

Brand benchmark Germany 2016

Brief study excavator more than 10 tons



DTO Research



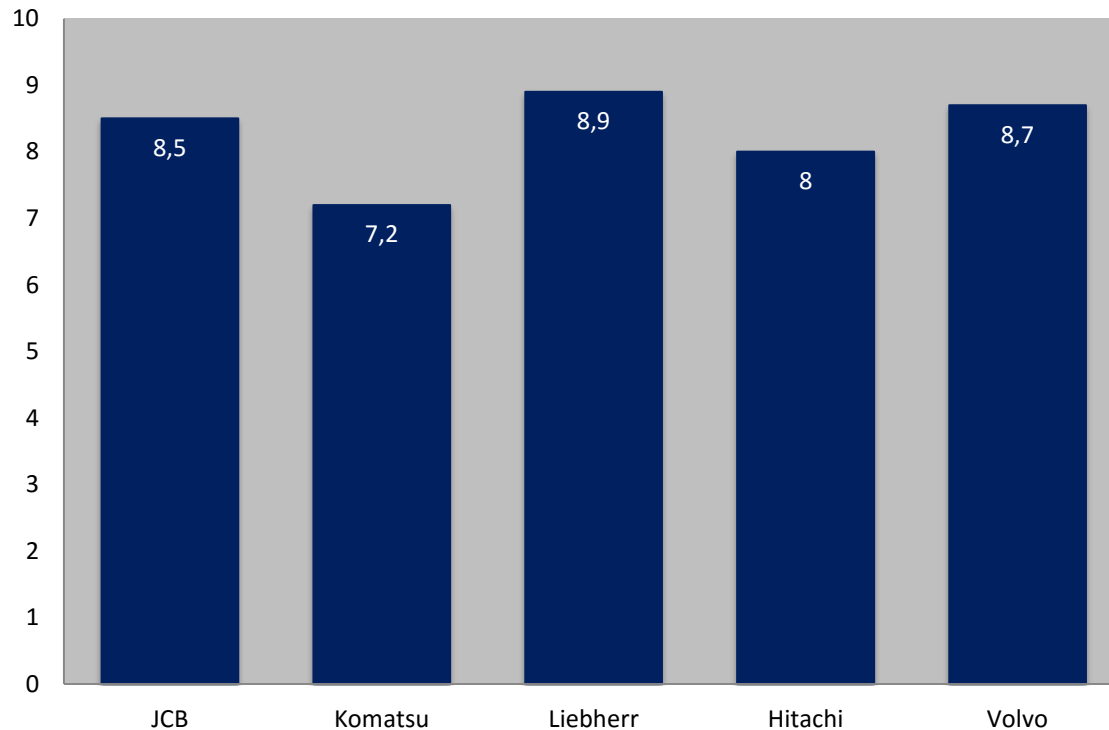
Märkte erschaffen und verstehen

Introduction

- For manufacturers as well as dealers of construction equipment it becomes more and more difficult to prevail in competition.
- Beside good quality, after-sales services become more and more important factors for buying or rebuying decisions of construction machinery.
- Thereby it is very important for manufacturers to know their own position within the competitive landscape and measures to improve it.
- The following brief study is the result of a survey with construction companies and fleet managers which have at least one excavator with 10 tons or more.
- Rental parks and dealers with or without rental business were not included.
- Overall 54 interviews were done between February and March 2016 with companies that have at least bought one machine after January 2010.
- The interview partner choose a scale of 1 (bad) to 10 (very good).
- Only new machines were taken into account.
- The survey includes the brands JCB, Komatsu, Liebherr, Hitachi and Volvo.

Communication

“How satisfied were you with the communication of the manufacturer/dealer when buying the machine?”



- The majority of the machine users was mostly satisfied with the communication before and within the purchasing process.
- Only Komatsu with an average score of 7,2 is ranked comparably weak.
- *„All confirmed steps within the ordering process were fulfilled. Overall we were very satisfied with the communication of Liebherr.“*

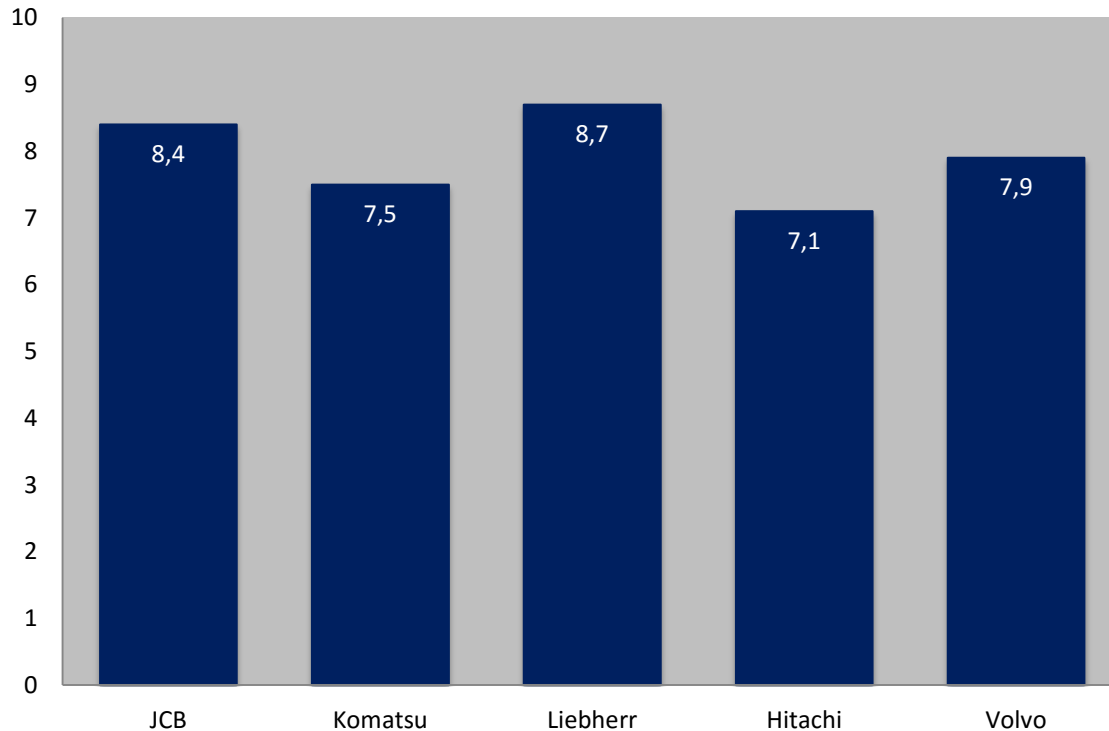
General manager construction company

n: 54; JCB: 8; Komatsu: 10; Liebherr: 16; Hitachi: 11; Volvo: 9

Source: Own interviews

Order process

“How satisfied were you with the ordering process?”



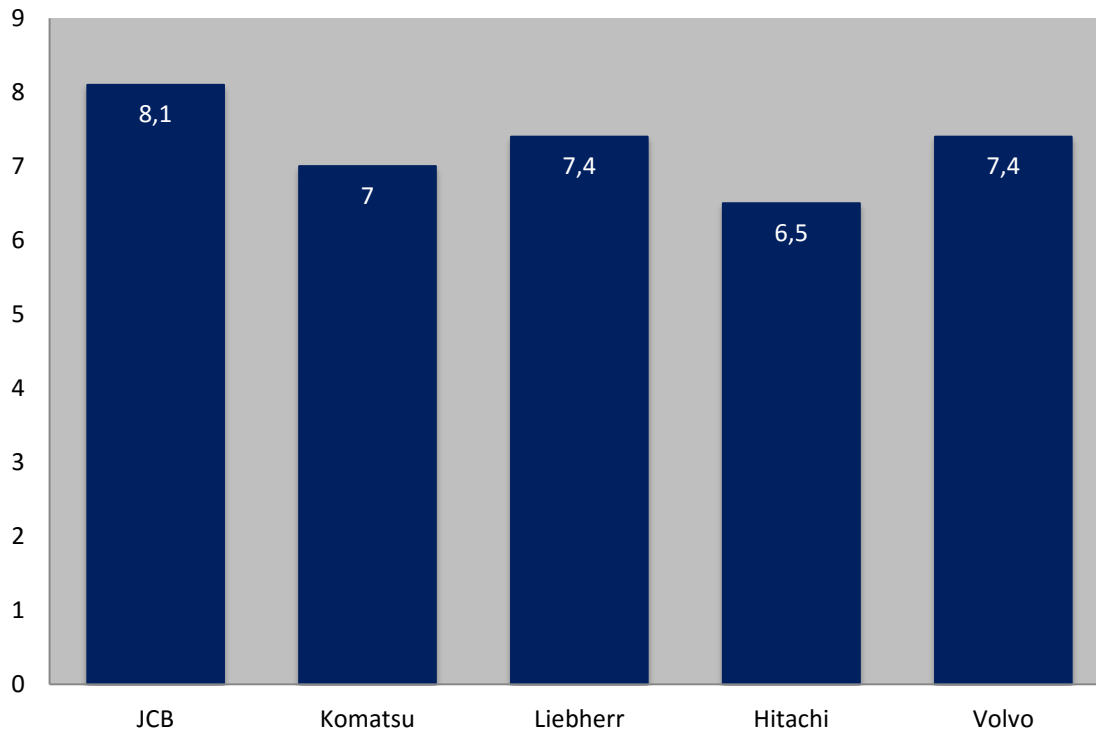
- According to the ordering process a heterogeneous picture becomes visible.
- While Liebherr is rated very good especially Komatsu and Hitachi seem to have weaknesses.
- „*Communication and ordering process were a catastrophe*“
General manager construction company (Hitachi user)

n: 54; JCB: 8; Komatsu: 10; Liebherr: 16; Hitachi: 11; Volvo: 9

Source: Own interviews

Delivery time

“How satisfied were you with the delivery times?”



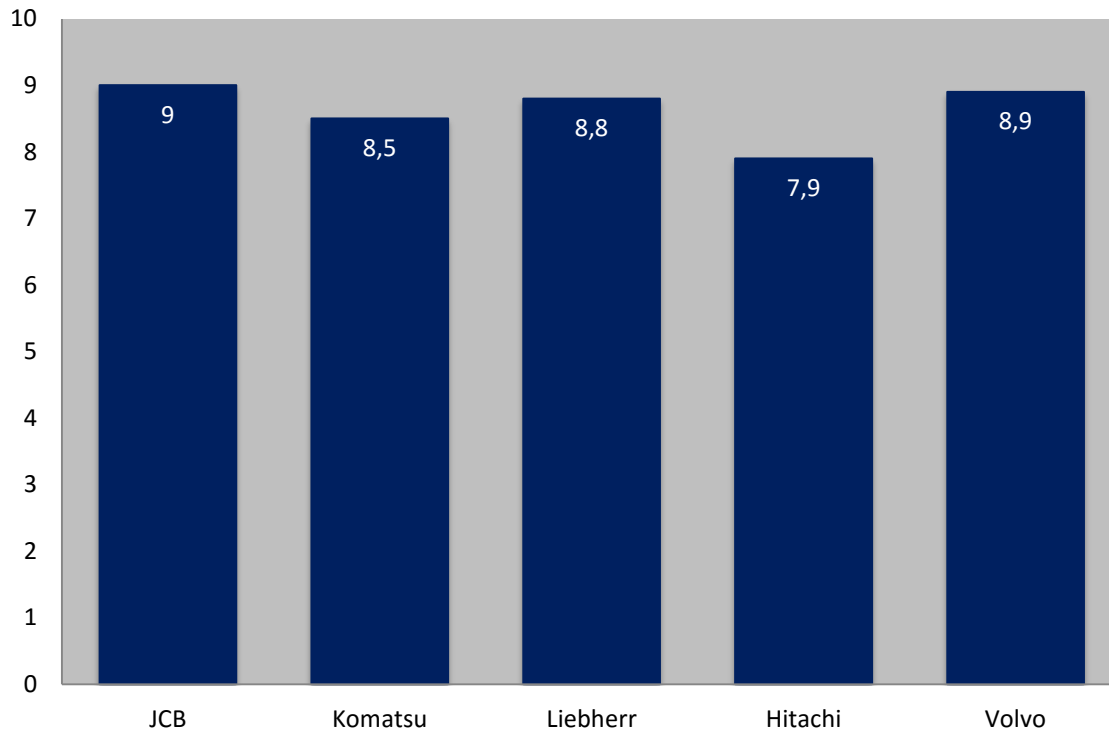
- All participants have mentioned problems according to the delivery times but JCB is ranked best in this context.
- Problems are not always seen in delays but also on long regular delivery times.
- *„The agreed deadline was met even though it was a bit too long out of our point of view.“*
Head of purchase construction company

n: 54; JCB: 8; Komatsu: 10; Liebherr: 16; Hitachi: 11; Volvo: 9

Source: Own interviews

Quality

“How satisfied are you with the machine quality?”



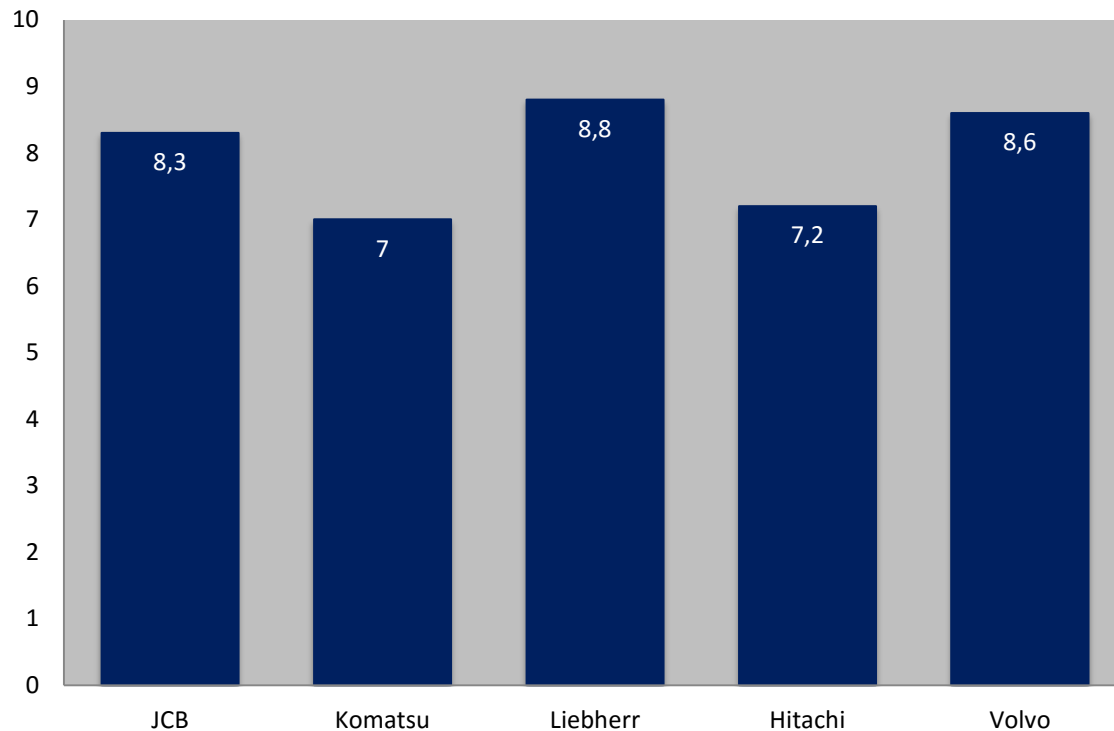
- Most of the participants are satisfied with the machine quality.
- Only Hitachi has a score below 8 according to quality.
- In opposite to external brand rating excavators in the own fleet are rated much better.
- *„Liebherr machines are very expensive but the price is justified by high quality and very good service. Nevertheless price and quality of the machines made us change toward JCB.“*
General manager construction company

n: 54; JCB: 8; Komatsu: 10; Liebherr: 16; Hitachi: 11; Volvo: 9

Source: Own interviews

Service

„How satisfied are you with the manufacturers/dealers service?“



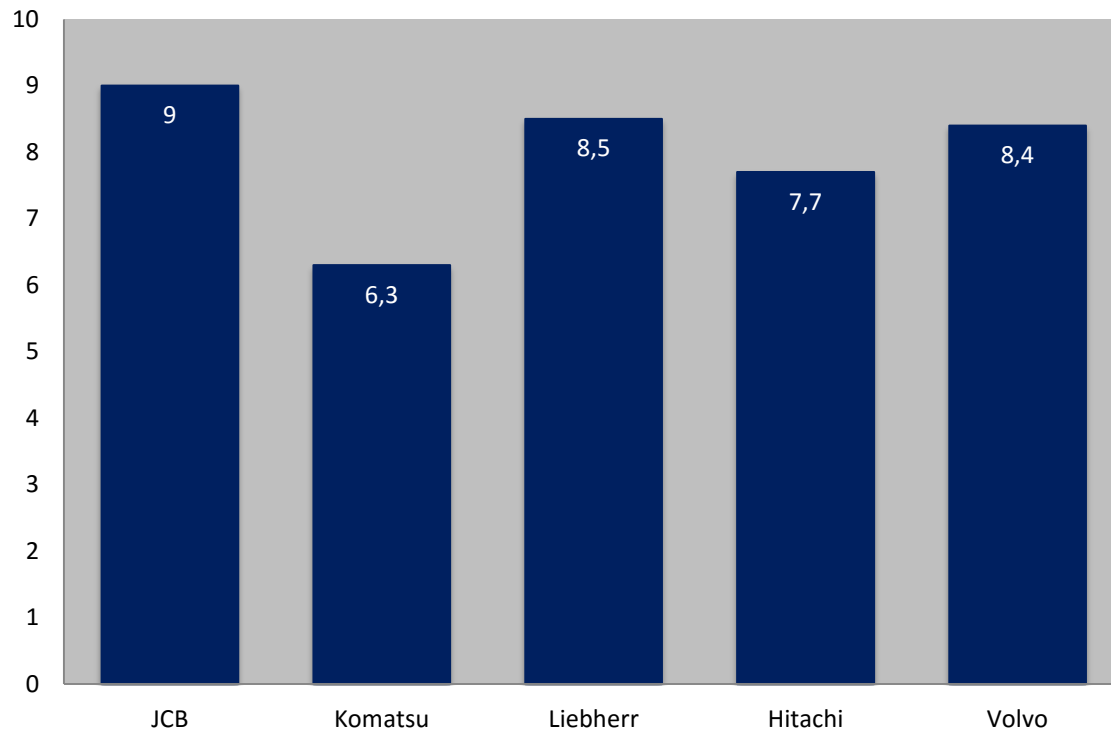
- Liebherr and Volvo have the best performance according to quality.
- This is not least because of the fact that these companies have been active in the market since a long time and have a well developed dealer and service network.
- Hitachi and Komatsu are rated worse by the participants.

n: 54; JCB: 8; Komatsu: 10; Liebherr: 16; Hitachi: 11; Volvo: 9

Source: Own interviews

Brand loyalty

“How would you estimate the probability to buy a new machine from the same supplier again?”



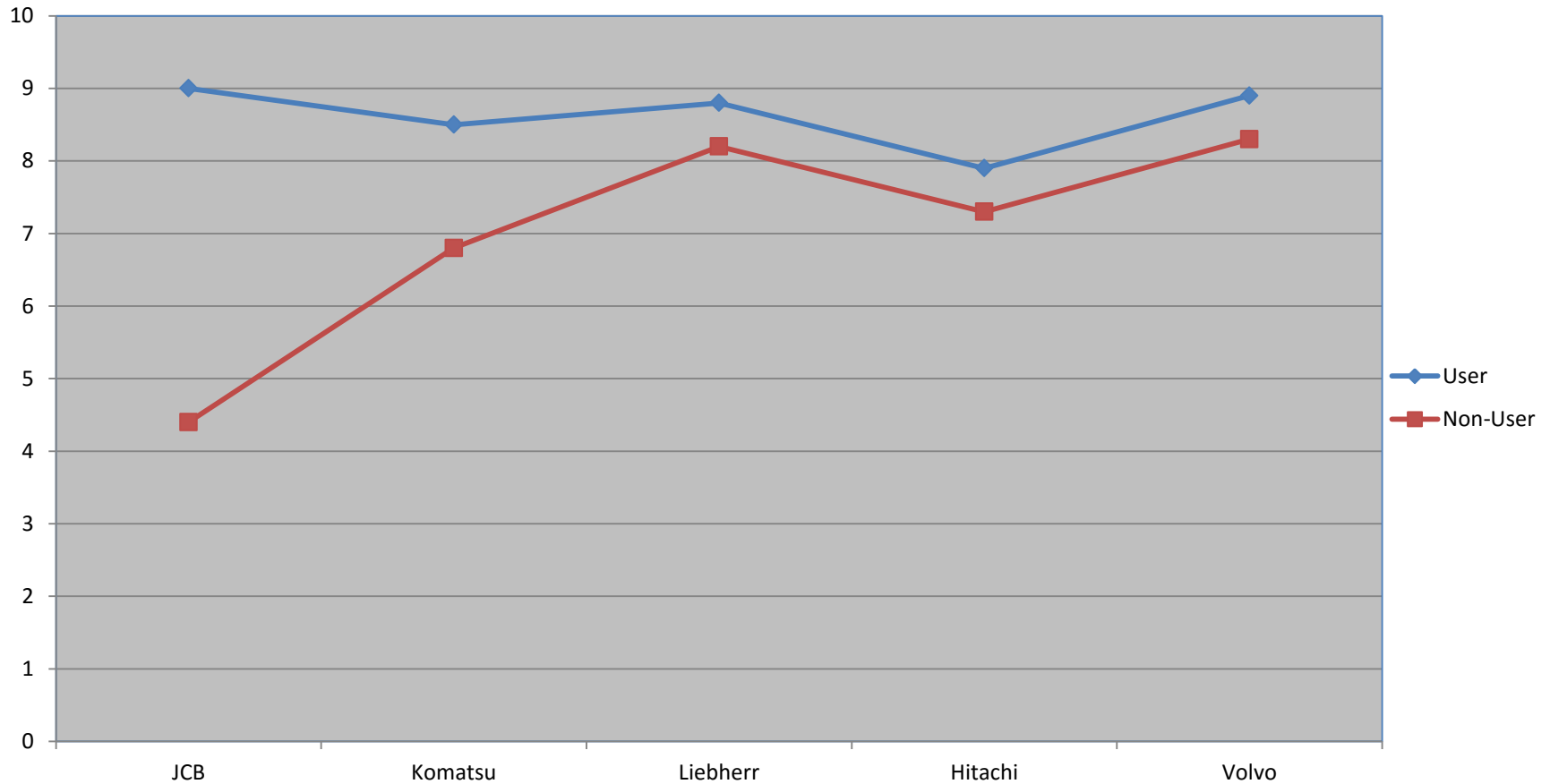
- The probability of a repurchase differs a lot between the different brands.
- The highest customer loyalty have JCB, Liebherr and Volvo.
- Komatsu is ranked worst according to customer loyalty. Reasons for that seem to be problems with service and delivery times.

n: 54; JCB: 8; Komatsu: 10; Liebherr: 16; Hitachi: 11; Volvo: 9

Source: Own interviews

Brand benchmark (1)

„Please imagine a similar machine. How would you assess the quality of different brands?“

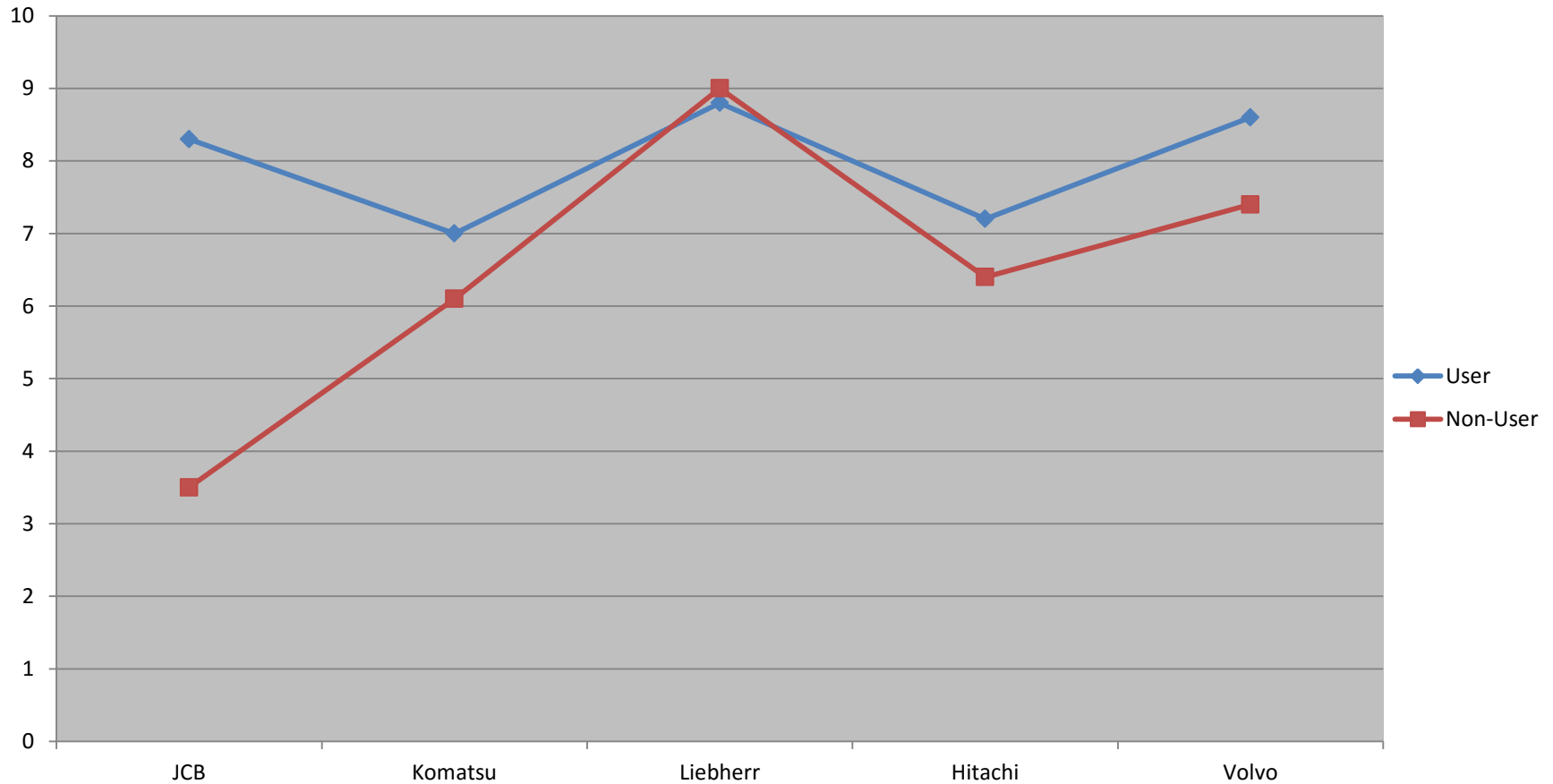


n: 54; JCB: 8; Komatsu: 10; Liebherr: 16; Hitachi: 11; Volvo: 9

Source: Own interviews

Brand benchmark (2)

„Please imagine a similar machine. How would you assess the service of different brands?“



n: 54; JCB: 8; Komatsu: 10; Liebherr: 16; Hitachi: 11; Volvo: 9

Source: Own interviews

Benchmarks findings

Benchmark service and quality

- The benchmarks show that brands within the own fleet are mostly rated better than other brands.
- Established brands like Liebherr or Volvo have the slightest deviation according to the used and non-used brands.
- Huge gaps are visible at JCB. Companies which use those machines rate quality and service much better than companies which do not have any experience with these brand.
- This could be based on problems with recognition and communication problems. Moreover a high brand loyalty of the established brands could be reasonable for that.
- Primary it could be concluded that Komatsu and Hitachi have the weakest performance in the benchmark.
- Due to the fact that machine quality is rated more or less equal by all machine users gaps according to service have strong impacts.

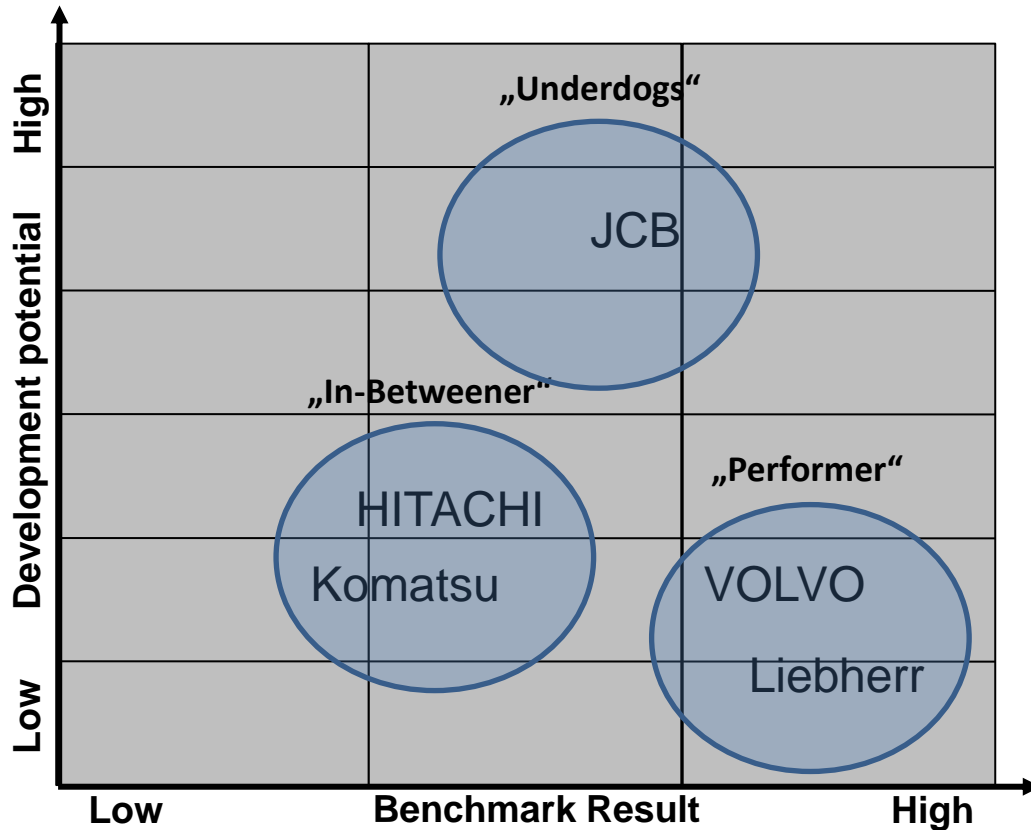
Conclusion

Conclusion of brand benchmark

- The brand benchmark shows that there are three different groups within the excavator brands:
 - The „Performer“ are characterized by high quality and service
 - The „Underdogs“ are rated much better from users than from non-users which have no experience with the machines
 - The „In-Betweeners“ have average ratings and can not convince in any category
- The „Performer“ Liebherr and Volvo have the best results in the benchmark. Both brands convince in quality as well as service and have a high brand loyalty.
- Hitachi and Komatsu show weaknesses in different areas. Especially delivery times, the ordering process and service where ranked worst at both brands.
- JCB machines are currently still underestimated. The benchmark shows a high development potential if the company is able to convince current non-users.
- Improvements in communication and after-sales management can, in times of comparable machine qualities, important factors for market success.

Brand matrix

Classification of excavator manufacturers according to brand benchmark



- The following matrix gives an overview about the benchmark results in relation to the development potential each brand has.
- JCB has good benchmark results and shows a high development potential.
- The other manufacturers are already established in the market whereby Volvo and Liebherr have very good results according to service but only a small development potential.

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