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Business Strategy for Market Expansion

A Case Study in the Arboriculture Market

Master's thesis in Management and Economics of Innovation

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CHALMERS UNIVERSITY OF TECHNOLOGY
Gothenburg, Sweden 2022
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Report No. E2022:029

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SUMMARY

Following the industry life cycle, markets eventually reach decline, forcing companies to search outside of their core areas to find new opportunities for growth. This process poses managerial challenges since new opportunities that align with the firm's internal and external environment needs to be identified. Driven by a stagnating market, this is now the situation of the investigated case company, Husqvarna, and they are therefore looking to refocus their strategy towards a new market, namely arboriculture. However, this transition offers several challenges that need to be handled and the aim of this thesis is therefore to support Husqvarna's strategy formulation as well as increase the theoretical understanding of the arboriculture market. The study is of a qualitative nature and consists of a case study and a literature review, in order to understand the internal and external environment of the case company.

This was carried out by conducting 19 semi-structured interviews with arborists, store representatives, and employees at Husqvarna. The findings of the study shows that arborists value a range of attributes when purchasing equipment and that the attributes varied depending on what category of equipment that was discussed. Some attributes that were mentioned by the arborists were innovativeness, quality, safety, ergonomics, and reliability, and all the arborists interviewed exhibited strong brand preferences. The primary distribution channels, physical and online stores, both had their advantages, according to the arborists. For physical stores, accessibility, seller competence, testing products, and service and maintenance were discussed as benefits. Lack of available physical stores and a complete assortment were dimensions discussed regarding online stores. In the results from the interviewed stores, the long and close relationship with the end customer was emphasized, as well as the exchange of feedback.

The resources and capabilities analyzed at Husqvarna were market position, brand, market intelligence, product development capabilities, marketing, sales department, and dealer network. The key success factors of the arboriculture industry were concluded to be: brand, safety and the ability to convey robustness, well designed and innovative products, ability to understand the challenges of the arborist, capability to turn market intel into innovative products, and establish the brand in the arborist community. When assessing Husqvarna's resources and capabilities, the result showed that the brand, product development capabilities, sales department, and dealer network all constitute sustainable competitive advantages, while marketing, market position, and market intel do not. Lastly, the analysis concludes that the case company should focus on extending their brand to complement products and deploy their strong product development capabilities efficiently in adjacent product categories. Furthermore, the competence and incentive structure of the sales department and dealer network should be focus areas for improvement.

Keywords: Business Strategy, Resource-Based View, Industry Key Success Factors, Brand Extension, Sustainable Competitive Advantage

Acknowledgements

This master thesis has been conducted in cooperation with product management at Husqvarna Group. Therefore, we would like to extend our sincerest gratitude towards Johan Hallendorff and Pierre Lanquist from Husqvarna for their support throughout the entire thesis project. Without their support in guiding us and helping us find interview objects, this thesis would not have been possible.

Secondly, we would like to thank Joakim Björkdahl from Chalmers University of Technology for his guidance and feedback that we have received during this spring. Also, we would like to express our thankfulness to our supervisor Anmar Kamalaldin from Chalmers University of Technology for his invaluable feedback in the final stages of this project.

Lastly, a huge thanks to every arborist, store representative and Husqvarna employee that we have interviewed during this spring. Your contributions have been instrumental for our thesis.

Fredrik Hedenborn & Philip Viktorsson
May 2022
Gothenburg, Sweden

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1 Introduction

This chapter aims at introducing the topic of the thesis and the overall background raising the need for analyzing the arboriculture market. First off, the arboriculture industry is introduced in general, and the Swedish market in particular. Secondly, the case company and their current situation is described alongside the problematization that motivates the study. Further on, the aim of the thesis is presented followed by the scope of the study and lastly, the delimitations.

1.1 Background

Growth is a common goal in business and on the path of the industry life cycle, decline is eventually reached and the company is forced to look outside their current industry to achieve further growth. This is one of the subcomponents that managers deal with in business strategy (Grant, 2016), which is the overarching task to find a fit between the firm's internal resources and its external environment in order to achieve long-term goals. According to Ansoff (1957), there are four ways of managing growth; either increase the market share in the firm's current markets with existing or new products, or pursue new markets by leveraging existing products or developing new ones. This thesis will deal with this issue from the perspective of a chainsaw manufacturer and their challenges when expanding into the Swedish arboriculture market.

According to the International Society for Arboriculture (n.d.), arborists are professionals knowledgeable in the care needed to sustain a tree's life and long-term benefits. The main services that an arborist provides includes pruning, tree removal, emergency tree care and planting among other things. Often, the work is conducted in an urban and challenging environment where climbing the tree is necessary to perform the work correctly. Although the arborists' profession shares similarities with forestry loggers, their circumstances raises the need for equipment and tools specifically adapted for their purpose. This thesis aims partly to create a better understanding of the arboriculture market conditions. Further, the market for this kind of tools is, according to Freedonia Custom Research (2020), growing and has a current global value of approximately 1,03 billion USD per year which is about half of the logger market. However, some product categories within this segment are expected to grow 6-7% yearly, which is what catches the attention of the case company.

As mentioned above, the focus of this report will be the Swedish arboriculture market. This market is characterized by a large number of small companies, not seldomly sole proprietor businesses (Sinnerstad, n.d.), and the total number of arborists in Sweden is roughly 500 (Östberg, 2019). Furthermore, the firms are often based in or close to metropolitan areas due to the larger client base in the cities, which differs from the segment loggers. The total market size of the Swedish arborist market is small in comparison with Europe's largest markets France, Germany and UK (Freedonia Custom Research, 2020). However, the Swedish market is large in terms of per capita and in total, the arboriculture equipment market was estimated at 16 million USD in 2019 (Freedonia Custom Research, 2020).

One of the most central actors in this market is the case company Husqvarna, primarily through their product offering of chainsaws but also protective equipment among other things. Husqvarna has an extensive and prosperous history dating all the way back to 1689, when the former state-owned company started as a rifle manufacturer (Husqvarna Group, n.d.-a). Since then, the company has explored several different products and markets, ranging from kitchen equipment to motorcycles. Today the most well-known product segments are gardening, construction and forestry tools for both household and professional use. In 1959, Husqvarna introduced chainsaws into their offerings which today is one of the key product segments serving primarily private and professional loggers as well as public organizations (Husqvarna Group, n.d.-a). Husqvarna Group employs approximately 14,000 people around the world with total net sales of 47 billion SEK (Husqvarna Group, n.d.-c).

As described above, Husqvarna has historically been extending their brand to new product categories within and outside their core business. A more complete list of products that Husqvarna has developed and manufactured throughout the years includes rifles, sewing machines, kitchen equipment, motorcycles, bicycles, lawn mowers, chainsaws, power cutters, robotic lawn mowers, and lately more software driven products like Gardena Smart System (Husqvarna Group, n.d.-a). The different products have evolved sequentially, often as a result of declining growth in existing product categories. The timeline in figure 1 below summarizes the fundamental pivots that Husqvarna has done since its beginning in 1689. Building on this, Husqvarna aims to continue to use their leading brands in their corporate strategy initiative for 2025 (Husqvarna Group, n.d.-b).

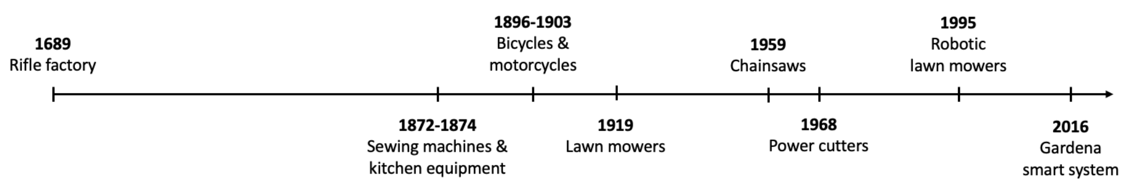

Figure 1: *Timeline of Husqvarna's history*

The promising outlook for the arboriculture market has sparked Husqvarna's interest to seize the market leading position by offering a more extensive product line. Today, as previously mentioned, Husqvarna holds a strong position when it comes to offering competitive battery and petrol driven chainsaws. However, the trend of electrification and digitalization threatens their current position since it replaces Husqvarna's traditional core competence of developing combustion engines. Together with a stagnating logger market, this demands Husqvarna to reevaluate its business strategy towards professional chainsaw customers. This situation raises the question of how Husqvarna can create a stronger presence in the promising arboriculture market.

As mentioned above, the arborist segment is not new to Husqvarna, since they primarily supply chainsaws for this segment. The challenge that Husqvarna is about to engage in is instead the increased strategic focus on the arborist segment, which historically has not been their primary customer. Since every industry is different in terms of competition and customer demands, there is a need to increase the understanding of the arborist customer and the market so that the strategy can be aligned accordingly. Furthermore, since the Husqvarna organization for professional chainsaws has primarily served the logger market, it also raises the need to analyze the resources and capabilities to identify possible fits or misalignments when serving the arboriculture industry. Additionally, Husqvarna has been utilizing their brand when entering new markets and segments before. Therefore, when expanding in the arborist segment, it is deemed necessary to assess the potential of the brand to be used for extension in the arboriculture segment. Furthermore, the thesis aims to create a broader theoretical understanding of the arboriculture market as this has not previously been studied to a large extent.

1.2 Aim

The aim of this report is to increase the general understanding of the arboriculture market as well as provide Husqvarna with recommendations that can support the formulation of their business strategy. The analysis will firstly deal with the external environment of the firm by reviewing the key success factors of the arborist market. Further on, in order to fulfill the aim of the thesis, a resource-based view of the firm will be taken in order to map the internal environment of the firm and the individual resources' potential to contribute to an advantage. After the mapping, the analysis will focus on the match and/or mismatch with the key success factors in the arboriculture market.

1.3 The scope of the study

Aaker (1984) argues that a business strategy should consist of both internal and external analysis. Therefore, to analyze and understand what is important in the firm's external environment, the author proposes identifying and benchmarking the key success factors in the industry, which leads to the first research question.

1. What are the key success factors in the Swedish market for arboriculture?

When the key success factors of the industry are known, they should be put in relation to the internal environment of the firm consisting of the skills, assets and capabilities that the company is in possession of. Furthermore, it is important that these resources and capabilities can be developed or maintained to contribute to a sustainable competitive advantage within the segment, which leads to the second research question.

2. How can Husqvarna's current resources and capabilities, relevant to the arboriculture market, contribute to a sustainable competitive advantage?

In order to fulfill the aim of the thesis, and provide Husqvarna with recommendations for how to formulate their business strategy, it is important to identify areas of improvement or underutilized strengths, which leads to the third research question.

3. What resources and/or capabilities should Husqvarna focus on in their strategy to strengthen their position within the arboriculture market?

In order to facilitate answering the questions above, a literature review has been conducted. The review then served as a foundation for the data collection and the development of the interview guides.

1.4 Delimitations

The underlying trends that are described in the background, such as electrification and digitalization, will not be investigated further whether they are actually prevalent to the extent stated above. Since that would demand a report of its own, it is deemed reasonable to assume these trends as the background for the sake of evaluating the arboriculture market. Furthermore, this report does not deal with appraising if the arboriculture market is an attractive industry or not. This evaluation has already been done by Husqvarna and the attractiveness is therefore considered to lie outside of the scope of this report.

2 Literature

The following section will present the theory gathered during the literature review and the outline for the chapter will be divided into four subchapters. In the first part the concept of business strategy will be introduced followed by a presentation of the two main strategic approaches, cost leadership and differentiation. The second part will deal with the external environment of the firm focusing on what the customers want, how the firms compete and the potential for differentiation. Thirdly, a resource-based view of strategy is introduced in order to understand the internal environment of the firm. Alongside this view, a framework to evaluate the resource’s ability to contribute to a sustainable competitive advantage will be presented. Finally, a framework for how to evaluate a business strategy is reviewed.

2.1 Introduction to business strategy

According to Aaker (1984), a business strategy consists of two components; the product-market investment decision, and the development of a sustainable competitive advantage. The first component includes the scope of the business guiding the resource allocation, while the second part is about the skills, assets and capabilities that a company has at its disposal. The strategy is, according to Grant (2016), the link between these two components where the aim is to find a fit between the firm’s resources and its external environment in order to create a competitive advantage. This is defined as the factors that allow one firm to outperform other firms within the same industry, normally measured as the ability to generate higher profit. However, a firm may possess competitive advantages without attaining a superior profit, since profit can be down prioritized in favor of investments in other areas. Therefore, in order to understand above-average performance, Porter (1998) focuses on the activities a firm performs and concludes that there are two fundamental types of competitive advantages: cost leadership and differentiation. Further, Porter (1998) argues that a firm needs to decide which type of competitive advantage they strive to attain in order to avoid trying to do too much for too many. In the following sections the two fundamental approaches of competitive advantage will be presented.

2.1.1 Cost leader strategy

As mentioned above, one of the ways a firm can create a competitive advantage is by adopting a cost leader strategy, aimed at becoming the low-cost producer of its industry (Grant, 2016). Porter (1998) argues that in order to compete on these terms, firms need to adopt a broad market scope and leverage different sorts of cost advantages to create a competitive advantage. Further, Grant (2016) states that there are several different sources of cost advantages, for example economies of scale and learning, standardized products and improved production techniques. However, investments made to leverage these cost cutting sources face the risk of being erased in case of technological changes (Tanwar, 2013). Additionally, the author also states that the cost leader strategy implies risks from imitation and that the pursuit of cost minimization is being overly prioritized at the expense of the customers’ preferences. Porter (1998) further adds that if several firms in the same industry are trying to attain cost leadership, the consequences can be disastrous for both the individual firm as well as for the entire industry due to price competition.

2.1.2 Differentiation strategy

On the contrary to the cost leader strategy, a firm pursuing a differentiation strategy focuses on earning a premium price by offering the customers something unique (Grant, 2016). Although not all products offer the same possibilities for differentiation, it is possible even with more commoditized products. The author further argues that differentiation can be based on all interactions between the buying and supplying firm where additional value can be created for the customer. Examples of such interactions are complementary services, marketing activities, and other activities and actions that can influence the customers' experience. Porter (1998) adds to this by stating that differentiation is not only achieved by the product and its features but can also be based on how it is marketed and sold. Furthermore, Grant (2016) argues that a differentiated product needs to maintain a unitary image with the firm's other offerings. This is referred to as product integrity which focuses on the product's fit both on component and customer level. Therefore, a product needs to reflect the overall image of the brand both in how it is constructed and how it is perceived by the customers. Tanwar (2013) adds an important perspective on differentiation, emphasizing the risk of the differentiating aspects being imitated. This can lead to the perceived differentiation being reduced and if the price difference between low cost and differentiated products becomes too high, the customers' willingness to pay for premium products are reduced.

2.2 The firm's external environment

This section aims at providing guidance for how to analyze Husqvarna's external environment. Firstly, the concept of industry key success factors will be described, consisting of identifying the customer needs as well as the industry's competitive dimensions. The following section will expand on the customer demands as the basis for differentiation, analyzing more in depth what criteria the customers choose from and what motivates their purchasing behavior.

2.2.1 Industry key success factors

When analyzing the external environment, Grant (2016) suggests identifying the key success factors that affect the performance of the firms active in the industry. The framework consists of two dimensions, firstly finding out what the customers want and secondly, the sources of competition (e.g. cost, location, procurement) between rival firms competing for the same customers. The author further argues that the customers are the sole reason for the industry's existence and by recognizing on what basis they choose offering, the factors influencing the performance of the competing firms can be identified. The second part of the framework deals with the competition between the firms serving the industry and in what areas they compete. The focus is therefore what the company in question needs to do to be able to be competitive in the industry at all or to provide the customers the product they want. Grant (2016) exemplifies this using the airline industry, where satisfying the demand of low cost tickets is not enough without financial strength to resist economic downturn as well as good relationships with airports and regulators. It is reasonable to think that since industry players are affected by the same key success factors, they should adopt the same strategy. However, many industry examples show that success can be reached in the same industries with vastly different strategies. For example, Zara, H&M, and Diesel have aligned their strategies differently to approach the same market. The discussed framework is summarized in figure 2 below.

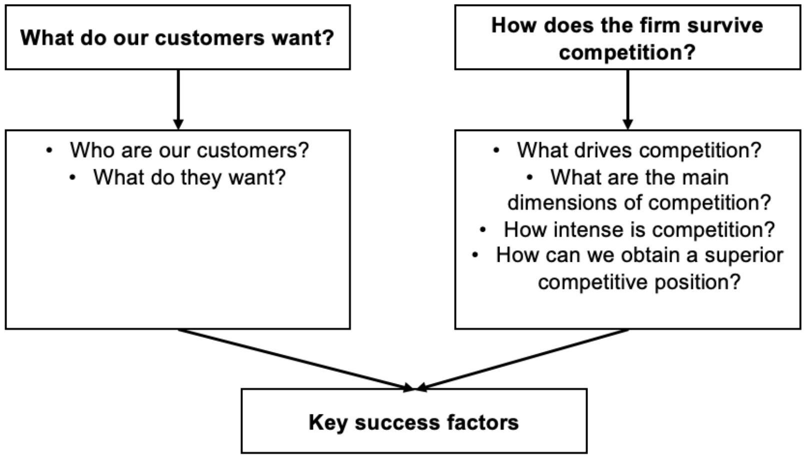

Figure 2: *Components of key success factors (Grant, 2016)*

2.2.2 Customer demands

As previously stated, a firm can seek to create value through a strategy based on differentiation. However, according to Grant (2016) a strategy like this is not solely dependent on the aspects of the product but also on the firm's resources and capabilities through which the differentiation can be realized. In order to identify differentiation potential, Grant (2016) provides a framework that uses the product and the customer as starting points. The customer branch is analyzed by understanding their purchasing criterias and motives. By identifying patterns in customers' purchasing criteria and relating it to specific product attributes, the price premium potential can be assessed. Further, the customer's motives provide guidance to understand who, where and why the customer buys the product. The other branch of the framework that places the product at center facilitates the understanding of what needs the product aims at satisfying which eases identification of the key products attributes. By understanding the customers' motives and purchasing criteria, and relating it to the key attributes of the products, a strategy can be formulated where these aspects provide the base for finding differentiating aspects. The framework is illustrated in figure 3 below.

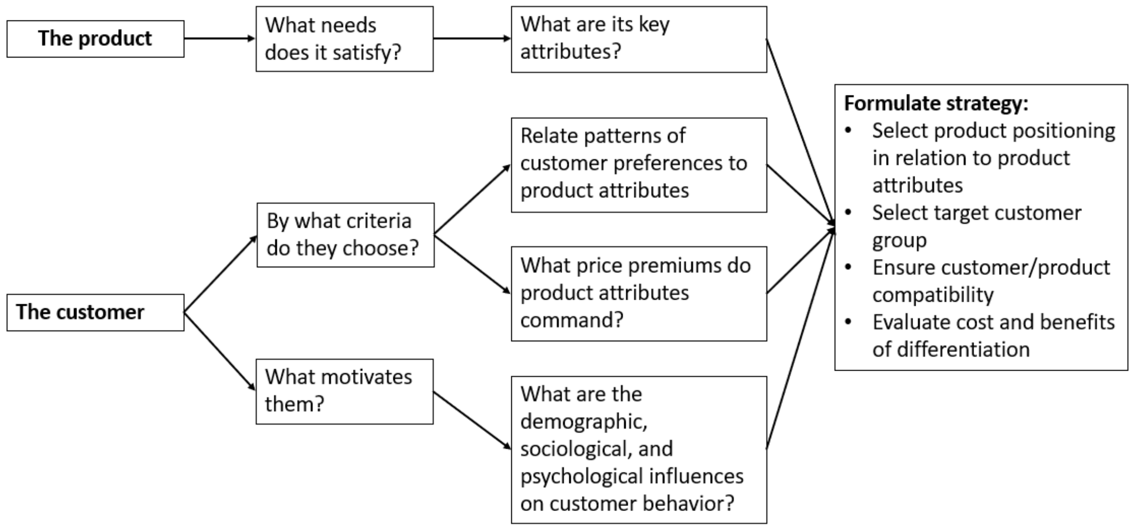

Figure 3: *Components of suppliers differentiation potential (Grant, 2016)*

2.3 The firm's internal environment

When the external environment of the firm has been analyzed, it should be put in relation to the resources of the firm (Grant, 2016). Therefore, and as mentioned in the aim of the study, a resource-based view (RBV) of the firm will be adopted in order to analyze the resources and capabilities of Husqvarna. Firstly, the RBV is introduced as well as a framework for assessing if a resource or capability contributes to a sustainable competitive advantage. Included in the same subchapter is another framework used to put the resources and capabilities in relation to the external factors of the market. Furthermore, since Husqvarna historically has been extending their brand as a growth strategy, it is deemed appropriate to review brand extension literature as a prolongation of the brand as a resource.

2.3.1 Resource-based view of the firm

One of the theories relevant for understanding the internal environment of the firm is the RBV suggested by Barney (1991) and Peteraf (1993). The theory is founded on the assumption that firms' heterogeneous asset and skill base provide the foundation for how a company can create and sustain competitive advantage. Furthermore, it states that the firms within an industry have heterogeneous resources that differentiate them and that those resources are immobile. This is in contrast to industrial organization economics, where assets are assumed to be homogeneous and heterogeneity is only creating excess profits in the short term. However, the RBV assumes the alignment of the company's resources and capabilities to the external environment to be the explanation for superior firm performance (Grant, 1991).

What accounts for a firm's resources is a wide variety of tangible and intangible assets as well as processes and knowledge (Barney, 1991). Some examples provided by the author are plant and equipment, access to raw materials, brand, relationships, experience, and reporting structure. Traditionally, a firm's resources are its strengths that enable them to execute a certain strategy. Grant (1991) further emphasizes the width of resources stating that the main categories are: tangible, intangible and human resources. However, the author distinguishes between resources and organizational capabilities, defining the latter as the "firm's capacity to deploy resources for a desired end result", which encompasses the processes and knowledge discussed by Barney.

Collectively, what determines if a skill or resource contributes to a sustainable competitive advantage instead of solely a competitive advantage, is its property to make it difficult for competitors to imitate or replicate. To evaluate this, Barney (1991) suggests the VRIN-framework, which is short for valuable, rare, inimitable, and non-substitutable. The four components of the framework are analyzed sequentially (V → R → I → N) and all criteria must be fulfilled in order for the resource to contribute to a sustainable competitive advantage. Firstly, the resource or skill must be valuable in order to contribute to a sustainable competitive advantage. Value is further defined as the ability of the resource to improve the firm's performance, more specifically enabling the company to increase its efficiency or effectiveness. The second factor is rareness, which Barney (1991) describes simply as how uncommon the resource is among other actors within the market or industry. This also extends to bundles or a set of resources that collectively makes them rare. The resource does not need to be exclusive to the company in question, it is sufficient if it is spread among a few actors that still allows it to be an advantage in the market. Thirdly, Barney (1991) further argues that the resource must be imperfectly imitable, meaning that it should be difficult or demand significant investments for a competitor to acquire the resource in question. The last factor, non-substitutability, is defined as the property of the asset or skill to be impossible to replace using another resource that is not inimitable nor rare. If this is not the case, the competitor will be able to acquire a resource with equal strategic importance and neutralize the competitive advantage created.

To put the resources and capabilities of the firm in relation to the external environment, Grant (2016) suggests a framework to appraise the strategic importance of the resource and capability as well as the strength. The author further emphasizes the importance of utilizing the strengths of the company where they have the greatest impact, while developing or addressing the weaknesses. In the short to medium term, the firm has little to no ability to affect its asset base and it is therefore a long-term task for companies. Outsourcing to specialist suppliers has been a successful example of how companies can address their weaknesses without developing the resources and/or capabilities in-house.

2.3.2 Brand extension

According to Martínez and Pina (2003), the brand is one of the firm's most valuable resources, and in many cases a key strength. Husqvarna has historically been utilizing their brand when entering new markets and segments, which is what the authors refer to as brand extension, defined as the method of leveraging an established brand to launch new products. This is according to Völckner and Sattler (2006) among the most frequently used product launch strategies since it often lowers the cost of introduction and increases the success rate. However, when extending the brand, some considerations have to be made and the following sections will deal with these considerations in regards to the extendibility of the brand. Lastly, the success factors and risks of brand extension will be evaluated.

2.3.2.1 Brand extendibility

Rangaswamy et al. (1993) argues that the possibility of brand extension naturally depends on the brand’s extendibility. The authors point out two major aspects when evaluating a brand’s extendibility. Firstly, brands that are closely associated with the product attributes in one segment are less transferable to other segments. Brands with high extendibility are therefore focused around more general characteristics of the brand such as quality rather than specific product attributes. Secondly, brands perceived as highly valued by customers tend to be more extendible compared to brands recognized as less valuable.

Aaker and Keller (1990) further elaborates that successful brand extensions only occur when the customers consider the benefits of the brand to be transferable into the new area. Furthermore, the fit of the product with the existing product line in conjunction with the perceived quality of the parent brand is a determinant for brand extension success. The three dimensions of fit discussed by the authors are complementarity, substitutability, and transferability. The first dimension relates to how well the new product fits with the current products in terms of being a complement to the existing product line. Secondly, substitutability is the opposite, namely that the extension acts as a substitute to the existing products. An example of the different dimensions of fit brought up by Aaker and Keller (1990) is the french brand Rossignol, a well-known brand in alpine skiing. Their extension to selling clothing designed for skiing is an example of a complement brand extension, while expanding into cross-country skis would be an example of a substitute brand extension. Lastly, transferability refers to if the customer perceives the new product to demand similar assets and skills to produce compared to the original product class.

Aaker and Keller (1990) concludes that the extension into complements or substitutes to the existing product classes are viewed more favorably if the perception of the quality of the brand is high. The conducted meta study by Bottomley and Holden (2001) also emphasizes this fact but to a lesser extent. Further they conclude that launching a substitute is less likely to succeed compared to complements and products with high perceived transferability. Echambadi et al. (2006) takes it even further and argues that the interaction between quality of the brand and transferability of skills in assets is the most important predictor of brand extension success. However, Bottomley and Holden (2001) found across multiple studies that the general perception of the quality of the brand is important when examining the customers attitude towards brand extension, regardless of the fit of the product. Furthermore, the perceived difficulty to produce the product of the brand extension is another factor affecting the attitude towards the extension. If the product is easy to produce, the authors state that customers might feel that it is premium priced solely due to the brand or that it is incompatible with the parent brand.

2.3.2.2 Success factors and risks of brand extension

Völckner and Sattler (2006) investigate ten success factors for brand extensions and conclude that there are five that are more important to consider from a manager's perspective. As mentioned above, the fit between the new product and the brand is argued to be the most important aspect. If they share similarities and a lot of resources can be reused, the extension is more likely to be successful. Furthermore the authors state that marketing support, retailer acceptance, parent-brand conviction and parent brand experience also are important factors for successful brand extension. The last two refers to how well the company has been in previous brand extensions and how the customers previous experience with the brand has been.

Although brand extension can lower costs and increase the success rate of new product launches, it also implies risks. Martínez and Pina (2003) argues that an extension might dilute the brand if the extension is far from the company's traditional products. Further, the perceived quality of the extension products can both damage and strengthen the image of the parent brand by transferring the impression from the extension products to the parent brand. However, Aaker (1990) argues that a successful product introduction can be more damaging to the parent brand if the established perception of the brand is altered and replaced by less desirable associations, thereby changing the perception of the brand. A failed product launch can instead be withdrawn from the market before it has negatively influenced the parent brand to the same extent.

2.4 Evaluating the business strategy

When both the internal and external environment has been analyzed and a strategy has been developed, Aaker (1984) and Rumelt (1993) propose similar criteria for evaluating if a strategy is deemed suitable. Furthermore, Rumelt (1993) proposes the four criteria consonance, consistency, advantage, and feasibility in order to assess how well the strategy aligns with the internal and external environment of the firm. The four criteria will be described in more detail below.

2.4.1 Consonance

The evaluation criteria of consonance includes both the ability of the firm to adapt to the environment outside the industry, as well as how they relate to the competitor's within the industry. The first is addressed by analyzing the economic and social landscape, and how it changes over time, that shape the market where the company is present (Rumelt, 1993). Aaker (1984) emphasizes the forward-looking aspect of the analysis, stating that the company "should consider what the competitive environment will be one year, three years, and five years into the future" (p. 169), and adapt their strategy to fit the ever changing environment. Furthermore, the relation to competitors within the market is primarily about the position between the firms at a given place in time, instead of looking forward.

2.4.2 Consistency

Rumelt (1993) elaborates on consistency, emphasizing the importance of aligning the organization to reach a common goal. When developing a business strategy, the strategy must be coherent with the organizational goals that have been established. Evaluating the strategy option through the lens of consistency with existing long-term objectives serves as a guide to whether the strategy makes sense for the business in question (Aaker, 1984).

2.4.3 Advantage

As described above, advantage is a central aspect of business strategy (Aaker, 1984, 1989; Barney, 1991). Rumelt (1993) even argues that "competitive strategy is the art of creating or exploiting those advantages that are most telling, enduring, and most difficult to duplicate". Rumelt proposes investigating the three aspects skills, resources, and position in order to understand how well the strategy creates or maintains a competitive advantage. One approach to evaluate the advantage is to use the VRIN-framework described above. Rumelt (1993) further states that the position consists of the products and services the firm offers, which market segments it supplies, and the level of isolation from other competing firms. The author further argues that the optimal combination for a firm's position is if it can supply "very uniquely valuable products to price insensitive buyers" (p. 5). A company's position can also be a result of first-mover advantage or superior skills and/or resources, and a good position tends to be defensible once established.

2.4.4 Feasibility

Feasibility deals with the limitations of the strategy in question, not only financial limitations but also organizational and individual limitations are discussed by Rumelt (1993). The firm must have the problem-solving abilities, competencies, coordinative skills and managers must be motivated in order for the strategy to be a feasible alternative for the company. Aaker (1984) develops this thought and states that the fit of the strategy with the company culture is an important factor, especially if a key resource is certain personnel that is accustomed to the current culture.

3 Methodology

The following sections will present the method of how the study has been carried out. The first section introduces the adopted research design and the five steps of the study. Subsequently, the data collection process, consisting of primary and secondary data, will be presented. Finally, the method for how the analysis of the primary and secondary data was conducted is being reviewed.

3.1 Research design

The research strategy of this report is a qualitative study due to the abductive nature of the research questions, where observation of Husqvarna and the arborist market are in focus. According to Bell et al. (2019), a qualitative research strategy deals with words and images instead of numbers, which is deemed suitable in the context of this report. As will be described below, the main data sources of this thesis are interviews and secondary data provided by Husqvarna, for example industry reports. The design of the research is a case study of Husqvarna's position and the conditions in the arboriculture market. As a part of the case study, Husqvarna, their dealers and the end users were examined in order to create an understanding of the internal and external environment of Husqvarna. According to Bell et al. (2019), the case study design allows the researcher to combine several different data collection methods instead of depending on a single one. Due to the unclear boundaries of business strategy, the chosen method is deemed appropriate to arrive at a comprehensive conclusion where several perspectives are included.

The research process consisted of 5 stages which are illustrated in figure 4. Firstly, a literature study was conducted that guided the collection and analysis of the data. According to Bell et al. (2019), a review of academic material helps to form a picture of what is already written about the research topic. The review was initially performed to create a theoretical foundation to use as a starting point for the study which is suggested by Easterby-Smith et al. (2012). This also provided information on what methods, theories and concepts other researchers in the field have used to study similar cases. Searching for relevant literature was carried out by starting with a couple of keywords such as "business strategy", "resource-based view", "brand extension", and "competitive advantage" that was used mainly in the databases Google Scholar and Scopus. The cited sources in the identified articles were later examined in order to find additional literature. In parallel to the literature study, a pre-study was conducted through unstructured interviews with industry experts and reviewing of industry reports to get a better understanding of Husqvarna as well as the industry they operate in. Bell et al. (2019) argues that the validity of the study can be enhanced by using and comparing different kinds of material and sources and thereby ensuring more reliable data by offsetting the weaknesses of a single source.

Secondly, the initial interview guides for the semi-structured interviews were formulated, based on the pre-study and the literature study. Since snowball sampling was used for the interviews with employees at Husqvarna, which will be described more extensively below, the interview guides were developed and adapted to the role of the interviewee and the function they represented. This was done in order to get in-depth results that would have been overlooked with a more general interview guide. In parallel, the data was collected and subsequently thematically analyzed during the data collection process. Finally, the analyzed data was discussed and conclusions were drawn to answer the research questions. The research process is illustrated in figure 4 below.

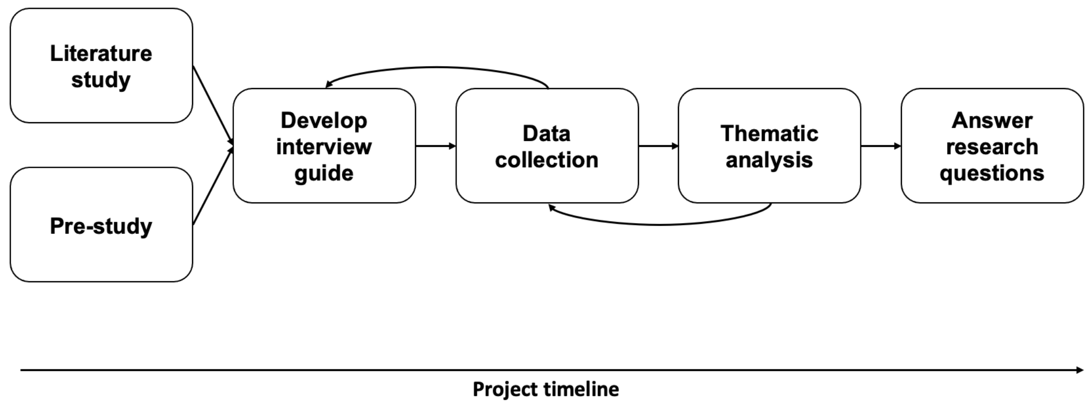

Figure 4: *Illustration of the research process*

3.2 Data collection

Throughout the study, data from both primary and secondary sources have been used. Primary data was gathered through interviews with representatives at Husqvarna, stores and arborists, and secondary data was used in the form of industry reports and internal documents. According to Bell et al. (2019) the study's credibility and validity is strengthened by using different kinds of sources to examine the same area of research.

The primary data was mainly gathered through a series of interviews with people who either work at Husqvarna, sell arborist equipment or work as arborists. Bell et al. (2019) states that interviewing provides the researchers with a flexible method where several different perspectives can be combined, which has been used to create a comprehensive understanding of the arborist industry and Husqvarna. Furthermore, the author presents two main types of qualitative interviewing techniques, unstructured and semi-structured interviews. To create a broad understanding of the area, the interviewing method in the initial data gathering phase was of an unstructured character. By doing so, an unrestricted conversation was held where different topics were being discussed freely and with varying depth. Initially the aim was to create a general understanding of the industry which later provided the foundation for creating the interview guides. The guides were then used in what Bell et al. (2019) refers to as semi-structured interviews. They further argue that this facilitates the focus of the research while at the same time providing the flexibility to rephrase and change the order of the question to investigate new aspects as they come up.

The research questions investigated in this report are not of completely unexplored nature and secondary data, in the form of industry reports, was hence a valuable source for understanding the situation at Husqvarna and the industry. Therefore this type of data was used to complement the primary data. However, Bell et al. (2019) states that the researchers need to be aware that this kind of data often is generated by or at the request of the organization itself and that it therefore might provide a biased perspective. A cautious mindset has therefore been used when dealing with this type of data and especially when analyzing, for example, market size projections and future trends.

3.2.1 Sampling of interview objects

In order to create a comprehensive understanding of Husqvarna and the end users, three different groups, Husqvarna, resellers, and arborists, have been interviewed. Following the division of business strategy into the internal and external environment made by Aaker (1984), resellers and arborists have been interviewed to create an understanding of Husqvarna's external environment. Employees at Husqvarna have been interviewed to complement this in order to better grasp Aaker's second component, Husqvarna's internal environment, by investigating their resources and capabilities.

Interview objects were sampled through the method of purposive sampling where interview objects are selected based on how they can contribute to answer the research questions. Bell et al. (2019) divides this sampling technique into two different types, sequential and non-sequential sampling. A sequential sampling approach has been used throughout the research since it allows for new interview objects to be added along the way in order to investigate new aspects of the research questions. This approach was well suited for the study since it allowed Husqvarna's already established network to be leveraged both within and outside of the firm. For example, Husqvarna has arborists that they cooperate with to test their products, which were used to find the initial arborist interviewees. In order to get perspectives not influenced by Husqvarna, arborists not related to Husqvarna were contacted. These arborists were found by googling search words such as "arborist Göteborg" and "trädvård Göteborg". In total, four out of eight arborists were affiliated with Husqvarna and a list of all interviewed arborists can be found in table 1. As the data was analyzed thematically, which will be discussed below, Husqvarna's network was used to find interview objects when themes relating to previously unexplored functions were identified. This is a variant of what Bell et al. (2019) refers to as snowball sampling, which is defined as the method of finding new interview objects using recommendations from previous interview objects. All interviewed employees at Husqvarna are presented in table 2 together with some additional information. Snowball sampling was also used when investigating stores, where the interviewed arborists were asked about how they acquire equipment. The result was later used as a basis for sampling the interview objects for the store interviews which can be found in table 3.

Table 1: List of interviewed arborist together with complementing information

Name	Selection method	Interview technique	Duration	Other experiences	Years of experience
Arborist A	Referred to by Employee C & D	Online meeting	60 min	Background in sales and project management at Husqvarna	> 30 years
Arborist B	Referred to by Employee C & D	Online meeting	70 min	Background in business development at Husqvarna	> 15 years
Arborist C	Referred to by Employee C & D	Phone call	45 min	Over 15 years of being a product tester for Husqvarna	> 20 years
Arborist D	Google search	Phone call	50 min	Sponsored by Stihl for many years	> 35 years
Arborist E	Google search	In person	80 min	Background in mechanical engineering	> 15 years
Arborist F	Google search	In person	80 min	-	< 1 year
Arborist G	Google search	In person	80 min	-	> 1 year
Arborist H	Referred to by Employee C & D	Phone call	30 min	Product ambassador for Husqvarna	> 15 years

Table 2: *List of interviewed employees at Husqvarna together with complementing information*

Name	Selection method	Interview technique	Duration	Organizational area	Previous experiences	Years at Husqvarna
Employee A	Husqvarna referral	Online meeting	60 min	Sales and project management	Logger, arborist and forestry training courses	> 30 years
Employee B	Husqvarna referral	Online meeting	60 min	Sales	Assembler, aftermarket and service at Husqvarna	> 35 years
Employee C	Husqvarna referral	Online meeting	70 min	Global product management	Product management and R&D	> 18 years
Employee D	Husqvarna referral	Online meeting	75 min	Global product management	Product management within battery chainsaws	> 14 years
Employee E	Husqvarna referral	Online meeting	60 min	Marketing	Marketing on regional and global level	> 23 years
Employee F	Husqvarna referral	Online meeting	60 min	Marketing	Marketing towards several customer segments	> 5 years
Employee G	Husqvarna referral	Online meeting	65 min	R&D	Manager and engineer within R&D	> 30 years
Employee H	Husqvarna referral	Online meeting	60 min	Regional product management	Worked with several product segments	> 8 years
Employee I	Husqvarna referral	Online meeting	60 min	Regional product management	Product specialist, sales, and logger	> 23 years

Table 3: *List of interviewed stores together with complementing information*

Name	Selection method	Interview technique	Duration	Role	Years in business
Store A	Referred to by Arborist C, D, E & H	In person	120 min	Owner	> 25 years
Store B	Referred to by Arborist B, E, F & G	Online meeting	40 min	Owner	> 7 years

3.2.2 Interview method

Interviews with employees at Husqvarna were conducted following the previously mentioned process where the initial interviews were used to create a brief understanding of the different functions and their roles. The initial unstructured interviews were conducted together with two of the product managers at Husqvarna and are not included in the table above. These were later used to create focused interview guides to facilitate a more narrow scope in the following interviews. Since the aim was to create an understanding of the stores' and the arborist's work environment, the interview guides for these groups remained unchanged to increase the comparability. However, when interviewing employees at Husqvarna, the interview guides were more frequently adapted to fit the employee's role and department belonging and some example questions for each function are presented in table 4. For the interviews with arborists and stores, the main areas discussed together with example questions are presented in table 5 and 6.

Table 4: *The different function interviewed at Husqvarna together with some example questions*

Function	**Sample questions**
Product management	● What are Husqvarna's main challenges when targeting the arborist end user? ● What makes Husqvarna suitable/not suitable to supply the arborist customer?
R&D	● What are the strengths of Husqvarna's R&D department? ● What are the challenges of developing products for arborists?
Marketing	● How does Husqvarna market themselves towards arborists? ● What attributes of the Husqvarna brand do you emphasize towards arborists?
Sales	● Which are Husqvarna's sales channels? ● What customer segments do you support?

Table 5: *Areas discussed with arborist and some example questions*

Question category	**Sample questions**
About the arborist profession	● Describe your profession ● Describe a normal day as an arborist
Products and equipment	● What equipment do you use in your profession? ● What are your purchasing criterias when buying equipment?
Distribution channels	● What is your preferred distribution channel? ● How often do you visit a dealer physically?

Table 6: *Areas discussed with stores selling arborist equipment and some example questions*

Question category	**Sample questions**
Store background	● How long have you sold arborist equipment? ● Why did you start selling arborist equipment?
Products and equipment	● What products are you selling to arborists? ● What are you looking for in new products?
Customer relationship	● Why do arborists come to your store? ● Describe the customers' buying behavior

The interviews were mainly carried out over phone or online due to the geographical dispersion of the actors included in the study. According to Bell et al. (2019), online interviews offer the advantage of flexibility, both in terms of location and scheduling. Furthermore, by conducting interviews online, the interviewees body language can be interpreted, which would have been lost if the interview were conducted over phone instead. Additionally, online meetings also make it easy to record the conversation which reduces the risk of misunderstandings since it can be reexamined afterwards. All interviewees gave their consent of being recorded and were ensured that their answers were made anonymous in the final report. However, Store A was visited in person and due to the possibility of walking around in the store, this interview had a more flexible approach compared to store B. Both interviews however discussed the same topics and followed the same interview guide.

During every interview, one of the researchers was responsible for taking notes. In order to increase the reliability, the recording of the interview was used to ensure that the full interview was summarized and the no parts were overlooked. To further verify the interpretation of the interviews, the summaries were reviewed by both researchers in order to ensure that they had interpreted the interviewee the same way. In cases where the interpretations differed or were uncertain, a similar method to what Griffee (2005) refers to as reinterviewing was used where the interviewee was contacted again to verify or clarify the interpretation.

3.3 Data analysis

Analysis of the data gathered in the interview process has been methodically analyzed in order to identify patterns. Bell et al. (2019) states that the vast amount of data often generated in qualitative research can become a difficulty. Therefore a structured and efficient method to analyze the data is important in order to efficiently identify insights and to reduce the risk of the biased interpretation of the data.

The data collected in this study was analyzed using a thematic analysis approach, due to the flexibility it provides when the researcher is using multiple types of data sources (Bell et al., 2019). Braun and Clarke (2006) also highlights the flexibility of the method and further states that it is useful in order to find similarities and differences as well as key features in large data sets which suit this study well. However, one weakness of the analytical method is the reliance on interpretation of the qualitative data by the researcher, which challenges the reliability of the results, especially when the study is conducted by multiple researchers (Guest et al., 2012). Therefore, in order to address these challenges, both researchers have participated in the coding process of all interviews. As suggested by Braun and Clarke (2006), the researchers firstly familiarized with the data and the initial coding was based on how the data related to the research questions. These were later altered and/or consolidated throughout the process based on recurrence or commonality.

The coding was performed by assigning the identified themes with a specific color. Every time something related to a theme was mentioned in an interview it got marked with the theme specific color. For example, one identified theme when interviewing arborists was product innovativeness which was assigned the color orange. In all interviews with arborists where aspects of innovativeness were discussed it was after the interview marked orange.

As mentioned above, both researchers have in all cases been part of performing the coding in order to reduce the risk of biased interpretation and to ensure that shared criteria were used. Furthermore, the work of coding has been done continuously throughout the study where it has been conducted as soon as possible after the interviews in order to reduce the risk of misunderstandings.

After all interviews within the same target group (Husqvarna, stores or arborists) were coded, the statements belonging to the same theme were collected. Within these collections, all recurring statements about the same topic were highlighted no matter what opinion they expressed. In a second review round, the statements were categorized according to if they agreed, disagreed or provided a different perspective of the topic. This showed how frequently the topic had been discussed as well as if the interviewees generally agreed or disagreed on the topic. Thereby, the expressed thoughts and opinions were considered more reliable if it was a commonly shared insight.

4 Empirical findings

The results of the interview study and collection of secondary data is presented in the following section. Firstly, the findings from the interviews with arborists are introduced, structured according to the question categories, complemented with information from an industry report. Subsequently, the interviews with the stores are described, also structured based on the question categories. Lastly, the results from the interview study of Husqvarna are presented alongside internal documents from the secondary data collection. The section is divided into subchapters based on the resources and capabilities that were identified in the thematic analysis.

4.1 Arborists

The purpose of the interviews conducted with arborists was to get a better understanding of the end-users perspective. Initially, background information of the arborist profession is presented followed by a section introducing the equipment they use. Subsequently, the two main distribution channels, online and physical stores, of arborist equipment is introduced and lastly the arborists purchasing criteria is reviewed.

4.1.1 Description of the arborist profession

As described in the background, an arborist has a wider competence than a tree feller, including pruning, caring as well as felling. What primarily distinguishes a professional solely felling trees from an arborist is the level of biological knowledge about trees, which increases the focus of sustaining the life of trees. However, the work does not require any legal certification but it is sometimes demanded by the customer, especially if an arborist is contracted by a municipality. The job is often conducted in a complex environment which demands the arborist to climb in trees and use a lot of different tools and equipment to complete the job. Furthermore, it is often done in an urban environment where trees or branches simply cannot fall uncontrolled but instead must be tactically cut to avoid damaging people and property. The job therefore demands a certain amount of planning and inspection of the work at hand but can normally be completed within a day.

Furthermore, the vast majority of the companies within the arborist market are small companies. The interviewees stated that this leads to collaboration between the arborists active in the same geographical market and many of them described it as a community where they share information revolving equipment and other work related information. Arborist B stated that his primary source of information when deciding what to buy was insights from colleagues and it was more or less emphasized by all the interviewees. The general interest and knowledge of the different equipment was very high among the arborists interviewed, which was due to the fact that many of them described it as more of a hobby than a job. This also affected the design preference and several of the interviewees pointed out that the appearance of the equipment was an important factor.

4.1.2 Equipment

According to Freedonia Custom Research (2020), arborist equipment can be categorized into five different segments, namely chainsaws, climbing and rigging, personal protective equipment (PPE), accessories, and arborist tools (which includes more general gardening tools). Table 7 presents a few examples of equipment within each category that was mentioned by the interviewees.

Table 7: *Examples of equipment in each product category*

Chainsaws	**Climbing and rigging**	**PPE**	**Accessories**	**Arborist tools**
● Battery chainsaws ● Petrol chainsaws	● Harnesses ● Ropes ● Carabiners ● Throw lines ● Ascenders	● Helmet ● Chainsaw protective pants ● Safety footwear	● Chainsaw bars ● Chains ● File kit	● Hand saw ● Pruning shears ● Rake ● Leaf blower

All of the interviewees described the large variety of equipment needed to conduct the job and that this demanded them to use many different suppliers and brands in order to satisfy their needs. Due to the small number of stores located in Sweden, which will be discussed further below, all of the arborists stated that they frequently bought equipment from outside of Sweden (e.g. Germany and the UK). Furthermore, the arborists stated that equipment was a significant part of their costs but emphasized the importance of buying equipment of good quality due to the safety concerns related to the job. Additionally, all of the interviewees pointed out that they valued hassle-free ownership, therefore they seldomly buy products from non-premium brands because of the lack of confidence in their quality.

The frequency of when the interviewees replaced their equipment varied greatly between the different arborists and between different product categories. For example ropes demand replacement roughly after 1-2 years due to the high wear when in use, while chainsaws can last for 10+ years. Arborist A, B, E, F and G stated that they change equipment primarily when it has been consumed or is in such bad condition that it is not safe to use anymore or when a new product has been introduced that increases performance significantly. Some examples of where the performance have increased significantly are an electric pruning shear, electric power ascender, and battery chainsaws. Arborist C, D and H stated that they also replace worn out products but more importantly that they buy new equipment as soon as new features or improvements are available, even though the upgrade is small. Some examples provided of small improvements were helmets with integrated foldable ear protection, harness with more attachment points, and new rope colors.

Among the different categories of products, the interviewees stated strong brand preferences for some of the categories. For example, all of the arborists stated that they did not buy any other brands than Husqvarna or Stihl when purchasing chainsaws. This was similar for harnesses where interviewee E, F and G argued that Teufelberger, and their treeMotion harness, or Petzl was widely used in the industry and that few alternatives were considered. This was also brought up for hand saws where Silky was the brand of preference. For other categories, the brand was not as important as for the ones mentioned above. For example, many of the interviewees argued that for PPE such as chainsaw protective pants the brand was not as important, many of the arborists instead claimed that they trusted the certification (e.g. CE) and were willing to use other brands if they offered new functionality. Furthermore, design was brought up as an important factor for many of the professionals and that they were prone to mix and match different brands in order to get the look they wanted.

When asked what different key attributes they valued the arborists emphasized four attributes, namely safety and quality, ergonomics, reliability, and innovativeness. The interviewees stated that the perception of whether or not the product achieves the specifications of the key attributes was largely influenced by previous experience with the brand as well as word of mouth from colleagues, either when conducting the work or in social settings related to the community that was described above. Also, many of the professionals interviewed, Arborist E, F, and G, described that they lacked equipment or gear explicitly designed or customized for arborists and that they were often dependent on equipment produced for traditional customer segments like loggers.

4.1.3 Distribution channels

The following section will present where arborists purchase their equipment and the reasoning behind it. Throughout the interview process three different types of distribution channels for arborist equipment have been identified. Physical and online stores have shown to be the most commonly used channels to attain equipment and all interviewees stated that they have or are using both of these alternatives. Additionally to this, one interviewee stated that he also uses a catalog solution to order products. In most of the cases the arborists stated that they use more than one source for purchasing equipment and multiple online stores are often combined with physical stores. Furthermore, there is a difference in what kind of distribution channel the arborists prefer depending on the nature of the product, where purchase of certain equipment is facilitated by immediate availability or the possibility of testing the products. Further on, information regarding physical and online stores will be presented followed by a section review of what kind of products the arborist usually buys from the different distribution channels.

4.1.3.1 Physical stores

The availability of physical stores has previously been limited and it is only in the last few years that there has been an increase in physical stores selling arborist equipment. An explanation of this is that stores in adjacent markets such as forestry and gardening have expanded their assortment to include arborist equipment. From the perspective of the arborists interviewed, this has shown to be an advantage that facilitates the process of purchasing equipment. The following sections will present these advantages.

Accessibility
As mentioned before, the arborist profession is varying and the different jobs require a wide range of equipment that during usage gets torn. Therefore there is a need to be able to access the right equipment immediately when something has broken or the arborists do not possess the tool required for a job. Many of the interviewees have therefore stated that the possibility to access equipment immediately is one of the major reasons for why they choose to buy it at a physical store. For example, some of the equipment like ropes, lines, PPE made out of textile, and harnesses are being torn and are therefore not only one-time-buys but needs to be continually replaced. These are also products that are crucial to perform a lot of the jobs which makes the availability of these kinds of products important. As an example of this, Arborists F and G explained that damages to the chainsaw protective pants

are reoccurring. In some cases they can fix the damages on their own but if this is not possible they either need to have a spare pair or be able to access a new pair quickly since a lot of the jobs are not allowed to be performed without proper PPE. Further, Arborist C also stated that he often ends up buying more equipment than he plans when visiting the store.

Seller competence

When choosing to buy things at a physical store the arborists are able to take advantage of the seller's knowledge about the products. The interviewees have had different views on to what extent they value this. Some have argued that this is an important factor where the knowledge of the seller has been highly appreciated. For example, Arborist C stated that the seller had contacted and introduced him to a new type of tool that has simplified his work. However, other interviewees stated that they considered themself to be sufficiently knowledgeable or gathered the necessary information from other sources such as online reviews or people in the arborist community. Therefore they did not consider the knowledge of the seller to be as valuable.

Testing products

As mentioned earlier, the quality and comfort of the arborist equipment is important since it enables performing the jobs in a secure and ergonomic way. By purchasing the equipment at a physical store the arborist gets the opportunity to see, feel and try the equipment before making the purchase. Thereby the arborist gets the chance to create a better feeling for the products which several times have been mentioned as a benefit of in-store purchases. As an example of this, Arborist E stated that buying a new harness is almost impossible if he is not able to try it before buying it. Similar reasons have also been mentioned for other equipment as well and the need to test the products was mentioned in connection to the following products: harness, safety footwear, chainsaw protective pants, helmets, ropes, and friction brakes.

Service and maintenance

Another commonly mentioned reason for why arborists turn to physical stores is the possibility of getting product service and maintenance. The physical store that was interviewed is, except for selling products, also offering product service and maintenance. A recurring theme during the interviews with arborists has been uptime and reliable products. However, during usage the products get torn and break and the access to quick service has therefore shown to be important. Furthermore, the store has also acted as a distributor of spare parts for arborists who conduct maintenance on their own.

4.1.3.2 Online stores

The interviews have shown that using online stores for purchasing equipment is widely used and among the most common ways to attain the necessary tools. Both firms located within and outside of Sweden are being used and some of them operate as both physical and online stores. During the interview process several reasons have been identified for why arborists turn to online stores which will be discussed in the following sections.

Lack of availability to physical stores

The most commonly mentioned reason for why arborists choose to buy equipment through online stores is the lacking availability of physical stores. According to the conducted interviews, the main problems tend to be that there are no physical stores close to where the arborist operates or that the local stores do not have a satisfactory assortment of tools and equipment. This has therefore forced them to turn to online stores specialized towards arborists. However, by doing so the arborist loses the possibility to try the equipment before acquiring it. Although most arborists expressed that they want to try new equipment before buying it, several of them stated that they do not consider this to be a big problem since they already know what products they want. Some arborists explained that they often just update their current equipment with the same product and therefore do not need support from store personnel or the possibility to try the product before purchasing it. Others also mentioned that they sometimes try the equipment at arborist competitions or try other colleagues' equipment which facilitates online purchases.

Complete assortment
An explanation for turning to online stores is the wider range of products that they supply. Many interviewees stated that they put a lot of effort into finding just the right equipment that both functions and looks the way they expect. Therefore, a wide variety of products are highly valued where the arborists can choose from several alternatives within the same product category. As a part of this, Arborist B stated that one reason for using an online store was that the operator of the site found and added new products to the assortment based on feedback from the arborist customers.

4.1.3.3 Preferred distribution channel per product category

The interview process has shown that some product categories are more commonly bought at physical stores while others are more frequently purchased online. Following the product categorization presented earlier, it is the chainsaws, PPE and the climbing and rigging gear categories that stands out. As stated above, arborists usually turn to several sources for acquiring equipment and for the different product categories the preferred distribution channels vary. According to Freedonia Custom Research (2020), 100% of all chainsaws are sold through physical stores where the store has a direct agreement with the chainsaw manufacturer. Climbing and rigging gear is on the other hand more diversified where only 5% are being sold at chainsaw dealers, 10% at retailers, 15% at non-chainsaw dealers, and 70% online. The sales per product channel is shown in figure 5.

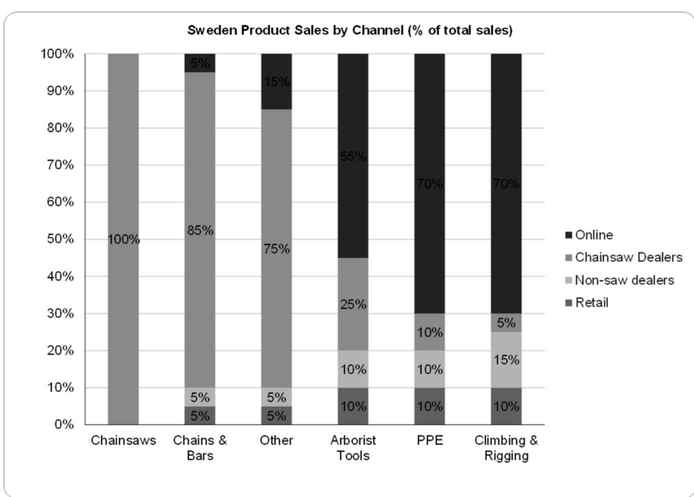

Figure 5: *Product sales by channel in Sweden*

The conducted interview study supports the store distribution presented by Freedonia Custom Research (2020) when it comes to chainsaws, where all interviewees stated that they bought their chainsaws from a physical dealer. One reason for this is the wide availability of physical chainsaw stores, which can be explained by the fact that chainsaws are not a product exclusively used by arborists. Instead, chainsaws are part of the more traditional forestry market where the chainsaw manufacturers have a more developed presence. Another commonly mentioned reason for this is the need for service and spare parts. Several of the interviewees stated that they go to the same store every time their chainsaws need service or maintenance or when they need to get access to spare parts. According to several interviewees this builds up a relationship between the store and the arborist.

Climbing and rigging gear have, according to both Freedonia Custom Research (2020) and the interviews, shown to be commonly bought online. Throughout the interviews this has been one of the most frequently brought up categories when discussing online purchases and the main argument is the wider assortment of products it provides. The ease of purchasing online and limited availability of physical stores, pushes for online stores although most of the arborists stated that they wanted to be able to try the products before making a purchase.

4.1.4 Purchasing criterias

During the interview process the arborists have been asked about their purchasing criterias when buying equipment. All of the arborists expressed that the criteria varies between the product categories. However, across all categories there has been a unanimous response that arborists make purchasing decisions based on performance and problem free ownership instead of price. Below, the purchasing criterias will be presented following the categorizations introduced earlier starting with chainsaws, followed by climbing, rigging and PPE, and finally accessories and arborist tools. Some of the categories were bundled together due to the similarity in purchasing criterias.

4.1.4.1 Chainsaws

There are two actors dominating the chainsaw market, Stihl and Husqvarna, and all of the interviewed arborists were using one of those brands. Arborist E even stated that he would not consider buying any other brand which shows how strong these brands are among the arborists which makes it a purchasing criteria. Furthermore, most interviewees associated these two brands with reliability and quality. These attributes are highly valued due to the arborists desire to have a problem free ownership of the equipment, which make reliability and quality a second purchasing criteria. Thirdly, the chainsaw's performance, such as cutting and battery capacity, as well as weight, are important to perform the job both efficiently and ergonomically. As previously mentioned, the interviewees often work in challenging situations and positions and are therefore willing to pay a premium price in order to get products with low weight and high performance.

Purchasing criterias:

- All of the arborists considered only Stihl or Husqvarna when buying a new chainsaw
- Reliability and quality is highly valued in order to have hassle-free products

- Chainsaws need to have low weight and offer high performance

4.1.4.2 Climbing, rigging and PPE

Since this kind of equipment is used when the job requires the arborist to climb the tree, the arborists' life depends on it. Therefore, safety is one the most important criterias when arborists buy climbing and rigging gear. Several interviewees stated that they ensure the safety of the product by purchasing products that they have previous experience from or they know that other arborists are using. When being asked to elaborate on the meaning of safety the arborists emphasized consistent behavior and robust appearance. Since the job often is performed in challenging situations, many arborists are looking for new products and innovations that can make the jobs both more ergonomic and efficient. Therefore, product innovations that offer improved or new functions, such as a more comfortable PPE or products with low weight, are well received and many of the interviewees stated that they are willing to pay and try new products if they believe that it can facilitate their work. Although several interviewees stated that the functionality of the equipment is the first priority they also stated that they wanted the equipment to convey the right image. Therefore, for both the categories PPE and climbing and rigging gear, design is considered to be an important aspect when arborists are purchasing products.

Purchasing criterias:

- Climbing, rigging and PPE have to be safe and convey safety through robust construction
- The equipment needs to be innovative and facilitate the job
- Design and appearance of the product

4.1.4.3 Accessories and arborist tools

As mentioned earlier the arborists use a lot of different equipment. Since a lot of jobs can not be performed without certain equipment, and acquiring new tools can be cumbersome, most interviewees argued that they almost without exception buy premium products to minimize downtime caused by dysfunctional products. Therefore, most arborists stated that they buy products they consider to be reliable and durable although they are more expensive. Furthermore, a similar argument is being made regarding innovations and new products that can ease the work by being adapted to the arborist needs. For example, Arborist C mentioned that he previously had used a manual pruner, which during full days of work was exhausting. Now he had switched to a battery driven pruner instead and explained that this made his working situation both more efficient and less tiring.

Purchasing criterias:

- Products need to be reliable and durable
- Products must be focused on adding value by being adapted to arborists work

4.2 Stores

Since Husqvarna does not sell equipment directly to the end users, the stores are the actors connecting Husqvarna with the end user of their products. Therefore, the stores were deemed to be important for the study since they are Husqvarna’s primary customers. Firstly, some background information of the two stores will be provided followed by their perspective on the products and equipment that are sold to arborists. Lastly, the relationship that they have with the end customers will be presented.

4.2.1 Store background

The two interviewed stores have different backgrounds both in regards to product segments and primary distribution channels. Store A has a background in gardening and forestry equipment through their physical store while Store B is a more novel online actor solely serving arborists. Therefore, they provide different perspectives on the arborists' process of acquiring equipment.

4.2.1.1 Store A

As mentioned in the methodology, Store A was founded in 1996 primarily supplying forestry and gardening tools. It is only since 2020 that arborist equipment has been part of their assortment. Today the store offers products for all three customer segments forestry, gardening and arboriculture through their physical store in Gothenburg. The expansion into arborist equipment was initialized when the company Teufelberger, which is a well-known producer of climbing gear among other products, reached out to the store in the search for a reseller of their products in western Sweden. Furthermore, the interviewee explained that their previous customers had requested arborist equipment but the possibility of entering the market was limited before Teufelbergrer reached out to them. Today the store has a total revenue of 39 million SEK and the interviewee estimated that 2-3% of net sales are climbing and rigging gear. Additionally, the store offers equipment in all of the five categories mentioned earlier, namely chainsaws, climbing and rigging, PPE, accessories, and arborist tools.

4.2.1.2 Store B

Initially, Store B was launched in 2015 as an online store specialized in selling arborist equipment. The original founder had recently finished his studies to become an arborist and experienced problems with finding stores selling the equipment he needed to start working as an arborist. Therefore, he decided to start his own online shop and by focusing on expanding the assortment and writing contracts directly with the manufacturers of the products it has grown. Today, the company has a total revenue of 9 million SEK and operates both online and through a store located in Stockholm that also functions as a warehouse. The interviewee estimates that about 90% of the revenue is generated through the online channel. The store offers a wide range of products consisting of around 2500 articles covering all product categories mentioned earlier except for chainsaws.

4.2.2 Products and equipment

Store B, that mainly operates online, emphasized the importance of a wide assortment in order to attract customers. As previously mentioned, the store offers around 2500 products and the owner believes that this together with their high service level are the main aspects that attracts their customers. Overall, the store offers a wide range of products, especially within the product segments climbing gear and PPE, although they do not sell any chainsaws. Store A on the other hand has a history of selling chainsaws to their gardening and forestry customers and has used this position to expand into the arborist segment. Today, Store A offers equipment in all of the five product categories but the assortment within each category is not as wide compared to Store B. Additionally to selling products, Store A also operates a repair shop that provides maintenance and repairs mainly to chainsaws and other equipment. Although the importance of a wide assortment, Store B stated that they experience some problems with the growing number of products. Due to this, a lot of capital is being tied up and availability of free storage space has become a limitation for them.

During the last years' the stores have grown their assortment of arborist products, driven both by the stores' customers and suppliers. The stores expressed that they recurrently get requests and tips from their customers on products that they want the store to add to its offerings. These requests have been one of the main channels for how the stores have identified new products to add to the assortment. Furthermore, manufacturers of arborist equipment have also reached out to the stores' in order to add their products to the stores' offering. Store B explained that their suppliers contact them before they are about to launch a new product and that they get introduced to the product after signing a NDA. In those cases the store often gets some test products that they sell and then provides the users feedback back to the suppliers.

4.2.3 Customer relationship

Both of the interviewed stores witnessed that they have a very close relationship with their arborist customers which has been shown by the continuous interaction they have with their customers. The store and the customer frequently exchanged feedback on the store assortment and input on newly introduced products. One example of this brought up by Store A was an electric pruning shear that they recently started selling, where they wanted the customers to get back to them how it worked before ordering large quantities. Store B stated that they also functioned as a feedback channel for the manufacturers of equipment.

Store A, who recently started selling climbing and rigging equipment, witnessed that their customers are well informed when it comes to the different gear they use. Therefore, they did not have to advise their client on what to buy to a large extent. This was in contrast to Store B, who regularly proposes replacements for equipment that was unavailable or out of stock. Further, they have also implemented what is referred to as a “no nonsense”-policy, arguing that providing a hassle-free purchasing experience is a key differentiator compared to the alternatives of buying equipment from abroad. Additionally, the main reason why their customers turned to a physical store was for the benefit of trying things on or testing the functionality of the equipment. Store B also argued that this was a benefit since they did not have to deal with the hassle of returns. Store A instead emphasized that the long relationship that they have with their clients is key for their success in this space and the trust they have developed between themselves.

4.3 Husqvarna's resources and capabilities

The following sections will introduce the empirical findings gathered from interviews with employees at Husqvarna. Several areas of Husqvarna's organization will be presented in order to understand the internal environment of the firm. Initially, Husqvarna's established market presence is reviewed followed by an introduction of the Husqvarna brand. Subsequently, Husqvarna's market intelligence, product development and marketing capabilities will be investigated. Finally, Husqvarna's sales department and dealer network will be reviewed.

4.3.1 Husqvarna's established market presence

This section aims at mapping what market presence Husqvarna has in areas relevant to the arboriculture market. In order to do this, Husqvarna's targeted customers must first be identified. According to Employee E, the arborist market is made up of many different professionals and Husqvarna's focus is on the arborists that use the chainsaw as part of their equipment. Today, Husqvarna has a strong presence serving arborists in four of the five product categories introduced earlier. According to Employee D and H, the chainsaw is the central product that Husqvarna offers and the interviewees even stated that the chainsaws are in Husqvarna's DNA. On the other side, climbing and rigging gear is the category where Husqvarna until recently have had no market presence. It is only lately that the first products within this category have become available to the market. Parts of the development have been carried out by Husqvarna themselves and some have been in cooperation with other firms specialized in climbing gear.

Since the chainsaw is the central product from Husqvarna's perspective, Employee D argues that this is the natural starting point for Husqvarna when trying to expand their product offering and establish themselves in the arborist industry. According to several interviewees, (Employee C, D, E & F) Husqvarna together with Stihl are the two actors dominating the industry when it comes to offering competitive chainsaws. Employee C stated that these two companies have, due to the complexity of the product and vertical integration, made it difficult for other actors to succeed in the market for professional users. Furthermore, Stihl is the main competitor when it comes to offering both petrol and battery driven chainsaws. However, their position in regards to Husqvarna differs depending on the product category. Within the petrol driven chainsaw segment they are globally the largest company, both in offering chainsaws to arborists and forestry workers and Employee G stated that they sell 4-5 times as many petrol products compared to Husqvarna. Specifically towards the arborist customer, Employee E estimated that Stihl provides 80-90% of the petrol chainsaws globally used when climbing. Traditionally, there has been a constant battle between Husqvarna and Stihl regarding who offers the best products and according to Employee G, Stihl is today the clear leader and driver of the industry.

The market conditions for battery driven chainsaws share a lot of similarities with the petrol market but with some important differences. According to Employee D, Husqvarna has had a leading position in offering professional battery driven chainsaws for the last ten years. This has, according to Employee E, allowed Husqvarna to gain ground and convert customers from Stihl who has previously been dominating the market by providing the arborists with petrol chainsaws. Employee D further argues that the lead within the battery segment has been reduced during the last years with increased competition both from both Stihl and new actors that have entered the chainsaw market. Today, Stihl has managed to bridge the gap to Husqvarna by launching a new set of battery chainsaws. However, driven by the trend of electrification and the introduction of battery chainsaws, Husqvarna does not only face competition from its previous competitors. Due to the transition from combustion engines to electrical engines in chainsaws, companies such as Makita, that are serving the construction industry with battery tools (Makita Corporation, n.d.-a), are expected to become part of the chainsaw market. These actors are already focused on providing battery driven tools and have the development of components such as battery and electrical engines integrated in their firms as opposed to Husqvarna and Stihl. However, Employee C and D stated that these firm's have not targeted these customers earlier and therefore lack an established dealer network where their products can reach the end user.

As mentioned before, the strong position Husqvarna has in the chainsaw market has allowed them to become suppliers of other product categories as well. For example, Husqvarna offers PPE that is specially developed to fit the needs of the arborist. Furthermore, Husqvarna offers their own chainsaw bars and chains and has some presence in the category arborist tools with products such as pruners and hand saws although they do not cover all product needs of the arborist. In the climbing and rigging segment Husqvarna, as mentioned earlier, is a new actor. The two brands Petzl and Teufelberger hold strong positions in this market which according to Employee C is the reason for why Husqvarna has chosen to partner with Teufelberger in order to develop some of its climbing equipment. By doing so he stated that Husqvarna gains credibility which is important when entering a market where safety is considered to be a fundamental aspect. Overall, Husqvarna provides a lot of the equipment needed by arborists but can not be considered to be a complete equipment supplier. However, Employee C stated that no other actor has yet claimed the market position of providing a full product offering for arborists.

4.3.2 The Husqvarna brand

As mentioned in the background, the brand of Husqvarna has historically been an important resource for the company. Most of the interviewees stated that the brand has attractive attributes associated with it that makes it suitable for approaching the arboriculture market. Employee H elaborated on this and considered the historical ability to expand the brand into new business areas to be an attribute in itself, which facilitates launch of products in new segments. Other attributes that were emphasized by Employee C, D, and G were quality and performance which has, according to Employee D created a certain goodwill built into the brand that he believes is transferable into other areas. Employee E & F also stated that the Husqvarna brand is associated with premium equipment in the segments that they are present.

Furthermore, Husqvarna continuously tracks the position of their brand in most segments that they are present in, referred to as the Brand Health Tracker (BHT), which is one of the secondary data sources collected. For the purpose of this report the focus has been given to brand attribute associations within the professional chainsaw segment, where arborists is one of the subcategories. For the Swedish market, Husqvarna is the leading brand across all dimensions measured in the BHT, trailed by Stihl. The brand is tracked in four dimensions, namely; awareness, consideration, usage, and preference which are shown in table 8. Awareness refers to the respondents' recognition of the brand and consideration deals with if the brand is a contender when making a purchase. Usage refers to if the respondent is currently using a Husqvarna chainsaw and preference is if Husqvarna is their preferred brand. The results of each dimension are presented in the table below as a percentage of the total number of respondents.

Table 8: *Data from Husqvarna's Brand Health Tracker*

Awareness	Consideration	Usage	Preference
100%	99%	82%	70%

The BHT further presents results of what the key drivers of preference are when purchasing chainsaws and measures if the customers' associate the brand with the key drivers. Again, Husqvarna ranks the highest across all drivers of preference in the Swedish market and especially high in the following parameters: access to spare parts/accessories, reliable servicing, powerful, available at my dealer, and safe to use. Even though Husqvarna is ahead in all dimensions, the competitors Makita and Stihl are closer in a few of them, most notably are the dimensions: reliable, durable, and best battery chainsaw.

The customers' perceived brand experience is another strength that is built into the brand. Employee B stated that not only is it a resource in the eye of the end user, it is also a resource in the relationship with the dealer. He further claimed that this is something that Husqvarna has been investing in, to maintain the status of the brand. Employee E and F further stated that the dealer is the primary representative of the brand since they are in contact with the end user, which will be further discussed in the dealer network subchapter.

In Husqvarna's recent history, specifically within professional chainsaws, the quality of the product has been an issue, compared to Stihl, during certain time periods in certain product categories. Employee E and F exemplified that it was certain chainsaw platforms that were of poor quality and caused damage to the brand. This trend has shifted since a few years back when Husqvarna launched multiple successful platforms including battery chainsaws. However, the employees witnessed that converting a Stihl customer has become more difficult because of the damaged brand. In the Swedish market, Husqvarna is the dominant brand, but the share of the customers preferring the Husqvarna brand has decreased in other markets. Furthermore, since the arboriculture eco system involves equipment from a wide range of categories that demand different resources and capabilities, the perception of the brand outside of chainsaws was considered important. Furthermore, Employee D mentioned that his perception of the brand is that it is not as strong within product categories outside of chainsaws, for example PPE.

4.3.3 Market intelligence

According to Employee I, the arborist customer has previously not been distinguished from the forestry customer within Husqvarna's organization. However, since a few years ago a separation has been made between forestry loggers and arborists. Further, the interviewee explained that both of these two segments to some extent use the same equipment but in different ways and for varying reasons. Therefore, Husqvarna has tried to map the arborist customer and what needs and motives they have. In order to do this, Employee C explained that Husqvarna conducted a market study to understand how big the market is and at what pace it is growing. Secondly, they also conducted an investigation to create a general understanding of the arborist. On the bigger picture, Employee D thinks that Husqvarna at the moment has a decent understanding of the arboriculture but states that it is still a lot of work to be done. Several employees, e.g. G, I and D made a similar argument where they considered Husqvarna's ability to further improve their understanding of the arboriculture industry to be crucial for how effectively they can expand their offering and establish themselves in the market.

In order to further build on the current understanding of the arboriculture, Husqvarna works in several areas to expand the knowledge and to include the arborist perspective in the organization. One part of this is to maintain the customer and product understanding among the engineers working with the development of new products, which was mentioned by Employee G. In order to do this, the engineers are not only part of constructing products but also in testing and evaluation of them. Additionally, by involving the engineers in more steps they also gain practical experience of the products. Furthermore, the engineers meet with testers of Husqvarna's products and together they share knowledge and experiences contributing to a better understanding of the end user. Employee G further explains that they are more active with these kinds of interactions when they are working on projects with a high level of novelty. Due to the received feedback from arborists in the development phase, projects have both been initiated and canceled according to Employee H. An example of this process was the development of a new arborist chainsaw where 3-4 arborists (including Arborist H) were included and based on their feedback, the chainsaw was redesigned since the balance did not satisfy the arborist. Additionally, the development department works closely together with the product management department who supports by providing knowledge about the end user. Employee G highlights this close relationship between engineers and the end user as a strength of Husqvarna's development department that separates them from other actors in the industry.

In addition to involving arborists in the development phase, Husqvarna also has collaborations with arborists working with their products after they have been launched. An example of this is what Husqvarna refers to as the H-team, which is a group of end users throughout the world where 34 of them are professional arborists. These professionals get sponsored by Husqvarna and in return they provide feedback. Furthermore, they also act as marketers of the brand Husqvarna and its products through their own social media channels. Employee I also emphasized that arborists in general are active on social media and in online forums. Further, he explained that many arborists are willing to express their opinions, positive and negative, on these sites which acts as a source of feedback for Husqvarna.

4.3.4 Product development capabilities

The R&D department is divided around certain technical competencies instead of customer segments. The engineers further focus on a component in the finished product, for example rotating elements, or product attributes like ergonomics. Employee G emphasized that the development is supported by the product management department who provides insights about the end customer that facilitates the development projects. Furthermore, a function within the organization called the "product lab" was described as a testing unit that tests the product in a lab environment. One example is that they run the chainsaw for 400 hours using a simulation tool that imitates the behavior of a logger. Another step of the product development process is the use of reference users to test products from an actual customer perspective, as has been described above. This is a system that has been developed over a long period of time and is something that has strengthened the product development capabilities of Husqvarna, according to Employee G.

The R&D department does not only develop chainsaws and accessories for chainsaws, they also develop helmets and felling wedges among other things. Employee G argues that this is an area where Husqvarna have managed to build a well-functioning organization that develops and tests products within these segments. He further brought it up as a comment to Husqvarnas ability to develop new products in other segments. Furthermore, as a result of electrification and digitalization in recent years, Husqvarna has employed engineers within areas outside of their core competence such as electrical engineers and software developers. Employee C emphasized the importance of developing new skills outside their core competences to enable innovations in new areas such as software, AI, and electronics. He further elaborated on the issue of attracting talents within these groups as they are attractive across multiple industries due to the aforementioned trends.

When expanding into the arborist market, Husqvarna has decided to partner up with brands that are already well-known within the industry. One example of this is Teufelberger, which is primarily a producer of premium quality harnesses and ropes. Employee C and D stated that they believe there are multiple opportunities within this partnership to co-develop features that connect Husqvarnas capabilities within chainsaws and Teufelbergers skills within harnesses and ropes. Employee G expanded on this topic stating that co-development is something they have experienced within other domains, such as engine management systems, that has been developed with other companies. Furthermore, what Employee G emphasized as a key capability within Husqvarna is the ability to create system architecture, which is something he argued can be utilized when co-developing climbing gear.

The battery platform that Husqvarna has developed is considered a cornerstone when expanding within the arborist market through the myriad of products that it enables. Not only will it provide a foundation for the product range, Employee G and C argue that they can utilize existing innovations within petrol chainsaws to remain a premium priced product and fend off the threats like Makita. One example brought up was the anti vibration technique that is used in petrol-driven chainsaws that can be integrated into the battery chainsaw. Furthermore, the shift from petrol to battery is part of a larger strategic initiative throughout Husqvarna and a lot of focus is given to these products. Employee E and F stated that the company had created a technological advantage within battery-driven chainsaws but experience that Stihl has caught up, which was also emphasized by Employee G.

Employee C, D, G and I brought up weaknesses with the product development capabilities. First off, Employee G argued that the recruiting of new constructors has become a difficulty for Husqvarna. Traditionally, many employees have had a background within farming or forestry and have therefore experience of using chainsaws and other tools. Now, new employees demand significant training on how a chainsaw is used in order to be able to understand the end user. Further on, Employee D, G, and I brought up that Husqvarna has lately been taking a role as a market follower, where Stihl is the market leader. They also discussed that historically, this has not been the case and the culture to lead the market is prevalent within the company, but that they lack confidence to pursue groundbreaking innovations within the professional chainsaw segment. In contrast, Employee C stated that there is an entrepreneurial spirit in the company that allows trying and testing new solutions, combined with high decision-making power for middle managers throughout the organization. Employee G and I also mentioned that time to market could be faster, but

Employee G further emphasized the long development cycles should be expected when dealing with complicated products such as chainsaws.

4.3.5 Promotion and communication capability

The marketing department at Husqvarna has an important role in establishing Husqvarna in the arboriculture market by getting their message out and creating brand awareness. In order to do this Husqvarna needs to expand and strengthen their position within the arborist community introduced earlier where information and experiences are shared between professionals. Employee E and F stated that they believe this is accomplished by showing the arborists that Husqvarna is not only maintaining the industry but advancing it, which is named “advancing the industry”.

According to Employee B, the arborists are customers that are active in search for news and information online. Therefore, Employee B, E and F highlighted the importance of communicating with the arborists through online channels such as Instagram, Facebook, Youtube and other online forums. However, Employee E stated that the marketing budget within the industry in general is low and estimated that 2,5-3% of Husqvarna’s net sales goes to marketing and estimated that Stihl has a 6-7 times bigger marketing budget. Further, this means that they do not have the resources needed to continually process the market and instead the focus of their marketing is targeted efforts in the most important areas. However, in order to create an impact, Employee I highlighted the importance of conveying the same values as the arborists where the job is considered to be just as much a hobby as it is a profession. Building on this, Employee C argued that Husqvarna already has an advanced position within the market and emphasized that Husqvarnas reputation of premium and experience are already well aligned with the arborists. However, from a marketing perspective Employee E and F raised the challenge of conveying Husqvarna’s historical success and reputation of being one of the largest petrol driven chainsaw providers when the trend is pushing the market towards electrical alternatives. As a next step, Husqvarna has decided to strive to become associated as the most innovative brand in the market that aims to facilitate “all aspects of the profession” according to Employee E, by leveraging their previous knowledge and experience.

Except for focusing their market activities towards the arborists Husqvarna must also consider their primary customer, the dealers. Employee E, F and I stated that Husqvarna has been successful in creating brand awareness in the arborist community but not as effective in turning it into sales. Furthermore, they stated that the dealer is the actor with direct contact to the end customer and is therefore important from both a marketing and sales perspective. According to the interviewees, the dealer has a large influence on what the end customer purchases and since a lot of them are selling both Husqvarna and Stihl, they lack incentives to put the effort into convincing customers to switch brands. Therefore, Employee E, F and I argue that Husqvarna needs to provide material that makes it easier for the dealer to sell and promote Husqvarnas products in the stores. Furthermore, Employee I stated that Husqvarna also needs to overlook the dealer in the marketing and focus on the end user in order to create a market pull.

The H-team is also a resource that Husqvarna uses for marketing purposes. By sponsoring professional arborists and loggers they use their own channels to create awareness and promote Husqvarnas products. These marketers are however not paid by Husqvarna and the relation is more described as a collaboration where Husqvarna provides them with equipment and gets feedback and exposure in return. According to Employee H, this is an important aspect within the arborist community where the approval of a product from a well known arborist can make the products more trustworthy. Furthermore, the H-team members are also involved in events like industry fairs and dealer events. Additionally, Husqvarna is also part of sponsoring arborist tree climbing competitions and arborist schools in order to increase brand awareness and attract new customers. Employee F argues that it is more resource effective to reach and convince the customer to adopt Husqvarna's products early in their career, before they have established a relationship with any other brands.

4.3.6 Sales department

Husqvarna has an internal sales department responsible for the relationship and sales towards the dealer network. Employee I stated that Husqvarna's end customers are made up of many small actors and that the sales department therefore is dependent on their dealer network to reach all these customers. Although several of the interviewees have highlighted Husqvarna's dealer network as an important resource to succeed in the market, many have also mentioned Husqvarna's lack of an e-commerce platform together with other sales related challenges Husqvarna faces.

Employees E, F, H, I, and C all discussed the lack of an e-commerce platform where Husqvarna themselves can provide their product. Employee I further argued that much of e-commerce today is B2C focused and stated that there is a need for a platform targeted towards the professional users where information is provided in the way they desire. Employee H further argues that Husqvarna needs to reconsider their sales channels and expand their online presence by collaborating with the online retailers. However, by collaborating with online retailers, Employee B states that Husqvarna probably would not be able to make the same demands on the dealer as they have previously, which will be discussed further below.

Since parts of the arborist market are more or less new to Husqvarna, several of the interviewees stated that there is a lack of knowledge about the customer and the products they need both within Husqvarna's sales department and at the dealers. Therefore, plans and an initial training program has been started to increase the knowledge according to Employee D and I. Furthermore, a lot of the equipment is not just new to the sales department but also to Husqvarna's dealers. Therefore, they need to find a way to motivate the dealer to expand into arborist equipment as well as teach them about the products. Employee C states that it can be difficult to show the dealer the promising business prospects of expanding into climbing gear. Further, he explained that it is easier for a dealer to see the financial advantages of trying to sell robotic lawn mowers with higher profit margins compared to a harness with a lower margin, for example. Additionally to this, the dealer will have to develop the knowledge needed to sell arborist equipment. Employee H therefore argues that Husqvarna should support the dealer with marketing material and training to facilitate the initial phase. Therefore, several of the interviewees argued that Husqvarna needs to educate the dealers on the product's technical details as well as the business possibilities they enable in order to get them to include it in their business.

Getting the dealers to include arborist equipment is also a question of focusing Husqvarna's sales objectives. Many of the interviewees have stated that there needs to be a more narrow focus of the sales department. Employee H and I argued that the sales department is challenged due to the conflicting focus of spending time and effort on the small arborist product category while they at the same time also are serving larger segments.

4.3.7 Dealer network

As mentioned earlier, Husqvarna reaches the end customer primarily through their dealer network, which therefore constitutes a resource for Husqvarna. The long term relationship with the dealers was brought up as important by Employee B and C, and Employee C even stated that this resource is something that other suppliers trying to enter the market will have a struggle competing with. The dealer is often supplier of both Stihl and Husqvarna products, and the two brands operate similar dealer networks in Sweden. However, brands more specific for arborists, like Teufelberger and Petzl, lack a dealer network comparable to Husqvarna in Sweden.

Due to the strong brand preference for Husqvarna in Sweden, the dealer's reliance on Husqvarna is significant and the bargaining power is therefore very strong on Husqvarna's end, according to Employee B. This results in Husqvarna enforcing high standards that the dealer has to fulfill in order to supply Husqvarna products. Additionally the dealer also attends a program where meeting even higher standards results in benefits from Husqvarna, for example increased level of support. Higher standards constitute several dimensions like what products should be in stock and the existence of a service and maintenance workshop. Furthermore, the marketing department often develops campaigns together with the dealers since they are the ones facing the client.

Some of the weaknesses with the dealer network brought up by the interviewees were low competence in the arboriculture industry (for example climbing equipment), the location of the dealers, limited shelf space, and low competence in omnichannel distribution. Due to the historical focus on loggers, the dealers' knowledge and competence within arboriculture is considered low throughout the dealer network, which was argued by several of the employees. Furthermore, due to the primary customer being loggers, dealers are often located in rural areas closer to agricultural industry and forestry, which was brought up in the interview with Employee C. The dealers sell primarily through physical stores and potentially lack capacity and competence to adopt an omni-channel distribution strategy. He further stated that there is a perceived problem by the dealer to bring in new products due to the need to have higher levels of inventory. Also, the profit margins for the dealers are very high on products like robotic lawn mowers and chainsaws, and it will be difficult to make new gear like climbing and rigging as attractive to sell for the dealer.

5 Discussion of empirical findings

The following sections will combine the empirical findings with the literature in order to answer the research questions. Initially, the external environment of Husqvarna is analyzed by identifying the industry’s key success factors. This is followed by a discussion of the internal environment of Husqvarna by determining the strength of their resources and capabilities, and if they contribute to Husqvarna’s sustainable competitive advantage. Subsequently, these two parts are combined and the strategic importance of Husqvarna's resources and capabilities are assessed based on their ability to fulfill the industry key success factors. This further leads to the identification of strategic focus areas for Husqvarna and finally, an evaluation of these strategic focus areas are conducted.

5.1 Industry key success factors

The upcoming sections will discuss Husqvarna's external environment by identifying industry key success factors. This is carried out using the empirical findings together with the frameworks presented by Grant (2016), illustrated in figure 2 and 3. The first section will focus on the customer and their needs together with product attributes. Subsequently, the arborists' motives are combined with the competitive dimensions of the arborist market in order to identify industry key success factors.

5.1.1 Customer and product

By addressing the product and customer dimensions of the framework presented in figure 3 and relating it to the customer branch in figure 2, the key success factors are identified. Initially, all of the interviewed arborists emphasized the variety of the job and the vast amount of equipment it demands. Overall, the arborists argued that they are willing to pay a premium in order to get high quality products that provide hassle-free ownership and a non interrupted work experience. The chainsaw is one of the main tools used by the arborist for felling, cutting, and pruning trees both at the ground and while climbing. Therefore, the cutting capacity of the chainsaw is an important attribute and since the job often is performed during several hours and in challenging positions, the weight and an ergonomic design are also important attributes. The interview study has shown that the arborists' purchasing criteria are well matched with these product attributes where focus is on reliability and quality together with ergonomics and high performance. This makes the brand a key success factor since the study showed that a hassle free product experience and high performance are ensured by only considering Husqvarna or Stihl when making chainsaw purchases.

Different attributes have shown to be important for the product category climbing and rigging gear, which is a necessity for conducting the job in a safe way while working in the tree. This makes safety the central product attribute within this product category, but attributes like comfort and consistent behavior are also important. Therefore, a key success factor within these product categories is not only safety but also the product's ability to convey a robust impression in order to convince the end user that the product fulfills their safety and comfort demands. Similar arguments were highlighted when discussing PPE where the obvious job to be done is to protect the arborist. Furthermore, in order for the PPE not to impede the arborist it needs to be comfortable to wear. Additionally, the arborist has shown to be active in finding new equipment that both facilitates the job and provides them with equipment that conveys a desired image. Hence, the capability to provide well designed and innovative products adapted to their needs is considered to be a key success factor.

The product categories, accessories and arborist tools, are different due to the large variety of products it constitutes. However, in general terms the arborist has expressed the need for products adapted to their needs. As of today, they have to use products developed for other professions and adapt them to their own needs in order to be satisfactory. A key success factor is therefore the ability to understand the arborists' challenges in order to know how products should be adapted to fit the needs of the arborists. Therefore, no single attribute can be highlighted except for the reliability and durability that has shown to be an important aspect to further provide the arborists with a hassle free product experience.

5.1.2 Competition

The second part of figure 2 analyzes the competitive dimensions of the market. As mentioned in the previous section, the arborist customer is not price sensitive and the first dimension of competition is therefore to offer the end user attractive product offerings that satisfy the purchasing criteria discussed above. One of the purchasing criteria is innovativeness, which has shown to be an important factor to attract the arborist customer and stay competitive in the market, due to the arborist's constant search for products that facilitate the job. Naturally, a fundamental dimension of competition is therefore how well the supplying firm can satisfy this purchasing criterion. Therefore, a key success factor is the capability of the firm to turn the aforementioned understanding of the arborist profession into innovative products.

The interviews with both arborists and stores witnessed that the arborists are active customers searching for the new equipment and that the community of arborists showed to be a great influencer on what products they purchased. A competitive dimension is therefore awareness and reputation of the brand within the community. Online platforms, such as Instagram, Youtube and forums, are important sources where arborists find and discuss products. Similar arguments were made in regards to physical meetings where the arborists discuss and test each other's products, not seldomly when they are conducting the work in teams. This has been a recurring topic where products gain trust by being used and recommended by other arborists, therefore word of mouth has an impact on what equipment arborists choose to buy. The ability to establish the brand within this community is therefore considered to be a key success factor in order to leverage the impact of the exchanges between arborists.

5.2 Assessment of resources and capabilities

Following the discussion of Husqvarna's external environment, the upcoming section will deal with assessing the internal environment by analyzing the strength of Husqvarna's resources and capabilities. The identified resources and capabilities will be analyzed individually and the VRIN-framework, introduced by Barney (1991), will be used to assess how they can contribute to a sustainable competitive advantage for Husqvarna.

Established market presence

One of the resources that was identified in the empirical findings is Husqvarna's established market presence in the market for arboriculture equipment. Not only is Husqvarna one out of two companies dominating the industry for professional chainsaws, they are also present in four of the five product categories discussed and have just started to enter the fifth category, climbing and rigging. Furthermore, Husqvarna has created a head start in the segment for battery chainsaws, which is especially relevant for the arboriculture market due to ease of use as mentioned by the interviewed arborists. However, the strong position within battery chainsaws is threatened by players like Makita, who stems from the electric power tool industry. Also, Stihl has a stronger presence in relevant segments which allows them to focus more of their budget towards this customer segment while Husqvarna has a more diversified business. This will force Husqvarna to utilize their resources more efficiently in order to successfully compete with actors with more resources.

In the short-term, the current market presence within chainsaws can be considered valuable to expand into the arboriculture market due to the centricity of the chainsaw in the arsenal of tools that the arborist uses. The brand is top of mind for arborists being one out of two actors that is considered when buying a chainsaw which puts them in a favorable position. The rareness of the resource is high due to Stihl being the only actor that has a similar market position. Other brands, for example Teufelberger and Petzl, have a strong position within their respective category, but can't pursue the same expansion due to the lack of a chainsaw in their assortment. However, as new players enter the market, the inimitability can be diluted, as electric chainsaws are simpler to engineer which decreases the long term potential of sustaining the current competitive advantage gained by today's market presence.

Brand

As mentioned in the background and also discussed in the empirical findings, the Husqvarna brand has historically been a valuable asset for the company. Furthermore, the perception of the brand is aligned with key attributes that were identified in the arborist interviews, for example quality, performance, and premium, which makes it suitable for expanding into new product categories. This is in line with the arguments brought forward by Rangaswamy et al. (1993), which is that brand extendibility is improved when the attributes are general rather than specific to the existing product line. Furthermore, the historical ability to use the Husqvarna brand when extending into new products is another attribute that the interviewees perceived to strengthen the perception of the brand in the eyes of the customers. On the other hand, some attributes brought up in the BHT had a lower score compared to other product attributes, for example durability and reliability. Both these attributes were considered important in several of the product categories and these attributes should therefore be strengthened when expanding. Additionally, relating the Husqvarna brand to the brand extension literature, they are well positioned to extend the brand due to the perceived high quality of the brand. Extending into the climbing and rigging category is a complement brand extension, which is the one most favorably viewed in literature according to Aaker and Keller (1990). If Husqvarna can innovate together with a well-known brand within this category they can, to a certain degree, overcome the lack of transferability of assets that is existent, to strengthen brand extension perception even further.

Within this customer segment, the brand is considered valuable since it is associated with the right attributes and is one of two brands the customer considers when purchasing chainsaws. Building upon this argument, the asset is also considered rare since it is only Stihl that has a brand of comparable strength with similar market position. Developing a trustable brand is something that is done over a long period of time and the imitability is therefore argued to be low. Furthermore, the arborists emphasized that trust in the quality of the product is important and imitating a brand that represents this attribute is deemed difficult. In terms of substitutability, low price is an attribute that could offset the value of the brand. However, the interviewed arborists clearly valued the attributes that they associated with the Husqvarna brand, which is why substitutability is considered low and the brand therefore contributes to a sustainable competitive advantage.

Market intelligence
Husqvarna has established a network of arborists that supply them with market intelligence and insights into the preferences of the arborist professionals. This is further utilized using a customer driven development approach with engineers in close contact with the market that implement desired solutions received from the end users. This is deemed especially important in this segment due to the competitive dimension of innovative capability as well as the key purchasing criteria of innovativeness. The value of market intelligence capabilities is therefore considered high since the information can be internalized within the company and used within several functions. It can also be considered a basis for participating in the segment, since the customers have high demands on getting innovations that facilitate the job. In regards to the rareness, one of the interviewed arborists stated that he was part of Stihl's counterpart, which indicates that Stihl has a similar capability. This was the only mentioned market intelligence initiative that was discussed in the interviews, but the capability is not difficult to imitate due to the interest arborists have in participating in developing their tools and profession. The risk of imitation therefore reduces the potential of the resource to support a competitive advantage that can be sustained over time.

Product development capabilities
Husqvarna has historically been effective in refocusing the organization in order to support development in the product areas. This was during the interview brought up as a strong capability within Husqvarna, and a recent example of this is an organization focusing on accessories. This will be a key capability when expanding into the arborist segment and will need to be combined with the product lab and reference users that were discussed above. Furthermore, the development of a chainsaw is a combination of smaller components that together make up a system. The capacity to develop systems architecture is another strength which is considered important when innovating together with other actors, for example developing a potential interface between the harness and the chainsaw. Furthermore, previous experience of co-developing new technologies is a strength brought up in the interviews. However, one of the challenges is that Husqvarna has a tendency to be a market follower in this segment, which was discussed in multiple interviews. If Husqvarna is to claim the position as the innovative actor, they will need to focus on leading the market instead of following the competition.

The value of product development capabilities is high due to the key success factor of innovativeness brought up in the interviews. Furthermore, this capability is deemed rare since Husqvarna has long experience of developing products for adjacent customer segments and have therefore internalized competences and processes, which also make the capability inimitable and non-substitutable. This extends also to system architecture, which is one of the key competences that was discussed and the only competitor with a similar tool set in this market is Stihl. Hence, the product development capabilities fulfill all criteria in the VRIN-framework and therefore have the potential to contribute to Husqvarna's sustainable competitive advantage.

Promotion and communication capability

A strength of Husqvarna's promotion and communication capability is the refocus and targeting of arborists with the "advancing the industry" initiative and also the newly appointed role of Employee F to be dedicated to the arborist segment, a role that has not existed before. However, the marketing budget is small and several interviewees witnessed that this demanded them to use their resources in the smartest possible way. Furthermore, several interviewed arborists stated that they turn to each other and/or online communities to discuss products, which is not the typical channel of communication that Husqvarna uses today. To address this, the H-team is supposed to spread the message through influential arborists that are well-known in the arboriculture on social media. The promotion and communication capability can be considered valuable since it is the way the companies active in this segment communicate with the end customer. On the other hand, the small marketing budget and the general presence of marketing activities from different players within this segment makes it a common resource, which reduces its ability to contribute to sustainable competitive advantage, according to the VRIN-framework.

Sales department

As the refocusing towards arborists is a relatively new strategic initiative, the sales department can be considered lagging a bit in this respect. First off, the arborists are heavily reliant on e-commerce platforms where Husqvarna has a low presence. Furthermore, the competence within the sales organization of the arborist profession is low and the need to educate the dealer network, which will be an assignment for the sales department, will be challenging. Also, the incentive structure of the sales department was argued to disfavor a smaller and more fractionated customer segment like the arboriculture compared to the larger forestry logger segment. However, the sales department is a valuable resource for Husqvarna since they are responsible for the relationship with the dealers, which is the actual resource. The sheer number of relationships that the sales department has to many dealers around Sweden is rare (shared to some extent with Stihl) and it was brought up as an important factor in the interviews with the dealers. Developing these relationships takes time and since it is a very fractionated network many relationships have to be sustained in parallel. The online retailers however, seem to consolidate the market with a few dominating actors. This reduces the need to sustain the relationships with a large group of dealers, but is not considered a substitute since the arborists prefer purchasing a lot of the equipment in a physical store. The sales department is therefore considered to support a sustainable competitive advantage.

Dealer network

The clear advantage of the dealer network is the developed relationships that they have with Husqvarna, but also the relationship to the end customer arborists. This will be an advantage when extending into the arboriculture industry since many competing suppliers lack a well-developed dealer network to reach the end customer. Also, since Husqvarna is the dominating actor on the Swedish market, the dealer relies on Husqvarna which creates high influence over the dealer and strengthens their bargaining power. However, the dealer network is in many cases shared with Stihl, and if Husqvarna were to invest in educating the dealer network, the entry barrier for Stihl to pursue the same strategy is lowered since their dealer network would be educated at the expense of Husqvarna. Another challenge is the incentives for the dealer to sell other types of arborist equipment than chainsaws with potentially lower sales volume and lower margins. Husqvarna can address this by either utilizing the aforementioned bargaining power forcing the dealer to allocate shelf space to new products or incentivizing the dealer. Furthermore, many of the dealers are located to serve the traditional customer segment forestry loggers, more present in the countryside, while arborists operate in urban environments. This will demand Husqvarna to carefully select appropriate dealers to sell arborist equipment since they have to be located close to where arborists operate.

The dealer network has potential to contribute to Husqvarna's sustainable competitive advantage, according to the VRIN-framework. As of today, the dealer has established relationships with the arborist customers since they primarily sell chainsaws to this segment and the relationship therefore makes it a valuable resource. No other actor except Stihl has this resource available today, which makes it rare, and in the store interviews, one of the dealers stated that Teufelberger had approached them because they lacked suppliers. Many of the dealers that Husqvarna has at its disposal have a long relationship with Husqvarna and the end customers, which takes a long time to develop, and therefore makes it inimitable. As mentioned in relation to the sales department, many customers prefer purchasing the gear in store if possible, so online is not a perfect substitute.

5.3 Strategic importance and strength

Rooted in the two components of strategy discussed by Aaker (1984), a strategy needs to reflect the firm's internal conditions in combination with its external environment. Therefore, the two previous sections, industry key success factors and the assessment of Husqvarna's resources and capabilities are used to create an understanding of how the two components relate to each other. Building on the arguments made by Grant (2016), the investigated resources and capabilities of Husqvarna are assessed according to their internal strength where they are compared to each other. Furthermore, the industry key success factors are used to determine how strategically important the resources and capabilities are when expanding into the arboriculture market.

Starting on the promotion and communication capability, it is considered low on both strength and strategic importance due to the fact that the interviewed arborists' primary influencers are other colleagues in the community and therefore traditional marketing is not as important. Additionally, the market presence that Husqvarna holds within chainsaws, primarily petrol driven, is a core strength but the strategic importance is deemed lower due to increased electrification that will lower the barriers for new entrants. Furthermore, the market intelligence that Husqvarna has at its disposal is well developed and not shared by many actors, but is considered imitable and therefore a necessity to compete rather than a strategically important element.

Husqvarna's sales department has developed relationships with the many dealers in Sweden, and their ability to push new product offerings is considered important. However, the strength is lowered due to the low competence of the arborist profession and the need to refocus the sales effort to target the arborist customer. As the dealer network already has developed relationships with the end customer they have an ability to reach the end customer and the strategic importance is therefore high. However, it is lower due to the fact that many arborists turn to online stores, but our interview study shows that it is primarily due to the lack of physical stores. Similar to the sales department, many of the dealers lack knowledge of the arborist profession and are hesitant to allocate shelf space to this customer segment since it would demand reducing shelf space for another product category. The analysis reveals that the brand is one of Husqvarna's strongest resources since it is associated with the right product attributes in general and has a high preference within the segment. Due to the brand being a symbol for qualitative products, its strategic importance is deemed high as well since quality is a key purchasing criteria within this segment. Lastly, the product development capabilities are considered to have high strategic importance since the end customer demands high levels of innovation when purchasing a product. It is also a basis for Husqvarna to continue to develop products within other segments. The strength is also considered relatively high but can be strengthened further by extending the capabilities and testing processes to equipment outside Husqvarna's current core.

5.4 Strategic focus areas

Since Husqvarna's sales department, dealer network, product development capabilities, and brand all contribute to sustainable competitive advantages as well as being strategically important, they should be central aspects in the strategy for how to further expand into the arboriculture market. At the moment Husqvarna has a favorable position that supports this transition both by having an established market presence and a brand that is well known within the arboriculture. Therefore, Husqvarna should focus on leveraging their brand in order to facilitate the expansion. By considering the prerequisites for successful brand extension it can be concluded that the brand is well suited to be extended. First of all, Husqvarna has a rich experience of making similar extensions under the Husqvarna brand. Furthermore, the brand is perceived to be of high quality and value (100% awareness and 70% preference) and the extension is into complementary products, which are highlighted as success factors for brand extension in the literature. Lastly, since similar equipment are used in the arborist profession and Husqvarna's current markets, Husqvarna's resources and capabilities are considered to be transferable at large. However, partnerships can be leveraged to overcome the areas where Husqvarna currently lacks competencies. Based on these reasons, the Husqvarna brand is well suited to be further extended into new product categories within the arboriculture market and thereby reducing entry costs of product launches and influencing customer perception, as argued by Völckner and Sattler (2006).

With the brand as the basis, Husqvarna should focus on leveraging their product development capabilities in order to pursue what Grant (2016) refers to as a differentiation strategy, by supplying products with unique product attributes instead of low prices. Building on the previous discussion, there are several reasons that support a differentiation strategy. Firstly, the study has identified that the general arborist's purchasing criteria focuses on how well the product fulfills their needs rather than the price of the product which enables Husqvarna to charge premium prices. Secondly, there are distinct product attributes like quality, robustness and comfort to leverage as a basis for differentiation. Thirdly, the study has shown that there is an expressed demand for equipment specifically adapted to the needs of the arborists and that the customers are active in finding innovative products that facilitates performing the job. Therefore, Husqvarna should focus on developing products where they can charge premium prices by combining their experience in the industry with their innovativeness. Examples of such innovation is combining different products (e.g. protective pants adapted to a harness) to make them function well together in order to facilitate the job.

Husqvarna does not only have the ability to develop competitive products, their sales department also have access to a large dealer network through which they can reach the end users. During the interview study this was argued to be one of the main aspects that separates Husqvarna against potential new entrants from the electric power tool industry. However, although Husqvarna has long lasting relationships with the dealers some challenges have been identified. Firstly, both the sales department and the dealers lack knowledge of the arborist customer. However, the study showed that the knowledge of the dealer was valued by some arborists while not by others which makes it difficult to conclude if this constitutes a problem or not. On the contrary, the sales department identified this as a problem since the lack of knowledge hindered them from both selling the products and conveying the benefits of it to the dealers. Furthermore, since the arborist market is more novel and not as big as Husqvarna's more developed markets, the study has shown that there is conflicting focus within the sales department. Due to the extra efforts needed to sell arborist equipment combined with the smaller volumes, it reduces the incentives to focus on these categories of products. Therefore, Husqvarna needs to consider how to change these incentives in order to make sure that the sales department supports the extension into the arboriculture market.

5.5 Evaluation of the strategic focus areas

Using the framework suggested by Rumelt (1993), the proposed strategic focus areas above will be evaluated based on the four criteria: consonance, consistency, advantage, and feasibility. Firstly, the strategy is consonant since the trends of electrification demands Husqvarna to pursue ventures outside of their core and align their product development capabilities accordingly. Additionally, the established position that Husqvarna has in this market in relation to the competitors gives them a strong starting point to extend their brand and the customers' demanded product attributes allows for a differentiation strategy. Secondly, pursuing brand extension is consistent with Husqvarna's overall strategy and the corporate goal to utilize the Husqvarna brand when entering new markets. Furthermore, arborists are more prone to use electric chainsaws and the possibility to extend the product line with the battery in focus enhances the "petrol to battery" shift. Thirdly, the proposed utilization of the resources and capabilities enables a sustainable competitive advantage according to the VRIN-framework, as concluded above, and therefore satisfies the advantage criterion. Lastly, the plan is feasible since Husqvarna has conducted similar strategic initiatives earlier and the strong market presence compared to competitors within other product segments allows them to pursue such a strategy.

6 Conclusion

The interview study conducted with arborists, dealers and employees at Husqvarna has created an extensive view of Husqvarna’s internal and external environment. It can therefore be concluded that Husqvarna has both opportunities to leverage and challenges to overcome when trying to strengthen their position within the arboriculture market.

In order to understand Husqvarna’s external environment, and improve the theoretical understanding of the arboriculture industry, the customers’ needs and motives for purchasing new equipment together with the competitive dimension of the market were analyzed. This process identified that the arborist profession demands a wide variety of equipment and that the main criteria when buying new equipment is how well it facilitates the job and not the price of the products. Driven by customer needs and motives, several key success factors were identified and brand showed to be important when arborists are buying chainsaws in order to ensure hassle free ownership. Furthermore, safety was a key success factor for climbing and rigging gear as well as PPE together with the product’s ability to convey a robust appearance to the end user. An additional key success factor for PPE is the level of innovation and adaptation of the equipment to fit the challenges of the profession, together with the product's ability to convey the arborist’s desired image. A similar point was highlighted for the product category accessories and arborist tools, where the need for equipment specially adapted to arborists were identified as a key success factor since they currently need to use products developed for other professions. Furthermore, two key success factors were identified by analyzing the competitive dimensions of the arborist market. Firstly, driven by the arborists’ need for innovative products that facilitate the job, the capability to turn customer understanding into problem solving products is considered to be a key success factor. Secondly, establishing the brand both among arborists and online is considered a key success factor due to the strong influence the community has on the individual arborist’s purchasing decisions.

To evaluate Husqvarna’s internal environment, the thesis adopted a resource-based view of strategy. From the thematic analysis, seven resources and capabilities were identified as key in the arboriculture segment, namely: established market presence, brand, market intelligence, product development capabilities, promotion and communication, sales department, and dealer network. To assess whether they support Husqvarna to gain a sustainable competitive advantage, the VRIN-framework was used. The result shows that the brand, product development capabilities, sales department, and dealer network all contribute to sustainable competitive advantages in the arboriculture industry. The brand mainly due the high overlap between attributes that the customer values and the attributes that they associated with the Husqvarna brand. Furthermore, since innovativeness and adapted products are valued by the arborists, the product development capabilities fulfill the VRIN-criteria. Also, since development is a complex process that takes time to master, it is considered to be difficult to imitate.

The third resource that was considered to support Husqvarna’s sustainable competitive advantage was the sales department. Due to the sheer number of dealers located around Sweden, maintaining the relationships is a complex and resource demanding process. Furthermore, since the dealer network has built a strong dependence and connection to

Husqvarna, it is considered hard to imitate for the competitors. In turn, the dealer network has good relationships with the arborist customers through their sales of chainsaws. The reach and extensiveness of the dealer network that Husqvarna has in its possession is clearly a rare resource in the Swedish market and matched only to a certain extent by Stihl. However, it should be noted that the resources and capabilities that do not fulfill the VRIN-criteria, namely established market presence, market intelligence, and promotion and communication, are not of irrelevance to the segment. They are important to be able to compete in the segment but are not considered to be the factor that distinguish Husqvarna from the competitors.

Even though four of the seven resources and capabilities were considered to fulfill the VRIN-criteria, there are areas that Husqvarna should focus on in order to utilize their key strengths and improve weaknesses. Firstly, the brand is well suited to be extended into new product categories within the segment due to the high perceived quality of the brand. Furthermore, many assets could be considered transferable into adjacent product categories and even further strengthening the potential for brand extension is the fact that they would be complementary products to the chainsaw. Additionally, the product development capabilities allows Husqvarna to pursue a differentiation strategy to match the demand for innovativeness within the segment, especially combining different products in order to increase their compatibility.

On the other hand, the sales department and dealer network are considered important in the market for arboriculture, but improvements can be made that would strengthen Husqvarna's position. Primarily, the competence of the arborist profession in the sales department should be strengthened so that Husqvarna is able to sell the products efficiently to the dealer network. This would also facilitate the creation of incentives for the dealer network if the sales department can clearly convey the benefits. Also, the incentives for the sales department needs to be aligned so that focus is given to this segment instead of relying on the traditional logger segment.

6.1 Limitations and further research

The study has taken a qualitative approach using purposive sampling to understand Husqvarna and the arborist market. Therefore, the study is reliant on the interpretation and analysis of the researchers and can therefore benefit from being complimented by a study adopting a quantitative approach instead. Furthermore, since purposive sampling in the form of snowball sampling was used to identify interview objects at Husqvarna, the employees own impression of the firm's resources and capabilities has potentially affected the results of the study.

The investigation of the arborist market in this study has had a customer focused perspective. However, in order to further understand the market and its competitive dimensions, more attention needs to be given to the firms active in it. Therefore, future research should focus on the competitors within the market in order to complement the customer perspective of this study.

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Appendix

Interview guides

Arborist interviews (translated into English)

- Describe your profession.
- Describe a normal day as an arborist.

Products/equipment

- What equipment do you use in your profession?
  - What is the minimum that you need to perform your job?
  - Do you use any equipment that is not needed but that facilitates your job?
- How often do you change or upgrade your equipment?
- What is your preferred distribution channel?
- What are your purchasing criteria when buying equipment?
- What problems have you identified when buying or maintaining your equipment?
- In your perspective, what is the difference between a premium priced product and a low cost product?
- What are your thoughts on Husqvarna and Stihl respectively?
- Is equipment a large expense?

Dealer/store

- How often do you visit a dealer/store physically?
  - What is the purpose of your visit?
- Do you prefer to buy equipment in a physical store or online?
  - According to an industry report, arborists prefer buying climbing and rigging equipment online, while they prefer buying the chainsaw at the dealer. What is your thought on why that is the case?
- Is there anything that you miss at your physical dealer?
- In general, how competent are the sales representatives at the dealer when it comes to arborist equipment?

Battery chainsaws

- Do you use battery chainsaws?
  - If no, why not?
- What are the pros and cons?

Store interviews (translated into English)

- What is your background?
- Tell us a little bit about the store's history.

Store background

- How long have you sold arborist equipment?
- Why did you start selling arborist equipment?
- How large part of your revenues stem from arborist equipment?
- Who are your main competitors?

Products and equipment

- What different kinds of arborist equipment do you sell?
- What are you looking for in new products?
  - Do you have any examples of successful or failed products?
  - Why was that the case?
- Describe the relationship to your suppliers.
- Describe the process of introducing new products.
  - Who initiates the introduction?
  - How do you find new products?

Customer relationship
- Why do arborists come to your store?
- Describe the customers' buying behavior.

Interview with global product management (translated into English)
- What is your background?
- Describe your current role.
- In your perspective, what is the key when developing an attractive product offering for arborists?
- What are Husqvarna's main challenges when targeting the arborist end user?
  - What is the difference compared to other customer segments?
  - Will you be able to do this using your existing resources and capabilities?
  - What is the plan to overcome the challenges?
- What makes Husqvarna suitable/not suitable to supply the arborist market?
  - What resources and/or capabilities can you reuse?
- Do you have any previous experience of utilizing the Husqvarna brand to enter new markets?
  - What has been the response, why?
- What products for arborists do you produce in-house and what is outsourced?
- What product categories does R&D work with?
- How do you collect information from the market?
- Rank the following statements from 1 to 6 (1=very bad, 6=very good)
  - How well adopted are your sales channels to supply the arborist segment?
  - How strong is Husqvarna's innovation capability in comparison to your competitors?
  - Husqvarna's processes for quality control?
  - How competitive is Husqvarna from a price perspective?

Interview with local product management
- Tell us about your background.
- Describe your current role.
- What are the biggest challenges when selling to arborists?
- What is key to having an attractive product offering for arborists?
- What are Husqvarnas strengths and weaknesses when it comes to supplying the arborist market?
- Which are the biggest markets in europe
- Rank the following statements from 1-6 (1 is weak, 6 is strong)
  - Husqvarna's market position in Europe
  - How effective is the sales force to reach the market

- To what extent do Husqvarna have the resources and capabilities to target the arborist market.
- location of the stores
- Husqvarna’s knowledge of the arborist customer excluding chainsaws
- Husqvarnas ability to collect feedback from arborists
- Husqvarnas ability to turn feedback into plans

Interview with R&D (translated into English)

- What is your background?
- What products are you responsible for?
- How large part of the R&D budget is directed towards arborists?
- What are the strengths in your R&D department?
- What are the challenges when developing products for arborists?
    - How many of your existing resources and capabilities are useful?
- Rank the following statements from 1 to 6 (1=very bad, 6=very good)
    - Your time to market.
    - Your ability to develop new products outside the “core”.
    - Your ability to develop battery products.
    - Compared to your competitors, the quality of your products.
    - Your ability to integrate software into your products.
    - Innovativeness compared to your competitors.
    - Your ability to cooperate with other companies within R&D.

Interview with marketing (translated into English)

- What is your background?
- Describe your role at Husqvarna.
    - What is your responsibility in the value chain?
- How does Husqvarna market themselves towards arborists?
    - What channels?
    - Which channels are the most effective?
- Do you have any overarching marketing strategy for the arborist segment?
- What attributes of the Husqvarna brand do you emphasize towards arborists?
- Tell us about the H-team.
    - Why did you initiate the H-team?
- What are the strengths and weaknesses of your marketing organization?
    - Compared to your competitors?
- Do you have an example of a successful or failed marketing campaign?
- In your perspective, what are the most important insights from the BHT?
- Rank the following statements from 1 to 6 (1=very bad, 6=very good)
    - Develop attractive product offerings for arborists.
    - Develop attractive product offerings for your traditional customer segments.
    - Display products in physical stores.
    - Display products in online stores.
    - Reaching the traditional customer segments.
    - Reaching arborists.

Interview with sales (translated into English)

- What is your role?
- What is the role of the sales organization?
- What customer segments do you support?
  - What is your responsibility in the value chain?
- Which are Husqvarna's sales channels?
  - How does it differ from your competitors'?
- What is the strength in your sales organization? Weakness?
  - Compared to competitors?
- Describe the relationship to the dealers.
  - How do you become an authorized dealer?
  - What do you demand from your dealers?
- Husqvarna is about to launch certain arborist equipment. What is your sales strategy for these products?
  - Does it differ from your current products?
  - In your perspective, what will be the challenges of launching these products?
- What do you think is needed to be an attractive brand for the arborist?
- In your perspective, will you need to adapt the sales channels for the arborist segment?

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