HOW TO BALANCE THE B’S AND C’S

A case study on how business-to-business companies can increase derived demand

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abstract

background
Today, business-to-business companies are becoming increasingly consumer-driven, wanting to increase derived demand from their end-consumers. In this master thesis we set out to find tendencies that occur in business-to-business companies and turn them into tactical suggestions for companies to use in trying to increase derived demand. The thesis is based on a case study done at the business-to-business company ASSA OEM.

Most business-to-business marketing textbooks define derived demand, explain how it complicates demand forecasting, and argue that business marketers should look at both their immediate customers and the downstream markets served by them. However, they fail to go beyond general observations and offer insight into the consequences of derived demand, the managerial challenges it causes and solutions to deal with them.

Information was gathered through a combination of literature studies, workshops and interviews with employees from our case company. We also interviewed actors from within the case company’s supply chain, its potential customers and end-consumers.

result
Today, business-to-business companies want to increase derived demand from their end-consumers. However, creating derived demand means thinking and collaborating in new ways within the supply chain and with outside actors. Companies are often apprehensive when it comes to collaborating with customers. This is because they are concerned of other customers within the supply chain getting upset and feeling like the collaboration partner is a favoured customer. Research also shows that end-consumers do not know enough about the product to fully understand what to ask for at the time of purchase.

In our result we give tactical suggestions based on a number of discoveries that we have made, as for how our case company can work with increasing derived demand.

conclusions
The thesis contributes to the theoretical field of business-to-business marketing and strategy implementation in that we give tactical suggestions, grounded in strategic knowledge, as to how business-to-business companies can work with creating derived demand. We also give suggestions on how to implement the tactical suggestions.
This master thesis is a collaboration between three students at the masterprogramme Business & Design, Cordovan Performance and ASSA OEM.

Business & Design is a masterprogramme at School of Arts and Crafts in Gothenburg, Sweden. The programme is an association with the School of Business, Economics and Law at The University of Gothenburg. Business & Design is a programme developed for students and professionals who have different educational backgrounds but a common interest in working strategically with design. The programme focuses on a process in which people can contribute their different roles and experiences. It exercises the ability to understand what others are saying, utilising one another's knowledge.

Cordovan Performance is part of the communication and consultancy agency Cordovan. The company develops and implements business related change. For this thesis Cordovan Performance acts as a mentor from the business world.

ASSA OEM produces and sells parts for windows and doors for their parent company ASSA ABLOY. ASSA OEM is the case company for this master thesis.

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“Life in the 21st century is built on an opposition. Never has there been more possibilities or freedom for people. Never before has there been more fear or insecurity that potentially can block the experience of this freedom. In order to have the possibility to understand our potential we first must feel absolutely secure and safe”

- ASSA ABLOY Brand Manual 2007
In order to facilitate the reading of this thesis we want to give our definitions of some frequently occurring expressions.

**Business-to-business company**
A business-to-business company is a company that sells its products and services to another company.

**Business-to-consumer company**
A business-to-consumer company is a company that sells its products to the end-consumer that is a private individual.

**Immediate customer**
By immediate customer we mean the customer closest to the case study company in the supply chain.

**Downstream customer**
A downstream customer is a customer placed further down the supply chain from the case company’s point of view. The downstream customer can be the customer closest to the case company in the supply chain just as well as the one furthest away from it.

**End-consumer**
The end-consumer is the person that finally buys and uses the product/products and/or service/services.

**Distributor**
A company that buys various products from the case study company in order to later sell them on to retailers and/or developers. Distributors often buy their products from many different companies in order to offer their immediate customers an as wide product range as possible.

**Retailer**
A retailer is a company that sell products directly to end consumers and/or to developers. A retailer often buys products from a distributor.

**Manufactory**
A manufactory is a company that develops a certain kind of product. Manufacturers use products bought from the case study company as part of their total product. They usually buy products from distributors and retailers. However, they sometimes buy their products directly from the case study company.

**Derived demand**
Demand generated from customers and consumers placed further down the supply chain from the case company’s point of view.
introduction

Today, business-to-business companies become increasingly consumer-driven, wanting to increase derived demand from their end-consumers. In this thesis we set out to explore business-to-business companies and turn our discoveries into tactical suggestions for our case study company to use when trying to increase derived demand for its end-consumers.

2.1 background
The perhaps most distinctive characteristic of business-to-business companies, especially those positioned near the beginning of the supply chain, is that the demand for their products is derived from the demand for the customers’ products and thus, ultimately, end-consumers’ demand.¹

Today, most business-to-business marketing textbooks define derived demand, explain how it complicates demand forecasting, and argue that business marketers should look at both their immediate customers and the downstream markets served by them. However, they fail to go beyond general observations and offer insight into the consequences of derived demand, the managerial challenges it causes and solutions to deal with them.²

In addition to this, research from the project “Framtidens näringsliv” (based on 100 interviews with business-leaders and 800 surveys to experts within the business world) shows that consumers and brands are becoming increasingly important for companies today. It also shows that customers and end-consumers will have more influence on innovation, product development, supply goods and services in the future. The consequence of this is that companies within the whole supply chain will spend more time on customers and end-consumers. It will also demand better and more collaboration between actors within the supply chain, meaning that companies that are positioned far back in the supply chain will be involved in totally new ways compared to today. This will to some extent decrease the difference between business-to-business and business-to-consumer companies³, forcing business-to-business companies to take control over derived demand.

In the future it will also be important for companies to understand the customer-value in the product or service. Hence, involving the customers and end-consumers in the development of new products will also become more important. “Framtidens Näringsliv” also points out that product development is getting increasingly rapid. Because of this, there will seldom be time for companies to build up the needed competence internally in the company. Instead, alliances with other companies will be a way to quickly get complementary market or technique knowledge for a specific field.⁴

¹ Fern, E. F. The industrial/Consumer Marketing Dichotomy, p.5
² Hillebrand, B. Dealing with downstream customers, p. 72
³ Bennet, C. Framtidens näringssliv, p.26
⁴ Ibid.
Increased end-consumer focus and growing participation from customers or other actors within the supply chain also brings with it new business models, new ways for financing, price setting models, division of risk etc. Examples of this will probably be found in “consulting”, meaning that companies will enter into partnerships with the customers, sharing the risk-taking in a business project.\(^5\)

Trying to increase derived demand from end-consumers will, among other things, mean that business-to-business companies will have to change their marketing. The parallels between industrial and consumer marketing have been largely ignored in the marketing literature\(^6\). This master thesis contributes to the research field in that it gives suggestions as to how a business-to-business company could work with creating derived demand, based on its current situation.

Business-to-business companies are becoming increasingly consumer-driven, not necessarily because they want to but because they have to. In connection to this they want to increase the demand from their end-consumers. However, they want to do this without damaging their relationships to customers within their supply chain, which is not always easy. With research telling us that the future will bring with it collaborations with customers and consumers, companies have to start thinking of ways to collaborate in order to create derived demand.

With this thesis we wish to offer insight in how to increase derived demand, based on the current situation of our case study company. We also wish to suggest solutions for how to create and deal with derived demand.

2.2
problem description
Today, business-to-business companies find creating derived demand important but they do not know how to go about creating it. This often depends on the fact that they do not have the tools and/or the organizational structure needed to handle the relationship and communication with the end-consumer. Our literature studies and research have showed that the companies also are afraid of relationships to immediate customers and other supply chain actors getting damaged by them reaching out to end-consumers in order to create derived demand. They also fear that collaborating with one specific customer within the supply chain, in order to create derived demand, will damage the relationship to other customers. This is because of the risk of other customers perceiving the collaboration as the company favouring one customer.

A company that is currently facing the challenge of creating derived demand is ASSA OEM. As pointed out in the previous chapter, companies positioned far back in the supply chain will be involved in their customers and end-consumers in new ways in the future. ASSA OEM often has long and complicated supply chains and is placed rather far back in them. This means that for the company to be prepared for tomorrow and become increasingly consumer-driven, ASSA OEM needs to learn about both its customers within the supply chain, potential customers and its end-consumers. Since the brand also is becoming increasingly important, ASSA OEM also needs to learn more about itself and become the strong brand that consumers will want to buy from. Because of these factors ASSA OEM was the perfect case company for us to work with.

\(^5\) Bennet, C. Framtidens näringsliv, p.26
\(^6\) Fern, E. F. The industrial/Consumer Marketing Dichotomy, p.3
Since we wanted to create suggestions as for how to create derived demand we found it important to do our work in close connection to the case company. Through meetings, workshops and interviews with the company’s marketing department, their customers, potential customers and the end-consumers, in combination with learnings from the literature, we developed suggestions for ASSA OEM for how to increase derived demand from their end-consumers. We also wanted to define general aspects for business-to-business companies that are useful when wanting to approach the end-consumer, without damaging the relationship to the immediate customers.

When giving suggestions of solutions to a problem it is our belief that knowledge of strategy, implementation and branding is of importance, meaning that the suggestions will more likely fit the specific organization and be realized if it has been developed with this knowledge in mind. Hence, we will affect these subjects in our theoretical framework in connection to literature concerning derived demand, business-to-business marketing etc.

With this thesis we also wish to contribute to the research field, building on to research in focusing on tools and techniques for initiating and maintaining relationships to downstream customers.

2.3  
**question at issue**  
Having considered important factors for strategy implementation, what suggestions can be developed for business-to-business companies to increase derived demand from their end-consumers?

2.4  
**purpose**  
This thesis brings practical knowledge to business-to-business companies regarding how to create derived demand. Since little is written about derived demand and dealing with downstream customers we wish to bring further knowledge to the subject.

Our study contributes to the theoretical field of business-to-business marketing and implementation in that it gives tactical suggestions, grounded in strategic knowledge, for how business-to-business companies can work with increasing derived demand from their end-consumers. We also suggest how to implement the tactical suggestions.
methodology

This master thesis is based on a qualitative case study. In this chapter we discuss our case and how we collected, analyzed and validated data. We also describe our unique way of working, combining an academic research process and a design process.

3.1 research approach

For this thesis we chose a case study approach. Allowing the researcher to retain the holistic characteristics of real-life events while investigating empirical events, the case study is the most flexible of all research designs. The case study as a method means a plan for collecting, organizing and integrating information or data that results in a special end product (the research findings). A case study is preferably used when “how” and “why” questions are to be answered, when the researcher has little control and when the focus is on a current phenomenon in real-life context. Ghauri et al. suggest that the case study is the preferred method if wanting to study a situation which has rarely been studied and is unique in its nature, hoping to learn something new and important.

We wanted to study how business-to-business companies can increase derived demand from its end-consumers which is a field were little has been written. Hence, we found case study a suitable method for our work. Our question at issue concerns what tactical suggestions that can be given to business-to-business companies for increasing derived demand and how the suggestions can be implemented. This is a field where little research has been done. Hence, in order to answer the question in the best way possible we needed to study an organization that wants to increase derived demand.

Our case study is qualitative, meaning that it is an intense, holistic description and analyze of a single phenomenon. According to Alvesson and Sköldberg, qualitative research is context bound and places the viewer in the world. This corresponds well how we have chosen to work. We have studied things and people in their natural environment and tried to understand or interpret phenomenon both within our case company and the business-to-business field in general. We have not aimed at gathering large amounts of data, but rather at finding useful sources, people and companies to learn from. Our goal has been to find underlying patterns and cultures in a business-to-business company, like our case study object, in order to be able to, in combination with our literature studies and interviews, identify a number of discoveries regarding how to increase derived demand from end-consumers.

A case study often involves data collection through multiple sources such as verbal re-

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7 Schell, C. The value of Case Study as a Research Strategy, p. 1
8 Merriam, S. B. Fallstudien som forskningsmodell, p.21
9 Yin, R. Case study research. Design and methods, p.1
10 Ghauri, P. N. Research methods in business studies: a practical guide, p.116
11 Ibid, p. 34
ports, personal interviews and observation as primary data sources. In addition, case methods involve data collection through sources such as financial reports, archives, and budget and operating statements, including market and competition reports.\textsuperscript{12} For this thesis we interviewed people both from within the organization and outside the organization. We also held workshops, studied relevant literature and company information such as annual reports and brand manual.

Our case study is particularistic in that it focuses on a particular phenomenon and that the case itself is important for what it reveals about the phenomenon and what it might represent\textsuperscript{13}. A particularistic case study could be said to concern a specific situation but yet illuminate a general problem. It can be influenced by the writers’ own values and show the reader what needs to be done and what should not be done in a similar situation\textsuperscript{14}. This corresponds well to our way of working, where we have enlightened the case company about how to increase derived demand from its end-consumers. We have also searched to discover general aspects for business-to-business companies, wanting to do the same.

3.2

research process

There is an old apprehension of chaos and creativity being the same. This is wrong. In order to make results through creative work that lead to innovation you need to go through a structured process from the demand phase to the delivery of a developed concept. Questions and solutions that appear during the process create loops that mean you have to start from the beginning and map a new direction\textsuperscript{15}. In this chapter we describe the process for our work.

The Design Thinking process is an iterative, human-centred set of methods and tools that combine approaches found in design and ethnography with technology and skills. In the literature, multidisciplinary teams are described as a great way to boost innovation.\textsuperscript{16} This is in fact the underlying reason for us choosing to work in the multidisciplinary team that we are.

Our process is based on a holistic, iterative design process that is combined with the academic research process (see figure below). The academic process can be described in many different ways but it is often said to be a linear process, consisting of the following steps; preparation of project proposals, approval of proposals, project work, presentation of results and evaluation and documentation.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{research_process.png}
\caption{The research process by Michanek\textsuperscript{17}}
\end{figure}

\textsuperscript{12} Ghauri, P. N. Research methods in business studies: a practical guide, p.114
\textsuperscript{13} Ibid p.25-26
\textsuperscript{14} Merriam, S. B. Fallstudien som forskningsmedel, p.27
\textsuperscript{15} Michanek, J. Idéagenten, p.32
\textsuperscript{16} HPI. http://www.hpi.uni-potsdam.de/d_school/design_thinking/components.html?L=1, available 2011-05-21
\textsuperscript{17} Michanek, J. Idéagenten, p.34
The design process is a process of creation and decision-making. Design has a capacity to mediate between the industrial and technological world and the consumer, which we find especially useful when working with relationships between different kinds of companies within a supply chain. Design can be active on strategic, tactical or operational levels, in setting long-term goals and in day-to-day decision-making. The iterative design process corresponds well to the holistic working process of our case study.

Design processes are hard to map out. Nevertheless, a lot of different maps and explanations can be found in the literature. One of those can be found in Bryan Lawson’s book, *How designers think*. The model divides the design process into three phases: analysis, synthesis and evaluation.

![Figure B: A generalized map of the design process](image)

The analysis phase is an exploring step where the designer structures the problem, research patterns and relationships in the information available. This is followed by a synthesis phase, where different solutions are generated. These ideas are then evaluated in the step called evaluation. Here the ideas are evaluated against the objectives identified in the first step. This flow is also accompanied by loops in every phase.

In our case, the design process and the research process are not to be seen as two different processes. Instead we see it as two ways of describing the same process only focusing on different details. In order to describe the similarities of the design process and the academic process in this thesis we merged the previously explained models into one.

![Figure C: Our process](image)

The model above describes how we replaced the project work phase of the research process with the design process. Here, we looped between analysis, synthesis and evaluation. The process as a whole is described in appendix 1.

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18 Borja De Moyo, B. Design management, p.3
19 Ibid, p.4
20 Lawson, B. How designers think, p.37
21 Ibid
The analysis phase was without a doubt the biggest part of our process. Here we planned our project, identified our case company, formulated and reformulated our goals and gathered information. The latter was done through literature studies, interviews and workshops. During the process we moved back and forth through the empirical and theoretical studies. The diagram below describes that movement.

![Diagram](image.png)

*Figure D: Showing how we moved between empirics and theory during the analysis phase*

**synthesis**
Based on the information gathered in the analysis phase we started to define what possible solutions could look like. In this phase we looped back to analysis a number of times, creating solutions only to go back to relevant literature, rethink and change them.

**evaluation**
The evaluation phase has in many ways been the result of an organic process, slowly but steadily narrowing down the different outcomes of the project. This phase is the most elusive and hard to define in a process map. In this phase, there were also clear loops back to the analysing phase. When evaluating the different concepts we used both theoretical and empirical references.

### 3.3 case selection
The company that we chose for our case study is ASSA OEM. ASSA OEM is currently facing a challenge in that the company wants to increase derived demand from its end-consumers. In order to do so the company needs to come closer to the end-consumer but also find ways of collaborating with the customers within their supply chain.

The choice of case company was made accordingly to what Merriam calls “convenience sampling”, meaning that the researcher selects a case based on time, location and for example availability of respondents. ASSA OEM is located in Gothenburg and Eskilstuna, meaning that we would be able to visit the company rather frequently during our study. The access to the company in combination with the fact that it wants to increase derived demand from its end-consumers made ASSA OEM the perfect case company for us to study.

Our knowledge of implementation and strategy proves that it is important to develop
strategies in close relation to the company and its co-workers in order to increase the likelihood of changes being implemented. Hence, for our case study, we chose to work very close to the company. By doing so we would get as detailed information and an as accurate apprehension of ASSA OEM as possible. Working close to the company would also mean enable us to deliver a result that was realizable.

3.4 data collection
Qualitative research means that the data collection is focused on ”soft” data such as qualitative interviews and interpretive analyzes. In our qualitative case study we have tried to get an understanding for and interpret the organization of our case company, their supply chain and relationships, through interviews and workshops. For our data collection we have focused on meeting actors in the case company’s supply chain, potential customers and a group of participants from the company’s marketing and sales department.

3.5 interviewing method
In order to get to know the organization of the case company we interviewed a number of people in the company, actors both within and outside the supply chain and end consumers. The interviews looked slightly different depending on whom we talked to, varying from using very open questions when interviewing actors in the supply chain to a questionnaire used when interviewing end consumers.

According to Gordon it is important to inform the person who is being interviewed with the purpose of the interview in order to assure that he/her understands the questions that are asked. It is also important that the person who is being interviewed answers the questions both independently and spontaneously. Gordon elucidates the importance of creating a trustful atmosphere during the interview. Hence, at the beginning of our interviews we informed the respondents of their anonymity. This gave them a bigger confidence for answering our questions righteously. We also tried to make the interviews pleasant and friendly, meaning that we tried to create a discussion rather than feeding the respondent with questions.

Reliability of information can in general be said to increase if the person that is being interviewed is given the possibility to answer independently and spontaneously to the questions. Hence, the questionnaires where put together in a way that the respondent could not answer just yes or no. Instead the interrogatives could be either why, how, what, where and/or who.

Besides taking Gordon’s advice, mentioned above, the structure and some of the questions in our questionnaires were inspired from those used by communication agencies when developing brands and communication different companies. This is information that the group brings with it from previous work experience.

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23 Patel, R. Forskningsmetodikens grunder, p. 102
24 Gordon, H. Intervjumetodik, p. 17
25 Ibid, p. 50
For the questionnaire aimed at ASSA OEM co-workers we, in order to get to know the brand, asked questions regarding what other brands the person felt the company was like and what other brands they wished for ASSA OEM to be like in the future. We also asked about the relationship between ASSA OEM and the parent company, ASSA ABLOY. We felt that this gave us a better understanding of the company that we were working for and also better conditions for a successful end result. It is our belief that if a solution is rooted in the brand that it is developed for, the chances of success are much higher. Questions regarding the end-consumer and the customers’ relationships to ASSA OEM affected factors like what is important for the end-consumer when picking out a window or door. We also asked questions regarding the communication between ASSA OEM and its customers.

A second questionnaire was used when interviewing ASSA OEM customers and potential customers. Here, we focused on what is important for the end-consumer and, in some sense, how ASSA OEM was perceived by the respondent. A third questionnaire was used when interviewing end-consumers, in this case, house owners and owners of apartments. Here, we focused on getting to know their relationships towards the brand ASSA, and their preferences when buying windows and doors.

Before being used the questionnaires were approved by Johan Kjörk and Jonas Bourghardt. The questionnaires can be seen in appendix 2.

3.6 design methods
Ideas have become somewhat our mental reality’s equivalent to physical atoms. All of the things that we experience around us and that are influenced by the human are manifestations of the smallest, but most desirable building block in today’s society – the idea. Ideas and concepts have become so valuable that people have started selling them. These people often call themselves idea brokers and what they do is that they plainly sell and buy ideas. Design thinking means using design methods in processes. Hence, for our case study we used design methods to create and generate ideas that can be valuable to the case company and that we believe help create a better end result.

During our project we held workshops based on a workshop concept that we have developed ourselves. The aim with the workshop was to encourage the ASSA OEM employees to think outside the box, but also to generate ideas for ways of reaching the end-consumer without damaging the relations to the case company’s other customers within the supply chain. The workshop concept and results from workshops are further described in the next chapter.

We also held a workshop with end-consumers where moodboards, regarding how the case company’s brand was perceived, were created. Moodboards are collages of pictures, words and objects that describes a topic, feeling or such.

Within the working group, brainstorming and slip writing were also used in order to generate ideas, break structures and think outside the box. Brainstorming is a method for idea generation where a number of people sit down around a table and “storm” their ideas that are written down on a piece of paper by one of the participants. Slipwriting
can be said to be a further developed version of brainstorming where the participants write down their ideas on a piece of paper which is later passed on to the next participator who continues to brainstorm ideas based on the predecessor’s ideas.

3.7 workshop concept

The workshop concept described in this chapter, is part of our delivery to ASSA OEM. However, it was also a way for us to collect data and information. Hence, we have chosen to present it here as part of our methodology. Later, we discuss the findings from our workshops where the concept was used.

In order to further analyse how ASSA OEM could reach its end-consumers we held workshops with people from the organization. The goal was not only to generate new ideas but also to identify obstacles and problems that could occur when trying to increase derived demand. The task was to first define the end-consumers’ needs followed by actions that could be taken for reaching the end-consumer.

To sum it up, the goal for the workshop concept is to:
- Create an awareness of the company’s situation
- Clarify obstacles and understand the complexity of potential problems
- Coordinate and discuss the ideas for inspiring the participants

However, there was also an ulterior motive in that the workshop method could help facilitate the implementation of our tactical suggestions. According to Kim and Mauborgne, people care just as much about the justice of the processes as the outcome of them\textsuperscript{28}. Therefore we found it important to integrate many different competences in our workshops, hoping it helps when implementing our suggestions.

The first workshop was held at the Eskilstuna office and the second at the Gothenburg office. The workshop concept is our own but was inspired by concepts presented in Michanek and Breilers’ book \textit{Idéagenten}\textsuperscript{29}. The workshop was previously prototyped on friends and students at HDK. Having held this prototype workshop, we updated it slightly by tweaking the content in order to make it more likely for the participants to think outside the box. The different parts of the workshop are described on the following pages.

Part 1

\textit{Who is your end-consumer?}

In the first step of the workshop, the participants were asked to brainstorm around who their end-consumer is. Two papers where handed out to the participants, who worked in teams of two. On one paper there was a silhouette of a woman, on the other a silhouette of a man. This meant that they first chose the gender of the end-consumer. Inside the white silhouette on the paper, there were a number of questions regarding the end-consumer for the participants to answer. When the participants had answered the questions, each group presented their end-consumer to each other. This created a number of personas, who later where used in part 2 of the workshop.

\textsuperscript{28} Kim, W.C. Blue ocean strategy, p. 175

\textsuperscript{29} Michanek, J. Idéagenten
Figure E: The two silhouettes used to identify personas during the workshops

Part 2
What is it that you sell?

In the second part of the workshop the participants were asked to clarify and specify what it is that they actually sell. Here, we asked them to write down their answers considering the three factors; emotions, functions and products.

Part 3
What does the end-consumer need?

Having written down what it is that the company sells, the participants were asked to look at their personas again and think of what they want from ASSA OEM. What are their needs and demands? This gave the participants an opportunity to think outside the box, and create a surplus value to their personas.

Part 4
How can the end-consumer be reached?

Having clarified the sender and receiver, the participants’ were asked to start a discussion about how they could reach out to their end-consumer, considering marketing channels. The ideas were written on post-its, connecting the space between the offer and the end-consumer.

Part 5
The actor

To trigger the participants’ thoughts, game cards with a new, fictive player from within the company’s supply chain was handed out. For the workshop concept, we have developed four kinds of supply chain actors. These are developed based on facts from Hillebrand and Biemans’s study, regarding supportive or non-supportive customers within the supply chain of a business-to-business company (see chapter 4.1).

The new actors were also accompanied with a card with possible initiatives (see appendix 3). Here the participants were asked to mark out their initiatives (meaning a combination of effort and cost). After being handed the actor the participants discussed how
they could integrate the new, and sometimes tricky, partner into their ideas as for how to reach the end-consumer. The play cards can be found in appendix 3.

**Part 6**

**Presentation**

Finally, the participants were asked to present their ideas as for how they could reach their end-consumer without disturbing the relationship to the immediate customer. This part of the workshop is preferably followed by a group discussion.

3.8

**Data analysis**

In qualitative research like ours, “authenticity” rather than reliability is the main issue. The idea is to present an “authentic” understanding of people’s experience, not just understanding the point of view of the individuals and groups being studied. In addition, data has to be interpreted against the background of the context in which they are produced.

During our case study we have analyzed data by discussing it within the group and with tutors. We have also worked with clustering, sorting answers from interviews in groups after similarity and/or subjects. Graphic diagrams have also been used in order to get a better overview of the data.
quality of research

As mentioned previously we have chosen to work in very close connection to our case company. This of course makes the validity and reliability of our case study increasingly important.

Validity must be measured via interpretations of the researcher’s own experience instead of in terms of the reality\textsuperscript{30}. Since we are three people we were able to use a kind of triangulation between ourselves regarding how we experienced things and situations. To secure the internal validity of the case we also used peer examination and classic triangulation. The later was used in the sense that we interviewed several people from different backgrounds, companies etc.

It is our belief that the close connection to the case company made it easier for us to determine what data was relevant. A case study researcher tries to constantly capture and describe reality, as it is perceived by the people who are in it. Hence, we agree with Merriam who says that what \textit{appears} or is \textit{perceived} as reality to some extent is more important that what actually \textit{is} true.\textsuperscript{31} We believe that our close connection to the company increased both the respondents’ confidence for us as well as our ability to read the respondents correctly.

\textsuperscript{30} Merriam, S. B. Fallstudier som forskningsredskel, p.177
\textsuperscript{31} Ibid, p.178
Theoretical Framework

In this chapter, we are going to define our theoretical approach and narrow it down towards our question at issue, choosing parts of it to take with us to our empirics and result. Please take in to consideration that the knowledge presented on the following pages was constantly compiled during our process and, in the second half of our process, also constantly put in relation to our empirics. This means that even though the relevant theoretical knowledge here is viewed as a whole, it was not all collected at the start of our work but rather built on to during the majority of the working process.

The theoretical framework starts with a description and discussion about derived demand and the often challenging relationships within business-to-business supply chains. Here, we also discuss possibilities for collaborations within the supply chain and with end-consumers. This is later put in connection to marketing, where business-to-business marketing is compared to marketing aimed at end-consumers. This leads on to important factors for communication such as branding and social media.

The theoretical framework is rounded off with insights regarding strategy and factors for successful implementation. We identify what is known about the subjects and what we think is important to keep in mind when developing and implementing strategies at all levels of a company.

4.1 Downstream customers and derived demand

“Distant relatives are the best kind— and the further the better— said the American humorist Kin Hubbard, but it is no cause for amusement when distance gets in the way of effective cooperation and collaboration with your ”relatives” in the supply chain.”

The quotation above describes how companies today often prefer keeping a professional distance to their customers and their end-consumers. In the paper Dealing with downstream customers: an exploratory study, Hillebrand and Biemans discuss the fact that firms today are aware of the importance of downstream customers, but yet frequently fail to establish effective relationships to them. A focus solely on immediate customers, the customers closest to the company in the supply chain, may harm both the product and the company performance. Even though immediate customers may be interested in a product, success frequently requires downstream customers to also acknowledge the product’s value and invest in it. Hence, it is all about facing the buyer’s buyers from whose demand the demand of the immediate market is derived.

An orientation towards downstream customers is different for business-to-business companies than for business-to-consumer companies since they, by definition, are separated from their downstream markets by the immediate customers.

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32 Hillebrand, B. Dealing with downstream customers, p. 79.
33 Ibid. p. 73
34 Ibid.
Unlike traditional market orientation, an orientation towards downstream customers requires a multi-actor perspective. A firm’s ability to effectively work with downstream customers largely depends on the immediate customers’ willingness to cooperate.35

Hillebrand and Biemans also discuss the fact that downstream customers are ignored in market orientation studies, leaving business-to-business firms in need of tactical guidelines on how to deal with downstream customers. When doing research within the field, we found that few sources mentioned the relationships created when there are many players in the game, more than one supplier and one customer to take into consideration. Usually, books write just a couple of entries about downstream customers.36

With this in mind we found it interesting to further investigate how end-consumer focused collaborations within the supply chain could be performed and managed. Hence, in the next chapter we discuss supply chain management.

4.2 

supply chain management

A supply chain can be described as:

"A set of three or more entities (organizations or individuals) directly involved in the upstream and downstream flows of products, services, finances, and/or information from a source to a customer"37

Figure H: Illustration over a simplified supply chain

According to Mentzer et al., global orientation and increased performance-based competition combined with rapidly changing technology and economic conditions, all contribute to uncertainty on the marketplace. This requires greater flexibility from individual companies and supply chains, which in turn demands more flexibility in supply chain relationships.38 Customers today are demanding products consistently delivered faster, on time, and without risk. Each of these factors necessitates closer coordination between suppliers and distributors, making Supply Chain Management (SCM) increasingly important.

35 Hillebrand, B. Dealing with downstream customer, p. 77
36 For example, in the marketing textbook “Business-to-business marketing”, there is approximately five pages that mention derived demand of six hundred. Or the book “Industrial marketing strategy”, three pages of three hundred sixty-five mentions the word.
37 Mentzer, John T. Defining supply chain management, p. 2
38 Ibid, p. 2
Supply Chain Management can be defined as: “The integration of key business processes from end user through original suppliers that provide products, services, and information that add value for customers and other stakeholders.”

The quotation above describes how to coordinate traditional business functions within a company and across businesses within a supply chain. This can be seen as coordinating done to improve long-term performance of the supply chain as a whole but also of the individual companies in it.

Business-to-business companies often have long and complicated supply chains. Our case company ASSA OEM is one of them. This means that we have had much to take into consideration when trying to find ways for the company to approach its downstream customers. To ensure that both customers and consumers are satisfied, it is important to manage supply chains properly. If wanting to create derived demand and perhaps collaborate with customers within the supply chain in doing so, this becomes even more important. Hence, in the next chapter we discuss how business-to-business companies can involve the downstream customer in their business.

4.3 involving the downstream customer

As mentioned in chapter 4.1, Hillebrand and Biemans point out how derived demand is neglected in the literature. We found this important and interesting for our study, mainly because it proves that our apprehension of there being a gap in the research field is true. Hillebrand and Biemans study is the first study that expands the concept of market orientation to downstream customers and thus contributes to the extant literature on both market orientation and business-to-business marketing. Hence, we have chosen to use the study as a basis for our work. We see our work as a continuation of their research in that it builds on to their conclusions with tactical suggestions for business-to-business companies.

The first phase of the Hillebrand and Biemans study showed that issues with downstream customers are especially relevant when firms are developing and marketing new products. The study also showed that many firms find involving the downstream customers problematic because of several barriers related to gathering information from and providing information to them. Firms wanting to connect to their downstream customers are having difficulties with this because downstream customers are not always interested in discussing or co-developing a new product.

Respondents to the previously mentioned study also said that downstream customers often lack the expertise to assess the value of a new upstream product and therefore need to frequently be educated about the value of upstream products. A lack of perceived value hinders the communication and cooperation between the supplier and its downstream customers. Hillebrand and Biemans found that upstream suppliers are more oriented towards downstream customers when these customers are able to assess the value of the upstream product and that downstream customers are more likely to be able to assess

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39 Cooper, Martha C. Supply Chain Management, p. 2
40 Mentzer, John T. Defining supply chain management, p. 2
41 Hillebrand, B. Dealing with downstream customers, p. 74
42 Ibid
the value of an upstream product when they are not so far down in the supply chain. Good examples of co-operations between business-to-business companies and downstream customers are components with a strong brand, like Goretex, Teflon and Intel. They have all managed to create and add value for the end-consumer by cooperation.

Hillebrand and Biemans mention the following three basic approaches for companies to use when trying to get the downstream customers to understand the value of their product.

1. Engage in market research on downstream markets to learn more about these markets and be better equipped for targeting downstream customers and convince them to switch to the company’s ingredient/product.

2. Develop supply chain value models that demonstrate how each supply chain member stands to benefit from adopting a product with the supplier’s ingredient by quantifying the upstream product’s impact on the downstream customer’s business.

3. Try to make the value of the upstream product more explicit by showing immediate and downstream customers how to use the product. This could for example mean demonstrating to the customers how the product works or developing clear instructions.

However, according to some, education could be a both costly and static way of approaching customers. Despite this, we found it an important possible solution that should be taken in to consideration when trying to build strong relationships to downstream customers. It is our belief that when done properly, educating customers could be done in a way that satisfies both parts and that leads to a strong brand. We also think that when educating the customer, the company also learns from the customers.

The Hillebrand and Biemans study also shed light on another important factor for dealing with downstream customers. Several of their respondents experienced significant problems with demand forecasting because they had insufficient information about downstream markets. Many stated that they refrained from marketing activities, directed at downstream customers, because they did not want to offend their immediate customers. The study further showed that when downstream customers embrace a product concept their acceptance can be used to persuade immediate customers as well. However, an exclusive focus on downstream customers may result in products that are resisted by the firm’s immediate customers. Hence, upstream suppliers need to be focused on both immediate customers and downstream customers, making use of downstream customers in order to persuade immediate customers.

According to Hillebrand and Biemans, immediate customers who are supportive of collaborations come in two kinds. There are those who cooperate but still remain the single or main channel of communication between supplier and downstream customers. In these cases the immediate customer acts as a proxy for downstream customers. Hence, the immediate customer stay in control of the relationship to the downstream customer.

The second kind of immediate customer allows direct access to the downstream customers. Especially complex products often require direct relationships with downstream customers.
customers in order for them to truly understand the products. Here, it seems that relying on a third party may be risky and could jeopardize the firm’s reputation.48

An immediate customer’s attitude towards supplier activities, aimed at downstream customers, appears to depend on the immediate customer’s relative market power and its overall level of sophistication in its own marketing.49

When trying to increase derived demand from end-consumers it is important to be aware of both the differences and similarities between business-to-business marketing and business-to-consumer marketing. The differences between the two are frequently discussed in the literature. However, this is not the case with the similarities. Hence, in the next chapter we compare the business-to-business and business-to-consumers marketing.

Figure I: Graphic illustration

48 Hillebrand, B, Dealing with downstream customers, p. 77
49 Ibid, p.75
4.4

business-to-business vs.
business-to-consumer marketing

When reading about business-to-business marketing the expressions industrial marketing and organizational marketing are often found. The three terms (industrial marketing, business-to-business marketing and organisational marketing) all mean the same thing and can be defined as marketing concerning the creation of value for organizational customers by satisfying their needs.\(^{50}\)

“Industrial marketing can thus be formally defined as the creation and management of mutually beneficial relationships between organizational suppliers and organizational customers.”\(^{51}\)

Trying to increase derived demand from end-consumers will influence the business-to-business companies marketing. Hence, we found it interesting to learn how business-to-business marketing differs from and resembles business-to-consumer marketing.

Morris et al. claim that the basic concepts of marketing more or less are the same, regardless of the customer of the goods (business-to-consumer or business-to-business). The recipient is always a private individual. However, marketing towards an organisation has its distinct differences from marketing towards a consumer market. These can be summarized in to five different aspects regarding business-to-business marketing:

**the product**
Marketing of products aimed at organizations differ in many ways from that aimed at the public. The business-to-business markets generally focus more on the functional and technical aspects of the products. Customization and large categories are also aspects of the business-to-business market.\(^{52}\)

Products sold can be divided into three different categories:
1. Foundational goods (products that are used to make other products)
2. Entering goods (products that later will be sold as parts of other products)
3. Facilitating goods (products and services that enable the day-to-day operations of a company).

The products that ASSA OEM sells fall in under both entering goods and consumer goods as the company both sells products that are going to be sold as a part of other products and products that can be sold directly to the end-consumer.

**the nature of demand**
The second way that business-to-business marketing differs from business-to-consumer marketing is the nature of demand. This can be divided into five points; derived demand, joint or shared demand, concentration of demands, buyer behaviour, communication and finance.\(^{53}\)

\(^{50}\) Morris, M. Business-to-business Marketing, p. 3

\(^{51}\) Ibid

\(^{52}\) Morris, M. Business-to-business Marketing, p. 22-24

\(^{53}\) Ibid
1. Derived demand
All business-to-business products are in some way part of a consumer product, either directly or indirectly. Demand for a consumer good will eventually create a demand for all the business-to-business products involved in the supply chain. This phenomenon can be called derived demand, to be compared with direct demand, which is more frequently mentioned in connection to consumer markets. An example of derived demand is if the public starts buying more cars it will eventually mean increased demand for car manufacturing robots. As mentioned previously this thesis pays extra attention to the problems and challenges regarding increasing derived demand from end-consumers.

2. Joint or shared demand
Joint or shared demand is also a characteristic of the business-to-business markets. The expression is used to describe the situation when the demand for one product is dependent on the supply of another. An example of joint or shared demand is toothbrushes and toothpaste. If more people would start brushing their teeth it will probably increase the demand for toothpaste.

3. Concentration of demand
Another characteristic of business-to-business markets is the concentration of demands, meaning that many companies only have a handful of customers. This means that the loss of one customer, in many cases can affect the whole company. The demand in business-to-business markets is often of an inelastic nature, meaning that it is not as sensitive to changes in price as many consumer products are. This is a result of the fact that business-to-business products often are made to exact measurements or specifications, making them harder to replace. An example of concentration of demand could be the demand for cooling systems for nuclear power plants. If countries around the world stop using nuclear power, it would probably be the end for the industry.

buyer behaviour
Buyer behaviour is the third way that business-to-business marketing differs from business-to-consumer marketing. The buying behaviour of organizations differs a lot from the buying behaviour of end-consumers. A single purchase in the business-to-business world often involve a lot of actors with different agendas and points of view, making the buying process a very political affair.

communication
As a result of the long and complicated selling process, the communication of business-to-business products is much more focused on personal contact than on advertisement. The nature of the communication is more on the technical and factual side, concretizing the needs and preferences of technical and specialist staff. This is sometimes combined with more emotional content, appealing to the buyers’ sense of pride, security, intelligence or inventiveness.

However, in his doctor thesis "Tracing the drivers of B2B value", Niklas Persson found that the reputation or the perceived ability to deliver a product could be of greater impor-
tance than the actual product or service-solution itself.\(^{59}\) In other words, it reduces the importance of tangible products and services.

Or as Nilsson puts it:

“It is commonly assumed that branding elements in business markets are mainly related to tangible product and services (Rather than intangible as in B2C) and personal relationships between buyer and seller (rather than impersonal relationships). The first assumption is definitely not supported by this study, since several intangible brand associations, mainly at company level, emerged as critical drivers of firm performance”\(^{60}\)

finance

There are many special financial situations controlling the business-to-business marketing strategy. One such situation is the fact that many business-to-business companies work in environments with very few competitors’, so-called “oligopolistic markets”. Companies on these kinds of markets have big influence on each other’s strategies.\(^{61}\)

Having discussed business-to-business and business-to-consumer marketing we realized that it to a large extent comes down to creating a good marketing strategy. Hence, the next chapter is about strategies and what to bear in mind when developing them.

4.5

strategy

“Ask someone to define strategy and you will likely be told it’s a plan, or something equivalent - a directory, a guide or core of action in to the future”\(^{62}\)

Just like the quotation above indicates, strategy can be many things and can exist on many levels. People, hockey teams, countries, companies and organizations all have strategies, whether they realize it or not. In this thesis we focus on the kind of strategies that steer the marketing within an organization.

Strategy as a discipline can be traced back to ancient military campaigns. One of the oldest and most frequently used references is the more than two thousand year old book called “The art of war” written by the Chinese general Sun Tzu.\(^{63}\) However, the modern concept of strategy is really not a direct descendant to that mentioned in old books like “The art of war”. The origin of what we today call strategies can instead be traced back to the 1920s and the start of business planning courses at Harvard. By the 1970s the school had spread out and the discipline of business planning had re-branded itself as strategy.\(^{64}\)

The definition of strategy is an issue for debate. Carter et al. have assembled four characteristics that are common among the usual definitions of strategy.

1. Strategy is often described as a future centred roadmap or plan of some sort.

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59 Persson, N. Tracing the drivers of B2B brand strength and value, p.215-225, 250-252
60 Persson, N. Tracing the drivers of B2B brand strength and value, p.251
61 Ibid, p.26-27
62 Mintzberg, H. Strategy Safari, p.9
63 Carter, C. Studying strategy, p.2
64 Carter, C. Studying strategy, p.17
2. Strategy tries to describe how you can get to a desired point in the future.
3. Strategies seem to be driven by competition. No competition, no need for strategy.
4. Strategy is seen as the domain of the top management.\textsuperscript{65}

When trying to define strategy, Henry Mintzberg reach the following conclusion:

\textit{“It turns out that strategy is one of those words that we inevitably define in one way and yet often also use in another. Strategy is a pattern, that is consistent in behaviour over time”}\textsuperscript{66}

Strategies exist on every level of a company. For example there are strategies on a corporate level, product level and a market level. And just like Mintzberg puts it, there is often a difference between how strategies are defined and how it is used. In this thesis we will affect all three levels of strategy that are described above. However, since we have previously discussed the importance of communicating in the right way, when trying to increase derived demand from end-consumers, we will mainly focus on marketing strategy, which is discussed in the following chapter.

4.6 marketing strategy

According to Morris et al., a company’s marketing strategy should be a logical consequence of its the corporate strategy, and it must fit the outer actions in areas such as finance, staff, technology and orientation.\textsuperscript{67}

The marketing strategy focuses on questions regarding what the company sells, to whom it sells and how it sells. In other words the marketing strategy has to define the different target markets and find the relevant market mix to satisfy it. Morris et al. give us the following elements that define a successful market strategy.

1. The marketing strategy has to coordinate the different market activities so they create some kind of general theme or direction.
2. The marketing strategy should be formulated so that it anticipates or reacts to threats and operations that arise in the market.
3. The marketing strategy has to solve the customers’ problems. This is one of the reasons to why it is so important to do thorough buyer behaviour analysis.
4. The marketing strategy has to be able to outsmart competitors’ marketing strategy.
5. The marketing strategy has to contribute to the financial goals of the company. The focus here is not so much reaching profit maximization but rather helping to reach the individual goals of different products and services.\textsuperscript{68}

A company often develops many marketing strategies, that are divided according to the different product types. These groups are referred to as a SBU (strategic business units). Marketing strategy can then be divided in to four different categories:

1. Market penetration: Continuing on with the same product in the same markets, only doing it better

\textsuperscript{65} Carter, C. Studying strategy, p.9-10
\textsuperscript{66} Mintzberg, H. Strategy Safari, p.9
\textsuperscript{67} Morris, M. Business-to-business Marketing, p.193
\textsuperscript{68} Ibid, p.193
2. Product development: A new product, service or upgrade is introduced to an existing market
3. Market development: Taking existing products into new markets
4. Diversification: A new product or service is introduced to a new market.

Our case company ASSA OEM mainly works with market penetration and product development.

An important factor to take into consideration when developing a marketing strategy is of course the brand for which it is developed. Hence, in order to fully understand how to develop a good marketing strategy (or strategy of any kind), the following chapter discusses brand and branding.

**Product Programs**

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<th>Markets</th>
<th>New</th>
<th>Existing</th>
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<tr>
<td>Existing</td>
<td>Market penetration</td>
<td>Product development</td>
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<tr>
<td>New</td>
<td>Market development</td>
<td>Diversification</td>
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*Figure J: Classifying strategies according to Morris et al.*

4.7 brand and branding

The ASSA OEM brand will form the basis of the work that we do. To us, a delivery that is not rooted in the brand would not be of any use to the company. Hence, we took some time to study brand and branding.

Brands are essentially clusters of functional and emotional values. De Chenatory de-

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69 Ibid, p.197
70 Morris, M. Business-to-business Marketing, p.193
scribe a successful brand as:
”...an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique, sustainable added values which match their needs most closely.”

We see this definition as a nice way of describing the word “brand” in the biggest sense; like the personality of a product, service, person or place. A brand manifests itself through the following four vectors:

1. Product – what the organization makes and sells
2. Environment – the physical environment of the brand
3. Communication – how it tells people about itself and what it is doing
4. Behaviour – how its people behave to each other and to the world outside.

The significance of each of these four vectors varies according to the marketplace in which the brand performs. Sometimes each vector is of equal significance in contributing to the overall brand personality. Sometimes one or two dominates. When speaking of brands we find it necessary to clarify the difference between product branding and corporate branding. Product branding means branding every product as if it was its own brand whereas corporate branding means letting a lot of products have a clear connection to the same brand. According to Hatch and Schultz, a corporate brand is represented by not just one symbol (say a logo or a name) but also a constellation of symbols. Hence, corporate branding is not just about a logo but also about relationships, product designs, service delivery systems, employee characteristics, leadership style, relationships with stakeholders etc.

Compared to product brands, corporate brands open onto a much larger pool of interconnected symbols that are located throughout the enterprise and interpreted by all of the company’s employees and stakeholders. Trying to reproduce such a complex distributed system of valued meaning is almost impossible. Therefore, highly evolved corporate brands provide a measure of security against copycatting, even though their success almost always attracts those who will try. Since ASSA OEM, to some extent, is being threatened by copycats, the brand and branding were things we found important to bring with us during our case study.

According to Persson, today there are very limited understandings of the circumstances under which the inherited mechanisms in branding concepts, originating from consumer markets, will work in business markets. Since we have used both a consumer focus and business-to-business focus when developing our tactical suggestions, we think that our case study will illuminate the similarities between business-to-business marketing and business-to-consumer marketing.

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71 De Chernatony, L. From brand vision to brand evaluation, p. 13
72 Ollila, W. The brand handbook, p.33-34
73 Hatch, M.J, Taking brand initiative, p.27-28
74 Hatch, M.J, Taking brand initiative, p. 27-28
75 Persson, N. Tracing the drivers of B2B brand strength and value, p.9
social media

“Social media involves a natural, genuine conversation between people about something of mutual interest, a conversation built on the thoughts and experiences of the participants. It is about sharing and arriving at a collective point, often for the purpose of making better or more-informed choice.”

Just like many other companies today, ASSA OEM wishes to become more active on social media sites like Facebook, Twitter and YouTube. Hence, ASSA OEM early in the process asked us to keep social media in mind during our project. The recommendation to be more visible in social media comes from the parent company, ASSA ABLOY. Today, however, there is little knowledge of how to use social media as a strategic tool and the question whether it is at all is a good thing is an on-going debate amongst the people that we have met at ASSA OEM.

Social media have an impact on the so-called “Purchase funnel” that is a model of how we usually go about when buying a product. What the social media do is that they build on to the “Purchase funnel” by enabling us to talk about a purchased product, discuss it with other buyers and/or possible buyers and post our thoughts and conversations on the Internet for everyone to see. This could both make more people consider buying the product but also scare people off from purchasing. This of course means that it becomes increasingly important for companies to develop great products. If they are not, people present on social media will pick up on it and the company responsible will need to change the product. However, the company also has to make it clear that changes are being made. This is further discussed in the next chapter, where we talk of social media strategy.

Figure K - “The Social Feedback Cycle” showing how social media builds on to “The purchase funnel”
4.8.1

social media strategy

According to Safko and Brake there are four pillars of a social media strategy. These pillars need to be equally looked after in order to make the strategy work. The four pillars are:

1. Communication
2. Collaboration
3. Education
4. Entertainment

A nice way to summarize what social media is all about is that it enables conversation among an audience or market. This means that the company has to figure out what it is that it wants to make people converse about. The subjects for conversation should, of course, always be things that will help the company generate revenue or increase company profits. However, it should also be something that people in general feel they want to talk about.

Social media makes it possible to get customers and prospective customers to engage in some form of collaboration that will benefit the company. A concept for this kind of collaboration however needs to be a bit counterintuitive. Here, a company needs to be aware of the fact that the good, the bad and the ugly will be discussed. But then again, a company might have more to gain from sponsoring or endorsing the conversation than from running from it.

An example given in the literature of how a company can collaborate using social media is establishing a company wiki, a website that often is used collaboratively by multiple users (not to be confused with the encyclopaedia Wikipedia, that uses a wiki base). A company wiki can enable a company’s employee community to collaborate in new ways, creating and maintaining a dynamic productivity tool that is regularly altered and improved. Establishing a company wiki can leverage the collective wisdom within the company for the benefit of the whole organization. The wiki not only would become a method for collaboration, but a product of collaboration as well.

The education pillar of a social media strategy could for example be video tutorials. According to Safko and Brake, the ultimate social media strategy should leverage the company’s expertise and/or the expertise of people within the company. However, companies should consider leveraging the expertise of their customers as well. Several social media tools and applications can be used to engage people through education.

As far as the entertainment part of the social media strategy goes, it doesn’t necessarily mean being funny. In fact, humour can be a dangerous terrain for a company to traverse. Companies should try to be interesting and compelling rather than running the risk of missing the mark with something that the majority of your audience will not find funny. This applies to both internal and external audiences. A good example of entertainment on social media is “Will it blend?”, where different things are put into a kitchen blender.
taped and put on YouTube. A lot of people truly appreciate the “Will it blend-videos”, and if kitchen blenders can find a starring role on YouTube, there is reason for just about any business to be optimistic about the prospect of entertaining their audience by finding attributes of their product or the company itself that other might find entertaining.\textsuperscript{84}

To summarize, companies should listen to the social media crowd, rather than trying to tell it what to think. Companies should tap the crowd, learn from it and then do what it is that they suggest. This (the possibility to listen, measure and track over time) is one of the characteristics of social media. What you learn can then be used to modify and improve what you offer. It is when doing so, that you influence the online conversation.\textsuperscript{85}

Social media strategy can be summed up in three main rules:
1. Social media is all about enabling conversation among your audience or market
2. You cannot control the conversations with social media, but you can influence them.
3. Influence the foundation on which all strong economical relationships are built.\textsuperscript{86}

It is important for companies to take time defining its own social media strategy. The book Social media marketing - an house a day gives companies tips for how to develop a social media strategy in a year\textsuperscript{87} and might be a good way going about defining a social media strategy.

We strongly believe that being present on social media needs to be solidly founded in the marketing or communication strategy of a company. Meaning that there has to be a clear purpose and goal with being active in the social media. We also believe that what is going on in the social media needs to be constantly monitored and that there needs to be an owner of that task within the company. The last thing that any company would want to do is to create a monster. Once you are on the social media, there is no return. Then, a conversation has been started that cannot be stopped, only influenced.

Previously, we have described both the term strategy and marketing strategy. We have also talked about different strategies for increasing derived demand. However, we strongly believe that strategies are not worth much if they are not successfully implemented within the organization. Hence we wanted to also define the term implementation and look at different ways to go about implementing strategies.

4.9
implementation

”…success may be viewed as depending upon the strategy implementation process.”\textsuperscript{88}

To truly understand what implementation means we started with going back to the definition of the actual word. According to SAOL, implementation is to realize, to perform\textsuperscript{89}. When studying implementation of strategies it soon becomes quite apparent that many organizations fail in doing so. But why? There is no single answer to the question.

\textsuperscript{84} Safko, L. The social media bible, p.680
\textsuperscript{85} Evans, D. Social media marketing, p.37
\textsuperscript{86} Safko, L. The social media bible, p.681-682
\textsuperscript{87} Evans, D. Social media marketing, p.31
\textsuperscript{88} Reed, R. Strategy in action p.67
In an investigation of 12 different companies, and 150 different units, Beer and Eisenstat identified six common strategy implementation problems. They call them “The six silent killers”:

1. Top down or hands off senior management styles
2. Unclear strategies and conflict priorities
3. An ineffective senior management team
4. Poor vertical communication
5. Poor “horizontal” communication across functions, businesses or borders
6. Inadequate, down the line, leadership styles

Reed and Buckley believe that implementation itself is a period of high risk for organizations, since it typically involves dealing with changes in the external environment and making changes internally, to organizational structures, budgeting, control systems, job requirements and many other organizational features. Today there is no all-encompassing model of the implementation process that offers complete guidance through the confusion of interrelated problems that might emerge.

Management often give co-workers limited descriptions of what needs to be done and why assignments are important, when attempting to implement a strategy. Therefore, it is not remarkable that many organizations fail to implement their strategies. How are people supposed to realize a plan that they do not understand? Hence, organizations need tools to communicate strategies and they need processes and systems that support the implementation of them.

Reed and Buckley mean that the lesson is, that if employees are to be entrusted with the implementation of a strategy, they should also be entrusted with sharing the planning and development of the strategy implementation.

Minzberg puts it nicely when he says that:

“Often, when a strategy fails, those at the top of the hierarchy blame it on implementation lower down: “if only you dumbbells appreciated the brilliance of the strategy we formulated…” well, those dumbbells down below might well respond: “if you’re so smart, why didn’t you take into account the fact that we are dumbbells?” in other words, every failure of implementation is, by definition, also a failure of formulation.”

Slater et al. continues on the same theme when they say that it is critical that the top management within an organization develop an understanding of the needs of customers in different market segments. The management team within the organization must then assess whether it has the capability to develop and market the required product/service offerings. Capabilities like these are largely determined by how the organization is constructed. Thus, the question "Do we have the right architecture of our organization for effective strategy implementation?" is just as important as "What is the right strategy?".

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90 Beer, M. The silent killers of strategy implementation and learning, p.31
91 Reed, R. Strategy in action, p.68
92 Kaplan, R.S. Having trouble with your strategy?, p.63
93 Mintzberg, H. The rise and fall of strategic planning, p.25
94 Slater, S.F. Worried about strategy implementation?, p.478
Mintzberg continues:

“But how smart can any thinker be? In other words, might the real problem not so much be in either poor implementation or weak formulation as in forcing an artificial separation between the two? If the formulators get closer to their implementers (which is typical for entrepreneurs), or the implementers have a greater influence over formulation (which is what intrapreneurship means), perhaps there can be greater success in strategy making.” 95

We strongly agree with Mintzberg’s statement above, which leads us back to Hillebrand and Biemans’s study. Trying to increase derived demand from downstream customers will also mean implementing such an orientation and strategies that increase the likelihood of success.96 Hence, the next chapter talks about important factors for implementation.

4.9.1

factors for implementation

In the literature we have found a number of factors that are important for successfully implementing a new strategy. The factors are: people, fairness and motivation. In this chapter we give a short summary over why each of these factors are important for a successful implementation.

people

People are an important part of implementation. Organizations consist of people and strategy implementation is often manifested in some kind of change that affects people’s lives. People can react badly to change, sabotaging, delaying or even rejecting the new way of doing things. To prevent this kind of rejection it is important to communicate with and involve the people of the organization in the processes of strategy formulation.97

fairness

There are many reasons for employees to reject a new strategy. For example, fear of losing their jobs is a common reason for rejection. But if a strategy is seen as grounded in a fair and juste process most employees will accept it and even work towards its implementation. Kim and How claim that a fair process is one of the most important parts of implementing a new strategy.98 The term “fair process” originates from social science and studies of procedural processes in the legal system. Research on procedural processes has shown that people care just as much about the justice of the processes as the outcome of them. Kim and Mauborgne’s version of this discovery aims at trying to achieve a feeling of a levelled playing field, thus creating an “early buy in” of the new strategy within the organization. The way of doing this is summarized in three steps: engagement, explanation and expectation clarity.
1. Engagement
It is important to involve individuals who are directly affected by the decisions in the processes of decision-making. If everyone affected feel that their voice has been heard, they will much easier accept a decision. For example, if management asks for the individual’s opinion in formulating a strategy, he or she will more easily accept it.

2. Explanation
When developing and implementing change, explaining the way a certain decision was made to the involved and affected is very important. The reasons for this are the same as the ones mentioned under engagement above.

3. Expectation clarity
Expectation clarity means explaining and clarifying the new rules of the game. All employees should know what basis their efforts are judged upon and what is expected of them.

All of the three criteria mentioned above are necessary to meet the demand of a “fair process”. Meeting only one or two of them does not create a fair process.99

motivation
Motivation is also an important part of a successful implementation. Motivated employees are more likely inclined to being a part of the strategy formulation and therefore will easier accept and even drive the implementation processes.

Motivation can mean many things depending on which discipline field a person belongs to. It can be defined as both a collective and an individual driving force behind all actions. Sometimes the definition also includes the incentives that control the driving force. This could for example be an award, making employees work harder.100

One of the recent and populistic authors within motivation is Daniel Pink. Pink tries to look beyond the traditional “carrot and sticks techniques” of extrinsic motivation (motivation from the outside). Instead he focuses on intrinsic motivational techniques that motivate people from a more passionate perspective. He summarizes his findings in intrinsic motivational research into tree different factors: autonomy, mastery and purpose.

Autonomy
Pink divides this factor in to four parts: autonomy over task, autonomy over time, autonomy over team and autonomy over technique. In other words people need to control what they do, when they do it, with whom and how they do it. One of the most successful uses of autonomy in a company is the famous “Google 20 percent time” where Google employees are free to use 20 percent of their working hours to work with whatever projects they like. These side projects are said to be responsible for 50 percent of Google’s new products.

99 Kim, W.C. Blue ocean strategy, p. 175-176
100 Ibid
Mastery
If “carrot and sticks motivation” is based on compliance, intrinsic motivation is based on engagement. This is especially true for mastery, which is simply tapping in to the joy of getting better at something, an infinite process. Mastery is also closely linked to the feeling of flow, the state when the difficulty of a challenge is balanced with our own ability. This means that something is difficult enough so that it will be challenging but not so difficult that we will give up.

Purpose
People have a natural need to understand why they are doing something. Understanding this, people will see that they are part of a greater cause and work harder. 101 This can be related to downstream customers, meaning that information offered to downstream customers must be meaningful to them and demonstrate that the company’s product has significant downstream value.

The factors discussed are especially efficient in motivating people who are working with complex nonlinear processes, with unclear solutions and goals. Pink even suggests that normal “carrot and stick motivation” is harmful for the motivation of staff in nonlinear processes. 102

4.10 conceptualization

This thesis aims at finding ways for the business-to-business company ASSA OEM to increase derived demand from its end-consumers. In our theoretical framework we have discussed downstream customers and derived demand as well as related areas such as supply chain management, business-to-business marketing, brands and branding, strategy and implementation. All of these subjects affect how a business-to-business company should think and act when trying to increase derived demand.

As previously mentioned, we have not worked with theory and empirics separated from each other. Instead we have worked with data collection and literature studies parallely. In this chapter we discuss the theoretical findings that we (in combination with data collected) brought with us to move in to the synthesis part of our process.

Our literature studies showed that business-to-business companies in general think of their downstream customers but yet seem to constantly fail in establishing a long-term good and efficient relationship to them. Hence, we read and learned about supply chain management and possible collaborations within the supply chain. Because ASSA OEM has complex supply chains there is much to take into consideration when trying to find ways for them to approach their downstream customers and ultimately their end-consumers.

To reach customers and end-consumers, companies need to change their marketing. Our literature studies showed that few sources mention the parallels between business-to-business and business-to-consumer marketing. Hence, we saw a need for taking a closer look at how the traditional market orientation may be extended to improve these

101  Pink, D, Drive, p.133
102  Hillebrand, B, Dealing with downstream customers, p. 74
relationships. This meant studying how downstream customers could be involved in business-to-business companies’ business, but also taking a look at different kinds of demand, products and buyer behaviour. This was later put in relation to interview results from end-consumers, regarding where they turn for information about doors and windows.

In our literature studies we also found important factors for successful implementation of new strategies. This knowledge was taken in to consideration when developing suggestions for ASSA OEM as for how they can increase derived demand. Suggestions like these could very well be said to formulate a strategy for reaching the end-consumers and collaborating with downstream customers.

Many companies of today may seem to think of social media as a “quick fix” for reaching new and existing customers and end-consumers. If ASSA OEM is to become active on social media, it needs to have a will to learn from the crowd but also to show the crowd that things happen, that the organization learns, reacts and listens to what is being said. As we see it, ASSA OEM needs to learn the basics of social media and form a social media strategy before entering Facebook, Twitter or any other social media. As part of our delivery we give ASSA OEM examples of what to do and when, in order to become more active in social media.

After finishing our literature studies, presented in the theoretical framework, we were able to process our empirics (found in chapter 5) with new glasses. Building on to and merging valuable findings from literature with those from interviews and workshops.
To get a deeper understanding for ASSA OEM as a whole, we held interviews, workshops and discussions with people within the organization, customers and potential customers and end-consumers. In this chapter we tell the story of ASSA OEM, based on the information that we have gathered. Here, a summary of ASSA OEM’s current situation is told as well as a summary of the company’s history and how our respondents perceived the company. What is mentioned here is however only a small part of what we know about ASSA OEM. To read more about the company and economic development, see appendix 4.

6.1 company background

ASSA OEM AB is a company within the ASSA ABLOY group. It was founded in 2007 through the merging of the three companies ASSA Industri AB, Fix AB and AB Fas Låsfabrik. ASSA OEM develops, manufactures and promotes a wide range of locks and mountings for windows, doors, doorways and cabinets.

Figure 1: A simplified organizational chart over the most relevant actors within the ASSA ABLOY group for this project.
6.1.1

ASSA ABLOY – the parent company

ASSA ABLOY is the parent company to ASSA OEM. The company was established in 1994 and since then it has grown from being a regional company to an international group with 32,000 employees and a turnover of over 33 billion SEK.

ASSA ABLOY is the world leader within lock- and door solutions. The company is represented in all large regions of the world with a leading position in most parts of Europe, North America and Australia. ASSA ABLOY has a market leading position regarding electromechanical safety solutions such as passage control, identification, door automatism and hotel safety. According to the company’s annual report from 2007, ASSA ABLOY supplies a more complete product range for lock and door solutions than any other company on the market.103

The overall focus for the corporate group is to lead the trend towards increased security, having a product-driven offer with the customer in focus. The main product areas are the traditional product segments, mechanical locks and safety doors, and the rapidly growing product segments, electromechanical and electronic locks, passage control, identification technology and automatic doors. ASSA ABLOY’s strategic action plan is divided into the three focus-areas; market presence, product leadership and cost-effectiveness. Part of the company’s vision is to be leading in innovation and offer well-designed, comfortable, safe and secure solutions that create added value for their customers.

6.1.2

history - Fix

As mentioned previously, the company name ASSA OEM was founded only as late as in 2007, as a result of a merger. Previously, the production facility in Gothenburg was its own company called Fix. Since our case study mainly is performed at ASSA OEM’s production unit in Gothenburg, situated in the same building that Fix once was, we find it important to mention something about Fix in our thesis.

Walter Bengtsson founded the unit Fix in 1925. He started the development and selling of the Fix-Espagnolette. In 1950, the factory in Majorna, Gothenburg, was opened. In 1999, Fix invested in new technology as a first step in a long-term investment towards becoming “the worlds greatest espagnolette factory”. Today, the Fix heritage is still very present at the Gothenburg office and there have been strong reactions regarding the parent company’s directive to take down the four meter high, and 62 years old Fix sign that is still sitting on the roof of the production facility. This is to be done as part of the corporate branding in making ASSA OEM a part of ASSA ABLOY. The Fix company name is also to be removed from all business cards, letterheads, websites and products.

6.1.3

The “2000 Evo” problem

In 2008 it was revealed that one of ASSA’s products, the lock “2000 Evo”, had a problem with the locking function. TV-shows and other media showed how easily the locker of “2000 Evo” could be opened within seconds using just a simple tool. ASSA had had the product tested by SSF (Swedish antitheft association) and hence disclaimed its
responsibility in the question. This annoyed many of ASSA’s end-consumers and customers and still today, people talk about what happened in the year of 2008.

The lock “2000 Evo” was altered and after strong reactions from an upset general public, ASSA offered to send and attach break-out protection to the concerned consumers for free. However, end-consumers thought that ASSA reacted too slowly and looking at the Internet there are still traces from what happened in 2008. For example, there are a number of YouTube-videos and discussions on different forums regarding the lock. This is a good example of the fact that once something is posted in social media, it will always be there.

When talking to people inside and outside ASSA OEM’s supply chain, what happened in 2008 turned out to still be an issue. Although the number of upset customers and consumers has decreased considerably, there are still a few upset people approaching ASSA at fairs etc., wanting to talk about what happened.

6.2
the brand and how it is perceived

ASSA ABLOY wants all local brands to communicate as one and be consistent in their communication. Hence all brands in the corporate group share the same brand manual. The challenge for ASSA ABLOY is to use the synergy effects that it has as a global team. The way that is suggested for doing so is for all local brands to further connect and come closer to the ASSA ABLOY brand.

The brand idea of ASSA ABLOY (and hence also for ASSA OEM) is “Unlock your life”, which is something that we have kept in mind when coming up with suggestions as to how ASSA OEM could increase derived demand. As guidance and help in creating messages that relate to the brand idea the brand manual describes it from a philosophical point of view. This starts with the following quote from Marilyn Ferguson:

"Ultimately we know deeply that the other side of fear is freedom.”

What this means is that ASSA ABLOY and ASSA OEM are to communicate freedom rather than scaring people with talking crime statistics etc.

Our interviews with end-consumers showed that the ASSA OEM brand in general is perceived as positive, warm, high quality, reliable and safe. However, a couple of the respondents did not feel the brand was reliable which probably has to do with the problems that ASSA OEM had with the “2000 Evo” in 2008.

Inside the company, all of the people that we have interviewed identified themselves mostly with ASSA OEM, not Fix or FAS (see Figure L, p.39). Someone added that they felt equally a part of ASSA ABLOY as they did ASSA OEM. Our interviews also showed that the co-workers in general have little knowledge of the ASSA OEM core values. There is also little knowledge of the ASSA ABLOY core values in the ASSA OEM organization. None of the respondents were aware that the core values are the same. The primary core values are: safe, secure and convenient within door opening solutions.
Interviews with external actors such as customers within the supply chain and potential customers, told us that ASSA OEM is seen as a very big company that is sometimes too big for its own best. Among other things it is indicated that ASSA OEM is hard to communicate with, because of its size. It is also believed that ASSA OEM, because it is the largest actor, has not had to have a humble approach towards customers and the market as a whole.

We believe that this is something to be taken seriously by ASSA OEM. However, increasing derived demand will also demand increased collaborations within the supply chain. It is our belief that if efforts to increase derived demand are taken in collaboration with immediate customers, this might show another side to the company, hence changing how it is perceived.

6.3 the product

As mentioned previously, ASSA OEM produces locks, handles and fittings. The products are segmented into door, window and industry products. For this thesis we were asked to focus on locks for windows and doors.

Locks can be seen as a kind of semi-visual product that almost always are part of a bigger product, being either a window or a door. They are a little bit like an iceberg, only showing 10 percent of its mass. Looking at a door or a window, the lock is often the last thing that we notice. End-consumers are often more interested in what they can see, like the materials and details of the door or the handle, than the small visible parts of the lock, only visible when the door is open. According to retailers of doors and windows the average end-consumer does not care about locks. Some of the external actors that we talked to for this thesis did not think that design for windows was even possible, meaning that it is mostly glass and nothing to really design.

Our interviews showed that end-consumers not only care very little about locks, but that they also take safety, the feeling that locks give you, for granted. The external actors also said that the end-consumer does not see the big differences or the innovations in the door- and window industry.

Design and innovations regarding locks for doors and windows are controlled by rules and legislations. One of the things that drive innovation within the industry today is the rapid technological development. This also opens up for other actors to enter the market.
6.4

the market

Today, the marketing department at ASSA OEM is small and part of the sales department. Marketing efforts are mainly directed towards the immediate customer and according to our interviews the best marketing effort is often assumed to be personal visits to immediate customers. These visits are often an activity made together with a distributor.

As a consequence of ASSA OEM’s immediate customer focus, no marketing investigations have been done in order to learn about the end-consumers and their satisfaction and/or preferences regarding the ASSA OEM brand. Since ASSA OEM is a technology based business-to-business company that traditionally focuses on the needs and preferences of their immediate customers, this is not very surprising. However, the lack of knowledge about who the end-consumer is became very apparent when one of the participants during a workshop answered that the company’s end-consumer was “everyone”. If referring to who uses the product, the answer is not wrong, but if referring to who buys the final product, it is. Not everyone buy ASSA OEM products and it is important to know who really does. It is our opinion that better knowledge of the end-consumer would benefit both the company’s product development and marketing, mainly because it would give information about how to direct products and marketing efforts.

During our work we found some end-consumers and stakeholders who were more important than others because they could help in increasing derived demand. This is because they have the possibility to make decisions regarding a large number of door installations, meaning big orders for ASSA OEM.
Important to keep in mind is that most architects, constructors, real estate agents and board members are also house or apartment owners. This means that reaching out to end-consumers would also mean reaching out to them. Suggestions for how this could be done are mentioned in our result.

<table>
<thead>
<tr>
<th>Small influence</th>
<th>Big influence</th>
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<tbody>
<tr>
<td>Corporate</td>
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<tr>
<td>Security companies</td>
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<tr>
<td>Alarm installers</td>
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<td>Locksmiths</td>
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<td>Constructors</td>
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<td>Private</td>
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<td>House owners</td>
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<td>Prefab house buyers</td>
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<td>Board members in co-operative building societies</td>
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</tbody>
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Figure N: Interesting target groups divided according to the amount of influence/possible size of order and corporate/private nature

6.5

reaching out to the end-consumer

Everything is communication! As soon as your company logo appears on a product you are in some way communicating something to end-consumers. Wanting to increase derived demand means having to be aware of exactly where the company and the products meet the end-consumers and making the most out of communicating with them.

During this study, the website of the companies FAS, Fix and ASSA OEM were merged into one. At this website the consumer immediately meet the ASSA ABLOY logotype and we believe that ASSA OEM’s end-consumers could have difficulties in knowing whose website they are visiting. One thing that we found in our interviews was that end-consumers did not know anything about locks. This brings with it that end-consumers do not know what products they need for their safety. Here we have a challenge to make the communication clearer. In order to increase derived demand, ASSA OEM needs to inform the end-consumers about their products and solutions. A clear website is a good place for doing so.

In ASSA OEM’s case the company is aware that it does communicate to the end-consumer and that it is done in the wrong kind of language. Today, the language that sales people use seems to be too technical and difficult to understand for an average person. ASSA OEM is afraid that this might scare the end-consumer when wanting to buy their products. To improve the communication towards the end-consumer, there are already some initiated activities going on. In our result, we give further suggestions for how to improve communication.
As we have mentioned previously, end-consumers do not know anything about the ASSA OEM products. When a consumer do not know anything about a product it is hard to demand things of it and/or ask questions about it. This can be compared to buying skis or a new computer. Many consumers have some knowledge of the latest Apple-computer before buying it. Hence, they can ask questions about the product in order to get the features etc. that they want. To summarize it, when you know what you want, and what you can get, you also tend to be prepared to pay more for the product.

Another thing that seems to affect how much money end-consumers are prepared to spend on locks and safety is when the purchase is made. For example, according to one of our respondents, if an end-consumer has paid 4 million SEK for a new house he or she does not have a problem with buying locks for 70,000 SEK. But that is, however, not the case if the locks are bought for an old house.

The retailers that we talked to also pointed out that the fact that consumers do not know anything about locks is problematic. They also clarified that they sell what the end-consumers demand and that ASSA has to create the demand from the end-consumers via advertising etc. When the demand has been created, they can start selling the products. With this information in mind we tried to determine where the end-consumer turn for information about locks, windows and doors in order to be able to draw conclusions regarding where ASSA OEM should be visible to the end-consumers.

The magazine "Vi i Villa" that is sent out to all Swedish house owners seems to be the most common source for information. Apart from that, advertisements from door and window manufacturers were common sources.

We also asked the end-consumers where or to whom they would turn to get information about locks for doors and windows, if they were to purchase one. Approximately half of the respondents would turn to the Internet of information. Other popular sources for information were locksmiths and friends and relatives. Many of the channels that end-consumers mentioned, regarding where they would find information, were later discussed during our two workshops with people from ASSA OEM. This helped to generate ideas for possible marketing channels.
ASSA OEM - supply chain

Complex supply chains are something that many business-to-business companies have in common. As we got to know ASSA OEM, we slowly discovered how complex its supply chain was. In this chapter we have tried to simplify the ASSA OEM supply chain in three different downstream channels, described in text and illustration.

ASSA OEM is the big blue factory at the top (1). The channel then either starts with a distributor (marked as 2) or a manufacturer (marked as 3).

Channel A
This channel begins with a distributor (2) who sells the products to a retailer or wholesaler (4). The retailer or wholesaler then sells the products to the end-consumer (6).

Channel B
Channel B shows how ASSA OEM (1) sells to a manufacturer (3) that integrates the product into another product. This product is later sold to a retailer or wholesaler (4) who in turn sells it to a craftsman (5) or directly to an end-consumer (6).

Channel C
Channel C is divided in to two channels. In the first one, ASSA OEM (1) sells to a distributor (2). The distributor then sells the products to a manufacturer (3) who sells to a retailer or wholesaler (4). The retailer or wholesaler then sells the products to a carpenter (5) who, in turn, sells them to the end-consumer.

The second version of channel C starts with ASSA OEM (1) selling products to a distributor (2). The distributor then sells the products to a manufacturer (3) who sells to a retailer or wholesaler (4). The retailer or wholesaler then sells the products directly to the end-consumer.

We find it important for business-to-business companies to visualize their supply chains, in order to find possible collaborations and improvements. Relationships to customers within the supply chain are a delicate matter for many business-to-business companies. During our interviews with people from the ASSA OEM organization, the respondents often brought up the importance of not favouring any of the actors within the supply chain. There is, however, a wish for supporting the customers in their business and in new ideas as for how to increase sales. There is also a willingness to collaborate with customers within the supply chain as long as the other party initiates the collaboration. Once again, it becomes clear how relationships to customers are something that needs to be taken in to consideration when trying to increase derived demand.

Regarding how actors within the supply chain could collaborate, the external actors that we have interviewed believed that they can influence door- and window developers and ask them to put in products that are more advanced in their doors and windows. This would mean increased income for ASSA OEM and could be a great way of helping each other within the supply chain.
To summarize, ASSA OEM seem to have some very close relations to their immediate costumers. Otherwise one of the interviewed customers probably never would have said the following:

"I do not have a mother or a father but my mother’s name is ASSA and my dad’s name is ABLOY."

*Figure O: Different channels of the ASSA OEM supply chain, described in chapter 6.6*
6.6.1 outside the supply chain

Above we have discussed the possibilities for ASSA OEM to cooperate within the supply chain. However, there are also a lot of different companies outside the supply chain that might be interesting for a company like ASSA OEM to collaborate with, as a way of trying to increase derived demand. Hence, during our interviews and workshops with both ASSA OEM co-workers and customers, we asked what they thought could be interesting collaborations outside the supply chain.

Some of the most interesting ideas discussed during the workshops and interviews where collaborations with designers, auction firms, insurance-companies and real estate agents. The idea behind collaborating with insurance-companies is that if the consumer chooses a premium lock, approved by the insurance-company, he or she will get more money back on the insurance, in case of a break-in, if the locks on the door are ASSA locks. This would be a beneficial collaboration for all parties involved. Collaborating with an auction firm could for example mean offering security locks to collectors of exclusive art and objects.

Some external actors believed that installation companies might be part of the value chain in the future and that they might come to deliver the overall solution. The ideas that came up in workshops were taken in to consideration when giving suggestions regarding how ASSA OEM could increase derived demand from its end-consumers.
result

On the following pages we present the result of our work for ASSA OEM. The result is a number of tactical suggestions for the company to use when trying to increase derived demand from its end-consumers. The discoveries are built around the following important factors, found in literature (see chapter 4.10) and in data collected.

- Importance of having a strong brand
- Importance of cooperating within the supply chain
- Importance of involving co-workers when planning ahead
- Importance of knowing who the end-consumers are and talking to them in a way they understand
- Importance of product development and thinking outside the box
- Importance of challenging the company to think outside the supply chain in order to find new and interesting collaborations.

We round off the result by telling how we think that ASSA OEM should take the tactical suggestions to the next step, meaning when, how and in which order we think the company should continue working with trying to increase derived demand.
know your market

“It is, in many ways, a technology based company that isn’t familiar with the consumers’ needs.”
- Distributor of products for doors and windows

Discovery:

Previously we have stressed the importance of having a strong brand. A strong brand is always important and will form the basis of all the company’s communication. When trying to communicate to end-consumers it is important to see to it that the organization is united and that all co-workers agree with the plan. However, in order to create a strong brand you also have to know your customers and competitors - your market.

Back in the days when people sold vegetables on the town square, they met their consumers every day. Hence, they were very aware of who the consumers were and what their preferences were. They probably also kept an eye on who chose to buy their vegetables from them and who chose to buy from the competitors. In many ways things are still the same today. Companies need to know their consumers, keep an eye out for competitors and be aware of supply and demand.

In order to find the company’s USP (unique selling point) it also needs to know what products and services competitors are, and are not, offering the end-consumers. Like we have mentioned previously, there is a trend within business-to-business companies today to go from a market-driven to a consumer-driven approach. We believe that the first step down that road is to get to know who the end-consumers are and how they feel about the company brand and products.

Suggestions:

Make market research
Our first suggestion is to make market research on end-consumers and create market segmentations to direct the company’s marketing efforts. This is an effective way of getting to know the company’s market. Like we have mentioned previously, market research could require substantial investments. We are convinced that it is worth the money but there are ways to make it cheaper. Marketing research could be done through a combination of interviews, surveys and direct statistics from SCB (Statistiska Centralbyrå), available for the public. For example, we did some quick research via the SCB website and learned that the county of Skåne has the highest burglary rate, the third largest income level and the largest amount of newly build houses in Sweden. These facts combined tell us that Skåne might be an interesting target market for security solutions.
Create a focus group
Create a focus group with people from different backgrounds and with different knowledge. In the focus group discussions affecting consumer preferences and usage of specific products could be brought up. The information gathered from the focus group can later be used in the company’s product development and marketing. Thanks to the information gathered in the focus group, products and marketing will more likely meet the end-consumers preferences.

Form a future study group
Form a future study group consisting of different competences from within the company. Future studies make it possible for the company to stand on its toes, aware of where the future will take the industry. Give the group members an area each to focus on, a couple of minutes per day to make research and meet up once a week/month and discuss the findings. This could boost product development but also be a nice way for co-workers from different departments to meet up and collaborate.

Consequences:

Market research could tell you who your end-consumer is, what he/she likes and dislikes but also how your brand is perceived. This will lead to better products and smarter marketing, that in the end means more money for the company.

Knowledge of the company’s market/markets makes it prepared for challenges ahead. Combined with future studies the company will have spotted challenges before they have had the time to affect the company. Instead the company can stand ready with products/services/solutions that meets the needs and demands of the future consumer.

Letting the end-consumers speak their thoughts about the future, sharing and discussing their knowledge with the company means tapping in to a world of valuable information from the people who use the products every day. After all, who knows the products if not the people living with them? Letting the end-consumers in also shows that the company is humble, wanting to learn. This is especially relevant if the company is a big company who has not communicated directly to end-consumers before. The bigger you are, the scarier you can seem. Let people get to know the company and build a relationship to it. Better relationships with the end-consumers mean greater loyalty to the company brand when copycats come rumbling in. Hence, getting to know the company’s market might cost some money and time, but in the long run it will mean better business and more money for the company.

<table>
<thead>
<tr>
<th>Skåne County</th>
<th>Västra Götaland County</th>
<th>Stockholm County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of new build houses per 100,000 citizens in 2009</td>
<td>Number of break ins per 100,000 citizens in 2009</td>
<td></td>
</tr>
</tbody>
</table>

Figure P: Statistics over number of break ins in relation to number of new build houses
live the brand

“...and then there is Abloy...but they are involved in Assa...or Fix, aren’t they?”
- Developer of doors and windows

Discovery:

Previously we have talked about the importance of knowing your market and understanding who the end-consumers are. However, a strong brand needs to be supported by a strong organization. Some would probably even go as far as saying that a strong brand is not possible without a strong organization. We also believe that in a strong, unified organization, where all co-workers are engaged and understand why things are the way they are, collaborations will more likely be good and profitable. Starting collaborations with customers without the whole company sharing the same view of why could lead to the brand being perceived as dissentient which in turn could scare off potential collaboration partners.

Business-to-business companies are often big, complex organizations, dealing with complex supply chains. If a company wants to become strong it needs to start from within, enabling the workforce to get their voice heard and ensuring that it stands behind decisions.

Starting to talk about the brand and the development of the company as a whole with co-workers will mean co-workers uniting around something that matters to all. Let everyone engage and help. We assure that there is strength within.

Suggestions:

Teach and develop the brand
Get core values, brand promise and your company strategy stuck in the employees’ hearts and minds in a creative way. For this we suggest company activities including all departments. If the employees cannot all fit in one activity we suggest dividing them into smaller groups but not after departments. The more mixed the groups are, the better. This means unifying your brand not only through teaching out core values and brand promise but also through social activities.

From literature on strategy implementation we know that engaging the employees in the development of a strategy significantly increases the chances of it getting successfully implemented. Hence, we suggest inviting the company workforce (and maybe even your customers and end-consumers) to help create and develop your brand. Rent a nice hotel, take employees there, and hold a nice lecture in the brand and its challenges. Let the employees engage in a workshop where they map up how they would like to see the company develop.
**Introduce autonomy**
As a way of getting employees to live and breathe the company brand, we suggest introducing autonomy in the company. Google has its famous “20 percent time”, where employees are allowed to work with other projects 20 percent of their working hours. This is said to be the reason as to why a number of successful Google-products were born. Earlier, we have talked about autonomy as an interesting way of adding both motivation and creativity. Hence, we suggest creating groups of employees who have the possibility to work on anything they want, in any constellation that they want, for a set period of time. If the company does not want to set of 20 percent a week, why not start with one day a month?

**Consequences:**
A strong brand with nice products, healthy values and beliefs is something that people tend to want to be a part of. This goes for both employees, customers and end-consumers. ASSA OEM already has the luxury of being a very strong brand that has a clear position in consumers’ minds. Engaging the company employees in developing products, solutions and strategies would lead to them unifying around the goals that they themselves have been part of setting. Hence, the consequence will be happy people within the organization and a boost for product development.
make sense for the end-consumer

“...as an end-consumer you don’t have knowledge about security levels on doors. Compare that to buying skis. When doing so you have demands on the product because you have knowledge of how it works.”
- Retailer of doors and windows

Discovery:

Having met and talked to both ASSA OEM’s end-consumers, customers and potential customers, we see a clear tendency that the language being used among actors within the supply chain is hard to understand for private persons buying locks. The fact that the nature of the communication is more on the technical and factual side is claimed to be one of the biggest differences between marketing towards a consumer market and marketing towards an organization.

However, this kind of marketing seems to not fit customers and consumers of today. Instead, the customer within the business-to-business supply chain today has service, relationship and other intangible brand associations as their most important preferences regarding which brand to choose. In other words, it seems like both the end-consumers and customers within the business-to-business supply chain prefer softer values than previously believed. This of course means that business-to-business companies, wanting to reach the end-consumer, must re-think their marketing efforts and look at how they actually talk to the customers and end-consumers.

The complicated language used by business-to-business companies is probably a consequence of the products being complicated. During our research we have found that the end-consumers have little or no understanding for the product itself, in this case espagnolettes, locks and mountings. The average ASSA OEM end-consumer does not know anything about the different products and in some cases even the salesman is ill informed or unwilling to explain.

Since good knowledge of the product means the end-consumer can demand more from the product and ask questions about it, it is important to make it easy for the end-consumer to understand what he or she is, and is not, getting. Since the end-consumer has control over the choice, in extension, this means that more and different products will be sold. It is all about making sense to the end-consumer.
Suggestions:

**Safety classification system**
Today, the ASSA locks are divided into approved and unapproved locks. There is an unclear description of the choices available for the end-consumer, which can lead to confusion but also does not give the buyer much of a choice. If you want your insurance to cover you choose an approved lock. But what if you wanted added safety?

We suggest introducing a three or four-step classification system of locks/safety. For example a bronze, iron and titanium-class. The classification system could be communicated through physical features on the locks themselves, clarifying their safety-class.

![Image of locks with labels: Bronze](image)

*Figure Q: Photo montage of security classification on lock*

**Consumer-focused website**
When reaching out to end-consumers it is important to have a good way of communicating with them. A consumer-focused website where the end-consumer can find information that is relevant to his or her needs is a good way of doing so.

Since ASSA OEM demonstrably is a very trusted and well-known company, we suggest that it communicates almost like an institution or an organ for safety, providing relevant information in a way that feels objective and neutral to the end-consumers. A consumer-focused website could for example contain descriptions of locks, a wordbook for understanding lock-related words and pictures of general weak spots in houses.

To reassure troubled customers within the supply chain, who are afraid of losing business because of ASSA's consumer focus, we suggest a geographical store locator on the consumer-focused website that enables the end-consumer to choose the distributor or door/window manufacturer of his or her choice. This means better business for both ASSA OEM and the customers within the supply chain. When the end-consumer is happy, everyone is happy!
Safety-evaluation
As part of the consumer-focused website or as a stand-alone campaign website we suggest creating a test that private persons can do in order to check the security level of their home. The test should result in information about what the consumer should change or update but also in a possibility for him or her to ask ASSA OEM to contact him or her via phone or e-mail and booking a personal visit from a surveyor who looks over the end-consumer’s house carefully.

Create a company wiki
A second suggestion the consumer-focused website or a stand-alone campaign website we suggest creating a company wiki. This means creating an ASSA OEM version of the famous Wikipedia with information about locks, other products, safety, statistics and the company itself.

Figure R: Sketch of our suggestion for a company wiki - ASSApedia
Consequences:

The safety classification system creates a better understanding of how locks work. Since we know that end-consumers who have knowledge about the product can demand more from it. In this case that means demanding greater safety, meaning more expensive products. Hence, a classification system with clear information of locks could lead to selling both more and more expensive products.

The system could also lead to an “Intel inside-effect”, meaning that people would take pride in showing that there is an ASSA lock in their door or window. Some might even choose an ASSA lock just because of the classification and to be able to show of their titanium-classed lock. However, it is important that the three or four classes all bear names that are positive so that the end-consumer understands that the lowest class also is safe.

A consumer-focused website where ASSA OEM communicates as an institution for safety, would lead to private persons turning to the company for advice. The website would make it easier for end-consumers to understand the products but also to connect with the company brand. Having a store locator connected to a consumer-focused website practically means encouraging consumers to buy from the customers within the supply chain. This makes ASSA OEM stand for both democracy (for both end-consumers and customers) and transparency (by opening up your product catalogue etc. to the consumers).

Offering safety-evaluation would further add on to this. It would also drive traffic to both the ASSA OEM website and build on to the perception of the company as an organ for safety and security. A company wiki would be a great way of educating the end-consumer, providing easy-access information.

To summarize: making sense for the end-consumers makes sense.
Think outside the locks!

“Safe, secure and beautiful.”
- End-consumer, house owner

Discovery:

Our interviews with end-consumers have told us that what they care about when buying doors and windows is the aesthetics. Like the quotation above tells us, end-consumers want safe, secure and beautiful products.

The innovation pace and product development within the lock, door and window industry is to a large extent controlled by rules and legislations. That is a shame since it means that certain things cannot be done and that it takes time for new products to reach the market. However, this does not in any way mean that there is nothing to be developed or that product development should not be quick and reactive.

The future is going to hold more mechatronic solutions, more service design, and individual products. Knowing this, it might be the perfect opportunity to start new and groundbreaking collaborations. And remember that when trying to appeal to the end-consumer, emotions are just as important (or even more important) than product features. So if you feel you have run out of ideas for new product features, start thinking of new product emotions.

Suggestions:

Match colour and form

Product innovation does not need to be just about smarter, stronger and more advanced locks and solutions. It could also be about aesthetics and business smartness. For example, ASSA OEM could colour and form match the different details of their product in such a manner that their handles, locks, cylinders and other parts complemented each other, creating an integrated solution. Matching all the products means increasing the design value, giving all products an extra selling point and creating a want for the end-consumers to match all products from ASSA in to an integrated solution for their doors. This way ASSA OEM becomes the obvious choice for all different parts of the finished product.

Adapt the products

A trend within product development is the increased demand for adaptable products. One way of showing that ASSA OEM can adapt its products to consumers could be offering engravings on door handles. Today many families write their names in the concrete when building their houses or buy printed vinyl wall decoration that spells out their favorite expressions. Why not offer consumers an engraving of their choice on the handle of their front door? For ASSA OEM this means collaborating with someone from outside the supply chain (and probably with one or two actors from within the supply chain), which might be complicated. However, we believe that it will be worth it. Why not make the engraved handle part of an offering for consumers who are building a new house?
Start making doors
ASSA ABLOY is a world leading company that covers the entire door solution, from the hedges on the door to advanced access control systems. Based on the fact that the ASSA brand is almost equal to safety according to the end-consumers, we suggest that ASSA OEM buys a door manufacturer and launch the new ASSA-door. A security door that is good-looking, safe and equipped with the best locks possible.

Consequences:
Offering complementing products and personal engravings on door handles will lead to the company being perceived as more perceptive and caring. When offering individual/adapted products, price premium can be achieved. Price premium is the sum that end-consumers are willing to pay for products from a brand, compared to products from other relevant brands. In literature on business-to-business branding, price premium has been described as the most useful measure of brand strength.

We are aware of the fact that starting developing the ASSA-door could very well mean loosing some customers within the supply chain. But on the other hand it could mean great business. We believe that ASSA OEM should make the most out of the fact that people see the company as an organ for safety. Developing safe, secure and beautiful doors is one way of doing so.

Figure S: Color and form matched products
We love to co-op

"ASSA OEM has to create the demand from the end-consumers. Then, we can start selling it."
- Distributor of products for doors and windows

Discovery:

Creating derived demand, tricky business. Creating derived demand without damaging the relationship to customers within the supply chain, even trickier. Creating derived demand without favoring any of the customers, trickiest?

One of the biggest challenges for business-to-business companies that want to increase derived demand from the end-consumers by collaborations is to do this without favoring any of their customers. Today, we see an increasing demand for transparency within companies. Hence, we believe that business-to-business companies could benefit from turning themselves into an open cooperation partner.

Many times, more than one actor in the supply chain would benefit from collaborating. Hence, it is important for suppliers to focus on both their immediate and downstream costumers. If you are a company that is big, this is especially true since your partner needs you. Some collaborations are already happening. They are, however, in general collaborations with designers or artists that help companies design products, which means they can hardly be seen as collaborations between actors within the supply chain. From our interviews we have learned that collaborations within the supply chain are very interesting but at the same time hard to realize.

Suggestions:

Play with open cards! If you can’t go to your costumers with an idea for cooperating, let them come to you. This means each and every one of the customers has the same chance of collaborating with you. Good collaborations will lead to great business that in turn will mean that more friends will want to play. We suggest:

Collaboration showreel
Do not be afraid to show collaborations that have already happened. Instead, create a showreel or image bank, showing your customers that you have successfully collaborated with customers before. Also, be sure to make it clear that the company loves to cooperate and invite customers and potential customers to come with their ideas to you.

Select a cooperation-commander
Make an inventory over the ASSA OEM employees and see if there is anyone especially suitable to handle and communicate with new people? Make that person responsible for developing and maintaining collaborations within the supply chain. As we have mentioned previously, purpose is one of the motivational factors for doing a good job.
Security door collaboration
If buying a door manufacturer seems to risky, why not start cooperating with a door company and together create a series of security doors for private houses? Today, security doors are mainly used for apartments. Hence, designing security doors for private houses would be showing the world that security is for everyone, even the people with nice houses. This idea nicely complements our earlier suggestion of matching products for doors and that of creating an “ASSA-inside” effect.

Consequences:
Cooperating with customers within the supply chain could lead to a boost in product and service development.

Figure T: Rendering of security door collaboration
who’s out there?

“Our biggest customer is really the villain.”
- Retailer

Discovery:

Previously, we have talked about how to initiate and realize collaborations within the supply chain. However, if ASSA OEM wants to boost product development and innovation it might be a good idea to try finding brand new, groundbreaking partners to cooperate with. A groundbreaking collaboration would mean people starting to talk about the company. A conversation that later could be built on to in social media etc.

Suggestions:

Cooperate with private individuals
Make it easy for private individuals to come to ASSA OEM with their ideas. This could for example mean starting a digital idea box or arranging actual meetings with people. Why not treat them to a nice breakfast and hold a workshop? In connection to this, choose an “idea realizer”, meaning a person in charge of turning ideas into actual products or services. Remember to then keep the participants updated about what is happening with their suggestions.

Cooperate with experts
Another cooperation suggestion is to cooperate with people who are working with giving other people professional advice. Examples of these kinds of occupations are real estate agents, interior designers and Anticimex workers. These are powerful groups that all can recommend certain locks to certain projects.

Cooperate with an insurance company
The connection between insurance and locks is obvious. How you choose to secure that your possessions are safe effects what kind of money you can expect to get back if something gets stolen. Cooperation between an insurance company and ASSA OEM could for example mean that people would get more money back on their insurance if the locks on their door and windows are ASSA locks. Here, the possibility to get more money back on the insurance works as an incentive for end-consumers to buy ASSA OEM locks. At the same time, the end-consumers buy a more expensive deal from the insurance company. In short: it is a win-win cooperation!

Cooperate with travel agencies
Travel agencies are also interesting potential partners for collaboration. When the end-consumers are on vacation, they leave their homes and puts faith in their lock to protect them from burglars. Here, we suggest a mutual campaign. When buying a new lock to their old houses, end-consumers get a 40 percent discount at a certain travel agency and/or vice versa.
Cooperate with auction firms
People that buy exclusive and expensive objects at auctions are likely to have greater security needs than others. They are therefore receptive to information regarding their safety. Hence, we want to suggest a cooperation with the auction firm Bukowskis. Targeting a crowd like this could certainly generate increased demand amongst a trendsetting crowd of private individuals.

Cooperate with prisoners
Another potential collaboration could be to make a prison-tour where ASSA OEM product developers visit prisons and ask jailed burglars how houses could become safer and locks harder to force. In return, for every sold copy of the new product that the advice generated, 30 percent of the revenue will go to an organization helping ex-criminals back to a life in freedom. It might sound like a crazy idea, and to some extent it is. However, we believe that these kind of ideas generates both good PR and goodwill.

Cooperate with architects
Architects is a powerful professional group that can specify a certain lock in big building project, creating a lot of opportunities for a company like ASSA OEM. However, the architects are also a difficult group to approach and, let us face it, locks are not on their priority list. But keep in mind that architects are creators and creators like to create. Hence, for cooperation with architects we suggest focusing on communicating the possibilities for customization. Tell them that if they buy enough locks they can get anything they want, enabling them to create fantastic buildings.

Consequences:

New collaborations lead to new and/or improved products and solutions, that can eventually become part of the company’s core business. If the collaborations are clever, fun and groundbreaking they will also strengthen your brand. People will start to talk about the company and its products that in turn opens up for possibilities to enter the social media, arrange PR events etc. Imagine inviting customers and end-consumers to a launch party at Bukowskis, drinking fine Scottish whiskey amongst beautiful paintings, safely locked away in glass cupboards.

Groundbreaking collaborations might seem scary and sure, it needs some courage to go through with them. However, we truly believe that business-to-business companies in general have a lot more to gain from groundbreaking collaborations than they have to loose.

Figure U: Photo montage of possible cooperation with auction firm
social media

“Our end-consumer knows too little and we are currently not very good at communicating our knowledge to them”
- Internal actor

Discovery:

Just like private individuals, many business-to-consumer companies have started using social media like Facebook, Twitter and YouTube to promote themselves and for communicating with end-consumers. Some companies have even chosen to close down their web shop at their website and instead connected it to their Facebook page.

For business-to-business companies, whose products in general are parts of other products, it is a little bit trickier to use the social medias in such a manner that it is meaningful and smart. Early in the project, we were asked to think of social media when coming up with ways for ASSA OEM to increase derived demand. Hence, we felt we should explain ourselves and give the reasons as to why we have not come up with a stand alone-solution for social media.

Suggestions:

Build on to something
We believe that presence on social media ultimately should build on to an idea, a campaign or a clear purpose. Hence, we think that at least one of our previously mentioned suggestions should be realized before entering social media. For example, a cooperation with a travel agency could be excellent in social media. However, we suggest that the agency does the talking and that ASSA OEM chooses to be a silent, yet visible, partner. This is because we think the company should keep and strengthen its image as an organ for safety rather than being a commercial actor.

Have the time and money
We find it important to stress the fact that presence on social media needs to be a dialogue and that the company has to be prepared to react and change the things that people do not like. If the company does not answer the people who write about it, it is asking for trouble. Social media need constant monitoring and quick reactions. This means that, what might look like a quick and cheap solution actually calls for competent staff to watch over what is going on and for product development to be quick and reactive.
Consequences:

Carefully considering whether or not to be present on social media will lead to a well thought-out solution. We could easily have suggested for ASSA OEM to start a Facebook group. It is free and takes no time to create. However, it is our belief that would be like creating a monster. With no proper governance and an organization that is not prepared for reacting quickly to peoples’ opinions, that Facebook group could have a life of its own in no time.

To summarize, we give the advice for ASSA OEM to wait with entering the social media world until there is a clear and formulated purpose and something to build its presence on social media around.
next step - action plan

In order for the suggestions given in chapter 7.1-7.8 to become reality it of course takes time and money. However, some take less time and money than others. To clarify for ASSA OEM what each suggestion demands of the company we here present an action plan, mapping up the suggestions as steps towards increasing derived demand.

We believe that if the suggestions are put to reality, ASSA OEM will transform from being rather traditional to becoming an innovative business-to-business company. The action plan is not to be seen as a strictly linear process. Instead, many actions will overlap in order to get the best possible end result (see figure V).

We suggest that ASSA OEM starts with doing market research, in order to get to know their end-consumer. This is followed by the development of a safety classification system and at the same time, we suggest ASSA OEM clarifies that they are open for cooperations with customers in their supply chain. Our expectation is that this will result in a campaign, communicating directly to the end-consumers. The campaign will focus on the different levels of security. In order to reach the end-consumers, the collaboration partners’ networks will be used.

The market research is followed up by a second campaign that focuses on product development, done in collaboration with architect partners. At this point in time, a new website with an end-consumer focus will be launched. The product development collaboration and new website is finally followed up with a social media campaign that, in turn, triggers the possibility to invite public participation to the company’s product development.

Note:
The result in chapter 7.1 to 7.8 were put together in to a book that was delivered to ASSA OEM. In the book, the result was complemented with workshop methods for the company to use when working with the discoveries. We hope and wish that the company will use the workshops as a way of cultivating our discoveries and suggestions. Hopefully, ASSA OEM will come up with its own suggestions as for how to increase derived demand from its end-consumers.
reflections
and conclusions

Writing this master thesis has been a fascinating and confusing travel into the complex world of business-to-business companies and derived demand. In our eyes, the combination of complex supply chains and the sensitive relationships within them in many ways makes the business-to-business supply chain a perfect setting for a design-thinking project. It is filled with wicked problems, waiting to be solved.

However, tackling these problems without becoming overwhelmed and blocked by them has in many ways been a challenge for the whole group. Complexity can easily become overwhelming, crushing all creativity in its way. Therefore, we have found it important to remember keeping an open and creative mind during our work, as well as an analyzing mind, looking into all parts of the complex situation to the fullest. It is our belief that this constant conversation between deep analyzes and creative work has generated ideas for solving problems and meeting challenges, never before seen in this context.

ASSA OEM is in many ways a quite paradoxical company to work with. In one way it is big and rigid and on the other hand it is a company that has an extensive creativity, committed co-workers and a fantastic brand that the end-consumers trust. To put it shortly it is a company with tremendous potential to realize ideas and actually reach out to the end-consumers, creating derived demand. We hope that our result can boost ASSA OEM to realize its potential.

We see our work as a contribution to ASSA OEM for the company to start tapping into to the power and strength that it possesses. We have designed our delivery in a way that we hope inspire people within the organization to continue working with increasing derived demand. At the same time our result tells a story of what needs to be done both inside and outside the organization in order to reach out to the end-consumers. We hope and wish for our result to both generate new ideas and facilitate for ideas that already exists inside the company to be realized.

With business becoming increasingly consumer-driven and product development moving towards becoming a collaboration between companies and consumers, all business-to-business companies are going to start thinking about how to reach their end-consumers, how to collaborate with them and how they are perceived by them. Even though we have developed our result in close connection to ASSA OEM, we still believe that many business-to-business companies have something to learn from this thesis. Although every business-to-business company has its unique structure and face unique problems, we believe that many of the problems that ASSA OEM is facing are also applicable to other business-to-business companies. Hence, so is our result and our suggestions.

As we have mentioned previously, there is a gap in the literature regarding how business-to-business companies practically could influence customers further down the supply chain in order to reach out to the end-consumers. Having held our interviews we found that the answers that we had gotten responded well to the literature. However, they also
made the gap in the literature even more obvious. The suggestions that we give in our result to some extent fill this gap and it is our belief that they are based on discoveries that most likely could be found in many other business-to-business companies as well.

Today, most books only mention similarities between business-to-business and business-to-consumer companies briefly and instead choose to focus on differences. This thesis bridges the gap in the literature in that it illuminates the similarities between business-to-business and business-to-consumer companies.

It is our belief that the structure of our result could be seen as inspiration for how business-to-business companies wanting to increase derived demand could work creatively with this. The discoveries “Live the brand” and “Know your market” are good examples of how our result is applicable to not only ASSA OEM but to all companies. It is always important, for all companies, to know what their brand stands for and what their market looks like.

In the same way we know that the end-consumer needs to understand the product in order to demand something from it. Hence, regardless of what business-to-business company you are the discovery “Make sense for the end-consumer” is also applicable to all business-to-business companies.

This master thesis is a foundation, a footpath for others to follow and expand, bringing more knowledge to the business-to-business field. We hope that readers of this thesis are inspired and want to continue studying how business-to-business companies could increase derived demand from end-consumers and what the business-to-business world and the business-to-consumer world have to learn from each other.

Finally, we think that business-to-business companies could benefit from collaborating with the academia. This master thesis proves that collaborations between business-to-business companies and the academia can create new, innovative solutions. We also believe that collaborations with business-to-consumer companies could be beneficial for business-to-business companies in that they can learn about how to deal with end-consumers.

*Note:*
The result seen in this report was also delivered to ASSA OEM as a book. We think and hope that this kind of delivery could be a push in the right direction. A push that, based on our work, is just what a company like ASSA OEM needs to move in to the new era of working closer to the end-consumer.
This master thesis builds on to Hilleman and Biemans research regarding increasing derived demand from end-consumers and the complex issues that this brings with it. Our work has resulted in a number of spotted tendencies and a set of tactical suggestions for increasing derived demand and prepared the organization for it. Our work contributes to the field of business-to-business companies trying to increase derived demand for its end-consumers in the sense that no one before has given suggestions that are pretty much “hands on” regarding how to increase derived demand. However, we have based our work on extended literature studies but only one case company. Future research might include more business-to-business companies, comparing discoveries found in these companies to the ones we have found for ASSA OEM. This would both bring further knowledge to the field and, hopefully, verify our result.
Thank you for reading!
books


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articles


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(available 2011-05-21)
1. Our process as a whole
2. Questionnaires: The organization, end-consumers, costumers and potential costumers.
3. Workshop material
4. ASSA OEM economy
5. A summary of ASSA OEM products
appendix: 1
A good strategy is nothing without a good implementation. This soon led to the understanding that a strategy, whether implemented at a brand level or a general strategy, must be designed to rest in both a strategic and human-centered way. The definition of strategy implementation is a result of the initial process and the value found in consideration of design and branding. The definition of strategy implementation was also defined as an area of interest in our process. We started our process by trying to define specific actions that would help us achieve this end. We explored areas of action that implicated the company, on both a brand and strategic level. These areas would later form something of a philosophical foundation, or backdrop for the rest of the thesis. With this mind, how different actions can implicate the company, on many loops and reformulation of our goals.

We analyzed several different fields, including B2B marketing and derived demand. This part of our process is without a doubt the biggest part, this is a result of our need for a real case to test our thoughts on implementation. This phase can most easily be described as "research sketching," finding inspiration and facts instead of getting caught in a certain field. The design process has in many ways been the result of an organic process, slowly but irreversibly narrowing the different perspectives. In this phase, there were also clear loops towards the analysis phase, now we instead focused on the implementation methods. The implementation methods derived demand and Business-to-Business marketing, and their problem regarding how to reach the end-consumer. In order to understand these specifics, the ASSA OEM entered the project, becoming obvious. This is where our case study began. As the research continued developing, the third research phase that focused on the specific circumstances around our case study began. Need to establish tactics and channels before diving into concepts. Workshop model, evaluation of "campaign perspectives," workshops and interviews before diving into concepts. The evaluation process has in many ways been the result of an organic process, slowly but irreversibly narrowing the different perspectives.

Our analysis phase began with a "campaign perspective," focusing the campaign structure to-wards the end-consumer, this was made in form of both brainstorming and mood boards. An early evaluation showed this to be an inadequate way of approaching the problem. In the first cycle we tried to define different actions from a channel perspective instead, focusing on the ways to contact different end-consumers rather than the mood of the campaign. In the second cycle we tried to define the solutions from a channel perspective, and in the third cycle we defined the solutions for the campaign. Synthesis phase.

In this phase, there were also clear loops towards the analysis phase, now we instead focused on the implementation methods. The evaluation process has in many ways been the result of an organic process, slowly but irreversibly narrowing the different perspectives. In this phase, there were also clear loops towards the analysis phase, now we instead focused on the implementation methods. The evaluation process has in many ways been the result of an organic process, slowly but irreversibly narrowing the different perspectives.
appendix: 2
Intervjuformulär för ASSA OEM
Namn: 
Position: 
Antal år i organisationen: 

1. Vilket av följande identifierar du dig mest med? Välj en!

O Fix 
O Assa Oem 
O Assa Abloy 
O FAS 
O Annat ____________________

2. Vilka är Assa Oems kärnvärden?

3. Vilka är Assa Abloys kärnvärden?

4. Skulle du säga att Assa Oem är styrt eller självständigt?

Mycket styrt  
Mycket självständigt

Kommentar:

5. Vilken är din uppfattning om relationen mellan Assa Oem och Assa Abloy?
6. Placera ut hur du uppfattar er kommunikation med Assa Abloy

7. Vad anser du är Assa Oems styrkor?

8. Vad anser du är Assa Oems svagheter?
Försäljning

9. Vilka är era 3 största kunder? (Tar fram en komihåg lapp)
   1. 
   2. 
   3. 

10. Hur får ni nya kunder?

11. Hur ser er kundrelation ut?
12. Beskriv processen från tillverkning till det att en produkt når slutbrukare.

13. Hur viktiga är följande försäljningsargument?

- Säkerhet
- Pris
- Design/utformning
- Kvalitet
- Garanti
- Varumärket
- Leveranssäkerhet
- Service/support
- Annat

14. Får du ofta frågor om säkerhet på produkter från kund? Vad undrar man?
15. Vad är viktigast för brukaren?

Säkerhet 1 2 3 4 5

Pris 1 2 3 4 5

Design/utformning 1 2 3 4 5

Kvalitet 1 2 3 4 5

Garanti 1 2 3 4 5

Varumärket 1 2 3 4 5

Leveranssäkerhet 1 2 3 4 5

Service/support 1 2 3 4 5

Annat ________________ 1 2 3 4 5
16. Vad finns det för ”hemliga styrkor” som kunden kan få men inte vet om att den vill ha?

17. Vilken är Assa Oems viktigaste målgrupp idag?

- Distributörer
- Privatpersoner
- Byggfirmor
- Prefab. husleverantör
- Arkitektfirmor
- Tillverkare – fönster
- Tillverkare – dörrar
- Låssmeder
- Larmföretag
- Annan ________________

18. Vilken tror du kommer att bli Assa Oems viktigaste målgrupp inom 5 år?

- Privatpersoner
- Byggfirmor
- Prefab. Husleverantör
- Arkitektfirmor
- Tillverkare – fönster
- Tillverkare – dörrar
- Låssmeder
- Larmföretag
- Annan ________________
**Konkurrens**

19. Beskriv Oems konkurrenter:

<table>
<thead>
<tr>
<th>Konkurrent</th>
<th>Svagheter</th>
<th>Varför?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
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<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Konkurrent</th>
<th>Styrka</th>
<th>Varför?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

20. Varför/hur är Assa Oem bättre än sina konkurrenter?

21. Vilka nya konkurrenter tror du är på ingång de kommande tre åren?
22. Nämn två utmaningar som du tror att lås/beslag/fönster-branschen kommer att ställas inför de kommande tre åren:

1.

2.

23. Hur påverkar dessa utmaningar Assa Oem?

24. Var önskar du se Assa Oem om 5 år?
Ringa in de karaktärsdrag som du anser beskriver hur Assa Oem är idag med RÖD penna och de som du anser beskriver hur du önskar att Assa Oem är imorgon med BLÅ penna.

<table>
<thead>
<tr>
<th>Självständig</th>
<th>Dominant</th>
<th>Ansvarig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oförutsägbar</td>
<td>Okomplicerad</td>
<td>Säker</td>
</tr>
<tr>
<td>Fokuserad</td>
<td>Innovativ</td>
<td>Traditionell</td>
</tr>
<tr>
<td>Pålitlig</td>
<td>Modern</td>
<td>Spännande</td>
</tr>
<tr>
<td>Tolerant</td>
<td>Omtänksam</td>
<td>Billig</td>
</tr>
<tr>
<td>Komplicerad</td>
<td>Idérik</td>
<td>Utmanande</td>
</tr>
<tr>
<td>Hard-working</td>
<td>Intelligent</td>
<td>Självsäker</td>
</tr>
</tbody>
</table>

- Begåvad
- Dyr
- Ansvarstagande

<table>
<thead>
<tr>
<th>Global</th>
<th>Vanlig</th>
<th>Effektiv</th>
<th>Ärlig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hjälpsam</td>
<td>Lokal</td>
<td>Snabb</td>
<td>Ambitiös</td>
</tr>
<tr>
<td>Oärlig</td>
<td>Service orienterad</td>
<td>Kraftfull</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Samarbetsvillig</th>
<th>Konservativ</th>
<th>Dynamisk</th>
<th>Tråkig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibel</td>
<td>Ledare</td>
<td>Erfaren</td>
<td>Kunnig</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Energisk</th>
<th>Professionell</th>
<th>Analytisk</th>
<th>Underhållande</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspirende</td>
<td>Förutsägbar</td>
<td>Talangfull</td>
<td></td>
</tr>
<tr>
<td>Kommersiell</td>
<td>Enkel</td>
<td>Anförrodd</td>
<td></td>
</tr>
</tbody>
</table>
- Vilket varumärke representerar bäst hur du skulle vilja att Assa Oem uppfattas idag? (Välj 3!) OBS! Se bifogad Pdf

- Vilken av hundraserna tycker du bäst representerar Assa Oem idag? Gå på magkänslan och ta den som först känns rätt. OBS! Se Bifogad Pdf

TACK FÖR HJÄLPEN!
Intervjumall – Tillverkare/Återförsäljare

1. Vad är ert viktigaste försäljningsargument vid försäljning av dörr?
2. Har ni egen formgivning av fönster, eller plöcker ni in?
3. Trender inom dörr- och fönsterdesign?
4. Vad finns det för nya spännande innovationer?
5. Se lösblad!
6. Vilka leverantörer till läs/beslag har ni till era fönster/dörrar?
7. Hur väljer ni leverantör av läs till era dörrar och fönster?
8. Kan kunden välja själv?
9. Har ni haft någon kontakt med Assa Oem?
10. Säljer ni in säkerhet, eller är det något man förutsätter som kund?
11. Vad tror du kommer hända på dörr/fönstermarknaden inom 5 år?
12. Har ni funderat på att börja sälja en
13. Skulle ni kunna tänka er att samarbeta med en läs-leverantör för ett bättre erbjudande till kund i framtiden?
På en skala 1-5, hur viktigt tror du att följande egenskaper är för era köpare? (där 1 är mindre viktigt, och 5 är mycket viktigt)

- Kvalitet

- Design

- Säkerhet

- Prisvärt

- Nya funktioner

- Form och design

- Miljövänlighet

- Garantivillkor

- Varumärke
Enkätfrågor – Assa

Vad har du för boende idag?
Villa
Radhus
Sommarstuga
Båt
Lägenhet – bostadsrätt
Lägenhet - hyresrätt

Har du Assa-lås i ditt hem idag?
Ja Nej

Om ja. Var har du Assa-lås?
På fönster
På ytterdörr
På innerdörr
På altandörr/balkongdörr
På garagedörr
Anrat -------

Är du medveten om att det finns olika säkerhetsgrad på lås?
Ja
Nej
Kommentar:

Vilken säkerhetsnivå skulle du välja?
Klass 1: 20.000
Klass 2: 5000
Klass 3: 2000

Var skulle du inhämta information om lås till dörr och fönster?
Internet
Byggvaruhandel
Låssmed
Dörr/fönstertillverkare
Mässor
Hustillverkare
Arkitekt
Vänner och bekanta

Vad är viktigast för dig när du köper dörr?

Vad är viktigast för dig när du köper fönster?

Anser du att ett elektroniskt lås där man ej vrider om en nyckel känns lika säkert som ett standastlås med nyckel?
Ja
Nej
Vet ej
Kommentar:

Tycker du spontant att Assa är:
Positivt Negativt
Varmt Kallt
Dyrt Billigt
Hög kvalitet Låg kvalitet
Pålitligt Opålitligt
Tryggt Otryggt

Känner du dig säker med de lås du har i ditt hem idag?

Skulle du kunna tänka dig att betala mer för ett lås/handtag/låscylinder om den är mer estetiskt tilltalande?
Ja – X kr
Ja – X kr
Nej

Skulle du kunna tänka dig att betala mer för ett lås/handtag/låscylinder om den är mer tekniskt avancerat?
Ja – X kr
Ja – X kr
Nej

Var stöter du oftast på information om dörr, fönster, lås?
- Reklam från byggvaruhus:
- K-rauta, Bauhaus,
- Reklam från låstillverkare
- Reklam från dörrtillverkare
- Reklam från fönstertillverkare
- Inredningsvaruhus

Vad anser du är viktigast för säkerhet?
Larm
Lås
Båda
Annat
appendix: 3
Svenssons AB

Denna aktör har funnits på marknaden i nästan 100 år och håller fast vid sina traditioner. Nu har företaget fått en ny, ung VD. Aktören har även blivit utmanad av en liknande aktör på marknaden. Företaget kan vara öppet för samarbete med kräver full kontroll.

Karlssons AB


Petterssons AB

Denna aktör är en sann samarbetspartner. Aktören känns mer eller mindre som en god vän som gärna delar med sig av erfarenheter och tips för att tillsammans nå och tillfredsställa den gemensamma slutkunden. Tyvärr har aktören svårt att få företaget att gå runt.

Johanssons AB

Denna aktör vill ha kontroll och ställer sig skeptisk till nya sätt att tillsammans med er nå slutkunden. Aktören ser en stor risk i att en eventuell samarbetspartner kan komma att ”stjäla” slutkunden. Företaget har god ekonomi.
Harem, 32 år


Familjen Andreasson

Med tre barn smälls det ofta i både dörrar och fönster i familjen Andreassons röda radhus. Balkong-dörren står alltid öppen och grannarna väljer ofta den ingången istället för ytterdörren. En aktiv familj som gärna reser bort på semestern.

Lisa, 40 år


Olof, 66 år

Olof har bott i samma hus i närmare 30 år. Han har precis påbörjat en helrenovery av det gamla funkishuset. Olof semesterar gärna i Thailand tillsammans med sin fru och är lite utav en trädgårdsentusiast.

Gustav, 25 år

Gustav är hantverkare med sin specialitet i platsbygda bokhyllor. Han hittar gärna på egna, innovativa lösningar på det mesta. Gustav har t.ex. precis byggt sin egna kompost till kolonilotten som han delar med sin bror.
<table>
<thead>
<tr>
<th>Möjliga satsningar</th>
</tr>
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<tbody>
<tr>
<td>Säljare på fält</td>
</tr>
<tr>
<td>Telemarketing</td>
</tr>
<tr>
<td>Produktutveckling</td>
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<tr>
<td>Samarbeten produktdesign</td>
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<tr>
<td>Mässor</td>
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<tr>
<td>Events</td>
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<tr>
<td>Utomhusannonsering</td>
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<tr>
<td>Kataloger och manualer</td>
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<tr>
<td>Tv-reklam</td>
</tr>
<tr>
<td>Guerilla marketing</td>
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<tr>
<td>Internetaktiviteter (Twitter/Facebook/YouTube)</td>
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<tr>
<td>Branschtidningar</td>
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<tr>
<td>Annonser dagspress</td>
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<tr>
<td>Annonser magasin</td>
</tr>
<tr>
<td>Familj</td>
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<tr>
<td>--------</td>
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</tbody>
</table>


Ålder:
Civilstånd:
Jobb:
Ort:
Boende:
Familj:
Hobby:
Politisk tillhörighet:
Favorit tv-program:
Bilmärke:
appendix: 4
appendix: 5