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Creating a customer-oriented distribution offer
in the business-to-business market

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Preface

This master thesis was carried out during the autumn of 2017 at the Faculty of Engineering at Lund University. This degree completes the authors' MSc in Mechanical Engineering within the field of Supply Chain Management. We, the authors, are glad that we have been given the opportunity to confront challenges and apply theoretical knowledge conducted during the education.

We would also want to express great gratitude to the people at Luna with their time, knowledge and resources, and especially Oscar Fredell who made this project possible. Furthermore, we would like to express our great thanks to our supervisor Ingela Elofsson for all feedback and support during this thesis. Thanks for the opportunity to execute this thesis and for all people that have been involved during this journey.

Finally, we would like to give a great thanks to our friends and family for supporting us during this amazing 5,5 year Lund-journey.

Lund, February 2018

Abstract

Title: Creating a customer-oriented distribution offer in the business-to-business market

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Problem description: Mature industrial enterprises stand before the challenge of developing strategies and competitive advantage through their logistics services. The business development within logistics and distribution services is fast and rapidly changing as the customer experience is becoming increasingly important and the additional services are becoming an integrated part of the product offering.

The trends in business and technology are contributing to a structural change as well as a change in performance requirements of distribution channels in many sectors of business. Thus, many companies are faced with a complex challenge of reconfiguring its distribution chains. Especially in the business-to-business market as customer expectations rise and the business-to-business market's demands and requirements follows similar trends as the business-to-consumer market. There is therefore a need for mature industrial enterprises to develop strategies to meet customer needs and restructure the distribution channel in accordance with the requirements of the future.

Purpose: The purpose of the master thesis is to describe and analyze how a commercial enterprise in a mature industry can develop an attractive and customer-oriented distribution offer in order to gain market shares and optimize the delivery chain in accordance with future trends.

Methodology: This study is based on a case study of Luna. To fulfill the purpose, a combination of surveys with the customer, interviews conducted with Luna's employees and customers and secondary sources, such as previous studies, market trends and literature review, have been applied.

Theory: To fulfill the purpose, relevant theoretical concepts have been used to form the theoretical framework, generated from the literature review. The framework begins with Kotler's Business Buying Behavior in order to understand who the customer of Luna is, the needs and the market characteristics. Further, Porter's model of the Value System was used to define the delivery chain and how the channel setup may affect a firm's business. The last two sections concern services in the delivery chain and what customers consider to be essential for an attractive distribution offer by using the concept of customer service and delivery service elements.

Empirics: In the empirics, the case company Luna and its organization and business is described. To understand the business-to-business customer, general trends and market characteristics of the different customer segments have been discovered. The conducted interviews and reports present the business buying behavior. Further, the requirements of delivery services and current service solutions in the delivery chain are conducted together with the findings related to the investigated customer segments.

Conclusion: The study has concluded that services in the delivery chain are a source of potential added value for the customer and an opportunity for differentiation for business-to-business companies in a mature industry. Different customers have different needs, organizational structures and factors which influence their requirements, thus should the service offer be developed accordingly. A reconstruction of the distribution channel is thus of relevance and must be made in order to meet customer demands. As various customers, only within one customer segment, have showed to have different needs, the delivery options provided to the customers have to increase and include a flexibility of choice in terms of both delivery time - *when* - and delivery option - *how*. As speed is more important than price, the willingness to pay for added delivery services is found to be

higher than anticipated. Noteworthy, collaborations have been rejected and ended due to the absence of choice.

The study also concludes that mature industries are behind on many aspects regarding services in the delivery chain compared to the business-to-consumer market. E-commerce is one parameter and it can be concluded that the importance is increasing in the business-to-business market. However, future trends are not so trendy and the focus should lie on other aspects than future technology.

Keywords: Business-to-business, Customer-oriented, Delivery chain, Delivery service, Delivery service elements, Distribution channel, Mature industry

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1 Introduction

This chapter aims to give an introduction to this study. The chapter is divided into three parts. The first section describes the background and discuss the problem underlying this study. The second section presents the purpose of the study. The third section describes the delimitations made conducting this study.

1.1 Background and problem description

This section aims to describe the background of the study. To put the study into context, the section will give a brief background of the shift of customer needs in the business market, the importance of logistics as a value adding service, and challenges for companies in mature industries.

1.1.1 The shift of customer needs in the business market

Today's supply chains are driven by the pull of customers. As opposed to before, when the aim of the supply chain was to improve the material flows of key suppliers in the first tier, there is now a shift where the goal is instead to satisfy the needs of the end user (Svensson, 2002). The business development within logistics and distribution services is fast and rapidly changing (Hakanen, Helander and Valkokari, 2017) as the customer experience is becoming increasingly important (Maechler, Sahni and van Oostrum, 2016) and additional services are becoming an integrated part of the product offering.

The retail customer market is further developed in comparison to the business-to-business (B2B) market when it comes to customer experience. B2B customer experience ratings lag behind those of retail customers. The gap between the two customer segments will become even more apparent as B2B customer expectations rise and the B2B market's demands become more alike the market for private use (van Oostrum, Maechler and Sahni, 2017).

E-commerce is a rapidly growing channel. In the first two quarters of 2017, the Swedish e-commerce market showed an increase of 15 percent. This channel is thought to grow further and the buying behaviors of the consumers are set on easy, non-time-consuming purchases (PostNord, 2017). As people at the age of 25-44 years are responsible for the largest portion of regular online purchases, it is not a far reach stretch to think these people are contributing to an expectancy of similar purchasing opportunities in their professional life (DIBS, 2016). Whether people make purchases for private or professional use they want qualitative and transparent processes for e-commerce. There is therefore no need to distinguish between private or professional end users. A digital channel of purchasing should be available either way (DIBS, 2017).

1.1.2 Value adding services in the B2B market

To gain competitive advantage in the B2B market, companies must develop capabilities and processes in order to shift from selling "just" products to selling integrated value-adding products and services for the customer i.e. companies aim to seek competitive advantage through valuable and inimitable resources (Hakanen, Helander and Valkokari, 2017). One way is to use complementary services as a part of the overall product offering that add to the customer value (Fischer, Gebauer and Fleisch, 2012).

Services are integrated into the product offerings as considerable revenue can be obtained from products with services throughout the product life cycle. The service offerings in themselves are also more resistant to the economic cycles, which drive investment and equipment acquisition (Oliva and Kallenberg, 2003).

Another factor to take into consideration is that the customers are demanding more services. From the company's point of view, the wish to downsize and keep a flexible organization with defined core competencies, and an increasingly complex technology are both examples of factors driving a rise of service outsourcing (Oliva and Kallenberg, 2003).

Finally, a service, as it is to an extent less visible and more labor dependent, is harder to imitate and hence is a source of competitive advantage (Oliva and Kallenberg, 2003).

More specific, logistics services are a source of potential added value for the customer. Different customers want different logistics services and have different requirements (Van Der Veeken and Rutten, 1998). Transportation, delivery, logistics, information and communication services are all examples of services that can extend the product offering (Kowalkowski, Witell and Gustafsson, 2013). In today's competitive environment factors such as faster, defect-free and on-time deliveries are considered as prerequisites (Mentzer et al., 2001). Market-specific customer requirements need to be taken into consideration when handling strategic questions regarding logistics (Hemilä & Vilko, 2015). Therefore, a company that can present suiting services to a wide range of customers will have an offer of logistics services that contribute to added customer value (Van Der Veeken and Rutten, 1998).

1.1.3 Mature industry

For a company operating in a mature industry, competition for market share is higher because of market saturation and limited product change. This requires the company to compete more effectively by means such as differentiation and offers of product related services or deals, as opposed to the earlier stages of the industry life cycle (Levitt, 1965).

The trends in business and technology are contributing to a structural change as well as a change in performance requirements of distribution channels in many sectors of business. Added challenges arise as a result of customers expecting a higher service level and suppliers have outsourced the distribution or manufacture. Thus, many companies are faced with a complex challenge of reconfiguring its distribution chains. Few companies are able to do a proper and comprehensive assessment of the entire value chain, which ultimately serves the end consumers (Ashayeri and Kampstra, 2005).

Mature industrial enterprises stand before the challenge of developing strategies and competitive advantage through their logistics services. The B2B market need to offer an optimal distribution channel to be competitive, as the market is following similar trends as the business-to-consumer (B2C) market. The distribution offer and the service this provides constitute a part of the total customer value. The ability of a company to foresee future, and satisfy current, customer desires and requirements is thus of great importance to a company's future and profitability.

So, what is that the customer is expecting? What is the development within distribution and what supplier requirements will the customers have in the future?

1.2 Purpose

This section describes the purpose of this study.

The purpose of the master thesis is to describe and analyze how a commercial enterprise in a mature industry can develop an attractive and customer-oriented distribution offer in order to gain market shares and optimize the delivery chain in accordance with future trends.

1.3 Delimitations

This section describes the delimitations made conducting this study.

There are some delimitations made in this master thesis project. The study will be based on findings from a case study of a company operating in a mature industry in the B2B market and a literature study. The case company conducts business throughout Europe (see section 4.1.1 Description of the case company), but this study will focus on the Swedish market.

The logistics services analyzed are those present in the delivery chain (see definition in section 3.2.1.2 The focus of the thesis in the Value System), other parts of the Value System have been delimited. Further, the thesis focuses on the material flow from loading dock to receiving of goods, thus the distribution offer covers the outbound delivery services and not the reverse flow of services. However, this is not applied for the flow of information which is carried out throughout the whole delivery chain.

The thesis will not provide an implementation or feasibility plan of the service offer. Possible and suitable logistics service providers for the case company will not be analyzed, as this is a part of the implementation.

2 Methodology

In this chapter, the methodology chosen for this thesis is described. The chapter describes different research strategies with their constituent research methods. Furthermore, the choice of methodology is motivated and the credibility of the study is explained by discussion of its reliability, validity and representativeness.

2.1 Research strategy

This section describes the choice of method for this study. The four most common research strategies within the field of applied science are discussed to motivate the choice and appropriateness of use in this study.

The objective and purpose of the research influences which type of method that should be chosen to achieve the most appropriate method for the research (Höst, Regnell & Runeson, 2006). According to Höst, Regnell & Runeson (2006), a combination of fixed and flexible methods, different data or subjects studied, will give a more comprehensive view of the phenomenon. Fixed research methods are essentially defined before the study starts, while flexible research methods can be adjusted continuously as a result of changed conditions during the research (Höst, Regnell & Runeson, 2006).

The four most relevant methods for thesis projects within the field of applied science, survey, case study, experiment and action research, are described below.

2.1.1 Survey

If the objective of a study is to *describe* a phenomenon, survey is a suitable research strategy. Surveys, or questionnaires, are a common and effective way of collecting and analyzing large amounts of data about a population of interest. The research method is of fixed design which means that the exact same questions are given to all respondents, for both oral and written surveys (Höst, Regnell & Runeson, 2006).

A survey is suitable when one wants to map the present situation and address problems considered important for a company (Höst, Regnell & Runeson, 2006). To fulfill the purpose of the master thesis, *describe and analyze how a commercial enterprise in a mature industry can develop an attractive and customer-oriented distribution offer in order to gain market shares and optimize the delivery chain in accordance with future trends*, it is of great relevance to do a survey of the customers and their needs regarding distribution. This method is thus appropriate for the authors to use. How a survey is performed is described in section 2.3.2 Surveys.

2.1.2 Case study

It is suitable to apply case studies when you want to *understand a phenomenon in-depth*, often in several dimensions and perspectives and in its natural context (Skärvad & Lundahl, 2016; Höst, Regnell & Runeson, 2006). Case studies are often appropriate if the research question is of “how” or “why” character and if it is about exploring, discovering and understand different aspects in a studied phenomenon (Yin, 2014; Skärvad & Lundahl, 2016).

The scope and purpose of a study is often conducted by using different sources of data (Skärvad & Lundahl, 2016). The most common methods are interviews, observations and archival research, and are of qualitative character. Case studies are applicable when describing a contemporary phenomenon, especially when the phenomenon is hard to distinguish from its surroundings (Yin, 2014). Case studies are common in organizations to perceive knowledge of daily routines and operations (Höst, Regnell & Runeson, 2006).

A case study describes a specific case with a specific purpose and it is claimed that conclusions of this case are not directly generalizable in other cases. However, they can be applicable to other cases with similar conditions (Höst, Regnell & Runeson, 2006). Although case studies do not provide clear evidence, Höst, Regnell & Runeson (2006) explains that they will give a deeper understanding in the studied subject compared to quantitative methods. The flexible design of a case study is thus a good complement to the survey (Höst, Regnell & Runeson, 2006).

Case study methodology is chosen for this master thesis because the scope of the thesis is to focus on a few contemporary phenomena of the delivery chain and gain in-depth knowledge of the situation. It can also clearly be argued that these contemporary events are hard to distinguish from its surroundings. Additionally, answering the question “how” is of highest relevance to this study and aligned with the provided problem definition.

2.1.2.1 Selecting the case

The case selection was primarily based on the criteria to investigate trends in the B2B market and its similarities to the B2C market within the subject of distribution. Further, the authors aimed to investigate if future trends in distribution are applicable in a mature B2B market.

The case company should therefore operate in a mature B2B market trying to create competitive advantage through integrating value adding services into their existing product offer. More specific, a company which aim to add value through logistics services in the distribution channel. The case should be based on the opportunity to oversee all possibilities for future trends within distribution. The case company should thus have the will to reconstruct its distribution channel from scratch and investigate all existing opportunities, within certain limits. Advantageously, the selected company should operate with different customer segments within the Swedish market and have favorable conditions to create a competitive distribution offer.

Based on these criteria, Luna was chosen as the case company for this master thesis. The company operates in the tools and consumables industry throughout Europe with different customer segments and the market is considered to be mature. The logistics setup and distribution offer has been the same for a longer period of time and is considered outdated. Luna is now seeing an opportunity to reconfigure their distribution structure with the customer perspective as vantage point. The case company Luna and its organization and business will be further described in section 4.1 Introduction to the case company.

2.1.3 Experiment

Experimental studies are most suitable when the objective is to *find casualties* and describe what various phenomena *depend on*. With an experiment, it is possible to investigate the impact of different parameters on the studied phenomenon by variation and repetition and compare different solutions. Experiments can also be performed on humans. Two or more groups perform the same task in different ways while trying to give the groups as equal prerequisites as possible, except for the parameter(s) investigated. Protection and isolation of the subjects is substantial to minimize the impact of external factors (Höst, Regnell & Runeson, 2006). Höst, Regnell & Runeson (2006) also state that to acquire the most knowledge from a set of experiments, *systematic experimental planning* should be applied.

An experimental study is not performed in this master thesis due to requirements of implementation which is not a part of this study, see section 1.3 Delimitations, and due to time constraints.

2.1.4 Action research

Action research is most suitable when a *problem-solving* research strategy is chosen for the master thesis. The objective of the research is to improve and study the phenomenon simultaneously (Höst, Regnell & Runeson, 2006).

The first step is to observe a situation or a phenomenon to identify or clarify the problem, this by applying either survey or case study methodology described above. Once the problem has been identified, a solution will be developed, implemented and evaluated. The process is iterative and repetitive based on the successfulness of the proposed solution. Action research aims to influence a situation and to observe and evaluate it simultaneously, resulting in complications with independency (Höst, Regnell & Runeson, 2006).

Action research aims to follow development over time and requires, in most cases, a generous time span. Due to time and resource constraints, this method will not be applied in this thesis.

2.2 Qualitative or quantitative data collection

In this section, the authors will describe and discuss the different types of data collected in this study.

Collected data is either qualitative or quantitative. Quantitative data is countable or classifiable and is processed with statistical analysis. Qualitative data consists of detailed words and descriptions. Sorting and categorizing is performed when analyzing qualitative data. For complex studied phenomena, especially those that include people, a combination of qualitative and quantitative data is preferable (Höst, Regnell & Runeson, 2006).

As the main purpose of this master thesis investigates a problem that includes people, both quantitative and qualitative data is collected and analyzed. The chosen method, as mentioned in section 2.1 Research Strategy, is a combination of a case study and survey, where the two different types of data will be collected.

The quantitative data will be used to identify the customers' needs regarding distribution. The qualitative data will be applied to gain in-depth knowledge of customers' needs and preferences and for logistics market trends.

2.3 Data collection

This section describes the different methods of data collection used in this study.

2.3.1 Interviews

An interview is a systematic hearing of an interview object with the purpose to collect background material or views on a solution proposal (Höst, Regnell & Runeson, 2006). Interviews can be performed face-to-face, over telephone or by e-mail (Skärvad & Lundahl, 2016). Interviews can occur in three different degrees of structure:

- *Structured interviews* are based on a predefined questionnaire that is followed exactly. This corresponds in principle to an oral questionnaire.
- *Semi-structured interviews* usually contain a mix of pre-defined and open questions, to allow the interview to be more flexible.
- An *unstructured interview* may to a large extent be controlled by the interviewee's areas of interest but within the frames of the subject of the investigation constrained with general

predefined theme questions. The questions can be asked with different choice of words and sequence for different interviews (Höst, Regnell & Runeson, 2006).

The questions or themes are summarized into an interview guide. Before the construction of the guide, the researcher must decide which information is needed to be able to get proper answers to the questions. The questions or themes chosen should be prepared in a logical order and not be of leading or too specific nature (Skärvad & Lundahl, 2016).

When interviews are conducted with larger populations such as customers, respondents within the targeted population have to be identified and must fulfil the chosen criterion. One type of respondent which may contribute is the expert in a certain field and could be useful for the latest trends and science within a field (Skärvad & Lundahl, 2016).

The direct stakeholder is usually a person within an organization that have an interest in the studied subject. It is often more sensitive to interview this kind of respondent due to conflict of interest between the investigator and the interviewee or due to competition. Thus, the information must be reviewed thoroughly and all stakeholder groups should be covered to ascertain the collected data (Skärvad & Lundahl, 2016).

Interviews were performed in this study to gain in-depth knowledge of customers' needs and preferences and for logistics market trends. A more detailed description of the interviews that were conducted within the framework of this master thesis is presented below.

2.3.1.1 Interviews with employees at Luna

In the initial phase of the case study, unstructured interviews were conducted with the management to get a general understanding of the present situation at the case company, how the organization is structured and how they work.

When the objective was to gather more specific data, semi-structured interviews were conducted. The majority of the interviews were conducted with people on different positions within the sales organization. The aim was to gain an in-depth understanding of which Luna's customers are. The managers for the different markets and customer segments were interviewed respectively to understand each segment separately and the difference between them.

The interviews gave an insight into what the different segments need and require in terms of distribution. All interviews held with the sales organization contained to a large extent the same predefined questions.

Finally, the distribution and warehouse managers were interviewed to get an overview of what the logistics and distribution looks like today. All interviews were conducted either personally or by telephone and are presented in Table 1 below.

Table 1: Interviews with employees at Luna

Date	Name	Position	Interview type
2017-09-11	Oscar Fredell	Executive Vice President of Luna	Unstructured in person
2017-09-11	Fredrik Backman	Head of Logistics, Bergman & Beving	Unstructured in person
2017-10-05	Oscar Fredell	Executive Vice President of Luna	Semi-structured in person
2017-10-11	Markus Orre	Managing Director of Luna International AB	Semi-structured in person
2017-10-11	Jakob Niklasson	Business Controller at Luna	Semi-structured in person
2017-10-16	Mats Petersson	Managing Director of Bergman & Beving Logistics AB	Semi-structured telephone interview
2017-10-25	Magnus Bergsman	Managing Director of Luna Auto	Semi-structured in person
2017-10-30	Jan-Peter Rissel	Managing Director of Luna AB	Semi-structured in person
2017-11-02	Tomas Petterson	Sales Manager of Luna AB	Semi-structured telephone interview

2.3.1.2 Interviews with customers

Customers were primarily interviewed to gain a more in-depth understanding of needs and preferences that could not be covered by a survey.

The interviewed customers were selected from the sample made for the survey, see section 2.3.2.3 Defining populations and choosing samples. Here the authors selected interviewees from each customer segment who had answered the survey by relevance for an interview. The interviews were of semi-structured design and due to long-distance to the customers, the interviews were performed over telephone. The interviewees preferred to be anonymous in the research. The conducted interviews are presented in Table 2 below.

Table 2: Interviews with the three customer segments

Date	Customer Segment	Position	Interview type
2018-01-05	Auto industry, Customer 1	Workshop Manager	Semi-structured telephone interview
2018-01-16	Manufacturing industry, Customer 2	Store Manager	Semi-structured telephone interview
2018-01-17	Building materials industry, Customer 3	Purchaser	Semi-structured telephone interview

2.3.1.3 Interviews with logistics operators

To gain understanding of the current trends within distribution, both in the B2B and B2C market, two logistics operators were interviewed. The interviews conducted gave a deeper and expanded knowledge of needs and preferences in both markets and future challenges within distribution. The logistics operators explained how the customers in the different segments want their deliveries, the most common solutions today and the differences between the two markets. The interviewees preferred to be anonymous in the research. The conducted interviews are presented in Table 3 below.

Table 3: Interviews with logistics operators

Date	Company	Position	Interview type
2017-11-07	Company A	Product and Pricing Specialist Domestic Parcel	Semi-structured in person
2017-11-10	Company B	Business Development Overland	Semi-structured in person

2.3.2 Surveys

2.3.2.1 How to design a survey

Surveys are a suitable tool for collecting opinions and perceptions from a large group of people (Höst, Regnell & Runeson, 2006). When designing a survey one must consider which questions should be asked and why, how they should be formulated, the order of the questions and how the alternatives should be designed. A prerequisite to accomplish a comparable and accurate statistical study is for all respondents to answer the same questions. In addition to the fact that all questions must be unequivocal, both the design of the questionnaire and the interview situation must be standardized. Hence, the interviewer is bound and governed by rules and instructions with the advantage that the presence of the interviewer will not impact the result (Skärvad & Lundahl, 2016).

When designing a survey, it is important that all questions are related to the purpose of the study and that the questions are simplified as there is no opportunity to explain or develop the question subsequently. Furthermore, it is important that the alternatives are exhaustive and contain all variants of answers. One way is to combine open-ended questions and close-ended questions. The open-ended questions provide the respondent with the opportunity to answer the question in their own words and the close-ended have predefined alternatives. The close-ended will ease the following statistical analysis but may in some cases inhibit the respondent's answers (Skärvad & Lundahl, 2016).

2.3.2.1.1 Population and selecting recipients

To what extent a survey is generalizable depends on the chosen group of respondents. Firstly, one has to define and clarify the studied population. The sample which will receive the survey is then defined from the studied population. One should be able to reach a conclusion for the whole population from the sample. If the population is large, a suitable sample must be chosen to both cover the studied object and have a reasonable workload. Further, the selection of respondents can be done through either a probability sampling or a non-probability sampling (Höst, Regnell & Runeson, 2006).

The principles of probability sampling are:

- *Total investigation* - Sends the questionnaire to the whole population. This is practically feasible for small populations.
- *Simple random sample* - Subset of individuals chosen randomly from a larger population. Everyone has the same probability of being selected, to make the result representative.
- *Systematic sample* - A system is defined according to which individuals are chosen. The N -individual is chosen to get a selection of $1/N$. The risk of this approach is whether there is any periodicity in the list.
- *Cluster sample* - Used when the population is naturally divided into clusters. First, one or a few of the clusters is randomly chosen followed by a random selection of individuals for the interviews from each cluster. The cluster selection can facilitate the practical management of the surveys, as the chosen individuals can be geographically more concentrated.
- *Stratified sample* - Stratified sample is similar to cluster sample with the difference that there is a systematic difference between the clusters. The clusters belong to different categories and the random selection is then made within these groups. This is a suitable approach when the categories are of different sizes since it ensures that all relevant subgroups are represented (Höst, Regnell & Runeson, 2006).

The main differences between the sampling categories is that probability sampling use random selection and is considered to be the best way to get a representative sample from the studied population. Probability sampling is often used when a large-scale survey is applied. Non-probability sampling is used when researchers find it difficult or undesired to select the sample based on random selection and on small-scale surveys (Denscombe, 2010).

The principles of non-probability sampling are presented below:

- *Quota sampling* - Similar to stratified sample. The target group is divided into smaller subgroups, but then the researcher selects which objects to participate in the study to meet specific criteria, which means that it is not strictly randomized.
- *Purposive sampling* - The sampling is based on the principle that the best information can be obtained by selecting people based on their known attributes. The selection is thus hand-picked based on their relevance to the research project based on relevance to the issue investigate or knowledge about the topic. The researcher selects the individuals that are known earlier and that can provide the greatest possible valuable data.
- *Theoretical sampling* - This method is used to generate a theory that you want to investigate. At each step of the selection, new evidence is used to modify or support the proposed theory, and this is then used to point to an appropriate selection of objects for the next phase of the survey.
- *Snowball sampling* - This method refers to where participants refer the researcher on to other participants who would be suitable to be included in the research as well. In this way, you get a snowball effect, which constantly recommends new people, until the researchers consider the selection to be sufficiently large. It is considered a good method when the aim is to build up a reasonable sampling size quickly.

- *Convenience sampling* - The selection is based on what suits the convenience of the researcher and which items are *first to hand*. The advantage of this can be seen for small-scale research projects where you have a limited budget for both time and cost. Then you simply choose what is quick, cheap and easy (Denscombe, 2010)

2.3.2.2 How the survey was conducted with the B2B customers

Surveys were sent out to the three relevant customer segments of the case company (see section 2.3.2.3 Defining populations and choosing samples) with the purpose to gain an understanding of the customers' needs and requirements in terms of delivery options of today and for the future. The surveys were designed to fit the purpose and theoretical framework of the master thesis in order to gather responses for a deep analysis. The questions were of different design with both open- and close-ended questions as well as multiple choice questions. The surveys were sent out as an online survey designed in a standardized system provided by the case company.

The case company requested that the survey to the new customer segment, Auto, should be anonymous with no indication of the present company. Hence, two different surveys were designed and sent out. The last questions of the two surveys differ due to different organizational setups and objectives of interest of Luna. This can be observed in Appendix 1 where the surveys are presented. Both surveys have interlinked questions, some questions are thereby not asked to all respondents.

In the survey sent out to Luna's current customers there are three questions, unique to this survey, regarding e-commerce. This is not relevant for the new customer segment, Auto, since they do not sell products but instead a service. Correspondingly, there is one question unique for the Auto survey regarding the desired future sales channels. As the sales channel setup for Luna is considered good and an update of the e-commerce channel is in progress it was concluded that the question regarding the desired sales channels was otiose for the survey for the case company's current customers. Mapping of the procurement process in each segment was made through interviews with suitable people from each customer segment and the result can be viewed in section 4.2.2 Business buying behavior in the studied customer segments.

2.3.2.3 Defining populations and choosing samples

The first population was defined as *retail firms operating in the Manufacturing industry and Building Materials industry with tools and consumables in their product assortment*. The individuals receiving the survey should have relevant functional roles with some knowledge of the organizations delivery need and requirements.

The case company predefined the sample for the Manufacturing and Building Materials segments. The selection included customers in categories of existing customers, new customers and lost customers. These were also categorized based on centralized or decentralized organizations, see further explanations of Luna's customers in section 4.1.7 Customers. The sampling method was thus a *purposive sampling*. The response rate was 55 answers out of 184 sent out (29.9 percent).

The second population was defined as companies who perform general service and maintenance of automotive vehicles except motorcycles. Further, the individuals should have relevant functional roles with some knowledge of the organizations delivery need and requirements. In conversation with the case company, the sample was limited to be located south of Gävle and have a turnover over 2 MSEK. A list of 600 workshops was then provided and a *total investigation* was performed. Unfortunately, the list included workshops that were not of interest to some extent and after investigation, 300 were relevant for the chosen sample. Out of 300 surveys sent out, 31 answered (10,3 percent).

2.3.2.4 Response rate errors

Researches rarely achieve a response from every contacted recipient. Non-response rate can be minimized by contacting the potential respondents in advance of the distribution of the survey (Denscombe, 2010).

The rate of individuals not responding to the survey is called *external non-response rate* whereas the *internal non-response rate* refers to the individuals not responding to some of the questions provided in the survey. If the non-response rate is high, it is not recommended to compensate by adding more recipients afterwards as it will affect a randomized sample (Höst, Regnell & Runeson, 2006). One should be sure to have predefined steps of how to do follow-up on non-responses before distributing the survey (Denscombe, 2010).

Sending out reminders and making calls to the recipients of the survey for Luna's current customers prevented the external non-response rate. The recipients had also been informed by their assigned sales contact that a survey was going to be sent out that would help Luna develop a new distribution offer and was kindly asked to answer this survey.

For the survey for the new customer segment, Auto, the authors started to call workshops on the supplied list as a way of minimizing the non-response rate. Quite soon, the authors realized that the time it took to get a hold of the relevant person at each shop, since the supplied list did not contain the direct number of someone in charge, was unreasonable. Because of time constraint, the authors instead looked up the direct email address of the person in charge when possible.

The system used for the survey implied a risk of internal response rate errors as the respondent could close the survey before it was finished. This connoted a not completed survey in one case. The aforementioned survey was more than half way finished with the first thirteen questions answered and the last seven not answered. The authors have decided to use the given answers as they feel that they are still relevant, but identify it as an internal response rate error.

2.3.3 Secondary sources

2.3.3.1 Written documents and materials

Written documents and materials can be used when the researchers aim to find further information relevant to the master thesis. The data collection method includes reviewing data collection made by others, often made for another purpose than the current research and could be both qualitative and quantitative. It is critical that the primary purpose of the documentation is taken into consideration. A clarifying example would be that promotional material does not give the same picture of the studied company as internal documentation does. It is critical that the researchers review the data collected from secondary sources in order to prove its trustworthiness. (Höst, Regnell & Runeson, 2006).

Written materials such as annual reports, strategy documents and other company specific materials are used to get an extended understanding of the case company. Further, the master thesis includes different industry specific reports and materials which concerns the customers and logistics to obtain the market trends.

2.3.3.2 Literature review

A literature review involves the analysis of information available from studies in the relevant subject. Literature reviews contribute to the authors' understanding of the current state of knowledge within the subject. Conducting a literature review is an iterative process where theory should be reviewed as the research progresses and knowledge of the subject increases. As for the archival research, literature is a secondary source of information thus important for the researchers to reflect and review the material in

terms or research methodology and if the material has been referenced to in other credible contexts (Höst, Regnell & Runeson, 2006).

This method was used in this thesis to give the researchers a deeper knowledge of the investigated subject and created the foundation for the theoretical framework and forthcoming empirical study and analysis. Several forms of literature were studied and reviewed, focusing on theory related to the parts of the stated problem and purpose. These parts include theory relevant to understand the business buyer's environment and buying behavior, the concept of services and how the value system is structured. These areas and the theoretical framework is described in chapter 3 Theory.

2.4 Credibility

This section discusses the credibility of the study. It describes the concepts of reliability, validity and representativeness and are separately discussed in relation to this study.

To ensure credibility of the research, different dimensions can be applied and will be discussed below (Höst, Regnell & Runeson, 2006).

2.4.1 Reliability

Reliability is referred to the trustworthiness of the collected data and the analysis in the study, regarding random variations. A thorough data collection and analysis generates reliability. The research approach should be well defined to allow the reader to understand and evaluate the research (Höst, Regnell & Runeson, 2006).

How this study is conducted and how the data collection was carried out is presented in this chapter 2 Methodology and throughout the report. The structure of the report allows the reader to connect how assumptions and analysis are made. The samples for the study are of different kind. The sample of the Manufacturing and Building Materials segments follows a non-probability sample, which implies a lower reliability. However, the sample of the Auto segment was made by probability sampling, which has a high degree of reliability. For the conducted interviews, both authors were the vast majority of times present at the interviews to ensure trustworthiness and that all data were conducted.

2.4.2 Validity

The validity of a research refers to whether the study measures what it is intended to measure. One way to strengthen the validity is to apply triangulation i.e. study the same object with several different methods (Höst, Regnell & Runeson, 2006).

Multiple sources and methods have been used in this thesis to ensure that the validity is as high as possible, and to best fit the purpose and research area. Thus, data triangulation has been used to a large extent and the validity can be considered relatively high. Further, the theoretical framework of the thesis also has the character of triangulation, which further strengthens the validity.

As mentioned in the delimitations section, this study is limited to B2B companies in a mature industry on the Swedish market. Therefore, the study is only valid for companies fulfilling these criteria.

2.4.3 Representability

The representability of a research relies to a large extent on the appropriateness of the chosen sample. The results can only be generalized to the population where the sample has been performed. To increase representativeness, the authors should include a detailed description of the studied context (Höst, Regnell & Runeson, 2006).

When performing surveys, there is a possibility that the respondents do not leave a “true” answer due to that they do not remember or do not understand the question. Many respond as they believe as the interviewer expect them to answer and not as they really want, called adaptation response (Höst, Regnell & Runeson, 2006).

Case studies and action research are usually not generalizable. To increase representativeness, the authors should generate a detailed description of the examined context (Höst, Regnell & Runeson, 2006). As this thesis is based on a case study, the representativeness is limited to the studied population.

3 Theory

In this chapter, the theoretical framework needed to fulfill the purpose of this master thesis will be presented. The different models are described first separately, followed by an explanation of how they will be used together to enable an understanding of how to create an attractive and customer-oriented distribution offer.

Initially, the framework will provide theory related to the B2B market. This is done to give a comprehension of who the customer is, the customer's needs and buying behavior related to services in the delivery chain. This by providing theory of market characteristics, the customer and their business buying behavior.

The second section is related to how the service offer should be realized. The framework describes the Value System and the firm's value chain. This aims to give an understanding of where in the system the master thesis is focused and which sections of the company that will be affected by the channel setup to achieve a customer-oriented offer.

The third and fourth sections will provide theory of services. The third section aims to give an understanding of what a service is and what services will be investigated - services in the delivery chain. In order to evaluate what the customers consider essential for an attractive distribution offer the fourth section will provide theory of delivery service and delivery service elements.

3.1 Understanding the customers in the B2B market

To understand how the customer operates in the B2B market, the theoretical framework will explain the characteristics of the B2B market and the business customer's buying behavior. Further, the framework will include theory of how it is to operate in a mature industry, what this entails and how it affects the way of conducting business.

3.1.1 Business market characteristics

According to Kotler & Armstrong (2015) the B2B market is defined as:

“All organizations that buy goods and services for use in the production of other products and services that are sold, rented or delivered to others”

The B2B and B2C markets are comparable as both involve people with various buying roles that make buying decisions to meet customer demands and needs. The main differences between the two markets are described in Table 4

Table 4: Business market characteristics (Kotler & Armstrong, 2015)

Market structure and demand

The business market tends to have fewer but larger customers

The demand in the B2B market is derived from the demand of end consumers.

The demand in B2B markets is inelastic and is not affected to the same extent by short-term price changes.

The demand in B2B markets fluctuates to a greater extent and more quickly.

Nature of the buying unit

A B2B purchase generally involves more decision participants

A B2B purchase involves a more professional purchasing effort

Types of decisions and the decision process

A business purchaser usually face more complex buying decisions

The B2B buying process is longer and more formalized

In B2B, the buyer and seller has a closer cooperation and are more dependent on each other.

3.1.2 Business buying behavior

There are different kinds of marketing stimuli and other stimuli that create different buyer responses, which affects the buying organization in a company, illustrated in Figure 1. Efficient marketing strategies that can turn stimuli into purchase responses require a good internal understanding by the marketing unit. The buying organization consists of the buying center, which comprises all persons involved in the buying decision process. Per the model below, the participants are affected by internal organizational, interpersonal and individual factors as well as external factors. The firm has to understand which factors that influence and impact the buying behavior of the business customer in order to act accordingly and develop strategies (Kotler & Armstrong, 2015).

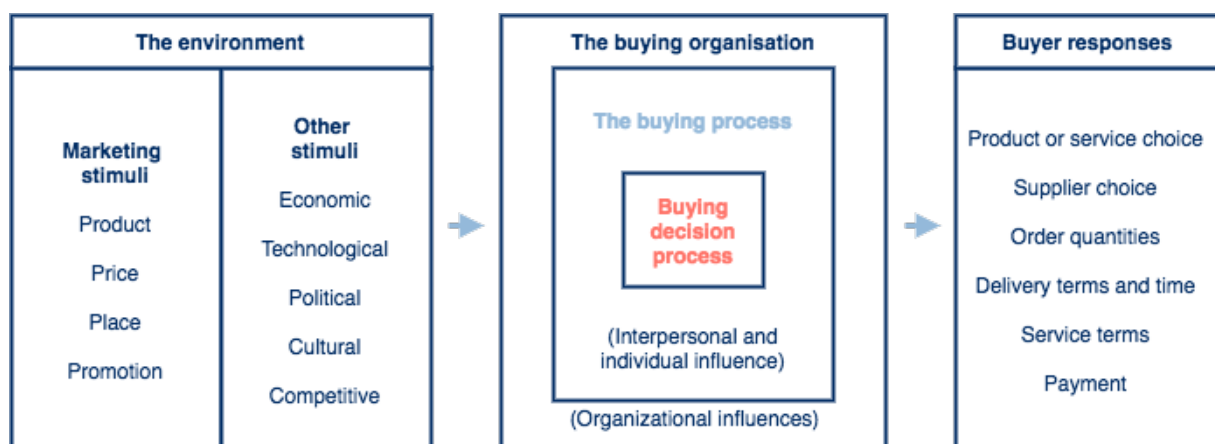


Figure 1: Model of the business buying behavior (Kotler & Armstrong, 2015)

3.1.2.1 Participants in the buying process

Within the buying organization there is the buying center, which comprises all persons involved in the buying decision and is where the buying decision process takes place. Compared to the consumer market, the business buying process usually involves more decision makers and a more professional buying effort. The business buying center consists of a set of buying roles involving a variation of decision makers and buying influencers depending on products and buying situations. The different participants can be included in several steps during the process. Therefore, business buying decisions can vary from basic to very complex which increases the importance of the firm to learn who is involved in each buying process (Kotler & Armstrong, 2015).

3.1.2.2 The business buying process

The business buying process is, by definition, the decision-making process by which business buyers determine which products and services their organizations need to procure and how they then find, evaluate and choose between alternative suppliers and brands. The stages are; problem recognition, general need description, product specification, supplier search, proposal solicitation, supplier selection, order-routine specification and performance review (Kotler & Armstrong, 2015).

Each firm has their own buying processes and each buying occasion has its own requirements, depending on the situation. A new or complex purchase involves all stages, while buyers who make rebuys may skip some of the stages (Kotler & Armstrong, 2015).

Noticeable is that companies often operate different kinds of buying processes simultaneously, which requires the firm to manage the total customer relationship and not just the individual purchases (Kotler & Armstrong, 2015).

3.1.3 Characteristics of a mature industry

A company's products pass through different stages during their lifetime. To stay competitive, the firm must continually review their product portfolio and manage it effectively throughout the product life cycle (PLC). The PLC typically has five stages (Kotler & Armstrong, 2015; Levitt, 1965):

1. *Product development stage* – finds and develops a new product idea
2. *Introduction stage* – First time the product is brought to the market, before a proven demand. Sales are low and there are non-existing profits due to heavy expenses.
3. *Growth stage* – Acceleration of demand and market acceptance and the profits are increasing
4. *Maturity stage* – Acceptance by most potential buyers and the growth slows down
5. *Decline stage* – Losing demand and sales decrease

The PLC can be translated into phases of industry life cycle, for example the phase of industry maturity can be compared to the mature phase of the PLC. Creating long-lasting competitive advantage is significant for companies in mature industries (Levitt, 1965). The competition in this stage is high due to low growth and an increased number of actors active in the market (Kotler & Armstrong, 2015).

Successful companies in the maturity stage are those adapting to the changing customer needs. This requires the firm to compete by differentiation through modification of the product, the market or the marketing mix (Kotler & Armstrong, 2015) where supplementary services and deals to the product are the most effective forms of differentiation (Levitt, 1965).

3.2 The Value System and defining the delivery chain

In this section, the Value System and its input value chains are presented together with theory of distribution channel setups. This to understand the question of how the service offer should deliver value to the customer by defining where in the supply chain this master thesis has its focus.

3.2.1 The Value System

According to Porter (1985), a firm's value chain is part of a larger system called the *Value System* that includes the value chains of upstream suppliers, downstream channel value chains and customers as seen in Figure 2. The product of the firm will eventually pass all value chains. By examining all the activities and how they interact, an organization can use the Value System model for strategic purposes and analyze the sources of competitive advantage. Accordingly, it is significant to understand its own value chain and how it fits into the larger Value System to achieve and maintain competitive advantage (Porter, 1985).



Figure 2: The Value System (Porter, 1985)

3.2.1.1 Firm value chain

The firm value chain consists of a set of activities that a firm performs to create value for its customers. The base of the value chain is that all activities performed by a company affect the company as a whole and that activities therefore constitute the fundamentals of differentiation.

A company's activities in the value chain can be divided into primary and supportive activities as seen in Figure 3. The primary activities are those that correspond to the physical creation of the product and its sales. Porter has divided these into five categories:

- *Inbound logistics* - Activities related to receiving, storing and disseminating inputs to the product e.g. materials handling, warehousing and inventory control.
- *Operations* - Activities related to transformation e.g. machining, assembly, maintenance of equipment and testing.
- *Outbound logistics* – Activities related to collecting, storing and distributing the final product to the buyer e.g. finished goods, warehousing, delivery vehicle operation and order processing.
- *Marketing and sales* – Activities related to enabling selling of the product e.g. advertising, channel selection and pricing.
- *Service* – Activities related to increasing or maintaining product value through services e.g. installation and repair (Porter, 1985).

Depending on industry, different categories have different levels of importance. However, all primary activities will to some extent be present and play a role in a firm's competitive advantage. Supporting activities, on the other hand, are classified as indirect value-adding activities. The purpose of the

supportive activities is to increase the effectiveness of the primary activities and the primary process. Porter (1985) has divided these into following four categories:

- *Procurement*
- *Technology development*
- *Human resource management*
- *Firm infrastructure*

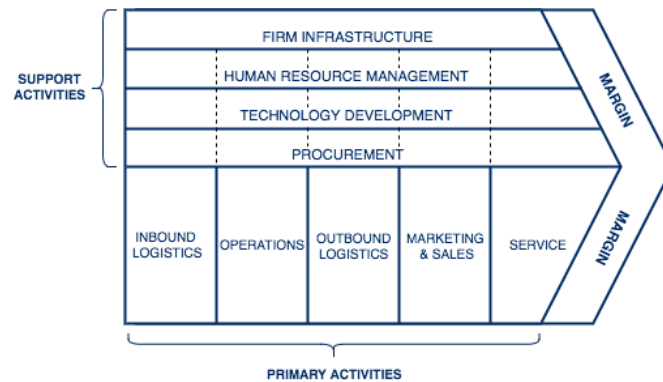


Figure 3: The generic value chain (Porter, 1985)

3.2.1.2 The focus of the thesis in the Value System

The third value chain the product passes before reaching the customer is the channel value chain. The additional activities performed in the channel value chain is determined by the distribution channel setup and will affect the buyer's behavior as well as influence the firm's own activities (Porter, 1985).

Distribution refers to making finished products available to the customer in the most cost-effective way possible while maintaining desired delivery service (Oskarsson, Aronsson & Ekdahl, 2006). Similar to Porter's (1985) Outbound Logistics in the firm's value chain, Kotler & Armstrong (2015) have illustrated this as a Distribution channel setup see Figure 4. Distribution channels can be designed in different ways to make products available to customers. The number of intermediaries differs and implies the length of the channel. Each layer of intermediaries that involve value-adding activities that bring the product closer to the end customer is a *channel level*. As seen in Figure 4, channel 1 and channel 4, called a direct channel, has no intermediary level. Indirect channels contain more levels of intermediaries, with wholesalers and retailers, to direct the products to the end customer. The distribution channel setups are similar for B2C and B2B markets, with the difference that the end customers in B2B markets are businesses or governments rather than consumers (Kotler & Armstrong, 2015). Typical channel setups for the two markets can be seen in Figure 4 below.

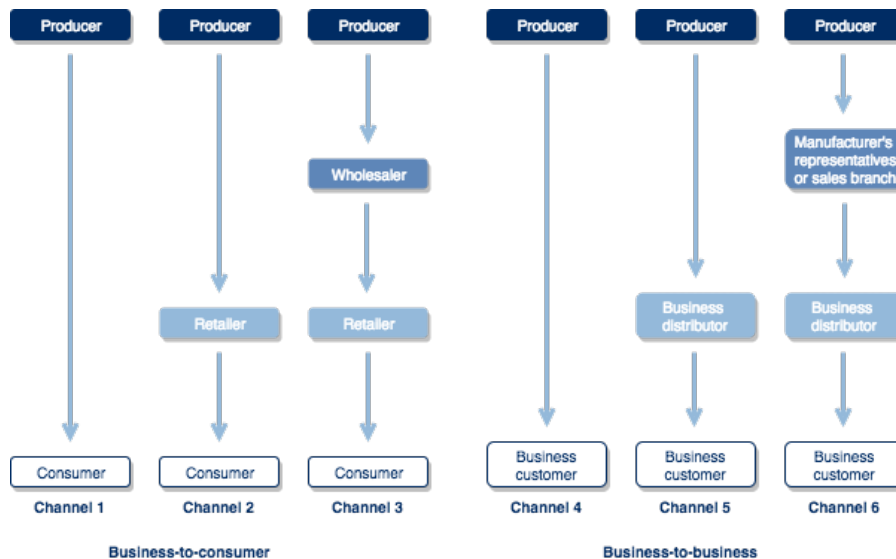


Figure 4: Distribution channel setups (Kotler & Armstrong, 2015)

The wholesaler purchases goods in large quantities and a wide range from many suppliers to one place and store them before resell to the retailers. This creates value for the customer who only needs to procure from one supplier in the supply chain. The other way around, if the supplier is a small actor, it will add value by using a wholesaler to easily distribute to a wide range of customers. Without a wholesaler, the supplier must manage sales and distribution to all retailers on their own, which often is complicated and expensive (Oskarsson, Aronsson & Ekdahl, 2006). Noteworthy, Kotler & Armstrong (2015) stress that the distinction between large retailers and large wholesalers continues to blur (Kotler & Armstrong, 2015). The distribution channel has thus become one of the most important competitive resources. Firms use the distribution channel as a basis for differentiation by for example offering the customers superior delivery service (Lumsden, 2007).

Accordingly, a firm must consider the value system as a whole and the distribution of products thus includes both the physical distribution of products and the transition over to the channel value chains, before it reaches the customers upstream activities. Hence, activities included in the firm's value chain, also called a firm's downstream activities, are the Outbound logistics together with the primary activities of Marketing & Sales and Services, marked with a solid line in Figure 5. As described above, is the channel value chain related to the design of the distribution channel setup. Further, making finished products available to the customer also includes the upstream activity inbound logistics of the buyer's value chain, marked with the right solid line in Figure 5. This process described above will be referred as the *delivery chain* in this master thesis and defines where in the Value System this study has its focus. The delivery chain is marked with the dashed line in Figure 5.

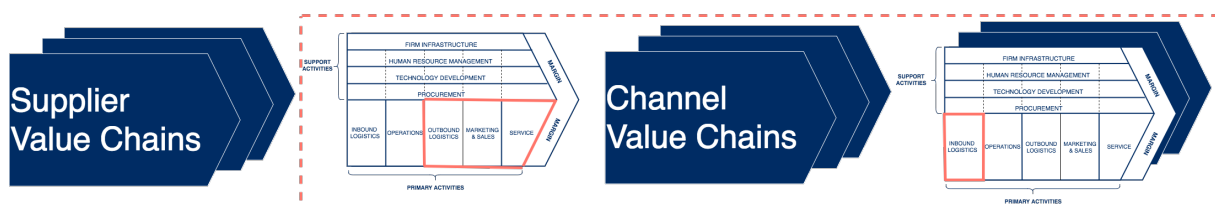


Figure 5: The delivery chain includes both the physical distribution in the firm's downstream activities, the channel value chains and the upstream activity inbound logistics in the buyer value chains

3.3 The service offer

This section aims to provide an understanding of the service offer. The section is divided into three parts. First, the section will define what a service is. The second part will describe a service in a broader perspective by defining the three levels of a product. Finally, the section will discuss the concept of customer service to understand the service offer from a logistical perspective.

3.3.1 Definition of a service

Over the years, various definitions of what a service is have been formed. The meaning of the phenomenon has alternated and can be explained in different ways. According to Grönroos (2007), a service is:

“A process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employee and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems.”

For services in general, four generic characteristics can be identified. First, a service develops during a production process and stops to exist when the process is over. A service is also not a thing but an activity or process. The process consists of a series of activities where different resources are used. The second characteristic is that services are generally produced and consumed at the same time. The third is that the customer is often a part of the service production. In contrast to the production of goods where the customer has one role, the customer often has two roles here, since they act as both consumer and production resources (Grönroos, 2007; Grönroos, 1998). The last characteristic of a service is the intangibility. In some literature, the intangibility is the most important characteristic of a service. Neither the customer nor the seller can see the service, take or taste it, thus difficult to concretize (Grönroos, 1998). However, later research states that the intangibility does not distinguish services from physical goods completely. For example, many physical goods such as sports cars, or similar, can be perceived in a subjective way and be just as much intangible as a service. A service can however vary upon a scale of intangibility, and is not the most important identified characteristic (Grönroos, 2007).

3.3.2 Levels of products and services

Today, a company's offering often includes both tangible goods and services as a strategy for differentiation. According to Kotler & Armstrong (2015) organizations has to consider product and services on three levels: *the core product*, *the actual product* and *the augmented product*. Each level contributes to the overall picture of the product and adds more value to the customer. The consumers view the products as packages of benefits that can satisfy their needs. During the product development one must identify the core customer value and benefit that the consumer look for in the product. After this is done the actual product is designed and augmented in order to create customer value and a complete and satisfactory brand experience (Kotler & Armstrong, 2015). The levels are presented in Figure 6 and then described.

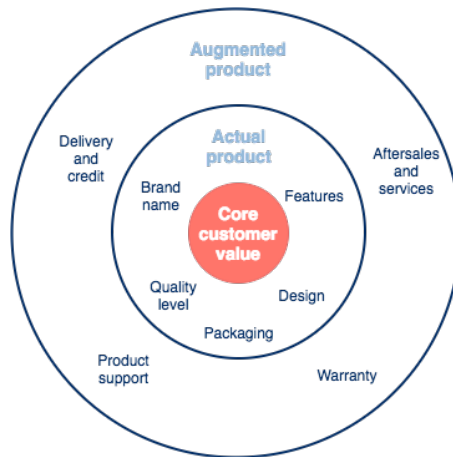


Figure 6: The three levels of a product (Kotler & Armstrong, 2015)

- *The core product* - The inner fundamental level is the core customer value. This circles the question of what the customer is actually buying. At this level, the core and problem-solving benefits need to be defined
- *The actual product* - At the second level, the actual product that the customer can buy is developed from the translation of the core benefit. This product level is related to the product and service features, design, quality level, brand name and packaging that need to be developed.
- *The augmented product* - The final level of a product is the augmented product. It is built around the core benefit and actual product and expands the offer further. This includes for example extra benefits and consumer services. An example of these additional services would be warranties and free repairs, both of which cannot be applied by the product itself, but creates additional value to the customer (Kotler & Armstrong, 2015).

3.3.3 Customer service

Customer service is used as an overall concept for all the supplementary services offered to the customer. From a logistical perspective, customer service includes all the activities related to the material flow that creates added value for the customer. These activities include interaction with the customer before, during and after the transaction of the product as shown in Figure 7 (Jonsson & Mattsson, 2016).



Figure 7: The activities included in customer service (Jonsson & Mattsson, 2016)

Customer service before order placement is about simplifying the work for the customer by clarifying information and conditions such as stock level and delivery time. In this initial phase, the focus should be on transparency for the customer's needs and good communication in order to be able to establish a good customer relationship. Service from order to delivery refers to the company's ability to facilitate the ordering process and the adaptability to customer requirements in terms of order routines. In this

phase, early and accurate information about delays or changes is significant (Jonsson & Mattsson, 2016). Service during delivery is the most common association with customer service and refers to the ability to deliver accurate deliveries at the right time and in the right quantity. The final phase consists of after-sales services and managing the possibility for the customer to subsequently process the order.

Aspects affecting the customer service are the ability to track materials, process returns or complaints in a simple way (Jonsson & Mattsson, 2016). The definition of delivery service and how to measure it will be discussed in the section below.

3.4 Delivery Service Elements

This section describes delivery service and its constituent elements. These are the tools that will be used to answer what the customers consider to be essential for an attractive distribution offer.

In our consumer society where the demand of goods and service increases, the requirements for excellent logistics escalate as well. Logistics services therefore play an important role as an added value to the core product (Sandberg, 2015). As discussed above in section 3.3 The service offer, services could appear in different phases.

Delivery service refers to the parts of customer service that deal with the physical flow, the realization of order to delivery process (Lumsden, 2007). Generally, delivery service is divided into smaller parts called delivery service elements. Those that are of greatest importance vary between customers and industries as well as do the interpretation of the elements. Sometimes the service, i.e. delivery, is as important as the product itself. Hence, firms must understand the different customers' needs and design their logistics systems accordingly (Sandberg, 2015). The most common delivery service elements are presented in Figure 8 below.



Figure 8: Delivery service elements (Jonsson & Mattsson, 2016; Sandberg, 2015)

3.4.1 Lead time

Lead time is normally defined as the time from order placement to delivery. There seems to be a consensus in literature that the lead time end point is when the complete order is delivered with adequate documentation (Lumsden, 2007; Jonsson & Mattsson, 2016). There are, however, some differences of opinion as to from what time lead time should be counted. Some authors believe that it relates to the time of receipt of the order (Jonsson & Mattsson, 2016), while others mean that it relates to the customer's opinion of when the order is made (Oskarsson, Aronsson & Ekdahl, 2006). As the

purpose of this master thesis focuses on a customer-oriented distribution offer, the lead time will be counted from the customer's reference of order placement.

Lead time covers activities such as receiving orders, order handling, planning, construction and manufacturing, and distribution (Lumsden, 2007).

Short lead time is preferred, as it means lower amount of tied-up capital. Furthermore, greater flexibility can be achieved as response time on an order decreases, and risks associated with transportation are reduced (Jonsson & Mattsson, 2016).

3.4.2 Delivery accuracy

Delivery accuracy is referred to trustworthiness of the delivery. The importance of this element has increased over the years. Companies reduce their warehouses and storage locations and request smaller and more frequent deliveries. Many customers prioritize high delivery accuracy over short lead time (Sandberg, 2015).

Delivery accuracy can be measured in different ways; such as the actual number of deliveries performed compared to the promised within a certain time interval. The measurement could be performed with different levels of precision, where each order line is considered separately or an order as a whole. The consequence of the variation of measurements and definitions is the importance of making sure that the element is equally defined for the firm and customers to avoid misunderstandings (Lumsden, 2007).

3.4.3 Delivery reliability

Delivery reliability is the ability to deliver the right product, in the right quantity with the right quality (Jonsson & Mattsson, 2016; Lumsden, 2007; Oskarsson, Aronsson & Ekdahl, 2006). Low delivery reliability entails additional costs for both the supplier and the customer in terms of new shipment and non-value adding activities for both parties to correct the error (Jonsson & Mattsson, 2016). Moreover, there is a special case of delivery reliability where simultaneous delivery is of significance. This is considered when it is vital that the products are delivered at the same time due to interdependence (Lumsden, 2007). A typical measurement used for delivery reliability is the number of customer orders without remarks (Sandberg, 2015).

3.4.4 Flexibility and customization

Flexibility refers to the adaptability to new customer preferences and requirements. This may involve adjustments in lead time, special type of packaging or specific documentation, on orders not yet handled. Flexibility is becoming increasingly important in the logistics industry as a competitive advantage (Lumsden, 2007).

Flexibility can also be referred to as the ability to accommodate changes in orders already handled. These changes often impose higher requirements on the short-term ability on the supplier to adapt to an already processed order. Adjustments registered before order processing is far more manageable as planning can be done more smoothly (Jonsson & Mattsson, 2016).

3.4.5 Service Level

Service level, also called storage accessibility, is the ability to deliver an order or order line directly from the warehouse and is often presented as a probability percentage. Refers to what extent stocked items can be delivered directly from stock to customer at customer request. A great advantage with

this element is the simplicity of calculations and it can be accurately specified (Lumsden, 2007). As for other elements, the existences of calculation definitions are many and the results between them may vary (Jonsson & Mattsson, 2016).

3.4.6 Information

A fundamental factor to achieve a complete delivery service experience is that both parties share the perception of what has been requested and confirmed. Even though the supplier perceived its commitment as fulfilled, it is the customer's opinion that matters (Oskarsson, Aronsson & Ekdahl, 2006).

The importance of information exchange increases with the demand for shorter lead times. Companies require early information about customer needs and customers want to know what the company can offer when it comes to status of the order and deliverability (Sandberg, 2015).

3.4.7 Differentiation of customer service dimensions

The delivery service is not just a question of understanding the current state of the customer's needs; a firm must understand how the value develops over time. A state-of-the-art delivery service will most likely always be valuable to the customer, but the exact configuration of the service elements may eventually change. Customers also have different logistics requirements, and diverse customized solutions can get both complex and expensive. Consequently, the firm has to perform analyzes of the different customer requirements and the internal ability to easily modularize the logistics business and offer, to target more customer with fewer standard activities and processes (Sandberg, 2015).

3.5 Summary of the theoretical framework

This section summarizes the theoretical framework. The preceding sections of this chapter are linked to clarify how these concepts relate to investigating the purpose of this master thesis.

The concept of business buying behavior illustrated in Figure 9 will help answer the question “who?” i.e. who is the customer and what are the customer requirements and needs, presented in section 3.1 Understanding the customers in the B2B market.

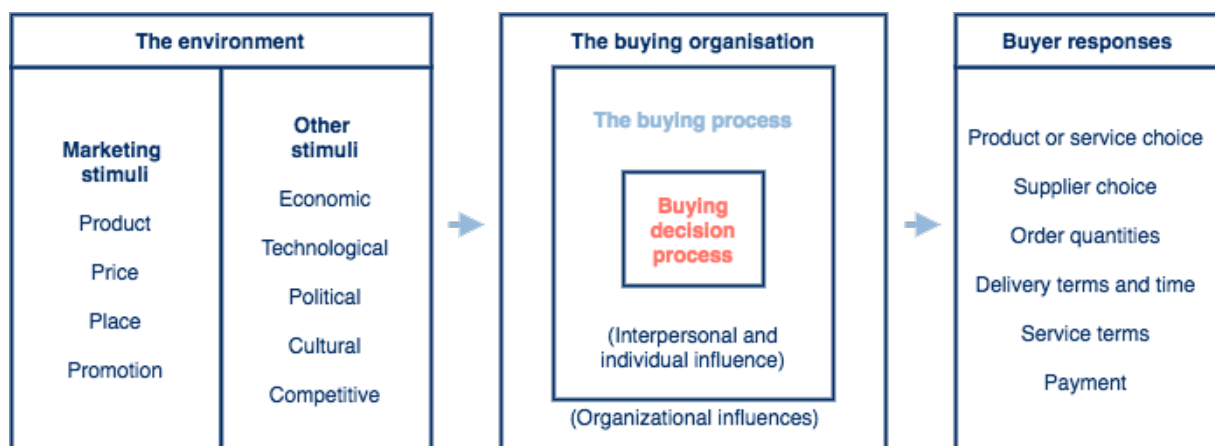


Figure 9: Model of the business buying behavior (Kotler & Armstrong, 2015)

The theory related to answer the question of “how?” i.e. how the service offer should be designed and realized is presented in section 3.2 The Value System and defining the delivery chain. The theoretical concept of the value chain visualized in Figure 10 has been used to frame, in a clear way, where the value system has its focus, in order to present how the service will be performed and how the channel setup affect the B2B company’s business.

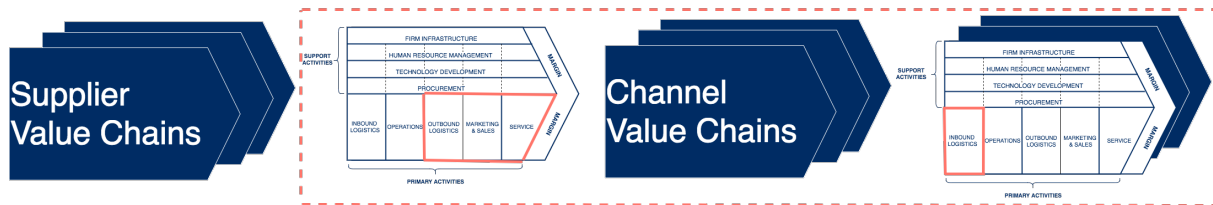


Figure 10: The delivery chain

The theoretical concepts that answer the question “what?” i.e. what will be investigated, is presented in section 3.3 The service offer and 3.4 Delivery Service Elements. Two models will be used.

The first concept, Figure 11, presented by Jonsson & Mattsson (2016), with complementary theory from Kotler & Armstrong (2015) & Grönroos (2007), will be used to analyze *what* will be involved in the distribution offer and decide when the investigated service is performed. This facilitates continued analysis of which areas of improvement should be prioritized.



Figure 11: The activities included in customer service (Jonsson & Mattsson, 2016)

Further, the concept of delivery service and its constituent elements, presented in Figure 12, will be used to answer *what* the customers consider to be essential for an attractive distribution offer and *what* the offer should include.



Figure 12: Delivery service elements (Jonsson & Mattsson, 2016)

These main theoretical concepts and models were combined into the theoretical framework that will help to achieve the purpose of this master thesis: *describe and analyze how a commercial enterprise in a mature industry can develop an attractive and customer-oriented distribution offer in order to gain market shares and optimize the delivery chain in accordance with future trends*. The framework is presented in Figure 13 below.

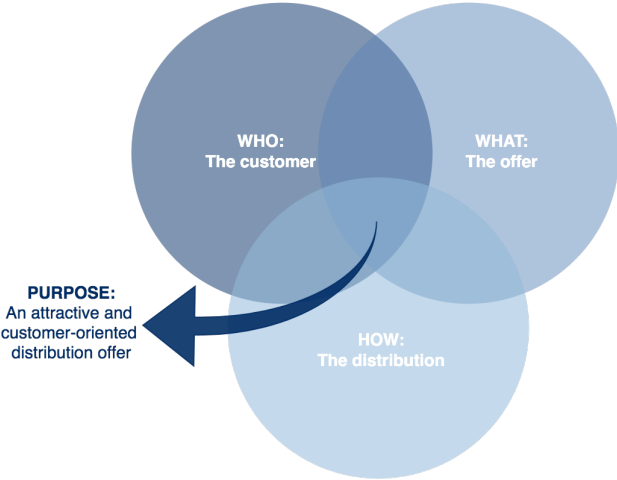


Figure 13: The theoretical framework of the study

4 Empirics

This chapter will present the empirical findings of this study. The chapter is divided into four sections. In the first section, the case company Luna and its organization and business is described. In the second section, general trends and market characteristics of the different customer segments are described as well as their business buying behavior and a comprehensive view of the trend of e-commerce in the B2B market. The third section describes current service solutions in the delivery chain and how the requirements of delivery services are changing. Finally, the fourth section describes the findings related to the investigated customer segments in terms of the results obtained from the surveys.

4.1 Introduction of the case company

This section provides a description of the case company Luna. The section will describe the organizational structure and business idea. Further, it will present the Swedish organization and its operations as well as its products, customers and logistics setup.

4.1.1 Description of the case company

Luna is a supplier of high quality tools, machines and consumables for professional use with coverage in Northern Europe. The company conducts business in the Manufacturing industry, the Building Materials industry, and is in the process of introducing a new customer segment, Auto, in the Automotive Repair industry. Luna was founded as a wholesaler business for tools and machinery in 1917 by Carl Lindahl in Alingsås, Sweden (Luna AB, 2017a).

The corporation has a total turnover of 1.5 billion SEK and offices in eight countries; Sweden, Norway, Denmark, Finland, Estonia, Lithuania, Latvia and Poland. The company conducts business in a total of 30 countries. Excluding the previously mentioned ones, the business is made up by a sales presence but no physical office (Luna AB, 2017b)

Until recently, Luna has bought their logistics services from a fellow subsidiary and did therefore not have a logistics department of their own for this function (Fredell, 2017a).

4.1.2 Organizational structure of Luna

Luna is part of Bergman & Beving, which is a holding company that develops, acquire and provide strong brands within the Manufacturing and Building Materials sectors, see Figure 14. Luna belongs to the business unit Tools and Consumables (Fredell, 2017a).

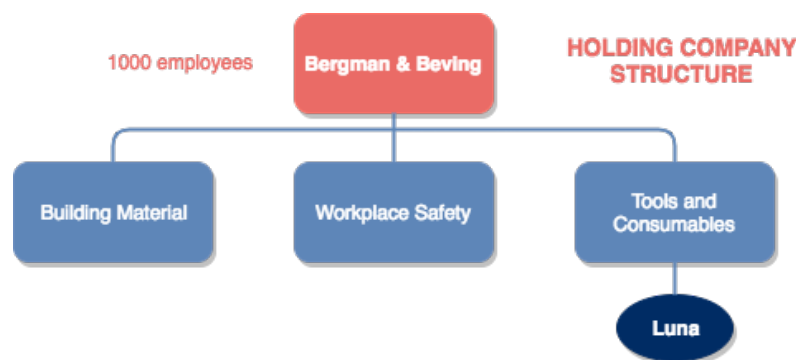


Figure 14: The organizational structure of Bergman & Beving (Adapted from interview, Fredell, 2017b)

Luna's business is run from its headquarters in Alingsås. The Luna structure is laid out according to Figure 15, consisting of three incorporated companies; Luna Sweden, Luna Norway and Luna International. A fourth, Luna Auto is currently being set up (Fredell, 2017a).

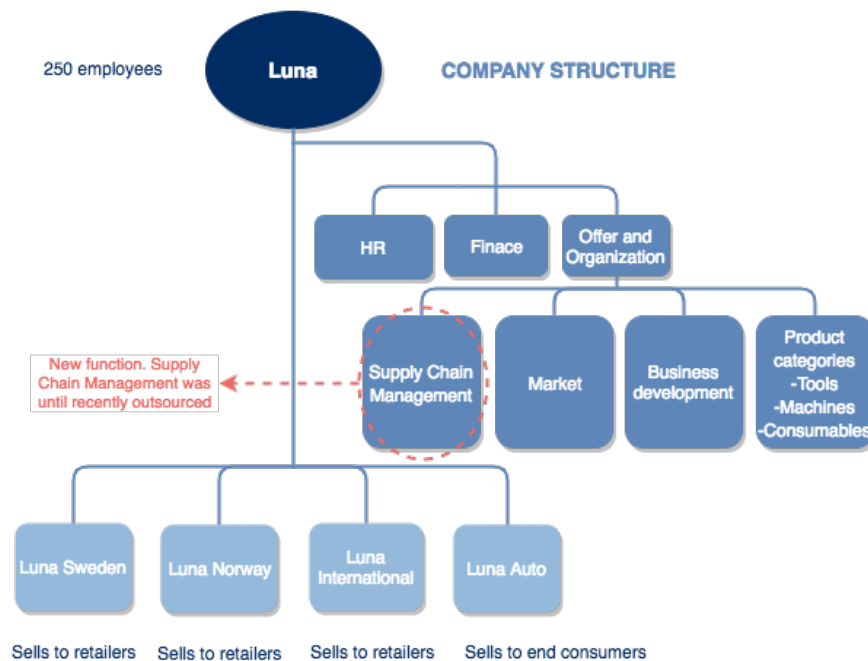


Figure 15: Company and management Structure of Luna (Adapted from interview, Fredell, 2017b)

4.1.3 Business objective, idea and vision

Luna aims to optimize their customers' business where the objective is to give creative people the right tools in order to achieve their goals (Luna AB, 2015). The business strategy of Luna is to be able to accumulate the buying power of its customers towards the suppliers and this way negotiate better prices for its customers than they themselves would have been able to (Fredell, 2017b).

The business idea is formulated as follows (Luna AB, 2017d):

“We make the everyday life of our customers easier, more secure and profitable. Through the broadest assortment of strong brands and concepts within tools and machines, together with consulting and services, we satisfy customer unique needs.”

The company sells both external brands and in-house produced products. The business model of Luna's own brands is to fill gaps in the market which their suppliers do not cover. The general rule here is to give 90 percent quality at 75 percent of the price. Another range of brand owned products are those in the lower price range. These are the products that private market consumers generally buy. Nonetheless, the more common end consumers of the company, craftsmen, buy these products as well (Fredell, 2017b).

The Luna vision is (Luna AB, 2017d):

“... to become the customer's best choice. To get there, we need to understand the customers' demand and offer more concrete added values. We also have to be where the customers are.”

4.1.3.1 Tail spend management

The general concept of tail management is a concept based on the Pareto principle, also referred to as the 80/20 rule, which can be used to classify customers. When applied to customer segmentation, Pareto's law assumes that 20 percent of a company's customers are responsible for 80 percent of the turnover and/or the larger profit (Lumsden, 2007).

The general supplier of the Luna has a customer layout according to Figure 16. Around 20 percent of the customers are responsible for about 80 percent of the sales turnover. Accordingly, the last 80 percent of the customers make up just 20 percent of the sales.

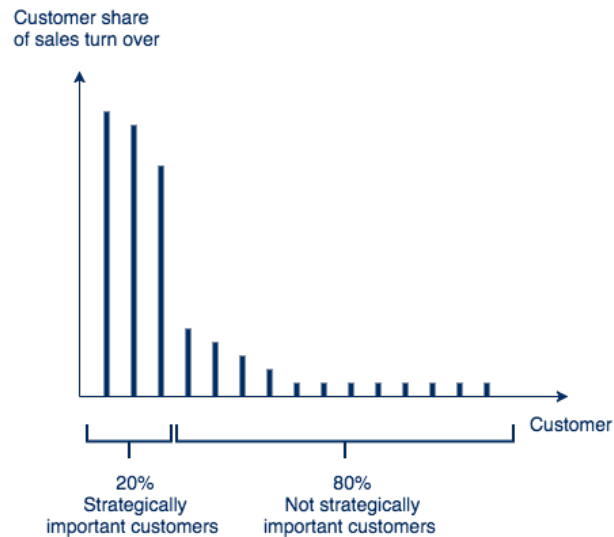


Figure 16: Illustration of Tail spend management (Adapted from interview, Fredell, 2017b)

The latter 80 percent are not as strategically important to the suppliers and is willingly handled through one customer, who is Luna, in accordance with *tail spend management*, see Figure 17 below.

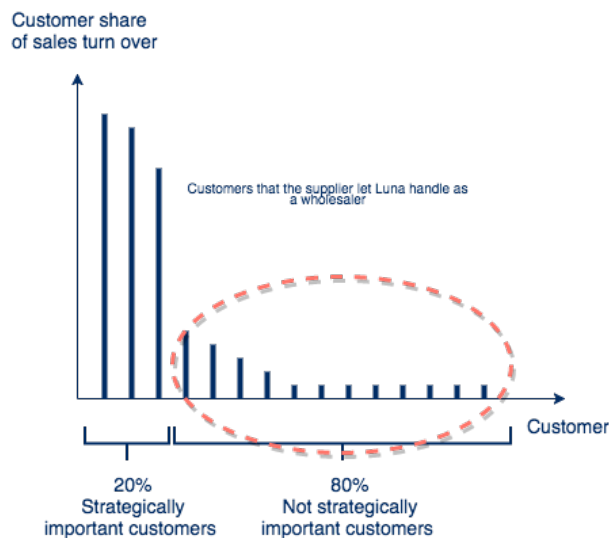


Figure 17: Illustration of Tail spend management and the 80 percent of customers that Luna handles (Adapted from interview, Fredell, 2017b)

The current challenge is that the smaller companies (buying smaller quantities and therefore represent the latter 80 percent of the suppliers “tail”) are being acquired by larger companies and are therefore becoming part of the giants that Luna is unable to compete with, illustrated in Figure 18 (Fredell, 2017b).

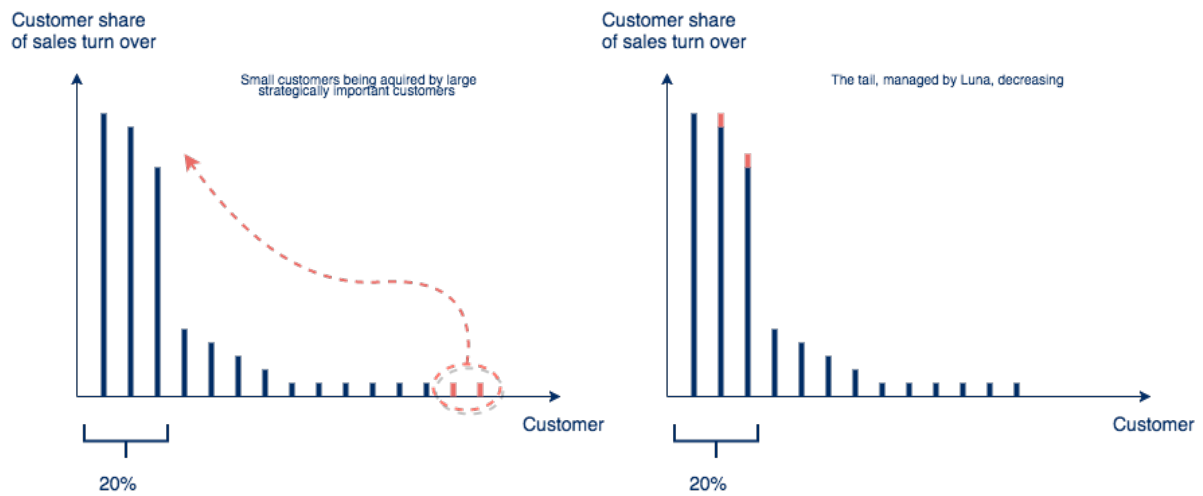


Figure 18: Illustration of Tail spend management and smaller customers being acquired by large strategically important customers (Adapted from interview, Fredell, 2017b)

4.1.4 Luna Sweden

The Swedish organization of Luna consists of 37 persons in total and has a turnover of 750 MSEK. The structure is laid out according to Figure 19.

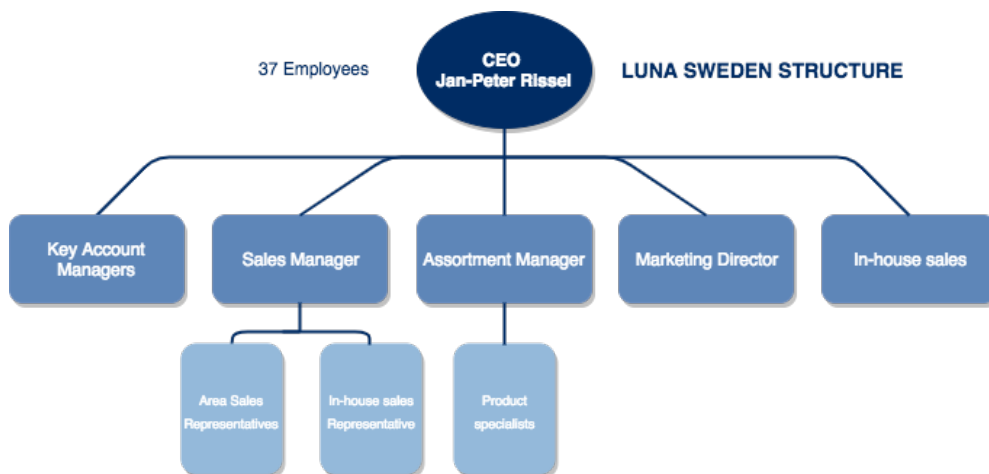


Figure 19: Structure of Luna Sweden (Adapted from interview, Rissel, 2017)

There are three key account managers (KAM) responsible for the larger centralized retail chains where framework agreements are used. The sales manager and eleven sales representatives are responsible for the decentralized customers, segmented as A & B customers. Each sales representative ensure that the objectives are met and that customers have the right product assortment in stores for their specific market area. For the smaller decentralized customers, segmented as C customers, the organization has one phone sales representative. The ABC-segmentation is primarily based on turnover of sales. Further, Luna also segments their customers according to market share, i.e. what future potential exists in the product areas. Thus, A3 customers are the customers with highest turnover of sales and highest future market potential (Rissel, 2017). The segmentation is presented in Table 5 below. More information about the customers is presented in section 4.1.7 Customers.

Table 5: Luna Sweden customer segmentation (Adapted from interview, Rissel, 2017)

Customer category	Potential		
	Low (> 75% market shares)	Medium (25-75% market shares)	High (< 25% market shares)
A (Purchase > 800' SEK)	A1	A2	A3
B (Purchase 300-800' SEK)	B1	B2	B3
C (Purchase 0-300' SEK)	C1	C2	C3

The product specialists, operating under the Assortment Manager, possess the technical skills within the organization and are responsible for the technical knowledge of the products. In addition to these business units, the Swedish organization also comprises a marketing department and an in-house sales department (Rissel, 2017).

The number of KAM's and the importance of the position will grow in the future, due to the trend of consolidation and centralization of Manufacturing industry and Building Materials retailers (Rissel, 2017).

The sales force is also responsible for customer service in the organization as Luna Sweden do not have a separate unit. If problems occur, customers should primarily contact a sales representative by telephone (Rissel, 2017) otherwise through the provided contact form on their homepage (Luna AB, 2017c).

4.1.4.1 Sales channels

4.1.4.1.1 Catalogue

Historically, Luna's primary sales channel has been their catalogue (Fredell, 2017a). The catalogue was published for the first time in 1921 and covers Luna's range of approximately 40 000 stocked products (Luna AB, 2017d). The customer could buy all needed tools and consumables in one purchase, all gathered in the catalogue (Orre, 2017).

4.1.4.1.2 E-catalogue

Since 1999, the catalogue is available online at Luna's e-platform Toolstore and most orders today are made through this sales channel (Rissel, 2017; Orre, 2017).

The tools and consumables industry is lagging behind other industries when it comes to e-commerce (Rissel, 2017). This is an inherited problem from Luna's customers. The company is on the verge of launching a new modern platform for easy purchases for their customers. The inherited problem lies in the base of the end consumers, who also demand an easy Internet based purchasing platform. Some of Luna's customers are not keeping up with this trend and do not offer modern solutions for their customers. As a consequence, the retailers lose sales and the lost sales on their end affect Luna (Fredell, 2017b).

The trend of e-commerce opens up a market that facilitates price comparison and globalization. The customers that *only* care about price and not at all quality are therefore not relevant for Luna as they are not big enough to compete in price with the tools that can be bought via companies such as Ali Express (Fredell, 2017b)

4.1.4.2 Competitors

In the Swedish market, there is only one other company with the same business model as Luna within the Manufacturing and Building Materials industry, this is Thomée. The main competition is instead the company's suppliers, where Luna can identify different competitors depending on product category. The competition stems from the fact that the suppliers can of course steal market shares from Luna if they sell directly to the retailers (Fredell, 2017b).

The Executive Vice President of Luna, Oscar Fredell, explained in the conducted interview 5th of October their future challenge as:

“The challenge of Luna is to prove its worth as a company. You need to find your place in the chain. If we have for example 50 000 products in stock, we are quite small in comparison to for example Ahlsell who have somewhere around 100 000 in stock. Though, only about 20 000 of these products are within the tools and consumables industry. What Luna offers is then to supply the remaining 30 000 products ”

4.1.5 Product assortment

The company carries an assortment of 40 000 products and has more than 500 suppliers. Luna also offers services within repair, installation and maintenance. The physical products are divided into three segments; tools, machines and consumables (Fredell, 2017b). These are further divided and make up eleven categories of products, see Table 6.

Table 6: Luna's products and service offerings (Luna AB, 2017e)

Products	Service Offerings
<ul style="list-style-type: none"> • Hand tools • Machinery • Power tools accessories • Cutting tools • Measuring systems • Compressed-air technology • Torque measurement tools • Welding and abrasive tools • Chemical engineering solutions • Garden utilities • HVAC technology • Electricity & lighting • Locks & fittings • Construction supplies • Kitchen and cleaning tools 	<ul style="list-style-type: none"> • Luna Service <ul style="list-style-type: none"> ○ Repairment ○ Installation ○ Maintenance

Currently, Luna has eight in-house brands but is in the process of reducing this number to five. The in-house produced products make up about a third of the total sales turnover (Fredell, 2017b).

4.1.6 Logistics setup

The logistics setup and distribution offer have been the same for a longer period and are considered outdated. A restructuring of these is therefore now being planned. The old structure of distribution is based on internal structures and a, for the subsidiary logistics company that handles the distribution, cost efficient way of delivery. Based on new conditions, including an automated warehouse located in Gothenburg (see 4.1.6.1 New warehouse solution below) and a new platform for e-commerce, the company is now seeing an opportunity to reconfigure their distributions structure with the customer perspective as vantage point. A new logistics service provider will be contracted for these services in the implementation phase (Fredell, 2017b). Though, this is not part of the scoop for this thesis, see 1.3 Delimitations.

4.1.6.1 New warehouse solution

The company has chosen to outsource their *warehouse logistics* to a third-party logistics provider (3PL) called Speed. The new automated warehouse located in Arendal, Gothenburg, will be more efficient than the current, manually handled, warehouse in Ulricehamn, resulting in reduced warehousing costs and a more profitable setup for Luna (Petersson, 2017).

4.1.6.2 Order placement

The customers place orders either by telephone to an in-house seller or electronically through Toolstore, where the latter accounts for 90% of the orders. Luna believes that e-orders will increase but emphasizes the importance of personal contact, making the option of phone orders vital. If problems occur, customers should primarily contact an in-house sales representative by phone (Rissel, 2017).

4.1.6.3 Delivery

Today Luna has a standard delivery time set to two days in the Swedish market. Customized solutions are possible for Luna's customers, but not yet standardized (Rissel, 2017).

The agreement for delivery is normally before 4 PM without specific time windows. Customers generally have higher requirements on speed and price of delivery than specific time windows (Rissel, 2017).

Today, the warehouse distributes many small shipments every day, which is costly and consolidation of goods is not common (Petersson, 2017; Bergsman, 2017).

4.1.6.4 Traceability

Traceability is offered to the customers through Toolstore both in terms of stock levels and tracing goods. The customers must themselves actively log into Toolstore to get the information. Generally, no information is provided through mail or text message services. Exceptions apply for expiring products on an ongoing order where the customer will be reached by email with an alternative product if available. Historically, this system has been good but customers are now asking for proactivity in terms of distribution (Petersson, 2017; Rissel, 2017). There is also potential for upsell through dynamic product suggestions within Toolstore for ongoing purchases. For example, if a customer places a lamp in their cart, they receive the alternative to buy a stand as well (Rissel, 2017).

4.1.6.5 Cost of logistics

An addressed problem is that of relevant pricing of logistics and how one should control it. This problem is mentioned in several interviews. Depending on type of product and geographic location of the customer the price of logistics will differ. Another factor is that the sales representatives do not have sufficient logistical knowledge and sometimes offer costly solutions as selling points to the customers. Solutions that the customers not always want but will accept as an added service even though it does not add a particular value for them. This results in unnecessarily high logistical costs for the company (Bergsman, 2017; Stockman, 2017; Petersson, 2017).

4.1.7 Customers

What is a unique competence that set Luna apart is the ability to offer a knowledgeable sales force and local expertise. The customers that need this, mostly professionals, are therefore the primary customers of Luna (Fredell, 2017b).

Luna operates in the B2B market. Their current customer segments are retailers in Manufacturing and the Building Materials industries. Goods are sold to retailers, though Luna sometimes delivers directly to the end consumer via inquiry of their retailer customers, see Figure 20. The organization is in the process of introducing a new customer segment, Auto industry, in the fall of 2017. The segment differs from the two previously mentioned as Luna here sells its products directly to the end user. The segment will conduct business in Sweden as well as other countries (Fredell, 2017a).

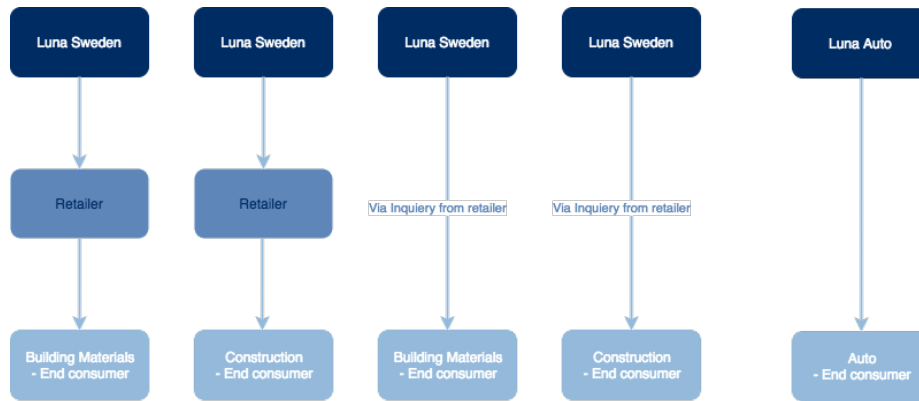


Figure 20: Distribution channels setups of Luna Sweden and Luna Auto (Adapted from interview, Fredell, 2017a)

4.1.7.1 Manufacturing and Building Materials retailers

The customers in the Manufacturing and Building Materials industries consist of retail chains and independent retailers. The chains could either be centralized, where decisions of suppliers and products are controlled higher up in the organization, or decentralized i.e. each store is responsible for these decisions (Rissel, 2017).

The organizational setup differs for the various decentralized stores. Either, they are independent retailers or they belong to a larger retail chain but have a decentralized management. The latter could either be shareholders in a larger retail organization with local agreements or operate as a franchise (Rissel, 2017). These decentralized retail chains often have central agreements with recommendations for selected suppliers and brands within the organization that each store should have, but the final product and supplier decision is up to each store to decide (Customer 3, 2018).

4.1.7.2 Auto

The new customer segment Auto will be the initial step into a new channel setup selling directly to the end consumer. The customer segment includes workshops that perform general service and maintenance of automotive vehicles (Bergsman, 2017).

4.1.7.2.1 Strategy

The strategy for the new customer segment is not to enter the new market with price or product. Instead, the business idea will be based on streamlined flows, offering the customer a setup where they can save time and perform an increased number of jobs per day. The product range strategy will thus be more customized with a wide product range rather than pushing for specific brands. The idea of bringing “lean-thinking” into the Auto segment is new and has not been offered by any of the competitors before (Bergsman, 2017).

One of the primary offers will be leased equipment where temporary stations are set up for a definite time. An example of this would be all tools needed for a tire change. A setup that is predominantly seasonal. The investment requirements in the Automotive Repair industry are often large and some tools are only needed on a few occasions, which make leasing a better choice for the customer (Bergsman, 2017).

To facilitate a complete coverage of what an Auto workshop may need, without too many large investments on Luna Auto’s end, the company has initiated collaborations with a company that supply large machines such as cranes. This as the company supplying this type of equipment already has a strong market position which would be hard for Luna to compete with and would require vast investments (Bergsman, 2017).

As an additive market strategy to gain brand knowledge in the new market Luna Auto are sponsoring a driver in Rally cross (Bergsman, 2017).

4.1.7.2.2 Competitors

Being a new player in the segment implies both challenges and possibilities. One of their main competitors is Würth (Bergsman, 2017), a supplier of consumables, tools and machinery for the construction, automotive, craft and engineering industries (Würth Svenska AB, n.d.).

For the Automotive Repair industry, Würth provides a total offering of products, services, maintenance and expertise. They have a wide range of services, including what they call *Logistics for you* where they offer the customer the option of different logistics services and delivery solutions (Würth Svenska AB, n.d.).

4.1.7.2.3 Markets

The market has the potential of a large customer base in Scandinavia. The primary choice of market for the new segment is Norway as it is a profitable market with high margins on tools and consumables and many auto repair shops (Bergsman, 2017).

4.1.7.2.4 Sales Channels

The primary channel for the new customer segment will be e-commerce. Luna Auto wishes to utilize e-commerce to a larger extent than before. Luna Auto will also offer a tablet solution where the customers can order consumables e.g. screws and nuts directly from the supplier but with Luna's delivery note. The existing assortment in Toolstore will be adjusted for this customer segment. The second channel will be the sales force with consultation, including direct sales, services, and marketing (Bergsman, 2017).

4.1.7.2.5 Key Resources

The strategy is to establish a more assortment-based competence in this segment. Luna Auto's objective is to create a long-term relation, trust and develop a customized solution with the customer. Luna currently has one assortment specialist in Norway who supplies the sales force with the products and collects feedback from customers (Bergsman, 2017).

4.2 Understanding the B2B customer of today

This section aims to provide a description of the market characteristics of the investigated industries to obtain a greater understanding of the customers. First, general trends within each segment are described from secondary sources. The second part will describe the findings related to the customers' business buying behavior conducted from interviews and reports. Finally, the section will describe the trend of e-commerce in the B2B market together with its possibilities and challenges.

4.2.1 Trends and market characteristics

4.2.1.1 General trends in the Building Materials industry

The Building Materials industry in Sweden has experienced major structural changes during the last 20 years. The market has evolved from traditional small family owned companies to large chain designs with centralized or decentralized organizations. Small retailers have chosen to enter conglomerates with independent companies or have been acquired by major international retail chains. The large international companies saw an opportunity for consolidation and the offer of low price products in a not sufficiently developed market which has operated with the same historical methods and patterns for generations (Abrahamsson, Rehme & Sandberg, 2011).

The Building Materials industry in Sweden is estimated to around 40 billion SEK a year. However, the size of the market is hard to characterize due to the large assortment mix (tools and supplies, outdoor furniture, major appliance etc.) and the fact that the distinction between the subsectors is blurred. The private market, often called *do-it-yourself* (DIY), is rapidly growing compared to the business consumer market (Abrahamsson, Rehme & Sandberg, 2011).

According to Abrahamsson, Rehme & Sandberg (2011), the major global trends in trade important for Swedish trade and logistics are:

- *Geographic expansion*
- *Private labeled products*
- *Specialization of store concept*
- *Consolidation and vertical integration*

There are three types of actors in the industry, the large retail chains with an assortment of around 70 000 articles in store with 130 000 additional articles available to order, traditional companies with about 10 000 articles in store with up to 600 000 articles available to order and discount stores with around 1300 articles in store. From a logistical perspective, the range of articles creates opportunities and challenges. Large volumes set requirements on distribution centers and the more stores, the higher will the requirements be on the refill systems (Abrahamsson, Rehme & Sandberg, 2011).

According to Abrahamsson, Rehme & Sandberg (2011), many Building Materials companies have decreased the supplier base to focus on closer long-term relationships. The reduction is a result of increased focus to offer the customers more supplementary services and knowledge of the products, and on integration of the supply chain. A better understanding of the customers' needs has resulted in a change in power balance within the supply chain. The building materials companies have become the customers extended link towards the suppliers, instead of the other way around. The trading companies have increased their influence and control of the supply chain and are more active in value adding activities. The trading companies have also taken a more active role in the logistics activities such as distribution, warehousing and procurement than before. The supply chain integration has resulted in awareness that consolidation enables efficiency improvements in terms of bundling, planning and coordination of goods from different suppliers to different stores (Abrahamsson, Rehme & Sandberg, 2011).

There are different logistics setups depending on size of the Building Materials company. The most common distribution today is direct transport from supplier to store, even though several of the larger companies have central warehouse or distribution center solutions. According to Abrahamsson, Rehme & Sandberg (2011), the more decentralized a chain is, the less developed and unorganized is the logistics, and efficient logistics require investments in central functions such as central warehouses or distribution centers (Abrahamsson, Rehme & Sandberg, 2011).

4.2.1.2 General trends in the Manufacturing industry

The Manufacturing industry plays an important role in Sweden's economic future and a major part of the GDP growth. The Manufacturing industry employs approximately 600 000 Swedes, of which 200 000 are employed in foreign-owned industrial companies. Many of Sweden's most innovative and internationally successful companies are in the Manufacturing industry (Business Sweden, 2015). The industrial companies emphasize the importance of having the production located close to the customers and markets. Companies also want better control over their supply and production chain resulting in more local sourcing and research and development (R&D) is brought closer to the manufacturing as well. Further, the trend of flexibility, speed and innovation, over having production in low-cost countries have resulted in "onshoring" and more investments in operations in Sweden to meet customer demands (Business Sweden, 2015).

The introduction of high technology has become a matter of survival as the society is digitizing in an ever-faster rate. The increasing demand of customization requires a flexible production capacity to handle the demand of smaller batch sizes. The companies will then be dependent on technology solutions that enable fast cost-efficient reconfigurations in order to stay competitive and meet the demand on orders at any given time (Tieto, n.d).

The new innovative technology, automation, streamlining of processes and new working procedures have not only boosted the production in Sweden and increased manufacturing volumes but also changed the way of how to look at labor hours and costs (Business Sweden, 2015).

4.2.1.3 General trends in the Automotive Repair industry

The Automotive Repair industry is going through some major changes. Similar to the Building Materials industry, consolidation is one of the main trends both for service and damage workshops. Venture capital companies, national and international, invest in the Swedish automotive damage market. This has accelerated consolidation, where not only venture capital companies acquire, but also competitors acquire each other to achieve large organizations and cope with the changing environment (Creutzer, 2017).

Damage repair workshops have a different base of customers than the service workshops where insurance companies are the largest customers. A problem has arisen as the insurance companies target cooperation with larger organizations and whilst trying to push the costs down, making it tougher for smaller independent workshops to survive (Creutzer, 2017).

Structural changes with increased digitization, autonomous driving and connected vehicles in combination with general changes in society such as urbanization and requirements on sustainability will have major impact on the workshops (Holm, 2017a). They will face the challenge of higher demand of technical expertise and the improved wear parts on the new generation of cars imply longer service intervals (Creutzer, 2017). However, the growing technology of today's vehicles will generate greater benefits to both consumers and the environment (Holm, 2017b).

Today, many automotive manufacturers require that the workshops sign agreements to become an authorized brand specific workshop in order to receive the information needed to repair a car (Olander, 2017). The manufacturers make it harder to get direct access to the car's entire digital content (Holm, 2017a). To ensure a free choice of workshop for the consumers, as it is today, the decisive factor is that workshops in the free aftermarket that constitute repair and maintenance services are given access to data in the vehicle (Holm, 2017b).

The agreements between the two parties often comes with high investment requirements such as expansion of the property or procurement of highly specialized tools for their vehicles (Creutzer, 2017). It can be very expensive to become an authorized workshop especially for those who want to cover "all" brands (Olander, 2017). Nevertheless, the investment requirements have the advantage of eliminating unreliable actors from the market and the loyalty for the industry increases (Creutzer, 2017).

The majority of the studied workshops in this thesis operates both as service and damage workshops, and is thus analyzed as one type of workshop.

4.2.2 Business buying behavior in the studied customer segments

4.2.2.1 The buying decision process

The Auto segment does generally not have a structured procurement process, as the routine is very simple (Customer 1, 2018). For the Manufacturing and Building Materials segments, the buying decisions process depends on the size of the organization. Smaller organizations do not have a purchasing organization and the decisions are easy handled without specific routines as a result of the low number of participants (Customer 2, 2018). For larger retail organizations, they have clear and structured routines for buying tools but a specific process or template is not used (Customer 3, 2018).

Most of the volume is procured through the suppliers e-catalogues and procurement by telephone or email occur primarily when they need explanations of ambiguities in the product catalogue (Customer 1, 2018; Customer 2, 2018; Customer 3, 2018).

However, the buying decision is not just a matter of size of the organization but a question of generation. For the two current customer segments, older customers both in terms of age and the length of the relationship, place orders by telephone or email. They value the relationship with the salesman over the existing systems. The younger customers, both age and relationship, use the provided ERP systems when placing orders (Petterson, 2017). Despite these differences, the customers describe that the relationship with the supplier can in the end be decisive for a purchase (Customer 2, 2018; Customer 3, 2018).

The importance of relationship can also be seen in the new customer segment Auto. They value good customer service in terms of which products they should use as the suppliers often have good knowledge of the products and can advise on different tasks in the workshop (Customer 1, 2018).

4.2.2.2 Environmental influences on the buying behavior

4.2.2.2.1 Price and volume

For Auto, there are some products where workshops need to procure larger volumes, though this is not applied for tools. Different types of cars and brands entail smaller stocks of consumables and tools and smaller order batches. Small stocks of tools such as adjustable wrenches exist due to the need for easy accessibility in the workshop and that some tools break.

For the Manufacturing and Building Materials segments, the purchase of tools is primarily made for replenishment in the stores where they try to purchase continuously in small batches. However, some of the larger organizations make their buying decisions based on inventory levels while smaller customers such as the independent retailers or decentralized chains often buys larger volumes by taking advantage of discounts and campaigns. When the customers apply Cherry-picking i.e. looking for the best price, they often buy more volume than needed (Petterson, 2017; Customer 2, 2018; Customer 3, 2018).

Price is less important than quality, both in terms of products and logistics for all customers. However, when it comes to consumables, the customers often tend to go on price (Customer 2, 2018; Customer 3, 2018). The Auto segment also finds it relevant to procure from a supplier that offers discounts according to yearly-procured volume (Customer 1, 2018).

4.2.2.2.2 Requirements

In addition to the importance of the supplier relationship, the customers have other requirements that affect the buying decisions. As described in 4.2.1.3 General trends in the Automotive repair industry, the Auto workshops can in some cases be forced to procure brand-specific tools from the car manufacturers when they are authorized for some specific brands (Olander, 2017). They also have requirements and guidelines from the insurance companies on materials of the consumables and the tools used in the workshop in order to get the work approved (Customer 1, 2018).

The Manufacturing segment have several requirements when it comes to placing orders in the e-catalogue which influence their buying decisions. They find it important that prices, delivery requirements and order requirements e.g. if you have to purchase larger quantities of a certain product, should be clearly stated in the e-catalogue. If they must procure a yearly volume in one purchase, they may choose to not procure from that supplier (Customer 3, 2018).

4.2.2.2.3 Guarantees

Different kinds of guarantees are critical factors for procurement of tools. Even if the guarantees are costly, the Auto customers are willing to pay more for predictability e.g. logistics in order to be able to offer more value to their customers. The agreements of guarantees could be important when choosing between two equivalent suppliers (Customer 1, 2018). There are cases where the Manufacturing segment have chosen to end a supplier cooperation due to non-fulfilled logistics guarantees and requirements, mostly due to too long lead times (Customer 3, 2018).

4.2.2.3 Organizational factors

4.2.2.3.1 Organizational structure

The organizational structure can influence the buying decision, especially for the Manufacturing and Building Materials industries. For the retail stores, the centralized organizations often have a central purchasing group where the purchasers are responsible for negotiating prices and the product catalogue for all the stores. Therefore, the people responsible for order placement in the stores do not have the power to influence the supplier selection or the purchase price with the predefined product range (Pettersson, 2017; Abrahamsson, Rehme & Sandberg, 2011).

The decentralized chains have more flexibility. In some cases, the central organization set requirements for how to evaluate and choose suppliers, which the stores then can apply. Each store has the possibility to choose the centrally agreed product catalogue or choose another supplier more appropriate for their requirements and needs. However, the central organization has requirements on their stores. For example, environmental aspects are a hot topic and included in many guidelines and policies, both for product structure and logistics performance. The environmental aspect therefore influences how they make their buying decision (Customer 3, 2018).

The decentralized chains often consist of individual stores or groups of stores with a joint purchasing organization or group. The idea of this purchasing group builds on a balance between a larger central product range and the freedom given to individual stores to expand their range as needed. The trade-off is that central control eliminates the ability for the individual store to respond to their local market and decentralized control reduces the important aspects that a purchasing group provides (Abrahamsson, Rehme & Sandberg, 2011).

For the Auto industry, the difference between centralized and decentralized, or independent, workshops is that as a part of a centralized chain you *generally* procure your tools and consumables through the centralized organization and the distribution of products will then be managed by the central organization. However, the workshop chains emphasize that the associated workshops should

be owned and operate as a separate companies (Customer 1, 2018; AD Sverige AB, n.d.; Autoexperten, n.d.; Meca Scandinavia AB, n.d.; Mekonomen Group AB, n.d.).

4.2.2.3.2 Participants

Number of participants varies depending on the size of the organization. Larger customers, for example Building Materials retail chains, often have structured purchasing organizations (Customer 3, 2018) with both purchasers, logisticians and category managers who are responsible for e.g. hammers, cleaning items, whom places the orders for these categories (Petterson, 2017; Abrahamsson, Rehme & Sandberg, 2011). The number of participants can vary from three up to ten people (Customer 3, 2018). The smaller the companies are, the fewer are the people that are responsible and participate in the process. Independent retailers often have one person accountable for several positions within the organization (Petterson, 2017; Customer 2, 2018). Normally, the person responsible for the product segment places the orders without a further discussion with e.g. the store manager (Customer 2, 2018).

Similarities can be found in the Auto segment where there normally is up to three people responsible for the buying decisions. The workshop manager is responsible for the order placement to be done, but the person placing the order could differ depending on size and value of the order. In some cases, the technician/team leader can order some products by himself/herself while the CEO should review larger investments (Customer 1, 2018).

4.2.3 The trend of e-commerce in the B2B market

The potential of e-commerce in the B2B market have been a hot topic for years. Organizations in the B2B market see e-commerce as an increasing opportunity and a more important channel for business than before. The development of e-commerce is driven by B2C and B2B is lagging behind (Litium, 2016).

A study made by Litium (2016) in cooperation with Hägvall & Sjöman shows that among companies that do not yet trade in e-commerce, more than 50 percent say they will offer their customers a digital sales channel within three years. Today, the e-commerce between companies show a growth of 10-15 percent per year and 93 percent of the B2B companies with established e-commerce platforms believe that the market will increase even further (Litium, 2016).

E-commerce is most common within larger companies with more than 250 employees where an average of 28 percent of the turnover come from e-commerce. For small-medium enterprises with 50-249 employees, the e-commerce business stands for an average of 20 percent of the turnover. E-commerce is primarily vital among companies in the transport and warehousing, manufacturing and trade sectors. For the industries of trade and motor vehicle service centers, 22 percent of the turnover is from e-commerce (SCB, 2017).

According to Litium (2016), the reason as to why B2B companies have not come as far in the development of e-commerce mainly depends on the challenges of old routines and working methods. SCB (2017), on the other hand, presents that almost 50 percent of the companies in the B2B market find their products unsuitable for e-commerce which is considered the major determinant to expand the e-commerce business. Companies also address that logistics limit or prevent the possibility for their development (SCB, 2017). Further, organizations face challenges of transforming the complexity of B2B business to a digital platform in terms of customized solutions, price structures and contractual forms. The development of e-commerce raise the expectations on faster processes which in turn drive the demand of more efficient working methods (Litium, 2016).

As the B2B business buying behavior may change, so will the role of the seller. Increased digitization enables rationalization and sets new requirements on the organization. Seeing that, much of the journey of customer's purchase is made online, personal meetings will decrease and the importance of a strong digital channel will increase (Litium, 2016).

4.3 Customer service in the delivery chain

The objective of this section is to describe the current service solutions in the delivery chain, how these can differ between B2C and B2B and how the requirements of delivery services are changing. This to optimize the delivery chain in accordance with future trends. First, the section will give a comprehensive view of current delivery solutions on the market for both B2C and B2B. Thereafter, the section describes the changing requirements of logistics and distribution within the B2B market.

4.3.1 Delivery service solutions

As this master thesis aims to investigate the future trends of logistics and distribution with relevant existing possibilities, delivery solutions and options for both the B2C and B2B market will be presented below.

4.3.1.1 Delivery solutions business-to-consumer

For e-commerce products in the B2C market, the most common delivery solutions are presented in Table 7.

Table 7: Examples of delivery solutions for the B2C market (PostNord, 2017)

Click n' Collect	Home delivery with receipt	Home delivery without receipt
Collection point	Daytime	Postbox
Physical store	Evening hours	Outside the door
Package delivery machine	Work	

The collection point becomes a safe deposit for deliveries that does not fit in the recipient's own mailbox. The service of using a collection point usually offers a wide timespan for picking up the goods. Therefore, the consumer often chooses this option over having to be home and waiting for a home delivery (PostNord, 2017). Even though home deliveries are predicted as the trend for deliveries in the B2C market, collection point deliveries are to a greater extent more common (PostNord, 2017; Company A, 2017). The practicality of being at home makes home delivery more demanding and complicated compared to the flexibility of pick the order up at a collection point when it suits the recipient. The smart locks solutions or boxes exist to some extent with a strong potential for the future (Company A, 2017).

The delivery options also depend on the type of product ordered. Smaller product categories like pharmaceuticals and movies may fit into the customer's mailbox while for example delivery of furniture requires the customer to wait for a daytime home delivery (PostNord, 2017). The economic situation could also play a major role in how the deliveries are made. Economic expansion often entails more parcel shipments from customers whereas larger pallet shipments are sent during recession (Company A, 2017).

For future delivery options, most solutions imply fast deliveries that can be accessed outside the recipients' homes at any time of the day. PostNord (2017) presents these solutions for B2C customers:

- *Secure parcel locker next to your property*
- *Same-day-delivery*
- *Package delivery machine*
- *Delivery by a self-driving vehicle*
- *Delivery into your property by a one-time password*
- *Delivery by drone*
- *One hour delivery to your chosen destination*
- *Delivery to your car accessed through the trunk*

Preferably, consumers want their products delivered in a secure parcel locker by the entrance to their property (PostNord, 2017).

4.3.1.2 Delivery solutions business-to-business

Companies in the B2B market offer different logistics options for their customers. Examples of common B2B delivery options are presented in Table 8. Most options are retrieved from Würth, one of Luna's competitors in the Auto-segment and Bring Logistik AB, a logistics operator.

Table 8: Examples of delivery methods for the B2B market (Würth Svenska AB, n.d.; Bring Logistik AB, n.d.; Company A, 2017)

Delivery	Explanation
Service concept with rack systems	Cooperation agreement, visits from seller and control of minimal / maximal stocks for consumables
Container solution	Construction site supplied with consumables and products
Mobile trolley	For transportation between floors in construction or installation projects
Equipped car/van	All tools and consumables are placed in the vehicle
Express delivery	1-8 hours
In-night-delivery	Delivery after work hours where the supplier access the warehouse or store via a main key and deposits the goods
Express delivery: Next day before 12 PM	Assumed that the order has been received by 2 PM the weekday before
Normal delivery	Delivery next day before 5 PM. Assumed that the order is received before 5 PM the weekday before
Economy delivery	Delivery within 3 working days from received order

Delivery	Explanation
International distribution center delivery	Delivery within 3-5 working days
Planned order	Delivery on a specific date
Special order	Delivery according to agreements
Carry in parcels or pallets	Your parcels are carried into a place of the recipient's choice. For parcels, this could be a storage or desktop. For pallets, the driver can take the empty pallet away after it has been unpacked and carried in to the assigned place.
Flex delivery	Delivery without the receipt. Your delivery will be delivered to the recipient even if the person is not in place at the time of delivery and can acknowledge the shipment. The driver places the delivery in at a good location as possible without ordering a new delivery.
Notification - eAdvising	Possibility to inform your recipients via text message and/or e-mail that packages are on their way. Specified by time and address of choice. Consequently, recipients can easily plan their activities in collaboration with the delivery.
Telephone notification	Driver calls the recipient 30 minutes prior to arrival

4.3.2 The changing requirements of delivery service in the B2B market

4.3.2.1 Delivery

According to PostNord (2017), B2C customers have become increasingly impatient as for how long they expect to wait for a delivery. Many who were previously satisfied with two days delivery time are now expecting delivery the day after ordering (PostNord, 2017). Compared to the B2C market, the B2B market's tolerance for failure is higher where a rate of 95 percent delivery reliability is considered good. To some extent, they even expect errors to occur (Company B, 2017).

In general, the expectations from the B2B customers are changing towards a typical retail consumer. The B2B buyer applies their personal experiences within purchasing products into their professional life in terms of technology and logistical demands. The B2B market will therefore become more like the B2C market moving towards the zero tolerance acceptances when it comes to delivery failures (Company B, 2017).

Moreover, B2C customers' demand for flexibility and real time predictability is increasing (PostNord, 2017; Company B, 2017) and is considered more important than for B2B customers. B2C customers value real time messages to a smartphone or similar (Company B, 2017) and considers it important to be able to change the choice of delivery option during the process of delivery, such as delivery address or from home delivery to a collection point (PostNord, 2017). There are various logistics operators that offer this solution where the customer can order alternative deliveries directly to the driver. Company B (Interview, 10th November 2017) says that these solutions are not as common but approaching the B2B market where, for example, end-users in the Manufacturing industry are an interesting target group. Generally, the B2B customers track their orders in the supplier or carrier's

systems from the computer. These systems are considered outdated and, in many cases, very time consuming to use (Company B, 2017).

4.3.2.2 Time

Delivery time windows vary between industries and are sometimes customized. Deliveries to physical stores should usually arrive in a time-window between morning and noon, whereas traditional B2B industry demands smaller time-window, sometimes a specific time, particularly for companies operating in the B2C market (Company A, 2017).

4.3.2.3 Environmental awareness and impact

The customers are generally not willing to pay for environmentally friendly solutions. Luna as well as interviewees from transport companies are of the same opinion. It is suggested that even if this is something the customers' state is of importance, in reality, this is not true. Current customers would not accept a more environmental friendly mean of transportation such as train instead of truck since this implies a longer and more unreliable delivery time (Stockman, 2017). Even if logistics operators invest in development projects to ensure environmentally safe businesses, sadly, customers more often than not choose price over quality (Company A, 2017).

4.3.2.4 The need of customer service and requirements from the logistics operators

According to Company B (Interview, 10th November 2017) it will become more impersonal in the future in terms of customer service by the carrier. Customers will not to the same extent as now feel a need to socialize with the carrier. Transport will just be transport and nothing else. At the same time, the expectations of what logistics companies should offer increases, which requires more resources. The lack of will to pay for these resources is a problem in the B2C market. Here, customers rather assume free delivery on their orders. The problem is starting to arise in the B2B market as well, but at a slower pace, as they adapt the B2C view of faster and more flexible deliveries as prerequisites (Company B, 2017)

Company A (Interview, 7th November 2017) explains that, as the expectations arise, no sole actor can be an expert on everything. Logistics companies will be required in the future to choose their core specialty instead of delivering a comprehensive service range. The margins for logistics operators are decreasing and change is inevitable for long-term sustainability (Company A, 2017).

4.4 Customers' needs and preferences of services in the delivery chain

This section aims to describe the customers' needs and preferences regarding distribution by presenting the result from the conducted surveys.

4.4.1 Conducted surveys

The objective with the surveys was to investigate the *general need* of the customer segments as feasibility and implementation is out of scope and will be handled by the case company. The authors have instead reviewed the general need of customization, information, different lead times and the interest of added services, when designing the surveys. The relevance of the delivery solutions for the chosen populations was decided in consultation with the case company together with findings from market research.

After the reviewing the delivery service elements in consultation with gathered information it was concluded that the element of service level could be eliminated as this comprised a sufficient stock level which the company considered a prerequisite. Further, the areas of price, in relation to speed of delivery, and environmental impact from delivery were added as relevant factors when designing the questions. An more thorough explanation to why these factors were considered relevant and subsequently added can be seen under *Question 13: What is more important when it comes to the delivery of tools and consumables?* and *Question 15: Which are the three most important factors when it comes to delivery of products?* section 4.4.1.1 Results distribution offer survey.

The demarcation of solutions found from market research and interviews with logistics experts was made based on feasibility and relevance to the customer segments that were going to be investigated. For instance, several of the B2C market solutions, presented in section 4.3.1.1 Delivery solutions business-to-consumer, are not relevant for the chosen populations, such as the Click n' Collect solutions, as the B2B companies mainly by large quantities.

As described in 2.3.2.2 How the survey was conducted with the B2B customers, two surveys have been sent out. One to the two current customer segments Manufacturing industry and Building Materials industry, and one to the new customer segment, Auto industry. This section shows the compiled information of these. The first section, 4.4.1.1 Result distribution offer surveys, shows the result of the 15 questions *common for both surveys*. Section 4.4.1.1.1 Survey specific questions, shows the result of the *survey specific* questions for the different segments. Section 4.4.1.1.2 The two surveys sorted by centralized and decentralized organizations, shows the compiled result of the survey sent out to the Manufacturing and Building Materials segments, but here *categorized by organizational structure*, centralized or decentralized.

The questions and alternatives are to some extent adjusted and shortened. The original surveys were in Swedish and the alternatives were generally more specific and more thoroughly explained in order to avoid misinterpretation. For the original phrasing, see appendix 1. There are questions where the respondent could choose more than one alternative. The visual presentation of data for these questions is presented by the total percentage that chose a specific alternative. Most of the questions are designed in relation to the delivery service elements. For definitions of these, see section 3.4 Delivery Service Elements.

As described in the definition of the population, see section 2.3.2.3 Defining populations and choosing samples, the individuals receiving the survey should have relevant functional roles with some knowledge of the organizations delivery need and requirements.

4.4.1.1 Result distribution offer surveys

Question 1: What is your desired delivery time from a supplier in five years?

The question was designed in relation to the delivery service element *lead time* and asked to get an indication to what the desired delivery time would be in the future.

For the Manufacturing and Building Materials segments it can be observed in Figure 21 that more than half of the respondents want delivery the next day during work hours. A fourth want delivery the same day as the order is made but after work hours (in-night-delivery). No one is interested in a one- or two-week delivery.

For Auto, it can be observed in Figure 21 that a majority of the respondents are interested in delivery the same day as the order is placed (assuming the order is placed before 10 AM. See Appendix 1 for exact phrasing of alternative.) or delivery the next work day. Only three percent want a one-week delivery time and no one wants a two-week delivery time.

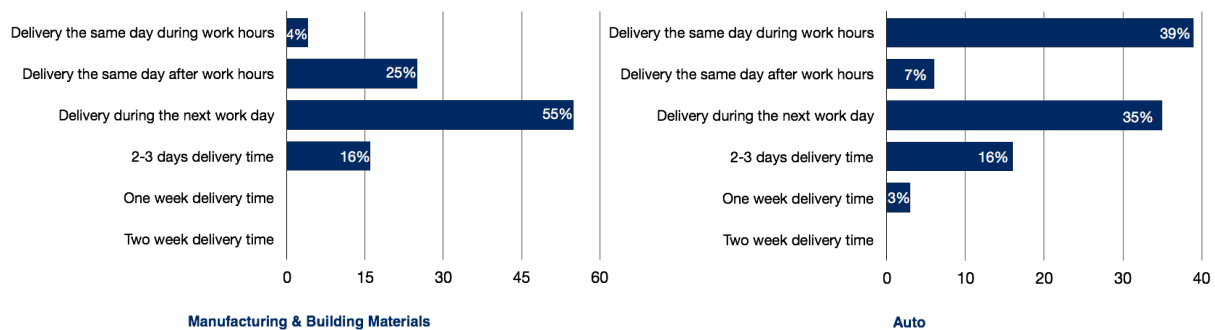


Figure 21: Graphs of what the respondents desired delivery time from a supplier is in five years

Question 2: Choose the alternative that corresponds the best in comparison to your current delivery time from Swedish suppliers.

The question was designed in relation to the delivery service element *customization & flexibility*. This question was asked in relation to their current suppliers and hence the point of reference is the current standard. The respondent is likely in business with suppliers which meet the desired delivery time standard. The willingness to pay more for a quicker delivery or accept a longer delivery time, if this implies a price reduction, is in relation to this. The answer is thus an indicator of *how flexible a company can or need to be*, when it comes to delivery time, and not a question of whether time is more important than price.

For the Manufacturing and Building Materials segments, with their current suppliers in mind, 26 percent feel that they could pay more for a quicker delivery but are not willing to accept a longer time of delivery, even if the price is reduced. 20 percent of the respondents are not prepared to pay more for a quicker delivery but can accept a longer delivery time if the price is reduced. 27 percent feel that they could pay more for a quicker delivery and accept a longer time of delivery if the price is reduced and the same percentage, 27, are not willing to do either. The result is shown below in Figure 22.

For Auto, the result in Figure 22 show that, with their current suppliers in mind, 29 percent feel that they could pay more for a quicker delivery but are not willing to accept a longer time of delivery, even if the price is reduced. 26 percent of the respondents are not prepared to pay more for a quicker delivery but can accept a longer delivery time if the price is reduced. 29 percent feel that they could pay more for a quicker delivery and accept a longer time of delivery if the price is reduced. 16 percent of the respondents are not willing to do either.

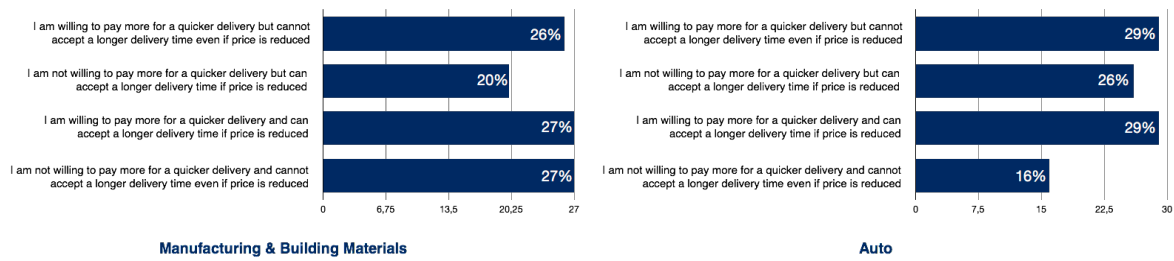


Figure 22: Graphs of what the respondents consider being the best alternative in comparison to their current delivery time from Swedish suppliers

Question 3: How do you want your products delivered in five years?

The question was designed in relation to the delivery service element *customization & flexibility*. The authors wanted to investigate if the respondents are interested in an augmented product (see section 3.3.2 Levels of products and services) with the added delivery service of put away made by supplier or delivery after work hours. For this question, the respondent could choose more than one alternative.

In Figure 23, it can be seen that more than two thirds of the respondents from the Manufacturing and Building Materials segments want the option of delivery made to the warehouse/shop during work hours. 40 percent want the option of in-night-delivery and the same percentage want the option of having their goods delivered directly to their end customer. 13 percent are interested in having the goods replenished by the supplier at delivery.

The result, presented in Figure 23, shows that 68 percent of the respondents in the Auto segment consider that delivery during work hours will still be a relevant setup of delivery in five years. 52 percent want the option of in-night-delivery and 19 percent want their goods delivered and replenished by the supplier.

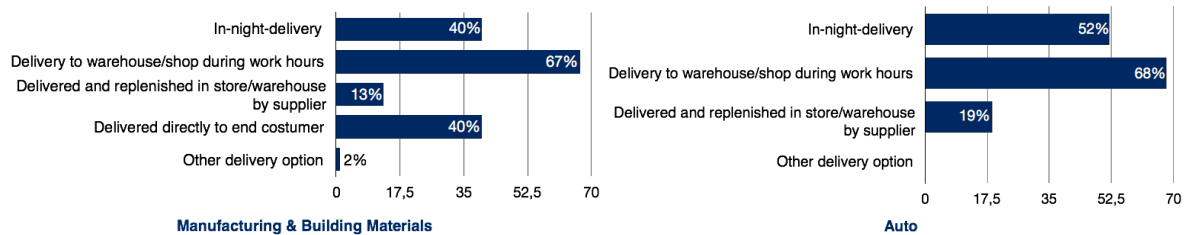


Figure 23: Results of how the respondents want their products delivered in five years

Question 4: How important is it for you to be able to choose how your products will be delivered?

This question was designed in relation to the delivery service element *customization & flexibility*. The authors wanted to know if the possibility to choose in what way the goods should be delivered is relevant for the customers in the different customer segments.

The respondents from the Manufacturing and Building Material segments have responded according to Figure 24. No one feel that being able to choose how the goods are delivered is not important at all and 15 percent feel that it is rather unimportant. A third consider it rather important and nearly half feel that it is very important.

The result show that 19 percent of the Auto customers consider it rather unimportant or not important at all to be able to choose how the products should be delivered. 81 percent feel that it is rather important or very important. The exact distribution of answers can be seen in Figure 24.

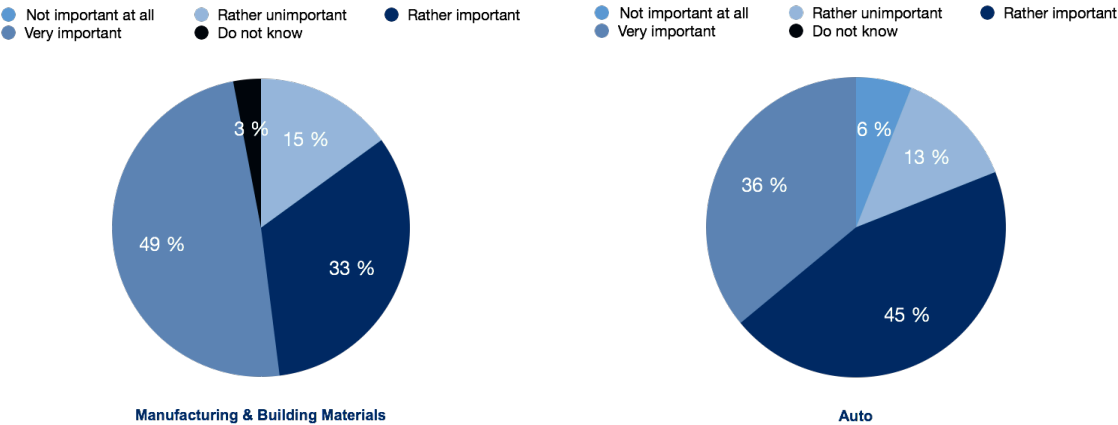


Figure 24: Pie charts of how important it is for the respondents to be able to choose how the products should be delivered.

Question 5: Where you able to choose how your products were going to be delivered during your last purchase?

This question was designed in relation to the delivery service element *customization & flexibility*. The objective was to find out if the respondents’ current suppliers offer the possibility to choose in what way the goods will be delivered.

As seen in Figure 25, in the Manufacturing and Building Materials segments, 64 percent were not able to choose how their order would be delivered whilst 14 percent had the option.

The answers from the Auto Segment, presented in Figure 25, show that, out of the respondents that remember if they were given the option to choose a way of delivery, 50 percent were given the option and 50 percent were not given the option to choose.

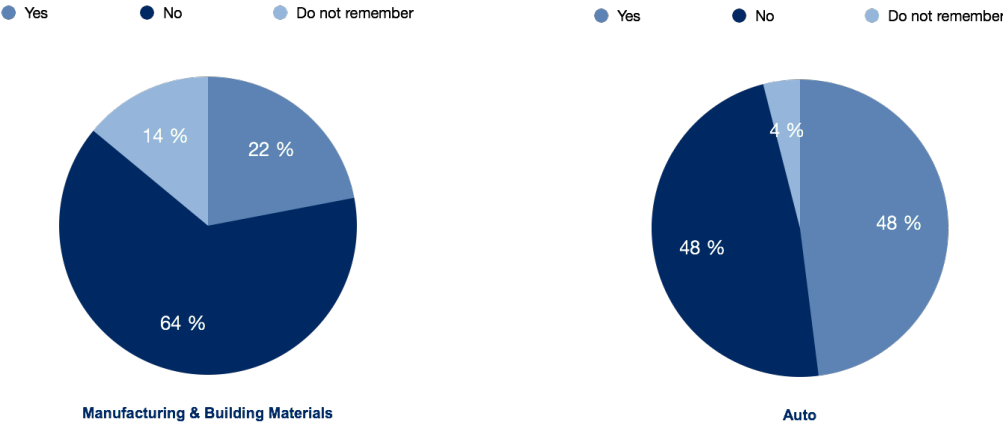


Figure 25: The pie charts present if the respondents were able to choose how the products were going to be delivered during the last purchase.

Question 6: Have you ever chosen not to work with a supplier because you were not able to choose how your products were going to be delivered?

This question was designed in relation to the delivery service element *customization & flexibility*. The objective of the question was to find out if the possibility to choose how goods should be delivered is so important that the respondents would not start a collaboration if this option is not given.

In the Manufacturing and Building Materials segments, 60 percent have chosen not to work with a supplier because they were not able to choose how their products were going to be delivered as seen below Figure 26.

The result for the Auto segment shows that 48 percent have chosen not to collaborate with a supplier because they could not choose how their products would be delivered.

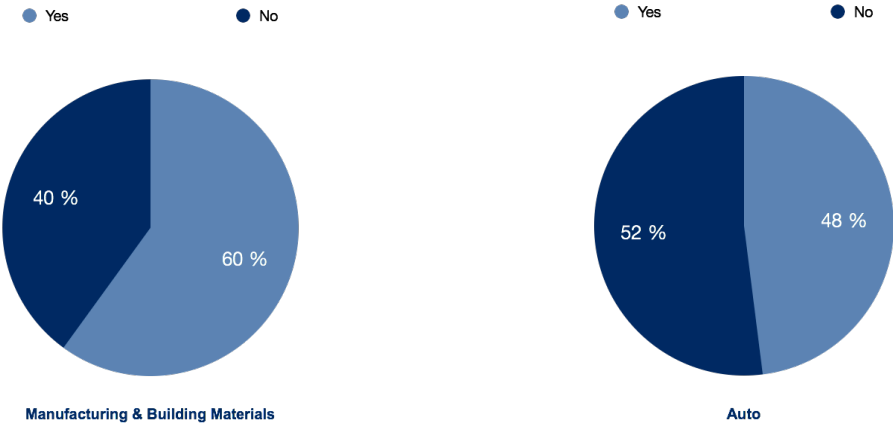


Figure 26: The results present if the respondents have chosen to not work with a supplier because they were not able to choose how the products were going to be delivered.

Question 7: How important is it that your supplier gives you information about delivery status?

This question is designed in relation to the delivery service element *information*. The question was asked to get an indication of how important information, in terms of delivery status, is for the customer.

As seen in Figure 27, all respondents in the Manufacturing and Building Materials segments feel that it is either rather important or very important that the supplier gives information about delivery status. 89 percent say it is very important and 11 percent feel that it rather important.

The result shows that 10 percent of the Auto customers feel that this is rather unimportant or not important at all. 87 percent feel that it is either rather important or very important. The exact distribution of answers can be seen in Figure 27.

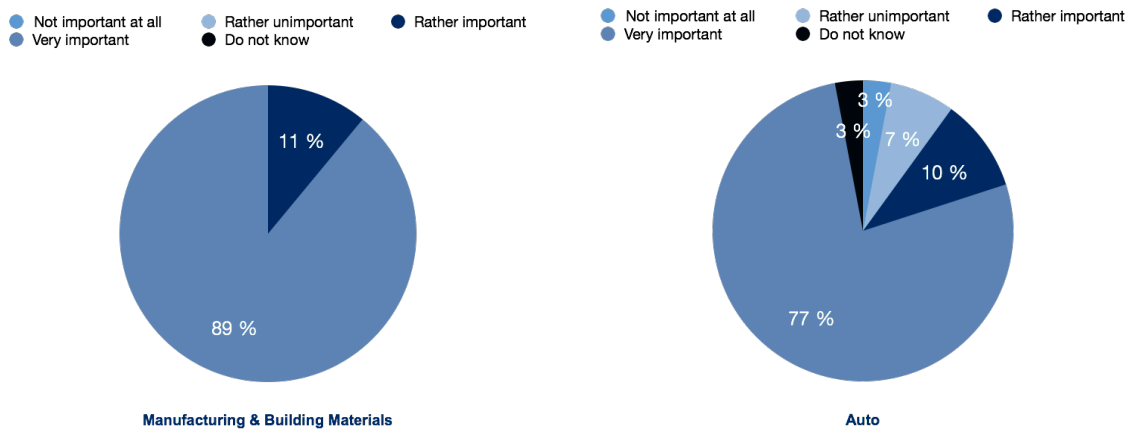


Figure 27: The pie charts present the importance of delivery status

Question 8: What delivery information do you want?

This question was designed in relation to the delivery service element *information*. The question was asked to gain understanding into what delivery information was relevant to the customers. Here, the respondents could choose more than one alternative and the distribution of answers are presented by the total percentage of respondents that chose an alternative.

When asked this question, the respondents within the Manufacturing and Building Materials segments answered according to Figure 28. The large majority wants an order confirmation and information about contingent delay. 69 percent want to be informed when the order has left the warehouse and is on its way and 38 percent want to know that the order has arrived at the destination of delivery. Quite few, 13 percent, want to know that the order has been picked.

As shown in Figure 28, the answers are quite similar for the Auto segment. A majority of the respondents want an order confirmation, be informed when the order has left the warehouse and is on its way, and information if the delivery is delayed. Roughly a fourth of the respondents want to be informed when the order has arrived to the delivery address.

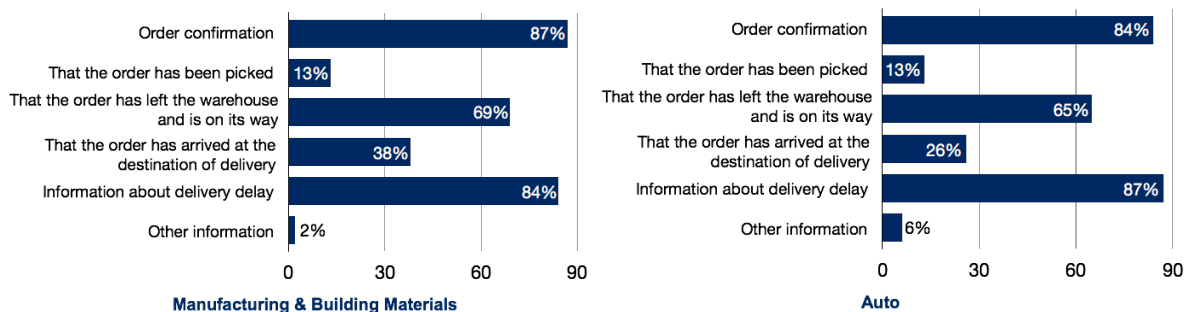


Figure 28: The results show which delivery information the respondents want

Question 9: How would you like to get information on your delivery?

This question was designed in relation to the delivery service element *information*. The question aimed to find out what channel of communication the respondents prefer.

In the Manufacturing and Building Materials segments, the customers want their information by email or text message. As seen in Figure 29, almost all respondents prefer email. For Auto, 84 percent of the respondents would like their delivery information through email, while ten percent prefer to get it through text message. Only six percent prefer a communication through telephone i.e. conversation with the supplier.

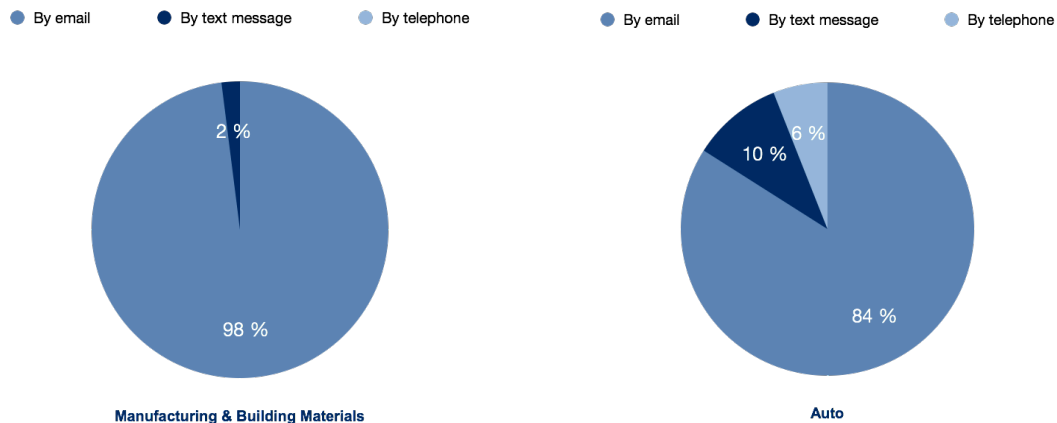


Figure 29: The results show that the majority of the respondents would like the delivery information by email

Question 10: In which categories have you experienced problems with delivery?

Question 10 takes all but one of the delivery service elements into consideration, namely *lead time*, *delivery accuracy*, *delivery reliability*, *customization & flexibility*, and *information*, as the respondent should here choose whichever categories of problem they have experienced. The service element that is not represented is *service level*. Executive Vice President of Luna, Oscar Fredell, stated that the element service level regarding delivery are considered prerequisites by customers and is therefore not relevant in the survey. Additionally, the service level regarding delivery, identified as the possibility to see stock levels at the supplier's end before purchase, was outside the scope of this thesis see section 1.3 Delimitations. This in combination with the previous statement led to this service level being disregarded in the survey. Both "Product quality" and "Wrong number or type of product" are related to the delivery service element of *delivery reliability* but are categorized as two as the authors wanted to know more specifically what delivery problem the respondents had experienced within this element.

The respondents in the Manufacturing and Building Materials segments have experienced problems in categories distributed according to Figure 30. The more commonly experienced problems are within the categories of delivery accuracy, 78 percent, delivery time, 73 percent and wrong number or type of product, 64 percent. A third have had problems with product quality. 13 percent have experienced problems with customer service and 4 percent have never experienced problems with delivery.

For the Auto segment, as seen in Figure 30, 13 percent of the respondents stated that they have never experienced any problems with delivery. Though, it is of relevance to clarify that one respondent chose this alternative in combination with two others, making the first alternative false in his or her case. Because of interlinkages between questions, the fact that the alternative "We have never had any

problems with delivery” was chosen meant that the next two linked questions 10.b and 11 was not asked to the respondent and should be considered a response error.

The larger share of the respondents, 77 percent, has experienced problems with the delivery time. 47 percent have experienced problems with delivery accuracy, and one-third problems with product quality and/or the wrong number of products. 23 percent have experienced problems with customer service and three percent have had other problems with delivery. The additional comments from this question are summarized and categorized in Question 10.b below and can be seen in its original in appendix 2.

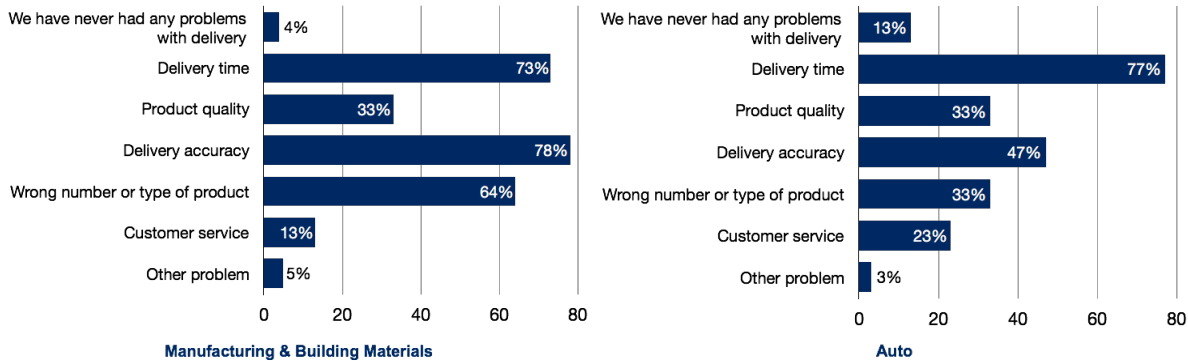


Figure 30: The charts present the categories in which respondents have experienced problems with their deliveries

Question 10.b: Give a short explanation to with what you have experienced problems.

The respondent could here clarify with what they have experienced problems. The distribution of answers categorized and presented by percentage of respondents who expressed problems within a specific category can be seen in Table 8 below. The original notes and categorization are presented in appendix 2 and 3.

Table 9: Distribution of answers per specific category and customer segment

Customer segment	Delivery note & Labeling	Transport	Delivery reliability	Delivery accuracy	Customer service	Lead time	Information
Manufacturing & Building Materials	18%	4%	41%	43%	8%	29%	6%
Auto	5%	11%	37%	16%	11%	42%	21%

Question 11: Have you ever ended a business collaboration because of previously mentioned problems?

This question was designed in relation to the same delivery service elements as in question 10, namely *lead time, delivery accuracy, delivery reliability, customization & flexibility, and information*. The objective of this question was to see if these categories of problems have ever been the reason to why the respondent has ended collaborations with suppliers in the past.

In the current customer segments of Luna, 51 percent have ended business collaborations because of problems in the categories in the previous question. The result presented in Figure 31 also shows that half of the respondents in the Auto segment who have experienced problems in the categories stated in question 10, have in fact ended collaborations as a consequence of these.

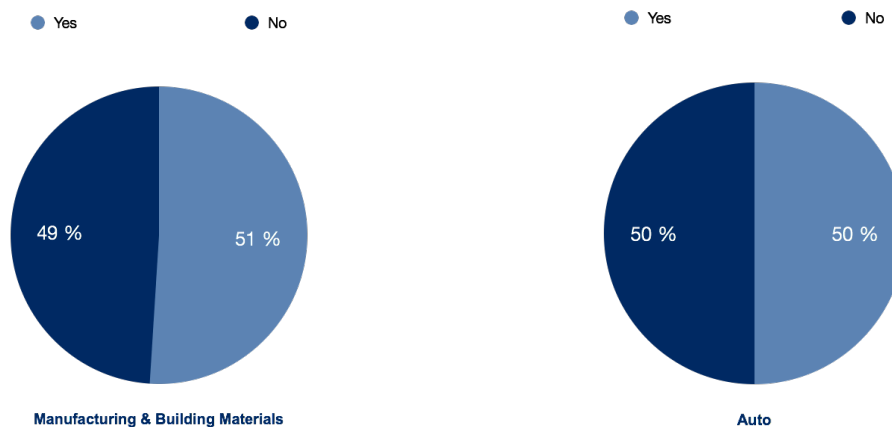


Figure 31: The results present if the respondents have ended a business collaboration because of previously mentioned delivery problems.

Question 12: Is there anything that a supplier could facilitate regarding the delivery of products?

The question is asked in regards to the delivery service element *customization & flexibility*. The authors wanted to gain an understanding into how much customization and service the customer segments demand or if this was even relevant.

When asked if there is anything a supplier could facilitate regarding delivery of products the Manufacturing and Building Materials customers answered according to Figure 32. 64 percent do feel that there are things that a supplier can facilitate. The result for Auto is similar to the other segments, as presented below in Figure 32, and shows that 60 percent feel that there are things that the supplier could facilitate regarding delivery.

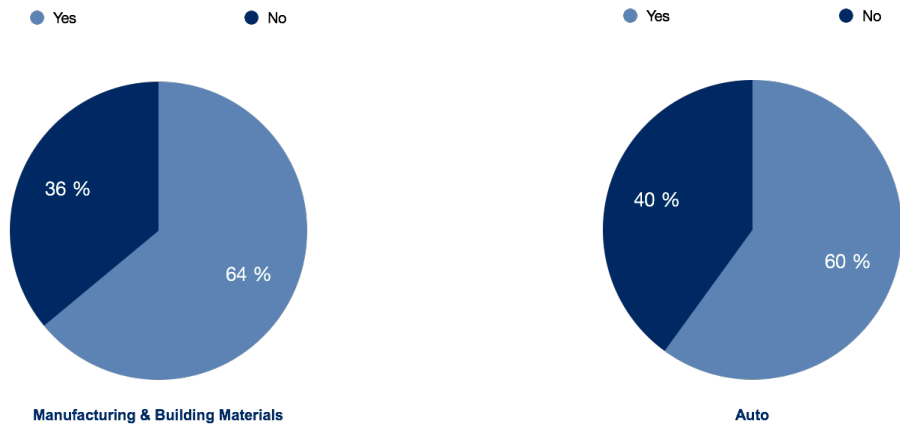


Figure 32: The results show that there are activities that a supplier could facilitate regarding delivery

Question 12.b: Give a short explanation to what a supplier could facilitate when it comes to delivery

The respondent could here clarify what a supplier could facilitate regarding delivery. The distribution of answers categorized and presented by percentage of respondents who expressed problems within a specific category can be seen in Table 9 and Table 10 below. The original notes and its categorization are presented in appendix 2 and 3. As the answers from the two surveys covered different categories two tables have been made. One for the Manufacturing and Building Materials segment, and one for the Auto segment.

Table 10: Distribution of answers per category of what the Manufacturing & Building Materials segments have explained that a supplier could facilitate regarding delivery

Customer Segment	Customization	Information	Packing	Labeling	Delivery note	Delivery	Replenishment
Building Materials & Manufacturing	8%	8%	22%	46%	19%	30%	5%

Table 11: Distribution of answers per category of what the Auto segment has explained that a supplier could facilitate regarding delivery

Customer Segment	Customization	Labeling	Delivery	Replenishment
Auto	50%	44%	13%	31%

Question 13: What is more important when it comes to the delivery of tools and consumables?

This question was formed as a trade-off between the two delivery service elements of *lead time* and *price* to see which of the two elements that matters the most to the customers in the different segments. The delivery service element of *price* is new and is not included in the delivery service elements found in the theory (3.4 Delivery Service Elements) that was used as a frame of reference when the survey was designed. The authors concluded, after gathering of data and expert opinions that this element was of utter relevance and it was incorporated in the survey.

Luna's current customers answered this question according to Figure 33. The majority, 76 percent, feels that it is more important that the products are delivered as quickly as possible as opposed to the products being delivered at the lowest possible cost. Further, it can be derived from Figure 33 that a clear majority of the Auto respondents, 95 percent, considers the products being delivered as quickly as possible the more important factor when weighed against the product being delivered at the lowest possible cost.

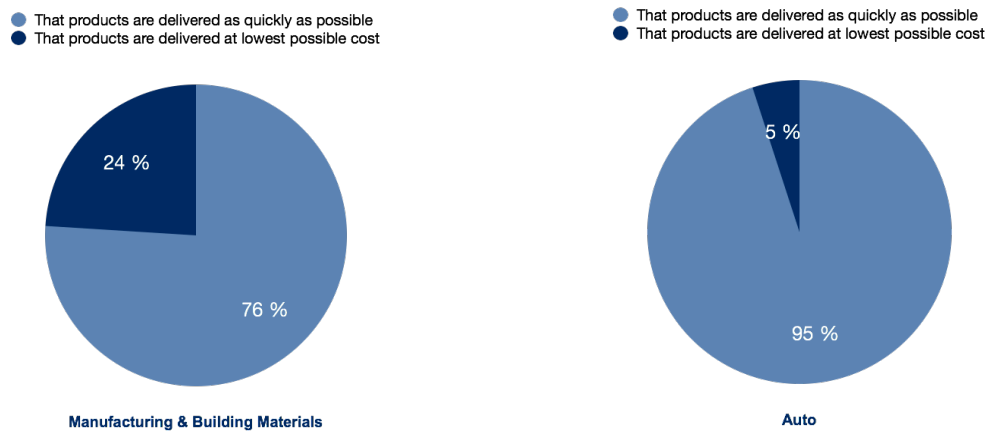


Figure 33: The result of the trade-off of price vs. speed

Question 14: What is more important when it comes to the delivery of tools and consumables?

This question is related to the delivery service elements of *lead time* and *customization & flexibility*. The question was formed to investigate the importance of delivery windows. The objective was to find out to what extent the customers wanted a set time of delivery. Correspondingly, if the day of delivery was of greater importance than having the goods arriving in a specified time window.

In Figure 34, it can be concluded that 65 percent of the respondents in Luna's current customer segments rather want their products delivered on a set day, regardless of what time during the day than having the products delivered on a set time, regardless of the day of delivery.

Presented in Figure 34, 57 percent of the respondents in the Auto segment feel that it is more important that the products are delivered at a set time, regardless the day of the delivery and 43 percent answered that they want the products delivered on a set day, regardless of what time during that day.

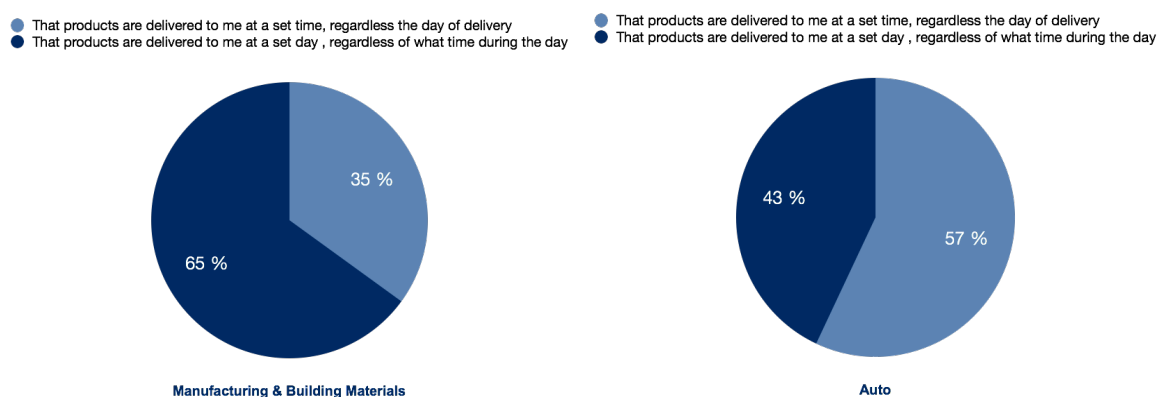


Figure 34: The results of the trade-off of delivery at a set time vs. a set day

Question 15: Which are the three most important factors when it comes to delivery of products?

This question regards all delivery service elements from theory (3.4 Delivery Service Elements) with the exception of *service level*, and with the added service elements *price* and *environmental impact*. After interviewing business experts within logistics services (Company A, 2017) and employees at the case company (Backman, 2017; Bergsman, 2017; Petersson, 2017; Rissel, 2017) it is suggested that the customers do not prioritize an environmentally friendly transport over other factors such as price and delivery time. The authors wanted to investigate if these statements were in line with reality as this is contradictory with business trends (see section 4.2.2.3.1 Organizational structure) and therefore added the delivery service element of environmental impact.

The question was designed to gain insight into which factors are the more important ones for customers in the different segments. Out of five available factors, the respondents chose the, to them, three most important ones and then ranked them by level of importance.

When viewing the result from the survey sent to Luna's current customer segments, seen in Figure 35, it can be concluded that the more commonly chosen most important factor is that the products are delivered as quickly as possible. No one has chosen the alternative of the products being delivered in the most environmentally friendly way possible as their most important factor.

The most commonly chosen alternative for the second most important factor is, as for the most important factor, that the products are delivered as quickly as possible, followed by the products being delivered at a set time that they themselves can choose, regardless of the day of delivery.

The third most important factor most commonly chosen is that the respondent can track their delivery. 22 percent have chosen that the products are delivered in the most environmentally friendly way possible as their third most important factor.

The three most commonly chosen alternatives are that the products are delivered as quickly as possible, that the customer can track their delivery, and that products are delivered at a set time that the respondent himself/herself can choose, regardless of the day of delivery.

For Auto, the more commonly chosen most important factor is that the products are delivered as quickly as possible. No one has chosen the alternatives of the products being delivered at the lowest possible cost or that they could track their delivery as their most important factor. The most commonly chosen alternative for the second most important factor is that the products are delivered at the lowest possible cost, followed by the products being delivered at a set time that they themselves can choose, regardless of the day of delivery. The third most important factor most commonly chosen is that the respondent can track their delivery. No respondent has chosen that the products are delivered as quickly as possible as their third most important factor.

The three most commonly chosen alternatives are that the products are delivered as quickly as possible, that the products are delivered at a set time that the respondent himself/herself can choose, regardless of the day of delivery, and that the products are delivered at the lowest possible cost.

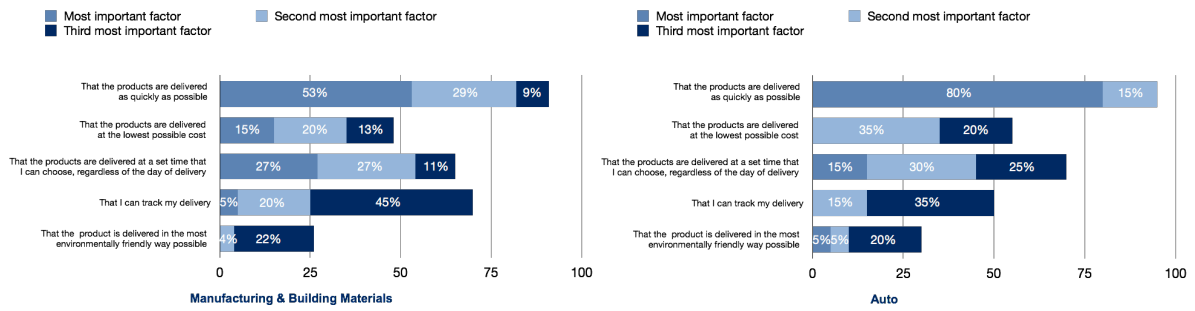


Figure 35: The charts show which factors the respondents consider to be the three most important when it comes to delivery of products

4.4.1.1.1 Survey specific questions

4.4.1.1.1.1 Manufacturing industry and Building Materials industry

Question 16: Do your customers have the option of purchasing your product through e-commerce?

This question was designed specifically for the customer segments Manufacturing industry and Building Materials. It is not related to a specific delivery service element. E-commerce is a growing trend (see section 4.2.3 The trend of e-commerce in the B2B market) and the authors wanted to know if the current customers offered this sales channel for its customers. Depending on what answer the respondent chose, follow-up questions (question 16.b and 16.c) were asked.

Figure 36 shows that 51 percent of the customers of the respondents in the Manufacturing and Building Materials industries are offered the option of purchasing products through e-commerce.

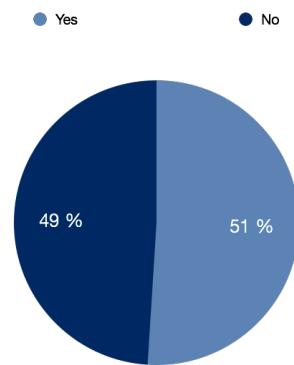


Figure 36: The results show that just over half of the Manufacturing & Building Materials respondents offer their customers the option of purchasing products through e-commerce

Question 16.b: How large a share of your sales is made through e-commerce?

The question was asked to the respondents that had e-commerce as a sales channel. The authors' objective was to find out how large a share of the total sales that was made through this channel.

Out of the respondents that do offer their customers the option of purchasing products through e-commerce the shares of sales made through this sales channel is distributed according to Figure 37. Most commonly, 0-19 percent of the share of sales is made through e-commerce.

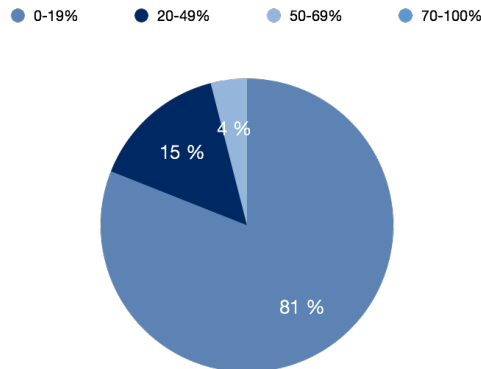


Figure 37: The share of sales made through e-commerce

Question 16.c: Do you believe the share of purchases made through e-commerce will increase in the next five years?

Out of the respondents that do offer their customers the option of purchasing products through e-commerce, Figure 38 shows that 93 percent believe the share of sales made through e-commerce will increase in the next coming five years. 4 percent believe that the share of sales made through e-commerce will remain unchanged and 3 percent do not have a guess. None of the respondents believe that the share will decrease.

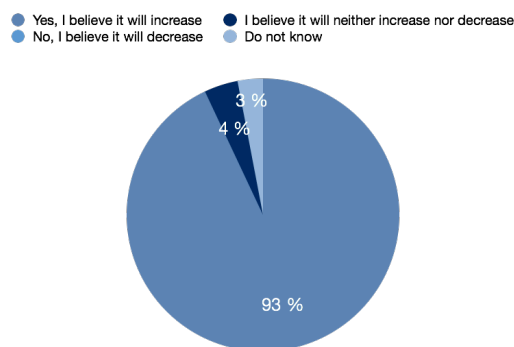


Figure 38: The distribution of answers from the respondents considering if they believe that the share of purchases made through e-commerce will increase in the next five years.

4.4.1.1.2 Auto industry

Question 16: Through what channel would you like to buy your tools and consumables in five years?

The last question was designed specifically for the new customer segment Auto. This question is not formed with a specific delivery service element in mind. It was asked as a way of determining through which sales channels the new customer segment would like to buy their products in the future. The respondents could choose several alternatives and were also given the opportunity to add other sales channels if relevant.

As displayed in Figure 39, 80 percent wanted the option to buy their products through an e-store. 50 percent wanted the option to buy their product through a sales person and 25 percent through a physical store. No respondent chose the alternative other channel.

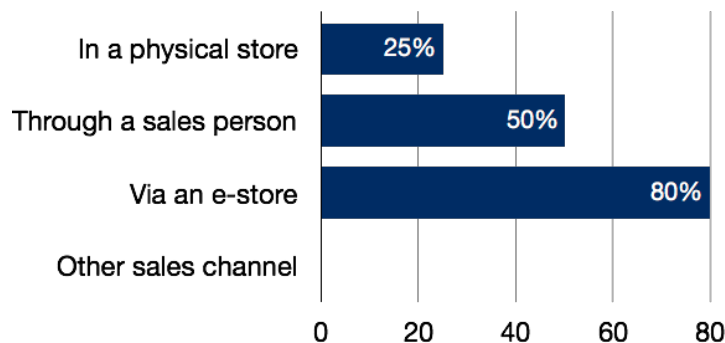


Figure 39: The chart shows how the Auto respondents would like to buy tools and consumables in five years

4.4.1.1.2 The two surveys sorted by centralized and decentralized organizations

Gathered data from trends in market and conducted interviews with business buying behavior in mind made it evident that a company's organizational structure can be an important factor in the requirements and needs of a customer. A segmentation has therefore been made where the result from the survey for the Manufacturing and Building Materials segments have been compared on the basis of what organizational structure the respondent's company has. The distribution of centralized and decentralized organizations was quite even and therefore statistically plausible. 42 percent were centralized organizations and 58 percent decentralized.

Since the buying behavior of the Auto segment is affected by the added factor of brand specificity and this makes the segmentation too complex to make without further research, this type of segmentation was not made for this survey.

The background of each common question can be seen in section 4.4.1.1 Result distribution offer surveys. Not all questions from the survey are used in this segmentation as the authors have chosen those of relevance for comparison between organizational structures. Question 5: *Where you able to choose how your products were going to be delivered during your last purchase?*, was not considered relevant as the answer is only affected by the outside supplier. The same can be concluded for question 10: *In which categories have you experienced problems with delivery?*, and this question is therefore not used in this segmentation either. However, the follow up question, 11: *Have you ever ended a business collaboration because of previously mentioned problems?*, is of relevance as one may see differences in how prone different organizationally structured companies are to end business collaborations as a cause of problems with delivery.

What is your desired delivery time from a supplier in five years?

The distribution of answers is quite similar between the two organizational structures as seen in Figure 40.

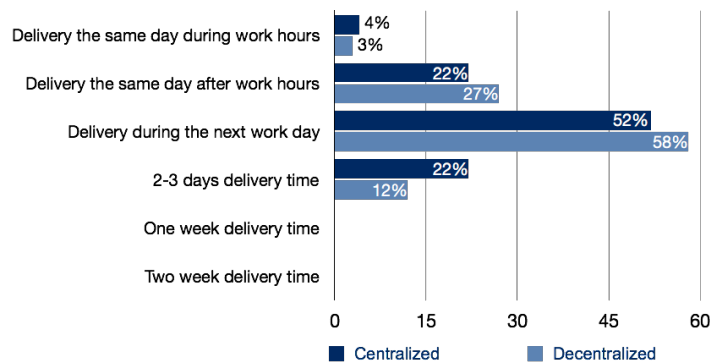


Figure 40: The distribution of answers of the desired delivery time in five years between centralized and decentralized organizations

Choose the alternative that corresponds in comparison to your current delivery time from Swedish suppliers

Decentralized organizations are more prone to accepting a longer delivery time if the price is reduced when compared to the centralized organizations. Further, a larger share of the centralized organizations have chosen the alternative of not being willing to pay more for a quicker delivery and not accepting a longer delivery time even if price is reduced as the alternative best corresponding in comparison to current Swedish suppliers. The exact distribution is presented in Figure 41 below.

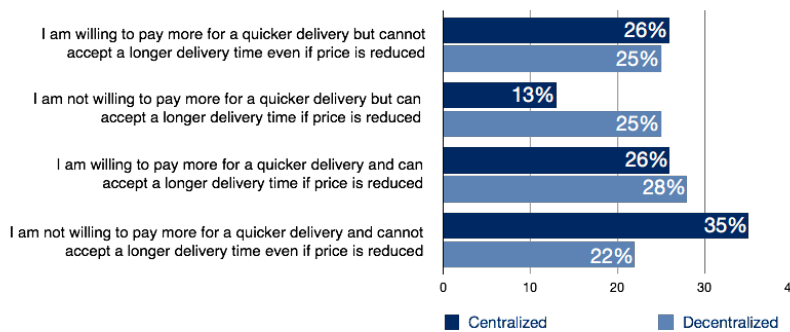


Figure 41: Graph of what the respondents consider being the best alternative in comparison to their current delivery time from Swedish suppliers

How do you want your products delivered in five years?

As seen in Figure 42, the distribution of answers is quite similar in the segmentation with the exception of the delivery option of having goods delivered and replenished by the supplier. For this alternative there is a surplus of centralized organizations choosing this as a desired delivery option.

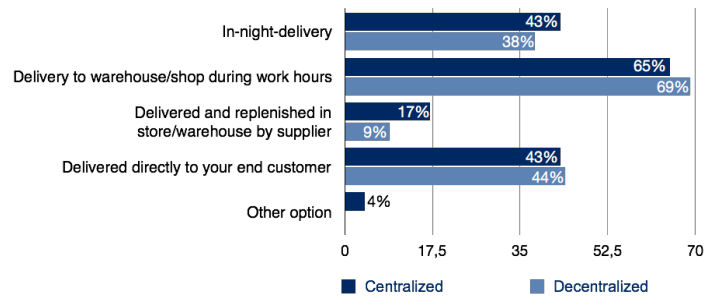


Figure 42: The results of how the organizational structures want their deliveries in five years

How important is it for you to be able to choose how your products will be delivered?

A larger share of the centralized organizations identifies the option to choose how the products will be delivered as very important. Correspondingly, the share of respondents that feel that the option of choosing how products will be delivered is rather unimportant is larger for the decentralized organizations. The exact distribution of answers can be viewed in Figure 43 below.

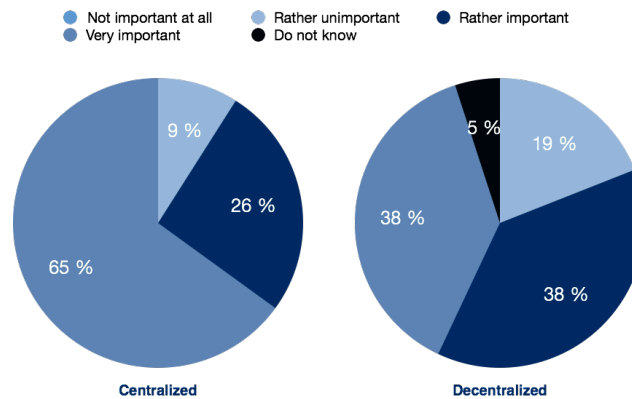


Figure 43: The results show a difference in importance of being able to choose how products will be delivered

Have you ever chosen not to work with a supplier because you were not able to choose how your products were going to be delivered?

Corresponding to the previous question, as it is concluded that a larger share of the centralized organizations feel that the option of choosing how products will be delivered is rather important or very important, a larger share of the centralized organizations have chosen not to work with a supplier because there were not able to choose how their products were going to be delivered. As seen in Figure 44, 65 percent of the centralized and 56 percent of the decentralized organizations have answered yes.

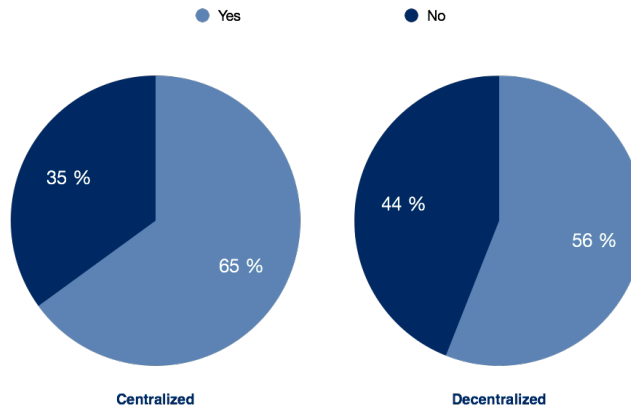


Figure 44: The results show that there is a larger share of centralized organizations that have not chosen to work with a supplier

How important is it that your supplier gives you information about delivery status?

As can be viewed in Figure 27, all current customers of Luna consider it rather important or very important to get information about delivery status. When segmenting these on the basis of centralized and decentralized organizational structure the result, viewed in Figure 45, and on the basis of the degree of importance, a larger share of the centralized customers stress that is very important to receive information about delivery status when compared to the decentralized customers.

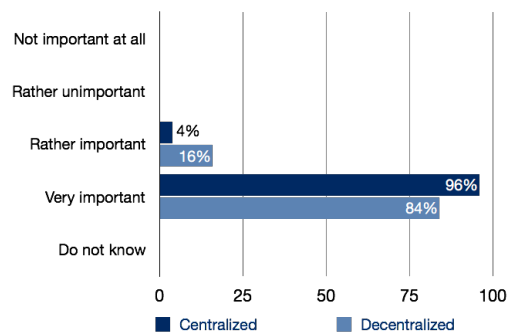


Figure 45: The results show a small difference between the organizational structures regarding delivery information from the supplier

What delivery information do you want?

The distribution of what delivery information the current customers want when segmented on the basis of organizational structure does not differ considerably. The largest difference, in relation to how many respondents that have chosen a particular alternative, is information about when the order has been picked (30,7 percent). The exact distribution can be seen in Figure 46.

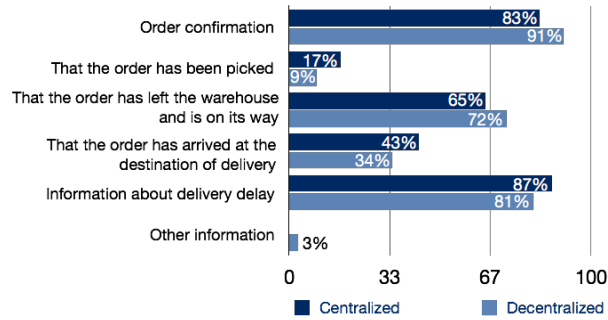


Figure 46: The distribution of answers regarding desired delivery information

How would you like to get information on your delivery?

As seen below in Figure 47, all respondents in the decentralized organizations and 96 percent of the respondents in the centralized organizations want the information on their delivery via email. Four percent in the centralized organizations want it by text message.

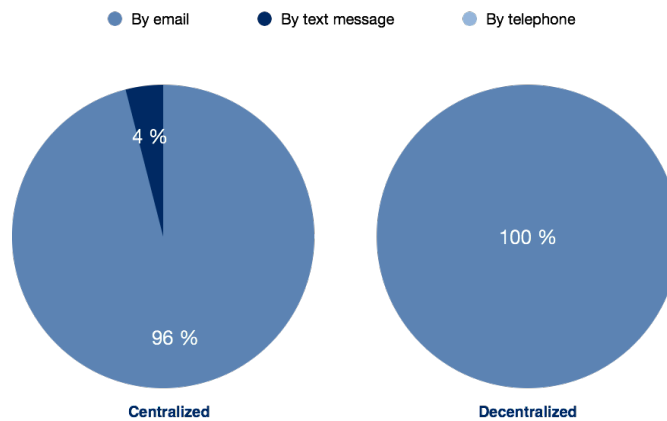


Figure 47: The results present how the organizational structures want the delivery information

Have you ever ended a business collaboration because of problems with delivery?

As presented in Figure 48, a larger share of the centralized organizations has ended business collaboration because of problems with delivery. The share is 68 percent for the centralized customers and the corresponding number for decentralized organizations is 39 percent.

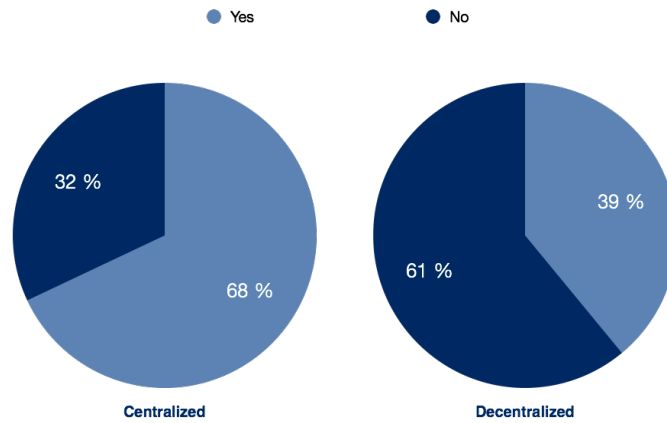


Figure 48: The pie charts show the distribution of respondents that have ended collaborations due to problems with delivery

Is there anything that a supplier could facilitate regarding the delivery of products?

The answer to this question differs depending on the organizational structure, as seen below in Figure 49. A larger share of the centralized customers feels that there are things that a supplier can facilitate regarding the delivery of products compared to the decentralized customers. 74 percent of the centralized and 56 percent of the decentralized customers have answered yes.

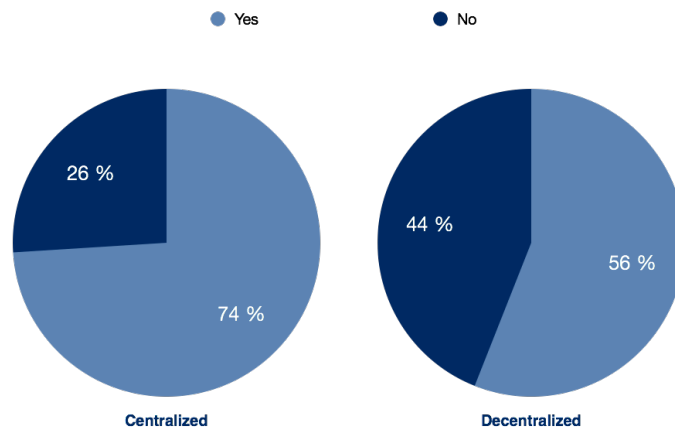


Figure 49: The results show that it differs between the organizational structures in terms of what a supplier can facilitate regarding delivery

What is more important when it comes to the delivery of tools and consumables?

Presented in Figure 50 below, the respondents from both organizational structures consider speed as the more important factor when weighed against cost of delivery. There share is smaller for the decentralized customers, 72 percent, than for the centralized customers, 83 percent.

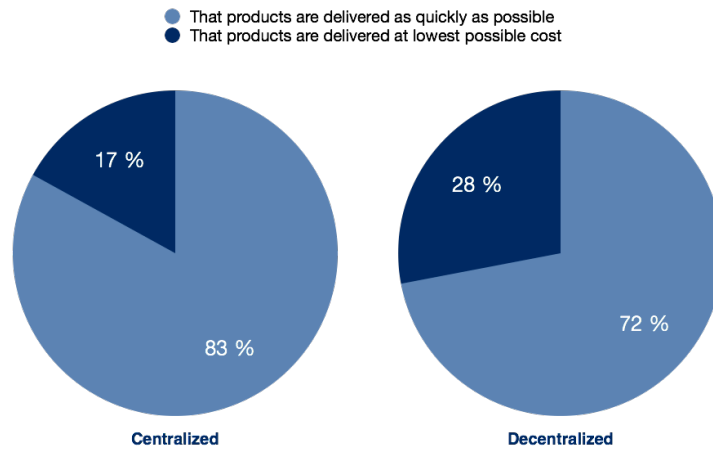


Figure 50: The distribution of answers between price vs. speed

What is more important when it comes to the delivery of tools and consumables?

As seen in Figure 51, a majority of the respondents, both for the centralized and the decentralized customers, say that *the products being delivered on a set day, regardless of what time during the day*, is more important than *the products being delivered on a set time, regardless of the day of delivery*. Though, there is a larger share of centralized respondents, 70 percent, that have chosen this as the more important factor than in comparison to the decentralized respondents.

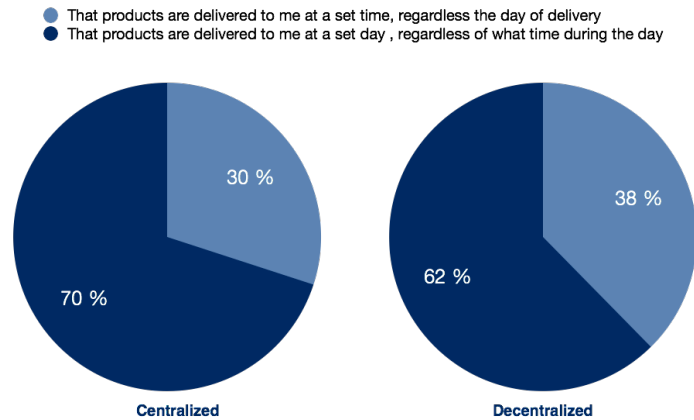


Figure 51: The distribution of answers between delivery at a set time vs. a set day

Which are the three most important factors when it comes to delivery of products?

The results in Figure 52 below show that the most important factor for both the centralized and decentralized organizations are that the products are delivered as quickly as possible with 57 and 50 percent respectively. The major difference in the result lies in that 22 percent of the decentralized consider that the most important factor is *that the products are delivered to the lowest possible cost*, compared to 4 percent of the centralized respondents.

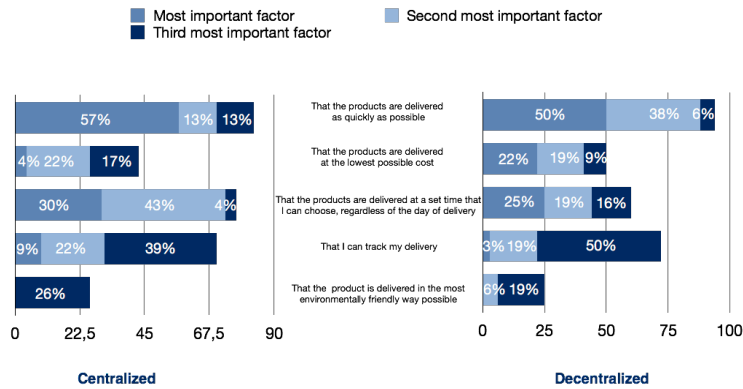


Figure 52: The charts show which factors the centralized and decentralized organizations consider to be the three most important when it comes to delivery of products

Are your customers able to purchase from you via e-store?

78 percent of the centralized customers and 31 percent of the decentralized customers offer their customers the option of purchasing from them via an e-store. There is a large difference between the two organizational setups as can be viewed in Figure 53.

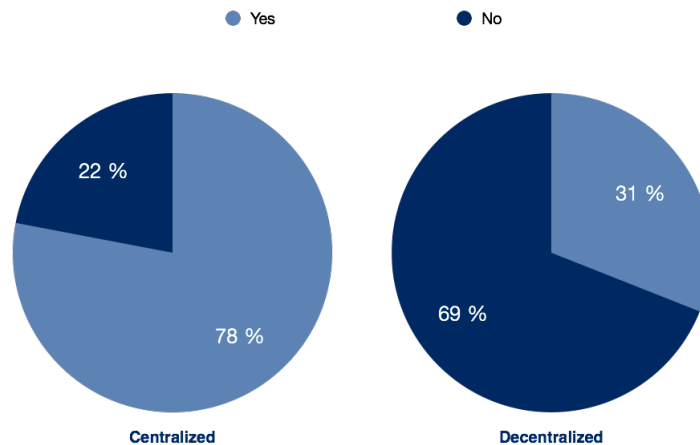


Figure 53: The results show that there is large difference between the two organizational structures in terms of offering an e-store to their customers

How large a share of your sales is made via the e-store?

Out of the respondents that do offer their customers the option of making purchases through an e-store, Figure 54 present that 82 percent of the centralized organizations respond that 0-19 percent of the share of sales is made through the e-store and 18 percent have 20-49 percent of the share of sales. For the decentralized organizations, 80 percent responded that 0-19 percent of the share of sales is made through an e-store, 10 percent answered that 20-49 of their sales are through e-store and the last 10 percent have 50-69 percent of their share of sales via the e-store.

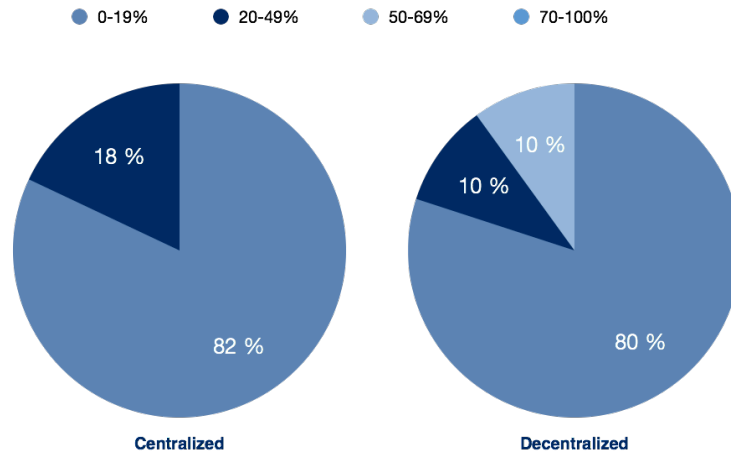


Figure 54: The share of sales made through e-commerce

Do you believe that your share of sales made via the e-store will increase in the next five years?

From Figure 55 it can be concluded that out of the respondents that do offer their customers the option of purchasing products via the e-store, 88 percent of the centralized organizations and 90 percent of the decentralized organizations believe that their share of sales will increase the next five years. The share that does not believe that it will neither increase nor decrease is 6 and 10 percent. Further, 6 percent of the centralized organizations do not know how the future will develop.

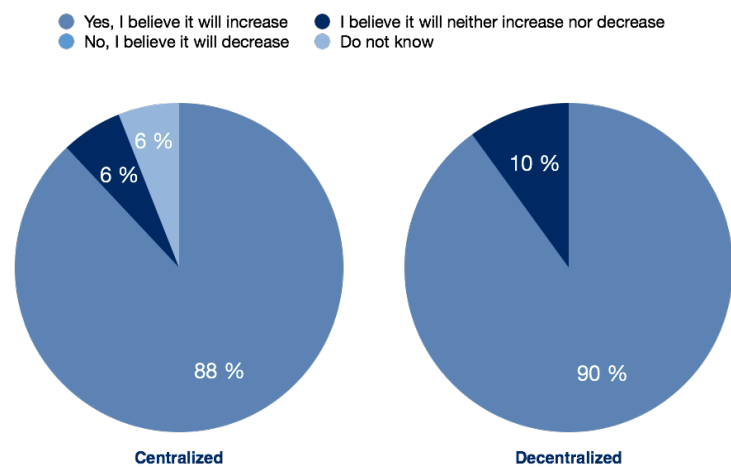


Figure 55: The distribution of answers from the respondents considering if they believe that the share of purchases made through e-commerce will increase in the next five years.

5 Analysis

In this chapter, the theoretical framework of the study is used to analyze the conducted data from the previous chapter. The analysis is divided into three main sections, each of which is based to answer the purpose of the study. The first section will answer the question “who?” by analyzing Kotler & Armstrong’s model of business buying behavior presented in section 3.1 Understanding the customers in the B2B market. The second section will answer the question “how?” by analyzing Luna’s delivery chain, based on Porter’s model of the Value System described in section 3.2 The Value System and defining the delivery chain. Finally, the third section will answer the question “what?” by analyzing the customer service model by Jonsson & Mattsson together with concept of delivery elements described in sections 3.3 The service offer and 3.4 Delivery Service Elements.

5.1 Who is the customer?

This section explains the answer to the question “who?” by analyzing the customers’ business buying behavior and the characteristics of the mature industry in which the case company operates in. First the authors will, by analyzing the buying behavior and what influences the different buyer responses, be able to understand how these factors affect the choice of supplier and the suppliers logistics in order to design a competitive service offer. Thereafter, the case company’s role in the mature industry is discussed.

5.1.1 Customer buying behavior

5.1.1.1 Business buying process

It has been established that the buying process generally depends on the organizational structure and is not industry-specific. Centralized organizations generally have a structured buying organization and consequently a more structured buying process. These organizations have multiple participants across numerous functions within the company assigned different responsibilities, which vary from customer to customer. Considering smaller customers, the majority of purchases are rebuys and not new or complex procurements. According to Kotler & Armstrong (2015), these buying decisions do not require all the steps in the business buying process and this is probably why the processes for these customers are more unstructured.

For decentralized retail chains comprised in the current customer segments, and in the majority of the Auto segment, the numbers of participants in these processes are low. They either have one person accountable for several positions within the organization or only one manager/team leader who is responsible for placing orders.

The difference between the two organizational structures within the Manufacturing and Building Materials segments is that the larger stores, primarily found within the centralized retail chains, have no influence in supplier selection and the smaller stores, often decentralized, attain more flexibility. Concluded from interviews, there are different combinations and scales to what extent this can be generalized to apply for all centralized and decentralized organizations within the investigated segments. Theory is, as most often is the case, not entirely transferable to reality but it seems to be a rather good match in this case. The smaller the company and the fewer people involved in purchases, the higher levels of flexibility in the organization.

5.1.1.2 Main environmental influences

According to Kotler & Armstrong's model of *Business Buying Behavior* (see Figure 1), companies' buying behavior is affected by different environmental stimuli.

It has been found that the relationship with the supplier is significant in all customer segments. There is a great potential for Luna to build good relationships with the workshops in the new Auto segment from the beginning of cooperation. The workshops request good consultation and advice on how to work with the products, which is included in the business model of Luna Auto. As the local expertise and knowledge is said to be one of the company's unique selling points, and advantages towards its competitors, it is important that this is implemented in the new market as well. This needs to be taken into account. An extensive market research should be made and adequate training is required for the sales force to fulfill the business strategy set for the company.

Regarding order volume, the authors have found that Luna need to offer different volume setups for their different customer segments and their product assortment. During the interviews, the authors found that some of the larger organizations procure for replenishment, which indicates that they will most likely have a regular distribution flow. Further, larger organizations generally procure larger batches of consumables than for tools. For the smaller independent retail chains, smaller batches are more common. Additionally, they tend to procure more on discount than the larger customers. This suggests another type of flexibility in the distribution setups from the warehouse and different costs of delivery. The Auto segment do not have a large logistics flow for tools. They order them in small batches and only have a few backup tools in stock. An analysis of how this can be implemented without incurring too large distribution costs should be made.

Another important stimuli is the choice of sales channel. First, how to procure seems to be a matter of age. Older customers aim to procure over telephone and younger through e-portals. Together with the importance of relationship building, Luna thus has to manage the right balance between customer service and procurement over telephone and e-platform, in order to cover all customer needs within their segments.

The trend suggests that the e-commerce will increase and an argument can be made that the younger generations also will transfer their requirements from their private life to their professional one. This further implies that, apart from the requirement of having the option of ordering via an e-platform, added requirements for quicker deliveries without remarks will be the expected standard. A non-compliance with these trends can have dire consequences for future business.

As mentioned above, some larger organizations procure for replenishment, not discounts, and target to only receive the desired volume to avoid large stocks. During interviews, the customer in the Building Materials segment mentioned that they want a clear indication in the e-portal of how much they need to procure of each product at once. If they have to procure more than needed, this can be a decisive factor when choosing a certain product or supplier. The design of Luna's e-portal Toolstore is therefore important in order to meet customers' demands together with the growing trend of e-commerce in the B2B market.

In addition to the different market stimuli that have an impact on the customers buying behavior, findings show that technology will have an impact as well. The different customer segments operate in markets where new technology will have an impact on how they procure. In the Auto industry, there is a major technology shift with digitization, autonomous driving and connected vehicles. The improved technology and durable materials will imply longer service intervals and will impact on how the customers will procure their tools and consumables from Luna. Further, in the Manufacturing industry, many Swedish organizations are investing a lot in their production in Sweden again and try to source more from closely located suppliers. Also, an introduction of high technology has become a matter of survival. The increasing demand of customization requires a flexible production capacity to handle the demand of smaller batch sizes. The companies will be dependent on technology solutions

that enable fast cost-efficient reconfigurations. If handled wisely, this entails a huge opportunity for Luna to gain more market shares within this segment, and be able to be a part of the change in technology.

5.1.1.3 Main organizational influences

In addition to the environmental stimuli, companies' buying behavior is also influenced by the organization itself. As mentioned above, the organizational structure seems to be one of the most important influences on the buying behavior in the studied customer segments.

Even if the decentralized organizations have the flexibility of choosing the supplier, the procurements are generally more random and unstructured than in the case of the centrally managed organizations. Some operate together in a joint purchasing group to reap the benefits of a centralized organization but findings, both from interviews and secondary sources, indicate that they do not have the same degree of knowledge of logistics as the centralized organizations. Hence, unstructured logistics processes. Here, Luna has the opportunity to offer both logistical knowledge and a good distribution setup.

The most important finding regarding the Auto segment is the one of brand specific tools where they do not have a choice of selecting supplier. Here will the buyer response be influenced by an automotive brand rather than if the organizations is centralized or decentralized. In this case, Luna will have to go through the automotive brand to cooperate and develop tools for their cars before the products may be used in the workshops. Further, if the workshops are included in a centralized organization, but operate as a non-brand specific workshop, Luna will have to operate through a framework agreement as the most of the supplier selections and distribution of products is administered by the central organization. Finally as found in the interview with the Auto customer, the tools and consumables also have to be certified to use in the workshop in order for service to be approved by insurance companies.

5.1.2 Characteristics of the mature industry

The case company works within a mature industry which is characterized by a need of creating long-lasting competitive advantage. The competition is high due to low growth and an increased number of actors active in the market as described in section 3.1.3 Characteristics of a mature industry. The increased competition in combination with trends that change the market setup present challenges for the participants.

Luna's *suppliers'* distribution of strategic and non-strategic customers is changing as the structure of their business is changing. Many smaller, non-strategic, customers are being acquired by larger chains making these part of the larger strategically important ones. This is not a problem for Luna's suppliers but affect Luna. Luna's strategy of Tail Spend Management, explained in section 4.1.3.1 Tail spend management, is no longer as profitable, as the "tail" of their customers is decreasing. There are no longer as many non-strategically important customers that the suppliers of Luna want Luna to handle. The need to identify new potential customers is imperative for survival.

Successful companies in the maturity stage are those adapting to the changing customer needs. This requires the firm to compete by differentiation through modification of the product, the market or the marketing mix where supplementary services and deals to the product are the most effective forms of differentiation. This is done by the case company that are currently investigating a new distribution setup for its current customers and identifying the needs of these whilst doing the same for a new potentially lucrative new segment. If this is implemented correctly a profitable business will continue and the adaption to the industry challenges will be successful.

5.2 How should the service offer be realized?

This section answers the question “how”. In other words, how the delivery chain of Luna is designed and how it will affect their business and the realization of the service offer. The analysis is based on Porter’s model of the Value System and the definition of the delivery chain presented in section 3.2 The Value System and defining the delivery chain.

5.2.1 The delivery chain

In order to achieve and maintain a firm’s competitive advantage, it is important to understand its own *Value Chain* and how it fits into the *Value System* as a whole. Luna’s downstream activities, together with distribution and the customer’s inbound logistics is here called the delivery chain and visualized in Figure 5. The frame of reference in the analysis is the new organizational set-up with both logistics and customer segments.

A new important part of Luna’s downstream activities is the automated warehouse in Arendal. The warehouse will enable faster order picking and deliveries can be sent earlier, thus improving the outbound logistics and facilitating the feasibility of the distribution service offer.

Other departments included in the downstream activities are the marketing and sales organizations. They have a large impact on the downstream activities when it comes to the service offer, as they are the first contact towards the customers and responsible for the customer service function.

The last function of the downstream activities, which has not been analyzed in this thesis due to delimitations, is the service offers included in the repair, installation and maintenance.

As described in section 3.2.1.2 The focus of the thesis in the Value System, the customers’ inbound logistics is also a part of the delivery chain and will impact the distribution channel of Luna. Some of the customers have central warehouses or distribution centers and others store their products in warehouses next to the stores or even have all their products on the shelves, thus the distribution channel setup will be affected by the buyer’s behavior and logistics demands.

The service offer in the delivery chain will impact different functions and roles within the whole organization, thus important for Luna to make sure that the functions interact in order to gain competitive advantage. As the supply chain management function is new to the company it is important in the initial phase to make sure it is developed in a way that facilitate and not disturb the cooperation and information flow between relevant functions in order to create a work environment that aids the competitive advantage one wants to achieve.

5.2.2 Delivery channel setup

Luna’s channel setup differs from the model presented in theory and is thus modified with a frame of reference from the model by Kotler & Armstrong (2015) Figure 4. Luna is both a producer and a wholesaler of tools and consumables. However, as only a third of their sales turnover is from in-house brands, Luna is analyzed as a wholesaler.

Luna has different setups depending on customer segment. Their primary setup is an indirect channel setup. Luna, as a wholesaler, sells and distributes their products to retailers within the Manufacturing industry and Building Materials industry, which in turn sells the products to end-consumers both professionals and private consumers. The channel setup will be different for the new customer segment Auto as Luna works with a direct setup, as illustrated in Figure 20. The new direct B2B channel setup with Auto entails less value adding activities as the workshops are the end consumers of the tools but will instead imply other challenges.

As described in section 4.1.7 Customers, Luna also occasionally delivers products to the Manufacturing and Building Materials industries end consumers directly. Here, it is only the delivery

that is different in the channel setup as the retailer still is the customer and is responsible for agreements.

5.2.2.1 Challenges and opportunities in the delivery channel setup

Generally, more intermediaries in the channel imply more value adding activities before the product arrives to the customer. More intermediaries also imply that the complexity increases along the chain. This is important to take into consideration in terms of the different channel setups that Luna has.

Additional complexity is incurred as the distinction between large retailers and large wholesalers continues to blur, explained by Kotler and Armstrong (2015). The authors have found similarities in terms of the consolidation of retailers, see section 4.1.4 Luna Sweden & 4.2.1.1 General trends in the Building Materials industry. This would not only impact the distribution channel setup but also the business as a whole as the retailers will have the management structure and power to procure directly from Luna's suppliers and build up their own logistics setups without a wholesaler. As Luna mentioned, they have already observed that they will have to focus more on their KAM's as a result of the increasing centralization.

The Auto industry is seeing a trend of consolidation as well. This presents potential challenges for Luna. As described earlier, it may be relevant to target framework agreements with larger chains rather than targeting sole workshops for maximum profit and a sustainable business model for this segment. As the Auto segment will be piloted in Norway, the market research for these trends should initially be made there.

Nevertheless, the advantage with a wholesaler as Luna is that the customer can procure the majority of its tools from one supplier. The business idea of Luna Auto is to provide a wide range of customized and pre-packed solutions, primarily as leased equipment. This is an advantage as the customer segment describes that they many times have to invest in very expensive tools and that Luna will develop a complete workshop solution just for them. With consultancy and a complete product range assortment offered through Luna Auto, valuable time and money can be saved.

As the Manufacturing industry is moving towards a centralization of management, aiming for more integration in the supply chain, and decreases the supplier base in order to focus on customization and value adding services to their end-customers, Luna has to set their strategy in order to be the customer's choice. The importance of this can be seen in the surveys, where there are customers who have ended relationships due to non-sufficient logistics agreements or guarantees. This indicates both that the relationship is important and that the customer value logistics as a part of the overall product offer. Further, it shows that the distribution offer has to be customized in order to be a part of the customer's integrated supply chain.

As larger organizations have more competence in the field of logistics and are more active in integration of the supply chain, many plan their logistics in accordance and consolidate deliveries of different suppliers. Luna have not used consolidation of goods in a proper way with the old logistics setup, but should consider this and understand how this may add value to the customers' business to stay competitive and be the clear choice of the customer.

5.3 What do the customers consider to be essential for an attractive distribution offer?

This section answers the question “what? - what services in the delivery chain that is important and will be included in the service offer, but mostly what the customers consider to be essential for an attractive distribution offer. First, the discussion of customer service will be performed by analyzing the model by Jonsson & Mattsson described in section 3.3 The service offer. Then, the concept of delivery service elements will be analyzed through the model presented in figure 8. Finally, an additional analysis is made in this section for the future potential of e-commerce in the case company’s markets.

According to the purpose, this master thesis is delimited to study services in the delivery chain with the aim of developing a customer-oriented distribution offer. By using the concept of customer service, the authors will be able to define the first step of what will be involved in the distribution offer and decide when the investigated service is performed.

In terms of Kotler & Armstrong’s definition of the three levels of a product section 3.3.2 Levels of products and services, the thesis lies in the focus of the *augmented product*. The delivery service cannot be applied by the product itself, *the actual product*, but will create additional value to the customer. The delivery service will be developed as a customer-oriented offer, thus aligned with Grönroos (2007) definition of what a service is. Grönroos third characteristic define that the customer often is a part of the service production, both as a consumer and production resources.

As described in 1.1 Background and problem description, companies have to use complementary services as a part of the overall product offering and sell an integrated value-adding solution to create competitive advantage. Luna has a wide range of tangible products, in a mature industry, which implies an importance of value adding activities and complementary services.

It is important to make the distinction between the three customer segments. The two current customer segments of Luna are *selling* the purchased product to the end consumer whilst the new customer segment *is* the end consumers. This suggests different needs and requirements for the augmented services. A more elaborated presentation of what these differences are and what similarities that exist can be seen further down in the analysis, section 5.3 What do the customers consider to be essential for an attractive distribution offer.

5.3.1 Customer service at Luna

According to Jonsson & Mattsson’s model of what activities comprise customer service, the concept in relation to logistics includes all the activities related to the material flow that creates added value for the customer before, during and after delivery of the product see Figure 7.

5.3.1.1 Customer service before order

As the objective of this thesis is to focus on delivery service related to the material flow from Luna’s loading dock to receiving of goods at the customer, with exception of information which is carried out throughout the whole delivery chain, customer service before order placement is not a prime focus within the analysis of the service offer. Further, in this part of the model, a lot is considered as prerequisites by the case company, e.g. stock levels to be sufficiently high and thereby do the customers already have clarified information.

As carried out by Jonsson and Mattsson (2016), the focus in this initial phase should be on the customer’s needs and good communication. The authors want to emphasize that in the old logistics setup the primary focus was on cost efficiency rather than customer needs. Thereby, one could argue that the customers did not have influence in the delivery service and that the transparency of their needs was insufficient. However, the company now hopes to reconfigure its distribution offer in

accordance with the customers' needs and requirements. Problems and challenges regarding information have been found and will be further discussed in section 5.3.2.5 Information.

5.3.1.2 Customer service from order to delivery

The function within Luna that are responsible for the first steps of the customer service is primarily the sales team. Customer relationship is an important part of Luna's business model, where they aim to help the customer in their everyday work and satisfy their unique needs. Today, the primary tool to get information about orders and to place orders is through Toolstore. Customers can call their responsible sales representative when having questions or problems before ordering, if the information is not provided in the e-portal.

Customers today expect to get information regarding their order. The private consumer market is up to date here and generally supply their customers with the desired amount of information. In the B2B market, the request for information is increasing and Luna is currently not complying with this. What information the customers of different segments are requesting was presented in Figure 28 and is discussed further down in the analysis in section 5.3.2.5 Information.

5.3.1.3 Customer service during delivery

According to Jonsson and Mattsson (2016), service during delivery is the most common association with customer service. This is the main focus of this thesis and the detailed analysis will be provided further in section 5.3.2 Delivery service elements, where the result from the surveys is analyzed.

One important finding, however, is the addressed problem of insufficient knowledge of logistics within the salesforce. The salesforce is the first contact with Luna both regarding needs, preferences and problems. In order to provide service to the customers throughout the delivery chain and be able to give feedback upwards the chain, the authors stress the importance of sufficient logistical knowledge within the salesforce. A problem mentioned, occurring as a direct consequence of insufficient knowledge are delivery service elements being used as selling points. The problem lies in the fact that because of an insufficient knowledge these delivery services are not the ones adding extra value to the customer. This result in unnecessary high distribution costs on Luna's end to be able fulfill its promises. Since the old structure has not been based on customers' perspective and that the logistical function will from now on be operated in-house, this will be even more important in order to deliver accurate deliveries and realize the customers' demands. Moreover, Luna has a problem of relevant pricing of logistics and how to control it. This is also a question of competence which is relevant in order to gain competitive advantage and market shares. As found in the empirics, there is almost expectancy in the B2C market that the freight should be free of charge and this is not transferable to the B2B market. The case company has clarified that this is not possible and also not fair as the different type of products incur different costs of transport.

To deliver the products at the right time and in the right quantity, the service during delivery also includes the service provided by the chosen 3PL. As discussed in section 4.3.2.4 The need of customer service and requirements from the logistics operators, the expectations of what the 3PL's can offer increases in parallel with the change that many consider transportation just as transportation.

When conducting the interviews and surveys with customers, the authors have pointed out that this part of the chain is of more relevance than what the experts define. Firstly, as described in 1.1 Background and problem description, defect-free and on-time deliveries are considered as prerequisites. Even if there is a third party supplying the service, Luna is ultimately responsible for the agreement and the dissatisfaction will reflect towards them. This implies an importance of choosing the right logistics operator to perform the service if the transportation is outsourced. As the requirements in lead time may differ between customer segments and between customers and periods of time it may require different 3PLs.

Subsequent order processing is an example of predictability which can be offered to the customers when performing service during delivery. Solutions found at the market are for example changes of delivery address during the process of delivery or time when the order should be delivered. In the old logistics setup, Luna do not offer these solutions to their customers when an order is placed. The will to pay might not include for example the possibility of changing delivery address after the order is placed and might not even be relevant for Luna's customers. Further, as described in 3.4.4 Flexibility and customization, short-term flexibility solutions do require other kinds of abilities and are harder for a firm to manage. Expectations and behavior of B2B customers are approaching the B2C customers and this may be relevant in the future, a further investigation should be made.

5.3.1.4 Customer service after delivery

The last part of the customer service is mostly related to the reverse flow of products and process returns, which is out of scope for this master thesis. However, the authors have found the importance of information as a part of the service offer including the step of service after a delivery. As mentioned, in today's setup the customers are able to make complaints or problem specifications either to their sales representatives or through the online form on their homepage. Further discussion of the information flow can be seen in section 5.3.2.5 Information.

5.3.2 Delivery service elements

In order to evaluate what the customers consider essential for an attractive distribution offer, the authors have analyzed the various delivery service elements in accordance to the modified model Figure 56. Hence, the delivery service element *service level* is not analyzed and the two elements of *price* and *environmental impact* are added to the analysis.

Sandberg (2015) discusses the importance of the current logistics needs but also the understanding of how the value of the services change over time and how a firm have to configure the different service elements to meet customers demand in the future as well. The authors can see that the various customers, only within one customer segment, have different needs and that Luna will have to change today's distribution to meet the demands of the Auto industry, see the analysis of this below.

5.3.2.1 Lead time

Auto customers are wishing for quick deliveries in five years. As seen in Figure 21, the vast majority want their delivery the very same day as the order is made (assuming the order is placed before 10 AM) or during the following workday. The customer segment of Auto thereby requires faster deliveries than Luna offers today. Further, the orders are generally small, which suggests that they most likely order products for a specific car currently in service, in order to avoid late delivery to their end customer.

The result in Figure 21, also presents that only seven percent (Delivery the same day after work hours) of the Auto customers choose *in-night delivery* i.e. where the supplier enters via a main key and place the goods in your warehouse/store or in a secure parcel locker outside the customer's warehouse/store. The trend of an expectancy of shorter deliveries is not in line with the small number of respondents that choose *in-night-delivery*. A theory would be that the customers feel that there is no need to give the supplier access to the property if it is possible to get deliveries the very same day or next day during work hours, but this is just speculation and for a conclusive answer further investigation is needed. However, this is only applicable in the case of timespan. This alternative is not chosen when compared to getting the goods delivered during work hours the next day. As one can see in Figure 23 there are a large share of the respondents who want their products delivered this way when considering *how* and not *when* their products should be delivered. Further discussion of *how* products are delivered can be seen in section 5.3.2.4 Flexibility and customization.

As seen in Figure 30, the main problem with deliveries for the customers in the Auto segment is delivery time. This could be a result of the combination of a 24 hour delivery requirement and that their current suppliers cannot meet this demand. This demonstrates how important lead time is for the Auto industry and that Luna has to offer a distribution solution which includes next day delivery or even express deliveries for the new customer segment. The problem with lead time could also be a question of importance of specific time windows, this will be further discussed in section 5.3.2.4.2 Delivery windows.

Luna's current customers are not interested in delivery the same day as the order is placed, only four percent of the respondents chose this option, see Figure 21. The ability to plan ahead when not being the end consumer may be the reason for this, thus there is no need to get deliveries this quickly. More than half chose delivery the next workday and a fourth chose the alternative of having goods delivered through "in-night-delivery" implying the goods being ready to be unpacked at the start of next workday. The customer segments are therefore interested in a quick delivery but not enough to be willing to pay for express delivery. The current and new potential customers thus have different time preferences. The majority of the current customers want delivery the next workday whilst around a third of the auto segment chose this option. What is common between the two segments is that virtually none of the respondents want more than a 2-3 day delivery time.

When segmenting the current customers based on organizational structure it is made clear that the desired lead time does not differ considerably and that the organizational structure is not a factor here. As far as lead time concerns, it seems to be more related to industry rather than organizational structure.

When the customers rate the delivery service elements against each other, the result show that the most important factor is the lead time. This goes for both current and potential customers, as can be seen in Figure 35. Further discussion of weighing speed of delivery against cost of delivery is presented below in section 5.3.2.6 Price.

5.3.2.2 Delivery accuracy

Figure 30 show that both the current customers and the new potential customers have experienced problems with delivery accuracy. This number is notably high for the current customers, 78 percent. 51 percent of the respondents have chosen to end business collaborations because of problems with delivery, and not having a high delivery accuracy will most likely lead to lost customers for the case company. The corresponding number for the Auto segment is 47 percent. As problems with delivery accuracy is not as common here, though almost half of the respondents have experienced it, the new segment implies a better standard if Luna wants to gain market shares. 50 percent of the respondents in this segment have ended business collaborations as a cause of delivery problems, and just as in the current customer segment this should be considered when deciding on what standard the company aims for in delivery accuracy.

As this is seen as a major problem and that theory stress that the importance of delivery accuracy have increased over the years, Luna's have to review this and make sure that the new logistics set-up could decrease this percentage.

Ended collaborations as a cause of delivery problems is much more common in the centralized organizations than for the decentralized. It is one of the results which distinguish the organizational structures from each other. As seen in Figure 48, there is almost as large a share of *yes* for centralized as *no* for decentralized. The authors find it interesting that the decentralized organizations, especially the independent stores, have less incentive for ending supplier collaborations. One reason for not ending collaborations, even when problems occur, could be due to closer relationships with the supplier and problems can be overlooked. As discussed earlier, this could also be a question of knowledge.

5.3.2.3 Delivery reliability

Problems with delivery reliability, and more specific product quality, have been experienced by a third of the respondents in both the current customer segments and the segment of potential new customers. The wrong number or type of product is almost twice as common in the current customer segments as for the Auto segment. The accepted frequency of this kind of problem would assumable be lower in the new potential segment and should be considered when designing a distribution offer. There is also a great potential for Luna. By focusing on this problem, Luna could optimize their customers' business by decreasing costs as low delivery reliability entails additional costs and non-value adding activities for the customer.

5.3.2.4 Flexibility and customization

As described in 3.4 Delivery Service Elements, flexibility and customization are becoming important for a firm's competitive advantage in terms of logistics, which is reflected in the conducted surveys.

5.3.2.4.1 How products should be delivered

Initially, Figure 23 clarifies *how* the Auto segment want their products delivered in five years. One can observe that the majority find it important to keep the option of having their products delivered directly to the warehouse/shop. However, a noteworthy share of 52 percent want their products through *in-night-delivery*. The fact that this large a share are interested in this type of delivery implies that the case company should include this as an option when designing the delivery offer to this new segment. Close to a fifth of the respondents are interested in replenishment made by the supplier which would imply an augmented service that is relevant to this customer segment.

Further, the results shown in Figure 23 also indicates that the Auto segment requires deliveries on different times of the day, some find it value adding to receive orders during night before working hours begin, and should be considered when designing the service offer.

Equally important as having different options, must the customer be involved in determining the different options of delivery. As seen in Figure 56 below, 81 percent of the customers consider it important to be able to choose how their products should be delivered. Further, as presented in Figure 25, only half of the Auto customers have the opportunity to choose how their products should be delivered and almost 50 percent have ended relationships due to absence of choice. Hence, an opportunity for Luna to offer what the customers want and involve the customers when designing the service offer.

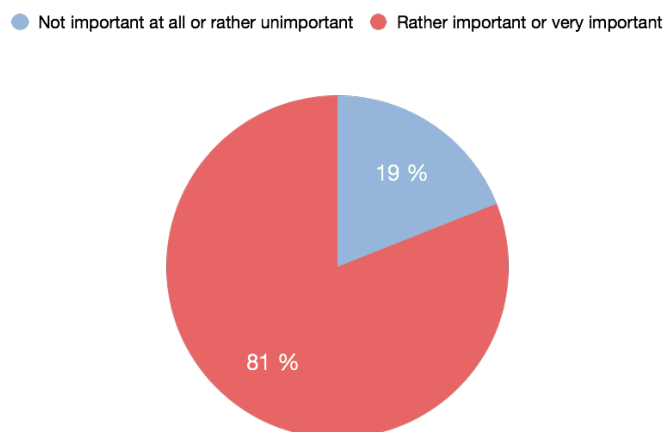


Figure 56: The majority of the Auto customers find it important to choose how the products should be delivered

The Manufacturing and Building Materials segments are similar to the Auto segment in terms of how large a share that want the option of delivery to the warehouse/shop during work hours. The desire of having the option of goods delivered and replenished by the supplier is a little lower than for Auto customers and the same can be said for the option of *in-night-delivery*. Nevertheless, a considerable share are interested in these options, as can be seen in Figure 23. The current customer segments got the additional alternative of having their orders *delivered directly to the end customer* in the relevant survey question. The case company do to some extent offer this to their current customers today and the authors wanted to investigate the future potential. It is made clear that 40 percent of the respondents are interested in this option. Hence, this delivery option has a good potential for the future distribution offer. Having the “supplier”, in this case Luna, deliver the goods to the customer requires trust. Since there are experienced problems in delivery accuracy and reliability, maybe the customers of Luna today are a bit more hesitant subcontract Luna for this task. One could argue that, if this is the reason for hesitation, a new distribution setup where Luna proves its worth in distribution will increase trust of capability and the share of 40 percent will increase further.

As presented in Figure 58 below, a total of 85 percent consider it rather or very important to be able to choose *how* the products are delivered but only 64 percent were able to do so during their last purchase (see Figure 25). Additionally, close 60 percent of the respondents have chosen not to work with suppliers because of an absence of choice. This is important for Luna to consider when reconfiguring their distribution offer.

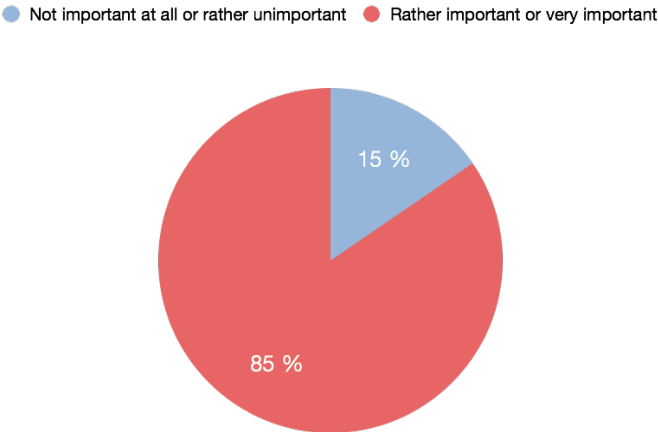


Figure 57: The majority of the current customers find it important to choose how the products should be delivered

Considering organizational structures, the authors can conclude that the option of *how* is less important for the decentralized organizations, 76 percent, than for the centralized organizations, 91 percent (see Figure 43), if the options of rather important and very important is added together. Further, the importance of choosing *how* is also reflected in Figure 44 where fewer decentralized customers have ended relationships with their supplier due to not being able to choose. The degree of importance of *how* could be a result of insufficient logistical knowledge or that the decentralized customers are less interested in the option of choosing how their products should be delivered.

5.3.2.4.2 Delivery windows

As seen in section 4.2.2.2.3 Guarantees, the Auto segment is similar to the B2C segment and find predictability important in terms of logistics. This can also be seen in the survey, Figure 34, where over 50 percent want a specific time slot for deliveries. Further, when the customers rate the different delivery service elements against each other, the result in Figure 35 show that the second most chosen alternative is that the customer could choose a specific time of delivery regardless of day.

The current customers of Luna are more interested in having a set day of delivery, rather than a set time as opposed to the Auto segment. Internally, segmented by centralized and decentralized customers the distribution is quite similar to each other. In both structures, the majority rather want a set day than a set time of delivery.

The different result for the two surveys implies that the case company would need to design a distribution offer that offers both alternatives in order to satisfy all customer segments.

5.3.2.4.3 Added delivery services

The authors have observed that the results from the survey regarding added customized deliveries is relevant for the Auto segment and thereby in line with theory. As seen in Figure 32, 60 percent have activities in their operation which a supplier could facilitate with. Noticeable is that it is not only larger activities e.g. Carry in parcels or pallets and put-away on shelves which creates value for the customers. In the survey, the Auto segment mention activities such as various labeling solutions which could facilitate their inbound logistics and add value. These kinds of solutions are aligned with the Auto strategy of offering the new customer segment a more streamlined flow in their operations. Examples of this are solutions which resembles *Vendor Managed Inventory* or *Collaborative Planning, Forecasting and Replenishment*. However, this may not be a solution for smaller customers within the Auto industry, as it requires high investments and supply chain integration.

In line with the Auto segment, 64 percent of the current customers of Luna believe that there are activities that a supplier can facilitate regarding delivery. Commonly mentioned are requirements regarding special labeling, delivery notes, delivery and packing. Requirements for labeling made up 46 percent of the special requirements and delivery 30 percent, see table 10. The current customers answered to a large extent with Luna in mind, making many of the added notes constructive criticism of current setup that need to be investigated and corrected accordingly to keep their current customers satisfied when designing the new setup.

There are more centralized organizations, 74 percent, which consider added delivery services as value adding and necessary than the decentralized organizations, 56 percent, as presented in Figure 49. As discussed before, the decentralized organizations do not have the same knowledge of logistics and thus do not know what the suppliers could facilitate.

Since the willingness to pay for faster deliveries seem high in all three customer segments (see section 5.3.2.6 Price), there is also a potential for Luna to be able to charge for these added customized deliveries. All activities Luna can facilitate for the customer is favorable, but customers have different systems for inbound logistics that have to be considered. Too much customization could be costly for Luna and further investigation is needed and hence out of the scope of this thesis.

5.3.2.4.4 The need of flexibility in delivery time

When investigating the need of flexibility in delivery time for current and potential new customers, the distribution is quite even for the alternatives considering a need and willingness to be flexible in time of delivery. This implies that there are, in the case of most organizations, situations where one need a quicker delivery and worth paying for, as well as situations where it is accepted to have a longer delivery time for a reduced price. It seems natural that most companies are not in a business environment where all needs can be predicted.

When adding the results in Figure 22 for the Auto segment, it is noteworthy that 58 percent are willing to pay more for a quicker delivery which suggests that a quick delivery should be at least an option for most customers. The same way the option to get a reduced price if the delivery time is prolonged is relevant for 55 percent and should also be part of the delivery options.

Conclusively, as seen in Figure 59 below, 84 percent of the respondents are flexible in their choice of delivery time and one can assume that they in some cases are willing to prolong the delivery time for a reduced price and/or pay more to have the delivery time shortened.

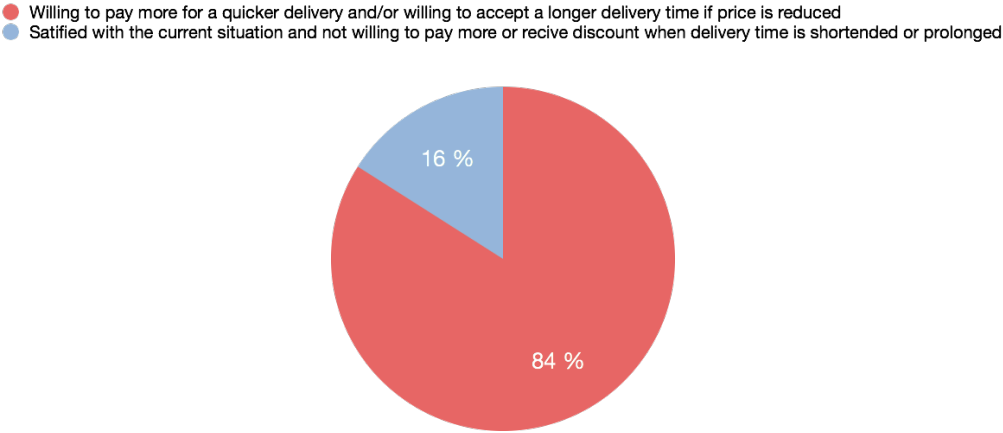


Figure 58: The pie chart shows that the majority of the Auto respondents are flexible in their choice of delivery time

The result from Figure 22 show that the customers in the Auto segment clearly have different business needs. The even distributed answers could also imply that each customer have different needs on different days. This in turn means that Luna must review their capacity in order to meet the customer’s demand. The results from the survey also imply that there are customers willing to pay for these resources and capacity, as mentioned in section 5.3.2.4.1 *How products should be delivered*. Luna thus has to offer various delivery alternatives to their customers.

The distribution of answers in the Manufacturing and Building Materials segments, presented in Figure 22, show that 53 percent are willing to pay more for a quicker delivery which implies, as for the Auto segment, that a quick delivery should be at least an option for most customers. The option of getting a reduced price if the delivery time is prolonged is relevant for 47 percent. Conclusively, 73 percent are willing to pay more for a quicker delivery and/or willing to accept a longer delivery time if price is reduced as presented in Figure 60 below.

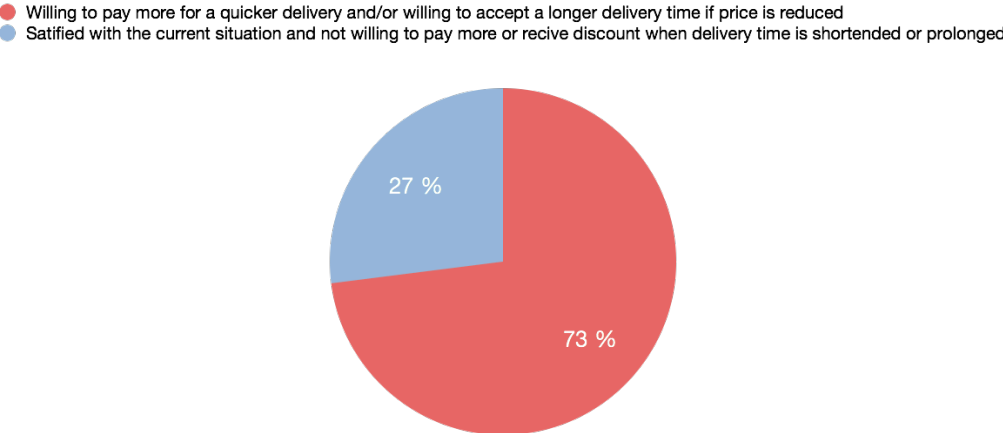


Figure 59: The pie chart shows that the majority of the Manufacturing & Building materials respondents are flexible in their choice of delivery time

The share of respondents not willing to do either is larger for the Manufacturing and Building Materials segments than for the Auto segment. Conclusively, the need and desire for flexibility is not as big.

5.3.2.5 Information

The theory of the importance of information exchange between supplier and customer, as a result of shorter lead times, are reflected in the result of the survey for the Auto segment. As seen in Figure 61, 90 percent have answered that they find it rather important or very important to receive information about the delivery status, and as discussed earlier, they require shorter lead times than the current logistics setup.

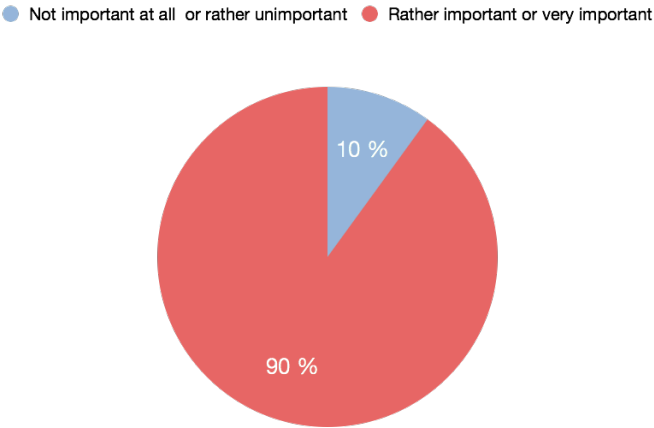


Figure 60: The results show the importance of information about delivery status in the Auto segment

In comparison, all respondents in the two current customer segments, Manufacturing and Building Materials, find it rather or very important to receive information about delivery status as viewed in Figure 62 below.

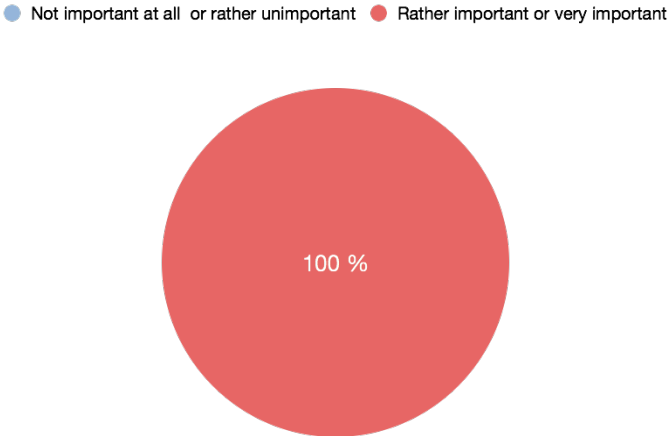


Figure 61: All respondents in the Manufacturing & Building Materials segments find information about delivery status important

The three most commonly chosen alternatives of delivery information for all three segments are information about delays, order confirmation and that the order is on its way, where the first two mentioned could be considered as prerequisites.

Further, from interviews and gathered data of surveys, it is made clear that a restructure of the information flow for orders need to be made. The majority of the customers want their information by email, with only a few respondents in both surveys who would like to receive information through text messages. Luna does not comply with this today as their traceability and information tool is accessed through Toolstore. However, the result from the surveys imply that the B2B customers, as opposed to B2C customers, have not come as far in their requirements regarding technology as only 10 percent of the Auto customers and 2 percent of the Manufacturing and Building Materials customers want their information by text message. Nevertheless, this solution could become important in the future and the authors stress that this should be considered if strategic customers make up these percentages.

Information gathered from the survey implies that the customer service, when a problem occurs, is not always optimal. For the Auto segment Luna has the opportunity to be better than its new competitors if this is developed in a good way. Some of the customers from the Manufacturing and Building Materials segments express a dissatisfaction with the current setup of Luna customer service and here actions needs to be taken not to lose customers

5.3.2.6 Price

As discussed above, quick deliveries are the clear choice in five years for the Auto customers. Here, the discussion is whether price or speed of delivery is the more important factor. Looking at Figure 33 these factors are put against each other and the result is clear. The speed of delivery is more important to the customer than the price of delivery. 95 percent of the Auto customers consider it more important that the products are delivered as quickly as possible as opposed to as cheap as possible. The result would then strengthen the analysis of the willingness to pay for a quick delivery. In order to get an actual number of the will to pay for a certain delivery solution, further research has to be made with an actual case.

Considering the other two segments, the share of customers who choose speed over price is not as large as for the Auto segment, though still in surplus. Consequently, more customers in these two segments consider price as the more important factor when purchasing their products. As discussed earlier, this may be due to the fact that the Auto segment are the end consumer and need the products delivered more quickly as it affects their ability to conduct business to a larger extent than the Manufacturing and Building Materials segments. Further, the difference could also be due to that the Manufacturing and Building Materials segments procure in larger volumes for replenishment, thus not in need of a quick delivery. The less costly alternative is therefore of greater relevance.

When comparing centralized and decentralized customers in the Manufacturing and Building Materials segments, the centralized organization do to a larger extent weigh speed over price. This may be due to a less flexible buying organization where the available assortment is more prefixed, as discussed in section 4.2.2 Business buying behavior in the studied customer segments, and the speed of delivery is therefore more easily affected than price.

5.3.2.7 Environmental impact

According to logistical experts and the employees at Luna, the customers do not find this element important. However, it can be concluded from the surveys, see Figure 35, that the Auto segment does find this service delivery element important to some degree. Even if the percentage who have chosen an environmentally friendly delivery as one of the more important factors is lower, there is a priority for the environmental impact in the delivery chain. Five percent have chosen this answer as the most important factor. The importance of this factor can be seen for the Manufacturing and Building Materials segments as well, but to a smaller degree. The Building Materials customer also mentioned in the interview that they do have guidelines and requirements that they need to follow in terms of

environmental impact when choosing products and suppliers. These results demonstrate differences in perception of the element between the customers and Luna that has to be reviewed. However, the authors have not investigated if the customers have a willingness to pay for a more environmentally friendly delivery solution.

5.3.3 The importance of e-commerce

As discussed in 1.1 Background and problem description, e-commerce is growing rapidly in the B2C market with 15 percent over the first two quarters. This can be compared to the B2B market where the yearly growth is 10-15 percent, presented in 4.2.3 The trend of e-commerce in the B2B market. Noteworthy, the findings show that the tools and consumables industry is lagging behind other industries when it comes to offering e-commerce as a sales channel for the end-consumers. This could also be validated by the surveys, see Figure 36, as only half of the respondents in the Manufacturing and Building Materials segments offer e-commerce as a sales channel to their customers and that e-commerce only stands for a rather small share of the total sales.

E-commerce will become more important for Luna as the vast majority of both their current customer segments believe that the share of purchases made through e-commerce will increase in the next five years, which is in line with the study presented by Litium (2016).

When comparing the two different organizational structures, the majority of the customers that do not have an e-commerce platform are the decentralized organizations. This may be due to that most of them do not belong to a retail chain but are independent stores. In this case, the authors' stress that this is reasonable as a platform for e-commerce it is not economically justifiable as it entails high investment costs. For the decentralized organizations, belonging to retail chains, the authors could just speculate in the reasons why. Further, the indirect sales loss for Luna as a consequence of their customers' choice of not to offer e-commerce as a sales channel, described in section 4.1.4.1.2 E-catalogue, is a problem that is difficult for Luna to address since it is hard to influence the relevant decision makers.

As found in the study made by Litium (2016), old routines and working methods, and today's logistics setups inhibit the development of e-commerce in the B2B market. The studied firms also states that their products do not fit to be sold through an e-commerce channel. The authors can conclude that Luna is moving in the right direction by reviewing their operations but they need to develop a good logistical channel in order to meet the demand of e-commerce. However, the trend of e-commerce is about more than just logistics and its design. We recommend that Luna carefully review this option.

Further, as the Auto segment want e-commerce as an option of purchasing channel and considers the relationship important, Luna's strategy of using e-commerce in a combination with consultation with the customers will give them a great competitive advantage in terms of offering the right kind of distribution solution.

5.4 Concluding summary of Analysis

This section summarizes the more important analyses, reasoning and result from this chapter.

5.4.1 Who is the customer?

5.4.1.1 Business buying process

From the analysis of the customer's buying process the more important finding was that:

- The buying process generally depends on the organizational structure and is not industry-specific. Centralized organizations generally have a structured buying organization, with multiple participants, and consequently a more structured buying process. Decentralized organizations and the majority of the Auto segment, have fewer participants and their buying process is unstructured.

5.4.1.2 Main environmental influences

The more important environmental influences found are:

- Relationship is significant in all customer segments. Great potential for Luna to build a good relationship with Auto from the beginning, as the request for consultation is included in the new business model.
- The different requirements on order volumes (small, large, replenishment, discounts) will have an impact on the distribution channel setups.
- The choice of sales channel is important and Luna has to manage the right balance between customer service, procurement over telephone, and e-platform to cover all customer needs. The trend suggests that e-commerce will increase and an argument can be made that the younger generations will also transfer their requirements from their private life to their professional one.
- The change in technology has an impact on the buying behavior as well. If handled wisely, this implies an opportunity for Luna to gain more market shares.

5.4.1.3 Main organizational influences

The analysis shows that the organizational structure has a large impact. Other important organizational influences found are:

- The difference between the two organizational structures within the Manufacturing and Building Materials segments is that the larger stores, primarily found within the centralized retail chains, have no influence in supplier selection and the smaller stores, often decentralized, attain more flexibility.
- There is an indication of less knowledge of logistics in decentralized organizations due to more unstructured buying processes. This implies a good opportunity for Luna to offer both logistical knowledge and a good distribution setup.
- The Auto segment is less flexible in supplier selection if authorized as a brand-specific workshop.

- Framework agreements have to be applied if the workshop belongs to a centralized organization.
- For Luna's tools to be allowed to be used in the workshops, in agreements with insurance companies, these need to be certified.

5.4.2 How should the service offer be realized?

The realization of the service offer depends on the channel setup. The more significant findings of how Luna's downstream activities and channel setup will impact the service offer is presented below.

- Improved outbound logistics, as a result of the new warehouse in Arendal, will facilitate the feasibility of implementation of the distribution service offer
- The service offer in the delivery chain will impact different functions and roles within the whole organization. It is thus important for Luna to make sure that the functions interact accordingly in order to gain competitive advantage.
- Luna has different distribution channel setups depending on customer segment. The new direct B2B channel setup with Auto implies less value adding activities as the workshops are the end consumers of the tools, but will instead imply other challenges.
- There is a trend of consolidation of retailers. This indicates that retailers will have the management structure and power to procure directly from Luna's suppliers. If Luna do not add value in the chain, the retailers may build up their own logistics setups without a wholesaler.
- Trend of consolidation of Auto workshops. It may be more profitable to target framework agreements with larger chains.
- The advantage of a wholesaler such as Luna is that the customer can procure the majority of its tools from one supplier. Luna can develop a complete workshop solution for their customers. The Auto segment occasionally have to invest in very expensive tools and Luna's business model comprising leasing of equipment will fit here as well.

5.4.3 What do the customers consider to be essential for an attractive distribution offer?

The summary of the analysis of the customers' needs and preferences is divided under different headings. First, the more general concluded analysis is presented.

- Companies must use complementary services as a part of the overall product offering and sell an integrated value-adding solution to create competitive advantage. Luna has a wide range of tangible products, in a mature industry, which implies an importance of value adding activities and complementary services.
- When designing the distribution offer it is important to make the distinction between the three customer segments. The two current customer segments of Luna are *selling* the purchased product to the end consumer whilst the new customer segment *is* the end consumers. This implies different needs and requirements for the augmented services.

5.4.3.1 Customer service at Luna

The analysis of Luna's customer service before, during and after delivery is concluded below.

- The authors have determined an importance of adequate information and communication throughout the delivery chain. A gap in the feedback loop was found in the step of customer service after delivery.
- Customers today expect to get information regarding their order during delivery. In the B2B market, the request for information is increasing and Luna is currently not complying with this.
- One important finding is the addressed problem of insufficient knowledge of logistics within the salesforce. The salesforce is the first contact with Luna both regarding needs, preferences and problems and sufficient logistical knowledge is important for a good customer service and for the delivery offer itself.
- Regarding service during delivery, the authors have pointed out that this part of the chain is of more relevance than what the experts define. The choice of 3PL is significant as their performance is ultimately reflected on Luna.

5.4.3.2 E-commerce

The three more important analyses related to e-commerce are summarized below.

- The Manufacturing and Building Materials segments are lagging behind other industries when it comes to offering e-commerce as a sales channel for the end-consumers. As seen in the surveys, only half of the respondents offer e-commerce as a sales channel and e-commerce only stands for a small share of total sales.
- There are more centralized organizations that provides e-commerce as a sales channel for their customers than the decentralized organizations. Independent stores, not belonging to retail chains, may consider required investments unjustifiable.
- E-commerce will become more important for Luna as the vast majority of the respondents believe that the share of purchases through e-commerce will increase. Luna is moving in the right direction by reviewing their operations but need to develop a good logistical channel in order to meet the demand of e-commerce.

5.4.3.3 Delivery service elements

Table 12: Summary of analysis of service delivery elements

Service Delivery Element	Manufacturing & Building Materials (M & BM)	M & BM - Centralized vs. Decentralized (C vs. DC)	Auto	Overall comments for M & BM and Auto
Lead time	Not interested in delivery the same day the order is placed	Organizational structure not a factor for lead time	Requires faster deliveries than Luna offers today	Lead time more related to industry than organizational structure.
	Wants quick deliveries but not enough to pay for express delivery		Delivery time = most commonly experienced delivery problem	Current and new customer segments have different preferences but commonly virtually none want more than 2-3 days delivery
				Lead time is the most important service delivery element for all segments
Delivery accuracy	Notably large share have had a problem with this		Not as common as for current customers = new segment implies a better standard to gain market shares	
Delivery reliability			The wrong number or type of product is almost twice as common in the M & BM as for Auto. The accepted frequency of this kind of problem would assumably be lower in the new potential segment.	1/3 of both M & BM and Auto have experienced problems with product quality.
Flexibility and customization	40 % are interested in having their orders <i>delivered directly to the end customer</i> . Experienced problems may be the reason to why customers are hesitant to subcontract Luna for this task.	The option of <i>how</i> is orders are delivered is less important for DC than for C	52 % want the option of <i>in-night-delivery in 5 years</i>	2/3 in both M & BM and Auto want the option of having goods delivered directly to the warehouse/shop in 5 years
	85 % consider it important to be able to choose <i>how</i> the products are delivered	In both structures, the majority rather want a set day than a set time of delivery	81 % of the customers consider it important to be able to choose how their products should be delivered	In both M & BM and Auto there is an interest for the options of in-night-delivery and replenishment made by supplier
	More interested in having a set day of delivery, rather than a set time	There are more C which consider added delivery services as value adding and necessary than DC. Might be that DC do not have the same knowledge of logistics and thus do not know what the suppliers could facilitate	More interested in having a set time of delivery, rather than a set day	The distribution offer need both an alternative for delivery windows and a set day to satisfy all customer segments.

Service Delivery Element	Manufacturing & Building Materials (M & BM)	M & BM - Centralized vs. Decentralized (C vs. DC)	Auto	Overall comments for M & BM and Auto
Flexibility and customization	64 % believe that there are activities that a supplier can facilitate regarding delivery. Commonly mentioned are special labeling, delivery notes, delivery and packing.		60 % have activities in their operation which a supplier could facilitate. Not only larger activities. Aligned with the Auto strategy of offering the new customer segment a more streamlined flow in their operations	The willingness to pay for faster deliveries seem high in all three customer segments = potential for Luna to charge for customized deliveries. Too much customization could be costly and further investigation is needed
	Many of the added notes constructive criticism of current setup that need to be investigated and corrected accordingly			For all segments there are situations where one need a quicker delivery and it is worth paying for, as well as situations where it is accepted to have a longer delivery time for a reduced price. The need and desire for flexibility is not as big in the M & BM as for the Auto segment.
Information	All respondents find important to receive information about delivery status		90 % find it important to receive information about the delivery status	Receiving information about the delivery status is important. This needs to be considered when redesigning the distribution offer.
				The three most important types of delivery information for all three segments are information about delays, order confirmation and that the order is on its way
				The majority of the customers want their information by email The customer service, when a problem occurs, is not always optimal. For Auto = potential competitive advantage. For M & BM = opportunity to improve and increase customer satisfaction.
Price	The share of customers who choose speed over price is not as large as for Auto, though still in surplus.	C do to a larger extent weigh speed over price. This may be due to a less flexible buying organization where the available assortment is prefixed and the speed of delivery is therefore more easily affected than price.	95 % weigh speed of delivery over price of delivery. The result strengthen the analysis of the willingness to pay for a quick delivery. Further investigation needed for more specific numbers on will to pay.	

Service Delivery Element	Manufacturing & Building Materials (M & BM)	M & BM - Centralized vs. Decentralized (C vs. DC)	Auto	Overall comments for M & BM and Auto
Price	M & BM procure in larger volumes for replenishment, thus not in need of a quick delivery. The less costly alternative is therefore of greater relevance than for Auto.			
Environmental impact	The importance of this factor can be seen for M & BM, but to a smaller degree than for Auto. Some have guidelines and requirements that they need to follow in terms of environmental impact when choosing products and suppliers.		5 % have chosen this answer as the most important factor.	According to logistical experts and the employees at Luna, the customers do not find this element important. However, it can be concluded from the surveys that both M & BM and Auto do find this service delivery element important to some degree. Differences in perception of the element between the customers and Luna that has to be reviewed. However, willingness to pay for a more environmentally friendly delivery solution need to be made.

6 Conclusions and recommendations

6.1 General conclusions

6.1.1 The transfer of B2C behavior into the B2B market and trend of consolidation

The study has shown that the end customer in B2B market have to some extent picked up the behavior of the B2C market customer. Though not fully and to a smaller extent in mature markets. As the B2B market is too far behind in accordance of the found trends, the authors do not find future trends such as high technology delivery solutions value adding to the B2B customer segments within five years. The important future trend is rather consolidation of companies and restructure of the market than futuristic B2C solutions. As an example, many of the current customers procure their products in larger quantities, which implies that solutions such as drones are not applicable. However, this can be relevant in the future as customer requirements change over time and that younger customers adapt the change of technology even faster than before. Technology is also found as an indirect factor for buying decisions. As the behavior and environment is changing, a recommendation is to review the solutions continuously in order to stay competitive.

6.1.2 The importance of differencing between customer segments

The distribution needs and preferences of a company's customers depend on where in the distribution channel setup the customers are situated. Either the customer is a retailer who sells to the end customer or the customer himself or herself *is* the end customer. More specifically, if the customer is part of a direct or indirect channel setup. The customer's placement in this channel setup has proven to imply different requirements regarding what is considered an attractive distribution offer.

6.1.3 The customers consider logistics services value adding

As mentioned in the background of the thesis, the logistic services are considered value adding and should be part of a company's offer. The importance of this is concluded throughout the report. A commercial enterprise in a mature market can in fact develop an attractive and customer-oriented distribution offer in order to gain market shares and optimize the delivery chain

6.2 Case company specific conclusions of customers' needs and preferences

6.2.1 Keep unique selling points in the new market

One of the most important buying stimuli for the customers is the relationship with the supplier, where knowledge of the customer and the products is significant. The local expertise and knowledge is said to be one of the company's unique selling points and advantages towards its competitors. As the new segment Auto implies a new market and a new channel setup, the recommendation is to make sure this unique selling point is made true for this market as well. An extensive market research should be made and adequate training is required for the sales force to fulfill the business strategy set for the company.

6.2.2 Future trends are not so trendy - focus on consolidation

The study has shown that the Auto segment has adapted the behavior of B2C customers more than the other segments. The Auto segment demand faster deliveries and are more open to future delivery solutions than the Manufacturing and Building Materials segments, this by already being the end consumer of the channel.

The more relevant trend for the case company is consolidation. The consolidation and centralization of the customer's organizations will affect Luna. Their role as a wholesaler will change as the market change. First, they need to consider how to work with *Tail Spend Management* and where to put their focus, in order to keep up with their customers. Second, the distribution channel setup will change over time as more centralized changes implies larger logistics setups and integration. Hence, a continuous follow-up of how to work as they need to be flexible for change over time.

The trend of consolidation is seen in the new market Automotive repair as well. This should be considered when entering the market and initializing contact and sale. Framework agreements with larger chains rather than targeting specific workshop may be a more profitable and sustainable business model for this segment. The focus of this thesis is the Swedish market and the findings are not necessarily transferable to the Norwegian market. The initial step should be to investigate if the trend of consolidation is transferable as this is where the new customer segment will be piloted.

Luna also has to consider consolidation on a more detailed level of the channel setup, the consolidation of goods. The larger organizations generally have more logistics competence. They have themselves started to plan their logistics in accordance to consolidation of goods with different suppliers. In the old logistics setup Luna have not used consolidation of goods in a proper way. The recommendation is to consider consolidation when designing the new logistics setup. An understanding of how this may add value to the customers' business will help them stay competitive and be the clear choice of the customer.

6.2.3 Understanding the potential of integration and knowledge

As discussed, there are various functions involved in Luna's downstream activities. An implementation of a new service offer in the delivery chain would imply that all of these will be affected. The conclusion is that all functions have to be informed and integrated before this change will take place. Luna have to make sure that the functions within the organization interact and understand how to turn the customer needs into an actual offer in order to gain competitive advantage. This is imperative, as the company will now "in-source" the Supply Chain Management function. There is a need for a common understanding and knowledge of the whole chain to make the channel optimal.

Our conclusion regarding the organizational structures is that the decentralized organizations do not have the sufficient knowledge of logistics. It can be perceived that they do not care about logistics or

customization of deliveries, but the deduction is that it most likely requires too much investment in time and resources in order for them to accomplish a change. Instead, they care about the relationship with the supplier. The recommendation would be to focus on the customers by offering resources not included in their current setup and become a major player in their logistics chain. If Luna develops an advanced internal logistics for these customers, they will gain a competitive advantage. For the centralized organization with generally large logistical setups, Luna needs to create a competitive market offer.

6.2.4 Exceed the standard and gain competitive advantage

The customers of Luna experience problems with deliveries and defect-free and on-time deliveries are considered as prerequisites. Even if there is a third party supplying the service, Luna is ultimately responsible for the agreement and the dissatisfaction will reflect towards them. This implies the importance of choosing the right logistics operator to perform the service if the transportation is outsourced. As the requirements in lead time may differ between customer segments and between customers and periods of time it may require different 3PLs. Dissatisfaction with transporters has been expressed by current customers and as this affects the overall offer of Luna, it is recommended to thoroughly review current and act accordingly in order to make sure the 3PLs are adequate. The share of companies that has experienced problems with delivery reliability is large in all three segments. More specific, the problem *wrong number or type of product* is almost twice as common in the current customer segments as for the Auto segment. Concluded from the answers, the accepted frequency of this kind of problem would assumable be lower in the new potential segment. This should be considered when designing a distribution offer. Increasing their delivery reliability, Luna could optimize their customers' business by decreasing costs as low delivery reliability entails additional costs and non-value adding activities for the customer.

It can be concluded that there is a problem with delivery accuracy for all three segments, in particular for the current customer segments. According to the findings in this study, the importance of delivery accuracy has increased over the years. Luna has to review this to make sure that the new logistics setup could decrease this percentage. Further, current customers express a displeasure of delivery accuracy towards Luna specifically in added notes and the authors strongly recommend that this issue is dealt with not to lose customers.

Being able to exceed in delivery accuracy through the new distribution setup would be a competitive advantage and should be considered when deciding on what *standard* the company aims for in delivery accuracy. To enter the new market with the current standard will not be enough regardless of the new setup and delivery service. The same applies for the current customers. Exceed the current standard and gain competitive advantage.

6.2.5 Increase the number of delivery options

The clear majority of current customers consider it important to be able to choose *how* the products are delivered and still only 50 percent were able to do so during their last purchase. As half of the respondents have chosen not to work with suppliers because of an absence of choice, the authors recommend that this is considered when designing a new distribution offer. The customers should be able to choose *how* the products should be delivered.

Further, future potential of the delivery option of having goods *delivered directly to the end customer* was investigated and after analysis, the recommendation is to continue with. 40 percent see this as a potential for the future and the authors believe that, if first proving its delivery accuracy and reliability with its new distribution offer, this share will increase as customers will trust the ability of Luna to handle their deliveries.

Regarding the relevance of added delivery services, more than half of the respondent in the segment say there are things that a supplier can facilitate in delivery concluding that there is a demand for value adding services within the delivery for the Auto segment. The majority concerning labeling and cross-referencing. The authors recommend that the company make this part of the added services in their distribution offer.

Correspondingly, 64 percent of the current customers of Luna believe that there are activities that a supplier can facilitate regarding delivery. Commonly mentioned are requirements regarding special labeling, delivery notes, delivery and packing. The received requirements are to a large extent comments on the current setup and the case company should review the requirements carefully as there is feedback that imply corrective measures.

6.2.6 Flexibility in delivery time as a delivery option

When investigating the demand of flexibility in delivery time options in relation to an increased or reduced delivery price for current and potential new customers, the distribution are quite even for a need and willingness to be flexible in time of delivery. This implies that there are situations where one need a quicker delivery and worth paying for, as well as situations where it is accepted to have a longer delivery time for a reduced price.

It is concluded that the most important delivery service elements for all segments is lead time. Luna is recommended to include an express delivery option as well as an option of longer delivery time than standard. The express delivery should then imply a premium paid for quicker delivery. Correspondingly, the longer delivery time option should imply a reduced price of delivery.

In all customer segments a significant share of respondents want the option of in-night-delivery, with a surplus for the new potential customers where more than half have chosen this option. The authors recommend this delivery option to be included in the new distribution offer.

In terms of *when*, the current customers of Luna are more interested in having a set day of delivery, rather than a set time as opposed to the Auto segment. The different result for the two surveys implies that the case company would need to design a distribution offer that offers both alternatives in order to satisfy all customer segments.

Conclusively, Luna has to offer various delivery alternatives to their customers. The customer needs and requirements are important as the new distribution offer, with the customers' desires as vantage point, is developed and imperative for a sustainable business in the future. Though, it may be economically unjustifiable to offer all solutions. Additionally, this implies that the capacity of the distribution function needs to reviewed. Further investigation is necessary. Calculations for extra expenditure of the aforementioned new delivery options need to be made to determine their feasibility in line with a profitable distribution offer.

6.2.7 A reconstruction of the information flow is required

It is made clear that a restructure of the information flow for orders need to be made. The current e-platform Toolstore is not sufficient as an information channel when reviewing *what* information current and new potential customers desire and *how* they want to receive it. Current customers express discontentment of the lack of service and information of delays. Further, Toolstore need to be designed to fit the customer's buying behavior.

The majority of the customers want their information by email, with a only a few respondents in both surveys who would like to receive information through text messages. Nevertheless, this solution

could become important in the future and the authors stress that this should be considered if these percentages are made up by strategic customers.

A new information flow based on the information current and new potential customers want should be designed. Order confirmation, information that the order has left the warehouse and is on its way, and information about delivery delay need to be included in this flow.

Information throughout the service chain is found significant for a competitive service offer. The conclusion is that the case company has a gap in the feedback loop at the end of the customer service chain. The authors recommend reviewing the feedback loop of information from the customers.

6.2.8 The customers choose speed over price

The share of customers who choose speed over price for the Manufacturing and Building materials segments is not as large as for the Auto segment, though still in surplus. Consequently, more customers in the current two segments consider price as the more important factor when purchasing their products. When comparing centralized and decentralized customers in the Manufacturing and Building Materials segments, the centralized organization do to a larger extent weigh speed over price.

As discussed, the Manufacturing and Building Materials segments procure in larger volumes for replenishment, thus not in need of a quick delivery. The less costly alternative is therefore of greater relevance than for Auto.

In commonality with smaller retail chains, small batches are common for the new segment. The urgency of getting these delivered quickly is important to take into consideration as they are the end consumer of the products and generally minimize backup stock. The combination of small batches and quick delivery can imply large expenditure. An analysis of how this need for a quick delivery of small batches can be implemented without incurring too large distribution costs should be made by Luna to make sure that business will be profitable.

Withal, the result strengthens the analysis of the willingness to pay for a quick delivery. In order to get an actual number of the will to pay for a certain delivery solution, further research has to be made with an actual case.

6.2.9 The importance of e-commerce

The authors can conclude that Luna is moving in the right direction by updating their e-portal. Most sales are made via the e-portal Toolstore and there is no sign of this sales channel losing its importance and relevance. The Auto segment want e-commerce as an option of purchasing channel and considers the relationship important, Luna's strategy of using e-commerce in a combination with consultation with the customers will give them a great competitive advantage in terms of offering the right kind of distribution solution. Conclusively, Luna has to develop a good distribution channel in order to meet the future demand of e-commerce.

6.2.10 Reconfigure the distribution and create a customer-oriented offer

The main conclusion is that Luna will have to reconfigure its distribution in order to meet the customers' demands. One of the main determining factors is that almost all customers want the deliveries faster than what the company offer today, a two day lead time is not enough. This implies a new strategy for the distribution channel setup, where the new warehouse in Arendal is the first step in this direction.

After discussion and evaluation, Table 13 below present a summary of what options and solutions Luna should consider when creating a customer-oriented distribution offer for their customers. The solutions are proposals in the context of what have been addressed throughout this study. The first step for Luna will be to evaluate these and investigate their capabilities, knowledge and understanding in order to meet the customers’ demands.

Table 13: The delivery options and solutions which should be included

Manufacturing & Building Materials	Auto
<ul style="list-style-type: none"> • Next day delivery • In-night-delivery • Delivery to the end-consumer • Set day of delivery • Delivery to warehouse/shop • Longer delivery time than standard with compensation of a reduced price • Added delivery services <ul style="list-style-type: none"> ○ Special labeling ○ Delivery notes ○ Packing solutions • Delivery information updates through email 	<ul style="list-style-type: none"> • Next day delivery • In-night-delivery • Express delivery • Set time of delivery • Delivery to warehouse/workshop • Longer delivery time than standard with compensation of a reduced price • Added delivery services <ul style="list-style-type: none"> ○ Labeling ○ Carry in & put-away • Delivery information updates through email

Moreover, Luna’s competitors have clear delivery options for distribution for their customers presented on their website, thus the competition already exists within the field of logistics as complementary services on their market. Luna has to find their competitiveness within their three customer segments, and then investigate how they want to brand their delivery offer towards them.

Further, the results regarding environmental impact demonstrates differences in perception of the element between the customers and Luna which has to be reviewed. A more environmentally friendly solution will impact the channel setup and how Luna conducts business. However, the authors have not investigated if the customers have a willingness to pay for a more environmentally friendly delivery solution. Further research needs to be made to conclude the relevance of business.

6.3 Next steps for Luna

In addition to the delivery service options and solutions presented above. The recommendations and next steps for Luna, in accordance with the purpose of this study, is presented below as short-term and long-term targets.

6.3.1 Short-term targets for Luna

Short-term targets:

- *Add more delivery options:* The customer has shown a need for flexibility of choosing delivery option depending on current requirements.
- *Focus on lead time:* As this is seen as the most important delivery service element.
- *Review the current information flow:* Give the customers continuous information about the order and improve the feedback loop
- *Exceed today's standard in all segments:* Increase delivery reliability and delivery accuracy in order to gain competitive advantage. Build trust in order to receive more end-consumer deliveries.
- *Take advantage of the willingness to pay for added delivery services:* Further investigation needed in order to estimate cost.
- *Investigate Auto requirements on the Norwegian market*
- *Choose an appropriate 3PL for the implementation of the service offer*

6.3.2 Long-term targets for Luna

Long-term targets:

- *Continuous improvement:* As customer needs change, Luna has to be updated on the customers' needs and preferences over time in order to remain competitive and be the customer's choice. The *not so trendy trends* may eventually be relevant - be proactive.
- *Applicability to other market organizations:* Future research of distribution offers in the other market organizations that Luna conducts business in. This since no conclusion can be made from this study.
- *Strategy for how to address the end-consumers:* The potential and feasibility for Luna to handle the deliveries to the end-consumers of the current customer segments have not been investigated in this study. An investigation of their needs and requirements is significant
- *Review the customer segmentation:* Needs and behaviors of the customers are changing as well as their markets. A new segmentation together with new responsibilities within the workforce may be relevant for competitiveness and efficiency.

7 Contributions and reflections

7.1 Academic contributions

The main contribution of this study is the specification of the framework and process of *who, how* and *what*, when B2B commercial enterprises in a mature industry develop service offers in the delivery chain. To the knowledge of the authors, the frame of reference used is unique in this context when creating a competitive distribution offer.

The second contribution is related to the delivery service elements. This study reviews the delivery service elements that should be comprised in a distribution offer and the specificity of each element. Some of the elements used for analysis could not be derived from theory. The study thus fills a gap between theory and reality by adding the service elements of price and environmental impact. Further, the study confirms the existing theory that the delivery service dimension develops over time and that a firm has to perform analyzes of different customer requirements to gain long-term competitive advantage in a mature industry.

7.2 General contributions

The study confirms a gap between the B2B and B2C market as well as gaps within the chain between the company and its customers. The thesis enables an understanding of what perceptions differ in terms of logistics services in the delivery chain and how the reality differs from theory. In this case are the future trends of B2B not completely transferable to the mature industry. This emphasizes the challenge for companies in mature industries to close the gap and advance towards the B2C market.

The importance of logistics and the chain of distribution is further strengthened by the result produced in surveys and interviews conducted in combination with an extensive literature study of the market traits and trends. Further, the master thesis has contributed with knowledge about how today's distribution chain has to be customized in accordance to customer demands for commercial enterprises in order to stay competitive. This study confirms the importance of logistics as a competitive advantage and that customers value logistics as a part of the overall product offer.

7.3 Reflections

7.3.1 General reflections

When conducting the surveys, the authors in consultation with the case company decided that the survey for the Auto segment should be anonymous. As the survey for the current customer segments was not, and even if the questions were formulated to be answered from a *general supplier point of view*, the authors can see that they have answered with Luna in mind. In retrospect, this could have been avoided if the study has had a probability sample of a larger population and allowed the survey to be anonymous with no indication of the present company. Nevertheless, the current setup allowed for a larger response rate and, though not intentional, specific constructive information that is relevant for the company to have. Because of time and resource constraints an anonymous survey with an equal number of respondents would not have been feasible.

To gain a higher quality of the survey, the authors should have not sent out the surveys the weeks before Christmas as companies have a lot to take care of before the New Year and are less willing to answer. The last reminders that were sent out in the beginning of 2018 generated more answers for all surveys. Further, the authors recommend having better incentives from the case company to offer the customers, in order to generate a higher answering frequency. More resources, in terms of time and money, would have increased the number of respondents.

In accordance to the purpose, it is important to remember that the options and solutions investigated in this study has to be viewed from the customer's point of view and that the company's perspective should come second. In the beginning of the study, the authors conducted a lot of interviews with the employees at the case company. It was found that they have a lot of knowledge, but also opinions of how it should be and thus not unbiased. Further, the gap of perception between suppliers and customers are very distinct in some cases, which implies the importance of considering the customer's point of view.

7.3.2 The credibility of the study

The study can only be generalized for the population used in this study, Luna's customer segments, thus not be generalized for all B2B markets and commercial enterprises. Other companies may use the study as a complement to their own market research and the questionnaire can be used as a guideline when conducting data within the same context, but then applied to their population.

The sampling has been made through two different sampling methods, purposive sampling and total investigation. First, in order to improve the generalization and validity of the study, the population would have to be larger and all methods should be performed using probability sampling. Further, when sending out the surveys, there are in most cases only one respondent per firm. The respondents are operating in relevant areas of their organizations, but there is still a risk that the answers reflect the person's own perceptions and not the company as a whole. In order to improve the credibility of the study, it would be beneficial to let more employees at the company respond to the survey or have been interviewed.

In order to answer the purpose of the study more consistently, a representative sample of the Swedish customers in each segment should be investigated in order to the study to be generalized and valid for all Swedish customers within the investigated segments.

The conducted interviews were only held with a few customers. In order to achieve a more thorough data collection and to support the findings from the secondary sources, more interviews could have been performed. Due to time constraints, this was not possible in this study.

7.3.3 Suggestions for future research

This study has been carried out as a single case study. The authors stress the interest of performing more case studies in the delivery chain within the B2B market and on a larger population. Further, the authors have not investigated the customer specific requirements and needs, but a generalization from the different delivery service solutions and elements.

For the Auto industry, a thorough investigation of the implication of brand specific workshops has to be performed in order to see how profitable it actually is to enter this market in different countries. Additionally, as Luna Auto will launch their first offer in Norway and this thesis have been limited to the Swedish market, a similar research has to be made for the Norwegian market as it cannot be concluded that the markets have the same requirements and needs.

The authors suggest performing a gap analysis of the case company's performance. This to see if the company is able to deliver the service according to the customer's expectation by applying concrete data.

The study did not include an investigation of the end consumers of the current customer segments in the supply chain as this was out of scope for this thesis. The authors find it relevant to include this final part of the chain as they, if not now, will play an important role in the delivery chain and for the delivery service in the future.

7.3.4 Concluding remarks

The study has concluded that services in the delivery chain are a source of potential added value for the customer and an opportunity for differentiation for B2B companies in the mature industry. Different customers have different needs, organizational structures and factors which influence their requirements, thus should the service offer be developed accordingly.

The study has concluded relevant findings that will help the company in its development of a strategic and customer-oriented distribution offer that will enable a profitable business in current and new customer segments and markets. By following our recommendations, they can achieve a competitive advantage.

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Appendix 1

Survey, common questions

1. Tänk fem år fram i tiden. Vilken är önskad leveranstid från leverantör till er?	Leverans samma dag förutsatt att order läggs innan klockan 10:00	Leverans samma dag efter arbetstid (<i>in-night delivery</i> där leverantören går in med nyckel och ställer varor inne på ert lager/er butik eller i en låst varubox utanför)	Leverans nästa dag under arbetstid	2-3 dagars leveranstid	En veckas leveranstid	Två veckors leveranstid

2. Klicka i det alternativ som stämmer vid jämförelse med er nuvarande leveranstid från svenska leverantörer	Jag kan betala mer för en snabbare leverans, men kan ej acceptera en längre leveranstid även om priset reduceras	Jag är inte beredd att betala mer för en snabbare leverans, men kan acceptera en längre leveranstid om priset reduceras	Jag kan betala mer för en snabbare leverans och kan acceptera en längre leveranstid om priset reduceras	Jag är inte beredd att betala mer för en snabbare leverans och kan ej acceptera en längre leveranstid även om priset reduceras

3. Tänk fem år fram i tiden. Hur hade ni önskat att ni fick era varor levererade? Klicka i de förslag som är relevanta för er.	In-night delivery. (<i>Att få varorna levererade under natten innan arbetsdagen startar, via en huvudnyckel till lagret/butik/arbetsplats eller via låst varubox</i>)	Leverans till butik/lager under arbetstid	Levererat samt upplockat på ert lager/er butikshylla av leverantören	Annat alternativ

3.b. Förklara kort vad du haft problem med	
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4. Hur viktigt är det för er att få välja hur era varor ska levereras?	Inte alls viktigt	Ganska oviktigt	Ganska viktigt	Mycket viktigt	Vet ej

5. Tänk tillbaka till er senaste leverans. Hade ni möjlighet att välja hur era varor skulle levereras?	Ja	Nej	Vet inte

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6. Har ni någon gång valt bort en leverantör på grund av att ni inte har fått välja hur varorna ska levereras?	Ja	Nej

7. Hur viktigt är det att er leverantör ger information om leveransens status?	Inte alls viktigt	Ganska oviktigt	Ganska viktigt	Mycket viktigt	Vet ej

8. Vilken information vill du ha om din leverans? Kryssa i alla alternativ som är relevanta för er.	Orderbekräftelse	Att ordern har plockats ur lager	Att ordern har lämnat lager och är påväg	Att ordern anlämt till utsatt leveransadress	Information om leverans blir försenad	Annan information

8.b. Om du klickat i "Annan information", förklara här vad för information du skulle vilja ha	
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9. Hur vill du få information om din leverans?	Mail	Sms	Telefonsamtal

10. När du upplevt problem med leverans av varor, vilken eller vilka kategorier har du haft problem med?	Vi har aldrig upplevt problem med leverans av varor	Leveranstid (<i>exempelvis tidig eller sen leverans</i>)	Kvalité på produkter (<i>exempelvis trasiga produkter eller produkter med sämre kvalité än utlovat</i>)	Ofullständiga ordrar (<i>ordrar som kommer i flera omgångar istället för EN full order</i>)	Fel antal produkter eller fel typ av produkt	Kundservice (<i>exempel; jag har haft svårt att få tag i någon hos leverantören som kan hjälpa mig med mitt problem</i>)

10.b Förklara kort vad du haft problem med	
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11. Har ni någon gång avslutat ett samarbete med en leverantör på grund av något av leveransproblemen i föregående fråga?	Ja	Nej

12. Finns det något i er verksamhet som en leverantör hade kunnat underlätta när det kommer till leverans av varor?	Ja	Nej

12.b. Om ja, beskriv kort vad er leverantör hade kunnat hjälpa er med	
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13. Vilket av nedanstående alternativ är viktigast om du får välja hur era varor ska levereras?	Att varorna levereras så snabbt som möjligt	Att varorna levereras så billigt som möjligt

14. Vilket av nedanstående alternativ är viktigast om du får välja hur era varor ska levereras?	Att varor levereras direkt till mig vid en tidpunkt jag själv kan välja, oavsett dag	Att varor levereras direkt till mig vid en dag jag själv kan välja, oavsett tid

15. Vilka är de tre faktorer som är viktigast om ni får välja hur era varor ska levereras? Rangordna dessa från viktigast till mindre viktig.	Att varorna levereras så snabbt som möjligt	Att varorna levereras så billigt som möjligt	Att varor levereras direkt till mig vid en tidpunkt jag själv kan välja, oavsett dag	Att jag kan spåra min leverans	Att varorna levereras på ett så miljövänligt sätt som möjligt

Survey specific questions, Manufacturing & Building Materials

16. Har era kunder möjlighet att handla från er via e-handel (webbutik)?	Ja	Nej

16.b. Ungefär hur stor del av er försäljning går via e-handel?	0-20%	20-49%	50-69%	70-100%

16.c. Tror du att din e-handel kommer att öka nästkommande fem år?	Ja, jag tror att den kommer att öka	Jag tror att den varken kommer minska eller öka	Jag tror att den kommer att minska	Vet ej

Survey specific question, Auto

16. Tänk fem år fram i tiden. I vilken typ av affär vill ni köpa era varor?	I En fysisk butik	Via en säljare	Via e-handel	Annat

Appendix 2

Free text questions, survey, Manufacturing & Building Materials

8. Vilken information vill du ha om din leverans? Kryssa i alla alternativ som är relevanta för er.

8.b Du har klickat i "Annan information", förklara här vad för information du skulle vilja ha

Om varan är slut på lager, info om utgående produkter, om artikeln är bristvara. Sen även om förpackningen är märkt eller inte. Bland annat

10. När du upplevt problem med leverans av varor, vilken eller vilka kategorier har du haft problem med?

10.b. Förklara kort vad du haft problem med.

Det största problemet är transporter

Transportören slarvar, paket kommit på avvägar.

Fått delad leverans, (ofta har det varit Schenker, Posten etc. som har slarvat bort något kolli). Felplock från ert lager.

Ej fullständiga leveranser, kommer alltid missade paket ett par dagar senare

Nästan aldrig en komplett leverans. Saknas alltid kollin. Kommer oftast nästa dag. Svårt att kolla eftersom postnord bekräftar bara antalet kartonger man fått ej totala antalet som skulle levereras

Fel antal levererade nästan vid varje tillfälle eller fattas helt

Leveranstid är ett återkommande problem där lev tiden skjut upp osv. Svårt att få bra svar från kundtjänst ofullständiga ordrar följesedlarna fattas eller ej korrekta mot beställning/huvudorder Jättejobbigt !!!!

Fel varor i leverans och ibland för lite eller för mycket varor.

VET INTE VILKEN TID PÅ DAGEN LEVERANSEN KOMMER OFTA KOMMER DET DAGEN EFTER UTSATT TID

Oftast felplock

Stora leveransproblem från er december-januari

Dåligt emballerat = transportskador Nu på slutet väldigt många plockfel ej fullständigt antal eller saknas helt kompletta leveranser

ofta fattas det varor i leveransen mm

Leveranser som kommer en eller flera dagar efter utsatt tid och många gånger är leveranserna utan följesedel.

Svårt att få tag i kundtjänst, försenade leveranser, saknat gods på leveranser.

felplock Lev tiden skjuts upp gång på gång

Vi har haft problem med allt, fast såklart inte på en gång.

Lång leveranstid. Ej kompletta ordrar.

väldigt sällan alla varor kommer samma dag. ofta saknas någon artikel

Delade sändningar gör det svårare att veta att allt har kommit. Varor på en fraktsedel kan komma på tre olika dagar...

ofullständiga leveranser tar upp till 3-4 dar

Felplock, dålig kvalitet

felplock, delade leveranser, leveranstid, kollin som blivit levererade hos annan kund.

Att leveranser uteblir fast att det står som levererat/fakturerat från er på Toolstore. Om det beror på er eller er speditör har vi svårt att säga.

senaste tiden är det mycket felplock och delade sändningar.

Fel leveranser både ej rätt vara eller i tid kostar pengar

Vi har råkat ut för det mesta, allt från för tidig leverans till för sen. Felplock, dåligt emballerat gods som är trasigt, packsedlar som saknas, delade leveranser osv..

Ej fått förslag på ersättningsartikel när en produkt utgått.

felleveranser

Felpackade varor, trasiga produkter, inga följesedlar, fel följesedlar i rätt packet. felvaror med rätt etikett. ECT...ECT

ofullständiga leveranser, saknat gods, felaktiga artiklar i leveransen. saknade följesedlar.

Varorna kommer ej inom skälig leveranstid. Orderna kommer i delleveranser. Våldigt långa resttider.

För sen lev. av transportör 1-2 dagar.

Det händer att det blir felplock eller fel antal.

vi får delleveranser som ofta saknar följesedel. Ni återkommer inte snabbt om var beställda finns och när vi skall få dessa. Ni har blivit betydligt sämre den senaste tiden.

Det saknas etiketter på varorna som informerar om antal, artikelnummer, beställning m.m. När det gäller detta med att man har tagit bort etiketterna så måste man haft otur när man tänkte för det ställer till det väldigt mycket när vi packar upp. Leveranserna är aldrig kompletta. Det fattas alltid något kolli. Ibland skadade artiklar då det bara läggs ner i lådor utan att kolla om det är ömtåligt som ligger under. Man vänder upp och ner på kartonger som skall vara uppåt.

Inga följesedlar, uppdelade leveranser, dåligt packat (exempelvis PI600 vad nerkastat i en stor kartong istället för de vanliga lådorna om 12, tar oss betydligt mycket mer tid) Ingen ny orderbek om det är så att rest datum förlängs. Fel datum på orderbek.

ofta felplockat från lagret. Saknat gods har väl vart varje tillfälle sen 6 månader tillbaka

försenade leveranser, trasiga varor i leveransen, varor som är felplockade

dålig logistik Norrland, ofta sen leverans

Lång leveranstid. Restnoterade varor som kommer LÅNGT efter. En och samma order som kommer i flera små sändningar på olika dagar. Omärkta förpackningar. Felpackade förpackningar.

FELPLOCK. SAKNADE ARTIKLAR.

Saknat gods. Fel kolli antal.

delade leveranser, saknas, fel vara mm

12. Finns det något i er verksamhet som en leverantör hade kunna underlätta när det kommer till leverans av varor? Exempelvis placering av etiketter, andra typer av förpackningar, inbärning, installation etc.

12.b Beskriv kort vad er leverantör hade kunnat hjälpa er med

Bättre packat, typ en pall en lapp

Leverera komplett vad som finns på följesedeln. Svår hantering när varor kommer flera dagar senare (då har vi redan fått fakturan)

Leverera det i ett stort kolli istället för 10 små där alltid något är på villovägar.

se föregående fråga !!!!!

Leverera när ni ska hellre stora, få kollin istället för som idag med många små kollin

Bättre märkning, bättre packat

Vi saknar klisteretiketten som levererades med tidigare på produkterna. Dessutom saknas ibland era följesedlar med godset, vilket försvårar vårt lagerarbete

fortsätta med lappar på varorna

Inplockat direkt i hyllor

följesedel och märke på varorna

Det borde alltid finnas en varuetikett per orderrad.

Leveranssäkerhet är A och O när det gäller förtroende hos våra kunder. Om vi får veta att nått är försenat så kan vi i vår tur meddela kunden. Nu kan vi aldrig säga åt en kund vilken dag godset kommer. de det försenas, delas, osv dålig träffsäkerhet.

behåll plock etiketter

plocketiketter är inte fel

Se till att vi har SÄLJANDE produkter på hyllorna. Leverantören ska göra en avstämning, byta ut det som inte säljer o.s.v. Komma oftare och se över hyllor, att det ser bra ut.

För att vi ska kunna konkurrera med andra aktörer på marknaden (ahlsell) behöver vi kunna lägga order senare men ändå få leverans tidigt dagen efter eller på natten. Ta bort EOF på alla produkter, vi beställer via EDI och då framgår det inte om en produkt är EOF.

särpacka lagerleveranser och kundbeställningar

Paketera varorna så dessa ej skadas vid leverans typ att speditörer ej kan lasta annat ovanpå

Det får vi ta muntligt, men ni kan väl titta tillbaka på det svar jag gett på föregående fråga

Bra ordning och lättnavigerat bland godset.

Först att det vi beställer kommer på rätt tid och är rätt varor...

Tydligt märka artiklar i leverans, möjlighet att hämta upp följesedel online.

Plocketiketterna skall vara placerade väl synliga och inte så de förstör förpackningen. Vore bra med innehållsetikett på kolli med flera olika produkter.

Placering av följesedel på ytteremballaget.

Man kan ha följesedlar per förp, man kan också följa upp varorna leverans och se till att allt blir levererat så inte vi skall vänta dagar & ibland veckor på att få ny eller rätt vara.

Börja använda etiketter på varorna igen. Synka orderläggningstiden med plocktiden och när godset skall hämtas för att levereras till er kund.

följesedlar för varje kolli, bättre orderbek med datum som överens stämmer med verkligheten. Nya orderbek om det är så nytt datum uppstår eller flyttas fram.

uppackning i butik samt bytt transportbolag så man säkerställer att leveranser kommer på utsatt dag upplever det som ett problem att godsetiketterna har försvunnit, tar ungefär dubbelt så lång tid att packa upp en leverans

Vadå placering av etikett? Ni har ju tagit bort dem helt. Varför?

Bara genom att leverera det som i dag är standard. Följesedel, ordersedel, bra emballerat. Levereras på utsatt leveransdag etc.

Dom små etiketterna som ni tar bort just nu bla.

Packning av gods som underlättar för logistik på Filial

Bättre märkning av förpackning. Tydlig streckkod och streckkod på ALLT. Mycket kommer omärkt och utan streckkod så man får göra egna... tidskrävande och svårt att hålla fyllnadsgrad i butik. dras från att beställa artiklarna igen.

Plock etiketter. Väl synliga order/beställningsnummer på följesedel. Inte lägga artiklar huller om buller i lådorna!! Meddela förseningar. Se till att alla kollin med samma sändning levereras samtidigt (saknas ofta kollin).

Vill att etiketterna blir kvar på varorna från lagret och inte tas bort. Det är lättare om det är en kund order att pricka av ordern

Har du något annat du tror kan vara relevant för framtidens distributionserbudande, skriv gärna det nedan

Direktleveranser från grossist till slutkund

Att det kan erbjudas över-dagen leveranser

Vi måste kunna matcha Ahlsells erbjudande om leverans dagen efter på morgonen

att rätt varor kommer

Att godshanteringen blir mera aktsam och vi slipper den mängden skadat gods vi idag tvingas hantera.

Vi skulle vilja att ni erbjuder Dropp ship till både privat och företagskunder

Free text questions, survey, Auto

8. Vilken information vill du ha om din leverans? Kryssa i alla alternativ som är relevanta för er.

8.b Du har klickat i "Annan information", förklara här vad för information du skulle vilja ha

Det är viktigt att kunna svara kunderna hur det går med beställningar, när det dröjer blir de otåliga och vill veta vad som händer.

När den kommer

10. När du upplevt problem med leverans av varor, vilken eller vilka kategorier har du haft problem med?

10.b. Förklara kort vad du haft problem med.

Ej blivit informerad om förseningar

Försenad leverans

Vissa leverantörer har bara ett lev alternativ. Då flera fraktbolag endast levererar 1 dag/vecka är detta ett stort problem. Speciellt om lev dag är en röd dag då sker leverans först veckan därpå.

Leverans i tid, fel vara

Delar som inte kommer enligt överenskommelse

Fel lagersaldo, lågpriskvalité ibland

Försenade leveranser pga av "extern leverantör", främst Postnord... Felpackade varor, dvs ej rätt vara som levererats.

Restnoterade artiklar.

FEL MATERIAL SKICKAT FEL ANTAL TRASIGT I FÖRPACKNINGAR FELMÄRKT MATERIAL

Artiklar saknas. Leveranser kommer ytterligare en dag senare utan att orsak meddelas.

Leverans av däck som kommer i flera omgångar.

Order som levererats ofullständigt utan att jag fått meddelande om det

Leverans som inte kommer fram under avtalad tid

Varorna kom inte i tid, kundservicen svarade inte förrän efter många påringningar när dom väl svarade så visste ingen någonting, tog långgg tid innan problemet var löst

Varor som inte kommer i utsatt tid.

Levereras fel antal.

Försenad leverans. Lång telefonkö till kundtjänst.

12. Finns det något i er verksamhet som en leverantör hade kunna underlätta när det kommer till leverans av varor? Exempelvis placering av etiketter, andra typer av förpackningar, inbärning, installation etc.

12.b Beskriv kort vad er leverantör hade kunnat hjälpa er med

Märkning med slutkund

lägga in artiklar på lagerhyllor.

Att inte sätta fraktetiketter över diverse artikelnummer, om det förekommer

Uppackning och märkning

Bära in och lägga upp reservdelar på hyllan till respektive fordon

Lev. annan dag om leverans dagen är en röd dag

Lägga på hyllan med rätt regnummer och dag

Märkning, korsreferens

TYDLIGT MARKERA VÅR REFERENS TYP REG NR

Märkning av kundnamn på leveranser.

Diverse uppmärkning av varor. Regnr. Anteckningar från beställning

Delat upp delarna/varorna till respektive mottagare/bil

Lämna varor under natten

Uppackning

Streckkoder på etiketterna.

Har du något annat du tror kan vara relevant för framtidens distributionserbjudande, skriv gärna det nedan

Möjlighet att prova, känna på produkterna

Appendix 3

Experienced delivery problems categorization by authors, Manufacturing & Building Materials

Fields marked in gray include more than one category of problem

Delivery note	Transporters	Delivery reliability	Delivery accuracy
Leveranser som kommer en eller flera dagar efter utsatt tid och många gånger är leveranserna utan följesedel.	DET STÖRSTA PROBLEM ÄR TRANSPORTER	Fel varor i leverans och ibland för lite eller för mycket varor.	Fått delad leverans, (ofta har det varit Schenker, Posten etc, som har slarvat bort något kולי). Felplock från ert lager.
Vi har råkat ut för det mesta, allt från för tidig leverans till för sen. Felplock, dåligt emballerat gods som är trasigt, packsedlar som saknas, delade leveranser osv..	TRANSPORTÖREN SLARVAR, PAKET KOMMIT PÅ AVVÄGAR.	Oftast felplock	Ej fullständiga leveranser, kommer alltid missade paket ett par dagar senare
ofullständiga ordrar följesedlarna fattas eller ej korrekta mot beställning/huvudorder Jättejobbig !!!!		Dåligt emballerat = transportskadade Nu på slutet väldigt många plockfel ej fullständigt antal eller saknas helt	Nästan aldrig en komplett leverans. Saknas alltid kollin. Kommer oftast nästa dag. Svårt att kolla eftersom postnord bekräftar bara antalet kartonger man fått ej totala antalet som skulle levereras
Felpackade varor, trasiga produkter, inga följesedlar, fel följesedlar i rätt paket. felvaror med rätt etikett. ECT...ECT		Svårt att få tag i kundtjänst, försenade leveranser, saknat gods på leveranser.	Fel antal levererade nästan vid varje tillfälle eller fattas helt
ofullständiga leveranser, saknat gods, felaktiga artiklar i leveransen. saknade följesedlar.		felplock Lev tiden skjuts upp gång på gång	ofullständiga ordrar följesedlarna fattas eller ej korrekta mot beställning/huvudorder Jättejobbig !!!!
vi får delleveranser som ofta saknar följesedel. Ni återkommer inte snabbt om var beställda finns och när vi skall få dessa. Ni har blivit betydligt sämre den senaste tiden.		Felplock, dålig kvalitet	kompleta leveranser
Det saknas etiketter på varorna som informerar om antal, artikelnummer, beställning m.m. När det gäller detta med att man har tagit bort etiketterna så måste man ha haft otur när man tänkte för det ställer till det väldigt mycket när vi packar upp. Leveranserna är aldrig kompletta. Det fattas alltid något kולי. Ibland skadade artiklar då det bara läggs ner i lådor utan att kolla om det är ömtåligt som ligger under. Man vänder upp och ner på kartonger som skall vara uppåt.		felplock, delade leveranser, leveranstid, kollin som blivit levererade hos annan kund.	ofta fattas det varor i leveransen mm
Inga följesedlar, uppdelade leveranser, dåligt packat (exempelvis P1600 vad nerkastat i en stor kartong istället för de vanliga lådorna om 12, tar oss betydligt mycket mer tid) Ingen ny orderbek om det är så att rest datum förlängs. Fel datum på orderbek.		senaste tiden är det mycket felplock och delade sändningar.	Lång levtid. Ej kompletta ordrar.

Delivery note	Transporters	Delivery reliability	Delivery accuracy
Lång leveranstid. Restnoterade varor som kommer LÅNGT efter. En och samma order som kommer i flera små sändningar på olika dagar.. Omärkta förpackningar. Felpackade förpackningar.		Fel leveranser både ej rätt vara eller i tid kostar pengar	väldigt sällan alla varor kommer samma dag. ofta saknas någon artikel
		Vi har råkat ut för det mesta, allt från för tidigleverans till för sen. Felplock, dåligt emballerat gods som är trasigt, packsedlar som saknas, delade leveranser osv..	Delade sändningar gör det svårare att veta att allt har kommit. Varor på en fraktsedel kan komma på tre olika dagar...
		felleveranser	ofullständiga leveranser tar upp till 3-4 dar
		Felpackade varor, trasiga produkter, inga följesedlar, fel följesedlar i rätt packet. felvaror med rätt etikett. ECT...ECT	felplock, delade leveranser, leveranstid, kollin som blivit levererade hos annan kund.
		ofullständiga leveranser, saknat gods, felaktiga artiklar i leveransen. saknade följesedlar.	Att leveranser uteblir fast att det står som lev/fakt från er på Toolstore. Om det beror på er eller er speditör har vi svårt att säga.
		Det händer att det blir felplock eller fel antal.	senaste tiden är det mycket felplock och delade sändningar.
		Det saknas etiketter på varorna som informerar om antal, artikelnummer, beställning m.m. När det gäller detta med att man har tagit bort etiketterna så måste man haft otur när man tänkte för det ställer till det väldigt mycket när vi packar upp. Leveranserna är aldrig kompletta. Det fattas alltid något kolli. Ibland skadade artiklar då det bara läggs ner i lådor utan att kolla om det är ömtåligt som ligger under. Man vänder upp och ner på kartonger som skall vara uppåt.	Vi har råkat ut för det mesta, allt från för tidigleverans till för sen. Felplock, dåligt emballerat gods som är trasigt, packsedlar som saknas, delade leveranser osv..
		Inga följesedlar, uppdelade leveranser, dåligt packat (exempelvis PI600 vad nerkastat i en stor kartong istället för de vanliga lådorna om 12, tar oss betydligt mycket mer tid) Ingen ny orderbek om det är så att rest datum förlängs. Fel datum på orderbek.	ofullständiga leveranser, saknat gods, felaktiga artiklar i leveransen. saknade följesedlar.
		ofta felplockat från lagret. Saknat gods har väl vart varje tillfälle sen 6 månader tillbaka	Varorna kommer ej inom skälig leveranstid. Orderna kommer i delleveranser. Väldigt långa resttider.

Vi har haft problem med allt, fast såklart inte på en gång.

Delivery note	Transporters	Delivery reliability	Delivery accuracy
		försenade leveranser, trasiga varor i leveransen, varor som är felplockade	vi får delleveranser som ofta saknar följesedel. Ni återkommer inte snabbt om var beställda finns och när vi skall få dessa. Ni har blivit betydligt sämre den senaste tiden.
		FELPLOCK. SAKNADE ARTIKLAR.	Det saknas etiketter på varorna som informerar om antal, artikelnummer, beställning m.m. När det gäller detta med att man har tagit bort etiketterna så måste man haft otur när man tänkte för det ställer till det väldigt mycket när vi packar upp. Leveranserna är aldrig kompletta. Det fattas alltid något kolli. Ibland skadade artiklar då det bara läggs ner i lådor utan att kolla om det är ömtåligt som ligger under. Man vänder upp och ner på kartonger som skall vara uppåt.
		Saknat gods. Fel kolli antal.	Inga följesedlar, uppdelade leveranser, dåligt packat (exempelvis P1600 vad nerkastat i en stor kartong istället för de vanliga lådorna om 12, tar oss betydligt mycket mer tid) Ingen ny orderbek om det är så att rest datum förlängs. Fel datum på orderbek.
		delade leveranser, saknas, fel vara mm	Lång leveranstid. Restnoterade varor som kommer LÅNGT efter. En och samma order som kommer i flera små sändningar på olika dagar.. Omärkta förpackningar. Felpackade förpackningar.
			delade leveranser, saknas, fel vara mm

Customer service	Lead time	Information	Customization
Leveranstid är ett återkommande problem där lev tiden skjut upp osv. Svårt att få bra svar från kundtjänst	Leveranstid är ett återkommande problem där lev tiden skjut upp osv. Svårt att få bra svar från kundtjänst		Ej fått förslag på ersättningsartikel när en produkt utgått.
Svårt att få tag i kundtjänst, försenade leveranser, saknat gods på leveranser.	VET INTE VILKEN TID PÅ DAGEN LEVERANSEN KOMMER OFTA KOMMER DET DAGEN EFTER UTSATT TID	VET INTE VILKEN TID PÅ DAGEN LEVERANSEN KOMMER OFTA KOMMER DET DAGEN EFTER UTSATT TID	
vi får delleveranser som ofta saknar följesedel. Ni återkommer inte snabbt om var beställda finns och när vi skall få dessa. Ni har blivit betydligt sämre den senaste tiden.	Stora leveransproblem från er december-januari	Inga följesedlar, uppdelade leveranser, dåligt packat (exempelvis P1600 vad nerkastat i en stor kartong istället för de vanliga lådorna om 12, tar oss betydligt mycket mer tid) Ingen ny orderbek om det är så att rest datum förlängs. Fel datum på orderbek.	
Inga följesedlar, uppdelade leveranser, dåligt packat (exempelvis P1600 vad nerkastat i en stor kartong istället för de vanliga lådorna om 12, tar oss betydligt mycket mer tid) Ingen ny orderbek om det är så att rest datum förlängs. Fel datum på orderbek.	Leveranser som kommer en eller flera dagar efter utsatt tid och många gånger är leveranserna utan följesedel.		
	Svårt att få tag i kundtjänst, försenade leveranser, saknat gods på leveranser.		
	felplock Lev tiden skjuts upp gång på gång		
	Lång levtid. Ej kompletta ordrar.		
	felplock, delade leveranser, leveranstid, kollin som blivit levererade hos annan kund.		
	Fel leveranser både ej rätt vara eller i tid kostar pengar		
	Vi har råkat ut för det mesta, allt från för tidig leverans till för sen. Felplock, dåligt emballerat gods som är trasigt, packsedlar som saknas, delade leveranser osv..		
	Varorna kommer ej inom skälig leveranstid. Orderna kommer i delleveranser. Väldigt långa resttider.		
	För sen lev. av transportör 1-2 dagar.		
	försenade leveranser, trasiga varor i leveransen, varor som är felplockade		
	dålig logistik Norrland, ofta sen leverans		
	Lång leveranstid. Restnoterade varor som kommer LÅNGT efter. En och samma order som kommer i flera små sändningar på olika dagar.. Omärkta förpackningar. Felpackade förpackningar.		

Experienced delivery problems categorization by authors, Auto

Fields marked in gray include more than one category of problem

Delivery note & Labeling	Transport	Delivery reliability	Delivery accuracy
FEL MATERIAL SKICKAT FEL ANTAL TRASIGT I FÖRPACKNINGAR FELMÄRKT MATERIAL	Vissa leverantörer har bara ett lev alternativ. Då flera fraktbolag endast levererar 1 dag/vecka är detta ett stort problem. Speciellt om lev dag är en röd dag då sker leverans först veckan därpå.	Leverans i tid, fel vara	Delar som inte kommer enligt överenskommelse
	Försenade leveranser pga av "extern leverantör", främst Postnord... Felpackade varor, dvs ej rätt vara som levererats.	Fel lagersaldo, lågpriskvalité ibland	Restnoterade artiklar.
		Försenade leveranser pga av "extern leverantör", främst Postnord... Felpackade varor, dvs ej rätt vara som levererats.	Leverans av däck som kommer i flera omgångar.
		FEL MATERIAL SKICKAT FEL ANTAL TRASIGT I FÖRPACKNINGAR FELMÄRKT MATERIAL	
		Artiklar saknas. Leveranser kommer ytterligare en dag senare utan att orsak meddelas.	
		Order som levererats ofullständigt utan att jag fått meddelande om det	

Levereras fel antal

Customer service	Lead time	Information
Varorna kom inte i tid , kundservice svarade inte förrän efter många påringningar när dom väl svarade så visste ingen någonting, tog långgg tid innan problemet var löst	Vissa leverantörer har bara ett lev alternativ. Då flera fraktbolag endast levererar 1 dag/vecka är detta ett stort problem. Speciellt om lev dag är en röd dag då sker leverans först veckan därpå.	Ej blivit informerad om förseningar
Försenad leverans. Lång telefonkö till kundtjänst.	Leverans i tid, fel vara	Fel lagersaldo, lågpriskvalité ibland
	Försenade leveranser pga av "extern leverantör", främst Postnord... Felpackade varor, dvs ej rätt vara som levererats.	Artiklar saknas. Leveranser kommer ytterligare en dag senare utan att orsak meddelas.
	Artiklar saknas. Leveranser kommer ytterligare en dag senare utan att orsak meddelas.	Order som levererats ofullständigt utan att jag fått meddelande om det
	Leverans som inte kommer fram under avtalad tid	
	Varorna kom inte i tid , kundservice svarade inte förrän efter många påringningar när dom väl svarade så visste ingen någonting, tog långgg tid innan problemet var löst	
	Varor som inte kommer i utsatt tid.	
	Försenad leverans. Lång telefonkö till kundtjänst.	
	Försenad leverans	

Appendix 4

What a supplier could facilitate, categorization made by authors for Manufacturing & Building Materials

Fields marked in gray include more than one category of facilitation

Customization	Information	Packing
Se till att vi har SÄLJANDE produkter på hyllorna. Leverantören ska göra en avstämning, byta ut det som inte säljer o.s.v. Komma oftare och se över hyllor, att det ser bra ut.	Leveranssäkerhet är A och O när det gäller förtroende hos våra kunder. Om vi får veta att nått är försenat så kan vi i vår tur meddela kunden. Nu kan vi aldrig säga åt en kund vilken dag godset kommer.. de det försenas, delas , osv dålig träffsäkerhet.	Bättre packat, typ en pall en lapp
Särpacka lagerleveranser och kundbeställningar	följesedlar för varje kolli, bättre orderbek med datum som överens stämmer med verkligheten. Nya orderbek om det är så nytt datum uppstår eller flyttas fram.	Bättre märkning, bättre packat
Packning av gods som underlättar för logistik på Filial	Plock etiketter. Väl synliga order/beställningsnummer på följesedel. Inte lägga artiklar huller om buller i lådorna!! Meddela förseningar. Se till att alla kollin med samma sändning levereras samtidigt(saknas ofta kollin).	Särpacka lagerleveranser och kundbeställningar Paketera varorna så dessa ej skadas vid leverans typ att speditörer ej kan lasta annat ovanpå Bra ordning och lättnavigerat bland godset. Bara genom att leverera det som i dag är standard. Följesedel, ordersedel, bra emballerat. Levereras på utsatt leveransdag etc. Packning av gods som underlättar för logistik på Filial Plock etiketter. Väl synliga order/beställningsnummer på följesedel. Inte lägga artiklar huller om buller i lådorna!! Meddela förseningar. Se till att alla kollin med samma sändning levereras samtidigt (saknas ofta kollin).

Labeling	Delivery note	Delivery	Replenishment
Bättre märkning, bättre packat	Vi saknar klisteretiketten som levererades med tidigare på produkterna. Dessutom saknas ibland era följesedlar med godset, vilket försvårar vårt lagerarbete	Leverera komplett vad som finns på följesedeln. Svår hantering när varor kommer flera dagar senare (då har vi redan fått fakturan)	Inplockat direkt i hyllor
Vi saknar klisteretiketten som levererades med tidigare på produkterna. Dessutom saknas ibland era följesedlar med godset, vilket försvårar vårt lagerarbete		Leverera det i ett stort kolli istället för 10 små där alltid något är på villovägar.	uppäckning i butik samt bytt transportbolag så man säkerställer att leveranser kommer på utsatt dag
fortsätta med lappar på varorna	Placering av följesedel på ytteremballaget.	LEVERERA NÄR NI SKA HELLRE STORA, FÅ KOLLIN ISTÄLLET FÖR SOM IDAG MED MÅNGA SMÅ KOLLIN	
följesedel och märke på varorna	Man kan ha följesedlar per förp, man kan också följa upp varorna leverans och se till att allt blir levererat så inte vi skall vänta dagar & ibland veckor på att få ny eller rätt vara.	Leveranssäkerhet är A och O när det gäller förtroende hos våra kunder. Om vi får veta att nått är försenat så kan vi i vår tur meddela kunden. Nu kan vi aldrig säga åt en kund vilken dag godset kommer.. de det försenas, delas , osv dålig träffsäkerhet.	
Det borde alltid finnas en varuetikett per orderrad.	följesedlar för varje kolli, bättre orderbek med datum som överens stämmer med verkligheten. Nya orderbek om det är så nytt datum uppstår eller flyttas fram.	För att vi ska kunna konkurrera med andra aktörer på marknaden (ahlsell) behöver vi kunna lägga order senare men ändå få leverans tidigt dagen efter eller på natten. Ta bort EOF på alla produkter, vi beställer via EDI och då framgår det inte om en produkt är EOF.	
behåll plock etiketter	Bara genom att leverera det som i dag är standard. Följesedel, ordersedel, bra emballerat. Levereras på utsatt leveransdag etc.	Först att det vi beställer kommer på rätt tid och är rätt varor...	
pocketetiketter är inte fel	Plock etiketter. Väl synliga order/beställningsnummer på följesedel. Inte lägga artiklar huller om buller i lådorna!! Meddela förseningar. Se till att alla kollin med samma sändning levereras samtidigt (saknas ofta kollin).	Man kan ha följesedlar per förp, man kan också följa upp varorna leverans och se till att allt blir levererat så inte vi skall vänta dagar & ibland veckor på att få ny eller rätt vara.	
Tydligt märka artiklar i leverans, möjlighet att hämta upp följesedel online.		Börja använda etiketter på varorna igen. Synka orderläggningstiden med plocktiden och när godset skall hämtas för att levereras till er kund.	
Pocketetiketterna skall vara placerade väl synliga och inte så de förstör förpackningen. Vore bra med innehållsetikett på kolli med flera olika produkter.			uppäckning i butik samt bytt transport bolag så man säkerställer att leveranser kommer på utsatt dag
Börja använda etiketter på varorna igen. Synka orderläggningstiden med plocktiden och när godset skall hämtas för att levereras till er kund.		Bara genom att leverera det som i dag är standard. Följesedel, ordersedel, bra emballerat. Levereras på utsatt leveransdag etc.	
Labeling	Delivery note	Delivery	Replenishment
Upplever det som ett problem att		Plock etiketter. Väl synliga	

godsetiketterna har försvunnit, tar ungefär dubbelt så lång tid att packa upp en leverans

order/beställningsnummer på följesedel. Inte lägga artiklar huller om buller i lådorna!! Meddela förseningar. Se till att alla kollin med samma sändning levereras samtidigt (saknas ofta kollin).

Vadå placering av etikett? Ni har ju tagit bort dem helt. Varför?

Bara genom att leverera det som i dag är standard. Följesedel, ordersedel, bra emballerat. Levereras på utsatt leveransdag etc.

Dom små etiketterna som ni tar bort just nu bla.

Bättre märkning av förpackning. Tydlig streckkod och streckkod på ALLT. Mycket kommer omärkt och utan streckkod så man får göra egna... tidskrävande och svårt att hålla fyllnadsgrad i butik. dras från att beställa artiklarna igen.

Plock etiketter. Väl synliga order/beställningsnummer på följesedel. Inte lägga artiklar huller om buller i lådorna!! Meddela förseningar. Se till att alla kollin med samma sändning levereras samtidigt (saknas ofta kollin).

Vill att etiketterna blir kvar på varorna från lagret och inte tas bort. Det är lättare om det är en kundorder att pricka av ordern

What a supplier could facilitate, categorization made by authors for Auto

Fields marked in gray include more than one category of facilitation

Customization	Information Packing	Labeling	Delivery note	Delivery	Replenishment
Att inte sätta fraketiketter över diverse artikelnummer, om det förekommer		Märkning med slutkund		Lev. annan dag om leverans dagen är en röd dag	lägga in artiklar på lagerhyllor.
Märkning, korsreferens		Uppackning och märkning		Lämna varor under natten	Uppackning och märkning
LÄGGA PÅ HYLLAN MED RÄTT REGNUMMER OCH DAG.		Märkning, korsreferens			Bära in och lägga upp reservdelar på hyllan till respektive fordon
TYDLIGT MARKERA VÅR REFERENS TYP REG NR		TYDLIGT MARKERA VÅR REFERENS TYP REG NR			LÄGGA PÅ HYLLAN MED RÄTT REGNUMMER OCH DAG.
Märkning av kundnamn på leveranser.		Märkning av kundnamn på leveranser.			Uppackning
Diverse uppmärkning av varor. Regnr. Anteckningar från beställning		Diverse uppmärkning av varor. Regnr. Anteckningar från beställning			
Delat upp delarna/varorna till respektive mottagare/bil		Strekkoder på etiketterna.			
Strekkoder på etiketterna.					
Bära in och lägga upp reservdelar på hyllan till respektive fordon					
Märkning, korsreferens					