

# **NECESSARY STEPS OF A MARKET INTRODUCTION PROCESS IN B2B MARKET**

Case study: Jujo Thermal Kauttua Oy



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The purpose of this thesis is to find methods that have been found to be successful when introducing a product to the Business-to-Business (B2B) market, so, that the commissioning company Jujo Thermal Kauttua Oy can apply these methods to their current launch tactics. To achieve this, the theory researched previous studies of how marketing works in B2B, B2B market behavior, and successful measures for a product launch.

Studies from the theoretical framework are compared to the commissioning company's current market introduction methods. To understand the current procedures, the author decided to use a qualitative research method and interviewed personnel working within the company who also work in product development.

The results demonstrate that the most successful launches are the ones that have been well prepared by motivated employees, who can identify different launch activities and apply these practices accordingly. The thesis writer recommends that the commissioning company considers implementing such practices into their product development in order to improve the launch.

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Tämän opinnäytetyön tarkoituksena oli löytää sellaisia tuotelanseerauksen menetelmiä, jotka on todettu onnistuneiksi yritysten välisillä markkinoilla, jotta toimeksiantajayritys Jujo Thermal Kauttua Oy voi käyttää näitä menetelmiä heidän tuotelanseerauksissaan. Tämän saavuttamiseksi teoria koostuu aiemmista tutkimuksista, markkinoinnin toiminnasta B2B:ssä, B2B-markkinakäyttäytymisestä sekä onnistuneista toimenpiteistä tuotteen lanseerauksessa.

Teoreettisen osan tutkimuksia verrataan toimeksiantajayrityksen nykyisiin tuotelanseerausmenetelmiin. Nykyisten menettelytapojen ymmärtämiseksi lopputyössä käytettiin kvalitatiivista tutkimusmenetelmää ja haastatella yrityksen sisällä työskenteleviä henkilöitä, jotka ovat mukana tuotekehityksessä.

Höydyllisimpiä lanseerauksia ovat ne, jotka ovat hyvin valmisteltuja motivoituneiden työntekijöiden toimesta. Työntekijät osaavat tunnistaa erilaisia lanseerausmenetelmiä ja soveltaa niitä omiin käytäntöihin. Toimeksiantajayrityksen tulee siis harkita näiden menetelmien käyttöönottoa parantaakseen tuotelanseerauksen lopputulosta.

Avainsanat Tuotelanseeraus, Yritystenvälinen kauppa, Tuotekehittely, Markkinoille tulo

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## **1 Introduction**

The current trend to be sustainable is not only visible in individual's purchase habits or in the ways of living in general but also in the industrial field. When shopping at the local store and buying a sustainable product; the product itself cannot be organic also the packaging is expected to be or otherwise it would be contradicting with the message the company is trying to put out. Even the packaging must come from somewhere.

The need to be more sustainable has created new business opportunities for companies. For instance, new eco-friendly recyclable packaging to replace the old plastic ones. Still, launching a product into a market where there is demand can be unpredictable. To predict if your idea will gain a substantial market share is always uncertain. Good quality preparations and professional execution can be widely beneficial in the success of the launch (Cooper, 2019).

This thesis goes through the steps that are required to be in a successful product launch, with the end result centring mainly on activities within the launch rather than development. The thesis concludes with the necessary guidelines for the commissioning company, Jujo Thermal Kauttua Oy to follow and customize according to their needs in market introduction process.

### **1.1 Company introduction**

The commission company for this thesis is Jujo Thermal Kauttua (also known as Jujo or JTK) which is a paper company based in Kauttua, Finland. The company is owned by the Japanese Nippon Paper Group which bought the sole ownership of the company in 2014 from Alshtrum Corporation.

The business activity happens in the business to business market (B2B) and since it employs around 200 permanent people and the turnover is ca. 100 million euros, Jujo Thermal can be classified as medium enterprise by itself without taking into consideration its mother company.

The commissioning company's production specializes in thermal labels, tickets and tags, and thermal POS. Thermal labels can be found in products such as beverage labels and frozen food labels. Thermal tickets and tags can be used in festivals, gaming, parking tickets and boarding passes. When it comes to thermal POS, it is used for receipts in places like ATMs, cash registers and coupons.

### **1.1.1 Company's current situation**

JTK is now preparing to launch their new product SHIELDPLUS which is recyclable packaging material made out of wood fibre through water base coating. SHIELDPLUS is a new more eco-friendly option when compared to ones made from plastic and aluminium. It's been under development for past few years, and is still in its test trials but is soon to be launched for open markets.

## **1.2 Research question**

The purpose of this thesis is for the commissioning company to find additional steps for a market introduction process. Not only for the upcoming SHIELDPLUS launch but for the other ones to come. As a result, the company can use this thesis as a guide for future product launches. Hence, the research question for this thesis is "What are the necessary steps of a market introduction process in the B2B market?"

To get to the purpose of this thesis and answer the research question these objectives need to be answered:

1. What is the B2B market?
2. How to market in B2B?
3. What makes a good product launch?
4. What is the commissioning company's R&D and market research when launching a new product?

### **1.2.1 Research Methods**

The research method for this thesis will be qualitative method. The author will be interviewing managers and employees who do project work in the new product development.

## **2 Theoretical Framework**

### **2.1 Business to Business**

Business to Business (B2B) or also known as organizational market is when two organizations trade with each other. The organizations can be companies, governments, and non-profits. Typically, these trades happen in the supply chain. Meaning one company buys raw materials from the other one for the manufacturing process. Thus, the customer being an organization unlike in business to consumer (B2C) where the customer is typically an individual and the end user (Hall, 2017). An easy way to describe this is that in a consumer market the consumer buys the toilet paper, whereas in B2B a company sells other firms the raw materials for the production.

#### **2.1.1 Organizational market behaviour**

In organizational market, the company or individual buys purchases are not usually made as fast as in B2C market. B2B is often regarded more rational than emotional based like in B2C, but also in bigger companies the purchases can be emotionally influenced (Hall, 2017). For example, the person who is responsible for sourcing can have emotional impacts on their decisions. Since the sourcing is depended on them, it can create pressure for the person and lead into more irrationalised decision making, which will affect the whole production.

Even though there are many people in organization that are associated with buying decision, there are only few numbers of buyers that are involved in the purchasing process compared to B2C items (Fill & McKee, 2011, p.64). With this, the first-time purchase procedure takes longer time. Since there is a lot of research to be done before the buying decision. Things such as technical specifications, product functionality (Pawlowski & Pastuszak, 2017, p3),

and safety regulations must be taken into account. In addition, the purchase must be compatible with ongoing production process. Thus, the company might have uncertainty over a product and the affects it has on its manufacture. For this reason, companies usually ask for samples of the manufactured goods before buying decision. After this the customer company usually buys large amount of goods. Thus, it's important to maintain loyal B2B customers since it will secure bigger revenue for a supplier (Koporcic et al., 2018, p. 102).

Trade contracts are commonly made between organizations for the supply of a product over several years (Fill & McKee, 2011, p.64). This improves business relationships between organizations and helps with re-purchases from the partner company. In addition, it helps to prevent any misuse from the firms, and decreases the changes of possible conflict between organizations.

### **2.1.2 Organizational marketing**

The biggest difference in B2B marketing from B2C marketing is that the focus is not so much on the end-user's needs. Instead of focusing on the needs of the person who buys the product, the seller is focusing more on the needs of the company's rather than the purchaser's. Here is the list of different marketing channels in B2B.

#### **Relationship marketing**

Relationship marketing is one of the most popular choices in B2B marketing. Companies create a two-way communication by managing a relationship of mutual benefit, which is seen as the main concept of industrial marketing. "Relationship marketing is based on the principle that there is a history of exchange and there will be in the future (Fill & McKee, 2011, p.91)". Without this it will be counted more as a transactional marketing. The cooperation originates from strong relationship and increases customer's relationship flexibility and adaptability to seller's requests for changes (Lillien & Grewal, 2012, p303). In particular, both parties only choose cooperation with each other for value creation. Although usually the other organization receives the benefit from the partnership first. Therefore, trusting the other organization is essential which needs to be built. Hence, relationship building.



In every aspect of B2B market, relationship marketing can be seen one of the key drivers. These relationships come and go some might last a year and then two years later organizations can rekindle their relationship whereas some might last continuously over 10 years.

### **Trade shows**

Trade shows or also known as fairs, expos, or exhibitions are seen as good way to keep up the relationship marketing. Companies can introduce older or newer products to a potential new customer as well as introduce new ideas to old customers. Companies can either attend the event as a visitor in which a person is strolling around the convention area visiting other organization's booths or the company can have their own booth. In both ways companies can interact with possible partner firms or even make new connection. Building a connection with the customer is better to do be done face to face rather than via email.

Recent study mentioned that trade shows from the organizer view have short-term and long-term consequences. Short-term includes sales-related and information gathering whereas long-term has relationship, motivation, and image building in it. (Cortez et al., 2022) The sales-related and information gathering are focused on how companies can gain possible sales through these trade shows and how they can gather information about competitors through their stands. As stated previously, companies can sharpen their relationship tactics but furthermore, organizations can benefit from it as branding, good preparation can make the company's booth appeal better to others. Things as engaging activities or little gifts like bags or pens are commonly used to build the company's image and as an effort to try to lure more visitors to connect with. Motivated employees in exhibitions are also important. Motivation in the other hand focuses mostly on the firm's employees which can give skilful long-term assets to the company. To gain motivation with employees. During expos employment recognition things like gifts, tickets, or wine has shown to get better results from the employees (Cortez et al., 2022).

To know if company has achieved their short- or long-term goals from the trade show they need to understand if the prescribed goal is possible through attending the event as a visitor or being an exhibitor (having a booth). Since there is clear difference in the amount of

investment depending on which way they are attending. Being an attendee in the event is much cheaper. The main costs come from traveling and accommodation compared to exhibitor. Exhibitor must plan show selection, budget, and execute pre, during, post- show feedback and control (Lillien & Grewal, 2012, p230). Thus, the preparations need to be started much earlier, also the amount of investment is clearly higher.

### **Online marketing**

Online marketing includes search engine optimisation (SEO), social medias, e-mail, and paid advertisements. Online marketing campaign is a great way of increasing brand/product awareness and it's mostly used for that reason in organizational market. In B2C marketing it can be seen as more targeted towards getting the end-user to click on the ad and then to buy the product. In B2B marketing the end-goal is the same: to get the customer buy your product. However, an online advertising doesn't convince a company to buy your product with one interaction, it takes several marketing touches before the company will recognise your brand (Leake et al., 2012, p. 22). Meaning there are couple of issues if marketing strategies are copied straight from B2C. Firstly, it's needed to identify the niche market which you are trying to reach. So, you can create more personalized advertisement for potential customer. This way company will be presented as the best choice for customers and not the competitor.

Since the target market in B2B is a lot smaller and as mentioned before the purchase time is a lot longer. The online marketing is a good way to promote a company's brand Especially, if the focus is on branding.

There is a lot of literature of social media marketing (SMM) being beneficial in B2B market. Nevertheless, there are still cases where social media marketing isn't considered optional. In cases when the company has fewer than five potential customers, or the purchaser spends their time behind highly secure firewall, also if the company doesn't have an internal advocate for social media, SMM shouldn't be forgotten about but be lower in priority list (Bodnar & Cohen, 2012, p. 8). When faced with these cases the customers are usually government, armies, or other extremely niche target market. Furthermore, to create a social

media account is free but to fully maximize it needs investment. As a result, if an organization is not ready to spend time and resources into it, it wouldn't be as valuable.

## **SEO**

SEO also known as search engine optimisation is when setting up a website you use specific keywords to enhance your search result placement organically in the common search engines such as Yahoo, Bing, and Google. Purpose for this is to create more traffic on the website. It must be also said that search engines don't rank websites but instead the individual webpages. Thus, each webpages' keywords should be tailored according to its purpose. The keywords shouldn't be wide-ranging keywords describing the business overall. Instead, it should focus more on the specific product-level keywords (Jones, 2013, p xxii). Also, negative keywords should be used. It's a good way to control organization's brand image. Words that the company doesn't like to be associated with their business like free and cheap which are good choices in B2B world (Leake et al., 2012, p. 61). Unless a company wants to be promoted as free and cheap, in cases like this the target market usually is smaller entrepreneurial companies.

Creating original content will as well benefit the company in SEO marketing in the long run. Even one article can be useful and bring more awareness to a purchase committee that didn't have knowledge of the company before. It also builds relationship throughout the sales and marketing cycle to help improve the lead quality and reduce sales cycle length (Bodnar & Cohen, 2012, p5). When making content related to a company's field of interested potential customers can come back later and sometimes even to share the links to close associates (Bodnar & Cohen, 2012, p. 150). Besides creating links is important for SEO ranking. Search engines thinks that websites with more backlinks must be popular and authoritative than website with fewer backlinks (Jones, 2013, p. xxv). Thus shortly, getting more links and even link through another website in the same field is seemed to be beneficial and especially websites that have more traffic. Since it's seemed to be more authoritative in search engine's eyes.

## **Email**

Email marketing is more direct way of reaching a customer than placing an advertisement on a billboard. Companies can send a personalized email to a customer in attempt of relationship building with them. It's an easy way to connect since you can reach someone across the globe. Also, organizations can send customers original content in the form of newsletter via email. It's a non-intrusive way of delivering relevant content to subscribes email box (Galagi & Gogi, 2019). Newsletter is good way to promote as the effectiveness can be easily measured with metrics. Things as "opens" are measured which is a calculation on how many have opened the email, "clicks" are when someone has clicked the email for more information, and "click through rate" (CTR) is the number of clicks divided by number of opens (Hanna et al., 2016, p. 3). Thus, it's easy to follow and companies can easily calculate the return of investment (ROI).

The best practises to improve the organization's email performances are making the identity know and clear, keep it visual, subject lines, mobile optimization, and call to action should stand out and needs to link associated landing page. (Hanna et al., 2016, pp. 47-50). These help with the look of the email to be more appealing. Designing of the email is important, so its eye catching and looks good also in mobile version. Furthermore, things like opt-in, frequency, time of day and sender's email should be considered as well (Leake et al., 2012, p. 198). "Opt-in" meaning the customer has a choice to receive the newsletter via email if they so decide. Since unwanted emails can be seen as spam. "Frequency" is referring to the frequency these emails should be sent, it could be two in one week or four times in a year depending on the company's preference. Time of day is important as well, more importantly it should be sent during the working hours and not during the weekend. Lastly, organizations might want to create a company email for the newsletter instead of sending it from the email's stock provider (Leake et al., 2012, p. 198). Circulating back to opt-in so, the senders email address won't be seen as someone who sends spam instead, the employee can still communicate with customers through their work email.

## **2.2 Product launch**

Product launch is when companies put the process of putting all the pieces together what has been prepared in pre-launch to get the product on the market (Gorchels, 2003, p143).

Product launches happen in both B2B and in B2C markets and usually includes production planning, product testing and market research.

When looking at B2C markets many might have faced different kinds of launch strategies without even knowing. For example, before gaming console Playstation 5 was released it had preannouncement and advertisements to create an “hype” around the product. This way Sony made the loyal consumers excited from the previous consoles as well as new customers. Moreover, its release date was 12<sup>th</sup> of November in 2020 just before Black Friday and Christmas, when most of the people do their Christmas shopping. Thus, this shows calculation about release time and plans. In the end, the console was sold out in a matter of seconds, and many had troubles to get their purchased consoles for months. Nonetheless this kind of launch can be also seen in B2B market. It is called “hard launch”. Where one opens the market for potential buyers and tries to sell everything from the company’s stock. Downside to this is as mentioned in the example the number of sales a company is going to have can be unpredictable, which can lead to bad logistic and furthermore lead to uncertain time of delivery. When the new orders are going to roll in, the manufacturing is going to be already over booked. Since, the old customers haven’t even received their orders yet. Although, opening the market for everyone can be beneficial for a company rather than finding specific customers to try and sell the product. There can be customers that weren’t thought to be the ideal customer in the eyes of the company but are still willing to buy the manufactured goods which translates to better sales.

In production planning, companies should think about if the new product development (NPD) is going to strengthen the company imagine or to direct it into a new area (Gorchels, 2003) Besides, questions like what the current market prices are, how well the new product fits into their current brand imagine, within the market and compared to competitors’ products should be carefully thought trough. These research inquiries can be gotten by surveying the potential customers, interviewing the market insiders, and trade associations. This research is also known as market research.

In the commission company’s case adding sustainable packaging to their supply can be seen as the company’s effort to change the direction of the production. To achieve this, a project team needs to be set. Organizations like the commission company usually assigns specific

people to work on the project. Integrating different employees from different departments to create a project team who report to the project manager is known as cross-functional teams. The project manager's responsibilities are occasionally to report to the organization's top management about the process, to keep the project on time, keep it in the budget, to meet the quality goals, and to ensure that the people who are assigned to the project receive motivation, direction, and information to do their jobs (Heizer et al., 2016, p. 101). Thus, project managers are essential for product launch.

As the product development continues, product testing is needed. So, that the project team can recognise the mishaps that happen during the manufacture process or possible events that might have affected on the end-product and then find immediate solutions for them. The solutions can vary depending on the problem in the production process. It can be for instance, changing the raw materials in productions or a changing the amount of chemicals used. Nevertheless, it's up to the project team and the manager to find solutions for these together.

There are few other team choices for production team instead of cross-functional team. Projects can also be done by one department, or with scrum framework. Usually, the choice which one of these are used comes from what the company has previously used or from the group of high-ranking managers.

In addition to project groups, according to research there are two main launch strategies to be used in product launch. Firstly, strategical launch activities, where organization concentrates on resources. These resources can be highly skilled employees or untouchable assets, and the second strategy being tactical launch activities.

### **2.2.1 Strategical launch**

Strategical launch includes for example, competitive, and marketing strategy as well as technical skills which are focused from the early steps of launch through the end steps. Strategic launch usually answers questions like: what, where, when, and why to launch, whereas tactical launch strategy governs how of the launch and is focused after the strategic decisions (Hultink et al., 2003a). Additionally, according to Guiltinan (2003) strategic launch

includes the decisions of products relative innovativeness, mass market or niche target, and lead versus follow. The product relative innovativeness is a technical feature of a new product, and the perception of NPD can vary on different customers, which can change quickly in highly competitive market. Thus, companies choose when creating new product to lead or follow in the product market. The decision to choose between mass market or niche target has many factors influencing it, like resources and the large range of potential customers. Usually, mass market is avoided when faced with intensive competition from powerful competitors and required extensive resource commitment (Guiltinan, 2003). Also, the studies show that even when the new product has good relative advantage and high compatibility across large number of potential buyers, the product may not appear equal or superior to the previous one. Especially, if there are switching costs included for the customer. It will make the NPD appear as less appealing, but only if switching cost occurs.

Lead versus follow can also be contrasted to product innovativeness and companies usually need to decide if they want to be first movers. Hence, lead or follow the market. First movers are the ones who introduces the product for a market where there is no competition yet. This has some benefits as well as weaknesses for companies. For example, the market share is bigger when an organization gets to be a first mover. Especially, if the production is hard to imitate, it will take longer time for competitors to catch up. However, being a first mover means the organization can face difficulties as well. Since the company is first in the market they won't be having as much related data as the other companies following their decisions in the market. This means competitors can simply learn either from the first mover's mistakes and through that develop a product which has more advantages and then catch up the market share gap, or they can learn what has been beneficial for the first mover and then apply it in their own product launch.

From this it can be regarded that market research is one of the biggest priorities in product launch. Furthermore, Salmen (2021) found from several product launch literature that when market research and marketing skills were implemented it led to cost and product advantages which meant outperforming competitors. So, market research should be done thoroughly to support both strategic and tactical launch strategies. Market research also helps to assess the effectiveness of the launch. Along with competitor analysis and competitive dynamics that must be thought about. "If a launch plan is to be developed

strategically, then it must be done in the context of market dynamics (Guiltinan, 2003)”. This helps the company predict the future reactions made by the competitors in response to a new product in the market. Just like in being the first mover where imitation will be most likely faced in some point which is suggesting market research needs to be done to increase the market share. Since competitor analysis is part of the market research to distinguish competitors and their technological capabilities, so utilising it would be hugely advantageous. Again, especially to avoid imitation. As for the company’s own product’s technological capabilities, and the technical standards are to be thought and compared to others to achieve a successful launch. However, the relative innovativeness of firm doesn’t appear to be critical element in successfully establishing a standard (Guiltinan, 2003, p.526). Besides, other aspects of market research need to be examined as well, like market trends and customer trends are needed to be considered.

### **2.2.2 Tactical launch**

As mentioned before tactical launch is more “ the how” of the product development. It includes price, product, promotion, sales, and timing tactics. These topics are included in launch activities. Furthermore, in tactical launch the focus is more on the activities and decisions that clarify or leverage relative advantage and to demonstrate or to enhance compatibility with the target market (Guiltinan, 2003).

With price the company chooses whether they will use market-skimming or market-penetration price. Market-skimming is when companies choose to have bigger prices to achieve higher margins which result is hoped to gain perspective of superior product. Whereas, in market-penetration the price is set lower in the hopes of gaining bigger market share than competitors. To know which one to choose companies need to list their pricing goals. These can be done to maintain price leadership position, discourage competition, maximize short- or long-term profits, increase market share, stabilize the market, maintain channel loyalty, or enhance company’s image (Grochels, 2003, p.172). Furthermore, to get the right pricing it is needed to understand the productions costs, customers, and competition. Even though according to Calantone and Di Benedetto (2007) pricing decisions are usually made by short term goals in mind like quick market share increase or achieve quick payback, but still shouldn’t be made separately from other launch decisions. The



research results also found that logistics, timing, and channel issues had significant results impact wherever the pricing strategy would succeed or fail. Thus, pricing won't necessarily guarantee success by itself but should be taken into consideration in the bigger picture (Calantone & Di Benedetto, 2007).

Product tactics focuses more on the breadth of assortment when new products have relative advantage (Hultink et al., 2003b). Promotion instead centres around advertising, publicity, and trials. These aid the companies to try and gain product awareness either from the product samples or from commercial placements. In addition, according to research, sales help with promotion in cases like shows and trade fairs where the usage of a product can be demonstrated to show its advantages. Sales tactics should also include products technical support and reaching out to the old and the new potential customers. Lastly, timing tactics go along with sales since one of the most important parts of the launch execution is when to launch. Through timing, the effect of marketing will be higher, also the right timing of the launch could cite strong link with new product performance and timing itself is a result of coordination within the supply chain (Salmen, 2021). The right time to launch is looked from wide variety of different things. Things like current market environment, competition, company's goals, and readiness, and how ready the distribution channels are should be thought through. Thus, it can be difficult to determine the right moment to launch but still it shouldn't be left aside.

### **2.2.3 The successful product launch**

Even though sales are one of the main ways to calculate successful product launch, product launch should not only concern the sales team. In internal training, "companies have realized that new product training should encompass customer service, technique support, and other customer-contact position in addition to sales (Gorchels, 2003, p.157)."

The joint work with other departments should only be, if both are capable of fill out a specific task and have successful communication between the departments without any errors (Alavi et al., 2017, p.6). This helps prevent data silos that are common in the digital management: companies need to create a way of transferring useful data between organizational internal departments. As sales department is the key to current customers

and are the ones receiving customer feedback, in NPD it is important to have the received feedback of product launch transferred back to other departments in the organization. For instance, in R&D where the prototype can be developed further according to the market feedback. This is particularly important if the company uses differentiation strategy, in which the focus is on the customer's needs. Moreover, if the company is creating a NDP with customer it is important that the internal and external communication in organization is working.

According to Cooper (2019) cross-functional teams strongly influence the project outcomes, and members from R&D, sales, marketing, and operations are embraced by majority of businesses. For example, when logistics department strategizes with sales management, they both get better understand of distribution strategies, or when R&D department works together with sales the product presentation will be more wide and not as narrow. Then it's easier to convince the product is superior, because the customer must be convinced that the product is better than before. Otherwise, it is harder to sell, since they don't know the products advantages (Cooper, 2019, p. 10).

As earlier stated, engineering skills and resources were linked to more successful launches in competitive and overall profitability (Bendetto, 1999, p537). Even if the prices aren't the lowest in the market, but the performance attributes are significantly better than the competitor's which can lead to not necessarily having higher sales or market share, but higher profitability. Therefore, better sourcing and manufacturing skills lessens the costs and could lead to lower production cost. This can be linked to resource-based view, where companies evaluate their tangible and intangible resources to gain competitive advantage. It can be skilled labour, risk taking, leadership and tactical knowledge, which are key factor to competitive advantage since these improve the group dynamic (Salomo et al., 2010, p.957).

As mentioned before, the sales team needs to have a customer-centred training process. The sales team needs the profile of an ideal customer which needs to be identified in the pre-launch. After that, the sales team can prepare the sales pitch which cannot simply be a list of potential retailers to their customers, they need to know the products advantages, disadvantages and not only how the product is better but also how it can benefit the distributor. The company needs to have the most radical innovation launch possible to

create more successful launch than before (Cake et al., 2019). Meaning in the launch phase, companies should go beyond the launch capabilities used in previous product launches to generate more successful launch than before.

In market orientation the company, focuses more on the market rather than the product. Organizations need to identify the needs of customers and wanting to fulfil them in a profitable way. According to a study made by Langerak et al. (2004) market orientation had positive effects on launch activities and the market orientation was associated positively with the proficiency in market testing, launch budgeting, launch strategy in launch activities, and positive results with new product advantage, although launch activities did not have positive effect with new product performance. Which is more centred with the product practicality in the market. Still, market orientation had some effect on new product performance throughout the launch tactics. To achieve this, it's needed to put pressure more on the marketing and the sales department which main focus is on the launch of the product whereas R&D is focused on the development phase. According to Cooper (2019), failure to adopt a strong market orientation in product innovation, unwillingness to undertake the needed market assessments, and not involving customers in product development has been almost every time in studies linked to why new products fail. Even so, it's seen as beneficial for companies to invest in organizational programs that improves the company's market orientation.

Marketing mix is one of the key factors that makes a launch successful. It must be well done before the launch and its seven Ps of marketing should be thought about product, place, price, promotion, process, people, and physical evidence which are similar to tactical launch strategies. Consequently, it's also mentioned in different literature that marketing mix should be included in tactical launch activities. In addition, Salmen (2021) found that many product launch literatures define the marketing mix and orientation similar way, but still had overall positive influence in the success of product launch as well as product advantages.

Moreover, using the different marketing channels to increase brand awareness is good. Since the decision aren't necessarily made as hasty in B2B, dissimilar to B2C. It is good to have advertisement done in different places. So, the company and the product are seen, and can even be considered in organizational buying. Products that the purchasing committee

doesn't know even exists, is hard for them to take into consideration as an option when deciding suppliers.

Thus, it seems that having higher preparations like training the sales employees or having highly educated employees working on the project will most likely have benefits in the launch. Furthermore, having the distributors motivated that the product would increase the revenue and having provided the customers with trials increase the likely hood of success, as well as gathering any metrics during the launch like order quantities can help identify the future sales and are seen as advantageous for the after launch. In addition, mixing the two strategical and tactical launches according to a company's own needs are seen as beneficial (Guiltinan, 2003).

#### **2.2.4 Customer involvement in product development**

When one slowly introduces the product to the market it is called a soft launch. This establishes for the company lesser fear of unknown by giving more accurate estimate of the number of upcoming sales. In soft sale one can introduce the new product development to very limited number of buyers. Usually this means companies have to work together with potential customers and have them be involved in some way in the product development. It can be done by giving them trial samples of the product prototype, to gather some feedback and then continue develop it accordingly or inquiring questions about market needs and trends. Another way to put this is voice of customer (VoC), in which " companies have strategic and structured way of collecting information from customers (Melander, 2020)." It's used in market research, and it focuses on the customers answers about market needs, trends, and past experiences. Even though VoC is used mostly in the start of the NPD it is good to go mention as good product launch is affected by the early decisions made by the managerial team.

Sometimes the cooperation with customer can mean that possible agreements should be made. Thus, commitment and specific investment from both parties is required. Since this would be a value creation strategy where both need to invest certain assets to the relationship, thereby developing a close relationship characterized by commitment and long-

term perspective (Svendsen et al., 2011). Especially if product differentiation is wanted by the manufacturer as its long-term strategy.

Thus, in VoC relationship marketing should be used, since the best way to get intel about what are the customer's needs is asking straight from them. With cooperation organization can create even closer relationship with customer and the company can modify the base product according to customer's needs and have either product differentiation or price premium in the market. Collaboration with customer in NPD works well also for inquiry of what rival companies have to offer. Since they can mention these counteroffers made by competitors when negotiating deals. This benefits the manufacturing company in their market research and strategic choices. As well as competitor orientation where company needs to focus and react to the continuous strategic moves made by competitors in the market. It has been even found that product differentiation, competitor orientation, and specific investment are important factors allowing organizations to involve its customer in product development (Svendsen et al., 2011). Furthermore, if company is caring more about branding itself with the product development rather than having new successful product, it's going to be less than ideal given that it wouldn't benefit the customer hence not seen as valuable investment. Consequently, both parties not giving their all to the joint cause. This can lead to having a hard time finding a suitable partner organization to cooperate with.

### **2.2.5 Product launch globally**

Even though Jujo Thermal operates in Finland, it also sells its products abroad. Thus, it is good to inspect, what steps are necessary for a successful product launch globally.

If a new product development group is formed by different employees from different departments, global product development needs to be one step above that (Salomo et al., 2010, p.958). Firstly, including people from other cultures in the NPD will be beneficial as they can bring more information about cross cultural communication, country based local-market information, and ways of handling business in different cultures, since the custom in every country slightly differs from each other. Making sure that other party has not been offended is critical especially when dealing with B2B operations, since B2B market is heavily

centralized with relationship management with partner organizations. Thus, this information is needed when companies try to secure new deals outside the country of origin.

Secondly, it's important to be aware of what kind of a market it is in the targeted country. Is it either emerging or developed market? Without the knowledge of the market, it will create a market uncertainty, which effects on poorer launch performance. According to a study between USA (a developed market) and Taiwan (an emerging market) it was found that (2011) even though the markets have similarities like customer education, product innovativeness, and promotion discount pricing which were linked to improve the NPD, whereas market pre-emption significantly lessen the customer satisfaction in both. Still there were results seen beneficial in developed country which were linked to unfavourable performance in the emerging market. Even though promotion discount pricing were found to have similar attributes in the emerging market, it affected harmfully in short-term. Since global manufacturers tend to use high volume strategy, by selling products similar to what they sell in developed markets only to drop their prices and accept lower margins (Lee et al., 2011). Furthermore, choosing as an advertisement strategy between functional or emotional ads it was found that the markets favour the opposite from each other. In Taiwan the emotional ads affected badly to product performance (Lee et al., 2011). Reasons for this can be found in the differences in the cultures. Asian countries like Taiwan are found to be more conservative than western countries.

Thirdly, market experience is important. It cannot be gotten without trying real experience in the foreign market or research of it. For a smaller organization with fewer market entries to different countries are expected to have positive effect on future launches. Whereas, for more globally dispersed brand, a saturation is anticipated given that there are only certain number of countries available for entry, hence a monotonous effect is anticipated (Yeniyurt et al., 2007).

More importantly, standardization of the core product is valuable. Many manufactured goods that seem to fit the guidelines in the USA for example, won't necessarily pass the regulations in European Union. Global product that is identical all over the world is a near myth, however some benefits can be achieved by standardizing the core product, or the large part of the production (Gorchels, 2003). Although, if the product's domestic

requirements also meet the international requirements, the possible market for future sales is expanded notably. International products that are designed and targeted for the world and the nearest neighbour export markets are the best performing products whereas products design for domestic markets, fare out much worse (Cooper, 2019). Moreover, if the product is easily imitated in the targeted country, replicas are mostly likely to appear in the market. Hence, more competition.

Thus, it appears that the product launch globally needs further customization from the inbound market launch. Especially if it's a new country where the company is entering after the launch which was only specifically designed for the domestic market. Then the NPD needs more customization. For global launch to be beneficial, companies need to either develop a one global product or one base product and then modified it according to each country's needs. The need of market research is higher to know how the manufactured goods can be adapted for the local market. Therefore, undertaking VoC research, product testing and concept testing in multiple counties are needed (Cooper, 2019).

#### **2.2.6 Post launch**

New product market introduction doesn't stop abruptly to a wall when the product is launched. There are also steps needed to be taking care of after the launch. Usually, this part is mostly for sales/marketing department. Since the information from post launch usually comes from the customers. This information is unit sales, returns, discounts, customer, acceptance, competitive response, service calls, and shareholder value (Gorchels, 2003, p.165). The managers should choose which previously mentioned parts is the most important to track, and how often, along with how it's tracked. The tracking system should mainly be easily incorporated to an already working internal system. With the metrics companies can continue updates of production and marketing plans, to finetune product, production process and marketing strategy to obtain the key figures of information the strategies that influenced the launch (Di Bendetto, 1999). This helps the company to overlook the whole process, to see what part of the process was ineffective and what was found to be effective in NPD. The collected data will help companies to reflect their action in future launches once the company has identified all the necessary procedures and metrics

needed to gather the data. If the company doesn't already have a software to track its metrics, many organizations offer their services on the internet.

After the launch in the B2B market, if the product is designed to be a replacement to already existing product line and implementing it for customer's operation, after sales support is highly needed for better launch results. Effective after-sales support is essential to the successful launch, and those who will execute the launch like sales, and technical support personnel should be included in project team (Cooper, 2019). Partly, since there can be difficulties to adapt the new product to production such as customers taking a long time to switch from the old one to a new one.

Marketing as well cannot be fully stopped at launch. The marketing needs to be used even after the launch. Although at this time the marketing plan should be on going depending on the launch strategy. It is also important to focus on the competition in the market and how they are reacting to your NPD, and moreover questioning should the company counter react to competitor's strategic decision. Thus, it can be determined that post launch procedures are important.

### **3 Methodology**

Since at the end of this thesis there should be tangible points for Jujo Thermal to take into consideration when developing a new product, qualitative method was chosen to be the best choice to discover what the commission company's needs are for market introduction process. Furthermore, the thesis' theoretical part is centred on what earlier scientific literature has found to be successful in NPD. Interviews are held 1 on 1 through Microsoft Teams. The interviewees had been prepared to answer the questions by sending the questions beforehand. The answers from the interviews are then analysed and compared with the theoretical framework in mind. So, it's essential to understand the theoretical part of product launch.

This all is necessary since, it's crucial to know what the company's current methods are when developing a product. Thus, it is needed to interview Jujo's current employees that work within the product development. With these findings the author hopes that it is



revealed what steps are kept currently important in NPD, what steps the company might misjudge, or not even do at all.

Firstly, before the analysis of the interview, it's crucial to understand the thermal paper market. For this the author has decided to analyse the current competitive atmosphere within the market by using Porter's five forces. The five-force model is created by Michael Porter to use it as a framework to understand the strategic implications for individual firms within an industry (Dobbs, 2014). So, it's a practical tool for industry and competitive analysis as it includes the industry profit potential which is determined by the intensity of the competitive rivalry within that industry (De Kluyver & Pearce, 2015, p. 73). As the competitive rivalry is measured by using the five forces, which are the threat of new entrants, the bargaining power of customers, and suppliers, the threat of substitute products or services, and the intensity of competitive rivalry being one force itself. The author collected the data for Porter's five forces by working in the commissioning company and inquiring the sales manager during the interview.

### **3.1. Data collection process**

For the research part the author is going to interview managerial employees from Jujo Thermal. The interviewees are from research and development, sales, and marketing department. The interviewees were chosen from multiple departments. Since, researchers find cross-cultural teams in NPD to be beneficial (Calantone & Di Benedetto, 2007). Besides, the commissioning company works already to a degree in multicultural cross-functional teams every day, especially in the managerial field and moreover these departments have the most impact in NPD within the company.

The interviews were held in Microsoft Teams since at the time the COVID-19 guidelines within the company did not allow any face-to-face meetings during that time. In each of the interviews only the author and the interviewee were participating. While inquiring the answers from the interviewees the author kept taking notes. The questions are aimed towards launch of the NPD.

Additionally, the author is employed by Jujo Thermal during the time of this thesis. Thus, the author also gains knowledge of how the company is operating on day to day by working there, as well as information about thermal paper market. However, interviewing with marketing personnel and sales department's manager will concede more precise data about thermal paper market.

### Expectations

As what are the expectations for the interview answers are that Jujo will have the basic product launch ideas used in their NPD. Some operational measures might even have less of an impact and should have higher classification in importance. The market for thermal paper products is big and customers are all over the globe and so is the competition. Although the current development of thermal paper market is going downhill ever since the introduction of digital tickets, receipts, and boarding passes.

### 3.1 Porter's five forces

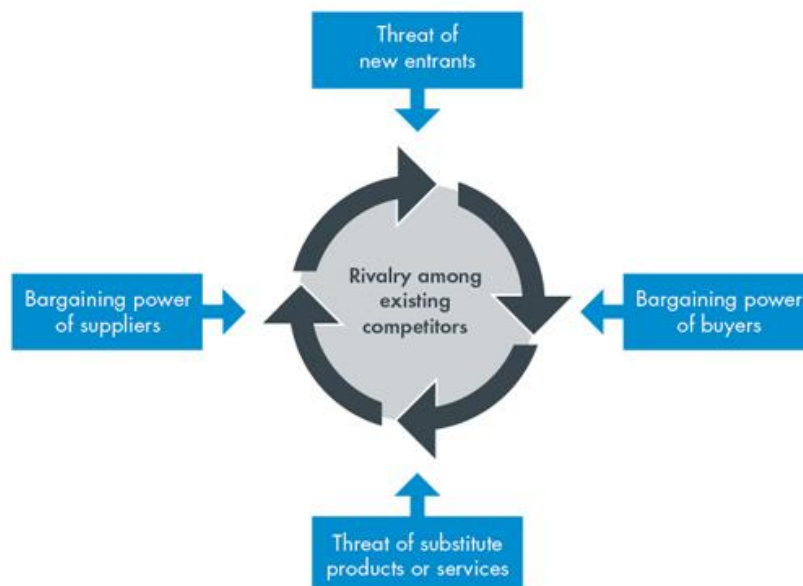


Figure 1. Porter's five forces of competitive analysis. (CGMA, 2013)

**Threat of new entrants**

To produce thermal paper, large capital is needed. The materials that a company needs for the purpose of manufacturing thermal paper is broad and costly. Not only paper in form of pulp paper is needed, but as well chemicals which both are costly and come from different parts of the world. Also, the chemicals used in production and the end product must be within the legislation in the operating country, if the product is developed to be a more global product it needs to take into considerations additionally the target country's legislation.

So, contracts between organizations and suppliers are needed to get the production material and lessen the possible supply chain problems. This is time consuming and takes a lot of negotiation between various organizations. Thus, the threat of new entrants is relatively low since it takes time and a lot of capital. New entrants will most likely appear through a merger or from already established business looking to expand their businesses. Furthermore, higher entry levels are ideal for companies currently existing in the market, as it creates better negotiation terms for the operating business.

**Threat of substitute products**

There are 7 big manufacturers in the thermal paper industry and Jujo Thermal is one of them. The amount of substitute products are huge as thermal papers does not necessarily have huge difference between manufacturers. Thus, the propensity to substitute product is powerful, if a company cannot deliver the amount of product that has been ordered, the customers are willing to buy it somewhere else. Furthermore, the switching costs are depended on pricing and what kind of a thermal paper it is. Some products have a vast performance gap between them and the substitute products, whereas in the other product segments the product performance is nearly identical. So overall, neither the product differentiation between companies nor the switching cost between alternative products are at large. Hence, the threat of substitute products is greater. Implicating that operating in thermal paper market, the company has less power to increase the prices to beneficial terms.

### **The bargaining power of customers**

There are a number of buyers. The companies sell their product either directly to a company which then distributes it to other businesses and then to end-user. Additional choice is using distributors or agents who sell the product onwards. Since it's a global business the market is not purely domestic, instead it is all around the world, increasing the amount of potential customers.

Since the market has a lot of substitute products, the buyer has a high chance of replacing the manufacturer whether or not the company can deliver the product. This leads to the price sensitivity being one of the main parts of trade deals between organizations in addition to quality products, and delivery time. While the customers can switch the supplier, again depending on the product segment, the switch can become quite costly. Things like product trials to gain product approval takes time leading to lost time. Thus, increasing the switching costs to customers in some cases. Overall, the market is saturated. So, there isn't a lot of potential to attract new customers, which can be seen as customers having more bargaining power and thus creating bigger bargaining power for the customers.

### **The bargaining power of suppliers**

The thermal paper companies' main suppliers are either pulp paper manufacturers or chemical companies. Usually, the supplier who sells these are a large company and there are a few other relatively same offering companies. So, there usually are couple of substitute suppliers, however not by a lot. If the commission company were to change a supplier in most cases, it takes a long time to approve the new supplier's product. The product first needs to get a product safety approval and usually go through lengthy trial process before leading to buying decision. Thus, the ability to switch suppliers is not as easy as it takes a longer time to approve new raw materials into a production.

In addition, there aren't necessarily a lot of substitute supplier to switch to. Hence, the bargaining power of suppliers is fairly high, even though too big of an increase in prices will

undeniably lead to switching supplier which creates weaker power for the supplier. Still, overall, the bargaining power of supplier is relatively strong.

### **Competitive rivalry**

The thermal paper market is large but still thermal paper usage is becoming less frequent due to the effect of digitalization. End users are starting to prefer more frequently tickets in their mobile devices for example. The emerging economies are becoming the biggest paper and board users while usage in North America and Western-Europe is declining and companies start to innovate new product lines (Hetemäki et al., 2013). Still, the need for labelling paper for packaging is increasing the need for thermal paper.

As mentioned before, the thermal paper market globally has 7 big named companies that manufacture 70% of the world's total thermal paper production. Also, possible new customer entries are quite low. Hence, the market being heavily saturated. Therefore, competitive rivalry between the organizations is strong.

## **3.2 Interview results**

The interview questions were built upon to understand the current methods of launching a new product and since the product launch is not only the launch phase. There are aspects before the launch phase that needs to be taken into consideration, such as market research, production capabilities, and raw material approvals. Because of this the interview results are starting from the beginning also known as development phase. Thus, research and development interviews are first followed by sales and marketing.

### **3.2.1 Interview answers R&D manager -already existing product line**

Usually, the demand for new product development in already launched product line, comes from customer feedback. Jujo can fulfil customer wishes most of the time, although sometimes they can face production constraints if the asked product cannot even be produced in their mill. The feedback can come directly from the customer to the R&D or through the sales department. The feedback can have possible requests to change used raw

materials that can either effect the product's price or certificates. These kinds of product developments are sometimes even made jointly with printer manufacturer to find the best suitable raw materials. Usually, the motive to change the manufacture good is to improve already existing product and is almost always trying to solve a problem. This can be as earlier mentioned price motives, or certificates that can be only obtained by changing the raw materials. Along with changes in production that can for example, help the glue's penetration into a thermal paper.

To know if the product is acceptable to a customer, trial runs are made. These trial size batches are sent to the customer and probable feedback is waited. The feedback can include changes that needs to be made to the manufactured goods or it can lead into a bigger order, if the results are satisfactory. Normally this information flows from the customer to Jujo smoothly, however sometimes human errors can happen. In some cases, Jujo might not even receive feedback from the customer's trial order, but instead receive full sized order.

The R&D is working together with sales and purchasing departments and mostly with everyone in the organizations. Often especially before Covid-19 the R&D has been doing sales pitches together with sales department because the R&D knows the product more precisely. So, their part is to be there, and give more technical information about the product.

### **3.2.2 Interview answers R&D manager -new product development**

The idea of developing a new product into a current existing product line can simply come from the need of expanding a product line, the parent company, or customer feedback. Mostly it's the desire to develop a new product for the market. NPD is always trying to solve a problem, as it is in this case. Jujo's SHIELDPLUS product is trying to supersede non environmentally friendly packaging, for instance plastic. In addition to the company's effort to expand their product catalogue towards more greener choices.

The manager working in NPD mentions that R&D is working in cross-functional environment. There are weekly meetings with other departments and helping the sales with their customer meetings to aid them with more precise technical product information. The R&D is

also working with the purchasing department to get new test materials, and with production workers so everyone knows for example when the test runs are done, as well as warehouse workers to build the best packaging for the new product.

There are many different product trial runs in the product development. Trials are made many times and different types of forces are calculated and thought about. Yet sometimes even that isn't enough. The usual method of product developments goes as follows: firstly, the decision what is the goal of the NPD, then lab work is done to find the right raw materials, later on the production test run can be done, from which the sample pieces can be given to customers, after all the successful test runs the product is ready for the launch. Even though the manager says this is the straightforward version of explaining NPD, it doesn't necessarily go as straightforward in practise. In many cases after the test run, they jump back to the lab work. Since, not all raw materials work in practise even though they might work in theory. In addition, when customers are given the test samples, they might have some crucial feedback to give. Thus, again the company needs to go back and change production methods. This customer feedback comes through sales managers, but usually the R&D are in CC when the customer is sending them feedback via email.

When the launch is happening all the people inside the company will get informed through Jujo's internal communication system. In this stage the NPD is needed to have all the specifications fulfilled. For example, the company takes into consideration global regulations and the product needs to fulfil the end country's legislation in raw materials.

### **3.2.3 Interview answers sales manager**

The idea of product development comes from within the market, a customer or top management. An individual customer can ask more precise custom-made product from the ready base product, which is more suitable for their needs. These usually are the thermal paper and POS, whereas newer product line like SHIELDPLUS comes from higher management in NIPPON paper. Still, top management in Jujo is involved heavily in NPD. To gain knowledge in the market the sales department does the market research. Information is gathered from industry's press releases and media in these the competition can be "watched". Additionally, it can be from customers through agents, or the customer service.

The company's sales are handled by the sales department, agents, and in small amount distributors. Depending on the market sales are handled directly by the sales department, while agents handle others. These agents do not buy the product but work more as an intermediary. This is really depended on the country and the market. There is technical support along with sales. Jujo has its own customer service, and the R&D department supports them in their daily tasks.

Jujo's products have a pricing strategy. Most important thing in it is the cost structure and then the sales margin. The competitors' prices are kept up with and then compared to their current ones. Market share is also compared.

When introducing a new product into the market the sales department is in charge. Sales department goes to trade fairs, visits customers, send emails, and overall contacts potential customers. Customers are given a price offer, product samples. Furthermore, firstly there are trial orders for the customers to test the product in their production which later on will hopefully turn into full sized purchase. To help with customer acceptance the manager said that there are things like meetings with the customers in which competitor's products are compared to, in addition to product samples. The logistics side of the launch has been taken into consideration as well. Freight companies are asked to send their offers from which the cheapest one is picked. Also, the deliveries are booked to be full. So, there is not empty space. Meaning all the truck loads are utilized.

Jujo has metrics that will help to forecast future sales during different parts of launch phases like restocks, unit sales, returns, and competitive reaction. Jujo tracks these daily, weekly, and monthly. These metrics for Jujo are more specifically prices, supply, and demand, and revenue. Even each product segment is tracked. Additionally, customer forecast helps tracking the demand. Competitive reaction in the other hand is difficult to measure in this field. Many customers prefer to keep their operation very secretive and not let potential competitors know their customer and suppliers, as well as the information in the industry's media is not always very informative. Thus, having too little data to work with.

The thought of does the new product "fit" in the company's brand and production is a double edge sword according to the sales manager. For example, Jujo has coated one side



paper which has been in the market for a long time, in which the base product is simply expanded into a wider range of manufactured goods. Therefore, certainly fitting into company's brand. With SHIELDPLUS in the other hand, since it is a new product line things like how well does fit into company's brand, does it help achieving company's goals, how the product can be launch, and to whom are weighed. The competitive position of NPD is also considered. Jujo benchmarks themselves against other competitors and do meetings monthly to evaluate themselves as well as weekly meetings where they run through how the current competitive market reacts to the changes in logistics, energy charges and overall, everything that affects the prices.

The launch time is always studied to be the best in Jujo. Although according to the sales manager it can be hard to predict since it means someone should predict the future. Usually though these product launch times are chosen around expos, since it's a good low budget chance to promote the product. Many current customers will be there and potentially new customers as well. With this Jujo tries to optimize the launch efficiency.

#### **3.2.4 Interview answers marketing employee**

According to Jujo's marketing employee it really depends on the point of view, who does the market research. Sales does a lot of the market research although in many different departments competitor analysis is made as a result of staying updated in latest industry news. With market research the marketing employee goes through annual statistics of the industry that can handle issues like the current consumption, and market size. It was also mentioned that bigger competitors' websites are browsed through from time to time and is also a decent source to keep up with the competition, only downside to it is that the market is heavily saturated, and conservative. Thus, the competitors not updating their websites regularly.

Ideal customer profile is not documented but most likely target group has been, which could be for example, the customers in the European lottery ticket market. Jujo checks over annually in their market planning the target market, the marketing, and sales goals as well as measures. This is done by the top management. Any attribute values of ideal customer have not been written down. The ideal customer and target market thinking is leaning more

towards production's customer and not the product's user. The marketing employee adds that nevertheless, even if the company fills the ideal customer's values it doesn't matter if the promised product cannot be delivered to them. The values, environmental friendliness, and product safety cannot save the product if it's terrible.

Marketing a NPD is started before the launch and continued even more after the launch. Completely new product lines are rare in the market. More frequently the base products are modified and then relaunched. The new product lines have greater value since it's not as common.

Given that the market is saturated, and organizations have conservative way of thinking. The use of social media to promote a brand in this market is unusual. Jujo has other ways to market too. The most used ones are face to face, direct contacts, emails and using agents which depends on the operating country. Other marketing channels are LinkedIn, newsletter via email, search engine optimisation, and exhibitions. Even though LinkedIn is a social media platform Jujo uses it occasionally since it is really depended on employee's own willingness to write regarding their work experiences. This doesn't happen often, so it's encouraged especially for sales personnel to use the platform. LinkedIn posts are made only once a month and aimed more towards to the people outside the thermal paper market. The posts are brought to a level of a regular person and not to an industry expert. Its main reason is to bring forth transparency of Jujo's doings to an outsider and being used for a recruitment market.

Exhibitions in the other hand even though organized yearly is good way to promote for Jujo especially with the new product launches. The reasons being that is a cost friendly way to approach the old customer and potentially new customers, because almost everyone in the market for thermal paper will be there.

Jujo uses newsletters via email as a direct marketing effort. The design is scaled for as many possible devices, so it can also be read through phones and tablets. With newsletters Jujo can create original content like blogs about career stories. Customer statements would usually been used in this situation, but usually the companies within the market neither want their customer nor supplier being openly known. That's why there is a lot of

confidentiality agreements made and customer stories are a no go in marketing. Hence, trying to go around it with career stories from Jujo. There are metrics from the newsletters that are collected and then shown to the sales team. The metrics can for example be who has opened the newsletter and how many have read it. The marketing employee also adds that it's the sales team own decision how they use the collected data. The usual open rate is 30% and read through rate is 30~40%. Typically, this can be a good conversation starter with a customer that they have read the email and are there any additional information they would like to know for example about the NPD.

Jujo has taken into consideration SEO and has applied it into their marketing methods. Jujo doesn't use paid placement in the SEO ranking instead they try to use tags and keywords that help with the search engines original placement. The marketing employee also adds that Google has recently shown less favour towards paid SEO ranking. The SEO is also used as an aid for the sales team. Metrics like organic traffic, traffic by country, dwell time, and if there are any pages down it's immediately noticed. Furthermore, it's tracked how many purchase offers are made through the website.

The marketing employee does work with other departments. The top management does every big strategic move, and the marketing employee follows those given tasks. Annually the company presentation and all the product presentations are updated by the marketing employee alongside with other departments. The presentations are usually modified from the base version for the customer in question. Still, the goal is that the base version would always be used. This way the presentations are always cohesive, however it's made sure these modified versions are cohesive as well. These presentations are made by marketing and sales team although the R&D is also involved to assure the technical product information stays correct. Keeping up with the sales and the R&D is also constant to be sure everything is up to date annually in marketing communications. The marketing employee does not help with direct customer contacting but is working with the sales team in exhibitions. The marketing employee handles the designing and the physical implementation of the booths. There are only two to three exhibitions worthy enough to go. Main one being Label Expo which lasts 4 days. In addition to the planning, the employee is also participating in customer service during the expo. There are usually couple of small conference rooms

created in order to talk to the expo visitors. Generally, these visitors at the booth are 90% current customers and 10% new ones.

## **4 Results**

### **4.1 Findings**

The findings of this thesis are focused on the launch phase of new product development in the B2B market. The results are implemented into Jujo's market, thermal paper market.

Based on the results, the answer for market introduction process in the B2B markets is very similar from every study, however when targeting a specific aspect of the launch it can be widely beneficial for a company. The method or a launch tactic that is focused needs to be the one that helps to achieve the company's goals with the current product launch, since product launches might have different reasons and goals. This doesn't mean that to have a successful market introduction process companies can only focus on one specific tactic, but more over focus on different aspects too, so the main tactic is supported by other actions. That's why it is important to understand the markets needs and competitive drivers. Especially, in thermal paper market which is heavily saturated. Also, since the customers, suppliers, and substitute products have a lot of bargaining power.

The successful launch starts at the development face. Product that has no superior characteristics like better product performance or better pricing compared to competitors is harder to sell. Already a good planning in the development phase will make the launch more effective. The commissioning company does product development part greatly. The different areas are weighed and considered, and the product must be ready in their eyes before the launch. Results are even asked from customer to gain knowledge about the development even if there might be some miscommunication from time to time with customers and no feedback is received.

Strategical and tactical launch implementation were to be found to make greater differences in outcomes when used correctly. Sometimes these two are even mixed. Tactical launch was

focused on the launch phase and had positive impact in the launch outcomes when applied correctly. Moreover, it's necessary to have customer centric approach in market introduction for a product in the B2B market. The markets are smaller than in B2C. So, understanding the needs of a customer and implying it in a company's product launch is widely beneficial. Hence, applying market orientation and VoC is important. From the interview, it is clear that Jujo has considered some of these actions although separately and not as one of the pieces from tactical launch. For example, direct marketing and launch timing is considered in the company. Still involving market orientation gives you better information about the market and improves the chances of picking the right time to launch if company has up to date market information and the competence to benefit from it.

When product is ready to hit the market, it is important to know if customers are willing to buy the product and in JTK's market, since their products are industrial components it's crucial to understand the cultural differences in foreign markets, since the company does operate in different markets abroad as well as recognise the demand for end-users which in the end correlates into their demand. Overall, to achieve the successful product launch practices is it important to have a highly skilled and motivated employees to understand these processes, importance, and the top management is needed to be involved in the NPD. The company does this and top management is heavily involved every day in new product development. It creates for the employees the sense of significance in the project and then creates the feeling of importance which transforms into motivation. JTK has even the employees that work with their abroad customers in their NPD. This also benefits them with the VoC, when keeping up the relationship with customers and succeeding in communication, it creates greater value to both participating companies.

The thermal paper market is saturated and growing even though it might face some issues due to digitalization decreasing the usage of receipts. In the other hand the constant growth of online shopping has created more demand for thermal paper labels in the transport industry, however new product lines are in rare. Due to this the marketing is difficult and doesn't have a lot of variety to do anything significant than the basic marketing methods. The commissioning company also does very much the "typical" marketing in this sector like relationship, direct, and exhibitions. Specifically, relationship marketing can be seen as one of the corner stones in product launch and is used almost in every marketing situation.

Although, the company differs from other by having more modern-day approach with their SEO marketing. The website concludes general information about the company, its current products, and original content. Since they update the webpage continuously it can be seen as more modern-day approach to marketing.

## 4.2 Recommendation

Jujo has good preparations made for its product launch, although as the research question implicates the need for better understanding the necessary steps for a market introduction is needed.

From the interview results it can be seen that the company works every day in cross functional work environment. It was mentioned that sales and the R&D department work with each other especially with sales pitches. It is a good way to ensure the sales pitch gets more technical side to it. This is a good method to a certain point. Still, more technical teaching to sales department would add more technical support and technical knowledge and lessens the answer time to customers and in sales pitches the presentation for product is clearer since the technical knowledge is known by the sales personnel.

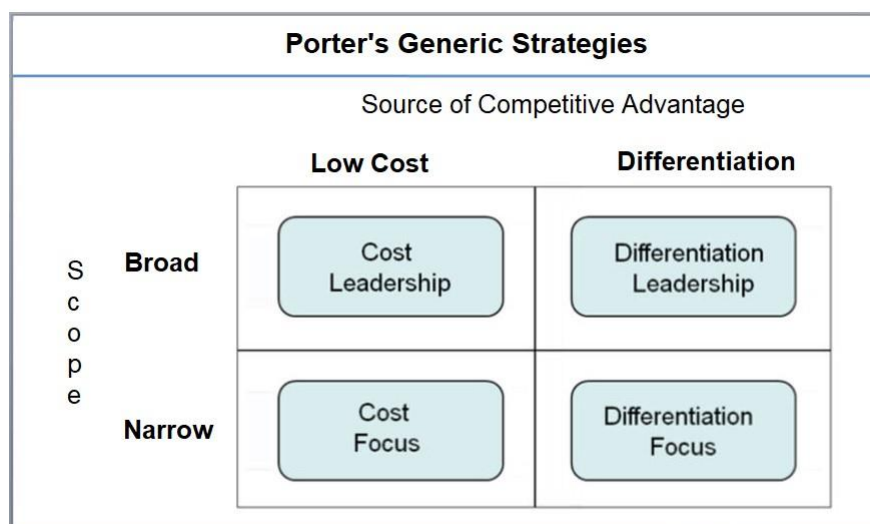


Figure 2. Porter's generic strategies. (BA Theories, 2021)

The understood position of the product within the market is still missing. It's needed to decide what is the product's strategic positioning in the market. Applying porter's generic

strategies could be giving the company the necessary assistance in this field. Porter's generic strategies is an analysis tool that explains how the company tries to gain competitive advantage in the market. The tool is used more to describe the company's strategy; however, in this case it could be also used for product lines. It would be required to add into the planning phase in the product development. It must be thought about how wide the market for this product is and why the potential customers would choose this product. Jujo needs to analyse the substitute products and the market behaviour. Then defining their own product's tactic and how it differentiates from others. In Porter's generic strategies the product can have cost-leadership, differentiation, cost focus, and differentiation focus. Basically, can the product be sold at the lowest market price to attract more customers and so gaining more market share, or does the product seem to differ from others by having superior performance compared to substitute products?

Similarly, it is important to collect the data from the launch to see what decisions are proven to be working and what are not, to understand which methods can be used again in future launches. The reevaluated procedures can be for example, the way customers had been informed about the new product launch, the content in exhibition booths, internal communications during the launch period, and how well did the rollout occur. For this to happen the project team needs to have a meeting after the launch. The timing needs to be planned to be suitable for everyone and so that enough beneficial data has been collected from the launch, from which conclusions can be made. The meeting can be from two weeks to a couple of months after the launch, whatever has been decided to be the best timing inside the company.

Jujo already uses different marketing methods that are most suitable for the current market behaviour. The biggest focus is on the relationship marketing, the direct marketing, and expos. This is one of the best ways to promote the product since billboards and social media aren't as effective in the market. The suggested action in marketing would be to take more branding approach especially with the current new product SHIELPLUS. Taking more opportunist approach in marketing to gain more awareness is important due to lack of marketing choices in thermal paper market. JTK even has done this recently by participating in junior chamber of commerce's productive idea-competition and won the regional competition. It is a good way to show and promote new products. Taking for example a

guest place in a podcast to talk about hot topics in B2B market like sustainable choices. For the company it is not that time consuming, and it is basically costless. Although to implement these approaches to marketing, when the product is the main topic in campaign, it needs to be at least in its test trials, since a sample is usually needed at this stage. In addition, this way of branding would make the commissioning company more well known in the job market which leads to more highly skilled employee applications and then transforms to more skilful employees. Basically, benefiting in both ways in a short-term and long-term.

Voice of customer is important for Jujo and is used to a certain degree in already existing product lines. Communication between companies is the most crucial part of new product development. Bad communications can lead to lesser feedback from which results in lack of knowledge in the problems faced in production. Good communications in the other hand will help both the customer and Jujo to gain better insight of the production problems, the needs of the market, and in better end-results. Thus, trying to achieve better communications with customer would be beneficial. When the communication is working both parties will get more out of the NPD whereas if only one side is keeping the data of products performance the end results are not as beneficial. Hence good communications, making the intension clear for customer, and possible agreements what is the expected feedback in product trials can make the NPD more beneficial to both parties.

Since by the end of this thesis there is needed to be steps that Jujo Thermal Kauttua can add to their already existing new product development list especially towards to the market introduction process. The list goes as follows:

1. Technical teaching to sales representatives about the new product development.
2. Understanding the product's strategy in the market.
3. Taking new cost-effective ways to promote their products and brand.
4. Understanding Voice of Customer and trying to create genuine interaction with customers.



## 5 Conclusion

The need for this thesis came from the commissioning company Jujo Thermal Kauttua. The company has new product line in the making and it is almost in its launch phase. Since, completely new product lines are unusual in the market the company wants to gain better insight on the launch phase to create a more meaningful launch.

To answer the research questions: "what are the necessary steps for market introduction process?", overall a well-planned product development with professional employees that understand the strategies for product development is most of the time the key to success. The company had overall very clear understanding of new product development and yet still wanted to gain better understanding of the launch phase. The author's answer provided list of possible ideas to take into consideration which took more of a theoretical approach. So, the company can adjust the answers according to their needs.

There were some limitations to this research. To further understand the product launch and market behaviour. A questionnaire with current customer would have been needed. Questions that would have been needed to fully understand are, what customer wishes in a product, the current market prices, what is the best way to reach the customers, and how they gain information about new product developments. With this more precise information about the thermal paper market would have been gained. Also, research on licensing and understand its importance in the product development would create more clearer insight on completely new product lines. Hence, the author suggest that these topics are involved if further research is made.

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## Appendix 1: Interview Questions

- Where does the need of new product development come?
- Is it trying to solve a problem?
- Is there any cooperation with sales/ people who sell the product? (For example, giving information to the sales department about products capabilities)
- Are there any product trials with customer? (Pilot testing → continuing with NPD → another - test...)
- If so, does R&D receive the feedback as well?
- And who informs R&D?
- Does the product feedback only occur in development face or after the launch as well?
- Are global regulations taken into consideration when developing a product?
- Who in the company does the market research?
- Sales or Marketing or together?
- Who sells the old/new products?
- Do you use distributors (3<sup>rd</sup> party)?
- Is there technical support with sales?
- Is there any sales preparation needed?
- Do you have pricing strategy?
- What are the things take into consideration with pricing?
- Has the company recognized any metrics that would help forecast the future sales and does it have a system to track it?
- Has the logistics side of the launch been thought through?
- Has it ever been thought how does the new product "fit" in the firm's production and brand?
- Does it help achieving company's goals?
- Is there discussion about competitive positioning
- Is the launch date been thought to be the absolute best
- Is top management involved in the new product development
- JUJO's way of marketing
- Are cross functional teams used for planning the marketing strategy
- What channels are used to promote new product?
- What are the main ways of marketing for JUJO?
- Does the company use customer statements/testimonials to promote the product?
- Does marketing of a new product end on the launch or does it continue after the launch as well?
- Does the company create original content? (Like blogs, newsletters via email?)
- if newsletter via email used, is any metrics counted?
- Is the design, also phone friendly?
- Is SEO being used to market the company?
- Is LinkedIn used to market the company?
- Does marketing help with:
- Technical presentations?

- With direct customer contacting?
- Exhibitions / Label booths



