The Significance of Participation as a Marketing Tool
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Abstract: The purpose of this thesis is to describe and analyze the process of creating of the marketing mix model as well as to investigate whether the participation can be a possible new concept for this model. The empirical material is based on eight interviews conducted on Gotland with the companies that have contributed with their views on the issue. The respondents were selected due to their background in the professional marketing field. The method is qualitative and is based on semi-structured interviews. The conclusions of the research demonstrate that the concept participation could be ranked as the most important concept in comparison to the four concepts of the marketing mix model. The authors consider the most interesting suggestion for the future studies to be the investigating whether the concept Participation can be considered to be the fifth P in the traditional marketing mix model.

Keywords: The history of the marketing mix model, interaction, participation, marketing tool.
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1 Introduction

Each and every one of us has at least once been a customer. We buy, rent, and use various products and services, some can be expensive and sophisticated, for example, a car, a house or an airplane ticket, while others can be less obvious and one may not consider herself to be a customer, for example, film on the TV, hot water, or library services. Even if one is not actual buyer or user, she can still be a potential customer. That is why numerous companies try to influence her behavior through different marketing tools. Every day one is being affected by commercials, news, offers, and other types of marketing means.

Marketing as a business discipline was developed in 1930s – 1940s when economy was focused on mass production (Alder, 2001). Today’s most common marketing mix model was presented in 1960 (McCarthy, 1960). According to Grönroos (1999) the market situation had changed since that time. This raises a question whether business and especially customers today can be handled in the same way as fifty years ago.

1.1 Background

During the economy of mass production in 1930s – 1950s Chamberlin presented the theory of monopolistic competition in 1933. The theory includes three tools that a company can use to influence its position on the market: change price, change product’s nature, change advertisement and sales effort (Brakman and Heijdra, 2004).

Two decades later in 1955 Abbot presented a concept called “quality” that was quite alike Chamberline’s product differentiation (Wadman, 2000). At the same time Rasmussen and Mickwitz developed the “parameter theory” where they mentioned distribution and accessibility (Alder, 2001). In 1960 McCarthy (1960) presented the marketing mix model, as it is known today: place, product, promotion, and price.

With time many researchers mentioned changes in business and society, which influenced marketing as a business discipline. Levitt (1975) argued that customer had to be in focus. Grönroos (1994) claimed that there was a shift in the perception of the fundamentals of marketing towards relationship marketing, which could be described as paradigm shift. Rapp and Collins (1990) said that it was no longer enough to be marketing-driven, but a company had to be relationship-driven.

According to Feurst (1999) one of the characteristics of our time is technical development. Costs to collect, process and save an extreme amount of data are rapidly falling. This development can contribute to the change of company’s view on customer, from transaction to relationship. Now when it is easier and cheaper to follow customers, companies have a chance to develop functioning customer relationships (Feurst, 1999).

Focusing on customers is a good starting point but Gummesson (2002) says, as Levitt (1983) that it is very important to think long term. That could happen through relationship marketing, building long-term customer relationships and to maintain the organization’s network and relationships. Relationship marketing is a concept that was
spread during the 1990s and can be defined according to Gummesson (2002, p. 16) as "marketing that puts relationships, networking and interactions at the centre." Levitt (1983) highlights the importance of ongoing contact between the company and its customers.

Relationships and cooperation with customers may have many advantages. Alam (2006) as well as Gruner and Hombur (2000) claimed that customer interaction could have positive effect on new product development. This kind of cooperation can result in sustainable competitive advantage. The customers that helped to develop a new product probably will not help competitors because they are already in a loyal relationship. And due to the same reason customers are most likely not to change supplier.

Levitt's (1983) theories concerning relationship marketing confirm that developing company's client relationships is a necessity in order to achieve greater value for customers and suppliers. This means that customer relationships are a central feature of company's existence, it must be customer oriented in order to compete on the market.

Another model that has customers in focus is one-to-one marketing (Peppers and Rogers, 1995). According to Feurst (1999) this is a concept of learning relationships, not only for customer but for a company as well. A company should be able to learn from and about its customers. In this way products can be adjusted to individuals.

Feurst (1999) argues that one-to-one marketing can make a business’s position on the market better. He questions the effectiveness of mass advertising and claims that this marketing tool does not speak to a specific customer but to many at the same time. Due to the fact that competitors try to reach the same customer segment, propositions are becoming more alike. This results in competitors that "talk to, not with" customers that are no longer sensitive to mass advertising (Feurst, 1999, p. 52).

Both relationship and one-to-one marketing indicate a change within marketing as a business discipline. McCarthy's formulation of marketing mix model has not been changed during fifty years, even though there are researches that have already questioned this model, such as Gummesson (2002), Lovelock and Wirtz (2007), and Palmer (1994).

Participation can be considered to be a new concept that includes both relationship and one-to-one marketing as well as other customer-oriented theories and concepts, for example, “interaction” (Alam, 2006) and “involvement” (Matthing, 2004). Participation reflects the paradigm shift that Grönroos (1994) mentions. Therefore, this concept and its importance are needed to be investigated in order to understand whether it is the missing element of the marketing mix model.
1.2 Research Question and Purpose

This paper is focused on the history of creating the traditional marketing mix model and the significance of participation as a marketing tool. The research question is as follows:

What is the significance of Participation as a marketing tool comparing with the four concepts of the marketing mix model?

The aim of this thesis is to describe and analyze the process of creating of the marketing mix model and to investigate the significance of participation as a possible new concept for this model. The overall objective of this paper is to contribute to an increased knowledge of the concept Participation and its significance. The results of the research may be used by marketers to understand the importance of communication and relationships with customers.

1.3 Limitations

There are numerous marketing models but this thesis is focused only on the traditional marketing mix model developed by McCarthy (1960). This limitation is made due to the model’s history and popularity within the marketing area.

1.4 Disposition

The thesis consists of the following chapters:

Chapter 2. Methodology. In this chapter the chosen methodology is described as well as the approach of the research.

Chapter 3. Theoretical Framework. This chapter consists of a theoretical framework, which is the base for the empirical investigation.

Chapter 4. Empirical Investigation and Results. In this chapter the empirical material consisting of a collection of interviews of respondents is presented.

Chapter 5. Analysis. In this chapter, the analysis of empirical data is linked with the theoretical framework presented in chapter three.

Chapter 6. Conclusions and Final Discussion. The last chapter consists of a presentation of the conclusions that that had been made by authors, the answer to the research question and suggestions for further research.
2 Methodology

This thesis is focused on the interpretation of information. Therefore the research method is qualitative and based on semi-structured interviews with opened questions. For better understanding of the method and its importance the description of the method and stages of the research process is given in details. The critique of the research method and the data collection strategy is presented in the end of the chapter.

2.1 Research method

According to Bryman and Bell (2007) qualitative research method is a distinctive research strategy. Main characteristics of this type of research are an inductive view of the relationship between theory and the research, and a stress on the understanding of the social reality through an understanding of respondents’ thought process. Malhotra and Birks (2007) claim that this method aims to encapsulate respondents’ feelings and experiences. The qualitative research method is an appropriate method for this thesis due to interpretational nature of the research question.

Malhotra and Birks (2007) argue that qualitative research techniques can be either direct or indirect depending on whether the purpose of the research is disclosed or not. Interview is the major direct data collection strategy based upon conversation. The aim of qualitative interview is to obtain meaning through interpretations (Malhotra and Birks, 2007). Therefore this data collection strategy corresponds to the purpose of this thesis.

Semi-structured interview consists of structured combined with more general questions according to Malhotra and Birks (2007). Bryman and Bell (2007) claim that during this type of interviews researchers tend to ask further questions. Hence, semi-structured interview is used in this research, because it allows to capture significant responses and to acquire more information about these through additional questions.

2.2 Stages of the research

The description of the research process provides a deeper insight in the procedure of the study. As the interviews are the major part of this thesis a detailed description follows below. The process of the research consisted of the following steps:

1. Define the target group of respondents
The respondents were selected according to the following: eight companies that operate on Gotland. There are several reasons for that. First of all, it is easier to contact local companies. Second reason is that a majority of all companies on the island are small and medium enterprises, what means that it can be easier for them to implement the Participation concept; accordingly there can be more interest for the study among these companies.

2. Formulate the semi-structured interview
According to Bryman and Bell (2005) the formulation of and the choice between opened and closed questions is one of the most important issues. In this research opened questions are used and the respondents are asked to express themselves freely.
This choice is made due to an ability to capture significant answers and to ask further questions in order to obtain additional insight into the area of the research.

Based on the theoretical part of the thesis relevant questions are formulated (see Appendix 1). The semi-structured interview is in Swedish in order to create comfortable conditions for the interviews since all respondents are Swedish. The first question reveals the respondent’s perception of the industry, in which the company is active. Whether the respondent consider the company to be service or production organization is significant for the research. The second question discloses whether the competitive advantage within the industry can be considered to be one of the studied concepts.

The next part of the semi-structured interview is focused on four concepts of the marketing mix model as well as Participation. With the help of the third question the researchers can analyze whether any of the concepts can be considered to be more or less important than others. The order of the concepts in the question 3 is random. When answering on questions number four, five, and six the respondent assesses five concepts according to three criteria: how much time the company spends on each concept, how much time it takes for competitors to copy each concept, as well as value and visibility for customers of each concept in relation to each other.

The relative time the company spends on each concept shows what company works most with. The time it takes to copy each concept in relation to each other reveals a competitive advantage within the industry. The last criterion illustrates what the respondent thinks is significant for customers, therefore for the company as well. Each criterion is used separately in order to evaluate the significance of each concept; as well as combined when answers to these three questions are different, then the respondent’s point of view is of particular interest since the answers do not seem to be logical.

3. Find respondents
In this study a non-random sample is used. The authors choose eight service companies on Gotland that at the moment are available for the researchers. The amount of respondents depends on the qualitative research method, which applies deep investigation of each interview. This kind of sampling method is called the convenience sample according to Bryman and Bell (2005). They are considered to be the most suitable respondents in order to answer the research question because their positions are marketing managers. This choice facilitates the process of obtaining of necessary and detailed information. The respondents’ experience varies from several years to several decades. More than a half of the respondents have worked in other cities in Sweden within the marketing area. The researchers do not take any consideration to nationality, gender or age of the interviewed respondents.

4. Provide respondents with general information about the research and set time for the meeting
Companies are contacted by e-mail or phone and given the basic introduction of the research. The respondents choose the appropriate date and time for the meetings. All interviews are conducted during one week, 30 March – 6 April 2010. The schedule is made in order to make it easier for researchers to handle each respondent's interview by recording them one at a time in an efficient manner.
5. **Make a pilot study and proper adjustments**

During the pilot study two companies on Gotland are interviewed. Based on the results of this study the authors gain a better perceptive on the structure of the semi-structured interview. The pilot study shows that there is no need for additional adjustments of the questions in order to receive relevant and accurate results in the main study.

6. **Interviews**

Interviews’ function is to provide necessary information in order to understand professionals’ thought process about the significance of the Participation in comparison to four concepts of the marketing mix model. This is the first stage of the generic process of qualitative data analysis – data assembly. (Malhotra and Birks, 2007)

Before each interview respondents are informed that all information is managed anonymously and asked whether they wanted to see the summary that will be included in the thesis. Respondents do not have access to the questions in order for the researchers to receive a spontaneous response as well as more accurate and relevant results. The interviews are executed face-to-face in order to be able to ask further questions as well as understand body language and intonations.

During the interviews the respondents do not see the questions of the semi-structured interview. The authors read each question and afterwards document the answers, keep field notes. The names of the four concepts of the marketing mix model as well as of the Participation are not mentioned in order to prevent possible stereotypes related to the concepts. Some examples of the descriptions that are used instead of the concepts’ names are presented in the table 1.

<table>
<thead>
<tr>
<th>The concept</th>
<th>The description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>The offer to customers; the solution of the customers' problem/need; services and goods that the company proposes to market.</td>
</tr>
<tr>
<td>Participation</td>
<td>Relationships with customers; customers' possibilities to communicate with the company; the activities of processing feedback from customers; cooperation with customers; mutual creation of the product.</td>
</tr>
<tr>
<td>Promotion</td>
<td>Activities used to transmit the message to the outside world; marketing campaigns; sales; advertisement; publicity; direct marketing.</td>
</tr>
<tr>
<td>Price</td>
<td>The actual amount of money that customers have to pay for a product or a service; bonuses; discounts.</td>
</tr>
<tr>
<td>Place</td>
<td>Physical location; distribution channels; location; storage; transportation; accessibility; the company's image in the customers' minds.</td>
</tr>
</tbody>
</table>

Table 1. The examples of the descriptions are used instead of the concepts’ names

The interviews are conducted in a calm and familiar environment in order to create a relaxed atmosphere for the respondents. During the interview sessions both researchers are present, one researcher takes notes while the other leads the interview. Each session is recorded on tape and took approximately 30 minutes.
7. Analysis of the responses

All interviews are documented in Swedish, transcripts, and then summarized in English. The summaries of all interviews are presented in the Empirical Findings chapter of the thesis. The researchers use inductive approach for the interpretation of the results, which means that theory is the outcome of the research (Bryman and Bell, 2005).

According to Byrne (2001) the qualitative research usually results in large amount of data, which needs to be reduced in order to facilitate the communication of the findings simply and efficiently. Miles (1979) claims that the qualitative data has a quite serious weakness, which is the fact that methods of analysis are not well formulated. The authors found the aid and guidelines for the analysis of the empirical data in Byrne (2001), Malhotra and Birks (2007), as well as Bryman and Bell (2005).

The first step in the qualitative data analysis is to code the transcripts in order to reduce the data and to leave only relevant information (Malhotra and Birks, 2007). According to Van Someren et al. (1994), there are differences in the structure of the theory used in the research and the collected data. He claims that it is necessary to define categories relevant for the concepts described in the theoretical part. The names of the categories are usually called codes and they form a coding scheme. This kind of structuring data facilitates identification of studied concepts in the empirical data (Van Someren et al., 1994).

Byrne (2001) claims that well-defined labels, their definitions and examples are some of the key elements needed for good coding. The theoretical part of the research is used for the creation of the structured and correct coding schemes (Appendix 3). The marketing mix model and the definition of the Participation are used in order to develop the concepts’ definitions used during the interviews and for the coding of the respondents’ answers that are later used in the analysis part (table 1).

Different coding schemes are used in this research depending on the question. The only question that is not coded is the first one due to its simplicity as well as lesser relevance for the study. Since the second question is used in order to find out whether the respondents will spontaneously disclose the competitive advantage to be one of the studied concepts, all concepts with their components are present in the coding scheme (table 7). The components of the four concepts of the marketing mix model are taken from the model description made by Kotler (2006) The components of the concept Participation are taken from the definition of this concepts by the authors. The reasons that the respondents may have to explain the choice of the sustainable competitive advantage as well as the time trends are coded too (table 8).

The coding scheme for the third, fourth, fifth and sixth questions is the same. Two concepts are present in this coding scheme: the ranking and the reasons. The NRS – non-related statements for the study– concept is present in all coding schemes in order to reduce the amount of the unnecessary information.

Each interview is coded according to the coding schemes. More detailed information about the coding schemes as well as some examples of the respondents’ answers are presented in the Appendix 3.
In the Analysis part the coded version of each question is summarized in a table where the ranking of the concepts of the marketing mix model as well as Participation is shown. Explanations of the ranking taken from the coded answers and analysis of advantages and disadvantages of each concept are presented. All concepts are compared to each other according to respondents’ opinions. The authors use the ranking tables as well as the respondents’ explanations for the analysis of the tendencies and possible reasons for the outcome.

2.3 Criticism of the research method

Qualitative research method has limitations described by Bryman and Bell (2007). This method can be too subjective. Qualitative results rely too much on the researchers views about what is significant and relationships that can be developed between the researcher and the respondent. These relationships can affect the degree of openness and honesty of the interview. The researchers have no earlier contact with any of the respondents. The absences of any relationships can be considered as positive because the respondents are neutral during the interviews. Another possible interference can be respondent’s background, which can influence his/her understanding of the question or concept.

An additional limitation of a qualitative research method is the fact that the authors can never be sure whether the respondents say what they are really thinking. In order to reduce the risk of untruthfulness the respondents were not informed about the purpose of the research as well as the questions were asked spontaneous, the respondents did not see the questions of the semi-structured interview. The possibility of the participants to have some prejudices about the concepts of the marketing mix was taken into account. The authors did not use the traditional names of the concepts, but instead described each concept as it is shown in table 1.

Bryman and Bell (2007) claim that qualitative results are often difficult to generalize or to implement for other cases. In this thesis eight companies are investigated. This number is relatively small, which means that the results cannot be generalized for the whole population. Fortunately this is not the purpose of the research. One more possible limitation of the research is the profession of the respondents; only marketing managers were interviewed. This was due to the assumption that these people can provide a better picture of the marketing activities and priorities of the company. If other workers of the company were interviewed perhaps the results could be different.

All interviewed companies are active within service industry. This fact can be seen both as positive and negative issue. Service companies’ characteristic is that the product is developed and produced mutually with customers (Lovelock and Wirtz, 2007). This means that this type of companies have more customer contact than production companies, which in its turn means that Participation concept is integrated into service companies’ operations and can be seen as more important issue for them than for production companies. Due to this fact the research reveals more information about the significance of the Participation than it would have if production companies were interviewed. There is no comparison of the significance of the Participation for service and production companies in this research.
3 Theoretical Framework

Lovelock and Wirtz (2007) claim that the only function in an organisation that brings operating revenues into a business is marketing. Marketers can use big and complicated models or small and easy ones, or even none at all, but to be able to create a valuable and attractive marketing proposition some guidelines tend to be needed.

The marketing mix model is still a dominant approach within traditional marketing, especially for consumer goods, according to Feurst (1999). This theory has limited value for service companies, interactive and industrial markets. Therefore the history of this model and its critique are presented in this chapter.

3.1 The History of The Marketing Mix Model

According to Kotler and Keller (2006) marketers' task is to create, communicate and deliver value for customers. This process includes various marketing activities and decisions. One of the most used models to describe these activities was formulated by Jerome McCarthy (1960) in 1960 and is called the marketing mix model, which can be defined as “the set of marketing tools the firm uses to pursue its marketing objectives” (Kotler and Keller, 2006, p. 19).

According to Feurst (1991) Chamberlin has developed a theory of monopolistic competition in 1933. Chamberlin claims that the company can influence its position on the market in three ways: change price, change product’s nature, change advertisement and sales effort. These concepts can be associated with McCarthy’s three P:s: price, product, promotion. But as Brakman and Heijdra (2004) say Chamberlin’s theory of monopolistic competition did not receive the attention it was supposed to receive.

Wadman (2000) describes another concept called “quality” developed by Abbot in 1955. Abbot’s definition of “quality” was rather similar to Chamberlin’s definition of “product differentiation”. According to Wadman (2000) the term “quality” begun to replace Chamberlin’s concept by the end of 1950s.

At the same time as Abbot defined the term “quality”, Rasmussen together with Mickwitz, researchers of the so-called Copenhagen school, developed the “parameter theory” inspired by the idea of action parameters from von Stackelberg (Alder, 2001). Alder (2001) argues that the “parameter theory” is a dynamic marketing mix model connected to the product life cycle and has economic rather than behavioural approach. Rasmussen and Mickwitz mention distribution and accessibility that can be related to McCarty’s concept Place.

Borden (1964) claims that he started to use the phrase “marketing mix” around 1949. This phrase was proposed to him by a research bulletin on the management of marketing costs written by Culliton in 1948. Borden (1964) says that idea of calling a marketing executive a “mixer of ingredients” was quite interesting. Therefore if he is a “mixer of ingredients”, what he designs is a “marketing mix”.

Borden (1964) describes his own elements of the marketing mix for manufactures. He claims that the list of elements of the marketing mix depend on each company’s willingness to specify marketing programs. Hence the list should be adjusted to each company’s needs. According to Baker (2003) Borden bases his study on the manufacturing industry because at the time the importance of services for the economy was rather limited. Borden argues that the nature of the marketing mix is dynamic and each company has its own marketing mix (Jain, 2009).

McCarthy (1960) presented the marketing mix model, as we know it today: Place, Product, Promotion, and Price (see Figure 1). According to Alder (2001) McCarthy reformulated Borden’s marketing mix into “the rigid foursome” where no blending of P:s was possible (p. 43). Alder (2001) says that either McCarthy misunderstood Borden’s objectives, or his supporters misunderstood him. Grönroos (1994) claims that this model quickly became the “unchallenged basic model of marketing” (p. 4). Kent (1986) refers to the marketing mix model as “the holy quadruple … of the marketing faith … written in tables of stone” (p. 146).

The short list of four was rather appropriate model for typical economic situation of 1950s and 1960s when marketing was a new concept and manufacturing industry represented the major part of economy (Alder, 2001). Feurst (1999) claims that the marketing mix model is suitable for mass-produced consumer goods when there is no need for adjusting an offer to individual customers. Nowadays the marketing mix model is an established element of academic research and marketing practice (Alder, 2001).

### 3.2 Elements of The Marketing Mix Model

*Figure 1. Summary of the Marketing Mix Model (Kotler, 2006)*
3.2.1 Product
A product is an interconnection of all services and goods that a company proposes to a new market (Grönroos, 2002). There are quite a few researchers who have distinguished themselves how to describe a service as a product, for example, Grönroos (2002) argue that most services should have three necessary characteristics (p. 59):

1. Services are processes consisting of a series of activities rather than things
2. Services are produced and consumed at least partially at the same time
3. The customer is involved at least to some extent in the service production process

There are three levels in a product according to Kotler (1999). The basic level is called the core product and is the problem-solving service that the customer receives by owning the product. The next level is called the tangible product and it incorporates five characteristics: quality, design, packaging, brand, and characteristics. These five features aim to create the core product. The third level consists of the outer layer and is called the extended product. It includes services and benefits built around the basic level of core product and the second level of the tangible product.

3.2.2 Price
In marketing the price is almost always an important competitive tool says Axelsson and Agndal (2005). The concept price represents the amount of money that consumers have to pay for a product or a service. The price differs from the other three elements of the marketing mix; in the way that price is the only marketing tool that provides income for the company while the other three components create costs (Kotler, 1999).

Brassington and Pettitt (2006) claim that the concept price is not necessary a simple calculation of costs and profits. Marketers can use price as an indicator of quality and attractiveness of a certain product. This concept is a flexible element of the marketing mix model due to the fact that it is quite easy to change it. On the other hand, price is directly connected with revenues and profits, which means that marketers have to think carefully and clearly how to use this concept (Brassington and Pettitt, 2006).

3.2.3 Promotion
The fourth P stands for promotion. This competitive advantage in the marketing mix refers to the activities used by a company to transmit messages to the outside world. It can either be by advertising, building a brand or personal selling (Axelsson and Agndal, 2005).

According to Kotler (1999) the influential mix consists of five different communication tools to deliver messages and try to affect the consumer: advertising, sales promotion, publicity (PR), sales, and direct marketing. Advertising is the most effective tool for building awareness of a company, a service, an idea or a product. Sales can affect customers’ behaviour and get customers to try products. Publicity consists of generating good publicity for the company. Direct marketing takes place immediately to a specific customer.
3.2.4 Place

The purpose of the concept place is to transfer a product or a service to a client. There are two possible ways to do this, either by selling goods yourself or to use intermediaries. The most common way is that producers use intermediaries to reach out to customers through a distribution channel (Kotler, 1999).

The concept place includes not only physical location where products are accessible, but also channels of distribution through which company can transport products or services to distributors or customers (Stokes and Lomax, 2007). Brassington and Pettitt (2006) claim that this concept is a combination of decisions relating to distribution channels, location, inventory, storage, and transportation. The Internet has become a major feature of the concept place argues Alder (2001) and added additional possibilities to how products and services can be made accessible to customers says Stokes and Lomax (2007).

3.3 Other P:s and theories

Grönroos (1999) argues that the traditional marketing mix model was developed in the industrial society of the post-World War II era. The market situation has changed in the postindustrial society due to several reasons: mass markets are becoming more and more extinct, customers want to be treated individually and are becoming more sophisticated, markets are maturing, competition is growing and becoming international, and products are less standardized (Grönroos, 1999).

There are researchers that extended the marketing mix model with elements or suggested new theories. Kotler and Keller (2006) develop their own 3 Ps (people, process, presentation) in order to compensate for economical change. Lovelock and Wirtz (2007) have added one additional concept that according to them are associated with service delivery, which is productivity and quality. They claim that all eight elements, both Kotler and Keller’s three Ps and their concept, are necessary in order to create viable strategies.

Palmer (1994) presents a services marketing mix that is used as the basis for modifying the standard marketing mix when marketing sport. Except for four basic concepts of the traditional model Palmer (1994) includes people, physical evidence, process and customer service.

According to Gummesson (2002) there has been a shift from four traditional marketing mix concepts in the center and relationships, networks and interaction as a support to relationships, networks and interaction in the center and four traditional marketing mix concepts as a support. Gummesson (2002) focuses his research on relationships and develops a new theory about relationship marketing. As the base he has nine relationships, which grew progressively with time to 30 relationships.

One-to-one marketing described by Feurst (1999) is another possible way of looking at marketing. He claims that this type of marketing is about how a company can learn from customers in order to adjust communication and products to individual needs.

The focus of this research is the traditional four components of the Marketing Mix model.
3.4 Participation

Participation is quite a new concept that doesn’t have a precise scientific definition yet. The purpose of this chapter is to provide a deeper understanding of the study field and related concepts.

According to Grönroos (2007) a post-industrial service economy has been dominant within the Western world for several decades. Gummesson, Lehtinen and Grönroos (1997) claim that the new way of thinking in terms of relationships, networks and interactions has its origin in Northern Europe. Services’ marketing is the area of theoretical research of The Nordic School, contributions of which at first came from Sweden and Finland but later the interest expanded to other Nordic countries.

According to Grönroos (1999) relationship marketing can be considered to be an alternative way of thinking as compared to the mass-marketing focus of marketing mix management. Grönroos (2007) claims that “understanding relationship marketing or marketing based on customer relationship becomes a necessity for understanding how to manage a firm in service competition” (p. 8).

Different researchers use similar to Participation concepts in various ways. Relationship marketing is a related concept to Participation. Blomqvist, Dahl and Haeger (2004) define it as to consciously work to establish, develop and terminate customer relationships in order to create mutual value and competitive advantage.

Gruner and Homburg (2000) as well as Alam (2006) describe a concept named “interaction”. They claim that customer interaction during new product development has a positive influence on a product success. Lundkvist (2003) says in his research that innovations are rather a product of “interactive” informal exchanges among users and customers than professionals.

Interaction and relationship marketing lately have become attractive topics for researchers and marketers (Lush and Brown, 1996). Grönroos (1994) even says that this perspective on doing business can be a new marketing paradigm.

Another concept is “involvement” used by Matthing (2004). He examines customer involvement as well as its affect on new service development and claims in his research that customers have more creative ideas than professionals. The findings mean that customer interaction can be beneficial for companies during process of new product development.

Axelsson and Agndal (2005) describe the marketing mix for business-to-business industry. They say that the traditional marketing mix model can be seen as a support for customer relationships when marketing towards businesses. Except traditional concepts they include customer care, events and fairs.

Participation can be defined to include all above listed terms and theories, which makes it the universal concept. It is not widespread within marketing. Therefore the purpose of this thesis is to investigate the importance of Participation as a marketing tool.
The authors consider it necessary to define the concept Participation from their own perspective after the study of the relevant literature; it is as follows:

“The process of developing relationships and interactions with customers in order to involve them into company’s activities as well as to create an ongoing dialog. The results of the dialog can be both productive and unproductive. In the latest case relationships have to be terminated. On the other hand, the profitable ongoing dialog can result in adjusting existing and developing new company’s activities in order to create mutual value, loyalty and company’s competitive advantage on the market.”

From the definition of the Participation it is clear that this concept has some common features with several models, for example, relationship marketing, “interaction”, and “involvement”. The process of Participation include the development of customer relationships, which is a component of the relationship marketing, as well as the ongoing dialog, which is the component of the “interactions” and “involvement”. At the same time, the concept Participation has its own distinctive indicators. The most important ones from the authors’ point of view is the adjusting of the company’s activities, the managing the feedback from the customer, joint creation of mutual value, and creation of loyalty.

This concept reflects the paradigm shift that Grönroos (1994) mentions. The authors consider the concept Participation to include components of the majority of customer-oriented theories and concepts. The Participation can be an umbrella term for these theories, which makes it unique and modern.
4 Empirical Findings

Empirical findings of this thesis include eight interviews, which were conducted in order to provide necessary information for analysis of the importance of the Participation. Summaries of all interviews are translated into English and presented in this chapter.

4.1 Company 1

According to the respondent the company 1 operates within the outsourcing industry and a competitive advantage within this market is to “have things under control”. The respondent says that the competitive advantage of the company is to deliver good services to customers in order for them to be able to do what they are good at, focus on the core activities of the business. The respondent says that the competitive advantage has not changed over time, but services are more complex and integrated today, customers’ needs are changing and therefore the company 1 must continuously modify the Product.

The respondent ranks the Participation as the most important concept. He says that if the company has a good relationship with customers who realize benefits of the Product then the company can set any Price, as long as it can be justified. The respondent says that relationships are “the most unique, delicate and important”. On the other hand, the Participation is “the second moment” because “the company can’t develop a relationship with a customer before he/she has seen the Product”. On the second place is Product. The respondent says that if the company has “good services then reputation will spread and there will be no need for marketing campaigns”. Place is the third concept due to the fact that availability is of great importance for the company according to the respondent. On the fourth place was Promotion and last was Price.

The respondent says that the company spends about 30 % of the time on the Product, the Place and the Participation each. 5 % of the time is spend on the Promotion because only the respondent and his team work with it, and 5 % on the Price. The respondent says that the easiest concept to copy is the communicative offer, the Promotion. The Price is on the second place since it is easy to copy as well. Product is on the third place. The most difficult concept to copy is Participation because “it is unique, only here people and feelings are involved”.

Most valuable concept for customers according to the respondent is Participation because the relationship is most valuable and visible. That is why the company is “active working with relationships to extend contracts”. On the second place is the Place, the daily contact, which is most visible but not valuable according to the respondent. The next concept is the Product. The Price is also partly visible as it stands on the contract. The Promotion is the least visible concept because it is targeted toward specific audiences. The Promotion is not direct channel in the same way as the others according to the respondent.
4.2 Company 2

The respondent considers the company 2 to be active within communication branch. The competitive advantages within the branch according to the respondent are: “the product, the price, good service, and timetable”; environmental orientation can be seen as competitive tool as well. Since “the company has a low-price policy the most important competitive advantages of the company are low costs and prices”.

The respondent says that it is impossible to rank the five concepts; all of them are important ingredients of how the company positions itself towards customers. The most important part of the company’s business idea is to offer low prices so that is why the Price is on the first place. On the second place is Product that should be right otherwise the company would not survive. Next is the Participation because company’s biggest clients are regular customers. According to the respondent relationships with customers are significant, the company has to have good relationships with customers and listen to what they think. On the forth place is Place, and the last one is Promotion. The respondent emphasizes that he doesn’t like to rank these concepts because they are interrelated.

It is difficult for the respondent to rank the five concepts according to other criteria. Price is the concept that the company spends most time on as well as Promotion. At the same time the respondent emphasizes that “they work with all concepts simultaneously”. The easiest concept to copy is the Price but then one can’t always make profit on the same price as competitors have says the respondent. The Product is not that difficult to copy either according to the respondent. The Participation is the hardest concept to copy due to “trustworthiness of the company for private as well as corporate consumers”. The respondent refuses to answer the last question and says that if the company does not have anything good to advertise then there will not be any good marketing campaigns, and therefore no good relationships with customers.

4.3 Company 3

It is not easy for the respondent to define the industry. The company is a non-profit organization and it is difficult to classify the branch, but the participation says that if the business were a profit-seeking organization it would be a communication company. The respondent says that the competitive advantage within the branch is knowledge: about customers, marketing, communication, trends and tendencies. According to the respondent the competitive advantage was mostly knowledge about Gotland approximately nine years ago; nowadays this information is still considered as strength but there are more fields of knowledge.

The most important concept for the respondent is the Product that can be considered to be the foundation for the business. On the second place is the Participation because this is the foundation of private development; the respondent claims that it is impossible to know what price to set or which marketing campaign to launch without talking and listening to the customers. On the third place is the Promotion just due to exclusion method, the business should be distinctive for its customers. The forth concept is the Price that is more a secondary concept; well functioning of the first three parts gives the price. On the last place is the Place. According to the respondent this concept has no importance for the company.
The company 3 spends 40% of their time on the Participation in order to attract new customers; 40% - the Promotion; 10% - the Product and 5% each – the Price and the Place. The explanation for this breakdown is in the complexity of company’s organization. The most difficult part to copy for competitors is knowledge, i.e. the Product. On the second place is the Participation because the company 3 has extensive credibility of customers. The respondent says that she can’t rank other concepts, but the easiest part to copy would probably be the Promotion because it is not that difficult to launch a campaign; whether or not it will bring results is another matter.

The respondent claims that the most valuable concept for customers is the Participation, “customers are the purpose of the company’s existence” and they need to experience that the relationships function well. “If relationships doesn’t function then the company has nothing to sell to customers”. The Product is naturally valuable and visible for consumers. The Price is on the third place, it has to be consistent with the product and customers’ expectations. The Place is important as well because “customers have to be able to find and take in information, which is the Product”.

### 4.4 Company 4

The company 4 operates within golf industry but the respondent says that it can be classified as a tourism business as well. The sustainable competitive advantage within this industry has changed through time from customer membership orientation to the quality of the physical place and especially facilities. According to the respondent the fact that membership is not attractive for customers any more is a problem within the industry. That is why it is important for businesses to stand out and be appealing in other ways. The company 4 focuses on the maintenance and development of the facilities. The company wants to stand for good service and extraordinary customer experience.

The respondent ranks the Participation as the most important concept. “Relationships with customers are the reason for our existence, if they like to come to us they will return and the other way around”. The Product is on the second place because the company 4 is trying to improve it continuously. The Promotion is on the third place. The company works with other clubs on Gotland and with tourist associations in order to create marketing campaigns. The Place is on the fourth place due to the fact that Gotland is a unique as well as exotic place and according to the respondent this means that the company’s brand is strong. Most people like Gotland one way or another and this can be considered to be strength. The Price is on the last place, it is quite high because the company has better quality of the facilities and there is a conscious choice not to have special offers and bonuses.

The company 4 spends most time on the Participation, “customer care” and facilities, approximately 80% of the time. The company spends 5% on the Promotion, the Price, the Product and the Place each. The only concept that is impossible for competitors to copy according to the respondent is the Place because the business has a unique location. Second hardest is the Promotion due to “extensive capital resources that the company 4 has in comparison to competitors”. The Participation is on the third place according to the respondent. The Product is on the forth place because it is quite easy to copy, just to build a golf course. The Price is the easiest one to copy.
The most valuable concepts for customers according to the respondent are facilities and the Product. Customers come to play golf on a good golf course. It was difficult for the respondent to continue and to identify next valuable concept. The Participation is valuable for customers and the respondent puts this concept on the second place. On the third place is the Place; unique place is valuable and visible. Marketing is on the forth place because it is what attract new customers. People definitely do not come to the company 4 because of the Price; therefore this concept is the least valuable.

4.5 Company 5
Company 5 is active in the real estate business says the respondent. She claims that the major competitive advantage on the market within this branch is to have attractive, fresh looking apartments. It is quite important that there is a stated policy within the industry to be anxious about customers and to deliver excellent service. The respondent considers the main competitive advantage of the company 5 to be “not only their dominance on Gotland but also the fact that they take care of their customers, as well as invest in security”.

The respondent ranks the Participation as the number one because “customers are the source of the profit as well as advertising tellers”. If company's customers are satisfied this will hopefully be communicated to other interested consumers and vice versa. The Product is number two; it is quite significant because “the company offers homes and it is important to offer good homes”. The next is the Price because rents are relatively high in comparison with salaries. The company does not work with discounts and bonuses at all; the price is fixed. On the fourth place is the Place. Company’s organization is based on the statement that the company should be where customers are. On the last place is the Promotion due to the fact that the company advertises and does marketing campaigns only to promote new production, which doe not happen that often.

Company 5 spends most of the time on the concepts Participation and Product as they work daily with it. The company does not work with concepts Place, Price and Promotion. The respondent says that the Promotion is the most difficult concept to copy for competitors because the company 5 is established and well known on the market. The Product takes no time to copy because it is easy to buy a residential area. The Product and the Place are the easiest ones.

The most valuable concept for customers according to the respondent is the Product, “it is the most important for the client, and it is their homes”. On the second place is the Price as the most visible. The Participation is both visible and invisible, partly because some people do not even physically meet workers of the company but can still have good relationships with the company one way or another. The respondent claims that the Promotion is on the forth place. Finally, the Place is on the last place since it is more important for company than for customers.

4.6 Company 6
The company 6 is active in the transport industry according to the respondent. He thinks that the industry's competitive advantage is customers’ desire to travel to and from Gotland; it is the driving factor for the company. “To go from place A to place
B, it is what drives traffic”. The major competitive advantage of company 6 is customers’ experience either onboard or on the destination.

The Participation is ranked as the most important concept since customer relations are customer's perception of the company and the destination “Gotland”. The next concepts are the Place and accessibility; if the company were not accessible customers would not buy products or services. The next is the Price, and according to the respondent it is a part of the accessibility. The respondent wants to add another concept, which is absolutely critical according to him; it is customer's satisfaction. This concept considers what can be expected from the company to be delivered, the customer's willingness to carry the message further, the client's image of the company and the destination. These are the most important things in marketing. The respondent considers “the Product and the Promotion to be linked together so he does not rank them”.

The respondent finds it difficult to answer last three questions. The company spends the most time on highlighting the destination “Gotland”. Company 6 spends a much time on marketing and focusing on developing the product as well as availability, as well as on the maintaining transport machinery, to ensure that technical side of the product works. The company is working continuously on a dynamic pricing as well as customer relationships. There is a department that has a dialogue with frequent travelers and those who have opinions on the product or company; this department handles all kinds of communication from email to phone calls. The company 6 is doing customer surveys and on-board investigations. The development group of the business takes care of the feedback that the company gets. Company 6 has recently opened a forum where they ask people to submit their feedback.

According to the respondent the thing that is the most difficult to copy within this branch is the availability, the Place. It is easy to copy transport and to make a campaign is just a financial issue according to the respondent. The Price is considered to be the easiest to duplicate.

4.7 Company 7

The company’s branch is health care and training according to the respondent. The major competitive advantages within the industry are quality and service. The company’s main advantage is that “they take care of customers from the beginning to the end”.

According to the respondent the most important concepts is the Participation. The respondent says that customers are the most significant for the company. The Place is the second, it is important that the company is accessible and the location is suitable. The next is the Product; the company has to offer what is needed on the market. This offer the company can show through their marketing campaigns, therefore the Promotion is on the forth place. The last concept is Price; due to the quality of the product the company does not feel that they need to work with bonuses or sales.

Participation takes up to 70 % of the company’s time; the company is monitoring customers and doing regular follows-up. The respondent claims that the company spends 10 % on the Product as well as Promotion, which is specific for the company
because they want to be able to measure exactly which results a marketing campaign gives. 10% of company’s time is spend on the Place and the Price together. The hardest concepts to copy are the Product and the Participation, quality, trained personal. The easiest concept to copy is the Price and the Promotion, “the respondent says that he does it all the time”.

According to the respondent quality and the Product are the most visible and valuable concepts for customers. The least valuable is the Promotion. The Price and the Place are important for customers as well. The respondent emphasized that this is applicable only for this branch and it can be absolutely different priorities for other companies, but for this company relationships with customers are always the most important concept. “One satisfied customer can spread recommendations to many and that is a conscious choice and tactic of the company”.

4.8 Company 8

Company 8 operates within restaurant, hotel and entertainment branch says the respondent. The company focuses on service diversity and performance. The respondent ranks the Place as the most important concept. Company’s Product is on the second place because of the diversity, when it is off-season the company focuses on entertainment activities and during high season at the hotel activities. The Participation is on the third place and the respondent claims that the company have good relationships with their customers. Company 8 does not work much with marketing campaigns, just sending out some email to specific customer groups. The Price is on the fifth place, the company do not have many discounts and “price is a straight line”.

The company spends most time on the concept Participation, approximately 95% since they are mostly focused on their customers’ entertainment. The company do not spend any time at all on the Place, the Product and the Price and only takes 5% on the Promotion. The concept that is most difficult for competitors to copy according to the respondent is the Product because of the service variety. Second hardest is the Participation because “relationships are developed during a long time”. The Promotion is on the third place and on the fourth place is the Price because new competitors will probably need to charge more. The easiest concept to copy is the Place.

Most valuable for the company’s customers is the Product because “it is unique within the area; there is only one such company on the island”. On the second place is the Participation, people know about the company and it has regular customers. The Price is on the third place because the company has low price compared to other parts of the country. On the next place is the Promotion and the last is the Place since according to the respondent “the company has a bad location”.
5 Analysis

In this chapter the analysis of the empirical findings is presented. Each question of the semi-structured interview is analyzed separately and in the end of the chapter they are compared. The last part is the validity of the study, which is needed in order to see the degree of the generalisation of the results.

5.1 Question 1

“Within which branch does your company operate?”

The branches that the respondents’ companies are active within are: restaurant, hotel, pleasure, communication, tourism, real estate and rental, transport, fitness, training and health. Some of the companies are active within several branches at the same time according to the respondents. Most of the branches can be considered to be service related. Perhaps there may be doubts about the real estate branch, but the respondent specifically emphasized that the main focus of the company is rental, which is once again service related industry.

The first question shows that all respondents perceive their companies to be active within the service industry. This fact is important and of interest for the study due to the specific nature of services. As it was mentioned above service companies are characterized by mutual development and production of a product with customers. Therefore, the fact that all studied companies are considered to be service companies means that they tend to have more customer contact and some parts of the Participation concept may already be integrated into the companies’ activities.

The authors think that through the study of these companies empirical findings became more extensive and relevant for the research field. The respondents were familiar with the concept Participation, even though they never use this specific name for those activities that can be classified as parts of the Participation as it is described in this paper.

Even though the choice of companies was no intentional it turned out to be beneficial for the outcome of the study due to respondents’ experience within the research field. The authors are fully aware of the limitations that this particular choice of companies leads to. As it will be mentioned further on, the study of production companies can be one of the possible suggestions for further studies.

This question brings no information that can be used while answering the research question. The authors are certain that this question was needed in the semi-structured interview in order to find out which companies the results will be relevant for.
5.2 Question 2

What do you think is the industry’s sustainable competitive advantage on the market? What do you think is the company’s sustainable competitive advantage on the market? Why do you think so? Has it always been the same competitive advantage, or has it changed through time?

This question was asked in order for the respondents to define what distinguish them from other companies on the market. First they had to name the sustainable competitive advantage within the industry. Answers to this question reveal what is important for companies and what they have to work with in order to survive and to make profit. The next question shows the competitive advantage of the company. Here it can be interesting to compare whether or not the answers to the first and second questions are the same.

Another purpose of these questions is to see if the authors can distinguish any specific features within these competitive advantages that can be classified as one of the concepts described in the theoretical part of the study. The advantage of such a classification is that at this point of the interview the respondents have not seen the list of concepts yet, therefore possible distinguished concepts from these answers are considered to be more trustworthy.

The purpose of the last question is to see whether there has been a change of the sustainable competitive advantage through time. If it is possible it can be interesting to observe a change of tendencies and their directions.

Possible competitive advantages with the industries are: product, price, service, control, knowledge, physical place and facilities, customers’ desires, as well as quality. One of the respondents says that the competitive advantage within the industry is product and price, which means that no classification is needed. Another respondent claims knowledge to be the competitive advantage. Taking into consideration that this company’s offer is knowledge we can classify this answer as the concept Product. Next company puts the physical place and facilities as the most important advantage within the industry. Considering the fact that this company operates with the golf industry the authors consider the physical place to be a part of the concept Place at the same time as facilities can be classified as a part of the Product. The company that operates within the real estate business consider fresh looking apartments and customer care. The first feature can be classified as the Product and the second – as the Participation. The last company says that quality and service are competitive advantages within the market. The fact that the company operates with health care makes both these features a part of the Product. One participant says that “the company has a low-price policy and the most important competitive advantages of the company are low costs and prices”. This answer reveals the Price concept. As it is shown in the table 7 no participant named the concept Promotion to be the sustainable competitive advantage on the market or of the company.

These answers show that most of the respondents consider the concept Product to be the sustainable competitive advantage within the industry. Some companies think that the Place, the Price and the Participation are important as well.
The next question reveals the respondents’ perception of their companies’ competitive advantages. Possible answers are: good service, customer care, low costs, knowledge, customer experience, and facilities. Four respondents says that their competitive advantage is to take care of customers, deliver good service through customer-specific developed products, and deliver extraordinary customer experience. All these answers can be classified as the concept Participation. One respondent says that low costs and prices are the company’s competitive advantages, which is a part of the concept Price. Another respondent says that knowledge is what keeps the company on the market. Considering once again the fact that this company offers knowledge as a product, this feature can be classified as a part of the concept Product. It is not possible to distinguish the competitive advantage as one of the concepts in two cases.

The answers to the second question show that most of the respondents consider the concept Participation to be their competitive advantage. Only two companies thinks that Price and Product are their advantage.

There are several answers that are difficult to code as one of the studied concepts. One of the respondents says that the competitive advantage on the market is “to have thing under control”, another says that “time-table” or “environmental orientation” (see table 7). The authors consider the fact that so few answers could not be coded to be interesting and important to mention. The authors cannot use these answers for the analysis of the studied concepts.

The authors compare answers to the first and the second questions and there is an interesting tendency. Five companies consider the Product to be the sustainable competitive advantage of the industry, but when it comes to company’s competitive advantage four respondents says that the Participation is the one. This illogical tendency makes one to think about why companies are working with the Participation if they think that the sustainable competitive advantage within the industry is the Product.

As it was said before the Participation is quite new concept that started to emerge relatively recently, only some twenty or thirty years ago, and now is becoming more and more established. The authors think that the respondents feel this tendency and are actively working with this concept even though they may be doing it unintentional. They still think in the old ways and consider the Product to be the sustainable competitive advantage on the market, but they have chosen the Participation as the competitive advantage for the company.

The last question concerns the tendencies of the change of the competitive advantage through time. Only three respondents say that there has been a shift. Some examples of the answers are presented in the table 8 (Appendix 3). The first respondent thinks that the competitive advantage has not changed but “services has become more complex and integrated”. Therefore the company needs to adjust the Product continuously to the changing needs of the customers. This tendency is a good illustration of the emerging of the Participation. The next respondent says that nowadays the company needs to collect knowledge about more fields than some ten years ago. Taking into consideration that this company offers knowledge as a product, the authors think that this tendency can be described as developing of the Product. The last respondent considers that there has been a shift of focus from membership to
facilities. He also says that it is important for businesses to stand out and to be appealing in new ways. This response can be classified as shift from the Product to the Place.

Due to the fact that all respondents name different tendencies it is difficult to find a general tendency over time.

5.3 Question 3

*If you were to rank the following five concepts, which do you consider the most important? Why do you think so?*

- Offer
- Relationships with customers
- Marketing campaigns
- Price, sales, bonuses
- Where you are, location, availability, distribution channels

This question is asked in order to analyze whether any of the concepts can be considered to be more or less important from the respondents’ point of view. The authors want to see if there are any similarities in the respondents’ ranking and argumentation. In order for the reader to receive a better overview over the results of this question the authors have decided to summarize the respondents’ ranking in the table (see Table 2). The respondents’ argumentation for the ranking is discussed further on.

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<tr>
<th>Place Company</th>
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<tr>
<td>Participation</td>
<td>Product</td>
<td>Place</td>
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<td>Price</td>
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<td>Place</td>
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</table>

Table 2. The summary of the respondents' ranking of the four concepts of the marketing mix model as well as the Participation.

The authors interpret the Table 2 in order to find out the general ranking of the concepts from the respondents' point of view. As it is shown in the Table 3, the concept Participation is without a doubt one of the most important concepts according to the respondents. This conclusion is based on the fact that this concept is ranked as number one by five respondents, as number two by one and as number three by two. The concepts Product and Place are significant as well but not as many respondents ranked these concepts as number one and two. The concepts Promotion and Price are
the less important according to the respondents since these concepts are ranked by most respondents as number four or five.

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<tr>
<td>Participation</td>
<td>Product</td>
<td>Place</td>
<td>Promotion</td>
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**Table 3. The general ranking of the five concepts (the four concepts of the marketing mix model as well as the Participation) by the authors.**

The analysis of the argumentations is presented below and is structured according to the general ranking of the concepts by the authors. Some examples of the coded respondents’ answers are presented in the table 9 (Appendix 3).

**5.3.1 Participation**

Five respondents rank the concept Participation as the most important concept. The first respondent says that relationships are “the most unique, delicate and important”. At the same time the Participation can be seen as “the second moment”, which means that you cannot have any relationships with potential customers. Some respondents claim that “relationships with customers are the reason for the existence” and that they are the most significant assets for the company. One of the respondents thinks that “if customers like to come to us they will return”. The third respondent says that customers can be seen as the source of the profit. At the same time he thinks that if customers are satisfied they will hopefully communicate it to other interested consumers. Another respondent says that customer relations are customer’ perception of the company.

Those respondents that rank the Participation as the second or the third important concept say that it can be considered as the foundation of the personal development. At the same time it is impossible to set a price or to launch a marketing campaign without any communication with customers.

It is obvious that all respondents consider the concept Participation to be an important marketing tool. According to the respondents it is the only tool that is unique and direct, which makes it significant for an implementation of marketing strategies. It is quite surprising that none of the respondents mentions the loyalty effect of the Participation. On the other hand, the authors feel that some of the respondents treat customers in a quite commercial way. This kind of thinking can affect a company and its marketing strategies in a way that customers may feel the same way, as the authors do, and not be found of it.

**5.3.2 Product**

The concept Product is ranked as the second important by the authors and most of the respondents. The respondent that thinks that this concept is the most significant one for her company says that the Product can be considered to be the foundation for the business. The next respondent claims that “if a company has good services then the reputation will spread and there will be no need for marketing campaigns”. Some of the respondents say that the Product should be right, the company should offer what is needed on the market otherwise the company wouldn’t survive. At the same time the company should try to improve the Product continuously. The respondent number five says that due to the fact that her company is active with the real estate business
the Product, actual homes, is extremely significant for the company, but still she rank it as the second important concept after the Participation.

The authors think that the most creative thought about the Product is that it can be used instead of marketing campaigns. As one of the respondents says if the services are good enough people will talk about it and spread recommendations to potential customers, which is priceless for the company. It is interesting that even though so many respondents ranked the concept Participation as the most important concept only one respondent mentions that the Product should be improved continuously, and none of them say anything about adjusting the Product to individual customers.

5.3.3 Place
The concept Place is quite difficult to rank since the respondents’ answers are spread from number one to five. Some of the respondents say that the concept Place is important because the company needs to be accessible and the location should be suitable for customers. Others say that the company’s organization is based on the statement that the company should be located where customers are. The respondent number four points out that Gotland is a unique as well as exotic place and most people like it one way or another, which makes the company’s brand strong.

The authors think that the concept Place is in most cases misunderstood by the respondents, which is one of the risks of this kind of study. Most respondents perceive this concept as only the physical place, some others as availability and accessibility as well, but none of the respondents thinks any further. Due to this fact the authors find it hard to say that the ranking of the concept Place as the third most important concept is accurate. It is apparent that this concept is more important than the concepts Promotion and Price. The authors think that the third place can be justified in such a way.

5.3.4 Promotion
The concept Promotion is noticeable less important than the previous ones since it is ranked as number three by only two respondents, as number four by four respondents and as number five by two respondents. Most of the respondents say that they do not work that much with the Promotion, even though they are responsible for marketing activities in their companies. The respondents emphasizes that they launch marketing campaigns only to promote new products or to communicate with specific groups of customers. Some of the respondents say that the company needs to be seen and distinguished from competitors by customers. That is what the respondents use the marketing activities for.

The most remarkable fact is that all respondents are responsible for marketing activities in their companies, but they use that little the marketing tool Promotion. The authors think that it is interesting that the actual Promotion comes only on the fourth place of the marketing tools’ importance scale.

5.3.5 Price
The last concept is Price. The respondents’ answers are spread from number one to five. Anyway, four respondents consider this concept to be the least important of the five and that is why the concept Price is ranked as number five by the authors. Most of the respondents consider this concept to be a “secondary” concept. One of the
respondents says that if the company succeed in combining the Product, Participation and Promotion then this combination will eventually give the right Price. Other participants think that they have well functioning four previous concepts and that is why the company does not need to work actively with the Price. Another respondent says that the Price can be seen as a part of accessibility of the company, but he still ranks it as the third important concept after the Participation and Place.

The authors consider the last though to be quite interesting. If the concept Price really can be seen as a part of the Place than perhaps this can lead to the change of the marketing mix model’s components. It is quite natural from the authors’ point of view that the Price turns out to be the least important concept.

5.4 Question 4

How much time do you spend on each concept in relation to each other? Why?

This question is used in order to see whether there is any tendency in how much time the respondents spend on each concept. Here it is interesting to see if the respondents have different priorities from the ones in the previous questions. At the same time, this question is used for analyzing if any of the concepts can be considered to be more or less important. Some examples of the coded answers are presented in the table 10 (Appendix 3).

From the respondents answers it is quite clear that the concept Participation is the one they spend most time on. Five respondents say that they work mostly with this concept. The average percentage of time that the respondents spend on this concept is around 70 %. One of the respondents claims that they work with the Participation in order to attract new customers. Another respondent emphasizes that “the relationships are developed during a long time”. Other respondents say that they work daily with this concept, monitoring customers and doing regular follow-ups since they are mostly focus on their customers.

The authors consider the concept Product to be on the second place based on the respondents’ answers. The respondents spend around 15 % on this concept. Unfortunately, there are only a few explanations why the respondents spend less time on the Product. Some of them say that it depends on the complexity of the business, while others do not feel that they need to work actively with the Product.

On the third place is the concept Promotion. This is quite interesting since most of the respondents claim that this concept is not important. It is on the third place of the time-consuming scale, even though the respondents spend only 10 % of their time on this concept. The respondent that spends 10 % of the time on the Promotion says that it is specific for the company and business because he wants to be able to see and measure the results of marketing campaigns.

The next concept is the Place and the last one is the Price. Most of the respondents say that they do not work with these concepts at all. Some spend up to 10 % of the time on the Place and around 5 % on the Price. The average percentage of time for both these concepts is 5 %.
The authors summarized the respondents’ ranking in the Table 4. These results show that there are significant similarities with the previous general ranking of the five concepts. The concept Participation is without a doubt on the first place in both cases. The concept Product is on the same second place, but there are some changes of the concepts Promotion and Place. The authors think that even though the respondents say that the Promotion is not important they still work with it as with the easiest and the most popular marketing tool. The concept Price is on the last place as in the previous question.

There are several respondents that have different ranking in relation to the previous question. One of them is the respondent number two; he says that the Promotion is the less important marketing tool, yet still he spends most time on it. Another example can be the respondent number seven, who says that the Product is the second most important concept but at the same time he spends only 10 % of the time on it.

The authors think that this kind of differences can be explained by the change in tendencies with time. The respondents may be still thinking in the old way and do things as they have always done. This may be a regional problem as well. Perhaps local companies do not have time or do not consider it necessary to formulate and/or reformulate marketing strategies.

### 5.5 Question 5

*Rank these concepts by the difficulty (time it takes) to copy in relation to each other. Why do you think so?*

The fifth question shows what the respondents consider to be the unique and sustainable competitive advantage of their companies. Since the concept that takes most time for competitors to copy is the one that should be distinctive for the company. Some examples of the coded answers are presented in the table 11 (Appendix 3).

Most of the respondents consider the concept Participation to be the hardest concept to copy. Some respondents say that it is due to the fact that this concept involves “feelings and direct contact with people”. Others say that the Participation is “a part of a company’s trustworthiness and credibility”, which is quite difficult to copy. One of the respondents emphasizes that relationships is a part of the Participation and they take quite a long time to build, which means that it can be challenging for competitors to copy them.

The concept Product is once again on the second place. The interesting fact about the Product is that the respondents’ answers vary from the first to the last place, but most
of them rank it as the second hardest concept to copy. On the third place is the concept Promotion. Some respondents say that this concept takes much time to copy due to “the extensive capital resources that companies have invested into marketing campaigns and similar activities”. On of the respondents says that the Promotion is hard to copy since the company is established and well known. On the other hand, others say the Promotion is quite easy to copy. Practically, it is not that difficult to launch a marketing campaign, but whether it will give the necessary results is unknown. One of the respondents even says that he copies others’ marketing activities all the time.

The next concept is Place and the last one is once again the Price. One of the respondents says that the Place takes most time to copy since his business has a unique location. Most of the respondents say that the Price is the easiest one to copy, some of them point out that even if it is easy to copy it is not that easy to make profit with the same price as the competitors.

<table>
<thead>
<tr>
<th>Place:</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Participation</td>
<td>Product</td>
<td>Promotion</td>
<td>Place</td>
<td>Price</td>
</tr>
</tbody>
</table>

Table 5. The “time it takes to copy” ranking of the five concepts (the four concepts of the marketing mix model as well as the Participation) by the authors.

In the Table 5 the authors present the summary of the ranking of the five concepts. It is interesting that this ranking is exactly the same as the previous one, yet again differs from the general ranking in the second question. The authors consider the fact that the concept Place is ranked so low to be surprising. This aspect can be explained by the limitations of the study, the respondents may have misunderstood the meaning of the concepts.

There are some minor differences between this ranking and previous questions by the respondents. The most controversial difference in the ranking is the one by the respondent five. She says that the Product takes least time to copy but at the same time it is the most important concept according to her answer to the second question. The authors consider these answers to be quite illogical and cannot find any suitable explanation for this choice.

### 5.6 Question 6

*Which concept do you think is most valuable and / or visible for the company's customers, in relation to each other? Why do you think so?*

The last question of the semi-structured interview is aimed to find out which concept the respondents consider to be the most significant from the customers’ point of view. The authors think that it is an important question because it shows what a company priorities should be. All companies work for customers and should understand customers’ perspective. Some examples of the coded answers are presented in the table 12 (Appendix 3).
Almost all respondents ranked the concept Product as the most valuable for customers. Some of them say that the Product is naturally the most important concept for clients. One of the respondents says that the Product is unique and special, which makes it both visible and valuable for customers.

On the second place is the concept Participation. Some respondents disagree with the fact that the Product is the most important concept for customers. They say that customers can be seen as the purpose of a company’s existence, which is why they need to experience that the relationship with a company function well. One respondent claims that if relationships do not function then the company has nothing to sell. An interesting idea is presented by the respondent number five; she says that the Participation can be both visible and invisible since some customers may never have physical contact with the company, but still have some kind of a relationship with it.

The concept Price is on the third place. The respondents say that the Price is visible due to the fact that customers have to give up some amount of money for any product or service. In this case the Price can be visible for customers in its relevance to competitors. One of the respondents says that this concept is valuable because it has to be in balance with the Product’s quality, customers’ expectations and many other things.

The next concept is the Place. Some respondents say that this concept is visible but not as valuable, customers have to be able to find a company and a product. On the other hand, some respondents claim that the unique Place can be both visible and valuable for customers. On the last place is the concept Promotion. Most of the respondents consider the Promotion to be an indirect channel to communicate with customers, which makes it quite priceless for customers.

In the Table 6 the ranking of the concepts according to the visibility or / and significance for customers. In spite of the authors’ expectations these results are quite different from the previous ones. The concept Product on the first place can be explained by the respondents’ perception of customers. Perhaps they think that customers only need the Product, and perhaps in some cases it is like this. On the other hand, the Participation is on the second place, which is still quite high. This means that some respondents consider the possibility that customers may want to have positive relationships with a company in order to stay a customer. The Price is, of course, quite important for most customers and the respondents seem to know it. The Place and the Promotion on the last places shows that the respondents do not see these concepts to be as important as others.

<table>
<thead>
<tr>
<th>Place:</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Product</td>
<td>Participation</td>
<td>Price</td>
<td>Place</td>
<td>Promotion</td>
</tr>
</tbody>
</table>

Table 6. The “valuable/visible for customer” ranking of the five concepts (the four concepts of the marketing mix model as well as the Participation) by the authors.

The most interesting fact here is that most respondents spend quite much time on the Promotion and consider it to be relatively important at the same time as they say that this concept is the least significant for customers. The authors find it necessary to ask:
why would a company spend so much time on the concept that has no significance for customers?

There are some differences between the ranking of the five concepts in this question and in previous ones. Most of the respondents that consider the Participation to be the most important concept for the company say that the Product is the most important for customers. This fact is understandable since from the respondents point of view customers need the solution to their problem or need, which can be seen as the Product, and the company need those customers to come back, which can be helped through applying the concept Participation.

5.7 Comparison

Through the evaluation of all six questions the authors can clearly see that the concepts Participation and Product are the most important. The concept Participation is on the first place in the three questions and on the second one in the last question. While the concept Product is on the second place in the three questions and on the first one in the last question. The authors consider this to be a tendency that confirms the significance of the Participation in comparison with the four concepts of the marketing mix model.

The authors find it difficult to claim that there is a tendency within the concepts Place, Price and Promotion. These concepts have different places in ranking in most of the cases. The authors consider further studies are needed in order to determine whether there is a tendency between these three concepts.

5.8 Validity of the study

According to Alvesson and Sköldberg (2008) there are several risks and limitations with analyzing qualitative data. They claim that progressive enlargement of a theory’s empirical scope within a possible domain is both possible and desirable in order to make the generalization process probable for qualitative data. Here the “domain” can be defined as the maximum amount of empirical phenomena that a theory can apply to, in this study the domain includes all companies.

This study has an inductive nature, which leads to additional restrictions in generalizing the results (Alvesson and Sköldberg, 2008). This method is often questioned due to its nature of observing a limited amount of phenomena and trying to apply the tendency on all possible phenomena within a domain.

The authors are well aware of all limitations and do not claim that the results of this study can be applicable on all companies. The purpose of the thesis is to contribute to an increased knowledge of the concept Participation. At the same time to see if there can be any tendencies of more or less important concepts within the four concepts of the marketing mix as well as the Participation. This paper can be seen as an introductory study to the research field. Further studies are needed in order to define a specific theory or to find a general tendency that can be applied to all companies.
6 Conclusions

In this chapter the answer to the research question as well as suggestions for further studies are presented. The purpose of this thesis is to investigate the significance of the Participation as a marketing tool compared to the four concepts of the marketing mix model. At the same time the overall objective is to provide an increased knowledge of this concept.

To summarize the empirical findings and draw the conclusions the main qualitative results are presented below. The authors find out that most of the respondents consider the Participation to be quite important for their companies. One specific feature of this concept is that it is a tool that can be applied to existing customers only. It is not a direct tool for attracting new customers, though it may give this kind of effects. At the same time this concept is the only one that involves peoples’ feelings, which makes it unique, difficult to copy and valuable for customers. The unanticipated outcome of the study is the vague tendency of illogical behavior and way of thinking of the respondents from the authors’ point of view, for example, most respondents consider the Promotion to be the least important concept for customers but still this concept is on the third place of the time consuming scale. This tendency can be a result of the method limitations; perhaps if a larger amount of respondents were interviewed the tendency would be different.

The analysis showed that the concept Participation could be ranked as the most important concept in comparison to the four concepts of the marketing mix model. The authors consider it necessary to mention that there is a tendency that the concept Product is ranked as the second most important concept. Unfortunately, it is impossible to see a tendency within remaining three concepts, the Price, Promotion and Place. Hence, the significance of the Participation as a marketing tool compared with the four concepts of the marketing mix model is noticeable in this research.

6.1 Suggestions for further studies

The authors think that the concept Participation is as important as other four concepts in the marketing mix model and perhaps even the most important one. Taking into consideration the history of the marketing mix model and the present trends in the society the authors assume that the Participation can be seen as the fifth concept of the marketing mix model. This assumption is the most interesting to investigate.

In order to be able to question the traditional marketing mix model more empirical findings are needed. The authors think that interviews with customers or other workers within companies, not only marketing managers, can provide another perspective on the field of the studies. Production companies can be investigated in order to see whether the perception of the studied concepts is different.

The authors believe that the marketing mix model will continue to be an important part of the marketing field. Due to its age and fixed amount of elements it will continue to be questioned as well. Hence, the authors consider the topic of this paper to maintain its relevance in the future.
7 References


Feurst, O. (1999). *One to One Marketing*, Liber AB.


Appendix 1. The semi-structured interview

1. Vilken bransch är företaget verksam inom?

(Within which branch does your company operate?)

2. Vad tycker ni är branschens hållbara konkurrenskraft på marknaden? Företagets? Varför? Har det alltid varit samma konkurrenskraft eller har det förändrats genom tiden?

(What do you think is the industry's sustainable competitive advantage on the market? What do you think is company's sustainable competitive advantage on the market? Why do you think so? Has it always been the same competitive advantage, or has it changed through time?)

3. Om ni fick rangordna följande fem koncept, vilken anser ni vara viktigast? Varför tycker ni så?

(If you were to rank the following five concepts, which do you consider the most important? Why do you think so?)

- Erbjudandet (Offer)
- Relationer med kunder (Relationships with customers)
- Marknadskampanjer (Marketing campaigns)
- Pris, rabatter, bonusar (Price, sales, bonuses)
- Där ni befinner er, lokalisering, tillgänglighet, distributionskanaler (Where you are, location, availability, distribution channels)

4. Hur mycket tid lägger ni på varje koncept i relation till varandra? Varför?

(How much time do you spend on each concept in relation to each other? Why?)

5. Rangordna dessa koncept genom svårigheten (tid det tar) att kopiera i relation till varandra. Varför tycker ni så?

(Rank these concepts by the difficulty (time it takes) to copy in relation to each other. Why do you think so?)

6. Vilket koncept tycker du är mest värdefull och/eller synlig för företagets kunder i relation till varandra? Varför tycker ni så?

(Which concept do you think is most valuable and / or visible for the company's customers in relation to each other? Why do you think so?)
Appendix 2. An example of an interview

1. Vilken bransch är företaget verksam inom?


2. Vad tycker ni är branschens hållbara konkurrenskraft på marknaden?
   Företagets? Varför? Har det alltid varit samma konkurrenskraft eller har det förändrats genom tiden?


3. Om ni fick rangordna följande fem concept, vilken anser ni vara viktigast?
   Varför tycker ni så?

- Erbjudandet
- Relationer med kunder
- Marknadskampanjer
- Pris, rabatter, bonusar
- Där ni befinner er, lokaliserings, tillgänglighet, distributionskanaler

Erbjudandet absolut som nummer ett det är jätte viktigt. Sen tycker jag relationer med kunder näst viktigaste. Som nummer tre kommer marknadskampanjer, pris fyra och fem lokaliserings.

med priset och produkt egenskaper, vilket pris man kan ta ut på vilket varumärke man har byggt upp och vilken prisnivå man ligger på egentligen. Marknadskampanjer bara rent en utesluts metod, man ska vara klar för sin kund sen kan man planera vilka kampanjer man ska bedriva, vilka kanaler man ska gå igenom, priset är mer sekundärt det handlar mer om... Om dessa tre funkår då ger sig priset. Och ibland är det högre priset som faktiskt gör att produkten blir mer en efterfrågan.

4. Hur mycket tid lägger ni på varje koncept i relation till varandra? Varför?

Vi lägger 40 % på relationer med kunder för att locka hit fler kunder, 40 % marknadskampanjer, 10 % på erbjudandet och 5 % vardera på pris och distribution. Det har sin förklaring i hur vår verksamhet ser ut. Eftersom vi säljer kampanjdeltagande till gotländska företag. Ända gången jag lägger ner någon energi är på prisdistributioner är när vi ska sätta pris på kampanjerna.

Vi har ibland prisseminarium där vi undervisar företag i prissättning hur man tar rätt pris när man ska köpa rätt pris vid rätt tillfälle. Man ska se som vi resonerar det, dem här rabatterna som de är vana att se till som en distributionskostnad att man köper sig utrymme i ett distributionsledom om man inte annars kommer in och då får man handskas med hur man ska distribuera, det är inte en rabatt utan en minskad intäkt, och denna typ av resonemang detta är inte lätt att ta till sig utan krävs att man lär sig.

5. Rangorda dessa koncept genom svårigheten (tid det tar) att kopiera i relation till varandra. Varför tycker ni så?


6. Vilket koncept tycker du är mest värdefull och/eller synlig för företagets kunder i relation till varandra? Varför tycker ni så?

Kundrelationer därför utan kunder har man ingen existens syfte, alltså vem är det då man tillför till. Kunden måste uppleva att relationen fungerar. Om inte den fungerar så har du inget att sälja till kunden. Sen är det erbjudandet naturligtvis att pris och kvalitet stämmer överens med kundens förväntningar och så och därigenom kommer priset då på tredje plats. Just i vårt fall så är lokalisering och tillgänglighet viktigt eftersom man måste kunna hitta vår information för att kunna ta till sig kunskap som är erbjudandet.
Appendix 3. Coding schemes and examples of coded answers

Question 1

“Within which branch does your company operate?”

There are no coding scheme for this question due to its simplicity and lesser relevance for the study. As it is shown in the analysis part of the thesis, all respondents considered their companies to be active within service branches.

Question 2

“What do you think is the industry’s sustainable competitive advantage on the market? What do you think is company’s sustainable competitive advantage on the market? Why do you think so? Has it always been the same competitive advantage, or has it changed through time?”

There are two coding schemes for the second question since there are two sub-questions. The first scheme is presented in the table 7 and is used in order to code the sustainable competitive advantage on the market.

<table>
<thead>
<tr>
<th>The concept</th>
<th>The coded answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>“To deliver good services to customers”</td>
</tr>
<tr>
<td>Service</td>
<td>“Good service”; “The company wants to stand for good service and extraordinary customer experience”</td>
</tr>
<tr>
<td>Design</td>
<td>“Attractive, fresh-looking apartments”</td>
</tr>
<tr>
<td>Warranties</td>
<td></td>
</tr>
<tr>
<td>Actual good</td>
<td>“The product”; “The knowledge: about marketing, customers, communication, trends and tendencies” (taking into consideration that this company sells knowledge the authors classify it as the good);</td>
</tr>
<tr>
<td>Relationships</td>
<td>“To be anxious about customers”</td>
</tr>
<tr>
<td>Interaction/Involvement</td>
<td>“Take care of their customers”</td>
</tr>
<tr>
<td>Ongoing dialog &amp; Changing</td>
<td>“Take care of the customers from the beginning to the end” (the respondent emphasizes that the company adjust the offer to the customers’ needs)</td>
</tr>
<tr>
<td>Mututal value/Competitive adv.</td>
<td>“The company’s competitive advantage is to take care of the customers”</td>
</tr>
<tr>
<td>Advertesment</td>
<td></td>
</tr>
<tr>
<td>Sales promotion</td>
<td></td>
</tr>
<tr>
<td>Sales force</td>
<td></td>
</tr>
<tr>
<td>PR</td>
<td></td>
</tr>
<tr>
<td>Direct marketing</td>
<td></td>
</tr>
</tbody>
</table>
Table 7. The coding scheme for the second question

The second scheme is presented in the table 8 and is used for coding of the reasons that the respondents may have to explain the sustainable competitive advantage as well as of the time trends. A separate concept is the NRS – non-related statements for the study. NRS is used for reducing the unnecessary information.

<table>
<thead>
<tr>
<th>The concept</th>
<th>The coded answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reasons</td>
<td>“The company has a low-price policy”; “It is important to stand out and be appealing in other ways” (the respondent means that they need to find another competitive advantage since customer membership is no longer in focus).</td>
</tr>
<tr>
<td>Trends</td>
<td>“The competitive advantage has not changed over time, but services are more complex today, customers’ needs are changing”; “It was information nine years ago too, but now there are more fields of knowledge”; “The sustainable competitive advantage has changes through time from customer membership orientation to the physical place orientation”.</td>
</tr>
</tbody>
</table>
| NRS         | “Everything we do cost money”; “We did not have our own flight attendants before”; “There is a tendency that customers choose another kinds of transport”.

Table 8. The coding scheme for the second question

**Question 3**

“If you were to rank the following five concepts, which do you consider the most important? Why do you think so?”

For this question only two types of coded information are available: ranking and reasons (table 9). The NRS concept is used here as well.
Table 9. The coding scheme for the third question

**Question 4**

"How much time do you spend on each concept in relation to each other? Why?"

For the fourth question the same coding scheme as in the previous question is used (table 10) due to the similar question nature.

<table>
<thead>
<tr>
<th>The concept</th>
<th>The coded answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranking</td>
<td>“We spend about 30% of the time on the offer and relationships with customers each”; “The location is the last one, we are where we are”.</td>
</tr>
<tr>
<td>Reasons</td>
<td>“We spend 40% on the relationships with customers in order to attract new customers”; “We work with the price and to make sure that the economy of the company is working well”.</td>
</tr>
<tr>
<td>NRS</td>
<td>“We have over 2000 members”; “Sometimes we have price seminars”.</td>
</tr>
</tbody>
</table>

Table 10. The coding scheme for the forth question

**Question 5**

“Rank these concepts by the difficulty (time it takes) to copy in relation to each other. Why do you think so?”

For the fifth question the same coding scheme as in the previous question is used (table 11) due to the similar question nature.

<table>
<thead>
<tr>
<th>The concept</th>
<th>The coded answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranking</td>
<td>“The offer is the easiest one”; “The price is always the easiest one to copy”.</td>
</tr>
<tr>
<td>Reasons</td>
<td>“We have unique location”; “We are the biggest golf club on the island and we have somehow more capital when it comes to marketing campaigns”.</td>
</tr>
<tr>
<td>NRS</td>
<td>“We have been on this market during a long period of time”; “Three years ago we had an opened forum about the Internet”.</td>
</tr>
</tbody>
</table>

Table 11. The coding scheme for the fifth question
**Question 6**

“Which concept do you think is most valuable and / or visible for the company's customers in relation to each other? Why do you think so?”

For the sixth question the same coding scheme as in the previous question is used (table 12) due to the similar question nature.

<table>
<thead>
<tr>
<th>The concept</th>
<th>The coded answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranking</td>
<td>“I think that it is the offer”; “It is our facilities”; “Relationships with customers”.</td>
</tr>
<tr>
<td>Reasons</td>
<td>“The good is the most important for customers”; “Customers come to play golf and they want to do it on a good golf course”; “Without customers the company does not have a purpose for existence”.</td>
</tr>
<tr>
<td>NRS</td>
<td>“We fly from different locations”; “We have more than 800 thousands visitors”.</td>
</tr>
</tbody>
</table>

*Table 12. The coding scheme for the sixth question*