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THE MOTIVES AND BENEFITS OF USING CUSTOMER EXPERIENCE LED DIFFERENTIATORS IN THE RE-LAUNCHING OF A FAILED PRODUCT: A CASE STUDY OF CRANES & COMPONENTS (P) LTD

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Abstract

Cranes and Components (India) Ltd. (Case Company) expanded their product portfolio through a downward line extension when they launched the BAS range of products comprising chain hoists, rope hoists and crane kits. The range is targeted for use in lower duty conditions that do not call for the PRO range of Case Company's products. The distribution and sale of the BAS range is mainly through the dealer and OEM channel as opposed to the direct sales that the traditional portfolio uses. The first introduction, the DC BAS was well-accepted in the market and the sales performance exceeded expectations. The DR BAS was launched on the back of this in 2011. However, it did not make much headway and continues to lag sales expectations. While launching the DR-BAS all the traditional marketing approaches and best practices were utilized, yet the results were less than satisfactory. The Customer Experience approach was then decided to be followed so as to understand what are the Customer Experience gaps that are impacting sales of DR BAS, and how can the DR BAS experience be meaningfully differentiated for the end-customers. It was found that the Case Company engaged its end-customers well in the initial stages of the customer journey aided by its strong brand image and good pre-sales/pre-association

interactions. The end-customer experience faltered in the post-purchase stage, though – with poor experiences around Delivery and Erection & Commissioning.

Keywords: Customer experience, product re-launch, business to business, qualitative research, marketing, India

BACKGROUND

Cranes & Components (P) Ltd (Case Company) is a global player with locations in all over the world and subsidiaries and many partner agencies in India. They offer a complete range of cranes, drives and handling technology for every application – optimized by comprehensive sales and service support. Their solutions provide customers with valuable quality and efficiency benefits. Their extensive product range includes a wide range of solutions for specific industries for travel applications, load handling at the workplace and material flow in production and storage.

The Case Company crane experts always focus on the benefits for their customers – the greatest possible efficiency and reliability, optimum availability and maximum performance.

The Case Company has a long tradition of functional product excellence that dates back over their long history since 1840, when they started manufacturing overhead travelling cranes, concentrating on the production of cranes and crane components at an early date, also including hoist units with an electric drive since 1910.

The Case Company expanded their product portfolio through a downward line extension when they launched the BAS range of products comprising chain hoists, rope hoists and crane kits. The range is targeted for use in lower duty conditions that do not call for the PRO range of Case Company's products. The target market for the products are the traditional High-Value (M1) market that the Case Company already addresses and the next level, the M2 market, which is a new market for the Case Company. The launch of this range also signifies Cranes and Components (India) Ltd's entry into a hitherto unrepresented segment, where the current competitors are Electromech, CHPL, Indef and Lifttech. These competitors ostensibly compete largely on price. The first introduction, the DC BAS was well-accepted in the market and the sales performance exceeded expectations. The DR BAS was launched on the back of this. However, it did not make much headway and continues to lag sales expectations. Both products are standard BoM, standard Price list products.

The study seeks to understand how the Case Company can leverage its core brand strengths seeking to differentiate the DR-BAS range from competition on the basis of a superior customer experience within the Buying Experience as well as the Consumption Experience.

OBJECTIVES OF THE STUDY

This research aims to explore the perceptions of the case company's customers about their experience of purchasing & using with Case Company's DR-BAS rope-hoist product & how this experience impacts the perception that Case Company's customers hold about the Case Company. The objective is to examine the benefits of customer experience as a competitive differentiator from customers' perspectives in order to gain a better understanding and valuable information for the creation and implementation of an effective customer experience process for the Case Company which will eventually help boost the sales.

The objectives of this research will include:

- a. To examine the current experience being delivered by Cranes and Components (India) Ltd, as perceived by its Customers
- b. To identify customer's motives and goals for considering a vendor for the product such as DR-BAS
- c. To determine the attributes of interaction that serve as enhancers or detractors towards a competitive customer experience

In this research, customer experience is analyzed by using semi-structured in-depth interviews with customers, examining the literature and previous studies. The primary focus of this research is obtained from the perceptions of participants.

THE RESEARCH PROBLEM

The Case Company is an established & reputed global provider of cranes, drives and handling technology in the material movement & handling space. As the Indian economy & B2B industry has become more complex and challenging than ever before and the pace of change has been relentless, the expectations for organizations in this space have continued to evolve accordingly. Customers today consider functional excellence & positive brand image as a table stakes (Schmitt, 1999).

They expect their vendors to deliver engaging experiences that they can relate to (Schmitt, 1999). Experience in a given situation is a sum total of a customer's "cognitive, affective, emotional, social and physical responses" (Verhoef, 2009). Such responses are also guided by the unique context that each customer brings to the situation. (Schmitt, 1999; Gentile, Spiller and Noci; 2007).

The aim of this research is to explore Cranes and Components (India) Ltd's customers' experiences and perceptions about their engagement with the Case Company. The study explores and identifies the motives in the customers' minds when considering a specific vendor for their rope hoist requirements. The study also explores in detail important Customer Experience drivers and Case Company's deliverables on these drivers across Experience Delivery Touch points spanning Customer Journey through the Purchase Cycle as well as the Consumption Cycle.

The value of delivering superior customer experience that is relevant to the customer and its competitive for the Case Company is thus discussed. The learning from participants' outcomes is aimed to help inform the planning, development and implementation of customer experience efforts for the case company which currently does not have a standard process towards crafting & delivering memorable & relevant customer experiences.

In order to accomplish objectives of this study, the following research questions will be addressed. There are two main research questions and one sub-question:

- What are the motives for considering a specific vendor for a rope hoist purchase in the minds of the customers?
 - o What are the goals and critical success factors in the purchase of a rope hoist as described by the customers?
- What are the perceptions of Case Company's customers with respect to the experience of purchasing and using their rope hoist?
 - o What are the attributes and features of a customer's interaction with the Case Company that work as experience drivers

- What are the attributes and features of a customer's interaction with the Case Company that work as experience detractors

Based on the study of these research questions this study aims at providing guidelines and recommendations to the case company for the planning, creation and implementation of an effective customer experience delivery across its sales & delivery processes. This may be of use by other similar organizations looking to use customer experience as a competitive differentiator.

LITERATURE REVIEW

Encountering, undergoing or living through situations creates experiences. They connect the company and the brand to the customer's context. They place customer actions and the purchase occasion in a broader social & motivational context (Schmitt, 1999).

As stated by Schmitt in his book "Experiential Marketing (1999)", "Experiences provide sensory, emotional, cognitive, behavioral & relational values that replace functional values". Companies in the twenty first century are witnessing a revolution in the manner in which business is executed. Customers are becoming increasingly sophisticated in their expectations. Functional features, quality & a positive brand image are increasingly considered as a given (Schmitt, 1999). The traditional assumption, that customers are merely seeking benefits based on functional features and that buying decisions are driven by comparing functional features & benefits, is no longer valid. Customers are seeking engaging experiences that stimulate, entertain, educate and/or challenge. In the minds of customers brands that can provide such experiences are clearly more valuable as compared to brands that don't (Schmitt, 1999)

The Definition & principles of Customer Experience

According to "Beyond Philosophy" (www.beyondphilosophy.com), customer experience is an interaction between an organization and a customer as perceived through a customer's conscious and subconscious mind. It is a blend of an organization's rational performance, the senses stimulated and the emotions evoked and intuitively measured against customer expectations across all moments of contact.

Importantly:

- A customer experience is not just about a rational experience (e.g. how quickly a phone is answered, what hours you're open, delivery time scales, etc.).
- More than 50 percent of a customer experience is subconscious, or how a customer feels.
- A customer experience is not just about the 'what,' but also about the 'how.'
- A customer experience is about how a customer consciously and subconsciously sees his or her experience

The basic principle of this approach lies in the understanding that customers are emotional beings in addition to being rational and logical & that buying decisions also rely significantly on emotional assessments of available choices in addition to an assessment of facts, features & benefits (Schmitt, 1999). The approach, therefore, considers consumption holistic experience & uses numbers driven (quantitative) as well as contexts, motivations & feelings driven (qualitative) methods to understand the consumption process of customers (Schmitt, 1999).

The approach requires organizations to understand how customers sense, feel, think, act & relate to the purchases they make & use this knowledge to enhance the value they deliver to their customers as well as to differentiate themselves from competition (Schmitt, 1999)

The Customer Experience Framework

The Customer Experience framework referenced in this study is illustrated below:

Figure 1: Customer Experience Framework



This is a five step framework and has been adapted from the framework proposed by Bernd Schmitt, in his book "Customer Experience Management" (2003).

A brief explanation, as provided by Bernd Schmitt (2003) & specific to the context of business-to-business (B2B) markets for each of the above steps is included below:

Step 1: Analyzing the experiential world of the customer- Involves understanding and analyzing the motivations & business contexts driving the requirements & therefore the expectations from the solution & solution providers. This step also requires relating the broad-based organizational & industry context to the usage trends.

*Step 2: Building the experiential platform-*Involves specifying an experiential value promise that the customer can expect from the organization. It includes a dynamic, multidimensional depiction of the desired experience over all the possible touchpoints through which a customer can interact with the organization.

Step 3: Designing the experience- This step consists of designing the experiential features to ensure that the experience delivery is indeed in-line with the experiential value promise intended to be communicated to the customer. For a B2B scenario, this includes features like, brand & product messaging, collaterals, product aesthetics, communication aesthetics, service interactions, customer facing processes as well as customer support processes.

*Step 4: Structuring the customer interface-*This step consists of implementing customer interface systems to support all manners of dynamic exchanges & contact points with the customer so as to ensure a consistent & coherent delivery of customer experience across all touchpoints. The objective is to ensure that the customer receives the desired information &

service in the right interactive manner & therefore initiatives in this step must also consider voice, attitude & behavioral style of customer facing teams.

Step 5: Continuous Innovation- This includes all the small & large changes that an organization can bring in to its systems, processes & products that make the business customers' work life easier. They can range from small changes to product forms, creative launch & communication initiatives to major inventions & feature additions to products. The objective here is to plan, manage & market all innovation in manner so that they improve customer experience.

This study is therefore consists of using the above framework towards understanding the experience as perceived by the customers of the Case Company and further using this knowledge & insight to provide recommendations that the Case Company can utilize towards boosting its sales of the DR-BAS product line.

THE METHOD

This research is conducted employing a qualitative methodological framework. The aim is to investigate the research topic in an in-depth manner in the specific context of the case company. While the findings from this research may be applicable for other organizations similar in nature & context, such an extension as well as generalization is not the primary intent of this study. It is deemed appropriate to employ qualitative research when trying to gain understanding of the perceptions, reasons and motivations behind human behavior under specific situations & contexts (Malhotra & Dash, 2011). When the intent of the research is to understand or interpret the perceptions & meanings others have about the context/situation under study and thereby to develop a theory towards human behavior, qualitative research is recommended (Creswell, 2009).

This study attempts to understand the role of experiential factors of a business to business buying scenario on post purchase cognitive dissonance. Experience in a given situation is a sum total of a customer's "cognitive, affective, emotional, social and physical responses" (Verhoef, 2009). Such responses are also guided by the unique context that each customer brings to the situation. (Schmitt, 1999; Gentile, Spiller and Noci; 2007)

Therefore, it is necessary to construct an in-depth understanding of the experiential factors of the purchase & post purchase scenario. An exploratory study consisting of one-to-one in-depth interviews with purposively chosen respondents is undertaken to explore the following aspects of the business to business purchase process:

- Factors that drive the motivation to purchase a specific vendor for the DR-BAS purchase
- Specific factors that create a perception of enhancement or deterioration of experience

Further to understand the effects of above factors on the decision making activity and, a combination of case study method and phenomenological research approach will be followed. This approach involves in-depth inquiry into a specific program, event, activity, process across multiple cases, where in cases are bound by time & activity (Creswell, 2009). As the study aims to gather an in-depth understanding of buying experience & post purchase cognitive dissonance in the specific context of business to business high value buying, the scenario and the activity under study is fairly well defined & specific, making the case study

approach suitable for this study. The inquiry around the experiential aspects of the buying decision, within individual cases will be based on phenomenological research approach & will involve understanding the nature of experiences endured by the participants, their perceptions about the same & the factors contributing to these experiences & perceptions, while being involved in making high-value purchase decisions (Silverman, 2011).

It may be reiterated that the aim of the study is not to generate or derive any abstract theories based on the views of the participants; therefore the grounded theory approach is not followed for this study. The study also requires the researcher to set aside their own experiences & seeks to understand the specific context of high-value purchase decisions in business to business buying scenarios from an experiential & post-purchase cognitive dissonance standpoint. The study does not therefore require building extensive narratives based on lives of respondents & therefore the narrative research approach is not utilized for this study. Given the confidential nature of business to business buying and of the process of such evaluation, it is highly unlikely that the respondent would allow any direct, *in-situ* observation of the process by the researcher. The insight from the respondent will necessarily be *post-facto*. Therefore, an ethnographic approach to qualitative research is also not being adopted (Creswell, 2009).

The chosen qualitative method for this study is the case study approach, one of the most commonly used tools of qualitative research. The research approach will be phenomenological. This approach is chosen as the author will examine multiple perspectives of customers (leaders) who have experienced an purchase or post purchase interaction with the Case Company. The "deep" information and perceptions will be gathered through in-depth interviews and participant observations. The collected information represents the perspective of the research participants. By gaining the understanding of subjective experiences, insights into participants' motivation and perceptions provide valuable information for this research. The focus is in the interviewees' point of views and the researcher wants rich and detailed answers in order to achieve a deep understanding of the research topics.

- The research method is semi-structured in-depth interviews as it is optimal for collecting data on individuals' perspectives and experiences.
- Interview format includes open-ended questions, as the interview form has a set of identical questions that need to be answered by the participants. However, participants' responses affect how and which questions they will be asked next. This allows flexibility in the interviews as well as may provide some additional information.
- The data format of this research is field notes from the semi-structured in-depth interviews. An interview form and guide is developed to guide key points in each interview sessions.

DATA COLLECTION

One-on-one, face-to-face in-depth semi structured interviews were used as the primary method of data collection. The primary data was collected over a single interview with each participant and the interviews required one to one and a half hour of the respondents' time. The interview was conducted in the respondents' office and done in the context of a single, most recent purchase / usage support interaction executed by the respondent on behalf of his /her organization.

All interviews were conducted in English and were digitally recorded. The interviews were transcribed within 2 days of the interview taking place. Assistance was taken from other fellow researchers for peer-review & spot checking of transcripts to further ensure the accuracy of transcripts.

In addition to the primary data collected as above, secondary data sources such as tender documents for the said purchase, the vendors' proposals & justification documents, email exchanges with the case company's representatives & internal team in relevance to the purchase was used. The first secondary source was the official documents that were exchanged between the buyer and the case company, while the second source was the e-mail exchanges and internal teams. These were used for triangulating the veracity and robustness of the data (O'Donoghue and Punch,2003).

In addition, the study sought to base the implementation of Moustakas' strategy for conducting interviews (1994): "a phenomenological interview begins with a social conversation or a brief meditative activity aimed at creating a relaxed and trusting atmosphere" (p. 114). The interview were be principally focused on gaining information on the participants' lived experiences with a focus on the emotions experienced.

Credibility and Utility

The study uses the framework of naturalistic criteria to ensure credibility & utility proposed by Lincoln (1981) and Guba's (1985) 'naturalistic' criteria.

The use of Lincoln and Guba framework indicates that the trustworthiness of a research involves establishing the following aspects and evaluation techniques (Lincoln & Guba, 1985).

SAMPLE SELECTION

The sample selection is based on purposeful sampling where the researcher specifically selects the individuals who can purposefully help to build the understanding of the phenomenon of interest. Thus, the participants must best represent and have the knowledge of the research topic.

The sample organizations are all "Private Limited" organizations & as such enforce strict regulations of information & data confidentiality. Therefore the confidentiality was emphasized to all participants as well as enforced through appropriate Non-Disclosure & Informed consent documents, in order to be able to recruit the right participants and to receive honest answers to the interview questions.

As personal face-to-face semi-structured in-depth interview is the chosen method, the respondents are chosen from the DR-BAS customer base of the Case Company. An additional criterion is that the chosen customer organization must have purchased the DR-BAS product from Cranes and Components (India) Ltd & should be at differing stages of usage, i.e., installation & commissioning; within warranty & post warranty. Thus 3 customer organizations across each of the stages of usage were selected.

From each of the organizations, 2 respondents were chosen, first being the person who was completely involved in the purchase process & second being the person who is closely involved in the usage & maintenance of the DR-BAS product. This enabled the researcher to

get an end-to-end insight into the complete engagement (pre-purchase, purchase, post purchase) experience.

Thus, the research comprised of in-depth interviews of 18 respondents from the DR-BAS customer base of the Case Company.

DATA ANALYSIS

The data is collected, analyzed and interpreted by focusing to find answers to previously stated research questions and objectives. The data analysis process followed for this study was adapted from the qualitative analysis flow as suggested by Punch (2005).

The interviews were conducted without obstacles, confirming that the period, procedures and the interviewees had been chosen well. A total of 18 in-depth interviews were conducted during the data gathering process. All the interviewees were willing and open to share their experiences, feelings and information with regards to their engagement with the Case Company. Each interview was approximately 1.5 hours. During interviews, observations were made and face-to-face dialogue offered more information and clarity as interviewees were able to ask questions as well.

The results and key findings of the research questions are presented below. There are two main research questions. The first main question has one sub-question & the second main question has two sub-questions. To aid ease of reading, both sub-questions for the second main question will be discussed in a combined manner.

The motives for considering a specific vendor for a rope hoist purchase in the minds of the buyer

The first main research question of this master thesis was to understand what are the various criteria that lead to any vendor being considered for the purchase of rope hoist. This is a vital question in order to gain a better understanding how does a vendor even make it to the consideration set for a buyer in terms of a DR-BAS purchase. The question was:

RQ1: What are the motives for considering a specific vendor for a rope hoist purchase in the minds of the buyer?

As a short summary, the most common motives for considering a vendor for the purchase of a rope hoist as elicited from the interviews are listed below:

- Quoted Product performance on reliability & safety
- Past experiences (own or references) with the vendor, on service & support
- Knowledge of customers' application (production line & its requirements) demonstrated by the sales people in the initial interactions
- Knowledge of own product (relevance of features, extent of customization possible, limitations) demonstrated by the sales people in the initial interactions
- Quoted delivery timelines
- Price

The Goals and the Critical Success Factors in the purchase of a rope hoist

The sub-question was focusing on the specific goals and critical success factors of the rope hoist purchase:

SRQ1: What are the goals and critical success factors in the purchase of a rope hoist as described by the buyer?

When the sample group was asked what were the goals of the rope hoist purchase the typical answers were as follows:

- Hassle-free experience
- Seamless material handling operation
- Negligible downtimes

All the interviewees had extensive experience of the process of purchase and usage of a rope hoist & identified the critical success factors. Based on the answers of the interviews the most often mentioned success factors were:

- Accurate solutioning from the vendor to ensure that appropriate specification definition for the requirements of the end-application
- Guaranteed 99% product uptime for the defined operational parameters
- Negligible/ low learning curves for operators
- Tested & certified Safety parameters
- On time delivery
- Ease of installation & commissioning
- Lucid instruction manuals towards operation & first level issue resolution

The experience perceptions of the Case Company's customers

The second main research question of the study was to explore the perceptions Case Company's customers hold about the Case Company, with respect to the purchase & usage of their DR-BAS product. The research question was:

RQ2: What are the perceptions of Case Company's customers with respect to the experience of purchasing and using a Cranes and Components (India) Ltd DR-BAS rope hoist?

While describing their perceptions, most interviewees used certain specific common attributes & adjectives. These are listed as under:

- Strong brand
- Better than competitors at solutioning
- Better than competitors at engaging customers during the "pre-purchase" phase
- Very high on process orientation
- Processes have scope for improvement on functional effectiveness
- Post purchase account management negligible
- A mere functional expert, not really focussed on solving customers' concerns
- Attitude project is as if, because we are small customers, we are not important

Experience drivers & detractors

The two sub-questions aim to explore what were the experience attributes that the customers see as contributing towards a positive experience & enhancing the interaction quality for them as well as those factors which cause the experience to be not so encouraging.

The two sub-questions were:

SRQ1: What are the attributes and features of a customer's interaction with Cranes and Components (India) Ltd that work as experience drivers?

SRQ2: What are the attributes and features of a customer's interaction with Cranes and Components (India) Ltd that work as experience detractors

The common aspects of experience indicated as "drivers" or enhancers of experience by the interviewees are indicated as below:

- Pre-purchase solutioning
- Pre-purchase sales interactions
- Product safety & aesthetics

The common aspects of experience indicated as detractors of experience by the interviewees are indicated as below:

- Approaches the hoist sale as a "one-time" component sale
- Service turn-around time
- Ineffective communication during problem analysis (root cause)
- Ineffective communication during problem resolution (service execution)
- Product reliability & robustness
- Ineffective Documentation

DISCUSSION

This section discusses the implications of the findings for each of the research questions. These implications form the basis of recommendations being provided to the Case Company in the subsequent section

The motives of considering a vendor – research question one

The typical customer for this product offering from the Case Company is a "Tier 2" manufacturer. Such a customer is typically a supplier himself to larger manufacturers and therefore, for him manufacturing cost attributes are constantly under pressure.

The rope hoist is key equipment in their manufacturing set-up to the extent that incorrect configurations, bad product quality and sub-optimal performance lead to manufacturing losses. Additionally, it was observed that these customer environments are lacking in in-house technical & engineering capabilities towards appropriate configuration-sizing, installation-designing and commissioning.

Thus when considering a vendor to supply the rope hoist, typically the parameters considered in addition to price are around product performance and the knowledge that the vendor team can bring to the table in terms of designing an optimal material handling solution. In the absence of prior in-house experience of a vendor, they also look for references from other similar manufacturers who might have experienced a brand under consideration.

They are essentially looking for a vendor who can bring in a reliable high performance product which they can utilize in the "buy-it-fit-it-forget-it" mode.

Goals & critical success factors in the purchase of a rope hoists

Given the context of purchase environment, the primary expectation of the customers is that of a "hassle-free" experience. This includes not only the core product performance but also

extends to all the interactions with the customer facing teams, service teams, warranty & support teams as well as interactions related to spares replenishment & replacement.

In light of these goals, the customers consider a vendor organization as successful when the organization can provide products that are reliable & robust as well as support such a product with pro-active and effective delivery of services & support. In addition the customers believe that if the specification for the rope hoist & its supporting structure are correctly designed keeping in mind all the typical as well as extreme performance requirements of the application, it helps in higher uptimes & low MTBFs. The customers expect the vendors to bring such a design capability to the table.

Experience Perceptions - research question two

The perceptions of customers about the Case Company are positive in the pre-purchase & purchase stage. The global brand image of the case company as a process driven, standards compliant engineering & design expert contributes significantly to this pre-purchase & purchase perception. This also sets a benchmark for expectations towards the post purchase phase.

However the perception towards the post-purchase experience is not very encouraging for the Case Company. The negativity in perception is primarily driven by the expectation of a hassle free interaction, an expectation that the Case Company is not able to deliver too. The perception is further impacted by the expectations set in the pre-purchase stage. The customers perceive the excessive process adherence by the Case Company as a hassle especially because the Case Company's processes are not aligned to cater to the needs of the "Tier 2" market which needs a higher amount of handholding as compared to the "Tier 1" market.

Experience enhancers & detractors

The Case Company comes through as a strong brand with high share-of-heart in the target-market. In the case of customers who have experienced the Case Company in the past for other products, it is vendor-of-first-choice and they would not consider any alternatives seriously unless the Case Company is unable to meet their needs on the product availability or price front. Thus, with such customers, the order is the Case Company's to lose.

The global standards & approaches that the Case Company brings to the table during the pre-purchase phases are very strong experience drivers. The knowledge levels and knowledge sharing exhibited during the pre-purchase phase adds significant value to the customer & this is seen as a strong experience enhancer. However the same global approach & stringent process compliance in the post purchase phases is seen as inflexibility by the customers. The customers' context requires a more empathetic approach from the Case Company especially when providing spares, support & service.

The customers today find the Case Company's approach as very transactional & are suspicious that the Case Company takes this approach because they are less attractive as compared to their "Tier 1" customers.

CONCLUSION

The purpose of this qualitative study was to explore the motives & experiential expectations customers have from the Case Company and explore the areas of strength & weakness the Case Company has so as to utilize this insight towards improving the sales of the rope hoist product.

The Case Company is a leading player in cranes, hoists and related technology in the Indian market. Until recently its portfolio of products catered to the top end of the market – in terms of the application requirements and the price. The brand stands for high standards of engineering leading to robustness and reliability of product.

A strategic decision was taken to expand the market footprint by addressing the middle tier of the market – the M2 segment. To cater to this market a new range of products has been conceived – the BAS range.

The BAS range of product portfolio is intended to:

- Be a downward line extension of the PRO range
- To cater to M2 market (M2 being defined as customers / applications that do not require some of the high-end features of the PRO range, are more price-sensitive and have less arduous duty-conditions)

The products introduced in the BAS range so far are the DC BAS (Chain Hoists), DR BAS (Rope Hoists) and LC BAS (Light Crane Systems). The PRO products have been de-featured to create the BAS range. While the PRO range has in the past been marketed through a direct sales force with spares being marketed through a dealer network, new channels in terms of OEM's are being developed. The BAS range is intended to be sold mainly through the OEM and dealer network and not the Direct Sales Force.

The first introduction, the DC BAS was well-accepted in the market and the sales performance exceeded expectations. The DR BAS was launched on the back of this however, it did not make much headway and continues to lag sales expectations.

The Case Company comes through as a strong brand with high share-of-heart in the target-market. It is seen to be strong on processes but performing poorly on outcome-orientation of the processes. Its approach to the market is perceived as transactional with little relationship orientation.

End-customers expect DR BAS to be a benchmark for competitors – they expect a product that is more reliable and robust than that of competitors, delivery, service and all related processes to be of global standards of professionalism and competence. Their expectation reference-settings are of MNC and global companies like Misumi and Atlas Copco.

In practice, it was found that the Case Company engaged end-customers and channel well in the initial stages of the customer journey aided by its strong brand image and good pre-sales/pre-association interactions. The end-customer experience falters in the post-purchase stage – with poor experiences around Delivery and Erection & Commissioning. In the Consumption / Use stage the experiences on product reliability and usability do not match up to the expectations set in the pre-purchase stage.

The overall experience takes a turn for the worse in the event of complaints. Processes as well as outcomes for complaint resolutions and service recovery are leaving the customers extremely unhappy. At this stage, the customer is left feeling slighted, ignored, helpless, angry, questioning his earlier beliefs about the Case Company. His attitude towards the brand is negative and despairing and results in behavior in brand interactions being aggressive, antagonistic and dis-trustful. The main experience drivers in the current context are interaction experience, product reliability & safety, delivery and service handling.

Given the above, for improving the customer experience it is recommended that:

- To build a leadership position in the newer markets the Case Company change its approach from component-sales view to solutions-provider. Market DR-BAS as part of a complete solution to the customer – from crane design to fabrication through installation, commissioning and servicing. See its own role as a system-enabler and not system-owner.
- Own the customer relationship through creating engagement strategies and service offerings that leverage the knowledge leadership it has in this product-category.
- The current channel strategy – from design to composition and roles - needs to be reviewed in the light of the above
- Align systems, processes and organization structure to have visibility and performance tracking till final sale points
- Focus on closing operations level gaps on basic experience drivers that are currently detractors - product performance, delivery, service-support and channel enablement
- Begin a shift from product-feature and benefit towards value-centred conversations – internally and externally

The selected empirical research method poses certain limitations to this study. Firstly, the research was conducted in only one company so it may not be relevant to other settings. It would be better to research many companies from different industries.

The study was conducted in the specific B2B industry of industrial equipments, which currently is in a particularly dynamic state and therefore might have affected the motivation of the interviewees in a way that might not have occurred in a less change oriented environment. Furthermore, since the study was conducted by the author, it is unavoidable that in this study, certain degree of subjectivity can be found.

This study has confirmed that experiential aspects of an interaction have a significant impact on the perception customers have of their vendors. It also comes out from the study that these expectations are routed in the context of the purchase which is dynamic & ever changing.

Thus experiential strategies can be used for creating better customer engagements, boosting sales & creating competitive differentiators. Given that customer experience as an area is extremely context specific similar as well as more in-depth studies in other industries will boost the utilization of customer experience strategies towards creating higher value for businesses as well as their customers.

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COMPANY HOMEPAGES

www.beyondphilosophy.com

APPENDIX A (INTERVIEW GUIDE)

PROFILE QUESTIONS

Industry
Name of the company
Type: Indian local company, Indian MNC, Global MNC
Nature of their end customers
Quality & Safety Certification, Environment Standards etc
Location (Geographic, plant location of the respondent)
Respondent Name
Designation
Respondent Reporting Manager Designation
Current CRANES AND COMPONENTS (INDIA) LTD installed base
Current rope hoists intalled base
Turnover
Applications for Rope hoist [Maintenance, Production line, Material movement]
Lift Tonnage
Duty Cycle & FEM Rating
People (Names & Designations) in the rope hoist buying chain
Is it a customer / target or lost customer for Rope Hoist

ATTRIBUTE MAPPING

When you look at `rope hoists' of less than 10 MT, what are the aspects that are valuable to you? Of this set of cards, pick 5 that you feel are what vendors should focus on delivering to you.

NOW GIVE SUB CARDS OF THE 5 CHOSEN.

Of these pick the ones most valuable.

Now of these pick 5. Distribute 100 points over these 5 in terms of how much they should focus on these. How do you think Cranes and Components (India) Ltd performs on value delivery on these? 1 to 5 rating with 5 being best

Who is the closest alternative you would consider? (Note name) Do the rating for closest perceived competitor too.

What are the top 3 things Cranes and Components (India) Ltd should work on to become your preferred rope hoist vendor

CUSTOMER EXPERIENCE RATINGS

Were you involved in a rope hoist purchase / use / maintenance / service / disposal at any stage?

(Note: Tick which aspects respondent mentions experience of. If no experience, skip this question)

The table in this sheet lists a number of experience points you would have had. Which in your opinion are the top five that define the overall experience for you?

(Note: Rate these as `5'on importance, Explore what respondents understanding of the term is. If person ticks something outside experienced area, validate.)

On a scale of 1 to 5 with 5 being the best, how would you rate your experience of Cranes and Components (India) Ltd on this aspect?

(Note: Probe reasoning)

Who do you consider is best at this? (any vendor, not necessarily hoist / crane equipment). Where would you rate your experience with them? *(Note: Probe reasoning)*

Which of these other aspects have you experienced? How important is it? (rate 1 to 4). Where do you rate Cranes and Components (India) Ltd experience (1 to 5)? What is best-in-class experience (1 to 5)? WHO is best-in-class?

CH1: 1

What in your opinion are the minimum safety features a RH MUST have for your kind of application? Do you think Cranes and Components (India) Ltd RH have those features? Do you think they have safety features that are extra and over and above the required minimum? Which are those features?

CH1: 2

For a RH to be called "Reliable ", what qualities should it have? What MINIMUM features ? Does Cranes and Components (India) Ltd have these ? Does Cranes and Components (India) Ltd have extra and more? Which features? How does this compare with say, Indef? Will you call Indef Reliable?

CH1: 3

Which are those features that in your opinion have the potential to create service issues and breakdowns, why?

CH2:1

When you placed /will place an order with Cranes and Components (India) Ltd for RH, what do you expect that you will get? (On Product, On Service, On Intangibles)

CH2: 2

Who do you see as the closest alternative you would consider? When you order with (alternative) what do you expect to get?

CH2:3

What do you contact Cranes and Components (India) Ltd the most for? How do you find their speed of response? (Probe: Expectation & benchmark)

CH2:4

Do you find the Cranes and Components (India) Ltd team knowledgeable? (Probe which interaction point, variations; time permitting: which company is best). Are they similar to / much better than / poorer than (competitor name). In what way has their being knowledgeable helped your business?

CH2:5

In your experience, does Cranes and Components (India) Ltd stick to promises it makes? (Probe for which is the problem area/ good area - timelines: quote submsn? Delivery? Erecn & commsng? Spares? Other?; (For whichever is mentioned get expected time?) Product performance? Cost benefits?prices? Processes? Other? (Assess which are critical in terms of impact)

CH3:1

In your opinion, how much time and effort should it take for:

- a)The Process of buying a DR BAS (as opposed to a Pro)
- b)The Installation of DRBAS
- c)The on going Maintenance of DRBAS
- d) Repair of DRBAS

CH3:2

Would you be okay if your vendor took complete responsibility of b-d of the above without you even getting involved in the details? If not, why not?

CH6: 1

Given that DR BAS is more expensive than others, in order to justify this price what all do you think CRANES AND COMPONENTS (INDIA) LTD should offer you and include for the price to be justifiable ?

CH6:2

Among all the Rope Hoist vendors, who do you see as `different'? Why? Do you / will you pay a different price to them because of this?

CH7:1

What are the different equipments that your team maintains currently

CH7:2

From all the RH that you have knowledge on, which one do you think is the most sophisticated in terms of Design? Why do you say this?

CH7:3

Would you say this sophistication leads to complexity?

CH7:4 (and CH1)

(If challenges reported re installn, c omm. Maintenance) What is the impact of this (delay)? How do you think this impact can be reduced/managed?

CH10:1

Complete delivery means _____

(a) Product delivery (b) Installation (c) Commissioning (d) Documentation

CH10:2

What would you say is a desirable time frame for yr defn of `complete' delivery