Greek Sun in the Netherlands

Are there market opportunities for Calpak Cicero Hellas S.A. regarding solar thermal products in the Netherlands and if so, which method of market penetration should Calpak Cicero Hellas S.A. use?

Name: Adina Viorela Dorz
Student number: 10062939
Class: ES4E-5
Supervisor: Mrs. Aboelkhair – Schagen
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Academy of European Studies
The Hague University of Applied Sciences
Executive summary

Established in 1976 by BP (British Petroleum), Calpak Cicero Hellas S.A. is a Greek manufacturer of solar thermal products. Though Calpak Cicero Hellas S.A. is already exporting to Belgium, Germany, and Austria, the general director, Mr. Panayis Konstantinidis, is interested in expanding Calpak Cicero Hellas S.A.’s export targets to the Netherlands due to the constancy of Calpak Cicero Hellas S.A.’s export profit since 2012 and the weak Greek economy.

The research question of this export plan is: Are there market opportunities for Calpak Cicero Hellas S.A. regarding solar thermal products in the Netherlands and if so, which method of market penetration should Calpak Cicero Hellas S.A. use? This export plan focuses on whether Calpak Cicero Hellas S.A. should start exporting to the Netherlands and if so, how should Calpak Cicero Hellas S.A. go about it. Calpak Cicero Hellas S.A. already has valuable experience in exporting with distributors and clients in more than 40 countries across the world.

In order to answer the above mentioned research question, books, articles, and sources on the Internet were used. Also, field research was conducted in the form of five interviews related to the Dutch market in addition to visits to the Solar Solution exposition in Haarlemmermeer and two seminars regarding the solar thermal market in the Netherlands.

The main target groups of Calpak Cicero Hellas S.A. are distributors, wholesalers, and suppliers. Calpak Cicero Hellas S.A. offers flat plate collectors, vacuum tube collectors, hot water tanks, and thermosiphonic systems; Calpak Cicero Hellas S.A.’s wide range of products distinguishes them from competitors. Also, Calpak Cicero Hellas S.A. does not sell the cheaper version of solar thermal products, also known as the heat pipe collector. By expanding Calpak Cicero Hellas S.A.’s export targets, Calpak Cicero Hellas S.A. hopes to achieve an increase in sales and brand awareness. The ‘SWOT’ analysis shows that Calpak Cicero Hellas S.A. is over dependent on its distributors and as a result, Calpak Cicero Hellas S.A. has poorly organized after-sales. The biggest advantage of Calpak Cicero Hellas S.A. is the export experience, with more than 30 years in the production and export of high quality solar thermal products.

According to this research, the best strategy for Calpak Cicero Hellas S.A. is to enter the Dutch solar thermal market with their flat plate collectors. The best entry strategy is indirect export. It is recommended that Calpak Cicero Hellas S.A. use the market development strategy when entering the Dutch solar thermal market.
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Introduction

Calpak Cicero Hellas S.A. is a manufacturer and exporter of solar thermal products from Athens, Greece. As Calpak Cicero Hellas S.A. is already exporting to Belgium, Germany, and Austria, the general director, Mr. Panayis Konstantinidis, is interested in expanding Calpak Cicero Hellas S.A.’s export targets to the Netherlands in response to the constancy of their export profit since 2012 and the weak Greek economy.

According to Holland Solar (n.d.), the Dutch market for newly build houses is slowly increasing in the Netherlands (Holland Solar, n.d.-a). This is considered positive by Holland Solar because, solar thermal products have for years been considered popular in the renewable energy market (Holland Solar, n.d.-c). Constructors are in favour of using solar thermal products in the sector for newly build houses in order to receive subsidies and to meet the regulations imposed by the Dutch government, also known as the Energieprestatienorm (EPN) (Holland Solar, n.d.-a). Holland Solar, a trade association that consists of Dutch experts in solar energy, has agreed as part of the Energy Agreement to a target production of 6 PJ (PJ stands for petajoule, which is equal to one quadrillion joules and is an indication of heating amount) of solar thermal energy before 2023. This is considered ambitious by Holland Solar because, based on current growth, Holland Solar expect only 2 PJ by 2023 (Holland Solar, n.d.-c).

This export plan focuses on whether Calpak Cicero Hellas S.A. should start exporting to the Netherlands and if so, how the company should go about it. Calpak Cicero Hellas S.A. already has valuable experience in exporting with distributors and clients in more than 40 countries across the world. To deliver well-founded advice to Calpak Cicero Hellas S.A., the central research question that needs to be answered is:

Are there market opportunities for Calpak Cicero Hellas S.A. regarding solar thermal products in the Netherlands and if so, which method of market penetration should Calpak Cicero Hellas S.A. use?

In order to answer the central research question, the following questions will be discussed:

1. What is Calpak Cicero Hellas S.A.? By answering this question, an in-depth internal analysis of the company will be drawn. This will help to understand the strengths and weaknesses of Calpak Cicero Hellas S.A. and its products. Furthermore, the internal analysis will give an overview of the company’s structure, which will help in drawing a conclusion about which market entry strategy Calpak Cicero Hellas S.A. should use to
enter the Dutch solar thermal market.

2. What is the current situation of the solar thermal product market in The Netherlands? This question requires an external analysis of forces outside of the company’s control. The external analysis will help highlight the opportunities and risks for Calpak Cicero Hellas S.A. regarding the Dutch solar thermal market.

3. Where are the opportunities for Calpak Cicero Hellas S.A. in the Dutch solar thermal market? In answering this question, an external analysis will be conducted. The SWOT confrontation matrix and the competitors/consumer analysis will help analyzing the Dutch solar thermal market and whether Calpak Cicero Hellas S.A. should start exporting to the Netherlands.

4. How should Calpak Cicero Hellas S.A. approach the Dutch solar thermal market? By answering this question, a conclusion will be made about whether Calpak Cicero Hellas S.A. should enter the Dutch solar thermal market and a clear overview will be provided of which market entry strategy Calpak Cicero Hellas S.A. should use to enter it.

In the first chapter, the first sub-question will be discussed: What is Calpak Cicero Hellas S.A.? In answering this question, an internal analysis will be drawn that covers important internal information about Calpak Cicero Hellas S.A. The second chapter focuses on the external analysis of the Dutch market regarding solar thermal products. Here, the second sub-question will be answered: What is the current situation of the Dutch solar thermal market? In chapter 2, the risks and opportunities associated with the Dutch solar thermal market will be discussed. In the third chapter, the third sub-question will be discussed and answered: Where are the opportunities for Calpak Cicero Hellas S.A. within the Dutch solar thermal market? A meso and macro analysis will be drawn in this chapter as well as figures and findings about the Dutch solar thermal market and its competitors. After the competitor and consumer analysis, this export plan will provide a competitor strategy. The right combination for a marketing mix and the distribution channels will also be outlined. Furthermore, a SWOT analysis will provide a clear overview of the internal and external opportunities and risks for Calpak Cicero Hellas S.A. These threats and weaknesses, as well as the company’s strengths and opportunities, will be addressed in Calpak Cicero Hellas S.A.’s confrontation matrix. In the fourth chapter of this export plan, the forth sub-question will be discussed: How should Calpak Cicero Hellas S.A. approach the Dutch solar thermal market? Different types of market entry strategies will be discussed and a recommendation of which market entry strategy will be the most suitable for Calpak Cicero Hellas S.A. will be given. The export plan includes the Ansoff model, Porters Five forces, the ABELL framework, and the SWOT analysis. The export plan also consists of some important legal, logistical, and cultural analyses that can be useful for Calpak Cicero Hellas S.A. This export plan will be followed by conclusions
and recommendations. The GO/NO GO decision for Calpak Cicero Hellas S.A. regarding exporting to the Netherlands is provided in the conclusion and the executive summary.

Market research for this paper was conducted via desk research and field research. In the field, information was gathered through interviews. No quantitative research was conducted in the form of a questionnaire. The methodology section will explain why qualitative research was chosen. Although this export plan is mainly focused on the solar thermal manufacturer Calpak Cicero Hellas S.A., it could also contribute to the work of other solar thermal product manufacturers/distributors in the Netherlands who are interested in the Dutch solar thermal market and its potentials.
Methodology

The following research methods were used; desk research and field research. Desk research mainly consisted of information gathering from the Internet. Additionally, the book *Export Management*, by Dr. J. Veldman was used to develop a good export plan that would inform Calpak Cicero Hellas S.A. about which method of market penetration they should use to enter the Dutch solar thermal market. This book was chosen because of its clear explanation and interpretation. Field research consisted of qualitative research in the form of interviewing solar thermal producers/distributors in the Netherlands, visiting the Solar Solution exposition, and attending two seminars regarding the solar thermal market in the Netherlands.

The reason for choosing qualitative research was to provide more in-depth and detailed information, as it simulates people’s individual experiences with the Dutch solar thermal market. Using quantitative field research to answer the sub-question: what is the current situation in the Dutch solar thermal market? would not create an in-depth view of this market and it would leave out the importance of what manufacturers/distributors in the Netherland think about the Dutch solar thermal market. It is of greater importance for Calpak Cicero Hellas S.A. to know the manufacturers/distributors’ opinions about the market because they have always been involved with other businesses in the market. Furthermore, qualitative research provides knowledge about the Dutch solar thermal market and engenders a projection of what will happen Calpak Cicero Hellas S.A. enters the market. A structured interview was conducted through e-mail. The disadvantage of gathering qualitative information through e-mail is that one does not have the ability to ask further questions when one wants more information from the interviewee about a question. Nevertheless, all of the correspondents answered the questions as well as possible and the information that was gathered is therefore clear and straight to the point.

As mentioned above, the outcomes from the interviews and the information from the seminars were used to evaluate whether there is a market share in the Dutch solar thermal market for Calpak Cicero Hellas S.A and how manufacturers/distributors think about the current situation of the Dutch solar thermal market. Before sending the interviews, an operationalization table was made in order to create a clear view of the questions. The operationalization table can be viewed in Appendix IV. After receiving the answers from the interviewees, every question was labelled and combined in order to create a clear view of every manufacturer’s opinion. The interviews are written out in Microsoft Word and the information that was gathered was used to answer the second sub-question: what is the current situation in the Netherlands regarding solar thermal products?
Internet sources used in this export plan were found using the following search terms in Google and Google Scholar: solar thermal Netherlands, solar thermal manufacturers in the Netherlands, Netherlands, solar energy market in the Netherlands, solar thermal technology in Europe, flat plate collectors in the Netherlands, and VTS pipe collector in the Netherlands. These terms were of great help when doing desk research on the Dutch solar thermal market, its manufacturers, overall information about solar thermal products, and general information about the Netherlands itself. Websites like HollandSolar, which is a Dutch organisation that is involved in the Dutch solar thermal market and solar energy, have been used to gain information about the Dutch market, manufacturers in the Netherlands, and what kind of legislation there is in the Netherlands regarding solar thermal products. To support the choice of models used in this export plan, two websites were used: toolshero or mindtools. These websites explain every marketing/export strategy and provide tools that can be used for measurement and analysis in an understandable way. Both Internet sources and Dr. J. Veldman’s book, *Export Management*, were used to explain the tools used in this export plan.
What is Calpak Cicero Hellas S.A.?

Theoretical framework

Internal analysis is used to describe how an organisation functions from the inside (NI Business Info, n.d). The purpose of this analysis is to gain insight about the strengths and weaknesses of Calpak Cicero Hellas S.A. Every company has its own business definition.

To find out what Calpak Cicero Hellas S.A.’s business definition is, the ABELL framework is used. This framework helps clarify the business definition of Calpak Cicero Hellas S.A. in three easy steps. First, who are the customers of Calpak Cicero Hellas S.A.? Second, which customer needs are Calpak Cicero Hellas S.A. addressing? Last, which technologies are Calpak Cicero Hellas S.A. using to fulfil their customers’ needs? The Abell framework is also a good tool for comparing Calpak Cicero Hellas S.A. with its competitors, which is of great use to writing the SWOT analysis.

Furthermore, McCarthy’s 4 P’s model is used to define the products Calpak Cicero Hellas S.A. is selling and the products’ strengths and weaknesses. Furthermore, this model will explain the place where Calpak Cicero Hellas S.A. is selling their product, how Calpak Cicero Hellas S.A. is pricing its products, and which promotion tools they are using to create brand awareness. This model is particularly interesting because it helps in developing a consumer analysis, as it positions the product from the perspective of the consumer (Economische begrippen, n.d).

Also, the distribution structure and payment/delivery conditions will be outlined. Additionally, the financial ratio analysis is discussed. Since Calpak Cicero Hellas S.A. did not want to share their financial status, this analysis will focus on the average criteria Calpak Cicero Hellas S.A. needs to meet before entering the Dutch solar thermal market. The following indicators are used: liquidity (this measures the degree to which Calpak Cicero Hellas S.A. is able to meet its short term obligations), solvency (this measures the degree to which Calpak Cicero Hellas S.A. is able to meet all its financial obligations), and earning power (this measures the degree of profitability of Calpak Cicero Hellas S.A. and its assets).

The above-mentioned elements will form a valid internal analysis for an export plan. These elements will also help to draw a well-founded perspective about Calpak Cicero Hellas S.A.’s organisation and products, thus being of great value to further research of a consumer/competitor analysis and SWOT confrontation mix. The internal analysis will bring Calpak Cicero Hellas S.A.’s strengths and weaknesses to light and will also help foster understanding of the export
experience Calpak Cicero Hellas S.A. (On Strategy, n.d). Finally, a conclusion about the findings is provided at the end of the chapter.

Internal analysis

Enterprise

Established in 1976 by BP (British Petroleum), Calpak Cicero Hellas S.A. has more than 30 years of experience in being a leading manufacturer of solar thermal products in Greece and in providing innovative solar thermal products at a perfect price-quality ratio (Calpak Cicero Hellas S.A., n.d.-a). Calpak Cicero Hellas S.A. has become the leading establishment in Greek solar thermal manufacturing in the fields of research, development, and production. Its factory is situated in the city of Corinth, in a 25,000m² lot. The actual area of its production field is 4000m². In addition, Calpak Cicero Hellas S.A. is continuously constructing in order to cope with the increasing demands from Greece and outside. Its headquarters is located in downtown Athens.

Calpak has already been exporting its products with great success to 40 different countries including Germany, Austria, France, Italy, Spain, Portugal, Belgium, and Ireland through distributors and Original Equipment Manufacturer (OEM) clients. The general director, Mr. Panayis Konstantidis, is member of the European Solar Thermal Industry Federation (ESTIF), which is in charge of promoting solar thermal heating and cooling products in Europe. It is also known for its development of higher efficiency instrument products, promoting the abolition of any trade barriers against solar thermal products, and supporting its members when they are dealing with European institutions/programmes or policies that concern solar thermal products.

Mission

Their aim is to establish a more sustainable and commercially-viable solar energy business in their home market and outside. They always aim for higher efficiency, durability, and novelty in their designs (Calpak Cicero Hellas S.A., n.d.-b).

Vision

Calpak envisions itself becoming a pioneering institution free of limitations, capable of finding innovative technological solutions that will allow them to overcome today’s efficiency constraints. As such, Calpak will help people all over the world to keep their household budgets low while contributing to the protection of the environment, as solar heaters are considered the most ecological appliances (Calpak Cicero Hellas S.A., n.d.-a).
Core values

Calpak Cicero Hellas S.A. is committed to success through integrity, listening and responding to their clients’ needs, and holding themselves accountable to their clients, partners, and employees by honouring their commitments, providing results, and aiming for the highest quality. They thrive on creativity and innovation that can make a positive impact on the environment in which we all live. They aspire to flawless products and do not take short cuts in quality or service. They encourage motivation, dedication, and performance as core ingredients of corporate culture (Calpak Cicero Hellas S.A., n.d.-b).

Organisational structure

![Organogram Calpak Cicero Hellas S.A.](Dorz, A. 2015)

Mr. Panayis Konstantinidis – Owner/Director (General Manager – Sales, administration and exports).

He is the general manager for the account managers in Greece and for the account managers in charge of exports. Calpak Cicero Hellas S.A.’s export team has three export managers; one manager is situated in Germany and is in charge of the exports to the German market. The other two export managers are situated in Athens, Greece. Their Sales team for the Greek market consists of three account managers. They also have a marketing team that consists of two employees. Their finance team has two employees that are in charge of Calpak Cicero Hellas S.A.’s bookkeeping.

Mr. Kostinidis Konstantinidis – Owner/Director (General Manager- Production).

Mr. Kostinidis Konstantinidis is in charge of Calpak Cicero Hellas S.A.’s production/factory. He is
in charge of the quality manager, employees in the factory, etc. In the factory, there are around 30 workers. When the raw materials come in, at the front of the factory, the quality manager makes sure they meet standards. Afterwards, the factory workers that are in charge of the production flow take over. The production flow of Calpak Cicero Hellas S.A. is fully automatized.

The employees are in charge of quality control at every step. There are different sections for the products:
- Tank production
- Collector production
- Packaging

The production flow was developed by Mr. Kostidis Konstantinidis and a university professor. All the employees have their own workstations. The management of production are situated in the building next to the factory. According to Ingram (n.d.), “Organisational structure is a formal outline of the managerial reporting relationships inside a company. Tall organisational structures feature numerous layers of management, cascading from the executive level all the way down to front-line management. Flat organisational structures feature less layers of management. In flat organisational structures, employees are empowered and expected to take responsibility for a range of traditionally managerial decisions in their daily routines” (Ingram, n.d.). In this case, Calpak Cicero Hellas S.A. has a flat organisational structure that allows them to save on many costs. This is mainly because of the few layers of management. Additionally, due to the flat organisation, smaller hierarchies, and their lack of bureaucracy, Calpak Cicero Hellas S.A. is more flexible and more adaptable regarding changes and unique circumstances. Furthermore, the employees of Calpak Cicero Hellas S.A. are encouraged to have more open communication and collaboration because of their flat organisation structure. This is mainly because many of Calpak Cicero Hellas S.A. employees are on a equal playing field, which means that they have more individual responsibilities. Finally, more ideas are generated in companies with a flat organisational structure than in companies with many layers of management. Calpak Cicero Hellas S.A. gives every employee an equal voice, which generates ideas from every employee in the company (Ingram, n.d).
According to Van Vliet (2014), every company has its own business definition. The most important aspect of a business definition is the needs of the customers. The Abell framework gives us a clear overview of the customers’ needs (Van Vliet, V. 2014, January 7). One can see that Calpak Cicero Hellas S.A. mostly sells their products to distributors, wholesalers, and retailers, but Calpak Cicero Hellas S.A. does not sell to individual consumers. The technologies Calpak Cicero Hellas S.A. is offering its customers are mainly solar thermal collectors, particularly VTS and flat plate collectors, hot water tanks, and thermosiphonic systems. Calpak Cicero Hellas S.A. does not sell heat pipe collectors. According to Zonneboiler Info (n.d.), customer needs in the Netherlands vary. Nevertheless, the most important customer needs are quality, low maintenance, high efficiency, low price, and good after-sales services. Due to its reliance on distributors, Calpak Cicero Hellas S.A. has no say in the selling price of distributors or after-sales services. Nevertheless, Calpak Cicero Hellas S.A. fulfils the first three needs of the consumers (Zonneboiler Info, n.d.-a).
Marketing and market position in Greece

Calpak Cicero Hellas S.A. manufactures solar thermal products for domestic and international markets. Within Europe, Greece has one of the biggest shares in newly installed capacity, as the graph below demonstrates. Greece holds 7% of the total market share of newly installed capacity in the European Solar Thermal Market.

Figure 3. European Solar Thermal Institute Foundation, Share of the European Solar Thermal Market, Newly Installed Capacity (ESTIF, 2014)

Within Greece, they are one of the biggest manufacturers of solar thermal products: flat plate collectors, VTS pipe collector, hot water tanks, as one can see in figure 4 below. As a service Calpak Cicero Hellas S.A. also provides the possibility of an OEM partnership. Calpak Cicero Hellas S.A. produces on a yearly basis: 10,000 hot water tanks and 20,000 collectors, making them the 7th largest manufacturer in Greece, as shown in figure 4.

The marketing of Calpak Cicero Hellas S.A.’s brand and recruiting of new distributors in Greece and outside is handled by Calpak Cicero Hellas S.A themselves. The showrooms of distributors and their website serve as selling points. Promotion is done through advertising (magazines, and TV/radio) marketing material and promotion/training events that are jointly organized by Calpak Cicero Hellas S.A. and interested companies. Calpak Cicero Hellas S.A. makes use of national and international trade fairs and events regarding renewable energy or solar thermal products. Calpak Cicero Hellas S.A.’s website is easily accessible, translated in eight different languages, up-to-date,
and modern. Its website consists of information about the company, products, selling points, newsletters, and contact information.

![World map of flat plate collector manufacturers 2014](image)

**Figure 4. World map of flat plate collector manufacturers 2014 (Solrico, 2014)**

**International business competence**

Calpak Cicero Hellas S.A. has a good attitude towards internationalization; they have been exporting for many years to more than 40 different countries around the world. In the Belgian market they have two distributors and are currently adding another one. The Belgian market is a subsidy driven market and is consequently volatile. When the market is growing, Calpak Cicero Hellas S.A. holds 3% of the market share. In terms of marketing, since Belgium’s market is subsidy-driven, Calpak Cicero Hellas S.A. sells directly to installation companies. In a non-subsidy driven market like that of the Balkans, Calpak Cicero Hellas S.A. uses intermediaries that provide both distribution and installation.

The market in Belgium was approached by one of the export managers of Calpak Cicero Hellas S.A. The initial approach in Belgium was through market research. However, they also do their initial approaches through exhibitions and business inquiries. After the initial approach, a business
trip/visit takes place. The distributor might come to Athens, Greece or one of the export managers will go to them. Then, the company clarifies terms, and technical and promotional support are discussed and agreed upon. Also, a sample shipment or direct order placement takes place. In the process, a mutually beneficial relationship is created and the distributors abroad place repetitive orders.

Marketing Mix

Place
Calpak Cicero Hellas S.A. was originally established in Corinth, Greece in 1976 as a subsidiary of British Petroleum (BP). It is comprised of a 4,500 square metre production complex, including a factory, and the new and still in-progress production site, all situated on a 25,000 square metre lot. Until the new factory is finished, the headquarters will remain in downtown Athens. For this reason, Calpak Cicero Hellas S.A. relies on their distributors/retailers and agents, who act as selling points and have showrooms where their products are displayed. Customers are exposed to their products by walking into one of their distributors/retailers or agents, such as SolarKing, Praktiker, and Ecomade, where numerous well-trained salesmen are ready to answer any questions they might have, provide them with information, and show them models. In addition, Calpak Cicero Hellas S.A. also relies on their distributors outside of Greece, such as Romstal S.R.L., one of the biggest warmth and energy companies in Romania and one of Calpak Cicero Hellas S.A.’s biggest and best distributors. Romstal S.R.L. imports thermosiphonic systems, tanks, and collectors from Calpak Cicero Hellas S.A. and they sell these products on their website, www.romstal.ro, and in their stores all over Romania. As far as e-commerce/selling products on the Internet goes, Calpak Cicero Hellas S.A. does not sell their products to distributors outside of Greece through websites. However, some of the distributors make use of their website to sell to their local market.

Promotion
Calpak Cicero Hellas S.A. has its own website, www.calpak.gr, also accessible to international clients, as the website is translated in English, German, French, Romanian, Spanish, Portuguese, Italian, and Hungarian. On the main website, customers can find information about their products and the company and it provides information about the on-going projects for which Calpak Cicero Hellas S.A. provides different products. Calpak Cicero Hellas S.A. is also very active on social media, such as Twitter and Facebook. They occasionally also send an up-to-date newsletter to their distributors outside of Greece.
Calpak Cicero Hellas S.A. often attends national and international trade fairs. Two of the international trade fair events that Calpak Cicero Hellas S.A. will be attending are the BIG 5 (Indonesia) and Intersolar Europe (Germany). In March 2015, Calpak Cicero Hellas S.A. attended the Hotel and Hospitality fair trade in Athens (Greece). These opportunities are used for promotional purposes and meeting new potential distributors in Greece and outside. Calpak Cicero Hellas S.A. also uses these opportunities to get in contact with customers but most of all to gain more knowledge about the solar thermal market today.

To create and gain brand awareness, Calpak Cicero Hellas S.A. uses their logo on their products. Calpak Cicero Hellas S.A. provides their distributors/retailers and agents with banners, posters, flyers, pens, folders, newsletters, buttons, notebooks, file folders, envelopes, etc., which are printed with the Calpak Cicero Hellas S.A. logo.

Price
Calpak Cicero Hellas S.A. is known for producing solar thermal products of good quality. Calpak Cicero Hellas S.A.’s vision and mission is to maintain and create high quality products. Therefore, the quality is tested many times during production. As a result of having highly skilled service personnel, Calpak Cicero Hellas S.A.’s main priority is providing its customers both high quality products and high quality service. The service Calpak Cicero Hellas S.A. is offering consists of flexibility of production and also maintaining high quality products. This is mainly possible because of their flat organisational structure and their commitment to their vision/mission statement, as discussed earlier.

Solar thermal products are available from €355 up to €570 for the M4 solar panel, €949 up to €1.668 for the Mark4 thermosiphonic system, €502 up to €1.865 for the Floor Standing Hot Water Tanks with two heat exchangers, and €1.603 up to €3.059 for the Complete DHW Systems with Flat Selective Calpak M4 collector. These prices are similar to those of other competitors in Greece. Thus, there is no price disadvantage or advantage for Calpak Cicero Hellas S.A. compared to the other suppliers in Greece. Nevertheless, considering the prices abroad and its export experiences, Calpak Cicero Hellas S.A. offers high quality products for a good price-ratio. The products that are offered outside of Greece have a price advantage compared to other products of their quality range. This is mainly because Calpak Cicero Hellas S.A. offers their distributors an out-of-factory price and an additional 44% deduction on products. This makes the product affordable for their quality range. Other manufacturers provide low cost solar thermal products, but these products are similar to the Chinese standard (lower) and match neither European standards.
nor overseas standards, such as those of the Solar Rating and Certification Corporation (SRCC, America and Canada).

One advantage for Calpak Cicero Hellas S.A. is that they choose to provide high quality solar thermal products for a fair price. The only disadvantage for Calpak Cicero Hellas S.A. in the case of selling their products to distributors in Greece and outside is that the distributor is the middleman in the selling process. This is only considered a disadvantage because Calpak Cicero Hellas S.A. is not able to generate full turnover on their products because they sell their products to distributors with additional deductions. Therefore, Calpak Cicero Hellas S.A. undercuts its profit. In the process of selling products to distributors, Calpak Cicero Hellas S.A. provides them with a 44% deduction from the above-mentioned prices. Thus, the distributor makes a profit by selling it for a higher price.

Product
Calpak covers all parts of the solar thermal energy by producing a wide and complete range of solar collectors, thermosiphonic systems, hot storage tanks, and complete central solar systems. In producing their products, quality is one of the most important criteria; production is certified with the ELOT EN ISO 9001:2000 n°02.19.01/977 (Calpak Cicero Hellas S.A., n.d.-a). Not only is the production certified, but Calpak Cicero Hellas S.A.’s solar thermal collectors are also accredited with the Solar Keymark and other international and national quality marks, such as CE, CSTB, and SRCC. Therefore, their products’ performance has been tested by various international facilities, such as ITW Stuttgart. Calpak Cicero Hellas S.A.’s full product descriptions can be viewed in Appendix III. Calpak Cicero Hellas S.A.’s biggest product categories are collectors and thermosiphonic systems (tanks). Common to all the products they produce is the usage of quality raw materials.

The products Calpak Cicero Hellas S.A. produces are all available for export. Nevertheless, not every product has the same reception in every market. For example, the thermosiphonic that Calpak Cicero Hellas S.A. is producing will not be accepted in the Dutch market because the government forbids these kinds of products to be on the roof of a house in the Netherlands.

Three level of a product
According to Kotler, consumers often think that a product is simply the physical item that the consumer buys in the store or on the Internet. However, a product is actually much more than its physical appearance. There are three levels of a product that can be considered three different products in one (Businessinsider, n.d.). Firstly is the core product, which is the final product,
offered to consumers. Secondly is the actual product, which is the tangible materials and conditions surrounding the manufacture of a product. Thirdly is the augmented product, which is the added value of a product.

Core product
The main product categories are solar collectors and warm water tanks. The products Calpak Cicero Hellas S.A. produces and sells are all made available for the residential, industrial, and hotel markets. If a distributor is thinking about selling solar thermal products, Calpak Cicero Hellas S.A. offers them VTS and flat plate collectors, and warm water tanks. For a heat pipe collector, Calpak Cicero Hellas S.A. is not the right manufacturer because they do not produce this product.

Actual product
Every product is produced with high quality material and is accommodated with novelty of design. Due to the robotized premises, the quality of production is guaranteed by standardised procedures and thorough testing controls that are certified under the ISO 9001:2008 (Calpak Cicero Hellas S.A. n.d.-a). As a result, it does not matter what kind of product the customer purchases from within the product range, whether the VTS collector or the flat plate collector, because the products are made with high quality materials and innovative designs.

Augmented product
Due to new and innovative designs, high quality raw materials, renewable energy sources, and thorough quality control throughout production, customers are willing to pay a good price-quality ratio for the products Calpak Cicero Hellas S.A. produces (Calpak Cicero Hellas S.A. n.d.-a). Thirty years of experience, quality control, international and national quality marks, and high efficiency/durability/novelty of design all add value to the product, not to mention the fact that Calpak Cicero Hellas S.A. produces renewable energy products that comply with the individual’s demand for a safe, clean, and reliable form of energy. Calpak Cicero Hellas S.A.’s products offer high efficiency and therefore their products have been granted numerous quality marks (Calpak Cicero Hellas S.A., n.d.-a). By buying their products, consumers indirectly help the environment, which adds an emotional value to the product.

Distribution structure
Calpak Cicero Hellas S.A. does not sell their products directly to consumers because they do not want to compete with their distributors. Therefore, Calpak Cicero Hellas S.A. is dependent on their retailers, wholesalers, and agents in Greece and outside. Depending on the
retailer/distributor/agent, Calpak Cicero Hellas S.A. receives, on average, an order once every month from their Greek clients. The purchasing power of their distributors outside Greece varies based on the distributors and country. Furthermore, Calpak Cicero Hellas S.A. has an export manager working in Germany who is responsible for acquiring new potential distributors in Germany and German-speaking countries, like Austria and Switzerland.

As for the Greek market, Calpak Cicero Hellas S.A. has account managers that are responsible for searching for new potential distributors. They also visit fairs, use social media, make use of commercials on TV/radio, and also work with some Greek TV shows that broadcast information about buying houses. Calpak Cicero Hellas S.A.’s current distribution structure in Greece is demonstrated in Figure 5 below. The process represented by Figure 5 starts at number 1; raw material suppliers in Greece supply Calpak Cicero Hellas S.A. with raw materials. Second, Calpak Cicero Hellas S.A. receives the payment for the products and sends the products to the distributors. Then, the retailers and wholesalers sell the products to the end consumers. Calpak Cicero Hellas S.A. produces on demand. If a distributor wants to import the collectors/hot water tank without any adjustment to the product, then the delivery of the products happens within one month; however, this also depends on the amount that is requested by the distributor.

![Calpak Cicero Hellas S.A.'s current distribution structure in Greece](image)

Figure 5. Calpak Cicero Hellas S.A.’s current distribution structure in Greece (A. Dorz, 2015)
Payment conditions Calpak Cicero Hellas S.A. offers their distributors outside of Greece. All distributors, local or international, are on a Letter of Credit (L/C) – 30 days after the invoice date or 20% down payment upon order confirmation and 80% before shipment (with an additional 2% discount). Calpak Cicero Hellas S.A. introduced to their clients outside of Greece a maximum of 44% discount on every solar thermal product. Furthermore, because of a rise in production Calpak Cicero Hellas S.A. has the ability to supply their new distributors in new markets an extra discount of up to 50% because the manager, Mr. Konstantinidis, has decided to be more flexible when entering a new market.

![Diagram](image)

**Figure 6.** Calpak Cicero Hellas S.A. delivery and payment conditions for the customers (A. Dorz, 2015)

At the moment, Calpak Cicero Hellas S.A. is using Ex-Works system, Cost, Insurance, and Freight or Delivered Duty Unpaid for international distributors. This means that Calpak Cicero Hellas S.A. is willing to deliberate on which Inco terms they will be using with their distributors. Calpak
Cicero Hellas S.A has had mostly good experiences, except for a couple of situations in the past. Nevertheless, while using these incoterms, Calpak Cicero Hellas S.A and the distributors selling their products do not often know what happens with the products after the order has been sent. Possible risks are:

- The products might be sold at a different price than that dictated by Calpak Cicero Hellas S.A. The additional cost of the distributor has been added.
- The distributor may put the brand of Calpak Cicero Hellas S.A. in a bad light and this can damage their reputation.
- Calpak Cicero Hellas S.A. may remain dependent on the distributors and their orders.

Financial analysis
In this chapter, the financial ratio analysis is discussed. Since Calpak Cicero Hellas S.A. did not want to share their financial status, this analysis will focus on the average criteria Calpak Cicero Hellas S.A. needs to meet before entering the Dutch solar thermal market. The following indicators are used: liquidity (this measures the degree to which Calpak Cicero Hellas S.A. is able to meet its short term obligations), solvency (this measures the degree to which Calpak Cicero Hellas S.A. is able to meet all its financial obligations), and earning power (this measures the degree of profitability of Calpak Cicero Hellas S.A. its assets). Together, they demonstrate Calpak Cicero Hellas S.A.’s ability to achieve profit.

2.1 Liquidity
To establish whether Calpak Cicero Hellas S.A. will be able to pay its expected expenses in the (near) future, the current ratio or/net working capital are often used (Veldman, H. 2010, Export Management, p. 80).

Current ratio = current assets / short-term loans
Net working capital = current assets – short-term loans

A current ratio between 1.5 and 2 indicates that Calpak Cicero Hellas S.A. will be able of fully cover their expenses in the near future (Veldman, H. 2010, Export Management, p.80). For example: €100,000 / 50,000 = a current ratio of 2. A negative or below 1.5 current ratio will be viewed as negative by suppliers and banks. A positive current ratio above 1.5 will make suppliers and banks more willing to provide credit (Veldman, H. 2010, Export Management, p. 80).
A positive Net working capital indicates that Calpak Cicero Hellas S.A. will be able to pay their current debts (term < 1 year) with their current assets. For example: €100,000 – 50,000 = a Net working capital of +€50,000. The researcher advises Calpak Cicero Hellas S.A. to keep their short-term loans lower than their current assets (Veldman, H. 2010, Export Management, p. 80).

Solvency
To know whether Calpak Cicero Hellas S.A. is able to meet its obligations, the debt ratio is used. The debt ratio is used to show to what degree Calpak Cicero Hellas S.A. is depending on leverage.

Debt ratio = borrowed funds (total liabilities) / total assets

A low percentage of debt ratio means that Calpak Cicero Hellas S.A. is less dependent on the money they borrowed. The researcher advises Calpak Cicero Hellas S.A. to maintain low total liabilities by having a debt ratio of 25% to 50% in order to have a strong equity position. This means ‘in case of liquidation, all the company’s creditors take priority over the owners in respect of their claims on the proceeds of the liquidation’ (Veldman, H. Export Management, 2010 p. 81).

Profitability
Return on assets ratio shows how profitable Calpak Cicero Hellas S.A. is relative to its total assets. The higher the percentage of ROA the more efficient Calpak Cicero Hellas S.A.’s management is in utilizing its assets to make a profit. Return on assets (ROA) = net income / average total assets. Calpak Cicero Hellas S.A. will remain attractive for investment professionals if their ROA is no less than 5% and the banks will want to see Calpak Cicero Hellas S.A.’s ROA no less than 1.5%

Internal analysis conclusion
In conclusion, Calpak Cicero Hellas S.A. is a Greek company that manufactures solar thermal products. Its unique selling points, strengths, and weaknesses are:

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>High quality products for a relatively good price.</td>
<td>Reliant on distributors and their orders.</td>
</tr>
<tr>
<td>Medium-sized company is flexible when it comes to customization of solar thermal products.</td>
<td>Because Calpak Cicero Hellas S.A. is working with distributors and dealers, it is possible that some of them have low competence to explain the benefit of Calpak Cicero Hellas S.A. products and to offer the proper installation and</td>
</tr>
<tr>
<td>30 years of experience regarding solar thermal products.</td>
<td>Calpak Cicero Hellas S.A. has poorly organized after-sale service for the end consumers due to its overdependence on its dealers.</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Export to more than 40 countries all over the world.</td>
<td></td>
</tr>
<tr>
<td>Solar key mark and SRCC, high quality products, and it is even accepted in Canada and America because of the SRCC</td>
<td></td>
</tr>
<tr>
<td>Website is accessible in 8 different languages.</td>
<td></td>
</tr>
<tr>
<td>Calpak Cicero Hellas S.A.’s Research and Development department and the company’s connections with Research Institutes in Greece and Europe.</td>
<td></td>
</tr>
<tr>
<td>Calpak Cicero Hellas S.A. is the 7th largest manufacturer of solar thermal products.</td>
<td></td>
</tr>
<tr>
<td>Calpak Cicero Hellas S.A.’s vigorous management team, who have taken significant efforts to upgrade the company’s status, and its managing director, who has a leading role in the Industry Association and is a member of ESTIF.</td>
<td></td>
</tr>
<tr>
<td>Greece is the 4th biggest solar thermal market in Europe.</td>
<td></td>
</tr>
<tr>
<td>Calpak Cicero Hellas S.A.’s team of engineers and technicians is qualified to produce hot water tanks, flat plate collectors, and VTS pipe collectors.</td>
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</tbody>
</table>

Calpak Cicero Hellas S.A. mostly sells their products to distributors, wholesalers, and dealers. The technologies Calpak Cicero Hellas S.A. is offering its customers are mainly solar thermal collectors, thermosiphonic systems, and forced circulation systems. The customer needs vary, but the most important customer needs are quality, low maintenance, efficiency, and the right price for the product. Calpak Cicero Hellas S.A. does not sell their products directly to consumers since they do not want to compete with their distributors. For this reason, Calpak Cicero Hellas S.A. is dependent on their retailers, wholesalers, and agents within and outside of Greece. All distributors, local or international, are on a L/C – 30 days after the invoice date or 20% down payment upon
order confirmation and 80% before shipment (with an additional 2% discount). Calpak Cicero Hellas S.A. introduced a maximum of 44% discount on every solar thermal product to their clients. Furthermore, because of a rise in production Calpak Cicero Hellas S.A. has the ability to supply their new distributors in new markets with an extra discount of up to 50%.

Calpak Cicero Hellas S.A. did not want to share their financial status, but the following advice can be concluded from a financial analysis: Calpak Cicero Hellas S.A. should maintain a positive Net working capital and/or a current ratio between 1.5 and 2. To maintain a strong equity position, Calpak Cicero Hellas S.A. should maintain a debt ratio of 25% to 50% and Calpak Cicero Hellas S.A. is advised to have a Return On Assets (ROA) of no less than 1.5 %. Since Calpak Cicero Hellas S.A. did not want to share its financial status, further research on the forecast of their exports to the Netherlands is needed. This means that it will not be possible to make a legitimate financial forecast for Calpak Cicero Hellas S.A. about exporting to the Netherlands.

The strengths and weaknesses of Calpak Cicero Hellas S.A. that have been discussed in this chapter will be used for the SWOT analysis and the confrontation matrix. The financial analysis will be used for a further outline of the financial forecast. The marketing mix and business definition will also be a part of the SWOT analysis and the information will be taken into account for the competitor and customer analysis. Furthermore, the information that has been gathered in the internal analysis will be used to advise the right marketing and market penetration strategy.
What is the current situation of the Dutch market regarding solar thermal products?

Theoretical framework

This chapter is the start of the external analysis. The purpose of this analysis is to gain insight into the Dutch solar thermal market—what the current situation of the Dutch solar thermal market is and where the opportunities for Calpak Cicero Hellas S.A. are.

Firstly, general information about the European and the Dutch solar thermal market will be discussed. The results and the findings from the field research will also be discussed, which will help to give a picture of the Dutch solar thermal market in general as well as what the Dutch manufacturers/suppliers think about the market. These findings will engender a conclusion of whether it will be profitable for Calpak Cicero Hellas S.A. to enter the solar thermal market in the Netherlands. Secondly, production in the Netherlands will be discussed—who are the manufacturers and what price is acceptable in the Netherlands? This will help illustrate who Calpak Cicero Hellas S.A.’s competitors will be in the Netherlands and what kind of prices Calpak Cicero Hellas S.A. can expect to offer. Furthermore, the role of installers in the Dutch solar heating sector will be discussed, mainly because the installers are often intermediaries between manufacturers and consumers (Bosselaar, R. & Blezer, I. 2008, ‘Statusrapportage zonneboilers in Nederland’ p.6).

The information gathered can be of great help regarding the opportunities and threats for Calpak Cicero Hellas S.A. in the Dutch market. Additionally, different types of solar thermal collectors will be discussed and the question: which is the best-selling collector and why? will be answered. This will help the researcher to draw a conclusion for Calpak Cicero Hellas S.A. in terms of which product they should enter into the Dutch solar thermal market. Therefore, the demand of solar heating products in the Netherlands will be discussed. The following questions will be answered: what kinds of subsidies are offered in the Netherlands and how does this influence the demand for solar heating products?

With the information gathered from answering these questions, a general conclusion about the Dutch solar thermal market will be drawn in order to understand what kind of influence the subsidies have on the demand for solar heating products. Finally, a conclusion about the findings will be given at the end of this chapter with an explanation about how the finding will be beneficial for future research.
Solar thermal market

Calpak Cicero Hellas S.A. would like to start exporting to the Netherlands. It has already been exporting products to Germany, Belgium, and Austria. This section will first give a general insight into the Dutch solar thermal market. Then, interviewees will be named and a summary of the interviews and their opinions are given. Calpak Cicero Hellas S.A.’s experience of exporting to Western European countries has been good. Renewable energy is a big market with many sub-segments. Calpak Cicero Hellas S.A. wants to enter the Dutch solar thermal market with their solar collectors and tanks.

At the moment, there are many providers for these two products. There are at least six Dutch manufacturers of solar thermal products (Holland Solar, n.d.-a). Nevertheless, Calpak Cicero Hellas S.A. hopes to emerge as one of the leading producers of solar collectors or tanks—two niches within in the solar thermal market. As seen in figures 7 and 8 below, the European solar thermal market is the world’s smallest. At the end of 2012, Europe held only 15.9% of the total share of installed sun collectors. Figure 8 shows that in 2014, only 2% of the total newly installed sun collectors in Europe were installed in the Netherlands.

Figure 7. Total share of the installed capacity in operation by economic region at the end of 2012 (IEA-SHC, 2014).

Figure 8. Total share of the European solar thermal market; newly installed capacity (ESTIF, 2014).
According to Remeha (2015), a Dutch thermal products manufacturer, ‘the Dutch market is a tough market for a generalist like Remeha. According to Remeha, the solar thermal market is still viewed as a speciality market in the Netherlands. Specialists, like HRSolar and DSS, dominate the market. Nevertheless, they are certain that if the focus were switched to solar heating products, Remeha would specialize more on sustainable technology’ (Appendix II, 2015, personal interview). Solsolutions (2015) views the Dutch market as, ‘small but with some demanding consumers, especially for this period of time when solar energy (PV panels) in the Netherlands is becoming more and more mainstream. Nevertheless, Solsolution thinks that without any subsidies, the solar thermal market will not be more profitable’ (Appendix II, 2015, personal interview). Solesta (2015) agrees with Solsolution: ‘The Dutch solar thermal market is rather weak and this is because of the high investment that is required in buying these kinds of products’ (Appendix II, 2015, personal interview). Wolf Energiesystemen (2015) states that ‘the Dutch solar thermal market is a market with many opportunities. Solar energy is more popular than solar thermal products in the Netherlands. Nevertheless, creating awareness about solar thermal products will make a significant contribution to reducing the Dutch CO2 emissions and energy bills. Wolf Energiesystemen sees sufficient demand for solar thermal systems, but there is still even more potential after creating awareness’ (Appendix II, 2015, personal interview).

Production
There are some Dutch manufacturers of solar thermal products in the Dutch market. Nevertheless, this number has decreased over the last years. In 2003, when the Dutch government stopped the subsidy, many of the Dutch manufacturers decreased their production in solar thermal products. The growth of the Dutch solar thermal market comes mainly from companies that are importing solar thermal products from Europe or China. This is not a main threat because of the small market share in Chinese heat pipe collectors.

The biggest market share pertains to the flat plate collector in the Netherlands, which is a product that the Chinese do not produce because of its high costs. A solar water heating system in the Netherlands tends to cost around €2500 for a 3 m² system (including VAT). These prices may vary. For example, a solar water heater of 50 litres is good enough for a one-person household and a solar water heater of 150 litres is good enough for a household of four. The average price of a solar water heater, including the installation cost varies from:

- 100 litre tank with 1 collector: €2000 - €2500
- 100 litre tank with 2 collectors: €2500 - €3000
- 200 litre tank with 2 collectors: €3000 - €3500
- 300 litre tank with 3 collectors: €3500 - €5000 (Zonneboiler-Info, n.d.-b)
Many solar thermal manufacturers and distributors in the Netherlands are members of Holland Solar. There is no information available of the market share of different companies in the Netherlands because Centraal Bureau voor Statistiek (CBS) is very private with the information they receive from the manufacturers/distributors. Every quarter, CBS publishes the total sales of all the manufacturers and distributors combined (Bosselaar, R. & Blezer, I. 2008, ‘Statusrapportage zonneboilers in Nederland p.8’).

Installers in the Dutch solar thermal market
Another important aspect of the Dutch solar thermal market is the role the installers play in this branch. Most of the installers are intermediaries between the supply and demand in the Netherlands. In 2009, Bosselaar and Blazer found that installers do not put much effort in selling solar heating products and even discourage people from buying them because of a lack of knowledge about the installation process and the product itself. Another reason might be the conservative attitude in the Dutch installer market. (Bosselaar, R. & Blezer, I. 2008, ‘Statusrapportage zonneboilers in Nederland’ p.6).

According to the results of the field research, three out of the five interviewees stated that they do not think that the installers are the reason behind low sales in the Netherlands. According to Remeha (2015), ‘I think it is because of the lack of knowledge the consumers have. ‘Many do not know that a solar heating product exists or what it is’ (Appendix II, 2015, personal interview). Additionally, Solesta (2015) agrees that installers might play a role in the low sales in the Netherlands and advises creating awareness amongst installers about solar thermal products and the installation procedure (Appendix II, 2015, personal interview).

Solar heating collectors
In 2015, Solar Solutions International found that 90% of the Dutch solar thermal market consists of flat plate collectors and the remaining 10% of the Dutch solar thermal market consists of vacuum tubes collector/heat pipes. The reason why the flat plate collectors are more popular is because of their ‘good yield throughout the whole year. The flat plate collectors are often cheaper than the vacuum tube collectors and often less ostentatious on a flat roof’ (Solar Solutions International, 2015, ‘Solar Almanak: Het naslagwerk over zonne-energie’ p.16). All the interviewees have responded that the flat plate collectors are the best selling product within their product range and the most demanded (Appendix II, personal interview, 2015).
Demand of solar heating products in the Netherlands

Since 2011, the subsidies provided by the Dutch government regarding solar thermal products have been ceased (Duurzaamthuis, n.d.). According to the Dutch market leader in solar heating products, HRSolar, ‘the Dutch solar thermal market is currently very difficult because of the unequal playing field that the solar thermal products are playing [on] with the PV panels. This field is created particularly with political influence. The PV panels in the Netherlands have the possibility [of having] a VAT deduction. Furthermore, the energy price in the Netherlands has been made very expensive and because of this the demand [for] PV panels has increased (HRsolar, personal interview, 2015). Taking this into account, it is very obvious that the Dutch solar energy market is being promoted more and is more known by consumers. All of the interviewees have agreed on this statement (Appendix II, personal interview, 2015).

The law of supply and demand for solar thermal products is below average in the Netherlands, mainly because of the lack of subsidies from the Dutch government. The solar thermal market is more profitable and efficient than the solar energy market but it does not get enough credit from the government (Holland solar, n.d.-b). ‘Commercial businesses can still benefit from the tax-reduction for energy investments (EIA), which comes to about 15% of the investment costs. A new support scheme is the SDE+. This is a feed-inn tariff that has been expanded to include large (>100 m2) solar heating systems. The feed-inn tariff works with a tender system. The tariff is between €0.- and €20.- per GJ produced useful heat’ (IEA-SHC, 2014). Nevertheless, this is not enough for the consumer to consider solar thermal products an efficient purchase. Moreover, most of the Dutch installers remain inactive in selling solar thermal products. ‘Hot water is mostly produced with efficient gas boilers and gas is cheap. It is therefore difficult for solar water heaters to be cost competitive. The main sales in existing buildings [are] with owners who specifically chose a solar water heater for environmental reasons’ (IEA-SHC, 2014). The use of efficient gas boilers, with cheap gas, to heat water is not considered as a direct threat. This [is] because not every house in the Netherlands has gas. There are provinces in the Netherlands that use energy to warm up the water.

To conclude, the solar thermal market in the Netherlands is seen as full of potential, but there needs to be awareness amongst consumers and help from the Dutch government. In 2015, Solar Solutions International found that 90% of the Dutch solar thermal market consists of flat plate collectors and the remaining 10% of the Dutch solar thermal market consists of vacuum tube collectors/heat pipes. This means that Calpak Cicero Hellas S.A will need to enter the Dutch solar thermal market with their flat plate collectors in order to maximize their success chances. The information gathered in this chapter will form the threats and opportunities for the SWOT analysis.
Furthermore, it will help illustrate which products will be accepted in the Dutch solar thermal market.
Where are the opportunities for Calpak Cicero Hellas S.A. in the Dutch solar thermal market?

Theoretical framework
This chapter continues the external analysis. As mentioned above, the purpose of this analysis is to gain insight about the Dutch solar thermal market, including what the current situation of the Dutch solar thermal market is and where the opportunities for Calpak Cicero Hellas S.A. lie. It is safe to say that every organisation will have to face factors that they can influence and also factors that are beyond their control (Intemarketing, n.d.).

The DESTEP analysis will help develop the analysis and provide Calpak Cicero Hellas S.A. with information about how to handle macro-economic factors and how to adjust their strategy in the face of them. This analysis will help by describing the demographic, economic, social, technological, environmental, and political situations in the Netherlands regarding solar thermal products. Organizations are dependent on their external environment; the macro-environment influences the organisation (Toolshero, 2015).

The meso-analysis/competitors analysis will describe Calpak Cicero Hellas S.A.’s three most important competitors in the Dutch solar thermal market. With this analysis, an overview of the company’s profile, its strengths and weaknesses, is created and the threats and opportunities for Calpak Cicero Hellas S.A with every competitor are outlined. Furthermore, the meso-analysis also consists of the customer analysis, which will describe why intermediaries or end users buy the product. Also, the five forces of the Porter framework will help to analyse the level of competition within the industry and business strategy development. The Porter framework analyses the five forces that determine competitive intensity and therefore the overall profitability within the industry.

Every market research should also focus on the internal characteristics of the company itself with respect to its environment (Veldman, H. 2010, Export Management, p. 85). The most common way of performing this analysis is the strengths, weaknesses, opportunities and threats analysis (SWOT), which is based on data from market research. The researcher has identified the weaknesses and threats that Calpak Cicero Hellas S.A. faces and advised them on how to transform them into strength and opportunities. Additionally, the researcher made use of the confrontation matrix. This tool is often used to further analyse the output of the SWOT analysis. It gives researchers the opportunity to analyse different combinations of strengths, weaknesses, opportunities and threats. At the same time, the one is able to see which of the elements in the
matrix will have high influence and which will have low influence according to the number of pluses and minuses at the end of each row in the table on the page 41 (Veldman, H. Export Management, 2010, p. 82). Finally, a conclusion about the finding is given at the end of this chapter with an explanation about how the findings will be beneficial to further research.

DESTEP

It is safe to say that every organisation has to face factors that they can change and use and also factors that are beyond their power (Intemarketing, n.d.). The DESTEP analysis will help in the analysis and provide Calpak Cicero Hellas S.A. with information about how to handle macro-economic factors and how to adjust their strategy based on them. This analysis will also help the discussion of the demographic, economic, social, technological, environmental and political situation in the Netherlands regarding solar thermal products. Thus, organisations are dependent on their external environment as the macro-environment influences the organisation (Toolshero, 2015). The DESTEP analysis is used because of its full coverage of important external aspects. The demographics of a country is important in terms of solar thermal products because it helps to decide which kind of product should be imported. It is also important to know the ecological/environmental aspects of the country because of the products Calpak Cicero Hellas S.A. produces; they are a manufacturer of renewable products and knowing what kind of factors there are in the Netherlands would be of great use to Calpak Cicero Hellas S.A.

The demographic factor

The Netherlands has a surface of almost 42,000 square km; it is a relatively small country with a total population of over 16.5 million and has the highest population density in Europe, with 488 people per square km (CIA, 2014). Calpak Cicero Hellas S.A. should therefore not focus on finding a distributor in any specific province because the Netherlands is relatively small. The distributor would be able to transport everywhere in the Netherlands with no problem. Dutch population growth is expected to decline because of a decrease in immigration. Nevertheless, the Dutch population is expected to increase in some provinces in the Netherlands. As seen in figure 9 on the next page, the orange/dark orange and red provinces are expected to grow.
This will be beneficial for Calpak Cicero Hellas S.A. because the growth of a household means that there will be more need for warm water, the electricity/gas will be more expensive for water heating, and the household will therefore search for a better alternative.

The age and gender structure of the Netherlands is described in Table 1. As one can see, a big percentage of the Dutch population is in the category 25-54 years, which means that the Dutch population will soon age rapidly. Further, more than 20% of the Dutch population is already in the category of 55 and over. In 2012, De Looze (2012, January 13) found that sustainable energy is one of the highest priorities of the elderly in the Netherlands. 78% of the Dutch elderly above 55 years have switched to green energy. 95% of them have switched to energy-saving lamps in their households (De Looze, G. 2012, January 13). The Dutch aging population provides an advantage to Calpak Cicero Hellas S.A., giving them an opportunity to introduce their renewable energy products in the Netherlands.

<table>
<thead>
<tr>
<th>Age</th>
<th>% Of the population</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14 years</td>
<td>16.9 %</td>
<td>1,460,234</td>
<td>1,393,766</td>
</tr>
<tr>
<td>15-24 years</td>
<td>12.2 %</td>
<td>1,046,323</td>
<td>1,006,114</td>
</tr>
<tr>
<td>25-54 years</td>
<td>40.4 %</td>
<td>3,423,777</td>
<td>3,399,378</td>
</tr>
<tr>
<td>55-64 years</td>
<td>12.9 %</td>
<td>1,088,860</td>
<td>1,094,574</td>
</tr>
<tr>
<td>65 years and over</td>
<td>17.6 %</td>
<td>1,331,258</td>
<td>1,633,067</td>
</tr>
</tbody>
</table>

Table 1. Age and gender structure in the Netherlands (CIA, 2014)
The economic factor

“The Netherlands is the sixth-largest economy in the euro-zone. The Dutch financial sector suffered as a result of the global financial crisis, due in part to the high exposure of some Dutch banks to US mortgage-backed securities. In 2008, the government injected billions of dollars of capital into financial institutions to stem the deterioration. In 2013, the Dutch government brought the budget deficit below the euro-zone limit of 3% of GDP. Though the Dutch economy remains fragile, a gradual improvement in GDP growth in 2014 helped reduce the deficit further through an increase in government tax revenues’ (CIA, 2014). This is beneficial for Calpak Cicero Hellas S.A. because when the government has a low deficit, it means that they will be able to invest in renewable energy. Nevertheless, because of the of government tax revenues, Dutch society might spend a little bit less or not as fast. Further, the Netherlands uses the Euro as its currency. The total Dutch labour force is 7.893 million. In 2014, the Dutch unemployment rate was 7.2%. The inflation rate in 2014 was 0.5%. In 2014, Dutch imports was estimated to be around 461 billion Euros. The Netherlands’ main business partner countries for imported goods are: Germany at 14.5%, China at 12%, Belgium at 8.5%, the UK at 6.6%, Russia at 6.5%, and the US at 6.3% (CIA, 2014).

As one can see, the import level in the Netherlands is relatively high, which is considered to be positive for Calpak Cicero Hellas S.A. because it means that there is a market share when it comes to imports. It also means that the Netherlands is knowledgeable about importing and they are not reluctant towards it. Calpak Cicero Hellas S.A. can provide solar thermal products relatively cheaply and the distributor can therefore sell them at an attractive and profitable price.

Lastly, the Netherlands has one of the highest energy prices in Europe and relatively cheap gas prices. One kWh is € 0.25, which is expensive because Dutch society pays 60% of their energy cost in taxes. In the Netherlands, not every house has the ability to heat water with gas, so they are forced to use electricity. Around 27% of Dutch households depend on electricity for heating. This could be a threat for Calpak Cicero Hellas S.A. because the gas price is relatively cheap, so Dutch households will not bother switching to renewable energy. Due to high electricity prices, Dutch households will be more in favour of buying PV panels for solar energy than solar thermal products (Beekum, van R. 2012).

The socio-cultural factor

The Netherlands national language is Dutch (Nederlands), a West Germanic language. An average of 60% of the population of Suriname and Northern Belgium speak Dutch. For 23 million people, Dutch is a first language and for another 5 million people, it is a second language. Regarding
Dutch education, 5.4% of the GDP is spent by the government on education. The Netherlands is popular for international students because of the high amount of international studies, relatively cheap education, and the ability of much of the Dutch population to speak English (CIA, 2014).

According to a research in 2013 from NCDO, Dutch society has been less or equally interested in sustainability than the previous year (NCDO, Nederlanders en de wereld, 2013). This means that they are showing less interest in recycling, renewable energy, and sustainable products. One of the reasons for the lack of interest could be the economic crisis that is still present. For Calpak Cicero Hellas S.A., this might be a problem because it means that Dutch society is less or equally interested in renewable energy than the previous year. It would be attractive for Calpak Cicero Hellas S.A. to start exporting to the Netherlands when its society would be more interested in renewable energy and sustainable products.

The Technological factor

Only 3% of the Dutch population does not use the Internet. More than 88% is online on a daily basis. Laptops, smartphones, and tablets are being used more often. In the age category of 65-75, more than 74% use the Internet on a daily basis. 90% of the Dutch population in the age category of 18-25 uses the Internet on a daily basis, mostly on their smartphones and laptops. 33% of the Dutch population has been to a computer course. 20% of them are low-schooled. The percentage of adoption of new technology, such as tablets, smartphones, and Internet television in the Netherlands is one of the biggest percentages amongst European countries. First is Norway with 38.8%, then France with 35.7%, and third is the Netherlands with 35.1% (ZenithOptimedia, 2013).

In 2014, the Dutch DigitalEconomics presented 10 technological changes that the Dutch population will face and will change their lives directly in the near future, including 3D printing, Robotics, The Cloud, Mobile healthcare apps, Big Date, Healthcare IT, gamification in companies’ software, technology in clothing, mobile payment, and solar technology (DigitalEconomics, 2014).

Regarding solar technology, many changes and innovations have been introduced in the field of solar energy. Unfortunately, solar thermal has not developed much when it comes to innovation. However, a recent innovation in solar thermal is solar thermal storage, which makes solar thermal warmth possible, processing solar energy during the day and storing it for 7.5 hours. This means that the people in a household will have warm water for longer in the winter in the places where the sun shines for only a few hours (Happy News, Vier innovatieve zone-energie technologieen, n.d.). Calpak Cicero Hellas S.A. would benefit from this technology because it means that their product will be more efficient and therefore more attractive to consumers.
The Environmental factor

The climate in the Netherlands is temperate and marine, with cool summers and mild winters. A current environmental issue in the Netherlands is water pollution. ‘This comes in the form of heavy metals, organic compounds, and nutrients such as nitrates and phosphates; air pollution from vehicles and refining activities; acid rain’ (CIA, 2015). The Dutch land is mostly coastal lowland and reclaimed land, also known as polders. There are some hills in the southeast of the Netherlands. The Netherlands is known for its battles against water due to being below sea level. The lowest point in the Netherlands is Zuidplaspolder, -7 m below sea level. The highest point is Vaalserberg, at 322m above sea level. The province Zeeland is the sunniest province in the Netherlands. The sun shines 8% more than anywhere else in the Netherlands (Bibliotheek, n.d.).

The sun shines in the Netherlands only 1,500 out of 8,760 hours per year (see figure 10); this is above the average needed for solar thermal collectors to work. Additionally, solar thermal collectors require only daylight, and not necessarily sunlight, to work (Zonne-energie gids, n.d.).

![Average hours of sun in the Netherlands](image1)

Figure 10. Average hours of sun in the Netherlands (Zonne-energie gids, n.d.)

The Political factor

The Netherlands is one of the founding members of the European Union. The European Union has an internal market, which seeks to guarantee the free movement of goods, capital, service, and people between the member states without any government interfering (Europa, 2014). The Dutch government has a certain influence on businesses, through legislation, rules, or even subsidies. If a company has many projects through the government, then government influence is of great importance. Taxation is also a part of the government and is another means by which the Dutch government intervenes in solar thermal distribution. Due to the Climate Objectives from the Kabinet Rutte II (Dutch government) and the importance of the Dutch economy, the Dutch
government will play an important role in market growth for solar heating. They will do this by stimulating the demand to support Dutch solar heating manufacturers/distributors (Hollandsolar, 2015). However, solar thermal receives less attention than solar energy from the Dutch government. This could be negative for Calpak Cicero Hellas S.A. because distributors might see a bigger opportunity in the solar energy sector and might adapt their product line to solar energy products rather solar thermal products.

Conclusion DESTEP
To conclude, because of the growth of the need for warm water in households in the Netherlands, electricity/gas will be more expensive for water heating and households will search for better alternatives. This will be beneficial for Calpak Cicero Hellas S.A. In 2012, De Looze (2012, January 13) found that sustainable energy is one of the highest priorities of the elderly in the Netherlands (De Looze, G. 2012, January 13). This will creates an opportunity for Calpak Cicero Hellas S.A. in terms of introducing their product into the Dutch solar thermal market. The aging Dutch population is an advantage for them. As mentioned before, import rates in the Netherlands are relatively high. This is considered positive because it means that there is a market share when it comes to imports. It also means that the Netherlands is knowledgeable about importing and are not reluctant towards it.

According to research in 2013 from NCDO, Dutch society has been less or equally interested in sustainability (NCDO, Nederlanders en de wereld, 2013). This means that they are showing less interest in recycling, renewable energy, and sustainable products. One of the reasons for the lack of interest could be the economic crisis that is still present (for Calpak Cicero Hellas S.A. this might be a problem because it means that Dutch society is less or equally interested in renewable energy).

It would be attractive for Calpak Cicero Hellas S.A. to start exporting to the Netherlands when society would be more interested in renewable energy and sustainable products. Further, solar thermal has not increased in innovation. Nevertheless, a recent innovation regarding solar thermal is solar thermal storage. This storage makes it possible for solar thermal warmth, which is processed during the day, to be stored for 7.5 hours. This means that households will have warm water for longer in the winter or in places where the sun shines for only a few hours (Happy News, n.d). Calpak Cicero Hellas S.A. would benefit from this technology because it means that their product would be more efficient and therefore more attractive to consumers.

Finally, solar thermal receives less attention from the Dutch government than solar energy, which could be negative for Calpak Cicero Hellas S.A. because distributors might see a greater
opportunity in the solar energy sector and adjust their product line to solar energy products rather than solar thermal products.

**Porter five forces analysis**

The five forces of the Porter framework analyses the level of competition within an industry as well as business strategy development. It analyses the five forces that determine the competitive intensity and therefore the overall profitability of an industry (Mindtools, n.d.).

![Porter five forces analysis](image)

**Figure 11. Porter five forces analysis (MBA Base Camp, n.d.)**

**New threats**

The entrance of a European company into the Dutch solar thermal market will not be restrained by European Union trade barriers. The European Union has some technology protections, but if the product is manufactured in the European Union and it meets criteria, it will not face any problems. The Netherlands does not have the most collectors for solar water heating installed, but it also does not have the least (IEA-SHC, 2012). It is somewhere in the middle. Twenty European countries are less attractive than the Netherlands in that regard and only 12 European countries are more attractive and profitable than the Netherlands; this is because of their experience, the total number of collectors, and the high amount of total capacity produced. In 2012 solar water heating collectors accounted for 3.0% of the total installed capacity and compared to the year 2011 the market grew moderately by 2.1%. The most important markets for unglazed collectors in 2012 were the United States (530 MWth), Australia (455 MWth), and Brazil (368 MWth). The three countries accounted for 85% of the recorded unglazed water collector installations. Another 14% were installed in Mexico, Canada, the Czech Republic, South Africa, and the Netherlands. Only 1% was installed in other countries. Furthermore, 37 systems larger than 3.5 MWth or 5,000 m2
were reported with most installations in Denmark (30) followed by Germany (2), Sweden (1), Austria (1), the Netherlands (1), France (1) and Norway (1)’ (IEA-SHC, 2013).

It is safe to say that the Netherlands is not one of the most attractive countries for solar thermal products, but it is also not the least. It is understandable that the Netherlands has been chosen by Calpak Cicero Hellas S.A. to extend their western-European exports. The Netherlands is higher ranked in table 2 than other Western-European countries, including the United Kingdom, Norway, Sweden, Luxembourg, Ireland, and Denmark.

<table>
<thead>
<tr>
<th>Country</th>
<th>Total collector area (m²)</th>
<th>Total capacity (MWth)</th>
<th>Calculated number of systems</th>
<th>CO₂ reduction (tco₂/a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>111,921</td>
<td>78</td>
<td>14,347</td>
<td>27,193</td>
</tr>
<tr>
<td>Austria</td>
<td>4,927,748</td>
<td>3,449</td>
<td>490,570</td>
<td>727,693</td>
</tr>
<tr>
<td>Belgium</td>
<td>429,533</td>
<td>301</td>
<td>107,383</td>
<td>63,180</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>122,100</td>
<td>85</td>
<td>22,455</td>
<td>22,116</td>
</tr>
<tr>
<td>Croatia</td>
<td>120,000</td>
<td>84</td>
<td>30,000</td>
<td>22,465</td>
</tr>
<tr>
<td>Cyprus</td>
<td>890,511</td>
<td>623</td>
<td>196,236</td>
<td>274,987</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>891,738</td>
<td>624</td>
<td>60,205</td>
<td>132,780</td>
</tr>
<tr>
<td>Denmark</td>
<td>663,409</td>
<td>464</td>
<td>77,712</td>
<td>99,457</td>
</tr>
<tr>
<td>Estonia</td>
<td>6,520</td>
<td>5</td>
<td>1,630</td>
<td>978</td>
</tr>
<tr>
<td>Finland</td>
<td>48,502</td>
<td>34</td>
<td>12,126</td>
<td>7,430</td>
</tr>
<tr>
<td>France (mainland)</td>
<td>2,466,801</td>
<td>1,727</td>
<td>387,400</td>
<td>414,824</td>
</tr>
<tr>
<td>Germany</td>
<td>16,839,600</td>
<td>11,788</td>
<td>1,841,364</td>
<td>2,410,971</td>
</tr>
<tr>
<td>Greece</td>
<td>4,122,000</td>
<td>2,885</td>
<td>1,591,106</td>
<td>1,099,302</td>
</tr>
<tr>
<td>Hungary</td>
<td>233,300</td>
<td>163</td>
<td>27,008</td>
<td>37,730</td>
</tr>
<tr>
<td>Ireland</td>
<td>271,968</td>
<td>190</td>
<td>62,943</td>
<td>39,564</td>
</tr>
<tr>
<td>Italy</td>
<td>3,446,766</td>
<td>2,413</td>
<td>590,603</td>
<td>736,395</td>
</tr>
<tr>
<td>Latvia</td>
<td>4,040</td>
<td>3</td>
<td>1,010</td>
<td>648</td>
</tr>
<tr>
<td>Lithuania</td>
<td>6,000</td>
<td>4</td>
<td>1,500</td>
<td>939</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>39,800</td>
<td>28</td>
<td>9,950</td>
<td>6,218</td>
</tr>
<tr>
<td>Macedonia</td>
<td>25,744</td>
<td>18</td>
<td>3,298</td>
<td>5,370</td>
</tr>
</tbody>
</table>
Table 2: Calculated annual collector yield and corresponding oil equivalent and CO2 reduction of glazed and unglazed water collectors in operation by the end of 2012 (IEA-SHC, 2012)

<table>
<thead>
<tr>
<th>Country</th>
<th>Collector Yield</th>
<th>Oil Equivalent</th>
<th>CO2 Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malta</td>
<td>48,293</td>
<td>34</td>
<td>12,073</td>
</tr>
<tr>
<td>Netherlands</td>
<td>864,642</td>
<td>605</td>
<td>130,026</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>133,839</td>
</tr>
<tr>
<td>Norway</td>
<td>36,126</td>
<td>25</td>
<td>1,308</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4,780</td>
</tr>
<tr>
<td>Poland</td>
<td>1,211,500</td>
<td>848</td>
<td>152,447</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>171,893</td>
</tr>
<tr>
<td>Portugal</td>
<td>969,805</td>
<td>679</td>
<td>188,330</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>261,629</td>
</tr>
<tr>
<td>Romania</td>
<td>110,700</td>
<td>77</td>
<td>27,675</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>22,834</td>
</tr>
<tr>
<td>Slovakia</td>
<td>147,000</td>
<td>103</td>
<td>24,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>24,551</td>
</tr>
<tr>
<td>Slovenia</td>
<td>186,800</td>
<td>131</td>
<td>28,250</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>27,003</td>
</tr>
<tr>
<td>Spain</td>
<td>2,962,824</td>
<td>2,074</td>
<td>341,762</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>716,666</td>
</tr>
<tr>
<td>Sweden</td>
<td>450,000</td>
<td>315</td>
<td>34,103</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>64,851</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1,265,490</td>
<td>886</td>
<td>153,112</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>187,580</td>
</tr>
<tr>
<td>Turkey</td>
<td>15,497,913</td>
<td>10,849</td>
<td>3,589,317</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4,831,103</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>709,673</td>
<td>497</td>
<td>177,418</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>102,391</td>
</tr>
</tbody>
</table>

Threat of substitute products and services

Solar thermal products are relatively expensive and are an investment. Therefore, consumers will expect quality and often do not mind paying a little bit more. However, due to the economic situation, consumers and contractors do not have as much money and they might consider a cheaper variant coming from China. Due to the European Union trade association and the legislation regarding the criteria solar thermal products need to meet, it will be harder for consumers and contractors to make the switch. However, if a contractor invests in solar thermal products in the new building sector to receive subsidies coming from the Dutch government and to meet the new building sector criteria, they will not easily make the switch from European Union products to cheaper variants coming from China.

Consumers will not switch to other renewable energy products for warm water because the government also does not give subsidies for other renewable energy for water/space heating (Duurzaamthuis, n.d.). According to Remeha (2015), a Dutch heating products manufacturer, they will not consider switching to another manufacturer of solar thermal products but they are interested in a collaboration (Remeha, 2015, personal interview, Appendix II). The same goes for the Dutch distributor, Solsolution. They will not change supplier because their customers are happy.
and keen on the products they are distributing now (Solsolution, 2015, personal interview, Appendix II).

Bargaining power of customers (resellers)
The bargaining power of customers is low to average because switching to an alternative product is not simple or easy to do. The reason for this is the high price of the product and the long period of orientation. The investment for purchasing a solar thermal product is high. It costs a lot of money, take a lot of orientation time, and there is a limited offering of different products. Also, solar thermal products need to meet certain criteria before they can be purchased in the Netherlands. The only difference between solar thermal products is the price/quality ratio. If consumers want high quality, they are expected to pay a bit more. If quality is not as important to them, they can purchase Chinese products (which are limited in the Dutch market) (Zonneboiler Info, n.d.-a).

Customers have an influence on Calpak Cicero Hellas S.A.’s position in the Dutch solar thermal market. Calpak Cicero Hellas S.A.’s customers are mainly distributors and resellers. Companies could be influenced by the relatively high investment required for solar thermal products. To establish a good relationship with potential distributors in the Netherlands, Calpak Cicero Hellas S.A. needs to provide good discounts and promotions to distributors in order for them to offer Dutch consumers an attractive price.

Bargaining power of suppliers
Calpak Cicero Hellas S.A. produces its own products in their factory and rely on suppliers for raw materials. Therefore, the selling price changes when the price of the raw materials changes. In 2014, Entrepreneurial-Insights found that suppliers have more power when ‘they are in concentrated numbers compared to buyers. If there are high switching costs associated with a move to another supplier. If they are able to integrate forward or begin producing the product themselves. If they have specific expertise or technology needed to manufacture goods. If their product is highly differentiated. If there are many buyers and none make up significant portions of sales. If there are no substitutes available’ (Entrepreneurial-Insights, 2014, August 21). Nevertheless, if the power of suppliers becomes too strong, Calpak Cicero Hellas S.A. will do its best to find a way to reduce their power. This could be done by developing an alternative way to produce or sell its products. Re-designing solar thermal products or diversifying the product may also be a way to diminish the power of suppliers (Entrepreneurial-Insights, 2014, August 21). Calpak Cicero Hellas S.A. could achieve this because it is a small to medium company and is able to redevelop itself. Further, Greece is a country full of natural resources that make up the raw materials used by
Calpak Cicero Hellas S.A., therefore they could also change suppliers when the raw material becomes too expensive.

**Intensity of competitive rivalry**

Calpak Cicero Hellas S.A. has around 12 competitors that produce solar thermal products in the Netherlands. Calpak Cicero Hellas S.A. also has many other competitors that export to Dutch distributors. As seen on the website HollandSolar, around 56 companies are involved in the solar thermal market. They are selling Dutch or imported products or products that they produce themselves. Two of the direct competitors of Calpak Cicero Hellas S.A. are the German manufacturers, Bosch and Viessmann. The Dutch Nefit and Vaillant, known as two of the biggest distributors of sun collectors, represents them. Dutch manufacturers are also very present in the Dutch solar thermal market. ATAG, Remeha, and HR Solar are known as the biggest manufacturers of sun collectors and boilers and they also export to other countries, including the USA, UK, Germany, Austria, Denmark, etc.

**Consumer analysis**

Consumer analysis is an important part of the external analysis because Calpak Cicero Hellas S.A. wants to know why intermediaries (distributors and wholesalers) and end consumers buy its products. As a manufacturer, Calpak Cicero Hellas S.A. can provide solar thermal products relatively cheaply, offering a deduction of 44% to distributors and allowing them to sell at an attractive and profitable price. Within the Netherlands, Calpak Cicero Hellas S.A. ought to target the same groups as they are targeting in Greece and other countries to which they export; distributors, wholesalers and retailers.

Calpak Cicero Hellas S.A. should find a distributor in the Netherlands that is able to transport the products throughout the country. Installers in the Netherlands are too small to sell directly when products have been imported and do not keep stock; this is not profitable for Calpak Cicero Hellas S.A.

The Dutch solar thermal manufacturers, including Calpak Cicero Hellas S.A., sell their products to three segments in the Dutch solar thermal market. These are the industrial market, the hotel market, and the residential market. Calpak Cicero Hellas S.A. does not focus on one particular segment nor do the Dutch solar thermal manufacturers. These three markets are also different when it comes to consumers’ needs. The hotel market and the industrial market are often interested in bigger tanks and more solar thermal collectors whereas the residential market is only interested in the exact litres needed, according to household. Furthermore, these three sub segments are often
interested in a combination of PV solar panels and solar thermal collectors and tanks in order to enhance their yields.

Competitor analysis
Following are descriptions of some of the developments in the Dutch market. Agpo is one of the biggest suppliers of solar water heaters. Itho produces the solar water heaters for Agpo. Atag has given the Greek company, Heliomax, the production of solar water heating collectors. Heliomax supplies Atag, but they also supply their own products with their own brand to Eneco. Heliomax is providing Lafarage with solar water heating products. Daalderop is a Dutch solar water heating manufacturer. It produces solar water heating combinations (multisolar). Other solar water heating suppliers in the Netherlands are Solahart, Aton, Brinic, DSS, Inventum, Jirlumar, Lafarage, HR Solar, Remeha, and Vaillant. New on the Dutch market are the products of Solesta B.V. The vacuum tube collector Rivusol is importing from China.

As mentioned earlier in table one, the Netherlands is not the smallest market in Europe. It consists of 864,642m² of collector area and has a calculated number of 130,026 systems installed. These statistics show that the Netherlands is an above average country in terms of solar thermal products. Thus, Calpak Cicero Hellas S.A. has to deal with different competitors in the Dutch solar thermal market.

The competitors of Calpak Cicero Hellas S.A. in the Dutch solar thermal market are discussed individually below. Their strengths, weaknesses, opportunities, and threats will be discussed. The following competitors will be discussed: Dutch Solar Systems (DSS), HRsolar, Remeha/BDR Thermea, and Solesta. These are the main competitors because they are also manufacturers, and therefore play the most important role in the Dutch solar thermal market, selling the same amount of solar water heating products or more. To have a full competitor analysis, it is important to know the selling prices of the competitors. However, this kind of information is almost impossible to find on the Internet. For the price analysis, a solar water heater of 50 litres is good enough for a one-person household and a solar water heater of 150 litres is good enough for a household of four. The average price of a solar water heater, including the installation cost, in the Netherlands varies from:

- 100 litre tank with 1 collector: €2000 - €2500
- 100 litre tank with 2 collectors: €2500 - €3000
- 200 litre tank with 2 collectors: €3000 - €3500
- 300 litre tank with 3 collectors: €3500 - €5000 (Zonneboiler-Info, n.d.)
Greek sun in the Netherlands

In Greece, a 150 litre tank with 2 collectors costs, including the installation, around €2,000, meaning that Calpak Cicero Hellas S.A. is able to provide cheap, but high quality solar thermal products.

DSS (Dutch Solar Systems)

Dutch Solar Systems BV (DSS) was established in 1998 in Enschede, the Netherlands. Their main objective is to obtain energy from the sun. DDS is owned by Mr. G.P. Sanderink, who is also the owner and director of the Netherlands’ most well-known ICT-business, Centric BV. Together, these companies have a turnover of more than 2.5 billion euros. DSS has become so big due to the immense knowledge in the Netherlands and Germany of solar thermal products and photovoltaic solar energy. DSS has worked with the University of Twente and the University of Applied Sciences Saxion in developing high efficiency products. Given that the installation of solar heating products and PV panels is complicated and requires knowledge, DSS has extended their company with an additional support service for installation called ‘DSS At Home’.

Strengths and weaknesses

DSS’s differentiation of solar and water products is both a strength and a weakness. They sell PV panels; this means that they have a strong market position in the Netherlands because the PV solar market is bigger and more known in the Netherlands. Calpak Cicero Hellas S.A. also has the VTS collector, while DSS only sells flat plate collectors. They differentiated themselves in the Netherlands by working together with Saxion University and Twente University, meaning that they are always up to date when it comes to newer, more efficient technology. The same goes for Calpak Cicero Hellas S.A. When comparing DSS to Calpak Cicero Hellas S.A.’s business definition of Abell, DSS does not have the heat pipe collector. However, DSS does sell to individual consumers but also work through distributors in the Netherlands. Since they also sell their products straight to consumers, DSS has their own after-sales service (Dutch Solar Systems, n.d.). A strength for Calpak is its years of experience in solar thermal products and in a solar thermal market that is the 4th largest in Europe.

Threats and opportunities

Calpak Cicero Hellas S.A. distinguishes themselves by selling two types of collectors. DSS focuses on flat plate collectors. DSS has a full service that helps installers to install the product efficiently. They deliver their products all over the Netherlands and before installing and buying solar thermal products, DSS does research on the residential/commercial building to find the perfect choice for their customers. They provide information to all of their customers about solar thermal products. Furthermore, DSS also has three Dutch quality certificates and the Solar
Keymark. Calpak Cicero Hellas S.A. has many national quality certificates, but also the Solar Keymark and the SRCC, a certification that has made it possible to export their solar thermal products to the American and Canadian markets.

**HR Solar**

HR Solar produces a series of solar thermal systems under the same name. These innovative devices are developed and manufactured in their own factory in the Netherlands. HR Solar solar systems are known for their high efficiency. In 2002, HR Solar started focusing on renewable energy, mostly solar, and in 2008 they became one of the biggest Dutch producers of solar thermal systems. They export to other countries mostly through installers.

**Strengths and weaknesses**

One of their main strengths is their recyclable product. Every component they produce is recyclable. They sell also directly to their customers as well as through distributors/agents and installers. This makes them have a strong after-sales service and able to sell at a lower price with higher profit. One of their weaknesses is that they do not install the products, however they give free training to installers who sell their products. HR Solar also does not have the heat pipe collector in their product range, like Calpak Cicero Hellas S.A. Furthermore, HR Solar does not sell their products straight to consumers meaning that their after-sales service is conducted by their distributors (HR Solar, n.d.).

**Threats and opportunities**

HR Solar is still one of the biggest and most well-known Dutch manufacturers in terms of solar heating products. They have more than 50 distributors/agents and installers in the Netherlands. However, they have only 11 years of experience in the field while Calpak Cicero Hellas S.A. has been active in the field for more than 30 years. This could be a good opportunity for them. Calpak Cicero Hellas S.A. also has knowledge of the 4th largest solar thermal market in Europe. The general director of Calpak Cicero Hellas S.A. is member of the ESTIF which allows them to have a great reputation in the European solar thermal market.

**Remeha/BDR Thermea**

Remeha is known for its 75 years of experience in the field of heating and warm water. Remeha is also working with the biggest Dutch installer companies, including Feenstra, Breman, Essent, Eneco, and Gasnet. BDR Thermea is the leading company in charge of Remeha. BDR Thermea is the market leader in five important European countries, including the UK, France, Spain, the Netherlands, and Italy.
Strengths and weaknesses
Remeha is one of the biggest and oldest companies that deals with warm water and space heating in the Netherlands, and it is known for its quality. Due to their parent company, BDR Thermea, Remeha has the biggest share in Western Europe. One of the most important strengths of Thermea is that they cooperate with the well-known installation companies in the Netherlands. Thermea’s products are known for being highly priced because the company is big and well-known, which is one of their weaknesses. Remeha/BDR Thermea does not have the heat pipe collector, meaning that they sell the same technologies as Calpak Cicero Hellas S.A. Additionally, Remeha/BDR Thermea has their own selling points in the Netherlands, but they also make use of distributors. The distributors that Remeha/BDR Thermea have in the Netherlands are some of the biggest installers of warm water tanks and energy providers, including Feenstra, Eneco, Essent, and Gasned (Remeha, n.d.).

Threats and opportunities
An opportunity for Calpak Cicero Hellas S.A. could be their low priced products. Calpak Cicero Hellas S.A. is smaller than Thermea and would not be able to compete with them, however their low prices could be an advantage. It should be noted that this cannot be known for sure because Remeha/BDR Thermea does not share their prices with third parties. Calpak Cicero Hellas S.A. is also a specialist in the solar thermal market while Remeha/BDR Thermea is not. This could also be a great opportunity for Calpak Cicero Hellas S.A.

Solesta
Solesta was founded in 2003. They produce PV panels and solar heating products. Solesta is known not only for distributing in the Netherlands, but also in the UK, France, Belgium, and Germany. Solesta distinguishes themselves from other competitors in the Netherlands by producing VTS pipe collectors instead of flat plate collectors.

Strengths and weaknesses
Solesta is known for producing one type of solar thermal collector. The VTS pipe collector is known for being very expensive in comparison to the flat plate collectors. This is a weakness. Calpak Cicero Hellas S.A. produces both of the collectors, which is one of its advantages. Solesta, like Calpak Cicero Hellas S.A., does not produce the heat pipe collector. Nevertheless, Solesta does sell their products straight to consumers, so they have an after-sales service for their customers, which Calpak Cicero Hellas S.A. does not (Solesta, n.d.).

Threats and opportunity
Calpak Cicero Hellas S.A. has more experience than Solesta in producing solar thermal products and they also produce different kinds of collectors. Their VTS pipe collectors, flat plate collectors, and economic collectors would be competitive with the products Solesta is producing because Calpak Cicero Hellas S.A.’s products would be priced lower.

As figure 13 below demonstrates, Calpak Cicero Hellas S.A. has a bigger advantage when it comes to technology than the Dutch solar thermal products manufacturer, DSS. Calpak Cicero Hellas S.A. also produces the VTS pipe collector. DSS does have a bigger advantage when it comes to customer needs and customer groups; DSS has after-sales because they also sell direct to customers, which Calpak Cicero Hellas S.A. does not.

As seen in figure 14 below, Calpak Cicero Hellas S.A. has a big advantage in the technology sector when compared to the Dutch solar thermal manufacturer, Solesta. Solesta only manufactures one type of collector, the VTS pipe. The VTS pipe collector is known for its low market share in the Netherlands. Solesta, however, has a bigger advantage when it comes to customer needs regarding after-sales service and selling directly to end consumers.
There are not many manufacturers of solar thermal products in the Netherlands. DSS and HRsolar are both manufacturers of flat plate collectors and they both sell directly to end consumers, which Calpak Cicero Hellas S.A. does not. However, a big advantage that Calpak Cicero Hellas S.A. has over these competitors is that they manufacture the VTS pipe collector. However, the market share in the Netherlands for this kind of collector is only 10%. Calpak Cicero Hellas S.A. has an advantage over the Dutch heat product manufacturer, Remeha/BDR Thermea, when it comes to the manufacturing of the VTS collector and they are also a specialist in the solar thermal market, which Remeha is not. Although Remeha does not sell directly to consumers, like Calpak, they do have the biggest installation and electricity/gas companies as their distributors, which is a threat for Calpak Cicero Hellas S.A. Finally, the Dutch solar thermal manufacturer Solesta only produces the VTS pipe collector; this means that they lose 90% of the market share in the Netherlands. This is an advantage for Calpak Cicero Hellas S.A., who produces both collectors.

**SWOT**

The most common form of analysis is the Strengths, Weaknesses, Opportunities and Threats analysis (SWOT), which is based on data that comes from the the macro- and meso-analyses. The weaknesses and threats that Calpak Cicero Hellas S.A. faces have been identified and the researcher has advised how to transform them into strengths and opportunities. Additionally, the researcher has made use of the confrontation matrix. This tool is often used to further analyse the output of the SWOT analysis. It provides the opportunity to analyse different combinations of strengths, weaknesses, opportunities, and threats. One is able to see which of the elements in the matrix have high influence and which have low influence by the number of pluses and minuses.
that appear at the end of each row in the table on the page 60 of this export plan (Veldman, H. Export Management, 2010, p. 92).

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.1 High quality products for a relatively good price.</td>
<td>W.1 Reliant on distributors and their orders.</td>
</tr>
<tr>
<td>S.2 Medium-sized company, thus flexible when it comes to customization of solar thermal products.</td>
<td>W.2 Because Calpak Cicero Hellas S.A. is working with distributors and dealers, it is possible that some of them have low competence to explain the benefit of Calpak Cicero Hellas S.A. products and to offer the proper installation and after-sales service.</td>
</tr>
<tr>
<td>S.3 30 years of experience with solar thermal products.</td>
<td>W.3 Calpak Cicero Hellas S.A. has a poorly organized after-sale service for end consumers due to its overdependence on its dealers.</td>
</tr>
<tr>
<td>S.4 Exports to more than 40 countries all over the world.</td>
<td></td>
</tr>
<tr>
<td>S.5 Solar key mark and SRCC, high quality products, and accepted in Canada and America.</td>
<td></td>
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<tr>
<td>S.6 Website is accessible in 8 different languages.</td>
<td></td>
</tr>
<tr>
<td>S.7 Calpak Cicero Hellas S.A.’s Research and Development department and the company’s connections with research institutes in Greece and Europe.</td>
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<tr>
<td>S.8 Calpak Cicero Hellas S.A. is the 7th largest manufacturer of solar thermal products.</td>
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<tr>
<td>S.9 Calpak Cicero Hellas S.A.’s vigorous management team, who have put in significant effort to upgrade the company’s status, and its managing director, who has a leading role in the Industry Association and is a member of ESTIF.</td>
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<tr>
<td>S.10 Greece is the 4th biggest solar thermal market in Europe.</td>
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<tr>
<td>S.11 Calpak Cicero Hellas S.A.’s team of</td>
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</table>
S.12 Calpak Cicero Hellas S.A. has experience in countries that do and do not offer subsidies.

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>O.1 Dutch market is perfect for solar thermal specialists.</td>
<td>T.1 Solar energy gets more attention and recognition from the Dutch government and Dutch society. No subsidies for solar thermal products.</td>
</tr>
<tr>
<td>O.2 PV panels become mainstream.</td>
<td>T.2 Lack of knowledge amongst installers, thus they do not recommend solar heating products.</td>
</tr>
<tr>
<td>O.3 90% of the Dutch solar thermal market share is covered by the flat plate collector.</td>
<td>T.3 No/low awareness among consumers in the Netherlands regarding solar thermal products.</td>
</tr>
<tr>
<td>O.4 Before 2020, HollandSolar and the Dutch government wants to reach 20 PJ.</td>
<td>T.4 Low gas price and high electricity price.</td>
</tr>
<tr>
<td>O.5 Netherlands is a small country, distribution is easy and quick.</td>
<td>T.5 The economic situation and the European position of Greece.</td>
</tr>
<tr>
<td>O.6 Growth of Dutch households.</td>
<td>T.6 Only 27% of Dutch households depends on energy for heating. 83% is dependent on gas.</td>
</tr>
<tr>
<td>O.7 Sustainable energy is a big priority among elderly Dutch people over 55 (Netherlands has an ageing population).</td>
<td>T.7 In 2013, the Dutch population is less or equally interested in recycling and renewable energy.</td>
</tr>
<tr>
<td>O.8 The fast adoption of new technology in the Netherlands.</td>
<td></td>
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<tr>
<td>O.9 High import rates in the Netherlands.</td>
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<tr>
<td>O.10 The Netherlands has an above average number of sunny days, making collectors highly efficient.</td>
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<tr>
<td>O.11 No entry barriers against solar thermal products produced in the European Union.</td>
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<tr>
<td>O.12 Low switching attitude amongst distributors.</td>
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<tr>
<td>O.13 The Dutch solar thermal market can be very profitable when awareness is created at the consumer and installer level.</td>
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Table 3. SWOT Analysis (Dorz, A. 2015)
Strengths

Calpak Cicero Hellas S.A. has many strengths. Firstly, the company has great production capabilities, which enable it to compete in terms of both quality and variety of products. Its Research and Development department has important connections with research institutes in Greece and Europe; this enables it to produce highly efficient products with a perfect price/quality ratio (S.1). Secondly, Calpak Cicero Hellas S.A. has a flat organisational structures and features less layers of management. In flat organisational structures, employees are empowered and expected to take responsibility for a range of traditionally managerial decisions in their daily routines. Calpak Cicero Hellas S.A.’s flat organisational structure allows them to save on many costs. Additionally, Calpak Cicero Hellas S.A. is more flexible and more adaptable regarding changes and unique circumstances due to their smaller hierarchies and their lack of bureaucracy. The employees of Calpak Cicero Hellas S.A. are encouraged to have more open communication and collaboration because of their flat organisational structure. This is mainly because many of Calpak Cicero Hellas S.A.’s employees are on an equal playing field, which means that they have more individual responsibilities. Finally, more ideas are generated within a flat organisational structure than in companies with many layers of management. Calpak Cicero Hellas S.A. gives every employee an equal voice, which generates ideas from every employee in the company (Ingram, n.d)(S.2).

Calpak Cicero Hellas S.A. has more than 30 years of experience regarding solar thermal products, more than any Dutch manufacturer on the market. This enables them to have a lot of knowledge about solar thermal products (S.3). Additionally, Calpak Cicero Hellas S.A. exports its products to more than 40 countries all over the world. They have a lot of experience in exports and the procedures of exporting (S.4). Calpak Cicero Hellas S.A. has obtained the Solar Keymark, a European certification, but also the SRCC, a certification that allows Calpak Cicero Hellas S.A. to export to America and Canada. Dutch manufacturers do not have the SRCC (S.5).

Calpak Cicero Hellas S.A. has translated its website into more than 8 different languages. Therefore, the website is made accessible to a large portion of its customers in Europe. Of all the Dutch distributors, only Remeha has its website translated into languages other than English (S.6). Calpak Cicero Hellas S.A. holds the position as the 7th largest manufacturer of solar thermal products in Greece. This is saying a lot because in Greece there are more than 1000 competitors. Therefore, they are used to selling in a competitive market and still produce quality products for a relatively good price (S.7).
Calpak Cicero Hellas S.A. is the 7th biggest solar thermal manufacturer in Greece and Greece is the 4th largest market in Europe that deals with solar thermal products. Dutch manufacturers only play an important role in a market where the market share is no bigger than 0.2% (S.10). The managing director, Mr Panayis Konstantinidis, is a member of ESTIF (European Solar Thermal Industry Federation) and has a leading role in the Industry Association in Greece. This enables the managing director to be at the forefront of any news regarding solar thermal and new technology (S.9). Also, Calpak Cicero Hellas S.A. is not only a manufacturer of flat plate collectors but also of VTS pipe collectors and hot water tanks. They also produce thermosiphonic systems. Their product range is large and they are therefore specialists regarding solar thermal products (S.11).

Finally, Calpak Cicero Hellas S.A. has good experience and holds a good market share in countries that are both subsidized and not subsidized by the government for solar thermal products. They sell in Belgium, which is a subsidized country and they also sell to the Balkans countries, which are not subsidized (S.12).

**Weaknesses**

Calpak Cicero Hellas S.A. also some internal weaknesses. First, Calpak Cicero Hellas S.A. does not sell their products straight to their consumers. Thus, they are over-dependent on their dealers and their orders. Every Dutch manufacturer sells directly to end consumers (W.1). Secondly, since they are over-dependent on their dealers and they do not sell their product straight from the factory to their consumers, they also have a poorly organized after-sale service. Calpak Cicero Hellas S.A. does not know to whom their dealers are selling their products, in which conditions they are being sold, or what kind of customer relations the dealer has, and because of this Calpak Cicero Hellas S.A. does not know what kind of complaints are coming in to their dealers and how they are handling them (W.2).

Solar heating products need to be installed by installers who have the proper knowledge to achieve the maximum efficiency from the products, and the products need to be sold by salesmen who have good knowledge of the products and Calpak Cicero Hellas S.A. Thus, Calpak Cicero Hellas S.A. is over-dependent on their dealers, which is a weakness (W.3).

**Opportunities**

Firstly, Calpak Cicero Hellas S.A. is a specialist in solar thermal products. According to Remeha, the solar thermal market is still viewed as a speciality market in the Netherlands. Specialists, like HRSolar and DSS dominate the market (Appendix II, 2015, personal interview). The Dutch solar thermal market is a perfect place for specialists like Calpak Cicero Hellas S.A. to thrive (O.1).
Secondly, SolSolutions (2015) views the Dutch market as, ‘small but with some demanding consumers, especially [in] this period of time when solar energy (PV panels) in the Netherlands [is becoming] more and more mainstream’ (Appendix II, 2015, personal interview) (O.2). Also, Wolf Energiesystemen (2015) states that ‘the Dutch solar thermal market is a market with many opportunities. Solar energy is more popular than solar thermal products in the Netherlands. Nevertheless, creating awareness about solar thermal products will make a significant contribution to reducing Dutch CO2 emissions and energy bills. Wolf Energiesystemen sees sufficient demand for solar thermal systems, but there is still even more potential after creating awareness’ (Appendix II, 2015, personal interview) (O.13). 90% of the Dutch solar thermal market share is covered by the flat plate collector. Calpak Cicero Hellas S.A. produces a high efficiency flat plate collector with low emissions and a good price. Another opportunity is the ‘Warmteovereenkomst’ that Hollandsolar has made with the Dutch government. With this agreement, they strive to achieve 20PJ before 2020. This means that they will create some programs that will promote solar thermal products, which will be very beneficial for Calpak Cicero Hellas S.A. (O.4).

The Netherlands is also a very small country with good logistics possibilities. It is possible for a distributor in the south of the Netherlands to distribute to the north of the Netherlands without any problems. This is a great opportunity for Calpak Cicero Hellas S.A. because they do not have to focus on searching for a distributor in a particular place (O.5). Dutch households are growing, meaning that people will need more gas for heating. They are likely to switch to something more efficient and better for the environment than gas (O.6). The Dutch population is also aging, which is a great opportunity for Calpak Cicero Hellas S.A. because the Dutch elderly above 55 years old consider sustainable/renewable energy a priority. This means that Calpak Cicero Hellas S.A. would have a big share of consumers that would be interested in solar thermal products (O.7).

The Dutch population is not reluctant towards new technology. They are also one of the fastest countries in Europe at adapting to new technology, which means that Calpak Cicero Hellas S.A. will not have a problem introducing their products into the Dutch solar thermal market (O.8). The Netherlands is very keen on imports. They have a big import share. Calpak Cicero Hellas S.A. will therefore not face any entry barriers against solar thermal products (O.9, O.11). Furthermore, the Netherlands has an above average amount of sunny days, making collectors highly efficient. Moreover, daylight is enough for a solar thermal collector from Calpak Cicero Hellas S.A. to produce the amount of warm water needed, and sunlight is not even necessary (O.10).

Finally, companies in the Netherlands tend to not switch distributors once they have found one, which could be an opportunity for Calpak Cicero Hellas S.A. once they find distributors.
According to Remeha (2015), a Dutch heating products manufacturer, they will not consider switching to another manufacturer of solar thermal products but they are interested in collaboration (Remeha, 2015, personal interview, Appendix II). The same goes for the Dutch distributor, Solsolution. They will not change supplier because their customers are happy and keen on the products they are distributing now (Solsolution, 2015, personal interview, Appendix II) (O.12).

**Threats**

Next to every opportunity, there is a threat. On the one hand, there are no subsidies in the Netherlands regarding solar thermal products. On the other hand, the solar energy sector is indeed subsidized and gets more attention from the Dutch government and Dutch consumers, mainly because the Dutch government imposed an electricity tax, which makes electricity in the Netherlands very expensive compared to gas. This could be a big threat to Calpak Cicero Hellas S.A. because many customers will not be very interested in buying solar thermal products when there is low awareness within the government, no subsidies, and an electricity tax (T.1, T.3, and T4).

Also, the installation of solar energy is easier for installers than solar heating products. Thus, most of the installers do not try to sell solar heating products and they do not even recommend to their customers to get solar heating products. Due to the lack of knowledge of the installers, the potential for solar heating products in the Netherlands is kept to a minimum (T.2). Also, the current economic situation in Greece could be a big threat for Calpak Cicero Hellas S.A., causing trust issues amongst the potential Dutch suppliers (T.5).

Furthermore, in the Netherlands, only 27% of households depend on energy for heating. This means that only 27% is really interested, because of the high electricity tax, in solar thermal products, which is not a lot. Since the market is so small, Dutch distributors that are currently active cover the needs of the Dutch consumers (T.6). Finally, according to research done in 2013 from NCDO, Dutch society has been less or equally interested in sustainability han the previous year (NCDO, Nederlanders en de wereld, 2013). This means that they are showing less interest in recycling, renewable energy, and other sustainable products, which could be a big threat to Calpak Cicero Hellas S.A. (T.7).

**3.6 Confrontation matrix**

The confrontation matrix is a tool that is often used to further analyse the output of the SWOT analysis. It gives the researcher the opportunity to analyse different combinations of strengths, weaknesses, opportunities and threats. At the same time, the researcher is able to see which of the
elements in the matrix will have the most influence and which will have the lowest influence by
the number of pluses and minuses that appear at the end of each row in figure 15 (Veldman, H.

Strengths and opportunities
The Dutch market is perfect for solar thermal specialists. Calpak Cicero Hellas S.A. can combine
this opportunity with their 30 years of experience in solar thermal products, their strength of being
the 7th largest manufacturer of solar thermal products in Greece, and its team of engineers and
technicians qualified to produce hot water tanks, flat plate collectors, and VTS pipe collectors.
Calpak Cicero Hellas S.A.’s general director holds an important position on the board of ESTIF.
This organisation focuses on creating awareness of solar thermal products among consumers and
distributors. They could work together on this opportunity to make consumers switch/add solar
thermal products to their renewable energy supply.

The flat plate collector covers 90% of the Dutch solar thermal market. This is a collector Calpak
Cicero Hellas S.A. has been producing and innovating for more than 30 years. Their experience
and innovation will fit perfectly in the Netherlands. Before 2020, Hollandsolar and the Dutch
government have agreed to achieve 20 Pj for solar heating. This means that the Dutch government
as well as Hollandsolar are busy developing programs and creating awareness within the Dutch
market of solar thermal products. Mr. Panayis Konstantinidis could play an important role in
creating awareness and his company could introduce their products into the Dutch market.

Sustainable energy is a big priority among elderly Dutch people over 55 and the Netherlands has
an aging population. This is also a good reason for Calpak Cicero Hellas S.A. to start exporting to
the Netherlands. Also, the fast adaption of new technology, the high import rate in the Netherlands,
and the freedom of entry for solar thermal products that have been produced in the European
Union also provide a great opportunity for Calpak Cicero Hellas S.A. to start exporting to the
Netherlands. Finally, Calpak Cicero Hellas S.A. has good experience and holds a good market
share in both countries that do and do not subsidize solar thermal products. They sell in Belgium,
which offers subsidies, and also to the Balkans countries, which do not.

Strengths and threats
The primary threat would be that solar energy gets more attention and recognition from the Dutch
government and Dutch society and there are no subsidies available for solar thermal products in the
Netherlands. Nevertheless, Calpak Cicero Hellas S.A. can tackle these threats using their
experience in subsidized and non-subsidized countries; they have experience finding a distributor
who can manage to sell their products in countries without subsidies. Also, it is known that solar energy is a bigger market in the Netherlands than the solar thermal market. Nevertheless, Calpak Cicero Hellas S.A.’s general director holds membership on the ESTIF board and can help create the necessary awareness amongst Dutch consumers and the Dutch government. Creating awareness about their solar thermal products and their high efficiency could reduce this threat.

Another threat is installers’ lack of knowledge, which prevents installers from recommending solar heating products. Calpak Cicero Hellas S.A. would not be able to train the installers that are active in the Netherlands as this would be a task of the distributors. Nevertheless, Calpak Cicero Hellas S.A. provides manuals with their products for their distributors to give out. The low gas price and high electricity tax that has been imposed in the Netherlands constitutes another threat. Nevertheless, Calpak Cicero Hellas S.A. can still focus on the 27% of Dutch households that are dependent on energy for heating. For these consumers, a solar thermal product would be very efficient in terms of cost. Furthermore, Calpak Cicero Hellas S.A. can also focus on creating awareness of solar thermal products amongst the 83% of Dutch households that are dependent on the cheap gas for heating. The low CO2 emissions could be one of the reasons named for getting them over the finish line for selling their products.

The economic situation in and the European position of Greece are currently very bad. Dutch distributors might have trust problems regarding importing Calpak Cicero Hellas S.A.’s products. Nevertheless, their 30 years of experience, their export experience with 40 countries all over the world, and the trust they have elicited from their other distributors ameliorate this problem. They could also assure their potential distributors in the Netherlands with a signed contract by both parties. Finally, according to research conducted in 2013 from NCDO, Dutch society has been less or equally interested in sustainability (NCDO, Nederlanders en de wereld, 2013). This means that they are showing less interest in recycling, renewable energy, and other sustainable products, which could be a big threat. This threat again stems from a lack of awareness, which Calpak Cicero Hellas S.A. could tackle through creative awareness and knowledge initiatives.

Weakness and opportunities
One of Calpak Cicero Hellas S.A.’s biggest weaknesses is its reliability on distributors and their orders. Calpak Cicero Hellas S.A. does not sell and has never sold straight to end consumers. Nevertheless, Calpak Cicero Hellas S.A. could tackle this weakness based on Dutch distributors’ penchant for sticking with companies with whom they work. Dutch distributors are not quick to switch competitors, which means that Calpak Cicero Hellas S.A. is assured loyalty. Also, the
contract that will be signed by both parties will force the distributors to place an order at least four times per year. This assures Calpak Cicero Hellas S.A. of its seals and its production.

Another weakness Calpak Cicero Hellas S.A. faces, that stems from their dependence on distributors, is that distributors might not be well equipped to explain the benefits of Calpak Cicero Hellas S.A.’s products and to offer proper installation and after-sales service. Calpak Cicero Hellas S.A. could remedy this by providing distributors with additional information that informs them about Calpak Cicero Hellas S.A.’s products and installers with an installation manual. Finally, Calpak Cicero Hellas S.A. has a poorly organized after-sale service for the end consumers, again due to its overdependence on its dealers. This weakness is hard to tackle because Calpak Cicero Hellas S.A. will still work with distributors and they will still not provide after-sales service the Dutch consumers.

Weakness and threats
Calpak Cicero Hellas S.A. relies too much on their distributors and the orders they are placing. The threats that could make this weakness highly dangerous are low gas price and high electricity price in the Netherlands, the lack of knowledge of Dutch installers, the little to no awareness among Dutch consumers and the Dutch government, and the low percentage of Dutch households that are dependent on electricity for heating. These threats could cause consumers to not buy solar heating products and this would reflect in distributors’ buying habits. If distributors do not sell anything within the Dutch solar thermal market and they do not have any consumers that are interested in solar thermal products, they will not place any orders. If distributors do not place any orders, Calpak Cicero Hellas S.A. will not be able to sell to the Dutch market because they do not sell directly to end consumers. Finally a weakness that will make Calpak Cicero Hellas S.A. more fragile is the fact that, because they work through distributors, they do not provide after-sales service for consumers. This weakness, together with the current economic situation Greece is facing, will make Calpak Cicero Hellas S.A. very vulnerable in selling their products in the Dutch solar thermal market. Dutch consumers would probably not choose a product that is produced in Greece with no after-sales possibilities.

Conclusion/ Go for Calpak Cicero Hellas S.A. to enter the Dutch solar thermal market
Expanding to the Netherlands is advisable for Calpak Cicero Hellas S.A. Since the work with distributors, they will not have to invest any money when entering the Dutch market, except the additional marketing cost. Furthermore, the only investment they must make before entering the Dutch solar thermal market is time (and payment to the export manager) spent searching for a potential distributor in the Netherlands.
The Dutch market is perfect for solar thermal specialists. Calpak Cicero Hellas S.A. can combine this opportunity with their 30 years of experience in solar thermal products, their strength of being the 7th largest manufacturer of solar thermal products in Greece, and its qualified team of engineers and technicians who produce a variety of products. The flat plate collector covers 90% of the Dutch solar thermal market. This is a collector that Calpak Cicero Hellas S.A. has been producing and innovating for more than 30 years. Their experience and innovation will fit perfectly in the Netherlands. Hollandsolar and the Dutch government agreed to achieve 20 Pj for solar heating before 2020. This means that the Dutch government and Hollandsolar are busy developing programs and creating awareness in the Dutch market regarding solar thermal products. Mr. Panayis Konstantinidis could play an important role in this awareness initiative, simultaneously making his company known.

Sustainable energy is a big priority among elderly Dutch people and the Netherlands has an aging population. This provides a good opportunity for Calpak Cicero Hellas S.A. to start exporting to the Netherlands. A threat would be that solar energy gets more attention and recognition from the Dutch government and the Dutch society and there are no subsidies available for solar thermal products in the Netherlands. Nevertheless, Calpak Cicero Hellas S.A. can tackle these threats with their experience in subsidized and non-subsidized countries. They have experience in how to deal in countries that are not subsidy-driven, still finding a distributor who manages to sell their products. Also, it is known that solar energy is a bigger market in the Netherlands than the solar thermal market. However, Calpak Cicero Hellas S.A.’s general director, Mr. Panayis Konstantinidis, who holds membership on the ESTIF board, could help create the necessary awareness amongst Dutch consumers and the Dutch government. Creating awareness about solar thermal products and their high efficiency would ameliorate this problem.

According to research conducted in 2013 from NCDO, Dutch society has been less or equally interested in sustainability (NCDO, Nederlanders en de wereld, 2013). This means that they are showing less interest in recycling, renewable energy, and other sustainable products, which could pose a big threat. Nevertheless, Calpak Cicero Hellas S.A. could tackle this problem, which stems from a lack of knowledge and awareness, by creating awareness among these consumers.

Calpak Cicero Hellas S.A. also has a poorly organized after-sale service for the end consumers due to its overdependence on its dealers. This weakness is hard to tackle because Calpak Cicero Hellas S.A. will still work only with distributors and will still not provide after-sales service to Dutch consumers. Additionally, Calpak Cicero Hellas S.A. relies too heavily on their distributors and the orders they are placing. The threats that can make this weakness highly dangerous is the
low gas price and high electricity price in the Netherlands, and also the lack of knowledge amongst Dutch installers, the little to no awareness among Dutch consumers and the Dutch government, and the low percentage of Dutch households that are dependent on electricity for heating. These threats could cause the consumers to not buy solar heating products, which will be reflected in the purchasing behaviour of distributors. If distributors do not sell anything in the Dutch solar thermal market and they do not have any consumers that are interested in solar thermal products, then they will not place any orders. If the distributors do not place any orders, Calpak Cicero Hellas S.A. will not be able to sell to the Dutch market because they do not sell directly to end consumers.

Despite the threats and weaknesses that Calpak Cicero Hellas S.A. faces, their strengths and opportunities regarding the Dutch solar thermal market are more powerful. As figure 15 demonstrates, Calpak Cicero Hellas S.A. has 94 plusses and 31 minuses, meaning that Calpak Cicero Hellas S.A. has strong combined strengths / opportunities and strengths that can tackle the threats. This is the reason Calpak Cicero Hellas S.A. is advised to start exporting to the Netherlands. The SWOT analysis and confrontation matrix that have been discussed in this chapter will be of great benefit in the next chapter, which explains the advice given to Calpak Cicero Hellas S.A. This analysis will also be used in advising the right market entry strategy for Calpak Cicero Hellas S.A.
Figure 15. SWOT confrontation matrix (Dorz, A. 2015)
How should Calpak Cicero Hellas S.A. approach the Dutch solar thermal market?

Theoretical framework

It is recommended for Calpak Cicero Hellas S.A to enter the Dutch solar thermal market. In this chapter, the researcher examines which market entry strategy Calpak Cicero Hellas S.A. should use to enter the Dutch solar thermal market and in what ways Calpak Cicero Hellas S.A. should present their products in this market.

The following subjects are dealt with in this chapter: which growth strategies, market entry strategy, and what type of distribution channel Calpak Cicero Hellas S.A. should choose. First, one of the most well-known marketing tools, the Ansoff matrix, will be explained. Marketers around the world use this tool to create objectives for growth. The Ansoff matrix consists of four different strategic options to achieve growth (Quick MBA, n.d. ‘Ansoff Matrix’). The four main categories are discussed in this chapter and a conclusion is given. Second, a go/no go decision will be advised for Calpak Cicero Hellas S.A. and is based on the conclusion of the findings from sub-questions one, two, and three (the internal and external analysis).

A market entry strategy will be advised as well as a choice of a distribution channel for Calpak Cicero Hellas S.A. The pros and cons of the potential distribution channels will be discussed. For choosing the market entry strategy, the marketing mix 4P’s will be used because it is of high importance for Calpak Cicero Hellas S.A. to introduce their products in the right place, at the right price, and at the right time. The information in the marketing mix is often used to help organisations choose the right marketing strategy. To have an effective marketing strategy, the elements of the marketing mix need to be well-coordinated. A perfectly good product that might change the world gets nowhere if it is not promoted properly. The four elements of the marketing mix are: product, price, promotion, and place (Veldman, H. Export Management, 2010, p. 94-95).

After the explanation of the marketing mix, cultural, legal, and transportation aspects will be further discussed. Also, a risk analysis and feasibility of export will be discussed. Pertaining to the cultural aspects, the five dimensions of Geert Hofstede will be discussed. Geert Hofstede is a Dutch organisation psychologist. He has created five dimensions that indicate the cultural differences between countries. Understanding the cultural differences between countries, Greece and the Netherlands in this export plan, will help bridge the differences in intercultural communication between Calpak Cicero Hellas S.A. and their potential Dutch distributors. Finally, a conclusion about the findings is given at the end of this chapter along with an explanation about how the findings will be beneficial for further research.
Strategic option

Growth strategies
One of the most well-known marketing tools is the Ansoff matrix. Marketers around the world use this tool to create objectives for growth (Quick MBA, n.d). The Ansoff matrix consists of four different strategic options to achieve growth. The four main categories are:

<table>
<thead>
<tr>
<th></th>
<th>Current product</th>
<th>New product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current market</td>
<td>Market penetration</td>
<td>Product development</td>
</tr>
<tr>
<td>New market</td>
<td>Market development</td>
<td>Diversification</td>
</tr>
</tbody>
</table>

Figure 16: Growth strategies. (Dorz, A. 2015)

The main target to achieve growth is to generate more volume of trade and profit for the company. There are four possibilities:
- Market penetration: the main purpose of market penetration is to increase the current market share. One can do this by increasing sales of existing products in the existing (current) market.
- Market development: the main objective of market development is to sell the company’s existing products in new markets that they have not yet entered yet.
- Product development: the company can choose two options in the product development growth strategy. The first one is to redevelop an old product. The second one is to make small but revolutionary adjustments to existing products.
- Diversification: offering new products/services in new markets that the company has not entered yet. This strategy can be very successful, but it is full of risks.

Conclusion Ansoff matrix
Calpak Cicero Hellas S.A. is one of the leading companies in Greece in terms of solar thermal products. To achieve their objective for a higher turnover, Calpak Cicero Hellas S.A. should do market development. Calpak Cicero Hellas S.A. might consider using OEM partnership for some exclusive distributors in the Netherlands when their export department notices that searching for a regular contract with a distributor does not work. The researcher does not believe finding a regular contract will work mainly because of the Greek situation in Europe at this moment. Nevertheless,
that remains as plan B. Calpak Cicero Hellas S.A. should keep using the same concept they used in their early export experience to Germany, Belgium, and the UK. Calpak Cicero Hellas S.A. should keep in mind that their thermosyphonic systems would not be accepted in the Netherlands because of regulations. Nevertheless, the researcher recommends entering the Dutch market with their VTS collector, Flat plate collector, and their forced circulation systems in combination with their collector because the Dutch distributor is searching for ‘complete system with low maintenance’, according to Ernst van Tongeren, board member of Holland Solar (Tongeren, van E., personal communication, 2015, April 15).

**Market entry strategy**

There are two main ways for organisations to choose a market entry strategy when entering a foreign market. The first way is direct export: the company that is interested in exporting is directly exporting to their customers—Business to Consumers. The biggest advantage of this strategy is that Calpak Cicero Hellas S.A. would have a high degree of control over the export process and they would solve the weakness they are facing internally of not having any control of after-sales. Additionally, the potential profits would be higher for the organisation. This is not suitable for Calpak Cicero Hellas S.A., however, because they have no experience whatsoever with Business to Consumer strategy and they have always conducted their company in within Greece and without through intermediaries. The second way is for the organisation to export through an intermediary to their customers—Business to Business strategy. This strategy is more suitable for Calpak Cicero Hellas S.A. because they have years and years of experience in this field. Thus, indirect export would be best for Calpak Cicero Hellas S.A. to use when entering the Dutch market.

**Distribution channel**

An agent must be selected according to certain criteria. According to Veldman (2010), an agent should be familiar with the sector of the country, should have good contact with its clients, and have knowledge of the product that they sell. An agent is most suitable for medium to large manufacturers that want to export. In exchange, the manufacturer provides the agent with a commission, catalogues and price lists, promotional material, and support when the agent participates in trade fairs (Veldman, H. Export Management, 2010, p. 76). An advantage to choosing to export through an agent would be that Calpak Cicero Hellas S.A. would still have some influence on the products, the shops, and what kind of promotion would be done by the agent. A disadvantage would be that if Calpak Cicero Hellas S.A. stopped working with the agent, they would also lose their customers.
It is normal for an agent to work for different companies with different products. Thus, an agent would not give full attention to the products Calpak Cicero Hellas S.A. provides. In addition, this means that when the turnover of the agent increases, they will ask for a higher provision from Calpak Cicero Hellas S.A.

Veldman, H. 2010, Export Management, p. 85

The distributor / importer
An importer or distributor is also known as an entrepreneur who buys from Calpak Cicero Hellas S.A., an exporter of solar thermal products, at his own risk and expense, and resells the products in their own name, account, and country. There are no laws pertaining to a distributor or importer, mainly because the relation between exporter and importer/distributor is regarded as a normal relationship between buyer and seller (Veldman, H. 2010, Export Management, p. 183-184). The main advantage to Calpak Cicero Hellas S.A. would be that the distributor or importer would manage the importer and export and holding stock.

Achieving a successful relationship between Calpak Cicero Hellas S.A. and an importer or distributor in the Netherlands would provide Calpak Cicero Hellas S.A. information about the latest market trends in the Netherlands, and new quality and materials requirements. Additionally, there would be no investment required when working with a distributor or importer. Nevertheless, one of the main disadvantages of working with a distributor or importer would be the high competition between manufacturers; when a competitor offers products that are cheaper than the ones offered by Calpak Cicero Hellas S.A., they may switch.

Export marketing organisations
An alliance is visible in export marketing organisations. This alliance is between different companies that have one central organisation above them. These companies work together in terms of market research, market surveys, and in creating an export network in the Netherlands (Veldman, H. 2010, Export Management, p. 186-189). If Calpak Cicero Hellas S.A. is interested in choosing this possibility, they need to have absolute trust and stability. A major advantage would be gaining quick knowledge about the Dutch market of solar thermal water heating. Thus, Calpak Cicero Hellas S.A. would work together with other organisations and would keep their cost low by making use of the achieved export network. However, the disadvantage of this possibility is that Calpak Cicero Hellas S.A. would need to work with other companies and they would need to have absolute trust in their working partners.
Piggyback
An arrangement is set between two companies in which another firm distributes Calpak Cicero Hellas S.A.’s products (Veldman, H. 2010, Export Management, p. 189-190). Calpak Cicero Hellas S.A. adds value by offering a more complete solution to the Dutch market. This means that Calpak Cicero Hellas S.A. would piggyback their products onto the Dutch market. Additionally, this would happen without incurring the marketing and distribution costs that come along with exporting to international markets. This possibility would work well when product lines are complementary and attractive to the same customer groups. The main advantage of this possibility is that Calpak Cicero Hellas S.A. would maintain very low exporting costs. Obviously, Calpak Cicero Hellas S.A. could make direct use of the market knowledge of the other company (also known as the carrier). Furthermore, Calpak Cicero Hellas S.A. could set up its own marketing plan for the Dutch market, which would give them the power to handle every aspect of the process. If they choose this possibility, Calpak Cicero Hellas S.A. would be keeping its own independence in terms of the adaption of the Dutch market.

Conclusion of choosing a market entry strategy and a distribution channel
An advantage of indirect export, selling through an intermediary, is that it is a relatively cheap and straightforward solution to entering the Dutch market. These intermediaries: agents, distributors, and importers have a solid understanding of the Dutch market, reputation, and a strong network for selling Calpak Cicero Hellas S.A.’s products. Nevertheless, some of the disadvantages of indirect exporting are: the margins the intermediary takes, the sale support that some of the agents/importers/distributors ask for, no after-sales service, and little to no control of the final transaction. However, Calpak Cicero Hellas S.A. has always been successful when working with intermediaries, within and outside of Greece. They have never sold their products straight to their consumers. Therefore, choosing an indirect exporting strategy would be a safe and wise choice. After analysing different possibilities for Calpak Cicero Hellas S.A. to enter the Dutch market, the researcher recommends that the wisest way would be through a distributor. This is mainly because of the complexity of the product Calpak Cicero Hellas S.A. is manufacturing.

It is a high investment for the consumers and it takes a lot of time to advise and help customers with any questions they might have. A distributor is a perfect fit for this situation. The distributor would have its own network, and knowledge about the product and the market in the Netherlands. In the past, Calpak Cicero Hellas S.A. has always had good relationships with all of their distributors in every country.
When selecting a distributor, Calpak Cicero Hellas S.A. needs to pay attention to the following criteria: knowledge of the branch, the ability to estimate the turnover/spread/reach of the activities per year, what kind of customer relationship the distributor has with its customers, the knowledge the distributor has of the competition and their sales/promotion activities, specialization in exports, and the desire to share a long-lasting and profitable relationship with Calpak Cicero Hellas S.A. Furthermore, Calpak Cicero Hellas S.A. needs to pay attention to whether their distributor in the Netherlands has solid knowledge of the Dutch solar thermal market. It is also important that it have a broad network of existing customers in the residential, industrial, and hotel market.

Calpak Cicero Hellas S.A. will gain market inside information from this distributor. The distributor will represent Calpak Cicero Hellas S.A. and therefore needs to speak fluent Dutch and know how to build sustainable customer relationships. Calpak Cicero Hellas S.A. will provide the distributor with any sales/promotional products to create brand awareness.
Calpak Cicero Hellas S.A. will also need to state which Inco terms they will use throughout their contract. At the moment, Calpak Cicero Hellas S.A. is using Ex-Works system, Cost, Insurance, and Freight or Delivered Duty Unpaid with other international distributors. Since after-sales is one of Calpak Cicero Hellas S.A.’s weaknesses, they might want to search for a distributor that has a good after-sales service. Calpak Cicero Hellas S.A. would like to have a regular order from the distributor, for example four times per year per client. This means that the distributor should be able to keep stock and thus have a place to store the solar thermal products. The distributor might introduce Calpak Cicero Hellas S.A. and its products at solar/renewable energy fairs.

**Marketing Mix**

**Product**

Calpak Cicero Hellas S.A.’s manufacturing capacity extends to flat plate selective collectors, sandwich type collectors, vacuum tube collectors, thermosiphonic systems, and floor standing hot water tanks. Calpak Cicero Hellas S.A. should offer the Dutch market their whole range of collectors, as well as forced circulation systems and their accessories. The thermosiphonic system will not work in the Netherlands due to Dutch law. It is prohibited to have a thermosiphonic system on the roof of one’s house. It is important to offer a product to Dutch distributors and their customers that is ‘[a] complete system, no individual components, stainless [steel] and low maintenance’, according to Ernst van Tongeren, a board member of Holland Solar (personal communication, 2015, April 15).

Solar Solutions International found that 90% of the Dutch solar thermal market, consists of flat plate collectors and the remaining 10% of the Dutch solar thermal market consists of vacuum tube collectors/heat pipes. The flat plate collectors are more popular because of their ‘good yield throughout the whole year. The flat plate collectors are often cheaper than the vacuum tube collectors and often less ostentatious on a flat roof’ (Solar Solutions International, 2015, ‘Solar Almanak: Het naslagwerk over zonne-energie’ p.16). The competition sells mostly flat plate collectors.

**Price**

Calpak Cicero Hellas S.A. is known for producing solar thermal products of good quality and price ratio. As a result of highly skilled service personnel, Calpak Cicero Hellas S.A.’s main priority is providing its customers high quality products as well as high quality service. Solar thermal products are available from €355 up to €570 for the M4 solar panel, €949 up to €1.668 for the Mark4 thermosiphonic system, €502 up to €1.865 for the Floor Standing Hot Water Tanks with
two heat exchangers and €1.603 up to €3.059 for the Complete DHW Systems with Flat Selective Calpak M4 collector. These prices are similar to other competitors in Greece. The average price of a solar water heater in the Netherlands, including the installation cost varies from:

- 100 litre tank with 1 collector: €2000 - €2500
- 100 litre tank with 2 collectors: €2500 - €3000
- 200 litre tank with 2 collectors: €3000 – €3500

Thus, there is no disadvantage or advantage for Calpak Cicero Hellas S.A. compared to the other suppliers in Greece according to price. However, other manufacturers provide low cost solar thermal products, but these products are similar to the Chinese standard (lower) and do not match with the European standards or with overseas standards, like the SRCC (America and Canada). One advantage for Calpak Cicero Hellas S.A. is that they choose to provide high quality solar thermal products for a fair price in their range. The only disadvantage for Calpak Cicero Hellas S.A. to selling their products to distributors within and outside of Greece is that the distributor is the middle man in the selling process. Calpak Cicero Hellas S.A. will therefore make less profit. In the process of selling products to distributors, Calpak Cicero Hellas S.A. provides them with a 44% deduction from the above-mentioned prices. Thus, the distributor makes a huge profit by selling it for a higher price. Dutch distributors would be interested in doing business with Calpak Cicero Hellas S.A. because they can offer a high quality product with a low price range.

Place

Calpak Cicero Hellas S.A. will enter the Dutch solar thermal market through a distributor. They will not sell their products straight to Dutch consumers. As far as e-commerce/selling products on the Internet goes, Calpak Cicero Hellas S.A. does not sell their products to distributors outside of Greece through websites. However, some of the distributors make use of their website to sell to their local market. The Dutch distributor should be prepared to install their showroom with Calpak Cicero Hellas S.A.’s products. When there are fairs, the distributor should attend, mainly to create brand awareness and to introduce Calpak Cicero Hellas S.A.’s products into the Dutch market. Furthermore, Calpak Cicero Hellas S.A. does not have to search for a distributor in a specific place in the Netherlands, mainly because the Netherlands is a relatively small country with good infrastructure. The Dutch distributor would be able to send the order to customers all over the Netherlands by truck or even small bus.
Promotion

Calpak Cicero Hellas S.A. has a talented marketing department with personnel who are trained in being creative. Calpak Cicero Hellas S.A. has its own website, www.calpak.gr, accessible to international clients with translation in English, German, French, Romanian, Spanish, Portuguese, Italian, and Hungarian. The majority of Dutch society speaks English, so there is no need to translate the website into Dutch, although this is a possibility in the future if Calpak Cicero Hellas S.A. plays a bigger role in the Dutch solar thermal market. On the main website, customers can find information about products, the company, and the projects for which Calpak Cicero Hellas S.A. provides different products.

Calpak Cicero Hellas S.A. is also very active on social media, including Twitter and Facebook. Perhaps Calpak Cicero Hellas S.A. should oblige their distributors to use social media as well. This would be a great opportunity for the distributor to easily promote Calpak Cicero Hellas S.A.’s products to the Dutch market. 97% of the Dutch population uses the Internet, and 88% uses the Internet on a daily basis. It is important for a company to create brand awareness. Scoring high on different search engines is one method of creating brand awareness. This gives the potential customer the ability to easily find the company. This kind of marketing is also known as affiliate marketing, and it is free. Calpak Cicero Hellas S.A. would only pay for results (Brick marketing). They occasionally also send an up-to-date newsletter to their distributors outside of Greece.

Calpak Cicero Hellas S.A. often attends national and international trade fairs. Two of the upcoming international trade fair events are the big 5 (Indonesia) and Intersolar Europe (Germany). In March 2015, Calpak Cicero Hellas S.A. attended the Hotel and Hospitality trade fair in Athens (Greece). These opportunities are used for promotional purposes and for meeting new potential distributors within and outside of Greece. Calpak Cicero Hellas S.A. uses these
opportunities not only to get into contact with customers, but most of all to gain more knowledge about today’s solar thermal market. Calpak Cicero Hellas S.A. should use the opportunity to visit the VSK International Trade Fair for Heating and Air conditioning in Utrecht on 2.2.2016/5.2.2016.

To create and gain brand awareness, Calpak Cicero Hellas S.A. uses their logo on their products. Calpak Cicero Hellas S.A. provides their distributors/retailers and agents with banners, posters, flyers and pens, folders, newsletters, buttons, notebooks, file folders, envelopes, etc.—all printed with the Calpak Cicero Hellas S.A. logo.

Cultural aspects
To get a better impression of a country and its market, an organisation should take a look at possible cultural differences. The Dutch occasionally consider doing business with Greeks very difficult, mainly because of the different mind sets, about punctuality, for example. The Dutch would expect a Greek businessman to be on time. The Greeks, however, expect the Dutch to be on time for a meeting, but being late themselves is acceptable. The Dutch businessmen are used to getting directly to the point when doing business and detest talking about personal problems. The Dutch are known for being formal when doing business. They are considered trustworthy. Dutch businessmen also love contracts.

Calpak Cicero Hellas S.A. should keep in mind avoiding vague answers when dealing with Dutch businessmen. The Dutch affirm mostly in writing and in detail. For important business meetings, it is advised to hire a ‘native speaker’, which would prevent any misunderstandings. The graph below illustrates that the largest cultural differences pertain to uncertainty avoidance, masculinity, and individualism.

![Graph](image)

Figure 18. Hofstede six dimensions, Greece in comparison with the Netherlands. (Hofstede, G. 2015)
Uncertainty avoidance

One of Geert Hofstede’s dimensions, uncertainty avoidance has to do with how the Dutch and Greek societies deal with the fact that the future remains unknown. This is the extent of how a society deals with ambiguity and the extent to which a people feels threatened by it. On the one hand, the Netherlands shows slight uncertainty avoidance. On the other hand, Greece shows high uncertainty avoidance. This means that Greek society is intolerant of unorthodox behaviour and ideas. This should not be a problem for Calpak Cicero Hellas S.A. if they are aware of the difference. The Dutch distributor might be a little bit more relaxed about the future.

Masculinity

Calpak Cicero Hellas S.A. should keep in mind that the Netherlands has a low masculinity rate. This means that the society is driven by the values of caring for others and quality of life. In contrast with Greece, where success drives the society, in the Netherlands, standing out from the crowd is not admired. The Dutch are known for long discussions/meetings because they must reach an agreement that will be good for the organisation and its employees. This will not be a major problem for Calpak Cicero Hellas S.A. if they are aware of this difference and respect it.

Individualism

In a society like the Netherlands where the individualism rate is high, it is normal for people to think in terms of ‘I’ rather than ‘We’. Dutch society is used to looking after themselves and their direct family only. Calpak Cicero Hellas S.A. should keep in mind that in Dutch society, the relationship between employer/employee is a contract that is based on mutual advantage.

Conclusion cultural aspects

Calpak Cicero Hellas S.A. should understand that Dutch society is different than Greek society. This means that it is different doing business with a Dutch company than with a Greek company. If Calpak Cicero Hellas S.A. is prepared to listen to the arguments of their business partner in the Netherlands, prepared to sit for long hours in meetings to achieve a mutual understanding that will benefit the collaboration, and if they reduce their masculine tendencies, then they will achieve a mutual understanding with their Dutch distributor. Furthermore, it will be the start of a long-lasting collaboration. Additionally, Calpak Cicero Hellas S.A. should keep in mind that quality is of the utmost importance in the Netherlands, especially when dealing with high-priced products. Nevertheless, the above-mentioned information will differ according to the branch, person, and age of the trading partner.
Legal aspect
Calpak Cicero Hellas S.A. will not face any European Union entry trade barriers. There are some technology protections dictated by the European Union, but if the product is manufactured in the European Union and it meets the criteria, it will not face any problems.

Marking and labelling
If Calpak Cicero Hellas S.A. starts exporting to the Netherlands, their products should be provided with:

- The European Solar Keymark
- The CW-label: this is an addition to the CE mark for the boiler. Calpak Cicero Hellas S.A. can apply for this mark at www.kiwa.nl (note: it is not compulsory but strongly advised)
- Gaskeur-NZ: this label is necessary when the water of the solar water heater has not reached the proper temperature. The boiler (with this label) will work as an assistant to the solar water heating system. NOTE: if the existing boiler does not have a Gaskeur-NZ label, it is not suitable for a solar heating collector. (Zonneboiler info, n.d.-a)

Furthermore, the normal European Union procedure of transportation is required. Calpak Cicero Hellas S.A. should keep in mind that positive sales arguments on the label would be highly appreciated in the Netherlands by consumers and distributors. An example of a positive sales argument is ‘environmentally friendly’.

Tariffs and quotas
There are no tariffs or quotas on the products Calpak Cicero Hellas S.A. is producing.

Value added taxes
There is no VAT charged on exports between European Union members. ‘However the VAT due on the transaction is payable on acquisition of the goods by the taxable customer in the Member State where the goods arrive. This is known as "intra-Community acquisition". The customer accounts for any VAT due in his normal VAT return at the rate in force in the country of destination’ (Ec.europa.nu, 2015, April 10).

Transport and Logistics
Calpak Cicero Hellas S.A. should base their choice of INCO terms on the agreement they make with the distributor. Most of the manufacturers who are exporting use the EX Works inco term (Europages, n.d.). If Calpak Cicero Hellas S.A. uses the CIF or DDU Incoterms, then the following information might be useful. The Dutch railway consists of 2,808 km. In the Netherlands, there are 113,018 km of highways. The Dutch seaway consists of 5,046 km made available to ships of 50
tons. The most important ports are Amsterdam, Rotterdam, Delfzijl, Dordrecht, Eemshaven, Groningen, Haarlem, Harlingen, Ijmuiden, Kampen, Maastricht, Terneuzen, Utrecht, and Vlissingen. There are 28 airports in the Netherlands and 19 of them have a paved runway.

Risk Analysis and Feasibility
When Calpak Cicero Hellas S.A. starts exporting to the Netherlands, they should bear in mind the possible risks that may occur. Unexpected risks are impossible to analyse. Nevertheless, the most important risks can be found here.

Financial risk
With the economic crisis still very visible in Europe, Calpak Cicero Hellas S.A. should bear in mind the possible risks that come along with it, even though the Dutch are known for keeping their promises of payment. Nevertheless, with the economic situation, it would be wise to be open to every possibility that might come along in terms of not receiving payment (on time).

Market Risk
Changing legislations regarding renewable energy/solar thermal energy could have a negative effect on the business. This is when legislation makes it more difficult for the distributor to sell Calpak Cicero Hellas S.A.’s products in the Dutch market. It could also have a negative effect on the demand for solar thermal energy if there is not enough promotion from the distributor(s) or manufacturer(s) in the Netherlands and in the Dutch government.

At this moment, solar thermal heating systems are in the shadow of the PV solar panels. This is mainly because the Dutch government made the electricity prices go up and they are focusing a lot of attention toward these PV panels in the shape of subsidies and promotions. Furthermore, the installers play an important role as well when it comes to consumer demand. Installing solar thermal products requires knowledge and training; many of the installers in the Netherlands have neither. Therefore, if a consumer is interested in buying a solar thermal product, many installers without the knowledge will advise them not to buy these products. However, with a solid knowledge of Dutch culture, political situation, financial situation, and a good market strategy, these risks can be prevented.

Transports risk
Transports risks depend on the Incoterms that Calpak Cicero Hellas S.A. will arrange with their distributor in the Netherlands. In the graph below, Calpak Cicero Hellas S.A. can see which Incoterms they are using and where the risks are.
Feasibility

Export to the Netherlands is feasible. This would only be achievable with the right preparation and strategy choice. In preparation, Calpak Cicero Hellas S.A. should be focusing on gaining knowledge about the Dutch market and culture. Due to their existing experience in export, Calpak Cicero Hellas S.A. would be able to keep up with the demand coming in from the Netherlands and would be able to keep quality high. Calpak Cicero Hellas S.A. has talented and highly-skilled employees; with their support, it would be a good experience exporting to the Netherlands.

<table>
<thead>
<tr>
<th>Revenues based on full truck order</th>
<th>€ 35,500,-</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 pieces of flat plate collector M4</td>
<td>€ 355,-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gross profit</th>
<th>€ 27,000,-</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Fixed costs per year:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributor</td>
<td>None</td>
</tr>
<tr>
<td>Extra fulltime employee</td>
<td>€ 3,000,-</td>
</tr>
<tr>
<td>Promotion cost</td>
<td>€ 1,000,-</td>
</tr>
<tr>
<td>Transport cost based on Ex-Works</td>
<td>None</td>
</tr>
<tr>
<td>Cost to attend a fair</td>
<td>€ 500,-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total operating expenses</th>
<th>€ 4,500,-</th>
</tr>
</thead>
</table>

Figure 19. Inco terms (Stockmediators, 2010)
<table>
<thead>
<tr>
<th>Gross profit</th>
<th>€ 26,995,50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit = Gross sales – VAT (21% in NL)</td>
<td>€ 21,326,40</td>
</tr>
</tbody>
</table>

Table 5. Feasibility (Dorz, A. 2015)

When Calpak Cicero Hellas S.A. starts exporting to the Netherlands, it will stabilize the order and cash flow. At the moment, Calpak Cicero Hellas S.A. is facing some quiet periods in the export department.

The distributor will get a maximum deduction of 44% of the export list he receives beforehand. The researcher recommends that Calpak Cicero Hellas S.A. use the Inco term, EX Works. If they decide they want to use another Inco term, it is possible, and they will be responsible for the transport cost, but it will not affect their Net Profit. Thus, Calpak Cicero Hellas S.A. will not be responsible or medium responsible for the transport in order to generate a good Net Profit. Perhaps after some months/years, when Calpak Cicero Hellas S.A. has enough knowledge about the competition regarding prices in the Dutch market, they will be able to raise their prices for the distributor to get a bigger margin on the products. However, if Calpak Cicero Hellas S.A. notices that products are still very expensive and there is a lot of price competition, they could possibly reduce their prices in order to be more competitive. Calpak Cicero Hellas S.A. has experienced a high production period, giving them the opportunity to provide cheaper products for their distributors.
Conclusion

This export plan was created in order to answer the following question:

‘Are there market opportunities for Calpak Cicero Hellas S.A. regarding solar thermal products in the Netherlands and if so, which method of market penetration should Calpak Cicero Hellas S.A. use?’

The main question has been divided into four sub-questions. These sub-questions were designed to clearly and completely answer the main question. The first sub-question was: ‘What is Calpak Cicero Hellas S.A.?’ Calpak Cicero Hellas S.A. is a medium-sized Greek company that manufactures solar thermal products. Overall, it has a good price quality ratio, offering products of European quality with low prices. This distinguishes the company from its competitors. Further, since the company is medium sized, it makes them extremely flexible when it comes to customization of solar products. Calpak Cicero Hellas S.A. possesses a wealth of experience in exports; they currently export their products to more than 40 different countries in Europe and the rest of the world. Calpak Cicero Hellas S.A. has highly-skilled marketing personnel. Calpak Cicero Hellas S.A. ‘s main target groups are the residential and hotel markets. They cooperate with medium-sized distributors in heating service, who sell their products.

Calpak Cicero Hellas S.A. did not want to share their financial status; therefore the following advice can be concluded from the limited financial analysis: Calpak Cicero Hellas S.A. should maintain a positive Net working capital and/or a current ratio, between 1.5 and 2. To maintain a strong equity position, Calpak Cicero Hellas S.A. should maintain a debt ratio of 25% to 50% and they are advised to have a Return On Assets (ROA) of no less than 1.5 %. Since Calpak Cicero Hellas S.A. did not want to share its financial status, further research forecasting their exports to the Netherlands is required. Therefore, it is not currently possible to make a legitimate financial forecast for Calpak Cicero Hellas S.A. about exporting to the Netherlands.

The second sub-question was: ‘What is the current situation in the Dutch market regarding solar thermal products?’ The solar thermal market in the Netherlands is regarded as being full of potential, but there needs to be awareness amongst consumers and help from the Dutch government. In 2015, Solar Solutions International found that 90% of the Dutch solar thermal market consists of flat plate collectors and the remaining 10% of the Dutch solar thermal market consists of vacuum tube collectors/heat pipes. Flat plate collectors are more popular because of their good yield throughout the whole year. The flat plate collectors are often cheaper than the vacuum tube collectors and often less ostentatious on a flat roof” (Solar Solutions International,
2015, ‘Solar Almanak: Het naslagwerk over zonne-energie’ p.16). Calpak Cicero Hellas S.A will therefore need to enter the Dutch solar thermal market with their flat plate collectors in order to maximize their chances of success.

The third sub-question was: ‘Where are the opportunities for Calpak Cicero Hellas S.A. in the Dutch solar thermal market?’ Expanding to the Netherlands is advised for Calpak Cicero Hellas S.A. because they work with distributors to sell their products and will therefore not have to invest any money when entering the Dutch market.

Hollandsolar and the Dutch government have agreed to achieve 20 Pj of solar heating before 2020. This means that the Dutch government as well as Hollandsolar are busy developing programs and creating awareness in the Dutch market regarding solar thermal products. Mr. Panayis Konstantinidis could play an important role in helping them to raise awareness. A threat that Calpak Cicero Hellas S.A. faces is that solar energy gets more attention and recognition from the Dutch government and Dutch society, and there are no subsidies available for solar thermal products in the Netherlands. Nevertheless, Calpak Cicero Hellas S.A. can tackle these threats because they have experience with successfully finding distributors in countries that do not subsidize. Also, it is known that solar energy is a bigger market in the Netherlands than the solar thermal market. Nevertheless, Calpak Cicero Hellas S.A.’s general director, Mr. Panayis Konstantinidis, can leverage his membership on the ESTIF board to help create the awareness of solar thermal products that is needed amongst Dutch consumers and the Dutch government.

The last sub-question was: ‘How should Calpak Cicero Hellas S.A. approach the Dutch solar thermal market?’ An advantage of indirect export, selling through an intermediary, is that it is a relatively cheap and straightforward solution to entering the Dutch market. These intermediaries, including agents, distributors, and importers, have a good understanding of the Dutch market, good reputations, and a strong network for selling Calpak Cicero Hellas S.A.’s products. Nevertheless, some of the disadvantages of indirect exporting are the margins the intermediary takes, the sale support that some of the agents/importers/distributors ask for, no after-sales, and little to no control of the final transaction. However, Calpak Cicero Hellas S.A. has always been successful when working with intermediaries, in and outside of Greece. They have never sold their products straight to their consumers. Therefore, choosing an indirect exporting strategy would be a safe and wise choice.

After analysing different possibilities for Calpak Cicero Hellas S.A. to enter the Dutch market, it is clear that the wisest way would be through a distributor, mainly because of the complexity of the
product Calpak Cicero Hellas S.A. is manufacturing. It is a high investment for the consumers and it takes a lot of time advising and helping customers with any questions they might have. A distributor is a perfect fit for this situation. The distributor would have its own network, and knowledge about the product and the market in the Netherlands. In the past, Calpak Cicero Hellas S.A. has always had good relationships with all of their distributors.

There will not be any problems for Calpak Cicero Hellas S.A. in terms of legal aspects when doing business with a Dutch distributor. Their products are manufactured in the European Union; Calpak Cicero Hellas S.A. has the Solar Keymark for its products. Nevertheless, Calpak Cicero Hellas S.A. should keep the following labels in mind; they might come in handy when doing business in the Netherlands:

- The CW-label: this is an addition to the CE mark for the boiler; Calpak Cicero Hellas S.A. can apply for this mark at www.kiwa.nl (note: it is not compulsory but strongly advised)
- Gaskeur-NZ: this label is necessary when the water of the solar water heater has not reached the proper temperature. The boiler (with this label) will work as an assistant to the solar water heating system. NOTE: if the existing boiler does not have a Gaskeur-NZ label, then it is not suitable for a solar heating collector. However the Dutch distributor would know about these labels and it could advise the customers about the label that is needed for their existing boilers.

Doing business would be different in the Netherlands because of the difference in culture. However, if Calpak Cicero Hellas S.A. is prepared to listen to the arguments of their business partner in the Netherlands, to sit for long hours in meetings to achieve a mutual understanding that will benefit the collaboration, and to reduce their masculine tendencies, then they will no doubt achieve a mutual understanding with their Dutch distributor. Furthermore, it will be the start of a long-lasting collaboration. Additionally, Calpak Cicero Hellas S.A. should keep in mind that quality is prime in the Netherlands, especially when dealing with high-priced products. Nevertheless, the above-mentioned information can differ according to the branch, person, and the age of the trading partner.

If Calpak Cicero Hellas S.A. starts exporting to the Netherlands, it would be wise to bear in mind the possible risks. Unexpected risks are impossible to analyse. However, Calpak Cicero Hellas S.A. should keep track of market changes in the Netherlands. At this moment, solar thermal heating systems are in the shadow of the PV solar panels, mainly because the Dutch government made the electricity prices go up and they are focusing a lot of attention towards these PV panels.
with subsidies and promotion. However, Holland Solar has made an agreement with the Dutch government, in the Energy Agreement for 2023, to achieve 6 PJ solar heating before 2023. However, according to current growth (2 PJ), this is an ambitious agreement.

The main question driving this export plan is: ‘Are there market opportunities for Calpak Cicero Hellas S.A. regarding solar thermal products in the Netherlands and if so, which method of market penetration should Calpak Cicero Hellas S.A. use?’

Considering all the information provided by the sub-questions, it can be concluded that Calpak Cicero Hellas S.A. should try entering the Dutch solar thermal market with a distributor. Calpak Cicero Hellas S.A. has a significant competitive advantage over their competitors; Calpak Cicero Hellas S.A. offers high quality products with good price ratio. This is very attractive nowadays because of the financial situation all over the world. Furthermore, the Netherlands has an average market regarding solar thermal. The Dutch solar thermal market provides a great opportunity for specialists in solar thermal markets, like Calpak Cicero Hellas S.A., whose general director holds membership on the ESTIF board. This gives Calpak Cicero Hellas S.A. the opportunity to create awareness, which is lacking in the Netherlands at the level of Dutch consumers and installers.

The Dutch government and Holland Solar agreed, in the Energy Agreement for 2023, to having a significant growth in solar thermal energy. The best entry strategy for Calpak Cicero Hellas S.A. would be indirect export with a distributor because they already have years of experience with distributors in and outside of Greece and through a distributor they have often entered markets easily and quickly. Nevertheless, Calpak Cicero Hellas S.A. should bear in mind the threats and weaknesses that they are already facing due to working with distributors, such as a lack of after-sales and low competence to explain the benefits of Calpak Cicero Hellas S.A.’s products.

To conclude, Calpak Cicero Hellas S.A. relies too much on their distributors and the orders they are placing. The threats that make this weakness highly-dangerous are not only the low gas price and high electricity price in the Netherlands, but also the lack of knowledge of the Dutch installers, the little to no awareness among Dutch consumers and the Dutch government of solar thermal, and the low percentage of Dutch households that are dependent on electricity for heating. These threats can cause consumers to not buy solar heating products, which is reflected in the buying behaviour of distributors. If the distributors do not sell anything to the Dutch solar thermal market and they do not have any consumers that are interested in solar thermal products, then they will not place any orders. If the distributors do not place any orders, Calpak Cicero Hellas S.A. will not be able to sell in the Dutch market because they do not sell directly to end consumers. Although Calpak
Cicero Hellas S.A. faces threats and weaknesses, their strengths and opportunities that arise from the Dutch solar thermal market are stronger. As one can see in figure 15, Calpak Cicero Hellas S.A. has 94 plusses and 31 minuses, meaning that Calpak Cicero Hellas S.A. has strong combined strengths / opportunities that they can use to tackle the threats. Therefore, Calpak Cicero Hellas S.A. is advised to start exporting to the Netherlands; they are capable of trying to enter the Dutch solar thermal market.
Recommendations

It is recommended that Calpak Cicero Hellas S.A. use the market development strategy when entering the Dutch solar thermal market. Thus, Calpak Cicero Hellas S.A. will enter the Dutch market with an existing product of high quality. Calpak Cicero Hellas S.A. has minimal knowledge of the Dutch solar thermal market. Therefore, Calpak Cicero Hellas S.A. should enter the Dutch solar thermal market with a distributor. They already have years of experience with distributors inside and outside of Greece and it would therefore be the most beneficial, fastest, and easiest market entry strategy. The distributor in the Netherlands should be well-informed and trained regarding Calpak Cicero Hellas S.A. and its products. Additionally, the distributor should participate in fairs to promote Calpak Cicero Hellas S.A.’s products in the Dutch market.

It is also recommended for Calpak Cicero Hellas S.A. to keep the cultural differences between Greece and the Netherlands in mind. Calpak Cicero Hellas S.A. should be prepared to listen to the arguments of their business partner in the Netherlands. Calpak Cicero Hellas S.A. should be prepared to sit for long hours in meetings to achieve a mutual understanding that benefits the collaboration. If they reduce their masculine cultural tendencies then Calpak Cicero Hellas S.A. would achieve a mutual understanding with their Dutch distributor. Furthermore, it would be the start of a long-lasting collaboration. Additionally, Calpak Cicero Hellas S.A. should keep in mind that quality is prime in the Netherlands, especially when dealing with high-priced products.

It is of the utmost importance that Calpak Cicero Hellas S.A. gain solid knowledge of Dutch habits before searching for a distributor. Language will not be a barrier, as most Dutch people speak English. It is recommended that Calpak Cicero Hellas S.A. hire a native Dutch speaker to translate in important meetings. This would prevent any misunderstandings.

To minimize their internal weakness, it is recommend that Calpak Cicero Hellas S.A. search for a distributor with after-sales service. Thereby, they will be able to keep track of the complaints/satisfactions of Dutch customers regarding Calpak Cicero Hellas S.A.’s products. Moreover, it will also be of great value to perceive the customer relationship the Dutch distributor has with its clients. It will also be informative about the knowledge the distributor has of the products. With after-sales service, Calpak Cicero Hellas S.A. could see that the distributor has little knowledge about the products/installations, and could offer him training and information. This would create a more significant competitive advantage.
To maximize profits, it is advised for Calpak Cicero Hellas S.A. to use the EX Works Inco terms in doing business with Dutch suppliers. However, if the Dutch supplier is showing disinterest regarding this commitment, Calpak Cicero Hellas S.A. should rethink their decision and communicate with the distributor about which Inco term is more suitable for them.

It would not be necessary to translate Calpak Cicero Hellas S.A.’s website into Dutch because the Dutch speak English. However, if they are active in the Dutch market for a longer period of time and more Dutch customers are reaching out through the website, then they could translate it into Dutch. It is important to create brand awareness among the Dutch companies and population and Calpak Cicero Hellas S.A. can do this by visiting fairs and advertising.

Calpak Cicero Hellas S.A. should use the general director, Mr. Panayis Konstantinidis, who holds a position in the ESTIF board, to create awareness of solar thermal products among Dutch consumers and installers. Furthermore, Calpak Cicero Hellas S.A. should keep in mind the current economic position that Greece is facing. However, Calpak Cicero Hellas S.A. can be certain of their strengths, as they have 30 years of experience in the solar thermal market and in exports.

Also, it is recommended that Calpak Cicero Hellas S.A. keep in mind that the Dutch solar thermal market is not subsidized and the focus lies on the solar energy market because of the electricity tax and the low price of gas. Nevertheless, Calpak Cicero Hellas S.A. can use its experience with the non-subsidized markets in the Balkans and also the ESTIF membership position of Mr. Panayis Konstantinidis in order to create more awareness among the 83% of Dutch households who do not rely on electricity for heating.
Greek sun in the Netherlands

Adina Dorz