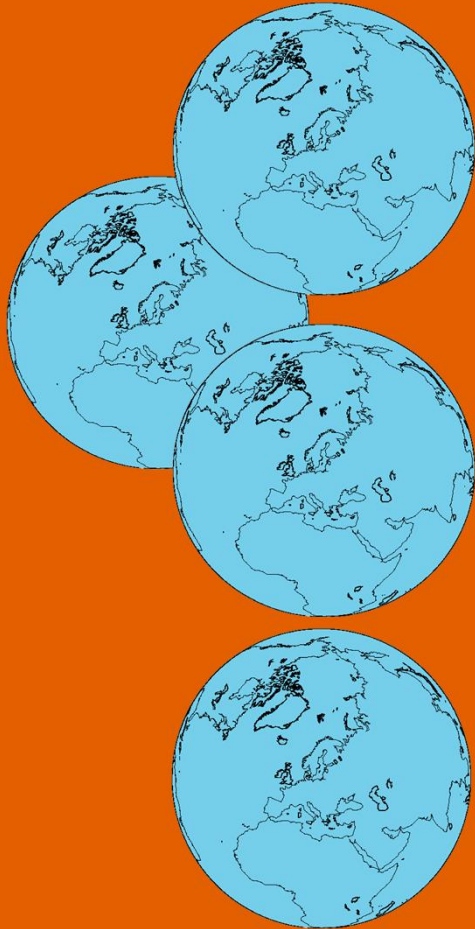


How to create a sustainable value proposition in logistics?

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Companies need to rethink the existing value propositions.

Source: Sitra

From value proposition towards sustainable value proposition

A value proposition is a statement which identifies clear, measurable and demonstrable benefits for consumers when purchasing a particular product or using service. It should convince consumers that this product or service is superior to other existing available alternatives of solutions on the market (e.g. Rintamäki et al., 2017).

We define sustainable value proposition: “as a promise on the economic, environmental and social benefits that a firm's offering delivers to customer, stakeholders, and the whole society, considering both the short-term and long-term impacts”

(e.g., Anderson et al., 2006; Ballantyne et al., 2011; Hart & Milstein, 2003; Hassan

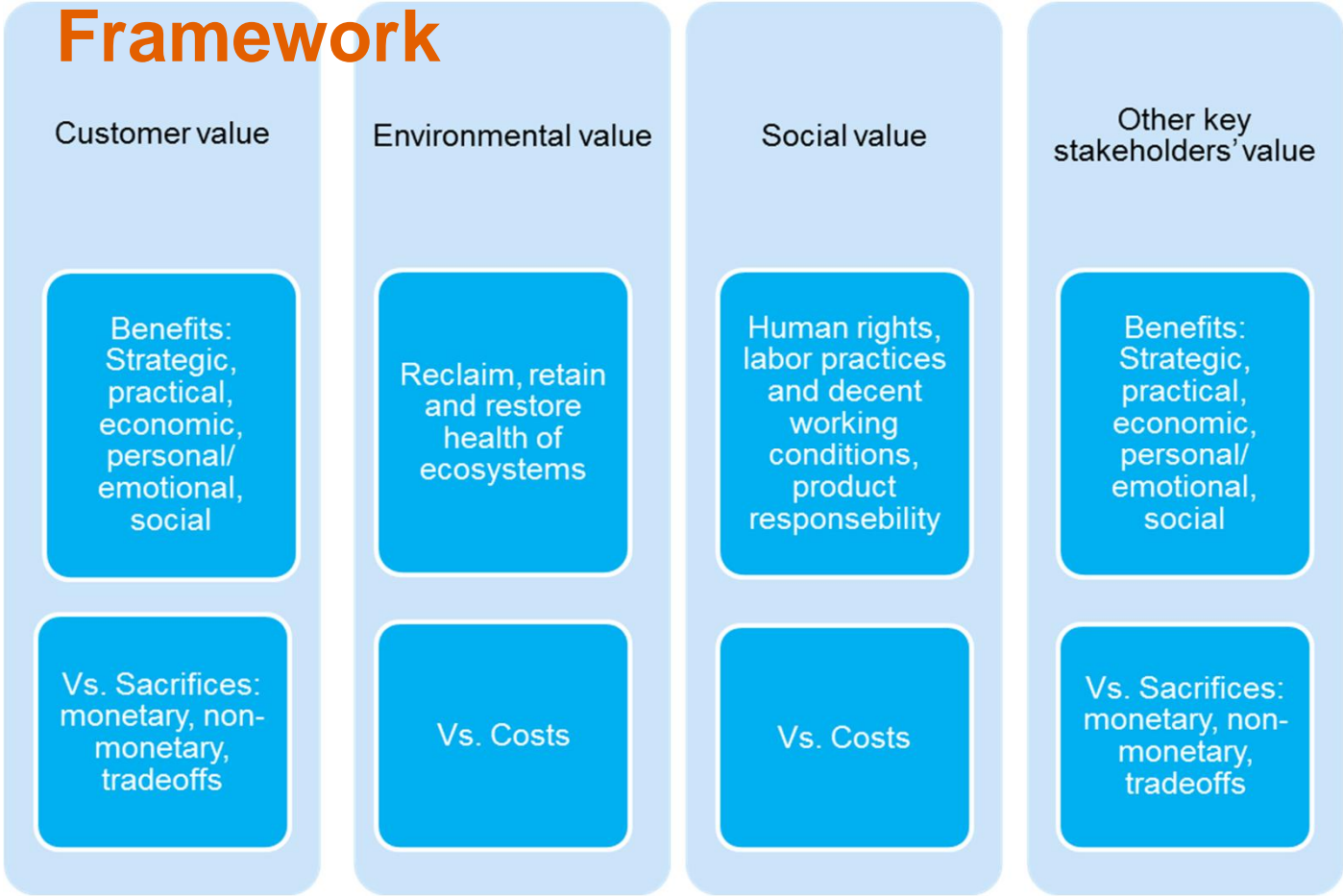
Research Questions

1. What kind of value propositions are logistics companies currently proposing for *a) consumers, b) environment, c) social issues, d) other centric stakeholders*?
2. What kind of conflicts can be found between these value propositions?

We 1) create a sustainable value proposition framework, 2) use it as an evaluation tool, and 3) identify conflicts between stakeholders' interests

Research Methods

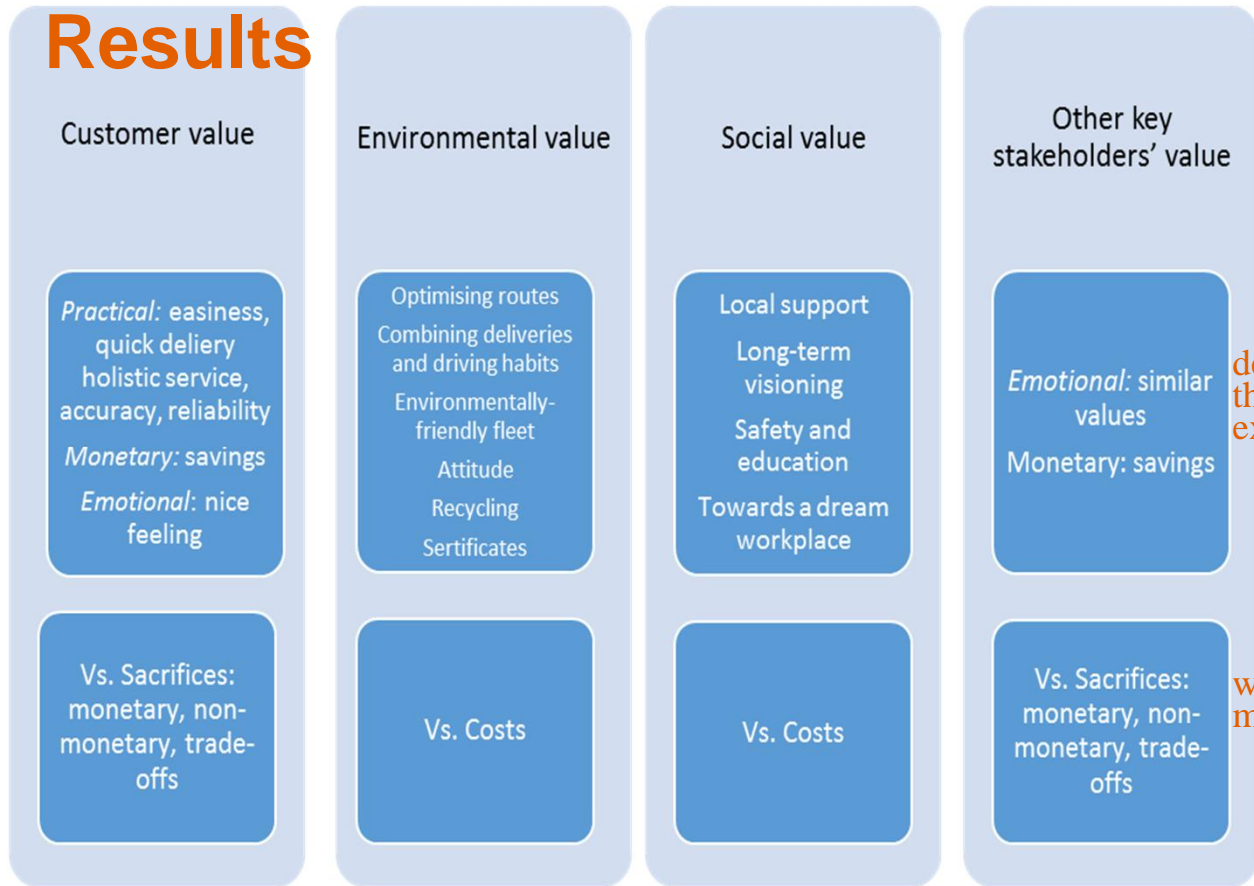
- § 3 Finnish logistics companies
- § Case study
- § Data triangulation
 - Semi-structural interviews, March 2019
 - A joint workshop, April 2019
 - Several discussions and meeting memos as a secondary material
- § Analysis with Nvivo
- § Part of the project called Open Mode, funded by Business Finland and companies



Antikainen et al., ISPIIM Firenze, June 16-19, 2019

Modified from Manninen et al., 2018; Patala et al., 2016).

Results



“Easiness factor so that, we are trying to be the most reliable, and sort of, how do you say like straight, straight-backed...”

“We are talking about the same-day delivery, what is now in web shops, they are a hot topic now. And very exact delivery times to the customers.”

“Different way of doing logistics is that we are actually caring about the people.”

“Our aim is to be a dream workplace for people who want to make other people feel good...”

Results (2/2)

Conflict

- § Current business models focus on bringing new goods to people, who consume them and then throw away.
- § The upcoming change towards the long-lasting products can be seen as a risk for their existing business
 - the volumes might drop if goods are reused and/or they last longer

Solution

- § Companies have focused on the C2C segment and people who are getting rid of the used goods

“We have gone from building, from using lasting stuff to, more and more consuming and then throwing away but now the tide is turning again and people want to have more sustainable stuff.”

Conclusions

- § The role of logistics becomes even more important in the sustainable and circular economy, which creates new business opportunities for logistics companies.
- § At the moment, several companies are adopting sustainable business models. However, our current business model innovation tools are not yet supporting this transformation enough.
- § The sustainable value proposition framework needs to be evaluated in different sectors.
- § Integrating impact measurement aspect to this qualitative framework would add the understanding how well the value proposition is implemented (*Manninen et al 2018*)
- § The sacrifices should be included in the exploration to gain a realistic view of the value propositions.