

**HOW TO DEFINE A B2B MARKET MODEL IN A
MULTINATIONAL EUROPEAN FIRM**

The image shows a large, faint watermark of the Mahidol University logo in the background. The logo is circular with a blue center and a gold border. Inside the blue center is a gold emblem featuring a crown and two lions. The gold border contains Thai text. Overlaid on this watermark is the author's name.

ELISA CUGNASCHI

**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF MANAGEMENT
COLLEGE OF MANAGEMENT
MAHIDOL UNIVERSITY
2016**

COPYRIGHT OF MAHIDOL UNIVERSITY

Thematic paper
entitled
**HOW TO DEFINE A B2B MARKET MODEL IN A
MULTINATIONAL EUROPEAN FIRM**

was submitted to the College of Management, Mahidol University
for the degree of Master of Management

on
January 8, 2016



Ms. Elisa Cugnaschi
Candidate

.....
Asst. Prof. Pornkasem Kantamara,
Ed.D.
Advisor

.....
Asst. Prof. Randall Shannon,
Ph.D.
Chairperson

.....
Assoc. Prof. Annop Tanlamai,
Ph.D.
Dean
College of Management
Mahidol University

.....
Asst. Prof. Astrid Kainzbauer,
Ph.D.
Committee member

ACKNOWLEDGEMENTS

This thesis is the final chapter of an enriching journey which brought me from Toulouse to Bangkok, providing me with a wiser and wider vision on management and reality tout court, both personally and academically. Such a view has been further nourished by experiencing the entrepreneurial dimension on a day-to-day basis, thanks to the challenging mission the IPH Group offered me. I am very grateful for the autonomy and the responsibility given, which, along with the vivid support of the working environment, enabled me to fully seize this opportunity.

In particular, I would like to thank Professor Nicola Mirc and Professor Astrid Kainzbauer for their dedication to the Double Degree Program, together with CMMU faculty and staff for their warm welcome and support throughout and beyond the academic year.

Also, I would like to express my gratitude to Christian Collignon and Louis Lombard for trusting me and investing much efforts in helping me understand, learn and grow. To conclude, I would like to thank my parents, and especially my father, who enthusiastically sustained all my geographical shifts, helped me overcome any kind of difficulties and answered to my doubts with precious advice.

Elisa Cugnaschi

HOW TO DEFINE A B2B MARKET MODEL IN A MULTINATIONAL EUROPEAN FIRM

ELISA CUGNASCHI 5749258

M.M. (GENERAL MANAGEMENT)

THEMATIC ADVISORY COMMITTEE: ASST. PROF. PORNKASEM

KANTAMARA, Ed.D., ASST. PROF. RANDALL SHANNON, Ph.D., ASST. PROF.

ASTRID KAINZBAUER, Ph.D.

ABSTRACT

In developed economies the transactions between businesses cover more than half of the entire GDP. However, Marketing B to B did not evolve at the pace of the B to C one, and, today, the lack of existing academic literature and theories on this subject still reflects such gap. The diversity between these two marketing approaches, though, is not just historically traceable in writings: the nature of the market they serve, the customers' profiles, the relationships throughout the value chain and the volume of operations are just some of the features that distinguish industrial from consumer marketing.

Within this document we will further explore the distinctiveness of Marketing B to B, analysing its main characteristics and, when pertinent, proposing parallelisms facilitating comparisons with the B to C. The pragmatic basis to this theoretical exercise is ascribed to the six-month internship mission within the team of the private label of IPH Group: GISS.

Indeed, this thesis also aims at presenting the creation and the implementation process of a market modelling tool for four European countries. We will therefore structure our reflections and investigations on B to B Marketing on this experience, providing the reader with a global overview on the Industrial world and a more detailed focus on the single tasks accomplished towards the Model fulfilment.

The redaction of this thesis is based on the knowledge acquired during the first part of the Double Degree Master program. In addition to the material and the methodologies provided during classes, several academic sources and specialist reviews were also consulted to enrich the scope of the study. Moreover, the international analytical perspective to which students were accustomed throughout these semesters is implied all along this document.

KEY WORDS: BtoB / Multinational company / Marketing Models / Europe

40 pages

CONTENTS

	Page
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
CONTENTS	iv
CHAPTER I INTRODUCTION: THE WORK SETTING AT LARGE	1
1.1 Introduction	1
1.2 The Intern's mission	3
1.3 IPH Group: the bigger framework	4
1.4 GISS: Global Industrial Solutions	7
CHAPTER II THE INTERNSHIP	10
2.1. Organizational framework and resources	10
2.2 Approaching Industrial Marketing	12
2.3 The Market segmentation	15
2.4 The Data Collection	17
2.5 Connection The Data	21
2.6 GISS' competitors: an overview on benchmarking	26
CHAPTER III RECOMMENDATIONS	30
3.1 Organisational framework	30
3.2 International Marketing	32
3.3 Future Development	34
CHAPTER IV CONCLUSION	37
REFERENCES	39
APPENDICES	42
Appendix A: Multinational table for sectors' turnover in 2012	43
Appendix B: NACE codes of GISS customers.	44
Appendix C: Percentage table to calculate Machinery and Equipment expenses	45

CHAPTER I

INTRODUCTION: THE WORK SETTING AT LARGE

1.1 Introduction

Last spring, when I started looking for an internship, I was pointing at working for an international company, ideally one capable of combining an established history with a sparkling young dynamism. Indeed, even if I needed to experience a more structured way of approaching entrepreneurship, I still didn't want to miss the exciting and surprising feeling of being part of a small team, where ideas can be implemented to become reality very quickly. Furthermore, boosted by the strategic address given to the courses provided within the double degree, I was looking for an opportunity that would allow me to have a panoramic view on all the other branches of the firm, in order to get a global vision and understand its functioning. All in all, being an intern at GISS was going to be the very right choice for me.

The main mission I was assigned with was to create a model to estimate the potential market of GISS products in France, Germany, Netherlands and Italy. As it will be further detailed within this document, this task threw me right into the stream of actions of the team, and it was for me a pure privilege to deal with this project from A to Z. Also, I was exposed to the challenges of Industrial Marketing, I discovered the nature of the relationships between B to B actors and dealt with the complexity of sales forecast within a wide variety of products and a subsequent expanded range of final customers.

This report aims to track the major issues emerged during this modelling process and, more importantly, it proposes some analysis and solutions derived by using both a theoretical and a practical approach. In order for the reader to be aware of the specific context in which GISS acts within the group IPH, we will firstly present the enterprise, its working environment and its industry, along with better describing the intern's position and responsibilities. Once introduced the specific setting, in the first

chapter, we will open up our reflections towards the Industrial Marketing at large. In particular, we will cover the peculiarities of Industrial Marketing in comparison to the B to C, presenting those factors determining their different nature and analysing their impact on the day-to-day business routine.

In fact, throughout the second chapter, the reader will be conveyed across the main steps which led towards the creation of the model - the fil rouge of the thesis - , in parallel with the theory and the analysis that arose during each phase's definition and implementation. Within these paragraphs - each one dedicated to a specific stage of the mission-, we review the most significant reasoning and implementation, and we employ methodologies encountered throughout the master program. In parallel to overviewing the work itself, we keep analysing the duality of Industrial Marketing versus the Consumer approach, proposing insightful examinations. To conclude, an academic point of view will merge with a more practical one in the definition of recommendations for GISS and IPH, and all along the document to keep a critical yet constructive attitude when outlining the process.

It is important to mention that the redaction of this thesis is taking place during the internship itself: this is why we will frame the general scope of the mission, and then we will devote accurately to the first phases of execution, approaching the second half in a rather theoretical way. Throughout the thesis, we aim at sharing the rationale behind each action, trying to define the value of its contribution within the global perspective of the project. As a result, the focus is duple: we will both refer to the task itself and to its relevance to the final picture, even for the steps that were not implemented (yet).

We would also like to remind to the reader the confidential nature of the information in this document, due to its strategic relevance for the future of the enterprise.

1.2 The intern's mission

The internship's mission was to develop a model able to calculate the potential of GISS in the European market on a regular basis. Indeed, the final objective of such model is to have a coherent picture of GISS's possibilities of expansion and some rules to easily quantify the market throughout its variations on a macro and structural level. Priority was given to those countries where the Group IPH is already present with its subsidiaries and where the industrial market composition is better known by internal experts: France, Germany, Netherlands and Italy. GISS expected this model to be a reliable tool: useful and easily usable whenever needed. To this purpose, the data employed had to be freely available, from trustworthy sources and updated on a regular basis. Another key request was to create such model by using a top-down approach and without relying on historical data on the Group's performances: the "new" marketing tool for GISS had to start out from a theoretical construction that, if built correctly, would have then –ideally- confirmed the reality.

Such model could represent an important change in the way of dealing with marketing within GISS. In fact, up to now, the private label has depended almost exclusively on IPH's selling statistics to structure its further development. The current way of sales forecasting is the result of an undefined mix of managers' knowledge, vendors' expertise, historical data, punctual market reports and ... gut-feeling. It needs to be said that since the launch of the brand in 2003, this method worked out with excellent results. Nevertheless, given the growth ambitions of the label both in terms of turnover and in the number of products proposed, such practice should also evolve into a more structured procedure, which at the same time would add up further autonomy to GISS' scope of action. It is within this specific framework that the modelling task acquires a strategic perspective, supporting the label to cope with the challenges of its expanding international dimension.

The first half of the internship was therefore dedicated to data sourcing and to the finding of meaningful connections across data, in order to start linking in a logical way all the bricks forming the model. An important step throughout this process was to set and check the rules to calculate the specific market for each product family, as it will be further exposed within this report. The second portion of the mission will rather cover

benchmarking, both in quantitative and in qualitative terms: this will enable a lucid analysis and evaluation of GISS's potential market growth.

We attach a schema to graphically sketch the scope of the intern's actions. In order to achieve the final objective of estimating GISS targetable potential market, in fact, there are several steps to go through. Primarily, we aim at understanding GISS existing market: its construction process, the kind of actors involved, the nature of the consumption. In a second stage, we need to quantify the total potential market: this includes dealing with macro and structural data, and deducting pertinent and plausible reasoning schemas. Finally, the zoom of the analysis goes back to the targetable market for GISS: known the other competitors for each family product and the total market potential, we should be able to quantify and –even more importantly- justify the real potential of the private label.

1.3 IPH Group: the bigger framework

IPH Group is one of the leader of industrial supply distribution on the European market. In the past ten years, *IPH Industrial Parts Holding* grew exponentially by implementing a policy of acquisition towards some of the strongest European operators in this field. Consequently, it is known by its main subsidiaries' names across the countries: Zitec in Germany, Biesheuvel in the Netherlands, Orexad in France, D'hont in Belgium, Novotech in Romania and Minetti, (the most recent acquisition done last spring) in Italy.

Given the need of logistics' efficiency, naturally derived by the nature of the distribution business and further necessary due to the wide range of products sold by the group, IPH is organized following a transnational form. This latter may be considered as a multidivisional structure, but within an international context: as a consequence, each country manages its business units with flexibility and high autonomy. This is in line with the M&A policy implemented by the corporate level, which aims at keeping the acquired company's managers at their positions, in order to ease the knowledge transfer and ensure a certain continuity. With reference to Jemison and Haspeslagh (1990), the organizational structure employed is suitable to cope with a high need of organisational autonomy and a low (but steadily growing) need of strategic

interdependence. The fragmented nature of the firm brings along a heterogeneous corporate culture, which is not spread nor intended in the same way among the 4000 employees, geographically distributed throughout Europe. This is partly due to a weak corporate effort in promoting the company's vision and bring it to daily life, but it is also a consequence of the variety of national cultures under the company. In fact, as presented by Schneider and Barsoux (2003), the same management style can get different shapes and interpretations according to local habits and values. At IPH, for instance, the Dutch division is very dynamic and more risk bearer when compared to its French counterpart. In the same way, rituals and internal organization customs may vary, especially when the acquisition is recent, as it is the case for the Italian neo-subsubsidiary.

The creation of a stronger identity by setting a corporate vision should therefore be put in advance within the group, as this action could facilitate the shift towards a symbiosis of intents and practices, and further enhance the employees' motivation¹. As far as this latter, from a limited - in time and in scope- point of view, we esteem that within the workplace a primary importance is attached to extrinsic factors, both on a tangible and intangible level (i.e. financial rewards, sense of security, recognition, responsibility, benefits). A proper correspondence between these outputs and each employee's input is therefore key for the general commitment and the team's enthusiasm: any tension needs to be solved towards equity, either by changing the rewards or by correcting people's perceptions, as suggested by Adams².

The status quo is also to be mentioned as being important in the daily internal dynamics of the firm. Being a *made in France* enterprise, IPH is quite hierarchical and devoted to personal achievement, coherently reflecting the power distance and individualism scores that Hofstede³ recognised to the country. As a consequence, employees' involvement into decision making is unusual, and there are not participative management platforms nor methods to this purpose in place at the moment. On the other hand, managers privilege a succession of incremental changes in

¹ Kantabutra, S. & Avery, G. C. (2010).

² Adams, J. Stacy (1963).

³ Hofstede, G. (1991). He attributed France a score of 68 for power distance and 71 for individualism.

their decision-making process, the so-called *muddling through*⁴, which gives the employees the opportunity to provide feedback and, eventually, ask their boss for further revision.

Such a ranked organizational structure is not to be intended as static: promotions and new comers are just two ways for IPH to nurture its internal dynamism and to keep it responsive to the needs of the market. The reactivity necessary in the B2B context can be provided thanks to this robust organization and through an efficient and experienced network: IPH counts more than 250 sales points, where products are stocked directly or available within 24 hours from the central warehouse of 20 000 m², located near to Le Havre harbour.

As we mentioned earlier, the scope of products distributed is large, and thus segmented into six main families: power transmission (40% of the sales), cutting tools and abrasives, assembly, power and hand tools, equipment and personal protection equipment. Such assortment of articles is destined to a consequently large number of final customer of very different profiles, not only in term of enterprise's sizes, but also in term of industrial sector. Simplifying, we can say that IPH targets the Maintenance, Repair and Overhaul (MRO) and the OEM fields, namely Original Equipment Manufacturer: the former refers to any maintenance and repair activity to keep a manufacturing plant running, whereas the latter includes any activity related to the direct manufacture of goods. The plethora of entities concerned by these two scopes goes beyond all the manufacturing facilities, encompassing the extractive and energy field as well, along with transportation and agriculture, even if in a smaller percentage. The complexity of this articulated market is eased by a very clear and simple marketing policy: IPH sells to professionals only, and only through its own sales points (except for the key accounts). All the interactions carried out within the company are therefore B to B; with the 10 000 suppliers on one side and towards the 100 000 customers on the other one.

These numbers reveal how important relationships are in this kind of environment, and how critical it is to build a strong network, undoubtedly one of IPH's strongest competitive advantages. We will further explore the Industrial - and hidden -

⁴Lindblom, C. E. (1959).

side of business in the next chapter, after having introduced the private label of IPH: GISS.

1.4 GISS: Global Industrial Solutions

GISS trademark was launched in 2003 and the team dedicated to its development and logistics is nowadays composed of twenty people, directly under the supervision of the IPH group, mainly distributed between the IPH headquarter in Paris and Orexad's headquarter in Lyon. This young and polyvalent team is structured around three main axes: product management, network animation and promotion, supply chain. In 2014 GISS has sold products for a global value of 45 million euros, and aims at keeping its sales going up to reach a 15% annual surplus. To better understand these ambitions, it is fundamental to make a step backward and reflect on the rationale behind GISS with reference to the IPH strategy.

In the past twenty years private label have become increasingly central in many retailers' assortment strategies, especially those acting in the food and commodities industry. The main advantage of such brands is to drive profits and build brand awareness and equity or, to put it simple, "(we are here) to make margins", as my colleagues often reminded me.

This phenomenon has been possible since the power shifted from the manufacturers to the large distribution players, who have the advantage of being closest to the end-users: it worked out very well for big players like WalMart, Target and Best Buy and, from then, it keeps on happening to industrial products as well⁵. In fact, private trademarks are advantageous for distributors in all kind of sectors as they imply reduced marketing costs, lower forwarding costs and, all in all, a reduced cost structure. Some private label products have a higher percentage profit margin (but lower absolute margin), while others ensure the retailer higher absolute profit margin than manufacturer brands. Aware of these dynamics and strong of its wide networks, IPH was able to use the private label both to gain leverage in its relationships with suppliers' brands and to gain competitiveness against its market opponents. The strategic relevance that GISS

⁵ Goldberg R.A.; Kaplan R. S.; Daniels D. (1993)

embodies within the group is thus unveiled, especially if we add up the higher control on the products sold and the personalized inputs that may increase the customer's loyalty and enlarge his scope of purchased items (“*we are here to make margins!*”).

Also, having built a deep understanding of its clients, the group is in the right position to know which products are likely to be more profitable and for which of them its target customers are ready to switch from a known brand to a private label. As a matter of fact, the possibility of being perceived as a lower quality provider is very hazardous, especially when dealing with precision tools and, in general, when dealing with professional needs and standards. Such a risk was taken into consideration when defining the positioning of GISS brand.

To begin with, GISS has launched its catalogue firstly on the French market, backed up by the copious sales-points as the exclusive distribution channel and guaranteeing a high reactivity thanks to the warehouse in Ploisy. In addition to that, a strong accent was put on an intermediate price (but still cheaper than the main competitors) for a good quality. The goal is to focus on setting the integrity of the brand, and hereby the reader may find a resume of GISS value proposition through the brand key model.

Besides creating the image of GISS, a particular attention was given to the kind of products sold under the private label. The choice has been done by prioritizing all those products that can be considered as *commodities*, and therefore widespread throughout different sectors and not excessively quality-sensitive. The logic applied is deducted from the Pareto principle⁶, a rule of thumb often employed in the world of business according to which 80% of sales come from 20% of customers. In this case, though, GISS composed its offer (and regularly updates it) by selecting the 20% of products that bring the 80% of turnover. The result is an offer that aims to answer to all the main needs through a cost-effective approach not compromising quality (a satisfied or refunded policy is in place). The idea is to gain the customers' trust on this kind of product to be able to propose also more elaborated ones: GISS transmission line was launched during the internship period and it is was exciting to witness its success.

⁶ Juran, Joseph M. (1951).

Besides enlarging its offer, GISS is now ready to become a European brand, also given the positive feedback received till now from the French and Dutch market.

GISS is therefore to be considered as the keystone of IPH strategy, but the contrary is also true as the two are driving together in the same direction and mutually supporting each other to achieve their challenging goals. The dependency of GISS on the Group is dictated by logistical and financial reasons, and, above all, by the distribution channels and the perimeters through which GISS has to expand. On the other hand, the trademark has a rather high level of autonomy in selecting which products to invest on and in choosing its suppliers. These two are very delicate subjects, as they may lead to product cannibalization, compromising the brand equity and the group's relationships with manufacturers and partners. By their very nature, private labels end up gaining some part of markets to the expenses of already existing actors, either distributors, other suppliers' brands or, sometimes, even the same supplier's brand. The negotiation process is facilitated thanks to the strong negotiation power of IPH, which has a large choice of alternatives for manufacturers and touches a wide number of customers: suppliers know that if it is not them the ones who accept the deal, it will be someone else! Hence, 85% of GISS's manufacturers are actually suppliers of IPH under other brands.

Now, since IPH distributes these other brands through the same channels and signed contracts with such suppliers foreseeing a certain amount of products sold, it is not surprising that sometimes GISS is even competing with IPH own marketing department. This is accrued by the fact that vendors are paid on margins for some kind of products (i.e. protection) and, therefore, they tend to push GISS sales, to the detriment of the other brands. This situation brings us back to the importance of the strategic choice of products commercialized under the private label, and, ultimately, to the necessity of knowing the market GISS is heading to, to better quantify which percentage is to be devoted to the private label and which portion is for the other brands.

It is therefore on these basis and with this objective in mind that the internship mission was elaborated. In the next chapter we will go into the details of the tasks themselves, starting out by the planning phase and the consequent initial discoveries related to Industrial Marketing.

CHAPTER II

THE INTERNSHIP

2.1 Organizational framework and resources

The internship has been organised on solid and promising grounds since its very beginning. Within ten days, I already had the occasion to meet all the product managers in Lyon and Paris, who helped me discover not only GISS and its functioning, but also the distribution sector and its dynamics. In addition, such encounters proposed a basis for future cooperation and facilitated the setting of proper premises to start out sketching the model.

With concern to management, in line with the organizational coordination of GISS team, control has been based on outputs, and thus I was given autonomy in exchange for taking initiatives and responsibilities. In such situation of *independency*, the punctual confrontation with the colleagues in Lyon has been fundamental, and I was also given the opportunity to reach out to some internal experts of the corporate board at IPH, who preciously broaden my research and enriched my learning experience.

Working in a large company demands a systematic planning ahead which differs from the one I was accustomed to in associations and SMEs. This is evident in the day to day life, however, it is probably more understandable and justifiable by zooming out and focusing on the two kinds of companies' approach. In fact within a large corporation Strategic Planning is a must in order to allocate resources efficiently⁷, avoid risk related to uncertainty and to establish goals both to give directions and motivate the employers. All in all, the objective is generally to pursue profit and/or growth maximisation: a shared purpose. In addition to this, on the daily routine, the inevitable delegation process requires deadlines and shared timetables.

⁷ Vicere (1995).

On the other hand, most SMEs depend exclusively on their owner-managers⁸, as if they were some kind of extensions of them, with the result that the strategic goals are indeed the person's own objectives. This is why the strategic planning of the business is to be read in relation to the private ambitions of the individual and to his own character and expertise. Also, dealing with a smaller number of employees, the organizational structure may not be able to sustain the implementation of too bureaucratized delegation. The higher level of uncertainty of the environment, along with less resources may also influence smaller actors not to abuse of planning ahead and rather choose the more flexible and short term project-based management.

At GISS I appreciated planning as a way of setting responsibilities and seeing clearer the global picture and the necessary steps to achieve it. Of course, situations can change and tasks can develop towards different perspectives than planned initially, but having a path to follow makes it easier to keep the objective in mind and to re-adjust the trail. I therefore found very relevant the use of the Gantt chart, for it shows the significant intermediate tasks to the completion of the first part of the internship, and the actions to focus on at any given period. As reported in the planning schema, this phase is supposed to end with a suitable and ameliorated model for all the four countries taken into consideration. The graphical chart already resumes what the reader will explore more broadly through the next paragraphs, which analyse the most important steps of the mission.

⁸ LeCornu, McMahon, Forsaith, Stanger (1996).

2.2 Approaching Industrial Marketing

When I started out my mission I had fresh in my mind all the notions acquired during my Marketing and Branding classes throughout the master program. Following the traditional B to C schema, I wanted to better explore the target group of GISS and, thus, its final customers.

After a couple exchanges with different product managers I understood how difficult this could possibly be. In fact, if it is very clear that GISS mainly addresses the need of maintenance, it is more complicated to subdivide this large public (21, 5 billions of € spent in the French Industry in 2013⁹) in smaller sectors of activities. This is not only due to the number of articles sold by GISS: even by considering each family of products on its own, the exercise could not reach its goal. In fact, GISS articles are –for their intrinsic nature of being 20/80 products- spread throughout all sectors: the expert in isolating window will probably not buy GISS’s caulking gun, but all the enterprises that occasionally need to fix windows are likely to buy it. And this, of course, independently of the size or the specialization of the business. Also, what it was to me fundamental to understand, is the fact that many companies just buy everything they need from IPH/GISS. To give an example, IPH was the first industrial distributor to sell brooms, namely branding them under GISS: competitors’ mockery reaction changed when this article came out to be unexpectedly profitable in terms of margins.

In fact, professionals appreciate the width of IPH offer as it is easier for them to buy all the necessary from one same reseller both in terms of procurement and in terms of time waste. In such a scattered panorama of enterprises and professions it is therefore quite challenging to know who buys a screwdriver and, on a macro level, to estimate which specific sector will buy screwdrivers, in which quantity and, the hardest, identify a suitable consumption rule (one screwdriver for employee? one for machine? One for subsidiary? ...).

Furthermore, questionnaires as the ones we were accustomed to create in class to simulate the launch of a new product are harder to hand over to professionals: it is not banal to get in touch with the person appointed to supply and this latter is not always aware of all the specific product choices nor of contingent needs of the workforce. Also,

⁹ AFIM Annual Report, Réseau Maintenance francophone, (2014).

in contrast with the B to C praxis, there is a deep lack of information available about consumption habits and there is often an undeniable distance between the buyer and the final users.

There are thereby substantial differences in Marketing between industrial firms and consumers products firms. Continuing on a more accurate analysis on IPH/GISS specific case, we can try to justify such gap by taking into account some factors that may influence forecasting practices and the Marketing approach more in general:

- **Time-horizons:** the technological change in the range of products sold by GISS is quite low, and novelties are mainly incremental instead of revolutionary. The same can be said for consumption habits: workers are less affected by fashion or temporary trends. With reference to time, transaction period are also longer in the B2B than in the B2C.
- **Barriers to entry:** IPH as a distributor competes with a compound of actors: other distributors, suppliers also selling directly, brand manufacturers. However it is rare to have new actors able to swing the equilibrium: it is rather the competitors which put in place new methodologies (such as internet direct sales) or foreign actors exporting their products and their expertise. All in all, the established patterns of consumption are not so easily eradicated.
- **Sources:** industrial firms mainly prefer salesforce composite and jury of Executive opinion, along with industrial trends¹⁰. On the other hand, consumer firms attach more importance to marketing panels and customers' surveys.
- **Contact with customers:** in the B2B the transactions are made with committees of people who often are not the final users of the products, as it is the case for IPH Key Accounts for instance. Nevertheless, such individuals are often very well informed about the pricing and the specification of the article they are willing to buy, and thus ready to negotiate either the price or some other arrangements. There is therefore

¹⁰ Herbig J., Milewicz J., Golden J.E. (1994).

a knowledge and competency gap between a customer in the B2C and a customer in the B2B: the latter has by definition a professional attitude and can exert –to some extents- arbitration power. Furthermore, client companies aspire to long-term relationship with their suppliers, as contracts can be negotiated at a better price and experimentation of other brands can result in very costly time waste and/or quality undermine: brand loyalty is thus higher among businesses.

- **Selling process:** generally speaking, Marketing B2B implies several meetings between salesmen and representatives and, as mentioned earlier, an important negotiation part is frequent before signing the deal. Also, some companies may require *ad hoc* modifications (this seldom happens within IPH though) or ask for prototypes, mock ups and samples. This is justified by the fact that usually company buy very large amount of the same item (unlike B2C actors), and that they cannot afford to take risks: consequences would be multiplied throughout the entire supply chain. As a matter of fact, the overall volume of sales in the B2B is much higher than in the B2C¹¹; this deduction can be done by simply considering how many transactions - in terms of services, raw materials and elaborations- , are behind the product delivered to the final customer.

If it is true that the framework of reference may slightly shift on these and others aspects of sales forecasting, it must also be said that the general theories and marketing tools can still be pertinent in both the fields, with some proper adaptations. At the beginning of the internship the identification of the structural differences between BtoB and BtoC has been a fundamental and very beneficial phase, necessary to put in place a rearranged version of the lessons taught in class. Let's take as an example Mc Carthy's Four P's classification model¹², the Marketers' *leitmotiv*, and let's add GISS's overall requirements.

¹¹ Sandhusen, R. (2008).

¹² McCarthy, J. E. (1960).

We can observe how the criteria listed are still valid, even if their respective weight in the Marketing Mix may be different. In fact, we can see how *Place* does not demand much effort to the Marketers, in contrast with the *Price* strategy, which is (one of) the most strategic decision to make when launching a product. Throughout the thesis we will repeat this kind of exercise by using other marketing models designed for the BtoC, but revised for a B to B version. Indeed, by persisting, the internship strengthened the ability to handle theory for it to adjust to the real world demands. Thus we have finally roughly defined on which basis begin the market research itself.

2.3 The Market segmentation

As if I was dealing with a standard B to C market analysis, the first objective to accomplish within the mission was to identify the customers and suggest a segmentation. At the beginning, I tried to get an idea of the scope of sales and the kind of buyers by looking at GISS's sales in the first two quarters of the year. Unused to such volume of products sold, I was quickly lost by the amount of customers and the references for each product-family. In addition, my colleagues explained me how their sales can be subjected to seasonal circumstances, and how the disparity among product categories could have been also influenced by the launching period of the respective catalogue. All in all, I followed the suggestions given by my tutor and I understood how dispersive an historical analysis could have been. Therefore, we opted for an exclusively top-down approach, at list for the first phases, aiming to get solid basis to the modelling process. In concert with the top managers we decided to start by collecting data through a desk research. Putting aside the company's records, we went straight to other sources of secondary data, notably: case studies, statistics and industry trends.

Due to the problematic width of GISS customers' scope, only France was considered, and we switched the canonical order of proceeding: having segmented the market, we identified GISS clients only after. Usually segmentations variables are designed for final customers and relate to demographics, behaviours, lifestyles and cultures¹³; in our specific case, instead, the easiest form of segmentation was to divide

¹³ Geoff, F. (2012).

the market into the Statistical Classification of Economic Activities in the European Community, or, to put it simple, to work with the NACE codes. The reader may find a list of the sectors of the company's target customers presented according to the NAF (French version) and NACE classification in the annexes (N.1). As it can be inferred from the table, it is only for the manufacture section that we required a second level of the nomenclature to get more detailed information on sub sectors.

Such subdivision may still appear to be a bit unrefined: this objection is absolutely true, but it also further justifies the need of creating a model to quantify GISS market more attentively.

In fact, these segmentations are too wide: two enterprises working in the same field can have very different sizes and, par consequence, divergent needs, wants or demand characteristics. These sectorial categories though allowed us to foster our research and to come up with measureable sizes, besides providing the opportunity to profit of accessible information and data. Also, since the NACE classification is a European criterion, it has been a precious meter of comparison among the investigated countries.

Academic research also suggested the segmentation through a so-called two step approach, developed by Wind and Cardozo.¹⁴ They advanced the concept of macro segments formed on the basis of broad-brush variables, such as NACE codes, which are then to be further divided into micro segments identified on the basis of purchasing behaviour's features. The variables defining this second layer of segmentation have been largely discussed among scholars and they range from concentration ratios to decision making styles, to the type of product¹⁵.

Webster¹⁶ advocates the two step approach proposing additional variables related to the organization itself, such as the number of employees. Sudharshan, in spite in agreement with his colleagues, underlines the limits of pluri-segmentation; according to him, collecting measurements of these characteristics can be costly and difficult, and therefore not always the best choice to implement. In fact, besides mentioning the amount of money necessary to complete such operations, he claims something that still

¹⁴ Wind, Y; Cardozo, R. (1974).

¹⁵ Lehmann, D.R. ; O'Shaughnessy, J. (1974).

¹⁶ Webster, F.E, Jr (1979).

resonates as a familiar thought within the B2B context: “it is reasonable to expect that any good salesperson in a face-to-face situation could read the customer with far greater accuracy and reliability than that offered by impersonal research result¹⁷”. If we can recognize a certain legitimacy to this expression of the most prevalent industrial marketing *credo*, we should nonetheless acknowledge that the strategic direction of a European leader as IPH cannot simply rely on salesmen’ impressions, regardless of their expertise. In order for the group to fix long term objectives, some scientific method have to be put in place, as they certainly become of decisive relevance.

All in all, we can assume that the optimal segmentation –and the consequent analysis growing from such roots – is to rely on a solution combining both a top down **and** a bottom up approach. In the case of GISS, we shrank the segmentation to a more precise layer, trying to find out variables in accordance to each product family, thanks to the advice of product managers. We will refer to this part and to its challenges later on in this document as now, following the chronological stream of the mission, we would like to present the data collection phase.

2.4 The data collection

Data represent the critical material on which the theoretical model is supposed to rely on. This is why their definition comes even before their selection and collection. Indeed, before starting the data research itself, it is necessary to deduce the variables and the figures apt to provide a significant contribution to the market study. Generally speaking, the sources influencing the research design formulation stage come from two directions: client’s requests on one side and knowledge of the environment on the other¹⁸.

As stated earlier GISS required the use of free and easily accessible data, punctually updated, and, obviously, coming from reliable sources. Also, the process suggested was to start focusing on the macro picture, to later zoom in, in parallel with the two layers segmentation process.

¹⁷ Sudharshan D; Winter F., (1998).

¹⁸ Boundless. (2015).

To explore the field of industrial distribution, instead, we relied on case studies, former internal documents, face-to-face interviews and reports concerning the product families. The objective was to develop a more organised approach to the research and to understand the macro tendencies behind the market's trends. In fact, domain knowledge is fundamental to recognize the relevance of an information and to contextualize data: obviously, becoming familiar with the subject allows to detect cause-effect relationships and perceive indicators signs¹⁹ more naturally. In the creation of the model, therefore, quantitative and judgmental forecasts were combined to gain more accuracy. If we were to provide a schema of the integration method implemented, we would refer to Sanders and Ritzman²⁰, and slightly modify their last model as shown.

Judgement, to be intended as domain knowledge, is the input: it specifies the model structure and indicates which variables consider. Sector magazines, such as *Usine Nouvelle* and the editor *Baselo Presse*, provided interesting insights, but it is rather thanks to market studies and internal sources that the research pattern was established. Also, the syndicates of the final customers' professions have been precious sources at this step of the process.

Talking to the product managers since this early stage has been fundamental to comprehend the need for exploitability of the model that had to be build, and the degree of approximation required for its outcome: they were asking for coherence, not for precision. In other terms, the requested platform's main objective was to be able to evaluate whether the judgemental forecasts made for any new products are in the right ballpark or if revision is needed.

The importance of the quantitative data contribution in this sense, is crucial: even if the variable selected are dictated by specific information, the numbers represent the part that is the least subject to the negative effects of judgmental biases. All in all, it is the quintessence of GISS new way of approaching to marketing. In fact, the strategic direction the label is taking is to shift from a situation where final forecasts are built on experts' opinion to a situation where such opinions are corroborated with broader sources of information and quantitative data. This is why we dedicated much effort to define the variables and to select the sources of such data, which were supposed to be

¹⁹ Webby et al., (2001).

²⁰ Nada R. Sanders Larry P. Ritzman, (2004).

found only for France in a first phase, but then for the other three markets as well (DE, IT, NL) . The criteria chosen, on all the mentioned basis, are graphically resumed in the appendix.

This chart includes both quantitative and qualitative variables, and it also shows whether they imply a bottom up or a top down approach. The data collection itself started out with all the quantitative top-down variables, which are mainly of macro-economic interest, both describing market structure and market conjunctures.

Set the criteria to research, we estimated the part of the population to investigate.

As referred to earlier, we used the European standard classification of productive economic activities as sort of clusters: this allowed us to categorize the potential customers on the basis of their main production field. We then selected all those NACE codes encompassing firms likely to buy GISS products, basing the selection on historical data: we got eight sections (A, B, C, D, E, F, G, H) and 23 divisions, all belonging to the Manufacture section (C 10 – C 33).

As far as sources, we relied on the National Institute of Statistics for France, namely INSEE, along with other institutional data providers as ACOSS and OCDE. For international data, due to evident language limitations, we preferred to gather information from Eurostat and, occasionally, from the World Bank. The NACE classification revealed to be essential to conduct the research in an efficient and coherent way. Also, such transnational repartition enhances direct comparisons and facilitates data editing.

When possible, we collected the most recent time-series, avoiding to consider information dating before 2010. Also, when available, we included data from European Union to have a global meter of comparison and to understand the positioning of each country in a wider set of reference. In the table hereby, we list the main variables taken into account, quickly explaining how these hard data contribute to the definition of the model. The first variables, in green colour, were implemented to conduct macro analysis, whereas the blue ones are the structural ones on which the data base was created.

Variable collected

Real GDP

Rationale behind

GDP gives the overall trend of the Country's economy. We also further analysed its composition,

with a special attention to the industrial investment part and its subdivisions. The % of Industrial GDP was also used.

<i>IPI Index of Industrial Production, IPI Construction</i>	These two indexes were included for their frequent update rate: they provide a timely information on the manufacture and construction actual evolution.
<i>PPI Producer Price Index</i>	This measure provides an overview on the other side of the value chain: how will the suppliers change prices, how should GISS adjust tariffs when negotiating?
<i>Production Turnover</i>	Both these variables define the productivity of each sectors, and can be very useful to relate to consumption rates for some family products as power transmission.
<i>Workforce</i>	The workforce number are extremely significant for some product family as protection. This variable was further explored by calculating the percentage of blue and white collars per sector.
<i>Workforce Index</i>	Provides a trend to quantify the yearly shifts in n° of employees. It allows to verify trends easily.
<i>N° of enterprises</i>	Together with the size of enterprises, this indicator allows to quantify and better seize potential customers. This variable can be related to consumption as well.
<i>Added Value</i>	Unlike the GDP (for obvious reasons), the added value is quantifiable for each subdivision: it is therefore very important to roughly estimate the contribution of each of them to the national account.

The results of such data collection were then organized into excel tables, which represented a practical tool to let the data speak out in many different ways, so that meaningful understandings of the market could be grasped, especially for those not very familiar to this business. In fact by crossing and switching variables we could

derive insightful picture capable of resuming the manufacture structure per country, for instance, or underline its main centres of production. To propose a self-explanatory example, we attached a dynamic table as *Annexe n. 2*.

After collecting the sampled data, we dedicated to editing to enhance legibility and guarantee consistency. Data were checked thoroughly by implementing the aggregation method of macro editing: when an unusual value was observed sources were double checked and other sources were also confronted. Even if time consuming, such operation not only limits the amount of bias but it also represents an opportunity to better understand the context in which the analysis is being run. With reference to statistics, we limited our span of action to calculating standard deviations and check for correlation coefficients for some variables; on the other hand, we deducted percentages from time-series, in order to optimize the usability of the final model.

We will refer to the more detailed qualitative data collection in the next paragraph, where we will explain the need of further data to refine the model's forecasts and to finally calculate the actual potential market.

2.5 Connecting the data

This phase has been the most challenging one as it implied finding a linkage between different kinds of variables, and evaluating coefficient based on specific product lines' market trends and statistics. In particular, the objective was to deduct a rule able to quantify consumption and then apply this latter through the support of the collected quantitative data, in order to get outcomes for all customers' sectors (NACE). Given the peculiarities of each GISS product grouping, at this stage of the process we started zooming in, considering the product families separately rather than GISS references as a whole. Before going into the details of this step, we would like to share the reflections raised by the initial difficulties in accomplishing this task.

In fact, its complexity is related to the distance with the final customers; one of those features that, as mentioned earlier, deeply distinguish B to B from B to C. The lack of official communication with the users of the product makes it more difficult to grasp qualitative information on the consumption itself. As a matter of fact, practice and

research²¹ agree upon the fact that buyers' behaviours differ according to the context. Within industrial marketing, overall, the final customer's opinion is asked especially for technical matters: the buying decisions are mainly made on rational basis, namely on performances. Unlike the B to C customer, who is more often guided by physiological or social needs whose dynamics market researches are keen on discover. Also, the consumer often finalises the purchase by himself or by the circle of acquaintances, whereas within enterprises such process requires the involvement of various functional areas. It is therefore less evident to directly ask for consumption details: consumption does not rely on single individuals' choices, and thus personal surveys or focus group may not be very adapted methods.

On the other hand, what is stronger in Industrial marketing is the interpersonal relationship between buyers and sellers, and, frequently, the historical professional cooperation within the two firms. In the case of IPH, being a distributor, this chance is doubled: on one side it can rely on suppliers whilst on the other it can get in contact with the buying unit of key accounts.

On a practical level, in order to deduct the consumption logics, we tried to run a basic telephonic survey with some of the main GISS' suppliers, including for obvious reasons only those actors likely to have knowledge of the European market. The outcome has not been as positive as predicted²², as the producers are able to estimate their market from a quantitative point of view but not on the qualitative one. In other words, to put it simple, they are able to assess the amount of sales of hammers per year, and to approximate the duration of their product, but they do not know -or they do not reveal- what can be a criterion to define the hammer sales in general (i.e. one hammer per worker in the construction field or one hammer every seven workers in manufacturing²³). However, as it will be explained, information related to the market were very beneficial to set the basis for further research and to start out hypothesis testing and reformulation.

As far as the hypothesis, their rough definition has been broadly discussed with each product manager, together with the method to apply to assess its validity. Of

²¹ John Newall, (1977).

²² At today's date, Sept 30.

²³ These data were created exclusively for exempla purpose, and do not aim to be realistic.

course, each judgemental proposal is indeed to be verified and strengthened through the quantitative data we have in our possession, which include both the data base described in the previous paragraph and the time series for IPH/GISS sales in the four countries. Among the other cross references employed, we can mention –once again- market studies, public declarations of trustworthy actors (syndicates, major players in the market), internal experts and the pronouncements gathered during the phone interviews. The combination of such diverse sources is to be read by means of two interpretations; on one hand it is the result of the need to overcome the scattered nature of information research in the B to B, while on the other it represents the most valuable way to enhance the accuracy²⁴ of results.

The instructions for the proper development of this delicate base have evolved over the weeks as far as interviewees -including product managers- shared their doubts on the real possibility of modelling consumption for a more detailed range of references (subdivisions of product families), as it was initially asked. It is in this kind of situations, such as while calling the suppliers, that we ascertain a general lack of methodologies and a shortage in good practices sharing in the field of Industrial Marketing: expertise seems the only spendable card to play, in any situation. The knowledge on this subject is built throughout an entire career and is the result of personal networks, intuition and a very powerful business acumen. Such an extremely precious competitive advantage, though, has dangerous limitations in terms of knowledge transfer and it can be hard not only to pass over to new generations, but also to export to new markets, both in terms of products categories and geographic regions. A more structured top-down approach would set the horizon of reference and clarify the space of manoeuvre available to run investigation like the one we are presenting. To get back to this latter, we propose an overview of the outcome of the meeting with the product managers. To the right of each family of products the reader may find the critical element on which the consumption rule should be based.

As it can be noticed, for some category there is more than one criterion: in this case ulterior selection of variables has to take place or calculation of coefficients is to be implemented. Some of these outcome, which come directly from the product

²⁴ Clemen, (1989).

managers, are to be seen as the basis to structure a further research, especially when they do not include data already collected. This occurs, for instance, with the number of machines. In order to estimate such variable other experts have to be contacted, or, alternatively, solutions need to be envisaged by using the information available or by treating it differently.

In the case of machines, we recurred to the GDP indicator: from the macro-economic class we know the composition of this index, and we therefore tried to gather statistics on the gross fixed capital formation. This latter, as a measure of gross net investments in fixed capital, was meant to provide us with a consistent approximation of expenses to buy assets that are used repeatedly or continuously in production processes for at least one year. In particular, we referred to the subcategory of GFCF under the label of “other machineries and equipment”.

In order for the table to be more practical to the final users, we attempted to translate all the historical timelines in percentages: to do so, we treated data on the last fifteen years, noticing a rather regular tendency throughout the decades. By designing the table with percentages, visible in the annexes (n.3), the user can just insert the GDP of the selected country to get all the data requested avoiding the time wasting query for updated information. The data deduction though, is not sufficient to achieve the goal: once we know how much money is spent on machineries and equipment per year per sector and subsector, we should continue by estimating the portion dedicated exclusively to machineries and, if possible, rationally guess the average price of the most popular machines in each field²⁵. Once defined that, we need to elaborate *the rule*: how many euros for machines? Or how many machines for employee (and, therefore how many euros spent in machining per worker...)? And the list may be longer.

In other cases, though, the solution to the *rule dilemma* was more evident, as for Personal Protection Equipment. In fact, by the nature of the product, the calculation is logically to be done on employees and, more specifically, on the so-called *blue collars*. Nevertheless, an accurate analysis on sector's trends of consumption is also necessary. In fact, if we simplistically divide the total turnover of the PPE market (after having double checked this number on several sources) by the total number of

²⁵ As for this step, at present we are waiting to encounter an internal expert to judge the feasibility of such proposition and, if so, structure its implementation.

employees in the economy, results will be biased: this would give us a consumption rate of only 48 euros per head. To gain a more realistic panorama on such market we should instead estimate the sales by sections and, where possible, by subdivision. *Figure 7*, on the next page, resumes the most important steps for deducting the rules adapted to GISS's target. Once again, the challenge of such operation is not to be found in designing the reasoning, but rather in finding the proper information, especially when considering the breadth of GISS's portfolio of customers.

To this purpose, other procedures can be put in place to bring together figures and facts. For instance, we applied a quota sampling method, namely the clusters one, well-known in the B to C context. This latter implies dividing the entire population into clusters according to their similarities. Among them, groups present different features, but within the same cluster we can presume a certain level of homogeneity.

For simplicity and coherence with the previous phases, we decided to set the NACE codes as clusters. This selection partially violates the uniformity required, as the same label encompasses enterprises having variegated sizes and turnover rates. Nevertheless, the product manufactured or the service provided are supposed to be common, and they are likely to influence some major aspects of consumption. The method requires to choose a member from each cluster to become a representative sample. Given the yearly relationship and the personal networks of GISS, we opted for considering key accounts customers. We aim at interviewing them on their consumption habits, not to generalize throughout the sector (yet) but rather to better understand the rationale behind purchasers' needs and choices.

One limit within using this technique is that the interviewees are already GISS's customers: thus they do not belong to the potential market we are meant to explore. This is why the relevance collected should be seen as basis to further investigate consumption patterns within each cluster's peculiarities first and then throughout the market to individuate the general rule. Once this latter is set, it can estimate the extension of the existing market *tout court*, but we still need to achieve the objective of defining the perimeters and quantify GISS' *accessible* market. To do so, percentage of direct sales (from supplier to customer) are to be evaluated against the distribution sales. Also, benchmark and competition studies are to be run: the next paragraph will outline this final part of the intern's mission.

2.6 GISS' competitors: an overview on benchmarking

The potential market calculations developed in the earlier stages can be strategically useful to the enterprise only if coupled with analytical relevance concerning the other actors operating in the same market: GISS competitors. This is the centre of the second half of the internship, which at present is not finalized yet.

To begin with, we can distinguish between direct and indirect competition: the former relates to a player proposing the same kind of products or service as our brand, whereas the latter answers to the same needs but in a different way, with a substitute product or service. In the case of GISS, for instance, an indirect competitor could be a tool rental company focusing on professionals. On the other hand, GISS considers direct competitors only those actors targeting its same audience: the hypermarkets addressing bricolage passionates, thus, do not represent a rival for the private label.

In addition, among the direct competitors, further distinctions are due, since we can identify at least three kinds of potential opponents:

1. Suppliers selling directly their products to the businesses.
2. Other distributors selling the same products as GISS, or part of the same products.
3. Other distributors' private labels.

Finally, among all the brands belonging to these three categories, there are some actors that are worth following with a particular attention, others who are still competitors but not relevant enough to interfere with GISS's scope of action and a third amalgam composed by those enterprises that are well known and almost institutions in the market. Out of this simplistic resume, the main objective for the company is to detect who are those players to keep an eye on and, more generally, which are the actors GISS is really competing with on a daily basis.

In order to prioritise the competitors and detect the actors to monitor, anticipate and/or to follow, we envisage to put in place a Strategic Group Mapping.

This tool, developed by Michael Porter²⁶, implies the evaluation and representation of competitors according to two variables, one for each axes. The criteria selected must be determinant for the specific industry; this is why for this situation we would like to sketch the groups by their sales and by the number of references. Of course, this will provide us with a partial vision of the market, but at the same time it will allow us to have a first objective picture of the the main actors' distributions, and we will be able to collocate them with reference to GISS.

The expected result should theoretically replicate the situation exposed in *Figure 8*. Although, inside the circles we will list all the most prominent brands, according on how they score out of the two variables. Also, after having recolted information on the general trends of each brand, we will try to forecast the direction of future development to elaborate a consequent strategy.

In such a simplified market structure, GISS would invest in further discovering its closest competitors, belonging to the upper right bubble, and then, in order of priority, we suggest an accurate overview on potential threats and some researches on the other two groups, though they are not massively going to compete with the private label, if not for some portions of market consisting of specific products. Nevertheless, given the 20/80 approach engaged by GISS, the experts serving specific product lines are not likely to be on the same kind of customers, or, at least, not for the same type of articles.

To deepen the knowledge of the most hazardous actors, we propose to employ the Competitive Profile Matrix. This latter is supposed to compare competitors and to rank them on the basis of the critical success factors. Such analysis will therefore permit to estimate GISS's relative strengths and weaknesses against competitors, and it will also suggest a direction for improving in the short and longer run.

A Critical Success Factor is one of the element which have a valuable and direct impact on gaining effectivity: in order to succeed in a particular industry, CSF are to be performed at the highest possible level of excellence²⁷. For the business of industrial distribution we have identified the following factors:

- Market share
- Number of references

²⁶ Porter, M. (1980).

²⁷ Business Dictionary.

- Logistics and channels (web, sales-points, door to door)
- Network / presence on the field
- Quality
- Price
- Number of clients
- Loyalty of customers

As the reader may notice, we cited both quantitative and qualitative variables. The first ones are to ensure a certain objectivity, whereas the second ones are to deepen the level of the analysis and better exploring the competitors' peculiarities and competitive advantages. Once again, to develop this part of the process, experts and information from valuable sources will be consulted. This is necessary to judge the correctness of some of the estimations, but also in order to attribute a coefficient score to each variable. In fact, the total of all the criteria being *one*, each variable will have a different weight and thus a diverse impact in defining the final scores –as well of the global ranking- of each competitor. Also, for each proposal a vote on the scale from 1 to 4 is to be assigned to any single competing brand.

At the end of the exercise we should be able to identify those competitors worth a special attention: GISS will probably need to adjust its pricing policy according to their catalogues, address customers with different kind of promotions or lead negotiations with clients and suppliers keeping in mind the global scenario. Also, significant lessons can be learned from other actors and some innovations, both in processes and products, could find a source of inspiration in this kind of analysis: in fact, to complete such table much information is to handle, it is therefore the occasion of researchers to focus on best practices as well.

The reader may find a non-comprehensive list of GISS's competitors belonging to the "*other distributors*" category. As we can notice, many actors are active (at least) for the same product families of the private label: we could therefore imagine a benchmark study on the totality of GISS families all regrouped, to be compared with the analysis of competitors for each single production line. Similarly, for the main actors a European vision can be adopted, whereas for more precise regional insights, national actors should merit the main focus.

All in all, the objective of this benchmarking goes beyond setting a useful cartography of all the market contenders. In fact, by discovering each actor's relative positioning with reference to different chosen variables, a company is induced to deal with and reflect on its own situation, and, therefore, pushed to refine its own strategy. Regardless of the weight of the enterprise in the total market share, acquiring a notion of where it is located it becomes easier to set directions and clearer objectives. This analysis is even more precious in the case of GISS as it is still novice to some of its markets, as the Italian one: the comprehension of the general environment can determine improved and more adapted guidelines. Also, by closely benchmarking four or five precise actors, the label can navigate the market at ease thanks to the fact that these critical landmarks impose constant adjustments, and thus safely lead to properly reset the optimal direction towards destination.

Once concluded, the competitors' analysis will coronate the strategic relevance implied all along the internship mission. Indeed, the potential market will naturally result from putting together the quantitative outcome of the data collection and treatment, the global vision of total market and this last part which zooms back in to define GISS renewed and clearer perimeters for its further expansion plans.

On these renovated basis, we will propose in the next chapter some recommendations to add up to the newly modified strategic objectives.

CHAPTER III

RECOMMENDATIONS

This chapter is dedicated to some suggestions developed from the information and the experiences collected during these months of internship. Therefore, they might reveal to be valuable and applicable only on a partial level, as they are the result of a vision far from being comprehensive - although aiming at so-. These recommendations are indeed the outcome of an enriching effort to understand the functioning of IPH and GISS, melted together with some notions broadened within the master and along with spared information somehow assembled.

For sake of organisation, we will divide the proposition into general themes, and then, within each category we will try to classify with reference to suggested implementation time span.

3.1 Organisational framework

As mentioned in the first chapter, IPH demonstrates a weakness in sharing a **common culture** among all its employees. This aspect, that may seem superficial to the eyes of some businessmen, is indeed fundamental to guarantee a stimulating working environment and, consequently, a motivated workforce. Also, a lack of character of the enterprise damages its brand as an employer, to the detriment to its talent pools. Similarly, employees who struggle to comprehend the long term vision of the enterprise and do not recognise landmarks in terms of best practices and values embedded, may feel somehow lonely and lower their commitment and loyalty to the firm²⁸.

Another aspect to consider, before listing the recommendations, is also relating to **attract new employees**, namely those belonging to the Gen Y. In fact, although the company invests time and resources in forming its younger workforce

²⁸ Sheldon, K.M.; Elliot, A.J. (1999).

through very valuable apprenticeships programs, there are some perfectible details that could make IPH more appealing to newly graduate job seekers. Generally speaking, *digital natives*²⁹ like to work in international environments, connected workplaces and being able to propose their own ideas thanks to a flatter hierarchical structure or through regular events where communication is horizontal.

In the case of IPH the historical, cultural and logistic value of its ranked organization is intrinsic to the nature of the firm: this is why the group should play other cards to aim at becoming a target for the most talented job seekers.

The third factor behind our suggestions is crucial to maintain some of the strongest competitive advantage of the firm, namely, its expertise and network. As documented within this thesis, the value of field knowledge in the B to B is particularly critical: on one side in terms of personal contacts and sources of information, and on the other on the technical know-how of products requirements and clients' negotiations. To IPH, it is therefore necessary to guarantee an efficient **knowledge transfer system**, to perpetuate the successful approach of current employees in the future. The same is also true for GISS, of course.

With that being said, we formulated the recommendations as follow:

On the short term:

- ➡ Put the accent on IPH culture: what does IPH stand for?

Let employees represent its values and support them. This will enhance motivation and enthusiasm among workforce. An internal newsletter, for instance, can be a cheap, easy and reaching tool.

- ➡ Enhance mobility opportunities, both in terms of division and countries. To build a stronger international identity within the Group IPH, the opportunity to spend some time in another division should be encouraged: not only this will provide workers with broader knowledge, but it will also higher their sense of belonging and their engagement. Also, younger generations are keen on spending periods abroad. Of course, for some employees, especially in France, foreign language are an important obstacle, which brings us straight on point three.

²⁹ Concept treated during HR Strategic Management classes. Here, source: www.creativitequebec.ca.

➡ Feed employees' knowledge and skills with adapted trainings.

In particular, financing courses addressing subjects and skills necessary at work, can result in excellent investments: not only employees will feel more put into value and loyal to the company, but they will also become more effective on their day to day business tasks, to the general benefit. For some topics, employees could teach to employees, as in the case of software use, language basics or negotiation skills. Designating a space for these kind of exchanges will not only spread the skills throughout the workforce, but it will also enhance team work.

On the long term:

➡ A knowledge transfer method is to be put in place. This can be achieved by using a digital platform or by creating tutoring programs for each new comer. Also, interacting seminars and webinars could be useful tools to share information to younger generations.

3.2 International Marketing

Historically opened to European markets, IPH has been putting together acquisition after alliance a real multinational empire, where original distribution brands are still maintained. From a B to C marketing point of view such plethora of logos and names under the umbrella of IPH could be a bit confusing for the final customers. On the other hand, professionals, and even more professionals in the industrial field, do not seem to be particularly choosy on this kind of *details*. Although, if IPH can dare not to have a specific logo, strong of the good reputation it has built throughout the years and thanks its solid networks, **GISS' story is quite a different one.**

In fact GISS' brand is a new born one in the world of industrial distribution and, by being a private label, it has to disprove all negative stereotypes associated to this category of marks. The fact of relying on IPH logistic (and financial) support should not imply that the marketing channel adapted to GISS is necessarily the same as the Group's one. In fact, GISS should base its **communication** on its own strong points and by using different approaches. After all, the internship described in this thesis is already a proof of the need for separated tools on this level.

Furthermore, throughout this document, we referred more than once to the difficulties of finding reliable sources within the B to B context: the **access to information** in this environment may be considered as a critical success factor, and, therefore, it is a subject to bear in mind at any level of the hierarchy and, why not, it can be something worth to further invest on.

The final reflection before heading to the recommendations especially concerns the approach to International Markets. At GISS, who follows the footsteps of IPH, the logic of consumption calculated on the basis of the French market is exported throughout the countries with a rough (or directly without) approximation. In fact, it seems that blue collars in Germany have almost the same needs as their Italian homonyms, which is a legitimate assumption, besides having been proved by IPH sales statistics. On the other hand, though, can a marketing campaign or a promotion strategy claim the same transversality? Even if the countries under questioning are all Europeans, in fact, **national cultures** can be quite different with reference to communication, achievements or when dealing with risk, for instance³⁰.

Clarified these points, here are the recommendations.

On the short term:

- ➡ Enhance communication flows within the different divisions (both for GISS and IPH).

In particular, we suggest to further encourage exchanges bottom up, especially from those who have a daily expertise of markets. This costless proposition can ease the collection of useful information and help anticipating trends.

- ➡ Establish partnership with universities to gather information.

In exchange of giving some lectures to students (it would be a great opportunity for them to discover Industrial Marketing), IPH and/or GISS could ask the university junior councils to collect market information on a regular basis, and to keep the benchmarking updated. Also, company projects could be proposed to students.

On the long term:

³⁰Trompenaars, F.; Smith, P. B. (1996).

- ➡ Create an independent marketing department for GISS.

Besides being in line with a more general tendency towards autonomy implemented by the private label, there is a need to diversify IPH Marketing from GISS Marketing as they have different scopes, different KSF and – ideally- different objectives.

- ➡ Once the Marketing department will be operative, it should elaborate commercial campaign and promotion plans adapted to each country. Also, a deeper investigation on consumption across countries could be beneficial to discover the potential of some specific products or to get an overview of customers' requests and compare them. Finally, selling strategies may need to be adjusted to different markets as well.

To facilitate the international overture –and the establishment *tout court-* of the marketing department, an international team should be appointed: at this point it is fundamental for GISS to detach from its distinctive French dimension towards a European one. Workers throughout the divisions should also feel this switch of perspective, together with customers and even suppliers: they need to understand that they are negotiating with a European brand, and not *just* with IPH private label.

3.3. Future development

The expectations on GISS are as high as the objectives that the private label is determinately heading towards. At this phase when GISS is becoming a known brand in industrial products throughout France, its development on the other markets of the IPH group is supposed to follow. For the first time, in 2016, the catalogue will be published in four different languages: a step, rather than a sign, that clearly manifests that the ambitions will start to become concrete reality. GISS challenge is to keep pace with the customers' requests, ensuring reactive logistic (still supported by IPH, of course) and reliable suppliers. These latter in particular are to be chosen more and more carefully: GISS, being a private label, cannot afford to be coupled with the idea of low quality or untimely service.

GISS performances can be well prepared internally, but we should not put aside the external environment: GISS will have to impose itself on markets where brands are already settled. Also, IPH abroad has a lower number of sales points, although its accessible networks are still valuable. To distinguish itself, the private label could add a more dynamic commercial approach, aside from contacting its customers through the IPH channels. Keeping in mind that GISS objective is to gain returns, it could just head directly where buyers are, in and out IPH' circles. Such operation would enlarge the customer basis and raise awareness on the brand.

On the short term:

- ➡ Select suppliers according to quality and reliability standards.

Deliveries time should be also considered to avoid both shortage of products and inventory expenses; to do so, a closer monitoring action on product lines can be envisaged and seen as the occasion to further study consumption habits directly from the field.

On the long term:

- ➡ With reference to indirect competitors, GISS could explore different business models, though keeping the same products and the industry of reference. For instance, proposing a rental service for some of the tools could be an alternative to direct sales.

Within this idea, two are the points to clarify: the renter must be a professional, and the logistics needs to be organised to support such effort. Similarly, a sort of leasing agreement could also be foreseen.

- ➡ Consider the long tail of the market,³¹ as from the statistics results collected within this mission, the composition of GISS' target market is unbalanced towards smaller size enterprises. These entities may actually equip themselves in B to C megastores, as the process is easier. What could GISS do for this actors? Further calculations should confirm whether economically it is worth to invest in approaching this kind of customers with interesting combinations of products and services. And, thus, acting independently from IPH sales points' network.

³¹ Anderson, Chris (2004).

- ➡ GISS could be the way for IPH to lower its functioning cost, optimize its resources and gain in CSR. In fact, the group has the advantage of following a product throughout an important portion of its value chain, and it could profit of this position by elaborating some kind of circular economy. This could simply be to take back all the used products that could be re-invented and put back on (other) markets, or bring them back to the producer to re-use materials.



CHAPTER IV

CONCLUSION

Within this document we proposed an analysis of Industrial Marketing coupling a comparative approach against consumer marketing with pragmatic evidence emerged during the internship at GISS. Academic references sustained such structure by giving explanations and basis to continue the exploration all along the thesis. As a result, we observed how the industrial market is based on different premises than the consumer one: relationships, requirements and volumes are just some of the most critical distinguish factors. In such variegated frameworks, marketing is thus perceived and practiced praising different resources and objectives.

Nevertheless, we identified a unique rationale behind the *modus operandi* applied: what changes is its implementation in the praxis, which is dependent on structural circumstances and therefore needs to adapt to different basis. It is indeed only by adjusting some of the B to C strategic tools that we were able to develop the European Model requested.

Throughout the thesis we presented the process undertaken to construct GISS new marketing instrument, from the data collection, to the forecasting method, to the concurrence study - which is still to be implemented. We shared with the reader the discoveries and the challenges encountered, and how they were overcome. In particular, we analysed the necessary approximation within the market segmentation, which are to attribute to the wide range of customers of GISS and its number of references. Also, we explained how we aimed at estimating each product family potential, presenting how alternative solutions are imposed by the lack of available information in the B to B context. Outlined the main characteristics of the Industrial Distribution market, we continued by classifying the actors operating in it by using tools and models explored during class and adapted to this specific context.

All along the thesis, without bypassing a more technical side, we stressed the reasoning path, heightening our reflections on the basis of scholar contributions. Critical insights fulfil the content, aiming to provide a comprehensive yet critical vision of industrial

reality, of IPH and of GISS at present. For future evolution, instead, recommendations are projected on the short and long term, providing specific suggestions on how to keep on strengthening GISS brand throughout Europe.

On a more personal note, this work represents the final step of an edifying academic and human process. As far as the professional side, though, I wish this could just be a beginning. In fact, this experience at GISS was a challenging terrain where to make the best out of the knowledge and the capabilities acquired in the last semesters. As a matter of fact, dealing with the project from A to Z, offered the opportunity to maintain a global view on the mission and experience a wide variety of tasks requiring different sets of skills. Such framework, together with the adrenaline of discovering a new dimension behind the Marketing I had been taught of, has broadened the scope of my perspectives on the future.

All in all, we believe that the prerogatives of Industrial Marketing require watchful analysis and, thus, are utterly worthy a consequent investment of GISS on this side, especially with reference to its international expansion. The strategic relevance of such choice, coherent with the private label development towards higher autonomy, it is indeed very critical both for IPH and for GISS: as an intern, and as a person, I am very grateful of having had the opportunity to slightly contribute to this delicate phase.

REFERENCES

- Adams, J. Stacy (1963). Towards an understanding of inequity. *The Journal of Abnormal and Social Psychology*, Vol 67(5), Nov 1963, 422-436
- Anderson, Chris (2004). *The Long Tail*, Wired, October 2004.
- Clemen, R.T. (1989), Combining forecasts: a review and annotated bibliography, *International Journal of Forecasting*, Vol. 5, pp. 559-83.
- Drucker, P. F. (1974). *Management: Tasks, Responsibilities, Practices*. Australia: Harper & Row. p. 864.
- Geoff F. (2012). *Market Segmentation Bases, Market Segmentation Study Guide*.
- Goldberg R.A.; Kaplan R. S.; Daniels D. (1993), *Private Label Movement*. Harvard Business Review, Publication Date: Sep 23, 1993, Case Study.
- Herbig J., Milewicz J., Golden J.E. (1994), Differences in forecasting behavior between industrial Product firms and Consumer Product firms, *Journal of Business and Industrial Marketing*, Vol. 9 No. 1, pp. 60-69.
- Hofstede, G. (1991). *Cultures and organizations : software of the mind*. London: McGraw-Hill.
- Jemison, D.B. & Haspeslagh P.C. (1991). *Managing Acquisitions: Creating Value through Corporate Renewal*, The Free Press, New York.
- John Newall, (1977). *Industrial Buyer Behaviour A Model of the Implications of Risk Handling Behaviour for Communication Policies in Industrial Marketing*, *European Journal of Marketing*, Vol. 11 Iss: 3, pp.166 - 211
- Juran, Joseph M. (1951). *Quality Control Handbook*, McGraw-Hill, New York.
- Kantabutra, S. & Avery, G. C. (2010). The power of vision: Statements that resonate. *Journal of Business Strategy*, 31(1), 37-45.
- LeCornu, MR, McMahon, RG, Forsaith, DM & Stanger, (1996). The Small Enterprise Financial Objective Function: An Exploratory Stud', *Journal of Small Business Management*, 34 (3), 1-14.

- Lehmann, D.R. ; O'Shaughnessy, J. (1974), Difference in attribute importance for different industrial products, *Journal of Marketing*, American Marketing Association, Chicago.
- Lindblom, C. E. (1959), The science of 'muddling through'. *Public Administration Review*, 19, pp. 79–88.
- McCarthy, J. E. (1960). *Basic Marketing. A Managerial Approach*. Homewood, IL: Richard D. Irwin.
- Nada R. Sanders Larry P. Ritzman, (2004), Integrating judgmental and quantitative forecasts: methodologies for pooling marketing and operations information, *International Journal of Operations & Production Management*, Vol. 24 Iss 5 pp. 514 – 529.
- Porter, M. (1980) *Competitive Strategy*, Free Press, New York.
- Quin, J. B. (1978). Strategic Change: Logical Incrementalism. *Sloan Management Review*, 20 (1), p7.
- Sandhusen, R. (2008). *Marketing*. Hauppauge, N.Y: Barron's Educational Series. p. 520.
- Schneider, S., Barsoux, J.L. & Stahl, G. K. (2003). *Managing across cultures* (2nd ed.), Pearson Financial Times Prentice Hall, London.
- Sheldon, K.M.; Elliot, A.J. (1999). Goal striving, need-satisfaction, and longitudinal well-being: The Self-Concordance Model. *Journal of Personality and Social Psychology*, 76, 482-497.
- Sudharshan, D.; Winter F., (1998). Strategic segmentation of industrial markets, *Journal of Business & Industrial Marketing*, Vol. 13 Iss 1 pp. 8 – 21.
- Trompenaars, F.; Smith, P. B. (1996). National Culture and the Values of Organizational Employees: A Dimensional Analysis Across 43 Nations *Journal of Cross-Cultural Psychology* March 1996 27: 231-264.
- Vicere, AA (1995). Executive Education and Strategic Imperatives: A Formula for Crafting Competitiveness, *American Journal of Management Development*, 1 (2), 31-36.
- Webby, R., O'Connor, M. and Lawrence, M. (2001), Judgmental time series forecasting with domain knowledge, in Armstrong, J.S. (Ed.), *Principles of Forecasting:*

A Handbook for Researchers and Practitioners, Kluwer Academic Publishers, Norwall, MA.

Webster Jr, F.E. ; Keller, K.L. (2004). A roadmap for branding in industrial markets, *Journal of Brand Management*, vol. n° 11, p. 388-402.

Webster, F.E, Jr (1979), *Industrial Marketing Strategy*, John Wiley & Sons, New York, NY.

Wind, Y. ; Cardozo, R. (1974). *Industrial market segmentation*, *Industrial Marketing Management*, Elsevier Publishing Co, New York, NY, April.





Appendix A: Multinational table for sectors' turnover in 2012

LABO DYNAMIQUE				
Données	Chiffre d'Affaires <-- Sélectionnez la variable souhaitée ici			
Somme de 2012	Étiquettes de couleurs			
Étiquettes de lignes	Allemagne	France	Italie	Pays-Bas
C 10. Industries Alimentaires	166 788	151 804	106 834	60 217
C 11. Fabrication des boissons	20 387	26 637	17 103	4 846
C 12. Fabrication de produits à base de tabac	17 699	1 260	139	2 528
C 13. Fabrication de textiles	12 336	7 439	21 394	2 694
C 14. Industrie de l'habillement	8 977	7 850	29 904	459
C 15. Industrie du cuir et de la chaussure	2 900	5 759	26 766	446
C 16. Travail du bois	24 152	11 768	14 466	2 599
C 17. Industrie du papier et du carton	40 903	18 484	21 094	6 080
C 18. Industrie de l'imprimerie et de l'enregistrement	21 265	9 713	11 220	4 293
C 19. Cokefaction et raffinage	147 204	70 355	71 425	56 872
C 20. Industrie Chimique	3 170	2 826	4 436	805
C 21. Industrie Pharmaceutique	44 593	37 029	26 205	6 879
C 22. Fabrication de produits en caoutchouc et en plastiques	79 267	36 736	42 447	8 062
C 23. Fabrication d'autres produits minéraux non métalliques	46 693	29 301	31 219	6 075
C 24. Métallurgie	110 219	30 018	57 396	8 037
C 25. Fabrication de produits métalliques, à l'exception des machines et équipements	125 540	57 647	78 189	19 692
C 26. Fabrication de produits informatiques, électroniques et optiques	68 883	32 970	21 019	14 373
C 27. Fabrication d'équipements électriques	113 349	31 165	37 543	5 981
C 28. Fabrication de machines et équipements n.c.a.	244 150	48 190	110 050	24 445
C 29. Industrie automobile	385 095	102 076	53 333	7 506
C 30. Fabrication d'autres matériels de transport	34 934	45 150	20 577	6 594
C 31. Fabrication de meubles	21 265	7 679	19 495	3 376
C 32. Autres Industries	32 501	13 563	16 200	2 536
C 33. Réparation et installation de machines et d'équipements	37 109	34 202	18 763	9 452
C Industrie Manufacturière	1 967 653	895 230	906 168	318 965
D Production et distribution d'électricité, de gaz, de vapeur et de chaleur	588 645	119 308	220 849	40 935
E Production et distribution d'eau ; assainissement, gestion des déchets	64 595	8 035	103 765	57 834
F Construction				
Total général	4 430 272	1 842 192	2 087 999	682 578

Appendix B: NACE codes of GISS customers

French and English version

Codes NAF translation into codes NACE				
Ligne	code	intitulés de la NAF rév. 2, Français	code	intitulés de la NAF/NACE, English Version
1	SECTION A	AGRICULTURE, SYLVICULTURE ET PÊCHE	SECTION A	AGRICULTURE, FORESTRY AND FISHING
96	SECTION B	INDUSTRIES EXTRACTIVES	SECTION B	MINING AND QUARRYING
142	SECTION C	INDUSTRIE MANUFACTURIÈRE	SECTION C	MANUFACTURING
143	10	Industries alimentaires	10	Manufacture of food products
213	11	Fabrication de boissons	11	Manufacture of beverages
231	12	Fabrication de produits à base de tabac	12	Manufacture of tobacco products
235	13	Fabrication de textiles	13	Manufacture of textiles
260	14	Industrie de l'habillement	14	Manufacture of wearing apparel
280	15	Industrie du cuir et de la chaussure	15	Manufacture of leather and related products
289	16	Travail du bois et fabrication d'articles en bois et en liège, à l'exception des meubles ; fabrication d'articles en vannerie et sparterie	16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
305	17	Industrie du papier et du carton	17	Manufacture of paper and paper products
324	18	Imprimerie et reproduction d'enregistrements	18	Printing and reproduction of recorded media
337	19	Cokéfaction et raffinage	19	Manufacture of coke and refined petroleum products
344	20	Industrie chimique	20	Manufacture of chemicals and chemical products
384	21	Industrie pharmaceutique	21	Manufacture of basic pharmaceutical products and pharmaceutical preparations
391	22	Fabrication de produits en caoutchouc et en plastique	22	Manufacture of rubber and plastic products
407	23	Fabrication d'autres produits minéraux non métalliques	23	Manufacture of other non-metallic mineral products
464	24	Métallurgie	24	Manufacture of basic metals
502	25	Fabrication de produits métalliques, à l'exception des machines et des équipements	25	Manufacture of fabricated metal products, except machinery and equipment
549	26	Fabrication de produits informatiques, électroniques et optiques	26	Manufacture of computer, electronic and optical products
579	27	Fabrication d'équipements électriques	27	Manufacture of electrical equipment
606	28	Fabrication de machines et équipements n.c.a.	28	Manufacture of machinery and equipment n.e.c.
656	29	Industrie automobile	29	Manufacture of motor vehicles, trailers and semi-trailers
668	30	Fabrication d'autres matériels de transport	30	Manufacture of other transport equipment
690	31	Fabrication de meubles	31	Manufacture of furniture
701	32	Autres industries manufacturières	32	Other manufacturing
727	33	Réparation et installation de machines et d'équipements	33	Repair and installation of machinery and equipment
751	SECTION D	PRODUCTION ET DISTRIBUTION D'ÉLECTRICITÉ, DE GAZ, DE VAPEUR ET D'AIR CONDITIONNÉ	SECTION D	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY
772	SECTION E	PRODUCTION ET DISTRIBUTION D'EAU ; ASSAINISSEMENT, GESTION DES DÉCHETS ET	SECTION E	WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES
801	SECTION F	CONSTRUCTION	SECTION F	CONSTRUCTION
874	SECTION G	COMMERCE ; RÉPARATION D'AUTOMOBILES ET DE MOTOCYCLES	SECTION G	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES
1106	SECTION H	TRANSPORTS ET ENTREPOSAGE	SECTION H	TRANSPORTATION AND STORAGE

Appendix C: Percentage table to calculate Machinery and Equipment expenses

steps	Secteur	EU	Allemagne	France	Italie	Pays Bas	
1	GDP (M€)	<i>insérer le PIB de l'année souhaitée</i>	0	2 749 900	2 059 284	1 609 462	650 857
	% Industrie GDP		24%	30%	20%	23%	22%
	GDP Industrie (M€)		0	824 970	411 857	370 176	143 189
	% Manufacture GDP		15%	22%	11%	15%	12%
	GDP Manufacture (M€)		0	611 130	233 001	246 203	78 843
2	Formation brute de capital fixe (% GDP) = actifs fixes total brut		n.a.	20%	22%	17%	18%
	Formation brute de capital fixe en M€			544 039	455 270	280 330	118 758
	Formation brute de capital fixe en M€		2 263 065	574 883	401 792	288 609	120 305
3	Distribution Actifs Fixes par secteur	Tous les secteurs A - H		31%	27%	45%	33%
	M€	Tous les secteurs A - H		168 046	125 023	125 994	39 190
	%	A. Agriculture, sylviculture et pêche		6%	9%	8%	14%
	M€	A. Agriculture, sylviculture et pêche		10 293	11 626	10 572	5 384
	%	B. Industries extractives		1%	1%	2%	11%
	M€	B. Industries extractives		1 312	965	2 527	4 313
	%	C. Industrie manufacturière		40%	29%	41%	22%
	M€	C. Industrie manufacturière		67 071	36 792	51 218	8 596
	%	D. Production et distribution d'électricité, de g		9%	12%	5%	6%
	M€	D. Production et distribution d'électricité, de g		14 458	15 185	6 042	2 449
	%	E. Production et distribution d'eau; assainissen		6%	4%	3%	6%
	M€	E. Production et distribution d'eau; assainissen		10 727	5 243	3 608	2 244
	%	F. Construction		4%	8%	8%	5%
	M€	F. Construction		5 954	10 383	9 625	2 150
	%	G. Commerce; réparation d'automobiles et de		12%	12%	15%	15%
	M€	G. Commerce; réparation d'automobiles et de		20 542	15 080	18 912	6 012
	%	H. Transport et Entreposage		22%	24%	19%	21%
	M€	H. Transport et Entreposage		37 689	29 781	23 490	8 042
4	% Depenses Equipement & Machines	Tous les secteurs A-H		52%	36%	55%	42%
	M€	Tous les secteurs A-H		87 387	45 476	68 752	16 585
	%	A. Agriculture, sylviculture et pêche		74%	67%	55%	37%
	M€	A. Agriculture, sylviculture et pêche		7 592	7 766	5 825	1 997
	%	B. Industries extractives		75%	38%	46%	28%
	M€	B. Industries extractives		984	362	1 150	1 208
	%	C. Industrie manufacturière		73%	47%	78%	65%
	M€	C. Industrie manufacturière		48 904	17 227	39 740	5 573
	%	D. Production et distribution d'électricité, de g		53%	32%	74%	45%
	M€	D. Production et distribution d'électricité, de g		7 733	4 843	4 459	1 097
	%	E. Production et distribution d'eau; assainissen		22%	17%	53%	37%
	M€	E. Production et distribution d'eau; assainissen		2 386	905	1 919	836
	%	F. Construction		51%	33%	44%	41%
	M€	F. Construction		3 037	3 444	4 235	879
	%	G. Commerce; réparation d'automobiles et de		33%	32%	52%	49%
	M€	G. Commerce; réparation d'automobiles et de		6 724	4 768	9 873	2 974
	%	H. Transport et Entreposage		22%	18%	18%	25%
	M€	H. Transport et Entreposage		8 471	5 479	4 294	2 037