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Recommendations for improving aftersales competitiveness through customer value proposition in the transition to electric vehicles

Metropolia University of Applied Sciences

Master's Thesis

Industrial Management

05 May 2025

Preface

I have worked in the automotive industry for a long time and have experienced many changes over the years. Still, the ongoing electrification of vehicles is one of the most interesting and at the same time one of the most challenging transitions that I or many others in the field have encountered. This is why I was eager to take on this thesis project, even though I knew from the beginning it would be a demanding and complex task.

During one course, we briefly touched on the concept of customer value proposition. At that point, I could not have imagined how deeply I would end up exploring this theme through my thesis. In fact, I didn't even realize it when I began writing, as I lacked a clear plan and wasn't fully aware of the requirements of the degree programme either. Along the way, however, the work took shape and developed. While a more straightforward process might have been easier, this journey taught me a great deal, including about myself as a student.

Through this work, I gained new perspectives on how to approach business development, and I believe it also brought fresh insights to the colleagues who were involved. Thank you for your time and your openness to discussion.

I would also like to thank the Case Company for the opportunity to carry out this study. My sincere thanks go to the Industrial Management lecturer team, whose ideas and sometimes firm but always constructive feedback were invaluable throughout the process. Special thanks to my supervisor Mari, who provided guidance and support when I needed it.

Finally, a warm thank you, and perhaps a small apology, to my family at home for supporting me and making it possible for me to study.

Vantaa 05.05.2025

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Abstract

Author(s): Elias Koskinen
Title: Recommendations for improving aftersales competitiveness through customer value proposition in the transition to electric vehicles
Number of Pages: 77 pages + 1 appendices
Date: 28 August 2020

Degree: Master of Engineering
Degree Programme: Industrial Management
Instructor(s): Dr. Mari Hiljanen, Senior Lecturer
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The objective of this thesis was to improve the competitiveness of the Case Company's aftersales operations amid the accelerating shift toward electric vehicles (EVs). As EVs require less traditional maintenance, the company faces increasing pressure to adapt its service offering to changing customer needs.

The research began by defining the business challenge and building a conceptual framework centered around the customer value proposition. Key strategy tools included the Value Proposition Canvas, Blue Ocean Strategy, and the Three Circles Framework. Data was collected through internal and external figures, a workshop with service managers, and a comprehensive review of customer feedback from 2024.

Based on the analysis, several customer pain points were identified, particularly high perceived maintenance costs and concerns related to EV-specific servicing. These findings were used to co-develop recommendations with internal stakeholders, aiming to enhance customer value in a way that also supports business viability. The outcome of the thesis is a set of practical recommendations. These include the introduction of new EV services, service contracts, improved service video communication, and a proposal to bring used car warranties in-house. The results provide the Case Company with a roadmap for strengthening its aftersales value proposition in a rapidly evolving market.

Keywords: CVP, customer value proposition, automotive, electric vehicle

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Company decision maker one-to-one questions

1 Introduction

The automotive industry is going through one of the most significant turning points in its history, as it moves rapidly towards more sustainable mobility. Electric vehicles (EVs), once only a product of a small market segment, are now at the center of change. This transition is accelerated by technological advances, stricter environmental regulations and consumers' growing interest in environmentally friendly alternatives, also in transportation. Governments around the world, including Finland, are encouraging the adoption of EVs through tax benefits and investments in charging infrastructure, speeding up the move from internal combustion engine (ICE) vehicles to EVs.

For companies in the automotive retail and aftersales sectors, this shift brings both challenges and opportunities. The growing share of EVs disrupts traditional revenue models, as many of the key maintenance needs associated with ICE vehicles are no longer relevant for EVs. Additionally, maintaining and servicing EVs requires new technological expertise and investments, which can strain company resources. Competition within the industry is becoming more intense as businesses search for ways to retain profitability and meet the evolving expectations of their customers. The ability to adapt to the changes brought by EVs will play a key role for companies striving to maintain their competitiveness in an evolving market.

For the Case Company, this transition also offers an opportunity to stand out. By proactively facing the challenges brought by the spread of EVs, the company can strengthen its position in the market. Although the changes are challenging, they also offer an opportunity to develop new types of business models and services that meet the needs of both the changing market and customers.

1.1 Business context

The Case Company is a major car dealership in Finland. The company operates as a dealer for eight different car brands, in seven different locations. In addition to sales, the company provides maintenance, repair, body repair and spare parts services for the brands it represents.

The company has a long history and is a solid family-owned business, which also creates opportunities to adapt to change in the industry. The company aims to continue as an independent operator and to maintain at least its current market share in the automotive business. The subject of this thesis will be examined in the context of the metropolitan area, where the car fleet is newer than in the rest of Finland and the effects of electrification are occurring earlier than the Finnish average.

1.2 Business challenge, objective and outcome

The uptake of EVs is significantly changing the landscape of the automotive aftermarket. Most of the players in the automotive sector, including the Case Company, have built their aftermarket activities around servicing ICE vehicles. Many of the revenue streams from ICE vehicles will be cut off as vehicles turn electric. This change creates a challenge for the industry and for the Case Company. EVs have fewer mechanical components and do not require routine engine oil changes, which have been cornerstones of the traditional aftersales business. As a result, the demand for maintenance and repair services is expected to decline, putting pressure on the company's profitability.

In addition, servicing EVs requires special skills and equipment, which require investments in personnel training and new tools. The investment required by new technologies may well drive some current smaller operators out of the business in the future. The automotive sector has already seen a concentration

of business among larger players and competition is expected to intensify further as companies adapt to changing demand in the aftersales.

The Case Company's challenge is to maintain and improve its competitiveness while adapting to the structural transformation of aftersales operations. In the face of stagnating traditional revenue streams, the company must seek ways to enhance productivity and respond to the specific requirements of EVs. This includes developing new service offerings, improving internal capabilities through targeted staff training, and re-evaluating the use of facilities and staffing levels to better match future demand. A central aspect of this transition is redefining the company's customer value proposition to better align with the changing expectations of EV-users.

The objective of the thesis is to explore the opportunities for the company during this shift and to create recommendations related to new business potential, EV-specific service needs, and the required strategic and operational adaptations. The outcome is a set of concrete, actionable recommendations that aim to strengthen the company's customer value proposition and improve its competitiveness in an aftersales market increasingly dominated by EVs.

1.3 Scope and outline of the thesis

This thesis focuses on the aftersales operations of the Case Company and examines how the transition to EVs affects its business environment and competitive position. The study explores customer needs, industry change, and the requirements EVs place on service offerings, particularly through the lens of customer value proposition. However, the potential for customer value creation is being explored for more than just for EV owners. Any comparisons will be made between EVs and ICE vehicles. Hybrids are excluded as they contain an internal combustion engine that requires traditional maintenance.

This study contains 7 sections. **Introduction** is followed by **section 2**, which outlines the research approach, design, and data collection methods.

Section 3 presents the conceptual framework of the study, focusing on the Customer Value Proposition and the tools used to address the business challenge.

Section 4 analyses market shifts, customer needs, and the competitive landscape. It includes a review of EV adoption and its impact on aftersales business, a customer profile (jobs, pains, and gains), competitor analysis, and a strategy canvas benchmarking peer companies.

Section 5 develops initial recommendations based on findings from previous sections. These recommendations aim to address identified customer pain points and highlight new opportunities for EV-specific services.

In **Section 6**, the proposed recommendations are reviewed and refined based on feedback, after which the final recommendations are presented.

The last section, **section 7**, summarizes the findings, evaluates the study's credibility, and proposes the next steps for the Case Company.

2 Project plan

This section presents the project plan of this thesis. The first chapter discusses the research approach and the choice of the appropriate research methods for this thesis. The next chapter presents the research design and the data collection plan in a visual format.

2.1 Research approach

Thesis study requires a plan how to carry out the study and a plan for the research methods to be used at the early stage of the process. There are two approaches to conduct a research, fundamental/basic/pure research or applied research.

2.1.1 Applied research

Applied research aims at finding a solution for an immediate problem facing a business organisation, whereas fundamental research is mainly concerned with generalisations and with the formulation of a theory (Kothari 2004). In this thesis the objective was to create actionable recommendations to a business problem and therefore this thesis is based on applied research. Tight time scales and the goal to create value to this the Case Company are also a typical elements of applied research projects.

2.1.2 Design research

Design research (Applied action research) combines both development and research to create functional and practical solutions to real-world problems. In addition to applied research, which focuses on solving a specific problem and generating actionable insights, design research emphasizes iterative development. This process involves designing, testing, and refining practical solutions while incorporating feedback from stakeholders. The outcome of design research is not only theoretical knowledge but also concrete, implementable tools, processes, or practices (Kananen 2013).

In this thesis, design research was chosen as the methodological approach because of its dual focus on development and practicality. The iterative process of design research aligns well with the thesis objective of creating actionable recommendations to improve the Case Company's competitiveness in the transition to EVs.

This thesis utilizes a mixed methods approach, combining both qualitative and quantitative research methodologies. The qualitative aspect of this research includes theme interviews with stakeholders such as service managers. The quantitative component involves the analysis of numerical data, such as financial figures from the Case Company and data from manufacturer systems.

2.2 Research design

This research is carried out in four stages, including three data collection points, designed to achieve the objective of this thesis. As illustrated in Figure 1, the study begins with a review of relevant literature to gather insights and theories related to customer value propositions (CVPs) and competitive differentiation. The outcome of this stage is the conceptual framework.

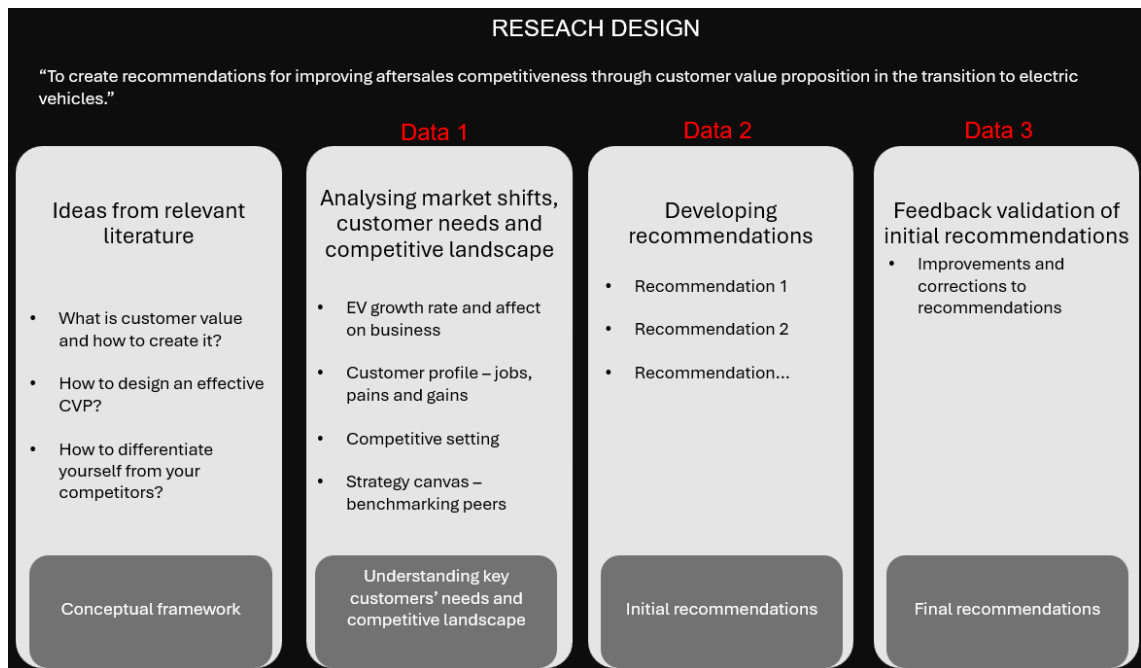


Figure 1. Visualization of the research design of this study.

The second stage focuses on analysing market shifts, customer needs, and the Case Company's competitive position in current aftersales environment. This phase delves deeper into the business problem and presents the impact of EV adoption to aftersales. It also includes a customer profile analysis (jobs, pains, gains) and benchmarking peers. The aim is to build a clear picture of key customer needs and the competitive landscape.

Based on the findings from the previous stages, initial recommendations are developed at the stage 3. These recommendations aim to address customer pain points and to differentiate the Case Company from its competitors. In the final stage, the initial recommendations will be validated through feedback from company decision maker. This stage focuses on refining the recommendations by incorporating improvements and corrections to ensure their practicality and effectiveness.

2.3 Data plan

The data plan outlines the sources, methods, and timeline for collecting and analysing the data necessary for this thesis. The data collection process is divided into three phases, each aligned with the research design and objectives.

Table 1: Data plan.

DATA PLAN					
	Content	Source	Informant	Timing	Outcome
Data1 Analysing market shifts, customer needs and competitive landscape	<ul style="list-style-type: none"> • EV growth rate and affect on business • Customer profile – jobs, pains and gains • Competitive setting • Strategy canvas – benchmarking peers 	<ul style="list-style-type: none"> • Aut.fi • Company data • Stakeholder workshop • Customer feedback • Homepages 	<ul style="list-style-type: none"> • Statistics • Workshop figures • Service managers • Peers 	February	Understanding key customer needs and competitive landscape
Data 2 Developing recommendations	<ul style="list-style-type: none"> • Developing recommendation 1 • Developing recommendation 2 • Developing recommendation... 	<ul style="list-style-type: none"> • Stakeholder workshops 	<ul style="list-style-type: none"> • Service managers 	March	Initial proposal of recommendations
Data 3 Feedback validation of initial recommendations	<ul style="list-style-type: none"> • Improvent ideas to initial proposal 	<ul style="list-style-type: none"> • Stakeholder 1to1 interview 	<ul style="list-style-type: none"> • Company decision maker 	April	Final proposal of recommendations

As illustrated in Table 1, the first phase of data collection relies on company data, both in workshop figures and customer feedback. In addition, data to complete the customer profile will be obtained from the workshop. Data is collected from the competitors' websites to determine the competitive set-up. The conceptual framework and findings from the CSA serve as the foundation for developing recommendations in the Data 2 phase. Data 2 phase includes stakeholder workshops. Stakeholder interviews are an important part of developing ideas, and the workability of proposals must also be verified at every stage and step of the process. In the final data phase, feedback on the initial recommendations is gathered from the company's decision maker.

The next section is the theoretical part of the thesis. It contains ideas and tools from the relevant literature and the result is the conceptual framework of this thesis.

3 Ideas from relevant literature on customer value

This section concentrates on presenting theories that can later be used to create recommendations for the Case Company. The main goal for company is to find alternative revenue streams in a changing market and because of this the theoretical part of this thesis focuses on customer value proposition.

3.1 Definition of customer value

Customer value has become one of the fundamental concepts of marketing and business. At its core, it refers to the benefits a customer gains from a product or service compared to the costs of obtaining and using it. Over time, researchers have refined this concept, offering different perspectives on what creates value for customers.

Zeithaml (1988) defines customer value as the overall assessment a consumer makes about a product's usefulness, based on the balance between what they receive and what they give up. In other words, customers weigh the benefits they gain - such as quality, convenience, or status - against what they sacrifice, whether it is money, time, or effort.

Woodruff (1997) expands on this concept, describing customer value as the way customers perceive, prefer, and assess product attributes, their performance, and the outcomes they lead to. He emphasizes that value is shaped by how well a product helps customers achieve their goals in real-use situations. This definition highlights an important aspect: value is personal. What one customer sees as valuable may not matter to another, because their needs and priorities differ.

Barnes, Blake, and Pinder (2009) present a simple but powerful formula to explain customer value:

Value = Benefits minus Costs

This equation captures the essence of decision-making. Customers seek products and services where the benefits - whether functional, emotional, or financial - outweigh the effort and expenses required.

In business markets, Anderson and Narus (1998) define value in more concrete terms. They describe it as the monetary worth of the technical, economic, service, and social benefits a customer receives in exchange for the price paid. Unlike price, which is a fixed number, value is subjective. A lower price might make a product more appealing, but it does not necessarily change the actual value it provides.

Ultimately, customer value is not just about price or product features. It is about how well a company meets the real needs and desires of its customers. Businesses that understand and deliver strong customer value are more likely to build lasting relationships and stand out in competitive markets.

3.2 Components of customer value proposition

The concept of Customer Value Proposition (CVP) has evolved as a central element in business and marketing literature, offering diverse interpretations of how organizations deliver value to their customers.

Anderson et al. (2006) argue that companies often fail to create compelling value propositions, leading to ineffective differentiation from competitors. They emphasize that a strong value proposition should be customer-focused and provide clear, evidence-based reasons why a buyer should prefer one offering over another.

A value proposition is essentially the set of benefits a company promises to deliver to its customers. Anderson et al. (2006) outline three distinct types of value propositions that companies can use when positioning their market

offerings: All Benefits, Favorable Points of Difference, and Resonating Focus. These are summarized in Table 2.

Table 2: Three Types of Value Proposition (Anderson et al. 2006).

VALUE PROPOSITION:	ALL BENEFITS	FAVORABLE POINTS OF DIFFERENCE	RESONATING FOCUS
Consists of:	All benefits customers receive from a market offering	All favorable points of difference a market offering has relative to the next best alternative	The one or two points of difference (and, perhaps, a point of parity) whose improvement will deliver the greatest value to the customer for the foreseeable future
Answers the customer question:	"Why should our firm purchase your offering?"	"Why should our firm purchase your offering instead of your competitor's?"	"What is <i>most</i> worthwhile for our firm to keep in mind about your offering?"
Requires:	Knowledge of own market offering	Knowledge of own market offering and next best alternative	Knowledge of how own market offering delivers superior value to customers, compared with next best alternative
Has the potential pitfall:	Benefit assertion	Value presumption	Requires customer value research

The simplest form of value proposition, All Benefits, lists all the potential advantages of a product or service. While easy to construct, it carries the risk of benefit assertion, meaning a company may claim benefits that customers do not find relevant or valuable. This approach also ignores competition and fails to articulate why a particular offering is superior. Anderson et al. (2006)

Favourable Points of Difference is a more refined approach is to highlight how a product is better than the closest competitor's offering. This method requires companies to have a clear understanding of both their own strengths and the strengths of their competitors. However, this approach risks value presumption, where a company assumes that certain differences matter to the customer without verifying their significance.

Resonating Focus is the most effective value proposition, according to Anderson et al. (2006), which concentrates on the one or two points of difference that provide the most value to the customer. This approach requires deep customer research and an understanding of what matters most in their decision-making process. Unlike the other two methods, Resonating Focus ensures that the firm's message is concise, clear, and directly aligned with customer priorities.

Although Anderson et al. (2006) focuses on B2B value creation, the same principles can be applied to consumer markets and product development. They emphasize that companies should move beyond generic benefit lists and instead develop a deep understanding of their customers' needs. By focusing on resonant value, companies can create stronger, evidence-based value propositions that enhance differentiation and increase customer preference.

3.3 Tools for creating value propositions

Creating a compelling value proposition and establishing a strong competitive position require structured approaches that help businesses understand customer needs, differentiate from competitors, and communicate their unique benefits effectively. Several frameworks have been developed for these purposes, each offering a different perspective on how value can be defined, delivered, and positioned in the market. This section introduces key tools that assist in developing strong value propositions and competitive positioning.

3.3.1 The Value Proposition Builder

Barnes and her colleagues presented The Value Proposition Builder in 2009. It is a structured, iterative approach that helps organizations develop compelling and credible value propositions. As seen in Figure 2, model consists of six key steps that guide businesses in defining their market positioning and competitive advantage.

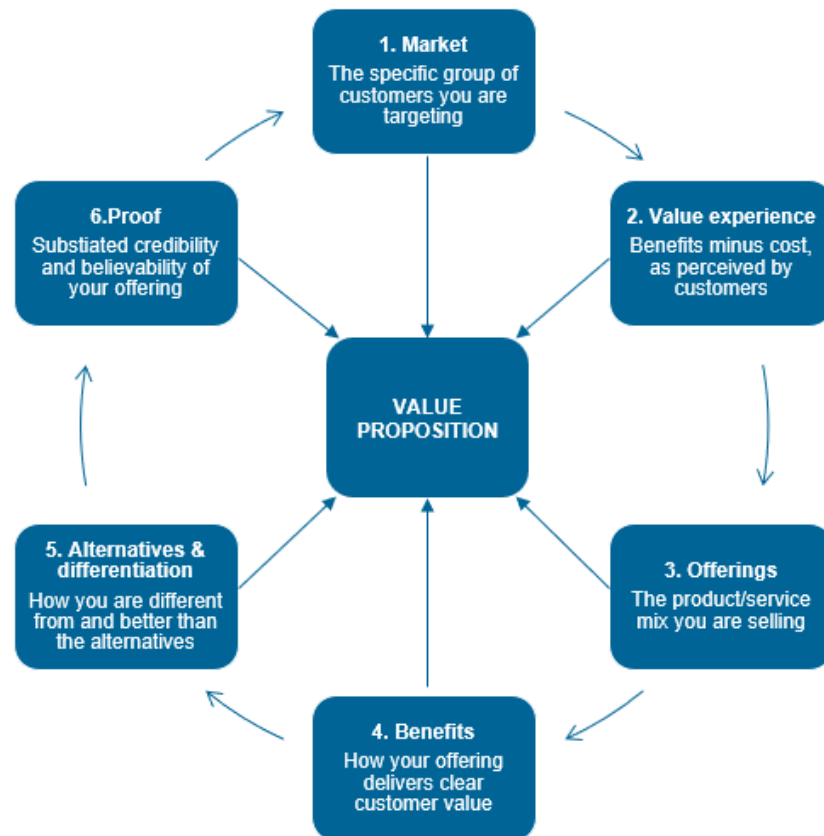


Figure 2. The Value Proposition Builder™ (Barnes et al. 2009: 31).

The process begins with identifying the Market, determining the target customer segments that would benefit most from the offering. Next, the Value Experience is analysed by assessing how customers perceive the company's current products or services, focusing on both strengths and areas for improvement. Based on this, businesses can define their Offerings, ensuring alignment between customer needs and the value being delivered (Barnes et al., 2009).

Once these foundations are set, the next step is determining the Benefits of the offerings, balancing customer gains against costs, where $\text{Value} = \text{Benefits} - \text{Cost}$. From there, the organization needs to define its Alternatives and Differentiation, clarifying how it stands out from competitors and why customers should choose them. Finally, the framework emphasizes the importance of

Proof, providing credible evidence that supports the claims of value creation (Barnes et al., 2009).

By systematically deconstructing and reconstructing a value proposition, businesses ensure their messaging is focused, relevant, and backed by measurable impact. This structured approach not only refines strategic positioning but also improves sales effectiveness, especially in competitive markets (Barnes et al., 2009).

3.3.2 Value Proposition Canvas

The Value Proposition Canvas, developed by Osterwalder and his colleagues, is a strategic tool that focuses on two key elements of the Business Model Canvas: the value proposition and the customer segments. The canvas provides a structured way for companies to design, test, and refine their value propositions to closely match the needs and desires of their target customers. By focusing on what creates value for customers, the Value Proposition Canvas helps organizations ensure that their offerings are relevant and impactful (Osterwalder et al., 2014).

As shown in Figure 3, the Value Proposition Canvas is divided into two main parts: the Value Map and the Customer Profile. Both parts are broken down into three sections. The goal of using the canvas is to achieve a Fit, which is between of these two sides and represents the ideal alignment between the business offering and the customer's needs.

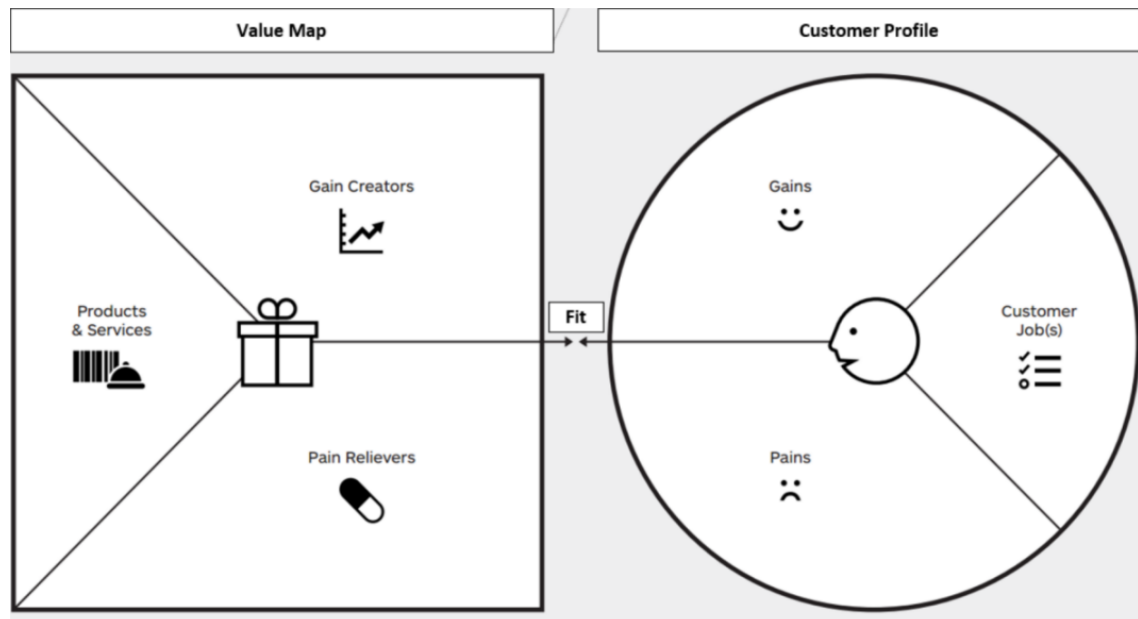


Figure 3. The Value Proposition Canvas (Osterwalder et al. 2014: 8-9).

The Customer Profile, on the right side of Figure 3, is a more detailed version of the Customer Segments in the Business Model Canvas. It breaks down the customer's perspective into three key components: Jobs, Pains, and Gains. (Osterwalder et al. 2014: 9).

Customer Jobs are the tasks, needs, or problems that customers aim to address. Jobs can be functional (e.g., accomplishing a task), emotional (e.g., achieving personal satisfaction), or social (e.g., gaining status or recognition). Customer Pains refer to the obstacles, risks, or difficulties customers face while trying to accomplish their jobs. Understanding these pains is crucial for designing solutions that address specific customer frustrations or inefficiencies. Customer Gains are the benefits or positive outcomes that customers seek. Gains can include functional improvements, cost savings, or emotional satisfaction. (Osterwalder et al. 2014: 12-17).

Ranking jobs, pains, and gains in the Value Proposition Canvas is essential because it helps businesses prioritize their efforts and focus on the most impactful areas when designing their value proposition. Osterwalder et al. (2014: 20-21) recommend organizing jobs based on their importance, from critical to

insignificant, pains by their severity, from extreme to moderate, and gains by their relevance, from essential to "nice-to-have." (Osterwalder et al. 2014: 20-21).

On the left side of Figure 2 is the Value Map. This section focuses on how the organization's products or services create value by addressing customer jobs, pains, and gains.

Products and Services are the offerings that form the core of the value proposition, including physical products, digital solutions, or services. Pain Relievers are features or benefits that alleviate customer pains, making their lives easier or resolving specific challenges. Gain Creators are the elements that enhance customer satisfaction by exceeding their expectations or delivering additional benefits. (Osterwalder et al. 2014: 28-33). A similar ranking process, as with the customer profile, should be applied to the Value Map, ensuring that products and services, pain relievers, and gain creators are prioritized based on their impact and relevance to the customer's needs.

Fit is the ultimate goal of the Value Proposition Canvas and is achieved when the elements of the Value Map align perfectly with the Customer Profile. In other words, the organization's products and services, along with their corresponding pain relievers and gain creators, must effectively address the customer's jobs, alleviate their pains, and deliver the gains they value most. (Osterwalder et al. 2014: 9, 42).

Achieving Fit ensures that the value proposition resonates with the target customer segment by meeting their most pressing needs and exceeding their expectations. This alignment is critical for creating a competitive advantage and fostering customer loyalty. Osterwalder et al. (2014) emphasize that FIT is not a one-time achievement but a dynamic process that requires ongoing adjustments to adapt to evolving customer demands and market conditions. (Osterwalder et al. 2014: 42-43).

3.3.3 The Three Circles Framework

Understanding the competitive landscape is crucial to refining a company's customer value proposition. Urbany and Davis' (2007) framework provides a structured way, using Venn Diagram, to analyse how a company's offering meets customers' needs and how it compares with competitors. By looking at the different aspects of the model, companies can identify strengths, weaknesses and opportunities for differentiation.

The diagram, in Figure 4, consists of three circles, Company's offerings, Customer's needs and Competitor's offerings. By examining these overlapping areas, businesses can determine their strengths, areas for improvement, and potential opportunities for growth.

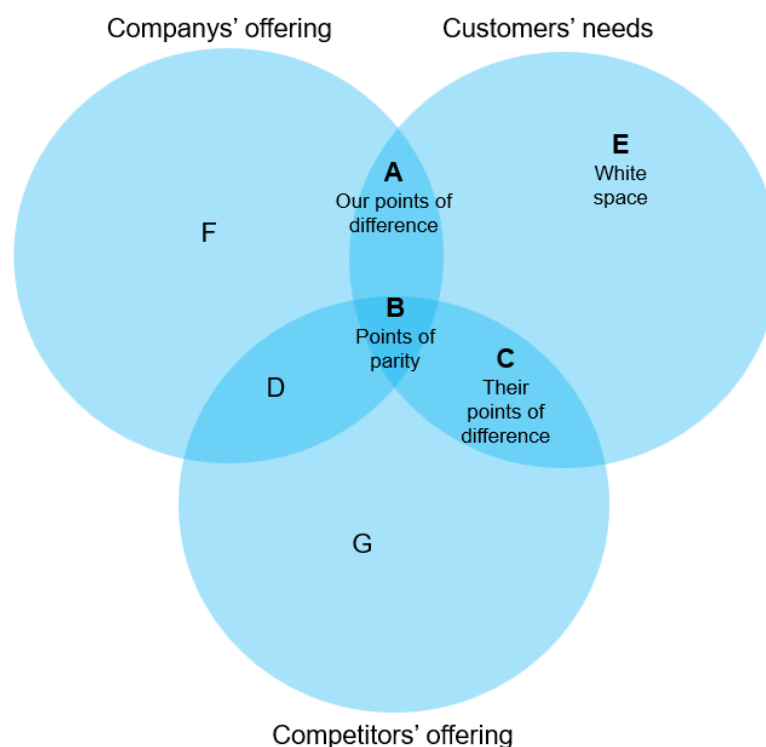


Figure 4. The Three Circles Framework (Urbany and Davis 2007).

Area A, our points of difference, is one of the most desirable areas in this model. Finding a value proposition that meet the customer needs but is not provided by competitor. These unique features form a solid foundation to a

competitive advantage. In contrast, Points of parity represent attributes that both the company and its competitors offer to meet the same customer needs. While these features do not provide differentiation, they are essential for maintaining competitiveness, as customers might expect them as standard. By studying competitors' offerings and Their points of difference, it is possible to highlight gaps in the company's own offerings and help the company decide whether they should address them, overcome them or differentiate themselves in alternative ways. (Urbany and Davis 2007)

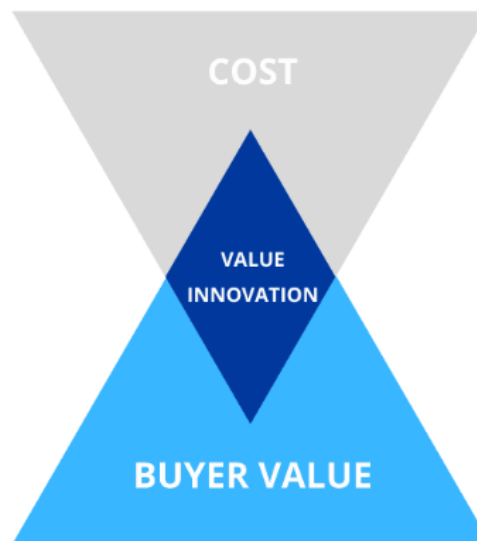
Beyond assessing direct competition, the framework also identifies White space, or unmet customer needs that neither the company nor its competitors currently address. Recognizing these gaps presents a valuable opportunity for innovation and new value creation. Understanding areas (D, F, G) where offerings do not align with customer needs, can help eliminate unnecessary costs and focus resources on value-adding features. If an offering falls into these areas, the company should evaluate whether it brings tangible benefits to customers now or in the future. (Urbany and Davis 2007)

3.3.4 The Blue Ocean Strategy

Kim and Mauborgne (2005) presented a business approach that presents markets as two types of oceans, red oceans and blue oceans. Red oceans represent existing industries where companies compete within established boundaries, resulting in intense competition and shrinking opportunities for profit. Blue oceans, on the other hand, are untapped markets with new demand and growth potential. Instead of competing for a share of existing demand, blue ocean companies redefine industry boundaries to make competition irrelevant. While red ocean strategies are still important, long-term success often requires companies to shift their focus to market creation. (Kim and Mauborgne, 2005: 24-25)

According to the authors, *value innovation* (Figure 4) is one of the cornerstones of the blue ocean strategy. It aligns utility, price and cost to deliver exceptional

buyer value while maintaining cost effectiveness. Unlike traditional strategies that force a trade-off between differentiation and low cost, value innovation achieves both simultaneously. Value without innovation will only lead to incremental improvements and not stand out in the market. Innovations without value can be too futuristic or disconnected from customer needs. By removing and reducing industry standards and raising and creating new value elements, companies can break away from the competition and open new market sectors. (Kim & Mauborgne, 2005: 33-34)



Cost savings are made by eliminating and reducing the factors an industry competes on.

Buyer value is lifted by raising and creating elements the industry has never offered.

Figure 4. Visualization of value innovation (Kim & Mauborgne 2025).

The Strategy canvas is one of the key tools in Blue Ocean Strategy. Strategy canvas serves two main purposes. First, it provides a snapshot of the current market landscape, clarifying the competitive factors that define the industry and the value buyers receive. Second, it drives strategic action by shifting focus away from direct competition toward alternative solutions and untapped customer segments. (Kim & Mauborgne, 2005: 47-50)

As shown in Figure 5, the horizontal axis of the strategy canvas outlines the key competitive factors within an industry, while the vertical axis represents the level of value provided to buyers.

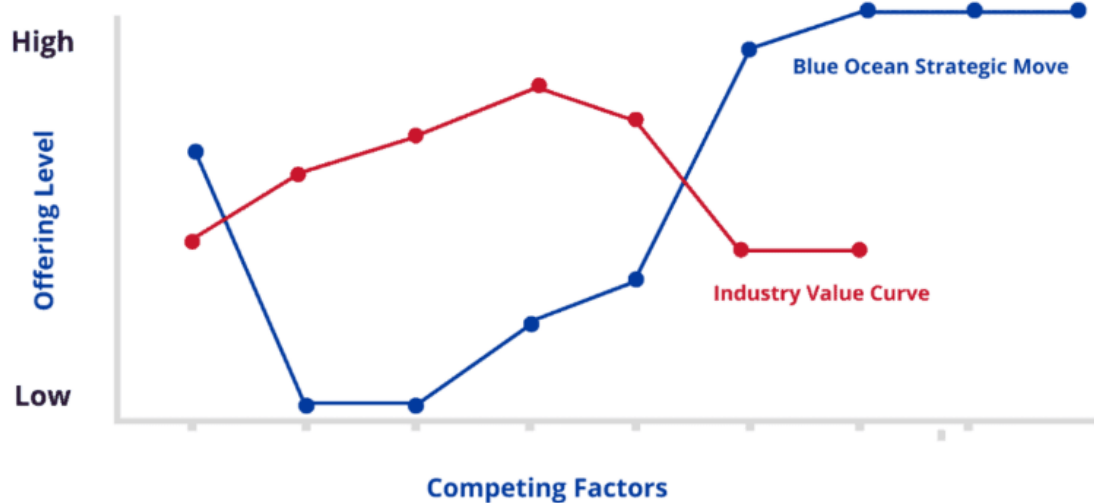


Figure 5. The strategy canvas (Kim & Mauborgne 2025).

Canvas is used by first filling in the horizontal axis of the chart with the main competitive factors in the sector. These could be, for example, price, quality, customer service or brand reputation.

The value curves of competitors or the industry norm are drawn on the graph. The company's own current strategic position is then plotted on the same canvas. By comparing it with competitors or the industry norm, it can be seen whether the company follows the same pattern or whether it stands out from the

crowd. If the value curve resembles the curves of others, the company is probably competing in a red ocean.

To help creating a new value curve that differs from the norm or from competitors, authors have developed *the four actions framework*. The framework helps businesses create new market space and differentiation by systematically evaluating their value offering. It consists of four key actions, as shown in Figure 6.

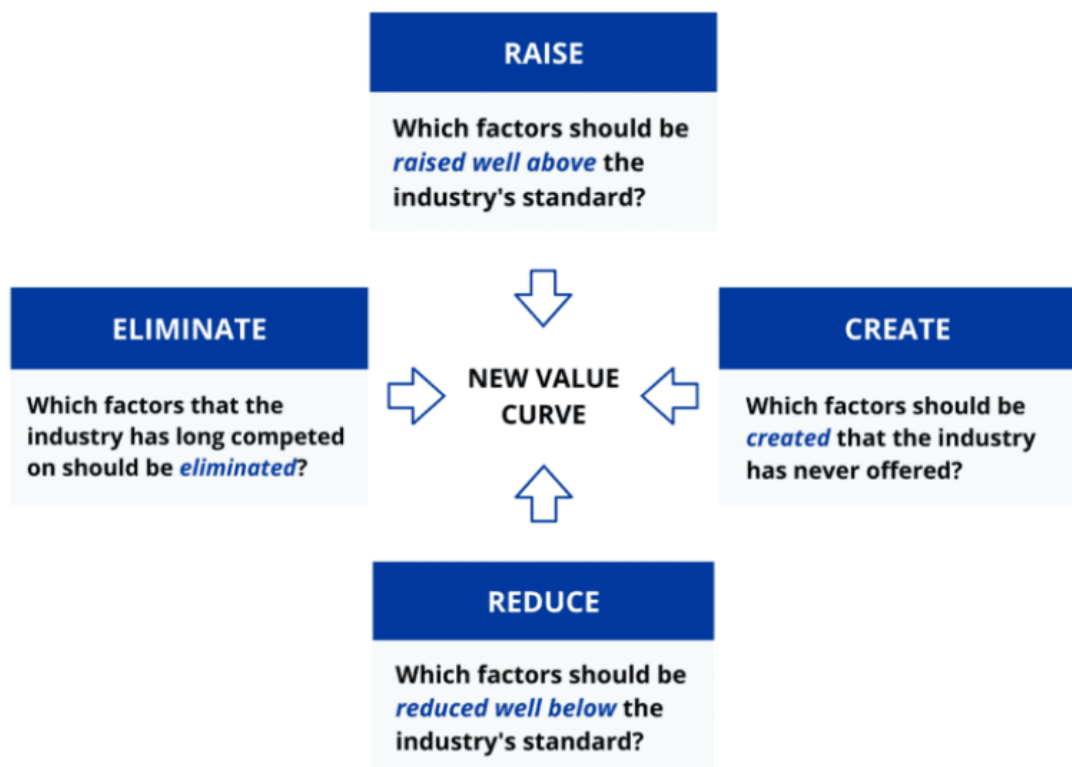


Figure 6. The Four Actions Framework (Kim & Mauborgne 2005).

The model encourages companies to ask themselves the following questions:

- Which factors that the industry takes for granted should be eliminated?
- Which factors should be reduced well below the industry's standard?

- Which factors should be raised well above the industry's standard?
- Which factors that the industry has never offered should be created?

The first question challenges companies to identify the elements that should be eliminated as they may be taken for granted or no longer provide real value. The second question examines whether competition has led to over-engineered products or services where companies over-serve customers and increase costs without corresponding gains. The third question highlights the customer compromises created by the industry and seeks to eliminate them. The fourth question encourages finding new sources of value for customers, which will drive new demand and shape the industry's strategic pricing. (Kim & Mauborgne, 2005: 51-53)

In the Four Actions Framework two first questions, eliminate and reduce, are designed to discover how to lower the company's cost structure against the competitors. Last two questions, create and raise, provide insight how to raise customer value and create new demand. (Kim & Mauborgne, 2005: 52-53)

The Eliminate-Reduce-Raise-Create (ERRC) Grid is a practical tool used to implement the Four Actions Framework within the Blue Ocean Strategy. The Four Actions Framework is a conceptual model that helps companies rethink their industry's logic by asking four key questions: which factors should be eliminated, reduced, raised, or created. The ERRC Grid complements this framework by offering a structured and visual way to organise and communicate the resulting strategic ideas. In other words, while the Four Actions Framework guides strategic thinking, the ERRC Grid helps translate those insights into a concrete action plan. As shown in Figure 7, the ERRC Grid is a visual and systematic tool derived directly from the Four Actions Framework. (Kim & Mauborgne, 2005: 52–53)

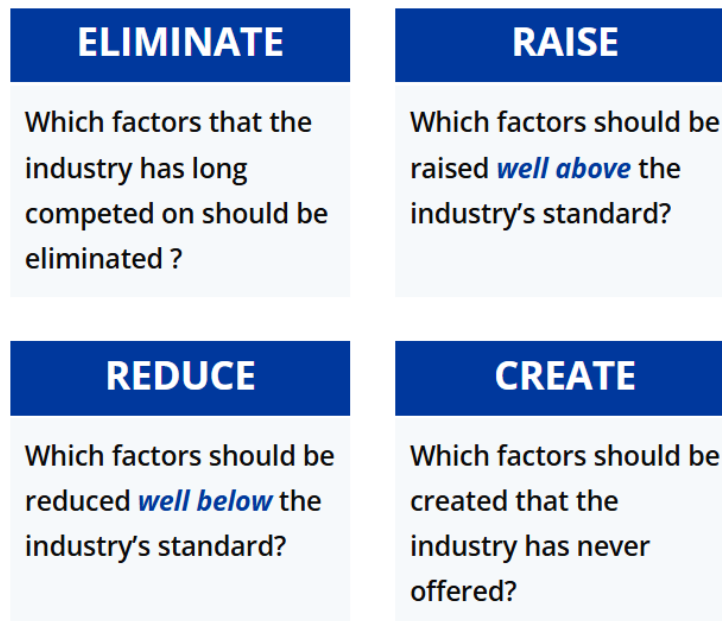


Figure 7. Eliminate-Reduce-Raise-Create (ERRC) Grid (Kim & Mauborgne 2005).

The ERRC-grid offers immediate advantages for companies by guiding them to pursue both differentiation and low cost, challenging the conventional value-cost trade-off. It also highlights cases where businesses focus excessively on raising and creating, which can lead to inflated costs and over-engineered offerings without added value for customers. Furthermore, its straightforward structure makes it accessible to managers at all levels, fostering engagement across the organization. Since completing the grid requires a deep evaluation of industry practices, it pushes companies to critically examine the competitive factors they take for granted, uncovering hidden assumptions that influence their strategic decisions. (Kim & Mauborgne, 2005: 57-58)

These tools allow companies to create a new value curve for themselves. Kim and Mauborgne state that the value curve of an effectively crafted blue ocean strategy has three complementary qualities: focus, divergence, and a compelling tagline. Without these features, a company's strategy can become unclear, too similar to competitors, difficult to communicate, or burdened by a high-cost structure. (Kim & Mauborgne, 2005: 59)

3.4 Conceptual framework

The conceptual framework of this thesis is built on the theories introduced in this section. This framework consists of three key aspects that are shown in Figure 8.

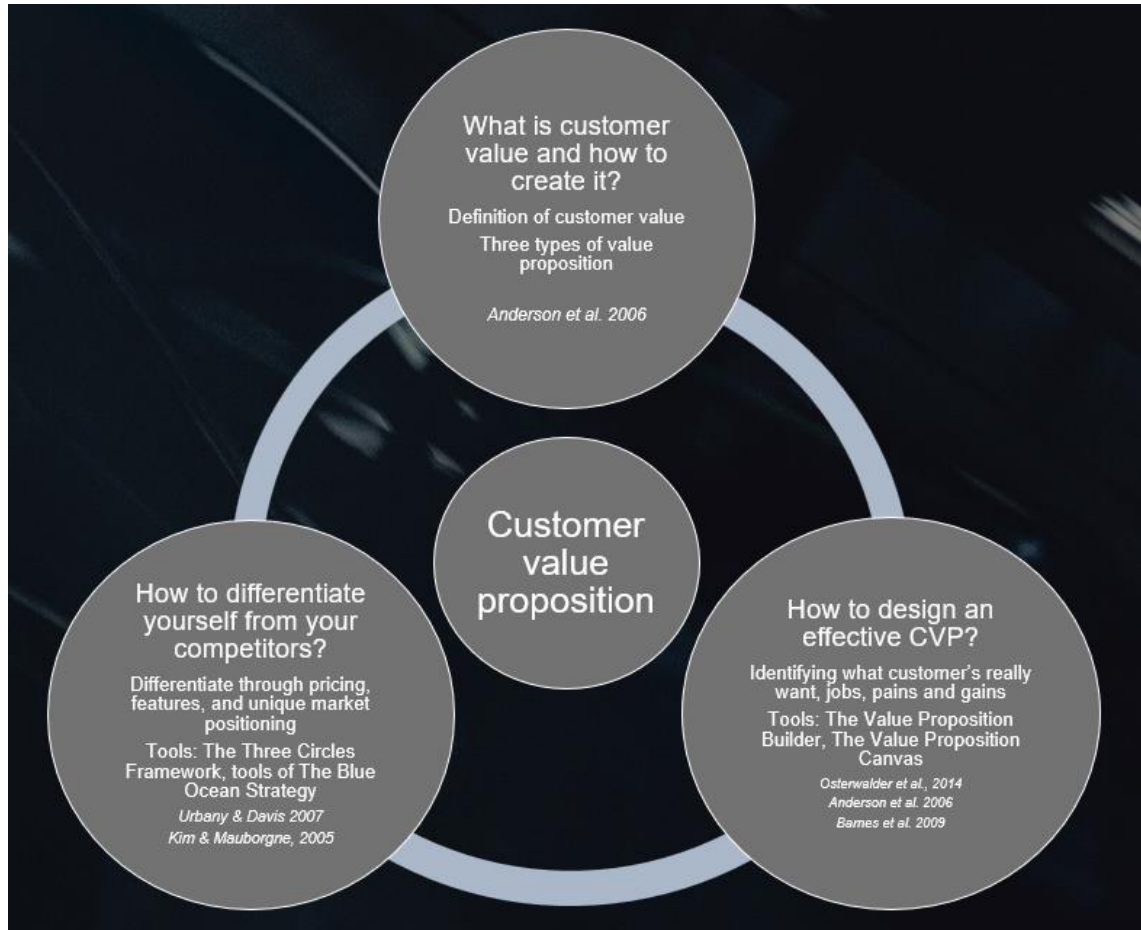


Figure 8. The conceptual framework of this thesis.

Understanding customer value is the foundation of a compelling value proposition. This is the first element of the framework.

A strong CVP aligns with customer expectations and addresses their needs. Osterwalder et al. (2014) emphasize the importance of understanding customers' jobs, pains, and gains. Companies must conduct market research to ensure their offerings align with customer desires and create tangible benefits.

To stand out in the market, companies must position themselves strategically. As suggested by Urban & Davis (2007) and Kim & Mauborgne (2005), differentiation can be achieved through pricing strategies, unique features, and innovative market positioning. By focusing on what makes them unique, businesses can attract and retain customers effectively.

This section introduced the main tools and concepts that will be used later in the thesis. The following section builds on this by examining the current state of the aftersales business, identifying shifts in the market, and analysing customer needs and competitive dynamics.

4 Analysing market shifts, customer needs and competitive landscape in aftersales

This section discusses briefly the current state of the aftersales market and the business problem, which gave the idea for this thesis. However, the focus of this section is on analysing customer needs and the competitive landscape using the frameworks presented in the previous section.

4.1 Overview of this data stage

The objective of this thesis was to create recommendations for improving aftersales competitiveness through customer value proposition in the transition to EVs.

At the beginning of the section, the market development of the EV fleet and the structure of the Case Company's service fleet were examined. Data from The Finnish Information Centre of Automobile Sector (Autoalan tiedotuskeskus, tilastot) and the Case Company statistics were used for the research.

The impact of the electrification of the vehicle fleet on the aftersales business was revealed through a study conducted by Deloitte (Deloitte 2023). The purpose of both studies was to deepen the business challenge presented at the beginning of the thesis.

The focus then turned to customer value, using the Value Proposition Canvas (Osterwalder et al. 2014) introduced in the previous section. The right side of the Canvas covers the customer profile and completing it helps to explore what aftersales customers are trying to achieve, what frustrates them, and what they value the most. To fill in the Case Company's aftersales customer profile, a workshop was organized with the participation of service managers. Their personal experience was utilized, along with customer feedback from 2024.

During 2024, the Case Company site in question had received almost 3000 customer feedbacks, of which 1,044 included open-ended comments. These

comments were used to fill in the customer profile. The average satisfaction level of customers who left a comment was slightly lower (8.4) than those who left a blank (8.9).

The competitive position of the Case Company was analysed by looking at its competitors in the sector and their potential value propositions. Differences were explored in service offerings, prices and financing options, which were used to plot the current value curve against the nearest competitors. Comparisons were made based on the information provided on competitors websites and by visiting their sites.

4.2 Business challenge deepened

The Case Company's service business operates in a competitive market, where both branded service providers and independent repair shops compete for customers. Competition for the Case Company's representative brands is particularly fierce in the Helsinki metropolitan area, where the issue is examined in this context. Customers have a wide range of choices, and competition will intensify even more as the vehicle fleet changes. Service revenue is expected to decline as vehicles become more electrified, as EV's require significantly less traditional maintenance than combustion engine cars.

4.2.1 Current status and growth rate of the EV fleet

Demand for EVs has been growing rapidly in recent years. There are many reasons for this. Technological advances have finally made EVs a viable option for many. Of course, economic reasons have also driven the purchase of EVs; they are cheap to run, especially for users who can charge at home. There have also been subsidies for the purchase of EVs and, for company car drivers, electric cars are more tax-efficient. Many may also choose an EV for environmental and sustainability reasons.

Although the growth in demand has been strong, the share of EVs in the Finnish car fleet is still quite modest, as can be seen in the Figure 9.

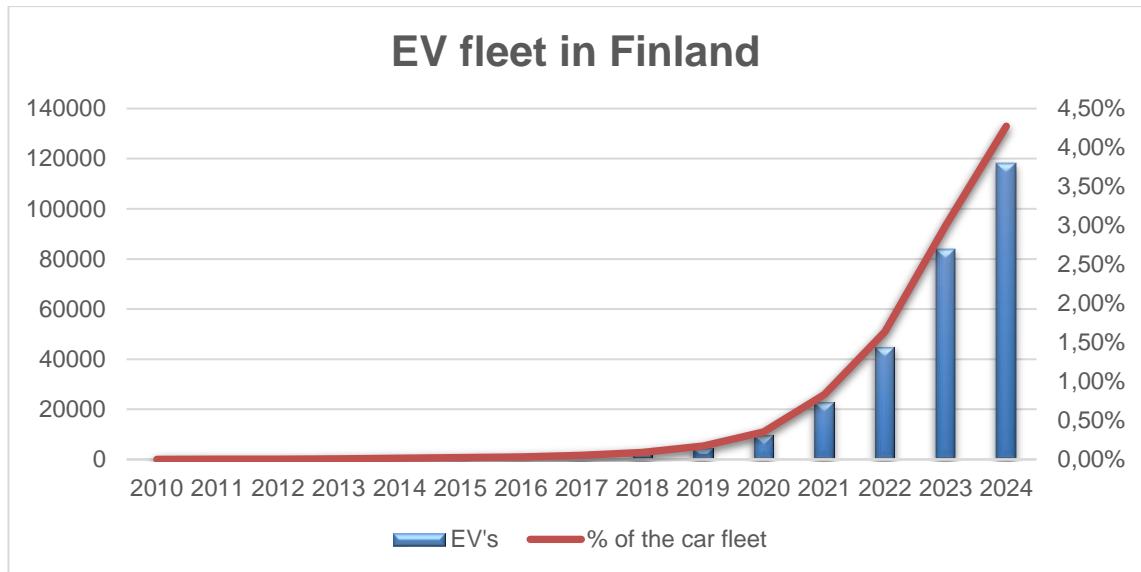


Figure 9. EV units and share of the car fleet in Finland 2010-2024 (The Finnish Information Centre of Automobile Sector).

The number of EVs has almost doubled annually since the end of the last decade. However, from 2023 to 2024, this growth slowed significantly, largely due to the weak overall market. By the end of 2024, there were approximately 118,000 EVs on the road, accounting for 4.3% of all passenger vehicles. While around 30% of new cars sold in 2024 were EVs, the transformation of the overall car fleet remains slow. Finland's car fleet is relatively old, with an average age of nearly 14 years.

In aftersales, however, the transition is going to be faster than in the overall car fleet. As a typical authorised service provider, the Case Company primarily serves customers who drive vehicles no older than six years, meaning the shift toward EV servicing will take place more rapidly within its customer base.

Figure 10 shows how vehicle throughput has developed over time at the case study site.

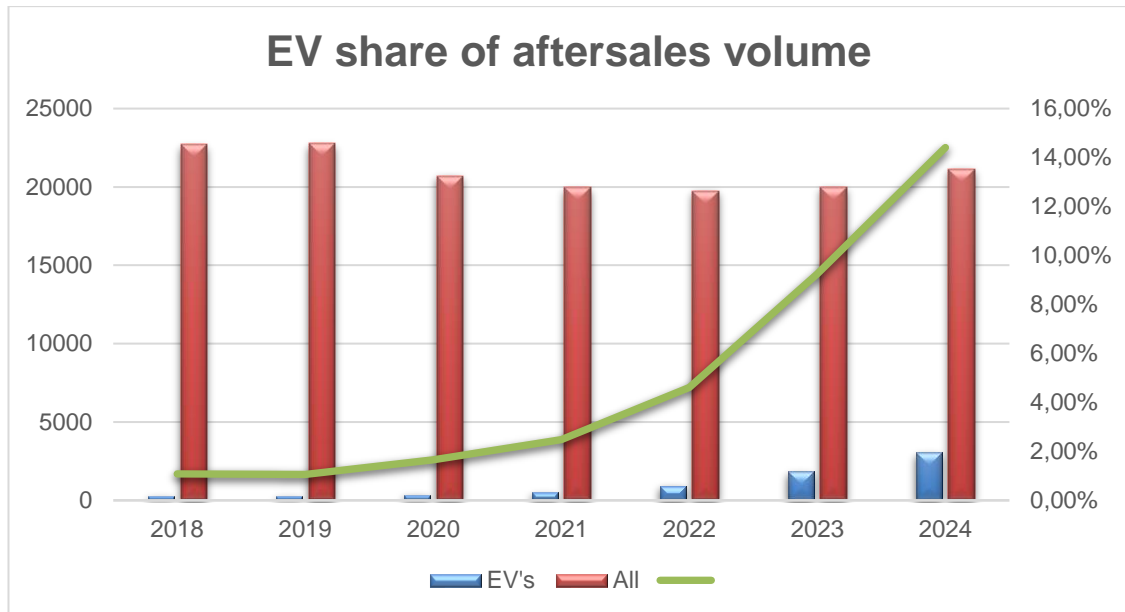


Figure 10. EV units and share of service volume in the Case Company's study site (Company data).

In 2018 and 2019, electric vehicles made up approximately 1% of service visits, primarily due to the presence of the Nissan Leaf fleet. However, as more electric models from the company's brands entered the market in the beginning of this decade, the share of EVs in workshop throughput grew significantly. By 2024, electric vehicles already accounted for 14.4% of total service visits. This growth in the aftermarket has been substantially faster than the overall fleet transition, and the gap is expected to widen further in the coming years.

4.2.2 Competition intensifies as maintenance needs decrease

The uptake of EVs will bring major changes to the maintenance market, as they require significantly less maintenance than conventional combustion engine vehicles. EVs are simpler in design, have fewer moving parts and do not require many of the key operations of traditional car maintenance, such as oil changes, timing belt replacements or exhaust system maintenance. In addition, regenerative braking reduces the need to replace wearing parts such as brake pads and discs.

The electrification of vehicles is reshaping the service business in multiple ways. The revenue streams of a service workshop can be categorized into five key areas: Maintenance, Wear & Tear, Repair, Accident, and Accessories. Below is an overview of how the transition to EVs will affect each of these areas, based on Deloitte (2023) estimates:

Maintenance

- Covers routine servicing, such as oil and filter changes, engine and transmission checks
- Expected revenue: 10–20% of the revenue generated by ICE vehicles

Wear & Tear

- Covers for example replacements of brakes, brake pads, wipers, and tires
- Expected revenue: 70–80% of ICE vehicle levels

Repairs

- Includes breakdowns, technical faults, and windshield replacements
- Expected revenue: 60–70% of ICE vehicle levels

Accidents

- Repair or replacement of body panels, bumpers, and structural components after a collision
- Expected revenue: 90% of ICE vehicle levels

Accessories

- Includes floor mats, DIY wiper blades, car seats, and similar products
- Expected revenue: 100%, remaining unaffected by electrification

Overall Impact

- Parts sales revenue is expected to decline to 70–80% compared to ICE vehicle levels
- Workshop labour hours are projected to decrease to 55–70% of ICE vehicle levels

These changes will have a significant impact on workshop revenue, as the demand for traditional maintenance and repair services declines. If workshops aim to maintain their current revenue levels, they will need to find alternative sources of income to compensate for the reduced service needs of EVs.

4.3 Customer profile

Understanding customer profile is crucial for developing a strong customer value proposition. This section aims to analyse the key characteristics, needs, concerns, and expectations of aftersales customers with the help of the customer value canvas (Osterwalder et al. 2014), presented earlier in the theoretical framework. Customer profile is divided into three sections as seen in Figure 11, and it consists of customers' jobs, pains and gains.

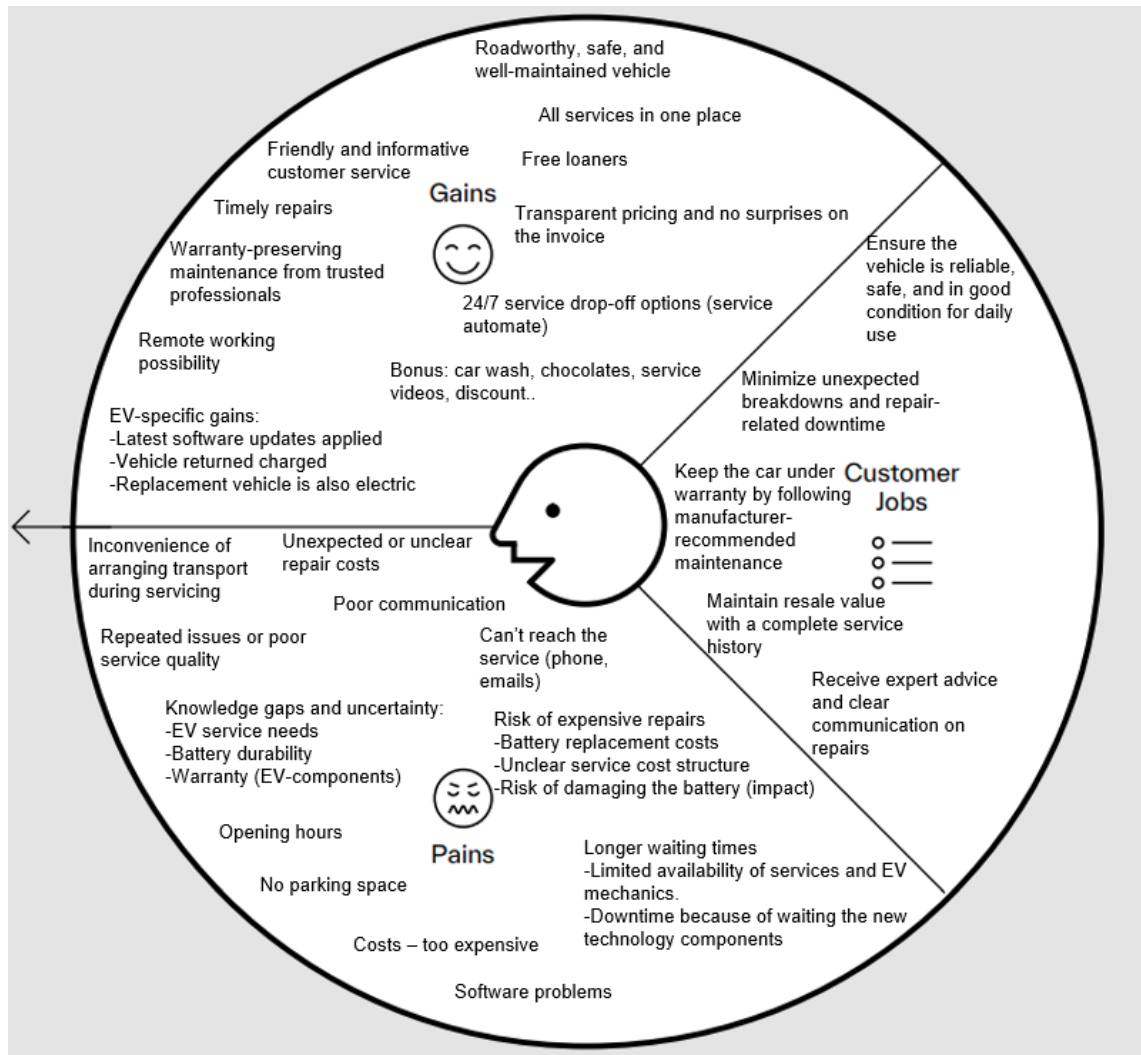


Figure 11. Customer profile filled at workshop.

Both in the workshop and in customer feedback, all types of vehicles were included, not just EVs. The workshop also discussed what unique gains or pains EV-owners might bring to the customer profile.

4.3.1 Customer jobs – what do aftersales customers need?

Owners want their vehicles to stay safe and in top condition for daily use. Aftersales customers rely on service providers to ensure vehicle reliability, maintain value, and minimize unexpected breakdowns. Their core needs include regular maintenance, repairs, and support in case of failures. While some customers prioritize cost-efficiency, others focus on service convenience, brand expertise, and the use of original parts. Professional drivers demand

quick service turnaround to minimize downtime, whereas private customers may prioritize a smooth and hassle-free experience.

Customers expect a repair shop to provide expertise and transparency in pricing. They expect to receive clear explanations of repairs and without unnecessary work. They seek understanding of maintenance needs and schedules and want clarity on what is essential and what is optional when servicing their vehicles. In addition, many find it important to maintain a complete service history to maximize the resale value of their vehicle.

Customers' needs and expectations may vary depending on the car they own. Premium car owners expect high-quality service experiences, personalized care, and top-notch customer service. Older car owners, on the other hand, may be looking for cost-effective repairs and alternative solutions for maintaining their aging vehicles.

4.3.2 Pains – customer frustrations and concerns

For many, just the idea of servicing a vehicle is a pain point. Dropping your car off for servicing, arranging alternative transport and dealing with delays can be a hassle. If loaner cars are unavailable or expensive, customers may find it difficult to adjust their daily routines.

The risk of expensive components breaking down is certainly one of the biggest concerns for customers. Unexpected costs are another major frustration. Customers dislike surprise expenses or feeling pressured into additional services they were not prepared for. Even when work is justified, a lack of clear explanations can make customers sceptical. Trust issues can also arise from inconsistent service quality. Customers expect repairs to be done correctly the first time, and repeated visits for the same issue can lead to dissatisfaction.

Waiting for service, poor accessibility by phone, opening hours and lack of communication, for example during a repair, are common customer service pain points according to the feedback received. However, the most common

negative feedback was about the price of the service or repair. The insufficient parking facilities were also criticised in the feedback received for this Case Company's site.

EVs introduce a whole new set of pain points or modify existing ones. As the technology is new, there can naturally be gaps in knowledge about how to maintain EVs, how long the warranties are on high-voltage components and what the battery life is in the long run. The risk of expensive components breaking down increases as batteries are generally very expensive in relation to the value of the vehicles. Also, the risk of battery damage by the driver, for example due to ground contact, also seems to be a common concern both in forums and in customer service situations. In the worst case, the vehicle may be rejected by the inspection due to a dent in the battery case and, if the date of damage is not known, the repair costs may fall on the owner.

EVs also seem to have far more software faults than conventional vehicles and concerns around this issue are common among EV users. In the case of new technology, the availability of replacement components in the event of a breakdown is a concern. Some EV models have had drive-ending failures and it has taken months to get new parts. This has contributed to the concerns of other EV owners about potentially long downtimes. The availability of repair times has also been a challenge, as not all workshops have the expertise to repair EVs and even in authorised workshops the number of EV mechanics is still limited.

4.3.3 Gains – what customers value in aftersales

The basic requirement is that customers' vehicles are properly maintained, ensuring roadworthiness, reliability and safety. Regular maintenance and necessary repairs are carried out in the workshop to ensure that the vehicle remains in working order and meets the manufacturer's requirements. Warranty-preserving maintenance is a particularly critical aspect, as many customers rely on authorized workshops to ensure their vehicle retains its

warranty coverage. Without these essential gains, customers would have no reason to seek professional aftersales services in the first place.

Beyond the basics, customers expect a certain quality and professionalism from their service experience. Transparent pricing and a clear breakdown of costs are key expectations to ensure there are no hidden charges or surprises. Additionally, customers expect the work to be completed on time, without unnecessary delays. The vehicle should be returned in the same condition it was left, or even better, without any damages or mess. Customers also expect professional and polite customer service, including clear communication about repairs, potential problems and maintenance schedules. Customers appreciate, or expect to receive, discounts or other benefits because they have been loyal customers. Smooth service visit and sticking to the agreed schedule were the most frequently mentioned themes in positive customer feedback.

As desired gains customers are looking for additional conveniences to improve their overall experience. Easy appointment booking online, through an app or with a quick phone call is increasingly important. Mobility solutions such as loaner cars or pick-up services can significantly reduce the inconvenience of being without a vehicle. Good remote working facilities are an important consideration for many customers if they have decided to wait until the service is completed. Based on the Case Company's customer feedback, the 24/7 service automats has also brought flexibility to customers' schedules. Service contracts and extended warranties offered by manufacturers are important for some customers. Contracts make financial planning easier, as maintenance costs are known in advance and reduce the risk of unexpected expenses.

Sometimes, customers report that they have received positive surprises, that are unexpected gains, such as a car wash, an interior cleaning or other minor customer attention. The Case Company's customer feedback included several thanks or compliments about a chocolate bar received when the car was handed over. Service videos, a video shot by a mechanic of a car being

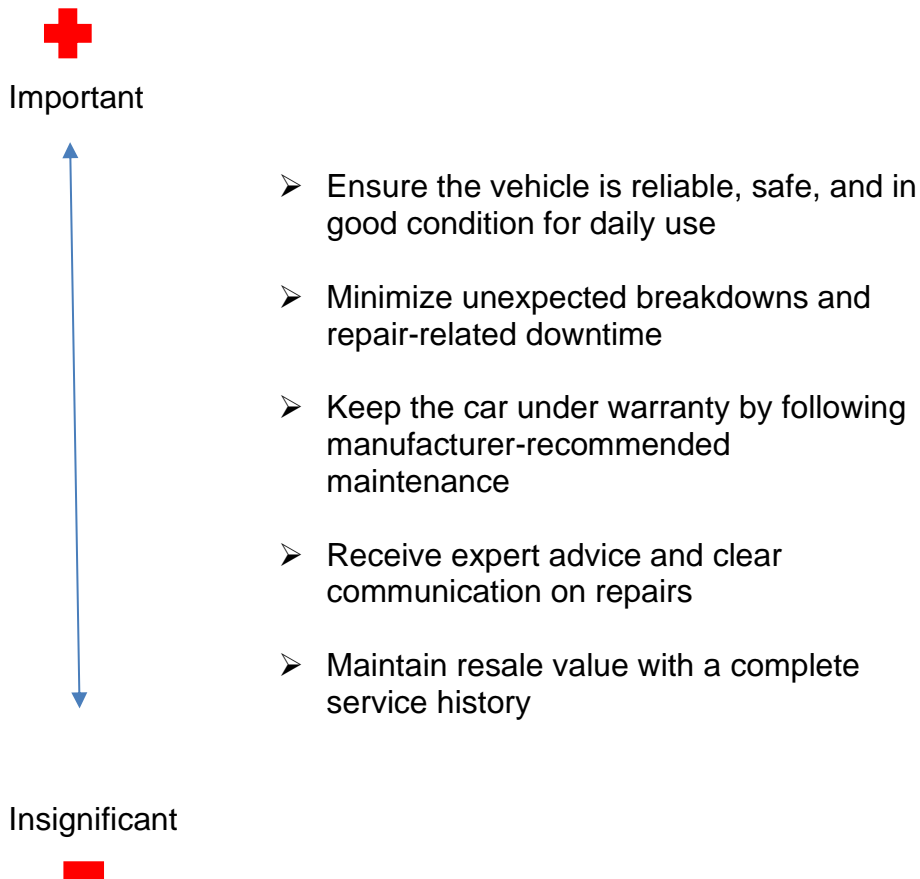
serviced, are becoming a requirement for many brands, but they continue to surprise customers in a positive way.

The electrification of vehicles also brings some new features to customer wishes and expectations. EV owners are more likely (than ICE vehicle owners) to ask for the latest available software version for their car. Software plays a bigger role in EV servicing, so owners expect that necessary updates are performed seamlessly, potentially improving efficiency, range, or features. Many also assume that workshops have charging infrastructure, so their car will be returned charged and ready to go. If a replacement car is needed due to repair, the EV owner expects it to be an electric car as well.

4.3.4 Ranking jobs, pains and gains

To support the development of a customer-centric value proposition, the next step in applying the Value Proposition Canvas involves ranking the identified customer jobs, pains, and gains. As Osterwalder et al. (2014) suggest, this ranking process is essential because it enables businesses to focus their efforts on the most impactful areas from the customer's perspective. Jobs should be organized by their importance, from critical to insignificant; pains by their severity, from extreme to moderate; and gains by their relevance, from essential to "nice-to-have."

Job importance



The most important job for customers is to ensure that their vehicle remains reliable, safe, and fully operational for daily use. This is critical because it directly affects both personal safety and the ability to manage everyday responsibilities. The next priority is minimizing unexpected breakdowns and avoiding unplanned downtime, which can cause significant inconvenience and disrupt the customer's routine. Maintaining the car according to the manufacturer's recommended service schedule is also highly important, as it ensures that the vehicle's warranty remains valid. Customers expect to receive correct and expert information on vehicle use and maintenance. This will also help them to ensure the best resale value for their vehicle in the long term.

Pain severity



Extreme



- Risk of expensive repairs
 - Unexpected or unclear repair costs
 - Costs — too expensive
 - Poor communication
 - Can't reach the service (phone, emails)
 - Inconvenience of arranging transport during servicing
 - Repeated issues or poor service quality
 - Opening hours
 - No parking space
- **Ev related**
 - Knowledge gaps and uncertainty:
 - EV service needs
 - Battery durability, Warranty (EV-components)
 - Battery replacement costs
 - Longer waiting times:
 - Limited availability of services and EV mechanics
 - Downtime because of waiting for new technology components
 - Risk of damaging the battery (impact)
 - Unclear service cost structure
 - Software problems

Moderate



The most severe pain points in car maintenance are related to financial risks, as they have a direct and rapid impact on the customer's daily life. The possibility of expensive repairs or unexpected, unpredictable costs is a cause for concern and can lead to significant financial consequences. This is particularly acute in the case of EVs, where the cost of repairing or replacing major components such as batteries is significant. In addition to economic uncertainty, the stress is increased by the fact that the final cost of a repair visit is not always easy to estimate in advance. This is compounded by the lack of information about EVs, concerns about battery durability and the complexity of EV component warranties, which make the customer's situation even more uncertain. In general, price was repeatedly mentioned in negative customer feedback as one of the pain points of the service experience.

EV owners have suffered from the challenges of new technology in the form of longer waiting times, whether due to a lack of skilled staff or problems with parts availability. Poor communication from the service provider is also a significant source of frustration, especially when customers feel they are not being informed about the repair process, schedule or pricing.

In addition, the inability to reach the service provider by phone or email exacerbates this problem, as customers are left without critical updates or answers to their concerns. Arranging transportation for vehicle maintenance is a recurring pain point, especially for those who depend on their car for daily tasks. Repeated problems or inconsistent service quality undermine trust in the service provider and increase the risk of problems.

Lower down in the order of importance are concerns about practical issues such as opening hours and parking availability. Although these factors affect the comfort of the service experience, they may not be as serious as financial risks, technical issues and communication problems.

Gain relevance



Essential



- Roadworthy, safe, and well-maintained vehicle
- Transparent pricing and no surprises on the invoice
- Timely repairs
- All services in one place
- Friendly and informative customer service
- Warranty-preserving maintenance from trusted professionals
- Free loaners
- 24/7 service drop-off options (service automate)
- EV-specific gains:
 - latest software updates
 - vehicle returned charged
 - replacement vehicle is electric
- Remote working possibility
- Bonus services (car wash, chocolates, service videos, discounts)

Nice to have



For the customer, the most important gain from the service is that the vehicle remains safe, reliable and usable in everyday life. The fact that everything goes as agreed, both in terms of price and schedule, is very important to the

customer, and this was also reflected in the positive customer feedback. During a busy daily routine, it is to the customer's advantage that all vehicle-related services are available in one place. This saves the customer time and effort, whether it's a scheduled service, bodywork, tyres or windscreen replacement. In addition, friendly and professional customer service left customers with a positive impression of the visit and had a clear impact on customer satisfaction.

Many customers will choose an authorised brand service, which gives them the assurance that the service has been carried out in accordance with the manufacturer's instructions, while maintaining the warranty. A free loaner vehicle is often included in the warranty repair, but some operators also use it as a competitive advantage to make it easier to get service. In the same category of ease of visit is the 24/7 service automates.

Software updates have gained importance in EVs. An electric loaner vehicle and battery charging during servicing have also become increasingly valued benefits among EV drivers. Other aspects, such as the possibility to work remotely during servicing and bonus services like a complimentary car wash, chocolates, service videos, or discounts, are appreciated but not essential from the customer's perspective.

4.4 Competitive setting

When it comes to car dealerships that also have after-sales services, factory standards very much determine what the shops look like inside and out, as well as some of the additional services offered. Carefully considered branding by the factory creates an image of quality and also an immersion in the brand world for the incoming customer. BMW, for example, has quite specific requirements for its shops and service points, and many customers who drive a premium brand will certainly also appreciate the quality of the shop's facilities.

It is therefore no coincidence that authorised dealers seem to be very similar, even in terms of the services they offer. Looking at the websites and advertising of the Case Company and a few other competitors, it is very difficult to find

value propositions in the car sector, at least not different ones. The two closest competitors to the Case Company, both geographically and in terms of branding, were selected for comparison. All three companies state on their websites that they are one of the largest or most significant car dealers in Finland. Two of the companies say that they are family-owned. There is no eye-catching promise or advertising slogan on any of the companies' websites or in their advertising. One of the competitors has clearly tried to launch the phrase 'you get more', as it is repeated on the website for many different services. As such, however, it is a rather generic and vague phrase and does not work as an effective value proposition.

There is also little difference in the range of services. When considering the Three Circles Framework introduced in the theory section, it appears that in the automotive sector, the branded offerings and value propositions of different automotive companies are closely aligned. Figure 12 below, illustrates the spectrum of supply and promises in the industry, based on the findings of this study. The companies' offerings are very close to each other with only very small differences to be found. How well they meet the real needs of the customer is a question mark. The Case Company should find ways to differentiate itself from its closest competitors, so that the new offering can take over the white space and make growth to area A.

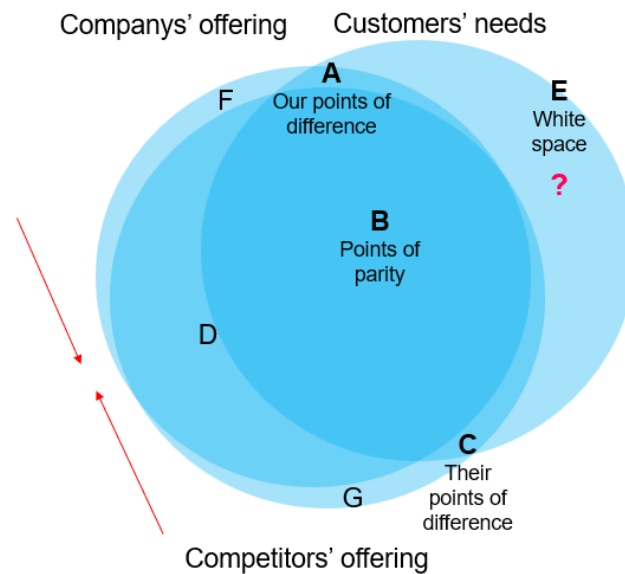


Figure 12. Three Circles of the Case Company's competitive setting.

Both Case Company and its competitors have a rich set of services on their websites. Under each menu you will find a lot of sub-pages. The number of services makes the website easily confusing and difficult to follow. The Case Company has been in business for a long time and this certainly adds variety to the services as new things are invented over the years and customer requirements change. Has the demand for some services also fallen over time as new ones have been added? The services offered should also be critically reviewed from time to time and some may be best to eliminate, if they have been fallen to areas D of F. Especially those that have upkeep costs, while at the same time demand has been low.

4.5 In blue ocean or in red ocean?

The Case Company competes in a very traditional, long-established sector and currently has little in its business to differentiate itself from its competitors. In Kim & Mauborgne's view, the Case Company is fighting in a red ocean. Now that competition is becoming even fiercer in the context of the technological revolution in self-driving vehicles, the red sea is becoming even more choppy.

The Blue Ocean Strategy starts by creating the current value curve. The value curves were compared between the Case Company and two competitors that had already been compared. Competitive factors were selected to include price of service, opening hours, additional services and financing options, as seen in Figure 13. These were all easy to find, mainly by searching the companies' websites.

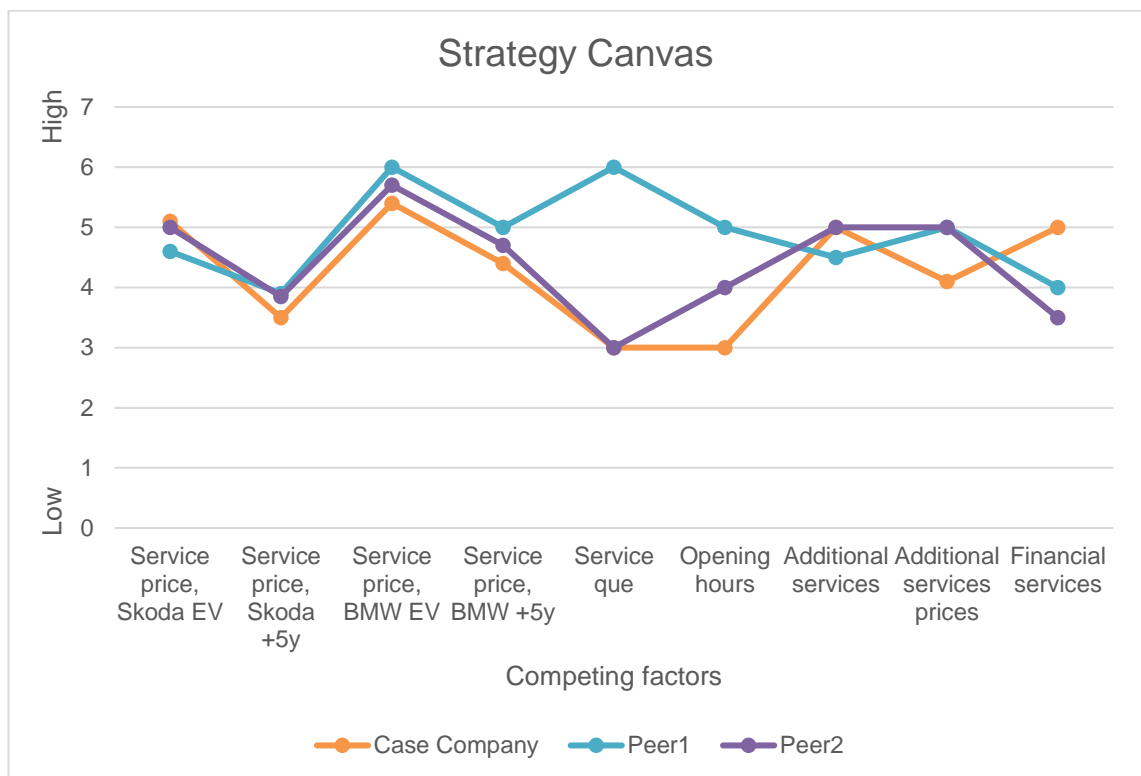


Figure 13. The strategy canvas of the Case Company and its closest competitors.

Two different car models from two different brands were included in the price comparison for servicing. One was a new EV model and the other an ICE vehicle over five years old. The price comparison was made based on a booking portal provided by the manufacturers, in order to match the contents of the service. Although the booking portal is the same for all authorised service providers, each organisation has been able to indicate the prices it applies to the portal itself. These manufacturers offer discounted maintenance for vehicles

more than five years old, but the amount of the discount is decided by each authorised service outlet itself. It was therefore reasonable to include them in the comparison to highlight any differences in pricing strategy.

For Skoda, the Case Company was the most expensive of the bunch for EV maintenance. The price was 8.8% more expensive than Peer 1 and 1.2% more expensive than Peer 2. For Skoda's over five years old, the Case Company had the most aggressive pricing, being 9.2% cheaper than Peer 1 and 7.0% cheaper than Peer 2.

In BMW the Case Company was cheaper than both peers in EV maintenance and in +5y ICE vehicle maintenance. The Case Company was 9.2% cheaper than Peer 1 for EVs and 9.1% cheaper for ICE vehicles over five years old. Compared to Peer 2, maintenance for the same benchmark cars was 4.9% and 4.8% cheaper in favour of the Case Company.

The operating model of all benchmark companies is quite similar, and it is assumed that their staff structure and costs are also comparable. For this reason, there are no dramatic differences in pricing strategies for maintenance services. All operators order the necessary genuine spare parts through the same importer channels, and the parts presumably cost the same for all. As a result, the key elements of price competition may include the discount rate applied to the retail prices of parts, the hourly labour rate, and charges for items such as oil and small supplies.

Overall, the prices of these four service elements were the lowest at the Case Company. Combined, the Case Company was 6.3% cheaper than Peer 1 and 4.0% cheaper than Peer 2.

The availability of maintenance services was assessed by making test bookings for maintenance of the same scope through the online booking systems of service providers. At the Case Company, an appointment could be booked three days ahead for both BMW and Skoda. At Peer 1, the waiting time for a service appointment was six business days for Skoda and seven business days

for BMW. Peer 2 was closer to the Case Company, with the waiting time for BMW maintenance being the same and the queue for Skoda one day longer.

There were significant differences in the opening hours of service providers. Peer 1 serves clients on weekdays from 7:00 to 18:00, while Peer 2 operates from 7:30 to 17:00. The service location of the case study company is only open from 8:00 to 16:00. This means that the Case Company's service hours are 1.5 hours shorter than Peer 2 and up to 3 hours shorter than Peer 1. The site analysed in this thesis was a pilot site for the company's new service model.

In this model, customer service is digitalised and customer interactions outside the hours of 8:00-16:00, including vehicle drop-off and pick-up, are handled through service automats. With this approach, the Case Company aims to improve customer service efficiency during the day by compressing shifts while also managing costs in the future.

All service providers offer a fairly wide range of additional services, some of which are likely more essential to customers than others. The comparison focused on the most common additional services as well as those most frequently requested by customers. All providers offered services such as car rental, pick-up and drop-off service, car wash, inspection service and tyre hotel. A 24-hour drop-off and pick-up service automat was available at both the Case Company and Peer 2. However, Peer 1 did not mention this service on its website, nor was it found during an on-site visit.

The price of the additional services was also chosen as a competing factor. Table 3 shows the most common additional maintenance services and their prices.

Table 3: Additional services prices.

Additional services prices	Case Company	Peer 1	Peer 2	CC vs. Peer 1	CC vs. Peer 2
Car rental	33 €	59 €	70 €	-44 %	-53 %
Car wash	18 €	55 €	35 €	-67 %	-49 %
Inspection service	99 €	90 €	91 €	10 %	9 %
Tyre hotel	133 €	150 €	151 €	-11 %	-12 %
Total	283 €	354 €	347 €	-20 %	-18 %

The table compares the Case Company's prices to its competitors. The Case Company was the most expensive only for the inspection service, while for all other services, it was more affordable than its competitors. Both rental cars during maintenance and hand car washes were significantly cheaper at the Case Company compared to its competitors. Overall, the Case Company's additional services were 20% cheaper than Peer 1 and 18% cheaper than Peer 2.

One of the competing factors chosen was maintenance financing options. Servicing a modern vehicle can be costly, and there has been a growing demand for various financing solutions. All providers offer at least one alternative payment method beyond direct payment.

Among them, Peer 1 appears to have the most limited offering. It provides only a maintenance fund (€300, €600, or €1,000), which seems to function as a customer deposit that can later be used for maintenance or spare parts purchases. This deposit can also be made as part of the vehicle purchase, meaning it can be added to the total transaction amount when buying a car, allowing customers to offset future maintenance costs.

Peer 2 offers a similar maintenance fund but also provides a bank financing option, where the first three months are interest-free, though a billing fee still applies. The Case Company offers a financing solution where customers receive 10 months of genuinely interest-free and cost-free payment time for maintenance or spare parts purchases. The 10-month term is designed to simplify the sales process, as the monthly instalment can be easily calculated by shifting the decimal point.

From the customer's perspective, the Case Company's financing option appears the most attractive.

Important competing factors could have also included staff expertise and customer satisfaction, but these are difficult to evaluate for competitors. The Case Company's own rankings based on manufacturers' NPS (Net Promoter Score) measurements are available, but since competitor names are anonymized in the data, direct comparisons cannot be made. Using Google reviews for comparison was also not feasible. Some locations only allow ratings for the entire dealership, including car sales, while others enable reviews to be directed at specific service brands. As a result, it was impossible to obtain comparable values through this method either.

4.6 Summary of the analysis

EVs currently represent a small but rapidly growing share of both the national vehicle fleet and the company's service volume. This change will be felt much more quickly in an authorised service, like the Case Company, than in the general car fleet, because the average age of the cars being serviced is newer. Since EVs require considerably less maintenance than traditional ICE vehicles, service-related revenue is projected to decline. This will further intensify competition between service providers.

The Customer Value Canvas revealed that aftersales customers primarily value reliability, transparency, and convenience. The most important customer jobs are ensuring their vehicle remains safe and operational, minimizing downtime, and maintaining warranty through expert service. Less critical, but still relevant, are resale value and receiving advice. The most severe pain points are related to financial uncertainty, including unexpected costs and the high price of EV-related repairs (notably batteries). Other major frustrations include poor communication, long wait times, and logistical issues such as arranging transport during service. Essential customer gains include a roadworthy vehicle, clear and timely service, all-in-one service access, and warranty-preserving expertise. EV-specific gains, such as software updates, a charged return vehicle, and electric loaners, are signs of a changing landscape. Perks like remote workspaces or small bonuses are seen as nice-to-haves, not essentials.

The competitive analysis showed that authorised workshops operate in a crowded and relatively undifferentiated market. Most service providers offer similar services, and few have articulated a clear or distinctive value proposition. The Three Circles Framework suggests that the Case Company's offering overlaps heavily with competitors, and several underutilised services may no longer be relevant. The Blue Ocean Strategy perspective highlights a need to break away from traditional service models and seek innovative ways to create value for customers in the EV era.

These insights will guide the development of recommendations in the following section.

5 Developing recommendations

In this section initial recommendations for the Case Company are developed. The development of recommendations draws on the tools presented in the Conceptual Framework and the key findings from the previous analysis.

5.1 Overview of this data phase

The objective of this thesis was to create recommendations for improving aftersales competitiveness through customer value proposition in the transition to EVs. In the previous section, customer value proposition tools were used to understand the current situation and customer needs. In this section, the same tools will be taken further and finally used to generate initial recommendations.

For this data phase, a workshop was organized with the same service managers as for the current state analysis. They were familiar with the Value Proposition Canvas, as the customer profile side of the canvas was completed in the previous step. Now the focus was on the Value Map side. In addition to the Value Map completion, the workshop introduced the 4-actions framework of Blue Ocean Strategy and completed the ERRC-grid.

Based on the findings of the workshop, a few targets were selected for which recommendations were developed. A summary of the recommendations is provided at the end of this section.

5.2 Insights of Data 2 collection workshop

On the other side of the Value proposition canvas is a value map, also divided into three segments: products and services, pain relievers and gain creators. This can be used to test how well the company's current value proposition meets the points raised in the customer profile. The Case Company is a long-established, trusted authorised service provider, so it matches well with the customer's perception of it as a supplier of basic maintenance needs. The value map, shown in Figure 14, was completed in a workshop, where the focus was not on current value propositions but on new ways to meet the needs highlighted by the customer profile.

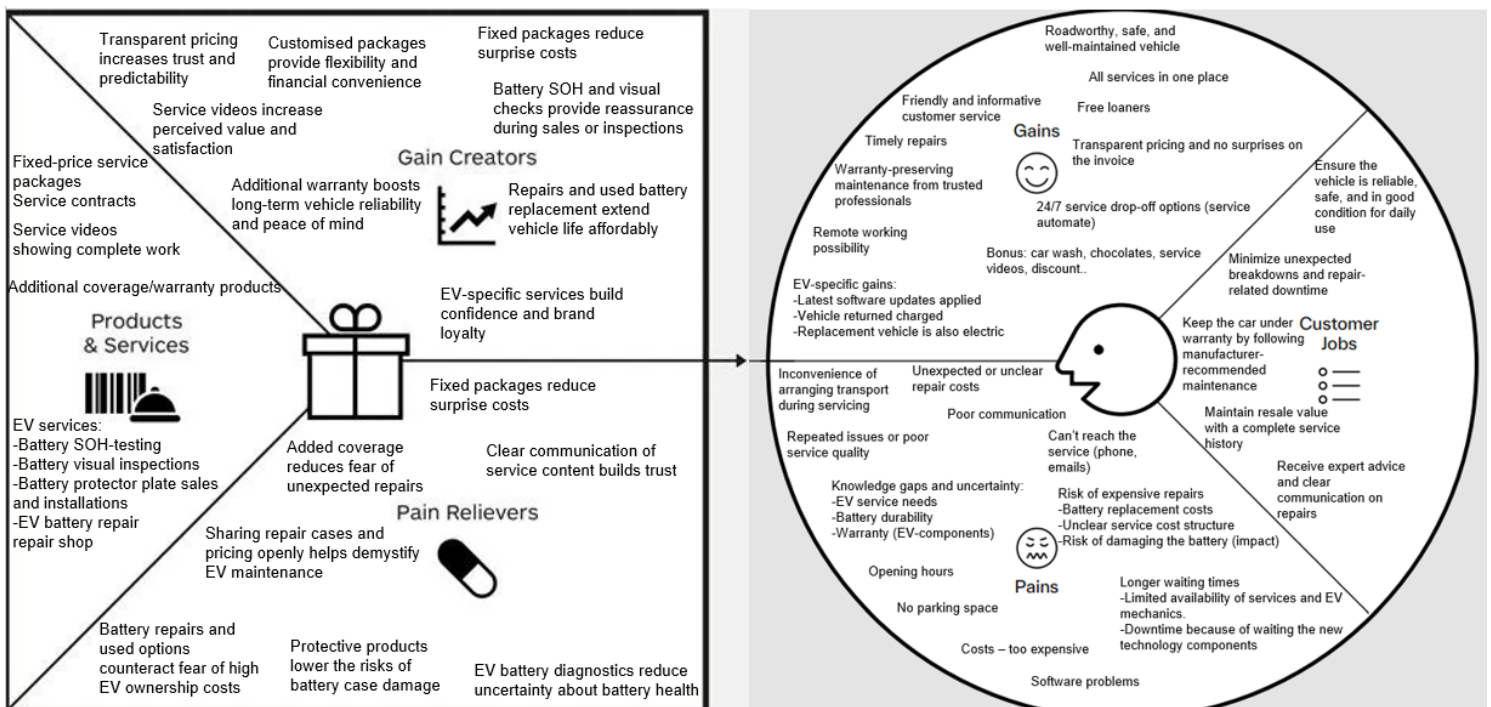


Figure 14. Value map filled at the workshop.

Many of the pain points experienced by customers were related to the fact that they perceived the aftersales service as expensive and this was chosen as one of the issues to be addressed. Another area of concern was the fear of expensive breakdowns. Both issues were also ranked as the most severe pain points in the previous section and therefore included in the issues to be

addressed. Concerns about EVs were taken as a separate issue, as their importance will grow at an accelerating pace in the future. New or adapted products and services were developed based on these themes. The proposed offerings were created by examining how the selected customer pain points could be addressed through practical solutions that either alleviate pains or create gains for the customers. As outlined in the conceptual framework, the strongest form of customer value proposition, resonating focus (Anderson et al. 2006), is achieved by focusing on just a few points. The aim is therefore not to tackle all the points that were presented in the previous section, but to focus on the most essential ones.

In addition to completing the value map, the workshop explored the Blue Ocean strategy tool ERRC-grid. The task proved to be quite challenging, but a few things were noted down, as shown in Figure 15.

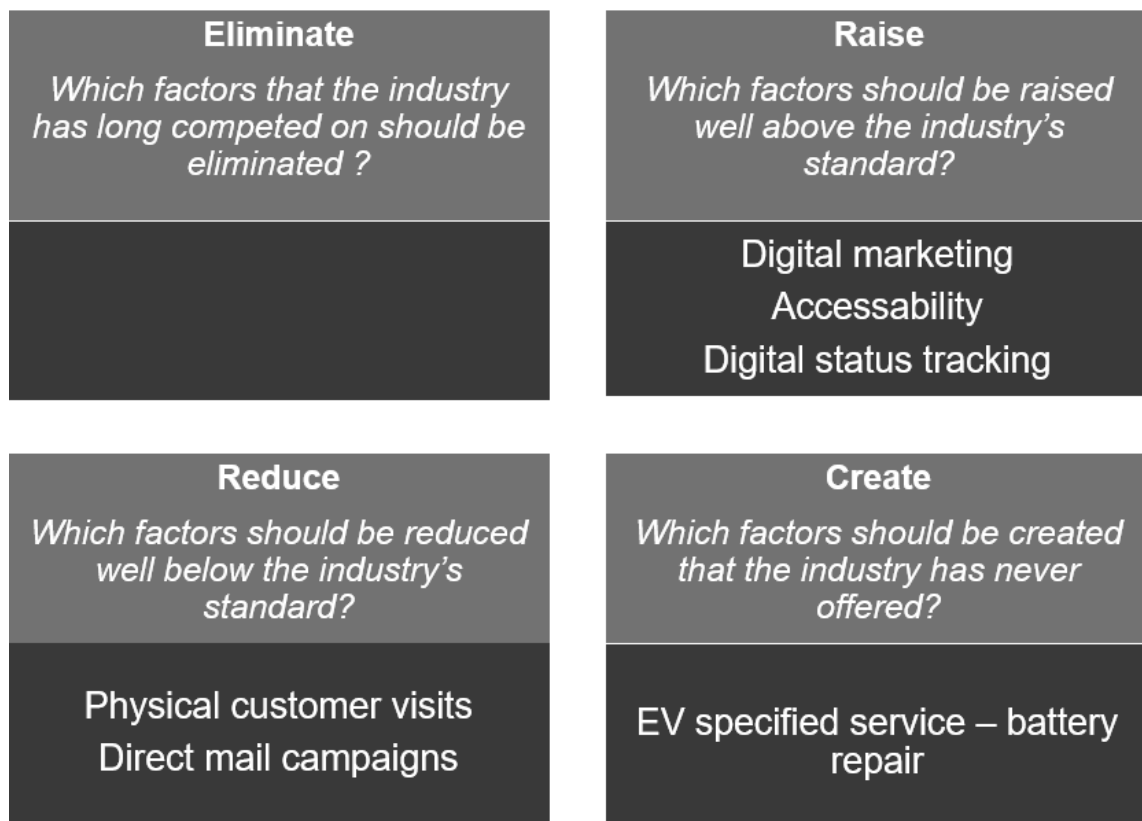


Figure 15. ERRC-grid filled at the workshop.

The Case Company aims to reduce the number of physical customer visits and direct customers to more 24/7 service automats. Face-to-face service hours have already been reduced and to meet workload targets, the utilisation of automats needs to be increased. No similar model exists for other operators, so physical customer visits were noted in the reduce field.

The Case Company spends a fairly large proportion of its marketing on direct mail. Workshop participants felt that direct mail marketing is old-fashioned. Printing and mailing a marketing letter is a rather expensive way to advertise. In addition, it is quite challenging to measure the effectiveness of a marketing campaign carried out by physical letter. One participant pointed out that letters are not in line with current trends, sustainability and environmental responsibility. The workshop felt that the company should reduce print advertising and shift the focus to digital marketing.

The workshop argued that accessibility should be made a competitive advantage for the Case Company. Digital tracking of maintenance is a related topic. Automated status updates would reduce the number of calls in the middle of the service process and therefore increase the possibilities for efficient handling of other contacts. Both issues were put into the Raise field. A workshop specialised in EV battery repairs was added to the Create field, the need for which had already become apparent when the Value Map was filled in.

5.3 Developing recommendations for fixing perception of high prices

The Case Company, as an authorised dealership with large outlets and highly trained staff, cannot and will not compete on price alone against independent operators or even other authorised dealerships. The car sales and aftersales business has been struggling for the last few years and for many operators it has been a challenge to make a profit. Companies simply cannot afford to engage in a price war against each other that will further reduce margins. The

Case Company should differentiate itself by offering its customers by added value different from other players, rather than positioning themselves as the cheapest option in the market.

Fixed, clearly informed service packages could be an easy way to address the high pricing experienced by customers. This would at least increase the transparency of pricing and thus not surprise the service customer. Fixed price packages have been seen in marketing, so it is not a new idea, but it could be used more widely and effectively.

The feeling of a high price is often also since the customer might not fully understand what has been done during the service and, of course, some may also have doubts about whether all the invoiced activities have been carried out at all. Service videos are already being filmed. They are often generic and show the standard items regardless of the service or repair carried out. In most videos, the mechanic walks under the car, showing the condition of the underbody and the treads of the tyres. It is certainly a relief for the customer to know that everything is in order in these areas, but one may wonder if they are just getting an inspection for the price of the service.

Instead, service videos should focus on showing the customer what they got for their money. Even in a small maintenance operation, the most common thing to replace is the fresh air filter. In the video, the mechanic could film the old and new filters side by side. The customer will probably understand, but it's even better when they are told that replacing the filter makes the car's air conditioning work better and the customer and any passengers breathe cleaner air. The same works with almost any component. Brake pads or discs, the customer bought safety instead of just wearing components.

These are small changes that could improve the customer experience for the price-value ratio. It is also possible to make bigger changes to the service pricing. The Case Company could tailor its own service packages to customers. The packages would be agreed for a certain period, including a certain number

of kilometers, and all maintenance included in the period would be included in the package. The packages could be charged either as a monthly fee or, if the customer so wishes, as a one-time payment. A one-time payment may be a more sensible option, for example, in connection with car purchase, in which case the price of the package could be included in the amount of the car loan.

Service packages would bring up-front cash flow to the business and build strong customer loyalty. Service packages could be priced to make it attractive to the customer and inflation protection for the coming years could also be used as a selling point. Service packages could also be of different scope. The basic version would only include scheduled maintenance, and the more comprehensive version would also include wear & tear parts, such as brake parts and belts.

Some manufacturers are already offering service contracts, but the money and the benefits of selling them are not going to a service provider like the Case Company. Selling this kind of service contract does tie the customer to the authorised service, but the customer may as well have the next service done by a competitor. In addition, manufacturers may have discounted prices for the service provider, so this model leaves less margin for the service provider than a customer paying for the service directly. The Case Company would be able to build a service contract that goes beyond the manufacturers by adding its own elements, such as seasonal tyre changes, a tyre hotel or even a replacement car.

5.4 Developing recommendations to reduce customers' fear of expensive breakdowns

Another clear pain point in the customer profile is the fear of expensive repairs. The warranty on a new car makes the first few years worry-free, but many manufacturers only cover the first two years. After that, concerns grow year by year as the car ages. Additional coverage is sold, for example, in connection with a used car sale, but the provider of the coverage is often third party, as is

the case with the Case Company. The Case Company should take on the additional coverage sold in connection with car purchase.

Selling additional coverage has been a profitable business for third parties. In connection with the sale of a used car, selling an additional coverage is particularly profitable for the company that sold the car, because due to liability for defects, the seller would in any case be responsible for the costs that would arise soon after the car sale. In this way, the money received from the additional coverage would always be an advantage, although the additional coverage may increase the seller's liability for damages. The additional coverage would be quite easy to implement so that the funds received from the sale would go into a pool and the corresponding repair costs would be invoiced from there. The development of the profitability of this business model would be easy to monitor and it would be possible to react quickly to changed situations. There would also be no need to completely reinvent the wheel, as products already exist with complete warranty terms.

The sale of additional cover should be seriously considered in the context of used car sales, but the possibility of marketing a similar product to service customers could also be considered. The risks need to be calculated, but the product could be considered for a car that meets certain criteria and has a full-service history. This would allow the Case Company to obtain a counterpart repair from the importer, even if the warranty has expired. In such a case, the risks of the additional cover would only partially materialize.

5.5 Developing recommendations to address EV owners' concerns

The technology of EVs is new to customers and creates many uncertainties. Customers are uncertain about the maintenance needs of EVs, correct use, correct charging, battery life, warranty of components, etc. The risk of damage to the battery or battery case is also often on customers' minds. The Case Company has all the necessary prerequisites to profile itself as the best EV specialist on the market thanks to the product support and training it receives

from the manufacturer. The Case Company needs to be on the cutting edge of development to be a winner in the EV future.

An easy and quick way to start this, which could already be implemented, would be to effectively commercialise battery SOH-tests (state of health). Almost any manufacturer's tester can perform a quick test of the battery's condition. There are also universal testers, such as Aviloo, which can quickly generate a test report for almost every EV model. Many customers are interested in battery condition, but this service is not yet actively available at authorised service providers. The service could well be in high demand in a customer-to-customer car sales situation. Over-the-air (OTA) fault diagnosis and software updates are also possible with certain brands. These are not yet exploited to anywhere near their full potential. With BMW, for example, it is possible to perform a SOH-test on the battery via OTA connection.

In addition to the battery SOH-test, checking the external condition of the battery can be of great value to the customer. Even small traces and dents in the battery or battery case can cause a big problem for the customer, for example during the inspection. In the worst case, the car will not pass the inspection without a battery replacement and the cost of a battery replacement can be passed on to the customer. A visual, documented check of the condition of the battery may well be a service for which the customer is prepared to pay. The same concern could be addressed by additional battery protector plates. There are currently a few manufacturers of battery protectors. They are model-specific and are attached to the bottom of the EV to provide additional protection against possible impacts. The Case Company could explore the business potential in the sale and installation services of protective plates by contacting the manufacturer of the plates.

The ageing and durability of EV-batteries is a concern for customers. Manufacturers give quite long warranties on batteries, for example 8 years or 160.000km for Skoda. As the warranty nears its end, the price of EVs will experience a steep decline. The reason is that a new battery for an EV costs a

lot, and it no longer makes sense to buy one for a car that is out of warranty. So there is a risk that when the battery breaks down, the electric car will become an expensive pendant. It has been reported in the media that EV batteries cost up to 30-40 thousand euros. No wonder the risk scares customers. However, some batteries can also be repaired by replacing components. It is also possible to replace a broken battery with a used one.

In a small town in Finland, Kokkola, there is an independent repair shop (Kokkolan Autohuolto Oy) that has carried out battery repairs and posted videos of the cases on social media. The repair shop has gained a lot of reputation in the media and among EV customers as a place that can repair batteries at a reasonable cost. The Case Company, with its own, much larger resources, could gain a foothold in the metropolitan market with a similar approach. That is, to market itself as a battery repair company that can also replace a broken battery with a used, healthy battery. To do this, it would need to have reasonable channels for sourcing used batteries. The best place to find usable batteries would be in collision damaged cars. However, since the market in Finland is small, the company should focus on sourcing used batteries from elsewhere in Europe. Once the procurement channels are in place, the repair should be undertaken boldly, and the repair and its price should be presented through digital channels. The use of social media continues to grow thanks to an ever-wider user base and, as we can learn from the example of Kokkola, it is an extremely effective marketing channel when the topic is interesting.

5.6 Other recommendations

In general, vehicle service providers do not have the best reputation for accessibility. Based on feedback, the Case Company is no exception to the rule. This could be an area where it could differentiate itself from its competitors. The Case Company's pain point is the high call volume. During a busy working day, the direct response rate is modest and there is a delay in return callbacks. Calls are routed by IVR (Interactive voice response) either to a service

appointment, which is answered by a Call Centre, or to the dealership if the issue is with a vehicle under repair.

The Call Center handles calls better than the service departments at the sites. Many of the calls to the branch are related to the status of the customer's own vehicle. While improving call answering is important, reducing the number of incoming calls would be even more effective. To address this, the Case Company could consider introducing a digital service tracking system that provides real-time updates, service progress notifications and digital service reports. These improvements would reduce uncertainty during the service process, support better communication, and align the aftersales experience with customer expectations for transparency and convenience.

Where possible, call answering could be improved by assigning some staff specifically to call handling, particularly during peak times. In addition to telephone services, the Case Company could offer other digital communication channels, such as a chat service. A business version of WhatsApp, for example, could be worth trying. Often, when a customer calls to ask about the status of their car, the supervisor must leave the workshop hall to check the situation and then call the customer back. If the customer's query was received immediately via a message, it could save at least one or two calls. However, the response time for chat or WhatsApp should be kept short to ensure the service genuinely adds value for the customer and does not end up working against itself.

5.7 Summary of the initial recommendations

A summary of the initial recommendations is shown in Table 4. The table is headed by the issue the service or product is trying to address and the second column is the expected benefit of the service or product.

Table 4: Initial recommendations.

High perceived prices	Expected Benefit
Fixed-price service packages	<ul style="list-style-type: none"> ➤ Increases price transparency and predictability
Enhance service videos to show actual work done (e.g. parts replaced)	<ul style="list-style-type: none"> ➤ Improves trust and perceived value
<p>Service contracts with optional monthly or one-time payments</p> <ul style="list-style-type: none"> • Offer tiered service packages (basic vs. comprehensive with wear & tear parts) • Include value-added extras (e.g. seasonal tyre changes and hotel, replacement car) 	<ul style="list-style-type: none"> ➤ Builds loyalty, improves cash flow, combats price perception ➤ Tailors offer to different customer segments ➤ Differentiates the Case Company from manufacturer packages
Fear of Expensive Breakdowns	Expected Benefit
Develop Case Company-owned additional warranty coverage for used cars	<ul style="list-style-type: none"> ➤ Captures value currently lost to third parties, reduces customer risk

Consider offering maintenance-linked coverage for eligible service customers	➤ Builds trust, increases customer retention
EV-Specific Concerns	Expected Benefit
Commercialize Battery SOH-tests (state of health)	➤ Builds peace of mind, supports resale value
Offer visual battery condition checks with documentation	➤ Builds peace of mind, supports resale value, reduces disputes related to damage responsibility (insurance, leasing returns)
Explore battery protector plate sales and installation	➤ New revenue stream, addresses real customer concern
Start battery repair and replacement service using used batteries	➤ High customer value, strategic growth area
Market battery expertise via social media	➤ Positions Case Company as an EV expert, builds EV repair awareness
Other recommendations	Expected Benefit
Implement digital service tracking (status updates, reports)	➤ Reduces calls, improves experience

Introduce digital chat channels (e.g. WhatsApp Business)	➤ Enables flexible, asynchronous customer communication
Consider moving marketing to digital channels	➤ Cheaper, more effective? environmentally friendly

In the next section these initial recommendations are presented to a decision maker of the Case Company for feedback. Based on the feedback corrections and adjustments are made before the final recommendations.

6 Feedback and validation of proposed recommendations

In this section, feedback on the proposed recommendations is gathered. Based on the insights received, the recommendations are refined and adjusted before presenting the final version. The validation of one idea will also be tested using the tool presented in the conceptual framework.

6.1 Overview of this data phase

Feedback for this phase was collected from the Case Company's decision maker. Decision maker is the head of aftersales and is part of the company's executive team. The decision maker knew the outline of the thesis topic in advance but otherwise was not involved in the process.

First, the topic of the thesis was introduced, the different stages of the work were gone through to give the participant sufficient background information about the objectives of this one-to-one. The participant was briefed on the basics of customer value creation and was shown videos of both the Value Proposition Canvas and the Blue Ocean Strategy, which were the main tools for building the recommendations. The Three Circles Framework was presented to illustrate that the Case Company's current offering does not significantly differentiate it from competitors.

The decision maker was then presented with the completed Customer Profile, including the items selected for the recommendations and the criteria for the choices. The next step was to go through the completed Value Map and the ERRC-grid. The summary of the recommendations was then gone through point by point and feedback was collected after the presentation of the items. Seven

questions had been prepared to collect feedback, but only a few were used in the end. Based on the feedback, the idea of a new recommendation that combines the themes was developed and tested using the Value Proposition Builder.

6.2 Feedback received and the corrections to the proposed recommendations

The author of this thesis has not been with the Case Company for very long. Therefore, the first question was whether any of the recommendations had previously been considered by the Case Company. A few were found: a service contract, additional insurance for a used car sale and a marketing digitalisation project was also planned.

A service contract had been on the drawing board for years but had not been implemented. At that time, car manufacturers did not yet offer their own service contracts. The decision maker recalled that the management of service contracts had been perceived as difficult at that time. A potential barrier to current implementation could be the manufacturers' own competing products. Manufacturers may not be comfortable with dealers selling their own service contracts. However, the decision maker considered it a possible idea to implement service contracts for cars for which the manufacturer no longer offers a contract. In most cases, this means a slightly older fleet of cars.

The Case Company has considered taking on the sale of additional warranty for used cars. It is currently under consideration by the head of used car sales. It was concluded that the current service provider does a profitable business with the service and taking it in-house could be a good addition to company's business as well. Managing this will require resources, estimated at 1-2 people. However, the decision maker thought this was a good proposal and as such it remained in the final recommendations.

The Case Company has relied heavily on direct mail for its service advertising to this day. The HubSpot project has been started and the aim is to shift the

focus of marketing away from print with this. Customer email collection has been enhanced in both car sales and service to ensure that customer data is as useful as possible for the transition to HubSpot.

Other recommendations related to customers' price perception, such as the further development of fixed-price maintenance packages and adjusting the focus of service videos to better highlight the value delivered, were well received by the decision maker. Although fixed pricing is already in use, it was agreed that there is potential to expand its application. A shared understanding emerged that while the current service video format may create a strong first-time impression due to its novelty, repeated use may lead to a need for more varied content. During the discussion, a recent case was presented in which a video had been used to explain a costly repair to a customer. The repair involved replacing the heater element. To replace the element, the heater had to be dismantled from the car and the entire dashboard had to be removed to remove the element. The video helped the customer understand why a substantial amount of labour was charged, even though the component itself was relatively inexpensive. The decision maker thought this was a great idea and suggested including videos in digital marketing done through HubSpot.

The decision maker thought the proposals related to EVs were good. Both the battery SOH test and the visual documented inspection were both services for which he believed there was demand. The decision maker suggested that the services could be combined into one package and sold as a battery health check. The decision maker also considered battery repair activities to be a good initiative and, in connection with a previous proposal, he suggested developing battery coverage or warranty product. It could be sold to EVs for which individual battery modules are available, without having to replace the entire battery.

Telephone service or accessibility has been an acknowledged problem at the Case Company. The decision maker was therefore in line with the recommendations, and it is worth working on innovative solutions. Both digital

tracking of service and new ways of communicating with the customer remain among the recommendations.

In addition to these recommendations, consideration was given to selling tyres at a monthly charge to EVs. Due to their high mass and power, EVs consume more tyres than ICE-vehicles. A service could guarantee that the customer will always drive on tyres with a safe tread. In addition, the ERRC grid was also considered. Services that are no longer or only little used should be eliminated. In terms of workshop efficiency, waiting times should be reduced and this is achieved by raising the level of advance preparation.

6.3 Validation of the EV service package concept using the Value Proposition Builder

The feedback received prompted a synthesis of ideas from the initial recommendations. A separate service could be developed on the maintenance contract, the additional guarantee and the main concerns of EV owners. The target customer group would be EV owners with a car a few years old. This is because a manufacturer's competitive product for maintenance is available for new cars. The idea can be tested using the Value Proposition Builder (Barnes et al., 2009) presented in the conceptual framework. It consists of six steps to test the idea. It can be used for example to test the EV service package concept.

1. Market - The specific group of customers you are targeting

EV owners nearing the end of their factory warranty, particularly those concerned about battery durability and maintenance predictability.

2. Value experience - Benefits minus cost, as perceived by customers (current offerings)

Existing services are built for ICE-vehicles. The maintenance needs of EVs are unclear and there is no visibility of the battery condition.

3. Offerings - The product/service mix you are selling

EV-specific maintenance package including regular service, battery SOH-diagnostics, and optional post-warranty battery protection, delivered by certified brand technicians.

4. Benefits - How your offering delivers clear customer value

Peace of mind, predictable maintenance costs, improved understanding of battery condition, and reduced risk of expensive post-warranty failures.

5. Alternatives and differentiation - How you are different from and better than the alternatives

Unlike independent workshops or generic service plans, this package is tailored specifically for EVs and built on brand expertise. It uniquely combines software-level diagnostics, battery protection, and long-term service continuity in one clear offer.

6. Proof - Substantiated credibility and believability of your offering

- OEM-approved SOH-testing tools and procedures
- Historical data and diagnostics from brand service network
- Certified EV technicians with brand-specific training

Based on this experiment, all the sections of the Value Proposition Builder could be filled in reasonably well. It could therefore be an idea to take forward. Of course, precise calculations are needed to determine the price at which this service could be sold. Calculating the maintenance costs is relatively easy, but estimating the battery warranty is more difficult. The risks in case of warranty cases can be reduced by an efficient process, and by procurement channels for used batteries and modules.

6.4 Summary of final recommendations

The final recommendations presented in this thesis were shaped through a combination of conceptual tools and practical feedback from the Case Company. Key customer pain points such as perceived high service costs, fear of unexpected repairs, and EV-specific concerns were used as the foundation for developing tailored offerings.

Table 5: Final recommendations.

<p>EV-specific service package</p> <p>A bundled maintenance concept tailored for EV owners nearing the end of their factory warranty. Includes regular service, battery State of Health diagnostics, and optional post-warranty battery protection. The concept was validated using the Value Proposition Builder.</p>
<p>Adding EV services to the offer</p> <p>Introduce a commercial SOH test and visual battery inspection, bundled as a battery health check. Additionally, explore adding protective plates to the product range.</p>
<p>Extended warranty for used cars</p> <p>Develop an in-house warranty product for used cars to replace the current external provider. Considered both strategically sound and financially promising.</p>
<p>Expansion of fixed-price service packages</p>

Broaden the scope of fixed-price maintenance packages to address customer concerns about cost predictability and transparency.

Service contract for cars for which no manufacturer's package is available

Assess the market potential and customer demand for a dealer-provided service contract for vehicles not covered by manufacturer offerings.

Service video content development

Evolve the use of service videos to better explain the value of repairs and maintenance. Additionally, leverage videos in digital marketing to build trust and improve communication.

Digital tracking and new communication channels

Implement digital service tracking tools for customers to follow service progress in real time. Explore the use of more personal communication channels, such as WhatsApp-style messaging, to enhance transparency and customer engagement.

EV tyre subscription service

Explore the feasibility of a monthly tyre subscription service for EVs to ensure driving safety and cost control, addressing the higher tyre wear typical of electric vehicles.

Operational improvements based on the ERRC-grid

Improve workshop efficiency by eliminating outdated services, reducing waiting times, and enhancing advance preparation.

This was a summary of the final recommendations. Value proposition can be developed around these recommended services, once it has been calculated that the new service is profitable and is ready to be launched.

For example, an EV service package could be marketed as "Peace of mind for EV owners - today and in the future"

We offer EV customers transparent and predictable maintenance, covering battery health, consumables and unexpected situations - all carried out by brand experts. So you always drive with confidence.

Or, to tackle the accessibility problem, you could advertise "Modern care - on your terms"

With us, servicing is as digital and seamless as using your EV. We communicate with you via WhatsApp, we show you a video of what we're doing and you follow the progress of your service in real time.

7 Conclusions

This final section of the study contains an executive summary, recommendations for the practical next steps, a self-evaluation of the thesis and its results, and finally the closing words.

7.1 Executive summary

Competition in the automotive aftersales market is intense. The increasing share of electric vehicles (EVs) amplifies this challenge, as EVs require less maintenance than traditional combustion engine vehicles. The aim of this thesis was to improve the Case Company's competitiveness, and as the research progressed, the customer value proposition was chosen as the main development tool.

The thesis begins by outlining the business challenge and the research methodology used. The theoretical framework was built around the concept of customer value proposition. It emphasized the subjectivity of value – what one customer values, another may not – and introduced tools to analyse and improve value creation. These included the Value Proposition Canvas, the Blue Ocean Strategy, and the Three Circles Framework for competitive positioning. The Value Proposition Builder was also used later to evaluate proposed recommendations.

The next stage involved a current state analysis. This began with a review of EV adoption in Finland and its effect on workshop operations. While national EV growth has been moderate, the pace is significantly faster in the Case Company's customer base. In 2024, approximately 14% of workshop throughput consisted of EVs, and this number is expected to rise rapidly. The analysis also compared the service needs of EVs and ICE vehicles. For example, Deloitte estimates that EV servicing reduces labour hours by 30–45% and parts revenue by 20–30%.

The customer-centric perspective was refined by using the Value Proposition Canvas customer profile, where the target group was the service customer, not just the EV owner. The work identified the customer's jobs, pains and gains. This was done in a workshop with service managers and by analysing customer feedback from 2024 from the site in question. High price perceptions and fears of expensive repairs emerged as pain points. The specific concerns of EV owners were also raised, as their share will increase in the future. The services offered by the Case Company and its competitors were also reviewed in this section. It was found that the differences between the operators are limited.

This was followed by the development of recommendations based on the previous findings. This involved further use of the Value Proposition Canvas, particularly its Value Map, which aimed to identify solutions to the pain points that emerged from the customer profile. In particular, the focus was on high price perception and specific needs related to EVs. At the same time, the Blue Ocean Strategy model was used to consider which elements should be eliminated, reduced, raised or created in the sector.

The initial recommendations were presented to the decision maker and the feedback was used to formulate the final recommendations. The main recommendations were services related to EVs, such as maintenance contracts and battery insurance, and individual products, such as battery health checks. The transfer of used car extended warranty from an external supplier to an in-house product was seen as feasible and strategically sound. The development of service videos with a focus on customer value and the development of digital services, both in terms of service tracking and communication, were also seen as ways to improve the attractiveness of the Case Company. These recommendations aim to help the company improve its competitiveness in the aftersales business by addressing EV-specific customer needs and aligning its service offering with a stronger customer value proposition.

7.2 Practical next step recommendations

The practical next step recommendations are presented in order of ease of implementation, beginning with actions that are quick to launch and require minimal investment or structural changes.

Expansion of fixed-price service packages

These are already used in so-called throw-in services, which contain only the minimum. Pre-packaged prices could also be used for more extensive maintenance and repair work, and of course to market dedicated fixed-price maintenance or inspections for electric vehicles. Of course, increasing package pricing requires work, but the price of a service or repair can be calculated quickly from factory systems and it is easy to create an attractive package price.

Adding EV services to the offer

For EV services, a battery SOH test and a visual inspection would be ready for deployment. These could be bundled together and sold as a battery health check. This could even be offered as a promotion during the servicing of an EV, which could help to attract more customers. This could be advertised on social media and the word would spread quickly on EV forums. The SOH test can be done by any mechanic and would not take much time. There should be a procedure for the visual inspection, as well as for documenting it.

Service video content development

Among the easy-to-start improvements is a change to the maintenance video. This needs to be discussed with the mechanics and examples given to familiarise them with the possibilities. If necessary, additional training for mechanics on how to make videos is also needed.

Extended warranty for used cars

This service is also easy to implement with the Case Company. A similar product is already being sold and the content and terms of the warranty could quite easily be adapted from the existing product. The maintenance of the system, mainly the processing of claims decisions, would require a resource. Sufficient expertise could be found among experienced supervisors. There is a financial risk in the service, but the liability of a used car sold through the Case Company is there anyway.

Digital tracking and new communication channels

This needs to be clarified. A specialist from the Case Company's IT or development side could first find out what options are available. There is tracking available for the current DMS (Dealer management system), but it should be investigated if there are better ones on the market. Similarly, for instant messaging to reduce the number of calls, the best way should be found. However, the need for both services exists, so it is not worth leaving this unexplored.

Service contract for cars for which no manufacturer's package is available

Calculating the price of a service contract for a used car requires a bit of time and effort. The customer interested in the product must determine the current service status of the car, as well as the maintenance required for the desired mileage and period. From these combined prices, with appropriate discounts, an attractive price can be formed. If wear and tear parts are added to the contract, there are more variables and risk factors. For example, it would be necessary to be able to estimate whether brake discs would need to be replaced during the contract period. For cars of a certain age for which you can no longer get a manufacturer's contract, still a potential sales target. However, it requires additional resources.

EV-specific service package

A reasonable price for a service contract is fairly quick to calculate, as mentioned above. The battery warranty, thought of as an additional product to this service, is more difficult. Using new factory parts alone can make the service expensive. For this reason, the sourcing channel for used batteries and modules should be clarified to get the real competitive advantage.

EV tyre subscription service

This suggestion came from a decision maker, but it is something that is worth exploring the market potential of. The Case Company could charge a tire for this service close to the net price, thereby benefiting from the service through customer loyalty.

Operational improvements based on the ERRC-grid

Increasing the efficiency of repair processes and cutting unnecessary services requires a project of its own. Process improvement is part of the job description of service managers, but a critical review of the service offerings on the website, for example, has hardly been done by anyone. Perhaps the next student looking for a thesis idea could start researching this topic

7.3 Self-evaluation of thesis project credibility

The idea for the thesis came from a real industry-wide challenge. The electrification of vehicles will fundamentally change the aftersales business. The Case Company has thought about the challenges ahead and has also tried to come up with some solutions but has not launched any services or product specialised for EVs. Also, the customer-centric approach has not been used or explored before this study.

The author has about 15 years of experience in the industry, but only about 1.5 years of experience with the Case Company. The author is a head of technical

services responsible for the aftersales activities of a site in the metropolitan area. The main informants within the company were service managers, who also have long experience in the field.

The research was conducted using a design research approach, which works well for this type of research, where the aim is to provide practical recommendations, rather than focusing on theory alone. The study started with the building of conceptual framework, introducing the theories and important tools relevant to the work. The main ones were the Value Proposition Canvas and the Blue Ocean Strategy, which were used both to analyse the current state and to develop recommendations. In addition, the Three Circles Framework provided a good basis for analysing competitors.

The next step was to analyse the current state by going through a wide range of data. The current impact of EVs on the Case Company's operations was assessed using both the automotive sector and the company's figures. In this context, a study on the impact of EVs on aftersales was also used, and together these were used to delve deeper into the business problem. The most essential step for the work itself was the creation of a customer profile, which was done by going through all the customer feedback received in 2024, and by combining the knowledge and experience of the service managers. Time was also invested in researching the competitive landscape by studying the offerings on the website, visiting the sites and studying the pricing strategy through the manufacturers' booking portals.

The credibility of the work is strengthened by the combination of theory, company perspectives and customer data. However, the work also has limitations. The research focuses on only one site and does not interview customers directly, which reduces the generalisability of the results and the depth of the customer perspective. The researcher's own position within the organisation could also introduce a certain bias, although a conscious effort was made to maintain objectivity throughout the process.

The final recommendations were refined based on feedback from the company's decision maker. The recommendations were made with customer value perspective, and feasibility in mind. However, they were not subject to any assessment of their economic impact, which should be addressed in the next steps.

The relevance of the work lies in its timeliness and the fact that it examines the uptake of EVs and its impact on aftersales activities. This change is shaping the industry's earnings logic and customer expectations. The recommendations of this work offer concrete ways to improve the Case Company's competitiveness and differentiation in a changing environment. Other companies in the automotive sector are facing the same challenges and the recommendations can be useful for them as well.

7.4 Closing words

The uptake of EVs is challenging traditional aftersales business models but also brings opportunities to create new customer value. Although the thesis did not result in a single discovery that would revolutionise the Case Company's business, it does offer concrete recommendations to help the company to become more competitive in a rapidly changing aftermarket environment.

The work shows how a customer-centric approach combined with established tools can develop aftersales operations in a changing industry. By focusing on what is genuinely relevant to the customer, a company can differentiate itself in a market where service offerings are perceived as identical.

In the end, the automotive aftersales business is not just about technical expertise, but the ability to understand and deliver customer value.

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Appendices

Company decision maker one-to-one questions

Feedback validation of initial recommendations.

Videos presented to introduce the concepts:

<https://www.youtube.com/watch?v=4gaBDIHge1I>

<https://www.youtube.com/watch?v=TA2P-BD2zI0>

Questions:

Have any of these proposals been considered in the past but not implemented?

Which of these recommendations do you consider most important for the company's strategy?

Where do you see the greatest commercial potential?

Do you see any of the proposals as financially risky?

What obstacles do you see to the practical implementation of the recommendations?

Could these differentiate us from our competitors in our region?

Is there an important aspect that I have not taken into account?