

Case Study – Customer Support Agreements

Industry: Construction Equipment

Region: Global

The Challenge

A global player in Construction Equipment industry wanted to analyze its price position regarding its Customer Support Agreements (CSA), which are aftersales services offers. Key targets were:

- Improve the price competitiveness vs main competitors in the market.
- Increase service revenues and extract more value from their aftersales offer.
- Building the right aftersales “environment” in order to ensure the competitiveness.

Such player presented several pitfalls in the existing offer (i.e. Too complex offer plan), with the result that the offer isn't actually implemented in the market.

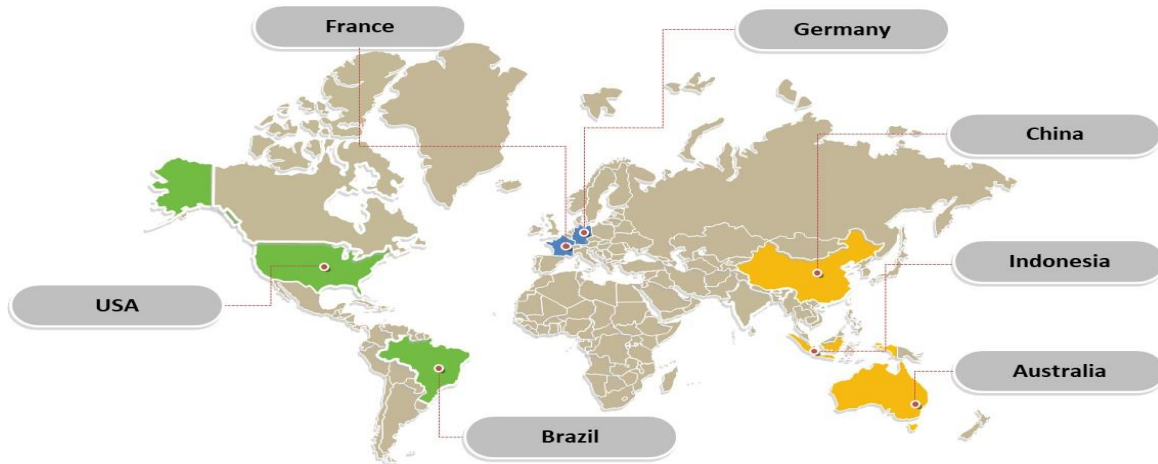


The Solution

In order to meet the final aim of the analysis (provide some brief recommendations on how to turn strategies into actions) MarketingPRO:

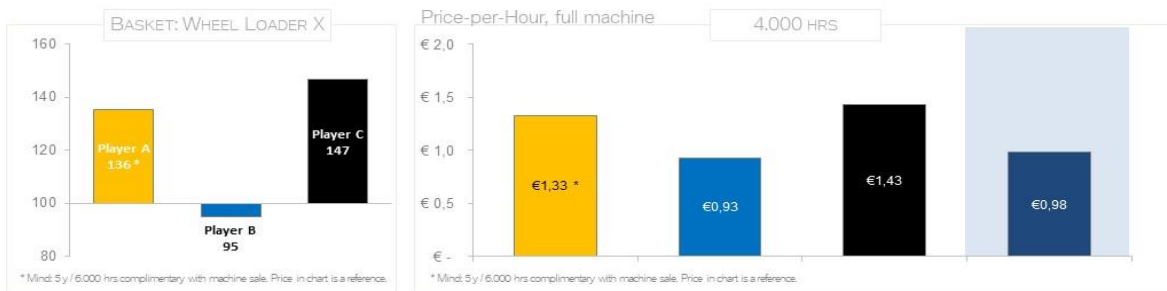
- Provide accurate cross-modelling and cross-reference regarding models included into the analysis, though our experienced technical engineers.
- Observed the market at retail level, across a number of brands, dealers and countries, by the Mystery Shopping and Phantom Tests, two of main market research approaches, though our exclusive field network.

For every competitor MarketingPRO analyzed several levels of CSA (i.e. Inspection Only, Planned maintenance, etc.), to be able to understand if competitors covered all the service levels offered by our Client.



The Results

Competitor's offers were identified in details: Client offer looked to be well balanced in terms of contents, bundles and price levels, respect competitors. It was possible to extract more value out of customers, taking inspiration from some of competitors' insight, about tactics and offer strategies, and so then Client was able to improve the existing offer (i.e. implementing Segmentation of customers by willingness-to-pay, introducing Complimentary maintenance programs etc).



	Target Player	Player A	Player B	Player C
Planned Maintenance	T. Player Service Name	Player A Service Name	Player B Service Name	Player C Service Name
INCLUSIONS	Planned Maintenance (parts & labor) as per schedule, travels on site, annual test (labor safety), DPF maintenance, X.	Planned Maintenance (parts & labor) as per schedule, travels on site, annual test (labor safety), DPF, Cabin filter replace, X.	Complimentary first 2.000 hrs / 3y of Maintenance & Oil Analysis, plus DPF change up to 9.000 hrs / 5 years, travels on site, annual test (labor safety).	Planned Maintenance (parts & labor) as per schedule, travels on site, annual test (labor safety), Oil Analysis.
EXCLUSIONS	Machine repairs, Wear parts, G.E.T., Overtime labor, Oil analysis.	Machine repairs, Wear parts, G.E.T., Overtime labor, Oil analysis.	Machine repairs, Hydraulic Oil, Wear parts, G.E.T., Overtime labor.	Machine repairs, Wear parts, G.E.T., Overtime labor.
OPTIONS	Lubricants, Oil Analysis.	Lubricants, Oil Analysis, use of Bio-Hydraulic Oil.	Extension of plan over 2.000 hrs, Hydraulic Oil.	Lubricants
POINT-OF-SALE	Any time.	Max 1 month from new machine sale.	At machine sale.	Any time.
PAYMENT STRUCTURE	Monthly.	Either at every interval, or as a monthly fixed price.	Free-of-charge.	Either monthly, quarterly, or every 1.000 hrs (in advance).
AVAILABLE BUNDLES	None.	None.	Bundled into machine price for all >Stage III B engines.	None.
TAILORIZATION LEVEL	Low.	Medium.	Low.	Medium.

For more details, contact: info@marketingpro.it, asking for service code "CSA".

MarketingPRO Srl – Cap.Soc. (€ 10.000,00 i.v.) - P.Iva 03544400231
 Piazza Villafranchetta, 3 - 37069 Villafranca di Verona (VR), Italia - Tel. +39 045 7902578 Fax +39 045 6333263
 Registered Seat/Iscrizione: Camera Comm. Verona - Commercial Register No./R.E.A.: 345222 - Local Court/Foro Competente: Verona