Which Door Leads to Product Success in the Hotel Market?

An investigation of the product launch and market segmentation of a
new product development

by

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Abstract

Background - Technology is becoming a larger and more integrated part of the everyday life. Through high technology developments, new cutting-edge solutions are constantly created to solve various problems everywhere. Due to the novelty and uncertainties of the markets for these new high technology developments, it is of extra importance to understand the marketing aspect of the products. These need modified and adapted market strategies. One of the most critical phases for a new product development is the product launch, which is notably not academically researched nor managed by the producing companies. A new product development from ASSA ABLOY was approaching its market introduction and therefore in need of knowledge of both the chosen market and the challenges for the upcoming product launch.

Purpose - The purpose of this project was to gain an understanding of the product launch phase of a new product development process, with a focus on high technology products. It was also to identify factors affecting the success of it and lastly an attempt to produce considerations regarding the end users and decision-makers for the market introduction of a new product.

Methodology - The study was done in three phases. The first phase the problem description and project plan was produced as well as finding the relevant theory for the subject. From the theory found, a conceptual framework was created. In phase two the data was collected through a case study of nine hotels using semi-structured interviews. The third phase was the analysis of the case study through the conceptual framework and conclusions and recommendations were given.

Conclusions - Four different market segments of end users were found in the hotel market using the segmentation variables user rates and benefit. Each segment had between four and seven different underlying values fulfilled by the product and perceived it as either attractive or one-dimensional, meaning that its presence in the hotel market should deliver customer value. This also means that the segments should gain both value and satisfaction from the product. The decision-makers for investment of the product in hotels are different organisation members, but the managers seem to be the most influential.

Keywords - Product launch, User insight, Customer value, Decision-making process, Market segmentation

Contents

1

Introduction

This chapter gives an introduction to the problem approached in this project. The chapter includes a background, a company description, a problem description and the purpose of the project, along with a set of research questions and delimitations. Lastly, the outline of the report is presented.

1.1 Background

Since the start of the 1900s, technology has moved into the homes and everyday life of people around the world. It all started with the Industrial Revolution in the 1700s, with later evolved into several steps of development. Today the world is in the fourth revolution, where the technology is much more integrated into our everyday life. What is different with the fourth revolution is that it is human-centered as well as open and inclusive, opening up opportunities at a global scale. (Britannica Academic, 2018)

High technology is defined differently depending on the industry, but is essentially the cutting-edge or advanced technology of that time and creating solutions to solve problems through technological advancements. An innovation on the other hand, refers to the introduction of a something new in order to increase value or solve a problem, where the novelty can be achieved through new ideas, methods, digital content or devices. It is important to understand what high technology and innovations in a certain market are since this affects two things; (1) the technological developments role in the economy and (2) that the high technology markets need modified and adapted marketing strategies. (Mohr et al., 2010)

Today few hotel room doors are automated. ASSA ABLOY has developed this kind of product and believes there is a need for it in the hotel industry, with convenience as the main driving factor. The new product is still in the development process, but is soon to be launched. At this point the company wants to take the product from the final stages of the product development process to its introduction on the market. The product launch is an essential step for new product developments' success on the market, but is still one of the least managed stages of a product development process. This stage is not only the simple step of introducing the product to the chosen market, but also a determining factor of the new products success in it. (Gourville, 2006)

1.2 Company Description

The ASSA ABLOY Group develops access solutions and the company's offerings include products and services connected to openings and access control, including both physical and digital solutions. ASSA ABLOY's mission is to make people experience a more open world and provide safe, secure and convenient access through innovation. The company defines their offering as "providing access solutions, trusted identities, entrance automation and service for institutional and commercial customers, as well as for the residential market" (ASSA Abloy, n.d.). The company has a leading position within it's market in large parts of the world and is present in over 100 countries. (ASSA Abloy, n.d.)

The ASSA ABLOY division Entrance Systems works with door solutions and entrance automation. Their goal is to create automatic solutions to enable efficient flow and convenience for the by-passers. The Pedestrian Door Solutions department is a part of Entrance Systems and creates entrance solutions were people are passing through and offer products and services regarding their swing-, sliding-, and revolving doors solutions. (ASSA Abloy Entrance Systems, n.d.) In 2018 Entrance Systems had a revenue of about 24 million SEK globally (ASSA Abloy, 2019).

1.2.1 The Product

The product analyzed in this study a door closer with automatic opening function. The product can be retro-fitted onto existing doors and do not dependent on renovations or new constructions of buildings in order to be installed, meaning that doors that are not automatic can be made in to automatic doors. But, to simplify the analysis of the study, the concept of an automatic door applied in any part of the hotel facilities was analyzed.

1.3 Problem Description

During the development of their new automated swing door solution, ASSA ABLOY considers that there is a potential market for this type of product within the hotel industry. Today, the product is in a phase close to its introduction to the hotel market, which creates new challenges and decisions. However, there is little information about the hotel market and potential customers within the organisation. There is also little information about the products potential users and their needs, and which needs this type of solutions could fulfill for this specific market. A new market analysis therefore needs to include both the product aspects such as function and values of the product, but also a market segmentation strategy. It also needs to include information about decision-makers in the hotels important for the product to be successful on the hotel market. The goal is to gain a good understanding of the application of the product in hotels.

1.4 Purpose

The purpose of this project was to gain an understanding of the product launch phase of a new product development process, identify factors affecting the success of it,

and lastly attempt to produce considerations for the new product launch based on the product launch success factors. Further, the purpose was to answer the research questions presented in Section 1.5.

1.5   Research Questions

From the background and problem description, a set of research questions were created. The goal was to provide answers to these. The questions are presented below.

RQ1. Who are the end users for the product? What needs and wants do the end users have?

RQ2. What functional needs does the product fill?

RQ3. What is the decision-making process for a hotel to invest in the product? Who are the decision-makers?

1.6   Delimitations

The limitations for this study was firstly geographic, where only the Swedish market was studied. Due to external influences and limitations in traveling opportunities, only the southern part of Sweden was studied limited to the county Skåne. Secondly, the study only considers the market of hotels and excluded other types of accommodation, such as hostels or home rental services. The limitations were made in order to make the project's scope feasible for the time of the project and to be able to go deeper into one market rather than gaining a shallow understanding of the investigated market. With more of a depth in understanding one market, the conclusions from this study hopefully could be applicable on other markets as well.

1.7   Outline of the Thesis

Chapter 1 contains an introduction to the project and ASSA ABLOY. It also contains the project goal, scope and delimitations.

Chapter 2 contains the methodology created for the project.

Chapter 3 contains the relevant theory for the project. This includes information about the subjects product launch, user insights and decision-making process, together with relevant models and concepts. The theory resulted in a conceptual framework.

Chapter 4 contains the project's empirical study, which includes a description of the Swedish hotel market and a case study divided into two parts; (1) understanding of the hotel businesses and (2) their decision-making processes.

Chapter 5 contains an analysis of the empirical study using the conceptual framework created from the theory. This chapter also includes conclusions and a discussion about the findings from the analysis.

Chapter 6 contains the main conclusions of the study and the newness of knowledge of the study for the studied subject.

2

Methodology

In this chapter, the methodology for the project will be presented. The description includes the overall initial plan, to chosen method of data collection, and a discussion about the research credibility.

2.1 Work Process

The overall plan for the study is illustrated in Figure 2.1. The project begun in Phase 1 by planning the work process for the project. It started with understanding the problem and formulating a problem description. From the problem description the scope and purpose of the project was formulated, in order to later create a suitable plan. After further going into depth with the problem, discussions with personnel at ASSA ABLOY and some initial research, a set of research questions were formulated (see section 1.5) for the study. The research questions were to be answered in order to fulfill the project's purpose. One of the most crucial parts of this phase of the project was to make appropriate delimitations and find relevant topics for the literature study. The literature study resulted in relevant concepts

PHASE 1	PHASE 2	PHASE 3
Problem description Project planning Theory	Data collection - Interviews	Analysis Conclusion Recommendations

Figure 2.1: Overview of the project.

and models that could be used and a conceptual framework for the study.

Phase 2 was the data collection, started with meeting internal personnel at ASSA ABLOY along with some initial research to gain insight and knowledge about the hotel market as a whole. The empirical study was then made and consisted of interviews with one representative from nine different hotels. The sample of hotels were chosen as such, three different categories based on size were identified and in order to gain good insight into each category, three hotels in each category were interviewed. This process is further explained in Section 4.1.2 and illustrated in

Figure 4.7. The final interviewees are presented in Figure 2.2. Some of Phase 2 occurred simultaneously as parts of Phase 1.

Lastly, in Phase 3, the findings in Phase 2 were analyzed through the conceptual framework created in Phase 1. This resulted in insights and conclusions about the product launch for the product and some recommendations for ASSA ABLOY.

Hotel	City	Interviewee	Date
Grand Hotel	Lund	Dilara Rustamova Maria Andersons	26 Mars 2020 26 May 2020
Hotel Kockska Gården	Simrishamn	Christian Esbjörnsson	30 Mars 2020
Moment Hotels	Malmö	Gustaf Deijnoff	6 April 2020
Hotel Öresund Conference & Spa	Landskrona	Christina Svennblad	12 Mars 2020
Elite Hotel Esplanade	Malmö	Arafat Serunkuma	16 April 2020
First Hotel Jörgen Kock	Malmö	Malin Gimtell	22 April 2020
Nordic Choice Quality Hotel View	Malmö	Lukas Andersson	2 April 2020
Nordic Choice Quality Hotel The Mill	Malmö	Sofie Helsing	6 April
Radisson Blu Hotel	Lund	Philip Skoog	14 April 2020

Figure 2.2: List of interviews for the empirical study.

2.2 Research Method

The research method for this particular study was a case study. A study can be either quantitative or qualitative, and the case study is qualitative. A quantitative analysis is when the data analyzed is numeric and amounts. In a qualitative analysis, on the other hand, the data is in words and descriptions of the cases. The main objective of a case study is to study and describe a concepts or phenomenon. Therefore the study is explorative as it tries to explore and understand a certain situation, and draw general conclusions from this. In the case study fewer cases are studied but allows for deeper knowledge of motivations and reasoning.

2.2.1 Interviews

In this study the data collection method used was interviews. Interviews can be divided into three categories; *structured, semi-structured* and *unstructured* interviews. The depends on the structuring of the questions and their flexibility during the interview. Structured interview follow a set list of questions. Semi-structured interviews have a set list of questions, but more as support, where the order can be changes and follow-up questions can be added along the way. The unstructured

interviews are, as implied, unstructured and the interviewer lets the interviewees set the direction of the interview and do not follow a set list of questions.

For this study, the category of semi-structured interview was applied. Semi-structured interviews were chosen due to their flexibility and the possibility of follow-up questions if a certain subject seems interesting to the investigation. The method was also chosen since different members of the organisation were interviewed and the interview questions sometimes had to be altered for each individual. Semi-structured interview was used to enable deepening the conversations and get extra information of the interview speciality area of the hotels. (Höst et al., 2006) The interview guide can be found in appendix A.

2.2.2 Literature Review

To start the study, a literature review was made which resulted in a theory section in the report. From articles and books previous knowledge about the studied area was collected and presented. The literature review was made in order to compare the results found in the study to previously made research. (Höst et al., 2006) These were either published articles in academic journals, books which approach the same subject and information published online by Swedish government agencies to enable the sources' reliability.

2.3 Research Credibility

In this part of the method, the research credibility is discussed in three different categories; *validity, reliability* and *objectivity.*

1. **Reliability:** The first category is the reliability of the study, which refers to the reliability and accuracy of the data collected as well as the analysis of it. By presenting the working process, the reader can judge this category together with its strengths and weaknesses. Another part of the reliability is that the study has a range of interviewees.

2. **Validity:** The validity refers to that the indented data is collected for the data collection of the study. The validity can be increase by applying triangulation, which means to confront the issue or object from several different angles.

3. **Objectivity:** Objectivity refers to that the conclusions found in the study are general and could be applied to others outside the sample chosen, and is not specific for only the study. It can be more difficult to generalize case studies, consequently it instead is important to have a descriptive context of the cases.

These three categories can then be used as guidance and evaluate the credibility of the study and that conclusions are based on the results. (Höst et al., 2006)

2.3.1 Credibility of Study

In order to gain a good credibility of the study, these three categories were addressed. The data collected for the empirical study was from first hand sources in the form

of interviews. The interviewees had a range of different members of the organisation chosen for different interviews. But, as for case studies, some bias will exist since all interviewees both due to personal opinions and that all are employees or owners of the hotels. Therefore, to increase the reliability the study includes multiple interviews with different organisation members and multiple hotels. As this study is a qualitative study, there will always be a matter of bias from the author. But to minimize this risk, the author has had this in mind throughout the study in order to keep it as objective as possible.

In order to have the study as valid as possible, the information gathered during the data collection was to the greatest extent interviews with hotels and reliable, relevant sources. Triangulation was pursued by interviewing different organisation members at the hotels. But more perspectives could have been added to increase the validity, such as guests or management groups, to gain greater triangulation. However, this was limited by both to the scope and limitations of the study.

For the objectivity, the limitations of the study could affect this aspect of the credibility. As the case study is limited to one geographic area in one country, the objectivity is a matter of discussion. As Sweden is a small country this study could be applicable to Sweden, but if it is as applicable and general to the entire hotel industry around the world is harder to say. For that, one needs to study many hotels in many different countries, which the scope of this project limited. But as for the hotel market in Sweden, this study has good objectivity.

3

Theory

In this chapter relevant previous research is presented. The focus was on the product launch of a new product development, the launch success factors and activities, and it's link to user insights and the decision-making process. The knowledge from this chapter resulted in a conceptual framework, which in turn was the basis of the analysis of the case study.

3.1 Product Launch

For a new product development, the product launch is when product is introduced to the market and is a critical phase for the success of the product. Though its importance, cost and risk for a new product's success there was little academic research focusing on the product launch until the early 1990's (Calantone and Di Benedetto, 2007; Di Benedetto, 1999). The success of a product launch may be defined in different ways, depending on what the organisation's goal and with which key performance indicators it measures success. But often the product's performance on the market is shown in terms of profitability, market shares and relative shares. (Di Benedetto, 1999)

The product launch is also one of the least managed phases of an organisation's new product development process. Depending on the product category, between 40-90% of the newly introduced products fail. Most likely it is not because the products are bad solutions, but instead that the company failed to convince the customers to buy them. (Gourville, 2006) The product launch is especially difficult and risky for high technology products due to the uncertainties in both the technology and market, and they have one of the higher market failure rates. For example, having too much focus on the technology newness instead of the end user benefit have been associated with failure of the launch of a new product. (Winter and Sundqvist, 2009) In addition, it is important not only to have a product that is prepared regarding design, manufacturing and technology, but it is as important to, as a company, invest time and work into marketing their new products, researching the market and customers thoroughly as well as educating the customers about the product. It is equally as important to defining the products position in the chosen market, preparing the manufacturing process for fast changes in demand, and choosing the right time for launch for the product to become a success. (Schneider and Hall, 2011) Much research about the actual market performance linked to the product launch has been done, but there has less focus on the actual underlying factors

of the product's success and which factors facilitate and inhibit a product launch strategy. (Talke and Hultink, 2010) Therefore, it is essential to understand the product launch strategy activities and success factors for a new product development's market success. (Di Benedetto, 1999)

3.1.1 Launch Strategy and Market Performance

From the start of a new product development project decisions are made that could either enable or prevent the possibility to have a successful product launch. There is a distinct positive relationship between the product launch strategy and market performance. The product launch strategy is essentially the decisions made regarding a new product's identity on a certain market and the activities that follow. (Talke and Hultink, 2010) In previous research about launch strategy the concept is divided into two main categories of decisions, which in turn include several different success factors. The two categories are strategical and tactical launch decisions and it has been studied how these two effect the market performance of a new product. The strategical launch decisions are the ones linked to the product and market issues, while the tactical decisions are linked to the marketing mix.

Apart from these, there are different categories that have been studied chosen by the researchers. For example Di Benedetto (1999), who added the effect of information-gathering activities, supporting the strategic and tactical launch activities, to his study. The information-gathering activities included market research and it's importance to market performance, and was concluded to have a great impact on the success of the product. The market information gathered contained information about the customers and competitors as well as technical and economic environmental changes. In the article, the information-gathering activities were mostly occurring during and after the launch, but information-gathering should be present throughout the product development process from start. (Di Benedetto, 1999)

The strategic launch decisions are as mentioned linked to the product and market issues. This includes decisions about the product, target market for the product, customers and the product positioning. The strategic launch decisions are fundamentally decisions regarding how the product will fit on the chosen market and it's customers as well as how to gain a competitive advantage within the target market. Tactical launch decisions are instead the decisions made about marketing mix, including decisions about the pricing, promotion, product and place. Tactical decisions are decisions that are more the traditional marketing towards the customers during the product launch phase. The strategic decisions are decided early on in a new product development process and are more of resource commitments, while the tactical are built on the strategical decisions and are easier to change along the way. Some studies have found that the strategic decisions have greater impact on the launch performance than tactical decisions. (Talke and Hultink, 2010) For this particular study, the focus will be on the strategic launch decisions.

3.1.2 Success Factors of a New Product Launch

There are several different factors effecting a product launch within the strategic decisions category, which then translate to activities influencing the launch success. The success factors are basically different activities that an organisation can do in

order to gain strategic advantage for the new product launch. The success factors presented have been identified by previous research, and perceived superior skills in each factor have been related to increased possibility of market success and product performance. (Di Benedetto, 1999) For an organisation to possess key marketing skills is linked to performing better and more specific marketing and launch activities connected to market success. (Calantone and Di Benedetto, 2007) As the focus on the strategical launch decisions was decided, only the factors linked to these decisions will be discussed. The success factors that presented in this study are market orientation, market research, cross-functional teams, target market, product positioning and launch timing.

First, the market orientation of the organisation is a success factor, where being more market oriented has been linked to greater success. An organisation is market oriented by actively gathering, internally sharing and responding to market-based information, such as information about customer, competitors, stakeholder or trends. The information about the market, the customers and their needs creates the basis of the company's decision-making regarding their own business and guide them through the market, competitive and technological uncertainties that is the high technology market. By being market oriented, the customer value of the offering could increase as the organisation will have the means to create a product that fit the customer needs and wants to a greater extent. Technological innovations are more market dependent than other innovations. Market information about the needs and capabilities of the end user is therefore also more important within the high technology markets than others for the success of the innovation. (Mohr et al., 2010)

The information search that is done in order to be market oriented can be defined as market research, which also has been found to be a success factor. These two success factors are therefore closely linked to each other. It is important to have a good understanding of the industry structure and environment, both regarding the customers, competition, threats, opportunities, possible substitutions, barrier, etc. Managers need to assess every aspect in an industry and its environment that can affect a product launch. Uncertainties of market demand, technology and competition is always a threat to an organisation present in the high technology market and should be taken into account when building a market strategy.

There are aspects of a new product launched that are more psychologically connected regarding how buyers perceive a new innovation, and less in the economic value. More than often, a company overvalues their innovation due to the difference of basis when valuing it. There is evidence that there is a more psychological ground to what products the customer likes. Companies need to acknowledge and respond to these psychological biases of both customers and executives. The evaluation between the old product and the new innovation is not as subjective as companies might think. Customers value what they already have and the new product objectively, overvaluing what they already have since this is their individual reference point of status quo. There are trade-offs that need to made for the investment of a new innovative product, which the company might not consider. Therefore a company need to strive for that their product has much more advantages than the old product in order to convince customers. According to Gourville there has to be a balance between the product and behavior changes made, to ensure that the product is adapted by the customers. As Gourville puts it: "companies creates value through

product change, but they capture that value best by minimizing behavior change". By reducing or eliminating behaviour changes between the old and new product, customer will only gain benefits from the innovation. This could lower the barriers for a customer or executive when deciding if investment in the innovation will be made or not. For this, Gourville created a framework called *The 9X Effect*, illustrating how customers overvalue the benefits of the current product by three times while companies overvalues the new innovation by three. This in turn creates a nine times mismatch between the company behind the innovation and its possible customers. The framework includes four aspects; (1) the difference in perceived value, (2) how the customer or company sees the need for the innovation, (3) satisfactory with the existing product, and (4) if they see the existing or the innovation as status quo. By mistaking the adaptation rate of the innovation, a company could misplace important resources in the wrong product launch activities. One way around this issue can be to find the believers, or early adaptors, that are not as attached to the existing product and are more likely to see the benefits gained for the new innovation. This is an example of how the different perspectives of an organisation and their customers might clash and affect the product launch. (Gourville, 2006)

Cross-functional cooperation within the organisation is the next success factor brought up in previous research. The information gained by the market research then needs to be shared throughout the organization in order to be effective. For example, if the information stays within the marketing team it would not be implemented into the actual offering or product since the development is found in R&D functions. This is why the information needs to be shared cross-functionally, which is a key element in success within the high technology market. (Mohr et al., 2010) Engagement in cross-functional team activities positively affect the product launch, both up to and through the launch. In a new product development process, the cross-functional product development teams are essential for the product's success and to create the greatest customer value. The different functions need to be closely integrated and communicate both internally but also cross-functional.

According to Mohr et al. (2010) there are five characteristics that represent cross-functional teams, and all were present in companies that have produced successful products. The characteristics are (1) full cooperation and commitment of senior management, (2) clear and stable vision as well as a set goal for the team, (3) improvisation and flexibility with their path to market, (4) constant information exchange and (5) collaboration under pressure and focus on their common goal. The product launch is positively effected with inputs from both manufacturing, distribution, logistics or marketing. The link between R&D and marketing functions has been found to be especially important. Marketing is where the company gets their customer relationship and insights about customer needs and wishes and R&D are the ones that build offerings that address these particular customer needs. (Mohr et al., 2010; Calantone and Di Benedetto, 2007) Something else that have been found to increase success rate is to introduce the logistics team early in the new product development process, where the organisation can plan for the case of uncertainties in the new product demand needs to be flexible and preparation for fast adjustment can be made. Using cross-functional teams from marketing, R&D and manufacturing, the development time has shown to be reduced. It was also found in an article by Di Benedetto (1999) that logistics play a key role in the development of a successful market strategy and was shown to advantageous to have involved for the planning

within both marketing, sales, distribution, inventory and service. (Di Benedetto, 1999)

Choosing the target market and the positioning of the product are two success factors that have been found to be critical for the product launch. The two, together with the tactical factors within the marketing mix, create the market strategy. These should prior to the launch be clearly planned and developed, as a weak market strategy can result in incomplete product offerings and poor product launch activities. (Di Benedetto, 1999) These two factors was also found in previous research by Talke and Hultink (2010) to be one of the most crucial stages of a new product development processes. By using the market research done by the organisation, market segmentation can be done to identify the target customer groups of the market. With market segmentation, the organisation can more efficiently identify ways to satisfy different customer needs and wants. With a solid market segmentation, the target market can be identified and targeted. But as segmentation of the market should be specific to a market and with market specific segmenting variables, it means that this factor can be costly for the organisation. But it is most likely worth both the time and cost as the activity of segmenting the market has been found to have a positive effect on the market performance. The product positioning is instead how the product is positioned on the target market relative to the competitors' offerings or products already on the market that compete with the new product. This positioning needs to correspond to both the relative competitive advantage of the product as well as the expectations of the target market. The expectations of the customers is found by understanding the customers' perception of the product prior to launch and use this information to differentiate the offering to gain competitive advantage. (Talke and Hultink, 2010)

The last success factor is timing, a factor that has mostly been concerned with the tactical launch activities but still worth mentioning in this study. Winter and Sundqvist (2009) mentions in their study that conflicts between different product launches can contribute to new product failure. The product launch timing defined as the time of launch from the point of view of both the company, competition and customer, and therefore all of these aspects need to be considered for the launch timing decisions. This particular article also states that an earlier launch build reputation which can be an advantage. (Calantone and Di Benedetto, 2007) Other research suggest that the appropriate timing is a combination of the relative business unit goals, competitors, and customer, in respect to other external factors that come post-launch. (Di Benedetto, 1999) It was further found that the launch timing is as important for a successful launch as the strategic and tactical launch decisions and also a factor less studied in previous research. (Talke and Hultink, 2010) The timing therefore needs to take several different variables into account and can be quite tricky to get right. But with a combination of solid research about the industry and it's environment and customers together with the organisation's business goals, a well-grounded product launch timing should be possible.

3.1.3 Summary Product Launch

In summary, there are several different factors that influence the product launch and the strategic launch activities as well as that one factor do not exclude the other. All of them are important in their own way and may affect the launch success.

Therefore, all of the factors and their coordinating activities must be considered when managing a new product launch. (Calantone and Di Benedetto, 2007) The success factors presented in this study are summarized in Figure 3.1.

Market Orientation

Gathering, internally sharing and respoding to market-based information about customers, competitors, stakeholder or trends.

Market Research

Information search to increse market orientation, and these two factors are therefore closely linked. Idustry structure and environment important.

Cross-Functional Teams

Information shared between functions in organisation, best throughout the new product development.

Target Market

Identify target customers and market segments using market research and market segmentation

Product Positioning

Positioning of the product on the target market in relation to the competitors' offerings.

Launch Timing

Time of launch from the point of view of the company, competition and customers.

Figure 3.1: Summary of product launch success factors presented in this study.

In a previous study, Talke and Hultink (2010) divided the product launch into three parameters; (1) objectives at launch, (2) markets selection, and (3) define competitive positions of the product, all of which are strategic launch decisions. Evidence of the importance of market segmentation and product positioning was presented. The article discusses that the choice of which market segment to target and the product positioning are the most critical decisions. This is also shown in their results, where they find a positive relationship between the launch strategy variables market segmentation and product positioning to the market performance. (Talke and Hultink, 2010) With inspiration of this study the launch tactics will not be further studies. The focus will instead be on the strategic launch decisions and the success factor market segmentation. A less studied factor, not mentioned in previous research, is the customer's decision-making process of purchasing the newly launched product. As discussed above, the psychological factors effecting the customer's buying behaviour is something that will effect the product success, which can be linked to the decision-making process. By understand this aspect as well as the customers needs and want, one might be able to create a sustainable product launch. Therefore, the following sections will be an in-depth study into the success factor market segmenting through studying the concepts user insight and decision-making process.

3.2 User Insights

One short and simple definition of marketing is "managing profitable customer relationships" (Kotler et al., 2016). Marketing is thus the process in which companies create value and build relationships with their customers. The first step to achieve

this is to understand a certain market's customers with their needs, wants and demands, and building the offering to match these the best. The needs can be defined as a customer's basic human needs and the wants are needs that have been shaped by culture and individual personality. The wants are therefore shaped by external factors affecting the individual perceptions of what will fill that specific need. Wants become demands when these, according to the customer, give the most value and customer satisfaction for the individual. Each customer have individual expectations on what offering gives values and satisfaction. These are also crucial for the offering's success and that is why the customer value and customer satisfaction are key factors in managing customer relations. Creating and delivering the customer values also builds the basis for a good customer relationship. (Kotler et al., 2016; Matzler and Hinterhuber, 1998)

A term that recently has received more attention is customer insights. There has been a lot of focus on the importance and application on customer insights in marketing decisions, but little focus on the generation and management of it (Said et al., 2015). Customer insights is a more comprehensive term that includes the elements market research, segmentation and customer analytics based on customer data. Customer segmentation is therefore only one component in customer insight, but it is a key component. (Bailey et al., 2009)

3.2.1 Customer Segmentation

The concept of market segmentation was first explored by Smith (1956). He meant that each individual has their own preferences and that the diversity or variations in customer demands creates segments in the market. This lack of homogeneity in markets could be because of for example different customs, desire for variety or exclusiveness, or differences in basic human needs. Smith proposes in his article that a firm's market strategy should embrace the diversity and emphasize how their product can satisfy the requirements of one or more market segments, in order to address the heterogeneous market. (Smith, 1956)

With a foundation of knowledge about the underlying customer need's and motivation, the activity of market segmentation can become a strategic tools for the businesses that use it. By practicing market segmentation, a company can identify the basic human needs that motivates and drive actions, but also how to satisfy their customers by targeting these needs. With the knowledge about the motivations and needs one can not only understand how customers wants today, but possibly also in the future. (Krajicek, 2015) According to Bailey et al. (2009) the market segmentation is significant since it is the most fitting to base a company's decisions regarding customer selection and proposition development. It is especially applicable when communicating with new customers, which comes back to communicating how a product or service fulfill the underlying needs and motivations of potential customers.

Customer segmentation is thus the process of dividing customer into like-minded groups, with the purpose of identifying target groups, understand how to prioritize them and develop offerings that specifically fit each group. (Bailey et al., 2009) Smith (1956) interprets it as dividing one heterogeneous market into many small homogeneous markets which have similar preferences and demands. But, there is often a significant difference between the academic version of market segmenta-

tion and the actual managerial segmentation within companies. Many managers go with their gut feeling on how to segment their customers. When applying market segmentation there is no clear theoretical method to follow with how to find the different variables needed, such as identifying segments, analyzing and draw conclusions. (Quinn, 2009) With no single correct way marketer try segmenting using one or multiple combined variables. (Kotler et al., 2016) Though, the practice of dividing the users into small groups of similar individuals sharing their needs and wants is essential for identifying profitable business opportunities. (Brotspies and Weinstein, 2019)

A rather established way of segmenting the customers is through different chosen variables in the categories *geographic, demographic, psychographic* and *behavioural.* The final category, behavioural segmentation, is about dividing the buyers into groups depending on their knowledge, attitude, use as well as response to a product. This includes variables such as behavioural, occasional, user status, user rates, benefits and more. Especially the user rates and benefits variables are interesting for this particular study. The division of customers using user rate is about dividing the customers into groups depending on the amount of usage; light, medium or heavy users of the product. The second, the benefit variable, instead relates to dividing the customers by what benefits they gain from the product. (Kotler et al., 2016)

3.2.2   Segmentation in a B2B Market

Even though business-to-business (B2B) is large a part of the revenue and economic weight of the world's businesses, it is only a fraction of the academic research compared to the studies on business-to-customer (B2C). Many marketers also do not use the business market segmentation from a strategic perspective, but by having a well considered market selection the company could obtain the winning marketing strategy. Business markets change rapidly, whether they are selling directly to the end consumer or through an intermediary customer, and need to have a more flexible segmentation strategy compared to the standard market segmentation. Historically, the segmentation in a business market was based and focused on the person identified as the *buyer* in the organisation (see Section 3.3.2 below), together with some other variables such as operating variables, purchasing approaches and situational factors. (Lilien, 2016)

The business market can also have additional channels, adding another step to the market. The B2B might not be the end user, but could instead be the intermediate to the end user resulting in an indirect segmentation creating a B2B2B, intermediate to a business, or a B2B2C, intermediate to an end consumer. (Brotspies and Weinstein, 2019) In these situations, the segmentation becomes more complex and requires a new approach. Here, the customers' customers need to be analyzed and therefore creating a two-level segmentation. The optimal approach for analysis is to start with understanding the final business in B2B2B or end consumer in B2B2C, find their need and requirements and then work backwards towards the intermediate. A company needs to address this in order to have a feasible strategic segmentation in a business market. (Brotspies and Weinstein, 2019)

According to Brotspies and Weinstein's article the two dimensions best used when segmenting a business market. Firstly, the company needs to establish if the market is a B2B (directly to end consumer), or if it has one more step and becomes

a B2B2B (intermediate to business user) or B2B2C (intermediate to end consumer). Secondly, the product standardization, referring to if the offerings are standardized or customized products. Findings in the article suggest that the product strategy (customized or standardized) does not affect the success of the marketing, while only about half of the business market companies in the study evaluated their target marketing as successful. Even though the area of business marketing is not fully explored, it is an influential part of marketing for companies who sell their products to or through the business market.

3.2.3 Pyramid of Values

The Elements of Value is a model created by Almquist et al. (2016). The model helps organisations understand what types of value their offering could deliver to customers. Value is particular to each consumer, but there are 30 elements of value that are universal and addressing both internal and external customer needs. The elements help understand the underlying forces presented as customer needs and wants. There are four categories of needs; functional, emotional, life changing, and social impact. These create the elements of value pyramid, seen in Figure 3.2. By presenting the elements in a pyramid, it implies that the ones on the bottom needs to be attended before elements higher up can be met. That is not precisely the case, but some of the functional elements need to be met in order to be able to deliver the values higher up. It is found that even though not all elements can be addressed in only one offering, the more elements the product addresses the better market performance. It is concluded in the article that performing well on multiple elements both leads to better market performance and is related to higher and more sustainable revenue growth. These results can be seen in companies scoring high in four of more of the 30 elements. Almquist et al. (2016) states that existing successful products and services present a combination of multiple elements of value. Moreover, some elements are more relevant depending on the industry, culture and geographic. Though the importance of values vary, the element *quality* seem to be crucial in most situations and emotional values seem to have a stronger effect on the overall perceived value.

The model can further help an organisation to define their own core values and from this it can grow their company brand. It can also be used to find and address new elements to expand the value proposition of their offerings. Something else that can be found by studying the elements is to find the low-scoring elements, thus implying that customers do not value these as high. There could be attributes in the offering that do not give value. By acknowledging these the organisation can create more customer focused products and services. The model can also be used to improve a market segmentation, by understanding which elements each segment values the organisation can develop offerings delivering these specific elements of value. (Almquist et al., 2016)

3.2.4 The Kano Model

As mentioned, customers' need, wants and demands are essential to understand in order to develop offerings with features and attributes that will create customer satisfaction. The Kano Model is a framework which help determine the customer
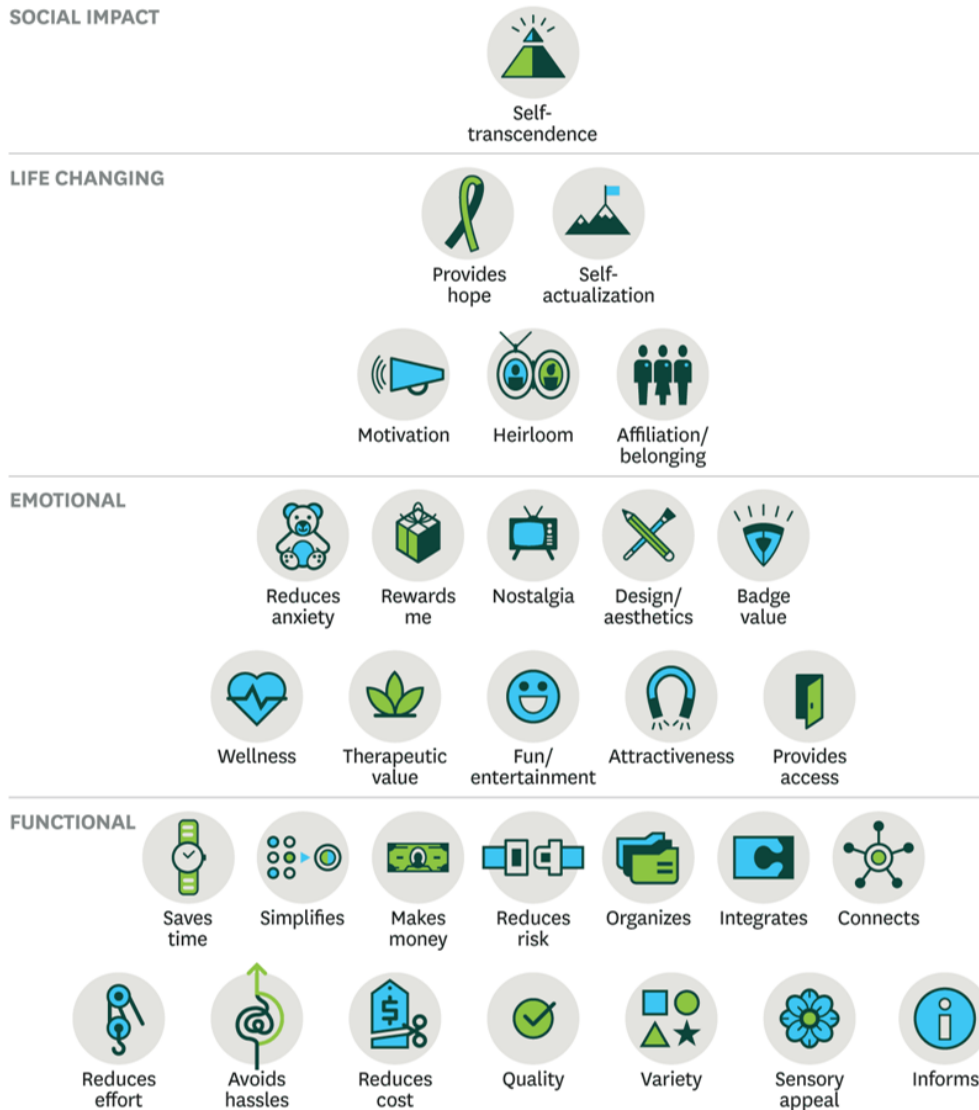
Figure 3.2: The elements of value model. (Almquist et al., 2016)

satisfaction compared to the customer's initial expectations of the offering. By using the Kano Model within a product development project, one can use the findings to understand how and which different features and attributes will affect the customer satisfaction. The customer satisfaction is closely related to higher customer loyalty and with that future income. Thus, an increase in market shares within a certain market can be the consequence of an increased customer satisfaction, a relationship illustrated in Figure 3.3. To gain a high customer satisfaction the company and their offering need to delight the customers and exceed their expectations. By knowing how the customer satisfaction and perceived product quality is affected by different product attributes and using this information during product developments projects, a company can establish a more sustainable competitive advantage. The Kano Model helps to understand the effect of different requirements that customers have. The features and attributes of the offering is ranked according to the model's three requirements groups; *must-be, one-dimensional* and *attractive*. Their affect on the customer satisfaction is illustrated in Figure 3.4 presenting the Kano Model. The model's *must-be* requirements are basic attributes that the customer expects
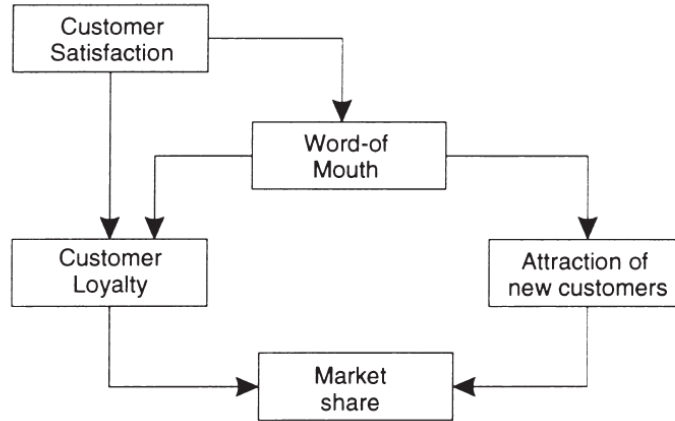
Figure 3.3: Relation between customer satisfaction and a company's market shares. (Matzler and Hinterhuber, 1998)
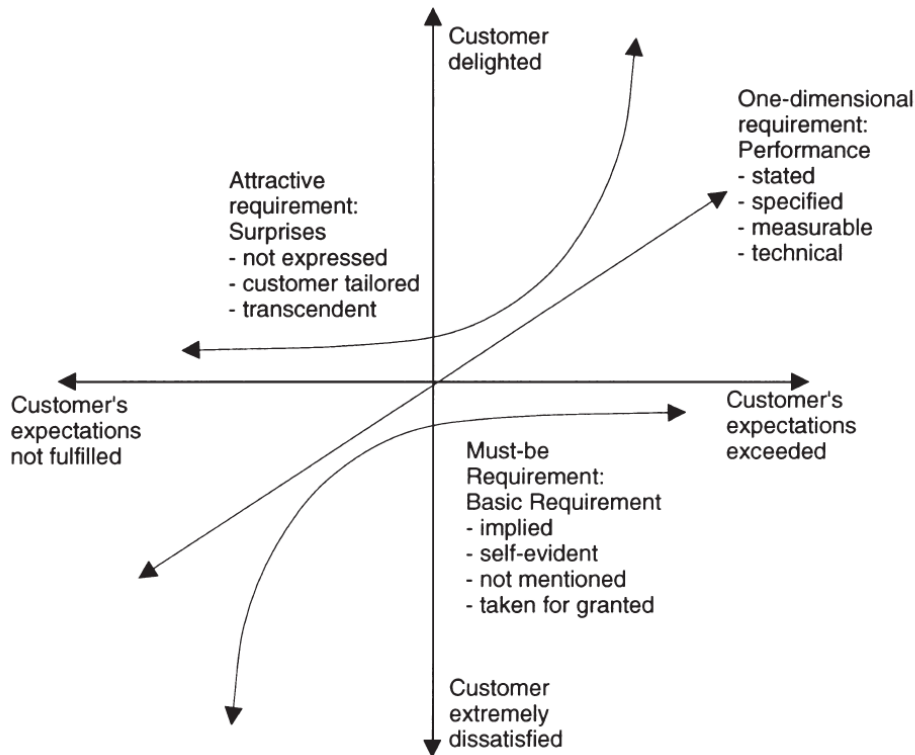

Figure 3.4: The Kano Model. (Matzler and Hinterhuber, 1998)

the product will have. If the requirements are not fulfilled this will lead to dissatisfaction. As seen in Figure 3.4, these will not lead to greater satisfaction as they are expected to be included. The *one-dimensional* requirements have a proportional relationship between customer satisfaction and customer expectation, giving a higher customer satisfaction with greater fulfillment of the requirements. Lastly, the *attractive* requirements, that will not lead to dissatisfaction if absent but do lead to increased satisfaction if they are product attributes. As seen, the requirements do not only have a positive relationship with the customer satisfaction where the existence of attributes increase the satisfaction, but the absence of some requirements can decrease the customer satisfaction. (Matzler and Hinterhuber, 1998) There-

fore, the model can be used strategically by fulfilling "all must-be requirements, be competitive with regard to one-dimensional requirements and stand out regarding attractive requirements" (Matzler and Hinterhuber, 1998).

3.2.5 Summary User Insights

Market segmentation is the activity of dividing the customers into like-minded groups, by their needs and wants. The market segmentation can be a strategic tool for an organisation since it can help to create a product that will satisfy the requirements of one or more market segment by targeting their needs. There is no clear theoretical method of market segmentation, since the segment variables vary between different markets, but the underlying values of the consumer needs can be identified through the *Elements of Value* model. Further, it can be found which features and attributes fulfill customer requirements and increase customer satisfaction and which do not through *The Kano* model, which relates to the overall perceived value of the offering.

The B2B market segmentation is more complex than the regular B2C segmentation. The two differ in three groups of characteristics: (1) market structure and demand, (2) nature of the buying unit and (3) types of decisions and the decision process. One aspect in particular that is of importance is that the customer of the organisation might not be the end consumer of the product. The customer might be an intermediate in a B2B2B or B2B2C environment, adding another market channel to the entire chain. A B2B customer also have a business centre, with several members of the organisation participating in the decision-making processes, and therefore more than one personnel need to be considered for the target customer.

3.3   Decision-Making Process

For the customer buying process of a product or service there is a decision-making process for an investment. The basic process of decision-making is general to the purchase process of the generic buyer of any product. The process is illustrated in Figure 3.5 and consists of five stages. The process starts with the customer
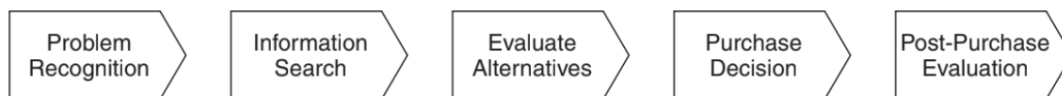

Figure 3.5: Illustration of a generic decision-making process for a customer when buying a new product or service. (Mohr et al., 2010)

recognizing there is a need to solve a certain problem and ends with the opinion the customer has of the product and purchase overall after he or she afterwards. The process in Figure 3.5 is rather generic and does not specifically apply to a certain situation. The advantage to this is that it can be applied to many different market and purchasing situations, but it also means that the process needs to be adapted and additional information in order to be fully descriptive of a specific situation. (Mohr et al., 2010) But it is important for marketers to consider the entire decision-making process for their customers and should be involved throughout. (Kotler et al., 2016) For example, a B2B purchasing of a new software system is different

compared to a B2C situation where a person wants to buy a new kitchen appliance to their home. These situations are different in many aspects, which has to be taken into consideration for this study. Likewise, specific factors for the high technology market must be taken into account for the study.

The decision-making process starts with the stage *Problem Recognition*, where the customer recognize the need for a solution to a problem. This conclusion can come either from an internal or external stimuli revealing the problem. Marketers therefore need to analyze their customer in order to understand the needs and problems that may emerge, which might take the customer into this first stage. At this time, the customer goes to the second step *Information Search*. During this step the customer searches for solutions to the problem that was found in the previous step and identifying different alternative solutions. Information is searched for from different sources, which can be categorized in four different sources: (1) personal sources such as family, friends and colleagues, (2) commercial sources such as retailer or advertisement, (3) public sources such as the Internet and publications and (4) experimental sources such as demonstrations of the product. Personal sources seem to be the most effective, as there is a certain trust already built between the customer and the personal source. The third stage is *Evaluation of Alternatives*, where the customer compares the different alternative solutions found during the search to the specific problem and needs for the situation. The evaluation depends both on the individual customer and the specific situation, and opinions are formed regarding each alternative which helps the customer to choose. Therefore, it is vital as marketers to understand the potential customer in order to understand how and why a certain choice is made in order to influence this stage to their advantage. Further as high technology markets are more fast-moving and higher in investments for the customer, this evaluation can be more sensitive for the decision-maker as this can affect many aspects a lot depending on the choice made. The next stage is *Purchase Decision*, where the customer chooses the preferred alternative to invest in. Two factors can affect the decision, (1) the attitudes of others where people whose opinion the customer values influence the decision of alternative and (2) unexpected situational factors where an unexpected event might change the purchase intention, such as lower income than expected. Lastly, the fifth and final stage is the *Post-Purchase Evaluation* where the customer re-evaluate their decision and investment and decide if the product or service lived up to their expectations. The relationship between perceived performance and customer's expectation influence the customer satisfaction of the product. This is finally an opportunity for companies to establish a long-term customer relationship, if the customer is satisfied with the experience. If the customer becomes an recurring customer of the company, the decision-making processes might be shortened and some of the stages of information search and evaluation of alternatives decreased or eliminated as the customer already has an alternative that they are satisfied with. By understanding the decision-making process of a company's customers as well as for other possible new customers, the company could increase the potential of convincing the customers to buy their products instead of the competitors'. (Mohr et al., 2010; Kotler et al., 2016)

3.3.1 The B2B Decision-Making Process

Even though this generic decision-making process can be applied for many different scenarios, markets and customers, there are both differences and similarities between B2C and B2B markets and customers. But B2B environment is not as academically researched and well understood as the B2C. Some similarities are that both involve people who take the buying role and a purchase decision in order fill a need. The B2B decision-making process according to Kotler et al. (2016) is shown in Figure 3.6 and can be seen as a further development of the previously presented generic decision-making process. The model consists a total of eight steps and is mainly for
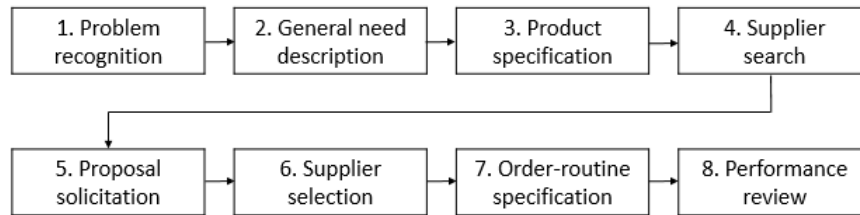
Figure 3.6: Illustration of a the B2B decision-making process for a customer when buying a new product or service. (Kotler et al., 2016)

new-task buying situations, were a customer buys a new product for the first time. The process might be modified with some steps changed or even excluded if the customer rebuys the product, or simply change to be adapted to the organisation is specific situations. The first stage *Problem recognition* is much like the generic version when the customer recognizes a problem through internal or external stimuli. Stage two is *General need description*, where a the organisation decides how much and the characteristics of the product or service needed for the specific problem. This stage can involve one or several members of the organisation, depending on the complexity of the product needed. Stage three is the *Problem specification*. During this stage the organisation decides about the wanted technical product specifications as well as a product value analysis. The fourth stage is the *Supplier search*, where the organisation finds the best vendor for their needs, a stage that is much affected by the complexity and cost of the product. Stage five, *Proposal solicitation* is where some of the vendors are asked to send their offers to the organisation, usually in the form of a catalogue or a connecting to a salesperson. With a complex or expensive product, the organisation might require a more detailed proposal. It is important that the business marketers present both marketing and technical documents, in order for the proposal to appeal to all type members. The next and sixth stage is the *Supplier selection*, when the members of the business centre reviews, evaluates proposal attributes (product, service quality, competitive prices, etc.) and then choose the proposal. The next to last stage is *Order-routine specification* which is the stage where the supplier and organisation specifies the offer and creates the final order. Together they specify the technical specifications, quantity, time of delivery, warranties and return policies. If service is needed, a service deal might be decided as well for maintenance of the products. Last and eighth stage is the *Performance review* which, much like the last stage in the generic decision-making process, is a stage for evaluation of the choices made in the process. The organisation also evaluates the supplier and the overall buying experience, where the organisation could decide about continuing, modifying or ending the deal. This completes the

B2B decision-making process, which is started again for a new purchase situation. But, as with other models, the process is simplified and much more complex in real situations. Different organisations have their own buying process and might have different parts of the business centre involved in different steps, therefore it is important for marketers to adapt the process to every unique situation and customer.

3.3.2   B2B Market Characteristics

There are several differences for companies who work toward the business market compared to working towards individuals, which Kotler et al. (2016) categorize in three groups of characteristics of business markets: (1) market structure and demand, (2) nature of the buying unit and (3) types of decisions and the decision process. *The market structure and demand* is affected in the business markets by having fewer but larger buyer along with an inelastic, more fluctuating demand. It can also derived from the final customer demand, in other words the B2B customers' customers. The *nature of the buying unit* refers to that the business purchasing decision often involve more deciding participants as well as a more professional purchasing effort of the customer. In a business decision-making process, there are many different members of the organisation participating in the decisions. These participants are called the business centre. According to Kotler et al. (2016) there are five roles included in the business centre.

1. **Users** - The users of the product within the organisation. These often initiate the process and help define the needs and product specifications. As a marketer or seller, approaching the users can be an efficient strategy.

2. **Influencers** - The members of the organisation that help define specifications and evaluating alternatives for the new investments. Usually people with more knowledge about the area or product.

3. **Buyers** - The buyers' main role is to to negotiate the deals, select supplier, and arrange for terms of purchase. They are the formal authority to pursue a purchase.

4. **Deciders** - The ones with the either formal or informal last say to select or approve the supplier. Sometimes the *decider* and *buyer* is the same person.

5. **Gatekeepers** - The people who control the flow of information within the organisation.

All of these roles are involved in a business decision-making process. But the roles are not always fixed or formally identified within the organisation, they might not even be clear to the ones in the business centre. The roles can even be assumed by different people within an organisation depending on the type of purchase. For marketers, this proposes the dilemma of learning who participates in which decisions. The last grouping of characteristics, the *type of decisions and the decision process*, refers to that the B2B decision-making process is far more complex and formal than the B2C processes. This due to that the purchases involve larger amounts of money, complex technical and economical considerations as well as many members of the organization involved in the decision. Lastly, the all parties in a B2B work more closely together as they often are more dependent on each other and have a greater need for customised offerings. (Kotler et al., 2016)

3.3.3 Summary Decision-Making Process

By understanding the decision-making process of a customer, the organisation can understand their target market customers' buying process and reasoning when deciding if and when they want to invest in the offerings. This can then be used as an advantage during the product launch phase. The decision-making process for different customers can be different, depending if the purchase is a rebuy and whom is the final decision-maker. A B2B market environment is far more complex buying processes, with more time consuming processes and possibilities of multiple decision-makers from the business centre.

3.4 Conceptual Framework

With the knowledge about product launch, the success factor market segmentation and the decision-making process, a conceptual framework was created. This is presented in Figure 3.7. The study will focus on the strategic launch decisions regarding the customer segmentation and the decision-making process of customers within the segments. Therefore, an attempt to produce well-grounded segmentation and map the segment's decision-makers based on previous research will be made. The conceptual framework creates the basis of the analysis of the empirical study.
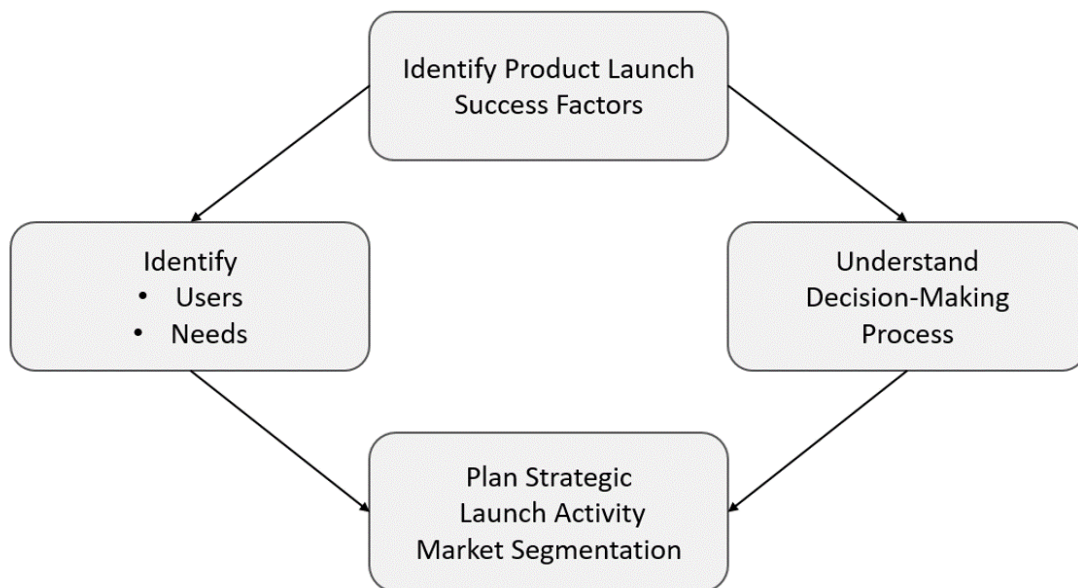

Figure 3.7: Conceptual framework for the study.

4

Empirical Study

In this chapter the results from the case study are presented. The study was divided into two parts. The first part was to understand the Swedish hotel market with developments and its market segments. The second part was the case study of nine different hotels. The case study was in turn divided into two parts, the first describes the hotels and their customer and the second describes the decision-making process for each hotel.

4.1   Hotel Market

The focus for this study was as previously described to understand the new ASSA ABLOY product on the hotel market. Therefore a selection of the market players, in other words the hotels, was to be made for the empirical study. Consequently, the hotel market needed to be analysed in order to gain understanding of the the market as a whole in order to find a good sample selection of market players. From this, along with inputs from relevant ASSA ABLOY personnel, a categorization and selection of hotels could be made.

### 4.1.1   The Market of the Hotel Industry

The hotel industry follows the business cycle and its development is coordinated with the current GDP. GDP is short for gross domestic product which indicates the economic activity and the production of products and services in a certain country (Nationalencyklopedin, n.d.). Especially the utilization rates of hotels correlates with the development of GDP, which can be seen in figure 4.1. (Visita, 2019) This means that in times of good economy people spend more money on products and services which increases the GDP rate, and increased GDP in turn gives a higher utilization rate of hotels. Overall, the Swedish hotel market is growing, both in market size and customers. The amount of hotels in Sweden was in 2018 a total of 2057, a number that has been growing in recent years (see figure 4.2). (SCB, 2019-2) According to Tillväxtverket the total amount of overnight stays in Swedish hotels was 38 million, or a total of 25 million rooms, in 2018. Business travelers accounted for 55 percent of these rooms. This was an increase of 4 percent from the year before. The Swedish hotel market has seen a relatively steady growth, which can be seen in figure 4.3 below which show how the number of overnight stays has grown from 13 to 38 million since 1979 to 2018. On average, the cost of the accommodation

Figure 4.1: Utilization rate (light green) compared to the Swedish GDP (dark green). (Visita, 2019)

was 1 030 Swedish kronor, which gave the total income from accommodation of hotels in Sweden to be 25 billion Swedish kronor (Tillväxtverket, 2019) and the capacity utilization of hotels in Sweden was 58,9 percent in 2018. Both of which has been increasing in the last couple of years, a growth that can be seen in figure 4.4. The higher the capacity utilization, the more revenue the hotel gains. The

Number of hotels in Sweden.
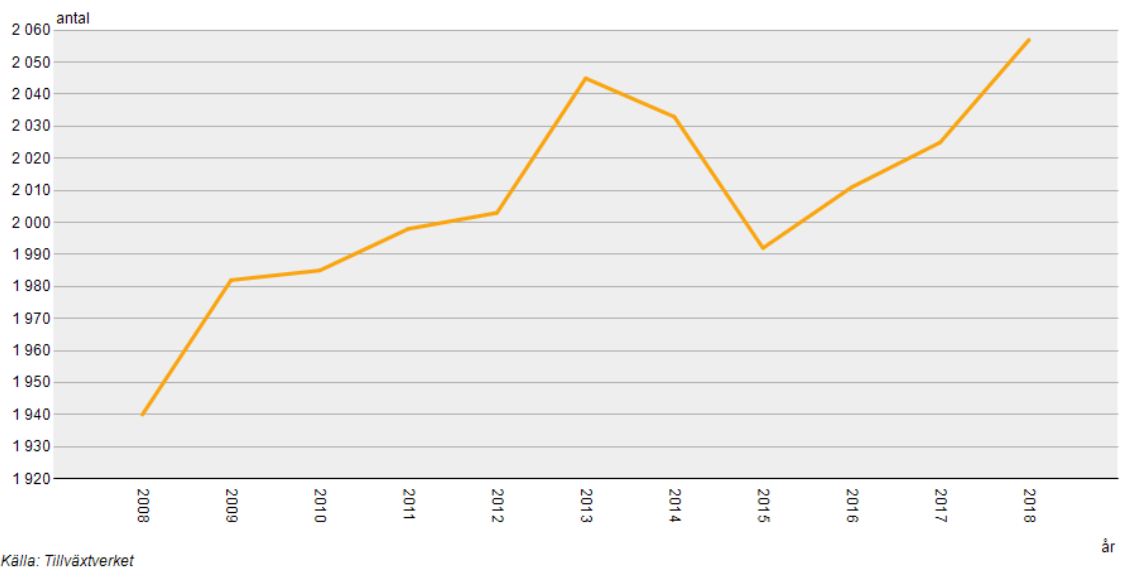
Källa: Tillväxtverket

Figure 4.2: Total number of hotels in Sweden 2008-2018. (SCB, 2019-2)

Overnight stays in hotels in Sweden per year.

Figure 4.3: The amount of overnight stays in hotels in Sweden over the years of 1979-2017, including both domestic and international guests. (SCB, 2019-1)

overall utilization is higher in the three largest cities in Sweden, compared to the entire country. In order to gain an understanding of the overall distribution of the
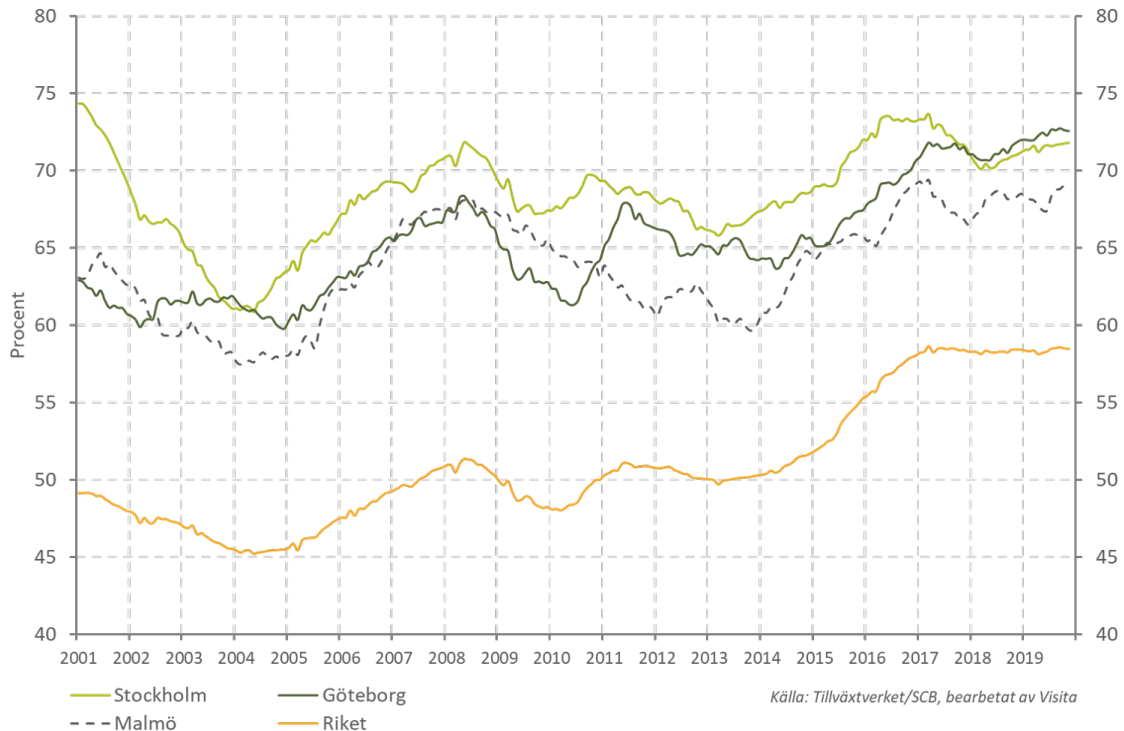
Figure 4.4: Capacity utilization of hotels in Sweden (Riket) and the three largest cities (Stockholm, Gothenburg and Malmö) in 2001-2019. (Visita, n.d.)

hotel visits in Sweden, figure 4.6 is presented. The image shows the total amount of overnight stays in hotels, holiday villages, hostels, cabin/apartments and campings in Sweden by region in 2019. Hotels stand for about 59 percent of these (SCB, 2020).

The concentration is highest in the regions which include the three biggest cities Stockholm in the east (Stockholm region), Gothenburg in the west (Västra götaland region) and Malmö in the south (Skåne region). Some concentration can also be found along the Swedish mountains in the upper half eastern parts. (Regionfakta, 2020)
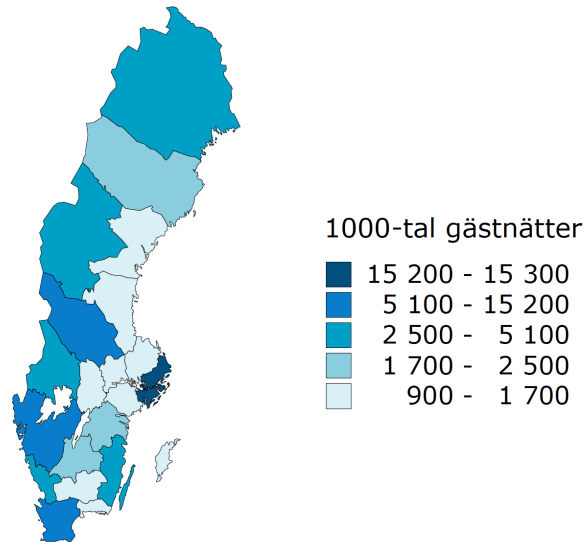
Figure 4.5: Distribution of all types of accommodations in Sweden in 2019, here counted by the thousand overnight stays. (Regionfakta, 2020)

Lastly, information of the different hotel market segments is presented. Usually the customers of hotels are divided into four groups according to figure 4.6. The four groups are business travelers, leisure travelers, conference guests and leisure group travelers. These can later be divided into two more general groupings; business and leisure travelers. The leisure travelers are traveling in their spare time, and business travelers are traveling due to work. Both groups are including domestic and international travelers, since these will not be separated in the study. No information
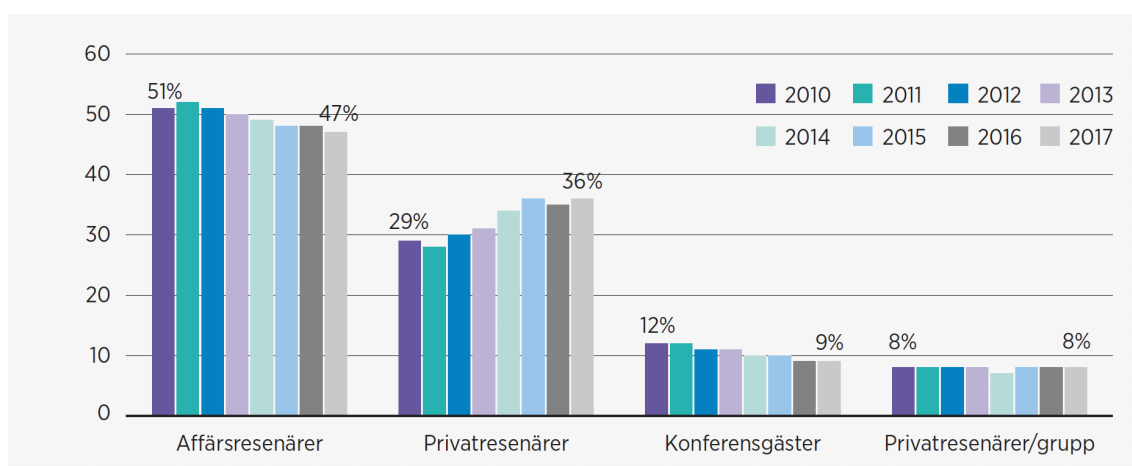
Figure 4.6: Distribution of the different market groups in hotels from year 2010 - 2017, showing the four groups from left to right; business travelers, leisure travelers, conference guests, and leisure/group travelers. (Tillväxtverket, 2018)

of the variety of hotels and some kind of grouping of the hotels could be found.

Therefore, this information was searched for internally in ASSA ABLOY. The Vice President of Hospitality of the DACH region, Mr Marcus Nettelbeck, was consulted in this issue. He pointed out that hotels could be grouped in three categories; small, medium and large hotels. Small hotels are those with just one or a couple of hotels in a regional geographic area. Medium hotels are the businesses were about a dozen hotels are operated across a larger geographical area, such as just one or a few countries. Lastly, the large hotels include multinational hotel chains with many hotels, possibly with many different concepts of hotels, in a several countries.

4.1.2 Selection of Hotels

Using the information found in the market research, together with the delimitations of the project and Nettelbeck's consulting, a selection of hotels was made. Firstly, the three different categories of hotels was regarded. In order to gain a good understanding within each category, three hotels were selected in each. For each hotel, one staff member working operationally at the hotel was interviewed using the interview guide found in Appendix A. The hotel selection guide is illustrated in figure 4.7.

*Figure 4.7: Illustration of the hotel selection for the study. Horizontally are the three categories of hotels, from left to right; small, medium and large. Vertically are the three hotels for each category.*

4.2 Case Study

In this section of the empirical study, the hotels and the findings from each visit about their business and customers will be presented. In total, nine different hotels

were visited and these are presented in Figure 4.8 in the order as presented in Figure 4.7.

1	**Grand Hotel** Lund	**Hotel Öresund Conference & Spa** Landskrona	**Nordic Choice Quality Hotel View** Malmö
2	**Hotel Kockska Gården** Simrishamn	**Elite Hotel Esplanade** Malmö	**Nordic Choice Quality Hotel The Mill** Malmö
3	**Moment Hotels** Malmö	**First Hotel Jörgen Kock** Malmö	**Radisson Blu Hotel** Lund

Figure 4.8: Hotels selected for the case study.

4.2.1   Grand Hotel Lund

Grand Hotel in Lund opened in 1899 and is currently owned and run by the Paulsson family, which owns a total of three hotels in Lund; Grand hotel, Hotel Lundia and Hotel Finn. The CEO of the family company is currently Maria Paulsson, who took over after her father in 2005, and she is also the manager of Hotel Lundia and Hotel Finn. The concept of the hotel is rustic and the characteristics from the original architectural design has been saved. Their concept is to create a hotel with a soul and where the guests are more than customers. (Grand Hotel, n.d.) Here, Dilara Rustamova, who works as Executive Housekeeping, was interviewed. She is the manager to all cleaning staff at the hotel and oversees their work. Due to that the interview with Rustamova was a pilot interview, a second interview was later made with Maria Andersson who works in the reception.

Grand Hotel Lund is located in central Lund. It has 83 rooms with an average of 1,2 beds per room, as the hotel has both double and single rooms, which gives them a total guest capacity of about 100 guests. The usual booking is for two persons, but varies depending on time of the stay and guest. During weekdays the normal booking is a single booking, while the weekends have more people per booking. The guests are on average 50 percent leisure and 50 percent business travelers, but varies both with season and weekday. The annual average utilization rate for the hotel is around 70 percent, but in peak season around May and June the utilization can be up to 100 percent. Apart from accommodation, the hotel hosts many celebrations, such as

graduation sittings, balls or weddings, which occasionally includes accommodation. Grand Hotel also arrange conferences in their conference rooms and offers conference packages including conference room, dining and accommodation.

Personnel working around the hotel is operational staff, cleaning staff, caretaker and occasionally management doing quality controls. The first four floors are adapted for disabilities, but the two top floors are not mostly due to that there are only stairs and no elevator. This also means that the cleaning staff needs to carry their trolleys up the stairs to clean these floors, something that Rustamova recognizes is a problem. This gives them increased physical workload.

4.2.2 Hotel Kockska Gården

Hotel Kockska Gården opened in 1953 and is a small, 3-star hotel in the center of Sirmishamn, a small town on the east coast of Skåne, Sweden. The concept of the hotel is to have a calm and friendly atmosphere in a small coastal town. (Kockska Gården, 2020) Chrisian Esbjörnsson is the owner and hotel manager and has been since 2003. Apart from this hotel, the company also owns a Bed and Breakfast and restaurant in Simrishamn. Besides the hotel business, the hotel offers different activity packages to the local winery, the golf club, food experiences and hiking. Esbjörnsson also works with operational tasks such as working in the reception. He explains that in small hotels like this one person attend to several operational tasks and that he is responsible for making the hotel run in its entirety. Kockska Gården has 20 rooms and a total guest capacity of 46 persons. All of their rooms are doubles apart from three rooms which are larger than the others, which Esbjörnsson address as family, double-double and large. The hotel is not adapted for disabled, neither concerning the rooms or the general areas. Simrishamn is a summer destination and business is therefore regulated by seasonality. The business is best during summer and holidays and during this period their average occupancy is about 75 percent, while it is much lower the rest of the year.

Esbjörnsson explains that for their business the guests can be segmented into two main groups; business travelers and leisure travelers mostly consisting of couples. During summer, holidays and weekends there are almost exclusively leisure travelers consisting of couples, one or in groups, and the age is predominantly between 45-65 years old. The standard visit for these guests are two days, but can be up to a week. During weekdays the rest of the year, the hotels guests are mainly business travelers. The business travelers' stay can be either for just 1-2 days or a longer period of time for a project in the area.

Other groups that can be found at Hotel Kockska Gården is the staff, which apart from himself is the cleaning staff and a caretaker. The cleaning staff cleans the room once the guests have checked out and left the hotel. Sometimes the cleaning collides with when the guest is still there, as they start at 9 am and the guest can check out until 11 am. Similarly when the guest want to check in early. Another element of the cleaning staffs' everyday work that affects them is that their main storage is on the first floor, and therefore they need to walk up and down the stairs and through the lobby multiple times each day carrying things such as laundry and cleaning equipment. Though, this is simplified a bit by having basically all of the rooms the same, with the same design and interior. The caretaker is called in when there is something needs to be fixed. The caretaker is responsible for multiple things and

usually works during the daytime or in the winter when there are less guests in the premises to avoid disturbance.

4.2.3 Moment Hotels

The last of the category small hotels in the study, is Moment Hotels which has been open since 2012. The interviewee was Gustaf Deijnoff, who is the Reception, Sales and Revenue Manager at Moment Hotels and has worked there since early 2014. The hotel is located close by the Central Station in the center of the city. Their main company is Working Partner Sweden AB, which in turn is owned by Sleeping Partner Sweden AB. Moment Hotels has a unique concept which they call *Lean Living*, which is their own version of the more widely spread concept *Lean Luxury Living*. The concept at Moment Hotels is basic and that the guests only should pay for what they use during their stay. The focus is therefore the rooms, but the rest of the premises are rather basic with solely the essentials. This concept is quite unsual in Sweden according to Deijnoff. Today Moment Hotels have just the one hotel in Malmö, but the plan is to expand in several Swedish cities such as Stockholm, Gothenburg and Växjö in the future. The hotel started with 55 rooms, then expanded to 74 rooms and is now under construction in order to expand even further to 163 rooms, which they hope will be ready in August this year. The rooms are small and made for one person, but about half can become doubles. Apart from the hotel business, the hotel has two conference rooms which are used 1-2 times a month. The hotel has a total of four rooms that can be adapted for disabilities.

At opening, Moment Hotels marketed themselves as a business hotel, but soon realized that their market instead was customers who are concerned with the price of the accommodation but still wanted to be close to the city center. Deijnoff explains that they use dynamic pricing in order to have the price per hotel room at a level where they will gain the highest utility rate. Their capacity utilization last year was an average of 90%, which was up to 97% during their best months April and June. "Our goal is to have the utilization as high as possible", Deijnoff said.

The guests can be divided into two main groups, business travelers and leisure travelers consisting of couples. Though, their largest customer group is business travelers, but they try to adapt their offering to everyone. On average guests stay 1,5 nights and short time visits are the standard. Moment Hotels has instead segmented their customers according to different time periods. Monday through Thursday, the business travelers stay there. The rest of the time the leisure travelers are predominant, especially during the summer. Leisure guests are mostly from Sweden, Denmark and Germany, but USA and Asia are growing markets for Moment Hotels. These guests are usually weekend tourists.

The hotel has three groups of staff members; operational, cleaning and caretaker. The operational staff stay in the general areas, such as the dining hall and reception, including the interviewee. The cleaning staff works everyday, but to decrease the cleaning costs they only clean the rooms that requested cleaning or when the guests have left. The caretaker works about 1-2 days a week. They communicate through the digital chat tool *Slack* where the staff communicate to the caretaker about what needs to be fixed. Common issues are broken bulbs, the housing of the locking system fall off or broken window frames.

4.2.4 Hotel Öresund Conference & Spa

This hotel is the first of the medium sized hotels of the study. Hotel Öresund is part of the Thanda Group, which is a company that owns eight different businesses of which six operate hotel business around the Swedish countys Skåne and Blekinge. The other two are a catering firm called Catera and Landskrona castle. Christina Svennblad was interviewed at this hotel. Svennblad is the hotel manager of Hotel Öresund and has an overall responsibility to make sure everyday business runs smoothly. Hotel Öresund Conference & Spa is located in the city center by the bay in Landskrona and has both accommodation, spa and conference rooms for up to 220 people. (Hotel Öresund, n.d.) The hotel has a total 124 rooms, which each can accommodate two persons and has a total guest capacity of 243. If larger rooms are needed they have a connecting doors as a solution. The hotel has two rooms adapted for disabilities, with automatic opening for entrance to the room, extra space and custom bathroom.

The guests at Hotel Öresund are both business and leisure travelers. The division between the two is not constant, as it depends on the time of both the week and year. In general a stay at the hotel is about two days, either during weekdays or over the weekend. Weekdays (Monday-Thursday) most guests are business travelers. Business travelers are mostly single travelers but can also be group bookings, such as for conferences. A typical stay for a business traveler is between 1-3 days on weekdays. During the summer season and weekends the hotel has much fewer business travelers as guests. Leisure travelers most often stay during the weekends (Thursday-Sunday) and the summer. The amount of leisure guests per booking can vary, but is usually two or more. The summer differs from rest of the year where leisure guests tend to stay longer, up to a week compared to the two nights during the rest of the year and there are few business travelers. Apart from the accommodation, the hotel offers a spa department and offers spa packages, which is a popular choice for leisure travelers during weekdays.

The daily activities apart from guests, are cleaning and occasionally the caretaker whenever needed. The rooms are cleaned daily. Svennblad explains that the cleaning staff has few problems with their work, apart from that it is physically heavy work.

4.2.5 Elite Hotel Esplanade

Elite Hotels was founded in 1991. The Elite Hotels has a little over 30 hotels in all of Sweden and the vision is that their offering has a focus on tradition, luxury and quality. (Elite Hotels, n.d.) Their hotel Esplanade in Malmö is located centrally with walking distance to Malmö Central Station. Esplande has a total of 128 rooms with the capacity of between 2-5 people in each. Apart from accommodation, there are four conference rooms for up to 50 people and a high-end restaurant. Arafat Serunkuma works at the hotel as a caretaker and property technician, and is responsible for the maintenance and technological aspects of the facilities.

During weekdays, the typical guests are business traveler who stay 1-2 days. During the summer season the guests are usually leisure travelers, mostly families. These guests tend to stay longer, up to about a week. An estimated annual division between the two customer groups by Serunkuma, are 60 percent business and 40 percent leisure travelers. Another offering hotel Esplanade has is their *Long time stay*-packages, where a guest can rent a rooms for longer periods of time and pay

a monthly fee. This offering is recently introduced and meant to fill empty rooms when the utilization is less than normal in order to create more revenue. Esplanade's usual utilization rate is around 70-80 percent, but varies depending on the season. According to Serunkuma, it does not vary depending on the weekday, most likely due to their central location in Malmö.

Apart from the guests, the cleaning staff and Serunkuma work daily in the premises. The rooms are cleaned once the guests leave, if nothing else is asked for. Serunkuma, as the caretaker and property technician, works with the general care-taking of the premises as well as finding possible improvements. Common problems Serunkuma repairs at the hotel are bulbs, pluming problems or the safety box. Larger things, such as locking systems or door closers, are unusual problems, which rarely needs to be altered, fixed or replaced, and no larger systems have been fully replaced since opening 2009.

4.2.6 First Hotel Jörgen Kock

First Hotels is the final medium sized hotel in the study. First Hotels has 51 hotels around northern Europe; Sweden, Norway, Denmark and Iceland, which are mostly located centrally in the cities. The company was founded in 1993 with six hotels in Sweden and has since expanded through both acquisition and construction of new hotels. First Hotel want to offer quality and individual experiences through each hotel's unique style. (First Hotels, n.d.*a*) First Hotel Jörgen Kock is located in central Malmö, just 100 m from the Central Station and has been a First Hotel since 1994. (First Hotels, n.d.*b*) Here Malin Gimtell was interviewed. Gimtell has worked at Jörgen Kock since 2006 and is the Operations Manager, were she is responsible for the reception, breakfast and cleaning departments.

The hotel has 210 rooms, all doubles, and a guest capacity of 210. Apart from hotel business, the hotel has one conference room for up to 20 people. The conference room is used about once a week on average, but the ambition is to increase this. The hotel has one room that is disability friendly, but not fully adapted to all kinds of disabilities, Gimtell explained. The largest issue Gimtell sees with their rooms is that no doors are automated or lighter in weight, which makes it hard for individuals with disabilities to open. But she emphasises the importance of fire proofing the rooms and that any changes to the doors need to be in accordance with existing Swedish fire regulations.

The hotel's guests are mostly business travelers. Gimtell estimates that the division is around 70 to 30 percent business and leisure travelers, but it depends on the season and time of the week. During weekdays the business travelers stay at the hotel. A stay of 1-2 days is the most common, but the stay can also be longer for projects or similar. Business travelers are often recurring customers to the hotel. During weekends, holidays and summer the guests are mostly leisure travelers. These also tend to be more people per booking than the hotel average of two and are normally nonrecurring customers. Leisure travelers are often tourists from Denmark and Germany or native families on vacation. The hotel's average total utilization rate is at 82%.

Besides the guests, the cleaning staff and occasionally the caretaker work in the premises. The most occurring task for the caretaker is to fix plumbing issues or repair different objects that are broken due to guests negligence. Since the door and

door closers are from when the hotel was opened, these sometimes need to be fixed or adjusted. The most common issue for the guests are that they have problem with their TV-system or that bulbs need to be changed. It has also been noticed that the guests had trouble with opening heavy doors with bags, so the entrance door was recently changed to an automatic swing door.

4.2.7   Nordic Choice Quality Hotel View

The first of the category large hotels is Nordic Choice Quality Hotel View. Strawberry Group, founded and owned by Norwegian Petter Stordalen, owns the chain Nordic Choice, which is a part of Strawberry Group's hospitality branch. Nordic Choice is a large company which includes several hotel brands with different concepts. It consists of Comfort Hotels, Quality Hotels and Clarion Hotels as well as some independent hotels. Nordic Choice is internationally present with 194 hotels in six countries in the Nordic and Baltic region, but most hotels are be found in Norway and Sweden. (Nordic Choice Hotels, n.d.*a*) The interviewee at this location was Lukas Andersson, who works in the maintenance department as caretaker at Quality Hotel View. The work includes maintaining the premises at the hotel, including both hotel rooms, conference rooms and other public areas.

Nordic Choice Quality Hotel View is located in Hyllie, a southern part of the city Malmö, and has the train station with direct commute to both central Malmö and Copenhagen as well as the airport Kastrup just outside the front door. The hotel is focused on business and conference customers. (Nordic Choice Hotels, n.d.*b*) Therefore, the guests are mostly business travelers either in town for business or to attend a conference held at the hotel. The conferences held on site can be with or without accommodation, so conference customers might not need or want a room for their visit to View hotel. This mostly depends on how far they have traveled and is hard to generalize, according to Andersson. Leisure travelers are not as common at this specific hotel, but are mostly present during the weekends. During weekends the utilization rate is also lower than during the weekdays. The average booking is for two people. Quality Hotel View has a total of 302 rooms and approximately 20 conference rooms for between 15 to 300 people. Mainly the hotel rooms are doubles, but the hotel also has two suits and family rooms which also are adapted for disabilities if needed. The rooms adapted to disabilities has a special toilet with alarms and the door closers which make the doors heavy are turned off during their visit.

Caretaker, cleaning staff and guest are the three groups that move around the hotel. Occasionally, third party companies come to set up for a conference in an event or conference. Maintenance, which include Andersson himself, move around the entire building working on different things depending what needs maintenance or to be repaired. Usually this is smaller matters such as an objects in the room is broken, changing bulbs and batteries in the locks. Another common task is to reprogram locks that have lost connection. Some issues for the staff could be the workload for the cleaning staff and when unloading delivered goods. Especially the doors are a hassle, which are either opened and closed frequently or held open by blocking it with a stick or tying it up with a string. Andersson have notices that some doors get worn down faster and need battery changing more often since these are frequently used, such as the unloading dock for deliveries and the entrance to

the kitchen.

4.2.8   Nordic Choice Quality Hotel The Mill

The second large hotel is Nordic Choice Quality Hotel The Mill in central Malmö. The Mill is the second Nordic Choice Quality Hotel for this study, this since tips were given about The Mill from Andersson at View which seemed interesting to investigate.

At The Mill, Sofie Helsing was interviewed. She started as Reception Manager at the Mill at opening in early 2019, but recently became Hotel Manager. The hotel is independent and operated on site, such as being responsible for their own finances, but has some guidelines due to being owned by the Nordic Choice. The Mill has 224 rooms, which are either doubles, suits or family rooms, and the total guest capacity Helsing estimated to be 450 guests. The family rooms are also adapted for disabilities, where the doors are lighter in order to allow for more access to the rooms. The hotel also has an independent bar and a gym.

As the hotel is fairly new, they are still trying to build their customer base. Therefore it is difficult to group their customers into different segments, but in general the guests are either leisure travelers consisting of families and couples or business travelers. The hotel's utilization rate is thus not stable either and has fluctuated a lot, but peaked during the summer of 2019 at around 80 percent. Helsing describes the first year as rather successful, with no major issues or setbacks. The Mill also has 10 conference rooms, where the largest can fit a total of 150. This part of The Mill is, similar to the hotel business, just starting to build a customer base and getting some recurring customers. Their current focus was in smaller conferences and meetings. Typically, conference guests do not stay overnight after a conference. (Nordic Choice, n.d.)

The guests are from Monday through Friday mostly business travelers and the weekend leisure travelers, more specifically families or couples. The hotel is aiming to be especially kids-friendly. Helsing estimated that The Mill's guests are about 70 percent business and 30 percent leisure travelers, and she explains that their concept is marketed towards conference and families. During the summer the hotel's guests are largely families. Even though the hotel is marketed as a family hotel, the leisure guests are relatively mixed between family and couples. Couples that stay at The Mill are usually tourists, mostly from Sweden, Germany or Denmark and sometimes other parts of Europe. The proximity to train commute to Copenhagen, Denmark, is something that attracts some the guests to Malmö as they can experience two cities and countries in one trip.

Besides hotel guests, cleaning staff and the caretaker are present in the facilities daily as well as operating staff. The cleaning staff both clean the rooms more or less daily and do check ups to ensure quality of the rooms. If anything needs fixing they report it either to managers or the caretaker depending on the issue. Though, most of the time the guest reports problems to the reception. Helsing notes that smaller issues issues are common for a new hotel.

Since the hotel is newly built it also has a lot of different modern solutions in order to ensure that everything works as it is supposed to. Some interesting examples that came up were their fire alarm system, TV system and lock solutions. The fire system is connected to a computer system and the system gives an indication if a

fire alarm in a room is broken. The Mill also has a smart TV system installed, which allows the reception staff to see if a TV is offline and then can contact the caretaker to get it fixed. Lastly, the hotel has a modern locking system on their hotel room doors. An Nordic Choice app can be downloaded, through which the guest can check in and carry their key card. In turn the locking system has technology that allows for mobile access to the rooms. This simplifies and allows for better service both for those guests who want and do not want to interact with the reception staff upon arrival. Though, Helsing explains that this has only been used a few times by the guests since opening and it is more common for guests to get a physical key card.

Some other interesting aspects that were raised during the interview was the importance of safety both for guests as well as staff. The fire safety was raised, as each room needs to be a fire cell in case of fire in the hotel. Secondly, the importance of only the authorized people could enter the hotel and that this is important for both the staff and guests' safety. If no one is in the reception who can keep track of who enters, the person needs to use a key card to get into the hotel.

4.2.9 Radisson Blu Hotel Lund

The last hotel is Radisson Blu Hotel Lund, located in southern Lund. The hotel is a part of Radisson Blu, which in turn is owned by Radisson Hotel Group. The Radisson Hotel Group owns seven different hospitality brands with different concepts. Radisson Blu is a franchise, where the hotel in Lund is an independent hotel and a franchisee of the Radisson Blu brand. Philip Skoog was interviewed at the hotel and works as the Reception and Booking Manager. He is responsible for the reception, bookings and conferences and manages the personnel for these departments.

The hotel has a total of 192 rooms, which all are doubles with the exception of the suits. 16 of these are adapted to disabilities, by having easier access with a lighter door and lower handles. The hotel also has four conference rooms, three smaller and one large with a maximum capacity of 100 people. The average hotel room bookings is for 1,2 persons staying for 2,5 nights. The hotel has primarily business travelers as guests, as it is located just by several large industrial companies in the area. Therefore, the hotel has many international guests from all over the world. According to Skoog, the division between business and leisure travelers is 70 to 30 percent. Business travelers are present during the weekdays and during the weekends the hotel guests are mostly leisure travelers. The hotel has an average utilization rate of about 70 percent. If any service is needed the hotel uses an app with a chat function instead of the common telephone in the rooms. Here the guest can get in contact with the staff, who can help the guest with any issues. The most common issue, Skoog explains, is the adjustment of the rooms temperature.

Other activities at the hotel apart from guests and conferences, are cleaning and technology department who works as caretakers for the hotel. The cleaning staff cleans the premises everyday, but only the rooms when asked or if the guest has checked out. If there is anything that needs to be repaired or fixed, the cleaning staff contacts the caretaker. Usual issues are the lamps, TV or objects that need to be repaired, such as the door, locks, etc.

Skoog emphasize the importance of safety and fire safety. Firstly, the safety of both the employees and guests has been a focus and something that has changed

the hotel. For example, the the guest needs their key card in order to gain access to the right floor and cannot go with the elevator to any other floor than the one where the room is. Also, the importance of only authorized people, personnel and guests, can enter the hotel. The entrance also has the same technology as the elevators and the person needs to use their key card to enter or ring a bell and be let in by the reception. Secondly, the fire safety is important. Every hotel room is a fire cell. A routine at the hotel is that the reception prints safety lists multiple times a day, in order to have a full list of all personnel and guests present at the hotel in case of an emergency such as a fire and if the systems shuts down.

4.3 Study of Decision-Making Process

As describes in Section 3.3 there are eight stages in the decision-making process in a B2B market. In this section the nine hotels' decision-making processes will be presented. This part of the study is primarily the decision-making process of constructional or technical goods need to be invested in or exchanged.

4.3.1 Grand Hotel Lund

Most of the time a guest notes an issue and brings it up with the personnel. This personnel then notifies their manager, whom finds an offer that can solve the issue at hand. This offer is then sent to the management group of the company. The management group then decides on the solution together with the finance department. If the offer is accepted and approved, then the company invests in the solution.

4.3.2 Hotel Kockska Gården

At Hotel Kockska Gården most decisions about new investments are done at the hotel by the owner Esbjörnsson himself. Most of the time a guest or personnel recognize the issue, and then inform the reception. The rest of the decision-making process, from general need description to performance review, is made by Esbjörnsson as the owner, with some consulting from the caretaker if needed.

4.3.3 Moment Hotels

After the problem is recognized, the hotel manager and interviewee Deijnoff formulate the general need description. After this, Moment Hotels have a construction consultant who is hired to find and present solutions. From this, the hotel manager and Deijnoff decides on one of the solutions and the consultant makes the order, delivery to the hotel and installation. Moment Hotels have thus outsourced the process from stage 3-5 and 7 in the decision-making process to the construction consultant.

Moment Hotel has recently invested in new technology, which was prepared during the past winter to be introduced after the expansion of the hotel is complete. RFID technology has been installed in the locks to the hotel rooms and their customers will be able to do mobile check in and room key cards in their smartphones. The interviewee Deijnoff sees a lot of potential in this technology and other technological solutions that can be implemented in the hotel.

4.3.4   Hotel Öresund Conference & Spa

Usually either personnel or a guest recognize that there is a problem and report this to a manager. Then the problem is analyzed in order to understand if it needs to be attended, and if so then a need description will be conducted. Thereafter, the owner of the hotel, Thanda Group, and their management group will decide on the rest, such as if and what kind of solution will be pursued.

4.3.5   Elite Hotel Esplanade

If anything needs to be invested in at the hotel, the central office has decided beforehand about what kind of products that can be bought to have a more unified design on all Elite Hotels, but the hotels themselves bear the cost. Serunkuma is the one at Esplanade who pursues the salesperson to get an offer. The offer then has to be approved by the managers. If so, Serunkuma makes the order and installation to the hotel.

Serunkuma's latest improvement to the hotel was to buy a smart TV's for all the rooms, where each guest can stream their own entertainment from personal account on their mobile devices. Serunkuma explains that he has many ideas that he would like to do, such as mobile unlocking technology for the locking systems, but more often than not money is the issue that stops his plans.

4.3.6   First Hotel Jörgen Kock

If new investments are needed at Jörgen Kock, the hotel themselves recognize the problem. The hotel managers make an assessment if an new investment needs to be made and if so brings it up with the management group at First Hotels. First Hotels has some guidelines, but Jörgen Kock has to find and present variety of offers from suppliers, pros and cons of each, as well as the total cost of the solution. The management group then considers the different offers and then decides on one to invest in. Jörgen Kock is then responsible for the order and installation of the chosen solution. For a recent large investment and renovation of the facilities, a deal was made with the property owner to divide the cost of the investment between them and First Hotels.

In 2015 the hotel went through a major renovation. During the renovation, the locking system was changed and all of the hotel room door were fixed. Before the hotel had a more outdated locking system with physical keys for the rooms, but this was expensive if the guest accidentally took the key home and the cylinder on the door had to be changed. This was done floor by floor during a period of time so that the hotel could be open for business as usual. The computer systems for booking and keys were changed simultaneously. The investment was seen as a more economically sustainable solution than keeping the old locking system. The new locking system is prepared with RFID technology in order to be able to have the room keys in a smartphone, but this has not been used yet and there is no plan to in the near future according to Gimtell. But, as with many things, money is an issue when investing in different new systems, technology and other improvements to the hotel. Gimtell gives many examples of improvements that could be done to the hotel, such as new TV-systems with the possibility to cast from mobile devices or technology that could give the hotel the chance to individualize each room to

a guest with different lighting systems or thermal settings according to what each customer prefers. However, each investment needs to be carefully considered that it really is needed and will give value to the hotel and its customers.

4.3.7 Nordic Choice Quality Hotel View

At View hotel, most of the purchases can be made by personnel on site. But there are some centrally controlled parts where Nordic Choice Quality has a deal with a specific supplier for specific goods. Thus, the hotel recognize a problem and makes the need description, but then the product choice all the way to supplier selection in the decision-making process is made by the central office. Then the order can be made by the hotel, as well as repurchased whenever needed. For example, Nordic Choice has a deal with the company who makes the locks found at the hotel and the hotels contact this supplier directly if new goods are needed.

4.3.8 Nordic Choice Quality Hotel The Mill

As this hotel is owned by the same company as the previously presented Nordic Choice Quality View, the process is to a large extent the same. As previously mentioned, the hotel is independent and essentially works as an independent company handling their own finances. But Helsing further explained that some items, such as furniture and interior design, is something that the hotel can largely decide on themselves, while for investments of the premises such as different new technology the management group have several deals with suppliers and therefore are decided upon centrally.

4.3.9 Radisson Blu Hotel Lund

The last hotel is Radisson Blu Hotel Lund. As this is a franchise the hotel is independent and handles their investment decisions on their own, without Radisson Blu involved at all. If a problem is recognized, usually by guests or cleaning personnel, the managers are noted and the hotel's caretaker is contacted. The technician then search for solutions, if needed collects different offers, chooses one and then orders the items. The caretaker is also responsible for installment and service.

4.4 Summary

As found in the study of the Swedish hotel market, the hotel industry is a growing business in Sweden. Most of the market is concentrated to the three largest cities, but hotels are spread throughout the entire country. A common division of hotel guests found were leisure and business travelers, which was also found through the interviews. The constellation of the staff was seen to be quite similar between the hotels, with operating, cleaning and maintenance staff present at all hotels to various extent. From the study of the cases' it can also be observed that the decision-making processes stages vary between them. There does not seem to be a clear common process.

5

Analysis

From the theory, the product launch success factor were identified and chosen as a focus for the study. In this section, the case study, including the found information about the hotels, market, end users and the decision making process, will be analyzed through the conceptual framework created and presented in Section 3.4. The section ends in conclusions and a discussion about the product launch for the ASSA ABLOY product, the automatic door, which is to be introduce to the market as well as some recommendations for ASSA ABLOY based on the findings.

5.1   Identifying Users

The analysis will start on the left hand side of the conceptual framework with *Identify Users*. The end users for the hotel market were found through the information given by the case study. These are users who would use the product, to varying extent, within the hotels studied and have been concluded by the author. From the theory presented in the study, the market channel of this study was identified as B2B2C. This since the product will be sold to hotel businesses (B2B), who in turn will sell hotel services to their guests (B2C). Therefore, the end users are important to both identify and understand. In this case are the end users are both the consumers of the offers at hotels, the hotel guests, and also the personnel working on site at the hotel. All are end users since they move around the hotel and will therefore use the various doors around the facilities. The different end users found are represented by the user groups.

As stated by the theory, the consumers within a market can be divided into segments by the variable *user rate*, dividing consumers into groups depending on their amount of usage of the product; *light, medium* or *heavy* users. The end users, individuals who more or less regularly use the product, found in the study are divided into three groups using *user rate* to begin with which are presented below.

1. Light users: Administrative staff

2. Medium users: Guests

3. Heavy users: Maintenance staff

The theory also presents that the potential customers can be divided into groups depending on the *benefits* for the user related to the product. This was applied to

the grouping above, since each group includes individual who have different benefits from the product even though they use the product to the same extent. The groups of users are therefore further divided into four subgroups presented below, including a description of which individuals included in each user group.

Light users

1. **Administrative staff**: Staff that works in the reception or as managers either for departments or the hotel. This group relatively seldom move around the hotel, only when needed, and therefore use the product occasionally.

Medium users

2. **Guests**: Include all types of guests of the hotels, both leisure and business travelers. It also includes guests traveling in all variations of amount of guest parties. Move around the hotel daily and use the product several times a day, and only on certain times of the day.

3. **Additional accessibility**: Various individuals who might need extra accessibility, due to disabilities to some extent or other reasons. This group should included any individual, both guests and members of the organisation, but in this case it will be assumed to be a guest. This group move around the hotel daily and use the product several times a day and only on certain times of the day.

Heavy users

4. **Maintenance staff**: Staff who work with cleaning and care-taking of the facilities, including the rooms and all general spaces. This group use the product frequently and multiple times a day in their daily work.

Note that the guests that were divided into leisure and business travelers in the case study have now been combined in one end user group. This is due to that there is no interest for this particular product and study to continue separating the two, since leisure and business travelers generally use the product to the same extent as well as where concluded to gain the same benefits. Furthermore, the subgroup *additional accessibility* was added as a benefit segmentation due to that this group was brought forward as was overlooked in the earlier *user rate* groupings.

These total of four groups were found by segmenting the users of the product based on the study of hotels. The market was thus divided into user groups with respect to both the *user rate* and *benefits* of the users. The different groups' needs and values was further identified and evaluated in the following analysis.

5.2   Identifying Needs and Values of Users

Second phase of the left hand side of the conceptual framework is to *Identify Needs*, which means that this section will be an attempt to identify and evaluate the values and customer satisfaction for the product of the four previously found end user groups.

5.2.1 Elements of Value for User Groups

The following section will be an analysis of the model *Elements of Value* for each of the user groups. Each groups' underlying values were identified trough careful assessment of the interviews made in the case study and the values presented in the model, seen in Figure 3.2. If a value had come up in the interview or could be interpreted through the interview, it was counted as present. This was done for each of the cases and user groups, and then all cases' values were bundled together in order to find which of the found values prevailed in total. This resulted in Figure 5.1. The results are presented in a way that the number in each element represents the number of user groups that had this specific value for the given product. The groups were concluded to have between four and seven elements, all within either the functional or emotional elements.

The different user groups differed both in which and the amount of elements they valued. Group one *administrative staff* had four found elements which were *reduces effort, saves time, avoids hassle* and *reduce risk* as elements of value. Group two *guests* had five found elements of value which were *reduces effort, avoids hassle, quality, reduce risk* and *fun/entertaining*. Group three *additional accessibility* had seven found elements of value which were *reduces effort, avoids hassle, reduces anxiety, quality, reduce risk, fun/entertaining* and *provides access*. Group four *maintenance staff* had five found elements of value which were *reduces effort, saves time, avoids hassle, wellness* and *reduces risk*. The main difference between the user groups were the product's values in the emotional category, while the values within the functional category were more similar. Another difference was that the product could either be seen as fun or entertaining and being an extra neat accessory for the hotel, or as something affecting the individual's health and accessibility of the facilities. Especially for group *additional accessibility* and *maintenance staff* these emotional values can affect the value of the product, as the groups have the elements *reduces anxiety, provides access* and *wellness* as values. As mentioned in the theory, emotional elements of value may be perceived more valuable and have a greater effect than functional values. Consequently, these values are significant to address in the product.

As seen in Figure 5.1 three of the elements are values to all four user groups. These are *reduce effort, avoid hassle* and *reduce risk*. These three values can therefore be assumed to be values to all users of the product. Two of the elements were values to two user groups, *saves time, quality* and *fun/entertaining*. Lastly, three elements were of value to at least one of the user groups, *wellness, reduces anxiety* and *provides access*. None of the elements had the total of three groups. A total of nine values were addressed for the different user groups.

5.2.2 Kano Model Analysis

To further understand the different user groups' values and their connection to customer satisfaction, the function of the product was analyzed through the Kano model. This part was a pure assessment of the possible customer satisfaction based on the empirical study findings and not by actual customer satisfaction findings. However, this estimation can be a good starting point of an analysis of the products function and customer's possible perception. The function of an automatic door can to different user groups give different customer satisfaction, according to the Kano

SOCIAL IMPACT — Self-transcendence

LIFE CHANGING — Provides hope, Self-actualization, Motivation, Heirloom, Affiliation/belonging

EMOTIONAL — Reduces anxiety (1), Rewards me, Nostalgia, Design/aesthetics, Badge value, Wellness (1), Therapeutic value, Fun/entertainment (2), Attractiveness, Provides access (1)

FUNCTIONAL — Saves time (2), Simplifies, Makes money, Reduces risk (4), Organizes, Integrates, Connects, Reduces effort (4), Avoids hassles (4), Reduces cost, Quality (2), Variety, Sensory appeal, Informs
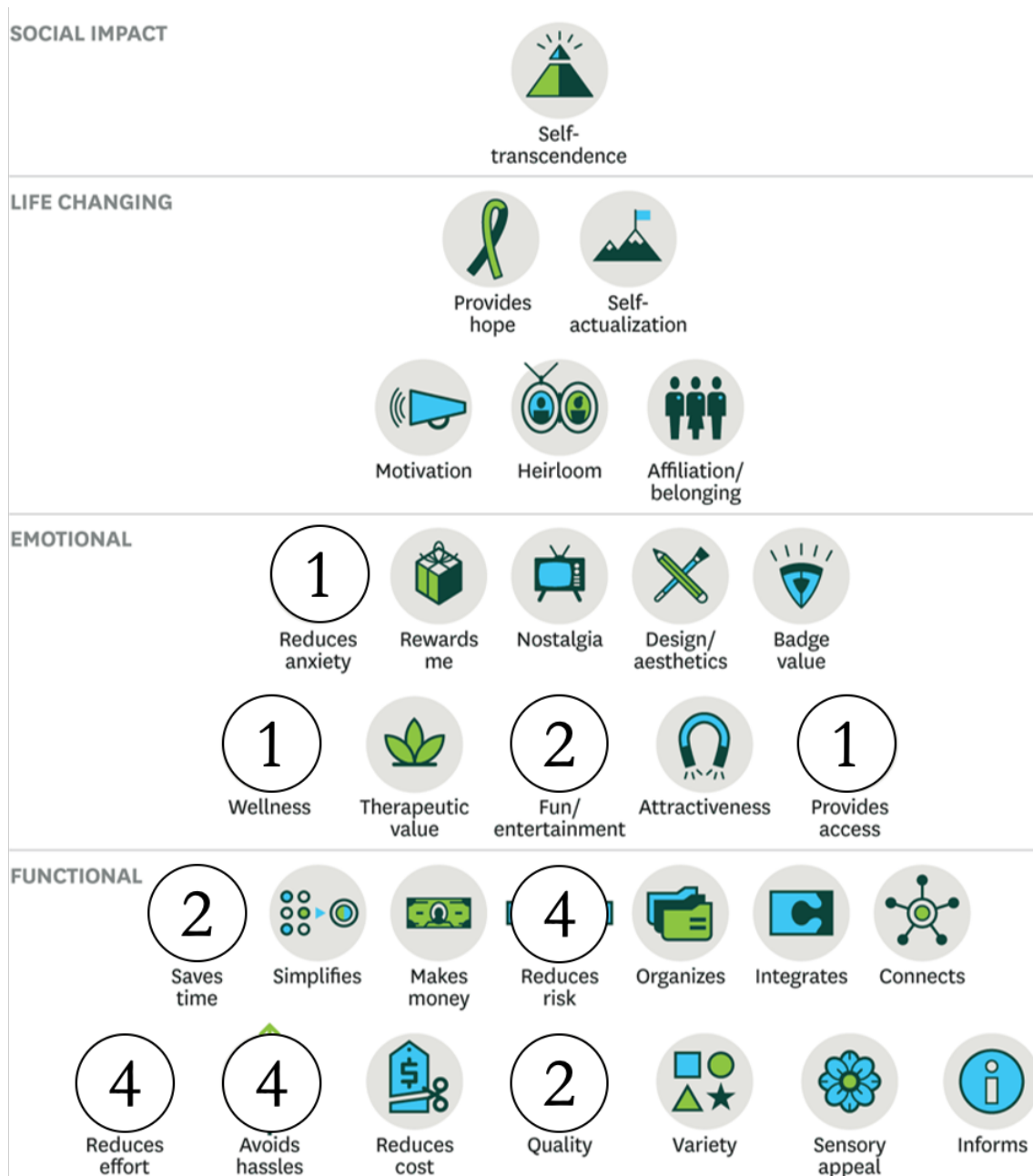
Figure 5.1: The elements of value found in the case study. The numbers in each circle represents the number of user groups which valued each element. A total of nine elements were addressed.

Model.

For the estimations of where on the Kano model to plot each user group, the groups first were decided to which of the customer requirements they belonged. For user groups *administrative staff, guests* and *maintenance staff* the function of automation of the door all was put as an *attractive* quality. This was due to that none of the user groups expect this to be an attribute of a door at the hotel, but do give satisfaction if present. The user group *additional accessibility* on the other hand, was concluded to be an *one-dimensional* quality. This was due to that these users do not expect the door to be automatic per se, but do expect the door to be adapted for accessibility. An attribute such as automation of the door falls in to
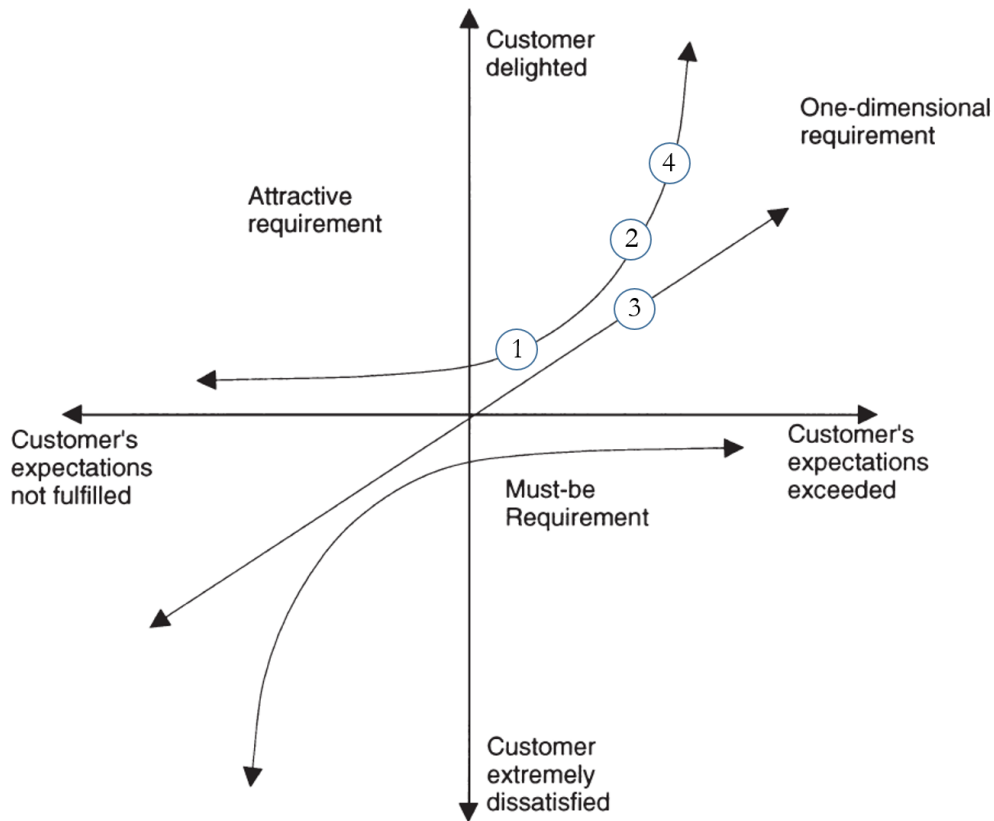
Figure 5.2: Automatic function of a door evaluated for each user groups through the Kano Model.

this category, but other functions could fulfill this as well. Therefore, the function was determined to be *one-dimensional* and not *must-be*.

Where on the axis each customer group was places was an assessment of the customer expectations and the customer delight that might be reached with the product. The user group *administrative staff*, the expectations might not be exceeded a lot. This mostly due to that they are light users and therefore high customer delight is not expected from this group. The second use group *guests*, was placed higher as it was assessed that both expectations and delight was higher than for the previous group. The last group following the *attractive* quality scale is user group *maintenance staff*. This group was concluded to have higher delight then previous groups as they are heavy users and the product could help them more in their daily work. Thus, their expectations can be exceeded. For the last user group, *additional accessibility*, the estimated placement made through an assessment of the customer expectation. As discussed above, the user group expects there to be extra accessibility to some extent and are therefore not as delighted by the product in the hotels as for example the *maintenance staff* group. But there should be some delight and exceeded expectations, as it was found in the case study that many hotels are not as adapted to disabilities as could be expected.

5.2.3   Other Needs

A couple of needs where found in the case study not addressed by analyzing through the *Elements of Value* and *Kano Model*. These needs are more related to the product

and the hotel, but are still worth mentioning since these affect the hotel business's needs. The first need found was safety for both the guests and staff. This includes both that the guests and staff are safe while inside the hotel and no unauthorised can enter, as well as fire safety. The latter was repeatedly mentioned by the interviewees. The second need was the need for cost-effective solutions. The aspect of cost and money was mentioned in essentially all interviews. Hotels want technical solutions that are low-cost and sustainable for their business and facilities, or at least that the cost-benefit relationship is adequate for the investment. These needs are more related to the hotel as a business and it's needs than the users of the product, and was hence not further analyzed.

5.3   Understand the Decision-Making Process

The decision-making process for the cases in the study are as previously mentioned all B2B decision-making processes, as the market studied is the hotel market and the products will be sold directly to other businesses. This section will thus review the *Understanding Decision-Making Process* part of the conceptual model, starting with an understanding of the hotels' business centres and then going into the decision-making processes. Lastly, a combination of the business centre and the decision-making process was made to see if there is a connection between the different business centre roles and the decision-making process stages. The analysis of the three areas was done by using heat maps, where the darker the color the more cases found in the empirical study. The color range for the upcoming heat map analyses is seen in Figure 5.3, with the lightest color representing zero cases and the darkest all nine hotels. The heat map analysis work as such, if a group either took a role in the

Figure 5.3: Color range for heat map analysis, from lightest indicating no cases to darkest indicating all nine cases.

business centre or was involved in a decision-making process stage one point was added to this role or stage illustrating that the group was present. One map was made for each hotel and then four combined heat maps were made for the small, medium, large and all hotels. The maps for small, medium and large hotels were made due to that just one heat map of all the cases did not seem to provide clear answers, as seen below. Note that a group can be present in more then one role or stage. All of these analyses were based on the information given or interpreted through the interviews.

5.3.1   Business Centre of Hotels

As described above, the business centre roles were identified for each of the cases. These were then combined to create a heat map of the business centre, seen in Figure 5.4. In the business centre different organisation members take the different roles, as described in the theory. The three categories of members found for hotels through the case study and these are *personnel*, *managers* and *management group*. The *personnel* are various staff working on site, such as reception, cleaning staff and

caretaker and are present in all parts of the hotel daily. The *managers* include the different department managers, such as the hotel manager, reception manager, etc. They have more responsibility of decisions and often manage department personnel. Lastly, the *management group* is the external decision-makers who do not work on site at the hotel, such as people from the central office or an owner. The heat map

Business Centre:	User	Influencer	Buyer	Decider	Gatekeeper
Personnel					
Managers					
Management Group					

Figure 5.4: Heat map showing which person in the organisation is which Business Centre member. The darker the color the more cases of the member being a certain role.

for all of the hotels, seen in Figure 5.4, the business centre is not clear. As mentioned above, the darker the color the more cases of a certain organisation members being the business centre role. The darkest color indicates that the role was assumed by a certain member in all nine cases. These results for the heat map of all the hotels combined in Figure 5.4 indicates that the *user* are personnel and the *gatekeeper* are the managers in all cases, whilst the rest vary between either two or all three categories of organisation members depending on the hotel.

An analysis of each category of hotels gives another perspective. The small and large hotels both seem to have rather similar roles through-out the organisation. Though it should be noted that two of three of the large hotels are of the same company and concept Nordic Choice Quality Hotel, this might effect these results though the third hotel, Radisson, had the same constellation. All hotels in the large hotels category were independent hotels, two which were independent companies under the brand name and one franchisee hotel. If other non-independent hotel businesses were included in this study, this results might have been different. Also, the results might have been different for the large hotels is two is the cases were not of the same brand.

Hotels Small	User	Influencer	Buyer	Decider	Gatekeeper
Personnel					
Managers					
Management Group					

Figure 5.5: Heat map showing which person in the organisation is which Business Centre member, only hotel category small.

Hotels Medium	User	Influencer	Buyer	Decider	Gatekeeper
Personnel					
Managers					
Management Group					

Figure 5.6: Heat map showing which person in the organisation is which Business Centre member, only hotel category medium.

The medium hotels, on the other hand, seem to have more of a variation of their business centre roles. *Users* and *gatekeepers* appear to be constant between the cases, but *influencers, buyers* and *deciders* all vary between all three categories of

Hotels Large	User	Influencer	Buyer	Decider	Gatekeeper
Personnel	■	■	■		
Managers				■	■
Management Group					

Figure 5.7: Heat map showing which person in the organisation is which Business Centre member, only hotel category large.

organisation members. This indicates that small and large hotels have rather stable business centres between different market player, while the medium hotels' business centre roles vary more between the players.

To summarize, a distinct business centres that apply to all hotels cannot be assumed. Business centres vary both of which organisation member takes which role and between each category of hotels. Even a distinct business centre per category of hotel cannot be assumed, but more clear correlations between the cases can be observed. Though, the analysis finds that the *user* was the personnel and *gatekeeper* was the managers in all studies cases (see Figure 5.4), and it can therefore be assumed that this is the constellation of these particular roles in all hotel businesses.

5.3.2 Decision-Making Process of the Hotels

Similarly to the business centre, the decision-making process of the cases in the study have all been combined and are presented through a heat map illustrated in Figure 5.9, compared to the B2B decision-making process model presented again in Figure 5.8. Apart from the organisation members taking different roles of the business centre, the guests were another category mentioned in the decision-making processes appearing in all cases in the first stage *Problem recognition*. Therefore this category was added to the analysis of the decision-making process. Also, for the decision-making process more than one category can be involved in each stage and for several cases more than one category were present in multiple stages. This means for example that more than one of the groups can be present in all cases for one stage. This does not mean that both are present every time, but that one or more of the groups are present each time.

One category that was excluded from the combined decision-making process heat maps in Figure 5.9 due to that there was only a single case of this category involved, was the small hotel Moment Hotels. This case used an external construction consultant, which in this study was unique. The external consultant was solely responsible for stage three through seven in the decision-making process, and the remaining of the stages coincides with the rest of the small hotels' processes seen in Figure 5.10 and were therefore included in this analysis.

In Figure 5.9 the combined decision-making process heat map of all cases is presented. The result from this heat map indicates that the decision-making process of hotels vary a lot between the cases in the study. Stage one and two are most constant of the stages. In stage one all cases have the guest or personnel are present and in stage two almost all cases have the personnel and managers, either one of them or both, involved in the stage. The rest of the stages in the process is ambiguous.

When looking at the different categories of hotels, a clearer image of the process can be seen for small and large hotels, while medium hotel have a less consistent process. The decision-making process for the small hotels in presented in Figure
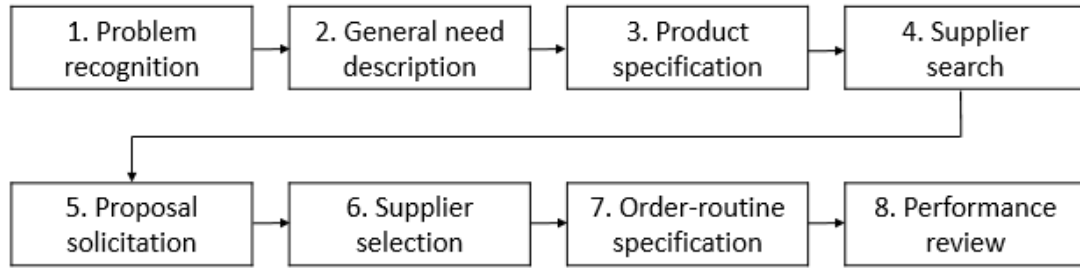
Figure 5.8: *Illustration of the B2B decision-making process, previously presented in Section 3.3.1.*

Decision-Making Process Stage:	1	2	3	4	5	6	7	8
Guests								
Personnel								
Managers								
Management Group								

Figure 5.9: *Heat map showing who is responsible for the decisions in each stage of the B2B Decision-Making Process for all nine hotels.*

DMP Small Hotels	1	2	3	4	5	6	7	8
Guests								
Personnel								
Managers								
Management Group								

Figure 5.10: *Heat map showing which person influence each stage in the buyer's decision-making process, only hotel category small.*

DMP Medium Hotels	1	2	3	4	5	6	7	8
Guests								
Personnel								
Managers								
Management Group								

Figure 5.11: *Heat map showing which person influence each stage in the buyer's decision-making process, only hotel category medium.*

DMP Large Hotels	1	2	3	4	5	6	7	8
Guests								
Personnel								
Managers								
Management Group								

Figure 5.12: *Heat map showing which person influence each stage in the buyer's decision-making process, only hotel category large.*

5.10. This Figure suggest that the small hotels in the study have a rather similar decision-making process and their differences seem to be due to if the hotel has a management group or not. As seen in the case study, some of the small hotels did not have a management group but instead the hotel manager, sometimes also being the owner, was the most senior in the company. The lighter color of the middle part of the process was due to the exclusion of the small hotel Moment Hotels external consultant in the analysis. For large hotels, the decision-making

process is presented in 5.12. The process for the large hotel can be assumed to be consistent but divided into two different versions, one where the personnel at site is responsible for investment of new products and the other when the decisions are made by a management group. But the beginning (stage 1-2) and end (stage 7-8) of the process is consistent where all cases show the same result. Lastly, the medium hotels which have an inconsistent process as presented in Figure 5.11. Stage 3-7 all showed different results, with the exception of stage six where all cases had the management group involved. The beginning and end of the process also seem fairly the same.

As with the business centre, a distinct decision-making process that can be applied to all hotels cannot be found. But instead consistent processes for both small and large hotels can be seen in Figure 5.10 and 5.12, with the large hotels having two versions of the process. The medium hotels however show an irregular pattern with no cases having the same process.

5.3.3 Business Centre and Decision-Making Process

As the business centre and the decision-making processes have the same organisational members (groups) involved, an analysis of their combined effect on each other could be made. More specifically, showing who in the business centre was involved in which stage of the decision-making process. This was interesting to analyze since the decider in the business centre usually is the final decision-maker in the organisation. This evidently excludes the group *guests* from the decision-making process, as these are not present in the business centre. From this analysis it can be seen that there is

DMP vs BC	1	2	3	4	5	6	7	8
User								
Influencer								
Buyer								
Decider								
Gatekeeper								

Figure 5.13: Heat map showing of the business centre verses decision-making process for all hotels.

a various spread of which business centre role is involved in which decision-making process stage. The only roles that seem to have a greater impact on a stage is the user in stage one, the influencer and gatekeeper in stage two and the gatekeeper in stage 8. In stage two even seem to be influenced by all roles to some extent. In between there are no roles standing out influencing a certain stage, and the results seem the be inconclusive. Therefore, the hotel categories were analyzed separately.

Analyzing the hotel categories separately, the small hotels had a various spread of business centre role in the decision-making process. There does not seem to be a consistent overall process for the business centre. Though, some roles seem to have an extra influence. Only the user is present in the first stage of the process. Then, in both stage two and eight the influencer and gatekeeper seem to have a greater influence than the other roles. In the medium hotels, there is an inconsistent result with all business centre roles effecting various stages of the decision-making process.

Small	1	2	3	4	5	6	7	8
User								
Influencer								
Buyer								
Decider								
Gatekeeper								

Figure 5.14: Heat map showing of the business centre verses decision-making process for small hotels.

There is no clear stages that are influence by a certain role, except for the user at stage one and the decider at stage six. Other than these two, the results are inconclusive. The results for the large hotels are the only ones showing a more

Medium	1	2	3	4	5	6	7	8
User								
Influencer								
Buyer								
Decider								
Gatekeeper								

Figure 5.15: Heat map showing of the business centre verses decision-making process for medium hotels.

consistent result, but instead all roles are present in stage two and eight and spread out in the rest of the stages. The stages in the middle seem to have a large spread between the business centre role. Therefore it is difficult to draw conclusions from this heat map as well.

Large	1	2	3	4	5	6	7	8
User								
Influencer								
Buyer								
Decider								
Gatekeeper								

Figure 5.16: Heat map showing of the business centre verses decision-making process for large hotels.

The overall conclusion was that there can be no consistent or clear relation between the business centre and the decision-making process from the cases in this study. There are some roles that stand out in certain parts of the process for the categories, but the results are too vague for a collective process of the hotels' business centres. Therefore the business centre and decision-making process was further kept separate and was not further discussed.

5.4 Market Segmentation

With the previously presented insights about the users, values and decision-making processes, a market segmentation of the end consumers in this B2B2C market was performed. The market segments was divided into user groups with user rate and benefits as primary segmenting variables. Then each segment's influence and role in the B2B decision-making process was determined. A summary of this is found

in Figure 5.17, which is made from the results in the *Analysis* section where all hotels were combined. The four market segments established are; *administrative staff, guests, additional accessibility* and *maintenance staff*, in accordance with the user segmentation previously made.

5.4.1 Administrative Staff

The market segment *administrative staff* includes organisation members working on site. It includes staff working with more administrative daily tasks, such as reception and various managers. For this segment the product is used relatively seldom and addresses four elements of value for this segment; *reduces effort, saves time, avoids hassle* and *reduce risk*. The segment interprets the product and it's attributes as an *attractive* quality. The product will give the segment delight, but would not lead to customer dissatisfaction if absent. As this segment includes both personnel and managers, which are two different roles in the the business centre, it is divided into these two parts. The segment in total includes all five business centre roles, but the personnel stands for the user, influencer and buyer while the managers take the roles of *influencer, buyer, decider* and *gatekeeper*. Consequently, the decision-making process is also divided into two, where the personnel is present in all stages of the process while managers are present in stage 2-8.

5.4.2 Guests

The second market segment are the guests, including all types of hotel customers. The segment consists of both leisure and business travelers in all sized parties. It also includes the guests with no accommodation, for example for a conference. The product is used several times a day and addresses five elements of value for this segment; *reduces effort, avoids hassle, quality, reduce risk* and *fun/entertaining*. The segment considers the product's attributes as an *attractive* quality. Just as for the previous market segment the product will give the segment delight, but would not lead to customer dissatisfaction if absent. The guests are customers of the hotels and are thus not members of the organisation, and cannot assume a role within the business centre. Lastly, the guests are only present in stage one of the decision-making process.

5.4.3 Additional Accessibility

This market segment includes guests with a need for additional accessibility within the hotel facilities. The product is used several times a day and addresses seven elements of value for this segment; *reduces effort, avoids hassle, reduces anxiety, quality, reduce risk, fun/entertaining* and *provides access*. For this segment the product is considered a *one-dimensional* quality. If the product is present it leads to customer delight and satisfaction, but if absent it leads to dissatisfaction as the product do increases the accessibility for the segment. As this segment were defined as hotel customers, they are not organisation members and therefore do not take a role in the business centre. Similarly to the market segment *guests*, this segment is only present in stage one.

Market segment	Description	Elements of Value	Kano	Business Centre		DMP	
Administrative staff	Members of organisation Administrative daily tasks (personnel and managers) Use product relatively seldom	Reduce effort Saves time Avoids hassle Reduce risk	Attractive	Personnel: User Influencer Buyer	Managers: Influencer Buyer Decider Gatekeeper	Personnel: All stages	Managers: Stage 2-8
Guests	All hotel customers (hotel guests) Use the product several times a day	Reduce effort Avoids hassle Quality Reduce risk Fun/Entertaining	Attractive			Stage 1	
Additional accessibility	Guests in need of additional accessibility in the facilities Use product several times a day	Reduce effort Avoids hassle Reduce anxiety Quality Reduce risk Fun/Entertaining Provides Access	One-dimensional			Stage 1	
Maintenance staff	Members of organisation Daily tasks include cleaning and care-taking of facilities Use product multiple times a day	Reduce effort Saves time Avoids hassle Wellness Reduce risk	Attractive	User Influencer Buyer		All stages	

Figure 5.17: Summary of market segmentation.

5.4.4 Maintenance Staff

The last market segment includes all maintenance staff of a hotel, which mostly consist of the cleaning staff and caretaker. The product is used frequently and multiple times a day and addresses five elements of value for this segment; *reduces effort, saves time, avoids hassle, wellness* and *reduces risk*. The segment considers the product as *attractive*, as it is not expected and do not lead to dissatisfaction if absent. The segment is made of organisational member and do therefore take roles in the business centre. This segment include the roles *user, influencer* and *buyer*. Lastly, the segment is present in all stages of the decision-making process.

5.5 Discussion

From the analysis of the users, needs and values as well as the decision-making process of the hotels, a final market segmentation was attempted for the ASSA ABLOY product. The market segmentation was based on all of these variables, as these are the basis of the success factor and should increase the product's opportunity for market success. Furthermore, a discussion about the connections between the different variables of the success factor was made covering the market segmentation, values of the product and the decision-makers.

5.5.1 Market Segments' Values and Satisfaction

As described in the beginning of the study, the product which is to be introduced is an automated door. From the analysis, there are several values that the product can fill for the customers. Depending on the segment, the product can fulfill up to seven values addressing nine different elements of value in total. As argued in the theory, four or more values is related with higher revenue and thus market success. By addressing between four and seven values, this was perceived as a good amount of values which should increase the possibility of a successful product launch. The values are either functional or emotional, where the emotional values tend to prevail. Of the total nine elements addressed overall, four are in the emotional category which suggests that the product could give much value to the market segments valuing these elements.

For three of the four segments, the product's automatic function was perceived as an *attractive* quality and for the last it was a *one-dimensional*. Meaning that only one of the groups would have customer dissatisfaction if the attribute was not present. This is relevant to address in a product launch, as the market segment which are dissatisfied with the product absent is a good first target market segment for the market introduction. Since this segment already gain benefits from the product they are easier to persuade. But as seen in the market segmenting, this segment is made up of guests which means that they are not a part of the business centre making the decisions of investments. Something that could be done instead, is to address their value to other decision-makers and make them understand this segment's value of the product. Another element that is important for the product to address is quality, as it in previous research is stated that this specific value is important for product success and was one of the values where some of the user groups perceived as valuable.

5.5.2 Identifying the Decision-Makers

By looking at the business centre, there could be indications of which members of the organisation are the decision-makers. The *decider* is the role with the final say according to theory and should thus the primary decision-maker. Given the analysis, role shifts between the managers and management group. The *influencer* and *buyer* are two roles that are essential for the product's success. These roles within the organisation need to be or become aware of the product and company for the product to be recognized as an alternative solution and to be in the selection of supplier. It seems that these two roles are taken either by managers or personnel in the case study, but more importantly staff working on site and not in management groups. Though, in the medium hotels the management group was the main influencing category in the buyer stage together with the managers. Another important role that might be overlooked is the *gatekeeper*, which is the member who controls the information flow. Therefore, the benefits perceived by this person might influence the information that is being shared through the organisation. The *gatekeeper* seems from the analysis to mostly be the managers. A manager who takes on more than this role might have perspective, but if the manager only has the role of gatekeeper this could be altered of their own perspective. As managers are a part of the market segment *administrative staff* they themselves value the elements *reduces effort, saves time, avoids hassles* and *reduces risk* and considers the product to be of *attractive* quality, which also could affect information delivered about the product.

Accordingly, the final decision-makers in the organisation seem to be shifting between the managers and the management group, if only the primary decision-maker *decider* is considered. These two categories of organisation members are then present in most stages of the decision-making process, moreover in the important sixth stage *Supplier selection* where the solution is decided upon. Though the decision-maker is important, since this is the individual that needs to be persuaded in the end, it is as important to also address the individuals who are in charge of the search for alternative solutions. If the product do not come up as an alternative solution or in the supplier searching stage, the product will never reach the final decision-maker. Thus, the *influencer* and *buyer* are somewhat secondary decision-makers, which are roles taken by either the managers or personnel according to the results.

As shown in the analysis, there do not seem to be a clear business centre or decision-making process for all hotels in general. The hotels overall did not have a consistent decision-making process, nor did the hotels separated into categories of size (even if these were more consistent then in general). Therefore there might be another variable effecting the decision-making process of hotels. A suggestion for what instead might effect the process is the ownership structure of the hotels, which was not deeply analyzed in this study but mentioned for the analysis of the large hotel. The different versions ownership structures could be independent hotels or centrally controlled by a management group. It seems that hotels with similar ownership structures has more similar decision-making processes. This might be a reasons to why the combined analysis of the business centre with the decision-making process was inconclusive. This aspect could be a further analysis for the decision-making processes in future studies.

6

Conclusion

In this section the main conclusions of the study are made, by answering the research questions. The section further presents the recommendation to ASSA ABLOY, the contribution to research within the subject as well as some suggestions for future research.

6.1 Answers to Research Questions

As a part of fulfilling the study's purpose, the research questions stated at the beginning of the study will be answered.

6.1.1 Research Question 1

Who are the end users for the product? What needs and wants do the end users have?

There are four end user groups found in the study; *administrative staff, guests, additional accessibility* and *maintenance staff.* The groups were identified through a customer segmentation using *user rate* and *benefits* as segmenting variables. The groups' perception of the product were further analyzed through the *Elements of Value* and *Kano Model,* resulting in the knowledge about the user groups' underlying values that further could translate to needs and wants as well as how the product affected their customer satisfaction.

6.1.2 Research Question 2

What functional needs does the product fill?

Though no specific functional needs were identified, the underlying values of the needs were identified for each market segment through the *Elements of Value* model. This analysis shows there are up to nine different values in total that can be addressed by the product's attributes for the hotel market, where some are more prevail as they were presented in market segment. By addressing these elements of value in the functional attributes of the product, the company can fill the functional needs of the users and deliver customer value.

6.1.3 Research Question 3

What is the decision-making process for a hotel to invest in the product? Who are the decision-makers?

The decision-making process for hotels investing in the product follow a eight step B2B decision-making process in a B2B2C market environment. It can be concluded that there could be different decision-makers depending on the hotel. But the most influential decision-makers are most likely the managers, who takes the roles of both decider, influencer and buyer in hotels, as well as being the gatekeepers of the organisation.

6.2 Recommendations

The recommendations for ASSA ABLOY for their product launch of their new automated door, is to first of all target the values of the market segment *additional accessibility*. This market segment have seven elements of value according to the *Elements of Value*, and is perceived as an *one-dimensional* quality according to the *Kano Model*. This means that the absence of the product does lead to customer dissatisfaction, which is something that can be used when selling the product to hotels. Afterwards, target the market segments' values that gain the second most customer value and satisfaction, and move down the list. By addressing the market segments that both value and gain satisfaction from the product, the more likely it is that the product will be invested in.

For the decision-makers, the primary target organisation member should be the managers. The category managers include the individuals with the business centre role *decider* as well as *influencer* and *buyer*. This group are also the *gatekeepers*, who control the flow of information within the hotels. If these individuals are well informed and educated about the product, they are able to share the information with the rest of the organisation. The managers are also for the small and medium hotels present throughout the decision-making process, and present in the stages two and eight for all hotels. The secondary target should depend on if the management group is influential in the decision-making process or not. If so, target the management group next. This group is most likely only going to take the role of decider, only present in the final deciding stage. If not, the second target group should be the personnel, as these members are the users and present throughout the entire decision-making process. As this group is *users*, they also gain a lot by the investment even though they seem not to be the decision-makers according to the business centre analysis.

Another recommendation is to further investigate the decision-making process. If another variable is found which hotels could be categorized from, this could simplify the selling process to hotels a lot since ASSA ABLOY then could target the right person directly saving both time and money. As previously proposed, the organisation's ownership structure could be an interesting variable to consider.

6.3 Practical Implications

This information can be used by the company ASSA ABLOY to gain better understanding of their market introduction to the hotel market. With the knowledge

ASSA ABLOY can adapt their offering, marketing and sales to each of the market segments and possibly get a successful product launch within the hotel market. The company might also have gained insights about how to understand and identify the end users and their values, which is knowledge that can be applied to other markets as well.

6.4 Credibility of Study

For this particular study's purpose and scope, the credibility is satisfactory. The study focuses on the Swedish market with nine market player present to represent different size categories of hotels to gain reliability, validity and objectivity. By having a total of nine different hotels the credibility is increased to a satisfactory level for the study.

However, there are always aspects that can increase the credibility of a study and some possible aspects will be mentioned. Firstly, more perspectives through the interviews would give a more nuanced image of the hotels, which also could give more or other conclusions for the case study. To increase even further one could either use structured interviews to be able to make more direct comparisons of the answers between the interviewees (even though semi-structured had other benefits) or using quantitative data in future studies. More geographical diversity could also increase the credibility, as the case study was only represented by hotels in Skåne county in Sweden.

Some of the analysis was also simplified in order to fit in the scope of the study. For example, in the heat maps the analysis of the business centre and decision-making process a group scored one if a group was present in the role or stage. Though, groups could have more or less influence of the role or stage, something that was not addressed in this particular study. This could be a further development in order to get more accurate results of who is involved in which stage or role. This could also increase the credibility of the results.

The limitation and events presented below that should be considered if using the conclusions of the study, since these possibly could have affected the end result. But by having nine different cases with different organisation member for the study as well as using primary and government sources for the empirical study, the credibility can nevertheless be considered to be high for this study's purpose and scope.

6.4.1 Limitations

There was some limitations that could have affected the results for this study. Firstly, due to external influences in the world (see Section 6.4.2), the hotels has less business meaning less personnel and guests on site. Therefore, there was only one interviewee per hotel, while the initial plan for the project was to talk to more than one individual per hotel. The initial plan was also to do some observations around the hotels, but due to the absence of personnel and guests this part of the case study was removed. Something else that could have effected the absence of guests was that the interview were made during daytime, which is when most guests are out. If hotels are further studied, this is something that should be considered.

6.4.2 Effect of World Events on Study

As described in the beginning of the empirical study, the hotel market follows the GDP rather closely, meaning that the industry is largely effected by the economy. During the study, there was a worldwide pandemic effecting economies and the possibility to travel both domestic and abroad. Thus, during the study the hotels' were in a unique position with very little business. In order to create a study that was as representative to the normal as possible, the interviewees were asked in the beginning of the interview to answer the questions as their business had been before the crisis. Though the aspect of a crisis was not included in either the theory, case study or analysis, it still should be recognized that it possibly can have effected the interview answers and hence the case study.

6.5 Fulfillment of Purpose

The purpose for this study was to gain knowledge about the product launch, what affected the phase and to produce some considerations for ASSA ABLOY from this. The purpose was also to be able to give answers to the research questions. Both parts were accomplished by the study and therefore the purpose was fulfilled.

6.6 Contribution to Theory

For a new product development the product launch phase and the variables affecting this critical stage has not been given attention until the early 1990's. Therefore little academic knowledge about the product launch and it's success factors have been done. This study adds to the knowledge about the product launch and the success factor market segmentation within a B2B market environment. The study further gives knowledge about the content of the factor by dividing it into two variables; user insight and decision-making process, where the latter has not been addressed in product launch studies before. Therefore, through this study a deeper knowledge about the market segmentation with the variables user insight and decision-making process, and it's practical implications for a product launch, is gain.

Another newness of this study was to combine the *Elements of Value* model and *Kano Model* in one analysis. This was not found in previous academic work. This study adds to the usage of the two academic models and shows that they can be used practically together to analyze a market and its users to find the connection between the users' values and satisfaction.

6.7 Future Research

An interesting further development to this study is to closer evaluate how the success factor market segmentation affects the product launch using quantitative variables to assess the product performance and market success from market shares or profit. Other possible further developments is to go deeper into the decision-making process aspect of the product launch, and gain more insight about how this process might effect the product success and what aspects are important to address for a successful product launch.

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Appendix A

Appendix Interview Guide

1. General Information

1. Name of hotel
2. Name of interviewee
3. Position at the hotel and responsibilities/common work tasks?

2. About the Hotel

a. How many hotels do you have in total?
b. What is the capacity of this particular hotel?
c. What different kinds of rooms do you offer?
    i. Are any rooms adapted for disabilities? If so, how?
d. What other business do you have other than hotel and accommodation? (Conference, restaurant, etc.)
e. What activities are done in the rooms? What does a day look like in the room?
f. Who are typically present in the facilities? (Guests, staff, etc.)
g. What does the staff usually struggle with in their daily work?
h. Where do you see struggles with the hotel and the rooms?
    i. What are the customers' usual complaints?
    ii. Who? When? How?
    iii. Has anyone mentioned a situation where entrance has been a struggle?

3. Information about guests

a. How many guests per booking? How long do guests typically stay here?
b. What is your typical utilization rate?
c. Who is the typical customer of this hotel? Leisure or business? Why are they here?
d. What is the division between the different customer groups?

4. Other

a. Who decides about changes in the hotel/s? Is it done here or centrally?
b. Tell me about a time where something larger had to be replaced. What was the process from something broken to being replaced.
c. What kind of technology do you have in this hotel? (Locks, doors, computer systems, etc.)
d. Do you currently have any rooms that have an automatic door?
    i. If so, why? And how do they work?
e. Could you see any benefit to having an automatic door to the rooms?
f. Other than to the rooms, where do you see the benefit of having an automatic door?
g. If there is anything you would wish for that you had at the hotel, what would it be?
h. Anything you would like to add or that you believe we have missed?