



MASTER THESIS

To attain the academic degree of
Master of Arts in Business
from the
Degree Programmes
International Marketing & Sales Management
of CAMPUS 02 University of Applied Sciences

**PRODUCT LAUNCH FOR THE SERVICE "SEA SPILL" IN
THE CROATIAN MARKET FOR THE COMPANY SEA TOW**
Creating the Concept for Product Launch With a Focus on the Communica-
tion Within the B2B Market Segment Targeting Insurance Companies

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Graz, 01 July 2022

Declaration of Authenticity

I hereby certify that I have written the present thesis independently and without help from any third parties. I have not used any sources other than those which are clearly indicated and have duly provided details of the sources of both direct and indirect quotations.

The present piece of work and parts thereof have to date not been presented to this or any other examination board in the same or similar form, nor have they been published. The present version is the same as the electronic version submitted.

Graz, 01 July 2022

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Jasmin Bašić

For readability purposes, gender-specific formulations have not been used in the present piece of work. It is, however, hereby expressly stated that when the masculine form is used to denote people, both sexes are being referred to.

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Summary

The nautical market in Croatia is in constant growth, for which the general reason is a well-developed coastline of more than 5.000 km in length. The waterway infrastructure is being challenged with many potential issues for the environment that comes with the larger presence of the vessels over the summer season period. During this period many accidents are occurring, mostly because of careless skippers, bad weather, or even a combination of both. Therefore, Sea Tow aims to launch the product Sea Spill, a service for cleaning and preventing water pollution from hazardous substances, on the Croatian market. Sea Tow would be the first on-water, towing and salvage private organisation, as a pioneer in providing such innovative service.

In relation, this thesis develops the concept for the launch of the service Sea Spill, with a focus on communication within the B2B segment, and aiming for insurance companies as customers. The thesis has three main segments. The first segment is the theoretical part discussing the concept development on a strategic level. The second segment includes the secondary and primary market research approach and results. Finally, the third segment develops the product launch concept suggestion for Sea Spill, based on the previous two thesis segment results.

The results of the research suggest that the market is ready for such a service and would be supported by the insurance companies. However, as the Croatian nautical market is small and WoM has great power, it is expected that the acceptance of the state service organizations such as SAR is necessary. The results also suggest that there is a potential in the education of the customers of insurers, as well as raising the environmental awareness. The information collected should be taken into account when developing the communication strategy.

Abstract

Der nautische Markt in Kroatien befindet sich in einem ständigen Wachstum, vor allem wegen der gut entwickelten Küste von mehr als 5.000 Kilometern Länge. Die Wasserstraßeninfrastruktur ist mit vielen potenziellen Problemen für die Umwelt konfrontiert, die auf eine größere Präsenz der Schiffe während der Sommersaison zurückzuführen ist. Während dieser Zeit passieren viele Unfälle, meist aufgrund unvorsichtiger Skipper, schlechtem Wetter oder sogar einer Kombination aus beidem. Daher ist es ein Ziel von Sea Tow, das Produkt Sea Spill - einem Service zur Vermeidung und Minimierung von Wasserverschmutzung durch gefährliche Stoffe - auf dem kroatischen Markt einzuführen. Damit wäre Sea Tow die erste private Abschleppfirma auf dem Wasser, die als Pionier einen solchen innovativen Dienst bereitstellt.

In diesem Zusammenhang wird in dieser Arbeit das Konzept für den Launch des Service Sea Spill entwickelt, wobei der Fokus auf der Kommunikation innerhalb des B2B-Segments liegt und Versicherungen als Kunden angesprochen werden. Die Arbeit teilt sich dabei in drei Hauptsegmente: Das erste Segment ist der theoretische Teil, der die Konzeptentwicklung auf strategischer Ebene diskutiert. Das zweite Segment umfasst den sekundären und primären Marktforschungsansatz und die Ergebnisse. Schließlich entwickelt das dritte Segment das Konzept für die Produkteinführung für Sea Spill, basierend auf den Ergebnissen der beiden vorherigen Segmente.

Die Ergebnisse der Forschungsarbeit deuten darauf hin, dass der Markt für eine solche Dienstleistung bereit ist und von den Versicherungsgesellschaften Unterstützung findet. Da der nautische Markt in Kroatien jedoch klein ist und WoM über große Macht verfügt, wird davon ausgegangen, dass die Akzeptanz der staatlichen Dienstleistungsorganisationen wie SAR notwendig ist. Die Ergebnisse zeigen auch, dass es ein Potenzial in der Aufklärung der Kunden von Versicherern sowie in der Schärfung des Umweltbewusstseins gibt. Die gesammelten Informationen sollten bei der Entwicklung der Kommunikationsstrategie berücksichtigt werden.

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List of Abbreviations

ATRACK	Adriatic Training and Research Centre for Accidental Marine Pollution Preparedness and Response
B2B	Business-to-Business
B2C	Business-to-Customer
B2G	Business-to-Government
CLV	Customer Lifetime Value
CoO	Country of Origin
CoQ	Cost of Quality
DZS	Croatian Bureau of Statistics
EEA	European Economic Area
EMSA	European Maritime Safety Agency
EU	European Union
EPL	Environmental Protection Law
eWOM	electronic Word of Mouth
GDP	Gross Domestic Product
HANFA	Croatian Financial Services Supervisory Agency
IMO	International Maritime Organization
Km	kilometer
KPI	Key Performance Indicator
LOF	Lloyds Open Form
MMPI	Croatian Ministry of Maritime Affairs, Transport and Infrastructure
MRCC	Croatia Search and Rescue Service
MVP	Minimum Viable Product
NPS	Net Promotor Score
PEPSEA	Protecting the Enclosed Parts of the Sea in Adriatic from Pollution
PESTLE	Political, Economic, Social, Technological, Legal and Environmental factors
PM	Product Manager
PO	Product Owner
PLC	Product Lifecycle

PR	Public Relations
ROI	Return on Investment
ROMI	Return on Marketing Investment
R&D	Research and Development
SAR	Search and Rescue
SMART	Specific, Measurable, Achievable, Realistic, and Timely
STE	Sea Tow in Europe
STEO	Sea Tow Europe Operations
STSI	Sea Tow Services International
SWOT	Strengths, Weaknesses, Opportunities, and Threats
USA	United States of America
USP	Unique Selling Point
VHF	Very High Frequency
WOM	Word of Mouth
ŽOC	County Operations Center

1. Introduction

This master thesis is part of the curriculum of the master's degree program International Marketing at the University of Applied Sciences Campus 02 in Graz. The aim is to develop a product launch concept for the American company Sea Tow Services International Inc. and their product as service Sea Spill to the Croatian market. The company is providing on-water assistance for boats, best compared to road assistance on the street. The crucial decision is to select the most acceptable product launch strategy and success measurement tools connected with such a concept.

1.1. Initial Situation

Launching a new product, in this case, a service on the operating market, requires caution, improved strategy and planning. Without a good strategy and planning, the product can fail, with consequences including non-recognition by the target customers and lower sales. The key element is to conduct proper research of the existing macro-environment based on PESTLE analysis. This helps identify key factors that could indirectly or directly affect the company and the service that is to be implemented within the specific market or industry (cf. del Marmol 2017, p. 6f). The STE has been serving the recreational boating market, or the so-called leisure marine industry, in Croatia since 2006. Since then, many improvements of the existing on-water service have been implemented, and now the goal is to expand the service portfolio with a new service. The reason for service expansion is that the service Sea Spill can bring a new revenue stream into the company and be used to plan the Blue Ocean Strategy around the service.

From a political standpoint, Croatia is still struggling with corruption and complex bureaucracy and is taking the 47th place on the Eurostat Corruption Perceptions Index. On the other hand, for the last three years Croatia has been climbing upwards on the list every year, and is therefore going in a positive direction (cf. Eurostat 2020). Another positive fact is that the Croatian Ministry of the Sea, Transport and Infrastructure is a member of EMSA, which could prove itself useful when the time comes for Sea Spill to be promoted within the EMSA members (cf. EMSA 2020).

From an economic standpoint, since the COVID-19 pandemic has struck this sector, politics has been even more involved in the industry to prevent the market collapse, as the tourism sector is one of the most substantial generators of the country's GDP.

Regarding the actual currency, Croatia is in the process of entering the Eurozone. For example, the Euro as currency simplifies funds transactions for Sea Tow and its customers within the EU and EEA zone countries. From a social standpoint, there is a high level of awareness present among people regarding the sustainable environment, proving this by organising many sea clean-ups, which, for example, contributes to many diving clubs, fishing clubs, charter companies, and others.

From a technological standpoint, Croatia has all the technology needed for successful traffic and water pollution monitoring. The technology includes well-developed VHF frequency coverage all over the coast together with the GSM network, weather stations, satellite monitoring system for monitoring water pollutions and others (cf. Morović/Ivanov 2011, p. 45-56). It is important to mention that there is a special EU project dedicated to water pollution called HAZADR. The project has helped many counties on the Adriatic Sea to take part in education and obtain the crucial equipment needed regarding the water pollution, funded by the European Commission (cf. European MSP Platform 2015). Although there is equipment available, there are rare companies such as Dezinsekcija d.o.o. and CIAN d.o.o., who can provide on-water pollution clean-up services. Other possibilities are state organisations such as SAR and the Coast Guard. STE can react fast, since it has a well-developed service provider network and fast response vessels.

Regarding the legal situation and the maritime law, Croatia has been a member of the International Maritime Organisation since 1992. All the regulations and laws have been created based on resolutions and IMO suggestions. Since 2002, regulations and laws are regulated by EMSA (cf. Ćesić 2006).

Lastly, the environmental aspect is significant because the weather has been less and less predictable in the last several years, resulting in many boat accidents due to bad weather conditions, especially during the summer.

Furthermore, it is essential to mention that Croatia is one of the most famous boating destinations worldwide. It has one of the biggest charter fleets globally, which is endangered by many pollution types, not just by oil spills but also by ballast water, plastic waste and similar. Such pollutants are a daily issue during summer period.

The fact is that since 2017 during the summer period there were more than 113,000 boats with Croatian flag registered and over 200,000 boats in transit boating in Croatian waters (cf. DZS 2018). Every year Croatian SAR reports more than 600 interventions and over 130 incidents such as boat grounding, collision, flooding, capsizing,

hit and fire onboard, which represent a danger of potential water pollution (cf. Ministry of the Sea, Transport and Infrastructure 2020). In the preliminary annual report for 2019, EMSA has reported thirty-seven incidents of water pollution within the European seas (cf. EMSA 2020b, p. 2). Therefore, the company is interested in launching the existing product Sea Spill to a new market as an additional and innovative service aimed at the B2B market (cf. Lindsay 2003, p. 25). On the one hand, the service will increase the competitiveness to a higher level, and on the other, it will also ensure an additional revenue stream.

1.2. Challenges

Since 2006, the year when Sea Tow has entered the Croatian market with its first franchise, it has faced many challenges, such as the language barrier, local culture, sea law, skilled personnel, market unreadiness for such a service, currency and others. A positive circumstance, on the other hand, was the fact that there was no competition in the Croatian market at that time, and it was a completely new market innovation. Nowadays, there are two competitors present: the companies Sea Help and Emergensea. Both started their business by providing the same services as the STE. Sea Help has been successful at it, and has invested a large amount of funds into marketing, sales, and equipment over several years, but has had a lack of skilled personnel. On the other side, Emergensea has equipment and skilled personnel, but poor sales and marketing processes. The main challenge here for Sea Tow will be to be first in product launch and market penetration with a new service. The second challenge for everyone nowadays is the COVID-19 pandemic, which creates limitations such as the fluctuation of people in public. Many people will decide to avoid mass gatherings such as boat shows or any similar events, which narrows the possibility of reaching the target customers. The third possible challenge is the quality of communication with the public. Messages should be carefully chosen, so that publicity does not misunderstand it for greenwashing.

1.3. Objectives and Thesis Aim

1.3.1. Company objectives

The main company objectives are to increase the Croatian nautical market's income within the B2B sector by launching a new product as a service called Sea Spill. To be able to achieve these objectives, the company will need to close the knowledge-required gap.

With that in mind, the following company objectives can be derived:

- To increase income in the year 2023 by 10% by providing the Sea Spill services as a new service next to on-water assistance, salvage, and vessel recovery services.
- To increase the customer base within the B2B sector by targeting insurance companies.

1.3.2. Non-objectives

The non-objective of this master thesis is the execution of the product launch and setting up the measurement tools.

1.3.3. Thesis aim

The main thesis aim is to develop the concept for the product launch of service Sea Spill on the Croatian leisure marine market, with the focus on communication and product presentation to the insurance companies.

1.4. Structure of the Thesis

The thesis is divided in three parts; introduction, theoretical and practical, as stated in Figure 1. Starting with the introduction part, in the initial market situation, present challenges, objectives of the company and thesis aim are outlined. The theoretical part is divided into three parts. The first part explains the definitions and terminologies in product management. The second part explains the product launch theory, and the third is focused on developing concepts for the product launch of a service. Finally, the practical part explains the approach for secondary and primary research, its application and recommendations for launching the product Sea Spill in the Croatian market.

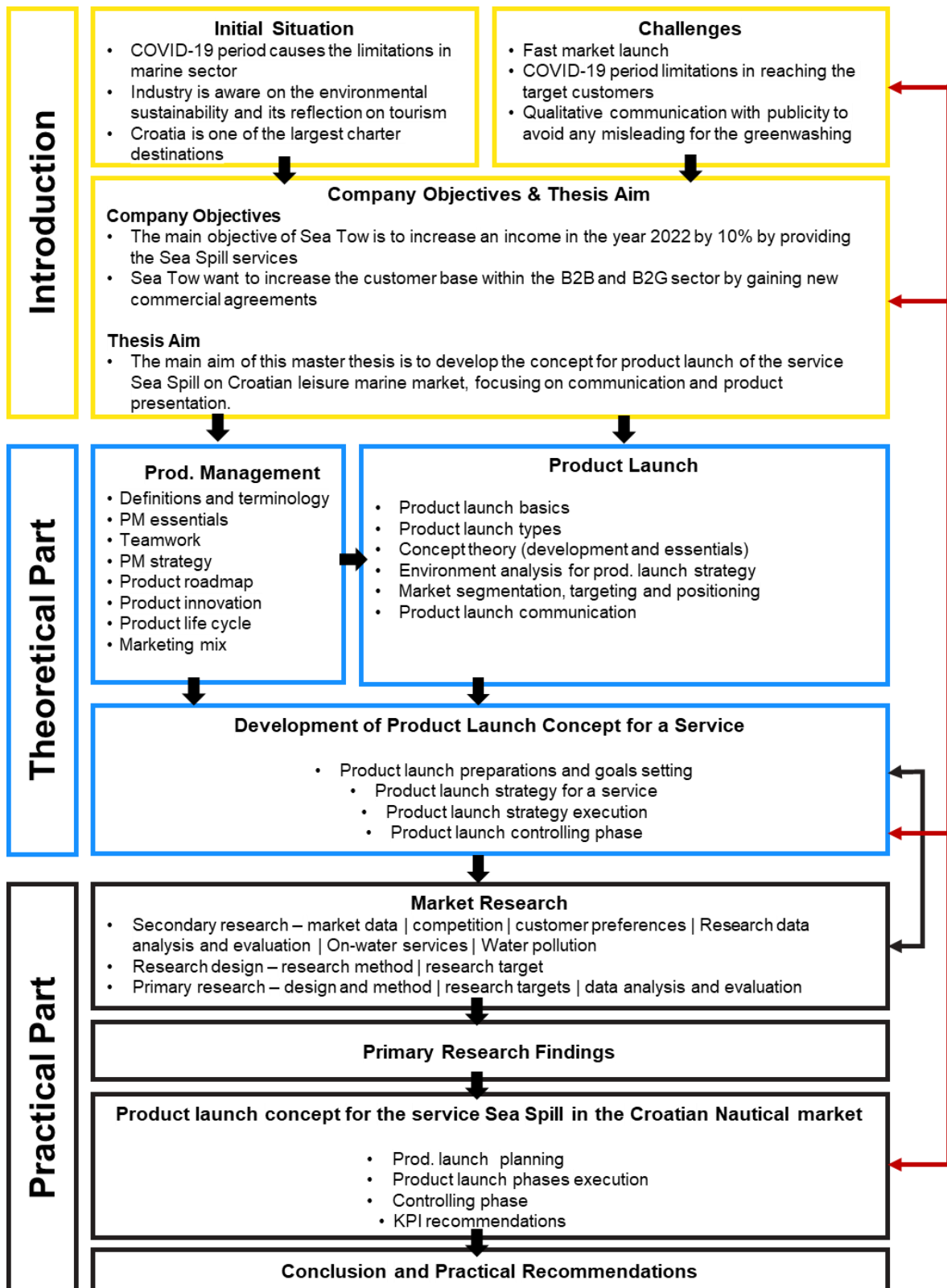


Figure 1: Frame of Reference (own presentation)

2. Product Management

For a better understanding of basic terminologies related to the product, management and personas in charge of product processes, in this chapter all three will be explained and elaborated. Definitions are extracted from established authors and researchers known in academic circles. Once the basic definitions have been underlined, the reader will be able to completely understand this thesis and the meanings stated.

2.1. Definitions and Terminology

2.1.1. Definition of a product

Many authors and researchers have their own design of a definition of the product. Each definition is quite similar, but varies slightly from author to author. However, one fact is always the same, the product can have tangible or intangible character, and should provide a solution for the customer. For example, Kelly and Williams define the product as “anything that a company offers to satisfy consumer needs and wants; the possibilities include not only physical goods but also services and ideas” (Kelly/Williams 2016, p. 204). Furthermore, Kotler and Keller define the product as “anything that can be offered to a market to satisfy a want or need, including physical goods, services, experiences, events, persons, places, properties, organisations, information, and ideas” (Kotler/Keller 2016, p. 389). Another author, Haines Steven, defines the product as “bundles of attributes (functions, features, benefits, and uses) and can be tangible, as in the case of physical goods; intangible, as in the case of those associated with services or software; or a combination of the two” (Haines 2019, p. 7).

As the thesis focus is on services, in further discussion the main attributes of services are going to be discussed. In general, product as a service has main characteristics such as intangibility, inseparability, variability, and perishability. Services cannot be touched, smelled, heard or even seen before purchase. Often it is hard to distinguish the buyer from the user, and the quality can vary on a daily basis because in most cases it depends on the human factor. A service is also not storable, it depends on company capacities and, for example, scalability in case of software (cf. Kelly/Williams 2016, p. 205).

2.1.2. Product management definition

Management itself is defined as alignment of people and processes with two main purposes. The first is to perform the workload, and the second is to realise the goals and meet the planned results. Product management is an organisational function that narrows the focus on the product itself, lines, or portfolios. It includes all the activities that include product planning, development, pricing, launch, setting the product vision, marketing activities planning and other managerial activities. The main goal is to maximise the value and reduce the costs of the product through all the stages of the product life cycle. All the activities of product management include constant cross-collaboration with organisational departments and integration of the changes based on the needs of market and customer (cf. Haines 2019, p. 9 – 12).

2.1.3. Definition of a product manager

The product manager (hereinafter referred to as “PM”) position belongs to product management. It’s often misunderstood and misplaced with other roles such as product owner and project manager. Many experts in this field are trying to define the job description, and so often define the product owner as the CEO of the product, product line, or portfolio. PM in reality does not need to be an expert in every field, but needs to be able to work with the experts, and serve as a voice of the customers (cf. Pranam 2018, p. 11f). However, Kelly in his book argues that a product manager is a person within the organisation that has a simple but sometimes complicated role of dealing with customers and their needs. The job description of a PM is to collect the information from the customers, import collected information into the organisation, and work with the departments and responsible persons in adapting and improving the products. The greatest strength of a PM is in the knowledge, which plays a highly important role in the preparation phase of the product launch (cf. Kelly 2019, p. 97f).

2.1.4. Definition of a product owner

The product owner (hereinafter referred to as “PO”), as well as the PM, belongs to the product management. A PO is in charge of product development. A PO, in other words, can be described as a person with the authority to decide which functionality or process is going to be implemented. A person in this role owns the skills and the abilities needed for successful product development, improvements and its delivery. Their skills, for example, include the ability to compose quality documentation, as

well as social skills needed for team coordination, possess technical knowledge, sense of urgency, sense of value and, perhaps most of all, the ability to refuse. Time can very often be an enemy of a PO, especially during the preparation phase of the product launch (cf. Kelly 2019, p. 21 – 23).

2.1.5. Definition of project management

Before defining project management, it is necessary to understand what a project entails; a project is a set of tasks and undertakings that have assigned features, such as:

- Specified aims and goals for increasing the value
- Clearly set period duration
- Assigned funds
- Involves human and machine interactions
- Cross-operational character
- Unique or repetitious character (cf. Kerzner 2017, p. 2)

According to Kerzner, *“Project Management is the set of knowledge, skills, and tools necessary to achieve the project’s requirements”* (Kerzner 2017, p. 2). Project management is keen to work cross-departmentally, as the expertise of each department, and the resources they dispose of are necessary to finalise the projects on time, within the budget, and efficiently. Project managers often need to possess the skill set present in all the departments related to the scope of the project. Among the technical skills, communication and social skills are crucial, as a project manager needs to communicate a large amount of information on a daily basis. Successful project managers can significantly increase the company and product value, and are crucial for product launch planning and execution processes (cf. Kerzner 2017, p. 2 – 4).

2.2. Product Management Essentials

2.2.1. Job role importance

It is of high importance for an organisation to define the roles of the employees. Clearly defined roles deliver a clear idea of employee's responsibilities and performance expectations. On the other hand, the role also defines requirements for the education level of an employee, their salary level, physical and mental abilities, and skills. Hence, the assigned roles increase the efficiency of communication between

departments within the organisation, and outside the organisation with customers, partners and other crucial stakeholders (cf. Bayona et al. 2020, p. 1 – 3).

A positive side of many job roles is that they provide clarity about the work description and scope. However, job roles such as described in Chapter 2.1 are often misunderstood and can have a negative impact on overall performance, especially the role of a product manager. Such misunderstandings could be used as a grey area for avoiding tasks or any responsibilities. Conflicts could arise within departments or teams, operability and performance could be decreased and there could be other negative impacts in the commercial phase (cf. Steinhardt 2017, p. 12f).

2.2.2. Teamwork performance

Product launch as a phase can be very exhausting and require collaboration of associates from cross-departments within an organisation, and sometimes include external partners. Such a group is called a team, and its main goal is to deliver the highest possible performance. As the amount of work increases and deadlines are closer, the pressure within the team increases. In such situations it is important that everyone's boundaries are respected and, if necessary, the boundaries can be pushed only across the entire team. Many researchers claim that effectiveness of the team develops over time and is meritorious for successful project execution. Working within a team is important for each individual in order to learn about the strengths and weaknesses of the colleagues in order to achieve the full potential (cf. O'Neill/Salas 2018, p. 325 – 327).

Nowadays, companies apply new agile approaches as a key strategy to increase the productivity, speed, flexibility and quality of the teams. Agile teams are poised to provide higher product quality, improve project control, increase flexibility, provide faster ROI, detect potential irregularities more quickly, and other similar benefits. The core advantage of the agile methodology is the freedom that team members need to use their full potential. It all starts with self-organisation and the ability to bring decisions on an individual basis. Projects are split into smaller parts, so-called “features”, that allow the creativity and speed to increase. The main challenges for adopting the agile approach arise, especially for those who have never before used the agile methods. It often reflects as a fear of new, need for new skills, limited set of possibilities, closed mind, company politics, and similar (cf. Rasnacis/Berzisa 2017, p. 48f).

2.3. Product Management Vision and Goals

2.3.1. Product vision

The vision of the product can be defined as an idea of the direction and intent that the product should achieve in the future. It should have motivational character and express where the product should stand in the future. For the team, vision also has a motivating effect. In times when the motivation starts sinking, it can be recapitulated to refresh the energy and motivation. Product has to have a clear vision for the next two to five years. Product vision must be aligned with the company vision and work closely with the product strategy, but never collide. Should the vision collide with the strategy, it is highly recommended to reset or realign the goals. For the start of the product vision development, it is necessary to visualise the end goal and share it with the team. As more input from the team appears, the picture will be more clear and the vision will start to form its shape. In shaping the vision, it is also important to acknowledge the customers and to analyse their behaviour. Some simple analysis tools such as SWOT or PESTLE can come very handy in the analysis (cf. Metcalfe 2019, p. 20f) and (cf. Metcalfe 2019, p. 51).

2.3.2. Product goals

The product goals are closely linked to the product vision and product strategy. They can be defined as achievements needed for the vision and strategy realisation. Goal realisation should be set for a period between three and twelve months. In the process of goals setting, the product management team needs to clearly communicate and specify the goals details and facts. The goals are the main motivators for the team, which means that they need to be realistic, achievable, well-structured and, most importantly, accepted by the team. For the realisation of the goals there are often several departments involved, so a good collaboration can be at stake. In such a situation, the leadership of an organisation has to come up with the awarding offers for the employees, for example, as a salary bonus, or a cheap but effective performance feedback. The product manager should also consider implementing key performance indicators for two reasons. The first is to keep the situation under control and the second is to indicate when the goals have been achieved (cf. Metcalfe 2019, p. 5f; Wirz/Lovelock 2018, p. 354f).

2.4. Product Management Strategy

2.4.1. Product strategy basics

Generally, all experienced and customer-driven companies handle a large amount of data and information needed to create and launch the products on a daily basis. To achieve the efficiency and avoid the failures, the details are written, drafted and documented for having an overview at hand all the time, so the decisions can be made more easily. Once the vision and goals are documented, there comes the need for describing the top-plan of how the organisation is going to achieve the product goals and the vision. This plan is called the strategy (cf. Pichler 2016, p. 13).

In essence, the customer-driven strategy has to answer two main questions:

1. *What to serve?*
2. *How to serve?*

The first question helps organisations decide which customers they need to aim for. Furthermore, it leads to the decision on market segmentation. These are important steps that need to be developed. The main fact is that it is not possible to cover all the needs a customer has with one product, so it is better to focus on customers whose needs can be covered. The second question defines the product value proposition by identifying how the product differs from the competitor products and what position on the market it takes. It is important that promised value is delivered, because in the decision process, the customer is going to define if the product fulfils the communicated value. Delivered value can result in success, but also in fast market fail (cf. Kotler/Armstrong 2018, p. 34f).

2.4.2. Product strategy development

As mentioned in the previous chapters, it is crucial for a product to deliver the market value for the company, the customers, and the users. Hence, it is important for every product or service to develop a high-level strategy. Once the vision of the product and goals are defined and aligned, creating a strategy can start by defining the details for steps and processes. During the strategy development, there are several key components that have to be included:

- The measures needed for achieving the goals
- The necessary resources
- Time and location where the resources are needed

Once the strategy is properly developed, it provides the clarity that can help improve the expenses management and overall performance. These, together with other reasons, such as fast technology development and trend development, are the reasons why the strategy should be regularly updated and improved. A strong strategy provides many benefits;

- Customers are going to be willing to order the product
- Performance of the existing products and services will constantly improve
- Company reputation will increase
- Cost reduction will improve the competitiveness on the market
- Possibility to quickly identify potential threats and weaknesses

At the same time, a weak strategy can bring disadvantages, for example, if the market analysis has not been conducted well. A weak analysis can reflect on the product development and result in the low market need for the product. Another example could be if the costs are not calculated well during the development phase. This can result in too high development and manufacturing costs, which the company may not be able to afford, or will not be able to gain enough profit to cover the costs (cf. Metcalfe 2019, p. 96 – 102).

2.4.3. Product strategy validation

As the product strategy finds its shape, the validation of the strategy must be conducted, as it helps to maximise the probability of the success. As the process of planning is very extensive, mistakes and potential issues can stay hidden. For example, a wrong segmentation, material costs, or any other potential risk. The key element to minimise such risks is the observation. For example, product management can organise trial product launches of the minimum viable product on trusted markets within partners and towards friendly customers. Later, it is important to interview and observe them to collect the data. The result will serve for the strategy validation and as a basis for further decisions. The decision will be to either keep pursuing the strategy, change it, or cancel it. This process is to be conducted for as long as the major risks are not eliminated (cf. Rothaermel 2017, p. 6 – 8).

2.4.4. Blue Ocean strategy potential

In their book, the award-winning authors of the Blue Ocean Strategy, Kim and Mauborgne, argue the idea of the possibility to create new markets and new demands on the existing markets, without competing with the others. In their book, the terms “red ocean” and “blue ocean” are described. As it is described in Figure 2, the Red Ocean stands for the existing industries where all the existing companies are present, and boundaries are already fixed. The blue ocean stands for new, undiscovered markets and demands, within an existing or a new industry. The Blue Ocean Strategy, instead of competing with existing competitors, focuses rather on creating a new value that makes competitors insignificant. The key for a new value is not always the invention of new technology, but finding new ways of offering existing products, services and portfolios (cf. Kim/Mauborgne 2017, p. 130).

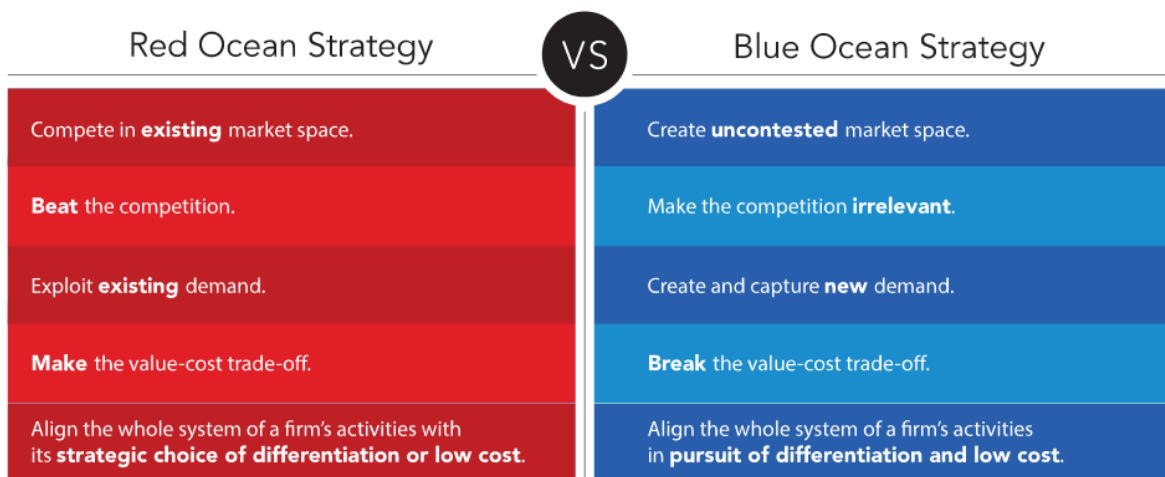


Figure 2: Red Ocean Versus Blue Ocean Strategy (Kim/Mauborgne, 2004 – 2021)

2.5. Product Roadmap Development

Already in the beginning of the product life cycle and after the product vision and strategy are developed, it is crucial to create a product roadmap as a guidance through all the phases of the PLC. Within the PLC, the roadmap serves as a plan map, indicating priorities, vision, strategy, steps, deadlines and potential anomalies. A roadmap can be created within a standard document tool such as Microsoft Excel, or within any other paper or digital solution such as Confluence from Atlassian. To create a roadmap, there are several goals that have to be met:

- It has to convey a persuasive and at the same time rational story
- Clearly indicate the timeline of each feature
- State the person responsible for each feature

- Compare the progress with actual performance indicators
- Indicate an overview of all the product(s)
- Connect the goals to the final outcome
- Ensure the clarity for each stakeholder

The roadmap has to be continuously updated, at least on a weekly basis or even daily, depending on the project size and the scope of the tasks. Figure 3 contains an example of practical application of the roadmap, presented with all the indicators and goals that should be achieved (cf. Pranam 2018, p. 159).

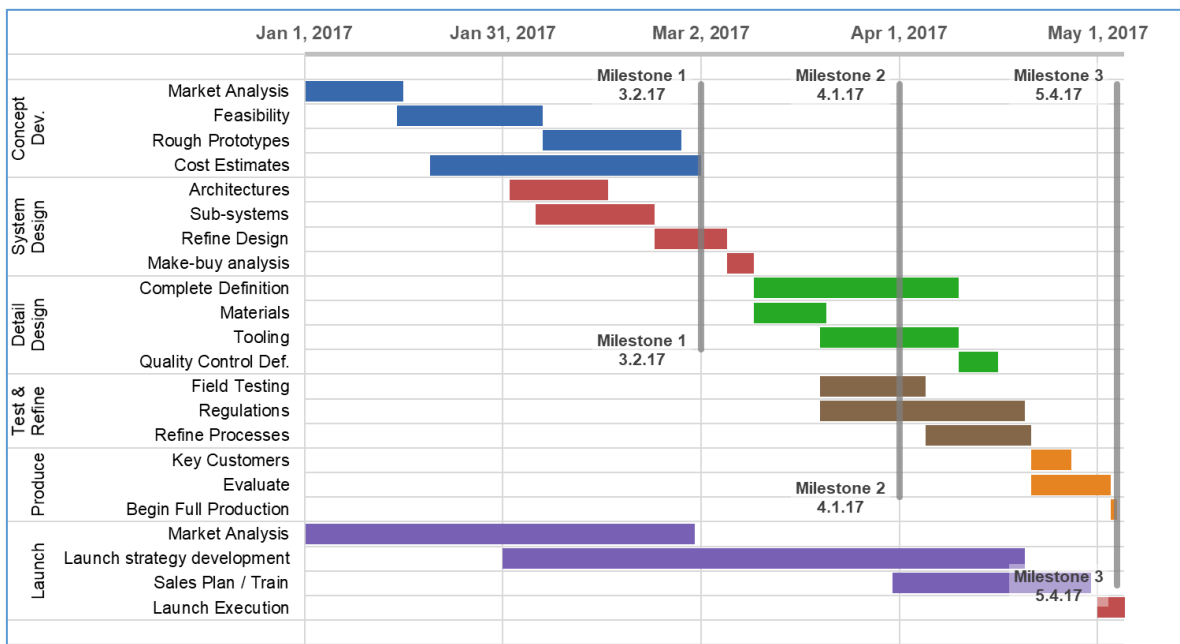


Figure 3: Product Roadmap Example (Based on Vertex42 Project Timeline Template, 2017)

2.6. Product Innovation and Pioneering

2.6.1. Definition of a product innovation

Nowadays, the world is facing an exquisite era of fast developing technologies that are making life easier. In the last several decades, humanity has witnessed a greater speed of technological development. With the speed of development comes also the need for continuous product and service innovations. Rothaermel claims that Innovation is “*the successful introduction of a new product, process, or business model*” (Rothaermel 2017, p. 210). The author also explains the innovation as a novelty that is useful and can be implemented, as indicated in Figure 4.

However, Kelly and Williams explain that the innovation can be split into three levels:

- *Discontinuous Innovation* (also called disruptive innovation), as the radical innovation that dramatically changes the lives of people. Such innovations

require a lot of effort from the marketing department to teach the consumers a new normal way of life. Examples of such innovations would be the invention of the car or the radio station.

- *Dynamically Continuous Innovation* (also called architectural innovation) refers to the innovation as a change within the existing products or services. Such innovation requires a modest level of learning for consumers, as it offers new products with already used modules. Examples for such products are smart device functions and features.
- *Continuous Innovation* (also called incremental innovation) refers to the innovations that have a slight impact on the existing products or services in the form of, for example, a new smell, improved usability, faster delivery and similar. Sometimes competitors are even keen to copy the product and offer it at a lower price to overtake the market (cf. Kelly/Williams 2016, p. 212).

In order to survive, or even to keep the monopolistic position on highly competitive markets, the organisations are in need to continuously innovate. It means that over a specific time period, a specific amount of innovation has to be made. Although, as already mentioned, there are levels of innovation, the innovation can also be distinguished into a four-step process, or, as Rothaermel calls it, the four I's. It all starts with the first I that indicates the birth of an idea for a product or service. Idea is mostly documented as a textual or visual concept, or extracted from the research result. After the basic research is conducted, practical application in the form of research for commercial needs takes place. The next step after the idea is invention, which provides the description for how the idea can be transformed into a product, service or portfolio. In this step, fundamental knowledge is transformed into a new technology. For example, the U.S. Patent and Trademark Office claims that if an invention is characterised as useful, novel, and non-obvious it can be protected as a patent. As a third step, or the third I, there is innovation. This refers to placing an invention on the market. After the innovation is placed on the market, there will be a short period of monopoly and extracting the maximum revenue. As the last of the four I's comes the step of imitation. Once the competitors become aware of the success of the innovation on the market, they will immediately try to reproduce the product or service and penetrate the same market. For example, in 1983, Sea Tow was as an entrepreneur the first in the world that offered "road assistance at sea". It took four years before the first competitor stepped into the market in 1987, called

“BoatUS”, and offered the same service, but with another pricing strategy (cf. Rothaermel 2017, p. 212f).

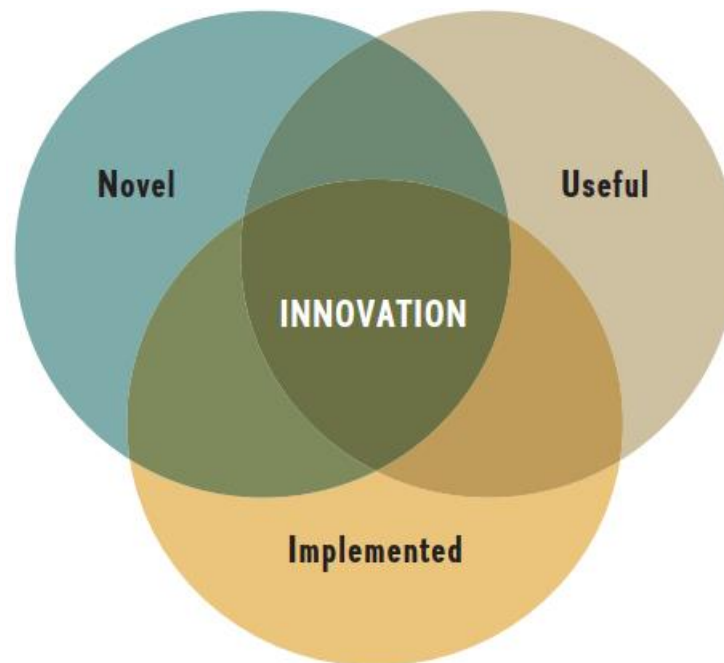


Figure 4: Innovation: A Novel and Useful Idea That Is Successfully Implemented (Rothaermel, 2017, p. 214)

2.6.2. *Development of a product innovation*

Creating an innovation is a long-term process. The goal of innovations is continuous value increase over time. The companies that are well-experienced and successful in generating innovations are not focused on quick, but rather on long-term sales. To achieve that goal, it is important to set the internal values and vision that everyone is following. Leaders are playing an important role in creating vision and sharing it with the employees. To keep an innovation running, Attolico discusses that several facts are important. Most importantly, organisations should endorse a lean management in fundamentals that will lead to lean practices. The key of a lean development is that the communication is much better, the information flows, so the ideas are being frequently exchanged and tested (cf. Attolico 2019, p. 5 – 8).

The product development of an innovation in practice can be split into six phases:

1. **Idea Generation** is the phase where the pool of ideas is created, based on the previous experiences with customers, researches, studies, internal knowledge base, commercial sources and others. Basically, from all available sources, the ideas can be collected and pointed out. The amount of ideas is irrelevant, however at least fifty ideas should be available before going to the next stage.

2. **Idea Screening** is the next phase, where all the previously collected ideas are evaluated, sorted out, and categorised into those that are achievable, and the ones that do not fit the organisation. No-fit reasons are, for example, if the development costs are too high, or if an idea does not fit with the company values and goals.
3. **Analysis**, as a phase, is used for evaluation of the idea with the focus on costs of development, resources needed, and sales potential. This is a very demanding process, as each idea has to fulfil the expectations and meet the company goals.
4. In the **development** phase, the ideas that have passed the analysis step are being fully described, product concepts created and first prototypes developed. Prototypes are then provided to friendly customers that are testing the solutions, and information gained is used for further product improvements.
5. After the development phase is finalised, the next phase is the **testing** of the product concept solution. Test of concept solution includes the testing of features, price fit, and market value. Such tests can be obtained at test markets, for example, as there any unseen issues can be quickly removed and launch can be widely executed.
6. In the **market launch** phase, the product concept has been presented to the market where the distribution, sales and marketing plays the most important role. Once the innovation has been present on the market, the immediate success is not guaranteed, as innovations sometimes need time for their acceptance (cf. Kelly/Williams 2016, p. 212f).

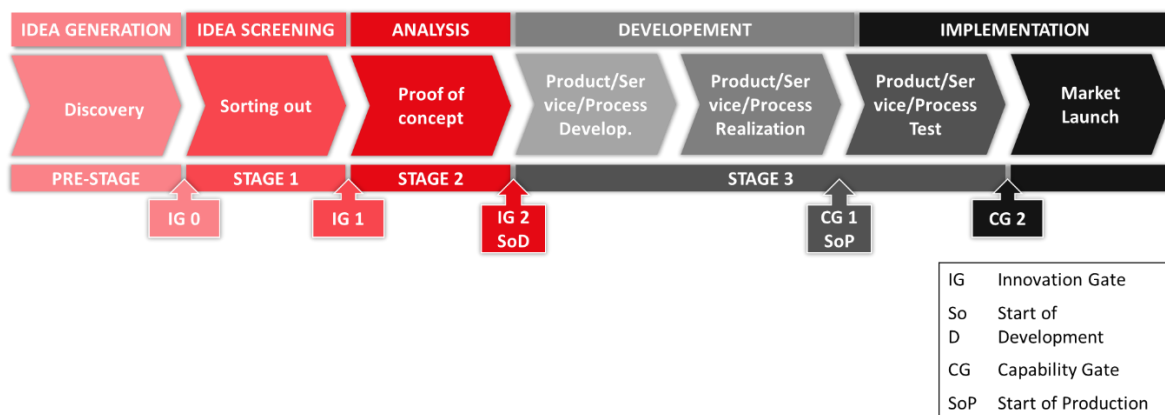


Figure 5: Innovation Process (own presentation)

Figure 5 represents the journey of an innovation from the phase of idealisation up to its commercialization. In addition, there are also Innovation gates, that serve as internal meetings where decisions whether a phase has been successful are made. If the phase is successful, the team switches to the next phase and defines the next gate. The gates also serve for keeping focus on the important aspects and not losing the path (cf. Cooper/Edgett 2000 – 2021).

2.6.3. Pioneering advantages

A pioneer innovation is defined as a type of innovation where an entirely new service, product, or solution is delivered to the existing market (cf. Gupta/Bose 2019, p. 868). The pioneer innovation involves creativity, flexibility, and risk-taking factors. The fundamental goal of a pioneer innovation is to develop sufficient reliability and validity of new products or solutions. For a better understanding, pioneer advantage can be split into pioneer invention as a product category invention, product pioneering as a new product model, and market pioneer as the first selling new product category on the market. On the other hand, Keller and Kotler claim that more than seventy percent of market leaders in 1923 kept their leadership for another sixty years as pioneer innovators, and some are still in a leading position. One of the fundamental reasons for pioneer advantage by companies is customer loyalty, which ensures the powerful WoM and eWoM (cf. Kotler/Keller 2016, p. 374).

2.6.4. Pioneering drawbacks

Being a pioneer in innovation has its risks and drawbacks. The main danger comes from market competitors entering the market with the same or similar products, attacking the weak points of an innovator. The weak points are mostly inappropriately positioned products, lack of funds, too early market appearance, product complexity, high R&D costs, and similar. One of the most famous examples of a drawback is Google's market leadership over Yahoo's search engine. Competitors are keen to wait for a second entry for simple reasons – avoid dealing with critical mass, learning from competitor mistakes and avoiding first market investments. To compete with the second entrants, the innovator needs to enter the market ready and without pressure. It means that the proper market research has to be made, market entry and strategy has to be thoroughly planned, and innovation has to keep being constantly developed (cf. Kotler/Keller 2016, p. 374).

2.7. Product Life Cycle

In the phase of product launch and the first introduction to the market, the lifecycle of the product or service begins, and lasts until the need for the product or service wanes. Traditional Product Life Cycle develops through four main stages; introduction, growth, maturity and decline. For the needs of this thesis, the four-stage life cycle will be elaborated as an extension to Chapter 2.6.2, to complete the picture of the product from the idea phase to the decline.

2.7.1. Product life cycle stages

Understanding the product helps the marketeers to predict next steps and what further information is needed. Stages of product life cycle are:

- In the **introduction** phase, the goal is to create a market awareness for the product within its category. In this phase the income on sales is very low, almost non-existing, but efforts are invested in the promotion and informing potential customers about the product and its benefits.
- In the **growth** phase, the sales increase and the goal is to motivate customers in purchase recurrence. At the same time, the competition is also growing and creating new challenges.
- In the **maturity** phase, the product reaches its maximum sales potential and often comes upon more competition. This phase is often also characterised with lower income from new customers.
- Once the sales revenue starts decreasing, it is clear that the product has entered the **decline** stage. In this stage the organisation has several choices; it can cancel the product or service from the market, or keep maintaining the existing customer base, or reinvent (cf. Steinhardt 2017, p. 80).

2.7.2. Product life cycle extension

To recapitulate already previously mentioned, the product has to create value for customers and provide income for the organisation as the main goal. In the process of reaching higher income, the organisation is able to strategically extend each of the products' life cycle. There are several possible strategies that can be considered, such as:

- Increase or change the product value
- Co-brand with another high-value brand
- Re-brand the product or service to re-enter the market and build new value

- Develop new packaging
- Motivate customers to more frequent usage
- Enter new markets
- Develop new pricing strategy

It is important to mention that not all the strategies can be applied in all the stages of the PLC, but can be well planned and executed within the proper stage (cf. Steinhart 2017, p. 82f).

2.8. Marketing Mix for Products and Services

Once the tangible goods are ready for the market, the marketers generally address four key elements of the marketing mix, called 4 P's, used for building the product strategy. Those are product, place, price and promotion, and each requires planning activities. In case of intangible goods, such as services or processes, the marketing 4 P's mix cannot deal with the arising issues where customer service is also part of the product strategy. 4 P's need to be further developed with additional three P's associated with the service delivery. Additional P's are process, physical environment and people. For this thesis, the 7 P's marketing mix has been chosen, since it involves all the elements that need to be considered when building the concept for product launch as a service. As the thesis focuses on communication, the promotion will be explained in more detail.

Product element. The core part of the strategy is the question of how to develop the product, and the company must be able to answer it clearly. A properly developed product creates a significant value for customers. When creating a service as a product, the company must cover all the prime customer needs in the first step, better than competitors do. In the second step there should be elements included that help customers in using it, for example advice, or simple order process.

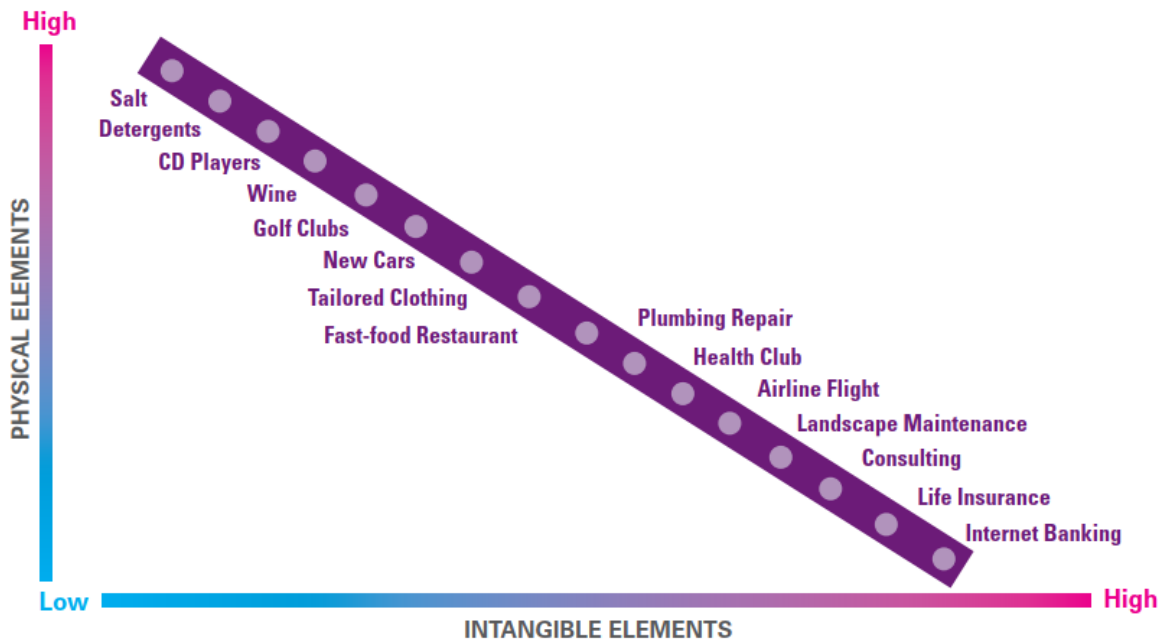


Figure 6: Relative Value Added by Physical Versus Intangible Elements in Goods and Services (Wirz/Love-lock 2018, p. 19)

Place. Depending on product nature, the service, for example, can be distributed online or offline. For example, a post office can provide its own services directly via a post office counter, via post boxes, post partners, online, or even a combination of two. The core competence should be to make company services more easily accessible to the end user, and one of the most sensible facts is the service delivery speed.

Price. One of the most important marketing mix elements is price, which has a direct impact on market success and profit. From one side, it is the element that generates the revenue and has a direct impact on customer loyalty, next to the product quality. When creating the price, a strategy needs to be defined. As an example, how the product or service is going to be charged, as a one-time fee, subscription or per usage. In total, price helps the consumers to perceive the value of the product or service.

Promotion. In this element of the marketing mix, the major weight is on communication. It is crucial to strategically build strong communication channels and constantly work on communication quality. Success depends on three main factors:

1. Advising and informing
2. Target consumer persuasion
3. Motivating customers to act at aimed times

It is important to work on constantly informing customers about the product or service benefits, purchase locations and provoke customers' contribution. Once the

customer contributes, the company benefits from user experience and can constantly improve the products and services. From the customer side, it is easier to make the decision once there are physical senses involved. If the customer is satisfied, there will most likely be a guaranteed purchase. In case of a purchase of service as a product, as an intangible product, senses such as smell, touch or hearing are not involved and can drastically affect the purchase decision. In such cases, the interaction between customers can be helpful, but also potentially dangerous, which depends on service quality level. Another important fact that has to be considered is that the communication approach between B2B and B2C can largely differ, which is more detailed explained in Chapter 4.2. (cf. Išoraitė 2016, p. 26f).

Process. When creating and delivering a service, the company has to consider not only what it is delivering, but also how the product as a service is delivered. Processes are crucial as well-developed or well-defined processes can increase efficiency, save the time for both company and customer or consumer, and bring customers closer to the purchase decision. When creating a process for a service, the company needs to plan the process steps with care, ensure that the delivery is reliable, constant service quality supervision and constant improvement.

Physical environment and evidence. The fact about every customer when deciding about the purchase is that they need physical evidence of a product or service of the company as a proof of the existence. This can include physical stores, buildings, furniture, equipment, staff or any other visible and tangible proof of the brand's existence. Once visual and tangible identity has been perceived, the customer satisfaction loyalty starts to develop. During the development, the indicators such as facility hygiene, orderedness, design, flexibility and similar, defines the level of satisfaction and the level of loyalty (cf. Anjani, et al. 2018, p. 268f).

People. Although technology and digitalization nowadays have taken the leap and have changed the lives of each individual, there is still human interaction needed when there is service to be delivered to an end customer. This marketing element refers to each employee within the company who has any, even minor, contact with the customers. The company must be sure, in order to be successful, to provide enough information to its employees, develop their skills, motivate them and make sure that each one of them shares the company vision. In those processes the Human Resource department plays a crucial role (cf. Wirtz/Lovelock 2018, p. 18 – 24).

Elements	Indicators	Level (%)	Average (%)	Category
Product	Product diversity	71.44	71.22	High
	Adequate packaging	69.56		
	Well-done packaging	72.67		
Price	Cheaper Price	66.22	72.25	High
	Follow price development	73.78		
	Negotiable Price	75.44		
	Offering Discount	73.56		
Place	Strategic location	81.44	71.81	High
	Delivery service	68.78		
	Place identity	69.33		
	Product availability	67.67		
Promotion	Simple Bonus of Purchasing	69.89	66.37	Medium
	Mouth-of-Word Promotion	65.33		
	Media Information (HP/Leaflet)	63.89		
People	Manage business by itself	78.89	81.22	High
	Hospitable attitude	84.00		
	Alacrity/Agile/ Quick Response	81.44		
	Honesty	80.56		
Process	Bargaining in kindship	81.11	79.00	High
	Payment fleksibility	76.89		
Physical Evidence	Market cleankliness	72.89	76.63	High
	Neatly arranged	77.44		
	Shopping Flexibility/Convenience	79.56		
Average			74.07	High

Table 1: Level of 7P Marketing Mix Implementation in Traditional Market (Anjani, et al. 2018, p. 267)

3. Product Launch

3.1. About Product Launch

The product launch is one of the most strategically essential steps of the product life cycle. It can have a positive or negative impact on the future of the product. In recent years, researchers have examined various factors to conclude how product launch can be effective and vital for business and customers. It is implied that the right target market, product advantage, and market segmentation analysis are one of the most prominent aspects of product launch. The ups and downs of the market define how much the product will be successful. However, contemporary studies take the product launch strategy to new horizons with new conclusions. As per researchers, the key strategy for any product launch is to minimise the risk factors. In this case, the same researchers designed a hybrid model, incorporating both old and digitised strategies for the proficiency and accurate establishment of product launch. The result indicated that conventional methods yield high operating costs, which ultimately

leads to an increase in risk factors (cf. Khajavi et al. 2015, p. 29f). Another study concluded that the assessment of the cost of quality is the crucial factor for a successful product launch. The general idea of the cost of quality is that it gathers data and allows organisations to determine the resources that are used for activities that limit inadequate quality. The practical implication of this research mentioned that CoQ or cost of quality must be considered during the pre-launch phase of the product. In this way, the business can establish a better structure plan and understand the specific issues or needs that are underlying at the given moment. The entire framework will help to understand potential product or service weaknesses, and, therefore, an organisation can act upon it, and create a better product version (cf. Guinot, et al. 2016, p. 405f).

3.2. Product Launch Types

Once the company has finalised the fifth phase of the product innovation, the development must start planning the product launch phase. For the product launch, two important questions have to be answered. First, what is the budget for product launch, and second, at which scale the launch should be undertaken. There are many factors that have a direct impact on the decision. Further, in this chapter there will be three product launch approaches described with their pros and cons.

Soft product launch. If a company does not want to launch the product or service on a higher scale, the soft launch approach should be chosen. Soft launch is in general inexpensive, has minimal marketing activities, which results with very low awareness and minimal sales results. Reasons for choosing such a launch type can be various. One of the reasons could be an unfinished product that needs customer and user feedback in order to be fully developed. Another reason could be a lack of funds for a higher scale launch, so the company uses the opportunity to make quick sales and look for investors. However, if the company has a product ready for high-scale launch and chooses the soft launch, the negative impact of bad awareness and low sales will force the product management to reach for product life cycle strategies as explained in Chapter 2.7.2.

Minimal product launch. Companies that choose the minimal product launch approach often have low funds or lack of resources. Negative impact can be the same as by the soft launch approach. Sometimes the reason for choosing this approach could be the fact that the product has no importance or has a very small impact on

the global strategy of the company. Occasionally, companies also release new products as an update on the existing ones as continuous innovation, as described in Chapter 2.6.1, and gaining awareness from the existing customer base. On the other hand, there are companies that underestimate the market needs and lead by opinion that sales of the product will run automatically, which in most cases fails within a short period of time. Although, on the positive side, as stated in the first example, in case of low funds, companies can use the sources wisely by focusing all the available efforts on one market segment. Such focus can reach enough attention to generate the revenues that can be later used for investment in other market segments.

Full-scale product launch. In cases of companies like Apple or Tesla, who publish their announcements and novelties on all the media platforms, push the positive reviews and similar, it can identify as a full-scale launch. Such an approach considers strategic planning and effective fund disposal. All the activities are connected and work together, in order to achieve high awareness across the chosen industries. The full-scale approach when launching a new product or service can maximise the opportunities, but a company has to identify those opportunities and value that is provided to the customers first (cf. Lawley/Schure 2017, p. 231 – 234).

3.3. Concept Theory in Marketing

To be able to understand a concept in marketing, it is necessary to separate the terms of concept and marketing first. According to Lara Jehi, the neurologist and professor at Cleveland Clinic Lerner College of Medicine, “*A concept refers to what exists in the mind as a representation (as in something comprehended) or as a formulation (as in a plan)*” (Jehi 2018a, p. 12). Kotler and Keller further explain that “*The holistic marketing concept is based on the development, design, and implementation of marketing programs, processes, and activities that recognize their breadth and interdependencies*” (Kotler/Keller 2016b, p. 43). In other words, by combining both definitions, it can be concluded that creating a concept is not an easy process or task. Building a concept includes all the facts that can build a story around a product, service or process. It can include a vision, market analysis, goals, strategy and other facts, documented in a written form (cf. Jehi 2018, p. 12; cf. Kotler/Keller 2016, p. 43).

3.3.1. Product concept development

Alan Wilson, in his book *Service Marketing*, explains that development of the product concept largely depends on the fact if the product is tangible or intangible, such as service products. For tangible products, the process is simpler than for a service. In the case of a tangible product, it is necessary to describe the product in written form, deliver it to the market, and collect the feedback of customers and end users. When creating the concept for a service, there are many complex factors influencing the concept. The most important factor for the service concept is the benefit that a customer perceives, combined with material and immaterial elements. The primary benefit, for example, for a Sea Tow customer is to have the boat towed into the marina free of charge. However, the concept also involves the service call procedure, organising the service for towing the customer's boat, printing and sending the membership card, and other. Constant repetition of the service raises many potential and existing issues that should be solved. After the long and exhausting process, the customers' feedback and, very importantly, employee feedback can be absorbed. Once all the information is collected, the product as a service can be defined and documented in the written form. For documenting the concept of a service, the following details need to be considered:

- Issues that have arisen,
- Facts and figures,
- Values and benefits for customer,
- Features list and its benefits,
- Reasons for purchase, and
- Person's description in the delivery process, employees and customers.

As a final step after the concept is finalised, it needs to be evaluated by the customers and the employees in order to avoid any errors, misunderstandings or unmentioned information (cf. Wilson et al. 2016, p. 323f).

3.3.2. Product launch concept essentials

As already mentioned, the product launch is one of the most important parts of the product's life cycle. Every company has an interest to make the most out of the process and start selling the product as soon as possible. The product manager plays a crucial role in this process as the person in charge of the execution. For a successful execution, a product manager is well-aware of how important it is to start

conceptualising the launch on time, so that the execution can run as smoothly as possible. The main essentials of the product launch strategy concept include the following:

- Planning activities
- Planning the timing of the activities
- Planning the personnel included in the product launch activities
- Planning the roles and responsibilities
- Organizing the necessary documentation
- Planning scenarios
- Planning the target market
- Identification of the vision together with customer needs and expectations
- Setting product launch goals

Being on time with planning has a major effect on launch execution. The execution is a complex process, and all the parts need to have synergy and work with each other effectively. Although plans can rarely be taken for granted, by keeping up with the time plan, major issues can be successfully predicted and corrected before the launch execution commences (cf. Haines 2019, p. 205 – 207).

3.4. Environment Analysis for Product Launch Strategy

For a successful product launch, it is of high importance to execute an extensive market research of which data is crucial for planning the product launch strategy. A strategic analysis includes the internal and external environment. Results are used for improving the potential weaknesses and issues, and defining the actions needed for improvements. Nowadays, there are many tools available which can help organisations conduct the analysis successfully, such as the SWOT analysis, Benchmark analysis, PESTLE, and others. However, before starting the research, it is necessary to prepare the field for the research. Kreutzer suggests the “5D concept of marketing research” as indicated in Figure 7, of which each letter D defines one phase. All phases will be elaborated in the thesis (cf. Kreutzer 2019, p. 89).

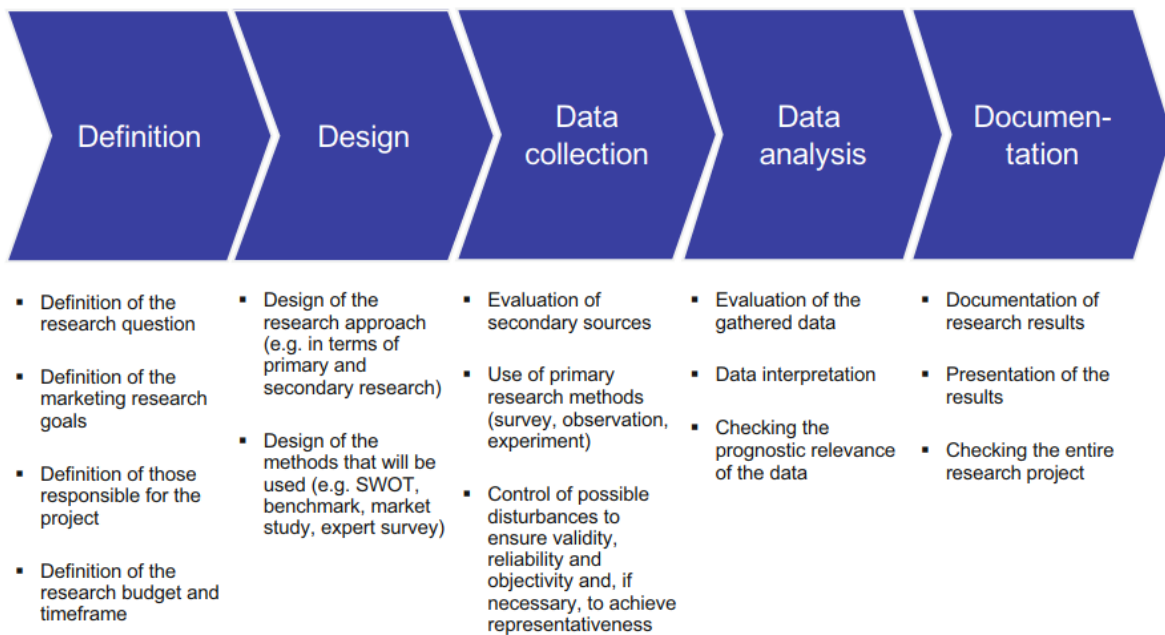


Figure 7: 5D Concept of Marketing Research (Kreutzer 2019, p. 90)

3.4.1. 5D research phases

In the starting **definition** phase, the focus is on research of questions, goals, responsible persons, timeframe, and budget available for conducting the research. The researcher or research team must define a set of most relevant questions for product launch in the beginning, regarding, for example;

- Image that organization portrays or deals with
- Comparison with the competition organizations
- Customer or user target group
- Sales issues at the previous product launch
- Product success facts of competitor products
- Trends and challenges in the industry
- Communication platforms (social media, business platforms, trade shows)
- Product or service capacities
- Geographical market targets
- Cost reduction and benefits for the organization and the customers

Once the set of questions has been created, researchers must ensure that all potential gaps are covered, and that the answers are measurable. The next step is to decide which study type can be carried out. There are three possibilities, the explorative study, descriptive and casual. The explorative study focuses on exploration of new data. In most cases, it is conducted as qualitative research and provides the

initial picture of the environment. The descriptive study, on the other hand, requires a larger amount of data gained from both qualitative and quantitative data. The data provides more focused answers that enable the pattern recognition, which can serve for market movement predictions and potential product launch success or failure. The third type, the casual study, has an experimental approach and based on collected information assumptions are built. For instance, the assumption is calculated based on the influence of sales on the marketing activities. Moreover, every project is individual, and the product manager should decide which type of the research is the right choice (cf. Kreutzer 2019, p. 89 – 91).

In the research **design** phase, the researcher defines which type of research will be conducted. Quantitative or qualitative, or sometimes both, depending on the information quality and relevance to the project. The main difference is that the quantitative research is basically much faster and cheaper to conduct as it requires mostly online research where available data is collected and processed from internal and external sources. However, quantitative data also has a negative side where it is not always possible to rely on data correctness, how the data is collected in the first place, who collected it, and who has all the data. On the other side, there is a qualitative research approach that requires more time and effort. The data is collected directly from the field in the form of surveys, observations or experiments. An important advantage of the qualitative research approach is that data is up to date, obtained directly from the experts or target customers, aligned to the needs of an organisation and exclusive. In addition, it is important to define analysis methods that are going to be used for the data analysis and data variables that are important (cf. Kreutzer 2019, p. 91f).

During the **data collection** phase, the first step should be to collect information gained by the secondary research, with insights from the primary research in mind. The benefits of such an approach are, as previously mentioned, lower costs and less time effort. When collecting secondary data, researchers can collect data starting with internal sources from finance, CRM, intranet and similar. As for the external sources, it is recommended to collect the data from state and research institutions, online databases, press releases and similar. Collecting data from the primary research can be executed through interviews and workshops as objective answers are provided by interviewees. It is important that data is collected from reliable sources (cf. Chaffey/Ellis-Chadwick 2016, p. 192f).

As soon as data has been **collected**, the researcher can decide how many variables are needed for the analysis. If there is only one variable needed for statistics, univariate analysis can be used, for two variables bivariate and for more than two multivariate. As the first two methods are quite simple and do not require significant effort, the multivariate method is recommended in cases when there are different age groups of customers targeted, within multiple geographical markets and different incomes. It is important in this phase that the data is processed and analysed objectively for the best-result outcomes (cf. Kreutzer 2019, p. 96).

In the final, **documentation phase**, all the research data should be stored as a secondary source for future studies if necessary. The data must include all the details from the previous 5D phases, together with all the stakeholders involved, such as research agencies, employees, customers, and others. This phase also involves the presentation of results to the management, all the departments involved in product development and life cycle, and occasionally customers. For the purposes of this master thesis, the practical research will be conducted in Chapter seven (cf. Kreutzer 2019, p. 96).

3.4.2. Analysis tools

Before providing any decision for a product launch, it is highly recommended to conduct the analysis that will provide the answers about the micro and macro environment. As already mentioned in Chapter 3.4., there are tools available for the analysis, and for the purposes of this thesis, PESTLE and SWOT tools are going to be explained. PESTLE and SWOT are one of the simplest tools available and can be conducted in pairs. Both tools can provide a quick overview of the internal and external factors that are affecting the organisation and its products. For example, those factors can be customers, suppliers, technologies, politics, trends, organisational culture, mission and objectives, and other (cf. Hans 2018, p. 67f).

PESTLE is a very useful tool for analysing the macroenvironmental. Its acronym defines the area of the research and stands for political, economic, social, technological, legal and ecological factors. From the business perspective, the analysis helps to analyse and understand the environment around the organisation and its position on the market. Once conducted, the analysis can identify potential risks and threats, which can later save costs and enable effective product launches (cf. Perera 2017, 4f).

SWOT works hand in hand with PESTLE and can focus on both the macro and micro environment. Its acronym stands for strengths, weaknesses, opportunities, and threats. Strengths and weaknesses analyse the internal factors of the organisation, and threats and weaknesses analyse the external factors. This is a very simple but effective tool that allows the organisation to investigate the environment when planning and managing activities. SWOT is, in most cases, presented within a quadrant where internal and external factors collide. With this approach, major potential issues can be quickly detected (cf. Gürel/Tat 2017, p. 995).

3.4.3. Improvements required based on analysis

Generally, when the analysis has been successfully conducted, the product manager has a clear idea about the environment and its strengths, but also the risks. The next step would be to return to the strategy, validate it, and indicate necessary changes. Afterwards, it is necessary to involve the team in the decision process, consulting on which steps and which changes are necessary. It can take a day, two or longer, but it is a vital process, because once the product launch has been executed, bad strategizing may highly affect the success of the product (cf. Metcalfe 2019, p. 164 – 167).

3.5. Market Segmentation, Targeting and Positioning

In this chapter, one of the essential parts of the strategy will be discussed, namely the market segmentation, targeting and positioning of the product. For a successful product launch and the rest of life cycle phases, it is necessary to conduct proper research and decide who the customers that the product should aim for are. It is hard to fulfil all the customer needs, so it is better to focus on those customers whose needs can be fulfilled. Sometimes it is possible to find the products that are trying to fill all the customer needs, but they become over-featured. For over-featured products, there is a much lower interest than for simple and usable ones.

3.5.1. Market segmentation and targeting

According to Camilleri's segment definition, "*A market segment is a group of individuals, groups or organisations who may share the same interests, traits and characteristics*" (Camilleri 2018, p. 70). Each of the groups has its own needs, so the segments need to be discovered in order to utilise the maximum when launching the product. With segmenting the markets, the organisation creates the idea about

the potential buyers and users who can benefit from the product. With segmentation, the consumer needs can be better understood, marketing communications can be planned in a more effective manner, growth chances are being discovered, higher sales achieved, and other. When segmenting the markets, there are several variables that need to be considered. Those variables are:

- **Demographic**, involving the information such as age, gender, family status, nationality, income and similar.
- **Geographic**, involving the information about the location, which could be important for some products, because it can also consist of further information such as climate, population and similar.
- **Psychographic**, involving the information related to the consumer's lifestyle and personality.
- **Behavioural**, involving the information based on customer's purchase frequency, amounts, intensity and similar.
- **Product-related**, involving the information about the product or service type, purpose, usage, CoO and similar.
- **Industry**, involving the information about industry verticals such as food, health, automotive, marine and other business-related markets.
- **Company size**, involving the information related to B2B products, where companies are segmented into small, medium and large enterprises.

To be able to segment the markets, each variable must be measurable, sustainable, accessible and actionable (cf. Camilleri 2018, p. 71 – 77; cf. Metcalfe 2019, p. 140f). Once the segmentation analysis is finished, the organisation and the product manager should have a clear idea of who the customers are, who the competitors are and to which market the product or service should be oriented. This information is to be integrated into the product launch strategy, and further marketing activities largely depend on provided information (cf. Camilleri 2018, p. 78).

3.5.2. Product positioning

This is the final stage of the market segmentation for the product launch. In this stage, the company decides on a strategic approach to the customers and consumers in a way where they dwell in their thoughts with the product or service. Kotler defines three levels of positioning:

1. Product attributes – product positions with quality, style, features and other attributes in mind.
2. Benefits – product positions with specific customer values such as money saving, faster delivery, exclusivity, and similar, in mind.
3. Beliefs and values – the most effective one, it positions the product in minds of the customers and users on powerful beliefs and values that activates emotions by customers and users.

However, the marketing in product brand positioning activities must ensure that the messages are clear, simple and, most of all, honest. Those are the main facts that have to be considered in order to have successful positioning (cf. Kotler/Armstrong 2018, p. 265f).

3.6. Product Launch Communication

3.6.1. Integrated communications for product launch

During the preparations for the product launch, the organisation needs to beware of the communication style, timing and, most of all, quality. Once the communications are executed, the outcome influences the sales of the products and services directly, and creates the expectations by the customers and consumers. Each customer has their own expectation of products that are promised by the company, so the company has to make sure to meet those expectations. What needs to be considered are the controllable and uncontrollable aspects. Controllable are, for example, advertisements in print, TV and the ones available online, websites, smart devices applications, direct interaction with the customers and similar. Uncontrollable, or better defined as seldom controllable, are for example WoM, eWoM, social media (Instagram, Twitter, LinkedIn, etc.), customer experiences developed with competitor products and services and similar. To meet the desired customer expectations, the communication has to be well-planned, coordinated, precise and synchronised (cf. Wilson et al. 2016, p. 628).

In their book “Essentials of Service Marketing”, Wirz and Lovelock are using the “5 W’s” model for development of integrated communications. The model represents the two main parts of communication strategy development and implementation. According to the model, there are five main questions starting with the letter w that have to be answered, as indicated in Table 2 below (cf. Wirz/Lovelock 2018, p. 196).

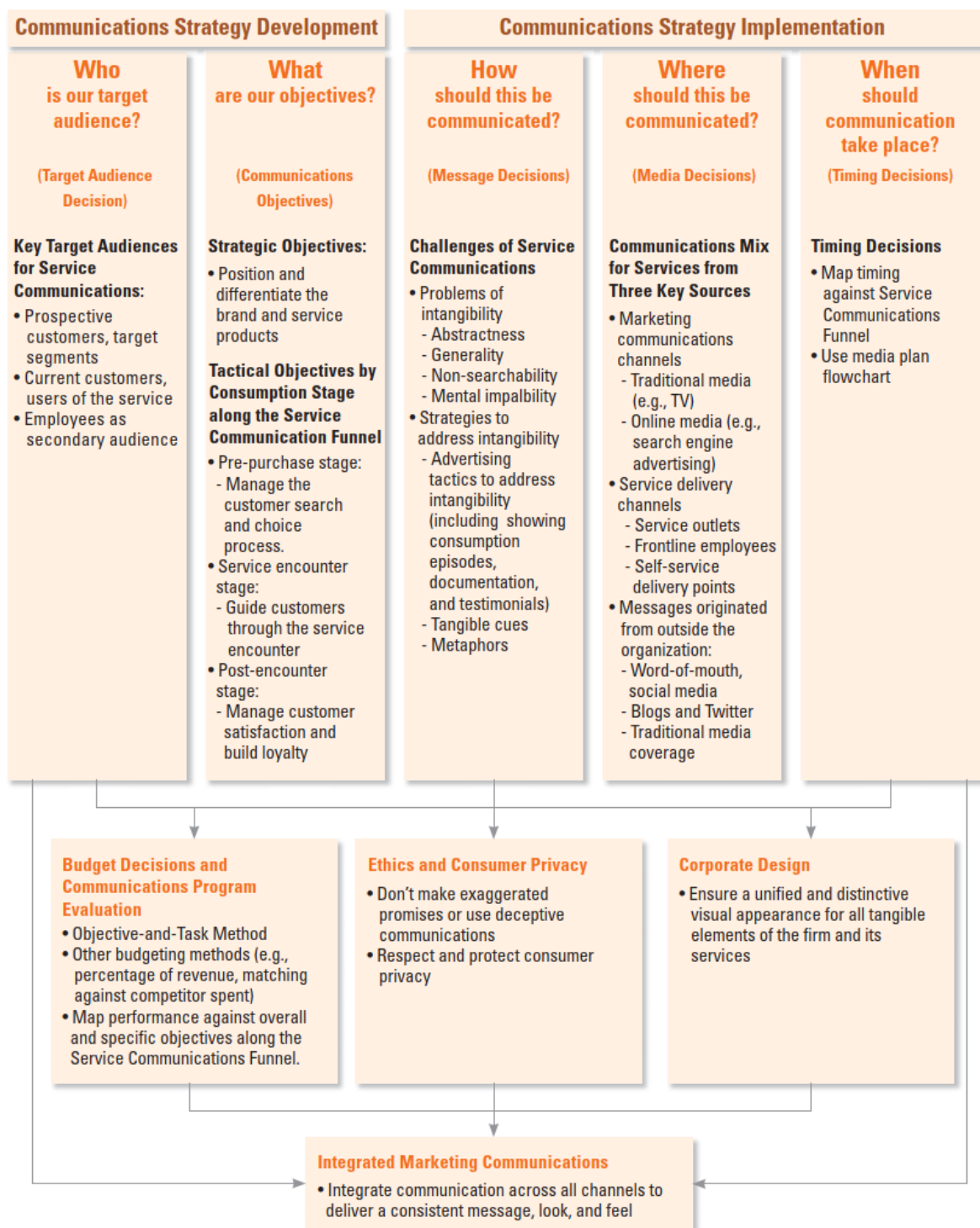


Table 2: The 5 Ws of Service Marketing Communications (Wirz/Lovelock 2018, p. 197)

3.6.2. Internal communication

In this chapter, the importance of internal communication will be discussed, especially during the product launch preparation and execution. A large amount of time and other resources are invested in researching and designing a product, service, or portfolio. Communication quality between internal stakeholders, such as employees and partners, is essential in order to successfully achieve the product goals and

vision. Without the successful internal communication, hard work is likely to go in vain. Internal communication refers to the briefs of all the missions or aims of the company. How a company wants to integrate a product into the market starts with the internal communication. The topic is not confined only to an effective product launch, but is valuable in every business operation. Organisations should prioritise internal communication as much as the external. When the product is closer to the launch, the aim of the leadership must be to give insights into the product or service to its employees and other internal stakeholders to grasp their perspective. It is quite a significant exercise for every stakeholder, since the internal communications can help the product launch to be more organised. The essential aspect for the product launch is that the internal communication channels are properly developed, so that development, sales, marketing and service providers have the same information on hand. This way, the pros and cons of a product or a service can be highlighted, as well as its future position on the markets (cf. Wilson et al. 2016, p. 636f).

3.6.3. *External communication*

External communication is a method of exchanging the product or brand information with the external stakeholders. It may be online or offline, even both, and is related to direct or indirect communication with the existing and potential customers. High quality of external communication has a direct impact on product branding and customer loyalty. However, the true aim of external communication is to create value for the business in every way. Both types of external communications have their merits and demerits. A product launch depends on how the organisation interacts with the customers. Effective external communication leads to effective results and vice versa. Such communication is fundamental for marketing operations, as well as to define the true aim of a product or service during its launch and post-launch. The product launch in terms of **offline communication** may be costly and time-consuming, yet the results are favourable. There are various channels for offline communication. For example, those are trade shows, newspapers, events, print materials, advertisements, radio, television, and other. It depends on the organisations and the market segment, such as B2B or B2C, on how the favourable channels are chosen. Researchers state that using strategies of shows and events extensively lead to customer acquisition, as well as an effective demonstration of the product or service. Tech companies, such as Apple and Google, consider offline communication as a major part of their marketing strategy. Companies, especially in the B2B

segment, are using the same strategy to gain the attraction of customers, and to stand out above the competition. Customers are more likely to acquire a service or product if they experience a product demonstration in person. The offline communication goes to the next level when organisations use the approach of prints and physical advertisement. Since it is the customers, at the end of a day, who define the success of a product, it is important to physically receive their perception (cf. Rudczuk 2017, p. 14f).

Online communication is comparatively newer than offline communication. The technology has created a plethora of accessibility for organisations and business developers to launch a product without using a significant amount of resources or time. Online communication is easier to process, yet the audience is harder to reach. The impression takes time, but the results are exemplary, once it is complete. Online communication must be presented in a way that does not lead to spamming. The online world has immensely expanded over several years. Therefore, it is necessary to target the desired audience. Targeting an audience is a crucial strategy that requires data processing and evaluation. The data processing methods are another set of variables that are based upon how the organisations want their product or service to be launched. It is estimated that the giant companies use extensive analytics and data measures before the product launch (cf. Gruner et al. 2018, p. 177 – 180). Online communication consists of vast channels, and researchers believe that every channel is effective. It is concluded that organisations should utilise every possible source of online communications to meet their desired audience. These include websites, social media, email communication, and other. Especially in the B2B industry segment, during the COVID-19 pandemic, the webinars and online trade show interactions have increased and forced many companies to adapt to the situation. Many live events have resulted from cooperation between competitors. Most common channels for promoting such events have been published on social media sites, which takes online communication to a greater extent. Incorporating this strategy is a win-win situation for both parties, and both can solve each other's problems as long as the approach does not result in illegal activities, such as monopolistic alliances (cf. Giannoulakis/Tsapatsoulis 2016, p. 115 - 118; cf. Crick J./Crick D. 2020, p. 211).

3.6.4. *Communication mix components for the product launch*

When creating a marketing communication strategy for product launch, there are several tools available that can be used in raising awareness of the product, and by that increase the sales potential. Depending on chosen communication channels and goals that are to be achieved, there are the following tools available:

1. **Advertising** – mostly used for product launch when trying to reach a large, targeted group of potential customers. It is used for delivering messages that can trigger the customer behaviour and interest in the products and services that one company can offer. Advertisement can be executed through online and offline channels. In the B2B market segment, the most commonly used are professional magazines, newspapers, brochures, websites and social media.
2. **Personal Selling** – it presents one of the most important communication tools of an organisation. It is executed as bidirectional communication between customers and the company. The tool is significant for the product launch preparation and execution, as it can trigger the thoughts and purchase desire of customers before the launch itself. The main characteristic that best describes this tool is conversation. As simple as it may sound, before engaging in a conversation with a customer, good preparation is crucial.
3. **Sales Promotion** – it is used to stimulate instant purchase once the product has been launched. In the B2B market segment, it can be stimulated through different activities such as sponsorships, advertising, trade shows and similar. There are two main different types of sales promotion; customer and market oriented. Both are distinct in their approach, of which product management has to be aware. The customer-oriented focus is on the needs of the customers, and is most common for services. Market-oriented focuses on a trade chain, and is mostly used for both tangible and intangible products.
4. **Direct Marketing** – it is one of the most utilised tools that almost every marketer today uses, and is a very effective communication tool for launching the product. The reasons for choosing it are many, but two important factors can be distinguished. Firstly, it enables direct communication with the customer and is measurable. Secondly, it uses a big variety of media such as newsletter, print media, push messaging on smart devices and computers, and many others.

5. **Internet/Interactive Marketing** – as well as personal selling, the interactive marketing uses bidirectional communication with the customer, which takes place online. The main advantage of this tool, regarding the product launch, is that messages can be personalised and targeted for each individual. For example, already in the prospect phase, marketers are able to recognize the potential decision-makers and adapt the communication based on their needs. Among the standardly used online media aimed at the B2B sector, blogs are commonly used, as well as social media such as LinkedIn and webinars. Hence, it is important that customers can respond to the content with tagging, commenting, sharing, downloading, and similar.
6. **Public Relations** – this tool is used for strategic communication with the public, and the main goal is to improve the image of an organisation, its products and services. When planning the product launch, it is important to choose the channels that can be used carefully. For example, in B2B, the most common are television, radio, podcasts, newspapers, magazines, and other digital media. Secondly, messages need to be planned very carefully, with care, and provide a positive image about the product and company. In contrast to advertising and personal selling, PR delivers favourable information to the market that receivers, who are in most cases customers and other stakeholders, can decide how to use.

It is important for every marketer to keep in mind that for a successful tool usage effect, there must be strategic relevance in order to achieve the positive outcomes (cf. Camilleri 2018, p. 87 – 102).

4. Development of a Product Launch Concept for a Service

In the previous chapter, the strategy, together with the goals and vision, has been discussed, and serves as an introduction to this chapter. In this chapter, the focus is on the thesis topic of launching the service and how to create the concept for service product launch.

4.1. Product Launch Preparation and Goals Setting

Product launch preparations are already taking place in the product development phase. It is a complex process that requires a large amount of time to orchestrate.

To bring the perfect vision with the conceptual theory, and plan for a new product in the market, is the basic hurdle for any organisation. The planning for the development of a new product like a new service or process may look almost bizarre, especially with the ongoing competition on the market. To have a prosperous product launch, it is essential to work with a plan that can make a new product productive and profitable.

4.1.1. Setting goals for service launch

When setting the goals for the product launch, the first thing in mind of the product manager is to make sure that the goals can be achieved. It can provide a focus to the team and, most of all, success. In the process of setting the goals, the SMART acronym can serve as a useful guidance. The SMART acronym for setting product launch goals can be as explained in Figure 8.



Figure 8: SMART Goals Acronym (own presentation)

In practice, the product launch goals can be the identification of a specific number of leads, or reaching the ROI within two years, and similar. However, setting SMART goals does not guarantee success. Goals are activities that are going to happen in the future, which is unpredictable, but can be planned. Furthermore, to produce earnings, a product launch can help an organisation to create uncertainty and market insight for the new product. It also furnishes acknowledgment from timely users,

which the management of the product team can utilise to enhance the launch of this new product. Nonetheless, it is essential to plan a perfect theory before the launch of any roadmap of that product. Planning a profitable product launch compels coordination with the team, and planning according to the current situation of the market (cf. Kreutzer 2019, p. 36 – 41).

4.1.2. Service launch preparation

The system of planning requires strategic policies that help build up the ways through which products can be easily marketed. These strategies and policies for a better product launch are dependent on the roadmap. The development of concepts before launching a new product is also a crucial part of success. When planning the product launch of a service, there are two fundamental objectives:

1. Make sure that the service is ready and functional.
2. Monitor all the service attributes when launched.

For the product launch, it is of high importance that service as a product is finished and that customers and users can start using it immediately. To ensure the service readiness, stability and promised quality, there are two steps that need to be conducted, service qualification and service validation. In the qualification step, for a successful launch, it is very important that a team executes the product qualification, and later, together with trustful customers, validation. In the qualification process, the team has an important task to test the functions and features of a service internally, and try to discover any potential bugs, gaps and issues that may occur on the market when launched. In the validation phase, it is important that customers who should purchase and use the services test the product quality, its benefits and price value. It is necessary to have feedback from the source that will provide unbiased validation. In case of a tangible product, the prototype would be presented to friendly buyers first, who have an idea about a new product. The fact is, for service as a product it is hard to limit the product to a small area, as in case with tangible products within one store. However, companies can actually provide the service to the friendly customers, employees and their family members that are ready to test the service product solution, before it is launched. That approach has an obvious negative side, as for the aforementioned stakeholders it is difficult to keep objectivity, but it is necessary to conduct it, in order to receive any feedback before the launch execution.

For achieving the second objective, it is important to set the service monitor tools and processes for observing the service attributes, such as usage frequency, purchase frequency, support request and similar, through the entire period of service attribute perception. The perception of the attributes can sometimes take a longer time, one day or even up to a year, which depends on customers' usage iteration and capability to learn. The collected information will help define the needed actions and measures for service improvement and to keep tracking the market trends in the future. Those steps will assure that creating a product as a new service will provide revenue, and will not waste time, finances and efforts (cf. Wilson et al. 2016, p. 325 – 327).

4.1.3. Organizational readiness for the product launch

The product launch is a complex and often expensive process, so, during the orchestration, the product manager must ensure that both the product and the organisation are ready. The organisation needs to be not just strategically, but also holistically ready. It is crucial that all the employees and the departments are aligned with the goals and strategy. The product manager has a responsibility to make sure that the product and the organisation are aligned and ready for execution at the same time before the product launch. If one of them is not aligned, it is better to cancel or postpone the launch to avoid larger scale issues. Several things a product manager can check to prove the organisation readiness are:

- Sales team training,
- Pricing and promotion strategy,
- Order intake processes,
- Marketing plan,
- Internal operations, logistics, support, technology and equipment (cf. Brennan 2019, p. 80f).

4.1.4. Product launch backup plan

Every plan and strategy can have certain flaws and strengths. Unpredictable events are always possible, especially in the product launch planning, which is a very complex process. In case something does not work as planned, the product manager has a responsibility to keep the situation under control, and work on a backup plan. The backup plan needs to be clearly communicated at all levels of the organisation. Once the issues arise, it is important to undertake several steps in order to manage

the situation. First of all, the key persons need to meet and discuss the cause of the issue and the possible solution. Secondly, if the customers and consumers have been affected by the issue, the marketing team needs to develop a communication strategy and execute it. Thirdly, the issue must be documented, analysed and the main cause identified in order to prevent the same or similar issue from happening in the future. Overall, the team needs to feel safe, no matter what happens. Unpredicted situations need to be handled professionally and objectively (cf. Bavaro/McDowell 2021, p. 223f).

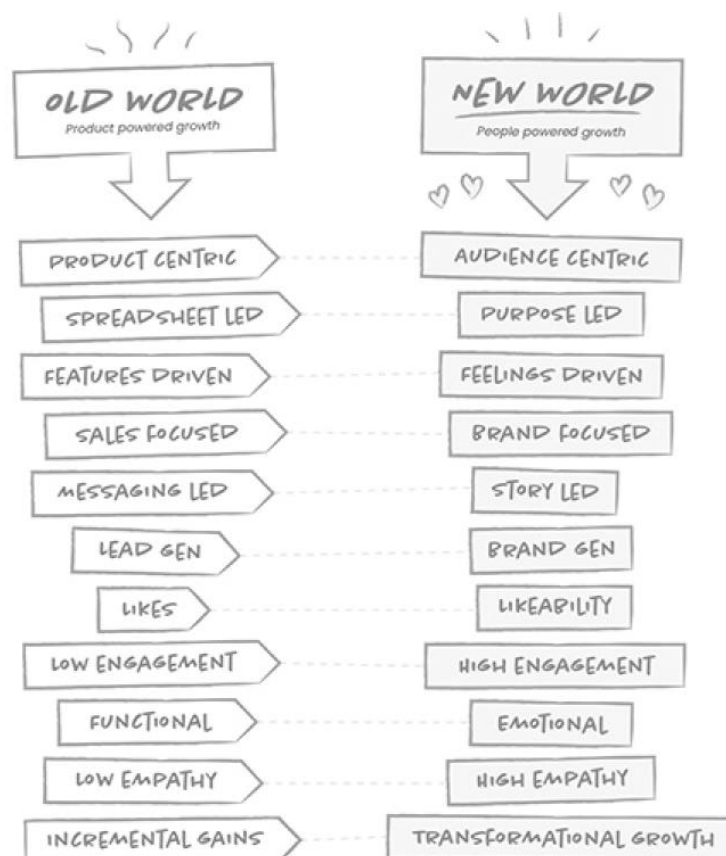
4.2. Communications for Product Launch of Service Within the B2B Market

When building the strategy and tactics for launching the product, it is necessary to have a clear focus on the target market and the type of customers. If the focus is not clear, planning the communication channels can be useless, as it can drain a lot of time, energy and, most of all, financial resources. In further subchapters the differences between B2B and B2C market, together with communication channels that are mostly used in the B2B market, will be further explained.

4.2.1. Distinction between B2B and B2C communication approach

The terms B2B and B2C are nowadays being intensively used for distinguishing two different business models and communication approaches. The term B2B is defined as a business model where the trade is executed between companies. It excludes the end consumer, and communication is executed on a personal level. The B2C business model includes the end user in a trade process. Once the end consumer is included, the difference between the two models becomes obvious, as the approach in marketing and sales differentiate in various ways. For example, in B2B marketing, the focus is on a personal level of communication with the potential and existing customers. Communication is mostly focused on delivering the right messages to trigger the customer's reactions through standard channels, such as phone calls, email, brochures, trade shows and events. On the other hand, B2C communicates with customers directly through local stores, media, advertisements, websites, posters, magazines, PR, and all other available tools. The focus is on the brand building and creating emotions that trigger the purchase and interest in purchasing the products (cf. Miller/Washington 2020, p. 14).

However, according to Cash and Trezona, we are in the times of a shift where B2B is more and more overtaking the face of B2C. The shift moved slowly in recent years, but since the COVID-19 pandemic, it has increased in speed for two main reasons. The first reason is that everyone had to adapt to the new pandemic situation overnight, where personal contacts as an old way of doing business was excluded. The second reason is that customers are not led by economical and rational reasons only, but emotional too. For example, during the pandemic, the most effective tool for personal selling was no longer communication with customers, but internet marketing. Companies were forced to work on their online representation, create more content and initiate online discussion via social platforms, which until then only B2C had been using as an effective tool. In Figure 8, Cash and Trezona have illustrated the main differences between the old B2B communication approach as the “old world”, and the new approach of B2B communication as the “new world” which has components of the B2C approach. The figure indicates that more effort needs to be invested within the new approach on all marketing levels. To build a connection and communication with the customer, there has to be a clear marketing strategy built. It has to be based on the customer needs, branding and empathy (cf. Cash/Trezona 2021, p. 14 – 26).



4.2.2. Peculiar facts affecting the B2B communication

When building a concept for the product launch, as already defined, the communication is combined from many components that need to work together to be effective. However, the important thing about using the components is that the organisation must also have a clear focus on how to use the components as tools in order to be effective. That means that even before the tools can be used, there has to be a clear communication strategy developed first. Without a clear communication strategy on one side, an organisation can record not only financial loss, but it will strongly affect the organisation's brand itself. There are several key facts that need to be considered when planning the communication strategy:

1. Defining the visual identity – uniforms, vehicles, building(s), etc.,
2. Defining company vision and believes,
3. Express the empathy, creativity and flexibility through materialistic and non-materialistic projects, for example, fast project execution or simply by investing in a community matter,
4. Defining internal and external communication that is going to be executed for building the relationship to employees and customers.

Once the communication strategy is developed, it is necessary to set the control and monitoring of the activities. This way the organisation can optimise the strategy and adapt to the market changes, along the product life cycle. It is important to mention that if the experience of the stakeholder with the product or organisation does not fit the communication, it can have a negative result and can directly affect the sales. For example, benefits of the delivered goods and services should match the communication (cf. Brennan et al. 2020, p. 177 – 179).

4.3. Product Launch Strategy for a Service

For a successful product launch, it is necessary to plan the time, place, target customers and tactics for product launch execution carefully.

4.3.1. Product launch timing

Before launching the product, in order to reach the many advantages of proper planning, such as increasing the product awareness, it is important to carefully plan the

time window for the launch. Depending on the organisation and the product type, timing can be planned once a year, quarterly, monthly, and similar. For a better effect, specific time windows can be planned on special event days, such as on a trade show date. Usually, trade shows attract a larger number of customers and are ideal for novelty reveals, and are a good incentive for deciding to purchase. For example, for the services that are aiming to the boating industry, the ideal time frame is in the early spring with the first boat show events (cf. Haines 2019, p. 207 – 209).

4.3.2. Product launch place

Once there is a clear plan of when the launch is going to happen, it is crucial to strategically plan the location of the product launch. It can be an online event, or at a physical location, or even both. As explained in the previous chapter, product management is always looking for an ideal location at a specific time to launch the products. Often, the chosen locations are the trade shows, where a larger number of potential customers, journalists, partners and other important stakeholders are present. On the other hand, the launch can take place online through webinars, online trade shows such as Achema, sales platforms like Amazon or eBay, social media platforms such as Facebook and LinkedIn, and others. However, geographical facts should be also taken into consideration, which are closely connected with the segmentation plan (cf. Kolarovszki et al. 2016, p. 123).

4.3.3. Target groups and customers

To answer the question of the product target group the launch should be aimed at, it is necessary to conduct extensive research first, as explained in Chapters 3.4. and 3.5. Once the market analysis and segmentation have been conducted, the marketing and sales teams play the crucial role in reaching the potential customers. It is important to have a clear vision and strategy on how to approach them. There are activities that need to be conducted, such as lead generation and qualification, establishing contact with potential customers, sales promotion and sales execution (cf. Kolarovszki et al. 2016, p. 123f).

4.3.4. Product launch team

Product launch as a phase is not an activity for one person as an individual. It is a complex set of activities that need to be conducted, and it is only possible within a team. It is the product manager's task to create a team of key persons, from across

the departments, and sometimes people from partner companies, that will carry the product launch from the beginning to the end. The key persons should also be experts in their own area of business. It is important to recognize the competences of each person and why they are important for the project. The team should meet regularly until the product launch execution, preferably on a weekly basis, and the kick-off meeting should not take place later than three months before the launch (cf. Lawley/Schure 2017, p. 322f).

4.3.5. *Product launch tactics*

Every strategy needs a plan, composed of details that serve as a guideline for the team to execute the perfect product launch. The plan is created as a storyline that explains the relations between all the details. The better the details are described; the easier will be to provide the answers to any internal stakeholder in the future. The plan needs to contain the following information:

- Product launch summary with briefly stated goals and product or service main features.
- Short explanation of product or service main functions, features, and consumer and customer benefits.
- Information about the market segmentation related to the product or service, with clearly stated which markets are aimed, market segments, personas descriptions of potential customers and consumers, and other.
- Clearly defined key messages that should be launched together with the product.
- Indicate the key factors that can confirm the product launch success.
- Product launch milestones, together with the budget and all the marketing, sales, development and operational activities.
- Internal stakeholders and team members who are in charge of executing the work tasks and project success.
- Communication plan and closely related marketing activities
 - Print materials
 - Live events
 - Trade shows
 - Press releases
 - Product market performance releases
 - Online communication channels (blogs, social media, web sites, etc.)

- Product website, or subpage on company website

All the above-mentioned activities create a picture of what the product launch should look like, how and when it should be executed, and who the key persons in charge of the execution are. The document can also be used for risk analysis, so the management can decide if the project presents a high or a low risk for the company. When composing the document, a product manager needs to ensure that facts and figures are as realistic as possible, because once the plan is approved by the management, it is hard to request any changes later on (cf. M/Schure 2017, p. 325 – 331).

4.4. Product Launch Strategy Execution

4.4.1. Product launch planning phase

In the product launch planning phase, the product manager and the team firstly need to ensure that all goes according to the plan stated in the document described in 4.3.5. Secondly, there are many iteration activities between the departments that need to be conducted until all are in place, and preparations have been done as explained in Chapter 4.1. This phase is very important for the entire team, as it includes all the preparations for the execution, starting with planning teams, planning the processes of order intake, production, facilitating, delivery, customer support, communicating and other. When planning the product launch activities, activities that affect the launch need to be planned for the whole product life cycle (cf. Haines 2019, p. 210f).

4.4.2. Product launch pre-launch phase

Customer participation in the product launch refers to the involvement of customers through various channels and platforms in order to gather data and evaluate the performance indicators of a product or service. Customer participation, or awareness, helps organisations in understanding what preference of product or service the customer requires. As mentioned above, a product or service may be exceptional, but must fulfil the needs of a customer at some point to create a USP. This strategy is quite helpful, especially in large and complex markets when several products serve the same purpose. A longer, purposeful, participation prior to the product launch can determine the purchase decisions of customers or specifically target

them. Such strategies help to determine the right price and value for customers (cf. Kotler et al. 2019, p. 146f).

These strategies ensure that the product launch completely attracts the favourable target audience, and the marketing or message is successfully reaching them. As per one of the studies, the authors mention that these investments are essential to the success of the product in the next stage. Companies use promotional strategies to publicise the advantage of a product, in order to increase awareness. This will convince a potential consumer to purchase a product (cf. Wijaya/Aldianto 2016, p. 144 – 146).

4.4.3. Product launch execution phase

Once the planning, market teasing, and product and market testing have been executed, the results come to an effect in this phase. This phase can be the most intense for the team, as all the steps and tactics must work according to plan in order to be successful and maximise the opportunities. The results of the test in this phase helps the company to execute the right tactics for maximal outcome. All the elements of marketing, such as the position, advertisement, concept regarding the research, target audience, packaging costs, distribution, sales, lead generation, etc. will be implemented in this phase. After implementation, the next step is to acquire the proper feedback from the customers who have been using the product. This step is based on market understanding and with the dealers who have been involved with the organisation's Sales department. The feedback from potential customers will help to work on the original product by noticing and altering it according to the demands and reaction that was received from the prototype and product testing (cf. Bavaro/McDowell 2021, p. 218 – 220).

4.5. Post-launch Controlling Phase

4.5.1. Controlling process

The whole production of a new product is based on a procedure which includes an ever-developing testing strategy, where error and missteps will be created, methods will get wrecked, and the loss could be documented. Keeping the entire organisation management and development team working in packed synchronicity will help to guarantee the prosperous launch of a new product in the market, even if it takes a year to be expanded. The productivity of the planning and implementation can be

restrained by the controlling process of the product development. This whole process requires control at a certain stage, by making the marketing concepts clear and by defining the objectives of the industry more apparent. The control should be able to clear the concept by controlling the management as well as the development of the product (cf. Pešalj et al., 2018, p. 2171 - 2176).

Controlling management is an essential part of the strategy, as it is a key challenge for the organisation. As the term implies, it is the process in which the performance of a product, project or process is monitored. Hence, each decision within an organisation depends on a quality of controlling execution. It can be a one-person job, or it can require a team of dedicated people for monitoring the performance, depending on the organisational structure. For a successful product implementation, there should be a reasonable equilibrium between the promotion of the product and the efficacy of the production. The efficiency is expected as the exploitation of occurring skills, and is frequently best fulfilled by the well-defined patterns of planning that restrict how various actions should be accomplished. The control of the system can be maintained by the actions of the marketing team and the management of the organisation. Control comprises setting the standards to enhance the quality of products in the market. It is not about overpowering or enhancing the efficiency only, it is the control of a product development. To initiate the controlling process, there are several steps that need to be conducted:

1. Setting measurement goals – creating rules for measurements that are measurable, realistic, and time-related.
2. Measuring progress – tracking and monitoring data information that indicates the progress over the project, process or product performance.
3. Evaluating the performance – dealing with unpredicted events that could create issues in achieving goals.
4. Correction - taking action to improve unwanted issues.

In case the metrics are not ideal, it is important to keep an open communication with the team members (cf. Kerzner 2017, p. 145f; cf. Kelly/Williams 2016, p. 262).

4.5.2. Service-related key performance indicators

Customer satisfaction is the indicator which determines the customers' satisfaction with the products and services, plus competences. The main aim of a company must be to satisfy its customers. Companies must have the knowledge of the needs

and wants of customers. Under KPIs, satisfaction of customers can be measured by following basic indicators:

- **Retention rate** is a metric that indicates the number, or a percentage, of customers that are reordering the product or a service over a time period. It is an important indicator, especially for the services and subscription-based products. In the case of a product launch, if the same customers keep reordering the product or service, it will mean that it was successful. The indicator shows if the customers are keen to use the service or not, which can also indicate the product or service quality and customers loyalty (cf. Ascarza et al. 2017, p. 66f).
- **Customer Lifetime Value** is an indicator that helps to predict the value of a customer during its lifecycle. In other words, a company can, based on the assumption, calculate the profits that will be generated from a customer. The CLV is a powerful indicator that can help marketing to make decisions on targeting the markets and customer segments during the product launch phases. The lifetime value of customers, or CLV, signifies the amount of money which the customers are anticipated to use in the business, to pay for the products throughout the lifetime. This figure has a significant value, as it assists in making decisions about the money investment which are needed to acquire new customers, and for the retention of the existing ones (cf. Ferrentino et al. 2016, p. 524f).

The **marketing ROI** calculates the return from marketing activities, financially speaking, by dividing the profits from a specific marketing campaign with the marketing expenditures. ROI is an excellent indicator for product launches, because it can indicate the success of the launch and also analyse the competitors (cf. Fu et al. 2018, p. 9).

Profit margins are generally rendered as ratio of profitability, in order to measure the extent of the activities by the companies to generate profit. It demonstrates the percentage of profit produced by the sale. Individuals and businesses world-wide implement economic activities for generating profit. The main aim of every activity is to generate profit in return. The gains and losses can be measured with the help of diverse quantitative measures. These values help measure the amount of returns over a period of time, as compared to the competitors. A profit margin contains several levels such as gross profit, net profit, and total asset turnover of the company (cf. Nariswari et al. 2020, p. 89f).

The **break-even** point is the point at which the sales become equal to expenses. It indicates that the company is passing the same amount of money which they require to shelter all the expenses occurred in the business. In other words, there is no profit, but there is no loss as well. It is a positive turn for a business, because it means that the company is earning enough to cover its expenses. Calculation of the break-even point helps to determine which element a company needs to do; to either increase the profit or cut the expenses. If the business revenues appear below the break-even point, it means that the company is bearing loss and the above percentage indicates profit. To generate maximum returns from a new product, the organisation must consider all these factors (cf. Kampf et al. 2016, p. 127).

5. Sea Tow Introduction

For the purposes of this master thesis, the organisation Sea Tow (STE), and its position in Europe will be described in this chapter. As the author of this thesis had an active role in the managing positions within the European branch of the company from 2009 to 2015, the development of STE will be explained in Chapter 5.2. This chapter will also serve as a transition from the theoretical to the practical portion of the thesis.

5.1. Company Profile

Sea Tow is the first established franchise-based marine assistance organisation in the world, based in Southold, New York, USA. It was founded in 1983 by Captain Joseph Frohnhoefer, as the US Coast Guard stopped responding to non-emergency calls for boaters. Since that time, Sea Tow has grown into a thriving network of nearly 100 locations across the United States with additional offices in Europe in Croatia, the Caribbean, Alaska, and for eleven years until 2013 in Australia. This network consists of a team of captains, crew, and support staff ready around the clock at the disposal of its members and other boaters. Today, Sea Tow counts more than 200,000 members worldwide and provides more than 50,000 on-water services per year. The annual turnaround of STSI counts more than six million dollars (cf. Dun & Bradstreet, 2020). For example, Sea Tow can be best compared to Austrian ÖAMTC or German ADAC road assistance organisation. It provides a service for boats such as on-water services, salvages, vessel recovery, environmental clean-up, commercial and catastrophe response services. The daily business of Sea

Tow covers most on-water services, which can best be described as towing, ungrounding, engine jump starts, propeller disentanglement from lines and other materials, and fuel and spare parts deliveries. Sea Tow members are also given a service priority over non-member customers. Being a Sea Tow member, if there is on-water assistance such as towing or fuel delivery needed for a boat owner, it is provided free of charge. Those services cover mainly the B2C market segment, the private boat owners. Other previously mentioned services in the daily business scope are strongly related to the B2B market segment and rarely with the B2G market. The B2B market segment covers insurance organisations, charter companies, boat dealerships, boatyards and marinas, boat builders and equipment stores. The B2G market is covered with the SAR, Coast Guard and various state agencies in charge of the environment, depending on region or country. In the past 18 years, Sea Tow has been awarded several times as a market innovator and industry creator. Some best-known awards are Ernst and Young Entrepreneur, Neptune Award and Customer Innovator Award (cf. Sea Tow 2020).

Since 2004, Sea Tow has been present in Europe with the location of the first franchise in Croatia, and later in Germany on Lake of Constance and Baltic Sea, and in the Netherlands on Lake IJssel. Due to historical events and issues that Sea Tow in Europe has struggled with, it was forced to close several locations and remained to provide services in Croatia only. Until today, its focus on the European market was on the service quality and raising the number of active members. The services that have been provided in Europe include on-water assistance, salvage and vessel recovery (cf. Sea Tow Europe 2019).

5.2. Sea Tow in Europe

As mentioned in the previous chapter, Sea Tow was founded in Europe in 2004 under the company name Sea Tow Europe Operations Ltd., with the headquarters in Germany, in the city of Pforzheim. Since then, Sea Tow has started its development Europe-wide. Since 2015, the STE licence has been held by the company Maris Ornatus d.o.o. with the base in Croatia, in the city of Kaštel Gomilica. Over the years, STE has gone through many changes and adaptations in order to keep its place on the market. When the first competitor, Sea Help (a previous STE franchise) came up on the market, the real challenge for STE began. The big challenge was that the competitors have appeared on the market with domain knowledge and large investments in marketing and sales. Such a move has brought them numerous

members and a large market share in a short time. As a response to the negative trend, in 2014, STE has carried out drastic changes and has adopted a new strategy. Firstly, the operations have moved to Croatia, where most clients remain. Secondly, the focus was set to those customers and service quality, and thirdly, a new business portfolio has been applied. In contrast to the old approach with a franchise portfolio, in most practices in the USA, the new approach has demanded to leave the franchise and implement a service provider portfolio. The main difference is that with the local service providers, the STE was able to cover larger areas, such as the Adriatic coast, than with the franchise. In comparison, one franchise has covered the Adriatic coast with six mobile units, and with the new approach, the service provider has covered the Adriatic coast with more than double the amount of mobile units. This way, STE has drastically decreased the operational costs, has been able to focus on the service quality and improve the live presence. Nowadays, as indicated in Figure 10, Sea Tow has fifteen service locations along the coast of Croatia. The important advantage with service providers is that the agreed providers are in most cases local service companies, which provide mechanical, electrical and other maintenance services for boats. This means that there is a high competence staff available at any time that can solve most issues for boaters in a short time. From the service provider's perspective, Sea Tow, with its membership concept, presents a new revenue stream, and Sea Tow has flexibility in extending the service product portfolio.

The chosen approach is one that Sea Tow cultivates to this day, as many organisations, such as charter companies and insurance companies, and private boat owners, are using repair services on the sea next to the traditional services.



Figure 10: Sea Tow Europe Locations in Croatia (STE 2019)

5.3. Sea Tow Products

Sea Tow has intangible products included in their product portfolio, meaning that there is a set of services offered as a product on the market, within all three market segments, B2B, B2C, and B2G. Standard services that describe the image of the Sea Tow world-wide, are:

- Towing
- Rope disentanglement from the propeller
- Fuel and spare part delivery
- Vessel recovery, and
- Salvage.

There are additional services that vary from region to region, such as Sea Spill and Sea Insure in the USA. In Europe, there is vessel escort, mechanical and electrical repairs at sea as additional products in the company portfolio. However, Sea Tow's standard and additional services for the B2B and B2G market segment are available as service products in return for a fee. Additionally, the B2C market segment has the membership program available. The private boat owners are able to purchase a membership that covers them and their non-commercial (leisure) vessels with

standard services free of charge for a period of two weeks or a summer season. The membership duration and fee depend on the type of the membership, as described in Table 3. The customers who decide to obtain the membership receive the standard service free of charge within the agreed time and amount. Time limitation is defined by the membership type (cf. Sea Tow Europe 2019).

Sea Tow Membership Types				
Boat Size <i>length in meter</i>	Trailer	Sailor (+)	Gold	Platinum
< 7	60 €	80 €	95 €	170 €
< 9	x	80 €	120 €	210 €
< 12	x	80 €	145 €	260 €
< 15	x	80 €	180 €	320 €
< 19	x	120 €	230 €	410 €
< 22	x	120 €	300 €	540 €
< 25	x	120 €	500 €	900 €
< 28	x	x	680 €	1.200 €
< 32	x	x	920 €	1.700 €
Membership Holder	boat	skipper	boat	boat
Validity period	2 weeks	2 weeks	1 season	1 season
Free service usage	1	1	2	2
Additional free of charge services	x	x	*30 min of electrical/mechanical work	*Out of Area Coverage *Service Management *30 min of electrical/mechanical work

Table 3: Comparison of Membership Types and Prices (based on Sea Tow Membership Pricing, 2019)

5.4. Competitors

After having been present in Europe for four years, and in Croatia for two, the first competitor, Dauser d.o.o., appeared on the market in 2008 under the brand name Sea Help. Dauser d.o.o. was formally under the STE flag as a franchise in Croatia, so they came on the market with an existing infrastructure, seven service boat locations, and, most importantly, the know-how. Sea Help has, in large part, almost identical standard products, vessel recovery, salvage and insurance in their product portfolio (cf. Sea Help 2021).

The same year, 2008, another competitor entered the on-water service market, the Alimar Skiper Sistemi d.o.o., under EmergenSea brand name. EmergenSea under

Alimar has started as an association of professionals on sea, in order to offer services under one brand. Those were charter companies, fishermen, diving clubs, boat workshop owners and sometimes private boat owners, with around twenty service locations. In their product portfolio, EmergenSea has the same types of products as Sea Tow and Sea Help (cf. EmergenSea 2021).

In general, all the competitors provide the same level of service. The actual difference between all the competitors is mostly in terms and conditions, prices and the number of bases. The one significant difference that Sea Tow presents on the Adriatic Sea at the moment are the mobile workshops that provide electrical and mechanical services directly at sea (cf. Jelavić 2018).

6. Facts and Figures of the Croatian Nautical Market

In this chapter, existing data concerning the Croatian nautical market, years 2016 to 2020, will be collected and interpreted, in order to be able to define the market potentials. At the time of writing this master thesis, the market data from the year 2021 was not yet available. The results of the secondary research will serve as an approach for developing the primary research elements.

6.1. Nautical Scene in Croatia

The Croatian part of the Adriatic coastline is naturally very beautiful and indented, with its shoreline length of 5,835 km. Within the shoreline, there are 1,085 islands, isles, rocks and reefs, of which fifty are inhabited. Such an environment creates ideal conditions for sailing throughout almost the entire year. Next to the wealthy heritage, history, national parks and a well-known cuisine, those are some of the reasons that make Croatia one of the most desirable nautical destinations worldwide (cf. Croatia.eu 2021).

The Croatian nautical market, according to Sean Lisjak, the president of the Croatian Marina Association, holds twenty percent of GDP, and is of strategic interest for Croatia. The year 2020 was very difficult for the marinas and charter industry because of the COVID-19, and many drastic measures to preserve the industry have been undertaken. However, in the following years, further investments in nautical sector are necessary for preserving the industry and to further the development (cf. Jutarnji List 2020).

6.1.1. Nautical ports on the Croatian coast of the Adriatic Sea

In Croatia, 185 ports can be found at the moment, 82 of which are marinas, 79 anchorages, 11 moorings and 13 other types of ports, such as storages. According to DZS, in the last five years, Croatia has had an increase in the number of nautical ports. As the Figure 11 shows, from 2016 to 2018, there was an increase of approximately one percent per year. However, in the year 2019, there was an increase of eighteen percent in comparison to the previous year, which kept improving in the next year for a further eleven percent.

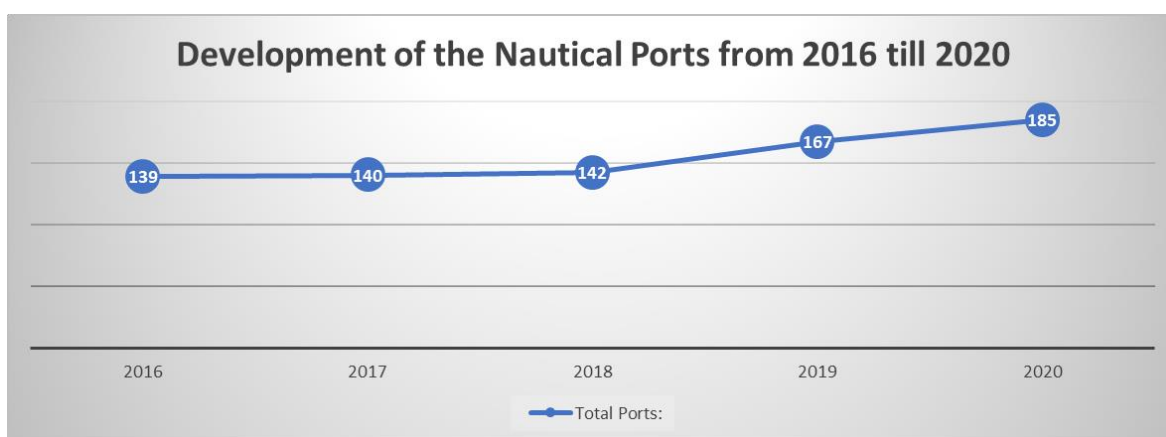


Figure 11: Development of the Nautical Ports From 2016 to 2020 (own presentation)

With the increase of new ports, there has been a recorded increase in the number of new berths. At this time, as indicated in Figure 12, there are 18,625 available berths, which, in comparison to the previous year, is an increase of 3.3 percent. In 2018, the increase, compared to 2017, amounted to 4.4 percent. Up to the year 2020, among the available berths, there were 14,312 boats registered with the permanent mooring in sea and dry dock, which is a slight increase of 0.4% from the previous year. In 2018 and 2019, the permanent moorings have recorded an increase of four percent annually. The stagnation in 2020 can be ascribed to the pandemic situation.

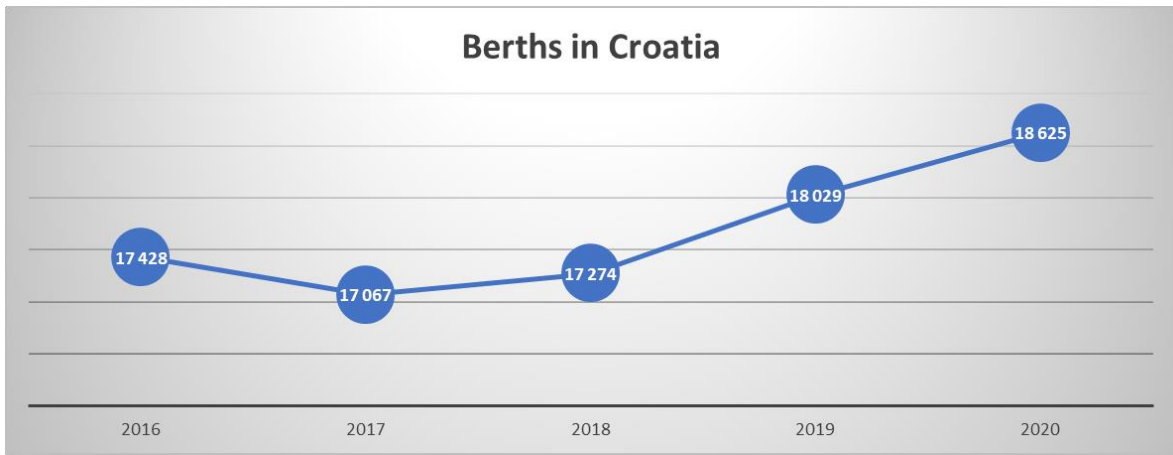


Figure 12: Number of Berths in Croatia From 2016 to 2020 (own presentation)

Hence, with the stagnation of the development of moored vessels, a decrease in income was also registered. As the example in Figure 13 indicates, the year 2020 had a thirteen percent lower income than the previous year, which is even below the income from 2017 (cf. DZS 2016 – 2020).

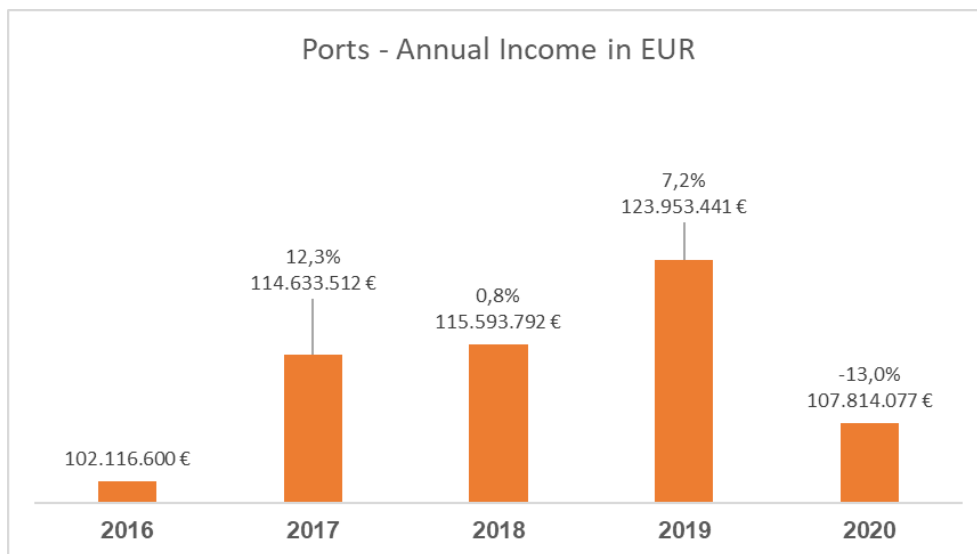


Figure 13: Nautical Ports – Annual Income in EUR (own presentation)

6.1.2. Vessel traffic in Croatia

According to the Croatian Ministry of Maritime Affairs, Transport and Infrastructure, there are approximately 130,000 boats registered for commercial and personal use (cf. MMPI 2020). During the sailing season, which lasts most of the year, there are more than 200,000 boats cruising the Croatian coast. However, as indicated in Figure 14, the sailing season in 2020 has dropped to 38% in comparison to the season of 2019, which can be attributed to the pandemic restrictions.

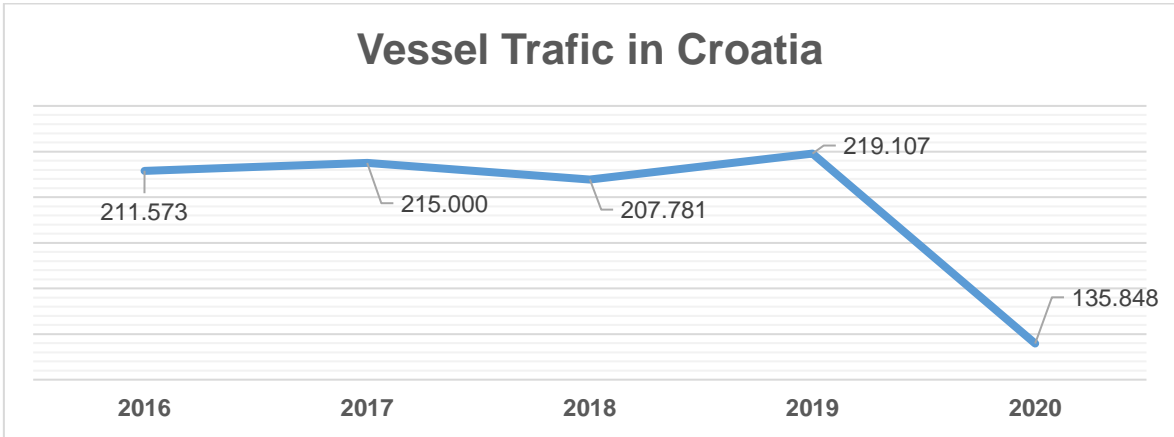


Figure 14: Vessel Traffic in Croatia From 2016 to 2020 (own presentation)

As shown in Figure 15, among the foreign vessels, the highest shares of moored vessels in 2020 belonged to the German vessels, with 16% of share, followed by Austrian with 15%, Slovenian 5%, Italian 3%, United Kingdom 2% and the rest of the flags amount to 14%. The analysis of transit vessels indicates a slightly different picture, German vessels hold the share of 16%, Italian vessels follow with 16%, Austrian with 8%, Slovenian 6%, Polish with 2% and other country flags vessels with 12% (cf. DZS 2016 – 2020).

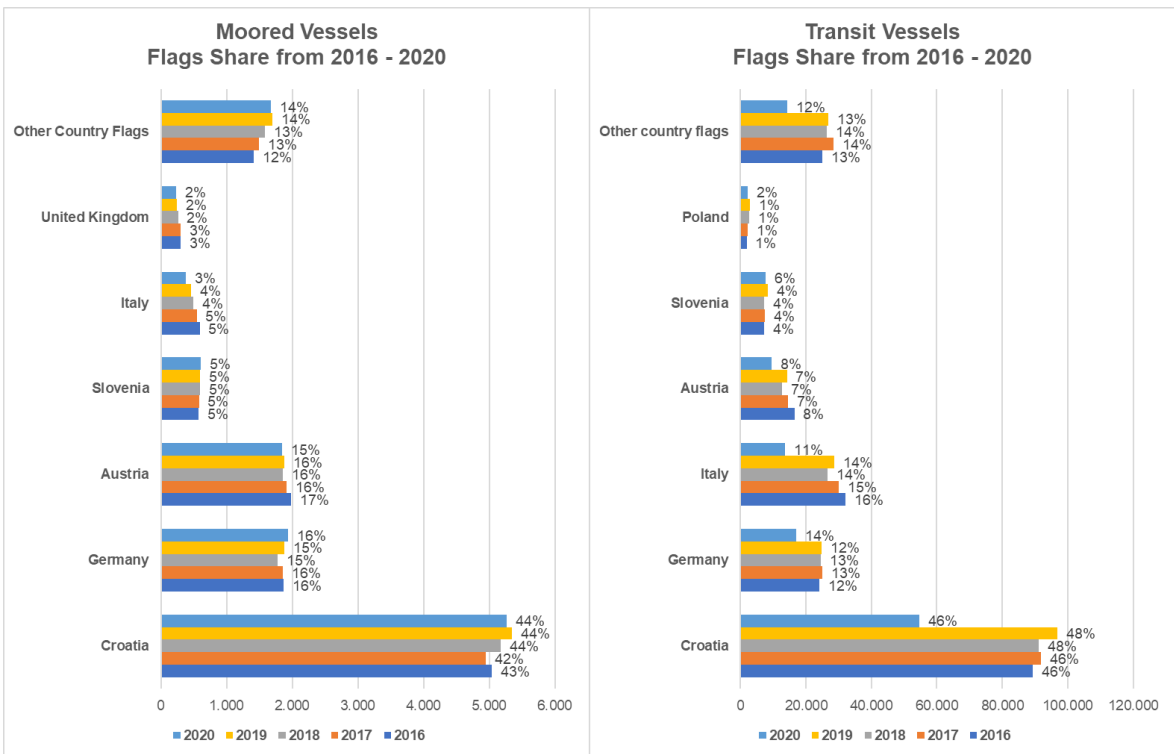


Figure 15: Moored and Transit Vessels From 2016 to 2017 (own presentation)

6.1.3. Charter Industry

According to the research of *More* magazine, which analysed the data from MMPI, in the year 2019 in Croatia there were 4,378 charter vessels registered, and 930 companies that provided vessel rental services. Such a high number of vessels constitute a remarkable forty percent of the world charter fleet (cf. Lulić 2020).

Nevertheless, as shown in Figure 16, it has suffered large losses due to the pandemic in 2020, a drop of 56% in comparison to the previous year. The year 2019 was also the record season with growth of 12% in comparison to the season of 2018 (cf. HTZ 2016 – 2020).

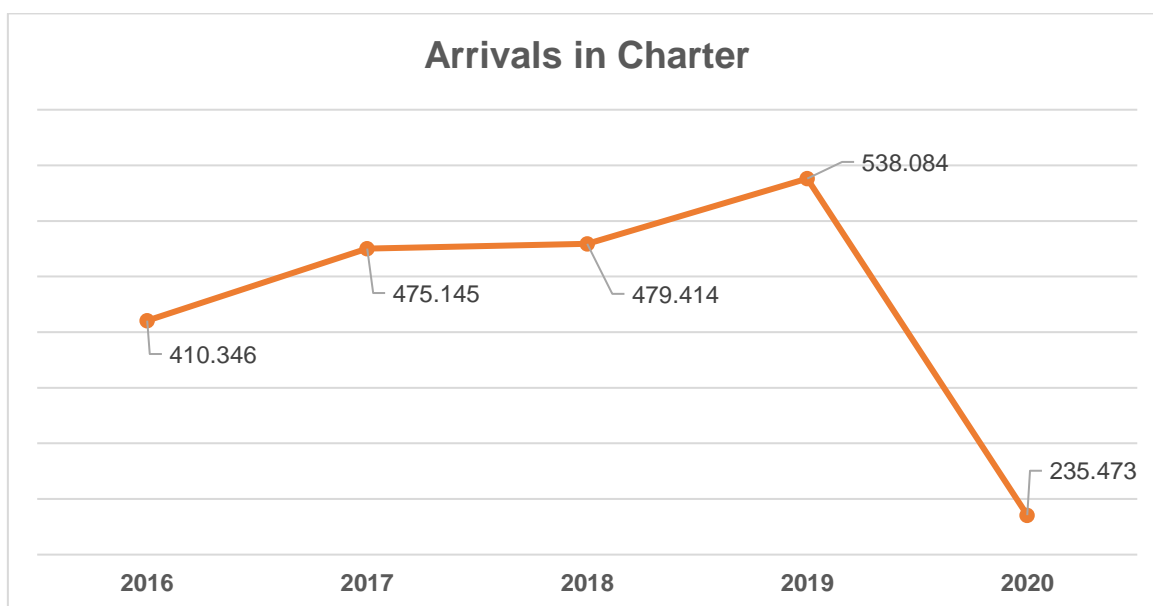


Figure 16: Arrivals in Charter (own presentation)

6.1.4. Vessel incidents

According to the statistics of the Croatian Search and Rescue service, every year more than 400 accidents on sea are reported. Especially in 2018, there were 669 reported accidents, and in 2019 there were 612, as indicated in Figure 17. The reported accidents include vessel grounding, incapability of navigation, medical transportation, interventions, divers, sinking, collisions, capsizing, a man in the sea, impact, flooding, destination delays, false alarm, fire, swimmers, surfers, salvaged persons, missing persons, injured persons, fatal injuries, salvaged vessels and others, such as red missiles, assistances and similar.

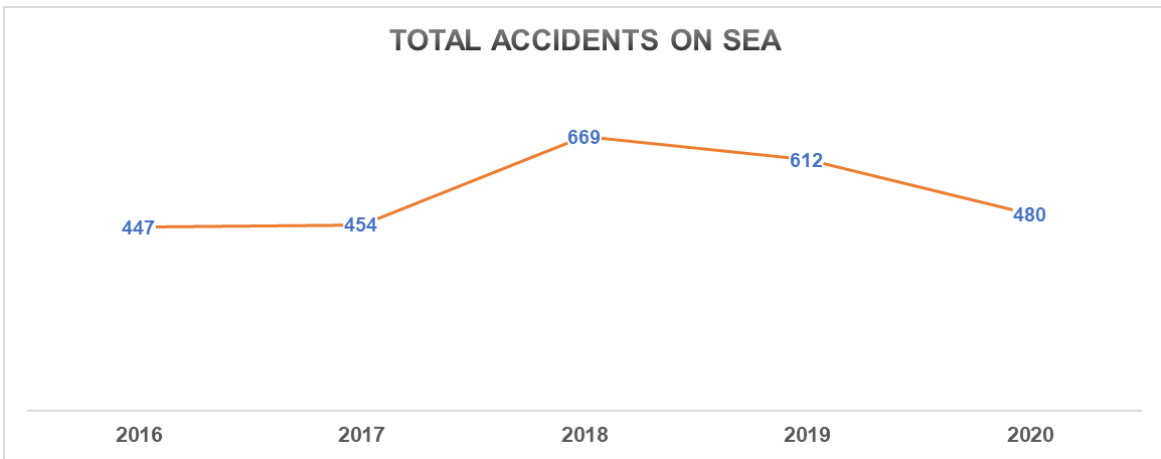


Figure 17: Accidents on Sea (own presentation)

Essential for this master thesis is to indicate that accidents such as grounding, sinking, capsizing, collision, impact, flooding, fire and salvaged vessels carry a high risk of water pollution, especially from hazardous substances. As indicated in Figure 18, the highest peak was in 2018 with a total of 391 accidents with potential pollution. The following year, 332 accidents were reported, and in 2020 an even lower number of 229.

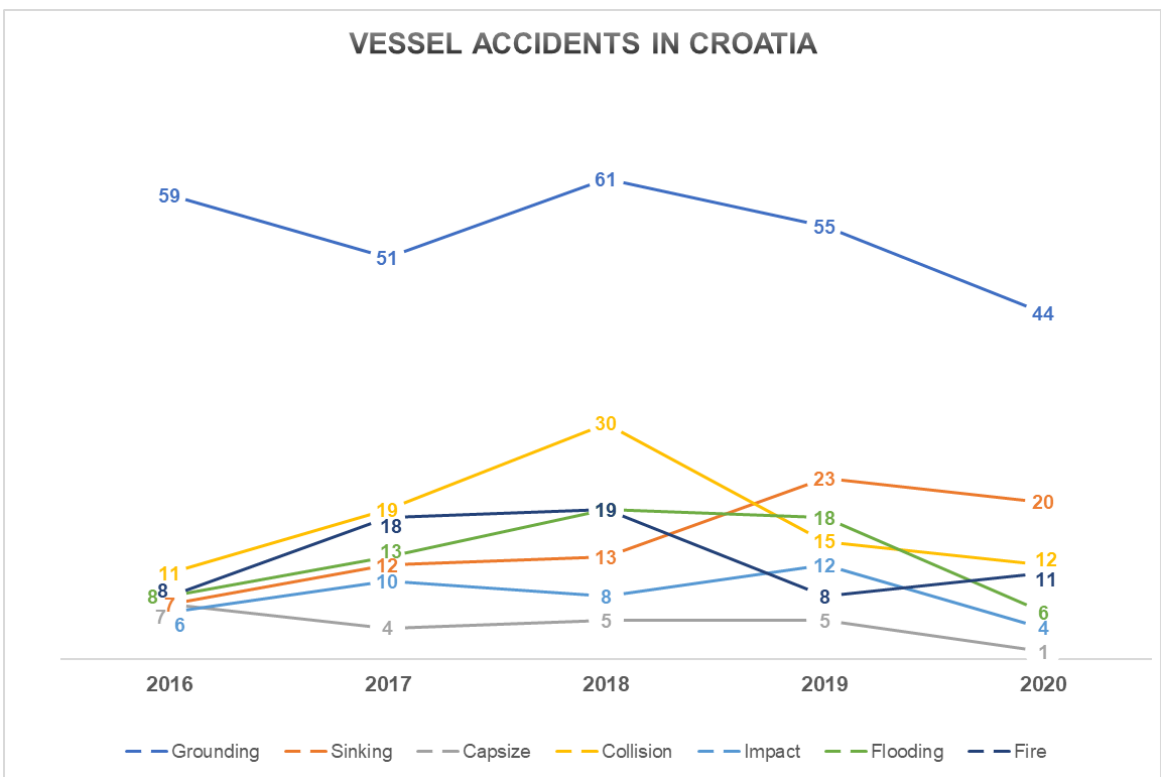


Figure 18: Vessel Accidents in Croatia (own presentation)

6.1.5. Vessel insurance companies

In Croatia, there are fifteen companies registered for providing insurance and reinsurance services. Among the fifteen, ten are specialised for vessel insurance. Apart from them, there are also several local and European agencies authorised for re-selling the insurance services (cf. HANFA 2022). There is no exact data that confirms the identity of the exact agencies that provide insurance services; however, the following can be distinguished as the leading ones on the market:

- Yacht-Pool
- Pantaenius
- EIS European Insurance Services
- Yacht Insurance

In the last several years, as indicated in Figure 19, insurances have recorded a constant increase in income, especially in 2019 and 2020, with more than four per cent annually (cf. HUU 2016 – 2020).

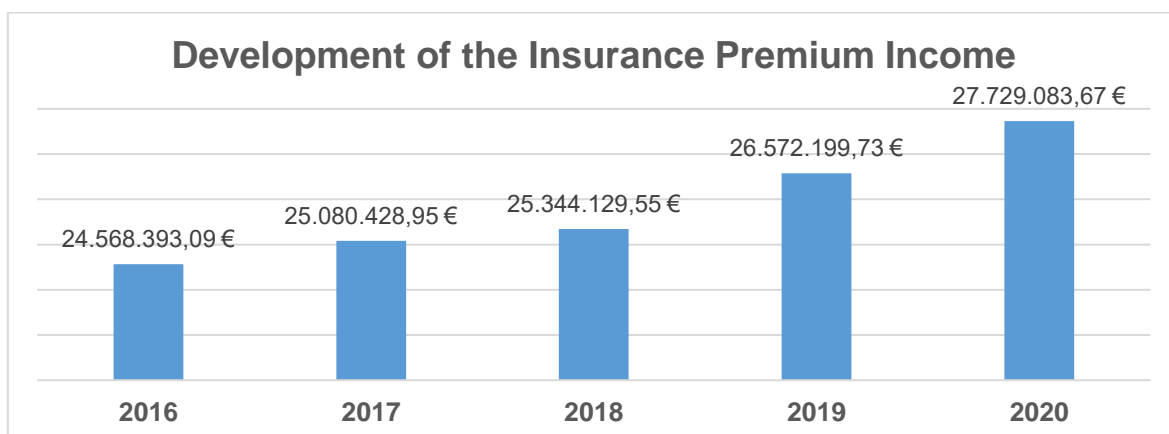


Figure 19: Insurance Premium Development From 2016 to 2020 (own presentation)

According to the Croatian Insurance law, every owner or user of the vessel with above 15 KW of power is obligated to enclose the insurance policy with liability insurance for the damages that vessel can cause to third parties. The minimal cover limit is 3,5 million Kuna, which is approximately 460,000 Euro. Such a policy costs between thirty and 140 € per vessel and covers the damages in case of death or health issues. Furthermore, each boat owner can choose the option to cover the vessel with voluntary liability insurance and Kasko insurance. Voluntary liability policy on top of third parties covers the damages caused on other vessels. Kasko insurance policy, on the other hand, covers all the damages incurred on one's own vessel. The importance of Kasko insurance can be seen in the example of Wiener

osiguranje insurance that paid over 1,2 million Euro of damages in the year 2020 (cf. Škudar 2021). Still, on the vessel market, there is additional coverage available for the vessel operator, which includes the coverage of gross negligence. Such coverage is most common for charter vessel users who are not experienced and want to cover any possible physical or financial damage (cf. Yacht Pool 2022).

6.2. Water Pollution and Preventive Measures in Croatia

In 2008, Croatia acknowledged the national plan for preventive measures for water pollution with oil and oil products. Within the plan, it is stated that main danger and risks of pollution are coming from:

- Sea accidents that include vessels or maritime facilities
- Accidents on underwater pipelines
- Sunken vessels and aircraft
- Crash of flying vehicles
- Accidents at coastal installations and terminals

Those who are responsible, or detect the water pollution, are obligated to inform the MRCC and the closest harbour master. To simplify the process, MMPI has launched a smartphone app, called nIS, containing a vital functionality to report any violence or emergency at sea (MMPI 2022). In case of detected water pollution, there are three state entities that are in charge of executing the plan for prevention:

1. Civil Protection Directorate – responsible for implementation of the procedures, measurements and plan execution
2. MRCC – responsible for the plan coordination and communication
3. ŽOC – responsible for the execution of procedures and measurements

Intended for the needs of pollution remediation, ŽOC is authorised to engage any legal entity or private person who has a permit for hazardous waste management and consent for marine environment monitoring. For the size of 2,000 m³ of water pollution, all three entities are involved, for less than 2,000 m³ ŽOC is able, with the assistance of MRCC, to execute the standard procedures of pollution waste removal. The cost of pollution sanitation is carried by the person responsible for the pollution, if the person is identified. In case the person is not identified, costs will be covered from the state budget (cf. Narodne Novine 2008).

6.2.1. Remuneration for the salvage and water pollution actions in Croatia

The law in Croatia is not obligated to execute any preventive actions concerning the events such as a sinking of a vessel, or fire on board, except if the Harbour Master orders it. However, in such cases, salvage companies can use the “Lloyd’s Open Form”, provided by the “Lloyd’s Salvage Arbitration Branch”. The form provides the framework for the award and compensation for the salvage company for their efforts for saving the property on the one hand, and on the other, minimising and preventing the environmental damage. In case of disagreement between the salvour and vessel owner, the arbitration court of Lloyd’s in London is in charge of the dispute and determines the remuneration amount. Still, as indicated in Lloyd’s text, the form and the decisions of the arbitrary court of Lloyd’s are accepted in Croatia, as long as they are within the scope of the local maritime law (cf. Lloyd’s 2022).

6.3. Environmental Projects in Croatia

Since 2016, two large environmental projects started in Croatia, the HAZADR and the PEPSEA. Both of the projects have one common goal; to increase the capacities of the state services to deal with and prevent the spill of the hazardous substances on sea. Members that are involved in the projects are several cities of counties of Italy, Slovenia, Croatia, Montenegro and Albania, together with various environment institutes and state agencies within the Adriatic Sea. The projects have received significant funding by the EU, which has been used for education, equipping the local state services, establishing the monitoring services and cross-border information exchange infrastructure (cf. HAZADR n.d.; PEPSEA 2019). It is important to mention that with the project HAZADR, which started in October 2012, the state agency ATRACK has been founded by the Primorsko-goranska County of Croatia. The main services and tasks of the agency are to provide training and education for the state services employees, and any other party interested in preserving the sea environment. Overall, the important task of the ATRACK is the constant communication improvement across the countries within the Adriatic region (cf. ATRACK 2018).

6.4. Competition

For the services of prevention and cleaning of the polluted waters in Croatia, there are several companies registered for cleaning the environment and waste management. Most prominent are Rijekatank d.o.o., IND-EKO d.o.o., Dezinsekcija d.o.o.,

and Cian d.o.o. All the mentioned companies have a strong portfolio of services that cover all water pollution issues and waste management. However, not all are capable of operating on water, but Dezinsekcija and Cian, who own a fleet of vessels, are able to reach almost any location at sea. In the following subchapters, those two companies will be discussed in more detail.

6.4.1. Dezinsekcija

Since 1947, Dezinsekcija d.o.o. has been providing sanitary protection services within the Croatian counties of Istra and Primorsko-goranska. Over thirty years, the company has made significant investments in the department for environment protection. The department has highly skilled experts, vessels, equipment for control, prevention and pollution clean-up, and is constantly developing new products and services. The company also sells the equipment for remediation of small spills, called „EKO SET“. The latest innovation in the area of prevention of pollution is a system called „INTERSUZAM“, which supports local harbours and marinas with the needed equipment, necessary staff education, and includes monitoring via drones that possess infrared technology. Their goal is to make the local harbour or marina employees able to react immediately to prevent a further spread of pollution, until the working vessels are able to arrive at the incident location (cf. Dezinsekcija d.o.o., n.d.).



Figure 20: INTERSUZAM Eko Container (Dezinsekcija d.o.o., n.d.)

6.4.2. *Cian*

The company Cian d.o.o. provides sanitary and environment protection services, and waste management from Zadar to Dubrovnik. The company was founded in 1947, and its headquarters are in the city of Split. The main focus of Cian is set not only on sanitization and cleaning the environment, but also on prevention, so they are constantly investing in new technologies and education of the employees and customers. For the cases of water pollution, there is a standby team at any time of the year. The team is equipped with several working vessels and vehicles for transport of equipment and waste material. To this day, Cian has executed more than fifty interventions and sanitizations of pollution on land and sea (cf. Cian, n.d.). For example, Cian has, in March 2010, executed water pollution clean-up services in the port of Split, as a ferry hit the pier. 35 tons of diesel fuel, which is approximately 29,000 litres, leaked directly into the port of Split. The operation took four days in total, and the main issue was that the wind and sea currents were spreading the fuel on local marinas and beaches (cf. Cian, n.d.).

6.5. Analysis and evaluation of research data

Data collected in secondary research shows that the Croatian nautical market is full of potential, and it is still developing. Nevertheless, the year 2020 was very challenging due to the COVID-19 pandemic. As the data indicate, since 2018, high investments in port infrastructure have been recorded. In two years, 2019 and 2020, there have been 43 new ports registered which is an increase of 23 %, with 1351 new berths. However, in challenging 2020, vessel traffic dropped by 38 %, strongly affecting marinas and the charter industry. For example, the charter industry has recorded a 56 % decrease in the booking. Analysing the vessel traffic and total expenditures per port and vessel reveals fascinating information. As indicated in figure 21, although the reduction in vessel traffic, the spending has increased by forty per cent per vessel. Such an event can be because of the price increase in ports, a more significant number of new private vessel owners, or even both. However, this topic will be further developed within the primary research of this thesis.

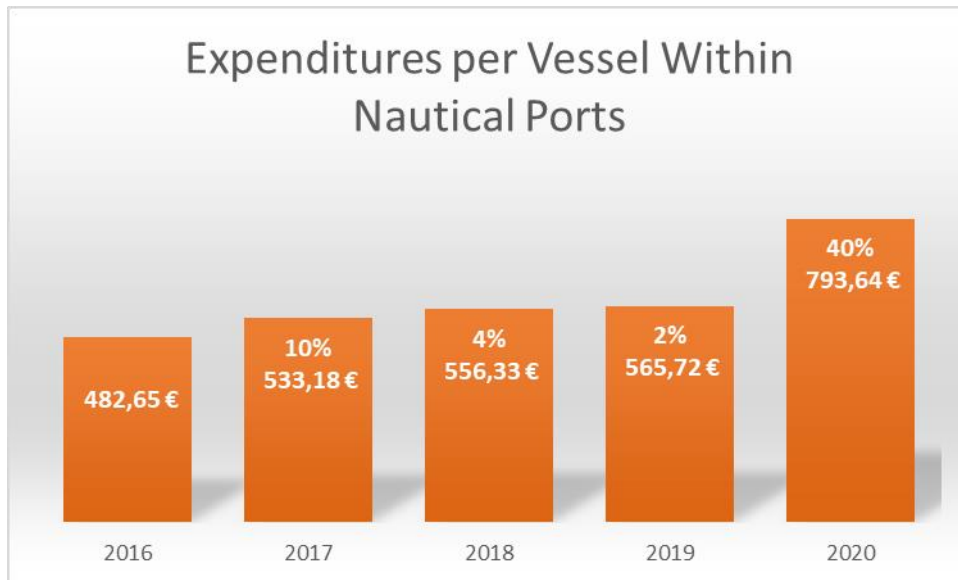


Figure 21: Expenditures per Vessel Within Nautical Ports (own presentation)

Further, collected data indicates also one important piece of information. As stated in figure 22, the incident share is rising almost every year. Although the lower vessel traffic in 2020, the incident share has been the highest for five years.

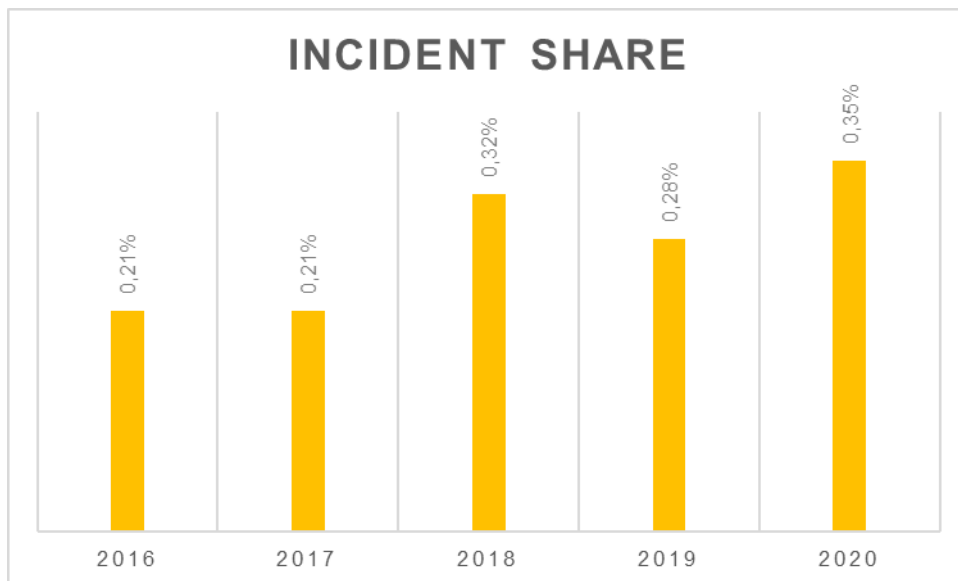


Figure 22: Annual Incident Share per Vessel from 2016 till 2020 (own presentation)

Next to all adverse events in 2020, insurance companies have recorded an income increase in the nautical market portfolio in Croatia of more than four per cent. The research indicates four leading brokers as strong players in the market. However, later in primary research, the information of nautical market leaders of insurance companies will be further developed.

In 2008 Croatia developed the national plan that defines the measures in case of water pollution. Three levels in the state hierarchy are in charge of planning and executing the measures, the Civil Protection Directorate, MRCC and ŽOC. The important fact is that in case of pollution, for a clean-up remuneration is necessary to recognise the responsible person or the state budget will cover the costs. Croatian state services are also improving technical capabilities for such challenges through the projects of HAZADR and PEPSEA. Crucial information collected through this research is about the ATRAC agency that has been grounded within the PEPSEA project. ATRAC serves as the central agency where all the information is being collected, strategies for the pollution developed, training and education organised for state and private entities, new technologies developed, and serve as a consultancy. Further, in contrast to state services, there are two commercial market players, Dezinsekcija and Cian, technically capable of large-scale clean-up services. They are very effective along the coastline and urban areas. Both companies, on one side, are providing environmental services, and on the other side are suppliers of materials and equipment for environmental services. However, regarding their services, the vessels they own are slow and very dependent on weather, so more considerable distances to the open sea could be challenging for them. Sea Tow, in this case, would be able to collaborate with both companies as customers and support in challenging conditions at sea.

7. Research Design

This chapter explains a qualitative research approach method, which will be conducted within the thesis. The purpose of this chapter is to define the methodology and techniques chosen by the researcher.

7.1. Information requirements

Within this master thesis will be clearly defined information deficit that will help create the right research approach. The information collected will help create the right approach for planning the most relevant marketing activities for a product launch. The first goal of this research is to analyse the ideal marketing approach for the product launch. The second is to analyse the Croatian nautical environment and the third is to discover customer touchpoints.

7.2. Research method

A qualitative method using expert interviews will be chosen to better understand customers and their needs regarding a specific service such as Sea Spill. With the participants' traditional observation approach, the most authentic and natural feedback from everyday and particular situations will be collected through open dialogue (cf. Saunders et al. 2018, p. 354). There have also been thoughts of organising focus groups for this matter as an ideal approach, but due to the current COVID-19 pandemic restrictions, it is not possible. It would require an extended period for organising the focus group meeting.

7.3. Sample selection

For sampling the data to achieve high-quality data within the targeted population, the semi-structured questionnaire and systematic random technique will be applied (cf. Saunders et al. 2016, p. 284-391). The population needed for the research will be distinguished into two groups. The first group of experts will cover marketing topics of product launch and market communications within the B2B segment within cross-industries, and the second group of experts will cover the challenges of insurance companies within the nautical market. The target is to collect a minimum of fifteen expert interviews. Main criteria for choosing the right experts for interviews are described in table 4. In case the agreed interviewee does not respond, a further research candidate from a similar organisation will be investigated and contacted.

Topic	Marketing Experts	Insurance Experts
Definition	<ul style="list-style-type: none"> Experts for product and market communications, from public and private institutions, preferably from the Croatian nautical market. 	<ul style="list-style-type: none"> Insurance experts in the local, Croatian nautical market, focused on the leisure marine industry.
Interview Partner Criteria	<ul style="list-style-type: none"> Minimum of three years of experience in own field. Fields of expertise - marketing or product management in Cross industries – nautical, pharma, IT, automobile, manufacturing, or education. Possible work position - CEO, Product Manager, Marketing Manager, Communications Manager, Business Development Manager, Consultant, Professor at University, or author of Marketing/Product related literature. 	<ul style="list-style-type: none"> Minimum of five years of experience in the marine insurance industry, preferable leisure marine industry. Fields of expertise – insurance policies, vessel damages, or marine risk assessment. Work position as CEO, marine insurance underwriter, or marine surveyor.

Table 4: Interviewee Criteria (own presentation)

7.4. Survey Instrument

The expert and target customer interviews will be conducted with two different interview guides. One will serve for interviewing the marketing experts (see Appendix Table 2) and the second for insurance experts (see Appendix Table 3) from the nautical market. The primary tool that will be used is the researcher, and a set of predefined, open-type interview questions. It is necessary to mention that in between interviews, due to for example repetitive issues or misunderstandings the guides can be adapted. When executing the interview, the researcher needs to be ready to take notes and develop the discussion in all the directions, keeping in mind

to avoid all the possible biases of the interviewee and the researcher himself. Noteworthy is that on request of the interviewee, confidentiality is guaranteed, and by any means, deductive disclosure will be avoided. However, the interviewees will be asked at the beginning of the interview for using their full names for citation purposes (cf. Tracy 2020, p. 88f).

7.5. Fieldwork Planning

For qualitative research, there will be a pre-test carried out to check the reliability of the questionnaire. The pre-test for the insurance experts will be carried out with Mr Marijan Dželalija, the Adria region CEO of Yacht-Pool International. A pre-test for the marketing and product expert will be carried out with Mr Miško Macolić, the owner of marketing agency Marke Thing d.o.o. Pre-tests are planned for January 2022. The period for conducting interviews will take place between the end of January and the beginning of March 2022. The expert interviews will be conducted via phone calls or communication platforms such as Zoom, Microsoft Teams, or in person if the pandemic restrictions will allow it. Each interview will be scheduled for 30 to 45 minutes, to provide enough time for open dialogue and for interviewees to be able to answer all the questions. A list of the agreed interviewees can be found in Appendix Table 1.

7.6. Data Evaluation

The expert interviews were evaluated by means of content structuring qualitative content analysis. The main categories, derived from the discussion questions in the interview guides, were used as a starting point to roughly classify the material into search grids; i.e. the material was searched for the corresponding content and roughly categorised. In a further step, these categories were further developed on the material, differentiated and subcategories were formed. Unexpected data material was used to form new categories. The data basis was structured in terms of content and focused on the questions, analysed and summarised with computer support using MAXQDA22. The systematic content analysis was used to try to understand the qualitatively recorded opinions and to reflect their statements for the concept development of the product launch. The central themes were identified and the different opinions on the topic were described and explained (cf. Kuckartz 2018, p. 100f). In total there were twelve hours invested in conducting all the 15 interviews which resulted in 118 pages of transcripts.

8. Primary Research Findings

In this chapter, the conducted primary research with interview experts will be summarized into key findings. There are two main subchapters, the first subchapter will cover the findings from marketing and product experts, and the second subchapter will cover insurance experts.

8.1. Marketing and Product Experts

8.1.1. *Product as a Service*

When discussing the product characteristics of one product as a service, most of the experts agreed that there are three main characteristics that a service should have. These are, as indicated in figure 23, quality, storytelling and the visuals in the first line, and in the second, there are honesty, simplicity and transparency. Those should be considered important characteristics of one product as a service. The experts claimed that quality and storytelling always need to first be considered. Without having a good quality we can not expect that a product will provide benefits to an end consumer, which can in the end have a direct impact on the brand of the company. Also quality has a direct impact on storytelling, as if the quality is good, experts agreed that storytelling will automatically follow, and it can be challenging. Vanessa claimed, *“If you have the luxury of being able to do both at the same time, I think that’s great”* (Kraus, 04.02.2022). However, visuals are also playing an important role, especially for the product as a service. As a service is an intangible product, the senses such as touch and smell are excluded. In this case, visuals can activate the sense of seeing, so even if the quality is not good, the visuals can play an important role to keep a positive impression. Anyhow, according to experts, for service it is very important that is easily accessible, honest messages should be transferred to the consumers, and most of all simple. Anything less will have a negative impact.

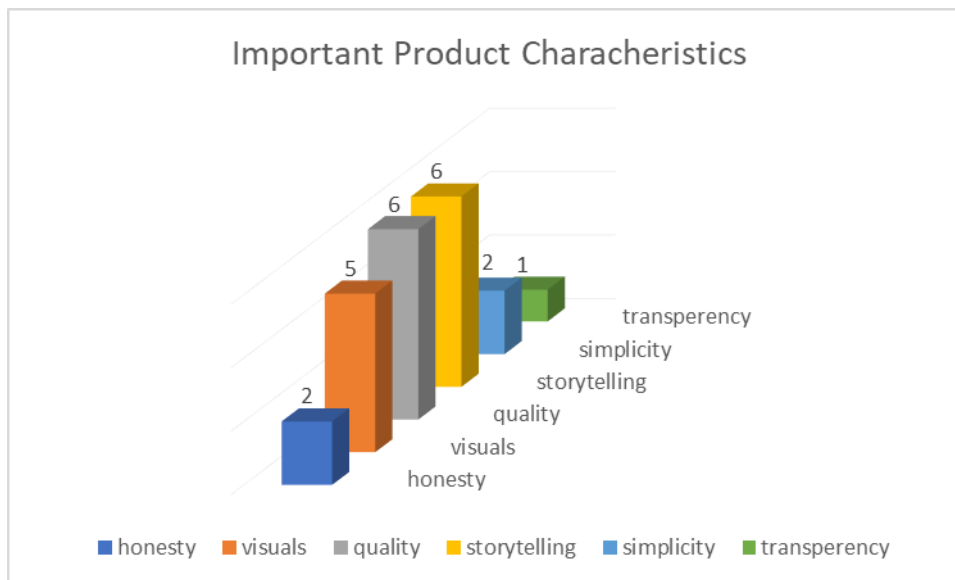


Figure 23: Important product characteristics according to marketing and product experts (own presentation)

8.1.2. Product Vision and Strategy

When discussing with experts the role of a vision when building a product strategy all have agreed that vision and strategy should run parallel next to each other. It can happen that vision and strategy collide. In this case, the opinions of the experts are divided, some experts are claiming that the strategy should be adapted because it is more important, and some are claiming the same for the vision. However, Edita mentioned the noteworthy fact that in case of a collision we need to be agile, test the changes with test users and adapt it according to the results (cf. Vasiljević 04.02.2022). Also, Miško stated, “*If they collide or when some things collide it can be explosion or can be implosion. So, if they collide, it could be something like really big, something really nice, or it can be something like implosion inside and it could crash*” (Macolić 31.01.2022). Whatever decision is being made, to adapt the vision, strategy or both, it must be good for the company.

8.1.3. Important Team Roles

As indicated below in figure 24, in discussion with experts crucial roles in product launch have been distinguished as important ones. The key team members with the highest-ranking are from the marketing and product management. They are the one who transfers the market knowledge into the product and the concept. Other roles such as project manager and product owner, who are often the same person, are important for internal activities. One product owner should manage the development, finances, quality and other activities. Finally, sales managers are the ones

using the gained knowledge and the strategy for selling the product, and marketeers in positioning the product that eases the sales activities.

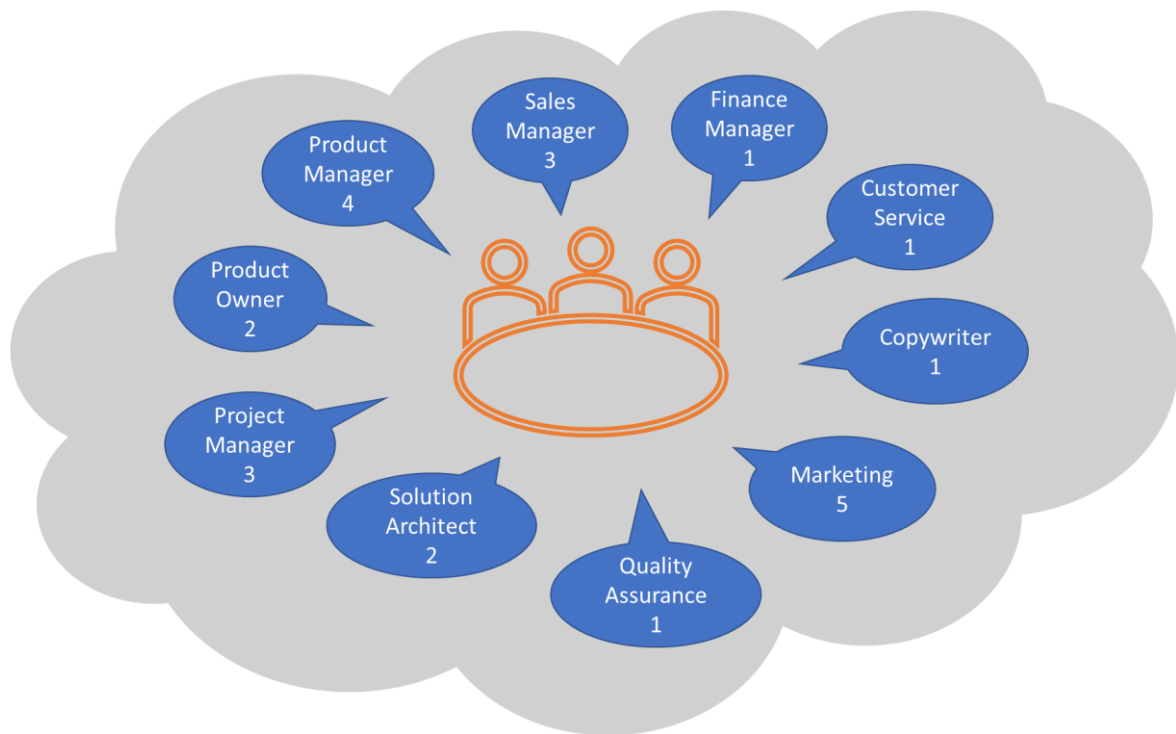


Figure 24: Product Launch Relevant Team Roles (own presentation)

8.1.4. Planning Phase

When building a strategy for the product launch which takes part in the planning phase, all experts agree that there are several phases that need to be considered to have success. We need to define the following phases:

1. Product vision – it will guide the team or at least show the direction where to begin in the phase of planning and building a strategy.
2. Market analysis – a crucial phase that will help the team and the company to understand the market, its weaknesses and potential. Important is to discover who are our potential customers, which products already exist on the market and who the competitors are. Several tools have been also suggested by the experts, that should be considered:
 - a. Secondary research,
 - b. SWOT analysis and
 - c. Benchmark as minimal effort.

One important thing Uwe Seebacher said, is that “*a foolish tool remains a fool*“ (Seebacher 01.02.2022). If the team can not use the tool it is useless, it is better to rely on an approach and tools that the team understands and knows how to use.

3. Market segmentation – an indispensable phase that is under must. All the experts have confirmed their opinion on the segmentation topic. Without segmentation, the market communications will fail and target customers most probably will not be reached. Klaus has claimed that proper segmentation will help us in the introductory phase to reach the targeted audience, which if we consider Sea Spill are the innovators. Those are personas that are innovative and are ready to try new products that offer a clear benefit (cf. Aumayr 04.02.2022a).
4. Goals – should be defined as SMART, because are measurable and achievable overall.
5. Concept – once the previously described phases have been executed, all the knowledge can be combined into one plan. The plan must contain strategically important details such as budget, timeline, communication channels, messaging plan, target customers, pre-launch phase in detail and others. Uwe Seebacher has also pointed out that, “*you need to have a concept where you can see what kind of contents do we have, and what else do we need. If you do not do that everything else will be very risky endeavor, it will be a trip of no return, you will miss your target*“ (Seebacher 01.02.2022).

In the pre-launch phase, based on the analysis, market segmentation and customer journey, the company needs to decide which approach for the product launch would like to have. Most experts confirmed that full-scale is preferable because there is a high danger that competition launches a similar product in a short time range and overtakes a larger market share. However, there are several that claim that full-scale is not always possible, as it depends on the available budget, and if there is a need for such a product on the market. Those experts who are more familiar with the nautical market have explained that in the case of Sea Spill, the ideal would be a minimal or soft approach. The reason is that there is no broad audience that needs to be accessed, and trust has a high role. To initiate trust, the customer, first of all, is needed that can confirm the satisfaction and second there is the educational approach, where not only cleaning services of Sea Spill are offered, but the knowledge and expertise.

For example, in the USA, Sea Tow for the launch of its own Sea Tow smartphone App has decided to partner with a boating magazine that sent a newsletter to the readers. In a short time, it was shown that it was a great move as the response rate was excellent (cf. Kraus 04.02.2022).

8.1.5. Pre-launch Phase

Before launching the product on the market, there is a large and highly important phase, the pre-launch phase according to all of the experts. The main focus should be on creating the strategy concept of the product launch as the first step. Large weight is on the analysis of internal resources and competencies, and the market environment. It is highly recommended to create a customer journey before starting any marketing activities (cf. Seebacher 01.02.2022). Once the concept and the strategy are ready, there are two very important phases relevant, product development on one side and market preparation for the product launch. In the development phase goals are important to be set and reached in order to fulfil the basic market needs to be able to launch the product on time (cf. Aumayr 04.02.2022). In this phase, it is also very important to test a product, and the market to make sure that the product meets the market and customer needs (cf. Čmelik 03.02.2022). In the market preparation phase, the market approach and communication channels based on the market analysis, need to be defined. Vanessa argues that in this phase the momentum is being created and being driven (cf. Kraus 04.02.2022). On the other side, Tijana has shared her experience when with the teasing phase of telecommunication companies that produce good results in communicating with a market (cf. Pavelić 07.02.2022). According to most experts, in the pre-launch phase, there are four facts that need to be clearly defined, those are timing, budget, costs and segmentation.

8.1.6. Launch of the Product

On the day of launch, experts are clear with the opinion that the product must be clearly communicated that is available. Digital and print materials need to reach potential customers. On the day of launch, the awareness of the product has to be raised. It can happen that in the first months from launch the sales income will be low, however, it is highly recommended to keep communicating with the market. As Edita insisted the feedback from the market needs to be gained. For example, short questionnaires can be sent to the customers. Listen to market needs and having

feedback can serve the company as the strongest weapon (Vasiljević 04.02.2022b). For products such as Sea Spill, it is helpful to delegate at the state services, organize workshops, make live presentations and similar. Not to forget, according to the experts' service as intangible is harder for customers to perceive, so it can also be challenging to point out the benefits it has. No matter which activities are executed it is important to be agile, as first users can imply some lack in service, so improvements can be applied on time. However, as more, but more focused distribution channels there are it is more likely that the target customers will be reached.

In process of reaching potential customers, one has to be aware that customers in the B2B segment need to be approached differently than customers within the B2C segment. Experts are claiming that the main difference is in decision-makers. B2C customers are able based on offered benefits to provide an immediate decision. B2B customers are hidden behind the offices and every decision is based on the needs of the company, not the individual. Klaus claims that if the decision is to aim at the B2B customers, the quantification of the benefits plays a crucial role for the decision-makers (cf. Aumayr 04.02.2022).

8.1.7. Communication Channels, Components and Tools

In discussion with the experts regarding communication channels when aiming at the B2B nautical segment and insurance companies, the answers were very similar. All were convinced that a combination of online and offline channels is nowadays a must. The main reason is that if someone needs information, first where is looking for, is online, and on the other side offline there are many components and tools that are successful in reaching the target customers. In figure 25, the communication channels that experts agree on are sorted and distinguished. In general, no matter which channel or tool is being used, there has to be one goal, to make service information easily accessible, raise awareness and be present.

When planning the messages that are going to be delivered onto the B2B market, specifically to the insurance companies, experts agree that there are important criteria that need to be considered. First of all, in B2B, no one has time, so time is essential, as well as the price. If the services are accepted by the state services, such as SAR or harbour master, it is most likely that insurance will also use it. However, all the messages should contain truth without exaggeration. Messages should be short, clear and repetitive. According to experts, an important aspect of creating messages is to be emphatic in the first place, it is important to listen carefully, to

learn the pain points of the customer, in order to be able to understand. Once one understands the customer's weaknesses it becomes much easier to develop messaging tactics and strategies. On top of all Martin added that an important criterion is a repetition (cf. Mayer 01.02.2022).

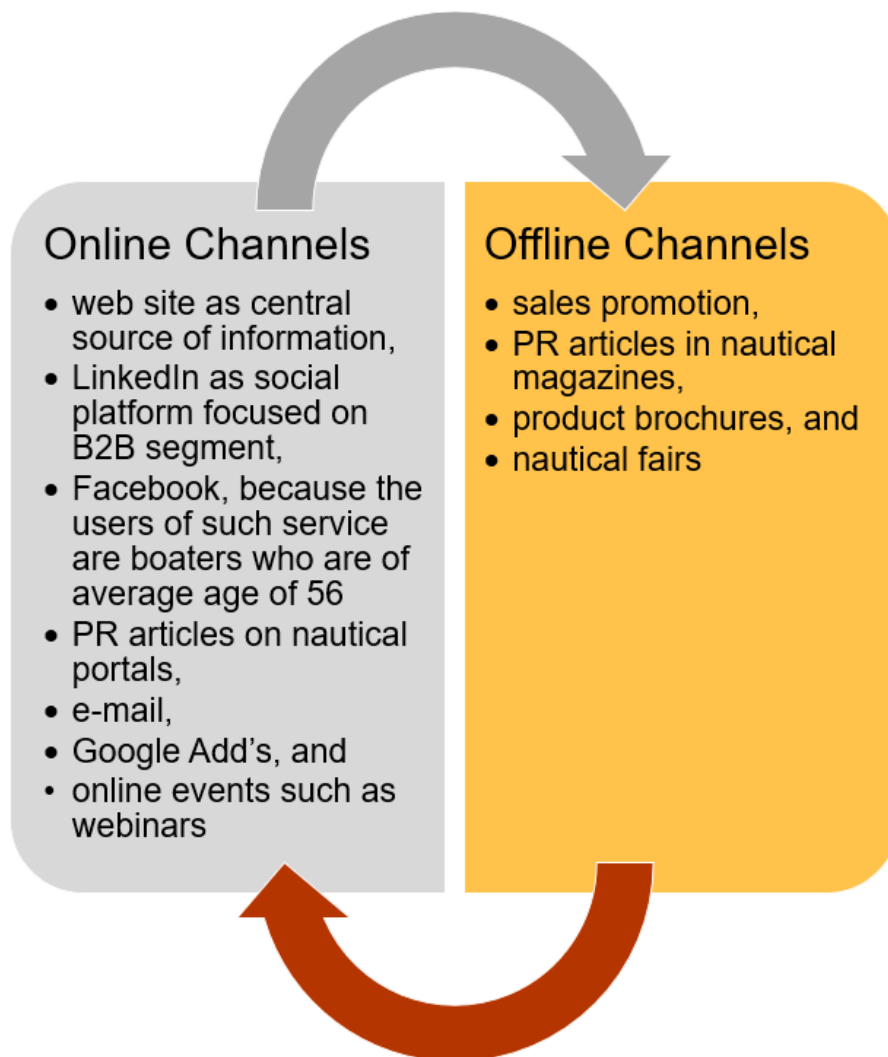


Figure 25: Suggested Online and Offline Communication Channels by Experts (own presentation)

8.1.8. Measurement in Post-launch Phase

In order to keep the situation under control experts agreed that it is important to integrate crucial metrics from the beginning, already in a pre-launch phase. KPIs are important to keep track of expenditures in first place during the pre-launch and launch phase. The choice of the KPIs should not be randomly chosen, it should be adapted to the company's needs and its maturity level. Uwe Seebacher has stated that *"The maturity of the organization is also part of the organizational learning, then they can intrinsically and ongoing further develop the KPIs"* (Seebacher 01.02.2022). For the launch of Sea Spill, experts are suggesting the following KPIs:

- ❖ sales funnel conversion rate,
- ❖ return on investment, and
- ❖ Click Rate by Google Analytics.

Later, depending on needs, Sea Tow can further develop the KPIs with the retention rate, CLV and others. The interesting opinion that Martin Mayer added said *“If I could invent an KPI, I would introduce it as a problem fit. How good do we really fit the needs of the consumer”* (Mayer 01.02.2022). His statement goes hand in hand with the opinion of most experts regarding the market and customer feedback.

8.2. Insurance Experts for the Croatian Nautical Market

8.2.1. Nautical Environment in Croatia

In discussion with experts on the topic of the nautical environment in Croatia, several conclusions have been made. On the positive side, it is good to say that state services are well organized and helpful. The infrastructure is modern and there are constant investments reported, especially in the marina and moorings sector. The waterways are well marked and signalized and many bays that have been free for anchorage are being researched, categorized and given in concession. Such an approach is good for navigation safety and for the environment, as the load of the boats within bays is decreased, and the local firms are stimulated.

On the negative side, there are many issues affecting the sea environment. First, when discussing infrastructure, marinas have questionable safety protocols and measurements established. For example, Morena and Petar draw attention to the fire in Marina Kaštela in May 2021, where many safety gaps were detected, such as non-functional fire hydrants, difficulties for firefighter crew to access the marina and the burned wrecks lying on the public beach for days (cf. Grubješić 30.03.2022; cf. Pečur 11.03.2022). All experts agreed that such issues are not an exception for marina Kaštela only, but most probably all the infrastructure on Adria. Second, there is a well-known issue with the skipper B licences. Licences can be obtained within 24 hours without experience, or knowledge of how to operate the vessel. Such boat operators later are allowed to operate the pleasure vessels up to thirty brutto tons in size, which places suspicion on the capabilities of such skippers. Third, there is a lack of care for the environment as experts claim. For example, when there is a construction site next to the sea, the wastewater, and other substances are leaked into the sea. Fourth, there is an issue with the so-called “black charter” from Montenegro. Those are charter vessels sailing from Montenegro in Croatian waters and

releasing the content from the black tanks (cf. Šabanić 08.02.2022). The same issue is with mini-cruise ships. In this field, there is too less care and almost no control over it. Marijan Dželalija also is very considered about the environment as his agency has around 200 claims for damages a year, of which 30% carries a risk of water pollution, but not even once such has been reported (cf. Dželalija 04.02.2022). There are also no statistics available. Peter Schirmer has stated “*What the clients are searching, they are destroying by finding*“, aiming at the carelessness of the human being (Peter Schirmer 05.02.2022). According to statistics from chapter 6.1.4. experts have concluded that numbers do fit the registered accidents, however, there are many unreported accidents that insurance receives damage claims where owners managed to help themselves.

8.2.2. Insurance Companies in Croatian Nautical Sector

At this moment Croatia operates approximately eight insurance companies within the nautical sector. Of eight companies, approximately five have specialized nautical segments and provide good quality services. Those companies are Vienna Insurance, Generali, Allianz, Uniqa, Croatia, Triglav, Sava and others. However, according to European law, all the European insurance companies can be present in the Croatian market, so the actual number of how many insurance companies operating in the Croatian nautical market is for now unknown. Such a situation for some presents a threat and for some opportunity. For example, Vienna Insurance, Croatian branch has a licence to insure boats in 12 other countries, so for them is an opportunity as they are allowed to insure vessels also with the foreign flags. Morena states that many foreigners are keen to rather insure their boats in Croatia under the Croatian insurance branch than in their own country to save the costs (cf. Grubješić 30.03.2022). The same opinion is shared by all the other experts and states that the main issue is that insurance companies in Croatia are still not connected, and the low price competition is very challenging at the moment.

In the year 2020 it is well known that from the whole nautical industry, insurance companies were the only ones who reported an increase in their portfolio. Experts agree with the findings and explain that the reason for such a positive result is that boats no matter if they are in the sea or not, need to be insured. Most of the vessels are under leasing or credit and they are obliged to cover the boat with a kasko insurance policy. On the other side, Lejla and Marijan confirmed the information and added that in 2020 Vienna insurance has changed the portfolio and adapted it to the

present situation with a new type of risk coverage. They had a loss with charter fleets because approximately 30% only were active, but they have gained many new private boat owners under their portfolio (cf. Dželalija 04.02.2022; Šabanić 08.02.2020).

Still, insurance companies are also facing many challenges. Although the positive results in income and new portfolio, experts are claiming that the nautical business is still not profitable. The reason is the policy premiums in Croatia are too low in comparison with the claimed damages. As the vessel database is still not synchronised between the insurance companies in Croatia, the vessel owners are for example if caused an incident switch to the other insurance company to not lose the bonus. It is worth mentioning that not only groundings are providing high-cost issues. Most of the reparations nowadays are much more expensive than twenty years ago, boat systems today are all connected over one backbone. If for example, lightning strikes the sailing boat, usually all the devices are instantly burned, instead of one where the lightning struck (cf. Schirmer 05.02.2022).

8.2.3. Incidents and Water Pollution

In figure 26 the incident flowchart shows the incident and the procedure of recovering of the vessel, which is created based on the feedback of the experts and the law regulation. In case of an incident, the flow and the responsibilities start always with the skipper and the owner who are in most cases the same person, except when the vessel is rented or borrowed. In any case, the skipper is responsible for the vessel and the crew during navigation. All the operations that have to be undertaken when the vessel is wrecked are led by the vessel owner, or by the company that is renting the vessel, under the supervision of the owner. As a first step, the skipper must inform the port authorities and the charter company if the vessel is rented. Second step, the owner is informing the insurance company, and they both are working on the situation analysis and looking for the best on-water services supplier. The harbourmaster is in the meantime inspecting the incident location and ordering the wreck removal, which the owner must organize. In case the owner is not able to remove the vessel on its own, the needs to organize the salvage company in coordination with the insurance company. Once the salvage company finalizes the operation, is going to issue the invoice to the owner, and insurance in name of the owner covers the costs. Often in such situations, salvage companies are keen to

use the situation and the stress of the owner to increase the invoices. In this situation, insurance companies are disposing of their own experts or surveyors to help the owner to bring the right decision (cf. Schirmer 05.02.2022).

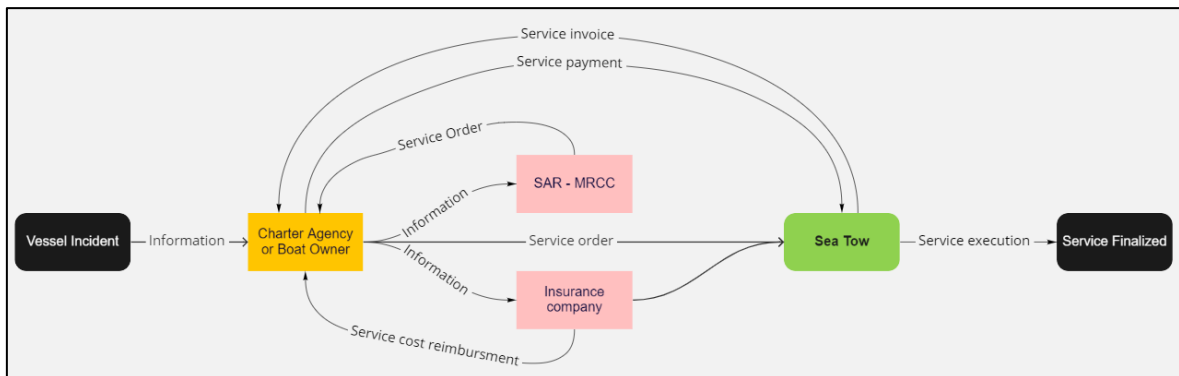


Figure 26: Vessel Incident Flowchart (own presentation)

When dealing with water pollution the approach is the same, still slightly different. Important is to mention that a voluntary third liability policy is the one that covers water pollution. Not the damage caused by the pollution, but the cleaning and removal (cf. Dželalija 04.02.2022; cf. Šabanić 08.02.2022). Most of the experts also agreed that of all possible types of damage, the fire onboard and sunken boats carry the highest danger of water pollution. At the moment in most cases at north Adria water pollution cleans company Dezinsekcija, and south Adria company Cian. However, experts are claiming that in reality, most of the incidents clean the state services, such as the fire department and the harbour master.

When asked the experts, which customers are in most that cause the incidents, all are solidary that customers who are renting the vessels. Those are the customers who most often have previously mentioned Skipper licence B, limited, or no knowledge of how to properly manoeuvre the vessels.

8.2.4. Service Sea Spill Introduction

Asking the experts how would such a service as Sea Spill be accepted if launched in Croatia, all confirmed that this would be very good accepted. Main condition is that service should be provided at a fair price and of good quality. However, Lejla went a step further and explained the real potential from her point of view. Service should include the pollution clean up, but also the education of the customers. As more people are educated, most probably less damage will occur, and it would be the right approach for raising awareness (cf. Šabanić 08.02.2022). Other experts

are also convinced that such a service would be rarely used but it would be very useful. In the first place, it would be useful for raising the environmental awareness, it would help insurance companies in their own promotion, and important for them is to have a reliable partner who can react fast and efficiently in such cases. Marijan is convinced that such a service provided by companies as Sea Tow has a future but it will take some time until it is widely accepted and acknowledged (cf. Dželalija 04.02.2022).

9. Product Launch Concept for the Service Sea Spill in the Croatian Nautical Market

In this chapter, the product launch concept for the product Sea Spill will be presented. The facts stated in the recommendations are based on theoretical, secondary and primary research, which is supported by budgeting and controlling suggestions.

9.1. Product Launch Planning

To plan and execute a successful product launch for the service Sea Spill, Sea Tow should define one person as the product owner. PO will be responsible for all the activities and will need to gather a team that will help to execute them. Before anything, the PO needs to create a document, the strategic plan for the product launch. The document should contain the following necessary content:

1. Product vision – for example, support the insurance customers in educating their customers and cleaning the pollution caused by their customers.
2. Product mission – for example, become the first and leading salvage company that can clean the pollution on water and raise environmental awareness.
3. Team members and partners – the suggestion is to define the internal and external crucial team members. Internal should be marketing, sales and technical department members. External, one friendly user for product tests and one local marketing agency to support the marketing activities. Forming the team should take part before the kick-off meeting, in order to keep all members aligned from the beginning of the project.
4. Market analysis – the results from chapters 6 and 8 of this thesis can be used for planning the tactics and communication strategy.

5. Product launch roadmap – in following Figure 27 the suggestion for the roadmap is created. In the roadmap above the timeline are indicated phases of the launch, and below are the suggested tactics.

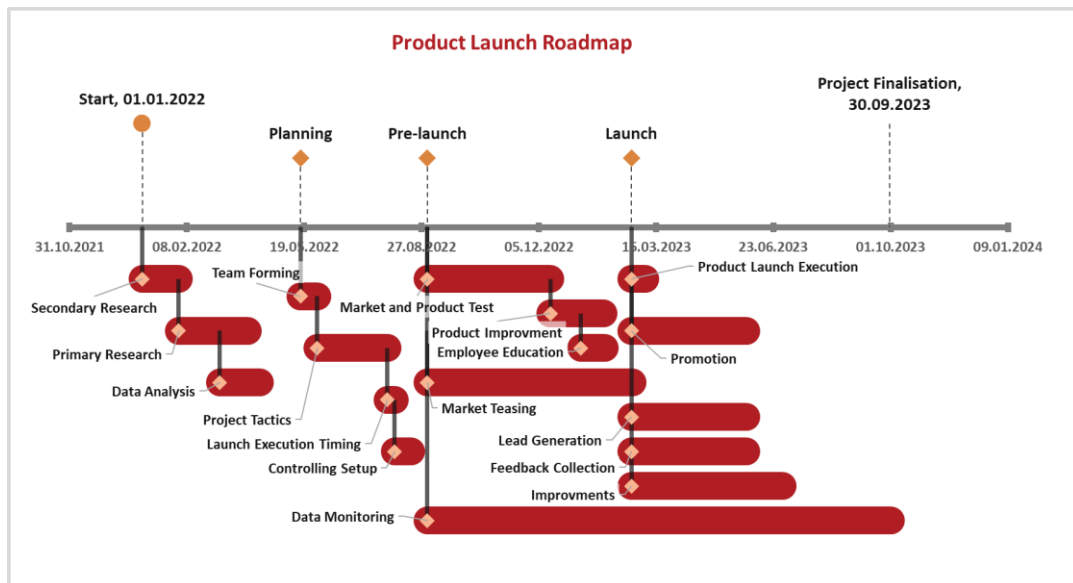


Figure 27: Suggestion for the Product Launch Roadmap (own presentation)

6. SMART goals – following minimal suggestions can be distinguished:
- Roadmap and planning phase finalise till the end of August 2022,
 - Pre-launch execute in September after high summer season ends and finalize in February 2023, before the boat show in Tulln,
 - Launch the product at Tulln boat show and at Zagreb Boat Show,
 - Increase the income in the year 2024 by 10% with Sea Spill services,
 - Execute minimum of four online events in the year 2024 as education and environmental awareness,
 - Execute minimum of two live events in the year 2024 as education and environmental awareness,
 - Increase the customer base within the B2B segment in 2024,
 - Organise one workshop, or training with state service organisations, such as with SAR or harbour master.

These goals will help the team to set the focus on important activities that are upcoming and help in the further development of the concept for the product launch.

- Tactics for market communication
- Tactics for product launch phases

9. Budget plan

As the planning should be executed over the summer season period, and the pandemic is still present, it is possible that unpredictable issues occur. In this reason it is necessary to create a backup plan. It is possible that the product launch must be postponed if the boat show, where the launch was planned, due to the pandemic is cancelled. In this case for example the pre-launch and teasing phase can be postponed for the early autumn boat show in Biograd na Moru.

9.2. Product Launch Communications

For product launch communication strategy and tactics, it is highly necessary to first define the communication channels that fit B2B nautical segment and later the tools that are going to be used. According to already conducted research right approach would be a combination of online and offline channels. The recommendation is to use channels suggested by marketing and product experts, which can be found in Figure 25. However, in the beginning following channels should take priority:

- LinkedIn
- Boat Shows
- Webinars
- Live events – Sea Spill simulation

For planning the messaging, good storytelling will play an important role, so it should be considered to offer high-quality information about the service – the Sea Tow know-how, awareness of actual environmental issues, and the role of the Sea Spill. Ideally, for transferring such information, video materials, testimonials of state service would be helpful in gaining the trust of the insurance and other companies within B2B, and later also the B2C segment. Within Table 5, using Wirz and Lovelock's 5W model (see Table 2) the suggestion for strategy development and implementation has been created. The model represents a simple and for everyone understandable approach to the strategy. Table 5 represents an example and starting point for the product launch team. Further iterations are desirable.

Who? (Target Audience)	What? (Communication Objectives)	How? (Messaging Decision)	Where? (Communication Channel)	When? (Timing Decision)
Insurance Companies • Vienna Insurance • Generali • Allianz • Uniqa • Croatia • Triglav Insurance Brokers • Yacht Pool • Pantaenius	➤ Raising awareness ➤ Education ➤ Higher level of service ➤ Fast and reliable	➤ Video materials ➤ Live simulations ➤ Webinars ➤ PR articles ➤ Brochures	Online: ➤ LinkedIn ➤ Facebook ➤ Web site ➤ Search Engine ➤ Nautical portals (Morski.hr, Otvoreno More and Burza Nautike) Offline: ➤ Nautical Magazines (Burza Nautike, More Magazin) ➤ Boat Shows (Tulln, Zagreb, Biograd na Moru)	Boat Shows: ➤ February/March/October Social Media: ➤ Once per month posting Online Magazines ➤ PR once per quarter Offline Magazines: ➤ PR once per year ➤ Advertisemens from February till September

Table 5: Communications Strategy Development and Implementation (Based on Wirz/Lovelock 2018, p. 197)

9.3. Pre-launch of the Product

In this phase, it is highly important to involve a test customer or partner that will test the service and provide objective feedback in order to achieve the satisfactoral level of quality. In Croatia, the ideal partner would be local ports, marinas, or petrol stations. However, in this phase the team should be finalized, as once the launch plan is ready it has to be defined which team roles are crucial for executing the launch. For Sea Spill, suggestion is that PO delivers a ready product, adapted for the Croatian nautical market and PM, should be the central person orchestrating the launch execution. For the launch of Sea Spill, one person can play both roles as the market and target audience are narrow. As support also one person from marketing should be involved in the team to execute and control the marketing activities, and a sales representative who together with the product manager needs to be on-site as much as possible to collect the data from the market, import it in the company and prepare the sales processes. This phase should be well used for preparing all the marketing and sales tactics and training all the processes for delivering the product once is ordered.

9.4. Product launch execution

Product launch execution is a phase where the team has to work together to execute the most important phase, the launch of the service itself. To avoid any surprises suggestion is that the team trains this phase couple of times to make sure that everything is ready, as once the product is out, there is no more way back. For marketing and sales members, this is one of the most intensive phases as the focus should be on product awareness and it will be important in the following months to make sure that plan goes smooth and that the feedback is being collected. In this phase, the sales team will need to iterate as much as possible with the potential customers.

9.5. Post-launch of the Product

Once the Sea Spill is launched onto the Croatian nautical market it is important to keep tracking its development on the market. For monitoring, there are several KPIs that can be suggested to the company. For the beginning suggestion for the company is to use the following KPIs:

- Website click rate
- Share and like rate on LinkedIn
- Sales funnel conversion rate

The goal would be for the beginning to keep it small and clear so that everyone can understand it within the organization, and on the other hand, focus on increasing the awareness to reach targeted personas within insurance companies. However, the company should not stop developing the KPIs. Later after the first KPIs indicate the awareness of target customers further KPIs can be integrated, such as MROI, SROI and retention rate.

9.6. Budgeting

Table four is indicating potential costs for promotion and communications of the product Sea Spill on the Croatian nautical market. Estimated costs are expressed in Euro and the recommendation is to integrate them together with budget for the product launch.

No.	Recomended Action	Description	Estimated Costs in €	Time
1	Boat Show Zagreb	exhibition costs + marketing	5 000,00 €	Feb.23
2	Boat Show Tulln	exhibition costs + marketing	10 000,00 €	Mär.23
3	Burza Nautike More Magazin	online and print magazine PR and Advertisements	8 000,00 €	annual
4	Google Adds	online advertisement	2 000,00 €	annual
5	LinkedIn Adds	online advertisement	2 000,00 €	annual
6	Brochures	multilingual	3 000,00 €	Nov.23
7	Website	development of the subpage on existing webpage	2 000,00 €	Sep.23
8	Sales Promotion	employee + travel costs	2 000,00 €	annual
9	Webinar	employee costs	1 000,00 €	annual
Estimated costs			35 000,00 €	

Table 6: Estimated Costs for Promotion and Communication (own presentation)

10. Conclusion and Practical Recommendations

The aim of this master thesis is to develop the concept for the launch of Sea Spill on the Croatian nautical market, focusing on communications and insurance companies. Based on the secondary and primary, qualitative market research it can be concluded that such service as Sea Spill has a high potential to be well accepted by the Croatian nautical market. With the fact that there are many obstacles present, for example existing local firms and state services that are able to provide the same service as the Sea Spill, there is an interest existing by the insurance companies to support the service, use it for their own branding and raising the environmental awareness.

For the successful launch of the Sea Spill, it is necessary to properly investigate the right approach from a theoretical and practical side. This thesis indicates the right approach to build a concept for the product launch of such a service. The approach has been confirmed by the marketing and product experts. Their opinion together with their experiences and new findings have been collected and summarised in the practical section. On the other side, the insurance experts have provided an insight into the issues of the nautical market and revealed the customer touchpoints.

The aim of the developed concept for the product launch was to overcome a knowledge gap for the launch of the service in the Croatian nautical market, in such challenging pandemic times, and reveal the right touchpoints to the customer. The findings have covered the missing gap and revealed unknown information regarding the nautical environment and issues of the infrastructure that Croatia is facing.

In order to further use the findings and the concept of this thesis, the practitioner should adapt the suggestions to their own needs and most of all organizational capabilities. Although the research has extensively covered the topics related to B2B nautical segment, focusing on insurance companies, it is recommended to extend the research further to discover further potential. The thesis can serve as a basis for research on further users, and applications of the Sea Spill.

For developing the concept within this thesis there has been collected 32 books and 26 professional journals with the most recent issues. In addition, statistics and general information has been collected through 33 internet resources, which got supported by 15 experts as interview partners within the primary research.

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Appendix

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1 Interview Partners

First Name	Last Name	Company	Job Title	Industry	Channel
Jurica	Andel	Generali Osiguranje	Insurance Underwriter	Marine Insurance	E-Mail
Klaus	Aumayr, J.	MSG Management Systems St.Gallen Klaus J. Aumayr	Product Management Consultant	Cross Industries	Microsoft Teams
Selma	Čmelik	Zona Plus d.o.o.	CEO	Marine	Microsoft Teams
Marijan	Dželalija	Yacht Pool Croatia	CEO	Marine	Microsoft Teams
Srđan	Elaković	Aurora Maris Yachting	Marine Surveyor	Marine	Microsoft Teams
Morena	Federer Grubješić	Allianz Croatia	Insurance Underwriter	Marine	Microsoft Teams
Vanessa	Kraus	Miller Environmental Group	Head of Marketing	Production and Marine	Microsoft Teams
Miško	Macolić	Marke Thing d.o.o.	CEO	Marketing	Microsoft Teams
Martin	Mayer	ZETA GmbH	Business Development	Pharma	In Person
Tijana	Pavelić	Croatia Sailing Academy	Head of Marketing	Marine	Microsoft Teams
Petar	Pečur	Marine Surveyor Petar Pečur	Marine Surveyor	Marine	Microsoft Teams
Lejla	Šabanić	Wiener Osiguranje	Insurance Underwriter	Marine	Microsoft Teams
Peter	Schirmer	Foka	Marine Surveyor & Yacht Consultant	Marine	Microsoft Teams
Uwe	Seebacher	Munich University and FH WKW Vienna	Professor, Author and Advisor	Education and Consultancy	Zoom
Edita	Vasiljević	Dita Consulting	CEO	Nautic - Consultancy	Microsoft Teams

Appendix Table 1: Interview Partners (own presentation)

2 Interview Guidelines for the Marketing Experts

Interview Guidelines in English

Interview information:

1. Date
2. Name of the interview partner
3. Company/Institution
4. Position in the company

Interview procedure:

1. Welcoming the interviewee and introduction to the topic
2. Opening questions
3. Interview on detailed topics
4. Closing (open questions of interviewee)

Introduction

Dear Mr./Ms. XY,

thank you for taking the time to participate in my market research. As previously mentioned, I am currently writing my master thesis within the master degree programme of International Marketing at the Campus 02 in Graz, Austria.

This thesis aims to develop a product launch concept for a nautical market, with focus on marketing communications.

The interview will take approximately 30 – 45 minutes.

Before starting with the interview, I would like to point out that interview is confidential. However, I would need your consent to record our conversation as it will be used for the interview analysis and interpretation.

Once again thank you for your collaboration. Do you have any questions, or do you require any further information before we start with the interview?

If not, then we shall start. *(Start recording)*

Guidelines for Marketing Experts

General Information

First of all, I would like to start with some general questions about you and your company/the company that you are working for.

1. Could you please tell me about yourself and your work in Marketing/Product Management/Business Development? *(Closed question)*
2. Could you please briefly describe the:
 - a. main activities of your institution/organization, and
 - b. scope of work and the responsibilities you have? *(Open question)*

Before I start with the more specific questions, I would like to introduce you with the challenging situation of my master thesis where I am developing a concept for the product launch. Target market is Croatian nautical market within B2B segment and focusing is on communication to the potential customers, which are in this case insurance companies.

Namely there is a case scenario of a private company that provides an boat assistance services such as towing and salvage recovery for boats, world-wide. They are already present in Croatia for more than 10 years already and now they would like to launch a new product as a service. Service is already provided by the company in some parts of the world, and offers an preventing and cleaning water pollution from oil and oil products. Objectives for the company are to offer new service as additional service to towings and salvages, and to increase the customer base.

Main Questions	Subtopics
<p>1. When you think on product as service, which are the most important characteristics that product should have?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Quality – performance ➤ Visuals – visual identity of employees, vehicles, vessels, building, ... ➤ Honesty – messages ➤ Storytelling – should the quality do the work or else
<p>2. By your opinion, what role plays the product vision when building a launch strategy?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ What if they collide? ➤ What can be done about?
<p>3. When developing a strategy for product launch in B2B market, what are the key components that should be considered in order to succeed?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Which market analysis tools do you prefer? ➤ In your opinion how important is segmentation for product launch in B2B?
<p>4. Which team roles would you define as key relevant for one product launch planning and the execution?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Why?
<p>5. From marketing perspective what are the important steps that should be considered in pre-launch phase?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Timing ➤ Costs ➤ Communication ➤ Activities
<p>6. In general, what are the most important steps/phases of the product launch?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Why?
<p>7. Which approach do you prefer for product launch within B2B?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Soft, minimal or full scale? ➤ Why?
<p>8. Do you have any example for perfect product launches that you could share with me?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Examples for bad product launches?

<p>9. Do you think that there is a difference between a „normal“ product launch and the launch of a “service”?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ If yes, why?
<p>10. Can you tell me more about the differences between the launch in a B2C market and the one in a B2B market?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Examples?
<p>11. Could you tell me your experiences with the launch of a service?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ What are the success factors? ➤ What are the Do’s and Don’ts of a product launch? ➤ Why?
<p>12. When aiming to insurance companies and agencies, within nautical market, which channels would you prefer for online and which for offline communications</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Online ➤ Offline ➤ Why?
<p>13. Which communication components are most relevant in your opinion for a product launch in nautical markets, aiming insurance companies?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ such are advertising, sales promotion, offline marketing, online marketing and PR? ➤ Why? ➤ Is there any experience that you could share with me?
<p>14. Based on which key criteria should messaging be defined?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ How relevant are they? ➤ Why?
<p>15. In post-launch phase, how do you prefer to set the measurement process?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Are there any preferable KPI’s? ➤ If yes, which and why? <p><i>For example:</i></p> <ul style="list-style-type: none"> Retention rate CLV MROI Profit Margin Break-even Point

Closing Questions

<p>16. Lastly, what is the most vital communication aspect to consider when dealing with the B2B customers?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Why? ➤ In what way? ➤ Any recommendations or tips?
<p>17. Do you have possibly any further suggestions or questions for me?</p> <p>(Open question)</p>	

Appendix Table 2: Interview Guideline for the Marketing Experts

Thank you for sparing time for this interview!

3 Interview Guidelines for the Marine Insurance Experts

Interview Guidelines in English

Interview information:

5. Date
6. Name of the interview partner
7. Company/Institution
8. Position in the company

Interview procedure:

5. Welcoming the interviewee and introduction to the topic
6. Opening questions
7. Interview on detailed topics
8. Closing (open questions of interviewee)

Introduction

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thank you for taking the time to participate in my market research. As previously mentioned, I am currently writing my master thesis within the master degree program of International Marketing at the Campus 02 in Graz, Austria.

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The interview will take approximately 30 – 45 minutes.

Before starting with the interview, I would like to point out that interview is confidential. However, I would need your consent to record our conversation as it will be used for the interview analysis and interpretation.

Once again thank you for your collaboration. Do you have any questions, or do you require any further information before we start with the interview?

If not, then we shall start. *(Start recording)*

Guidelines for the Marine Insurance Experts

General Information

First of all, I would like to start with some general questions about you and your company/the company that you are working for.

1. How long have you been in marine insurance industry? (Closed question)
2. Could you please briefly describe the main tasks of your institution/organization and your area of responsibility? (Open question)

Before I start with the more specific questions, I would like to introduce you with the challenging situation of my master thesis where I am developing a concept for the product launch. Target market is Croatian nautical market within B2B segment and focus is on communication to the potential customers, which are in this case insurance companies.

Namely there is a case scenario of a private company that provides a boat assistance services such as towing and salvage recovery for boats, world-wide. They are already present in Croatia for more than 10 years already and now they would like to launch a new product as a service. Service is already provided by the company in some parts of the world, and offers an preventing and cleaning water pollution, from oil and oil products. Objectives of the company are to offer new service as additional service to towing and salvages, and to increase the customer base.

Main Questions	Subcategories
<p>1. How would you describe the nautical environment in Croatia? (Open question)</p>	<ul style="list-style-type: none"> ➤ Positive vs. negative ➤ Infrastructure <ul style="list-style-type: none"> <i>Marinas</i> <i>Waterway</i> ➤ Safety <ul style="list-style-type: none"> <i>Ports</i>

	<p><i>Harbours</i> <i>Waterway signalization</i></p> <ul style="list-style-type: none"> ➤ Communications <i>VHF / GSM</i> ➤ Education of new sailors, ...
<p>2. As according to statistics collected from Croatian SAR, each year there are more than 600 vessel accidents reported (exceptionally in pandemic there was 480 accidents), which is an approximately 0,3 % of all the vessel traffic. Do you think that those numbers present a real picture of incident share?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ If not, why and how would you explain it? ➤ Are there unreported incidents?
<p>3. How many insurance companies in Croatia are common to you that provides policies for the vessels?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ How many are there known to you? ➤ Are there too many or too less insurance companies in Croatia by your opinion? ➤ What is the influence of foreign insurances on Croatian market?
<p>4. In 2020 due to pandemic the nautical market almost collapsed, and nearly all the segments of the industry have suffered losses. For example, according to the statistics, transit vessels decreased for 40 % and charter decreased 56 % in arrivals. However, insurance companies had an 4 % of turnover increase, as same as year before. How would you describe this outcome?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ What could be the right reason for?
<p>5. What are the general weak points for the insurance companies when discussing about the nautical market?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Claims ratio ➤ Incidents ➤ Insurance premium versus incident costs

<p>6. Do all types of vessels have the same condition when enclosing an insurance policy?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Old vessels vs new/newer vessels ➤ Charter vessels vs privately owned ➤ Which vessels carry more risk? ➤ Why?
<p>7. In general, which customers cause most incidents?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Private boat owners? ➤ Charter customers? ➤ or, other?
<p>8. For example, vessel has been grounded, what would be the procedure?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Responsibilities for vessel owner/vessel user ➤ For insurance company ➤ Salvage company ➤ Other
<p>9. LOF – Lloyds Open Form (the old no-cure-no-pay with the environmental upgrade), is it standard practice in Croatia?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ If yeas, how often is the LOF used? ➤ Is there another practice in Croatia?
<p>10. Around half of the reported incidents, such as grounding, sinking, collision, fire and similar, can carry a high risk of water pollution. Which of those by your opinion in reality carries the risk of water pollution?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Do you have an information how often is actually water polluted by boat accidents? ➤ Is every event reported? ➤ If not what could be the reason?
<p>11. Has environmental awareness been raised enough among people and companies?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ How do you see the situation? ➤ Is there a trend of environmental awareness raising?
<p>12. Is there a coverage for the environmental incidents for the insured vessel from a side of insurance companies?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ If yes, which policy covers such incident? <ul style="list-style-type: none"> ➤ Basic policy ➤ Kasko policy ➤ Third Party Liability ... <ul style="list-style-type: none"> ➤ In what scope is vessel covered?

<p>13. Do you know what is the typical procedure scenario when environmental incident occurs?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Procedure ➤ Responsibilities ➤ Is there award for preventive actions?
<p>14. In case of water pollution caused for example by sunken or burned vessel, what are the pains for the insurance companies?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Is there enough expertise? ➤ Which companies are known as solution provider? ➤ Costs ➤ Other?
<p>15. What would be the “ideal” advantage for the insurance company in case of having reliable partner that can offer environmental services?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Fast response? ➤ Fair price for such service ➤ Branding? ➤ Raising awareness? ➤ Education for partners and customers? ➤ Other?
<p>16. Do you think that there is a need that towing/salvage companies in Croatia, introduce such a service for cleaning the water surfaces?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ positive side? ➤ negative side?
<p>➤ Closing Questions</p>	
<p>17. Lastly, by your opinion, how would such service as oil spill clean-up provided by towing company be accepted by insurance?</p> <p>(Open question)</p>	<ul style="list-style-type: none"> ➤ Feeling of safety? ➤ Higher/lower costs? ➤ Chance for better promotion? ➤ Better image?
<p>18. Is there any additional information that you could share with me?</p> <p>(Open question)</p>	

Appendix Table 3: Interview Guidelines for the Marine Insurance Experts

Thank you for sparing time for this interview!

No.	Activities	Dependence	Who	Start	Finish	Days	Status	October	November	December	January	February																
MASTER THESIS PROCESS								40	41	42	43	44	45	46	47	48	49	50	51	52	1	2	3	4	5	6	7	8
49	Phase 3: Practical part	21 - 48	S	01/10/2021	17/02/2022	140	Planned																					
50	Meeting with the MM	48	S, MM	20/10/2021	20/10/2021	1	Planned																					
51	Conducting secondary market research	50	S	01/11/2021	09/01/2022	70	Planned																					
52	Preparation of the questionnaire for the primary market research	51	S	03/01/2022	23/01/2022	21	Planned																					
53	Send questionnaire to MM and CM for feedback	52	S, MM	17/01/2022	23/01/2022	7	Planned																					
54	Feedback implementation	53	S	17/01/2022	30/01/2022	14	Planned																					
55	Pre-test of the questionnaire execution	54	S	24/01/2022	30/01/2022	7	Planned																					
56	Improve the questionnaire according to pre-test results	55	S	24/01/2022	31/01/2022	8	Planned																					
57	Interviews execution	51 - 56	S	31/01/2022	13/02/2022	14	Planned																					
58	Data analysis via MAXQDA	57	S	10/01/2022	13/02/2022	35	Planned																					
59	Primary research findings	58	S	07/02/2022	13/02/2022	7	Planned																					
60	Writing the chapter "Market Research" with findings from primary and secondary research	51 - 59	S	13/12/2021	14/02/2022	64	Planned																					
61	Thematic milestone 2: Completion of secondary and primary research	51 - 60	S	31/01/2022	13/02/2022	14	Planned																					
62	Meeting with the MM	61	S, MM	07/12/2021	07/12/2021	1	Planned																					
63	Writing the chapter "Product Launch Concept for the Service Sea Spill in the Croatian Nautical Market"	60	S	31/01/2022	13/02/2022	14	Planned																					
64	Writing the subchapter "Product Launch Planning"	60	S	31/01/2022	13/02/2022	14	Planned																					
65	Writing the subchapter "Product Launch Communications"	60	S	31/01/2022	13/02/2022	14	Planned																					
66	Writing the subchapter "Pre-launch of the Product"	60	S	31/01/2022	13/02/2022	14	Planned																					
67	Writing the subchapter "Product Launch Execution"	60	S	31/01/2022	13/02/2022	14	Planned																					
68	Writing the subchapter "Post-launch of the Product"	60	S	31/01/2022	13/02/2022	14	Planned																					
69	Writing the subchapter "Budgeting"	64 - 68	S	31/01/2022	13/02/2022	14	Planned																					
70	Developing the Conclusion and Practical Recommendations	23 - 69	S	12/02/2022	14/02/2022	3	Planned																					
71	Thematic milestone 3: Product launch process in Croatia completion	60 - 70	S	12/02/2022	14/02/2022	3	Planned																					
72	Proofread and correction of the practical part	71	S	31/01/2022	13/02/2022	14	Planned																					
73	Completion of the documents for MS 3	71	S	31/01/2022	13/02/2022	14	Planned																					
74	Completion of powerpoint presentation for MS 3	71	S	31/01/2022	13/02/2022	14	Planned																					
75	Submission of the documents for MS 3	49 - 71	S	16/02/2022	16/02/2022	1	Planned																					
76	Organizational milestone 4: Master seminar 3	75	S, MM	17/02/2022	17/02/2022	1	Planned																					

Appendix Table 6: Master Thesis Phase 3 (own presentation)

