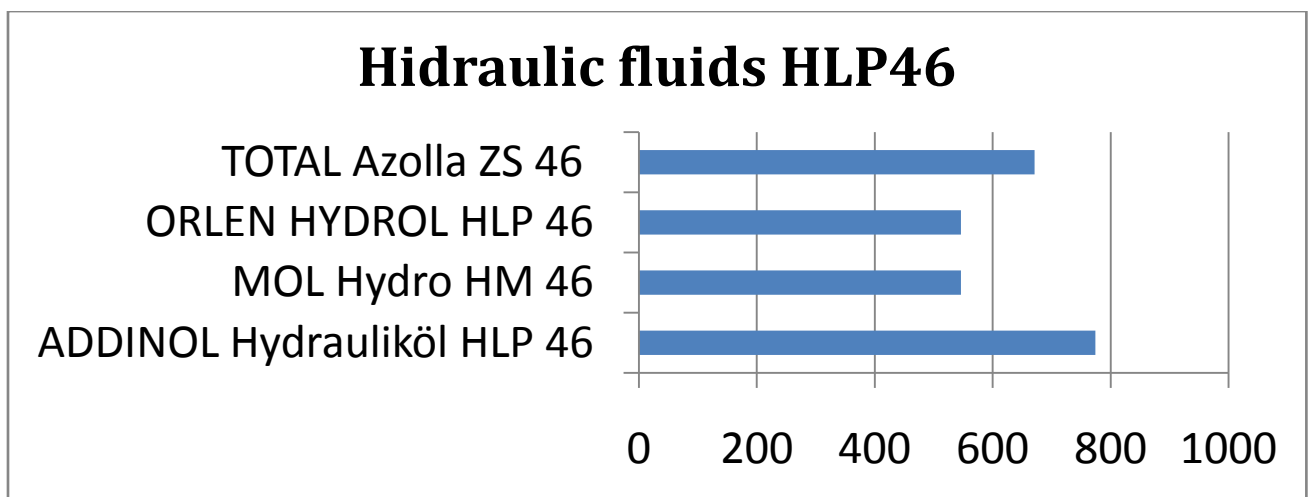
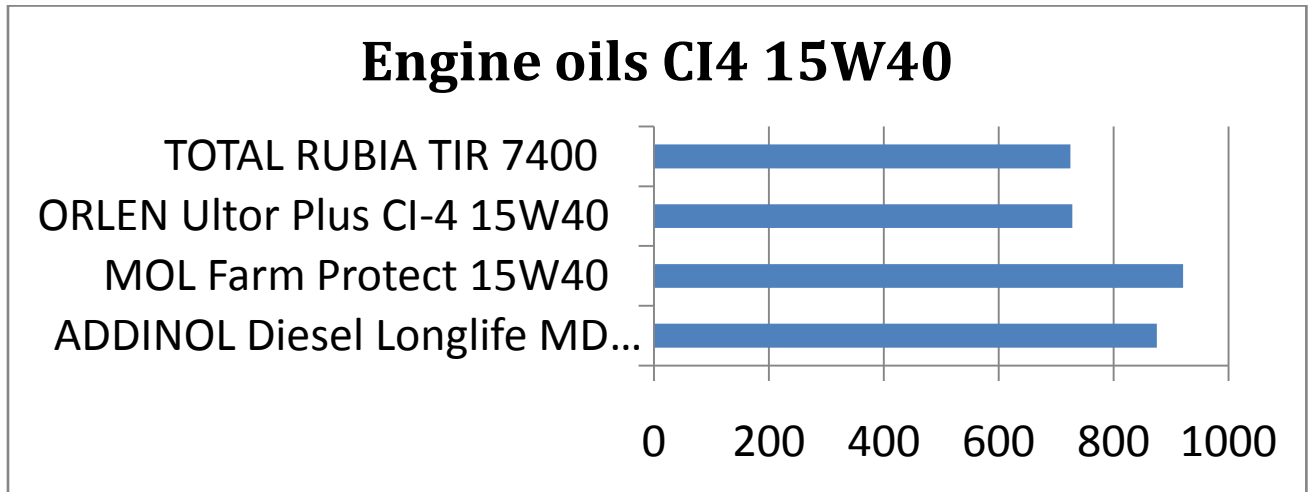
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# Appendix

## 1. Price comparison



## 2. In-depth interview with Jozsef Cserti, CEO of Addinol Hungaria Ltd.

*Kasza Kristóf:*

Generally I was able to obtain knowledge about your company and its history through your webpage and later get an inside view of the company's operations during my working time at Addinol Hungaria Ltd. Now I would like to hear about your personal

motivation, business philosophy, organisational and economic objectives. Also please refer to the last six months result in your answers.

**When Addinol Hungaria Ltd. was established the company distributed Addinol products alone. Addinol do not ring the bell to any outsider. Why exactly Addinol?**

*Cserti József:*

Our primary target group is of course not these 'outsiders'. More precisely we do not build on those customers, who buy their 3 litres lubricant product from a well known European multinational petrol company's shop, pay a relatively high price for it and drive away. For us the big agricultural users mean the main target group. Our main partners' annual oil consumption is between 5 and 20 ton. These partners are already aware of that Addinol products are quality orientated and that these products are able to ensure the high-performance machines operational safety.

In Hungary the most influencing power of the lubricant product's brand awareness is the strength of the petrol company behind it. In case of Addinol, brand building is difficult because the former East German manufacturer has not been part of world trade for 40 years. That is why the German company invest its capital and marketing power into those markets where the demand and the profitability can be the highest.

Estonia (Russian business connections), China and the USA are specifically interesting for ADDINOL Lube GmbH. In these countries the company operates with fully owned commercial representations and coordinates the local distributor company's networks.

With the lack of volume potential in the Hungarian market the increase of brand awareness and distribution network building is a waste of money. Hungary is an important market but only secondary target market for the German manufacturer. Therefore it is beneficial to be professionally correct, yet maintain cheap market presence. For us as a small distributor company it is a privilege to own the exclusive distribution rights for the Hungarian market. Addinol Hungaria Ltd benefits on the long run to be associated with the truly excellent German product quality. From my point of view it is really important to communicate the quality and reliability to our customers. Based on these factors we are able to perfectly position our company's image. There is no such Western European lubricant product manufacturer who would provide exclusive distribution rights for the whole Hungarian market despite intensive volume turnover requirements.

*Kasza Kristóf:*

**If I am correct, recently you had to expand your product portfolio.**

*Cserti József:*

Yes. We had to introduce a new brand in order to stay in business in such a price elastic market. It is surprising but with this move the sale of Addinol products started to increase steadily. It is a comfort factor to the customers that they can obtain premium and cheaper products as well from the same distributor. We have built business relationship with a manufacturer who can provide the same good quality lubricant product portfolio on fair prices as the Hungarian market leader MOL. This manufacturer is PKN ORLEN who is one of the biggest lubricant product manufacturer in Europe. PKN ORLEN's expansion in Hungary is moderate. Their Hungarian distributor partner is contracted to distribute 1 l, can (4 l) and barrel (205 l) volume products.

Our company sees opportunity to sale 1000 l or even bigger volume products on a favourable price. The acquisition and transport cost does not make lubricant products more expensive as PKN ORLEN (Krakow) has its factory 600km and Addinol Lube Oil Ltd (Leuna) is 800km far away from Hungary.

We failed on every occasion at the multinational companies' acquisition tenders where to be sufficient you have to reach 10 point and 8 point is just the price of the product. If we are able to match the big volume (1000 l) products with the right customers then our company's profitability will be stronger. According to our agreement with PKN ORLEN we are able to purchase the smaller packaged products (1 l, can, barrel) from their distributor partner (located in Budapest) on exclusive prices. Our customers often missed cheaper but still appropriate products from our price list.

Overall, the sales data from the first period shows that we did well with the introduction of ORLEN's products.

*Kasza Kristóf:*

**A new activity has appeared at your company. Recently you bought an oil analysing machine. What kind of expectations have you got according to this new service?**

*Cserti József:*

Actually I clearly see that this is not this service what will increase the company's profitability and thus lead to increased revenue. There is a completely different purpose of this little 'magic'. This investment cost us nearly the company's previous 3 years net profit. Instead of the classic material testing laboratories' diversified chemical engineering activities, we provide used oil orientated analysis on low price and extremely fast. It is easy to present the importance of oil analysis to our partners. The type of monitoring application adapted to our quality service packs and prices are both unmatched on the market. The objective analysis results provide possibilities to early prevention and economical operation to the engine and machine owners. The accurate monitoring information highlights the need of oil change, oil filtration, replacement of worn parts and change in operation intensity.

All of these factors are helping the company to build customer trust and loyalty. Because of the fast and cheap oil analysis we have perfect opportunity to be on the right time and at the right place in order to sale further lubricant products and services. Thus, we do not have to push our customers to buy our products and services because we are there when they need us. We only recommend our customers to purchase oil when it is necessary. Last but not least, with the possibility of oil analysis it is a chance to our customers to make their own assessment between two oil brand according to life time and efficiency. We do not assert, the product will prove itself.

I believe that our oil analysing machine has proved itself in the past year. We were able to open doors where they never would speak to us before. This meant new customers and therefore higher sales.

*Kasza Kristóf:*

**For me it seems like you have a real 'treasure' in your hand. So there are no limits of growing the company even bigger. Do you want to expand the company to be able to supply the whole Hungarian market?**

*Cserti József:*

It is not our aim to build a company that has inflated manpower and huge customer portfolio. I do not want to cross the flexibility of small and medium size enterprises limit.

I had the pleasure to be the CEO of a company with more than 50 employees and I know how hard work and serious responsibility it is to manage and keep the work flowing. As the owner of Addinol Hungaria Ltd. if I am strictly watching profit it does not really worth to operate with such an employee level because we will not be able to produce as much value as high the investments would be.

In consequence we are not planning to establish a distribution chain that can cover the whole Hungarian market. Our aim is building from bottom up. We go to potential business partners ourselves and we involve distributors with commission payment system in order to expand our partner portfolio. It is not our goal to flood the market with our lubricant products. That is why we do not use large number of outside agents.

As far as the numbers, my goal is to double our annual revenue within the next 3 years. To maintain our partner portfolio is our priority. To keep proportional profit around 10% of the revenue could seem daring but it is still my priority. In the last six months we were able to increase our sales, however with lower profit margin in March and April comparing to our standards.

Overall, instead of gigantic revenue, inventory and investments I would like to have a medium sized company which can perfectly react to market situations.

*Kristóf Kasza:*

### **Did the ISO 9004 introduction process take place?**

*Cserti József:*

We have not yet introduced it but it can help the company in the future. We are working on it actually right now. The benefits we can obtain should make the company more efficient than if we keep operating in the same way as we already do. Now I clearly see that it will help optimize our operations, so we will be able to know where we can save cost. Also with ISO 9004 accreditation we are able to reach the big multinational companies and that can mean new big volume orders that can increase our sales and therefore our revenue and profitability. For these big companies ISO 9004 accreditation is a basic priority to have.

ISO 9004 is the key if we want to expand our oil analysis services to Austria where we can be really cheap and efficient, but the expansion to Austria is just a business vision right now.

*Kasza Kristóf:*

**Recently the company made concentrated promotional activities. How did it go?**

*Cserti József:*

We used several types of promotional tools. Most of them were efficient. Google AdWords results were really significant. In those months when we used it, the numbers of visitors on our webpage were 10 times bigger than before. Because of this we were able to obtain new customers.

By the help of the oil analysis service our sales promotion was successful as well. Our partners were interested in its usefulness and we had an offer in February and April. If they buy a barrel of oil from us they can get 3 free analyses.

According to the direct mails we are not sure that they all get to the right places. Some of them were sent back so we have to get new contact information for those partners. I think it was not that efficient because there is an opportunity that most of them automatically were received as spam.

Personal selling was quite useful because of the face to face communication. From my point of view doing business does not mean to be just through emails rather than personal way. I prefer going to the companies personally and make sure that everything is going well. You can say that I am an old school business man who tries to keep up with the developing technical world.

Overall I can say that sales data shows that there is a correlation between increase in sales and promotion.

*Kasza Kristóf:*

**Have you been thinking about what will happen if your competitors realise the potential of the oil analysis? It seems to me it is the catalyst to the energetic growth of your company in the last year?**

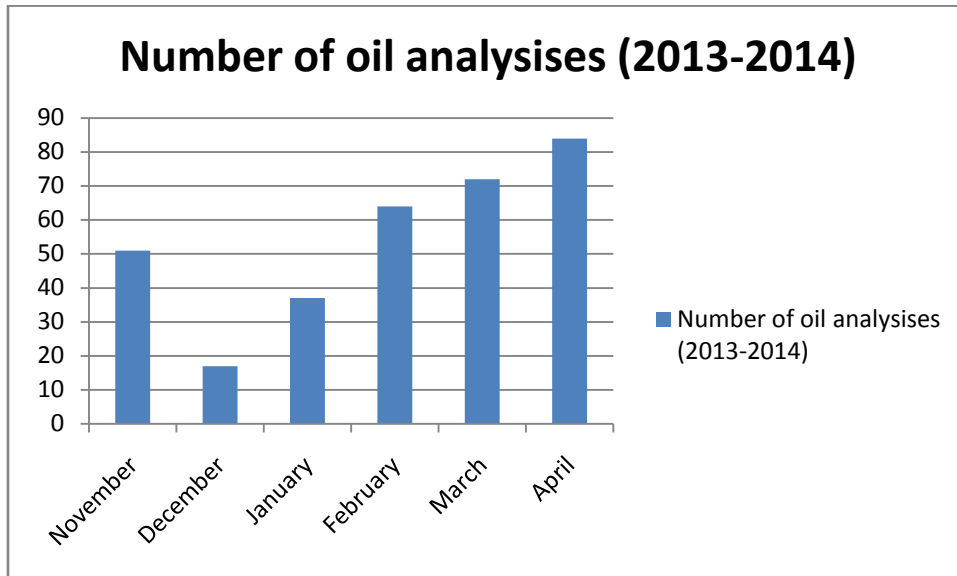
*Cserti József:*

Right now instead of investing into this new technology, our competitors are waiting and doubtfully watching that this new technological investment will or will not pay-off. But you are right. We need to look forward because sooner or later our competitors eventually will move to this direction. Then we will lose our main advantages against them. We do not have a whole developed plan for the future. Now we want to reach as many potential customers as possible and develop permanent business relationships with them. This can establish a stable basis if the competitors want to follow our method.

As we are talking about the future, logically it seems that we should provide another quality offer to our customers. Here I am talking about a by-pass oil filtration which had already widespread in Western Europe. With this filtration technique the lifetime of the machines can be significantly improved because the better the filtration the more durable the lubricant quality. Perhaps the distribution of the external filters could be synergic with our present activities.

## **Tables**

**1.**

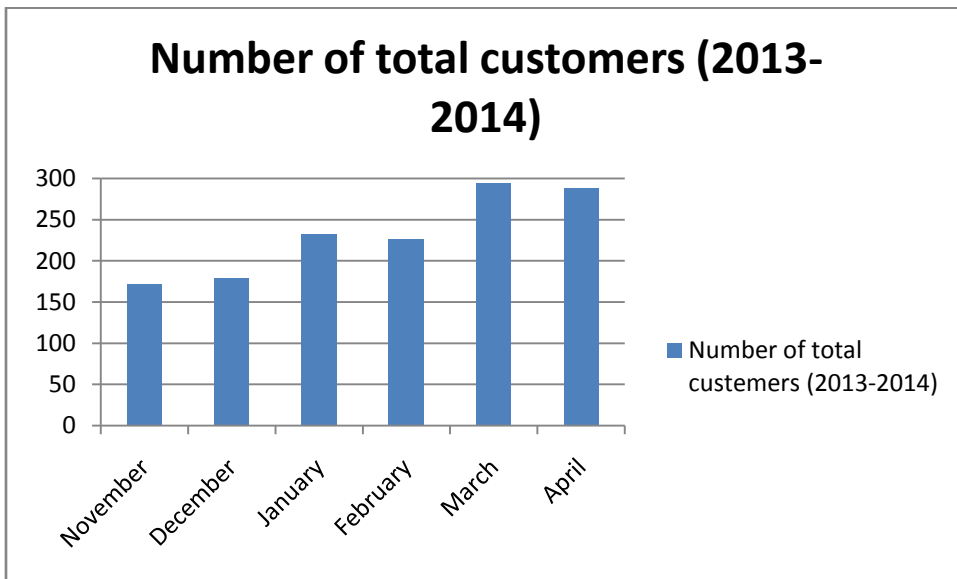


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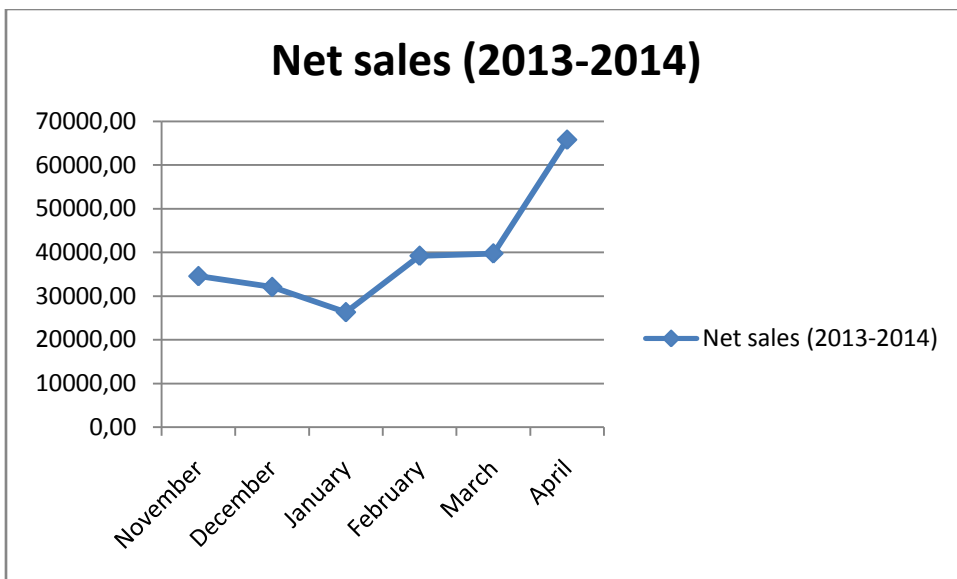




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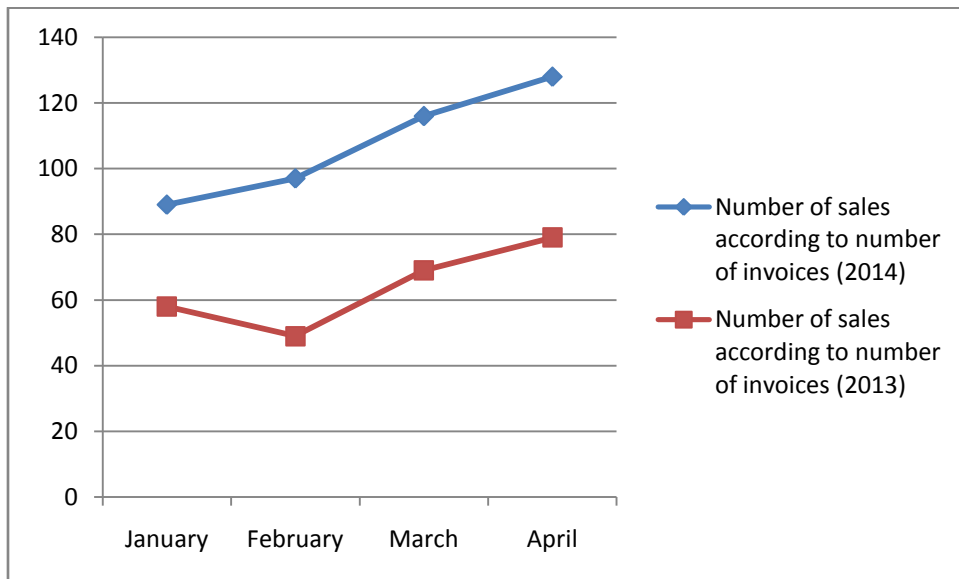


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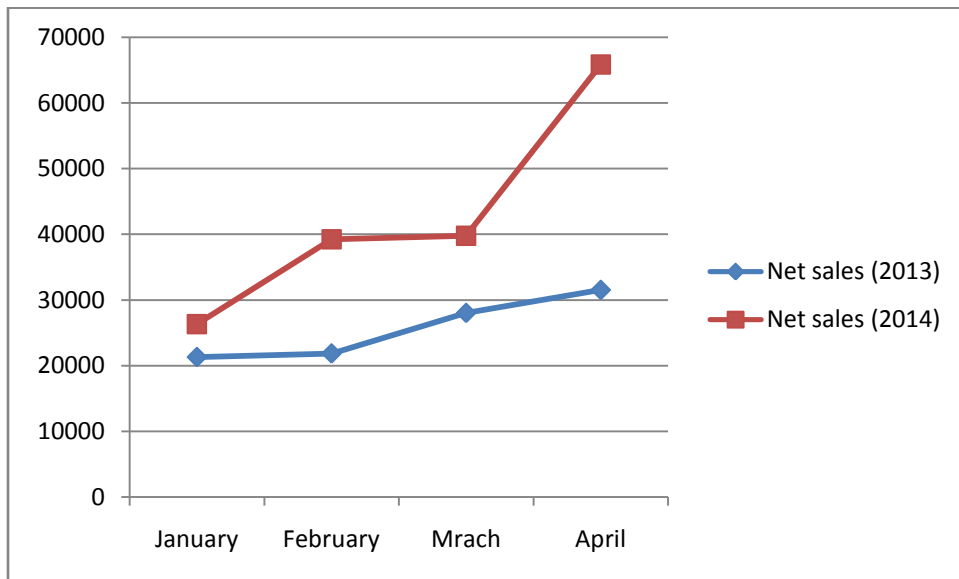
	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>
<b>Net sales</b>	34570,29	32088,32	26315,42	39233,7	39764,63	65820,47

5.



	January	February	March	April
<b>Number of sales according to number of invoices (2014)</b>	89	97	116	128
<b>Number of sales according to number of invoices (2013)</b>	58	49	69	79

6.

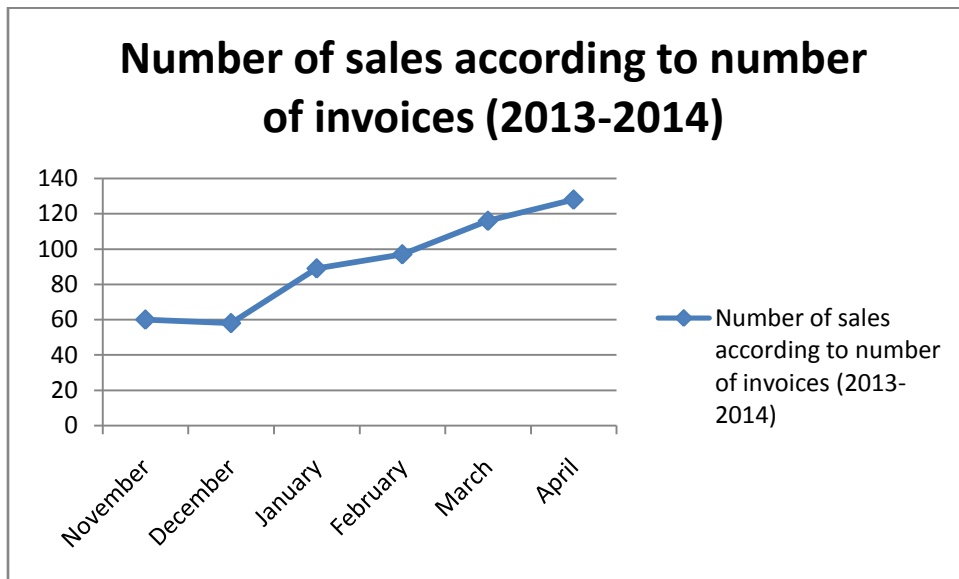


	January	February	March	April
<b>Net sales (2014)</b>	21305,87	21858,06	28024,79	31518,77
<b>Net Sales (2013)</b>	26315,42	39233,7	39764,63	65820,47

7.

	November	December	January	February	March	April
<b>Profit Margin</b>	23,85%	21,17%	23,58%	21,17%	20,48%	23,76%

8.



	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>
<b>Number of sales according to number of invoices</b>	60	58	89	97	116	128