Barriers in Launching New Products
-A comparative study of Swedish B2B companies

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Abstract

The marketplace in the 21st century is intense and highly competitive. Customers have a great variety of products and services to choose from, therefore gaining competitive advantage is crucial for a company’s survival. Companies cannot rely on previous product success, they have to be innovative in order to meet the ever-changing customer needs and wants. New product launch is a critical and challenging phase for every company, which is proven by the high failure rates. There are many barriers that can hinder and determine a new product launch process. This study focuses on Business-to-Business, small and medium sized companies within the Swedish steel and metal industry with the purpose to investigate what barriers occur when launching new industrial products. The study also aims to answer the question on what actions can be taken in order to overcome these barriers. This is a qualitative and comparative study based on a theoretical framework combined with empirical findings gathered from five in-depth interviews. By analyzing and comparing the findings throughout this study, the authors can conclude that there are many barriers that can occur and affect a product launch process negatively. The main barriers identified were lack of knowledge, effort, planning as well as targeting and competition. The study also resulted in practical suggestions and actions that can be taken in order to overcome these barriers and ease the launch process.

Key words: New product launch, Barriers in launch processes, B2B, Swedish companies, SME’s, Marketing
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1 Introduction

This research focuses on the barriers Swedish Small-to-Medium-sized Enterprises (SMEs) may encounter in their process of launching new products. All companies are Business-to-Business (B2B) SMEs. This chapter will provide a background to the subject including problem discussion and the specific purpose of the study.

In the 21st century’s competitive marketplace, companies take various actions in order to stay competitive and for the company\(^1\) to survive. In addition to committing to marketing activities and to be customer focused (Kotler and Armstrong, 2012) it is also common that companies seek to improve their innovation and new product development performance, in order to stay competitive and for company survival (Pullen et al. 2012).

Being an innovative company, providing new products and services to the market, can enable companies to gain vast competitive advantages (Hutt and Speh, 2013). According to Jobber and Faye (2006) introducing new products to the marketplace is the “life blood of corporate success”. They claim that companies cannot afford to rely on previous product success, instead companies need to be innovative and provide new products that can meet the ever changing customer demands, in addition to the constant competitive pressure (Jobber and Faye, 2006).

Many companies have undertaken the process of launching new products, some of them have been successful, others have not. One famous example of launching a new product is when Apple launched the iPod. The launch of Apple’s iPod in October 2001, was not an excellent hit in the beginning (Friedman, 2013). The iPod, a diminutive digital music player with a five gigabyte hard drive, which could store around 1000 songs, was not the first portable music device, and at that time it was first launched, it only worked with Mac. However, Apple then made the iPod PC-compatible, enabling them to reach a broader customer base (Aamoth, 2013). This improvement provided the iPod with more storage capacity, in addition to lower prices, which in turn led to a tremendous increase in sales and in popularity (Friedman, 2013). Enhancing design, features, price, and differentiating the product from competitors’, as well as shifting to a broader market and to a new customer base, influenced the success of Apple and the iPod. The launch

\(^1\) Throughout this thesis, the terms ”company”, ”firm” and ”enterprise” are used interchangeably
of the iPod has become one of the most successful new product launches in recent years (Trott, 2012).

Launching new products is a part of the new product development process, and is a critical and challenging phase for a company. Companies that particularly encounter difficulties with this are small and medium-sized enterprises with their restricted resources, in for instance, personnel and finance (Pullen et al. 2012). Having such restricted resources can lead to problems and failures when it comes to launching new products. There are a number of critical success factors to consider when launching a new product, one them is dependent on how dedicated and engaged the company’s sales force is (Beuk et al. 2014). Other authors, such as Kotler and Armstrong (2012), claims that the process requires a holistic approach where a lot of efforts are required. Furthermore, Hutt and Speh (2013) argue that successful new business product determinants include both strategic factors as well as the company’s proficiency to carry out the new product.

1.1 Background

The focus of this research is on B2B SMEs within the steel and metal industry. This industry is a central and growing part of Sweden’s business and economy, and stands for 7.4% of the export (Fritzell, 2015).

The European Commission developed a definition of SMEs, based on two determinants, the company’s number of employees and the turnover, or the balance sheet total. In order for a company to be defined as a small and medium-sized enterprise, the number of employees should not exceed 250 in addition to either, that the turnover is not exceeding 50 million euro, and/or that the annual balance sheet total is not exceeding 43 million euro (European Commission, 2015).

The Swedish Agency for Economic and Regional Growth, also known as Tillväxtverket, is a governmental authority under the Ministry of Enterprise and Innovation, which task is to promote and foster sustainable industrial development in addition to regional growth. This governmental authority aims to develop good conditions for Swedish enterprises, and work for sustainable growth and increased competitiveness in the Swedish market (The Swedish Agency for Economic and Regional Growth, 2015). The Swedish
Agency for Economic and Regional Growth could conclude that in 2012, there were approximately 1,000,000 enterprises in Sweden, the vast majority of them, more specifically 96.6%, were small enterprises with less than 10 employees, also referred to as micro enterprises. Micro, small and medium-sized enterprises (SMEs) together represent 99.9% of the Swedish enterprise stock and do therefore play an important role in the Swedish economy (The Swedish Agency for Economic and Regional Growth, 2014).

The diagram below is adapted from the report made by The Swedish Agency for Economic and Regional Growth and it presents the percentage of the number of employees in Swedish enterprises in 2012 (The Swedish Agency for Economic and Regional Growth, 2014).

![Percentage of the number of employees in Swedish enterprises in 2012](image)

**Figure 1:** Percentage of the number of employees in Swedish enterprises in 2012 (The Swedish Agency for Economic and Regional Growth, 2014).

During the 20th century the Swedish business sectors have changed tremendously, agriculture and forestry were the dominating sectors on the market. However, nowadays
more than the majority of the Swedish enterprises are operating in the service sector, and the industrial sector is continuing to grow. (Ekonomifakta, 2015).

**Figure 2:** Swedish enterprises per business sector in 2014 (Ekonomifakta, 2015).

As previously mentioned, SMEs play a significant role in the Swedish economy, partly due to the numbers of enterprises but also due to the number of employees that they represent. These enterprises do also contribute to the net sales and the value added in the economy, however, the large enterprises are the major contributor to the economy even though they only represent one pre mille of the entire Swedish enterprise stock (The Swedish Agency for Economic and Regional Growth, 2014).

Even though SMEs are playing an essential role in the Swedish marketplace and economy, these types of enterprises may often encounter barriers or challenges when it comes to growth and development. According to studies made by The Swedish Agency for Economic and Regional Growth (2014), many of the Swedish SMEs identify barriers such as competition, access to skilled labor, as well as laws and governmental regulations. Micro and small enterprises could also identify lack of time and financial resources as barriers (The Swedish Agency for Economic and Regional Growth, 2014).

The SMEs did also perceive factors such as lack of financial and human resources as the two major barriers preventing them from being innovative and thereby from staying
competitive. Moreover, laws and governmental regulations were also factors that could affect the company’s innovation possibilities (The Swedish Agency for Economic and Regional Growth, 2014).

1.2 Problem Discussion

The importance of SMEs in the Swedish economy has already been distinguished and in order for these enterprises to stay competitive, or even to survive on the market, it is essential for them to be aware of what actions to take in order to do so. Using marketing activities and to be innovative and to launch new products are ways for enterprises to differentiate themselves from competitors and to gain competitive advantage (Hutt and Speh, 2013).

Kuester (2012) claims launching a new product is often a critical process for companies, and the entire company can be jeopardized in the process of it. New product launch can enable companies to reach long-term success, and there a great amount of dominant companies that have leading positions and a well-known brand, due to their successful new product aspire. Nevertheless, the process of launching a new product is challenging and critical, and empirical research claim that the rates of new product failures are high. Launch processes are known to be resource-intensive and costly, although they have been characterized as a critical phase in innovation management. In order to increase the possibility to implement a successful new product launch it is vital to get an understanding of the factors to be concerned in the market launch (Kuester et al. 2012).

According to Du Benedetto (1999) most cases of successful new product launches have proven to be related to perceived exceptional skills for instance sales force, research and development, and in marketing research. When the various departments are intertwined into cross-functional teams, making the key decisions in marketing and manufacturing together, launches tend to be successful (Di Benedetto, 1999). Due to the fact that new product launches are characterized to be resource-intensive, it could be a big and difficult process for SMEs to undertake since they often have restricted and limited resources when it comes to finance and personnel (European Commission, 2003).

Launching a new product indicates a lot of both human and financial resources. The process can be long and complicated, and a lot is on stake throughout this process. At
the same time, it is a process that many companies need to undertake in order to sustain their business and to stay competitive (Kuester, 2012). New product launches can either make it or break it for companies undertaking the process, and it is therefore crucial to both be proactive and reactive towards what might come in the way of a successful new product launch. As previously mentioned, many Swedish SMEs have already identified a variety of barriers that may prevent them from growing and being innovative, and by knowing the importance of being innovative in order to sustain and develop the business, it is essential to know how to avoid these barriers.

1.3 Purpose of Study
The purpose of this study is to investigate what barriers can occur when launching new industrial products.

1.4 Research Questions
- RQ1: What barriers could affect new product launch for Swedish SMEs in the metal industry?
- RQ2: What actions can be taken in order for Swedish SMEs in the metal industry to address these barriers?

1.5 Delimitation
Investigating the barriers that Swedish SMEs may face when launching new products, and also investigating how to overcome them is a very broad field to study. As previously mentioned, the majority of the Swedish enterprises are SMEs, and to study all of them was not an option in this particular study, since it would require extensive resources and time. Therefore, the authors decided to narrow it down by limit the research to a specific industry. The delimitation indicates that this study will focus on investigating what barriers SMEs within the Swedish steel and metal industry may face when launching new products.
2 Theoretical Framework

This chapter will present relevant theories and concepts concerning the chosen subject, and it will work as the theoretical foundation throughout this thesis.

2.1 New Product Development

New product development is a concept that over the past 20 years has been given a lot of attention in the management literature. The concept is commonly referred to as the sub process of innovation, where new products are the results of the innovation process. A product can be defined differently and take a variety of forms, since it is a multidimensional concept (Trott, 2012). However, whether or not a product is new is a phenomenon that has been discussed by various researchers. Rogers and Shoemaker (1972) as cited in Trott (2012), claim that even though it can be hard to determine whether a product truly is new in regard to the passage of time, a product could be considered new if it is perceived to be new.

The majority of new product activities are focused on improving already existing products. That indicates that the greatest number of all new products is not innovative, roughly 10% of all new products are considered to be truly innovative (Trott, 2012). Booz, Allen, and Hamilton, (1982) as cited in Trott (2012), developed a classification of new products consisting of six product categories:

- **New-to-the-world products** – represent completely new products that are first of that specific kind and that create a new market, such as Apple’s iPad.
- **New product lines (new to the firm)** – products that are not new to the market but who are new to the specific company.
- **Additions to existing lines (line additions)** – this category is a subdivision of the above mentioned new product lines, where a firm already has a line of products in a market in which they add a new different product, however not so different that the product would need a new line.
- **Improvements and revisions to existing products** – these types of products are replacements of the already existing products in a company’s product line.
- **Cost reductions** – this product category represents products that are only new to the matter of that the production costs are decreased and by that the company can offer their customers similar performance to a reduced cost with provides added value.

- **Repositioning** – this category is principally the discovery of new applications for existing products, and concerns both branding, consumer perception, and technical development.

In the process of new product development, it is common that problems occur, and the most common problem is derived from communication issues between various departments. Different departments have different tasks and ambitions for the product being developed which could lead to a difficult and lengthy product development process. Nevertheless, there are actions to take in order to prevent these issues, for instance by having cross-functional teams. With such an approach, communication issues can be removed since then each department or function will have a representative, which in addition to the other functions’ representatives will form a project team leading the product development process towards common goals (Trott, 2012).

### 2.2 Product Life Cycle

After the launch of a new product, a company would most likely expect a proper profit in order to cover the risks and efforts made in the process of launching it. The product cannot be expected to sell forever, as many are aware of, every product has a life cycle, which cannot be foreseen in advance. The life cycle represents the course of the product’s profits and sales throughout its lifetime, Kotler and Armstrong (2012) suggest five evident stages:

- **Product Development** – is the initial stage where the company develops an idea about a new product. At this stage, the sales are zero, while the investment costs increase.

- **Introduction** – the second stage introduces the product to the market, and the sales are slowly starting to grow. However, profits are not existing due to the heavy expenses of the product launch. A lot of money is spent on promotion in order to inform the market about the new product, and to convince the consumers to buy it.
- **Growth** – in this stage, the sales of the product starts to increase rapidly. The market has accepted the product and by that there is an increase in profit.

- **Maturity** – the sales growth is starting to slow down in this stage since the product already has reached acceptance by most potential purchasers. Marketing expenses are increased in order to defend the product towards competition and due to that, the level of profit decline.

- **Decline** – the last stage of the product life cycle represents the decline of sales, where sales might drop to a low level or even to zero (Kotler and Armstrong, 2012).

![Figure 3: Sales and Profits over the Product’s Life from Inception to Decline (Kotler and Armstrong, 2012, p. 297).](image)

However, not all products go through, or follow all these five stages (Kotler and Armstrong, 2012). New products attract various customers in various stages of its life cycle, therefore the various customers can be categorized depending on in what stage they are attracted by the product. Tinkerers and Visionaries are two customer categories that have been identified in the introduction stage of the product life cycle. Tinkerers are characterized to be people who enthusiastically track new technological and product development, and follow the evolution of technology and products. The other customer category referred to as Visionaries are characterized as people who are constantly seeking for revolutionary products that can enable them to achieve their goals. Visionaries
constitute the Early Adopters and derive enjoyment from the revolutionary products by using them to solve a problem or a challenge, whereas Tinkerers have a tendency to “toy” with new products (Smith, 2012). Furthermore, in the growth stage of the product life cycle there are three customer categories, Early Majority, Late Majority, and Laggards. The Early Majority is characterized to consist of people being value- and price-sensitive and people who seek gradual improvements and who appreciate the new product category for its capability to deliver value with controllable risk. The Late Majority and Laggards segment consist of people who prefer tradition and continuity, and who have more or less been forced by reality to adapt to this new product (Smith, 2012).

2.3 New Product Launch

Trott (2012, p.556) defines launch as “the product actually marketed, in either market test or launch”. That indicates that the product either has been introduced or tested to the market by marketing activities.

The launch of industrial products, products developed for use by other industries, differs considerably in several ways from consumer products such as food. For instance when it comes to the balance of activities involved in the new product development process. The activities can be categorized in technological activities and marketing activities, where the industrial products are more in need of technological activities, and in less need, but not excluding, of marketing activities. That is in comparison with more consumer-focused products (Trott, 2012).

Effective product launch, is a key driver of top performance but it is also the most costly step in new product development. A launch success is often measured in financial success, such as profitability, market share and sales of the new product (Di Benedetto, 1999). The existing literature on this subject is limited, but most authors divide launch activities into two broad categories, launch tactics and launch strategies (Talke and Hultnik, 2010b). Strategic decisions are related to product and market issues, for instance, how innovative should the product be? Which market to launch in? Competition and positioning decisions as well (Di Benedetto, 1999). Launch tactics are concerning decisions about the marketing mix, including price, product, promotion and distribution (Talke and Hultnik, 2010b). For a launch to be successful these two activities need to
coordinate and be controlled simultaneously. The key is to consider the needs of all stakeholders involved and match the process accordingly (Di Benedetto, 1999).

2.3.1 New Product Launch Process Phases

The launch process of a new product involves a variety of steps to be taken, and Lehtimäki (2012) indicates that there are four different phases throughout the launch process. The first phase is referred to as the launch-planning phase, which includes several planning activities such as planning what launch strategy to use. It also addresses issues concerning pricing, customer trials, project and resource planning. Distribution, sales, communication, customer service in addition to branding, and the timing of the introduction are also issues that are taken into consideration throughout the launch planning phase (Lehtimäki, 2012). Launch preparation and test activities is the second phase, in which the plan created in the previous phase is carried out as well as the preparations for the introduction. In this phase of the process, marketing activities, materials, and events are prepared and tested. Testing the marketing activities, advertising, and the prototype or product, provides customer feedback and prepares for the upcoming phase in the launch process. The following phase is called the launch implementation phase, and this phase realizes the introduction to the market, which is done by the previous planned and prepared activities, in addition to the sales and distribution support. The fourth and final phase involves the end of the launch process and is called the Launch monitoring and evaluation phase. In this phase, marketing and sales activities are monitored until a long-term evaluation of the work has been carried out, and the launch process is completely terminated (Lehtimäki, 2012).

2.3.2 Launch Strategy

Launching new products is done in the process of introducing the product to the market for initial sale. This process is often poorly managed and a lot is on stake during this process. The purpose of launching new products is to maximize the likelihoods of achieving the anticipated demand outcomes, which has a great effect on the product’s general success. However, even though the importance of the launch, there are plenty of risks during this process. Along with the high risks come high costs, and a launch process with little or no structure is itself a common challenge among companies (Lehtimäki, 2012). Therefore it is vital for companies launching new products that the process is well-planned and executed, in order to increase the likelihood of a successful
launch and the performance of the product. Kuester et al. (2012) claims that the concentration of the market launch program will have a positive impact on the new product performance. That involves distribution and advertising investments, acceptable pricing, strong brand reputation, as well as broader product assortments. That is mainly due to the fact that customers’ adoption of new product strongly is related with uncertainty, and therefore support from marketing activities is required for the customers’ decision-making (Kuester et al. 2012).

In the process of launching new products, it is often distinguished between strategic and tactical launch decisions. Talke and Hultink (2010b) describe strategic launch decisions to generally take place early in the new product development project, whereas tactical launch decisions tend to take place at later stages, often after the product is conceptually and physically developed. These launch tactics can be changed throughout the launch process and do mostly involve decisions concerning the marketing mix (Talke and Hultink, 2010b). Furthermore, the launch strategy is commonly defined as “comprising decisions that set the parameters within which the new product will compete: (1) define the objectives of the launch; (2) select the markets into which the new product will be introduced; and (3) determine the competitive position of the new product” (Talke and Hultink, 2010b, p.223). Having clear and well defined launch objectives, defining a specific target market, and positioning the product distinctively, increase the chances of a successful new product launch (Talke and Hultink, 2010b).

2.3.3 Barriers in New Product Launch

For a firm to successfully launch their product and reach their target market, the barriers for diffusion must be identified and overcome. Otherwise, such barriers may negatively influence overall market potential, sales and customer relationships (Kuester et al. 2012). Diffusion of innovation is a process defined by which “a new product spreads throughout a market over time” (Jobber and Fahy, 2006). The outcome of diffusion is that customers adopt a new product or innovation. For a firm to successfully launch their product and reach their target market, the barriers for diffusion must be identified and overcome. Otherwise, such barriers may negatively influence overall market potential, sales and customer relationships (Kuester et al. 2012). Barriers in new product launch are referred to challenges and elements hindering product launch success (Wong, 2002).
Hultink and Talke (2010a) have identified several diffusion barriers when it comes to new product launch as well as the influence of important stakeholder groups, such as customers, suppliers and competitors, on innovation and new product diffusion. The first diffusion barriers are related to the customers, customers are the ones who determine the success of a new product on the market, and therefore, if the customer does not adopt the new product, diffusion will not occur (Talke and Hultink, 2010a). Uncertainty about the benefits, cost-value ratio or usage options, are barriers that can lead to the customers unwillingness to adopt and later on to negative word of mouth to other potential customers. When the product is new and innovative it becomes more difficult for the buyer to compare it with others and to fully understand the benefits. To get the complete picture, and see the gains from a new product, learning and effort is required from the customer, which also means that the perceived risk is higher (Aggarwal and Wilemon, 1998). Another issue may be that the buyer lacks resources to, for instance, evaluate complex technology, so they choose a simpler technology instead (More, 1983). A barrier for customer adaption is also related to the lack of reference from other users and functionalities. To increase credibility for both the seller and the product, it is crucial for companies to get a first reference to be able to secure future sales (Jalkala and Salminen, 2010).

The second barrier is related to suppliers and partners, and if there is lack of support in different ways, from these, then a barrier occurs. Lack of information from a company to its partners can lead to, for instance, components from suppliers do not arrive in time or with the right quality, which can lead to a negative impact on the product launch process (Talke and Hultink, 2010a). The support from partners and suppliers is crucial in new product launch because of the danger of lack of service offerings like, consulting, training and implementation service which can lead to damaging the customer adaption process. This lack of support creates a knowledge gap within the organization (Talke and Hultink, 2010a). Because of the high uncertainty in new product demand, there needs to be flexibility and integration between distributors, logistics and other key players within the supply chain. If there is high demand, the product ramp-up could be intense and therefore logistic flows need to be efficient both up and down stream (Di Benedetto 1999).
Competition, the general public and political institutions can also create barriers in new product launch diffusion. Competitors can threaten a successful new product launch by creating diffusion and entry barriers to promote their own products (Debruyne et al., 2002). But, cooperating with a competitor, may also work in favor for a new product diffusion because of the ability to compare value-adding offers and increase the attractiveness of the product (Rindfleisch and Moorman, 2013). The potential threat of this barrier can lead to, aggressive price cuts and promotional tactics, modification of existing product and other measures, from the competitor’s side. A firm can only control its external environment to some extent, but one thing they can do is to mobilize and adopt resources in response to anticipated and perceived competitive threats (Di Benedetto, 1999).

When it comes to launch barriers concerning the general public and legal/political institutions, some products may be considered offending, contradicting with regulations or not fitting the frames. This can lead to boycotting, protesting and other social reactions that can have a negative impact on the diffusion process of a new product (Talke and Hultink, 2010a).

The last barriers are, from an internal aspect, related to front-line personnel. To ensure new product diffusion amongst buyers there is a need to first ensure diffusion and acceptance among front-line personnel (Atuahene-Gima and Michael, 1998). Knowledge gaps, negative motivation and lack of resources can lead to the personnel not being able to commit to launch objectives and them omitting critical mistakes in a new product launch process. For instance, an employee can leak information or make other damage that can ruin the credibility when communicating with external stakeholders (Talke and Hultink, 2010a).

Diffusion barriers for a firm can differ according to the product characteristics and the conditions of the market the product is being launched in. But the common denominator is uncertainty and risk level related to technical specifications and expected benefits (Talke and Hultink, 2010a).

In addition to these barriers, several authors have identified similar barriers, for instance Di Benedetto (1999) found that a common mistake found amongst companies is that
many do not spend enough time on planning the launch, instead they have a “hope for the best” mentality. An unplanned and unstructured launch is creating many barriers in the launch process, this also relates to inadequate marketing skills within a company. When the marketing strategy is poorly planned, the consequences can be huge for a products success (Calantone and Di Benedetto, 2007). When the marketing plan is undefined, and there is no focus on effort, it can lead poor targeting, unclear segmentation and positioning, which also contribute to new product failure (Di Benedetto, 1999).

Tactical and strategic planning, as mentioned earlier, is of great importance for companies launching new products. To support the launch activities and assess the effectiveness of the market launch, an inefficient market research can be a big barrier for the process (Wong, 2002). An efficient market research and testing throughout gives information about likely customer adaption, competition process and economic changes which are critical to control (Wong, 2002).

Sales force management is widely discussed as both a key success factor and a challenge when it comes to launching new products (Atuahene-Gima, 1997). When a new product is developed it is important that the sales force is involved, educated and informed about the product and all its features, because the sales force are at the front-line and are the ones actually carrying out the product positioning (Atuahene-Gima, 1997). Unclear positioning and segmentation understandings can lead to new product failure and loss in sales. Atuahene-Gima (1997) suggests that the marketing force should treat the sales force as a customer base and put a lot of effort in to presenting the product to them. Products that require higher customization also need more aftersales support and service. If the sales force does not have the right knowledge and resources to provide that support, barriers can occur to damage the firm’s reputation and impact future sales (Wong, 2002).

One of the most discussed barriers and/or challenges in new product launch is related to timing (Wong, 2002). Timing can be related to many aspects, such as product readiness, competition, and delays. In businesses where products are customized for different products, it is common that technical, engineering and development problems occur and delay the process (Hendricks and Singhal, 1997). A delayed product announcement can have negative impact on sales and decrease market value of the firm (Chryssochoidis and Wong, 2000). Timing can also be assessed in terms of appropriate launch timing, on
more dimensions for instance, relevant to business goals, relevant to competitors and to customers (Di Benedetto, 1999). For instance, launching a product in a highly competitive industry, can result in loss of profit and sales, and less competitive advantage, because customers have more options and companies to choose from when the competition is high. But if a company has the ability to develop and introduce new products faster and on time, they gain competitive advantage and a differentiation factor (Hendricks and Singhal, 1997). Timing relevant to business goals has to do with cooperation and coordination between the channels and departments, while the relevancy towards the customers has to do with promotion, how and when to reach out (Di Benedetto, 1999).

From another internal aspect, the management control is related to many barriers (Wong, 2002). Most of the factors influencing product launch success have commonly found to be controlled by the management (Di Benedetto, 1999). The management must ensure that a cross-functional force is involved from the beginning when it comes to product development and the launch process. Although, for instance sales and marketing personnel may not be directly involved in the development process, but they are providing information and feedback from the market and customers, to the development team in order to include all the necessities (Wong, 2002). Another responsibility for the management is to make sure that there are available resources, like for instance, adequate marketing and technological skills. Employees from different departments, relevant knowledge and capabilities should be motivated and informed by the management in order to be prepared to support any launch activities, customer reactions and adjustments. Poor internal communication between, departments, management and employees in general, can lead to confusion, mistakes and can create many barriers (Wong, 2002). Di Benedetto (1999) also suggests that having cross-functional teams, and especially, including managers from research and development, marketing and manufacturing, have successfully been used to reduce launch time.

2.4 Marketing

A well-defined and planned marketing strategy is one of the most important success factors when it comes to product launch (Di Benedetto, 1999). Kotler (2008, p.29) defines marketing as “A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value
with others”. The authors continue by narrowing down the definition into a business context and define it as “the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return”. Marketing is about satisfying customer needs, where the process starts by understanding the marketplace and the needs and wants of the customers, in order to deliver value. Marketing has grown in importance and become an essential part of a business and has established itself as an important element in a firm’s decision-making process (Kumar, 2015).

A business market differs in many ways from markets where the products are directly sold for personal use. Business-to-business marketing is a concept that incorporates the marketing of business products and services (Avlonitis and Gounaris, 1997). The transactions within a business market significantly exceed the ones made ultimately within the consumer market, and the products are sold by businesses to businesses, organizations and institutions. (Hutt and Speh, 2013). The main factors that distinguish business marketing from consumer marketing are the nature and motives of the buyers, in addition to the nature of the markets, products and demand (Avlonitis and Gounaris, 1997). Hutt and Speh (2013) state that, even though a product is identical in both consumer, and business markets, it is the intended use of the product and the intended consumer, that differentiate the marketing approach.

2.4.1 Marketing planning

Jobber and Fahy (2006) define marketing planning as “the process by which businesses analyze the environment and their capabilities, decide upon courses of marketing action and implementation of those decisions”. Several authors have identified the same key steps to creating a marketing plan, where the first is to define and create a mission statement for the company. A business mission states the purpose of the company, what distinguishes them from the rest, and what the company wants to accomplish (Kotler et al. 2008). When a clearly defined mission has been made, the next step is analyzing the current market situation, both internally and externally.

A marketing audit is a systematic examination of company’s objectives, strategies, activities and marketing environment, which aims to identify strategic issues, problem areas and opportunities (Jobber and Fahy, 2006). The external audit covers the macro
environment and involves a detailed examination of the market and the competitors in which the organization operates, factors such as economy; legal/political issues and technology are examined. The internal audit, microenvironment, examines all aspects of the company such as resources, distribution and basically the whole flow of the product/service from development, logistics, sales etc. (Kotler et al. 2008). In this stage, a SWOT analysis is created, where the findings from the internal and external audits draw attention to the critical organizational strengths and weaknesses and the opportunities and threats facing the company (Kotler et al. 2008).

The next step is the results derived from the marketing audit and SWOT analysis, which are turned into marketing objectives. These are short-term goals, specific and measurable, also completed within a time frame. (Jobber and Fahy, 2006). The objectives help in the process of deciding a marketing strategy, which Kotler et al (2008) defines as the marketing logic by which the company hopes to achieve its marketing objectives. This also includes objectives for the product or service, and what the short-term goals are for the offering in the market.

Along with objectives for the product and market, strategic objectives need to be developed (Jobber and Fahy 2006). Strategic objectives are measurable goals, that the management creates and uses as guidelines for the future (Kotler et al. 2008). There are four alternatives for the product when looking at the strategic objectives, build, hold, harvest and divest. When it comes to new products, the objective is to build sales and get a market share, while as for existing products it all depends on the situation that the product is in. To determine the appropriate strategy for an existing product, tools such as a SWOT analysis, market audit and product portfolio tools like the Boston Consulting Group´s Growth-Share Matrix, are highly helpful (Jobber and Fahy, 2006). Holding sales may also make sense in some situation as well as harvesting, where sales and market share are allowed to fall, but profit margins are maximized. When a situation analysis shows that the product is unprofitable or similar, then the product can be divested that is dropped or sold (Jobber and Fahy, 2006).
2.4.2 Marketing mix

To create an effective marketing program it is important to manage the company’s marketing mix. The mix consists of four major variables that are, product, price, promotion and place (4 P’s) (Jobber and Fahy, 2006). Product refers to the decision of what products and benefits should be offered, as well as the characteristics, quality and other features of the offered product/service. Price in its simplest form is what the customers pay to get the product or in other words the sum of values that the customer exchanges for the benefits of using or having the product/services. Promotion is the activities used to communicate the product/service and its features, to the target customer in effort to persuade them to buy. And the last variable, place refers to both the physical distribution channels and the availability of the offering, for instance how and where to buy it (Kotler et al. 2008).

According to Jobber and Fahy (2006), an effective marketing mix is composed of four main features. Firstly, it must be designed to match the needs of the target customer, contribute to the competitive advantage, it must match the available resources of a firm and finally, it must be integrated to form consistency. The marketing mix creates the company’s tactical toolkit for establishing a strong position in its target markets. (Kotler et al. 2008).

2.4.3 Marketing Activities

Promotion involves a mix of advertising, sales promotion, public relations, personal selling and direct marketing tools that the company uses to reach out to their customers (Kotler et al. 2008). Advertising involves communicating the firm’s value proposition, goods and ideas, by using any paid form of media, to inform, remind and convince the customers. There are many decision and steps to consider when choosing an advertising strategy, for instance there has to be clear objectives, advertising budget, clear message and an advertising platform. Such decisions also involve the choice of media channel, like Internet, radio and journals (Jobber and Fahy, 2006). Sales promotion is short-term incentives to encourage customers to buy the product or service, now or as soon as possible. In a consumer market, these promotions could be coupons, discounts, free goods and contests, these same tools are used in business markets along with trade shows and conventions (Kotler et al. 2008). In a business-to-business context, advertising and sales promotion is not commonly used alone, but is instead integrated in the whole
communication strategy, especially in personal selling. Media channels for a B2B company differ in some ways from those in a B2C context. For instance, when advertising online B2B companies usually use business publications, forums, blogs and Google Ad Words (paid search engine advertising), (Hutt and Speh, 2013).

Personal selling is when the firm's sales force gives personal presentations for the purpose of making sales and building relationships (Kotler et al. 2008). This is face-to-face communication meaning direct interaction between buyer and seller, which allows the seller to identify specific needs and problems of the customer in order to adjust the presentation accordingly (Jobber and Fahy, 2006). Personal selling and the sales force are the main tools used in business marketing, which shows a clear link between sales and marketing as well as the importance of integrating the two. The main drawback of personal selling is the time, cost and resources put into just one sales call, but for B2B companies this is the strongest and most effective tool (Hutt and Speh, 2013). The sales person is the first link to the market and specific customer. This requires a lot of knowledge, skills and capabilities, from the sales person; it is not only knowledge about their own offering, but also a lot about the customer and his operations. For personal selling to be effective, the sales force must be managed and organized, the management needs to select, divide, supervise and motivate the sales force (Hutt and Speh, 2013).

Another form of direct contact and communication is direct marketing, where companies can use tools such as direct mail, e-mail and phone. This is another way of getting immediate response and contact directly with the customer (Kotler et al. 2008).

Trade shows are an essential part of promotion and selling in business-to-business companies (Hutt and Speh, 2013). Most industries have their own annual exhibitions and this offers companies the opportunity to demonstrate both new and old products, contribute to technology innovations, finding new customers to demonstrate all the features of the product for, and targeting a mass audience at once (Hutt and Speh, 2013).

2.4.4 Segmentation, Targeting and Positioning

Market segmentation is the process of dividing large, varied markets into smaller segments that can be reached more easily and efficiently, with products and services that match the unique needs and wants (Kotler et al. 2008). Segmentation gives a firm the opportunity to increase their profits, by finding the customers willing to pay more for
the value of the product and/or service, and also an opportunity to grow and expand their product lines (Jobber and Fahy, 2006). A market segment represents a group of present or potential customers, with common characteristics like similar product preference and buying behavior.

Segmenting in a business-to-business context differs from that in consumer markets. While criteria such as geographic location, demographics (age, gender, income), psychographics (social class, lifestyle, personality), and behavioral segmentation (knowledge, attitudes and usage of product) are more commonly used in consumer market segmentation, they are still, to some extent, applicable in business markets (Kotler et al. 2008). Some of the variables are adapted to business markets, for instance, demographics are considered to be organizational factors such as company size and industry. Company size differentiates the buying organization from large to small and medium sized companies. It is important to make this distinction because the needs, buying behavior and processes differ in the large enterprises compared to the smaller ones (Jobber and Fahy 2006). Kotler et al. (2008) has four additional variables used in business market segmentation, which are operating variables, purchasing approaches, situational factors and personal characteristics.

Operating variables include technology, what customer technology to focus on? User/non-user status, meaning which users to focus on, heavy, medium or light?, and customer capabilities. Purchasing approaches refers to the purchasing function of the company, what buying criteria is important, who makes the decisions? Another variable is situational factors, where matters such as size of order and specific applications are taken into consideration. The last variable is personal factors like buyer-seller relationship, attitudes towards risk and loyalty characteristics of the customers.

After segmenting the market, the company must also evaluate each market segment’s attractiveness and select which and how many segments to enter, a concept known as targeting (Kotler et al. 2008). Jobber and Fahy (2006) state that there are four generic target marketing strategies to chaos from: undifferentiated, differentiated, focused/niched and customized ( also known as direct), marketing. Undifferentiated marketing is a strategy in which a firm decides to not segment the market and go after the whole market with one offer (Kotler et al. 2008). Companies sometimes go for this approach
because of the cost of developing a separate marketing mix for different segments may outweigh potential benefits of meeting customers’ needs more accurately (Jobber and Fahy, 2006).

A differentiated marketing strategy is when companies decide to target their chosen segments and design their offers/approaches according to the needs and wants of the specific segment (Kotler et al. 2008). A business differentiate itself when performing value-adding activities in a way that leads to perceived superiority amongst the competition, in the eyes of the customers. For these activities to be profitable, the customer willingly must pay a premium, for the benefits, which must exceed the added cost of higher performance (Hutt and Speh, 2013).

Focused or niche marketing is when a company develops one marketing mix aimed towards one target market (Jobber and Fahy, 2006). This strategy is more appropriate for smaller companies that have limited resources. By focusing on one a specific segment, the research and development, as well as the management, can concentrate on understanding and meeting the needs of the customers (Hutt and Speh, 2013).

The last target marketing strategy, customized/direct marketing is when there is direct communication with individual consumers that are targeted, both to get immediate response and to promote lasting customers (Kotler et al. 2008). Customized marketing involves close relationships between customer and supplier, because the value of the order justifies a large marketing and sales effort being focused on each buyer. This strategy is most commonly used when individual customers within a segment are unique and that their purchasing power is sufficient enough to put all the effort into it (Jobber and Fahy, 2006).

Positioning is defined by Jobber and Fahy (2006, p.125), as “the act of designing the company’s offering so that it occupies a meaningful and distinct position in the target customer’s mind”. A good example of successful positioning is, the Swedish car manufacturer Volvo that positioned itself as one of the safest cars in the market, through a combination its advertising messages and design. Even though tests showed that Volvo was not significantly safer than its competition, customers still mentioned Volvo when asking about the safest car (Jobber and Fahy, 2006). By planning positions, that gives
the company’s product advantage in selected target markets, and designing marketing mixes to create these planned positions, the company gets to decide the place of the product in the customers mind, rather than the customers own perceptions (Kotler et al. 2008).
3 Methodology

The methodology chapter will present various definitions and explanations of the methods used in this paper. That is to provide the reader with an insight of how this paper was conducted and also to provide an explanation to why the used methods were chosen.

3.1 Research Approach

Research can be conducted in several ways, and in the following section the types of research approaches used in this paper will be presented. It will provide the distinction between deductive and inductive approaches, as well as the distinction between quantitative and qualitative approaches. For this particular study, a qualitative method has been used, and the reasons of that are further discussed in the upcoming section.

3.1.1 Deductive versus Inductive Research

In the process of conducting research, there are two approaches to choose from, a deductive approach or an inductive approach. Bryman and Bell (2011) describe a deductive approach as a process beginning with theoretical considerations and information that already exist within the specific subject area, which the researchers then deduce a hypothesis, or hypotheses, that later on must be subjected to empirical observations and findings. An inductive approach, however, is an approach where the process begins with observations where generalizable inferences are drawn from, and in which theory is the outcome of the research (Bryman and Bell, 2011).

This particular study has a deductive approach, since it is established on a theoretical foundation, which later on was incorporated with empirical observations. The choice of applying a deductive approach was mainly due to the fact that already existing theories and concepts concerning new product development, new product launch and marketing, could easily build up a thorough framework from which the authors could develop a dependable analysis and conclusion. Since there are already a variety of theories within
the field of marketing and launching new products, the authors considered a deductive approach to be most suitable for this particular study and purpose.

3.1.2 Qualitative versus Quantitative

The dilemma of choosing the appropriate research methods has been widely discussed. Researchers, such as Sogunro (2001), claim that there is no correct method for all research or evaluations. It all depends on the purpose of each specific research, since different research purposes require the use of various research methods, either separately or together (Hultman et al. 2008; Sogunro, 2001). In the field of business research, it is often distinguished between qualitative and quantitative research. The fundamental differences between these two methods are defined in the table below by Bryman and Bell (2011).

<table>
<thead>
<tr>
<th>Principal orientation to the role of theory in relation to research</th>
<th>Deductive; testing of theory</th>
<th>Inductive; generation of theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Epistemological orientation</td>
<td>Natural science model, in particular positivism</td>
<td>Interpretivism</td>
</tr>
<tr>
<td>Ontological orientation</td>
<td>Objectivism</td>
<td>Constructionism</td>
</tr>
</tbody>
</table>

Table 1: Fundamental differences between quantitative and qualitative research strategies (Bryman and Bell, 2011, p.27).

Quantitative research generally involves a deductive approach to the relationship between theory and research, in addition to external objectivist conception of social reality, such a research does also put emphasis on quantification when it comes to the collection and analysis of data. Qualitative research, in contrast, has an inductive view on the relationship between theory and research, as well as it puts emphasis on the understanding of the social world by examining the interpretations of that world by its members. Such research does also emphasize words rather than numbers, and aims to provide a more in-depth understanding of the subject being researched (Oghazi, 2009; Bryman and Bell, 2011).
Furthermore, these two research methods can also be combined and used together, which is referred to as using a mixed methods approach. A mixed methods approach indicates integrating both quantitative and qualitative data collection and also analysis in a study, which enables data to be integrated, related, or mixed at some point throughout the process of the research (Creswell et al. 2004). When using a mixed methods approach, the researcher can benefit from the advantages that both quantitative and qualitative approaches provide, and therefore the value of integrating the two approaches can be tremendously enhanced (Fetters et al. 2013).

In order to investigate how Swedish SMEs proceed their process of launching new products, and what problems they have faced throughout that process, the authors considered a qualitative research method to be most suitable since it provides a more in-depth understanding. In order to fulfill the purpose of this study and to provide answers to the stated research questions, a thorough theoretical framework and detailed interviews are needed. To get detailed empirical data, carefully describing the companies’ processes and the barriers they have faced, a qualitative research approach is most likely to be the superior alternative, since a quantitative research approach provides more quantified and generalized data, which was also the reason why a quantitative approach was eliminated.

3.2 Research Design

When conducting a research, two key decisions need to be made, and these decisions regard the choice of research design and research method. According to Bryman and Bell (2011) the two concept may seem similar or even the same, however, they claim it to be crucial to distinguish these two from each other. A research design provides a structure for the data collection and analysis, whereas a research method more or less is a technique of how to collect data (Bryman and Bell, 2011; Oghazi et al. 2012), which will be discussed later on in this chapter.

There are a variety of different research designs, Bryman and Bell (2011) identified five different types: Experimental design, Cross-sectional design, Longitudinal design, Case study design, and Comparative design.
The experimental is quite uncommon within business research, however, this research design could be held up as touchstone since it evokes great confidence in the validity and the trustworthiness of casual findings. Indicating that genuine experiments have a tendency to be very powerful when it comes to internal validity (Bryman and Bell, 2011).

The cross-sectional design, often referred to as the social survey design, involves the collection of data from more than one case at a single point of time. That is due to collect a frame of quantifiable or quantitative data in connection to two or often more variables, which in turn are examined in order to uncover patterns of association. This type of research design is often used by handing out questionnaires or by structured interviews (Bryman and Bell, 2011; Oghazi et al. 2009).

Mapping change in management and business research is often done by the use of a longitudinal research design. This type of research design is often used as an extension of the above-mentioned design, social survey, by the use of a self-completion questionnaire, or by structured interviews. When conducting a study with a longitudinal design, the sample surveyed, is then surveyed at least once again on a further occasion (Bryman and Bell, 2011; Oghazi, 2013).

The fifth research design to be mentioned is the case study design, which involves thorough and intensive analysis of one single case. A case could come in shape as a single organization, a single location, such as office building, factory, or a production site. Furthermore, it could also be a person, or a single event (Bryman and Bell, 2011).

The final research design is referred to as the comparative design, which involves the use of almost identical methods of two or even more different cases. The design incorporates the logic of comparison to the extent of that it implies that one can easily understand social phenomena when the phenomena are compared and in contrast to other cases (Bryman and Bell, 2011; Oghazi, 2014). A comparative research design, in a qualitative context, takes the form as a multiple-case study, which indicates that the study examines more than one case. When using this type of research design in business research it is common that two or even more organizations are used as cases for comparison. The major benefit with such a research design is that it improves the theory.
building. The researcher holds a better position to determine the conditions in which a theory holds or not, when comparing two or more cases. Furthermore, the key to the comparative design is, as Bryman and Bell (2011) state “…its ability to allow the distinguishing characteristics of two or more cases to act as a springboard for theoretical reflections about contrasting findings” (Bryman and Bell, 2011, p.67).

Before choosing a particular research design, various aspects were taken into careful consideration in order to decide what design to be most suitable for this study. Nevertheless, after careful consideration the authors of this study concluded that the comparative study was to be used. The comparative design seemed to be the most appropriate research design to use, since it would allow the authors to use more or less identical methods in the various cases within the study. Indicating that more or less identical questions could be asked to the different interviewees, which provided their own opinions on a phenomena, which the authors thereby easily could compare. This type of study could also allow the authors to make a comparison of how the literature is defining the barriers in a new product launch, and how a successful new product launch should be executed, in contrast to how the Swedish SMEs actually executed their process, and what barriers they encountered. Comparing the different cases enabled the authors to analyze and see if there was any common ground among the cases, if there was anything that distinguished them from each other, as well as from the theory. The comparative design was chosen since it was considered to provide the most useful information in regards to this study. Moreover, it was also chosen in order to be able to fulfill the purpose and to answer the research questions properly.

3.3 Data Sources

Jacobsen (2002) claims that it is ideal in a research study to use different types of data, both primary and secondary data. By incorporating primary and secondary data, the data can support each other, and by that, the result can be strengthen. Primary data is referred to as data that is gathered for the first time straight from people or groups of people. In other words, the gathered data is collected by the researcher for the first time in order to fulfill a specific purpose. Such data could for instance be gathered through methods such as observations or interviews. Secondary data however, consists of data that has already been gathered by others. Indicating that the data has already been gathered to
fulfill a purpose, which later on is gathered by another researcher in order to fulfill another purpose (Jacobsen, 2002; Mostaghel et al. 2012).

This study consists of both primary and secondary data, in which the primary data will be conducted by in-depth interviews. The authors of this study also chose to include secondary data in order to support the primary data, and to support the creation of the interview guide. The secondary data was gathered from various sources such as books and articles, which provided the authors with an understanding of the chosen area. Both primary and secondary data was incorporated in this study in order to fulfill the purpose and to answer the research questions thoroughly.

3.4 Research Strategy

Bryman and Bell p. 27. (2011) claim that a research strategy simply is “a general orientation to the conduct of business research”.

Yin (2003) however, claims there to be five major methods to choose from when determining what research method to use. The five major methods that are discussed are experiments, surveys, archival analyses, histories, and case studies. Experiments are often done in a context where the researcher can manipulate behavior directly, precisely, and systematically. This can for instance occur in a laboratory context where the experiment is focusing on one or two isolated variables (Yin, 2003). Surveys are more common in settings, which contain a cross-sectional design in relation to which data is collected through for instance questionnaires (Bryman and Bell, 2011; Oghazi et al. 2012). Furthermore, archival analysis is referred to a strategy where the researcher bases his study on examine and analyze accumulate documents (Bryman and Bell, 2011). Using the histories strategy is preferred when there is literally no access or control. The historical strategy indicates that the researcher needs to rely on primary and secondary documents, in addition to cultural and physical artifacts in regards to the main sources of evidence. There is no person alive to report, when using the historical strategy, the investigator deals with the past, it concerns past events (Yin, 2003). Lastly, the case study strategy can be applied in many situations, and within various of fields of research. Using such strategy allows the researcher to retain holistic and meaningful characteristics of events from the real life, it could be in regards to individuals, industries, relations etc. This strategy is used to gain an in-depth understanding of a social phenomena, by developing
an in-depth analysis of for instance an organization, event, individual, as the case. A case can take various forms, and it can even be several cases, a so-called multiple-case study (Yin, 2003). Ghauri and Grønhaug (2005) also state that a case study can take various forms and claim that the designs of the case study can be single case design or multiple case design.

In order to determine which research strategy to choose, there are three conditions or factors that need to be taken into consideration before making the decision of what method to be most suitable. The three conditions to consider involves:

- What kind of research question being posed
- The extent of control an investigator has over actual behavioral events
- The degree of focus on contemporary compared to historical events (Yin, 2003, p.5).

To determine what research strategy to chose, the authors considered the three conditions mentioned above, and could by that eliminate some of the strategies. The elimination of the strategies helped the authors conclude that the case study strategy would be the most suitable strategy for this particular study. The case study strategy was chosen in order to fulfill the purpose and to answer the research questions investigating what barriers Swedish SMEs encounter in their new product launch, and how they can address these barriers. Since this study has a qualitative approach, the authors wanted to gain rich and thorough information and the case study strategy allowed the authors to conduct in-depth interviews with several organizations, hence this study applied a multiple case strategy. The multiple cases in this study are represented by four different organizations that will further presented in the sampling section, as well as in the empirical findings chapter.

3.5 Data Collection Method

As previously mentioned, this study consists of both primary and secondary data, and in this subchapter the methods used to collect the data will be presented.

Data can be gathered and collected in several ways, and depending on what kind of study that is to be carried out, the researcher can chose from a variety of collection
methods to apply. The approach and the purpose of the study help the researcher to determine what data collection methods to choose from. In a qualitative research, one popular method of collecting data is by interviews (Aborisade, 2013). According to Bryman and Bell (2011) the main approaches of data collection in a qualitative research are; Ethnography/participant observation, Qualitative interviewing, Focus groups, Language-based approaches to the collection of qualitative data, and The collection and qualitative analysis of texts and documents. Whereas in a quantitative research, it is more common to conduct surveys or self-completion questionnaires, where the information collected must be transformed into quantified data (Bryman and Bell, 2011; Shah et al. 2010).

Jacobsen (2002) identified four methods of collecting qualitative data. These four methods consist of open interview, group interview, observation, and data/document collection (Jacobsen, 2002). Data can also be collected from other sources. The gathering of objects can for instance consist of a variety of documents, artifacts and archival material. Many of these data sources can work as useful compliments to interviews, such as company documents or governmental reports (Yin, 2013).

The authors of this study chose to collect qualitative data from Swedish SMEs that have experienced the process of launching new products. In order to gain rich and detailed data, it was therefore chosen to conduct in-depth interviews with multiple cases. Furthermore, interviews were also chosen in order to identify and carefully investigate the barriers that the SMEs may have faced in their process. Additionally, data gathering from other sources such as governmental reports concerning the Swedish market and Swedish SMEs was also included in this study. Archival materials is also a source of data that is was included in this study, and it was gathered from the companies’ websites, and documents concerning financial statements. Archival materials were included in the study in order to provide a rich data collection, which can be supportive in the analysis, in addition to compare the material with the answers retrieved from the interviews. Thereby the level of bias can be decreased and the validity can be increased. In the following section, it is further explained the reason behind the choice of interviews.
3.6 Data Collection Instrument

Since the authors have chosen a qualitative approach for this study, they considered interviews to be the most suitable method of collecting data. Conducting interviews is the method that is most commonly used in qualitative research (Bryman and Bell, 2011; Beheshti et al. 2014). In such type of research, interviews have a tendency to be less structured and more flexible compared to interviews in a quantitative setting. There are various factors that distinguish interviews in a qualitative setting from those in a quantitative setting, for instance the level of structure, but also what kind of answers the researcher could expect to get. In a qualitative research, the interviews are quite unstructured, it is encouraged to be flexible and depart from the guide in order to gain an insight of the interviewee’s perspective. In such context, the researcher wants the interviewee to provide rich and thorough answers, and there is a great interest in understanding the perceptions and thoughts of the interviewee. Furthermore, a qualitative interview allows a two-way interaction between the interviewee and the interviewer, providing the interviewee the opportunity to ask questions as well (Bryman and Bell, 2011; Oghazi, 2014).

It has already been distinguished that interviews can be structured or unstructured, however it can also be semi-structured. A semi-structured interview approach is a mix of the structured and unstructured approach, where the researcher conduct the interview based on a list of questions with moderately specific topics to be covered. This kind of list is often referred to as an interview guide, which provides some structure to the interview even though the interviewee is allowed and encouraged to answer the questions freely (Bryman and Bell, 2011). Using this approach, the researchers can ensure that overall the same questions will be asked, even though the order of questions may change, and there may be some follow-up questions included, but overall the same questions will be asked in all interviews (Bryman and Bell, 2011; Mostaghel et al. 2015).

There are a variety of methods for the collection of data, and the choice of method may lead to consequences for the result of the study. Therefore it is important to know the different methods and how the methods can influence the result (Jacobsen, 2002). The data can for instance be collected through face-by-face interviews, or by telephone interviews. The first mentioned method allows the interviewer to identify facial expressions and body language of the interviewee, as well as it creates a personal setting
where people tend to more easily talk about sensitive subjects. Even though face-to-face interviews are conducted in a personal setting due to the physical presence of the interviewer and the interviewee, and in many ways seem to be a method with a lot of benefits, there are some drawbacks of the method as well. The major disadvantage of conducting face-to-face interviews is the costs, that most of the times consists of travel costs for the interviewer. One way of reducing those costs is by conducting the interviews by telephone instead. Then the interviewer does not need to travel around to all the interviewees, and could by that save both time and money. Except from the fact that telephone interviews are less costly, there are other positive aspects of the method as well, for instance that it is rather anonymous. The anonymity can reduce what is referred to as the interviewer effect, indicating that the interviewer’s physical presence can contribute to the an unusual behavior of the interviewee. Jacobsen (2002) recommend face-to-face interviews when conducting open interviews rather than telephone interviews.

In this study, the primary data was collected through five in-depth interviews with the chosen sample group. As previously mentioned, interviews can be conducted in various ways and also in various settings, however in this study, most of the interviews were conducted by telephone using a semi-structured approach. Four of the five interviews were conducted by telephone, due to the limited time and financial resources, however one interview was conducted in a face-to-face setting at the interviewee’s office. By using a semi-structured approach, more or less the same questions was asked in all the interviews, allowing the authors to ask follow-up questions if needed during the interviews, and also allowing the interviewees to answer freely. This provided an opportunity to gain thorough and in-depth information, which will be needed in order to fulfill the purpose.

The secondary data was mainly collected from Linnaeus University’s computerized data library in addition to Google Scholar, and books. In the process of searching for literature, a variety of key words were used in order to find suitable and valid literature. The key words used include; New Product Launch, New Product Development, Barriers in New Product Launch, Barriers for Swedish SMEs, Overcoming Barriers, Challenges in New Product Launch etc. When determining what specific articles and books to choose for this study, the authors considered the sources, and the authors of the articles and
books, including their background, before determining the data to be reliable and accurate. However, all scientific secondary data used in this study have been published, cited, and used in other studies of similar kind.

3.6.1 Operationalization and Measurement of Variables

Operationalization is referred to as the process where the researcher devise measures of concepts that are in interest of the researcher. This is done to distinguish and differentiate concepts from each other by its meaning and definition (Bryman and Bell, 2011; Parida et al. 2014). Operational definition is derived from the idea of operationalization, and is described as the “definition of a concept in terms of the operations to be carried out when measuring it” (Bryman and Bell, 2011, p.716). The authors chose to highlight the major and most important concepts of this study by providing the reader with an understanding of the concepts, in which both a theoretical and an operational definition are given. In order to create a holistic and clear overview, a table was created to summarize the concepts and the definitions. The following table shows the operationalization process of the most essential concepts in the study, where the concepts are being defined and clarified, as well as they are being separated from each other.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Theoretical definition</th>
<th>Operational definition</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Product Launch</td>
<td>New product launch is considered when a product that is perceived to be new is “… actually marketed, in either market test or launch” (Trott, 2012, p.556)</td>
<td>A measure to examine if the Swedish SMEs have undertaken the process of launching new products in addition to what strategies that were used in the process.</td>
<td>Questions 1- 4 (Appendix A)</td>
</tr>
<tr>
<td>Barriers in New Product Launch</td>
<td>Barriers in new product launch are referred to challenges and elements hindering product</td>
<td>A measure to examine what specific barriers that the Swedish SMEs have encountered in</td>
<td>Questions 5-9 (Appendix A)</td>
</tr>
<tr>
<td>Overcoming Barriers</td>
<td>In this study overcoming the barriers is referred to as mastering or getting over the challenges and elements hindering the product launch success (Wong, 2002).</td>
<td>A measure to research what actions the Swedish SMEs have taken in order to address or reduce the barriers.</td>
<td>Questions 10-12 (Appendix A)</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Marketing</td>
<td>Marketing is considered to be “A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others” (Kotler, 2008, p.29)</td>
<td>A measure to investigate if, and what marketing activities that were used in order to avoid barriers in the new product launch process.</td>
<td>Questions 13-17 (Appendix A)</td>
</tr>
</tbody>
</table>

**Table 2**: The Operationalization process

From this table the authors could also derive the questions for the interview guide, in which the questions were based on the main concepts from the theoretical framework. The questions will enable the authors to measure the concepts and various aspects of the study, in order to gather thorough and valid empirical data. Moreover, the questions have been based on the theoretical framework, however, due to the purpose of this study, the questions have been constructed by the authors and not copied from previous studies. The purpose of this study was revisited in order to make sure that the questions...
in the interview guide could lead the authors to fulfilling the purpose and answering the research questions.

3.6.2 Interview Guide

As previously mentioned, interviews can be conducted in several ways. When conducting the interviews, semi-structured questions were used. A semi-structured interview has a list of questions regarding a specific topic or area of the study, this list can be seen as an interview guide (Bryman and Bell, 2011). Conducting an interview like this gives both the interviewer and interviewee a lot of flexibility and leaves room for follow-up questions, related topics and more information (Yin, 2013).

The authors of this study identified many benefits of conducting semi-structured interviews, and considered it to be the most appropriate approach for this particular study. That is mainly due to the fact that semi-structured interviews encourage improvisation, since they are open, and the interviewee is encouraged to talk freely about his perceptions on the given topic. Therefore, it was considered that this approach would provide detailed and in-depth information that would help the authors fulfill the purpose of the study. The creation of the interview guide derived from the operationalization process of the study, where the authors constructed interview questions based on the purpose, research questions, and the theoretical framework of the study. The authors did also construct the questions for the interview guide based on previous studies, and theories in order to increase the external validity. In order to retrieve data regarding Swedish SMEs in a new product launch setting, and the barriers that might occur in such process, the authors created interview questions around those aspects, and thereby also with regard to the research questions of the study. The interview guide consists of the following questions:

New Product Launch

1. Have you undertaken the process of launching new products?
2. Was the new product launch successful?
   a. If yes, why was it successful?
   b. If no, why was it unsuccessful?
3. Could you have done anything different in order to influence the outcome of the launch?
4. Which departments were involved in the launch process?

**Barriers in New Product Launch**

5. Did you encounter any barriers when launching your products?
6. What kind of barriers did you encounter?
   a. Competitive barriers?
   b. Timing barriers?
   c. Managerial barriers?
   d. Adoption barriers?
   e. Other barriers?
7. In which part of the process did you encounter these barriers?
8. Were the barriers internal (derived within the organization) or external (derived outside the organization)?
9. Did you expect to encounter any barriers when launching the new product?

**Overcoming the Barriers**

10. Which of the previous mentioned barriers were the most difficult to overcome?
11. How were you able to solve the problem?
12. Did you use any strategy?
13. If yes, what kind of strategy?

**Marketing**

14. Were you able to use any marketing activities to overcome the barriers?
15. If yes, what kind of marketing activities?
16. Do you think the use of marketing activities could have been helpful in the process of overcoming the barriers?
17. If yes, why?
18. What marketing activities do you think is most useful in the process of launching new products?

**3.6.3 Pretesting**

Before conducting the interviews, the interview guide and its questions, needed to be tested and approved in order to ensure the validity of the interview guide. By testing the questions prior to using them in the interviews, any risk of spelling errors, poorly word-
ed sentences, and leading questions is decreased since the authors then can adjust and improve the questions. The quality of the questions increases by testing them before, and by having someone go through to see that the questions are interpreted as intended. Therefore, the authors discussed the questions with a knowledgeable person who has an extensive academic experience. This person was consulted due to her rigid knowledge and experience within research and the field of industrial marketing, branding, sales, and consumer behavior. Her work has appeared in several publications and has therefore an impressive background in the field of conducting research. Thus the opinions of this person were highly appreciated.

After gaining approval of the questions from the consulted academician, they were also pretested by two persons from the working life, to make sure that the questions were correctly understood. The authors wanted to test the questions to assure their quality, but also to get feedback and opinions on them in order to confirm that the questions were perceived and understood properly. One of the persons that the authors chose to pretest the questions on has thorough and longtime work experience in the Swedish industry, by which he therefore could relate to the questions being posed. Moreover, he was positive towards the questions and the only concern he had with them was regarding question number eight, in which he thought that it could be further explained what is meant by internal and external barriers. The authors highly valued the feedback retrieved, and did therefore carefully explain the question when conducting the interviews in addition to providing the interviewee examples of what was meant by internal and external, in order to make it more clear and to minimize the risk of misunderstandings. Furthermore, the second person that was asked to go through and test the questions from interview guide was also consulted due to his rigorous work experience. The third consulted person has over 20 years of experience of running his own business within the logistics and transportation sector. The questions were carefully discussed, and the feedback retrieved from him was very positive with no further comments on anything to change or remove. With the questions being approved by one person with an academic background, and being pretested by two person with solid work experience, the questions were prepared and ready to be used in the interviews.
3.7 Sampling

Sampling can be done in several ways, and there are various sampling methods to choose from. Jacobsen (2002) claims that in qualitative studies the main determinant for choosing the sampling method is the intention and the purpose of the study, in other words, what kind of information does the researcher want to gather.

Bryman and Bell (2011) distinguish two sampling approaches from each other, probability sampling and non-probability sampling. The first mentioned approach consists of sampling forms such as Simple random sample, Systematic sample, Stratified random sampling, and Multi-stage cluster sampling. Probability sampling is based on random sampling, indicating that the researchers select a statistically defined sample from a population (Yin, 2013). Non-probability sampling is, however, referred to all sampling forms that are not conducted according to the probability approach. It covers a wide range of sampling forms, for instance, quota sample, convenience sample, and snowball sample (Yin, 2013).

Sampling in qualitative studies is often done by some kind of purposive sampling. This form of sampling is a non-probability sampling, indicating that research participants are not chosen on a random basis (Yin, 2013). Purposive sampling, a non-probability type of sampling, aims to sample participants strategically, in order to make sure that the sample group consists of persons that are relevant to research questions being posed. The sample group is chosen due to the members’ relevance to understand a certain social phenomena (Bryman and Bell, 2011; Oghazi and Philipson, 2013).

The chosen approach for this study is the purposive sampling approach, since the authors would like to gather as valid and detailed information as possible. It is therefore considered that the purposive sampling approach is most suitable, since the research participants are carefully chosen due to their relevance in the given subject area. Since the aim of this study is to investigate the barriers Swedish SMEs within the metal industry may encounter when launching new products, the authors have chosen a sample group consisting of Swedish SMEs within the metal industry. The sample group will consist of representatives, from four SMEs, that are relevant to the study and who do therefore possess knowledge and experience of the new product launch process. The
qualifications that the chosen SMEs were required to possess in order to fit in the sample group were that the companies had undertaken the process of launching new products, and of course that they were classified as a SME. In order to find these representatives, the authors of this study conducted emails that were sent out to the companies, where the study was explained as well as an invitation for the companies to participate in the interviews.

The sample group consisted of four Swedish SMEs, all within the steel and metal industry. One of the four companies within the sample group chose to be anonymous, which the authors of this study respected, and the company is therefore referred to as Company X throughout the study. The main reason to why Company X preferred to participate in this study anonymously was since the answers given in the interviews contained sensitive information regarding the company’s former partners. By not exposing any company name nor personal names, and by not referencing to any sources that could be linked to the specific company, the authors have respectfully taken care of the information retrieved. However, the other companies gave the authors approval of using their names, and are therefore presented as Alutrade AB, Dorstener Tråd Norden AB, and B.B.S i Halmstad AB. All the companies met the requirements for this study and were chosen due to their qualifications of having undertaken the process of new product launch in addition to being a SME. The representatives of the SMEs that took part in this study, were chosen since they possessed most knowledge and experience of the subject being investigated, and were by that the most suitable representative from each company. More information regarding the companies will be presented in the empirical findings chapter.

3.8 Data Analysis Method

After collecting qualitative data through interviews, researchers are often left with a lot of hand written notes, and several hours of recordings (Jacobsen, 2002). In order to retrieve anything of value out of the notes and recordings, it is important to analyze the gathered data. According to Jacobsen (2002) the data analysis process involves three main phases; description, systematization- and categorizing, and combination. However, first of all the researcher must try to provide a simplistic view of the data in addition to structure it, in order to get an overview. The first part of the data analysis process involves attempts of gaining thorough and detailed description of the data, which is why
it is important that interviews are registered properly. In the following phase, the data needs to be reduced and systemized. The systemization is necessary in order to convey the findings, and the descriptions get more thorough and simplified. When that is done, the researcher can start to interpret the findings, by looking for meanings and reasons, and by trying to generalize and arrange the data. In this phase, the researcher goes beyond what has been seen or heard by trying to see what has been directly said and done, and trying to identify hidden and interesting relations and connections. These three phases of the data analysis process are not completely done step by step, following each other. Instead they are more continuous, allowing the researcher to go back and forth between the phases throughout the process. The process can figuratively be described as a continuously rising spiral. In general, what is actually done throughout the phases of the analysis process is reduction of the diversity of data (Jacobsen, 2002).

Bryman and Bell (2011) indicate that there are several strategies for analyzing qualitative data, however, the two most common strategies are referred to as grounded theory and analytic induction. The strategy of analytic induction involves analysis of data “in which the researcher seeks universal explanations of phenomena by pursuing the collection of data until no cases that are inconsistent with a hypothetical explanation (deviant or negative cases) of a phenomenon are found” (Bryman and Bell, 2011, p.575).

In this study the authors chose to use the data analysis approach recommended by Jacobsen. When the interviews were conducted, the authors transcribed the recordings from the various interviews with the objective of gaining an overview of the collected data. The following step was to structure, arrange, and reduce the amount of data in order to sort of the most relevant pieces of information. The data was then systemized and simplified, and the answers retrieved from the interviews were carefully examined in order to see if the study was in need for complementary data. However, the data already gathered was discovered to be sufficient and did fulfill the objectives of the authors’ and by that, could answer the purpose. From the gathered findings the authors tried to identify connections and relations in addition to gathering the data and arranging it into categories. The last step in the data analysis process involved the authors summarizing and converting the findings into a descriptive section preparing for the upcoming analysis chapter. The descriptive section is to be fined in the empirical findings chapter.
3.9 Quality Criteria

When conducting a research, whether it is qualitative or quantitative, it is important to reflect over the findings retrieved, the validity, reliability, and the possibility to generalize them (Jacobsen, 2002). To ensure that the study measures what it is supposed to measure, the following section will explain and show the concept of validity and related criteria to ensure the quality. Validity is a concept used for measuring the legitimacy of a study and research. It is applied into two context of a study, in research design (internal and external validity), and the validity of measurements (Jha, 2008). Moreover, in all types of research, the central issue in the quality assessment is the study’s and the findings’ validity (Yin, 2013). To measure validity in a qualitative research, the concepts trustworthiness and authenticity, are used (Bryman and Bell, 2011). To show the quality of empirical research, there are four evaluation criterion used which are, construct validity, internal and external validity, and reliability (Bryman and Bell, 2011).

3.9.1 Content Validity

Content validity refers to how accurately a measure reflects various aspects of the content in question and if the elements fairly represent what is going to be studied (Bryman and Bell, 2011). Content validity is usually measured by relying on knowledge from people who are familiar with the subject in question, experts and similar, and who can tell if the measures used are representing the studied concepts (Bryman and Bell, 2011).

In order to increase the validity of the research the authors had the questions in the interview guide pretested. As previously mentioned, the questions were pretested and validated by two professionals who both have rigid work experience and who would therefore easily relate to the questions being posed, in addition to an academicians with rigorous research experience within the field of for instance industrial marketing and branding. This process was undertaken mainly to make sure that the questions were properly understood, and in order to get feedback and opinions on them from an external person. Furthermore, the external persons were consulted in order to increase the validity of the research, increase the quality of the questions being posed, as well as to minimize the risks of any errors.
3.9.2 Construct Validity

Construct validity describes the extent to which operationalization measure precisely the concepts that are supposed to be measured (Bryman and Bell, 2011). A threat to this concept could be that researcher might conclude that one variable caused the effect of another when in fact the effect was caused by a different variable (Bryman and Bell, 2011). There are several ways to test the validity of a study and its findings, Yin (2013) claims that the researcher for instance can confront the individuals with central findings and results in the study. The purpose of confronting the informants is to investigate to what extent the informant recognizes the presented results.

To make sure that the concepts measured actually are the concepts that were intended to be measured, the authors chose to revisit the purpose and the research questions several times throughout the process of conducting this study. By that, they could more easily strive for answering the research questions and fulfilling the purpose while making sure that the appropriate concepts were studied and measured. Furthermore, the authors also increased the construct validity by providing an interview guide consisting of questions based on the operationalization of the theoretical chapter. By that, the questions had a theoretical foundation, which enabled the authors to collect relevant information from the sample group. As the interviews were held the authors recorded what was being said in order to minimize the risk of misinterpretations, and to make sure that the information gathered was correct. The information gathered from the interviews were also sent back to the interviewees in order for them to assure that the information was accurate and that their answers were truthfully described in the text.

3.9.3 External Validity

External validity refers to if a study and the results of the study can be generalized and retested in other situations (Bryman and Bell, 2011). External validity is referred to as to what extent the findings from a study can be generalized. However, what is important to acknowledge in a qualitative study is that the intention with such method is not to generalize from the selection of entities of the population, instead the purpose is to declare a phenomenon’s scope and frequency. The purpose is more or less to gain a deeper understanding, and by that, try to grasp general phenomena, which is mainly done by two forms of generalization. The first form indicates generalizing data gathered from a small selection of research entities, either from observations or interviews, to a more
theoretical level. The other method indicates generalizing a phenomenon’s frequency. Based on data from a small sample, the researcher can with some extent of certainty indicate that the result would be the same in a larger population. However, the last mentioned method can be hard to carry through in a qualitative study, since it may be difficult to claim that the sample still would be representable in a larger population (Jacobson, 2002).

In this study, both primary and secondary data have been used in order to increase the external validity. The secondary data of the study has been collected from literature and previous studies, that have all been published and cited, which also increase the validity of the study. By analyzing theories concerning new product launch barriers with the retrieved empirical data regarding the same issue, the authors could address similarities and could thereby increase the study’s external validity. The empirical data was collected by conducting in-depth interviews with the use of an interview guide. The questions of the interview guide were developed based on previous research and theories which increases the external validity and thereby the generalizability of the study. Although it might be hard to generalize the findings of the study, since it is a qualitative study where the empirical findings are based on five interviews, the information gathered in this study can still be applicable for other companies undertaking the process of launching new products. In order to test the external validity further research can be done, for instance by conducting this study with a quantitative approach. Conducting this study with a quantitative approach indicates that the results could be more generalized, and the researcher could then easily see if the results of the quantitative study support this qualitative study.

3.9.4 Reliability

The final step in measuring, and deciding on the quality criteria in a research is to estimate the reliability. Reliability is used to ensure and confirm that a study can be performed again with consistent results and conclusions. This means that two independent researchers, should be able to perform the same procedure and in the end reach the same findings, in other words if the study is repeatable it has ensured reliability (Bryman and Bell, 2011).
In order to ensure the reliability of this study, the authors chose to conduct interviews with several organizations in order to gain data regarding new product launch, and barriers encountered throughout that process, from different perspectives. Since the answers retrieved from the interviews were consistent and with little variability, the reliability of this study increased. Moreover, this study can be repeatable in many ways. If the purpose and the research questions were to be changed, the study could have focused on another type of industry, with other types of companies, and also another market. Of course then the findings and the results could differ, however, if another researcher were to conduct completely the same study, the findings would most likely be consistent with the findings of this study.

3.10 Ethical Consideration

When conducting research it is important that the researcher is wisely taking care of the people taking part in his research. The data collection can consist of sensitive information and the people providing this sensitive information may not be in a position of being authorized to spread this kind of information. Therefore it is extremely important for the researcher to implement means to protect the people taking part of the study. Another aspect important to have in mind is to not intentionally mislead participants and change their statements in the information the provided, since that is not just ethically wrong to do, but also since it could result in that the participants may be psychological damaged (Yin, 2013). Jacobsen (2002) talks about some ethical considerations concerning researchers hiding the intention and the purpose of the study in order to influence the result of the study. For instance, persons who are being observed, when knowing that you are observed, people tend to adjust their behavior and act differently than the usually would in a normal situation. Jacobsen (2002) also claims there to be three fundamental rules that a study should try to comply; informed consent, requirements for privacy and requirements to be accurately reflected.

The authors of this study are highly appreciated of the people taking part in their study and would therefore never jeopardize the participants’ trust by treating them badly. Therefore have all the interviewees been asked for approval before the authors used their personal names in addition to the company name. One company taking part in this study chose to be anonymous, which was respected by the authors, and that company is
therefore referred to as Company X in this study. Since the answers provided by Company X included sensitive information, the authors treated that information with great respect and made no references to sources that could link the information to the specific company. This also helped increase the validity of this study. Additionally, the authors have only used the name of the companies and the interviewees after getting approval from the interviewees to use them. The authors would like to point out that the data collected from interviews is data that is provided in order to answer questions in this particular study and should not be taken out of context.

The authors of this study have tried to follow the three fundamental rules that Jacobsen advocates, and took by that the aspects into careful consideration when conducting this research. Therefore all participants in this study have been informed of the purpose of the study and there has not been any intentionally hidden information regarding the study and its purpose from the participants. The authors also tried to the fullest extent to repeat what was being said in the interviews.
4 Empirical Findings

This chapter consists of the empirical findings of this research. The findings are gathered from both secondary and primary sources, and are therefore divided up into categories. The first part presents secondary data gathered from The Swedish Agency for Economic and Regional Growth, which describes the situation of Swedish SMEs today, in addition to what barriers they face. The following categories represents primary data gathered from the in-depth interviews with Alutrade, Dorstener, Company X, and B.B.S. i Halmstad, which the authors chose to demonstrate by first dividing it up company-wise and then dividing it up into sections. The sections; New Product Launch, Barriers in New Product Launch, Overcoming the Barriers, and Marketing, represent the main topics from the interview guide, and demonstrate the retrieved data from the interviews conducted.

4.1 Barriers for Swedish SMEs

There are several factors that can hinder companies’ desires to be innovative, and thereof complicate their possibilities to be long-term competitive. Staying competitive is crucial for a company’s survival, and being innovative is one way of keeping the business alive. For many Swedish companies the opportunity to develop new products and services, in order to stay competitive, is often limited due to restricted monetary and human resources. Governmental rules and regulations can also impact the company’s opportunity to being innovative. Barriers that are specifically identified for Swedish SMEs are financial resources, where approximately every fifth SME indicates that lack of financial resources is a major barrier, which hinders the company from being innovative (The Swedish Agency for Economic and Regional Growth, 2014).

4.2 Interview 1 and 2 – Alutrade AB

Alutrade is an aluminum supplier, who from the beginning started out as a pure trader but who has developed into a complete partner with competence of the entire process from product idea to completed component. Aluminum is provided in various shapes and forms, including everything from material procurement to final product, however, the major strength of the company is its ability to create customized profiles. Alutrade
provides products to various industries on the Swedish market, and has thereby customers within sectors such as interior and construction (Alutrade, 2015). The company has about 20 employees, and in 2014 reached a turnover of approximately 102 million SEK (Företagsfakta, 2015a). The authors interviewed the CEO of Alutrade, Mattias Söderqvist, since he possessed most knowledge and experience of the company’s undertake of launching new products.

4.2.1 New Product Launch

Alutrade has undertaken the process of launching the new products in their try to launch a product that was completely new to the organization, and also new to their customers. The strategy used to get the product out to the customers was by face-to-face sales meeting, where the sales representatives introduced the product to the customers. However, the launch of the new product was not successful and the reasons to why the launch was unsuccessful according to the CEO of Alutrade, Mattias Söderqvist (2015.05.07) was; “We had no experience, and not enough knowledge, not the appropriate channels, we did not really know what we were selling when we started out with the launch process”. Söderqvist also stated that the process could have had a different turnout if there would have been more effort put into it, as well as a deeper analysis, and a well planned and executed business plan. When considering what Alutrade could have done differently in order to influence the outcome of the process, Söderqvist stated that one option could have been to purchase a competitor that possess the appropriate knowledge and experience of the product, and could thereby manage the launch and selling of the it for Alutrade. Moreover, the purchasing and the sales department were the departments that were included in the launch process, since the purchasers purchase the products that are later on introduced to the clients by the sales representatives.

4.2.2 Barriers in New Product Launch

Before starting the launch process the involved staff at Alutrade had a humble attitude towards the new product launch. They were aware of that it was not an easy thing to do, however, they did not expect it to be as hard as it turned out to be. The major barriers that Alutrade faced in their launch process were mostly internal. The barriers included the company’s own lack of knowledge, planning, and structure when it comes to the launching process, that the process was undertaken without putting in 100% of effort. As Söderqvist (2015) stated: “When entering a process like this you should do it to the
fullest, for real, not in a mediocre way as we did”. Söderqvist (2015) also claimed that since this product is new to the organization and since it is also new to their customers, the timing in addition to the uncertainty around the product might have been a hinder in the process as well. Alutrade might have been launching the product too early, in regard to as it is yet not that common in Sweden. Neither of Alutrade’s customers has been working with this specific product before, and there might have been some skepticism from the customers’ point of view since none of them had ever heard of the product before (Söderqvist, 2015).

4.2.3 Overcoming the Barriers
Since the product launch was not successful, the company chose to temporary remove the product from the market, in order to revise what has been done and what can be done to get the product out to the customers. By conducting a deep and thorough analysis of the product, the process, and the market, Söderqvist (2015) believes that the company can overcome the barriers and by that launch the product successfully. Söderqvist (2015) claimed “Creating a strategy, a business plan for it” would help Alutrade launch the product successfully, “We withdrew the product because we need to do it right, we need to do it correct” (Söderqvist, 2015). It was concluded that in order for Alutrade to successfully launch the new product once again, the process requires a well planned and structured strategy, with more effort put into the planning and the execution of the process. Knowledge is also an aspect that needs to be taken into account, and the company is even considering hiring a new sales representative that could be responsible and dedicated to the new product. Alutrade has reached a point where it needs to be decided upon how to proceed the process of launching the new product, whether it should be with a new dedicated sales representative or if the already existing sales force should take on the new product. That is yet to be determined, however, what is already determined is that the process will the next time be more planned, and will get 100% attention and determination (Söderqvist, 2015).

4.2.4 Marketing
The marketing activities used by Alutrade are in general Google AdWords, and “Alutrade”, Alutrade’s own newsletter that are sent out to customers four times a year. Alutrade also attend the trade show Elmia every other year. Söderqvist (2015) claims that the trade show has not been as successful in terms of attracting new customers, nevertheless, it has provided the company with the opportunity to expose their brand to cur-
rent and new customers, which has been well appreciated. However, for this special product the marketing activity used is personal selling in addition to the product being introduced in their newsletter.

Söderqvist (2015) is positive to the use of more marketing activities in the future launch process, but is slightly hesitant and uncertain to what kind of activities to choose, and what to do in order to get the product successfully launched. The company is to attend a trade show the upcoming year, and is therefore considering to introduce and demonstrate the new product more heavily then and there (Söderqvist, 2015).

4.3 Interview 3 – Dorstener Tråd Norden AB

Dorstener Tråd Norden AB is a company selling steel and metal products such as woven wire mesh out of steel, stainless steel, copper, and brass. The products sold are widely used in various industries, and is therefore made in various constellations and materials (Dorstener, 2015). Dorstener’s business involves importing and selling industrial equipment and supplies within the engineering-, graphics-, and process-industry, which therefore makes it a compatible business (Allabolag, 2015a). The company did in 2013 have a turnover of 10.7 million SEK (Företagsfakta, 2015b). The products sold by Dorstener are produced in a big factory in Germany, however, in Sweden there are two employees working for the company (Lind, 2015). The interviewee of the interview was the company’s CEO, Henrik Lind.

4.3.1 New Product Launch

Dorstener has undertaken the process of new launching products. The products being launched have not been revolutionary new, instead they have been more or less line extensions on what the company already have been selling. The attempts of launching the products have been challenging and difficult due to the fact that knowledge in how to execute the process has been lacking. As CEO of Dorstener, Henrik Lind (2015), stated: “It is always difficult” in regards to launching new products, and getting products out to customers. “How are you suppose to do, how do you get your information out there to the right people” (Lind, 2015). In the launch process the sales representatives of the organization are the ones who have been involved, who have been planning to execute the process. The activities used to get the product out to the customers have
mainly been by emails and by attending trade shows such as Elmia Subcontractor, in Jönköping, Sweden, and Wire and Tube, in Germany, where the company have meeting new people and been able to provide information about the product (Lind, 2015).

4.3.2 Barriers in New Product Launch
The major barrier that Dorstener faced in their process of launching products has been to get information out to the market. Furthermore, Lind (2015) also stated that “The second problem is then to get the information to the accurate person, a person who is interested and sees a need for this product”. Even though the information gets out to potential customers, it is the matter of if the information is read and taken into consideration from a customers point of view that is one of the major challenges that Dorstener have faced. The uncertainty of what channels, both in regards to marketing and selling, to use is a problem that has hampered the process. “How should we reach out, and how do we get the right person to be interested in the product?” is the question that CEO Henrik Lind (2015) greatly wants to find an answer to. This is a barrier that was encountered in the beginning of the launching process, and that hindered its success by not allowing the process to proceed in a regular pace, and in a way put a hold of it. One could have a great idea, and a great product, but it does not matter if the product does not reach out to the right kind of customers. Lind also claim that there might be challenges with customers not knowing anything about the product, not knowing how to use and what to use it for. If the customers are not paying enough attention listening to the features of the product, or not reading the information regarding the product, it might be hard for them to realize and understand its function and thereby not their need of the product either. Furthermore, the company also believes that since people nowadays are so exposed and overwhelmed with information flows from media and other sources, they need to screen out rigorously, and in that process emails such as theirs might be removed (Lind, 2015).

4.3.3 Overcoming the Barriers
Lind (2015) thinks that the key to these issues is to get the right people to hear them out. To get the chance to explain the product and its features and benefits. Since the major issue that Dorstener is facing is how to reach out with their products to customers, the company does not have an answer to how to overcome the barriers they face or how to go around them. It is a struggle for them to get the information out to the appropriate
person, and as Lind (2015) said it does not matter if there are plenty of people willing to listen to what Dorstener have to say about their products, for instance in a trade show, if the people listening are not the right people who have the need nor are willing to buy their products (Lind, 2015).

4.3.4 Marketing

The marketing activities that have been used are limited to emails that are sent out to potential customers in addition the attendance at trade shows both in Sweden and in Germany. This particular industry dealing with wires and mesh of steel, is pretty old fashioned and many actors are not as up-to-date as actors in other industries might be. Therefore is it a bit challenging for Dorstener to know what marketing activities to use, since they for instance do not believe Facebook and other forms of social media to work for their special target group. However, Lind believes that the use of marketing activities could help in the process of launching new products. The trade shows that company have attended have been great in regards to showing the presence of their company, both for new customers and current customers, however, the trade shows have not resulted in a big increase in new customers nor in sales. Moreover, with the two employees that are currently working at Dorstener, the resources to do additional tasks are limited. It would therefore, be hard to focus more on implementing marketing activities since these two employees already are busy running the business as it is (Lind, 2015).

4.4 Interview 4 – Company X

Due to an agreement with the interviewee, the Senior Advisor of the company, the company name will not be exposed in this study and is therefore referred to as Company X throughout this thesis. Company X is a company in the metal industry focusing on expanded metal products. The company has for many years built a center of competence when it comes to development and production of expanded metal products. The company works both domestically and internationally, and the company’s major strength is to assist their customers with the most suitable solution for each specific customer. The company has customers within a great variety of industries, and do therefore work closely with each customer in order to find a solution that suits the customer’s needs. Furthermore, the company has six employees and did in 2014 have a turnover of roughly 14.4 million SEK (Anonymous, 2015). The Senior Advisor of the company was in-
terviewed since he was part of both the company’s launch processes, and who therefore was the most suitable person to interview due to his knowledge and experience.

4.4.1 New Product Launch

The company has undertaken the process of launching new products twice, once in the late 1980’s and once in the late 1990’s. In both of the attempts, the company launched similar expanded metal product, which could replace products made with solid steel, and by that reduce the amount of steel and reduce the amount of waste (Anonymous, 2015).

The first launch process in the 1980’s involved a product that was developed with a new technology and the target group it was directed to was the construction industry. With a new technique, Company X developed and produced a product that was to be used as interior wall studs when building houses, and apartments. In their launch attempt in the 1980’s the benefits of the stud were mainly to save and reduce the amount of material to be used, but also to simplify the work for the construction workers. Back in those days there were a lot of occupational injuries for construction workers, working with screw driving and bolting in a height that is over their shoulder length. This new developed product could simplify their work and make it more ergonomically for them. In the launch process of theses studs, Company X collaborated with another actor that possessed knowledge and experience within the target market, and who therefore could help them launch and get the product out to the right customers. The collaborating party was already an active actor in the construction industry and had current customers in the same industry. Therefore Company X, perceived the collaborating party to be a suitable partner who would then manage and control the marketing and distribution of the product, while Company X would receive royalties from the products sold. The launch process was not as successful as anticipated or as Company X would have wish it to be, since the number of products sold was not a remarkable amount, which did not provide Company X with a significant amount of royalties. The reasons to why the stud was not selling that much was mainly since there were certain elements that the construction worker needed to take into account before using it. He could for instance not use the screwdriver at the same speed as he could normally do, because he would then risk damaging the plasterboard that the stud should be attached to. When this issue was discovered, information and tutorials were included when selling the problem in order to minimize the risk of destroying any other material involved in the construction, and to
show how to do it properly. It worked for a while, as long as the construction workers were positive towards it, however, after a certain number of mistakes, they started to complain to their superiors, who in their turn chose to use other products rather than the stud provided by Company X and its partners. After a couple of years the stud was cancelled and the collaboration terminated. However, the construction industry is a conservative industry and it is hard to launch a new product to a conservative industry. The construction workers are often opinionated and have a lot to say about the material and tools being used in their work. If they say they do not like a certain product, tool, or material, their superiors will get that memo, and thereby choose to purchase what is requested by the workers (Anonymous, 2015).

The second launch process undertaken by Company X, was to some extent similar to the first one, however, not identical. The process started out in 1998 and continued on until 2013. This launch did also concern a stud that was to introduced to the construction industry, the stud was made with similar technology as the previous stud made in the 1980’s but with some improvements and modifications. The new product could save up to 38% of the use of material, so therefore the aim of the new product was again to save material and by that reduce the material cost for customers. Company X built a machine for producing this kind of product, and the machine was later sold to a company who specializes in wall studs. Company X entered this project with several collaborating partners, one partner who they sold the machine to, who was a part-owner, and union for the metal industry, who supported the project with capital. When starting this project, a corporation was developed, a CEO was appointed, and the financial resources were sufficient. The new CEO had plenty of ideas and ambitions, and wanted things to move on in a rapid pace. The CEO initiated attempts to produce machines to export to the United States of America, which resulted in that a lot of money was spent in a short period of time. The part owner, who specialized in wall studs, did not put a lot of effort into this project. It was in times of prosperity and they were busy with their own products and projects, which made them prioritize their business first instead of the new product and the corporation. Moreover, the new product was introduced to some new customers but after a while the part-owning company was sold, and the new owners did not take on the new product. The corporation run out of capital and the collaboration was later on cancelled. In 2013 Company X concluded the agreement they had with the part owner and liquidated the corporation (Anonymous, 2015).
In both cases it was agreed upon that Company X was going to produce the machine, that the part owner was going to sell and distribute the product, and that Company X would then get royalties on every unit sold. The products were launched and were available on the market, without the use of any marketing activities by the collaborating parties. Hence, the products were sold in very small volumes and there were little interest in the product from customers. So even though the two launch processes did not turn out the way that Company X would have wanted, both of them was successful in the context of selling the product and getting it out to the customers, thus, the amount of products sold could preferably have been vastly higher (Anonymous, 2015).

### 4.4.2 Barriers in New Product Launch

The Senior Advisor, who also is the former CEO of Company X said “The hardest thing with new products is to get them out to the customers” (Anonymous, 2015). That is also the reason to why they chose to enter into a collaboration with partners that had knowledge and experience of the market and selling similar products. However, the problem or the barriers encountered in their process of launching the product was the lack of communication between the two collaborating parties. When looking back at the process and the collaboration, Senior Advisor at Company X, claims that the product and tools used with the products should have been properly tested, and that the process was undertaken with too high pace. The Senior Advisor also claims that the reason to why these two launch processes not were completely successful is because the collaborating parties did not follow their part of the agreement. They were supposed to do the selling and the distribution of the product, thus, they did not put a lot of effort into it. Instead they focused on their own products and did not use their abilities to market and sell the product (Anonymous, 2015).

Additionally, the Senior Advisor at Company X said “Both these cases were directed towards the construction industry, which we can conclude is very conservative when it comes to take on new products and solutions” (Anonymous, 2015). It is very hard to get a new product introduced and well accepted in an industry like the construction industry. If the financial resources would not have been limited, new attempts of launching the product in other industries would have been interested to undertake for Company X. Without financial resources, and without knowledge about the market, it is not possible for the company to undertake a similar process.
The barriers encountered, were encountered late in the launch process, since the product already was produced and introduced to some customers (Anonymous, 2015).

4.4.3 Overcoming the Barriers

Barriers that hindered Company X’s launch processes could have been overcome by communication. With clear communication and clear agreements of how to proceed in the process, how things should be done. When undertaking a process like these two with collaborating parties, communication is vital. It is important that the activities to undertake are well planned, and that everybody involved is aware of the plan and the objectives of the launch. The aim of the process must be clearly communicated to all parties, and everybody must work towards the same goal. The picture of how to do the procedure needs to be unified, and the effort and work with it must also be unified. In the case of Company X, the parties involved each had a picture of how things were going to be done, and therefore they did not strive towards the same goal, thereof a conflicting interest in what actions to be taken (Anonymous, 2015).

4.4.4 Marketing

As previously mentioned, the use of marketing activities has been very limited in both launch processes. The collaborating parties through personal selling, and in newsletters and brochures marketed the products. In the Senior Advisor at Company X’s opinion there could have been more effort put into marketing activities throughout the launch process. With more marketing activities, the launch process could have become more successful in terms of getting the product out to a larger population and by that generate in more units sold. Nevertheless, the construction industry is very conservative and very hesitant to new products and solutions, and prefer to purchase products and tools that they have previously used. These aspects make Company X hesitant towards ever entering that industry again. They would rather try to find another industry and market to create products for. Even though more marketing activities would have been used in their processes, the launch of the products might not have been much more successful than it was, since the industry might be the reason to why the products were not well embraced (Anonymous, 2015).
4.5 Interview 5 – B.B.S. i Halmstad AB

B.B.S. i Halmstad AB is a company that is working as a sales agent for Western Europe producers of bars, wire, sections, strips and tubes, all within different niches within the steel and metal market. The products are imported and sold in the Nordic region. The customers vary in different industries and in different use of the products (B.B.S Stål & Metaller, 2015). The company is small in size, with only five employees and has been operating since 1994 (Weidermann, 2015). In 2014 B.B.S, had a turnover of 34.067 million SEK (Allabolag, 2015b). The interview was conducted with a sales representative from the company. Sales representative Jann Weidermann was interviewed due to his knowledge and experience of the company’s launch attempts.

4.5.1 New Product Launch

The products the company has launched are not unique and there is a need for them on the market. The variety of the products is high when it comes to which industry they are sold to, for which intended use and the different markets. The launch process itself has been carefully planned but not with the desired outcome, Weidermann (2015) states that, “We haven’t had any problems internally because everyone within the company is involved in the decisions and actions that are made throughout this process, so the biggest challenge is the external environment”. In B.B.S, which is small company, with only five employees, everyone communicates and checks up with each other, so that they all are on the same page in the launch process. The activities that were being used, to not only promote their products, but also themselves, were mostly online tools mainly their website and a website called “Metal supply” which is a portal for steel and metal companies. Metal supply allows their members to put up ads, company information and new product announcements, in exchange for a fee (Weidermann, 2015). The company also attended the trade show “Elmia Subcontractor” in Jönköping, Sweden.

4.5.2 Barriers in New Product Launch

The main barriers for the company were competition, price and reaching the right target market. Since they are a small company with limited resources, they have a hard time competing against bigger players in the market. As Weidermann (2015) states, “Since the products we sell are not unique, there are many similar actors on the market, bigger and international companies that have more resources and are more established”. He also says that they are better known within the industry, meaning that their competitors
and other suppliers in the industry are familiar with and are doing business together. But the end customers are not as aware of their existence, so they turn to competitors and similar actors, who often turn to B.B.S and resell their products to the customers. This becomes a barrier because of the fact that they do not know what the product will be used for, how and also for what industry. The knowledge, additional service and value get lost in that transaction. The opportunity to build a relationship, and additional cooperation with the customers, is not possible if the company does not have direct communication with the users (Weidermann, 2015). Not reaching the end-users is also a barrier, which in itself can create additional barriers and miscommunication.

The price is also a barrier for B.B.S because of the fact that their competitors are cheaper. Weidermann (2015) says that, “Our higher price comes with higher quality and service”, but it is hard for the company to communicate that message to potential customers. As mentioned, the products are not unique, although the sales representative from the company states that there is a difference in quality and the knowledge that the employees possess about the products they are selling.

### 4.5.3 Overcoming the Barriers

In order to gain competitive advantage the company is working close with their customer and trying to strengthen already existing relationships. As Weidermann (2015) states “a satisfied customer is one of the best marketing tools”. Weidman also says that there is much to learn from the customers, by knowing their needs and wants, through the close relationship, they can then learn what to offer and improve in order to reach new customers. In regards to the price barrier, in order to overcome that the company is trying to show that the customer is not only paying for the product but also the additional service and value the employees have to offer based on their knowledge and experience with the products (Weidermann, 2015). Reaching out to new targets, more precisely, end-consumers is a barrier that the company has a hard time overcoming. “We do not know exactly how to reach the end-users so we are working on strategies to help that process” (Weidermann, 2015). The company does not have the amount of resources available at the time in order to completely overcome these barriers, and another factor to this issue is that they do not know which strategies to use.
4.5.4 Marketing

As previously mentioned, the marketing tools B.B.S is using are the website, Metal Supply and attending Elmia subcontractor. According to Weidermann (2015) their biggest promotion tool is their website, which is regularly update with news and pictures about their products and company. The interviewee himself is in charge of the website, layout, pictures and also trade show props and signs, while the CEO is in charge of where they should promote themselves, advertise and attend. In addition to online marketing activities, they also have ads in magazines within the industry (Weidermann, 2015). The trade show has been a good way to meet potential customers and business partners, they attended the trade show 2014 and are planning on attending this year again (Weidermann, 2015). “In the supply industry it is all about big volumes and transactions, so it takes more to reach out to the customer, especially since they are usually reaching out and looking for suppliers instead” (Weidermann, 2015). It is hard to know where, how and what activities to use in order to reach the target audience, because business to business marketing and targeting differs from marketing direct to individual consumers (Weidermann, 2015).
5 Analysis

This chapter will present an analysis of the collected data, retrieved from the interviews, and the theoretical foundation. The analysis is created through connecting and incorporating the empirical findings with the theories presented in the theoretical framework. Furthermore, the chapter will be divided up into four sections; New Product Launch, Barriers in New Product Launch, Overcoming the Barriers, and Marketing. This is done in order to provide the reader with an organized and structured analysis as well as it enhances the coherence of the paper.

5.1 New Product Launch

According to Trott (2012) launching industrial products, in a B2B context, differs from launching products in a B2C market. A new product launch is often very resource-intensive, poorly managed, and a risky process with high failure rates. The four case companies have had challenges in their processes of new product launch, which influenced the different outcomes. Some of the challenges were gaining competitive advantage, and targeting, but all the companies struggled with the lack of experience and knowledge that hindered the process. According to Lehtimäki (2012) the key success factors in the launch process involves a well-formulated and executable plan, clear objectives, and a specific target market, in addition to distinctively positioning of the product. The companies have undertaken the launch processes in various ways. The strategies used within the processes involved personal selling, face-to-face meetings with customers, and collaborations with external partners. Furthermore, the use of online communities for metal and steel supply has also been used throughout the process in addition to newsletters and emails.

To ensure a successful launch process, there is a need for a cross-functional team that is involved in the entire process, communication between all the departments is vital in order for the company to work unified towards common goals (Wong, 2002). Since the companies are small, and have about 2-20 employees, the personnel work closely together, and employees have several roles within the companies. However, the sales force plays a central role in the launch process among the companies.
One of the launch processes was, in comparison, more successful than the others. That was mainly due to their collaboration with an external partner who knew the market and had the resources that the original company lacked. The remaining launch processes have been less successful due to internal and external barriers. These barriers involved competition, lack of resources, lack of knowledge of finding and reaching out to the right target.

5.2 Barriers in New Product Launch

According to theory there are several barriers that can occur when launching products in a B2B context (Di Benedetto, 1999; Talke and Hultink, 2010b, Lehtimäki, 2012). However, the barriers that occur most frequently among the companies interviewed in this study are competition, lack of planning and structure, sales force management, and management control.

Competition is a major barrier for one of the companies, since the company has higher prices and is less known than the competitors. As Di Benedetto (1999) a firm can only control its external environment to some extent, but what they can control is the response to the anticipated and perceived competitive threats. The response should involve mobilization and adaption of resources, which has been challenging for the company due to their limited resources, and the fact that they sell similar products compared to their superior competitors.

To some extent the companies have had a “hope for the best” mentality, where not enough effort and resources have been put into planning and executing the launch process. There is a lack of planning and structure in many of the launch processes undertaken by the companies. This has been argued by many researchers to be vital in order to increase the chances of a successful launch (Talke and Hultink, 2010b; Lehtimäki, 2012). What all companies in this study struggle with are not having a defined marketing plan, and there is no focus on effort. An undefined marketing plan can lead to poor targeting, unclear segmentation and positioning, which contribute to new product failure. These issues have been challenging for all the companies since they have not been able to get the right information to the right targets. Wong (2002) claims that an efficient market research and testing throughout the process gives information about likely customer adaption, competition process, and economic changes, which are critical to
control. Due to the outcome of the launch processes, it has shown that the companies have not conducted an efficient market research.

Atuahene-Gima (1997) states that the sales force are at the front line and are the ones carrying the product. Because of their interaction with the customers, and their after sales support, they are required to possess the right knowledge and resources to be able to be successful. The sales force needs to be educated and informed about the product and its features to communicate that and sell it to the customers. A common denominator identified is that all companies lack enough knowledge about the product being launched. In some cases, the product has been completely knew to the firm which resulted in that the sales force did not know how the product could benefit the customer, and thereby could not identify the right customers that would receive most value from it.

In a new product launch it is good to have a supporting and motivating management that can control the process and provide resources like marketing and technological skills throughout the process. Management control is required in a launch process in order to make sure that the company is ready and prepared to for instance respond quickly to customer feedback and potential adjustments (Wong, 2002).

One clearly identified barrier for several of the companies is the lack of support from partners and suppliers. In one case, the company partnered up with an external partner for the product launch, throughout that process the two parties had different ambitions, which conflicted due to lack of communication and a common plan. Other companies in this study have also encountered some issues regarding lack of support from partners and suppliers. One of the case companies did not receive enough information from the suppliers regarding their new product and its features, which led to difficulties in communicating that to their clientele.

In addition to the barriers already mentioned, the authors have identified further barriers that have been encountered by the companies taking part of this study. The encountered barriers involve issues with customer adaption, price, and timing. Talke and Hultink (2010a) discuss the importance of customer adaption and state that uncertainty about the benefits, cost-value ratio, or usage options are barriers that can lead to resistant adap-
New product requires more effort and resources from the customer’s side in terms of education and training in order to handle the product. Because of the higher perceived risk, emphasizing the benefits and added value is much more important (Aggarwal and Wilemon, 1998). Customer adaption is a common barrier among the companies participating in this study. As one company stated “Our higher price comes with higher quality and service” (Weidermann, 2015). The specific company has a difficult time showing this to potential customers, and gaining competitive advantage.

5.3 Overcoming the Barriers

As discussed earlier there are several factors influencing the success of a product launch. There are actions to take in order to address any barriers that might occur. Depending on the stage of the process a company is in, one can either take proactive or reactive actions if or when a barrier occurs. On the question of how to overcome the barriers, or what could be reconsidered when conducting a launch process in the future the companies stated that conducting a deep and thorough analysis of the product, process, and the market is needed. They also stated that they should put more effort into planning and the execution of the process. Another company stated that there needs to be clear communication and unified goals internally. Furthermore, some of the companies stated that close relationships with the customers increases the success factors of the product, and reduces some of the barriers mentioned. As one interviewee stated “A satisfied customer is one of the best marketing tools” (Weidermann, 2015), which indicates that having a good and interactive relationship can enable the company to learn and recreate an improved offer to attract new customers. The customer can then be used as a good source of reference, since recommendations from existing customers are highly valued by potential customers. Using a customer a reference source is supported by theory, as Jalkala and Salminen (2010) argue that having references from other users increase credibility for both seller and the product and is crucial for companies in order to be able to secure future sales.

5.4 Marketing

The common issue among the case companies is mainly the uncertainty of what marketing and sales channels to use in the launch process. In a B2B context advertising and sales promotion is not commonly used alone but is integrated in the whole communication strategy especially in personal selling. Media channels for B2B companies differ in
some ways from those in a B2C context, for instance Google AdWords and business publications. The empirical findings showed that the attitudes towards marketing is a bit resistant in regards to how beneficial it would be for the companies. This may be due to a more old fashioned view of marketing, which channels to use and to what extent. They all stated that, in regards to marketing, they are all positive, it is just a matter of what activities that are most suitable for their business that is the issue.

Personal selling and the sales force are the main tools used in business marketing, which shows a clear link between sales and marketing as well as the importance of integrating the two. In addition to personal selling and the sales force, attending trade shows is also an essential tool in B2B companies. Trade shows are beneficial because of companies get the opportunity to demonstrate both old and new products and target a mass audience at once. Direct mail, email, and phone are also tools frequently used. All the companies have attended trade shows, in which they all saw benefits to some extent. The most used marketing tool among the case companies is personal selling integrated with newsletters and emails sent out to both existing and potential customers. The steel and metal industry has an online portal called Metal Supply, which allows the companies within the industry to interact and share updates. Two of the case companies have actively been using this portal and found it to be beneficial.

Segmenting the market into smaller groups that can be reached more easily and efficiently gives the company the opportunity to match product and services according to the unique needs and wants of that segment. After the segment has been identified and evaluated accordingly to different criteria stated in theory, which is referred to as targeting, the company can chose a suitable target market strategy and then design the company’s offering, so that it occupies the desired position in the target customer’s mind (Kotler et al. 2008; Jobber and Fahy, 2006; Hutt and Speh, 2013). A common mistake among the case companies is the non-existent focus on going through the process of segmentation, targeting, and positioning. Instead, more effort has been put on getting the product out to the market without having any niches or any differentiated marketing strategies and targets. As a SME, doing the research and finding the most rewarding customer can payoff more in comparison to have vague aims.
6 Conclusion and Implications

In this chapter the conclusion of the study will be presented in addition to theoretical and managerial implications. The objective with this chapter is to fulfill the purpose and to answer the research questions of this study by concluding. Furthermore, the chapter will also address aspects to consider before, during, and after a new product launch in addition to limitations and comments regarding future research.

The conclusion of this study is that all companies agreed that with restricted resources and limited knowledge of what actions to take, it is hard to overcome any barriers. As the authors can conclude from the theory it is essential to possess proper knowledge and experience. This study has, as theory suggested, proved that the rates of failures in new product launch is high since the launch attempts made by the case companies have not been as successful at intended. SMEs in general often have limited human and financial resources so in addition to this the major barriers encountered throughout the process were lack knowledge. The lack of knowledge is referred to how to plan the whole process including what channels to use and how to execute and implement the process with the desired outcome.

The purpose of this study was to investigate what barriers can occur when launching new industrial products, which has been fulfilled by both investigating theoretical and practical barriers. The theoretical and the practical barriers have been compared in order to see if the barriers suggested by theory really are the barriers encountered in the launch processes undertaken by companies in the practical business world. Some barriers emphasized in theories have not been as frequently occurring in practice. What the authors could conclude as the most surprisingly factor affecting the case companies’ launch outcomes is the actual amount of effort and commitment put into the processes. The effort, at least in some cases, has been very limited which a structured plan and objectives also have been. As theory states, this is the most important success factor in new product launch, and knowing that it is safe to conclude that the outcome of the launches were not completely successful.
The following research questions were addressed by the gathered and analyzed empirical data:

**RQ1:** What barriers could affect new product launch for Swedish SMEs in the metal industry? As previously discussed there is a wide range of barriers that a Swedish SME in the metal industry can encounter in their process of launching new products. The main barrier that had the most negative influence on the processes was the lack of effort and resources put into the process. This was also the barrier that the authors perceived to be the most frequently identified barrier and the barrier that needed the most attention in order to successfully complete the process. Furthermore, competition and targeting were also challenges affecting the new product launch.

**RQ2:** What actions can be taken in order for Swedish SMEs in the metal industry to address these barriers? These barriers can be addressed by taking proactive and reactive actions in order to influence the outcome of the process. There are several actions that can be taken however, if a company is completely determined to undertake a launch process it needs to have the entire company on board with a structured plan, clear and unified objectives, in addition to resources and effort put into the process. Depending on what barrier that has been encountered, the actions to address it needs to be adapted accordingly. Education and training are actions to take in order to address several of these barriers, such as uncertainty about the product, and usage options. It can also be used as a tool for management to motivate and support cross-functional teams within the organization. Further practical actions to take will be discussed later on in the managerial implications.

### 6.1 Theoretical Implications

In order to fulfill the purpose of this study the authors have included a theoretical framework that worked as a foundation to the gathering of the empirical findings. New Product Launch, Barriers in New Product Launch, and Marketing are all major theories included in this study, that have been supported by the collected empirical findings. There is limited amount of research and information within this field, especially regarding empirical proof. There are various theoretical suggestions on how to overcome the barriers, and what needs to be considered in a launch process. What the authors noticed throughout the investigation was that there was a lack of empirical evidence and practi-
cal examples on what actions to take in order to overcome the barriers. Hence, this study adds to the literature of the field by addressing the gap. This was done by using existing theories and connecting them to an empirical investigation, in which real cases have identified these barriers as problems. The findings do also give empirical implication to the literature which confirm and enhance the existing research how to overcome the barriers.

6.2 Managerial Implications

The findings of this study have generated many useful considerations and advise in regards to going through a new product launch process. The findings can be applicable in every stage of the process, from the early planning stages to the implementation and the evaluation of the process and its outcome.

Before the launch of a new product the following aspects are to be considered:

- Involve all necessary departments and create cross-functional teams, indicating that all members are on board and aware what is required from them
- Create a marketing plan including clear objectives of the launch concerning:
  - What activities to include in the launch
  - Determine when the appropriate timing of the launch is
  - Where, in which market to the launch the product
  - Determine which target group to aim for, who is in need of the product, or where can the need be created?
  - What marketing and sales channels are most suitable for the product being launched
  - Make sure that the amount of resources needed are identified, and made available for the launch process
  - Create a message to communicate the offer, it is about selling a solution not a product in a B2B context
- Conduct pretesting of both the product and activities being used in the process in order to get feedback and make necessary adjustments before the final launch
- The employees involved in the process, especially the sales force, need to be educated and trained about the new product, its features, and its value to the customers
After implementing the plan and actually launching the new product the following aspects are to be considered:

- Monitor and make sure that the implementation runs smoothly in order to see that the launch takes its desired course
- If a problem occurs, resources appropriate for the specific problem need to be available in order to solve the problem
- The organization and the employees involved need to be dedicated and committed to the process
- Management needs to control and supervise the process along with motivating the staff

After the launch process has been done and depending on the outcome, the company needs to evaluate:

- The process
- The activities used
- The commitment
- The results
- The plan
- The performance of both the company and the product
- Measure the profitability in regards to the amount of resources put into the launch process

When concluding the evaluation of the entire process, the parties involved could make remarks on what aspects were successful, and what aspects need to be changed/adjusted for a future launch.

6.3 Limitations

The major limitation of this study was in regards to time. Due to the relatively short time frame of this research, the authors found it difficult to conduct more than five interviews since conducting, and transcribing them was time consuming. The fall off of
this study was high due to that many companies who were asked to take part of the interviews did not have enough time to take part. In addition to the high level of customization within the steel and metal industry, which indicates that new product launches are not undertaken all too often. Additionally, the interviews were limited to be mostly conducted by telephone meetings, which was mainly due to the geographical distances and since there was very limited financial resources to use for travelling.

6.4 Future Research

After conducting this study the authors came up with some recommendations for future research. These recommendations include testing the suggestions and guidelines found in the managerial implications, by conducting an empirical study where companies undertake the process of launching a new product with the supportive use of the guidelines provided in this study. A test of the guidelines could determine if the framework created is valid, and could thereby confirm what actions to take when undertaking a new product launch.

Further research can also be done by conducting this study with a quantitative approach. With a quantitative approach more case companies could be involved, for instance by conducting a survey in which companies could answer on what barriers they have encountered and how their process was undertaken. Such an approach enables the researcher to generalize the findings and find patterns among the respondents, which also allows the researcher to generalize throughout the entire population.

This study focused on Swedish SMEs within the steel and metal industry, however, further studies could choose to use other industries and markets since new product launches can be undertaken in various industries. The focus could also be moved to other types of companies, instead of investigating SMEs further research could investigate larger enterprises to detect potential differences between the company types. Then researchers could try to determine if the same barriers are encountered by a company with more resources as in a company with fewer resources.

Moreover, this study included multiple cases and investigated their launch processes and the barriers encountered, thus, further research can use a single case to investigate. That indicates that research could more deeply investigate one single company, their
barriers and process in order to conduct a more thorough and deep analysis which can help determine what factors influenced the outcome of the launch. With that type of deep analysis the researcher can create a marketing plan specifically made for the investigated company to undertake for future launches. In this study the authors created recommendations and guidelines targeted for Swedish SMEs within the metal industry, however, in a single case the recommendations can be strictly directed and constructed for one single company.

6.5 Concluding Remarks
Launching new products is important for companies to in order to gain competitive advantage in today’s competitive market. However, launching new products can be challenging and the rates for failures are high. This study has focus on investigating barriers encountered by Swedish SMEs in the metal industry throughout their processes of launching new products, and also on addressing these barriers, and suggesting activities to use in order to increase the likelihood of launching the product successfully.

The authors came up with aspects to consider and guidelines with steps on how to successfully undertake a launch process. These recommendations were based on the gathered and analyzed findings, and are aimed to guide and support companies planning on undertaking the process of launching new products or who already have undertaken the process and wants to improve their plans and strategies for future launches. Studies about new product launches, including the barriers that can be encountered in addition to actions on how to address the barriers are important since they emphasize what such a process requires. This study has embodied these aspects with practical implications that can provide useful information to companies in need for it.
References


Appendices

Appendix A – Interview Transcripts

Interview Transcript 1

**Interviewer:** Danielle Samuelsson and Indira Ahmicic  
**Interviewee:** Mattias Söderqvist, CEO of Alutrade AB  
**Setting:** Face-to-face meeting at the interviewee’s office  
**Duration:** 50 minutes

**Interviewer:** Have you undertaken the process of launching new products?  
**Interviewee:** Yes, we have a new product that we have tried to launch. Our sales representatives have introduced this product to some of our current customers during sales meetings. We have also included the product in our newsletter that we send out to approximately 1000 customers. The product have gotten some positive feedback, however, it has not resulted in any products sold. We felt that we did not put 100% into this process, and the results are thereafter, so we decided to withdraw the product in order to look everything over and then make a new attempt that will be given all attention and effort needed.

**Interviewer:** What is unique with this new product?  
**Interviewee:** The new product is both new to us as a company, but also to our customers. It is a composite panel made of aluminum and is mostly used in architecture and construction contexts, particularly in the use of facades, walls, and ceiling coverings. There are several benefits of this product, and it is characterized for its large variations of color and surface, fire safety, durability, flatness, lightness, ductility, and for its stiffness. This product is decorative and there are plenty of opportunities for it when it comes to design variants, shapes, and colors, in addition to its field of use. Such a product provides architects with a creative toolbox to work with when it comes to being creative and designing new houses and buildings. These panel exists in a variety of colors, formats, and surfaces, and is easy to work with since it is offering an extreme malleabil-
ity. Nowadays, this product is mostly found as facade coverings on residential build-
ings, industrial properties as well as representation building, however, this product is
not that common in Sweden yet. Nevertheless, it is widely used in the Middle East, and
I think that it is going to get more common here in Sweden as well.

**Interviewer:** What market or industry have you targeted for this specific product?

**Interviewee:** Well, the construction industry would probably be the most accurate in-
dustry to focus on. Architects tend to like this product, and if we could get them to in-
clude this product in their sketches and plans, I think this product could really get a
break through. What is important to have in mind as well is the fact the construction
industry is quite tough. There are some major governmental players when it comes to
construction companies, and therefore it is important that the product’s quality is on a
high level. You can get fined or sued if there is a small error with the product, and it can
be very costly if something was to go wrong, and that jeopardize the entire company
and our survival. Moreover, the product could also be used in other industries. Our
products provide us with a great variety of customers in different industries.

**Interviewer:** Are there other companies in Sweden selling this type of product?

**Interviewee:** Yes, there is competition regarding this product. Our competitors are quite
successful when it comes to selling this product, and they do also have more knowledge
and experience of the product than we do. Most of them have had the product for a long
time and have several dedicated sales representatives responsible for the product.

**Interviewer:** Do you know how your competitors undertake the process of launch-
ing their products?

**Interviewee:** Well, they are quite successful with this product so they must be doing
something right, but I am not sure how or what they do. I think they have dedicated
sales representatives for the product, and maybe more resources to use in order to get
the product out.

**Interviewer:** What do you think is needed in a new launch attempt?

**Interviewee:** First of all, I think we need to make a thorough analysis, and a simple
market research before creating a plan and a strategy for the launch. We need to gain
more knowledge and experience of the product but also in how to proceed, how to un-
dertake the launch process in order for it to be successful.

**Interviewer:** How do you usually market your products, or how do you get them out to your customers?

**Interviewee:** We usually have face-to-face meetings with customers where we explain our products and the benefits of them. Other than that we use Google AdWords, which actually is the platform where we get the most customers from, in addition to our web-
site.
Interview Transcript 2

Interviewer: Danielle Samuelsson
Interviewee: Mattias Söderqvist, CEO of Alutrade AB
Setting: Telephone meeting
Duration: 1 hour

Interviewer: Have you undertaken the process of launching new products?
Interviewee: Yes, we have, however it was not very successful, so we withdrew the product for the moment.

Interviewer: Why do you think it was unsuccessful?
Interviewee: We had no experience, and not enough knowledge, not the appropriate channels, we did not really know what we were selling when we started out with the launch process.

Interviewer: Could you have done anything different in order to influence the outcome of the launch?
Interviewee: Yes I believe so. I think if we would have conducted a thorough and rich analysis on both the product and our opportunities of how things can be done, in addition to a clear and well-prepared business plan, we would have gotten off to a better start. Alternatively, to purchase a competitor who is already experienced and knowledgeable about the product, and who could be responsible for the launch and distribution of the new product for us.

Interviewer: Which departments were involved in the launch process?
Interviewee: In the launch process the purchasing department was involved since we purchase the product and trade it. Then of course the sales representatives have been involved since they have been out on sales meetings trying to introduce and sell the product to our customers. We have not had a dedicated sales representative to this specific product, which might have been better, I am not sure when looking at it now afterwards.
Interviewer: What kind of barriers did you encounter in the process of launching the new product? Timing barriers? Adoption barriers?

Interviewee: When entering a process like this you should do it to the fullest, for real, not in a mediocre way as we did. I mean the result of comes thereof. I do not think the timing was wrong, but of course since this product is new to the organization and since it is also new to our customers, the timing in addition to the uncertainty around the product might have been a hinder in the process as well. We might have been launching the product too early, in regard to as it is yet not that common in Sweden, but I think this product is going to get more common. Our customers have not been working with this specific product before, and there might have had an impact on their perceptions of the product as well. I think that a lot of this also needs to come from another perspective. I mean, since this product is for instance used in the construction industry, people need to hear it from architects and similar in order to increase the awareness of the product and its usage. The construction industry is also a bit conservative, and since no one had ever heard of this product, of course the customers could have been a bit skeptical to it as well.

Interviewer: How do you think you can overcome these barriers?

Interviewee: What we think now, is to make a thorough analysis, and making a strategy and a business plan of how to execute the launch. And to get an external view of it. Creating a strategy, a business plan for it, is what needs to be done in order to launch it successfully. We withdrew the product because we need to do it right, we need to do it correct. We have to do it properly. Thereby we need someone who puts time and effort into it and creates a strategic plan for it. More thoroughly. With a thorough analysis of the product, process, and the market I think that we can overcome the barriers and thereby hopefully launch the product successfully. It could be devastating to have the wrong strategy, and a lot of money can be wasted, so it is really important that it is well planned and structured. One option might be to, as I said before, to have a dedicated sales representative, to hire a new sales representative who is completely responsible for this product. When I previously worked for another company, our competitor went through a launch process where they had one dedicated sales representative who had the entire responsibility for their new product. He was given time and money to market and distribute the product, and it took him about three years and quite some money but then
they used the resources within the company and by doing that you can still use your other marketing channels as well, which could be good as well.

**Interviewer:** Did you expect to encounter any barriers when launching the new product?

**Interviewee:** Well, not really. We did not expect it to be easy, we were pretty humbled and knew that is was going to be tough, but we did not expect to be as hard as it was.

**Interviewer:** What marketing activities did you use in your launch process?

**Interviewee:** We mainly used personal selling, by introducing the new product out on sales meetings that were held face-to-face by our sales representatives. But we have also introduced in our newsletter named Alutraden, which is sent out to our customers four times a year in addition to Google AdWords. Every other year we participate in the Elmia Trade Show in Jönköping, however, that was not included in the launch process. I do not know if that would be a suitable activity in the launch, since I find not as successful in terms of attracting new customers. We have measured the results of the trade show attendance, but it has not generated in many new customers. Of course it has been good in terms of showing up our company for our current customers, which cannot be measured.

**Interviewer:** Do you think the use of marketing activities could have been helpful in the process of overcoming the barriers?

**Interviewee:** Well, if we are to do this again, we need to do it properly, we need to do it to with 100% determination and attention, and then marketing activities need to be incorporated in that process. The product was partly withdrawn in order for us to revise what has been done, and what and how we can get the product out to the customers again. I am positive towards using more marketing activities in a future launch, however, I do not know what kind of activities to use and I am not sure on what to do in order for the launch to be successful. We are participating in a trade show the upcoming year, and it might be good to introduce and demonstrate the product more heavily then and there. To put a lot of effort into it and really invest both time, planning, and money into it.
Interview Transcript 3

**Interviewer:** Danielle Samuelsson  
**Interviewee:** Henrik Lind, CEO of Dorstener Tråd Norden AB  
**Setting:** Telephone meeting  
**Duration:** 55 minutes

**Interviewer:** Have you undertaken the process of launching new products?  
**Interviewee:** Well, yes, or when you say new products what do you specifically mean by that? Does it need to be a revolutionary new product, or just a product that is new for us and is more or less a new version of the products we already have?

**Interviewer:** Yes, by new product it could be either way. It could be a revolutionary new product, or it could be a product that is new to your company, your customers, or just new versions, line extensions of the product platform you already have.

**Interviewee:** Ah okay, well yes we have tried to launch new products but it is always difficult. How are you suppose to do, how do you get your information out there to the right people? Should you send out a letter to all your customers? What I am thinking about is what are the customers reading today. Sending out emails with information could be great for some, but it does not feel like everyone reads them, they move the email to the trash and consider it something that is not relevant for them.

**Interviewer:** Did you encounter any barriers when launching your product?  
**Interviewee:** Yes, I mean I think the biggest issue is that we do not know how to get the information out there. We do not know how to get information out to the right people about us having the product. To get the right information out to the right people, and that the right people actually takes our information into consideration, and then also to get the people interested in the product. To get them to realize their need for our product. In other words, barriers that have been encountered is the lack of knowledge of what channels to use in order to get the product out on the market and to the customers. To know how to reach out is the barrier that we have found to be the most difficult. And that is the first thing that happens and hinders the process. It is really hard to know how to proceed after being stuck at how to get the information and the product out. The
problems and the barriers occur direct in the beginning of the launch process. You can have a great idea about a new great product, but it does not matter if you do not know how to get it out.

**Interviewer:** Which departments were involved in the launch process?

**Interviewee:** Well, here in Sweden we are very few, we only have two employees with me included. However, in the manufacturing factory in Germany, there are many more, but usually the ones who are involved in launch process are the sales representatives who are given a new product that they are supposed to launch and sell.

**Interviewer:** Could there have been any barriers regarding the customers and their unawareness of the product? Any adoption barriers?

**Interviewee:** Yes, that they are unaware of the product could of course have been one of the barriers. That they do not understand the characteristics and benefits of the product, I mean if you do not get them to listen or read the information about the product, it is hard for them to understand their need of it as well. The key to this is to get the right person to listen or read what we have to say about our products. We have reached out to customers by emails and phone calls but also by attending some trade shows as well. We have attended the Elmia Trade Show in Jönköping, were we got to meet and greet new and current customers, were we also could demonstrate and show our product platform. However, it has been hard to measure if the attendance at Elmia, and we are not completely sure that it has been successful to take part of it in relation to the cost of the trade show. But even though it may not have generated in more sales or customers, we feel that it has been good to take part just to show ourselves up, to be there for our current customers. In addition to that, we have also participated in a trade show in Germany where it was more specialized towards the wire and tube industry.

**Interviewer:** How do you think the discussed problems could have been solved?

**Interviewee:** That is what we have been struggling with. That is what the problem is, that we do not know. To get person to listen to what you have to say. What I can say regarding trade shows at least, is that you get to talk to people who are really interested in what you are saying and who are carefully listening, however if they then have no need for our product and it does not matter if they listen and take in what we say. We need to catch the person who has the time and interest to listen, but who also has the
need for our product. I think that in today's society people are overloaded with various information flows, from media and other sources, and do therefore need to sort through and screen it all, and in that screening process, emails such as our might be thrown in the trash.

**Interviewer: Did you use any marketing activities in your launch process?**

**Interviewee:** No, not really, apart from participating in different trade shows and the attempts to contact people by email or telephone as well as our website. However, in our industry, in the wire mesh and steel industry, it is pretty conservative and old-fashioned. Many of them are not so modern, and I mean some advertise and market themselves through Facebook and Social media, however, I feel like most of the players in the industry does not even have Facebook. Then it is no use for us to be there either, and especially not to market our company, so I think that such channels are hard to get through and to reach out with. I think that is a generation difference, and right now I do not think it is right for us. I have also considered to start a newsletter to send out to new and current customers, but I do not want to send out stuff that people are not going to read which is my biggest concern.

**Interviewer: Do you think the use of marketing activities could have been helpful in the process of overcoming the barriers?**

**Interviewee:** Yes, or I believe that marketing activities could have been helpful in our launch process, and with such activities I think a launch could be more successful. But sometimes it is also hard to know who really have the need for our product, if you know that, I think that a physical meeting would be the best way to go ahead and demonstrate our product, to show them its attributes and their need for it. Nevertheless, at the moment I am a bit unsure if we have the capacity to implement more marketing activities since we are only two persons working here in Sweden.
Interview Transcript 4

Interviewer: Danielle Samuelsson
Interviewee: Senior Advisor, former CEO, at Company X
Setting: Telephone meeting
Duration: 1 hour

Interviewer: Have you undertaken the process of launching new products?
Interviewee: Yes, our company has undertaken the process of launching new products a couple of times. Historically there are two processes, the first one goes back to the 1980’s, the late 1980’s, and the other one was done in the beginning of the 2000’s. The two processes involves similar products, and we produce expanded metal, a product which involves cutting and stretching solid metal sheets in order to create a hole format in the material without any waste. By stretching out the metal and making holes in the metal sheet you save material. The new products launched have been developed in expanded metal with a new technology with the aim of replacing other products made with solid metal, steel, or aluminum. The new technology made it easier for us to create long and slim pieces of metal, and we therefore thought that wall studs could be great products and thereby the construction industry would be a great target group. These wall studs are used when constructing and building houses, and is mainly used when putting up interior walls and ceilings. In the first example, in the 1980’s, did we produce a wall stud that would simplify the work for the construction workers in addition to save material. It would make it easier for them to screw and bolt the wall studs. At this time, there were a lot of problems concerning ergonomics, and many construction workers suffered from occupational injuries when bolting and screwing above shoulder height. The new product made it easier for the workers to assemble and screw the wall studs together since the screw easily would fit into the hole with no resistance, which would be more ergonomically for the workers. This process was done together with a collaborating company. Our company contributed with technical skills, and a machine specially made to produce these products, but in order to reach the market, to the get product out to the customers, we entered an agreement with another company that was a big supplier of wall studs and who already had knowledge and experience of the construction industry and market. We built the machine that they purchased in order for them to produce and sell the products, and in return we were going to get royalties for each unit
sold. We did not have any direct access to the market, the distribution and marketing was going to be done by them, since the hardest thing with new products is to get them out to the customers.

**Interviewer: Was the launch successful?**

**Interviewee:** Well, in addition to us, and the other company, there was a third company involved in the process. The third company provided plasterboards, and it was in their interest to be a part of this project as well since their product is involved in the construction of houses, and the material that the wall studs are constructed on. A lot of fittings and test mounting was done in order to examine and develop the product. A couple of houses and apartment building were made. However the problem was, and which they did not overcome, was when a construction worker screws he use a screwdriver, and when he starts that he is using it on its fullest power to get the screw in. He wants it to go fast and it says bang, and the screw ripped and damaged the wall stud. When this problem was identified several attempts to try to prevent this from happen were done. For instance when selling the product it was introduced and explained what type of tools and screwdrivers to use with this kind of material, or that it was not recommended to use full power on the screwdriver, rather use it at a slower pace. That worked out for a while, as long as the construction workers were prepared and on board with it, but that was not always the case, and that is how it is in that industry. Problems do occur when the wall stud is not properly used, things go wrong, and there are worries, and then the supervisor disregard the product and chose another one instead. This went on for a while, and there was education and training provided in how things should be done in regard to the wall stud, but after a while everybody kind of gave up. That was what ended the first launch process, but it lasted for a couple of years and some wall studs were made, and we got some royalties but it was not any remarkable amounts. We were able to get the product out, and the product itself was good, but the demands of the mounting were not met which resulted in the end of the process.

**Interviewer: How did you proceed in the next launch process?**

**Interviewee:** Well in the next case, which we started in 1998 and just ended a couple of years ago, was in the same industry, in the construction industry. The product was a wall stud this time as well, made with similar technology as the previous product but with further development than the one we sold in the first launch process. This time we
developed a better machine that could produce greater masses, and the wall stud that the machine produced was not suppose to be screwed or bolted in, that was not the point with this product. The only, or the main purpose with the product was to save material. The machine was built by us, and was then sold to a company who specializes on interior wall studs but also studs for ceilings and floors as well. The wall studs that were made saved up to 38% in material savings. A lot of tests and fittings were made when it comes to safety and the quality of the wall studs in order to get it approved in all ways, which the product was, and it worked very well. There are several factors that influenced the outcome of this launch, but it all started out with us entering an agreement with the previously mentioned company, who entered this project as a part owner. We got a sufficient amount of capital from the union of the metal industry, who wanted to invest in new ideas and projects within the metal sector. They invested a whole lot of money and we had pretty good financial resources when the project started out. We also have one guy who ran this project and who initiated himself as CEO of the new created corporation. The CEO had big ambitions and ideas of what he wanted to do, and did thereby spend a lot of money on a short period of time. He wanted to build various machines that he later on could export to the United States of America. I have for a long time been working with small enterprises and have always taken small steps when developing something, so this was something that was completely new to me, I was not used with spending that much money until you can see in what direction the project is heading. Anyways, a lot of money was spent and wasted. Then the part owner made a weak effort in trying to get the wall stud out on the market. They introduced it to some of their customers and then the times were in prosperity and their business were doing great. They made a lot of money on their own products and were very busy managing their own business, building factories and so on, so they did not have time with our project. A number of products were out and available on the market, but I do not know what really went wrong, because then all of a sudden the company was sold and the new owners did not want to take on any new products, and in the beginning they did not have any energy to it. After that nothing really happened, some products were made but they did not generate that much in sales. We concluded the agreement we had with the company, which was that they were going to pay us royalties per unit sold, since that did not generate any vast amount of money and therefore there was no use to continue. The money was already all gone, and then two years ago it was decided that the corporation was to be closed down and it was then liquidated, and that was that! So, the prod-
Product was launched, and it was available on the market, but actually without being marketed at all by the ones who produced it. The product was sold in small volumes, and the part owner did not show any interest, but I have not gotten the right reasons to why it all ended. Since all the money was already spent, we had no capital to start over with another collaborating company or similar. In my opinion, more effort in trying to market the product and getting it out to the customers, could have been made.

**Interviewer:** What were the major barriers that you encountered in the two processes?

**Interviewee:** The barriers that we encountered in the launch processes, and the major issue was that the partners we chose to do business with did not fulfill their tasks and parts of the agreement. I mean, we invested a lot both money and energy in technology development and the technical aspect of developing the new products, in order to make them work since there are always problems with new product and machine development. We thought that we had good partners that could help us reach the market and get the product out to the customers. The arrangement was that we were going to construct and manufacture the machine and sell it to them, and then we would get royalties on the units sold. This was the arrangement in both launching cases, since we did not have the capacity and resources to produce the products ourselves. We looked into that once now in the latter case, to build a factory and manufacture the products ourselves but we have to have access to the market through companies who are already active and well established there. Unfortunately, in both these cases, the target market was the construction industry, which one can conclude is very conservative when it comes to take on new products and solutions. It is very hard to get through on a market and in a industry like that, which is a shame because the product itself is good and could be used in other industries as well. I mean we had ideas on how to move forward, entering other industries, but as I said, there was not any more money to use, nor any resources to use either. So the product is now down and not available on the market, however, I still believe that the product could be developed into something even better, more material and energy efficient. We think the product could be applicable in other industries, we for instance looked into safety barriers on the roads, energy absorbing safety barriers with lower price and lower weight. And also bars and poles to safety barriers, bars for wildlife fences, packaging, and loading pallets in steel, in addition to products within the automotive industry, so this product could be used in various ways in several industries.
Technically, the product could be launched again considering if we would have the resources for it. In order to be able to manufacture such a product, you need to adjust the product for its specific purpose and its specific usage, which you need to make a specific machine. That machine can be made to be adjustable so that you can use it to make similar products with different purposes. Such a machine costs around 1.5-2 million SEK to develop and build, however, you do not start such a process without knowing the market for it, or without having an agreement with a partner who wants to take part of it and invest in it. So since the corporation was put down, nobody has continuing to work on it.

The problems were encountered late in the launching process, when the product was already launched and introduced to some customers. That was not because people were negative towards the product, it was more because of the industry’s conservatism and unwillingness to take on new products and solutions.

**Interviewer:** Did you expect to encounter any barriers throughout the launch process?

**Interviewee:** No we did not really expect any barriers or problems in the process, I mean I think we should have, in the second case, done some tests constructions and taken small steps at a time, and not moving forward so fast as it did. We should have slowly gained experience and then expanded and move forward as everything slowly evolved. All of a sudden the part-owning company decided that the new product should be at the same price as their other products, not cheaper as it had been before, and by that the customers saw no interest in purchasing the new product since they could purchase the product they have always used for the same price. However, the whole thing went on too fast, and there were not enough resources to keep up with that pace, and eventually everything went just down and it is hard to get back from that a third or a fourth time.

**Interviewer:** How do you think one can prevent the encounter of barriers, or overcome them?

**Interviewee:** Well, it is very much about communication. Open communication and agreeing on how to proceed and what to do. We were very different from the collaborating parties, had different backgrounds and ways of doing things. We were a bit for care-
ful while the other ones had a totally different attitude and way of working. When looking back, we did not really have a unified picture of what needs to be done and how it should be done, thereby everyone kind of acted out separately. There was shared opinions on how things should be done, what actions to take and since it was their job to get the product out, we did not want to bother them or tell them how to do their job. Of course we could say how we wanted things to be done, but since they were the experts in the field of selling and distributing the product we could not control their actions. Marketing of the product, and the market itself were aspects that they knew about, that they had knowledge and experience of, and we did therefore not have that much to say about it. You cannot carry out something that you do not have knowledge and experience of. Nevertheless, they had good incentives they could work on, I mean the new product could help customers save up to 30-40% in material savings and get the product to a lower price than similar products, so they could have attracted a large share of the market.

**Interviewer:** What marketing activities were used in the launch process?

**Interviewee:** I am not completely sure but I think they introduced the product via personal selling, when they had sales meeting they demonstrated the new product. As well as including the product in brochures, news letters and catalogues.

**Interviewer:** Do you think the use of marketing activities could have been helpful in the process of overcoming the barriers?

**Interviewee:** I do not know, maybe. I do not think that more marketing activities would have had a negative impact on the launch, in fact the other way around, since I believe that they could have done more marketing in order to get the product out and to generate more sales. But my own conclusion is that the construction industry is a tricky industry that one should avoid to enter, I am not doing it again. I would rather try to develop a product towards another industry and market instead. I do not know whether or not the launch would have been more successful if things would have been done differently, but I believe that we could have continued to grow and expand if the industry was not as conservative and hesitant towards new products as it was. As I understand it, the constructions workers have a lot to say regarding what material and tools to purchase, and since this product is not a major purchase, the decision of purchase does not need to go up in the organization.
Interview Transcript 5

Interviewer: Indira Ahmicic
Interviewee: Jann Weidermann, Sales Representative, B.B.S i Halmstad AB
Setting: Telephone meeting
Duration: 50 minutes

Interviewer: Could you tell me more about your company and what kind of products you work with?
Interviewee: Our company works as an manufacturers agent for Western Europe producers of bars, wire, sections, strips and tubes, all within different niches within the steel market. We are a small company, with five employees. The company was founded in 1994 and since then we have gone from only working as an agent for metal and steel companies, to also have stockholding.

Interviewer: Have you launched any new products?
Interviewee: As an agent we do not produce our own products, but it is still our job to get them out on the market so yes in a way we have.

Interviewer: Was the product launch successful?
Interviewee: Both yes and no. The products we sell are not unique so there is a big market for them, but when launching, the problem was and still is, that we are a small rather unknown company amongst the end consumers. We are well known in the industry, so usually customers contact bigger companies and they then contact us. The problem with this is that we do not know what, how and why the customer will use the material for and therefore we cannot be a part of the process, use our knowledge and give recommendations that will be most beneficial for the customers. So we got the products on the market but not the extent and to the targets we wanted to reach.

Interviewer: Could you have done anything different in order to influence the outcome?
Interviewee: Well, I’m not really sure, we could have work on better strategies to reach out to the end customer but the problem is that we do not really know how to do it,
Interviewer: Which departments were involved in the process?
Interviewee: Since we are such a small company everyone was involved. I run the promotion tools on the Internet, the website and of course the selling process that involves the customer contact and showing the product. We are three sales representatives that work together, and the CEO who is in charge of bigger ads in newspapers and the decisions of where to promote ourselves when launching and getting the product out on the market.

Interviewer: Did you encounter any barriers when launching products?
Interviewee: The biggest barrier for us is competition and that we are a small company that lack the resources to compete in “the big league”. Since the products we sell are not unique, there are many similar actors on the market, bigger and international companies that have more resources and are more established. We haven’t had any problems internally because everyone within the company is involved in the decisions and actions that are made throughout this process, so the biggest challenge is the external environment, which is hard to influence. This has a lot to do with us being a bit more expensive than our competitors, so you can say that the price is also a barrier but more for our customers. And as mentioned earlier, reaching the right target market has also been a challenge.

Interviewer: What did you do in order to overcome the barriers?
Interviewee: Well, we haven’t yet completely overcome the barriers but to gain more competitive advantage we work on building close relationship with our customers. A satisfied customer is one of the best marketing tools, and they recommend us to others and so on. So we try to strengthen what we already have, to learn more about what is required and then we can reach new customer through that. We do not know exactly how to reach the end-users so we are working on strategies to help that process. When it comes to price we believe that our whole offer is worth the higher price, but we just have to show that to potential customers.

Interviewer: What kind of marketing tools did you use to overcome the barriers?
Interviewee: As mentioned earlier we worked close together with the customers, personal marketing and selling in order to show that we can give them more value in additional service. This is important to show our customers because we want to prove that
our higher price comes with higher quality and service. We also attended Elmia Subcontractor and used online promotion tools, mainly the website and the portal Metal Supply.

**Interviewer:** Do you think the use of marketing activities could have been helpful in the process of overcoming the barriers?

**Interviewee:** Yes absolutely, if we had more resources we could have used more marketing tools but it is also hard to know exactly where to promote the company because it is mostly business-to-business. In the supply industry it is all about big volumes and transactions, so it takes more to reach out to the customer especially since they are usually reaching out and looking for suppliers instead.

**Interviewer:** What marketing activities do you think is most useful in the process of launching new products?

**Interviewee:** The activities we use are mostly online. Our website is the biggest promotion tool, it is regularly updated with pictures and news about our products and business. We are also a part of a network called Metal supply, it is an online portal for companies within the steel and metal industry. On that website we pay for a membership and make a deal with them, where we are able to put up ads, any news and other information on the website so that both other companies and customer can access us from the portal. We also attended the trade show, “Elmia subcontractor”.