

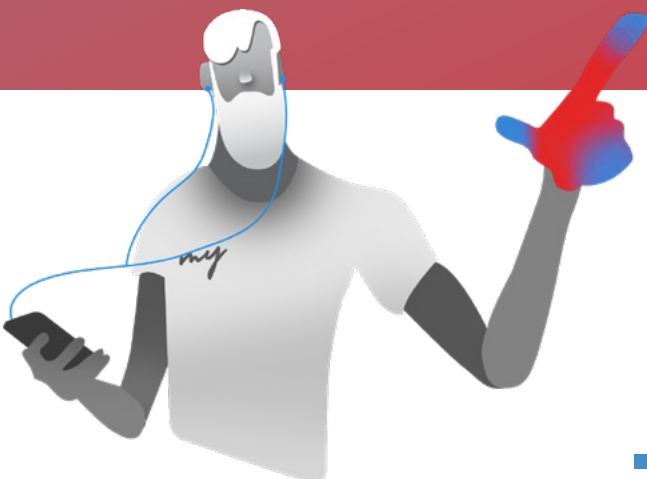
Circular PSS: Increasing Consumer Acceptance through a Rewarding Digital Brand Experience.

A rewarding digital brand experience & strategy to help increase consumer acceptance and engagement towards the circular product service system of washing machines from ASKO.

 TU Delft

gorenje

 ASKO



MSC THESIS BY TILL STACKMANN
STRATEGIC PRODUCT DESIGN
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Executive Summary

Problem:

Gorenje itself as well as its umbrella brand of ASKO are facing a massive challenge within the transition towards a circular economy with their white goods products. Even though the product development as well as the supply chain have been partially evolved to facilitate a circular product service system (PSS), there is still no marketing or branding strategy in place for B2B and B2C markets. One of the key business models Gorenje and ASKO have researched upon is a service model of washing machine under a pay per use (PPU) business model. PPU business models are interesting for Gorenje as it can encourage a more sustainable user behaviour to help make a circular product scheme truly sustainable. However, PPU business models also have negative effects on consumer acceptance towards PSS and can create negative emotional connections towards the brand itself. This has led to the following problem statements for this thesis project.

1. A new approach is needed to increase sustainable user behaviour to make the circular business model noticeably more sustainable than previous linear business models.
2. Consumer acceptance towards a circular PSS is low due to repetitive payments of PPU or lack of knowledge on total cost of ownership.

One of the ways in which consumer acceptance and behaviour can be influenced is through a brand strategy and digital brand experience and this has therefore lead towards the following research question.

“How can the Gorenje Group brand of ASKO develop a future marketing and branding strategy for it’s circular washing machine service model?”

Opportunity:

The current competitive field of ASKO (Miele, Bosch & Nortec) have already entered the market with circular product service systems for washing machines. This shows that ASKO and Gorenje are currently a few steps

behind competition as they currently only beginning the pilot phase with 200 washing machines within 2 operating markets. However, this also marks an opportunity as competitors hardly differentiate from each other. Key competitors currently offer circular products under PPU or leasing business models, but lack differentiation and clear unique selling points. To date, most competitors in the market struggle to offer new experiences with a circular product launch and seem to solely meet the requirements of potential regulations. However, this also offers an opportunity towards ASKO, as they have a chance to reposition their brand towards a broader target market and create new and unique brand experiences which set themselves apart from competition.

Solution:

By firstly introducing a circular PSS of washing machines for B2B markets, MyASKO is a sub-brand and brand extension of ASKO which is targeted towards “aware millennials” who are using shared washing rooms within student accommodations, serviced apartments or communal homes. MyASKO also offers a digital brand experience which is rewarding and gives members the opportunity to proactively contribute towards local & global sustainable initiatives by choosing to wash on sustainable modes. MyASKO members can also actively engage with their local community by joining collective challenges, compete with others in leaderboards and increase their membership levels to receive further rewards. By making the experience more rewarding and engaging with local communities through sustainable initiatives, MyASKO increased the chance to create brand loyalty and potentially keep members for future circular washing machines for the private domestic market.

Conclusion:

Firstly, ASKO stakeholders believe that the branding strategy and digital brand experience should be implemented within the company as it will help to differentiate from the market and potentially increase brand awareness and consumer acceptance in the

Executive Summary & Acknowledgements

future. Participants involved within this study also indicated that the gamification elements within the digital branding strategy will make a PPU shared washing room experience more rewarding compared to existing services.

For ASKO, the proposed branding strategy therefore offers a clear discriminator and new approach to not only help increase consumer acceptance towards a domestic circular PSS, but also help encourage a proactive approach towards sustainable consumer behaviour. This is in line with the brand DNA of ASKO, where sustainability has always played an important role with their roots in Scandinavian values.

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THANK YOU



01

Introduction

This chapter is an introduction to the initial brief, the key stakeholders, the context and the overall project approach.



Chapter 1.1

Introduction

Today, there is a growing pressure on white goods organisations to shift towards more sustainable business model. Within the EU, large household appliances such as washing machines contribute to more than 50% of all e-waste (Eurostat, 2020). It has not only become a challenge to recycle these machines, but also to increase their life expectancy to reduce environmental footprints. In Europe alone, e-waste has become the fastest growing waste source, where less than 40% of materials are being recycled (Eurostat, 2020). Not only does it harm the environment, but it also contains toxic components which can impact those responsible within the recycling process. According to Carrington et al 2021, e-waste can contain harmful chemicals which increase the health risk towards those involved in recycling them. As a result of these threats, the European Union (EU) has introduced new regulations to ensure that materials such as tin, tungsten, tantalum and gold meet the international sourcing standards. In addition, the EU has set itself a target to become a fully circular economy by 2050 to help meet climate neutrality targets. The majority of the current European economy is still linear, only 12% of materials are recycled and brought back to use (Eurostat, 2021). This is also the result of products not having a long lifecycle, adding further pressure to recycling processes.

Inevitably white goods producers such as Gorenje Group will have to shift towards a circular business model for their product portfolios, whether forced or wanted. Consequently, Gorenje Group has initiated the development of white goods products (such as washing machines) with the intention of a longer life cycle and circular business model. Even though several studies have already been made in regards to consumer acceptance and product life cycle assessments (LCA), core decisions still need to be made in regards to the branding and marketing strategy for service models of future circular products. This is challenging especially for Gorenje Group brands of ASKO, Atag and Gorenje itself, as all of them focus on and cover different target markets. This has therefore led to the partnership with TU Delft and specifically for the strategic product design master to help come up with a future branding strategy for the circular service model of washing machine

Project Assignment

Gorenje is one of the largest white goods producers in the European Union and was recently acquired by Hisense, a Chinese multinational white goods and television manufacturer. Under the umbrella of Gorenje Group are 2 global (ASKO and Gorenje) and 6 local brands. Gorenje Group has the ambition to become the world's most design driven white goods producer and has gained the reputation of being a trendsetter and has won multiple prestigious design awards.

The initiation of a circular product portfolio is an innovation that especially for Gorenje Group requires extensive research for its implementation. More research needs to be made particularly into a potential marketing and branding strategy, as both global brands of ASKO and Gorenje focus on two contrary target markets (high-end premium vs. low-mid end). Moreover, as ASKO is currently the first brand to pilot its circular washing machines, this has resulted in an initial brief and research question for a strategic design master project in collaboration with the TU Delft.

“How can the Gorenje Group brand of ASKO develop a future marketing and branding strategy for its circular washing machine service model?”

Project Stakeholders

There are various stakeholders who are taking part in this project both from academic and practical viewpoints. The key stakeholders who are directly involved are a part of the supervisory team. From the perspective of Gorenje Group, the manager of pre-development is the main problem owner of the project. Other stakeholders from global sales management, product marketing and consumer experience from the umbrella brand of ASKO are also involved to help co-create the branding strategy for their circular washing machine service model. From the perspective of the TU Delft, Conny Bakker and Femke De Jonge are involved to share their knowledge on the circular economy and branding strategies.

“The world generated 44.7 million metric tonnes of e-waste and only 20% was recycled properly.”

Jan Huitema, 2017

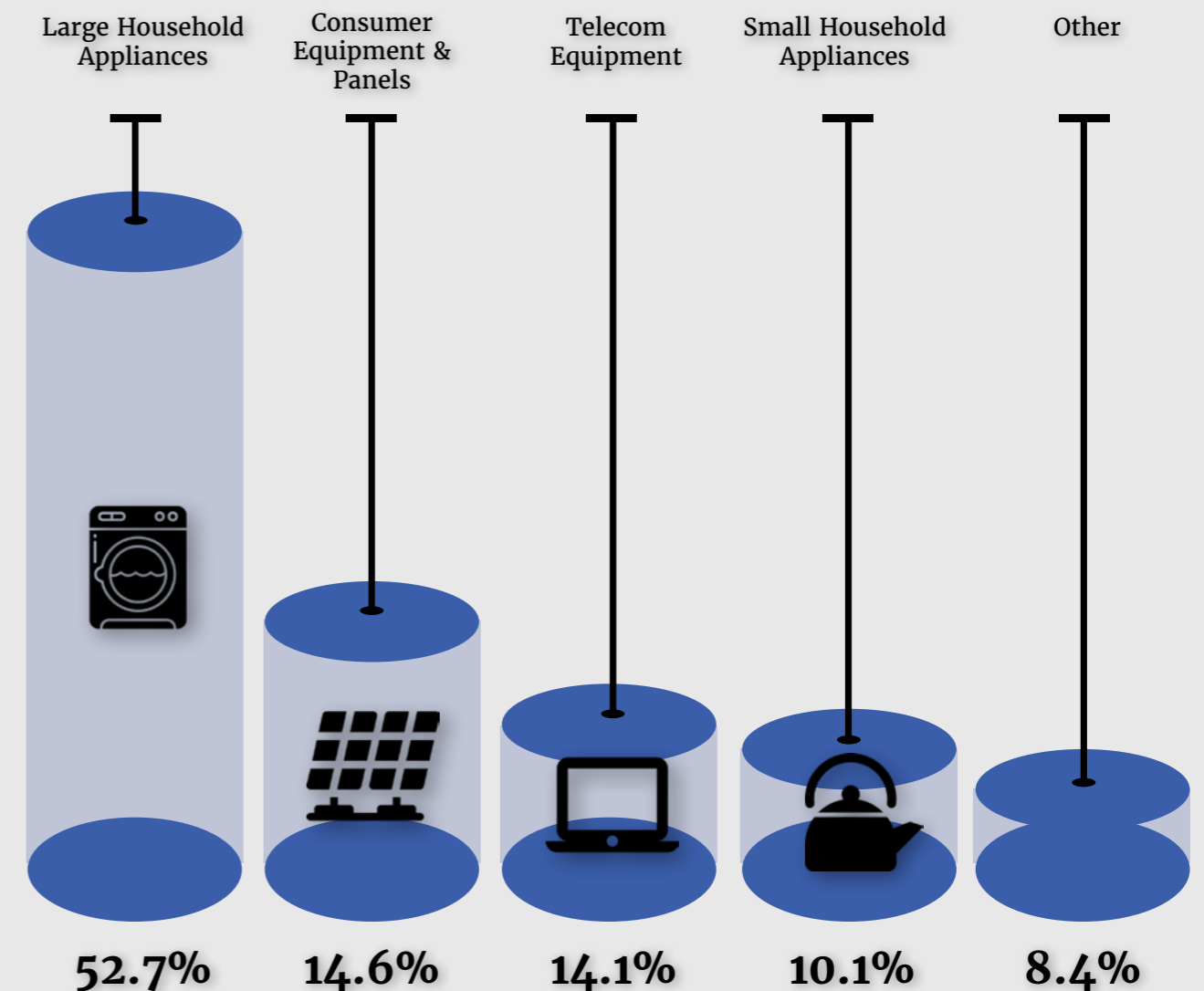


Figure 1: EU E-Waste Contributions (Eurostat, 2020)

Chapter 1.2

Project Approach

The initial brief for this project was to develop a marketing and branding strategy for a future service model which incorporates circular product schemes from Gorenje Group umbrella brands (such as ASKO). However, since the current circular business model and products are still in development, key decisions need to be made specifically towards branding. In order to have an impact on the decision making within the organisation, stakeholders will be involved within short research loops to ensure a co-designing environment. The second part will be dedicated to the design phase. Here, the lean assessment approach will be used to iterate the branding strategy and experience concept internally with stakeholders as well as externally with potential user groups.

To date, Gorenje Group has conducted several European funded research projects (ReCipss) to identify business models and the importance of consumer behaviour on the effectiveness of circular product service systems (PSS). However, the organisations is still lacking strategic decision making in regards to what branding strategies should be used to increase the consumer acceptance towards their PSS. Therefore, this project is an opportunity to co-create a branding strategy with internal stakeholders of Gorenje, ASKO as well as potential users for future implementation. Despite this opportunity, as a result of the COVID-19 crisis, research has its limitations since the majority of it has to be conducted online and physical methods are currently restricted.

This project will use the set-up in the form of a design thinking approach. The design thinking approach is focused on creating a new service or products within short interactive learning loops. Its goal is to identify existing demands from consumers in the market and fill these with the right solution. This approach also allows co-design with internal stakeholders and external users in close development cycles to ensure that the final strategy is a hit and not a miss-branding strategy for a Gorenje Group brand.

Project Scope

For the initial brief of the project, the scope was to focus on the Dutch and Danish markets for the Gorenje Group brand of ASKO. The hardware development of the circular products has already been initiated by ASKO, who are planning to implement a pilot phase with 200 machines within Denmark and The Netherlands. Even though short-term test plans and business cases have been initiated, key decisions still need to be made into

how the circular service models will look like for a long-term rollout within several operating markets. This has therefore led to the following questions:

- 1 **What branding strategy is best suited for circular washing machines ASKO?**
- 2 **What business models for the circular PSS should ASKO focus on in the short and long-term?**
- 3 **How can ASKO increase the consumer acceptance towards their circular PSS of washing machines?**

All these questions will be answered within the discovery phase of the project to scope down the project further with the support of an internal and external analysis.

Personal Motivations

Throughout my career prior to studying at the TU Delft, I have always been interested in designing solutions for a sustainable societal change. These ranged from new mobility solutions to recycled backpack concepts. As much as I enjoyed being part of the executional design process, I had always wanted to be a part of the holistic and strategic decision making process. Design theory and methodologies allow me to have a great foundation in creative problem solving which can be of great importance in finding new approaches to sustainable consumer behaviour. With ASKO still needing to identify a clear branding and marketing strategy for a circular PSS, this allows me to fully express motivation towards having an impact on strategic decision making for a sustainable initiative. My goal is to learn as much as possible, get out of my comfort zone and potentially continue the project after graduation. Gorenje Group is one of Europe's largest white goods manufacturers and it would be an honour to be a part of and have influence in sustainable & societal change.

Chapter 1.3

Design Approach

For this project, the design thinking approach will be used to come up with a final concept design for the brand strategy and potentially a brand experience. According to Siang et al 2009, design thinking can be divided into 5 phases; Emphasize, define, ideate, test and deliver. However, since more research and decisions need to be made, 2 more phases are added; research & frame (see figure 3). At the start of the project, research will initially be made in the form of a literature review through desk research to help define the first emphasizing phase. Moreover, the meetings with internal stakeholders will be made to make key decisions to further frame the scope for the branding strategy and experience.

Research:

During the literature review, discovered topics were discovered through desk research to deepen understanding of the context and potential barriers involved within the PSS of ASKO. Findings from this desk research will be presented to ASKO stakeholders to further scope down the project for further development. The scope and findings can be found within the key take-aways after each chapter of the project.

Empathize:

In order to better understand the context and user values, an external analysis was made. This external analysis included qualitative semi-structured interviews, a more general quantitative survey as well as a competitor analysis. The findings from the external analysis helped to identify:

1. Consumer Acceptance towards circular washing machine business models.
2. Consumer triggers towards sustainable washing behaviours.
3. Market condition for circular washing machine PSS.

After this phase, the first brand framing was created based on the key take-aways from the external analysis. The brand framing is made in collaboration with the internal stakeholders at Gorenje and ASKO.

Define:

For the define stage, an internal analysis was made to understand the background, identity and core strengths of ASKO. This was achieved through the use of desk research, a SWOT analysis as well as internal meetings

with the stakeholders. Especially the meetings with internal stakeholders gave further indications into the innovations currently planned within the organisations which may contribute to the branding strategy in the long-run.

Frame:

The framing phase was added because some of the key take-aways from the research have lead to further choices made by stakeholders in regards to the branding strategy. After each phase, framing was achieved by spoon-feeding information to help make decisions. These framing decisions will be demonstrated after each chapter of this project.

Ideate & Test:

Throughout the ideation phase, first concepts will be presented towards internal stakeholders as well as 6-8 potential users. The feedback and input received from participants will then support the final concept of the branding strategy (DNA, Positioning, Manifestation & Launch Campaign) and brand experience for ASKO. During the test phase, screens from the digital brand experience will be tested with the same participants using the lean assessment method (explained in chapter 8).

Deliver:

The deliver phase of the project will be dedicated to bring all of the research together in the form of a final design for the brand DNA and brand experience which Gorenje can use to kick-start further development within a potential pilot phase.



02

Literature Review

This chapter is the theoretical foundation of the project including a detailed literature review.

Chapter 2.1

Literature Review Approach

APPROACH

In order to get a better understanding of the underlying problems and opportunities ASKO is facing in the shift toward circular business models, a literature review was undertaken. This is done within the context of washing machines and is conducted through desk research on current literature research studies and online articles by entering keywords within search engine platforms.

The literature review is also divided into 1 overarching research question with 2 sub-question to help structure and identify the problem and opportunity space of ASKO.

RESEARCH QUESTION

What are today's key challenges that white goods manufacturers are facing in the transition towards the circular economy?

The purpose of answering this research question is to understand the holistic challenges that white goods producers are facing in the transition from a linear into a circular business model. To answer this research question, previous studies were identified through desk research which have investigated this previously. Most of these studies are based on pay per use and leasing business models for circular washing machines, as learnings of these studies have a direct impact on decisions taken towards the design of a brand experience strategy for ASKO.

SUB-QUESTION 1

What marketing and branding strategies can help to increase consumer acceptance?

Marketing and branding strategies have previously shown that they can not only be used to persuade consumers to purchase a product or service, but also their general attitude and behaviour (Barkett, 2018). The purpose of answering this research question is to identify some of these techniques and strategies which ASKO can utilize to help increase the consumer acceptance and have an influence on their behaviour.

SUB-QUESTION 2

Which target groups are most likely to accept and adapt consumer behaviour towards a PSS?

Even though every consumer will eventually need to become part of a more circular economy, some are more adaptive and open towards this transition in the beginning. For ASKO, it will become important to essentially try to focus on the early adopters. Early adopters are individuals who use a new product or service before others and are more willing to pay for it if it enhances their experience or provides them with other benefits (Kenton, 2021).

Challenges of white goods sector for the Circular Economy

RQ 1

What are today's key challenges that white goods manufacturers are facing in the transition towards the circular economy?

1

Transition from linear to circular model

The transition towards a circular economy from a linear sales model requires extensive changes in the way companies are currently delivering their value chain for the products and services provided. Especially manufacturers of electronic goods need to find ways to improve existing products (product lifecycle) as well as internal and external waste management. When the product's lifecycle is increased for the circular economy, also additional infrastructures are needed for the maintenance, reuse and refurbishments (Gemser, 2013). These processes will require organisations to adapt to new consumption models such as the shift from ownership to a service based subscription.. This means organisations should not merely focus on offering a product portfolio, but an entire product service system (PSS). Product service systems is when an organisation offers value propositions towards consumers which combine both products and services. This requires a shift in consumer behaviour as well, as consumers are primarily focused on the ownership of products rather than renting or sharing (OECD, 2020). However, there are several other challenges which organisations face in relation to supply chain, market competition and consumer behaviour as seen below (Bressanelli, 2018).

Supply Chain Challenges (Bressanelli, 2018):

1. Infrastructure: Transportation infrastructure needs to be set in place in order for the products to be sent back for refurbishment or recycling. This can drastically increase the cost and activities needed for organisations.
2. Coordination and information sharing: With products needed to be refurbished or recycled, information exchange between different supply chain tiers is required

3. Product Traceability: Appropriate IT systems need to be set in place in order to track and trace products in a transparent way for refurbishment and recycling processes. This is specifically relevant in meeting the laws set in place by the EU for the recycling of e-waste components.
4. Cultural Issues: Especially organisations with a linear mindset or history may struggle to overcome internal resistance towards change. This may lead to limited awareness and commitment by management and/or employees.

Market Competition (Bressanelli, 2018):

1. Cannibalisation: Since circular products are designed for longer life cycles, consumers may opt-in for newer products in the long-run. This increases the need of agile software solutions which can be updated over time.
2. Brand Image: If activities such as service of third party (eg. service partners of Gorenje or ASKO) are not done properly, it can have a negative impact on the OEM brand reputation or image.

Consumer Behaviour (Bressanelli, 2018):

1. Careless Behavior: With products being owned and serviced by the OEM, users no longer feel responsible for the products conservation and therefore decrease the lifetime of them.
2. Willingness to Pay: Consumers see PSS as a long-term financial burden under a monthly leasing contract or pay per use (PPU) model in comparison to a linear sales model.
3. Second Hand: Acceptance towards the re-use of second hand machines are low due to a perception of lower reliability or hygiene.

“Cherish the natural world, because you're part of it and you depend on it”

David Attenborough



2

Importance of consumer behaviour in contributing to sustainability

Even though transitioning towards a circular business model could potentially have positive effects on the environment in the long-run, it is not solely the manufacturers who need to change. To assess the effectiveness of a circular business model, a lifecycle assessment (LCA) was created by Steunenber (2020) in collaboration with a global original equipment manufacturer (OEM) of white goods products. The results of the LCA indicated that as a result of the additional supply chain processes (refurbishment, re-use and recycling), the ecological footprint of the circular machines are similar to the machines based on a linear model. Furthermore, the LCA indicated that consumer behaviour will take an important role in making the circular based machines sustainable. To be more specific, consumers need to adapt to a more sustainable user behaviour of the product itself in order to make the circular business model noticeably sustainable. Steunenber indicated that there are 2 main conditions in which a circular business model could become more sustainable.

Conditions:

- Lifetime of the machines are extended (by better repair, refurbishment and multiple use phases).
- Price incentives which encourage users to wash less and at lower or “Eco Modes” during the use phase.

This shows that white goods producers are facing two main challenges in implementing a circular model. Firstly, shifting consumer behaviour from linear ownership models towards circular product service systems. Secondly, encouraging consumers to actively contribute towards sustainability with more eco-conscious washing behaviour. Only by increasing the lifetime of washing machines and by encouraging more eco-friendly washing habits, a circular PPU model can become sustainable (Steunenber, 2020).

3

Answer to RQ1:

There are several themes in which OEMs face challenges within the shift towards a circular PSS. Firstly, as a result of the addition of supply chain processes for the refurbishment, repair and recycling, circular business models are not a lot more sustainable. With the refurbishment and repair of products, more transportation is needed which contributes to additional emissions if the mobility does not shift towards electrification. Furthermore, a shift of the entire supply chain for a circular economy would also mean a shift within the company culture which may be difficult especially for long established organisations. Secondly, consumer acceptance and behaviour plays an important role within the shift of OEMs a circular PSS. Consumers see a monthly lease or a PPU business model as a financial burden. This makes it difficult to shift them from purchasing a product to opt-in in for a service model. Moreover, even if consumers do opt-in, their user behaviour is important not only to maintain the products lifecycle, but also make the circular business model noticeably sustainable.

2.3

Marketing & Branding Strategies for Consumer Acceptance of PSS

SUB RQ 1

What marketing / branding strategies can help increase consumer acceptance?

1

Values Management

One of the core mistakes large organisations tend to make with the introduction of new products or services is that the initial intention to solely make profit. According to *Reary (2014)*, companies who mainly value profit will lack organizational goals. Instead, strategic decisions within companies should focus on creating customer value. Customer value can be classified into two types: (1) Desired value, the desires of the customer (2) Perceived value, what the customer believes they are getting. The key downfall of results oriented companies is that employees have to micro-manage several aspects of a project to ensure profitability, increasing the risk of green-washing (*Reary, 2014*). By connecting on a value base instead, employees will already align their results with their personal values that have an influence on their day to day decision making. Employees are the key connection to end users and they express the values which the companies strategically set out. As a result, this will then align with values of the customer. Based on a study undertaken by (*Reary, 2014*), results indicated that consumers are either more likely to pay more for environmentally friendly products, or that the choice of competitor products will decrease. This is mainly due to the fact that the product aligns with the personal values and emotional connotations of the potential consumer. The only downfall or risk of companies connecting with consumers with values, is that it may increase the cases of green-washing. Previously, some products or services market sustainable benefits even if the product does not fairly represent these claims. To avoid this situation, companies also need to show more transparency in the supply chain or use of the product to gain the trust of current and future users (*Reary, 2014*).

This also aligns with the Golden Circle Theory created by Sinek (2014), which claims that connecting company and customer with a “why” is more powerful than connecting with a “what”. Sinek suggest that connecting with a “what” appeals to the rational mind, whereas connecting with a “why” appeals to the emotional mind.

This has lead to a further concept called the perceived marketplace influence (PMI), which indicates that the customers perceived empowerment is important as his/her feeling of having impact is crated through the purchase of a product or service which aligns on a value level.

For the introduction of circular product schemes, ASKO have the opportunity to align with values of potential customers. For this reason, the branding strategy should focus on values management for company and customers so that employees and end users have the feeling of contributing to a bigger purpose.

2

Effects of Brand Transparency on Brand Integrity

Even though connecting with the consumers with a “why” may be the right way to approach the market, the consumers disregard for marketing claims have increased. This is mainly as a result of the recent scandals in the market such as Volkwagens emission scandal and or Tony Chocolonelys link with a non-ethical chocolate producer. As a study by Edelman indicates, 81% of participants suggested that they must be able to trust the brand to do

the right thing, before purchasing it (*Edelman, 2019*). This can also be referred to as brand integrity, which is “how your consumers perceive your company or brand through its products or services, image and reputation” (*Harvey, 2018*). One of the main aspects which may increase brand integrity over time is providing transparency to the user. Transparency can be referred to as sharing true and correct information in regards to the business operations and the use of the product. Especially with sustainable marketing claims, ASKO must provide transparent information to the user in order to avoid green-washing or the perception of poor brand integrity. According to *Cambier et al 2020*, achieving transparency within the organisation with sustainable topics can additionally lead to consumer empowerment. This is when consumers feel that they have control or are actively contributing to a purpose which aligns with their emotional values.

3

Gamification to Increase Brand Engagement and promote Sustainable Behaviour

An increasingly significant incentive which has gained momentum in the market is gamification (*Guptay, 2016*). Gamification is the incentivisation of peoples engagement in non-game context and activities by using game-style mechanics (such as points systems, timers, badges and leaderboards). Its goal and purpose is to improve user engagement and motivation towards the use of the product or service. This can be done through the use of intrinsic and extrinsic rewards, instead of using solely PPU as an incentive. Below is an overview of what intrinsic and extrinsic rewards could be in the context of a future washing machine experience.

Intrinsic Rewards:

- Reaching Personal Targets
- Reaching Collective Communal Targets
- Receiving Achievement Badges

Extrinsic Rewards:

- Discounts on Detergents, future washes or lease price.
- Sustainable Charity Investments (tree planting or other)

Based on previous research, gamification can also offer the promise to improve challenges related to daily behavioural changes such as mastering new skills, maintaining mental health and most importantly environmentally friendliness. One study by Eisengerich (2019) sponsored by the EU and investigated the impact of gamified connected homes on the energy consumption of households. It showed that based on a number of participants that the overall gas use has decreased by 7%, and electricity by more than 3% (*Eisengerich, 2019*). This study was made using smart homes which included various gamification elements such as activity sharing, goals/targets, rewards and prompts for collective achievements. Even though this is not directly related to a white goods demonstrator, it is still relevant as it can also be used to encourage more eco-friendly washing behaviour for ASKO. Another recent example of a successful gamification experience is the Adidas Run app, which enables users to gain points for each activity that is made. Through the collection of points, users can reach new achievement levels and in return receive special event accessibility as well as product discounts. These are all characteristics which ASKO can use, especially within the environment of PPU shared washing rooms, where digital touchpoints are essential for tenants. With the correct use of storylines, dialogues, avatars and rewards, shared washing room users can engage more for a sustainable future.

4

Consumer Experience for PSS Acceptance

Another way to increase the acceptance of PSS is by offering a unique customer experience (CX) for users. According to *Peccorrari (2021)*, customer experiences are fundamental in a world that is in transition from product orientated to service orientated societies. Creating the right customer experience is important as it can add value to the product or service offered. These can be divided into 2 touch-point groups; the virtual social and the physical environment.

Virtual Social Environment:

The virtual social environment can make an impact in the customer experience. Using communication and technology as a facilitator in the customer experience generation for a PSS. In the case of ASKO, this could be done through a new experience for digital channels (website & application) for booking and using the circular pay per wash washing machines. One of the core advantages of focusing on circular professional washing machines for shared washing rooms

is that these digital platforms are necessary for users. As a result, not a lot of effort needs to be taken to get users to log-in the digital ecosystem so that further data can be generated for ASKO.

Physical Environment:

The physical social experience also contributes to the customer experience through touchpoints such as the in-store displays (mediamarkt or CoolBlue), delivery and installation of machines and the responsiveness of maintenance. However, in the case of professional washing machines for shared PPU rooms, also the washing rooms themselves could add onto the overall customer experience.

Even though it is important and essential to create good customer experiences for both physical and digital touchpoints, these two have to be synchronised. Creating a balanced omnichannel has become increasingly integrated into organisations business models (Briedis, 2020).

5

Customer Relationship Management (CRM)

One of the core benefits of choosing the right combination of virtual and physical touchpoints for customer experience is that organizations can leverage these to create good customer relationship management (CRM). Creating brand loyalty is part of a process of building customer relationships, which controls the interaction with the company (Briedis, 2020). With an integrated omnichannel experience, ASKO has the chance to be more proactive in the sustainable change with the communication channels available to them. Moreover, the more interaction points there are, the higher the chance is to creator brand meaning and emotional connotations with the user.

Brand experience is the experience of consumers in regards to the purchase and consumption with the brand and organisation. It exerts significant direct and indirect effects on customer engagement which is essential for Gorenje and ASKO. However, according to a research study made by Prentice et al 2019, service quality can also have an influence on customer attitudes towards a brand which can improve business profitability. If the service is executed with high quality within all touch-points, this enhances the customers brand experience and can ultimately lead to

an emotional attachment (such as brand loyalty or love). The touch-points can be divided into 3 different phases of consumers (see below).

Phases of Consumption:

- *Pre* - consumers evaluate different alternatives and anticipates the experience with the brand organisation
- *Use* - Encompassing the sensations felt
- *Post* - the memory of the experiences

Within the context of the white goods segment, all three of those phases need thorough attention. For example, clear value propositions towards users will need to be communicated in order to avoid the choice of a key competitor. When Gorenje and ASKO engage with consumers in all three phases consistently well over time, they can form emotional attachment with the brand. As mentioned by Prentice et al 2019, by providing a good brand experience in the long-run, consumers build brand love (extension of loyalty). This is specifically important for ASKO since their main competitor (Miele) has established this over their company history.

6

Answer to Sub-RQ 1:

There are several marketing and branding strategies which can be used to help increase consumer acceptance towards a new business model such as a circular PSS. One of these strategies is to focus primarily on connecting with consumers on an emotional level, aligning with their values instead of appealing to the rational mind with product features. When this is achieved, organisations need to show and demonstrate transparency within their communications and supply chain in order to avoid the misperception of marketing claims. Consumers as well as employees will therefore feel more empowered towards the product or service offered by the organisations as it aligns with their personal interests and values towards a specific topic (such as sustainability or ethics). Another key branding strategy is to create an experience which adds additional value to the product or service offered within virtual and/or physical touchpoints. One of the strategies which specifically can increase consumers' acceptance towards a PSS is the use of gamification elements. Gamification can help to increase the user engagement and motivations towards a brand through the use of extrinsic and intrinsic rewards.

2.4

Target Groups for Circular Product Service Systems (PSS)

SUB RQ 2

Which target group is most likely to accept and adapt consumer behaviour towards a circular PSS?

1

Sustainable Behaviour within Millenials

One of the techniques in which companies can gain traction towards sustainable initiatives is for marketeers to actively engage with tech-savvy and committed young consumers (Keeble, 2013). Millennials (aged between 18-32 years old), believe that their generation holds the key to change the world. Below are some facts which represent the values and beliefs of Millennials today.

Global Facts:

- 84% believe that it is their duty to change the world in relation to global issues. (Keeble, 2013)
- 79% of millennial employees are loyal to companies that care about their affects on the society (Cheng, 2019).
- 66% of consumers (73% of millennials) worldwide believe are willing to pay more for sustainable products (White, 2019).

Since millennials grew up with an online environment, their awareness towards sustainable and ethical issues is higher than many other generations. This also increases their adoption rate towards companies which are more proactive and transparent towards these global issues. Focusing on millennials itself could therefore become an enabler for Gorenje or ASKO to increase the adoption rate towards a circular PSS, if the sustainable benefits are communicated in a transparent manner.

2

Answer to Sub-RQ 2:

In order to help increase the acceptance towards a new circular PSS, organisations need to target the right customer group which is more open towards change. One of the “early adopter” target groups which can specifically become interested for sustainable initiatives such as a circular PSS are millennials. Their awareness towards sustainable and ethical issues are high which makes them feel obliged to create change and have a positive impact towards the environment. However, even though they might be more likely to adapt towards a sustainable initiative such as a circular PSS, the organisations will need to offer transparency in what they do. Millennials are very well informed about what is truly sustainable and what aspects outside of a supply chain could harm the environment.

02

Key Takeaway

Key Takeaway

Based on the literature review, the key takeaway is that sustainable consumer behaviour is needed to make the circular PSS of washing machines truly sustainable. One of the incentives which based on the studies has the capability to increase sustainable behaviour is an adaptive PPU business model. This is where users pay more for washes with higher temperature modes. Even though this may create sustainable consumer behaviour, it is also a key barrier towards the acceptance of a circular PSS. Firstly, within the pre-phase of consumption consumers are less likely to shift from a linear ownership model due to the lack of knowledge on the total cost of ownership.

Secondly, within the use-phase of consumption the repetitive payments of a PPU create a negative emotional connection towards the washing experience. With PPU being an enabler for sustainable behaviour but a barrier for acceptance, new incentives need to be found which can increase the chance of both. Gamification is a potential incentive which can nudge consumers towards sustainable behaviour and help create a more engaging experience for a circular PSS. Moreover, it is important for ASKO to create an engaging experience to create good customer relationship management (CRM) and increase the chance of brand loyalty and/or brand love in the long-term.

Key Assumptions:

Throughout this report, the following assumptions will be used and further investigated through internal and external research with ASKO and end-users.

Assumption 1.1: Main Barrier

→ Key barriers of consumers are related to the lack of knowledge on the total cost of ownership as well as the negative emotional connection PPU business models create towards the washing experience.

Assumption 1.2: Gamification

→ Gamification experiences can be used as a positive nudging tool to help promote more sustainable user behaviour towards washing machines.

Assumption 1.3: Purpose

→ Connecting with the consumer with a “why” (purpose) is more powerful than connecting with a “what” (feature/product) as it connects with them on an emotional level.

Branding Strategy Framing

Use gamification elements to create a new and engaging brand experience strategy for ASKO's circular washing machine PSS.





03

Internal Analysis

This chapter is an internal analysis which investigated the background, identities and positioning of the Gorenje and Asko brands.

3.1

Brief Background, Values & Target Market

Brief Background & History

ASKO is currently one of Gorenje Groups global white goods brands which was founded in 1918 by a Finnish carpenter named Aukusti Asko-Aconius. The company is currently headquartered in Sweden and introduced its first washing machine in 1950. In 2017 ASKO accounted for 12.5% of the total revenue generated from Gorenje Group (1.35 billion). Even though ASKO only contributes to only 5.2% of Gorenje Groups sales volume, their revenue was higher due to the premium positioning in the market. Their main markets are currently the Nordics, Australia and Russia where their brand equities are currently rated the highest whilst they are still growing in European markets such as The Netherlands. Besides producing premium and high quality washing machines, they are also a manufacturer of kitchen appliances. ASKO's strategic target is to become the leading manufacturer within the premium segment within selected markets across the globe (including Australia and the Nordics). Besides the strategic ambitions, below you can find some of the core values of ASKO.



Organisations Key Values:

Premium Quality

- To offer quality appliances (form an function).
- Meeting and exceeding expectations through perfect products and services.
- Meeting demands of target group in design, function, durability and environment.

Scandinavian Design

- Functionality for everyday use with care for the environment.
- Increase the quality of consumers life.
- Craftsmanship and use of natural materials.
- User Friendly
- Timeless design and durable products.

Environment:

- Do everything to preserve the planet we live on.
- Aim to minimize impact on the planet.

The core values of ASKO demonstrate that there is a great foundation on which to build on in regards to the introduction of circular PSS. Firstly, their experience in premium quality can be utilized to ensure a longer life cycle of products. Secondly, their Scandinavian background and ambition to be sustainably active shows that there is already an internal brand meaning which is fully aligned with future sustainable efforts. Further core values from the brand DNA of ASKO will be further discussed on pages 36-37.

TARGET MARKET



“The Aware” Description

In comparison to Gorenje, ASKO focuses more on a high-end target market due to its premium quality products and services. Their current target market are called “the aware”, intellectual and aware professionals who do not see themselves as mainstream and don't not want to be manipulated by advertising. They have lived within or close to large urban environments and are not only concerned regarding sustainability, but also pollution and urbanization. This target group may still be applicable with the introduction of circular washing machines. However, ASKO may need to broaden their target market especially if circular washing machines will be used in shared washing rooms.

Demographics

- Age: 35-65
- Occupation: Lawyer
- Location: Amsterdam
- Personality: Conservative
- Facility: House Owner
- Preference: Ownership

Figure 2: Target Market Future Shared Washing Rooms (April, 2021)

3.2

Internal Meetings Insights

For the internal analysis, meetings with stakeholders within Gorenje and ASKO have been organised. The findings from these meetings have been organised into assumptions which further scope the project. One of the stakeholders mentioned that “there is currently still no detailed business plan in place, which means that some decisions can be co-created throughout the project in regards to the branding strategy”. To help organise and structure the assumptions gathered from the initial meetings at ASKO, they are divided according to the “Golden Circle Theory” created by Simon Sinek. The main goal of this technique is to help describe the company’s purpose (WHY?), how they differentiate (HOW) and what they do to deliver this (WHAT) (Sinek, 2010).

WHY?

Even though the brand has a strong foundation for sustainability, the organisation also has no choice but to introduce and transition towards a circular business model. The European Union has set a clear target to become a fully circular economy by 2050. Consequently, this increases the urge for ASKO to become fully circular in the long-run. Moreover, with the introduction of circular products, ASKO has the chance to shift from currently being passively sustainable, to becoming entirely actively sustainable. In order to fully utilize becoming more active, ASKO stakeholders mentioned that in addition to the circularity, the brand could work with local charities to invest into sustainable initiatives as well as the greenification of local communities.

HOW?

One of ASKO’s core brand values is to be sustainably active and to improve people’s health and well-being the ‘scandinavian way’. This is one of the key reasons why the organisation is shifting towards circular business models, to ensure a sustainable future. This heritage of being sustainably active is one of the core USP’s compared to other brands, who are mainly focused on the functionality of products or the quality of service. Therefore, the introduction of circular products is an opportunity for ASKO to strengthen its core foundation in sustainability. Consequently, the branding strategy should not be focused on a new brand, but on how to extend the current brand of ASKO. Other than the circular washing machines, ASKO is also working in close collaboration with NOPA Nordic, a leading manufacturer specialized in eco-detergents for the auto-dose systems of washing machines.

WHAT?

The first circular washing machines are within the professional segment and targeted towards more intense use such as within communal shared washing rooms. These machines are built of high quality through the use of naturally sourced materials and will mainly operate under a pay per use (PPU) business model for different professional use cases. Other than the quality products, ASKO also offers a “perfect” service experience for partners as well as end-users to minimize downtime of washing machines. The goal of ASKO is to firstly introduce professional washing machines for shared washing rooms and use learnings to help implement circular domestically leased machines for private homes. In order to for ASKO to differentiate from competitors, it is also important not just to introduce circular products into the market, but also offer something “new” in regards to their brand experience. Furthermore, wifi enabled washing machines will enable ASKO to provide more digital touchpoints towards its end-users and partners. Especially with circular machines being built for longer lifecycles, it is important that the brand will stay relevant. Offering more digital touchpoints can help to stay relevant, since the software can be updated over time to not only improve the experience, but also offer new features and/or services.

3.3

Key Strategic Directions based on Meetings

The previous section provided an overview of what the purpose of ASKO currently is and how the organisation is strategically organised for the future using the method of Simon Sinek. Within this section, we could identify that ASKO has the ambition to become sustainably active, but currently do not have enough initiatives to fully support this target. However, there are steps made to truly become sustainably active with the introduction of circular PSS for domestic and professional use.

In addition to the previous section, some of the key strategic directions gathered from the internal meetings have been additionally organised into the themes of strategy and sustainability of ASKO. These assumptions are important as they may have an impact on the circular PSS and therefore also the brand strategy and experience of this project.

Strategic Directions

Direction 1.1

The first circular model which will be piloted and introduced into the market will be for professional use only.

Direction 1.2

The value proposition of the circular products will need to offer something “new” which has not been seen in the market before.

Direction 1.3

Professional machines are typically PPU machines within communal shared washing rooms. This should be the main focus whilst also extending towards other professional use cases (gyms, marine etc.).

Direction 1.4

ASKO will use learnings gather from circular professional PPU washing machines for future Domestic application.

Direction 1.5

A domestic machine will be implemented in the future as a leasing and/or PPU business model.

Direction 1.6

ASKO aims to fix or replace a machine for professional clients within 24 hours, whilst for domestic they could offer within 48 hours.

Sustainability Directions

Direction 2.1

Future potential in replacing plastic packaging with paper packaging which is fully biodegradable.

Direction 2.2

Future potential in implementing filters which prevent micro-fibres of clothes to enter the ocean.

Direction 2.3

Future machines will be wifi-enabled to offer new opportunities in creating new digital brand experiences.

Direction 2.4

ASKO machines have an auto-dosing system for detergents which not only allows the best possible washing result, but can also saves money for the user as it adds the exact amount the user needs.

Assumption 2.5

Future users could potentially support sustainable charities locally when opting in for the circular PPU machines.

Direction 2.6

ASKO is working in collaboration with NopaNordic, a scandinavian detergent manufacturer specialized in eco-friendly detergents, also for auto-dose systems.

Figure 3: Directions from ASKO & Gorenje Group
(April, 2021)

3.4

Strengths, Weaknesses, Opportunities and Threats (SWOT) of ASKO

In the previous section, some of the key strategic assumptions were identified based on internal stakeholder meetings with Gorenje and ASKO. These assumptions indicate that the organisation is taking measures to not only set up a circular business model, but also to offer other sustainable initiatives such as eco-detergents.

Based on meetings with internal stakeholders and desk research, a SWOT analysis was made. The goal of a SWOT analysis is to list down factors which help make a business decision in regards to the brand strategy and experience (Schooley, 2019). These factors include the organisation's current strengths, weaknesses, opportunities and threats (see figure X). The findings from the SWOT analysis will help to identify key threats which need to be overcome and the strengths and opportunities which could be focused upon with the introduction of the circular PSS.

STRENGTHS

70 years of experience within the white goods segment.

Award winning (Red Dot, IF awards) premium products for kitchen and cleaning appliances.

Strong brand foundation in sustainability and responsibility which can be fully utilized with future circular products.

Strong service reputation and experience within the professional segment of washing machines.

WEAKNESSES

Low brand awareness within European markets such as The Netherlands.

Lack of experience in shifting from linear ownership into circular service models.

Low experience within IoT and software development.



Key Takeaway:

The SWOT analysis showed that even though ASKO have a great foundation to deliver durable circular products with longer lifecycles and good service experience, a few weaknesses and threats still need to be overcome. Whilst some key competitors such as Miele and Bosch have been in the market with circular hardware and software service models, ASKO still needs to enter it. However, this also provided ASKO with an advantage as most competitors have similar product and service offerings with almost identical brand strategies. ASKO has the opportunity to enter the market with "something new" and position themselves differently, especially given their foundation in sustainability and care for people's health and wellbeing.

OPPORTUNITIES

Experience with quality and durable products which can be utilized for circular business models.

Competitors do not have a strong foundation in responsibility or sustainability efforts.

Introduction of circular business models are an opportunity to extend the target market towards younger generations as products may be more accessible to them.

THREATS

Competitors have experience with circular washing machine schemes (BlueMovement, WeWash) and can adapt fast to ASKO's innovation or key USP.

Competitors offer more attractive pricing models and make it difficult for ASKO to reach larger audiences.

New entrants into the market who are specialized in software development and digital experiences.

Figure 4: Swot Analysis of ASKO
(May, 2021)

3.5

Brand DNA Of ASKO Tagline, Purpose, Values

In the previous SWOT analysis, some key opportunities and threats were identified which can be used within the brand strategy and experience for ASKO's future circular washing machine schemes.

Within this section, the core an overview of the core brand DNA of ASKO is visualised to pin-point specific foundations that can be integrated into either a new brand or brand extension for the circular PSS. Firstly, the purpose of ASKO is currently "to improve peoples health and wellbeing, the scandinavian way". This purpose will still be relevant for the introduction of circular PSS as it helps to preserve our environment and therefore the health of todays and future generations. Within the personality of ASKO, both being genuine and honest are traits which portray transparency and trust towards future customers and end-users. These traits are important especially in regards to sustainable circular PSS, as the consumers need to trust ASKO that they fully take care of the recycling and refurbishment processes responsibly.

The key takeaway of this is that there is a key foundation of ASKO which can be utilized within the branding strategy of the circular PSS. Therefore, a better strategic move for ASKO is to create a brand extension to strengthen current foundations and increase awareness towards a broader target market.

- PROMISE**
What ASKO as a brand represents to the public.
- PURPOSE**
A guide that helps employees to move in the right direction.
- PERSONALITY**
Communication traits that make the brand memorable.
- BELIEFS**
Emotional values that create meaning and connection with the consumers
- KEY VALUES**
Set of values that act as a USP towards key competitors
- FOUNDATION**
Where ASKO is from and what can be built on.



Figure 5: Brand DNA of ASKO (ASKO, 2020)

03

Key Takeaway

Personal Takeaway

Based on the internal analysis, the key takeaway is that due to the fact that ASKO currently has a foundation in sustainability and wellbeing for its target customers, a brand extension is more suitable rather than the creation of a new brand/corporate venture. Below are some of the main reasons and benefits why a brand extension would be more suited for the introduction of circular PSS at ASKO.

Benefits of Brand Extension (Beverland, 2018):

1. **Initial Brand Awareness is higher (brand recognition)**
→ Less marketing investment is needed, because foundations of ASKO brand can already be used. In markets where ASKO has high brand awareness, this can already be used to increase consumer acceptance
2. **Appeal to new segments**
→ ASKO can use a brand extension to appeal to a new target group. In the case of the circular professional washing machines, this segment could be a younger generation.
3. **Maintain brand relevance, by extending it.**
→ Showcase the brand innovations and increase relevance.
4. **Clarify Brands Meaning**
→ Preserve and clarify specific brand values such as responsibility and experience.

Besides the brand extension, ASKO also has the opportunity to carefully consider the brand and marketing strategy of their circular PSS to ensure that they are one step ahead of competitors and introduce something “new” into the market. This could be achieved through a new digital brand experience using gamification elements as explained in chapter 2. Gamification has not been utilized by competitors yet and could additionally ensure further

opportunities to create more brand engagement with ASKO, especially within markets where brand awareness is not high yet (such as The Netherlands).

However, the core focus of this project’s branding strategy will be targeted towards professional washing machines for shared washing rooms in communal buildings. ASKO wants to firstly learn from professional use cases and use them to for future implementation towards domestic use. This also offers ASKO the opportunity to increase brand awareness with a more younger target group within communal buildings, who could potentially become domestic customers in the future. More about this specific target market for the professional washing machines will be further discussed in chapter 4 (page x).

Below are some of the key assumptions which will be integrated into the branding strategy and experience for ASKO.

Assumption 2.1: Professional Machines

ASKO will focus on professional circular washing machines for shared washing rooms and will utilize learnings for future domestic applications.

Assumption 2.2: Brand Extension

ASKO wants to use awareness of its current brand and use an extension to appeal to new segments and clarify already existing meanings (responsibility).

Assumption 2.3: Relevance of Brand

ASKO is currently one step behind in entering the market, but want to use this opportunity to introduce something “new” and differentiate from competitors.



04

External Analysis

This chapter is an external analysis which includes a 4C analysis of context, consumer, competition and collaborators for professional and domestic segments.



4.1

4C Analysis

Introduction

In the previous chapter, an internal analysis was conducted to pinpoint the strategic position of ASKO and help scope the branding strategy for this project. As mentioned, a brand extension will be made for ASKO in order to increase its brand awareness and clarify brand meaning (responsibility and sustainability). The circular washing machines offer an opportunity to increase the relevance of ASKO as well as introducing something “new” to demonstrate the organization’s innovation capabilities.

Within the external analysis, the 4C analysis will be used in order to better understand the context and consumer within the professional shared washing room market. The 4C analysis, also known as ‘marketing mix’ is typically focuses on 4 important factors to focus on when developing or analyzing a marketing strategy (Pratt, 2020). For the purpose of this project, only 3 of these factors will be investigated (context, competition, customer) within the external analysis, because the fourth factor (company) has already been analysed within the internal analysis. Below, each of the other 3 factors are briefly explained based on the theory of Pratt et al 2020.

Context:

- This is the context in which the company in operating in and is most commonly analyzed using the PESTEL method. The PESTEL method includes research into the political, economical, social, technological, environmental and legal environments (CFI, 2020).

Competition:

- Companies that will be operating in the same industry. These can be direct, indirect or far competitors.

Customer:

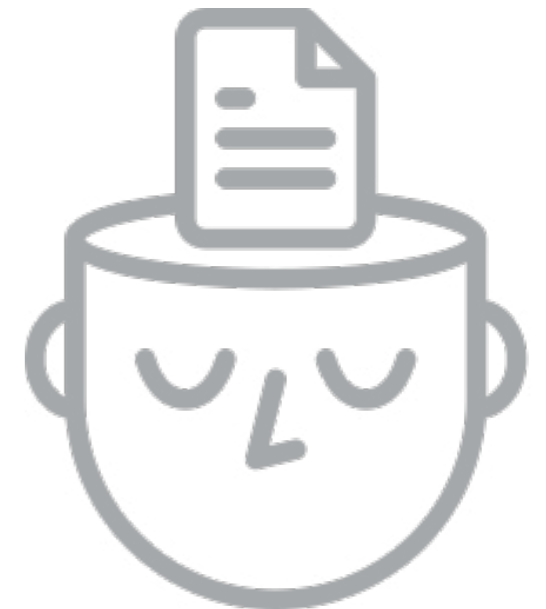
- The group of customer that can be reached with the circular PSS. In ASKO's case for the introduction of professional machines, these will be target groups within student accommodations, serviced apartments and communal homes.



Within the context section of the 4C analysis, the PESTEL method was going to be used. However, since some of the themes (Political, Environmental & Legal) have been previously covered within this report, only economical and social themes will be used. These themes are mainly done through desk research, specifically investigating topics relevant towards the professional shared washing room segment.

Economical:

As mentioned previously, shared washing rooms are most commonly used within serviced apartments (corporate housing and aparthotels). In 2017, 27 main providers were creating a supply of 3,500 serviced apartments in the Netherlands, 56% of which are located in the main metropolitan area of Amsterdam. In addition to the supply in 2018, another new 900 apartments were planned to be built by 2020 (Hoogendoorn, 2018). On the contrary, the student housing market is a lot bigger as the percentage of international students within the Netherlands is continuously growing (Savills, 2020). This has led to an overall shortage of student housing of 17,300, which is expected to grow to 32,000 in the coming 7 years based on the construction projects currently in the pipeline (SOURCE). This will increase the demand of new constructions and increase the chance for ASKO to play a major role in providing their “new” shared washing experience with new partners.





4.2

4C Analysis

It is obvious that for student housing, the most common tenants are bachelor or master students who are enrolled at a university in the Netherlands (local and international). However, for serviced apartments and aparthotels the tenants can vary. Below is an overview of the potential tenants provided by Savills (2018).

Typical Tenants Serviced Apartments:

- Corporate trainees, staff and management who are assigned international projects.
- Diplomats, military who are stationed away from Homes.
- New Employees who need temporary housing until a permanent residence is found.
- Business travellers.
- Private guest who need accreditation after a disaster.

This demonstrates that there is a range in age groups which could potentially be using shared washing rooms. However, because millennials are predicted to have become the most dominant workforce on the planet (Gale, 2019), they will be considered to be the dominant tenants and end-users of shared washing rooms. Furthermore, this also gives ASKO the opportunity to increase their brand awareness towards a younger generation, one which they have not previously targeted with their high-end premium product portfolio.

Consumer Graphic

Serviced Apartment Tenants

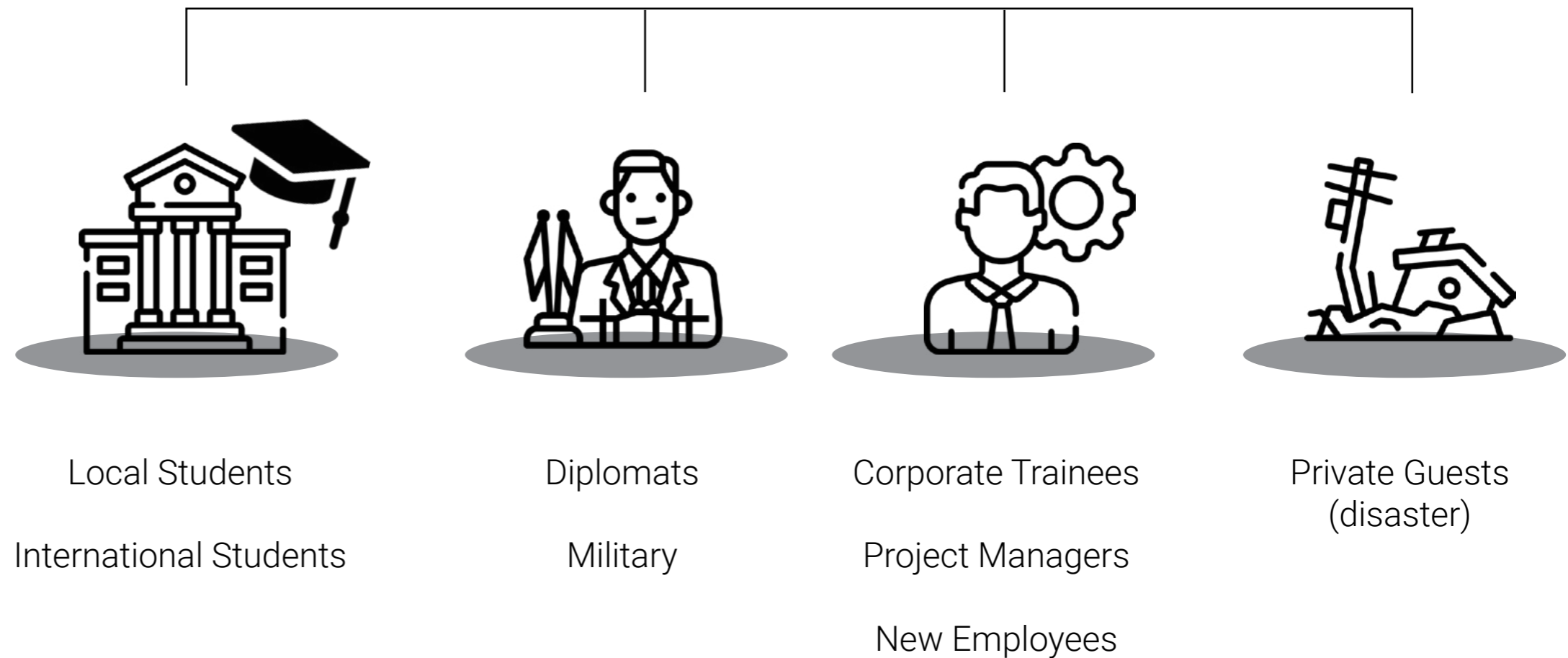


Figure 6: Consumer Group, Serviced Apartments
(Savills, 2020)

4.3

4C Analysis

In the previous chapter, an internal analysis was conducted to pinpoint the strategic position of ASKO and help scope the branding strategy for this project. As mentioned, a brand extension will be made for ASKO in order to increase its brand awareness and clarify brand meaning (responsibility and sustainability). The circular washing machines offer an opportunity to increase the relevance of ASKO as well as introducing something “new” to demonstrate the organization’s innovation capabilities.

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Competition

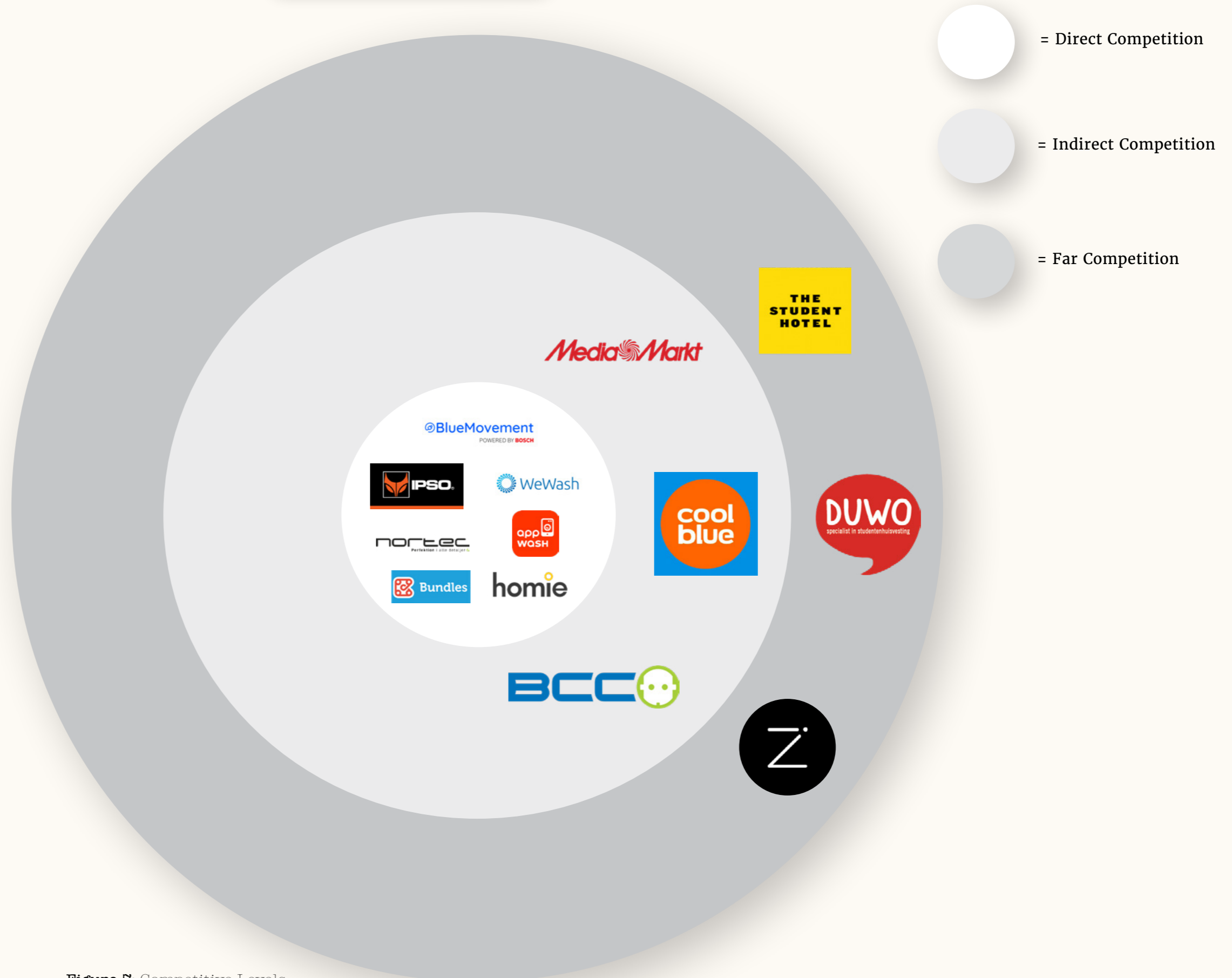




Figure 7: Competitive Levels
(May, 2021)

Key Competitors

 = Professional
 = Domestic

4.4

4C Analysis

Key Competitor 1 – NORTEC:

Nortec is a family owned company which was established in 1988. Initially, the family owned business was servicing laundry machines as a core competence. However, after having gained experience over several years, they also started to offer sales and rental of their own professional washing machines. Currently they are offering 3 different business models for their washing machines; Purchase, Rent and Total Solution (PPU). Customers have the flexibility in choosing, if they don't want to focus their business on washing machines, they can opt-in for the total solution. The total solution is a pay per use model, where Nortec provides the machines for free but is the owner of the pay per use cash flows. Whilst offering hardware, Nortec also provides a digital app which enables users to reserve machines, pay digitally and get notified when a wash is finished. The digital App is extremely user friendly and offers users with an overview of real-time statuses of washing machine washes. This allows users to check the availability of machines in the short-run in case they have not booked or reserved in advance. It also indicates the Nortec is already capable of showing real-time data towards customers and therefore is a threat in the long-run for gamification.

Key Competitor 2 – Elekrulux:

Electrolux is a Swedish appliance maker and currently ranked the second largest in the world,

with brands such as Whirlpool, Zanussi and AEG. It is one of the main competitors, as it not only offers high quality professional machines, but also has a strong scandinavian DNA with similar values to ASKO. Their key message is to be sustainable at heart, whilst being a leader in designing fully integrated solutions, low lifecycle costs and good service. Electrolux currently showcases a self-service laundry concept on their website which has a significant focus on providing an eco-friendly solution. In addition to the hardware, electrolux also offers a management software for professionals, which enables mechanics to track the state of machines, provide preventive maintenance and ensure maximum uptime for customers.

Key Competitor 3 – WeWash:

WeWash is a part of the BOSCH Group and is the market leader for communal laundries with digital booking and paying systems. Their current customers include student accommodations, services apartments, micro apartments, property managers and private social housing sectors. Their solution is already installed over 3000 times and has over 60000 users. As a result, this makes them one of the key competitors, even if they are not yet established in the Nordic countries. By using the strength of Bosch, WeWash has a lot of power to offer attractive prices and convince potential partners based on their brand reputation. Besides offering hardware and software for communal washing rooms, companies also have the choice in retrofitting existing washing rooms with WeWashes digital billing software. This allows

WeWash to also gain data on external washing machine brands (such as Miele, AEG & Electrolux) for additional knowledge.

The revenue model differs depending if the partner chooses to opt-in for the software or the entire washing room. When choosing the software solely, WeWash receives 20% of the PPU price the partner decides to set. If the Partner chooses both software and machines, WeWash receives 80% of the revenue and 100% if fully maintained and cleaned. Since WeWash already has a large user community (60k), they can be a threat when trying to adapt to a potential gamification platform which ASKO could implement. With a large established customer base, it is easier to have a greater impact on supporting charities and creating communities within shared washing rooms.

Key Competitor 4 – AppWash:

AppWash is a software app for users to pay for and reserve a washing machine. It is mainly a competitor within the competition layer 1 because it is powered by Miele. Miele is one of the most well known brands for washing machines and also offers a professional line for shared washing rooms. AppWash is their all-in-one digital platform which connects entire washing rooms. Besides only providing the machines, AppWash will also take over the maintenance to ensure consistent uptime. Their key strategy is to provide full transparency to operators and ease of use towards end-users.

Key Competitor 5 – Homie:

Homie is currently PSS for washing machines which operates on a pure pay per use business model. Even though it may seem like this at first sight, they do have a minimum use limit. Potential customers can either choose between a low (15 cycles per month), high (20 cycles per month) or extreme (25 cycles per month) usage package. Low use packages have a fixed monthly price of 12,75EUR, whilst high and extreme use packages have a fixed monthly price of 19,50EUR (see figure x). This gives an indication that a pure PPU model may not be profitable for Homie, as some users may not wash enough on a monthly basis. In addition, by charging higher amounts for hotter non-eco modes, Homie is trying to encourage a more sustainable washing behaviour which has been proven in a study previously (SOURCE).

Key Competitor 6 – BlueMovement:

The BlueMovement on the contrary offers consumers fixed lease contracts of either 3 months, 1 year or 6 years. The prices will differ depending on which machines the consumer chooses. The choices include either a classic mid-end or a premium high-end machine at a new or refurbished state. The prices range from 12,99EUR to 60,00EUR depending on the contract chosen (see figure x). Premium machines offered at the Blue Movement have a similar sales price to current domestic ASKO machines. ASKO could therefore offer their future circular domestic machines at similar leasing price contracts.

Key Takeaway

Key Competitor 7 – Bundles:

Bundles is a dutch start-up which was established in 2014 and are currently offering a range of products as a service. Bundles ambition is to initiate and create a systemic change towards a circular economy by offering highly valued experiences towards their users. Their current target markets include urban households, who they attract with value propositions such as low purchase investments, sustainability and worry free ownership. Bundles currently operates under a hybrid business model of a fixed monthly lease and additional pay per use. Miele is the Bundles partner for providing premium washing machines, whilst bundles offers the software & service around the product. This has proven to be a successful concept, with 2000 washing machines having been installed already by 2019.

Conjoint Analysis Bloom & bundles (Nahar, 2018)

1. 63% of Bundles customers are <45.
2. People aged between 46-55 are least likely to go for a PPW subscription.
3. Sustainability was not most important value when choosing Bundles. →Sustainability is however not fully communicated on Bundles channels.
4. Flexibility is the most common argument (36%) for people aged below 35. This is also in line with the insights gained from the survey and interviews with current pay per use users.

Key Takeaway – Competition

The competition analysis shows that ASKO will have various competitors within both the domestic and professional segments. Firstly, in the professional segment companies like WeWash, AppWash and Nortec

have a lot of experience in a circular PSS for shared washing rooms. All of these companies do not only provide hardware, but also software applications in order to offer a smooth transition between digital and physical touchpoints. Moreover, WeWash is also capable of retrofitting existing washing rooms with their software, if potential partners do not need new machines. This shows that they have in-house knowledge on software development and have access to data from other washing machine manufacturers. WeWash is therefore not only a threat, but could also be a barrier to entry if they provide software at shared washing rooms that ASKO would consider as potential partners. Within the professional shared washing room segment, this means that ASKO will need to provide competitive hardware and software in order to be able to fully compete.

If ASKO wants to provide something “new”, there is an opportunity within marketing and branding to become more proactively sustainable. Most of the current competitors are currently passively sustainable by offering the products and services, but do not fully use the circular movement to their advantage. Similar assumptions can be made towards the domestic market, with competitors such as Bundles, Homie and The BlueMovement. All 3 core competitors offer different business models (PPU, subscription based or combination of both) and communicate the sustainable benefits, but do not offer anything “new” which may help customers see the added value of changing towards a circular service model. Therefore it may be more difficult for ASKO to overcome the consumer acceptance barrier of a “long-term financial burden” if not many new added values are offered towards consumers.

Personal Takeaway

Based on the external analysis, a few personal takeaways can be made. Firstly, shared washing rooms are most commonly used within student accommodations, serviced apartments and communal homes. Student homes could be one of the largest markets for ASKO to enter, where new constructions are needed to keep up with rising international students as well as a current shortage of 17,300 apartments (Savills, 2020). New constructions are an opportunity for ASKO to provide their circular hardware and software for shared washing rooms without having to retrofit existing ones. Furthermore, it also offers the opportunity to extend their market reach towards younger generations, as tenants of student accommodations and serviced apartments can range from 19 to 35 years old. This age group can be considered millennials, who are known for being early adopters for sustainable initiatives as they feel responsible to have a positive impact on the planet (Hoogendoorn, 2018). This provides ASKO with the chance to win them over through proactive sustainability, increase their brand awareness and potentially even achieve brand attachment for future domestic PSS. Brand attachment is “the emotional connection between brands and humans” and can have an impact on brand loyalty (Oneto, 2014). Moreover, even though competitors have already gained experience in the market with their circular PSS, there is an opportunity for ASKO to introduce something “new” and differentiate through their brand foundation of being “sustainably active”. Most competitors in the market do have clear discriminators, which allows ASKO to freely position themselves differently.

Key Assumptions:

Below you can find some of the main assumptions which will be incorporated within the branding strategy as well as the digital brand experience.

Assumption 3.1: Millennials

Millennials are the key target market for ASKO as they are the most common shared washing room users. Shared washing rooms currently mostly exist within student accommodations & serviced apartments.

Assumption 3.2: Discriminator

Competition in the market do not clearly differentiate from each other, other than their business models. ASKO has the opportunity to differentiate and create clear discriminators.

Assumption 3.3: Sustainability

Competitors do not fully take advantage of being circular within the brand communications. ASKO has an opportunity to strengthen its roots and differentiate by being more “sustainably active” than others.

05

Qualitative Research

With the project definition, end-users will be interviewed with the use of a lean qualitative research method. Findings of this will shape the design of the branding strategy and experience.

5.1

Qualitative Research Shared Washing Room Experience

Introduction

In the previous chapter of external analysis, we have identified that the main target market of ASKO's professional circular washing machines could be millennials who most commonly use shared washing rooms in serviced apartments of student accommodations. In order to understand experiences of current shared washing room millennials, participants from student accommodations and serviced apartments were interviewed qualitatively using a lean method introduced by Graham et al 2016. Graham's lean method encourages users to firstly plot and rate the current experiences on an axis which includes product, price, promise and experience (explained below). The goal is to identify the strength of current experience and ask participants how this could be improved in the future. For the purpose of this project, participants will be demonstrated the axis for both current and future shared washing room experiences and are asked why they made their choices in a qualitative manner. Thereafter, the top 4-5 problems statements will be identified which ASKO needs to focus in order to offer the perfect brand experience within shared washing rooms.

Product:

→ The shared washing room provides me with high quality and innovative hardware and software features.

Promise:

→ The shared washing room provides me with sustainable and ethical solutions which connect with my personal values.

Price:

→ The shared washing room provides me with an experience that connects with my senses, is memorable and worth sharing with others.

Experience:

→ The washing room provides me with an efficient and low-cost product.

After participants have expressed their experiences, they are then asked to rank functional and emotional benefits. Participants are shown functional benefits (such as "saves the environment" or "makes me smarter") to make them think "what they get out of" the experience within shared washing rooms. The same is done with emotional benefits, where participants are encouraged to thinking about "how it should make them feel" after having experienced the shared washing room (Graham, 2016). Results from this method will build a foundation in which the brand extension strategy can be made for ASKO's circular shared washing room machines.

Sampling

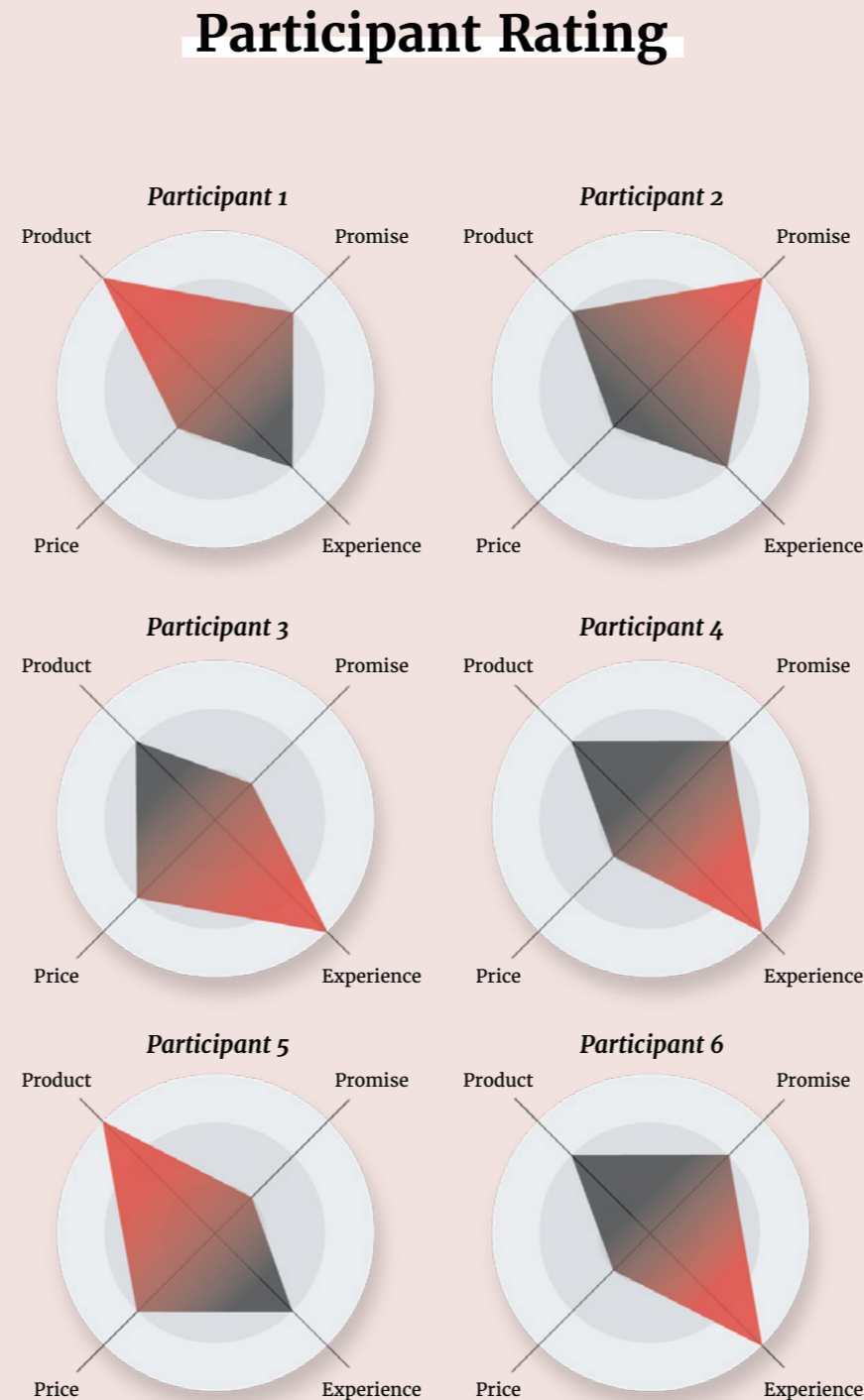
In order to gain key insights into the experiences of shared washing rooms within the Netherlands, a purposive sampling strategy is pursued to interview a total of 6 tenants of students who live in accommodations of DUWO or serviced apartments. According to Patton et al 2002, purposive sampling is a strategy which focuses on individual cases within the topic that is being researched. An overview of the participants' demographics can be seen on page 53.

5.2

Qualitative Research Past Experiences

In figure X, the responses from each participant can be seen. Each participant had the choice to choose one out of the 4 themes that they experienced most, 2 choices for what they “somewhat experienced”, and one choice for what they “least experienced”. The results showed that on average, the participants suggested that their current experience is mainly focused on product, providing innovative features both physically and digitally. However, promise and experience were rated the lowest as the current price of washing is relatively low. Almost all participants here suggest that there is room for improvement, as their current experience is not “smooth enough” and there are currently “no choices or not enough information provided for sustainable washing modes”. As participant 1 mentioned; “it feels like we do not really have a choice as it does not provide us with any information for energy or water consumptions of each washing mode”. Even though participants are generally happy with the results of the washes, there is a need for shared washing rooms to become more experience focused and offer transparency towards a purposeful promise. This therefore links back to the theory provided by Sinek (2010), who encourages to focus on connecting with consumers with a “why”, instead of with a “what”.

Other than getting an idea of where the current focus of their current shared washing machine lies, also some key problem statements were identified. These problem statements can be seen on the right and will be used to create solutions within the digital brand experience for gamification. Once these solutions are made, they are presented to the same participants in combination with the problem statements for prioritization.



Problem Statements

Problem Statement 1

“When I wash in the shared washing room, I feel like I don’t have any choice for sustainable washing modes”

Problem Statement 2

“When using the pay per use (PPU) washing machines, it creates a negative connection to the washing experience due to the repetitive payments ”

Problem Statement 3

“I feel like there are less opportunities to connect with the community of my accommodation the more the washing experience is digitalised”.

Problem Statement 4

“During a wash, I often do not know the exact time when the washing cycle is ready for me to pick up”

Figure 8: Participant Rating Past Experiences
(May, 2021)

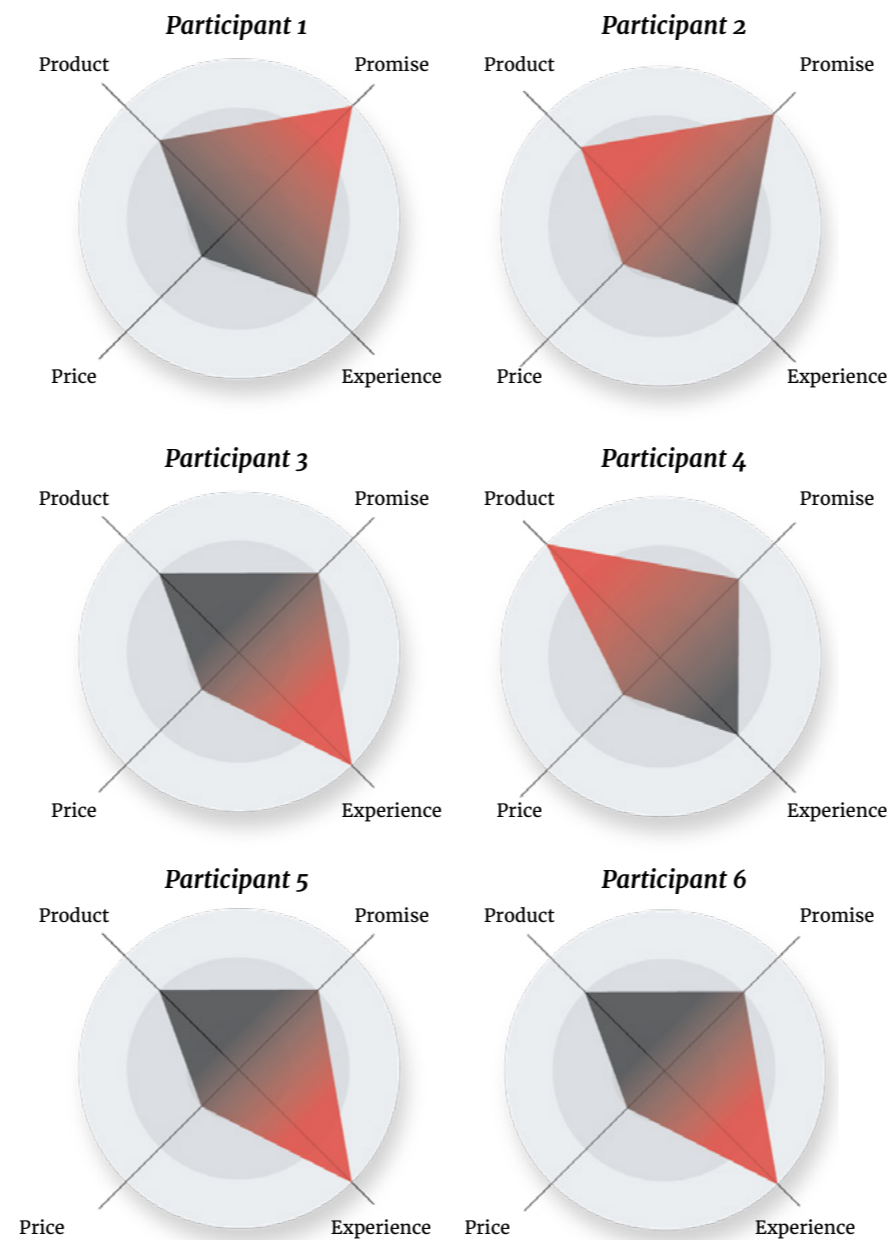
5.3

Qualitative Research Future Experiences

After participants rated their past experiences on the axis, they were asked what they would find most, somewhat and least important for a future shared washing room experience. Same as the previous lean method, each participant had to choose and prioritize the 4 themes on the axis (product, price, promise and experience). Thereafter, each participant was asked to explain their choice to help unfold further problems and identify potential opportunities. The results show that 3/6 participants prefer to have an experience focused shared washing room that offers a convenient and easy process both digitally and physically, whilst delivering a promise (sustainability) and washing quality (product). Surprisingly, the cost of each wash was the least important by all 6 participants as they believe the current cost (2EUR) is reasonably low already. From the perspective of ASKO, these results are fully in line with their brand foundation and strategy, which is to offer “perfect experiences” and be “sustainably active”.

Other than identifying what the core focus of future shared washing rooms should be, some core opportunities came into perspective which can be seen on page 57. These will be included in some of the solutions which solve the problem statements within the validation stage on pages 88 to 102.

Participant Rating



Opportunity Spaces

Opportunity 1

“It would be nice to be able to choose washing modes in advance and get informed about what is best for my clothes and the environment.”

Participant 2

Opportunity 2

“It would be nice if there was a smooth payment system which doesn't constantly force me to upload money onto my account and remind me how much money I'm spending.”

Participant 5

Opportunity 3

“Even though washing is a private thing, it is also an opportunity to meet people if it is a comfortable environment”.

Participant 1

Opportunity 4

“Most of the issues are resolved on an external social platform (whatsapp), it would be nice if these issues could be resolved in a more integrated way to prevent conflicts between tenants.”

Participant 4

Figure 9: Participant Rating Future Experiences
(May, 2021)

5.4

Qualitative Research Functional Benefits

The next phase of the lean method is to ask each participant what they believe they should “get out of” their future shared washing room experience by choosing functional benefits. These functional benefits can be used to design and create the brand experience with functional features which represent the benefits chosen. Each participant had a choice of 9 functional benefits which were presented on cards with visual references and key words. Out of those 9 choices (see Appendix X), the top 3 choices that were chosen by the 6 participants were “saves the environment”, “makes life simple” and “staying connected”. Each of these functional benefits are further explained below.

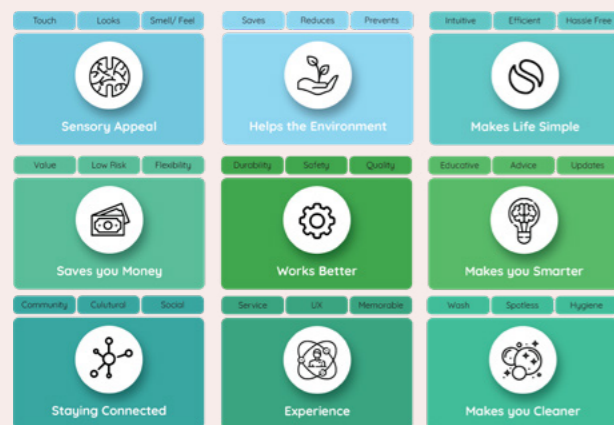
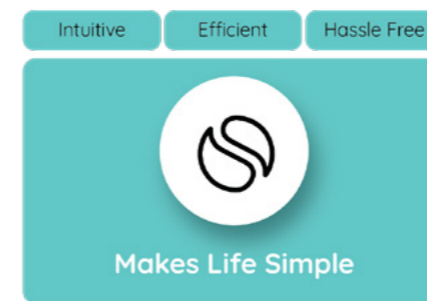


Figure x: Functional Benefits



“Saves the Environment”

The functional benefit “saves the environment” should provide users with features that enable them to reduce their ecological footprint and prevent further damage. This could be done with the provision of eco-modes and potentially a filter which prevents microplastics from entering the oceans. For ASKO this is where their core brand foundation of “sustainably active” should come into full focus. Another feature which can support the functional benefit of “saves the environment” is a data dashboard which showcases the energy and water savings achieved when users choose eco-washing modes instead of normal or high temperature modes.



“Makes Life Simple”

The functional benefit of “makes life simple” should provide users with features which make their experience easier, hassle free and more efficient. For example, DUWO (IPSO machines) currently ask tenants to upload deposits into their account before they are able to wash. To make this process simpler, ASKO could enable a payment system which is directly linked to the tenants direct debit account. This firstly eliminates the hassle of having to upload money on a weekly or monthly basis, and secondly reduces the negative emotional connection to washing as payments are automatically made. However, in order to avoid any conflicts with potential outstanding payments if the user does not have enough balance within their debit account, washes do need to be rejected if this is the case. Another feature which could make it simpler is a washing cycle tracker which notifies tenants when a wash cycle is finished and ready for pick-up. Most DUWO tenants currently set their own timers and “often arrive too early or too late” as indicated by participant 4.



“Staying Connected”

The functional benefit of “staying connected” should provide users with features which enable them to not only stay connected to the washing experience, but also the community in which they live. To stay connected with the experience itself, an application could be provided which allows tenants to book and track washing cycles and connects to the community through a communal news-feed. Moreover, to actively engage tenants with the community, communal challenges could also be organized to collectively achieve targets which ASKO sets. Participants do not only see the washing room as an executional washing ritual, but also as a “communal space where students can meet each other”, as mentioned by participant 2.

Figure 10: Functional Benefit Prioritization (May, 2021)

5.5

Qualitative Research Emotional Benefits

After participants had chosen the functional benefits, they were asked to choose their top 3 emotional values. Emotional values are meant to encourage participants to think about how the shared washing room makes them feel during and after use. Same as with the functional benefits, participants had a choice of 9 emotional benefits from which they could prioritize their top 3 choices. The most common top 3 choices chosen by the participants were “staying in control”, “feeling empowered” and “feeling of trust”. Each of these choices are further explained on page 61.

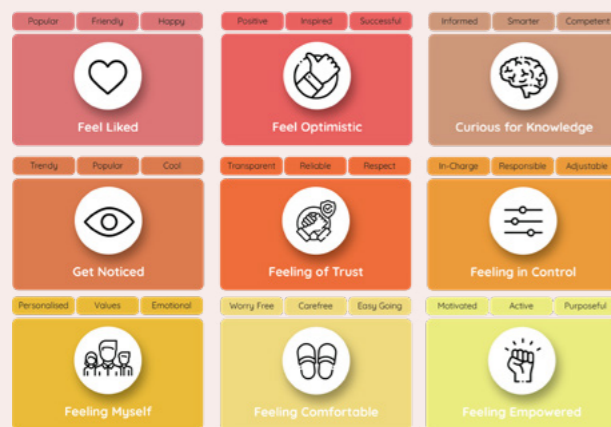
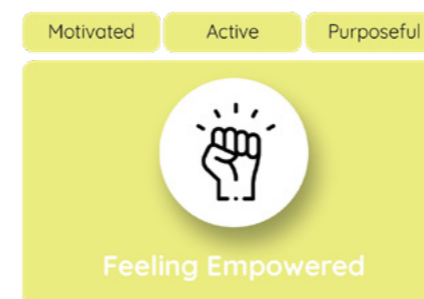


Figure x: Emotional Benefits



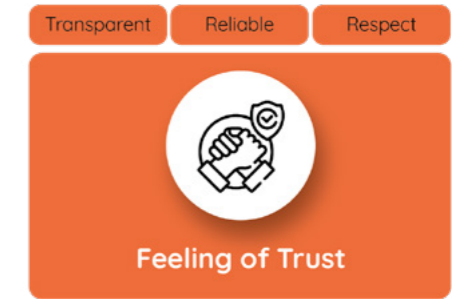
“Feeling in Control”

The emotional benefit of “feeling in control” should make users feel in charge and responsible for their shared washing room experience. As participant 5 mentioned; *“I want to feel like I know what I am doing, especially when it comes to washing my clothes”*. An example of how ASKO could make people feel in control is by providing clean and descriptive information about each washing mode and what clothes they are best suited for. Users want to know what mode suits their clothes the best to not only increase their lifetime, but also prevent any accidents. This is also further highlighted by participant 2, who mentioned; *“mostly I tend to use one or two standard modes, because I do not know what the other modes are for”*. Washing modes therefore need clear explanation within touchpoints where users have time to read through them. These touch-points could be within the app or web-dashboard and even within the washing room itself as a descriptive poster.



“Feeling Empowered”

The emotional benefit of “feeling empowered” should make users feel motivated, active and purposeful during their shared washing room experience. Currently most participants indicated that they do not look forward to the washing experience due to several negative emotional connections. One of which is *“having to upload money before every wash”* as indicated by participant 2, and also *“having to nudge other students to pick up their wash”* as posed by participant 6. On the contrary, participants want to look forward to their washing experience as it is a positive act of cleaning your clothes. To ensure this, ASKO needs to find ways to make more fluid and seamless ways to restrain issues such as the above mentioned.



“Feeling of Trust”

The emotional benefit of “feeling of trust” should make users feel that they are respected and are using a reliable and transparent shared washing room. This does not only apply for the information that is provided in regards to the washing modes, but also the communication that the brand itself provides. An example of specifically the information provision was provided by participant 1, who implied; *“I want to trust that the washing mode I choose delivers the promises it makes”*. Regarding the brands communication, Participant 4 gave an example based on his previous experience; *“I have previously noticed that a lot of brands use marketing communication as a tool to brain-wash consumers, I would not like to be forced to be part of such a thing within the shared washing room”*. In the case of ASKO, their scandinavian roots help their “trust” level. However, when it comes to being proactively sustainable, it is best that ASKO chooses local charities or initiatives to support which users may recognize and trust, rather than just claiming to “plant trees” somewhere.

Figure 11: Emotional Benefit Prioritization (May, 2021)

05

Key Takeaway

Personal Takeaway

General Shared Washing Room Experience:

Based on the qualitative interviews, a few takeaways can be made. Firstly, current shared washing room users feel that their experience primarily focuses on the offering a good product at a lower price of PPU. Secondly, when it comes to the future of shared washing rooms, participants feel that it should focus more on offering a good experience and delivering on promise (such as sustainability).

Functional Benefits:

Regarding functional benefits, the majority of participants opted in for “saving the environment”. Participants currently feel that they don't have any options for sustainable washes and would prefer to have more information on what impact each washing mode has. Moreover, participants also prefer to “stay connected” with their community, as especially for international students the shared washing room can be an opportunity to meet new people. Additionally, participants also prefer if the shared washing room “makes life simple” as some indicated that there is a lot of hassle to check into the rooms and do financial top-ups.

Emotional Benefits:

When it comes to how the shared washing room should “make you feel”, participants primarily prefer to “feel in control”. This can be done by providing the users with sufficient information on the washing modes and what affects they may have on their clothes as well as the environment. Participants feel that this should make them feel “empowered” towards their washing experience, that they are confident with their choices and the general quality of the washing itself.

Key Takeaways:

Takeaway 3.1: Experience & Promise

The future shared washing rooms should focus on offering a good experience (digitally and physically) and deliver on promise (sustainability & quality).

Assumption 3.2: Environment

One of the key functional benefits that ASKO could focus on is being more proactively sustainable to deliver the functional benefit of “saves the environment”.

Assumption 3.3: Control



Physical and digital touchpoints should be in sync and provide users with information and data which gives them a feeling of control over their washing behaviour and result.

06



Design Brand Extension Strategy

This chapter is the design of the brand extension for the circular washing machines of ASKO.



6.1

Brand Extension Strategy Manifestation

Introduction - Line Extension:

Within the internal analysis in chapter 3, we identified two key assumptions (2.2 and 2.3) which suggested that ASKO wants to increase its current brand awareness and use a brand extension strategy to increase its relevance and appeal to new segments in the market. Brand extensions can appeal in two forms, line and category extensions. Line extensions are known as the most common tool of extending a parent brand, it involves extending the brand within a new product or service category (Beverland, 2018). An example of this is coke, with their line extensions of coke-zero, coke-light and other. On the other hand, category extensions focus more into extending the parent brand into a completely new category, such as Apple with the introduction of iPad, iPod & iTunes. For ASKO, a line extension was chosen as it is less risky in terms of consumer acceptance & cost. The current parent brand can be used with its core foundations to help spread the cost of marketing as it avoids investment into co-branding and licensing (Beverland, 2018). Even though line-extension can have a higher risk on ASKO's brand equity if it fails, it is currently less likely to fail as ASKO has previously had experience within professional shared washing room washing machines. Therefore, the line extension of "MyASKO" has been created and will be further explained below.

MyASKO-Name

The name MyASKO embodies multiple connections related to the emotional benefits which current users of shared washing rooms have indicated ("feeling in control" & "feeling empowered") on page XX. With the extension name of "my", end-users and future customers are supposed to feel in-charge and in-control

of their washing experience throughout both digital and physical touch-points. Moreover, the name itself can be used to further clarify the emotional benefits, by using it within communications for "MyRewards", "MyCommunity" or "MyWash" which are a part of the digital brand experience on pages XX-XX. Whilst the name may create a sense of control over the experience for users, it can also increase brand attachment over time if it is well executed. After shared washing room users move out of communal homes, they could still have an attachment to the brand and possibly also choose "MyASKO" for domestic privately leased or pay per use washing machines in the future.

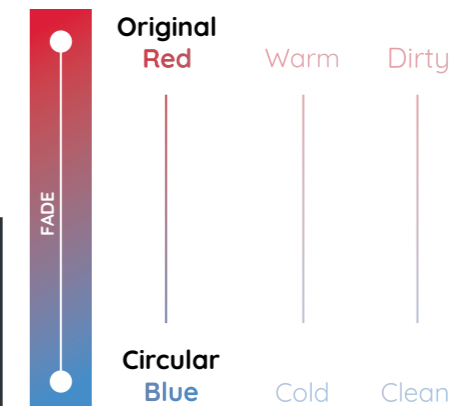
Brand Extension Style and Colours:




The brand extension name of "MyASKO" was designed in the style of a signature to embody a feeling of "ownership" and "responsibility" over the user-journey. This further builds on some of the brand foundations (responsibility) from the ASKO parent brand indicated in chapter 3 (on page 37). Furthermore, by showing the style of a signature, there should be a direct signal of trust and transparency towards users who choose MyASKO, because a signature is typically used when signing a contract that is fully trusted and supported. Other than the style of the logo, there is also a choice of new colours for the ASKO brand extension. Firstly, the fade within the logo, which indicates the transition from the original linear ASKO brand (red), into a future circular brand (blue). This transition can also refer to other connections, such as from global warming to colder temperatures, or from dangerous to being safe. The main font which should be used within the touchpoints and for brand communications is Quicksand. Quicksand is a modern, clean and minimal font which can be used with different thicknesses for titles, subtitles and normal text.

Extension Style & Colours



Signature = Control & Personal
Providing users with the power and control!



	2a3137	Quicksand
	3f8ec9	Quicksand
	dd1e38	Quicksand

Extension Name



In-Control Personal In-Charge
Empowered Responsible

MyWash MyFuture MyRewards
MyCommunity ... MyASKO

6.2

Brand Extension Strategy

Brand Key Model

In the previous chapter of the lean qualitative research with shared washing room users, we identified some functional and emotional benefits which ASKO should focus on for their circular washing machines of shared washing rooms. Based on these findings, a brand extension strategy was designed with the use of the brand key model. The brand key model is a tool which allows companies and individuals to come up with a unique positioning for the product or service they have in mind (Riezebos, 2015). For the purpose of this project, the brand key was specifically used to create a unique proposition and strategy for the brand extension of ASKO's circular washing machines of shared washing rooms. Moreover, this brand extension strategy can also be used for future domestic application, as it is targeted towards a user group who could become future customers of privately leased or rented washing machines. Each step of the brand key model is further explained on the right. Please note, steps 4 and 5 (insight and benefits), have already been covered within the previous chapter from pages 54 to 61.

Brand Key Model Steps:

- 1** Root Strengths
→ The key brand values from ASKO that are beneficial to use as a foundation for the brand extension.
- 2** Competitive Environment
→ Unique positioning of ASKO compared to its competitors.
- 3** Target
→ Who is the target audience? (attributes, personality, demographics)
- 4** Insight
→ Problems and needs identified from interviews (chapter 5)
- 5** Benefits
→ Functional and emotional benefits that motivate the purchase of use. (chapter 5)
- 6** Brand DNA
→ The core of the brand extension.
- 7** Reasons to Believe
→ The proof of how the brand offers to substantiate its benefits.
- 8** Discriminator
→ Reasons why customers/partners may choose MyASKO over competitors.
- 9** Essence
→ Core promise and positioning statement to help guide all the brand extensions actions in the future.

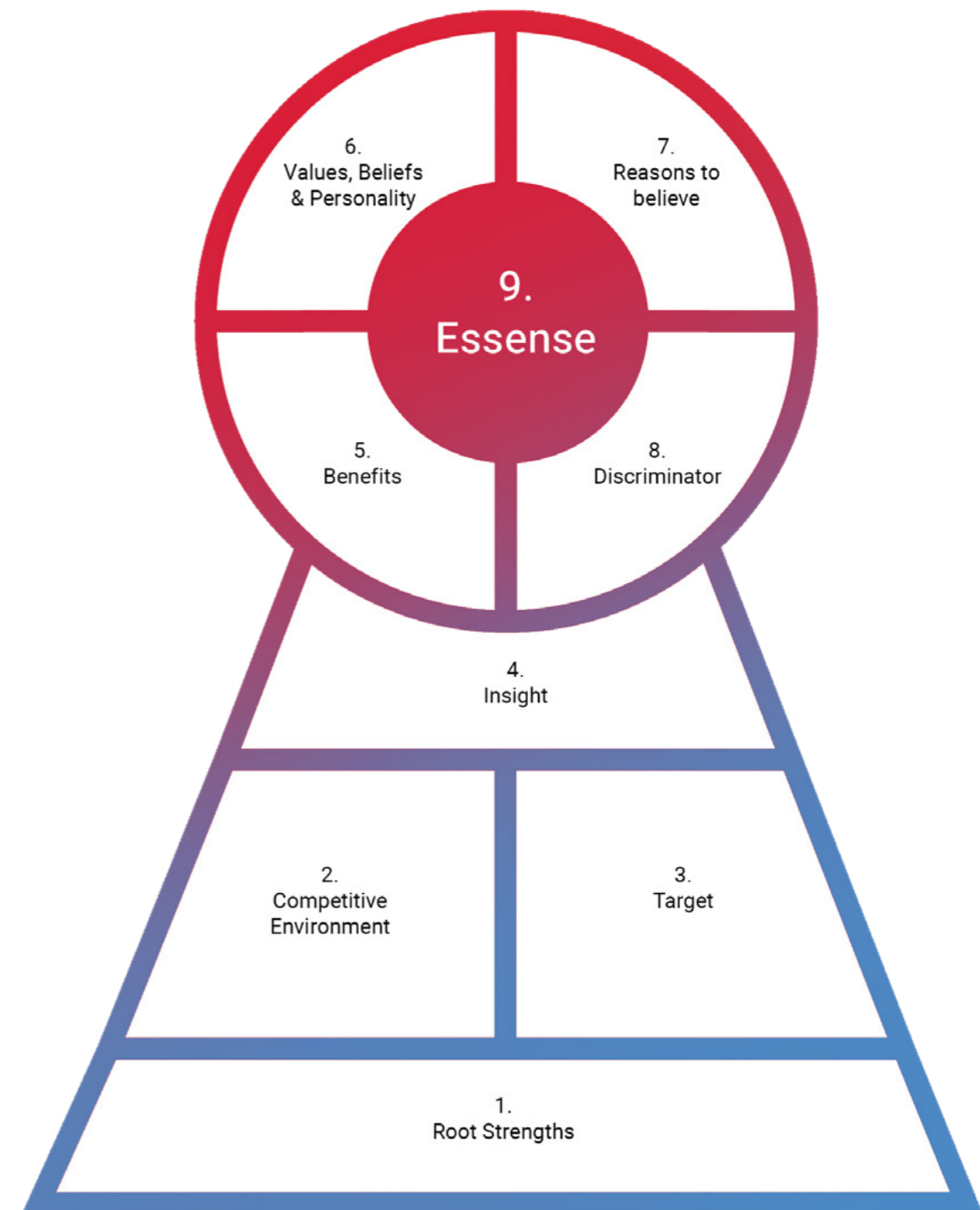


Figure 12: Brand Key Model
(Riezebos, 2015)



6.3

Root Strengths Brand Key Model

First first step of the brand key model is to identify the core root of the ASKO brand which can be used for the brand extension strategy. Based on the internal analysis on page 37, several roots of the current ASKO brand could be identified which should be transferable into the brand extension. Each of these roots are further explained below in connection to the internal analysis, external analysis and qualitative research.

Responsibility

Based on the assumption 3.3 from the external analysis (page XX), it was suggested that ASKO could differentiate from competitors by fully strengthening its roots on responsibility (sustainability and wellbeing of customers). Competitors currently provide circular product service systems, but do not fully utilize their sustainable benefits through data or brand communications. However, since participants within the qualitative research ranked “helps the environment” as their highest priority of functional benefits, it should be communicated and expressed more. Therefore this is an opportunity for “MyASKO” to be active with additional sustainable initiatives and through its brand communications in order to be “more sustainable” than its competitors. This is also in line with contrarian branding theory of Van der Vorst et al (2018), where companies split the market into two: “themselves” and “the others”. By being more actively sustainable than others, MyASKO can position themselves as “the only actively sustainable” way of washing. As a result, MyASKO would have the opportunity to “stand out by camouflaging the competition” (der Vorst, 2018).

Experience and Quality

Two other key roots which should be used in the brand extension for the circular PSS are quality and experience. According to the brand manual of ASKO, the brand always tries to challenge its product design through iterative testing to achieve the best possible quality of products and end-result of washing (ASKO, 2020). With this value, ASKO tries to gain the trust of its customers due to its reliability in delivering a good quality outcome. This is also important for the shared washing room users, as participant 1 indicated; “I want to trust that the washing mode I choose delivers the promise it makes”. In addition, ASKO also promises to “design products and services with the perfect user experience in mind” (ASKO, 2020). This is also relevant for the brand extension, as participants indicated that the future shared washing room should mainly focus on providing a good experience, including the delivery of a promise and quality product (see pages 54-57).

Key Foundation



Responsibility

- Products and services delivered responsibly.
 - Operations designed to become “sustainably in action” > “proactively sustainable”
 - Carefully considering the use of natural materials.
- > Further clarified with brand extension and digital brand experience!



Experience

- Design products and services with perfect UX in mind.
 - Always ready to help and support (helping hand).
- > Utilize and amplify with digital brand experience.



Quality

- Products that can be relied and trusted to deliver high quality results.
 - Any job with minimum loss of time.
 - Accurate and organised.
- > Must have within the overall brand experience.

6.4

Competitive Environment Brand Key Model



Introduction:

Within the external analysis in chapter 4, it was identified that ASKO is currently behind in the market as competitors have established a market of circular business models for washing machines (domestically and professionally). However, competitors such as WeWash, The BlueMovement and Nortec currently only differentiate through their business models strategies (PPU vs. lease contracts) and their service propositions for digital and physical touchpoints. In terms of branding and general marketing communications, competitors therefore lack in offering something “new” and “unique”, even though the transition from linear to circular business models is a big deal. This enables the brand extension of MyASKO to differentiate not only through its brand communications, but also the general brand experience proposition. These key differentiators are further explained below.

1. Proactive Sustainability:

One of the functional benefits that participants chose within the qualitative research in chapter 5 was that the shared washing room experience should “help the environment”. Current competitors help the environment by offering users products under a circular business model, but do not offer additional sustainable benefits. Moreover, the product portfolio of circular service models from competitors do not differ much from machines sold under a linear sales model. Therefore, the sustainability of competition can be considered more “passive”, as the key sustainable benefit customers will feel or perceive is the transition towards a circular service model.

MyASKO differentiates from competitors as sustainability becomes more “proactive”, rather than passive. Customers who opt-in for ASKO not only become part of a circular service model, but can additionally actively support local sustainable charities through environmentally friendly washing behaviour. For example, if end-users

reach a collective or individual target of water and/or energy saving, MyASKO will invest into “green retrofitting” within the accommodation or invest into local charities such as The Ocean Cleanup. Green retrofitting can be defined as the remodelling or upgrade of the exteriors and interior of existing buildings using green elements (such as trees, solar panels etc.) to make them more environmentally friendly (Tree, 2021). When MyASKO supports the green retrofitting of local accommodations, shared washing room users will see their “proactive sustainability” come into reality.

2. Rewarding Experience

Within chapter 2, one of the key assumptions found within the literature review was that the main barrier of consumer acceptance towards circular PSS is the negative emotional connection to the washing experience due to the repetitive payments and lack of knowledge on the total cost of ownership. This was confirmed by participant 4, who mentioned that; “It would be nice if there was a smooth payment system which does not constantly force me to upload money onto my account and remind me how much money im spending”. However, even though this barrier is known, competitors have not come up with new strategies to overcome this. For example, one competitor (Homie) asks participants to pay more money if they choose non-eco modes within their PPU business model.

MyASKO provides its customers or end-users with a more rewarding washing experience. End-users will receive eco-points in return for choosing eco-modes which can be used to upgrade their membership levels to receive further incentives (such as discounts and chances to win prizes). Besides the additional incentives, participants can also contribute to local sustainability initiatives by achieving collective communal eco-points targets.

Competitive Axis

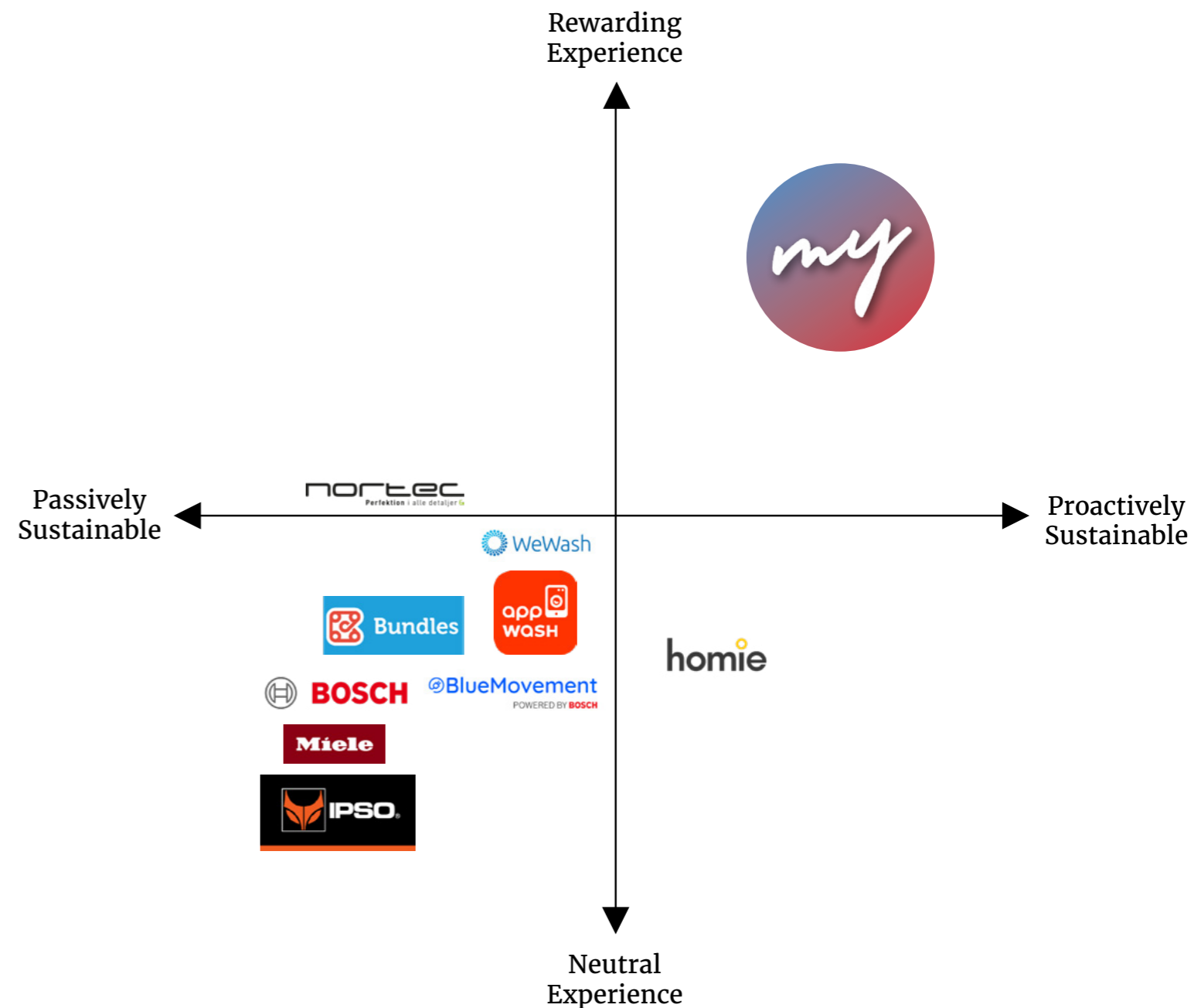


Figure 13: Competitive Axis
(May, 2021)



6.5

Target Market Brand Key Model

The third step of the brand key model is to define the target audience for the brand extension positioning. Within the external analysis in chapter 4, we have already identified that the shared washing room users are most commonly millennials. Shared washing rooms can be found within student accommodations, student hotels and serviced apartments. Whilst student accommodations host primarily local and international baccalaureate or master students, serviced apartments commonly accommodate corporate trainees and staff who are assigned international projects. Compared to ASKO's current target market of "The Aware" who are aged between 35-65, MyASKO will cover younger generations with "Aware Millennials" aged between 18-34. This target market not only helps MyASKO to appeal to a new market segment as stated by Beverland (2018), but may also help to increase acceptance rates for future domestic PSS (Keeble, 2013). According to Keeble (2013), millennials can also "help companies become greener if marketers engage with them". The characteristics (demographics, personality and values) of aware millennials are further explained below.

Personality:

Today, Millennials make up the largest part of the global population and have different personalities and beliefs than other generations (Cheng, 2019). Whilst millennials are generally aware and primarily care for the environment, they also are committed to having an impact on other global issues such as equality, climate change, peace and justice (White, 2019). This not only shows in their overall consumption trends (purchase of sustainable products), but also the loyalty levels to companies that care about their effects on the society. Besides being concerned about the above mentioned topics, aware

millennials are optimistic about the future, because 84% believe that it is their duty to change the world in relation to global issues (Keeble, 2013).

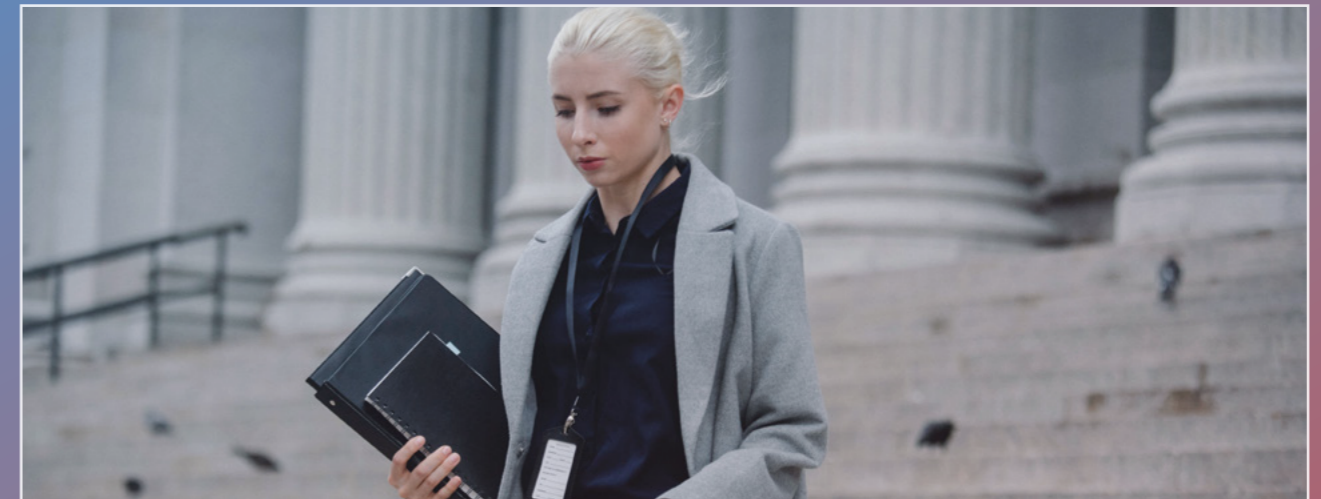
Demographics:

Aware millennials most commonly live within rented studios or apartments in urban environments. They are either enrolled at a university or have already had professional junior experience within an organisation that is in line with their environmental and societal values. In regards to washing machines, their preference lies more in cost and convenience. With uncertainty in regards to job locations, they need flexibility in payment systems and would opt-in for pay per use or flexible lease contracted washing machines. Aware millennials are also careful with which brands they subscribe to, prioritising sustainable and ethical initiatives over others.

Concluding:

For MyASKO, this target group is important because they may sustain an environmentally friendly washing behaviour with an engaging and rewarding brand experience. Other than targeting aware millennials as customers, they should also be considered as future to increase MyASKO's employee based brand equity. Employee based brand equity is when a strong brand attracts the ideal employees without human resources having to invest a lot in acquisition costs (Beverland, 2018).

Target Market



Demographics:

Age: 23-34

Education Level: Bachelor/Master

Occupation: Entry-Mid Level

Location: Urban Environments

Concern: Environment & Ethics

Personality: Optimistic & Honest

Facility: Student Accommodation

Preference: Pay Per Use/Lease

84%

Believe that it is their duty to change the world in relation to global issues. (Keeble, 2013)

79%

Of Millennial employees are loyal to companies that care about their effects on society (environmentally and ethically) (White, 2019)

Figure 14: Target Market
(May, 2021)

6.6

Brand DNA Brand Key Model



Introduction:

The sixth step of the brand key model is to elaborate upon the brand's purpose, personality and positioning. This helps to answer questions such as; What does the brand stand for? What are the brand's core values? And what personality does it have? In order to explain these, the DNA has been divided into the 3 subtopics of brand coherency, brand relevancy and brand products/service fit below.

Brand Coherence:

With brand coherency, the goal is to describe how the 3 elements of personality, positioning and purpose add up to each other (Beverland, 2018). The core purpose of MyASKO is to make sustainable consumer behaviour a rewarding experience and enable individuals to collectively contribute towards a sustainable future. This is mainly achieved through a brand personality which is honest with the communication it provides, genuine with the actions it takes and fun with the gamification elements it provides. With the aforementioned personality and purpose, MyASKO positions itself towards aware millennials who actively seek to support brands which act upon global issues.

Brand Relevancy:

Within brand relevance, the goal is to explain what cultural trend or customer demand MyASKO appeals to. In Chapter 5, participants of the qualitative research study indicated that the future shared washing room should focus less on product and price, but more on promise and experience. MyASKO will use its gamification elements to create a more rewarding shared washing room experience with seamless physical and digital touchpoints

and sustainable elements. This will meet the demands of the target group of aware millennials and solve the identified problem statements in chapter 5.

Brand Product/Service Fit:

The goal of brand product or service fit is to show how the brand DNA fits the product or service that MyASKO will provide. Within current shared washing rooms, users have to use digital touchpoints to not only track payments, but also book and reserve washing machines. In consequence, this makes it easier for MyASKO to allure tenants into their digital and rewarding brand experience and create more opportunities to showcase services and increase engagement.

DNA

Purpose

We see that people have a lack of incentives to increase motivation for sustainable washing behaviour, while we believe that the serviced washing machines should be rewarding and empower to collectively contribute.



Positioning

For environmentally aware millennials who actively seek control over a better future. Through their shared washing rooms or simply via our website can join the MyASKO membership.

Personality

Honest, Genuine, Fun

Figure 15: Brand DNA MyASKO
(May, 2021)

6.7

Reasons to Believe Brand Key Model

The sixth step of the brand key model is the reasons to believe, the proof of how the brand offers to substantiate its benefits. In order to prove to aware millennials that MyASKO truly fits their values and beliefs, the brand needs to be transparent and communicate the following reasons to believe towards its users and partners.

Rewarding Brand Experience

One of the emotional benefits participants chose during the qualitative research was to “feel empowered” throughout their shared washing room experience. Feeling empowered means to have motivation, control and purpose throughout your experience. Through the use of an integrated & engaging digital brand experience, MyASKO users receive rewards for their sustainable user behaviour. With every eco-mode wash made, eco-points are collected which can be used to increase the membership level. The membership levels provide shared washing room users with further discounted eco-modes and an increased chance to win prizes. Prizes could include environmentally friendly products such as the sun-glass recycled from ocean waste plastic provided by The Ocean Cleanup.

Sustainable Initiatives

Other than providing customers with a sustainable product and service model, MyASKO also offers several other sustainable initiatives which can be communicated or displayed towards customers and partners. These can be seen below:

1. Eco-Modes

End-users have a range of choice for eco-modes for washing modes which save energy and water. The monthly energy and water savings can be tracked on the digital application which is part of the digital brand experience.

2. Auto-dose Detergent System

The circular washing machines are equipped with auto-dose detergents which ensures that the right amount of detergent is added with every way. MyASKO also work in collaboration with NopaNordic, a scandinavian detergent manufacturer specialised in eco-friendly detergents (also for auto-dose systems). The environmental benefits of the autodose system can be displayed within touchpoints where users choose their washing modes (in washing rooms or within the app or web-based dashboards).

Connecting Communities

MyASKO will set challenges for local communities (eg. student accommodations) to collectively reach eco-points targets. Once the community reaches these targets, MyASKO will invest into the green retrofitting of the building. This could include the planting of trees, creation of green roofs or other ways to make the building more energy efficient. When communities reach these eco-points targets, they can physically see their contribution and will be able to follow the activities on the social media channels of ASKO (Instagram, Facebook, TikTok). As a result, this will be in-line with the functional benefits participants of “staying connected”, which participants chose in the qualitative research in chapter 5.

MyASKO will provide transparent communication of these reasons to believe within their digital touchpoints and social media channels. For the environmental benefits of Autodose systems and eco-modes, information will be provided within the digital dashboards when tenants choose and reserve their washing cycles in advance. Finally, the achievements made by local communities and MyASKO for green retrofitting will be shared throughout multiple communication channels of MyASKO as well as ASKO itself.



Rewarding Experience

- Extrinsic Rewards: Discounts on washes& local charity support.
 - Intrinsic Rewards: Gain Eco-points, increase membership levels, reach eco-targets.
 - Reaching personal & collective accomplishments through point collection and membership badges.
- > MyASKO users will have a rewarding experience which competitors currently do not provide.



Sustainable Initiatives

- Circular business model for professional and domestic machines.
 - Rewards used as nudging tool to encourage sustainable washing behaviour.
 - Support towards local sustainable charity initiatives.
- > MyASKO users actively contribute to sustainable initiatives the more sustainable they choose to wash.



Connecting Communities

- Communal challenges encourage users to collectively contribute towards sustainable initiatives.
 - Communal challenges will include the retrofitting of local accomedations to improve greenification (tree planting etc.)
- > MyASKO users can engage with their local communities to collectively reach eco-point targets and help greenify their accomedation.

Figure 16: Reasons to Believe MyASKO
(May, 2021)

6.8

Discriminator Brand Key Model



Introduction:

The eighth step of the brand key model is to define the key discriminator of MyASKO. These are the key reasons why customers or potential business partners may choose MyASKO over its competitors. Here, the key discriminator for MyASKO will be that its customers and partners will have the power to actively contribute towards a sustainable future in addition to supporting a circular PSS. In order for MyASKO to keep its discriminator over a longer period of time, the short and long-term outlooks will be further explained below.

Short-Term Discriminator:

The above mentioned primary discriminator of MyASKO is the proactive sustainability which the brand offers to its end-users to engage in and with sustainable initiatives. Besides offering to green retrofit existing communal buildings, MyASKO can also invest into local charities such as The Ocean Cleanup in the Netherlands. For example, whilst ASKO is working on filters to block microplastics from entering the oceans, they can also support the Ocean Cleanup in cleaning up the ocean garbage patches. When a MyASKO community reaches a collective eco-points target, individuals get the chance to win 1 of 20 The Ocean Cleanup sunglasses. One of these sunglasses equals to 24 football fields worth of recycled ocean waste plastics (Mellin, 2018). This makes MyASKO a rewarding experience, another discriminator which will help the brand stand out from its competition in the short-term.

Risk → The main risk is that because competitors also have wifi-enabled machines, they can adopt gamification elements within their brand experience as well. Therefore, MyASKO needs to have a long-term plan to keep its distinguished positioning over time.

Long-term Discriminator:

To keep a unique selling point over a longer period of time, MyASKO will engage with its users and communities to build and co-create brand meaning together. The rewarding brand experience is inspired by “the community approach” to brand meaning management as proposed by Schouten (2018), which highlights the communal aspect of creating brand relationships. By supporting communities locally, MyASKO will build these communities over time throughout web-based interactivity. Consequently, MyASKO can use these communities and their efforts in sustainability to promote future circular washing machines for the domestic private market. Through this communal engagement, MyASKO will build its brand awareness with millennials and increase the chance of keeping their brand loyalty as future customers of domestically leased PPU washing machines.

One of the techniques which helps MyASKO to build these communities over time is by co-creating brand meaning with 4 different authors as proposed by Holt (2003). This techniques goal is to make use of consumers, brand managers, influencers and popular culture to tell the stories if MyASKO over time to help shape the brand meaning. For example, if a local community has helped to greenify their local facility by reaching a collective eco-points target, brand managers and potential influencers can share these stories through their channels and help create communal affiliation. Communal affiliation is when consumers choose a brand because to signal solidarity with other members. The more communities achieve eco-points targets and increase their membership levels, the more data can be used for brand managers to help promote these communities and not only increase the opportunity to gain new users, but also new employees which share the same values.



Empowering individuals to collectively and actively contribute to a sustainable future.

Rewarding Incentives

Asko will make washing sustainable more rewarding by providing motivational incentives through intrinsic and extrinsic rewards.

Connecting Communities

Individuals can grow closer to their community by collectively completing monthly challenges. Completing collective challenges will provide additional points for individual extrinsic rewards.

Local Charity Support

ASKO will create challenges where they will invest into local sustainable charities close to the communities if they collectively complete them through eco-friendly washes.

Figure 17: Discriminator (May, 2021)



6.9

Brand Essence Brand Key Model

Promise

The last step of the brand key model is the brand essence, the core promise and positioning which help guide MyASKOs actions in the future. With the aim of maintaining connection to the parent brand of ASKO, the core promise of; “To improve people’s health and wellbeing, the scandinavian way”, is kept the same. This promise still fits with the “rewarding sustainability” which MyASKO offers as a brand experience towards its users, as it still helps to improve peoples health and wellbeing indirectly. Additionally, this will also enable ASKO to transfer some of its current employees seamlessly into the brand extension of MyASKO, because the core promise which is guiding all marketing & branding activities is kept the same. To ensure that this core promise is kept consistently throughout the key customer journey touchpoints, MyASKO employees need to keep surveying the brand stakeholders and pinpoint the gaps between the brands intended identity (see figure X), the received identity by customers and its link to the organization’s culture (Hatch & Schultz, 2008). In short, MyASKO employees need to make sure that the promise is fully expressed from internal employee to external consumer touchpoints.

Tagline:

The tagline of MyASKO will be “rewardingly sustainable”, which should communicate to potential users that the shared washing room experience is overall rewarding and has sustainable benefits. This will also create absolute polarity as introduced by Roland (2018), which is when a brand makes its competitive field “less visible, by using them as a canvas to which to contrast yourself to”. For example, by claiming that MyASKO is rewardingly sustainable, this will signal that the “others” (competitors) do not offer or provide this within their product or service experience.

Positioning:

The promise and tagline fully express the values and needs of the target market of aware millennials, who seek to contribute towards a more sustainable future. By positioning MyASKO as a rewarding experience, this also delivers the promise that if the end-users maintain a sustainable user behaviour, they will receive rewards in return. This aims to challenge the consumer acceptance barrier of “negative emotional connections towards PPU business models” (see assumption 1.2), by making the entire experience more positive with rewarding incentives.

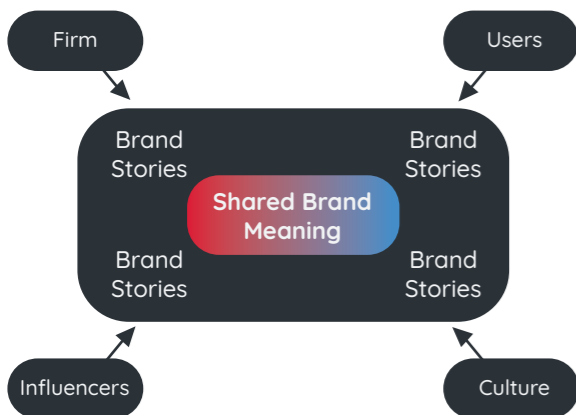


Figure X: Stakeholders Shaping Brand Meaning

Source: Beverland, 2018



Positioning Statement

For aware millennials, ASKO offers a rewarding shared washing room membership that is sustainably active, transparent in use and gives people the power to collectively contribute to a better future.



Tagline

Rewardingly Sustainable
(Brand Extension)

Promise

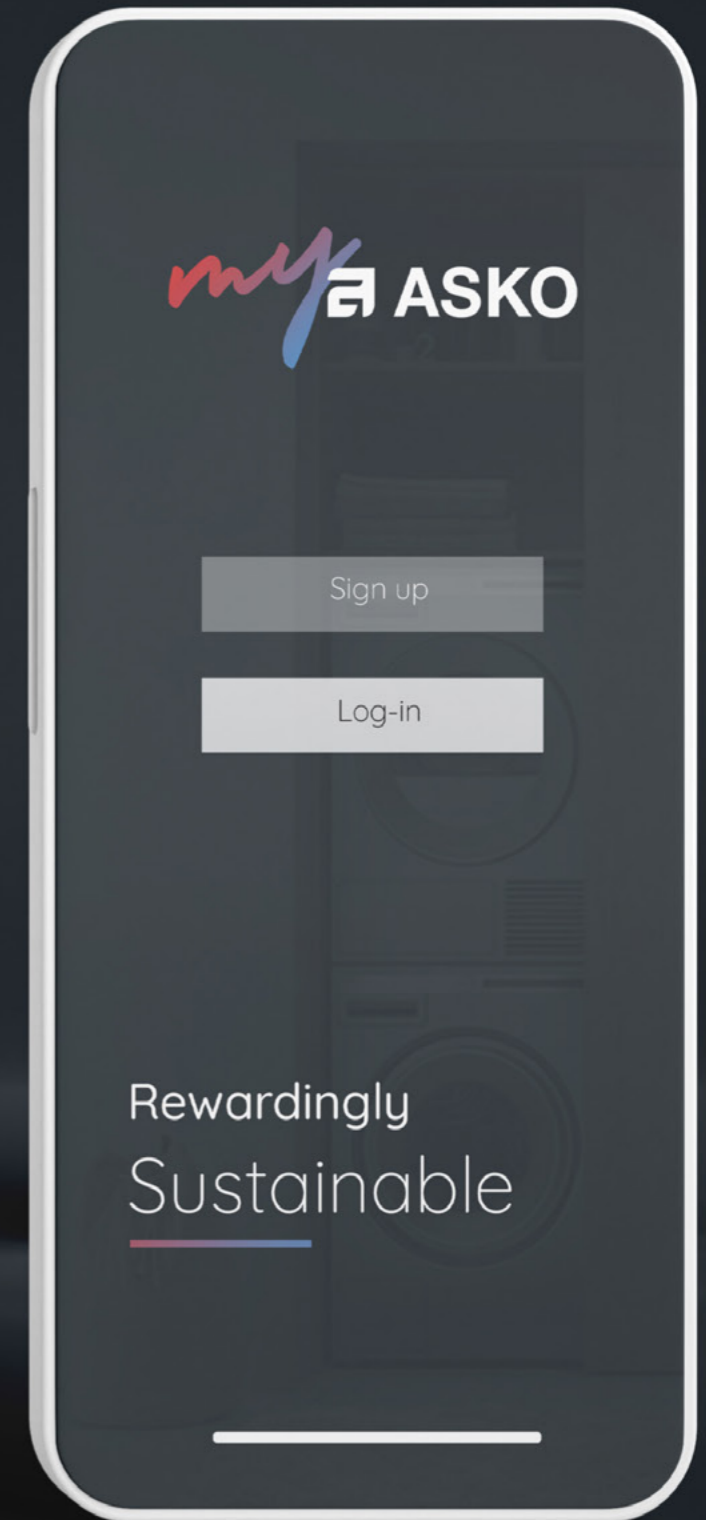
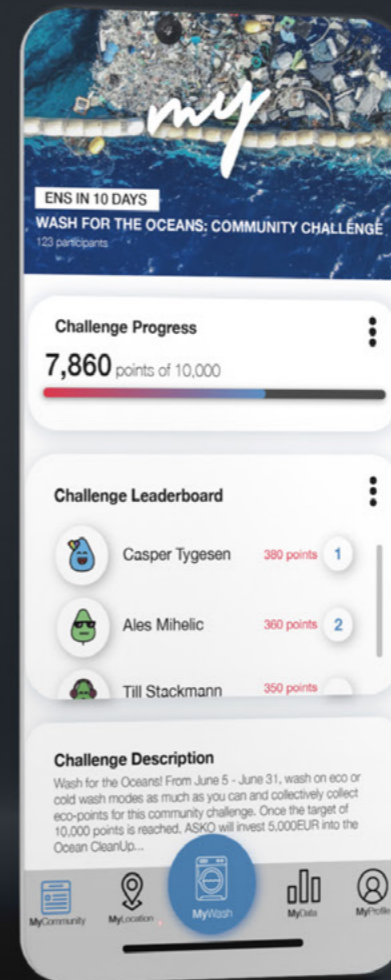
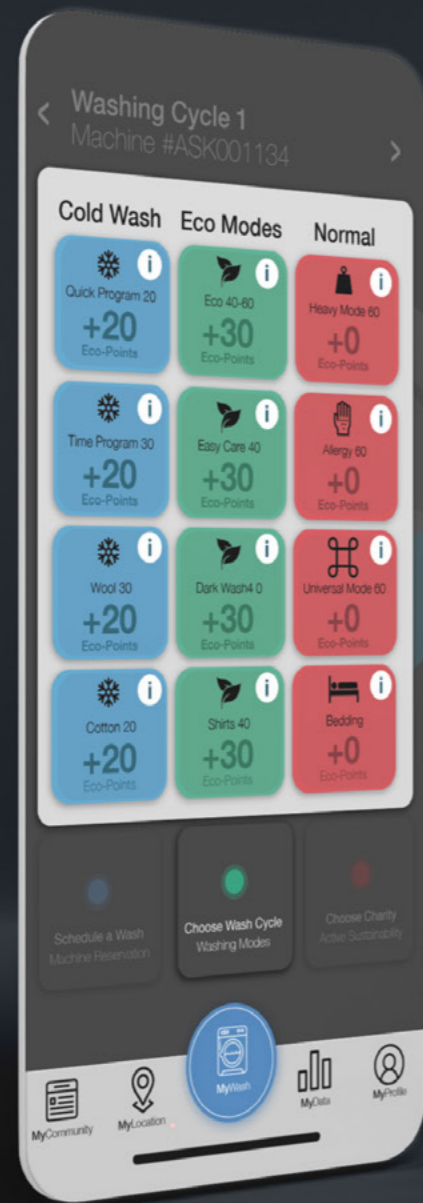
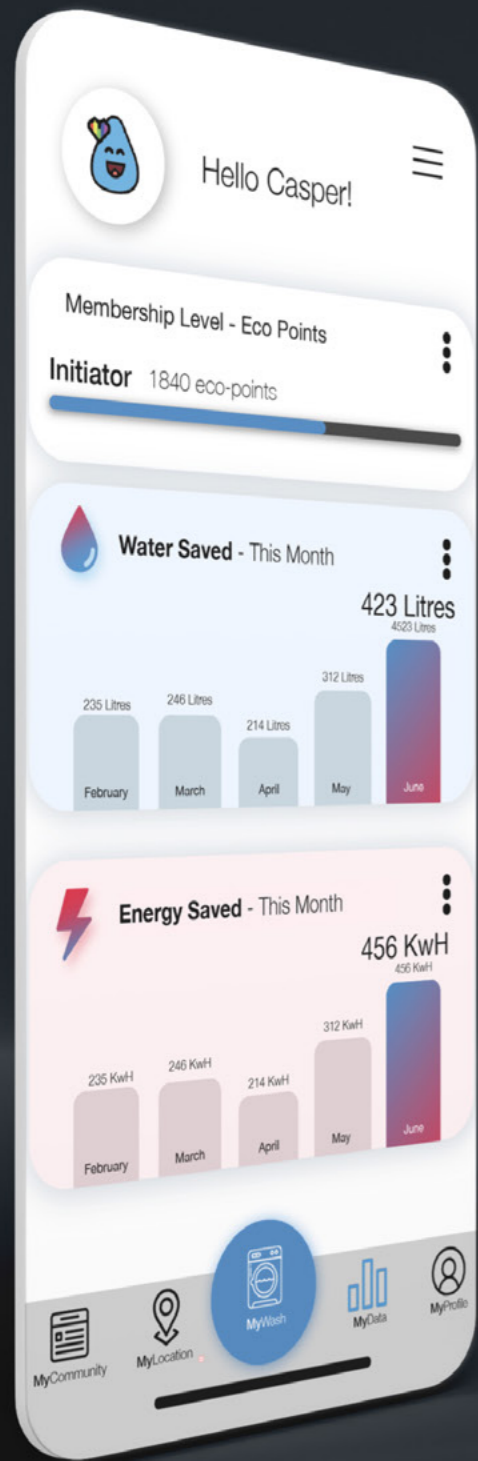
To Improve people’s health and wellbeing, the scandinavian way.
(ASKO foundation)

07

Design Digital Brand Experience

This chapter is the design of the digital brand experience which showcases the rewardingly sustainable attributes of MyASKO.

A stylized, handwritten-style logo consisting of the lowercase letters 'my'. The letters are rendered in a gradient of colors, transitioning from a vibrant red on the left to a deep blue on the right. The 'y' has a long, sweeping tail that extends downwards and to the right.



7.1

Digital Brand Experience Overview

Within the literature review in chapter 2, we identified that customer experiences can be essential in increasing acceptance of PSS (Peccorrari, 2021). Customer experiences can be divided into two touch-points groups; the virtual social and the physical environment. With a good combination of both, MyASKO can create a good relationship management (CRM) and increase the chance of gaining brand loyalty from its users. However, since the circular washing machines of the shared washing rooms are already a part of the physical environment, the strategy of MyASKO will primarily focus on the virtual social environment (digital touchpoints).

Tenants within student accommodations, student hotels or serviced apartments will be dependant on digital touchpoints, as bookings for washes and money top-ups currently need to be made online. Whilst MyASKO will offer convenient processes to book and automise payments, it will also make the digital experience more rewarding. This can be done by providing and engaging users with extrinsic and intrinsic rewards throughout their shared washing room experience, see below.

Extrinsic Rewards:

Extrinsic rewards are the more tangible and visible rewards that are given to users (Times, 2020). Firstly, MyASKO users receive discounts by increasing their membership levels. Membership levels are increase through the collection of eco-points which users gain by choosing to wash with eco-modes. Secondly, MyASKO users can collectively reach eco-points targets to proactively help local communities to green retrofitting of the environment.



Figure 18: Brand Experience Overview (May, 2021)

7.2

Digital Brand Experience Eco Points

What?

Within the digital app or web dashboard, MyASKO users have an overview of washing modes that the shared washing rooms provide. Information is provided on what types of clothes are best suited for each wash model as well as their impact on the environment (energy, duration, water and temperature levels). When MyASKO users choose more environmentally friendly washing modes (eco, cold or quick-programs), they can collect eco-points (see figure X) which can be used to increase membership levels and reach communal challenge targets.

Why?

Within the qualitative research analysis, it was identified that participants wanted the future shared washing room to have the functional value of “saves the environment”. MyASKO provides them with eco-washing modes and allows users to support local charities and green retrofitting of their local community. This means that MyASKO users not only have the option to wash sustainably, but also to proactively “save the environment” when challenges are achieved and MyASKO invests into charities or green retrofitting.

How?

The digital web and app dashboard is connected to the wifi-enabled washing machines and can track the washing behaviour of MyASKO users. This way, the collection of eco-points can be gathered, memberships increase and communal challenge statuses tracked.



Eco-Points Distribution Asko Wash Mode Examples

Eco-Points	Universal Wash	Hygiene Mode	Heavy Mode	Eco 40-60	Easy Care	Quick Program
	Temp: 60 C Duration: 2:31 h Water: 92 Litres Power: 2,60kWh	Temp: 60 C Duration: 2:32 h Water: 90 Litres Power: 2,00kWh	Temp: 60 C Duration: 2:51 h Water: 100 Litres Power: 2,00kWh	Temp: 40&60 C Duration: 3:40 h Water: 71 Litres Power: 1,04kWh +30 points	Temp: 40 C Duration: 2:00 h Water: 65 Litres Power: 0,65kWh +30 points	Temp: 20 C Duration: 0:30 h Water: 40 Litres Power: 0,50kWh
	Temp: 60 C Duration: 2:31 h Water: 92 Litres Power: 2,60kWh	Temp: 60 C Duration: 2:32 h Water: 90 Litres Power: 2,00kWh	Temp: 60 C Duration: 2:51 h Water: 100 Litres Power: 2,00kWh	Temp: 40&60 C Duration: 3:40 h Water: 71 Litres Power: 1,04kWh	Temp: 40 C Duration: 2:00 h Water: 65 Litres Power: 0,65kWh	Temp: 20 C Duration: 0:30 h Water: 40 Litres Power: 0,50kWh +20 points
	Temp: 60 C Duration: 2:31 h Water: 92 Litres Power: 2,60kWh +0 points	Temp: 60 C Duration: 2:32 h Water: 90 Litres Power: 2,00kWh +0 points	Temp: 60 C Duration: 2:51 h Water: 100 Litres Power: 2,00kWh +0 points	Temp: 40&60 C Duration: 3:40 h Water: 71 Litres Power: 1,04kWh	Temp: 40 C Duration: 2:00 h Water: 65 Litres Power: 0,65kWh	Temp: 20 C Duration: 0:30 h Water: 40 Litres Power: 0,50kWh

Figure 19: Washing Mode Points System
(May, 2021)

7.3

Digital Brand Experience Membership Badges

What?

MyASKO users become members once they choose to be part of the shared washing room experience. This membership can be increased the more eco-points are gathered by the user. With an increase of the membership level, the individual member will receive further discounts on autodose detergents and eco-washing modes. When members reach the final membership level (Eco Hero), they can also win additional prizes (such as a dopper water bottle) with every further milestone achieved (1000, 1250, 1500 points etc.).

Why?

Within the qualitative research analysis and literature review, it was identified that the repetitive payments and constant top-ups create a negative emotional connection towards the washing experience. To increase the negative connection towards the experience and the brand, MyASKO will provide its members with more rewards for their consistency in choosing to wash more sustainably which competitors mostly do not. Additionally, the rewards given are also very relevant for future domestic application, as one of the key barriers identified within the literature review was the "willingness to pay due to long-term financial burden". Future domestic consumers will see the rewards as beneficial in the long-term, as the eco-wash modes become cheaper over time if they choose to wash sustainably.

How?

Firstly, users can track their eco-points and membership levels within the app dashboard. Secondly, MyASKO members can link their membership with their direct debit accounts and track their expenditure through the app. Payments will be debited automatically after every wash and the according payments can be tracked within the app and web dashboards.

Calculations:

With the assumption of students washing on average once per week (4x per month), each participant should be able to reach the next level of their membership within max. 2 months time, without receiving the optional points gained from joining and completing challenges. As demonstrated on page 91, eco-modes will award users with 30 points, an example of a calculation based on the average wash cycle assumption can be seen below.

Scenario Example:

User X washes on one of the eco-modes 4 times per month (4x30 eco-points) and has joined one of the community challenges to collectively reach an eco-points target (+50 eco-points).

$$1 \text{ month: } (4 \times 30) + 50 = 170$$

>User X will reach the next membership level within less than 1.5 months if he/she washes on eco-modes 4x per month.

If users wash less frequently on eco or cold-modes, it will take longer for them to reach the next MyASKO membership levels and receive additional incentives.



Figure 20: Membership Levels & Reward System (May, 2021)

7.1

Digital Brand Experience Gamification Elements

Based on the “Octalysis” framework for gamification provided by Yu-kai Chu (2013), 2 out of 8 core drives of gamification are used within the MyASKO brand experience. The octalysis framework was developed to help organisations cherry pick the main elements which will help execute gamification within their brand experience. In addition, according to Chu (2013) gamification can increase motivation and engagement of users, organisations need to provide them with an emotional or functional value for satisfaction or encouragement. To ensure that there is an emotional value behind the gamification elements, MyASKO users will not only contribute to sustainability incentives, but also receive monetary benefits in return (such as washing discounts).

Core Drive 1 Development & Accomplishment:

The development and accomplishment drive primarily focuses on the drive of making progress, achieving targets and completing challenges. Within MyASKO, this is done by allowing users to collect status points based on their washing behaviour. These can be used to increase membership badges, overcome communal challenges and receive personal and collective rewards. Furthermore, within the communal challenges, user leaderboards will be displayed to showcase which users contribute most to the eco-points (sustainable washing behaviour). The winners of these challenges can additionally receive rewards for their accomplishments.

Core Drive 2 Ownership & Possession :

Each of the MyASKO users can personalise their own avatar which grows with them throughout their MyASKO membership journey. This gamification drive will help

motivate and engage with users, because it will make them feel more like they have ownership of the experience (Chu, 2013). Moreover, the avatars will evolve its character from a seed (within the entry membership level), to a tree (the highest membership level) in order to symbolise that the users eco-friendly washing habits are helping their avatars grow into a tree. Besides the evolution of the avatars themselves, users can also further personalise them by adding accessories which represent their personality. When leaderboards of other users are portrayed, the personalised avatars will then help to stand out from each other.

Avatar Description:

When MyASKO users start their membership with the “initiator” badge, their avatar will be a water drop. The water drop symbolizes the need of water for plants to grow and may encourage users to wash on eco-modes where water consumptions are reduced. With the upgrade to the second level of “Challenger”, the water drop turns into a leaf to symbolize that the water savings have had a positive impact on the avatar. Once the next level of “Game Changer” is achieved within the membership, the avatar evolves from a leaf into a plant. Finally, when members reach the final level of “Eco-Hero”, the plant will turn into a tree. The goal of this evolution of the avatar is to increase motivation to sustain an eco-friendly washing behaviour and with emotional connections towards the avatar. In addition, by displaying the avatars of members within leaderboards, the competitiveness can also incentivise users to collect more eco-points and to help evolve their avatar.

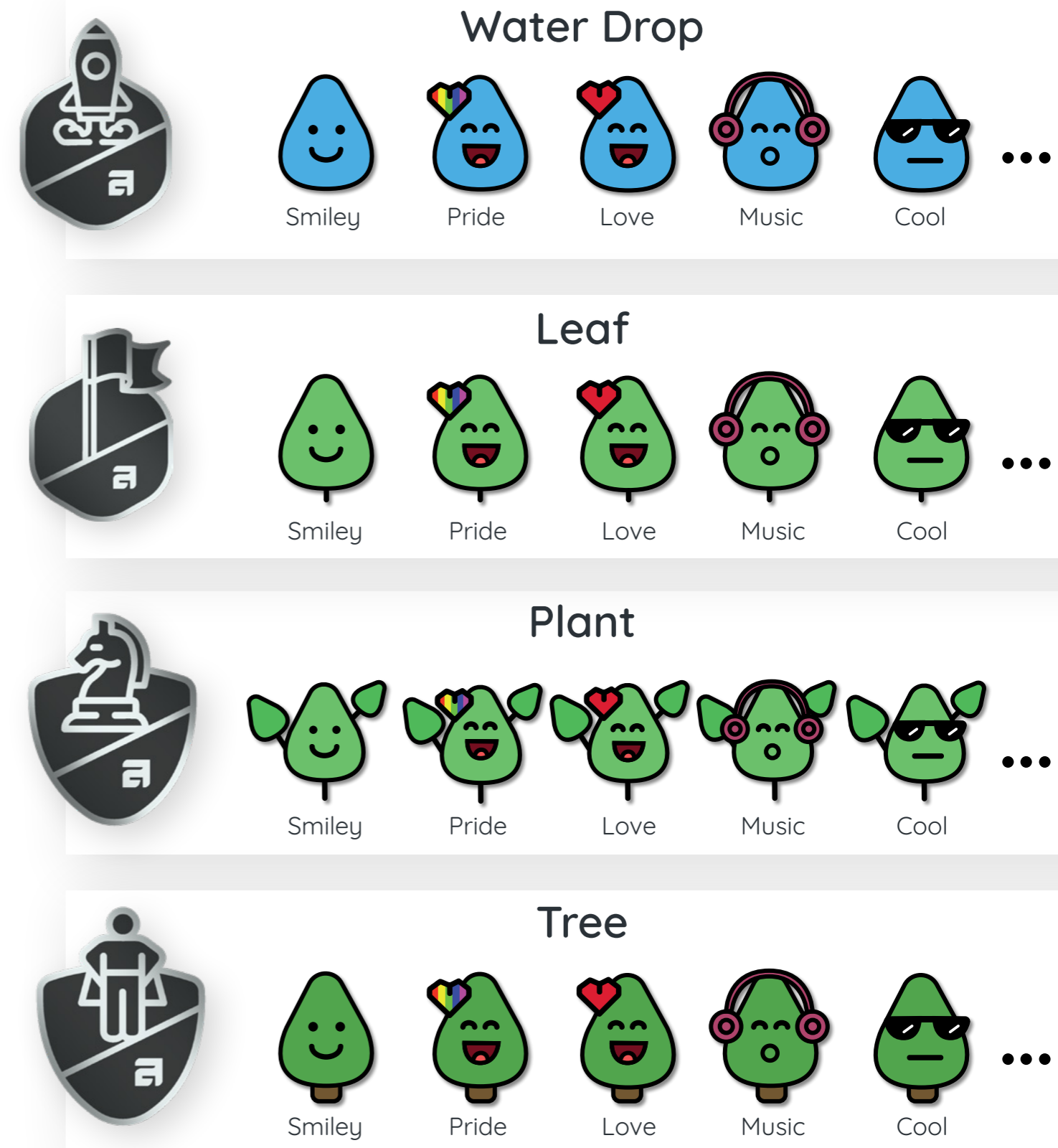


Figure 21: MyAvatar Evolution Overview
(May, 2021)

7.4

Digital Brand Experience Communal Challenges

What?

Within the MyASKO application, MyASKO members have the choice to join communal challenges with the aim to support local charities and/or green retrofitting. When MyASKO members join the challenges, they can reach a collective communal target of eco-points (eg. 10,000 points). For example, one of the DUWO accommodations is challenged to collectively reach 10,000 eco-points within 1-3 months. When the target is achieved, MyASKO will invest into the accommodation in collaboration with the partner and green retrofit it to make it more environmentally friendly.

Why?

One of the functional connections that participants prioritised within the qualitative experiences was “staying connected”. MyASKO users can stay connected with their communities by becoming part of communal challenges. Moreover, the rewards received (such as green retrofitting or charity investments) will ensure a “feeling of trust”, as the sustainable choices MyASKO users make have a positive physical impact on their environment. In short, members can physically see and emotionally feel the sustainable impact their are making.

How?

By joining communal challenges, the eco-points gathered by the individual member will be added towards the total tally of the local community. This tally can be tracked within the app and web dashboard.



Community Challenges Examples



1.

Local Retrofitting

What?

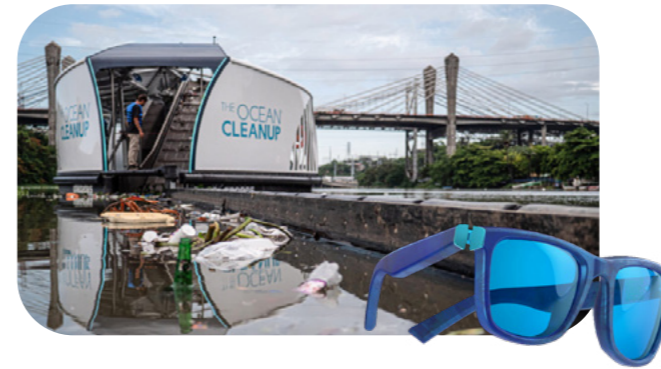
Shared washing room users collectively as a community try to reach an eco-points target of **20,000**. Once this target is reached, MyASKO will invest into the green retrofitting of communal area.

Why?

MyASKO promotes to be a rewardingly sustainable experience. By investing into the local community through green retrofitting, shared washing room users can physically see the rewards for choosing to wash sustainably.

How?

MyASKO will work in collaboration with the local accomedation partner and architects to create concepts to green-retrofit the envionment. Green retrofitting will also have benefits to the communal surroundings, as it decreases the impact of heat waves



2.

Charity Support

What?

Shared washing room users collectively as a community try to reach an eco-points target of **10,000**. Once this target is reached, MyASKO will donate 1/10 sunglasses from The Ocean CleanUp to users.

Why?

MyASKO users not only receive a new pair of sunglasses, but also at the same time support The OceanCleanUP in cleaning the ocean. One pair of glasses equals to 24 football fields worth of cleaned plastics.

How?

MyASKO will invest into The OceanCleanUp by purchasing their sunglasses. With the introduction of micro-plastic filters, there could even be a potential for a co-branding partnership in the long-run.



3.

Eco-Prize Winning

What?

Shared washing room users collectively as a community try to reach an eco-points target of **5,000**. Once this target is reached, MyASKO will donate 1/20 dopper (branded) water bottles to its users.

Why?

This is another opportunity to not only provide rewards towards users for their sustainable behaviour, but also to reduce the use of single use plastics (bottles). It also allows MyASKO to create marketing materials which users can keep for their accomplishments.

How?

MyASKO will purchase dopper bottles which are MyASKO branded and give shared washing room users the chance to win 1/20 once the target is reached.

Figure 22: Community Challenges (May, 2021)

Digital Brand Experience Solution 1

Cycle Tracker

With the washing cycle tracker, MyASKO members can track their washing cycle through the app or the web dashboard. Users click on “MyWash” and can directly see their current washes as well as book new ones.

Track Cycle Timer

Wash Control

Wash Calendar

Wash Dashboard



Push Notifications

Push notifications will be sent out by email and SMS to remind MyASKO users about the status of their wash. When MyASKO users do not pick up their washes on time, more notifications will be sent to avoid conflicts with other tenants and therefore the community.

Push - Reminder

Push - Finished Wash

Push - Wash kick off

Solved Problem Statement

Based on the qualitative research analysis, 4 problem statements were identified and prioritized for the digital brand experience of shared washing rooms. The solutions on this page solve problem statement 4; “During a wash, I often do not know the exact time when the washing cycle is finished and ready for me to pick up”. Current users set timers themselves, whilst the cycle tracker and push notifications will automatically start once the wash has been kicked off.

Digital Brand Experience Solution 2

Booking System:

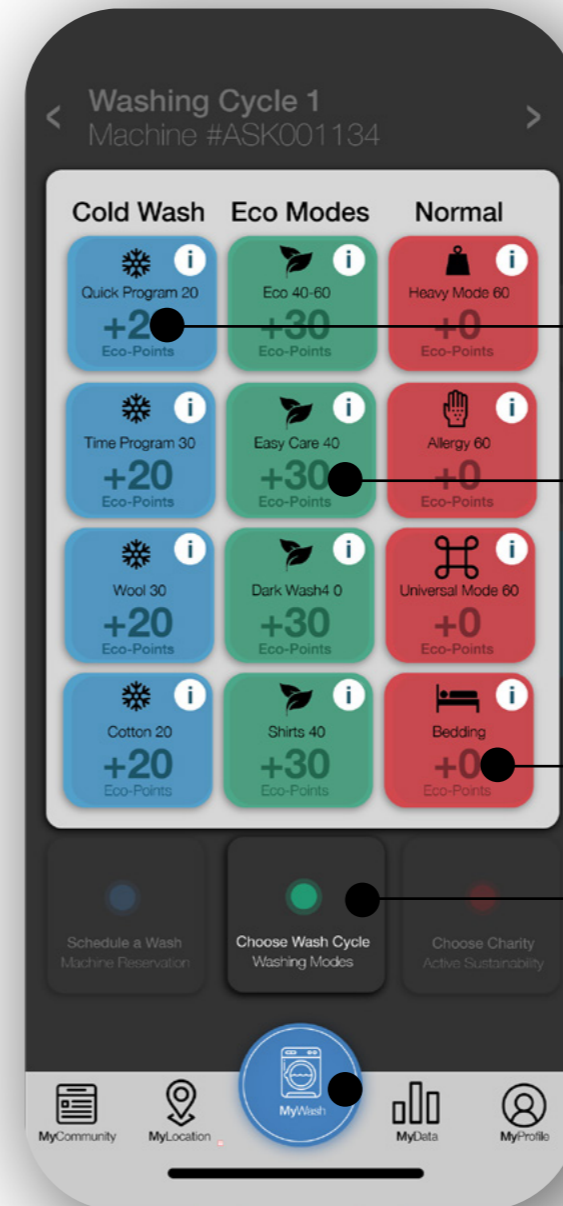
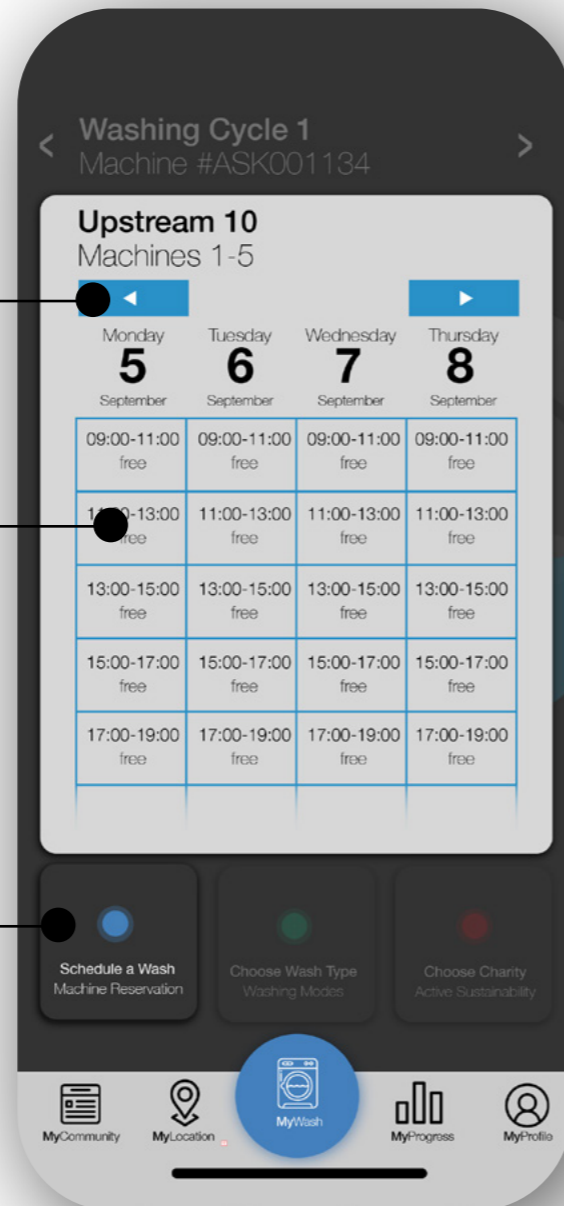
Within the “MyWash” dashboard, MyASKO members can choose a time slot for their wash at any convenient time through the App or web-based platform.

Washing Mode Selection:

After having chosen the timeslot for their next washing cycle, they can additionally get informed and choose the suitable washing mode. Each washing mode has the option to view further information to ensure users choose the correct mode for the clothes desired washing. In addition, members also have a choice of eco-friendly washing modes which provide them with the eco-points needed to improve their membership level or contribute to communal challenges.

Weeks

Time Slots



Cold Wash Modes - 20 Points

Eco Wash Modes - 30 Points

Wash Mode - 0 Eco Points

Washing Modes Dashboard

Wash Schedule Dashboard

Solved Problem Statement

Based on the qualitative research analysis, 4 problem statements were identified and prioritized by participants. The solutions on this page solve the problem statement of; “ When I was in the shared washing room, I feel I don’t have any choice for sustainable washing modes”. With the solutions on this page, MyASKO members can inform themselves about the benefits of choosing eco-friendly modes and receive eco-points in return.

Digital Brand Experience Solution 3 & 4

Community Challenges:

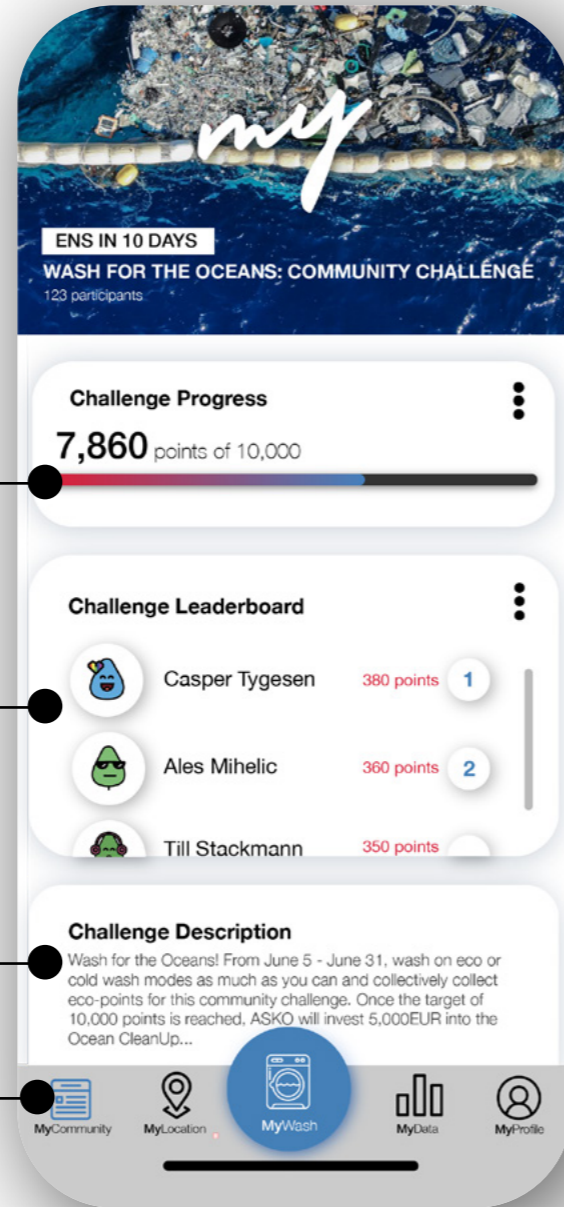
Within the “MyCommunity” dashboard, MyASKO members can join and track statuses of communal challenges. Once joining challenges, communities will work towards a collective eco-points target to get MyASKO to invest into either local sustainable charities or the green retrofitting of the community itself.

Challenge Points Progress

Challenge Leaderboard

Challenge Description

MyCommunity Dashboard



Eco Dashboard:

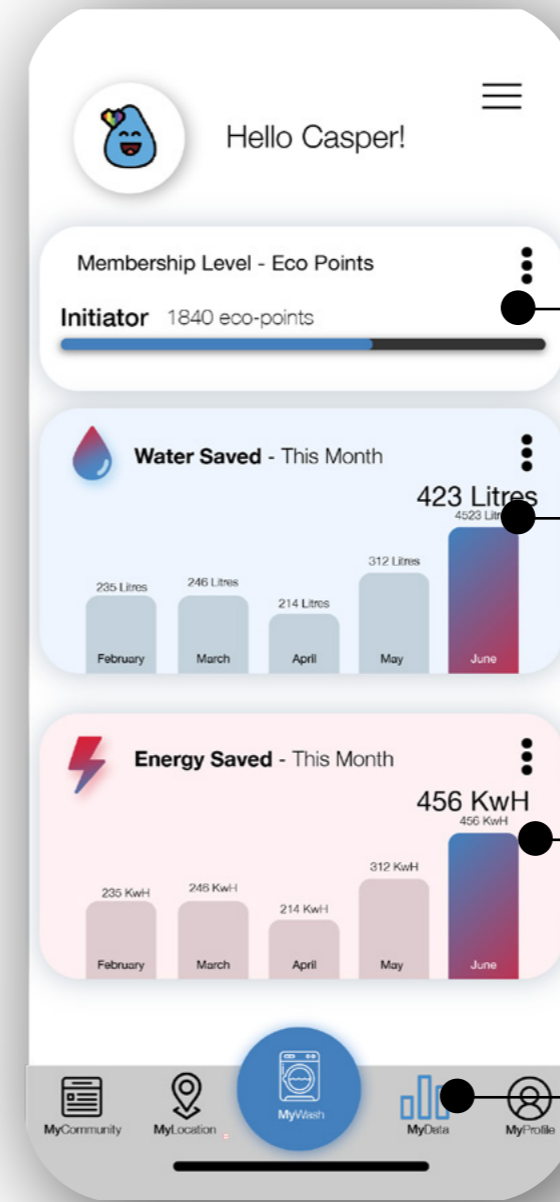
Within the “MyData” dashboard, MyASKO members can track their progress on monthly water and energy savings as well as their membership status based on eco-points collected.

Membership Tracker

Water Saving Overview

Energy Saving Overview

MyData Dashboard



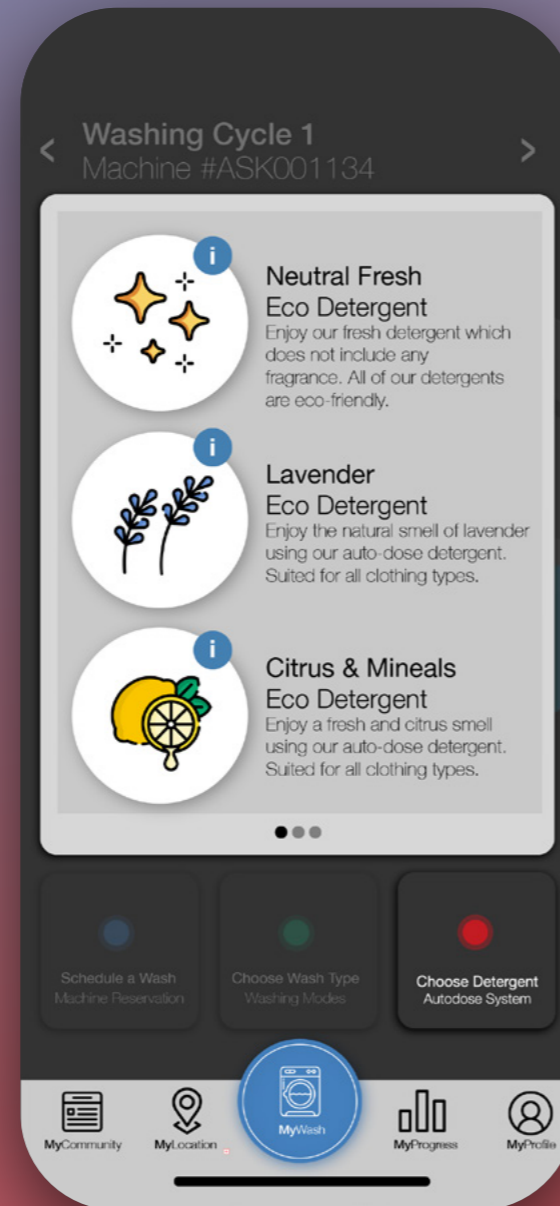
Solved Problem Statement

Based on the qualitative research analysis, 4 problem statements were identified and prioritized by participants. The solutions on this page solves the statement of; “I feel like there are less opportunities to connect with the community of my accommodation the more the washing experience is digitalised”. Individuals have the choice to connect with their local communities and additionally support them through sustainable washing behaviour.

Digital Brand Experience Other Solutions

Auto-Dose Detergent Choice:

MyASKO users can customize the auto-dose detergent. Users will have the choice of several eco-detergents with different fragrances and characteristics for various types of clothing. This will enable users within shared washing rooms to have their own unique fragrance and washing detergent which suits their needs.



Wash Mode Information:

MyASKO users can get informed about the washing models to ensure that they make the right decision for the type of clothes that need washing. Moreover, users can also see information in regards to the temperature, time, water and power consumption.



Digital Brand Experience Functional & Emotional Benefits

Within the qualitative research section, functional and emotional benefits were prioritised by participants for a future shared washing room experience. With the brand extension strategy, features & solutions were created for the digital brand experience that are in alignment with these chosen functional and emotional benefits (see on the right).

Functional - Staying Connected:

One of the prioritised functional benefits chosen by participants was to stay connected with the community. Within the digital platforms (app and web-based), MyASKO users can follow and track the progress of communal challenges that MyASKO will announce within the “news feed” tab. Once the communal challenges are ongoing, the progress and outcome will be announced to keep up the motivation of users and help them stay connected.

Functional - Helps the Environment:

Another functional benefit that participants prioritized was that the experience should “help the environment”. Firstly, the MyASKO washing machines will provide a range of eco options for washing cycles which save water and energy. Secondly, MyASKO users will actively contribute to help the environment by joining and completing communal challenges where ASKO will invest into charities or retrofit communities with greenification.

Functional - Makes Life Simple:

Participants also prioritized making life simpler. For shared washing room users, this is especially important when a cycle is being initiated or finished. MyASKO will send push notifications and provide a timer to remind users to pick-up clothes at the correct time to avoid delays and conflicts within the community. In addition, payments will be made autonomously as the debit accounts are linked with the membership. If there is not enough credit, the bank and account will typically reject the wash request to avoid any possible debt to the user.

Emotional- Feeling of Trust:

MyASKO will not only provide transparency and a quality washing experience, but also physical proof of the sustainable initiatives taken place within communities. One of the communal challenge examples is the greenification of the local accommodation of communities. In collaboration with the local partner, MyASKO members will physically see the transformation of their own communal environment once ASKO will invest into greenifying it.

Emotional- Feeling of Control:

Participants also wanted to “feel in control” when using the shared washing room. In order to ensure users feel in control, MyASKO will provide multiple ways to customize and personalise. Firstly, users can create their own avatar for their profile which guides them throughout their experience. Secondly, a range of washing modes and washing detergents are offered with descriptions to ensure users make the right decision in regards to their washing.

Emotional- Feeling Empowered:

Another emotional benefit prioritized by participants is to feel empowered. Within the MyASKO brand experience, members will feel this empowerment by receiving rewards in return for their sustainable user behaviour.

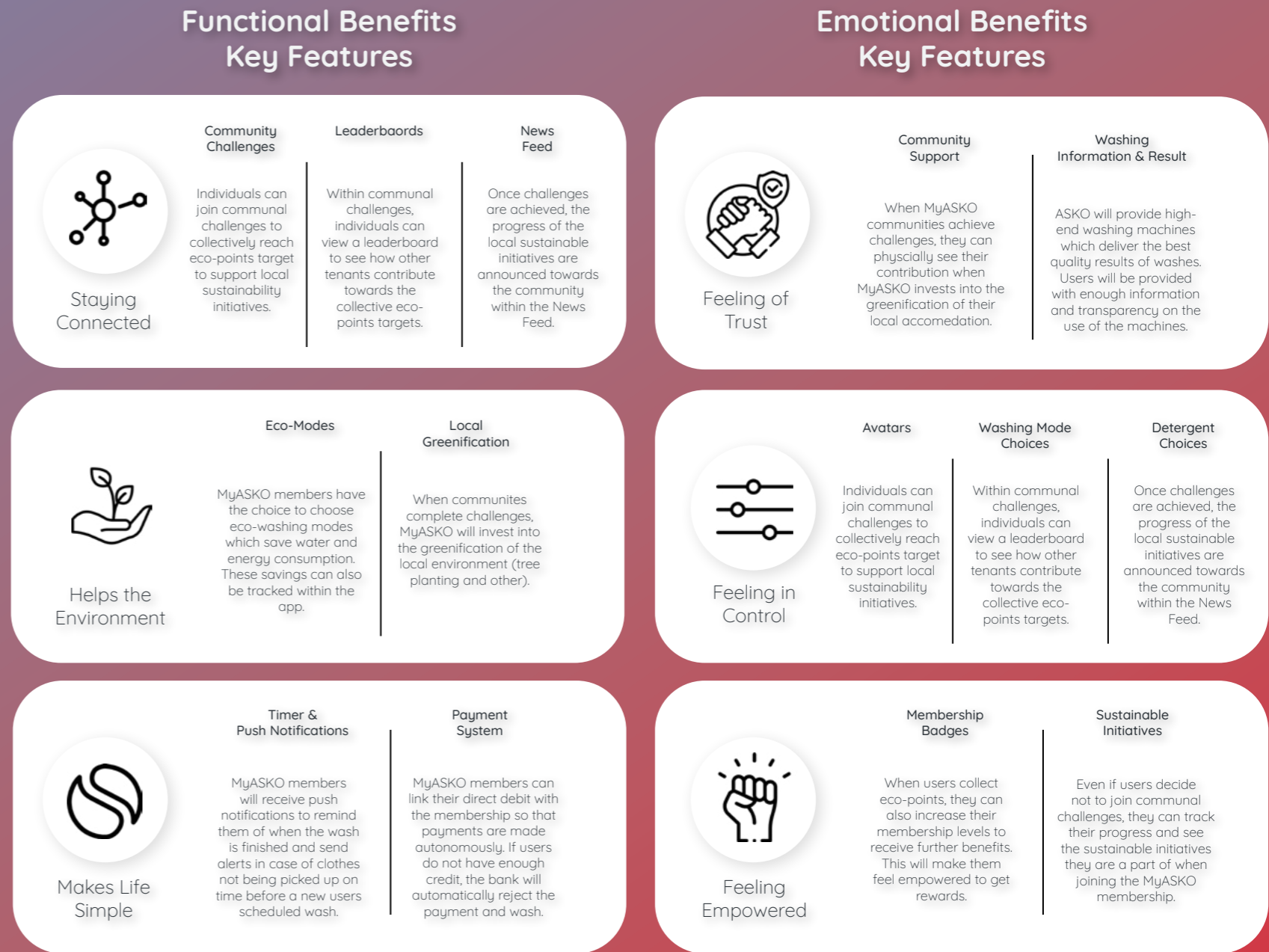


Figure 23: Benefits & Feature Overview (May, 2021)



08

User Validation

This chapter is the validation of the concept with shared washing room users and ASKO Stakeholders.

8.1

ASKO Stakeholders Internal Feedback of Concept

Each of the digital brand experience solutions were presented towards internal stakeholders at ASKO and Gorenje to receive feedback for further development. The majority of the digital brand experience concepts been updated in accordance with the feedback provided.

Onboarding Processes:

→ For the rewarding, it was important to stakeholders that the onboarding process for MyASKO users to receive rewards becomes as fast as possible. For example, having to reach 750 eco-points which should take 2-3 months, it should be set at 250 eco-points which takes 1 month at a washing rate of once a week. In addition, stakeholders recommended that MyASKO users should get the opportunity to receive rewards in return for providing new potential users with a promo-code.

Feasibility for Implementation:

→ One of the key feedbacks given towards the branding strategy and market positioning was provided by the global head of sales. He mentioned that one of his key distributors believed that MyASKO is what ASKO needs to enter the market with circular propositions as it “will differentiate from existing players and offer new experiences for end-users. Consequently, the digital brand experience solutions were showcased to the head of IT and Digital Innovation for gain feedback on the feasibility for implementation. The digital experience can be easily integrated into the existing platforms (ConnectLife) as their are already connect to the wifi-enabled washing machines. However, more budget is needed within marketing as well as innovation since it will require development in UX and UI and campaigning. For this, meetings will need to be organised with Hisense management stakeholders, as these require strategic decision making for the short and long-run.

Washing Detergents:

→ Besides presenting the brand extension and digital experience strategy, another essential feedback was provided towards stakeholders in regards to the autodose washing detergents. The majority of participants (3/6) mentioned that even though they like the idea and concept of the autodose system, they do not like the fact that they only have one single option. As one participant specifically expressed; “ I do not want my clothes to smell the same as the rest of the community, I would prefer to have more choices to personalise”. Stakeholders agreed that this needs further consideration for their eco-detergent partners to develop more than one single washing detergent fragrance to provide users with more personalisation.

Sustainability Rewards:

→ In regards to the communal challenges as well as rewarding system, ASKO stakeholders strongly believe that the brand should invest into making the local community more sustainable. This way, it provides the brand to create brand stories in collaboration with their partners. For example, when ASKO invests into planting trees or bushes within the local community, these achievements can be shared within digital marketing channels as well as local news papers. This will not only increase the brand awareness of the ASKO brand itself, but also help promote and establish communities within local markets.

Introduction Lean Assessment

For the validation phase of this project, the “Running Lean” method was used to ensure a product/market fit for the circular washing machines. This tool is used to find a problem that needs solving and then define the necessary solutions for them. It is done in close iteration cycles with your customers and already helps to engage with potential target groups before market entry (Maurya, 2012). The goal of this method is to define the key problems to focus on and prioritize the solutions in order to come up with the perfect value proposition. The individual steps which are needed to achieve this will be used with the previous 6 participants within the context of shared washing rooms and are demonstrated below. This lean running method was done with the same sampling as in chapter 5 of the qualitative research phase.

1. Understanding the Problem:

– Based on the previous qualitative interviews for the emotional and functional benefits, each participant is presented with 4-5 problem statements. Participants are asked to rank these problem statements according to which ones should have the highest and lowest priority. After the ranking, the interviewer also asks if the participants have any further problems that they would prioritise based on their experience.

2. Demonstrate Solutions

– Showcase solutions which solve the top 4-5 problem statements demonstrated towards participants beforehand. In the case of this project, these will be solutions demonstrated as a digital brand experience (application).

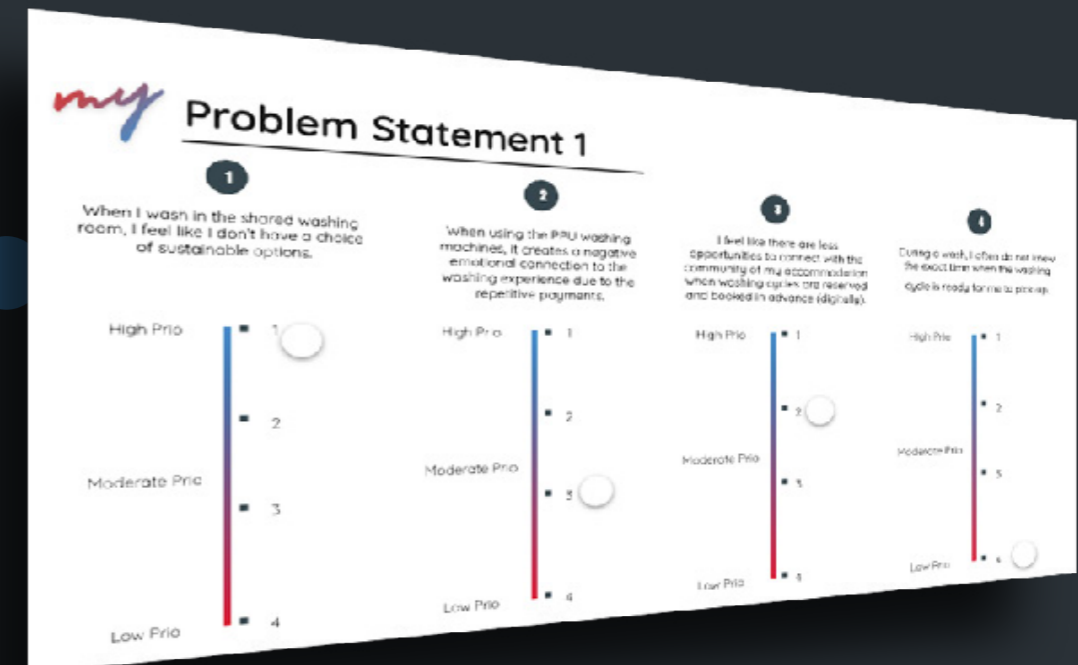
3.

3. Prioritize Solutions

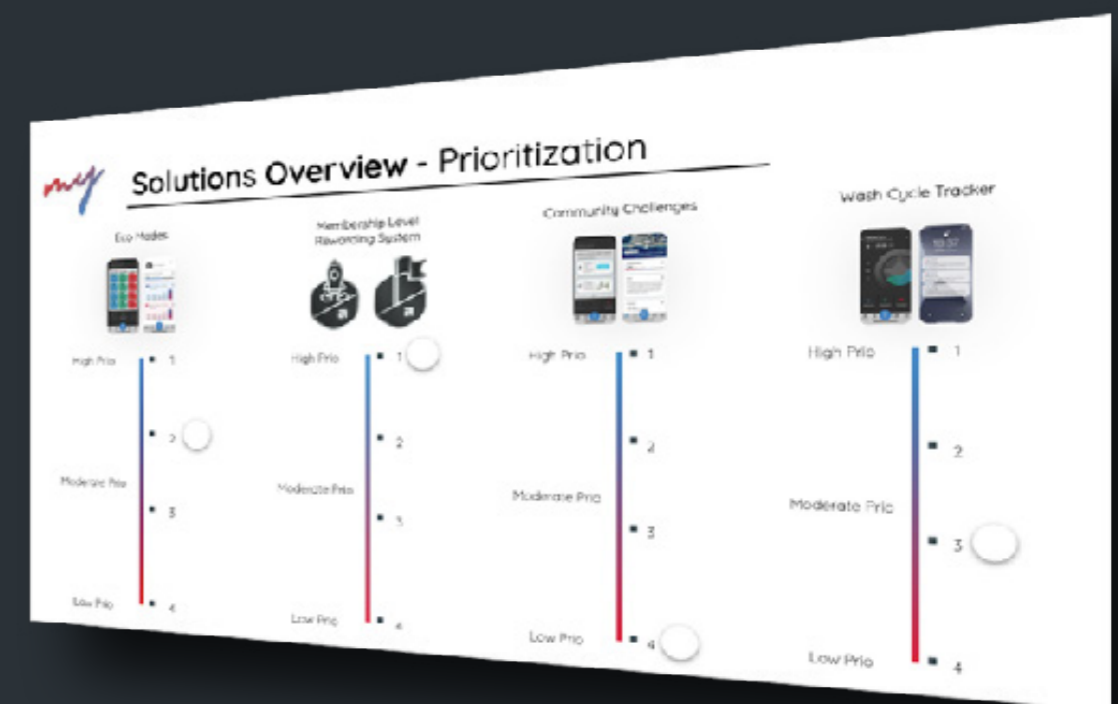
– Participants are then asked to rank these solutions according to prioritization. This will indicate the needs which may have not been identified within the problem statements. The rankings may change compared to the problem rankings as some participants may see the benefit of other solutions as a priority.

After these steps have been made in a qualitative manner with participants, the final concept or prototype can be designed. Moreover, the minimum viable (MVP) product can be identified which is based on the feedback of participants from the running lean methodology (Maurya, 2012). According to Ries et al 2012, an MVP is ;“that version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort”. For the final delivery of this thesis project, an MVP will be suggest on which ASKO should focus on for first implementation. Finally, recommendations will be made into which features should be prioritised as “must haves” and “nice to haves” for future development.

Problem Pain Level



Solution Prioritization



Lean Assessment Solution Feature Prio

High Prioritization:

As mentioned before, the first step of the “running lean” method is to demonstrate the problem statements which have been identified within qualitative research in chapter 5. Each participant then prioritized each statement according to which is most important and least important. After the interviews, each prioritisation was given a value to come up with a final score for each statement (see figure x). The results indicated that problem 2 was overall ranked with the highest priority (21 points), which is related to the negative emotional connection to the shared washing experience due to the repetitive payments. This is also in-line with the consumer acceptance barrier as identified within the literature review. Participant 3 added upon this by saying that; *“paying and topping up money constantly is a pain in the ass and affects my overall experience”*. For ASKO, this is the key barrier to overcome, as this may affect the emotional connection to the brand and decrease the likeliness of shared washing room users becoming future customers for circular washing machines for domestic PPU segments.

Moreover, problem statement 1 of; *“when I wash in the shared washing room, I feel like I dont have a choice of sustainable options”*, was rated with the second highest priority. As participant 2 indicated; *“DUWO currently only provides us with 3-5 washing modes and none of them have any sustainable implications”*. Furthermore, participant 6 added

that besides providing sustainable washing modes, MyASKO should also “provide more information on what each mode is designed for”.

Low Prioritization:

Problem 4 and 3 were ranked the lowest with 14 and 12 points. Problem 4 is related to the cycle tracker to avoid tenants from missing out on a finished washing cycle. According to participant 1, this was the second last important as he/she always uses the timer on the mobile phone and has figured out the machine itself. Finally, the problem statement 3 was overall ranked the lowest. Participant 5 specifically indicated that “there are occasions where you have communication with other tenants, but mostly you try to avoid them”.

The results indicate that the lack of eco-modes and negative connections to the washing rituals due to repetitive payments have the highest pain level within the participants interviewed. Consequently, MyASKO should prioritize these when entering the market with a new and rewarding digital brand experience.



Figure 24: Participant Problem Statement Rankings (May, 2021)

8.4

Solutions Prioritization Participant Feedback Discussion

High Prioritization:

Within the next phase of the “running lean” method, participants were asked to prioritise the solutions according to their liking. Before each participant made their choices, they were presented the solutions which solve the 4 problem statements identified and prioritized previously. Again, each rating from the participants was given a value to come up with a final score for each solution to help make assumptions on collective feedback from the interviews. The results indicated a difference in prioritization in comparison of solutions towards the problem statements. Whilst with the problem statements, knowing the exact time for a finished wash was ranked second lowest, the solution of “cycle tracker” was ranked the second highest. For example, participant 3 mentioned; “I really like that you can track the cycle, receive notifications and do it all in a more interactive way”.

Whilst solution 4 was ranked second highest, solution 2 was ranked with the highest priority, similarly to the problem statement ranking. Solution 2 was the reward system for eco-friendly washing behaviour and participant 5 particularly liked the fact that “it would help to pay less over time” with the sustainable washing behavior he/she already has. Another interesting insight was from participant 2 for the first solution which was ranked with 15 points; “I see solution 1 and 2 together, as I want to have eco options for washing

and it would be even better if my contribution would provide me with further rewards”.

Low Prioritization:

Once again, the communal solution was ranked the lowest, similarly to the problem statement prioritizations. Participants particularly added that this could be a “nice to have”, but would not prioritize this compared to the other solutions which are more “must haves”. Participant 3 added again that; “people in my building are currently not at the right mindset to collectively engage within the community”. However, participant 1 also added that; “currently most of the communal interactions are revolved around conflicts, the communal solution would make this more positive”.

Overall, the takeaway is that MyASKO should primarily focus on solving problem statements 1&2 with the solutions already presented towards participants. These also focus on the sustainable and rewarding brand strategy which MyASKO should focus on in order to differentiate from its competitors as seen in chapter 4.




Figure 25: Participant Solution Feature Rankings (May, 2021)

09



Concluding the Project

This chapter is concluding the project with an evaluation conclusion & recommendation for ASKO and further research.



9.1

Finalizing the Project Evaluation

Within this chapter, the key research questions defined in the introduction of this project will be reflected upon. The brand extension strategy as well as digital brand experience will be used to identify whether or not this is the right approach for ASKO to continue to implement for their circular PSS of washing machines. This will be done by answering the following three questions which were identified in chapter 1.2.

1. What branding strategy is best suited for the circular washing machines of the Gorenje Group brand ASKO?
2. What business model is best suited for the circular PSS of ASKO in the short & long-term?
3. How can ASKO increase consumer acceptance towards their circular PSS?

What branding strategy is best suited for the circular washing machines of the Gorenje Group brand ASKO?

> With the implementation of a new business model with new digital and physical product features for the circular PSS, a brand extension with sub-branding is a beneficial branding strategy for ASKO. The brand extension of MyASKO as introduced in chapter 6 would allow ASKO to use the foundations of sustainability within their DNA, whilst approaching a new a younger target group such as “aware millennials”. Moreover, with a well executed MyASKO brand experience, the momentum can increase the brand meaning and equity towards the parent brand of ASKO. Nevertheless, if it is not executed well and MyASKO users have negative experience it can also have a negative impact on ASKO. Consequently, besides the digital and rewarding brand experience, ASKO needs to ensure that the foundations of the service provided (such as ensuring up-time and hygiene) are consistently delivered within each local community.

What business model is best suited for the circular PSS of ASKO in the short & long-term?

> Within the short term, MyASKO will be operated under a pay per use business model as the first circular

washing machines of ASKO are based on the B2B professional platform. These are wifi-enabled which are purposefully designed for longer lifecycles and are therefore currently too expensive for the domestic market of private homes. Consequently, these machines are best suited for shared washing rooms, most commonly found in communal homes (such as serviced apartment buildings and student accommodations). In the long-term, ASKO should aim to gain shared washing room users as customers for their circular PSS for domestic privately leased machines. For the domestic market, MyASKO members should be able to use their membership to receive discounts or other incentives for domestically leased machines.

How can ASKO increase consumer acceptance towards their circular PSS?

> The main barrier identified within the literature review and the qualitative research was the negative connection to the shared washing room experience as a result of the repetitive payments from the PPU. Firstly, MyASKO will provide a brand experience which offers more than just the product itself. With the reward system, MyASKO users are able to collect eco-points and in return for their sustainable user behaviour, receive individual price incentives and communal sustainability contributions. MyASKO communities can actively contribute towards making their local environment greener by collectively collecting eco-points gained by choosing eco-washing modes. The validation of the concept particularly demonstrated that this reward system was ranked with high prioritization as it could not only create more positive emotional connections towards the shared washing room experience, but also offer a bigger purpose than washing itself. Participants specifically indicated that the shared washing room experience should provide the functional value of “saves the environment”, which MyASKO can offer through its pro-active sustainability initiatives. This is in-line with the theory provided by Sinek (2013), which is to connect with consumers on an emotional level and be in alignment with their values.

9.2

Finalizing the Project Recommendation & Conclusion

Recommendation for further research:

> Gorenje Group and the TU Delft are a part of European funded projects (ReCipss) for the circular economy. When ASKO is piloting its first 200 machines within the Netherlands and Denmark, the rewarding MyASKO brand experience can be further researched upon with a larger number of participants. For example, 100/200 of the circular washing machines can be piloted with gamification elements, whilst the rest of the machines are tested with the existing shared washing room platform. ASKO can then track whether or not the gamified and rewarding version has had an impact on the following:

1. Sustainable User Behaviour (choice of eco-modes).
2. User satisfaction towards the experience (surveys).

This research could also be interesting for future master or PHD projects within the circular design lab of the TU Delft, as these rewarding brand experiences could help increase the acceptance towards other circular PSS in the future.

Recommendation for short-term:

> One of the feedbacks given by the internal stakeholders at ASKO is that this rewarding brand experience has great potential for implementation as it helps to differentiate from competitors at market entry. Therefore, it is important that the brand extension (MyASKO) and rewarding brand experience is tested with participants during the pilot phase planned to begin within 2021. This can be done through an MVP, by for example using the ConnectLife app of Gorenje Group as a canvas to add the reward system, features and gamification elements of MyASKO. If the pilot phase shows positive results in regards to the effects of the rewarding brand experience on consumer acceptance, the MyASKO UX and UI can be developed for market launch in accordance with the hardware development.

Limitations:

Even though the results of this thesis have become interesting also for further research and implementation at ASKO, there have been a few limitations which need to be considered. Firstly, as a result of the covid-19 restrictions, all of the interviews with participants and company stakeholders were held online. This limited the access to information and data in regards to experiences within shared washing rooms, as user behaviour and interactions could not be observed physically. Moreover, 5 out of 6 participants for the qualitative research and validation phases were from student accommodations, whilst it would have also been relevant and important to interview more tenants from serviced apartment complexes or communal homes. These are also possibilities to consider for further research, especially with the implementation phases of the 200 piloted machines.

Conclusion:

The MyASKO brand and digital experience strategy offers a new approach on how to manage and launch the shift towards a circular economy for Gorenje Group and ASKO itself. Whilst the majority of competitors follow almost identical approaches towards the circular PSS with minimal disruptiveness which offers something “new” towards existing and future customers, ASKO has an opportunity to truly differentiate from the market. By making use of a rewarding digital brand experience with pro-active sustainability attributes, ASKO can engage with communities outside of solely the washing experience itself. Other than just offering premium products which deliver quality washing results, ASKO connects with their users on an emotional level as individuals have the choice to collectively make their local community more sustainable. As a result, the company stakeholders see this as high-potential for implementation with the planned pilot phase, as it can help position the brand towards a wider target group and establish a unique selling point in the market positioning.

Finalizing the Project Recommendation for Domestic Transition

Long-term Recommendation

Even though this project is mainly focused on shared washing room users, ASKO has the opportunity to **create brand ambassadors** from an engaging MyASKO experience. If ASKO delivers on a service level (eg. hygiene & maintenance) and enables rewards for sustainable consumer behaviour (eg. price & sustainable incentives) it will increase the chance to create brand love and loyalty from existing members. Students or young professionals who will move into their own apartment/house after a communal accommodation are likely to be scanning the market for privately owned washing machines. After having positive experience with the MyASKO brand, they may have a higher acceptance towards their domestically leased machines, especially if they receive further discounts with the use of their existing membership. To show how MyASKO shared washing room members can become loyal to the brand, a short 3 step roadmap has been made (see on the right).

Phase 1 - Promoters:

Within the first phase gaining brand loyalty, MyASKO members will be provided with a chance to become promoters in return for incentives. MyASKO will offer existing members a promotional code which they can use to on-board new members and in return, receive 5 free washes and 25 eco-points. With this incentive, MyASKO members will promote the membership through word of mouth, similar to what has been seen at Uber or Deliveroo previously.

Phase 2 - Activists:

In the second phase, MyASKO members will become actively sustainable by choosing to wash eco-friendly and by joining community challenges. Whilst MyASKO members become more and more engaged in the experience as more monetary (discounts) and sustainable (greenification) incentives are received. MyASKO members will therefore feel like the shared washing room is more than just "washing", as they can physically see their contribution towards sustainability.

Phase 3 - Loyalists:

Lastly, students and young urban entrepreneurs who are using the MyASKO shared washing rooms may choose to move out after finishing studies and/or landing a job. Instead of losing them as members, MyASKO will provide them with a "members pass" which they can use to lease MyASKOs circular domestic washing machines. If MyASKO members use this "members pass", they will keep their benefits and will continue to receive a discount on the leased washing machine. However, the gamification elements and rewarding system may change as firstly the community can't be accessed and secondary the digital buy-in may decrease. With privately owned machines, the need for digital touchpoints decreases as no reservations are needed.

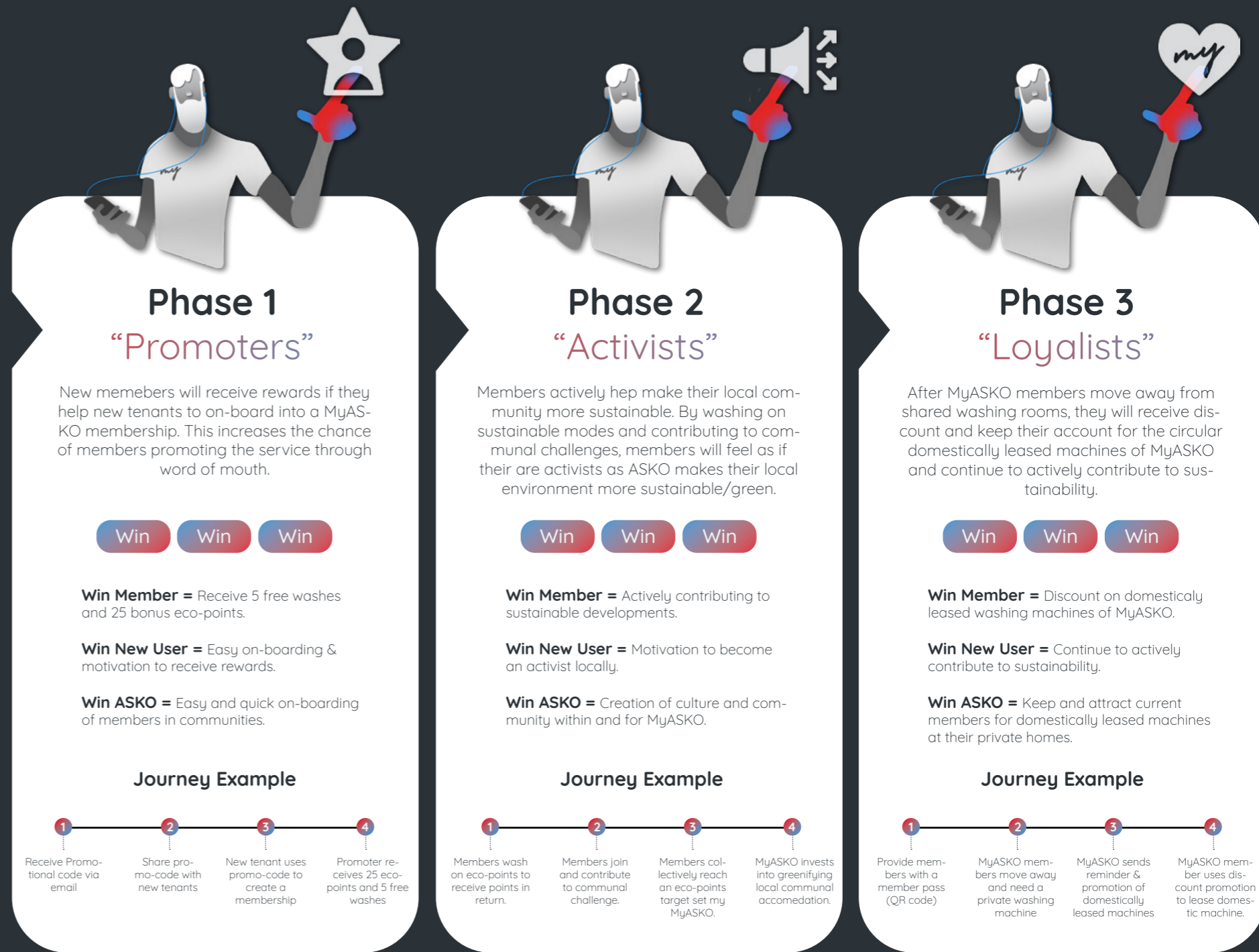


Figure 25: Brand Attachment & Ambassador Roadmap (August, 2021)

2.4

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10



Appendices

This chapter are the appendices which includes a detailed customer journey as well as the functional and emotional benefits.

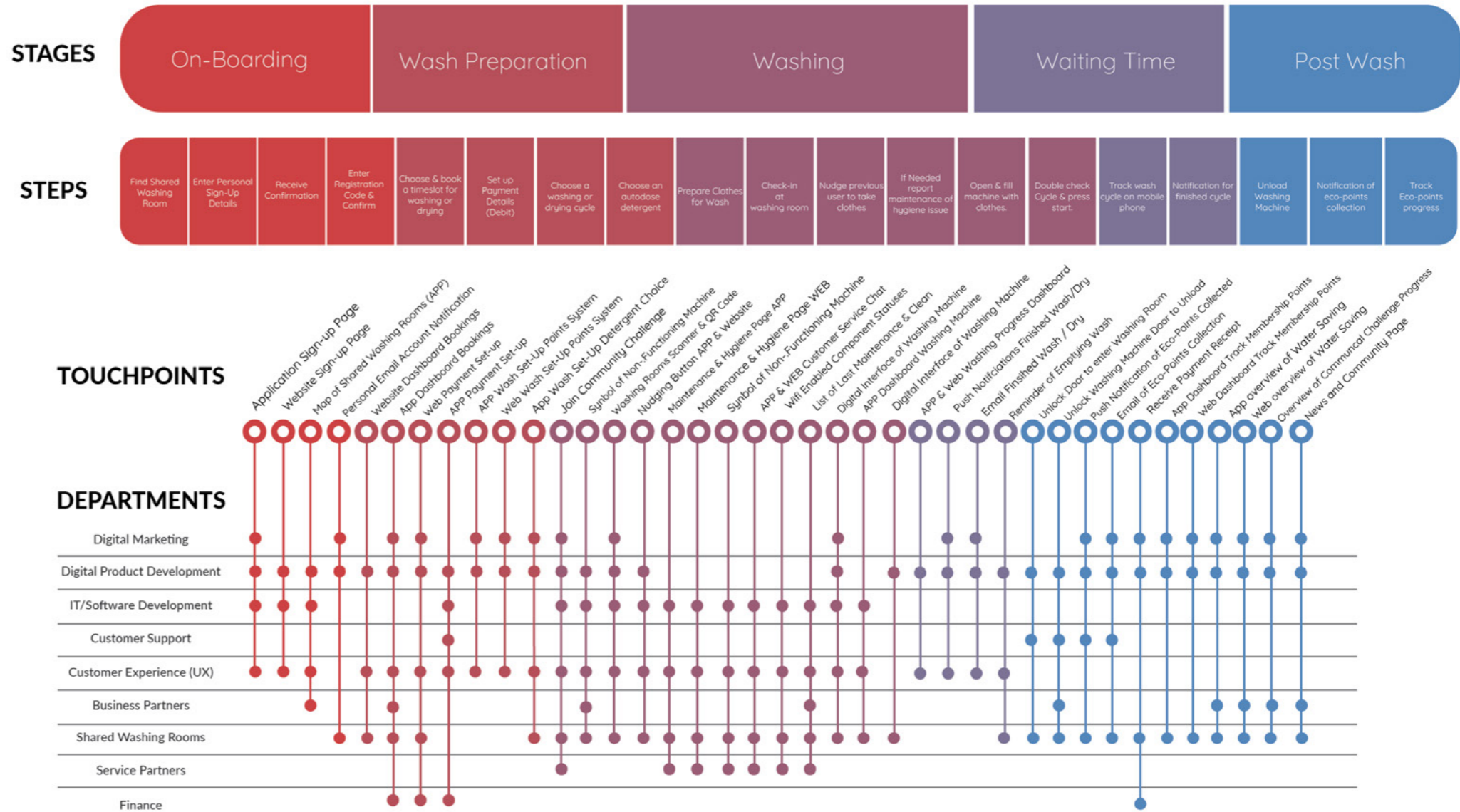


7.8

Customer Journey Blue Print (Detail)

This is a more detailed customer journey of the MyASKO experience. On the top level are the stages, which describe the general events which occur when MyASKO users want to make a wash within the shared washing room. The second level are the individual steps which need to be made in order to realise the overall stages. Within the third level, the individual touchpoints are identified within the digital ecosystem of MyASKO (such as the wash dashboard and sign up pages). Finally, the fourth level connects the digital touchpoints with the departments of ASKO which may need to be involved to realise each step and touchpoint. This customer journey was made to help ASKO to plan the implementation of the MyASKO experience.

Customer Journey Touchpoints



2.4

Functional Benefits Overview

These are the functional benefits which participants had a choice of within the qualitative research chapter. Each participant had to prioritize 3 out of 9 functional benefits which they believed their current and their desired future shared washing room experience include.



2.4

Emotional Benefits Overview

These are the emotional benefits which participants had a choice of within the qualitative research chapter. Each participant had to prioritize 3 out of 9 emotional benefits which they believed their current and their desired future shared washing room experience include.

