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MASTER'S THESIS

Identifying New Business Opportunities and Customer Value Creation: Case Vuosaari

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ABSTRACT

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Previously conducted research projects in the field of logistics services have emphasized the importance of value added services in customer value creation. Through value added services companies can extend their service portfolio and gain higher customer satisfaction and loyalty. In more general level service marketing has been recognized to be challenging due the intangible nature of services. This has caused issues in pricing and value perceptions. To tackle these issues scholars have suggested well–managed customer reference marketing practices.

The main goal of this research work is to identify shortages in the current service offering. Additionally, the focus is on, how these shortages can be fixed. Due the low capacity utilization of warehouse premises, there is a need to find the main factors, which are causing or affecting on the current situation. The research aims to offer a set of alternatives how to come over these issues. All the potential business opportunities are evaluated and the promising prospects are discussed.

The focus is on logistics value added services and how those effect on route decisions in logistics. Simultaneously the aim is to create a holistic understanding of how added value and offered services effect on logistics centralization. Moreover, customer value creation and customer references' effectiveness in logistics service marketing are emphasized in this project.

Logistics value added services have a minor effect on logistics decision. Routes are chosen on a low–cost basis. However, it is challenging to track down logistics costs and break those down into different phases. Customer value as such is a difficult concept. This causes challenges when services are sold with value–based principles. Customer references are useful for logistics service providers and this should be exploited in marketing. Those reduce the perceived risk and give credibility to the service provider.

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Aiemmat tutkimustyöt logistiikkapalvelujen saralla ovat painottaneet logistiikan lisäarvopalvelujen merkitystä asiakasarvon luonnissa. Näiden lisäarvopalveluiden kautta yritykset voivat laajentaa omaa palvelutarjontaansa ja täten saavuttaa korkeampi asiakastyytyväisyysaste sekä –lojaalius. Yleisemmällä tasolla palveluiden markkinoinnin on huomattu olevan haasteellista niiden aineettomuuden vuoksi. Tämän seurauksena yritykset ovat kohdanneet haasteita hinnoittelussa sekä arvon määrittelyssä. Vastatakseen näihin haasteisiin tutkijat ovat suositelleet hyvin järjestettyä ja johdettua asiakasreferenssimarkkinointia.

Tutkimustyön tärkein tavoite on tunnistaa puutteet nykyisessä palvelutarjonnassa. Tämän lisäksi tarkoitus on löytää syitä, miksi varastotilojen käyttöaste on matala ja minkälaisia toimenpiteitä tarvitaan, jotta käyttöastetta saadaan nostettua. Uusien liiketoimintamahdollisuuksien luominen tutkimuksen tuottaman tiedon pohjalta on toivottavaa.

Tutkimuksessa keskitytään tarkastelemaan logistiikan lisäarvopalveluiden merkitystä kuljetusreittien valinnassa. Samalla selvitetään miten lisäarvo ja –palvelut vaikuttavat logistiikka–alan toimintojen keskittämiseen. Lisäksi asiakasarvon tuottaminen ja asiakasreferenssien käyttäminen palvelumarkkinoinnissa on hyvin keskeisessä osassa tässä tutkimuksessa.

Merkittävin yksittäinen tulos on logistiikan lisäarvopalveluiden vähäinen merkitys kuljetusreittien valinnassa. Suurin yksittäinen määräävä tekijä logistiikassa ovat kustannukset. Kuljetuksen kokonaiskustannuksen määrittäminen ja kustannusrakenteen selvittäminen on vaikeaa. Käsitteenä asiakasarvo ymmärretään huonosti, minkä takia arvoperusteinen myynti on haastavaa. Asiakasreferenssien käyttö palveluiden markkinoinnissa on hyödyllistä, sillä se vähentää asiakkaan kokemaa riskiä ja tuo uskottavuutta palvelutarjoajalle.

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ABBREVIATIONS

B2B	Business to business
CRM	Customer Relationship Management
3PL	Third Party Logistics
VAS	Value Added Service
VBP	Value Based Pricing
VBS	Value Based Selling

1 INTRODUCTION

This research project is conducted in order to answer the needs of two companies in the field of logistics; Port of Helsinki and Logicor Oy. Both of the stakeholders are willing to develop their operations and cooperation in Vuosaari Harbor. The main focus of this project concentrates on terminals located in Vuosaari. However, there will also be an emphasis on Vuosaari as an operating area. There is a need to investigate the business potential of the warehouse facilities, identify development areas of Vuosaari and find relevant ways to create new business opportunities for the parties.

1.1 Background and Research Gap

Port operations in Finland have evolved along the industrial development and the same trend will continue in the future. The slow economic growth, regional differences, and changes in industrial structure will effect on the future scenarios of Finnish ports. The weak economic situation and the stagnation in foreign trade have decreased the demand for port infrastructure and service offerings. Inevitably this leads to a tighter competition between the domestic ports, which force them to develop their services. (Ministry of Transport and Communication 2014)

Finland's geographical location drives the importance of seaports in export and import operations (Lättilä & Hilmola 2012). Hence, Hämäläinen and Tapaninen (2008) emphasize the significance of Finnish seaport investments and development to support national industries. However, Hilmola and Tapaninen (2007) remind that in many cases harbor investments are the riskiest and also the most expensive ones concerning the whole logistics infrastructure. According to scholars Lättilä et al. (2012), Finnish sea port demand development has majorly been linked to national industrial production due its impact on economic growth. They see that in a large scale logistical infrastructure investments are substantial. Hence, there should be reliable long–term forecasts available. Lappalainen (2013) highlights the importance of competitiveness enhancements when ports are competing for a title of the most attractive route.

In a supply chain ports are critical nodes due their influence on delivery time and transportation costs. This increases the significance of investments in transportation infrastructure like roads, railways and traffic connection points. Additionally, decisions on a labor unit level influence majorly on Finnish ports and it would be critically important that logistics would not suffer due to strikes. Inflexible manners from labor side in Finnish ports have been identified to be one great challenge to tackle. For instance, better service and cost–efficiency could be offered if the ports operations would run 24/7. (Sundberg et al. 2010; Ministry of Transport and Communication 2014)

According to Lappalainen (2013) in the Baltic Sea region, the maritime transportation industry is in a transformation. This is due the economic development in the Baltic Sea area, stricter energy standards, increasing cost of energy and political changes. All these above mentioned factors have an influence on transport flows and demand in the region, which reflects its impact also on transport modes. From a port perspective, the main emphasis should be on efficient and thus competitive port operations. (Lappalainen 2013) Kallionpää et al. (2013) state that global megatrends are strongly affecting on these changes and especially in the Baltic Sea region the environmental issues are in a focus. Additionally, transport solutions have a substantial role in sustainability, growth, and interconnectivity within the region. Continuous competition among the companies within the transportation industry forces the actors to develop their offerings and operations. When a competitive advantage within a transportation industry is considered there are a few main sources for it; geographical location, vessel connections, road infrastructure and cost efficiency. (Lappalainen 2013) In the changing environment, Kallionpää et al. (2013) remind that in logistics industry all the independent issues and features are finally linked to each other. For that reason, things should always be analyzed as an entirety. The future changes in ports will create better and more comprehensive service offerings, which obviously increases the pressure on investments. (Kallionpää et al. 2013)

Cargo traffic through Finnish sea ports increased smoothly since the 1970s till 2008 as illustrated in Figure 1. After that, there have been some fluctuations and

now the tendency of growth is gone. (Finnish Transport Agency 2015a). The main reason for the end of the steady growth was the global economic downturn, which has caused many issues for Finnish industries. Lättilä et al. (2012) argue that one of the main factors influencing on port volumes on a national level is the global economy. This has affected on Finnish maritime industry also. Even though the recent development has not been that bright Kallionpää et al. (2013) believe that the Finnish maritime industry has a great potential to grow in the near future. The recession made it difficult to give any credible forecasts of the future transportation flows (Lappalainen 2013). However, Solakivi et al. (2015) estimate that warehousing will increase in the future.

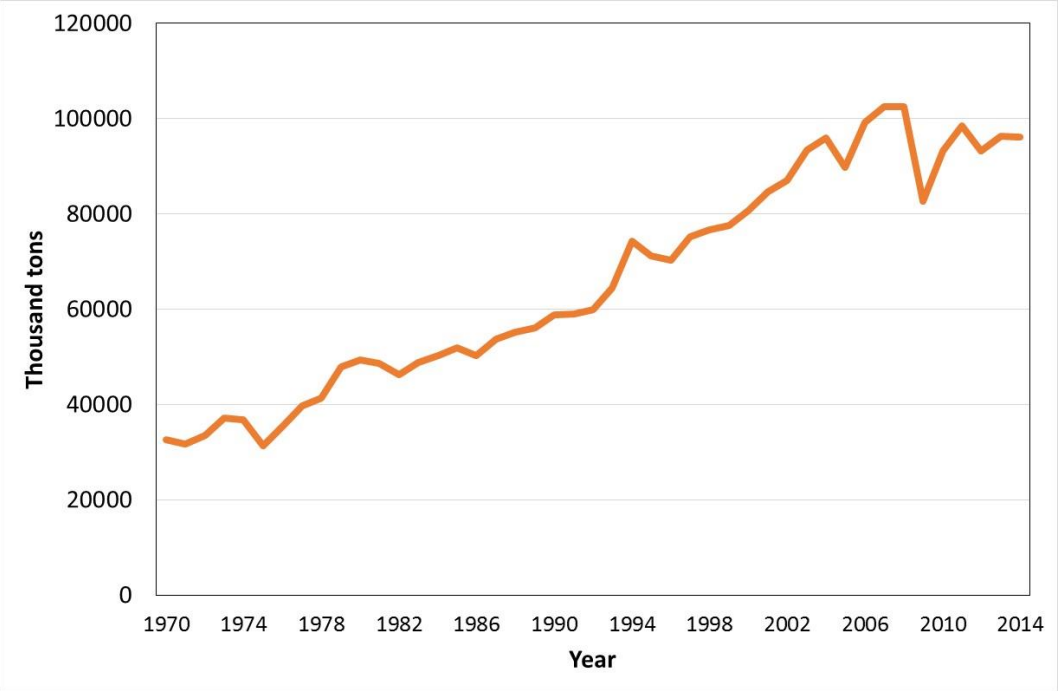


Figure 1: Total demand of Finnish seaports annually (Adopted from Finnish Transport Agency 2015a)

Finland is suffering stagnation in foreign trade, which means that the import and export activities are running relatively low. Hence, this is one driver for the future development, where a major share of Finnish exports is shipped from the main import ports. Some signals of this phenomenon have already been discovered such as almost free of charge exports to some specific destinations. Furthermore, the differences between import and export cargo types are causing more issues for

companies. They need to be able to find economically and efficiently the most suitable port for their shipment. (Lappalainen 2013) Currently, the most important routes for Finland's international trade are the straight ferry connections to Poland, Germany, and Estonia. (Collaboration Team for Freight in Foreign Trade 2016). In their future scenarios Kallionpää et al. (2013) emphasize the optional routes for Finnish exports are for example through Russia and Sweden. They and Sundberg et al. (2010) remind to keep in mind that the development of port infrastructure in the other countries in the Baltic Sea region may open new options for export routes.

There are predictions and estimations that in the future the amount of cargo will remain approximately on the same level as it is today, but the port operations will concentrate on few main locations. (Kallionpää et al. 2013; Lappalainen 2013) Additionally, there will be changes in transported goods. For instance, it is predicted that in the future the volume of fast moving consumer goods will increase. This will effect on shipping and warehousing due the growing need to supply consignments faster than before. (Lappalainen 2013) Furthermore, cooperation between supply chain parties will increase in the future (Kallionpää et al. 2013). Intermodal transport means a movement of goods with several transport modes and within one loading unit without handling the cargo itself during the process (United nations 2001). This transport chain option has disappeared from Finland mainly due the pricing and infrastructure issues in a railway sector (Ministry of Transport and Communication 2014). However, intermodal transport will enhance its position in the market in the future (Lappalainen 2013). Still, Sundberg et al. (2010) underline the importance of competitiveness enhancements in railway sector to create more options for the logistics industry.

Overall Kallionpää et al. (2013) and Ministry of Transport and Communication (2014) see that there is a pressure for streamlining port operations and centralize the capacity. In other words, this means that the number of sea ports will decrease in the future. Higher efficiency can be leveraged when ports and logistics companies, which operate at ports continuously, develop their services to meet the customer requirements. With a greater integration and cooperation between the

actors, there is potential to create new business models and enhance operations. (Ministry of Transport and Communication 2014) Lappalainen (2013) noticed that the current level of services, which ports are providing is not high enough so the logistics companies would prefer a certain port. In most cases, cargo is moved as cost–efficiently as possible. However, he states that in the future, there will be a higher demand for port services. If a port is capable of offering value for the operators, then there is a change to attract logistics companies to give for their cost–efficiency principle. (Lappalainen 2013) Kallionpää et al. (2013) argue that logistics companies need to balance between their capacity, costs, and efficiency to be able to create value for them.

Despite the scope of national and domestic level whenever Finnish logistics and transportation is discussed the influence of Russia cannot be downplayed. According to Kallionpää et al. (2013), Russia's foreign trade effects on Finnish logistics and transportation industry significantly. Their opinion is supported by Sundberg et al. (2010), who stress the transit logistics role in Finnish transport and logistics chain due the links between port operations, road and railway logistics. Kallionpää et al. (2013) see that Russia's economic development has a big impact on how Finnish maritime industry and port operations will progress in the future. Hilmola et al. (2007) and Sundberg et al. (2010) state that the big economy next to Finland opens opportunities to transit transportation through Finnish ports. According to them, one reason for this is the increasing and evolving consumer market in Russia (Hilmola et al. 2007). However, the current sanctions and trade restrictions cause a major impact on Finnish ports. There is no guarantee, how the situation is going to be solved and when. Still according to Kallionpää et al. (2013) in the future, Russian integration to the western world increases cooperation and trade between these parties. They predict that this will enhance the service levels and offerings in Finnish ports. However, some authorities believe that Russia will decrease its transit logistics through Finland and the Baltics due its aims to achieve a more independent position in logistics (Kowalczyk 2012; Port Strategy 2013). As it was mentioned before, there is no crystal ball, which could tell how and when the development will happen. Hence,

there are different scenarios (e.g. Kallionpää et al. 2013; Lättilä et al. 2012; Sundberg et al. 2010), which may take place in the future.

It has been predicted that Russia's seaport volumes will double from the level of 2012 till 2030. This would not be possible without giant development in the port infrastructure. (Port Strategy 2013) In St. Petersburg region, investments in ports and logistics have been significant and modernization process is on (Kowalczyk 2012). Especially, warehouse areas, technology, and loading equipment have been enhanced. Overall, these investments have positively influenced on cargo handling capacity. This should cover the growing demand in the future also. (Ilyina 2013) Thus, Russia's port facilities in the Baltic Sea region will receive major scale enhancements (Port News 2016), which will effect on Finnish transit logistics. For instance, according to Ilyina (2013) and Kowalczyk (2012), Ust Luga Container Terminal will continue its fast growth within the next decade. Besides the port, Ust Luga's Logistics Centre supports cargo handling and logistics in general in the region and thus, increases the attractiveness of Ust Luga. In addition to Ust Luga, there are also other ports, which have increased their capacity. For instance, ports in Vyborg, Primorsk, Bronka, and Vysotsk support the growth of Russia's Baltic Sea port operations. From a logistics point of view, it is beneficial to bypass St. Petersburg region (Kowalczyk 2012).

Despite Russia's decreasing transit operations, Inkinen and Tapaninen (2009) have a faith that Finland may remain its position as a transit route for high–quality products. They argue that value added services, reliability, know–how, security and infrastructure are the main factors, which support their prediction. Soinio et al. (2012) have brought up a concern about Finnish logistic sector, which is not utilizing value added services as much as it could. They also discuss difficulties, which Finnish companies are facing, when trying to develop service offerings, which are meeting customer requirements and needs. According to Chapman et al. (2004), logistics industry can be used as an example of an industry, which has narrowed down its functions and focuses on core business. There is a rising trend in logistics, which increases service supply. Moreover, another trend within logistics services is customer–based perspective and this has increased the size of

the service industry in logistics. Now there is a need for logistics service providers respond to the increasing demand for well–defined and planned offerings. (Heikkilä et al 2006, p. 4–5)

In several business areas logistics has become a very substantial source of competitive advantage (Heikkilä et al. 2006, p. 2). In practice, this competitive advantage is offered by logistics service providers which are operating between buyer and seller organizations. Service providers, have specific know–how and skills in logistics space, which enhances perceived service. (Jalanka et al. 2003) Outsourcing in the field of logistics is a growing business (Soinio et al. 2012), since many firms are focusing on their core activities (Heikkilä et al. 2006, p. 2). Traditionally, this outsourcing has included e.g. transportation and warehousing. However, more and more advanced services and solutions are nowadays required. (Soinio et al. 2012) For instance, Van Laarhoven et al. (2000) and Wagner & Franklin (2008) have indicated more demanding customers and the arising need and desire for value added services. Soinio et al. (2012) have noticed an increase of cooperation in the service sector and the relationship between buyer and seller has evolved into a tighter scale. Preiß et al. (2015) state that on some level logistics service providers have understood the existing potential of value added services, but they are still lacking enough knowledge and formal processes. Kivinen and Lukka (2002) state that value added services is considered as important parts of supply chain management from both shippers and logistics service providers point of view. Thus, value added services have raised their importance in logistics, especially within terminal activities (Heikkilä et al. 2006, p. 8).

In terms of value added services, there has been a shortage of theories and many times value added services are not analyzed in detail (Heikkilä et al. 2006, p. 2). Scholars have identified a gap between logistics service providers and their customers' viewpoints concerning the service offerings. One notable issue is that service providers should gain wider expertise in the field of logistics to be able to offer enough good services for their customers. Moreover, service providers'

capabilities in supply chain management should be evolved. (Punakivi & Hinkka 2006)

Vuosaari harbor was opened in 2008 when Finnish economy was growing and the vast majority of people in business did not expect any changes to happen in the future. Hence, according to Kallio et al. (2016) Vuosaari harbor received abundantly investments. For instance, the terminals, currently owned by Logicor, were built to serve high–end users, who appreciate the high value and good premises. However, when the global downturn hit to the Finnish economy, companies re–scaled operations and cost–efficiency was looked from different business sectors, like logistics. Kallio et al. (2016) clarified that eventually this tendency leads to a situation, where terminal capacity was not efficiently utilized. Still, there is a fear that potential customers consider terminals over–priced due the image inherited from past times. The high quality of terminals set restrictions for the cargo and goods, which are reasonable to store and handle there. Furthermore, another factor, which decreases the demand of terminal square meters, is the location, due the fact that some firms do not see any benefits of a location within a port. (Kallio et al. 2016) Because of these above–mentioned issues, which are slowing down the exploitation of the available potential of the property and premises, there is a need for an in–depth research. The focus is on the identification of the issues regarding the low capacity utilization and demand. The main research gap is between the potential customers and the current service offering. Thus, there is a great need to narrow down this gap and bring these actors closer to each other. A research which could find new ways to fulfill the customer needs and create new business opportunities is highly preferred. The important issues, which will be considered during the research process, are intermodal transport and opportunities to co–create services, which benefit the both parties.

1.2 Research Objectives, Questions, and Limitations

This research project aims to answer the needs of the above–mentioned parties. Furthermore, it will investigate how operations and services regarding the

terminals and the land property can be developed. What kind of value added services could be offered and how Vuosaari Harbor could tempt more business into its premises? Both stakeholders have individual aims for the project. Port of Helsinki aims to increase the amount of cargo in Vuosaari. Logicor wants to find ways to utilize its whole terminal capacity in terms of profitable business. The timeframe of the research is set from today till 2021. The data from the research will be refined to recommendations of actions, which cover the above–mentioned issues and offers potential solutions for the parties to generate new business. The main research problem can be set as follows:

How Port of Helsinki and Logicor Ltd can cooperatively develop Vuosaari Harbor to be more attractive for business?

Three research questions are set to guide this project;

RQ1: How the services at Vuosaari Harbor should be developed?

RQ2: What kind of businesses will operate in the area in the future and what kind of space/service requirements these businesses have?

RQ3: Through which practical arrangements Vuosaari Harbor can increase its attractiveness from the perspective of potential new businesses?

The answers to these questions will be gained through an intensive process, which integrates theoretical aspects from existing literature and empirical evidence from interviews and observations. The more in detailed analysis of the used research methods is presented in the methodology section.

The focus of the research is on Logicor's property (terminals) and the land area, which purpose and exploitation are under assessment. Data will be gathered from several sources (Logicor's customers, logistics operators, and the main consumer goods retailers), which are decided in a cooperation with the main stakeholders.

1.3 The Main Stakeholders of the Project

1.3.1 Port of Helsinki and Vuosaari Harbor

Port of Helsinki manages and develops operations in its several harbor locations (South Harbor, Katajanokka, West Harbor and Vuosaari Harbor). Business regions, which are located to harbor areas, are also under Port of Helsinki's management. Maintenance of all technical systems in those areas and additionally for traffic control is Port of Helsinki's responsibilities. The route to Estonia is currently the most important route for Port of Helsinki when the amount of cargo and the ship connections are evaluated. In fact, the total value of cargo via Port of Helsinki is one–third of Finnish export annually. In the future, the volumes on this route are expected to increase, as the Rail Baltic railway connection and more intensive social and economic cooperation between Finland and Estonia. From passenger traffic point of view, Port of Helsinki is the most important operator in the Baltic Sea region. (Port of Helsinki 2016; Logistiikan Maailma 2016)

Vuosaari Harbor was opened in 2008 and its operating purpose is to guarantee a fast flow for cargo from the harbor to logistic centers outside the harbor area. These centers are located near the main logistic hub of Finland, ring road three. (Logistiikan Maailma 2016) Vuosaari Harbor has an easy access to the open sea and its sea routes are easy to navigate. In addition, transport connections to Finnish road network and railway network are smooth. A highway–level road leads out from the harbor area and joins the main road network. There is also a port railway, which connects Vuosaari Harbor to Finland's railways. The actual cargo handling operations are done by several independent port operators. (Port of Helsinki 2016)

According to Logistiikan Maailma (2016) to the future of Port of Helsinki, there are several factors affecting on it. For instance:

- An increase in capital region population will grow consumer goods transportation

- The structural change of Finnish industry will increase the amount of transportation in Southern Finland
- A competition between Finnish Ports will centralize cargo handling activities in certain locations
- HELEN's power plants and biofuel investments
- Rail Baltic
- Environmental friendly fuels for ships like LNG and biofuels

1.3.2 Logicor Oy

The company is specialized in owning, renting and developing logistic and production facilities in Finland. Locigor Ltd was founded in 2014 and it is operating in several locations in Finland and it has 125 real properties around the country. The company is a part of Logicor Group, which is operating in Europe in 18 countries. (Logicor Oy 2016)

Logicor emphasizes a good customer service and it aims to offer its customers what they need. The organization is relatively flexible and able to adapt to new situations. Currently, Logicor has plenty of warehouse space in Vuosaari as it bought the warehouse facilities recently. The main challenge for the company is to gain some publicity and more customers to operate on its premises. (Kallio et al. 2016)

1.4 Structure of the Thesis

This thesis consists six main chapters and the thesis is structured as presented in Figure 2. The main idea is to build a strong theoretical base on, which the empirical analysis and findings can be generated.

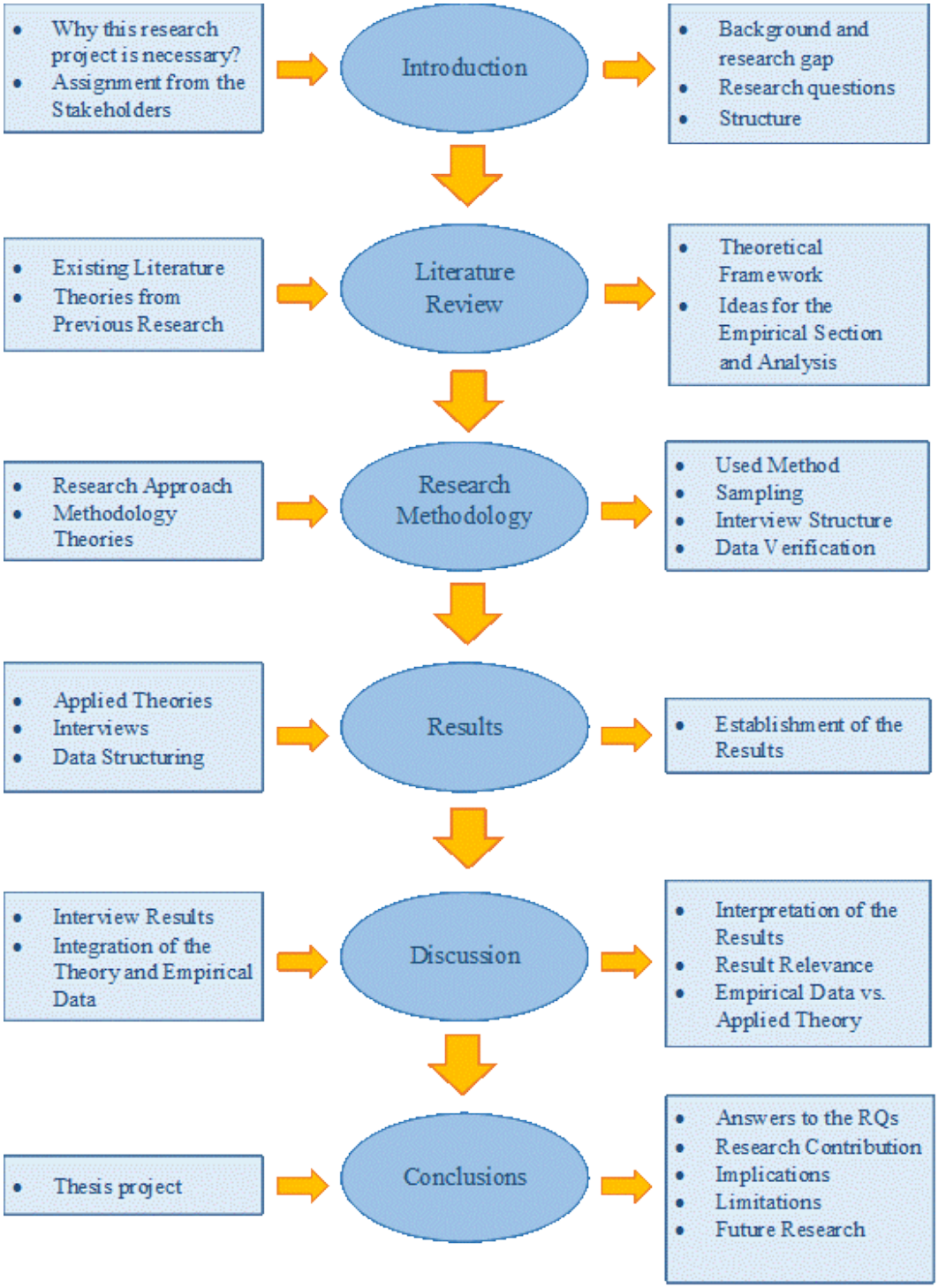


Figure 2: Structure of the Thesis

The first chapter includes an introduction to the topic. It covers a broad background of the current situation in business, stakeholders, and reasons for the study are also presented. However, most importantly the research questions are established. The second chapter focuses on literature review, where the existing

literature and previous research are integrated. The aim is to formulate a strong theoretical framework, which supports the later phases of the thesis. The methodology of the research is described in chapter three. For instance, there is a compact recital about the qualitative research and case study. Additionally, the validity issues, relevance, and credibility of the research are discussed in that chapter. The fourth chapter focuses only on the collected data and presents the results. The analysis of the results is conducted in chapter five. The main scope is the integration of theoretical framework and interview data. The findings are presented and innovative solutions are utilized. The final chapter integrates the whole thesis together. There are answers to the research questions, which were stated in the beginning of the project. Moreover, research contribution to the business, potential implications, limitations and future agenda are presented.

2 LITERATURE REVIEW

This section introduces the core theories, which will be used in the analysis. There will be considered several theoretical aspects about the topic to create a strong base for the further conclusions and planning.

2.1 Service Definition

In 1966, Rathmell pointed out that even though people and especially marketers are talking about goods and services, only goods are relatively well understood whereas services are vaguer as a concept. Services are commonly described with IHIP model, which states that services are intangible, heterogeneous, inseparable and perishable. (Edget & Parkinson 1993; Zeithaml et al. 1985) Moreover, Quinn et al. (1987) and Grönroos (1990) emphasize the intangible nature of a service, when they state that a service includes various economic actions, which have an intangible outcome. Vargo and Lusch (2008a) and Zeithaml and Bitner (1996, p. 5) define a service as an application, which utilizes some valuable competencies, such as resources, knowledge, and skills, to create benefits for distinguishing entireties. Another point of view and a definition for a service from Grönroos (2008) and Maglio and Spohrer (2008) is to see it as a tool to create value for a customer. This is done by integrating people's skills, technology, information, value proposition and internal and external systems.

Services are the core of any business and those create the foundation for all economic exchange. Thus, no matter, if there are products or goods involved in exchange the main driver are still services. (Vargo & Lusch 2008b) On the other hand, Grönroos (2011a) sees a service as a supporting and assisting function. Moreover, in principle, all entities are trading and having an economic exchange through services, where goods and money are just intermediaries (Vargo et al. 2008a). Lusch et al. (2007) highlight exploitation of unique or, at least, core resources of a firm to gain competitive advantage. Barney (1991) states that a competitive advantage comes from better resources or more efficient exploitation of the same resources compared to competitors.

Today many firms tend to focus their operations on core functions and they use a lot of outsourcing among activities, which are in a supporting role. Thus, according to Ojasalo and Ojasalo (2010, p. 13) service sector will grow in the future due the outsourced operations. Additionally, service business operations may cause better satisfaction within the clients and also customer relationships tend to be longer in the service sector. (Ojasalo & Ojasalo 2008, p. 8; Ojasalo et al. 2010, p. 13). Fitzsimmons and Fitzsimmons (2011, p. 40) have identified a set of typical issues of service business regarding actions from a market entry to exit. These issues are shown in Table 1.

Table 1: Typical issues in service business (modified from Fitzsimmons & Fitzsimmons 2011, p. 40)

Competitive Environment of Services
Relatively low entry barriers
Service innovations are not patentable, usually not capital intensive
Minimal opportunities for economies of scale
Physical travel is necessity for many services
Sales fluctuations
Demand varies, certain seasonality
No advantage of size in dealing with buyers or suppliers
Small service providers suffer and lack of negotiation power
Product substitution
Products may replace a service and vice versa
Customer loyalty
Personal selling creates relationships and loyalty
Exit barriers
Easy of an exit, non-capital intensive, profit generation

2.2 Co–Creation of Services and Customer Value

In today's competitive business markets there is an increasing need for firms to understand how they create, communicate and deliver value to their customers. Thus, many firms have added their focus on customer value creation instead of old–fashioned price and product approach. When a firm wants to gain a deep understanding of how their customers perceive delivered value and what it is worth for them a value assessment is required. (Keränen 2014) However, even though value per se is widely understood to be an important part of business

Lindgreen and Wynstra (2005) state that many firms are struggling with the exploitation of the value as a concept.

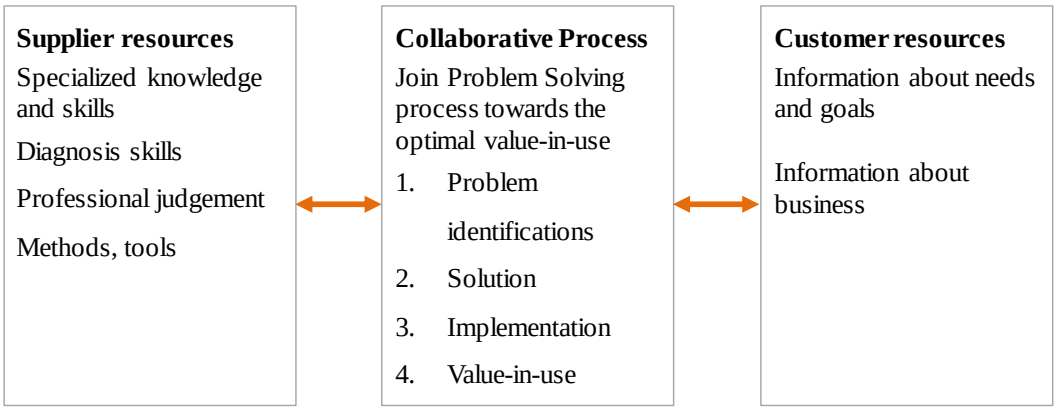
There are several definitions of customer value. For instance, Ulaga and Chacour (2001) and Blocker (2011) use a trade–off approach in their definition, when they argue that customer value is a trade–off between perceived benefits and sacrifices. Anderson and Narus (1998) emphasize monetary aspects of value in business context and they see value as a result of an exchange, where financial assets and provided offering are traded. According to Doyle (2000) value in principle is the result of the following equation:

Perceived benefits – Price – Ownership Costs = Customer Value

When services are developed the customer's processes must be considered and understood (Ravald & Grönroos 1996; Payne et al. 2007). According to Ballantyne et al. (2011), service value should be created in a close cooperation with a client. The core of service–dominant logic today incorporates customer's participation on value–creation process, which in practice makes the customer a co–creator of a service and value. (Payne et al. 2007; Aarikka–Stenroos & Jaakkola 2012) It is necessary to get customer participate and give some input for the value chain if extremely good results are expected (Sampson & Froehle 2006). From a customer perspective, the evaluation of a value, price, and quality of a service offering is highly dependent on supplier's performance against its competitors (Lambert & Burduroglu 2000). Chapman et al. (2004) and Muller & Doloreux (2009) rank knowledge to the most important factor of the service provider. The more customized and knowledge–intensive the service is the more participation it requires (Sampson et al. 2006). Additionally, Tuli et al. (2007) write about benefits of cooperation, which include quality and profitability. Cooperation creates knowledge, which can be transformed to competitive advantage. (Lusch et al. 2007) However, Grönroos (2011a) has warned that, if cooperation between a supplier and a customer is not well planned and managed it may become a concept without any substance. In Table 2 Aarikka–Stenroos et al.

(2012) show how value co–creation and collaborative problem–solving process work in theory.

Table 2: A Tentative framework for value co–creation as a joint problem–solving process (Aarikka–Stenroos et al. 2012).



When a service provider is interacting with its customers during their use of services, there is a chance to create more value for the customers with the customers (Grönroos 2008). Since not on the service offering is co–created, but also the potential value perception is created in cooperation (Vargo et al. 2008). In value co–creation process customer value increases and simultaneously service provider can achieve competitive advantage (Leff Bonney and Williams 2009). When a superior customer value is created the supplier aims to capture some of the value through pricing, higher the value higher the price (Anderson & Wynstra 2010).

Terho et al. (2012), Hansen et al. (2008) and Töytäri & Rajala (2015a) have named superior customer value creation as a basic element of a firm's growth and survival in a long–term. Additionally, from a service provider point of view delivered customer value is a source of competitive advantage (Woodruff 1997). Tuli et al. (2007) have identified special characteristics of solutions and they emphasize the importance of customer requirement definition, customized and integrated services, implementation of a process and post–purchase support for a customer.

Anttila (2001, p. 42) argues that service level and quality are important competitive advantage factors in the service business. Moreover, she emphasizes the need to focus on pricing when a service portfolio is on the edge of commercialization as the customers in many cases are really sensitive with price–quality ratio. However, Laaksonen and Laaksonen (2001, p. 83) and Brown et al. (1991, p. 1), raise up issues regarding the service quality; how to measure service quality, when the value itself is more or less a subjective opinion of a person. According to Zeithaml (1988) and Ulaga & Eggert (2006), perceived value relates to benefits and sacrifices, which a buyer or a user receives. Grönroos (2008) has extended the fundamental idea about customer value. He sees offered services as resources for the customer and when a customer utilizes and combines these resources with its skills, knowledge and other resources, the value achieved through such process is greater than the value of the initial service. In practice, this means that value of a service can be refined and elaborated. (Grönroos 2008) In 1994, Gale (p.19) visualized customer value creation process, which is illustrated in Figure 3.

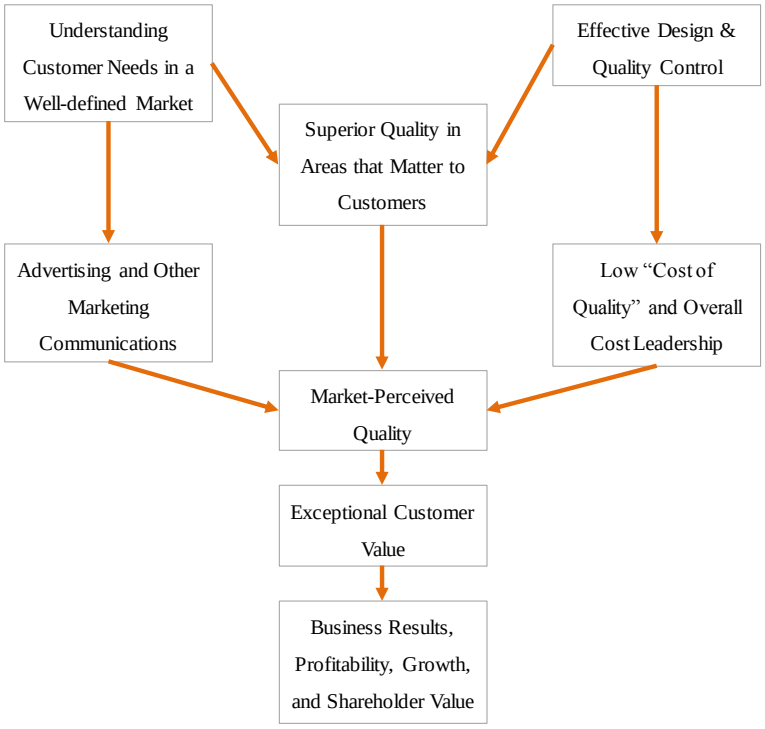


Figure 3: Visible customer value creation (Gale 1994, p. 19)

For a service provider, it is critical to figure out, how it can assist their customers in value creation process. When there is a need to create value for a customer something new might be needed to fulfill the needs and an innovation process steps in. (Grönroos 2008) In the service sector, Slater and Narver (1995) define innovation particularly as a value creation activity, which enhances performance. Howells (2000) describes non–technological innovations as soft ones, which for instance include process enhancements, service customization, and better operations within a network. Service innovations have three fundamental requirements (Kandampully 2002): technology, knowledge and relationship networks. Chapman et al. (2004) underline the importance of knowledge in service innovation process. They also remind that knowledge should be gathered from different actors of a network, which would enable a firm respond to current needs and requirements on the market. When knowledge regarding services is shared efficiently within a network, there are plenty of benefits, which can be achieved (Chapman et al. 2004):

- The achievement of greater efficiency
- Increased customer satisfaction
- Better strategic planning
- Improved decision–making
- Rapid and flexible supply chain management processes
- More flexibility and adaptation to market changes
- Other benefits leading to rapid innovation capabilities

A firm which is operating in service business environment should have crystal clear knowledge about the functions and factors that must be handled in order to be able to do successful service business. Grönroos (2008) has found out several points, which a service–based business means in practice from service provider's perspective:

- Focus on customer's well–defined everyday actions and practices
- Support the customer to create value and give assistance if needed
- New services should be developed for the customer's everyday practices

- Integrate your business to the customer's value creation process
- Constantly identify new value creation opportunities
- Prepare a transition from value propositions to value fulfillment

In fact, Grönroos (2008) sees the role of a service provider as a value facilitator, which is providing the needed resources for a customer's value creation process. This reflects on the role of a customer, which in his opinion is a value creator when the customer utilizes the offered service within its business and integrates it with other available resources. Firms should increase their customer support efforts in the service business. (Grönroos 2008)

2.3 Logistics' Value Added Services

Mäkelä (2001) states that value added services in logistics include all the processes, which add value to the supply chain. Additionally, Heikkilä et al. (2006, p. 3) define value added services as follows:

"Logistics value added services are services that are used in the supply chain generating added value to the transported goods (such as by modifications or manipulations) and/or to the whole supply chain for the benefit of the owner of the goods and for the efficiency of the supply chain. Basic transportation, transshipment, and warehousing are excluded. IT–services also play an important role in value–added services, for example in the constitution and locating of goods."

Value added services (VAS), which are offered with innovative offerings, are an important source of differentiation for logistics service providers (Preiß et al. 2015). In addition, in many occasions services are tailored for customer's desires (Heikkilä et al. 2006, p. 4). According to Lambert et al. (2000) in logistics sales managers should focus on selling value, when they want to receive an adequate compensation for their innovation and performance. Value adding in principle means increasing value, which customers perceive (Posti et al. 2009) and additionally, it consists also a satisfaction of a customer (Lambert et al. 2000). It is something that goes over the basic level of perceived value when a service

offering is compared to other available offerings thus value added services can be seen as an enlargement of the basic services in logistics. It may not be crucial for basic functionalities but might increase potential customer's interest level towards a product or service. (Posti et al. 2009; Lambert et al. 2000; Berglund et al. 1999; Notteboom & Winkelmans 2001)

When a logistics service provider wants to offer exclusive services for its customers it can utilize value added services. Thus, value added services are one source of competitive advantage (Heikkilä et al. 2006, p. 3, 8) This idea is also supported by Pekkarinen (2013, p. 17) and Lambert et al. (2000) who state that a higher value for the shareholders can be achieved through value added services. According to Berglund et al. (1999) and Notteboom et al. (2001) value added services may increase revenue streams for logistics service provider. Other potential benefits of value added services are; more loyal customers, bigger market share and higher customer satisfaction (Busse 2010; Grawe 2009). However, Posti et al. (2009) remind that profitable value added service business requires big demand and cargo flow.

Just like in every other service offering development case, also in logistics the starting point should be the demand from a customer side (Soinio et al. 2012). However, basic logistics services, like warehousing, are nowadays perceived as a commodity. This trend has led to a situation where competition has increased and the main factor in a competition is the price. (Preiß et al. 2015) However, Karamysheva et al. (2013), Davis et al. (2008) and Christopher (2005, p. 8) argue that if the value added services are offered there might be some flexibility in price sensitiveness. However, development of functional value added services require abundantly innovation capacity, which should be gain a lot of attention from top management (Preiß et al. 2015). From a logistics point of view, the added value is a result of several factors, which are shown in Figure 4.

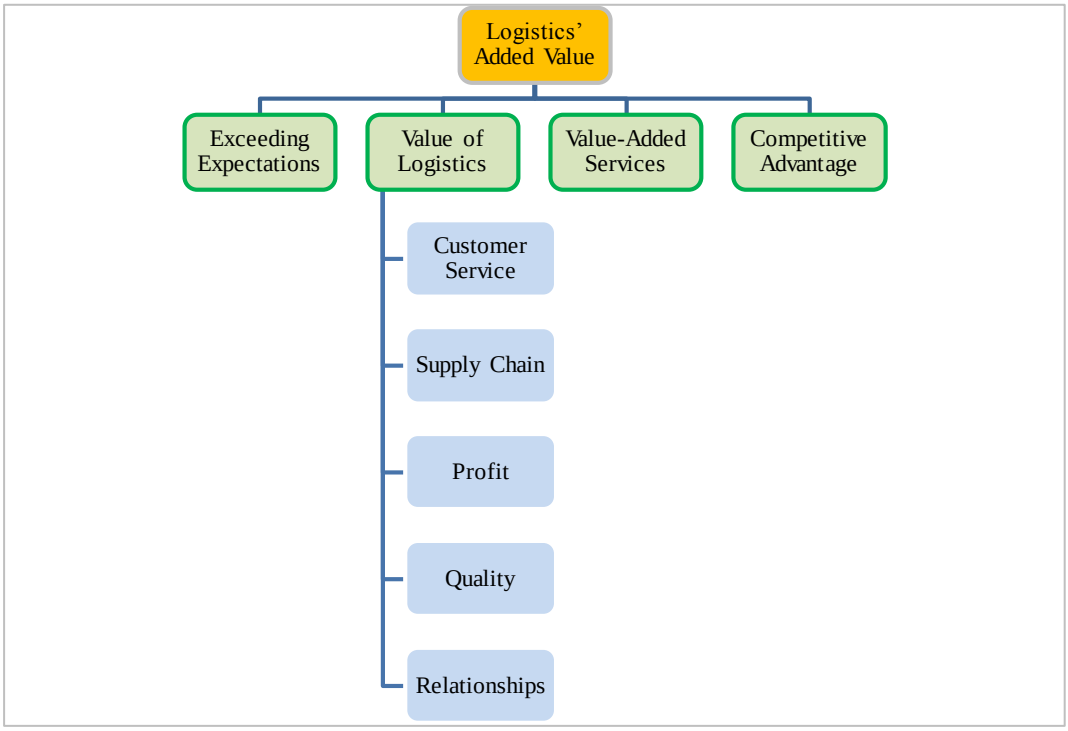


Figure 4: How logistics' added value is created (Modified Rutner & Langley 2000, p. 79)

The basic value can be created through customer service, cost management, and profit creation. Usually, it is impossible to create added value, if the basic value functions are not steady. In addition, on the formation of added value, affects exceeding the expectations, competitive advantage, and services. (Posti et al. 2009) Value added services in logistics create value for every party in the value chain (firms, goods, transportation, containers etc.). Additionally, these services may enhance financial performance through lower costs and higher profits. (Koch 2006, p. 33; Ruther et al. 2000, p. 79)

In many cases, there is only a thin line between the core functions and value added services. Sometimes this separation depends on customer's point of view and experience. (Posti et al. 2009; Heikkilä et al. 2006, p. 6) Due the different definitions of value added services more concrete examples are needed. Hence, Table 3 includes different forms of value added services in the logistics industry.

Table 3: Value added services in logistics (modified from Heikkilä et al. 2006, p. 6–8)

Value added service	Practical implications
Consolidation and deconsolidation services	Unloading and consolidating shipments from multiple suppliers into one delivery. Just in time method from customer perspective. Orders which have the same destination abroad are sent from a one location.
Packaging and identification services	Includes; packing, repacking, co-packing and labeling.
Manufacturing services	Adaptation and customizing according the requirements of the destination country. Adding parts and manuals.
Repair and installation services	Continuation of manufacturing. Small repairs and installations.
Procurement services	Purchasing contracts. Call-offs. Project procurement.
Quality control services	Consulting basis. Quality inspections. Ensure suitable condition of arriving goods. Strategic and operative levels.
Reverse and return logistics	Services at the end of a product life cycle; reuse, disposal activities and surplus material return processes. Planning, implementation and control the proper flow of materials.
Information systems and technology services	Developing operations through sufficient information systems. Virtual warehousing, control and optimization.
Services concerning customs	Customs brokerage, clearance services. Special requirement related to customs (e.g. destination country). Assistant services in documentation handling.
Customer services	Call-center, spare part deliveries.
Research- and consultancy services	Delivering information for supply chain parties about operating modes in destination (regulations, transportation responsibilities, warehouse locations etc.)
Transport equipment related services	Car parks, repair services, washing and filling stations, welfare services, weight and measure department etc.

A service offering is not per se enough to bait the customers. Hence, according to Heikkilä et al. (2006, p. 9) it is almost impossible to over highlight the importance of location in the case of logistics value added services. As when value adding functions are near the core functions, the gained benefits are larger. If the location of value added services is impractical, it may destroy the whole system or, at least, make those services unattractive in the eyes of potential customers. Vice versa, a good location may attract new customers, and increase traffic flows. For instance, many firms achieve location benefits, if they locate themselves near ports and some of the value added services can be in warehouses or terminals. Logistics clusters usually support value added services. However, despite the location, the value adding services must always be good. (Heikkilä et al. 2006, p. 9)

In port locations Heikkilä et al. (2006, p. 12) define logistics value added services as follows:

"Port related value added services are services that are located in the port area or its immediate vicinity providing added value for goods loaded and unloaded in

the port and/or for supply chains passing through port for the benefit of the owner of the goods and for the efficiency of the supply chain. Value added services are an essential part of the ports' competitiveness and attractiveness."

2.4 Service Sales and Marketing

Not even the best service is good and profitable if there is no one who would like to pay for it. At this stage of service business, Anderson et al. (2010) claim that it is a responsible of marketing and sales organization for making sure that a firm receives a sufficient payment for delivered value. From a firm's point of view, it is critical to identify the own value proposition and understand the strengths and weaknesses of the offering. (Vargo & Lusch 2004) Still, there might be an imbalance between customer's perceived value and supplier's opinion about delivered value (van der Haar et al. 2001). According to Grönroos (2008) and Eggert et al. (2006) the service offering and value creation model must be on a superior level right from a start. Additionally, Grönroos (2008) stress the issue of how services are seen and assessed within purchasing organizations, since this affects directly on potential marketing practices. Due the heterogeneous nature of services over time, it might be challenging to ensure a consistent service level and quality (Salminen & Möller 2006).

Continuous learning is important to be able to evolve better services for customers and at the same time achieve better financial results. A good source of feedback and new information are customers and financial statistics. (Vargo et al. 2004) These ideas are supported by Jalkala and Salminen (2010), who state that an organization can learn and evolve through customer references. There are four major issues, which have to be taken into account when service–centered view is considered (Vargo et al. 2004):

- Identification and development of core competencies to gain competitive advantage.
- Identification of potential customers, who could benefit from offered competencies.

- Creation of a value proposition which meets customer's special needs.
- Utilization of market feedback to enhance one's offering and performance.

Marketing activities, which are focusing on services, are customer–centric (Sheth et al. 2000) and according to Vargo et al. (2004), this approach includes collaboration, learning from customers and adaptation to special needs. Grönroos (2008) state that service marketing should focus on value creation aspects. Frankwick et al. (2001) have noticed that, if a service provider invests effort on good customer relationships and build long–lasting bonds are more likely gaining better results in their business. One important factor in customer–oriented services is communication in general (Vargo et al. 2004). Ballantyne (2004) argues that when communication is two–way the probability of understanding the customer and the needs rises. In addition, he underlines the importance of dialog as a learning tool.

2.4.1 Value–Based Selling

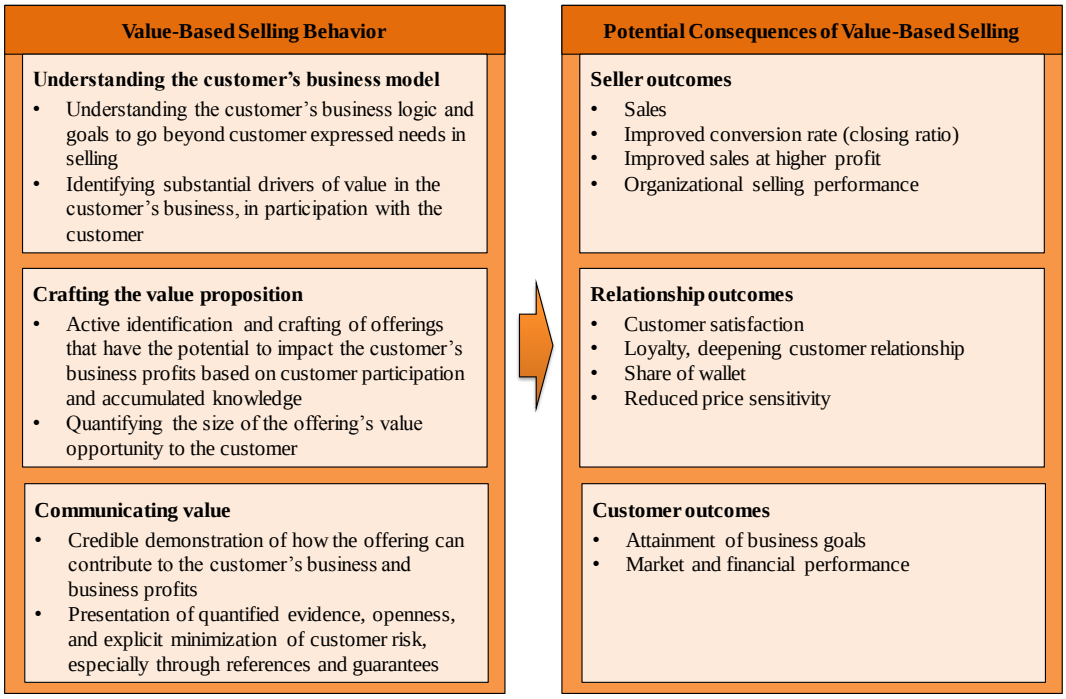
In B2B context companies' sales management has started a transition towards a customer value focused processes (Töytäri et al. 2015a), as they try to differentiate themselves from competitors (Töytäri et al. 2015b). When a firm is offering superior service and hence great value for a customer there might be challenges to gain superior price out of the offered service (Anderson et al. 2010). One solution for solving this issue is a value–based selling (VBS), which has raised its popularity during the recent years. According to Töytäri et al. (2015b), especially firms which are using collaborative methods in value creation tend to focus on value–based offerings. Terho et al. (2012) see VBS as a unique model of sales, which distinguishes from earlier established sales and value creation models. They state that in the model there is a remarkable connection between a value creation process and sales. There is a great need for service providers to gain a deep understanding of customer's aims and goal in the business. This will help to serve customers better and it also enables a service provider to build offerings proactively. (Terho et al. 2012; Anderson et al. 2010; Dhar et al. 2004; Grönroos 2008) In their article Terho et al. (2012) argue that VBS is identified to

be an effective process in business to business environment. After several studies they have identified three main dimensions of VBS:

- Understanding the business model of the customer
- Crafting the value proposition
- Communicating customer value

From a supplier perspective, the main stages of VBS are; planning, implementation and leveraging (Töytäri et al. 2015a). Service supplier should aim to go beyond the factors, which may come up after a market research and understand customer need on a deeper scale (Terho et al. 2012; Grönroos 2008). When the second dimension of VBS (crafting of the value proposition) is analyzed, there is an urge to focus on identifying customer's issues and challenges and since strive to create mutual solutions to those identified problems (Liu & Leach 2001). Just like it has been discussed earlier on Terho et al. (2012) impress an active customer participation into value proposition crafting through effective dialog, data, and other inputs. When a service provider is communicating value to a customer, there should always be concreted evidence to support the claims of achievable benefits (Terho et al. 2012). Anderson et al. (2010) and Töytäri et al. (2015a) have identified that clear evidence of value and benefits can be utilized as a strong tool in customer convincing process. They provide insights about the importance of customer references in a sales process as well. In Table 4, there are all the above–mentioned dimensions sealed into a basic model and additionally the main customer benefits of each dimension are presented.

Table 4: Conceptualization of value–based selling and its potential consequences (Terho et al. 2012)



Jaakkola et al. (2015) argue that every firm should focus on their existing resources, which have the potential to be exploited in customer value creation and thus in VBS. However, one of the most important factors of a sales process, a salesperson, is often forgotten or, at least, his or her role is downplayed. Crosby et al. (1990), Salminen et al. (2006) and Leff Bonney et al. (2009) have embraced on this issue and they claim that actually salespeople are in a major role in a sales process and their knowledge and skills should be improved continuously. Moreover, Dhar et al. (2004) and Frankwick et al. (2001) have identified the importance of a salesperson's role in the sales process. Salespeople are especially needed in enhancing customer relationship, building long–term relationship and creating extra additional sales (Frankwick et al 2001). In addition, Crosby et al. (1990) make it clear that cooperation, mutual disclosure, and other consequences are perspective only after a strong bond between a buyer and seller. Especially when the aim is to build a long–term relationship with a customer the mutual trust is at the core of this process. (Crosby et al. 1990) However, there should be more focus on salesperson's sale methods and personal characteristics to enhance sales performance (Crosby et al. 1990; Franke & Park 2006). Adaptive selling, which

means that sales message is tailored to all individual customers, increases the probability of success in sales (Franke et al. 2006).

When a firm is aiming to utilize VBS in its own operations some practical advice is needed. Basing their opinions on research findings Töytäri et al. (2015a) suggest the following practices for value quantification and communication:

- Create a linkage between economic performance value
- Establish a quantified evidence of value
- Collect data and make comparisons between available options
- Bring out calculations, which describe realized value and make comparisons between individual situations
- Communicate the expected value of the offering, which is based on differentiation, leveraging and visibility

When a firm is doing business, despite the industry, it probably faces the dilemma of pricing. Lancioni (2005) highlights pricing per se due its influence on profitability and additionally on survival in a long run. When VBS is used, there might occur issues regarding pricing. Thus, Töytäri et al. (2015b) discuss value–based pricing (VBP), which has been found to be a challenging process in B2B context due the differences in customer value perceptions. However, Hinterhuber (2008) sees VBP as an efficient way to capture a sufficient share of the value created. For instance, Töytäri et al. (2015b) have conducted a research, which offers optional solutions for firms' pricing problems.

2.4.2 Customer Reference Marketing

In business marketing, the exploitation of references is a common practice (Salminen & Möller 2006; Jalkala et al. 2007). Jalkala and Salminen (2008) see customer references as an incorporated system of customer relationship and value creation activities, which a company can leverage in its marketing processes. In today's competitive business environment without the evidence of performance and functionality in practice, it might be a really challenging task to convince potential customers about firm's capabilities (Ruokolainen 2008). In B2B

environment, the both procurement and decision–making processes are not simple due the existing high risks. Therefore, for industrial firms, which have a complex offering, it is important to be able to convince their potential customers and nowadays more and more customer references are exploited in this process. (Salminen et al. 2006; Ruokolainen 2008; Windhal et al. 2004; Veres 2009)

Jalkala et al. (2008) state that for an actor in business market context it is beneficial to systematically develop, manage and exploit its customer references. Jalkala et al. (2010) and Hooley et al. (1998) see that customer references are valuable marketing assets for organizations due the available evidence about the previous performance and benefits. In that sense customer references per se may be considered as intangible assets, which help in brand building (Blombäck & Axelsson 2007) and on the other hand, this brings out the aspects of firm reputation and credibility (Salminen et al. 2006). Thus, Jalkala et al. (2010) state that customer references can enable a firm to create new customer relationships and enhance such issues as customer equity and market position. Ruokolainen (2008) states that already with one reference customer marketing as such, is easier than without any references. Moreover, customer references are closely related to customer relationships in B2B environment and according to Sawhney and Zabin (2002) and Jalkala et al. (2007), when customer references are exploited in marketing that is one way to capture value from existing relationships. Jalkala et al. (2007) have identified some aspects of reference value which are considered by different stakeholders (see Figure 5). Overall, customer references are most commonly used to reduce perceived risk and establish credibility (Jalkala et al. 2007).

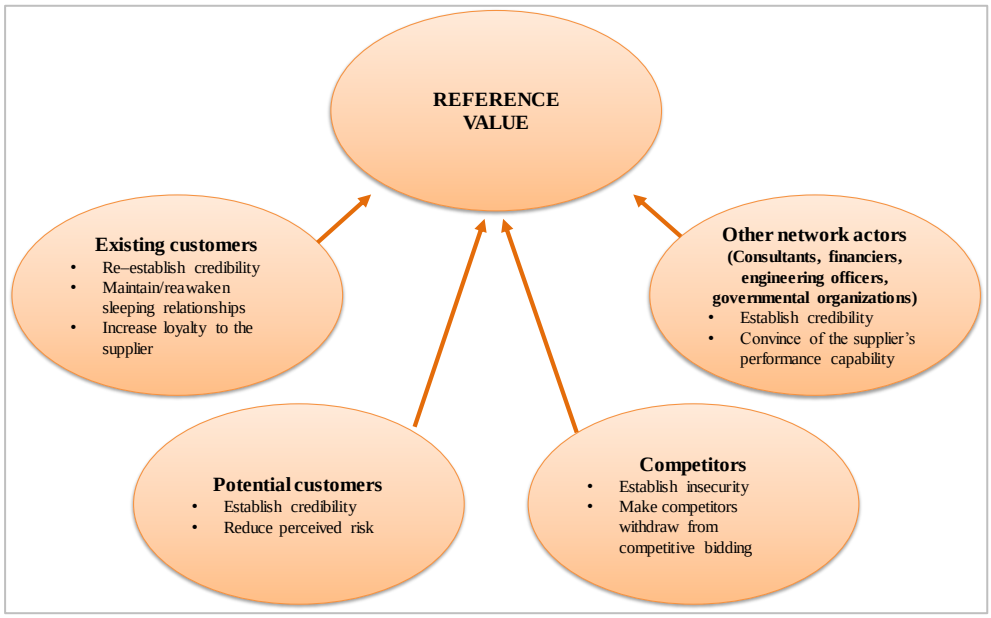


Figure 5: Different Reference Value Elements (Jalkala et al. 2007)

In Appendix A, there is presented a reference model by Salminen et al. (2006). The model, which is kind of a series of actions and circumstances, illustrates how references can be utilized in practice. In the literature, there are somewhat contradictory opinions about when a customer reference company is big enough to convince the customer. For instance, Beard and Easingwood (1992) state that a large enterprise has more weight in the reference list, but Ruokolainen (2008) argue that size does not actually matter that much, instead, there is more emphasis on how suitable the previous reference is the current case. Jalkala et al. (2010) have identified four ways how a company can exploit its customer references in marketing;

- Status transfers from selected customers
- Concrete examples and demonstrations of complex solutions
- Evidence from previous cases (performance, functionality, and delivered customer value)
- Stronger signals and a stronger market position

In many cases, the success stories are the best references and those should be utilized in marketing as often as possible (Salminen et al. 2006). When current or previous customers are feasible and their references are relevant, it opens new

paths for a firm to implement its marketing practices. Thus, customers can co–create value for themselves, but also they can create a valuable asset for the supplier through referencing. (Grönroos 2011b). However, reference customers must be considered and analyzed carefully due the fact that those must align with future objectives and strategy of a company. (Jalkala et al. 2010). In Appendix B, there is a table which shows what kind of issues can be tackled through customer references in marketing and how things should be implemented in practice.

Even though there are several ways to utilize customer references for a marketer it is still critical to understand and identify which references are relevant in every specific case (Salminen et al. 2006). When customer references are adapted in marketing practices, it has to be kept in mind that sometimes effective use of references requires a great input and commitment from reference customer's side (Ruokolainen 2008). Hence, especially in the beginning of firm's life cycle customer selection is greatly a strategic decision because today's customers may be tomorrow's references (Tomas Gomez–Arias & Montermoso 2007).

2.5 Weak Signals

This topic of weak signals started to appear in the 1970s when scholars like Ansoff (1975) started to write about the strategic planning process and some challenges that it has to overcome. According to Holopainen and Toivonen (2011), Ansoff was not the only pioneer in the field, but he was able to develop some concepts, which are still applicable. The actual process of foreseeing the future environment and circumstances is pretty much about interactive processes and complex methods, which are aiming to utilize social cognition in future predictions. In the case of weak signals, it is crucial to be able to separate valuable signals from useless noise. (Mendonca et al. 2011; Schoemaker et al. 2013) Networks in business are in an important role today and in the future, network inputs will increase. According to Schoemaker et al. (2013), networking enables firms to have more contact points with its environment and this enhances opportunities to spot weak signals.

The weak signals as a way to predict the future has raised its attention in Finland. Weak signals are incomplete internal and external issues, events and evolution, which are not accurate and may have an impact on the future development (Ansoff 1982). Another point of view for the definition says that the main idea is to observe current peculiarities and issues, which might be in an important role in the future. (Hiltunen 2008a) Scholars Holopainen et al. (2011) have noticed that weak signals theory has been strongly integrated into future research with strong signals and trend for example. From a business perspective, the aim is to shape information from weak signals and use it to actor's own advantage. Thus understanding the weak signals may have a great effect on business decision making. (Mendonca et al. 2011) Figure 5 illustrates how signals from different sources can be processed to valuable information.

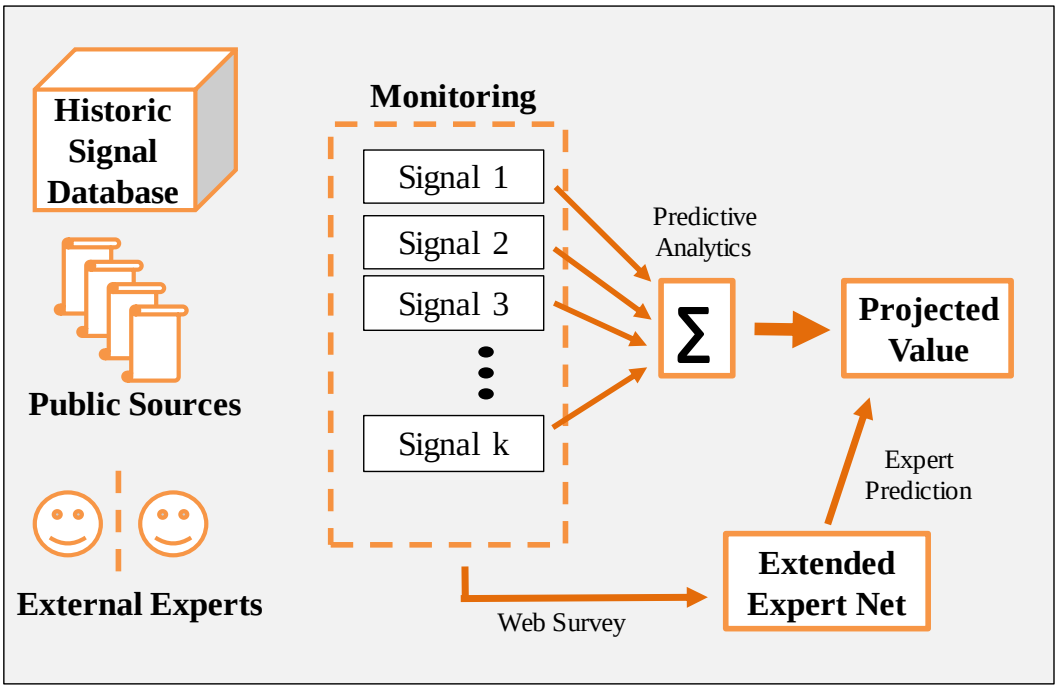


Figure 5: Signal collection and transformation to value (Schoemaker et al. 2013)

When wondering, who could be the ones that can actually notice and understand the weak signals things get complicated, because for instance Mendonca et al. (2011) define weak signals as a raw data. According to Hiltunen (2008a), one group of people, who can have a hint about the future development in a certain field, are the professionals of the field. Moreover, people who are curious and

observe the environment actively may have a chance to identify the signs of the future more effectively (Day & Schoemaker 2005). Hiltunen (2008a) still emphasizes that this does not necessarily happen but the chances are better. Three most trusted sources of weak signals about the economic development are; futurists, scientists/researchers and consultants from other fields than future research. In addition, academic and scientific journals are considered as a trustful source of signals. Thus, there is a need to combine information from different sources and make conclusions out of that, otherwise reliability faints. (Hiltunen 2008b) It has been recognized that to be able to collect insights about weak signals, it is important to go outside of one's territory and try to gain ideas and thoughts from people with distinguishing backgrounds and also information from other sources (Day & Schoemaker 2004; Hiltunen 2001).

There are three different levels of understanding in future research; weak signals, drivers, and trends. In the case of weak signals, the future is fuzzy, with drivers the future directions seem to be somewhat clear, but the required actions are unknown and if a trend it identified it is only a matter of time and scale when it happens. (Kuosa 2010) Hiltunen (2000; 2005) has identified two types of weak signals. She categorizes those to a) early information and b) first symptoms. The number of signals in case of early information is small and hard to catch. When she describes first symptoms more visible and the number of available hints and signals is greater, still the problem is how those signals should be interpreted.

3 RESEARCH DESIGN AND METHODOLOGY

This section includes a description of the used research methods. Some general knowledge about case study is shared and insights from the literature are collected. There will be also detailed information about, how this study was conducted in practice and what kind of phases was included in the process.

Cooper and Schindler (2000, p. 17) have established the basic requirements for "good research" which are:

- Clearly defined purpose
- Detailed process
- Thorough design and plan
- Limitations noticed
- High ethical standards
- Adequate analysis
- Unambiguous findings
- Justified conclusions
- Researcher's experience is considered

In this research project, the author has been trying to follow the above–mentioned characteristics to be able to conduct a good quality and reliable study. The whole process started with a purpose and project definition. The kickoff meeting, which gathered all the main project stakeholders around one table, was the event where the detailed focus for the project was established. After that, the author created a project plan including the main processes, milestones, and aims. The strict following of the plan guided the author through the whole research process. The main stakeholders contributed to the project well and shared their expertise about the topic. This enabled the author to use a broader perspective in the analysis.

3.1 Research Setting

3.1.1 Qualitative Research

The aim and purpose of a qualitative research are to study a certain phenomenon in its natural context and identify its remarkable structures and characteristics. The method is built on the fact that reality and awareness about it can only be based on individual insights. (Jonker & Pennink 2009)

Explanatory research can be advantageous in the situations, where there is a need to study a certain situation or a problem through a relationship scope. For instance, explanatory research suits in situations, where customer behavior is analyzed. (Saunders et al. 2009, p. 140–141) When such relationship between a buyer and seller is investigated semi–structured interview is practical tool, because interviewees have a chance to explain their answer broadly and thus in–depth interviews offer an opportunity to gain richer data from the interviews (Cooper et al. 2000, p. 334; Saunders et al. 2009, p. 323). This is important when the researcher is aiming to understand reasons behind some decisions and actions. Additionally, in semi–structured interview the interviewee may give valuable new aspects regarding the topic, which the researcher might have not noted. (Saunders et al. 2009, p. 324)

Another factor, which supports the utilization of semi–structured interview, is that people are more willing to participate when they see a genuine opportunity to bring out their own concerns and ideas about the topic (Saunders et al. 2009, p. 323–324). Moreover, when the topic and hence the questions are complex and open–ended it is reasonable to use interviews in data collection (Jankowicz 2005). In terms of quality issues Saunders et al. (2009) stress three different factors: reliability, bias, and validity/generalizability. For instance, these threats can be mitigated with the appropriate level of knowledge, sufficient amount of information offered for the interviewee, suitable location and questions.

3.1.2 Case Study

When there is a need to conduct a research about a contemporary event, case study methodology is applicable (Yin 2009, p. 8). In a qualitative research, the case study methodology enables a researcher to analyze a complex issue of phenomena in a real context (Baxter & Jack 2008). A case study is a useful tool for academics and practitioners to evaluate certain factors and develop organizations (Baškarada 2014). When conducting a research, the aim is to find right answers for the problem to be able to overcome existing issues. Thus, Yin (2009, p. 102) and Stake (1995) have both emphasized true answers and results

from a case study, but they also state that truth depends on observer's perspective and thus is a relative matter.

Just like in all projects, also in case studies it is necessary to identify and define the scope. There have to be clear boundaries around the case and the researcher must make sure that he or she is not trying to answer too many issues within one study and that the focus is crystal clear (Baxter et al. 2008). Yin (2009) argues that a case study research has linear features but, on the other hand, it is an iterative process which goes deep into the problem statement. In Figure 6, the case study process is presented.

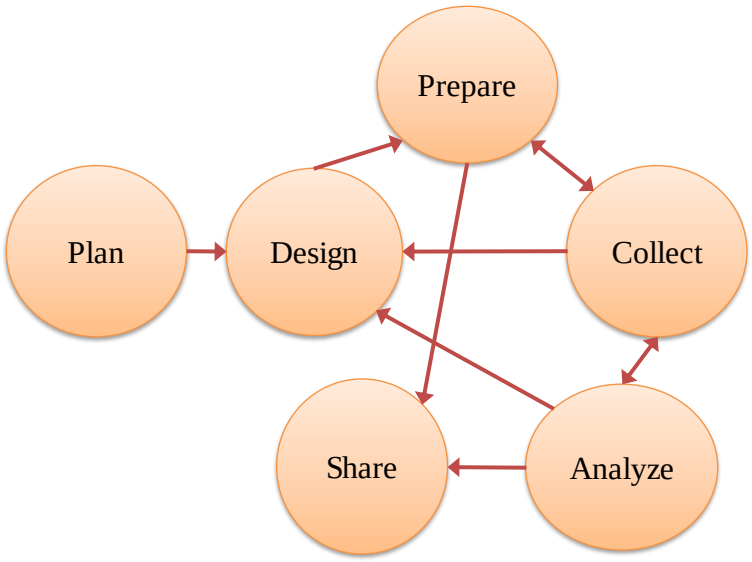


Figure 6: Case Study Research Process (Yin 2009, p.1)

This research followed, at least on some level, Yin's (2009) idea about the iterative process. Already, in the beginning, it was clear that some lessons will be learned during the study. Thus, the author was prepared to make necessary changes when needed. The major learning happened during the interviews when the knowledge about the situation and circumstances was getting on a higher level. The information that was gained from the first interviews was utilized in the following ones and thus more insightful data was collected.

The key issue for a case study in an academic world is the validity and reliability of the research. Even though the case study method has its own strengths, still its

validity and reliability have to be taken under a serious evaluation. Especially when research results will be used in a practice and those will guide decision–making, it is crucial to have valid and reliable results. (Riege 2003) Triangulation is one of the methods, which can be used to enhance the validity of a case study evaluation (Yin 2013). There are many opinions, how results of a case study can be utilized and is it possible to generalize things. According to Flyvbjerg (2006) and Yin (2013) results of a case study can be utilized in other circumstances and situations, if the case is selected carefully and the implementation of information is done in a discreet way. Yin (2013) emphasizes that the more in–depth the study is, less its results can be generalized.

In a case study, it is important to utilize and use multiple sources of data. There should not be only one lens used for the observations rather several lenses are needed to cover different aspects of the topic, which in the most cases will ensure that the actual phenomena are understood and considered properly. (Yin 2009, p. 102; Baxter et al. 2008) When conducting a qualitative case study, the researcher is doing a close collaboration with participants, who are able to tell their own opinions about the topic and how they see things (Crabtree & Miller 1999). This should help the researcher to understand the case better.

The qualitative case study was chosen for this project due the nature and characteristics of the required information. In addition, following the instructions by Yin (2009, p. 102) several sources of information and evidence (literature, interviews, observations, and documentation) are utilized to guarantee the appropriate validity, quality, and reliability of the study. The author strongly believes that through this research method and appropriate data triangulation, the most comprehensive issues regarding the initial problem statement can be investigated.

3.1.3 Research Hypotheses

Previously established literature review needs to be connected to the study. Hence, some research hypotheses are given to reveal how well the used theoretical approach works in this case setting. Here only the strongest supportive statements

from the literature review are established, but anyhow the hypothesis creation process is based on summarizing the main points from Chapter 2. The first hypothesis concerns value co–creation:

> H1: Value co–creation is preferred among the customers and it increases the probability of a successful service development.

This is based on ideas from Ravald et al. (1996), Ballantyne and Payne et al. (2007) who stated that in order to address the offering for a customers' needs their processes must be understood. Thus, a close collaboration is needed. As Sampson et al. (2006) stated extremely suitable offerings are usually created in cooperation.

The second hypothesis concentrates on value added services:

> H2: Value added services provide a competitive advantage for the service provider.

For instance, Heikkilä et al. (2006, p. 3, 8) straightly established a statement that VASs are one source of a competitive advantage. Like Preiß et al. 2015 have argued VASs are a great source of differentiation. Lambert et al. (2000) emphasize that value adding enhances customer satisfaction and like Posti et al. (2009) stated VASs create more interest towards the offering.

> H3: Customer references are perceived positively and marketing activities can increase statement reliability through references.

Salminen et al. (2006) and Jalkala et al. (2007) argue that references are often utilized in B2B marketing. Ruokolainen (2008) has seen customer references as a convincing tool in marketing. Moreover, Hooley et al. (1998) perceive customer references as valuable marketing assets for a company. Lastly, Jalkala et al. (2010) have noticed that evidence from the previous cases lower the risk, which the customers perceive.

3.2 Data Collection and Analysis

In this research project, the used sampling method was purposive sampling due the nature of the case. The strategy follows the ideas of Saunders et al. (2009, p. 237), who argued that in a case study research it is reasonable to select a sample, which has the highest probability to offer accurate data regarding the case. From Logicor's and Port of Helsinki's point of view, there are few important stakeholders in this case, whose opinions and insights are very valuable. Due this setting, sampling was conducted in a close cooperation with the companies' representatives. They were responsible for selecting the most valuable actors from their network. There was a great emphasis on the quality and suitability of the sample for the initial research purpose, like Yin (2009, p. 91) recommended. All the participants and additionally some information about the interviews are shown in Table 5.

Table 5: Summary of the Interviews

Position of an Interviewee	Industry	Work Experience	Length of an Interview
Logistics Manager	Retailing	7 years	42 minutes
Operational Manager	Manufacturing	20 years	55 minutes
Managing Director	Logistics	30 years	78 minutes
CEO	Logistics	25 years	20 minutes
Logistics Manager	Logistics	25 years	50 minutes
Logistics Manager	Retailing	18 years	66 minutes
Logistics Manager	Retailing	12 years	47 minutes
Logistics Manager	Retailing	18 years	73 minutes
Entrepreneur	Logistics	20 years	15 minutes
Manager of International Logistics	Manufacturing	22 years	37 minutes
Logistics Manager	Logistics	24 years	85 minutes
Transport Manager	Logistics	25 years	80 minutes
Logistics Manager	Retailing	24 years	83 minutes
Logistics Manager	Logistics	17 years	98 minutes

The original sample size was 20, which includes all the contacted companies. Out of those companies, 14 participated in semi–structured interviews. All the interviews were conducted in April 2016. The interview guide is presented in Appendix C. Due the nationality and preference of the participants, every interview was done in Finnish. The variety of the industries was decent and it

covered the needs of the project stakeholders. The sample includes mainly logistics specialists, which in this case is important. Most of them have over 20 years work experience within the industry. Their experience and insights made the data relatively rich, although in some cases the viewpoint was somewhat limited.

Since a great variety of respondents' backgrounds, there were two different sets of questions prepared to match more precisely to the need and purpose. These sets had several subtopics, which were picked from the literature review. These subtopics were used to give a clear structure for the interviews and data analysis. The main variable between the respondents was their experiences about Vuosaari Harbor and Logicor. All the interviews were recorded after the interviewees had given their permission for that. After the interviews, all the recordings were transcribed due the need for more in detailed analysis. There was no specific tool or software application used in the analysis since the data was manageable without any assisting systems.

Reliability issues, mentioned by Riege (2003), were taken very seriously. First of all, every single respondent was given a complete anonymity through the whole process. This was necessary to ensure a good quality of data. In practice, interviewees were more open and honest about their opinions, when they received the confirmation about anonymity. Triangulation was used to make this project more reliable. Interviews, observations, and site visits were the main sources of data and information. For instance, visits to some manufacturing and logistics sites gave a closer look and thus understanding about the issues that were discussed in the interviews. These different approach angles increased the authors understanding about the issue. In that sense, Yin's (2009) and Baxter et al. (2008) ideas about a holistic understanding of phenomena were realized in practice. Also, the close cooperation with the main stakeholders throughout the process increased authors understanding about the case, just like Crabtree et al. (1999) have argued.

4 RESULTS

The purpose of this chapter is to reveal all the important issues that came out in the study. The subchapters follow the same path as the interviews and similar topics are used. This is due to have a more fluent structure in this section.

4.1 The Current Situation

In a nutshell, Vuosaari is the really attractive place to operate, but extremely expensive compared to other Finnish ports. Or at least that is the image, which the port has at the moment. Vuosaari is the most important port in import and export sense according to the respondents. Especially its superior ability and capacity in container handling compared to other Finnish ports is raised up among the sample. Vuosaari is often used, because of its location. As the port is located right next to the capital region it is simple to use Vuosaari to satisfy the high demand from the consumer side. When there is no need to move the goods long distances it saves time and money. In addition, it also increases customer satisfaction, when delivery times are shorter. Not only the short delivery times but also the well–scheduled processes in Vuosaari receive good feedback. Even though this is more due the port operators but still it enhances the attractiveness and image of the whole port. Moreover, decent ferry connections affect the use of the harbor. Nowadays ferry routes to Germany are really appreciated as there are many companies, which import and export goods and materials to Western Europe. By using ferries in transport companies can save money, when they can send only trailers or containers instead of a truck and a driver. Because from Vuosaari there are many ferries coming and going, it is perceived as an ideal location for many purposes. Also the decent amount of ferries per day increases flexibility, which is seen as a substantial factor in the logistics business.

Vuosaari needs more coherent practices in its premises. This includes the traffic system within the port area and the license systems, which are used in different sections of the port. The routes in the port area are wide, which is perceived positively. However, many respondents state that there are too many crossings in the area. Especially when the railways and truck roads are crossing, there is a big

concern about safety. Many times drivers who are not that familiar with the area need to drive around a little before they can find what they are looking for. This is due the shortages in signs and the complexity of the traffic system. Some respondents would like to see fewer roads and crossings in order to make it easier to find right places safely in Vuosaari. Anyhow, the respondents admit that when a driver visits in Vuosaari somewhat often these issues diminish. Now, when operators have their own methods and ways to do things the concept is too complex. Due that many companies find it difficult to operate in Vuosaari due the several practices used in the area. For instance, the access to the actual port area does not happen through one gate. Instead of one, there are several gates, which lead to different sections in the port area. In case a truck driver needs to unload and load cargo in different operators' premises things get complicated. There is no chance to drive around and get out when the process is finished. Between two operators there is a need to check the licenses again. This annoys people and they see it as a very negative issue. If the whole area would use a systematic approach to these issues and possibly even do some collaboration the customers would perceive the whole are more positively. Several respondents suggest that more automation could solve many current issues in Vuosaari. For instance, the gate should be more automated. This would enable the smoother processes and actions in traffic arrangements. Many sources emphasized that Vuosaari's service level has dived since the opening. In the good old day's premises like restaurants were open 24/7, but not anymore.

The main strengths of Vuosaari are:

- Location
- Ferry connections
- Container traffic
- Efficient functions
- Capacity

The respondents described Vuosaari as follows:

"Well for sure the location is the best available. There is no other port in Finland, which could handle the same capacity as Vuosaari."

"There is no doubt about it that Vuosaari would not be able to handle high volumes."

"Any other port in Finland cannot compete with Vuosaari in container traffic."

The main weaknesses and development areas of Vuosaari are:

- Costs (land, facilities, and labor)
- Complex traffic system
- Lack of cooperation between the parties
- Weak strategy and direction
- Inflexibility

The respondents described Vuosaari as follows:

"Why would we be there if I can get the similar facilities from another location many times cheaper?"

"It is frustrating to use several gates and apply different rules."

"There are many companies in Vuosaari, but I cannot see it as a united port in general."

Respondents identified Port of HaminaKotka and Port of Hanko as the main competitors to Vuosaari. When Vuosaari and its main competitors are compared, Vuosaari is behind its competitors in flexible manners, schedules, price and cooperation between different actors within the port. However, the location and new technologies used in Vuosaari compensate the situation. Additionally, some

respondents were able to see a bigger picture and they argued that Russian ports near St. Petersburg are rivals to Vuosaari. The argument that supported their view concentrated on transit traffic. If different actors in Vuosaari would cooperate more and create common practices there, the competitiveness of the port would increase. By benchmarking its main competitors Vuosaari could learn something about flexible practices and customer communication. In addition, a crystal clear direction and strategy that could be shown to customers would enhance the trust on future development.

Customers are satisfied with Logicor and its activities. Especially personal selling and effort from the key personnel is highly appreciated. This becomes a reality in a contracting phase, where negotiations are done. Logicor receives good feedback from its way to listen to a customer and not to push too much its own ideas in negotiation situations. This has strengthened Logicor's reputation as a customer–friendly organization, which gives enough flexibility to its customers. Not only the negotiations but also the daily activities have satisfied Logicor's customers. At the moment, there is a great satisfaction regarding the premises and services offered by Logicor.

Due the short history of the company gives a change to create new ways and implement new services. Moreover, among the current customers, Logicor does not have a strong image as a certain operator. Many respondents feel that the real nature of Logicor has not yet seen which makes them curious. Mainly they want to find out is the company as good as it seems to be at the moment. Active cooperation and solution development is one of the key issues in customer relationship management (CRM). This would create an idea to customers' that they are really cared about and Logicor wants to serve them well. Active in this setting means that Logicor would bring its own solutions to customers and that would be a starting point for a development. On the other hand, it is recommended aim create service offering and solutions in a close cooperation with customers. This means that customers' problems and challenges are evaluated from their point of view and the solutions would be created for their need. Tailored offerings and flexible CRM methods are needed. In practice, tailored offerings are more

flexible warehouse space and holistic warehousing solution for a customer. In a long run, this would increase the interest towards Logicor's offering and additionally enhance customer loyalty and satisfaction. Especially happy the customers are with the flexible warehouse space system, where they can use the space they need and also pay for the used squares. This elastic approach to customer's volatile warehouse needs has been being satisfying and functional. Companies are ready to try a shared warehouse space with other companies if the rules are clear. One of the big concerns is if the similar model can be utilized in the future also. In a long run, if the flexible method is not offered anymore, some customers may see that in that case, they lose the benefit of being in Vuosaari. They might start looking for other facilities elsewhere.

The main strengths of Logicor are:

- Customer friendly operations
- Flexibility
- Resources
- A trusted partner / operator
- Willingness to evolve its business

The respondents described Logicor as follows:

"They really care about us."

"It is a really positive signal that they send you here and try to serve us better."

"I do like their flexible manners, it enhances my business."

The main weaknesses and development areas of Logicor are:

- Unknown actor in Finland
- Narrow scope of services
- Need for customer cooperation in service development process
- Expensive image
- Passivism in offering new solutions for customers

- Shade of a facility investor

The respondents described Logicor as follows:

"What was the company again?"

"They should understand that only squares are not that much attractive anymore."

"I believe their prices are really high like those have always been."

Competition in warehousing industry is tough and nowadays only basic warehouse space is not that attractive. Many companies believe that they have also other and possibly more affordable warehousing options available than Vuosaari. Thus, they do not see it as a complicated process to move their operations somewhere else, if necessary. Anyhow, the good connections all over the country and short distance to the capital region are highly preferred. More warehousing services are needed to cover the gaps in the market. Hence, full–service warehouses are interesting on the customer side. At this stage, it is substantial to mentioned that Logicor's current customers highlight the fact that Logicor should understand that it supposed to be a service provider, and not only a landlord.

Several respondents stated that when their core business is something else than warehousing, they want to minimize their own effort on that. This creates the business potential for an actor, which would be willing to take over the whole warehousing process and would sell the whole package as one to customers. Hence, Logicor's strengths are easy to copy and practices simple to imitate, there is a risk that current customers find more cost efficient warehouses elsewhere. Additionally, many retailers have shaped their supply chains and there is not that big need for warehousing anymore. Goods are moving rapidly and delivery times are cut down. Optimized supply chains cause a challenge for Logicor to capture profitable warehousing to its premises. Outsourced logistics activities effect on routes and used practices in supply chains. When retailers outsource their

logistics, they also lose the total control over the process. 3PL service providers are centralizing their transportation in certain locations in order to achieve cost savings. This affects the amount of cargo moving through Vuosaari.

Even though at this stage it is very difficult to make major scale changes to Logicor's premises, still some respondents want to emphasize that the facilities are not designed correctly. In the beginning, there should have been more discussion whether this kind of warehouses are needed or not. There is a shared opinion that the premises are built from a wrong perspective. The respondents understand that property investor wants to have high–quality premises, but they state that this is not the right concept in a port. The main arguments are that the squares are too expensive and all the premises are similar. This sets limitations for the profitable business and customer search. When the premises are compared to other optional ports, the common answer is that in other places there is more variation in offered premises, which is positive. Hence, some benchmarking would be good for Vuosaari in order to develop its offering. Of course, the respondents also underline the importance of understanding the target customers' needs.

The companies exploit several types of methods to manage their supply chains. Some like to have a high flexibility in their activities and some prefer more standardized solutions. No matter which type a company is using, still the major trend is to outsource the supply chain activities as effectively as possible. Some companies would actually utilize even more outsourcing if there would be suitable services offered. Some big retailers are able to modify their supply chains, if necessary. Depending on the type of the cargo different transport methods are used. For instance, fresh food products have a different supply setting compared to furniture. Truck and ferry transports are the main methods among the respondents. Mainly this can be explained by the nature of the industries and Finland's remote location behind the Baltic Sea. Usually, container cargo is more seldom used that trailers as many goods etc. comes from Central Europe. In case there are goods imported in containers Vuosaari is the number one location. In truck and trailer traffic there are other options (like Hanko for example) utilized

also. This means that the transport distance is relatively short when it is compared shipments from other continents. The most of the companies use their own warehouse premises or terminals when repacking the goods.

The most potential customers and users for Logicor's premises are companies, which have import and/or export activities. This kind of businesses would benefit the most locating in Vuosaari. In fact, the type of the business is not that crucial and many respondents perceive that Vuosaari could offer locational value for numerous businesses in different sectors. Still, there is a major demand for affordable and multi–functional facilities, where various businesses can operate. One key issue is to identify the needs of companies, which have some export activities. All help is certainly welcome when international business is conducted. This includes the activities in both office level and warehouse level. In some respect, traditional Finnish industries, such as metal, forest, machinery and energy industries are seen potential customers to Logicor and Port of Helsinki. The main reason is that these industries have huge volumes compared to other industries. However, many respondents find it challenging when the costs in Vuosaari are high compared to other ports. In practice, this means that the current cost structure of export industries may not be able to handle the operations in Vuosaari. Thus, companies need to find other solutions from other ports. Volume is crucial for both of the mentioned stakeholders, so these industries could be beneficial. Another substantial issue regarding Vuosaari's attractiveness is the sufficient operating environment for ship and ferry companies. As the good ferry connections over the Baltic Sea have been seen as important factors to Vuosaari, there should be a lot of effort used in this sector. When all the stakeholders in the supply chain are satisfied, the operations can run smoothly. However, 3PL companies are seriously considering Vuosaari as their main location, which indicates about their interest towards the area. These actors would benefit the location if the cost of being there would not be that high.

The following Table 6 consists of the straight quotations from the respondents. The purpose is to justify the above–established result.

Table 6: Quotations from the Respondents Regarding the Current Situation (V=Vuosaari, L=Logicor)

	Quotations about the Current Situation
V	*"Yes we would like to operate in Vuosaari, but it is not possible due the costs."*
V	*"Vuosaari is definitely the most important port for us. We will utilize it as much as possible."*
V	*"If you think where is the center of Finnish consumption, you understand why Vuosaari is the place to be."*
V	*"For us, the regular ferry traffic is very important. Sometimes we need to be agile and when there are many ferries operating from Vuosaari, we use it."*
V	*"It does not make any sense that our drivers go around the port from a gate to another. Do you know how much time we lose due their traffic and gate systems?"*
V	*"How difficult is automation these days? It should not be that difficult right?"*
V	*"Even if Hanko and HaminaKotka are a little different type of ports, still those are the main competitors. We use Hanko quite often."*
V	*"In my opinion, Finnish ports are not only competing with each other. When we think what Russia has done lately, you understand that they are trying to independent regarding their international trade."*
V	*"Actually, Vuosaari is located too far east."*
V	*"The current management is doing a good job, I like their attitude."*
L	*"It is hard to say what value they offer to us."*
L	*"Olli has done a brilliant job with us."*
L	*"Logicor's facilities are nice and functional."*
L	*"We are looking for a full–service warehouse."*
L	*"I am really satisfied with their service."*
L	*"Not much to say, because we have not been operating together for a long."*
L	*"If you ask a high price, you should have something to offer back."*
L	*"Our needs defer so we would like to have some flexibility from our partners also."*
L	*"We definitely have needs, but do they have the motivation to help us?"*
L	*"We did consider the premises, but the price did not satisfy us."*
L	*"They should clarify to themselves are they an investor or customer servant."*
L	*"Those facilities are not designed for this purpose; those should not be in Vuosaari. Here we should have lower cost premises and the quality could be also lower."*

4.2 Insights and Ideas about Services and Businesses in Vuosaari

Generally, Vuosaari should be an easier place to operate. More coherent traffic systems and other practices are needed. One gate for all the traffic would make it easier for users to do their business in Vuosaari. When traffic inside the fenced area is well organized, user satisfaction rises. In fact, it is generally believed that when drivers and their employers have a positive image of a certain port, in a long run it will show progress and increase in cargo volumes. Many respondents argue that even small things matter. Another issue, which concerns Vuosaari harbor's and Logicor's customers is opening hours of the harbor. Today many companies see, that it is difficult to operate in and from Vuosaari due the fact that the actual harbor area is closed at night. Moreover, weekends raise some similar concerns. The respondents would like to see more emphasis on overall costs. It would include the service level on a wider scale. This would increase Vuosaari's own understanding about its offering and competitiveness, which could effect on some strategic decisions. If some services or other things are seen too narrowly, there is a risk that partial optimization does not affect positively on the overall situation.

As it was already mentioned, one of the biggest concerns regarding Vuosaari is the lack of collaboration. The respondents are worried about the current situation, where companies and the port itself are trying to compete in their own fields. When all are trying to win their personal battles, the whole entirety cannot work efficiently. In Vuosaari, all the actors should take a look around and try to see outside the fenced area. This means that now when within Vuosaari many companies are competing against each other, they lose the vision of united Vuosaari. This kind of a concept could enhance port's capabilities and competitiveness against other ports in the Baltic Sea region. Vuosaari as a whole should get its stuff together and start working as one unit. Of course, this does not mean that let's put all the eggs in the same basket, but more collaboration is needed. In this process, the management of Vuosaari should be active and enthusiastic in order to get all the companies on the same side against other ports.

When the companies in Vuosaari understand the idea of competing together against the others the things will probably run smoother. The main message, which can be used in the uniting process, is that when Vuosaari is a competitive port, all the companies can benefit from that in a long run. The common good can be seen as every company's advantage. Better competitiveness would increase the cargo volume, which would effect on the companies in Vuosaari. Little by little this slow progress could turn out to be a process, which feeds itself. However, this will not happen without sacrifices and effort.

Many companies, which are currently physically in Vuosaari, and also companies, which utilize Vuosaari in daily basis state that more efficient railway traffic, would increase cargo volumes there. One of the main factors behind this is that more trains are moving, more companies are using the system and more volume is shipped. The main issue regarding railway transport is its competitiveness. To be utilized, railway transport should be cost efficient, fast, reliable and functional. However, none of the companies is ready to start railway shipments alone, more volume and investments are needed from a wider range of actors. 3PL companies would like to utilize railways in two ways: containers and trucks. There is demand for intermodal transportation straight from Vuosaari. Intermodal transportation requires enough space around the rails and also short distances to vessels. If the intermodal infrastructure is not well placed, costs get higher and competitiveness of that method dives. Railway infrastructure changes could improve safety and speed of the traffic within the port.

"A customer in Jyväskylä has rails in its own yard, but still, it uses trucks, when stuff needs to be shipped. Why? Because the railway system at the moment is working so badly, or actually it is not working at all like it should."

Mainly regarding Logicor and its premises there are challenges caused by a northern climate that companies are trying to tackle. One of these is wintertime and extremely cold weather conditions. In those times, when the temperature is really low, some shelter for cargo is needed. This means some warm facility, where transported goods cannot get frozen. As an addition to warm space, cold

storage squares are sometimes needed. However, the need is not continuous and that causes a challenge. Anyhow, the temperature controlled warehouse would enhance capacity utilization of Logicor.

"Of course, we understand that there are fluctuations in our demand for shelters, but still, those would be nice to have."

As it was mentioned earlier, several firms are looking for more advanced warehouses, where they can get full service. This includes housekeeping, security, maintenance, lifting capacity, overall control, and daily operations. For this purpose, there is a need for an actor, which would serve many customers simultaneously. More in detail this would mean a shared resource between several companies in Vuosaari. For a single firm, it is senseless to have all the equipment and machines when those are not regularly needed. Various companies see it as a benefit for Logicor if they are able to sell this kind of services, while they are dealing with the squares.

"It is out of our interest to start warehouse operations. We just want to have all we need and when we need."

Food importers have faced a situation, where they need to reconsider their routes. This is dependent on vet services, which is a compulsory procedure when meat products are imported. According to the respondents, there it is possible that vet service location affects majorly on the utilized routes. At least it will enhance the attractiveness of the port, where vet services are located. This service requires special premises and the needed investment is relatively big.

On the part of the wanted services in Vuosaari regards the basic needs of truck drivers and their vehicles. Drivers require better premises, where they can take a shower, eat and rest, if necessary. These services should be open 24 hours a day. Additionally, drivers need more space for their vehicles, where they can make changes to their load. One of the possible actions for instance is binding up the load in order to achieve better road safety. Also, there should be available resources to do a basic level maintenance for a vehicle. Repair services for trucks

and trailers should be available and easy to utilize. A maintenance car / truck that could operate all over the harbor would help drivers to fix their vehicles and trailers faster.

The following Table 7 consists of the straight quotations from the respondents. The purpose is to justify the above–established result.

"It is all about the image."

Table 7: Quotations from the Respondents Regarding the Services and Businesses (V=Vuosaari, L=Logicor)

	Quotations about Services and Business Opportunities
V	*"Vuosaari is a mess if we consider the traffic."*
V	*"It does not make any sense that our drivers spend hours in the area because the system is so poor."*
V	*"Why it has to be so complicated? More coherent practices would benefit us all."*
V	*"I do not need to have it open 24/7, but it would be nice to extend to opening hours a little."*
V	*"Time is money and if cannot use Vuosaari, we need to go somewhere else."*
V	*"They should consider the total costs and not only some minor parts of it."*
V	*"How you can compete if you do not have partners supporting you. We should compete together against other ports."*
V	*"A concept about a united Vuosaari would be excellent."*
V	*"I am waiting for Vuosaari's management's participation; they should run this show."*
V	*"In Vuosaari there is the infrastructure needed for railway transport, but still, it is running low. Why?"*
	"Yes, we would definitely utilize intermodal transport if someone would organize it."
	"Intermodal is nice but we are not ready to carry the whole risk by ourselves."
	"Think about the investment, if we all need to buy cranes and other machines. We would be delighted if someone would offer a crane service for instance."
	"If we deal with meat and food, we cannot play with it."
	"We would reconsider our routes if vet services would be available."
	"If you do not take care of the drivers, your image will suffer around the country."

4.3 Customer Value Creation

All the respondents see customer value creation as a basic function a successful business. However, sometimes it is difficult to differentiate the perceived customer value in the logistics industry. Additionally, most of the respondents were unable to define customer value as a concept. Even understanding what it could mean was a challenge. In practice, this means that when a customer is unable or unwilling to see the value, he or she does not want to pay for that either. The respondents argued that if Logicor or Vuosaari as a whole start selling customer value based services, it must be an extremely simple equation. A common opinion is that if the pricing system is too complex, it awakes some uncertainty among the customers. They highlight the importance of monetary value in value creation process. Due the low margins, many companies prefer to see how this offering actually effects on their business financially. The respondents who were able to understand customer value perceive it as a result of a trade–off between money and the service. It is critical to show the value for a customer in a reliable manner. Many respondents fear that is value is sold the negotiation phase transforms to an auction, where no one is able to follow what is going on. If a service provider is unable to justify the value of the offering, customers may choose another provider to satisfy the need. In cases, where the actual customer value is not clear and self–evident, there is a need to clarify and simplify it to potential customers. In practice, this can be done through calculations and case examples. This kind of clarifications is highly appreciated among the respondents. Although, it is necessary to remember that all cases must be relevant for the purpose and the specific customer.

"Value. I don't know what it is."

"Of course, if there are cases that have been successful it increases trust on them."

At the moment, Vuosaari creates value for its customers, when it is able to secure fast operations and somewhat cost efficient availability of the cargo. When the respondents consider Logicor's value creation they most often argue that the

amount of value is very low. It is also difficult to see and identify the offered value from Logicor's side. Some respondents stated that their perception is unfortunately somehow connected to the previous owner of the premises. This sets a challenge to Logicor to show that they are something else than the previous owner. Still, these companies are ready to give Logicor a change to show that something is changed and value creation is from another planet. However, the companies understand that they cannot only wait for value from Logicor and Vuosaari, but they need to be active also. If they are not able to help these two in value creation process the result may not be optimal. As it has been mentioned earlier on, the high costs affect negatively on the perceived value. Especially when customer value is understood through equation costs vs. benefits there is a major weight on the cost side, which naturally decreases the overall value.

Today companies are very demanding and they know how to ask for more and better services. It is crucial to understand that this causes a situation where Logicor and Vuosaari must be able to answer to the relevant requests. If this will not happen, then there is a risk that the companies start to look for other partners. Many companies find some space for more efficient customer value creation when they think about Logicor's and Vuosaari's services. Logicor could increase value to its offering by creating an additional service model besides the squares. A full–service warehouse solution would increase customer value. Still, it does not necessarily mean anything spectacular, basic level in full–service is enough. Another approach could enable some final assembly and modification tasks to be done on the premises. For this kind of operations, some special requirements apply but nothing, which could not be solved. This would make customer's supply chain more flexible and on the other hand production would not get disturbed in case of a hectic business period. Additionally, more flexible renting options and modifiable warehouse space is seen as the key factors in value creation in case of Logicor. In Logicor's value creation process it would be important to remember that the squares are only a tool for service. The most substantial issue is, how the company utilizes those tools.

Due the different nature of the business, Vuosaari as a harbor cannot utilize similar value adding methods as Logicor. However, Vuosaari has a chance to add value to its services by enhancing communication and cooperation with Vuosaari Harbor stakeholders. Mainly this regards to the development process of the whole area. The most value would be created when the attractiveness of the port is increased, volumes are high and all the stakeholders gain some benefits. Thus, value creation is a long term process, which must be applied consistently and carefully. When many opinions and perspectives are taken into consideration in the early planning phase the benefits will be distributed somewhat evenly. The most of the respondents admit that some companies, the big ones usually, are more important than the others. Thus, their opinions and needs could and should be weighted differently. Moreover, harbor traffic modifications, which would make moving within the harbor easier, would increase customer satisfaction and their perceived service value. Also in this field, it is important to listen to Vuosaari's stakeholders and how they perceive the current situation. This would guarantee the higher satisfaction and the most importantly, very efficient improvements.

"Fair play in decision making is important, but it does not mean that the votes are distributed evenly."

One key for better value creation practices is to communicate more with the customers and try to create better service offerings together. Many respondents perceive value co–creation as an important process. They argue that both Vuosaari and Logicor should reinforce their input on value co–creation. In fact, it would relatively easily create some competitive advantage for these two as this kind of an approach is not that widely used in Finnish logistics. Customers want to be heard and they have a desire to be taken into account when decisions are made. Despite, many companies genuinely believe that there is a greater probability of reaching the best solution when the customer and service provider work together. Brainstorming and exploitation of the previous experiences from both sides can boost the innovation process. In general, all the firms have experiences from other business partners and operations, which mean that some lessons must have been

learned from those. Some respondents underlined the importance of benchmarking and they stated to be ready for changes if some best practices can be simply implemented into their business. The emphasis should be on open minded thinking and opportunity seeking attitude. As a result of value co–creation, many companies would like to see more cost efficient services and operation practices. Again, in a low margin industry companies are following their performance indicators really closely. Here the value can be created if companies collaboratively solve the challenges and make sure that the margins stay on a decent level. This type of an approach would enhance customer loyalty and business relationships in general. Even though standardized services are seen in a positive light, there should be more adaptation, when service offering is trying to satisfy customer needs. Many firms want to cut costs and that is why they are continuously seeking more efficient supply chain services. When the respondents consider Vuosaari's innovation and value co–creation, they argue that there are some positive signals around the topic, but the development takes time.

"I guess it is not too much to ask what we want."

"With these margins, every single cost counts."

Logistics value added services are not often outsourced by the company within the sample. Many firms have outsourced their logistics services to 3PL actors and thus lost control over the operations. In many cases, 3PL actors have own resources, which they utilize. Big operators see that by doing things by themselves there are a greater and better control over the everyday practices in the field. Especially when paperwork and documentation are considered firms tend to do it by them. However, the most often used VAS's in logistics are labeling, temperature controlled transport, and lifting services. None of the respondents can identify a single logistics VAS, which would be needed to help their business. In warehouse operations, there is no VAS exploited.

"For us, it does not matter, which routes our goods go. As long as those are in the right place on time."

According to the respondents, both Port of Helsinki and Logicor should increase their service providing activities. Companies are looking for smoother supply chains, where they can buy total service for one provider, and they do not need to actively participate in the operational processes. Respondents believe that closer cooperation between different actors in Vuosaari Harbor would increase the common value in a long run. However, this study was a very positive signal for the stakeholders that some development steps are actually taken. According to the respondents, it is clear that this project is just an initial phase and from this on the evolvement will start progressing.

The following Table 8 consists of the straight quotations from the respondents. The purpose is to justify the above–established result.

Table 8: Quotations from the Respondents Regarding Customer Value Creation (V=Vuosaari, L=Logicor)

	Quotations about Customer Value Creation
	"If you are not able to create value, how do you do your business?"
	"What is the value?"
	"In logistics, it is not that easy to define I would say."
	"If you use value as a sales object it should be explained very in detail."
	"Sell value? How can I know how much I should pay for that?"
	"Yes I like value, but I do not want to pay for anything. You understand that we need something concrete."
	"Money is the thing. It matters. If the value can be transformed into money, then it is a good idea."
	"If they show some calculations from previous cases, I might believe them."
	"If you sell value, I need some evidence. I am not stupid."
	"As simple equations as possible. The seller must remember that in many cases simple solutions are the best ones. And of course, when we are not financial experts, it would be nice to understand their arguments."
V	*"Vuosaari brings value when things work and run smoothly."*
V	*"Their value is that nothing goes wrong. As long as things go well and we are able to operate without any problems, then I can say that there is customer value in this relationship."*
L	*"It is really difficult to see any value in Logicor's offering."*
L	*"Our perceived value from our landlord is low. It might be due this industry and that we need to pay for everything but still."*
L	*"My experience comes from the previous owner and I see them similar."*
	"Together we can create value and that is how it supposed to be."
	"Together is a good idea, if we all give some input, the result should be

	better."
	"At least we would appreciate value co–creation because then we could get genuinely tailored offering."
	"If we are not satisfied, we will change. It is not even a big deal for us."
	"If we are paying for some service, I believe we have a right to set some basic requirements for the supplier. This is a business you know."
	"The basic level of the full–service warehouse would be just fine for us. We do not need any special things."
	"Flexible solutions are always better than inflexible. At least when I am looking at the issue from a customer perspective."
	"By communicating better we would be able to get a better understanding what is going on. And actually that would be very beneficial for us and finally, create some value also."
V	*"A forum where we could share ideas and create a long–term plan for Vuosaari would be extremely important. I believe others would like it also."*
V	*"Collaboration in Vuosaari is not working at all, some common forum could help in this case."*

4.4 Logistics Service Marketing

In practice, logistics service marketing does not differ much from traditional service marketing. From a customer point of view, it is important to receive some announcements from service providers about their new offerings. This would increase the awareness of the available options and thus make firms evaluate different alternatives. Active marketing practices do not only help to reach the customer but also it creates an impression on prospective customer's mind that there is actually something worth to consider. Marketing activities should focus on solutions, which are tailored for customer's needs. Practically this proves that many firms are willing to hear, how their special needs and requirements are taken into consideration. Moreover, this tailored approach enhances perceived customer value. Active marketing practices should include a decent amount of information about the future plans and possible service modifications. Proactive sharing of information is highly appreciated. This would give customer companies more time to rescale and organize their business if necessary. Also, it would create more options for the firms in order to evolve their operations. Finally, in a long run, some strategic decisions are easier to make, when the future is not too fuzzy.

Many times prospective clients find service marketer's messages unreliable. This causes plenty of suspicious thoughts in prospects mind. This attitude towards sales and marketing information comes from the old days when the information was not that easy to check. Nowadays the situation is different and many firms want to question marketing arguments more than before. This puts more pressure on sales people when they need to be better prepared and actually know the facts behind the issues. Overall, service marketing message must be based on facts and real benefits. In logistics industry, too many service providers cannot understand that facts and figures are the wanted things. Everyone can give a speech how wonderful premises or services they have, but only few can actually convincingly promote their services. If a marketer uses too broad marketing jargon in promotion speech, there is a big risk to lose the prospective customer.

"I have seen it, sales people speak and promise whatever, but I want facts."

These challenges can be tackled with customer references, which generally lower the perceived risk of an investment. Existing customer references can be used as a marketing tool when there is a need to create more reliable status for a service provider. References from the same or a similar industry are the most effective ones. Additionally, the reference case must be comparable with the current case to be reliable. When using customer references in marketing there must be well known and reliable references used. When a reference company has a high status it is perceived more reliable. Respondents are able to identify status transfer effect in reference marketing and additionally they admit that status transfer is a powerful tool in marketing.

"For sure it would help if they would have some references cases to show."

Personal selling approach in service marketing is highly appreciated. When a prospective customer is able to discuss face to face with a service provider's representative, the bond between these actors gets stronger. Moreover, this enables parties to innovate together and create a solution, which is the most beneficial.

Companies state that not even the best marketing practices can make a difference if the offering does not match to the initial customer need. Many companies have specific needs for services and additionally some special requirements, which must be met with the offering. If this does not happen services are bought from somewhere else. One extremely important factor in logistics service marketing is the price. If the price is too high, many companies start to look for other options to fulfill their need. This is a cause of relatively low margins in the logistics business. For example, warehousing has some requirements, but at the end, the price matters the most.

"You know the price is the thing in this logistics industry."

In the retail business, it is common that logistics activities are outsourced. Thus, companies have limited opportunities to influence on routes and services. In practice, this means that logistics service marketing is useless if the target is wrong. This is especially critical in Vuosaari harbor's case. Logistics services must be offered for 3PL companies, who most often operate in harbor interface.

Again, in logistics service marketing customer value and genuine benefits are in an important role. More value the offering creates, the easier it is to sell to customers. Respondents find it important that they could see some key numbers and figures about the promised service performance enhancements. All the companies believe calculations from real cases instead of promises without evidence. However, future visions and new service models are also welcome, but then it requires that both parties understand that those visions are just in a preliminary phase and not tested and proved.

The following Table 9 consists of the straight quotations from the respondents. The purpose is to justify the above–established result.

"If there is black on white, which shows how much money I can save, then I can reconsider."

Table 9: Quotations from the Respondents Regarding Service Marketing in Logistics (V=Vuosaari, L=Logicor)

	Quotations about Logistics Service Marketing
L	*"Marketing should make it visible what is in the offering."*
L	*"I have no idea about them."*
L	*"What was the name again? Never heard."*
L	*"If I would know what they offer, then it would be easier to consider them as a potential service provider."*
L	*"We have certain needs and we want to have a tailored solution for us."*
L	*"If they cannot change their offering and give something special to different customers, it will be difficult to find customers."*
	"Give us some information, so we can consider long enough. If they do not let us think what we need, I will lose my nerves."
	"I do not trust in salespeople."
	"Salesforce can say whatever and they always promise that everything is going to be arranged, but in the fact, that is not the case."
	"It is a sign of a sophistication when I am able to filter the information I receive. Salespeople can talk and I listen, but their story must be true."
	"When someone gives me facts, I like. When someone is talking shit, I get mad."
	"I prefer numbers as evidence. That might convince me in the service business."
	"Calculations about cost savings would be valuable."
	"Marketing jargon is something I do not want to hear. If that happens, they are wasting my time. Facts please."
	"Reference cases that can be connected to our business are good."
	"I do not care about references."
	"All those companies have references, so no one can differentiate through that."
	"References lower the risk and supports my decision making."
	"I perceive a company more reliable if it has some relevant customer references to show."
	"Yes, references in marketing should be utilized more."
	"Marketing does not help if the offering is not suitable for us. For example, if their premises or location in not good, we will not do business with them."
	"Price in the logistics industry is so strong that marketing is challenging."
	"Value and benefits should connect somehow. Then I would be able to consider about new companies. If not, marketing is just waste of money."

4.5 Future of the Logistics Industry

The respondents cannot identify any spectacular changes in their business within the next five years. Most of them believe that some new needs regarding logistics

may occur, but those should be manageable. The biggest concern for many companies are the customers, who are getting more and more demanding. If the companies want to adjust their operations to match with the demand, some changes must be made. However, companies are ready to change, if they do not need to sacrifice their profitability. Some of the companies see that they are able to continue their basic operations similarly in the future also. Mainly they argue that their business is so standard that there is no reason to change anything. In general, the common opinion that green values will increase the importance. Some believe it comes from regulations, but there are also people who see the development as a result of customer preferences. If customers value green logistics, many companies see it as an advantage for them if they can offer some green solutions. In the end, monetary reasons drive the change; none of the respondents is willing to pay more for green services and solutions.

Companies are trying to serve their customers better, which causes demand for the supply chain. There is a need to shorten reaction times and make the processes agiler. Hence, a trend of more and more smooth and solid supply chains will increase in the future. This will drop the need for warehousing. However, online stores, which enable virtual purchasing, may set new challenges for the industry. Still, at the moment, the effects are not easy to forecast. Firms are aiming to shape their supply chains so that they could reach cost savings and additionally higher customer satisfaction. Logistics is seen as a function that just must exist, but it does not bring any value for companies. This drives the change towards more efficient procedures and practices in supply chains. Moreover, high capacity transport will strengthen its status in the base load category. HCT's impact on warehousing demand is not easily predictable.

If the respondents would be able to gather their dream service portfolio regarding logistics operations some newish practices would apply. One thing, which would satisfy the current needs, is automated warehouse operations. Practically this means fewer people and less human errors. In a connection to this process, there is a need for a process, where the company itself does not need to do anything, while

the goods are stored and eventually sent to the final destination. In the other words, companies do not want to have many contact interfaces.

Another issue is supply chain flexibility. By this, it is meant that the whole chain as one package must be flexible enough for the final customer. If this does not happen in Vuosaari, some other port will do it better and get customers from Vuosaari. The whole process starts from contract negotiations. The terms of a contract must be fair and thus, make companies in Vuosaari more attractive. If the terms are too strict, there is a risk that in Hanko or HaminaKotka, for instance, they offer a better package. All this applies especially to companies, which are offering warehouse services and are kind of in a middle of two parties. Logicor and Vuosaari must consider the overall package, which they offer to the customers. If there are some problems, which make to entirety less attractive the issue must be discussed and removed collaboratively. If this is done smoothly and consistently, the overall competitiveness of Vuosaari increases.

Intermodal transports are seeing as one of the main trends in the future logistics. Environmental friendly transport method will enhance its position in our continuously greening society. Many respondents wait for a national level decision about railway traffics future. However, there is a great interest towards intermodal transportation in retail and logistics industry. Of course, this means that there will be interest towards this method as long as the costs are reasonable and the whole process is functional. The respondents see intermodal transportation as a cost efficient, easy and environmentally friendly solution. The reasons why intermodal transportation was ended previously are now removed and the infrastructure has also improved. Significant investments are done in the infrastructure in several locations. These investments should now be utilized effectively and intermodal transport is one way to do it. Even though intermodal trains do not move as fast as passenger trains, still there is enough space in timetables that intermodal transport is capable of operating.

If this transport mode starts to be active in the future, it will operate between Vuosaari and Oulu, mainly. Vuosaari is the most attractive location for loading

and unloading operations. The location in a port and right next to the capital region is beneficial for the operations. Other locations would lose the distance advantage, for instance, Riihimäki is a remote place compared to Vuosaari. If the trains start to operate, there is a great need for infrastructure changes in Vuosaari. Even if there are a lot of rails at the moment, still it is necessary to reorganize the railway structure. For instance, in Vuosaari, there are challenges with a length of a train. Even though it is possible to divide a train into pieces and load those separately still a proper planning is required to make operations efficient. The distance between the docks and loading zone must be minimized in order to achieve an efficient process.

The efficiency of loading and unloading are so important issues in this method that it must be on a good level. This must be planned carefully and it would not be a bad idea to find some solutions from other countries, which are utilizing intermodal transport. If the operations are not efficient, some major benefits, like time and cost savings are lost. On the other hand, it is critical to find an operator, which takes care of the whole chain. It must be an objective that one treats all customers equally. Previously there have been some problems with the loading and unloading operator. If the situation is not going to be any different there will not be many users of the service. On factor that effects on the probability of starting intermodal transports is the welfare of Oulu region. If there is enough consumption and another way around production, it is more likely to see intermodal trains in action.

The whole intermodal system has been really closely related to national level politics, which is not seen as a positive thing. Many companies are delighted about the decision, where the railway traffic is opened for a competition. This forces the old operator to open its systems and answer to the customers' demand. When monopoly has been applying it has been relatively easy to do whatever the ministry has ordered. Now when there will be competition, the things might change. Many respondents see this competition as a very positive thing for intermodal transport. There is a kind hope among the respondents that competition

will lower the prices and make the processes regarding intermodal transport more efficient.

None of the companies is willing to make any investments in the intermodal system before there is a signed deal, which clarifies the responsibilities and the rules. This is an obvious signal about the lack of trust between the parties. In a wider perspective the situation where no one trusts to each other sets a shadow over the whole system. In the other words, there is an exceptionally negative tone around the topic.

"Yes we want it, but we cannot do it by ourselves."

"If the concept is fair and the operator is some objective one, then I see the potential."

Concerning the routes between Finland and Europe, ferry shipments to Poland and Germany will hold their strong position. The factor behind this is the nature of the moving cargo, Middle, and Western Europe are in a key position here. There are no signals, which would predict any major changes to this current state. As long as the Eastern Europe and especially its products are not comparable with Western ones the situation will stay as it is. Of course, the new EU countries are developing fast, which might speed up the transformation. Baltics and especially Via Baltica are often used in cargo transport to Eastern Europe. Costs and time on both main routes are carefully calculated. When road infrastructure gets better in Baltics, the route will increase its competitiveness. At the moment, the route is used, but it is very situational dependent and many companies still perceive the route a little more unsafe than ferries to Poland or Germany.

The following Table 10 consists of the straight quotations from the respondents. The purpose is to justify the above–established result.

Table 10: Quotations from the Respondents Regarding Future Logistics

Quotations about Logistics in the Future
"I cannot believe that anything spectacular will happen. We will continue just like before."
"Somewhat stable situation will continue in the future also."

"We need to change among the others. Actually, the change can be a rapid one, so we must not tie ourselves too tightly to anything."
"The whole world is changing, so I believe our industry will change also."
"Faster deliveries and better services will be required."
"Time is money, so everything must be faster in the future."
"The number of demanding customers will increase, unfortunately"
"We do not have any reason to change."
"We have already increased the importance of green values in our business. It will grow in the future."
"Environmental factors must be considered especially if our clients appreciate those."
"We will drive green if someone is willing to pay for that."
"We must be prepared for tighter environmental regulations. We have been doing some green enhancements, but maybe we need to do more."
"You see that costs and environment go hand in hand, less we use to fuel the both benefits will be achieved."
"More automation in logistics would make many things easier."
"A restaurant for truck drivers would be on my list."
"Less human work and participation, then we can minimize the errors."
"Smooth operations and cheaper solutions are the things I would like to see here."
"In my dreams, I dream about a supply chain, which works like a toilet, nice and easy."
"Flexible manners would enhance the atmosphere."
"Fair deals between operators and others. We are not willing to pay for the costs, which are caused by the labor union's strikes."
"Trains will lift their portion in the transport sector."
"Bigger trucks and trains will come and change the current situation."
"I do not think that intermodal transport can ever be cost efficient. Not in Finland."
"We will follow Europe's example again and start intermodal transports again, at least I hope so."
"This is so closely related to the ministry that intermodal transport is potential only if the people in that big house want that."
"Last time it was poorly organized and we do not want to see that again. If the trains start moving again the game must be fair. We cannot afford to play here."
"There were some obstacles, which caused the end of intermodal transports last time, but now those have been removed."
"Vuosaari is the best place for loading and unloading activities there is no doubt about it."
"Offer me the service and I will use it, definitely!"
"In theory, intermodal transport could be started tomorrow."
"One operator, which is doing equal and fair operations, is needed."
"Definitely, we are interested in the future development, but we like to live in a moment and that is hard enough."

4.6 Additional Insight and Comments

Overall, the current situation is not that bad after all. Even though some messages from the interviews were very negative, still at the end respondents wanted to emphasize that the current situation is just fine. One signal, which supports this observation, is that there was not much negative feedback left at the end of the interviews.

The main concern regarding the topic is the future development of Vuosaari. At the moment not that many actors are sure what the future will bring and how the area will change. Of course, they reflect the future to their own business and abilities to make plans and investments for the future.

Some respondents feel that in order to make things smoother and more efficient in Vuosaari there should be only a few contact interfaces between actors. This would make things easier and companies would know where they can get the service they need. Moreover, the better the cargo handling and the more there is ferry traffic through Vuosaari, the more it will be utilized. There is a strong belief in Vuosaari's ability to handle large amounts of cargo and the economic growth will not cause any problems with deliveries.

Even if Logicor is doing well with its customers and communication is active, still many operators see that there is space for improvement. Not necessarily something particular, but on a bigger scale, continuous development has been seen as a success factor for the company. When Logicor evolves its operations and collaboration with its customers, there are plenty good things that might happen. For instance, better reputation, more loyal customers, longer customer relationships etc.

Logicor must keep in mind that world and economies, also in Finland, are changing rapidly. From a customer point of view, it means that long commitments through contracts are not that attractive option for them. Especially, if the warehousing activities are not part of the core business. Then customers perceive

it as a necessity, which must be handled as effectively as possible. In these cases, there is a tendency of low cost and flexible contracts. At the moment, it seems that not all the customers are dependent on the port. Practically this means that current customers keep their eyes open and if some issues appear, they are ready to move their operations elsewhere.

Respondents have noticed a positive development in Vuosaari after its management was changed. Today the management has more cooperative attitude and the old–fashioned "ivory tower" –thinking has been thrown away. Still, the core message that comes from the field it that collaborative attitude must grow and spread all over Vuosaari. Again, cooperation forum is on the list when development is reached. Vuosaari's management could have more active role in this "united Vuosaari" scenario. This requires a lot of open communication between the actors in Vuosaari's network.

When changes are made, there should be a wide support for the actions. Any actors in Vuosaari cannot be treated badly as some other wants to have something. This includes new buildings and route decisions etc. Especially future actions are now a very sensitive topic for many companies. When some operator needs to adjust its operations in a new way, it might have a crucial impact on company's profitability. However, many actors are waiting for the economic rise, which would enhance the situation in all the sectors in logistics.

To Logicor, the basic customer side requirements were somewhat similar and those can be summarized as follows:

- Create short–term warehouse facilities for a need
- More shared space and flexible operation methods
- Better flexibility regarding the facility modifications
- Price cannot be high
- Financing should be in a light weight class, bank guarantees are old–fashioned
- Agile and flexible manners in every sector

In case of Vuosaari the requirements in a nutshell are:

- Flexibility is the key to problem–solving
- Ability to change methods and habits must increase
- Listen to the customers accurately
- International marketing in cooperation with port operators and other companies
- Take care of the customers and do not underestimate anyone, including truck drivers
- Forward–looking attitude with right amount of stability would create trust on Vuosaari

The following Table 11 consists of the straight quotations from the respondents. The purpose is to justify the above–established result.

Table 11: Summarizing Quotations from the Respondents (V=Vuosaari, L=Logicor)

	Summary Quotations
V	*"Vuosaari is anyhow a good place to operate."*
V	*"Even though I have concentrated on many negative issues still I want to say that the level of Vuosaari's performance is good."*
V	*"We will operate there anyway, so it does not really matter what they do or no do."*
V	*"I am really worried about the future of Vuosaari. I just hope they are not changing their strategy. Some focus area, like containers, must be maintained."*
V	*"They need to get the things together and start planning the future."*
V	*"It would be nice to have only one contact point with Vuosaari. It would make things easier for all of us. Now we need to search the right people through various channels and it is complicated."*
V	*"One gate and one place to deal with the documents."*
V	*"We have not seen Vuosaari in real action yet. When the economy will get better, volumes in Vuosaari will increase, but I honestly believe that they can handle it without any problems."*
V	*"I do not care what is built and where. The whole must be developed, and those constructions are a step further."*
V	*"It is unbelievable that big changes can be made and no one asks our opinion even if we are one of the key actors in the area."*
L	*"Logicor must develop its processes all the time, they cannot stay still."*
L	*"They are a new company so they need to learn more and start to innovate better solutions."*
L	*"Due our business, we cannot make long–term commitments and we hope*

	that our landlord can accept that."
L	*"Warehousing in not what we want to do. Thus, we use as a low effort on that as possible."*

4.7 Research Hypotheses vs. Findings

The first hypothesis can be confirmed. The findings supported it strongly. After all, it was pretty clear that value co–creation is preferred among the customers and it increases the probability of a successful service development. Many respondents believed that more collaboration there is the better changes there are to succeed. Especially the idea about value co–creation was seen very positively.

When the second hypothesis is compared to the actual research results, it is a somewhat complicated situation. On one hand, value added services provide a competitive advantage for the service provider. But on the other hand, there are not too many companies, which would like to utilize value added services. Thus, confirming the hypothesis is not that self–evident. However, it can be said that value added services are one source of a competitive advantage, but the amount of the advantage varies a lot. As a result of this, the second hypothesis can be weakly confirmed.

It is clear that the third hypothesis, which stated that customer references are perceived positively and marketing activities can increase statement reliability through references, is confirmed. The vast majority of the sample supported the idea about customer reference marketing. Especially substantial for companies is the ability to increase trust towards service provider and also reduce the perceived risk.

5 DISCUSSION

In this section, theoretical part of the report is combined with research results. There will be plenty of interesting connection points between the case and literature. This section is divided into subchapters in order to help the reader to structure the discussion section. The subchapters are independent and do not follow the previously used structures in this report. It is critical to understand that all the ideas, recommendations, and suggestions, which occur in this report, are case–specific and are not enablable as such in any other case setting.

5.1 Customer Value Creation

In Logicor's case, the statement by Vargo et al. (2008a), where they stated that services create the basis for business, is relevant. And as an addition to that no matter how good facilities Logicor has, the main emphasis of their business should be on services. Their warehouse facilities can also be viewed as resources, which could be sold, like Grönroos (2008) has suggested. Logicor could offer its customers more advanced services to satisfy their needs more holistically. This could extend customer relationships, like Ojasalo et al. (2008) argued.

One major factor in competitive advantage in Logicor's and Port of Helsinki's case is the unique location, which none of their competitors can have. This sort of advantages must be used actively to support the business (Lusch et al. 2007; Barney 1991).

It seems that Logicor is struggling while trying to identify their offered value. In that sense, it is not the end of the world, because Lindgreen et al. (2005) have shown that most of the companies are fighting with the similar problems. Logicor should make a value assessment regarding its offering because like Keränen (2014) has highlighted it is crucial for a company to understand what they are actually offering for their customers. However, it might be challenging because customers are not able to define what value actually is for them. Still, the most of the companies perceive value as a trade–off between benefits and sacrifices, like Ulaga et al. (2001) and Blocker (2011) have suggested. During the value

assessment process, it must be kept in mind that company's performance and value proposition are both compared to competitors' offerings in the market (Lambert et al. 2000). Currently, Logicor's facilities are suffering for an expensive image. According to Anderson et al. (2010), this kind of a situation can be solved by offering better services and more value for a customer. In addition, Anttila (2001, p. 42) state that high quality of a service, like Logicor's premises, can offer, is a major issue in competitiveness.

When Vuosaari's services are modified and new ones created, there must be a clear understanding about how those effects on customers' practices. If this is not the situation in the beginning, according to Ravald et al. (1996) and Payne et al. (2007), it is nearly impossible to produce benefits and value for the customers. The similar situation occurs with Logicor's premises, if customer needs are not understood, the offered value dives in a big time. These above–mentioned issues can be tackled with service and value co–creation process, where users and customers are taken into the development process (Payne et al. 2007; Aarikka–Stenroos et al. 2012). Due the high expectations for better business practices in the future, customers, and other stakeholders must be taken into account when decision are made. This kind of thinking follows strictly Sampson's et al. (2006) model and idea about value co–creation. Overall, many scholars (e.g. Tuli et al. 2007; Lucsh et al. 2007; Grönroos 2011a) support the idea about value co–creation in the service business. From co–creation service provider, like Logicor and Port of Helsinki, might find new business opportunities and profit flows and most importantly gain knowledge from the market (Lusch et al. 2007).

In logistics, industry customers are very price sensitive. Low margins drive this phenomenon and that is why Anttila's (2001, p. 42) opinion about price–quality ratio is highly relevant to Logicor's case. It is clear that Logicor should follow ideas of Chapman et al. (2004) when they argued that resources must be utilized very well in a tight competition. A visible value creation process, which could offer an overview for a customer about company's business logic (Grönroos 2008), could work with Logicor. Use of Gale's (1994, p. 19) model in visualizing customer value could help with this process. The model summarizes the process

in enough detailed level, which would help Logicor to show its current and prospective customers, how the company actually delivers its offering and value for a customer. Thus, Logicor would be able to target its offering for a right purpose, like Grönroos (2008) advised. When Logicor goes through its customers and potential future customers, it might find some shortages in its current service portfolio. In that case service innovations are more than welcome to refresh the offering just like Slater et al. (1995) have argued. Logicor might exploit Howell's (2000) and Kandampully's (2002) ideas about non–technological innovations, which focus on networking and customized services. The following list includes Gröönroos's (2008) ideas regarding service–based business, but those points are now case related.

- Increase focus on customer's everyday processes and try to find space for improvements and thus value creation.
- Better Logicor knows its customers, the better it can address its offering for a right purpose.
- By being active landlord Logicor can satisfy its customers. In practice, active means continuous communication and assistance whenever needed.
- The continuous seeking of innovations to help customers in their own business. This would create customer value and increase loyalty among them.
- Logicor must take care of its resources and capabilities in order to make sure that it has the capacity to fulfill its value proposition as promised.

Logicor has been able to deliver the service and in some extent value, it has promised. Thus, it has succeeded to avoid the gap between promise and delivery, which has been highlighted by van der Haar et al. (2001). Still, even if Logicor has done well in the delivery sector, it must be kept in mind that Gröönroos (2008) and Eggert et al. (2006) have stated that long–term customer relationships indicate the value. When Vuosaari has considered again the same rules apply. To be able to successfully increase harbor's competitiveness there must be closer cooperation between different actors. As Gröönroos (2001a) has stated, more interaction and cooperation there is, more value and satisfaction occurs.

Additionally, Aarikka–Stenroos et al. (2012) remind that by working together there are better and more resources, great variety of skills, knowledge, and ideas available. Moreover, Leff Bonney et al. (2009) remind that more integrated and holistic solutions there are, more value can be created and better status in the market can be reached. According to Chapman et al. (2004) when a network is working efficiently innovations are more likely to born. Chapman et al. (2004) have additionally brought out the importance of knowledge sharing within a network in order to enable innovations. Hence, it would be extremely beneficial for Poth of Helsinki to increase cooperation and the general "we" spirit in Vuosaari. In the long run, this would enhance Vuosaari's competitiveness. Next Chapman et al. (2004) ideas about network benefits are set in Vuosaari's setting:

- More efficient operations as a harbor, when actions can be modified and functions are controlled together, not separately.
- Customer satisfaction will increase when they can see Vuosaari as "one" actor instead of as a platform for several independent actors.
- The big picture and long–term planning together would secure the future of the harbor.
- When decision–making is done collaboratively, there is a great opportunity to reach business process efficiency.
- Supply chains will take a step towards the optimal situation.
- When working as one, companies in Vuosaari have a chance to compete more aggressively with their competitors.
- Innovation and development capacity would be used efficiently if all the stakeholders would participate in the improvement process.

5.2 Service Sales and Marketing

As a business function, sales and marketing are substantial for logistics service provider. Hence, like Anderson et al. (2010) that it no one knows about a service, there will be no clients. If it does not have happened yet, Logicor must immediately crystallize its value proposition and start building marketing processes around the core message. Vargo et al. (2004) have identified this as one

of the main things that have to be taken into consideration when a company is trying to sell value.

Logicor must stabilize its offering and put some special emphasis on quality control. This comes on a practical level when a customer makes an assessment whether the signed targets were reached or not. Another fact is that Logicor should closely cooperate with its current customers so that it could utilize some experiences and insights from the past. This way the company can implement academics (Jalkala et al. 2010, Seth et al. 2000 and Vargo et al. 2004) thoughts regarding learning through customers.

Vargo et al. (2004) have identified four major issues that must be considered in service–centered sales. In Logicor's setting those can be applied as follows:

- Logicor must identify its core competencies and develop those in order to gain competitive advantage.
- Identify the most potential customers for the company, which is now done on some level.
- Creating a value (and service) proposition, which are targeted for the identified customers.
- Continuously improve company's offering through customer feedback and innovations.

Like Jalkala et al. (2010) have argued, a firm must keep moving and step by step achieve a better position in the market. In a real–life context, this means that above mentioned things need to be handled iteratively. It is time for Logicor to start a transition towards more customer value focused selling, like Töytäri et al. (2015a), have suggested. According to Töytäri et al. (2015b), customer value is the main step towards high–end pricing. In this case, it is critical to find ways to convincingly argument the reasons behind the price level. Anderson et al. (2010) have identified opportunities to skim the monetary value from customers when the offering is in a great shape. Overall, Logicor should apply value–based selling approach (Terho et al. 2012) in its business. It has been notified that VBS and sales process have a connection, which must be utilized by companies (Terho et

al. 2012). In order to reach better sales numbers Logicor could increase its activities in customer interaction. Even though the results show that is on a right track, still there is some space to do better. More proactive the process and actions are, the better the results (Terho et al. 2012; Anderson et al. 2010; Dhar et al. 2004).

Logicor must take one step further and focus on communicating customer value (Terho et al. 2012). Hence, that is the only way to reach great results in sales. Again, if no one knows about Logicor's value proposition and customer value that it creates, the maximum effectivity in sales cannot be gained. Töytäri et al. (2015a) have identified some main points of VBS. Some of those go hand in hand with ideas of Terho et al. (2012), but still, the establishment of quantified value is a new and highly recommendable for Logicor. The company should make calculations and use statistical evidence to its customers, how Logicor's services produce value and what tradeoffs are included. When Logicor could show reliable information about its value proposition, it would increase trustworthiness, and the whole sales process would be easier. Still, some issues regarding pricing may emerge (Töytäri et al. 2015b and Lancioni 2005). If there is a set of evidence of the profitability of choosing Logicor's offering the deals can be closed more often. VBS selling would be a great tool for that challenge.

The study indicated that customer references and case examples are more than appreciated in buyer side. Those can lower the perceived risk and increase a creditability of the service provider. In this way, the company can convince its prospects (Anderson et al. 2010; Töytäri et al. 2015a). This approach is very close to customer reference marketing, which is strongly recommended by Jalkala et al. (2007) and Salminen et al. (2006). Logicor is facing difficulties in its sales and partly those apply the due to lack of sufficient reference portfolio. The situation is pretty common according to Ruokolainen (2008). Since the cost of warehousing in Vuosaari is expensive according to the study, many companies perceive high financial and operational risks, if they do business with Logicor. In order to lower this feeling and impression scholars (Salminen et al. 2006; Ruokolainen 2008; Windhal et al. 2004; Veres 2009) suggest that customer reference portfolio and

process management may offer some assistance against the issue. It would be beneficial for Logicor to systematically develop utilization of its customer references, like Jalkala et al. (2008) have argued. In sales, references can be used as marketing tool, which convinced customers (Jalkala et al. 2010; Hooley et al. 1998). Hence, Logicor should find the best customers and start cooperation with them regarding reference cases. Additionally, Ruokolainen (2008) emphasizes suitability of the certain reference into a certain case instead of being a big and powerful company. Jalkala et al. (2010) have identified four ways that firms can use when they are using customer references in their marketing. The following statements are modifications from Jalkala's team's work:

- Logicor could use status transfer from its customers into itself. For instance, nationally well–known customers, which Logicor has are suitable for status transfer activities.
- Concrete customer examples, how Logicor has solved challenges and how customer has perceived the offered assistance.
- Previous customer cases should be used as examples of how well the company is doing when it deals with Logicor.
- Alongside well–known customer companies, Logicor may gain a stronger position in the market.

If there is a customer prospect who is wondering whether or not to make a contract with Logicor, a site visit in reference customer's facilities could push the prospect into the right direction. This sort of theory is published by Jalkala et al. (2008). However, when Logicor decides how it is going to do business in a long run, it has to remember that references must be aligned with the future targets (Jalkala et al. 2010). Moreover, Logicor needs to maintain good customer relationships in order to be able to utilize its customers as references. Salminen et al. (2006) and Ruokolainen (2008) both stress the fact that an active exploitation of customers in reference cases requires somewhat remarkable input from them.

Results of this study strongly support personal selling and in the field, this sales method is highly appreciated. Logicor has skillful people to do the personal

selling, which should be a great benefit for the company, at least according to the scholars (e.g. Crosby et al. 1990; Salminen et al. 2006 and Leff Bonney et al. 2009). The nature of the Logicor's business requires much of commitment from the sales organization so the most profitable and to some extent most suitable customers can be found and convinced. Long customer relationships can be achieved through effective personal selling processes (Dhar et al. 2004 and Frankwick et al. 2001). Logicor can train its salespeople with material and expertise it has gained from previous customer relationships. The role of salesforce in customer relationship management is substantial (Crosby et al. 1990). Relying on these academics, Logicor can utilize its sales people in many phases in the sales process. If it possible to add tailored offerings to this personal selling process, more value the customers perceive (Franke et al. 2006).

5.3 The Future Services and Actions

As the results indicate, within this case setting and sample there is not much interest in logistics VAS. It is sort of a conflict with the existing literature (e.g. Preiß et al. 2015; Heikkilä et al. 2006; Lambert et al. 2000). One reason for this might be outsourcing, which may cause an effect that some actors in the supply chain do not see all the needed services within the chain.

As it was found out in the study, many actors are unhappy with the current opening hours of Vuosaari's premises. This does not mean that loading and unloading services should be available 24/7. However, it would be beneficial for many actors if in Vuosaari there would be an area, where trailers could stay overnight like Sundberg et al. (2010) and Ministry of Transport and Communication (2014) have argued. Especially substantial would be to enable access for trucks, which are taking or leaving a trailer. There should be a certain area, where the trailers could stay and thus there is no need to let all the trucks to the actual dock area. This way the service level and satisfaction would increase. One way to provide this kind of an access to the area is to use new technologies and automation in the gates. Of course, it is important to take care of the cargo security, but it should not be too challenging to set up a system, which can match

a right truck and trailer. Nowadays such investment would not be critically expensive and it would pay back soon when companies would utilize Vuosaari more.

One objective of this research project was to catch some signals what might happen in the future in the field of logistics. The process followed closely Ansoff's (1975) ideas about interactive process. Additionally, Schoemaker et al. (2013) have argued that through networks there are good chances to get some relevant ideas about the future. Here, those networks were the participants who were part of this project's stakeholder's network. Some insights were more often mentioned, which according to Mendonca et al. (2011) and Schoemaker et al. (2013) is an indication about more valuable and relevant signal. In this case, intermodal transport, environmentally friendly transportation and faster supply chains were the most likely to happen.

Actually now when the intermodal transport is on top of mind in many companies, like Lappalainen (2013) predicted, it would be beneficial to increase the input on that. A number of potential users are high enough that the volumes would be profitable for the system. Especially now when the railways are opening for a competition and when the old pitfalls have been removed. Previously there were restrictions regarding the tunnel in Vuosaari, which caused some challenges for the railway traffic. Now there is a pilot phase going on, in which diesel locomotives are tested in the tunnel (Finnish Transport Agency 2015b). Although the length of a train might cause some challenges in Vuosaari, it is still reasonable to believe that this challenge can be tackled easily as it was mentioned in the result section. Because Vuosaari is the number one location for the loading and unloading activities, Port of Helsinki should have a great interest towards that. Also, Logicor could get some benefits out of those volumes. Whenever intermodal transport starts running it is important that all the activities are located in the same are. This means that containers, as well as trailers, should be loaded and unloaded in the same premises. That is the way, how the best results can be achieved. Otherwise, a number of required resources grow and the profitability suffers.

As intermodal transport plays an important role in cargo volumes it might be beneficial for Vuosaari and Logicor to support the intermodal project. The required investments are relatively big before any operations can be executed. As it has been discussed earlier on, intermodal transport would increase volumes in Vuosaari and simultaneously utilize Logicor's premises. One way to enable intermodal transport is to invest money into the system. Also, by investing some money into the project it would be a signal of a commitment and trust. This could lower others perceived threshold regarding intermodal transport. There are plenty of different financing options available and by choosing the most suitable ones the risk related to the investment would be manageable.

Despite an open mind, many people were able to connect future possibilities with today's situation. They were thinking through a funnel, where incremental improvements took place, just like Hiltunen (2008a) has been suggesting. The identified signals are collected from logistics professionals and among them there were curious individuals who had wild ideas about the future. According to Hiltunen (2008a) and Day et al. (2005), this is one of the best ways to collect the data for this purpose. Another thing, which supports the sample in this case, is that despite the logistics background, the sample included people from many kinds of industries. This enhances the credibility of the insights (Day & Schoemaker 2004; Hiltunen 2001). The given insights could be categorized as first symptoms (Hiltunen 2000; 2005) as those were closely connected to thinking, what is reasonable to expect from the future.

6 CONCLUSIONS

The main purpose of this chapter is to create an overall summary of the research. Here the academic insights and research results are refined. First, all three research questions that were created in the beginning of this process will get the answers. Secondly, there is the overall summary of the research. In the third subchapter, practical implications are established. This part includes recommendation what Logicor and Port of Helsinki should do in the future. Then limitations of the project and the research are discussed. Finally, the future research areas are pointed out.

6.1 Answers to the Research Questions

There were three research questions, which guided the process from the start till the end. At this stage, it is reasonable to connect the end with the beginning and see, what kind of aspects there were found regarding the research questions.

RQ1: How the services at Vuosaari Harbor should be developed?

It is obvious that there is no single solution for this issue. The answer must be seen in a wide context, which indicates that the service development and its contribution to business success is a complex entirety. However, the research revealed several development areas concerning Vuosaari's services.

When Vuosaari wants to get more cargo volume, there should be better railway connections around the country in order to please the demand from big volume industries. Thus, together with railway operator, some evolvement action could be implemented. Along this issue, also Vuosaari's internal traffic should be reorganized. This would help companies to come and go easily and also traffic hazards could decline. Due the food industry's import and export activities, vet services in Vuosaari could lead big food industry operators to there. Many firms in Vuosaari may not always have the capacity to manage all their processes. For that reason, there should be an operator, who would have resources to do heavy

lifting or handle special materials. This kind of a service would make it easier for companies to enter Vuosaari when they could rely on supporting services.

Many respondents wanted to have better opening hours in Vuosaari, as they want to gain some flexibility to their own business. Especially, night time was in their focus. Longer the harbor is open, the better opportunities companies have to utilize its services. Even though there are some repair services in Vuosaari, still many logistics companies would like to have easier access to these services. One way to do it is to increase marketing input together with service providers. Of course, not only vehicles need to receive maintenance, but also the drivers and workers need to have a chance to have a break every now and then. Hence, in Vuosaari there could be better places for people to eat, take a shower and rest if necessary. This would increase the overall satisfaction of the area. Logistics professionals might sometimes need help with their load and for those situations, good facilities and sufficient space would be needed. As a conclusion, coherent practices would enhance Vuosaari's image and make it a more attractive place to do business.

RQ2: What kind of businesses will operate in the area in the future and what kind of space/service requirements these businesses have?

Respondents found it difficult to name an industry, which would not be able to operate in Vuosaari. In total, it is the very attractive location for plenty of industries. Still, the results indicate that the most potential customers in the future would be "traditional" Finnish industries, such as machinery, metal, forest, and energy. These would require again good railway connections from and to Vuosaari. Also, facilities for final assembly and product differentiation would be beneficial for many actors. Traditional warehouses are also on the list of the requirements for future industries in Vuosaari. However, mostly those industries would need fast and reliable shipment. This would guarantee that the business can run smoothly and efficiently.

There are many international 3PL companies in Finland, which would like to have their main location to be in Vuosaari. These companies identify the benefits of the

premium location. Even if today these operators are not in Vuosaari, there is a great probability that this can change in the future. These companies would require warehouse services, which includes lifting and maintenance services. Another big thing that is in the must category for these companies is traffic connections. In practice, this means good connections to the ring road and railway network. Additionally, fast and easy routes to ferries are important for 3PL companies.

If the initial question is turned upside down, it is easy to state that there will not be retail companies in Vuosaari anytime soon. The big chains have their own facilities, which support their functions relatively well. These chains do not see that Vuosaari as a location would create superior value. In fact, many operators see that Vuosaari is too far from the region, which is the most beneficial for them. This influences on their decision to stay away from there. The biggest statement why not centralize operations to Vuosaari is the cost of the location. Additionally, risks regarding the tunnel and traffic in general weight a lot on the scale.

RQ3: Through which practical arrangements Vuosaari Harbor can increase its attractiveness from the perspective of potential new businesses?

First of all, Vuosaari and Logicor in cooperation need to focus on marketing. There is a need to get rid of the current image of "expensive area". Here some calculations about the total costs and benefits should be utilized. More in detail the costs can be presented the better the response from the customer side will be. At the same time starting to create a customer reference portfolio will catalyze the image transformation. Through reliable customer cases, it is relatively easy to convince potential customers. In this case, it depends on a lot of the success of marketing activities, how fast the transitions from "an expensive" to "beneficial" can happen. Anyhow, sooner the better and thus the input on these issues should be remarkable. This is also closely related to the pricing issues, which obviously occurs currently in Logicor's premises. When the above–mentioned practices are used, the customers will realize the real value of the offered facilities. Then it is

more likely that these same actors start business operations in Logicor's warehouse facilities.

Through better internal cooperation in Vuosaari harbor, some benefits can be achieved. One of the most important ones is the customer satisfaction when it is easy and simple to come and go in Vuosaari. One gate would be a great enhancement compared to the current situation. It would make many things easier and faster for Vuosaari's customers. Additionally, if the internal traffic would be simpler, the overall satisfaction towards Vuosaari would increase. Another infrastructure improvement, which could increase the attractiveness of Vuosaari, is a new alignment of the railways in Vuosaari. If there would be an opportunity to operate by intermodal transport from the harbor, many companies would centralize their operations to Vuosaari.

When companies do not always have the resources to do all by themselves, it is crucial that there is some actor to help them. In Logicor's facilities service level should be raised up by offering a complete warehousing package. This could include several different services (maintenance, management, security, lifting, etc.). All this would increase customer value, which in many cases would increase the business volume. This might require close cooperation or a partnership, but no matter how the idea is executed, there will be certain benefits anyhow.

6.2 Overall Summary

No matter from which perspective Logicor's situation is evaluated, the overall result is that the situation is extremely challenging. The facilities in Vuosaari are built for a purpose, which is not that valid at the moment. High–class facilities are not what are desperately wanted, so the customers would be willing to pay any extra for a location. The image of Vuosaari and Logicor is very expensive. This fact creates some challenges for business. It is critical that both stakeholders start rapid operations, which aim to change the image of the area.

Even though services are important for customers, there still is not a single "silver bullet" service, which would make a dramatic difference. The biggest influence

comes from the total cost and after that other functions and services are considered. However, it is extremely substantial to develop Vuosaari's and Logicor's service as the competitive environment requires some enhancements if these two want to stay in the front–end of the competition and evolvement.

Customer perspective and point of views of the service users are important when new offerings are created. Both, Vuosaari and Logicor would gain benefits if they could involve their customers and also prospective ones into a service innovation process. More tailored services are offered, more loyal and profitable customers you have. This is closely linked to customer value creation. When costs are relatively high, the value must be established clearly and in the best case with evidence. The connection between customer value and costs should be handled with superior benefits in order to get new and profitable customers. Still, the current customers cannot be forgotten. Moreover, Logicor must keep in mind that nowadays nothing is permanent and customer management regarding the current customers is in a key position when long relationships are built.

Close cooperation in Vuosaari between actors would be a great deal for everyone. The better Vuosaari harbor works together; the better is the overall result. When competitors within Vuosaari are aimed to get around the same negotiation table, some challenges may occur. However, this forum kind of event should be marketed for stakeholders as a "common good". Vuosaari's image and competitiveness are really tightly tied with the level of cooperation within the harbor.

Traditional Finnish industries (forest, energy, metal and machinery) are a good source of volume for Vuosaari. In order to get the volume there, the sales process must in a great shape. Might be that pricing and operations must be adapted, but if the total value is positive there is no reason to resist these industries in Vuosaari. One thing which effects on the presence of these industries is highly efficient transport infrastructure. Practically this means that railway traffic must be reliable and effective. Another sector, which is interested in railway traffic from Vuosaari, are 3PL companies. Those are mostly willing to utilize intermodal transport.

There are remarkable demand and interest towards this service. Now, when previous obstacles of intermodal transport have been removed, there is a higher probability of getting it work profitably. However, this needs a lot of commitment and long–term planning from the participants. At this stage, it must be reminded that big industries and actors are a good reference. Additionally, where the big ones are there are also smaller ones. This creates a decent opportunity to Logicor to sell its services for new customers.

6.3 Practical Implications

In Vuosaari, Port of Helsinki should dedicate time and emphasis on enhancing cooperation and creating more coherent practices. As it was mentioned earlier on, currently customers perceive Vuosaari as a place with multiple operators and practices. This should be transformed into a better "teamwork" and more simple working methods. A recommendable step towards this state is a common forum, where all Vuosaari stakeholders get together around one table and start discussing what could be done better. In the forum, there should be a low threshold for new ideas and innovations. Competing companies in Vuosaari should find a mindset that even though they are competing against each other, in the bigger picture they are competing together against other Finnish and in some extent Russian ports. If the forum could offer an open channel for discussion and cooperation the whole area would develop and its competitiveness would increase. The most important thing is to create a common goal and strategy for Vuosaari's development in which all the stakeholders are committed. Through cooperation, businesses can reach synergy benefits, which as such improve business performance. Of course, this requires a lot of commitment and trust from all the participants. Also, it will take the time to actually achieve concrete results from this, but still it is worth to start now. When companies in Vuosaari are able to do things as one unit, many good things will happen.

This study revealed that Vuosaari's competitors have certain advantages over it. Thus, it is important to find ways to take away those competitive advantages from the competitors. One recommendable option for this is to evolve own operations

to the preferred direction. Three the most critical issues in this sense are opening hours, operational flexibility and easiness of operations in a harbor. Longer opening hours would make it easier for customers to plan and execute their logistics efficiently. When customers find it easy and beneficial to use Vuosaari, the volumes will grow. Flexible operations mean that the customer is the priority number one in the business process. If a paying customer needs some kind of special treatment, it should be at least considered. If not, there will be another port, which will do the thing that was requested. Customers would like to see changes in operating environment in Vuosaari and for that reason integrating and centralizing all the basic functions regarding logistics companies which come and go on a daily basis should be considered. For instance, one gate to harbor area would make many things easier and faster. It would be simpler for truck and trailer traffic when the drivers could use only one gate instead of several ones. Additionally, one license, which gives a permission to enter the harbor area, would again enforce smoother operations. When one license and the needed documents could be handled in one place, the operational efficiency of supply chains would increase.

Logicor should concentrate on its strategic approach to its business in Vuosaari in more detail. By this, it is meant that as basic warehouse services are not that tempting at the moment, so some moves must be made. Logicor could try to transform its business in Vuosaari from a square provider to a warehouse solution provider. The most efficient way to do this could be a partnership with another company, who would take charge of daily operations at the site. This change would offer customers what they want and need at the moment. Moreover, there might be customer needs in some particular moment, which require flexible warehouse space practices. According to the results, customer value would be higher if they could have warehouse premises, which are designed, or at least tailored, to their needs. All these issues come back to the initial need and requirement; listen to your customers and find solutions for their needs.

According to the study results, the most potential customers for Vuosaari and hence also for Logicor are machinery, forest, energy and metal industries mainly

due their big production volumes. Additionally, 3PL companies are somewhat good prospects for these two. This means that marketing activities should be targeted for these industries and sectors. By being open for new opportunities, especially Logicor, there is a chance to find new profitable customers who could help to fill the warehouse premises. Even though these industries may not be the first ones that Logicor has been thinking, due the type of the facilities, still these options are worth to check out. For example, a machinery company, which exports goods, can utilize Logicor's warehouse facilities for warehousing and late phase assembling. 3PL companies are interested in Vuosaari region, which increases their potential as customer prospects. However, some adjustments must be done regarding the pricing before these prospects can be attracted. Anyhow, it is highly recommendable to keep the discussion on an active level just in case, if the future makes a difference.

Regarding marketing activities, the most important task for both Port of Helsinki and Logicor is to get rid of the "really expensive area" image. This is the biggest single issue, which slows down Vuosaari's development and business growth. Moreover, if possible other stakeholders of Vuosaari should be utilized in the process, in order to be efficient and make superior results. One way to refresh the image is to make relevant comparisons between costs and customer value. Marketing organizations should find ways to do some calculations, where they compare Vuosaari's features (time, cost, value etc.) to competitors' features. The price conversation can be mitigated with proper customer references, which indicate the perceived customer value. Logicor should create a customer reference portfolio, which would help it to exploit the references effectively. The portfolio should include the most relevant and beneficial cases that support companies' presence in Vuosaari and in Logicor's premises. Another issue regarding marketing is defining customer value (what it is, how it is produced and leveraged, etc.). If Logicor does not know it by itself, it is hard to sell anything, which is based on customer value. Simultaneously with all the above–mentioned issues, it would be a reasonable action to review the pricing system and the current prices. Although it is important to generate revenue streams from

customers, still a long–term success might require some pricing adjustments. This will probably decline the revenue temporarily, but in a long run, it will turn to be a benefit for the company.

Railway transport has a great potential in Vuosaari. Thus, an active participation on evolving solutions for the needs of customers and railway operators is important. Especially, intermodal transport is one big question mark at the moment. However, it does not mean that it should stay as such forever. Actually, the situation is just the opposite; there is a need to bring intermodal transport on the negotiation table. Anyhow, there is demand for this method on the customer side; therefore, it is important that different actors start building a solution, which fulfills the demand. At the moment, there is the very negative attitude towards cooperation regarding intermodal transport and this need to be changed rapidly. Vuosaari must be ready for infrastructure modifications in its premises due the special need of this railway transport method. By being an active partner in this process, Vuosaari can drive its own development in a long run, which in the other words means higher volume figures and better profitability. It has to be kept in mind that no one can make a difference by itself, it is all about cooperation.

6.4 Limitations

After the project, it is easy to say that the scope of the research should have been narrowed down a little. This would have enabled more centralized focus and more details in the data. As Logicor is not well–known and it has been operating only a little while, the data concerning the company's overall performance is not as reliable as it should be. Additionally, relatively low level of participants' knowledge about Vuosaari affected on the data quality. If the sample would have had a strong operational experience in Vuosaari, the situation would have been more fertile. The sample of the study did not cover all the potential industries in Finland. The experience of the researcher was limited. Even though the author was able to receive valuable assistance and guidance from several sources (Lappeenranta University of Technology, Port of Helsinki and Logicor) still that help could not fully compensate the initial issue.

Regarding the interviews, probably more information could have been gathered, if the schedule would have been more flexible. Also in the interviews author's minimal experience of conducting academic research must have had some sort of effect on the results. Despite the anonymity of the participants, still, the attitude towards the project was somewhat negative. For that reason, the interview conversations were not as fertile as those could have been in an optimal frame. Another challenge in the interview phase was to manage to multidimensional research where are to main stakeholders. If this study would have conducted only for Logicor or Port of Helsinki, the process would have produced more in–depth information. When a number of respondents are evaluated, it might convince someone, but due the complexity of the case and two main stakeholders, the number of interviews could have been bigger in order to get more reliable results.

6.5 Future Research

In this field, the future research should focus more on the customer value creation process. Starting from early phases, where the company is identifying its own business operations and ways that it wants to utilize in its operations. The whole process should be covered in order to have some practical implications available at the end of the project. Another remarkable issue, which should be focused on, are the marketing practices in the logistics industry. Especially reference and customer case marketing should be investigated. The reason for this is the need to apply the right tools and processes in marketing.

Vuosaari should conduct a research within its main stakeholders and find ways to cooperate more effectively. This project could be accomplished within a forum, which gathers all the important actors in Vuosaari around the same table. In that case, all the stakeholders would have a chance to give their opinions regarding Vuosaari's development. When this study would be done by an objective instance, the spirit and atmosphere of the cooperation forum would be better. At the end, this would enhance the quality of the data and thus corrective actions would be easier to make.

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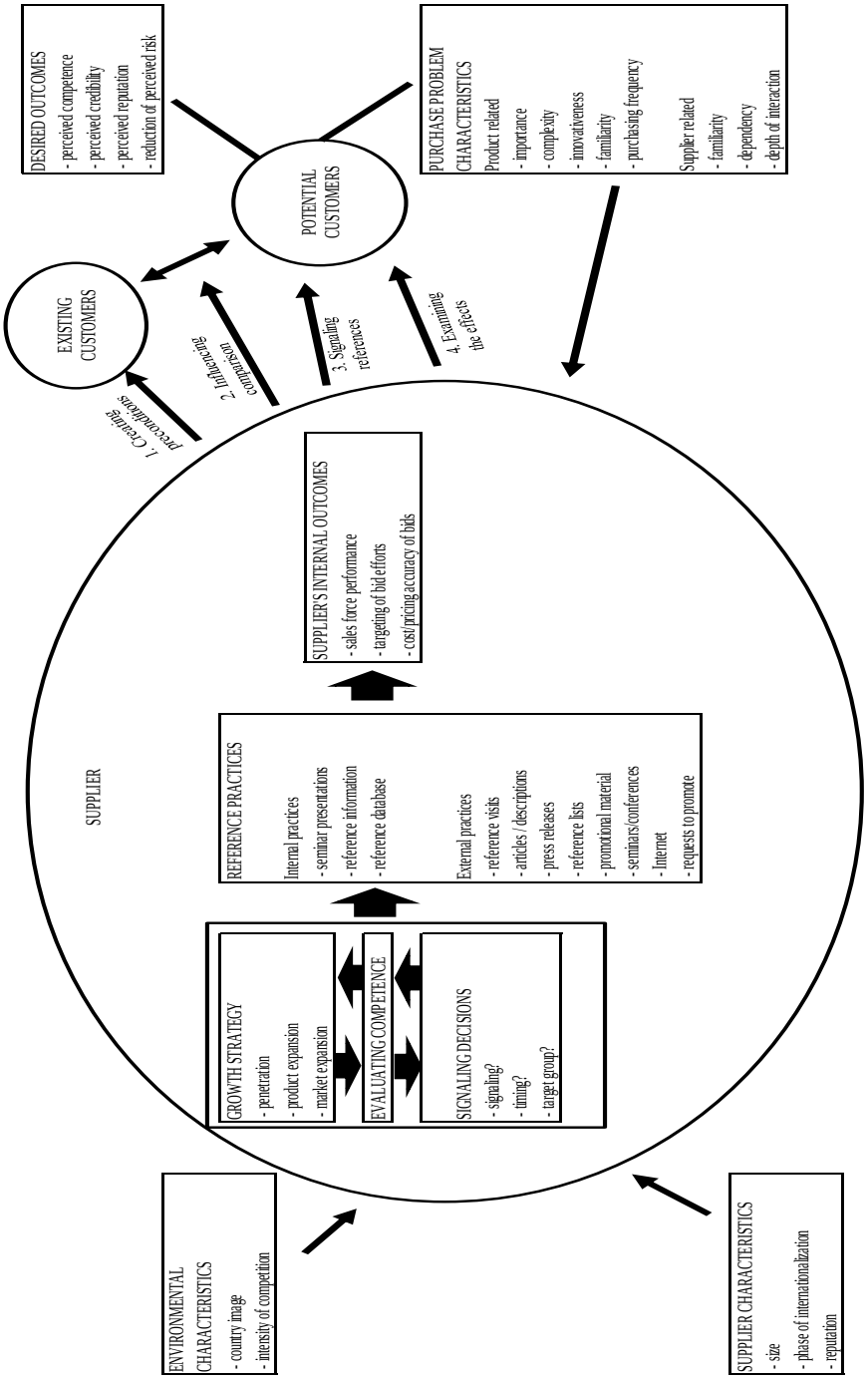
Appendix A: Reference Model (Salminen et al. 2006)



Appendix B: Useful practices and functions of external customer reference marketing (Jalkala et al. 2010)

The role of customer reference as a marketing assets	The proposed function of reference marketing activity (external)	The supplier's reference marketing practices (external)	The reference customer's role	The supplier's control
Critical sales and promotion tool	- Provide indirect evidence about experience - Enhance crediability through status transfer effect	- Reference lists	- Allowing company name and logo usage	High
	- Demonstrate and concretize the solution	- Success stories, Customer cases, Case studies, ROI-studies	- Participating in producing marketing/sales material	
	- Provide indirect evidence of previous performance	- Sales presentation reference slides		
	- Demonstrare the value of the solution	- Audio/video testimonial (webcast / podcast) Recorded reference interviews/podcasts		
	- Serve as a certificate of passing through a selection process	- Press releases	- Participating in media activities	
	- Signal an enhanced market position	- Articles in trade journals - Promotional material Customer presentations at seminars and conferences		
	- Provide indirect evidence about the functionality of the technology - Generate positive word-of-mouth	- Reference calls (one-to-one/one-to-many) - On-site reference visits - Customer events - Social media	- Participating in personal interaction with potential customer(s)	Low

Appendix C: Semi–Structured Interviews; Interview Guide

1. **Basic Information About the Respondent and Company**
    - What are your main tasks in your organization?
    - How long experience you have from the industry?
    - What are the main business functions of your company?
    - Could you describe your supply chain?
    - Do you have a need for product adaptation?
    - What are the main routes you use?
    - What Vuosaari's / Logicor's services do you use?
    - Could you describe the main features of the handled goods in your business?
    - What kind of warehousing needs you have in your business?

2. **Customer Relationship and Service Needs**
    - How satisfied are you with Vuosaari's / Logicor's services?
    - How satisfied you are with your supply chain?
    - How well Vuosaari / Logicor understands your business idea?
    - How well your supply chain supports your business?
    - Do you have some special service needs?
    - How well Vuosaari / Logicor can address their services to your needs?
    - What are the main issues you consider when you choose your routes?
    - Are there some crucial services that affect on route decisions?
    - How do you see the development of your customer relationship with Vuosaari / Logicor in next 2–5–year period?

3. **Vuosaari Harbor**
    - What are the main strengths and weaknesses of Vuosaari?
    - How would you compare Vuosaari and other Finnish ports?
    - What are the practical benefits that you gain from your location in Vuosaari?
    - Are there some weaknesses in the location?
    - Why have you started operations in Vuosaari?

- Have you considered other options for a location?
- What are the main competitors for Vuosaari?
- How would you assess Vuosaari's services?
- How would you develop Vuosaari's service offering?
- Could you recommend Vuosaari for some business?

4. Customer Value Creation

- How do you understand customer value?
- How Vuosaari / Logicor / your supply chain creates value for your business?
- Is there a chance that Vuosaari / Logicor / your supply chain could create more value for your business?
- Are you satisfied with the amount of innovations from Vuosaari / Logicor / your supply chain?
- Do you see it important to create solutions and services in a cooperation with a service provider?
- What kind of logistics value added services you are using?
- Are there needs for other VAS in your business?

5. Service Marketing

- What are the main features in service marketing in logistics industry?
- How reliable is the marketing communications in the service sector?
- Which kind of marketing activities do you trust most?
- Is it critical that customer value can be shown in practice?
- What do you think about customer references in service marketing?

6. Future Functions

- How your business will evolve in the next 2 to 5 years?
- What would you include into your optimal logistics service offering?
- Do you see it beneficial to centralize export / import operations to a certain port?

- How do you see intermodal transport in the future?
- Are there some specific requirements for intermodal transport from your point of view?
- What are the biggest challenges regarding intermodal transport in Finland?
- How do you see HCT–transport's future in Finland?
- How do you see HCT–transport effects on your business?
- How the routes to Europe will evolve in the future?
- What kind of role Via Baltica will have in the future in your operations?

7. Summary

- Do you have some worries / challenges regarding the topic?
- Could you give 3 customer requirements for Vuosaari / Logicor?
- Do you have something to add to the topic?