



# **NEAR EAST UNIVERSITY**

## **Faculty of Administrative Sciences & Economics**

### **Department of Business**

## **CYPRUS FILTER QUEEN LTD.**

### **Graduation Project MAN 400**

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## INTRODUCTION

In this project tried to examine of Cyprus Filter Queen's ltd market share and its segments, marketing strategy. In addition to this which researched "What will be strategy for developing and increase number of the market share of Cyprus Filter Queen ltd.

At that time there is some problem in the organization about relationship between employees and employer. Also shown try to solve this problem. Because this problem affected to whole organization functioning.

There are lacks of advertisement and their products are very expensive than other companies. This company's employers haven't experience and lack of motivation. The company is given very low salary percent ratio their employees than other company.

All this information about my project used to Filter Queen archives:

Today in this company one top manager, one personal manager, five sales representative, one receiving teller, one service personal and four telemarketer. They are selling two kind machines one is called vacuum cleaner, and second is called room air cleaner.

### Limitation

In this project, it has been used the interview as a tool which made with the owner of the company.



## **1. HISTORICAL BACKGROUND**

### **1.1. Establishment of Cyprus Filter Queen Ltd**

Cyprus Filter Queen was established in 1997 after "Miss City" marketing placed in Turkey at 1993. At this time, there was some large company in this sector.

### **1.2. Founder of Cyprus Filter Queen ltd**

Cyprus Filter Queen was established by the Ahmet KURTULUŞ and his sister is Emine AYHUN. Ahmet KURTULUŞ when come to back from Canada firstly opened in Istanbul, TURKEY. After he and his sister were established in T.RN.C

### **1.3. Purpose of Cyrus Filter Queen ltd**

Cyprus Filter Queen was established as a home care machines selling company. They were aiming to import that machines and selling all customers. Firstly this company aimed to take market share. So their products cheaply and quality.

## 2. STRUCTURE OF CYPRUS FILTER QUEEN LTD

### 2.1. Objective setting

Objective represent managerial commitment to achieve specific and measurable performance targets by a certain time, spell-out how much of what kind of performance by when and direct attention and energy to what needs to be accomplished. Establishing objectives converts firm's mission in to concrete performance out comes.

Cyprus Filter Queen ltd is aimed to achieve following strategic and financial objectives is considered for 3 or 4 years.

#### 2.1.1. Financial Objective

Financial objectives that related to firm's financial performance and acceptable financial performance is critical to firm's survival.

Therefore Cyprus Filter Queen ltd is aimed to achieved revenue growth of 10% per year. (Because in this sector selling these type of products is very difficult in TRNC).

Increasing their earning by 12% annually. And than increase their net profit margin from 5% to 7%. And finally they want to decrease their overhead after crises. Because also it's effected their net profit margin. The competition companies product's which entered in to market they affected .

### 2.1.2. Strategic Objective

Strategic objectives that related to firm's competitiveness and market position, tend to be competitor focused and acceptable strategic performance is essential for long term competitive success.

Because of than they are aimed a big market share in this large sector, lower costs relative to key competitors, a stronger reputation with customers than rivals, recognition as a leader in technology and /or product innovation.

## 2.2. Strategic vision and mission

Developing a mission and vision is very important for all organization. Because both of them are showing "What we will in future" when we developed a vision and mission we ask to these question to organization or to our selves;

1. What business are we in now?
2. What business do we want to be in?
3. What will our customer want in future?
4. What are expectations of our stockholders?
5. Who will our future competitors? Suppliers? Partners?
6. What should our competitive scope be?
7. How will technology impact our industry?

So, in Cyprus Filte Queen ltd the home care system stockholders expectations are the good place in this large market. The high technology affecting this company like to others because, in this industrial sector has many strong company which are used to.



### 3. SITUATIONAL ANALYSIS

The objective of situational analysis is identifying features in a firm's external and internal environment which frame its window of strategic options and opportunities. It focuses on two considerations;

1. Internal factors
2. External factors

**External Factors;** The cleanliness sector is very large sector. In this sector there are many strong firms and, because of than Cyprus Filter Queen ltd has many competitors.

**Internal Factors;** The firm always lives many competitions between employees because if employees are jumped up to class then he / she also up to class. Because of then position in the firm also important. Position and gain are directly related in the organization.

#### 3.1. Critical Success Factor

In this sector, for to goal company have to success. Because of than company must to competition with others, filter queen's has many advantages for competition. And this is to giving to reason to us about the critical success factors.

Quality

Guaranty

Price

Filter queen is the proved its quality about 73 years and 72 countries. This product is very useful for user in the house, hospital, hotels and etc.



Guaranty is the most important thing in the TRNC 's consumers because they think TRNC is not known by others country because of then importers also fear from this problem. When the filter queen entered market at the time period deposit to minister of industry and trade about 50000(USD). For the guaranty to giving service and spare part for 40 years.

The price is also important thing for the consumer .Filter queens prices is not low but they make to long installment term. For each machines about 24 months.

### **3.2. Competition Environment**

Objective of analysis of competitive forces is to identify main sources of competitive forces and strength of these pressures. Competitive forces matter because: to be successful, strategy must be designed to come effectively with competitive pressures. Objective must be to build a strong, market position based on competitive advantage.

The five forces model of competition is a key analytical tool. It covers rivalry among competing sellers in an industry, substitute products offered by firms in other industries, potential entry of competitors, bargaining power of suppliers and bargaining of buyers.

So, the company has the rivals in sector such as Kirby, Ihlas, Pusat, Vestel, Beko, etc.,

We will use to five force model in order to evaluate the competition of business.

#### **3.2.1. New entries**

At the end of the 1999 new company which is called Ihlas Pazarlama entered to market. They are very strong company. Because they have various sized products. Financially they have strong structure. So there are no entry business.

### **3.2.2. Substitutes**

There are various organization that attempt to produce similar items that C.F.Q. ltd imports, in the case of the defender for example, the local has started to import the substitute product such as looniest.

### **3.2.3. Power of Suppliers**

Due to problems in the economy in TRNC There is a high concentration in the home care firms. There are many organizations that import similar product and try to supply the home care markets. The markets are very strong and they make production in price and also they dictate the payment terms. We can simply say suppliers no strength at all.

### **3.2.4. Power of Buyers**

There are more then enough markets that the consumer can buy their needs. Consumer tends to buy home care machines that are cheaper at one store by rest from the other store. The important thing is to give what the consumers want.

### **3.2.5. Rivalry**

Even since from its establishment of Cyprus Filter Queen ltd, Kirby has been a rival to the them however Cyprus Filter Queen ltd is more successful and they lead the way.

### 3.3. SWOT Analysis

Swot analysis involves sizing-up firm's internal (strength and weaknesses) and external (opportunities and threats) position.

A strength is something firms is good at or characteristic giving it an important capability. Such as useful skill, important know-how, valuable organizational resource or competitive capability and achievement giving firm a market advantage.

A weakness is something firm lacks, does poorly, or condition placing it at disadvantage. Basic concept is as follows.

A company's internal strengths usually represent competitive assets its internal strengths usually represent competitive liabilities. The desired is for the assets to outweigh the liabilities by a hefty margin. Strengths are significant to strategy making because they can: serve as cornerstones of strategy and help build competitive advantage. A good strategy aims at correcting firm's weaknesses, which can: make it vulnerable, prevent it from pursuing attractive opportunities and put it at a competitive disadvantages. Here strategic management principle is as follows: successful strategists seek to exploit what a company does best: expertise, strengths, core competencies and strongest competitive capabilities. Strategists shun strategies placing heavy demands on areas where company is weakness or unproven ability.

Opportunities most relevant to a firm are factors in external environment offering some kind of competitive advantage and important avenues for growth. External factors posing a danger to firm.



## **Strength**

- To make export
- Brooder service network
- Strong, well known company
- Quality product
- Traditional values

## **Weaknesses**

- Financial structure is not enough for development
- Service personals not enough to repair this machine
- No Advertisement
- No experience employees

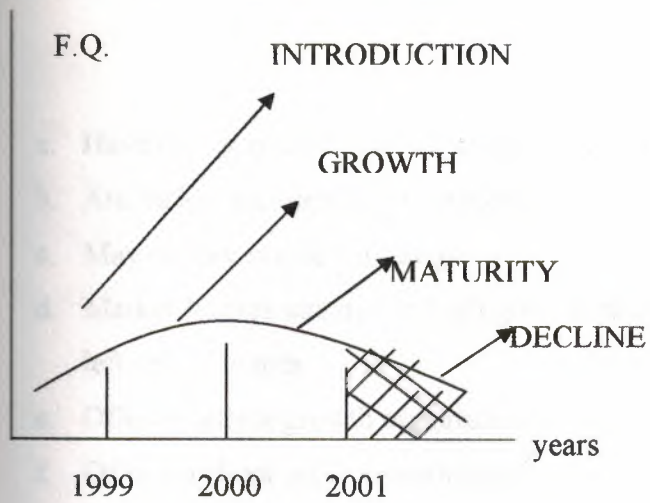
## **Opportunities**

- Service network
- Installment in payment

## **Treats**

- The entries of the new machine and new companies to the market
- Import goods (machines)

### 3.4. Product life cycle



Competitor's prices are low than Filter Queen ltd. Prices. Because of Filter Queen ltd has a decrease from year 2001 to now.

### 3.5. Boston matrix

star			?
		Filter Queen	
Cash cow			dog

## Stars

Basic concept: Star business;

- a. Have strong competitive positions rapidly growing industries
- b. Are major contributors to corporate revenue profit growth
- c. May or may not be cash hogs
- d. Market leaders situated in high growth market with high relative market share –upper left cell of matrix
- e. Offer excellent growth opportunities
- f. Offer excellent profit opportunities
- g. Vary as to whether they are:
  - Self-sustaining or
  - Require infusions of investment funds from compare parent

## Cash cows:

- Situated in low growth market but have high relative market share-lower left cell of matrix
- Can generate cash surpluses over and above that needed for reinvestment and growth in business
- Valuable portfolio holding because they can be "milked" for cash
  - \* Pay corporate dividends and overhead
  - \* Finance new acquisitions
  - \* Invest in young stars or problem children
- Should not be "harvested" but minted in healthy position for long-term cash flow
- Weak cash cows may become candidates for harvesting and eventual divestiture.



### Question mark

Basic concept: internal cash flows are inadequate to fund needs for working capital and new capital investment. Operate in an high growth market but have low relative market share upper right cell of matrix. Rapid industry market growth makes business attractive but low relative share positions raise questions about future potential cash needs are high and internal cash generation is low, making them cash hogs.

### Dogs

Situate in low growth market and have low relative market share-lower right cell of Matrix

- Have weak competitive positions and low profit potential.
- Unable to generate attractive cash flows on along-term basis

Since millennium filter queen is between star and cash cow. Because its still new and desired by customers and most profitable.

In question mark the defender model takes places because it's now and yet to be known by much customer.

Standard product have good competitive price in the market. These products are available by demonstrations to the costumers in their homes and offices. Sensitive market depends on easily initiated house cleaning for the consumers. Awamess people buy technological products. Because normal consumers buy any home cleaning products but awemess consumer want the best product for his or her home cleaning.

#### 4. EVALUATION OF THE PRESENT SITUATION

Cyprus is a small country with a small consumption of all kind of home care machines. Most popular of these machines are the cheaper machines such as Bosch, Arçelik, Fantom but in near future, they planned to import the diversified machines related to home care machines. As can give an example like a water refining machines.

##### 4.1. Market share of the Cyprus Filter Queen Ltd.

At the moment Cyprus Filter Queen Ltd is one of the many home care machines distributing company. In TRNC, the competitors and approximate share of these companies are listed following;

<u>Company</u>	<u>Market Share</u>
Kirby	25%
F.Q	20%
Ihlas	15%
Others	40%

As a relatively new organization, the Cyprus Filter Queen as a good market share. What is more important is that the share of the Filter Queen is continuously growing. It is expected to be one of the leading business in the country in the near future. As young a dynamic management increase the number of products that they import they will increase their market share. It is reported already that the company imports the many machines from the USA.

## 4.2. Marketing environment

- . Evaluating a company's competitive position requires to examine the following factor
- . How strongly firms hold present competitive position.
- . Whether firm's position can be expected to improve or deteriorate if present strategy is continued.
- . How firm ranks relative to key rivals on each important measure of competitive strength/industry KSF(Key Success Factor)
- . Whether firm has a sustainable competitive advantage or is at disadvantage.

There are various sized companies that are active in import and distribution. Most of the products of the filter queen can easily compete with the competitor since they are well known brand. But as the business expands new products are introduced to the market. Defender is the new product that was introduced to the market in end of the 1999. Defender is the relatively new product in the TRNC.

## 4.3. Target Market Analysis

The company is aiming at the higher end of the market. It is hoping to sell almost everywhere, with an eye to the quality and brand aware people. It will compete with useful and quality products. At present, home care machines increasingly are used in specific places. According to the statistic, there is a clear drop in home care machines selling in 2001 with respect to 2000.

## 4.4. Problem in this sector

- There are cheaper products in the market



- The lack of the reputation by customer
- This sector has the diversified product portfolio
- Competitors make the discount at their selling more than normal level

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Competitors make the discount at their selling more than normal level

- When the reputation by customer is low, the sales are low and the profit is low
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## 5 EVALUATION OF MARKET

### 5.1 Major growth strategies are:

- Growth via market penetration (concentration)
- Growth via market development
- Growth via product development
- Growth via diversification
- Related (concentric) diversification
- Unrelated (conglomerate) diversification

a) Market penetration (same product, same markets)

Market penetration applies:

- When current markets are not saturated with your particular products / services
- When the usage rate of present customers could be significantly increased
- When the market shares of some major competitors have been declining while
- Total industry demand has been rising
- When the correlation between sales and marketing expenditures has historically been high
- When increased economies of scale provide major competitive advantages

b) Market developments (same product, new markets) Market development applies:

- When new channels of distribution are available that are reliable, inexpensive and good quality
- When an organization is very successful at what it does
- When new untapped or unsaturated markets exist
- When the firm has the needed capital and human resources to manage expanded operations
- When an organization has production capacity
- When an organization's basic industry is rapidly becoming global in scope

c) Product development (new products, same markets) Product development applies:

- When the firm has successful products that are in maturity stage of product life cycle (i.e., attract satisfied customers to try new, improved products as a result of their prior experiences)
- When an organization competes in an industry that is characterized by rapid technological change
- When major competitors offer better quality products at comparable prices
- When the firm competes in a high-growth industry
- When an organization has especially strong reach and development capabilities.

## 5.2. The Value Chain Analysis of Cyprus Filter Queen Ltd.

Value chain analysis is powerful managerial tool for identifying which activities have advantage potential. A firm's competitive edge is based on its ability to perform competitive. Activities a long value chain better than rivals. Diagnosing competitive capabilities involves.

- Construct a value chain of firm's activities.
- Examine linkages among internally performed activities and linkages with suppliers and customers' chains.
- Identify activities and competencies critical to customer satisfaction and market success.
- Make appropriate internal and external benchmarking comparisons to determine.
  - \* How well firm performs activities?
  - \* How cost structure compares with rival?



In brief: the strategy making lesson of value chain analysis is that increased company competitiveness entails concentration resources on those activities where the company can gain dominating expertise to serve its target customers.

Therefore Cyprus filter queen Ltd can sell the cleaning materials with the vacuum cleaner, and also, at the same time can sell other equipments. Such as water refining machines. While making trade all these equipment are demanded by consumers because; their mission is the most important thing for the total costumer.

## CONCLUSION AND RECOMMENDATION

In this company until 2001 Cyprus Filter Queen Ltd was an unsuccessful management company. Because according to PLC graph, it was indicated that since 2001 up to now, the company has a decrease. As it can be seen from PLC Company in this period, it is decreasing stop. The company has two alternatives to sell the new product defender. The first one is, the company has to make well introduce of the new machine but advertising can be more expensive for the company but it is an effective way to reach to the customer. The second alternative is to make discount for selling and to make the long-term installment.

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