

Creating a Business Model for a Startup Company Using Service Design Tools and Methods

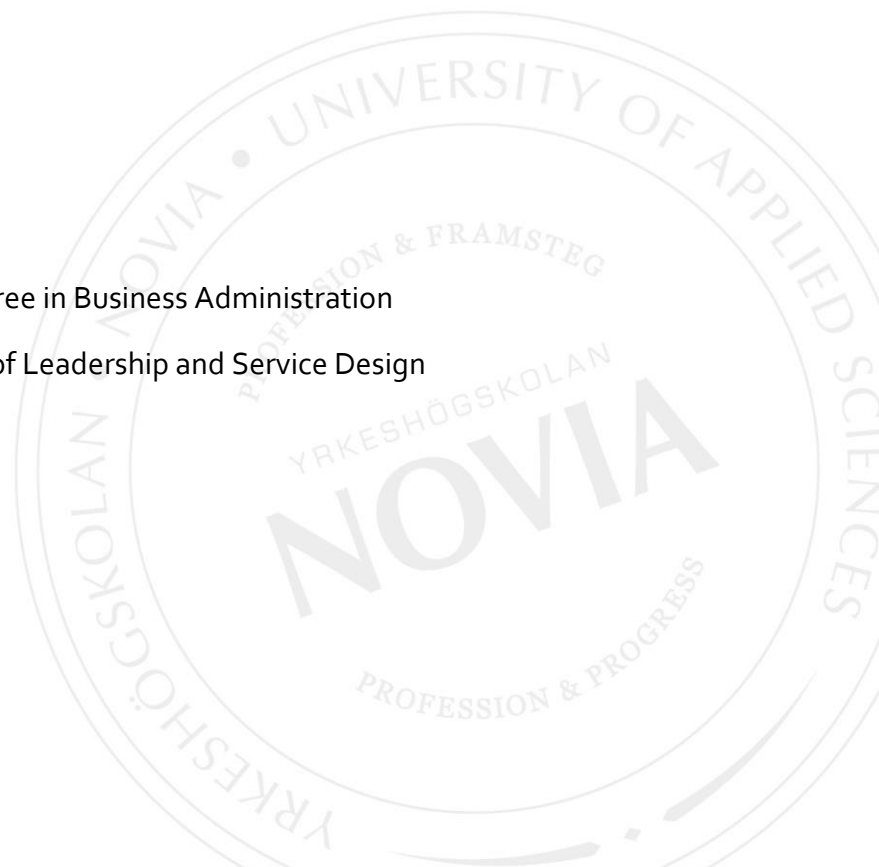
Self-service Garage

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Abstract

The aim of this thesis was to conduct a design research and as an outcome of that research a business model prototype. The prototype was handed over to the commissioners together with a value proposition, personas, service blueprint and SWOT-analysis. Technology has made it possible to have different types of self-service businesses and this self-service garage project needs to be an easily accessible, safe space to work on vehicles in, for both minor repair or car wash. An important element of the thesis was design thinking, to find out what brings value to users and what the service should include in order for the customers to want it.

Potential customers were interviewed and asked to fill out a questionnaire. A workshop was facilitated with one customer segment. The results of all three methods were then summarized into the service design tools. The focus was always on the potential customers and what they would need.

In conclusion, the methods used proved to be successful. Both the researcher and the commissioners agree that the gained results are not mind-blowing news but even so, we are now aware what the customer expect and what they want. The weather in Finland supports the need for indoor spaces for consumers to work on their vehicles. Environmental aspects are important, and the customers can rely on the fact that all rules and regulations regarding the environment are strictly followed.

Language: English

Key words: Service Design, start-up, design thinking, co-creation

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- Appendix 4 Results

1 Introduction

This thesis is a design research for a startup company that is trying out a new business in the hopes that the business would grow in the future. There are two different ways to expand this business, either by creating multiple self-service garages or by selling licenses so that other entrepreneurs can use the concept in their own facilities. The commissioners of this thesis are starting a self-service garage with a car wash as the main concept in Länsi-Uusimaa. The idea itself is not new but there are many ways of providing services and this research will be conducted in Raasepori.

The 21st century's technology has brought with it a change. Consumers are adapting well to this change, from market self-checkouts to online payments. Self-services are often faster and more efficient. There has been a research done in the US by Gartner, a world leading research and advisory company, that shows 64% of companies will be self-service enabled by the year 2022, of course depending on industry how that will be done. (Kibis 2019.)

According to Traficom there are 15 720 cars registered in use in Raasepori and 2 478 vans. The neighbouring municipality Inkoo has got 3 307 cars and 559 vans registered. The number of registered motorcycles in Raasepori are 1160 and mopeds 1129 (Liikenne – ja viestintävirasto Traficom 2020). The nearest self-service garage and car wash is located in Lohja.

When a startup company starts thinking about a business it is important for them to plan ahead and do some research before entering the market of choice. The traditional business plan is nowhere to be found in this thesis, instead every aspect is considered from a design thinking viewpoint by using service design tools and methods. The goal is to hand over a business model canvas as well as a value Proposition canvas, personas of the customers and a service blueprint. There will also be a stakeholder map and a SWOT-analysis. These results will support the entrepreneurs when they start the business. The research is done in cooperation with the commissioners and the focus lies in providing them with a sketched plan for their new business, from a user-centered point of view.

Design thinking is about the human-centered approach, collaboration between user and company from the start. When engaging consumers in the design process of a service, the

co-creation helps the company to find out what it is that brings actual value to their customers (Luukkonen & Kirjavainen 2019, 138).

The potential end-users will be involved in the design research of this thesis as well as the commissioner and the focus is on innovations and design thinking. Service design has got many tools and methods and many of them will be used in this research to gain insight and create the business model.

The business model canvas is a user-centered model that focuses on the end-user, innovations that are going to be successful needs to have a deep understanding of its customers and their routines, fears, and aspirations. When understanding the customers perspective, it will give out guidelines for the entire design process of the business model (Osterwalder & Pigneur 2010, 128.)

1.1 The industry

Everyone owning a car knows the struggle of salt on the road's wintertime, pollen in summertime, heavy rains and constantly dealing with a dirty car. In order to keep the paint from being destroyed, the car should be washed every once in a while.

The car wash industry has more than 220 000 employees in the world, with almost a billion washes each year in Europe. There are many ways to take care of your vehicles, both self-service garages, carwashes that provide wash by hand, automated and mechanical wash services. In Europe there are 50 000 automatic carwashes and 11 000 self-service facilities. In Europe, the petroleum companies have the majority of the market, but the number of independent car wash companies is growing rapidly. Recent studies have revealed that in 2019 there was a general increase in people preferring to pay for the service rather than doing the work themselves.

Today the general public is becoming increasingly environmentally conscious. Hence the Carwash Association has launched a water saver programme. By following the environmentally responsible business practises companies can attract customers and also cut costs. The criteria that needs to be met includes such things as that all the water should be steered to water treatment or a septic field and the spray nozzles need to be inspected annually to ensure efficient water usage. All the water-saving devices must be maintained properly to ensure maximum water conservation. Possible backflow must be prevented and

high-pressure nozzles and pumps that do not use more than three gallons of water a minute are required. (International Carwash Association.)

The lifetime of a car gets longer by the year, see figure 1, which shows that car owners are taking good care of their vehicles and they last longer (Liikenne – ja viestintävirasto Traficom 2020).

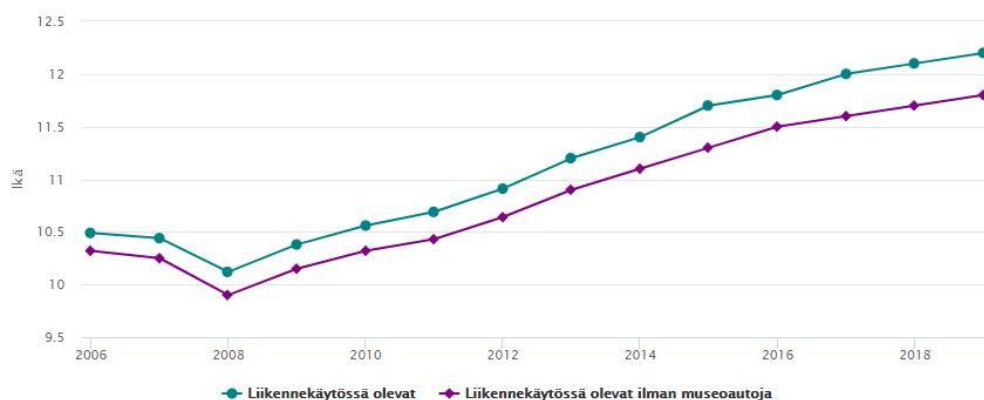


Figure 1. Car lifetime (Liikenne – ja viestintävirasto Traficom 2020)

1.2 Environment issues

There are some environmental laws in Finland that need to be followed. When having a car wash and practicing professionally there need to be proper drainage systems with sand and oil separation wells. Products that contain hydrocarbon solvent are not allowed in the drains otherwise. Businesses can only use approved detergents, but private persons can, with the landowner's approval, wash their vehicle occasionally on their premises and pour the wastewater into the ground if it does not cause harm to the environment. No chemicals that can be damaging to the environment are allowed to be poured into stormwater drainage or open ditches.

Rinsing a boat with water only is not against any environmental laws and the waste water from that is allowed in the sea. Detergents are not allowed to pour into the sea or in public areas (Ympäristösuojelumääräykset).

In Finland there is an ecolabel called Nordic Swan Ecolabel (Joutsenmerkki). The Nordic Swan symbol is a symbol that can be used in certified products or services. In a car wash industry that means having a water recycling system that reduces the amount of water used, and then the used water is cleaned biologically and used again. In Finland there are two car

wash companies that have been granted this symbol, one in Helsinki and one in Espoo. Vehicle care products that have the Nordic Swan symbol need to meet strict requirements regarding chemicals. In addition, the product label needs to include instructions on how to use the product correctly. This means for example that the label includes instructions on the need to use the products in a suitable location with connected drains to a water treatment plant in order to protect the environment. Cleaning products such as degreasers, waxes and windscreen wash fluids for cars, trucks and boats can also be ecolabelled. (Joutsenmerkki).

1.3 Aim and scope

The purpose of this thesis is to find out if there is a need for a self-service garage in the Raasepori area. The car wash is the main service, and in addition to that a place to do minor repair work on the vehicles. So what should the service include? After the research is done, an innovative business model is prototyped. There are several self-service automated car washes and similar services in other cities and the idea is to find out how this service could be successful in Raasepori. By using service design thinking and different service design tools and methods this will be researched. There will be both qualitative and quantitative methods involved.

We also want to know what the end-user is prepared to pay for and therefore the potential customers will be involved in the research from the very beginning through questionnaires, interviews, and in a workshop. The goal is to find out what brings value to users. A presentation will be made for the commissioners where a value proposition canvas will be made based on the used methods, a service blueprint will be prototyped and handed over along with customer personas and a business model canvas.

1.4 Research questions

- Is there a need for a self-service garage in Raasepori?
- What should the service include to bring value to the users?

Sub questions:

How will service design influence the business model?

1.5 Presentation of the entrepreneurs

There are two commissioners to this project, and by combining their expertise they will build this company together and call it MekPuts. The two entrepreneurs have totally different background, one being an experienced entrepreneur in the field of IT and technology, and the other already in the car wash industry. The entrepreneurs will fund the project themselves and are also going to be the contact persons and marketing executives. The idea is to build the technology around the garage, so that the automatic doors open when supposed to. There is also deep knowledge in webpage design so for that, there will be no additional costs.

MekPuts Oy started in 2020 and the company will not have any employees. The idea behind the company is basically that the company wants to offer people living in Raasepori the opportunity to wash their car and do minor repair work in an indoor safe environment, while saving time and money by not having to buy or store the tools and equipment that is needed. Their vision is to make the self-service garage the first choice instead of considering car washing at home and setting up multiple garages around the country either by licensing or by themselves from the start.

1.6 Frame of reference

The frame of reference for this service design research describes the three different aspects that the project consists of: design thinking, startup business and design research (see figure 2). This thesis is a service development, and service design methods are used throughout. Also, what can be seen in the frame of reference is user value, business model canvas and service design tools and together these make the frame of reference. The research questions decide which methods should be used in the research, for it to be relevant and for it to answer the asked questions. The theory behind the business model canvas and value proposition, which is an expansion of the business model canvas and extremely helpful in startups where no customer base yet exists, will be well described in order to fully understand all that goes into them and what benefits they have for a company.

The theoretical part will also include service design and its tools and methods, design research and start-ups because these topics all give both the researcher and the readers the needed background information to understand the project.

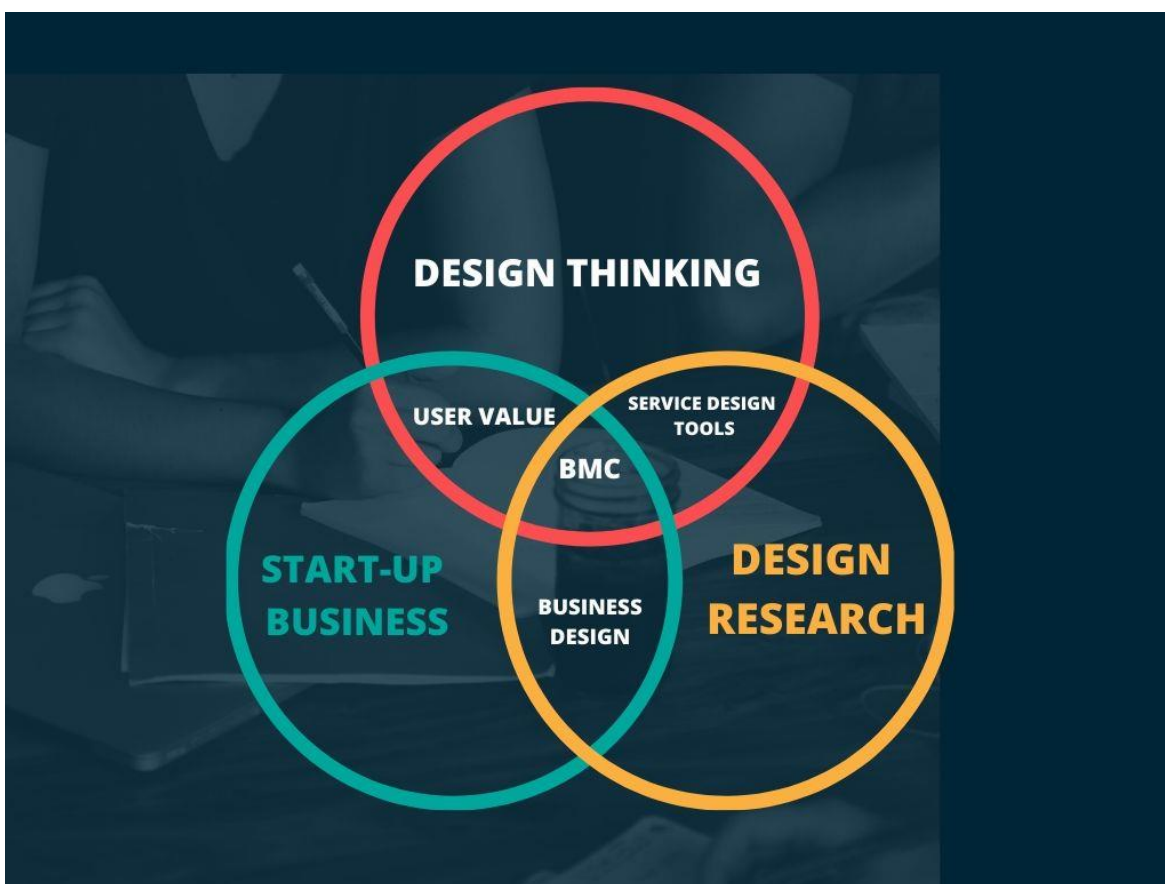


Figure 2. Frame of reference

1.7 Process chart

This thesis is a service development project. The research started in May 2020. All research: the questionnaires, interviews, and workshop results will be documented and discussed in chapter 5. The process chart (figure 3) shows in which order the project will proceed. After the aim was settled and the research questions established with the commissioner the planning phase started. The planning included deciding which service design methods to be used, collecting data about service design and startup business, business design and design thinking and the theoretical framework regarding those topics. The design research continues and will involve private consumers and B2B and methods that will be used are interviews, questionnaires and one workshop with potential customers will be facilitated. The theoretical part of the thesis includes the topics mentioned in the process chart, service design, the chosen methods, and tools for both reader and researcher to gain a better understanding of the content. Documentation and prototyping follow and personas, service blueprint and the canvas for the business model and value proposition are done based on the gathered information. After analyzing all the results and having the canvases ready, the results are handed over and presented to the commissioner in November 2020 (figure 4).

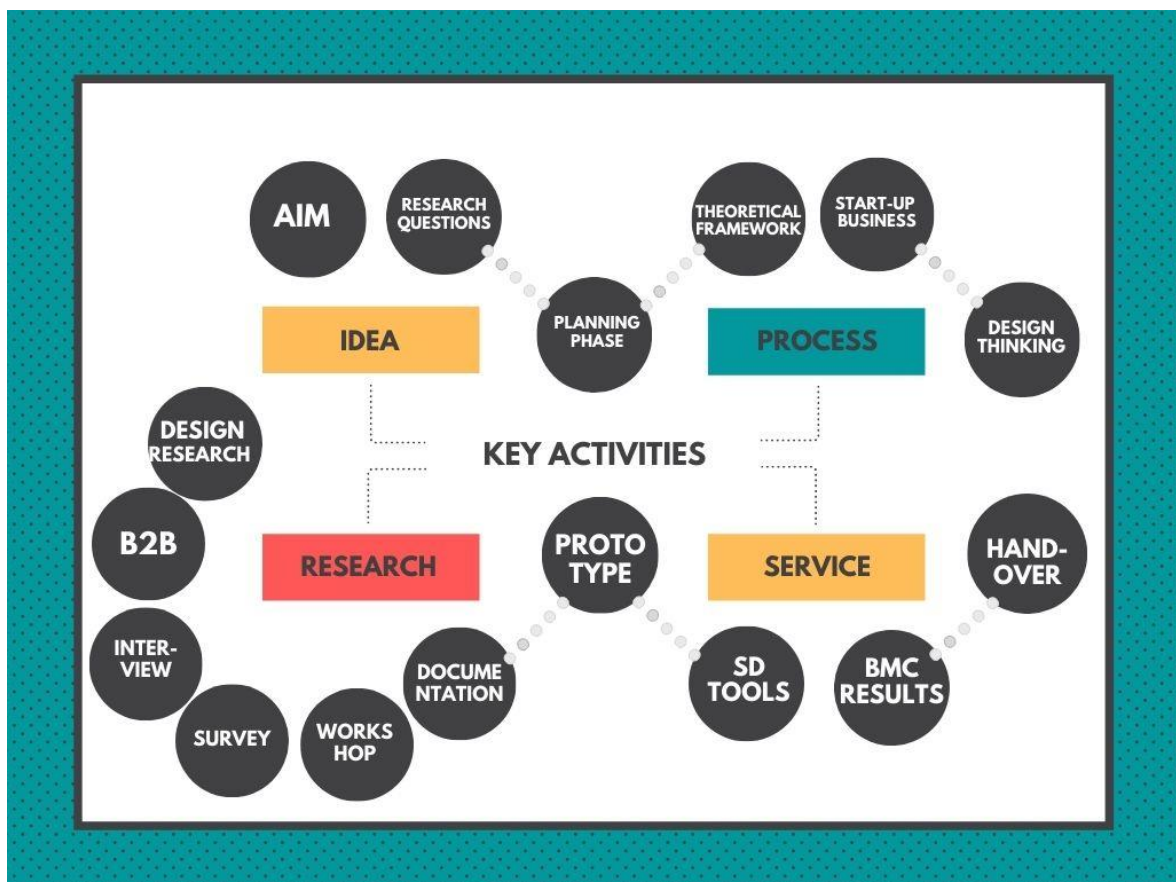


Figure 3. Process chart



Figure 4. Timeline of the project

2 Theoretical background

Design is a broad term in itself, because design is everywhere. Design is planning an interior, choosing color schemes, design is technological solutions. The essence of design is visualizing a solution. (Goodwin 2009, 3.)

When a designer approach a problem with different tools and methods with the purpose of creating a solution, it is called design thinking. Brown (2008) has said that by design thinking, a designer can change the course of product development, service development and even company strategy development. Business strategy is relevant, because service design concerns the strategy in terms of the overall customer experience. Everyone in the company that is involved in the process, back or front office, affects the end-experience. (Gloppen 2020, 6.)

A design process is about solving a problem. Whatever the problem or industry, the design process follows the same pattern in research, development, design, and prototype. Depending on the industry they are done differently but at its core, it is the same process. (Holston 2011. 21, 27.)

2.1 Service Design

"When you have two coffee shops right next to each other, and each sells the exact same coffee at the exact same price, service design is what makes you walk into the one and not the other" -31 Volts service design, 2008

There is no straight forward definition what service design is, first and foremost it is all about innovation. Service design focuses on the user because it is a user-centered approach.

Although statistical descriptions are important, in service design the designer take into consideration how different the customers can be even if they fit in to the same category statistically. To understand their habits, social context and the customers motivation are important, the customer is in the center of the whole service design process. In order to gain these insights, there are many tools and methods to use, service design thinking begins with understanding the mindset and the service experience of the customer. When conducting a service design research, one needs to find a mutual language with the users. The service provider can be experts of their field, whereas the user might not and therefor there can be barriers in understanding each other. (Schneider & Stickdorn 2011, 36-37.)

In a co-creative service design process, it is important to involve all stakeholders. Such stakeholders can be company managers, marketers or the staff that ultimately interacts with the customers. When there is a bigger group of stakeholders with different perspectives, there are tools and methods to be used with the intent of gathering insights from the different user perspectives. A stakeholder map shows the groups that are in some way involved, the groups can have very different importance levels to the business. The main headlines that should always be mapped in a stakeholder map is internal and external stakeholders. Other than that, the map can have various forms. Facilitating this is co-creation, which is a fundamental part of the whole process and it is good to involve the stakeholders as early as possible in the development of the service in order to gain the greatest results. Being a part of the process from the beginning as a user, might then evoke customer loyalty to the company in the long run. (Schneider & Stickdorn 2011, 38-39, 150-153.)

A service itself can be considered eco-friendly, since the ground thought is to borrow, to use, not to own. Instead of buying the products that are needed, they can be used. Service have got a significant position in the economy. From 2,4 million working Finnish people 1,7 million people are working in the service field. In Finland's gross domestic product is at 68%. On the other hand, Finland has been active in the service sector for years already, in the 80's half of the working population was employed by services companies. The significance of services is also growing by the year. Technology plays a big part in that and people are moving faster in every aspect and need all kind of services for daily life to function. Communication, payments, hobbies, and many more needs some kind of service to function. New business models are invented and used, not excluding the other but to coexist beside the old versions (Tuulaniemi 2011, 20–22). Another definition of services are, that a service is a process or a an activity, although different researchers argue, that there is no strict definition to what a service is. Judith Gloppen talks about a transition from product

economy to service economy and the change that has made in the business agenda, making organizations service-oriented instead of product-oriented. By paying attention and focusing on consumers point of view, service design innovation is made. (Gloppen 2011, 5.)

Value proposition is what the company offers the customers. The value proposition is the most important thing in the business, for it to be a successful business. The value proposition withstands what the company stands for and sums up what they are offering. The value proposition describes the product, explains the value and why it is different from the competitors. Consumers will always have their own hopes and expectations from previous experiences. The value is determined when the company and consumer interact. If the customer comes back and uses the service regularly, how much money is being spend and also if recommending to others, the company knows that they have succeeded in bringing value. The purpose of service design is the service products that bring value and pleasure to the customers but at the same time fulfills the company's goals. (Tuulaniemi 2011, 33.)

The customer-centered business approach came into Finnish businesses in the 80s, and the focus was mostly on the "moment of truth", the actual first interaction between customer and service provider. At this early stage customer-centered business was all about filling the customers' needs. Soon, however, it was realized that it is not profitable to try and fill all the customers' needs but instead keeping the current customers happy and content is far more profitable than getting new ones. This led companies in Finland to start focusing on their current customers and to thinking more about customer segments and that is what they are still doing so to this day. It is not just about the service being provided, it is about the customer who are paying for the service and using it, how it feels to them to get their problem solved. It requires that the companies know what brings value to them, customer value is at the very best when service provider and customer co-create. (Arantola & Simonen 2009, 2-3.)

The human-centered approach has become widely more used in industries that are not exactly design-driven. It has been noticed that collaboration with the customers gives valuable intel and by doing so from the early phases of a project the results are better. co-creation includes development of some kind and can be done in numerous ways but the three basics are collaboration, development and creating something as a result of the activities. A co-creation workshop where the service providers themselves are participating with the customer can provide great insight whereas an outside consultant might leave out useful insights. (Kirjavainen & Luukkonen 2019, 147.)

A great example of when a company has achieved successful personal connection with their customers are Harley Davidson. They have initiated such brand loyalty that they have a quarter of the American market all to themselves. It is not only about the motorcycles design, it is the logo, spirit, the camaraderie with fellow Harley users. Harley Davidson's brand is so strong that they can charge more than their competitors for their motorcycles. They have conveyed this loyalty through their design and deep understanding of their customers. (Goodwin 2009, 105.)

2.1.1 The process

Service design is a process that keep repeating itself and in the iterative process there are different stages. The stages are exploration, creation, reflection, and implementation. It is possible to do a framework for the processes of service design even if it is not always as clear as for example the process of designing a tangible product. First, one need to have a solid understanding of the situation, which is the exploration stage. The service designer understands the business and its goals. The researcher should not only collect empirical data, because a lot of insight can also be gained by using other service design tools and methods. One example of those methods is co-creation and observing. The creation stage is the most iterative stage since testing is a big part of service design. By testing unexpected problems can be found and financial failures avoided when not launching the service too early before it has been tested. The third stage is similar, prototyping and reflecting over the ideas. Testing can be challenging when there is no physical product but instead an intangible service. Users need something tangible, a vision, in order to be able to give any kind of feedback. Creating roleplays and staging the service environment can be of great help in these kind of prototype situations. The implementation stage is basically a change process stage. The changes that are being made are those that have been tested and retested in the earlier stages. A service blueprint is standard for visualizing the processes and as many as possible from the company should participate in the process for the changes to be successfully implemented in the company. (Schneider & Stickdorn 2011, 122-131.)

2.1.2 Prototype

When developing a new business model, prototyping is important, because it is an exploration of new ideas. Prototyping in business management is not that common because of the often-intangible structure of it all, whereas in architecture and product design it is more commonly used. Lately prototyping has been more used in service design and it has been shown to contribute significantly to business model design. The word itself, prototype, can be understood in many ways depending on the field one applies it to. In service design prototyping is a tool that instigates discussion and inquiries. A business model is a prototype. A business model prototype is not always a picture of the actual business model, but a thinking tool that makes you explore different directions that you can go with it. (Osterwalder & Pigneur 2010, 162.)

Prototyping is an essential part of service design and should be used throughout the service development process. If the service itself is not ready to be tested, prototyping can be done by pen and paper, with sticky notes and canvases. By doing this the whole process becomes tangible and something others can comment on and further improvements can be made. (Tuulaniemi 2011, 194.)

2.2 Design research

There are some differences between a traditional market research and design research. A regular market research focuses mainly on the size of the market and what it is that makes people buy or use services. Design research focuses on the end user and what it is that makes the end user loyal, how is it appealing and satisfactory over time (Goodwin 2009, 53). The traditional market research has been conducted since the 1930s, where marketing researchers researched what makes customers buy more. The purpose was to offer companies insights to what would make the customers buy more products and services. The traditional market research used surveys, interviews and focus groups. Design research focuses on the consumer from the beginning, by using many of the same methods as the traditional market research but the advantage the designers get by doing the research themselves is fundamental. When the designer does the research there is simply no intermediators. No information that might be of big importance go unnoticed. (Holston 2011, 58-59, 99.)

When starting to research it is crucial to establish what the goals and the differences between quantitative and qualitative methods are. In service design qualitative methods are more widely used, with interviews, observations and focus groups. Quantitative methods such as

surveys are good to use when trying to identify how large a market is. Combining both is usually a good decision. (Goodwin 2009, 54.)

Design research gives the researcher an opportunity to understand human behavior and a chance to use that gathered information in improving a service or product. A definition on design research is that it is a customer-focused approach that focuses on how the customer would use a product or service. Where traditional market research focuses on sales of a product or service, design researchers dig deeper into the customer and find out how the customer would actually use it. (Esposito 2018.)

2.3 Business Design

The business model is an important part of building a business. The quick changes in the market and technological possibilities make it even more important to create business models. Business design gives tools and methods that help both in developing the business model but also in testing. A few mentioned definitions of business design would be creating value, transform value propositions to actual business value, thinking in relations and application of the design on the development. It is important to understand the market, all of its players and forces. After developing the business model, evaluate it and find the pain points. Test it, learn it and repeat it. (Schmidt 2018.)

Businesses are constantly up against changes in the social and financial environment. They struggle to refine processes, products, and services because the customers demand change frequently. It is the new ideas that drive the businesses, there is a need to be in a state of ideation constantly. Here, design can give a competitive advantage. By following a defined process, usage of tools to innovate, designers can implement the ideas in the organization. Also, there is a need for speed, people are used to quick communication and this is expected in business also. The design process cuts off development time and time is used more efficiently. Co-creation is fueling successful business models and when the public is willing to provide their creativity, companies benefit. Not only that, but co-creation is binding companies and customers together. They tell what they need, and the company provides both manufacturing and distribution. Surveys are not always enough, it can give greater results to actually give the audience a chance to participate in the design process. (Holston 2011, 9-11.)

2.3.1 Start-ups

A start-up is a new or quite new business that focuses on growth, therefore not every business is a start-up. Some companies want to stay small and are happy as they are, whereas a start-up aims for growth. A start-up is usually founded by 1-3 persons and it seeks to identify the ideal customer and their purchases and how often purchases are made. (McGowan 2018.)

One of the most crucial things when creating a business is to understand the customers. It is impossible to stay relevant to them if you do not understand their needs and know with certainty what creates value for them. The same goes for the competitors, know who they are and how they operate. The idea is not to copy them, but to understand them well and learn how they do their problem solving, if they do. A good way to learn to understand your customers is to observe them. Things might come up that they would never tell you in an interview, simply because they do not realize the specific need that they have. Although observing without questioning leaves you with assumptions, so after observing it would be good to ask the same customer you have observed questions about the certain behavior and right there you get a better understanding of the customer and what the reason behind their choices are. It is important to ask the right questions in a situation like this, yes or no questions ought to be avoided because there will not be any conversation of them, they end abruptly. (Lokitz, Pijl & Solomon 2016, 85-86.)

Finland offers a start-up ecosystem which provides accelerators, investors and innovation support by the government. Helsinki is number one in the world in locally connecting founders, experts and investors. The Nordic region is in fact the fastest growing region for start-ups in Europe and also in the world. The Ministry of Employment and the Economy have estimated that around 4 000 start-up companies begin their journey in Finland every year. Of these about 400 manages to grow significantly over a period of three years. (Business Finland.)

Finland is an entrepreneurial country and in 2020 there was a 10% increase in starting businesses, figure 5 shows how the situation looked in the first quarter (Tilastokeskus).

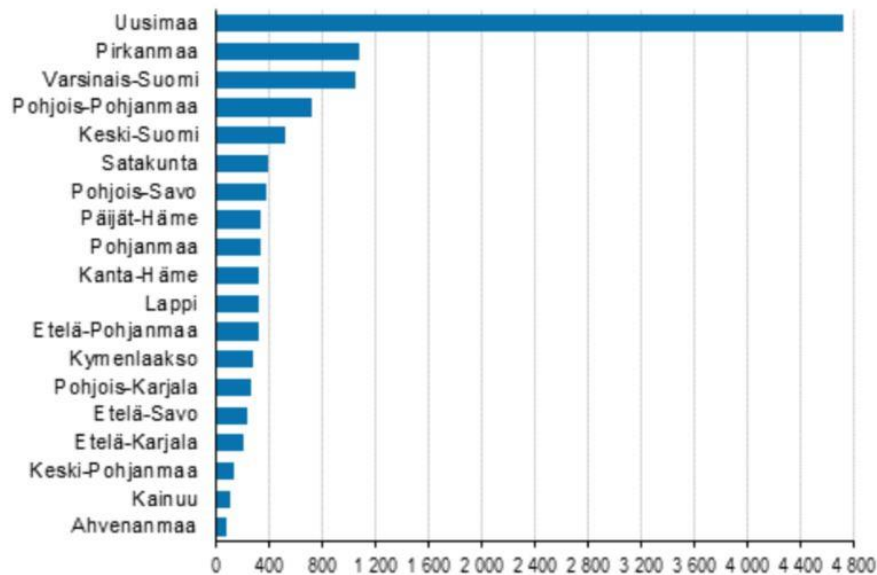


Figure 5. New businesses by province, not only start-ups (stat.fi)

2.4 B2B

Business to business customer acts very much the same as regular customers, they do internet searches and compare different businesses before contacting them. Make sure your companies' values are clear and when describing them, leave out everything that has to do with selling and instead bring out what aspects are important for the company. Why does this company exist? When it comes to business to business pricing, those are often negotiable, and discounts handed out specifically for them and that is why the pricing is often not listed on the company website. (Hague & Hague 2018, 81, 147, 162).

There might also be a need to have subscription deals with other businesses. These deals can bring long-term relationships with the customers. All products and services that are used frequently by the customer is suitable for subscription. The company receives steady income, and the user gets a comfortable way of using the services at the same price. There are also other business benefits in subscription commerce. As a service provider, you need to stay alert and involved in your business at all times for it to stay relevant. Make sure the customers know exactly how this deal is benefiting them. (Harrelson 2020.)

There has been a shift recently, consumers are not as interested in buying products anymore when you can lease them or subscribe to a service in order to use them. This gives companies a steady revenue stream instead of the onetime purchase. Another advantage of having loyal subscription customers is that there is less need to find new customers and therefore

marketing costs decrease. The Harvard Business Review has made a note that there is a link between consumption and monthly subscriptions, when paying for something, consumers do not want to waste so they use it more because of that, subscription payments then acts as a reminder to use the service or product. One disadvantage in subscription payments is that people might not sign up into first place if they feel like it is hard to get out of the deal once they no longer need the service. (Pettinger 2020.)

There are many companies that offer car wash installations around the world. They deliver and install the wash solutions and often have a contact person, an account manager that ensures that everything goes well with the installation. (International Car Wash Association.)

3 Overview of strategy and methods

In order to accurately address the research questions, many service design tools and methods were chosen to be used in this project. This thesis is creating a business model and a value map for a start-up company by using these tools. It was decided to combine both qualitative and quantitative methods in this design research.

When a company wants to know more about their customers, they can collect information in many ways. Quantitative methods include questionnaire and qualitative methods interviews and focus groups. Quantitative methods are useful when wanting to find out how big the market is and what the demographics are. Qualitative methods are more compatible when wanting to understand customer behavior and how they think. The biggest challenge in using the qualitative method is the self-reporting error, the dishonesty of the participants. These are often unconscious errors, when doing something a certain way, some step may be forgotten to mention. That something can be of great importance when designing a service. (Goodwin 2009, 55.)

One concrete and illustrative example of this kind of an error could be that if asked how you change the tyres of your car inside a garage. The respondent says that they would start by lifting the car up on a lift, then remove the tyre, lift the tyre away and fetch the new tyre and put it on and then attach it. In this scenario there was no mentioning of how the person would get into the garage at all, would there perhaps be a key or a remount control. It is important to get inside in order to do what the respondent wanted to do there. So, leaving that information out would be devastating for the designer who did not know that you also need to access the garage. This example also shows the impact of observing. By observing this

would have come up, but in an interview it might not if not specifically asked. A combination of different methods is usually the best way to go.

3.1 Benchmark

Benchmarking is about observing others, comparisons with other companies that provide the same services. The aim of benchmarking is to learn, and since ideas are owned by no one, gathering existing ideas and implementing them in your own organization is completely acceptable. You might also want to investigate other companies that does something different than you and take those findings and design them to fit your own. This is a highly effective method because you can avoid making the same mistakes that have already been made. There is also a better strategy developing when you are familiar with the competition. Companies may be up for a discussion between them, but they may also not. If the competition is not willing to tell you about their methods, there is other ways to find out. The best way to discover them are the companies' own websites. Mystery shopping is also a great way to gain information about how the company operates, both service wise and product wise. One should be careful not to overstep and by doing that irritate the competition and at the same time tarnish the company's own reputation in the process. (Tuulaniemi 2011, 139-140, 185.)

The process of benchmarking (figure 5). There are of course different ways to benchmark but the figure below shows a typical process in business benchmarking. Plan what the goals are and identify the benefits. Decide the primary measures and set up the benchmarking method. Develop the process of how the data is going to be collected and which companies are going to be contacted. Collect the data and analyze gathered information. Improvement plans can be made out of the data and lastly, implement the gained insights into the business. (O'Sullivan 2018.)

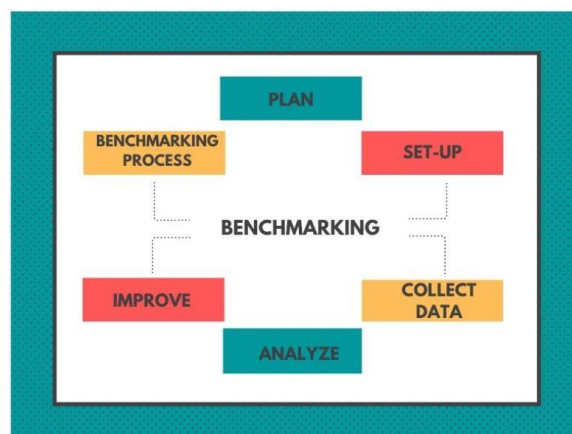


Figure 6. Benchmarking process (The knowledge Inc.)

The purpose of the benchmarking in this project is to find out how the competitors operate and what is offered in their service. The benchmarking will not be done on a deep level, instead there will only be observations and data collection gathered from two different self-service garage company websites. This way we are able to see what similar companies are offering their customers.

3.2 Interviews

Qualitative interviews can be done in different ways. They can be more like a conversation between the interviewer and the interviewee, semi-structured so that the questions are planned in advance but leave room for discussion. The semi-structured interview is more informal and conversational than the structured one, where there is little room for flexibility. The semi-structured interview asks questions like “what” and “how” whereas the structured focuses only on “what”. Qualitative interviews can also be open and totally unstructured, and these types of interviews differ from the rest in multiple ways. There may be guiding questions planned but no interview protocol is used. The interview can then go in any direction as you go along. The positive aspects of unstructured interviews are that they are individualized and become highly relevant to the participant and can therefore give much insight that may or may not have come up in a structured or semi-structured interview. (Eriksson & Kovalainen 2016, 91-95.)

Interviews do not give statistical answers and information, instead they provide attitudes, the interviewees’ beliefs and behavior. One of the advances of having one-on-one interviews instead of interviews over the phone is that there can be prototypes and design available for the interviewee to see, touch and interact with. When planning an interview, think about the goal of the interview, and what information is needed to get from the interviewee. “What can you tell me about/How do you feel..?” questions are a good way of formulating the questions because then the interviewee talks from their own experience completely and is encouraged to do so. The researcher gets a better understanding of how the participant feels. It is a skill to make an interview conversational and not making it stiff. (Holston 2011, 164-166)

Why and what questions are the most valuable when discovering, they set the foundation for innovation. Some might think asking questions shows weakness and might make the customer believe that the company does not know what they are doing. The opposite is most often true. These questions are not directly increasing sales, or pressuring the customer to

buy, so the customer will most likely feel appreciated for that the company only wants to understand them and their needs. It is also important to phrase the question right so that it does not come out as a statement. (Lokitz et al. 2016, 89).

When interviewing potential customers for a value proposition canvas, it is important to really understand the customer jobs (more on customer jobs in chapter 3.8) and that is why the interviewer needs to ask why until they do. It can be good to dig even deeper than that, when the interviewee answers what their needs are, ask why the need is there in the first place. That is how one can understand the true motivations behind the customers' choices. It can be good to have an interview outline, pick the questions from the customer profile, have the empty canvas there and map it out while interviewing the potential customer but also remember to write down other insights that come to the surface. (Bernada, Osterwalder, Pigneur & Smith 2015, 24, 110).

3.3 Questionnaire

Questionnaires are a cost-effective way of collecting insights from many people at the same time. There are also bad sides to questionnaires, the researcher is unable to observe body language or moods in the respondents and there is merely no way to ask follow-up questions, because there is no interaction between the respondent and researcher. When developing a questionnaire, one needs to pay a lot of attention to detail in order to create a successful questionnaire. If the goal of the research is clear, it is easier to form the questions. In order to get strong response rates the questions should be simple and meaningful and an introduction to why it is important that the individual answers the survey as well as what the goal is. The researcher should form the questions in an unbiased way so that there is no influence from the researcher. The questions should not follow the same pattern all the way through. The questionnaire is kept interesting for the respondent if the style varies, but the flow should be meaningful and in order. The more respondents there are, the more accurate the results will be. The key is to find a balance between having too few participants and having too many. It is always good to test a survey on a smaller group of people first and get their feedback on it, but also for the researcher to see if the answers that come in give any value. For the best results it is preferable to combine surveys with qualitative research methods since quantitative data does not answer the question why the consumer has decided on something (Holston 2011, 159-161).

A web questionnaire is the most effective way of collecting data, the respondents get it quickly, are given the opportunity to answer it immediately and there is no need to do any separate processing of the results. It is also anonymous which can contribute to greater honesty in some cases. In any questionnaire it is appropriate to have some open-ended questions so that the respondent can answer more freely. When having closed questions in a questionnaire, questions that have alternative answers, a good amount of answers are between 3-7 to pick from. More than that might confuse the respondent and if it gets difficult the respondent may lose interest in the questionnaire altogether. (Christiansen, Engdahl, Grääs & Haglund 2016, 138-149)

3.4 Workshop

In order to have a successful workshop, the event needs to be planned and prepared well. When making preparations for a workshop one needs to bear in mind that there also needs to be room for flexibility and therefore it is important not to make the workshop plan too complicated. One important aspect is time, there needs to be enough time scheduled for each phase. Even a well flowing workshop may feel burdensome for the participants so in order for the participants to stay focused there need to be enough breaks. A workshop can be either short or long, but a four-hour workshop is the most effective when evaluating results. Participants might not be able to concentrate for more than four hours. On the other hand, if the workshop is shorter than four hours, the participants might not get in the right headspeace to contribute well enough. There are some topics (figure 7) that are fundamental when organizing a good workshop. (Palvelujentuotteistaminen)



Figure 7. Workshop phases (based on handbook from Palveluntuottaminen)

Workshop facility

The space is of big importance in a successful workshop, every participant needs to have enough space and the possibility to sit comfortably. The space should not be too crowded but not too big either but the main goal is that the participants are able to move around in the space. It is good to have a empty wall at hand. The facilitator should arrive on time and make sure there is enough air in the room and organize the chairs so that they are in a semicircle or similarly suitable order for the theme. When the participants arrive, it is important to welcome them and make a clear start of the workshop and introduce them to the topic. At the beginning of the workshop it is sometimes preferable to have a small introduction of the participants also so that everyone feels more comfortable and that they know that they are in the right place. When introducing the topics and the aim of the workshop it is important to make sure that everyone knows what the goals are and what are expected from them. (Palveluntuotteistaminen.)

Participants

For a successful workshop there should be enough participants who are both similar and different. A manageable amount of people are 4-12, if organized well there can of course be more. When planning the workshop, one needs to think about the amount, because big workshops can require that the participants are settled into smaller groups which then makes the workshop longer to summarize and end. The strength is in having different participants involved, gathering them and working together. It is good to have both individual assignments and group assignments because of the differences in people's personalities. An introvert might work better alone when the extrovert gets bored and concentrates better when discussing together with other participants. (Palveluntuotteistaminen.)

Workshop tools and techniques

The tools in a workshop are very simple. Paper, sticky-notes, colorful pens and tape is crucial in visualizing everything, tape the papers and post-its to the wall for everyone to see (Palveluntuotteistaminen).

There are some activities and techniques at the facilitator's disposal. The fundamental activity in workshops are the sticky-notes. Every participant contemplates and writes ideas and opinions privately on a sticky note, then the sticky notes are posted on the wall for everyone to see (figure 8). It can be a good idea to put time pressure on this assignment. Other examples of activities in a workshop are affinity diagrams, landscape mapping, forced ranking (figure 9), storyboarding, role playing and playback. The forced ranking is a prioritizing activity in which the participants rank the topics against each other and divides them in order. Forced ranking can also be used when voting or establishing which of the ideas are worth prototyping (Gibbson 2020).

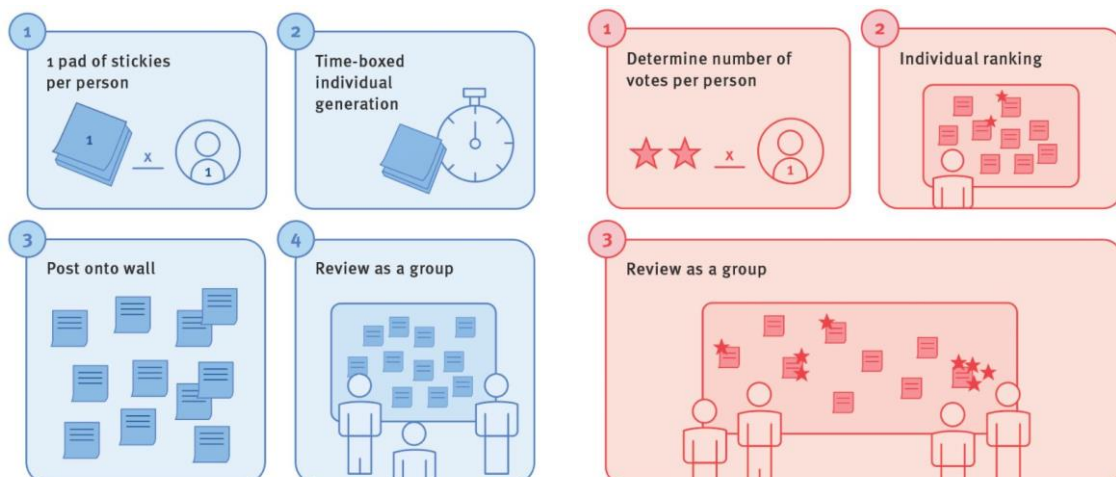


Figure 8. Post-up activity at workshops and figure 9. Forced ranking (Gibbons, Nielsen Norman Group)

Facilitator

The facilitator should always be partial and treat everyone equally. The facilitator also takes care of the timekeeping and makes sure that the theme of the workshop stays and do not spiral away so that the participants suddenly talks about something completely different and wastes time on that. In case of differences of opinions, the discussions can escalate and be quite heated at times and in those situations the facilitator needs to calm the situation down and lead the focus back to the goal (Palvelujentuotteistaminen).

The facilitators are in a way protecting the democracy and sees to it that every participant is comfortable at all times. When facilitating a workshop, also think about silence. The facilitator's job is to encourage and inspire but there should also be room for silence so that the participants have the stage so to speak (Gibbons 2020).

3.5 Personas

One way of envisioning a customer, the type of person the customer is, is by creating customer personas. These user personas then help the design team to focus on the goals and expectations of each persona and at the same time making it easier for the designer to prioritize the customer's needs (Holston 2011, 156).

The profiling personas is based on real research, not an assumed stereotype. Even though they are fictional, they represent real customers or users. A specific persona represents a group that shares the same needs or have common behavioral patterns. The personas are the characters that design teams can work and engage with. Aspects to include in customer personas are portrait image, name, demographics, mood images, description and statistics (Stickdorn, Hormess, Lawrence & Schneider 2018, 41–42).

The personas are developed from the research, from interviews, shadowing and questionnaires. The persona character may be fictional, but the motivations behind them are real and can be very helpful for the design team in terms of focusing on the right matters, not just about demographics but the customers own actual needs. A user persona can be made as a group in workshops. (Schneider & Stickdorn 2011, 178).

There are approximately always at least two different personas or types of customers. When developing a persona a name, a picture, skills, goals, environment and anything other that gives an understanding of the customer should be included. Personas come handy when designing a service for an actual human being. In the beginning of a service development project the personas help envision what the customer wants and later on in the process the persona profile can help iterate ideas for all kinds of solutions. The main purpose of a persona is to help the design team make decisions with the end-users' picture in mind. By having specific personas, it is easier to prevent self-referential thinking, making decisions because of your own preferences. Personas can also be introduced to the stakeholders, to show them visually the customer and their needs. It is important to understand that a persona is not a customer segment, the latter focusing on what will sell and the prior mentioned on how the end-user will use the service or product. There are concrete differences and similarities between personas and segments (figure 10) (Goodwin 2009, 229, 232–237).

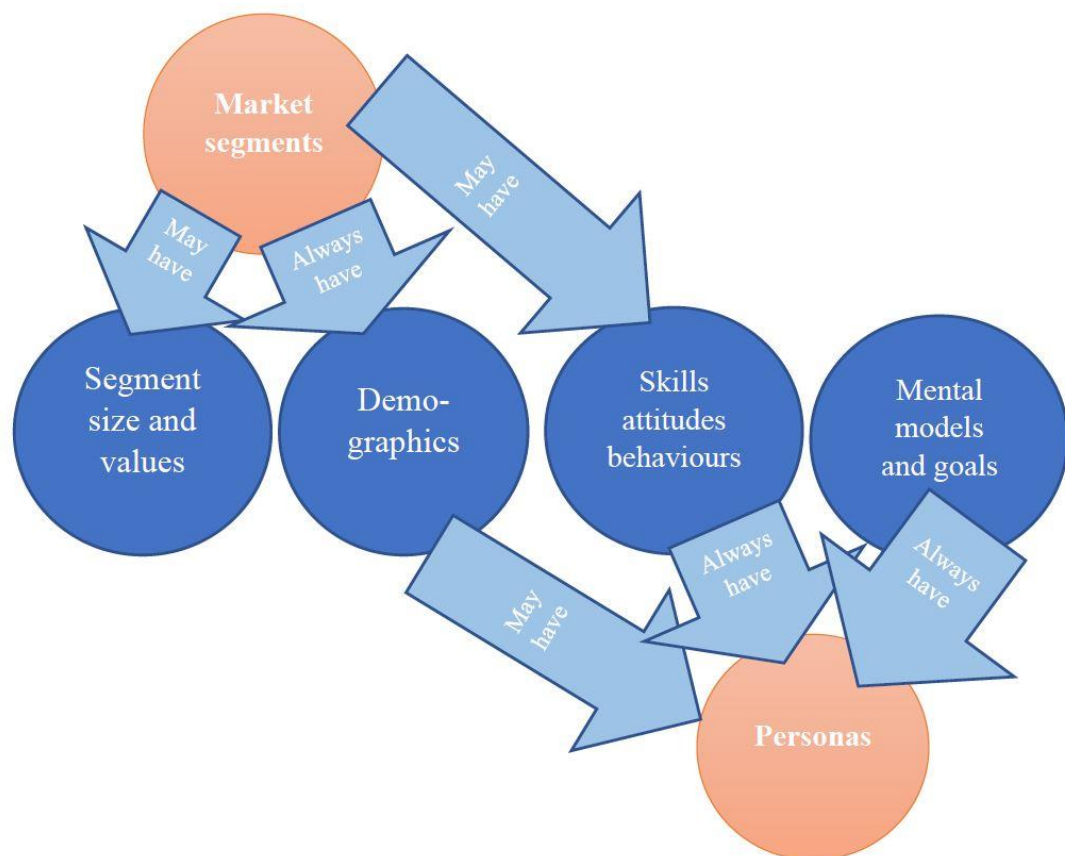


Figure 10. Market segments vs personas (Goodwin 2009)

3.6 Service Blueprint

The service blueprint details every aspect of a service from both perspectives, user and service provider. When creating the blueprint, it is good to involve different departments within the company who are involved with the service and do the blueprint as a co-creative workshop. Usually a service blueprint is sketched at the beginning of the project, and along the way more detailed information can be implemented to it. The blueprint then shows the most crucial areas and those are identified. The service blueprint functions as a road map for the whole service delivery. There is a line of interaction that shows the touchpoints between service provider and user and a line of visibility that shows the back-office processes that are not visible to the customer. Even if they are not visible to the customers, they are an important part of the service and the service provider (Schneider & Stockdorn 2011, 204-207).

There are many benefits a company can get from doing service blueprints. Service blueprints provide an understanding of the whole service process, both seen and unseen touchpoints that together make it possible to provide the service. A service blueprint also helps to identify the company's weaknesses. When seeing the big picture, it is easier to determine what can go wrong and where in the customer journey it may happen. It can also help to identify opportunities. There are some key elements that need to be included in a service blueprint: customer actions, frontstage actions, backstage actions and processes. The goal is to help a company see exactly how a service is done by the service provider and used by the customer. When doing it right, the company improves the customer experience and saves money while at it. Frontstage actions are those actions that the customers make while associating with the company with a certain goal in mind. These actions can be visiting a web page, physically going to a store or getting an e-mail from the company. Frontstage actions are those actions that the company does in front of the customer. These can include human contact in a customer service situation, replying to an e-mail or using the app that the company has got. Backstage actions are those done behind the scenes, not visible to the customer, e.g. a warehouse employee who updates availability information after a sale or a chef in the kitchen. Processes are the steps in which the employee delivers the service to the customer. Processes can be payment, waiting for products or even the pricing of the service that is provided.

There are also three key elements in a service blueprint, the line of interaction, the line of visibility and the line of internal interaction. The last touchpoint is evidence, which are a

store or facility where the service or product is bought, a website or a signature. (Gibbons 2017).

3.7 Business Model canvas

A functioning business model canvas should be easy to understand and filled with relevant information about how the company operates, so that the model would be a shared language between the associates. The business model canvas is usually described through nine blocks that visually shows how the company is structured to earn money, and what their costs are (figure 11). The business model canvas can be thought of as a blueprint for strategy and the nine building blocks give the company a handy tool that gives an understanding, starts discussions and generates creativity within the company. The nine building blocks are;

- Key partners
- Key activities
- Customer segment
- Channels
- Key resources
- Value proposition
- Customer relationship
- Cost structure
- Revenue streams

(Osterwalder & Pigneur 2010, 42)

A business model portrays how a company functions, it represents the business in a visual way and gives it a holistic view. The nine building blocks all relate to each other and gives great innovation opportunities when used accordingly (Luenendonk 2019).

In some businesses, there might be different business models within the company. In a hospital there can be one for patient care, one for research, and one for education and all of these have got different value proposition. A good example of an innovative business model is the one about solar panels. Jigar Shah discovered that the customers did not want to buy solar panels but they wanted to reduce the electricity costs. He then designed a power purchase agreement business model that allows companies to buy solar energy services without owning the solar panels (Lokitz et al. 2016, 115).

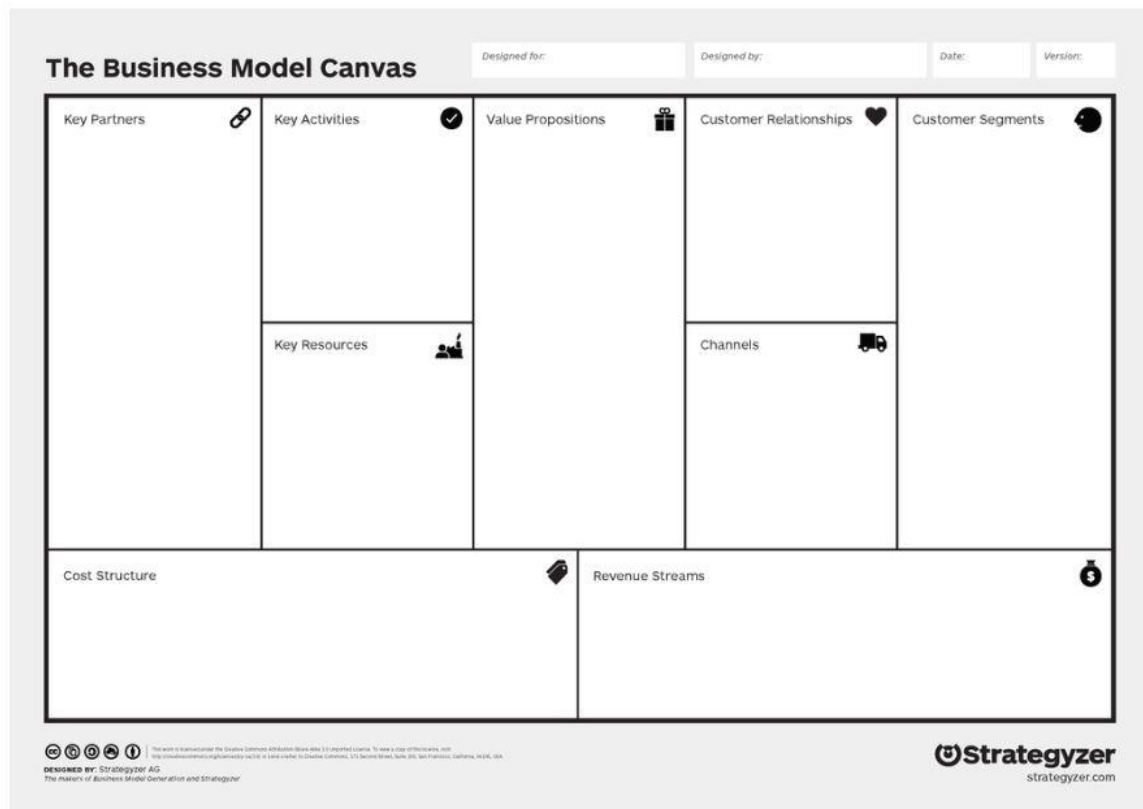


Figure 11. Business Model Canvas template (Osterwalder & Pigneur 2010)

When a business model is viewed through the customer's eyes and done thereafter, new innovations can easily appear. The idea is not to solely rely on the customer thinking, but innovations that succeed require an understanding of its customers. It is all about changing one's perspective. Instead of asking what you can sell the customers, the questions should be what value the customers willing to pay for. Every building block can aspire to innovation and there are four epicenters to acknowledge, resource-driven, offer-driven, customer-driven and finance-driven. When looking for business model innovation, all of the above can start a change. There are major benefits in visualizing the business model in this way, it becomes tangible. The building blocks all affect each other and are rather useless if not together. Mapping it out helps the co-creation of it all, the post-it sticky notes are not to be underestimated (Osterwalder & Pigneur 2010, 128–129, 138).

Eric Reis introduces the terms for start-up changes, pivot. The word aims to explain the fast changes of direction a start-up can make if necessary (Lokitz, Pijl & Solomon 2016, 183).

3.7.1 Customer segments

No business can survive without its customers. When companies group their customers into segments, identify their common needs and behaviors they get a better understanding of their customers and are far better able to keep them satisfied. It is crucial for the company to decide which segments are the most important ones and therefore the most lucrative to serve. To mention a few different types of customer segments, there are the mass market – here the business model does not separate different segments, they focus on the similar needs of large groups. Then there is the niche market, here the business model target only a specific customer segment. These kinds of business models are mostly in supplier-buyer relationships, for example specialized car parts for a specific model. The diversified customer segment business model aims to serve two different customer segments, with totally different value proposition. Then we have the segmented business model focuses on slightly different needs or problems and therefore also slightly different value proposition. The last type is multi-sided platforms, which aims to serve interdependent customer segments. They are platforms which bring two or more groups of customers together. To mention one example of multi-sided platforms: credit cards. Credit cards brings the cardholder and merchandise together (Osterwalder & Pigneur 2010, 20-21).

It is neither possible, nor lucrative to serve all customer segments. The focus needs to lie on those who bring profits to the business. By segmentation the company strives to offer customized effective service (McKinsey & Company 1999, 74). After finding the right customer segments, the company needs to establish who are the lucrative ones. Segmentation can be demographic, psychographic, geographic, and behavioral. One need to bear in mind that even though someone may be in the same demographical segment and maybe also geographical segment, they can be world's apart in personality. In behavioral segmentation the customers are divided into groups based on their response to a product. There can be totally different needs behind the decision to purchase the same product by two different customers. (Kotler & Keller 2016, 117-120).

3.7.2 Value proposition

The building block for value propositions describes a pack of services and products that gives value to a customer segment. The value is the reason why a customer chooses one company instead of another. It either solves a problem or satisfies a need. Value can mean many things, it can be price, design, or availability or the customer experience itself. These elements are what can contribute to the value creation. Other value propositions are about

newness, a new service or product altogether, but another is performance, which is the most common one, where companies strive to improve their existing services or products. Then there is customization, which can create much value for a customer. A tailored product for individual needs or for a specific customer segment creates value for the customers. Co-creation is about this, involving the customer in the service process. Some customer finds value solely in brands and more specifically what the brand represents. The other side is the ones who are happy to change brands in order to have the latest trends and that creates the greatest value to them (Osterwalder & Pigneur 2010, 22-24).

When talking about value, there are some fundamental questions to be answered according to Alexander Osterwalder and Yves Pigneur, and those are:

- What value do we offer our customers?
- What problem are we solving?
- What need are we fulfilling?
- What product portfolio are we offering each customer segment?

Many aspects affect the value proposition, brand, easiness, price and design. The most important thing to remember is that the customers buy the service because of a problem they need to solve. Then there is the possibility of adding additional value, and that can be price reduction or adding value. The additional value gives the means for competition (Tuulaniemi 2011, 34).

The company should always think from the customer's point of view, the product or service that they are offering is saving the customer time and money. The aim with the product or service is to save the customer time and money. If the company thinks the other way around, that their product is so much better because it is more effective than the competition, it does not focus on the user, they focus on the product itself. The product or service is not what counts, what counts is the value it brings to the users. There are many examples (figure 12) of what brings customers value (McKinsey & Company 1999, 33).



Figure 12. Examples of value (McKinsey & Company, 1999. 34)

3.7.3 Channels

The channels describe the communication between company and customer, how the company reaches their customer segments in order to create value for them. The channels have got many functions, such as raising awareness about the company and the services they provide, informing about post-purchase support and evaluating the company's value proposition. The channels can be put in five different phases. These five phases are awareness, evaluation, purchase, delivery and after sales. The channels can be divided into direct channels and indirect channels, direct channels meaning for example web sales and indirect channels partner stores. (Osterwalder & Pigneur 2010, 26-27).

The channels can be described as touchpoints in which the company cooperates with the customers. Channels can basically be referred to as marketing and sales. If the company targets more customer segments than one, there is most likely a need for different channels also- It is up to the company to decide how they want to make their products or services available. A well-planned distribution channel can at best case give a competitive advantage (Luenendonk 2019).

The purpose of marketing is to get the customer's attention and direct that attention towards a product. The message should pique the consumers interest, lead to desire and develop further into a purchase decision. But, nowadays advertisement is swooping in on consumers from every direction and the result is people are getting oblivious to it. There are simply so much advertisement that it is impossible to take it all in. Because of this, marketing has become more challenging. Advertisement usually focuses on the product and the features of the product instead of telling the consumers straight up what this particular product can do for them. Marketing should be more like storytelling, taking inspiration from movies and lyrics. The marketing play ground has changed, it is now social, it is relatively easy for customers to contact the company through social media and it is extremely important that the company has got the right channels where to interact with its customers. All this is marketing communication (Tuulaniemi 2011, 50-53).

3.7.4 Customer relationships

It is extremely important for the company to decide what type of customer relationship they want to have with each of their customer segments but also to understand what kind of customer relationship the customer segment expects to have with the company. Some may want personal assistance, actual human interaction, which can be established via e-mail or by phone. Then there are those who expect dedicated personal assistance to specifically serve the customer individually in order to maintain a more personal relationship. Such can be in private banking or in corporations where there is a key account manager who handles the customer relationship. In self-service relationships the customer has no direct relationship with the customer but do provide the means for the customer to help themselves. Another type of self-service is automated self-service. An example of this can be a personal online profile that gives access to more customized services, but there is still no actual person there to provide it. Then there are communities, where companies strive to be more involved with the customers and make connections between community members. It can be online communities where the customers can discuss with each other and exchange experiences and in turn this can help companies to better understand their customers. When a company wants to go above and beyond to gain customer insight, they co-create value with their customers and this can be done as easily as by asking for a review after a purchase. This then creates value for other possible customers. Co-creation can also involve the customer in the design process of a product or service. (Osterwalder & Pigneur 2010, 28-29.)

3.7.5 Revenue streams

The revenue streams can be described as the arteries of a business model, whereas the customers are the heart. If a company succeeds in creating value that the customers are willing to pay for, the company can generate one but also more than one revenue stream from every customer segment. The business model can have two types of revenue streams, the transaction revenues resulting from customer payments and recurring revenues resulting from payments, value proposition or the after-sales customer support. Every company can have multiple revenue streams, it can be asset sales, where the customer sells ownership rights, a usage fee.

The different kinds of revenue streams in the business model are the **asset sales**, which means that the customers buy ownership of a product. For example, when a customer buys a car, and pays for it in full, they have the right to do whatever they want with it. Drive it, sell it themselves or even wreck it. **Usage fees** come from when a customer uses a particular service. The more they use it, the more they pay. When selling ongoing access, we talk about **subscription fees**. This can be memberships of different kinds, monthly payments, or yearly payments. Leasing fees come from lending, the customer gets permission to use a product for a period of time. Cars can, for example, be leased for long periods of time or by the hour. When a product or service is protected, revenue streams can be collected when the company gives someone the right to use the protected asset by **licensing**. The media industry often sells usage license but keeps the copyright. Patented technology can also be licensed for others to use for a license fee. **Brokerage fees** are e.g. credit card companies that earn their revenue by containing a percentage of a sale. The sale is between the customer and the seller and the credit card company is there in the middle. (Osterwalder & Pigneur 2010, 30-31.)

3.7.6 Key resources

A business model requires key resources in order to create but also offer a value proposition. There may be a need for different key resources depending on the type of the business model. Key resources can be human resources, physical, financial or intellectual and they can be owned or hired by the company directly or leased (Osterwalder & Pigneur 2010, 34-35).

An entrepreneur should always start by listing the needed resources and then establishing how much needs to be invested in them. The key resources are the primary assets of the company (Luenendonk 2019).

3.7.7 Key activities

Key activities in the business model describe what the company must do in order to make its own business model work. Basically, they are the actions the company must take to function. Hand in hand with key resources, the key activities are required to create value propositions, reach markets, keep up customer relationships and earn revenues. One can categorize key activities in production, problem solving as in providing solutions to the customers problems and needs, platforms and networks. (Osterwalder & Pigneur 2010, 36-37.)

3.7.8 Key partners

Key partners in the business model can be the suppliers and the partners that makes the business model work. Companies can have partners for various reasons; e.g. to have alliances or for risk reduction. The four different kinds of typical partnerships are non-competitor alliances, strategic partnerships with competitors, joint ventures in business development and buyer-supplier relationships to make sure the company has got reliable suppliers. If the company is unable to make a certain product that is needed in the service they provide, the company can have another company as a business partner who delivers the product. This other company is not a competitor, they are most likely only manufacturing the product that the company needs. The strategic competitor partnerships can be that two companies that compete in the same industry raise awareness of the product or service together (Osterwalder & Pigneur 2010, 38-39).

Companies should not take lightly who they decide to partner up with. In order for partnerships to work, they ought to benefit both parties. It is important not to have any binding contracts, in case something goes wrong. Start-up companies benefit massively from partnerships with established known companies (McKinsey & Company 1999, 94).

3.7.9 Cost structure

It is crucial for the company to recognize its most important costs, when operating according to a business model. Creating value creates costs, but not all business models are cost-driven. To recognize the company's most expensive key resources and key activities are number one priority. When it comes to the cost structure, the business model has got two classes, cost-driven or value-driven. Many companies fall between these two. There are common characteristics in cost structure, such as fixed costs, variable costs, economies of scale and

economies of scope. The cost-driven business model aims to minimize costs wherever it is possible using low price value propositions. The companies that instead focus on value are not as concerned about the costs, these can be luxury brands, hotels etc. Naturally every business strives to reduce costs but these low cost structures can be more important to some companies (Osterwalder & Pigneur 2010, 40-41).

The company should have a clear picture of how much money they will need and when they will need it. Finland has got options for start-up entrepreneurs that might benefit them. There are subsidy money and interest-free loans (McKinsey & Company 1999, 105).

3.8 The value proposition canvas

The value proposition canvas was also invented by Alex Osterwalder at Strategyzer (figure 13). It is a good tool that helps to understand what brings value to the customers. A customer usually buys a product or service when they have a problem that needs to be solved. Basically, they have a “job” that needs to be done and they try to get the job done when purchasing a product or service. Therefore it is crucial for the businesses to figure out what jobs the customers have, that need to be solved. Even if the company itself is a product-focused, the focus still ought to be on the customer since the product is there to solve the customer's problem. Spotify is a great example of this because they realized that their customer's do not desire to own records, they simply want to listen to the music. On the left side of the value proposition canvas template there are products and services, gain creators and pain relievers. On the right side are pains, jobs-to-be-done and gains, which focus on the customer profile. (Lokitz et al. 2016, 104-107).

When creating a value proposition canvas of a customer segment, identify their jobs, pains and gains carefully by asking a lot of questions. Also, prioritize the answers in the right order.

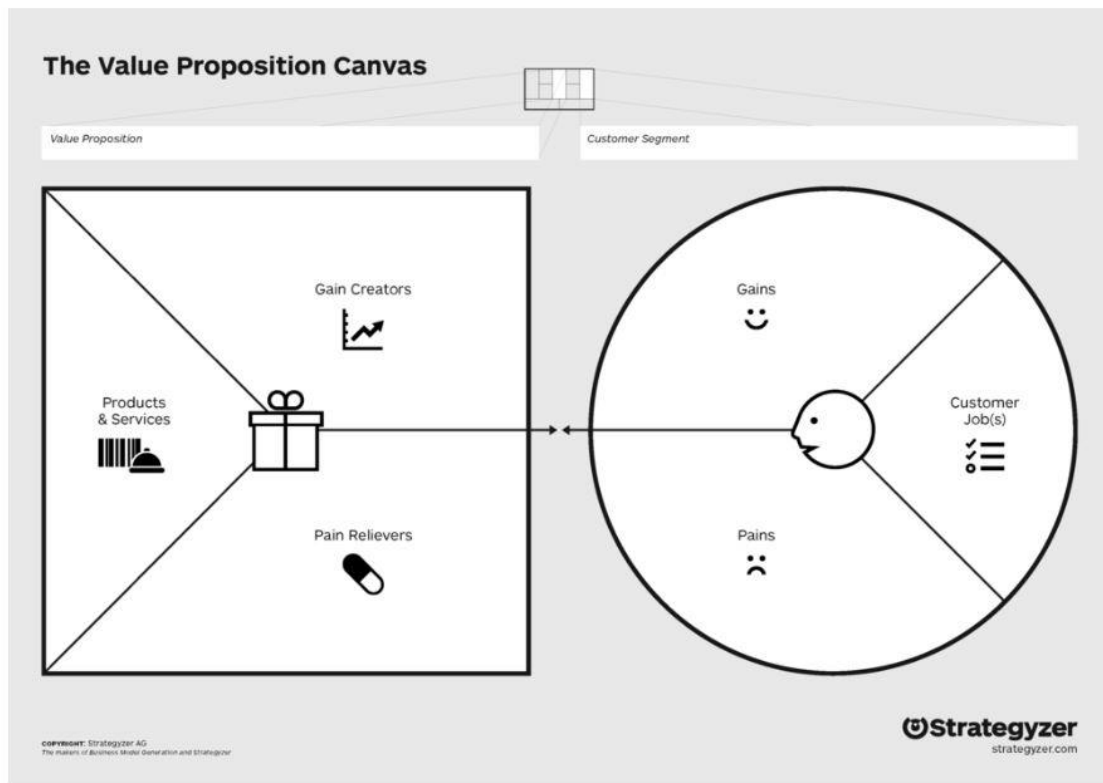


Figure 13. Osterwalder's Value Proposition Canvas template

There are different kinds of segmentation and the most common ones are demographic and psychographic segmentation. Gender and age are typical to use and generations have their own qualities. Baby boomers were born between 1946-1964, Gen-X between 1965-1981, Millennials 1982-2000 and then there is Generation C. Generation C cannot be defined by age, instead generation C represents the connected population that uses internet and different web platforms to post reviews and blogs (Holston 2011, 152-153).

The value proposition canvas is divided in two sections, on the left side is the value map and on the right side is the customer profile, the customer segment. On the left side of the value proposition canvas **products and services** are listed. There should be listed what the company offers their customers. It is important to acknowledge that a service does not bring value just by existing, it is only when a customer segment needs it that it can be valuable. What also needs to be thought of is that the same services might not be relevant at all to all customers. They can be a nice addition but not important. **Pain relievers** describe how the company is going to solve the problem. No value proposition can solve every pain that has been acknowledged, that is not necessary to strive for either. Focus on the extreme pains, the ones that matter the most. **Gain creators** aim to explain how the service intends to create the gains. The company does not have to address every gain creator either, it is better to

focus on a few relevant ones. One important question the companies need to ask themselves are how they can create savings for the customers. These savings can be money but also time and even effort (Bernada et al. 2015, 28-33)

On the right side is the customer profile. **Gains** are what makes the customer happy, what ensures the value proposition. These can be social, financial or functional benefits. **Pains** are the negative experiences, such aspects that are preventing the customer to get the job done. **The job-to-be-done** are the needs that the customer have, the job that the customer wants to have done. It is about asking the right questions to find out what these are. Therefore the right side of the canvas is about asking the right questions. The left side list solutions that comes to mind, and to think about how these solutions can be used to your customers pains, gains and jobs. (Lokitz et al. 2016, 104–107).

The **customer job** in the value proposition canvas aims to describe what the customer is trying to achieve. These can be problems that need to be solved, a need, task or whatever that needs to be done. There are three main types of jobs: functional jobs, social jobs and personal or emotional jobs. An example of a functional job is mowing the lawn, something specific. A social job can be that the customer wants to look good to others. A personal job can be feeling secure. The functional job might be the most relevant as such but it is important to know the customers' social and emotional jobs because those might also lead the customers to the company (Bernada et al. 2015, 12-13).

Anything that causes annoyance or inconvenience either before, during or after a customer job can be classified as **pains**. The pains are simply something that keep the customer from getting the job done. Such pains can be not being able to afford something to get to a solution, feeling bad themselves about doing it or the feeling of being afraid of looking bad to others. The company needs to ask themselves what the customers' frustrations and challenges are and find out the answers (Bernada et al. 2015, 14-15).

Gains are the happy emotions, savings, and benefits for the customers. There are four different types of gains. The required gains are the most basic expectations from something, e.g. calling someone with a phone. One expects to be able do that with a phone. The expected gains are nearly required gains, one can live without them but does not want to. Desired gains go a little bit further from the expected gains, e.g. to have a phone that automatically integrates with other devices at home. The desired gains are therefore not super important but highly appreciated. The unexpected gains are those that go above and beyond expectations. Something that the customer would not ask for but is pleasantly surprised to

get. It is crucial for the company to think about what savings are the most important for the customers and what quality level they expect (Bernada et al. 2015, 16-17).

When the value proposition map is done, there still needs to be **a fit**. The fit is achieved when the company's customers are excited about the service and the value it creates. That is achieved when the right jobs, pains and gains are identified. The fit is the most important in order for the VPC to work. The customers are the company's judges. A perfect fit can happen in three different stages. The first one being finding the out the relevant jobs, pains and gains that are doable. The second fit comes when a customer agrees to the value proposition, the market fit. The third is when a profitable business model is found. (Bernada et al. 2015, 48).

4 SWOT-analysis

A SWOT-analysis is a powerful tool and innovative solutions can be found when looking at the business models building blocks and combining them with a SWOT-analysis. SWOT stands for strengths, weaknesses, opportunities and threats. Osterwalder and Pigneur (2010) presents the SWOT inside the business model (figure 14). The threats and weaknesses are harmful, and the strengths and opportunities are helpful (Osterwalder & Pigneur 2010, 216).

Internal and external environments are mapped in a SWOT-analysis. The external environments are opportunities and threats, aspects that are going on outside the company. The internal environments are strengths and weaknesses, aspects within the company that can be controlled. The point is not to brag about the company's strengths or to fix all of its weaknesses. The key question the company should ask themselves is if they should limit themselves to those opportunities in which they possess those strengths or strive towards those that require new strengths. When a company has done a SWOT-analysis, they can develop new goals (Kotler & Keller 2008, 91-92).

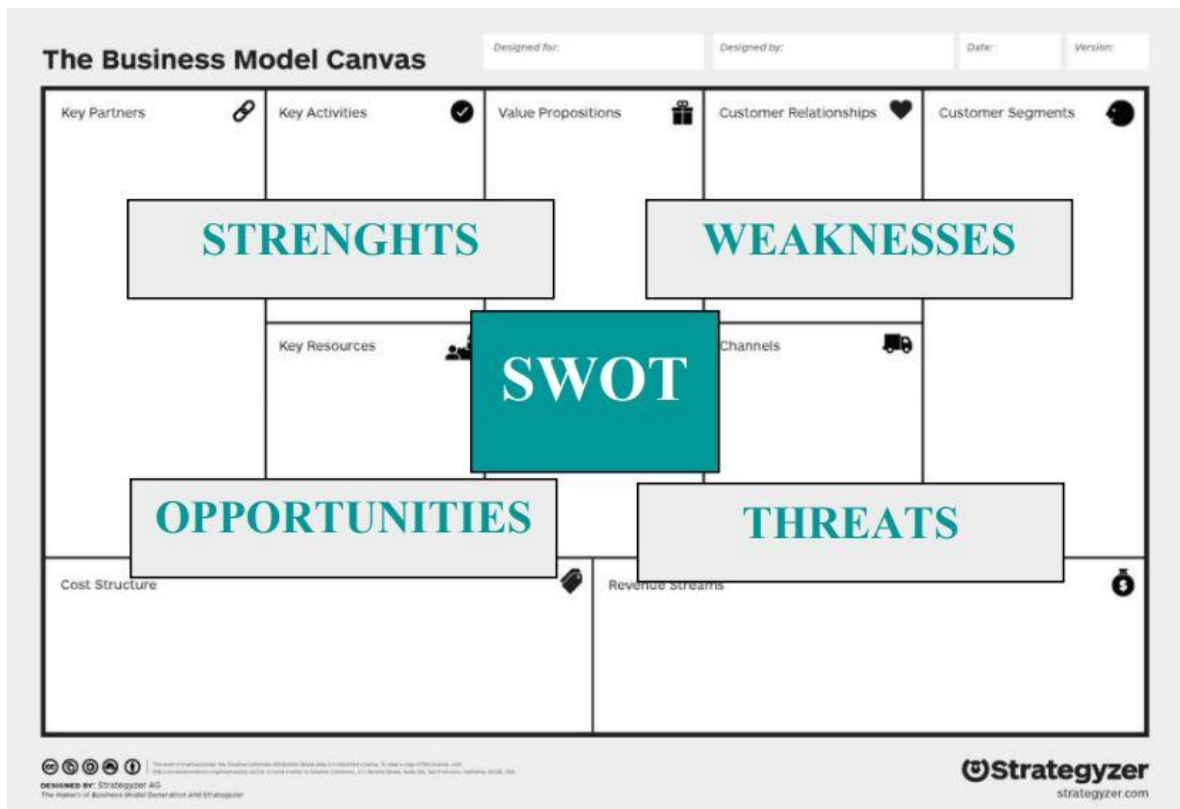


Figure 14. SWOT-analysis inside the BMC (based on Osterwalder & Pigneur 2010, 216).

5 Results and analysis

In this chapter the results are presented and visualized. The questionnaire and interview questions can be found in appendix 3. In each chapter there will be a description how the method was conducted and utilized and thereafter the visualization of the results. All templates will also be found in the appendices together with the summarized report for the commissioners. The methods are described in every chapter and the results will be visualized.

5.1 Stakeholder map

The stakeholder map for the self-service garage includes both key partners and some additional stakeholders (figure 15). The company has got plenty external stakeholders, government regulations and trends can influence the business, as well as car dealers. If no cars are being sold, there will be no need for the self-service garage. Strict environmental laws can also affect the business and society. What if society does not want to have cars on the streets at all in the future? Connected stakeholders for the company are the suppliers, the

local community and of course the customers. The credit company is also an important stakeholder so that there is a cash flow possibility.

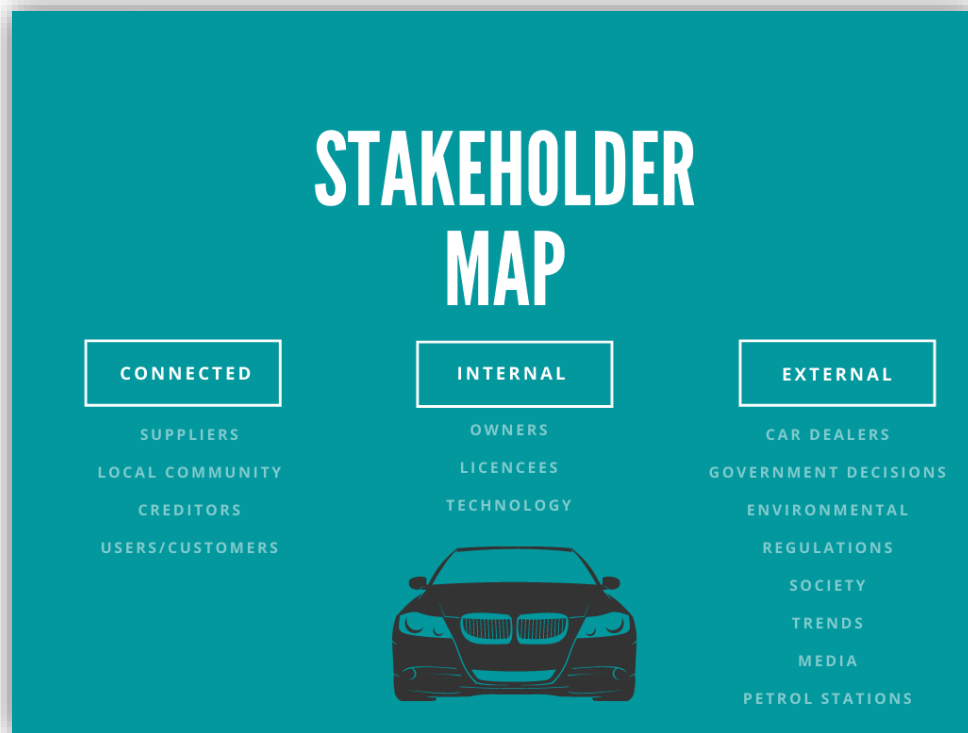


Figure 15. Stakeholder map

5.2 Benchmark

The idea of this kind of business is not new and there are companies in other cities doing this. The benchmarking is done solely by observing those other company's websites (figure 16). Most of the self-service garages have some kind of special offers for their customers, e.g. the more one uses it, the cheaper it is. What they all had in common was correspondence with their customers, a Facebook page, Instagram account or a WhatsApp group for the customers to contact them directly. None of the garages specify if there is an age-limit for using the facilities.

Area	Capacity	Opening hours	Services	Booking	Pricing	Payment methods	2019
Turku	12	08-20 09-18	Self-service car wash and garage. Store and mechanical services also available. Both indoor space and outdoor.	Not mentioned	0,20 €/minute. Minimum of 3 minutes	Coins	430 000 €
Nummela	3	24/7	Self-service car wash	call for code 07-23. access	10 €/started hour	Not mentioned	51 000 €
Lohja	1	9-21, 9- 19,10-18	Self-service car wash	Book at the counter during opening hours (Tokens for 5min)	3,50€/token/5min utes. 15min 10€	Cash or credit card	51 000 €
Espoo	Not mentioned	06-22	Self-service car wash and garage (chain)	30 min bookings / Bookingcalendar online. VIP packages only.	3 h 39€, 5 h 59€	Invoice	350,5 mil. €

Figure 16. Competition roundup

The largest self-service garage was found in Turku. They have space for 12 cars inside and in addition to that, they have a self-service station outside during the summertime and one automated car wash. They also offer mechanical services and has a shop and coffee shop on the premises. In the shop they are selling products that the customers might need while working on their vehicles. They sell shampoo's and waxes and store tyres. They offer their customers 10€ price reduction if the workbay is used for 1 hour, 20% for 2 hours and so on. For the use of five hours the prices are cut by half. (Motor-in).

Nummela has got three bays and offer self-service car washing only. The premises are accessible 24/7 but the customers need to order the code for the door by phone during the opening hours. No personnel present whatsoever. The company has also got tyre storage. Not possible to book a booth in advance. (PTJ-Palvelut Oy).

All the chosen 4 garages all had in common the car wash equipment, which included vacuums and pressure washer.

Espoo also had a milling machine and textile washer for rent. 5€ for the milling machine and 15€ for the textile washer/per car. They concentrate on having VIP customers in order to ensure that their capacity is enough and are able to serve their current and loyal customers. That is why newcomers need to apply by e-mail to become VIP. The VIP packages have their monthly price and a specific number of hours included in that price. The hours do not need to be used at once, they can be anytime during the months purchased. They have a booking calendar on their website that shows the available times. (Custom Garage).

The self-service garage in Lohja is a shop chain who sells supplies for mechanical work and other gadgets. On the same premises there are mechanical services and the self-service facility. The self-service car wash is open during the shop opening hours. (Motonet).

In America, the DIY garages have gained a lot of attention recently, and the garages are popping up more and more. Today there are 16 182 self-service car washes in the Us. The self-service garages and car washes in America are usually not combined. Mechanical services are expensive and if one has the knowledge, the self-service garages saves a lot of money for the consumer. The tools are often rented in packages at a certain price. There is a company that works like Airbnb, where Americans can rent out their own garages to strangers. Since there are not always personnel at the garages, the business provider needs to take much care in ensuring safety. Insurance is important, but also the customers are obliged to sign waivers. (International Car Wash Association).

5.3 The interviews

In this chapter the interviews will be discussed. Because of the Covid-19 virus situation in the world and in our country right now, the interviews were conducted over the phone. The interview questions and answers can be found in appendix 3. The interview technique was semi-structured. Taxi drivers Bill (persona name) was happy to comply. There were two taxi drivers interviewed for this project. They willingly told me about their life and careers as taxi drivers.

Both interviewees wash their car often, once or twice a week depending on the weather and working hours. Bill 1 says his car is his business card and needs to look good. Bill 2 prefers going to a hand wash company that does the washing but because it is hard to book a specific time for that, not knowing when there are customers, he needs other options. Neither of the interviewees want to use automated car washes because of the risk of marks on the car lacquer.

Bill 1 is not particularly interested in the other services the self-service garage offers, maybe minor things like changing the lights. A taxi drivers car needs more service than the privately used cars, so he prefers driving it to the service company. He also mentions safety reasons behind that choice. Imagine if he would endanger a passenger because he himself had done something wrong. Bill 2 is intrigued but not convinced of the concept.

Taxi driver Bills are only interested in the wash service, where they both imagine they would use at the end of a work day so that the car would be nice and clean the following day. Bill 1 speak hypothetically about what tools should be available even if his own interest to use

them wasn't that big. He mentions the lift, because changing tyres has always been a hassle at home with the family car. Nowadays Bill 1 lives alone. Bill 2 also mentions that he would not want to carry wash products with him in the car, they should also be provided in the facility. When asked if he would be prepared to pay extra for that he says that he would. Having the products in the car is not an option.

When asked about prices, Bill 1 says that since he would do the work himself he would pay 10€ for a car wash. Bill 2 would prefer a subscription for the payments so that he would not have to pay each time. He mentions a bus card kind of system.

Bill 2 cares for the environment and drives a hybrid car, to do his bit, he says. He also does not throw any garbage in the nature. When steering the conversation into the rules and regulations about the disposal of fluids he says that he might rinse his car at home, but he wouldn't wash it with any shampoos, he strives to be a good person, and a person that cares for the environment as much as he can, given the profession that he does. Bill 1 also cares, although his car is a diesel. He loves nature and that is his way of balancing life, long forest walks.

The two Bills frustrations are unexperienced drivers that do not drive according to the rules. They see this all the time. Also, Bill 2 is longing for an early retirement and mentions now that he might use the garage more often when retired because he enjoys working on different machinery.

Bill1 has a Facebook page and Bill 2 has not got any social media and is not planning on getting one either. His wife has got Facebook, and he has been snooping with her sometimes.

5.4 Questionnaire

The survey was sent out electronically on Facebook and through Messenger to both friends and acquaintances. The survey was introduced, and it was also explained that this was for people who own a car, boat, motorcycle or moped and live in the Raasepori area or close by. 29 vehicle owners replied to ed the survey. 62,07 % of the respondents were female, which translates into 18 females and 11 men.

Most of the respondents, 26 of them, live in houses which in this research was of high importance, mainly because of the possibility of them being non-users because of the ability to use their own property for maintenance and cars wash.

Only three respondents answered that it was highly unlikely that they would use a service like this, whereas 11 respondents thought that it was very likely that they would if provided to them. 14 respondents answered that it was not that likely that they would use a self-service garage even if available. 1 enthusiastic respondent was of the opinion that it was highly likely that they would use the service in the Raasepori area.

The fourth question in the questionnaire asked for the reason behind, if not interested. Here 10 answered that they would like to use it, 8 simply do not need a service like this and one answered that they would not be able to pay for a service like this. Five respondents were of the opinion that they are currently satisfied with the services already available in the area. There were also a few open comments from the respondents. For example one respondent specified that they prefer to pay someone to do the work for them, another respondent answered that they might work on their car at home and the third comment stated that although they have access to someone else's garage. No one ticked the box on the survey that suggested there would be absolutely no interest in paying for a service like this.

So then we wanted to know what should be included in a self-service garage in order to make the respondents want to use it. 93%, 27 respondents considered the washing possibility to be important in the garage and 13 of those 27 wanted to have the washing supplies and detergents available for them, whereas five are willing to buy the supplies. 12 of the respondents want a lift and 23 want to have the equipment needed for tyre changes. 15 of the respondents appreciate high quality tools. One respondent wanted the service to be such, that there would be an actual expert present in the garage to help out if needed (figure 17).

Vad behöver ett självständigt garage innehålla? Välj gärna flere alternativ

Answered: 29 Skipped: 0

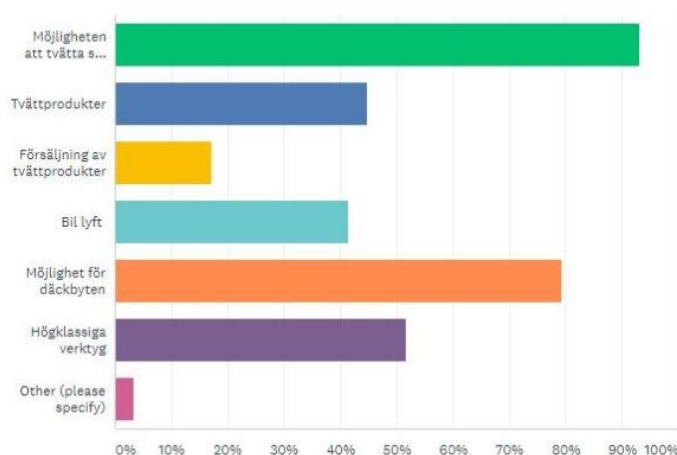


Figure 17. Questions 6. What should the service include?

Eight of the respondents care about the environment and 13 think that the environmental issues in purchase decision-making are somewhat important. 1 respondent does not care at all and seven respondents seem to think that the environment has a little bit to do with their purchase decisions.

According to Finnish environmental regulations car washing on private premises are allowed only occasionally, and even then the property owner is obligated to ensure that there is no pollution of the environment. Wastewater and solids are not allowed to pour in open ditches either. When doing this professionally there needs to be proper drainage systems with sand and oil separation wells. Products that contain hydrocarbon solvent are not allowed in the drains otherwise. Rinsing a boat with water only is not against any environmental laws and the wastewater from that is allowed in the sea. Detergents are not allowed to pour into the sea or in public areas. When repairing boats, it is important to scrape the bottom paint from them on a solid area, because paint waste can contaminate the environment (Ympäristösuojelumääräykset).

When asked why a self-service would suit the respondents, the most common answer was that the tools would be available (figure 18), them not having to buy them themselves and maintain them. 11 respondents appreciated the indoor factor, not having to take the varied Finland weather into consideration. Another common answer as to why a self-service garage would suit the respondents is the independence of it, not having to follow strict opening hours. Four respondents said that having access to a self-service garage would ease hobby activities.

Varför skulle ett självservice garage passa just dig?

Answered: 29 Skipped: 0

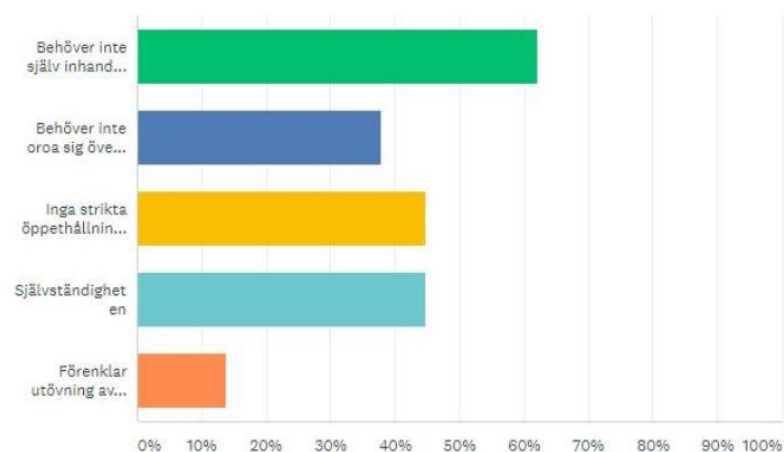


Figure 18. Question 9. Why would the service suit you?

As a final question we wanted to know how often the respondents wash their car in general. 14 of the 29 respondents wash their vehicle only when absolutely necessary, 12 1-2 times a week and 2 of the 29 respondents wash their car on a weekly basis (figure 19). A complete bar graph of this survey are presented in appendix 1.

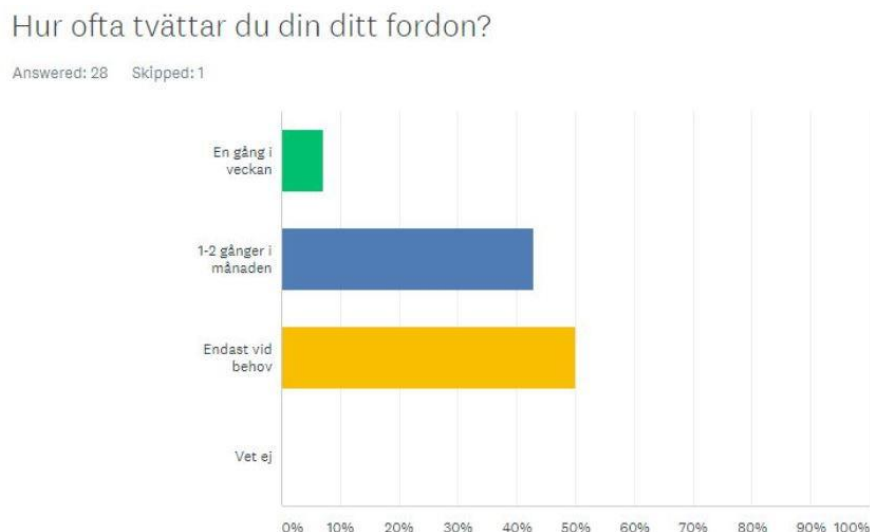


Figure 19. Question 10. How often do you wash your car?

It seems that our respondents are not that familiar with a service like this. Only two of the 29 respondents are currently using a self-service garage and seeing the results, in questions number two there was not so many that were likely to use the service. After going further in the questionnaire, an interest seems to have developed. 10 respondents answered that they would indeed like to use a service like this if there was one available. The fact that people do not want to own products that are not in that much use is also positive to notice. If the self-service garage were to offer the customers these tools, then there is no need for them to fill up their homes with gadgets and pay a lot of money for them. What brings value to customers is clearly the easy access, services like this one should be easy to use and provide the customers with tools that they need. The service providers would also make sure that all the environmental rules and regulations are followed and there for those who are eager not to harm the environment with detergent going in the ground on their property can rely on the fact that this part is taken care of. Everyone owning a car needs to wash it at some point, and everyone owning a car needs to change the tyres two times a year. These two needs to be included in the service, because even if you do not have the knowledge in actual car maintenance and you would not use the self-service garage for that, these two things many can do themselves and it would be cost-effective for them.

5.5 Value proposition canvas workshop



Figure 20. VPC workshop

The value proposition workshop in process (figure 20) is later discussed in chapter 5.9. The workshop that was arranged was with potential customers in the age of 18-20. Four participants were introduced to the task. The value proposition canvas was introduced, and each participant got a stack of sticky-notes and were asked to answer some questions made by the researcher to help them get started. This was a two-hour session held 26th September 2020. The example questions are listed in appendix 2. After the participants had individually answered the questions and thought of what value the service would bring, the answers were shown and discussed together. After the discussion, the sticky notes were ranked in a specific order, the ranking method. The value proposition canvas presented in chapter 5.9 is a combination of these answers gathered in the workshop, and also from the interviews and questionnaire. It efficiently sums up what the potential customers think brings value to them.

The workshop made the participants ask questions of their own, and this younger generation cares about the environment.

5.6 The business model canvas workshop with the commissioners

The business model template (figure 21) shows the template that was used as an example for the workshop with the two commissioners. The workshop was conducted in October 2020. The questions seen in it are based on the business model canvas theory and functions as a help to stay focused on the right angles during the workshop. The results of this workshop and the business model is presented in chapter 6.

The workshop did not follow any other method than the sticky-note method. Everyone writes down by themselves what they think followed by an open discussion. The participants in this workshop were the commissioners and the business providers themselves so accurate information was gained and at the same time the researcher had the opportunity to brief them about the project.

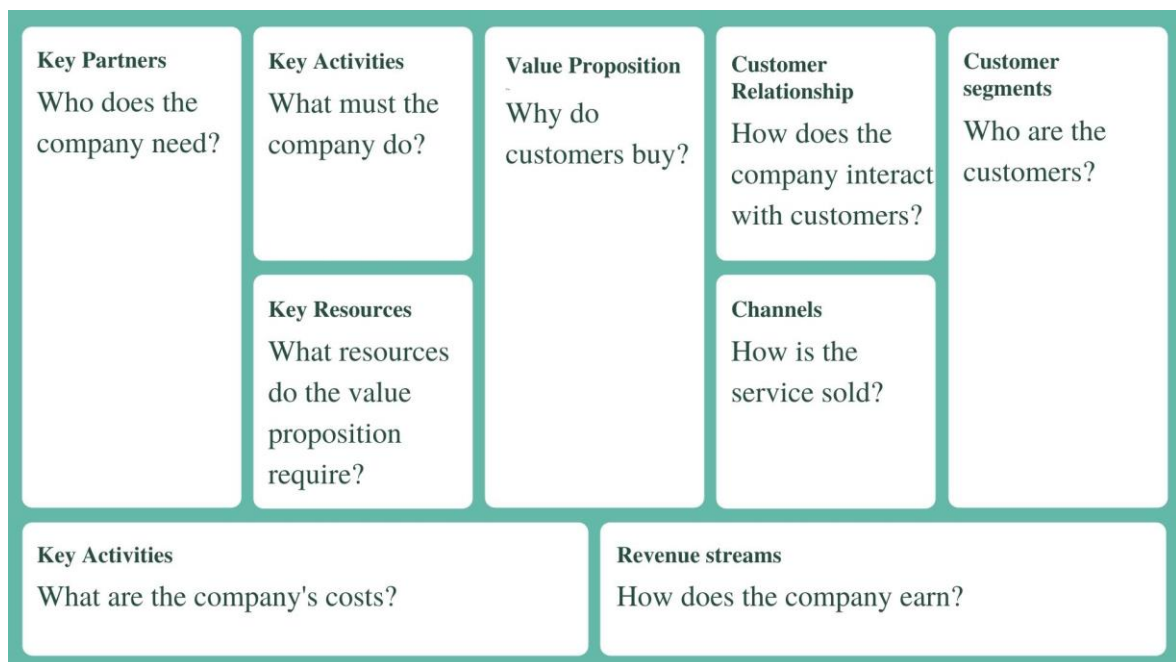


Figure 21. BMC workshop template

5.7 User personas

The first persona (figure 22) is created based on the surveys. The family person who lives in a house with his family, possibly with small kids and therefore limited in both time and money to invest in all kind of tools and gadgets needed to do small fixes on their vehicles. Persona number two represents taxi driver Bill (figure 23), the B2B customer and is based on the two interviews. Bill enjoys the flexibility in the working hours and is a people person who likes to have conversations with his customers.

The third persona, Moe (figure 24), represents the millennials and generation C and is based mainly on the value proposition workshop. All these personas are men, even though females also participated in this research. At this point in time there is not a need to do any specific changes in anything solely because of the fact that there are woman users also.

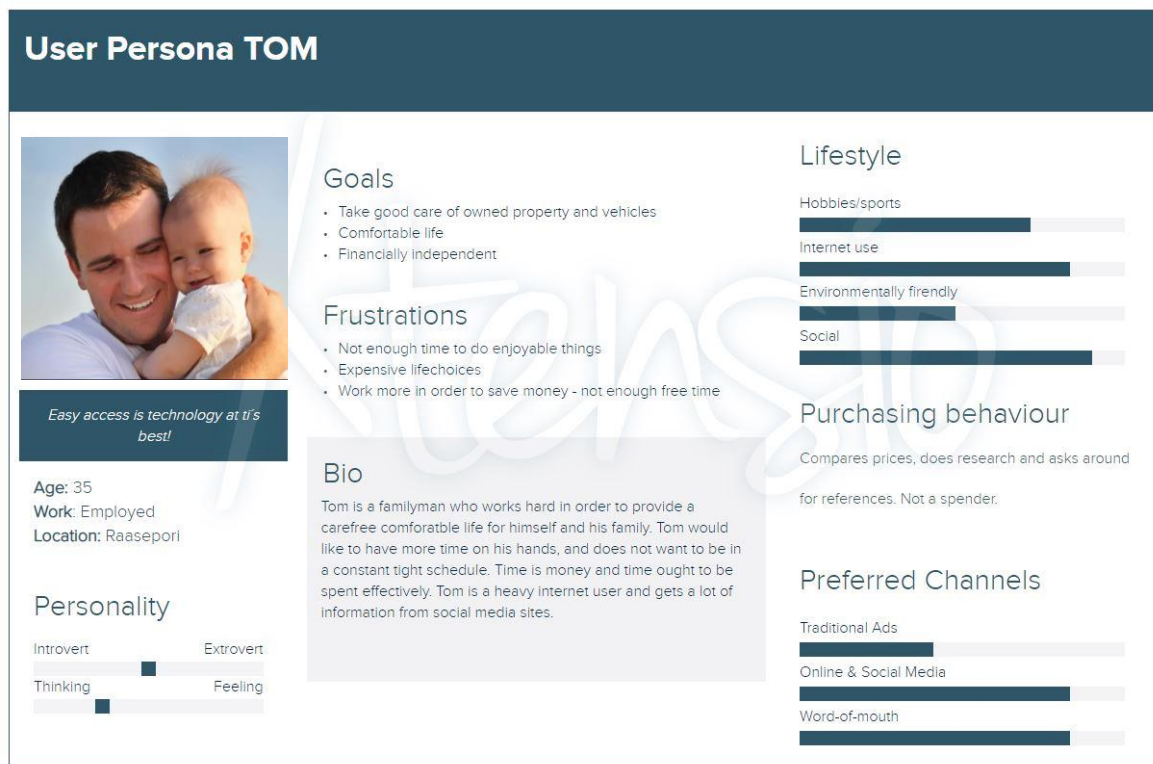


Figure 22. User persona Tom

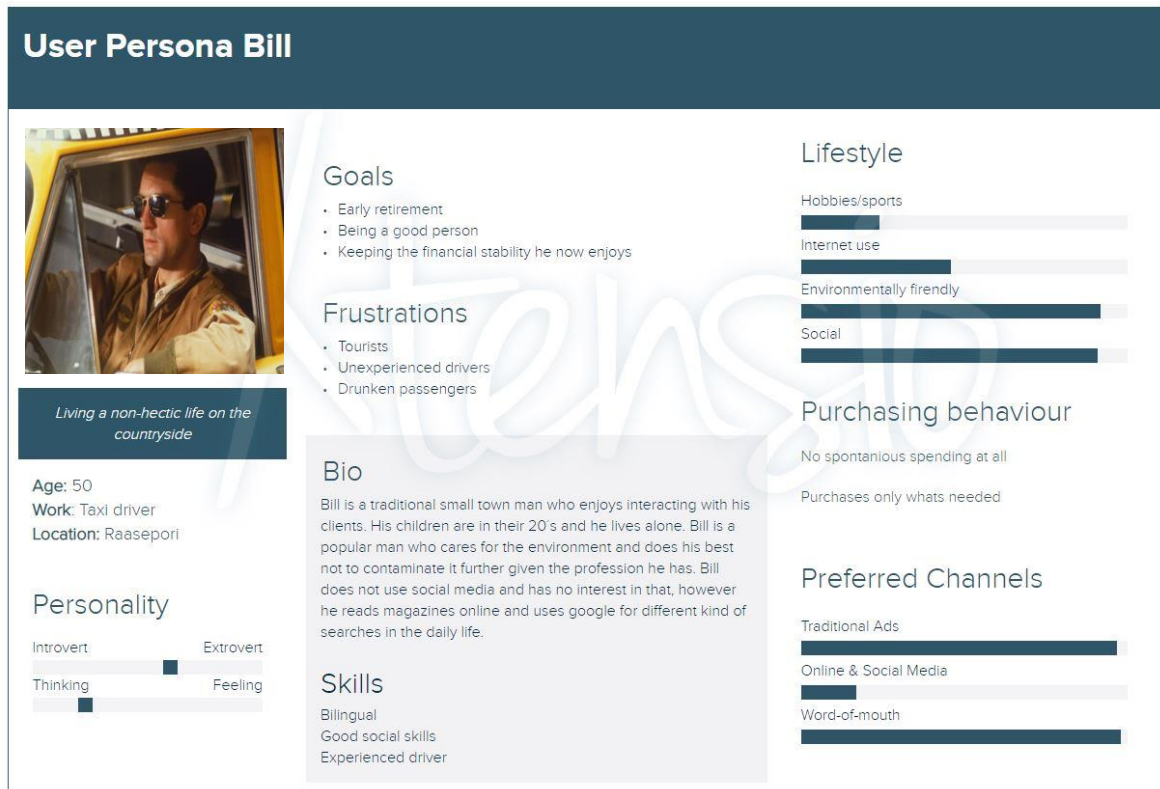


Figure 23. User persona Bill

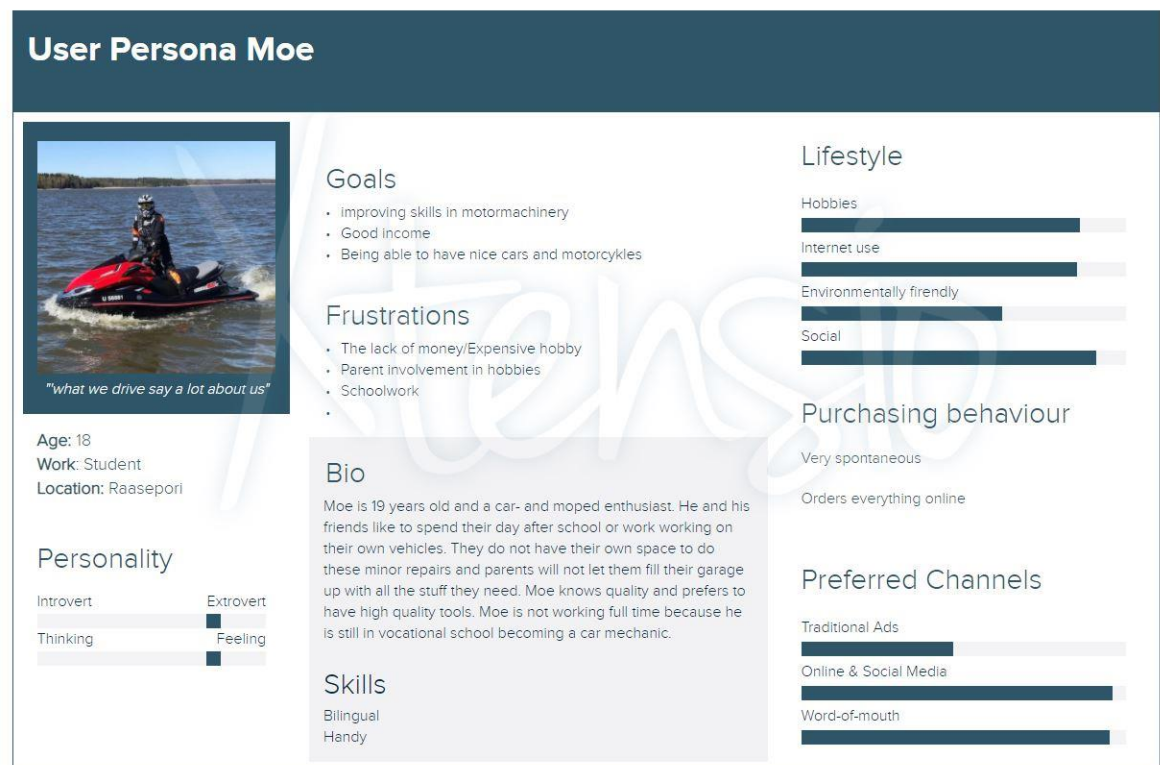


Figure 24. Persona Moe

5.8 Service Blueprint

The service blueprint of the company (figure 25) was made based on the research. There will be signs outside and social media posts right in the beginning to make people aware of the company and where it is located. Since this is a self-service garage it is crucial that all technology works flawlessly. The website needs to be updated and the information accurate.

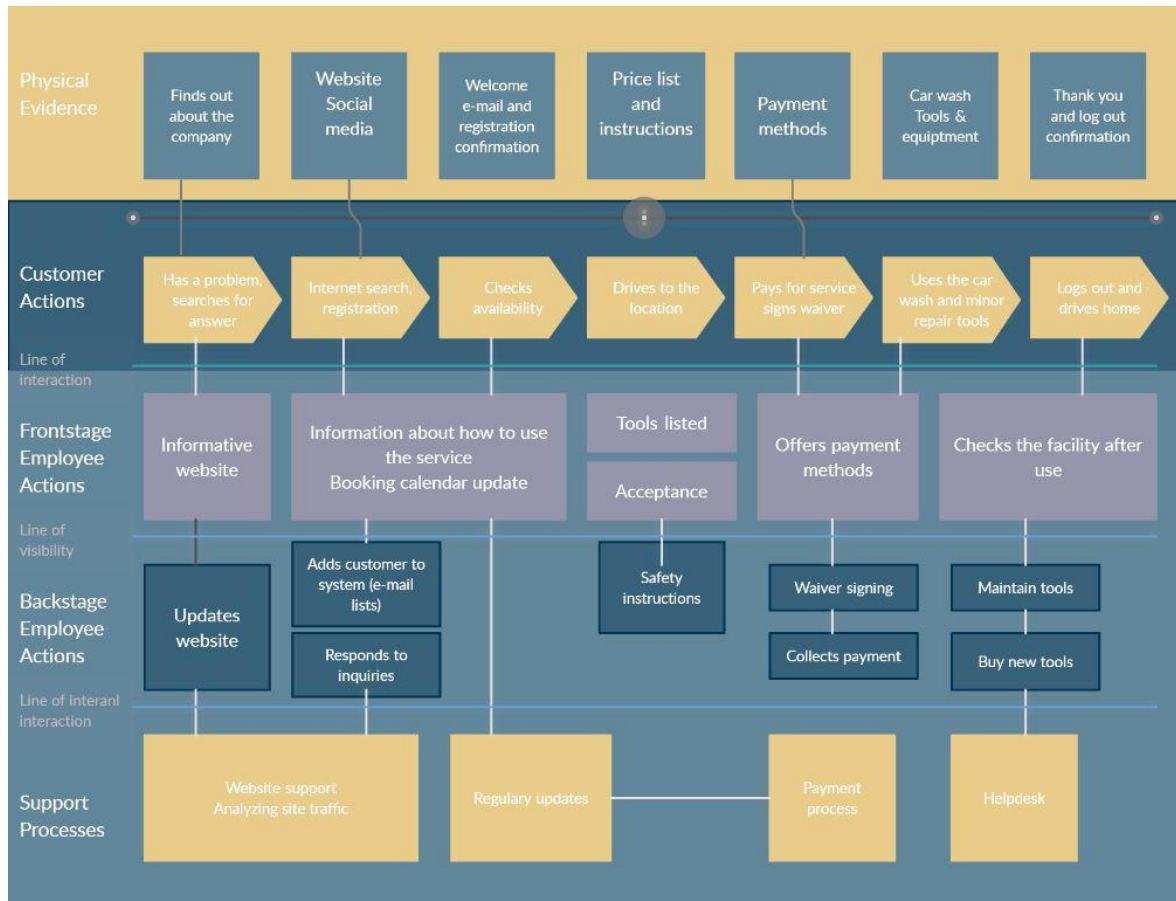


Figure 25. Service Blueprint

5.9 Value proposition canvas

The value proposition canvas for the company is seen in figure 26 with additional comments in the text. The value proposition canvas is based on the answers that have been conducted both from the survey, interviews, and workshop. Three different customer segments are shown in the same canvas. This can be done because they were similar, and do not require different kinds of marketing or approach.

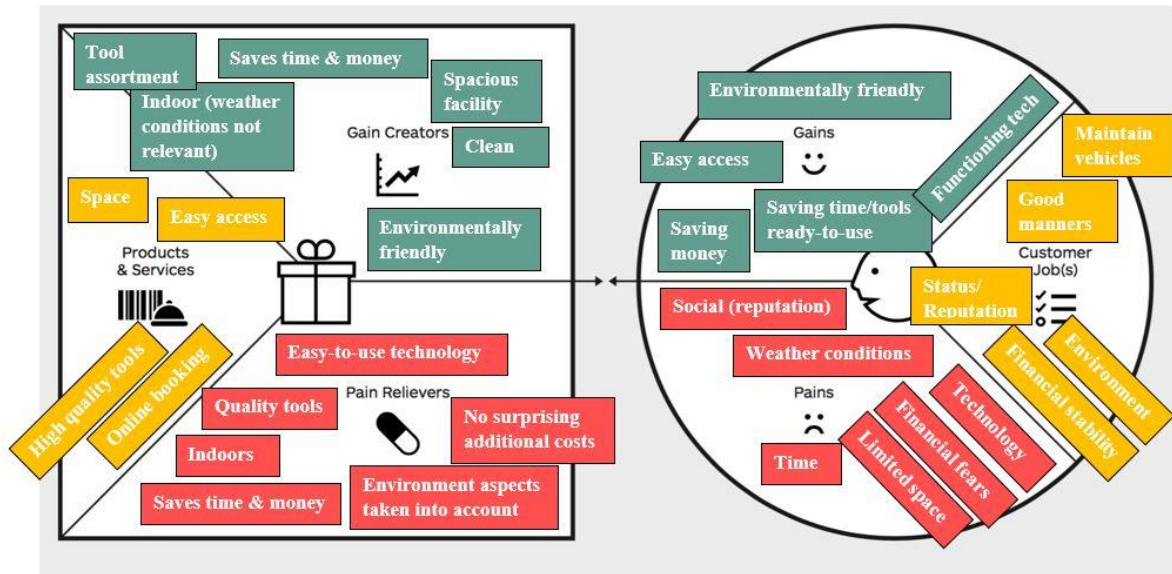


Figure 26. Value proposition canvas for the company

Customer jobs

The potential customers are striving to be good people with good morals. In order to be that they do not want to contaminate the environment. They want to have financial stability and avoid surprising costs in their lives. They care about their vehicles and want to maintain them properly in order to keep the value in them and have a more longtime use of them. The customers jobs are taking good care of their cars or mopeds, economical choices and being kind to mother nature by not pouring oils and fluids into the ground. The younger generation made it quite clear, that they care about their reputation by driving around in a clean car. Also, they had genuine concern for the environment. People are becoming more aware of the fact that pouring oils and detergents into the ground leads to the fluids then going further to our rivers and seas.

Pains and pain relievers

- Environmentally friendly products, no need to search what chemicals are safe to pour into the grounds on your own property
- No need to maintain the tools
- Safety as for example the premises themselves, there is enough space to work and lifts and such are safely installed with clear instructions on display

The potential customers mentioned a concern about their reputation if they were to wash their car at home. Pouring fluids into the ground can look worse than it is by disapproving neighbors and therefore the self-service garage is an answer to that pain creator. So as a direct pain reliever the self-service garage would have that part covered according to environmental rules and regulations and nobody needs to feel bad about that. Another was the weather conditions, an enormous pain in our country if you would need to do any work outside, it is so windy and rainy so the self-service garage would provide an indoor space where none of that matters.

Gains and gain creators

- Environmental issues taken care of, that there is proper plumbing.
- Time saving, the tools are there and ready to use
- Saves money because you only pay for the time being there, no need to buy the actual tools.

People want to feel they are being environmentally friendly, although it seemed partly as not everyone cares that much of the environment themselves but what other people around them think. The self-service garage takes care of that both for them who only cares for the reputation part but also for those who cares genuinely. Saving time and money came up numerous times and because of the fact that the garage provides the users with the tools there is no need for the consumers to buy them themselves which saves them money. Time can also be saved in terms of not having to maintain the tools and having them stored away somewhere because of the lack of space. There should also be an easy access to the garage with flawless technology so that that does not cause irritation and is also time consuming. Based on these the gains will be exactly those, easy to use, no need for space to store expensive tools and a place where small maintenance can be done.

The fit

There is a fit to be found in the value proposition canvas when drawing a line between customer profile and value proposition. People who live in the countryside often have one or more vehicles in the family. There is clearly a link between what the customers would want and what the company could offer. People in the countryside have always washed their cars at home and also done minor repairs themselves instead of going to the shop for every little thing. Nowadays that is no longer possible, people are aware of the environmental hazards and do not want to contribute in making it worse. That, would be a perfect fit. Also, the fact

that people do not have the space needed and the money for buying every little tool is a fit to what the company will offer their customers.

6 The Business Model

The business model does not tell as much as a typical business plan does, the benefits being in its simplicity. That is why every building block is described one by one further in the chapters below. The business model prototype for Mekputs Oy (figure 27) is presented and seen again in the appendices.

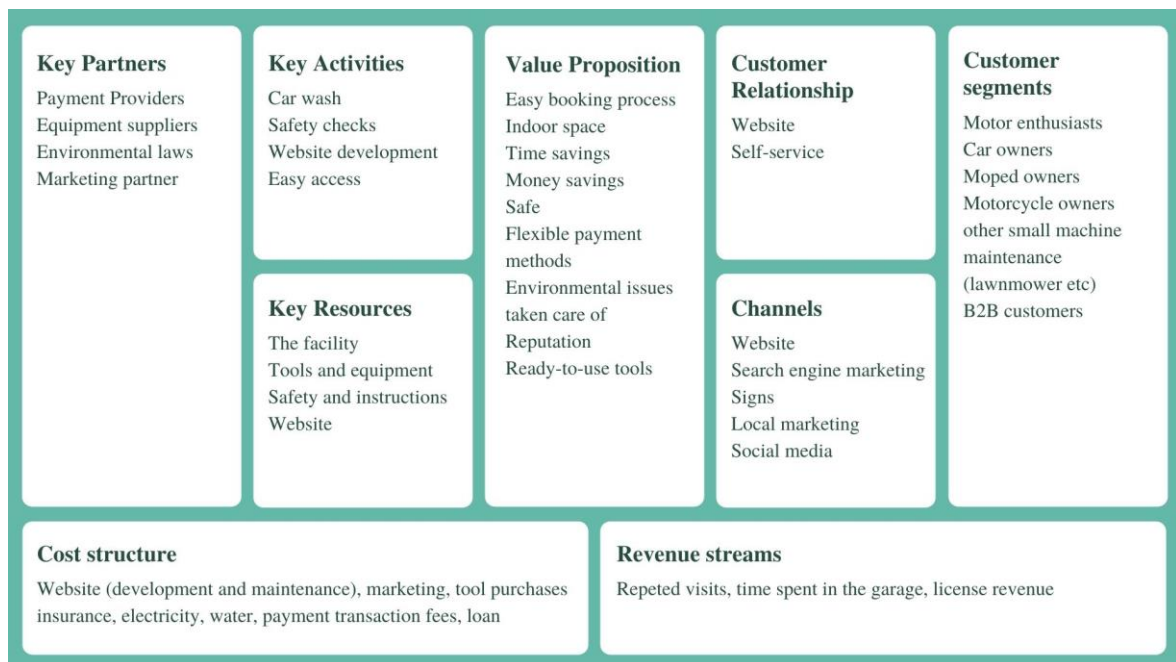


Figure 27. Business Model Canvas for the company

6.1.1 Customer segments

The target users are people owning a vehicle that is either a car, moped or motorcycle in Raasepori or nearby communities. The garage is aimed at people who have the knowledge themselves to make smaller maintenance work and wash their vehicles. These users can be private persons who either does not have the space at home or because they are concerned of pouring the fluids into the ground and therefor contaminate the environment. There are three customer segments that this service is aimed at. The moped enthusiasts, who do not have the premises themselves, the family, who do not want to spend money on tools of any kind and values their time, and the people that drives company cars and therefore have a big need for the car being clean and shiny.

6.1.2 Value proposition

The self-service will give most value to their customer segment who do not want to pay for small maintenance and car wash done by someone else. When arriving at the garage all tools and equipment are ready to use stationed at their own places easy to find. The vacuums and water hose ready and visible. Another thing that brings great value is that there is no need to contact an actual person in order to book the space, everything is done online and if the garage is booked the site will tell when available. Another value bringer is hobbies, many moped drivers like to work on their mopeds and lack the space and tools to do it. Parents may not support the hobby in terms of buying everything needed but does not have a space for it. Time is also valuable for most people and time is saved in many ways (see chapter 5.8).

6.1.3 Channels

The channels (figure 28) that will be used in order to connect with the customers and users are social media, word-of-mouth and some marketing in form of signs nearby. A local marketing firm will design the signs and are also in charge of the upkeep of those signs in Raasepori. There will be no other partners or marketing teams as we discussed with the entrepreneurs it is not likely to be needed in small communities on the countryside. Some local sponsoring will be done further on to gain awareness among the locals.



Figure 28. Marketing strategy

6.1.4 Customer relationship

The company will not have that much personal relationships with the customers. There will be ways to contact the owners, but no strategy of building customer relationship directly with them is on the agenda. The website will provide all information that is needed for self-service and the garage itself will have instructions and all the means for the customers to help themselves. There might be a place on the website to write reviews of the service, and by that way maintain the co-creative atmosphere.

6.1.5 Revenue streams

The self-service garage is rented to customers for a specific period of time. The time can be purchased in 30 min intervals. It is a transaction revenue where the customers pay when they are there to use it. Recurring revenues can then be collected if the company decide to offer subscription payments. Licensing the patent of the technology can also bring in revenue. The goal is to license the technology and brand to other garages.

6.1.6 Key resources

The facility itself is the most important resource of the self-service garage and car wash. The service simply cannot be delivered without it. The facility needs to be stocked with the tools and equipment that brings value to customers. Safety is an enormous aspect and instructions need to be visible for every tool. Government regulations such as safety of possible lifts and other equipment that might be dangerous if not used accordingly, environment regulations so that the disposal of fluids, proper drainage system. Easy access, relevant tools and good lighting. The website will offer price lists and list the equipment that is offered in the garage. There will be possibility to wash cars but also other equipment for minor repairs.

6.1.7 Key activities

In order to provide the service, the accessibility needs to be understandable and not too complicated. The tools and equipment need to be in impeccable shape and maintained well. Clear and visible instructions on every tool or machine. Electrical safety issues, the electricity can be extremely dangerous. It is vital to check that the electricity connections are not faulty in any way. The garage doors, regular maintenance, and check-ups to keep them in shape so that the customers can get in and out. If any liquids are being stored in the garage it is important to keep them in a safe place. Oil can produce a gas that is dangerous, and gases from the cars themselves can have carbon monoxide which is not good to breath. It

might be worth installing a monitor that calculates the gases in the facility. Not all tools are suitable for a self-service garage. Such equipment is tyre machines and balancers. Those can be too dangerous to use without supervision.

6.1.8 Key partners

The key partners are those who are involved in the process in any way. These are payment providers, those suppliers who deliver the equipment such as vacuums, carjacks and other tools. A key partner is also in a way the ministry of the environment, who lays down laws for how the environment should be treated practicing this kind of business. The central key partners is of course also the drivers who use the service in order for it to evolve.

6.1.9 Cost structure

The cost structure consists of all the expenses for the facility, insurance, permits and so on. Those costs are remained private but listed below are (figure 29) the costs of the tools that will be purchased to the self-service garage at this stage.

Start-up costs	€	Amount	Total €	Tools	€	Amount	Total €
Facility				Kränzle K 2160	1129	1	1129
Loan				Strong line 200L 400V 3kw	699	1	699
Web site				Air pressuremeter	70	1	70
Payment provider				Air pressure coil	99	2	198
Permits				Air pistol	10	2	20
Insurance	300		300	Air hose	25	4	100
Registration costs	60	1	60	Torque shaft	20	2	40
Business liscense				Electric coil	70	2	140
Accounting	1000	1	1000	Vacuum	450	1	450
Marketing	550		550	Carjack	300	1	300
			1910				3146
Equipment	€	Amount	Total €	Summary			
Surveillance	399	1	399				
			0				3146
			0				
			0				
			0				
			0				
			0				
			0				
			399				5455

Figure 29. Start-up costs

7 SWOT-Analysis

The SWOT-analysis of the company (figure 30) and more elaborated in appendix 4. The SWOT analysis was made in the end of the project, basically as a validation when thinking about the pros and cons of the service. The SWOT analysis is also a visual way of explaining so that one understands the strengths, weaknesses, opportunities, and threats because these are factors all businesses should consider and be aware of. The SWOT was made by the researcher of this project alone, as a summary and validation of the project.

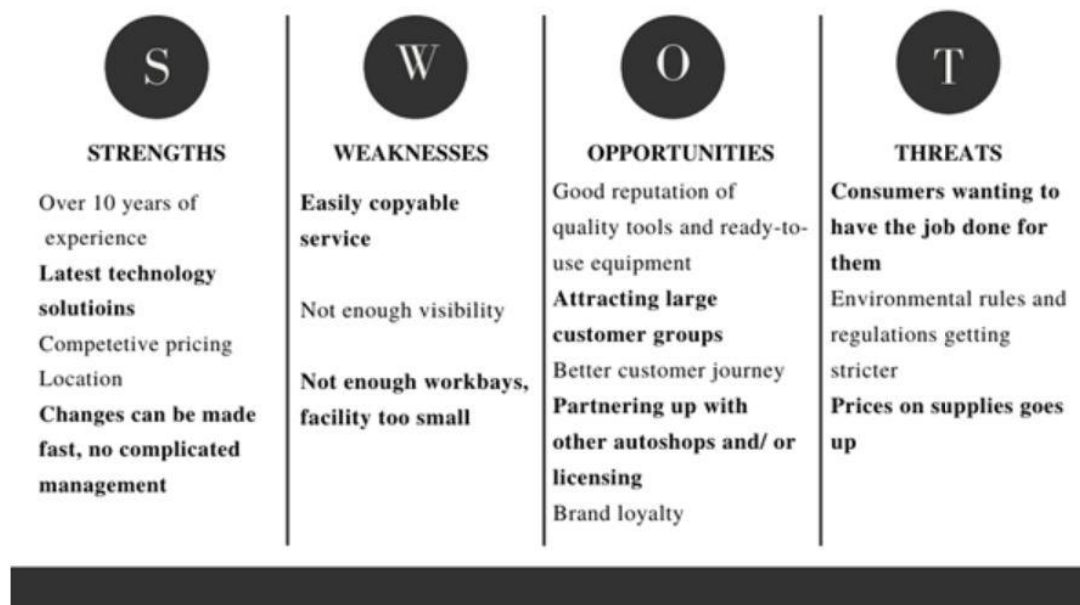


Figure 30. SWOT-analysis of the company

8 Results and conclusions

The purpose of this thesis was to build a business model for the start-up company and in addition to that create a value proposition, stakeholder map, customer personas and a service blueprint. There was no business plan or previous business model since the business is new. The garage will be ready in spring 2021. In addition to the business model, much effort was put in the value proposition canvas, so that the commissioners would get a visual summary of what it is that brings value to the users.

The research questions were is there a need for this service in the Raasepori area, and what the service should include. The questions were answered, and we have a clear picture of what the service should look like. The potential customers involved in this project were eager to use a service like this even though it was not that familiar to them. I also found that they

did not seem to mind being involved in the research and eagerly gave suggestions on tools and equipment the garage should provide. The youngest segment talked a lot about minor repairs and were interested in that, whereas the other two segments were more interested in the car wash.

The most effective way to gain insight was the workshop. The participants were enthusiastic and understood the assignment well. A lively discussion was conducted, and a value proposition canvas done together with the participants. Other mentions from questionnaire and interviews were also added in the last version of the canvas instead of having multiple value proposition canvases. This could be done since they were quite similar anyway.

This research has shown that there is an interest for a self-service garage in the Raasepori area even though there is no screaming need for it. Some of the participants were in fact pleased with the services that are already offered in the subject and are happily paying for the service instead of doing the work themselves. I did notice an increase of interest while doing the research, the participants were clearly not familiar with the concept of a self-service garage. Weather conditions in Finland are often surprising and can change fast, so the indoor factor gives great advantage, and of this people were interested. Washing a car at home is something people do not want to do anymore, environmental reasons in mind or not.

MekPuts will be situated in Karis in Raasepori, near the city center in a visible building that is now under construction. The local residents will be notified of this new service by signs and social media posts in different groups on Facebook. There is no direct competition in the area, the nearest being in Lohja. There was a desire to have a lift in the self-service garage, but that was decided against due to safety reasons. Even though every user are obliged to sign a waiver online that while using the garage it is their own responsibility what happens in there, it could be too dangerous if one do not know what they are doing so no automatic lifts or wheel balancing machine will be installed for safety reasons. A safer carjack will be in the equipment so that tyres can be changed, which was also something the customers wanted. Much attention must be paid to proper lighting of the facility and overall comfortability. The main focus will lie on all the equipment needed for car washing and waxing but also the essential tools for minor repairs, tyre exchange and basic toolset.

The biggest challenge in this project will be to keep the co-creation going, keeping the users involved since there will be little to no customer relationship between the business providers and the users. Some review system should be built to give the customers a platform to give

feedback and thoughts. These findings will help the commissioners plan their business in the most effective way in the future.

9 Discussion

This design research was meant to establish if there is a need for a self-service garage in Raasepori and what the service should include in order for it to bring value to the customers. The research started with the questionnaires, then the interviews were conducted and last but not least, the workshop. For the sake of the business, I believe that all those methods were a good combination and gave us much insight. Service design is a broad topic, but I do believe that we used the right tools and methods in this research.

All the tools were visualized in personas, service blueprint, SWOT-analysis and of course the business model and value proposition. From those it is easier to grasp who the customers are and what brings value to them, more so than from a written text summary.

I met up with the commissioners at the construction site in November 2020 (figure 31) and we discussed the business model one final time. We still agreed that the business model is accurate, and pivots are easily made when needed.

I also had the opportunity to present the final service concept to some of the participants in the research. In the research we asked participants what would be needed and if there was a need for a self-service garage at all. After the research was conducted the results were visualized and presented in different canvases. I showed the canvases (appendix 4) to some participants and we ended up having a group discussion about the self-service garage. They agreed with the value proposition canvas and seemed interested in the service. Specific timeline for when it will open was asked but there is no specific date settled for when the garage will open its doors to customers at this stage. The construction is expected to be ready in February 2021. At this point I explained the exact location of the garage and that information was received well with nods of approval. One of the participants did not have a clue where the location was so that confirmed the need of marketing and visible signs for customers to find the self-service garage.



Figure 31. Construction site (November 2020)

The project could have been done differently by doing the segmentation in another way. The segments could have been divided based on vehicles alone. During the project I came to learn that people have very different relationship to their cars. One segment could for instance be sports car owners. Sports cars are often expensive and those who own this kind of cars tend to take care of them and would not, in a million years, drive them into an automated car wash in fear of the scratches those could cause. This segment enjoys taking care of the car themselves and spends a lot of time and money on it. Another insight was that there are people who prefers cheap cars that do not care that much and so another segment could be the owners of old and regular cars, who might not take care of the car at all and the only wash it gets is by being outside in the rain. This could also be a way to continue this research in the future, focusing on the owners of different kind of cars instead of other aspects such as age and lifestyle. Another way to develop this research further is by focusing on the business to business customers, which was not done in this project.

9.1 Benefits of service design

Many of the assumptions that we had at the beginning of the project were correct. I do believe that even though a project is not overly complicated or hard, everyone starting a business would benefit from using service design and design thinking. By understanding the customers and knowing, not just believing, what they want and what brings them value gives any company competitive advantage. The time we live right now makes it hard for companies to keep up because of all the changes and the availability of any product or service, so by having a business model that is easy to update and innovate is a good starting point and should be continuously updated. As has come up numerous times through this research, even if one sells a product, even then the focus should not be on the product but on the customer and this is all service design and something every company should adapt at some level at least.

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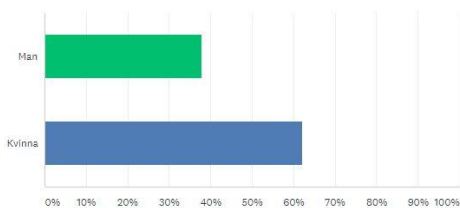
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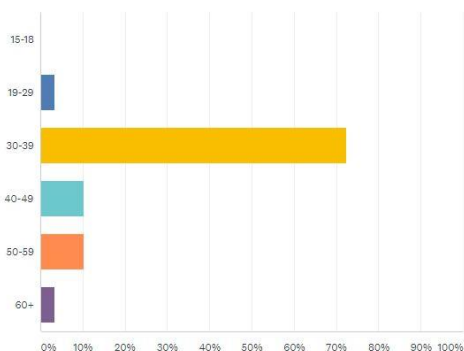
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SVARSVAL	SVAR	
Man	37,93 %	11
Kvinna	62,07 %	18
Totalt antal svarande: 29		

Ålder

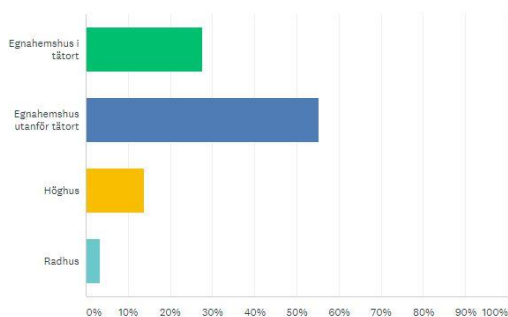
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SVARSVAL	SVAR	
15-18	0,00 %	0
19-29	3,45 %	1
30-39	72,41 %	21
40-49	10,34 %	3
50-59	10,34 %	3
60+	3,45 %	1
Totalt antal svarande: 29		

Boendeform

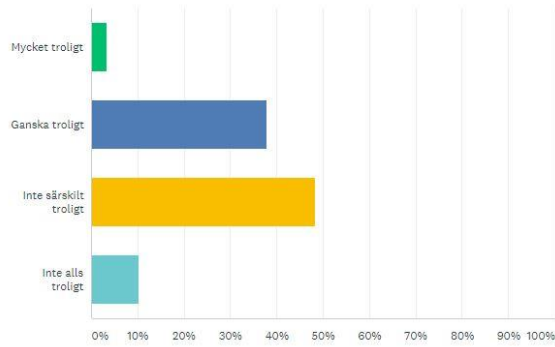
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SVARSVAL	SVAR	
Egnahemshus i tätort	27,59 %	8
Egnahemshus utanför tätort	55,17 %	16
Höghus	13,79 %	4
Radhus	3,45 %	1
TOTALT		29

Om det fanns ett självservice garage tillgängligt idag, hur sannolikt är det att du skulle använda tjänsten?

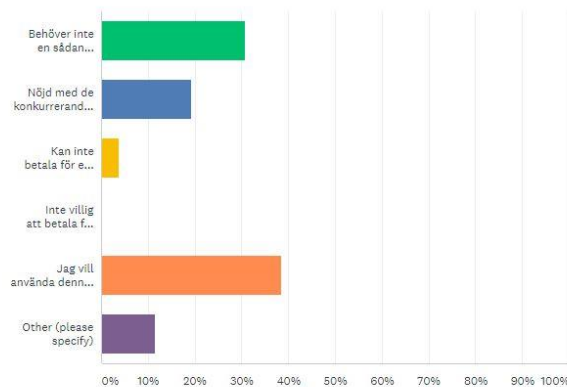
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SVARSVAL	SVAR	
Mycket troligt	3,45 %	1
Ganska troligt	37,93 %	11
Inte särskilt troligt	48,28 %	14
Inte alls troligt	10,34 %	3
TOTALT		29

Om det inte är troligt att du skulle använda denna typ av service, vill vi veta varför.

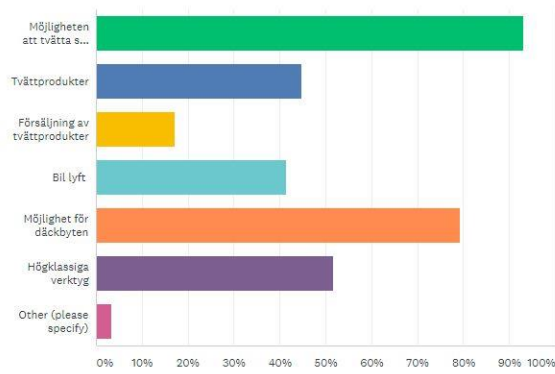
Answered: 26 Skipped: 3



SVARSVAL	SVAR	
Behöver inte en sådan service	30,77 %	8
Nöjd med de konkurrerande tjänsterna som redan finns	19,23 %	5
Kan inte betala för en sådan service	3,85 %	1
Inte villig att betala för en sådan service	0,00 %	0
Jag vill använda denna tjänst	38,46 %	10
Other (please specify)	Svar 11,54 %	3
Totalt antal svarande: 26		

Vad behöver ett självständigt garage innehålla? Välj gärna flere alternativ

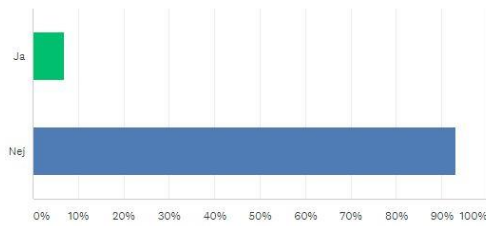
Answered: 29 Skipped: 0



SVARSVAL	SVAR	
▼ Mjöggheten att tvätta sitt fordon	93,10 %	27
▼ Tvättprodukter	44,83 %	13
▼ Försäljning av tvättprodukter	17,24 %	5
▼ Bil lyft	41,38 %	12
▼ Mjögghet för däckbyten	79,31 %	23
▼ Högklassesiga verktyg	51,72 %	15
▼ Other (please specify)	Svar 3,45 %	1
Totalt antal svarande: 29		

Använder du redan en liknande service?

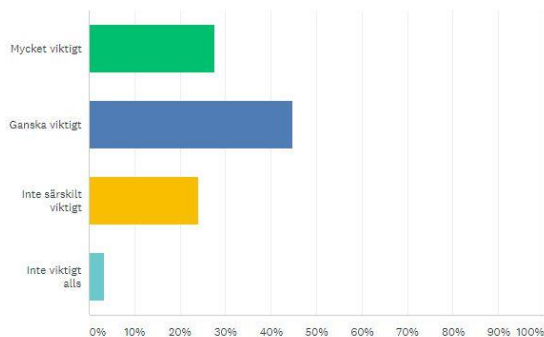
Answered: 29 Skipped: 0



SVARSVAL	SVAR	
▼ Ja	6,90 %	2
▼ Nej	93,10 %	27
Totalt antal svarande: 29		

Hur stor roll spelar hållbar utveckling och miljö i val av köpet av tjänster?

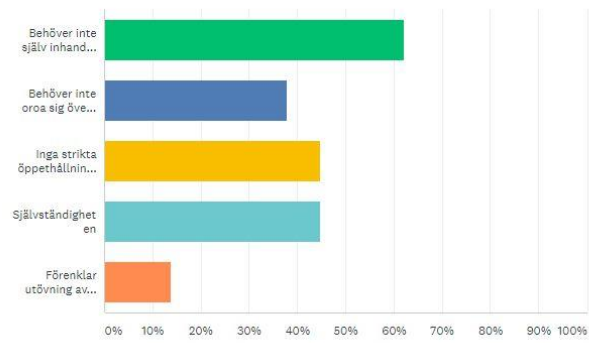
Answered: 29 Skipped: 0



SVARSVAL	SVAR	
▼ Mycket viktigt	27,59 %	8
▼ Ganska viktigt	44,83 %	13
▼ Inte särskilt viktigt	24,14 %	7
▼ Inte viktigt alls	3,45 %	1
Totalt antal svarande: 29		

Varför skulle ett självservice garage passa just dig?

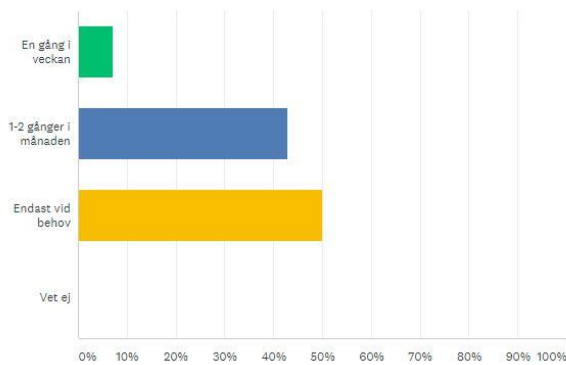
Answered: 29 Skipped: 0



SVARSVAL	SVAR
Behöver inte själv inhandla dyra verktyg och sköta underhållet av dem (kostnadseffektivt)	62,07 % 18
Behöver inte oroa sig över väder	37,93 % 11
Inga strikta öppethållningstider att följa	44,83 % 13
Självständigheten	44,83 % 13
Förenklar utövning av hobbyverksamhet (underhåll av mopeder, motorcyklar etc)	13,79 % 4
Totalt antal svarande: 29	

Hur ofta tvättar du din ditt fordon?

Answered: 28 Skipped: 1



SVARSVAL	SVAR
En gång i veckan	7,14 % 2
1-2 gånger i månaden	42,86 % 12
Endast vid behov	50,00 % 14
Vet ej	0,00 % 0
TOTALT	28

VALUE PROPOSITION WORKSHOP

Customer Jobs

- What are the problems you need to solve?
- Do you have emotional goals?

Customer Gains

- What is the most important aspect to be saved by using the product?
- What makes it easier?
- Social consequences?

Pains

- What irritates you?
- Negative feelings?

Gain creators

- Does the service give the solution?
- Does it make the task easier?
- Does it save (time or money) what you wanted?

Pain relievers

- Think back about the pain, does the service help take away irritations?

INTERVIEW QUESTIONS

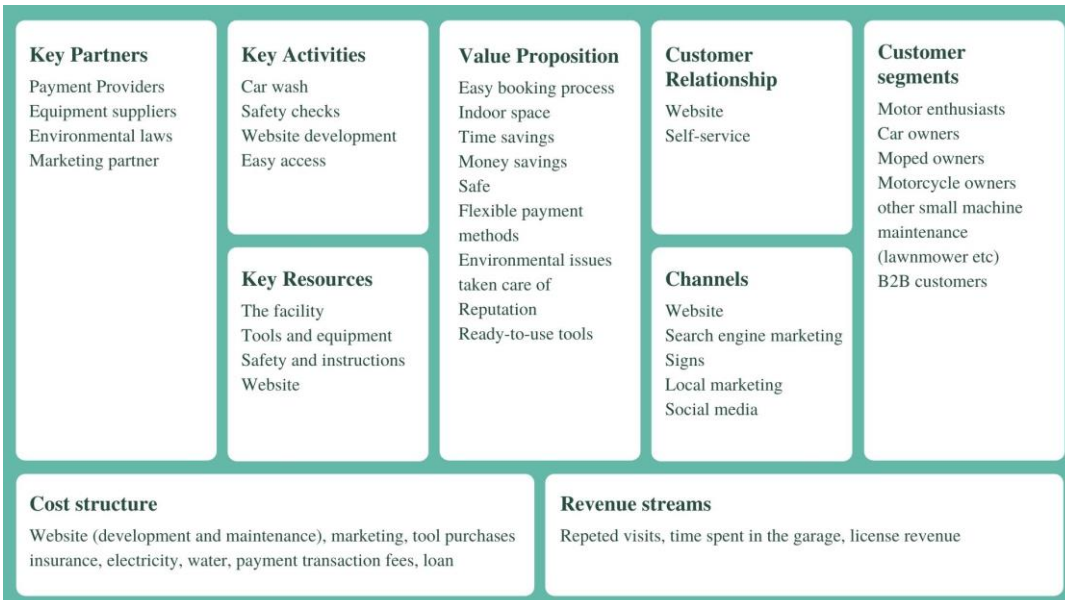
Semi-structured

Tell me a little bit about yourself (age, demographics, living situation and work)
I am 56 years old and I live alone, my kids are all grown up and I quite enjoy living a non-stressful life at the moment. I have good manners and I am polite. I drive a taxi for a living.
Almost 60 and looking forward to my pension. I enjoy driving around in Tammisaari but I do plan to retire soon. Although my wife will still be working 5 years.
How often do you wash your car?
Minimum once a week
That depends on the weather enormously but considering the profession that I have, my car is my business card. It has to look nice.
Would you be interested in a self-service garage for washing your car?
Yes and no, I would if it would always be available when I have got the time (laughs)
Yes because I would never harm my car by taking it to the petroleum company's machine wash and the boy washing by hand rarely has time. It is always fully booked.
Would you be interested in a self-service garage with tools and equipment ready to use?
Not really no, because my car needs continuous service because the car is in such heavy use.
I personally do not want to be responsible if I did not do something properly.
I might change a lamp, but I am a comfortable bloke and I rather pay for someone else to do it.
If not, why?
(Already answered above)
I like getting service done for me and I am delighted to pay for it.
What tools should there be in order for you to use the garage?
Carjack is the first that comes to mind, being able to change tyres.
The wash products, detergents and sponges should be available there because I would not want to drive around with those in the car all day if I spontaneously would get time to stop by.
What are the reasons you would use a self-service garage?
Wash
Wash
What would you be prepared to pay for a service like this?
If we are talking specific prices.. I would pay a tenner for washing the car myself.
There should be a bus card that you load money in to, and by having that I would get a reduced price and just swiping it as I go along.
Should there be subscription payments or payment per visit?
I am not sure about that. What if it is always fully booked and I never get to use it? So no.
Otherwise there should not be a time limit on it, and even then, what happens if the whole garage closes down and there I sit with a subscription with a monthly payment and don't use.
Yes, but not monthly. Consider the bus card!
Is the environment important to you?
I do care about the environment, mostly in the aspect of being outdoors, I enjoy the woods in particular. But I do have to say that I enjoy motors and cars, and there is some double standard about my environmental friendly opinions. But as an answer to your question, I do care and I strive to be a good person and lead by example.
I drive a hybrid car, I try not to contaminate the environment more than I need to. Also I would not wash my car at home for the environmental reasons, there are poisons in those chemicals.
I would never throw garbage in the nature, if that's at all relevant to your question (laughs)
Location
Location is everything, if it is difficult to get there I would not be bothered. And under no circumstances should there be a sand road to get there. Then the wash would feel useless.

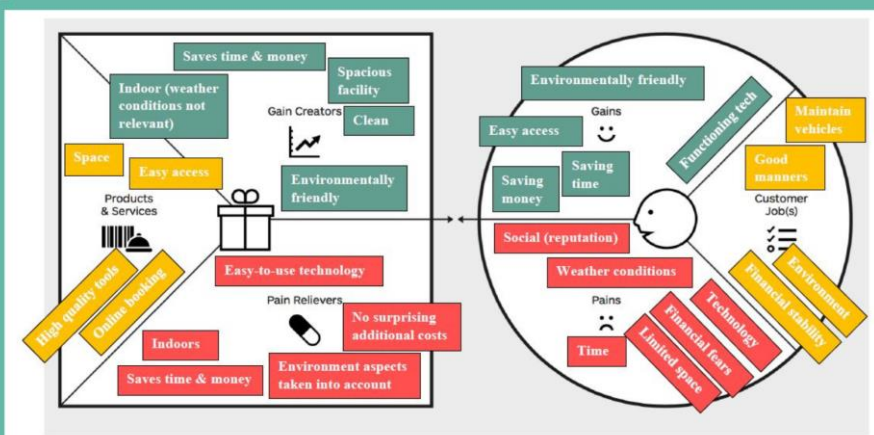
The location is important, it should be near the centre so that it does not take time off the day more than it has to.
What are your frustations? (Pains)
Slow drivers, unexperienced drivers. Those that make my job harder, basically.
I don't like that everything is online these days, not that I am that old but I like conversating and having connection with people.
The people that have no clue of the traffic rules! Technology can be a hassle and if I were able to learn how to get in there (the garage) without anyone helping me I might be more interested in this garage when I am a pensioner. I love the idea of being a mechanic even though I am not. I do have the basic skills, you know!
Do you have social media?
Yes, Facebook
No. My wife has got a Facebook page and sometimes we sit there together and wath what firends, family and aquaintances are up to.

MekPuts Oy


Business Model



Value Proposition



User Persona Moe



"what we drive say a lot about us"

Age: 18
Work: Student
Location: Raasepori

Personality

Introvert Extrovert
Thinking Feeling

Goals

- Improving skills in motormachinery
- Good income
- Being able to have nice cars and motorcycles

Frustrations

- The lack of money/Expensive hobby
- Parent involvement in hobbies
- Schoolwork

Bio

Moe is 19 years old and a car- and moped enthusiast. He and his friends like to spend their day after school or work working on their own vehicles. They do not have their own space to do these minor repairs and parents will not let them fill their garage up with all the stuff they need. Moe knows quality and prefers to have high quality tools. Moe is not working full time because he is still in vocational school becoming a car mechanic.

Skills

Bilingual
Henry

Lifestyle

Hobbies:
Internet use:
Environmentally friendly:
Social:

Purchasing behaviour


Very spontaneous
Orders everything online

Preferred Channels


Traditional Ads:
Online & Social Media:
Word-of-mouth:

Customer Persona

Who are the customers?



User Persona TOM



Easy access to technology at it's best

Age: 35
Work: Employed
Location: Raasepori

Personality

Introvert Extrovert
Thinking Feeling

Goals

- Take good care of owned property and vehicles
- Comfortable life
- Financially independent

Frustrations

- Not enough time to do enjoyable things
- Expensive lifechoices
- Work more in order to save money - not enough free time

Bio

Tom is a familyman who works hard in order to provide a carefree comfortable life for himself and his family. Tom would like to have more time on his hands, and does not want to be in a constant tight schedule. Time is money and time ought to be spent effectively. Tom is a heavy internet user and gets a lot of information from social media sites.

Lifestyle

Hobbies/sports:
Internet use:
Environmentally friendly:
Social:

Purchasing behaviour

Compares prices, does research and asks around for references. Not a spender.


Preferred Channels

Traditional Ads:
Online & Social Media:
Word-of-mouth:

Customer Persona

Who are the customers?

User Persona Bill



Living a non- hectic life on the countryside

Age: 50
Work: Taxi driver
Location: Raasepori

Personality

Introvert Extrovert
Thinking Feeling

Goals

- Early retirement
- Being a good person
- Keeping the financial stability he now enjoys

Frustrations

- Tourists
- Unexperienced drivers
- Drunken passengers

Bio

Bill is a traditional small town man who enjoys interacting with his clients. His children are in their 20's and he lives alone. Bill is a popular man who cares for the environment and does his best not to contaminate it further given the profession he has. Bill does not use social media and has no interest in that, however he reads magazines online and uses google for different kind of searches in the daily life.

Skills

Bilingual
Good social skills
Experienced driver

Lifestyle

Hobbies/sports:
Internet use:
Environmentally friendly:
Social:

Purchasing behaviour


No spontaneous spending at all
Purchases only what's needed

Preferred Channels

Traditional Ads:
Online & Social Media:
Word-of-mouth:

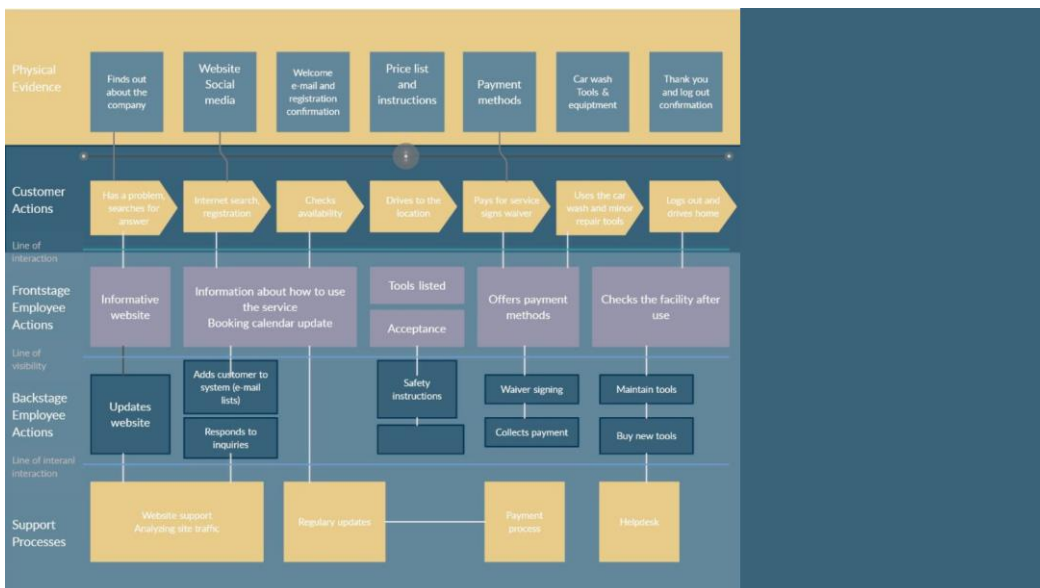
Customer Persona

Who are the customers?



Mission	To offer customers a timesaving environmentally friendly way of washing cars and doing minor car or other machineries repairs in a safe indoor environment.
Vision	To make MekPuts Oy the first choice and provide many similar self-service garages, either by licensing or by the company themselves all around the country.
Values	Making sure that the consumers get to use quality products and keeping the garage in shape and equipped with the tools promised on the website. Environmentally friendly solution in the community.

A	Awareness	Social media, local marketing and signs in the area. Gaining awareness with sponsoring youth hobbies, motocross and such.
A	Acquisition	Social media posts, e-mail subscription and word-of-mouth reputation.
A	Activation	Might consider opening campaigns (free trial or trial at reduced price)
R	Retention	customer acquisitions, value proposition.
R	Revenue	Adding tools if needed, getting loyal customers and keeping the co-creation going.
R	Referral	Ratings on website or social media, Net Promoter Score.



SWOT Analysis



Strengths

A major advantage MekPuts Oy has is that the owners have got massive experience in both car wash, small car repair work and technology. Because of this background the company is able to offer the best equipment and easy technology access to the garage. Location is also a strength, easy to notice.

Weaknesses

Having a too small facility, not able to serve everyone that wants to come. The concept may be easy to copy. The self-service garage is new to the area so the company will need visibility and gain awareness of its existence.

Opportunities

Partnerships with autorepair companies (B2B). Company growth in licensing. Getting brand loyalty and updating the brand is an opportunity, so is bettering the customer journey.

Threats

Supplier price increase and stricter environmental regulations. If consumers prefer to have the job done for them instead of doing it themselves and the market offering safe products and future homes being built with proper drainage systems for car wash purposes.

STAKEHOLDER MAP

CONNECTED

SUPPLIERS
LOCAL COMMUNITY
CREDITORS
USERS/CUSTOMERS

INTERNAL

OWNERS
LICENCEES
TECHNOLOGY



EXTERNAL

CAR DEALERS
GOVERNMENT DECISIONS
ENVIRONMENTAL
REGULATIONS
SOCIETY
TRENDS
MEDIA
PETROL STATIONS