



<input checked="" type="checkbox"/>	Master's thesis
<input type="checkbox"/>	Licentiate's thesis
<input type="checkbox"/>	Doctor's thesis

Subject	International business	Date	11.6.2003
Author(s)	Helmi Juuti 8584	Student number	
		Number of pages	100
Title	Strategic alternatives in mature industrial service markets Case: KONE Elevators & Escalators in France		
Supervisor(s)	DScEcon Urpo Kivikari and MScEcon Elina Pelto		

Abstract

The study at hand was conducted for the department of maintenance and modernization services of KONE France unit in frames of an international trainee program between 1.1.03-20.6.03. The French elevator service industry had reached a point of maturity, the sales of new equipment had become stagnant and the company's competitiveness had decreased. Considering the impeding evolution of the industry, as well as the company's long-term objectives, the purpose of the research was formed *to examine alternative ways for KONE to differentiate its services in the maturing French elevator industry*. The primary data was gathered in two phases using three various methods: questionnaires, group interviews and deep interviews. The target groups consisted of both KONE customers and personnel around France. A total of 29 persons participated in the deep interviews: KONE personnel from sales, marketing, key accounts and technical departments and customer contact centre. KONE sales supervisors, sales men and regional director from the local agencies, as well as KONE's clients representing different customer segments and geographic areas. Further, ten clients answered to the questionnaires and attended to the group interview. In the theoretical framework, various conceptions of the industrial maturity, of the changes in the external environment, and of their strategic implications were described using the life cycle theory. Further, different strategic alternatives available in maturity were examined focusing on the differentiation strategies, which were then assessed in detail in the light of the service marketing mix. The French elevator service industry was analysed and the symptoms of maturity identified. Finally, the case company KONE was presented and the current stage of company's service marketing mix described. The research revealed customers' expectations of service quality, their perceptions in respect of the service quality level achieved by both KONE and its competitors', and KONE personnel's views about the company's capacities to differentiate its services. The study showed that the current service performance level of KONE meets only partly the customers' quality criteria. This is partly due to lack of clear vision inside the company, which results in vague commitment of personnel decreasing their work motivation. This leads to unsubstantial customer communication and finally decreases customer loyalty. Further, the study revealed certain customers' expectations related to the communication of services and to the level of customer relationship, which are not met yet in the markets. As a result, it was suggested that KONE differentiates from the competitors by creating a new marketing approach based on new, clear vision, by amplifying those service aspects, which already meet the customers' quality criteria, but also by developing those communication and relational areas revealed in the study, which the competitors' do not master yet.

Key words	<i>Industrial services, life cycle model, industrial maturity, differentiation strategy</i>
Further information	

