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Applying multi-stage marketing in industrial markets: Exploratory insights on its successful implementation, management and adaptation in dynamic markets

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ABSTRACT

Multi-stage marketing (MSM), a market-driving strategy applicable in multi-stage industrial markets to shape customer preferences, is still an underresearched field. While the strategic and operational dimensions of MSM have already been recognized and researched, MSM's processual dimension, i.e. its implementation, management and adaptation, has so far gone unnoticed. Based on a comprehensive case study of a German component and consumables manufacturer, this paper will derive in an exploratory research approach first insights on the determinants of a successful implementation and management of MSM, as well as the impact of market dynamics on the design of a firm's salesforce. The results indicate that a supplier applying MSM has to have unique resources and capabilities at its disposal, which are performance-relevant for the downstream market stages and allow for continuous organizational adaptation. Moreover, firms need to complement their traditional salesforce with additional indirect customers/stakeholder-oriented sales units for enabling MSM at the other market stages.

1. Introduction

Value creation in industrial markets mostly takes place across multiple market stages (Anderson, Narus, & Narayandas, 2008; Dahlquist & Griffith, 2014; Geiger, Dost, Schönhoff, & Kleinaltenkamp, 2015; Hillebrand & Biemans, 2011; Homburg, Wilczek, & Hahn, 2014), often not in a linear form, but in complex value chains (Porter, 1985), business networks (Anderson, Håkansson, & Johanson, 1994; Håkansson & Snehota, 1995; Möller & Halinen, 1999) or even business ecosystems (Aarikka-Stenroos & Ritala, 2017; Möller & Halinen, 2017; Möller, Nenonen, & Storbacka, 2020). The involvement of multiple market stages, however, results in two major challenges for business companies: First, the purchasing decision for a product or service does not necessarily depend solely on the decision of the direct customer, but can also depend on decisions of the customer's customers or other influential stakeholders (Kleinaltenkamp, Rudolph, & Classen, 2012). Second, the intensity of international competition makes it more and more difficult for firms to differentiate properly as products become increasingly similar, a development also known as commoditization (Reimann, Schilke, & Thomas, 2010), or are developed/produced based on exact specifications given by their customers. Accordingly, business companies struggle in gaining and sustaining a key supplier status (Ulaga & Eggert, 2006) or try to improve their position in dyadic or multi-stage market channels (Dahlquist & Griffith, 2014; Geiger et al., 2015; Homburg, Theel, & Hohenberg, 2020) by applying multi-stage marketing.

Multi-stage marketing (MSM) is a sales-related approach aiming to influence the buying behavior of customers in the subsequent market stages (Kleinaltenkamp et al., 2012). MSM is rooted in an extended understanding of market orientation (Hillebrand & Biemans, 2011; Jaworski & Kohli, 1993; Kohli & Jaworski, 1990). It is about creating demand in a market-driving sense (Jaworski, Kohli, & Sahay, 2000; Jaworski, Kohli, & Sarin, 2020; Nenonen, Storbacka, & Windahl, 2019) – not only from the direct customers, but also from their indirect customers, i.e. customers of their customers (Dahlquist & Griffith, 2014). MSM can thus improve a supplier's power and negotiation position considerably (Cowan, Paswan, & Van Steenburg, 2015; Homburg et al., 2020; Makkonen, Siemieniako, & Mitrega, 2021; Munksgaard, Johnsen, & Patterson, 2015; Siemieniako, Mitrega, Makkonen, & Pfajfar, 2023).

Some organizations have already applied multi-stage marketing rather successfully, with INTEL's ingredient-branding strategy in the consumer electronics industry as the most prominent and successful

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example (Erevelles, Stevenson, Srinivasan, & Fukawa, 2008). Others are still applying it in consumer markets (e.g. Bosch [e-bike industry], GoreTex [textile industry]) or business markets (e.g. mobileye or Nvidia [automobile industry], Klüber Lubrication [oil industry]), although the application of multi-stage marketing is accompanied with severe challenges (Thomas, 2016). In particular, the coordination of the MSM approach across departmental and firm boundaries or counteractive measures by downstream market stages can pose enormous risks to firms applying MSM (Kleinaltenkamp et al., 2012).

Even though MSM is at the heart of the value creation process in B2B markets, research in MSM is still at a nascent stage (Thomas, 2016; Vedel, Geersbro, & Ritter, 2012). More insights are required regarding the prerequisites for as well as the design of a successful MSM approach. In this context, Vedel et al. (2012) also suggest extending the analysis of MSM to aspects like power as well as the dynamics of market structures.

In our exploratory paper, we provide more insights on the application of MSM and extend the strategic and operational perspective of the MSM approach by a processual one, i.e. the implementation, management and adaptation of MSM. In addition, it analyzes when and how business companies can improve their position within their business network by applying MSM – and how to subsequently configure their salesforce.

Component and consumables manufacturers (CCM) seem to be particularly suited for analyzing the application of MSM in industrial markets. In contrast to OEM, component and consumables manufacturers are more exposed to its various challenges as they often act from a weaker power position within their value creation process (Cowan et al., 2015; Hingley, 2005; Lindgreen, Hingley, Grant, & Morgan, 2012). They recognize the threats of either becoming easily exchangeable and being trapped in harmful price competition, or of being diminished to an annex or an extended workbench of their customers, i.e. processing organizations or OEM. Due to the scope of the research study as well as the authors' intention to understand the application of MSM in industrial markets more in-depth, they rely on a single, but rather comprehensive case-study analysis.

As the results indicate, MSM might be particularly successful when the business companies have unique resources and capabilities at their disposal, which are highly performance-relevant for the downstream market stages (e.g. with respect to production efficiency, innovations, regulation compliance), and their (indirect) customers are particularly performance-driven. Furthermore, the exploratory results illustrate that business companies need to build up, besides its traditional salesforce, additional indirect customers/stakeholder-oriented sales units for initiating and enabling MSM at the other market stages at all, and that market dynamics require a continuous, agile adaptation of the business companies' salesforce depending on the changing market behavior, market structures – and local peculiarities.

The remainder of the article is organized in the following way: In the second section the literature on MSM is reviewed, the generic MSM concept is explained in-depth as well as the need for a processual perspective is demonstrated. The third section is dedicated to the case study, where the exploratory research design and the analytical framework are explained, the case is described in detail and the results of the analysis are discussed by relating them to the most recent literature. In the fourth section, the theoretical contributions are provided and managerial implications derived. The article concludes with the paper's limitations and future research directions.

2. Literature review on multi-stage marketing

Despite its wide-spread application in business practice, multi-stage marketing (MSM) is a scarcely researched topic in marketing (Geiger et al., 2015; Homburg et al., 2014; Thomas, 2016). Even though the relevance of MSM has at least partly been recognized in the context of vertical marketing channels/systems (Achrol, Reve, & Stern, 1983; Antia & Frazier, 2001; Wathne & Heide, 2004; Wuyts, Stremersch, Van Den Bulte, & Franses, 2004) as well as ingredient branding (Erevelles et al., 2008), besides the work of Kleinaltenkamp et al. (2012) and Homburg et al. (2014) "[…] a systematic, operational approach to multi-stage marketing is still missing" (Vedel et al., 2012). Instead, some researchers turned to triadic (instead of a dyadic) business relationships (e.g. Narayandas, Caravella, & Deighton, 2002; Vedel et al., 2012; Wuyts et al., 2004) as they seem to grasp business practice much better than the limited dyadic perspectives, while avoiding the complexity of extensive business networks at the same time. The triadic perspective is an important step in the conceptualization of multi-stage marketing as it allows to assess and strategically align business interest across multiple market stages (Wuyts et al., 2004). Due to the increasing importance of end-user priority (Homburg et al., 2020), the triadic approaches are not always comprehensive enough in multi-stage marketing as value creation often takes place across more than three market stages and also includes the involvement of various additional stakeholders.

2.1. Foundation of MSM

All marketing concepts revolve around the idea of value creation (American Marketing Association, 2021). In their value-creation process, firms can be either *driven by markets* or they can be *driving/shaping markets* (Jaworski et al., 2000). Particularly the concept of shaping markets has lately received a lot of attention among marketing scholars, because market shaping means to shaping customers and/or other market actors' preferences and shaping market structures, i.e. the composition of actors in a market/ecosystem, and the exact functions performed by them (Jaworski et al., 2020; Nenonen et al., 2019; Nenonen & Storbacka, 2020).

Shaping customer and other actors' preferences becomes especially challenging as soon as the perspective moves upstream to business markets – and firms include multiple market stages in their marketing approach (Hillebrand & Biemans, 2011; Smith & Owens, 1995). Moving upstream in the value chain leads to the phenomenon that a firm's direct customer does not necessarily represent the primary demand anymore. Instead, the customer's demand is at least derived from one of the subsequent (or downstream) market stages (Kleinaltenkamp et al., 2012; Meredith, 2006), e.g. the customer's customers or other influential stakeholders like the European Commission as regulators or international treaties like the 'Montreal Protocol' or the 'Basel Convention' (Kleinaltenkamp et al., 2012). It therefore becomes more important that a firm understands a buyer's entire value chain (Narver & Slater, 1990) and identifies the source of primary demand in the value chain, because "[…] whatever impacts your customer will ultimately impact you" (Meredith, 2006).

As a value chain often encompasses several interdependent market stages, firms have to decide which downstream market stages they are going to target in their MSM approach. Wilson (2003) suggests that the "value in the value chain is driven from the ultimate end customer", which raises the question of *who the ultimate end customer is* in the context of a component or consumables manufacturer. Already Fern and Brown (1984) hint at the fact that consumers, who are seen in the marketing literature more or less as the natural source of primary demand, cannot always be recognized as the ultimate end customer, because a considerable amount of their economic activities are also driven by their own downstream market stages. It therefore seems to be more sensible to determine the primary demand-driving market stage for a component or consumables by identifying the market stage, for which (1) the component or consumables is still identifiable, (2) its value contribution in the value creation process is ultimately recognizable and (3) it is highly performance-relevant (Kleinaltenkamp et al., 2012). Based on these considerations, an overview of exemplary alternative MSM approaches is given, which target different market stages as the ultimate end customer (Fig. 1): The most classic MSM approach targeting consumers is *consumer goods branding* (Kohli, 1997). Producers of FMCG or non-food consumer goods (e.g. consumer electronics or

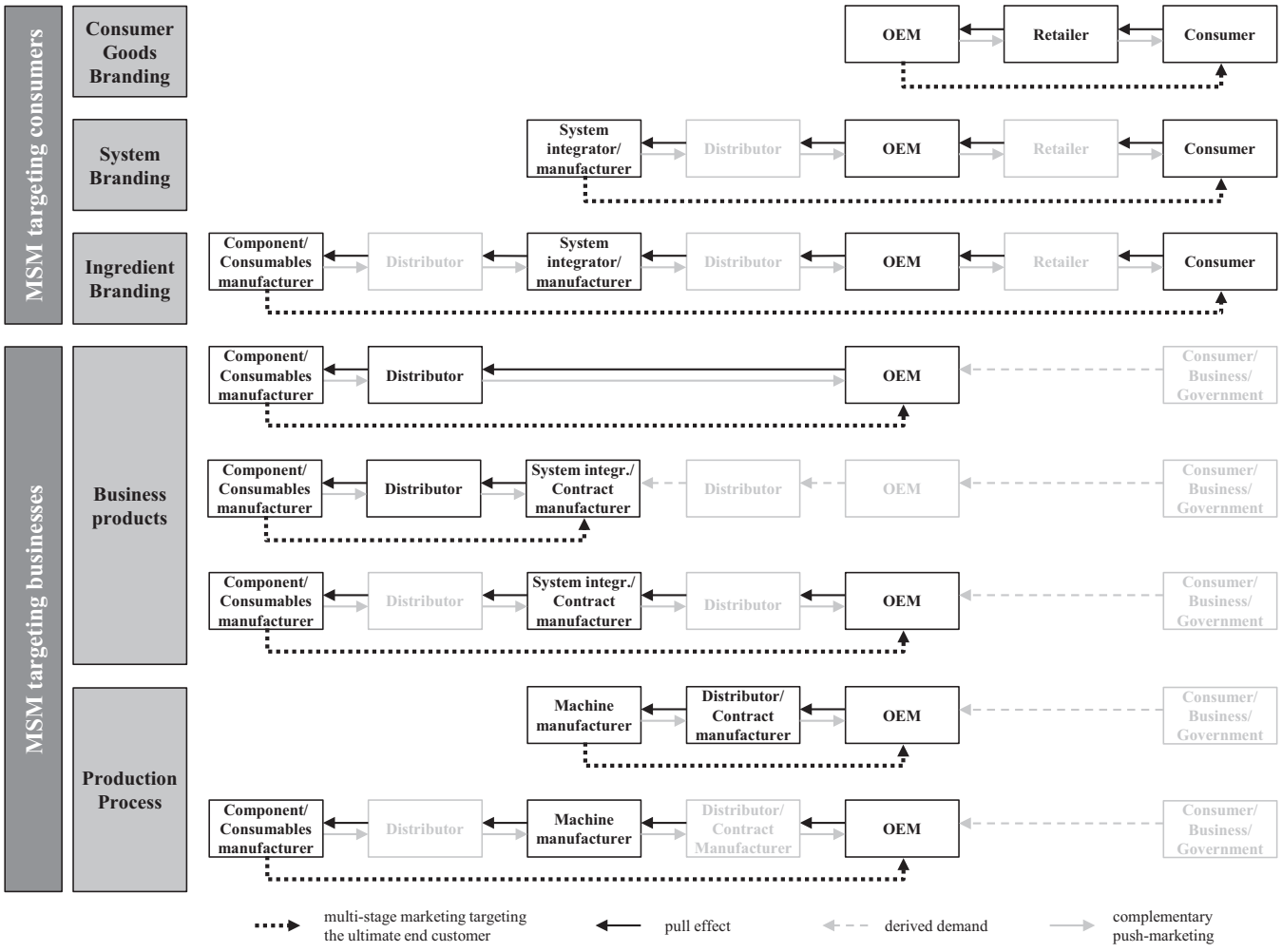

Fig. 1. Alternative multi-stage marketing (MSM) approaches of product firms.

fashion articles), who sell their products mostly via retailers, try to decrease their dependence on the retailers by creating brands and promoting their products directly to the consumers. Thus, consumer marketing has predominantly been about creating demand (pull) due to the anonymity caused by mass-markets, the new opportunities provided by mass media as well as due to the increasing relevance of retailers. *System branding* is another well-recognized MSM approach targeting consumers. One variant of system branding is particularly well known, i.e. *franchising*. In these cases, a franchisor creates a business model and offers franchisees the opportunity to take over the local operations. Even though the franchisee is legally independent, it is highly dependent economically (Combs, Ketchen, Shook, & Short, 2011). *Ingredient branding* is the only MSM approach, where component manufacturers like INTEL, Bosch, Shimano, Teflon or GoreTex target consumer markets, thus providing them with the opportunity to bypass their possibly non-cooperative direct customers. By implementing (often intense) promotional and branding measures directed at the end customer, the component manufacturers are able to elevate their negotiation position significantly – as long as the specific requirements of the consumer markets are properly met (Erevelles et al., 2008).

If business customers are identified as the ultimate end customer and thus targeted by firms in their MSM approach, we have to acknowledge that products and services are not merely used in a consumptive manner (as often happens in consumer markets), but more in a means-related manner within the business customers' value-creation process (Engelhardt, 1978; Schönhoff, 2014). Therefore, two major distinctions have to be made in industrial markets: In their focus on products and services for business markets (*business products*), CCM contribute to manufacturing a finished product (e.g. cooling systems, trucks), which will then be sold to downstream customers and used in various industries. MSM is applied, if a manufacturer wants to ensure that its components (e.g. ball-bearings) or consumables (e.g. lubricants) are part of the finished product and (powerful) distributors, system integrators or even contract manufacturers need to be bypassed, which is, however, rather risky (Geiger et al., 2015) and not often used in MSM. In the context of the *production process*, component or consumables manufacturers participate in manufacturing processing machines, which will be used by OEM in their specific manufacturing process to produce their own products. Accordingly, a machine manufacturer itself may target the OEM directly to bypass distributors, service providers or contract manufacturers, but also component or consumables manufacturers may directly approach OEM to safeguard or even expand their own sales.

The distinction between *business product* and *production process* becomes particularly relevant to understanding the changing focus of the CCM: In the case of *business products,* CCM support the targeted OEM (e.g. wind turbine manufacturer) in creating a product of superior value (e.g. an on-shore/off-shore wind turbine) for its own customers (e.g. a wind park investor/operator) by providing performance-relevant, high-quality components, which fit seamlessly into the finished product. In the case of the *production process* CCM support the OEM (e.g. wind turbine manufacturer) in its effort to establish and optimize its own efficient production process, e.g. by providing a high-performance lubricant for

its laser cutting machine to manufacture the wind turbines with fewer downtimes and less energy consumption.

2.2. Defining MSM

The most widely used definition on *multi-stage marketing* is provided by Kleinaltenkamp et al. (2012). For them, multi-stage marketing encompasses "[…] all sales-related measures which are aimed at the subsequent market stages (customers of the customer), which follow one or even several primary customers in order to influence the buying behavior of these primary customers". Even though the definition already grasps the main principle of MSM very well, two aspects need to be refined: First, MSM is not only about influencing, but especially about creating value (Eggert, Kleinaltenkamp, & Kashyap, 2019; Kleinaltenkamp, Eggert, Kashyap, & Ulaga, 2022) – primarily for the supplier as well as the ultimate end customer (Anderson, Narus, & van Rossum, 2006). Accordingly, the direct customer as well as other stakeholders do not necessarily have to gain from the application of MSM (Geiger et al., 2015), but sometimes even lose profit and influence, which might lead to power-struggles within the value-creation process (see section 2.4). Second, the primary source of demand needs to be further specified. As there is no market stage to which the role of a fixed primary source of demand can be assigned, we agree with Kleinaltenkamp et al. (2012) that the primary source of demand can be solely determined by the supplier's products and services themselves. To qualify as the primary source of demand, the market stage has to fulfill three conditions: (1) the product or service is still identifiable, (2) its value contribution in the value creation process is ultimately recognizable and (3) it is highly performance-relevant. *Multi-stage marketing* is therefore defined as a supplier's marketing management approach, which aims to create value primarily for the supplier and its ultimate end customers by identifying and influencing the requirements and needs of the subsequent market stages (down to the primary sources of demand) as well as all relevant stakeholders and adapting the supplier's products and services accordingly.

2.3. The concept of MSM

In contrast to the classic marketing perspective, the MSM concept extends the marketing perspective well beyond the directly proceeding market stage as it includes all subsequent market stages – down to the primary source of demand for the supplier's products and services – as well as to third parties, influencers, regulators etc. (Kleinaltenkamp et al., 2012). The reason for extending the perspective is the insight that *information about a supplier's product and service* and the *supplier's product and service itself* do not necessarily have to flow in sync across the value chain, but have to be recognized and treated as two separate processes (Wengler, 2020). It is therefore possible to initiate market-driving activities (due to a systematically developed information flow directed at the subsequent market stages and particularly at the ultimate end customer), which can substantially facilitate the flow of the supplier's products and services down the value chain (Erevelles et al., 2008; Kleinaltenkamp et al., 2012). On top of this, MSM also considers existing market structures (via market-shaping third parties, influencers, and regulators), which can be used to the supplier's advantage as the various stakeholders differ considerably in their power, influence, and knowledge (Kleinaltenkamp et al., 2012).

For simplicity, the principal mechanisms and market actors of multi-stage marketing are just discussed across a linear value chain instead of a complex value creation process (Kleinaltenkamp et al., 2012): Multi-stage marketing mostly targets the indirect customers, which can be the direct customers' customers or their customers further down the value chain. For a supplier the ultimate end customer is particularly significant, because it represents the ultimate market stage, for which the supplier's products and services are still identifiable, their contribution in the value creation process is ultimately recognizable and highly performance-relevant. Depending on the markets and industries, the market stages between the supplier and the ultimate end customer vary greatly in number and actors, which can encompass (various) distributors, service providers, contract manufacturers, system integrators etc.

However, a supplier applying MSM should not only focus on the value chain itself, but should also consider the various stakeholders relevant to his value creation process (Kleinaltenkamp et al., 2012). Particularly market-shaping third parties (e.g. complementary goods manufacturers or service providers [e.g. architects]) or other influencers (e.g. consultants; associations; inspection, verification, testing and certification organizations; insurance firms) often play a vital role in many markets (via indirect MSM effects). In addition, national as well as supranational governmental bodies (regulators) step up their efforts to set environmental as well as social standards (e.g. EU's REACH regulation or UN's 17 Sustainable Development Goals) – and thus increasingly influence the value creation process in business markets.

2.4. The strategic and operational dimensions of MSM

In the MSM literature, three MSM strategies are distinguished with respect to the actors' awareness and behavior (Geiger et al., 2015; Homburg et al., 2014; Kleinaltenkamp et al., 2012; Vedel et al., 2012):

(1) In the case of *supportive MSM*, the supplier firm continues to pursue its traditional marketing and sales activities targeted at the direct customer, but does not intentionally initiate any specific marketing activities directed at the indirect customers. This does not mean that the supplier firm is unaware of the multi-stage marketing context (Vedel et al., 2012); instead, the supplier firm uses the additionally gained insights and knowledge about the subsequent market stages to support its direct customers succeeding with its own customers (i.e. customer's customers), which is also known in the context of customer success management (Hilton, Hajihashemi, Henderson, & Palmatier, 2020; Hochstein, Rangarajan, Mehta, & Kocher, 2020; Prohl-Schwenke & Kleinaltenkamp, 2021).
(2) If the supplier firm only targets the ultimate end customer and intentionally bypasses the direct customer (as well as other subsequent market stages), this MSM strategy is called *selective MSM*. Depending on the power constellation of the various actors within the value creation process (Homburg et al., 2014), such a strategy might succeed, but can also fail if the direct customer is too powerful and able to veto any selective MSM strategy (Geiger et al., 2015).
(3) *Comprehensive MSM* is the most inclusive MSM strategy, because the supplier attempts to balance the differing interests of the market actors across the various market stages (Kleinaltenkamp et al., 2012) and beneficially collaborates with each of them accordingly.

The operational breadth and depth of the initiated activities within each of these three MSM strategies can differ significantly (Homburg et al., 2014; Kleinaltenkamp et al., 2012). Five variants of a supplier's operational involvement can be distinguished:

(1) *Communicative MSM* encompasses merely the implementation of promotional and branding measures to raise the awareness, shape the perception and opinion or even create a superior image of a supplier's products and services (e.g. "Engineered/Designed/Made in Germany").
(2) *Product Design* in MSM needs to be consistent with all relevant market stages, i.e. a supplier firm should have all their specific requirements in its mind when designing a product. Accordingly, boundary-spanning cooperation is rather common in the MSM

product development process to ensure the fulfillment of the requirements of the various market stages.

(3) *Product Certification* involves the supplier's one-sided product adaptation to meet the specific standards and requirements of the customer's customer. Receiving these product certificates are in many cases a prerequisite to being allowed to supply within a specific production process. Two forms of product certification have to be distinguished: *Generic product certificates* (e.g. ISO 9001, CE, FSC, FairTrade) are well-known, which are generally awarded by (independent) third-party institutions (e.g. testing, certification, auditing and advisory services [like TÜV, SGS, Intertek], Forest Stewardship Council, Fairtrade Labelling Organizations International etc.) if the supplying firms meet certain standards. If these generic product certificates are required by their customers, suppliers are thus forced to pursue the subsequent certification process to be allowed into the customers' value-creation process. Any form of voluntary generic product certification would however mean pursuing a communicative MSM approach to differentiate themselves image-wise. In contrast to the generic product certificates, there are also *individual product certificates*, which are exclusively awarded by each customer individually. If supplier firms succeed in receiving the individual product certificates, they belong to the exclusive circle of pre-selected sourcing partners, which reduces competition intensity considerably.

(4) *Application Engineering* plays an important role in the context of collaborative or joint product development. In these cases, CCM support the customers of their direct customers in creating superior value for their customers (i.e. the customers of the indirect customers). As product design and production are increasingly split in globally organized value chains, MSM-related application engineering has significantly gained in relevance over the last two decades.

(5) *Service offerings* are mostly co-created with customers (Grönroos & Voima, 2013; Vargo & Lusch, 2008). In the context of MSM, companies need to be aware that service offerings are created and consumed simultaneously only at the next market stage – and they can never be passed on through the value chain (Kleinaltenkamp et al., 2012). However, as customers often take the specific demand and requirements of their customers into considerations, procured services are often used for differentiation purposes and thus provide a great business opportunity for suppliers applying MSM.

The existing literature on MSM consistently claims that MSM will particularly benefit the applying organization (Homburg et al., 2014; Kleinaltenkamp et al., 2012). However, empirical evidence in the context of CCM in industrial markets is scarce (Schönhoff, 2014) or focuses just on strategic aspects of MSM (e.g. Geiger et al., 2015). Based on the in-depth MSM experiences of one firm, the authors try to fill this research gap with an exploratory case-study approach. The following section aims to enable readers to better understand the challenges and benefits of implementing and managing MSM as well as the challenges of adapting an existing MSM approach due to international market dynamics.

3. Exploratory insights on the processual dimension of MSM

3.1. Research methodology

The following insights on MSM are based on a single, exploratory case study (Beverland & Lindgreen, 2010; Yin, 2018), which is meant to help critically reviewing as well as refining the conceptual insights of the literature review and to fill existing research gaps (Dubois & Araujo, 2004; Eisenhardt, 1989). Thereby, the authors intentionally choose a rich single case over multiple cases (Beverland & Lindgreen, 2010), because their focus is primarily on comprehensively exploring the width and depth of MSM's processual dimension over a long period of time rather than on comparing specific empirical phenomena across various companies. The case study therefore meets three rationales (i.e., critical, revelatory as well as longitudinal) out of five selection rationales suggested by Yin (2018).

The authors selected one of the world-leading lubricant manufacturers, Klüber Lubrication (KL), which develops, manufactures and sells specialty lubricants to industrial users – without any direct interferences in consumer markets. Lubricants are oils, greases, pastes, waxes, powders, and bonded coatings that are used to reduce friction and wear of surfaces in relative motion to each other. KL sells mainly through its own salesforce with subsidiaries in over thirty countries, complemented by selected distributors. Headquartered in Munich, Germany, the firm belongs to the Freudenberg Group, an internationally active, German family business conglomerate.

The main reason for choosing the company was the fact that the lubricant manufacturer has applied MSM for several decades, experienced considerable international market dynamics and has provided products and services in the form of components and consumables (see therefore section 3.2.1). In addition, the organization was willing to collaborate extensively in this research project, which was conducted in 2021, as one of the authors worked as the Head of Marketing at KL.

The authors conducted 12 expert interviews across the company, which is appropriate for ensuring maximum diversity and for fully covering the breadth and depth of KL's business and MSM approach. The experts were carefully selected from across various centralized departments (i.e. marketing, sales, application engineering and R&D) in the corporate's headquarter as well as across the sales subsidiaries of the two biggest country markets (i.e. Germany and China). The detailed sample characteristics of all 12 informants are listed in Table 1.

The expert interviews were based on a semi-standardized

Table 1
Sample characteristics of informants.

Informant	Job Position	Responsibility	Current region*	Former regional experience*
1	Application Engineering/ Marketing Management	Regional	Europe East	India
2	Sales&Marketing Maangement	Regional	Europe Central	China
3	Application Engineering Management	Global	UK	
4	Key Account Management (Food industry)	Global		
5	Sales Management	Regional	Turkey	
6	Sales Management (Automotive Industry)	Global		
7	Sales Management (Global Industry Teams)	Global		South America
8	Sales Management (Components Industry)	Global		
9	Product Portfolio Management	Global		
10	Sales Management (Global Business Teams)	Global		North America, Europe Central
11	Sales Management (Food Industry)	Global		Italy
12	R&D Management	Global		China

* Informant lives/lived in region and has/had managerial responsibilities.

questionnaire. In combination with an explicit interviewer training for the Head of Marketing at KL, who is one of the co-authors, the authors tried to minimize any form of interviewer bias. All interviews were transcribed and later analyzed in-depth in form of a full text content analysis (Mayring, 2014). Following Gioia, Corley, and Hamilton (2012), the content of all interviews was reviewed individually by the two authors, analyzed stepwise and resulted in the three categories of the processual MSM dimension, i.e. implementation, management and adaptation of MSM. Each category consists of various activities/outcomes and is illustrated by at least two typical informant statements (Table 2). For ensuring inter-coder reliability (Rust & Cooil, 1994), two independent coders were asked to allocate exemplary statements to the three categories of the processual MSM dimension. The PRL statistics was at 0.82, well above the cut-off of 0.7 suggested by Rust and Cooil (1994).

Moreover, the authors were granted unrestricted access to internal data on KL's MSM approach during the research process, which served cross-verification purposes for triangulation (Beverland & Lindgreen, 2010; Farquhar, Michels, & Robson, 2020; Silverman, 2010, 2015). The authors were thereby able to access e.g. organizational information, financial and sales data as well as the database of approvals. The accessed internal data fully corresponded with the informant statements, which again proves the consistency of the collected data.

3.2. The case of Klüber Lubrication

In the following section, KL's experiences in MSM in industrial markets will be described based on the insights gained during the expert interviews. It will highlight the most important aspects of KL's MSM approach with respect to its implementation, management and adaptation using illustrative quotes. Thereby, *MSM implementation* includes all activities related to setting up MSM in a company's organization (e.g., the decision-making for the implementation, design of organizational structures, design of incentive systems), whereas *MSM management* encompasses particularly all day-to-day activities required for managing MSM properly (e.g. building and maintaining business relationships across multiple market stages, controlling the MSM approach, creation of demand). *MSM adaptation* is concerned with structural adaptations due to changes in the market structure (i.e., customers, competitors, and stakeholders), market and/or cultural environment.

3.2.1. Implementation of MSM

Klüber Lubrication (KL) never consciously introduced MSM, but it *evolved* over the last decades as KL adapted continuously to market demands. Almost none of the informants had heard anything about multistage marketing before – and KL has no clear strategy for indirect customers (Table 2). Due to KL's deep knowledge of tribology (i.e. the science of friction, wear and lubrication), customers' customers and machine manufacturers asked for support to select, test and apply

Table 2
Elements and activities of MSM's Processual Dimension, exemplary quotes and relevant literature.

Category	Activities/Outcomes	Quotes	Related Literature
Implementation of MSM	Conscious decision-making regarding MSM implementation	*I have never heard of multistage marketing before. [Informant 11 and others]* *We do not have a strategy for indirect customers. [Informant 8]*	Carrillat, Jaramillo, and Locander (2004); Homburg et al. (2020); Jaworski et al. (2000); Morgan (2012); Morgan, Whitler, Feng, and Chari (2019); Olson, Slater, and Hult (2005); Tuominen, Rajala, and Möller (2004); Vargo et al. (2022)
	Awareness of MSM context	*Around 1/3 of our product portfolio is customized,* i.e. *developed exclusively for or sometimes even with specific customers. [Informant 9]* *The trend, for example, is towards longer usage time of up to 10 years. Accordingly, our customer has to choose the right lubricant and requests our advice. […] In these cases we need to understand the customers' as well as the customer's customers technologies in detail so that our sales engineers often request our application engineers to support them in these instances. [Informant 1]*	
	Awareness of differences between component and consumables	*We do not distinguish between components and consumables, because it does not make any difference in our daily work, and we do not really know if the lubrication is for lifetime or not. […] It only becomes visible as soon as KL sells value-added services to its customer. [Informant 8]* *At Klüber, an explicit distinction between components and consumables is inexistent. […] Instead, we cluster our products with respect to areas of application. [Informant 9]*	
Management of MSM	Application engineers hunt for customer product certificate	*There are two types of approvals: We have exclusive approvals, where only KL's lubricants are allowed; but there are also non-exclusive approvals, where our competitors are also approved. In this case, we are again in a competitive situation. [Informant 3]* *Take for example the food processing industry, where we put a lot of effort in receiving our approvals from the food processor directly: Even though one of our direct customers (producer of gear boxes) has a big list of approved lubricant suppliers to run the gear boxes, the food processing company insists that only KL's lubricants are used in its food production process. [Informant 3]*	Eggert et al. (2019), Ferreira, Proença, Spencer, and Covac (2013), Le Meunier-FitzHugh and Piercy (2011), Lindgreen et al. (2012), Makkonen et al. (2021), Mitrega and Pfajfar (2015), Morgan and Hunt (1994), Palmatier (2008), Terho, Haas, Eggert, and Ulaga (2012), Töytäri, Rajala, and Brashear-Alejandro (2015), Ulaga and Eggert (2006), van der Borgh, Xu, and Sikkenk (2020), Vargo et al. (2022), Weitz and Bradford (1999), Zhang, Watson, Palmatier, and Dant (2016)
	Sales people harvest customer product certifices	*Our sales is bifurcated in the automobile industry, […focusing] either on components or consumables. While the development and sales of components is a more centralized topic and more complex, consumables are sold locally in the production hubs. [Informant 6]* *Value selling is important [for us] and we have to explain the customer benefits, the values, everything. Even [if] we don't have any OEM recommendation or similar recommendation. It's not a big problem for us. We can easily go for whatever, market, application to get, if there is a really critical application […and] a suitable Klüber product. [Informant 5]*	

(*continued on next page*)

Table 2 (*continued*)

Category	Activities/Outcomes	Quotes	Related Literature
	Implications of customer product certificates	*I do not know of any case where approvals are neglected, particularly not within the warranty period. […] Even afterwards, machine users hardly switch. [Informant 3]* *If the OEM is recommending Klüber brand or other brand, they [machine users] are following this recommendation 100%, […even beyond warranty time] if they are happy with the performance. But sometimes, because of the economic situation, maybe they would like to go with a cheaper [Klüber] version. [Informant 5]*	
	Managing exclusivity of customer product certificates	*Exclusive approvals are decreasing, but they are still there. [Informant 7]* *While in the past OEM explicitly recommended their customers to use specific lubricants in certain intervals, they have started to just provide certain lubricant specifications and leave it to their customers to choose the most appropriate lubricant. This creates a lot of uncertainty with their customer base. [Informant 2]* *Due to anti-trust-law […] the OEM is no longer allowed to have only one reference in the lube chart. They must have more references or they can have one, but they have to describe, let me say, how the lubricants have to be – and the end user is free to find the alternatives in the market. [Informant 11]*	
	Development and Testing for customer product certificates	*A classic in application engineering is for example an approval for gearboxes or ball-bearings, which takes up to three years. [Informant 3]* *Talking to ball-bearing manufacturers, it is clear that development and testing takes at least up to 2 years. In Asian countries, local manufacturers do not have any awareness or understanding for such long development cycles. [Informant 12]*	
	Selection of leads for new customer product certificates	*We do not have any specific criteria on the selection of opportunities, even though it has been discussed internally. […] At the moment sales engineers decide themselves if application engineers should be involved or not. [Informant 1]* *There's a number of criteria […]: room for large sales and exponential growth […], a company's central structure of their plants […] and a mindset to optimization in improvement. [Informant 4]*	
	Controlling of MSM effort	*So far, we do not have anything like a KPI on "Return on Application-Engineering Investment", but we have started to increase the salespeople's awareness to increasingly include customer-related application engineering services in their CRM reporting. This will allow more comprehensive data analyses in future. [Informant 1]* *I think that it would be dangerous to create KPIs for application engineering as it could result in an "efficiency race", which would be counterproductive regarding the value of our service we try to provide to our customers. [Informant 2]*	
	Creation of additional demand for ultimate end-customer	*What we don't want is an OEM push towards Klüber, we want the OEM to want to work with Klüber. [Informant 4]* *In the past it was sufficient to create value for just the OEM, because the end user didn't have different options. Nowadays, this scenario has changed. We have to work with both – and create value for both actors. [Informant 7]* *A challenging development is the current switch from Western to Asian machine manufacturers. It will be our task to ensure that we will be listed with the most important Chinese machine manufacturers […], even though it is unclear which one will survive over the next 20 years. It's an incredible challenge we have to cope with. [Informant 3]*	
Adaptation of MSM	Agile adaptation of MSM approach in the course of developing markets	*Usually, we start with the end user. […] Understanding the relevant OEM is a kind of a second step. […] KL is primarily approaching the market through an application or through market segments or market niches. [Informant 7]* *Regarding the development of the Chinese market, I developed a three-phase model. […]. The first phase was "go and follow",* i.e. *we just harvested the orders from our European clients, who now produced in China. [Informant 2]* *In the second phase, local competition increased in China and we could sell our well-established lubricants without developing too many new variants. [Informant 2]* *In the third phase, establishing a R&D center locally was particularly important to be closer to the local customer, more flexible and particularly much faster in serving them as local competition in the lubrication industry increased. [Informant 2]* *In Asian countries […] you can never be fast enough. […] Their attitude regarding "need for speed" is much more pervasive than anywhere else. [Informant 12]*	Jaworski et al. (2000), Lowe and Held (2005), Makkonen et al. (2021), Mitrega and Pfajfar (2015), Möller and Halinen (2017), Möller et al. (2020), Quinn and Hilmer (1994), Samaha, Beck, and Palmatier (2014), Spieth, Roeth, and Meissnr (2019), Vargo et al. (2022), Wigand (2020), Zhang et al. (2016)

(*continued on next page*)

Table 2 (*continued*)

Category	Activities/Outcomes	Quotes	Related Literature
Power Distribution	Cultural influence on MSM approach	*Only over the last couple of years, Chinese machine manufactures have become successful in selling their machines overseas. [Informant 2]* *A challenging development is the current switch from Western to Asian machine manufacturers. It will be our task to ensure that we will be listed with the most important Chinese machine manufacturers […], even though it is unclear which one will be the surviving over the next 20 years. It's an incredible challenge we have to cope with. [Informant 3]* *While European and US companies are rather approval loyal […], Asian and particularly Chinese companies recognize these approval lists only as a list of recommended lubricants. [Informant 3]* *They [local machine manufacturer] don't really have knowledge or long experience of producing these machines […] and information about how critical lubrication is. […] The respect of the customers [machine users] to local OEM is less than to the European ones. [Informant 5]*	Cowan et al., 2015; Hingley, 2005; Lindgreen et al., 2012; Makkonen et al., 2021; Munksgaard et al., 2015; Siemieniako et al., 2023
	General Power of OEM	*The OEM recommendation is really important, especially for the warranty period. […] So if you ask, who has the power, the OEM [machine manufacturer] has the power at that moment. [Informant 6]* *In the component business, generally the OEM is the most powerful actor and take the decisions on the lubricants as they do the testing, they have the experience – and most suppliers are just not interested in lubrication. [Informant 8]* *To make money in this aftermarket business, OEM […] need to have another source of money and a continuous one. Lubricants are a perfect one and the other thing is so they reduce their resources on service during the warranty of the machines. [Informant 11]*	
	Power of Large Accounts	*The OEM would have more power, because they basically can define, what has to be done or how the maintenance should be carried out. But there are a lot of cases, especially with large organizations, where they can also challenge the OEM to do different things or to work with different partners. [Informant 7]* *A large account has a lot of influence to the OEM, […while] the small customers follow it [the recommendations] more, because they don't have the structure and the power and the resources to really spend time on investigating. [Informant 11]* *The big food manufacturers say: "If you want me to buy your machine, you need to deliver it compliant […]" and the OEM started losing their power. […] Since they deliver regulation compliant machines], the power game has changed. Nowadays, I would say that it has changed again, so I wouldn't say anymore that it is a power game, it is really, at least, an attempt to collaborate. [Informant 11]*	
	Power of KL's innovativeness	*We still have cases, where OEM [machine manufacturers] are not willing to have more than one option. […] When it comes to new technologies, which are designed by those OEM, I think, we stand a good chance, because in many cases they are also trying to enter or trying to provide something in the market, which is unique. And therefore, in those cases, where they really want to extract the maximum value of their product and provide it to their customers, they may consider working with one specific supplier to support them in the other direction, not to have an average, or not to achieve a standard performance, which could be provided by different partners, but trying really to reach a new level on something [Informant 7]* *These relationships across multiple market-stages are rather challenging. […] However, we learn for example not only everything about ball-bearings, but also about how the ball-bearing fits into the whole production system. […] This helps our application engineers to build-up industry-specific know-how and thus provides us inroads for developing the business with our direct customers. […] Furthermore, if the direct customer does not want to do business with us, we will go to the end-user/OEM and thus force him to do business with us. [Informant 8]* *Because through the large accounts you really get at the golden table of the leaders and you really understand who is leading (technologically) […] – and] a large account has a lot of influence on the OEM. [Informant 11]*	

lubricants. In addition, KL has a long tradition for jointly developing customized lubricant solutions for component as well as machine manufacturers, which are not necessarily their direct customer. Accordingly, KL's sales and application engineering teams address its direct and indirect customers by providing them with the required information and services according to their needs (e.g. about the lubricant's impact on the production process as well as about the handling of the lubricant, i.e. usage, dosing, storage and disposal) and thus create value for them. KL hence applies MSM in the classical meaning, without being consciously aware of MSM:

> *Around 1/3 of our product portfolio is customized,* i.e. *developed exclusively for or sometimes even with specific customers. [Informant 9].*

> *The trend, for example, is towards longer usage time of up to 10 years. Accordingly, our customer has to choose the right lubricant and requests our advice. [..] In these cases we need to understand the customers' as well as the customer's customers technologies in detail so that our sales engineers often request our application engineers to support them in these instances. [Informant 1].*

With respect to the case study of KL, it is important to understand that lubricants can be used as a component as well as consumables: Lubricants function as a component if they become part of another component or product (e.g. lubricants for a sealed ball-bearing) and are not exchanged over the lifetime of the component. *Lubricants for lifetime applications* are generally purchased by manufacturers of components like gears, actuators, bearings or water taps and thus become part of downstream systems or of finished products. Lubricants with a shorter use-time than the lifetime of a machine, which are repeatedly exchanged and replenished during the lifetime of a machine, can be considered as consumables. These *lubricants for exchange* are purchased by machine manufacturers and machine users for its operations and maintenance. KL supplies both, lubricants for lifetime applications and lubricants for exchange, and is therefore a supplier of components and consumables. The distinction between components and consumables, however, is thus not reflected by KL's organizational structure.

> *We do not distinguish between components and consumables, because it does not make any difference in our daily work, and we do not really know if the lubrication is for lifetime or not. […] It only becomes visible as soon as KL sells value-added services to its customer. [Informant 8].*

> *At Klüber, an explicit distinction between components and consumables is inexistent. […] Instead, we cluster our products with respect to areas of application. [Informant 9].*

3.2.2. Management of MSM

KL segments its customers by industry and structures its sales engineers accordingly within its country sales organizations. Depending on the industry, KL's sales engineers either directly target the machine users (e.g. in the food-processing industry) or the component/machine manufacturer (e.g. in the ball-bearing industry). In the automotive industry, some customers are at the same time machine users and component manufacturer. These customers purchase KL's lubricants for lifetime applications for their own components as well as lubricants for exchange for the operations and maintenance of their production machines. Thus, KL's sales engineers call on component/machine manufacturer and machine users in their different roles as direct and indirect (i.e. non-buying) customers across all industries to inform, influence and provide value.

> *Our sales varies in the automobile industry, […focusing] either on components or consumables. While the development and sales of components is a more centralized topic and more complex, consumables are sold locally in the production hubs. [Informant 6].*

> *Value selling is important [for us] and we have to explain the customer benefits, the values, everything. Even [if] we don't have any OEM recommendation or similar recommendation. It's not a big problem for us. We can easily go for whatever, market, application to get, if there is a really critical application […and] suitable Klüber products. [Informant 5].*

KL's application engineers complement the work of the sales engineers. The need for application engineering depends on the required level of specialized knowledge, which is particularly high in the machine manufacturer/OEM business. Therefore, the application engineers' core task is to develop customized lubrication solutions for KL's machine manufacturer/OEM customers and sometimes even for the machine users. As a result, KL receives individual product certificates approved by the machine manufacturer, OEM or machine users (internally called "approvals").

> *There are two types of approvals: We have exclusive approvals, where only KL's lubricants are allowed; but there are also non-exclusive approvals, where our competitors are also approved. In this case, we are again in a competitive situation. [Informant 3].*

> *Take for example the food processing industry, where we put a lot of effort in receiving our approvals from the food processor directly: Even though one of our direct customers (producer of gear boxes) has a big list of approved lubricant suppliers to run the gear boxes, the food processing company insists that only KL's lubricants are used in its food production process. [Informant 3].*

In contrast to KL's sales, its application engineers are not assigned to specific industries, but are specialized in technical components and applications. Accordingly, application engineering is structured more on a regional and global level: In the case of a request of low to medium complexity by a machine manufacturer/OEMs, the machine manufacturer/OEMs can rely on local application engineers with a short response time; if in-depth expertise is required, a machine manufacturer/OEMs will be serviced by centralized global application engineering experts, but with a slower response time.

The complementarity of KL's sales engineering and application engineering becomes particularly evident with respect to the sales process: While application engineers *hunt for approvals*, sales engineers have to *harvest approvals*, i.e. turning the individual product certificates into sales volume. Accordingly, application engineers are incentivized by the number or value of approvals, they acquired, or just receive a fixed compensation; sales engineers are incentivized by turnover in their regional sales territory. However, sometimes their jobs also overlap, because sales engineers also acquire machine manufacturer/OEM approvals and application engineers are partly involved in the sales process.

The positive economic effects of (exclusive) approvals for organizations like KL are unprecedented, because approvals have a strong and long-lasting effect, sometimes even beyond the products' warranty time:

> *I do not know of any case where approvals are neglected, particularly not within the warranty period. […] Even afterwards, machine users hardly switch. [Informant 3].*

> *If the OEM is recommending Klüber brand or other brand, they [machine users] are following this recommendation 100%, […even beyond warranty time] if they are happy with the performance. But sometimes, because of the economic situation, maybe they would like to go with a cheaper [Klüber] version. [Informant 5].*

Over the last years, however, it has become more and more difficult

to hunt for exclusive approvals as OEM want or even have to provide choices to their customers regarding lubricants:

Exclusive approvals are decreasing, but they are still there. [Informant 7].

While in the past OEM explicitly recommended their customers to use specific lubricants in certain intervals, they have started to just provide certain lubricant specifications and leave it to their customers to choose the most appropriate lubricant. This creates a lot of uncertainty with their customer base. [Informant 2].

Due to anti-trust-law […] the OEM is no longer allowed to have only one reference in the lube chart. They must have more references or they can have one, but they have to describe, let me say, how the lubricants have to be – and the end user is free to find the alternatives in the market. [Informant 11].

The resources spent on KL's application engineering are significant, because development and testing of a lubricant may take years and they are generally free of costs for the machine manufacturer/OEM.

A classic in application engineering is for example an approval for gearboxes or ball-bearings, which takes up to three years. [Informant 3].

Talking to ball-bearing manufacturers, it is clear that development and testing takes at least up to 2 years. In Asian countries, local manufacturers do not have any awareness or understanding for such long development cycles. [Informant 12].

On top, the design centers of these machine manufacturers/OEM customers are often located in different countries than their manufacturing facilities, which leads to additional costs in serving them. Over the years, these expenditures have become more and more difficult to justify within KL as the link between the effort for MSM and its return is not easy to prove.

Accordingly, KL needs to carefully select its new opportunities for customer product certificates to ensure sustainable return on investments. Even though officially no strict criteria exist, the sales decides if application engineering needs to go for an opportunity or not – based on informal criteria:

We do not have any specific criteria on the selection of opportunities, even though it has been discussed internally. […] At the moment sales engineers decide themselves if application engineers should be involved or not. [Informant 1].

There's a number of criteria […]: room for large sales and exponential growth […], a company's central structure of their plants […] and a mindset to optimization in improvement. [Informant 4].

At KL, the controlling and reporting of the benefits and costs of MSM is only in its infancy. For example, KL is so far unable to systematically link its costs associated with individual machine manufacturers to the economic results achieved with its sales to the individual machine users. KL matches a database with new business opportunities to recommendations of machine manufacturers, but actual product sales at the individual customer level cannot consistently be traced back to specific machines nor to recommendations related to the machine. In certain instances, more controlling is even perceived as highly dangerous:

So far, we do not have anything like a KPI on "Return on Application-Engineering Investment", but we have started to increase the salespeople's awareness to increasingly include customer-related application engineering services in their CRM reporting. In future, this will allow more comprehensive data analyses. [Informant 1].

I think that it would be dangerous to create KPIs for application engineering as it could result in an "efficiency race", which would be counterproductive regarding the value of our service we try to provide to our customers. [Informant 2].

An important question raised during the research project concerned KL's principal ability to create additional demand as a component or consumables manufacturer: Even though it is acknowledged that the approvals of the various machine manufacturers open up a considerable market potential for KL's sales organization and are thus key to its business model, KL's sales will only scale on the economic success of the machine manufacturers as well as machine users/OEMs.

What we don't want is an OEM push towards Klüber, we want the OEM to want to work with Klüber. [Informant 4].

In the past it was sufficient to create value for just the OEM, because the end user didn't have different options. Nowadays, this scenario has changed. We have to work with both – and create value for both actors. [Informant 7].

A challenging development is the current switch from Western to Asian machine manufacturers. It will be our task to ensure that we will be listed with the most important Chinese machine manufacturers […], even though it is unclear which one will survive over the next 20 years. It's an incredible challenge we have to cope with. [Informant 3].

3.2.3. Adaptation of MSM

Due to the internationalization of value chains over the last four decades, KL also experienced severe market dynamics, which affected KL's MSM approach significantly. For illustration purposes the authors will only focus on one of the most interesting changes, which can be traced back to changes in the composition of KL's customer structure. These changes were best visible in China and occurred in four phases, although KL never consciously planned a phased approach like the following one for the Chinese market:

In the beginning (phase I), KL benefited from an early internationalization of its salesforce, just by following the exports of machines from Europe and calling on the users of the machines. This was also true for the Chinese market, which it entered in the 1980s. At first, customers in China were mainly multinationals using imported machines and the recommended lubricant. The responsibility of KL's sales force in China was thus to follow up on the already existing individual product certificates, i.e. harvesting the approvals, and help the customers with the application of the lubricants.

Usually, we start with the end user. […] Understanding the relevant OEM is a kind of a second step. […] KL is primarily approaching the market through an application or through market segments or market niches. [Informant 7].

Regarding the development of the Chinese market, I developed a three-phase model. […]. The first phase was "go and follow", i.e. *we just harvested the orders from our European clients, who now produced in China. [Informant 2].*

Over the years (phase II), local Chinese machine manufacturers started copying the imported machines, but still used the recommended lubricants. In case of technical problems, the Chinese machine manufacturers contacted KL for engineering support and problem solving through locally adapted solutions. The same happened in the end user market: the customer base expanded from multinationals to domestic production companies. By supporting the Chinese machine manufacturers and end users, KL built trust over time – and the role of the sales force expanded from *harvesting approvals* to *engineering support*.

In the second phase, local competition increased in China and we could sell our well-established lubricants without developing too many new variants. [Informant 2].

Innovations of Chinese machine manufacturers in the 2000's (phase III), the need for faster delivery and local requirements as well as upcoming domestic competition for lubricants increased the need for a local production in China, for setting up a new R&D center as well as a dedicated team for application engineering there. These market dynamics expanded the role of the salesforce again, complementing its original role of *harvesting approvals* of European machine manufacturers to *hunting for approvals* of Chinese machine manufacturers – and *harvesting Chinese approvals* in China itself.

In the third phase, establishing a R&D center locally was particularly important to be closer to the local customer, more flexible and particularly much faster in serving them as local competition in the lubrication industry increased. [Informant 2].

In Asian countries […] you can never be fast enough. […] Their attitude regarding "need for speed" is much more pervasive than anywhere else. [Informant 12].

In the last decade (phase IV), Chinese machine manufacturers became increasingly exporters of machines. Accordingly, KL added its Chinese approvals to its international library of product certificates, so the salesforces in other countries were able to follow up on them on an international/global level, too.

Only over the last couple of years, Chinese machine manufactures have become successful in selling their machines overseas. [Informant 2].

A challenging development is the current switch from Western to Asian machine manufacturers. It will be our task to ensure that we will be listed with the most important Chinese machine manufacturers […], even though it is unclear which one will be the surviving over the next 20 years. It's an incredible challenge we have to cope with. [Informant 3].

Similar developments like the extension of the customer base from local subsidiaries of multinationals to domestic firms also happened in other industrialized countries like Brazil, India, Russia, and Turkey, although the starting points, the pace and the depth of the structural market changes were different from country to country. Along with the market dynamics came the need to expand the role of the local salesforce in each of these countries. However, cultural differences as well as varying economic rationales of the individual market actors seem to have a strong impact on the design and the effectiveness of the chosen MSM approach in the various countries, too:

While European and US companies are rather approval loyal […], Asian and particularly Chinese companies recognize these approval lists only as a list of recommended lubricants. [Informant 3].

They [local machine manufacturer] don't really have knowledge or long experience of producing these machines […] and information about how critical lubrication is. […] The respect of the customers [machine users] to local OEM is less than to the European ones. [Informant 5].

3.2.4. Overall assessment of MSM

In their overall assessment, the informants agreed that KL has a long-standing, successful history in MSM without being fully aware of the MSM concept. Addressing its indirect customers, especially the component and machine manufacturers (to hunt for approvals), as well as targeting the other stakeholders, particularly the direct customers (to harvest the approvals), at the same time are considered a main success factor and source of differentiation for KL. The bifurcation of the salesforce in sales and application engineering is thus at the core of KL's approach to MSM, which fills the database of approvals and ensures close relationships to their OEM. Even though the number of sales engineers is much higher than the number of application engineers, the latter with their hunted approvals provide a considerably higher leverage effect. In addition, KL's regular adaptations of its salesforce due to changing market demands like in China ensured its sustainable economic success.

In all interviews the issue of power was raised. Interestingly, there is no straight-forward answer regarding "who has the ultimate power in multi-stage markets" as it all depends on the circumstances. In general, the machine manufacturers/OEM are the most powerful players.

The OEM recommendation is really important, especially for the warranty period. […] So if you ask, who has the power, the OEM [machine manufacturer] has the power at that moment. [Informant 6].

In the component business, generally the OEM is the most powerful actor and take the decisions on the lubricants as they do the testing, they have the experience – and most suppliers are just not interested in lubrication. [Informant 8].

In particular, the strength of the machine manufacturers (OEM) might even challenge KL's business model as they move into the lubrication business:

To make money in this aftermarket business, OEM […] need to have another source of money and a continuous one. Lubricants are a perfect one and the other thing is they reduce their resources on service during the warranty of the machines. [Informant 11].

Of particular relevance in this power-play across multiple market-stages are large end-users of machines, e.g. in the food industry. As the industry is highly regulated, these large end-users are forced to comply – and thus use their influence to push their machine supplier without misusing their power. In addition, they have comprehensive resources for testing at their disposal and they continuously work on improving their production practice globally.

The OEM would have more power, because they basically can define, what has to be done or how the maintenance should be carried out. But there are a lot of cases, especially with large organizations, where they can also challenge the OEM to do different things or to work with different partners. [Informant 7].

A large account has a lot of influence to the OEM, […while] the small customers follow it [the recommendations] more, because they don't have the structure and the power and the resources to really spend time on investigating. [Informant 11].

The big food manufacturers say: "If you want me to buy your machine, you need to deliver it compliant […]" and the OEM started losing their power. […Since they deliver regulation compliant machines], the power game has changed. Nowadays, I would say that it has changed again, so I wouldn't say anymore that it is a power game, it is really, at least, an attempt to collaborate. [Informant 11].

These various power-constellations provide KL, as one of the innovation leaders, with a lot of opportunities to prove itself – and convince OEM as well as machine users to collaborate with KL:

We still have cases, where OEM [machine manufacturers] are not willing to have more than one option. […] When it comes to new technologies, which are designed by those OEM, I think, we stand a good chance, because in many cases they are also trying to enter or trying to provide something in the market, which is unique. And therefore, in those cases, where they really want to extract the maximum value of their product and

provide it to their customers, they may consider working with one specific supplier to support them in the other direction, not to have an average, or not to achieve a standard performance, which could be provided by different partners, but trying really to reach a new level on something [Informant 7].

These relationships across multiple market-stages are rather challenging. […] However, we learn for example not only everything about ball-bearings, but also about how the ball-bearing fits into the whole production system. […] This helps our application engineers to build-up industry-specific know-how and thus provides us inroads for developing the business with our direct customers. […] Furthermore, if the direct customer does not want to do business with us, we will go to the end-user/OEM and thus force him to do business with us. [Informant 8].

Because through the large accounts you really get at the golden table of the leaders and you really understand who is leading (technologically) […– and] a large account has a lot of influence on the OEM. [Informant 11].

3.3. Discussion of exploratory results

Given the various insights from the KL case study, each of them will be analyzed and discussed separately with respect to implementation, management and adaptation of MSM.

3.3.1. Implementation of MSM

The implementation of MSM is a rather bold move, because the firm extends its marketing perspective and activities intentionally beyond the direct customer (Hillebrand & Biemans, 2011; Homburg et al., 2020). Thereby, firms applying MSM do not only actively influence their direct and indirect customers as well as their stakeholders (Homburg et al., 2014; Kleinaltenkamp et al., 2012), but they also often shape market structures to improve customer value and achieve superior business performance (Anderson et al., 2008; Jaworski et al., 2000).

The marketing strategy literature agrees that an effective implementation of a marketing strategy like MSM is a key driver of firm performance (Morgan, 2012; Olson et al., 2005). The implementation itself is, however, preceded by a proper goal-setting and marketing strategy development process (Morgan et al., 2019).

The same applies to MSM, which requires a comprehensive strategic analysis (Kleinaltenkamp et al., 2012), including the identification of all (indirect) customers (up to the ultimate end customer) and all stakeholders as well as understanding their individual requirements, needs and interdependencies. In this context the evaluation of the market actors' power position within the business network is most important, which primarily depends on their individual value contribution to the ultimate end customer. The higher the value contribution from the ultimate end customer's point of view, the more influential and powerful the market actor will be (Cowan et al., 2015). As the assessment of the individual value contribution is rather contextual (Corsaro & Snehota, 2010) and the market environment is continuously in flux, it is the supplier's task to prove not only its value-creation ability (Vedel et al., 2012), but foremost its over-proportional value contribution every time anew (Eggert et al., 2019; Kleinaltenkamp et al., 2022), e.g. regarding the impact of its products and services on total cost of ownership, productivity or quality requirements. The strategic analysis hence enables the component or consumables manufacturer to realistically assess its chances of improving its often weak power position in the overall value-creation process (Cowan et al., 2015; Makkonen et al., 2021; Siemieniako et al., 2023).

Given the evolving nature of KL's MSM approach, most of these analytical assessments did not take place in a conscious decision-making process. Instead of choosing one of the three MSM strategies intentionally, KL has been responding to market demands over the last four decades in an adaptive, but not market-driven manner (Jaworski et al., 2000; Morgan et al., 2019; Vargo et al., 2022). It applies two MSM strategic approaches, which are close to the supportive as well as the comprehensive MSM strategy. However, by applying either *individual product certification* or *application engineering* KL was able to prove its over-proportional value contribution within its business network (Eggert et al., 2019; Cowan et al., 2015). It thus established therein a strong power position, because the costs for its customized components and consumables are relatively low given their performance-enhancing impact on the ultimate end customers' finished products and services or production processes.

As KL's evolving application of MSM has so far not hampered its economic success, the implementation of a marketing strategy like MSM without an intentional strategic decision-making process seems to be unproblematic. Tuominen et al. (2004), however, found that the successful implementation of a specific strategic logic requires matching marketing capabilities and learning capability. Any gaps or inconsistencies may weaken the potential competitive advantage of an organization (Tuominen et al., 2004). Accordingly, the design of a market-driving organization and its resource endowment are key (Carrillat et al., 2004; Morgan, 2012; Olson et al., 2005).

Despite KL's principal awareness of the difference between lubrication for lifetime (component) and lubrication for exchange (consumables), they are not fully reflected in KL's organization. As it will be shown in the following, the distinction between being a component manufacturer or a consumables manufacturer has severe implications regarding the targeted customers (due to distinct business logics) and thus for the subsequent structure and tasks of the sales force.

A *component manufacturer* generally reaches out to his direct customer, his indirect customer (customer of the customer) and particularly to the ultimate end customer, who represents the primary demand-driving market stage for the component (Fig. 2). Depending on the product as well as the market structure, potential direct as well as indirect customers for their components generally encompass distributors, system integrators, service providers/contract manufacturers and OEMs.

In its component business, KL primarily targets the ultimate end customer and applies operational-wise *individual product certification* and/or *application engineering*. This happens mainly in the context of highly integrated and complex value chains like in the automobile industry or the consumer electronics industry. There, the ultimate end customers have a considerable interest in the seamless functioning as well as the seamless integration of highly innovative components in their complex (finished) products and services to ensure their usability and serviceability.

Individual product certification as well as application engineering are highly resource-consuming. The component manufacturer needs to permanently have a competent, responsive as well as innovative (application) engineering team at its disposal that supports its ultimate end customer's design center in designing as well as deciding on the component's detailed specifications. Although the close collaboration results in an information advantage for the component manufacturer, it does not mean an automatic order from its direct/indirect customers. The distinction between the *point of decision* (i.e. decision on the specifications of the component) and the *point of purchase* in multi-stage markets still requires an additional salesforce, that actively woos the direct customers for positive order decisions.

In contrast to the component scenario, the ultimate end customers of *consumables* are often unable to properly assess the consumables' performance, even though they are the ones primarily affected by the efficiency/total cost of ownership of the production process and the handling of the consumables. Therefore, the ultimate end customers often trust the machine manufacturers who try to continuously assure and improve the performance, serviceability, usability, reliability, and lifetime of their machines. However, the machine manufacturer is hardly the MSM target customer, but may take on the important role of an influencer (Fig. 2). By publishing e.g. the name of the lubricant

manufacturer of the first fill or by granting the lubricant an exclusive *individual product certificate*, the machine manufacturer can influence or even force a producing entity (e.g. by prolonging or withdrawing a warranty when (not) using a specific consumables) and/or the ultimate end customer to buy specific consumables. Only large accounts of machine manufacturers seem to have sufficient capabilities and resources at their disposal to conduct their own testing and thus sometimes reverse the power/influence structure if they think that this is necessary in their value creation process (Cowan et al., 2015; Lindgreen et al., 2012).

The previous discussion on being either a component or a consumables manufacturer thus highlights the necessity for a conscious decision-making process due to distinct business logics (Tuominen et al., 2004): While a component manufacturer targets primarily the ultimate end customer with its application engineering and the direct/indirect customer with its sales engineers, the consumables manufacturer targets in the first place the influencer with its application engineering and the direct/indirect customer with its sales engineers. Due to its limited awareness of this relevant distinction, KL chose an industry-oriented structure. Interestingly, however, in its targeted industries either the component, or consumables business dominates.

3.3.2. Management of MSM

Managing MSM is in fact a form of managing customer relationships (Morgan & Hunt, 1994; Palmatier, 2008; Weitz & Bradford, 1999; Zhang et al., 2016), but across various market stages as well as across various stakeholders. With respect to sales, it is not only about building relationships and selling products and services to their customers (Weitz & Bradford, 1999); nowadays, selling organizations have to demonstrate and prove the superior value to their customers (Terho et al., 2012; Töytäri et al., 2015; Ulaga & Eggert, 2006). Most significant in the context of MSM is that the *point of decision* (i.e. decision on the specifications of the component) and the *point of purchase* might be distinct due to its multi-stage character (Dahlquist & Griffith, 2014), i.e. each customer touchpoint needs to be served separately, in some cases even completely differently.

In its day-to-day business, KL sells lubricants either in the form of components or consumables, which are not meant for the mass market. Instead, KL provides primarily tailor-made solutions to its customers based on its comprehensive tribology know-how (i.e. the science of friction, wear and lubrication) as well as its deep market, industry and application knowledge. It thus combines customized value creation (Eggert et al., 2019; Lindgreen et al., 2012) with a value-based selling approach (Terho et al., 2012; Töytäri et al., 2015; Ulaga & Eggert, 2006).

Key to its own business model is KL's strategy to only provide advice or services in conjunction with purchases of its lubricants, which resulted over the years in a library of thousands of individual product certificates granted by its machine manufacturer customers. This *hunting for approvals* is considered the gold standard particularly in the consumables business, because it opens KL's salesforce doors to hundreds of customers (machine users) of the various machine manufacturers and thus facilitates its *harvesting of approvals*. This operating principle was confirmed by the informants, who acknowledged that KL's customized solutions and the ensuing approvals considerably facilitate their value-based sales approach.

Accordingly, consumables manufacturers are highly interested in convincing machine manufacturers to collaborate with them as well as to exert influence on the other market actors, in particular the machine user. Depending on the consumables' impact on the OEMs' machine performance and thus on its overall competitive advantage (Anderson et al., 2008; Jaworski et al., 2000), the machine manufacturer can choose between the following degrees of endorsement:

(1) The machine manufacturer may choose to not get involved in the selection of a specific consumables brand for his machine (*Neutral Stance*). Instead, it simply specifies the requirements for the consumables based on generic standards and leaves it up to the user to comply with its recommendations and choose adequate consumables.
(2) The weak form of influence (*Weak Influencer*) is exerted by a machine manufacturer as soon as it suggests a pre-selected pool of competing consumables brands that all comply fully with the technical requirements. The strength of the endorsement thereby depends on the credibility of the machine manufacturer.
(3) The machine manufacturer prescribes exclusively the consumables of one supplier, when there were significant development costs involved (e.g. extensive testing) or when significant benefits for the machine user can be expected (e.g. impact on machine performance). In these cases, the supplier firm and machine manufacturer have usually agreed on a long-term development partnership. The machine manufacturer can even strengthen its influence on the machine user's buying decision when it links its recommendation to commercial benefits like specific warranty conditions (*Strong Influencer*).

The endorsement degrees correspond well with the operational involvement (see section 2.4) as *individual product certification* and *application engineering* may lead to a strongly exerted influence by the machine manufacturer.

As KL's sales is bifurcated into *sales engineers* and *application engineers*, but the hunting-harvesting mechanism so heavily interrelated, it is of key interest how KL's incentive system is structured and if their incentive systems are properly aligned with each other (Le Meunier-FitzHugh & Piercy, 2011; Weitz & Bradford, 1999). A review of KL's incentive system reveals a considerable imbalance in the system: Whereas application engineers are incentivized by number or value of approvals or just receive a fixed compensation, sales engineers are incentivized by turnover in a regional sales territory. At first glance, the incentive system seems to be correctly structured as hunting for approvals and harvesting approvals are the main focuses. To avoid any inefficiencies, however, both incentive systems should not be individually, but rather be jointly controlled (Le Meunier-FitzHugh & Piercy, 2011) despite the considerable time lag between approval and sales. Otherwise, hunting for approvals may lead to actual approvals, which are uneconomical due to over-proportionally high application engineering costs (relative to the sales potential) or are not properly followed up at end users.

The same applies to KL's lead generation and lead management, which aims at the identification and prioritization of leads as well as their conversion into customers (D'Haen & Van den Poel, 2013; Monat, 2011; van der Borgh et al., 2020). Due to its missing reporting of costs or benefits of MSM, KL is so far unable to systematically link its costs associated with individual "machine manufacturers" to the results achieved with individual "machine users". Although new business opportunities are systematically assessed by KL's sales engineers and can later be matched with recommendations of machine manufacturers, the actual product sales cannot be traced back to specific machines nor to recommendations related to the machine. It can thus be assumed that the incentives on hunting for approvals lead to approvals that are not properly followed up (Le Meunier-FitzHugh & Piercy, 2011; van der Borgh et al., 2020), or in other words: KL spends MSM resources on planting seeds without harvesting their fruits.

3.3.3. Adaptation of MSM

Due to its market-driving character MSM actively tries to influence and shape market behavior and market structures to improve customer value and achieve superior business performance (Anderson et al., 2008; Jaworski et al., 2000). In the context of business networks and business ecosystems (Möller et al., 2020; Möller & Halinen, 2017; Zhang et al., 2016), this is not a one-way street. Suppliers' MSM approaches require continuous adaptation, too, as these market dynamics can have a strong impact on the MSM design. Adaptations in the MSM approach might be

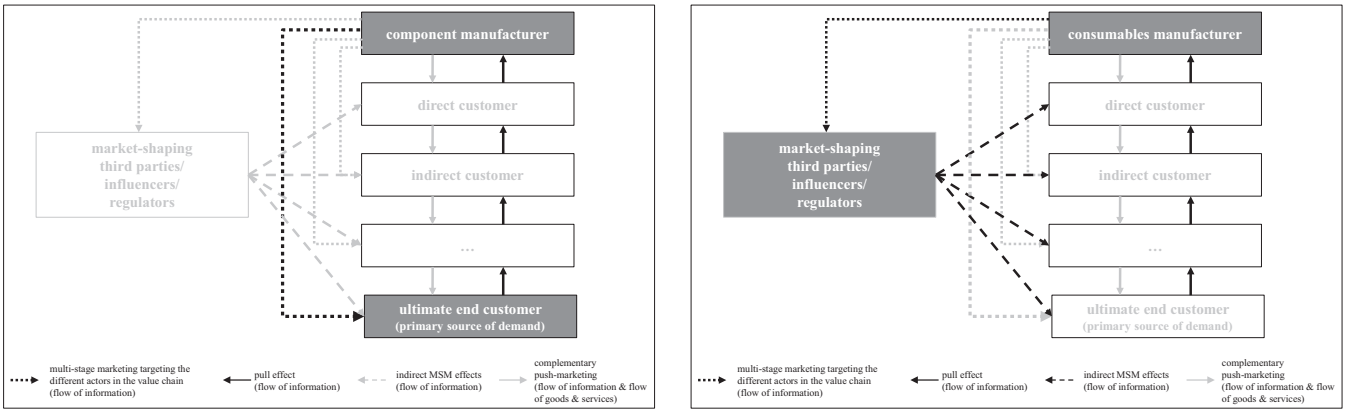

Fig. 2. Prime marketing targets of component manufacturers vs. consumables manufacturers on the example of KL firm.

particularly triggered by two changes (Jaworski et al., 2000):

- changes in the market behavior and/or
- changes in the market structure.

Generally, *changes in the market behavior* are already well recognized (Wengler, 2020): These changes can be triggered either by changes in the individual preference structure of each market actor, by technological advancements, societal changes, changes in the regulatory framework or by competitors' action. Examples for these individual preference changes might be market actors' new sourcing strategy (from single to multiple sourcing) or innovation strategy (from follower to first-mover strategy). Most component and consumables manufacturers are already familiar with these kind of changes as they deal with them regularly.

Even though KL's hunting-harvesting mechanism worked well for decades, changes in the market behavior have emerged over the last couple of years – and thus have implications on the power structure in its business networks (Makkonen et al., 2021; Siemieniako et al., 2023; Vargo et al., 2022):

(1) International competition regulatory frameworks increasingly force firms to provide choices (Lowe & Held, 2005), which has substantial effects on machine manufacturers' approval policies. They have thus started to provide either just required consumables specifications without any label recommendation, which leaves their customer uncertain or even lost in their selection process, or a list of approved consumables suppliers, which presumably provide the same performance, even though experts know that this is not true.
(2) As the business model of selling machines is mostly a one-time sale, organizations try to adapt their business model, which allows them to move more and more to continuous revenue streams (Ferreira et al., 2013; Spieth et al., 2019). In this context, more service offerings to their customers as well as supplying private-labelled consumables seem to be two interesting options for the machine manufacturers to generate more continuous revenue streams in future.

Accordingly, KL will have to decide about the future course of its relationships with the OEM (Mitrega & Pfajfar, 2015; Zhang et al., 2016), i.e. if it systematically expands to sell private-labelled consumables and thus assists its machine manufacturers in their effort to offer their customers value-adding services and private-labelled consumables. Even though following a private-label strategy in future seems to inhibit KL from performing MSM at the same scale in the consumables business field as before, selling its lubricants under customers' private labels might open up new business with indirect customers, which KL would never have been able to reach by itself.

Changes in the market structure do not occur as frequently as changes in the market behavior, but are often more severe. Particularly the reorganization of value chains due to market actors' internationalization of their internal as well as external value chains (Samaha et al., 2014) as well as the trend towards outsourcing of value-adding activities to external service providers since the 1990s (Quinn & Hilmer, 1994) have considerably impacted the composition of most value chains – and thus required major adaptations at all market stages. Additionally, the development of new digital technologies like the internet allowed for a further dis−/re-intermediation of value chains (Webster, 2000). As a result, supplier firms previously far away from their ultimate end customer are suddenly able to do direct business with them; other market actors enter the market as they see room for establishing a new business model and henceforth intermediate formerly well-established value chains.

KL's development of the Chinese market serves as a prime example of these international market dynamics – and the need to continuously adapt its MSM approach: KL would have never grown as successfully as it did over the last decades, if it had stuck to its existing customer base, i.e. the European machine manufacturers. Instead, it actively expanded its customer base by applying MSM to Chinese production organizations as well as Chinese machine manufacturers. Turning to the Chinese customers, however, not only involved classical communicative marketing and sales measures; the rapid growth in China allowed KL to invest locally in additional MSM functions, i.e. product certification as well as application engineering, and thus adapting its sales organization step-by-step to the changing market environment. The broad application of MSM subsequently changed the organizational design of KL's Chinese subsidiary and its salesforce considerably as well as expanding its marketing and sales roles, which required constant training of salespeople and adjustments of KL's management objectives.

The results on cross-cultural issues (Samaha et al., 2014) regarding the customers' attitude towards as well as their loyalty to OEM recommendations were inconclusive. KL's comprehensive MSM experiences show that MSM does not work similarly well across the various countries. Although the evolution of MSM in countries like Brazil, India or Turkey is also driven by customer demand as well as maturing markets, cultural differences as well as varying economic conditions and rationales of the individual market actors seem to prevent a simple duplication of the MSM procedures. These cultural peculiarities (e.g. short-term vs. long-term planning horizon) as well as their impact on the design of the chosen MSM approach should therefore be subject to further research.

The case study of KL shows that MSM is neither a one-size-fits-all approach nor a static once-forever process. MSM requires a comprehensive understanding of the individual dynamics of the markets that a firm operates in to enable the supplier firm adapting to specific customer

situations as well as to a changing market environment.

4. Theoretical contributions and managerial implications

4.1. Theoretical contributions

Based on a comprehensive case study this paper illustrates explicitly the relevance of MSM in industrial marketing management research, not only in the CCM context, but in B2B marketing in general. As most value creation in business markets takes place across various, interdependent market stages and involves various, interdependent market actors and stakeholders (Dahlquist & Griffith, 2014; Geiger et al., 2015; Hillebrand & Biemans, 2011; Homburg et al., 2020), MSM is at the very core of industrial marketing and thus deserves to become a natural perspective in future B2B marketing research. Thereby, MSM complements the rich and insightful research stream on business networks or business ecosystems (Aarikka-Stenroos & Ritala, 2017; Möller et al., 2020; Möller & Halinen, 2017) by reducing their complexities and applying a more process-oriented, value-creation perspective (Eggert et al., 2019; Kleinaltenkamp et al., 2022) along the value chain and across various market stages.

This paper also identifies MSM as a market-driving strategy (Jaworski et al., 2000) and thus highlights MSM's strategic dimension. It reveals MSM's potential to influence market behaviors and market structures, but also demonstrates the continuous adaptation needs of firms applying MSM. Thus, this paper contributes to the most recent discussion on (1) agility, adaptive and dynamic capabilities (Homburg et al., 2020; Hunt & Madhavaram, 2020; Nenonen et al., 2019; Teece, 2014) by proving the necessity for continuous adaptation, (2) power distribution in the value-creation process (Cowan et al., 2015; Makkonen et al., 2021; Munksgaard et al., 2015; Siemieniako et al., 2023) by providing various first-hand examples on power constellations and their implications, (3) the dynamics in relationship marketing (Morgan & Hunt, 1994; Palmatier, 2008; Weitz & Bradford, 1999; Zhang et al., 2016) by demonstrating the need for actively managing the company's customer portfolio as well as (4) value-based selling (Terho et al., 2012; Töytäri et al., 2015; Ulaga & Eggert, 2006) by highlighting the need for developing performance-relevant products and services for a company's customers and the downstream market stages.

With respect to the still nascent MSM literature, this paper contributes conceptually in three ways:

(1) The concept of MSM was refined by providing a more precise definition of MSM, particularly with respect to the ultimate end customer as well as to value creation. Due to the specific focus on components and consumables manufacturers, it became evident that the identification of the ultimate end customer depends entirely on the supplied products and services themselves as well as their value contribution from the ultimate end customer's point of view. The ultimate end customer is thus the market stage, for which the component or consumables is still identifiable, its value contribution in the value creation process is ultimately recognizable and it is highly performance-relevant. We thus extended the perspective on MSM to one which is more value-creation oriented.

(2) This paper illustrates well that it makes a considerable difference whether a supplier firm sells components or consumables. Even though in both cases the organization deals with semi-finished products or services, the marketing and sales process needs to be structured differently: While the component manufacturer targets primarily the ultimate end customer with its application engineering and the direct/indirect customer with its sales engineers, the consumables manufacturer targets in the first place the influencer with its application engineering and the direct/indirect customer, and thus also the ultimate end customer, with its sales engineers. Accordingly, the underlying business logics work completely differently in both cases, even though the applied marketing tools (e.g. application and sales engineering) only seem to require slight adjustments.

(3) This article adds a process-oriented perspective on MSM and thus complements the already existing MSM literature on strategic and operational MSM. By distinguishing between the implementation, management, and adaptation of MSM, we contribute to a better understanding of MSM's managerial processes and dynamics. This paper particularly highlights how organizations might evolve over time due to necessary adaptations initiated by changes in the customer and market structure.

Regarding the two research questions, the exploratory part of this paper provides first valuable insights: The implementation and management of MSM might be particularly successful, (1) when the CCM has unique resources and capabilities at its disposal, which are highly performance-relevant for the downstream market stages (e.g. with respect to production efficiency, innovations, regulation compliance), and its (indirect) customers are particularly performance-driven, i.e. they are receptive to MSM, (2) when the CCM is aware of whether it acts as a component manufacturer or as a consumables manufacturer to choose the more appropriate sales approaches and target the appropriate customers. Furthermore, the exploratory results illustrate that (3) a CCM needs to build up, besides its traditional salesforce, additional indirect customers/stakeholder-oriented sales units like Klüber's application engineering department for initiating and enabling MSM at the other market stages at all, and that (4) market dynamics require a continuous, agile adaptation of the CCM's salesforce depending on the changing market behavior, market structures – and local peculiarities.

4.2. Managerial implications

Several managerial implications can be derived from the theoretical MSM framework and the observations of the case study:

(1) *Before implementing MSM, firms need to do a proper staging in the value-creation process – with respect to their "power position" in the value chain.*

Firms operating in multi-stage markets need to determine their own position in their value-creation process as well as assess the subsequent interdependencies and influence/power of the various market actors. The influence/power assessment will particularly help the suppliers to decide if it will make (no) sense to apply MSM at all. Thereby, companies must take into account that MSM is a market-driving strategy. Even if the present power constellation might not be favorable, the company should assess if it might be able to change the power constellation in its favor in future.

In case of a semi-finished goods manufacturer, it must additionally consider if it is selling components or consumables, because it determines which market actor needs to be targeted and how: In the case of a component manufacturer, the strongest influence is exerted via the ultimate end customer, whereas in the case of the consumables manufacturer, the strongest influence is exerted via the influencer. Even though the primarily targeted market actors are distinct, the marketing principle of (indirectly) influencing the market actors in their behavior and creating value for the ultimate end customers remains fully in place.

(2) *Firms applying MSM need to create additional demand, by hunting for approvals and harvesting them – as well as by carefully selecting growth-driving ultimate end customers.*

MSM is meant for creating additional demand, not only for the component and consumables manufacturer, but for B2B companies in general. As the case study clearly illustrates, hunting for approvals can considerably facilitate this process, but depends

predominantly on the endorsement degree of the ultimate end customer or the influencer. Besides this direct demand-creation dimension, there is also a second demand-creation dimension: Can B2B companies also help creating additional demand for their ultimate end customer's products and services? This question is relevant, because B2B companies' sales only scale with the ultimate end customers usage-rate of its machines or its sales of its products and services. We are sure, that B2B companies can enable their ultimate end customer to deliver superior value to their customer, which in turn increases the demand and thus the ultimate end customer's success (Hilton et al., 2020; Hochstein et al., 2020; Prohl-Schwenke & Kleinaltenkamp, 2021). This, however, requires the ultimate end customer to aim for growth as well as to actively involve the B2B companies in their own innovation and development processes. If this is not the case, the B2B companies might need to turn towards other or new customers to ensure their own future growth. KL's China experience serves as an illustrative example for an intelligent (indirect) customer selection process.

(3) *Firms applying MSM need to set up a comprehensive market intelligence system – across multiple market-stages and traditional boundaries – to enable an appropriate strategic foresight.*

Markets are inherently dynamic, which means that market structures are continuously in flux. Thorough market assessments at regular intervals are a prerequisite for a successful MSM. Such a market intelligence includes mapping all relevant market actors, understanding their influencing power and individual interests as well as being aware of the B2B company's own market stage position and role within the value-creation process. However, it is not only a firm's customer base, which is subject to permanent change. Particularly intermediaries and disruptors are continuously threatening a firm's MSM approach, because they intend to block the access to indirect customers and substitute existing influencers. Moreover, the distinction between customers, competitors and suppliers has become blurred in recent years (Wind, 2006) as B2B companies can have relationships with another party as a customer, competitor and supplier simultaneously.

(4) *Suppliers need to create multi-stage and multi-period controlling tools for a suitable evaluation and management of their MSM approach.*

A new controlling logic adapted to the MSM approach needs to be developed. Most MSM activities will not generate immediate returns, but might in the long-run provide valuable leverage effects in international markets. As long as firms keep their myopic view on quarterly sales and profitability figures in their respective sales areas, MSM will have a difficult stance. The short-term attitude fundamentally contradicts the long-term investment perspective of MSM meant for the global market. Only a dedicated controlling approach will provide proper guidance for a firm's opportunity management as well as ultimate proof that MSM is really worth the effort.

5. Limitations and future research directions

The exploratory insights of this paper are only based on a single case study. However, this paper tries to compensate this limitation by providing a rather broad perspective (across multiple countries) as well as comprehensive information and experiences over the last four decades.

Due to the exploratory design of this paper, the case study serves to illustrate the applicability of the MSM approach in the first place and to receive further insights on its processual dimension. Though the authors see MSM as a complementary approach to business networks, platform-based markets and even business ecosystems, more conceptual discussion on their complementarity as well as differences are required.

The authors could not control for any "country-of-origin" effect, i.e. we are not sure if CCM from other countries, e.g. developing countries, would be able to ride the same *hunting-harvesting-mechanism* as KL did because of the positive image of "German Engineering" (s. also Table 2). Accordingly, a more cross-industry and cross-country study would help in proving and further refining the MSM concept.

This paper was also not able to elaborate more in-depth on the distinction between the point-of-purchase/decision and the point-of-sales. Initiating and managing a coordinated multi-stage sales approach might imply severe challenges for the organization applying MSM. Particularly in the context of key account management it will be interesting how to serve both interfaces properly.

Ideas for future research on MSM revolve around the market structure analysis. New tools must be developed, which go well beyond *Porter's Five Forces* (Porter, 1979/Porter, 2008) and really include all relevant stakeholders (Wind, 2006). In particular, the roles of influencers and intermediaries require more research attention, including their interdependencies and power in the value-creation process. In this paper we have also not been able to answer the question if it makes a difference whether the influencer is part of the value chain (e.g. a machine manufacturer in the case of consumables) or whether the influencer is outside the value chain, but wielding a massive influence on the design of a supplier's products and services (e.g. [supra]national regulatory bodies).

Another interesting area for future research might be the formation of buying decisions (Johnston, Chandler, & Ehret, 2022) across multiple market stages. It is still unclear, which determinants really influence the buying decision in a MSM context. More research is therefore required on the question if anything like an *extended, boundary-spanning buying center* really exists or not.

The final suggestion for future research concerns MSM controlling. In this paper it was well documented that applying MSM is a resource-intense effort. As development processes often take years as well as happening far away from the local sales subsidiaries, it is highly questionable whether locally determined sales budgets are correctly calculated and overall development costs are properly assigned. KL's missing controlling already indicates that MSM is hardly viewed as a multi-period, cross-country marketing investment. If this were also true in other organizations, we would have to assume that customer contribution margins would be miscalculated across most firms, which could ultimately result in poor management assessments and decisions.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Data availability

The authors do not have permission to share data.

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