



SERVITIZATION BY SMES IN A B2B CONTEXT: ENTERING A SECTOR UNFAMILIAR WITH THE CONCEPT

Traditionally, in business landscapes, there was a clear distinction between organizations delivering products and organizations delivering services. Nowadays, however, this distinction has become more ambiguous with the coming of servitization offerings. Famous examples of servitization include Rolls Royce's jet engines, IKEA's Live Light, and of course Swapfiets' bicycles. However, the lion's share of academic literature regarding servitization focuses on cases where already established service offerings are analyzed, large manufacturers or medium-sized enterprises, or the B2C market. Also, research into servitization and the role of value-in-use is limited. As such, research into servitization in the B2B market for SMEs is limited, as well as research into its challenges. Therefore, this research focuses on the challenges of servitization regarding the facilitation of value-in-use for SMEs, as well as investigates how SMEs can best market servitization in a sector that is unfamiliar with the concept. Following a case-study design, interviewing both employees and B2B customers of the case company, as well as applying the Gioia method, a framework was developed that highlights the four main challenges faced by SMEs in the servitization process regarding value-in-use and value proposition. Furthermore, a set of guidelines was developed to be followed by SMEs when marketing servitization in a sector unfamiliar with the concept.

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1. INTRODUCTION

Traditionally, in business landscapes, there was a clear distinction between organizations delivering products and organizations delivering services. This changed towards the end of the 19th century when Levitt (1980) argued that there are no such things as commodities and that all goods and services are differentiable. Often, the product is not only differentiated through pricing, but also by other features such as the responsiveness of the business to customers' inquiries, the clarity of confirmations, and the efficiency of their transactions. The services added to the product add more value to the product. Vandermerwe and Rada (1998) discussed services as well and introduced the concept of servitization, which is defined as a bundle of products and services to add value to a business offering. In servitization, a product is combined with an organization's capabilities and processes, leading to a shift from selling only products to selling integrated products and services that render value for customers (Baines et al., 2009). In recent decades, the global service sector has grown rapidly. Contrary to popular opinion, the primary driver behind this growth can be attributed to the transformation of manufacturing, where manufacturing firms have increasingly outsourced activities, processes, and assets to professional business-to-business service firms, as opposed to an expansion of the business-to-consumer (B2C) service sector (Wirtz & Kowalkowski, 2023).

Value is a central concept in business-to-business marketing (B2B). Even though the concept had attracted little attention before the 1990s, it has been discussed for centuries (Anderson, Narus & Naravandas, 2009). In his work 'Wealth of Nations', Adam Smith (1723-1790) introduced the terms value-in-use and value-in-exchange and as such made a distinction in terms of value. Value-in-use refers to the utility of an object, whilst value-in-exchange refers to purchasing another object. In the value-in-exchange perspective, a supplier manufactures and distributes goods and services which in itself embed value. As such, the supplier creates and determines the value for the customer. This can be exchanged, and it is marketing's job to understand, communicate, and deliver value to the customer (Eggert et al., 2018). Value-in-use occurs over the whole range of the customer journey. From the value-in-use perspective, it is not only the supplier and customer's resources and capabilities that determine value but also that of other involved parties. Value results from a beneficial application of operant resources, sometimes through the use of operand resources. (Vargo & Lusch, 2004). In contrast to the value-in-exchange perspective, suppliers do not determine value on their own and can only propose value. Following that, a marketing exchange between supplier and customer becomes open-ended, from pre-sale interactions between suppliers, customers, and other involved parties to post-sale value-in-use with the

potential of even more value co-creation through the development of relationships (Ballantyne & Varey, 2006).

In recent decades, the traditional view of marketing with a focus on value-in-exchange has been challenged by servitization and the service-dominant logic (SDL) of marketing (Vargo & Lusch, 2004; 2008; 2016). SDL stresses that marketing's focus has shifted away from tangibles to intangibles such as skills, information, knowledge, and ongoing relationships between suppliers, customers, and other involved parties. Besides, the orientation has shifted from supplier to customer. SDL anticipates that this marketing logic will have a substantial role in marketing and potentially replace the traditional goods-centered perspective (Vargo & Lusch, 2004). When reflecting on their introductory article on SDL (2004), Vargo & Lusch (2008) discussed some central issues that were deemed ripe for discussion. The latter included, amongst many others: value propositions, value networks, dialogue as a dominant communication form, service systems, and a new conceptualization of global wealth and well-being based on service thinking (Vargo & Lusch, 2008). Over time, many extensions were made to SDL by many other scholars with a general overlap of zooming out to allow a more holistic, dynamic, and realistic perspective of value creation through exchange among a more elaborate set (i.e. not only supplier and customer) of actors (Vargo & Lusch, 2016). Following that, scholars realized that institutions and institutional arrangements are key to the latter, and thus future SDL work should focus more on that. Listening to other scholars, Vargo & Lusch once again updated SDL's foundational premises and recognized the central role of institutions and institutional arrangements that foster cooperative and coordinated behavior amongst actors in service ecosystems (Vargo & Lusch, 2016). Fitting well with the recent extensions regarding SDL and realistic value creation is servitization. SDL considers servitization as the process of designing a service system that incorporates the resources and capabilities of all parties involved in an exchange, meaning that value is not merely created by the supplier, but co-created by all parties involved (Green, Davies & Ng, 2017). In short, it can be concluded that servitization meets the shifted customer expectation from only buying a product to adopting smart solutions that provide a solution and create value-in-use. Customers no longer only want to pay for the product itself, they increasingly want to receive the value that is created by using the product, and thus by using it as a service (Gebauer et al., 2021).

Servitization brings many (potential) benefits to businesses, including additional consistent and reliable revenue as well as the blocking of competitor's access, customer retention, and a higher level of competitive differentiation (Vandermerwe & Rada, 1988; Oliva & Kallenberg, 2003; Correa, 2018). It also incentivizes making more sustainable decisions since servitization typically includes no transfer of physical assets (Correa,

2018). Furthermore, being preoccupied with CSR positively affects brand reputation and profitability (Khojastehpour & Johns, 2014). As such, it makes sense that servitization and value-in-use are becoming more and more relevant in today's world, which is also reflected by a growing amount of literature being dedicated to it. However, even though the literature on servitization and value-in-use is growing, research gaps still need to be filled.

First, most research regarding servitization concerns case studies where already established service offerings are being analyzed (Beuren et al., 2013; Kowalkowski et al., 2017; Peillon & Dubruc, 2019). Contrarily, research into businesses that are still in the exploratory phase of the servitization process is rather limited. To get a better understanding of the latter, it is important to also look into cases where servitization is being introduced. Second, in the few cases where the introduction of servitization is being researched, it mostly concerns large manufacturers (e.g. Apple, Rolls Royce, and Xerox) (Perona et al., 2017). As there are significant differences between large manufacturers and SMEs, there might also be differences in their respective servitization processes. As such, research into the servitization process in SMEs contributes to the field. Third, to the researcher's knowledge, there is only limited research into servitization and the role of value-in-use. As servitization fits well with SDL's recent extensions (i.e. realistic value creation) and the fact that customers expect smart solutions create value-in-use, research into the role of value-in-use in the servitization process might provide new insights into the field and therefore it is important to fill this gap.

To address the research gaps as introduced, exploratory research will be performed on servitization, value-in-use, and value propositions, and how these are linked in SMEs during the servitization process. For this, two research questions were developed:

What challenges do SMEs face in servitizing for B2B customers regarding the facilitation of value-in-use?

How can SMEs best market servitization in a sector that is unfamiliar with the concept?

To answer these questions, the research will be qualitative, evolve around a case study, and semi-structured interviews will be conducted with two sets of expert groups in the field. This setup was chosen for several reasons. First, qualitative research enables the researcher to describe a phenomenon instead of a mere measurement of a phenomenon. Collecting a description is only possible by actually capturing the experience of the study participants, for example through observation or the conducting of interviews. In contrast to quantitative research, qualitative research thus allows the incorporation of a wider range of perspectives, which is why qualitative research fits better

with exploratory research (Lanka et al., 2020). Second, a case study is an in-depth study of a single unit to explore and elucidate features of a larger class of phenomena (Gerring, 2006). Since this study aims to explore servitization in SMEs in a B2B context, it was necessary to study an SME who was looking to market servitization in a B2B sector. Therefore, it was decided to perform an exploratory case study on an SME in the Netherlands that was looking into the possibilities of servitization for their B2B customers. Finally, expert interviews were chosen for two reasons. First, interviews allow interviewees to respond to questions independently and without the possibility of bias due to the answers of others (DeJonckheere & Vaughn, 2019). Second, expert interviews enable the collection of in-depth insights and experiences, as they support open answers without guiding the interviewee in a certain direction. This is beneficial for the exploratory nature of this research.

This research contributes to the field of B2B marketing in several ways. First, by exploring the role of value-in-use and value propositions in the servitization process for SMEs, this study adds to SDL as it builds on the notion of realistic value creation by diving into how customers and suppliers interact, co-create value in the servitization process for SMEs, and how the interaction between both impact value-in-use and value proposition (Vargo & Lusch, 2004, 2008, 2016; Payne, Storbacka, Frow, 2008). Second, where most literature regarding servitization focuses on general challenges or customer challenges, this study focuses on customer, organizational, and mindset challenges for SMEs (Baines et al., 2009; Oliva & Kallenberg, 2003) and as such contributes to the literature on B2B marketing for SMEs. Finally, this study explores the challenges of servitization in a sector that until now has been unfamiliar with the concept, something that to the researcher's best knowledge has not been done before. As such it hopes to provide new insights and contributes to the literature on B2B marketing. Furthermore, by looking into how servitization can best be marketed in a sector unfamiliar with the concept, this study combines literature on servitization with that on value proposition and hopes to provide new insights regarding its challenges and opportunities (Payne et al., 2014; Eggert et al., 2018).

2. THEORETICAL FRAMEWORK

2.1. Servitization

2.1.1. Defining servitization

To conceptualize servitization, it is necessary to explain the difference between products and services. First, there is tangibility. While products are tangible, services are not (Tukker, 2004). Second, the way of creating value is different. In products, value is created by the product itself, while services create additional value. Third, some scholars argue that the integration of customers into the service process is crucial. As such, this becomes the greatest difference between products and services (Brax 2005, Raddats et al., 2016). Finally, in some types of servitization, ownership is retained with the service provider. This means that only functions of the product are sold instead of the physical product (Neely, 2008).

After defining the differences between products and services, the types of service offerings can be introduced. For this, the conceptualization of product-service systems (PSS) by Tukker (2004) is used. PSS can be defined as: “tangible products and intangible services designed and combined so that they jointly are capable of fulfilling specific customer needs” (Tukker, 2004, p. 246). Furthermore, PSSs are a specific type of value proposition that a business offers to or co-produces with its customers (Tukker, 2015). PSSs allow companies to offer integrated solutions to customers and as such build strong relationships and a better understanding of the customer’s needs. Tukker (2004) identified eight different PSS models that are categorized into three separate categories: (1) product-oriented, (2) use-oriented, and (3) result-oriented. All three show different degrees of servitization.

Product-oriented services

In these types of services, the main activity is still the sale of the product. On top of that, there are additional extra services (e.g. maintenance contracts or consultancy). An example would be the sale of a lawnmower that includes a yearly-recurring maintenance check performed by the provider.

Use-oriented services

Use-oriented services already focus more on the service rather than the product. The central activity has become leasing, renting, and pooling. The service provider is responsible for maintenance, repair, and control and retains ownership of the product. An example would be the renting of a lawnmower. In that case, the central activity is renting and all other activities except the use itself are still the responsibility of the provider. Renting becomes the central activity.

Result-oriented services

In result-oriented services, the central activity is not the sale nor the service, it is the result. This requires a strong relationship between the service provider and the customer

and detailed knowledge of the customer’s needs. An example would be the outsourcing of lawn mowing to a business that provides both the product and service, as well as the people who perform the lawn mowing. The result (a mowed lawn) is the central activity.

2.1.2. The benefits & challenges of servitization

2.1.2.1. The benefits of servitization

Servitization is accompanied by many potential benefits, ranging from a more consistent revenue stream to a better brand reputation. Servitization can benefit SMEs as well as large companies, despite their differences in resources, restrictions, and possibly lower levels of service revenue (Queiroz et al., 2020). Starting, there are many economic incentives for servitization. Besides increasing revenue and profit, servitization can lead to more consistent revenue. Not only due to having a base of installed products with a life-long product cycle but also through maintenance or leasing contracts, potentially higher margins in services, and the creation of a lock-in effect (Vandermerwe & Rada, 1988; Fang, Palmatier & Steenkamp, 2005; Gebauer et al., 2005; Neely, 2008; Ahamed et al., 2012; Correa, 2018). Second, servitization can have strategic benefits. Offering integrated solutions can be a way of blocking competitors’ access, gaining a larger market share, and creating a competitive advantage (Ahamed et al., 2012; Queiroz et al., 2020). Kamal et al. (2020) concluded this as well after reviewing 204 academic articles. According to them, one of the most mentioned benefits of servitization is being a sustainable source of competitive advantage. The advantage acquired through supplementary service provision is often more sustainable than other forms of competitive advantage as they are much more challenging to replicate. An example can be found in Moreno, Marques & Arkader (2020), who state that companies offering integrated solutions in developing countries might benefit financially from increased servitization levels due to being first movers. So, servitization not only may lead to an increase in returns, but it also is an opportunity to create a sustainable competitive advantage. Third, servitization can have a positive effect on brand reputation and profits through corporate social responsibility (CSR). That is, servitization incentivizes making more sustainable decisions since it typically includes no transfer of physical assets in transactions between businesses about design, operations, and disposal at the end of their life cycle (Correa, 2018). Besides being better for the environment, this shows preoccupation with CSR, which has a positive effect on brand reputation and profitability (Khojastehpour & Johns, 2014).

2.1.2.2. Challenges of Servitization

Besides benefits, servitization comes with a long range of challenges. Servitization presents not only structural challenges but provides challenges along the complete range of the company, for example: strategic, service design, and company policy challenges (Oliva &

Kallenberg, 2003; Baines et al., 2009; Ahamed et al., 2012). Since the challenges are endless, it is important to focus on certain challenges. Hence, this research decided to focus on challenges that are relevant for all companies, regardless of size: (1) customer challenges, (2) organizational challenges, and (3) mindset and commitment challenges.

Customer challenges

One of the most challenging factors in servitization is the focus of the customer. Previously, the transaction of a product was the final and arguably most important phase of the business. Nowadays, more and more companies have made the shift or are shifting from selling products to selling and maintaining products and offering integrated solutions. This means that the long-term customer relationship has become much more important. Oliva and Kallenberg (2003) present two challenges concerning customer focus. The first challenge refers to changing the focus of the customer from transaction-based to relationship-based, whilst the second challenge refers to changing the focus of the value proposition from product efficiency to end-user-process efficiency. In line with Oliva & Kallenberg, other scholars argue that the main challenge lies in the shift from being product-centric, to being customer-centric. Instead of focusing on the product, the provider should focus more on the wishes and needs of the customer (Shah et al., 2006; Galbraith, 2002). This is reflected by Dawes' (2021) 95-5 rule theory, which stresses that 95 percent of potential B2B customers are not looking for a certain product or service at the moment of advertising. Therefore, B2B marketers should focus on customers who are not in the market yet, and thus a long-term vision is needed. To do that the provider should focus more on the wishes and needs of the (potential) customer and on creating the best solution for the customer instead of creating the best product. This presents a challenge for the entire organization in terms of structure, habits, routines, mindset, and culture (Galbraith, 2002). Brady et al. (2005) summarize this by describing how providers need to establish themselves as to be solution-focused through the eyes of their customers. To do this, the provider needs to acquire as much knowledge as possible about the customers' needs and wishes. Additionally, the customer has to be able to acquire knowledge about the providers' offerings as well. So, both the customer and supplier need to be able to gain knowledge about the needs and wishes of the other side. Regarding the former, the provider needs to re-examine how customer awareness is created and how offerings are presented to the customer (Kindström, Kowalkowski & Brashear, 2015). The better this is done, the better customers can understand new offerings, and the faster value in offerings is recognized, which leads to better customer engagement. This is reflected by Gebauer, Fleisch & Friedli (2005) as well, who argue that there is a need for providers to establish value-added employee service awareness to change the role of the employee. That is, employees need to

understand the change from being focused on selling a product to being focused on providing long-term service (Galbraith, 2002). Finally, offering an integrated solution creates expectations and puts pressure on providers as they have to fulfill contractual obligations to customers (Baines et al. 2009).

Organizational challenges

Besides challenges regarding customers, organizations making the transition from being product-oriented to service-oriented face organizational challenges. However, the amplitude of the challenge depends on the level of servitization. Taking the product service continuum into consideration, the position of the organization on the continuum change line determines the level of structural change (Tukker, 2004). The further the line is followed, the more complex the changes and challenges to the organizational structure will be (Oliva, Gebauer & Brann, 2012). Previous studies have indicated that most SMEs mainly focus on offering basic product-related services when starting the servitization process (due to limited resources), so often only a small number of organizational and incremental changes has to be made. Moreover, these changes mostly can be implemented quickly and effectively in SMEs when compared to large manufacturers, as SMEs are characterized by organizational flexibility, responsiveness, and less resistance due to cultural or organizational inertia (Queiroz et al., 2020). Multiple scholars have tried to answer the question of how to overcome organizational barriers during the servitization process, but there is no perfect, one-size-fits-all solution, as each organization is different. Some argue that a separate R&D function is necessary to servitize successfully (Oliva & Kallenberg, 2003), whilst others argue that a separate service organization is key to success (Gebauer & Fleisch, 2007). Ulaga & Loveland (2014) balance both and suggest the establishment of a sales team to interact with key customers is the best way to do it. However, regardless of the degree of servitization and how it is handled, acceptance of it throughout the organization is crucial for a successful shift towards servitization. Employees within the organization have to acquire the knowledge, skills, and capabilities to successfully transform into a servitized organization and to provide services and solutions effectively and efficiently. Necessary changes in organizational structures need to be made, but equally important is the adoption of new work routines by individuals, as they are not only the ones providing the new services but also the ones delivering the services (Baines et al., 2013; Rothenberg, 2007). Taking into account that this research focuses on SMEs and that SMEs are more dependent on people and are often lacking in material resources, the latter is especially important in SMEs compared to larger firms (Peillon & Dubruc, 2019; Queiroz et al., 2020). For most SMEs, this is difficult, as most are product-centric companies where services are only seen as a reinforcement to the current business model (Salonen et al., 2017).

Mindset and commitment challenges

According to Neely (2008), one of the first challenges of servitization is the challenge of shifting mindsets. No longer products are simply sold. Instead, long-term contracts are entered into, and hence the nature and length of the relationship between provider and customer changes. The challenge of shifting mindsets particularly applies to marketing, sales, and customer functions. For the marketing department, a shift from transactional marketing towards relational marketing needs to be made. For the sales department, the nature of what is being sold changes. Instead of selling mere products, service contracts and/or integrated offerings are to be sold. For customers, the challenge lies in ownership. Instead of becoming the owner of a product, customers need to accept that it is not always necessary to become the owner of the physical product to enjoy its result (Neely, 2008). A second challenge depicted by Neely (2008) is timescale. Offering services often entails a multi-year contract with customers. Managing and controlling such contracts in terms of risk and exposure is important, as well as modeling and understanding the costs and profitability. This presents large challenges for organizations, especially if material and human resources are limited, which is often true for SMEs. Third, another challenge is the ability of strong leadership to translate strategic vision into the organization (Gebauer, Fleisch & Friedli, 2005). Even though it is difficult to translate servitization into a clear strategic vision, it is of utmost importance, as without it individuals within the organization might lose belief in the transition towards servitization (Gebauer & Fleisch, 2007). When failing to do so, mistakes at the managerial level might lead to structural mistakes by individuals within the organization, ultimately leading to less value creation for the customer or even losing customers (Vandermerwe & Rada, 1988).

Section 2.1 focused on the concept of servitization, the different PSSs that determine the degree of servitization, and the many benefits and challenges that are related to servitization. The next section discusses the concept of value in B2B marketing and its development over time. Furthermore, by going into detail on value-in-use, it builds further on the concept of use-oriented service systems.

2.2. Value-in-use

2.2.1. A brief overview

Value is a key construct in marketing and B2B marketing in particular. Historically, three consecutive phases of how scholarly definitions of customer value have evolved can be identified. First, scholarly research focused on shifting the concept of customer value from the business-to-consumer (B2C) domain to the B2B domain and discussed how specific characteristics of value related to the B2B domain could be compared to prior definitions (Eggert et al., 2018). In general, scholars agreed that value was created by the supplier and embedded in physical products or assets that were exchanged between marketplace actors.

This is defined as the value-in-exchange perspective, where value is created, communicated, and delivered solely by suppliers. By fixating only on goods, suppliers, and the exchange paradigm other forms of value creation and actors involved were neglected (Sheth & Usley, 2007). During the second phase, the concept of customer value was explored and broadened by shifting from a goods-centric domain towards relationship value. Ulaga & Eggert (2006) discussed the role of value creation in buyer-seller relationships and concluded that the core product and its price are less important differentiators than personal interaction and service, access to know-how, and increased time to market. This was highlighted by Eggert et al. (2006) as well, who indicate that value creation in business relationships is dynamic, meaning that suppliers also need to anticipate and respond to changes in customers' value expectation to maintain a successful partnership. The realization of this marked the start of the last phase, which is still going on. Vargo & Lusch (2004) suggested that value results from a beneficial application of operand resources, sometimes through the use of operand resources (Vargo & Lusch, 2004). Value is not created only by suppliers, rather it is co-created by all actors involved in the exchange and suppliers can merely propose value. Actors integrate resources and capabilities through activities and relationships, and as such a marketing exchange between supplier and customer becomes open-ended (Macdonald et al., 2016). Starting from pre-sale interactions between suppliers, customers, and other involved parties to post-sale value-in-use with the potential of even more value co-creation through the development of relationships (Ballantyne & Varey, 2006). Subsequently, the concept of value in B2B marketing gradually evolved from a value-in-exchange perspective with the value being created by the supplier into a value-in-use perspective with the value being co-created by all involved actors. However, value-in-use remains only one type of value. The value creation paradigm has many more types of value that deserve attention, for example, value-in-disposal, value-in-information, and value-in-possession (Sheth & Usley, 2007).

2.2.2. Value-in-use in B2B marketing

Multiple scholars have argued that the emergence of B2B marketing can be largely attributed to the fact that mainstream marketing models used in B2C marketing weakly reflected the nature of and fundamental changes in business markets (Cova & Salle, 2008; Vargo & Lusch, 2004). Corresponding, a shift from the value-in-exchange perspective to the value-in-use perspective was seen in B2B marketing. This contributed to a more complete understanding of customer value and a shift from the locus of value creation to an interactive process between all parties involved. No value is created until the customer uses an offering and by doing so, the customer co-creates value through experience and perception, two elements crucial for value determination (Lusch, Vargo & O'Brien, 2007). The critical role of value-in-use in B2B marketing

is emphasized by Macdonald et al. (2016) as well, who argue that value-in-use is: “all customer perceived consequences arising from a solution that facilitates or hinder the achievement of the customer’s goals”. In line with this Medberg & Grönroos (2020) concluded that if no solution to a customer’s problem is provided, the customer will most probably feel worse off. Even if a solution is provided, it might not be enough for positive value-in-use to emerge. For that, service managers must enable their staff to perform a good job by providing training and expertise and by instructing them to be friendly, flexible, and efficient. All that is to ensure that the customer experiences a smooth service delivery process. Lastly, since monetary costs matter to most customers, the pricing of the service offering should be competitive. So, value-in-use is not only dependent on the resources and capabilities of the supplier, but also on the resources and capabilities of all actors involved in the process. By integrating these through interactions and activities in a larger network of actors, every actor involved becomes a co-creator of value (McCull-Kennedy et al., 2012).

Following the above, it is clear that the role of value-in-use is crucial when offering integrated solutions. However, as mentioned in the previous section, to do that successfully, suppliers need to acquire as much knowledge about their customer’s wishes and needs as possible and provide staff with the tools to create a smooth service delivery process. Furthermore, Macdonald et al. (2011) argue that value-in-use in B2B marketing is multi-dimensional and acknowledges that both providers and customers contribute to value creation. From conducted interviews, Macdonald et al. (ibid.) concluded that taking the customer’s goals into account is a key factor to success. However, just like Macdonald, Grönroos (2011) stated that value-in-use is always individually and context determined by each customer. In the B2B market, most servitization offerings are located on the left end of the product-service continuum, with companies offering basic additional services such as spare parts or maintenance (Queiroz et al., 2020). These can be labeled as product-oriented PSS. From the B2C market, many examples of further servitization are known that can be labeled as use-oriented PSS. Think for example of subscriptions for household appliances, furniture, or modes of transport (e.g. Papillon, IKEA, Swapfiets). For example, a Swapfiets customer receives the service of renting the bike and the repair services. When the bike is broken, it gets fixed or it gets replaced with a new bike (Bostoen, van Acker & Devroem, 2022). This form of use-oriented PSS corresponds to the concept of value-in-use, as value is co-created through both the supplier and customer by integrating their resources through interactions. Even though this example comes from a B2C context, it shows similarities with the context of the case company. The latter wants to provide a solution for B2B customers with the ultimate goal of offering 100% uptime. As the above is a use-oriented integrated offering, the main focus of this

research will be on exploring the possibilities, benefits, and challenges of use-oriented PSS for SMEs in the B2B sector.

Section 2.2 focused on the concept of value, its development over time, and the role of value-in-use in B2B marketing. The last paragraph gave examples of use-oriented integrated offerings, which this research also looks into. To market such offerings, companies use value propositions, which is what the next section will introduce and discuss.

2.3. Value proposition

The creation of value is one thing, but if it cannot be communicated well to the customer, it is useless. For this, value propositions are used. Value propositions represent a firm’s core strategy and describe the distinctive competitive advantages over that of competitors (Lehmann & Winer, 2008; Payne et al., 2014; Frow et al., 2014). Like the previously discussed concepts, value propositioning has changed over time, which is what the upcoming section focuses on.

The roots of the value proposition concept can be found in marketing (Reeves, 2017). In its early years (the 1980s-1990s), the value proposition was seen as a deliverable value offering to customers. It was a promise of value by the supplier to the customer that combined both benefits and prices, as well as was a means of achieving differentiation and an ongoing supplier-customer relationship (Bower & Garda, 1985). What set it apart from the then-dominant goods-dominant logic was the fact that the value proposition depicted value from a customer perspective instead of a supplier perspective (Ballantyne et al., 2011). However, the value was still only created and determined by the supplier, which fits with the value-in-exchange perspective.

Later, in the mid-2000s, the generated interest in the value-in-use perspective sparked interest in the value proposition as well. Yet, the logic of value delivery by the supplier was still dominant, even though other concepts besides the transaction itself gained importance. Several authors discussed the importance of customer experience (Smith & Wheeler, 2002; Berry, Carbone & Heackel, 2002; Morgan & Rao, 2003; Edvardsson, Tronvoll & Gruber, 2011). Overall, the value proposition still had a strong unidirectional emphasis with the supplier determining and promising value. So, this period can be labeled as a transitional phase between the value-in-exchange perspective and the value-in-use perspective.

As previously mentioned, the concept of value gradually evolved to the point that value was no longer created and delivered solely by the suppliers, but co-created by all involved actors. Value was no longer promised by the supplier, but proposed. The value proposition nowadays aims to initiate a dialogue between all involved actors

before, during, and after the usage experience (Ballantyne & Varey, 2006; Eggert et al., 2018). In contrast to a promise, a proposal implies reciprocity between all involved actors and can be seen as an invitation for knowledge sharing and co-creation (Payne et al., 2008; Eggert et al., 2018). Flint and Mentzer (2006) highlight this by giving the example of account managers working in 'integrated value chains' in which suppliers and customers engage in dialogue and knowledge sharing before exchanging a value proposition. Nowadays, value is no longer merely delivered, rather it is the result of mutual adjustments to the value proposition (Ballantyne et al., 2011). Furthermore, when parties involved in the dialogue realize that their objectives are complementary rather than opposites, the total value for all parties is likely to be enhanced. In practice, this means that a reciprocal value proposition can be crafted by any participant, be directed towards a counterpart, and may be accepted or not. Either way, the counterpart will present the benefits expected to be gained or given up, and the reciprocal value proposition will be adjusted until everyone is satisfied. Resources becomes integrated and the value proposition is no longer limited to an immediate exchange. Instead, it becomes an ongoing process where each actor participates and contributes differently. The latter was concluded by Nenonen et al. (2020) after interviewing 81 practitioners in various fields (i.e. wholesale, construction, agriculture, communication, and utilities). According to them, managers no longer tend to emphasize relative competitiveness, but rather point to the value potential of integrating the resources of multiple actors. Besides, the ongoing nature of the value proposition was found as well, as the interviewees recognized themselves in the collaborative process of value proposing back and forth until an agreement was made. On top of that, Nenonen et al. (2020) mentioned the importance of quantifying the value and benefits of a value proposition by including other actors in the market to ensure credibility and support.

Section 2.3 shed light on the concept of value proposition and its development over time. Besides, it discussed the concept of the value proposition from a value-in-use perspective. The next section combines all discussed concepts: servitization, value-in-use, and value proposition into a theoretical framework.

2.4. Integrating servitization, value-in-use, and value proposition

Despite referring to the linkages between servitization, value-in-use, and value proposition, the central thought behind this study is that the role of value-in-use in servitization and value proposition rarely has been examined in SMEs exploring the possibilities of servitization in a B2B sector. Value is the main driver of marketing in a B2B setting, providing it is key to building a long-term, sustainable, and profitable business relationship between customers and suppliers (Eggert, Kleinaltenkamp & Kashyap, 2019; Terho et al., 2012).

However, from the value-in-use perspective, value is not created at the moment of the transaction between supplier and customer. Instead, it is co-created throughout the whole customer experience in which all involved actors integrate resources, knowledge, networks, and experiences to create superior value. Thus, value-in-use and the value proposition are important concepts in the servitization process and have an impact on the challenges (i.e. customer, organizational, mindset) of that process. Vice-versa the challenges also interact with the value-in-use concept and the value proposition. Based on that, and the theory discussed, a theoretical framework was developed (see Figure 1 in Appendix). As can be seen in the figure, there is an ongoing interaction between the challenges faced in the servitization process, value-in-use, and value proposition. Furthermore, both the customer challenges and the organizational challenges have an impact on the value proposition and the value-in-use as perceived by the customer. This research aims to identify the specific challenges for SMEs in this process as well as to point out how SMEs can best start this process.

3. METHODOLOGY

3.1. Research design

This research is qualitative, as it aims to conceptualize the challenges and opportunities for SMEs regarding servitization and value-in-use, rather than identifying data-based relationships between them. Hence, this research focuses on describing the topic, while at the same time deriving practical insights for B2B marketing in SMEs. Exploratory research can be defined as research that is performed to become more familiar with a certain topic and by testing it (Stebbins, 2001). Furthermore, since this research aims to discover new theories and insights (e.g. challenges/opportunities) instead of confirming existing theories, this research uses an abductive approach (Dubois & Gadde, 2002). The abductive approach allows interplay between the conceptual and empirical domain and makes it possible to compare and relate existing theory with reality. Moreover, it is a method to cover the theory-praxis gap and to gain new theoretical insights and modifications to the framework derived from unexpected empirical findings and newly gained theoretical insights during the process (Nenonen et al., 2017).

3.2. Case study

Part of doing abductive research is a case study. A case study is an in-depth study of a single unit to explore and elucidate features of a larger class of phenomena (Gerring, 2006). Since this study aims to explore servitization by SMEs in a B2B context unfamiliar with the topic, it was necessary to study an SME who was looking to market servitization in a B2B sector. Eventually, it was decided to perform an exploratory case study on an SME in the Netherlands that was looking into the possibilities of

providing customized service solutions to their B2B customers. For anonymization reasons, this SME will be named GreenScope Solutions (GS) for the remainder of this study. GS is a company active in the garden- and park machinery sector and has consumer and business customers in the Netherlands, Belgium, and Germany. Most of GS' business takes place over the Internet but it also possesses a physical store, a workshop with specialized mechanics, as well as a logistics service throughout the Netherlands and Belgium. This allows GS to sell and deliver products and pick these up to perform maintenance. GS is looking into the possibilities of servitization for their B2B customers (landscaping companies) to expand their services and gain more customers. Since most of GS' business customers are located in the Netherlands and Belgium, GS for now is only looking into the possibilities of servitization there.

GS provides a good fit for this research for several reasons. First, it is a fast-growing SME that aims to expand its services toward its B2B customers but does not know what servitization offers to provide or what its customers' expectations are since the sector is unfamiliar with servitization. As such, there is only limited bias regarding servitization within the case, which makes the case a good fit for exploring the challenges and opportunities in the servitization process. Second, even though GS does not know what servitization offers to provide yet, and the fact that its sector is unfamiliar with the concept, value-in-use is an important concept for its B2B customers. GS' B2B customers use their products to provide services such as garden design and maintenance, which makes value-in-use an important factor. This makes GS a good fit for investigating the role of value-in-use in the servitization process. Third, the researcher already has a broad knowledge of the case company, its products and services, and the sector due to working there in different functions for over three years. This provided easier access to employees, customers, and internal documents and made interviews with customers much easier as professional jargon was less of a problem.

3.3. Data collection

The research started by collecting academic literature on servitization, value-in-use, and value proposition. Scopus and Google Scholar were used as the main sources for this. Key to understanding the concept of servitization were Tukker's (2004) paper on product-service systems and Kamal et al. (2020) on the challenges and benefits of the servitization process. Regarding value-in-use, important articles were Vargo & Lusch's (2004, 2008, 2016) papers on SDL as well as Medberg & Grönroos (2020). Lastly, key to understanding value propositions were Eggert et al. (2018) and Nenonen et al. (2020).

Later, in-depth interviews were conducted to collect empirical data. Interviews are well equipped to perform exploratory research and are oftentimes praised for their

ability to collect new insights, clarify new concepts (Stainback & Stainback, 1988) as well as for the flexibility (Bailey, 1994) that the researcher gets by being able to rephrase the questions. This allows the interviewer to return to topics throughout the interviews without having to conform to a strict format. Furthermore, interviews allow interviewees to respond to questions independently and without the possibility of bias due to the answers of others (DeJonckheere & Vaughn, 2019).

It was decided to collect data dyadically, in this case from both the B2B customer as well as from GS employees. As such it was possible to identify the perspectives on servitization from both sides and to gain insights on their relationships. Furthermore, the interviews were also used to gain an understanding of communication processes (internal and external) and to identify potential challenges (e.g. customer challenges, mindset and commitment challenges, and organizational challenges) and opportunities regarding servitization. Regarding the interviewees, employees were interviewed throughout the company and customers of all sizes were interviewed. Latter were selected with the help of GS. The interviews were semi-structured to get the most out of the interviews a qualitative way. Thus, the interviews consisted of both prepared and unprepared (follow-up) questions. An interview scheme with prepared open-ended questions was developed for the data collection. Questions were divided into three blocks: (1) general questions, (2) servitization questions, and (3) value-in-use questions. Concerning ethical questions and data storage, interviewees were asked for consent to record the interview and to use the recording for scientific purposes. Besides, interviewees were told that all collected data and further discussed information would be treated anonymously.

3.4. Data analysis

After data collection, data were analyzed using the Gioia methodology (Gioia et al., 2013). The latter aims to capture and model the interviewee's understandings and experiences, which is in line with the aim of this study. The Gioia methodology exists of four main steps, with conducted interviews being the basis. First, the transcripts are coded and analyzed to identify a set of first-order concepts. Then, second-order themes are established based on the set of first-order concepts. Third, further analysis of the second-order themes will be distilled into several aggregate dimensions and last, a data structure is created that visualizes the complete process.

To commence with the data analysis, all conducted interviews were transcribed using Microsoft Office software. After that, all interviews were transferred to Atlas.ti, which is a software tool that allows qualitative analysis of texts. All documents were uploaded to undergo a first open coding procedure, during which an effort was made to stay as close to the original language used by the interviewee as possible. This resulted in a total of 287

codes. Afterwards, all codes were transferred into an Excel sheet and by making use of both open coding and continuous comparison of the codes, 50 first-order concepts were established by categorizing codes into groups and labeling them.

Once the first-order concepts were identified, all of them were displayed in an Excel sheet along with the respective codes to establish second-order themes. To accomplish this, a manual analysis of the first-order concepts was conducted through axial coding and linking the relationships between first-order concepts. Here it is important to emphasize that the researcher is considered a “knowledgeable agent” and continuously asks himself the question: “what’s going on here?” in pursuance of being able to understand the data on multiple levels (Gioia et al., 2013, p. 20). By doing so, second-order themes were established from the collected data. Eventually, 13 Second-Order themes were established.

After the second-order themes were developed, the emerging themes were again compared and translated into more refined and condensed aggregate dimensions. These aggregate dimensions can be seen as core categories that summarize the elements of the emerging theoretical model (Langley & Abdallah, 2011). Finally, a data structure that visualizes the complete overview of first-order concepts, second-order themes, and aggregate dimensions as well as represents the complete process was created. The latter will be presented and discussed in the next section.

4. RESULTS

The collected first-order concepts from the conducted interviews are interpreted in this section. Following that, second-order themes were generated. This resulted from the procedure of inductive coding, in which the first-order concepts, second-order themes, and aggregate dimensions were determined.

4.1. Findings

Following the method as described, three aggregate dimensions were formed: 1) customer’s characteristics and features SMEs need to take into account when servitizing for B2B customers, 2) customer and societal impact on determining a product’s value, and 3) GreenScape Solution’s strengths and weaknesses need to be aligned to the vision of offering complete solutions and keep growing. Figure 2 on page 10 depicts the data structure of first-order concepts, second-order themes, and aggregate dimensions. As can be seen, the aggregate dimensions are based on thirteen second-order themes and fifty first-order concepts. This section provides a further elaboration of the aggregate dimensions and their influencing factors.

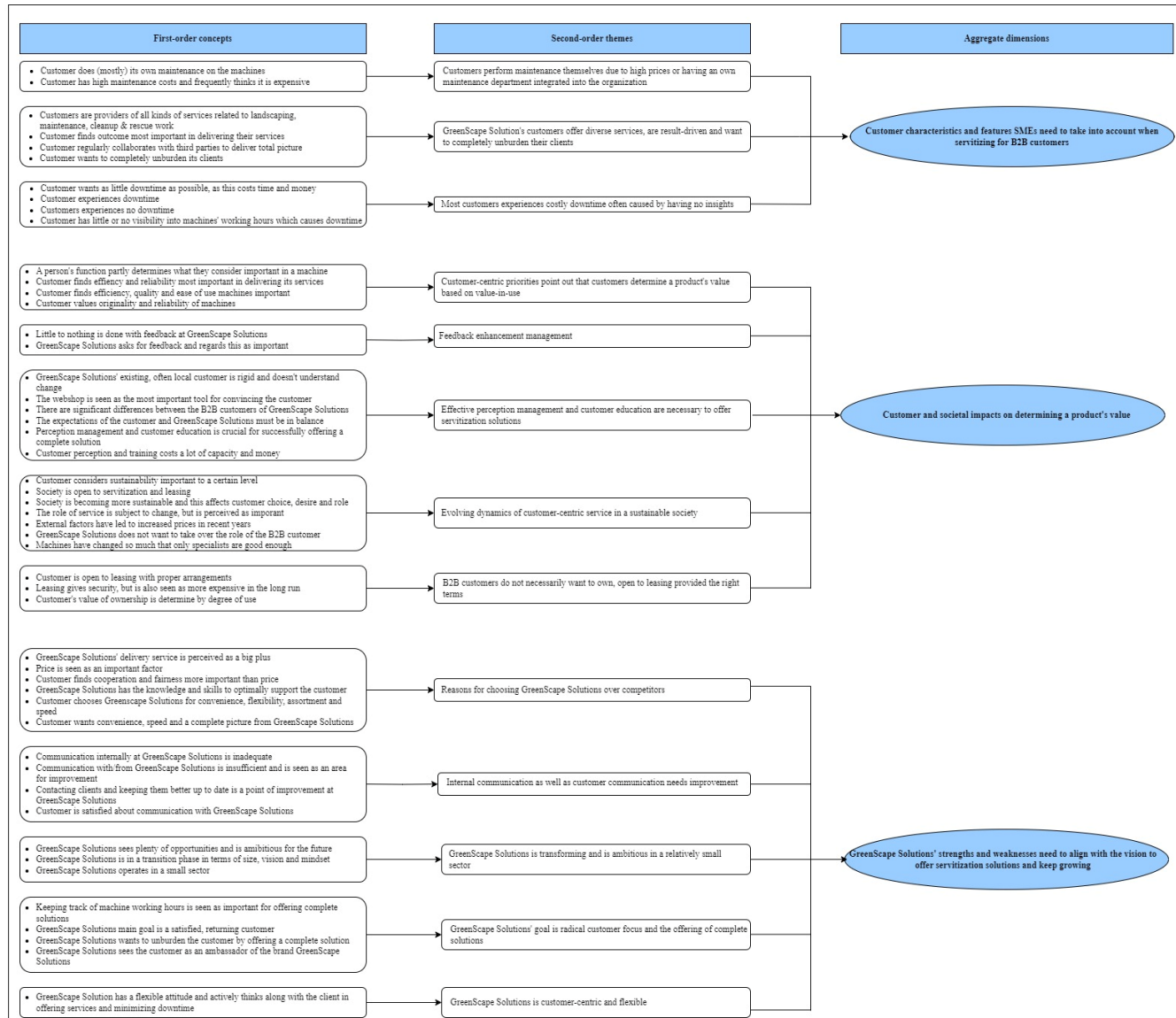


Figure 2: Data structure of first-order concepts, second-order themes, and aggregate dimensions

4.1.1. Customer characteristics and features SMEs need to take into account when servitizing for B2B customers

As can be seen in Figure 2, the first aggregate dimension is made up of nine first-order concepts and three second-order themes. It has become clear that there are many differences between B2B customers of GS, for example in size, structure, and culture. The latter impacts the wishes and needs of each customer and thus is important to take into account in the servitization process. One of the topics discussed broadly by all interviewees was maintenance. Differences were found in how maintenance was handled by the B2B customers. Smaller customers mentioned performing maintenance themselves: “.. since we maintain the machines ourselves in the lost hours”. Also, larger B2B customers mentioned performing maintenance themselves: “Well, well, at the end of the day, of course, we do the maintenance ourselves. But I think in terms of thinking along with you, that is important”. Key difference here however is the fact the large B2B customer have complete departments for this, while smaller ones do it themselves. Another recurring theme was high maintenance costs experienced by small B2B customers and GS employees mentioning that maintenance has become more expensive in the last few years. Second, GS’ B2B customers mostly offer services related to gardening and greenkeeping. “We offer basically everything you can think of in a landscaping company. We do maintenance for both private and public gardens and we build gardens. We also make lightning plans and create and install sprinkler systems. When asked about their ultimate goals, all interviewees mentioned being result-driven and focused on completely unburdening clients. “Yes, yes, that they (clients) are just satisfied [...] but also talk to this person why do you want this. So that you think along with them and maybe arrive at another, even better, solution. So we do it all together and unburden the customer”. Adding to that, some B2B customers regularly work with third parties to offer the best service. Third, almost all interviewed B2B customers experienced downtime. However, downtime mostly seems to be a problem for smaller B2B customers. This was acknowledged by small B2B customers mentioning the need to borrow loaner equipment and the need to work on equipment in lost hours, which also indicates downtime. “If the machine cannot be repaired quickly, I will bring it in and possibly take a loaner machine to allow the work to continue. Also, large B2B customers mentioned experiencing downtime of equipment, but not to the extent that work comes to a standstill. This due to having other options such as having a spare or alternative: “Let me put it his way, yes there is always a spare but we don’t carry it as such [...] even if that is not possible, we also have alternatives in the vehicle that can get the job done differently. Concluding, even though large B2B customers do not experience downtime as much, there is consensus that having insight into the working hours of equipment can help prevent it: “So

tracking hours of operation is very nice because then you can also start predicting maintenance and can back that up with numbers”.

4.1.2. Customer and societal impacts on determining a product’s value

The second aggregate dimension was formed based on 22 first-order concepts and five second-order themes. From that, it has become clear that there are customer and societal impacts on determining a product’s value. Since the value of a product is important in terms of marketing, SMEs must take into account how product value is evaluated by B2B customers when looking at servitization offerings. Starting – except for some small differences – all B2B customers feel that equipment needs to possess some key elements: efficiency and reliability. “I think efficiency is most important. We have to be able to work effectively and well. So, the equipment must work in such a way that you can work with it as it should”. Reliability was mainly mentioned by larger B2B customers as an important factor: “We have to be able to rely on them in the sense that they work”. Additionally, ease of use and ergonomics were cited as important features: “Above all, the tool must be handy and just plain good. But it should also be easy and quick to use”. Since it is GS who provides the equipment, it is important to take into account the perspective of the supplier as well. According to GS, B2B customers want to make optimal use of equipment in terms of efficiency: “In the end, a landscaper or other business customer wants to be able to use it optimally, [...] he wants to be able to work with it all day”. Second, feedback. Feedback is an important tool to not only learn from mistakes but also to gain insights into what customers perceive, feel, and experience when using a product. During the analysis, it became clear that GS has little structure besides standardized, automatically sent e-mails and spontaneous calls regarding customer feedback. Often, GS experiences customer feedback as unreliable: “Feedback regarding the product itself we do more at maintenance level, but we keep an eye on it, as customer feedback, technically, is often not so good [...] it is not always realistic and we also have to check ourselves”. Corresponding, the lack of structure was reflected by inconsistency as well. Some B2B customers mentioned being asked for feedback, while others mentioned the opposite. Notable here is that most of the larger B2B customers mentioned that feedback was asked, whilst the smaller ones mentioned that feedback was not asked. However, GS does realize the importance of feedback, which is reflected by the following quote: “Even if you don’t share the opinion at all, apparently something happened to why he thinks so. [...] So, when a customer leaves a review or feedback, what happens that the customer acts this way? Is it because of us, an external factor, can we manage it? Accept it? Integrate it. We need to deal with it.” Third, from the analysis, it came forward that good perception management and customer education

are key in selling equipment and machinery. Perception management and customer education, however, prove to be a challenge for GS nowadays due to multiple factors including growth, a changed company culture, and the ad hoc mindset of customers. The latter is reflected by two quotes from GS employees. *“I think some customers still see us as the GS from ten years ago and do not understand what we’ve become now and still believe: I can walk into GS and say I want this and I want that and only see it from their perspective and threaten to go somewhere else”* and *“There is nothing to plan because the customer comes in ad hoc. They don’t know what price to expect, and it is always disadvantageous. They are pissed because they can’t work on it, and want loaner machines but that is not always possible because nothing was scheduled. Everything is done ad hoc, but they still expect the highest service which in turn makes it expensive on the bill. About which they get pissed again”*. To tackle these problems, GS looks to inform the B2B customer as best as possible and to balance the expectations of both parties. Furthermore, GS wants to educate the B2B customer about necessary maintenance. But, stressed by GS’ director, that is expensive and requires money and capacity: *“I have some things in the calendar for it, but it requires a lot of resources, capacity, time and money.”* Fourth, just like society in general, the park- and garden machinery sector is moving towards more sustainable products, which impacts both customers and suppliers. On top of that, the role of service seems to have changed over the years and technology has become more comprehensive. GS sees the former shift in terms of higher demand and supply of battery-powered equipment and bio-fuels. Moreover, B2B customers are sometimes forced towards sustainability due to tenders requiring it, which was reflected by the following quote from a B2B customer: *“Just like with sustainability in the fuels we use, for example, and we have to lead by example so we try to go along with that as well”*. Even though sustainability is perceived as important, it is not always pursued: *“No it doesn’t have to be sustainable per se. We simply say, electric is preferred unless it detracts from reliability, originality or safety”*. GS anticipated the shift toward sustainability already by expanding the assortment with more battery-powered options and bio fuels, even though GS indicates that this was not a choice: *“Customers want to make the sustainability switch, so we offer that [...] the world is changing and we have no choice, the world is changing faster than ever before”*. As said, the role of service in the garden and park machinery sector changed as well, with it again becoming a revenue model after years of almost no profit. Furthermore, due to the sustainability shift, equipment has become more technical with electronics and software which requires specialistic maintenance and increases the importance of service. Both these shifts, however, often are not a choice for B2B customers due to governmental policies and are very expensive: *“Of course for a landscaper, he is going to invest a lot of money in batteries and chargers and has to deal with environmental*

guidelines”. Fifth, from the analysis it became clear that B2B customers do not attach a lot of value to ownership of the product and are open to leasing or other forms of ownership if the terms are right. However, most B2B customers never thought about it and the right terms prove to be quite different for B2B customers. Some, mostly small B2B customers, feel the price should be right when considering leasing and also relate the decision to the intensity of use: *“For some machines, yes for others no (when asked about leasing). It depends on how often the machine is used.”* Also large B2B customers indicated not to attach a lot of importance to ownership, but also were not enthusiastic about leasing mainly due to having an integrated maintenance department. For leasing to be interesting, uptime should increase and some sort of maintenance agreement structure should be made: *“Look, we are not bound to those machines and that we necessarily have to buy [...] we just have a service agreement with each other that we do the maintenance ourselves and then send the invoice to the supplier for maintenance on our own vehicles. Such a construction is then necessary”*. In conclusion, even though having no interest in leasing, one large B2B customer acknowledged the goal of GS to offer servitization solutions and saw the value in it: *“and I think that is if you look from a supplier’s point of view, which way you actually want to go and I understand that very well. Offering a total package and unburdening the customer”*.

4.1.3. GreenScape Solutions strengths & weaknesses need to align with the vision to offer servitization solutions and keep growing

The last of the three aggregate dimensions relates to GS’ strengths and weaknesses concerning its vision and ambition. Starting, GS’ strengths are highlighted by the reasons why B2B customers chose GS over competitors. B2B customers value GS’ convenience in the sense of proximity, speed, broad assortment, and logistics/delivery service. This was reflected by both small and large B2B customers: *“Simply said, the biggest advantage of GS is that is close by and that allows us to switch quickly. It is just the ratio: price, service, and quality. That is why we continue to work with GS.”* However, almost all interviewees mentioned having multiple suppliers. Other reasons mentioned were the fact that GS is a regional supplier in combination with a wish to stay local and the fact that GS is an official Honda and Stihl dealer. Second, communication proves to be a weakness of GS. Multiple GS employees mentioned a lack of internal communication between both personnel and internal systems such as stock systems. *“Communication is a recurring problem [...] there are several things, it may be someone orders something and it turns out that it is not in stock after all”*. Corresponding to the weak internal communication is a non-shared vision: *“I don’t think that everyone is on the same page. I think it varies a lot about how people deal with it (vision). Everybody is just very*

preoccupied with their job and not looking beyond that". Also, external communication and its structure are weak and employees mention the absence of a clear communication pattern for (B2B) customers. This was also reflected by B2B customers: *"Sometimes they forgot to call back, that could be better"* and *"something is brought, some come then and some come later or are picked up, we easily lose overview"*. Contrarily, one large B2B customer was full of praise about the communication with GS. GS itself acknowledges the communication problems: *"There is room for improvement in structuring communication so that it becomes easier for people within the firm to help customers. But it also requires education of both employees and the customer, which often causes struggles as changes need to be made which oftentimes don't feel like an improvement to the customer"*. Third, from the data, it became clear that GS has and still is transforming, as well as is active in a relatively small sector. Employees mentioned GS having become more professional and that change is both insurmountable and necessary: *"Yes, change is needed, especially within the older generation that we have. Of course, a lot has changed in the last three or four years. We are a completely different business than before. The tradition of service remains, but the structure needs to change"*. However, GS mentions change is difficult: *"change is always difficult. [...] but because it is changing, we are probably going to have to deal with some actors in the firm who are going to look for negative points and focus on them."* Concluding, for this point, GS expresses a lot of ambition, even though it is active in a small sector that is run by recurring companies including GS. Fourth, relating to its vision is GS' goal to offer radical customer focus and complete, servitization solutions. To sum up, GS expresses the will to completely unburden its B2B customers by using servitization means: *"What we want to do is complete unburdening [...] we are a service provider, and with that comes a radical customer focus that completely unburdens the customers. And the whole process of servitization is part of that"*. To do that, GS wants to offer B2B customers a total package, based on what the customer wants. Examples include the tracking of working hours, delivery/pick-up of equipment at the work location of the customer, and even offering financial help. GS sees the customer not only as a customer but as an ambassador of the brand 'GS' and as a marketing method: *"The ultimate goal is, basically, if you look from the customer journey perspective that the customer eventually becomes an ambassador and is happy to tell everyone how great GS is a partner for them"*. Finally, GS believes there is a huge market gap for servitization offerings within the sector: *"I think, in my opinion, the big boys to have this in their scope, but I think that the parties in our sector, the B2B customer needs to be much more preoccupied with this and that there is much to gain for us. There is a gap where we can position ourselves closer to the B2B customer and help him with his business"*. Fifth and last, B2B customers view GS as customer-centric and flexible. The latter offers a wide range of services besides

selling and performing maintenance and repairs such as loaner machines, rental equipment, installation, installation by third parties, trade-in of old equipment, leasing for robot mowers, products and parts on request, honest sales advice, and above all a personal approach. *"And if they can't fix it acutely or it's the last hedge trimmer for example, yes then they can always go to GS to see if they can fix it, or take loaner machine"*. According to GS, this attitude is what sets them apart from others: *"That's a really very strong point and that is why I emphasize it. And look we're getting landscapers from Friesland, Zeeland, and Belgium that ordered from us 4, 5 times, or even more already. Those people appreciate our service, including the logistics service."*

4.2. Interpretation of the findings

This paragraph focuses on the reflection and discussion of the challenges faced by SMEs in servitizing for B2B customers regarding the facilitation of value-in-use as well as how servitization can best be marketed by SMEs in a sector unfamiliar with the concept. Ultimately, a framework regarding the challenges, value-in-use, and value proposition is provided as well as guidelines for SMEs to follow when starting the process of servitization for B2B customers.

4.2.1. Challenges faced by SMEs in servitizing for B2B customers

Emerging from the findings are four challenges (customer, mindset, organizational & societal) faced by SMEs regarding servitizing for B2B customers and the facilitation of value-in-use. Starting, the first challenge is the fact that there are many differences between the B2B customers in terms of size, structure, and mindset. To name just a few: some are self-employed, whilst others have over 200 employees, some have an integrated maintenance department whilst others outsource maintenance, some experience downtime whilst others do not, and some are bound to governmental policies. Logically, this means that the latter's needs and wishes differ. Looking back to the theory section, this is one of the challenges regarding customer focus (Oliva & Kallenberg 2003; Shah et al., 2006; Galbraith, 2002). To overcome this, SMEs such as GS should focus on creating the best solution for the customer instead of the best product, which is a challenge for the entire organization in terms of structure, habits, routines, mindset, and culture (Galbraith, 2002). SMEs need to become solution-focused and to do this the provider needs to acquire as much knowledge as possible about the B2B customer's needs and wishes. Besides, the B2B customer needs to be able to gain knowledge about the offerings as well, as suggested by Brady et al. (2005). SMEs need to re-examine how customer awareness is created and via what method offerings are presented. Related to this challenge is feedback management, which proves to be difficult and is currently lacking in GS' organization. Feedback not only provides useful information about what is going well and

what needs improvement but also provides insights into the customer's wishes and needs, which contributes to becoming more solution-focused instead of transaction-focused. Concluding this challenge, SMEs such as GS need to inform themselves as best as possible about the wishes and needs of (potential) B2B customers and make it possible for the other party to get information quickly as well to present well-fitting and customer-specific servitization offerings for every B2B customer. Besides the differences, however, there is also one key factor that all B2B customers share, which is the importance that is attached to efficiency, reliability, and ease of use. In other words, B2B customers value the ability to perform the job with equipment in terms of these three factors and view value from the perspective of value-in-use.

Second, as explained by Neely (2008), one of the biggest challenges of servitization is the challenge of shifting mindsets. Furthermore, Vandermerwe & Rada (1988) stress the importance of a formulated strategic vision by management that is shared throughout the organization. In the servitization process, a lot changes. Instead of selling a product, long-term contracts are entered into, which also involves a long-term relationship with the customer. Looking back to the findings, this proves a challenge for SMEs too. GS' employees struggle with internal and external communication, and display a non-shared vision, and inconsistency in how feedback is collected and managed. These are serious mindset problems within the organization that need to be taken care of before servitization offerings are presented. Due to the nature of the latter, a shift is made from transactional marketing to relational marketing, and having a weak communicational structure and a non-shared vision regarding offering servitization solutions only causes more problems. On top of that, weak management of these long-term relationships can spark bad exposure and high costs, which is bad for profitability. So, it is of utmost importance that the shift towards servitization is understood throughout the company, as otherwise, employees might lose belief in the shift (Gebauer & Fleisch, 2007). However, it is not only the mindset of GS employees that needs change and proves a challenge, also the mindset of the B2B customer is a challenge. From the findings, it has become clear that many B2B customers are still stuck in the past and act like they used to do before GS' growth of the last 3-4 years. As such, the ad hoc mentality, inability to plan maintenance and unbalanced expectations regarding maintenance costs do not match with GS' business nowadays and cause frustration for both parties. When presenting servitization solutions to these customers, GS should take this into account and realize the timescale of it. As explained by Neely (2008), the timescale (such as long-term contracts) that comes with offering servitization solutions proves a challenge for businesses, especially those with few human resources such as GS and other SMEs. These contracts need managing and controlling in terms of risk, exposure, and communication, which puts high pressure on

especially the sales department and customer service. To keep in control of this, GS needs to make sure that it practices excellent perception management to balance the expectations of both parties and prevent disagreements. Also, it should keep in mind the value attached to value-in-use and uptime by B2B customers when presenting servitization solutions. Corresponding to optimizing uptime, employees should educate B2B customers about how the equipment works and how to properly plan and do timely maintenance. The tracking of operation hours of equipment can be useful here regarding the prediction of maintenance. Fortunately, this challenge has also been recognized by GS themselves but it still is a difficult one due to the time, human, and material resources it requires.

A third challenge is found within the organization of GS. To make the shift towards servitization a success, employees need to learn new skills and capabilities, and gain knowledge to provide customers with proper services and solutions. This indicates that changes need to be made in the organizational structure and that new work routines need to be adopted, as employees are not only the ones providing the service, but also the ones delivering it (Baines et al., 2013). Especially in SMEs, this is a challenge and extra important due to the limited material resources (Peillon & Dubruc, 2019). For GS in particular this challenge will be a hard one, as the older generation within the organization seems to be reluctant to change and hold on to past routines. Therefore, the most important task in this challenge is finding a way to convince the older generation within the firm that the shift towards servitization is a good one. The latter corresponds to the responsibility of management to translate servitization into a clear strategic vision to not lose the belief of individuals within the organization (Gebauer & Fleisch, 2007). Even though the extent to which change is necessary is dependent upon the extent of servitization, it undeniably is a difficult task.

Fourth, a final challenge is found in sustainability and technical advancement. As discussed in the previous section, the park- and garden machinery sector is moving towards a more sustainable future, which impacts both customers and suppliers. B2B customers ask for more "green" solutions, including for example battery-powered machinery and bio-fuels. Some B2B customers are "forced" towards these options by governmental policies or restrictions from clients. Even though GS already anticipates this shift, demand will probably grow even more, and even though supply will probably not be a problem according to GS, prices will be. Overall, battery-powered products and bio-fuels are more expensive than petrol-powered versions and ordinary fuels. This is a problem for smaller B2B customers and thus provides a challenge for GS as well. GS needs to look into the option of providing financial help to smaller or starting B2B customers with limited financial resources, and servitization offerings that for example include leasing.

Coming with the sustainability shift is the electrification of equipment, which makes maintenance and repairs a specialistic task. In response to that, GS needs to timely anticipate that by providing extra education to mechanics to be able to provide the highest service that is both required and expected in servitization offerings.

Table 1: Overview of challenges for SMEs in the servitization process

A Customer challenge: Diversity in B2B customers' needs and wishes requires a solution-focused approach, extensive knowledge about each customer, improved feedback management, and a focus on efficiency, reliability, and ease of use.
B Mindset challenge: A significant change in mindset is needed within GS and the B2B customer to adapt to the long-term relationship nature of servitization and balance expectations from both parties
C Organizational challenge: Employees need to acquire new skills and knowledge, and management needs to convince the older generation within GS to embrace servitization as a strategic shift
D Societal challenge: anticipating the sustainability/technological advancement shift regarding higher demand and costs for small B2B customers and the need to educate employees

4.2.1.1. Framework of challenges in the servitization process

Emerging from the findings are the four challenges as discussed in the previous section. When integrating these with the framework introduced in the theory section (Figure 1), a complete framework can be created which includes the different challenges and interactions between them, value-in-use, and value proposition. As can be seen in Figure 3 (page 16), one extra challenge – the societal challenge – has been added when compared to Figure 1. All challenges display an ongoing interaction with each other, meaning that each one can potentially influence the other. Moreover, all of them influence the value proposition. The customer challenge and the mindset challenge also influence value-in-use. The former does so through the fact that every customer has different needs and wishes regarding how he values the use of equipment, whilst the latter does so by the impact the mindset of the customer has on value-in-use. That is, during the servitization process, both the customer's and supplier's focus shift from transaction-based toward relationship-based, including aspects that influence value-in-use such as ownership of equipment. Concluding, as can be seen in the framework, value-in-use and value proposition also have an ongoing interaction. That is due to the following. While all the challenges influence the value proposition in their respective ways, the value proposition sets expectations for the customer. Value-in-use reflects the actual value as experienced by the customers. The two interact through feedback loops, adjustments, and aspects such as customer loyalty and interactions with the supplier. Therefore, the relationship is dynamic in nature and key

for building and sustaining a long-term relationship with the customer.

4.2.2. Guidelines for SMEs in the servitization process

Building forth on the theoretical framework and the gathered information through the conducting of interviews a set of guidelines was developed for SMEs to follow when aiming to introduce servitization in a market unfamiliar with the concept.

Market Insight

First, market research needs to be performed. Just like done in this study, market research needs to be performed in terms of finding out how much customers already know about servitization and whether or not they are interested in servitization offerings. This can for example be done by asking questions when a customer comes in the shop or by e-mailing them small questionnaires that comprise a few questions. The questions should not directly ask about servitization but focus on key factors of servitization such as long-term relationships, service arrangements, and terms such as reliability, efficiency, and downtime. When the answers point towards the customers being open to long-term relationships, added services, and a willingness for higher uptime, servitization might be fitted to this sector.

Strategic Alignment

Second, once it is decided that servitization is a good match for the sector, the next step can be taken. As explained in the mindset challenge, employees need to be on board regarding the servitization shift for a transformation. This is especially important for SMEs since these often have limited resources and thus should be used wisely. This step starts with the task for management to translate servitization into a clear strategic vision in order not to lose the belief of individuals within the organization. Belief in the transformation should be shared throughout the whole company before offering servitization solutions, as it is the employees who are not only the ones who should convince the customer, but also the ones providing it, and the ones delivering it. Without a strong, shared belief in servitization within the organization, the shift is deemed to fail, causing bad exposure. Getting every employee on board regarding servitization also includes proper employee training in several aspects. Think for example of the sales personnel getting accustomed to selling long-term contracts/services instead of mere products and being able to inform customers about the correct use and maintenance of products, customer service personnel getting acquired to long-term customer relationships and feedback management, and mechanics being able to help customers from a distance (for example by phone).

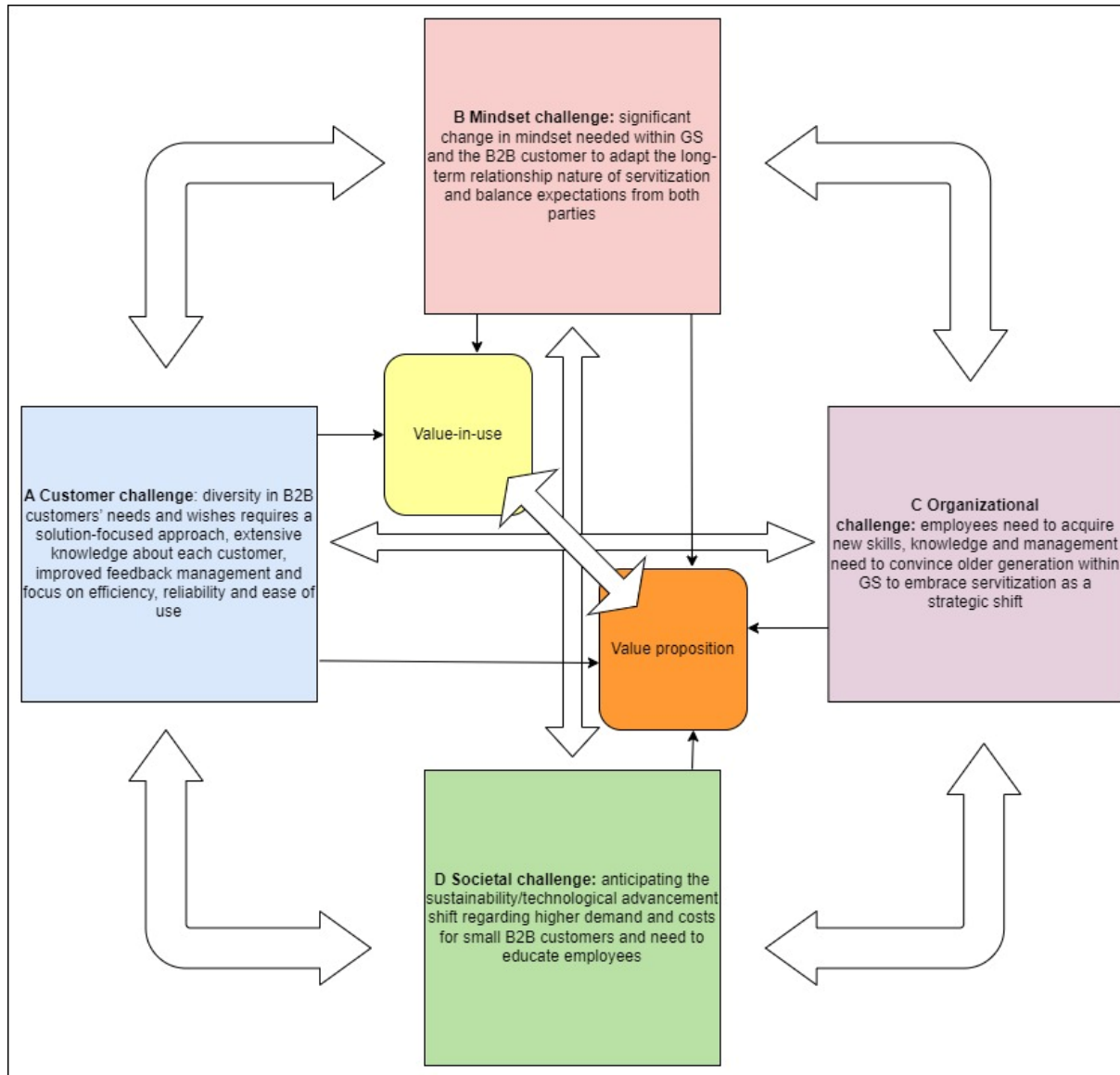


Figure 3: Framework of challenges in the servitization process

Customer-Centric & Solution-Focused Approach

Third, once the shared belief is there, the actual servitization offerings can be created and presented. For most SMEs there probably will not be one single, uniform (potential) B2B customer that shares the same needs and wishes. Moreover, there are likely differences between the extent the B2B customer wants a servitization offering (i.e. product-oriented, use-oriented, result-oriented, or somewhere in between). Therefore, there is also no one-size-fits-all solution. However, the supplier still needs to attract potential customers to its servitization offerings. Referring to Dawes' (2021) 95-5 rule, 95 percent of potential B2B customers are not looking for a certain product or service at the moment of advertising. So, the supplier should focus on the B2B customer that is not in the market yet and display a long-term vision. To do this, B2B marketers of SMEs should target the wishes and needs of the customer and become solution-focused instead of product-focused. Key here is the gathering of information about the customer and his business activities and goals, the sector, new technologies, potential new updates, and/or other trends. In sum, the supplier constantly needs to gather knowledge to personalize the servitization offering for every B2B customer and provide a tailor-made solution that completely unburdens the B2B customer. Once the supplier feels that enough knowledge is collected to present the servitization offerings via its channels (e.g. store, website, social media channels), the next phase of this step starts. That is, presenting the servitization offerings, creating multiple value propositions and constantly re-examining how customer awareness is created and how the offering is presented (Kindström, Kowalkowski & Brashear, 2015). Following Gebauer, Fleisch & Friedli (2005), by establishing value-added employee service awareness of the role of the employee customers can better understand new servitization offerings, and value is recognized faster, which in turn leads to better customer engagement. Also personalizing the offering is a good way to spark a healthy long-term customer relationship and positive customer experience. For example by appointing individual account managers to B2B customers that function as both a contact point and sounding board. In conclusion, the engaged, loyal B2B customers can then be used as "ambassadors" of the supplier and thus a way of marketing, for example through word-of-mouth or putting brand stickers on products as part of servitization offerings.

Continuous Engagement

Fourth, after having brought in B2B customers, it is important to keep communication channels open and keep in touch. The latter can provide helpful feedback, which can be used in a continuous loop of improvement. This includes regularly evaluating all of the servitization offerings with customers, as well as with employees. The input can be used to enhance the offerings, as well as services, processes, and communication related to the servitization offerings. Also, it is advised to keep a

continuous eye on changing market conditions, developments, new trends, and technologies to be able to deliver the best possible solutions to existing and future B2B customers. The table below shortly summarizes the four guidelines.

Table 2: Summary of guidelines to follow in the servitization process

1. Market Insight:	Perform market research to gain information about current knowledge, openness to, and opportunities for servitization in the sector.
2. Strategic Alignment	Management needs to translate the shift toward servitization into a clear strategic vision. This should be shared and embraced by all employees before processing further, and management should provide/support comprehensive training for employees.
3. Customer-centric & solution-focused approach	Gather more specific customer insights, market information, and other valuable information to create personalized, tailor-made servitization solutions. Present these and engage loyal customers who can serve as brand ambassadors. Continuously re-examine how customer awareness is created.
4. Continuous Engagement	To maintain success in servitization, keep an ongoing conversation with B2B customers including feedback and evaluations. Stay updated on market trends, technological advancement, and wishes/needs of the customer to stay solution-focused, and provide tailor-made solutions that unburden B2B customers.

5. Discussion

Servitization and its challenges have been widely researched in the academic literature, yet the academic research regarding SMEs and the challenges of servitization lag considerably behind (Oliva & Kallenberg, 2003; Gebauer, Fleisch & Friedli, 2005; Gebauer & Fleisch, 2007; Neely 2008; Kindstrom, Kowalkowski & Brashear, 2015). As SMEs do not share the same features as large manufacturers regarding for example resources, challenges in the servitization process differ as well. Therefore this research provides new insight into understanding the challenges of servitization for SMEs entering a B2B market, as well as provides guidelines on how to start servitizing in a sector unfamiliar with the concept.

This research yielded several striking findings. While conducting the interviews with both employees and B2B customers, a level of saturation was quickly reached, which may be a coincidence but may also indicate that both employees and B2B customers experience and perceive the servitization and value the same. Both groups mentioned the same weaknesses and strengths of GreenScape Solutions, indicating that there is a consensus

on what needs to be improved. Moreover, both are open to servitization and see it as an opportunity to improve services and completely unburden the customer. Also, both groups value equipment from a value-in-use perspective and focus on efficiency, reliability, and thus uptime as important factors. In addition, besides the customer, mindset, and organizational challenge, a fourth challenge was discovered with the societal challenge of the shift toward sustainability and technological advancement. The latter is challenging for B2B customers because more often than not it is an involuntary choice that needs to be made due to governmental policies or tender restrictions. Following the aim of this study, four challenges regarding servitization and the facilitation of value-in-use by SMEs were identified, as well as guidelines to introduce servitization in a sector unfamiliar with the concept. As a result, this research contributes to the field of servitization in the B2B sector.

5.1. Theoretical contributions

This study contributes to the field of B2B marketing and servitization by focusing on servitization and the facilitation of value-in-use by SMEs instead of large manufacturers. By performing a case study, conducting interviews with both employees and B2B customers, and using the Gioia method this study was able to identify four main challenges faced by SMEs when starting the servitization process. Furthermore, an interactive framework was created that shows how each challenge influences the others and how value-proposition and value-in-use are related to each other and the challenges. First, SMEs face a customer challenge by the need to address the diverse needs and wishes of each B2B customer. This entails a deep understanding of each customer, facilitated by extensive knowledge and robust feedback management. Efficiency, reliability, and ease of use must be the pillars upon which solutions are built, ensuring that each customer's unique requirements are met. Taking into account the limited resources of SMEs, this is a difficult task. Second, another challenge is found in shifting the mindsets of both customers and employees. Embracing the long-term relationship nature of servitization is a pivotal aspect of this transformation. This involves a balance between the expectations of both parties, fostering a collaborative and enduring relationship that is needed in servitization. Third, on the organizational front, employees face a challenge in acquiring new skills and knowledge to keep up with the new business model and evolving landscape of servitization. Management plays a critical role in persuading the older generation often present in SMEs to embrace servitization as a strategic shift. Fourth and last, a societal challenge is faced by staying ahead of the curve regarding sustainability and technological advancements. As small B2B customers face higher demand and costs, proactive measures are necessary. Additionally, educating employees is imperative to ensure a sustainable future for both the organization and B2B customers. In navigating these

challenges, a forward-thinking, adaptable, and collaborative approach by management and the rest of the organization is necessary.

5.2. Managerial implications

Besides theoretical contributions, this study contributes to practice as well. The management implications are focused on SMEs entering the servitization process for B2B customers, but can also be used by SMEs entering the servitization process in sectors unfamiliar with the concept. Besides, the implications can be useful for SMEs starting servitization in a B2C context as some of the guidelines might be relevant for consumers as well.

By following the four guidelines as explained in Chapter 4.2.2., SMEs are better prepared for the challenges of the servitization process and the facilitation of value-in-use. In practice, this first means that SMEs should initiate comprehensive market research to understand the diverse needs and wishes of B2B customers to tackle the customer challenge. Second, management should establish a clear strategic vision for servitization and communicate this vision effectively to all employees with an emphasis on the importance of long-term relationships and the shift from transaction-based to relationship-based business models as suggested by Oliva & Kallenberg (2003). Also, doing this aligns the shared vision with the mindset challenge, and helps employees understand the shift towards servitization as a strategic one (Baines et al., 2013). This requires that employees learn new skills to carry out the shift (i.e. employees are not only the ones convincing the customer, but also the ones providing it, and the ones delivering the servitization offering). Overall, employees should understand it the shift, so that belief in the transition is not lost, as explained by Gebauer & Fleisch (2007). Third, SMEs should invest in gathering specific customer insights, market data, and other valuable knowledge which should in turn be used to create individual, tailor-made servitization solutions that match the individual needs and wishes of the B2B customer (Brady et al, 2005). Essentially, a tailor-made value proposition should be created. As such, this approach aligns with the solution-focused instead of transaction-focused approach which is necessary for a successful shift toward servitization. The latter corresponds to Galbraith (2002), who already suggested this for servitization performed by larger manufacturers. Fourth, for a successful servitization process over time, SMEs should establish continuous communication channels with B2B customers including regular feedback mechanisms and evaluations. Additionally, SMEs should stay updated on market trends, technological advancements, and shifts in customer preferences triggered by themselves or other factors such as society. Maintaining open communication channels and giving updates on market trends addresses the societal challenge of sustainability and technological advancements. As such, it is possible to keep updating servitization offerings, keep up with changing customer

demands, and remain relevant. Finally, by following these four guidelines, SMEs have a better chance of effectively tackling the challenges faced while following the servitization process and the facilitation of value-in-use for B2B customers

6. Conclusion

This section concludes the results of this research that include answers to both research questions. Besides, the limitations of this study are presented.

6.1. Challenges for SMEs in servitization regarding value-in-use and how to market servitization

This research highlighted the servitization process and its challenges regarding the facilitation of value-in-use by SMEs in a B2B context. In addition, this research provided insights into the challenges of entering the servitization process in a B2B market that is unfamiliar with the topic.

Following the goal of this study, the first research question was posed: “*What challenges do SMEs face in servitizing for B2B customers regarding the facilitation of value-in-use?*” This research question is addressed by a qualitative case study of an SME active in the garden and park machinery sector in the Netherlands and looking to expand its business with servitization offerings for its B2B customers. By integrating already existing theory regarding servitization, B2B marketing, value-in-use, and value proposition with results gathered from in-depth, semi-structured interviews with both B2B customers and employees of the case company an interactive framework was developed. The latter presents four main challenges faced by SMEs when servitizing B2B customers regarding the facilitation of value-in-use: 1) a customer challenge, 2) a mindset challenge, 3) an organizational challenge, and 4) a societal challenge. Furthermore, an ongoing interaction between the latter was found, as well as an interaction between the latter and value-proposition, the customer and mindset challenge and value-in-use, and value proposition and value-in-use.

First, a customer challenge is faced in addressing the differences and diverse needs and wishes of each B2B customer. For this, a deep understanding of each customer is needed. Efficiency, reliability, and ease of use must be the pillars upon which solutions are built, ensuring that each customer's unique requirements are met and value-in-use is created. Second, a mindset challenge is faced in the difficulty of shifting both customer and employee mindsets. Here, the long-term relationship nature of servitization is a pivotal aspect that needs to be embraced by both groups. This involves a balance between the expectations of both parties, fostering a collaborative and enduring relationship that is needed in servitization. Third, an organizational challenge is faced by the necessity to

acquire new skills and knowledge to make the servitization shift successful and to keep up with the evolving landscape. A key role is present here for management to convince everyone – especially the older generation often present in SMEs – to embrace servitization as a strategic shift. Overall, employees need to become solution-focused instead of transaction-focused. Fourth, a societal challenge is faced by staying ahead of the curve regarding sustainability and technological advancements. As small B2B customers face higher demand and costs, proactive measures are necessary. Furthermore, educating employees is imperative to ensure a sustainable future for both the organization and B2B customers. In navigating all four challenges, a forward-thinking, adaptable, and collaborative approach by management and the rest of the organization is necessary.

In conclusion, there is an interaction between all four challenges and between the latter and the value proposition. Additionally, the customer and mindset challenge influence the value-in-use as well. The former does so through the fact that every customer has different needs and wishes regarding the valuation of equipment, whilst the latter does so by the impact the customer's mindset has on value-in-use. That is, during the servitization process, both the customer's and supplier's focus shifts from transaction-based toward relationship-based, including aspects that influence value-in-use such as ownership of equipment. Finally, as laid out in the framework, there is an ongoing interaction between value-in-use and value proposition caused by the value proposition setting expectations for the customer and value-in-use reflecting the actual value as experienced by the customers. The two interact through feedback loops, adjustments, and factors such as customer loyalty and interaction with the supplier. Therefore, the relationship is dynamic in nature and key for building and sustaining a long-term relationship with the customer.

Besides the first research question, a second one was posed to address the second goal of this research: “*How can SMEs best market servitization in a sector that is unfamiliar with the concept?*” The latter was addressed by interpreting the four main challenges as explained by offering four practical guidelines to be followed. 1) Market Insight: perform market research to gain information about current knowledge, openness to, and opportunities for servitization in the sector. 2) Strategic Alignment: Management needs to translate the shift toward servitization into a clear strategic vision, This should be shared and embraced by all employees before processing further, and management should provide/support comprehensive training for employees. 3) Customer-Centric & Solution-Focused Approach: Gather more specific customer insights, market information, and other valuable information to create personalized, tailor-made servitization solutions. Present these and engage loyal customers who can serve as brand ambassadors.

Continuously re-examine how customer awareness is created. 4) Continuous Engagement: To maintain success in servitization, keep an ongoing conversation with B2B customers including feedback and evaluations. Stay updated on market trends, technological advancement, and wishes/needs of the customer to stay solution-focused, and provide tailor-made solutions that unburden B2B customers. The four guidelines highlight the challenges and complexity of servitization in a simple way and help managers navigate through the process of servitization in a sector unfamiliar with the concept. Following these guidelines will ultimately help SMEs to make the shift toward servitization more smoothly.

6.2. Limitations and future research

At this point, it is necessary to talk about the limitations of this study. First, this study chose to employ a single-case study design. Such designs excel at providing detailed insight into the specific research case, however, lack generalizability. In essence, the gathering of detailed insights comes at the cost of limited applicability to broader contexts. For this study, this means that the gathered insights regarding the challenges faced by SMEs in the servitization process regarding value-in-use are only applicable to a B2B context in the garden- and park machinery sector in the Netherlands. However, it can be argued that results are similar for other sectors where servitization is a rather new concept. Therefore, it is suggested that future research include other and multiple sectors as this may clarify the current ambiguity regarding the generalizability of the finding.

Second, this study involved a relatively small population of ten interviewees. While this approach allowed the study to examine both employees and B2B customers of the case company and to compare their experiences, it is recognized that a larger population would have contributed to greater validity. Therefore it is suggested for future research to intensify the number of interviewees. Lastly, when conducting interviews in the garden- and park machinery sector it is advised to do this outside the busiest season (spring), as it was hard to find interviewees to make time.

Third, the interviews conducted for this research were analysed using the Gioia method (Gioia et al., 2013). The latter involves defining multiple themes and the creation of an integrative framework. The analysis of interview results, however, was ultimately based on the personal views of the interviewees and that of the researcher. This might – even though unconsciously – be a source of bias. Therefore, it is advised for future research to perform open coding with more than one researcher and to increase the research population. This helps to minimize the degree of freedom in the interpretation of the findings and contributes to increased reliability (Alsaawi, 2014).

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9. FIGURES

Figure 1: Theoretical framework: the servitization process

