

LAPPEENRANTA UNIVERSITY OF TECHNOLOGY
School of Business and Management
Department of Industrial Engineering and Management
Master's Thesis

Selling Customer Value in B2B Markets – Case KONE JumpLift™

Examiners: Professor Juha Väätänen and Postdoctoral Researcher Joonas Keränen
Supervisor: Postdoctoral Researcher Joonas Keränen

Frans Lindsten
2016

ABSTRACT

Author: Frans Lindsten	
Title: Selling Customer Value in B2B markets – Case KONE JumpLift™	
Year: 2016	Location: Lappeenranta
<p>Master's thesis. Lappeenranta University of Technology, Industrial Engineering and Management.</p> <p>89 pages, 9 figures, 12 tables and 3 appendices</p> <p>Supervisor: Postdoctoral Researcher Joonas Keränen</p>	
<p>Keywords: value, customer value, customer perceived benefits, value quantification, value-based sales, value communication, business-to-business</p>	
<p>Skepticism of promised value-added is forcing suppliers to provide tangible evidence of the value they can deliver for the customers in industrial markets. Despite this, quantifying customer benefits is being thought as one of the most difficult part in business-to-business selling. The objective of this research is to identify the desired and perceived customer benefits of KONE JumpLift™ and improve the overall customer value quantification and selling process of the solution.</p> <p>The study was conducted with a qualitative case analysis including 7 interviews with key stakeholders from three different market areas. The market areas were chosen based on where the offering has been utilized and the research was conducted by five telephone and two email interviews.</p> <p>The main desired and perceived benefits include many different values for example economical, functional, symbolic and epistemic value but they vary on studied market areas. The most important result of the research was finding the biggest challenges of selling the offering which are communicating and proving the potential value to the customers. In addition, the sales arguments have different relative importance in studied market areas which create challenges for salespeople to sell the offering effectively. In managerial level this means need for investing into a new sales tool and training the salespeople.</p>	

TIIVISTELMÄ

Tekijä: Frans Lindsten	
Työn nimi: Asiakasarvon myyminen B2B markkinoilla– case KONE JumpLift™	
Vuosi: 2016	Paikka: Lappeenranta
Diplomityö. Lappeenrannan teknillinen yliopisto, tuotantotalous. 89 sivua, 9 kuvaa, 12 taulukkoa ja 3 liitettä Ohjaaja: Tutkijatohtori Joonas Keränen	
Hakusanat: arvo, asiakasarvo, arvon kvantifioiminen, arvomyynti, arvon kommunikointi, business-to-business	
<p>Skeptismi luvattua lisäarvoa kohtaan pakottaa toimittajat tarjoamaan konkreettisia todisteita arvosta, jonka he voivat toimittaa teollisilla markkinoilla. Tästä huolimatta asiakashyötyjen kvantifioimista pidetään yhtenä vaikeimpana osana business-to-business myyntiä. Tämän diplomityön tavoitteena on identifioida KONE JumpLiftin™ halutut ja koetut asiakashyödyt, ja täten kehittää tarjoaman asiakasarvon kvantifioimista ja myyntiprosessia.</p> <p>Tutkimus suoritettiin kvalitatiivisena case-tutkimuksena, joka sisälsi pääsidoryhmien 7 henkilöhaastattelua kolmelta eri markkina-alueelta. Markkinat valittiin sen perusteella missä tarjoamaa oli jo hyödynnetty, ja tutkimus suoritettiin viidellä puhelin- ja kahdella sähköpostihaastattelulla.</p> <p>Tärkeimmät halutut ja koetut hyödyt sisältävät monia eri arvoja kuten esimerkiksi rahallista, funktionaalista, symbolista ja tilanteellista arvoa, mutta ne eroavat toisistaan tutkituilla markkinoilla. Tutkimuksen tärkein tulos oli löytää suurimmat haasteet tarjoaman myynnissä, mitkä ovat kommunikoida ja todistaa ratkaisun potentiaalinen arvo asiakkaalle. Lisäksi, myynnin argumenteilla on eri tärkeysjärjestys tutkituilla markkina-alueilla, mikä luo haasteita myydä tehokkaasti. Manageerisella tasolla tämä osoittaa tarpeen investoida uuteen myyntityökaluun ja myynnin koulutukseen.</p>	

ACKNOWLEDGEMENTS

Master's Thesis object is to challenge student's knowledge, ability and skills to prove the professional competence. I can state that this work has fulfilled these requirements as all of my skills and knowledge have been tested that I have gained during the years studying in Lappeenranta University of Technology. University has provided me excellent environment to take the next big step in my life when starting my professional career. I want to thank my supervisor Joonas Keränen for all the instructions and academic support that I have received.

I want to also express my gratitude to KONE Major Projects and especially to my superior Timo Mertanen for giving me this opportunity to show my capabilities and contribute to the growth of KONE. In addition, I want to thank all my colleagues who have contributed to this thesis and helped me.

I'm glad looking back to my time in LUT because I have had so many experiences during the last five years. One year in guild's board, a job in the university's marketing team and an exchange semester in Bali, Indonesia are things that I will remember my whole life. Without my new friends in LUT these experiences wouldn't have been possible.

Finally I want to thank the biggest influencers of my life, my family and especially mom and dad. You have always supported and taught me to work hard which have made my studies and graduation possible.

Frans Lindsten

14.6.2016, Loimaa

CONTENTS

1	INTRODUCTION	1
1.1	RESEARCH QUESTIONS AND LIMITATIONS	3
1.2	STRUCTURE OF THE THESIS	3
2	CUSTOMER VALUE IN INDUSTRIAL MARKETS.....	5
2.1	THE CONCEPT OF CUSTOMER VALUE	5
2.2	CUSTOMER PERCEIVED BENEFITS.....	8
2.3	CUSTOMER VALUE QUANTIFICATION PROCESS.....	13
2.4	METHODS AND TOOLS FOR VALUE QUANTIFICATION	16
2.4.1	<i>ROI & TCO.....</i>	<i>18</i>
2.4.2	<i>Intangible value quantification method.....</i>	<i>19</i>
2.4.3	<i>Value tools</i>	<i>19</i>
2.4.4	<i>Challenges of quantification</i>	<i>20</i>
2.5	VALUE-BASED SALES IN B2B MARKETS	21
2.5.1	<i>Value communication</i>	<i>22</i>
2.5.2	<i>Types of value propositions.....</i>	<i>23</i>
2.5.3	<i>Value-based sales process.....</i>	<i>25</i>
2.5.4	<i>Reference cases in B2B selling</i>	<i>28</i>
3	METHODOLOGY.....	29
3.1	A QUALITATIVE CASE STUDY	29
3.2	CASE DESCRIPTION.....	30
3.3	CURRENT MARKET SITUATION AND CHALLENGES OF KONE JUMPLIFT™	32
3.4	SELECTION OF CASE MARKETS.....	33
3.5	DATA COLLECTION.....	33
3.6	DATA ANALYSIS	36
3.7	RELIABILITY AND VALIDITY.....	37
4	RESULTS & KEY FINDINGS.....	38
4.1	EUROPEAN MARKET FINDINGS.....	38
4.2	ASIAN MARKET FINDINGS	43
4.3	NORTH AMERICAN FINDINGS	46
5	CONCLUSIONS	50

5.1	ANALYSES OF THE RESULTS	50
5.1.1	<i>Europe</i>	50
5.1.2	<i>Asia</i>	51
5.1.3	<i>North America</i>	52
5.2	THEORETICAL IMPLICATIONS	55
5.3	MANAGERIAL IMPLICATIONS.....	56
5.4	DISCUSSION	60
5.5	LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH	62

REFERENCES

APPENDIX 1. Interview questions for sales

APPENDIX 2. Interview questions for European and North American customers

APPENDIX 3. Interview questions for Asian customer

LIST OF FIGURES

Figure 1. Outline of the Thesis	4
Figure 2. The customer value equation.....	7
Figure 3. Quantifying customer value	17
Figure 4. Customer desired and customer perceived value	18
Figure 5. Value mapping	23
Figure 6. Framework for a value-based sales process	25
Figure 7. Execution of the thesis.....	34
Figure 8. Interviews of the thesis.....	35
Figure 9. Value mapping for sales process of JumpLift.....	57

LIST OF TABLES

Table 1. Different benefit types perceived by customers	11
Table 2. Process before the value quantification	14
Table 3. Types of value proposition	25
Table 4. Titles and experiences in years of interviewees.....	36
Table 5. Main findings of European interviews.....	42
Table 6. Main findings of Asian interviews.....	45
Table 7. Main findings of the North American interviews.....	49
Table 8. Answers to research questions.....	50
Table 9. Summary of main findings.....	54
Table 10. Checklist for Europe.....	59
Table 11. Checklist for Asia.....	59
Table 12. Checklist for North America.....	60

LIST OF ABBREVIATIONS

B2B = business-to-business

CTU = construction time elevator (also known as construction time use)

CV = customer value

CVA = customer value audit

NPV = net present value

PCV = perceived customer value

PV = present value

ROI = return on investment

SEB = service business

TCO = total cost of ownership

TVO = total value of ownership

VBS = value-based sales

1 INTRODUCTION

In today's highly competitive business markets companies are trying to differentiate themselves through value-based offerings and selling. There is a widespread agreement that creating superior customer value is a key to companies' long-term survival and growth (Terho et al., 2012, 174). Quantifying customer value is an important tool for industrial companies when proving and communicating the value potential for customers. It provides strong selling and marketing arguments which are often created together with the customers and uses important reference cases which demonstrate similar situations. (Kaario et al., 2003, 32; Töytäri et al., 2011, 493)

Creating superior customer value is a key to gaining market shares and new customers. The biggest part of increasing customer value is in-depth understanding and knowledge of customers' businesses and processes through which companies can create, communicate and deliver their offerings more efficiently (Terho et al., 2012, 179). Because many companies in industrial markets are trying to sell their offerings based on the value potential instead of the price it is more and more important that organizations are able to convince their customers about the superior value that they would deliver. Quantifying the value which the customers would perceive is difficult and problematic in many cases especially when the benefits are intangible. Thus, companies can gain major competitive advantage by proving and demonstrating their value potential in monetary terms to their customers instead of just telling generic marketing arguments (Anderson & Narus, 1998). Previous research has highlighted as an important research gap that although there is huge amount amount of literature on customer value in business markets, its implementation at sales forces has remained a neglected area. If salespersonnel don't understand and properly communicate the superior and quantified value to segmented customers company's strategic focus on value creation won't impact performance (Töytäri et al., 2012, 174). Terho et al. (2012, 174) have also recognized a research priority that while the creation of superior customer value is regarded as one of the most

important factor to company's long-term survival and growth little is known about the effective implementation of a firm's sales force level. This thesis focuses on what are the desired and perceived customer benefits of the KONE JumpLift, how they should be quantified and used as selling and marketing arguments and at the same time the recognized research gapps will be studied.

The factors that drive the need for changing sales strategies are common to many industries: increasing pressure for decreasing unit prices, cost cutting and skepticism of promised value-added are forcing suppliers to provide tangible evidence of the value they can create and deliver for the customers (Anderson et al., 2006, 3; Kaario et al., 2003, 32; Töytäri et al., 2011, 493). Even though this challenge is recognized, quantifying financial benefits to the customer is being thought as one of the most difficultiest part in industrial selling (Anderson et al., 2004, 3; Kaario et al., 2003, 95). Even fewer companies have acquired the means to quantify and communicate the value they would deliver to the customer. Despite this many suppliers are trying to sell value resulting in their knowledge and capabilities end when asked for specifics on what their market offerings are actually worth to the customer. Yet sales pitches and value proposition are often supported by vague promises of "increased efficiency" and "cost reductions". (Anderson et al., 2004, 3; Töytäri et al., 2011, 493)

Delivering customer value (CV) has been stated as important source of competitive advantage in the literature (Woodruff, 1997, 139; Lindgreen & Wynstra, 2005, 732). According to Kaario et al. (2003, 96) and Töytäri et al. (2011, 493-494) one of the most important tasks of value-based sales (VBS) is to communicate the quantified customer value to the potential customers properly and professionally. VBS can also be viewed in contrast to product and solution selling. Traditionally, in product sales it was enough for the suppliers to understand the purchasing process but when selling value and discussing business issues with top management they have to understand the customer business processes (Kaario et al., 2003, 32). Thus, value-based sales can be defined as understanding and improving the customer's business in a proactive manner.

1.1 Research Questions and Limitations

The main research problem of the thesis is how the case company should define, quantify and sell customer value in business-to-business markets in the context of the solution KONE JumpLift™. The problem is divided into three different research questions:

1. How are the current sales arguments of KONE JumpLift quantified?
2. What are the desired and perceived customer benefits of KONE JumpLift?
3. How the customer perceived benefits could be quantified?

In the thesis is studied only the JumpLift solution from the company's many offerings. It's a unique offering which hasn't been as successful in sales numbers as possible which is a challenge for the case company. For interviews managers and customers are selected from already closed projects from Europe, Asia and North America. Thus can be gathered feedback for future projects. Selecting three different market areas enables to develop tailored sales arguments.

1.2 Structure of the Thesis

The structure of this study is presented in Figure 2. It includes the inputs and outputs of each phase of the research process as well as their relation to the chapters of the study. The present thesis consists of six chapters which follow the logic of research process presented below. The essential content of each chapter is presented in the following.

Chapter two provides a review of existing research on customer value in industrial markets that provides the background for the study. The concept of customer value and different benefits which customers can perceive are presented. Also value quantification process and different methods for it are discussed. The final part of the chapter introduces value-based sales communication in business-to-business markets.

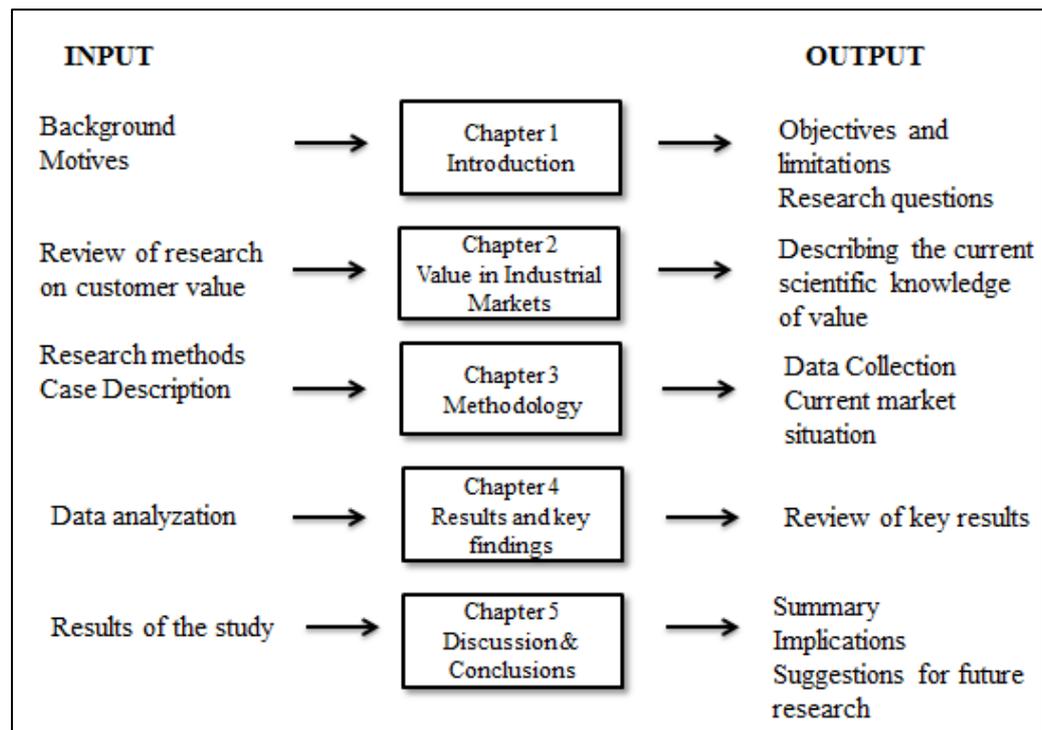


Figure 1. Outline of the Thesis

Chapter three introduces the chosen research method and case description, current market situation, selection of case companies, data collection method, data analysis and reliability and validity.

Chapter four includes results and key findings of the research. Every interview is presented as part of its market area. The key results are presented in the below of the interview.

Chapter five introduces summary of the thesis, theoretical and managerial implications and suggestions for future research.

2 CUSTOMER VALUE IN INDUSTRIAL MARKETS

Business managers and marketers have recognized the importance of the offering's value for marketing strategy in industrial markets. Woodall (2003) has extended the the concept to customer perceived value (CPV) which supplier has to take into consideration when building the offering. For calculating and quantifying value which the offering would deliver, Blois (2004) has introduced an equation for organizations' usage.

An overall picture of customer value is presented in this chapter. It is studied what kind of benefits customers can perceive utilizing supplier's offerings and how they can be quantified. In addition, value-based sales concept in industrial market is presented.

2.1 The concept of customer value

The customer value concept has an important role in management studies. There are many attempts by various authors in the past to define customer value. Because of the customer value concept is characterized by its complexity the approaches have been miscellaneous. For example Ulaga & Chacour (2001, 528) describes the customer value as "centrally held enduring core beliefs, desired end-states, or higher order goals of the individual customer or customer organization that guide behavior". They highlight that these perceptions of gives and gets are very subjective as they vary across the consumers. As another example Terho et al. (2012, 175) note that customer value needs to be viewed as benefits that the customer gets from usage of the offering.

Töytäri et al. (2015, 2) state that customer value has many attributes. It can be subjective, customer-focused, subject to other alternatives and it can evolve over time. Customer value is context-specific because customers judge it based on their specific business situations guided by institutional constraints and behavioral influences. The perception of value is dynamic because it can change over time in terms of the relative importance and the business impact of different facets of

value. There are different taxonomies in the literature for example the strategic, technical, service and social or product, know-how, time-to-market and social emphasizing. The research of value is rooted in economics, business administration and psychology. In the field of business administration, value concepts are closely linked to the strategy and organizational behavior. (Töytäri et al., 2011, 494)

For winning competition in the markets firm has to create more value with its offering for customers than competitors (Bowman & Ambrosini, 2000, 2). According to Terho et al. (2012, 175) the concept of value in business markets is perceptual in nature and it should be expressed in monetary terms. It needs to be viewed with respect to the set of benefits which the customers receive from usage of the product offering. In business markets it can also be described as the perceived worth in monetary units of the set of economic, technical, service and social benefits received by a customer company in exchange for the price paid for the product offering taking into consideration the available and alternative suppliers' offerings and prices.

In the literature is presented a customer value equation which states that the value created to a customer consists of the perceived additions to gross profit minust the perceived life cycle cost of the offering. This is also presented in the figure 2. It is introduced as a mechanism for understanding the value a customer perceives which it will gain from purchasing the offering. It is stated that customers are most interested in having the business impacts presented in economic metrics (Blois, 2004, 251). This is also supported by Anderson & Narus (1998) who noted that the data-driven presentation of what the supplier could do for its customers should be made in monetary terms. They also present the fundamental value equation which is very similar to the customer value equation. It has been stated that customer value equation model is selected as the basis for value quantification because it considers customer value in a long period horizon. It can also include almost all elements of the customer activity.

<i>Perceived benefits (Additions to gross profit)</i>	-	<i>Perceived life cycle cost of product or service</i>	=	<i>Perceived value</i>
a/ improved performance		a/ ordering costs		
b/ reduced operating costs		b/ purchase price		
c/ reduced working capital		c/ set-up costs		
d/ reduced risk		d/ operating and maintenance costs		
		e/ financing costs		
		f/ disposal costs		

Figure 2. The customer value equation (Blois, 2004, 251).

Customer value is a term which is determined by many different viewpoints. According to Woodall (2003, 1-2) it has two different meanings. The first one is called value for the customer which relates to customer perceived value (CPV) or customer received value. The second one is called value for the firm which relates to what the customer can deliver which is also known as customer lifetime value. Customer value compared to value from an organization's perspective takes into account the customer's wants and perceptions of what the usage of a company's product can offer. (Töytäri et al., 2015, 2)

Sweeney & Soutar (2001) focus on the transactional aspects of value whereas Ritter & Walter (2012) stress the relational focus of value creation and some researchers consider both (Ulaga & Eggert, 2005). Customer value relates highly to the potential value which suppliers plan to create to customers in order to make the sales. In addition, the concepts of value and customer value differ by specifying who will perceive the value. Value can be created between the suppliers and customers but customer value takes the perspective of the organization of the customer and considers what is wanted and believed and what they can get from buying and using supplier's product (Woodruff, 1997, 142). Compared to mentioned customer perceived value is defined as the perceived net value which considers all benefits and sacrifices that concern the customer (Töytäri et al., 2011, 494).

2.2 Customer Perceived Benefits

Sheth et al. (1991, 159) argues that five types of core values influence consumers' purchasing choices. These are functional, social, emotional, epistemic and situational values. In the literature can also be found economic, operational, strategic and symbolics benefits perceived by a customer (Anderson et al., 1993, 5; Töytäri et al., 2015, 54-55). These values can also be linked to business-to-business customers. The purchasing decision can be influenced by all or only one of the core values and customers usually accept less of one type of value if they get more from another type. In addition both the supplier and the customer will have certain expectations about the offering based on these benefits.

Functional benefits. These are the primary driver of customers' decision when purchasing products or services. The perceived utility for customers relies on an alternative capacity for functional, physical or utilitarian performance such as price, reliability and durability (Sheth, 1991, 161). When consumers' goals are purely functional they focus on maximizing the utility which they derive from the product or service. (Balasubramanian et al. 2005, 16)

Economic benefits. According to Anderson et al. (1993, 5) these benefits refer to the maximum amount a customer firm is willing to pay knowing of a focal product offering and the available competitive compensatory offering. This suggests that customer considers the value of the offering relative to alternative offering. Wilson & Jantrania (1994, 60) support this stating that economic benefits are contained in the market value of an offering because the demand for a product or service and the price customer is willing to pay will depend on the economic usefulness of the offering.

Operational benefits. Töytäri et al. (2015, 2) noted that these benefits refer to the operational performance of a company and affect processes within the organization. Operational value can be perceived in lower operational costs, higher output value or both of them and it is manifested as improved processes and higher offering value. Processes can be improved by better capabilities,

resource efficiency and process input development. Supplier can contribute directly to operational value perceived by a customer by improving products and components featuring, performance, reliability and ease of handling (Ulaga & Eggert, 2005, 78). Relationship related value affect operational performance through knowledge, process development and outsourcing, cooperation efficiency and risk avoidance. (Töytäri et al., 2015, 2)

To achieve these benefits customers might have to go through adaption sacrifices including process changes, competence development and installation. Relationship related operational sacrifices include the risk of not actually receiving the benefits due to delays, false promises, failures and other factors related to future realization of the value. They also incur governance and relationship management costs. (Töytäri et al., 2015, 2)

Strategic benefits. Customers may perceive strategic value by leveraging existing or developing new capabilities through learning and innovation (Ulaga & Eggert, 2005). Absorbing and developing new knowledge outside own organization supports innovation for the future. Sacrifices which are connected to strategic benefits can be related to erosion of own capabilities, unhealthy dependency, inability to adopt inputs and potential leaking of knowledge and intellectual property rights. (Töytäri et al., 2015, 2)

Social benefits. In business relationships participation in a supplier network can influence the external status of the customer by inclusion in a high-image network or strategic alliance (Kothandaraman & Wilson, 2001, 382). The benefits can include lower costs of new customer acquisition and improved retention of existing customers by improved market access. Social bonds and trust can reduce relationship and cooperation costs at the relationship level but choosing wrong network or ecosystem can pose reputational and survival risks for the customer. (Töytäri et al., 2015, 3)

Symbolic benefits. According to Töytäri et al. (2015, 3) goods, networks and business relationships can create symbolic value. It is expressed as the internal

motivation and pride. Symbolic value can also be seen to provide users to express identity and the possibility to signal social status. They usually relate to underlying needs for social approval or personal expression. Thus, customers may value prestige, fashionability or exclusivity of a brand because of how it relates to their self-concept. (Smartmarketing, 2010)

Emotional benefits. Products and services are constantly associated with emotional values for example the fear aroused while watching horror movie or the romance aroused by candlelight dinner. Also more tangible and utilitarian products have emotional benefits: consumers are sometimes very keen to their cars or food arouse feeling of childhood comfort (Sheth, 1991, 161). Sometimes products or services can evoke very strong emotive feelings such as fear, anger, respect or hate due to its associations with other events, organizations, objects and individuals. (Sheth et al., 1976, 384)

Epistemic benefits. These are perceived utilities acquired from products or services to provide novelty, arouse curiosity and satisfy a desire of knowledge. The alternative product can be chosen because the customer is bored with the current brand, is curious about the new offering or has a desire to learn something new (Sheth et al., 1991, 161). These types of benefits are presented both in household and organizational level. Based on the assumption that individuals constantly seek new and different things due to boredom or satiation with existing behavior new products and services should offer additional benefits and utilities. (Sheth, 1976, 384)

Situational benefits. When specific situation or set of circumstances face the customer the needed benefits of a product are acquired. On other words explained product's utilities depend on the situation. For example products or services are associated with "once in a lifetime" events (e.g. wedding gown), some only have seasonal value (e.g. Christmas cards) and some are used only in emergencies (e.g. ambulance services) (Sheth et al., 1991, 161). The product or service wouldn't be offered or bought without the needed situation which create the need. The situational benefits are often among products and services which are consumed on

an ad hoc basis rather than on a continuous basis. Organizations tend to use the services of professionals on an ad hoc basis because of a specific project. For example highly specialized professional skills have major situational utility in them. (Sheth, 1976, 385)

Environmental benefits. Customers are increasingly paying attention to environmental, ecological and social purchasing (Kotler, 2011, 132). Due to this companies have to meet customers' environmental, economic and social needs to create value for them while reducing environmental impacts. In industrial markets there are uncertainty to make environmental purchases since sustainable offerings may involve novel and expensive technologies, high information asymmetry between supplier and buyer and intangible benefits which are difficult to quantify. Environmental benefits can be for example environmentally friendly product attributes and socially responsible supplier behavior. (Patala et al., 2016, 2)

Table 1. Different benefit types perceived by customers

Benefit type	Authors	Description
Functional benefits	Balasubramanian (2005); Sheth (1991)	Focus on maximizing the utility of the product
Economic benefits	Anderson et al. (1993); Wilson & Jantrania (1994)	The value of the offering relative to alternative offering
Operational benefits	Töytäri et al. (2015); Ulaga & Eggert (2005)	Operational value can be perceived for example as lower operational costs and higher offering value of the customer
Strategic benefits	Töytäri et al. 2015; Ulaga & Eggert (2005)	Strategic value can be perceived by leveraging existing or developing new capabilities through learning and innovation
Social benefits	Kothandaraman & Wilson (2001); Töytäri et al. (2015)	In business relationships participation in a supplier network can influence the external status of the customer by inclusion in a high-image network or strategic alliance
Symbolic benefits	Smartmarketing (2010); Töytäri et al. (2015)	Goods, networks and business relationships can create symbolic value which can be seen to provide customers to express identity and the possibility to signal social status
Emotional benefits	Sheth et al. (1976); Sheth (1991)	Products or services can evoke very strong emotive feelings

		due to their associations with other events, organizations, objects and individuals
Epistemic benefits	Sheth et al. (1976); Sheth (1991)	Perceived utilities acquired from products or services to provide novelty, arouse curiosity and satisfy a desire of knowledge
Situational benefits	Sheth et al. (1976); Sheth (1991)	When specific situation or set of circumstances face the customer the needed benefits of a product are acquired
Environmental benefits	Kotler (2011); Patala (2016)	companies have to meet customers' environmental, economic and social needs to create value for them while reducing environmental impacts

Some of the above mentioned benefits can be linked both to B2C and B2B markets. Despite this, B2B and B2C marketing can differ a lot. For example B2C marketing is product driven, the target market is large, sales cycle is short and the buying decisions are based on price, status and desire. This means that B2C marketing should refer to symbolic, emotional and epistemic benefits of the customers. B2B marketing is relationship driven, focusing on small target market, sales cycle is longer, personal relationships create the brand identity and the buying decisions are based on business value (Masterful Marketing, 2007). This refers to the fact that B2B marketing should utilize strategic, economic, operational and functional benefits of the potential industrial customers'.

The difference between B2C and B2B buying is in emotional perspective about the purchase. B2B buyers make decisions based on reducing costs, enhancing productivity and increasing profitability. Thus, suppliers have to demonstrate the value of the offering which creates credibility. In B2C business suppliers have to understand the emotional aspect of the buying decision and create enhance customer comfort in buying from them.

2.3 Customer Value Quantification Process

The supplier should quantify the attributes of an offering to determine whether the value proposition is likely to create superior customer experience (Anderson & Narus, 1998, 5). Quantifying value is a great method to identify the most important sales arguments to shift the customer's focus from prices to business impacts, to demonstrate understanding of customer's business and to offer material for customer's decision making process (Töytäri & Rajala, 2015, 7). Customers perform wider analyses over the supplier and their offering in proactive buying situations instead of just looking for the lowest prices. Thus, simulating the effects together with the customer can lead to an analysis which can reduce the customer's efforts and be valuable for both parties. (Hunter et al. 2006, 166)

Supplier has to have a good understanding of the customer's business and the value that can be created (Terho et al., 2012, 174; Töytäri et al., 2011, 494). This process is called value research which aims at gaining initial cooperation with the customer, creating a proper understanding of the customer's business and processes and identifying the value elements through which the supplier can create value for the customer (Rajala et al., 2015, 220). Only the most important and salient value elements should be used in quantification in order to achieve the best sales results. These elements should be mainly those which differentiate the supplier from its competitors. Finding the salient value elements and understanding the customer's business are prerequisites for quantifying value. (Anderson et al., 2006, 93)

The supplier needs to develop an assessment of the offering's benefits and costs relating to each of the salient value elements. In order to conduct the assessment the supplier needs to select the metrics which will be used to quantify and demonstrate the effects of the cooperation on the customer's business (Töytäri et al., 2011, 493). These metrics have to be connected to each of the identified salient value elements with which the supplier creates value for the customer. The baseline situation for each metric should also be mapped to enable comparison of

the generated value. Then it can be compared to the new situation created through the cooperation and the supplier can clearly demonstrate the business impact to the customer. The baseline situation can be the current situation, competitor's offering or possibly some other previous experience (Kaario et al., 2003, 99). Hence, the supplier can determine the accomplished performance and calculate the aggregated impact on customer's business. (Töytäri et al., 2011, 500)

Table 2. Process before the value quantification

Value research	<ul style="list-style-type: none"> • gaining initial cooperation with the customer • creating a proper understanding of the customer's business and processes • identifying the value elements through which the supplier can create value for the customer
Value assessment	<ul style="list-style-type: none"> • selecting the metrics which will be used to quantify and demonstrate the effects of the cooperation on the customer's business • metrics have to be connected to each of the identified salient value elements • The baseline situation for each metric should be mapped to enable comparison of the generated value when it can be compared to the new situation created through the cooperation

After value research and value assessment when the supplier understands what the target customer values and what kind of value propositions it is targeting at, it is time to actually quantify the potential benefits. Anderson & Narus (1998)

suggested a simple framework for this purpose which is easy to use even if the company hasn't any existing models in place:

- 1) Gather data
- 2) Validate the model and understand variance estimates
- 3) Create a value-based sales tool

Gather data. After the previous mentioned stages supplier has to start the actual data gathering phase and make the value proposition more targeted for the particular customer (Anderson & Narus, 2004, 68). It is useful at this stage to spend time with the potential customers to get have them involved in the process. One good way to gather the data is to promise to share all the findings with the customers. Supplier may first use “gives & gets” analysis to think about potential benefits of the whole value assessment process from the customer's perspective in order to get the customer to co-operate. (Anderson & Narus, 1998)

Validate the model and understand variance estimates. The outcome of this stage should present value elements in monetary units which will require time, effort and even creativity. It is noted that the required data may include customer visits data, salespersons call reports data, customer value research data, customer targeting data, macroenvironmental data, customer complaints data and competitors offer data (Woodruff, 1997, 147). It is also suggested to contact external industry consultants and outside the value research team. For value placeholders which are difficult to quantify in monetary terms there should be clear ideas how they are presented to the customer because there will always be elements which supplier has to estimate and make own assumptions. (Anderson & Narus, 1998)

Create a value-based sales tool. Value models aren't only used for suppliers to guide their own decision making but also for proving their offerings' value potential to the customer. These tools can be case histories and value-adding selling tools (Anderson & Narus, 2004, 70). They are presented more deeply in the chapter 2.2.5.

2.4 Methods and tools for value quantification

Before communicating the value to the customer it must be quantified through calculations which can range from simple formulas to complex simulations. The calculations can be very customer-, industry- and situation-specific because the quantifiable salient value elements depend on the customer's current or future needs. Because of this the supplier might need to redesign the calculations for each customer and case (Töytäri & Rajala, 2015, 8). The most important aspects of the calculations are the logic of calculations, the assumptions and the discussed business impacts so they don't have to be entirely exact (Kaario et al., 2003, 97; Terho et al., 2012, 180). This is due to the fact that quantifying value in sales entails forecasting potential value created in the future not value that has been already realized.

Calculations must be based on proof rather than assumptions so it must be gathered from the customer. The quantification is always more credible when there is used proper amount of data because calculations which are heavily based on assumptions can make the customer sceptical about the quantified benefits and that way affect results' credibility (Anderson & Narus, 1998; Kaario et al., 2003, 97). Because of this every time assumptions are made they should be reasonable and explicitly presented to the customer. (Anderson & Narus, 1998)

According to the literature the quantified end benefits for customers should be presented in the form of cost reductions, revenue increases, reductions of tied capital (Kaario et al., 2003, 28), improvements in the sales margin or increases in rates which are the metrics that are central elements of profitability. In the literature there are also mentioned added risk reductions as a measurable outcome of economic benefits. (Blois, 2004, 251; Keränen, 2014, 18)

All value elements might not be quantifiable in monetary terms because they might be intangible or in some way difficult to provide evidence about. These value elements are called value placeholders and they should be at least presented in qualitative form if they are salient value elements (Anderson & Narus, 1998).

Instead of trying to quantify the direct value of a placeholder element the supplier could try to quantify the indirect effects of it. Supplier has to remember though that the further it goes into making assumptions and forecasts about indirect future effects the less credibility and clarity the calculations will have. In some cases not to make any assumptions is the best way for the supplier. (Anderson & Narus, 1998; Blois, 2004, 251)

Even though value placeholders can't always be expressed in monetary terms they can still have a real influence in selling. It is argued that when the service performance of competing suppliers is hard to evaluate reliance will be put on service attributes such as corporate reputation. Thus, intangible benefits can play an important role in the absence of accurate comparison regarding the quantifiable value elements. (Anderson & Narus, 2004, 69; Keränen, 2014, 57)

There are different frameworks for quantifying the customer value. For example Suomala et al. (2011, 318-319) have their own frameworks which are all based on benefit-sacrifice model although all the used terms aren't the same. In the Figure 4 is shown how Suomala et al. quantify the perceived customer value.

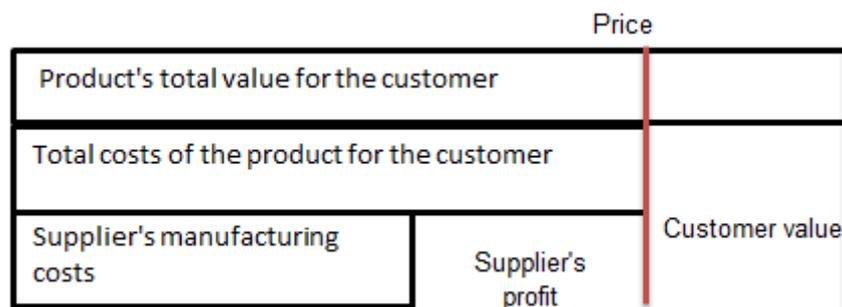


Figure 3. Quantifying customer value (Suomala et al., 2011, 319)

Töytäri et al. (2011, 492) have built their own framework for value quantification and calculation. In this model customer perceived value is the net value achieved considering all benefits and sacrifices including purchase and use of the offering. Thus, desired value isn't the same as perceived value as they complete and overlap each other in many cases. According to the Figure 5 customer perceived

value can be calculated as the difference between customer's desired value and the customer's total cost of ownership (TCO).

2.4.1 ROI & TCO

In the literature can also be found other ways to quantify customer value (Lee & Lee, 2010, 314). Traditionally, return on investment (ROI) is used for measuring bigger and quantifiable investments.

$$\text{ROI} = \frac{\text{Gain from investment} - \text{Cost of investment}}{\text{Cost of investment}}$$

Total cost of ownership (TCO) method is considered as one of the most important strategic buying tools (Hurkens et al., 2006, 27) with which the supplier can try to clarify to the customer the costs occurring from the offering but also the perceived value. It tries to take into account all the costs of the offering including costs to supplier, supplier margin, costs of search and acquisition and life-cycle costs. This is presented in the Figure 5.

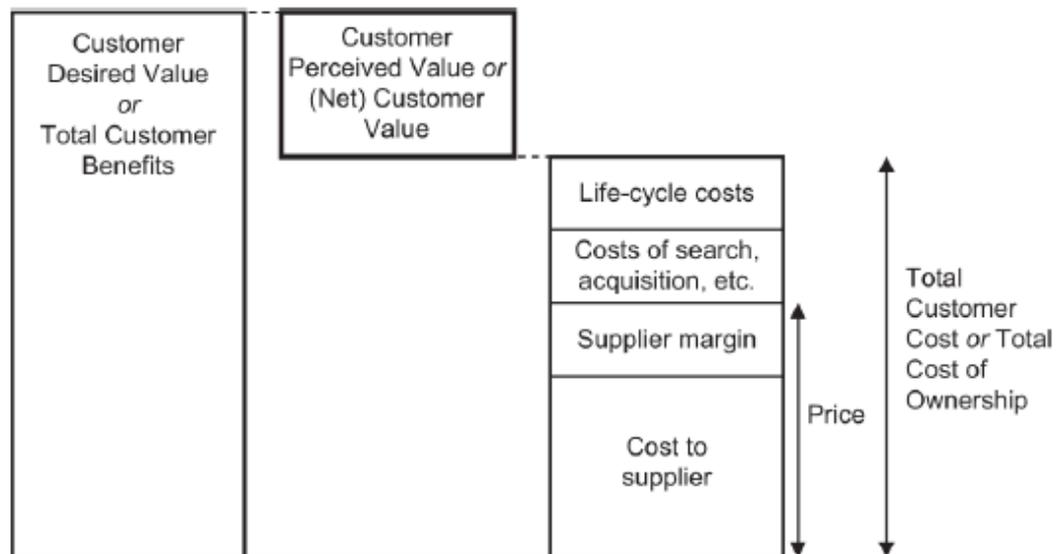


Figure 4. Customer desired and customer perceived value (Töytäri et al., 2011, 492)

2.4.2 Intangible value quantification method

Customer value audit (CVA) is a tool for a supplier who is trying to measure customer value based on the difference between the client's expectations and perceptions of performance. The process consists of three different stages where both the supplier and the customer assess their understanding of the value of the offering. (1) The first purpose of the first stage of the process is to assess the supplier's understanding of the customer perceived value. Sales personnel generate a list in a group about customer's buying criteria. The group is advised to rank the criteria by relative importance, altogether summing up to 100%.

(2) In the second stage interview with key representatives of customer organizations in different functional areas involved in the purchasing process are conducted. The representatives measure their criteria and assess potential suppliers with them without knowing suppliers' names to avoid any bias. In the end of the second stage the interviews are analyzed and value maps are computed.

(3) In the last stage of the process the results of the interviews represent customer's perception of fair price-quality relationship. The value maps position various suppliers against this fair level of expectations and demonstrate gaps in perception. With the help of the value maps supplier can develop action plans to change their value-based sales strategy so that the perceptions of the supplier and customer would encounter. (Ulaga, 2001, 531-532)

2.4.3 Value tools

Value-based sales tools have to be developed in order to make salespeople able to communicate and quantify value for the customers. The tools have to provide clear benefits to users (Kaario et al., 2003, 98) and the users must receive proper training for using them in practice. Most of these value-based tools are value calculators which are used to calculate the value that the supplier is able to deliver to the specific customer or case histories which document the delivered value in past cases. (Anderson & Narus, 2004, 70)

The tools can be in the simplest form Excel workbooks which contain formulas which are developed to calculate and present the value potential to a customer. Further developed tools can be cloud based services which are integrated to for example the supplier's CRM system, database of reference cases, market information, industry average and other data which might be relevant for the quantification. Depending on used technology and the offering the tools can be developed to be used together with the customer or separately by the supplier. The form of the tools which quantify the value can vary depending on the organization's customers, offerings and preferences. (Anderson & Narus, 2004, 70)

2.4.4 Challenges of quantification

Value quantification has been challenging for industrial companies (Lindgreen & Wynstra, 2005, 733) although it is critically important when trying to influence the customer perceived value (Anderson et al. 2006, 3). It is argued that only a few firms understand the real value potential of their offerings which creates a major challenge. (Töytäri et al., 2011, 493)

One of the biggest challenge relates to fulfilling the initial requirements of quantifying value. Difficulties for successful quantification arise when supplier is unable to identify relevant opportunities and target the buying process and high-level managers. It is argued too that customizable value estimation is time consuming and can only be justified if the customer makes purchases of high value (Blois, 2004, 255). In the literature not having sufficient time to conduct the value research and quantification is identified as challenge as well. Suppliers have to understand that value quantification requires mutual trust and commitment from both parties of relationship and thus customer's lack of resources can create a challenge for quantification because the process demands a lot of participation from the customer (Terho et al., 2012, 180). Furthermore, if the trust or the willingness to share data and information is not reached the baseline information and other data can be inaccurate or unclear which leads to low credibility of the quantification (Töytäri & Rajala 2014, 6).

Quantification of value requires a good understanding of the customer's business and needs from the supplier (Kaario et al., 2003, 96) and the lack of understanding them can lead the supplier and the customer not achieving understanding on the salient value elements. Also the difficulty of quantifying customer value is considered as challenge (Töytäri & Rajala, 2014, 5). Traditional product sellers often don't have calculative capabilities (Kaario et al., 2003, 99) that make the quantification process and the training of sales people time consuming and challenging. (Töytäri et al., 2011, 500)

Sensitive and detailed value calculations can also pose problems for suppliers. Customer can demand to see the specific calculations behind the quantified end results in some cases and thus spreading sensitive information and reveal too many details about the supplier's innovative offering and value creation mechanisms. On the other hand showing the calculations can promote trust and increase credibility. In these cases a nondisclosure agreement can help the supplier in preventing the information leaking into the markets and secure its competitive advantage. (Rajala et al., 2015, 9; Terho et al., 2012, 183)

2.5 Value-Based Sales in B2B Markets

Because of value focused thinking is becoming more common in the industrial selling the focus is moving away from individual and relationship-based activity toward customer value management. Supplier's successful leverage of value-based business strategies focusing on assisting the customer to derive value from an exchange also produces realization of greater value and strategic benefits for the supplier. Thus, superior customer value is considered to distinguish winners from losers in B2B markets (Töytäri & Rajala, 2015, 1). Based on the existing literature value-based sales (VBS) can be applied in selling complex offerings and requires a proactive approach to influence customers' value perceptions. (Töytäri et al., 2011, 494)

According to Töytäri & Rajala (2015, 2) and Kaario et al. (2003, 17) value-based selling often leads to a deeper relational commitment between supplier and

customer emphasizing relational capabilities and value co-creation. It has been pointed out that the future orientation of customer value requires capabilities associated with understanding the customer's business and higher relational complexity.

Terho et al. (2015, 8) state that business markets are very heterogeneous and the generic sales speeches aren't the best approach for selling. Hence, successful business requires value-based selling, customer orientation from the salespeople and different selling models which play a central role in helping to turn customer orientation into concrete and effective customer-specific selling approaches and performance. Furthermore, it is stated in the literature that to reach these goals salespeople should receive training to improve their value-based selling knowledge and capabilities. (Kaario et al., 2003, 22)

It is argued that value-based selling is a unique concept which differs from the other selling approaches (Terho et al., 2012, 174). Value-based selling is noted to shift the sales focus from concentrating on customers' needs and creating customer satisfaction to the offering's implications for the customer's business. It is studied that value-based selling is a broader approach than selling customer benefits or product functionalities and it focuses on the value-in-use potential of the offering for the customer's business and financial profits (Terho et al. 2012, 178). One of the most important tasks of value-based sales is to communicate the quantified value potential to the customer properly and professionally by the supplier. (Töytäri et al., 2011, 494)

2.5.1 Value communication

Companies often forget the real needs of the customers and focus too much on the product and its utilities in their marketing. The potential customer is more interested in how the offering benefits its business than the qualities and performance of the offering (Woodruff, 1997, 141). It's not enough to just mention value or benefit which is due to an offering's performance in the sales pitch and on the other hand salesperson can't state that offering enables benefits

without clarifying what is causing them. Thus, it's important to find the real causal connections with which can be proved what are causing the benefits and how they can be measured. A simple method for this purpose is value mapping which is demonstrated in the figure below. (Andersson et al., 2009, 359-361)

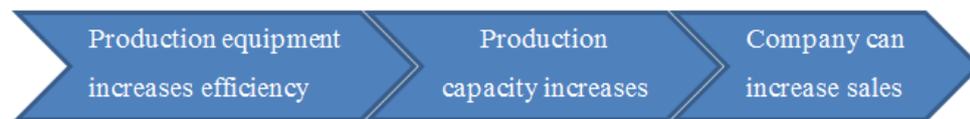


Figure 5. Value mapping (Andersson et al., 2009, 359)

When communicating the value the salesperson moves forward in the value mapping chain and clarifies what kind of effects the offering has to the customer's business. In addition, salespeople have to remember that the purchasing process contains interaction between humans and people buy the offerings instead of organizations. It's vital that organizations and individuals are told arguments that are important especially to them. Within organizations can be recognized facets with different interests and roles can be divided into for example influencers and decision makers. Certain facets may not have formal influence at all but due to their relationships they can have impact on the buying decision (Bonoma, 1982; Andersson et al., 2009, 349-351). For example when buying an elevator the owner can value low total cost of ownership, the architect the design and the aesthetic of the solution, the building engineer the integration to other structures and the builder low building costs. The final decision makers are probably owners and builder. Architects and building engineers only recommend a specific solution. (Andersson et al., 2009, 350-351)

2.5.2 Types of value propositions

Anderson et al. (2006, 4) have presented three different strategies of value propositions: all benefits, favorable points of difference and resonating focus. These propositions are developed to help suppliers to sell value in business-to-business markets.

All benefits. This strategy contains listing all the benefits that supplier believe that the offering would deliver to the target customer. This approach requires the least amount of work to construct because of the small amount of knowledge about customers and competitors is needed. However, there may be a drawback for this strategy: supplier may claim advantages for features which actually provide no benefit to target customer. This is called benefit assertion. Another drawback of this value proposition is that most of the benefits are points of parity with the second best alternative which weakens the effect of the couple of real points of difference. Suppliers have to clearly identify in their customer value proposition which elements are points of parity and which are points of difference. (Anderson et al., 2006, 3)

Favorable points of difference. In this value proposition the supplier explicitly recognizes that the customer has an alternative and the supplier has to answer the question: “Why should our company buy your offering instead of your competitor’s?”. Suppliers have to differentiate themselves from the competitors with points of difference. Supplier’s offering may have many points of difference which makes it hard for it to understand which ones deliver the greatest value for the customer. Supplier may argument with totally wrong points of difference if it doesn’t have the required information and knowledge about the customer. (Anderson et al., 2006, 3-4)

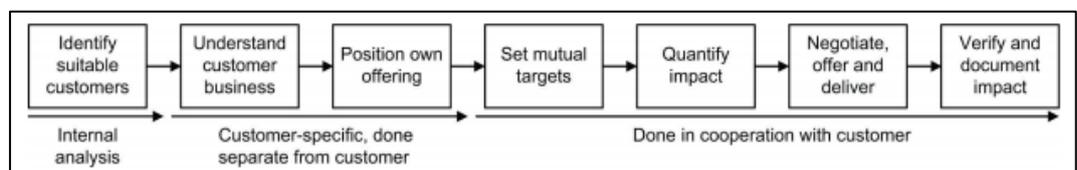
Resonating focus. From all the value propositions this is the best strategy. In this approach supplier needs to know how its offering creates superior value to the customers compared to the second best alternative. It gives the answer to the question: “What is the most worthwhile for our company to keep in mind about your offering?”. Supplier can provide this kind of value proposition by developing its offering superior on the few elements which matter the most for the target customer and is able to demonstrate and document the superior value and communicate it in a way that conveys a proper understanding of the customer’s business. In other words, resonating focus value proposition focus on only one or two most significant points of difference that deliver the greatest value to the customer. (Anderson et al., 2006, 4)

Table 3. Types of value proposition (Anderson et al., 2006, 5)

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

2.5.3 Value-based sales process

Töytäri et al. (2011, 409-501) have developed a framework for the whole value-based sales process from the very beginning of identifying suitable customers to quantifying customer benefits and to documenting the reference cases. Terho et al. (2012, 182) have suggested a similar model in their research. It consists of three stages: 1. Understanding the customer's business model, 2. Crafting the value proposition and 3. Communicating value.

**Figure 6.** Framework for a value-based sales process (Töytäri et al., 2011, 501)

Identify suitable customers. It has been suggested that suitable customers have a high level of relationship value and a willingness to commit from a customer side (Kaario et al., 2003, 32). Töytäri et al. (2011, 499) continued this to the

attractiveness and characteristics of the offering. For value-based sales offering is most attractive when the real value of it is either unknown or underestimated. This suits especially for new and innovative offerings as well as for solutions which include both products and services the value of which is hard to perceive by the customer.

Understand customer's business. The supplier has to understand the key drivers and challenges in both the customers' and the customers' customers' businesses (Töytäri et al., 2011, 499). The sales persons should know the business in such detail that they can proactively develop and improve the customer's processes. This requires a substantially broader perspective into the customer organization and the ability and courage of the sales person to question the current processes. (Kaario et al., 2003, 17)

Position own offering. According to Töytäri et al. (2011, 500) the supplier should position its own offering regarding to the customer's operations so that it creates a significant positive impact on either the customer's business or on the customer's ability to serve its customers better. The solution may be a completely new to answer the problem, develop an existing solution further. The salesman should also evaluate the performance of alternative options because the customer considers value in relation to the next best alternative. (Terho et al., 2015, 4)

Set mutual targets. It is very important that customer value assessment is conducted in cooperation with the customer (Kaario et al., 2003, 97). Close relationship enables setting mutual targets for the value analysis. This engages both parties to value creation and gives the supplier an estimation of the impact the customer is expecting. (Töytäri et al., 2011, 500)

Quantify impact. After the acceptance from the customer supplier's key activity is the quantification of value (Töytäri et al., 2011, 500). The main purpose value quantification is to demonstrate the supplier's understanding of the customer's business and provide calculated evidence about the offering's value potential. Calculations should also differentiate the supplier from its competitors by

providing suitable solution which helps the customer to improve its business results (Kaario et al., 2003, 96). In the literature there are many different methods to quantify value but once the calculation logic is finished its outcome should be validated with as many customer's representative as possible. (Töytäri et al., 2011, 500)

Supplier has to openly communicate and provide evidence of the value in order to convince buyers (Anderson and Wynstra, 2010, 30; Terho et al., 2012, 183; Töytäri et al., 2011, 493). The best way to communicate value to the customer is by committing them to the entire quantification process and working together from the beginning to create realistic and credible quantification. The value is always validated properly this way with the customer and any disagreements regarding the logic of the model or quantified impacts are avoided. (Anderson and Narus, 1998).

Negotiate, offer and deliver. The benefits should be synthesized and the analysis turned into an offering in the negotiation phase (Töytäri et al., 2011, 500). Although the supplier must know its costs involved in delivering the solution and it has to assure that the costs are covered by required margin. Thus, the lowest price is determined by the costs involved in providing the solution to the customer plus the required margin. (Kaario et al., 2003, 106)

Verify and document impact. After the value quantification it's important to measure and document the actual value realized for the customer. This shows to the customer commitment from the supplier to the customer relationship. The value measurement allows also the project team to learn and improve its accuracy in future quantifications and to build vital reference cases (Töytäri et al., 2011, 500). In addition, reference cases in which the delivered value has been documented and proved can provide undeniable evidence in the future which convinces the possible new customer of the value creation ability and this way supports the quantification effort. This is why suppliers have to verify and document post-purchase value for creating credible reference cases. (Anderson and Wynstra, 2010, 29-30; Töytäri et al., 2011, 500)

2.5.4 Reference cases in B2B selling

Anderson & Wynstra (2010, 48) suggest that customer references play an important role in reducing the perceived risk and uncertainty related to the purchasing situation and supplier selection. The most typical uncertainties are concerning whether the offering will suit to customer's needs, will be delivered as promised, will perform as expected and will produce a return on the investment. Especially when the industrial buyers' purchase is higher-value, the value evidence in reducing the contradiction is found effective.

There have been other statements too in the literature that the ability to present believable and solid reference cases to potential customers is a big element for successful value-based selling. The supplier has to verify and document the realized post-purchase value and state the customer's perceived benefits. It has been noted by the customers that references are very valuable if the value quantification's and calculation's credibilities are weak. (Töytäri et al., 2011, 500)

In the literature there has also been emphasized the importance of gathering feedback and creating a feedback loop into a case repository. It has been stated that to build the legitimacy of the value-based approach, support learning in organizations, provide proper tools for the value-selling process, and build brand awareness, accurate repository of customers' value experiences is vital. It can be useful in future sales with new customers and also in managing existing customers. These practices regarding to the development of a case repository include the systematic documentation of customer cases as references telling the case stories by stakeholder, industry similar attributes and making the cases available for sales and marketing with information technology. (Töytäri & Rajala, 2015, 108)

3 METHODOLOGY

In this chapter is presented the methodology used the thesis. It consists of five parts which are a qualitative case study, case description, current market situation, selection of case companies data collection, data analysis and reliability and validity.

3.1 A qualitative case study

This thesis' methodology is qualitative research because its nature fullfils the requirements better than quantitative study's. The data in qualitative research is often broader, more in-depth information and extensive in its context because of the close relationship between the researcher and subject which is studied. In qualitative research the observation group is smaller than in quantitative research (Uusitalo, 1995, 81-82). All these aspects can be found in this thesis. It is also proposed that the qualitative research method is ideal for discovering and revealing facts that are reality concerned and open questions are used for greater depth and personal details (Hirsjärvi et al., 1997, 123). In addition, a quantitative study would not be suitable for research method because of small number of projects are studied and data analysis generates and uses non-numerical data. (Uusitalo, 1995, 83)

Case studies are based on multiple sources of evidence and the different data collection methods can include interviews, surveys and observations. In the literature have been distinguished three different types of case studies which are called explanatory, descriptive and exploratory case studies. The selection of the case study strategy can be justified by its good fit with the objectives and nature of the current study because three requirements from the literature are fulfilled: 1. The focus of the research is on a contemporary phenomenon within a real-life context, 2. The one conducting the research has little control over the events that are studied and 3. The research proposes "why" or "how" question that the empirical research tries to answer (Casell & Symon, 2004, 323-324; Yin, 2009, 8). The nature of this research is exploratory because it tries to find out how value

is quantified and communicated and what tools case company uses to conduct them.

Generally it is better to have a multiple case study which includes two or more cases because of the analytical benefits as the different cases can be compared and direct replication of the case can be achieved (Casell & Symon, 2004, 323-324; Yin, 2009, 20). In this thesis multiple cases can provide more and deeper insight of challenges in quantification and communicating processes of customer value than a single case.

As mentioned in this thesis is used qualitative case-study methods to conduct the research. The process begins with the identification of theoretical findings of the literature review and developing the interview questions based on them. This is followed by the design of case and data collection which are discussed later. Each case is prepared, collected and analysed separately. After this, the results are compared in a cross-case analysis resulting in the conclusions and implications of the research. (Casell & Symon, 2004, 325)

3.2 Case Description

KONE is one of the global leaders in its industry. KONE provides for its customers advanced elevators, escalators and automatic doors and comprehensive solutions for their service and modernization. In 2015 its sales was over 8,6 M€ and it had working over 40 000 people in more than 60 countries. The goal of KONE is to “offer the best People Flow® experience by developing and delivering solutions that enable people to move smoothly, safely, comfortably and without waiting in buildings in an increasingly urbanizing environment”. For more than 100 years the company has been involved in businesses as diverse as hydraulic piping systems, medical technology and textile manufacture. Despite this, the main focus has always been in the elevator and escalator business. (KONE Corporation, 2016)

Company’s main customers are building owners, builders, developers and facility managers. Also authorities, consultants and architects are important in the

decision making process regarding elevator and escalator business. KONE has segmented the market based on the different purposes of the buildings: infrastructure, residential buildings, office and retail, hotels and medical buildings. The company also provides solutions for ships, industrial properties and leisure and education centers. Customers of maintenance services range from small facility management companies serving a single building up to large global retail or hotel chains. Four megatrends charge the direction and shape of the global elevator and escalator industry. They are urbanization, demographic change, the increasing importance of safety and concern for the environment. (Kone Corporation, 2016)

This thesis concentrates especially on KONE Major Projects (MP) and its construction time elevator offering KONE JumpLift™. MP owns the technology of JumpLift and it has had challenges in selling of the solution. MP provides People Flow solutions for infrastructure, skyscrapers, airports, transit centers, offshore industry and shipbuilding. It also offers solutions for maintenance and modernization. Major Projects is formed by experts helping the customers during the whole building life-cycle. Before it was a separated business line but in 2010 MP was integrated to the New Equipment Business area.

There are different characteristics which separate Major Projects from volume business: project has to have value of 2,5M€ or more, project requires special attention and resourcing because of project complexity, public transportation/airport and maintenance projects with a project value of 1M€ or more. Also geographical segmentation links projects to MP because different areas have different strengths. For example, high skyscrapes are predominant in Asia whereas Northern Europe is more oriented towards infrastructure projects and the buildings are not as tall as in Asia.

3.3 Current market situation and challenges of KONE JumpLift™

KONE Jumplift is a construction time elevator with a temporary machine room which can be moved upwards as construction progresses. It's a solution which uses permanent hoistway, entrances, cars and elevator components to move construction workers and their tools throughout the building. It has several advantages compared to external construction hoists: it is faster, enables safer construction process and earlier closing of the facade, reduces down-time and provides safer transportation in all weather conditions.

At the moment there is internally running a sales development project which focuses especially on value argumentation of the JumpLift. Customers in large cities already know what JumpLift is and the general message and the customer benefits of the solution are built in general. The current sales story consists of four dimensions: 1. Time saving, 2. Cost reduction, 3. Reducing the impact of weather and 4. Safety improvement. Despite this, now must be taken the next big step to prove evidence to the customers what benefits they would perceive when using the JumpLift.

The challenge is to provide value evidence in the sales situation for example how many days there are heavy rains, snow or sandstorms in a certain area or how many percentage the insurance taxes would drop in a certain construction phase which would be reached earlier thanks to Jumplift. Without these the sales pitch can be too light. Thus, detailed facts to support the sales are needed.

The current sales tool KONE CTU Benefits tool is incoherent and hard to use. Also the user interface of the tool should be developed so that the sales person is able to calculate different scenarios for customers. At the moment the salesperson has to start from the start when calculating new scenarios and sometimes have to have even a new appointment with the customer. Sometimes the salespersons don't even have the courage to sell because the tool is too technical and the customers are very skeptical about the value of the JumpLift.

3.4 Selection of Case Markets

As the focus of this research is on value quantification and selling of the case company it's logical that the case company's internal manager and customers are selected. In order to get a wide and realistic picture how value was perceived by key stakeholders in different market areas, three different projects' influencers are selected. Having multiple stakeholders and market areas were chosen because it was thought that the variety of answers would be sufficient for reliable data and because it would be important to get answers and ideas from personnel in different positions that generate the results of the study more generalizable. The interviewees were chosen because they had a major role in projects where JumpLift was utilized. Market areas were chosen because the solution has been sold in these markets.

In Europe the sales interview was conducted concerning about French project and the customer interview concerning about London project so they aren't completely comparable but give good understanding of selling and quantification of customer value in European market. This situation was in Asian interviews too because the sales interview was conducted concerning about Indonesian project and the customer interview concerning about Chinese project. Only North American interviews were conducted concerning about same project.

3.5 Data collection

This research consists of eight different stages which are presented in Figure 7. The first phase consists of topic conception and initiation and is followed by deeper definition and planning. In the third phase needed material is gathered and the literature review is written. Based on the literature review the interview questions are developed. After that the solution of the case company and the business case environment are studied profoundly. In the fifth stage the supplier and customer interviews are developed to answer the research questions and the next phase after that the interviews are conducted. The results of the research are analyzed in the seventh phase. The last stage includes finishing the thesis which

consists of conclusions and discussion parts. In the conclusion part the research questions are answered. The discussion part includes suggestions for further research question.

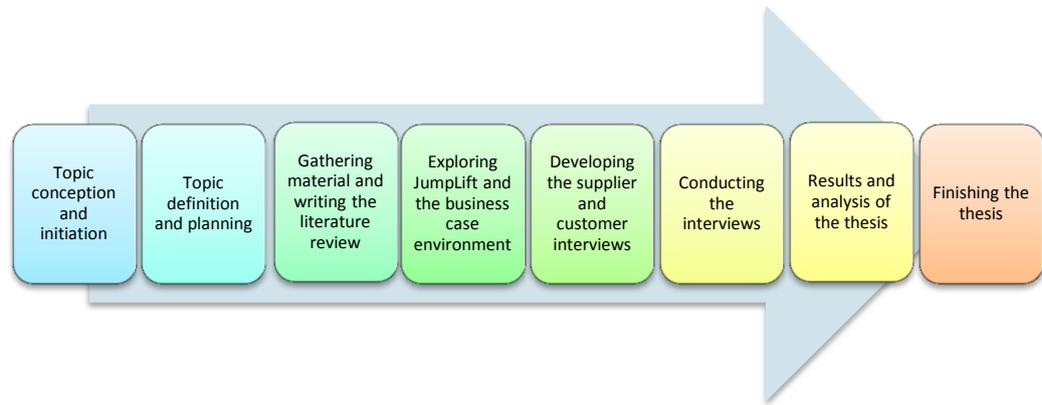


Figure 7. Execution of the thesis

The empirical part of this study was done by conducting semi-structured interview (Appendix A). In semi-structured interviews, the same areas of questions are asked from all the interviewees and they can give their answers informally by using their own words. It also allows the researcher enough flexibility to re-word the questions to fit into the interview and allow open-ended responses but it also follows certain rules and procedures. The data is more systematic and comprehensive than in the informal conversational interview. It has been noted that interviews have weaknesses as a data collection methods due to bias, poor recall and articulation of questions (Hirsjärvi & Hurme, 2000, 47-48). This method suited well for this research because it allows specifications for answers and is flexible which was needed due to nature of telephone interview.

The first step in the empirical part of this thesis was to create a framework for the semi-structured interviews. It was based on the literature review part of the study. The framework acts as a checklist for the interviewer and helps to guide the conversation. (Hirsjärvi et al., 1997, 66)

The purpose of the interviews was to create understanding what were the desired and perceived benefits of the customers' and how the value was quantified and communicated by the case company from both supplier's and customers' point of

view. The duration of the interviews varied from 30 to 60 minutes. Because of all the interviewees were located abroad all interviews were conducted with telephone or emails.

Interviews consisted of different projects from three different market areas where the solution had been utilized. Every project had two or three people who were interviewed: salesperson and one or two managers from the customers. Thus, the overall number of interviews in this thesis is 7. This is presented in Figure 8. A snowballing technique was used to find the most relevant informants: respondents were asked to name additional suitable interviewees who were involved in the projects (Qualitative Research Methods, 5). The goal was to form a holistic picture of value quantification and communication in the projects and it was reached by interviewing both salespersons and customers from different projects.

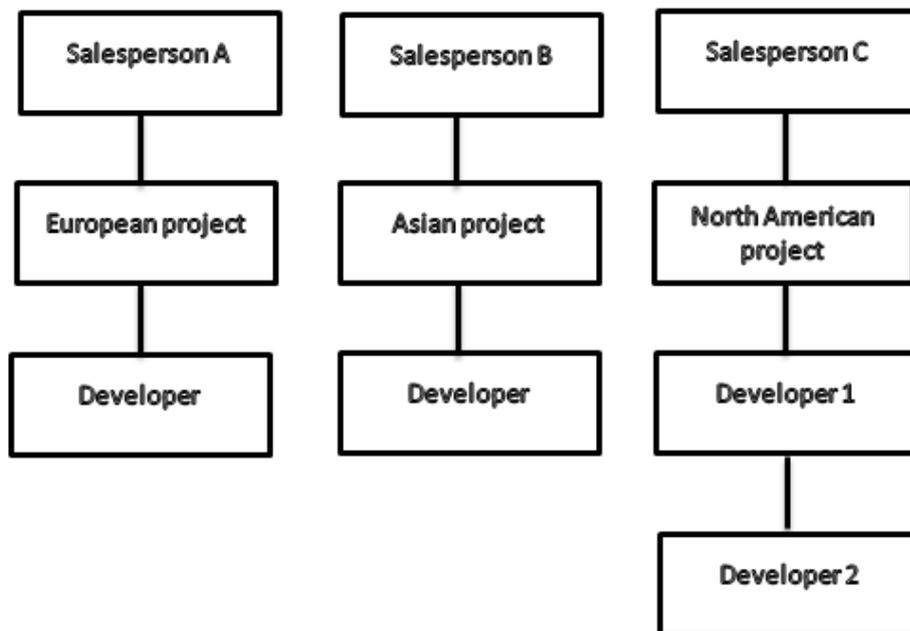


Figure 8. Interviews of the thesis

Table 4. Titles and experiences in years of the interviewees' and duration of interviews

Title		Experience in the industry	Duration of the interview
KONE Managers	Sales Installation Director	+ 15 years	45 minutes
	Managing Director	+ 25 years	36 minutes
	Manager District Installation	+ 15 years	31 minutes
Customer Managers	Project Manager	+ 8 years	55 minutes
	General Construction Super Intendent	+ 25 years	60 minutes
	Project Director	+ 20 years	Answers by email
	Mechanical & Engineering Manager	+ 20 years	Answers by email

3.6 Data Analysis

According to Casell & Symon (2004, 324) the primary analysis technique used in the multiple case study is the cross-case synthesis which is supported by Yin (2009, 156). The technique treats each case as their own individual case and connects the findings in a cross-case analysis which involves comparisons of the findings of each case. This method was used because of its suitable nature for this thesis.

Each interview was recorded and transcribed resulting in 25 pages of text. After that, the data was analyzed the focus being on desired and perceived customer value and the value quantification and communication. The findings are reported together to demonstrate the consistency of the findings.

Two interviews were conducted by email because the other respondent couldn't speak English and the other didn't have time to take part in a telephone interview. Because of this the questions had to be translated into Chinese and the answers to English which the researcher didn't have an influence. The Chinese questions had to be modified because the customer couldn't understand the topics. In addition,

interviewees didn't always remember exactly what had happened in the projects because they were closed years ago.

3.7 Reliability and validity

Reliability means the consistency and accuracy of the research. For the reliability of qualitative study it's important that the research process is described carefully so that afterwards other researchers can repeat the same study and come to the same conclusions (Uusitalo, 1995, 84-85). It can be asked if the same result can be done again if the research is repeated with the same method but by a different researcher. (Hirsjärvi et al. 1997, 186)

Validity relates to identifying correct operational measures for the concepts that are studied. The requirement of validity is applicable in this study if the theoretical and empirical definitions are connected together even though normally the concept of validity is not used when talking about qualitative research. Both reliability and validity are important for the total quality and trustworthiness of the research. (Uusitalo, 1995, 84-86)

For reliability, the developed interview framework served as a guideline through the interview process but in addition to this, new aspects mentioned in earlier interviews and modified interview questions were taken up in the following interviews. Also some of the questions were dropped off from the interview if there wasn't a need for them due to the role of the stakeholder. After each interview, the main points were analyzed.

As this case study relies on interview data, the validity can be improved by ensuring that the interviewees have as much experience about the interview topics as possible by choosing the right interviewees. It is also important to conduct the interviews in a way that each question is clarified in order to ensure that the interviewees understand the questions. The validity has also been taken into account when the framework of the questionnaire was planned. The validity of the research is assured by building the framework of the questionnaire based on the literature review.

4 RESULTS & KEY FINDINGS

In this chapter is introduced the results of conducted interviews. They are divided into three different market areas: Europe, Asia and North America. Every market area includes at least two interviews, the salesperson and the customer interview. Every market area is studied as one case which are compared in the last chapter.

4.1 European market findings

Sales interview. According to the sales interview the general contractors and investors are mainly the only ones interested in the JumpLift solution. The solution is more flexible and simple than competitors' solutions and it is easy to install. In general customer value was understood very well. It was stated that selling customer value contributes to the growth and competitive advantage of KONE because you have to be able to show the customer what they can get more with the solution.

Main sales arguments. In Europe the main sales arguments are ensuring the construction time and cost reductions. For example in France the project's value was over 500 million euros and construction time was two years. In a project like this, being late for even one month can have damage of millions of euros. Safety isn't used as a marketing argument because there hasn't happened major accidents in the construction sites yet but it should be developed.

Desired and perceived benefits. The most desired benefit when customer considers buying JumpLift is securing the construction time more over money. In addition to that, as perceived benefit was mentioned also that due to JumpLift it is easier to move inside the building and the construction site is very clean. The perceived customer benefits were listed. The order was: 1. Secure the construction time (60%) 2. Money (20%) 3. Safety (10%) 4. Regulations (10%). It was also mentioned that in many European countries workers can't walk more than 3 or 4 floors so they have to take a lift to move inside the building and external hoists can't provide that as effective as JumpLift.

Value quantification. Customer value is quantified with KONE CTU Benefits Tool which provides number of JumpLifts needed based on many different parameters for example height of the building and number of workers. It also calculates financial impacts of construction time savings based on for example labour savings in extra finishes and rental cost of construction hoists. It was mentioned for the development of sales tool that it would be interesting to be able to show different visual development stages of the building and the steps of JumpLift during the construction phase.

Customers are asked the number of workers in the construction site. The intangible benefits aren't quantified according to the interview. The most difficult part in quantifying customer value is to get the information from the customer because in the sales negotiations the buyer is involved but very often there aren't any members of the installation team who have the needed information.

Value communication. The solution is talked about with investors and general contractors. The potential value of the solution is communicated to prospective customer with four points presenting advantages and calculations of JumpLift. In general customers would better accept buying high-value solutions if they had more money.

For presenting reference cases potential customers have been invited to on site to see how the JumpLift actually works. This method is considered to be the most efficient strategy for using references in selling because prospective customers see undeniable proof for the sales argumentation. In general, selling of JumpLift should be developed and improved by standardization. At the moment there isn't a real package to provide for customers and much engineering is needed.

European customer interview. Desired and perceived benefits. Customer value concept was understood well but it was stated that the value of JumpLift was in learning what advantages the solution would enable for future. The customer wanted to see if the offering would bring any advantages in time and money compared to conventional construction hoists. The perceived benefits from the

most important to the least important when using the solution were: 1. Early access of workmen and materials 80%, 2. Reliability 15% (they needed it constantly) and 3. Conversion 5% (how the JumpLift was changed to the final lift). Safety wasn't mentioned at all. The customer compared the offering to supplier's competitors' but they noticed that with KONE solution there would be less problems because of the flexibility of the offering.

Value quantification. According to the interviewee KONE tried to quantify the value of the offering but it could have been done better especially for time savings and investment return calculations. It was stated that value quantification is very important because when trying to sell value to customers suppliers have to be able to prove the benefits that the solution provide because the customer will question the extra costs that the offering would raise and how that's going to assist the customer. The interviewee couldn't remember if KONE tried to quantify or explain the intangible benefits of the offering.

The most difficult part in value quantification was understanding what you get with your investment and how much quicker the project would be ready with the solution. According to the interviewee there's more value to be sold in the process and KONE was lacking proper explanations and the customer was unable to ask the right questions too. It's easy to compare the price of the offerings' but it's a lot more challenging to compare the return of the investment and now it was very difficult because of lacking proper calculations, explanations and questions for the supplier.

It was stated during the interview that suppliers in general don't usually quantify and document realized customer value after delivery but they should do it. This way both the supplier and customer could learn from the previous project and it would even strengthen their relationship. This is why the project manager would be open to let the suppliers to quantify and document the realized value. It was stated that the customer is open for the documentation always because anything that can give you feedback is a good thing. Especially long relationship and common understanding are factors which only strengthen the willingness. They

are open for innovations but they are also careful with totally new solutions which don't have reference cases which may have high risks.

Value communication. In the buying negotiations were usually involved from the customer's side the project manager, design manager for lifts, purchase manager and a consultant. The decision maker was the big contractor's directors and the project manager's team was main influencer who gave their recommendations. The customer company goes to the markets and asks solutions from different suppliers. If the supplier can sell the value of the offering they are open to buy it. It was stated too that the buying decision isn't always related to the product, it's more about the people around the offering and the feelings after previous projects. It was stated that supplier can help customers to better accept high value solutions by better value quantification and investment return calculations. The potential value was communicated in tender meetings but the interviewee wasn't convinced that the value of the offering was explained as well as it could have been.

It was noted that there wasn't enough tools for quantification. Just very basic presentation about how JumpLift is installed. The interviewee stated that KONE needs more facts and real world building for showing real life information and what has been done and how it has worked and what savings have been reached with the offering.

He stated that the customer would have liked to go to construction site to see how the JumpLift really works. Now they couldn't totally rely on used references. The selling of JumpLift should be developed in general by presenting real benefits and calculations if customer does something in this way they would get this much saving compared to if you do it in other way, pros and cons of different approaches and return of investment calculations.

Table 5. Main findings of European interviews

	Sales interview	Customer interview
Value in selling	Contributes to the growth of the company	Very important
Main customer segments and decision makers	General contractors and investors	Big Contractor's Directors
Desired customer benefits	1. Securing construction time 2. Easiness of moving inside the building	The value of JumpLift was in learning what advantages the solution would enable for the future
Relative importance of perceived benefits	1. Securing construction time 60% 2. Money 20% 3. Safety 10% 4. Regulations 10%	1. Early access of workmen and materials 80%, 2. Reliability 15% 3. Conversion 5%
How the benefits were quantified?	KONE CTU Benefits Tool	KONE CTU Benefits Tool
Challenges in the quantification	Needed data isn't always available (Number of workers).	The most difficult part in value quantification was that what you get with your investment and how much quicker the project would be ready with the solution
Selling of intangible benefits	Wasn't done	Wasn't done
Ideas for developing the sales tool	Visualisation of installation steps to the tool	Time savings and investment return calculations should have been done better
The most important sales argument	Securing construction time	Knowledge. The customer wanted the experience of the solution for the future projects
Communication of potential value	Presentations, calculations	Basic presentation about how JumpLift is installed
References used in the sales process	Customers are taken to construction sites to see how the solution really works	Powerpoint presentations
Development of sales process	Standardization is needed	Show real benefits, pros and cons of different approaches and return of investment calculations. The customer would have liked to go to construction site to see how the JumpLift really works

4.2 Asian market findings

Sales interview. The big developers and general contractors of major projects are the main customer segments in Asian markets. Customer value was understood properly and it is thought to contribute to the growth and competitive advantage of selling JumpLift.

Main sales arguments. According to the interview in Asia the selling of JumpLift should be based on completing the construction project more efficiently and safer compared to conventional construction hoist. Using external hoists is perceived very scary and dangerous. The customers are very interested in when the project will be done.

Desired and perceived benefits. The most important perceived customer benefits by relative importance are efficiency (50%), promotion (30%) and safety (20%). Also with JumpLift the façade can be closed earlier. Customers want to save money as much as possible which the efficiency of the solution provides. Promotion of the building is also important when selling the solution. It was stated if the general contractor takes its customers to high building with a nice and safe lift it seems very professional. There is also a higher risk for accidents if only external hoists are used.

Value quantification. Quantifying customer value is thought very important. For value quantification is used KONE CTU Benefits Tool. The interviewee couldn't answer what kind of tool would be proper because the calculations are made in Finland or Singapore and they don't use the tool by themselves. Customers want to see the calculated efficiency and the monetary value of the solution. The customer provides data which includes the number of workers on site, working and rest time and when the construction should be done. The most difficult part in quantifying customer value of JumpLift is to estimate the right number of workers. Safety and symbolic value of Jumplift were mentioned as intangible benefits of the solution.

Value communication. The potential value has to be communicated in the early stage of design because the manufacturing process can take from 7 to 8 months. In the sales action are used Powerpoint presentations, benefit calculations and reference cases. Customers are searching for high value solutions that might be more expensive initially but result in long-term cost savings.

The interviewee didn't know if they document the delivered customer benefits of JumpLift or not. He presents reference cases with Powerpoint slides and a video about previous project. It was stated that for developing the usage of references in selling requires more cases of JumpLift and documenting them for new videos and presentations. The selling of the solution should be developed in general by training the sales people. At the moment they have no confidence to answer the practical questions of customers. They need not only the Powerpoint training but also they have to see the JumpLift on site in action. It was also stated that the marketing should be more professional by having not so many Powerpoint slides and having more fact about the previous projects and what kind of impact the solution would have in this certain project. In addition, the value of JumpLift and the number of needed solutions should be presented more professionally.

Customer interview. Desired and perceived benefits. Interviewee stated that they wanted that the solution should especially shorten project schedule and increase transportation capacity. In was also mentioned that JumpLift would enable the customer to locate their office near the construction site and it's much safer as a solution than external construction hoists.

Value quantification and communication. According to the interview KONE didn't quantify the customer of value of JumpLift at all and thus the customer didn't provide any data for the supplier in the quantification process. The participants in the buying negotiations were Managers within the project. The General Manager is the one who makes the buying decision and all the rest are influencers and everybody was aware of the potential of the solution.

The customer would be willing to let the supplier to document the customer value after installation because it would benefit both parties. It was also mentioned that the quantification would be difficult to conduct because the customer thinks these kinds of values can't be quantified at all. The interviewee stated that there aren't any specific situations when they would or wouldn't be willing to let the supplier to document the customer value. The most important thing is that the supplier is trusted and they have had a good relationship with the customer. In general customer considers for high value solutions if the investment will result in long-term cost savings. It was mentioned that it would be great if potential customers could visit on ongoing construction site to see how the JumpLift works.

Table 6. Main findings of Asian interviews

	Sales interview	Customer interview
Value in selling	Contributes to the growth of the company	Not so important
Main customer segments and decision makers	Big developers and general contractors	General Manager
Desired customer benefits	1.Efficiency 2. Safety	1. Shorter project schedule 2.Increase transportation capacity
Relative importance of perceived benefits	1.Completing the construction efficiently 50% 2. Promotion 30% 3. Safety 20%	1.Shorter construction time 30% 2. Increase transportation capacity 30% 3. Safety 20% 4. Office near to the construction site 10%
How the benefits were quantified?	KONE CTU Benefits Tool	Benefits weren't quantified at
Challenges in the quantification	The calculations are made in Finland or in Singapore and estimating the right number of workers	-
Selling of intangible benefits	Safety and symbolic benefits are sold as intangible benefits	Safety was mentioned as very important aspect in Asia
Ideas for developing the sales tool	No ideas because the interviewee doesn't use the tool.	-
The most important sales argument	Efficiency	Shorter construction time
Communication of potential value	Powerpoint presentations, and reference cases	Presentations including technology of the solution, benefits, reference cases
References used in the sales process	Powerpoint slides and videos	Presentations and videos
Development of sales process	More facts about previous projects and training for sales people	Customers should be invited to ongoing construction site

4.3 North American findings

Sales interview. According to the interviewee solution's main customers are owners, big developers and contractors. The interviewee noted that selling customer value contributes to the growth and competitive advantage of KONE and value is very important when selling the offering. For example they had a launch event for JumpLift in North America. After that the interviewee has had multiple meetings with high status customers that he never had before. The price of the offering wasn't talked about before the sales pitch at all because the value of the JumpLift has to be understood first.

Desired and perceived benefits. As desired customer benefits in this case were schedule and direct cost savings. As perceived benefits the customer had 87000 hours of reduced worker hours and the project was finished two months advance. There were mentioned three purchase criterias by relative importance: 1. Schedule savings 40%, 2. Efficiency of workers 40% and 3. Direct cost savings 20%.

Value quantification. In the sales process there was made a traffic study showing the efficiency that customer would save by using two JumpLifts and two construction hoists instead of four construction hoists. Interviewee stated that value quantification is very important because there's so much value to sell for the customer. In the traffic study customer gave information about schedule duration, estimation of number of workers and building data information including how many floors, stops and openings the building would have. Intangible benefits weren't quantified but the safety aspect of the offering was explained in very detailed way. It was stated in during the interview that the most difficult part in quantifying customer value is that they have very limited data on what are construction hoists' costs so that they could compare JumpLift's costs to them.

Value communication. In this case the building owner was the developer and the project manager. In addition, they took into account that there is value for the workers too because with the offering they could get to the right floor quicker than with the construction hoists. It was noted that customers in general are open

for high value solutions if the value is properly communicated and demonstrated because with those kinds of solutions they can save money in they big projects. The biggest argument when the Jumplift solution was decided to be bought was schedule reductions. During the interview was stated that proper value quantification tool would have properties with which the sales people can ask the right questions from customer such as construction costs and their mortgage and the interest. The tool would allow them to calculate how the solution would save customer's interest costs and thus give return on investment.

The interviewee wasn't sure if the delivered customer benefits were documented at all for future cases. In the sales process were used presentation slides, videos and reference cases from Dubai to show previous cases. It was stated that for reference development customers should be invited to construction sites to see how the offering really works. Also quotations from customers should be used much more according to the interviewee. In general the selling of JumpLift should be developed and improved by more training for the sales people. It was stated that there should be a focused training session for key markets.

Customer interviews. It was stated that customer value is very important which is consisted of the price and quality of the product or service. When talking about the JumpLift it was stated that it's extremely important to the customer because it was a big part of completing the project in schedule and the customer was relying on the Jumplift system. The customer stated that buying JumpLift was a risk for the project because it was the first one in North America but in the end it was a great risk to be taken.

Desired and perceived benefits. Being on the schedule, moving workers much faster in the building than with the conventional construction hoists and eliminating the downtime because of weather elements like snow and wind were mentioned as desired benefits which were also perceived. For example in Canada the workers are union men who have their lunch and coffee breaks and then they have to get fast down from the 70th floor and not wait for one hour for the conventional hoist. The customer mentioned that he thinks that all those benefits

were equally important. JumpLift was compared only to conventional hoists with their speed and carrying capacity because competitors don't have a proper product for competing with JumpLift.

Value quantification. KONE used their formulas for calculating how much faster they can move trades than the conventional construction hoists for value quantification. It was mentioned that KONE didn't have any calculations for the weather factor. It was also calculated how much money could be saved by moving workers faster. The interviewee stated that it's not clear if the value quantification is important when considering buying JumpLift. This was due to the opinion that all the calculations are only estimations of the perfect world and for the interviewee was important that he can rely on that the solution works. The customer provided for the quantification the estimation of number of workers on site and when the project should be finished. Intangible benefits like image and safety aspect wasn't quantified because according to the interviewee they aren't important for aspects for the customer.

Value communication. The customers noted that they are open for quantifying and documenting customer value after installation and delivery if they also get the final review of the actual facts. It was stated that due to their long standing relationship with KONE they are willing to help them which in turn will help them on future jobs. If there would have been some challenges with the solution then they would have to consider carefully using the offering in their future projects. In the buying negotiations were involve different influencers who were two Vice Presidents, the President and General Construction Super Intendent but there decision makers were the owners of the project. It was noted that customer is constantly striving to improve their procedures and equipment and thus consider for high value solutions which will result in long-term cost savings. So that customers could better accept high value solutions suppliers have to show documented facts and numbers showing the success on other projects. Despite many desired benefits from the offering the main argument that had the biggest impact was the initial cost of the JumpLift and efficient movement of workers.

The interviewee noted that a proper value quantification tool should use the actual facts and numbers from this project to show the benefits from previous projects. According to the interviewee references were used from some of the projects they had done in Europe. It was noted that KONE's success stories in North America will go a long way when selling the offering in North America with this project as a reference. In general the selling of JumpLift should be developed by using past success stories and testimonials from people who have been involved in the earlier projects.

Table 7. Main findings of the North American interviews

	Sales interview	Customer interviews
Value in selling	Very important in the selling process	Very important
Main customer segments and decision makers	Owners, big developers and contractors	The owner
Desired customer benefits	1. Schedule savings 2. Efficiency of workers	1. Being on the schedule 2. moving workers much quicker 3. eliminating the downtime because of weather elements
Relative importance of perceived benefits	1. Schedule savings 40% 2. Efficiency of workers 40% 3. Direct cost savings 20%	1. Being on the schedule 30% 2. Moving workers faster 30% 3. Eliminating downtime due to weather elements 30%
How the benefits were quantified?	None. Only traffic study was made during the sales process	People movement calculations
Challenges in the quantification	It's hard to calculate the long term effect of using JumpLift	The calculations are only estimations. It's difficult and time consuming
Selling of intangible benefits	None	Not important for the customer
Ideas for developing the sales tool	With the tool could be asked the right questions (e.g. construction costs, mortgage, interest). Should give ROI	Show the potential customers the real numbers from previous projects
The most important sales argument	Schedule reductions	Initial cost of the offering and efficient people movement
Communication of potential value	Presentation slides, videos and reference cases	Discussions during negotiations
References used in the sales process	Powerpoint slides, videos, reference cases	References from projects overseas
Development of sales process	Customers should be invited to construction sites to see how the offering really works. More quotations from previous customers	Use North American projects as references, show real fact, customers would like to visit the actual construction site utilizing the solution

5 CONCLUSIONS

This is the last chapter of the thesis. It consists of five parts: Analyses of the results, theoretical and managerial implications, discussion and limitations and suggestions for future development.

5.1 Analyses of the results

In table 8 is presented answers to the research questions. There were developed three separate research questions which are answered based on the conducted interviews.

Table 8. Answers to research questions

Research questions	Research findings
1. How are the current sales arguments of KONE JumpLift quantified?	KONE CTU Benefit Tool, traffic studies, sometimes not at all
2. What are the desired and perceived customer benefits of KONE JumpLift?	Securing construction time, efficiency of workers, easiness of moving inside the building, early access of men and materials, safety, eliminating the downtime because of weather elements
3. How the customer perceived benefits could be quantified	Invest to a new tool, ROI calculations, use data from previous cases

5.1.1 Europe

In Europe both the salesperson and the customer think that value is important when selling KONE JumpLift. The first difference comes when discussing about desired benefits that the customer wants. From salesperson's point of view the customer wants functional, economical and operational benefits to secure the construction time and make the movement easier inside the building whereas the customer desired strategic and epistemic benefits including learning what advantages the solution would bring in the future projects. Also there are clear differences in the importance of perceived benefit arguments. The most important benefit argument for sales was securing the construction time whereas for the customer was the early access of workmen and materials. However these two affect each other so they can't be separated which makes it difficult to analyse

these results. Also for the customer the reliability and conversion were important benefits which weren't mentioned by the salesperson at all but can be seen as factors to affect securing the construction time.

The benefits were quantified with KONE CTU Benefits tool. The challenges differ because from sales perspective the biggest challenge is estimating the right number of workers on site whereas the customer wanted to get and know the return on investment from the calculations and how much quicker the project would be ready with the solution. Intangible benefits weren't important for both interviewees. Ideas for developing the tool differ a lot because from sales perspective there should be visualization of installation steps in the tool so that the Jump system would be easier to explain. The customer wants better time savings and investment return calculations to the tool.

The most important sales arguments and usage of references differ a lot. For customer knowledge for the future projects and for sales securing the construction time were the most important sales arguments. Sales invite customers as an argument to the construction sites to see how the solution really works whereas the customer had only seen Powerpoint presentations. This is due to the fact that the salesperson and the customer were stakeholders in different projects but this gives a good understanding how different the methods are in different countries. The sales manager and the customer see also differently the development of sales process. The salesperson wants more standardization to the project but the customer wants real benefits, pros and cons of different approaches and return of investment calculations during the negotiations. The customer would also have liked to go to construction site to see how the JumpLift really works.

5.1.2 Asia

The first question about customer value immediately raised difference between the customer and the salesperson. To the salesperson value of JumpLift is very important but the customer didn't think the same way. According to the salesperson efficiency as functional and economical benefits and safety of the

solution were desired customer benefits which the customer verified stating the shorter project schedule and increased transportation capacity as desired benefits. This was also verified by answering to the relative importance question. According to the salesperson the benefits were quantified with KONE CTU Benefits tool but the interviewee didn't use the tool himself which made challenges for the calculations. The customer didn't even know what the tool is and thus didn't have any ideas for developing it.

In Asia safety is very important thing both from sales and customer point of view which have to be discussed in the sales negotiations. Customers have been afraid to go to the building with the conventional construction hoists which give a great advantage for the JumpLift. It was mentioned too that JumpLift has a symbolic benefit for the customer.

The most important sales arguments were answered by both interviewees which were efficiency and shorter construction time. In both projects as references were used only video and Powerpoint presentations. For developing the sales process of the solution from sales perspective there should be more documented facts about previous projects and more training for the sales people. This wasn't confirmed in the customer interview because the customer's opinion for this was that they should be invited to ongoing construction sites and in Kunshan factory should be built a permanent mock up for JumpLift so that Chinese customers could visit there.

5.1.3 North America

All interviewees had the same point of view that customer value is very important when selling the KONE JumpLift. The two customer interviews included same answers for the desired customer benefits with the salesperson but eliminating the downtime because of weather elements was added to the list. Thus, desired benefits of KONE JumpLift included operating, functional, situational and economical benefits. As the most important perceived benefit was stated to be the schedule savings which the solution provides and the efficiency of workers was

the second most important perceived benefit. It is also important that in the sales pitch should be mentioned that the efficiency of the solution will offer direct cost savings in reducing interest costs because the building will be ready sooner.

The benefits weren't quantified for the customer with CTU Benefit Tool but KONE made people movement study with which they tried to explain why the JumpLift is more efficient than the conventional construction hoists. The salesperson and the second interviewee had the same opinion about the challenge to calculate what are the long-term effects of JumpLift. The second interviewee had a good point saying that the supplier has to always remember that the calculations are only estimations of the real world. Everybody had the same opinion that intangible benefits like symbol benefits of JumpLift weren't important for them. For sales people it's important that with the tool could be asked the right questions from the customer for example construction costs, mortgage and interest and based on these information the tool can give the return on investment as ideas for developing the quantification tool. It is important for the customers that the tool could use and show the potential customers the real numbers from previous projects which make the calculations more believable.

The most surprising answer came from the first customer interviewee for the most important sales argument to be the initial costs of the JumpLift because nobody else didn't mention the price as an argument in the interviews. The other North American interviewees didn't have as surprising answers for the same question as schedule reductions and efficient people movement to be the most important sales argument. All had the same opinions that in North America references should be from their market area because they are more reliable from their point of view. In addition, it would be important that the potential customers could visit ongoing construction site to see how the JumpLift really works.

Table 9. Summary of main findings

	Sales interviews	Customer interviews
Desired customer benefits	<ol style="list-style-type: none"> 1. Securing construction time 2. Easiness of moving inside the building 3. Safety 4. Transportation efficiency of the workers in the building because the external hoists are so slow 5. Regulations 6. Easy conversion 	<ol style="list-style-type: none"> 1. The value of JumpLift was in learning what advantages the solution would enable for the future 2. Being on the project schedule 3. Increased transportation capacity 4. moving workers much quicker 5. Safety 6. eliminating the downtime because of weather elements
Challenges in the value quantification	<ol style="list-style-type: none"> 1. Needed data isn't always available (Number of workers). 2. The calculations are made in Finland or in Singapore and estimating the right number of workers 3. To calculate what is the long term effect of using the JumpLift and final machines earlier than they typically do. 4. It's difficult and time consuming 	<ol style="list-style-type: none"> 1. The most difficult part in value quantification was that what you get with your investment and how much quicker the project would be ready with the solution 2. The calculations are only estimations of perfect world. 3. It's difficult and time consuming
Ideas for developing the sales tool	Visualisation of installation steps to the tool	<ol style="list-style-type: none"> 1. Time savings and investment return calculations should have been done better 2. Show the potential customers the real numbers from previous projects
The most important sales argument	<ol style="list-style-type: none"> 1. Securing construction time 2. Efficient people movement 3. Easiness of moving inside the building 	<ol style="list-style-type: none"> 1. Knowledge. The customer wanted the experience of the solution for the future projects 2. Shorter construction time 3. Initial cost of the offering 4. Efficient people movement
Selling of intangible benefits	<ol style="list-style-type: none"> 1. Not important in Europe and North America 2. Safety and symbolic benefits are important intangible benefits in Asia 	<ol style="list-style-type: none"> 1. Not important in Europe and North America 2. Safety and symbolic benefits are important intangible benefits in Asia
Development of sales process	<ol style="list-style-type: none"> 1. More facts about previous projects 2. Training for sales people 3. customers would like to visit the actual construction site utilizing the solution 4. Use North American projects as references 	<ol style="list-style-type: none"> 1. Show real benefits, pros and cons of different approaches and return of investment calculations 2. The customer would have liked to go to construction site to see how the JumpLift really works 3. Use North American projects as references 4. Use quotations

5.2 Theoretical Implications

Literature highlighted that in business markets customer value quantification and selling at sales forces has remained a neglected area (Terho et al., 2012, 174; Töytäri et al., 2012, 174). The results of the study suggest factors to fill this gap. All customer interviewees had the same opinion that suppliers don't in general quantify customer value after installation but they should do it. According to the interviews it would benefit both parties in future projects and it would even strengthen their relationship. Long and good relationship was the the most common answer for factors that strengthen the willingness of customers for value quantification. Also proper communication is an important factor. These factors create advantage for KONE to start quantifying the actual facts of JumpLift because they have had good experiences with the customers in previous projects.

The situations when customers aren't so open for high-value solutions are more diverse. Situations where the offering doesn't have any existing reference cases or there have been challenges during the previous project can make the next high-value solutions less desirable. According to the interviews customers are always open for high-value solutions if the supplier is able to convince them of the long-term cost savings.

The results of the interviews contribute to the existing literature (Anderson et al. 1993; Terho et al., 2012) that suppliers have to be able to sell the value of offering if they want to have success. This must be done by better value and return on investment calculations. Most of respondents gave this answer and only one thought that they don't always consider for high-value solutions and this time JumpLift was a project specific solution for them. So from theoretical point of view the most important thing how suppliers can better accept high-value solutions for customers is to better quantify the value of the offerings. This result strengthens the already existing literature on customer value quantification.

Table 10. Cross-case analysis of theoretical implications

	Europe	Asia	North America
Interviewees' opinion of customer value quantification by suppliers in general	Suppliers don't do it but they should. All feedback is good	Suppliers don't do it but it would benefit both parties in the future	Suppliers don't do it but the interviewees are open for it if they also get the final review of the actual facts
Factors that strengthen the willingness for quantification	Long relationship and common understanding	The most important thing is that the supplier is trusted and they have had a good relationship with the customer	Long relationship and communication
Situations when customer is more or less open to delivery of high value solutions	Open for innovations but careful with solutions that don't have reference cases	There aren't any specific situations when they wouldn't be open	Less open when there were challenges during the project
Buying process of high value offerings	If the supplier can sell the value of the offering customer is open to buy it. Suppliers can help customers to better accept high value solutions by better value quantification and investment return calculations	Customer considers for high value solutions if the investment will result in long-term cost savings	Customer considers for high value solutions which will result in long-term cost savings. Supplier has to be able to convince them about the effectiveness of the solution

5.3 Managerial Implications

Develop the process of value quantification. KONE must do the value quantification from the beginning of the sales process. It has to also be communicated early in the sales negotiations that KONE would like to document the delivered benefits after the installation which gives a professional and trustworthy image of the supplier. The documenting customer value should be added to KONE Major Project's strategy because it communicates both internally and externally that the supplier wants to develop their offering and boost customers' business.

Quantificating intangible benefits were mentioned very hard and many respondents even stated that they aren't important for them. Only in Asia it was noted to be an important aspect for the customer. In Europe and in North America

it should be at least mentioned that compared to external hoists JumpLift isn't affected for example by wind which makes it much user-friendlier to the customer. It should also be recalled that with external hoists there have been accidents in the construction sites and even one this kind of accident can cost a huge amount of money to the customer.

Communicate the value potential professionally. Customers' the most important desired benefit for the solution was to secure the construction time and efficiency. Thus, in the sales process should be used value mapping for communicating the potential of JumpLift. It could be done like this: 1. JumpLift increases efficiency of workers and building → 2. Schedule and money savings → 3. Profits for owner and developer. This method is very simple but effective to convince and raise curiosity of the potential customer.

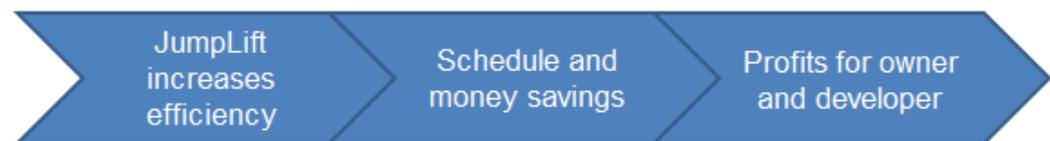


Figure 9. Value mapping for sales process of JumpLift

As value proposition strategies KONE should use Resonating Focus because it's the best strategy for selling value. It forces the supplier to develop sales arguments to answer the question why JumpLift creates superior value compared to the second best alternative. Thus, KONE can develop its sales pitch on few salient elements and couple of most significant points of difference which matter the most and deliver the greatest value to the target customer. Additionally to the efficiency and securing the construction time, in North America these elements would be eliminating the downtime because of weather elements, in Asia safety aspect and in Europe easiness of moving inside of the building.

Invite customers to construction sites and use quotations. Potential customers should always be invited to the construction sites to see how the JumpLift really operates. Only generic videos and Powerpoint presentations about previous cases

aren't enough for value-based sales. Also quotations of customers are very effective and should be used when presenting references.

Invest to a new quantification tool. For the salespeople must be developed a proper and professional sales tool so that the value calculation and quantification would be easier and functional and the value arguments would be more concrete and tangible for the customer. The KONE CTU Benefits Tool has been stated to be too hard and confused to be used by the KONE salespeople. The main idea is to show how to make money by using money. It has to especially be more user-friendly and easy to use so that it can be utilized in customer meetings.

The tool should have the earlier functions for calculating how many JumpLifts are needed in certain situations but it has to have also other functions too. There should be an interface for calculating the return on investment. It should be very easy to be done, just add the cost of the offering and the calculated savings are automatically linked to the calculation. The process could be this: 1. Calculate the needed number of JumpLifts compared to the number of needed external hoists → 2. The tool gives saved time → 3. Money savings. The amount of saved money should be automatically added to the ROI calculations. This way the potential customer is linked to the quantification process from the beginning and they can trust and engage to the calculations better.

Use checklists for sales. This section contains the most important sales arguments that should be used in different market areas. What the market areas have in common is that potential customers should always be invited to ongoing construction sites to see how the JumpLift really works. In Europe the most desired benefits are securing the construction time and efficiency of workers because salaries of workers are so high. Thus, by using them as effective as possible will create major savings for the developer and owner. Also the easiness to convert the JumpLift to the final is important to mention in the discussions because it can create problems during the installation. JumpLift also fulfills all the required standards in Europe. The weather and safety aspects should be discussed because in Europe it can be windy, rainy or snowy which can create downtimes

for external hoists which cost a lot. Safety is taken for granted in Europe because it wasn't even mentioned in the interviews by the respondents but it would be easy to sell the idea what if something happens with the external hoists like in Turkey.

Table 10. Checklist for Europe

Europe
Securing construction time
Efficiency of workers
Money savings
Remember:
Easy conversion to the final lift
Regulations
Downtime because of weather elements
Safety
Invite potential customers to ongoing construction sites

In Asia the most important sales argument are shorter project schedule and increased transportation capacity. Also not using external hoists is seen as symbolic benefit as high-technology solutions. It's very important to remember to mention that owners have been too afraid to go up into the building because of strong wind when there haven't been JumpLifts to be used.

Table 11. Checklist for Asia

Asia
Shorter project schedule
Increased transportation capacity
Symbol for high-technology
Safety
Remember:
Downtime because of weather elements
Invite potential customers to ongoing construction sites

In North America the most important sales arguments are the same as in Europe except eliminating downtimes due to weather elements is seen very important. This is due to the fact that it can be snowy in North America which can affect downtimes that are very expensive for the owner and developer. It's also very important for future success that salespeople use American reference cases in their sales pitches because customers tend to believe them better than others.

Table 12. Checklist for North America

North America
Schedule savings
Efficiency of workers
Eliminating downtime due to weather elements
Remember:
Safety aspect
Use North American references
Invite potential customers to ongoing construction sites

5.4 Discussion

JumpLift is a solution which revolutionizes the high rise construction business for KONE's customers. It's a game changer in installation process and offers a significant amount of value in different areas from schedule and efficiency savings to cost savings. The solution has many different benefits depending on the market area: economical, functional, operational, situational, symbolic, epistemic, strategic and social benefits. Only emotional and environmental benefits weren't mentioned in the interviews which is surprising because being a sustainable company is one of the major strategies for KONE.

The challenges of selling the offering are in communicating how to make money by spending it and quantifying the value which customers would perceive utilizing the KONE JumpLift. Thus, KONE's chances to win big projects in the future will increase if they are willing to invest to a new quantification tool. In addition, KONE needs more real world facts for showing benefits and what has

been done and how it has worked and what savings have been reached with the offering. Being able to do them successfully potential customers' doubts will decrease and the selling of the solution will be easier.

It was stated both from salespeople and customers that value quantification is very important because when trying to sell value to customers suppliers have to be able to prove the benefits that the solution provide because the customer will question the extra costs that the offering would raise and how that's going to assist the customer. The biggest challenges of quantification aren't in the process before quantification but in the tool that they are using. KONE is able to perform the value research and assessment and they understand very well customers' businesses. Customers always have a construction program and KONE needs to be involved early so that they can influence it and thus make the benefits of JumpLift more appealing. In other words, KONE should have more communication with the customers and show how to save money by using it.

When quantifying benefits KONE must remember that the calculations are only estimations of perfect world for customers. The most important thing in the sales process is to convince the customer to believe that the concept and solution really works and there aren't unnecessary downtimes because of the solution. Using reference cases from same market areas, construction site visits and quotations from previous customers support the value quantification well in this situation.

For future development is suggested building a new proper and professional tool for value quantification. This requires coding skills. Also deeper analyzation of intangible customer values should be done during the documentation of projects which are closed next. The perceived benefits for example economical and strategic benefits should be documented as soon as possible after delivery when all stakeholders remember easily what has happened during the project. Training for salespeople should be arranged for strengthen their professional sales skills. In addition, documenting and verifying the customer value should be added as part of KONE Major Projects' strategy. This requires appointing certain persons to do it as a part of their jobs.

During the research was managed to conduct interviews with high positioned business managers. This creates validity and good quality to the results because there have been answers from powerfull stakeholders also from the KONE and customer side. The research can be done again by other researchers with same methods coming to the same conclusions which create reliability to the research.

5.5 Limitations and Suggestions for Future Research

The main limitation of the research is the number of participants. This is due to the fact that there have been so few projects where the KONE JumpLift has been sold. Also the methods with which the research has been done are challenging. Most of the interviews have been conducted by telephone interviews which created few challenges. Interviewees didn't always understand totally the questions that were asked and sometimes it was hard to understand the answers. Also two interviews were conducted by email because the other respondent couldn't speak English and the other didn't have time to take part in a telephone interview. Because of this the questions had to be translated into Chinese and the answers to English which the researcher didn't have an influence. The Chinese questions had to be modified because the customer couldn't understand the topics which decrease the validity of the results. In addition, interviewees didn't always remember exactly what had happened in the projects because they were closed years ago. This factor decreases the reliability of the research.

The desired and perceived benefits vary between selected market areas which create challenges for generalizability of the results. For example Middle East wasn't chosen as studied market area and excluding effectiveness of the solution it's challenging to list the most important sales argument for that market. North American project was the only one where the salesperson and the customer interviews were concerning the same project. In Europe and Asia the salespeople and the customers were from different projects which create difficulties to compare the results within the same market area.

For future research topics would be interesting to study deeply what really are there monetary value of intangible benefits and have the implications of this thesis contributed to the sales growth of JumpLift. A research which compares the hit rate of projects before and after this study would also benefit KONE Corporation. In addition, it would be useful to study the desired and perceived benefits of the solution in other market areas too.

REFERENCES

- Aarikka-Stenroos, L. & Jaakkola, E. 2012. Value co-creation in knowledge intensive business services: A dyadic perspective on the joint problem solving process. *Industrial Marketing Management*, Vol 41, pp. 15-26.
- Anderson, J.C., Jain, D.C. & Chintagunta, P.K. 1993. Customer value assessment in business markets: A state-of-practice study. *Journal of Business-to-BusinessMarketing*, Vol 1(1), pp. 2–29.
- Anderson, J.C. & Narus, J.A. 1998. Business marketing: Understand what customers value. [WWW-document]. [Cited 25.1.2016]. Available at: <https://hbr.org/1998/11/business-marketing-understand-what-customers-value>
- Anderson, J.C., Thomson, J.B.L. and Wynstra, F. 2000. Combining price and value to make purchase decisions in business markets, *International Journal of Research in Marketing*, Vol 17, pp. 307-329.
- Anderson, J.C. & Narus, J.A. 2004. Business market management: Understanding, creating and delivering value. Prentice-Hall, New Jersey.
- Anderson, J.C., Narus, J.A. & van Rossum, W. 2006. Customer value propositions in business markets. *Harvard Business Review*, Vol. 84 (3), pp. 90-99.
- Anderson, J. C., Narus, J. A. & Narayandas, D. 2009. Business market management: understanding, creating, and delivering value. 3rd edition, Prentice-Hall, Upper New Jersey
- Anderson, J.C. & Wynstra, F. 2010. Purchasing higher-value, higher-price offerings in business markets, *Journal of Business-toBusiness Marketing*, Vol 17, pp. 29-61.

Balasubramanian, S., Raghunathan, R. & Mahajan, V. 2005. Consumers in a multichannel environment: Product utility, process utility and channel choice. *Journal of Interactive Marketing*, Vol. 19, pp. 12-30.

Blois, K. 2004. Analyzing exchanges through the use of value equations. *Journal of Business and Industrial Marketing*. Vol 19, pp. 250-257.

Bonoma, T. V. 1982. Major sales: Who really does the buying? [WWW-document]. [Cited 16.2.2016]. Available at: <https://hbr.org/2006/07/major-sales-who-really-does-the-buying>

Bowman, C. and Ambrosini, V. 2000. Value creation versus value capture: towards a coherent definition of value in strategy. *British Journal of Management*, Vol. 11 No. 1, pp. 1-15.

Casell, C. & Symon, G. 2004. *Essential guide to qualitative methods in organizational research*. London: SAGE Publications Ltd.

Corsaro, D. & Snehota, I. 2010. Searching for relationship value in business markets: Are we missing something? [WWW-document]. [Cited 18.1.2016]. Available at: <http://impgroup.org/uploads/papers/7268.pdf>

Eggert, A., Ulaga, W. & Schultz, F. 2006. Value creation in the relationship life cycle: A quasi-longitudinal analysis. *Industrial Marketing Management*, Vol 35, No. 1, pp. 20–27.

Forbis, J. L. & Mehta, N. T. 1981. Value-based strategies for industrial products. *Business Horizons*, Vol. 24, Issue 3, pp. 32-42.

Grönroos, C. and Voima, P. 2013. Critical Service Logic: Making Sense of Value Creation and Co-Creation. [WWW-document]. [Cited 13.1.2016]. Available at: https://www.researchgate.net/profile/Christian_Groenroos/publication/256395545_Critical_Service_Logic_Making_Sense_of_Value_Creation_and_Co-creation/links/004635232cc76f395a000000.pdf

Gummesson, E. 1987. The new marketing: developing long-term interactive relationships. *Long Range Planning*, Vol. 20 No. 4, pp. 10-20.

Hirsjärvi, S., Remes, P. & Sajavaara, P. 1997. *Tutki ja kirjoita*. Helsinki: Kustannusosakeyhtiö Tammi.

Howden, C. and Pressey, A. D. 2008. Customer value creation in professional service relationships: the case of credence goods. *The Service Industries Journal*, Vol. 28, No. 6, pp. 789-812.

Hunter, G. K., Bunn, M. D. & Perreault, W. D. 2006. Interrelationships among key aspects of the organizational procurement process. *International Journal of Research in Marketing*, Vol. 23, pp. 155-170.

Hurkens, K., van der Valk, W. & Wynstra, F. 2006. Total cost of ownership in the services sector: a case study. *The Journal of Supply Chain Management*, Vol. 42, No. 1, pp. 27-37.

Jacob, F. and Ulaga, W. 2008. The transition from product to service in business markets: An agenda for academic inquiry. *Industrial Marketing Management*, 37, pp. 247-253.

Jalkala, A. 2009. Customer reference marketing in a business to business context. Doctoral dissertation. Lappeenranta University of Technology, Faculty of Technology Management, Industrial Management.

Kaario, K., Pennanen, R., Storbacka, K. and Mäkinen, H. 2003. *Selling Value: maximize growth by helping customers succeed*. WSOY, Helsinki, 2nded.

Keränen, J. 2014. Customer value assessment in business markets. Doctoral dissertation. Lappeenranta University of Technology, School of industrial engineering and management, Department of value network management.

Klanac, N. G. 2013. An Integrated Approach to Customer Value: A Comprehensive-Practical Approach. *Journal of Business Market Management*, Vol. 6, No 1, pp. 22–37.

KONE Corporation. 2016. KONE yrityksenä. [WWW-document]. [Cited 18.2.2016]. Available at: <http://www.kone.com/fi/yhtio/kone-lyhyesti/>

Kothandaraman, P., & Wilson, D. 2001. The future of competition: value creating networks. *Industrial Marketing Management*, 30, pp. 379–389

Landrogez, S. M., Castro, C. B. & Cepeda-Carrión, G. 2013. Developing an integrated vision of customer value. *Journal of Services Marketing*, Vol. 27, No. 3, pp. 234–244.

Kotler, P. 2011. Reinventing Marketing to Manage the Environmental Imperative. *Journal of Marketing*. Vol. 75, pp. 132-135.

Lapierre, J. 2000. Customer-perceived value in industrial contexts. *Journal of Business & Industrial Marketing*, Vol. 15, pp. 122–140.

Lee, I. & Lee, B. C. 2010. An investment evaluation of supply chain RFID technologies: a normative modeling approach. *International Journal of Production Economics*, Vol. 125, No. 2, pp. 313-323.

Lefaix-Durand, A. & Kozak, R. 2010. Comparing customer and supplier perceptions of value offerings: An exploratory assessment. *Journal of Business Market Management*, Vol 4, pp. 129–150.

Lindgreen, A. and Wynstra, F. 2005. Value in business markets: What do we know? Where are we going?. *Industrial Marketing Management*, Vol. 34 No. 7, pp. 732–748.

Marquardt, A. J., Golicic, S. L. & Davis, D. F. 2011. B2B services branding in the logistics services industry. *Journal of Services Marketing*, Vol. 25, No. 1, pp. 47–57.

Masterful Marketing. 2007. Marketing for B2B vs. B2C – Similar but Different. [WWW-document]. [Cited 13.4.2016]. Available at: <http://masterful-marketing.com/marketing-b2b-vs-b2c/>

McKinsey & Company. 2016. Delivering value to customers. [WWW-document]. [Cited 8.2.2016]. Available at: http://www.mckinsey.com/insights/strategy/delivering_value_to_customers

Möller, K. and Törrönen, P. 2003. Business suppliers' value creation potential: A capability-based analysis. *Industrial Marketing Management*, Vol. 32(2), pp. 109-118.

Patala, S., Jalkala, A., Keränen, J., Väisänen, S., Tuominen, V. & Soukka, R. 2016. Sustainable value propositions: Framework and implications for technology suppliers. *Industrial Marketing Management*, pp. 1-13.

Payne, A. and Frow, P. 2005. A strategic framework for customer relationship management. *Journal of Marketing*, Vol. 69, pp. 167-176.

Qualitative Research Methods. 2016. Qualitative Research Methods Overview. [WWW-document]. [Cited 9.6.2016]. Available at: <http://www.ccs.neu.edu/course/is4800sp12/resources/qualmethods.pdf>

Rajala, R., Töytäri, P. & Hervonen, T. 2015. Assessing customer –perceived value in industrial service system. *Service, Science*, Vol. 7, No. 3, pp. 210-226.

Ritter, T., & Walter, A. 2012. More is not always better: The impact of relationship functions on customer-perceived relationship value. *Industrial Marketing Management*, Vol. 41 No. 1, pp. 136–144.

Sheth, J. N. 1976. Buyer-Seller Interaction: a Conceptual Framework. *Advances in Consumer Research*, Vol 3, pp. 382-386.

Sheth, J. N., Newman, B.I. & Gross, B. L. 1991. Why We Buy What We Buy: A Theory of Consumption Values. *Journal of Business Research*, Vol 22, pp. 159-170.

Smartamarketing. 2010. Understanding and developing product benefits. [WWW-document]. [Cited 1.2.2016]. Available at: <https://smartamarketing.wordpress.com/2010/12/20/understanding-and-developing-product-benefits/>

Tuulemäki, A. 2012. *Lupa toimia eri tavalla*. 2nd edition, Talentum, Helsinki.

Stuart, T. E. 2000. Interorganizational alliances and the performance of firms: a study of growth and innovation rates in a hightechnology industry. *Strategic Management Journal*. Vol. 21, pp. 791–811.

Sweeney, J.C., & Soutar, G.N. 2001. Consumer perceived value: The development of a multiple item scale, *Journal of Retailing*, Vol. 77 No. 2, pp. 203–220.

Terho, H., Haas, A., Eggert, A. & Ulaga, W. 2012. It's almost like taking the sales out of selling' Towards a conceptualization of value-based selling in business markets. *Industrial Marketing Management*, Vol. 41, pp. 174-185.

Tuli, R. K., Kohli, K. A. and Bharadwaj, G.S. 2007. Rethinking customer solutions: from product bundles to relational processes. *Journal of Marketing*, Vol. 71, pp. 1-17.

Töytäri, P., Alejandro, T. B., Parvinen, P., Ollila, I. & Rosendahl, N. 2011. Bridging the theory to application gap in value-based selling. *Journal of Business & Industrial Marketing*, Vol. 26, No. 7, pp. 493-502.

Töytäri, P., Rajala, R. & Alejandro, T. B. 2015. Organizational and institutional barriers to value-based pricing in industrial relationships. *Industrial Marketing Management*, Vol. 47, pp. 53-64.

Töytäri, P. & Rajala, R. 2015. Value-based selling: An organizational capability perspective. *Industrial Marketing Management*, pp. 1-12.

Ulaga, W. & Chacour, S. 2001. Measuring customer-perceived value in business markets. *Industrial Marketing Management*. Vol. 30, No. 6, pp. 525 – 540.

Ulaga, W. & Eggert, A. 2005. Relationship value in business markets: The constructs and its dimensions. *Journal of Business-to-Business Marketing*, Vol. 12, No. 1, pp. 73-99.

Ulaga, W. & Eggert, A. 2006. Value-based differentiation in business relationships: Gaining and sustaining key supplier status. *Journal of Marketing*, Vol 70, pp. 119-136.

Uusitalo, H. 1995. Tiede, tutkimus ja tutkielma. Johdatus tutkielman maailmaan. Juva: WSOY.

Wilson, D. T. & Jantrania, S. 1994. Understanding the value of relationship. *Asia – Australia Marketing Journal*, Vol. 2, No. 1, pp. 55-66.

Woodall, T. 2003. Conceptualising 'Value for the Customer': An Attributional, Structural and Dispositional Analysis. *Academy of Marketing Science Review*, Vol. 2003, pp. 3-44.

Woodruff, R. B. 1997. Customer Value: The Next Source for Competitive Advantage. *Journal of Academy of Marketing Science*. vol. 25, pp.139-153.

Yin, R. K. 2009. *Case Study Research: Design and Methods*. Fourth Edition, Sage Inc., California.

Appendix 1. Interview questions for sales

Background

1. Could you first tell me something about your background and current role in the company?
2. Can you describe KONE's Jumplift offering?
3. Can you describe Jumplift offering's main customer segments?
4. How is the Jumplift offering positioned in relation to your main competitors?

Concept of customer value

5. How would you define customer value in your own words?
6. Do you think that selling customer value contributes to the growth and competitive advantage of your company? If so, how?
7. How important was value when selling Jumplift?
8. How did you identify the Jumplift related needs of the customer?
9. What were the sales arguments when selling Jumplift?
10. How did you compare Jumplift's potential value to competitors' offerings?

Customer perceived value

11. What do you think were the desired benefits when customer considered buying Jumplift?
12. What do you think were the customer perceived benefits when using Jumplift?
13. Can you list the perceived customer benefits from the most important to the least important that should be used when selling Jumplift?
14. What were the key purchasing criteria? Can you rank the criteria by relative importance, altogether summing up to 100%

Quantifying value

15. Did you quantify customer value when selling Jumplift? If so, how?
16. In your opinion, how important is value quantification in your business?
17. What was the customer's role in value quantification?
18. How did you quantify intangible benefits of Jumplift?
19. What is the most difficult part in quantifying customer value of Jumplift?

20. Are you able to assess the monetary value of Jumplift now to the customer's project?

Value-based sales and communication

21. How did you take into account that value of Jumplift is realized by different key stakeholders in the customer's project?

22. How did you communicate the potential value of your Jumplift offering to prospective customers?

23. In general, do you think that customers usually consider or look for high value solutions that might be more expensive initially, but result in long-term cost savings?

a. if yes, why/how (what kind of benefits this produces to customers, where customers get the information?)

b. if no, why (what kind of costs this produces to customers, is it difficult (time & resources))

24. How do you think in general you could help customers to better adopt/accept buying high value solutions that might be more expensive initially, but result in long-term cost savings? (What would you think customers would need more to able to do this)

25. What should have been known more about the customer's project before giving the sales pitch? (e.g. organization, building)

26. What arguments had the biggest impact on customer when the Jumplift solution was decided to be bought?

27. Were you able to acquire information on the competitors' prices and offerings during the negotiations? How was this information used?

Value tools

28. What kind of tools and/or practices did your firm have for customer value quantification?

29. What kind of value quantification tool would be proper in your opinion?

Using references in selling Jumplift

30. How did you document the delivered customer benefits of Jumplift in this project?

31. How did you present reference cases of Jumplift?

32. What could be improved when using references in selling?

33. In your opinion, how the selling of Jumplift should be developed and improved in general?

Appendix 2. Interview questions for European and North American customers

Background

1. Could you first tell me something about your background, current role in the company and overall industry experience in years?

Concept of customer value

2. How would you define customer value in your own words?

3. How important was value when considering buying Jumplift?

Customer perceived value

4. What were the desired benefits considering buying Jumplift?

5. What were the perceived benefits when using Jumplift?

6. Can you list the perceived benefits from the most important to the least important when using Jumplift?

7. What were the key purchase criteria? Can you rank the criteria by relative importance, altogether summing up to 100%

8. How did you compare the potential value of the Jumplift to other suppliers' offerings?

Quantifying value

9. Did KONE quantify value when selling Jumplift? If so, how?

10. In your opinion, how important was value quantification when considering buying Jumplift?

11. What was your role in value quantification?

12. Were intangible benefits quantified?

13. What was the most difficult part in quantifying value?

14. Are you able to assess the monetary value of Jumplift now to your project?

15. Was the offering easily comparable with other suppliers' solutions?

16. Do suppliers (in general, or Kone specifically) usually quantify and document realized customer value after installation/delivery?

a) If yes, how?

b) If not, why?

17. After installation and delivery, are you open and willing to let the suppliers to quantify and document realized customer value and experienced benefits?

a) if yes, why? What are the benefits that you gain from allowing the quantification and documentation?

b) if no, why? What are the key reasons that you do not allow quantification and documentation, or are not willing to give the supplier access to performance data or results?

18. Are there some situations, when you (customers) are more open to value documentation after installation/delivery? Could you give an example? (i.e., long relationship, trusted supplier, pilot solution, especially successful delivery etc).

19. Are there some situations, when you (customers) are more less open to installation/delivery? Could you give an example? (new products, novel solutions that would give competitive advantage, IPR, failed delivery etc?)

Value-based sales and communication

20. Who were the people usually involved in the buying negotiations?

21. Who was the decision maker?

22. Who were the main influencers for the decision maker?

23. Were the decision maker and influencers aware of the benefits and value of the product? Were we able to influence these persons?

24. In general, do you usually consider or look for high value solutions, that might be more expensive initially, but result in long-term cost savings? if yes, why & how? If no, why?

25. If you would buy high value solutions, that might be more expensive initially, but result in long-term cost savings, how would it influence to your own value chain (both positively & negatively)

26. How suppliers could help you to better adopt/accept buying high value solutions, that might be more expensive initially, but result in long-term cost savings? (What would you need more to able to do this)

27. Did the seller take into account that value could be realized by different actors during your project? If so, how?

28. How the potential value of the offering was communicated?

29. What should have been known more about the project before giving the sales pitch? (e.g. organization, building)

30. What were the main arguments that had the biggest impact when buying Jumplift?

Value tools

31. What kind of tools and/or practices did the supplier have for customer value quantification?

32. What kind of value quantification tool would be proper in your opinion?

Using references in B2B selling

33. Were any references used in the selling process? If so, how?

34. What could be improved when presenting references?

35. In your opinion, how the selling of Jumplift should be developed and improved in general?

36. What is your opinion how should KONE develop the construction time elevator/solutions?

Appendix 3. Interview questions for Asian customer

Background背景

1. Could you first tell me something about your background, current role in the company and overall industry experience in years?

您能首先介绍一下您的背景，目前在公司的职责和行业经验吗？

The JumpLift solution 跃层电梯解决方案

2. What were the desired and perceived benefits when using Jumplift? (For example schedule savings, money savings, reducing workers' time, safety, weather conditions)

在使用跃层电梯时什么是预期和感知效益？（比如工期缩短，省钱，减少工时，安全，天气条件）

3. What were the key purchase criteria? Can you rank the criteria by relative importance, altogether summing up to 100%?

什么是关键的采购标准？您能按照相对重要性列出这些标准，并使它们的总和为100%？

4. How did you compare the potential value of the Jumplift to other suppliers' offerings?

您怎样比较跃层电梯的潜在价值与其它厂家的产品？

5. Did KONE quantify value when selling JumpLift? What kind of tools and/or practices did the supplier have for customer value quantification? What kind of value quantification tool would be proper in your opinion?

通力在销售跃层电梯时是否量化其价值？厂家有什么样的工具和/或方法为客户价值量化？在您看来什么样的价值量化工具是适当的？

6. What was your role in value quantification? Did you give any information for the supplier (for example number of workers, time schedule)? What was the most difficult part in quantifying value?
您在价值量化中的职责？您有没有向厂家提供任何信息（比如工人数，工期）？在量化价值中什么是最困难的部分？

7. Was the offering easily comparable with other suppliers' solutions?
通力的解决方案与其它厂家的相比更容易吗？
b) If not, why? 如果不是，为什么？

8. What is your opinion how should KONE develop the construction time elevator/solutions?
在您看来，通力应该怎样提高施工期电梯/解决方案？

Documenting the customer value 记录客户价值

9. After installation and delivery, are you open and willing to let the suppliers to quantify and document realized customer value and experienced benefits?
在安装和交付后，您是否愿意让厂家量化和纪录已实现的客户价值和已获得收益？
 - a) if yes, why? What are the benefits that you gain from allowing the quantification and documentation?
如果回答是，为什么？从允许量化和记录中您能获得哪些收益？
 - b) if no, why? What are the key reasons that you do not allow quantification and documentation, or are not willing to give the supplier access to performance data or results?
如果不是，为什么？什么是您不允许量化和记录，或者不愿意让厂家获得性能参数或结果的关键原因？

10. Are there some situations, when you (customers) are more open to value documentation after installation/delivery? Could you give an example? (i.e., long relationship, trusted supplier, pilot solution, especially successful delivery etc.).

是否有某些情况，在安装/交付后您（客户）对评估文件更加开放？您能否举个例子？（即长期合作关系，可信赖的厂家，试点解决方案，尤其是成功交付等）

11. Are there some situations, when you (customers) are less open after installation/delivery? Could you give an example? (new products, novel solutions that would give competitive advantage, IPR, failed delivery etc.?)

是否有某些情况，在安装/交付后您（客户）更加不开放？您能举个例子吗？（新产品，带来竞争优势的解决方案，知识产权，交付失败等）

12. In general, do you usually consider or look for high value solutions that might be more expensive initially, but result in long-term cost savings? if yes, why & how? If no, why? 总的来说，您是否通常会考虑或寻找高价值的解决方案，它最初的价格可能比较贵，但会产生长期的成本节约？如果回答是，请问为何和怎样？如果回答不，请问为何？

Sales process of JumpLift 跃层电梯的销售过程

13. Who were the people usually involved in the buying negotiations? Who were the decision maker and main influencers?

哪些人通常会参与购买谈判？谁是决策者和主要影响者？

14. How the potential value of the offering was communicated? (For example with calculations, presentations, videos)

产品的潜在价值是怎样进行沟通的？（例如计算，演示，视频）

15. What were the main arguments that had the biggest impact when buying Jumplift? (For example safety, time reductions)

在购买跃层电梯时什么是具有最大影响的主要理由？（例如安全，时间缩短）

16. Were any references used in the selling process? If so, how? What could be improved when presenting references?

在销售过程中用了任何实例吗？如果有，怎么样？在演示实例时什么可以改进？

17. In your opinion, how the selling of Jumplift should be developed and improved in general?

在您看来，从总体上跃层电梯的销售应该怎样提高和改进？