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Customers' Perception of Quality in a B2B-setting

A Case Analysis of Kvaerner Pulping in Karlstad

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In the spring semester of 2006 Kvaerner Pulping searched for students that would like to base their degree project on an assignment by the company. We contacted Kvaerner Pulping to get more information and after discussions with company employees we decided to take on the assignment. A requirement for doing the survey was that the identities of the respondents included be kept secret.

By working on this project we have acquired both practical experience and developed an in-depth knowledge when it comes to the concept of quality.

Employees at Kvaerner Pulping have been helpful throughout the whole process and we are very thankful for the time and effort that they have put in. We would also like to thank Per Norling, our supervisor.

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ABSTRACT

This paper is based on an assignment from Kvaerner Pulping in Karlstad, a company that supplies complete factories, machines, and systems to the pulp industry worldwide. The assignment was to do a customer survey looking at customer satisfaction focusing on quality.

Our main purpose with this paper is to study the concept of quality. We wanted to know how Kvaerner Pulping's customers' perceptions differ. We also wanted to look at whether Kvaerner Pulping can offer what customers perceive as quality, and how customers rate Kvaerner Pulping compared to their competitors.

Kvaerner Pulping decided which of their customers should be included in the research. A quantitative research was used based on structured telephone interviews. A total of 27 respondents were interviewed. Factories from three Nordic countries and six customers from two other European countries were included in the survey. We tried to interview two respondents from each factory as far as possible, including one person from the purchase department and one from the maintenance department.

The theories that we have chosen for this paper concerns the network perspective, customer satisfaction looking at quality and customer-perceived value, after market support, and the process of ordering.

Our research shows that quality is indeed a multifaceted concept since there are differences in how customers from different departments and countries rate characteristics on how important they are in a supplier. Also the fact that we added an additional value feature to the ones constructed by Bovik, shows that quality seen as customer-perceived value is indeed a multifaceted concept.

When looking at the three characteristics with the highest general mean value ("keeps promises", "has a good technical knowledge", and "delivery security"), our results of the survey shows that purchase, the Nordic countries and Finland are more critical to Kvaerner Pulping's performance than maintenance, the Other European countries and Sweden. Respondents stated that the company performs adequately on three quality categories "product quality", "support quality" and "delivery quality", but to get more satisfied customers, they need to be open for improvements. The customers from the research have compared Kvaerner Pulping to its competitors and the results showed that the company is "equal" on most characteristics.

Using Bovik's models (2004) we could see that all of value features on the get-side made adequate contribution to the creation of the value. However to strengthen competitive advantage and offer customers more value improvements are needed.

SAMMANFATTNING

Uppsatsen har sin utgångspunkt i ett uppdrag från Kvaerner Pulping AB i Karlstad, ett företag inom reservdelsbranschen som tillhandahåller kompletta fabriker, maskiner och system till den kemiska massaindustrin världen runt. Uppdraget gick ut på att genomföra en kundundersökning där vi undersöker kundnöjdhet med fokus på kvalitet.

Vårt huvudsyfte med uppsatsen var att studera kvalitet. Vi ville veta huruvida kundernas uppfattning skiljer sig åt när det gäller begreppet kvalitet. Vi ville också titta på huruvida Kvaerner Pulping kan erbjuda det kunderna uppfattar som kvalitet och hur kunderna rankar Kvaerner Pulping jämfört med konkurrenterna.

Kvaerner Pulping valde ut vilka fabriker som skulle inkluderas i undersökningen. En kvantitativ metod användes grundad på strukturerade telefonintervjuer. Totalt intervjuades 27 respondenter. Kunder från tre nordiska länder och sex kunder från andra europeiska länder inkluderades i undersökningen. Så långt som möjligt intervjuade vi två respondenter från varje fabrik, en person från inköpsavdelningen och en person från underhållsavdelningen.

Teorierna som vi har valt att använda i uppsatsen berör nätverks perspektiv, kundnöjdhet med fokus på kvalitet och customer-percieved value, aftermarket support och orderprocessen.

Vår undersökning visar att kvalitet verkligen är ett mångskiftande koncept eftersom det finns skillnader i hur kunder från olika avdelningar och länder rankar karakteristikerna när det gäller hur viktiga de är hos en leverantör. Även det faktum att vi adderade ytterligare en value feature till de som Bovik konstruerat påvisar att kvalitet sett som customer-percieved value verkligen är ett mångskiftande koncept.

Om vi tittar på de tre karakteristikerna som har fått de högsta generella medelvärdena ("keeps promises", "has a good technical knowledge", and "delivery security") visar våra resultat undersökningen att inköpsavdelningen, de nordiska länderna och då speciellt Finland är mer kritiska till Kvaerner Pulpings prestation än underhållsavdelningen, de andra europeiska länderna och Sverige. Respondenterna uppgav att företaget presterar tillfredställande på de tre kvalitetskategorierna "product quality", "support quality" och "delivery security" men för att få kunderna mer nöjda behöver Kvaerner Pulping vara öppna för förbättring. Kunderna från undersökningen har jämfört Kvaerner Pulping med deras konkurrenter och resultatet visar att företaget är lika konkurrenterna på de flesta karakteristikerna.

När vi använde Boviks modeller (2004) kunde vi se att alla value features på get-sidan gav ett tillfredställande bidrag till skapandet av värde. Dock för att stärka konkurrens fördelarna och erbjuda kunder et starkare mervärde krävs förbättringar.

RÉSUMÉ

Nous avons fait une étude de client fondée sur une demande de Kvaerner Pulping AB, une entreprise qui offre des systèmes de processus complet, des machines, des services et de la maintenance pour l'industrie mondiale de pulpe. La tâche était de faire une étude de client et examiner la satisfaction de la clientèle, surtout par rapport à la notion "qualité".

L'objet de ce mémoire est d'illustrer les multiples aspects de la notion "qualité". Nous voudrions savoir si les perceptions des clients se différencient. Nous voudrions aussi savoir si Kvaerner Pulping peut offrir ce qu'est la qualité selon les clients, et comment les clients notent Kvaerner Pulping auprès des concurrents.

C'est Kvaerner Pulping qui a décidé quels clients que doivent être inclus dans l'étude. Nous avons fait une étude quantitative fondée sur des entrevues structurées. Nous avons fait les entrevues par téléphone. Au total, 27 personnes ont été interviewées. Des personnes venant de trois pays nordiques et deux pays européennes. Nous avons essayé d'interviewer deux personnes de chaque usine dans la mesure du possible, incluant un employé de la maintenance et un employé du service des achats.

Les théories que nous avons utilisées dans cette mémoire concernent la perspective de réseau, la satisfaction de client (customer satisfaction) centré sur la notion de « qualité » et la notion de « la valeur perçue des clients » (customer-perceived value), le support du marché après (aftermarket support) et le processus de commande (ordering process).

Notre étude a montré que « qualité » est une notion à plusieurs aspects parce que des clients appartenant aux départements différents et venant de pays différents ont montré des opinions différentes par rapport à ce qui est important chez un fournisseur. Le fait que nous avons ajouté une caractéristique de valeur (value feature) à celles des Bovik (2004) montre aussi que la notion de « qualité » a plusieurs aspects.

Au sujet des trois caractéristiques les plus importantes en général, notre étude montre que le service des achats, les pays nordiques et la Finlande sont plus critiques à la prestation de Kvaerner Pulping que le sont la maintenance, les pays européennes et la Suède. Les interviewées ont déclaré que les prestations de Kvaerner Pulping sont adéquates par rapport à trois catégories: "product quality", "support quality" et "delivery quality". Pour augmenter la satisfaction des clients, l'entreprise doit faire des améliorations. Notre étude montre aussi que Kvaerner Pulping est perçu le plus souvent comme égal à ses compétiteurs par rapport aux caractéristiques utilisées dans le questionnaire.

En utilisant les modèles de Bovik (2004), nous pouvons voir que toutes les caractéristiques de valeur (value features) contribuent adéquatement à la création de valeur pour les clients. Kvaerner Pulping doit néanmoins faire quelques améliorations.

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1. INTRODUCTION

In this section we will discuss the background to the research problem, the purpose of the study, limitations and then we will briefly go through the structure of the paper.

1.1 Background

Every company must be able to satisfy and retain customers. That is the key to its business performance. (Johnson & Gustafsson, 2000) When a company is manufacturing and selling a product it is important that the product has a high quality. However quality can be many different things for the specific market and its buyers and can differ between individuals, countries, and times. To make sure that a company's product is of high quality it is important and crucial to look at what the customers include in their quality definition. This is important for creating customers satisfaction. Measuring quality, customer satisfaction, and loyalty should be ongoing, repetitive process (Johnson & Gustafsson, 2000).

Measuring customer satisfaction can be a complicated process especially when it includes the concept of quality, which can be many things. This is an area that we would like to study further.

This paper is based on an assignment that was given to us in the spring of 2006 by Kvaerner Pulping in Karlstad, a manufacturer of machines and systems in the chemical pulp industry. The assignment concerns their spare part department. We collaborated with the company throughout the whole research process, this to make sure that the research would generate the information that they were interested in. With encouragement of Kvaerner Pulping's employees we visited two different locations. We visited Kvaerner Kamfab, a subsidiary to Kvaerner Pulping, where we got to see how the spare parts are produced. Our second visit was to Stora Enso Skoghall, a factory that is one of Kvaerner Pulping's customers of spare parts. Here we got to see how the spare parts are a part of the process of manufacturing paper.

1.2 The Research Problem

Quality is a rather vague concept, but it is an important part when striving for customer satisfaction. Quality is present in every activity that takes place between buyer and supplier and it is the totality that determines the customer's level of satisfaction. To be able to offer quality to the customers an organisation needs to understand what the customer considers essential parts of quality and how it can be created.

In this case we are dealing with the context of business-to-business (B2B) and the products of spare parts. We want to understand what the customers consider important

Chapter 1: INTRODUCTION

when buying spare parts and how the relationship between the customer and the supplier affects the customer's perception of quality.

We have chosen to study this phenomenon of quality by looking at the relationship between Kvaerner Pulping and 27 of their customers. We want to analyse what their customers perceives as quality and whether the customer believes that Kvaerner Pulping can meet their demands.

1.3 Purpose

The purpose of this study is to look at customer satisfaction among Kvaerner Pulping's customers and to study the concept of quality and how it affects customer satisfaction. We will examine the relationship between Kvaerner Pulping, a spare parts manufacturer in Karlstad and 14 of their customers, a total of 27 individuals to see how the perception quality between customers differs, comparing departments and countries. We want to analyse whether Kvaerner Pulping can offer what the customers perceive as quality, and how the customers rate Kvaerner Pulping when it comes to quality in comparison to Kvaerner Pulping's competitors.

1.4 Limitations

We have chosen to focus upon the customer's perception of quality, even though the supplier's perception would have been interesting. This is a result of our limited amount of time. Even though Kvaerner Pulping in Karlstad has customers all over the world, only three Nordic countries and two other European countries have been included in the study. These customers have been included in the study on Kvaerner Pulping's request.

1.5 The Structure of the Paper

Chapter 1:
INTRODUCTION The first chapter of this paper consists of the introduction, where we explain our problem background, the research problem, the purpose of our study, and limitations.

Chapter 2:
PRESENTATION
OF THE
COMPANY Here we give a presentation of the company whose customer we have studied, Kvaerner Pulping.

Chapter 3:
METHOD In this chapter we describe the methods and tools that we have used to conduct this study. These tools are abductive approach, primary and secondary data, research design, quantitative research, interviews, questionnaire, and sample. We also discuss anonymity,

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nonresponse errors, adaptation of material, the validity and reliability of this paper, and criticism of sources.

***Chapter 4:
THEORY***

This chapter contains a presentation of the theories that are relevant in this particular case. There are theories concerning the network perspective, customer satisfaction, aftermarket support and the process of ordering.

***Chapter 5:
EMPIRICAL
STUDY***

In this chapter we present the results of our research, which are the empirical findings.

***Chapter 6:
ANALYSIS***

Here we analyse our empirical findings with the help of the previously presented theories.

***Chapter 7:
THE OUTCOME
OF OUR
RESEARCH***

In the last chapter we present our conclusions of the research problem, managerial recommendations and suggestions for further research.

2. PRESENTATION OF THE COMPANY

In this chapter we will give a short presentation of the company, whose customers we have studied.

Kvaerner Pulping

Kvaerner Pulping is a world leading supplier of complete factories, machines, and systems to the chemical pulp industries throughout the whole world. Kvaerner Pulping belongs to the Norwegian combine Aker Kvaerner. Aker Kvaerner combine has about 33 000 employees and owns companies and agents in the most pulp producing countries in the world.

Kvaerner Pulping in Karlstad is divided into two companies, Kvaerner Pulping and Kvaerner Kamfab. Kvaerner Pulping which constructs machines and other equipment for the chemical pulp industry. (Material from Kvaerner Pulping – En massa möjligheter) Kvaerner Kamfab is the company that manufacture, assemble, and serve qualified process equipment within Kvaerner Pulping and produces also high technological engineering products. (Material from Kvaerner Pulping – En massa möjligheter)

Kvaerner Pulping has about 600 employees, of which about 500 work in Karlstad and of these the production unit Kvaerner Kamfab has about 230 employees. (Material from Kvaerner Pulping – En massa möjligheter)

Kvaerner Pulping's products are used for continuous cooking, washing, oxygen delignification, bleaching, and recausticizing plants. (www.akerkvaerner.com) Kvaerner Pulping has more than 80 years in the industry, and guarantees quick and intelligent solutions to the challenges and all the problems that arise in chemical pulping operations. Kvaerner Pulping has existed in different shapes and with different names. The company earlier had a monopoly in the spare part market but under the name KAMYR. They claim to understand the needs of their customers and to know how to adapt their solutions to meet different objectives. Kvaerner Pulping has always been in the forefront when it comes to the development of the pulp industry. (Material from Kvaerner Pulping – En massa möjligheter)

Kvaerner Pulping and Kvaerner Kamfab are part of what is called The Paper Province, an association of companies from Värmland that work within the international pulp industry. (Material from Kvaerner Pulping – En massa möjligheter)

During the time of writing it has been established that Aker Kvaerner's Pulping and Power business is being sold to their competitor Metso Paper. Metso Paper and the sold part of Aker Kvaerner continue to act as separate and independent companies, competing with each other until the closing of the transaction. (www.akerkvaerner.com)

2.2 Company Schedule

The company schedule below depicts the different departments that belong to Kvaerner Pulping. As we can see spare parts, which our research concentrates on, belongs to the service department.

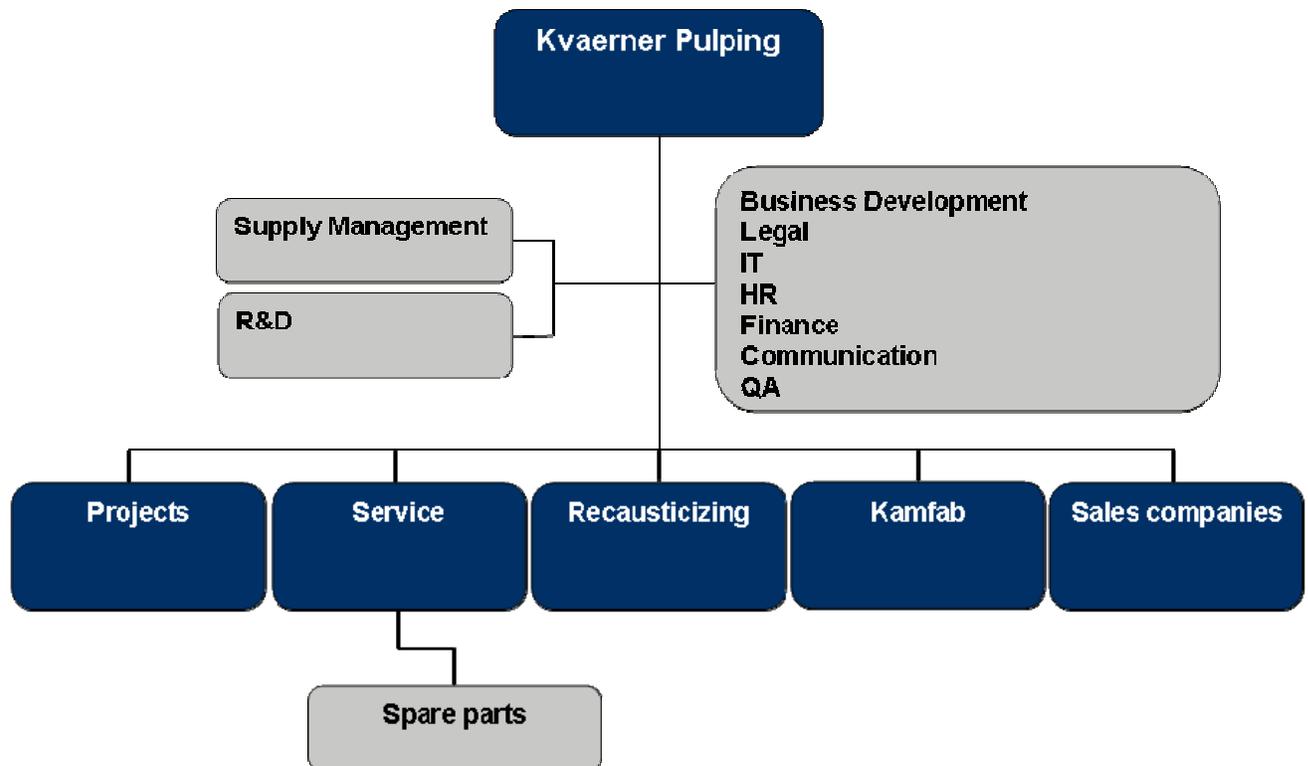


Figure 2.1 Company schedule (Material from Kvaerner Pulping, 2006)

3. METHOD

In this chapter we present the different methods and tools that we have used to conduct this study: deductive and inductive approach, primary and secondary data, research design, quantitative research, interviews, questionnaire, sample, anonymity, nonresponse errors, adaptation of the material, reliability and validity, and criticism of sources.

3.1 Approaches

When choosing a research approach it is the perception about the relationship between the theoretical and the empirical study. When studying a certain event there are two ways you can tackle this, deductive and inductive approach. (Holme & Solvang, 1997)

3.1.1 Deductive and Inductive Approach

You can call deductive respectively inductive approach for the way of evidence respectively the way of discovery. These constitute two ways that are used to bring us closer to the empirical reality. Induction builds on empirical study and deduction is built on logic. (Holme & Solvang, 1997)

Induction means that you start from the data collection and out of that material you try to conclude more general and theoretical conclusions. It is often said that the data collection should take place completely unbiased. In the deductive method the theory has a more important role and independent position than in induction. A hypothesis is made based on the theory and it is tested with the empirical study. (Wallén, 1996)

In our paper we are going to use a combination of these two approaches, our study has an abductive approach.

3.1.2 Abductive Approach

In abductive approach both the empirical study and logic is united. (Holme & Solvang, 1997) We have selected this approach because of the fact that both our insight and the theoretical knowledge should lead to a study of the empirical study. Then we are going to connect the empirical study to the theory in an analysis. During the work we have shaped our understanding of the theory and the empirical study.

Abductive method is a way to make conclusions about what the cause is or what has preceded a certain observation. An abductive method demands an experience from the area the question concerns, experience of similar cases. (Wallén, 1996) To get this experience we got an introduction from employees at Kvaerner Pulping. We also did a field study at a company in the mass and paper industry that uses Kvaerner Pulping's parts and we visited Kvaerner Pulping's spare part factory. We also studied a dissertation dealing with a similar case by Catarina Bovik (2004).

At the end we are going to carry through an analysis, where we use both the theory and the empirical study. We do this because a theory can never be complete. Through our empirical study we can strengthen or weaken the belief of the theory. When we are using an abductive approach we can portray new knowledge and create a better apprehension for our subject, that Kvaerner Pulping and other can take advantage of in their work. (Holme & Solvang, 1997)

3.2 Primary and Secondary Data

Primary data is information that is collected directly from individuals or groups of individuals, generated by new research specially made to answer specific current research questions. The advantage with primary data is that it is tailor-made for our presentation of the problem. The disadvantages with our primary data collection are the high costs and total hours related to collection. (Hollensen, 2003) Primary data can be collected by methods such as interview, observation or questionnaire. (Jacobsen, 2002) In our case we have collected primary data with the use of a questionnaire and we chose to collect the answers by telephone interviews.

Secondary data is information that has already been collected for other purposes and is thus readily available. The advantages are the low cost and time related to the collection. The disadvantage is that the data are often more wide. (Hollensen, 2003) Our secondary data is collected from different academic articles and literature that are made for other purposes. We have also used information from Kvaerner Pulping's home page to make an introduction of the company.

3.3 Research Design

When conducting a research one should have a plan for how the research should be executed, a guide concerning the collection and analysis of data. This is called a research design. The research design should be based on the problem. According to Churchill (2005) there are three different research designs: exploratory, descriptive, and casual. It is though important to mention that a study may serve several purposes and therefore the distinction between the three different research designs is not absolute. (Churchill & Iacobucci, 2005)

The purpose of this study has led us to an exploratory research design. The exploratory research design is characterised by its discovery of ideas. It is considered to be the initial step of the research and it is used to acquire more knowledge about the specific problem. It is used to break large problem statements into smaller, more manageable sub-problems. The exploratory research design may also be used to clarify concepts. When it comes to collecting the data there are several different tools that are associated with exploratory research, for example focus groups, interviews, experience surveys, literature search, and the analysis of cases. (Ibid.)

Chapter 3: METHOD

In our case we have used an exploratory research design to study the concept of quality and gain insight into which elements are important parts of the concept. This has been done using two different tools; analysis of cases and literature search.

Before starting with the interviews and the case study, we first chose to do a literature search using articles and a dissertation by Bovik (2004). The knowledge that we attained here was then used to construct the questionnaire for the interviews.

The analysis of cases is an intense study of selected cases that are related to the phenomenon that we want to investigate. Several different sources can be used, for example observations, existing records and interviews. (Churchill & Iacobucci, 2005) A “case” can for instance be a workplace or an organisation. It is claimed that when analysing cases the researcher is solely interested in characteristics of that specific case. However, others claim that even though the researcher has a strong interest for the specific case, they can also be interested in theories that can be generalised. The analysis of cases has a propensity to be connected to qualitative research, but very often a combination of qualitative and quantitative research is used. (Bryman & Bell, 2005)

In this study, our main tool has been the analysis of cases since we are using the organisation Kvaerner Pulping to investigate the concept of quality and how the customer perceives quality. To do so, we have done 27 interviews using a questionnaire. We have conducted a quantitative study and what that entails will be discussed in more detail below.

3.4 Quantitative Research

There are two ways of collecting data within the field of marketing research. The researcher can either choose to collect data through a qualitative approach or a quantitative approach. Data collected using the qualitative method is characterised by words, text, symbols, and actions concerning the examined subject. The quantitative method is characterised by figures and focuses on quantity, numbers, and frequency variables that can be analysed objectively and who can be managed statistically. The analysis is first of all aimed to discover, confirm, and measure connection between different variables. A quantitative research is structured and its hypothesis is predestined. (Andersson et al., 2001) We have chosen to collect our data using the quantitative method because of the vast number of respondents and the purpose of our study. We chose to collect the data using a questionnaire and the answers were collected by telephone interviews.

3.5 Interviews

The interview is a data collection technique that is frequently used and works like a structured conversation with one or several respondents. (Andersson et al., 2001) An interview can be done face to face but also by the telephone. (Jacobsen, 2002) Below we will present different elements connected to the method of interviews.

3.5.1 Structured Interviews

A structured interview is based on an interviewer asking respondent questions from a beforehand fixed questionnaire. The questionnaire is often composed of very specific fixed-alternative questions. When using a structured interview the goal is to standardise the interviewing process as much as possible. A structured interview also makes it easier to compare the answers between the different respondents. The usage of a fixed questionnaire does not however guarantee that the same questions are asked each respondent. There is always the possibility of the interviewer reformulating a question or adding an attendant question, which can result in a variation between answers that is not “true”. It is therefore important that the interviewer stays true to the questionnaire. (Bell & Bryman, 2005)

Another source of error can be the registration of answers. The interviewer should always try to register as detailed answers as possible. If this is not done there is the possibility of the interviewer twisting the answers. By using fixed alternative questions this source of error can be reduced. (Ibid.)

We have chosen to do a structured interview using a questionnaire. When constructing the questionnaires we have tried to use as many fixed-alternative questions as possible, which reduce the risk of us interviewers twisting the answers. However, to generate more specific information we have also used a certain amount of open-ended questions. To avoid “untrue” variation in the answers we stayed true to the questionnaire.

3.5.2 Telephone interview

Because of the respondents being in different geographical locations we chose to do the survey using telephone interviews. Kvaerner Pulping provided us with a list of customers that they would like to have included in the survey. The employees of Kvaerner Pulping had contacted the possible respondents for the survey beforehand to hear if they wanted to take part in the survey. We divided the interviews between the three of us so that we had equal respondents. Our interviews were done at Kvaerner Pulping and where done during one week. The time of interviews varied from 15 to 30 minutes.

Telephone interview is a collection technique that is both time and cost-effective. The interviewer reads predestined questions in turn and the respondent answers. There are many advantages and disadvantages with telephone interviews. The advantages that we experienced with this collection technique were that we could interview respondents who were from different geographical areas to a low cost and also that the interviews did not take much time to carry out. The percentage of answers is often high when using telephone interviews, with which we also agree, since all respondents' have answered well on all of our questions in the questionnaire. One disadvantage with telephone interviews is the interview effect, which means that interviewer can influence the respondent to answer in a certain way. We feel that our research has not been affected by the interview effect since we sent out our questionnaire to all of the respondents beforehand so that they could prepare themselves on what they would answer when they were contacted for the telephone interview. Interview effect can arise among other things because of how questions are formulated or due to the intonation of the interviewer.

(Andersson et al., 2001) We as interviewers kept a neutral tone to avoid affecting the respondent answers.

3.5.3 Test interviews

No matter what collection technique the interviewer uses, the questionnaire should be tested before it is used for research. Test interview helps in finding out how respondents understand questions and if some questions need to be changed. (Andersson et al., 2001)

Before we began with the telephone interviews the questionnaire was observed by employees at Kvaerner Pulping at several times so they could make sure that it would generate the information that they needed. They commented on our first draft and we made changes accordingly. The Vice President at Supply Management at Kvaerner Pulping also observed the questionnaire; his point of view also resulted in some additional changes of the questionnaire. Our supervisor observed our questionnaire and according to his comments changes were made.

Together with employees from Kvaerner Pulping we decided that we should do a few test interviews to see if our questionnaire worked well. Employees chose two respondents with whom we should do test interviews. The test interviews showed that our questionnaire was easily comprehensible and that we could get answers on all of our questions.

3.6 Questionnaire

The first step of constructing a questionnaire is to determine what information that is sought. (Churchill & Iacobucci, 2002) With the help of employees at Kvaerner Pulping and a literature search we were able to specify the information we were interested in. Secondly, when constructing a questionnaire one needs to specify how the information will be gathered. Should the questionnaire be structured or unstructured, should the purpose of the study be disguised or undisguised and should the information be collected by using mail, personal interviews or telephone? (Ibid.) We have chosen to use a structured questionnaire and the purpose of the study has not been hidden from the respondents, which means that the purpose is undisguised. We have chosen to collect the answers by telephone.

When the content of each question has been determined one needs to decide on the type of answer to be used. One can chose to have open-ended questions where respondents can reply freely. The open-ended question is often used in the beginning of the questionnaire and it is often used to generate additional information. (Ibid.) In our questionnaire we have a certain amount of open-ended questions and the reason for this is that we felt that more specific information was needed in some areas.

One can also choose to use fixed-alternative questions, which can be of different types. When using a multichotomous question the respondent is asked to pick the alternative that he/she feels corresponds to his/her position. When using a dichotomous question the respondent is asked to choose between only two alternatives. A scale can be said to be

another type of fixed-alternative questions. Another difficulty is the fact that alternatives should be exhaustive. The researcher should therefore conduct extensive research to make sure that the list of alternatives is exhaustive. Another difficulty when it comes to fixed-alternative questions is that the respondent might be affected by the order of the alternatives. This problem seems to be greater when the respondent cannot see the alternatives, for example during a telephone interview. (Churchill & Iacobucci, 2002)

We have chosen to use a great deal of fixed-alternative questions in our questionnaire to make it easier for us when compiling our data. We use multichotomous questions, dichotomous questions and scales. When it comes to the dichotomous questions, we have chosen to use open-ended questions as follow-up to generate more specific information. To make sure that the list of alternatives is indeed exhaustive we have chosen to do a literature search and to ask employees at Kvaerner Pulping for their opinion. To avoid the problem of the respondent being affected by the order of the alternatives we have chosen to send out the questionnaire to the respondents by e-mail before contacting them for the interviews. The questionnaire constitute appendix J and K.

3.7 Sample

Rather than measuring, in this case interviewing, the entire population one often uses a sample. There are several reasons for using a sample. One reason is that it would be very costly to test an entire population. It would also take a lot of time. Sometime it is not possible to measure the entire population. (Churchill & Iacobucci, 2005)

Sampling techniques can be divided into probability and nonprobability samples. (Ibid.) In our case we have a nonprobability sample since Kvaerner Pulping has chosen which of their customers are to be included in the survey. A total of 27 individuals are included; 21 individuals from Nordic countries (16 from Sweden, three from Finland and two from Norway) and six from other European countries. Totally, the survey concerns 14 factories. We tried to interview two persons from each factory as far as possible, one from the purchase department and one from the maintenance department.

A nonprobability means that there is no way of determining the probability that any one element in the population will be included in the sample. Another characteristic of the nonprobability sample is that there is no way of ensuring that the sample taken is representative of the population. When it comes to nonprobability samples personal judgements are involved. (Ibid.)

Nonprobability samples can be divided into: convenience samples, judgement samples, and quotas samples. (Ibid.) We are dealing with a judgement sample since Kvaerner Pulping has chosen the interviewees, and they have done so in the belief that these interviewees will serve the research project.

3.8 Anonymity

When doing business research, one must make sure that the respondents are not harmed during the process. During a business research, there is the possibility of physically harming the respondent, harming the respondent's development or self-esteem, harming the respondent's career or future development, and inducing the respondent to perform reprehensible acts. (Bryman & Bell, 2003)

The researcher needs to assess the potential harm that the research might inflict on the respondent and try to minimise the harm as much as possible. Anonymity is an example of an action taken to minimise harm to the respondent. Anonymity means that actions are taken to make sure that individuals and organisations cannot be identified, unless they have agreed upon the data being published so that they can be identified. (Bryman & Bell, 2003)

In our case we have concealed the identities of the respondents by neither stating their names nor the company they work for. We have chosen to conceal the nationality of some of our respondents by grouping them under the label "other European Countries".

According to Bell and Bryman it is much easier to conceal individuals' identities when using a quantitative approach. (Bryman & Bell, 2003) As been mentioned above, we have collected, analysed and presented our data using the quantitative method and therefore concealing the identities of our respondents have been relatively easy.

3.9 Nonresponse Errors

Distortion can be caused by the fact that certain interviewees might chose to not participate in the survey at all or just not to answer certain questions. (Bell & Bryman, 2005) In our case all the interviewees had beforehand been contacted by Kvaerner Pulping and had agreed to an interview, so we had no problems with them not participating in the study. However, we could not get in touch with one of the respondents and therefore our plan to include two respondents from each factory was shattered. Some of the respondents did not answer all of the questions. When entering the respondents' answers into the Statistical Package for the Social Sciences (SPSS) we chose to code questions that were not answered as missing values with the number of "99". (Ibid.)

3.10 Adaptation of Material

We have put together our data from the interviews and made tables and charts of this with the use of SPSS. To get the charts and the tables we have encoded our data. The reason that we chose to show our data in charts and tables is that our questionnaire contains fixed- alternative questions. By using charts and tables it is easier to se how the result is divided and how it differs.

3.11 Reliability and Validity of the Research

Reliability and validity is used to describe the value of our telephone interviews. The results we get need to be useable. Our interviews should make possible results that are reliable and valid so that they can be used for analyse and to make conclusions from. (Lantz, 1994) As mentioned we have used a questionnaire and when developing this questionnaire it is important to ensure that the data we collect from it reflects reliable and valid information. (Hayes, 1998) When we developed and designed our questionnaire we carefully thought through the questions so that we would get the “right” kind of information. Obtaining the “right” kind of information enables us to measure perceptions and attitudes about our topic.

3.11.1 Reliability

The term reliability is a generic term used to describe the degree of error associated with a measure. Reliability is defined as the extend to which measurements are free from random-error variance. (Hayes, 1998) Reliability states how trustworthy the essay is and to which degree the result are influenced from accidental occurrences also if we as researchers measure what we intend to measure. (Andersen, 1998)

When developing a questionnaire that assesses customer’s perception of the quality of the service or product, we want to be sure that the measurements are free from random error. We want to be sure that the level of perception of quality satisfaction of our subject is accurately reflecting the “real world”. To feel confident that the answers on our questionnaire reliably reflect the underlying dimension, we want the questionnaire to demonstrate high reliability. (Hayes, 1998)

Reliability can be affected if our respondents apprehend our questions as leading, too difficult or if the respondent does not understand the meaning of the questions. There is also a chance that they have answered the questions in a way that they believe is most satisfying for us. (Andersen, 1998)

Although reliability of a scale is crucial it is not enough in determining the quality of a measure. The issue of validity should also be considered. (Hayes, 1998)

3.11.2 Validity

Validity refers to the degree to which evidence support the conclusions made from measures, or the degree to which the scale measures what it is designed to measure and to the extend to which the conclusion from the answers are significant. (Hayes, 1998) Validity is the most important demand on a measurement instrument. (Eriksson & Wiedersheim-Paul, 2001)

Our purpose is to clarify the concept of quality and at the same time measure the level of customer satisfaction, and although we might have highly reliable questionnaire, we still may want to question what the observed answers actually indicates. Even if the scale reliably distinguishes people on some underlying variety, we must anyway ensure that the variety is the correct variety. (Hayes, 1998)

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The questionnaire is our measurement instrument. We designed the question so that they would agree with our purpose. To ensure ourselves of a valid paper we got a company introduction from employees at Kvaerner Pulping. We have also done a field study at a company in the mass and paper industry that uses Kvaerner Pulping's parts and we have also visited Kvaerner Pulping's spare part factory, Kvaerner Kamfab, as mentioned earlier.

The goal of satisfied validity is to have a set of items that best represents the universe and these items will create our final questionnaire. (Ibid.)

3.12 Criticism of the sources

Can we trust the things that have been said during the interviews? Are they honest in their comments? The respondents can have answered in a way that they believe will benefit them in the end. We have had no attentions to affect the respondents so we hope that our respondents have answered correctly and honestly.

4. THEORY

In this chapter we present the theories relevant for this study. The chapter includes: the network perspective, customer satisfaction, aftermarket support, and the process of ordering.

4.1 Introduction

The field of industrial marketing remains fairly underdeveloped. There are a limited number of theories to help explain and predict the behaviour of industrial buyers and sellers. The quantity and quality of research performed on industrial customers are limited as well. (Morris et al., 2001)

The most important point of departure between consumer and industrial marketing is buying behaviour. There are two types of buying behaviour and they differ in terms of who buys, why, how, when, where, and what. When the customer is an organisation, purchases typically involve a number of individuals. A given buying decision might include inputs from the people in engineering, production, finance, marketing, R&D, and the purchase department. (Ibid.) To illustrate this point we have decided to include what Gummesson (2004) calls the network perspective.

Industrial marketers are trying to create value for organisational customers by satisfying their needs at a profit. (Morris et al., 2001) We have chosen to include the two concepts of quality and customer-perceived value to describe how multifaceted the concept of quality is and to analyse how value is created.

The specific case of Kvaerner Pulping concerns the spare part market, which is a part of what is called aftermarket support. We have chosen to include theories concerning aftermarket support to get a better understanding of the specific context in which Kvaerner Pulping works.

As a part of creating customer satisfaction, it is very important that every aspect of the customer-supplier relationship works as smoothly as possible and that includes the order process. We have therefore included theories regarding the different ways through which an order can be made.

4.2 The Network Perspective

Building a platform, a network, is a prerequisite for success in a B2B. The network perspective can be used as an advantage for a company and is a sort of marketing. The network needs to be a long-term thinking. (Gummesson, 2004)

4.2.1 Roles in Buying Decisions

When selling to organisations, one is dealing with various individuals. There is a great deal of questions that needs to be considered from this perspective. Who makes the buying decisions? Which individual or group of individuals is the true customer?

Individual participants are assigned to six primary roles that collectively enable the organisation to accomplish the buying task. (Morris et al., 2001)

- *Initiator*. An initiator is the person who first recognises a need, opportunity, or problem that potentially could be resolved with a purchase. It is this person who effectively defines the buying situation.
- *Buyer*. The buyer is responsible for selecting vendors and consummating the purchased.
- *User*. Makes on-the-job use of the product to be purchased.
- *Influencer*. The influencer has a significant influence on product and vendor choice.
- *Decider*. This role is the actual maker of the buying decision.
- *Gatekeeper*. Controls the types and flows of information regarding products and suppliers received by other members of the buying centre when making a particular purchase decision. (Morris et al., 2001)

It can be fairly challenging to identify exactly who is filling each role. (Ibid.)

4.2.2 Definition of a Network

As mentioned above a buying-decision involves a great deal of people. Gummesson (2004) has developed concepts that are related to this perspective.

- *Relationships* connect people or organisations. It can be described as something that connects people temporarily or in a longer perspective.
- Complicated patterns of relationships can develop when more than two individuals or organisations are involved, this is called a *network*.
- Within the relationships *interaction* takes place. (Gummesson, 2004)

For the collaboration between networks to be successful, their members must share certain values according to Gummesson (2004):

- The will to cooperate. From the perspective of many-to-many value is created in a network of relationships involving shareholders, and not necessarily in a linear chain. Both parties create value. When it comes to B2B the degree of interaction is substantial concerning both services and products.
- Win-win. To create a long lasting and effective relationship both the parties must feel like winners. The parties must feel that they are gaining something more than they would in any other relationship. This means that the parties should show concern for the other party as they strive to achieve their own interests.
- Treat every client individually. (Ibid.)

It is important for a company to find its own way in a network, through guidance by concepts, systematic studies, long-term strategies and stubborn endurance. Awareness of the network becomes an asset: an investment in selling. A relationship grows during

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several stages in which collaborators are involved from both supplier and customer. All of these stages are important for the development of the relationship. (Gummesson, 1998)

1. *Establishing contact and credibility.* First of all, the supplier has to begin making contact with the customer and create credibility. It is important that professional and personal relationships are created with key workers in the buying organisation, on several levels and in different functions. (Ibid.)
2. *Competitive bidding.* Here the supplier puts forward his/her offer to the customer. The return of the contact can occur between the supplier and customer to clear some of the customer's points in the order. (Ibid.)
3. *Evaluation of competitive bidding.* The evaluation should be made without contact between supplier and customer. Efforts to circumvent the rules of the bidding process can turn out to be more complicated and start more manoeuvring than at the bidding stage. (Ibid.)
4. *Contract.* It can be preceded by a "letter of intent" which is a statement that the customer has the intention to purchase from the supplier. The design of the proper contract might need final negotiations and the whole agreement can contain several subcontracts. (Ibid.)
5. *Planning, engineering, and market adaptation.* This stage embraces setting up the execution of the contract and fitting the equipment to an individual customer's particular technical needs. This means that there is ongoing relationship between supplier employees and customer employees. (Ibid.)
6. *Production.* During the production stage the relationship continues with the customers. Quality inspectors from the buyer might make a surprise visit to ensure quality levels, to make sure that delivery dates will be kept, and to prevent problems with potential delays before they become acute. (Ibid.)
7. *Delivery and installation.* Deliveries are made during a long period of time, sometimes several years. The association between the installation team of supplier and the customer's employees makes sure that the equipment and systems function according to needs. When the transaction has been completed, the customer takes over the responsibility. (Ibid.)
8. *After sales.* The supplier must make sure that the customer is satisfied and to clear up any problems that might exist. Problems can be technical but also concern payment. After sales stage gives an opportunity for further sales. The relations that are successfully cemented are important for future businesses. By continued business the next contract goes through the same stages as before but often in a much-simplified structure. (Ibid.)

9. *Conclusions and evaluation.* A completed deal should be reflected upon to learn what was good and what was bad. (Gummesson, 1998)

Many-headed relationships can lead to repeated problems in the sales organisation. The current strategy of reducing the number of suppliers and integrating their activities further closely requires organisational adaptations. The organisation on both sides has to ease the processes of a smooth, ongoing partnership. (Ibid.)

4.3 Customer Satisfaction

Customers make their buying decisions based on judgements about the value of the product or service. A customer's degree of satisfaction depends on how well the product's/service's performance match the customer's expectations. (Kotler et al., 2005) We have chosen to look at customer satisfaction using the concept of quality and customer-perceived value.

4.3.1 The Concept of Quality

Maintaining "good quality" of the product is necessary to achieve competitive advantage. (Qingyu, 2001)

Product/Service Strategy: The Importance of Quality

The single most important decision area in product/service management is that of quality. The level of quality provided in a product is its ultimate source of competitive advantage. Traditional definitions of quality focus on how well an item meets or conforms to its design and delivery specifications. These specifications, however, are technical details that may or may not consider how well the product or service satisfies a customer's need. To avoid this problem Grocock (1986) defines quality as "the degree to which the relevant features and characteristics of a product/service satisfy all aspects of a customer's need, limited by the price and delivery the customer will accept" (Morris et al., 2001, p. 291). This definition has a number of key points. *First*, quality refers to the totality of an item's features and characteristics, including all aspects of its performance and reliability. *Second*, quality exists in relationship to a customer's need. *Third*, comparisons of quality among items require that the items address the same needs. (Morris et al., 2001)

Managing Product Quality

When a firm is producing and selling products, there are three major categories of quality: product quality, support quality and delivery quality. (Morris et al., 2001)

- *Product quality* deals with three questions. How well do the product requirement specifications express the customer's need, and how well does the product design conform to these requirements? How well does the actual product conform to the design at the time it is manufactured? How well does the product perform in terms of reliability, safety, durability, maintainability, and so forth, after it is purchased by the customer?

- *Support quality* is a question of how well the organisation conforms to customer needs for product-related service at the time of and after the sale.
- *Delivery quality* has to do with specifications regarding delivery schedules and promised times, as well as conformance to those times. (Ibid.)

Quality Dimensions for Products

When it comes to the concept of quality, there are eight dimensions according to Gummesson (1991).

Performance. Concerns the product's primary quality.

Features. Concerns the secondary quality of the product.

Reliability. Aims on how well the product performs and how often a fault appears.

Conformance. Does the product agree with the list of demands and promises?

Durability. How long does the product last?

Serviceability. Service in this term means how well the product can be repaired and maintained but also the opportunity to get a repair done quickly.

Aesthetics. The product's aesthetical quality.

Perceived quality. The personally collected experience of the quality of a product. (Gummesson, 1991)

Quality Definitions in Five Groups

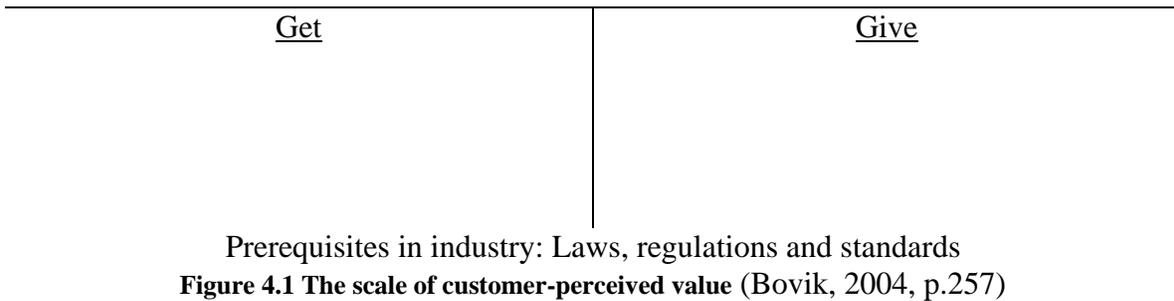
1. Quality is "transcendent". Quality according to this approach it is hard to determine. What is good taste varies between individuals and times.
2. Quality is "product-based". Quality of this kind can be described with the help of specifications.
3. Quality is "user-based". This definition is closest to the definition that is used to finally determine what quality is: quality is what gives the customer satisfaction.
4. Quality is "manufacturing based". This means that a demand is determined on a product and quality is to fulfil these demands.
5. Quality is "value-based". Quality is about the customers' own personal judgement of what the customer gets in relation to what the customer can or wants to pay. (Gummesson, 1991) This brings us to what is called customer-perceived value.

4.3.2 The Concept of Customer-Perceived Value

In the dissertation, Catarina Bovik aims to describe and explain how customer-perceived value is composed, all within the context of business-to-business. The author has conducted an empirical study examining the relationship between Skyways Express AB, the customer, and Volvo Aero Corporation, the supplier. Hence the study has been conducted within the commercial aircraft engine maintenance industry. (Bovik, 2004)

The study has resulted in different models that can be used to describe and explain customer-perceived value at different levels. To describe customer-perceived value at the specific setting of the commercial aircraft engine maintenance industry, Bovik has used a model that illuminates that the concept has two sides, a get-side and a give-side. The author wants to illuminate what is considered to bring and take value in the relationship. The model can be seen as a scale. (Ibid.)

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To fill each side with relevant elements Bovik asked the respondents which attributes that contribute to the creation of customer value. Bovik defines value attributes as attributes that “express actions or circumstances that imply value for the customer” (Bovik, 2004, p.89). Bovik then aggregates these attributes into value drivers and finally into value features. As can be detected in the concept of “value drivers”, it’s how value is driven to the customer. Value features are described as the essence of value. The value feature, availability of engines, is depicted in the model below. In this model the value drivers are also featured. (Bovik, 2004)

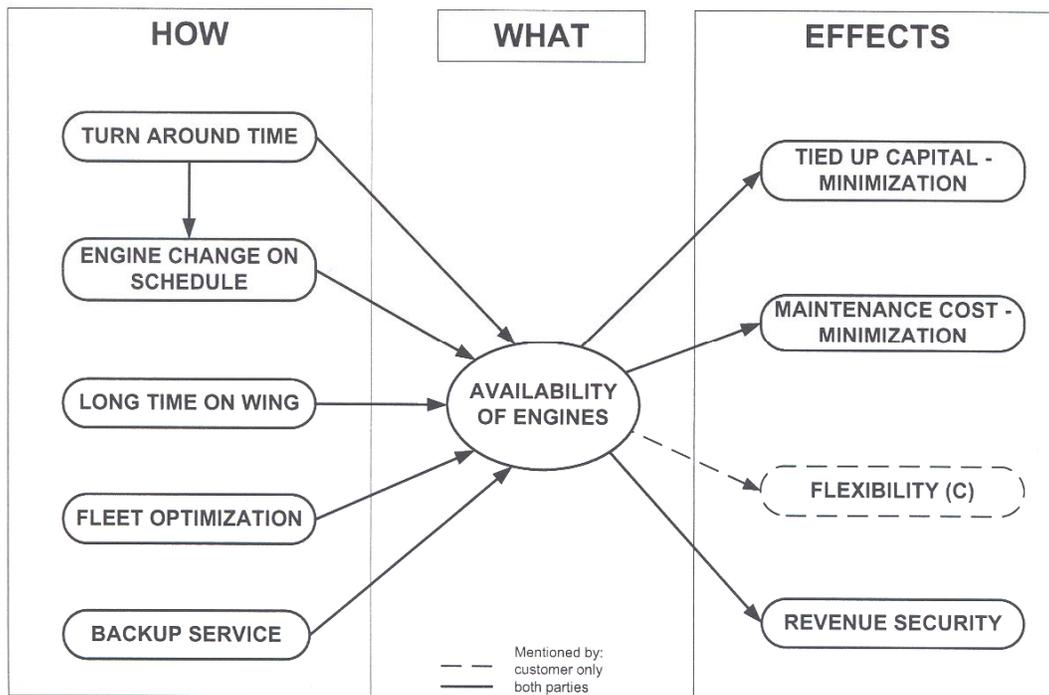


Figure 4.2 Availability of engines (Model by Bovik, 2004, p.258)

As can be distinguished from the model above, there is a how-side and effect-side of every what, e.g. of every value feature. The how-side illustrates how the supplier should act to provide value to the customer. The effect-side describes the effect of the value upon the customer. (Ibid.)

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To make the “value terminology” more clearly we have constructed a map that summarises the ones constructed by Bovik (2004).

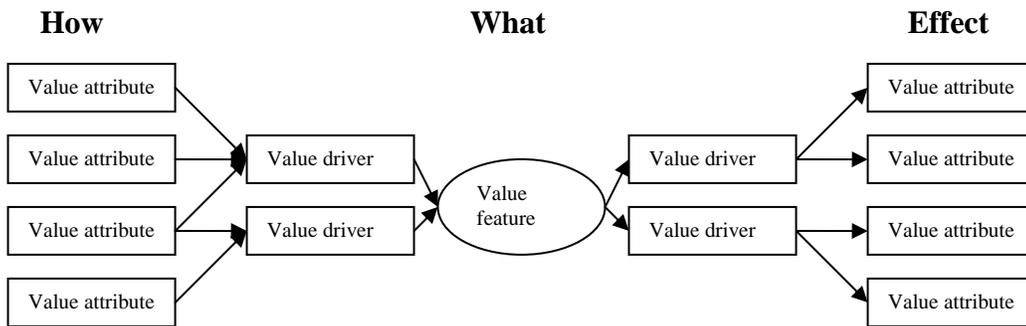


Figure 4.3 Value feature (Model based on models by Bovik, 2004)

Bovik (2004) then fills the first model/map, with the get- and give-side, with the relevant value features. The author then uses the model to describe that customer-perceived value is created at three levels: product, partnership and psychological aspects. Bovik (2004) points out that the value features availability of engines, organisation efficiency and financial benefits belongs to the product level, which is the most basic level. Collaborative partnership is of course at the partnership level, which describes the relationship in more general terms. Trust is a psychological aspect. By subtracting sacrifices from the value features at the get-side a net value is attained. (Bovik, 2004)

<u>Get</u>	<u>Give</u>
Availability of engines Organisation efficiency Financial benefits Collaborative partnership Trust	Sacrifices to use offering

Prerequisites in industry: Laws, regulations and standards

Figure 4.4 The completed scale of customer-perceived value (Bovik, 2004, p.257)

It is important to mention that if the organisation in question does not perform adequately weight will be shifted from the give-side to the get-side. (Bovik, 2004)

Bovik (2004) then goes on to explain customer-perceived value in the specific and similar settings using an additional map. Here the author emphasises the notion of flow, which she defines as the “continuous movement of tangible or intangible exchanges within a relationship” (Bovik, 2004, p.142). Flows that help to explain the origin and effect of the customer-perceived value. Flows pass through the different value features and provide the sources of value. In this case Bovik (2004) has identified five different flows: goods, information, risk, involvement, and money. It is important to mention that the flows build trust as well as they are filtered by trust. Another important aspect is that the flows are surrounded by time and time does not have any consideration for an eventual interruption in the flow. (Bovik, 2004)

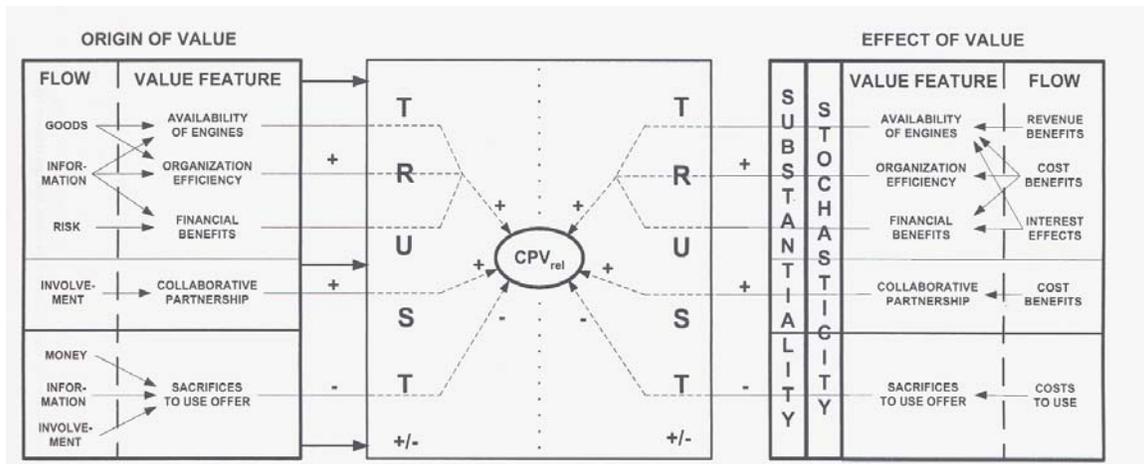


Figure 4.5 Customer-perceived value illustrating the notion of flows (Bovik, 2004, p.203)

4.4 Aftermarket Support

The initial sale of a product is the start to generate revenues, but revenues and profits can be larger for aftermarket support (e.g. spare parts and service) (Farris et al., 2005) because of the fact that most physical products wear, tear, and deteriorate with age and use. (Markeset & Kumar, 2005) Aftermarket support offers customers to buy spare parts or service such as repairs after the initial sale of a product. Some industries like steel industry need a high level of aftermarket support. (Farris et al., 2005)

4.4.1 The Basic Product Package

Before going into the specifics of aftermarket support it is important to make a distinction between core products and secondary goods. The core product is the reason that the company is on the market. A firm may also have many core products. In order to make it possible for customers to use the core product some additional goods and services are often required. Such additional good and service are called facilitating goods and services, because they facilitate the use of the core product. Another type of products is supporting products and services. A supporting product does not facilitate the consumption or the use of the core product. Instead they are used to increase the value of the product and service and/or to differentiate the product and service from those of competitors. (Grönroos, 2000)

4.4.2 What is Aftermarket Support?

Markeset and Kumar (2003) discuss the issues related to designing out of the maintenance need of product versus designing for easy maintenance. With age and use most physical products wear, tear, and deteriorate. According to Markeset and Kumar (2005) Levitt's contention from 1972 "everybody is in the service business", seems to be coming true. Even the most advanced durable industrial products need some kind of support to compensate for weaknesses in design or in product exploitation. According to Goffin (1999) there are several reasons why after sale services and product support are important for manufacturers:

- They can be an important source of revenue, which has been mentioned earlier.

- Sale services and product support are important to achieve customer satisfaction.
- They can provide a competitive advantage.
- Sale services and product support help increase the success rate of new products. (Kumar & Kumar, 2004)

Over the past decade the range of product support has broadened and now also includes such aspects as spare parts supply. Product support can be classified as tangible and intangible, as well as proactive (planned) and reactive (unplanned). If there is an exchange of physical parts such as spare parts involved the support is tangible. Intangible supports involve for example expert advice and training. Proactive is related to planned activities such as preventive maintenance, installation etc. While reactive support is unplanned and often connected to unplanned corrective maintenance activities where the product fails unpredictably. Common for unplanned support and maintenance is that it is often very inconvenient, costly and time consuming. The product physical flaws lead to planned or unplanned maintenance and support. (Markeset & Kumar, 2003)

Kumar and Kumar (2004) points out that it is very important to understand the customer's business process since it is related to the maintenance needs of the customer. The customers' maintenance processes can be divided into two groups:

- Planned maintenance tasks, which includes the work performed according to a scheduled plan. This is also called preventive maintenance. It includes scheduled adjustments, major overhauls, inspections, and lubrications that are designed to maintain equipment and facilities so that breakdowns and the need for emergency repairs are minimised. (Kumar & Kumar, 2004) Planned services (e.g. planned repairs, replacements, etc.) involve all activities that contribute to avoidance of unexpected failures, handling of unplanned stoppages, as well as performance improvements. (Kumar et al., 2004)
- Unplanned maintenance tasks (failure-based maintenance) involve tasks that are carried out when needed and that no prior planning is made. (Kumar & Kumar, 2004) If a failure is instantaneous spare parts are required to be kept ready for use to reduce downtime. This means that, if a product fails in an unexpected manner, all affected parties should be ready to resolve the problem effectively and efficiently, at a minimum cost with a minimum loss of profit. The manufacturer will profit from selling spare parts on short notice while the customer will have losses due to unplanned maintenance, logistics, and administrative costs as well as production losses. (Kumar et al., 2004)

4.4.3 OEM- Original Equipment Manufacturer

To achieve the best performance, industrial customers are entering into service contracts with the original equipment manufacturers (OEM). (Kumar et al., 2004)

Lately, increased focus on core activities has resulted in more outsourcing of non-central functions. Spare parts may be required from the manufacturer and/or third party. (Markeset & Kumar, 2005)

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An OEM needs to identify and understand various aspects of the product and the customer before starting the process for a service delivery agreement. These aspects can influence the supporting service content, the actual service delivery, as well as the negotiation of the service delivery agreement. (Kumar et al., 2004) The aspects are:

- *Product characteristics.* Reliability together with maintainability, supportability, and availability of spare parts.
- *Operational requirements and operating environment.* These can influence customer requirements with respect to supporting service.
- *Customer's capabilities /resources and preferences.* Many customers realise that a potential profit is lost in ineffective and inefficient product utilisation.
- *Infrastructure.* If both parties are located in different parts of the world, extra resources need to be provided to achieve the same level of support as compared to those located closer to the provider.
- *Available competence.* The competence and skills of personnel can also influence the way the product is operated and maintained.
- *Price.* Each service supplier evaluates competitive conditions to ensure competitive prices.
- *Interface between service provider and customer.* The quality of a process is dependent on the interface between the parties involved. Currently, some companies outsource their service and maintenance functions/requirements directly to the OEM as a way to focus on core business values and thereby minimise business risk, and to increase competitiveness. In a scenario where an OEM and their customers are located in different countries or at a great geographical distance, the manufacturer needs to know the customer's culture, organisational goals, etc. Another alternative scenario would be to contract out/outsource to a regional/dependent service provider who is authorised by OEM, knows the product well, and can effectively work as an extended arm of the OEM. In a third scenario, a customer chooses to outsource service to an independent service provider. The independent service provider would still have to obtain spare parts for the production as well as expert assistance from a manufacturer. The interaction and interface between the OEM and customer can be (1) direct or (2 and 3) indirect. This is shown in Figure 4.7 below.

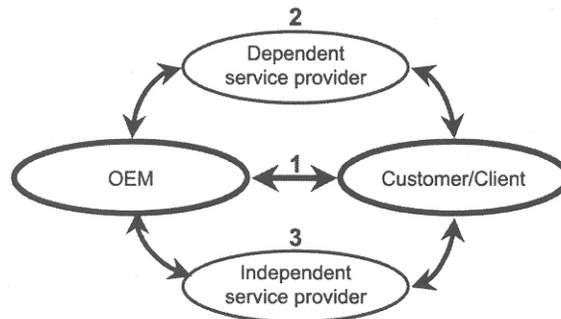


Figure 4.6 Possible service delivery interfaces (Kumar et al., 2004, p.407)

- *Cultural aspects.* Cultural differences have an impact on behavioural towards and understanding of a customer and service provider. It can cause participants to view issues quite differently or place different values on social interactions inherent in service delivery and negotiation process. Ignorance of cultural differences can lead to conflicts as well as loss of business and customers. (Kumar et al., 2004)

4.4.4 Customer Satisfaction within the Field of Aftermarket Support

It is important to recognise that when it comes to industrial products, the customer is usually an operation that may have special product criteria, specifications, standard, etc. These products usually need to be customised to fit the specific customer's needs. The industrial products may be used in further production activities and drilling machines, oil platforms are a few examples of such products. (Kumar & Kumar, 2004)

The customers today are increasingly focused on reliability and cost. For a company to stay competitive it is necessary to deliver products with documented and predictable quality, reliability, supportability, and maintainability. A company wants the market to have the impression that they provide high-quality products that are reliable, durable, dependable, and come with no negative surprises. But it is often proved impossible to design out maintenance free life cycle, random and unforeseen failures can still occur. (Markeset & Kumar, 2003)

A lack of user understanding of product capabilities, and a difficult user interface, reduces the user's capability to utilise the product fully. The result can be a very dissatisfied customer. Another thing that can cause dissatisfaction and a less satisfied customer is if a customer has a problem, which the after-sales services recovery process cannot resolve. (Ibid.)

There exists much literature that emphasises the importance of specifying customer's needs with respect to, e.g. functional, operational, maintenance characteristics, delivery time, price, and so on. But there are not much literature emphasising the need of specifying what kind of support services are needed for the product, how they are to be delivered, when they should be decided on, and how the quality of the industrial supporting service product should be assessed. (Kumar et al., 2004)

4.5 The Process of Ordering

For routine and repetitive purchases, a computer interface between buyer and seller organisations can eliminate the need for human interaction. New technologies can dramatically reduce order and delivery time as well as decrease errors in accounting and control. (Morris et al., 2001)

4.5.1 Making the Order

The process of responding to an inquiry or an order can be a problematic area. (Silverstein, 2002) According to Silverstein (2002) an organisation can respond to

inquiries and orders using direct mail, telephone, and fax. Internet is an additional way of ordering. (Morris et al., 2001)

Direct mail and Telephone

Direct mail means that an inquirer gets a fulfilment package – a letter, literature, and a reply card – by mail. The telephone can also be a possible fulfilment medium when information is needed immediately. If an inquirer makes a call, a telemarketer can offer the caller the needed information by telephone and offer to send further information via fax or direct mail. (Silverstein, 2002)

Fax

Use of fax has increased as a supplement to and alternative for direct mail. Fax or auto faxing is used more among larger B2B companies. The inquirer calls a toll-free number and enters its fax number and a product code. The responding fax-on-demand system directly makes a data sheet on the related product and faxes it to the inquirer. Fax is improper for documents that are coloured, but is acceptable for quick distribution of simple information. A benefit of fax is that it gives quick response. (Ibid.)

Internet

The WWW gives buyers a quick, low-cost medium to get data on suppliers and their offerings. On-line purchasing and electronic catalogues provide access to remotely stored information at any time. (Morris et al., 2001) Advantages of Internet:

- 24-hour, 7-day-a-week availability.
- Ease of finding products.
- Speed in accessing a wide variety of products.
- Accuracy in ordering.
- Ability to adapt the interface to meet a company's specific requirements.
- Ease of access to the WWW.
- Possibility of two-way interactive communication on a real-time basis.
- Ability to maintain electronic records of transactions and transaction status.
- Streamlining of customers' existing purchasing relationships.
- Reduction in operation costs. (Morris et al., 2001)

The business-to-business marketers that want to sell over the Internet need to have an electronically order generation system accessible. Numerous of business-to-business companies prefer to outsource the entire system or utilise somebody else's system. Others can build a long-term commitment to e-commerce by establishing their own system. (Silverstein, 2002)

4.5.2 Transitioning from an Existing Order Generation System

A review of the accessible system's order information and processing skills should be conducted and the same goes for the technical infrastructure to find out precisely what needs to be modified or added. The closed-loop system is needed and it offers the ability to: (Silverstein, 2002)

- Easily enter and maintain prospect and customer data.

- Manage merchandise planning and product inventory.
- Pick and process orders quickly and efficiently.
- Provide responsive customer service.
- Monitor order shipments.
- Handle returns.
- Invoice and reconcile payments and credits. (Ibid.)

It is important that the basic system be grounded in a solid database that keeps both customer data and a record of customer contacts. This information can be used to always keep informed customer files and segment customers by key product and Recency-Frequency-Monetary (RFM) criteria: which products are purchased, when, how often, and for how much money. (Ibid.)

Even if most business-to-business direct marketers theoretically understands that making orders through the Internet is similar to traditional ordering, there are parts of electronic business that are definitely different. Making a commitment to electronic business will need a marketer to focus on these areas: (Ibid.)

1. *The “Store” or Electronic Catalogue.* Through the storefront or electronic catalogue, visitors can look around, get information about products, and buy them. Customers can buy products through putting them into a “shopping cart”. They can do it by adding products to or delete them from shopping cart. When the shopping is done, customer can check out, which means that the payment is approved and the order is placed. (Ibid.)
2. *The system behind the store.* The marketers need the electronic communications to run the store. The system processes the order, verifies the credit card payment, picks the items for order fulfilment, triggers the shipping order, tracks the order, and updates the customer documentation. This system is furthermore responsible for or tied into an inventory management system so products can be refilled as necessary. (Silverstein, 2002)
3. *The customer service component integrated with the store.* Services components that give a sense of confidence and awareness are important for the success of e-commerce. Customers that order products through the Internet have need for immediate response because the Internet compresses into real time. (Ibid.)

4.6 Summary

According to the theories when a company is selling to organisations a great deal of individuals are involved (Morris et al., 2001); individuals that constitute a network which is composed of relationships (Gummesson, 2004).

A supplier-customer relationship grows during nine stages: *establishing contact and credibility, competitive bidding, evaluation of competitive bidding, contract, planning,*

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engineering, and market adaptation, production, delivery and installation, after sales, conclusions and evaluation. (Gummesson, 1998)

To make all of these various individuals within the network satisfied and to be able to compete on the market a company needs to clarify what the customers perceive as quality. (Morris et al., 2001) For an industrial company selling products there are eight quality dimensions that should be taken into consideration. The quality definitions vary between individuals and times and can be everything due to the fact that quality is what gives the customer satisfaction. (Gummesson, 1991) Therefore quality can be seen as customer-perceived value.

According to Bovik (2004) customer-perceived value has a get- and a give-side, which can be filled with different value features that in turn are composed of value drivers. The value drivers are in turn composed of value attributes at the most detailed level. Each of the value features has an origin- and effect-side. When taking a closer look at the origins and effects of customer-perceived value, Bovik (2004) presents the notion of flow. (Bovik, 2004)

This specific case concerns the spare part market. Selling spare parts are a part of the aftermarket support, and before entering this specific market it is important to make a distinction between core products and secondary goods. (Grönroos, 2000) The product support needed in the aftermarket support can differ between planned and unplanned maintenance. (Markeset & Kumar, 2003)

If an OEM wants to enter the market of after support and sell products other than the ones they manufacture themselves they first need to identify and understand various aspects of the product and the customer. (Kumar et al., 2004)

To achieve customer satisfaction the ordering process needs to go as smoothly as possible. There are four ways of making orders: direct mail, telephone, fax and Internet. Letter, literature and a reply card are used to make orders through direct mail. Telephone can also be used for orders and especially when the customer needs information directly. The fax is more used among larger B2B companies. Fax can give quick response, but is improper when it comes to documents that are coloured. Orders can also be done through the Internet, which is the quickest way to get fast orders. There are many advantages of using Internet to make orders, these are: 24-hour available, products can be easy founded, accuracy in ordering, etcetera. (Silverstein, 2002)

The company that want to sell their products over the Internet need to have an electronically order generation system accessible. Information and processing skills needs to be conducted and also technical structure to see what needs to be modified or added. The system should keep both customer data and a documentation of customer relations. Information can be relevant to keep informed customer files and segment customers by key product and Recency-Frequency-Monetary (RFM) criteria: which products are purchased, when, how often, and for how much money. (Ibid.)

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Electronic business differs from traditional businesses. By making a commitment to electronic businesses, marketers need to focus on three areas: *the “Store” or Electronic Catalogue, the system behind the store, and the customer service component integrated with the store.* (Ibid.)

5. THE EMPIRICAL STUDY

This chapter presents the results of our empirical study, using tables, and charts.

5.1 The Purchasing Process

To get an insight into the purchasing process we asked the respondents which individuals and departments were involved in this process, when it comes to planned and unplanned purchases. The respondents were allowed to give multiple answers. Regarding the planned purchases respondents gave a wide range of answers. However 23 respondents mentioned the purchase department and 20 of the respondents mentioned maintenance as being involved in the planned purchases. Operations have been stated by 12 of the respondents. 10 of the respondents mentioned the project department or individuals connected to the department, six respondents mentioned production, five mentioned construction, five mentioned the storage department or individuals related to it, and five mentioned the technical department. One respondent stated the investment department and one the finance department. One respondent answered the engineer department and the same respondent also answered the process department. Finally, two of the foreign customers mentioned Kvaerner Pulping's contact person in that country as being involved in the purchasing process.

We also asked the respondents who were involved in the purchasing process concerning the unplanned purchases. 21 of the respondents have mentioned the purchase department as being involved, 13 have mentioned maintenance as being involved when it comes to unplanned purchases. Nine of the respondents have stated operations, four stated productions, four stated projects and four the technical department. Three have stated the storage department and one stated construction. Finally, one has mentioned finance, one mentioned the service department, and one mentioned head of department, the labour management, the department of engineer, and the supervisor. Finally, one of the foreign customers answered Kvaerner Pulping's contact person in that country.

5.2 Planned and Unplanned Purchases

We were interested to see if there were any difference between planned and unplanned purchases and to study this we asked the respondents what they believed was the biggest difference between these two.

19 respondents answered time as an important difference. The shortage of time when it comes to unplanned purchase affects the possibility to check other suppliers and the need for quicker decision and shorter delivery time. The shortage of time also leads to a less freedom of action. Three of the respondents mentioned that they are less price sensitive

when it comes to unplanned purchases. One respondent also stated that there exists no decision process in their company when it comes to unplanned purchases.

5.3 Important Characteristics of a Supplier

A great deal of elements are in creating customer satisfaction. We wanted to know which characteristics buyers consider important in a supplier. We asked the respondents to rate 19 characteristics on how important they are in a supplier, where 3 is very important and -3 not important at all. To illustrate the difference in the mean value we have constructed a chart. However in the chart, the means are with one decimal. Table 5.1 showing the mean values constitute appendix A.

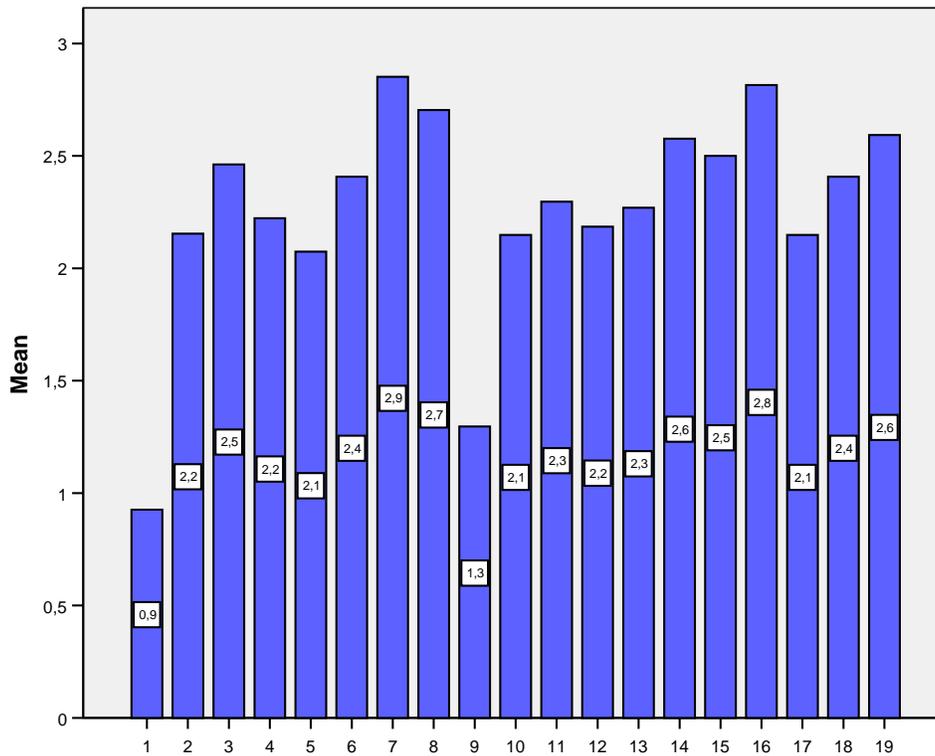


Chart 5.1 Important characteristics in a supplier on a general level

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Geographical closeness. 2. Short delivery time. 3. Delivers fast and accurate information about delays. 4. Delivers fast and accurate product information. 5. Informs when it comes to news and changes. 6. Fast responses to questions. 7. Keeps promises. 8. Delivery security. 9. Has a good knowledge of your organisation. | <ol style="list-style-type: none"> 10. Understands your needs. 11. Is interested in developing long-term relationship. 12. Is flexible. 13. Offers spare parts worth their price. 14. Offers spare parts with good durability. 15. Offers spare parts with good technical functions. 16. Has a good technical knowledge. 17. Has a skilled sales staff. 18. Has a committed and service minded sales staff. 19. Offers a cost-effective solution. |
|--|---|

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As can be seen above the characteristic of “keeps promises” is considered to be the most important with a mean value of 2,85, “has a good technical knowledge”, as the second most important, “delivery security”, as the third most important. The least important characteristic is “geographical closeness” with the mean value of 0,93.

We are also interested in how the respondents rate Kvaerner Pulping on each characteristic. We asked them to rate Kvaerner Pulping on how well they live up to each characteristic using a scale from -3 to 3, where -3 is very poorly and 3 is very good. To illustrate the difference in the mean value for each characteristic we have constructed a chart. The mean values are with one decimal. Table 5.2 showing the mean values constitute appendix B.

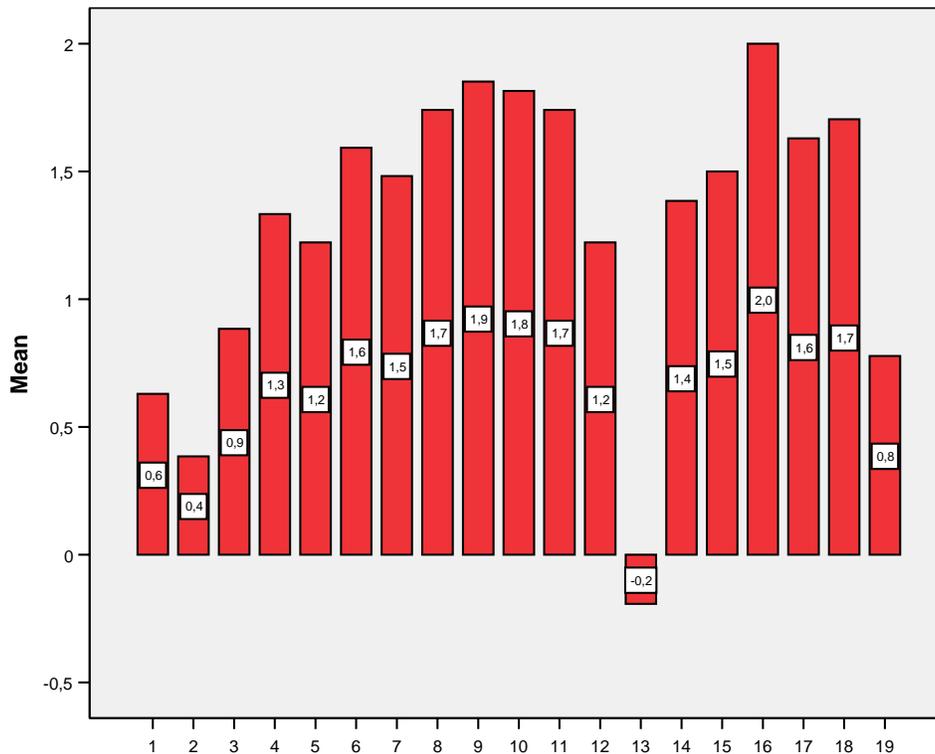


Chart 5.2 The degree to which Kvaerner Pulping lives up to each characteristic

- | | |
|---|---|
| 1. Geographical closeness. | 11. Is interested in developing long-term relationship. |
| 2. Short delivery time. | 12. Is flexible. |
| 3. Delivers fast and accurate information about delays. | 13. Offers spare parts worth their price. |
| 4. Delivers fast and accurate product information. | 14. Offers spare parts with good durability. |
| 5. Informs when it comes to news and changes. | 15. Offers spare parts with good technical functions. |
| 6. Fast responses to questions. | 16. Has a good technical knowledge. |
| 7. Keeps promises. | 17. Has a skilled sales staff. |
| 8. Delivery security. | 18. Has a committed and service minded sales staff. |
| 9. Has a good knowledge of your organisation. | 19. Offers a cost-effective solution. |
| 10. Understands your needs. | |

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Kvaerner Pulping got the best mean value regarding the characteristic “has a good technical knowledge” (2,00) and the worst mean regarding “offers spare parts worth their price” (-0,19).

To get an insight into whether there is a difference of opinion regarding the importance of the 19 characteristics between the respondents that belong to the purchase department and those that belong to the maintenance department, we have constructed the following chart. Table 5.3 showing the mean values constitute appendix C.

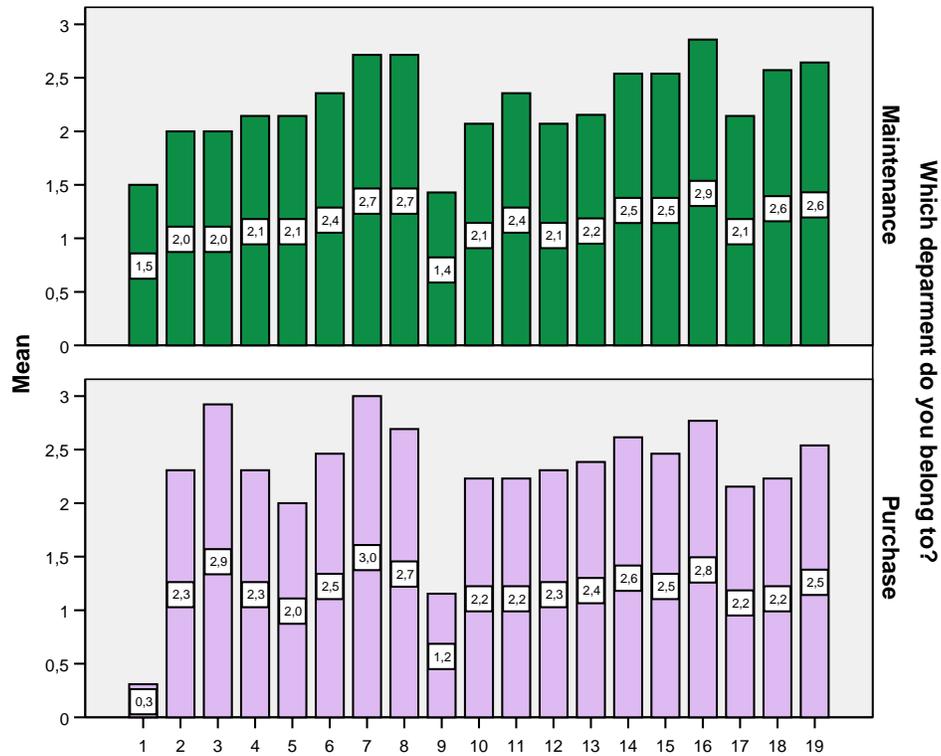


Chart 5.3 Important characteristics in a supplier on a general level according to maintenance and purchase

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Geographical closeness. 2. Short delivery time. 3. Delivers fast and accurate information about delays. 4. Delivers fast and accurate product information. 5. Informs when it comes to news and changes. 6. Fast responses to questions. 7. Keeps promises. 8. Delivery security. 9. Has a good knowledge of your organisation. | <ol style="list-style-type: none"> 10. Understands your needs. 11. Is interested in developing long-term relationship. 12. Is flexible. 13. Offers spare parts worth their price. 14. Offers spare parts with good durability. 15. Offers spare parts with good technical functions. 16. Has a good technical knowledge. 17. Has a skilled sales staff. 18. Has a committed and service minded sales staff. 19. Offers a cost-effective solution. |
|--|---|

The chart 5.3 displays two significant differences. The characteristic “geographical closeness” is more important to maintenance than to purchase. However the characteristic

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“delivers fast and accurate information about delays” is more important to purchase than to maintenance. The characteristic “has a skilled sales staff” displays the smallest difference between the two departments.

We have also constructed a chart to see if there is a difference between the respondents belonging to the purchase department and those that belong to the maintenance department when it comes to rating Kvaerner Pulping on the 19 characteristics. Table 5.4 showing the mean values can be found in appendix D.

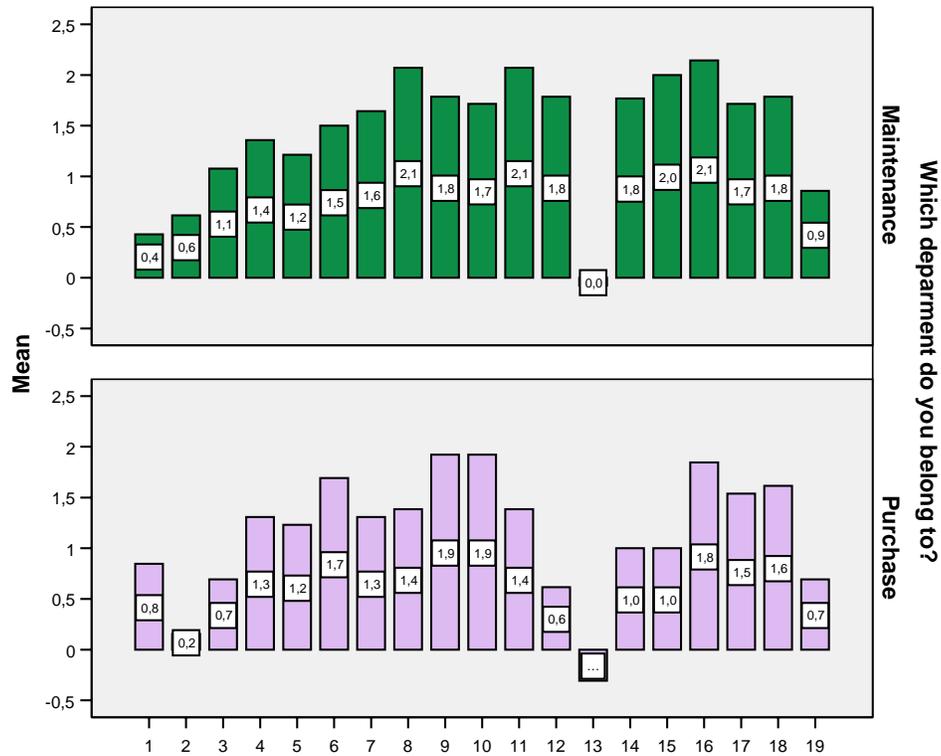


Chart 5.4 The degree to which Kvaerner Pulping lives up to each characteristic according to maintenance and purchase

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Geographical closeness. 2. Short delivery time. 3. Delivers fast and accurate information about delays. 4. Delivers fast and accurate product information. 5. Informs when it comes to news and changes. 6. Fast responses to questions. 7. Keeps promises. 8. Delivery security. 9. Has a good knowledge of your organisation. 10. Understands your needs. | <ol style="list-style-type: none"> 11. Is interested in developing long-term relationship. 12. Is flexible. 13. Offers spare parts worth their price. 14. Offers spare parts with good durability. 15. Offers spare parts with good technical functions. 16. Has a good technical knowledge. 17. Has a skilled sales staff. 18. Has a committed and service minded sales staff. 19. Offers a cost-effective solution. |
|---|--|

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In the chart above one value is missing due to the fact that there is not enough room for it. The value should be -0,31. The corresponding mean value for maintenance is -0,08, in the chart the stated mean value is 0,0. Chart 5.4 shows that the most significant difference is that maintenance seems to believe that Kvaerner Pulping is far more flexible than purchase does. Both purchase and maintenance thinks that Kvaerner Pulping should be rated lowest for “offers spare parts worth their price”.

We have also chosen to do a comparison between respondents from three Nordic countries and respondents from two other European Countries when it comes to how important each characteristic is in a supplier. We have chosen to do so to see if there is any difference between the two groups of countries. We have constructed a chart to illustrate the distribution of means. Table 5.5 showing the mean values can be found in appendix E.

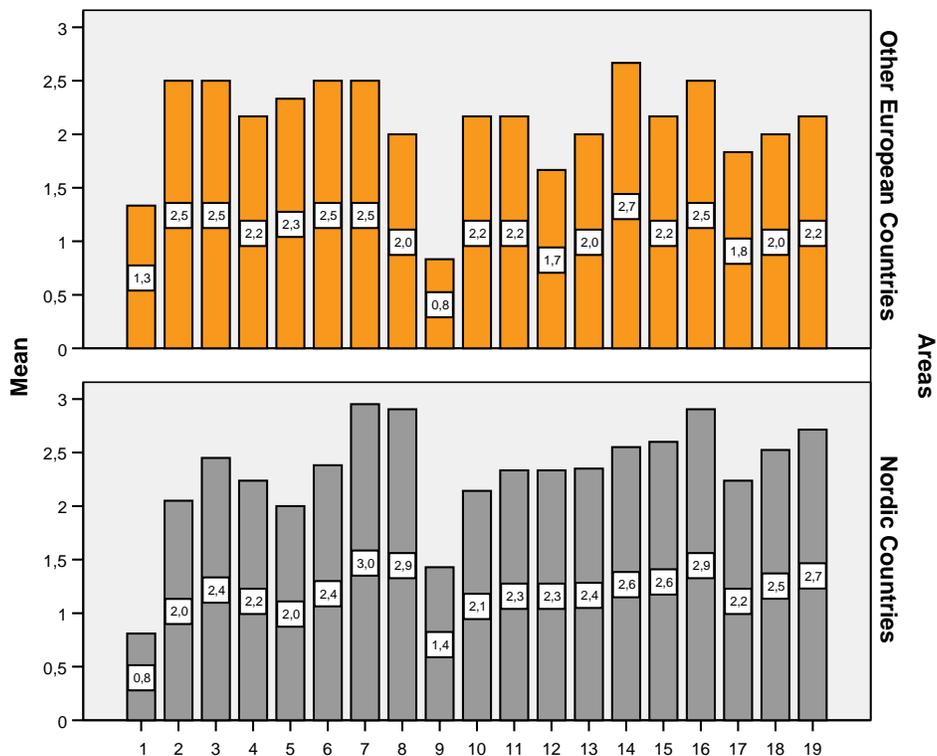


Chart 5.5 Important characteristics in a supplier on a general level according to respondents from three Nordic countries and two other European countries

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Geographical closeness. 2. Short delivery time. 3. Delivers fast and accurate information about delays. 4. Delivers fast and accurate product information. 5. Informs when it comes to news and changes. 6. Fast responses to questions. 7. Keeps promises. | <ol style="list-style-type: none"> 8. Delivery security. 9. Has a good knowledge of your organisation. 10. Understands your needs. 11. Is interested in developing long-term relationship. 12. Is flexible. 13. Offers spare parts worth their price. 14. Offers spare parts with good durability. |
|--|---|

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- | | |
|---|---|
| <p>15. Offers spare parts with good technical functions.</p> <p>16. Has a good technical knowledge.</p> <p>17. Has a skilled sales staff.</p> | <p>18. Has a committed and service minded sales staff.</p> <p>19. Offers a cost-effective solution.</p> |
|---|---|

The characteristic that is least important for the Nordic respondents is “geographical closeness” (0,81) and for those from the other European countries it is “has a good knowledge of your organisation” (0,83). Most important for the Nordic respondents are “keeps promises” (2,95), for the respondents from the other European countries it is “offers spare parts with good durability” (2,67). The most significant difference can be seen in the characteristic “delivery security”, where the Nordic respondents believe that it is more important than the respondents from the other European countries. There are only two means that have a value below one, “geographical closeness” from the Nordic respondents and “has a good knowledge of your organisation” when it comes to the respondents from the other European countries.

In the chart below we can see the mean values of the Nordic respondents and respondents from other European countries when it comes to rating Kvaerner Pulping on each characteristic. Table 5.6 showing the mean values and can be found in appendix F.

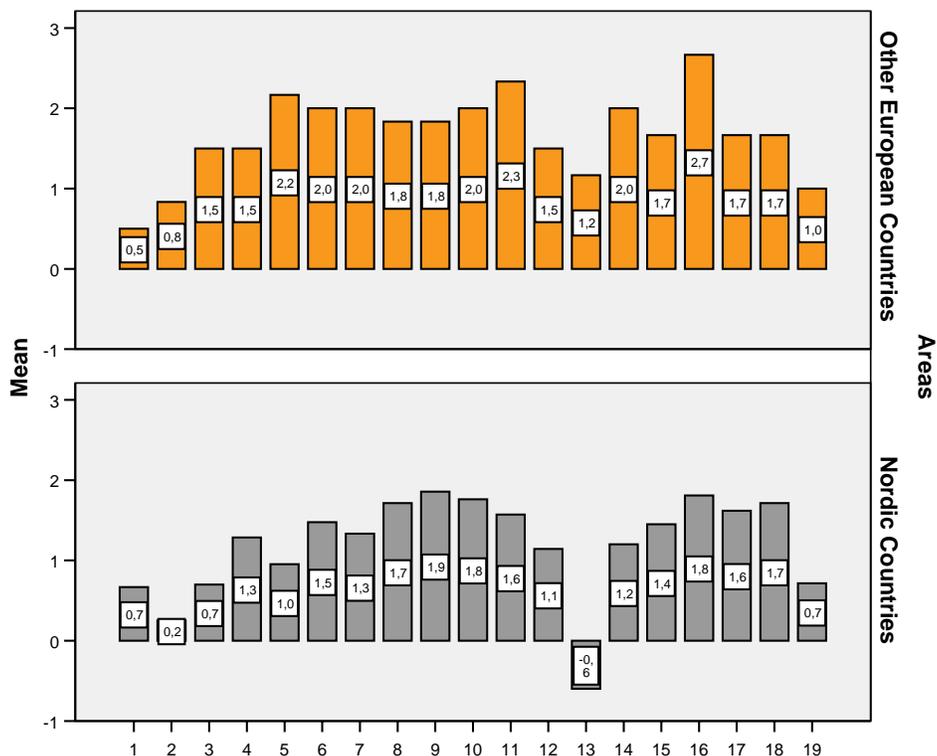


Chart 5.6 The degree to which Kvaerner Pulping lives up to each characteristic according to respondents from three Nordic countries and two other European countries

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1. Geographical closeness.
2. Short delivery time.
3. Delivers fast and accurate information about delays.
4. Delivers fast and accurate product information.
5. Informs when it comes to news and changes.
6. Fast responses to questions.
7. Keeps promises.
8. Delivery security.
9. Has a good knowledge of your organisation.
10. Understands your needs.
11. Is interested in developing long-term relationship.
12. Is flexible.
13. Offers spare parts worth their price.
14. Offers spare parts with good durability.
15. Offers spare parts with good technical functions.
16. Has a good technical knowledge.
17. Has a skilled sales staff.
18. Has a committed and service minded sales staff.
19. Offers a cost-effective solution.

In general Kvaerner Pulping has much more lower ratings from the Nordic respondents. Kvaerner Pulping has got a very low rating on “offers spare parts worth their price” from the Nordic respondents, the mean value of -0,60 which constitutes the most significant difference between the two groups. The respondents from the other European countries have rated Kvaerner Pulping much higher when it comes to this characteristic, a mean value of 1,17. When it comes to the respondents from the other European countries Kvaerner Pulping got the highest mean value on “has a good technical knowledge” (2,67), and the lowest mean value on “geographical closeness” (0,50). Regarding the Nordic respondents, Kvaerner Pulping generated the highest mean value on “has a good knowledge of your organisation” for which Kvaerner Pulping got a mean value of approximately 1,86.

Another interesting aspect when it comes to the question of the importance of each characteristic is whether there is a difference between the Swedish and Finnish respondents. We have constructed a chart to illustrate the distribution of mean values. Table 5.7 showing the mean values can be found in appendix G.

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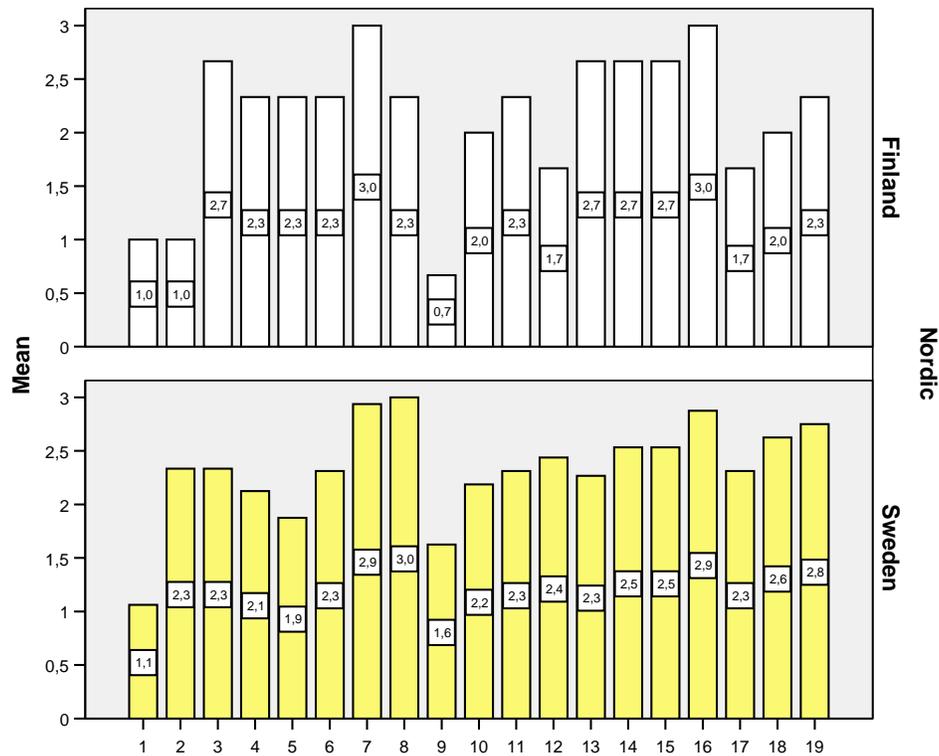


Chart 5.7 Important characteristics in a supplier on a general level according to respondents from Sweden and Finland

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Geographical closeness. 2. Short delivery time. 3. Delivers fast and accurate information about delays. 4. Delivers fast and accurate product information. 5. Informs when it comes to news and changes. 6. Fast responses to questions. 7. Keeps promises. 8. Delivery security. 9. Has a good knowledge of your organisation. 10. Understands your needs. | <ol style="list-style-type: none"> 11. Is interested in developing long-term relationship. 12. Is flexible. 13. Offers spare parts worth their price. 14. Offers spare parts with good durability. 15. Offers spare parts with good technical functions. 16. Has a good technical knowledge. 17. Has a skilled sales staff. 18. Has a committed and service minded sales staff. 19. Offers a cost-effective solution. |
|---|--|

The chart 5.7 above illustrates that almost all the characteristics have been given a high rating from both Swedish and Finnish respondents. The Finnish respondents have given the highest possible rating to “keeps promises” and “has a good technical knowledge”, and Swedish respondents have done the same for “delivery security”. The most significant difference is that Swedish respondents think “short delivery time” is much more important than those from Finland does. When it comes to the respondents from Sweden the characteristic gets a mean value of 2,33, and when it comes to those from Finland a mean value of 1,0.

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We have also constructed a chart to see if there is any difference between Swedish and Finnish respondents when it comes to rating Kvaerner Pulping. Table 5.8 showing the mean values can be found in appendix H.

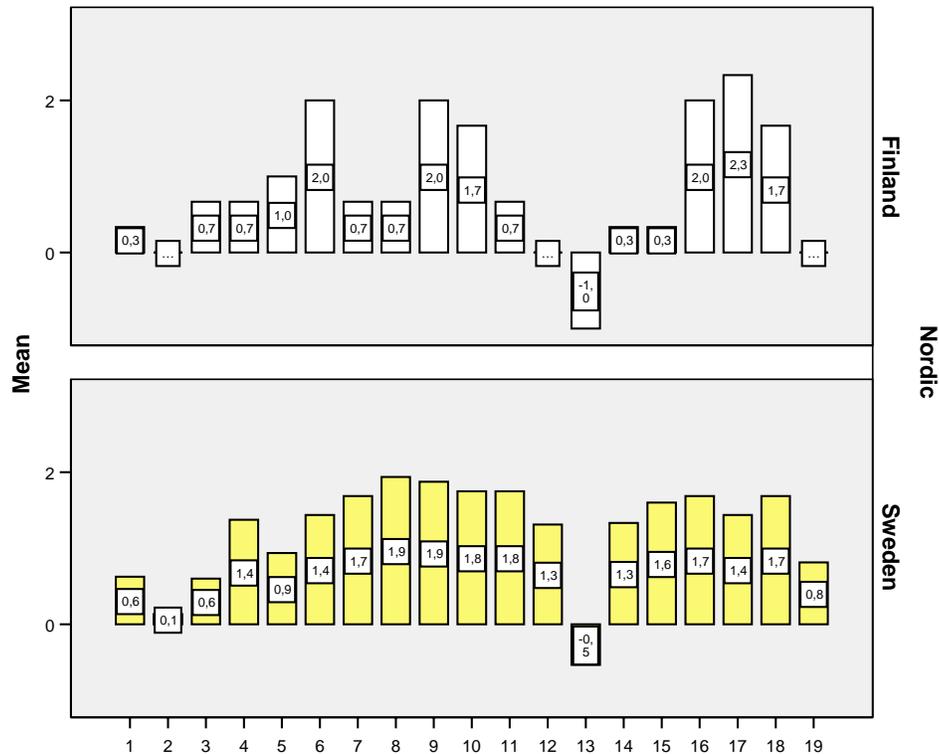


Chart 5.8 The degree to which Kvaerner Pulping lives up to each characteristic according to respondents from Sweden and Finland

- | | |
|---|---|
| 1. Geographical closeness. | 11. Is interested in developing long-term relationship. |
| 2. Short delivery time. | 12. Is flexible. |
| 3. Delivers fast and accurate information about delays. | 13. Offers spare parts worth their price. |
| 4. Delivers fast and accurate product information. | 14. Offers spare parts with good durability. |
| 5. Informs when it comes to news and changes. | 15. Offers spare parts with good technical functions. |
| 6. Fast responses to questions. | 16. Has a good technical knowledge. |
| 7. Keeps promises. | 17. Has a skilled sales staff. |
| 8. Delivery security. | 18. Has a committed and service minded sales staff. |
| 9. Has a good knowledge of your organisation. | 19. Offers a cost-effective solution. |
| 10. Understands your needs. | |

In the chart above three values are missing for the Finnish respondents, those should be 0,00 for all three of them. When it comes to Swedish respondents one value is missing, that of “offers spare parts worth their price, which should be -0,53. The Finnish respondents have rated Kvaerner Pulping the highest on “has a skilled sales staff”, and the lowest on “offers spare parts worth their price”. The Swedish respondents have rated Kvaerner Pulping the highest on “delivery security”, and the lowest on “offers spare parts worth their price”. The most significant difference is in the characteristic “is flexible”.

5.4 Kvaerner Pulping Compared to Competitors

We have constructed a table showing how Kvaerner Pulping is rated in comparison to their competitors. The tables for each characteristic which Table 5.9 is based upon can be found in the appendix G.

Table 5.9 Kvaerner Pulping compared to their competitors

Characteristics	Better	Equal	Worse	Missing Value
Geographical closeness	8	14	5	0
Short delivery time	4	18	5	0
Delivers fast and accurate information about delays	4	20	3	0
Delivers fast and accurate product information	9	15	3	0
Informs when it comes to news and changes	8	11	8	0
Fast responses to questions	9	14	4	0
Keeps promises	7	16	4	0
Delivery security	6	19	2	0
Has a good knowledge of your organisation	11	15	1	0
Understands your needs	11	15	1	0
Is interesting in developing long-term relationship	10	12	4	1
Is flexible	5	19	3	0
Offers spare parts worth their price	0	17	10	0
Offer spare parts with good durability	4	22	1	0
Offers spare parts with good technical functions	4	22	1	0
Has a good technical knowledge	12	14	1	0
Has a skilled sales staff	9	16	2	0
Has a committed and service minded sales staff	6	19	2	0
Offers cost effective solution	3	20	4	0
Total	130	318	64	1

As can be seen in the table above Kvaerner Pulping was mostly rated “equal” to their competitors, marked with green. Kvaerner Pulping got the most “better” than their

competitors when it comes to “has a good technical knowledge”. The characteristic they got the most “worst” ratings for is “offers spare parts worth their price”.

5.5 Changing Supplier

We thought it would be interesting to look at the main reasons for changing supplier. 23 of 27 respondents answered that price would be their main reason for changing supplier. Seven respondents answered that quality would be their reason. Six respondents answered delivery time. Three respondents mentioned durability. Two respondents have mentioned availability as an important factor. One respondent answered that flexibility would be a reason for changing supplier and another one mentioned more effective administration. Finally, one respondent stated that they would not consider changing supplier since they are dependent on Kvaerner Pulping.

5.6 Reducing the Number of Suppliers

We asked the respondents whether they were striving for a reduction in the number of suppliers of spare parts.

Table 5.29 Are you striving for a reduction in the number of suppliers when it comes to spare parts?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	21	77,8	77,8	77,8
	No	6	22,2	22,2	100,0
Total		27	100,0	100,0	

As can be seen in the table above 77,8 percent of the respondents answered that they were striving for a reduction, while 22,2 percent were not. Those that are striving for a reduction answered that their decision to do so were based on the fact that they believed it would generate benefits such as a lower price and a reduction in the number of materials used. Other reasons that were given for reducing the number of suppliers were that the respondent believed that it would lead to better terms, reduce costs, and improve delivery time. Another respondent answered that too many suppliers required a great deal of effort, which the respondent wanted to reduce. An additional reason for changing supplier that was given was to reduce working time and the possibility to get a better overview over the suppliers. Other reasons were the possibility of the reduction leading to a higher level of service and fewer transactions.

Of those that answered that they are not striving for a reduction, they gave reasons such as that they already use very few suppliers as it is today and that they are dependent on these supplier. Other reasons that were given were that the number of suppliers does not matter as long as the terms are good.

To see if the respondents have a stated plan for the reduction we asked two additional questions.

5.6.1 Number of Suppliers

The question of how many suppliers the respondents have when it comes to spare parts generated a great deal of varied answers. The respondent with the lowest number of suppliers stated two to three suppliers and the one with the highest number answered approximately 1000 suppliers. 10 of the respondents answered that they have between 2-30 suppliers. Six respondents mentioned that they had between 100 to 500 suppliers. Four respondents answered that they have more than 500 suppliers up to 1000 suppliers. Seven of those asked could not answer the question.

In some cases there is a great deal of variation in the answers between the two respondents from the same factory. These variations may be due to the fact that they interpret “spare part suppliers” differently.

5.6.2 The Plan of Reduction

We also asked how many suppliers the respondents strive to have in one to two years. 14 of the 27 respondents that were asked could not answer the question or did not have any goals set out. Five respondents stated that they have plans to reduce the number of suppliers with 50 percent. Three respondents want to reduce the number of suppliers with approximately 33 percent, two with 25 percent, one with 20 percent, one with 30 percent, and one with approximately 70 percent.

5.7 Buying Standardised Commodities from Kvaerner Pulping

We were interested in whether the customers would consider buying standardised commodities, such as gearboxes and hydraulic components, from Kvaerner Pulping. As can be seen in the table below 66,7 percent would consider buying from Kvaerner Pulping, while 29,6 percent would not consider buying standardised commodities from Kvaerner Pulping. One of the 27 respondents chose not to answer the question.

Table 5.30 Would you consider buying standardised commodities from Kvaerner Pulping?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18	66,7	69,2	69,2
	No	8	29,6	30,8	100,0
	Total	26	96,3	100,0	
Missing	99	1	3,7		
Total		27	100,0		

To more clearly illustrate the distribution of answers we have constructed a chart.

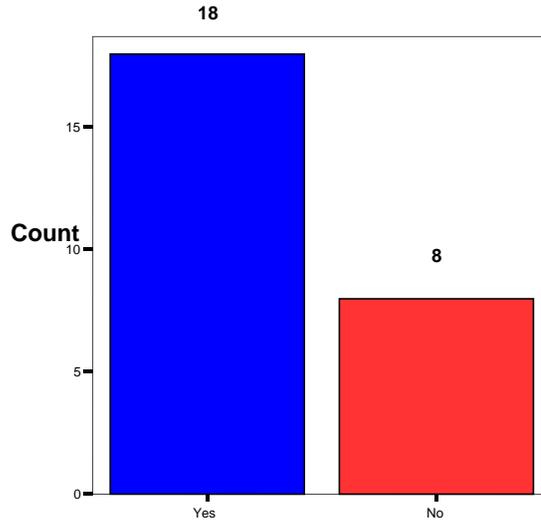


Chart 5.9 Would you consider buying standardised commodities from Kvaerner Pulping?

In the chart above we can see that 18 answered yes and eight answered no.

The following table shows how many of those who answered yes or no, rated different characteristics as the most crucial factor.

Table 5.31 The most crucial factor

Count		Factor 1					Total	
		Price	Technical Support	Reliability	Consideration for your special needs	Process Knowledge		Other
	Would you consider buying standardized commodities (for example gear boxes, hydraulic components) from Kvaerner Pulping AB?							
	Yes	9	2	2	1	1	3	18
	No	3	0	1	0	2	2	8
	Total	12	2	3	1	3	5	26

We can see that of those that answered yes nine put “price”, two put “technical support”, two “reliability”, one “consideration for your special needs”, one “process knowledge”, and three “other” as the most crucial factor. Of those that answered no three put “price”, one “reliability”, two “process knowledge”, and two “other” as the most crucial factor for their standpoint.

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Table 5.32 The second most crucial factor

Count		Factor 2					Total	
		Price	Technical Support	Delivery Time	Reliability	Consideration for your special needs		Process Knowledge
Would you consider buying standardized commodities (for example gear boxes, hydraulic components) from Kvaerner Pulping AB?	Yes	4	5	5	2	0	2	18
	No	0	4	2	0	2	0	8
Total		4	9	7	2	2	2	26

Of those that have answered yes, five respondents have answered “delivery time” and five respondents have answered “technical support” as the second most crucial factor. Respondents who answered no, four of them stated “technical support” as the second most crucial factor.

Table 5.33 The third most crucial factor

Count		Factor 3						Total	
		Price	Technical Support	Relationship	Delivery Time	Reliability	Consideration for your special needs		Process Knowledge
Would you consider buying standardized commodities (for example gear boxes, hydraulic components) from Kvaerner Pulping AB?	Yes	2	3	1	5	5	1	1	18
	No	3	0	0	1	3	0	0	7
Total		5	3	1	6	8	1	1	25

Of those that have answered yes, five have stated “delivery time” and five “reliability” as the third most crucial factor. Of those that have answered no, three respondents have stated “reliability” and three “price” as the third most crucial factor.

5.8 OEM Including a Smaller Risk Premium

We were interested in whether the respondents could sympathise with the fact that an OEM, original equipment manufacturer, like Kvaerner Pulping would include a smaller risk premium in their price.

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Table 5.34 Would you sympathize with that OEM includes a smaller risk premium in their price?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	17	63,0	63,0	63,0
	No	10	37,0	37,0	100,0
	Total	27	100,0	100,0	

As can be seen in the table above 63 percent answered yes and 37 percent answered no.

5.9 Information Required for a Buying Decision

Information is a part of creating customer satisfaction and we asked the respondents whether they in the present situation have enough information (for example when it comes to delivery time, product characteristics, technical information, and price) to make a buying decision. As can be seen in the table below one of the 27 respondents chose not to answer the question.

Table 5.35 In the present, do you have enough information to make a buying decision?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	17	63,0	65,4	65,4
	No	9	33,3	34,6	100,0
	Total	26	96,3	100,0	
Missing	99	1	3,7		
Total		27	100,0		

The table above depicts that approximately one third, 33,3 percent, of the respondents considered that they do not have enough information to make a buying decision. These respondents that lack information claimed that they are in need of “technical information”, “product information”, “delivery time”, “how much time it will take to prepare offers”, “documentation”, and “price”. Most of these respondents are in need of more technical information. We have constructed a chart to illustrate the distribution of answers more clearly.

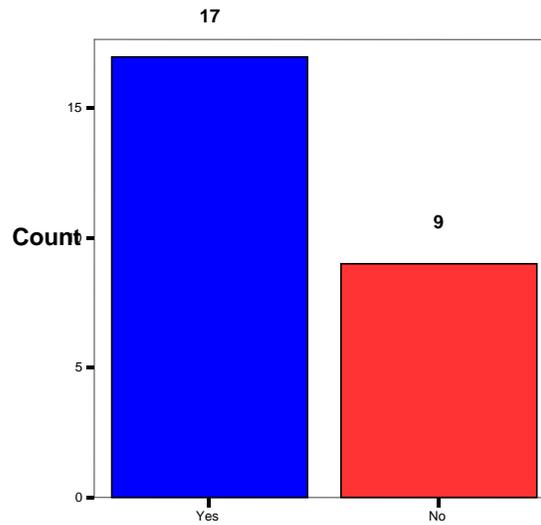


Chart 5.0 In the preset, do you have enough information to make a buying decision?

As can be seen in the chart above 17 of the respondents felt that they have enough information and nine felt that they lack information.

5.10 The Ordering Process

As we have mentioned earlier it is very important that all aspects of the customer-supplier relationship works as smoothly as possible. That is the reason why we chose to include a question regarding whether the respondents would consider using a website for offers and orders instead of the fax, which they use today.

Table 5.36 Would you consider using a Website instead and do this electronically which would enable you to follow the whole process?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18	66,7	72,0	72,0
	No	7	25,9	28,0	100,0
	Total	25	92,6	100,0	
Missing	99	2	7,4		
Total		27	100,0		

As can be seen above 66,7 percent of the respondents answered yes and 25,9 percent answered no. Those that answered yes, three respondents stated that the process would be faster. Another of these respondents stated that it would generate access to more information and that they would get better control of the information. Three of the respondents that answered yes stated that buying through a website is a natural

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development. Three simply stated that it would be easier. One respondent that answered yes gave the reason that buying through a website would enable them to look for prices themselves. Another respondent stated that it would facilitate making changes at delays and making forecasts.

Of those respondents that answered no, one respondent thought that buying through a Website would contribute to double effort for the customer. Another of these respondents stated that there would be a risk that the responsibility of information about delays would be forced on the customer. Another reason for not wanting to buy through a website is the lack of personal contact. Three respondents stated that they do not have systems that are adapted for buying through a website. Another respondent answered that the products that they buy are very specific and thought that buying through a website would mean that they would have to spend a great deal of time looking for the right products.

6. ANALYSIS

In this chapter we analyse our empirical findings with the help of theories presented in chapter four. We have based the structure of this chapter on the structure of our empirical study.

6.1 The Purchasing Process

According to Morris et al. (2001) a great deal of individuals are involved in the buying process. The empirical study showed that the purchase department is one of the parties involved both when it comes to planned and unplanned purchases. This department can be assigned roles such as buyer, influencer, decider, and gatekeeper. The second most mentioned department when it comes to both planned and unplanned purchases was the maintenance department, which can be assigned to the roles of initiator, user, and influencer. Other departments stated as involved in planned purchases were operations, the project department, production, construction, the storage department, and the technical department. When it comes to unplanned purchases, other stated departments were operations, production, the project department, the technical department, and the storage department. These departments have, as does the purchase department and maintenance, different roles in the purchasing process. Operations can for example take on the roles of initiator, user, and influencer. Our research supports the theory of Morris et al. (2001) that it can be challenging to identify who is filling each role.

The individuals of these departments that are all within the customer's organisation interact with each other and have relationships with each other. They constitute a network and this network interacts with the network of Kvaerner Pulping's organisation. It is important to recognise that so many departments, from the customer's organisation, besides the purchasing department are involved in the purchasing process and in consuming the product.

6.2 Planned and Unplanned Purchases

In chapter four we mentioned that knowledge of the customers' maintenance process is very important and that the process can be divided into two groups: planned and unplanned purchases. We asked the respondents what they considered to be the main difference between planned and unplanned purchases. The most frequent answer was the time associated with each purchase. When it comes to unplanned purchases things need to happen fast so that losses and costs will be kept at a minimum. When it comes to planned purchases there is more time to evaluate offers.

6.3 Important Characteristics in a Supplier

When looking at customer satisfaction and quality there are a great deal of elements that can be involved, and these can have different levels of importance to different customers.

6.3.1 The Network Perspective

According to theory, the supplier-customer relationship grows during several stages in which collaborators are involved from both Kvaerner Pulping and their customers. We have connected these stages to the results of our research, which can be found in Table 5.2 that shows the degree to which Kvaerner Pulping lives up to each characteristic.

1. Establishing contact and credibility. Gummesson (1998) means that the first thing that a supplier needs to do is to create good contact with the customer and create credibility. If we divide all characteristics into these stages we can get a value for each stage that concerns Kvaerner Pulping.

The following characteristics belongs to this stage of the relationship: “short delivery time” (0,38), “delivers fast and accurate information about delays” (0,88), “delivers fast and accurate product information” (1,33), “informs when it comes to news and changes” (1,22), “fast responses to questions” (1,59), “keeps promises” (1,48), “delivery security” (1,74), “has a good knowledge of your organisation” (1,85), “understands your needs” (1,81), is interested in developing long-term relationship” (1,74), “is flexible” (1,22), “offer spare parts worth their price” (-0,19), “offers spare parts with good durability” (1,38), “has a good technical knowledge” (2,00), “has a skilled sales staff” (1,63), “has a committed and service minded sales staff” (1,70), and “offers a cost-effective solution” (0,78).

Above we can see that “has a good technical knowledge”, “has a good knowledge of your organisation”, and “understands your needs” are the three characteristics that have the highest means. Kvaerner Pulping needs to make improvements on establishing contact when it comes to “short delivery time”, “offers spare parts worth their price” and “offers cost-effective solution”.

2. Competitive bidding.

Characteristics such as “delivers fast and accurate product information” (1,33), “fast responses to questions” (1,59), and “delivery security” (1,74) fits under competitive bidding since these are necessary when the customer-supplier puts forward his/her offer.

As we can see above, Kvaerner Pulping gets the highest rating for “delivery security”, the second for “fast responses to questions” and the third highest for “delivers fast and accurate product information” when it comes to competitive bidding.

3. Evaluation of competitive bidding. We have limited knowledge regarding this stage.

4. Contract. We have limited knowledge regarding this stage.

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5. *Planning, engineering, and market adaptation.* In this stage, Kvaerner Pulping is trying to adapt the equipment to an individual customer's needs. Characteristics that fits to this stage are; "is flexible" (1,22), "understand your needs" (1,81), "offers spare parts with good technical functions" (1,50), and "has a good technical knowledge" (2,00).

As we can see when it comes to this stage, Kvaerner Pulping is good at "has a good technical knowledge" and less good at "is flexible". They have not generated bad ratings on the characteristics connected to this stage, but there are room for improvement.

6. *Production.* We have connected two characteristics to this stage; "geographical closeness", (0,63) and "short delivery time" (0,38). These two values show that customers have rated them the lowest. For many of Kvaerner Pulping's customers, there is huge geographical distance between buyer and seller, which means that customers only sometimes can make visits to production to ensure quality levels, that delivery dates will be kept, and to prevent problems with delays before they become acute.

7. *Delivery and installation.* To delivery and installation we connect the following characteristics; "short delivery time" (0,38), "delivery security" (1,74), "has a good technical knowledge" (2,00), "offers spare parts with good technical functions" (1,50), and "understand your needs" (1,81). As we can see Kvaerner Pulping is good at "has a good technical knowledge" and less good at "short delivery time" when it comes to stage seven.

8. *After sales.* Kvaerner Pulping gets an opportunity for further sales, since the spare parts that they sell leads to a continuous relationship with the customer.

9. *Conclusions and evaluation.* In this last stage Kvaerner Pulping needs to reflect upon what was good and what was bad in the relationship.

If a supplier-customer relationship is to be successful the two involved networks need to share certain values. (Gummesson, 2004)

- Of those characteristics that we asked the respondents to rate Kvaerner Pulping upon, three can be connected to the value "will to cooperate"; "has a good knowledge of your organisation", "understand your needs", and "is interested in developing long-term relationship". Kvaerner Pulping got a mean of 1,85 for "has a good knowledge of your organisation", 1,81 for "understand your needs", and 1,74 for "is interested in developing long-term relationship" (Table 5.2). Kvaerner Pulping got rather high means for all of these characteristics and can therefore be considered to have the will to cooperate.
- Whether both parties feel like winners depend on if they feel like they get more from the relationship than they give. If this is the case for Kvaerner Pulping's customers we will look into using Bovik's (2004) model later on in the analysis.
- Since Kvaerner Pulping got a high mean value, for the characteristics "has a good knowledge of your organisation", and "understand your needs", we can conclude that they treat every client individually.

6.3.2 *The Concept of Quality*

As we have mentioned earlier quality can be so many things to different customers, and therefore several categories need to be managed.

Managing product quality

For Kvaerner Pulping who is producing and selling spare parts there are three major categories of quality according to Morris et al. (2001) that they need to manage as we have mentioned in chapter four. If we connect all our characteristics and their mean values (Table 5.2) to the three categories and then calculate a new mean of the mean values we can see how well Kvaerner Pulping manage these quality categories. The mean value of each characteristic can be found in the brackets.

1. *Product quality*. To this we can connect "offers spare parts with good durability" (1,42), "offers spare parts with good technical functions" (1,50), and "offers spare parts worth their price" (-0,19).
2. *Support quality*. To this category we connect "delivers fast and accurate information about delays" (0,88), "delivers fast and accurate product information" (1,33), "informs when it comes to news and changes" (1,22), "fast responses to questions" (1,59), "keeps promises" (1,48), "has a good knowledge of your organisation" (1,85), "understands your needs" (1,81), "is interested in developing long-term relationship" (1,74), "is flexible" (1,22), "has a good technical knowledge" (2,00), "has a skilled sales staff" (1,63), "has a committed and service minded sales staff" (1,70), and "offers a cost effective solution" (0,78).
3. *Delivery quality*. To this we can relate "geographical closeness" (0,63), "short delivery time"(0,38), and "delivery security" (1,74).

The new mean for product quality is 0,91 , for support quality 1,48, and for delivery quality 0,92. According to the customers Kvaerner Pulping is best at managing support quality, second best at product quality and the worst at delivery quality. None of the new means are very bad but they could be more satisfying and therefore there are room for improvement especially when it comes to product quality and delivery quality.

6.3.3 *Comparing Important Characteristics of a Supplier to how well Kvaerner Pulping Performs of each Characteristics*

In our theory we have stated that quality is a crucial part of customer satisfaction, but quality can be so many things. So for a supplier it is important to look at the quality dimensions from the customer's perspective.

Table 5.1 shows us what Kvaerner Pulping's customers' value. Most important, with the highest mean value 2,85, is that Kvaerner Pulping "keeps promises", in second place comes "has a good technical knowledge" with a mean of 2,81 and in third place with a mean value of 2,70 "delivery security". These mean values are later on referred to as the three characteristics with the highest general mean value. The least important

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characteristics is “geographical closeness” (0,93) and “has a good knowledge of your organisation”(1,30).

The biggest difference between the general mean value and Kvaerner Pulping's mean value is “offers spare parts worth their price”. This is very important for the customer in general with a mean value of 2,27 but Kvaerner Pulping has been given a negative mean value (-0,19).

According to the customers Kvaerner Pulping is best at “has a good technical knowledge” (2,00), “has a good knowledge of your organisation”(1,85), and “understands your needs” (1,81). They are worst at “offers spare parts worth their price” and as we mentioned above they got a negative rating on this characteristic. (Table 5.2)

When it comes to Kvaerner Pulping and the three most important characteristics on a general level we can see that Kvaerner Pulping only have a rating of 1,48 on “keeps promises”, 2,00 on “has a good technical knowledge”, and 1,74 on “delivery security”.

What does this tell us? On the three most important characteristics to create customer satisfaction for the customer, according to the customers themselves, Kvaerner Pulping does not fulfil these demands. According to this Kvaerner Pulping cannot conform to the customers' requirements. This leaves Kvaerner Pulping with a lot to work with. Kvaerner Pulping does not exceed the demand on any of the characteristics.

6.3.4 Purchase Compared to Maintenance

Table 5.3 reveals that purchase thinks that “keeps promises” are the most important characteristic and have given this characteristic the highest rating possible (3,00). The second most important is “delivers fast and accurate information about delays” (2,92). Maintenance on the other hand have given the highest rating to “has a good technical knowledge” (2,86). For maintenance “keeps promises” and “delivery security” is equally important (2,71) and share the second place for most important. That the maintenance department value “has a good technical knowledge” the highest is not surprising because it is mostly this department that works with the technical functions of the spare parts. It is also not surprising that the purchase department value “keeps promises” the highest because in most cases it is this department that makes the order. So it is very important for them that the supplier keeps their promises.

Kvaerner Pulping has here generated a satisfying result. Even though Kvaerner Pulping's rating did not match the general ratings the characteristic that maintenance values the most is the characteristic that Kvaerner Pulping is considered to be best at according to maintenance.

Maintenance has given the best rating, 2,14, (Table 5.4) to Kvaerner Pulping on “ has a good technical knowledge”. The purchase department thinks that Kvaerner Pulping is the second best on this characteristic (1,85).The only characteristic that purchase consider Kvaerner Pulping to be a little bit better at is “has a good knowledge of your organisation” and “understands your needs” (1,92). The biggest difference between the

two departments is “is flexible”. The fact that Kvaerner Pulping gets a higher rating for “is flexible” from maintenance can be due to the fact that when maintenance is in contact with Kvaerner Pulping it usually concerns unplanned purchases. They are then in need of a supplier that is flexible and willing to meet their demands and Kvaerner Pulping being aware of this probably puts more effort into it. Both purchase and maintenance, as we have mentioned in our empirical study, thinks that Kvaerner Pulping should be rated lowest for “offers spare parts worth their price”. This can be questioned because of the fact that the customers wants the cheapest price possible and by giving Kvaerner Pulping a low rating on this characteristic they might hope for a reduction in the price. The underlying reason for giving this answer can be a hope of personal gain.

Earlier we have mentioned which three characteristics got the highest general mean value when we looked at the respondents combined. Now we are interested in how maintenance and purchase value Kvaerner Pulping on these three characteristics with the highest general mean value. “Keeps promises” had a general mean value of 2,85 and purchase gave Kvaerner Pulping a rating of 1,31 and maintenance gave Kvaerner Pulping 1,64 on this characteristic. A mean value of 1,31 and 1,64 is not a specially high or low rating but in comparison to 2,85 it is a bad value for Kvaerner Pulping. Purchase gave “has a good technical knowledge” 1,85 and maintenance gave 2,14, the general rating was 2,81. So neither purchase nor maintenance thinks that Kvaerner Pulping fulfil this characteristic. But neither 1,85 nor 2,14 is bad rating. When we look at “delivery security”, which had a general mean value of 2,70, maintenance (2,07) gave a higher rating than purchase (1,38). (Table 5.1 and table 5.4). The reason that maintenance valued “deliver security” higher might be that they are more dependent upon the spare parts arriving on time.

From this we can see that even though Kvarner Pulping does not reach the general level of mean value they got sufficient ratings.

6.3.5 Nordic Respondents Compared to Respondents from Other European Countries

In Table 5.5 the most important for the Nordic respondents is “keeps promises” with the mean value, 2,95. Also the respondents from the other European countries believe that “keeps promises” is important (2,50) but “offers spare parts with good durability” is the most important (2,67). The least important is “geographical closeness” for the Nordic respondents (0,81) and “has a good knowledge of your organisation” is least important for the respondents from the other European countries (0,83). What can be the reason for the fact that “geographical closeness” is the least important for the Nordic respondents? Why is “has a good knowledge of your organisation” not especially important for the respondents from the other European countries? An explanation for the Nordic respondents giving “geographical closeness” such a low rating might be the short distance that exists between them and Kvaerner Pulping, and therefore they take it for granted. The reason why the respondents from the other European countries have given “has a good knowledge of your organisation” such a low rating might be due to cultural factors.

The biggest difference in importance for these two areas is “delivery security”. There is no obvious explanation for this difference. The biggest difference in rating Kvaerner Pulping is “offers spare parts worth their price”. For those respondents from the other European countries that are not located in the same area as Kvaerner Pulping, we believe that price is not the most crucial factor for buying from Kvaerner Pulping.

The Nordic respondents rate “has a good knowledge of your organisation” as the characteristic that Kvaerner Pulping is best on (1,86). The second best is “has a good technical knowledge” (1,81). With a mean value of 2,67 “has a good technical knowledge” is Kvaerner Pulping’s number one according to the respondents from the other European countries, number two with a value of 2,33 is “is interested in developing long-term relationship”. From the Nordic respondents Kvaerner Pulping got the lowest rating on “offers spare parts worth their price” (-0,60) and “geographical closeness” is lowest ranked by the respondents from the other European countries (0,50). But in general the Nordic respondents are less satisfied with Kvaerner Pulping.

This tells us that the customers from the other European countries value technical knowledge the most and this is probably the reason why they have chosen to buy from Kvaerner Pulping.

If we again compare with the three characteristics with the highest general mean values from how important each characteristic is we can see how the Nordic respondents and those from the other European countries have rated Kvaerner Pulping on these characteristics. “Keeps promises” has been given a mean value of 2,00 from the respondents from the other European countries. The Nordic respondents have given the characteristic a mean value of 1,33. In general the mean value is 2,85 so none of the areas think that Kvaerner Pulping meets their demands. When it comes to “has a good technical knowledge” the general mean value is 2,81 and the respondents from the other European countries’ rating on Kvaerner Pulping (2,67) is very close but the Nordic respondents’ rating (1,81) is lower. “Delivery security” have a general value of 2,70 and the respondents from the other European countries when rating Kvaerner Pulping have a mean value of 1,83 and the Nordic respondents a value of 1,71 which is much lower than the general level. On these three characteristics and in general the respondents from other European countries are more satisfied with Kvaerner Pulping.

6.3.6 Swedish respondents Compared to Finnish respondents

Most important for the Swedish respondents are “delivery security” with a maximum value of 3,00, secondly most important are “keeps promises” with a mean value of 2,94. For the Finnish respondents “keeps promises” and “has a good technical knowledge” are most important (3,00) and four; “delivers fast and accurate information about delays”, “offers spare parts worth their price”, “offers spare part with good durability”, and “offers spare parts with good technical functions” share second place (2,67). Least important is “geographical closeness” (1,06) according to the Swedish respondents and according to those from Finland it is “has a good knowledge of your organisation” (0,67). We can see that these two countries differ when it comes to rating how important each characteristic is. (Table 5.7)

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The biggest difference when it comes to the importance of the characteristics is “short delivery time” and when it comes to Kvaerner Pulping’s ratings it is “is flexible” where the Swedish respondents have given a higher rating. We do not know the reason for customers in Finland rating Kvaerner Pulping lower than Swedish customers, but they might be comparing the company to the domestic suppliers. The Swedish customers have rated “short delivery time” higher than those from Finland and this can be due to the fact that the Swedish customer is closer in distance to Kvaerner Pulping.

Kvaerner Pulping’s highest mean value from the Swedish respondents is “delivery security” (1,94) and “has a good knowledge of your organisation” (1,88). From the Finnish respondents the highest value have been given to “has skilled sales staff” (2,33). Both Swedish (-0,53) and Finnish respondents (-1,0) have given their lowest values to “offer spare parts worth their price”.

Compared to the general mean values on the three most important characteristics the Swedish respondents think that Kvaerner Pulping is better than the Finnish respondents does on two characteristics; “delivery security”(Swedish respondents 1,94; Finnish respondents 0,67) and “keeps promises”(Swedish respondents 1,69; Finnish respondents 0,67). When it comes to “has a good technical knowledge”(Swedish respondents 1,69; Finnish respondents 2,00) the Finnish customers are more satisfied with Kvaerner Pulping.

When it comes to rating Kvaerner Pulping, the Finnish respondents are more negative to Kvaerner Pulping’s performance than the Swedish respondents are. It is only when it comes to “delivers fast and accurate information about delays”, “informs when it comes to news and changes”, “fast responses to questions”, “has a good knowledge of your organisation”, “has a good technical knowledge”, and “has a skilled sales staff” that the Finnish respondents have given Kvaerner Pulping higher ratings than the Swedish respondents.

From all of our comparisons we can see that most important characteristics according to all our groups are “keeps promises”, “has a good technical knowledge”, “delivery security”, and “delivers fast and accurate information about delays”. From our comparisons we can also see that Kvaerner Pulping has been given the worst ratings on “offers spare parts worth their price”. All our groups except one have given a negative mean value to Kvaerner Pulping when it comes to this characteristic. Best mean values have been given to Kvaerner Pulping for “has a good technical knowledge”, “has a good knowledge of your organisation”, and “is interested in developing long-term relationship”. When looking at the three most important characteristics, from when we have studied all the customers, we can conclude that the maintenance departments from the two other European countries and Swedish respondents are most satisfied with Kvaerner Pulping. The least satisfied are the purchase departments from the Nordic countries and especially the ones from Finland.

All our comparisons also reveal that quality is “transcendent”. Quality truly varies between individuals and this strengthens the theory that quality is really hard to determine. Our study also shows that quality is “user-based” because as a supplier you have to see quality from a customer perspective, and quality is what gives the customer satisfaction. It is the customers own personal judgement of what he or she gets in relation to what he or she can or wants to pay, so quality can also be “value-based”. (Gummesson, 1991)

6.3.7 The Concept of Customer-Perceived Value

In chapter four we also presented several models in the attempt to clarify the concept of customer-perceived value. We introduced three terms: value attributes, value drivers, and value features. In our questionnaire we asked the respondents to rate 19 different characteristics on how important each characteristic is in a supplier and to rate Kvaerner Pulping on how well they live up to each characteristic. These 19 characteristics can be described as what Bovik (2004) calls value drivers, since they are all important in creating value for the customer. These value drivers/characteristics can be connected to value features. Each characteristic can be connected to more than one value feature. The supplier’s organisation needs to perform well on each value feature otherwise value will be lost. We have chosen to solely focus upon how customer-perceived value is created, and therefore only include the left side of Bovik’s (2004) models. In the model below four of these value drivers are connected to “availability of spare parts”, which is a value feature. The mean value on how Kvaerner Pulping was rated on each value driver by the respondents can be found in each corresponding box (Table 5.2).

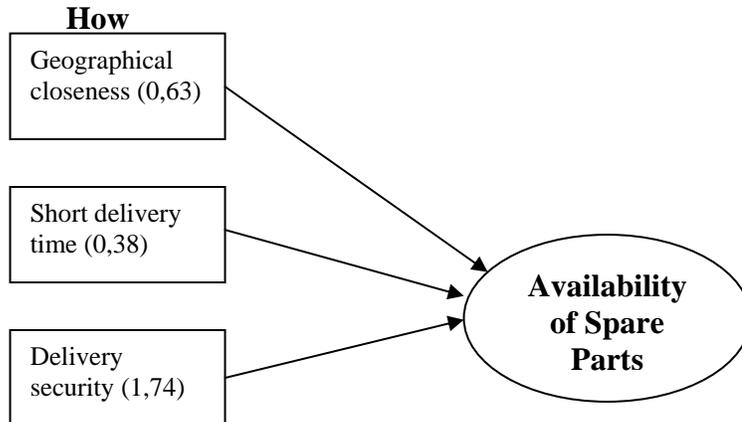


Figure 6.1 Availability of spare parts

Kvaerner Pulping was rated rather low on both “geographical closeness” and “short delivery time”, while “delivery security” got a rather high mean. The value drivers do not affect the value feature negatively, but a higher rating would have contributed to a sense of more value for the customer.

Another value feature that Bovik (2004) has included in the model is “organisation efficiency”. This value feature also applies to the case of Kvaerner Pulping. However we

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consider it to be composed of slightly different value drivers. Kvaerner Pulping's mean value for each value driver can be found in the corresponding box (Table 5.2).

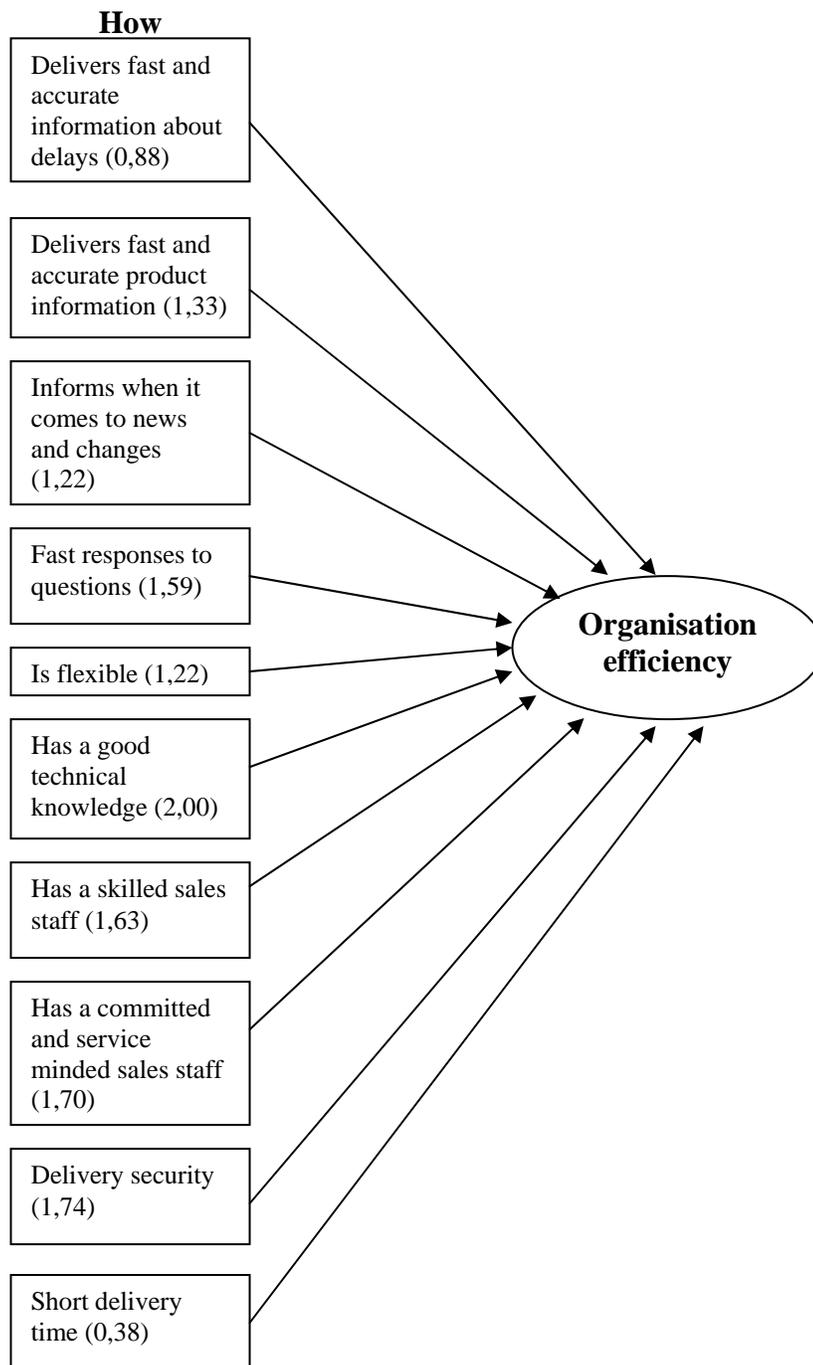


Figure 6.2 Organisation efficiency

Kvaerner Pulping has got mean values that are above one for all of these value drivers except for the value driver “delivers fast and accurate information about delays” which has a mean value of 0,88 and “short delivery time” with a mean value of 0,38.

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When it comes to the value feature “financial benefits”, only two of our characteristics/value drivers can be connected to this feature: “offers products worth their price” and “offers a cost-effective solution”. Mean values regarding Kvaerner Pulping’s rating on the two value drivers can be found in the corresponding box (Table 5.2).

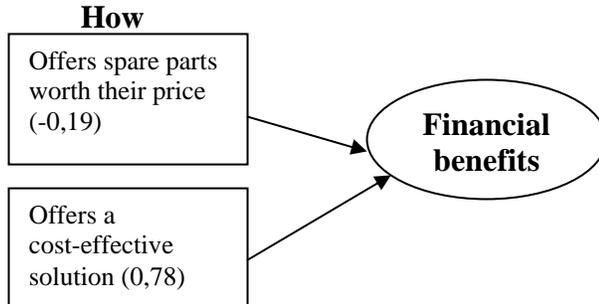


Figure 6.3 Financial benefits

The characteristic “offers spare parts worth their price” got a mean value of $-0,19$. (Table 5.2) This affects the value feature “financial benefits” negatively. Kvaerner Pulping has also got a rather low mean, $0,78$, when it comes to “offers a cost-effective solution”, the other value driver that belongs to the value feature “financial benefits”.

The third value feature of “collaborative partnership” that Bovik (2004) presents, is in our case related to three of our characteristics: “has a good knowledge of your organisation”, “understands your needs”, and “is interested in developing long term relationship”. The mean values for Kvaerner Pulping’s ratings for each characteristic can be found in the corresponding box (Table 5.2).

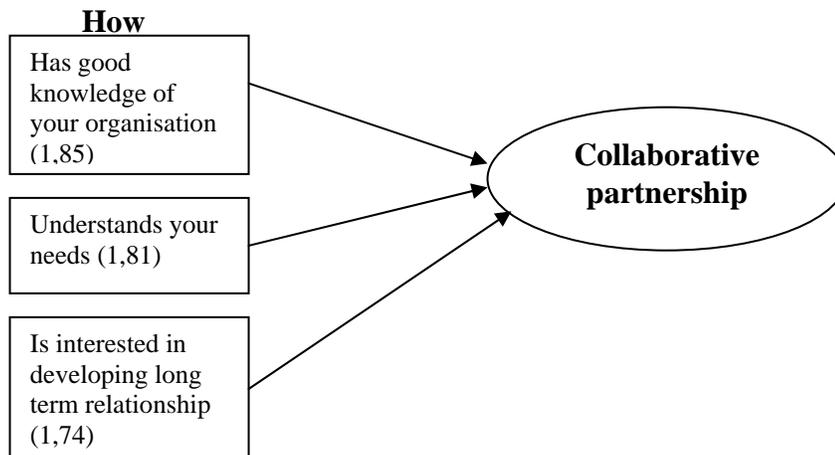


Figure 6.4 Collaborative partnership

Kvaerner Pulping’s mean values on these three characteristics are rather high. They are all above $1,70$.

We have done a similar model to show which value drivers we consider belong to the value feature of “trust”. Kvaerner Pulping’s mean value on each value driver can be found in the corresponding box (Table 5.2).

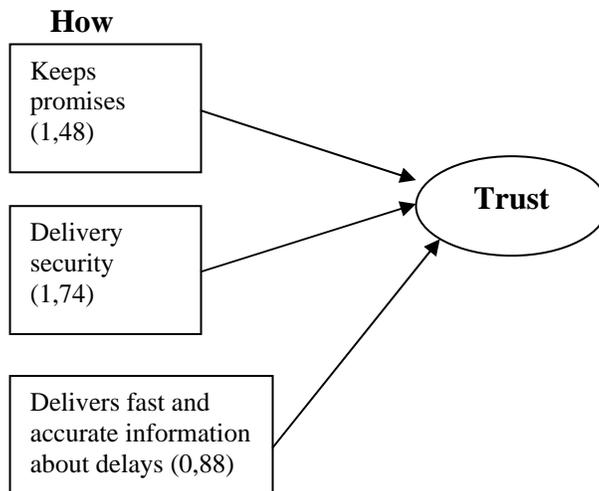


Figure 6.5 Trust

“Delivers fast and accurate information about delays”, has generated a mean value below one, but it does not affect the value feature “trust” negatively.

This far we have been able to fit our characteristics, our value drivers, into the same value features that Bovik (2004) has used. However we have two characteristics that have not been connected to a value feature yet; “offers spare parts with good durability” and “offers spare parts with good technical functions”. Using these value drivers we can construct a new value feature, that of “product characteristics”.

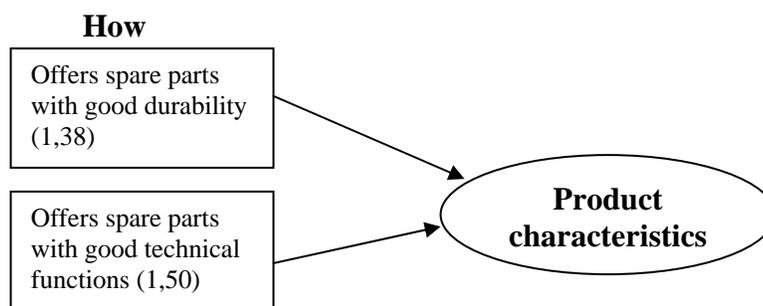


Figure 6.6 Product characteristics

Kvaerner Pulping has got mean values above 1,30 for these two value drivers.

We can now put the value features into Bovik’s (2004) model showing the get- and the give-side. Besides the value features constructed by Bovik (2004), we include the value feature “product characteristics”.

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<u>Get</u>	<u>Give</u>
Availability of spare parts Organisation efficiency Product characteristics Financial benefits Collaborative partnership Trust	Sacrifices to use offering

Prerequisites in industry: Laws, regulations and standards

Figure 6.7 The scale of customer-perceived value

According to the respondents Kvaerner Pulping performs rather well on all value drivers, except when it comes to those connected to the value feature financial benefits. “Offers spare parts worth their price” is the only value driver that has generated a negative mean value, and therefore affects the “financial benefits” negatively. The other value driver, “offers a cost-effective solution” connected to this value feature has generated a positive mean value and therefore balances out the negative effect of “offers products worth their price”. Had this not been the case, and both value drivers had affected the value feature negatively, weight would have been shifted from the get-side to the give-side. We can conclude that Kvaerner Pulping performs adequately on all value features, however some improvement would create a stronger sense of value for the customer.

When the theories were presented we also introduced one of Bovik’s (2004) models that illustrated the notion of flow. We have focused on how value can be created and therefore only include the origin of value-side of the model and do not follow the flow to see the effects in the customer organisation.

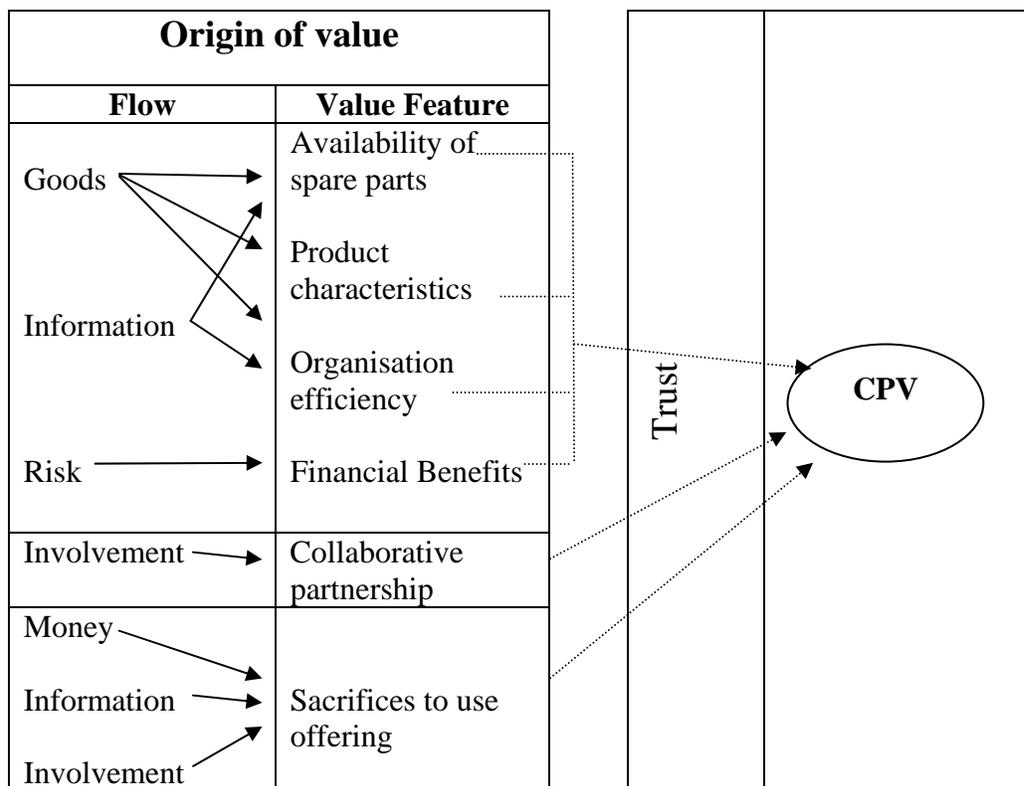


Figure 6.8 The notion of flows

In the model above we can see how our different value features are connected to flows of goods, information, risk, involvement, and money. “Availability of spare parts” is connected to value drivers such as “short delivery time” and “delivery security”. Both of these value drivers entail the flow of goods and information. The value feature “product characteristics” is solely connected to flows of goods.

As we saw in the model on page 59 illustrating the how-side of “organisation efficiency”, value drivers such as “delivers fast and accurate information about delays”, “delivers fast and accurate product information”, “informs when it comes to news and changes”, “fast responses to questions”, and “has good technical knowledge” were connected to this value feature. All of these value drivers entail some kind of flow of information. The flow of goods is also connected to the value feature “organisation efficiency”; as for example when it comes to “delivery security”. The value feature “financial benefits” is connected to the value drivers “offers a cost-effective solution” and “offers products worth their price”, which to some degree reduces the risk that an investment entails. To the value feature “collaborative partnership” we connected “has good knowledge of your organisation”, “understands your needs”, and “is interested in long-term relationship”. All of these value drivers demand involvement from the supplier organisation. The value feature “sacrifices to use offering”, is the only feature on the give-side. This value feature is connected to three flows; money, information, and involvement. Trust plays an essential part in creating customer-perceived value. All of these value features are filtered by trust before creating customer value and at the same time they are a part of creating trust.

6.4 Kvaerner Pulping Compared to Competitors

Quality in Kvaerner Pulping's spare parts is, as Morris et al. (2001) explains, their source of competitive advantage.

If we look at the three characteristics with the highest general mean value ("keeps promises", "delivery security", and "has a good technical knowledge") and compare Kvaerner Pulping to their competitors on these characteristics, we can see that Kvaerner Pulping is rated equal to their competitors. (Table 5.9)

"Has a good technical knowledge" has been given the most "better" ratings, by 12 respondents. The highest number of respondents (10) who rated Kvaerner Pulping worse was on "offers spare parts worth their price", no respondent have answered that Kvaerner Pulping are better than their competitors on this characteristics. "Offers spare parts with good durability" and "offers spare parts with good technical functions" has been given the most "equal" ratings (22).

When looking at the total ratings Kvaerner Pulping is on most of the characteristics "equal" to their competitors (318), second most (130) "better" than and "worse" than have been given the lowest rating (64).

The characteristic "offers spare parts worth their price" has again been given the worst grade but this, as we have mentioned before, can be due to the fact that the customer might strive for Kvaerner Pulping to lower their prices. Off course it can also show that Kvaerner Pulping has a significant higher price than the competitors.

6.5 Changing Supplier

Our study has shown that the most common reason for changing supplier is price and quality. However, quality can according to Gummesson (1991) be connected to so many as eight dimensions. Therefore, the reasons for changing supplier are dependent upon the customer's own perception of quality.

6.6 Reducing the Number of Suppliers

Gummesson (1998) means that when a sales organisation has many suppliers it can lead to problems. If Kvaerner Pulping's customers are going to be able to reduce the number of suppliers, they need do make adaptations in their organisation. The numbers of suppliers that Kvaerner Pulping's customers have varies and it depends on how big the customer is. The small customers have from two to three suppliers, while big customers have up to 1000 suppliers. 13 of 27 respondents have stated that they want to reduce the number of suppliers, the reduction fluctuated between 20-70 percent, and would enable them to get a better overview of their suppliers. However, not all of the respondents that answered had a stated goal of reduction. We believe that those that have a stated goal are more determined to carry through the reduction. 13 of 27 customers have stated that they want to reduce the number of suppliers and there is always a risk of Kvaerner Pulping

being on the list for reduction. Customers have stated that if they reduce the number of suppliers, they would get better terms, reduce costs, and improve delivery time with the suppliers that they chose to keep. Another reason is that customers feel that many suppliers require a great deal of effort and that they cannot please every supplier that they have. Customers believe that if they have a smaller number of suppliers they would be able to rely on the fact the supplier has the spare parts that they need. By reducing the number of supplier customers also want to get a higher level of service and fewer transactions, which they today feel that they do not get when they have many suppliers.

6.7 Buying Standardised Commodities from Kvaerner Pulping

According to Grönroos (2000) Kvaerner Pulping's core products are the products that they manufacture themselves and the reason for them being on the market. To support their main business, Kvaerner Pulping as an OEM can offer their customer standardised commodities. If Kvaerner Pulping starts to sell standardised commodities that they do not manufacture themselves, these supporting products can lead to an increase in value of their core products and it can also differentiate Kvaerner Pulping from the competitors. To do so Kvaerner Pulping needs to buy these products from a third party.

As Table 5.30 shows two thirds of our respondents would consider buying standardised commodities from Kvaerner Pulping and as the most crucial factor most respondents have answered "price". As the second most crucial factor the majority have answered "technical support" and "delivery time". When it comes to the third most crucial factor the majority of respondents have answered "delivery time".

If Kvaerner Pulping would sell standardised commodities as an OEM they need to identify and understand various aspects of the product and the customer according to Kumar et al. (2004). Earlier we identified the three most crucial factors for considering buying standardised commodities from Kvaerner Pulping. Kvaerner Pulping needs to understand and perform well on all of these factors. The "price" aspect is the aspect that Kvaerner Pulping is worst at, this characteristic have been given the lowest and the only negative general mean value (-0,19). This is unfortunate for Kvaerner Pulping because that might give a hint that Kvaerner Pulping's prices are higher than the competitors'. When it comes to "technical support" the infrastructure is an important part because whether the customer is located in the same country as Kvaerner Pulping or not they need to be able to provide the same level of support as to the nearest customers. The available competences and skills of the personnel are also important and as Chart 5.2 shows that Kvaerner Pulping is good at this according to their customers. As an OEM the "delivery time" can be affected by the sub supplier that Kvaerner Pulping buys from but it is on the OEM's, Kvaerner Pulping's, responsibility that the delivery time is kept. Today Kvaerner Pulping is considered to be quite bad at "short delivery time" so for Kvaerner Pulping their bad rating can get worse if they deal with sub suppliers for their customers.

But all these three aspects vary between countries and departments so the cultural differences are very important to take in consideration. In the cases where Kvaerner Pulping's customers are located in another country Kvaerner Pulping needs not only to

understand the customers' organisation but also their culture. In the present time Kvaerner Pulping is quite good at understanding the customers' needs and is also considered to have a good knowledge of the customers' organisation.

6.8 OEM Including a Smaller Risk Premium

When offering the customers standardised commodities, Kvaerner Pulping must include a smaller risk premium because of the fact that they buy from a third party. Most of our respondent, 63 percent could sympathise with this fact. But they have motivated this by stating that they think that the premium cannot be too big because then they would rather buy directly from the sub supplier. Another stated that this would give them more reliability. One respondent answered yes to a certain amount that is not too big, but at the same time the respondent believes Kvaerner Pulping to be much more expensive already.

Those that have no understanding for this have stated that Kvaerner Pulping are a big customer so they should get better terms from the sub suppliers and be able to keep their prices neutral. One respondent stated that they would never have understanding for including a smaller risk premium.

We can see that in Kvaerner Pulping's case there exists an understanding for including a risk premium amongst the customers. As long as this premium is rather small this is accepted.

6.9 Information

As was mentioned earlier when we discussed value features, the essence of customer-perceived value, flows are involved. We mentioned five flows, one of which is information and therefore is very important when creating customer-perceived value. We asked the respondents if they felt that they in the present have enough information to make a buying decision. 17 respondents, 63 percent, answered yes and nine respondents, 33,3 percent, answered no. One respondent chose not to answer the question. Most of those that lacked information stated that they needed more technical information to be able to make a buying decision. Since information is one of the flows that is connected to the two value features "availability of spare parts" and "organisation efficiency" and therefore are important in creating value for the customer, Kvaerner Pulping needs to make sure that they can provide adequate information to those customers that lack it.

Kvaerner Pulping is also considering to introduce an order system based on the customer using a Website. This Website would enable the customer to follow the whole order process and therefore improve the flow of information, and affect the value features "availability of spare parts" and "organisation efficiency". Even though this improvement of the flow of information seems to be only positive, one needs to carefully look into the customers' opinions.

27 respondents were asked if they would consider using a website instead of fax, as they do today. 18 respondents answered yes and eight respondents no. One respondent chose not to answer the question. Here it is important to look at those that answered no and why they did so. Can the Website be constructed in such a way that those that answered no would consider using it? Those that answered no gave reasons such as that the responsibility of information when it comes to for example delays would be transferred on to the customer. If Kvaerner Pulping were to introduce this new order system, they need to make sure that they still take the responsibility of informing the customer when it comes to delays and changes. Another respondent valued personal contact and therefore answered no the question of using a Website. Kvaerner Pulping needs to make sure that personal contact is not lost if the new system were to be introduced. The respondents that have answered yes can also give clues to how the Website should be constructed.

6.10 The Ordering Process

According to the theories regarding the ordering process, there are four ways for the customers to make their orders: direct mail, fax, Website, and personal contact by telephone. Since customers of Kvaerner Pulping today are using fax or personal contact to make orders, we feel that it would be interesting to ask respondents if they could imagine making orders through a Website. Kvaerner Pulping is considering an introduction of an order system based on a Website.

The result from the research showed that 66,7 percent of the Kvaerner Pulping's customers are interested in making orders through a Website, while 25,9 percent answered no. Of those that answered yes, several respondents felt like an order system based on a Website would be a natural development. Such an ordering system should contain information and technical infrastructure that can easily be adjusted. According to the theory Kvaerner Pulping needs to focus on three areas when introducing this system:

1. *The "Store" or Electronic Catalogue.* With this kind of catalogue Kvaerner Pulping's customers would be able to look around, get information about products, and make their orders through by putting them into a "shopping cart". According to theory there are many advantages of making orders through a Website. Some of the many advantages that Kvaerner Pulping customers can have are that it is easy to find the product, a Website is available 24 hours a day and that they can see what they have ordered. Of the respondents who answered yes on the question whether they would consider using an order system based on a Website, several reasons were stated for their answered. The respondents stated that the order system would enable them to have access to more information such as price, delivery time, and better control. Today, the customers do not have access to such information and this can be the reason for why so many customers mentioned that it would be easier to make orders by a Website. Since Kvaerner Pulping's customer only can make their orders through fax and personal contact, they mean that it takes a lot of time for them to get their orders. One respondent stated that they have been forced to remind Kvaerner Pulping a couple of times to get the order done which means that Kvaerner Pulping needs to improve when it comes to this.

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2. *The system behind the store.* Kvaerner Pulping will need electronic communication to run the store. A system that have solutions for everything, for example that tracks the order and updates the customer documentation. Such a system would also be able to be connected to the inventory system so that Kvaerner Pulping can refill products when necessary.

3. *The customer service component integrated with the store.* This third area would be important for Kvaerner Pulping to have because sometimes customers have a need for immediate response for example when it comes to unplanned maintenance. In this case the price is not important for the customers they just want to get the spare parts as soon as possible. However when it comes to planned purchases, respondents have stated that they need to know the price for the spare parts. They would like, that Kvaerner Pulping issued prices on products when possible make it easier for them. The respondents feel that it is a problem they have to contact Kvaerner Pulping to get the price of the spare parts. Since many of the respondents are positive to making orders through the Website, an introduction of such a system would be a favourable development.

Kvaerner Pulping can with this kind of system keep both customer data and record of customer contacts. Information can be used to keep customer files and segment customers using information regarding products bought, when, how often, and for how much.

If Kvaerner Pulping were to implement this kind of system, it would be much easier for both the customers and Kvaerner Pulping because the ordering process would be much faster. Kvaerner Pulping would also get better control over orders. Customers would be able to follow the whole process.

As we mentioned earlier 25,9 percent of the respondents answered that they do not want to make orders through the Website. The main reason is that some of the customers do not have systems that are adapted for buying through the Website. Other reasons are: that a Website might double the effort for the customer, that no personal contact would exist, and that the responsibility of information about delays would be forced on the customers. The last reason is that they buy specific products and because of that it would take them a great deal of time to find the right products. We feel that Kvaerner Pulping also have to continue to receive orders by fax and telephone contact since it is a necessity for those customers that cannot adapt their order system to the Website.

7. THE OUTCOME OF OUR RESEARCH

In this chapter, we will state our conclusions of the research, give managerial contributions and suggestions on further research.

7.1 Conclusions

Our purpose with this paper is to study the concept of quality. We have studied the concept of quality in the context of B2B and specifically in the case of Kvaerner Pulping's spare part department, manufacturing spare parts for equipment used in the chemical pulp industry. We have studied their customers to see if and how their perceptions differ. We wanted to look at whether Kvaerner Pulping can offer what customers perceive as quality, and how the customers rate Kvaerner Pulping when it comes to quality compared to Kvaerner Pulping's competitors.

From our research we can conclude that the departments most frequently involved in planned and unplanned purchases are the purchase department and maintenance department, i.e. the two departments we have been in contact with for the interviews. We can therefore conclude that the respondents have been able to supply us with relevant information.

As we could see when comparing the different groups of customers, there is a difference in what they consider are important characteristics in a supplier and therefore important in creating quality. Purchase has for example rated "keeps promises" and "delivers fast and accurate information about delays" as the most important characteristics, while maintenance values "has a good technical knowledge" the most. This is not surprising since employees belonging to different departments are involved in different activities and therefore value different things. This strengthens our theory that Kvaerner Pulping needs to take all departments into consideration to create quality, since these departments constitute a network.

The fact that we added a value feature to the ones constructed by Bovik shows that quality, seen through the eyes of customer-perceived value, is indeed a multifaceted concept.

When it comes to rating Kvaerner Pulping on the three most important characteristics with the highest general mean value we have discovered that respondents from purchase, the Nordic countries and Finland are more critical to Kvaerner Pulping's performance when compared to respondents from maintenance, the other European countries and Sweden. We believe that the reason for purchase being more critical is that they are more closely involved with Kvaerner Pulping. However, this might also be the result of purchase employees having more specific knowledge regarding what they think Kvaerner

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Pulping needs to improve. We see no obvious reason why Nordic and Finnish respondents are more critical. However, it might depend on cultural factors.

When using Bovik's (2004) models we described quality using the concept of customer-perceived value and connected our 19 characteristics to the author's five value features and constructed an additional one. None of the value features affected customer-perceived value negatively. Therefore they all contributed to the get-side when it comes to the scale of customer-perceived value. The only characteristic/value driver that got a negative mean value is "offers spare parts worth their price" that is connected to the value feature "financial benefits". However "offers a cost-effective solution", also connected to this value feature got a positive mean value and therefore balances out the negative affect of "offers spare parts worth their price". Therefore, we can conclude that Kvaerner Pulping performs adequately in supplying value to the customer and there is a win-win situation.

We can conclude that Kvaerner Pulping performs rather well on the three categories that they according to Morris et al. (2001) need to manage: product quality, support quality and delivery quality. However to achieve a stronger competitive advantage improvement is needed.

According to the respondents Kvaerner Pulping is equal to competitors on most characteristics. Even though being considered equal is quiet sufficient, being rating better gives a stronger competitive advantage.

7.2 Managerial Contributions

Our research has shown that Kvaerner Pulping have some areas that they need to improve for example creating financial benefits for the customers and organisations efficiency especially when it comes to "short delivery time", and "delivers fast and accurate information about delays".

We have established that several departments are involved in the purchasing process, departments that constitute a network. It is therefore important for Kvaerner Pulping when striving for customer satisfaction to take all involved departments into consideration.

7.3 Further Research

In this paper we have done a research based on an assignment from Kvaerner Pulping. We were interested in how their customers would rate Kvaerner Pulping on several characteristics that can be connected to quality. The results showed that the respondents rated Kvaerner Pulping low on "offers spare parts worth their price". An area that would be interesting for further research is why Kvaerner Pulping's customers do think that they are much more expensive than their competitors.

Chapter 7: THE OUTCOME OF OUR RESEARCH

Respondents from different countries were included in the survey and another interesting area could be looking at if cultural factors have influenced the ratings. There seems to be differences between the different countries, is this a “true” difference and if so what has contributed to it?

Research could also be done looking at quality as customer-perceived value from the supplier’s perspective; looking at how Kvaerner Pulping employees perceive quality. To follow customer-perceived value into the customer’s organisation and analyse its effects could be interesting as well.

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Additional Material

Material from Kvaerner Pulping – en massa möjligheter

Material from Kvaerner Pulping, 2006

APPENDIX: TABLES

Appendix

Appendix A

Table 5.1 Important characteristics in a supplier on a general level

Descriptive Statistics

	N	Mean
Geographical closeness	27	,93
Short delivery time	26	2,15
Delivers fast and accurate information about delays	26	2,46
Delivers fast and accurate product information	27	2,22
Informs when it comes to news and changes	27	2,07
Fast responses to questions	27	2,41
Keeps promises	27	2,85
Delivery security	27	2,70
Has a good knowledge of your organisation	27	1,30
Understands your needs	27	2,15
Is interested in developing long-term relationship	27	2,30
Is flexible	27	2,19
Offers spare parts worth their price	26	2,27
Offers spare parts with good durability	26	2,58
Offers spare parts with good technical functions	26	2,50
Has a good technical knowledge	27	2,81
Has a skilled sales staff	27	2,15
Has a committed and service minded sales staff	27	2,41
Offers a cost-effective solution	27	2,59
Valid N (listwise)	25	

APPENDIX: TABLES

Appendix B

Table 5.2 The degree to which Kvaerner Pulping lives up to each characteristic

Descriptive Statistics

	N	Mean
Geographical closeness	27	,63
Short delivery time	26	,38
Delivers fast and accurate information about delays	26	,88
Delivers fast and accurate product information	27	1,33
Informs when it comes to news and changes	27	1,22
Fast responses to questions	27	1,59
Keeps promises	27	1,48
Delivery security	27	1,74
Has a good knowledge of your organisation	27	1,85
Understands your needs	27	1,81
Is interested in developing long-term relationship	27	1,74
Is flexible	27	1,22
Offers spare parts worth their price	26	-,19
Offers spare parts with good durability	26	1,38
Offers spare parts with good technical functions	26	1,50
Has a good technical knowledge	27	2,00
Has a skilled sales staff	27	1,63
Has a committed and service minded sales staff	27	1,70
Offers a cost-effective solution	27	,78
Valid N (listwise)	25	

APPENDIX: TABLES

Appendix C

Table 5.3 Important characteristics in a supplier on a general level according to purchase and maintenance

Group Statistics

	Which department do you belong to?	N	Mean	Std. Deviation	Std. Error Mean
Geographical closeness	Purchase	13	,31	1,702	,472
	Maintenance	14	1,50	1,019	,272
Short delivery time	Purchase	13	2,31	,855	,237
	Maintenance	13	2,00	1,354	,376
Delivers fast and accurate information about delays	Purchase	13	2,92	,277	,077
	Maintenance	13	2,00	1,080	,300
Delivers fast and accurate product information	Purchase	13	2,31	,751	,208
	Maintenance	14	2,14	,949	,254
Informs when it comes to news and changes	Purchase	13	2,00	,707	,196
	Maintenance	14	2,14	,535	,143
Fast responses to questions	Purchase	13	2,46	,660	,183
	Maintenance	14	2,36	,497	,133
Keeps promises	Purchase	13	3,00	,000	,000
	Maintenance	14	2,71	,469	,125
Delivery security	Purchase	13	2,69	,630	,175
	Maintenance	14	2,71	,611	,163
Has a good knowledge of your organisation	Purchase	13	1,15	1,144	,317
	Maintenance	14	1,43	1,284	,343
Understands your needs	Purchase	13	2,23	,725	,201
	Maintenance	14	2,07	,829	,221
Interested in developing long-term relationship	Purchase	13	2,23	,927	,257
	Maintenance	14	2,36	,745	,199
Is flexible	Purchase	13	2,31	,947	,263
	Maintenance	14	2,07	,917	,245
Offers spare parts worth their price	Purchase	13	2,38	,768	,213
	Maintenance	13	2,15	1,068	,296
Offers spare parts with good durability	Purchase	13	2,62	,506	,140
	Maintenance	13	2,54	,660	,183
Offers spare parts with good technical functions	Purchase	13	2,46	,877	,243
	Maintenance	13	2,54	,660	,183
Has a good technical knowledge	Purchase	13	2,77	,599	,166
	Maintenance	14	2,86	,363	,097
Has a skilled sales staff	Purchase	13	2,15	,801	,222
	Maintenance	14	2,14	,864	,231
Committed and service minded sales staff	Purchase	13	2,23	,599	,166
	Maintenance	14	2,57	,646	,173
Offers a cost-effective solution	Purchase	13	2,54	,967	,268
	Maintenance	14	2,64	,497	,133

APPENDIX: TABLES

Appendix D

Table 5.4 The degree to which Kvaerner Pulping lives up to each characteristic according to maintenance and purchase

Group Statistics					
	Which department do you belong to?	N	Mean	Std. Deviation	Std. Error Mean
Geographical closeness	Purchase	13	,85	1,405	,390
	Maintenance	14	,43	2,102	,562
Short delivery time	Purchase	13	,15	1,405	,390
	Maintenance	13	,62	1,261	,350
Delivers fast and accurate information about delays	Purchase	13	,69	1,601	,444
	Maintenance	13	1,08	1,188	,329
Delivers fast and accurate product information	Purchase	13	1,31	,855	,237
	Maintenance	14	1,36	1,082	,289
Informs when it comes to news and changes	Purchase	13	1,23	1,481	,411
	Maintenance	14	1,21	,802	,214
Fast responses to questions	Purchase	13	1,69	,855	,237
	Maintenance	14	1,50	1,401	,374
Keeps promises	Purchase	13	1,31	1,316	,365
	Maintenance	14	1,64	1,550	,414
Delivery security	Purchase	13	1,38	1,121	,311
	Maintenance	14	2,07	,616	,165
Has a good knowledge of your organisation	Purchase	13	1,92	,494	,137
	Maintenance	14	1,79	,699	,187
Understands your needs	Purchase	13	1,92	,641	,178
	Maintenance	14	1,71	,914	,244
Interested in developing long-term relationship	Purchase	13	1,38	1,387	,385
	Maintenance	14	2,07	,616	,165
Is flexible	Purchase	13	,62	1,446	,401
	Maintenance	14	1,79	,975	,261
Offers spare parts worth their price	Purchase	13	-,31	1,974	,548
	Maintenance	13	-,08	1,498	,415
Offers spare parts with good durability	Purchase	13	1,00	1,291	,358
	Maintenance	13	1,77	,599	,166
Offers spare parts with good technical functions	Purchase	13	1,00	1,225	,340
	Maintenance	13	2,00	,577	,160
Has a good technical knowledge	Purchase	13	1,85	,987	,274
	Maintenance	14	2,14	,770	,206
Has a skilled sales staff	Purchase	13	1,54	1,050	,291
	Maintenance	14	1,71	,825	,221
Committed and service minded sales staff	Purchase	13	1,62	1,044	,290
	Maintenance	14	1,79	,699	,187
Offers a cost-effective solution	Purchase	13	,69	1,251	,347
	Maintenance	14	,86	,770	,206

APPENDIX: TABLES

Appendix E

Table 5.5 Important characteristics in a supplier on a general level according to respondents from three Nordic countries and two other European countries

Group Statistics					
	Areas	N	Mean	Std. Deviation	Std. Error Mean
Geographical closeness	Nordic Countries	21	,81	1,569	,342
	Other European Countries	6	1,33	1,211	,494
Short delivery time	Nordic Countries	20	2,05	1,234	,276
	Other European Countries	6	2,50	,548	,224
Delivers fast and accurate information about delays	Nordic Countries	20	2,45	,945	,211
	Other European Countries	6	2,50	,837	,342
Delivers fast and accurate product information	Nordic Countries	21	2,24	,889	,194
	Other European Countries	6	2,17	,753	,307
Informs when it comes to news and changes	Nordic Countries	21	2,00	,632	,138
	Other European Countries	6	2,33	,516	,211
Fast responses to questions	Nordic Countries	21	2,38	,590	,129
	Other European Countries	6	2,50	,548	,224
Keeps promises	Nordic Countries	21	2,95	,218	,048
	Other European Countries	6	2,50	,548	,224
Delivery security	Nordic Countries	21	2,90	,301	,066
	Other European Countries	6	2,00	,894	,365
Has a good knowledge of your organisation	Nordic Countries	21	1,43	1,121	,245
	Other European Countries	6	,83	1,472	,601
Understands your needs	Nordic Countries	21	2,14	,793	,173
	Other European Countries	6	2,17	,753	,307
Is interested in developing long-term relationship	Nordic Countries	21	2,33	,856	,187
	Other European Countries	6	2,17	,753	,307
Is flexible	Nordic Countries	21	2,33	,730	,159
	Other European Countries	6	1,67	1,366	,558
Offers spare parts worth their price	Nordic Countries	20	2,35	,933	,209
	Other European Countries	6	2,00	,894	,365
Offers spare parts with good durability	Nordic Countries	20	2,55	,605	,135
	Other European Countries	6	2,67	,516	,211
Offers spare parts with good technical functions	Nordic Countries	20	2,60	,598	,134
	Other European Countries	6	2,17	1,169	,477
Has a good technical knowledge	Nordic Countries	21	2,90	,301	,066
	Other European Countries	6	2,50	,837	,342
Has a skilled sales staff	Nordic Countries	21	2,24	,768	,168
	Other European Countries	6	1,83	,983	,401
Has a committed and service minded sales staff	Nordic Countries	21	2,52	,512	,112
	Other European Countries	6	2,00	,894	,365
Offers a cost-effective solution	Nordic Countries	21	2,71	,561	,122
	Other European Countries	6	2,17	1,169	,477

APPENDIX: TABLES

Appendix F

Table 5.6 The degree to which Kvaerner Pulping lives up to each characteristic according to respondents from three Nordic countries and two other European countries

Group Statistics

	Areas	N	Mean	Std. Deviation	Std. Error Mean
Geographical closeness	Nordic Countries	21	,67	1,880	,410
	Other European Countries	6	,50	1,517	,619
Short delivery time	Nordic Countries	20	,25	1,293	,289
	Other European Countries	6	,83	1,472	,601
Delivers fast and accurate information about delays	Nordic Countries	20	,70	1,342	,300
	Other European Countries	6	1,50	1,517	,619
Delivers fast and accurate product information	Nordic Countries	21	1,29	,956	,209
	Other European Countries	6	1,50	1,049	,428
Informs when it comes to news and changes	Nordic Countries	21	,95	1,117	,244
	Other European Countries	6	2,17	,753	,307
Fast responses to questions	Nordic Countries	21	1,48	1,167	,255
	Other European Countries	6	2,00	1,095	,447
Keeps promises	Nordic Countries	21	1,33	1,528	,333
	Other European Countries	6	2,00	,894	,365
Delivery security	Nordic Countries	21	1,71	1,056	,230
	Other European Countries	6	1,83	,408	,167
Has a good knowledge of your organisation	Nordic Countries	21	1,86	,573	,125
	Other European Countries	6	1,83	,753	,307
Understands your needs	Nordic Countries	21	1,76	,700	,153
	Other European Countries	6	2,00	1,095	,447
Is interested in developing long-term relationship	Nordic Countries	21	1,57	1,165	,254
	Other European Countries	6	2,33	,516	,211
Is flexible	Nordic Countries	21	1,14	1,459	,318
	Other European Countries	6	1,50	,837	,342
Offers spare parts worth their price	Nordic Countries	20	-,60	1,465	,328
	Other European Countries	6	1,17	1,941	,792
Offers spare parts with good durability	Nordic Countries	20	1,20	1,056	,236
	Other European Countries	6	2,00	,894	,365
Offers spare parts with good technical functions	Nordic Countries	20	1,45	1,099	,246
	Other European Countries	6	1,67	1,033	,422
Has a good technical knowledge	Nordic Countries	21	1,81	,873	,190
	Other European Countries	6	2,67	,516	,211
Has a skilled sales staff	Nordic Countries	21	1,62	,865	,189
	Other European Countries	6	1,67	1,211	,494
Has a committed and service minded sales staff	Nordic Countries	21	1,71	,902	,197
	Other European Countries	6	1,67	,816	,333
Offers a cost-effective solution	Nordic Countries	21	,71	1,056	,230
	Other European Countries	6	1,00	,894	,365

APPENDIX: QUESTIONNAIRE

Appendix G

Table 5.7 Important characteristics in a supplier on a general level according to Swedish and Finnish respondents

Group Statistics

	Nordic	N	Mean	Std. Deviation	Std. Error Mean
Geographical closeness	Sweden	16	1,06	1,482	,370
	Finland	3	1,00	,000	,000
Short delivery time	Sweden	15	2,33	,976	,252
	Finland	3	1,00	1,732	1,000
Delivers fast and accurate information about delays	Sweden	15	2,33	1,047	,270
	Finland	3	2,67	,577	,333
Delivers fast and accurate product information	Sweden	16	2,13	,957	,239
	Finland	3	2,33	,577	,333
Informs when it comes to news and changes	Sweden	16	1,88	,619	,155
	Finland	3	2,33	,577	,333
Fast responses to questions	Sweden	16	2,31	,602	,151
	Finland	3	2,33	,577	,333
Keeps promises	Sweden	16	2,94	,250	,063
	Finland	3	3,00	,000	,000
Delivery security	Sweden	16	3,00	,000	,000
	Finland	3	2,33	,577	,333
Has a good knowledge of your organisation	Sweden	16	1,63	1,088	,272
	Finland	3	,67	1,528	,882
Understands your needs	Sweden	16	2,19	,911	,228
	Finland	3	2,00	,000	,000
Interested in developing long-term relationship	Sweden	16	2,31	,946	,237
	Finland	3	2,33	,577	,333
Is flexible	Sweden	16	2,44	,727	,182
	Finland	3	1,67	,577	,333
Offers spare parts worth their price	Sweden	15	2,27	1,033	,267
	Finland	3	2,67	,577	,333
Offers spare parts with good durability	Sweden	15	2,53	,640	,165
	Finland	3	2,67	,577	,333
Offers spare parts with good technical functions	Sweden	15	2,53	,640	,165
	Finland	3	2,67	,577	,333
Has a good technical knowledge	Sweden	16	2,88	,342	,085
	Finland	3	3,00	,000	,000
Has a skilled sales staff	Sweden	16	2,31	,793	,198
	Finland	3	1,67	,577	,333
Committed and service minded sales staff	Sweden	16	2,63	,500	,125
	Finland	3	2,00	,000	,000
Offers a cost-effective solution	Sweden	16	2,75	,577	,144
	Finland	3	2,33	,577	,333

APPENDIX: QUESTIONNAIRE

Appendix H

Table 5.8 The degree to which Kvaerner Pulping lives up to each characteristic according to Swedish and Finnish respondents

Group Statistics

Nordic		N	Mean	Std. Deviation	Std. Error Mean
Geographical closeness	Sweden	16	,63	2,029	,507
	Finland	3	,33	1,155	,667
Short delivery time	Sweden	15	,13	1,246	,322
	Finland	3	,00	1,000	,577
Delivers fast and accurate information about delays	Sweden	15	,60	1,404	,363
	Finland	3	,67	1,528	,882
Delivers fast and accurate product information	Sweden	16	1,38	1,025	,256
	Finland	3	,67	,577	,333
Informs when it comes to news and changes	Sweden	16	,94	1,289	,322
	Finland	3	1,00	,000	,000
Fast responses to questions	Sweden	16	1,44	1,263	,316
	Finland	3	2,00	,000	,000
Keeps promises	Sweden	16	1,69	,946	,237
	Finland	3	,67	2,309	1,333
Delivery security	Sweden	16	1,94	,680	,170
	Finland	3	,67	2,309	1,333
Has a good knowledge of your organisation	Sweden	16	1,88	,619	,155
	Finland	3	2,00	,000	,000
Understands your needs	Sweden	16	1,75	,775	,194
	Finland	3	1,67	,577	,333
Interested in developing long-term relationship	Sweden	16	1,75	,931	,233
	Finland	3	,67	2,309	1,333
Is flexible	Sweden	16	1,31	1,401	,350
	Finland	3	,00	2,000	1,155
Offers spare parts worth their price	Sweden	15	-,53	1,407	,363
	Finland	3	-1,00	2,000	1,155
Offers spare parts with good durability	Sweden	15	1,33	,816	,211
	Finland	3	,33	2,082	1,202
Offers spare parts with good technical functions	Sweden	15	1,60	,828	,214
	Finland	3	,33	2,082	1,202
Has a good technical knowledge	Sweden	16	1,69	,873	,218
	Finland	3	2,00	1,000	,577
Has a skilled sales staff	Sweden	16	1,44	,892	,223
	Finland	3	2,33	,577	,333
Committed and service minded sales staff	Sweden	16	1,69	1,014	,254
	Finland	3	1,67	,577	,333
Offers a cost-effective solution	Sweden	16	,81	,911	,228
	Finland	3	,00	1,732	1,000

APPENDIX: QUESTIONNAIRE

Appendix I

Table 5.10 Geographical closeness

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	8	29,6	29,6	29,6
	Equal	14	51,9	51,9	81,5
	Worse	5	18,5	18,5	100,0
	Total	27	100,0	100,0	

Table 5.11 Short delivery time

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	4	14,8	14,8	14,8
	Equal	18	66,7	66,7	81,5
	Worse	5	18,5	18,5	100,0
	Total	27	100,0	100,0	

Table 5.12 Delivers fast and accurate information about delays

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	4	14,8	14,8	14,8
	Equal	20	74,1	74,1	88,9
	Worse	3	11,1	11,1	100,0
	Total	27	100,0	100,0	

Table 5.13 Delivers fast and accurate product information

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	9	33,3	33,3	33,3
	Equal	15	55,6	55,6	88,9
	Worse	3	11,1	11,1	100,0
	Total	27	100,0	100,0	

Table 5.14 Informs when it comes to news and changes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	8	29,6	29,6	29,6
	Equal	11	40,7	40,7	70,4
	Worse	8	29,6	29,6	100,0
	Total	27	100,0	100,0	

APPENDIX: QUESTIONNAIRE

Table 5.15 Fast responses to questions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	9	33,3	33,3	33,3
	Equal	14	51,9	51,9	85,2
	Worse	4	14,8	14,8	100,0
	Total	27	100,0	100,0	

Table 5.16 Keeps promises

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	7	25,9	25,9	25,9
	Equal	16	59,3	59,3	85,2
	Worse	4	14,8	14,8	100,0
	Total	27	100,0	100,0	

Table 5.17 Delivery security

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	6	22,2	22,2	22,2
	Equal	19	70,4	70,4	92,6
	Worse	2	7,4	7,4	100,0
	Total	27	100,0	100,0	

Table 5.18 Has a good knowledge of your organisation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	11	40,7	40,7	40,7
	Equal	15	55,6	55,6	96,3
	Worse	1	3,7	3,7	100,0
	Total	27	100,0	100,0	

Table 5.19 Understands your needs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	11	40,7	40,7	40,7
	Equal	15	55,6	55,6	96,3
	Worse	1	3,7	3,7	100,0
	Total	27	100,0	100,0	

APPENDIX: QUESTIONNAIRE

Table 5.20 Is interested in developing long-term relationship

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	10	37,0	38,5	38,5
	Equal	12	44,4	46,2	84,6
	Worse	4	14,8	15,4	100,0
	Total	26	96,3	100,0	
Missing	99	1	3,7		
Total		27	100,0		

Table 5.21 Is flexible

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	5	18,5	18,5	18,5
	Equal	19	70,4	70,4	88,9
	Worse	3	11,1	11,1	100,0
	Total	27	100,0	100,0	

Table 5.22 Offers spare parts worth their price

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Equal	17	63,0	63,0	63,0
	Worse	10	37,0	37,0	100,0
	Total	27	100,0	100,0	

Table 5.23 Offers spare parts with good durability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	4	14,8	14,8	14,8
	Equal	22	81,5	81,5	96,3
	Worse	1	3,7	3,7	100,0
	Total	27	100,0	100,0	

Table 5.24 Offers spare parts with good technical functions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	4	14,8	14,8	14,8
	Equal	22	81,5	81,5	96,3
	Worse	1	3,7	3,7	100,0
	Total	27	100,0	100,0	

APPENDIX: QUESTIONNAIRE

Table 5.25 Has a good technical knowledge

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	12	44,4	44,4	44,4
	Equal	14	51,9	51,9	96,3
	Worse	1	3,7	3,7	100,0
	Total	27	100,0	100,0	

Table 5.26 Has a skilled sales staff

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	9	33,3	33,3	33,3
	Equal	16	59,3	59,3	92,6
	Worse	2	7,4	7,4	100,0
	Total	27	100,0	100,0	

Table 5.27 Has a committed and service minded sales staff

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	6	22,2	22,2	22,2
	Equal	19	70,4	70,4	92,6
	Worse	2	7,4	7,4	100,0
	Total	27	100,0	100,0	

Table 5.28 Offers a cost-effective solution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Better	3	11,1	11,1	11,1
	Equal	20	74,1	74,1	85,2
	Worse	4	14,8	14,8	100,0
	Total	27	100,0	100,0	

APPENDIX: QUESTIONNAIRE

Appendix J

Questionnaire

Which department do you work for?

Purchase Maintenance

2) When it comes to planned purchases,

a) Who maintains the contact with Kvaerner? _____

b) Which departments are involved in the buying process?

3) When it comes to unplanned purchases,

a) Who maintains the contact with Kvaerner? _____

b) Which departments are involved in the buying process?

4) In the present, do you have enough information (for example when it comes to delivery time, product characteristics, technical information, and price) to make a buying decision?

Yes No

If no, what kind of information are you missing? _____

5) What is the most essential difference in the decision process when it comes to planned and unplanned purchases?

APPENDIX: QUESTIONNAIRE

6) Which characteristics are important in a supplier?

Characteristics Supplier:	How important is each characteristic? (where 3 is very important, and -3 is not important at all)	To what degree does Kvaerner live up to each characteristic? (where 3 is very well, and -3 is very poorly)
Geographical closeness	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Short delivery time	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Fast and accurate information about delays	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Fast and accurate product information	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Informs when it comes to news and changes	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Fast responses to questions	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Keeps promises	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Delivery security	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Good knowledge about your organisation	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Understands your needs	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Interested in developing long-term relationship	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Is flexible	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Offers spare parts worth their price	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Offers spare parts with good durability	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Offer spare parts with good technical functions	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Has a good technical knowledge	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Has a knowledgeable sales staff	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Has a committed and service minded sales staff	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Offers a cost effective solution	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3

APPENDIX: QUESTIONNAIRE

7) In comparison to the competition, how does Kvaerner perform when it comes to.....?

	Better	Equal	Worse
Geographical closeness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Delivery time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fast and accurate information about delays	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fast and accurate product information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Informs when it comes to news and changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fast responses to questions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Keeps promises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Delivery security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Good knowledge about your organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Understands your needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interested in developing long-term relationship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is flexible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offers spare parts worth their price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offers spare parts with good durability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offers spare parts with good technical functions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Technical knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Skilled sales staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPENDIX: QUESTIONNAIRE

Committed and service minded sales staff

Offers a cost efficient solution

8) Which would be your main reason for changing supplier when it comes to spare parts?

9) Are you striving for a reduction in the number of suppliers when it comes to spare parts?

Yes No

a) Explain further (What would effect your decision?)

b) How many suppliers do you use today? _____

c) How many suppliers are you striving for to have in 1-2 years? _____

10) Would you consider buying commercial products (for example, gear boxes, hydraulic components) from Kvaerner Pulping AB?

Yes No

Which are then the crucial factors? (Rate from 1 and up, where 1 is the most crucial)

- Price
- Technical support
- The relationship between buyer and supplier
- Delivery time
- Geographical closeness
- Reliability (the supplier keeps promises)
- Considerations for our special needs
- Process knowledge
- Other _____

11) Do you have sympathise with the fact that OEM has to include a smaller risk premium in their price?

Yes No

APPENDIX: QUESTIONNAIRE

12) Today you use fax to make inquiries and place orders, would you consider using a Website instead and do this electronically to be able to follow the process?

Yes No

Explain further

APPENDIX: QUESTIONNAIRE

Appendix K

Enkät

1) Vilken avdelning jobbar du på?

- Inköp Underhåll

2) Vid planerade inköp,

a) Vem/vilka har kontakten med Kvaerner? _____

b) Vilka avdelningar är involverade i inköpsprocessen?

3) Vid oplanerade inköp,

a) Vem/vilka har kontakten med Kvaerner? _____

b) Vilka avdelningar är involverade i inköpsprocessen?

4) Har ni i dagsläget tillräckligt med information (exempelvis leveranstid, pris, produktenskaper, teknisk information) för att kunna fatta ett inköpsbeslut?

- Ja Nej

Om nej, vilken information saknar ni? _____

5) Var i ligger den största skillnaden i beslutsprocessen hos er när det gäller planerade och oplanerade inköp?

APPENDIX: QUESTIONNAIRE

6) Vilka egenskaper är viktiga hos leverantören?

Egenskaper	Hur viktig är respektive egenskap? (där 3 är väldigt viktig, och där -3 är inte viktigt alls)	Till vilken grad uppfyller Kvaerner respektive egenskap? (där 3 är mycket bra, och där -3 är mycket dåligt)
Ligger geografiskt nära	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Har kort leveranstid	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Ger snabbt information vid ev. förseningar	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Ger snabb och korrekt produktinformation	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Håller kontakt om nyheter och förändringar	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Ger snabbt svar vid förfrågningar	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Håller vad de lovar	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Leveranssäkerhet	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Har god kännedom om er organisation	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Är väl insatta i era behov och önsknigar	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Vill utveckla ett långsiktigt samarbete med er	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Är flexibel och smidig	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Erbjuder prisvärda reservdelar	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Erbjuder reservdelar med bra hållbarhet	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Erbjuder reservdelar med bra tekniska funktioner	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Har hög teknisk kompetens	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Har kunnig försäljningspersonal	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Har engagerad och serviceinriktad försäljningspersonal	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3
Erbjuder en kostnadseffektiv lösning	-3 -2 -1 0 1 2 3	3 2 1 0 -1 -2 -3

APPENDIX: QUESTIONNAIRE

7) Hur upplever du Kvaerner i förhållande till konkurrenterna, när det gäller.....?

	Bättre	Lika	Sämre
Geografisk närhet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leveranstid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ge information vid ev. förseningar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ge snabb och korrekt produktinformation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kontakt om nyheter och förändringar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ge snabba svar vid förfrågningar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hålla vad de lovar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leveranssäkerhet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kännedom om er organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vara insatt i era behov och önskningar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vill utveckla ett långsiktigt samarbete med er	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Flexibilitet och smidighet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Erbjuda prisvärda reservdelar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Erbjuda reservdelar med bra hållbarhet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Erbjuda reservdelar med bra tekniska funktioner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teknisk kompetens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kunnig försäljningspersonal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPENDIX: QUESTIONNAIRE

Engagerad och serviceinriktad försäljningspersonal

Erbjuda en kostnadseffektiv lösning

8) Vad skulle vara er främsta orsak till ett leverantörsbyte när det gäller reservdelar?

9) Strävar ni efter att minska antalet leverantörer när det gäller reservdelar?

Ja Nej

a) Motivera (Vad skulle kunna påverka ert beslut?)

b) Hur många leverantörer har ni idag? _____

c) Hur många leverantörer strävar ni efter att ha om 1-2 år? _____

10) Skulle ni kunna tänka er att köpa även standardiserade produkter (exempelvis växellådor, hydraulikkomponenter) ifrån Kvaerner Pulping AB?

Ja Nej

Vilka är då de avgörande faktorerna (Rangordna från 1 och uppåt, där 1 är det viktigaste):

- Pris
- Teknisk support
- Kundrelationen
- Leveranstid
- Geografisk närhet
- Tillförlitlighet (leverantören håller vad de lovar)
- Hänsyn till våra speciella önskingar och behov
- Processkunedom
- Övrigt _____

11) Har ni förståelse för att OEM måste inkludera en mindre riskpremie i priset?

Ja Nej

APPENDIX: QUESTIONNAIRE

12) I dagsläget använder ni Fax för offerter och order, skulle ni kunna tänka er att använda er av en Internetsajt och lägga in dem elektroniskt för att sedan kunna följa processen?

Ja Nej

Motivera
