

# V-Moda in the Dutch headphone market

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# Executive Summary

This thesis covers the possibilities for V-Moda to expand to the Dutch headphone market. Based on core principles and theories used in marketing we'll come up with a marketing plan for V-Moda to cover brand awareness, advertising, celebrity endorsements and distribution and promotion.

V-Moda currently has low brand awareness in the Netherlands and offers international shipment. Dutch consumers hardly ever heard of the brand and the customers it does have are in a targeted niche market called audio professionals or "audiophiles". The current competitors are paying more attention to marketing and distribution in the Netherlands so they are more accessible to Dutch consumers. Signs of certain trends over the years show the success of competitors and V-Moda could do the same when executing a suitable marketing strategy.

Findings in this thesis show that Celebrity endorsements of famous Dutch DJs and congruent celebs offer the most potential when combined with targeted advertising and promotion. Distribution through well known (physical) retailers make the product more accessible and trustworthy. Consumers will get to experience the quality of V-Moda themselves and are more exposed to impulse buying behaviour. Sales and brand awareness should increase.

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# 1. Introduction

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## 1.1 Introduction: reason to research

V-Moda<sup>1</sup> is a high-end headphone company based in Los Angeles, CA in the United States. The company started out designing fashion headphones for audiophiles in 2004. V-Moda's headphones and business strategy interest me because of its innovative and creative approach. The V-Moda brand is a respected name in the EDM (Electronic Dance Music) scene and is strong in the United states, however V-Moda lacks brand awareness in The Netherlands and I want to research how V-Moda can successfully enter the Dutch market and improve its Brand awareness and marketshare in The Netherlands.

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## 1.2 Scientific and social relevance

The purpose of this research is to find a way for V-Moda to expand its marketshare in The Netherlands by analysing consumer behaviour. Study in the U.S. shows the market for premium headphones has significantly increased. (NPD, 2013) My predictions for this research will conclude a high demand for luxury headphones in The Netherlands and further market penetration would heavily benefit V-Moda.

Consumer behaviour applies to the social relevance. This paper will conduct a research of consumer buying habits of current players in the Dutch market for premium headphones. Understanding the willingness to buy premium priced high-end headphones will allow V-Moda to pick the relevant marketing strategy. This includes analysing influential factors like: fashion statements, brand value and celebrity endorsements.

Based on Ansoff's Growth Matrix<sup>2</sup> "Market penetration" is defined as selling existing products to existing markets and is considered a low risk marketing strategy to grow the business. V-Moda headphones are already available in The Netherlands through V-Moda's webshop and international shipping so they are operating in an "existing market". In this research we focus on the products V-Moda already offers and thus the "existing products".

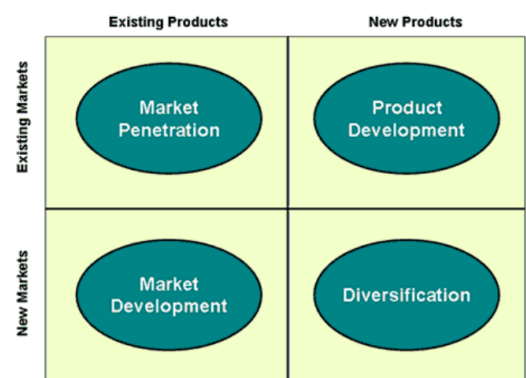


Fig. 1.1 Ansoff Matrix

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<sup>1</sup> (Kolton, 2014)

<sup>2</sup> (Ansoff, 1957)

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### 1.3 Problem statement

V-Moda currently operates from its Headquarters in Los Angeles, CA and mainly sells through its online shop. Retailers around the world sell V-Moda headphones with the biggest physical resellers being in North America. Switzerland is one of the few countries in Europe to have physical distributors like MediaMarkt. Europe has few big retailers in general with Amazon being the exception.<sup>3</sup> V-Moda currently has no retailers in The Netherlands and Amazon only operates in The Netherlands through Germany.

With this research we try to analyse the opportunities V-Moda has before it focusses on the Dutch market and this leads to our problem statement:

*“How can V-Moda successfully enter the Dutch headphones market and develop its brand name and brand awareness in The Netherlands to increase sales and marketshare.”*

The problem statement will be answered through a series of partial and research questions:

- *“Who are the biggest competitors in the Dutch headphone market?”*
- *“How can V-Moda increase its brand awareness in The Netherlands?”*
- *“What is the most efficient distribution channel for V-Moda headphones in The Netherlands?”*
- *“What are the Dutch consumers’ wants and needs for headphones?”*

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### 1.4 Methodology and research structure

Through literary research and quantitative marketing research this thesis hopes to give more insight in the Dutch headphone market and give the best possible answer to V-Moda for new market entry. This research is done through a theoretical framework of marketing strategy for business application.

To gain more knowledge of our market, consumer behaviour and pick a marketing strategy we start with literary research. Then we connect our findings to the quantitative marketing research executed with a survey in The Netherlands. Final reports should give an answer to our questions and problem statement.

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<sup>3</sup> (V-Moda, 2014)

## 2 The Dutch headphone market

### 2.1 Introduction

V-Moda's shipping to The Netherlands is considered as operating in the Dutch market but V-Moda hasn't penetrated the Dutch market, build a brand name or offered any other distribution channel than shipping through it's own website. We'll need to find out who the biggest competitors are and thus answering the question:

*"Who are the biggest competitors in the Dutch headphone market?"*

As an entrant to a new geographical market we need to research the rivalry amongst existing competitors. We'll come up with a strategical entrance using Porter's 5 forces theorem.<sup>4</sup> In this chapter we'll be looking at three of 5 forces. Since we are amongst the first threat being a new entrant our main focus will be on the second force, "rivalry amongst existing competitors". After we've analysed the current Dutch headphone market we'll conclude our observations. The threat of earplugs as a substitute will be covered also.

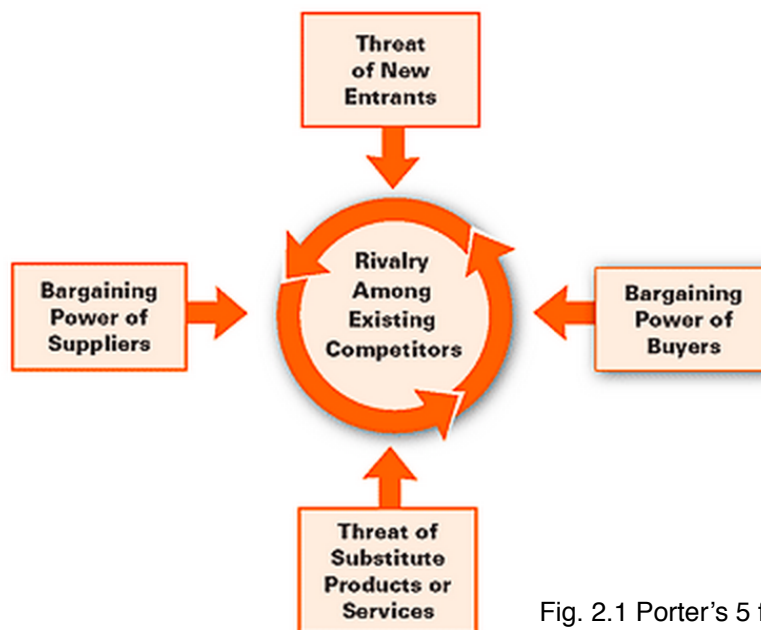


Fig. 2.1 Porter's 5 forces model

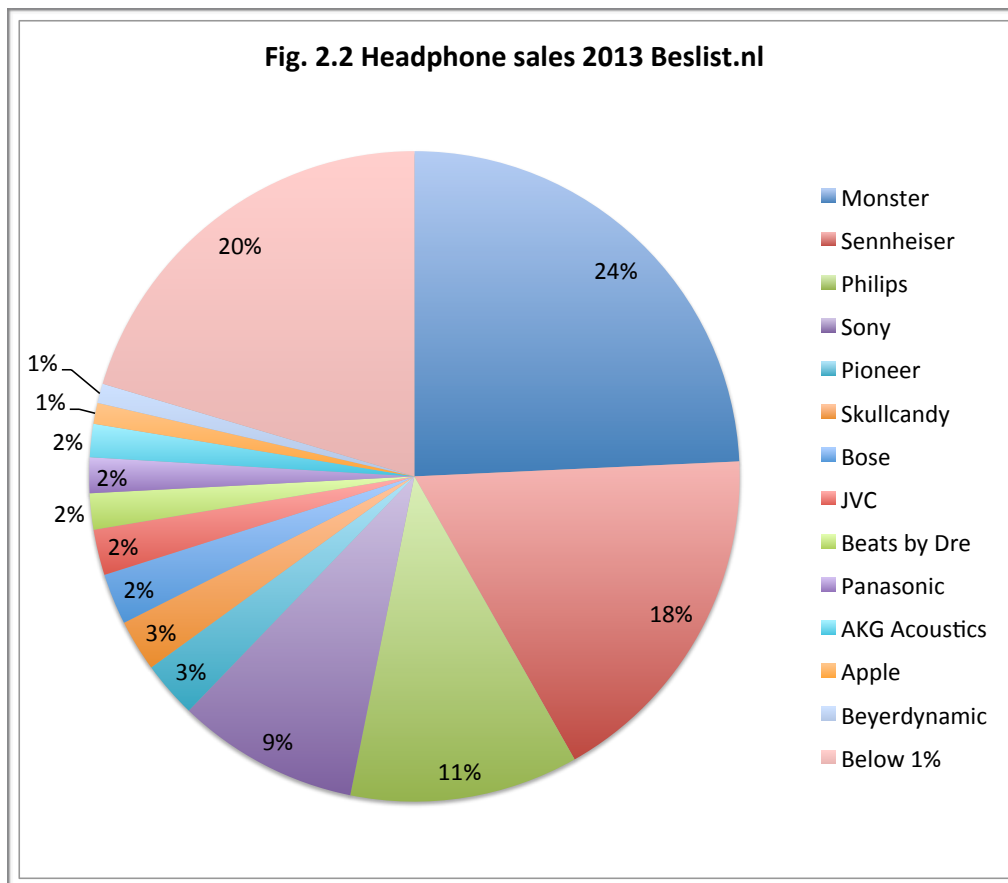
As written by Michael E. Porter: "Understanding the competitive forces provides a framework for anticipating and influencing competition (and profitability). Defending against the competitive forces and shaping them in a company's favor are crucial to strategy." We'll apply this strategic positioning theory to find advantages in the market and come up with the best possible way to place V-Moda's product.

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<sup>4</sup> (Porter, 2008)

## 2.2 Headphone sales

We'll use click-through statistics provided by Dutch price comparison website Beslist.nl to create a general view of the most popular brands in the Dutch market. It should be noted that these statistics are based on an online platform. Beslist.nl does list V-Moda headphones and link to an unofficial online retailer. Sales however appear to be minimal since V-Moda didn't make the list. Also note that headphones included earplugs and headphones below €100,- in price.

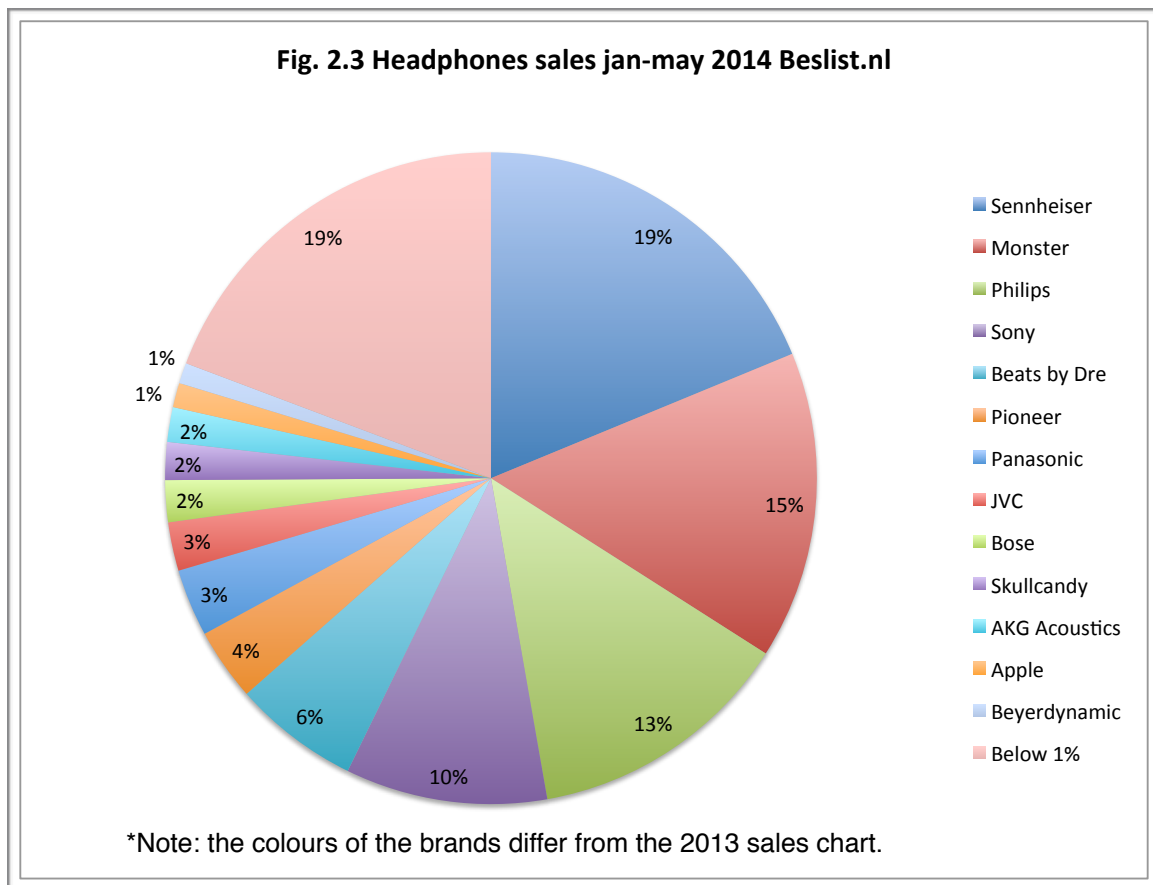


In fig. 2.2 the best selling brands of 2013 with a market share above 1% are listed. Everything below the 1% threshold is bundled and marked as "Below 1%" with a total of 59 brands in this category. The piechart shows a clear number one with 24%, almost a quarter of the entire market. Monster is the brand behind the successful "Beats by Dre" which totals for 2%. Combining these two brands adds up to 26% and shows the popularity of Monster's Beats by Dre.

Second in line is Sennheiser. Sennheiser offers a very wide array of headphones and earplugs and scores major points with audio professionals as we'll also see in our survey discussed in Chapter 6.

Numbers 3 and 4 are Philips and Sony. These two brands mainly focus on earplugs and headphones below €100,-. These are not direct competitors for premium headphones, but take up 20% of the market and are a serious threat of substitute products. These brands have won consumers that aren't willing to pay for premium headphones.

The next figure (Fig. 2.3) shows us the sales of 2014 up until May. We see some changes that could indicate a shift of preference.



Interesting to see is 2014's new number 1. Sennheiser increased by one percent and now leads the market. Monster takes a big hit, this can be explained by the fact that Beats by Dre has taken it's own path, but when we combine Monster and Beats it still only adds up to 21%. That's still a 5% drop and could point at a decrease of popularity. Beats however is to become even bigger after the recent acquisition of "Beats by Dre" by Apple.<sup>5</sup>

Philips and Sony gained 2% and 1% respectively showing an increased buying habit of earplugs and/or low-budget headphones. Pioneer is another direct competitor for V-Moda and has gained 1% since last year. Pioneer is a popular choice of brand for DJs and heavily competes with Sennheiser in this niche market.

<sup>5</sup> (Barr, 2014)



## 2.3 What makes Sennheiser and Beats by Dre successful?

Wu Tzu writes in Chapter II “Estimation of the enemy” of the ancient classic “The Art of War” by Sun Tzu<sup>6</sup> about gathering intelligence and his sayings can be translated to the business world that in launching a new product or service you must exhaustively study market conditions and the intended audience. (Butler-Bowdon, T. 2010).

We’ll be studying these two brands who are taking up almost half of the industry in the Netherlands and observe how they’ve come to be and how they dealt with the market. To make a successful entrance we’ll need to observe our biggest competition closer.

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### 2.3.1 Beats by Dre

Founded in 2008 by rapper Dr. Dre and music producer Jimmy Iovine. Beats by Dre is the youngest company in the list and has been most successful in the last couple years.

The premium headphone market has exploded over the past couple of years. According to NPD Group sales of headphones over \$100,- increased by 73%. Beats captured 64% of the market in 2012 with premium headphones making up for 43% of all headphone sales.<sup>7</sup>

Ben Arnold of NPD Group says that the rise of premium headphones is driven by the rise of mobile devices like smartphones. We listen to music on our mobile devices more often and high-end headphones offer quality sound to go along with it. Beats by Dre offers more than high sound quality and has become a fashion statement for its looks.

The success mainly comes from the marketing and “cool” design. Having a hip-hop legend put his name on the brand made a big impact. Celebrity endorsement, product placement and design make this product so appealing. When all the popular artists and sportsmen (including the Dutch national football team) are wearing a product it gets a lot of publicity and attention.

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### 2.3.1 Sennheiser

When looking at Sennheiser’s history we see a similar path of that of V-Moda’s except for the design. Sennheiser came from the Audiophile side and has always been on top when it comes to sound quality.

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<sup>6</sup> (Tzu, 1908)

<sup>7</sup> (Sanburn, 2013)

This is what Andreas Sennheiser, CEO of Sennheiser said in an interview with the economic times: “We came from the audiophile side, so our looks tended to be boring. We never invested in branding consciously but focused on the product. Now headphone sales are driven by the need of people to express themselves, so branding and aesthetics are important. We've doubled investments in marketing over the last three years.”

Andreas states that the need of people to express themselves has influence the market for headphones. The same can be said of Beats by Dre’s marketing strategy and it’s focus on design and lifestyle. Sennheiser has adopted to this mentality while keeping it’s focus on sound quality.

## **2.4 Conclusion**

Earplugs and lower priced headphones still hold a large amount of the market, but it is not the market that will get the highest return on investment. Although earplugs are a viable threat of substitution the focus should be on premium headphones. Earplugs don’t offer the same audio quality, but ease of use and comfort can convince consumers to use them. V-Moda does offer it’s own line of earplugs and this will benefit from the marketing as well.

The headphone market is driven by the need of people to express themselves and headphones have become a lifestyle product. The market for premium headphones has increased significantly. These headphones offer great sound quality, an appealing design and status and recognition. These are all qualities V-Moda offers with the addition of customisation. The sound quality of V-Moda headphones is top shelf and competes with Sennheiser’s quality while it's design is trendy enough for consumer to want something different than “Beats”. This concludes that the market has to be won in marketing and put emphasis on the customisation possibilities.

### 3 Increasing brand awareness

So V-Moda offers a trendy design and supreme sound quality and easily competes with Beats by Dre and Sennheiser yet V-Moda has a minimal market share in the Netherlands. V-Moda headphones are very rare in Holland and when asked consumers neither own nor heard of the brand. To successfully penetrate the Dutch headphone market V-Moda will need to increase its brand awareness and this leads to the following question:

*“How can V-Moda increase its brand awareness in The Netherlands?”*

#### 3.1 Advertisements

One of the most popular and frequently used marketing tools is advertising. Placing ads in newspapers, websites or running commercials on TV or Youtube.com has become a standard in marketing, but is it always the most (cost) efficient? V-Moda uses some traditional advertising by placing ads and airing Youtube commercials targeting a niche market.

It's an easy way to promote a brand, but can be very costly when targeting a wide area of customers. The downside to generic advertising is the costs and competing with billion dollar companies. Apple's recent acquisition of Beats by Dre makes Beats a brand with billions of reserves for marketing and thus advertising.

V-Moda build its philosophy on making headphones for audiophiles and advertises to this niche market, especially online. Continuing this approach and extending it to the Netherlands makes for a viable marketing strategy as addition to alternative business plans.

#### 3.2 Celebrity endorsements

Celebrity endorsements is when celebrities like artist of athletes get paid to publicly wear products of a certain brand. This type of marketing works well for lifestyle products where customers pay extra for the status and looks a brand offers. The perfect example is Beats and its owner Dr. Dre.

V-Moda also has its success in cooperating with world's greatest artist, whether they pay these artists or the superior quality attracts them. V-Moda has mainly become a fashion item for superstar DJs although hollywood actors are occasionally spotted with these headphones. One of them is the Swedish Tim Bergling, also known as Avicii.



Fig. 3.1 Avicii wearing V-Moda headphones

This is what the artist behind “Wake Me Up” had to say about the V-modu Crossfade LP2: *“These are the only headphones I’ve seen that look that good and still have amazing sound. They’re the perfect mixture of style, quality, and performance. I use them both onstage and off, when I’m watching movies. ”*

Study even shows that there is a 98% correlation between the success of celebrity endorsement of a brand and it’s position in the relevant market. The study shows that using the proper celebrity improves the marketability of the brand amongst its competitors.<sup>8</sup> The study concludes that using multiple endorsement by either a brand endorsing multiple celebrities or a celebrity being endorsed by multiple brands is most efficient.

V-Moda is currently operating a lot in the dance music scene. Holland’s number one export is EDM DJs and producers and they currently dominate the DJ top100. Endorsing Dutch DJs would not only improve V-Moda’s awareness in The Netherlands, but also markets to a worldwide audience. Finding proper Dutch celebrity DJs boosts the awareness for V-Moda and increases the marketability of the brand.

### **3.3 Conclusion**

V-Moda offers high quality products that easily compete with today’s top brands like Beats by Dre and Sennheiser. V-Moda has yet to focus it's attention on marketing their product in the Dutch market and can increase it’s brand awareness through advertisements and celebrity endorsements. Celebrity endorsements improve marketability of the brand and thus increase the effectiveness of advertisements. Competing with advertisements versus Beats and Sennheiser is expensive and hard to compete because of their deep pockets.

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<sup>8</sup> (OGUNSIJI, 2012)

## 4 Retailers and distribution channel

Before V-Moda starts to invest in marketing campaigns the necessary distribution channel have to be implemented. Headphones are lifestyle products and need to be experienced more than generic products. Premium headphones need to feel and look good and it's hard to indicate these factors through only a website. Consumers might eventually buy their products in a web store after having experienced the product in real life, but finding the right physical retailers to showcase the product can be a key component of penetrating the market. With these thoughts in mind we'll be answering the following question:

*“What is the most efficient distribution channel for V-Moda headphones in The Netherlands?”*

### 4.1 The biggest retailers in The Netherlands

V-Moda has various official retailers in Europe of which most are online resellers. One of the biggest online retailers is Amazon. Amazon.de also ships to the Netherlands, but hasn't been adopted by the mass. The Dutch version of amazon is called bol.com and is one of the go-to web shops for many Dutch consumers together with wehkamp.nl.

Large physical retailers include Mediamarkt, Saturn, V&D and BCC. Mediamarkt in Switzerland is the only one in Europe to offer V-Moda headphones<sup>9</sup> while Mediamarkt is the largest electronics store in Germany and The Netherlands. Although the MediaSaturn concern is a franchise the possibility for V-Moda to have Mediamarkt offer their products in the Netherlands is within reach. Placing the product like Mediamarkt Switzerland has done will make it easier for Mediamarkt Holland to accept the offer and increase the awareness and trustworthiness of V-Moda for the mass. In the next chapter we'll see the responses of Dutch consumers and prove it's viability.

The niche market where V-Moda scores most points with it's prizes and notability is the music industry especially the electronic music industry and DJs. Holland has two large music stores called Bax-shop and Keymusic formally known as Feedback. Bax-shop is known for it's high service and webshop, but also offers a large store. Keymusic has more been the go-to physical store for musicians because it's offer stores in higher populated areas like Rotterdam. Having one or both of these stores offer V-Moda headphones will increase it's awareness and accessibility for Dutch musicians.

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<sup>9</sup> (V-Moda, 2014)

## 4.2 Advantages of well-known resellers

Before we've looked at some of the most popular retailers and now we'll look at how V-Moda and these retailers could benefit from offering these headphones. The previously named retailers are go-to electronic or department stores for many Dutch consumers. Having V-Moda place their products in these stores will give brand exposure and offer direct and impulse buying to customers. Consumers that originally went for other brands could alter their choice when seeing the design and hearing the quality of V-Moda. This effect is strong in the early stages for "innovators" and "Early Adopters". Because the product is relatively new for Dutch consumers we can base it's life cycle in the Netherlands on the figure below. Innovators are consumers that already bought V-Moda headphones online and Early Adopters can be the consumers that want trendy headphones, but want to differentiate from Beats. These customers will look towards upcoming trendy products and would first find them in popular stores.

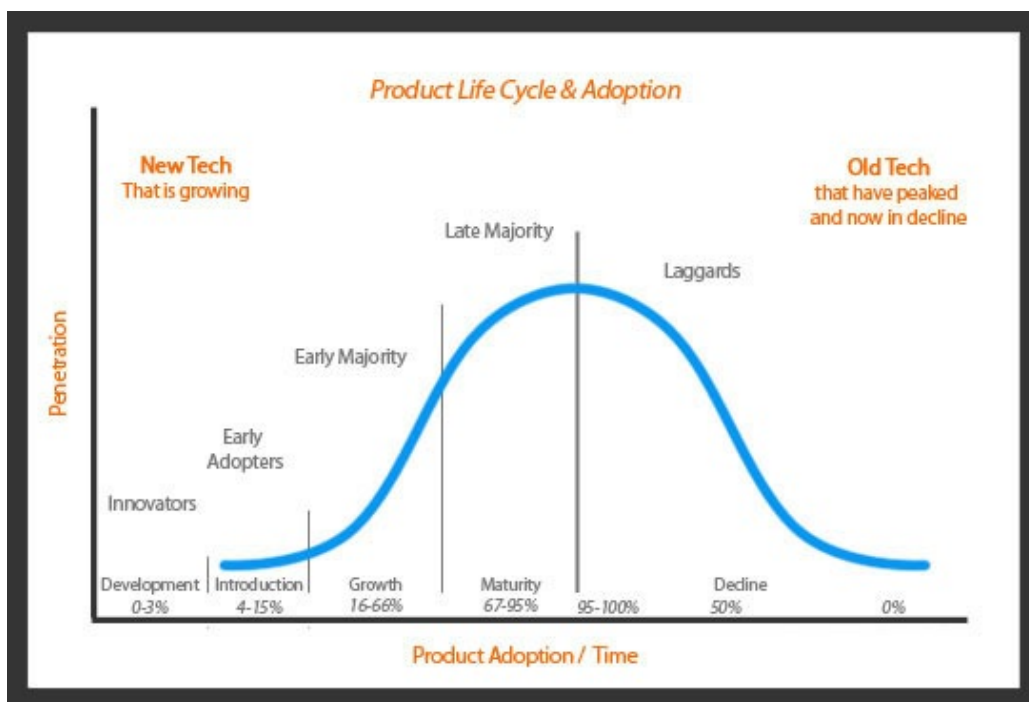


Fig 4.1 Product Life Cycle, (Levitt 1965)

Having retailers sell popular products is a fact, but a physical and even online retailer can't offer all brands to its customers due to stock size. Physical stores have limited capacity and want to offer products that sell. Mediamarkt for instance offers parts of their instore space against a fee per meter. Having Mediamarkt offer V-Moda headphones would at first cost a part of the potential added revenue, but should repay itself over a period of time. Having these big stores offer your product could lead to a chain reacting of smaller stores also adopting your product and increasing the list of resellers, fully adopting in the Dutch market.

Another key part is trust. When a popular store starts selling a certain high quality brand it builds trustworthiness for the brand. Brands get recognised and when a big authorised reseller is mentioned in the advertisement customers will be more willingly to absorb it's message. The product will also be more easily attainable and tested in physical stores.

### **4.3 Conclusion**

To conclude, the most efficient distribution channel depends on the path chosen. Investing in the big players or focussing on the niche market of audio professionals. This thesis be looking at the bigger picture and conclude that introduction by a couple of the most popular retailers will benefit V-Moda the most, but will require a bigger investment. Having V-Moda products placed in Mediamarkt and Saturns across the Netherlands will increase it's awareness, trust and availability to the masses. Introduction by bax-shop.nl will cover the popularity amongst DJs and producers along with audio professionals. These three retailers have the strongest marketing campaigns in their branch and will benefit V-Moda the most. Optional is bol.com as online department store, but this channel could very well adopt itself when the previous three chains starts offering V-Moda. The same goes for smaller stores who follow the bigger stores.

Shipment can be done through distribution centres already used in Europe or by setting up a new centre specifically for the Netherlands or by combining the Benelux (Netherlands, Belgium and Luxembourg) and/or Germany<sup>10</sup>.

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<sup>10</sup> Note: Germany is a key player in dance music and audio production.

## 5 Survey: what are customers looking for in a headphone

In this survey customers have been asked about the products they currently own and why and where they bought them. This survey's purpose is to get a general idea of how the Dutch customer thinks and to test if my first hand experiences and predictions were correct. It's also to support the literary research prior to this market research and conclude a more trustworthy recommendation for V-Moda. We'll be looking at the individual questions and draw conclusions from the answers. After that we hope to answer this question:

*"What are the Dutch consumers' wants and needs for headphones?"*

The total amount of respondents is 67 of which most are Dutch customers and/or consumers living in the Netherlands. The survey was taken online and in and around Mediamarkt Rotterdam.

### 5.1 What the respondents answered

Something notable was written in the comment section at the end of the survey by one of the V-Moda owners that filled in the survey. *"Nice move, I have V-Moda LP2 for almost 2 years now, too bad they are not available in the Netherlands."* -Anonymous.

This statement says a lot about the current state of V-Moda in the Netherlands. Like we've seen in chapter 4 is the simple fact of not offering V-Moda products through Dutch retailers that keeps V-Moda from breaking through.

The first question in the survey was: *Which brand of headphones do you own?* . To get a general view of how the market is divided. Although this includes any previously purchased headphone we see a large amount of Beats. These numbers come close to the market shares of 2014 that we've seen in Chapter 2. It also shows V-Moda's low penetration with only 2 out of 67.

#### Which brand of headphones do you own?

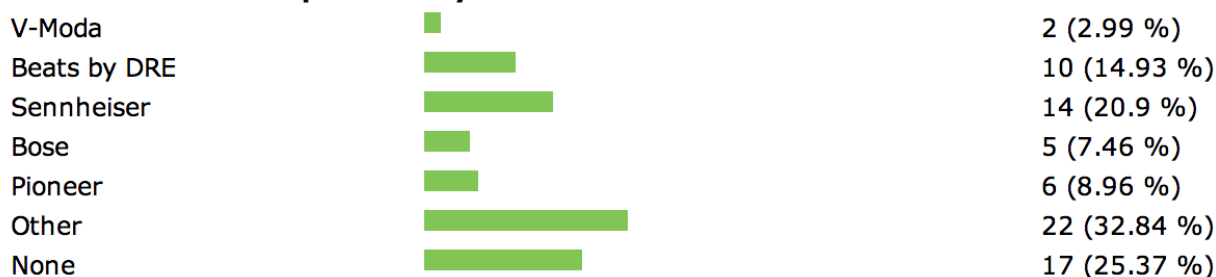


Fig. 5.1 Brands owned

n = 67  
# 76



The “other” category contains brands like Philips and Sony. These brands didn’t make the list since they mainly operate in the below €100,- market and aren’t direct competitors for premium headphones.

To understand the decision and important factors that influence the product choice the follow question was asked: “*What is / are the most important factor(s) of buying high-end headphones?*” . This is the most important question to see what Dutch consumers are looking for in a headphone.

**What is / are the most important factor(s) of buying high-end headphones?**

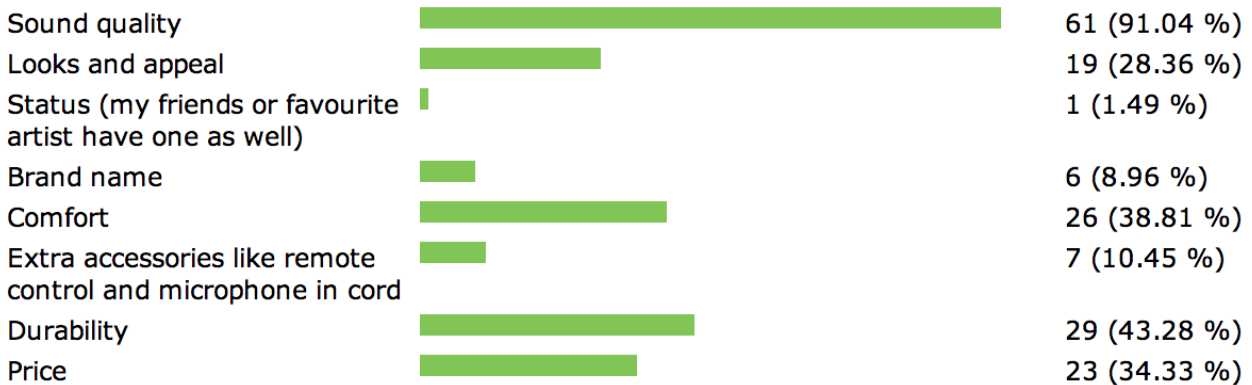


Fig. 5.2 Important factors

n = 67  
# 172

An important factor of high-end headphones is sound quality and Dutch consumers agree with 91% of the questioned people filling in “Sound quality” as important factor. With V-Moda amongst the top of sound quality it’ll perform well amongst Dutch customers. Other important factors are looks, comfort and durability. All 3 components in which V-Moda scores high. A key factor to look at is the low amount of consumers answering “Brand name”. this indicates the possibility for customers to switch from Brand x to V-Moda more easily and shows a lack of brand loyalty. This is an advantage for V-Moda as a new entrant.

**Did you or would you pay more than €100,- for a pair of headphones?**



Fig. 5.3 willingness to buy premium headphone

n = 67  
# 67

More than 55% of the asked consumers paid over €100,- for their pair of headphones or would pay over €100,- for a pair. This shows the majority would consider premium headphones like we’ve analysed in previous chapters. This explains the high percentage of Beats, Sennheiser and Pioneer owners and proves the wants for high quality headphones.

We were interested to see where customers bought their headphones or would buy their headphones in the future. Electronics stores were predicted to play an important role, but the answers surpassed expectation.

**Where did you or would you buy headphones?**

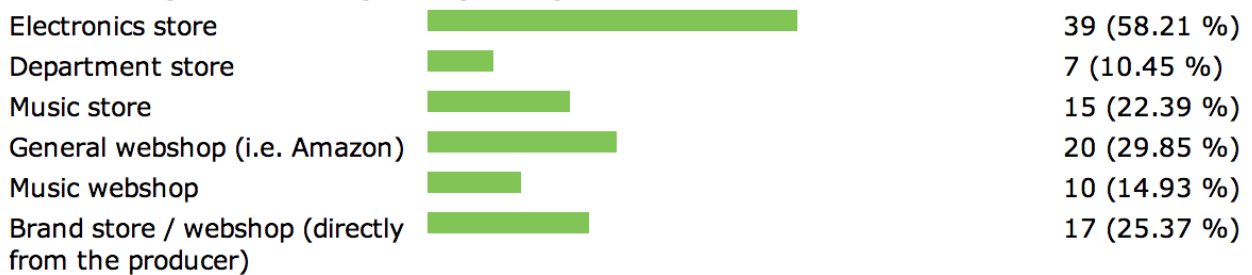


Fig. 5.4 Buying location n = 67  
# 108

58% of respondents answered electronics store of which some respondents answered multiple choices and 30 were asked in or around an electronic store. Nonetheless this indicates the importance of being able to feel and experience the product firsthand and eventually purchasing through conventional electronic stores like Mediamarkt.

The respondents were also asked if they were musical artists to incorporate the factor of audio expertise in the decision making process. Notable is that one of the V-Moda owners is a music producer and DJ and mainly listens to House music while the other is also a DJ that mainly listens to House. Based on these two respondents we see that V-Moda has made a name for itself in the global niche market of producers and DJs. Still competition is strong in this branch due to the popularity of Sennheiser and Pioneer amongst DJs. 74% of the total group was not an audio professional.

The average age of the respondents was 25.8 and shows a relatively young audience. V-Moda's target audience seems to be at young adults and young professionals so the respondents fit into the picture.

The full questionnaire and responses can be found in Appendix B

## 5.2 Comparison and conclusion

To see that wants and needs of customers when they bought rivalling products like Beats by Dre and Sennheiser we first took the 10 Beats owners and looked at their preferences and then looked at the 14 Sennheiser buyers.

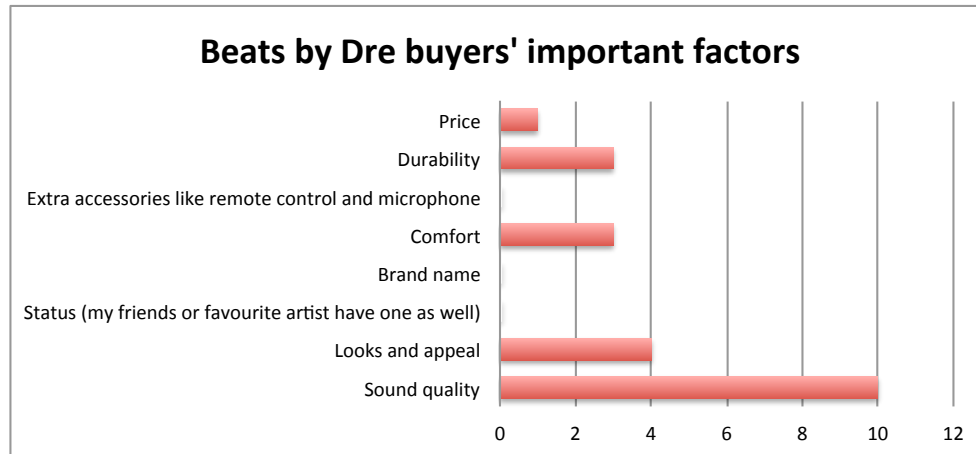


Fig. 5.5 Beats by Dre factors

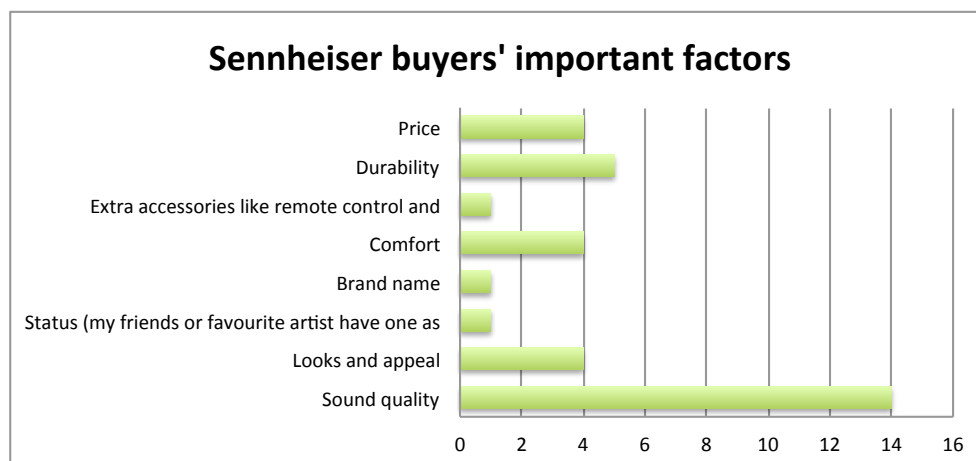


Fig. 5.6 Sennheiser buying factors

Interesting to see are that both the Beats and Sennheiser owners all think Sound quality is an important factor. We can conclude this factor to be most important by far and thus have to present V-Moda headphones as the “new” high quality sounding headphones.

After seeing some favourable results from the respondents we can conclude that the preferences of Dutch consumers are as expected from the literary research. The Dutch headphone market is much like the global market and gets a lot of its influence from the United States. The strong competition gives consumers a stronger bargaining position, but are more easily won over due to a lack of brand loyalty. This could be because of the decreasing hype of Beats and the increased need to differentiate and the want for sound quality and unique design. Durability and comfort also seem to play a certain role and having emphasis on a trendy durable product might be extra factor for consumers to make the switch.

## 6 Conclusion and recommendation

Having analysed the Dutch market we found that the increase of premium headphone sales makes for opportunity in this segment. Focussing on premium headphones would offer the highest return on investment for V-Moda. Headphones have become a lifestyle product in which people can express themselves and thus the willingness to buy more expensive headphones. With the large amount of substitutable high-end headphones the battle has to be won in smart marketing and that leads to our concluding marketing strategies.

V-Moda currently has a low brand awareness in the Netherlands and can increase this through marketing campaigns. Advertisements can become quite expensive make it hard to compete with brands that have deep pockets to back them up. Smart focussed campaigns with celebrity endorsements seems most efficient to penetrate the Dutch market. V-Moda has a clear focus on the (global) DJ scene. Endorsements in Dutch DJs would boost V-Moda's Dutch awareness, but also it's global credibility. After having a solid marketing plan the last factor is where to distribute.

If V-Moda wants to increase sales and wants to be fully adopted into the Dutch market it will have to start offering their products through Dutch retailers. Mediamarkt and Saturn are a popular chain of stores and placing V-Moda products in these stores will make it more accessible for customers to experience and buy the product. The music store bax-shop.nl is one of the larger go-to music stores in the Netherlands and the most notable website and service. Offering V-Moda product through this retailer will increase it's awareness and credibility amongst DJs and audio professionals. Once these big players have introduced V-Moda headphones more will follow. Product placement in these stores will highly likely have extra fees for storage placement and promotion, but seem most efficient in the long run.

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### Recommendation

My recommendation for V-Moda is to set up a concrete marketing plan with the following requirements. First find the most appropriate channel to market the V-Moda brand. V-Moda has it's own inside information and database of which strategy worked and which didn't. The advantage of the Netherlands is the Dutch market behaving like the United States' and copies many of it's trends. After finding a similar successful strategy a marketing budget can be set. The next step would be to find Dutch celebrities who are influential to the Dutch target market and congruent with the V-Moda lifestyle and brand. Sponsoring festivals and artists can increase awareness and build a name. Same goes for music lifestyle blogs and magazines.

This covers most of building brand awareness. The next logical step is finding distribution channels. Like shown before the most efficient would be Mediamarkt and Saturn for the masses, but this would require a certain investment. V-Moda can copy the strategy applied in Switzerland and use it's connection to convince the Dutch chains about the potential of V-Moda. Bax-shop.nl would be my recommended Dutch music store because they have a clear website and great customer service. Many music professionals browse around this store to find the best products for their demands. Their biggest competitor Feedback/Keymusic follows them closely and would consider introducing V-Moda as well when they see the headphone showing on bax-shop's homepage. A contest would be a good idea as introduction of the brand.

Very few people in the Netherlands heard about V-Moda including many of my friends in the dance scene. After these implementations V-Moda will have build it's name and awareness in the Netherlands and consumers will see the advantages this trendy product offers. Beats by Dre is losing popularity of it's hype and is on it's way down, let's boost V-Moda on it's way up. That is how V-Moda could enter the Dutch market and increase brand awareness, sales and marketshare in the Netherlands.

## Thesis Review

Some points in this thesis have to be noted and thus a review is added. Some of the resources used lack in-depth information to fully inform the company mentioned. Without inside information I was only able to research this company as an outsider and base my facts on third party articles and papers. I do however have a clear understanding of what is going on in the Dutch headphones market and dance scene. Based on objective information and articles this thesis came to a conclusion that supports my first instinct and eventual recommendation for V-Moda.

Noted is the information offered by Beslist. This information is concerning online sales. As we've seen in the survey a lot of headphone sales are being made through traditional physical stores and Beslist could not have incorporated this information. Direct sales in online stores also aren't included. My prediction is that sales and market shares wouldn't differ much from the information provided by Beslist, but we can be sure with the given information. To get the most trustworthy information about sales and marketshare "Gfk" is advised, but requires a company to report it's sales and an annual fee.

Lastly the survey didn't have enough respondents to be accurate on a national level. The point of the questionnaire was to get a global idea of how people's opinions were divided and did well in support the general view. Noted is that this database would not make up for a viable market research on a big scale. Some influential factors could be the place of questioning and the target group. Half of the customers asked were at Mediamarkt and the other half was through personal friends and family with an average age of 25.8.

This thesis could be used as an introduction and base for the possible marketing plan for V-Moda to enter the Dutch market. Further research would be wise with more accurate datasets to base it's conclusions on.

## Appendix A : Beslist sales

Lists of sales of beslist.nl.

Blue = 2013 Green = 2014

1	Monster	24,99%
2	Sennheiser	18,06%
3	Philips	11,70%
4	Sony	9,31%
5	Pioneer	2,89%
6	Skullcandy	2,64%
7	Bose	2,61%
8	JVC	2,34%
9	Beats by Dre	1,85%
10	Panasonic	1,82%
11	AKG Acoustic	1,70%
12	Apple	1,07%
13	Beyerdynami	1%
14	Shure	0,94%
15	Marley	0,85%
16	Denon	0,83%
17	Hama	0,77%
18	Marmitek	0,74%
19	Marshall	0,70%
20	Audio Techni	0,70%
21	Urbanears	0,69%
22	Hercules	0,57%
23	WeSC	0,55%
24	Vivanco	0,54%
25	Klipsch	0,53%
26	Canyon	0,49%
27	HP	0,49%
28	KNG	0,48%
29	Grado	0,44%
30	Koss	0,44%
31	Jays	0,44%
32	Jabra	0,42%
33	SoundMagic	0,40%
34	HQ Headpho	0,39%
35	ICIDU	0,39%
36	Behringer	0,34%
37	Soul	0,34%
38	Lenco	0,34%
39	TDK	0,33%
40	Razer	0,31%
41	B&W	0,30%
42	T'nB	0,28%
43	Maxell	0,26%
44	Yamaha	0,26%
45	Sweex	0,25%
46	Elecom	0,25%
47	Harman Kard	0,25%
48	König	0,23%
49	JBL	0,23%
50	Bang & Olufs	0,22%
51	Ewent	0,22%
52	Coloud	0,22%
53	Sol Republic	0,21%
54	Samsung	0,21%
55	Nextbase	0,20%
56	Ingo	0,19%
57	Grundig	0,19%
58	Noontec	0,19%
59	I-Mego	0,19%
60	Technics	0,19%
61	Steel Series	0,19%
62	Etymotic	0,19%
63	Numark	0,19%
64	Thomson	0,18%
65	Caliber	0,18%
66	STAX	0,17%
67	Muvit	0,17%
68	HTC	0,16%
69	Nokia	0,16%
70	Creative	0,15%
71	Rapoo	0,15%
72	SMS	0,13%

1	Sennheiser	19,83%
2	Monster	16,13%
3	Philips	13,94%
4	Sony	10,58%
5	Beats by Dre	6,60%
6	Pioneer	3,79%
7	Panasonic	3,53%
8	JVC	2,55%
9	Bose	2,19%
10	Skullcandy	1,98%
11	AKG Acoustic	1,82%
12	Apple	1,28%
13	Beyerdynami	1,08%
14	B&W	0,99%
15	Marley	0,84%
16	Soul	0,73%
17	Denon	0,65%
18	Marshall	0,61%
19	KNG	0,59%
20	Urbanears	0,55%
21	Hama	0,53%
22	ICIDU	0,52%
23	Hercules	0,45%
24	Shure	0,43%
25	Koss	0,41%
26	Razer	0,39%
27	Yamaha	0,39%
28	Audio Techni	0,38%
29	Steel Series	0,36%
30	JBL	0,34%
31	SMS	0,31%
32	Jays	0,30%
33	Alecto	0,28%
34	Canyon	0,27%
35	Marmitek	0,27%
36	Technics	0,27%
37	WeSC	0,26%
38	Trust	0,23%
39	Grado	0,22%
40	König	0,21%
41	M-Audio	0,19%
42	Klipsch	0,19%
43	Maxell	0,18%
44	Sol Republic	0,17%
45	Numark	0,15%
46	Harman Kard	0,15%
47	HP	0,15%
48	TDK	0,14%
49	Onkyo	0,14%
50	I-Mego	0,14%
51	HQ Headpho	0,13%
52	Ewent	0,11%
53	Ferrari by Lo	0,11%
54	Creative	0,11%
55	KEF	0,11%
56	SoundMagic	0,10%
57	Noontec	0,09%

## Appendix B : Questionnaire

*Which brand of headphones do you own?*

- V-Moda
- Beats by DRE
- Sennheiser
- Bose
- Pioneer
- Other
- None

*What is / are the most important factor(s) of buying high-end headphones?*

- Sound quality
- Looks and appeal
- Status (my friends or favourite artist have one as well)
- Brand name
- Comfort
- Extra accessories like remote control and microphone in cord
- Durability
- Price

*Did you or would you pay more than €100,- for a pair of headphones?*  
yes / no

*Where did you or would you buy headphones?*

- Electronics store
- Department store
- Music store
- General webshop (i.e. Amazon)
- Music webshop
- Brand store / webshop (bought directly from the producer)

*Are you a musical artist?*

- Yes, I'm a music producer
- Yes, I play an instrument
- Yes, I'm a DJ
- No, I just enjoy listening to music

*Which genre(s) do you mainly listen to?*

- House (Deep / Progressive / Electro)
- Hiphop / Rap / Trap
- Dubstep / DnB
- Rock / Metal
- Pop
- Classical
- Other








*Are you male or female?*

male / female

*What is your age?*











**Which brand of headphones do you own?**

V-Moda		2 (2.99 %)
Beats by DRE		10 (14.93 %)
Sennheiser		14 (20.9 %)
Bose		5 (7.46 %)
Pioneer		6 (8.96 %)
Other		22 (32.84 %)
None		17 (25.37 %)

n = 67  
# 76

**What is / are the most important factor(s) of buying high-end headphones?**

Sound quality		61 (91.04 %)
Looks and appeal		19 (28.36 %)
Status (my friends or favourite artist have one as well)		1 (1.49 %)
Brand name		6 (8.96 %)
Comfort		26 (38.81 %)
Extra accessories like remote control and microphone in cord		7 (10.45 %)
Durability		29 (43.28 %)
Price		23 (34.33 %)







n = 67  
# 172

**Did you or would you pay more than €100,- for a pair of headphones?**

yes		37 (55.22 %)
no		30 (44.78 %)



n = 67  
# 67

**Where did you or would you buy headphones?**

Electronics store		39 (58.21 %)
Department store		7 (10.45 %)
Music store		15 (22.39 %)
General webshop (i.e. Amazon)		20 (29.85 %)
Music webshop		10 (14.93 %)
Brand store / webshop (directly from the producer)		17 (25.37 %)








n = 67  
# 108

**Are you a musical artist?**

Yes, I'm a music producer		8 (11.94 %)
Yes, I play an instrument		9 (13.43 %)
Yes, I'm a DJ		10 (14.93 %)
No, I just enjoy listening to music		49 (73.13 %)



n = 67  
# 76

**Which genre(s) do you mainly listen to?**

House (Deep / Progressive / Electro)		34 (50.75 %)
Hiphop / Rap / Trap		31 (46.27 %)
Dubstep / DnB		14 (20.9 %)
Rock / Metal		22 (32.84 %)
Pop		34 (50.75 %)
Classical		8 (11.94 %)
Other		18 (26.87 %)

n = 67  
# 161

**Gender:**

Male		48 (71.64 %)
Female		19 (28.36 %)

n = 67  
# 67

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