

MARKETING PLAN "DISTRIBUTION COMPANY OF AESTHETIC AND HEALTH APPLIANCE KERCAS INTERNACIONAL"

Bachelor's Degree in Business Administration



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1. EXECUTIVE SUMMARY

"Kercas Internacional" is a young company in the Spanish market, dedicated to the sell and distribution of aesthetic and health appliances. It is located in the city of Valencia - Spain.

The document presented is for a proposed Marketing Plan that aims to develop strategies that allow Kercas Internacional to enhance its position in the market, increase sales, open new markets and develop products that will diversify the current portfolio.

In the field of the environment, if we look now at the economic aspect we can visualize that the effects of the economic crisis have caused many changes in consumption habits in various sectors. In addition to the technological advances and the rise of big business, the competition in this area has continued in a constant struggle to survive and keep operating in foreign markets.

With this Marketing Plan, new actions and strategies are proposed for Kercas Internacional in order to continue competing in this sector. One aspect that the company investors should take into account is that the sector involves a considerable growth, which goes by the hand with the implementation of global, technological and competitive strategies to be further strengthened.

A market research has also been developed within this Marketing Plan, which has been based on a survey for 42 clients, the ones are organizations. This research determines the level of preference for Kercas Internacional brand. Subsequently to the market research, several action plans have been carried out in which one of the main objectives has been to increase the visibility of the company.

Finally, the action plans have been quantified according to the budget that was required to implement the plan, and a scheduled calendar. In addition, some guidelines will be given for the marketing plan control.

2. SITUATION ANALYSIS

2.1 Presentation of the company

Kercas International is a Spanish company located in Valencia and is oriented in sell and distribution of health and aesthetic appliances. Its goal is to compete in the domestic and international markets, innovating every day with high quality products at competitive prices, and with a commercial dynamism that leads the company to position itself as a leading, experienced and versatile company.

It has the back-up of the leading manufacturers and their domestic and international aesthetic appliances, and as a result of this, it can provide the best post-sales service and advice for any business that needs its products. Kercas International continues in the search for the best value to the welfare and comfort of its customers.

Many of its clients want to set up their own centers, and "Kercas Internacional" provides help and everything necessary for it, giving its customers all they need and adapting to their demands.

2.2 Mission

To offer high quality products at very competitive prices to meet customer needs. In turn, to provide advice at the best possible way on everything related to aesthetic and health appliances.

2.3 Vision

To be a leader company with strong position in the market and be recognized for the maximum number of customers.

2.4 Objectives

- Get to meet the expectations that customers require.
- Increase annual sales by 5% on 2016.
- Increase the income of the company along with the increase in sales by 5%.
- Improve the image of the company in the various markets it serves.
- Achieve greater coverage national and international market.
- Increase productivity of human resources to 95%.
- Penetrate new international markets specifically in Latin America where it operates.

3. INTERNAL ANALYSIS

3.1 COMPANY RESOURCES

3.1.1 Human Resources

The person who is in charge of Kercas International is Mr. José Francisco Castellanos Torres, manager of the company. Some features on this person are the following:

- Full name: José Francisco Castellanos Torres
- Position: Manager of Kercas Internacional
- Experience: Besides being manager of the company, he also has a aesthetic and health clinic; in which he works as an osteopath and chiropractor, physical therapy, sports massage, and is an expert in biological medicine, and where he made various treatments, such as acupuncture, aurículoacupuntura, lymphatic drainage, neuromuscular bandages, stretching and cupping.

The organizational structure of the company is a functional type, this type of organization is used because it is the most advantageous, providing a high specialty and a faster direct communication with each department and its performance on only this specific activity. In the figure below the organization chart is shown in detail.

Commercial Purchase department Purchase department Direction department

Figure 1: Organization chart of the company

The marketing department of the company is explained next, including a diagnosis of the activities according to marketing decisions that are developed.

The marketing department is one of the most important of the company and its goal is to find the market they go and serve in the best way possible. It is composed of two people, both perform the following functions:

- Address the market research; searching, identifying and analyzing business opportunities. These contributors seek with this, feature to find the problems, changes, trends and desires in the market.
- Analyze buyers; analyzing their needs, preferences, tastes and buying behavior. The contributors to this function design strategies to meet the tastes and needs of customers.
- Analyze competition; implying diagnoses your experience in the market, target audience, market share, sales volume, competitive advantages, strengths and weaknesses. This task allows managers better understand the competition and develop strategies to compete with them.
- Implement strategies; organizing tasks required to implement them, distributing resources and coordinating activities.

3.1.2 Marketing Resources

3.1.2.1 Product/Service

Kercas Internacional not only offers beauty and health products; but it also provides additional services to their customers, such as training and advice on the technician service and appliances once they buy the equipment, transportation is included in the price, free financing and one year equipment warranty. And as a future project the company will implement the aftersales service, which will be depending on the type of equipment; there will be after-sales basic, medium, large and premium service. Therefore, the range of products offered by the company corresponds to the products that are added to some services tangible to assets.

With regard to products, Kercas International offers a range of aesthetic and health appliances, among which we find facial equipment, cryolipolysis, diode laser, dermabrasion, electro stimulation, light therapy, detox, etc.



Image 1: Machines commercialized

Source: Kercas International.

Then we will classify these products based on different criteria. According durability, that is, the duration of use of this equipment; the products offered by this company are durable goods, since they can be used for a fairly long period of time and usually last several years. According to the type of user, that is, the group in which the product is divided; we can say they are finished industrial goods, because they're bought for further processing.

On the other hand, to better understand the range of products offered by the company, we will produce a mixed analysis, predominant to the portfolio, product lines, amplitude, the length, the depth and the consistency.

As for the portfolio, we refer to all equipment lines on offer and have homogeneous characteristics corresponding to a certain category of necessity. This company offers a range of products; aesthetic and health appliances.

The product lines are related groups with a common brand that are marketed in the same target market. Therefore, Kercas Internacional has two lines of products, aesthetic and health, so its amplitude is focused on these two lines. Each, are composed of different product models, as shown in the table below:

Table 1: Product range

AESTHETIC	HEALTH
Cryolipolysis	Hair regenerator
Vacum	Scale MD
Electroporation	Dermatological roller
● E-ligh	Ultrasonic
• IPL	Detox
Dermabrasión	Quantum Analyzer
Dermapen	
• SHR	
Ozone therapy	
Led phototherapy	
Fractionated laser	
 Pressotherapy 	
Lipolaser	
Radio frequencies	
Multifunction	

Source: Self preparation.

Knowing the depth of each line, the length of the product portfolio is obtained from the company, by adding all references in the proposed lines. Therefore, the company maintains a length of 21 products.

Finally, with regard of consistency, the product portfolio is enough consistent, because their relationship to the various teams is high, because all assets are marketed and distributed industrially, and they pass through the same distribution channels.

After analyzing the product portfolio, the brand of the company is analyzed through which we can identify, distinguish and protect the seller of a product or service. Its main components are the name and logo, the brand name of this company is "Kercas Internacional"; and employing the company logo to distinguish their brand is what we will see in the image below; the goal is to identify and remember guickly and easily the brand of the company.

kercas internacional

Image 2: Logo of the company

Source: Web Kercas Internacional, 2015.

Kercas Internacional employs a unique brand strategy, because all products that it sells come on the market under a unique brand. Applying the principle of strategic marketing identified by Kotler (2012) the aim of this strategy is to offer a strong image to the client.

3.1.2.2 Price

Kercas Internacional tries to fix its prices so that good value is given. Therefore, the price of this company reflects the added value customers receive when purchasing the product.

Therefore, the company is in a highly competitive market, the method of pricing that follows is to provide competency-based prices, and in turn these prices are higher than the acquisition of the equipment.

Kercas Internacional prices are lower than direct competition, but always keeping the best quality products; this happens because they carry only a small margin from the sale of each performing machine. The goal of this company is to attract the most attention of all its customers, causing them to continue to buy their products and services, and thus get loyalty by offering the best of services.

The company applies two pricing strategies, the geographical and differential price. The prices are fixed by geographical proximity in which they find their buyers, including transport costs in the final price. This price is only included for domestic customers. With regard to differential prices, the company makes quantity discounts only to buyers dedicated to the distribution of appliances, both domestic and international. In this manner it reduces the unit price of equipment to buy an amount higher than normal. In the following table you can see the prices that currently Kercas Internacional offers to its customers.

Table 2: Prices and costs appliances

Appliances	Unit Price Sales (Up) €	Unit Cost Purchase (Uc) €
Multifunction largest	4,300.00	2,800.00
Radiofrequency	5,000.00	3,400.00
Cryolipolysis	6,850.00	5,100.00
Dermabrasion	2,150.00	800.00
IPL/ E-light / SHR	4,500.00	2,800.00
Led phototherapy	1,400.00	300.00

Source: Self preparation.

3.1.2.3 Distribution

In this section, it's analyzed as the company makes the product available to organizational customers, with intent to supply the demand for the desired amount and when the customer needs it.

The distribution made by the company is as follows; first, the company takes orders for equipment manufacturers (suppliers) based on purchases made by customers before and after the equipment is stored to reach the company. The delivery company collects goods in the company to carry to different customers. It's important to say that the company does not have a physical store where customers can go to buy their products directly.

On the other hand, the distribution channels are detailed. As the company makes its equipment sales both aesthetic and health in clinics and centers, like distributors of aesthetic and health appliances; it concludes that the company has two distribution channels, which are explained in the figures below:

Figure 2: Distribution channel 1



Source: Self preparation.

First, the company uses a distribution channel 1. In this case, the company is aimed at professionals such as clinics and beauty salons and health; taking the wholesale role selling their products directly to them.

Figure 3: Distribution channel 2



Source: Self preparation.

Second, the company uses a distribution channel 2. In this case, the company also takes the wholesaler role, selling their products to intermediary companies, which resell or rent the products to professionals in this sector.

3.1.2.4 Promotion

The two tools of communication used by the company are advertising and direct marketing.

Advertising:

First, the company has its website, which has the following domain "www.aparatoestetica.es"; its main function is to have a high visibility and accessible to all stakeholders. On this platform or online store, you can find: all products offered by the company with a description, features, photos and prices of each product; also showing catalogs of equipment in shorter form; company data; services provided; cart; and sections for all customer consultations. Considering that it's a company that targets domestic and international customers, the website is in Spanish and three other languages.

Image 3: Web portal of Kercas Internacional



In addition, the company also discloses its products through advertisements in different websites, free or paid form; where interested professionals can have all the visible information from each team in each of its categories and contact with the company via immediate message.

In another way, there is a strong tendency to use social media such as Instagram, Twitter and Facebook, because they are huge sharing information rooms where users share with others all their activities our company attaches great importance to being recorded in these social networks, and this way become visible to others for free.

In addition, Kercas Internacional is registered in the list of the Chamber of Commerce of the Spain sector, where interested in this sector; i.e. aesthetic and health professionals can meet the company acquiring that list making the payment of a minimum amount. Finally, Kercas Internacional attends trade fairs, both aesthetic and health, is one of the main pillars of corporate communication; as this allows you to reach all interested professionals in this sector, thereby generating many business opportunities. This activity is conducted only in Spanish territory.

Direct marketing:

The company conducts telephone sales to all customers. In this case, the seller informs to clients about all products and services there are in the company, telling them how they can meet your needs. It is important that employees are properly trained and qualified to perform good sales, as they seek to provide a quality service to all customer loyalty.

In addition, sales made through emails, through which a small advertising company will be sent to all customers who are in a database made earlier, including in this message a small catalog of all products and data of the company, so that in this way the future clients can know the company and if interested contact.

3.1.3 Financial Resources

As shown in table 3, the flow of sales and historical costs of the years 2011, 2012, 2013 and 2014, where it is possible to appreciate a tendency of constant growth and where the utilities also maintain the same growth.

Table 3: Flow of income and historical costs (Euros)

Sales 3,704,880.00 4,149,465.60 4,647,401.47 6,174,800.00 Multifuction 626,940.00 702,172.80 786,433.54 1,044,900.00 Radiofrecuency 747,000.00 836,640.00 937,036.80 1,245,000.00 Cryolipolysis 1,085,040.00 1,215,244.80 1,361,074.18 1,808,400.00 Dermoabrasión 332,820.00 372,758.40 417,489.41 554,700.00 IPL/E-light/SHR 718,200.00 804,384.00 900,910.08 1,197,000.00 Fototerapia led 194,880.00 218,265.60 244,457.47 324,800.00 Costs 2,378,208.00 2,663,592.96 2,983,224.12 3,963,680.00 Costs 2,341,128.00 2,622,063.36 2,936,710.96 3,901,880.00 Variable Costs 2,336,520.00 2,616,902.40 2,930,930.69 3,894,200.00 Insurances 360.00 403.20 451.58 600.00 Fixed Costs 2,520.00 2,520.00 2,520.00 2,520.00 Services (light, water, internet, telephone). 1,440.00		2011	2012	2013	2014
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IPL/E-light/SHR	Cryolipolysis	1,085,040.00	1,215,244.80	1,361,074.18	1,808,400.00
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Utilities 1,326,672.00 1,485,872.64 1,664,177.36 2,211,120.00	Utilities	1,326,672.00	1,485,872.64	1,664,177.36	2,211,120.00

3.2 CAPACITIES OF THE COMPANY

By analyzing the resources and capabilities, it's to identify the potential of the company to see where it could establish a competitive advantage.

3.2.1 Organizational capacities

Tangible: They're easier to identify and can distinguish between the financial assets and physical assets:

- a) Financial: the company has external and own funding. External funding is due to loans that banks ask, and income from other business. And the own funding or selffinancing due to the income from the high number of sales.
- b) Physical: within the company is a specialized room for training courses to interested clients, where have all the necessary tools and resources for learning. It also has a large warehouse located at the end of the local of company, where the machines ordered and bought by customers are deposited.

Intangible: the characteristics of these resources make it more difficult for the competitors to copy or obtain, and can distinguish human resources.

a) Human resources: staff of the company has great abilities, skills, knowledge and experience in the sector. We emphasize the formation and leadership of the manager.

3.2.2 Distinctive capacities

This section describes the ways in which an organization stands compared to its competitors, that's, how Kercas International is different from other companies. Therefore, the distinctive capabilities of the company are:

- The company differs mainly in which it commercializes its products; this is due to that the margin of profit per computer sold within the price is low.
- The professional support provided by the company. This is due to the company
 manager is a professional in this sector because he has a health and aesthetic clinic,
 which uses all kinds of health and aesthetic appliances. This provides experience and
 knowledge to advise all their customers.
- Finally, in order that the company further differentiate its competence; in a few months they will implement a quality control system for each of the machines that are in the warehouse; getting with this complete loyalty to their customers.

4. EXTERNAL ANALYSIS

4.1 MACROENVIRONMENT

4.1.1 General analysis of the environment (PESTEL analysis)

To perform the analysis of the general environment, we will use the PESTEL analysis, by this diagnosis may determine the threats and opportunities that the company faces under study. The four factors that are included in this analysis are the political, economic, technological and socio-cultural.

Political factors

Political variables that are related to the following aspects

- Political situation

According to information collected by the International Institute of Political Science (2015) the political situation being experienced by Spain is considerably complicated, troubled and in need of a deep change. With almost total estrangement between politicians and citizens, the citizen feels misunderstood, oblivious to political life, as if a usable item at specific moments such as elections. This type of events that are controversial in Spain, are due to create uncertainty in the final customer of the company Kercas Internacional, however, the company targets its products to business customers, which could be affected by these policy changes also they create uncertainty in the client who comes to clinics or health centers.

- Political forces

Due to anything positive events that are in the economic field, political forces in Spain and directly in the community of Valencia kept much uncertainty ahead of the general elections to be held in the coming months; however, the Partido Popular (PP) and Partido Socialista (PSOE) remains the most votes, but not anymore regions and municipalities almost exclusively be distributed, as usual did, with the exception of the bastions of the left and nationalist power centers. The two traditional parties will have to count from now on the power sharing with the different incarnations of the circles of anti-austerity Podemos (Political party) and the more centrist Ciudadanos (Political party) (website of the BBC, 2015).

- Economic policy

The instruments of economic policy in Spain have been aimed at strengthening the economy and reducing public debt. The task for the Spanish government is not easy (Bank of Spain, 2015). In the case of Kercas Internacional Company, which has customers in the European Union, economic policies could affect the level of sales, although in other Member countries, inflation is down, this should be taken into account prices policies from the company.

- Industrial policy

According to the Bank of Spain (2015) in the industry, qualitative indicators have continued to show a positive trend in the first two months of the year. Thus, the manufacturing PMI increased its expansionary stance in late 2014, driven mainly by the industries of capital goods and intermediates, while the confidence indicator in manufacturing prepared by the European Commission, registered modest additional advances led by the expectations component production for the coming months. Among the quantitative indicators, the growth rate of the industrial production index (IPI) in terms of the rate of change between the three-month period ending in January and the preceding three months, registered a light increase, concentrated in the non-energy intermediate goods and, above all, energy. This scenario provides us the report of the Bank of Spain is favorable for the Kercas Internacional company, because it shows consistency between economic recovery and the situation of the industry in Spain.

· Economic factors

In this point, first we will discuss about the financial crisis that affected the economy of Spain; and then about factors such as the Gross Domestic Product (GDP), which is the best indicator to analyze the strength of an economy; and the Unemployment rate, which is a completely important variable for the situation where it is the Spanish economy.

The Spanish economy has gone from being one of the five biggest in the world, to have a recession along with other EU economies such as Portugal, Greece and Ireland. In recent years huge changes have occurred affecting the economy. The economic crisis which began in Spain started in 2008, but a year later when in fact is manifested with great intensity.

Before the crisis, Spain was in a lot of growth, based on two well-known sectors, tourism and construction. After the explosion of the housing bubble with subprime mortgages in the US, the Spanish economic system was altered. The construction sector was affected by the banking system by dragging the all national economy.

Little positive news has occurred since the outbreak of the financial crisis in 2008. Spain still immersed in an economic crisis, where the disadvantaged sectors are suffering the most. With regard to the unemployed; according to data from the Labour Force Survey (LFS) in 2014, Spain may be showing recovery.

Although you can see that the labor market in Spain has a recovery trend, still time to levels before the crisis situated recover. Regarding the banking sector, it has gone from suffering significant falls and being rescued by European funds in 2014 to successfully pass the tests of the ECB. The Bank of Spain is in restructuring and recapitalization by the Memorandum of Understanding (MoU) with the European authorities agreed in July 2012 to restore confidence, stabilize the sector and place it in a stronger position for the future. This panorama directly

affects to Kercas Internacional, because sales could be affected to the extent that the recovery will not be capitalized however, there is some positivism to reduce financial problems.

Map of Spanish companies affected by the economic crisis, exhausted all financial resources accumulated in the time of expansion of the economy has grown in 2014, have now been without the possibility of financing in most cases, and many companies are increasingly more asphyxiated reaching a large number of them to bankruptcy. The large Spanish companies which are not able to recover, it had been forced to perform "ERES" or simply having to close the company, leaving thousands of people unemployed.

Gross Domestic Product (GDP)

Is an economic indicator that reflects the total production of goods and services associated with a country over a certain period of time. This variable is used because it helps you see more generally if a country's economy is growing or not. For easier analysis, the data are displayed as percentages both in quarterly and annual variations.



Graph 1: Gross Domestic Product (GDP)

Source: Self preparation. Data: World Bank.

Using Graph 1, we noticed how it has changed the GDP in Spain. In the year 2013, you can see that Spain started to improve but with negative growth. In the first quarter of 2014, the Spanish economy has improvement in its evolution both quarterly and annual; growing up 1.4% compared to the previous year. It is a rate of 26 tenths more than 2013, which was - 1.2%. This means a great economic recovery, i.e. a process out of the recession since the crisis (World Bank, 2015).

In 2014 Spain became the economy number 14 in the ranking of the 183 countries published in the GDP; it is due to the fact that the figure of the GDP was €1,058.469. And if we talk about the absolute value of the GDP, in Spain grew €9.288 compared to 2013. It is the first year in which the economy closed with a positive annual rate after the declines in previous years. This situation allowed them to increase the employment, which increased by 0.7% in 2014.

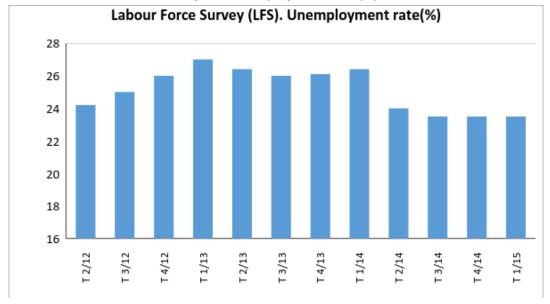
This economic improvement has been aimed at sectors of activity and the financing costs of the country, which has been able to offer the investors interests more low, placing almost 136.700 million throughout the year. It should be emphasized that the Government has offered negative interests by the letters and the interest the bond below 1.70%.

Summarizing the above, Spain is on the right track and it is very possible that this year the GDP was promoted above the official forecast (2%). It is intended to create more than 800,000 jobs and increases are reviewed of figures by the developments in oil prices and their positive impact on the Spanish economy.

Unemployment rate

It's the variable that includes labor force that is unemployed. As you can see in the graph 2, in the first quarter of 2014 shows a slight increase in the unemployment rate to comparison with the last quarter of 2013, from 25.7% to 26.4%. But in the second quarter of 2014 occurs a decrease in unemployment rate from 26.4% to 24%. This data indicates that Spain is located on a road to recovery.

In the third quarter of last year, the number of unemployed persons decreased by 477.900 to reach 5,457.700 unemployed; with an unemployment rate of 23.7%, a point below the forecast of the Government. For effects of the Kercas Internacional Company, a slow recovery of the purchasing power is appreciated, what is encouraging since the final client would go with major frequency to the clinics or medicals centers where the services are offered.



Graph 2: Unemployment rate (%)

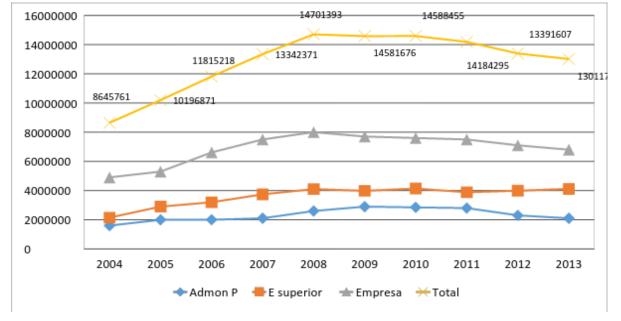
Source: Self preparation. Data: INE - "World Bank".

While are occupation increases and decreases in unemployment rates, to Spain still time is to regain its pre-crisis situation. In 2007 before the crisis, Spain had 20.7 million people occupied compared to 17.5 million people occupied at the end of 2014, and with one turnover of less than 2000 unemployed compared to 5.4 million people who have no work in the last year.

Finally, the Group of people most affected was that of young people aged 16 to 24, many of them to finish their studies have been forced to leave their country and seek other opportunities in other countries. Youth unemployment has declined in 31.600 people and is situated in 782.100, according to data from the Labour Force Survey (LFS).

Technological factors

With regard to technological factors, analyzed the total expenditure on I+D of all the companies at the national level. It's known that Spain is little innovative, global technology inputs that have been given only in the country have been approximately 1.6%. In the next chart you can see that before the economic crisis, the spending on R+D reflected growth, but in recent years shows a decrease in a sector that is so important for the competitiveness and productivity in the economy of a country.



Graph 3: Evolution of expenditure on R+D (thousands of euros)

Source: Self preparation. Data: INE - "World Bank".

In the year 2013, total domestic expenditure on research and development amounted to 13.012 million euros, a decrease of 2.8% over the previous year. If we refer to the sector, the business sector symbolized with 53.1% one of the highest percentages of the total expenditure on I+D, but down 2.6%. The expenditure in the Higher Education sector declined by 1.8%, representing a 28.0% in total expenditure on I+D. On the other hand, the Public Administration sector noted an expenditure of 18.7%, decreasing its spending by 4.7% over the previous year. While the remaining 0.2% is represented by private non-profit institutions.

The sector that made the internal funding on I+D was the business sector with a 46.3% and public administration continued with a 41.6%. Meanwhile, the whole of persons who are dedicated to I+D activities were of 203.302, for a full day in the year 2013, which symbolized the 11.9% of total employed population.

The autonomous communities which interpreted growth rates in expenditure for research and development with respect to 2013 were the community of Madrid and Extremadura. That represented major declines were Cantabria, Castilla la Mancha and Castilla y León. Total expenditure on I+D in the Valencia Community in all sectors is 998.399 million euros. Finally, the companies in the services sector represented in expenditure on business I+D a 49.9%, for his part of the Industry indicated 47.5%.

· Sociocultural factors

Health tourism in Spain is one of the socio-cultural factors of widespread impact and that positively affects the interests of the company International Kercas. According to a report provided by the Wordpress (2015) "health tourism can be the key to the Spanish economy in the coming years. Our health is considered as one of the best in the world. And additionally,

Spain is the fourth country in reception of tourists in the world". The health tourism involves two industries, health and tourism, which have traditionally been united little, and includes a wide range of health services. For that health tourism takes place, the reason for the trip must be the search for health services, can be to reduce the stress, thermal treatments or even more complex procedures in a hospital.

Another of the factors that influence in a positive way for the company Kercas International, is that Spain meets all the conditions for the tourism market of health grow exponentially and the volume of business of the sector, that round of EUR 140 million for year, reaching 500 in 2015, according to Carlos Rus, general secretary of the cluster of Spanish Tourism and Health. For users of the health tourism can be offered in Spain from a bariatric surgery to a cancer treatment, a check or dental care; as Rus, the most common are those related to the dental, ophthalmology, aesthetic surgery and assisted reproduction. The above becomes one of the opportunities for greater impact for the Kercas Internacional Company.

4.1.2 Analysis of the sector

The Kercas International Company is located in the marketing sector of medical equipment geared specifically for the health and aesthetics. By what is most important to analyze the aesthetic sector. From 2012 it is observed that in Spain there are about 5,000 centers of aesthetic medicine authorized, a 20% more than the previous year, according to data from the Spanish Society of Aesthetic Medicine (SEME), that emphasizes that it is a sector that is "creating jobs" and, at the same time, it is affected by the "intrusion" of other centers and specialists that operate without training (Infosalud.com 2015).

In relation to the franchises that is also an important market that competes directly with the Kercas Internacional company, has to be the aesthetic industry franchise in Spain consists of approximately 3,000 companies that give work to more than 30.000 persons of direct form, and to more than 7.000 of indirect form. 60% of the managerial textile is composed by small and medium-sized enterprises founded with exterior capital and with an organizational structure of familiar type. One of the advantages of this sector is that a place of big dimensions isn't necessary to open an establishment, approximately 40m2 are sufficient depending on the specialization that it is about to develop (Franquicia.net, 2015).

Another aspect to take into account in the analysis of the sector is the average number of locals, as noted in Efsalud (2015) in Spain there are 3.584 of aesthetic medicine centers, of which 2,150 have a single point of attention (60,39%). By autonomous communities, Andalusia with 609 centers (17%) is the one that is provided with more Aesthetic Medicine Clinics. It was followed by the Community of Madrid (16%), Catalonia (15%) and the Valencia Community (11%).

Likewise, Efsalud (2015) also notes that specific treatment, the most offered in Spain is the "localized adiposities" (1.920 census centers). Secondly, there is the "laser hair removal" (1,875 points) and in third place the treatments of "facial rejuvenation", which is offered in 1.463 centers of the census. The most popular treatments are the face and the body. 63.8% of the users of aesthetic medicine applied a body treatment and a 57.5% a facial treatment. Spaniards spend around one billion euros for year in aesthetics (medicine and surgery). More than 8 million women and 2 million men claim to have made some kind of treatment.

4.2 MICROENVIRONMENT

4.2.1 Reference market

The reference market is the set of substitute products that satisfy a specific need of the full group of potential buyers. It only pursues to meet a need and for this unique need it analyzes all potential buyers and all possible technological alternatives that may be encountered in order to satisfy such need.

Kercas International Company covers two needs, **beauty and health**. On one side, covers the beauty need because through the esthetic appliances it can make treatments aimed on achieving the beauty of people, for example: photo-depilation, facial and body treatment and liposuction without surgery. Highlights the technological alternatives such as beauty centers, cabinet aesthetics, beauty appliances, beauty products, hair salons, gyms and spas.

On the other side, the company covers the health need, because through the health appliances it can make treatments aimed on health care and improvement, such as: skin detoxification, lymphatic drainage, massage, physiotherapy, among others. In between the alternative technologies that stand out are: physiotherapy centers, massage, health appliances, welfare and beauty, rehabilitation, physical activities and spa.

The group of customers to stand out for both markets are organizations. For the need for beauty, the organizations are: aesthetic centers and clinics, and aesthetic appliances distributors (intermediaries). Regarding the health need, the professionals are: health centers and clinics, and companies engaged in the distribution of health appliances. The graph 4 below illustrates the dimensions mentioned above:

HEALTH BEAUTY Public Public Particular Enterprise Sector Sector Particular Enterprise Physical therapy Center Beauty Center Masages Aesthetic Cabinet Health appliances Aesthetic appliances Wellness and Beauty Beauty products Rehabilitation Hair Salons Physical activities Gym Spa Spa

Figure 4: Kercas Internacional en el Modelo de Abell

Source: Derek F. Abell. Defining the Bussiness: 2009.

4.2.2 Competition Analysis

An analysis of the competition will take place from the perspective of customers through competition levels. Therefore, Kercas International competition is divided as follows:

- Competition by product form: it regards the companies that are competitors because the products and services they offer have similar attributes and cover the same need to the same market segments as those of Kercas International. In this case, we can find competitors at this level such as Quirumed, Esbela, Siscopel and Daevipestética; which sell and distribute aesthetic and health appliances.
- Competition by product category: this division includes companies that offer similar products or services as those of Kercas International, but not the same, either they lack an attribute or have different variations. We can find as competitors at this level to companies that distribute and sell any esthetic and health appliances, and that target other segments, such as private and public institutions.
- Generic competition; regards the companies that cover the same needs as those of Kercas International. We can find as competitors at this level to companies that distribute and sell a variety of products which can replace Kercas International's, such as the ones for treatments and natural products, beauty products, cosmetic materials, facial lotions, gym equipment, hair salons and hospitals.

Find below a brief description of the companies competing at the same level as Kercas International by product form, and also in table 4, details the weaknesses and strengths each presents.

 QUIRUMED: is a company located in Valencia and is in the business of selling, commercialization and distribution of appliances, medical supplies and related health and aesthetic products.

This company offers a variety of services, such as: official warranty, own technical and post-sell services, medical and health products specialists, licenses for medical products sales, personalized attention by telephone in 12 languages, multiple payment and financing options, products in stock with immediate shipping, invoice delivery including IVA tax and special service for national and international distributors.

• **ESBELA:** company with experience in sales and rental of medical-aesthetic appliances. They feature the latest innovations in aesthetic devices.

The main services offered by this company are: free shipping, training, replacement of appliances, advertising pack, personalized post-sales services, warranty for two years, financing and professional technical service to resolve any problems that may arise.

• **SISCOPEL:** Siscopel is a store where you can find aesthetic appliances novelties. Its main office is located in Valencia.

Regarding the services offered by the company, it can be found: information on the tastes and trends of the moment, unique store, professional training, technical assistance, parking and new technologies.

• **DAEVIPESTETICA:** aesthetic appliances distributor. Its main office is located in Valencia.

Daevipestetica offers the following services: technical support, training and permanent clinical advicing, 365-day post-sales and warranty, appliances replacement, maintenance and supplies for life, advertising support and marketing, sale and rental appliances, Renove plan and financing.

Table 4: Competitors' weaknesses and strengths

COMPANY	STRENGTHS	WEAKNESSES
QUIRUMED	 It has a physical store where products are visible to customers. Medical technician guarantor. Special equipment. Wide range of products. 	High prices.Transportation cost is not included in the price.
ESBELA	 Equipment rental with purchase option. Free shipping. Replacement of appliances. Training at the aesthetic center site. 	High prices.It does not have a physical store.
SISCOPEL	- Experience in the sector It has physical store.	Non-free shipping.No financing.
DAEVIPESTETICA	- Renove plan. - Appliances maintenance for life.	It does not have a physical store.Low products' quality.Price without IVA tax included.

4.2.3 Demand Analysis

In this section we will present the demand analysis. Demand is the total volume of the product that would be acquired by a market in one fixed place and time, for determined environment conditions and commercial effort (Kotler, 2006).

The European health industry technology consists of about 11,000 companies that generate sales up to 72,600 million euros and employ around 529,000 people, according to EUCOMED (European Medical Technology Association) data. Spain ranks in a high position with a market size of 8,300 million euros, giving direct and indirect employment to about 32,000 people.

Spain is part, along with Germany, UK, France and Italy, of the five countries representing 75% of the European market. Germany and the UK, together, account for 44% (28% and 16% respectively), followed by France (14%) and Italy (8.7%).

By 2014, the Spanish supply of medical equipment is made up of 720 companies of which 520 are manufacturers. In terms of size, over 90% of firms in the sector are SMEs, although a few large companies (8%) group accounts for 57% of production value.

The Spainbusinee.com magazine (2014) indicated that thanks to the strong investment in R & D that the sector has developed, around a 3% of total sales (225 million euros) a large group of SMEs has achieved in recent years a high level of technology and quality products. This fact has allowed them to position themselves in international markets, even against multinational companies that dominate these markets, in subsectors such as electro-medical and surgical instruments.

Geographically, production is concentrated in the regions of Catalonia (42%), Madrid (30%), Valencia Community (11%), Basque Country (4%) and Andalusia (4%).

4.2.4 Segmentation

Segmentation is the process leading to the identification of those consumers with homogeneous and heterogeneous preferences among themselves in order to select those most attractive segments for the company.

According to industry analysis structured in table 5, according to the Abell model, the company segments its customers into four organizational groups; health centers and clinics, aesthetic centers and clinics, aesthetic appliances distributors and health appliances distributors. The

criterion used to perform this segmentation has been based on the products offered by the company, in this case, Kercas International offers aesthetic and health appliances.

Table 5: Market Segmentation

	Health centers and clinics	Health appliances distributors	Aesthetic centers and clinics	Aesthetic appliances distributors
Health appliances	х	х		
Aesthetic appliances			х	х

Source: Self preparation.

Each segment mentioned above is valued by its features and customers they target to:

- Health centers and clinics: companies aimed at health care of the population. They
 buy health appliances for treatment such as: skin detoxification, lymphatic drainage,
 massage, physiotherapy, among others. These companies focus their activities on end
 customers.
- Aesthetic centers and clinics: companies that offer their customers treatments for beautification, skin conservation and hygiene, with the aim of promoting a healthy image and welfare of their customers. They buy aesthetic appliances for use of end customers.
- **Aesthetic appliances distributors:** intermediary companies that buy in quantity the aesthetic products to resell or rent them to aesthetics centers or clinics.
- **Health appliances distributors:** intermediary companies buy health appliances in quantity and then resell or rent them to health centers or clinics.

The segmentation variables taken into account for these groups of companies are:

- **Company characteristics:** based on criteria that describe the organizational profile customers. These clients varies widely within the EU where the SME is defined as an enterprise which has more than 250 workers and a volume equal to or less than 50 million euros. Within this business segment, the EU distinguishes among micro

enterprises, if less than 10 employees; small enterprises, if their workforce is between 10-49 workers; and medium enterprises, the ones with 50 to 249 employees.

- **Buying behavior**: this variable is very important for the company because it is used to develop a strategy to contact organizational customers by the way its shopping center works, frequency and volume of its purchases. In this case, Kercas International has customers who buy small amounts of product often or from time to time, which is the case of clinics and centers; customers who buy products in quantities every so often, which is the case of the intermediary companies (distributors); and finally customers who ever bought and did not request the products anymore.
- **Benefit sought:** in this division the company classifies its customers according to the type of industry or the end use given to the products. Kercas International customers are the aesthetics and the health sector; and end use that give their products are different; centers or clinics use the appliances for final consumers, and intermediary companies (distributors) use the appliances for resale or rent to other companies.

4.2.5 Target market

The target market is related to the segmentation, and as explained in the previous section, the target market to which Kercas International is going to offer its products and services to meet their needs is composed by organizations and is divided into the following groups:

- Aesthetic centers and clinics.
- Health centers and clinics.
- Aesthetic appliances distributors.
- Health appliances distributors.

Their workplaces are located both nationally and internationally. These organizational customers tend to be more demanding when buying because they buy in a greater volume, and considering the market research developed for this plan and to be presented in a different section, it can be seen that most customers prefer quality before price as the main attribute for the acquisition of the products.

4.2.6 Coverage strategy

After assessing the target market that Kercas International Company attends, now the coverage strategy will be analyzed, which is how the company addresses its customers.

The company does not only sell one type of product or addresses a single target segment, on the contrary, depending on the segment it offers types of aesthetic and/or health appliances, which follows a **differentiation strategy**.

The company applies this strategy because this way it approaches the target market with tailored products to the needs of each market segment. In table 6 below it can be seen the business segment to which Kercas International Company aims to, distinguishing two customer groups or segments which are not within the coverage of the company.

Health Health Aesthe Aesthetic **Particulars** Healthcare centers appliances tic appliances centers and distributors centers distributors (Spanish clinics and Government) clinics Health appliances X X **Aesthetic** X X appliances

Table 6: Coverage strategy

Source: Self preparation.

4.2.7 Positioning

Positioning is the last step of the segmentation process. Once the company has identified the market segments, it has valued and ultimately selected, it is time to position in the chosen segments. Positioning is the image that a product occupies in the minds of customers (Kotler 2006).

For this explanation, a positioning coordinate plane is shown in graph 5, which has been performed in order to show the image that customers have about Kercas International with respect to its main competitors (Quirumed, Esbela, Siscopel and Daevipestetica). Thus, two positioning variables have been defined:

- **Prices:** the company sells its products through the Internet, thereby reducing the final product prices. It offers its products at low prices and always ensuring their quality, so that all their customers perceive that the products relate quality / price.

 Quality: the quality of the company refers to the advice provided by the expert personal, all the services and the post-sales design products with the intention of creating value for customers.

Price

Pr

Source: Self preparation.

In conclusion, the objective of the company is to position in the minds of customers as the best choice of aesthetic and health appliances, meeting their needs, offering good service and quality products at low prices, thus winning the battle to competitors.

5. MARKET RESEARCH

5.1 RESEARCH OBJECTIVES

The overall objective of the research is to know the perception they have about the company Kercas international corporate clients and preferences that take into account when purchasing appliances for aesthetic and health. To comply with the proposed objective, the following specific objectives are summarized:

- To know the type of business that prevails in the sector to which the company is oriented and to establish a profile of the client.
- Know the importance that has the variable price for customers.
- To know the perception of customers about the quality of the products.
- To know the channels that are used for the purchase of products offered.
- Set the level of preferences that have the clients facing a range of features.

5.2 METHODOLOGY

To develop the mentioned study and achieve the objectives set, an analysis of quantitative type has been realized, for which a questionnaire of 14 questions was applied to a sample 42 interrogated persons who are part of the target market of Kercas Internacional (N=42). The raised questions of closed type sound 13 and open is 1.

5.2.1 Technical detail of the investigation

Table 7: Technical details

Study Population	Data	
Population study	42 respondents of companies of the	
	sector, one for each one	
Data collection method	Structured questionnaire through	
	personal interviews	
Sample size	42 valid questionnaire	
Margin of error	P = q = 0.5	
Confidence level	95%	
Date collected	15 to May 30, 2015	
Tool	Structured questionnaire	

5.3 RESULTS

5.3.1 Analysis of results

In this section, proceed to describe the descriptive results of the questionnaire carried out a sample of 42 respondents (N = 42) which has been raised to a group of entrepreneurs who are part of the target market.

A) Type of business

In table 8, it is shown that 57.2 % of future customers surveyed belong to the centers and clinics of aesthetics, 11.9 % are centers and clinics of health, 21% of employers surveyed are located in the business of distributors of aesthetic appliances and 10% indicate be distributors of appliances in the health.

Table 8: Type of company to which you belong

	Frequency	Valid
		percentage%
Aesthetic centers and clinics	24	57.2
Health centers and clinics	5	11.9
Aesthetic appliance distributor	9	21.4
Health appliance distributor	4	9.5
Total	42	100.0

Source: Self preparation.

B) Knowledge of Kercas Internacional company by respondents

In Table 9, we see that 52% of respondents if they have knowledge of the company Kercas Internacional and 48% said not to know.

Table 9: Do you know company Kercas Internacional

	Frequency	Valid
		percentage%
Yes	22	52.4
No	20	47.6
Total	42	100.0

C) Customer of the company

According to data collection and table 10, 100% of respondents are not customers of the company, however 47.6% according to Table 9 indicate do not know the company.

Table 10: Are you customer?

	Frequency	Valid percentage%
Yes	0	0.0
No	42	100.0
Total	42	100.0

Source: Self preparation.

D) Prioritization before deciding to purchase

In the case of Table 11, 38% of respondents said they prioritize the price before making or prioritize the decision the acquisition of equipment or related assets, however, 62% quality prevails as main attribute for the acquisition.

Table 11: What priority before making the decision to purchase a machine

	Frequency	Valid percentage%
Price	16	38.1
Quality	26	61.9
Total	42	100.0

Source: Self preparation.

E) Importance of the price when choosing products

As we can see in Table 12, it is observed that 14% of respondents indicate that it is too important price by 31% very important, 48% said it is moderately important and 7% indicate that there is little important. It is partly concluded that the price is a key attribute to consider the proposal of marketing being done.

Table 12: How important is the price at the time to choose the products

	Frequency	Valid
		percentage%
Too important	6	14.3
Very important	13	31.0
Moderately important	20	47.6
Unimportant	3	7.1
Nothing important	0	0.0
Total	42	100.0

Source: Self preparation.

F) Influence of the quality of these products when choosing them

It can be seen in Table 13, the factor "quality" is also a major variable that customers take into account when making purchasing decisions machinery. To 19% is too much influence, 21% say it is very influential. 52% indicate that it is sufficiently influential and 7% determined to be of little influence. Associating with the previous question, the variable price and quality are the main characteristics that take into account customers for the purchase of machinery offered by the company.

Table 13: How much influence does the quality have on the products when you choose them

	Frequency	Valid
		percentage%
Too much influence	8	19.0
Much influence	9	21.4
Enough influence	22	52.4
Little influence	3	7.1
No influence	0	0.0
Total	42	100.0

G) Willingness to pay a higher price for a better quality product

Continuing with the analysis of the price, according to table 14, 38% of respondents indicate that they would pay a much higher price than the stock price they could buy on the market, provided that prevail machinery quality. 62% of respondents take issue with much more restraint.

Table 14: Are you willing to pay a higher price for a better quality product

	Frequency	Valid percentage%
Too willing	0	0.0
Very willing	16	38.1
Moderately willing	26	61.9
Unwilling	0	0.0
No willing	0	0.0
Total	42	100.0

Source: Self preparation.

H) Influence has the reputation of the company when choosing machines

Looking at table 15, it can determine that 36% of respondents make prevail the reputation of the organization to make the decision to buy the machines. 41% indicate that it is sufficient influence, 24% say it is of little influence. Therefore, partially it concludes that corporate image is hand in hand with other attributes such as product quality.

Table 15: How much influence does the reputation of the company has when choosing machines

	Frequency	Valid
		percentage%
Too much influence	0	0.0
Much influence	15	35.7
Enough influence	17	40.5
Little influence	10	23.8
No influence	0	0.0
Total	42	100.0

I) How important is a good image of the machine at the time of purchase

Confronting product quality and company image, as shown in table 16, 5% of respondents indicate that the good image of the company is too important, 43% noted that it is very important, 33% say it is moderately important, 19 % say that the good image of the company is unimportant. The features mentioned above are related to product quality and company image to complete the purchase of machinery.

Table 16: How important is a good image of the machine at the time of purchase

	Frequency	Valid
		percentage%
Too important	2	4.8
Very important	18	42.9
Moderately important	14	33.3
Unimportant	8	19.0
Nothing important	0	0.0
Total	42	100.0

Source: Self preparation.

J) Means used to search or research on machines prior to purchase

As for the means by which respondents are reported to the completion of the purchase of assets, 24% of people said they are reported using the catalog, 55% indicate they performed internet, 21% attend the physical store.

Table 17: By what means you search or research on machines prior to purchase

	Frequency	Valid
		percentage%
Telephone	0	0.0
Catalog	10	23.8
Internet	23	54.8
Physical store	9	21.4
Total	42	100.0

K) Why you prefer medium to effectively purchase of machines

When the client has decided to purchase, 17% of respondents indicated they prefer to buy telephone, 33% find it much easier to make the purchase via Internet and 50% concur to make the purchase on site Shop.

Table 18: By what means you prefer to make the actual purchase of the machines

	Frequency	Valid percentage%
Telephone	7	16.7
Internet	14	33.3
Physical store	21	50.0
Total	42	100.0

Source: Self preparation.

L) Post-sale service distributor valued more, after the purchase

Applying the Likert scale for measuring the characteristics of after sales service, we have that technical service and guarantee are the main elements that customers take it as first choice, in this order of priorities as a second option takes into account the return. Transportation ranks as third feature that customers considered. Training courses as fourth feature and finally financing is the final preference.

Table 19: List of 1 to 5 according to preference, What after-sales service more valued supplier, after making the purchase?

Preference level	Technical Service	Training courses	Transport Included	Guarantee	Return or Exchange	Financing
1	20			19	3	
2	16			20	6	
3	6		19	3	14	
4		9	14		19	
5		33	9			
6						3

M) What minimum life time must have thought that the machines? Indicate in years in the line below

In table 20, we can see that 11.9% of respondents indicate that companies should consider a durability of six years at most, 19% say that companies should consider a lifespan of seven years, for the 21% durability must be 8 years similarly another 21% indicate that nine years and 26% said they should be at least 10 years.

Table 20: What minimum life time must have thought that the machines? Indicate in years down the line?

Years old	Frequency	Valid
		percentage%
6,00	5	11.9
7,00	8	19.0
8,00	9	21.4
9,00	9	21.4
10,00	11	26.2
Total	42	100.0

Source: Self preparation.

N) Be willing to change their current supplier for another

In Table 21, we see that 7% of respondents say it is extremely likely change the current distributor for another, 41% indicate that it is quite likely, 33% somewhat likely consider, 7% mark him as unlikely and 12% confirm that it is not at all likely.

Table 21: Would you be willing to change the current supplier for another?

	Frequency	Valid
		percentage%
Extremely likely	3	7.1
Quite likely	17	40.5
Somewhat likely	14	33.3
Unlikely	3	7.1
Not at all likely	5	11.9
Total	42	100.0

5.3.2 ANOVA analysis

ANOVA analysis was used to try to identify significant differences between the most representative variables. To perform this analysis we have chosen as the main variable the type of company to which they belong respondents and as a continuous variable attributes prioritization of price and other attributes to make the decision to purchase the machine.

For this analysis, and as indicated in subparagraph (A) of item 5.3.1, the nominal variable is comprised by the following types of companies:

- Aesthetic centers and clinics
- Health centers and clinics
- Aesthetic appliance distributor
- Health appliance distributor

Table 22: ANOVA type of company and the prioritization of the price before making the decision to purchase a machine

	Sum of squares	gl	Quadratic average	F	Sig.
Between groups	15,874	3	5,291	1,517	,226
Within groups	132,531	38	3,488		
Total	148,405	41			

Source: Self preparation.

In table 22 about the type of company and the prioritization of the price before taking the decision to purchase a machine, you can appreciate that there aren't significant differences between the groups discussed to a level of 0.226, as it is higher than the level of significance (p>0.05)

Table 23: ANOVA type of company and company reputation

	Sum of squares	gl	Quadratic average	F	Sig.
Between groups	23,322	3	7,774	3,636	,036
Within groups	125,082	38	3,291		
Total	148,405	41			

In table 23 about the type of company and the company reputation before taking the decision to purchase a machine, you can appreciate that if there are significant differences between the groups discussed to a level of 0.036, as it is less than the significance level (p<0.05).

Table 24: ANOVA type of company and the willingness of companies to change distribution

	Sum of	gl	Quadratic	F	Sig.
	squares		average		
Between groups	26,965	3	8,988	2,054	,107
Within groups	121,439	38	5,827		
Total	148,405	41			

Source: Self preparation.

In table 24 about the type of company and the willingness of the companies to change distribution, we can appreciate that there aren't significant differences between the groups discussed to a level of 0.107, as it is higher than the level of significance (p>0.05).

Table 25: ANOVA type of company and influence of the quality at the time of purchasing a machine

	Sum of	gl	Quadratic	F	Sig.
	squares		average		
Between groups	16,966	3	5,655	2,038	,120
Within groups	131,439	38	4,458		
Total	148,405	41			

Source: Self preparation.

In table 25 about the type of company and the influence of the quality at the time of purchasing a machine, you can appreciate that there aren't significant differences between the groups discussed to a level of 0,120, as it is higher than the level of significance (p>0.05).

5.3.3 General conclusions of the investigation

In order to complete this analysis, you can set specific conclusions:

- According to the type of company, it is notable that the target market and where it has a
 promising niche market are spas and beauty equipment distributors. It is where can
 focus stars products for the company under study.
- Taking into account the cost leadership strategy the company Kercas Internacional applies in your business, it is concluded that 38% of respondents prioritized the price in their purchase intent. But even more, 62% quality prevails. So recommends to the company strengthening quality variable for businesses.
- Consistent with the above conclusion, 38% of prospective customers indicate they
 would pay a much higher price than the common price they could buy on the market, as
 long as a the machine's quality prevail.
- It is concluded for advertising media, the internet channel is the highest priority to the completion of the purchase by the customer.
- It is important to note that the respondents' distributor migration can happen, 41% said it is very likely and 33% considered somewhat likely.

6. SWOT ANALYSIS

Figure 4: SWOT matrix

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

Source: Self preparation.

Strengths

- Leadership brand of products sold

Allows the buyers preference, which has a positive impact on the positioning of Kercas Internacional.

- Coverage at the international level and wide capacity provider
 Guarantee the supply and availability of the product.
- Scale economies

Ensures the number of machines that demand, as well as providing it.

Vertical integration going backward and exclusive distribution
 It allows control over some providers.

Opportunities

- Market trend towards consumption of appliances equipment for beauty and health

Higher sales in the nature of a product and market growth.

- Increased health centers and clinics as target market
 - Generates greater purchasing opportunities and increases the frequency of purchases by these companies.
- Improvement of the Spanish economy

Triggering increased purchasing power of the final consumers who go to health and aesthetic centres.

- Growth and market consolidation in other EU countries

Possibility to gain greater market share and expansion outside of Spain.

Weaknesses

- Low Budget Marketing

Which does not guarantee carrying out actions and strategies.

- Weak investment in information systems

Which does not allow for extensive information about the market and the customers.

- Weak proposal of promotions and/or advertising strategies

Which weakens the company's presence in the market.

Threats

Income from competitors with low price strategy

It can generate a possible decrease in market share of Kercas International.

- Growth of competitors in the modern channel

Possible loss of positioning and negotiation power.

7. MARKETING STRATEGIES

In this set, will analyze the strategies that the company follows to increase its competitive advantage by offering more value to the customer that the rest of taking part companies.

7.1 GENERIC COMPETITIVE STRATEGY

Kercas Internacional applied price leadership strategy, since it offers its products at prices lower than the competition and is always highlighting the quality of the product and efficiency of service. Due to the years that the company has been on the market it can strengthen the market participation in relation to the competitors. Porter (2012) noted the following "as remuneration, deploy a low-cost strategy could involve large capital investments in cutting-edge technology, aggressive pricing and reduce profit margins to buy a greater participation in the market". This strategy is that until the time comes to him yielding positive results in terms of liquidity and profitability that lets you be sustained economically and financially.

7.2 GROWTH OR INVESTMENT STRATEGIES

The company follows a strategy of penetration in the market looking for and attracting new customers that do not require of their products or to customers of substitute products.

8. PROPOSAL FOR THE MARKETING MIX

8.1 PRODUCT/SERVICE DECISIONS

Proposal for the product: Proposed product diversification strategy, maintaining the current products. Kotler (2012) pointed out that diversification is the breadth of the company's products. With this strategy a company may increase its offer by presenting customers various products, whether they are related or not with the line of business. Proposes the company sell movable doctors as clinical beds, stretchers, screens, cars of cures, tables to eat, instrument tables, table operations, watchmen and showcases medical instruments. Due to this diversification the company will leverage fully their productive resources, because it will use your store and its staff to deliver furniture. These products will only offer to their current customers, since the idea is to implement a complete response to the clinics or health centers requesting proposals.

Proposal for customer service: As product image Kercas international who conveys the concept and the credibility of the same plans to work with a public personality whose profile reflects the lifestyle of the end customers of the target public, attributing the effective use of each team. Service differentiation is proposed for direct channels, proposes to hire the services of a Call Center that treats customers directly.

In terms of the definition formulated by Kotler (2013), according to which a product is something that can be offered to a target market, the acquisition, use or consumption that could satisfy a need, including physical objects, services, people, places, organizations, and ideas. To offer services will be focused on the international market, in this regard, the methodology shall be as follows:

a) Inbound

Attention to the customer providing the following services:

- Reception of orders of computers.
- Consultations and incidents.
- Attention to complaints and claims.
- Promotions of media and institutions of health care.

E Commerce:

- E-Mail and integrated chat channel.
- Guided navigation.
- Social networks.

Technological offer are: email, chat, text messages.

b) Outbound

Sales will offer the following services:

- Conclusion of visits.
- Update and database monitoring.
- Follow-up campaigns (mailing, text messages).
- Quality surveys.

Technological offer are: e-mail, chat and text messages, whatsapp, telephone and social networks as Facebook and Twitter.

The added value that will have the service offered by t Kercas International Company is based on applications, designs and solutions to customer's order.

The service will be subject to the needs of the client, whereas, will offer customized solutions, models and/or strategies based on the goals of the client's business. Intends to Kercas international structuring projects in exclusivity and propose models of equipment subject to the need for and objectives of the clients.

Benefits of the service:

The service has the following benefits:

- Professional and trained staff to give information
- Generates confidence in the client, attending the service that requires the company, without compromising its customers who consider themselves to be handled.
- The service will feature different presentations such as brochure, folders. In addition to the use and interaction of the website, blogs, social networks like Facebook and Twitter.
- Replacement of physical spaces for outsourced phone calls.
- It lowers the cost of the company through the Elimination of fixed costs.

8.2 BRAND DECISIONS

Brands elements

Differentiation: Kercas International is a unique brand and differs mainly by service specializing in the distribution of health and beauty appliances. Apart from the quality of all the products offered, the company differs by including a specialist in the delivery process, which trained and oriented to clients during the installation of the equipment (product performance).

Advertising needs to provide a brand differentiation, since the quality and importance come from the product. Advertising makes a difference when the performance of the products is similar.

- Familiarity: The target audience should be more familiar with this brand and understanding perfectly what it offers. Familiarity is much more than the awareness has to do with the involvement of mark, in such a way that it increases familiarity, correlates more strongly with the loyalty of purchase Kercas Internacional is a Spanish family company, caters to a niche market, which with the delivery of the product accompanied by a specialist you will feel that you know from the beginning the functionality of the machine.
- Relevance: This brand goes with my personality and satisfies my needs more than the others.

The relevance correlates strongly with the repetition of the purchase. It's most associated with the purchase. The quality and relevance come from the product itself; in this case Kercas Internacional loyalty customers satisfying all your needs, the best example of this is that for 6 years it has as clients to clinics, centers, beauty and health, most outstanding of the EU.

- Recognition: This is a very well-known mark. Word of mouth advertising is a powerful tool for marketing and the best advertising that we have over the years. Within the enterprise market, Kercas International is notable for being an exclusive aesthetics and beauty equipment distribution company mainly; this achieved fame has made taking currently projects to serve as equipment centers, among others. This fame and recognition has made it possible that more clients contact us directly to us for more important projects.
- Quality: This is a brand that is always high quality. For the construction of a brand, all kinds of marketing planning to position and other marketing efforts can be made, but nothing would serve marketing if it's that the product or service offered is of low quality. It's recommended to Kercas Internacional to proceed with the ISO 9001 to demonstrate the quality to organizational processes as a company.

Problems of brand identity

Refer to creating identity approaches that are excessively limited or tactical that lead to ineffective and dysfunctional brand strategies (David Aaker, Building Strong Brands: The Free Press, 1995, p. 54). The key to develop a strong brand identity is to increase its concept to include other dimensions and perspectives as seen in the following graph.

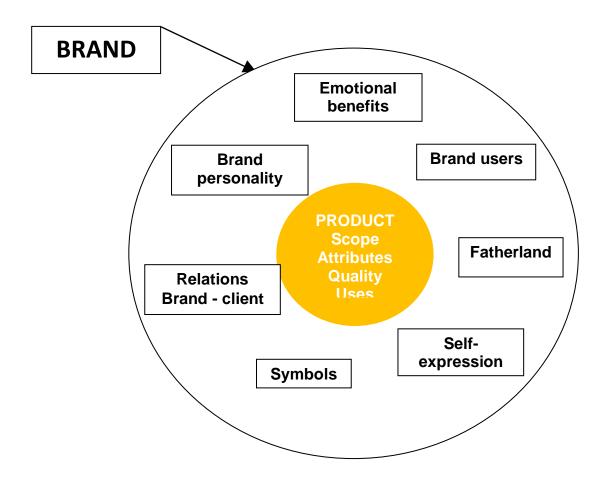


Figure 7: Features Brand concept

Source: David Aaker, Building Strong Brands (The Free Press, 2009)

As it indicates the graph 6, the brand will have to include the characteristics of the product and many other: •

- Brand users
- Fatherland
- Brand personality
- Symbols
- Relations brand client
- Self-expression benefits

It's proposed the redesign of Logo and Slogan of Kercas Internacional. The logo of the company was evaluated and it was considered to make her more attractive for a better

communication and remembrance of the mark. Also it will have to change the typography to one more attractive that is seen like a competitive company of the EU and specially Spain.

8.3 PRICE DECISIONS

It is proposed to Kercas Internacional to apply the strategy of psychological prices, taking into account the relation price-quality. The clients tend to use the price as a quality indicator. Especially, when a lack of information necessary for a proper decision. This exposition is present in those situations that are related to category products in which there's a greater variability of prices between the different brands and to a much lesser extent when the marks differ little by reason of price.

8.4 DISTRIBUTION DECISIONS

In place terms, the proposal we propose is that Kercas international must maintain direct to customer sales, since the nature of these products requires more advice and personalized attention due to the particular features that have each of the products.

It's recommended Kercas international to establish a database on line and off line of products offered by the company and their clients can see at any time, this is, and have a physical and online catalog. In terms of physical catalog, the company already has a number of catalogs, but would be easier to see all the products offered by the company in a same catalog for customers. Therefore proposes that the company developed an extensive catalogue of all products and their possible configurations and variations, as well as develop every six months a catalogue with information on new equipment. In relation to the online catalogue, on the website of the company catalogue, is now but very scarce, by what is proposed to the company innovate catalog, incorporating more classified by each team information detailing description and technical details of the same, and also incorporating instant purchase option. As for the image of the point of sale, the company will continue with the same channel.

Internet sales, should improve the web channel, improving payment options making agreements with companies such as Visa, MasterCard to be able to pay online and that the purchase is made in real time.

8.5 PROMOTION DECISIONS

The public contests are a form of promotion in the managerial world. It is a way to promote the image of the company and have brand presence, not only in the medical sector, if not in the business world.

On the other hand, it is recommended that you reinforce the digital channel follows through the promotion in digital media. The analysis of direct digital media of the internet presence of Kercas Internacional spans 4 functional areas which are the components of digital communication strategy that influences the quality, reputation and positioning.

Promotion development area in digital means

Figure 8: Promotion development in digital means



Source: Self preparation.

Components analysis by area

- **1. Visibility:** It consists in analyzing the state of the web site starting from the record the identity, hosting space, content, web graphic design, adaptation to new trends in user experience, usability and accessibility practices.
- **2. Positioning:** Analysis of factors that influence the organic search of the web site, source code, metatags, and internal architecture of the web site, friendly urls, and revision of social networks that are built into the web site.
- **3. Social Media:** Review of the administration that must be performed in the various channels of social media to achieve greater interaction with leads and customers.
- **4. Reputation:** reputation management online that you can have this and that measures should be taken to the monitoring of the same.

Web positioning

Web structure

To achieve a favorable position within the Google search engine the information content and images with detailed description in titles, urls, metatags should be organized so that Google can index them properly. To optimize the web site organically constantly without errors that may impair the seo you must update the robots.txt to facilitate the indexing of the site in search engines along with the review of images and website title tags in general.

Social media

According to the strategy of marketing content that is going to develop in the web site and following a pattern in the line graph, embodying the graphic line in social networks according to the formats that these have communicational tone chord to the target audience and creative concept that obey to the corporate identity (value proposition) of Kercas International.

Elements to develop in the first phase:

- Tone of communication (Target Audience: companies such as clinics and centers).
- · Development of graphic line as corporate identity
- · Timetable of content by types of monthly publications
- Integrating social networking applications (Facebook http://aparatoestetica.es/inicio-2/ and twitter)

In this first phase is also considered implement the Social CRM strategy to accomplish the measurement of the impact that will be taking with each user.

The metrics are established are the following:

- Source of recurring traffic, to measure the amount of users who already know Kercas
 International and returning to interact with the web site and social networking.
- New subscribers of every day, to control the ratio of new subscribers offers to have a general panorama that helps to check the evolution of the traffic and generate direct tie with this potential client
- Conversion rate to improve the performance of tactics that are implemented as well to be able to convert a potential client.

Cost of customer acquisition, metric that reflects how much money cost to attract a new customer during the analysis period. It is calculated taking the information of commercial force, publicity, announcements between others, this number divided between new clients who have been obtained during this period.

Reference, to know that a large majority of percentage of customers are "referred" is key map this indicator by dividing the customers attracted by other client between customers new totals.

- Reputation Online

Considering that seeks to have online visibility in both the web and social media so intense, it is crucial with solutions that enable us to manage quickly the reputation online with

Google alerts and contingency plans for crisis communication. Constantly Monitor allows you to maintain stable reputation and to be able to take appropriate action in cases of need.

The digital strategy focuses on appear in the time of digital media search naturally at the very moment that users to search terms related to product teams for aesthetics and health, with an optimal and appropriate image, reflecting the position that has defined the company in order to create a link to the user through the contents of marketing. In this sense, it is also proposed greater emphasis on the development of concept SOLOMO (Social, local and mobility), strategic process that starts from use of a Smartphone application which can be combined in a practical and innovative way social networks providing information of interest with the geographic location of each user.

Solomo (Social local mobility)

At the time of thinking of a strategy that includes social media is key to be able to follow the guidelines of this concept, since according to source from Google (Google Inc: 2014) know that more than 30% of the searches on the internet have a purpose and local sources that lead to a certain action after an hour of searching (this action continues to grow with Smartphone users looking to perform various activities to your local environment) It is so naturally appear in the user's local search is a concept that should be clear to increase the visibility of the brand Kercas international.

It's in these moments where Social CRM strategies with analytic has also must work to be able to monitor the evolution and impact that is generating this with all transactional data that achieves. Monitoring becomes a more important piece of the entire process of strategic digital marketing plan.

Application:

- Implement the graphic concept of Kercas international according to the corporate identity in the slider's web site along with covers of social networks.
- Social networks integrated in the web site are Facebook and Twitter, there is a high tendency to learn about the brand is mentioned to the Facebook platform.
- Structuring the social CRM strategy by automating marketing modules campaign type form by measuring the impact generated by this.
- Define periods of campaigns according to stationary behavior of the consumer has had to fix specific actions with techniques of marketing on search engines and ads on Facebook.

Development of advertising format landing page in health applications

Enter in an innovative way and practice the concept geopositioning linked to SOLOMO to be present in an intelligent way at the precise moment that the user needs the value proposition of Kercas International in locations where this is being sold.

Advertising:

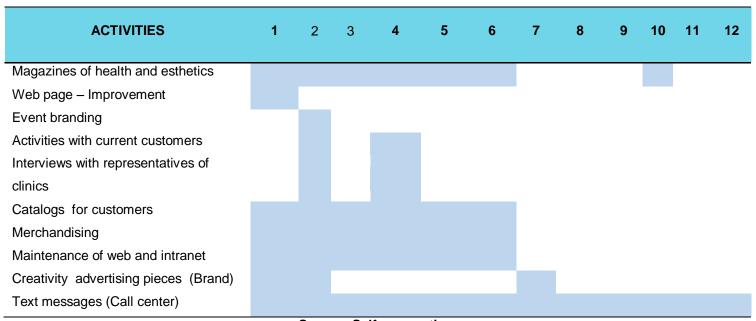
There are the following actions:

- International Kercas must have presence in the journals of health and aesthetics of Valencia by the space of six months.
- The event of fairs that have been carried out must be continued for at least two annual fairs.
- Must be performed events with contacts that have new customers in order to establish public relations by giving them brochures of the company.
- The merchandising is important; it should draw up agendas, advertising pens with the logo of Kercas International.
- Must be send text messages through massive databases of clinics and health centers in Spain, through a call center.

9. TIMELINE

Having considered the marketing mix and the proposals, we will see the timeline of activities to be performed.

Table 26: Timeline



Source: Self preparation.

Marketing activities that are proposed are for the year 2016, including feedback, it will be a company policy to continue with the activities that are specified.

10. BUDGET

The detailed estimate of the cost of each action can be seen in table 26. The budget amounts to €48,600 for the year 2016.

Table 27: Budget

BDG. MKT (EUROS)	1	2	3	4	5	6	7	8	9	10	11	12	YEAR 2016
ADVERTISING Magazines of health and esthetics Website-Improvement	500 2.000	500	500	500	500	500				500			3,500 2,000
Total Advertising PUBLIC RELATIONS	2,500	500	500	500	500	500	0	0	0	500	0	0	5,500
Event Branding (Fair) Activities with current customers	-	5,000 2,000		5,000 2,000									10,000 4,000
Interview with representatives of clinics		2,000		2,000									4,000
Total Public Relations		9,000	0	9,000	0	0	0	0	0	0	0	0	18,000
PROMOTION Catalogs Merchandising Maintenance of web and intranet	500 500 600	500 500 800	500 500 800	500 500 800	500 500 800	500 500 800	500 800	800	800	800	800	800	3,500 3,000 9,400
Creativity advertising pieces (Brand)	200												200
Text messages (Call center)	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Total Promotion	2,550	2,550	2,550	2,550	2,550	2,550	2,050	1,550	1,550	1,550	1,550	1,550	25,100
TOTAL	5,050€	12,050€	3,050€	12,050€	3,050€	3,050€	2,050€	1,550€	1,550€	2,050€	1,550€	1,550€	48,600€

11. CONTROL

Finally, with regard to the control that the company is going to make, revise the annual sales and the results compared with previous years, to reach a conclusion as to whether has been carried out correctly or not all procedures performed.

With reference to the website, a method of controlling its efficiency is to see the number of people who have visited the page. Therefore, the company will conduct a follow-up every two months, to see their performance and make the necessary adjustments to improve.

ANNEX I: CUESTIONARIO DE LA ENCUESTA

$j_{\mathcal{Q}}$	
UNIVERSITATI JAUME 1	

PRESENTATION:

Good morning/afternoon. We appreciate your collaboration by answering the (14) questions

		ree project of the University Jaume I, Castellon.		
be pro		, we guarantee full confidentiality and anonymity, to not individually. We rely on your collaboration and		
Survey nu	ımber:	Province:		
Date:				
1.	What kind of company is to which	h you belong?		
	Aesthetic centers and clinics of	Health appliance distributor		
	Health centers and clinics	Aesthetic appliance distributor		
2.	Do you know the company Kercas	s International?		
	Yes No			
3.	Are you a customer of the compa	nny?		
	Yes No			
4.	What priority before making the	decision to purchase a machine?		
	Price Quality			
	Other (mention other reason)			
	,			
5.	How important is the price when	choosing products?		
	Too important			
Very important Moderately important				
Unimportant				
Nothing important				

6. How much influence does the quality of these products when you choose them?

Too much influence	
Much influence	
Enough influence	
Little influence	
No influence	

7. How willing would pay a higher price for a better product?

Too willing	
Very willing	
Moderately willing	
Unwilling	
No willing	

8. How much influence does the reputation of the company when choosing machines?

Too much influence	
Much influence	
Enough influence	
Little influence	
No influence	

9. How important is a good image of the machine at the time of purchase?

Too important	
Very important	
Moderately important	
Unimportant	
Nothing important	

10. Mainly. By what means used to search or research on machines prior to purchase?

Telephone	
Catalog	
Internet	
Physical store	
Others	

Tele	phone
Inte	
Phys	ical shop
Oth	ers
	ther (mention other means)
	of 1 to 5 according to preference. What after-sales service more ed supplier, after making the purchase?
	nrical service
Trai	ning courses
	sportation included
	rantee
	rn or Exchange
Oth	Pl"
	her (mention other service)
. Wha	her (mention other service) t minimum life time must have thought that the machines? Indicate in s in the line below.
Extr Quit Som	t minimum life time must have thought that the machines? Indicate in the line below. Ild you be willing to change their current supplier for another? emely likely e likely ewhat likely

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Figure 6: SWOT matrix

Figure 7: Features brand concept

Figure 8: Promotion development in digital means

GRAPHS

Graph 1: Gross Domestic Product (GDP)

Graph 2: Unemployment rate (%)

Graph 3: Evolution of expenditure on R+D (thousands of euros)

IMAGES

Image 1: Machines commercialized

Image 2: Logo of the company

Image 3: Web portal of Kercas Internacional

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