The transition towards service-oriented business models: A European survey on capital goods manufacturers

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Abstract

New trends for capital goods manufacturers push towards selling the products usage or performance rather than the product itself. This evolution from traditional business models, based on the product sales, to new service-oriented business models (BMs), has received increasingly attention both in the academic and managerial community. Despite this, a limited application of service offerings has been observed in the capital goods sector. This article reports the results from a survey carried out during the T-REX project, funded by the European Union under the Seventh Framework Programme, and has two objectives: (a) to empirically investigate the way BMs of capital goods companies are configured and (b) to analyse the degree of service orientation of such BMs. Finally, the main challenges for practitioners emerged from the survey are discussed in this article, highlighting directions for future research.

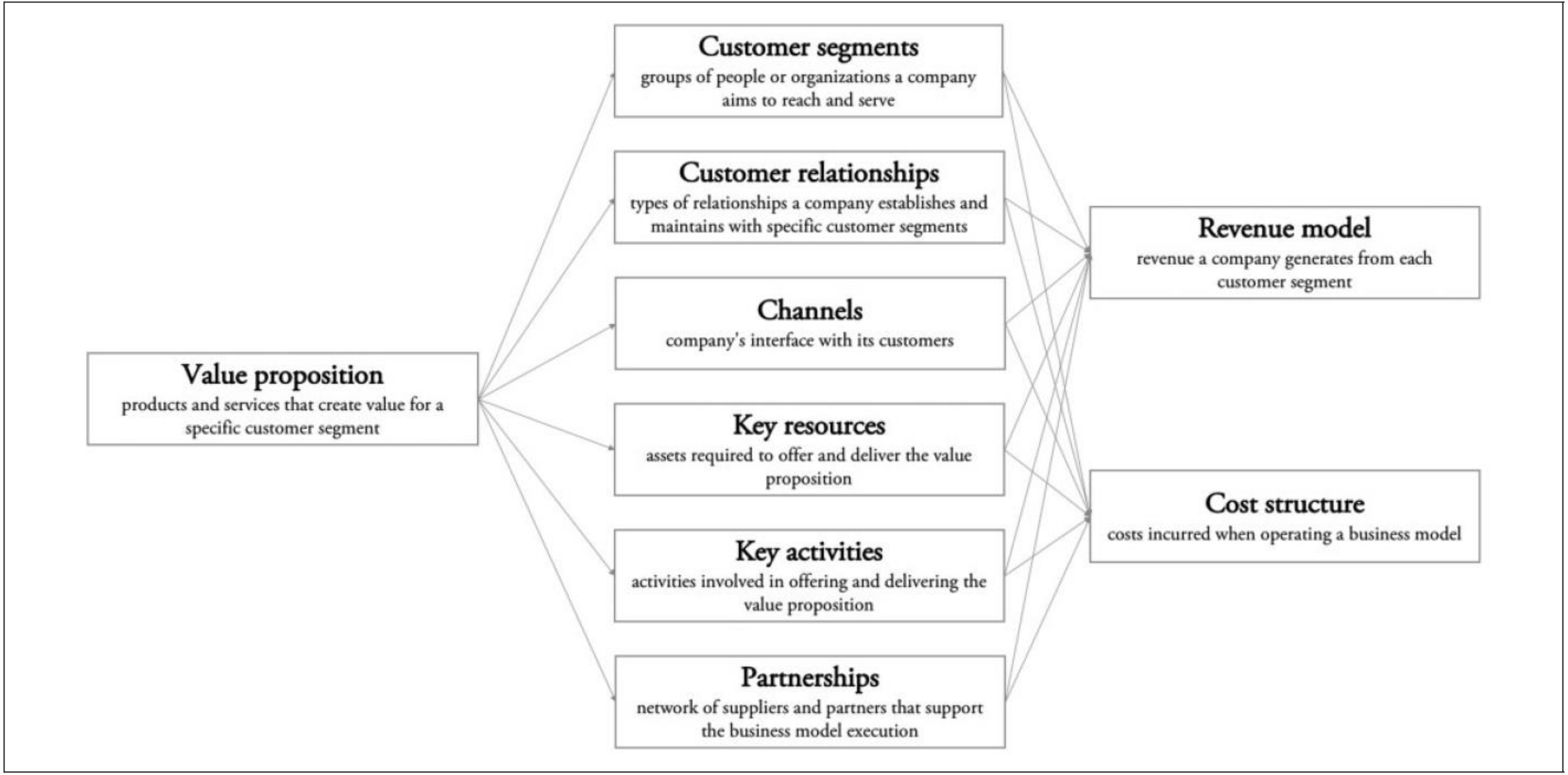

Figure 1. Reference framework.[12]

Value proposition

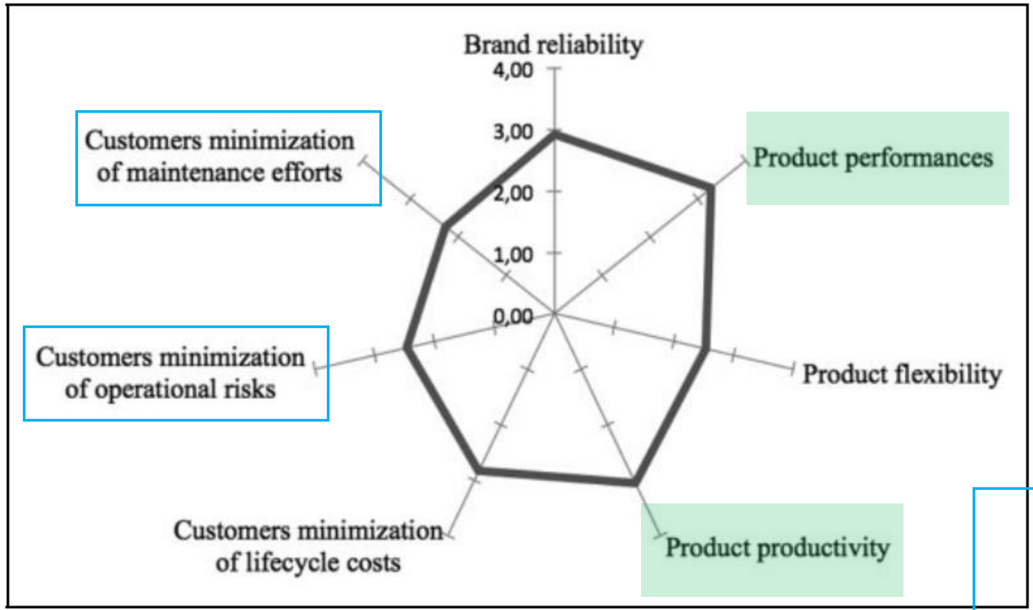

Figure 2. Value attached by customers (0 – *not at all*; 1 – *slightly*; 2 – *moderate*; 3 – *quite high*; and 4 – *extremely high*).

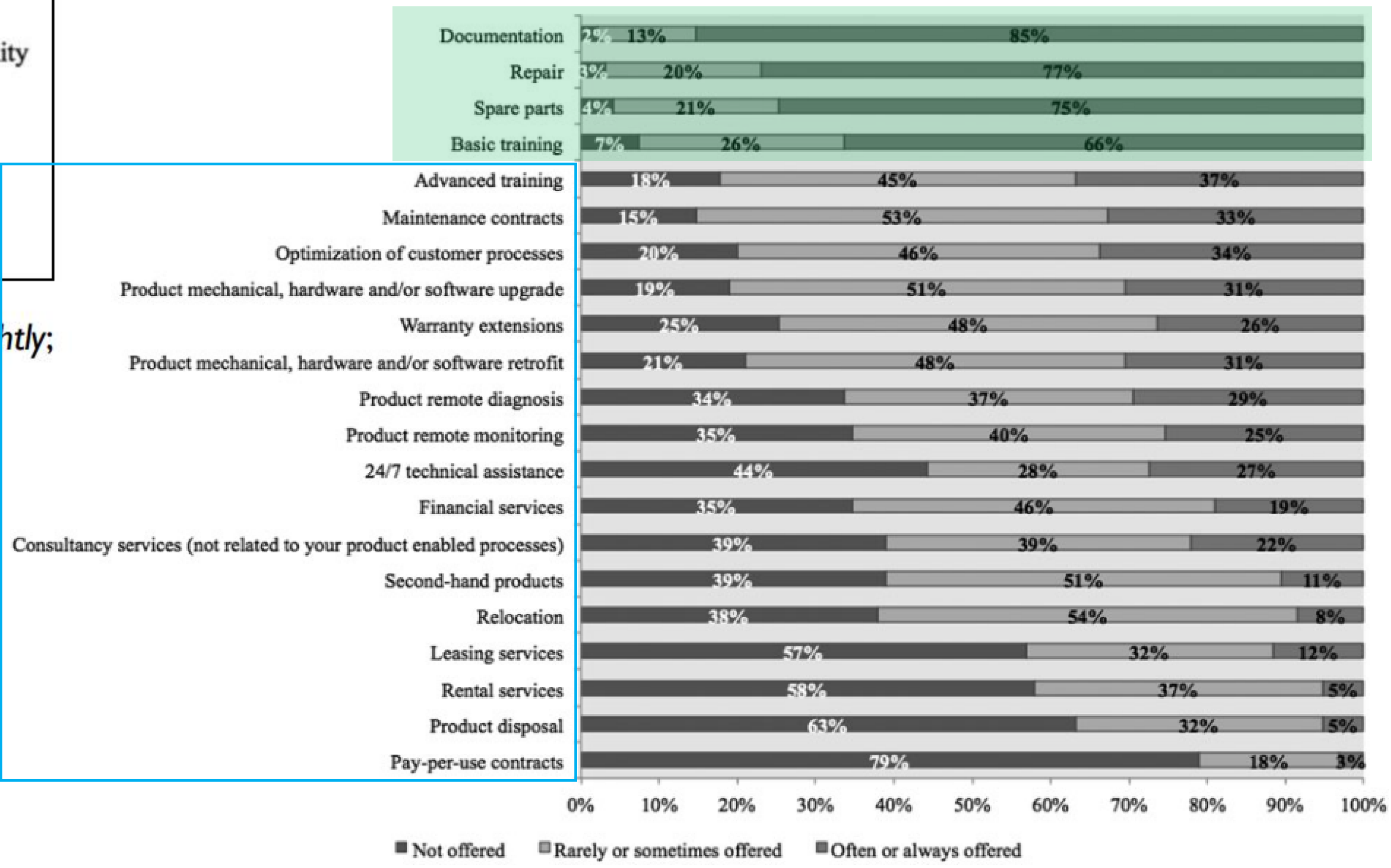

Figure 3. Service portfolio composition.

Customer segments

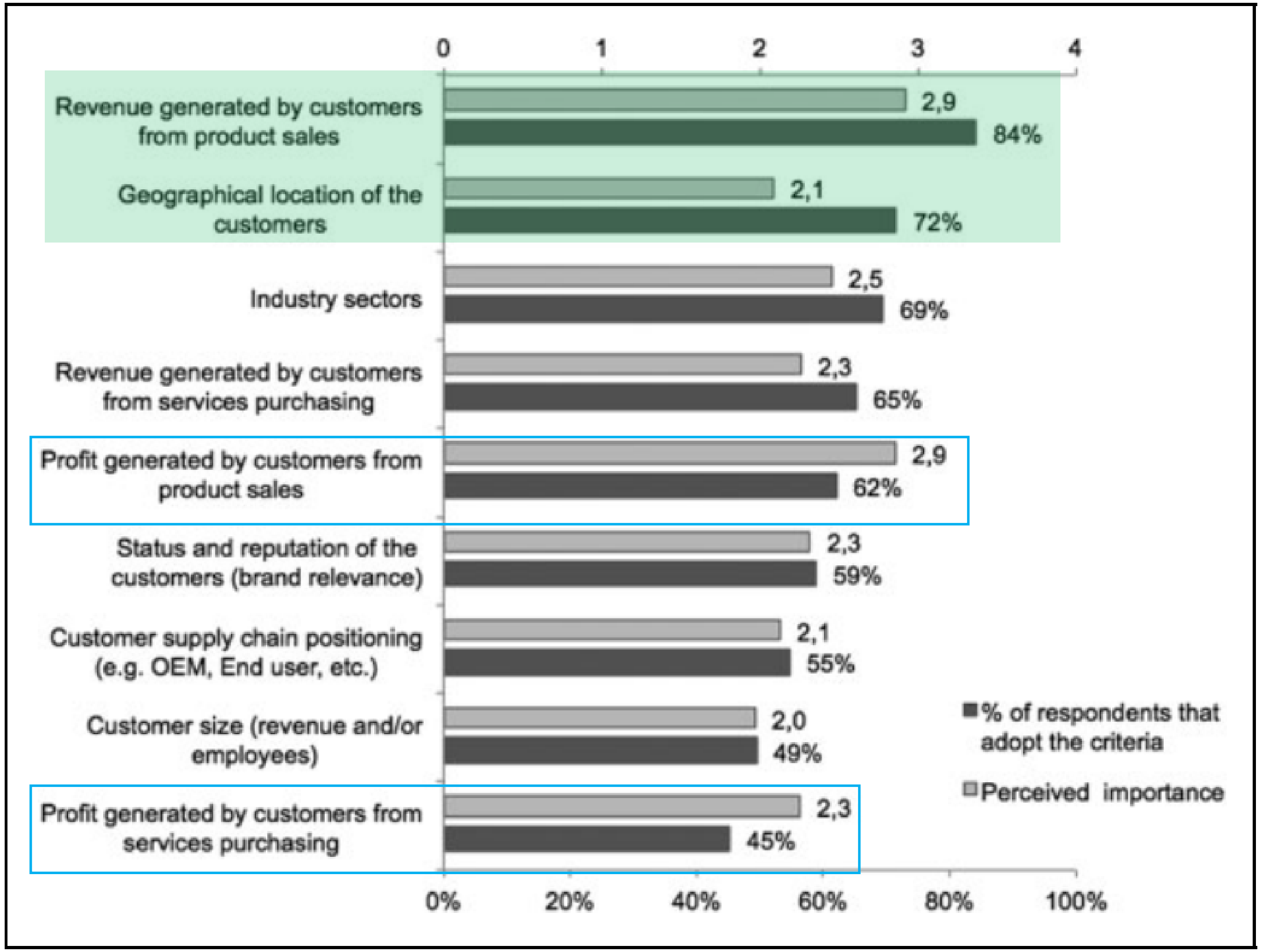

Figure 4. Adoption level versus perceived importance of customer segmentation criteria.

Customer relationships

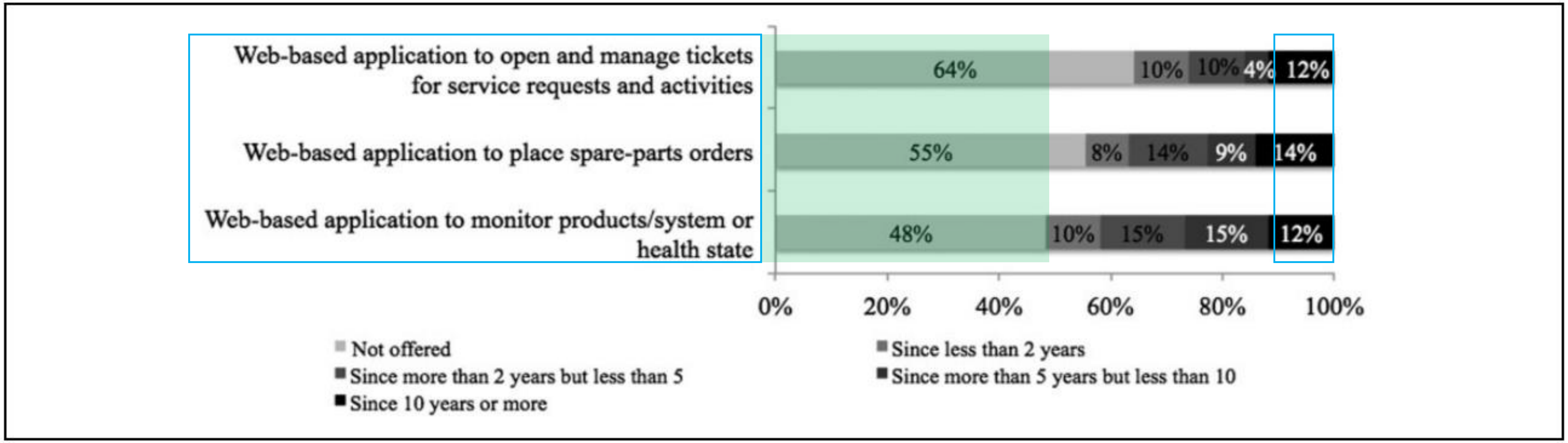

Figure 5. Diffusion of Web-based systems aimed to automatize relationships with customers during the after-sales phase.

Channels

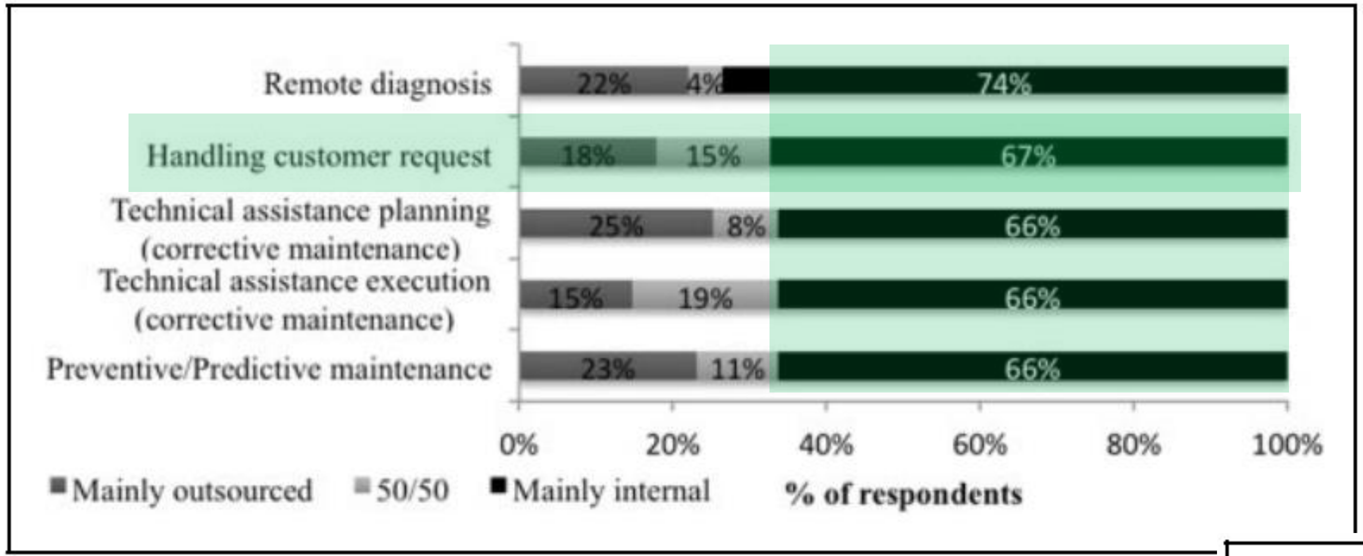

Figure 6. Configuration of after-sales channels.

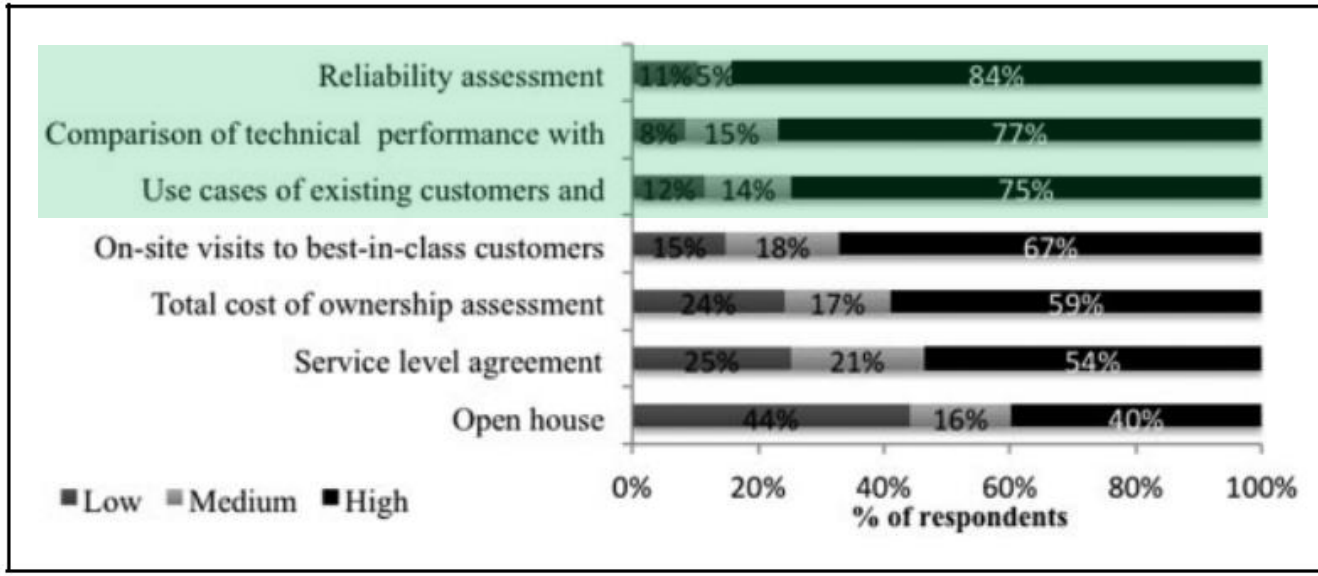

Figure 7. Channels to support customers' offering evaluation, perceived importance.

Key resources

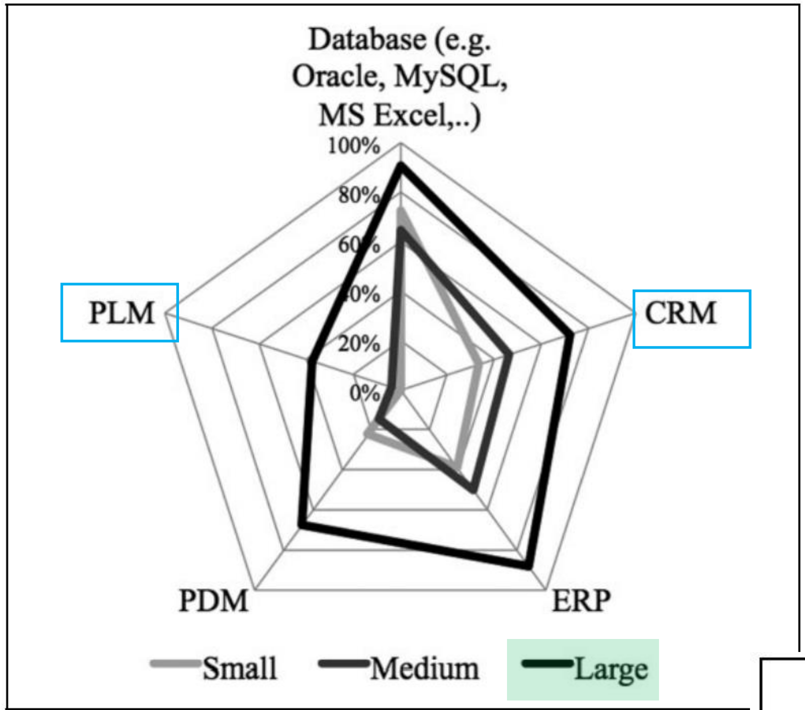

Figure 8. Information systems adoption level across compa
with different sizes.

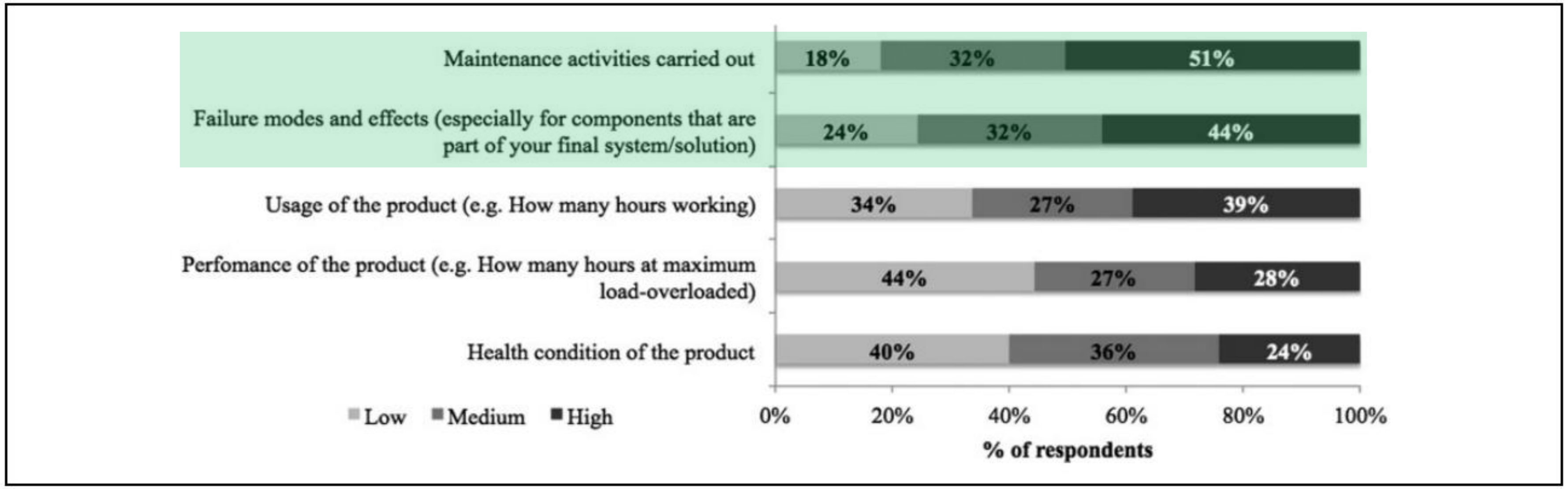

Figure 9. Data collected from the installed base (level of control).

Key activities

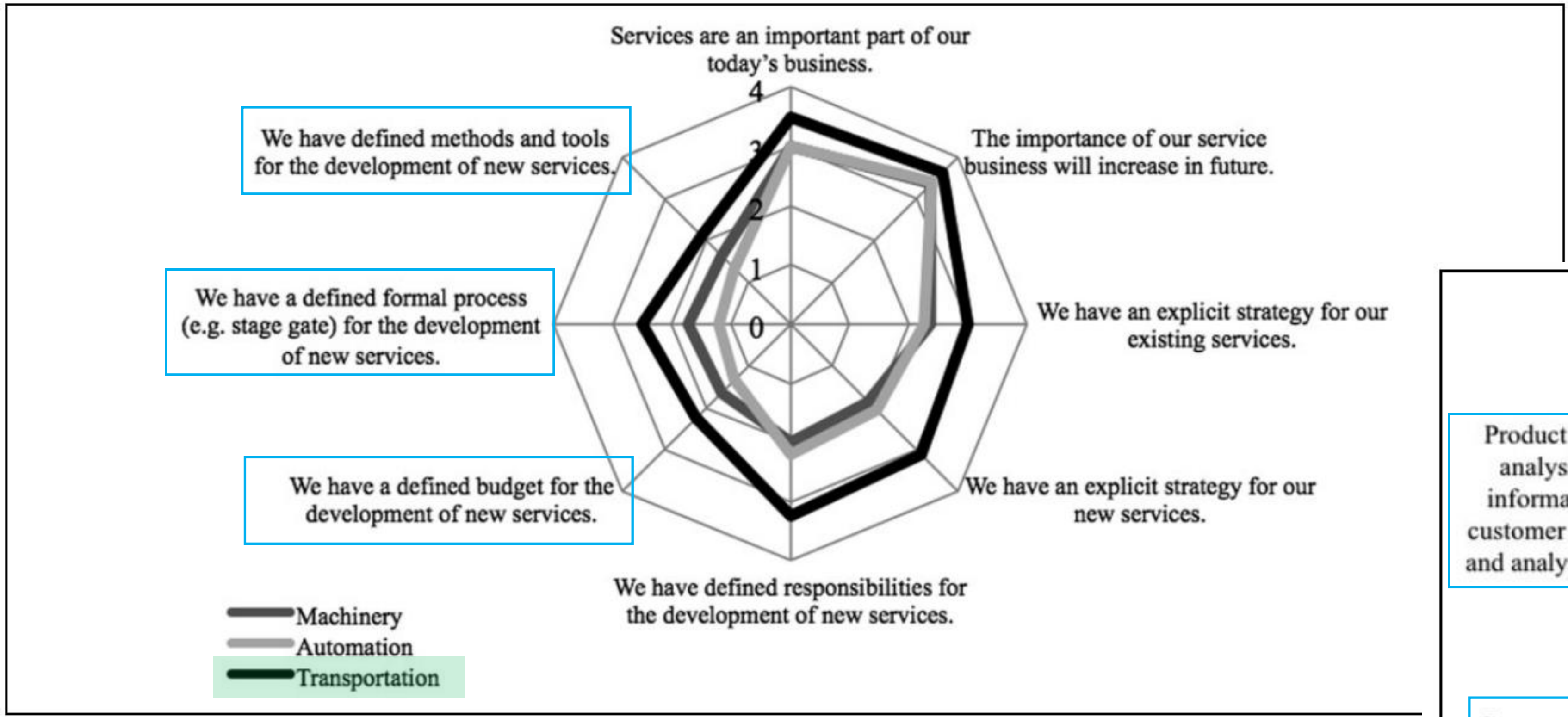

Figure 10. Orientation towards the service business and service engineering practices across industry sectors (0 – *strongly* 4 – *strongly agree*).

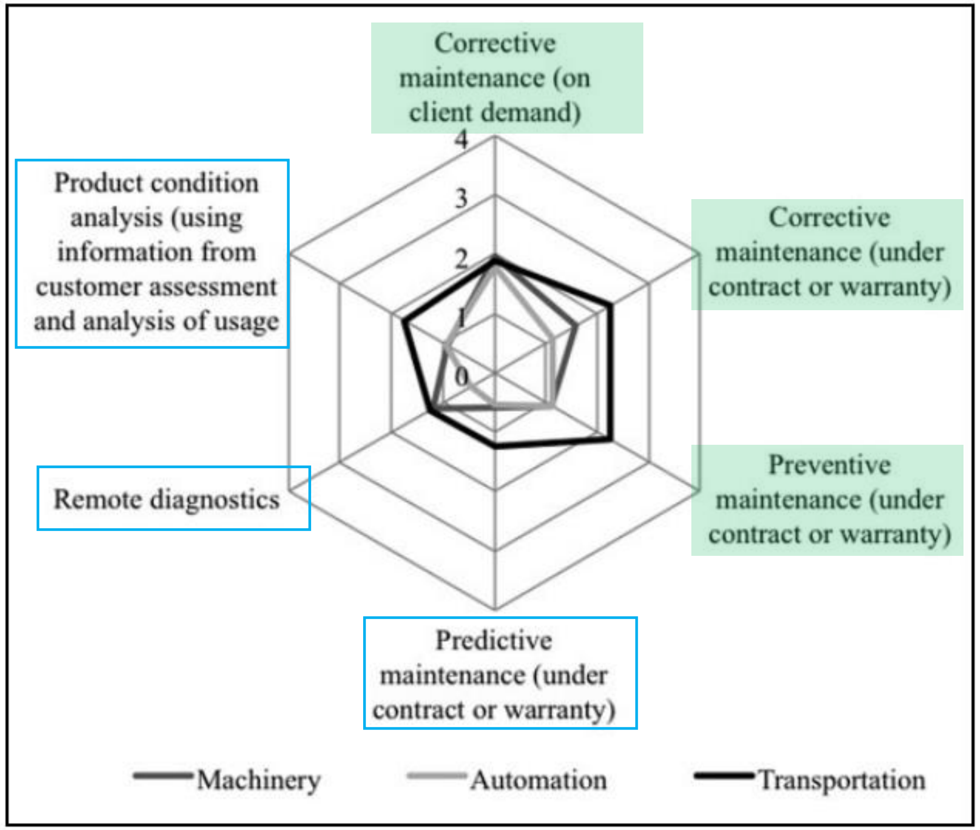

Figure 11. Diffusion of maintenance practices and fleet operation over the installed base. (0 – 0/20%; 1 – 21/40%; 2 – 41/60%; 3 – 61/80%; and 4 – 81/100%).

Paternships

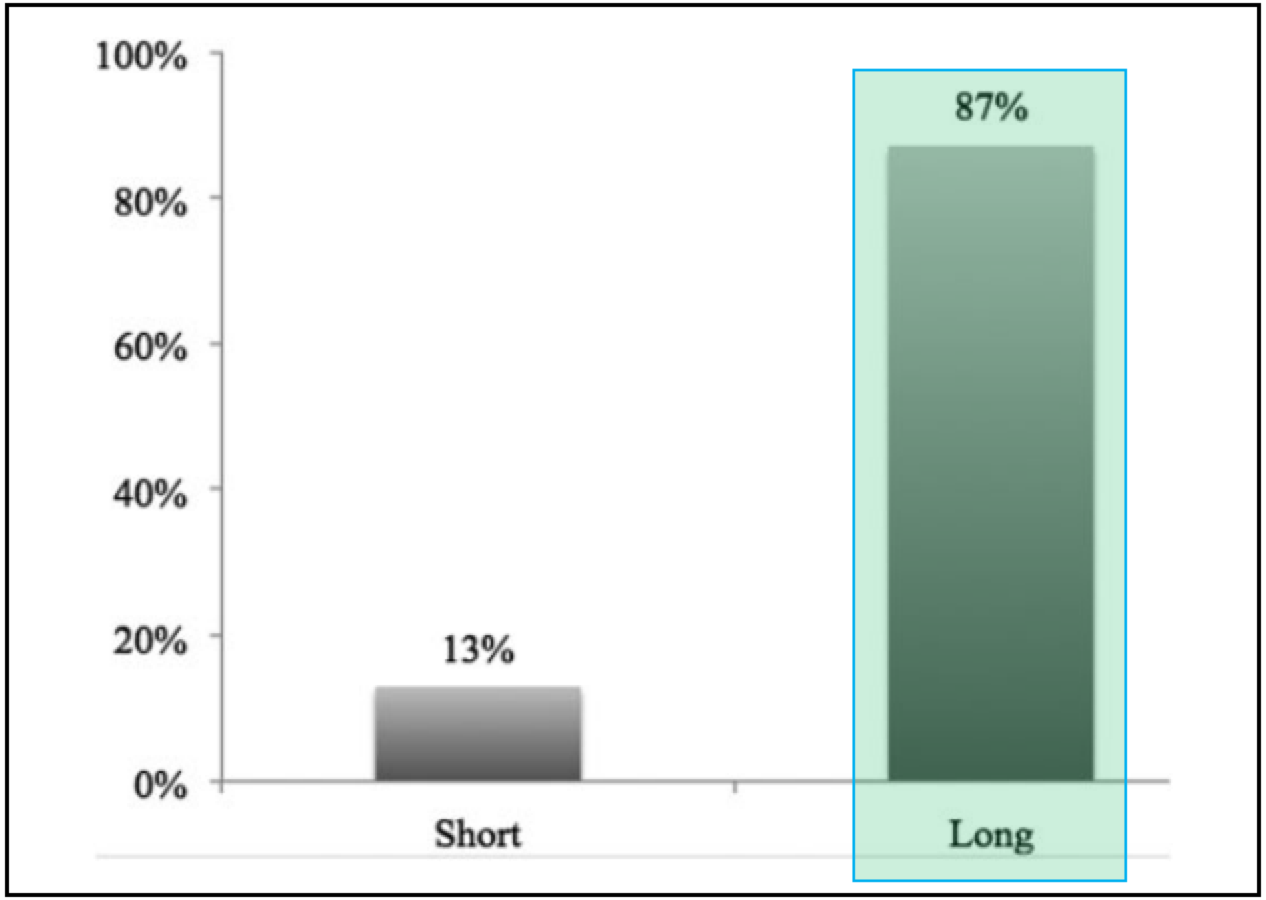

Figure 12. Duration of relationships with suppliers.

Revenue model

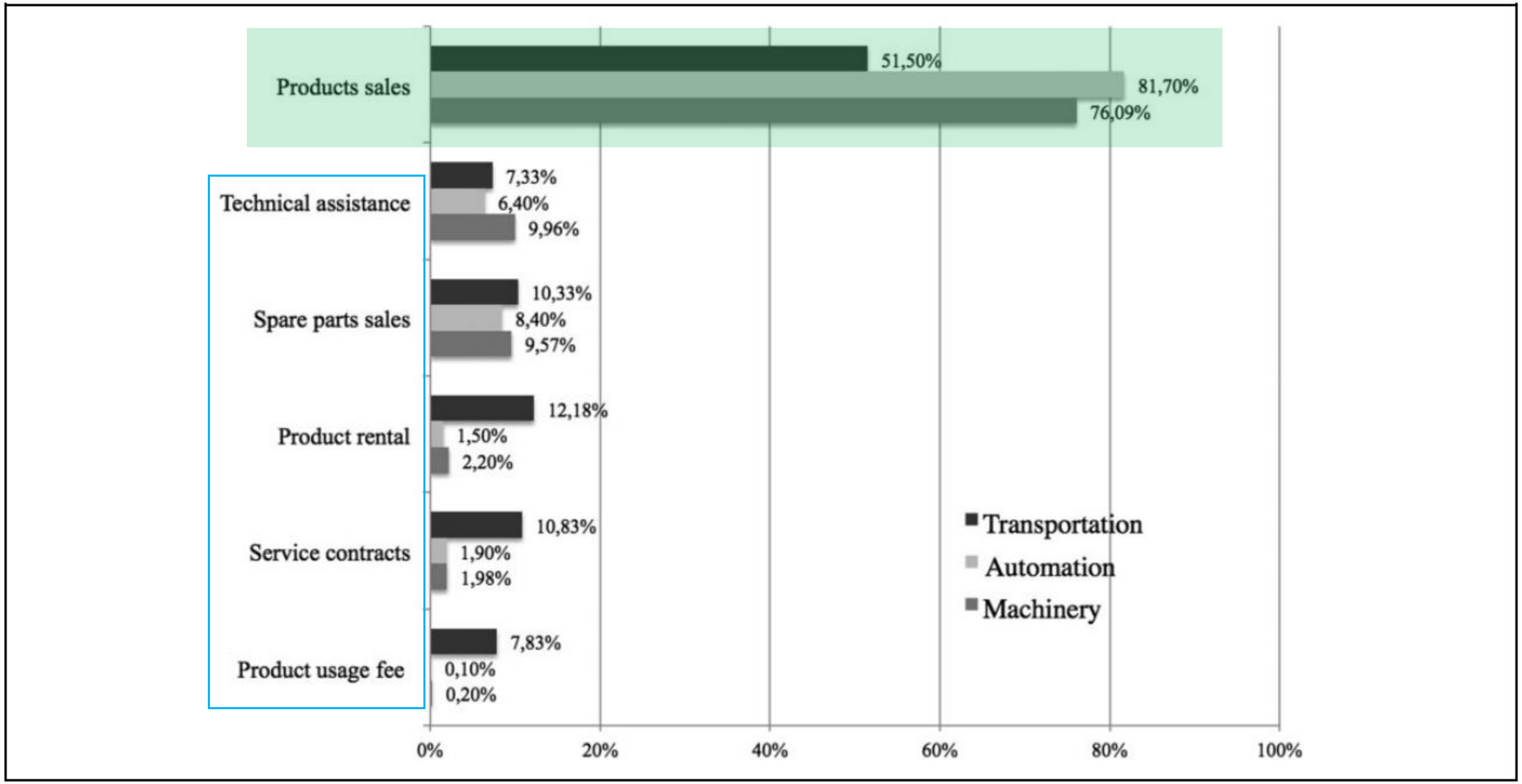

Figure 13. Revenue stream composition across industry sectors.

Cost structure

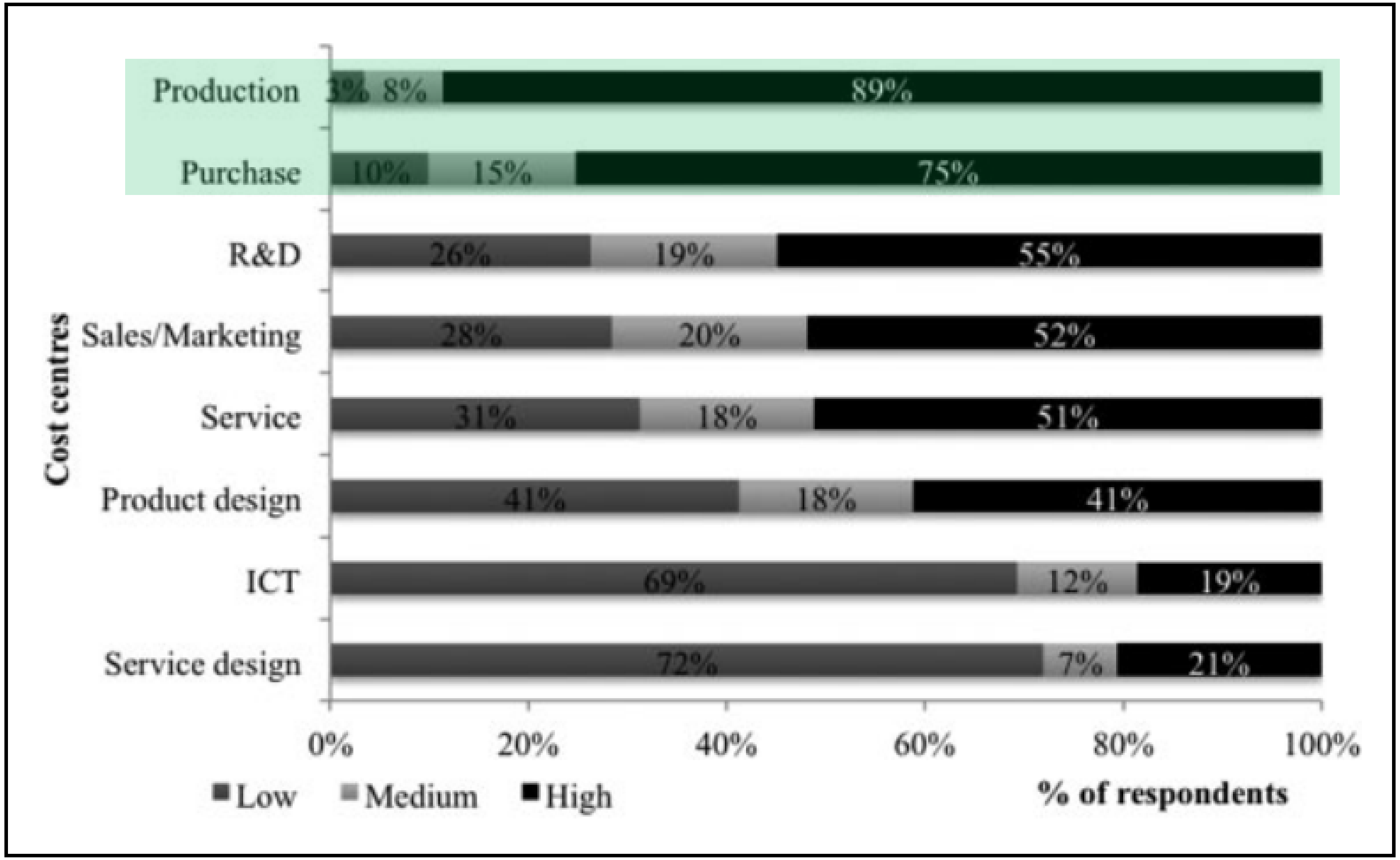

Figure 14. Impact of different companies' function on the cost structure.