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Towards Customer-Centricity in the Aftermarket

A Case Study of Customer-Centricity in an Aftermarket Logistics Organisation

Master's thesis in Quality and Operations Management

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Abstract

Customer-centricity is increasingly stipulated as a fundamental strategic goal in corporations across several industries worldwide. However, many organisations still experience difficulties in achieving customer-centricity in practice. Furthermore, there is limited research that investigates in-depth how a traditionally product-centric organisation within the aftermarket context should work to become customer-centric. Thus, this thesis project aims to address this research gap by exploring what is required from an aftermarket logistics organisation within the automotive industry to realise the shift from product-centricity. The case organisation recently commenced an initiative to achieve customer-centricity due to intensified competition, the digital transformation within the industry, and increasingly sophisticated customer requirements.

The research was based on a qualitative case study with an abductive approach to theory development, comprising focus groups, semi-structured and unstructured interviews with managers and employees from the case organisation, as well as representatives from two benchmarking organisations. Moreover, the empirical data was analysed iteratively and thematically to deduce the key areas related to the research questions. A frame of reference was developed to support this analysis, encompassing the following areas: background to the aftermarket context, definition of customer-centricity, hindrances to achieving customer-centricity, and basic capabilities supporting efforts to implement customer-centricity.

This thesis project concluded that the product-centric aftermarket logistics organisation faces several hindrances when seeking to achieve customer-centricity. Some of the main identified hindrances were the following: ambiguity around who the customer is in the aftermarket, lack of senior management commitment among the actors in the aftermarket supply chain, power dynamics that somewhat restrict the case organisation from having deeper interactions with the customers, unclear roles and responsibilities related to the customer experience, lack of digital systems for efficient sharing of customer data, and lack of metrics assessing individual customers' overall experience. Furthermore, it was concluded that the product-centric aftermarket organisation should, in parallel, take specific measures to address the hindrances while developing basic capabilities. These measures include, e.g., assigning roles with end-to-end responsibilities accountable for the customer experience, and installing IoT devices to capture detailed end-customer data. The capabilities investigated in this study are the following: capture the voice-of-the-customer, customer-centric performance measurement, create value according to the service logic, and deliver high service quality.

Keywords: Customer-centricity, Aftermarket supply chain, Product-centricity, Value creation, Service quality.

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1. Introduction

The introductory chapter presents the rationales for conducting this thesis project. Initially, the project's background is introduced by describing the theoretical and practical relevance. Furthermore, the purpose, research questions, and delimitations are outlined to specify which problem is to be investigated. Finally, the report disposition is presented to highlight the central areas of this report.

1.1 Background

Manufacturing companies in several industries face a changing business landscape shaped by digital transformation and the concern for sustainability-related issues (Doni et al., 2019; Verhoef et al., 2021). Furthermore, the intensifying global competition and increasing sophistication of customer needs compel manufacturers to reconsider their existing offerings to preserve a strong market position (Fader, 2020; Lemon & Verhoef, 2016). In recent decades, manufacturers have responded to these challenges by offering services in combination with goods to provide complete solutions that more effectively cater to the customers' tougher requirements (Baines et al., 2009; Vandermerwe & Rada, 1988). This so-called servitisation trend has been well-researched across various industries, and there is evidence of its positive impact on business performance (Kowalkowski et al., 2017; Ulaga & Reinartz, 2011). For instance, servitisation provides new opportunities for differentiation, allowing manufacturers to avoid competing merely on cost (Oliva & Kallenberg, 2003). Manufacturers of capital-intensive products have especially sought to achieve differentiation by providing various aftermarket services (Cohen et al., 2006; Theodore Farris et al., 2005).

However, the integration of goods and services into bundled service offerings does not by itself imply sustainable competitive success. There should be a more fundamental transformation in the organisation's overall business approach (Grönroos, 2016; Shah et al., 2006; Vargo & Lusch, 2008). The traditional goods-logic perspective that considers the customer a passive receiver of products or services has been contested as companies have not put the customers' needs in focus nor acknowledged their active role in value creation (Vargo & Lusch, 2004). Instead, the contrasting service logic perspective has increasingly gained traction. It is based on the notion that value is created by the customer during use and cannot be packaged beforehand by the company (Grönroos, 2011). Hence, companies should first understand how they may potentially support the customer's value creation process and then provide a total service offering comprising the necessary goods and services. Moreover, this change in business perspective is related to the paradigm shift from product- to customer-centric organisations (Gummesson, 2008; Shah et al., 2006). Customer-centricity is becoming a top priority in corporate strategies for leading companies worldwide (Fader, 2020; Osakwe, 2020). Likewise, Faluba Damázio et al. (2020) identify a rising interest in research around customer-centricity in their bibliometric analysis of published scientific papers related to this concept.

Product-centric organisations develop transaction-based business relations with other stakeholders (Lamberti, 2013). In addition, they are mainly internally focused as their chief concern is to create an excellent product or service at minimal cost (Kindström & Kowalkowski, 2014). In contrast, customer-centric organisations form close relationships with the customers and utilise this to first gain a deep understanding of the different customers' needs (Hemel & Rademakers, 2016). The organisation's primary focus is then to fulfil these needs by adapting its strategies, structures, processes, and offerings (Habel et al., 2020). Shah et al. (2006) argue that the product-centric approach was fruitful when organisations could attain high profitability by realising economies of scale or possessing superior technologies. However, considering the intensified competition and rapid development as well as diffusion of new technologies, this is no longer true for many companies (Grieger & Ludwig, 2019; Lamberti, 2013). Thus, the traditional focus on production efficiencies will prove detrimental as customers seek companies who can provide offerings tailored to their unique needs (Sheth et al., 2000). Furthermore, digitalisation is an essential antecedent of customer-centricity as the advancements in digital technologies enable companies to elicit customer insights on an individual level (Gaurav & Shainesh, 2017; Wagner & Majchrzak, 2006)

Although the potential strategic benefits of the customer-centric business approach are well recognised, several companies still experience significant challenges in their endeavour to become customer-centric (Lamberti, 2013). The promising corporate visions do often not materialise as companies lack knowledge regarding which hindrances arise during the journey towards customer-centricity (Galbraith, 2011). Furthermore, there is a paucity of case-study research that investigates in-depth what hindrances an organisation faces and how it should work to become customer-centric (Hemel & Rademakers, 2016; Ulaga, 2018). Thus, further research is needed to elucidate the specific hindrances product-centric organisations should address in different contexts and how they should work to manage them effectively.

The automotive industry provides a suitable context for research related to customer-centricity as companies within the industry face increasing pressure to develop service-oriented business models with higher customer involvement (Grieger & Ludwig, 2019). This thesis project comprises a case study performed in AutoCorp, a global actor within the automotive industry. AutoCorp is divided into several business areas that serve distinct markets. More specifically, the case concerns AutoCorp's central aftermarket logistics organisation, henceforth referred to as ALO, which manages the aftermarket logistics operations for every business area. The aftermarket logistics business is generally characterised by product-centricity (Cohen et al., 2006; Sheth et al., 2020), and there is limited research regarding how organisations can achieve customer-centricity in this context. Likewise, ALO has traditionally been a product-centric organisation with a strong focus on cost-efficiency but is currently launching an initiative to achieve customer-centricity. To shed light on how ALO should succeed with this work, the research will not merely investigate specific measures to address the identified hindrances, but also basic capabilities aftermarket organisations should develop. This is relevant considering that an organisation's capabilities determine how the resources are integrated and applied to accomplish various activities (Grant, 1991). Furthermore, to explore in-depth how organisations in the aftermarket context may develop the required capabilities, the investigation focuses on the interface between ALO and one of AutoCorp's business areas, Alpha.

1.2 Purpose and Research Questions

The purpose of this thesis project is to explore what is required for traditionally product-centric organisations within the aftermarket context to achieve customer-centricity. This purpose is addressed by analysing ALO's current business approach and using these insights to elucidate which hindrances the organisation faces when striving to become a customer-centric organisation and how it must work to manage them. To concretise the purpose, it is decomposed into two research questions presented below.

Currently, there is no widespread understanding within ALO about whether its current state aligns, or not, with the idea of a customer-centric organisation. In order to investigate which changes ALO should make to close the gaps between its current and desired state, the specific factors that hinder product-centric organisations in the aftermarket context from achieving customer-centricity must be explored. Furthermore, the exploration involves analysing different dimensions of ALO's operations to delineate how they impede the effort to achieving customer-centricity. Thus, the first research question is as follows:

Research Question 1: Which hindrances do product-centric organisations operating in the aftermarket face when striving to achieve customer-centricity?

The answers to the first research question convey which hindrances must be addressed to achieve customer-centricity. However, this thesis project also aims to present plausible recommendations on how to manage the identified hindrances and explain how ALO can develop essential capabilities a customer-centric organisation should possess. This knowledge cannot be derived merely from the data collected through the interviews with representatives from ALO and Alpha since these two organisations have yet not implemented customer-centricity fully. Consequently, the second research question is answered by synthesising insights from these interviews, the literature, and benchmarking interviews.

Research Question 2: How should product-centric organisations work to overcome the hindrances to achieving customer-centricity in the aftermarket context?

Thus, the answers to the second research question do not merely comprise specific measures ALO should take, but also insights into how essential capabilities could be developed to support the customer-centricity initiative.

1.3 Delimitations

The thesis project comprises several delimitations that determine the project scope. First, the capabilities are explored by analysing how ALO works to provide aftermarket logistics services to Alpha's dealers and end-customers. Consequently, the interfaces to other business areas are not investigated. This delimitation allows for a more comprehensive analysis in the given time frame. Second, the primary focus of the investigation is ALO's operations in the European and Nordics regions, as most research participants had experience from and deep knowledge about the work in these regions. Thus, some of the findings may contrast with the reality in other regions. Furthermore, this thesis project does not explore in-depth how customer-centric aftermarket logistics service offerings should be developed. The service development area would significantly extend the project scope and make it unmanageable in the limited time frame. Fourth, the implementation of customer-centricity will not be investigated from the customer's perspective since the researchers did not gain access to any dealer or end-customer. Finally, the actual implementation of the recommended suggestions on the specific measures to address the identified hindrances and how to develop each capability is not conducted in this project.

1.4 Report Disposition

The structure of this report is illustrated in table 1.1 below.

Table 1.1: Illustration of this report's disposition.

Chapter	Description
Chapter 1 - Introduction	The introductory chapter presents the background to this thesis project and specifies its scope by outlining the purpose, research questions, and delimitations.
Chapter 2 - Theoretical Framework	The theoretical framework comprises a literature review of academic research concerning key topics related to the research questions. The areas covered include the aftermarket context, fundamentals of customer-centricity, hindrances to achieving customer-centricity, and the required capabilities to become a customer-centric organisation.
Chapter 3 - Method	This chapter provides an overview of how the research was conducted. More specifically, it presents the chosen research strategy and design, data collection and analysis procedures, as well as how the research quality was assessed, and how ethical issues were considered.
Chapter 4 - Empirical Findings	This chapter synthesises the empirical data collected through interviews, focus groups, and document analysis.
Chapter 5 - Analysis	The fifth chapter comprises an analysis of the empirical findings using the theoretical framework as a base. Moreover, the analysis elucidates the answers to the research questions.
Chapter 6 - Discussion	The discussion presents the theoretical and managerial implications of this thesis project. In addition, potential avenues for future research are suggested.
Chapter 7 - Conclusions	The concluding chapter outlines the main conclusions of this thesis project.

2. Frame of Reference

The following chapter reviews relevant scientific literature to describe key theoretical areas impacting this thesis project. Firstly, the aftermarket supply chain is elaborated on to convey its main characteristics. This facilitates understanding issues concerning customer-centricity in the aftermarket context. Secondly, an overview of customer-centricity is provided to explain how traditionally product-centric organisations differ from customer-centric ones. Thirdly, previous research regarding which hindrances product-centric organisations must overcome to become customer-centric is presented. These insights are applied as a framework to analyse the empirical data related to the first and second research question. Thereafter, required capabilities for achieving customer-centricity are examined to be able to address the second research question. Finally, a synthesised conceptual model is presented.

2.1 The Aftermarket Supply Chain

The aftermarket comprises the goods and services offered to customers after the point of sale to provide support with maintaining the functionality of purchased products and with their disposal (Wagner et al., 2018). Furthermore, the demand for after-sales support is especially high in capital intensive industries where product life cycles are longer, and customers prefer to repair products before buying new ones to avoid incurring significant costs (Theodore Farris et al., 2005). Moreover, stricter environmental regulations force most manufacturers to take greater responsibility for what occurs with the product after the point of sale (Gatenholm et al., 2021). As customers increasingly demand tailored solutions for promptly managing after-sales issues to minimise costly downtime, the role of aftermarket services has become essential (Cohen et al., 2006). These services facilitate activities like repair, recycling, inventory management, and transport of spare parts. Hence, it is not sufficient to merely offer spare parts if seeking to satisfy the customer (Saccani et al., 2006). Moreover, Syahrial et al. (2019) argue that two fundamental characteristics should signify aftermarket services; they constitute customer-oriented and cross-functional processes performed by several actors to satisfy customer needs.

Aftermarket supply chains do not resemble the manufacturing supply chain (Cohen et al., 2006). Consequently, they should be managed differently. A key distinction is that the aftermarket business encompasses both a forward and reverse flow (Amini et al., 2005). The forward flow involves deliveries from OEMs to dealers or end-customers, whereas the reverse flow concerns eventual returns of spare parts to the OEMs. In contrast, there is mainly a forward flow in the manufacturing supply chain where the OEM manufactures and subsequently delivers products to the customer (Cohen et al., 2006). Moreover, it is not only materials that flow between different actors in the aftermarket supply chain (Gatenholm et al., 2021). The flows also consist of people and information needed to conduct the after-sales services. Wagner et al. (2018) argue that OEMs should adopt a network perspective to effectively manage the flows in the aftermarket supply chain since there are several interdependencies among the involved actors. The authors further state that the aftermarket business comprises an ecosystem of actors, including OEMs, suppliers, dealers, competitors, and end-customers, who prefer certain relationship constellations between the actors in the supply chain. OEMs face increasing competition from suppliers and third-party actors who seek to serve the dealers or end-customers with compatible offerings (Cohen et al., 2006). According to Durugbo (2020), the OEMs should therefore expend additional effort to differentiate themselves by optimising the customer's service experience.

Manufacturing companies have historically somewhat neglected the strategic value of the aftermarket business by taking a product-centric view and regarding it primarily as a necessary cost to be minimised (Lele, 1997; Sheth et al., 2020). However, aftermarket services usually generate higher profits than the actual product sales (Gaiardelli et al., 2007). The generated revenues from such services can amount on average to 25 % of the organisation's total revenues (de Souza et al., 2011). Furthermore, several companies have failed to fully capitalise on this opportunity as little attention has been devoted to customising the aftermarket offerings (Cohen et al., 2006). The standardised offerings hinder companies from utilising after-sales support as a vehicle for differentiation. This shortcoming is problematic since the increasing commoditisation of products makes it difficult to merely rely on excellent product development (Wagner et al., 2018). In addition, intensified competition puts pressure on companies to differentiate themselves based on other aspects than cost (Sheth et al., 2020). The aftermarket business may also be used as a valuable source of feedback for development processes (Borchardt et al., 2018). Goffin and New (2001) explain that the close interaction with customers through various service offerings enables companies to elicit which problems customers experience. Another strategic benefit concerns the positive impact on customer loyalty that may arise if close relationships are established with the customers in the aftermarket supply chain (Saccani et al., 2006). Thus, if the customer is not content with how the manufacturer resolves issues that appear during use, customer satisfaction will likely be relatively low regardless of product quality. Durugbo (2020) further notes that high customer loyalty often implies increased profitability in the long term as the cost of acquiring new customers is relatively high.

Although the aftermarket business may provide strategic advantages, several challenges are associated with managing aftermarket supply chains (Cohen et al., 2006). First, after-sales support is generally offered both to products still on the market and those not sold anymore (Holmqvist & Pessi, 2006). Consequently, it is necessary to manage a more heterogeneous product portfolio than in the manufacturing supply chain (Holmqvist & Pessi, 2006). According to Cohen et al. (2006), the number of stock-keeping units is usually twenty times greater in the aftermarket than in manufacturing operations. Second, there exists a trade-off between holding inventories and cost (Gatenholm et al., 2021). By stocking parts in warehouses close to the customer, it is possible to quickly offer support (Cohen et al., 2006). However, manufacturers cannot afford to keep everything in stock to ensure the expected quick response when the demand arises. In particular, spare parts have high depreciation and obsolescence costs (de Souza et al., 2011). Instead, the aftermarket supply chain must be agile to cost-efficiently resolve issues that customers face (Cohen et al., 2006). Furthermore, the inventory levels in different warehouses should vary depending on the customer's needs. Some customers require higher service levels as breakdowns significantly affect their business (de Souza et al., 2011).

Finally, compared with the manufacturing supply chain, it is more challenging to forecast when the demand for after-sales support appears (Andersson & Jonsson, 2018). The authors conclude that this can be explained by erratic demand patterns and varying demand sizes in the aftermarket.

2.2 Background to Customer-Centricity

Customer-centricity is an elusive concept that has increasingly gained traction in academic research and corporate strategies since the start of this millennium (Faluba Damázio et al., 2020; Shah et al., 2006; Sheth et al., 2000). However, the fundamental ideas behind the concept are not novel. For instance, Levitt (1962) proclaimed that organisations should not primarily focus on pushing out products, but on understanding and fulfilling customer needs. Furthermore, several distinct definitions of customer-centricity have been proposed due to the concept's ambiguous nature (Lamberti, 2013). Nevertheless, these propositions commonly describe customer-centricity by comparing it with the traditional product-centric business approach and stressing key distinguishing features (Shah et al., 2006). The features identified in the literature are summarised in table 2.1 and explained below.

Table 2.1: Key distinguishing features between the product-centric and customer-centric business approach identified in the cited literature. Structure inspired by Galbraith (2011) and Shah et al. (2006).

Feature	Product-centric Approach	Customer-centric Approach
Raison d'être See e.g., (Adrodegari et al., 2017; Habel et al., 2020).	Sell products or services to anyone interested in purchasing them.	Understand customers' unique needs and serve them by providing service offerings that fulfil their needs.
Relations with customers See e.g., (Hemel & Rademakers, 2016; Shah et al., 2006).	Transaction-based.	Relationship-oriented.
Value creation perspective See e.g., (Grönroos, 2016; Hemel & Rademakers, 2016)	Value is created by the organisation and delivered to the customer in the form of individual products or services.	The customer creates value, and the organisation can only support this value creation process by delivering potential value propositions.
Organisational structure See e.g., (Galbraith, 2011; Habel et al., 2020)	Functional silos. Product/Service managers control the development, production, and sales of the different products/services.	Organised around the needs of the different customer segments. The activities from different functions are aligned.
Approach to product/service design See e.g., (Lamberti, 2013; Shah et al., 2006)	Apply personal beliefs and judgement to design the product/service. The organisation knows what is best for the customer.	Begin with capturing the voice of the customer. Then, use this information to determine product/service specifications according to the customers' needs and wants.
Performance measurement See e.g., (Bonacchi & Perego, 2011; Ramani & Kumar, 2008)	Financial indicators related to products/services (e.g., the profitability of products/services, market share per product/service).	Customer-oriented measures to continually assess customer satisfaction on an individual level (e.g., customer lifetime value).

Product-centric organisations are often inward-oriented as their main concern is organising the internal resources and structures to develop a set of products or services with modest consideration to the needs of individual customers (Gaurav & Shainesh, 2017). The product-and service designs are, as a result, primarily reflections of the employees' subjective judgement. In contrast, customer-centricity constitutes a business approach based on the premise that organisations should foremost understand the customers' needs before aligning decisions, strategies, and processes to provide tailored customer experiences from pre- to post-purchase (Habel et al., 2020; Lemon & Verhoef, 2016). Thus, the central aim for customer-centric organisations is not to sell a product or service but to serve the customers by providing offerings that support customers' value creation processes (Hemel & Rademakers, 2016). The offerings constitute total solutions composed of goods and services that do not have an inherent value. Instead, the value materialises first when customers use the solutions to fulfil their specific needs (Grönroos, 2011).

Moreover, customer-centric organisations form relationship-oriented interactions instead of transaction-based exchanges to truly understand the customer (Lamberti, 2013). Relationship-oriented interactions involve building close customer relationships based on mutual trust and, to some extent integrating the organisation's processes with the customers' activities (Grönroos, 2011). Hence, the organisation's focus is directed toward developing customer relationships and ensuring high customer loyalty (Adrodegari et al., 2017). This also implies a shift in the mindset of all employees as everyone becomes customer advocates by considering the customers' interests to be the focal point of all actions (Habel et al., 2020; Shah et al., 2006). Another key feature of customer-centricity is customer-centred performance evaluation. The traditional product-centric assessment comprising mainly financial performance indicators should be expanded to include aspects related to individual customers' experiences, like the customer lifetime value (CLV) (Ramani & Kumar, 2008; Rust et al., 2004).

The concept of customer-centricity has been criticised despite its widespread diffusion. Gummesson (2008) argues that there exists no apparent dichotomy between product-centricity and customer-centricity since organisations should conduct business according to an approach incorporating elements of both extremes. Hence, it is not feasible for organisations to exclusively consider the customers' needs and disregard other stakeholders when designing internal processes and making important decisions (Gummesson, 2008). Furthermore, the feasibility of implementing customer-centricity has been questioned due to the inherent difficulty in understanding each customer's unique needs (Lamberti, 2013). Although digital technologies may facilitate this task (Wagner & Majchrzak, 2006), companies often lack sufficient resources to satisfy every customer with customised solutions (Galbraith, 2011). According to Fader (2020), the organisations striving to become more customer-centric should therefore segment the customer base and concentrate on a select group of customers that will generate the greatest value. There are also situations when implementation of customer-centricity is likely less favourable (Habel et al., 2020). In highly competitive industries where customers value customised solutions relatively low, it might be too costly (Lee et al., 2015). In addition, customer-centricity could be problematic if radical innovations are developed frequently as the company risks reacting too slowly to technology shifts (Christensen & Bower, 1996).

2.3 Hindrances to Achieving Customer-centricity

The journey towards customer-centricity is long and comprises several hindrances (Lamberti, 2013; Pardo-Jaramillo et al., 2020). Galbraith (2011) highlights that many organisations remain product-centric because they somewhat lack knowledge regarding which hindrances must be overcome to implement customer-centricity successfully. Moreover, research on this topic is relatively fragmented (Ulaga, 2018). This section aims to present an examination of the main hindrances discussed thus far in research. Table 2.2 shows a consolidated view of the categories of hindrances identified in the cited literature.

Table 2.2: Compilation of the hindrances to achieving customer-centricity identified in the cited literature. The applied structure for dividing hindrances into different categories is adapted from Lamberti (2013).

Category	Examples of Hindrances
Individual See e.g., (Lamberti, 2013; Ramani & Kumar, 2008; Shah et al., 2006)	• Lack of senior management commitment towards customer-centricity • Senior management fails to take on the role of change-agent • Employees lack the ability to interact and build relationships with the customers
Intra-organisational See e.g., (Adrodegari et al., 2017; Habel et al., 2020; Lamberti, 2013)	• Silo-oriented organisational structures • Lack of effective cross-functional communication and collaboration • Organisational politics and culture
Inter-organisational See e.g., (Crecelius et al., 2019; Gummesson, 2008; Hemel & Rademakers, 2016)	• Inability to engage in co-creation together with the customer • Lack of commitment from intermediaries towards customer-centricity • Commitment to suppliers or other partners that prevent the organisation from aligning its operations with the customer-centric business approach
System See e.g., (Bonacchi & Perego, 2011; Gaurav & Shainesh, 2017; Wagner & Majchrzak, 2006)	• Product-centric performance measurement systems incentivising an inward-oriented mindset • Lack of digital infrastructure that supports the collection, storage, and analysis of customer data on an individual customer level
Financial See e.g., (Fader, 2020; Gummesson, 2008; Lee et al., 2015)	• Significant cost associated with implementing customer-centricity • Market conditions in some industries limit the benefits organisations may realise if achieving customer-centricity

Individual

The hindrances that fall into this category concern aspects related to the management or employees within the organisation. One such prominent hindrance is the lack of senior management commitment toward customer-centricity (Shah et al., 2006). If leaders themselves do not put the customers' needs at the centre when making decisions, employees will be discouraged to change behavioural patterns. It should be evident for lower-level employees from the senior managers' actions that the aim is to continually work with understanding and fulfilling customer needs (Lamberti, 2013). Senior management must especially emphasise the importance of building relationships with the customer and assessing service quality instead of narrowly evaluating the technical specifications of an offering (Hemel & Rademakers, 2016). Another factor that could hinder the implementation of customer-centricity is low trust from senior management in the people working at the interface against customers (Lamberti, 2013). Karlsson and Skålén (2015) state that employees who interact directly with the customer often have deeper knowledge regarding the customer's problems and understand the organisation's limitations. Consequently, if they receive little autonomy in decision-making, the organisation will likely fail to satisfy the customer needs to the same extent (Lamberti, 2013). Moreover, the shift to customer-centricity is impeded if senior managers fail to act as change agents by not providing clear guidance (Shah et al., 2006). The authors argue that the customer-centric business approach cannot be implemented if larger changes are not performed to existing structures and processes. Lamberti (2013) agrees with this argumentation and adds that senior managers should also be responsible for driving the change in organisational culture.

Another plausible impediment to achieving customer-centricity relates to lower-level employees. If the front-end personnel lack the ability to interact and build close relationships with the customers, it will not be possible for the organisation to fully understand the customers' needs (Adrodegari et al., 2017; Lamberti, 2013). Furthermore, Verbeke et al. (2011) argue that the front-end employees in customer-centric organisations should be able to act as knowledge brokers. A knowledge broker aggregates customer insights from different channels and understands which internal actors' knowledge bases should be combined to satisfy a customer need. Likewise, back-end employees must possess knowledge about the customers since all employees should be able to work with the customer needs in mind (Hemel & Rademakers, 2016). The authors further claim that such knowledge can be acquired by letting the back-end interact more with the customers and by enhancing the efficiency of cross-functional communication.

Intra-organisational

A central intra-organisational hindrance is the organisational structure in product-centric organisations (Shah et al., 2006). Such organisations tend to be divided into functional silos that optimise their internal processes instead of aligning functional activities to fulfil different customer needs. Furthermore, as product managers are often given the main responsibility for resource allocation, it is dictated by the needs associated with developing a particular product category (Galbraith, 2011). Consequently, product managers tend to push out products with little consideration of the customers' needs (Galbraith, 2011). This structure is detrimental when seeking to achieve customer-centricity as the customer does not become prioritised in important decisions (Habel et al., 2020). In addition, when the organisation is not structured around customer groups but product categories, it is more challenging to gain a deeper understanding of each customer (Lee et al., 2015). The silo-oriented structure also hinders the adequate provision of service offerings (Lemon & Verhoef, 2016). This is because the delivery of service offerings demands concerted efforts from several functions since multiple goods and services must be provided to ensure a good overall customer experience (Grönroos, 2016). For instance, a customer buying a truck will not only base its experience on the product design. The overall assessment will also be influenced by, for instance, the sellers marketing activities and how the truck was delivered.

A related intra-organisational hindrance is thus a lack of efficient cross-functional communication within the organisation (Adrodegari et al., 2017). This issue further hinders top management from disseminating the customer-centric strategies to lower-level employees who will not know how to adjust their behaviour (Lamberti, 2013). Moreover, Ramani and Kumar (2008) argue that the cross-functional communication often does not function well in product-centric organisations as each function operates in isolation without effective information sharing mechanisms. Limited cross-functional communication might also result from another hindrance on the intra-organisational level, namely, organisational politics (Lamberti, 2013). People from distinct functions may withhold information to ensure that their specific goals receive top priority in the organisation (Buchanan & Badham, 1999). As the functions in product-centric organisations mainly are assessed based on financial parameters related to specific product/service categories, their primary interest is not with serving the customer (Gaurav & Shainesh, 2017). The issue with organisational politics is also a hindering factor from a change management perspective. Since the shift from product- to customer-centricity comprises a radical organisational change (Shah et al., 2006), there will inevitably be some inertia from people at different levels that seek to preserve the status quo (Alvesson & Sveningsson, 2015; Buchanan & Badham, 1999).

Organisational culture is often heralded as another critical intra-organisational hindrance (Kumar et al., 2006; Shah et al., 2006). The culture fundamentally reflects the beliefs and values held by people in the organisation (Ravasi & Schultz, 2006). Thus, the prevailing mindset in product-centric organisations often drives actions that do not correspond with the idea of aligning the entire organisation with the customer's needs (Shah et al., 2006). However, drawing upon research related to change management, the actual hindrance may be the behaviours underlying the product-centric organisational culture as the culture is difficult to address directly (Fredberg & Pregmark, 2018; Schein, 1990). Likewise, Galbraith (2012) argues that it is necessary to influence how people behave to impact their reasoning. Furthermore, the author notes that behaviours can be influenced by transforming the organisational design, which is based on five fundamental aspects: strategy, structure, human resources, processes, and reward systems. According to Hemel and Rademakers (2016), organisations will also experience difficulties in achieving customer-centricity if the organisational culture is permeated by a fear among employees for exploring various opportunities to fulfil customer needs.

Inter-organisational

The operationalisation of customer-centricity might further be hindered by problems at the inter-organisational level. This type of hindrances especially appears when organisations rely on intermediaries to deliver their offerings (Lamberti, 2013). Intermediaries often have closer and more continuous contact with the customer. Consequently, if they do not align with the organisation's ambition to become customer-centric, it will be difficult to truly understand the customer and deliver according to its unique needs (Hemel & Rademakers, 2016). The relationships with suppliers could also adversely affect the implementation of customer-centricity (Crecelius et al., 2019). Since customer-centric organisations deliver customised solutions to different customers (Gummesson, 2008), they put greater demands on suppliers who often incur greater costs to ensure the requisite level of flexibility (Crecelius et al., 2019). Suppliers will not provide such service if they cannot capture the extra value that is generated (Crecelius et al., 2019). Thus, it is essential to build mutually beneficial relationships with the suppliers and explain how the potential increase in the total value created may be captured. However, Lamberti (2013) notes that too close relationships with suppliers might hinder organisations from becoming customer-centric. If the organisation makes commitments to suppliers, it could sometimes be challenging to adapt and allocate the necessary resources to fulfil the customers' needs. Furthermore, Hemel and Rademakers (2016) argue that an organisation's inability to engage in value co-creation with the customer constitutes another inter-organisational hindrance. The issue of value creation is elaborated on in section 2.4.2.

System

Without a suitable digital infrastructure, it is practically impossible to gather and store detailed customer data concerning individual customers (Gaurav & Shainesh, 2017). For instance, customer relationship management systems are utilised to collect data from multiple sources across different customer touchpoints (Gummesson, 2008). This data about individual customers is required to customise offerings effectively and understand the customers in-depth (Habel et al., 2020). Furthermore, digital technologies facilitate structuring and analysing the vast amount of customer data collected by a customer-centric organisation (Wagner & Majchrzak, 2006). Thus, the lack of a well-developed digital infrastructure makes it difficult to achieve customer-centricity. A related hindrance is associated with the restrictions privacy policies pose on the sharing of customer data. Depending on how the regulations are constructed, organisations might be prohibited from transmitting customer information freely within the organisation and to partners (Hemel & Rademakers, 2016). The lack of information sharing makes it challenging to align processes and structures to fulfil the customers' needs (Shah et al., 2006).

Another system-level factor to consider is the performance measurement system used by the organisation (Hemel & Rademakers, 2016). Product-centric organisations generally assess metrics closely related to the financials individual products or services (Bonacchi & Perego, 2011; Pardo-Jaramillo et al., 2020). Bonacchi and Perego (2011) state that it is challenging to instil a customer-centric mindset among employees when they are not rewarded primarily based on how well they serve the customers. In addition, Shah et al. (2006) report that the lack of customer-centric performance metrics makes it difficult for organisations to motivate the cost of implementing customer-centricity to various stakeholders. For instance, the benefits related to customer loyalty are not easily captured in traditional metrics (Rust et al., 2004). Customer-centric performance measurement is elaborated on in section 2.4.4.

Financial

One general category of hindrances is the cost of implementing customer-centricity. Regardless of the organisation's ability to overcome the other hindrances, it might fail with transitioning from product-centricity because of the significant cost it implies (Fader, 2020; Gummesson, 2008). The customer-centric approach is often more costly as the emphasis on tailoring offerings to individual customers' needs reduces scale efficiencies and requires notable investments in e.g., novel digital systems (Lamberti, 2013). In addition, if the customer is prioritised in almost every decision, the organisation will inevitably omit opportunities to optimise the cost-efficiency of internal operations (Fader, 2020). In some industries, it is also difficult to generate sufficient benefits from the customer-centric approach to compensate for the increased costs customisation implies (Lee et al., 2015). The authors exemplify this by highlighting industries where customers rarely seek customised solutions but are content with a standardised, low-cost solution. Consequently, the choice of implementing customer-centricity should take the market conditions into consideration.

2.4 Capabilities Supporting Customer-Centricity

There is a paucity of research that explicitly investigates in-depth which capabilities product-centric organisations should develop to support the operationalisation of customer-centricity. However, in this thesis project, it was possible to identify four fundamental capabilities that are relevant to consider when commencing the journey towards customer-centricity. These capabilities were identified based on both the empirical findings and previous research. It should be noted that the list of capabilities is not exhaustive. Furthermore, the identified capabilities can theoretically be decomposed into sub-capabilities that are more operational. This section is divided into subsections, where each capability is described separately in greater detail.

2.4.1 Capturing the Voice of the Customer

Since customer-centricity can only be achieved if the organisation gains a true understanding of the customer, it is fundamental to capture the voice of the customer (VOC) effectively (Shah et al., 2006). Griffin and Hauser (1993) define VOC as a concept that refers to the customer's needs. Consequently, organisations that capture the VOC can understand and prioritise the customer needs to inform development processes (Aguwa et al., 2012). Though, Matzler and Hinterhuber (1998) provide an extended view by suggesting that organisations should also assess the customer's opinions about the organisation's and its competitors' offerings. If the VOC is disregarded, the offerings cannot be differentiated but often become generic (Matzler et al., 1996). This inevitably implies a negative impact on customer satisfaction as it is impossible, according to Arrow's impossibility theorem, to satisfy customer groups with different preferences with one standard solution (Hazelrigg, 1996). Likewise, Stank et al. (1997) argue that without a good strategy for capturing the VOC, companies will omit business opportunities to leverage satisfied customers. In contrast, a well-designed VOC strategy enables organisations to utilise the customer as a resource in development (Melander, 2020).

Edvardsson et al. (2006) state that service innovations more commonly originate from customer inputs than product innovations. However, gathering customer data is often different in service-oriented businesses as service offerings cannot be created without involvement from the customers (Kindström et al., 2013). To capture the VOC, service-oriented businesses must foremost assign roles that can sense needs through close interactions with the customer as well as partners, and establish systems that enable the dissemination of customer information throughout the organisation (Kindström et al., 2013).

Although there are several benefits with capturing the VOC, the process itself is difficult to manage (Melander, 2020). The literature identifies several challenges that organisations encounter. First, to utilise customer insights, the organisation must establish efficient cross-functional communication so that the collected information can be processed and shared throughout the organisation (Ramani & Kumar, 2008; Sheth et al., 2000). This further implies that the organisation must create a culture where creativity and external insights are embraced (Hemel & Rademakers, 2016; Shah et al., 2006). Second, Goffin et al. (2012) explain that the process of collecting customer data can be time-consuming and frustrating since it is often complex or incomplete. Moreover, customers may lack incentives to share feedback (Burchill & Brodie, 2005). Finally, capturing the VOC might be challenging as customers generally have difficulties with explicitly expressing their true underlying needs (Matzler et al., 1996). McDonagh et al. (2009, p. 433) capture this neatly, "*users often say one thing, do another and often feel something else*". In addition, Goffin et al. (2012) argue that the issue is likely even greater in service-oriented businesses, where the intangible nature of services makes communication more complex.

To master capturing the VOC, companies must be able to manage three different central practices (Griffin & Hauser, 1993; Radziwill & Freeman, 2018; Yang, 2007): Collecting the customer needs, Structuring the collected customer needs, and Prioritising the structured customer needs. These practices are discussed separately in distinct subsections to highlight what is required from the organisation to manage each practice. Figure 2.1 provides a simplified overview of the process of capturing the VOC.

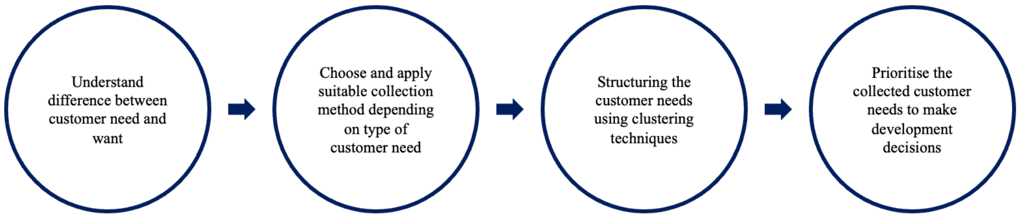

Figure 2.1: The main steps in the process of capturing the VOC.

Collecting the customer needs

Griffin and Hauser (1993) state that the first step in capturing the VOC is to collect the customer needs. Nevertheless, before eliciting the customer's needs, it is essential to understand how they differ from customer wants. Customer needs constitute requirements that describe the fundamental jobs customers need to perform, whereas wants represent specific solutions customers demand from the organisation (Ulwick & Bettencourt, 2008). Moreover, there are distinct types of customer needs (Gremyr et al., 2020). First, the customer can express stated needs when inquired (Radziwill & Freeman, 2018). Second, expected needs constitute the ones customers are aware of but do not articulate as they assume the organisation will satisfy them regardless. Third, customers may also have latent needs that they are unaware of (Gremyr et al., 2020).

Depending on the type of customer need, different methods for collecting it may be more or less suitable (Radziwill & Freeman, 2018). The explicit needs are relatively easily elicited using direct methods like interviews or surveys (Gremyr et al., 2020). Furthermore, these methods seek to derive the needs by posing questions that make it possible to explore the customer's experiences (Griffin & Hauser, 1993). Consequently, the questions should not focus on solutions concerning how a product or service may be improved. Instead, organisations should investigate, for instance, what makes the customer’s work time-consuming (Ulwick & Bettencourt, 2008). A key problem with using surveys is that questions cannot be added directly if the collected customer insights point to other areas of interest (Hayes, 2008). Moreover, the stated needs can be identified from complaints registered through various channels like social media, chat boxes, call centres, and feedback forms (Radziwill & Freeman, 2018).

However, these methods are less suitable when seeking to capture the needs customers rarely express directly when inquired about their experiences (Gremyr et al., 2020). In order to become truly customer-centric, the organisation must also be able to elicit latent customer needs (Fader, 2020; Shah et al., 2006). This requires a comprehensive understanding of the customer and how its experience develops in its specific context (Tueanrat et al., 2021). The company could deduce such needs by directly observing customers during Gemba visits (González Bosch & Tamayo Enríquez, 2005) or by interacting in experiments with lead users whose basic needs may reflect the needs of other customers (Lüthje & Herstatt, 2004). Furthermore, the technique customer journey mapping can be used to develop such an understanding as it provides a blueprint of all the touchpoints between the customer and the organisation’s service offerings from pre-purchase to post-purchase (Lemon & Verhoef, 2016). Hence, based on this analysis, organisations can understand dimensions of the customer experience that customers themselves cannot articulate. In addition, Gremyr et al. (2020) suggest that companies can perform benchmarking to identify which expected needs practically every company on the market addresses.

Structuring the collected customer needs

The process of collecting customer needs usually generates a considerable list of identified needs (Takai & Ishii, 2010). According to Griffin and Hauser (1993), the list may amount to between 200 and 400 items after the collection phase. However, there are often similarities among the different customer needs, which enables organisations to make correlations and reduce the number of items (Takai & Ishii, 2010). Furthermore, the identified needs vary in the level of specificity. Some are general while others are specific and operational (Chan et al., 1999). Griffin and Hauser (1993) divide customer needs into three levels: primary, secondary, and tertiary. The primary needs are high-level that specify the strategic direction in product/service development. In contrast, the tertiary needs are on the operational level as they elucidate, more specifically, what should be developed to appease the customer. Based on this division, it is possible to derive a hierarchical structure of the needs (Chan et al., 1999). However, the methods for structuring customer needs are generally more elaborate to ensure that they are analysed effectively and efficiently (Takai & Ishii, 2010). The literature suggests two methods commonly used for structuring the identified customer needs: affinity diagram and subjective clustering (Griffin & Hauser, 1993; Shillito, 2000; Takai & Ishii, 2010).

Affinity diagrams help companies organise the significant amount of data related to customer needs by grouping different needs based on their level of association. Thus, the grouping is not performed according to logical connections (Bergman & Klefsjö, 2010). Griffin and Hauser (1993) further argue that affinity diagrams are created through a group consensus process. The authors state that the group should consist of people from different competence areas and that each person receives several cards. Each card is marked with one identified customer need. Moreover, the cards are successively read aloud and placed in distinct piles. The group decides through consensus to which pile the card should be allocated. After every card has been discussed, the piles are analysed, and tree diagrams are created to structure the customer needs (Griffin & Hauser, 1993). According to Takai and Ishii (2010), the affinity diagram method may imply skewed results since the resulting structure sometimes merely reflects the proposed structure of a limited number of group members. In addition, Griffin and Hauser (1993) highlight that the structuring could be biased as it primarily represents the organisation's perspective and not necessarily how customers imagine their needs.

The second method, subjective clustering, differs from affinity diagrams as the grouping of customer needs is conducted individually (Takai & Ishii, 2010). Initially, each team member groups the identified customer needs based on their perceptions of the similarity between the needs. Thereafter, the individual grouping results are gathered, and a set of similarity matrices is created. Furthermore, all individual similarity matrices are added to form a co-occurrence matrix. Since the individual matrices receive the same weight when added to build the co-occurrence matrix, the team members' opinions will have an equal impact. This matrix is used as an input into hierarchical clustering algorithms that subsequently generate a dendrogram of the customer needs (Takai & Ishii, 2010). The resulting dendrogram groups customer needs with low similarity at higher levels. Consequently, clusters of customer needs are found by cutting the dendrogram at a certain level (Takai & Ishii, 2010). Griffin and Hauser (1993) suggest that the subjective clustering method could be adjusted to better reflect the customers' perceptions of their needs by creating the similarity matrices based on direct insights from customers instead of employees.

Prioritising the structured customer needs

After having structured the customer needs in suitable groups, organisations make prioritisations as they have limited resources and cannot satisfy all needs (Matzler et al., 1996). Customer-centric organisations should not prioritise the customer needs exclusively based on internal factors like cost but also consider to which extent fulfilment of each need influences the overall customer experience and satisfaction (Fader, 2020; Shah et al., 2006). Moreover, methods based on mathematical computations like conjoint analysis (Bergman & Klefsjö, 2010) and analytic hierarchy process (Vaidya & Kumar, 2006) are commonly applied.

However, none of these methods considers the type of customer need (Radziwill & Freeman, 2018).

The Kano model has frequently been applied in several contexts to manage this shortcoming (Matzler et al., 1996). It enables organisations to group customer requirements according to which effect a certain level of fulfilment of the respective requirement has on customer satisfaction (Gremyr et al., 2020). Customer requirements where the fulfilment level is proportional to the customer satisfaction are related to the explicit needs that customers can express explicitly (Matzler et al., 1996). Furthermore, the requirements that do not lead to customer satisfaction when fulfilled but imply dissatisfaction if not fulfilled, inform the organisation about the expected needs (Bergman & Klefsjö, 2010). The latent needs can be derived by identifying attractive requirements which have the greatest impact on customer satisfaction when fulfilled but do not result in any dissatisfaction if not fulfilled (Mikulić & Prebežac, 2011). In order to determine the type of customer requirement, organisations can conduct surveys where they inquire customers about two questions. The first question seeks to identify the customer's reaction if the customer requirement is fulfilled, while the other question concerns the response when the requirement is not provided (Mikulić & Prebežac, 2011). See Matzler et al. (1996) for a detailed description of how to construct such a questionnaire. Based on this information, organisations should foremost prioritise the expected needs as the customer otherwise will choose another provider. Following this, they should ensure that they match competitors' performance on key explicit needs whilst seeking to fulfil some latent needs that enable effective differentiation (Matzler et al., 1996).

It is also possible to prioritise customer needs using relatively simple matrices (Temkin, 2010; Zhang & Awasthi, 2014). The idea is then often to contrast how much the fulfilment of each need impacts the customer's perceived value with the effort the company must exert. Thus, if companies must incur high costs to fulfil a specific need, they might not prioritise it even though the customer's perceived value could increase significantly (Zhang & Awasthi, 2014).

2.4.2 Creating Value – Service Logic

Organisations do not become customer-centric by merely developing the requisite capabilities for eliciting the customers' needs (Lamberti, 2013). To fulfil these needs properly, it is necessary to reconsider the value creation process (Grönroos, 2016). Product-centric organisations regard value as embedded in the offering before being delivered to the customers, who act as passive receivers (Vargo & Lusch, 2004). This perspective on value is referred to as value-in-exchange (Vargo & Lusch, 2004). Porter (1985) describes the corresponding value creation process as a chain in which the manufacturer successively adds value by applying various resources. However, since customer-centric organisations strive to serve customers by providing holistic service offerings and aligning their entire business with the customers' needs, it is not feasible to take this goods-dominant logic perspective on value creation (Gummesson, 2008). According to the contrasting service logic perspective, value creation occurs during use and not in the provider's processes (Grönroos, 2011). Furthermore, this implies that the customer creates value in its unique context (Grönroos & Voima, 2013). Thus, the focus shifts from the organisation's internal processes to the customer's processes (Gremyr et al., 2020;

Shah et al., 2006). Moreover, value-in-use does not materialise at one time point but is continually constructed as the customer uses the offerings (Grönroos, 2017). Value-in-exchange appears at discrete time points and equals the price customers pay in the transaction (Vargo & Lusch, 2008). In contrast, the value-in-use is usually difficult to express in financial terms. It is often assessed by considering to what extent customers perceive that the benefits they gain from the offering outweigh the costs they incur (Grönroos, 2016).

In order to successfully manage value creation according to the service logic, the organisation must be aware of what roles different actors have and understand how they should interact with them (Grönroos & Voima, 2013). Grönroos (2017) describes the value creation process as divided into distinct spheres: provider-, joint-, and customer sphere. The author further states that service providers and customers have different roles as well as goals in each sphere. Figure 2.2 illustrates a schematic overview of the value creation process from a service logic perspective. The activities, interactions and different actors' roles in each sphere are described below.

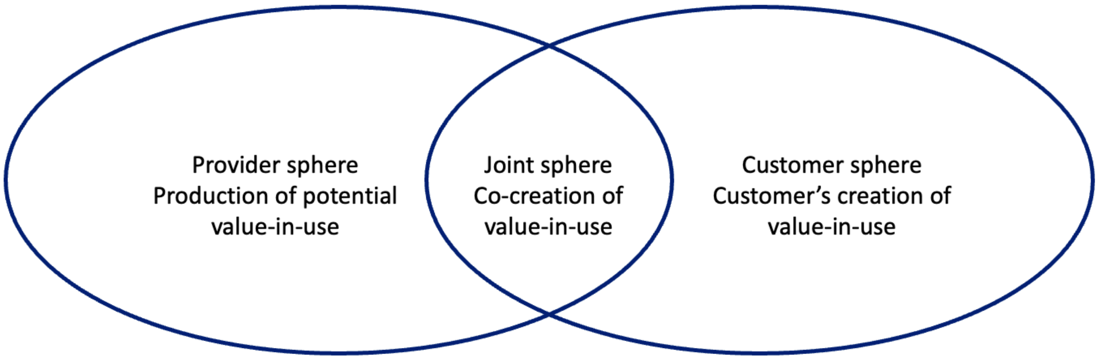

Figure 2.2: Value creation process according to the service logic, adapted from Grönroos (2017).

Provider sphere

The service provider is primarily involved in activities adhering to the provider sphere (Grönroos, 2017). However, this sphere is closed to the customers, meaning that they do not directly interact with the provider here. Since the customers are those who create value-in-use, it is not possible for the provider to create real value-in-use (Grönroos, 2017). Consequently, service providers deliver potential value offerings that constitute compilations of resources and processes intended to facilitate the customer's value creation in the other spheres (Grönroos & Voima, 2013). The authors further highlight that the service offering is produced through a set of basic operational activities adhering to both the organisation's front- and back-end functions. Some activities may be performed in conjunction with the provider's network partners who possess necessary resources (Grönroos, 2017). Moreover, to ensure that the offerings can actually help customers maximise their value creation, service providers must gain a deep understanding of the customer's needs and how it integrates resources in its specific context (Grönroos & Voima, 2013). As customers are influenced by changes in the environment, their preferences could change (Brozovic et al., 2016). The authors argue that service providers, therefore, must actively gather customer insights and proactively develop new value propositions that better cater to novel customer requirements. If providers remain passive, the compilation of resources will likely facilitate customers' value creation processes to a lesser extent. This implies lower value-in-use and, thereby, generally lower willingness to pay (Grönroos, 2016). Hemel and Rademakers (2016) argue that providers can affect the customer's value creation process negatively by developing and presenting too many service offerings. Thus, a customer-centric organisation should ensure that it does not overwhelm customers with choices as this implies confusion, which reduces the overall customer experience.

Joint sphere

Service processes may comprise a part in which direct interactions occur between the service provider and customer. This part constitutes the joint sphere (Grönroos, 2016). Furthermore, direct interactions arise when the service provider's production process and the customer's use process merge into an integrated one (Grönroos & Voima, 2013). Thus, the interaction enables the actors to exert influence on each other's processes to shape the outcomes (Grönroos, 2017). Shah et al. (2006) and Hemel and Rademakers (2016) argue that such co-creation is a fundamental characteristic of customer-centric organisations. Depending on the context, interactions could be either physical or virtual. Without any direct interactions, building a platform for value co-creation is impossible. However, even if a platform is created, value co-creation may still not be realised if the customer is unwilling to create value with the provider (Grönroos, 2016). Consequently, the service provider could remain a mere value facilitator as in the provider sphere, which is not the optimal scenario (Grönroos & Voima, 2013).

Furthermore, to succeed with co-creation, service providers must ensure that the customer interactions are of high quality (Grönroos, 2011). There are two important aspects to consider in relation to this. First, the provider should have deep insights into the customer's processes and how it integrates resources from various actors to fulfil its goals. This knowledge enables providers to delineate how the customer could effectively integrate their resources and processes during value creation. Second, the front-line employees who directly interact with the customer must be able to understand what the customers need and help them through the interactions in a way that meets the expectations (Karlsson & Skålén, 2015). If the interactions are not appropriately managed, value destruction may occur (Echeverri & Skålén, 2011). Grönroos (2017) argues that organisations sometimes must provide incentives to encourage customers to engage in value co-creation. In the joint sphere, co-creation is also possible in the opposite direction (Grönroos, 2016). Besides its role as a value creator, the customer can support the provider's production process by actively providing feedback on how the offerings can be changed to facilitate resource integration (Grönroos & Voima, 2013). Grönroos (2016) highlights that the service provider should set up systems for capturing and transmitting this feedback throughout the organisation.

Customer sphere

The customer primarily creates value-in-use in the customer sphere (Grönroos & Voima, 2013). This sphere is closed to the providers, which means that the customer only interacts indirectly with them through the provided resources (Grönroos, 2016). For instance, the author argues that the customer may register data in a provider's database system. Moreover, the value creation that occurs in the customer sphere can be divided into two types (Grönroos, 2017). First, there is an independent value creation process that a provider may facilitate. The customer integrates resources from the provider and other actors during use to fulfil its needs. Grönroos and Voima (2013) state that the way customers integrate resources depends on the unique context as it influences the customer's goals. Second, value creation in the customer sphere could also appear as social value co-creation (Grönroos, 2016). Customers are embedded in a broader ecosystem of actors who may influence the customer experience and how the value creation process emerges (Heinonen et al., 2010). For example, the customer can co-create the overall experience with other customers (Grönroos & Voima, 2013). The provider has little control over this social value co-creation process. Instead, it should seek to understand how the actions of other actors influence how customers perceive the value of the provider's offerings (Heinonen et al., 2010).

2.4.3 Deliver High Service Quality

Product-centric organisations regard quality as a multi-dimensional construct, where each dimension denotes a particular technical specification of the product or service (Syahrial et al., 2019); examples of dimensions are reliability, durability, and tangibility. Consequently, such organisations define quality in its development and production processes (Gummesson, 1991). Furthermore, management of quality issues is primarily concerned with ensuring that the produced product or service conforms to the desired specifications (Reeves & Bednar, 1994). However, this approach to quality management is not feasible in customer-centric organisations as they adopt a service logic perspective to business (Medberg & Grönroos, 2020). The service logic emphasises that organisations provide service offerings rather than individual products or services with the ambition to support customers' value creation processes (Grönroos, 2011). This has two important implications that affect how quality should be managed. Firstly, the offering can be considered a process (Reeves & Bednar, 1994). Hence, the consumption of it cannot be separated from its production. Moreover, as the service offering has a processual dimension involving interactions between the customer and provider, the quality is not merely a function of technical dimensions (Medberg & Grönroos, 2020). Secondly, a service offering only provides potential value. The customer is the one who creates and defines what value is during use (Vargo & Lusch, 2004). Thus, customer-centric organisations must develop the requisite capabilities to understand and manage service quality as perceived by the customer (Grönroos, 2016).

There are two central research streams concerning the management of service quality. One is referred to as the American school (Medberg & Grönroos, 2020). This stream relates service quality to the gap between the customer's perception of the received service level and what level was expected (Parasuraman et al., 1985). The second research stream is called the Nordic school (Medberg & Grönroos, 2020). In contrast to the American school, quality is here seen as a function of not only how the service is delivered, but also its outcomes and the corporate image. Consequently, the Nordic school provides a more comprehensive representation of service quality (Kang & James, 2004).

In detail, Grönroos (1984) model of service quality proposes that the total perceived quality is a function of two constructs: expected- and experienced quality. Hence, every customer will determine the service quality by assessing if their experiences meet the expectations. Even if the experienced quality is high from an objective point of view, the customers might still be dissatisfied as they expected more. It is therefore wise for companies to avoid overpromising by first considering what the organisation realistically may offer (Grönroos, 2016). Thus, customer-centric organisations must manage issues related to the service offering itself, and the expectations customers form before use (Kang & James, 2004). Figure 2.3 presents an overview of the components in Grönroos (1984) model of service quality.

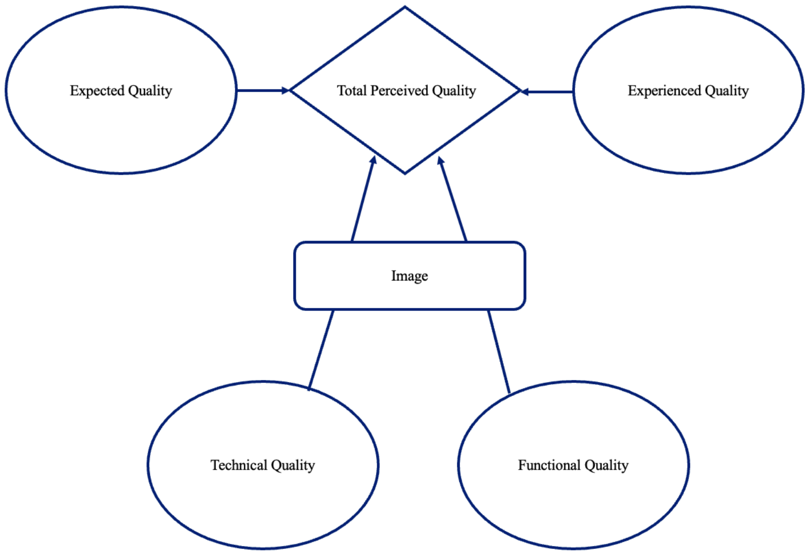

Figure 2.3: Model of perceived service quality. Adapted from Grönroos (1984).

The expected quality depends on several factors (Grönroos, 1984). Moreover, the factors controlled by the organisation are primarily related to its marketing communication (Kang & James, 2004). This communication comprises activities like advertising, sales campaigns and various forms of information sharing through digital channels (Grönroos, 2016). As dedicated marketing functions usually manage such communication, it is important that they collaborate closely with functions responsible for operations to align expectations with what is feasible to provide (Shah et al., 2006). Though, customer-centric organisations should also be able to manage factors that it may only influence indirectly (Grönroos, 1984). These factors include word of mouth, public relations, and social media (Grönroos, 2016). Another factor that the organisation cannot control entirely is the customers' prior experiences (Grönroos, 2016). A returning customer will likely be dissatisfied if the service level does not match the level received previously. It should also be noted that the customer's expectations are shaped by its needs and wants (Grönroos, 1984). This further motivates customer-centric organisations to capture the VOC to delineate if the customer has unrealistic expectations that should be influenced (Hemel & Rademakers, 2016).

On the other hand, experienced quality results from three dimensions (Grönroos, 2016). Firstly, it is contingent on the technical quality of the service process. This dimension concerns the process's concrete outcomes for customers (Medberg & Grönroos, 2020). Traditionally, organisations have focused on technical quality as it resembles the objective measurement of a product's technical specifications (Grönroos, 2016). The problem with such an approach in the contemporary market environment is that competitors often quickly deliver technical solutions with comparable quality. Kang and James (2004) add that the technical quality might be difficult for customers to assess as they do not fully understand the outcomes of some services. Instead, they evaluate how they were delivered by the provider. This is called functional quality and constitutes the second dimension of the experienced quality (Grönroos, 1984). Grönroos (2016) argues that the assessment of functional quality is relatively subjective. The way different customers perceive service processes in terms of, for instance, attitudes and accessibility of employees, often vary (Grönroos, 1984). Furthermore, it is based on customers' numerous interactions with other customers and the provider. Thus, the service provider can primarily influence customers' perceptions of functional quality during its interactions with them (Löfgren, 2005).

Finally, the total perceived quality is also determined by the corporate image (Grönroos, 1984). The corporate image can be conceptualised as a filter through which the customers evaluate their experienced functional and technical quality. If the customer has a positive view of the organisation, some marginal shortcomings could be tolerated (Grönroos, 2016). Furthermore, it is possible to influence the corporate image through various marketing campaigns, word of mouth, and by providing excellent service to existing customers (Grönroos, 2016).

2.4.4 Customer-Centric Performance Measurement

Performance metrics support companies in assessing the efficiency of internal operations and the effectiveness of their outcomes (Bititci et al., 2012). Furthermore, they enable systematic benchmarking against other actors to help identify how well the organisation's offerings fulfil the customers' needs compared to the market (Neely, 1999). However, the metrics must be carefully selected as they have a decisive impact on the organisational members' behaviours (Bonacchi & Perego, 2011). This as, the design of a metric indicates the organisation's top priorities and determines how people are incentivised (Bonacchi & Perego, 2011; Galbraith, 2011). Consequently, organisations must develop metrics aligned with their strategic goals, otherwise the performance assessments will impede the organisation's ambition to fulfil them (Bititci et al., 2012). Nevertheless, it is challenging to define relevant metrics that could be useful for the business (Lebas, 1995). Galbratih (2011) further notes that top management support is key when seeking to redesign established performance management systems.

As previously mentioned, product-centric organisations often merely apply financial metrics related to certain product/service categories (Shah et al., 2006). In order to achieve customer-centricity, the organisation should expand their list of metrics to include customer-oriented dimensions (Bonacchi & Perego, 2011). Furthermore, the traditional focus on measuring the company's offerings drives attention toward the internal processes instead of the customer, which should be the focal point of the business (Hemel & Rademakers, 2016). According to Grønholdt et al. (2015), it is important to balance the hard financial metrics with metrics that assess soft attributes to understand the customer's true experience better. The authors further explain that organisations which disregard the soft attributes will not only experience difficulties in implementing customer-centricity but also adverse effects on their competitiveness. Moreover, customer-centric organisations should be able to assess factors like: the quality of their relationship with the customer, how well customer needs are met, and how the value is perceived by the customer (Grønholdt et al., 2015; Shah et al., 2006). The remainder of this section presents examples of performance metrics that frequently appear in the literature related to customer-centricity.

One essential metric is customer satisfaction as organisations will not have put the customers at the centre of their businesses if the satisfaction is low (Hallencreutz & Parmler, 2021; Lamberti, 2013). Several specific metrics have been developed to assess customer satisfaction (Hallencreutz & Parmler, 2021). However, most of them comprise a set of dimensions that the customers are inquired about continually through, for instance, surveys. The dimensions are often adjusted to fit the specific industry context and could have varying degrees of impact on the overall satisfaction (Shokouhyar et al., 2020). Furthermore, a high customer satisfaction score often indicates that the customer loyalty is also high. A common related metric for assessing customer loyalty is the Net Promoter Score (NPS) (Clark & Myers, 2018; Verhoef & Lemon, 2013). This metric provides an indication regarding to what extent the customer is satisfied with the received offering and would recommend the company to others (Florea et al., 2018). A high score likely means that the offerings have effectively helped the customers fulfil their needs and that the organisation has acted in line with the customer's expectations (Verhoef & Lemon, 2013). Moreover, the NPS is commonly measured by letting a group of customers rate on a scale from one to ten how likely it is that they would recommend the company (Clark & Myers, 2018). The customers are then divided into groups based on their ratings: detractors score between zero to six, passives between seven and eight, and promoters either nine or ten. The score can be calculated as the difference between the proportion of promoters and detractors (Clark & Myers, 2018). Assessments of NPS could be important as customers who are dissatisfied with a company often quickly share their negative experiences with other customers and, in turn, influence their purchasing decisions (Ramani & Kumar, 2008).

Customer-centric organisations usually also assess the customer lifetime value (CLV) (Kumar et al., 2006; Lamberti, 2013; Rust et al., 2004; Shah et al., 2006; Verhoef et al., 2010). This metric is based on the fundamental idea that the customer should be seen as an organisational asset (Verhoef et al., 2010). Consequently, CLV can be used to predict and analyse the total income a business can expect from a customer (Fader, 2020). However, it is difficult to define a specific equation for calculating the CLV as several models have been proposed (Lamberti, 2013). The calculations generally involve making predictions of future cash flows from each individual customer (Kumar & Shah, 2009). The authors state that a net present value is derived by discounting the cash flows using the cost of capital. Moreover, by adding the CLVs calculated for each customer, it is possible to estimate the customer equity, which is an aggregate measure (Rust et al., 2004). It should be noted that the CLV is only a prediction as the organisation cannot definitely determine how long customers will be willing to maintain their relationship with the organisation and how many purchases they will perform in the future (Verhoef et al., 2010). Clark and Myers (2018) argue that, if correctly applied, the CLV may support organisations with visualising the relevance of investing in the customers and giving insights into the differences between customers in the portfolio.

2.5 Conceptual model

Figure 2.4 presents a synthesised model of the different topics covered in this theoretical framework. The model is designed to illustrate key areas product-centric aftermarket organisations should consider when commencing a journey to become customer-centric.

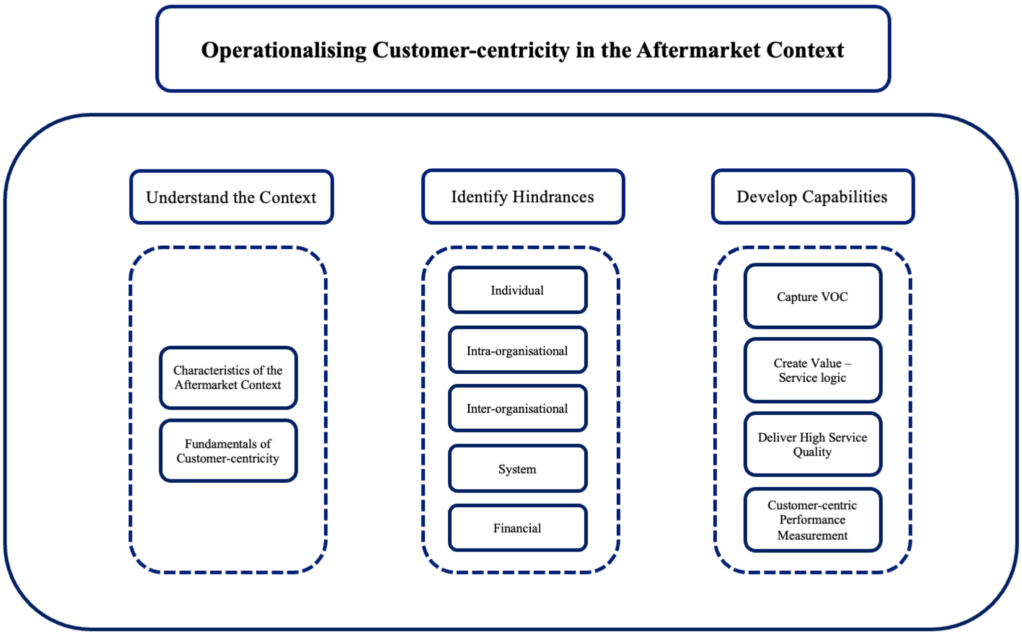

Figure 2.4: Conceptual model that provides a synthesised overview of the frame of reference.

The first step in this strategic change is to understand the context. Thus, organisations should acknowledge context-specific factors in the aftermarket that may influence the implementation of customer-centricity. Furthermore, the fundamental ideas behind customer-centricity are presented as the organisation must have a common understanding concerning what they are trying to achieve. The second central area constitutes identifying the hindrances to achieving customer-centricity. Without understanding these hindrances, it is difficult to delineate what actions should be taken to succeed with the transition. Finally, based on the analysis of the context and hindrances, the basic capabilities required for achieving customer-centricity could be developed. The first capability, capturing VOC, is essential to develop as the organisation cannot become customer-centric without having a deep customer understanding. Moreover, organisations should understand value creation from a service logic perspective as the traditional model of value chains fails to recognise the customer's central role as a value creator. Service quality is also explained as the shift to customer-centricity implies that organisations must manage the overall customer experience rather than merely technical specifications of goods and services. Furthermore, customer-centric performance measurement is included as a fundamental capability because the metrics organisations apply will strongly influence what gets done. It should further be noted that the proposed list of capabilities is not meant to be exhaustive.

3. Method

The following chapter describes how the research was conducted. Firstly, the chosen research strategy is discussed to convey the underlying philosophical assumptions and present the overall research approach. Secondly, the general framework for data collection and analysis is explained by elaborating on the research design. This section is followed by an overview of the data collection methods and how the collected data was analysed. Fourthly, a critical reflection of the research project is presented by discussing the research quality. Finally, ethical issues considered during this research project are elaborated on.

3.1 Research Strategy

Qualitative and quantitative research constitute two distinct approaches commonly applied to study social phenomena within the field of business research (Bell et al., 2019). Yilmaz (2013) argues that qualitative research generally is based on inducing theory from empirical data by developing a thorough understanding of actors' interpretations of the phenomena in naturalistic settings. In contrast, quantitative research primarily concerns testing hypotheses deduced from established theory by directly measuring quantifiable dimensions of the phenomena (Creswell & Creswell, 2018). Consequently, the research strategies differ due to discrepancies in philosophical assumptions about the social world under investigation and the approach to theory development (Bell et al., 2019). The qualitative research approach was chosen after considering those aspects.

Bell et al. (2019) explain that qualitative researchers usually adopt a constructionist position by assuming that phenomena do not resemble stable objects but are continually reshaped through interaction. This position was deemed suitable as customer-centricity was explored in a social context where people from different organisations successively constructed a collective understanding of it. In addition, the practices organisations employ to become customer-centric were assumed to be adjusted to the specific market context and corporate strategy. Hence, the aim was to understand in-depth plausible accounts of achieving customer-centricity in the aftermarket context to expand the knowledge regarding this relatively unexplored topic instead of explaining an objective reality. Furthermore, Antwi and Hamza (2015) argue that the interpretivist approach to knowledge acquisition is applied when the studied phenomena are assumed to be socially constructed. This epistemological position emphasises that researchers should acquire knowledge by eliciting actors' reasoning rather than through a standardised measurement (Yilmaz, 2013). It was suitable since the operationalisation of customer-centricity in the aftermarket context was explored by understanding the interpretations of relevant stakeholders involved in delivering the service offerings to the customer. Moreover, as peoples' reasoning cannot be captured merely in quantitative terms, the qualitative approach that focuses on texts (Bell et al., 2019) was of greater value. The interpretivist position was further motivated as customer-centricity is an elusive construct that cannot easily be operationalised into measurable dimensions (Lamberti, 2013; Shah et al., 2006). Thus, it was also not feasible to deduce testable hypotheses beforehand, which is often central in quantitative research (Bell et al., 2019).

The paucity of research concerning customer-centricity contributed to the choice of not taking a purely deductive approach to theory development. However, the approach was not inductive, as is common in qualitative research (Yilmaz, 2013). Established theory regarding topics related to customer-centricity was studied to create a theoretical framework that informed the analysis of the empirical data. For example, the literature on value creation and quality management in service businesses was scrutinised. Therefore, this thesis project's novel contribution to theory did not emerge merely from the empirical data analysis. The difficulty of adopting a purely inductive or deductive approach is accentuated by Bell et al. (2019). Consequently, the research was instead based on an abductive approach to theory development, involving elements of both induction and deduction. More specifically, it closely resembled Dubois and Gadde (2002) abductive approach for case research called systematic combining. This approach to theory development implied an iterative research process as the data analysis informed the literature review while the work with developing the theoretical framework influenced the collection of empirical data (Dubois & Gadde, 2002). For instance, by iteratively analysing empirical data collected from ALO and Alpha, as well as insights from scientific articles, four essential capabilities for implementing customer-centricity were derived. The authors argue that abduction is particularly useful in explorative studies like this one. Figure 3.1 illustrates the chosen approach to theory development in this research project.

Figure 3.1: Schematic overview of the approach to theory development. The research project involved elements of both deduction and induction to bridge the knowledge gap concerning achieving customer-centricity in the aftermarket context. Adapted from Dubois and Gadde (2002).

3.2 Research Process

The iterative research process in this project is illustrated in figure 3.2. It is based on the process for qualitative research proposed by Saunders et al. (2019). Although it appears that the process is linear with chronologically defined steps, there were several iterations, as indicated by the dashed arrows.

Initially, broad research questions were defined using insights from the literature and discussions with representatives at ALO to guide the research project. These questions were later modified as a more comprehensive understanding of the research problem was developed from the literature review and empirical data. For instance, the focus was first on specifically investigating different methods that could be utilised to elicit customer needs. However, it became clear that this constitutes only one part of the overall effort to achieving customer-centricity in the aftermarket context.

Furthermore, the work of developing the frame of reference was initiated early. This enabled the researchers to design data collection and analysis methods more effectively. It was also necessary to understand previous research thoroughly to develop a suitable project scope. Bell et al. (2019) argue that research projects should contribute with new knowledge and not merely present already familiar conclusions. When the research purpose and questions had been specified, the research design was formulated to set up a detailed framework for the data collection phase. Though, the data collection did not begin before the research subjects and sites were sampled. The data collection phase proceeded in parallel with the literature review. Moreover, an initial analysis of the empirical data was conducted directly after each data collection event. This made it possible to adjust data collection procedures and the focus of the literature review to develop a better understanding of relevant topics. For instance, during the initial interviews, most interviewees raised the issue of the lack of customer-centric performance metrics within ALO. Consequently, the section regarding performance measurement in the frame of reference was expanded to include concrete examples of metrics. In addition, since several interviewees mentioned that digital technology was key for achieving customer-centricity, the list of research subjects was expanded to include people from the function working with data analytics within ALO. As the dashed arrow from data analysis to data collection in figure 3.2 indicates, some interviewees were interviewed again to clarify key areas of interest. Finally, the analysed findings were compiled, written up, and presented in this report.

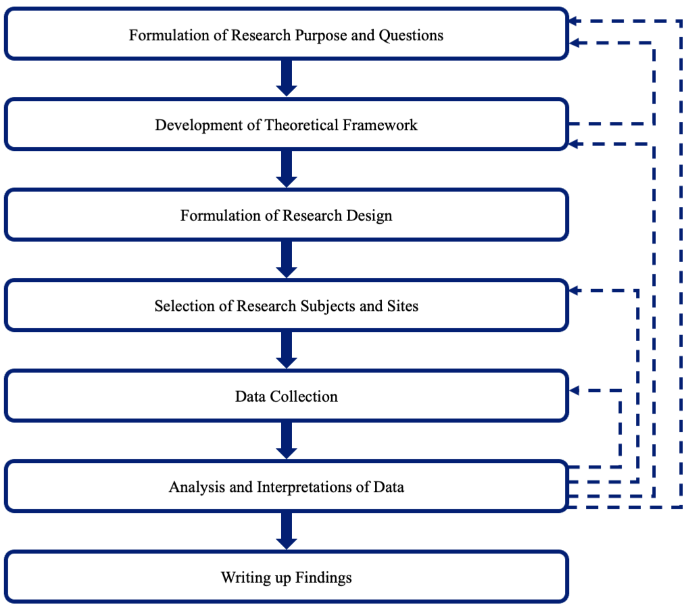

Figure 3.2: Schematic overview of the research process. The dashed arrows indicate how the study progressed iteratively. Adapted from Saunders et al. (2019) presentation of the central steps in qualitative research.

3.3 Research Design

The case study design was chosen as a framework for data collection and analysis. Case studies are prevalent in qualitative research and constitute detailed explorations of specific delimited entities (Diaz Andrade, 2009). Researchers may utilise this design to flexibly investigate complex phenomena in an organisation by making in-depth, holistic analyses of the organisation's strategies and processes (Yin, 2009). Thus, it was deemed suitable considering the project's explorative nature. Likewise, the complexity of customer-centricity motivated an in-depth research study that could elucidate the challenges of achieving it in the aftermarket context. Furthermore, case studies provide an effective structure for synthesising the information gathered through the literature review and different data collection methods (Bell et al., 2019). This synthesis was critical for using the abductive approach to theory development and facilitated understanding the complex problem of achieving customer-centricity. Moreover, the choice of research design hinges on practical issues in the specific research context (Yin, 2009). Two essential issues motivated a case-study design. Firstly, the project's limited scope made conducting a longitudinal or cross-sectional study difficult. The latter design generally require larger samples comprising several cases (Bell et al., 2019). This was difficult to achieve as the project was conducted in close collaboration with ALO, and there were few comparable organisations available in the given time frame. Secondly, it was not feasible to investigate all interfaces between ALO and the different business areas in a single project because of the size and complexity of AutoCorp's organisation.

The case itself should be selected based on the potential contribution to enhancing the understanding of the research topic (Bleijenbergh, 2010). ALO was considered an appropriate case since the organisation recently made customer-centricity a top strategic priority. Hence, it was relatively easy to gain access to necessary resources, and organisational members were open to reflective discussions. Furthermore, ALO has traditionally been a typical product-centric organisation involved in a large global aftermarket supply chain. This fact allowed the researchers to investigate which factors could hinder product-centric organisations in the aftermarket from becoming customer-centric. Moreover, the interface towards Alpha was selected due to two main reasons. First, this business area comprises two distinct segments that together serve customers who almost cover all major customer groups to whom ALO must deliver aftermarket logistics services. Second, Alpha has also stipulated the shift to customer-centricity as one of its key strategic goals. Consequently, they were open to exploring how customer-centricity may be achieved.

3.4 Data Collection

This section comprises descriptions of the chosen data collection methods. To fulfil the purpose of this project, both primary and secondary data were collected. Primary data constitute any material gathered and analysed by the researchers, whereas secondary data is available beforehand in a structured form (Bell et al., 2019). Furthermore, the primary data was acquired through interviews and focus groups while the secondary data was collected through analysis of internal company documents.

3.4.1 Interviews

The conducted interviews can be divided into distinct groups based on the interview's purpose. First, unstructured interviews were conducted with a broad set of stakeholders from ALO and Alpha to develop a general understanding of the case organisation and its maturity regarding customer-centricity. Qu and Dumay (2011) state that unstructured interviews have an open structure as the interviewer does not prepare questions beforehand. Instead, the interviewer merely presents a specific topic and then shapes a valuable conversation by asking relevant follow-up questions to the interviewee. Hence, during the initial interviews, people were allowed to freely discuss to which extent ALO is customer-centric and the potential hindrances toward achieving customer-centricity. According to Bell et al. (2019), unstructured interviews are useful when seeking to truly understand the interviewees' perspectives on a specific topic. This was deemed necessary at the beginning of the project as ALO is a complex organisation with several functions and interfaces to different business areas. In total, 12 interviews were performed in the first round. Table 3.1 provides a short description of each interview.

Table 3.1: Overview of the first round of unstructured interviews.

Interviewee	Role	Organisation	Duration
A	Employee	ALO	60 min
B	Employee	ALO	60 min
C	Employee	ALO	60 min
D	Manager	ALO	60 min
E	Manager	ALO	60 min
F	Employee	ALO	60 min
G	Employee	ALO	60 min
H	Employee	Alpha	60 min
I	Manager	Alpha	60 min
J	Manager	Alpha	60 min
K	Manager	Alpha	60 min
L	Manager	Alpha	60 min

Moreover, all interviews in the first round were conducted via the video conferencing tool, Teams, because most interviewees felt it was more convenient than meeting face-to-face. The imposed restrictions due to the COVID-19 pandemic also made it difficult to meet in person. Sedgwick and Spiers (2009) argue that online interviews may imply two problems. First, interviewees could be more reluctant to disclose information as it is challenging to build trust when not interacting face-to-face. However, this issue was deemed to have low significance as the project did not focus on sensitive areas. In addition, the researchers signed a non-disclosure agreement with the case organisation at the beginning of the project. Second, interviews conducted through video conferencing tools could be of low quality if the internet connection is bad (Sedgwick & Spiers, 2009). However, the problem did not appear in this project since all participants had access to stable, high-speed internet.

All interviews in this project were attended by both researchers. Trost (2010) states that it could be beneficial with two interviewers as more information typically gets captured. Likewise, Bell et al. (2019) argue that one of the interviewers can take more extensive notes, which is valuable when conducting semi-structured and unstructured interviews. The role distribution followed this pattern in all interviews made during this project. Furthermore, all interviews except for the benchmarking ones were recorded. The recordings were made through Teams as this enabled safe storage and good audio quality. According to Trost (2010), interview recordings are valuable as the researcher can minimise the risk of missing essential information. Moreover, they allow researchers to focus more on the conversation and pose valuable follow-up questions (Bell et al., 2019). A problem with recording the interviews might be that interviewees hesitate to disclose information (Trost, 2010). However, this was considered a minor issue as no interviewee from ALO nor Alpha expressed their concern over making a recording when being asked for permission, and the topics did not delve into depth in sensitive questions.

The interviewees in the first and second rounds were foremost sampled using the theoretical sampling technique. Theoretical sampling is prevalent in qualitative research as it enables researchers to derive samples that include a variety of interviewees who collectively can provide a deep and holistic understanding of the research problem (Corbin & Strauss, 2008b). A probability random sample had likely implied that some important stakeholders for operationalising customer-centricity were omitted (Creswell & Creswell, 2018). Consequently, the reported account would have been less comprehensive. Furthermore, the theoretical sampling was conducted with the supervisors from ALO. They possessed more knowledge concerning which perspectives different persons could share related to the research questions. Bell et al. (2019) highlight that theoretical sampling allows the researcher to iteratively sample additional interviewees when the data analysis shows that a deeper understanding of the research problem would be gained. This iteration proceeded until a saturation level was reached where additional data would have provided limited new insights related to the research questions. However, some of the interviewees were sampled using convenience sampling. This sampling technique implied that people were chosen based on their availability (Creswell & Creswell, 2018). Since the first round of interviews had to be concluded early, it was not possible to wait for people who did not have a suitable time slot available in their schedules.

The second group of interviews had a semi-structured format. During this round, 18 interviews were conducted with different representatives from ALO, while six persons from Alpha were interviewed. Table 3.2 provides brief information about each interview.

Table 3.2: Overview of the interviews conducted during the second round in this project.

Interviewee	Role	Organisation	Duration
M	Manager	ALO	60 min
N	Employee	ALO	60 min
A	Employee	ALO	60 min
B	Employee	ALO	60 min
O	Manager	ALO	60 min
P	Manager	ALO	60 min
E	Manager	ALO	60 min
D	Manager	ALO	60 min

Q	Manager	ALO	60 min
R	Manager	ALO	60 min
S	Employee	ALO	60 min
T	Employee	ALO	25 min
U	Manager	ALO	60 min
W	Employee	ALO	60 min
V	Manager	ALO	60 min
X	Employee	Alpha	60 min
Y	Manager	ALO	60 min
I	Manager	Alpha	60 min
Z	Manager	ALO	35 min
1	Manager	Alpha	60 min
2	Manager	ALO	60 min
3	Employee	Alpha	60 min
4	Employee	Alpha	60 min
5	Employee	ALO	60 min

Furthermore, this group of interviews aimed to elicit in-depth key areas related to the research questions. Semi-structured interviews are based on a common interview guide that encompasses relatively broad questions representing central themes (McIntosh & Morse, 2015). This has two important implications. First, there is some consistency across the interviews. Consequently, compared with unstructured interviews, the semi-structured format will allow for a more effective comparative analysis of the data, which is essential when seeking to synthesise various insights into new theories. Second, the semi-structured interview format allows the researcher to adjust questions to capture a deeper understanding of different people's thoughts (McIntosh & Morse, 2015). This flexibility was considered important as the research questions had an explorative nature. In addition, a standardised questionnaire would have hindered the researchers from utilising insights gained from previous interviews and the literature review to analyse certain areas more in-depth (Bell et al., 2019).

As the people from ALO and Alpha possessed different knowledge, two distinct interview guides were developed. These guides are presented in Appendix A and B, respectively. The designs of both guides were determined using information acquired through the literature review and the first group of interviews. Moreover, the interviews with representatives from ALO focused on understanding the organisation's current business approach and to which extent it was aligned with customer-centricity. Hence, it was possible to derive conclusions regarding which hindrances ALO face when trying to achieve customer-centricity. The interviewees were also asked to reflect on how these hindrances could be overcome. The interviews with representatives from Alpha were used to understand how ALO manages its interfaces to the business areas and how the organisation interacts with dealers and end-customers. Most interviews were conducted through Teams as it was more convenient for the interviewees. The remaining ones were conducted face-to-face. Furthermore, as for the first group of interviews, one of the researchers held the interviews, while the other took notes. To ensure that answers had been understood correctly, most of the recordings were relistened to complement the notes taken during the interviews.

The third group of interviews comprised benchmarking. The purpose was to investigate how other organisations had worked to achieve customer-centricity. Convenience sampling was used since finding suitable organisations willing to participate was challenging. Kyrö (2004) argues that benchmarking can enhance the understanding of a topic as several perspectives can be learned and compared. The benchmarking interviews were particularly valuable for answering the second research question since representatives from ALO and Alpha could not provide detailed information on how to overcome the hindrances to implementing customer-centricity. Thus, organisations that had experience working with customer-centricity were chosen to maximise the value of the benchmarking interviews. The first benchmark concerned exploring how customer-centricity has been operationalised in Swedish healthcare. In relation to this, two persons were interviewed. One was working as a project leader for research on healthcare improvement, investigating areas related to customer-centricity in healthcare organisations. The other person was employed in a healthcare organisation and had, through his leading position, responsibility for customer-centricity related issues. Moreover, benchmarking was also performed by interviewing a senior manager from a market-leading manufacturing company that has worked consistently with achieving customer-centricity in recent years. Table 3.3 shows brief information about each benchmarking interview. It should be noted that none of the benchmarking interviews was recorded. The main reason for this was to avoid that the interviewees did not share nuanced information. In addition, the benchmarking interviews were performed through Teams as it was preferred by the interviewees.

Table 3.3: Brief information about the benchmarking interviews.

Interviewee	Role	Type	Duration
Healthcare 1	Senior Quality Manager	Unstructured	60 min
Healthcare 2	Project Leader – healthcare improvement	Unstructured	60 min
Manufacturing company	Senior Quality Manager	Unstructured	70 min

3.4.2 Focus Groups

This thesis project comprised two focus groups that were held after the completion of all interviews. The purpose of the two focus groups was to validate the findings derived from the interviews and explore selected topics further. Moreover, the discussions mainly focused on the outlined capabilities and potential measures to overcome the identified hindrances since some confusion remained regarding these topics after the interviews. Bell et al. (2019) argue that the focus group method can be useful for eliciting different perspectives on the investigated problem. In addition, the authors highlight that the group discussions may enable a deeper exploration of certain themes since the participants stimulate and support each other with answering the questions.

The participants of the focus groups were selected after having consulted the supervisors at ALO as they possessed more knowledge concerning who could contribute to such discussions.

However, it was ensured that the group involved people from different functions and levels to gain a more holistic assessment. The customer-centricity initiative does not merely concern senior managers or specific functions. It affects the whole organisation, and its success depends on the involvement of all organisational members (Shah et al., 2006). Likewise, a representative from Alpha was invited to both focus groups to understand better how the interface between ALO and Alpha influences ALO's ability to develop the required capabilities. In total, eight persons attended each focus group. This number aligns with Bell et al. (2019) view on how many persons should participate in a focus group to enable constructive discussions. Both focus groups lasted one hour, which enabled the participants to discuss the themes properly.

3.4.3 Literature study

The literature study served two central purposes. First, previous research was analysed to develop a basic understanding of customer-centricity and delineate how this project could contribute to established theory. Second, the most relevant literature was reviewed in-depth to create the frame of reference that was used to analyse the empirical findings. Consequently, before the project scope was defined, literature related to a broad range of topics was searched through. However, the literature search later focused on specific areas when the scope had been clearly defined. These areas comprised the: aftermarket context, definition of customer-centricity, hindrances to achieving customer-centricity, and required capabilities to become a customer-centric organisation. Snyder (2019) argues that the insights from the literature review should be synthesised to provide a deep and coherent understanding of the research topic. This was accomplished by performing a thematic analysis according to the recommendations from Braun and Clarke (2006). Hence, the notes taken when reviewing each source were compared and analysed to derive essential themes related to the research questions. These themes became the cornerstones of the frame of reference.

To find relevant literature, the searches were conducted in the scientific databases: Google Scholar, Web of Science, and Chalmers Library. Furthermore, subject-specific keywords were utilised when searching for literature. Bell et al. (2019) highlight that this enables researchers to find suitable sources more efficiently. Examples of keywords are: "customer-centricity", "parts logistics", "aftermarket services", "product-centric business", "service quality", and "customer-centric performance measurement". Creswell and Creswell (2018) state that the literature search can also become more efficient by applying snowball sampling. This was done regularly by investigating citations within books and articles further to develop a deeper understanding of key areas. Moreover, the snowball sampling technique was also used to find and analyse different perspectives on the studied topics.

3.5 Data Analysis

Qualitative data analysis is often complex as the qualitative research approach commonly creates large datasets (Bell et al., 2019). However, several methods have been developed to streamline the analysis process (Denscombe, 2014). Nevertheless, key characteristics appear regardless of method (Creswell & Creswell, 2018). The authors state that data analysis is usually performed iteratively and simultaneously with the data collection phase in qualitative research to allow flexibility in exploring new theories based on insights from the empirical data.

Furthermore, Bell et al. (2019) highlight that qualitative data analysis generally involves identifying common themes that may elucidate essential aspects concerning the studied phenomenon. This thesis project used an analysis approach inspired by grounded theory, comprising both iterations and thematic analysis, to analyse the collected qualitative data.

The analysis was initiated after the first interview by scrutinising the interview notes. Braun and Clarke (2006) argue that it is essential for researchers to familiarise themselves with the collected data before performing a more structured analysis. Consequently, the notes were read carefully after each data collection event. The next step was to code the unstructured notes. Coding is a process that helps researchers organise the data by assigning labels representing concepts that relate to the research problem (Corbin & Strauss, 2008a). In order to reduce bias, the coding was done by both researchers. However, it was impossible to eliminate bias since the labels cannot be defined objectively (Bell et al., 2019). Moreover, Corbin and Strauss (2008a) claim that the coding scheme used to delineate codes can be defined either directly from the empirical data or by first considering important areas in the literature. The coding schemes were developed iteratively in this research project. Initially, insights from the literature review were utilised to derive suitable labels for the empirical data. As additional empirical data were analysed, the coding scheme was modified to define labels representing the empirical findings better. For instance, the literature did not indicate that an important area of concern was the definition of the customer. When this topic appeared in several interviews, the coding scheme had to be revised.

The digital whiteboard program, Miro, was used to organise the coded notes. This program allows researchers to write down notes on digital Post-its that can easily be rearranged. Furthermore, the separate notes were clustered using the thematic analysis approach proposed by Braun and Clarke (2006). Consequently, distinct themes were defined by identifying similarities between the notes and considering the main areas of the theoretical framework. Likewise, relationships between defined themes were sought to assess whether they could be merged into one. For instance, there were initially several themes related to data and digital tools. These were grouped into one concerning the influence of digital maturity. The notes were allocated iteratively to the different themes until after the conclusion of the last interview. Moreover, both researchers were actively involved in the thematic analysis to reduce bias. The analysis resulted in ten different themes connected to the research problem. Each theme constitutes a section in the next chapter that presents the empirical findings. Some notes could not be placed under any of the themes as they represented empirical data that was not relevant for answering the outlined research questions.

3.6 Research Quality

The two criteria commonly applied to assess research quality are reliability and validity (Bell et al., 2019). However, they are primarily appropriate when conducting quantitative research. Guba and Lincoln (1994) propose four alternative criteria better suited to assess the trustworthiness in qualitative research: credibility, dependability, transferability, and confirmability. These criteria were considered by taking several measures throughout the project.

Credibility concerns to which extent the researcher can provide a plausible account of the studied phenomena (Bell et al., 2019). Since customer-centricity was investigated in a specific context, this research could not deduce a definite view of what is required to operationalise the concept in the aftermarket effectively. Hence, it was necessary to take measures that could enhance the credibility of the presented account. One measure constituted respondent validation, which was performed in line with Bell et al. (2019) recommendations. After each interview, a compilation of the key findings was presented to the interviewees to ensure that their interpretations were captured correctly. In addition, validation was performed continually by discussing the findings with the ALO supervisors. However, there is always a risk that such validation becomes biased since people might interpret phenomena differently. The second measure that was taken to ensure high credibility was triangulation. This practice involves collecting data through several methods and then comparing the findings to delineate similarities or differences (Denscombe, 2014). Consequently, the synthesised data analysis from the conducted interviews, focus groups, and benchmark helped generate more credible conclusions.

The second criterion, dependability, refers to assessing whether other researchers believe, based on theoretical inferences, that they would have obtained similar conclusions using the presented methods (Guba & Lincoln, 1994). Thus, it assesses the reliability of the derived theoretical conclusions. The conventional approach to ensure high reliability involving the repeated use of a standardised measurement instrument cannot be utilised since the interview guide was modified during the interviews to gain a richer understanding of each interviewee's interpretations. Instead, the research was documented by providing descriptions of the: problem formulation, data collection and analysis procedures as well as how the research context influenced the research process. Furthermore, Bell et al. (2019) argue that external auditors could utilise the documented records to assess the reliability of the outlined conclusions. One example of this documentation is the set of digital whiteboards created in Miro to illustrate the thematic analysis process.

Transferability regards assessing to which extent the study's findings can be transferred to other contexts (Denscombe, 2014). As this research comprised a single case study where customer-centricity was investigated in a specific context, it was difficult to make any direct generalisations. However, the research purpose was not to present general explanations but to develop a deep understanding of what is required for ALO to achieve customer-centricity and thereby contribute to established theory. Moreover, precise estimations of generalisability through statistical analysis could not be made since there was no collection of numerical data. The issue with transferability was managed by providing descriptions of the particular social context within the case study. Consequently, readers could assess whether the findings are transferable to other settings, as argued by Bell et al. (2019).

Finally, the research quality was also assessed by considering the study's confirmability. This criterion concerns evaluating whether the researchers' biases have significantly distorted the conclusions derived from the literature review and empirical data (Denscombe, 2014). There are inevitably some distortions since qualitative research is based on close interactions between researchers and participants without completely standardised procedures (Creswell & Creswell, 2018). However, measures were taken to minimise influences from personal values during the research process. Both researchers conducted data collection and analysis to avoid bias when recording the interpretations provided by the participants. In addition, as all interviewees gave their consent to record the interviews, it was possible to re-listen and complement the notes taken during the interviews. The conclusions were also validated by checking their relevance with the supervisors from ALO.

3.7 Ethical Considerations

It is essential to consider ethical issues before undertaking a research project to ensure that people are treated correctly (Creswell & Creswell, 2018). Bell et al. (2019) argue that ethical considerations are often more important in qualitative research, where researchers engage closely with participants and provide rich narratives of their reasoning. Furthermore, the authors present four central ethical issues: harm to participants, lack of informed consent, invasion of privacy, and deception. These were considered continually in this research project. It was not enough to reflect upon the ethical issues merely at the start because of the iterative nature of the research process (Carpenter, 2018).

The risk of causing physical harm to the research participants was low, considering the project's nature. However, participants may also be harmed if their career prospects are influenced negatively or if they experience undue stress (Bell et al., 2019). The first risk was managed by following the recommendations from Eriksson and Kovalainen (2008) regarding properly anonymising the participants and maintaining the confidentiality of the gathered data by not disclosing sensitive information. For instance, the interviewees' names and formal titles were not outlined explicitly in the report. Consequently, it was impossible to clearly delineate what each participant had shared, which protected them from repercussions. Though, complete anonymity could not be ensured as it was, to some extent, possible for employees at ALO to infer findings from certain individuals. This issue was communicated to all interviewees before the interviews commenced to ensure transparency. The second risk concerning stress was handled by planning meetings carefully to ensure that they fitted the participants' schedules. When a participant needed to reschedule, actions were taken to find a new, suitable date.

Informed consent is a complex ethical issue in qualitative research as the elements of induction often imply changes to the planned process that may require researchers to reconsider the research purpose (Bell et al., 2019). Thus, it becomes difficult to provide participants with clear information regarding the research that enables them to make informed decisions about their participation (Marzano, 2012). In order to overcome this issue, the research process was continually documented throughout the project. This documentation was, in turn, scrutinised continuously to detect if there had been any significant changes to the purpose that warranted renegotiating the consent with the research participants. Furthermore, the documentation did not reveal such changes at any point during the process. Hence, the informed consent gained the first time was deemed sufficient. The initial consent was acquired by providing all interviewees with descriptions of the: research purpose, content of the interview, possibility to withdraw, and management of collected data. In addition, the interviewees were encouraged to ask questions in the event of any unclarities, either through email before the interview or at the start of the interview. The ethical issue concerning deceiving research participants by not disclosing a truthful account of the research purpose is connected with the issue of gaining informed consent (Bell et al., 2019). To avoid deception, information about the research was provided to the interviewees beforehand, and clarifications were given at the start of each interview. This aligns with the recommendations presented by Eriksson and Kovalainen (2008) on how to avoid deceiving research participants.

Finally, effort was expended to avoid intruding on the research participants' privacy. This as, informed consent does not provide researchers with unlimited freedom over the data collection procedures (Creswell & Creswell, 2018). People have personal boundaries that should be respected by allowing the interviewees to avoid answering questions and not pressing them on information they are reluctant to disclose (Bell et al., 2019). This ethical issue was managed in several ways. The interview guide was reviewed carefully to ensure that the questions did not deviate from the research topic. Moreover, it was clearly communicated to each interviewee that they were free to withdraw their consent if they did not feel comfortable answering the question (Bell et al., 2019). In line with the recommendations from Eriksson and Kovalainen (2008), intrusions on privacy were also evaded by ensuring that the confidentiality of the gathered data was maintained.

4. Empirical Findings

This chapter presents a synthesised compilation of the empirical findings collected through document analysis, focus groups, and interviews conducted with representatives from ALO, Alpha, and the organisations that were part of the benchmarking. Each section represents one of the central themes that emerged during the thematic analysis of the empirical data. Initially, the customer-centricity initiative within ALO is briefly explained. Thereafter, the aftermarket supply chain is described to present the case context. This is followed by several sections representing key areas that should be considered when seeking to realise the customer-centricity initiative. Consequently, these sections provide a consolidated view of what currently hinders ALO from achieving customer-centricity and which measures could be taken to overcome the gaps between the current and desired state.

4.1 Customer-Centricity Initiative

ALO recently commenced an initiative to achieve customer-centricity following the formulation of a new corporate vision in AutoCorp. This vision stipulates that a deep understanding of the customers' needs should permeate the entire corporation and drive all business processes. Currently, ALO works with a related concept denoted dealer simplicity. However, this concept is narrower since the primary focus is on finding solutions that facilitate dealers' processes. To develop effective solutions, ALO must first develop the required capabilities for understanding the dealers and end-customers and change its way of conducting business. Hence, most interviewees argue that the dealer simplicity concept will not suffice to support the new corporate vision. Furthermore, all the interviewees from ALO state that the ambition of the customer-centricity initiative is fundamentally to base decisions on a genuine understanding of the customer. One interviewee describes it like this:

"If we see the need for the offering itself, we will also understand when, how and where we will deliver the service offering."

A core part of the initiative is to create a differentiated service offer portfolio comprising distinct service offerings that satisfy the customers' unique needs. This also means, according to the interviewees, that the strive for customer-centricity relates to the shift to a service-oriented business, whereby ALO will offer holistic and differentiated services.

Apart from the demands placed by the new corporate vision, the interviewees bring up several explanations as to why ALO should become a customer-centric organisation. First, end-customers are increasingly interested in paying for uptime because this is what essentially generates real value. However, they are not particularly concerned with which solutions ALO develop to guarantee uptime. The traditional product-centric approach within ALO focuses much on the spare parts and the specifications of logistics services offered in the order and return process. Thus, the interviewees argue that a new business approach is required in which the customer becomes the focal point and customised service offerings are delivered to optimise uptime. Second, ALO faces increased competition from suppliers and third-party actors who in some instances can offer comparable basic aftermarket logistics services at competitive prices. According to the interviewees, the critical differentiator for a premium brand under these market conditions is securing an excellent customer experience. They further claim that the overall customer experience can only be improved when the organisation is truly centred on the customer. Finally, internal company documents and the interviewees illuminate that ALO operates in a constantly changing world. The technological solutions and preferences among customers change quickly. By shifting focus from the logistical solutions to understanding dealers' and end-customers' needs, ALO may stay apace with the rapid changes.

It is evident from the interviews that ALO is at the start of its journey towards customer-centricity. The maturity among most employees to consistently work with the customers' needs in mind is relatively low. Moreover, structured forums to discuss and plan the customer-centricity initiative were instituted just recently. Nevertheless, the transition from product-centricity should, according to all interviewees, be recognised as a major organisational change that requires a significant effort from all organisational levels.

4.2 Case Context

AutoCorp serves customers from several industries through its different business areas that seek to profile themselves as premium brands, providing world-class products and services. The business areas are increasingly looking to sell uptime services where a certain level of uptime is specified in contracts, instead of the products themselves. To preserve the premium status and retain market shares, the corporation must be at the forefront as changes emerge in the business landscape. Consequently, AutoCorp has recently presented strategic directives concerning digitalisation and customer-centricity to manage the ongoing digital transformation in the society and the increasingly sophisticated demands from customers. Likewise, the threat of climate change has compelled every business area to consider its sustainability performance.

Furthermore, the great variety of customers and products implies a very complex aftermarket business, where ALO faces challenges in satisfying the unique needs of each customer group cost-efficiently. There are over 700 000 articles that must be managed in the aftermarket supply chain. One key reason for the significant number of articles is the long product life cycles of several products. For instance, Alpha sells products that may be in use for more than 30 years. The complexity is partly managed by having a dedicated organisation, ALO, responsible for handling the logistical processes in the aftermarket supply chain. ALO offers delivery of spare parts and complementary aftermarket logistics services through global dealer networks. Each business area has its own dealer network, consisting of dealers of widely different sizes. AutoCorp does not own all dealers; some are privately owned and offer spare parts from other brands as well. This thesis project focuses on the aftermarket supply chain comprising Alpha's dealers and end-customers. Figure 4.1 presents a simplified illustration of this supply chain. A detailed examination of the logistical flows is not given since it does not contribute to fulfilling the purpose of this thesis project.

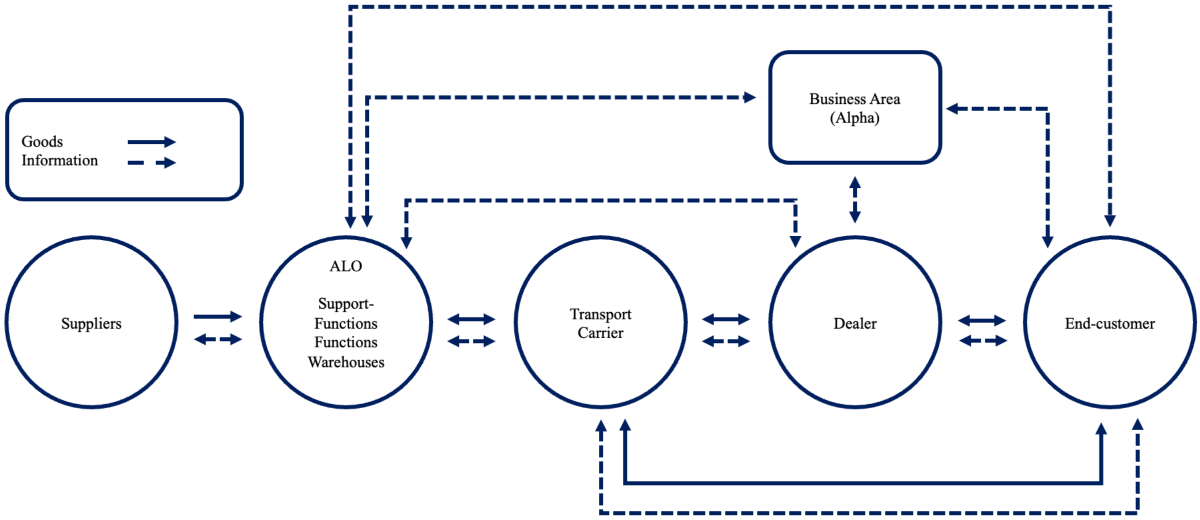

Figure 4.1: A simplified overview of the studied aftermarket supply chain. Note that the model is based on the logistical flows involving dealers and end-customers related to the business area, Alpha.

Role of ALO

ALO's fundamental objective is to provide aftermarket logistics services for all AutoCorp's business areas to secure uptime for the end-customers. Hence, the organisation is responsible for developing and managing logistics services that enable optimal spare parts- distribution and availability. Moreover, ALO is a global organisation divided into several local regions working with the respective market. Though, a group of employees has global responsibilities to ensure that the relatively autonomous local regions fulfil the strategic priorities. The flows between ALO and other actors in the supply chain may vary depending on the region. For instance, some regions often have closer interactions with dealers and end-customers. Figure 4.1 also shows that ALO is a functional organisation, where employees are grouped based on their area of expertise.

Background to Alpha

Alpha constitutes the smallest business area within AutoCorp. The interviewees argue that Alpha, due to its small size, is often more open-minded and willing to collaborate in pilot projects with ALO. Indeed, participation in such projects means that Alpha receives attention and access to novel concepts early. According to some interviewees, Alpha has recently been especially curious about exploring how to understand the dealers' and end-customers' needs related to the aftermarket. However, as Alpha is a comparatively small player, ALO's decisions primarily favour the dealers and end-customers belonging to other business areas. The interviewees highlight that this happens because the larger business areas exert a powerful influence on the allocation of ALO's limited resources.

Moreover, Alpha is divided into two main segments, X and Y, based on the type of products offered. Regardless of the segment, Alpha does not produce any complete product. Instead, they are a component manufacturer focusing on developing different power solutions. Segment X comprises both B2C- and B2B customers. In this segment, Alpha often needs to provide total solutions for the aftermarket business since the customers themselves lack experience or are unwilling to take any responsibility. On the other hand, segment Y consists of large, industrial OEMs that generally want to control a significant part of the aftermarket business themselves due to high profit margins. These customers often only seek a few basic aftermarket logistics services. Nonetheless, Alpha has received indications that the OEMs might be willing to outsource a greater proportion of its aftermarket business in the coming years.

Role of Dealer

The dealers act as intermediaries in the aftermarket supply chain. Generally, they do not merely provide the spare part to an end-customer but also offer installation support. Furthermore, the dealers' chief concern is that the end-customers' problems can be resolved in a timely and cost-efficient manner. This requires that ALO provides the necessary spare parts at the right time in the correct location. However, it is impossible to plan all reparations as breakdowns could occur unexpectedly. Consequently, ALO must, according to the interviewees, create an agile supply chain that efficiently handles the exceptions. Several interviewees state that the flexibility must be improved to better deal with the variations in customer demands and breakdowns. When dealers have complaints or questions about orders, they generally contact the service centres, which is the main front-end function. Service centres are responsible for identifying issues dealers experience and helping them to resolve the identified issues. Some of the issues are escalated to back-end functions within ALO because they cannot be addressed directly by the service centre employees. As figure 4.1 shows, in some instances ALO provides services directly to the end-customer instead of going through the dealer. The interviewees mention that this may occur when a spare part needs to be delivered quickly due to an unexpected breakdown.

Ambiguity around who the Customer is

It is not evident from the interviews who ALO's customer is. According to several interviewees, only the end-customers can truly be regarded as customers and not the dealers. However, everyone does not share this standpoint, as some interviewees believe ALO should not have any direct responsibility for the end-customer. The proponents of the former view argue that the offered aftermarket logistics services should be designed to optimise uptime for end-customers. Thus, it is not sufficient to merely treat the dealer as the customer. Instead, the dealer should be seen as a strategic partner that supports ALO in delivering the requisite service to the end-customer. A problem with this perspective is that ALO primarily sends parts and provides complementary services to dealers. In addition, as business areas and dealers largely want to manage the relationships with end-customers themselves, ALO and the end-customers cannot easily interact intensively. The sceptical interviewees also highlight that it is not feasible for an organisation specified on aftermarket logistics to be responsible for the diverse base of end-customers. However, the participants from the second focus group, involving people both from ALO and Alpha, agree on that ALO's strategic aim should be to consider the end-customer as customer in the future due to the fundamental importance of uptime.

Brief Description of the Main Logistical Flows
Regardless of region, the process of delivering spare parts starts with demand planning. ALO makes forecasts together with Alpha on how many spare parts will need to be delivered within a certain period. These forecasts enable ALO to inform its suppliers concerning which parts they should provide. When a spare part is ordered, ALO sends it from one of its warehouses with various external transport carriers, which are responsible for managing the transport from point A to B. ALO has warehouses of varying sizes worldwide. More specifically, they are divided into three levels: central, regional, and support. It should be noted that some spare parts are sent between different warehouses before being dispatched to a dealer or end-customer.

The specific warehouse a spare part is shipped from depends on the promised service levels to customers, turnover, and cost. ALO's policy is to store slow-moving and non-critical parts in larger, central warehouses to minimise expenses. In contrast, parts with a high turnover rate or critical to the customer's business are stored close to the customer. Orders may also be placed by ALO. One essential service ALO offers to many dealers is Dealer Inventory Management (DIM), and as part of this service, ALO becomes responsible for replenishing dealers' inventories. If the dealer does not use the parts ordered by ALO, it can return them for free. This is the most structured return process in the aftermarket supply chain. Due to low traceability, it is generally tricky for ALO to process returns of used parts. Several interviewees highlight that this also constitutes a major problem from a sustainability perspective.

4.3 Service Offerings

A core aspect of ALO's journey towards customer-centricity concerns developing a differentiated service offer portfolio. The purpose of the portfolio is, according to the interviewees, to visualise the existing aftermarket logistics services to elucidate for the whole organisation, business areas, and customers what ALO can offer. This enables the different stakeholders to validate if some services are missing or if the current ones should be modified. Several interviewees highlight that the lack of a structured overview of the services today, impedes the business areas to perform such a validation, which is problematic as they often possess deep knowledge about what the customers demand from the aftermarket services. Furthermore, some interviewees from Alpha argue that this visualisation allows them to communicate what value they can bring to the customer in relation to aftermarket logistics. This visualisation therefore also facilitates understanding how to charge for the services. Currently, ALO and Alpha provide some aftermarket services for free, which is not feasible in the long term if seeking to pursue the expensive customer-centricity initiative.

According to one interviewee, the breakdown of the service offerings a service offer portfolio provides also clarifies how responsibilities for addressing the different customer needs should be delegated across the many service areas. Several interviewees highlight that ALO often struggles with meeting customer needs that require competencies and resources transcending the functional boundaries. For instance, a few interviewees argue that one to reason to why proper tracking solutions are not offered despite being requested for decades is that several functions be involved to develop them. Several interviewees also state that the lack of proper tracking services makes it more difficult for ALO and Alpha to cooperate and solve problems proactively together. Moreover, the interviewees state that the portfolio should show how individual logistics services fit together in holistic service offerings. However, since the work with designing the portfolio was recently initiated, it is still unclear how all the services are bundled. Interviewees from both ALO and Alpha argue that the currently fragmented nature of ALO's service offerings hinders the organisation from fulfilling certain customer needs. For instance, the customer need related to receiving spare parts quickly when unexpected issues occur can only be fulfilled through an effective integration of services such as express order management and shipment.

All interviewees from ALO and Alpha further state that ALO's service offerings are of the form one-size-fits-all. Consequently, customers receive the same basic services with only minor customisations. One interviewee states the following regarding this problem:

"From a customer-centricity perspective, the lack of differentiation is very problematic as the offerings aren't tailored to the unique needs of the different customer groups. We (ALO) haven't really made any effort to differentiate our one-size-fits-all services. Even our basic services have been pretty much the same for a long time now."

An example of the differences between customer needs regards uptime. Some end-customers may incur significant costs if spare parts are not available in the right place at the right time. Therefore, they will demand other forms of logistics services to ensure maximal uptime. One interviewee highlights that the smaller dealers are particularly negatively affected by the lack of differentiation as the basic services are generally designed with larger and more experienced dealers in mind. Furthermore, several interviewees believe that the initiative with developing a service offer portfolio provides a prominent opportunity to ensure that the services are differentiated.

The interviews and focus groups show that ALO face multiple hindrances when developing the differentiated service offer portfolio. First, ALO has limited knowledge about how to differentiate its services. It is unclear which variables the differentiation should be made against. Some interviewees believe that services should not be differentiated based on the characteristics of the dealer but on the end-customer. For example, distinct layers of a basic service can be developed with regard to the end-customers' service level agreements. Other interviewees believe differentiation can also be made based on the characteristics of dealers. They highlight that aspects like size, dealer performance, maturity, and geographical location could be considered. For instance, smaller dealers often have little value in the advanced DIM services provided to larger dealers. Furthermore, some interviewees argue that differentiation ideas can be collected from the local regions, which often make useful adaptations to the basic services. However, the interviewees further note that better knowledge management systems must be set up within ALO to enable people to share such ideas efficiently. A few interviewees further note that ALO would also benefit if the knowledge sharing within AutoCorp in general is enhanced. They stress that the business areas possess lots of customer feedback which ALO could utilise to customise its services more effectively. Second, as the business areas seek to control the business relationships with customers, ALO faces difficulties in capturing the requisite level of customer information to create customised services. For instance, several interviewees note that in the Nordics, ALO cannot approach Alpha's dealers directly but must go through an intermediary actor. Finally, the business areas can also block differentiation decisions. For example, the packaging function within ALO cannot customise packaging solutions freely as Alpha demands certain branding details.

Due to the complexity and span of the aftermarket supply chain, ALO provides a broad set of logistics services. Historically, the order process or forward flow has been prioritised. Thus, several interviewees argue that services related to the return process are especially misaligned with the customers' needs. Moreover, Alpha's dealers and end-customers have expressed dissatisfaction with the lack of tracking solutions and ETAs. The most significant problem for the customer concerning the inefficient communication of ETAs for many articles is the inability to plan its business. In addition, as ETAs are not communicated adequately, customers have less trust in ALO to deliver spare parts in time. This causes a challenging supply chain reaction, described by one interviewee as follows:

"Dealers place VOR orders to add safety margins as they believe we (ALO) otherwise will not deliver the parts when they need them. These orders imply higher expenses for ALO as the transport alternatives are more expensive, and as the dealer doesn't pay a large enough cost penalty for not planning things better."

4.4 Role of Senior Management

A key theme that emerged during the interviews is the role of senior management. The interviewees state that the implementation of customer-centricity may be either facilitated or impeded depending on the senior management's actions. If senior managers are committed to the initiative, it will be easier to implement the necessary changes in roles and processes. Some interviewees highlight that the importance of high management commitment is especially important for ALO as customer-centricity cannot be implemented without changes across all functions. Considering the strong silo-orientation, they argue that it is not sufficient if only a few functional managers recognise the need for change. One interviewee further notes that the shift to customer-centricity also involves a change in organisational culture. According to this interviewee:

"Culture can be changed by transforming structures, behaviours, and thinking. This requires senior management commitment. It's very difficult to transform the organisational culture bottom-up."

Most interviewees think that senior managers thus far have shown commitment to making ALO a customer-centric organisation, although they highlight that a stronger commitment will be required to drive the necessary changes. However, some interviewees remain sceptical as they have experienced during previous strategic initiatives that managers do not maintain their commitment over time until the vision has been genuinely embraced at the operational level. Several interviewees mention that a prominent example of the insufficient management commitment to the initiative is the fact that customer-centricity still has not been set on top of all agendas throughout ALO. The current discussions and strategy presentations almost exclusively revolve around the narrower concept, dealer simplicity. In addition, participants from the second focus group highlighted that the modest focus on customer-centric metrics related to individual dealers' or end-customers' experiences indicates that senior management has yet not fully embraced the initiative. The benchmarking interviews also stress the importance of senior management commitment. For instance, healthcare organisations have experienced problems with department heads who sometimes avoid involving patients when setting the agenda for developing new services to make decision-making less complicated. One of the interviewees further states the following:

"If managers do not put the patient's needs in focus in every decision and action they make, healthcare professionals will likely sometimes make prioritisations that are not the most beneficial from the patient's perspective."

Moreover, several interviewees from ALO highlight that the senior management within their organisation plays a crucial role in formulating a clear strategy and translating the customer-centricity vision. Employees at lower levels in the different functions cannot directly apply the stipulated vision as it is perceived as too abstract in relation to the daily activities. Consequently, if senior managers fail to explain the essence of the customer-centricity initiative in terms of actionable plans, there will be gaps between the strategic priorities and actions. Some interviewees argue that a prominent reason to why many senior managers experience difficulties with providing necessary guidance is the lack of an end-to-end perspective of the aftermarket supply chain. However, a few interviewees stress that senior managers should not enforce too detailed plans, which hinder employees from exploring themselves how to understand the customers and fulfil their needs. They compare it with how novel digital tools are explored within ALO to increase the digital maturity level. These explorations are made in relatively autonomous groups where failures are accepted, and it is possible to be creative. The manager from the benchmarked manufacturing company also mentions the essential role of senior management in translating strategies for achieving customer-centricity. She emphasises that if employees apply different practices haphazardly, there will be no concerted effort across the functions, which will adversely affect the perceived customer experience. Furthermore, the manager states the following concerning what the most critical factor is for succeeding with diffusing the strategic intent throughout the organisation:

"Without strong relationships, it's difficult to convince employees about new strategies. Senior managers who possess strong informal networks have generally been more successful in promoting the ideas about customer-centricity in our company."

A couple of the interviewees from Alpha note that the senior management within their organisation also influences the success of ALO's customer-centricity initiative. If the senior managers do not coordinate the work with their counterparts in ALO, employees within Alpha cannot provide the requisite support. This support is needed since ALO does not control the business relationships with dealers nor end-customers, and only provides logistics services, which are not the only type of aftermarket services offered to the customer. Thus, the interviewees believe senior managers from ALO and Alpha should intensify their cooperation around customer-centricity to ensure that the proper resources are allocated.

4.5 Influence of Digital Maturity Level

Digitalisation constitutes a key enabler of the effort to achieving customer-centricity. For instance, some interviewees point out that digital tools enable ALO to perform extensive analyses of data related to individual dealers and end-customers, which can provide deeper insights into their underlying needs and enhance forecasts for spare parts deliveries. Consequently, the low digital maturity level in most functions within ALO impedes the shift to customer-centricity. Even though there is a dedicated function working with advanced data analytics, employees from other functions often lack sufficient knowledge about how to implement digital tools effectively. This implies that tools often are applied in a way that negatively affects value creation or not at all. The benchmark against healthcare indicates that a similar problem exists in such organisations. Nevertheless, according to the interviewees, healthcare professionals are educated and supported continually by digitalisation experts to mitigate this problem. ALO has initiated a similar initiative to enhance the digital maturity among employees. For example, digitalisation champions with a higher maturity level educate other employees through mentorship programmes.

However, it is not sufficient to merely enhance the educational effort. The digital systems within ALO used for the order and return process are generally outdated and cannot handle the requirements put on them today. One interviewee summarises it as follows:

"The business processes have become slaves of the systems. We (ALO) cannot completely fulfil our dealers' and end-customers' needs as the digital systems hinder us from providing the necessary service. In certain areas, we are actually sitting with systems from the 80s."

Several interviewees state that the operationalisation of customer-centricity is also hindered by the complexity of the current system environment. ALO's systems are largely not compatible with the systems dealers, end-customers, and business areas possess. Hence, it is difficult to efficiently share information, which lowers the overall customer experience and forces customers to adapt to the limitations of ALO's internal processes. One interviewee provides the following example with the lack of compatibility:

"In Alpha's Segment Y, there are big customers who already use multiple interfaces and don't want to learn a new one. They mail their orders to us (ALO) instead of learning and using our system for placing an order. This makes it difficult to automate tasks and work in a structured way."

According to another interviewee, dealers have explicitly requested ALO to integrate their systems to streamline the logistical flows. Several interviewees further argue that the rigid systems hinder ALO from being flexible to differences in customer needs and creating customised service offerings.

Another example of how the low level of digital maturity in ALO negatively impacts the customer-centricity initiative concerns the limited utilisation of available dealer and end-customer data. Most interviewees claim that this data is not analysed and visualised appropriately to derive valuable customer insights, which would facilitate tailoring offerings to the customers' needs. According to some interviewees, this issue stems from the following: a lack of awareness in ALO about which customer data is available, insufficient investments in advanced analytics tools, and a relatively low maturity in certain functions concerning data-driven decision making. Healthcare organisations have recently started to explore the potential of more advanced data analytics. One of the interviewees states the following:

"Data mining is increasingly employed to find individual patterns in the extensive patient data. Healthcare professionals can use this to perform predictive analyses for each patient to offer certain healthcare services proactively if necessary. Without the digital tools we now develop, it would be difficult to make such precise forecasts on a patient level."

Although ALO has access to much customer data, several interviewees note that a critical hindrance to the more widespread use of digital tools supporting the customer-centricity initiative is the lack of sufficiently "good" customer data. Hence, lots of the data ALO collects is not particularly useful because it lacks structure or does not convey relevant information. There are different reasons for the poor data quality. First, employees possess limited knowledge regarding what data is valuable. This implies that they cannot specify to dealers, end-customers, and business areas which data they are interested in. Second, as the aftermarket supply chain is complex and comprises several actors, the data is fragmented, making it challenging to structure and analyse efficiently. Finally, there is also a regulatory problem, which one interviewee describes as:

"Even if we (ALO) have set up systems for data collection and identified which data we need, current regulations might hinder us from actually collecting it. If I take an example, in some regions the GDPR restrict how freely we can collect and apply data. These regulations are really out of our hands."

A similar problem exists for healthcare organisations. They are not allowed to collect all types of data regarding a patient, and the collected data can only be used for certain purposes.

Furthermore, some interviewees from ALO and Alpha suggest that the quality of the gathered data can be enhanced using Internet of Things (IoT) devices. These devices are attached to the products, enabling ALO to capture real-time data. For example, the organisation might track the exact location of spare parts or perform diagnostics on the product as end-customers use it. The latter data is valuable as it enables ALO to discern the end-customer's behavioural patterns that can help uncover even their latent needs. Likewise, one interviewee suggests that the real-time input will enable ALO to better prioritise customer needs by identifying the most urgent issues to address. However, a few interviewees also highlight that many end-customers might be reluctant to share such detailed data with ALO. For instance, it could be sensitive to continually share information about the exact place in which they use the products.

The shift to customer-centricity is seen by the interviewees as an expensive initiative. Consequently, several interviewees state that ALO must remove non-value adding activities to free up resources and ensure that the initiative is feasible from a cost perspective. They further argue that an essential part of this effort is automating processes using various digital tools. For instance, one interviewee gives the following suggestion:

"ALO could explore the potential of installing more basic IT bots to solve simple errands. This would free up time for service centres and other functions to engage in more valuable discussions with dealers that help us (ALO) understand their true needs."

Most interviewees state that the mere implementation of digital tools does not guarantee a positive impact on the efforts to achieving customer-centricity. Thus, a high digital maturity level means that people are not only skilled in using digital tools but also in judging to what extent they should be used. Furthermore, the benchmarking interviews provide similar insights. For instance, the manager from the manufacturing company states the following:

"It's important to not fall for all hype around digitalisation. We must be careful in how we implement digital tools. A customer-centric organisation must preserve human contact with the customer. However, this does not mean we should use this as an excuse to avoid exploring new digital technologies. They can provide a lot of value when applied in the right context. Therefore, I think that we should see digitalisation as an important enabler of customer-centricity."

Likewise, the benchmark against healthcare also stresses the importance of preserving human contact with the patients to avoid adverse effects on the overall patient experience.

4.6 Organisational mindset

The basic mindset held by employees and managers determines how they act and reason at work. Most interviewees argue that the prevailing product-centric mindset within ALO constitutes one of the main hindrances to achieving customer-centricity. Furthermore, they state that it has been cultivated for a long time and that there are still strong proponents of product-centricity within AutoCorp in general. The corporation managed to stay atop the market for decades by developing excellent products and cost-efficient production processes. Thus, several interviewees conclude that this resistance cannot be overcome instantly. It will require lots of dedicated work at all organisational levels. In addition, a few interviewees highlight that the business areas and other groups within AutoCorp also must seek to dismantle the product-centric mindset. Otherwise, ALO will become an isolated island in the corporation without sufficient power to fully realise the potential of its customer-centricity initiative.

The manager from the manufacturing company also brings up the inherent difficulty of changing peoples' basic mindset in a profitable organisation. However, she notes that it is imperative to change a product-centric mindset since employees with low customer orientation often develop ideas based on their technical knowledge without adequately reflecting on how the resulting solutions address the customers' underlying problems. She further suggests that the challenging work of changing the mindset is greatly facilitated if executives formulate a set of comprehensible basic values. Similarly, healthcare organisations often fail to become truly customer-centric due to the dominant role of science in decision-making. As one interviewee puts it:

“Healthcare professionals' main concern is generally the medical outcomes. They sometimes disregard other factors that influence the overall patient experience because of their obsession regarding the specific details of the treatments.”

Moreover, the benchmarking interviews show that people’s resistance to changing their beliefs can be significant even when they are informed about the negative consequences of their mindset. For instance, the manager from the manufacturing company expresses this:

“There is prestige among people; they do not want to change things they have built up for a long time. Sometimes you have to remove certain people who are unwilling to adapt to avoid permafrost. This is actually what we did when launching our initiative to achieve customer-centricity.”

According to some interviewees, if the people who resist have substantial organisational clout, it will be especially difficult to make employees internalise the practices of customer-centricity. Furthermore, the interviewees from ALO and Alpha bring up several problems with the established product-centric mindset within ALO. Firstly, people are too focused on cost performance and the optimisation of internal process efficiency. One interviewee gives the following explanation for the strong cost focus in ALO:

“We (ALO) have always focused on cost as we work with aftermarket logistics where the primary aim is to deliver at the demanded time point as cheaply as possible. Therefore, our planning activities revolve around cost-optimisation rather than how value can be added to the customer.”

Consequently, the interviewees argue that ALO will only become a customer-centric organisation if it foremost works for the customer and not the cost margins of its services. Secondly, several interviewees state that employees within ALO must change how they approach service development. Currently, there is limited directed effort to first gain a true understanding of the dealers’ and end-customers’ needs. Instead, employees mainly rely on their experience when developing novel solutions. Several interviewees also claim that most functions are overly reliant on the business areas to provide lists with specific customer requirements. This expectation makes employees less willing to understand the customers’ pain points themselves. Furthermore, one interviewee gives the following comment related to what happens when a dealer is dissatisfied with the offering:

“ALO develops a service based on how they believe it should look like. If the dealers aren’t fond of it, we (ALO) don’t make any real effort to customise the services to make them satisfied.”

Thirdly, employees sometimes do not invest enough effort into identifying and managing the root causes of customers' dissatisfaction. One interviewee claims that instead:

"People sometimes want to solve problems quickly and become the hero of the day. The solutions they come up with are mostly quick fixes that work for a short period of time before similar problems arise again. ALO must be better at finding the root causes. Otherwise, we (ALO) will be stuck with a superficial understanding of our customers' needs. It will definitively not be easy to change this mentality as logistics operations involve high pressure and significant costs if issues aren't handled quickly."

The focus is thereby not on genuinely supporting the customers with overcoming the underlying issues that lower their total experience. This inevitably reinforces an inward-oriented mindset that negatively influences the implementation of customer-centricity.

Finally, several interviewees conclude that everyone within ALO must start to talk in terms of personas and customer experience. The interviewees state that the product-centric mindset makes people immersed in discussions around technicalities of specific services. Thus, it is argued that they do not appreciate the unique differences among customer needs and fail to tailor the offerings effectively. Furthermore, the benchmark against healthcare also emphasises the importance of basing discussions on terms related to the customer. For instance, when designing a new care process, the discussion should revolve around how elements of the process align with the needs of different personas.

4.7 Capturing Voice-Of-The-Customer

All interviewees argue that effective procedures for capturing the VOC must be developed to succeed with the customer-centricity initiative. Furthermore, the majority of them believe this is the most important factor to consider as a true customer understanding cannot be gained without first identifying their needs. It is apparent from the interviews that several employees within ALO, especially in the back-end, are currently not actively involved in capturing the VOC and lack a proper understanding of the applied methods. The following comment from one interviewee working within ALO illustrates this well:

"I don't use any structured method for identifying customer needs. I know that we perform some surveys with dealers, but I have very limited insights into the questions and how all answers are analysed. In general, I feel that we must work much more systematically with this in the whole organisation."

Moreover, employees from ALO often attach different meanings to what a customer need constitutes, making it challenging to discuss customer-related information. This dilemma partly stems from the fact that lots of people confuse customer wants with needs. In particular, some people working in the back-end functions cannot discern the critical difference between these two concepts. The confusion around customer needs is also a result of the challenges faced in the communication with Alpha. One of the interviewees highlights that:

"As ALO and Alpha are separate organisations, they often use different terminologies when discussing customer-related information."

Some interviewees argue that the two organisations must expend more effort in formulating common definitions of key concepts to enable employees to collaborate efficiently concerning capturing the VOC. The benchmarked manufacturing company experienced similar problems. To handle them, the company has worked to establish a standard framework for its global organisation to clearly define what a customer need is and how it differs from other concepts.

According to multiple interviewees, the dealer survey is the main structured method used by ALO to identify dealers' needs. These surveys are usually conducted every second year and are primarily developed by the senior management with limited input from the functional levels. This approach has caused some frustration within ALO since employees at lower levels, who often interact more closely with the dealers, feel that essential questions are omitted. For instance, a handful of interviewees argue that the surveys do not contain concrete questions related to how the dealer perceived how the different services were delivered by the employees. Consequently, they believe the survey design can be improved if people from the different functions gather to define questions together, as this provides a more holistic assessment. Furthermore, the interviewees do not agree with each other concerning the optimal frequency for sending out surveys. Some interviewees think they should be conducted several times during a year to access more up-to-date information. On the other hand, two senior managers highlight that the additional surveys might irritate dealers as they are time-consuming to fill out. However, there is widespread consensus among the interviewees that the surveys are insufficient to identify all dealers' needs. A fundamental problem is that dealer surveys merely indicate how ALO performs momentarily related to the dealer's current desires. One interviewee captures it neatly:

"Dealer surveys only provide a snapshot of yesterday's picture. If the dealer was mad when filling out the survey because of problems with an order two days ago, the answers will be coloured by these emotions. Therefore, they cannot provide a deeper understanding of the dealer's true needs."

In addition, some interviewees claim that dealers sometimes misinterpret the purpose of the surveys. They believe that the survey is an opportunity for them to judge the business areas or other groups within AutoCorp. Several interviewees also emphasise that dealer surveys mainly provide superficial information. This makes it difficult for ALO to perform an in-depth analysis and identify the root causes of the problems dealers report. According to the interviewees, a deeper understanding can only be gained through more continuous and close contact with the dealer.

The organised meeting forums between ALO and Alpha held on different levels constitute another structured method for identifying customer needs. As Alpha, like other business areas, has more extensive contact with dealers and end-customers, ALO tries to utilise these forums to gain a deeper understanding of their needs. However, the meeting discussions often tend to focus on critical operational needs that dealers and end-customers can express explicitly relatively easily. Furthermore, one interviewee argues that the forums will be much more valuable if representatives from Alpha become better at communicating the right information. He concludes that:

"ALO cannot identify latent needs if most of the information concerns the dealers' or end-customers' immediate problems. Such information only stimulates fire-fighting, and the focus on the customer is lost."

Thus, some interviewees believe ALO must work proactively by educating the business areas to ensure that the necessary information is shared. One interviewee from Alpha, however, notes that this issue does not merely depend on how clearly ALO communicates its interest in understanding latent needs. Some of Alpha's key account managers lack sufficient knowledge about the customers' processes and the organisation's offerings to extract deeper information. A critical problem here is that these key account managers lack experience in logistics operations and, therefore, do not register all the relevant customer information related to this area. Moreover, several interviewees argue that the communication regarding Alpha's customers' needs cannot only be managed by one person due to the variety of service areas in the aftermarket. Hence, it is necessary to have a broad discussion about the VOC during the different meeting forums. According to some interviewees, ALO and Alpha recently tested a new structured approach for sharing information about customer needs. A few representatives from one of ALO's functions met every second week with two representatives from Alpha to annotate customer needs in a simple spreadsheet. This approach was deemed too inefficient as the strong silo-orientation and lack of efficient cross-functional communication made it challenging to disseminate the information throughout ALO.

Several interviewees state that ALO also uses more ad-hoc methods to identify dealers' needs. DIM coaches and service centre representatives in the front-end often interact directly with dealers in their daily work and utilise this to elicit which problems they experience. However, a few of the interviewees note that the gathered information primarily relates to operational needs explicitly expressed by the dealer. This issue has become especially significant in recent years due to the global supply chain disruptions, which imply that the front-end employees are preoccupied with managing urgent issues. Nevertheless, ALO also makes site visits and Gemba walks on some occasions to uncover latent needs. Some interviewees state that such events should be conducted more regularly and be followed up in workshops involving a cross-functional group to ensure a more holistic assessment of the customer experience. One key reason for why the frequency of visits has not been higher is that Alpha and the other business areas restrict how many visits could be performed. One of the interviewees further highlights that:

"A problem with the site visits is that mainly large and experienced dealers are observed. These are far from representative of all dealers and make it difficult to understand the specific needs of smaller dealers… therefore, more site visits per se will not directly make us (ALO) more customer-centric."

Likewise, some interviewees state that ALO should expand the work with testing new ideas during their visits to different dealers. Piloting service ideas in the dealer's context makes it easier to discern what the dealer truly needs and how ALO can provide optimal support. Furthermore, one interviewee highlights that such pilots will elucidate whether there are major issues with the proposed service offerings that negatively affect the overall customer experience.

Alpha and the other business areas organise dealer councils each year where they invite ALO, selected dealers, and sometimes end-customers. These gatherings allow the stakeholders to discuss what they need and expect from each other. According to one interviewee:

"There is something called dealer councils. These enable us (ALO) to get direct contact with Alpha's dealers as well as end-customers while we receive support from Alpha to organise a valuable discussion around their specific needs."

Some interviewees believe that ALO must participate in more councils held by Alpha, and that people from several functions should be involved. They also argue that ALO should take an active role by not only acting as passive listeners but also actively seeking to elicit dealers' and end-customers' experiences with ALO' services. In addition, one interviewee notes that the dealer councils provide a great opportunity for building stronger relationships.

As mentioned previously, several interviewees argue that the customer-centricity initiative will not succeed if ALO only expends effort into understanding the dealers. Historically, the procedures for capturing the VOC have been designed to identify dealers' needs. Thus, there is practically no concrete method for understanding the end-customer's situation in-depth. Instead, ALO relies on dealers or business areas to provide the required information. Several interviewees believe ALO should establish direct contact with the end-customers using various channels, such as discussion forums and apps where the end-customer can register feedback related to the logistics services. Regardless of channel, the direct interaction will enable ALO to collect unfiltered information about the end-customers and get a more nuanced picture of their central pain points. A major problem today, according to one interviewee, is that:

"ALO does actually not know really what the end-customer needs are, only what the dealer has understood. Unfortunately, the dealer often misinterprets what the end-customer needs. The problem is that we (ALO) don't become aware of it until the end-customer expresses its dissatisfaction."

However, most interviewees note that ALO should not merely seek to rely on direct interactions with the end-customer. It is unlikely that the organisation possesses enough resources to build close relationships with the majority of the end-customers. Additionally, dealers and business areas often want to retain control over the business relationships. Hence, the interviewees suggest that ALO should also seek to enhance its collaboration with the dealers and Alpha to ensure that they can provide better information about end-customers' needs.

Table 4.1 below presents the methods ALO currently uses to identify customer needs. More specifically, the table shows whether the method is structured or ad-hoc, which type/s of needs can be identified, and if it is applied to elicit information related to the dealer and/or end-customer.

Table 4.1: The methods currently used by ALO to identify dealer and end-customer needs.

Method	Structured/Ad-hoc	Dealer/End-customer needs	Explicit/Latent needs
Dealer surveys	Structured	Dealer	Explicit
Meeting forums	Structured	Both	Mostly explicit
Dealer councils	Structured	Primarily dealer, sometimes end-customer	Mostly explicit
Site visits/Gemba walks	Ad-hoc	Dealer	Both
Contact between DIM coaches or service centre representatives and dealers	Ad-hoc	Dealer	Mostly explicit

According to most interviewees, disseminating the obtained customer information throughout the organisation constitutes another essential part of capturing the VOC. This as, the organisation cannot be customer-centric if only the front-end is aware of what the customer needs. They further argue that ALO generally lacks efficient information flows between the different functions. Employees are primarily occupied with their specific issues and work within their own silos. As one interviewee puts it:

"People are in their own bubbles within ALO, often sealed off from the issues arising outside. So, for example, several of the complaints service centres receive from dealers aren't widely known across functions."

This silo-orientation implies that the front-end functions, which have direct contact with dealers and, in some instances, end-customers, do not share their knowledge with the back-end functions. Consequently, it is difficult for the back-end to be customer-oriented. Apart from the organisational structure, several interviewees mention that the inefficiency of current information flows can be attributed to the heavy workload in front-end functions. Service centres are the ones that receive the most information from dealers on what works well and what should be improved. However, they do not share this information properly within ALO since they are preoccupied with managing Vehicle-off-road (VOR) orders. One interviewee describes the dilemma like this:

"We (Service centre in ALO) are drowning in VOR orders. Lots of dealers place such orders even though they have no need for express management because they are afraid of not getting critical parts in time. The fear exists as ALO has failed to deliver at the negotiated time previously and as dealers are concerned with the general insecurities in global supply chains. Therefore, we cannot participate in as many discussions as we would like with other functions to share customer insights."

The interviewees provide several suggestions on how to improve the information flows within ALO. A few interviewees state that the communication must be streamlined through automation. Moreover, one interviewee argues that action logs should be taken during internal meetings and discussions with dealers, business areas or end-customers. The action logs can then easily be distributed to the functions which can act upon the collected information. Some interviewees further mention that cross-functional communication can be enhanced by establishing more "communities" within the organisation. These are, according to the interviewees, smaller networks where people from different functions meet to explore certain topics together. This approach has been used to explore new digital technologies within ALO with great success. Finally, some interviewees claim that information can be shared more efficiently if additional cross-functional meetings are held. Today, the meetings are too short and few, giving little room for discussion about the overall customer experience. Most interviewees emphasise that people within ALO generally want to help each other and collaborate more. Therefore, they believe it is essential that this willingness is utilised.

Furthermore, ALO somewhat lacks methods to structure, prioritise, and analyse the collected information about dealers and end-customers. Several interviewees argue that this area is even more neglected than the procedures for gathering customer insights. In fact, no one could describe in detail how ALO analyses customer information and prioritises the identified customer needs. During the first focus group, this issue was taken up to validate if it was true. The focus group participants agreed that structured methods had not been developed yet to the best of their knowledge. A handful of interviewees claim that the analysis is made on an ad-hoc basis at the functional level. One of them describes the ad-hoc analysis as follows:

"People look through the available customer information and decide based on their own knowledge and the strategic priorities what needs are feasible to satisfy."

The interviewees present several ideas on which changes should be made to improve the structuring and prioritisation of customer needs. One area of concern is to involve more stakeholders when prioritising the needs of dealers and end-customers to ensure a holistic assessment since the dealer or end-customer ultimately experiences the work of all functions. Another improvement area relates to the grouping of customer needs. Several interviewees argue that ALO should develop personas to manage the broad base of dealers and end-customers connected with Alpha. This categorisation is important as ALO does not possess sufficient resources to address each individual customer with a customised offering. Finally, the analysis and prioritisation of customer needs should not be regarded as one-off activities. One of the interviewees states that:

"ALO must start to analyse all customer inputs iteratively by continually reassessing the list of prioritised needs against the market situation and our (ALO) strategic goals. Today, we are too slow to acknowledge the changed preferences among our customers; for example, that some customers increasingly ask about the environmental impact of our services"

The benchmarking interviews show that healthcare organisations and the manufacturing company, like ALO, find it especially challenging to identify latent customer needs. Furthermore, the interviewees state that the lack of effective methods for capturing such needs constitutes a prominent hindrance to achieving customer-centricity as customers generally cannot clearly articulate several of their needs. Table 4.2 illustrates the methods for identifying latent and expected needs mentioned in the benchmarks.

Table 4.2: Methods for identifying expected and latent needs deduced from the benchmarking interviews.

Method	Benchmark	Description
Experience-based co-design	Healthcare	The fundamental idea is to identify the patient's needs using a comparative analysis. Patients and their relatives create experience maps describing the patients' entire journey throughout the healthcare system. Likewise, healthcare professionals build their own maps based on their perceptions of this journey. The interviewees highlight that the latent needs can then be identified through collective discussions where the distinct maps are contrasted. Such comparisons enable the organisation to discover deeper information about the customer, unattainable using conventional methods like surveys.
Observation	Both	Observations were mentioned in both benchmarks as a suitable method for identifying latent needs. Healthcare organisations film or shadow patients to elucidate factors affecting the customer experience. A significant issue for healthcare organisations is the ethical dilemma of intensively following patients as they receive various services. Similarly, the manufacturing company visits customers to observe issues that customers do not articulate openly.
Simulation	Healthcare	One of the interviewees states that managers in healthcare organisations sometimes simulate the patient's entire journey by taking on the role of a patient. Like observations, this enables the organisation to understand issues that customers are unable or unwilling to express themselves explicitly.
Experimentation	Manufacturing company	The manufacturing company conducts experiments with customers early on during the development of new offerings. This method enables the company to directly pinpoint which problems customers experience as the offerings are consumed. Such information can be used to derive the unique needs of different customers.
Market analysis	Manufacturing company	The manufacturing company continually scrutinises market analyses to detect trends influencing customer preferences. According to the interviewee, this is valuable when identifying future needs.
Benchmarking	Manufacturing company	The manufacturing company primarily uses benchmarking to discern if competitors offer certain features that the customers value highly. The benchmarking method can help delineate needs that the customers believe are apparent and, therefore, do not communicate.

Like some interviewees from ALO, the benchmarks emphasise that the captured information about customer needs must be transmitted efficiently throughout the organisation. For instance, the manager from the manufacturing company gives this comment:

“We cannot be satisfied with just gathering lots of customer insights. Information about customer needs becomes valuable first when shared across the functions. Only then can we apply this knowledge to adjust our offerings and internal processes to become customer-centric.”

She further explains that the manufacturing company has tried to improve the information flow by organising cross-functional meetings regularly to share key customer information. Management consistently works to increase transparency during these meetings. In addition, the company has made functions accountable for the entire value chain from end-to-end, which forces them to cooperate more to understand the overall customer experience. The introduction of end-to-end responsibilities supported the organisation in reducing its previous problems with strong silo-orientation. Similarly, some interviewees from ALO also highlight end-to-end roles as an important measure to ensure that the overall customer experience is managed properly.

It is further evident from the benchmarking interviews that close interactions with customers enable organisations to capture deeper information. According to the interviewees, the lack of well-functioning information flows to the customer can often be attributed to the absence of established relationships based on mutual trust. Thus, if the stakeholders do not trust each other, they will likely withhold important information and add safety margins. The manager at the manufacturing company argues that larger organisations should create dedicated roles for building customer relationships. This as technical specialists do not have sufficient time nor interest to simultaneously manage complex development assignments and interact intensively with customers.

4.8 Service Quality

Another factor that affects the success of the customer-centricity initiative is service quality. Most interviewees argue that ALO must improve the quality management work to become a customer-centric organisation. Furthermore, they highlight that the problems generally do not pertain to the quality of the actual logistics services. This is explained clearly by one of the interviewees:

“Our (ALO) services are good. We have a world-class supply chain that provides excellent service levels at competitive prices. The problem is with how the services are delivered to the customers and how we manage their overall experiences.”

Hence, it is perceived that ALO fails to manage some dimensions of the customer’s experienced quality effectively. There are different examples of the issues with service delivery. A few interviewees mention that there are some inexperienced DIM coaches and personnel in the service centres who often lack a good understanding of the customers’ business. In addition, they have not established extensive informal networks within ALO to quickly escalate errands to the right person or function. Consequently, the variation in how efficiently errands are managed causes frustration among dealers, and thus lowers the customer experience. Some interviewees claim that the issue related to inexperience can be mitigated through better knowledge management within ALO to ensure that employees have access to best practices. The interviewees further state that knowledge management can be enhanced using more structured digital systems. According to the manager from the manufacturing company and a handful of interviewees from ALO, job rotations constitute another useful method for improving knowledge management as people may directly experience activities outside of their function. This makes it easier to internalise less codified knowledge. Furthermore, some interviewees state that smaller dealers often get insufficient support as ALO prioritises larger dealers and does not properly consider the fact that smaller ones lack the same level of experience. This issue has somewhat been acknowledged by the front-end functions, but the heavy workload hinders them from working more actively with the smaller dealers. The benchmarks also indicate the importance of managing service delivery effectively. For instance, one of the interviewees working with healthcare states the following:

"Patients don't only care about the medical outcomes. They also put demands on things such as how the personnel should approach them, the physical environment… and the accessibility of healthcare services. The soft values connected with the service customers receive are essential to consider for delivering high service quality."

The overall customer experience is also perceived to be handled ineffectively within ALO because of bad follow-ups and inadequate management of complaints. According to multiple interviewees, ALO rarely follows up with individual dealers to discern how they experienced the outcomes of the service and how it was delivered. Thus, the organisation fails to collect meaningful feedback that enables them to improve the customer service continuously. Moreover, ALO does often not provide dealers and end-customers with sufficient proactive information when breakdowns occur in the supply chain. One interviewee describes the problem as follows:

"The customer often takes bad information before no information at all. If dealers know articles are late, they can plan. Otherwise, we (ALO) add more uncertainties to the dealer's already hectic business and often increase their costs."

The benchmarked manufacturing company has recognised this issue and works differently. According to the interviewed manager:

"If we believe issues will arise with a certain order, we immediately notify the customer to ensure that they are prepared. In most cases, they accept the explanation and express their gratitude over our transparency."

The current management of complaints from dealers and end-customers within ALO constitutes another factor that negatively influences the customer experience. Several interviewees state that dealers tend to have lots of complaints that ALO does not resolve. In some cases, the dealers have complained about the same issue up to ten times before giving up. A few interviewees further highlight that feedback from end-customers is usually not gathered at all. There are different reasons why complaints are not managed adequately. Some interviewees claim that the inefficient information flows within ALO imply that the complaints “disappear” before getting addressed. Other interviewees believe there is a lack of awareness within the organisation about the importance of efficient complaint management to ensure high customer service, and the corresponding benefits of it. Hence, the allocated resources are not enough to successfully perform the necessary tasks. Another problem mentioned by some interviewees is the lack of unclear roles and responsibilities for managing quality related issues. The interviewees highlight that it is often difficult to define ownership of issues that are too complex for the service centres to manage themselves. These issues tend to require resources from not only stakeholders within ALO but also external like the business areas. One interviewee points out that this issue can be mitigated by arranging cross-functional kaizen events involving relevant stakeholders from within ALO and the aftermarket supply chain. Furthermore, the digital system developed to collect complaints is not used by dealers. No interviewee could provide a clear explanation for why the system is not used, other than that many dealers perceive the user-friendliness of it to be low.

The manager from the manufacturing company states that customers should be able to file a complaint easily and receive a quick and polite response. As the company has a broad customer base, it has instituted several channels to collect complaints. For instance, some customers want to leave them by phone while others prefer to file a complaint in a digital system. The manager further argues that a customer-centric organisation should not disregard complaints not directly related to its own offerings. In contrast, they should demonstrate their dedication toward the customer by going the extra mile and trying to support them with problems they are not directly responsible for.

Several interviewees highlight that another key reason customers sometimes consider the service quality to be relatively low is the perceived ineffective management of customer expectations. ALO expends limited concrete effort into shaping these expectations. Instead, expectations are primarily formed based on AutoCorp’s image as a provider of premium solutions and earlier experiences with ALO’s services. One of the interviewees states that customers sometimes have unrealistic expectations of ALO’s service offerings because of their communication with Alpha. The interviewee gives the following example:

“Key account managers in Alpha usually overpromise to convince customers about the value of the offerings. They actually sometimes promise things that are against the current legal regulations. This leads to unnecessary dissatisfaction and is definitely not in line with customer-centricity.”

Another interviewee argues that Alpha representatives sometimes make overpromises as they expect ALO to develop the required aftermarket logistics services when the need becomes apparent. The interviewee further claims that this leads to a reactive approach, where ALO quickly needs to develop a solution that often does not fully satisfy the customer’s needs. Moreover, both benchmarks support the importance of handling customer expectations. Healthcare organisations are cautious in what promises they make to patients about medical outcomes. A broken promise will imply very low perceived quality of the healthcare service.

To ensure realistic expectations, healthcare professionals clearly explain to the patients in direct dialogues what the likely outcomes are and make sure to provide the same information in written form. Likewise, the manager from the manufacturing company claims that if customers expect unrealistic service, they will inevitably be disappointed. She further provides the following suggestion concerning how organisations can exert influence on the customer's expectations:

"Invite customers to see the internal processes and explain what the company can deliver. It isn't enough to send a simple booklet. They will most likely not read it. [...]. During the pandemic, we offered virtual showings through Teams that enabled even more representatives from a customer to get insights into our business."

4.9 Value Creation

The interviewees state that ALO creates value for the customer. Thus, the perception within the organisation is that value is created internally and subsequently delivered to the customer in the form of various aftermarket logistics services. Furthermore, there are several problems with this internal value creation process. Due to a low degree of automation in certain areas, resources are allocated to non-value-adding activities. Some interviewees also note that employees' lack of understanding of the entire value chain sometimes implies suboptimal decisions, reducing total value creation. They further argue that ALO should expand internal education programmes to increase people's knowledge about the aftermarket supply chain from an end-to-end perspective to better understand the different value flows associated with the services. One interviewee claims that the current process does not maximise value creation because of its linear nature and rigidness. According to the same interviewee:

"ALO must work more with learning by doing. Test what works well in a smaller project, analyse the insights, and then launch on a greater scale."

The current perspective on value creation within ALO contrasts with the one identified in the benchmark against healthcare organisations. These organisations ultimately consider the patient to be the value creator. If the patient is not willing to receive a treatment, no value is created regardless of the healthcare services offered by the organisation.

Most interviewees from ALO highlight that the organisation must become better at co-creating customer experiences with other actors to implement customer-centricity. Currently, there are few concrete co-creation activities. However, the interviewees provide several suggestions. One suggestion concerns closer cooperation with dealers, end-customers, and Alpha during the development of new service offerings. This provides ALO with valuable customer insights that cannot be gained elsewhere. Another suggestion is to let actors educate each other to understand the other actors' businesses better. For instance, one interviewee notes that through such education, a dealer may teach ALO how it uses the aftermarket logistics services in combination with other aftermarket services. However, several interviewees argue that ALO also must become better in applying and acting on the feedback customers provide. For example, a few interviewees highlight that ALO has taken no concrete measure to address multiple dealers' request that they should be able to choose a specific date on which they will receive their orders. In addition, several interviewees believe value co-creation activities can become more widespread in ALO and Alpha if it is shown on a higher level between the organisations how to work collaboratively.

Healthcare organisations have developed several methods to support value co-creation. First, experience-based co-design can be used to co-create value with patients by employing the derived knowledge to improve the design of existing and novel services. Second, healthcare organisations seek to involve patients in management groups to gain a holistic picture before making strategic decisions. Finally, there are ongoing efforts to enable patients to perform parts of the treatment themselves. One of the interviewees explains the benefits of this approach:

"Healthcare organisations can work more proactively by ensuring good health upstream and reducing patients' risk of developing severe diseases. This reduces the costs for everyone."

Moreover, some interviewees state that ALO could utilise the extensive dealer network to find collective solutions that generate benefits for everyone. One interviewee discusses the following solution:

"Sometimes lead times are long as the requested spare part is in a warehouse far away from the dealer. We (ALO) can often reduce the lead time if it's possible to send spare parts from one dealer's inventory to another dealer. A common digital platform for dealers where they can send a request for a spare part will make this possible."

The operationalisation of customer-centricity also depends on the dealers' and end-customers' ability to apply the services properly in their specific contexts. For instance, according to several interviewees, ALO should expend more effort in helping dealers improve their pre-planning activities. This as, the dealers are perceived to be relatively bad at planning, which often implies higher costs and a negative impact on uptime. One interviewee argues that ALO can also help dealers reduce their significant administrative burden by developing intuitive and compatible digital systems for order and return management. A few interviewees mention that another factor that may hinder customers from using ALO's services optimally is the provision of too much information. If ALO communicates unnecessary information, the customer will be confused and may also start to question issues that are not their concern.

4.10 Performance Measurement

A key factor for tracking the success of the customer-centricity initiative is customer-centric performance metrics. However, the interviewees state that the design of the metrics will also affect whether all employees internalise the principles of customer-centricity. According to several interviewees, employees are not incentivised to consider the customer experience consistently if there lacks clearly defined customer-centric metrics. ALO mainly uses financial and inward-oriented metrics because of the traditional cost focus in logistics operations. One interviewee captures this neatly:

"We (ALO) are primarily focused on cost performance. We don't really have, I guess, any concrete customer-specific metrics that measure the customer satisfaction nor the customer experience; clearly this is a problem when trying to become customer-centric."

Service centres have a more continuous dialogue with the customers than other functions within ALO since they serve as a point of contact for complaints and requests of orders and returns. A commonly applied metric by the service centres is the Dealer Service Index (DSI), which indicates how frequently an article is replaced in the dealer's stock. According to some interviewees, the senior management in ALO mainly uses this metric when discussing the organisation's performance in strategy meetings. Moreover, the DSI provides ALO with an indication of the availability of specific articles. It should be noted that the DSI only focuses on the dealer and, therefore, does not provide any direct assessment related to the end-customer. According to several interviewees from ALO, the organisation lacks metrics that directly assesses factors associated with end-customer experience.

The manager from the manufacturing company agrees on that customer-centric metrics are essential for incentivising employees to support the organisation in becoming customer-centric. Moreover, the company had previously primarily financial metrics. Nevertheless, as the ambition to become customer-centric was declared, customer-oriented metrics were added. One of the key metrics is the number of broken promises. The manager explains that this concerns how often the company fails to deliver in the negotiated time. Likewise, healthcare organisations have implemented balanced scorecards comprising metrics related to internal process efficiency and customer-centric metrics. For instance, one important set of customer-centric metrics assesses the patient's experience in the care process by evaluating e.g., the level of accessibility of the healthcare service and the behaviours of healthcare professionals. The interviewees working with healthcare further emphasise that a company cannot be content with merely defining various metrics. It is of equal importance to ensure that the company acts on the information provided by the performance assessment. This was also highlighted by a handful of interviewees from ALO and Alpha. These interviewees further noted that ALO should analyse the assessments in collaboration with the commercial organisations as some actions cannot be taken solely by ALO.

According to several interviewees from ALO, measuring the soft performance attributes is a time-consuming and challenging task since a considerable amount of data must be structured and understood correctly. However, the interviewees from ALO express their desire to use customer-centric metrics. They also provide examples of what could be measured. Some interviewees mention that a relatively simple way of tracking customer satisfaction is by allowing the customers to rate the service based on different factors related to its experience in short surveys. Thus, these interviewees stress the importance of not using aggregated metrics for assessing customer satisfaction but considering the individual customer experience after the conclusion of each order. Furthermore, one interviewee argues that ALO should assess how many orders are solved in the first action. The interviewee highlights that this gives an indication of the accessibility of ALO's customer service and the skills of the front-end employees. Moreover, the participants of the second focus group argued that ALO should assess customer uptime. This is because the fundamental purpose of providing aftermarket logistics services is to secure uptime at the end-customer. The participants further emphasised that this metric should be defined so that assessments are made on an individual level. For instance, two participants mentioned that an average value of customer uptime does not elucidate the experience for a specific end-customer.

Another important aspect discussed during the interviews was the idea of implementing cost-to-serve metrics. The idea behind implementing such metrics is to create a reward system for the dealers. More specifically, these metrics will help ALO improve the ability to track the dealer's performance, identify causes that affect it, and reward reliable as well as high-performing dealers. Furthermore, one interviewee highlights the following:

"There are ongoing discussions about whether we (ALO) can use the cost-to-serve metrics for differentiation when we design the service offerings. There's an idea to create a correlation between the service level provided by ALO and the performance level of the dealer."

Several interviewees believe that cost-to-serve metrics will spark the willingness of dealers to contribute to developing better service offerings. For example, according to one of the interviewees, it could be by providing dealers compensation for keeping some parts in stock to improve uptime and cut inventory costs.

5. Analysis

The following chapter presents the analysis of the outlined research questions based on the empirical findings and theoretical framework. Initially, ALO's customer-centricity maturity level is analysed to delineate the organisation's current position in its journey towards customer-centricity. Furthermore, factors that hinder the efforts to implementing customer-centricity in the aftermarket logistics context are examined. This analysis also comprises insights into how the identified hindrances could be addressed. Finally, the required basic capabilities for bridging the gap from a product-centric to a customer-centric organisation are analysed.

5.1 Customer-Centricity Maturity Level

It is evident that ALO is an inherently product-centric organisation. This aligns well with the view presented in previous research concerning the nature of aftermarket organisations (Lele, 1997; Sheth et al., 2020). However, the interviews convey that ALO has realised the importance of increasing its customer-centricity maturity level due to intensified competition and more challenging customer requirements. Table 5.1 illustrates how ALO's business approach aligns with the product-centric one in respect to the key distinguishing features presented in the theoretical framework.

Table 5.1: The table shows what characterises ALO's current business approach in terms of the key distinguishing features between product-centricity and customer-centricity.

Feature	Product-centric	Customer-centric
Raison d'être	x	
Relations with customers	x	
Value creation perspective	x	
Organisational structure	x	
Approach to product/service design	x	
Performance measurement	x	

Considering the first feature, raison d'être, ALO does not currently base its business on foremost understanding the customers' needs. Thus, the focal point of the business is to develop and push out aftermarket logistics services instead of serving the customer. This is characteristic of product-centric organisations (see e.g., Gaurav & Shainesh, 2017; Habel et al., 2020). For instance, Alpha's smaller dealers often receive the same services designed with experienced dealers in mind. Furthermore, it is somewhat logical that aftermarket organisations do not put the customers' needs in focus as most of them are cost centres (Sheth et al., 2020), and therefore often cannot directly experience the value of greater customer satisfaction. However, ALO likely cannot change its raison d'être before addressing the other key features of customer-centricity, as each of these influences how organisational members perceive the purpose of their work (Galbraith, 2011).

The relationships between ALO and the dealers as well as end-customers generally have a transactional nature. This contrasts with the view of a customer-centric organisation, which actively develops close relationships and collaborates intensively with the customers (Adrodegari et al., 2017). Nevertheless, the distribution of responsibility in the aftermarket supply chain clearly contributes to the limited presence of deeper relationships since Alpha often controls the business relationships with both dealers and end-customers. Moreover, as ALO currently operates based on the premise that value is created internally, it has implied a strong inward-oriented focus on the detailed design of parts logistics services. The findings also show that ALO generally lack a sufficient understanding about how to manage the overall customer experience from an end-to-end perspective. In contrast, Hemel and Rademakers (2016) argue that customer-centric organisations should apply an outside-in business approach, where they focus on maximising the customer's perceived value.

Another key feature is the organisational structure. The clear division in functional silos within ALO is characteristic of product-centric organisations (Galbraith, 2011; Lamberti, 2013). However, there are plausible explanations to why this structure is well-established. First, there is a lack of knowledge about the dealers' and, especially, end-customers' needs. Therefore, it is challenging to define the structure based on the needs, as is common in customer-centric organisations (Shah et al., 2006). Second, Lee et al. (2015) argue that the cost is often significant for large organisations like ALO to dismantle the functional structure. This problem is likely further accentuated in the aftermarket due to the high pressure on cost-efficiency. Finally, since the aftermarket business comprises several distinct types of service areas, such as: packaging, DIM, and transport optimisation, ALO has grouped people with the same expertise to excel in each area.

The approach to service development within ALO resembles the product-centric approach, described in the frame of reference. Several interviewees state that the different functions generally develop services based on their experience without first capturing the VOC adequately. Furthermore, almost all metrics within ALO relate to the financials or service levels. Thus, there is limited knowledge concerning how ALO performs on customer-oriented aspects such as the customer's perceived overall experience with how the service was delivered. Bonacchi and Perego (2011) conclude that the lack of customer-centric metrics is characteristic of product-centric organisations.

Although there is consensus among the interviewees that ALO should become a customer-centric organisation, it is not evident to which extent the organisation should be customer-centric. One key factor to consider is whether ALO should regard the end-customer or dealer as a customer. Furthermore, it could be argued that ALO must acknowledge several other stakeholders in the aftermarket supply chain. Consequently, as Gummesson (2008) states, it is not feasible to tailor every process according to the customers' needs. For instance, if the end-customer is considered the customer, ALO will likely need to adjust its operations based on requirements from Alpha and the dealers as well. Likewise, there are external demands from the society, like environmental regulations (Gatenholm et al., 2021), that hinder ALO from providing certain logistical solutions. Moreover, ALO cannot realistically achieve the highest level of customer-centricity, where each individual customer receives a customised service offering (Lamberti, 2013). The significant number of dealers and end-customers associated with Alpha makes it too costly, especially considering the importance of cost-efficiency in aftermarket logistics operations (Gaiardelli et al., 2007). Instead, ALO should, like Fader (2020) suggests, try to segment the customer base and deduce the common needs within each segment.

5.2 Hindrances to Achieving Customer-Centricity in The Aftermarket Context

When analysing the empirical findings, it is possible to identify all the broad categories of hindrances to achieving customer-centricity presented in the theoretical framework. However, this thesis project also derived two additional categories based on the empirical findings. Firstly, the lack of agreement within ALO and Alpha concerning who ALO's actual customer is, implies ambiguity that hinders the implementation of customer-centricity. Secondly, the structure of the service offerings may further contribute to impeding the efforts of achieving customer-centricity in the aftermarket context. Each subsection comprises an analysis of one category of hindrances to elucidate the underlying reasons behind the gap between the current and desired state of ALO's customer-centricity initiative. In addition, suggestions are provided regarding how to manage the individual hindrances.

5.2.1 Definition of the Customer

The fundamental aspect any organisation striving to become customer-centric should consider is gaining a deep understanding of the customer (Habel et al., 2020; Shah et al., 2006). Nevertheless, the cited literature on customer-centricity does not, to a notable extent, acknowledge the issue of first understanding who the customer is. It was shown to be challenging to elicit customer needs and align the offerings with them when there is a disagreement on whether the customer is the end-customer or the dealer. The key dilemma for OEMs in the aftermarket context seems to be whether the dealer should be seen as a strategic partner or a customer. According to the participants of the second focus group, ALO's ambition should be to ultimately regard the end-customer as the customer, since the designs of ALO's aftermarket logistics services influence the level of uptime. Furthermore, the business areas will likely transition to become service businesses whereby they sell uptime specified in contracts. Consequently, ALO's chief concern will be developing aftermarket logistics services that optimise uptime.

Besides the increasing importance of securing uptime, the changing competitive dynamics in aftermarket supply chains constitute another potential reason for OEMs to consider redefining who the customer is. Wagner et al. (2018) and some interviewees claim that suppliers and third-party actors are increasingly approaching end-customers directly with aftermarket logistics offerings. If this implies that the dealers ALO cooperate with experience lower sales, the demand for ALO's services will likely be reduced. Therefore, ALO should, together with Alpha, reflect on whether the greater interest from other actors to approach end-customers directly means that ALO should focus on foremost optimising the end-customer experience. However, some interviewees were sceptical concerning the feasibility for ALO to take responsibility for the broad range of end-customers who generally are not the direct receivers of parts. Likewise, the large distance between an aftermarket logistics provider and end-customers in the supply chain makes it difficult to maintain deeper relationships, which is crucial for customer-centric organisations (Adrodegari et al., 2017).

Regardless of who is considered the customer, everyone within ALO and Alpha should share the same view by reaching a consensus. Consequently, the customer-centricity maturity level will increase if it is clear in dialogues between employees which actor is referred to when discussing the customer. Furthermore, a customer-centric organisation tailors service offerings to customer needs (Hemel & Rademakers, 2016). Thus, depending on the definition of the customer, the service offerings must be defined differently. For instance, if the dealer is the customer, DIM services may constitute the high-level offerings.

The benchmark against healthcare also illuminates the importance of defining the customer clearly. Healthcare organisations often fail to achieve customer-centricity from the perspective of patients outside healthcare facilities as there is a strong focus on the patients within the systems. This implies that their experiences are comparatively neglected. Similarly, ALO must understand the consequences of neglecting end-customers' needs even if in the aftermarket supply chain there are intermediaries between ALO and the end-customer. If the end-customer is considered the concern of other actors, its experience related to ALO's service offerings will likely be fairly overlooked.

5.2.2 Structure of the Service Offerings

Another category of hindrances that was not explicitly identified in the literature constitutes the structure of the organisation's service offerings. First, ALO provides one-size-fits-all offerings with limited customisation. This issue aligns with Cohen et al. (2006) and Sheth et al. (2020) conclusions that aftermarket services often are standardised. Arrow's impossibility theorem shows that customer groups with distinct preferences cannot be fully satisfied if everyone receives the same offering (Hazelrigg, 1996). In this case, the B2B and B2C segments clearly had different demands on the aftermarket logistics services. Thus, the lack of differentiation must be addressed to implement customer-centricity. The empirical findings elucidate that ALO can create distinct layers of a basic service based on the characteristics of dealers or end-customers. In addition, it seems wise for global organisations like ALO to develop sound knowledge management systems, where the local regions can easily share differentiation ideas. It was also observed that Alpha in certain instances hinders ALO from differentiating offerings. Consequently, ALO needs to enhance the collaboration with Alpha to ensure that power dynamics in the supply chain do not hamper necessary adaptations of the service designs.

Moreover, Grönroos (2016) highlights that customer-centric organisations should provide holistic service offerings by bundling the necessary goods and services required to satisfy the different dimensions of a customer's need. In contrast, ALO has primarily developed fragmented individual services connected with the delivery of spare parts. The ongoing initiative with developing a service offer portfolio is an important step in handling this hindrance. However, the portfolio should specify holistic bundles rather than merely individual logistical solutions to be of value. Furthermore, the portfolio could help address the problem with the lack of a good overview of ALO's service offerings. Currently, business areas and front-end functions possessing deep knowledge regarding dealers' and end-customers' needs cannot easily provide input on whether the service offerings are suitable as they are not clearly specified. This makes it challenging to tailor the offerings effectively, which is imperative when implementing customer-centricity (Pardo-Jaramillo et al., 2020). The clear visualisation the portfolio provides also likely facilitates continuous improvement work, as it becomes easier to track if a service is missing or must be modified following changes in customer preferences. Shah et al. (2006) emphasise that continuous improvement is critical for sustaining customer-centricity in an organisation.

Another hindrance within this category relates to the lack of attention to the service offerings for the return flows. As the customer experience is determined by the organisation's activities at all touchpoints (Lemon & Verhoef, 2016), the skewed focus on the forward flow must be addressed to achieve customer-centricity. Some interviewees argued that stricter environmental regulations and high pressure on cost-efficiency should make aftermarket organisations more interested in setting up efficient return flows.

5.2.3 Individual

The empirical findings show that both aspects related to senior management and lower-level employees can hinder the implementation of customer-centricity in the aftermarket context.

Senior Management

According to the interviewees, senior management commitment is critical in ensuring that the customer-centricity initiative turns out successful. This confirms the view presented by e.g., Lamberti (2013) and Shah et al. (2006). Since the shift from product-centricity comprises a change in the fundamental aspects of organisational design (Galbraith, 2011), it seems reasonable that senior management commitment is heralded as crucial. Moreover, it could be argued that stronger commitment must not only be exercised by senior managers within ALO but also in Alpha. ALO depends on the business areas to understand its customers and to deliver aftermarket logistics services since they are interconnected with other aftermarket services. Consequently, there needs to be a continuous dialogue on senior management level between ALO and Alpha, where issues related to the implementation of customer-centricity are discussed. Without such management support, it could also be challenging to realise the necessary cultural change when shifting to customer-centricity (Kumar et al., 2006). This as, the organisational culture in an aftermarket organisation cannot likely be entirely decoupled from the commercial organisation's culture.

The findings further show that senior managers' commitment also influences the commitment of lower-level employees, which supports Hemel and Rademakers (2016) observation. Thus, as some interviewees from ALO argued, customer-centricity must be set on top of all agendas, and decisions by management should be motivated based on how it positively affects the dealer's or end-customer's overall experience. As senior management currently focuses on the narrower concept, dealer simplicity, the sense of urgency for shifting to customer-centricity is reduced. Moreover, earlier strategic initiatives within ALO have failed to fully materialise at the functional level because the commitment has not been sustained. One key reason for this issue is that senior management within ALO regularly receives new strategic directives from AutoCorp, which also illuminates how power dynamics might hinder aftermarket organisations from driving larger changes. Shah et al. (2006) suggest that the commitment can be enhanced by letting senior managers regularly visit the customers. Likewise, the benchmark against healthcare showed that patients are invited to management meetings to confront managers directly with their experiences. It could also be wise to define long-term measurable goals regarding the customer-centricity initiative and tie incentives to the progress. However, as pointed out by a few interviewees and Hemel and Rademakers (2016), high commitment should not imply rigorous micromanagement. To consistently align with the customers' needs, the customer-centric organisation should allow employees to continually explore new ideas.

However, the findings show that senior management commitment is not enough. As Shah et al. (2006) explain, the lack of guidance in such a radical change from product-centricity is problematic. The confusion among functions is likely reinforced due to the ambiguity of who the customer is. Likewise, it was observed that several managers do not understand the end-to-end perspective of the value chain and, therefore, cannot explain how employees should manage the overall customer experience. Hence, senior managers should be educated about the aftermarket supply chain from an end-to-end perspective. Furthermore, the manager from the benchmarked manufacturing company argued that the customer-centric vision can be diffused more efficiently if the senior managers have well-developed informal networks. This argument is likely valid in ALO, as the strong silo orientation might make it challenging to spread information through formal mechanisms (Galbraith, 2011). Another option could be to assign customer-centricity champions with an extensive personal network across the functions. A group of employees within ALO already understands the customer-centric business approach and is eager to educate others about it.

Employees below the managerial level

The empirical findings show that the less experienced front-end employees often fail to establish good and trustworthy relationships with the dealers and end-customers, leading to a negative overall customer experience since problems are not managed properly and customers' needs are misinterpreted. Similarly, Lamberti (2013) states that the inability of employees to interact effectively with the customers represents another hindrance to achieving customer-centricity. To address this hindrance, ALO should enhance its knowledge management systems to ensure that best practices are shared. In addition, more extensive education should be provided to new employees before letting them manage the interactions with selected customers themselves. It could also be argued that front-end employees should first have worked in the back-end functions to understand how ALO's offerings may add value and build up personal networks that can be utilised to resolve errands more efficiently.

As all employees within a customer-centric organisation should understand the customers' needs (Habel et al., 2020; Ulaga, 2018), it is insufficient to merely rely on front-end employees to possess such knowledge. Nevertheless, the inefficient cross-functional communication about customer insights within ALO hinders back-end functions from receiving necessary information, leading to reduced customer focus in service development. Section 5.2.4 presents suggestions on how this hindrance may be addressed. However, it is likely unwise, as suggested by Hemel and Rademakers (2016), to compel all back-end employees to have direct contact with the customers. The manager from the benchmarked manufacturing company argued that the technical specialists lack sufficient time for and interest in handling customer relationships. Likewise, the participants from the first focus group concluded that it would be too time-consuming to convince all back-end employees to intensively engage with customer-related issues directly.

Another hindrance relates to the product-centric mindset. Several employees believe that ALO should merely focus on delivering aftermarket logistics services according to a list of requirements provided by Alpha. This belief makes employees less willing to understand the customer themselves. Furthermore, the product-centric mindset is also noticed in the “hero of the day” mentality, primarily a consequence of the high pressure in aftermarket supply chains to resolve problems quickly as downtime is costly (Cohen et al., 2006). Since it is difficult to directly address people's inner beliefs (Fredberg & Pregmark, 2018), ALO must consider alternative measures. One option for addressing the aforementioned mentality could be to apply a common rule within ALO to organise root-cause meetings when problems arise. Moreover, the manager from the manufacturing company suggests that senior management can help employees change their product-centric mindset by communicating a set of fundamental values representing the customer-centric business approach. In addition, interviewees from ALO and the benchmark against healthcare highlighted that it is crucial to start discussing more in terms of customer experience rather than technicalities of services. This will likely help make the customers’ needs the focal point of the business, which is essential in customer-centric organisations (Habel et al., 2020; Hemel & Rademakers, 2016). However, Galbraith (2012) highlights that the mindset is fundamentally formed by behaviours, in turn, resulting from the organisational design. Consequently, by addressing the other hindrances, ALO will enhance the possibilities to change the product-centric mindset.

5.2.4 Intra-organisational

The strong silo-orientation within ALO clearly poses an intra-organisational hindrance to achieving customer-centricity. This aligns with e.g., Galbraith (2011) view on the problem of silo-oriented organisational structures. The reasons to why the functional structure is well-established within ALO are presented in section 5.1. Furthermore, the silo-orientation within ALO makes functions primarily engaged in solving their specific issues instead of fulfilling customer needs, which supports Shah et al. (2006) observation. According to the interviewees and Adrodegari et al. (2017), a customer-centric organisation should be able to manage the overall customer experience effectively. Since this requires a concerted effort from all the service areas (Grönroos, 2016), the silo-orientation evidently implies challenges. It could also be argued that there is a silo-mentality between the groups within AutoCorp. For instance, despite that the production logistics group has long offered tracking solutions, ALO has yet not collaborated with them to learn how these can be applied in the aftermarket supply chain.

Nonetheless, ALO will need to contemplate alternative measures as it is difficult to change the organisational structure directly.

According to some interviewees and the manager from the benchmarked manufacturing company, one option could be to assign roles in each function with end-to-end responsibilities. This measure relates to Shah et al. (2006) suggestion that customer-centric organisations should create roles accountable for managing the overall customer experience. Moreover, end-to-end roles seem logical as they must consider the effects on all stages of the aftermarket supply chain from the functional activities, which shifts focus to the customer needs instead of technicalities. Some customer needs have clearly been relatively neglected due to unclear roles and responsibilities related to the customer experience. For instance, tracking services that require resources from several functions are not offered despite being requested for decades. The findings also indicate that job rotations could be used to reduce the silo-orientation. It could be especially interesting for back-end employees to visit the service centres to understand the customers' pain points better.

The strong silo-orientation and unclear responsibilities also contribute to the inefficient cross-functional communication within ALO. Adrodegari et al. (2017) and Ramani and Kumar (2008) describe this as another fundamental hindrance to achieving customer-centricity since the lack of efficient customer data sharing creates misalignments in what different functions provide. These misalignments reduce the customer's overall experience (Lemon & Verhoef, 2016). The empirical findings point to several plausible measures in this regard. First, ALO can establish more "communities" within the organisation to enable specialists to explore customer needs together. In addition, the community structure will remove hierarchies, which often get overloaded and impede efficient information sharing (Galbraith, 2011). Likewise, the manager from the benchmarked manufacturing company declared that cross-functional forums must be established, where employees can freely discuss issues which transcends functional boundaries. Second, the root causes to the non-value-adding work in the service-centres must be addressed as they do not have the required time to take on the role as knowledge brokers related to customer insights, as described by Verbeke et al. (2011). Finally, although cross-functional meetings are necessary to ensure efficient cross-functional communication, merely instituting additional meetings will likely have limited effect. As mentioned, clear roles and responsibilities connected with the customer experience are needed to ensure that the communication is not permeated by specific technical issues.

Interestingly, Lamberti (2013) argues that the inefficient cross-functional communication may also result from organisational politics. Functions in product-centric organisations may withhold information to ensure that functional issues are prioritised as they are not primarily assessed on how well the overall customer needs are satisfied (Gaurav & Shainesh, 2017). This mode of performance assessment was observed in ALO. However, it would be a grave simplification to assume that the resistance within ALO merely stems from the performance measurement systems. The generally high profitability in AutoCorp and traditional cost focus in aftermarket logistics operations likely reinforce some people's willingness to preserve product-centricity. Furthermore, according to the manager from the benchmarked manufacturing company, resistance issues can be handled by removing people who are unwilling to change. However, it is essential to first have an honest dialogue as the people who resist might have valuable feedback regarding how to improve the customer-centricity initiative (Buchanan & Badham, 1999).

5.2.5 Inter-organisational

Service-oriented and customer-centric organisations must be able to engage in value co-creation with their customers (Grönroos & Voima, 2013; Hemel & Rademakers, 2016). According to the interviewees, most services are currently developed internally without any significant involvement of the customers since ALO is somewhat unable to co-create customer experiences. For instance, the poorly designed complaint management system could have been more user-friendly if dealers had been involved in the development of the system.

The power distribution in the aftermarket context influences to what extent ALO can engage in co-creation. First, Alpha restricts ALO's interactions with individual dealers and end-customers. The lack of sufficient close and direct interaction with customers makes it challenging to understand the VOC and co-create value (Grönroos, 2011). Thus, it seems wise for ALO to gather the actors from the supply chain and explain the positive impact on total value creation if employees from ALO can meet customers more frequently and expand the means of interaction. In this regard, it is likely important to have customer-centric metrics that may elucidate the benefits of co-creation (see e.g., Clark & Myers, 2018; Shah et al., 2006). Considering that the aftermarket business often is essential for building customer loyalty (Saccani et al., 2006), business areas should be interested in helping ALO. Nevertheless, as pointed out by several interviewees, ALO must work more actively with establishing a better collaboration with Alpha instead of waiting for them to take the initiative. Since aftermarket organisations are usually regarded as cost centres (see e.g., Lele, 1997; Cohen et al., 2006), the commercial organisations might expend limited effort in actively trying to engage them in discussions related to the customer experience.

There is also a hindrance related to ownership if considering the dealer to be the customer. Many dealers that serve Alpha's end-customers are not owned by AutoCorp and often collaborate with several other OEMs. Consequently, ALO oftentimes finds it difficult to convince dealers about the value of deeper cooperation as they lack sufficient incentives. This supports Lamberti (2013) notion concerning that the lack of cooperation from intermediaries impede implementation of customer-centricity. Although it might facilitate relationship-building if AutoCorp takes full control of dealers, the cost of doing so could be too high as the customer base for a dealer might be small if only providing branded parts from Alpha.

Interestingly, no interviewee mentioned explicitly that the suppliers can hinder ALO's customer-centricity initiative. This could be explained by the lack of an end-to-end mindset among many employees. In contrast, Lamberti (2013) states that the suppliers could impede the implementation of customer-centricity by refusing to make necessary adaptations. According to Cohen et al. (2006), the shift to providing customised aftermarket services will require more agile aftermarket supply chains that put stricter requirements on suppliers. Generally, the suppliers will not agree on the more challenging terms if they cannot capture a part of the increase in total value (Crecelius et al., 2019). Thus, it seems wise for ALO to work proactively by explaining upfront to their suppliers what changes they should expect.

5.2.6 System

The theoretical framework outlines two groups of system-level factors that might hinder organisations from achieving customer-centricity: the digital infrastructure and performance measurement systems. ALO experiences hindrances related to both these factors. Performance measurement is elaborated on in section 5.3.4.

In order to achieve customer-centricity, organisations should possess extensive data about customers on an individual level (Gaurav & Shainesh, 2017; Wagner & Majchrzak, 2006). The interviewees argue that ALO cannot continually collect such customer data manually due to the diverse base of dealers and end-customers. However, ALO currently also lacks the required digital infrastructure. The benchmark against healthcare organisations conveys that these organisations have substantially increased their investments in digital systems to become better in providing customised offerings. Likewise, ALO could utilise customer data mining and predictive analytics to facilitate individual customers' planning and ensure parts availability more cost-efficiently through better forecasts. Considering the erratic demand patterns in aftermarket supply chains (Andersson & Jonsson, 2018), the value of investing in such predictive analytics appears high.

Furthermore, the existing digital systems environment within ALO makes it challenging to align service offerings and processes with customer needs, which is essential in customer-centric organisations (Fader, 2020). A key problem is the inefficient system integration as several of ALO's systems are not compatible with the dealers', Alpha's, and end-customers' systems. For instance, the larger customers within Alpha's segment Y, want to place orders in their own systems instead of learning and using ALO's system. Consequently, it seems wise for ALO to develop new systems that have greater compatibility. This would also enable ALO to gain access more easily to customer data possessed by other actors, which may further enhance the sensing of customer needs. Since the investments might be significant, it could be argued that ALO should make a joint investment together with the business areas.

Another identified hindrance related to the digital infrastructure is the lack of high-quality customer data that can be used in analytics applications to derive customer insights. The empirical findings show that this hindrance stems from three major issues. First, employees lack knowledge regarding how to create good customer data. This knowledge gap could be addressed through the existing mentorship programmes by utilising the in-house competence in the analytics function to manage differences in digital maturity levels. As some customer data is sent from Alpha, selected representatives from Alpha should also be invited to the programmes. Second, the data about dealers' and end-customers' needs is fragmented since different actors in the aftermarket supply chain possess different parts and do not share them with each other adequately. Hence, this inefficient data sharing between the actors makes it challenging for ALO to adopt an end-to-end perspective. To mitigate this problem, it is likely necessary with a coordinated effort from all actors in the supply chain. Finally, data privacy regulations might restrict customer data usage. A similar problem was identified in the benchmark against healthcare and by Hemel and Rademakers (2016). Consequently, ALO should oversee what customer data can be used and which barriers the restrictions on sharing customer data across regions and organisations in the aftermarket supply chain impose on managing the overall customer experience.

Nevertheless, although digital technologies have an important role in achieving customer-centricity, they should not be implemented haphazardly. The interviewees and benchmarks regard digital tools as enablers for understanding the customers. Thus, product-centric organisations, like ALO, should seek to retain the human contact with customers when transitioning to customer-centricity, especially in relation to value co-creation. This is supported by Grönroos (2016).

5.2.7 Financial

In line with the theoretical framework, the empirical findings show that there is a significant cost associated with the customer-centricity initiative. Since cost-efficiency is a critical factor in aftermarket supply chains (Cohen et al., 2006), the cost comprises a prominent hindrance. For instance, it is not feasible for ALO to have all articles in stock and provide tailored delivery options to each customer, given the large product base and high depreciation as well as obsolesce costs for spare parts (de Souza et al., 2011). However, high cost-efficiency will not be sufficient as competitors increasingly provide comparable services and as customers demand more customised aftermarket services (Durugbo, 2020; Sheth et al., 2020). Considering that not all aftermarket organisations cooperate with premium brands, the high cost of implementing customer-centricity is likely not motivated for some of them. This supports Lee et al. (2015) notion concerning that the market conditions should be taken into consideration before choosing business approach.

Moreover, the significant cost associated with developing customised offerings could particularly imply dissatisfaction among customers from smaller business areas like Alpha. This as, the larger ones utilise their power advantage to influence resource allocation decisions. To ensure that customer needs from all business areas can be satisfied, ALO must find a cost-efficient service offer structure. One option could be to create a basic core for each service offering and add differentiating layers to retain some of the scale efficiencies that Lamberti (2013) notes customer-centric organisations loose when shifting focus from optimising internal efficiency. Another problem is that ALO currently does not charge all services it provides properly. Likewise, Kindström et al. (2013) state that it is often challenging to understand the value of a service offering compared to products. The ongoing work with the service offer portfolio is essential in this regard. The portfolio enables ALO and Alpha to motivate to customers what services they are paying for. In addition, it can be used by the organisations to define and visualise the services that should be charged. Kindström et al. (2013) note, however, that the true value of more advanced services cannot be estimated merely by scrutinising the organisation’s service offering. Employees must also understand the customers’ processes in-depth to choose a reasonable pricing model. This understanding is relatively low today but can be enhanced by developing the capability for capturing the VOC, discussed in section 5.3.1.

Gummesson (2008) and Fader (2020) state that high costs hinder customer-centric organisations from providing customised offerings to all customers. Likewise, some interviewees suggested that ALO must develop cost-to-serve metrics that can be used to assess what cost a customer incurs for ALO. If the cost-to-serve is low, it indicates that the customer is good at planning and possesses the required resources to apply ALO's services effectively. Consequently, the overall cost might be reduced by targeting specific dealers or end-customers with customised offerings. However, care should be taken that such metrics do not imply a strong inward focus on cost-efficiency in development decisions.

5.3 Capabilities Supporting the Customer-Centricity Initiative

The following section analyses how ALO can develop the basic capabilities described in the theoretical framework to accelerate its journey towards customer-centricity. This analysis complements the suggested measures discussed in the previous section to answer the second research question. As figure 5.1 shows, the studied capabilities can be conceptualised in a certain order. The first step is to gain a deep understanding of the customer, as it is required to develop the other capabilities (Clark & Myers, 2018; Grönroos, 2017; Kang & James, 2004). Following this, customer-centric metrics must be developed that can be applied to assess if value is created and whether the delivered service quality is high. The insights from the customer-centric performance measurement will elucidate the level of customer satisfaction. If there is dissatisfaction, ALO must enhance the development of the other capabilities.

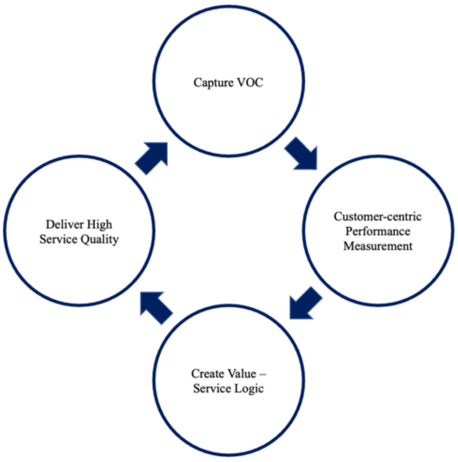

Figure 5.1: The required capabilities product-centric aftermarket organisations should develop to implement customer-centricity successfully.

5.3.1 Capturing the Voice of the Customer

Due to the aftermarket supply chain structure, ALO may capture the VOC either by directly eliciting customer needs or indirectly through communication with Alpha. Nevertheless, ALO currently lacks a deeper understanding of the customers' needs. Without such a deep understanding, the organisation cannot achieve customer-centricity (Lamberti, 2013; Shah et al., 2006). According to Griffin and Hauser (1993), there are three fundamental parts of capturing the VOC: collecting, structuring, and prioritising customer needs. ALO experiences challenges with each part, although the latter two are particularly neglected. These parts are analysed using insights from the literature and benchmarks to identify how ALO may improve its capability to capture the VOC.

Collecting Customer Needs

Regardless of which method is applied to collect customer needs, it is essential first to understand how a need differs from customer wants (Ulwick & Bettencourt, 2008). Likewise, the manager from the benchmarked manufacturing company proposed that common frameworks outlining what a customer need constitutes should be developed. As especially back-end functions within ALO somewhat lack this understanding, discussions around customer insights often imply confusion, which has reinforced the hindrance regarding inefficient cross-functional communication. Furthermore, ALO and Alpha must apply the same terminology to ensure that customer insights are communicated efficiently. Thus, it would be of value to create a digital wiki comprising clear descriptions of customer needs, accessible to employees from both organisations. As the empirical findings elucidate, ALO does not, to a significant extent, elicit end-customers' needs directly. It could be argued that this is not a major problem from a customer-centricity perspective if the dealer is considered the customer. However, several interviewees argued that ALO should, regardless, start interacting more with end-customers to understand their needs better. This seems wise as the end-customers' needs irrespectively affect how dealers organise their work and thereby the dealers' requirements on ALO's service offerings.

Moreover, the methods ALO uses to elicit dealers' needs mainly capture explicit needs. The primary structured method, dealer surveys, only provides ALO with superficial information about dealers' immediate concerns. Likewise, Gremyr et al. (2020) and the benchmarks highlighted that surveys are insufficient to identify latent needs effectively. Nevertheless, the findings show that the surveys may be improved. First, similar to what Griffin and Hauser (1993) point out, the questions should focus more on the dealers' experiences than specific logistical solutions. Second, the surveys should be designed and analysed by cross-functional groups to gain a holistic assessment of the dealers' experience, considering that ALO provides a variety of services. In addition, since the shift to customer-centricity is expensive (Fader, 2020), and lots of dealers believe filling out surveys is time-consuming, it seems wise to focus on enhancing the ability to collect latent needs rather than increasing the survey frequency. Radziwill and Freeman (2018) argue that explicit needs also can be collected from registered customer complaints. ALO fails to utilise this approach adequately as the many complaints' dealers file are not gathered efficiently. Thus, ALO could develop an intuitive digital platform that enables a more automated collection of customer feedback, providing continuously updated information. By gathering all feedback from distinct channels into one platform, it will likely be easier to illuminate the most critical explicit needs to address. The criticality assessment can, in turn, indicate within what areas ALO should seek additional customer feedback.

The interviewees further stated, in line with the benchmarks and González Bosch and Tamayo Enríquez (2005), that ALO uses site visits for identifying latent needs. Although most interviewees believe the visits should be conducted more regularly, there are issues with the current format. One crucial improvement area concerns convincing Alpha to allow more site visits to smaller customers, as the perceived experiences of larger ones are not representative for the entire customer base (Habel et al., 2020). Moreover, customer needs are collected through the interaction between ALO's front-end employees and customers on an ad-hoc basis. However, since the dialogues focus on operational issues, partly because of global supply chain disruptions, merely explicit needs are usually collected. Thus, it might be valuable to assign new roles in the service centres, responsible for aggregating and compiling broader customer insights than complaints. These roles will also aid service centres in becoming the knowledge brokers related to customer insights, described by Verbeke et al. (2011). This will further improve the dissemination of the VOC throughout ALO. Likewise, the role of DIM coaches could be expanded to a general advisory role for all ALO's services, enabling them to acquire more comprehensive customer insights. This supports Kindström et al. (2013) notion regarding the importance of having clear roles for gathering customer feedback in service-oriented businesses.

The theoretical framework and benchmarks further provide information concerning how one might better collect latent needs. Tueanrat et al. (2021) highlight that customer journey mapping allows companies to understand a customer's latent needs by analysing all its touchpoints with the company's offerings. Interestingly, the benchmark against healthcare organisations shows that this method can be improved using experience-based co-design, where the customers also make their own maps. This as, more profound insights can be derived through a comparative analysis. However, a challenge for ALO might be the difficulty of gathering the stakeholders. One plausible option could be to hold experience-based co-design sessions during the dealer councils. Furthermore, the manager from the benchmarked manufacturing company claimed that latent needs might be identified by testing novel ideas in experiments with customers. This was supported by some interviewees who emphasised that ALO should develop services iteratively together with the customers. It could be argued that this experimentation also provides essential contextual knowledge about the customers' processes, which Grönroos (2017) notes is key to succeed with value co-creation. Since ALO has a large customer base encompassing customers with varying degrees of experience, ALO must find lead users of the service offerings who can articulate their experiences well. This view on lead-user experimentation is supported by Lüthje and Herstatt (2004). The intangible nature of logistics services makes it particularly challenging for customers to share their experiences (Goffin et al., 2012).

Although the common view in previous research is that customer-centric organisations should have close contact with their customers to directly elicit customer needs (Hemel & Rademakers, 2016; Shah et al., 2006), it seems reasonable in this context to also rely on indirect collection. Alpha possesses broader knowledge about the customer's context since they are not merely responsible for the aftermarket logistics services, and have control over the business relationships. Kindström et al. (2013) state that it is essential to define clear feedback systems and roles when capturing customer insights from external partners. The current system is relatively ad-hoc as information about customer needs is shared in an unstructured way in meeting forums between ALO and Alpha. In addition, as Alpha focuses too much on urgent operational issues, mainly explicit needs are collected. Considering the variety of services ALO provides and strong silo-orientation, the responsibility for registering customer needs should likely be shared across all functions to ensure effective and efficient dissemination of customer insights. Consequently, as shown in the findings, it seems unwise to have one key account manager within ALO responsible for collecting all customer insights from Alpha. This points to the need to better use the established cross-organisational forums between ALO and Alpha. A key measure here is to assign dedicated roles for managing the customer experience in each function to ensure that it gets attention (Shah et al., 2006). Another problem was the lack of knowledge among some key account managers within Alpha about aftermarket logistics operations. ALO could try to educate them about aftermarket logistics and provide a list of important factors they should consider when listening to the customer.

Structuring the collected customer needs

Since the collection phase usually generates lots of customer needs, it is vital to be able to structure the needs neatly (Takai & Ishii, 2010). Similarly, it was observed that the lack of a structured overview of the customers' needs within ALO made it difficult to share customer knowledge throughout the organisation. One common approach for structuring customer needs presented in the theoretical framework is the affinity diagram. This approach is based on grouping the collected customer needs based on the degree of association (Griffin & Hauser, 1993). It is important here to separate between insights about end-customers and dealers to ensure that the needs are defined correctly (Bergman & Klefsjö, 2010; Griffin & Hauser, 1993). Furthermore, the process of developing the affinity diagram might be as valuable as the output. This is because the diverse stakeholders within an aftermarket organisation could gain a deeper understanding of the customers' situation through the discussions, and thereby strengthen the customer focus in service development. In addition, Griffin and Hauser (1993) state that the affinity diagram supports different stakeholders to reach a consensus on the central operational- and strategical needs. Consequently, the resulting structure can be used as a collaboration tool in meetings between ALO and Alpha to address the problem concerning that mainly operational issues are discussed. The structured overview may also help ALO create accountability for addressing the customer needs by mapping it onto the service offer portfolio and delegating responsibility. However, Takai and Ishii (2010) highlight that the grouping in the affinity diagram might be biased. To reduce the bias, people from ALO' different functions should create the diagram collectively.

Prioritising customer needs

Like Matzler et al. (1996), the interviewees argued that it is not feasible to satisfy all customer needs. However, they could not present any concrete method ALO utilises for prioritisation. Considering this, it seems wise to initially avoid the complex mathematical prioritisation models. Thus, a comparatively simple approach is the Kano model, described in the theoretical framework. This model is based on categorising the customer needs based on how the level of fulfilment affects customer satisfaction and dissatisfaction, respectively (Gremyr et al., 2020).

Some interviewees believed ALO should involve dealers' and end-customers' when prioritising needs, which seems wise as they ultimately experience the work of all functions. In addition, Alpha representatives could be involved to provide input concerning the feasibility of providing certain logistics services as they better understand the limitations of the other aftermarket services. Furthermore, the findings indicated that prioritisations should be performed iteratively to account for changing market conditions, which is supported by Mikulić and Prebežac (2011) in relation to the Kano model. Another problem ALO faces is that the larger business areas often seek to influence prioritisations. Thus, the level of customer-centricity related to customers from smaller business areas like Alpha might be lower. This points to the need of clear senior management guidance to ensure that ALO's resources are allocated in a balanced way. Moreover, ALO cannot merely base the prioritisations on customer-related factors. This connects to the discussion about balanced centricity (Gummesson, 2008). Indeed, ALO will likely need to deliberately choose not to fulfil certain needs to ensure that e.g., financial goals are reached. Hence, senior management within ALO should set clear guidelines to elucidate to which extent different customer needs can be met and how trade-offs should be managed.

5.3.2 Customer-Centric Performance Measurement

The literature shows that performance metrics support organisations with assessing the efficiency of internal operations and the effectiveness of their offerings (Bititci et al., 2012; Gaiardelli et al., 2007). Likewise, ALO has defined metrics that provide such assessments. In particular, the DSI metric gives an indication of spare parts availability. However, the choice of performance metrics also reflects an organisation's strategic priorities by incentivising certain behaviours (Bonacchi & Perego, 2011). ALO clearly lacks customer-centric metrics. In line with e.g., Shah et al. (2006) and Lamberti (2013), the interviewees and benchmarks argued that the lack of such metrics hinders ALO from implementing customer-centricity as employees become immersed in solving narrow functional issues. Furthermore, it is somewhat logical that ALO has yet not applied customer-centric metrics to a notable extent. The cost has always been considered vital in aftermarket logistics (de Souza et al., 2011), and the cost centre arrangement of aftermarket organisations further reinforces the focus on cost optimisation (Lele, 1997). Participants from the second focus group also noted that the senior management has not provided sufficient support to change the current performance measurement systems. Galbraith (2011) concluded that this management support is critical to redesign an organisation's performance metrics. Nevertheless, the sense of urgency to add customer-centric metrics has increased within ALO due to intensified competition in the aftermarket supply chain. ALO has realised that, as Grønholdt et al. (2015) and Durugbo (2020) point out, managing the soft attributes of the overall customer experience is essential to sustain competitiveness.

The empirical findings and theoretical framework give several insights into how customer-centric metrics could look like in the aftermarket context. The benchmark against healthcare organisations and Hemel and Rademakers (2016) highlighted that it is essential to measure the customer's service delivery experience. In relation to this, some interviewees argued that ALO could assess how dealers or end-customers perceive the quality of interactions with front-end employees and management of the orders. Although information somewhat related to the service delivery experience can be derived from the dealer surveys, the low frequency implies that the information is not up to date. A plausible option could be to request customers to fill out a short survey after the conclusion of each case comprising specific questions associated with the individual customer experience for a particular order.

Furthermore, Lamberti (2013) emphasises the importance of assessing the customer satisfaction since a customer-centric organisation should support the customers with fulfilling their needs. Likewise, Cohen et al. (2006) state that customer satisfaction will become a vital factor for ensuring high competitiveness in increasingly competitive aftermarket supply chains. Interestingly, several interviewees from ALO believe that customer satisfaction can already be measured, whereas others claim there is no such data available. Consequently, the customer data in ALO's databases should be visualised better to clarify which information can be deduced. Moreover, Clark and Myers (2018) present the NPS as a useful metric for customer-centric organisations to assess customer loyalty. Both the interviewees and Durugbo (2020) argued that high customer loyalty is essential to retain customers amid the intensified competition. However, customer loyalty can be difficult to assess solely by an aftermarket organisation as the customers' assessments are coloured by the actions of and offerings from other actors, such as the busines areas. Thus, the assessments should be analysed and addressed in close collaboration with the business areas. The lack of customer focus within ALO could further be mitigated by assessing the CLV. This metric enables ALO to consider the customer as an organisational asset (Verhoef et al., 2010). Furthermore, as the CLV gives an indication of the future cash flows from each individual customer (Lamberti, 2013), it is possible to derive the relevance of investing in enhancing the customer experience. This information may be used to convince the stakeholders in the aftermarket supply chain about shifting to customer-centricity, even if the initial cost is significant.

In the second focus group, the participants mentioned that uptime should be considered a critical metric as it is what end-customers value the most. As ALO only provides logistics services, the uptime is not solely determined by the organisation's activities. Hence, if a low score is observed, ALO should together with the business areas and dealers seek to identify the root causes of the negative impact on uptime. In addition, it seems wise to avoid using aggregated metrics for assessing uptime. This as individual end-customers might have different demands on uptime, and as a customer-centric organisation should not be content with observing average customer performance (Fader, 2020; Verhoef & Lemon, 2013). Moreover, ALO must develop the required digital systems and consider data sharing restrictions between actors in the aftermarket supply chain to make proper assessments on an individual customer level. For instance, IoT devices can provide useful information for assessing uptime, but customers may be reluctant to continually share their geographical location.

Ultimately, having a sound performance measurement system is imperative because it sets the strategic direction (Bonacchi & Perego, 2011). However, ALO should be careful with completely redesigning its current system. If it only starts assessing customer-centric metrics, the critical balance between product- and customer-centricity can be lost (Gummesson, 2008). This aligns with the argumentation from the benchmark against healthcare organisations. The interviewees pointed out that healthcare organisations must assess performance according to a balanced scorecard comprising multiple dimensions apart from the patient experience since significant costs cannot be incurred. Likewise, cost-efficiency will always be vital in aftermarket supply chains (de Souza et al., 2011). In addition, both the interviewees and Gatenholm et al. (2021), emphasise the importance of assessing environmental performance in the aftermarket. Consequently, ALO should develop a balanced scorecard where it adds the customer-centric and environmental metrics to the existing ones.

5.3.3 Creating Value – Service Logic

The prevailing inward-oriented mindset implies that ALO mainly focuses on developing aftermarket logistics services according to Alpha's requirements, and then pushing them out to the customers. This approach contrasts with how value creation should proceed in customer-centric organisations (see e.g., Grönroos & Voima, 2013; Hemel & Rademakers, 2016). Furthermore, Grönroos and Voima (2013) highlight that two main areas need to be reconsidered when shifting to a service logic perspective on value creation: the stakeholders' roles in the process and how the service provider should interact with them. The analysis of how ALO may develop this value-creating capability is based on the value creation spheres outlined by Grönroos (2017). Figure 5.2 provides an overview of this analysis.

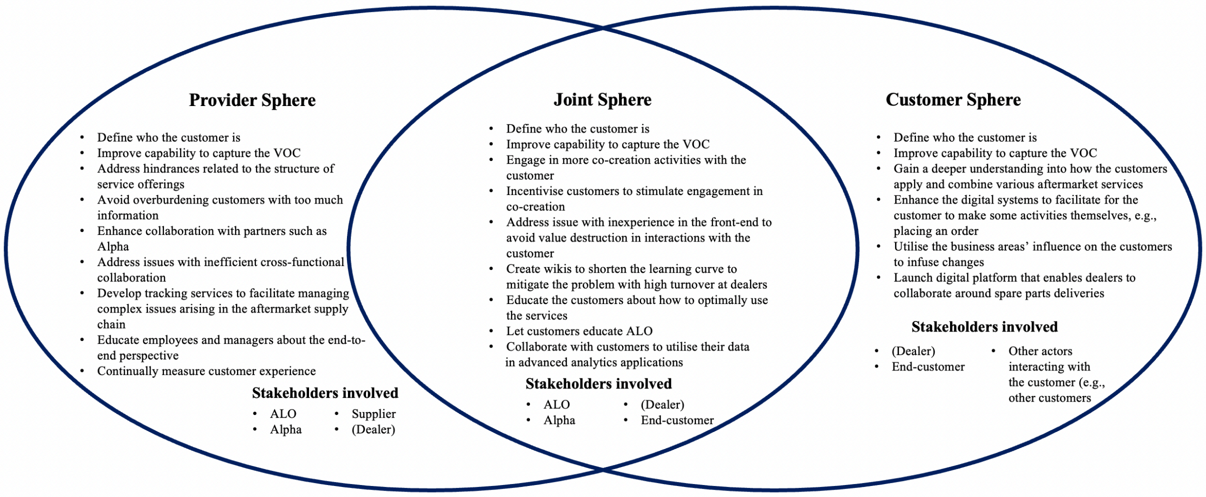

Figure 5.2: Analysis of which aspects ALO should consider in each of the value creation spheres outlined by Grönroos (2017). The figure also shows which key stakeholders are involved in each sphere. Note that the dealer is marked with a parenthesis since its presence in the different spheres varies depending on who is considered the customer.

ALO should consider two fundamental issues in each of the spheres. First, it is essential to define who the customer is. The importance of clearly defining the customer can be explained by the fact that customers are active value creators (Grönroos, 2011). Consequently, it is essential to understand with whom ALO should interact, and which value-creation processes it should facilitate. Second, ALO should develop its capability to capture the VOC, as a deep customer understanding is required to optimally facilitate customers' value creation processes (Vargo & Lusch, 2004; Kindström et al., 2013). In addition, the findings and literature (see e.g., Brozovic et al., 2016) show that the VOC should not be captured sporadically but continually as customer preferences may quickly change.

Provider Sphere

The provider sphere comprises all activities ALO performs without the customer to facilitate its value creation process (Grönroos, 2017). Furthermore, as ALO merely provides aftermarket logistics services, it will always be reliant on partners to provide complementary services. For instance, a delivered spare part to the end-customer has little value if the dealer does not offer the repair service in time. This reliance on partners in service-oriented businesses has also been acknowledged by Grönroos and Voima (2013) and Kindström et al. (2013). Since it was evident that the collaboration nor information sharing between ALO and Alpha related to fulfilling customer needs work efficiently, ALO must expend effort into managing these issues. One option mentioned during the second focus group is to institute root-cause meetings between the service centres in ALO and representatives from Alpha, to enable a fruitful discussion around the main customer pain points. Likewise, the service offer portfolio might be used as a collaboration tool by the different actors to understand if the provided services are sufficient to fulfil the customer needs.

The potential value of the service offering will further be enhanced if ALO addresses the hindrances related to the structure of the service offerings. Additionally, as one interviewee pointed out, ALO should become better in communicating the right information to customers about the services to avoid overburdening them with irrelevant details. This relates to Hemel and Rademakers (2016) conclusion regarding that a customer-centric organisation should not confuse the customer with too many choices. The empirical findings also point to the criticality of enhancing the end-to-end perspective and working iteratively in the development processes to maximise the value-in-use. Likewise, the intra-organisational hindrances must be addressed as the front-end functions in ALO possess deep customer knowledge that should be utilised in service development to tailor offerings effectively (Grönroos & Voima, 2013).

Nevertheless, ALO and Alpha must not only collaborate regarding development issues. Several problems arising related to spare parts deliveries cannot be managed solely by an aftermarket logistics provider (Cohen et al., 2006). Currently, these problems are often managed reactively due to the lack of tracking solutions that can help the different actors in the supply chain pinpoint where issues occur. Thus, the existing digital systems should be improved to facilitate for the actors to collectively resolve problems that impose barriers on customers' value creation. Finally, ALO must address the issue concerning the lack of customer-centric metrics since it is crucial to continually assess how the customer experience is managed. This as the level of value facilitation (Grönroos, 2017), cannot easily be continuously improved if there are few concrete indications on how successful ALO is in facilitating customers' value creating processes.

Joint Sphere

Grönroos (2016) describes the joint sphere as encompassing the co-creation activities between ALO and its customers. Such value co-creation is crucial in customer-centric organisations (see e.g., Habel et al., 2020; Shah et al., 2006). As mentioned, the power distribution in the aftermarket supply chain often restricts ALO from interacting more closely with customers to establish co-creation platforms. Thus, ALO should actively work with Alpha to overcome the identified inter-organisational hindrances. Moreover, as highlighted by some interviewees and

Grönroos (2017), customers might be reluctant to expend effort in co-creation without incentives. In particular, if dealers are considered the customer, they have hectic businesses and often cooperate with several other organisations. Nonetheless, cost-to-serve metrics can be used to identify skilled dealers, who are then provided with targeted incentives to stimulate co-creation.

Karlsson and Skålén (2015) argue that value co-creation activities can imply value destruction if the front-end employees cannot establish well-functioning customer interactions. These problems were observed in relation to the service centres and DIM function due to inexperience among some employees in the two functions. Hence, ALO must ensure that the employees have the required skills and competence, which was discussed in section 5.2.3. Interestingly, some interviewees highlighted that the efficacy of value co-creation, if the dealer is considered the customer, might also be reduced due to high turnover at the dealers. The frequent rotations imply that it is difficult to create a solid collaboration platform with the dealers' representatives. This issue cannot be addressed solely by ALO, but it could be valuable to set up a wiki that is shared with the dealers to shorten the learning curve when new people are assigned.

Another example of value co-creation relates to education. By educating the dealers and end-customers, depending on who is considered the customer, they can use the services more effectively. For instance, if ALO supports the dealers with their pre-planning processes, fewer, more costly VOR orders will likely be placed. Grönroos and Voima (2013) interestingly note that value co-creation may also occur by letting the customer educate the service provider. Likewise, Edvardsson et al. (2006) state that customers often provide essential feedback to service innovations. The experience-based co-design sessions could provide a suitable forum for gathering such customer feedback. In addition, the benchmark against healthcare organisations showed that customers may be used in strategic decision-making as they could provide a holistic assessment of the service system. Considering the lack of knowledge about the end-to-end perspective, it might be wise for ALO to similarly invite the dealers or end-customers to management discussions.

Data sharing between actors in the supply chain can also provide opportunities for value co-creation. For instance, dealers possess lots of data that can give insights into how ALO should tailor offerings to align them with the dealers' and end-customers' needs. However, the findings show that a challenge might be that customers are reluctant to share some customer data, either because they regard it as sensitive or due to legal restrictions. Consequently, the level of value co-creation will depend on the customers' willingness to share data. This aligns with Grönroos (2017) conclusion that the customer decides if its processes should merge with the service provider's processes.

Customer Sphere

This value sphere comprises the activities dealers or end-customers, depending who is considered the customer, perform without any interaction with ALO to create value-in-use (Heinonen et al., 2010). Based on the empirical findings, several issues should be considered here. First, since ALO's systems are incompatible with the customers' digital systems, they cannot smoothly place orders themselves which impedes their value-generating process (Grönroos, 2017). This issue was analysed in section 5.2.6. In addition, the benchmark against healthcare showed that digital tools can enable patients to perform more tasks themselves, thereby creating greater value for all actors. Likewise, by enhancing the system integration and data sharing efficiency, dealers or end-customers could likely rather easily manage simple administrative procedures related to orders and returns. Second, as Grönroos and Voima (2013) note, the customer's experience might be affected by the resources other actors provide. The interviewees argued that ALO lacks an in-depth understanding of how the dealers respectively end-customers interact with and use the resources of other actors as most employees are focused on the detailed design of services and consider other issues to primarily be the concern of the business areas. Hence, this understanding should be enhanced by e.g., nurturing an end-to-end mindset. The issue with resource integration somewhat supports Gummesson (2008) notion concerning balanced centricity. ALO must besides the customers' needs also understand the drivers of various stakeholders to delineate how its logistics services are applied. Finally, as Heinonen et al. (2010) point out, the customer usually interacts with other customers to co-create value. For instance, dealers could cooperate to access spare parts more quickly. If this collaboration does not work well, the total value created will be lower (Grönroos, 2017). ALO therefore plans to launch a digital platform that provides a dealer with information about whether other dealers have spare parts in stock. Furthermore, it could be argued that ALO faces a challenge in influencing the dealer's or end-customer's resource integration due to the power distribution in the aftermarket. Since Alpha has greater control over the business relationships, they have a more decisive influence on the customers' businesses. Consequently, it seems wise to collaborate with Alpha to exercise a greater impact on the customer's generation of value-in-use.

5.3.4 Deliver High Service Quality

A critical capability for customer-centric organisations is to deliver high service quality since the overall customer experience is not determined merely by whether the organisation's offerings conform to specifications (Medberg & Grönroos, 2020; Syahrial et al., 2019). The empirical findings show that this capability is underdeveloped within ALO as there has been a strong focus on meeting the service levels cost-efficiently. Based on the main components of Grönroos (1984) model, this section analyses how ALO may develop its capability to deliver high service quality.

The first component of the model concerns what expectations customers have of the service offerings. ALO does currently not work with managing the dealers' nor end-customers' expectations to a notable extent. Nonetheless, there could be a logical explanation for this. Since Alpha has control over the business relationships with these two stakeholders, ALO does not engage in the traditional marketing communication, Kang and James (2004) stress is important for managing the customers' expectations. Hence, ALO should ensure that Alpha communicates reasonable promises. However, it was observed that key account managers within Alpha sometimes make overpromises. This has led to unnecessary customer dissatisfaction, which is expected according to the benchmarks and Grönroos (1984). The service offer portfolio will likely help the key account managers to make reasonable promises by clearly illustrating which services can be offered. Furthermore, ALO could take inspiration from the benchmarked manufacturing company. By letting customers visit ALO's warehouses and talk with the personnel, ALO can shape customers' expectations themselves. In addition, if considering Gummesson (2008) discussion about balanced centricity, it seems wise for ALO to shape the customers' expectations to align with its key strategic goals. For instance, ALO should expend more effort into explaining how environmental regulations restrict what type of service can be delivered. Another interesting factor to consider is the difference between Alpha's two segments, X and Y. The Y segment is increasingly requesting more advanced aftermarket logistics services that they have not demanded earlier. This poses a solid opportunity for ALO to shape the expectations related to these services from the start, as past experiences otherwise may influence expectations (Grönroos, 2016).

The second component of Grönroos (1984) model is the experienced quality, comprising two dimensions: technical and functional quality. As Medberg and Grönroos (2020) highlight, several interviewees claim that the importance of technical quality will likely decrease as competition intensifies. However, a certain level will always have to be reached since ALO's services have a notable influence on the customer's uptime, and no additional service can truly compensate for the lack of timely spare parts deliveries (Cohen et al., 2006). Although the service levels are high on an aggregate level, the discussions during the focus groups revealed that there are notable issues for certain customers. Hence, to improve the technical quality, it is necessary to evaluate the outcomes of the logistics services on an individual customer level.

Moreover, the empirical findings convey three main problems with how ALO manages the functional quality. First, the perceived lack of experience among some front-end employees implies low-quality interactions with customers, which Löfgren (2005) argues significantly reduces the experienced quality. Likewise, the benchmark against healthcare showed that the interactions between professionals and patients have a decisive impact on the perceived quality. Second, the overall customer experience is reduced since ALO currently does not expend enough effort into informing customers about issues with orders proactively. This makes it challenging for customers to plan how to manage the delays of spare parts. Similarly, the manager from the benchmarked manufacturing company and Grönroos (2016) claimed that organisations should immediately notify customers when problems arise with an order. A significant problem related to this is that ALO often cannot provide ETAs and tracking services since customers add safety margins, which further points to the need of investing in the digital infrastructure.

Finally, the complaints from dealers and end-customers are handled inadequately, which impacts the functional quality negatively (Grönroos, 1984). The critical issue seems to be that the systems for collecting and relaying complaints are not working efficiently. This hinders the service centres from providing the necessary service for managing more complex complaints. Consequently, ALO should consider developing a new, user-friendly digital platform in which customers can easily file complaints, as discussed previously. Nevertheless, the findings show that it is not sufficient to merely register the complaints as issues in the aftermarket must often be resolved by multiple stakeholders. Cross-functional kaizen events can mitigate the problems with unclear roles and responsibilities by making it easier to clearly define who should resolve a particular complaint. Furthermore, according to the manager from the benchmarked manufacturing company, a customer-centric organisation should not merely seek to manage complaints directly related to its own offerings. Instead, the organisation should also try to support the customer with other issues affecting the overall customer experience negatively. This aligns with Habel et al. (2020) view that the customer should be seen as the focal point of the business. Moreover, this level of dedication was not identified within ALO, which could especially be problematic for a service provider that cooperates with premium brands.

6. Discussion

This chapter first presents the theoretical implications of this thesis project. Second, a set of managerial implications are outlined to explain how the findings might be applied in practice. The concluding section presents suggestions for future research.

6.1 Theoretical Implications

The purpose of this thesis project was to explore what is required for product-centric aftermarket organisations to achieve customer-centricity. Consequently, the exploration comprised identifying the main hindrances and investigating how the studied aftermarket logistics organisation should work to realise this change in business approach. Previous research on customer-centricity has mainly involved cross-sectional studies that have aimed to elucidate general success factors and barriers (see e.g., Adrodegari et al., 2017; Hemel & Rademakers, 2016; Lamberti, 2013; Shah et al., 2006). This project contributes to established theory by deducing the specific hindrances faced by an aftermarket logistics organisation and how they could be managed; see Table 6.1. Furthermore, the table shows that the broad categories of hindrances outlined in the theoretical framework were also observed in this study. However, this project further concludes that another fundamental category in the aftermarket context is the absence of a clear definition of the customer. Since a customer-centric organisation should align its business with the customer's needs (Fader, 2020; Habel et al., 2020), it is crucial to first understand who the customer is. This question is complex in the aftermarket supply chain, considering the ambiguity around whether OEMs should see the dealers as strategic partners or customers. In contrast to the cited literature, the structure of the service offerings is highlighted as another key category of hindrances to address. For instance, the one-size-fits-all design and lack of a good overview of the variety of services make it difficult for the many stakeholders in the aftermarket supply chain to align their work to fulfil the customers' needs. Thus, by developing as well as visualising a differentiated and documented service offer portfolio, the issues of inefficient collaboration between stakeholders and the lack of effective differentiation can be mitigated.

Table 6.1: Identified hindrances and suggestions on targeted measures that could be taken to address the hindrances.

Category of Hindrances	Identified Hindrances	Potential Measures
Definition of the customer	• Disagreement on whether dealer should be considered a strategic partner or customer • Considering the end-customers' needs to be the concern of the intermediaries in the aftermarket supply chain when end-customer is regarded the customer	• Reach consensus among stakeholders in ALO and Alpha around who is referred to when discussing the customer • Consider the following factors when trying to reach consensus: increasing importance of uptime, changing competitive dynamics in aftermarket supply chains, and feasibility of end-customer responsibility • Ensure responsibility for managing the end-customer's experience if dealer is seen as a strategic partner • Define service offerings based on who is considered the customer
Structure of the Service Offerings	• One-size-fits-all design • Fragmented aftermarket logistics services • Lack of a good overview of the service offerings • Service design partly determined by Alpha • Limited attention to services related to return flows	• Develop services with basic core and differentiating layers (e.g., end-customer service level agreements, dealer size) • Utilise knowledge held by local regions better • Create bundles of individual services to form holistic offerings • Coordinate service design work with Alpha • Define and visualise a differentiated service offer portfolio • Ensure a balanced focus on forward and return flows in the aftermarket supply chain
Individual	• Lack of senior management commitment among the actors in the aftermarket supply chain • Inability of senior managers in ALO to translate the customer-centricity vision to lower levels • Lack of an end-to-end perspective • Inexperience among some front-end employees affects customer experience negatively • Lack of understanding about customer needs in back-end functions • Product-centric mindset	• Senior managers must align their actions with the principles of customer-centricity • Communication from senior managers should emphasise the importance of good customer relationships and high service quality • Assign customer-centricity champions to spread awareness and help people adopt customer-centricity practices • Offer more extensive education to ensure that front-end employees can swiftly manage the customer relationships • Educate about the end-to-end perspective • Define measurable goals and tie incentives for ALO's senior managers to the progress • Address issues with cross-functional communication between front- and back-end • Formulate a set of basic values embodying the customer-centric business approach • Institute root-cause meetings after problems arise to reduce the "hero-of-the-day" mentality leading to temporary solutions • Start talking about the customer experience and avoid being entirely immersed in technicalities of logistics services • Change organisational design • Avoid micromanagement
Intra-organisational	• Inefficient cross-functional communication and collaboration • Unclear roles and responsibilities related to the customer experience • Strong silo-orientation • Non-value-adding work in service centres • Resistance to change • Ineffective knowledge management systems	• Organise cross-functional meetings around the strategic, underlying customer needs • Address the root causes to why too many VOR-orders are placed • Take action logs in all meetings where customer-related issues are discussed • Job rotations • Enhance knowledge management systems • Create more "communities" where people from different functions together can explore how to address customer needs • Assign roles in each function responsible for the customer experience • Assign roles with end-to-end responsibilities • Map the service offer portfolio onto an affinity diagram representing a structure of the customer needs • Establish honest dialogues with people who resist to gain valuable feedback and avoid discouragement • Use service centre as knowledge broker to aggregate and relay customer insights effectively
Inter-organisational	• Restricted direct interaction with dealers and end-customers due to power distribution in aftermarket • Lack of ownership makes it more challenging to collaborate with Alpha's dealers • Dealers may be reluctant to engage in co-creation as they have hectic businesses • Lack of an understanding among the actors in the aftermarket supply chain about each other's businesses • Low supplier engagement	• Intensify collaboration with the end-customers, dealers, and Alpha • Use customer-centric metrics to highlight potential value of greater collaboration • Make targeted incentives to stimulate dealers and end-customers to engage in co-creation activities • Establish forums in which the different actors may educate each other • Build supplier relationships based on mutual trust • Explain to the suppliers how they can capture value from more customised aftermarket services
System	• Lack of customer-centric metrics for assessing service delivery and customer experience • Customer satisfaction and loyalty measured on an ad-hoc basis • Poor data quality • Outdated and incompatible system environment • Restrictions from data sharing regulations	• See section 5.3.2 to address issues with product-centric performance measurement • Install IoT devices • Collaborate with other actors in the supply chain to mitigate issues with fragmented customer data • Develop a digital platform where data from different actors and functions can be stored transparently • Explore which data can be shared within and across regions/organisations • Update outdated systems and make them compatible with the dealers', end-customers' and Alpha's systems • Expand mentorship programmes to teach various stakeholders how to create "good" customer data
Financial	• Costly to provide customised aftermarket logistics services • Difficult to charge services properly	• Develop services with a basic core and differentiating layers • Remove non-value-adding work in front-end • Use cost-to-serve metrics to deduce where customisation provides greatest value • Apply service offer portfolio to visualise added value

In line with the literature (see e.g., Adrodegari et al., 2017; Galbraith, 2011; Gaurav & Shainesh, 2017), the study shows that the shift to customer-centricity is complex. This project further expands the current theoretical understanding of the topic by presenting how an aftermarket logistics organisation may develop four basic capabilities while in parallel taking targeted measures to address the identified hindrances. Table 6.2 illuminates the connections between the hindrances and capabilities. Such a synthesised overview of the different areas has, to the best of the authors' knowledge, not been presented before. The difficulty of defining the customer affects all the outlined capabilities. Thus, a broad consensus must first be reached concerning the dealer's role in aftermarket supply chains. Likewise, Table 6.2 shows that senior management commitment and guidance is necessary for developing each capability. The essential role of senior management in such a large organisational change has been widely acknowledged in previous research (see e.g., Hemel & Rademakers, 2016; Schein, 1990; Shah et al., 2006). In addition, as the aftermarket organisation does not fully control the business relationships with its customers, commitment should also be exercised by management in the commercial organisation. Table 6.2 also indicates that a product-centric mindset among lower-level employees impedes the development of all capabilities. Interestingly, the findings showed that this mindset can be difficult to change directly since the hindrances related to e.g., silo-orientation and product-centric performance assessments must be addressed first. This supports Galbraith (2012) notion concerning that the employees' mindset is a result of the organisational design, and stresses the fact that silver bullet solutions to changing people's beliefs should not be sought. Furthermore, it shows that hindrances from other categories may need to be addressed before seeking to overcoming a specific hindrance in one category.

Table 6.2: Relationships between the identified hindrances and basic capabilities. A mark indicates that it is necessary to address the specific hindrance to develop the corresponding capability.

Hindrances / Capabilities	Capture VOC	Customer-centric performance measurement	Create value – service logic	Deliver high service quality
Definition of the customer				
Unclear whether dealer should be considered a strategic partner or customer	X	X	X	X
Considering the end-customers' needs to be the concern of the intermediaries in the aftermarket supply chain when end-customer is regarded the customer	X	X	X	X
Structure of the service offerings				
One-size-fits-all design			X	X
Fragmented aftermarket logistics services			X	X
Service design partly determined by Alpha			X	X
Lack of a good overview of the service offerings	X	X	X	X
Limited attention to services related to the return flows			X	X
Individual				
Lack of senior management commitment among the actors in the supply chain	X	X	X	X
Inability of senior managers in ALO to translate the customer-centricity vision to lower levels	X	X	X	X
Lack of an end-to-end perspective	X	X	X	X
Inexperience among some front-end employees affects customer experience negatively	X		X	X
Lack of understanding about customer needs in back-end functions			X	X
Product-centric mindset	X	X	X	X
Intra-organisational				
Inefficient cross-functional communication and collaboration	X	X	X	X
Unclear roles and responsibilities related to the customer experience	X	X	X	X
Strong silo-orientation	X	X	X	X
Non-value-adding work in service centres	X		X	X
Resistance to change	X	X	X	X
Ineffective knowledge management systems	X		X	X
Inter-organisational				
Restricted direct interaction with dealers and end-customers	X	X	X	X
Lack of ownership makes it more challenging to collaborate with Alpha's dealers	X		X	
Dealers may be reluctant to engage in co-creation as they have hectic businesses			X	
Lack of an understanding among the actors in the aftermarket supply chain about each other's businesses	X		X	X
Low supplier engagement			X	X
System				
Lack of customer-centric metrics for assessing the service delivery and customer experience	X	X	X	X
Customer satisfaction and loyalty measured on an ad-hoc basis	X	X	X	
Poor data quality	X	X	X	X
Outdated and incompatible system environment	X	X	X	X
Restrictions from data sharing regulations	X	X	X	
Financial				
Costly to provide customised aftermarket service			X	X
Difficult to charge services properly			X	X

Moreover, product-centric aftermarket organisations should first develop its capability to capture the VOC since a deep customer understanding is required to develop the other capabilities. Similar to previous research (see e.g., Gremyr et al., 2020; Radziwill & Freeman, 2018), it was found that surveys are insufficient to elicit latent customer needs. Aftermarket organisations could potentially identify such needs by conducting lead-user experimentation or experience-based co-design sessions during dealer councils. Nevertheless, the analysis shows that they also need to rely on external partners to understand their customers in-depth. This somewhat nuances the view in previous research (see e.g., Hemel & Rademakers, 2016; Lamberti, 2013), where there is an emphasis on intensive direct interaction with the customer to understand its needs. Furthermore, it aligns with the service innovation literature that acknowledges the important role of partners to sense customer needs (Kindström et al., 2013). This case study shows that such customer insights should not be collected through a dedicated interface in functional organisations comprising a great variety of service areas, as information may be disseminated inefficiently. Instead, cross-organisational forums, involving representatives from different functions, should be established at different organisational levels. To ensure effective sharing of customer information in these discussions, a clear structure of the customer needs is needed to avoid a mere focus on operational issues. Likewise, roles accountable for the customer experience should be assigned to secure that it is acknowledged. The importance of accountability was also stressed by Shah et al. (2006).

This study further supports previous research in that value co-creation is essential for a customer-centric organisation (see e.g., Grönroos, 2016; Hemel & Rademakers, 2016). Nevertheless, as Table 6.2 shows, all the identified hindrances must be addressed to develop this capability. Furthermore, the study's results contribute to research by elucidating what an aftermarket logistics organisation should consider in each value creation sphere outlined by Grönroos (2017), to adopt the service logic perspective on value creation. In the provider sphere, collaboration between different actors in the supply chain is key. It was observed that efficient collaboration hinges on commitment from all actors' management teams and a common understanding of the service offerings. The commitment among the other actors might be low if the aftermarket organisation cannot highlight the benefits of greater cooperation using customer-centric metrics. Related to the joint sphere, the criticality of continuous direct interaction with customers (see e.g., Grönroos & Voima, 2013; Hemel & Rademakers, 2016), was also identified in this project. However, this interaction was hindered in the aftermarket context due to customers' unwillingness to expend effort in co-creation and obstruction from the commercial organisation. Since the customer determines if value co-creation occurs (Grönroos, 2017), it is essential to consider how dealers and end-customers may be incentivised to participate and share the required data. Moreover, the aftermarket organisation should work more actively with the commercial organisations to expand the means of interaction with the customers. One long-term alternative could be to make the aftermarket organisation a profit centre and thereby give it responsibility for the business relationships. However, in the short-term, the commercial organisations' ability to influence the customers' businesses may be utilised to impact the resource integration process in the customer sphere.

Previous research has emphasised that customer-centric organisations must manage the overall service delivery experience effectively (see e.g., Grönroos, 2016; Inversini et al., 2020). The findings suggest that addressing the hindrances related to the digital infrastructure is key to enhance functional quality, as front-end employees otherwise become preoccupied with minor issues and lack the time to deliver customer service according to the expectations. Interestingly, it was also found that the service delivery experience was often adversely affected by inexperience among front-end employees, which besides insufficient educational efforts, could indicate a flawed employment policy where the focus is primarily on finding experienced people to the technically heavy back-end functions. This project further contributes to theory by showing that a significant problem related to service quality in the aftermarket is the difficulty of delegating responsibility for managing complex complaints as most of them cannot be resolved by one stakeholder. The identified cross-functional approach with kaizen events to mitigate this problem should be investigated more thoroughly in future studies. Furthermore, in line with previous research (see e.g., Kang & James, 2004; Medberg & Grönroos, 2020), this study elucidates the importance of managing customers' expectations. However, the studied aftermarket organisation could not easily influence them directly since it did not control the business relationships with the customers. Thus, the findings highlighted that it is critical for aftermarket organisations to ensure that the commercial organisations' key account managers communicate reasonable promises.

It is further shown that the lack of customer-centric metrics assessing the experiences of individual dealers or end-customers impedes the implementation of customer-centricity. This supports previous research concerning the importance of suitable metrics to incentivise the right behaviour (see e.g., Bonacchi & Perego, 2011; Grønholdt et al., 2015). Interestingly, Table 6.2 illuminates that incompatible digital systems and data sharing regulations may hinder aftermarket organisations to access necessary individual level customer data and apply customer-centric metrics successfully. However, as logistics services are only one type of aftermarket services provided to the customer, and thereby merely one factor impacting the overall customer experience, the aftermarket logistics organisation should evaluate assessments, like e.g., customer loyalty, together with the business areas to understand its specific contribution to the measured level.

Finally, it should be noted that aftermarket organisations will realistically not achieve the highest level of customer-centricity. The broad base of dealers and end-customers imply that it is too costly to serve everyone with a customised offering, as cost-efficiency is vital. Likewise, the increasingly stricter environmental regulations in aftermarket supply chains hinder organisations from fulfilling certain customer needs. For instance, some order alternatives cannot be provided as the carbon footprint will break the allowed threshold level. Consequently, the findings support Gummesson (2008) notion of balanced-centricity.

6.2 Managerial Implications

The shift towards customer-centricity is a change that requires significant efforts at all organisational levels. To begin with, managers must first identify and understand the hindrances to achieving customer-centricity. The findings show that seven categories of hindrances should be considered in the aftermarket context. Furthermore, the top management should first address the issue of defining the customer. It should be clear for all stakeholders who the customer is, to ensure effective alignment with the customer's needs. Aftermarket organisations should consider the criticality of uptime, interests of stakeholders, and competitive dynamics in aftermarket supply chains when contemplating dealers' role. Moreover, senior managers must exhibit high commitment towards the initiative from the start and translate the strategic vision to lower levels. Thus, customer-centricity should be set on top of all agendas and decisions should be motivated at least partly based on how the dealer or end-customer experience is improved. It was also found that formulating a set of basic values representing the customer-centric business approach may facilitate for employees to understand what actions they should take. In order to further enhance the diffusion of the customer-centricity initiative, customer-centricity champions that possess deep knowledge about the concept and have strong informal networks could be assigned.

As the mindset among individual employees does not change instantly, senior managers will inevitably need to deal with resistance. However, it is important that managers do not micromanage every step in the journey towards customer-centricity. Instead, the managers should set up the right infrastructure and systems that enable employees to become engaged in fulfilling the customers' needs. One key factor to consider is customer-centric performance metrics that incentivise the required behaviours. The findings show that these metrics should assess individual dealers' and end-customers' experiences. The organisation should also ensure that the necessary digital systems and customer data are available. Aftermarket organisations should especially consider expanding the collaboration with other stakeholders to mitigate problems with fragmented data across the supply chain and instituting education programmes where people can be taught about creating data of high quality. Nevertheless, managers should be careful in how they promote the use of various digital tools as a customer-centric organisation must preserve human contact with the customer.

Furthermore, the managers have a key role in handling the identified intra-organisational hindrances. The empirical findings indicate that roles accountable for customer experience should be instituted in each function to shift focus from specific functional issues in forums. Likewise, several actions can be taken to stimulate cross-functional collaboration. First, by setting up knowledge management systems, people may more easily share customer insights. Second, it could be wise to institute a rule for organising root-cause meetings when problems arise to ensure that temporary solutions are not applied in the hectic aftermarket supply chain. Finally, the managers should ensure that non-value-adding activities are continuously removed to free up time for important cross-functional meetings where front-end functions can share customer insights. Another implication from this project is that managers must nurture the relationships with other actors in the aftermarket supply chain, as customer-centricity cannot be achieved by the aftermarket organisation itself. To enhance the cross-organisational collaboration, it was shown to be valuable to have a clearly defined service offer portfolio and a structure of the customer needs. By mapping them onto each other, it becomes more apparent which actions are required to meet the customers' needs. In addition, customer-centric metrics should be utilised to motivate the value of greater collaboration for other stakeholders involved.

The top management also has the responsibility to ensure that the shift to customer-centricity is pursued sustainably and aligns with broader strategic goals. As this change is expensive and may conflict with other goals such as reducing the environmental footprint, the management team should specify a list of factors that can be used to assess whether a certain customer need is necessary to fulfil.

6.3 Limitations and Future Research

This thesis project comprised a single case-study performed in a relatively short time frame, which imply two important limitations. First, the case organisation, ALO, is not representative for all aftermarket organisations. Consequently, future research could involve a multiple case-study approach, where customer-centricity is explored in several aftermarket organisations across different industries. Such explorative studies will contribute to strengthen the credibility of the derived conclusions and provide more comprehensive insights into the specific challenges aftermarket organisations face when seeking to operationalise customer-centricity. For instance, one interesting area to consider is how different aftermarket organisations manage the dilemma of defining the dealer's role in the aftermarket supply chain. Likewise, it could be interesting to explore the potential of turning the aftermarket organisations into profit centres, as it was observed that the cost centre arrangement implies a strong focus on cost-efficiency. Second, this thesis project does not elucidate the hindrances an aftermarket organisation faces long-term. Thus, future research could comprise longitudinal studies that follow an organisation's work with implementing customer-centricity over an extended time. Furthermore, as access to ALO's customers was not provided, this project could not explore the issue of customer-centricity from a customer perspective. Future studies should seek to uncover insights from customers who could contribute with, for instance, explanations concerning the potential challenges of interacting with aftermarket organisations.

Moreover, future research could conduct a more systematic analysis of which operational capabilities aftermarket organisations should develop to become customer-centric. The resulting list of capabilities could provide a theoretical base from which other researchers could build upon to expand the research concerning customer-centricity, which is so far relatively unexplored. In addition, it could be interesting to perform further studies that test the proposed suggestions in this project. For instance, a study might explore how to apply experience-based co-design in an aftermarket context, and how to optimally use the service offer portfolio to improve communication between the different stakeholders in the aftermarket supply chain. Finally, this project shows that factors such as cost-efficiency and stricter environmental regulations hinder aftermarket organisations from achieving maximal customer-centricity. Thus, future research could investigate what an optimal balance should be for an aftermarket organisation in relation to customer-centricity.

7. Conclusions

The purpose of this thesis project is to explore what is required for product-centric organisations operating within the aftermarket context to achieve customer-centricity. This purpose was addressed by conducting a case study in an aftermarket logistics organisation, and two benchmarks against organisations that have experience from implementing customer-centricity.

This study first shows that seven central categories of hindrances should be acknowledged and addressed; Table 6.1 provides an overview of the identified individual hindrances within the respective category and suggested measures that could be taken to manage them. However, it can also be concluded that four basic capabilities should be developed in parallel while taking the more specific measures to implement customer-centricity; namely: *Capture the VOC, Customer-centric performance measurement, Create value according to the service logic, and Deliver high service quality.* Table 6.2 presents a consolidated view of which hindrances should be addressed to facilitate the development of each capability.

Furthermore, it may be concluded that the category, *Definition of the customer*, should be considered first as customer-centric organisations fundamentally align processes, structures, and offerings with the customers' needs. Consequently, depending on whether the dealer is considered a strategic partner or customer, this alignment will look differently. The category, *Individual*, is also fundamental. Without management commitment and guidance, it is challenging to accomplish the necessary organisational changes. Commitment should be exhibited also by the suppliers' and business areas' top management, given the power dynamics in the aftermarket supply chain. Additionally, this study elucidates that the existing ways of working are difficult to transform if lower-level employees in each function do not change their product-centric mindset. Nevertheless, to instil a customer-centric mindset, aspects like the product-centric performance measurement and strong silo-orientation should be addressed as these might notably influence the employees' mindset. Thus, the hindrances belonging to a certain category could be challenging to address if hindrances in other categories are not considered before.

Moreover, the hindrances pertaining to the category, *Structure of the service offering*s, could primarily be managed by designing aftermarket services with differentiating layers based on dealers' or end-customers' characteristics, and by developing a differentiated service offer portfolio. The former measure was also considered effective in mitigating the hindrance related to the high cost of customising service offerings, which was the main hindrance observed in the category, *Financial*. Furthermore, this study concludes that a *well-established digital infrastructure* is required to implement customer-centricity. The key hindrances related to this were the poor system environment, dispersion of customer data among different actors in the aftermarket supply chain, and lack of knowledge about how to create "good" customer data. The former ones require concerted efforts from several actors to enhance the system integration and customer data sharing in the supply chain, whereas the latter one could largely be addressed internally through mentorship programmes and by establishing wikis.

The main *Intra-organisational* hindrances were the unclear roles and responsibilities and inefficient cross-functional communication. These issues could be managed by assigning roles with end-to-end responsibilities and creating accountability for the customer experience in each function. In addition, by eliminating the non-value-added work in the service centres, they may have the time to aggregate and share essential customer insights to the right stakeholder. It can further be concluded that the complex power dynamics in aftermarket supply chains imply *Inter-organisational* hindrances. To overcome these hindrances, it is essential to define *customer-centric metrics* that can clearly demonstrate to all stakeholders the positive impact on individual customers' experience from greater cooperation between the actors. Hence, this study shows that the aftermarket logistics organisation cannot merely rely on indicators of incurred cost and spare parts availability when seeking to implement customer-centricity.

Finally, it can be concluded that any organisation striving to become customer-centric must first consider to which extent the customers should be the focal point of the business. Due to the broad customer base, as well as importance of cost-efficiency and environmental performance in aftermarket supply chains, it is not realistic to expect that each dealer or end-customer can receive customised offerings fully aligned with its specific needs. Consequently, the ultimate question might instead be how to achieve balanced centricity rather than solely customer-centricity.

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Appendix A – Interview Guide – ALO

The interview guide that was used during the semi-structured interviews with representatives from ALO is outlined below. Please note that the semi-structured format implied that some of the questions were not asked while additional follow-up questions were added when added to gain a deeper understanding of the interviewees' interpretations.

Warm-up - General Information about the Interviewee

- Could you describe your current role within ALO?
- Which are the main responsibilities you have in your role at ALO?
  - Could you provide examples from your daily work that characterise the main responsibilities?
- Which stakeholders (internal and/or external to ALO) do you collaborate and interact with to fulfil these responsibilities?

General Questions about the Customer-Centricity Initiative

- What are your general thoughts about ALO's ambition to become more customer-centric?
- Which are the key hindrances ALO will face when seeking to achieve customer-centricity? *Follow-up with the categories from the theoretical framework.*

Service Offerings

- Are you aware of the structure of the service offer portfolio in ALO?
- Which aftermarket logistics service offerings are you as an individual foremost working with?
  - Could you describe the characteristics and content of these offerings in more detail?
  - Is there any effort for differentiating the service offerings with regard to different customer groups? If yes: how?
- What are your opinions about the aftermarket logistics service offerings you are currently working with?
  - Could you describe the strengths and weaknesses of these offerings?

Customer Experience

- What do you perceive as the main activities within ALO to identify the customers' needs?
  - Do you see any improvement areas regarding the current procedure in place for understanding the customers' needs?
- Is ALO considering the end-customers' needs when seeking to capture the voice of the customer?
- How does ALO analyse the information gathered about the customer to make decisions about which service offerings to develop?
- How does ALO manage the customer's overall experience and expectations?
- How does ALO measure the customer's experience and satisfaction with the service offerings?
  - Do you see any problems with the current measurement approach?

Relationships with the Customer and Alpha

- Could you describe ALO’s relationship with Alpha?
    - How would you describe the information flow with Alpha? What procedures have ALO instituted to obtain customer information from them?
- Who are your main contacts at the customer?
- How would you describe ALO’s relationship with the customers?
    - Could you describe how you as an individual respectively ALO communicate with the customer?
    - Could you provide examples of where ALO interacts directly with the customers to co-create services?
    - Do you see any problems or challenges with the current relationship?

Concluding Questions

- Ideally, which changes should be made to make ALO a more customer-centric organisation?
- Based on the questions thus far, is there something you would like to add?

Appendix B – Interview Guide – Alpha

The interview guide that was used during the semi-structured interviews with representatives from Alpha is outlined below. Please note that the semi-structured format implied that some of the questions were not asked while additional follow-up questions were added when added to gain a deeper understanding of the interviewees' interpretations.

Warm-up - General Information about the Interviewee

- Could you describe your current role within Alpha?
- Which stakeholders (internal and external to Alpha) do you collaborate and interact with to fulfil these responsibilities?

Aftermarket Logistics Services

- Which are the key logistics services that Alpha provides through ALO to the customers within your segment?
- What are your general opinions about the service offerings?
  - Could you describe the strengths and weaknesses of these offerings?

Understanding the Customer

- In what ways does Alpha interact with the customers in the aftermarket business?
  - Are you meeting the customers together with representatives from ALO?
  - What works well in the communication and interaction with the customers?
  - Do you see any improvement areas related to the communication and interaction with the customer?
- How are customer insights analysed in Alpha to be used as a basis for decision-making? Is ALO involved in this work?
- Do you measure customer experience and satisfaction?
- What is important to Alpha's customers?
- Would you say that you are meeting all the customers' needs today? If not:
  - What do you think ALO can do to help Alpha fulfil the unmet needs and make their work easier?

Relationship between Alpha and ALO

- Could you describe the relationship between ALO and Alpha?
- How do you communicate with ALO? Do you share the information you collect about the customers' needs with ALO?
- If you consider the current collaboration/interface with ALO:
  - What works well in your collaboration regarding developing and managing the service offerings?
  - Which challenges/problems do you see in the collaboration? How can the challenges be addressed?
- How has ALO responded when unexpected issues have arisen? Do you believe their response can be improved?

Concluding Questions

- Based on the questions thus far, is there something you would like to add?

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