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Marketing framework for aftersales and suggestions for further development

Case Company X

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TIIVISTELMÄ

Jälkimyynti on monelle yritykselle haastavaa alasta riippumatta. Jälkimyynnin tarkoituksena on tehdä tuottoa tuotteen tai laitteen koko elinkaaren ajan tarjoamalla ratkaisuita, jotka hyödyntävät asiakasta ensioston jälkeen, esimerkiksi myymällä varaosia tai teknistä tukea. Jälkimyynnin haasteina ovat mm. vaihteleva ja arvaamaton kysyntä sekä suurien tietomäärien hallinta. Tämän opinnäytetyön tarkoitus on luoda case -yritykselle jälkimyynnin raamit markkinointiin, sekä konkreettinen ja ytimekäs toimintasuunnitelma tulevaa kehitystä silmällä pitäen.

Tämän opinnäytetyön teoreettinen viitekehys perustuu ensiarvoisimpiin markkinoinnin teorioihin, kuten palvelu- ja suhdemarkkinointiteoriaan, organisaation ostokäyttäytymiseen, sekä täydentäviin artikkeleihin, jotka syventävät teoreettista viitekehystä jälkimyynnin kannalta. Empiirinen tutkimus toteutettiin laadullisen työnä, hyödyntäen semi-strukturoitua haastattelua tiedonkeruu menetelmänä.

Tutkimuksen tuloksena case -yritykselle luotiin markkinoinnin viitekehys joka tukee systemaattisesti jälkimarkkinaprosesseja. Keskeisimpinä kehityksen kohteina nousi esiin seuraavat kehityskohteet: jälkimyyntiprosessien kartoitus ja kehitys, jälkimyynnin markkinoinnin tiedonhallinnan kehittäminen, tiedon jako organisaation sisällä, ja pyrkimys saavuttaa syvempiä synergioita asiakkaiden sekä toimittajien kesken.

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ABSTRACT

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For many companies, after-sales is a challenging area. The purpose of after-sales is to make a profit throughout the life cycle of a product or device by providing solutions that support the customer after the initial purchase, for example by selling spare parts and offering technical support. The challenges of after-sales such as fluctuating and unpredictable demand as well as managing large amounts of data. The purpose of this thesis is to create an after sales framework for the case company, and to provide concrete suggestions for further development.

The theoretical framework for this thesis is based on the most basic and essential marketing theories such as services- and relationship marketing theory, organizational buying behavior, and complementary articles that deepen the theoretical framework for after sales. The empirical research was carried out as a qualitative study, utilizing a semi-structured interview as a data collection method.

As a result of the research, a marketing framework was created for the case company, which systematically reinforces the after sales processes. The following development targets were highlighted as key for further development: to map the after sales processes and remodel them to suit current needs, to develop suitable information management system suitable for after sales, to share more data within the organization and to seek even deeper synergies with both customers and suppliers, to fully employ the whole organization in process.

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1 INTRODUCTION

The aim of this project is to create a marketing framework for aftersales processes and suggestions for further development for a business unit of case company X. The topic was chosen due to the company's need to develop their after sales processes. The demand was noticed when the need for aftersales services had increased in one business unit, and there was minor marketing related framework in place to give the needed structure to support the process, as the unit had not previously utilized a structured marketing framework to support sales. The objective of this thesis was to develop a marketing framework, that requires no additional budget and only minimal effort from the salesman to implement. Therefore, this thesis contains very basic marketing theories utilized to suit the case company in its field.

The case company's main market is energy industry. The main market is reached via project selling either individually, or in collaboration with other companies the same industry. The company objective has been to be reliable provider that delivers complete solutions and after sales services at high quality and at competitive price.

1.1 Thesis structure

This thesis consists of three parts: theoretical framework, empirical study and conclusion.

The theoretical framework is based on secondary data and constructed from basic marketing theories deployed to serve the occasion; basics of B-2-B markets, the fundamentals and principles of aftermarket, relationship marketing, organizational buying behavior and related macroenvironment. The framework gives the basis and needed structure for sales processes, and background for further development and analysis. The empirical study consists of qualitative interviews of key personnel and analysis. The conclusions are suggestions based on the theoretical framework and empirical study combined. In conclusion, also the validity and reliability are discussed.

1.2 Objective and research questions

The objective of this thesis is to create a marketing framework for the case company's business units' aftersales processes and suggestions for further development. The framework is formed by reviewing existing literature and studies on marketing and aftersales. Also, an empirical qualitative study is conducted to support the case. When the framework is set, the suggestions for future action is proposed. The main research questions are:

- What are the settings of the aftermarket where the case company operates and how it can be managed?
- What is the most efficient approach for aftersales marketing?
- How can the internal process of aftersales be adjusted?

1.3 Limitations to the study

The study is conducted from an after sales point of view, therefore, project -phase marketing is excluded. Also, operations of other business units are excluded.

2 THEORY

2.1 After sales

After sales services deliver value to customers for using products they already have bought. In the energy and technology industry for example, after sales consists of providing spare parts supply, technical support, on-site maintenance and training, equipment upgrades and consultancy. In many industries, after sales account for up to five times more revenue than the original instalment business and directly correlates to customer happiness and loyalty. (Cohen et al, 2006). Providing after sales services can provide significant advantages for the original equipment manufacturer. As Figure 1 illustrates, aftersales can provide steady revenue despite the economic situation. It also offers an opportunity to enhance customer relations via an intensive contact amount and high innovation potential. (Dombrowski & Malorny, 2016).

	Sales	After Sales Service
Independency of economic situation	Very high	Low
Margin	Low	High
Behavior in times of crisis	Profit and sales collapse	Stable
Forecast horizon	Short product life cycles	Long service intervals
Contact to customer	Singular customer contact	Intensive, long lasting contact
Gathering customers needs	Limited	Good, due to intensive contact with the customer
Growth and innovation potential	Often already limited	High

Figure 1 Comparison between sales and after sales service (Dombrowski & Malorny, 2016)

Cavalieri et al. (2007) suggest that there are three strategies, which all have unique positions concerning business, processes and activities that can be carried out executing aftersales, without considering after sales as necessary evil. Each strategy

has focus on different performance points. The three strategies are business generator strategy, brand fostering strategy and cash generator strategy. Business generator strategy's emphasis is on financial results, customer satisfaction and effectiveness while keeping processes and activities flexible and responsive. It focuses on contribution margin, customer satisfaction and dealer satisfaction as key performances. Brand fostering strategy has a very similar alignment, however it has a more long-term perspective, and aims in customer retention, service delivery performance and time to market. Cash generator strategy however focuses solely on financial results, costs and productivity, and its performance focus is on fill rate and stock rotation index.

After-sales strategy	Business strategy	Relevance of after-sales	Economical responsibility	Product-service portfolio	Time horizon
Product support	Cost leader	Necessary evil	Cost centre	Relevance of tangible properties	Short-term
Cash generator	Cost leader Technological pioneer	Ancillary role Source of profitability	Profit centre	Relevance of tangible properties	Short-term
Business generator	Technological pioneer Differentiator	Generator of new business opportunities and profitability	Business unit	Relevance of intangible properties	Medium-term
Brand fostering	Best in all	Supporting company's image and customer loyalty	Cost/investment centre	Relevance of intangible properties	Long-term

Figure 2 After sales strategies (Cavalieri et al. 2007)

However, while its potential is widely understood, most companies do not know how to effectively run after sales services because it is very problematic to manage. (Cohen et al, 2006, Harvard Business Review). Many questions rise when managers must deal with everchanging customer needs, technical developments and how to sustain competitive advantage of self and of the customer. (Lele M.M, 1997). Also work content is often complex and demand is unpredictable. All mentioned factors lead to processes that do not add value for the customer: "45% of the maintenance processes do not add value for the customer. This huge percentage of processes can be traced to missing process standards, work planning and insufficient leadership". (Dombrowski & Malorny, 2016) Rolstadaas, Hvolby and Falster note that lacking a customer relationship management system will cause the salesman use a significant amount of unneeded resources to figure out the status of the equipment on the customer end. Wilson (2006), also confirms that the application of CRM systems will increase productivity, but also satisfaction of the salesmen. Mohamed,

Stankosky and Murray (2004) suggest that proper knowledge management and knowledge sharing via ERP systems and similar virtual systems, specifically in cross-functional organizations, will increase the speed of performance, and improve learning to benefit the organization.

Managing after-sales services can be more complex than the company's main business itself, since it must support many generations of products, which may have different vendors, in various locations at once, and typically customers demand prompt response times. Companies tend to apply their standard enterprise resource planning for their aftersales services, which is problematic. Standard enterprise resource planning is based on supply, demand and forecast which is not very applicable for after sales due to its unpredictable and inconsistent nature as demand occurs typically when there is a breakdown of a product, sudden need for a repair or consultancy. (Cohen et al, 2006, Harvard Business Review)

Aftersales services can be divided into three segments: spare parts supply, customer service and accessories business. The spare parts supply takes care of spare part sales and logistics, demand forecast and pricing. Customer service is responsible for maintenance and repair, training, installation and observation. Accessory services in charge of any supplementary products and services needed to satisfy the customer (Dombrowski & Malorny, 2016).

Customer-perceived value is equal to perceived benefits in relation to perceived sacrifices or risks. Ravald and Grönroos (1996) argue that value can be added to the customer by reducing the sacrifice or risk of the offering, which can be improving all routines that has effect to the customer. By having better routines, supplier relationship costs will be reduced. Dombrowski and Malorny suggest that applying lean -philosophy into after sales services, which aims to continuous improvement and waste reduction, can be the solution to sustain profitability and added value. Also, By having better routines, supplier relationship costs will be reduced (Ravald & Grönroos, 1996).

To transfer the lean-philosophy into after sales services, all relevant influence factors, process phases and basic conditions need to be identified, analyzed using lean

principles and then applied in practice. In service context, waste reduction and over production can be implemented as information control to remove unnecessary movements of information from processes. A continuous improvement principle is transferable as such into the service context. The operational approach must be done on individual basis regarding the company, since there are significant differences in objectives and processes between different companies. (Dombrowski & Malorny, 2014).

Principle	Description
Standardization	Implementation of stable, repeatable processes and routines
Zero defects	Improvement of quality by error prevention and error analysis
Visual management	Visualization of objectives and achievements
	Transparent processes
Continuous improvement	Simple and steady impovement of processes
Employee orientation and management by objectives	Motivation and training of employees to re-think processess and to improve routines
Flow principle	Continuous, fast material and information flow
Pull principle	Customer- and demand- orientated material supply
Avoidance in waste	Reduction of non-value adding activities

Figure 3 Principles of lean (Dombrowski & Malorny, 2014)
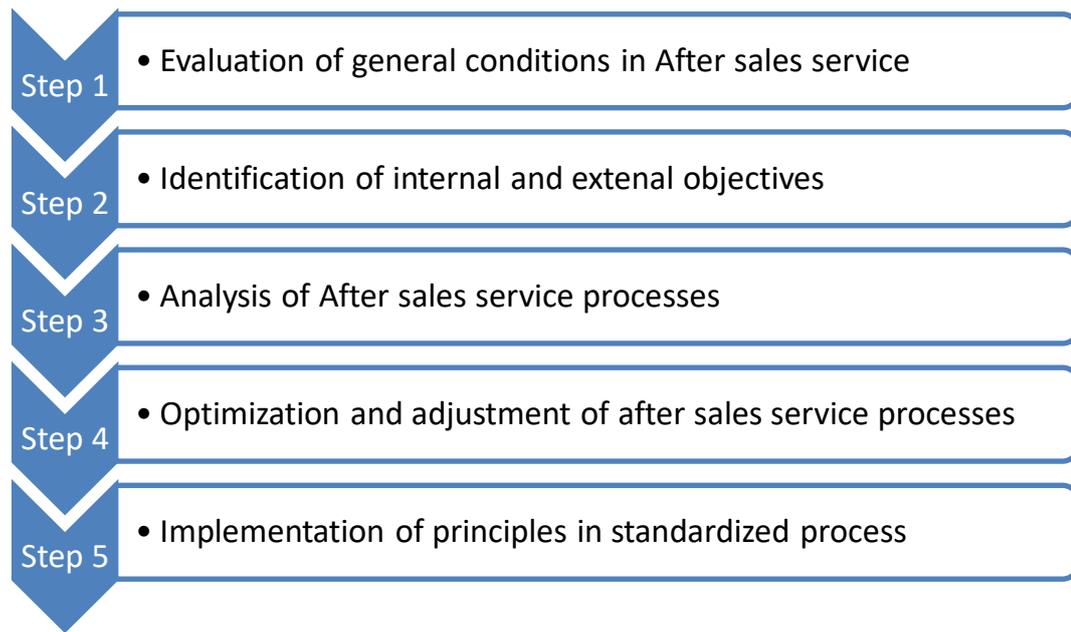
Figure 4 Implementation of lean principles into after sales (Dombrowski & Malorny, 2014).

In the first step, general conditions have to be identified (Dombrowski & Malorny, 2016). A PESTLE analysis can be used to investigate external factors in global environment. It gives framework that recognizes six factors that should be considered when trying to point out the sources of potential change: political, economic, sociocultural, technological, legal and environmental factors. (Cadle, Paul & Turner, 2010, 3-6.) Each factor in PESTEL is crucial in any industry, but it is still might be that the importance and emphasis might differ slightly (PESTLE analysis website, 2018). Johnson, Scholes and Whittington (2005, 65) argue that "it is not intended to provide an exhaustive list, but it gives examples of ways in which strategies are affected by such influences and some of the ways in which organizations seek to handle aspects of their environment." PESTLE is one of many similar kinds of methods to study and investigate a business environment. Also, the factors in PESTEL, are in most cases connected to each other, as for example environmental issues are changing people's ethical concerns and therefore have impact on technology development as people demand more ecological products and services. (Johnson, Scholes & Whittington, 2005, 64-65) Each factor identified needs to be evaluated in respect to the situation hand, from the point-of-view of the company (Dombrowski & Malorny, 2016).

Factor	Examples of potential influence
Political	How local government might affect the economy. These factors contain tax policies, trade tariffs, trade barriers, sanctions
Economic	Inflation rates, finance and credit schemes, taxes, employment rates and other factors that determines the economy's performance.
Social	Cultural trends, demographics, religious beliefs, education, health situation, and everything that affect the buying trends.
Technological	Innovations and technology that influence operations in the industry and the market.
Environmental	infrastructure, contamination weather. Environmental factors are more crucial on certain industries such as tourism or agriculture.
Legal	Current legislation that affects the industry: labor laws, competition laws and safety regulation.

Figure 5 PESTEL study (Cadle, Paul & Turner, 2010)

The PESTEL study can be used as the starting point for the second step if the process identification. Internal objectives are consequent of the management of the company at hand, while external objectives are result of the demand from the customers. Examples of internal objectives are such as reduction of reaction time and failure costs or profit increase, and they are all related to internal process behind service. External objectives can be recognized by implementing customer demand analysis. Subsequently, both internal and external objectives must be in tune with each other, and all conflicts between them must be identified and solved. (Dombrowski & Malorny, 2016)

All processes must be optimized to be improved. Prior to optimizing, analysis is needed. To do this, a company needs a complete overview of its all customer service processes. The aim in analysis is to identify what is relevant, and then model how each process can be executed. (Dombrowski & Malorny, 2016)

Once the internal and external objectives are harmonized and all relevant processes identified and analyzed, it is possible to optimize and fine-tune the processes. All acknowledged processes should be redesigned to conform with the criteria set by previous steps, all unproductive actions and sources of waste should be eliminated, and all suitable interfaces between customer service processes and support processes to be defined as well as responsibilities. It is important that the processes are designed as simple as possible to avoid unclarity, which is why the number of interfaces should be kept to minimum. (Dombrowski & Malorny, 2016)

Implementation of lean principles in customer service is possible when general environment, internal and external conditions are identified, and process analysis and optimizations are conducted. The implementation of each process is to be observed regarding to suitable lean principles on continuous basis. (Dombrowski & Malorny, 2016)

As customer-perceived value is equal to perceived benefits in relation to perceived sacrifices or risks, Ravald and Grönroos (1996) argue that value can be added to the customer by reducing the sacrifice or risk of the offering. Reduce of associated risk can be improving all routines that has affect to the customer. By having better routines, supplier relationship costs will be reduced.

Cohen et al, suggests that businesses should approach their aftersales same as their initial products and instalments as it is for both counterparts' interest to keep the product working and generating value. Therefore, businesses providing aftersales services must decide the range of services according to customer metrics, and also by taking own recourses into account, and then design a portfolio of services since different customers have varying needs and requirements. This means to weigh in on which products and services to include, set prices and the level of response. From the customers point of view, their needs and will to pay are to be considered. (Cohen et al, 2006, Harvard Business Review) When service portfolios are set, the provider must select business models on how to deliver the services and then modify aftersales organization accordingly. Usage of several business models is beneficial when there are different service levels on use (portfolio). Giving a warranty period

is one example for a business model used for aftersales, where the customer has fixed prices and continuous support. An ad hoc model on the contrary fits for customers that have lower priority and they pay for support when needed. (Cohen et al, 2006, Harvard Business Review) Eventually, businesses should design and manage their supply chain for aftersales and take advantage of their network to provide superior value for the end-customer. Managing aftersales supply chains requires prioritizing customers, meaning that higher paying customers get faster service than lower paying ones. The aftersales process will not end when spare parts have been provided, or knowledge has passed to the end customer, as it requires continuous performance monitoring and evaluating against customer feedback and industry standards. (Cohen et al, 2006, Harvard Business Review)

Step 1	• Identifying which services to cover
Step 2	• Creation of portfolio of services
Step 3	• Selecting business models to support services
Step 4	• Modifying after sales organization strutures
Step 5	• Designing and managing after sales services supply chain
Step 6	• Monitoring performance
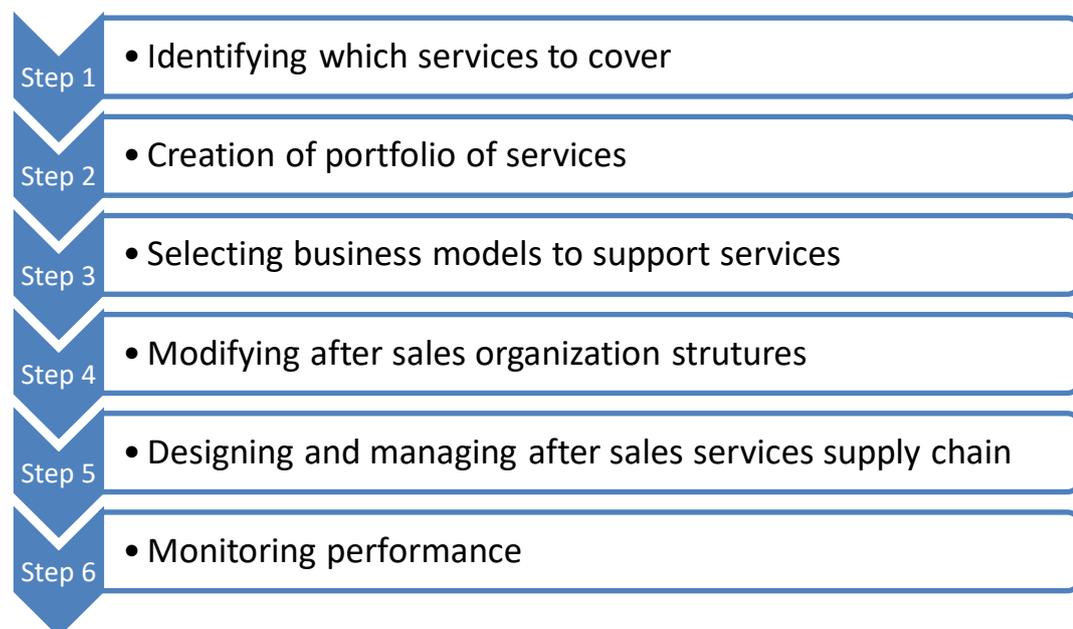
Figure 6 Cohens steps into managing after sales (Cohen et al, 2006, Harvard Business Review)

Lele M.M. and SLC Consultants Inc. (1997) have developed a framework that is based on customer costs, and which helps to recognize most gainful aftersales strategies for different customer segments. Initially Lele categorizes aftersales services into three groups: Product design-related, support system -related and risk minimizing strategies. Product design -related strategies emphasize improving product reliability and redundancy and thus aim to reduce customers total costs. Also, modular

design is often applied when using product design strategy. Support system -related strategies aim to minimize time between equipment failure and repair by offering supplementary service technicians and placing them near customers location, offering repair training and design products that enable fast module swaps. Customer risk minimizing strategies aim to lessen risk perceived by the customer by giving warranties and service contracts and consequently reduce customers expenses post purchase. By using the mentioned approaches and parameters, any product can be categorized either as disposable, repairable, rapid response or never fail and by doing that each segment is given ideal support strategies. Disposable products are the ones that cause comparatively low fixed and variable costs when they fail and are replaced with a new one when a failure occurs. Small household appliances and inexpensive office equipment are examples of disposable products. Repairable products on the other hand are more valuable products and will cost relatively higher fixed costs at failure. Strategy towards repairable products aim to minimize customer out-of-pocket repair expenses, by offering self-repair kits and manuals and affordable third-party repair services. Rapid response strategy is applied when product failure will cause prominent variable costs. Rapid response strategy's main objective is to minimize stoppage time at time of breakdown by taking advantage of modular design, fast diagnostics, available spare parts on site and/or repair service. When failure and stoppage are not options for the customer as both fixed and variable costs are high at failure, the never fail -strategy can be applied.

2.2   Business-to-Business Marketing

Definition of marketing, according to the American Marketing Association is "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." (American Marketing Association) Kotler and Keller define marketing as "societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others." (Kotler, Keller. 2012 p.27) To put the before mentioned definitions into business-to-business context, business-to-business marketing is done in business markets, meaning that aforementioned processes and activities are done

within businesses, not individual consumers or households. From this point the term "business-to-business" is referred as "B2B".

Gummeson challenges the AMAs definition of marketing. As in this case it is vital to understand that aftersales is a service -type function that ensures longevity for already built solutions for customer. Hence, it is applicable to apply service dominant logic and relationship marketing, as they stress more value proposition of the supplier, co-creation of value and network, which are all necessary for aftersales to operate. Gummeson rephrases the marketing definition as follows: "Marketing is a culture, an organizational function and a set of processes for creating, communicating, and delivering value with customers and for interacting in networks of relationships in ways that benefit the organization, its customers and other stakeholders". (Gummeson, 2008, 9-12)

2.3   Services Marketing

Zeithaml and Bitner (1996) simply define services as "deeds, processes and performances". Services are intangible, and often the separated from physical products, however they are often delivered integrated with manufactured goods, or physical end-result. Grönroos (2006) articulates that "service is support for customers' individual processes in a way that facilitates their value creation, and this support is enabled when knowledge and skills are used on resources."

Services marketing differs from tangible product marketing due to intangibility, heterogeneity, simultaneous production and consumption, and perishability. The aspects raise multiple management issues regarding the marketing process. From the company perspective the internal, external and interactive marketing must be implemented successfully, and traditional four element marketing mix needs to be extended into seven element services marketing mix. (Zeithaml & Bitner, 1996)

The marketing mix is a model created by McCarthy in 1960, that suggested that there are four inter-related elements that can be modified to create and sustain customer satisfaction. The elements of the marketing mix are product, place, promotion and price. As economy has shifted towards service orientation, the marketing mix

has been adapted to serve service-based products. Full service marketing mix includes seven elements: product, place, promotion, price, people, physical evidence and process. Figure 4 will illustrate the elements of the service marketing mix, and their respective sub-components. The marketing mix can be used see how the added value is distributed. The mix can be adapted accordingly to suit specific target groups. (Drummond & Ensor, 2005)

- The methods how service is provided

- What fulfills the customers need
- Quality and functionality
- Product range
- Name
- Packaging
- Post-purchase support

- The physical end-product
- Appearance
- Tangible quality

- Distribution channel
- Physical location

Process

Product

Physical evidence

Place

People

Promotion

Price

- Employee skills
- Attitude
- Motivation
- Training

- Communication
- Advertising
- Public relations
- Relationships

- Monetary compensation
- Credit terms
- Discount policy
- Provisions

Figure 7. Service marketing mix (Drummond, 2005)

Grönroos (2016) argues in behalf of relationship strategy, which has three strategic requirements: redefining the business as a service business, viewing at the organization from a process management standpoint and establishing partnerships and networks to manage the whole service process. On a practical level, the company

needs to seek direct connection with business partners, build and manage a customer- and partner database, and develop a customer-centric service system. Process management focus creates value from the customer point of view, as it breaks down organizational boundaries and workflow is directed cross-functionally to create maximum value.

2.4   Relationship Marketing

Gummeson (2008) defines relationship marketing as "interaction in networks of relationships", and so it constitutes of three main concepts: relationships, networks and interaction. The most basic business relationship is between customer and the supplier, buyer and the seller. Relationships necessitate at least two parties interacting together, however in reality most businesses in the world are in active interaction in complex networks, which includes many buyers, sellers, rival businesses, sub-contractors and so forth. Relationship marketing is a concept that offers tools to efficiently manage money-worth networks and relationships. (Gummeson, 2008, 5-7) Bowden articulates in her article on customer engagement that vital goal of relationship marketing is to be able to identify the specific interactive arbitrators of the seller-buyer relationship such as satisfaction, commitment, trust and involvement and their associations to marketing results. She adds that a dynamic nature of seller-buyer relationships is a key concept of relationship marketing. (Bowden, 2009)

Relationship marketing applies service dominant logic. Service dominant logic emphasizes that supplier offers a solution rather than just product or service. In service dominant logic, the skills how to do something is considered the most valuable asset of a company, rather than the product itself that it sells. Service dominant logic however does not leave product out of the marketing equation, but it suggests that both sides should be treated as one, as a service, because physical products always

appear with services and activities, and "they are seen as vehicles for resource transmission" (Lusch et al. 2008). Service dominant logic has several focal points that makes relationship marketing a more distinctive concept, and which all are in tune with the views of relationship marketing and customer relationship marketing:

1. Goods/services integrated and replaced by service and value proposition
2. Knowledge
3. Operand and operant resources
4. Co-creation of value
5. Network extension
6. Marketing definition

(Gummeson, 2008, 10-11)

Gummeson argues that service dominant logic and relationship marketing should be included in company's overall management. He points out that every person is a business organization is a marketer, a full-time marketer or at least a part-time marketer, since all members of the organization are in touch with customers on one way or another. Long-term collaboration and win-win philosophy are aspects that origin from marketing orientated company management and will lead to value co-creation. (Gummeson, 2008, 20-21)

"Good quality arises as internal relationships / employee relationships are fostered" (Kanagal, 2009). According to the service profit chain, good internal quality and sound process design leads to satisfied employees, which then eventually lead to satisfied customers in addition to increased profitability. (Gummeson, 2008, 258-261) Service profit chain also stresses the importance of leadership in a company, similarly than Gummeson, suggests that service dominant and relationship management should be included in company management. According to the article by Heskett et al published in Harvard Business Review, a company's internal quality, employee loyalty and satisfaction leads to high productivity and customer retention. In the article they make clear that not only retaining customers is more profitable than gaining new ones, but retaining own employees saves money and generates more profit in long term. They also conclude that too many companies focus too

much on charming new potential customer, instead of focusing on existing customers which can be done by, for example, customizing service offerings for customers on more individual level. (Heskett, et al, 2008)
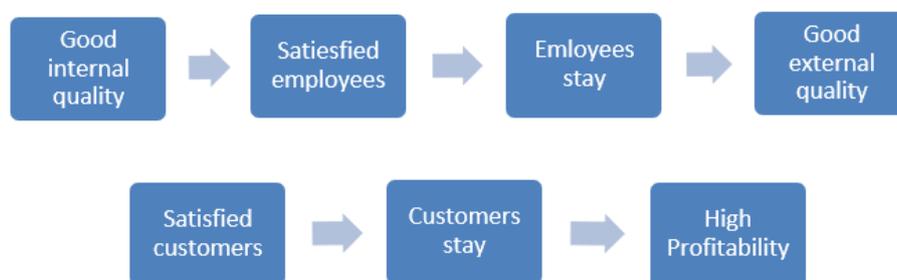
Figure 8. Illustration of Service Profit Chain, adapted from the article (Heskett et al, 2008)

In her article on customer engagement, Bowden introduced a model that visualizes how customers become committed to the product or service (Figure 2). She articulates that "relationship marketing is built on premise that the development of strong and enduring customer-brand bonds provides the company with the potential to create a sustainable competitive advantage." According to her article, customer-brand relationships seem to develop in a rationally foreseeable pattern. It is indicated that new customers tend to make evaluations based on more tangible features such as price, compared to repeat customers. In contrast, repeat customers make evaluations on intangible and social criteria, and they are likely to withstand changes in prices and slight adversities. In the article, it is correspondingly specified that while satisfaction is obligatory, but alone it will not be adequate to establish strong affective bonds. In addition to satisfaction, trust and involvement are central to form affective commitment and loyalty. (Bowden, 2009)
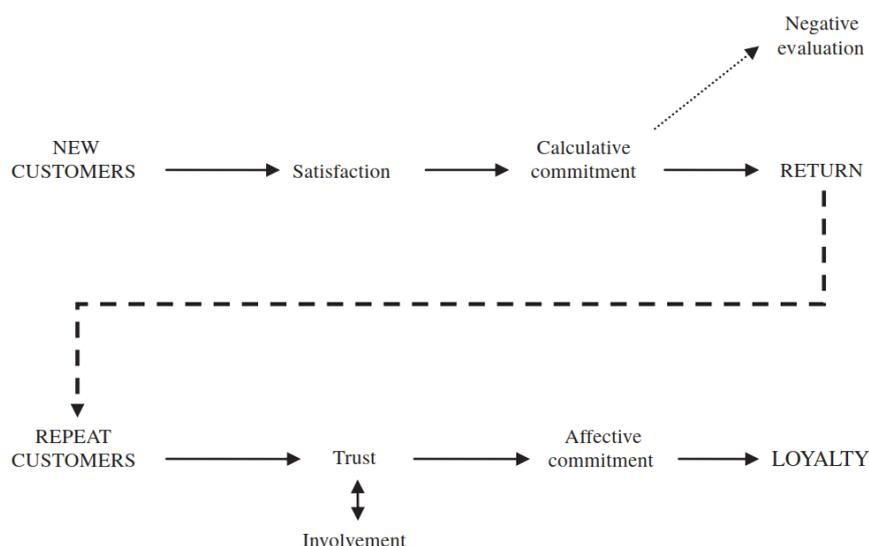
Figure 3. Customer Engagement (Bowden, 2009)

Even though Bowden is discussing B2C marketing in the article, the implications are transferable to B2B and aftermarket environments as well. As B2B customers, or organizational customers consist of individuals, therefore the individuals' personal views are subject to customer-brand relationships similarly to B2C customers.

In the context of aftersales, the customer shifts into aftermarket settings when the initial warranty period ends, and therefore the customer is already on repeat customer -phase. However, the loyalty of the customer is not given at his point, since when the warranty period ends, the customer is free to supply services from other sources without any constraints. This is a critical point, since most likely customer will evaluate the services of the supplier, and the relationship with it. Clearly, there is a need for proactive approach to managing customer base, where customers are actively proceeded from initial service encounter into full engagement with the supplier (Bowden, 2009). With the proactive relationship management and having customer involved in process, customer is more likely retained and moved further in Bowden's' model of customer engagement into loyalty -phase.

Mainela and Ulkuniemi also suggest that relationship management is important in project business even in the discontinuation phase, where the aftersales can take place. Two specific functions of personal interaction are recognized that are crucial

in the buyer-seller relationship: presence and expertise. They clarify that the presence needs to be continuous, systematic and occasional, whereas expertise needs to be industry-, project- and customer specific. They further suggest that well managed and maintained relationships in discontinuation phase will increase changes to win future bidding processes. (Mainela & Ulkuniemi, 2013)

2.5 B2B Markets and Segmentation

Michel et al. argues that there are not one, but several varieties of B2B environments, and they should be treated accordingly. They acknowledged four key structures to help detect different B2B market settings:

1. Market definition: Technologies – Applications dilemma
2. Demand market structures
3. The supplier -customer interaction and its consequences
4. The impact of environment

(Michel et al, 2003 p.29-30)

The first topic, technologies – applications dilemma refers to defining the market by mapping potential customer groups, where technologies provided by a company are linked to application areas. In this model, the term "technology" is used instead of "product", since it carries a broader spectrum for different applications. A company can use the aforementioned mapping for segmentation, or to define the whole reachable market, meaning "the complete set of applications open to the development of its technologies." However, there is a need to reflect the resources of the company as well, and thus the technology – application interface is not enough. By replacing technologies as resources, all internal capabilities of the company can be taken into consideration when mapping the market. (Michel et. al, 2003, p. 31-35)

The second subject explored is the structures of the demand market. The size and amount of customers play a substantial part in the marketing approach, and there are four major types of environments (customer bases): Dispersed, concentrated,

mixed and project environments. Dispersed market conditions are those where there are large number of small customers. This leads the marketer to use approach which is close to consumer marketing, where there is need for segmentation and creating basic offers for each segment. Within the segments, not all customers are equal in importance, and therefore the marketer needs to select the most attractive and manage the portfolio of customers. Concentrated environment represents a customer base where there are only few, but major, customers. In this situation marketers main goal is to maintain and enhance relationships with customers, and to manage a portfolio of deals and the offer adaptation for each customer. Mixed market has characteristics of both dispersed and concentrated markets. The project environment is far different from the previous markets as customers seem to appear once only for a once-off occasion. Marketing to a project customer base consists of three stages: observing the scene, screening the deals and marketing with a deal. (Michel et al, 2003, p 35-36)

The third issue is the interaction amongst supplier and the customer, and its consequences, which form the backbone of B2B markets dynamics. The interactions include several common characteristics, that are essential in managing such relations. Active partaking of two partners and joint investment can be seen as the basis of the relationship, as it requires mutual adaption to one-another's requirements and committing valuable resources (human resources, finances, etc.) towards mutual agenda. The product or/and service of exchange must be understood as "supplier's contribution to its customers' activity", meaning that suppliers that see their offering as contribution and deliver with high efficiency, will distinguish from others. Suppliers' sales teams must meet the demands of the customers' decision-making unit, and their social exchanges are as important as their technical resolutions. As the relationship seems to be profitable, the stability comes with it. When the relationship becomes stable and profitable, it can be also seen as an investment from the customer point of view and vice versa. Interaction between the supplier and customer can be analyzed from different point of views: the time frame (short-term or long term), exchange content (product/service, information, finance) and the exchange form (social relations, negotiations, adjustments, media flow). (Michel et al, p. 36-41)

The fourth aspect to assess B2B markets is the impact of the environment. It is vital to understand the surrounding economic environment from different aspects. The value chain is one important viewpoint to the environment. The value chain points out the activities within the organization that create value, the complexity, room for flexibility and the connection with the external factors that affect the value creation. Networks that extend outside of the core supply chain, or even outside the industrial sector, hold also significance in B2B market. It is apparent that when company's network is large and well maintained, it will offer notable support for the core operations and open more opportunities for marketing research, strategy. (Michel et al, p. 42-56)

Using the market definition and characteristics gives solid base for segmentation purposes. Sudharshan and Winter (1998) suggest that companies should investigate customers marketing strategies, and the customers' customers buying behavior. They indicate that since customers market strategy most likely influences their buying strategy, it can be used as criteria for segmentation as well. Verhallen et al. (1998) further propose that companies should use strategy-based segmentation, since customers strategic orientation directly impacts their buying behavior. Verhallen et al. also ad that considering the orientation of organizational buyers will most likely improve segmentation if applied to industrial markets, since it helps to focus more on customer needs. Rollins and Halinen (2005), also point out that "relationship-specific knowledge is needed to integrate the concept of customer knowledge". Using both criteria, market characteristic and customer strategies, is necessary for aftersales market segmentation, too. The original instalments and deliveries cover a broad spectrum of applications and generations of development, to customers whose buying centers have diverse compositions. Also, market demand structures are changing as maintenance responsibility shifts to end-customer after given time period.

2.6   Organizational buying behavior

Webster and Wind define organizational buying behavior as "the decision-making process by which formal organizations establish the need for purchased products or services, and identify, evaluate, and choose among alternative brands and suppliers". As all marketing, customer relations and so forth are bound to buyer behavior, it is important to identify the process of organizational buying and the different players involved, and how to influence them from the viewpoint of the seller. There are some key characteristics in organizational behavior that support the definition and makes it distinctive from consumer buying behavior. The buying behavior of organizations are dependable of the problem-solving situation at hand: is it a new type of problem which involves more stages of process or more routine based situation that is solvable as straight rebuy.

Doyle et al. (1979) in their study suggest that the organizations vary depending on if the buying is a new task or rebuy situation. They argue that not only the size of the buying organization varies between new task or modified rebuy, but also the structure of the buying center and the person who initiates the buying situation.

Järvi and Munnukka, 2009, in their study of dynamics and characteristics of Finnish buying center networks, further confirm that buying centers are highly dynamic and they can change even between phases of the buying process. The buying centers are also required to adapt according to the surrounding business and technology environment.

Organizational buying is influenced by several players within the organization in clear majority of the cases, which makes it more complex than consumer buying behavior. The marketer, or the supplier must identify the individuals inside the organization who have any kind of authority towards buying decisions, since the whole organization at large is too vague target for marketing effort. The group of individuals in an organization that cooperate during the buying decision process, can be defined as buying center. The members involved have different roles which can be identified. The members can be categorized as buyers, end-users, influencers, decision makers, gatekeepers. Within the organization, multiple persons can

hold the same role, or same person can hold multiple roles. Also, the roles can change from situation to another. Therefore, when selling to an organization it is vital to acknowledge the whole buying center, not just the sole buyer, and their respective roles. Players with different roles, have different criteria they use to assess substitutes and influence the decision making of the members the group that hold the decisive authority. Buyers hold the formal authority in buying center over the buying decision and is responsible for the formalities, however their influence over the available choices might be minimal. The buyers influence varies over the buying situation at hand. Deciders hold the authority on the final buying decision. For example, in a case where the buying situation holds major economic impact, the buyer must seek validation from the decider. It is common the buyer of the buying center is also a decider. Gatekeepers of the buying center manage the information flow in and out of the group, and the relationships with the suppliers. Users have several ways of influence in the buying center. They can start the buying process and give set explicit conditions for the products. If the other members do not conform with the requirements set by users, they can even refuse to work. Influencers are the members of the buying center that have influence on the buying decisions, either directly or indirectly, usually by applying their technical knowledge and setting constraints on choices. There are habitually several influencers in buying center. To simply put: "Each member of the organization will evaluate alternative buying actions according to their extent to which they will contribute to his performance in the organization and enhance it in some way, such as by making it more effective or easier:" For example, decision maker can assess buying of a machinery from economical point of view, when an end-users criteria is based solely on functionality. (Webster & Wind, 1972, p. 5-6, 16-20, 77-81)

Functional and economic variables are task related criteria, however non-task factors will affect the buying situation. As there are several players involved, their egos and relationships among each other, perceived personal risk among many other forces affect considerably the outcome of the buying situation (Webster & Wind, 1972, p. 5-6, 16-20)

Organizational buying very often contains a great deal of technical complexity. It is due to more careful assessment of goods or services being purchased, which requires a lot of accurate and actual information. This leads to the fact that organizational buying also takes more time than consumer buying. Long evaluation times and size of buying center, monetary value of the product(s) or service being bought and relationship between the seller's organization to the buying center will affect the time till the purchase order. As organizational buying takes its time, it correlates to the marketing efforts and its outcomes. (Webster & Wind, 1972, p. 6-7)

Each buying organization is presumably different from other, due to variable in size, resources, abilities, organizational structure and many other factors, and consequently, it requires observing each organization as distinct market segment. Also, within buying center, not all involved make decisions in economic or functional basis: their behavior is always subject to human nature and influenced by nontask -related variables also, on top of task -related. (Webster & Wind, 1972, p. 7)

Webster and Wind suggest that organizational buying can be described as a five -stage process that can be applied generally. The five stages are:

1. Identification of need
2. Establishing objectives and specifications
3. Identifying buying alternatives
4. Evaluation alternative buying actions
5. Selecting the supplier

(Webster & Wind, 1972, p. 21, 31)

The first stage of the buying process is identification of need and it occurs when someone within an organization recognizes a problem, a need, that can be met by purchasing a product or service. The problem can be triggered by either organizational (internal) or environmental (external) stimuli: organizational stimuli are such as need for spare parts for a broken machine or la low stock for a shelf product, whereas environmental stimuli are caused by efforts of marketing or changes in market. (Kotler & Keller, 2012, p.218. Webster & Wind, 1972, p. 31-32)

The second stage is establishing objectives and specifications. In this stage, the buying organization defines precise scope of supply, characteristic and technical specifications (quality) for the needed product or service, and the required amount (quantity).

When identifying buying alternatives, an organization searches the market; this occurs when at least the preliminary specifications are set. Previously used sources of supply are the top candidates in this phase, as the buying organization will most likely explore previously used sources before searching further. Evaluating alternative buying actions is very crucial phase in the process. If the problem or need is simple and all alternatives are somewhat alike, the alternatives are in all probability compared in price. However, more commonly the alternatives differ significantly from each other and might have different features. In this case, the buying organization is required to weigh criteria. This may cause conflict within the buying center, since members might have varying criteria for their evaluation. The supplier selection is the final stage of the process, where all the previous steps have been taken, maybe even repeated multiple times. In the supplier selection phase, requests for quotations are sent and offers are ranked, and finally the best supplier gets selected. (Kotler & Keller, 2012, p.218, 220-221. Webster & Wind, 1972, p. 31-33)

As mentioned, buying decisions are subject to influencing forces. The forces can be divided into four categories: environmental, organizational, social and individual. All the mentioned categories can be further divided into task or non-task. Environmental factors consider influences coming from outside the buying organization. Marketing effort of a potential supplier, and technical or economic constraints, standards set by the society are relevant examples of task related environmental factors. Non-task environmental factors are those that have no direct affect to the buying task, for example socio-cultural setting and banking relations. Organizational factors on the other hand originate from within the formal buying organization. Task related organizational factors are quite straightforward, as they include policies on scope of supply, quantity and quality related to organizations operations. Some of the buying organizations policies have indirect, non-task, influence on the buying process, such as performance reward systems, or supplier preference due to

reciprocity. The fact that buying center involves several persons with different roles gives major significance to social factors. The formal authority over one another and power to influence given by to role within the organization are crucial task related factors, however the social interactions reach beyond task related matters and thus non-task factors play a factor in buying process. Organizations decision making is are result of actions of individuals. The individuals all have unique set of needs, habits, education and experience, which have both task and non-task influences, means that their individual features define the decision-making process. (Webster & Wind, 1972, p. 33-37)

Bonoma, (2006) in his Harvard Business review -article on organizational buying suggests that a matrix for can be used in gathering psychological information on buying center. The matrix asks questions:

- Who is in the buying center and what is the root for their power?
- Who are the most powerful individuals and what are their priorities?
- What benefits each significant buyer seek?
- How do the significant buyers see us?

Based on the answers to the questions it is easier invent a marketing strategy for the buying center. (Bonoma, 2006)

2.7 SWOT analysis

A SWOT analysis can be used to assess the current state of the company by exploring its core competences and external environment and develop strategic planning through evaluating strengths, weaknesses, opportunities and threats. It is supposed to provide accurate and data-driven examination. (Investopedia, 2019. Kotler, Armstrong, 2012).

	Positive	Negative
Intenral	Strenghts	Weaknesses
External	Opportunities	Threats

Figure 9 SWOT template

Strenghts and weaknesses represent the internal abilities of a company. Strengths are abilities that are regarded as important positive features, tangible or intangible, which allow a company to achieve its mission on consistent basis. Weaknesses on the other hand are restricting qualities that prevents the company from executing its mission, for example (Ifediora, Ioko, Nzekwe, 2014)

Opportunities and threats consequently represent the external environment of the company. Opportunities are conditions which can be and has the highest probability to be taken advantage from and generate profit. Opportunities can arise from several instances, such as changes in demand and competition or technological advancements. Also, potential improvement of internal processes can be considered a opportunity. Threats are conditions that possess the ability to decrease sales and profits. (Kotler & Keller, 2012)

The aim of the analysis is to match company's resources and strengths with external positive factors which can create value and advantage, and similarly eliminate weaknesses and moderate and manage risks and threats (Kotler, Armstrong, 2012). When SWOT analysis is done, it may proceed to goal formulation, which means to

creating specific objectives for a certain timespan. The goals must be arranged quantitative as possible, realistic, consistent and arranged hierarchically. (Kotler & Keller, 2012)

Also, conducting a SWOT analysis can help focus on activities that create advantage and contribute to the marketing mix. (Ifediora, Ioko, Nzekwe, 2014)

3   EMPIRICAL STUDY AND METHODOLOGY

3.1   Research methodology

This thesis is exploratory and applied research by type, as it aims to identify and discover viable solutions to problems that an organization is facing, represented by the research question introduced in the first chapter. Basic research is done to exploring current theories and studies to find applicable information and applying them to the problem to find a solution. As mentioned, this thesis is also exploratory by type, which means it is objective is to develop suggestions, rather than testing them (Kothari, 2004). This thesis includes data gathered from both secondary, and primary sources. The theoretical framework consists of mainly secondary data, while empirical study gathers primary data. The purpose of the primary data is to study the mentality within the company towards aftersales and its development, and to help to select the most suitable approach to implement.

Quantitative research is relevant to examine phenomena that can be articulated in terms of quantity (Kothari, 2004) Quantitative research allows to form results that can be put to number and summarized through number and key figures (Golafshani, 2003). In this thesis, qualitative research was chosen as the most suitable approach given the available regarding the nature of the case and available resources. Qualitative research is focused on phenomena related to quality. Qualitative research's objective is to learn the primary motivations, meanings, process and point s of view, by interviewing or asking open ended questions, and focusing into detailed information, from the point-of-view of the interviewee. The approach produces results in non-quantitative form. (Bell, Bryman & Harley, 2019).

3.2   Interview design and collection of primary data

Semi-structured interview was chosen as the empirical study method. In semi-structured interview, the researcher uses a list of questions covering rather detailed topics, while allowing the discussion and asking additional questions on matters

brought up by the interviewees. The key in semi-structured interviews is being flexible while flowing the script, which allows the interviewee to give examples or to specify his or her answers. (Bell, Bryman & Harley, 2019)

Non-probability sampling was chosen as the method to choose interviewees in this thesis. Non-probability sampling is a method where the sample is drawn from the population on convenience basis, by the choice of the interviewer, and no random selection takes place (Kothari, 2004). As the purpose of the primary research in this thesis is to obtain profound insight of the conditions within the company that affect in the aftersales development, it is reasonable to select the most suitable interviewees that can provide the information needed.

Three interviewees were selected to conduct the study. Each interviewee selected has different amount experience in the field and in the company, and thus different background. Two of the three interviewees had more than 10 years of experience within the company, working both in engineering and sales positions, and currently in senior management positions. The third interviewee has company experience less than a year in a sales position, while having industry experience for a longer time in various sales positions.

The linkages between the initial research questions (RQ) presented in the introduction paragraph, the survey questions(SQ) and existing theory between is tabled on the next page.

	After-Sales	B2B Marketing	Services Marketing	B2B Markets and Segmentation	Relationship Marketing	Organizational buying Behavior	SWOT
SQ1	x						
SQ2	x						
SQ3	x	x	x	x	x	x	x
SQ4	x			x			
SQ5			x	x	x		
SQ6			x	x	x	x	
SQ7			x		x	x	
SQ8	x		x				
SQ9	x						x

Figure 10 Linkage between the theory and survey questions.

	After-sales	B2B Marketing	Services Marketing	B2B Markets and Segmentation	Relationship Marketing	Organizational buying Behavior	SWOT
RQ1				x		x	x
RQ2	x	x	x		x	x	
RQ3	x		x	x	x	x	x

Figure 11 Linkage between theory and research questions.

	SQ1	SQ2	SQ3	Q4	Q5	Q6	Q7	Q8	Q9
RQ1			x			x			
RQ2		x	x				x	x	
RQ3	x	x		x	x			x	x

Figure 12 Linkage between survey questions and research questions

4 FINDINGS AND ANALYSIS OF EMPIRICAL RESEARCH

In this chapter, first the findings of the interviews are presented question by question. Secondly, the results are analyzed in terms of the theoretical framework and initial research questions.

4.1 Findings

4.1.1 The aim for the aftersales function

Concerning the aim of after sales function there was multiple points of view that took place. From the provider point of view, the main aim was said to gain more business from the whole period of lifecycle of the equipment and machinery, and to keep customers satisfied. Similarly, to reinforce the market position, both geographically and by industry. Aftersales could be used not only to serve existing customers, but to use it as pre -project marketing to find new customers and projects through positive word of mouth, since good aftersales services is considered a strong reference point. "There are examples when end-customers demand our machinery to be installed into their facilities due to our level of service and product quality", said one interviewee.

The ideal situation to be in regarding after sales is when end customer and the supplier identify the technical and commercial specifications as well as requirements, and there is continuous and successful agreement about those matters. To be in a state where the demand of products is known, fulfilled and accepted, and all the parties have enough information about the future.

From the customer point of view, it was seen that the aim is to increase the product life cycle and reliability, but also to help key customers to at least maintain profitability.

4.1.2   Requirements from process point-of-view to reach the aim

Systematic approach to process was acknowledged as the main requirement to reach any targets, as the challenges of the segment were clear: fairly high amount of individual customer segments, supply chains and generations of products. To support a systematic approach, industry and customer knowledge were perquisites to plan anything. To be able to recognize real buyers, end-users and their machinery, and the needs of both customer and the machinery. Effective communication, working long term and continuous improvement were common nominators as concrete ways to execute the aftersales process

4.1.3   Main challenges

To reach the aim, one challenge is to overcome many secondary aspects of the process, such as reporting, documentation and dealing with authorities for example. The matter with secondary, also with primary processes, is that the answers to complications rarely come from the same people, which makes progression much slower.

One challenge process -wise, to reach the aim, was the different kind of people, and how to them to make them contribute, since often people who are involved are unwilling to share their knowledge. Reasons for people not working towards the aim were not precisely known, however guesses varied between insufficient motivation or perception of economic advantages or disadvantages. The problem was divided into two more concrete challenges. People who are not willing to learn technical or commercial characteristics, and lack of effort. Too many times the reasons to not to learn were not communicated, which could help solve key issues. The second challenge was how to affect people, in more personal and cultural context. Organizational targets were understood rather well, but lack of focus in the individual and culture were left out of focus in the process.

All in all, combining the mentioned challenges with time restraints produces more challenges. It is crucial to have best information available, and to keep historical

data up to date, as the equipment register grows. It is worth mentioning that such management tools are comparatively new to company.

4.1.4 Comparing different success indicators

In long-term perspective, revenue and profitability was pointed out as the main key indicator of aftersales, however it was not perceived very informative in terms of measurement of development. The reasons why revenue and profitability were recognized as top indicators, was that they are easy to measure, and they are concrete. Customer satisfaction was recognized as the most potential to influence further improvements, as it had not had utilized before in more systematic context. In a more advanced context, number of customer contacts compared to number of sales was said to have added value in terms of measurement, however it would be very difficult to implement.

4.1.5 Benefits for the company and added value

Apart from gaining more business from the whole life cycle of the equipment, the main value for the company from aftersales was said to be the technical data from spare part sales and inspections, in addition to feedback. The feedback and data is prone to be used in product development and in marketing as well. In the same time, it gives opportunity to collect data about technology of the field, and of competitors' equipment.

4.1.6 Company network

The network around the company was initially described as healthy and well-functioning. Substantial proportion of direct contacts are personal ones, and motives and drivers of the buying organizations are known at least by someone in sales organization. Agents and distributors are viewed as helpful, to overcome cultural bridges and to acquire contacts and leads, but not regarded nearly as important as direct personal contact to end-customer.

A major share of suppliers and sub-contractors are regular and been around for long time. It is a key objective to standardize supply chains and methods, and to build

and develop relationships via regular order frequency. Honesty and integrity towards suppliers is perceived as main driver to gain trust, reliability and therefore added value.

On the contrary, it was identified that the supply chain did not run on full speed and it had been stagnated in terms of development. Multiple causes for the mentioned was discussed; distant relations between some customers and suppliers and combined with lack of integration of supply chains. Another point was that relations with both, customers and suppliers, are in excessive amount focused on certain people of organization.

4.1.7 Ways to sustain and develop relationships

All forms of direct and frequent communication were perceived as the best ways to foster relationships, either by email, spoken or face-to-face. Also, positive and high volume refences are considered as viable way to foster relations, at broader organizational level. Honesty and integrity should be transferred in all communications, as most of partners are involved in common development in many points of the supply chain.

4.1.8 Company strategy (Vision/Mission/Values) support towards after sales marketing

There was a consensus that company infrastructure, procedures, business processes and particularly values do support aftermarket activities well, however the company strategy was unclear, or unknown. The upmost pursuit should be to increase market awareness, and that the company is stable, long-term and productive. It was admitted that there is room for improvement for aftermarket marketing on various level of the organization, and no concrete limitations were recognized in context.

4.1.9 After sales development within the company

Aftersales development is still in relatively early stage. Historically, the development has been very need-based to meet with current requirements, and just two

years ago aftersales was internally established as its own function and given resources. That is also the reason why certain historical data is missing, lost or hard to find in terms of future development. Since its establishing, the aim development was to be more proactive, and on a broad level it was given organizational, economic and functional objectives. Currently, aftersales has its own organization, and next step is to map existing market, customers and potential. The internal processes of collecting, developing and sharing data and information has been in focus recently. Systematic approach to connecting to customers and intermediaries together with data collection have been under progress, too.

For the future, the biggest objective is to stay on top of the service, in terms of quality. Aggressive growth and market penetration is considered secondary. The biggest overall challenge is to redeem and convert the promises and knowhow of experts of the field, and at the same time to do advisable commercial activities.

4.2   Analysis

According to the interview results, key personnel within the organization do recognize the possibilities of after sales, challenges of it and its insufficiencies, much like Cohen et al. (2006) indicated that while possibilities are known, it is hard to manage in effective manner. All processes that are in place, lacks and needs for improvement came to three main aspects: communication, systematic processes and information management, all of which were themes discusses in theoretical section y several authors: communication by Gummeson (2008), systematic processes by Dombrowski and Malorny (2014, 2016) and information management by Wilson (2006) and Murray (2004). Seemingly, the business unit has put itself in ideal situation to execute successful after sales, as it has good relationships towards both customers and suppliers, however it appears that the effort to proactively manage the network and processes internally has been lacking.

Within the business unit, it is somewhat clear that what needs to be done to develop after sales, but the means to execute have been unclear and lacking systematic approach. Clearly, the main obstacle to tackle is to how systematically overcome the

human -component on the information sharing process, so that everyone within the process has the same information of customers, machinery and suppliers.

As mentioned, there are good relationships towards customers and suppliers, however the relationships seem to be working through only certain members of the organizations, which creates bottle necks to the information flow, whereas while Dombrowski and Malorny (2014) were in behalf of limiting excess information flow, all processes (information processes included) should be transparent. Direct contact to key players in supply chain (end-customers, suppliers), was identified as the best way to do business and foster relationships, which conforms with the relationship strategy discussed in theoretical section (Grönroos 2016), though the cultural aspect recognized as a challenge.

5   FRAMEWORK FOR AFTERSALES MARKETING

The aim for this marketing framework is to provide needed structure for after sales processes, as it has shown that due to rapid growth on demand for after sales and lack of previous efforts to manage after sales together, that there is immediate need for such. The framework focuses primarily on the current situation of after sales and how it should be managed. The framework is exploratory by type, it can be used as a groundwork for more detailed marketing plan. The marketing framework is brought together by answering the main research question presented previously in this paper. To answer the questions, the theoretical background is combined with the results of the empirical research.

5.1   What are the settings of aftermarket where the case company, operates and how it can be managed?

Referring to the model by Michel et al, in its current situation, the business units resources do match with current market and applications. The technology that the unit has to offer, covers significantly larger pool of applications, however given the resources, it is not possible to serve all applications. The current target market is energy industry. The main market is reached in collaboration with manufacturers in the same industry. In addition to the energy industry, the unit serves other industries as well, but only through trusted partners who act as the main provider to the end-customer.

The demand market structure is mixed: There is a large quantity of individual end-customers of different size which can be described as dispersed market, but due to collaborative nature of the industry, some of the end-customers are currently reachable only through the other parties involved, for example other manufacturers, the market has also concentrated characteristic. The segmentation could be reasonably done according to Verhallen et al (1998), by considering the orientation of the organizational buyers. To study the orientation of the buyers, the organizational buying behavior theory by Webster and Wind will be considered. By doing this, also the third market characteristic introduced by Michel et al, the supplier -customer interaction and its consequences, can be addressed. The impact of the environment

is addressed as after sales optimized: the first step of the optimization is to go through the general conditions that has any affect to the process. This reflects likewise the secondary aspects of after sales, which are one of the main challenges identified.
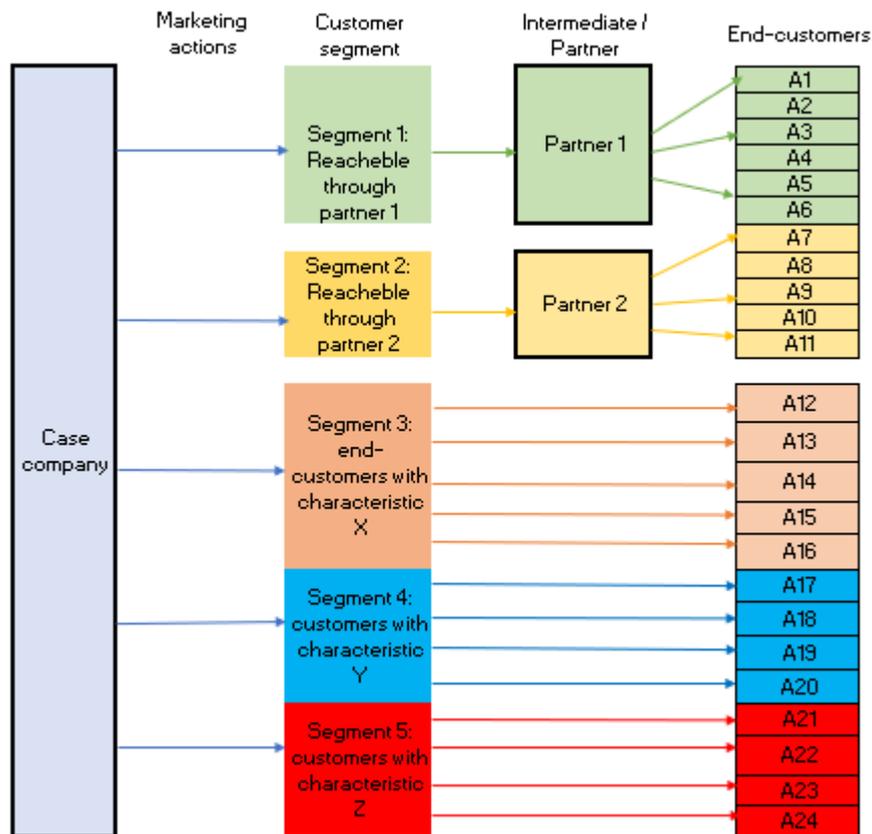

Figure 13 Suggestion for segmentation (adapted from Michel et al, 2003)

Figure 13 represents a possible segmentation scenario. Some of the end-customers are reachable only through relatively large partner organizations (concentrated market characteristics), while some end-customers are within the case company's own reach (dispersed market characteristics). It is logical to regard the partner organizations as their own segment due to distinguishable features between one another. End-customers that are directly reachable can be grouped into segments finding similar characteristics, such as buying center or type of instalments.

5.2   What is the most efficient approach for after sales marketing?

It is reasonable to argue that relationship strategy can be considered as the most efficient strategy for after sales marketing, as the unit had naturally executed it to some extent, like the interview results indicate. The most fit strategy, regarding the aim of after sales, is business generator strategy. When comparing strategies presented by Cavalieri et al. (2007) and the interview results, it is evident that business generator strategy is the most natural one to go with.

The relationship approach should be based on the service profit chain, as it is logical to first invest in internal quality, which then in turn serves better external quality, satisfied customers and increased profitability.
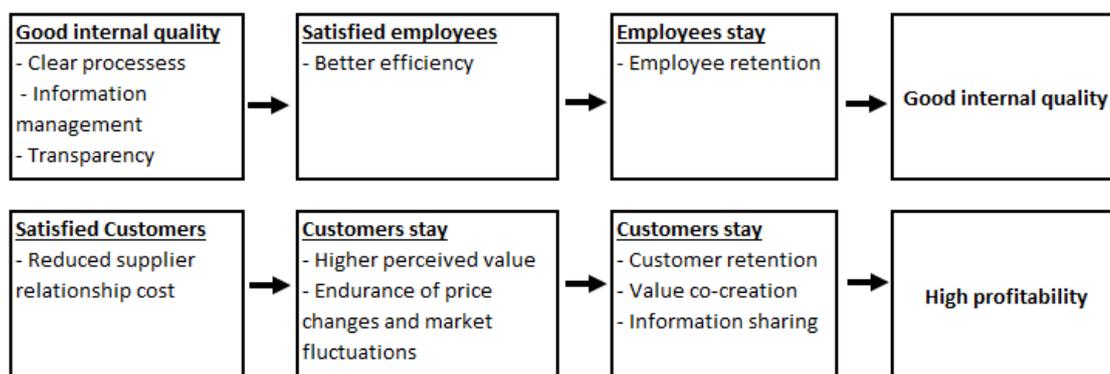
Figure 14 Illustration of applied service profit chain (adapted from Heskett et al. 2008)

Figure 14 represents possible improvements in case company's service profit chain, that can lead to better quality and profitability.

Acknowledging the service profit chain, gives solid foundation for service marketing, and relationship marketing. From service marketing perspective, it is vital to recognize the marketing mix, as it creates a guideline of what is sold to whom, where and by which attributes. Figure 15 represents the basic service marketing mix of the case company and can be used to prepare sales and marketing material.

Product	High quality
	Up to standards
	Wide range to cover all original instalments
	Post-purchase support
Place	Direct selling
	Through partners
	Supply to all original instalments
Promotion	Direct contact to buyers
	Reputable references
	Honesty
Price	Competitive pricing
	Best money-to-value ratio
	Volume and project discounts
	Transparent pricing
People	Competent personnel
	Polite service
Physical evidence	High quality products
Process	Efficient processes
	Transparency
	Timeliness

Figure 15 Suggested service marketing mix for the case company (adapted from Drummond, 2005)

As mentioned, relationship marketing is a concept that offers tools to efficiently manage money-worth networks and relationships, where the company skills and know-how is considered the most valuable asset. Bowden's model on customer loyalty and commitment can be used to track relationships and identify the most valuable relationships. Figure 16 models the customer engagement, where end-customer falls from warranty period into the area of after sales. In that moment, if the customer has been even slightly dissatisfied, it will re-evaluate the supplier-buyer relationship. From that point, it is crucial to track the nature of the relationship, involvement and trust, so that the relationship can reach mutual commitment and loyalty.
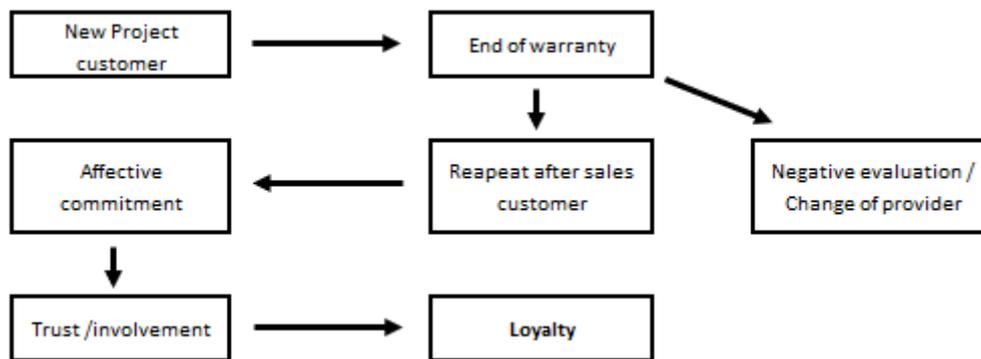
Figure 16 Suggested model for reviewing customer engagement (adapted from Bowden, 2009)

As direct contact to customer was identified by key personnel as the best way to foster relationships and make customer contact, it is important to recognize the whole buying center, the relationships within it and what is the best way to sell. Figure 17, the Buying center information matrix can be used as a simple tool to evaluate the buying center in question, and who are the most influential members that can be influenced.

Buying center information matrix

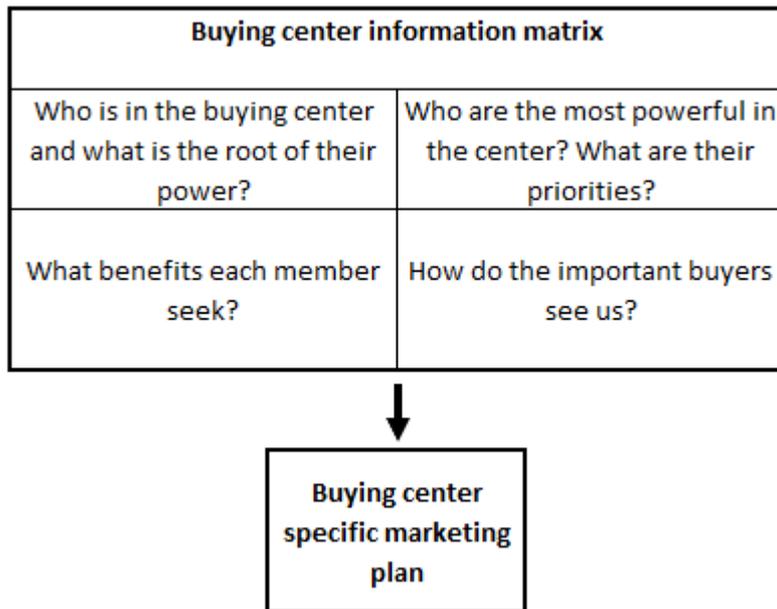| Who is in the buying center and what is the root of their power?	Who are the most powerful in the center? What are their priorities?
What benefits each member seek?	How do the important buyers see us?

Buying center specific marketing plan

Figure 17 Buying Center Matrix (adapted from Bonoma, 2006)

5.3   How the internal process of aftersales can be adjusted?

It was said in the interviews that more systematic approach is needed to manage after sales with its varying processes, while improving information management. As it is mentioned that service profit chain provides sufficient outline for after sales marketing, applying lean philosophy into after sales processes can provide appropriate guide to remodel process structures into more profitable and efficient direction. Figure 18 adapts lean -principles that were discussed by Dombrowski & Malorny (2014), and how them can be used while remodeling processes to be more suitable.

Principle	Description	Possible implementations
Standardization	Implementation of stable, repeatable processes and routines	Process mapping, standardized procedures
Zero defects	Improvement of quality by error prevention and error analysis	Internal continuous process feedback
Visual management	Visualization of objectives and achievements	Use of key figures
	Transparent processes	Transparent communication
Continuous improvement	Simple and steady impovement of processes	gathering of customer feedback, surveys, internal process feedback
Employee orientation and management by objectives	Motivation and training of employees to re-think processess and to improve routines	Motivation and training of employees to re-think processess and to improve routines
Flow principle	Continuous, fast material and information flow	Avoiding unnecessary stoppages in value flow by planning further ahead
Pull principle	Customer- and demand- orientated material supply	Customer demand driven processes, Just-in-time services and solutions
Avoidance in waste	Reduction of non-value adding activities	avoidance of unnecessary and excess information - and flow,

Figure 18 Principles of lean, applied (adapted from Dombrowski & Malorny, 2014)

The process for remodeling after sales service processes could follow the steps presented by Dombrowski & Malorny (2014), while keeping including lean principles. After internal processes are set, the managing service networks by following the model set by Cohen et al. can take place.
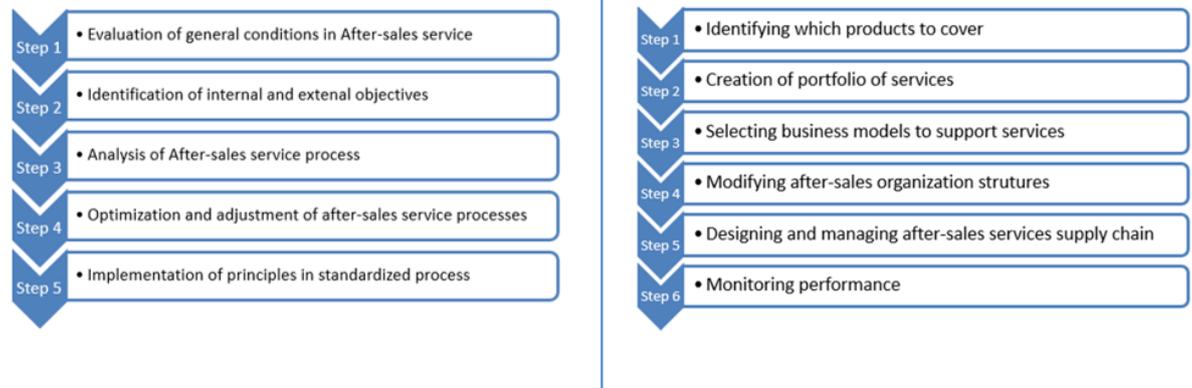
Figure 19 Remodeling of after sales services and managing after sales networks (adapted from Cohen et al. 2006, Dombrowski & Malorny 2014)

Models in Figure 19 can be used as supplementary to each other. The model suggested by Cohen et al (2006) is suitable to remodel the processes within the organization, while the model by Dombrowski & Malorny (2014) can be used to model services that flow towards the customer.

Monitoring performance of after sales should be done on continuous basis to evaluate current processes and services in relation to the market, to gain an overview of the overall situation of after sales. SWOT analysis can be used to achieve this insight.

6 CONCLUSION

In summary, the company is a self-proclaimed market leader in providing reliable solutions within its market area. Until very recently, the need for marketing measures has been very low in after sales, however as the number of instalments has grown and aged the need for systematic marketing measures emerged. Previously the unit had relied mostly on social skills and technical know-how to execute sales.

The marketing framework focuses on current after sales processes, and how to structure and improve them in marketing perspective. The framework consists of very basic marketing theory that is easy and effective to execute with current resources. The framework contains segmentation, service- and relationship marketing, organizational buying behavior, after sales processes and situational analysis.

The conclude from this thesis, there are four concrete actions that are suggested to the case company to take to further develop after sales processes:

1. Map the after sales processes and remodel them to suit current needs.
2. Develop suitable information management system suitable for after sales that contains;
   a. Full instalment registry
   b. Customer data
   c. Supplier data
3. Share more data within the organization.
4. Seek even deeper synergies with both customers and suppliers, to fully employ the whole organization in process.

6.1 Reliability, validity and ideas for further study

Reliability reflects the level of consistency of study. Reliability indicates if the results stays the same regardless of how many times the study is repeated, or the examiner is changed (Golafshani, 2003). Regarding the nature of the case, reliability is very subjective matter, as there are countless aspects to it. However, it could be

argued that if different person within the same organization conducted the study, the results would be in all essentials the same.

Validity tells how well the study served its cause, did it answer the questions that it said it would (Golafshani, 2003) The study did manage to answer the initial research questions, and as it was in all essence need based, it means that it fulfilled its purpose in some level at least. However, the subject in question is endless, and with given resources and time-frame, it can be argued that very high level of validity is quite difficult to attain.

As said, the thesis left plenty of room for further study. The further study could be done from more customer centric point of view, as this thesis focused more on the internal perspective Also, more detailed market research, and buyer behavior can be regarded as significant contribution to the subject of after sales marketing of the case company.

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APPENDICES

APPENDIX 1. Thesis Interview Template

1. What is the aim for the aftersales function?

2. From process point-of-view, what do you see as the requirements to reach the target?

Step 1	• Evaluation of general conditions in After-sales service		Step 1	• Identifying which products to cover
Step 2	• Identification of internal and extenal objectives		Step 2	• Creation of portfolio of services
Step 3	• Analysis of After-sales service process		Step 3	• Selecting business models to support services
Step 4	• Optimization and adjustment of after-sales service processes		Step 4	• Modifying after-sales organization strutures
Step 5	• Implementation of principles in standardized process		Step 5	• Designing and managing after-sales services supply chain
			Step 6	• Monitoring performance

3. What do you see as the biggest challenge to reach the aim?

4. In long term perspective, how would you compare different success indicators and their usability to aftersales? For example, revenue, order intake, customer satisfaction, others

5. What are the benefits of the after sales function for the company – what kind of added value is created through the after sales marketing?

6. How would you describe the network surrounding the company?
   a. How are the relations with customers?
   b. How are the relations with suppliers?

7. What do you identify as the best way of relationship fostering?

8. How does the company strategy (Vision/Mission/Values) support after sales marketing? (business generator, brand fostering or cash generator strategy)

9. How is the after sales function developed within the company and what is the focus of this development?