Bachelor Thesis

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This paper is done as a part of the undergraduate program at BI Norwegian School of Management. This does not entail that BI Norwegian School of Management has cleared the methods applied, the results presented, or the conclusions drawn.
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We, as a group, are grateful that we have managed to cooperate at a professional level. From September to June we have been continuously motivating each other and as a result, we have a thesis we are proud to present.
Executive Summary

TOMRA is already a well established company on the German market, with some market potential left.

The overall goal with this thesis is to examine possible ways for TOMRA to gain a larger market share through the basis on how they communicate to the respective market.

We conducted an internal analysis to get a deeper understanding of the company, and at the same time to detect possibilities for further development. In the external analysis, we implemented our research data. To be able to back up our statements, we have made use of primary and secondary data. The primary data was gathered through expert interviews.

The core findings of our research were:
- Differentiations
- Changing believes and attitudes towards recycling
- An underlying service-gap
- Correspondence between price and quality must be emphasized

The recommendations given to TOMRA were to keep differentiating them selves, as well as implementing passion and responsibility for their costumers.
Word definitions

We have chosen to make a definition of words being used particularly in this thesis, this to give the respective reader a complete understanding of the terms being used.

RVM
Reverse vending machine.

Refillable containers
Made out of glass or plastic, and are designed to return to a bottling plant, to be sterilized and used again.

Non-refillable containers
These containers can be made of glass, plastic, aluminium or steel. These can be recycled and re-used as raw material for the production of new containers or other products.

- Pet bottles belong to this classification.

Deposit
When recycling a beverage container, you get a money refund.

Non-deposit
Extraction of recyclable materials from the general waste stream, this for reducing waste volume through recycling.

Recycling of empty beverages
Refers to the whole container recycling value chain, which again sustains of the collecting process; pick-up, processing, melting process, trading and production of the containers.

Beverage containers
Bottles and cans made of glass, metal or plastic which contain beverage.

Empties
Large volume of empty beverage containers.
B2B
Business to business marketing, concerning all products demanded by businesses, this type of marketing covers the different aspects of analysing, planning, design and implementation of all activities for B2B products and services. These products and services are purchased on an organizational level, and not at a consumer level.

PPP
Purchase power parity

Eurocis
Leading trade fair for IT- and security in retail.

Euroshop
International retail trade fair annually held in Düsseldorf.
- Introduction -

Leading the way with experience, innovation and commitment to excellence
Due to our Bachelor Thesis, which involves promoting Norwegian trade in Germany, we have chosen to write about TOMRA ASA. This company is one of the leading Norwegian businesses abroad, and we feel privileged to be writing a Bachelor Thesis about them. One of our aspects is to get a deeper sense of the business to business environment that TOMRA Germany is located in. TOMRA ASA is a successful Norwegian company which is in the industry for recycling of empty beverage containers.

In this chapter, there is an introduction to the research area, this again will give ground for the further development of the thesis.

1.1 History

TOMRA was founded in 1972 in Asker, Norway, and in the following years 1977 to 1985, a rapid expansion took place. In 1983 TOMRA entered the German market.

Today, TOMRA is one of the leading companies in its industry worldwide, and in Germany the company has a market share close to 65%. By using high technology-based solutions TOMRA can always offer the latest technology, and is always one step ahead of its competitors.

The company is divided into four business divisions. These are as followed: “Collection Technology, Deposit Solutions”, “Collection Technology, Non-deposit Solutions”, “Materials handling” and Industrial Processing Technology

1.2 Status quo, TOMRA; Today’s situation in Germany

There are currently 28,000 RVMs installed in the German market, and out of these 18,000 machines belong to TOMRA. This makes the company a market leader.

In March 2009, the German discount chain NORMA received an order of 400 reverse vending machines from TOMRA. This is the third biggest order within a
12 month period. TOMRA also had a breakthrough in the German market when they entered a new segment, namely gas stations. The order was for the second largest Gas Station operator, Shell, and so far they have received an order of 300 machines. Shell is expecting to receive a total of 1000 machines mid 2009. In July 2008, one of TOMRA’s existing discount chain customer, placed an order to implement a donation functionality in their 5000 RVM’s. All these orders mentioned indicate that TOMRA Germany still has unrealised market potential to exploit.

Globally, there is about 80,000 RVMs; out of these TOMRA is the provider of 65,000, the remaining 15,000 are divided between different suppliers of RVMs. An interesting fact is that 10,000 of these 15,000 are located in Germany. In other words, the global position of RVM suppliers is more or less decided in Germany.

Another important fact to keep in mind is that only 5% of all beverage containers consumed worldwide are recycled. This tells us that the industry is not yet globally developed, however the technology is.

1.3 Product portfolio, Germany

TOMRA's product group is based on the RVMs, which handle the sorting, collection and processing of empty beverage containers. The technology is well developed and modern; within seconds the machine is able to recognize the type of container, this due to the barcode reading system integrated in the RVM. The machines issue refund in form of receipt which one can cash out at the cash register at retail stores such as supermarkets, gas stations etc., and this incentive was introduced to influence people to recycle. TOMRA RVMs now also offer the donation function, meaning that one can donate the money to charity instead of getting a refund. The function has turned out to be very successful.

The company’s portfolio has a broad variety of products. First of all, the core product is divided into two main solutions; TOMRA Sure Return Technology and the Complete Return Solution.
With TOMRA Sure Return™ Technology, you have the best system available for quickly handling the return of deposit containers\(^1\). The Complete Return System delivers the best in security, reliability and convenience; collection and handling equipment, data management, operating support, and added value (couponing and donation function)\(^2\). Four different Complete Return systems and five RVMs are the foundation for today’s product portfolio.

The four different Complete Return Systems; ProSort, ProPac, MasterPac and Inpac are designed to optimally handle a range of materials and a return volume\(^3\).

**ProSort**: For refillable containers

![ProSort Image](http://tomra.com/default.asp?V_ITEM_ID=380)

**ProPac**: Maximum flexibility for handling all types of empty beverage containers. This is a complete backroom system for sorting, transport, compaction and accumulation.

![ProPac Image](http://tomra.com/default.asp?V_ITEM_ID=40)

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\(^3\) [http://tomra.com/default.asp?MARK_SEARCH=YES&SEARCH_ID=s1&V_ITEM_ID=42](http://tomra.com/default.asp?MARK_SEARCH=YES&SEARCH_ID=s1&V_ITEM_ID=42)
**MasterPac:** Maximum capacity for high return volumes. This is as well a complete backroom system for sorting, transport, compaction and accumulation.

**InPac:** For handling primarily non-refillable containers

**Reverse vending machines, RVM:**
TOMRA has, as earlier mentioned, a broad spectre of machines offered. The most commonly used machines on the German market are the; T-710, T-83 H Cp, T-63 H Cp and now also the UNO.

The T-710 is said to be the fastest return solution for all types of empty beverage containers and crates. It performs at maximum, is easy to handle and maintain for personnel, as well as attractive and user friendly for customers.
Speed, accuracy and fraud protection are just some of the keywords defining the T-83 HCp. The system is user friendly for both the personnel and customers, and it is space efficient; a factor which is very important for stores due to lack of space for these kinds of solutions. This is the perfect solution for stores with high volumes of non-refillable beverage containers.

The T-63 HCp is a compact machine which offers high storage capacity. It has low operating costs, and a outstanding functionality. One can get the product as either a single or a dual cabinet model, and is especially designed for stores with medium return volumes.
“Best offer on the market, extremely low price, it should pay for itself from day one”\(^4\).

This machine is mostly designed for the gas station segment. It is said that it is so small that it fits anywhere (takes up as little place as 0.5 square meters). The UNO is easy to use for consumers, easy to maintain for the personnel, and its level of accuracy is high.

1.4 Research question

The purpose with our Thesis is to understand how communication in the B2B market on the retail side works, and how TOMRA can strengthen their positioning in this segment. Based on this, the following research questions were developed:

”What should be TOMRA’s communication strategy towards the business to business (B2B) market be in order to gain more market share”

“What does the German retail market emphasize when choosing a reverse vending machine?”

1.5 Recycling of empty beverage containers in Germany

All in all the recycling of empties is forced upon retailers from the government. As of January 2003 customers had to pay an additional 25 Euro cent as deposit when buying refillable and non-refillable beverage containers. This law was heavily opposed by the industry, and they tried desperately to work against it. A

\(^4\) http://tomra.com/default.asp?V_ITEM_ID=323 (PDF file)
reflection of this can be seen in all the negative attitudes towards the obligation to recycle.

When talking about recycling and waste, one can from the graph below see that there is still an expected growth in the following segments; recycling, incineration and landfill. The segments are again divided into the European Union as a whole (EU27), the 15 original EU countries, followed by the 12 new entrants.

Germany is the leading country when it comes to material recovery and recycling in comparison to the rest of Europe. From this graph we can see that there is still some potential for growth in this segment.

To illustrate TOMRA’s recycling environment in Germany, the difference between market potential and currently installed machines, we refer to the following graph.

5 Appendix – Investor presentation 2009
1.4 Conditions and limitations

We have chosen to focus mainly on the concrete product; the Reverse Vending Machine from TOMRA. As already mentioned, it is crucial to gain as much market share as possible in Germany, this because the global position of the company is decided in this market. We will therefore throughout this whole project keep our focus on this specific market. On the other hand, when analyzing TOMRA as a company, we will have a main focus on TOMRA Germany. It is also necessary to have a look at TOMRA Norway. This, due to the fact the headquarter lies in Asker, Norway.

1.5 Framework

We will be solving our assignment by first analyzing the internal and external aspects surrounding TOMRA. These will be summed up in a SWOT analysis, which will lead to the product and marketing mix. Further on the prior analyses lead to a strategy which will give us a partial answer to our research questions. The last and decisive part is the research methodology and analyses based on our
data collection. The end product of this will be our recommendation for the company.

1.5.1 The company

TOMRA is based on a mission statement which is the fundament of the company:

“Helping the world recycle”

This again is supported by the vision of the company:

“TOMRA is a leading global provider of advanced solutions enabling recovery and recycling of materials”.

Values

The core values of the company supplies the framework for the exciting future. The ideas of the company are brought to life through the company’s passion, innovative thinking, and by showing responsibility TOMRA will fulfil their promise of helping the world recycle.

Innovation

- Open-minded
- Creative
- Aiming for continuous improvement

Passion

- Committed
- Enthusiastic
- Engaged

Responsibility

- Honest
- Accountable
- Predictable
The overall goal of TOMRA is:

"Helping the world to recycle, and not be one of the market leaders within its field, but be the market leader"

1.5.2 Future goals for the German market

Within the German market, TOMRA has set specific goals:

1) Get a market share close as possible to 70%
2) A turnover/revenue of 100 million euro within the next three years
3) Install between 5000 - 8000 new machines on the German market before it is saturated

A goal which the entire TOMRA Group has is an increase in revenue in the time period 2008 – 2012. The graph below will illustrate this:

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8 Appendix 10 – Investor presentation 2009
- Internal analysis -

A good idea that keeps on getting better
The internal analysis looks at all the aspects of how the company is organized within, as well as the resources and their activities. By using different tools we will also be able to find the balance between them, and sum up were the weaknesses outweigh the strengths and vice versa. Before we start analyzing TOMRA, we will look at some facts we find obvious regarding the internal environment of the company.

There is a total of approximately 28,000 RVMs in the German market whereas TOMRA holds 18,000 of them. This tells us that TOMRA has a huge market share when possessing two thirds of the total market. As mentioned earlier, TOMRA has an experience at a range for almost forty years; they therefore have a lot of knowledge and competence within the recycling segment.

2.1 Resource based analysis of TOMRA

Resources within a company represent what the company has to work with, these have to be combined to establish a capability. They are said to be divided into two different subjects; tangible and intangible resources, within the intangibles we find human resources. Due to human resources being very important, we have decided to have these as an individual subpart. The three types of resources will then help us to identify the company resources.

Tangible resources

Assets that can be seen, touched or quantified are known as tangible resources. Tangibles, being financial resources and physical assets, are the easiest to identify.

Organizational resources

From TOMRA’s beginning, Tore Planke, co-founder and driving force behind the technology development, recognized patents as an important tool. Tore Planke’s first application for bottle reception was registered by the Norwegian Patent
Office on December 14\textsuperscript{th} 1971, three and a half months before TOMRA was established. TOMRA has patented all of their systems, machines and solutions. Even though the competitors are trying to copy the technology, and mostly they are able to find solutions that resemble TOMRA’s, they can never use the exact same systems due to the products being protected.

The Norwegian-based subsidiary, TOMRA Production AS, produces the majority of the RVMs\textsuperscript{10}. Final assembly occurs principally in Norway, Sweden and Poland. Because of low-tech technology being too expensive to outsource, this is done locally, and equals a share of 10\% of the generated revenue. In addition TOMRA has subsidiaries and activities in over 45 countries around the world; this includes four sales/service offices.\textsuperscript{11}

The organizational structure focuses on the outline of the firm regarding both organization of the production at a widely perspective as well as the management such as directives, coordination and power-distance. TOMRA and their well developed technology are also a physical resource and a very important one. The company’s technology is highly modern. They have been developing RVM over the last 30 years, and now they hold the latest within the RVM technology.

Because of TOMRA’s organizational structure, there is a big differentiation within employees; the level of education will then vary. An example would be TOMRA holding courses for product experts from the different areas, leading to these product experts passing on the new knowledge to TOMRA’s customers. There are also courses held for the leaders.

The company is well – organized, and capable to take advantage of their resources. There is a strong commitment throughout the organization to ensure that its activities contribute to society and the environment. The entire organization, and not just the leaders, has a positive attitude towards internationalization.

\textsuperscript{9} Referring to TOMRA’s business model
\textsuperscript{10} http://www.tomra.com/default.asp
\textsuperscript{11} http://www.tomra.com/default.asp?V_ITEM_ID=159
**Physical resources**

TOMRA`s *physical* resources amongst others are their headquarters in Asker, Norway, from this location they administrate the company. In Asker lies also their R&D department which has a high value to TOMRA due to the fact that this is where they invent new technology, and develop/upgrade older.

**Financial resources\(^{12}\)**

TOMRA is a company that is well established in the RVM market, and has generated stabile revenue over several years. The operational revenue had an increase of 3.8% (3,490 NOK million compared to the 2008 revenue 3,622 NOK million). The commodity prices fell at the end of 2008, and in the first months of 2009. This affected TOMRA`s income and costs. The reduction in fuel price in 2008 was positive for TOMRA, due to lower transportation costs. Also 97% of TOMRA`s income is in foreign currencies, and due to the increase in USD and EUR, this gained the company in a positive way. We choose not to look any deeper into the financial resources, in light of our research questions.

**Intangible resources**

Intangibles are mostly invisible, but over time they become more and more important to the company due to them possibly being the main source for competitive advantage. Here we can mention for example reputation assets (brands, image, etc.) technological assets (proprietary technology and know-how), and last but not least; human resources.

**Human resources**

These are the productive services people offer the firm in terms of their skills, knowledge, reasoning, and decision-making abilities. TOMRA`s human resources are of great value to the company. There is a high level of competence; which means that all employees get the needed follow-up and education. The fact that

\(^{12}\) Appendix 2 – Annual report 2008
the company has 2110 employees worldwide where as 270 in Germany, indicates how important it is for the company to work closely with the divisions in the different regions/countries, and also with other companies with whom they may be cooperating.

In TOMRA Germany, the working hours are extended for the company to be able to provide the needed service to customers. Instead of working from 8:00 – 17:00 Mon-Fri, they are now working from 7:00 – 20:30 Mon-Sat. (78 hours a week). The manpower is doubled from 60 – 120 service technicians. There has also been an increase within the call center, and within the dispatch and product expert staff. A new fleet of service vehicles has been implemented. The company follows up, and has a close cooperation with companies worldwide, and has a wide specter of contacts in Germany. The company has the competence within developing market knowledge, and knows how to cooperate with the representatives abroad. Yet another important factor is having the knowledge about how to choose and control their foreign partners. When talking about partners, we can mention; TiTech (sorting), Orwak (compacting), Presona (compacting) and Commodas (separating/sorting) where the link is the technology.

**TiTech** has since 2004 been a part of, and fully owned by, the TOMRA Group. The company was established in Norway, and their optical technology based on NIR (Near Infrared) spectroscopy was developed for the first time in 1993 to facilitate efficient waste sorting applications.

**Orwak** is a world leader in compaction and baling solutions for solid waste material at source. The company is fully owned by TOMRA.

**Presona** is the sister company of Orwak, and one of the leading manufacturers within their industry. They offer products such as balers, compactors, as well as installation and service (maintenance), and none the less systems such as; PET recycling, sorting plants and waste extraction.

**Commodas** and UltraSort are sister companies which are fully owned by the TiTech Group, together, these two companies form the leading provider of tough high-capacity sensor-based sorting systems for the mining industry.
Reputational resources

TOMRA`s reputation through established relationship with customers and reputation of the firm`s products and services all have a positive reputation. TOMRA is looked upon as reliable for its; technology, trustworthiness, its goal to help the environment and make the world a cleaner place. The TOMRA brand has in Germany not been actively pushed, but the company is still well known due to being on the German market for a long time, and because of being recognized as a brand which delivers quality through technology. Products offered are more expensive than the competing brands, but one pays for the level of professionalism, service delivered and premium technology. They also have a high expertise in the application of technology – a high know-how factor, and they are continuously working on improving themselves. TOMRA is a very competent company; innovative, flexible and experienced.

Innovation resources

Due to the R&D department, TOMRA is constantly working on improving their product portfolio, and to always be one step ahead of the competitors. The technology is at the top of its class.

2.2 VRIO Analysis

We would like to analyse TOMRA`s resources further by using the VRIO framework. We will use four criteria’s to find out if Tomra has any capabilities or resources that are; valuable, rare, difficult to imitate and/ or how it functions on the organizational level.

Value

A resource is valuable, if it helps the organization to exploit an opportunity or neutralize given external threats. While it may not help the firm outperform its competitors, it can still be labelled as strength. One good way to think about valuable resources is to ask how they help the company. Common competitive foundations for firms are efficiency, innovation, customer responsiveness, and
quality. If a resource helps bring across any of these, then it is valuable\textsuperscript{13}. A resource that on the other hand is found to be not valuable, it would be best to labelled as a weakness.

**Rarity**

This is probably the criterion that is the easiest to judge; a resource will be seen as rare if it is not widely possessed by other competitors. Now, capabilities “must” be rare, and possessed by few; if not, competitors will select the same value-creating strategies.

**Imitable**

A resource that is easy to imitate or easy to find substitutes for, would then be labelled as a weaknesses. On the other hand, when a resource is difficult for other competitors to imitate and non-substitutable, it is a huge strength for the company that holds the resource. This is probably the hardest criteria to judge, due to the fact that given enough time and money, anything can be imitated.

**Organization**

We need to find out if the company is organized, ready and able to exploit the resources or capabilities they have. A resource is organized if the company or the firm is able to actually take advantage and use it.\textsuperscript{14}

We would like to analyse TOMRA`s resources closer, these can then be seen as a competitive advantage for TOMRA if they get a high score in the VRIO analysis.


\textsuperscript{14} http://falcon.jmu.edu/~gallagssr/WDFPD-Internal.pdf
By using four of the criteria’s in the analysis, we are able to find out if TOMRA’s competence is a strength internal in the company. TOMRA has since the mid 70’s been a risk taking company. They have been at the verge of going bankrupt, but besides that they have won huge amount of market share because of their risk-willingness. Due to their competence and experiences they have exploited opportunities, and are also able to neutralize given threats in the future, in other words the competence that lies within TOMRA has a huge value to them.

**Technology**

TOMRA is always securing their technology with patents. Now as mentioned earlier, given enough time and money, competitors are in fact able to imitate their technology. However by the time competitors are able to do so, TOMRA has probably invented a better and more improved technology for the RVM. On the other hand, it is “easy” for competitors to make substitutes, therefore the RVM itself cannot be said to be non-substitutable. It is difficult to say whether TOMRA`s technology is inimitable or not. The technology itself is not, but it is a fact that there are other competitors at the German market, who produce substitutes.

Nevertheless the technology TOMRA holds is of great value for them. TOMRA`s goal is to always stay innovative. TOMRA produce by the “just- in- time”
principle, this makes it possible for TOMRA to maintain a highly flexibility for the production of the reverse vending machines. They are then able to respond as quickly as possible to any large swing in demands, in other words customer responsiveness.

Service

This is a resource TOMRA has a high focus at. In the early 90’s TOMRA got their quality management program certified according to the ISO 9001 standards. At the time TOMRA decided to enhance their focus efficiency, quality assurance and monitoring customer satisfaction. TOMRA did see this as a competitive advantage to assure their growth and the sales of RVM’s. When having a high focus regarding the service TOMRA will be one step ahead of the competitors. When having such a high developed service management, TOMRA will again be able to neutralize prospective competitors.

As a conclusion to this framework, TOMRA is given a score a total score of 7. This is above average and indicates that TOMRA has the necessary capabilities and resources.

2.3 The EPRG and the BAKKA Model

The EPRG is an acronym for: Ethnocentric, Polycentric, Regiocentric and Geocentric. The model helps us identify where TOMRA, which we are analyzing, is located within the global market. Due to the fact that Ethnocentric and Polycentric orientation are focusing more on the domestic as well as International marketing, we choose to exclude these two. It is clear to us that TOMRA is a multinational company when having sales activities in more than 45 countries.

In the Regiocentric orientation includes a product planning which is standardized within regions, but not across them, and where the marketing mix decisions are made regionally.

In the Geocentric orientation on the other hand, the product planning is made globally, the product is global, and however there are local variations regarding the product. The marketing mix decisions within the Geocentric orientation are made jointly with mutual consultation.\(^{16}\)

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\(^{16}\) Douglas/ Craig 1985 International marketing Uni. Mannheim page 10
When having a closer look at TOMRA, we can see that they are more a Geocentric than a Regiocentric company. The RVM is standardized, but however they do have some local variations. When TOMRA launched their RVM on the German market, they realized that they had to improve the machine by adding new features. The result of this improvement was a new combined machine, which could not only handle bottles and cans, but crates as well. This is different from the Norwegian market, due to the fact that German consumers usually buy a higher quantum of beverage containers, which often implies crates.

The market mix can be seen as a “never ending process” because it is constantly under development. Local sales divisions are the ones closest to the customers observing trends. Both the technology and product portfolio are developed at headquarters in Asker based on different feedback from the local sales divisions. By cooperating with the local sales divisions on the global markets, TOMRA is able to define which products are needed where, and how they will perform this. Therefore it is safe to say that the marketing decisions are definitely a *mutual* consultation process.

As a conclusion, TOMRA and the type of marketing to perform, the company is clearly working through a geocentric perspective. When using the EPRG model, we only researched *two* main criteria’s; product planning and marketing mix decisions.

We will use the Bakka model as a support analysis tool to the EPRG model. This model was developed by Bjarne Bakka, and is used to identify which factors are assumed to influence a firm’s decisions within the different stages on their way to internationalization. The stages being from trial export, via extensive and intensive export, and to International marketing.\(^\text{17}\) Shortly, the Bakka model is a tool explaining the internationalization process. By using this we are able to go “deeper” into the company with more criteria’s than the two used when analyzing with the EPRG model.

\(^{17}\) Internasjonal markedsføring, Carl Arthur Solberg, 7th edition, page 124.
There are a total of six factors taken into consideration in the Bakka model; Export motive, Market choice, Market share, Organization, Enter strategy and Marketing mix.

Due to the fact that TOMRA saw opportunities in the International market as early as in the beginning of 1973, we are able to see past the two first stages in the Bakka model; Trial export and Extensive export. More important is it to have a closer look at where TOMRA is in the internationalization process today.

Therefore we will move our focus towards stage four; Multinational marketing, and stage five; Global marketing: Stage four, International marketing, implies two important aspects for the company. On one side, the export enterprise is looked upon as an active tool to reach the firms goal on the same level as the marketing on the home market. The export now amounts to an integrated part of the company’s total enterprise. Nevertheless the export is become an indispensable part of the enterprise. It is not from the home market, but from the export that most of the important growth impulses are likely to occur.

The Norwegian market is limited, and a continuously sharpened competitive climate gives few growth opportunities. This leads to the fact that the dependence on foreign markets increases, and that the necessity of evaluation of a possible engagement in a foreign markets becomes more pressuring. On the other hand, the products must be marketed, which means that the firm has to analyze and know the market, as well as setting clear goals for its activities. Several crucial areas are involved here, such as: Product adjustments, Product development, Active price-policies, Choice of a distribution channel, Market influence and forming an Export organization.18

From this analysis one can see that TOMRA is using a mix of Multinational and Global marketing, but with more weight on Multinational marketing.

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18 Internasjonal markedsføring, Carl Arthur Solberg, 7th edition, page 127
2.4 The three C’s model

The three C’s model for a global price setting contains the variables; customer, company, and competitors.¹⁹

*Company* related factors contain three different factors, starting with the company and their strategic goal. This includes maximizing profits, market penetration, image - and product line consistency. Second factor is costs, this is to see how or if cost differentials between countries lead to price gaps. Last but not least is cost reduction potential. For TOMRA’s part, on the cost side there is a slight difference in price due to transportation costs. Production costs also vary because of the location of the production sites. All in all costs set a floor to pricing.

*Competitive* related factors will help the company anticipate competitors’ price change and to anticipate how competitors react to price changes. There are modes of competitive behaviour, whether there is cooperation between companies regarding pricing, adapting- or opportunistic pricing. TOMRA has to bear in mind how many customers there are, and the nature of competition and competitive positions regarding the German market.

The customer related factors are also crucial for a company when setting a global price. These following factors affect price sensitivity; the economic value,
availability and awareness of substitutes, price and quality links, and last but not least the customer demand across countries.

The company also needs to bare in mind what kind of customers they will find in the market. In the case of TOMRA their segment is obviously retail stores, but they also entered a new segment in December 2008, the gas station segment. Price sensitivity is known to set a ceiling to pricing.

There are two other crucial factors besides the three mentioned above, and these are; channels and government policies. When choosing a distribution channel a firm has to be aware that there might be variations in trade channels and the length of channels across countries. While government policies might have a direct or indirect impact on pricing. Regarding the German market, TOMRA has to understand the policies of the European Union.

**Marketing mix**

The marketing mix is divided in five different areas, the five P’s: product, price, place, promotion and personnel. But the traditional way of approach is through four of these: product, price, promotion and place. The overview of elements leads and contributes to creating competitive advantages, and customer value. These elements can also be used by the marketing manager to control, in a subjective way the internal and external restrictions of a marketing environment.\(^{20}\)

\(^{20}\) [www.netmba.com/marketing/mix/](http://www.netmba.com/marketing/mix/)
3.1 Product

The product offered by TOMRA, the RVM, is the company’s concrete product. To emphasize the different aspects of the product, we have divided this factor into several stages.

3.1.1 Product analysis

An analysis of a company’s product incorporates everything, meaning; the product design, its features, how it differs from competitor products and substitute goods, packaging, reputation, service and warranties, and of course what the future product strategy implies.\(^{21}\)

In Asker the product portfolio and technology is based on feedback from all the markets. As mentioned in the internal analysis, the local sales-organization is closest to the customer, and therefore this kind of cooperation defines what kind of products should be offered, where and in which way.

We can divide the product into three different categories:

\(^{21}\) Business to business marketing, Dr. Nikolas Beutin, 2009, slide 45
The core product

TOMRA`s core product is the technology being used.

The concrete product

The concrete product is the RVM as well as backroom equipment.

The extended product

TOMRA`s extended product is the service offered and customization.

Within the core product one finds two main solutions for handling empties: The TOMRA Sure Return Technology and the complete return solution. Four Complete Return Systems and five different RVM, creates the base for the concrete product. The extended product also contains data management, service and support and added value services.

The product in total is divided into four business segments; two with focus on the deposit markets, and two with focus on the non – deposit market.22 The segments within the non-deposit market are relatively new segments, these segments are up and coming and it is expected to increase over the next couple of years.

Regarding the question about product standardization versus diversification, TOMRA`s core product is standardised. The concrete product itself is also standardised, but with slight adjustments to local markets. By having a standardized product one can say that the company focuses on cost saving product – driven orientation, hence the production being economy of scale. Positive aspects are then as followed; cost reduction, improved quality, global customers and segments. However if there is no diversification, the negative aspects/downsides are; off-target (danger of over-standardization), lack of uniqueness and strong local competition. Because of the adjustments to the local demands, TOMRA is not in danger of over-standardise their product.

22 Refers to product portfolio
3.1.2 Product Life Cycle

The products placement in the Product Life Cycle will give the company certain pointers in how to satisfy its needs. This will again give clear guidelines in how the product should be developed further so that it can be adjusted according to the local requirements.  

The product life cycle describes the products development process over a certain period of time. The process sustains of a sequence of stages; from introduction to growth, maturity, decline, and finally withdrawal. The PLC reflects the market situation, and this again has an impact on the company’s marketing strategy as well as the marketing mix.

Industrial product management is a continuous process which demands constant modifications due to the changes within technology, the market and the competition. The PLC is a tool helping us understand the situation today and it also helps us to predict changes in the future. There are however problems regarding choosing the right phase and predicting when the product is stepping into the next phase.

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23 International marketing, Carl A. Solberg, 7th edition, page 285
24 www.quickmba.com/marketing/product/lifecycle/
25 http://www.marketingteacher.com/Lessons/lesson_plc.htm
In TOMRA’s case we see that their product, the RVM, is in the beginning of the maturity phase. In this phase, the previous strong growth will show signs of decline. Because of this, the competitors have to defend the market share which is already gained, but also maximise profit. The main strategy in this phase should be to maintain current customers as well as winning new ones. This can be done by focusing on the extended product, in this case; technical service, delivery conditions and guarantees are crucial.

TOMRA, as an innovative company is constantly renewing their technology something which is to be seen as a never ending process. Therefore, by extending the PLC by adding attributes to the technology through either diversification or differentiation, the product will never actually exit the market.\footnote{Business 2 business, Dr. Nikolas Beutin, 2009, page 68}

3.1.3 Packaging

The product packaging is in many areas of trade very important, it is also important for the customers of TOMRA, but clearly the packaging of a machine is important in a completely different way than packaging of for example other consumer goods. The RVM has a standard packaging, but this can again be adapted after the customers’ needs, and preferences. Customization of the concrete product offered, is one way to make the packaging of the product different from competitors. This can be done by for example customizing the colour, and of course one can request other features which satisfy specific needs. Pricing the product is therefore hard, and the offered value added services are to make the customer feel special.

3.2 Price

Price deals with retail price and discounts as well as economic incentives to the different channels and the strategic elements of the pricing decision.\footnote{Business to business marketing, Dr. Nikolas Beutin, 2009, page 45} Nevertheless, price is decided from a broad specter of factor; willingness to pay, competition, government, and last but not least the profit that has to be kept in mind for TOMRA to learn something from this.
The price for a TOMRA RVM is 10-15% higher than the price the competitors offer in the German market. However, when taking into consideration factors such as service, support and maintenance, the product from TOMRA’s point of view ends up being more cost-efficient over a long term, as well as offering their customers more value to the product in total.

Another aspect of price, which is to be kept in mind, is that: “Price is the only element of the marketing mix that provides revenue”\(^{28}\) The remaining marketing mix factors are costs.

### 3.3 Product combined with price

When a customer decides to buy a product, he also chooses a given level of product quality, technical service, delivery program and several other conditions. In other words, the buyer uses several attributes to evaluate a product\(^{29}\).

In theory products can be divided into *search-*, *reliance-*, and *experience products*.

*Search-products* are products which are based on previous information search which can determine the product quality.

*Reliance-products* are product for which it is difficult to determine quality even after long experience with the product. This goes especially for professional services.

*Experience-products* on the other hand are products where it is difficult to determine the quality before buying the product. It might be difficult or even impossible to gather enough information about quality before it is actually bought. After trial the company now has the knowledge about the product, and is then able to determine the quality.\(^{30}\) When knowing the logic between how information and


\(^{29}\) Business to business marketing, Harald Boing & Erik B. Nes, 2nd Edt. page 249

“true” quality works, we find the RVM to be an *experience-product*. This allows TOMRA to set a premium price, and use this as an indicator of quality.

The price-level can be set in one market without affecting the price-level in another. If the market had been global, the chance of price-differentiation would be smaller between markets and more limited in the industry then it is in a multi-local industry.\footnote{International Marketing, Carl A. Solberg, page 334} Furthermore, companies with a high market share and rich competence within international activities, such as TOMRA, have a greater opportunity to proactively use price tools in their marketing\footnote{International Marketing, Carl A. Solberg, sektion 11.1, page 325}.

Having a look at the grid combined with the knowledge about TOMRA as well as the industry, we are able to define their position as a *multi local price-setter*.\footnote{Price development in unequal strategic situations, International marketing, Carl A. Solberg, page 335} This due to the technology which TOMRA uses being global while the industry itself is multi-local. There are two different aspects that have an impact on TOMRA’s price setting; 1) TOMRA is consciously pricing their RVM higher than their competitors to indicate quality, 2) In addition, the price level is adapted to the local market where prices can vary from 10 to 15%. TOMRA Germany is pricing their RVMs 10 to 12% lower than in the Norwegian market.

Now, the management should have collected a lot of information regarding the local market-environment. They will then, not only be able to recognise competitor’s price policy and remaining marketing mix, but also have some sort of insight on how the product is positioned in different markets.
3.4 Promotion

Being able to get attention is every company’s key activity, this to be able to get their message through. By doing this one is able to reach both the retailers and their customers. The end customers are important because in the end, they are the ones using the machines, and they have to be satisfied with the solution offered. Their impression of the RVM can influence the entire chain.

Everything from marketing and advertising to costumer education, public relations as well as reputation development is worked out when promoting the company’s product. The promotion involves all of the tools available to the marketer, for marketing communication, to develop the demand for their product.

3.4.1 Promotional mix

It is also known that marketing communication has its own “promotion mix”. The promotion mix contains of seven different variables; personal selling, sales promotion, public relations, direct mail, trade fairs and exhibitions, advertising and sponsorship.  

34 http://www.marketingteacher.com/Lessons/lesson_promotion.htm
**Personal sale** is one influence-variable within the traditional marketing mix, that way it is a tool for the company and its market communication. While personal sale does not have a great effect for marketing of consumer goods, it is in fact inverse in the B2B market. The sales person shall affect the transaction between the supplier and the customer so that the sale will be accomplished. The value creation, both for the company itself and for the customer, is happening through the sales person and its activities with the customer. In Germany, TOMRA has 10 to 12 sales persons; they are physically located in Hilden, Düsseldorf. These represent the company outside because of the high importance of face to face contact. The reason for TOMRA to have trained sales personnel is that there lies a genuine return on investment in it.

**Sales promotion** tends to be all promotion besides personal sale and public relations. One commonly used is money-of – promotion. As mentioned in the previous section TOMRA is able to set a price 10 to 12% lower than for a sale in Norway. This is not only because of the local variations, but also a result of German retailers placing bigger orders. In other words the price in Germany is more over customer specific. It is important to keep in mind that this is not something promoted publicly, but more a result of negotiation between buyer and the respective sales person.

**Trade fairs** offer the opportunity for companies to meet with the consumer. The purpose of these fairs is to increase awareness and present the product, and hopefully encourage trial. The fairs EuroCis and EuroShop both found place in Düsseldorf in February 2009. This is an example of two important events for TOMRA and other suppliers of RVMs. The likelihood to get in contact with potential customers is high. TOMRA then has the possibility to update their customer database, and based on this they are now able to come in contact with these potential customers through **direct mail**.

We have chosen not to pursue the three maintaining variables; advertising, public relations and sponsorship, because of the high importance of face to face communication and direct marketing.

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It is also important to keep in mind that when acting at a more or less global stadium, companies need to see the connection between global communications and culture. Culture can be recognised as a set of traditional beliefs and values that are transmitted and shared in a given society. Cultural forces can be divided into behaviour and consumption, thought process and the communication process. Behaviour can be described as the consumption pattern of the customer as well as customer’s lifestyle and priority of needs. In the communication process as a cultural force, the company have to know how to recognise in example low-context culture versus a high-context culture. When we compare Norway and Germany as two individual markets, we do see a lot of similarities, and low context rules in both of the market. Further on the Germans tend to be more formal. Professionalism and straight forwardness is important when having personal contact and doing business in Germany.

Regarding TOMRA and their communication towards the German market, TOMRA is able to standardize the communication due to the fact that German culture is more or less identical to the Norwegian culture. The message TOMRA is communicating is the same towards the markets, but is weighted differently according to different needs within the market.

### 3.4.2 Target audience and segmentation

When identifying who the target audience is in a market, this is closely linked to segmentation. The values that the company is built on have to be relevant to the target choice.

Firstly we need to find out who the different segments of TOMRA are. Who is the company targeting when marketing their RVM? Primarily we have to acknowledge the fact that TOMRA is located in a B2B environment. They produce and sell their technology to help the “world recycle”.
However the last ten to twenty years there has been an evolving focus on the environment. This has been a task for the governments worldwide, specifically meaning that the respective governments are also a target group for the company. However this concerns more or less governments in countries that have not introduced the obligation to recycle packaging. TOMRA has entered a completely new segment, namely the gas station segment, this being smaller and rarer. Sales wise, one can also see that this segment is not big, however it is slowly increasing. TOMRA has therefore designed an own and more convenient RVM solution, this due to the gas stations having relatively smaller locations then retail stores, leading to the machines being constructed to take less space. The increase, mentioned above, is more over in the countries that have been recycling empties for a while. This development contributes to, and makes it easier, for TOMRA to reach more RVM end-users.

Nevertheless, we are now able to see that there are three different segments to which TOMRA will need to pay more attention. However, our main focus will be where the main costumers are located; the convenient- and retail stores.

3.4.3 Evaluation of promotion

It is recommended to conduct an informal marketing analysis to find out what the segment thinks about the company. This to find out whether they know what the company’s values are, what about the product appeals to the customers or potential customers, and also to see what TOMRAs current customers are satisfied or dissatisfied with. These are all tools in deciding if the promotional strategy used today is successful.

As a result of the promotional mix we have found out about that both the product and the communication towards the market are standardized. This again refers to a dual standardization, but with slight variations and adaptations, when talking about the local markets. Meaning that TOMRA has a standardized communication towards their divisions outside of Norway, and these divisions again differentiate the communication slightly according to the respective market.
3.5 Place

The physical place is already stated to be the German market, followed by retail stores and chains in a regional and/or national centralised system.

Place, as a part of distribution, is how to deliver the product to the customer. To be able to do this, there are several types of distribution channels that can be used. These include for example:

- Transportation
- Order processing
- Warehousing
- Market coverage
- Inventory Managers
- Distribution centres

The production of the RVM machine is based in three different markets; Norway, Sweden and Poland, but the majority of the machines are produced in Norway. This is again supported by a highly flexible, supply-based system; the system operates according to “just-in-time” and “ship-to-line” principles.\(^{39}\) There is also a supply chain logistical system administrated by 12 people, to make sure that everything is functioning properly.

Data Management Services is a division within TOMRA which is responsible for the inventory management. This, in form of services which complement the efficiency of the products through automated control of beverages, and in addition to this; all online data communication services.

3.6 Concluding Remarks

It is important to emphasize that the design of the marketing mix can vary, this because in any counteraction with a potential customer, there can be different sides of TOMRA’s marketing mix that are essential. When it comes to the German customers compared to the Norwegian customers, there are some differences when taking machine preferences into consideration. Local

\(^{38}\) International Marketing, Uni Mannheim, Kotabe/ Helsen, page 78

\(^{39}\) www.tomrasystems.dk/default.asp?V_ITEM_ID=375
adaptations to the market are therefore essential and the constant development of product too. Also keeping an eye open for trend changes in the markets that can be of any importance for our product, is crucial.

Value added services are decisive when it comes to the premium price TOMRA charges for their products.

In the matter of the product and strategy, a differentiation strategy is recommended to draw attention to the product through promotion. In regard to our case study, we will be able to elaborate this further.
- External analysis -

Delivering long-term value through innovation and reliability
4.1 PESTLE analysis - An environmental scan

The PESTLE framework is a tool to help analysing the external macro environment. There are several, if not an endless amount of factors in the macro environment, and these will be categorised using the PESTLE model. In the following section there will be a classification distinguished between political, economical, technical, social, environmental and legal factors.

Legal and political forces

Germany is an industrialized country located in the heart of Europe, and is a global trade centre. The “grand coalition” consisting the three main political parties, CDU and SPD, have been the ruling two parties since September, 2005.

Germany is a democratic federal parliamentary nation, made up of 16 federal states, more commonly known as; Bundesländer. The länder do in certain spheres act independently of the Federation, meaning that each länder has its own constitution, parliament and government. The German political system is more over complicated to understand compared to other European countries.

There is an election of chief of state, also known as president, every fifth year. Today, Germany is led by president Horst Koehler. The chancellor, Angela Merkel, was last elected November 2005, She is currently the head of government. Bundestag is the German parliament, its elected representatives are organized in parliamentary parties and select a President from amongst themselves. The Bundestag along with Bundesrat, also has the federal legislative power.

The government’s role in the German economy is crucial, with this meaning that the Government interferes both directly and indirectly through the effects of other

policies on the economy. The Government provides a comprehensive range of social services. The state intervenes directly in the economy by owning some segments of the economy and by providing subsidies to selected sectors and, while promoting competition and free enterprise.

All in all one can say that the German government is actively promoting competition and free enterprise, regarding both export- as well as domestic-business. Furthermore, Germany is a member state of the European Union and has an advantage of being the largest and most powerful economy within the union. The EU has set restrictions to protect the free market this again makes it difficult for Germany to make decisions on their own.

The Basic Law of Germany guarantees every individual citizen basic and human rights. Germany is a social constitutional state. It is based on the principle of a division of powers and the lawful administration. All organs of state are subject to the constitutional order. Freedom of speech as well the freedom of press has and will be essential in Germany. March 2, 1977 the government got obligated to provide a comprehensive range of information on key issues. There are no political risks of doing business in Germany.

**Social and cultural forces**

German society is a modern, open-minded society: Most people – both young and old – are well-educated and enjoy a high standard of living, as well as a sufficient freedom to be able to plan their lives as they themselves see fit.

After Russia, Germany is the second most populous nation with a total population of 82.329 million, and 66.1% of the German population is in the age between 15 to 64 years which makes it an aging population. The inhabitants of Germany are ethnic Germans; however, there are more than 7 million foreign residents.
Germany also has a sizable ethnic Turkish population, more precisely 2.6 millions. The national language is German, but English is also widely processed especially when doing business.

The German population has one of the world's highest levels of education, technological development, and economic productivity. Further on, Germany has a broad middle class society, with a per capita income level of € 25020.59. A generous social welfare system provides for universal medical care, unemployment compensation, and other social needs. All in all, Germans are generally supportive to the government as well as respecting the law and statues of Germany.

However there are three trends that are characteristic for demographic developments in Germany: a low birth rate, increasing life expectancy and an ageing society as already mentioned.

Germans do not hesitate to enjoy a good meal and cooled beer at their many restaurants and cafés. Alcoholic beverages, such as beer and wine, are consumed frequently. Also non-alcoholic beverages as for example water are bought on a daily basis. In 2008 there was a total sale between 20-30 billion beverage container.

**The Economical environment**

The German economic system is often referred to as a social market economy, and it is one of the largest economies in Europe, if not even the largest. Further on is the German economy the third largest in the world on PPP terms, and on the international arena the German companies have an outstanding reputation. This is supported by the fact that Germany is highly export oriented, meaning the country exports merchandise which is set to be one third of the output, this in total of $1.53 trillion.

The economic growth had an upturn in 2007, where as it increased from 0.9% to 2.7%. This was due to factors both inside and outside Germany, one factor to be mentioned is the growth in export. Further on the economic “boost” also affected the employment rate positively, reducing the number of unemployment to approximately 3.4million in percentage; 7.10%. In the past four years the unemployment rate in Germany has been high, more precisely around 9.8% up to 11.70%

Due to the high export, this has been affected during the financial crises and will have a negative outcome in 2009 from last year’s growth with a decrease of 1.8%. United state of America is Germany’s second largest trade partner, and the country is one of Norway’s biggest export/ import partner.

Otherwise when having a look at the country and the general business conditions, it is clearly that Germany has a high skilled workforce. One of the main reasons why the German market is drawing new potential investors and costumers is due to the stability and broad range of business opportunities.

As a motivation to get a stronger presence in the global economy, the European Union decided to introduce a single currency, and Germany was along with 10 other countries, one of the first to introduce the euro currency in 1999.48 The thought behind the introduction was to avoid fluctuation risks, eliminate exchange costs and strengthen the single market. Another great benefit expected, was that the member states within the European Union would cooperate closer. Germany experienced a 24% increase in the value of the Euro currency in the year 2008, this due to a decline in commodity prices and the thence financial situation in the world.

**The Technological Environment**

In light of Germany’s strategic central position in Europe, Germany has become one of the largest industrial countries, and one of the largest trading markets. This

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47 PPP word definition
48 http://ec.europa.eu/economy_finance/the_euro/index_en.htm?cs_mid=2946
gives Germany an edge, and the possibility to see the development in the borderer countries.

Germany is known for its imagination and creative wealth around the world. This is again reflected in the message; “Germany, the land of ideas”. The term was first a used by the current president, and has developed into an initiative supported and sponsored by the German government and commerce and industry, represented by the Federation of German Industries (BDI) and leading corporations.\(^{49}\) Constantly pushing the investment opportunities, the land of ideas has mentioned some attractive reasons for doing business in Germany.\(^{50}\)

Germany is also known being a leader in patents in Europe, companies and investors from Germany accounted over 11.7% of patents worldwide. Germany can also be seen as a leader in future industries, from Gutenberg to the today’s inventions. Inventions such as the x-ray, the automobile, electric elevator and microchip have all been developed in Germany, and then sold / distributed further to other countries.\(^{51}\)

German company’s which specialize in environmental technology have distinguished themselves from the rest as front runners, and have one of the most advanced technologies. Information and communication technology is today the third largest sector of the German economy, followed by car-making and electronics/electrical engineering.\(^{52}\) The respective country has also one of the world’s most technologically advanced telecommunications systems. Research and development (R&D) is well developed, but lacks competitiveness in high-technology. German technology is worldwide looked upon as a product of quality and reliability.

The public transport system in Germany is of great efficiency, and consists of a highly developed railway network, as well as an established highway and road

\(^{49}\) http://www.land-of-ideas.org/CDA/the_initiative.239.0,.en.html
\(^{50}\) http://www.land-of-ideas.org/CDA/investment_promotion_cs.6359.0,.en.html
\(^{51}\) http://inventors.about.com/od/germaninventors/German_Inventors.htm
network. The major cities can also easily be reached by air. Inland water ways have for a long time played a major role in Germany’s transportation system. These being both naturally and artificially made. Amongst German inland shipping system are the Rhine, one of the largest inland ports in the world, and the Elbe. They two both represent important traffic links between major economic centres.

All the facts mentioned, indicated that Germany is a highly modernized country along with high developed technologies. The innovative nature of the country makes it an attractive market to invest in and doing business in.

Environmental

One of the biggest challenges globally is to protect and improve the environment and the climate, due to the climate changes caused by humans. This has also a high status in the German politics as well as in media and the civil society. The key strategy within Germany is seen as a dual strategy; to develop renewable energies and raw materials, and to increase energy and resource efficiency. The dual strategy contributes to develop the innovative energy technologies.

According to CIA’s- World Fact Book, the main environmental issues are stated as emissions from coal-burning utilities and industries contribute to air pollution as well as acid rain, resulting from sulphur dioxide emissions. Also stated is the hazardous waste disposal, however regularly, on a daily base-, waste disposal are more or less “everyone’s” business and responsibility. Recycling has had an increasing focus for the last years. Simple things such as waste sorting and basic recycling are one of the easiest ways one can contribute to protecting the environment and Germans are not as green as they like to believe. In the survey Greendex, performed by National Geographic, the Germans ended on a virtual tie for 10th place out of 17 countries around the world. This is a survey that focuses on the personal consumer, and personal “green” choices, instead of the industrial

53 http://www.country-data.com/cgi-bin/query/r-4953.html
54 http://info.wlu.ca/~wwwgeog/special/vgt/English/ger_mod1/unit9.htm
pollution.\textsuperscript{55} As mentioned, in 2008 the Germans had a total consume of 20 to 30 billion beverage containers, however only 13 billion of the empties get returned through RVM’s.

When having a look at the industrial aspect; the non-profit group “Germanwatch” is an environmental organization which lobbies for a stable global developments, whereas one of their main topics is climate protection.\textsuperscript{57} Every year they publish an index regarding climate change performance based on data from the International energy Agency, and Germany ended up as number two in the climate change performance index 2008. The UN along with contribution from EU created the treaty; the Kyoto protocol, which entered into force in 2005, commits industrialized countries to reduce and stabilize greenhouse gas emissions (GHG).\textsuperscript{58} Germany is obligated to reduce their GHG emissions by 21% within 2012. And the country is close to the goal due to the reduction of almost 20% since 1990.

\textbf{4.2 Effects of the external environment on TOMRA}

In connection with the currency, the total revenue of TOMRA increased due to the reduced value of the NOK. The reason for this leading to an increase is that 97% of TOMRA’s balance is dominated by foreign currencies, mostly by the EUR and USD. Every year, on December 31th, the foreign currencies are converted into NOK, for the figures to be put in the balance. In the end of 2008 the Euro had increased by 24\%, while the USD had increased by 29\%, this due to the financial situation in the market, which again led to the fluctuation in currency values, and the USD and Euro’s strong position\textsuperscript{59}.

A strong currency can have positive effect on trade. However, it can also have a negative effect on import and export, especially for a country like Germany which

\begin{flushleft}
\textsuperscript{55} https://www.cia.gov/library/publications/the-world-factbook/geos/gm.html
\textsuperscript{56} http://www.thelocal.de/national/20090514-19293.html
\textsuperscript{57} http://www.germanwatch.org/
\textsuperscript{58} http://unfccc.int/kyoto_protocol/items/2830.php
\textsuperscript{59} Appendix 2- Directors report 2008
\end{flushleft}
is one of the biggest export nations. For TOMRA, a weakened position of the NOK is positive, since most of the company’s activities are abroad.

In the end, TOMRA is influenced by the attitudes towards recycling.
The competition strategy, Porters five forces, has a goal to seek the position where the company, TOMRA, can defend itself at its best against all the different competitive forces\(^{61}\). Taking the opportunity to influence these forces in favour of TOMRA, by analysing the competitive environment, we are able to define a successful competitive strategy.

The five forces model gives guidelines on what the company’s strategy should be, the business opportunities which lie ahead and how to take advantages of them.

The five forces which define the nature of a given industry are;

1. Barriers to enter the market
2. Bargaining power of buyers
3. Bargaining power of suppliers
4. The availability of the substitute products
5. The Nature of the Rivalry among firms

Before starting the analysis, we would like to inform that the first four forces will help to asset the fifth.62

Barriers to entry

When barriers to entry are low, the threat of a new organisation entering the industry is high. In the RVM industry there are some technical- and legal barriers; however they are more at a basic level, and there are no hidden and explicit trade barriers. Due to the low trade barriers in the industry, this factor alone indicates that it is easy for a new competitor to enter the market.

A potential competitor will look at; how loyal customers are to the existing products, how quickly they can achieve economy of scales, if they have access to suppliers, and if the government legislation would prevent them or encourage them to enter the industry.

Bargaining power over buyer

When analysing the bargaining power over buyers, we know for a fact that the main segment in the buying situation is the retail stores. In the light of this, we will maintain our focus on this segment.

TOMRA has a total of five competitors today. These are: Wincor-Nixdorf, Sielaff, Trautwine, Repant and Envipco, where Wincor-Nixdorf has shown to be the strongest of them all.

Wincor- Nixdorf is a global company, focusing on innovation. Their core business is banking and ATM’s. Because of their constant innovation regarding technology focus and diversity the company is the biggest challenger to TOMRA.

Sielaff has a long experience in the vending industry. The main focus has been providing different vending solution’s, but the technology for the RVM was first

added after the legal forces demanded retail stores to receive empty beverages containers.

**Trautwein** partially cooperates with Sielaff within the RVM segment. They both have less complex vending machines, because Trautwein has always been in the vending industry. However they have both grown into the retail market. The machines have a reputation for being reliable, but slow as well as having a low return volume; their main targets are therefore small stores and youth hostels.

**Repant** is like TOMRA, a Norwegian company, which has as much as 90% of their installation on the German market. Compared to the others, Repant is a relatively small competitor with a market share of 2000 machines.

There are a few undifferentiated competitors on the market, and this might indicate the fact that the suppliers of RVM’s have a high bargaining power over the buyers. In this case, it is crucial that we keep in mind that it might be different when they are acting in the B2B market; hence we have to be aware that there are not many suppliers for the potential buyers to choose from.

One would assume that there are a lot of participants (retailers) in the German market, but because of the hierarchical organizational structure the participants are reduced tremendously. The retail store systems in Germany are structured in two ways. These are as followed:

*By being National centralized* a retailer or chain has a hierarchical structure, this includes less “freedom” in each store. In this case the stores belonging to a discount chain have an identical design, and the headquarters is responsible for the entire decision making. All communication towards this segment is restricted to a division belonging to the headquarters. Technology is a high priority in this segment, meaning that the machines need to be functioning at all time due to size and large amount of customer. If the machines, on the other hand, do not work properly, the feedback which headquarters would receive will have negative impact on TOMRA.
Regio centralized retailers on the other hand sustain of independent store owners and have a more or less franchise structure, this because they cooperate with centralized buying organisations, and have delegated the bargaining power, and authority of buying. The decision making process as a whole is in this group more complex due to that there are more persons involved in the decision making process.

We need to determine if the costs for a retail store changing their supplier of RVM are high or low. If the costs of switching to another supplier are low; the buyer has greater power over the supplier. We see investing in a new RVM as a high involvement investment; therefore the costs for switching to a new supplier are high. Costs in this case are not only in form of money, but there is also a time aspect to be taken into consideration. The buying division within a retail chain or store has to outsource the market, the suppliers, and participate in trade shows etc.

The power of suppliers

TOMRA produces, as mentioned earlier, the RVM’s in three countries; Norway, Poland and Sweden. Furthermore there is a local outsourcing of materials such as wood, plastic, metal etc. These are of no great importance, and can easily be replaced. Since this is not a rare commodity and is offered by several different suppliers, there are no additional costs by changing to another supplier. The respective supplier does not have the power to pressure TOMRA in any way, because of the mass of substitutes available in the market. This concludes that the bargaining power of the outsourced supplier is low.

Threat of substitutes

As a result of the organizational structure of retail stores in Germany, there are not that many decision-making participants in the market. All of the mentioned competitors offer more or less the same technology, and can therefore be seen as
each other’s substitutes. However, TOMRA has several value added attributes that
distinguish them from all of their competitors.

Because of the high push of customers it is crucial for the retailers to have a
strong focus on fast repair and availability at all times. Service is expected to
increase in the future, and is therefore one of the keys to success for TOMRA. The
company can be seen as irreplaceable, because of their high service level offered
to their customers.

Before the year 2006 the RVM was more over a value-added service offered by
the stores, the retailers were not obliged to have these machines installed. Today,
the retail store can chose to have a non-automated solution for handling empty
beverage containers. Furthermore this includes manual handling, but for the large
retail stores this is too time consuming even though there are still a large number
of independent retailers who prefer this solution.

**Competitive rivalry**

Another important aspect is to determine if there is a strong competition between
the existing players in the market. When being a market leader as TOMRA is, one
is exposed as an easy target for competitors to copy. The technology within the
machines TOMRA offers is different and more complex than what the
competitors’ offer. Since TOMRA specializes in the RVM industry, whereas the
other competitors mentioned earlier have their core business in the vending
industry, they have a clear competitive advantage.

TOMRA has tried to differentiate themselves from the other suppliers by their
service level. However, TOMRA is not the only supplier on the RVM market
which offers their customers a complete package including a service contract. The
respective buyers can choose from five different types of contracts, the higher the
price the better the service contract. What really differentiates TOMRA from their
competitors is the well established service call centre. Whenever the need may
occur, the customer has the opportunity to call the service centre and be guided by
TOMRA product experts towards a possible solution. This makes the company
unique, allowing them to charge a higher price. TOMRA’s overall goal is to help as many customers per phone, this because it is both time and cost efficient not only for TOMRA, but the customers as well.

The industry, of RVM, is currently in the beginning of the maturity phase. This meaning the market is not yet saturated and that there are still some possibilities for growth. As mentioned earlier there are a total of 28,000 RVM’s currently on the German market. Whereas the market potential, also known as the peak, is 35,000 to 40,000 machines. There is in other words only a small part left before the suppliers in the industry have to move their focus over to maintaining the market. Maintenance will in this case mean updating and upgrading the machines in the market. This is to keep today’s customers, as well as winning over the potential customer. Due to the fact that the market is not yet saturated, the following years will consist of a more aggressive growth strategy. This development might have started already, as mentioned; Trautwein and Sielaff are cooperating to gain more market share.

4.4 Technology push- versus market pull- strategy

If a company has an outstanding communication towards the customer when promoting a product, but lacks the basic technology to make the product work, the customer will notice. This is the controversy between technology push and market pull. Namely, the combination of the core product of TOMRA; its technology, and of the external influence; the market demand.

A pure communication wise aspect is what is opposite to the fast moving consumer goods; the aspect of packaging, marketing and communication, which also influences the investment marketing. One cannot fool a customer, this meaning; “You should be able to convince the customer by having the best communication and sales combined in a marketing program”. However, this does not work over a longer period of time if your product falls short or the technology

Referring to PLC
does not work. In the end this will lead to customers finding a substitute for your product.

Adjustments have to be made for it to be a balance between the technology and market demand. This tendency occurs within every company; engineers want to be creative, and not be slaves of the market. They literally want to “save the world” by using the most recent and modern innovations within technology. The outcome of this tendency is the constant conflict between the technology push and market pull.

Here, the market does not need the most attractive product or the latest within advanced engineering, but market pull, which is only based on the fundamental needs. The technology push, on the other hand, consists of people who have the technology, creative visions and ideas.

Because of all these factors, there is a controversy between the old and new versions of technology in the market. This can easily be explained through an example: A new RVM is introduced, in the beginning it is not received very well due to its high technology and modern look. Hence, the market prefers the older version, manual handling. Over time though, this attitude towards the new product, changes.

In conclusion, the key challenge here is to provide what the market needs today, but always keep in mind what the market will need in the future.
- Empirical studies -
In the following chapter the methodology used in the thesis will be presented. We will here present data collection, in order to complete the answer to our stated research questions. First of all the research purpose will be presented, followed by the research approach.

5.1 Data collection

We have gathered information from both primary and secondary data.

5.2 Secondary data

Through major parts of our project, secondary data has been of great importance. For the purpose of retrieving secondary data, Internet and books have been used. We, as Norwegians in general, are familiar with the use RVMs, but still there was a lot of information lacking about TOMRA both regarding the core product and company. Luckily TOMRA has a well developed home page which provided us with valuable information, both regarding the company and the development of the RVM.
5.3 Primary data

When secondary data was not adequate, we found primary data necessary. In our Thesis we were dependent on qualitative research, therefore we gathered information with great value to us through expert-interviews with different divisions inside TOMRA. We were also able to get seven expert-interviews with retail chains that handle empty beverage containers differently. We will now discuss the various stages of the research project using a more or less standard research approach, illustrated below:

5.4 Research objective

The main objective of our expert-interviews was to detect what the customers of RVM suppliers emphasize when investing in a RVM, and further on how can this be implemented in the communication strategy to the company.

5.5 Research questions

”What should be TOMRA’s communication strategy towards the business to business (B2B) market be in order to gain more market share”

“What does the German retail market emphasize when choosing a reverse vending machine?”

To reach these objectives, we developed additional questions;

- Who are TOMRA’s customers?
- Who are TOMRA’s competitors?
- What is it that differentiates TOMRA from their competitors?
- How satisfied is the retailer with today’s solution?
- What is important when investing in an RVM, regarding both the technology as well as the different factors offered from the supplier?
5.6 Research design

It was obvious that we needed to conduct information through interviews and therefore we found the most suitable design in this research to be explorative. Furthermore the nature of the project indicated that it was not appropriate to generate a hypothesis.

We also developed a descriptive design in collaboration with TOMRA, this to describe the given situation in one specific area. However when we conducted the interviews this became more over a structure for the interview as well as a way for us to categorize the questions.

5.7 Questionnaire design and pre-test

The survey, consisting of 16 questions was based on secondary data and expert interviews with two different TOMRA divisions. The questionnaire consisted of both open questions as well as graded- alternatives from one to seven, in English and German.

Due to the structure of the retail- and convenient- stores in Germany, we had to do the interviews with the survey as phone- interviews. At first we wanted to get as many interviews as possible with local, both familiar chains as well as the more “independent” stores. We found this to be unnecessary, because of the decisive power is concentrated at the top of the retail organization. The interview would be of a greater value if it was more qualitative, with the ones actually delegating investment decisions in the chain. The result was that we decided not to perform the local interview, this because the CEO of TOMRA Germany provided us with contact information.

When pre- testing the survey, we did this over the telephone with one of our class mates, that did not have any in- depth information regarding RVMs. The purpose of pre- testing an outsider was to find out how comprehensive the graded questions were to read out and discover other possible questionnaire problems.

65 Metode og Dataanalyse, Gripsrud/Olsson/Silkoset, 2006, page. 53
5.8 Data collection

Our respondents to the expert-interviews combined with a survey were approached with an e-mail about us, explaining our choice of project and confirmation from the University of Mannheim. In the e-mail we wrote that we would be thankful for a short telephone interview, and that we would be calling them back within the next few days. The e-mails were sent to expert buyers in 20 different retail chains.

Expert interviews are usually time consuming, lasting for approximately one to two hours. In our case the interview guide/questionnaire was estimated to last 12 minutes. We experienced that when we first got an interview, the interview objects were more than happy to explain and give reasons for their answers. The survey developed to be a two-way communication without a set time-limitation.

All in all we managed to get a total of seven interviews. Our goal was to have ten; however it is crucial to mention that our interview objects rarely give any kind of interviews, especially Lidl and Aldi.

5.9 Data analysis

Due to the fact that we only conducted expert interviews with retail organizations, we did not find SPSS suitable to interpret the data. We decided to have a case-study approach, because of the limited amount of replies to our questionnaire. The interpretations of the interviews will be resumed in chapter 8.

5.9.1 Limitations

During the questionnaire development, we collaborated with TOMRA. Not only were they more than willing to contribute, but the company was also interested in seeing the end product. However, the development itself was more time consuming than we had expected. Furthermore TOMRA key account managers had to get permission from the retail chains we wished to interview. This was a long process, but things had to be done in a formal way.
The interview objects were divided in two groups; three of the retailers had RVM from TOMRA, whereas the remaining four had RVMs supplied from a competitor. The interview objects’ positions varied, most of them were expert buyers. However, two of the seven were store managers. This is not necessarily a negative fact, due to it giving us a broader perspective on how the chains/stores perceive the solutions they have today.

If we knew about the time consuming process and had more time, the possibility for us to approach more retailers as well as getting more interviews would have been higher. Nevertheless, we see the interviews made sufficient and with a great value, which again gives as highly qualified answers. The data collection is then valid enough to help us define a strategy to our research questions.

6.1 Sample

All in all, we approached 20 different retail chains, whereas seven of them wanted to participate. All of the respective questionnaires are available in the appendix.

6.2 Preparing data

Before conduction the analysis, we divided our data into two groups; TOMRA users and non-TOMRA users.

6.3 In-depth interviews

A deeper understanding of the German retail market was needed, in order to answer the second part of our research questions. We used an explorative design due to our limited knowledge about the German market. Even though we only conducted a total of seven interviews, the interview objects are seen as highly valid.
6.3.1 Users of TOMRA

The context of interview combined with questionnaire:

Aldi
The chain has a combined solution, meaning both machines and manual collection. They are satisfied with the current solution, in particular with the extensive problem free technology and smoothly running take-back/collection of empty beverage containers.

What they are not too satisfied with, is principally the required collection of empty beverage containers. On the other hand, when asked about the system itself, there were no specific unsatisfying factors. The interview object believes that the customers using the current solution are satisfied. The emphasized factors when choosing solution were said to be; the technical solution has to be successful on the market, it has to be problem free and if possible guarantee a 100% automated collection of empty beverage containers.

These aspects are important to the store because it is the most economical solution portrayed at the POS (point-of-sale), which burdens the personnel the least, and at the same time offers the customers the most comfortable and pleasant form of collection solution.

When given the graded alternatives, user friendliness both for consumers and personnel, service attendance and simplicity were all graded as very important. Storage place did not matter, and the factors “attract more customers” and “lower costs” were very important. Education and training about the product, and how to use it, is very important, service/follow up and online upgrades; extremely important.

The store got to know about TOMRA because they are world leader within the RVM segment, and the company qualified/pushed through as a potential supplier due to this combined with the introduction of the legally imposed collection of empty beverage containers. The contact with TOMRA happens on every level; in written, through personal contact, per telephone, per e-mail, through online –
updates etc. A personal contact during the first meeting is very important, and the company has of course heard about TOMRA due to them being their supplier of RVMs.

With the introduction of the legally imposed obligation to collect empty beverage containers through the market, one was able to enter a new segment in the German market. Since the implementation of this obligation had to happen within a short amount of time, it was of particular importance for the chain to find a supplier of RVMs which had over a longer period of time, internationally, been represented on the market. It was also important that TOMRA had proven itself to have a worthy system and to be a good investment. These conditions were met by TOMRA, meaning that the company already from the beginning was considered and highly prioritized as a potential supplier of RVM solutions. In the past years of cooperation with the company, TOMRA has shown itself to be an always trustworthy, reliable, professional, sincere, competent and innovative partner. In addition, the company also convinces with the quality of the RVM solutions delivered.

Furthermore, the improvement area for TOMRA, has to carry on being the motivating force for the innovative developments. This is to be able to keep their world market leader position in the market for automated recycling solutions. In addition to this they have to preserve the cost structures and drive the rationalization forward, this for TOMRA to be an attractive partner within the price competitive environment further on as well.

**Lidl**

The respective chain has exclusively TOMRA RVM’s, and is considered being one of the company’s biggest customers in the German market. They are satisfied with the current solution. In regard to the question about satisfaction, they were especially pleased with the automated processes, and the little need for space regarding the received empty beverage containers. The negative aspects were the smell developed by the collected empty beverage containers, and the high service costs. The following question, about how satisfied they think that the customers are with current solution, the answer was satisfied. The factors emphasized when choosing a solution are; simplicity, service costs, collection speed and service
effectiveness. These aspects are important to the chain because of cost factors and acceptance from their customers.

LIDL got to know about TOMRA through the Internet and through trade fairs. When asked how LIDL communicate with the supplier of RVM, the answer given was that there is a telephone hotline for the store personnel, namely the service call center, in case of problems with the machines.

The personal contact during the first meeting is important. They clearly know about TOMRA since the company is the supplier of their RVMs, and TOMRA was chosen because of the experience within the industry, service-organization, and the reliability of the RVMs when compared with the competitors. The best aspect about TOMRA is said to be the market experience / knowledge within the RVM industry. On a B2B level, they are able to get direct contact with their contact person in TOMRA.

When asked about what TOMRA should improve, the answer given was; the IT Structure (software in RVM's and in the Center for RVM Upkeep/Care), and adjust RVMs according to market development or rather market demands, this by performing customer analyses and/or through establishment of customer demands.

Anonymous; the interview object posses a high position in one of the biggest retail chains in Germany
The chain handles the return of empty beverage containers through a combined solution, meaning that they have both TOMRA machines, machines from other suppliers and a manual solution system. When asked about to which degree they are satisfied with the current solution the answer was; very satisfied. A further comment to this question was that they do not consider problems which may occur as problems, but as challenges. They are also very satisfied because of the high level of service, this as a result to the service contract they have with TOMRA.

The chain is in particular satisfied with the effective service, the technology, and the technological execution. On the other hand, they are not too satisfied with the
manufacturer this because of TOMRA’s large portfolio. Our interview object believes that the customers are “little satisfied” with the current solution, but still above the medium value. When choosing solution they emphasize two main points; 1) Stability, and 2) Optimal integration. It is important for the chain that the supplier of RVMs offers a stable system and technology, and also that it is optimally integrated with how their stores function.

The parameters defined regarding the RVM tell us that the chain finds user friendliness for the customers, service attendance and simplicity as equally important. The user friendliness for the personnel does not matter; this regarding how important it is for the chain that it is easy for the employees to maintain the machine. Storage space; how much place the machine takes up, and attracting customers are extremely important factors to the respective chain. Education/training about the product and how to use is of little importance to the chain. Service and follow up on the RVM, on the other hand, are extremely important, followed by online upgrades which are very important.

The chain got to know about the supplier through a standard process namely trade fairs as well as the Internet.

We were also told that every large chain has four to five possible suppliers who fit their needs. In this chains case, they had three to four which could deliver what they needed. Following they sat down and talked with the potential suppliers, introduced a testing period in their stores, which again led to a decision being made later on, as result of the development during the testing period. The machines are monitored via the Internet; in addition there is a service call center by which they can contact TOMRA at any given time. The personal contact during the first meeting is considered as being extremely important.

Due to TOMRA being one of the suppliers which the company chose, they of course have heard about them. The main reason for why TOMRA was chosen is that the chain 1, 5 years ago only had one supplier of RVMs, and they needed more than just one due to the size of the chain.

The best aspect about TOMRA is said to be the experience; they have been on the market for more than 30 years. The chain liked the mechanical capacity offered,
and of course the machines’ ability to work under pressure. Moreover, TOMRA’s improvement area is said to be the reaction time. The chain mentioned is a big retailer in Germany, but in Norway just one of many. This meaning that they are set in situation to wait too long for things to happen. TOMRA apparently does not meet the expectations regarding being fast enough, at least not as fast as they want to be, concerning developments and parts of machines coming from Norway. Hence, TOMRA has to be quicker in reaction time.

6.3.2 Non- TOMRA users

The context of interview combined with questionnaire:

Tengelmann
The respective chain is a previous costumer of TOMRA, however they decided to change their supplier of RVM, given reasons will be mentioned later. The stores within the Tengelmann group handle return of empty beverage containers with an automated solution provided from two of the main competitors of TOMRA, namely Trautwein and Wincor-Nixdorf. The retailers are very satisfied with the current solution, mainly because that the suppliers handle Tengelmann seriously. The RVM responds quickly and does not require a lot of service, so the quality of the RVM is very satisfying. However, when asked what Tengelmann is particularly dissatisfied with, the answer was that they have two different providers, which result in two different service reaction times. With Wincor-Nixdorf, Tengelmann has a full service contract, which implies service within eight hours. Trautwein, on the other hand, is a smaller company which only offer service within 24 hours. This imposes a problem to Tengelmann because 24 hours is a long time to wait if the RVM breaks down.

Nevertheless, Tengelmann believes that their customers are very satisfied with the RVM offered in their stores. Regarding the question about what Tengelmann emphasizes when choosing a RVM, the answer was a remarking service reaction time. Another important aspect is the quality in proportion to price. Regarding the grading of the pre-defined parameters, user friendliness for the personnel is defined as of great importance. To explain this further; the largest part of
Tengelmann’s costumers are in the age of 60 therefore simplicity and user friendliness for the costumers is important. Other important aspects mentioned are; education about the product and online upgrades. The service is important as well, but as long as the RVMs are working perfectly, this is taken into consideration.

Mr. Dahl is the chief of the technical purchase department, therefore he is the one collecting all the necessary information, and is quite familiar with the market. He knows more or less everything about TOMRA, due to the fact that Tengelmann was a previous costumer. The RVM was replaced with the current solution, this because of the two suppliers having a better correspondence between price and quality.

Tengelmann is in direct contact with their suppliers. This happens mainly through e-mail and telephone, but they also have continuous meetings with the respective suppliers.

Tengelmann was not satisfied when TOMRA was their supplier of RVM this based on the fact that the biggest and largest player in any given business, tends to be typified as a “sleeping bear”. Tengelmann feels that the market leader does not have to work as hard as the others. This again conveys the company to be arrogant and lazy, neglecting their customers. The retail store felt that having a marketing leader as their supplier could be too dangerous also because of the power TOMRA has.

**Galeria Kaufhof**

This is an interview with the store manager, unlike the previous interviews being with purchase managers. All in all, the manager of this store is not remotely satisfied with the current recycling solution. One of the main reasons for the dissatisfaction is the fact that machine requires a lot of technical service. Whenever the RVM breaks down, the store personnel is depends on waiting for technical service, the personnel is not able to fix the RVM themselves. Regarding the question on what the store emphasizes when choosing a RVM, the answer is without a doubt; service as well as easy to handle. This contradicts more or less the actual solution they have today.
Other important aspects regarding offers from the supplier, in this case being Trautwein, are both service and follow-up on the RVM. In addition there is the importance of the machine being problem free, and the opportunity of having the store design on the RVM. Normal communication with the supplier is direct contact over telephone as well as e-mail.

When asking Mr. Hoffmann if he had heard about TOMRA, the answer was no. This is due to all the main decisions being done by the headquarters. This hierarchical structure is normal in Germany, and therefore a store owner will not be able to decide on the behalf of the store. The question is, if he, as well as other store managers, is able to influence the headquarters.

**Basic Bio**

Basic Bio is a convenient store with a focus on biological and organic food. The store has a combined solution regarding handling return of empty beverage containers and crates. When returning crates, this is done by a manual solution, which in other words means reception at the cash register. Basic Bio has a RVM supplied by Trautwein, and the store is satisfied with both of the current solutions. Moreover is the store particularly satisfied with the fact that the deliverance of single bottles is quickly handled without any interference from the store personnel. On the other hand, the store is *not* satisfied with the machine receiving bottles which the store does not have on stock. Basic Bio emphasizes factors such as rapidness and simplicity when choosing a solution for handling empties. The reasoning for these factors being important is that the store has a goal to serve the customers, and save them for any unnecessary waiting time. This is again reflected in the answer to question number seven, user friendliness, both for the customers and the personnel which is of great importance.

Value added services offered from the supplier have more or less no importance for Basic Bio, and once again we experienced that as long as the technology in the RVM works and is efficient, the store is satisfied without any further concerns. The interview object has never heard about TOMRA, and did not seem to have any interest in knowing about them either.
**Kaufpark**

Upon first contact, we approached Mr. Jeddamowski, who is the expert buyer in Kaufpark, he referred us to one of his co-workers, due to lack of time. The retail chain has a RVM supplied by a competitor, whose name they did not give. The information given during the interview indicates that Kaufpark is satisfied with the current solution, especially the fact that all the empties are received. When asked whether there are any negative aspects about the RVM, the answer was no. In contradiction to the chain itself being satisfied, they believe that the customers are not.

When asked about what the store emphasizes when choosing a solution and why this is important, Kaufpark did not want to give any specific answers. Regarding the graded alternatives user friendliness for both the consumer and personnel, and the simplicity aspect does not matter. Service attendance is of little importance. The three remaining parameters were not answered; therefore we interpret these as not being weighted in any way.

Kaufpark finds the education/training about the product and how to use it, of little importance. It is, on the other hand, more important that the supplier offers service, follow-up and online upgrades. The retailer outsourced the different offers when deciding which supplier to invest in. All communication with the supplier is by telephone, and personal contact is perceived as being of high importance. Kaufpark chose their supplier based on the fact that they were able to deliver faster than other potential suppliers. Throughout outsourcing they got know about TOMRA, but they claim that TOMRA has to improve their service level. This again, is reflected in what they consider as important.

### 6.4 Summary of findings

After analysing the conducted interviews, we made some important findings.
6.4.1 Findings within the group of TOMRA users

We have made two different graphs based on the gradable question- alternatives, one graph for satisfaction and one for the importance of different aspects. This is to make it easier to detect the differences between the retailers.

The first graph shows the connection between how satisfied the retailers are with the current solution supplied from TOMRA, and how satisfied they believe that their customers are. In this case all the retailers interviewed have a high perception of satisfaction. The only graded answer differentiating itself from the others is how satisfied the anonymous retailer believes the customers are. This because the customer satisfaction depends on the different solutions offered by the respective retailer.
In the second graph, we are also able to interpret that the retailers have a medium to high level of importance. For Aldi, it is very important that the RVM is user friendly for both the customers and personnel, closely followed by Lidl. The anonymous chain grades the importance of user friendliness for the customer as more important than for the personnel.

For the remaining parameters; simplicity, storage space, attracting customers and lower costs, the outlook is more over perceived as having a high importance. The three interview object are chains with a large number of clientele, therefore storage space is of extreme importance. Lidl is the only one who slightly differentiates themselves from the rest by having a medium importance level on simplicity, attracting customers and lower costs.

Furthermore, when interpreting question number nine, we see that the only factor which is of less importance is whether the supplier offers education about the RVM, and training. Moreover, the three remaining factors in question nine are of high importance to the three retailers. The anonymous chain graded the importance of personal contact during the first meeting as being extremely important, while the remaining two considered this as being of lower importance, but still over medium value.
6.4.2 Findings within the group of non-TOMRA users

The four interviewed, were all different regarding how open they were answering the respective questions.

![Chart showing customer satisfaction for different retailers.]

From graph number one, we are able to interpret that Tengelmann has an overall high level of satisfaction, closely followed by Basic Bio and Kaufpark. In comparison to Galeria Kaufhof, who stated that they are very dissatisfied with the current solution. An interesting finding is that both Tengelmann and Galeria Kaufhof have Trautwein as their supplier, but they have two completely different views on how satisfied they are, which again results in how they believe their customers perceive the solution. During the interviews both of the mentioned retailers had an issue with the service offered by Trautwein. However, this again is not a decisive factor for Tengelmann, while their RVM’s are functioning without any further problems.
Further on, when interpreting the second graph; starting with the defined parameters on question number seven, we find a broad spectre of perceived importance. User friendliness both regarding customers and personnel is more or less perceived as having a medium to high importance level. Tengelmann and Galeria Kaufhof, find service attendance and simplicity as equally important factors, whereas Basic Bio and Kaufpark on the other hand, find these as less important. Storage place is an important aspect for both Tengelmann and Galeria Kaufhof due to the reception of a large volume of empties. Basic Bio graded storage place close to the two others, but with a different reason; the store has not as high clientele number as the others, so the grade of importance is due to lack of storage space and smaller size of the store. Kaufpark did not see any benefits from this.

We also found out that having a well functioning RVM helps the store increase the number of customers. When asking the interview objects whether lowering costs was of any importance in comparison to the other aspects mentioned earlier, the lowering of costs was not nearly as important. Both Tengelmann and Galeria Kaufhof are willing to perform the necessary investments to receive the required quality.
Question number nine is regarding what the supplier of the RVM offers their customers. Basic Bio did not see the following factors as being important, while Tengelmann found both education and service very important. The supplier for Tengelmann is expected to offer both online upgrades as well as follow up on the RVM. These two are graded as extremely important to Tengelmann, because this will help reduce time spent on the RVM. On the contradiction, Galeria Kaufhof responded to education and online upgrades as less important. Service, follow-up and online upgrades were of importance to Kaufpark as well.

Two of the four interview objects did not know about TOMRA. The main reason for Galeria Kaufhof to not know about the company is due to the fact that the one interviewed is not the one choosing such an investment. This is also the reason for why the outcome of question 12, personal contact during the first meeting, had such a low importance, whereas for the three remaining this was of great importance.

This was a diversified group of non-TOMRA users; we got answers from two expert buyers, two replies from store managers which are directly confronted with the RVM. What we find interesting is that Tengelmann and Galeria Kaufhof, who are both customers of Trautwein, not only have completely opposite perceptions of the RVMs supplied, but also are on different levels within the organizational structure within their respective chains.

6.5 Concluding remarks

As a concluding remark, we will now enhance the most remarkable findings when comparing the two groups.
By looking at the graph above, one can see that there is a more over even satisfaction level amongst the TOMRA user in comparison to non-TOMRA users.
From this graph, we will only extract the answers with the most distinguishing variation. The fact that we are able to see that the TOMRA users grade user friendliness for personnel as being less important than the other group can be in correspondence with the fact that these are larger chains with a higher amount of clientele. This increases pressure on the personnel, so that they are required to spend less time on the RVM.

At a first glance we find it contradicting that Lidl is the only one who distinguished themselves from the TOMRA group by expressing that simplicity is of less importance. However, Lidl is has also graded education offered by the supplier, as very important, this evens out the lower importance of RVM simplicity. High education will naturally reduce grade of complicity.

Storage space has as we have interpreted earlier, an overall higher importance to TOMRA users. While in the other group there decisions are more individual which leads to more variations. The large retailers find lowering costs as an important parameter. The only two answering from non-TOMRA users are likely to pay the price as long as it correspond with the given quality.

The importance of education variates from very little importance to high importance, and strikes us as being random without any certain pattern. It is more or less an individual decision.

All of the mentioned TOMRA users expressed that online upgrade is very important.

We can sum up, towards the research question that TOMRA being a market leader combined with their large costumer portfolio, is not positive accepted from the retailers. This is also because that they fear being neglected. As a result of this, the service level is not as satisfying as TOMRA believes it is. TOMRA should differentiate them selves more, by focusing on the design, such as LOGO and colour, of the RVM. This goes especially for the more quality aware retailers, like Galeria Kaufhof.
- Strategy -

Providing solutions for more efficient and cost-effective recycling
7.1 SWOT analysis

SWOT is an acronym used to describe strengths, weaknesses, opportunities and threats. The analysis not only identifies the company’s core competencies, it will also sum up both the internal and the external sides of the company; whereas strengths and weaknesses “belong” to the internal side and opportunities and threats the external.

**Strengths**

- The experience and know-how, not only in Germany, but worldwide
- Technology
- Innovativeness
- Service
- Market leader
- Premium price

**Weaknesses**

- Large costumer portfolio
- Market leader
- Premium price
Negativity within the industry

Threats

- Threat of substitutes
- Competitors offering products at a lower price
- Easy target
- Increase in competitive environment

Opportunities

- Focus on environmental aspects
- Change people’s beliefs regarding recycling
- Unexploited market segments
8.1 Strategy

In this chapter the strategic outline for approach to solving the research question, will be discussed. The strategic areas which will be taken into consideration in brief are: Business-Level Strategy, but also by taking a look at how one can influence the end-customer through the distribution channel. We will then present what we believe is the most suitable strategy.

8.2 Strategic Problem Definition

Based on the previous conducted analysis, the following strategic problem has been developed:

“How should TOMRA’s communication strategy towards the B2B market be?”

Until now, TOMRA’s communication strategy has been “not to be seen”.

8.3 Critical success factors

Through the primary research conducted; the internal and external analysis, and the company’s vision and values, we have found some critical success factors. These again are key factors to what would create a noteworthy communication towards the German market.

The crucial thing here is to build further on TOMRA’s capabilities implemented with their core values to gain a sustainable competitive advantage. These factors are:

- Market pull and technology push
- Value added services
- Product awareness and attention
Market pull and technology push

One of the company’s key challenges is as mentioned earlier “to provide what the market needs today, but always keep in mind what the customer will need in the future”.

Based on this, TOMRA will always have to think ahead; there has to be a balance between long term thinking, and short term success. Compromises must always be made to avoid the controversies that come with the market pull and technology push.

Value added services

These are services that increase the value of the recycling experience for the end user and the retailer. TOMRA offers a wide range of value added services:

- Deposit refund donations
- Receipt coupons
- Electronic receipts

Another aspect of services is the customization of the packaging, the exterior of the product, and also the different service contracts offered to the customer.

These services offered, contribute to the name and brand TOMRA having a reputation of being a market leader, and to the key associations to the name:

- Trusted
- Recognition
- Premium

---

Product awareness and attention

Due to the fact that the TOMRA brand is not pushed actively, it has therefore not had a stable brand image. This is owed to the fact that different customers have different image perceptions and associations to the TOMRA brand, this again because of the constant variations in needs, preferences and requirements.

There is no consistent brand commercial, and the company’s PR is limited. The market which TOMRA operates in, in Germany, is a market driven environment. The opposite of this would be a product driven environment.

The buyers of the RVM are all legally obligated to have a recycling solution. This will also affect how some retailers choose their solution.

In lieu of the homogeneity of the product offered in the market, both from TOMRA and its competitors, it is crucial that TOMRA differentiates themselves in order for their product to attract attention. This will again lead to a gain in market share. The company, in light of branding, needs to have a unique selling proposition, with the “market pull and technology push” in mind; which technology to use, and which technology to protect.

8.4 Business-Level Strategy

To satisfy customers, the company needs to meet the customer needs or preferences, this is the core competence of the company. Customer satisfaction is also needed to achieve above average returns, and along the way achieve greater market share by using the Business-Level Strategies. There are five different strategies in this model, used to established and defend the strategic position desired to distance the company from its competitors.

Due to TOMRA’s relatively large market share, and them being a market leader within their industry, the company is able to have a premium price product. There is also a overall goal that the pricing will have a positive contribution to the image the customers have of TOMRA, connecting the premium price and high quality. Because of the market structure, the company has a relatively small target customer group. Their competitive scope is therefore not that wide. In lieu of the value added services combined with the values of the company, one can draw the conclusion that TOMRA should have a focused differentiation to promote them, and to differentiate their communication and product offered.

Customer values are crucial to understand in this strategy. For a differentiation strategy to work, the company has to emphasize service quality, but also the company’s ability to innovative thinking. Another factor which should be met is being able to convince the customer to pay a premium price. Follow-up, in the form of a constant communication flow, should be essential to TOMRA.

The push strategy is when the company is pushing their products through the distribution channel intermediaries, and out to the end consumers. This approach is most common amongst smaller companies. The pull strategy involves creating a demand in order to get the end consumers to pull the products through the

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69 www.bolender.com/Dr.%20Ron/BBA4073%20Strategic%20Planning%20and%20Policy/... -
70 http://www.entrepreneur.com/tradejournals/article/165971671.html
distribution channel. This approach is often used by bigger companies that have the financial resources to engage in heavy advertisement to promote their service or products.

### 8.4.1 Distribution Channel Strategy

When it comes to the distribution there are two different strategies one can use; these are called push and pull strategies. The push strategy, focuses more on promotion, and is used to create consumer demand for the product. While pull strategy on the other hand is a selling strategy and the most expensive spending wise. The pull strategy requires high spending on advertising and consumer promotion, in order to build up consumer demand. However, if this strategy is successful, the end user will ask the retailer for the respective product, or service.

Because of TOMRA’s size, the market share and resources possessed by the company, they should focus on a pull strategy, although the push strategy is more commonly used amongst Norwegian companies abroad. TOMRA is not looked upon as a Norwegian company by its users, this due to the duration of time in the German market.

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71 [http://tutor2u.net/business/marketing/promotion_pushpull.asp](http://tutor2u.net/business/marketing/promotion_pushpull.asp)
8.5 Concluding Remarks

By applying a pull strategy, motivating the channel members, and by reaching out to the end consumers, TOMRA should be able to experience a market share gain in the long run.

8.6 Implications

We were after analyzing the internal and external sides of the company, able to see, that a pull strategy combined with the strengths and opportunities of TOMRA, would be of benefits for TOMRA.

The SO strategy towards the B2B-market, builds on the company’s strengths and opportunities identified in the SWOT. The RVM is a product which requires high involvement, but the essential is that the retailers get the required technology at a reasonable price. TOMRA has to show the customers that there is much more to their product than the technology. The company has to focus on getting attention, because for a long time their strategy has been to be "invisible". After several decades in the German market it is the time to build new relationship with potential customers as well as keeping the old ones, and not forget to provide them with enough respect and attention. In a B2B market, add-ons, or so called value added services are important. One must make the customer feel important.

At this point, the Norwegian market, its retailers and consumers are a good comparison. There is a much more aggressive approach in the Norwegian market when it comes to making people aware of the benefits with recycling.

By focusing on the opportunities one has the potential to strengthen TOMRA in the German market, and the constant “think green” attitude can be developed even further. Change in believes and attitude can be done through co-operations with organizations who actively promote environmental aspects. This should have been Deutsche Pfand AG, however this organization is not encouraged to take any initiative to this. TOMRA is then able to seek other alliances, to be more visible, with other recycling organizations, or even sporting events. Product awareness

http://www.thelocal.de/national/20090514-19293.html
and getting attention is a key success factor for every market leader, therefore another angle to approach the opportunities is through the untapped potential.  

One has to take advantage of the know-how and market knowledge, this, together with the company strengths and opportunities will differentiate TOMRA from the competitors. TOMRA has built their foundation on three main factors, namely; innovation, passion and responsibility. They need to bare this in mind in the future as well. The questions TOMRA should be asking themselves are; what does “responsibility” in the form of “Helping the world recycle” imply, and how can TOMRA use this to attract potential customers. Finding that the communication strategy should be stronger and "louder" than what it is today.

For TOMRA to reach the remaining retailers on the market, we think the company need to maintain their large retail chains. However there are more or less smaller chains and independent stores left, who does not choose TOMRA as a supplier due to price matters. In this case, TOMRA not only has to convince these potential customers about their product, it is crucial that TOMRA and their sales persons communicate the correspondence between price and quality at a different level.
- Recommendation -

Opening opportunities through information
First we would like to recommend that TOMRA as a market leader, need to bring across in their communication, that even though they have a large costumer portfolio, they will not neglect current and potential customers. This is something TOMRA has to implement in their core values as well.

Secondly, the gap between, how customers and TOMRA perceive the service level, has to be minimized.

Thirdly it is essential that TOMRA differentiate them selves through a focus on pull- and SO- strategy, which again implies that the communication strategy should be stronger and more visible than what it is today.

As a last remark to differentiation, is more focus on customization on the design of the RVM and this is recommended to be more actively promoted.
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<td>Carbon dioxide emissions</td>
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<td>Waste generation</td>
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<td>1,586</td>
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Appendix 3- Meeting TOMRA, Norway

Expert Interview with Ingrid A. Tronstad.

Date: January 30th, 2009

Attending: Anne Kristin P. Skauge Griggs, Anne Ringvold and Tea Majstorovic

Meeting with TOMRA Norway

Name: Ingrid A. Tronstad

Position: Vice president marketing

The bachelor group visited the headquarters in Asker. This was to get a understanding of the company as a whole, to get a insight of the market which TOMRA is in, and also to get some guidelines when it came to the meeting with the managing director of TOMRA Germany.

The interview was conducted as a question and answers round, followed by an introduction to all the different machines that TOMRA produces. The duration of the interview was two hours, and therefore only a summary of this meeting will follow.

We brought with us the questionnaire which we were going to conduct in the German market. Also the structure of this questionnaire was a topic during the interview; recommendations and additional feedback on how the layout of the questionnaire was, at this point of time, were given. Mrs. Tronstad told us that she was willing to help us during the process of developing the questionnaire.

In regard to the what level of globality the RVM industry is in: TOMRA has around 60 000 installation worldwide, and they collect a total of 5% of the worlds used containers. Only 15% of the global market has a RVM solution. The technology is global, but the global markets have a large untapped potential.
When it comes to adaption versus standardization: There has been some market adaption, but the product portfolio is standardized.

All communication is typically in English, but is also adapted to the different markets.

In the light of intangible resources we were told to talk to TOMRA Germany; this to get a deeper understanding. However, there were some comments made about this:

The core competence builds on recognition, the technology and services. The competitors cost less on paper, but the technology that TOMRA uses is much better - it pays off in the long run. There is also continuity in follow up and education. The R&D department is in Germany. The subdivisions of the company are responsible for the signings of smaller contracts, but contracts which are of larger scale, have to be checked and signed by TOMRA Norway. All customers get training and education when it comes to the installation of the machine. There is an incentive system within the TOMRA organization, but it varies from department to department.

Regarding the question about tangible resources, we were told to look at the annual report from 2008, but she, herself, was not willing to give us any numbers. In the German market there is a total of 27 200 RVM’s, and out of these 18 000 machines, are TOMRA machines.

The product is divided into three parts:

- The core product - the technology
- The concrete product: the RVM and backroom equipment
- The extended product – value added services
Questions to TOMRA, 30th January 2009

1) In regard to the globality of the industry- which level of globality is the RVM industry in? Medium/high?

2) Is the product adapted to the different markets within Germany, or is the product standardized?

3) Is the communication adapted to the German market, or is it standardized?

4) In regard to the intangible resources:

   - Competence-based resources:

   a) Volume of existing customers?

   b) Within TOMRA: Is there any Customer relationship management (CRM) system in use?

   c) If yes, is this something that is standardized or adapted within each market?

   d) Is there a continuity in regard to training and follow up of employees (at a service level) ?

   - Relation based resources:

   e) Are there short term contract or only long term?

   f) Is there a continuity in regard to training and follow up of customers (at a service level) ?

   g) Is there any incentive system within the TOMRA organization?

5) VRIO analysis:

   a) In regard to TOMRA’s competitive advantage: Is there any of TOMRA’s advantages that have to be added or taken away?
6) In regard to tangible resources:

We choose to only keep to the German market when it comes to the tangible resources, this might be resources that in a bigger scale can be manifested into numbers.

- Has there been put up a budget in regard to marketing, and with expansion in the German market in mind?
- If yes, was what the budget in 2008, and was it held? How many RVM’s have TOMRA sold in total in Germany?
- Is there certain areas in Germany where the concentration of use is higher than in other areas?
- How many RVM’s are there in total in the German market?

7) Are we on the right track when we divide thee product in three: core, concrete and extended product?

8) Are we right when we say that the customers in the German market are:

a) Wincor-Nixdorf (Prokent), Envipco and Repant?

b) Are there some, which differentiate themselves as greater competitors, or are there some that we have forgotten?

c) Do these participants use the same technology as TOMRA?

9) Does TOMRA have a R&D department for development, research and usage of new technology? If yes, where are they located?

10) Are there numbers of how many bottles there are sold in total, and how many of these are getting recycled?

11) What is the role of the waste management in Germany? Does TOMRA have any co-operation with these, or are there any other "partners" located in Germany??
Appendix 4- Meeting TOMRA Germany

Expert Interview with Mr. Heiner Bevers

Date: April 21st, 2009

Attending: Anne Kristin P. Skauge Griggs, Anne Ringvold and Tea Majstorovic

Meeting with TOMRA Germany

Name: Heiner Bevers

Position: Managing Director

Work experience:

- 2001: Joined TOMRA as General Manager, Tomra Systems GmbH
  (Tomra Germany)

1999-2001: General Manager, Consumer Division Werner & Mertz Group.

1986-1999: Marketing & Sales, Procter & Gamble

The bachelor group headed out to Düsseldorf, Hilden to talk to the Managing Director of TOMRA Germany, this to get a greater understanding of the German market, which TOMRA operates in. There had been an ongoing communication with Mr. Bevers, and the interview questions had been sent to him in advance. We had a total of 24 questions. The interview was not lead as a question and answer round, but as a conversation with the questions in mind. In light of the duration of this meeting, 3 hours, we have chosen to only post a summary.

Today there is a total of 270 employees in TOMRA Germany, only 70-80 people are physically located in Hilden. The rest works as service distributors and within physical repairs. Their working environment is literally their car. In addition, there
are 10-12 sales people distributed all over Germany, but they are also physically located in Hilden.

The communication strategy in Germany is distinctly different. Here the corporation is a purely B2B corporation with a very customer based strategy. Basically they only operate with around 80 different businesses.

The RVM market is also called a deposit market, this is a regulated market, and no deposit market is the same due to markets history or legal/regulatory framework.

Transportation costs are also something that variates, here it is a matter of "Make or Buy". There is some outsourcing locally when it comes to for example wood, metal and plastic. 10% of production is locally sourced.

Today there are 18 000 -19 000 machines installed in the German market, which is a very untypical and homogenous installation market. In the German market the 710 is the most sold, but without the crate part. It is a modular machine, and can either be sold with single bottle and cans input, or combined with the crate part.

The market history is a little bit untypical due to the changes that were forced upon Germany in 2003. The magical year, however, was not until 2006. This was the initial year. In 2006 the market changed from a pure refill market. 10 000 of the 18 000 machines, were installed in only one year. In comparison: In Norway there are less than 3000 machines installed. TOMRA offers different services on the German market. There is also a slight difference in the service centre, due to different customer requests; the customers in Norway require less. Pressure on the retailer is also higher than in Norway.

Today, in the German market there is a problem if the RVM does not work; now it is a necessity. It is therefore a necessity that the machines are problem free, this because of the low capacity of employees within stores. Time is essential. An example here is Aldi, a discount chain, with a high number of customers pr. day, this, joined with the 2500 containers received on a daily basis means that the
machines have to be up and running. Also fast repairs and fast availability at all times is another essential factor. In Norway, the customers demand less.

On the German market there are two groups of customers:

1. National centralized:
These are stores such as Aldi and Tengelmann who have a high hierarchical structure. They have headquarters, and are classified as discount chains. The decision making process is here decided by two to three persons, and all communication with the company is restricted to these people.

2. Regio centralized:
Here we can mention the REWE group and Sky outlets. These have independent store owners.

When it comes to market potential, this is believed to be 35 000- 40 000 systems. Today TOMRA has a market share of approximately 60 %, this equals 18 000 systems.

In the German market, the Research and Development costs are much higher than in any other market.

Also the product is inconsistent due to that every customer has slightly different needs and preferences. This again leads to that the price differs from one customer to another. The price is in other words customer specific.

TOMRA is defined as market leader by their competitors, and from a competitive view they have a premium priced product. It is estimated as being 10 to 15% higher than the competitors.

The Country of origin has no affect on the choice of RVM. There have been a few questions about the headquarters not being in Germany, but not of any relevance.

TOMRA`s reputation is that of a market leader; trusted, recognized and premium.
The TOMRA Brand name is not actively pushed because the consumers don’t really care what machine it is. Therefore there has not been a stable Brand image over several years. Today there are different brand images between different customers, this due to the variations in needs and requirements. The only thing consistent in the TOMRA brand name is the geographical and technological aspects.

On a global scale, the global position in the market is decided in Germany. There might exist around 80 – 90 000 RVM in the global market. And out of these 65 000 RVM’s comes from TOMRA, and the 15 000 remaining comes from competitors, and 10 000 of these again are located in Germany.

When it comes to a question about direct or target marketing, and advertising: there is a direct communication through direct marketing, and there is also a direct interface with customers, this meaning face to face.

Today all the products are patented: they have unique features, and are superior to the ones of competitors. TOMRA is basically to caterer to what the market needs.

In light of the financial crisis there are still not any reasonable changes. Some changes are, however, expected to be noticed within the next 6 months. People will still eat and drink, it is a necessity. Up till now the Retail market has not suffered. The company can manage a reduction by 10-15% without any great changes.

In regard to the role of the waste manager in Germany, they play no role. The RVMs are owned by the retail stores. These stores can do whatever they want with the "waste".

TOMRA`s future goals are to increase their market share to 70%, and have a annual revenue/turnover of 100 million euro. Today it is close to 80 million euro. 23 000–25 000 is the total amount of machines TOMRA wants in the market; they believe this is the peak, before the market is saturated. After these goals are reached, TOMRA will work on replacements, upgrades and so on.
The key challenge for TOMRA is to provide what the market needs today, but always keep in mind what the market will need in the future. The controversy of market pull and technology push will always have to be kept in mind.

Under current circumstances a product has a life cycle of 7 to 10 years. Today a machine is polished after 5 years, but they are constantly working on developing new machines.

It is always important to keep in mind that in any market, and any situation: compromises have to be made.
Question to Mr. Bevers 21. April 2009

TOMRA before:

1: What kind of strategies regarding the expansion of TOMRA after 2003?
2: We know for a fact that Germany is a growing market with a huge market potential; is there any numbers and further research regarding the market potential?
3: How about infrastructure; when entering the German market, was an already in use infrastructure from one of the partners used? And if not, what else?
4: Germany was one of the first countries to “think green” with the bio stores, and recycling. How has this been taken advantage of?

TOMRA today:

1: How many reverse vending machines are there in the German market in total?
2: How has the market growth been the last five years?
2: Has there been some significant changes in behaviour in the customers needs over the last five years?
3: Regarding the communication strategy; is the strategy in Germany equivalent to the one used in the Norwegian market? And are there some significant differences between these two markets?
4: Is there a lot of Direct/ target marketing? Is PR also used, such as advertisement on the internet/news papers etc.
4: Does TOMRA regularly attend to workshops etc? How do TOMRA normally come in touch with a possible client?
5: When insuring quality and maintaining satisfaction amongst you clients; do you perform certain survey/ other forms of test / feedback on your product and services during a financial year? If so, how often do these take place?
6: What is Tomra’s reputation in the German market? How does TOMRA communicate this?
7: How is TOMRA as a brand? Is there any branding- brand image marketing?
8: How does it affect costumers that TOMRA originally is a Norwegian company? Is this implemented in the communication of TOMRA?
8: How has the penalty from the European Commission affected TOMRA Germany?

9: Are there any trade barriers when entering the German market as a new competitor in your market segment? And are the barriers created by German law and/or European Union law?

10: Regarding the product (reverse vending machine); what has TOMRA done to avoid negative aspects such as: off-target (danger of over standardization), lack of uniqueness, vulnerability to trade barriers and strong local competition.

11: The TOMRA sure Return technology and the Complete return solution; is there any other technology being used?

12: Regarding price; Is there a price-differentiation?

13: What is the price for a RVM in the German market compared to Norway? And regarding price in comparison to competitors in the German market?

14: Has there been any changes due to the credit/financial crisis?

15: What is the role of waste management in Germany? And does TOMRA any form for cooperation/communication with one or several waste managers?

16: Are there certain areas in Germany, in which there is a higher concentration of the usage of Reverse Vending Machines? We know for a fact that the eastern part of Germany is behind both when it comes to the financial and technological aspects, does this reflect in the usage and demand of the Reverse Vending Machines, and systems.

17: What is the Business idea of the company? Is it the same as the vision "helping the world recycle"? How does TOMRA communicate this?

TOMRA in future:

1: What is TOMRA economic goal for 2009 (market share and sales volume)?

2: What is TOMRA’s main focus in Germany at this moment and 2009?

3: Regarding segments; is there any further expansion of segments? Is there an increase on the focus on the gas-station segments? If so, how does this effect the retail-store segment?

In addition is there anything we are missing when we are looking at the communication of TOMRA?

What is the Business Idea of the company? Is it the same as the vision "helping the world recycle"? How does TOMRA communicate this?
Appendix 5- Trade dimensions

Source: lebensmittelpraxis@lpvenet.de  www.lpvenet.de
Appendix 6- Country Profile

Country profile Germany

Population: 82,329,758 (July 2009 est.)
Population growth rate: -0.053% (2009 est.)
Age structure:
- 0-14 years: 13.7%
- 15-64 years: 66.1%
- 65 years and over: 20.3%
Life expectancy: total population 79.26 years
Total fertility rate: 1.41 children born/woman (2009 est.)
People- note: Second most populous country in Europe after Russia

Languages: German
Religion: Protestant 34%, Roman Catholic 34%, Muslim 3.7%, unaffiliated or other 28.3%
Ethnic groups: German 91.5%, Turkish 2.4%, other 6.1% (made up largely of Greek, Italian, Polish, Russian, Serbo-Croatian, Spanish)

Government type: federal republic

GDP, real growth rate: 1.3% (2008 est.)
- 2.5% (2007 est.)
- 3% (2006 est.)
GDP, per capita: $34,800 (2008 est.)
Unemployment rate: 7.9%
Export: $1.53 trillion f.o.b. (2008 est.)
Export partners: France 9.7%, US 7.5%, UK 7.3%, Italy 6.7%, Netherlands 6.4%, Austria 5.4%, Belgium 5.3%, Spain 5% (2007)
Export commodities: machinery, vehicles, chemicals, metals and manufactures, foodstuffs, textiles

Industries: among the world's largest and most technologically advanced producers of iron, steel, coal, cement, chemicals, machinery, vehicles, machine tools, electronics, food and beverages, shipbuilding, textiles
Industrial production growth rate: 2.2% (2008 est.)

Source: http://indexmundi.com/germany/
# Appendix 7 – Climate change performance

## Overall Results

### Climate Change Performance Index 2009

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Score</th>
<th>Emissions Trend</th>
<th>Emissions Level</th>
<th>Climate Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Germany</td>
<td>60.7</td>
<td>Green</td>
<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>2</td>
<td>Finland</td>
<td>60.3</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>3</td>
<td>Italy</td>
<td>60.1</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>4</td>
<td>Switzerland</td>
<td>60.0</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>5</td>
<td>Japan</td>
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<td>Red</td>
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<td>8</td>
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<tr>
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<td>Red</td>
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<td>Red</td>
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<td>12</td>
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<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>13</td>
<td>New Zealand</td>
<td>57.2</td>
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<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>14</td>
<td>Netherlands</td>
<td>56.9</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Red</td>
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<tr>
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<td>Switzerland</td>
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<td>17</td>
<td>Singapore</td>
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<td>Yellow</td>
<td>Yellow</td>
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</tr>
<tr>
<td>18</td>
<td>New Zealand</td>
<td>56.1</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>19</td>
<td>United Kingdom</td>
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<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>20</td>
<td>Indonesia</td>
<td>55.8</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Red</td>
</tr>
</tbody>
</table>
Dear Sir/Madam,

We are three Norwegian graduates - exchange students from BI Norwegian School of Management. We are currently studying BWL at Universität Mannheim.

Due to our Bachelor Thesis, which involves promoting Norwegian trade in Germany, we chose to write about TOMRA. This company is one of the leading Norwegian businesses abroad, and we feel privileged to be writing a Bachelor Thesis about them. One of our aspects is to get a deeper sense of the business to business environment that TOMRA is located in; therefore we are contacting you and your company.

Our question is if you are willing to help us by letting us interview you, or an employee in the respective store. The interview will involve answering some simple questions for our data collection. This would be a great help to us, and our bachelor thesis.

We are hoping for a positive response, and looking forward to hearing from you.

Best regards

Anne Kristin P. Skauge Griggs,
Anne Ringvold,
Tea Majstorovic
### RETAIL CHAIN APPROACHED BY E-MAIL

**Discount stores:**

<table>
<thead>
<tr>
<th>Norma</th>
<th>Aldi</th>
<th>Lidl</th>
</tr>
</thead>
</table>

**Branch offices:**

<table>
<thead>
<tr>
<th>Lengelmann</th>
<th>Penny</th>
</tr>
</thead>
</table>

**Trade groups:**

<table>
<thead>
<tr>
<th>Edeka</th>
<th>Netto</th>
<th>Rewe</th>
</tr>
</thead>
</table>

**Independent stores:**

<table>
<thead>
<tr>
<th>Basic Bio Store</th>
<th>Envita Bio Markt</th>
</tr>
</thead>
</table>

**Co-operation groups:**

<table>
<thead>
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<th>Kaufland</th>
</tr>
</thead>
</table>

**Supermarkets**

<table>
<thead>
<tr>
<th>Sky</th>
<th>Tegut</th>
<th>Kaufpark</th>
<th>Minipreis</th>
<th>Coma</th>
</tr>
</thead>
</table>
Appendix 9 - Questionnaires

Non- TOMRA user

Survey for retail stores
Umfrage für Einzelhandel

General information:
Allgemeine Informationen:

Name, contact person: Maria Helmstädt
Name, Ansprechpartner:

Firm: Bio Basic, Mannheim
Firmenname:

How does the store handle the return of empty beverage containers and what type of solution does the store have? Was macht das Geschäft mit Leergut der zurück geschickt wird, und welcher Art der Lösung hat das Geschäft?

Reverse Vending Machine, TOMRA
Automatisierter Pfandautomaten, TOMRA
Competitor machine
Wettbewerbsautomat
Manual solution, reception at the cash register
Einsatz von nicht-automatisierten Lösungen, wie z.B. Abgabe an der Kasse
Combination; machine and manual solution

1. On a scale from 1-7, how satisfied is the store or chain with the current solution for handling the return of empty beverage containers?
Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden. Wie zufrieden sind Sie bei der Lösung der Rücknahme?

Very dissatisfied/Sehr unzufrieden
Dissatisfied/Unzufrieden
Little dissatisfied/Wenig unzufrieden
OK
Little satisfied/Wenig zufrieden
Satisfied/Zufrieden
Very satisfied/Sehr zufrieden

2. What is the respective store particularly satisfied with? Womit sind Sie im Speziellen bei der Rücknahme zufrieden?
Handled seriously, quick and quality, not that much service

3. What is the respective store particularly not satisfied with? Womit sind Sie im Speziellen bei der Rücknahme unzufrieden?
Different action time between the suppliers. Trautwein service contract:24 hours, Wincor: 8hours. Problem with to long action time.

4. On a scale from 1-7, how satisfied, does the store believe, the customers using your current solution for empties?
Wie zufrieden denken sie, dass Ihre Kunden mit dem Leergutrücknahmesystem sind? Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

<table>
<thead>
<tr>
<th>Zufriedenheit</th>
<th>Punkte</th>
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</thead>
<tbody>
<tr>
<td>Very dissatisfied/Sehr unzufrieden</td>
<td>1</td>
</tr>
<tr>
<td>Dissatisfied/Unzufrieden</td>
<td>2</td>
</tr>
<tr>
<td>Little dissatisfied/Wenig unzufrieden</td>
<td>3</td>
</tr>
<tr>
<td>OK</td>
<td>4</td>
</tr>
<tr>
<td>Little satisfied/Wenig zufrieden</td>
<td>5</td>
</tr>
<tr>
<td>Satisfied/Zufrieden</td>
<td>6</td>
</tr>
<tr>
<td>Very satisfied/Sehr zufrieden</td>
<td>7</td>
</tr>
</tbody>
</table>

5. Whether automated or not, what does the store/chain emphasize when choosing solution?
   Auf welche Faktoren legen Sie bei der Auswahl eines Rücknahmesystems Wert?
   Price vs quality and reaction time

6. Why are these different aspects, as mentioned in the question above, important to the store?
   Warum wird diese Lösung Wert gelegt?

7. We have defined some parameters regarding the reverse vending machine. On a scale from 1-7, where 1 is not important and 7 is extremely important. How important are these for your store.
   Wir haben einige Faktoren, in Verhältnis zu den Pfandautomaten definiert.
   Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>User friendliness for the consumers</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>User friendliness for the personnel</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Service attendance</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Simplicity</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Storage place</td>
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<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>To draw more customers,</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Yield better custumer service</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Lower costs</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>
9. On a scale from 1-7, were 1 is not important and 7 is extremely important; How important is it for the stores that the supplier of the reverse vending machine offers:

   Auf einer Skala von 1 bis 7, wobei 7 ist sehr wichtig: Wie wichtig ist es für den Betrieb, dass der Lieferant des Pfandautomaten ihr mit folgende Punkte versorgt:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
</table>
   1. Education/training about the product, and how to use it       ☑
   2. Training für das Produkt und die Benutzung
   3. Service on the reverse vending machine       ☑
   4. Service hinsichtlich des Pfandautomaten
   5. Follow up on the reverse vending machine       ☑
   6. Kontinuierliche Betreuung
   7. Online upgrades       ☑

   Other offers/Sonstiges Angebote:

10. How did the store get to know about the supplier?

   Wie hat den Betrieb vom Lieferant erfahren?

   Knows the market, talk to other retailers as well, have information on all the competitors.

11. How does the respective store communicate with the prospective supplier?

   Wie kommuniziert den Betrieb mit dem Lieferant?

   Direct communication through both e-mail and telephone, meetings.

12. How important is personal contact during the first meeting?

   Wie wichtig ist ein erster, persönlicher Kontakt?

   Not important/Nicht wichtig ☐ 1
   Less important/Wenig wichtigkeit ☐ 2
   Little importance/Weniger wichtigkeit ☐ 3
   Does not matter/Egal ☐ 4
   Important/Wichtig ☐ 5
   Very important/Sehr wichtig ☐ 6
   Extremely important/Extrem wichtig ☑ 7

13. Have you heard about TOMRA?

   Kennen Sie das Unternehmen Tomra?

   YES/JA ☐  NO/NEIN ☑

14. Why did you choose/ not choose TOMRA as a supplier of the respective reverse vending machine?

   Warum haben Sie TOMRA, als Lieferant gewählt oder nicht gewählt?

   Did not choose TOMRA because of the sleeping bear example, depends on the business BUT market leader is dangerous, lazy and neglect others, market leader don’t have to work as hard as “number two and three”.

15. For the store that has TOMRA as their supplier; what is the best aspect about TOMRA and/or the product, reverse vending machine?

   Was ist der beste Aspekt mit TOMRA und/oder das Produkt?
(16). Furthermore, what is TOMRA’s important improvement area?

Weiter, was muss TOMRA verbessern?

Thank you for your time and your participation.

Vielen Dank für die Teilnahme an der Umfrage.

Survey for retail stores
Umfrage für Einzelhandel

General information: Store owner
Allgemeine Informationen:

Name, contact person: Hendrik Hoffmann
Name, Ansprechpartner:

Firm: Galeria Kaufhof
Firmenname:

How does the store handle the return of empty beverage containers and what type of solution does the store have? Was macht das Geschäft mit Leergut der zurück geschickt wird, und welcher Art der Lösung hat das Geschäft?

Reverse Vending Machine, TOMRA
Automatisierter Pfandautomaten, TOMRA
Competitor machine
Wettbewerbsautomat
Manual solution, reception at the cash register
Einsatz von nicht-automatisierten Lösungen, wie z.B. Abgabe an der Kasse
Combination; machine and manual solution
Combination

1. On a scale from 1-7, how satisfied is the store or chain with the current solution for handling the return of empty beverage containers?

Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden. Wie zufrieden sind Sie bei der Lösung der Rücknahme?

Very dissatisfied/Sehr unzufrieden ə
Dissatisfied/Unzufrieden 2
Little dissatisfied/Wenig unzufrieden 3
OK 4
Little satisfied/Wenig zufrieden 5
Satisfied/Zufrieden 6
Very satisfied/Sehr zufrieden 7

2. What is the respective store particularly satisfied with?

Womit sind Sie im Speziellen bei der Rücknahme zufrieden?

Not satisfied with the supplier at all

3. What is the respective store particularly not satisfied with?
Womit sind Sie im Speziellen bei der Rücknahme unzufrieden?

Many mistakes with the RVM which leads to a high level of service necessary. When there are problems with the RVM, the problems cannot be solved in the store or by the personnel.

4. On a scale from 1-7, how satisfied, does the store believe, the customers using your current solution for empties?

How zufrieden denken sie, dass Ihre Kunden mit dem Leergutrücknahmesystem sind? Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

| Very dissatisfied/Sehr unzufrieden | 1 |
| Dissatisfied/Unzufrieden          | 2 |
| Little dissatisfied/Wenig unzufrieden | 3 |
| OK                                | 4 |
| Little satisfied/Wenig zufrieden  | 5 |
| Satisfied/Zufrieden               | 6 |
| Very satisfied/Sehr zufrieden     | 7 |

5. Whether automated or not, what does the store/chain emphasize when choosing solution?

Auf welche Faktoren legen Sie bei der Auswahl eines Rücknahmesystems Wert?

Easy to handle by the costumers in the store, self repairing or easy to handle by the store personnel,

6. Why are these different aspects, as mentioned in the question above, important to the store?

Warum wird diese Lösung Wert gelegt?

7. We have defined some parameters regarding the reverse vending machine. On a scale from 1-7, where 1 is not important and 7 is extremely important. How important are these for your store.

Wir haben einige Faktoren, in verhältnis zu den Pfandautomaten definiert.

Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

| User friendliness for the consumers | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| User friendliness, for the personnel such as daily maintenance | ☒ | ☒ | ☒ | ☒ | ☐ | ☐ | ☐ |
| Service attendance | ☐ | ☐ | ☐ | ☒ | ☐ | ☐ | ☒ |
| Simplicity | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ |
| Storage place | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ |
| To draw more costumers, Yield better costumer service | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ |
| Um mehrere Kunden zu bekommen | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ |
| Lower costs | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ |
| Niedrigere Kosten | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ |
9. On a scale from 1-7, were 1 is not important and 7 is extremely important; How important is it for the stores that the supplier of the reverse vending machine offers:

Auf einer Skala von 1 bis 7, wobei 7 ist sehr wichtig: Wie wichtig ist es für den Betrieb, dass der Lieferant des Pfandautomaten ihr mit folgende Punkte versorgt:

<table>
<thead>
<tr>
<th>Education/ training about the product, and how to use it</th>
<th>1 2 3 4 5 6 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training für das Produkt und die Benutzung</td>
<td></td>
</tr>
<tr>
<td>Service on the reverse vending machine</td>
<td></td>
</tr>
<tr>
<td>Service hinsichtlich des Pfandautomaten</td>
<td></td>
</tr>
<tr>
<td>Follow up on the reverse vending machine</td>
<td></td>
</tr>
<tr>
<td>Kontinuierliche Betreuung</td>
<td></td>
</tr>
<tr>
<td>Online upgrades</td>
<td></td>
</tr>
</tbody>
</table>

Other offers/Sonstiges Angebote:

10. How did the store get to know about the supplier?

Wie hat den Betrieb vom Lieferant erfahren?

Through the headquarter, does not decide such an investment individually.

11. How does the respective store communicate with the prospective supplier?

Wie kommuniziert den Betrieb mit dem Lieferant?

Direct communication through both e-mail and telephone.

12. How important is personal contact during the first meeting?

Wie wichtig ist ein erster, persönlicher Kontakt?

Not important/Nicht wichtig | 1 |
Less important/Wenig wichtigkeit | 2 |
Little importance/Weniger wichtigkeit | 3 |
Does not matter/Egal | 4 |
Important/Wichtig | 5 |
Very important/Sehr wichtig | 6 |
Extremely important/Extrem wichtig | 7 |

13. Have you heard about TOMRA?

Kennen Sie das Unternehmen Tomra?

YES/JA | NO/NEIN

14. Why did you choose/ not choose TOMRA as a supplier of the respective reverse vending machine?

Warum haben Sie TOMRA, als Lieferant gewählt oder nicht gewählt?

Have never heard about TOMRA. Main decisions are made by the headquarter.

(15). For the store that has TOMRA as their supplier; what is the best aspect about TOMRA and/or the product, reverse vending machine?

Was ist der beste Aspekt mit TOMRA und/oder das Produkt?
(16). Furthermore, what is TOMRA’s important improvement area?

Weiter, was muss TOMRA verbessern?

Thank you for your time and your participation.

Vielen Dank für die Teilnahme an der Umfrage.

Survey for retail stores
Umfrage für Einzelhandel

General information: Technical purchaser
Allgemeine Informationen:
Name, contact person:  Wolfgang Dahl
Name, Ansprechpartner:
Firm: Tengelmann
Firmenname:

How does the store handle the return of empty beverage containers and what type of solution does the store have? Was macht das Geschäft mit Leergut der zurück geschickt wird, und welcher Art der Lösung hat das Geschäft?

Reverse Vending Machine, TOMRA
Automatisierter Pfandautomaten, TOMRA
Competitor machine
Wettbewerbsautomat
Manual solution, reception at the cash register
Einsatz von nicht-automatisierten Lösungen,
wie z.B. Abgabe an der Kasse
Combination; machine and manual solution
Combination

1. On a scale from 1-7, how satisfied is the store or chain with the current solution for handling the return of empty beverage containers?

Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden. Wie zufrieden sind Sie bei der Lösung der Rücknahme?

Very dissatisfied/Sehr unzufrieden
Dissatisfied/Unzufrieden
Little dissatisfied/Wenig unzufrieden
OK
Little satisfied/Wenig zufrieden
Satisfied/Zufrieden
Very satisfied/Sehr zufrieden

2. What is the respective store particularly satisfied with?

Womit sind Sie im Speziellen bei der Rücknahme zufrieden?

Handled seriously, quick and quality, not that much service
3. What is the respective store particularly not satisfied with?
   Womit sind Sie im Speziellen bei der Rücknahme unzufrieden?
   Different action time between the suppliers. Trautwein service contract: 24 hours, Wincor: 8 hours. Problem with to long action time.

4. On a scale from 1-7, how satisfied, does the store believe, the customers using your current solution for empties?
   Wie zufrieden denken sie, dass Ihre Kunden mit dem Leergutrücknahmesystem sind? Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

   Very dissatisfied/Sehr unzufrieden □ 1
   Dissatisfied/Unzufrieden □ 2
   Little dissatisfied/Wenig unzufrieden □ 3
   OK □ 4
   Little satisfied/Wenig zufrieden □ 5
   Satisfied/Zufrieden □ 6
   Very satisfied/Sehr zufrieden □ 7

5. Whether automated or not, what does the store/chain emphasize when choosing solution?
   Auf welche Faktoren legen Sie bei der Auswahl eines Rücknahmesystems Wert?
   Price vs quality and reaction time

6. Why are these different aspects, as mentioned in the question above, important to the store?
   Warum wird diese Lösung Wert gelegt?

7. We have defined some parameters regarding the reverse vending machine. On a scale from 1-7, where 1 is not important and 7 is extremely important. How important are these for your store.
   Wir haben einige Faktoren, in Verhältnis zu den Pfandautomaten definiert.
   Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

<table>
<thead>
<tr>
<th>User friendliness for the consumers</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benutzerfreundlichkeit</td>
<td></td>
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</tr>
</tbody>
</table>

   | User friendliness, for the personnel such as daily maintenance |
   | Benutzerfreundlichkeit für das Personnel |

   | Service attendance |
   | Serviceeigenschaften |

   | Simplicity |
   | Einfachheit |

   | Storage place |
   | Lagerplatz |

   | To draw more costumers, |
   | Yield better costumer service |

   | Um mehrere Kunden zu bekommen |
   | Niedrigere Kosten |
9. On a scale from 1-7, were 1 is not important and 7 is extremely important; How important is it for the stores that the supplier of the reverse vending machine offers:

Auf einer Skala von 1 bis 7, wobei 1 ist nicht wichtig und 7 ist sehr wichtig: Wie wichtig ist es für den Betrieb, dass der Lieferant des Pfandautomaten ihm mit folgende Punkte versorgt:

<table>
<thead>
<tr>
<th>Points</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education/training about the product, and how to use it</td>
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<td></td>
<td></td>
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<tr>
<td>Training für das Produkt und die Benutzung</td>
<td></td>
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<tr>
<td>Service on the reverse vending machine</td>
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<tr>
<td>Service hinsichtlich des Pfandautomaten</td>
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<tr>
<td>Follow up on the reverse vending machine</td>
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<tr>
<td>Kontinuierliche Betreuung</td>
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<tr>
<td>Online upgrades</td>
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<tr>
<td>Other offers/Sonstiges Angebote:</td>
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</tbody>
</table>

10. How did the store get to know about the supplier?

Wie hat den Betrieb vom Lieferant erfahren?

Knows the market, talk to other retailers as well, have information on all the competitors.

11. How does the respective store communicate with the prospective supplier?

Wie kommuniziert den Betrieb mit dem Lieferant?

Direct communication through both e-mail and telephone, meetings.

12. How important is personal contact during the first meeting?

Wie wichtig ist ein erster, persönlicher Kontakt?

<table>
<thead>
<tr>
<th>Importance Level</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not important/Nicht wichtig</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Less important/Wenig wichtigkeit</td>
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<tr>
<td>Little importance/Weniger wichtigkeit</td>
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<td></td>
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<tr>
<td>Does not matter/Egal</td>
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<tr>
<td>Important/Wichtig</td>
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<tr>
<td>Very important/Sehr wichtig</td>
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<tr>
<td>Extremely important/Extrem wichtig</td>
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</tbody>
</table>

13. Have you heard about TOMRA?

Kennen Sie das Unternehmen Tomra?

YES/JA    NO/NEIN

14. Why did you choose/ not choose TOMRA as a supplier of the respective reverse vending machine?

Warum haben Sie TOMRA, als Lieferant gewählt oder nicht gewählt?

Did not choose TOMRA because of the sleeping bear example, depends on the business BUT market leader is dangerous, lazy and neglect others, market leader don’t have to work as hard as “number two and three”.

Page 120
(15). For the store that has TOMRA as their supplier; what is the best aspect about TOMRA and/or the product, reverse vending machine?
Was ist der beste Aspekt mit TOMRA und/oder das Produkt?

(16). Furthermore, what is TOMRA’s important improvement area?
Weiter, was muss TOMRA verbessern?

Thank you for your time and your participation.

Vielen Dank für die Teilnahme an der Umfrage.

TOMRA users

Survey for retail stores
Umfrage für Einzelhandel

General information:
Allgemeine Informationen:

Name, contact person: Uwe Seiler, Geschäftsführer
Name, Ansprechpartner:

Firm: Aldi GmbH & Co. KG, Mariadorfer Str. 1, 52249 Eschweiler
Firmenname:

How does the store handle the return of empty beverage containers and what type of solution does the store have? Was macht das Geschäft mit Leergut der zurück geschickt wird, und welcher Art der Lösung hat das Geschäft?

Reverse Vending Machine, TOMRA
Automatisierter Pfandautomaten, TOMRA
Competitor machine
Wettbewerbsautomat
Manual solution, reception at the cash register
Einsatz von nicht-automatisierten Lösungen, wie z.B. Abgabe an der Kasse
Combination; machine and manual solution
x
Combination

1. On a scale from 1-7, how satisfied is the store or chain with the current solution for handling the return of empty beverage containers? Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden. Wie zufrieden sind Sie bei der Lösung der Rücknahme?

Very dissatisfied/Sehr unzufrieden
Dissatisfied/Unzufrieden
Little dissatisfied/Wenig unzufrieden
OK
Little satisfied/Wenig zufrieden
Satisfied/Zufrieden

1 2 3 4 5 6
2. What is the respective store particularly satisfied with?
   Womit sind Sie im Speziellen bei der Rücknahme zufrieden?

3. What is the respective store particularly not satisfied with?
   Womit sind Sie im Speziellen bei der Rücknahme unzufrieden?

4. On a scale from 1-7, how satisfied, does the store believe, the customers using your current solution for empties?
   Wie zufrieden denken sie, dass Ihre Kunden mit dem Leergutrücknahmesystem sind? Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

   | Very dissatisfied/Sehr unzufrieden | 1 |
   | Dissatisfied/Unzufrieden | 2 |
   | Little dissatisfied/Wenig unzufrieden | 3 |
   | OK | 4 |
   | Little satisfied/Wenig zufrieden | 5 |
   | Satisfied/Zufrieden | x 6 |
   | Very satisfied/Sehr zufrieden | 7 |

5. Whether automated or not, what does the store/chain emphasize when choosing solution?
   Auf welche Faktoren legen Sie bei der Auswahl eines Rücknahmesystems Wert?

6. Why are these different aspects, as mentioned in the question above, important to the store?
   Warum wird diese Lösung Wert gelegt?

7. We have defined some parameters regarding the reverse vending machine. On a scale from 1-7, where 1 is not important and 7 is extremely important. How important are these for your store.
   Wir haben einige Faktoren, in Beziehung zu den Pfandautomaten definiert:
   Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

   | User friendliness for the consumers | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
   | User friendliness, for the personnel such as daily maintenance | x |
   | Service attendance | x |
   | Simplicity | x |
   | Storage place | x |
   | To draw more customers, | x |

   Benutzerfreundlichkeit
   Benutzerfreundlichkeit für das Personnel
   Serviceeigenschaften
   Einfachheit
   Lagerplatz
   Yield better costumer service
9. On a scale from 1-7, were 1 is not important and 7 is extremely important; How important is it for the stores that the supplier of the reverse vending machine offers:

Auf einer Skala von 1 bis 7, wobei 7 ist sehr wichtig: Wie wichtig ist es für den Betrieb, dass der Lieferant des Pfandautomaten ihr mit folgende Punkte versorgt:

Education/ training about the product, and how to use it
Training für das Produkt und die Benutzung
Service on the reverse vending machine
Service hinsichtlich des Pfandautomaten
Follow up on the reverse vending machine
Kontinuierliche Betreuung
Online upgrades

Other offers/Sonstiges Angebote:

_______________________________________________________________________
________________________________________________________________________

10. How did the store get to know about the supplier?

Wie hat den Betrieb vom Lieferant erfahren?

_______________________________________________________________________________
_______________________________________________________________________________

11. How does the respective store communicate with the prospective supplier?

Wie kommuniziert den Betrieb mit dem Lieferant?

_______________________________________________________________________________
_______________________________________________________________________________

12. How important is personal contact during the first meeting?

Wie wichtig ist ein erster, persönlicher Kontakt?

Not important/Nicht wichtig
Less important/Weniger wichtigkeit
Little importance/Weniger wichtigkeit
Does not matter/Egal
Important/Wichtig
Very important/Sehr wichtig
Extremely important/Extrem wichtig

13. Have you heard about TOMRA?
Kennen Sie das Unternehmen Tomra?

YES/JA  NO/NEIN  

14. Why did you choose/ not choose TOMRA as a supplier of the respective reverse vending machine?

Warum haben Sie TOMRA, als Lieferant gewählt oder nicht gewählt?

______________________________________________________________________________________________

______________________________________________________________________________________________

______________________________________________________________________________________________

______________________________________________________________________________________________

(15). For the store that has TOMRA as their supplier; what is the best aspect about TOMRA and/or the product, reverse vending machine?

Was ist der beste Aspekt mit TOMRA und/oder das Produkt?

(16). Furthermore, what is TOMRA’s important improvement area?

Weiter, was muss TOMRA verbessern?

Thank you for your time and your participation.

Vielen Dank für die Teilnahme an der Umfrage.

Survey for retail stores

Umrage für Einzelhandel

General information:

Allgemeine Informationen:

Name, contact person: Fromming, Thorsten

Name, Ansprechpartner:

Firmenname:

How does the store handle the return of empty beverage containers and what type of solution does the store have? Was macht das Geschäft mit Leergut der zurück geschickt wird, und welcher Art der Lösung hat das Geschäft?

Reverse Vending Machine, TOMRA

Automatisierte Pfandautomaten, TOMRA

Compititor machine

Wettbewerbsautomat

Manual solution, reception at the cash register

Einsatz von nicht-automatisierten Lösungen, wie z.B. Abgabe an der Kasse

Combination; machine and manual solution

Combination

1. On a scale from 1-7, how satisfied is the store or chain with the current solution for handling the return of empty beverage containers?
2. What is the respective store particularly satisfied with?

Womit sind Sie im Speziellen bei der Rücknahme zufrieden?

Automatisierter Prozess; weniger Platzbedarf für zurückgenommenes Pfand

3. What is the respective store particularly not satisfied with?

Womit sind Sie im Speziellen bei der Rücknahme unzufrieden?

Geruchsbildung bei zurückgenommenen Gebinden; hohe Servicekosten

4. On a scale from 1-7, how satisfied, does the store believe, the customers using your current solution for empties?

Wie zufrieden denken sie, dass Ihre Kunden mit dem Leergutrücknahmesystem sind? Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

<table>
<thead>
<tr>
<th>Satisfied/Zufrieden</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little satisfied/ Wenig zufrieden</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Little dissatisfied/Wenig unzufrieden</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Dissatisfied/Unzufrieden</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Very dissatisfied/Sehr unzufrieden</td>
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<td></td>
</tr>
</tbody>
</table>

5. Whether automated or not, what does the store/chain emphasize when choosing solution?

Auf welche Faktoren legen Sie bei der Auswahl eines Rücknahmesystems Wert?

Einfachheit im Betrieb; Servicekosten; Rücknahmegeschwindigkeit; Bediener-freundlichkeit

6. Why are these different aspects, as mentioned in the question above, important to the store?

Warum wird diese Lösung Wert gelegt?

Kostenfaktor; Kundenakzeptanz

7. We have defined some parameters regarding the reverse vending machine. On a scale from 1-7, where 1 is not important and 7 is extremely important. How important are these for your store.

Wir haben einige Faktoren, in Verhältnis zu den Pfandautomaten definiert.

Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

<table>
<thead>
<tr>
<th>User friendliness for the consumers</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benutzerfreundlichkeit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>User friendliness for the personnel</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benutzerfreundlichkeit für das Personnel</td>
<td></td>
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</tr>
</tbody>
</table>
9. On a scale from 1-7, were 1 is not important and 7 is extremely important; How important is it for the stores that the supplier of the reverse vending machine offers:

<table>
<thead>
<tr>
<th>Education/ training about the product, and how to use it</th>
<th>□ □ □ □ □ □ □</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training für das Produkt und die Benutzung</td>
<td></td>
</tr>
<tr>
<td>Service on the reverse vending machine</td>
<td>□ □ □ □ □ □ □</td>
</tr>
<tr>
<td>Service hinsichtlich des Pfandautomaten</td>
<td></td>
</tr>
<tr>
<td>Follow up on the reverse vending machine</td>
<td>□ □ □ □ □ □ □</td>
</tr>
<tr>
<td>Kontinuierliche Betreuung</td>
<td></td>
</tr>
<tr>
<td>Online upgrades</td>
<td>□ □ □ □ □ □ □</td>
</tr>
</tbody>
</table>

Other offers/Sonstiges Angebote:

_________________________________________________________________________________

10. How did the store get to know about the supplier?

   Wie hat den Betrieb vom Lieferant erfahren?

   Ausschreibungen; Messen; Internet

_________________________________________________________________________________

11. How does the respective store communicate with the prospective supplier?

   Wie kommuniziert den Betrieb mit dem Lieferant?
   a. Telefon-Hotline für Filialpersonal im Störungsfall
   b. Kontakt zu direkten Ansprechpartnern über Firmenzentrale

_________________________________________________________________________________

12. How important is personal contact during the first meeting?

   Wie wichtig ist ein erster, persönlicher Kontakt?
Not important/Nicht wichtig □ 1
Less important/Wenig wichtigkeit □ 2
Little importance/Weniger wichtigkeit □ 3
Does not matter/Egal □ 4
Important/Wichtig □ 5
Very important/Sehr wichtig □ 6
Extremely important/Extrem wichtig □ 7

13. Have you heard about TOMRA?

Kennen Sie das Unternehmen Tomra?

YES/JA □
NO/NEIN □

14. Why did you choose/not choose TOMRA as a supplier of the respective reverse vending machine?

Warum haben Sie TOMRA, als Lieferant gewählt oder nicht gewählt?

- Zuverlässigkeit der Automaten im Vergleich zum Wettbewerb
- Service-Organisation (flächendeckender Service)
- Erfahrungen aufgrund Marktführerschaft im RVM-Bereich

(15). For the store that has TOMRA as their supplier; what is the best aspect about TOMRA and/or the product, reverse vending machine?

Was ist der beste Aspekt mit TOMRA und/oder das Produkt?

Markterfahrung im RVM-Bereich

(16). Furthermore, what is TOMRA’s important improvement area?

Weiter, was muss TOMRA verbessern?

- IT-Struktur (Software im Automaten und in der Zentrale zur Betreuung der Automaten)
- Anpassung Automaten an Marktentwicklungen / bzw. Marktanforderungen – Kundenanalysen / Aufnahme Kundenanforderungen

Thank you for your time and your participation.

Vielen Dank für die Teilnahme an der Umfrage.

Survey for retail stores
Umfrage für Einzelhandel

General information:
Allgemeine Informationen:

Name, contact person: Anonymous
Name, Ansprechpartner:

Firm: A large retailer on the German market.
How does the store handle the return of empty beverage containers and what type of solution does the store have? Was macht das Geschäft mit Leergut der zurück geschickt wird, und welcher Art der Lösung hat das Geschäft?

Reverse Vending Machine, TOMRA
Automatisierter Pfandautomaten, TOMRA
Competitor machine
Wettbewerbsautomat
Manual solution, reception at the cash register
Einsatz von nicht-automatisierten Lösungen,
wie z.B. Abgabe an der Kasse
Combination; machine and manual solution
Combination

1. On a scale from 1-7, how satisfied is the store or chain with the current solution for handling the return of empty beverage containers?

Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden. Wie zufrieden sind Sie bei der Lösung der Rücknahme?

Very dissatisfied/Sehr unzufrieden □ 1
Dissatisfied/Unzufrieden □ 2
Little dissatisfied/Wenig unzufrieden □ 3
OK □ 4
Little satisfied/Wenig zufrieden □ 5
Satisfied/Zufrieden □ 6
Very satisfied/Sehr zufrieden □ 7

2. What is the respective store particularly satisfied with?

Womit sind Sie im Speziellen bei der Rücknahme zufrieden?

Schnellen Service, technisch Ausführung

3. What is the respective store particularly not satisfied with?

Womit sind Sie im Speziellen bei der Rücknahme unzufrieden?

The supplier is big, therefore the company tends to be neglected.

4. On a scale from 1-7, how satisfied, does the store believe, the customers using your current solution for empties?

Wie zufrieden denken sie, dass Ihre Kunden mit dem Leergutrücknahmesystem sind? Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

Very dissatisfied/Sehr unzufrieden □ 1
Dissatisfied/Unzufrieden □ 2
Little dissatisfied/Wenig unzufrieden □ 3
OK □ 4
Little satisfied/Wenig zufrieden □ 5
Satisfied/Zufrieden □ 6
Very satisfied/Sehr zufrieden □ 7

5. Whether automated or not, what does the store/chain emphasize when choosing solution?

Auf welche Faktoren legen Sie bei der Auswahl eines Rücknahmesystems Wert?

1) Stability, 2) Optimal integration

6. Why are these different aspects, as mentioned in the question above, important to the store?

Warum wird diese Lösung Wert gelegt?

Important that the system is stable, that the machines live up tot he expectations (deliver), and that the system can be optimally integrated.
7. We have defined some parameters regarding the reverse vending machine. On a scale from 1-7, where 1 is not important and 7 is extremely important. How important are these for your store.

Wir haben einige Faktoren, in verhältnis zu den Pfandautomaten definiert. Vergeben Sie Punkte auf einer Skala von 1-7:

7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>User friendliness for the consumers</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Benutzerfreundlichkeit</td>
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<tr>
<td>User friendliness, for the personnel such as daily maintenance</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Benutzerfreundlichkeit für das Personnel</td>
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<td></td>
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<tr>
<td>Service attendance</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Serviceeigenschaften</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Simplicity</td>
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<tr>
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<tr>
<td>Storage place</td>
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<td></td>
<td></td>
<td>X</td>
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</tr>
<tr>
<td>Lagerplatz</td>
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<tr>
<td>To draw more customers, Yield better customer service</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Um mehrere Kunden zu bekommen</td>
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<td></td>
</tr>
<tr>
<td>Lower costs</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Niedrigere Kosten</td>
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</tr>
</tbody>
</table>

9. On a scale from 1-7, were 1 is not important and 7 is extremely important; How important is it for the stores that the supplier of the reverse vending machine offers:

Auf einer Skala von 1 bis 7, wobei 7 sehr wichtig: Wie wichtig ist es für den Betrieb, dass der Lieferant des Pfandautomaten ihr mit folgende Punkte versorgt:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education/ training about the product, and how to use it</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Training für das Produkt und die Benutzung</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Service on the reverse vending machine</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Service hinsichtlich des Pfandautomaten</td>
<td></td>
<td></td>
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<td>X</td>
</tr>
<tr>
<td>Follow up on the reverse vending machine</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Kontinuierliche Betreuung</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Online upgrades</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Other offers/Sonstiges Angebote:
10. How did the store get to know about the supplier?
   Wie hat den Betrieb vom Lieferant erfahren?

Standard process, fairs, Internet, maximum 4-5 suppliers who fit the needs, found out that there were 3 – 4 who fit to their needs. Sit down and talk with them, test in stores, development leads to choice of supplier.

11. How does the respective store communicate with the prospective supplier?
    Wie kommuniziert den Betrieb mit dem Lieferant?

Telephone hotline, machines monitored via Internet,

12. How important is personal contact during the first meeting?
    Wie wichtig ist ein erster, persönlicher Kontakt?

Not important/Nicht wichtig □ 1
Less important/Wenig wichtigkeit □ 2
Little importance/Weniger wichtigkeit □ 3
Does not matter/Egal □ 4
Important/Wichtig □ 5
Very important/Sehr wichtig □ 6
Extremely important/Extrem wichtig □ 7

13. Have you heard about TOMRA?
    Kennen Sie das Unternehmen Tomra?

YES/JA □
NO/NEIN □

14. Why did you choose/ not choose TOMRA as a supplier of the respective reverse vending machine?
    Warum haben Sie TOMRA, als Lieferant gewählt oder nicht gewählt?

Only one supplier when interview object started working in the company 1,5 years ago. Needed more than just one supplier due to being a large chain. TOMRA could deliver what they needed.

15. For the store that has TOMRA as their supplier; what is the best aspect about TOMRA and/or the product, reverse vending machine?
    Was ist der beste Aspekt mit TOMRA und/oder das Produkt?

Experienced, on the market for more than 30 years. What they liked; mechanical capacity, ability to work under pressure.

16. Furthermore, what is TOMRA’s important improvement area?
    Weiter, was muss TOMRA verbessern?

Page 130
Hard to be as fast as they want to be concerning developments and parts of machine, coming from Norway. The chain is a big retailer in Germany, but in Norway just one of many. Set in situation to wait too long for things to happen. Be quicker in reaction time.

Thank you for your time and your participation.

Vielen Dank für die Teilnahme an der Umfrage.

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Survey for retail stores
Umfrage für Einzelhandel

General information:
Allgemeine Informationen:

Name, contact person: Angelika Gawlik
Name, Ansprechpartner:

Firm: Michael Brücke Kaufpark GmbH u. Co. OHG
Firmenname:

How does the store handle the return of empty beverage containers and what type of solution does the store have? Was macht das Geschäft mit Leergut der zurück geschickt wird, und welcher Art der Lösung hat das Geschäft?

Reverse Vending Machine, TOMRA
Automatisierter Pfandautomaten, TOMRA

Competitor machine
Wettbewerbsautomat

Manual solution, reception at the cash register
Einsatz von nicht-automatisierten Lösungen, wie z.B. Abgabe an der Kasse

Combination; machine and manual solution
Combination

1. On a scale from 1-7, how satisfied is the store or chain with the current solution for handling the return of empty beverage containers?
Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden. Wie zufrieden sind Sie bei der Lösung der Rücknahme?

Very dissatisfied/Sehr unzufrieden
Dissatisfied/Unzufrieden
Little dissatisfied/Wenig unzufrieden
OK
Little satisfied/Wenig zufrieden
Satisfied/Zufrieden
Very satisfied/Sehr zufrieden

2. What is the respective store particularly satisfied with?
Womit sind Sie im Speziellen bei der Rücknahme zufrieden?

All products, empties are being received

3. What is the respective store particularly not satisfied with?
Womit sind Sie im Speziellen bei der Rücknahme unzufrieden?

Nothing worth mentioning
4. On a scale from 1-7, how satisfied, does the store believe, the customers using your current solution for empties?

Wie zufrieden denken sie, dass Ihre Kunden mit dem Leergutrücknahmesystem sind? Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

Very dissatisfied/Sehr unzufrieden ☐ 1
Dissatisfied/Unzufrieden ☐ 2
Little dissatisfied/Wenig unzufrieden ☒ 3
OK ☐ 4
Little satisfied/Wenig zufrieden ☒ 5
Satisfied/Zufrieden ☐ 6
Very satisfied/Sehr zufrieden ☒ 7

5. Whether automated or not, what does the store/chain emphasize when choosing solution?

Auf welche Faktoren legen Sie bei der Auswahl eines Rücknahmesystems Wert?

Did not want to answer

6. Why are these different aspects, as mentioned in the question above, important to the store?

Warum wird diese Lösung Wert gelegt?

7. We have defined some parameters regarding the reverse vending machine. On a scale from 1-7, where 1 is not important and 7 is extremely important. How important are these for your store.

Wir haben einige Faktoren, in Verhältnis zu den Pfandautomaten definiert. Vergeben Sie Punkte auf einer Skala von 1-7; 7 bedeutet sehr zufrieden, 1 bedeutet sehr unzufrieden.

User friendliness for the consumers
Benutzerfreundlichkeit

User friendliness, for the personnel such as daily maintenance
Benutzerfreundlichkeit für das Personnel

Service attendance
Serviceeigenschaften

Simplicity
Einfachheit

Storage place
Lagerplatz

To draw more costumers, Yield better customer service
Um mehrere Kunden zu bekommen Niedrigere Kosten

9. On a scale from 1-7, were 1 is not important and 7 is extremely important; How important is it for the stores that the supplier of the reverse vending machine offers:
Auf einer Skala von 1 bis 7, wobei 7 ist sehr wichtig: Wie wichtig ist es für den Betrieb, dass der Lieferant des Pfandautomaten ihr mit folgende Punkte versorgt:

1  2  3  4  5  6  7

Education/ training about the product, and how to use it
Training für das Produkt und die Benutzung
Service on the reverse vending machine
Service hinsichtlich des Pfandautomaten
Follow up on the reverse vending machine
Kontinuierliche Betreuung
Online upgrades

Other offers/Sonstiges Angebote:

_______________________________________________________________________
________________________________________________________________________

10. How did the store get to know about the supplier?
Wie hat den Betrieb vom Lieferant erfahren?
Compared and outsourced different offers

11. How does the respective store communicate with the prospective supplier?
Wie kommuniziert den Betrieb mit dem Lieferant?
Mainly Per Telephone

12. How important is personal contact during the first meeting?
Wie wichtig ist ein erster, persönlicher Kontakt?
Not important/Nicht wichtig  □ 1
Less important/Wenig wichtigkeit  □ 2
Little importance/Weniger wichtigkeit  □ 3
Does not matter/Egal  □ 4
Important/Wichtig  □ 5
Very important/Sehr wichtig  □ 6
Extremely important/Extrem wichtig  □ 7

13. Have you heard about TOMRA?
Kennen Sie das Unternehmen Tomra?
YES/JA  □
NO/NEIN  □

14. Why did you choose/ not choose TOMRA as a supplier of the respective reverse vending machine?
Warum haben Sie TOMRA, als Lieferant gewählt oder nicht gewählt?
Could deliver faster than the TOMRA

(15). For the store that has TOMRA as their supplier; what is the best aspect about TOMRA and/or the product, reverse vending machine?
Was ist der beste Aspekt mit TOMRA und/oder das Produkt?
(16). Furthermore, what is TOMRA’s important improvement area?

Weiter, was muss TOMRA verbessern?

The service

Thank you for your time and your participation.

Vielen Dank für die Teilnahme an der Umfrage.
Appendix 10 - Investor presentation 2009

Source: http://hugin.info/162/R/1307542/301046.pdf
Appendix 11

Deposit recycling systems

Non-deposit recycling systems
Appendix 12 – SWOT

Strengths

*One of TOMRA’s biggest strengths is the huge market share they currently have.* Know-how and experience within the company is a strength which TOMRA has built up over time. The company entered the German market in the 1970’s; due to this they have established strong roots as well as knowledge about the market. On the other hand, retailers in Germany have had the opportunity to know about TOMRA long before other suppliers entered the market. The well-developed technology is the company’s main strength. This is also a reason for why innovation is given so much attention, and is focused upon in TOMRA. The company’s competitors define them as a market leader. This allows TOMRA to charge their customers a premium price for the RVM, 10% to 15% more expensive than the RVM’s offered from their competitors. Regarding the reputation of a market leader, they tend to be known as trusted and recognized. Strengths with an economical aspect are that TOMRA operates by the just-in-time principle. This contributes to saving and reducing costs. Because of the local sales departments, TOMRA is able to constantly “monitor” the market, and easier detect changes.

Weaknesses

As mentioned earlier, the competitors amongst others define TOMRA as a market leader, this might be a weakness as well as strength. By this we mean that possible costumers may choose another supplier of RVMs to avoid being neglected. They would rather prefer a supplier that has a smaller costumer portfolio to gain more attention. The premium price might also be a weakness for TOMRA. Retail stores which do not collect as much empty beverage containers, as the big ones, will not be able nor willing to pay a higher price as long as the other machine work and satisfies the need of receiving empties.
Threats

The threat on the competition side is the threat of substitutes. Copying is a big threat because TOMRA, as already mentioned is a big company, and is therefore a well known target when it comes to competitors, and their ability to copy technology and the product itself. This leads to solutions which resemble the total product that TOMRA offers, maybe even to a lower price. Even though the competitive product involves less quality, the costumers get the basic technology from “copied” RVM’s.

Opportunities

There has been an increase in the focus on “thinking green”, and the environmental aspects for the past 10 years. The population today, sees a higher importance and the means of recycling. The global position within the industry depends on the market share in Germany, there is still a bit of unexploited market in Germany which TOMRA can take advantage of. One has to change the beliefs people have regarding the recycling phenomenon, this will help changing the attitude and educate the users of the RVM. This is an aspect TOMRA has avoided, because as long as the retailers are forced to receive empty beverage containers, they will “always” have costumers.