



Ag Dealer's Perceptions of Tractor Brands

July 2019 report

“
*Increasingly, our customers would like to
arrange on-farm demonstrations of new
tractors – helping to fully appreciate their
value and new technology*”

Service Dealer North

“
*Our customers trust our opinions and
advice more than a manufacturer or a
brand, because we can personalise and
understand the farmer’s needs better*”

Service Dealer North

Contents...

Introduction	1
<i>About Service Dealer & TAP</i>	3
<i>Brand's stocked by dealers</i>	4
<i>Top tractor brands</i>	5
<i>Evaluating brands</i>	6
<i>Overall tractor brand scores</i>	7
<i>Rating individual brands</i>	8
Individual scores	9-15
<i>Fendt</i>	
<i>John Deere</i>	
<i>Kubota</i>	
<i>New Holland</i>	
<i>Massey Ferguson</i>	
<i>Valtra</i>	
<i>JCB</i>	
<i>Case IH</i>	
<i>Claas</i>	
<i>Cat</i>	
<i>McCormick</i>	
<i>SDF</i>	
<i>Landini</i>	
<i>Zetor</i>	
Influencing brand perception	16
Influencing stocking consideration	17
Bringing customers through a dealer's door	18
Survey age split	19
Age-related brand perceptions	19
Conclusions	20

Introduction...

With brands being an important source of competitive advantage, we aim to review the results of a recent survey with Ag Service Dealers on what they rate as being important to stock different tractors and their perceptions of specific brands.

The study's overall conclusion is that branding plays an important role, especially for dealers to differentiate themselves by building a strong, local and customer-centric reputation with customers, and manufacturers to offer reliable (quality) and innovative products. Innovation and product pipeline is particularly crucial; given ever increasing technology changes facing the industry and mounting uncertainty due to Brexit.

This survey was conducted through Service Dealer Magazine & highlights the opinions of 48 Ag Service Dealer organisations in the UK. It should be taken as their brand perceptions of tractor manufacturers in the UK.

“ A brand is a set of expectations, memories, stories and relationships that, taken together, account for a customer’s decision to choose one product or service over another ”

Seth Godin, Founder of Squidoo.com

A bit about TAP & Service Dealer...

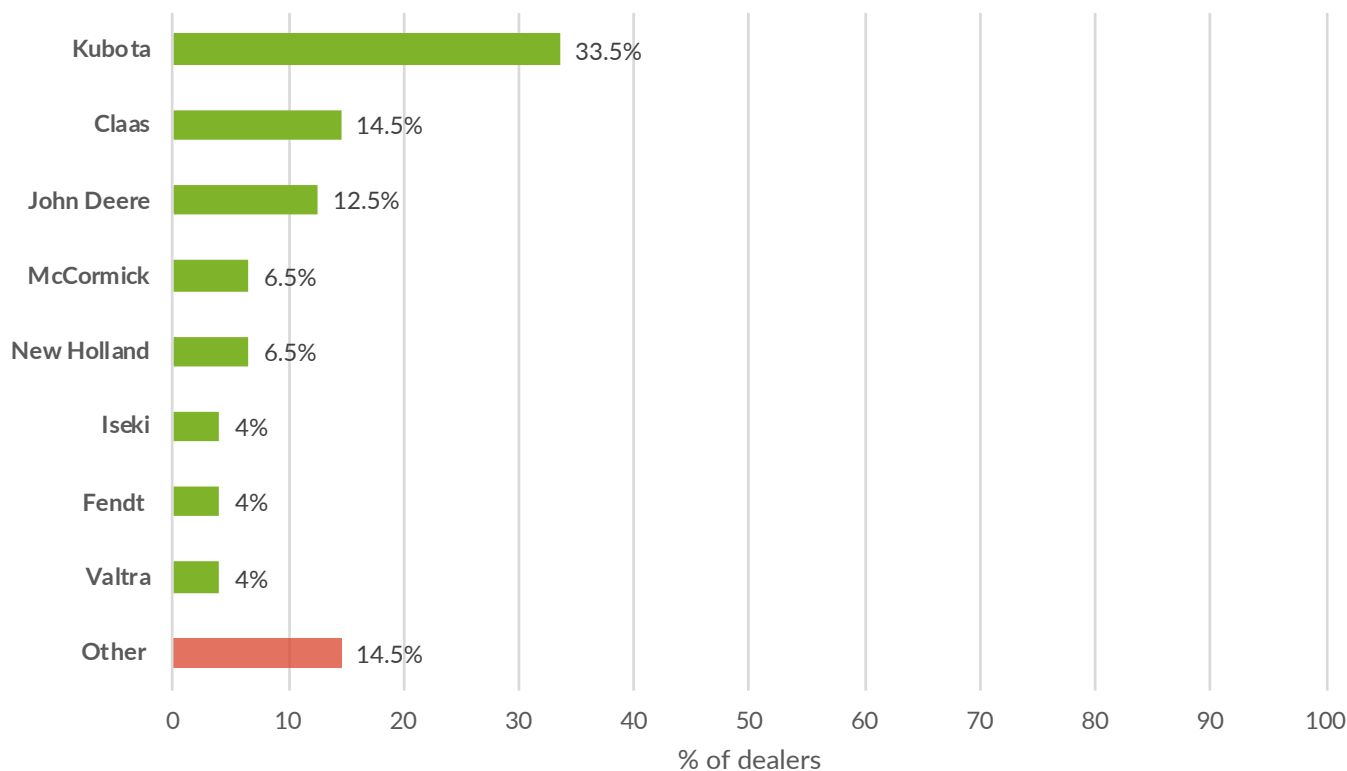
Service Dealer Magazine:

Service Dealer is the only industry magazine targeting dealers in the garden machinery, professional turfcare, farm machinery and outdoor power equipment industries. The magazine was founded in 1988 and is widely regarded as the Voice of the industry.

TAP:

TAP is an agency of content & media specialists, connecting brands with humans. Our approach to brand content is broad & creative. We have key knowledge in many business sectors and specialise in the world of agriculture.

The tractor brands, stocked by Ag Service Dealer's...



Kubota is stocked by most Ag Service Dealers that responded to the survey (1 in 3) followed by Claas and John Deere. The recent registrations report* highlighted John Deere maintains the No.1 position.

*Agricultural Engineers Association (AEA) 2017 Registrations

The top tractor brands rated by Ag dealers...

1

Fendt

Overall Score

3.78



Quality: 4.3
 Innovation: 4.2
 Value for Money: 2.9
 Aftersales Support: 3.7

2

John Deere

Overall Score

3.75



Quality: 4.0
 Innovation: 4.2
 Value for Money: 2.9
 Aftersales Support: 4.0

3

Kubota

Overall Score

3.58



Quality: 3.7
 Innovation: 3.3
 Value for Money: 3.8
 Aftersales Support: 3.6

4

New Holland

Overall Score

3.39



Quality: 3.3
 Innovation: 3.5
 Value for Money: 3.3
 Aftersales Support: 3.6

5

Massey Ferguson

Overall Score

3.38



Quality: 3.5
 Innovation: 3.4
 Value for Money: 3.2
 Aftersales Support: 3.4

6

Valtra

Overall Score

3.37



Quality: 3.5
 Innovation: 3.2
 Value for Money: 3.4
 Aftersales Support: 3.4

The brands were evaluated using 4 criteria...

Reviewing each brand's reputation and perception, we asked each Ag Service Dealer to rate the following attributes on a 5 point scale:

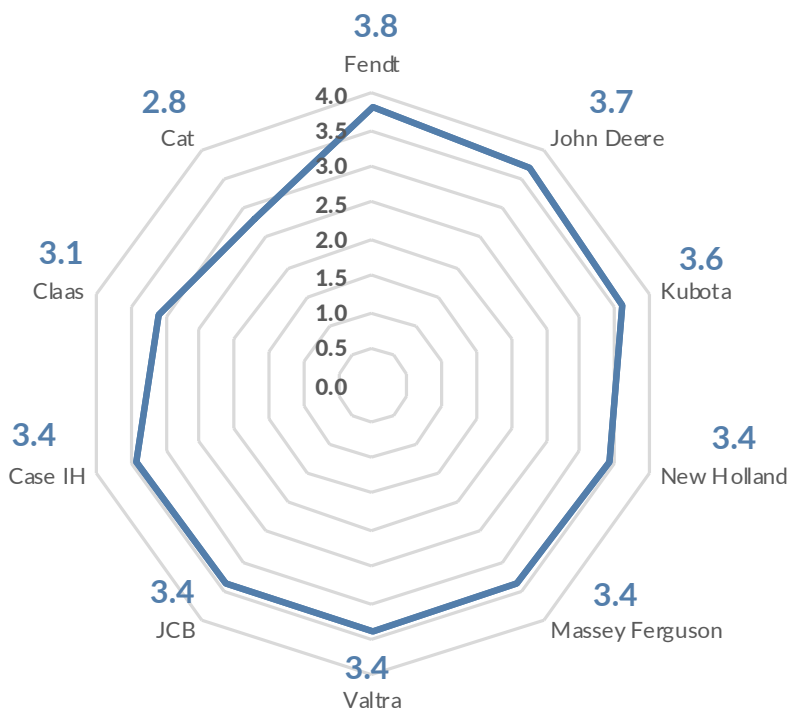
- Quality
- Innovation
- Value for money
- Aftersales

It is clear from the research results that there is a broad diversity of opinions between the higher profile brands and those attempting to close the gap.

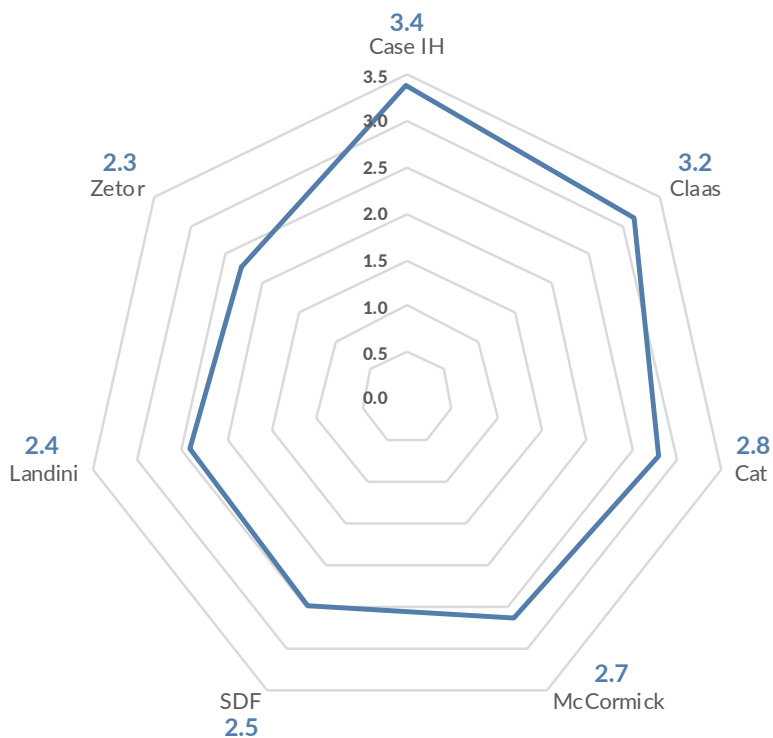
Fendt was rated first. Next up was John Deere, followed by Kubota, and then, New Holland, Massey Ferguson, Valtra, JCB and Case IH in that order.

Innovation and Quality ratings drive perceptions of these stronger brands.

The overall tractor brand scores...



Fendt was rated first. Next up was John Deere, followed by Kubota, and then, New Holland, Massey Ferguson, Valtra, JCB and Case IH in that order.



Brands appearing at the lower end of averages are rated lower across all 4 attributes.

How the individual brands were rated...

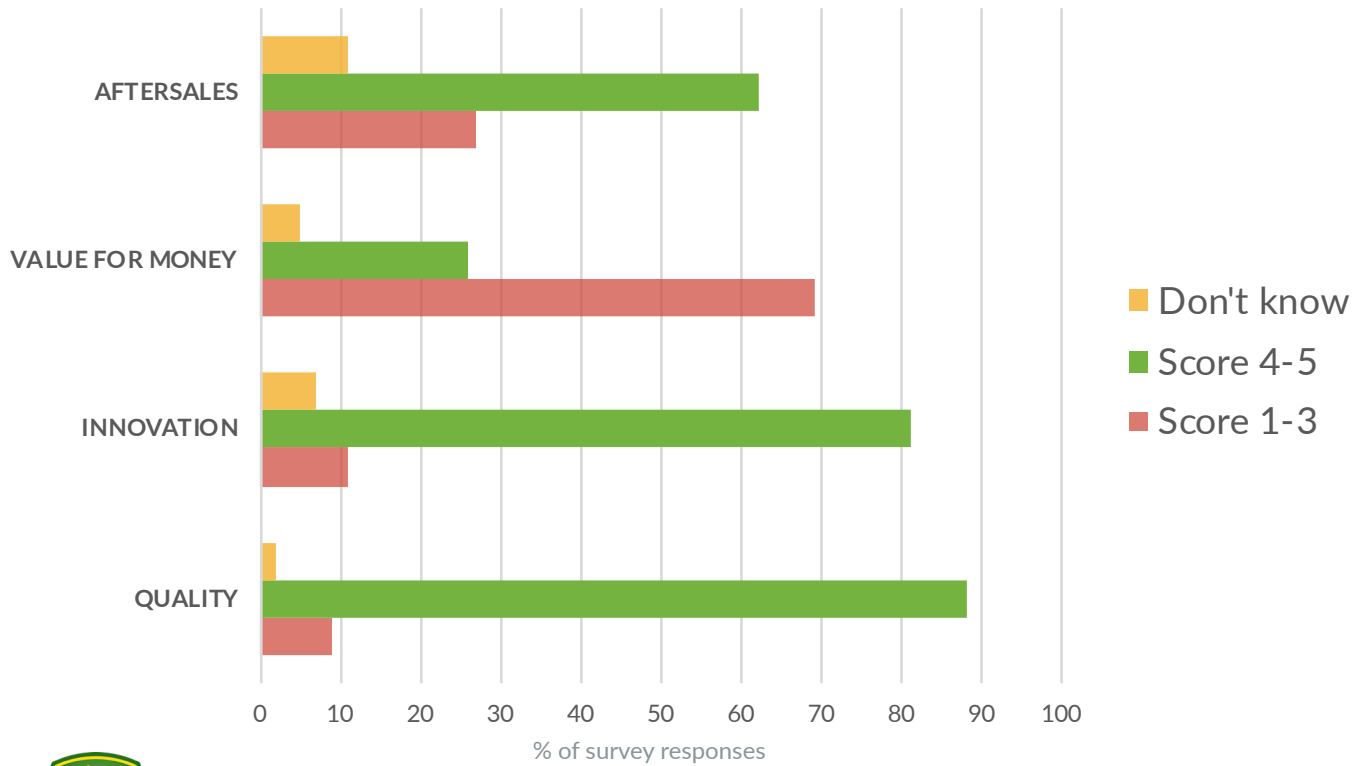
Similar to the overall tractor brand scores, we asked each Ag Service Dealer to individually rate each brand on the following attributes using a 5 point* scale:

- Quality
- Innovation
- Value for money
- Aftersales

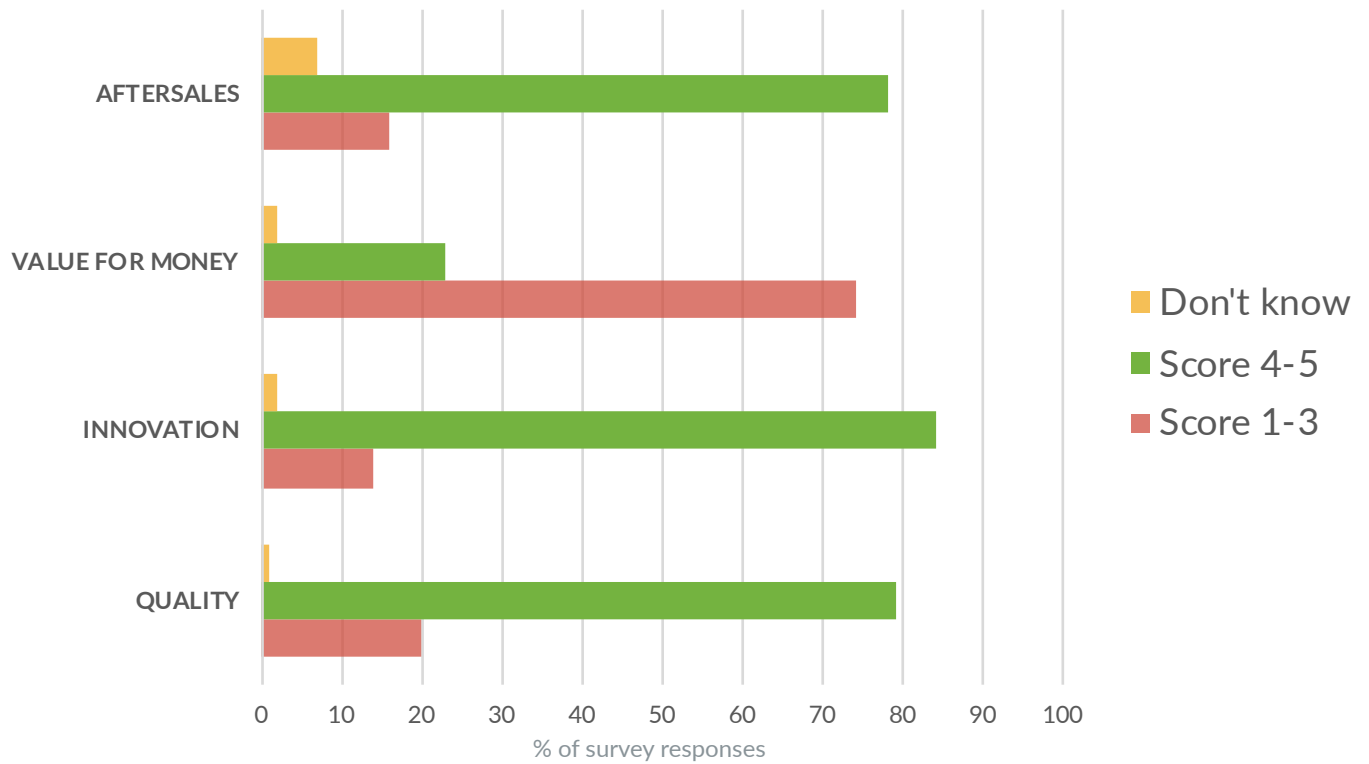
*(1= Poor, 5 = Excellent)

The following charts show results for the percentage of dealers giving a 'Negative' score (1-3), a 'Positive' score (4-5) and additionally the percentage of dealers who answered 'Don't know' for that particular attribute.

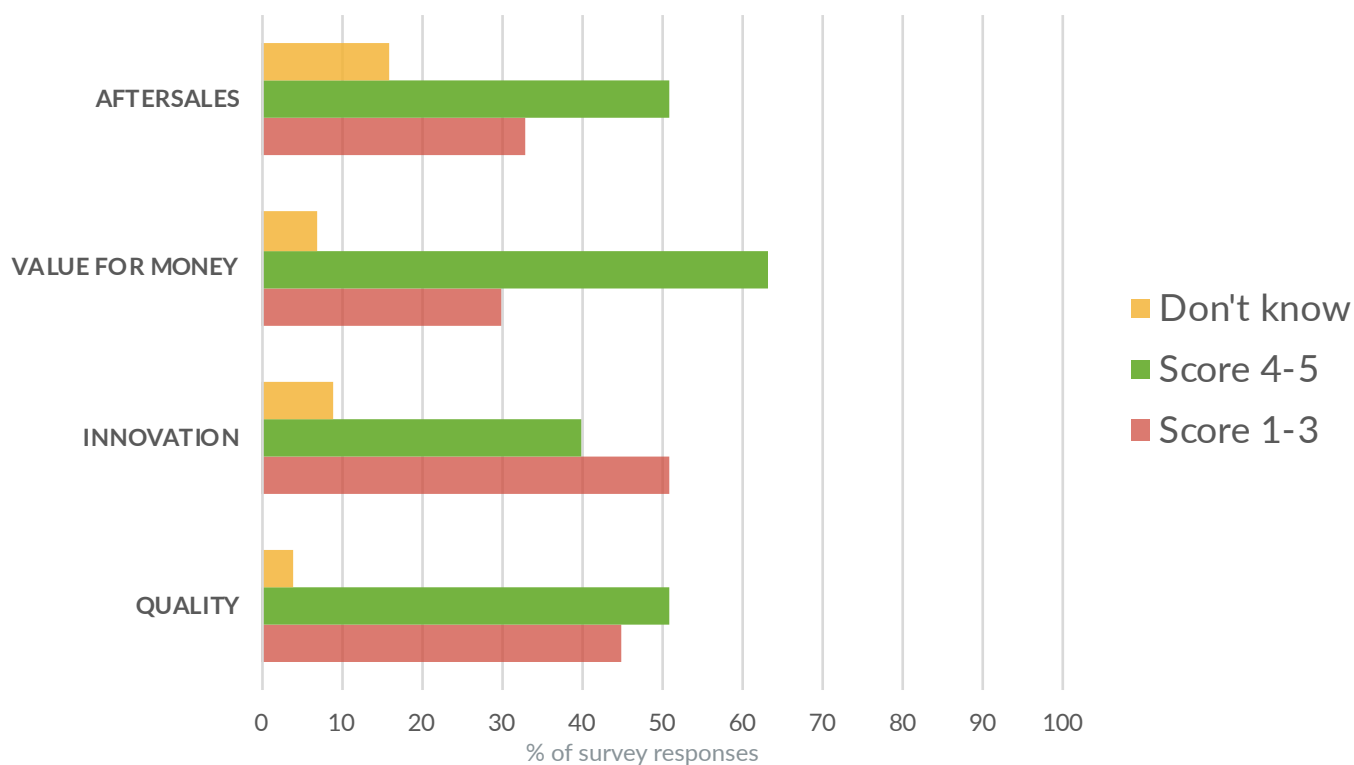
FENDT



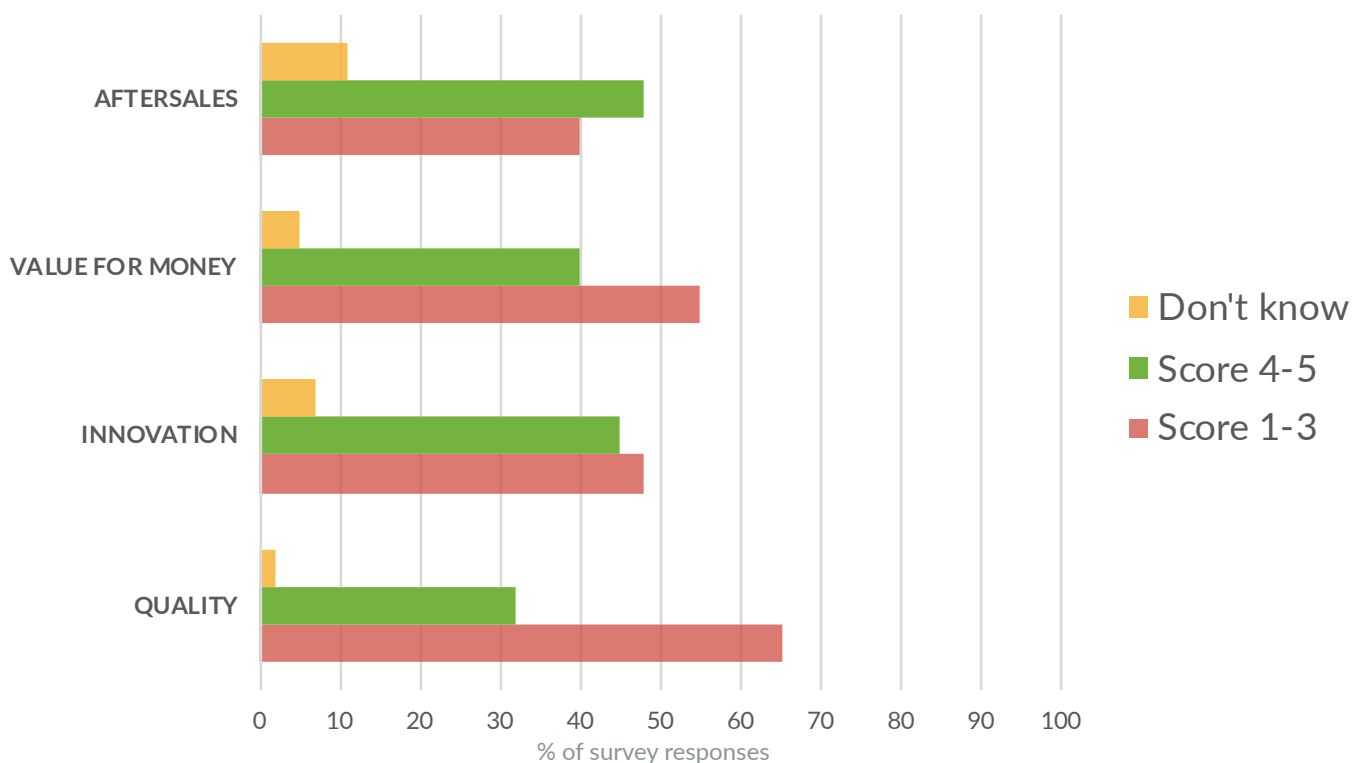
JOHN DEERE

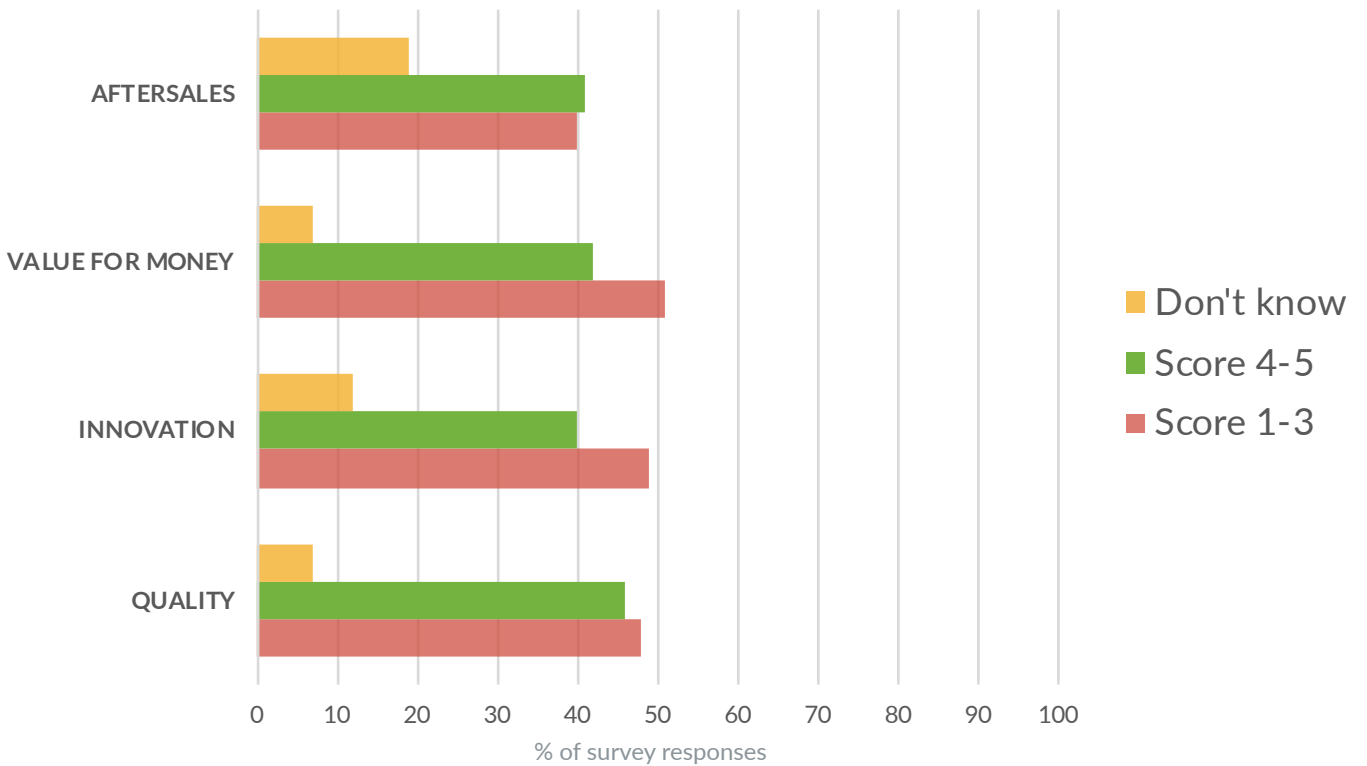
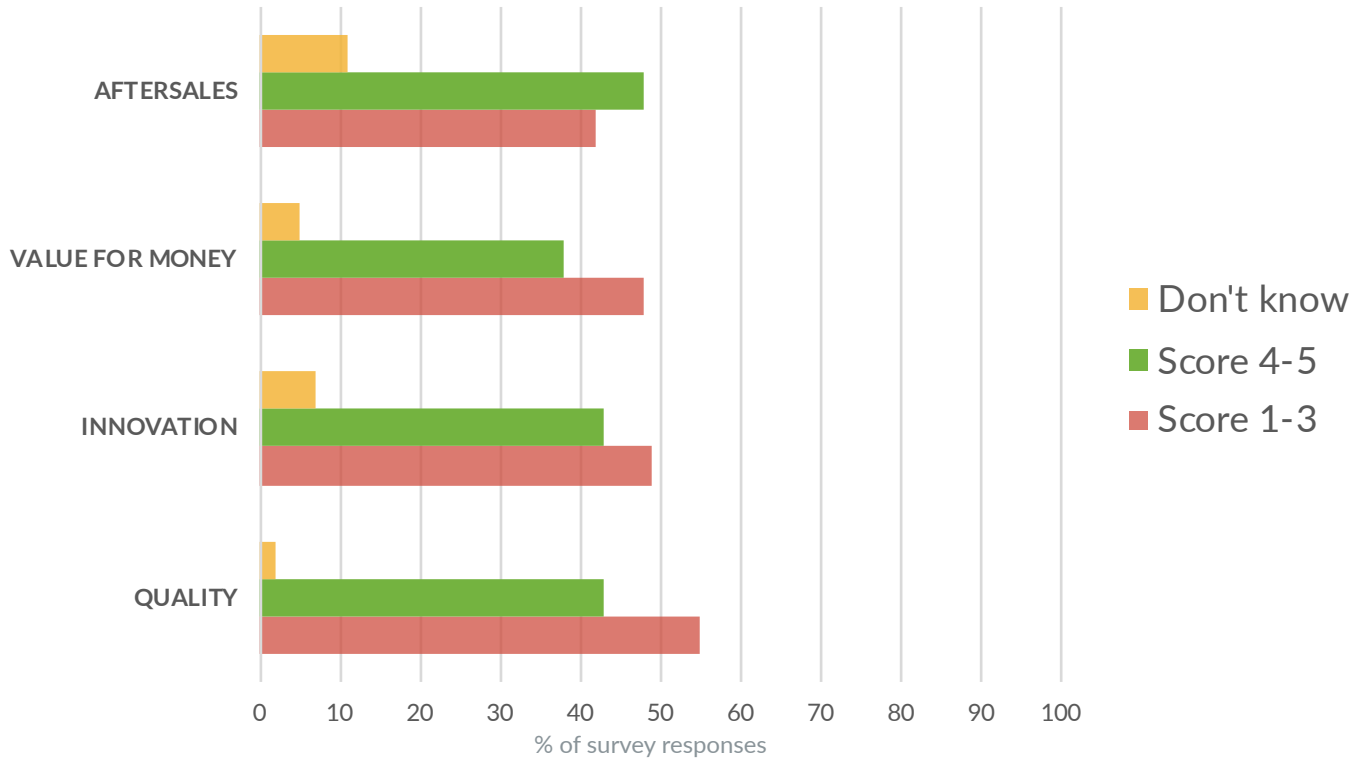


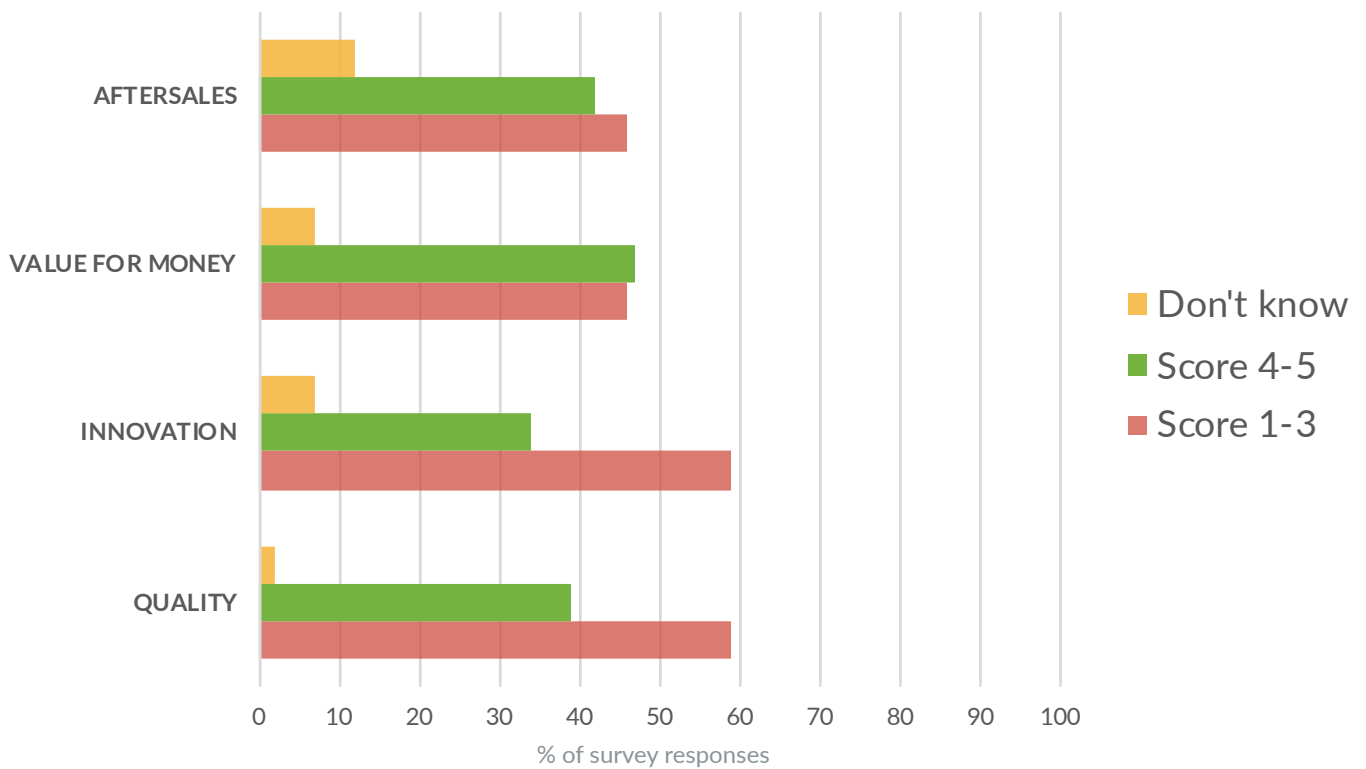
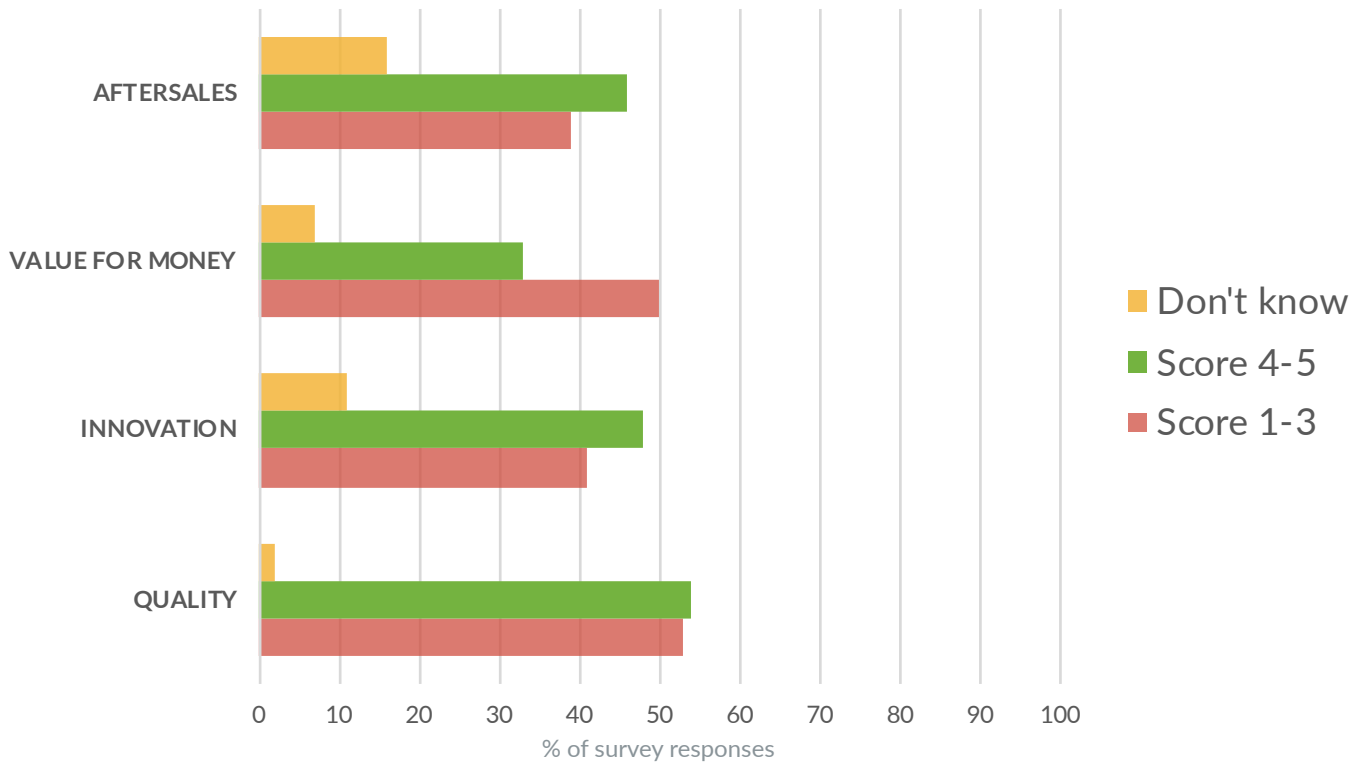
Kubota



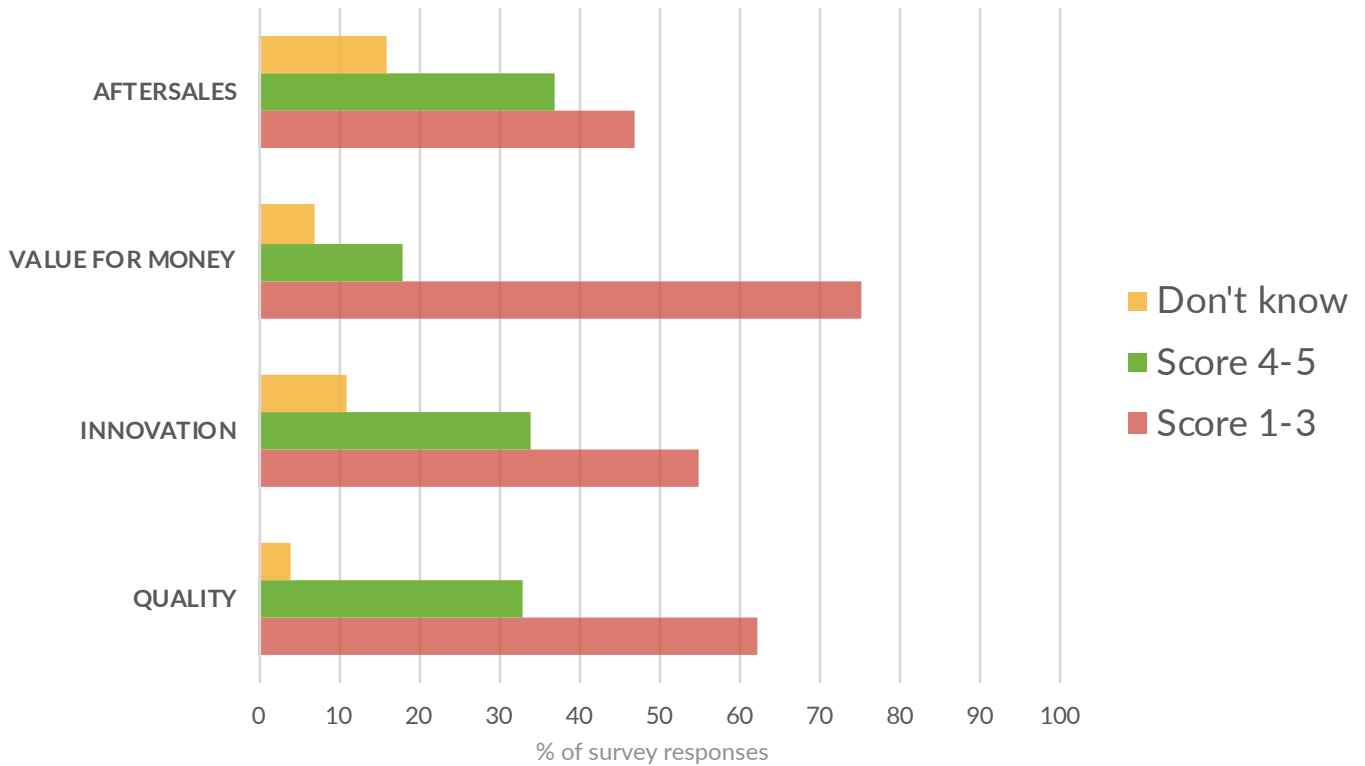

NEW HOLLAND
AGRICULTURE



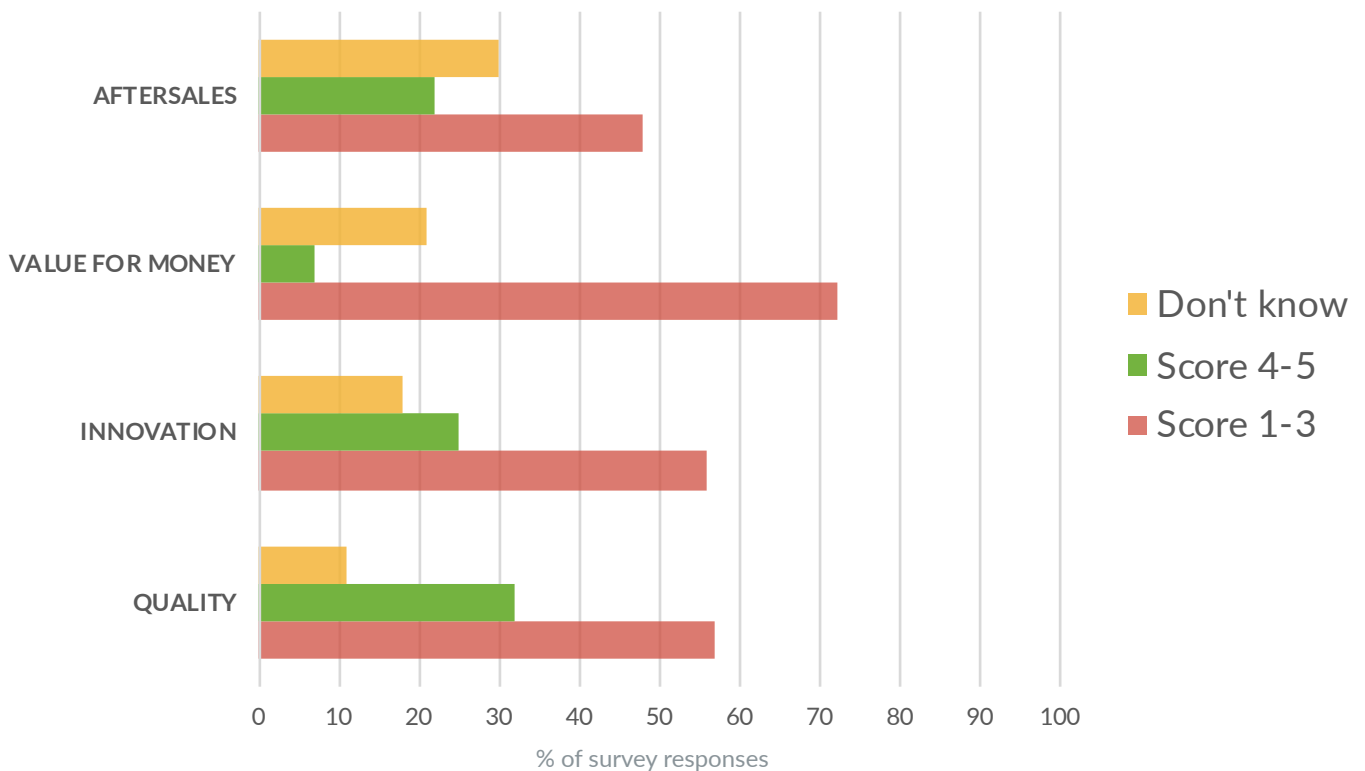


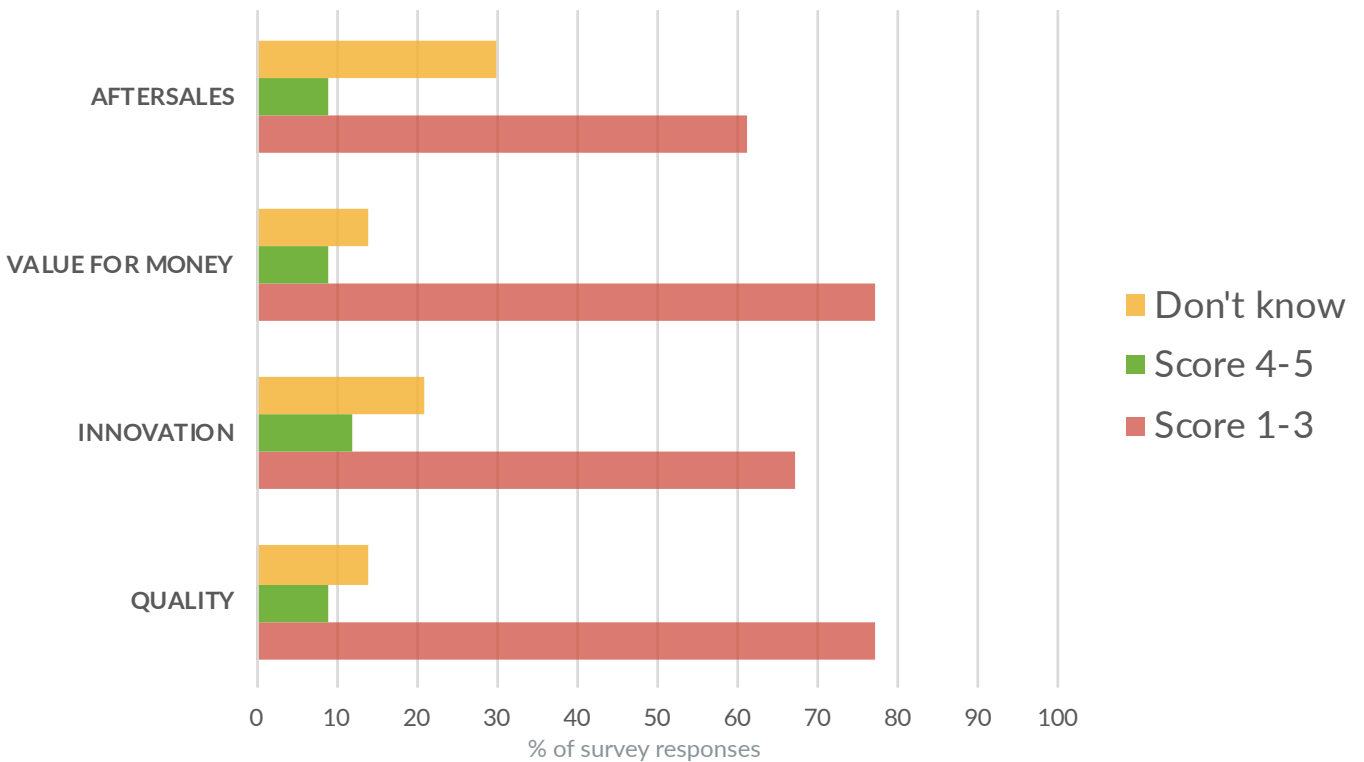
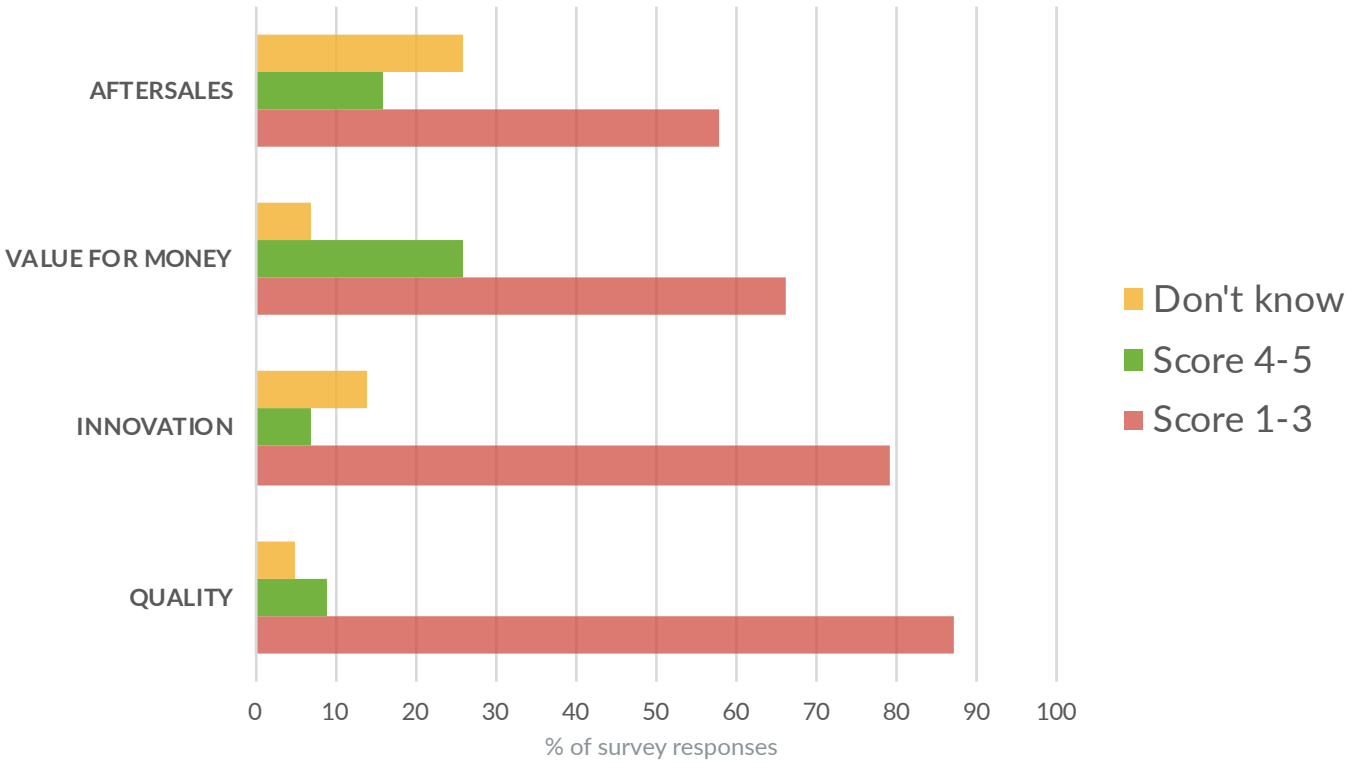


CLAAS

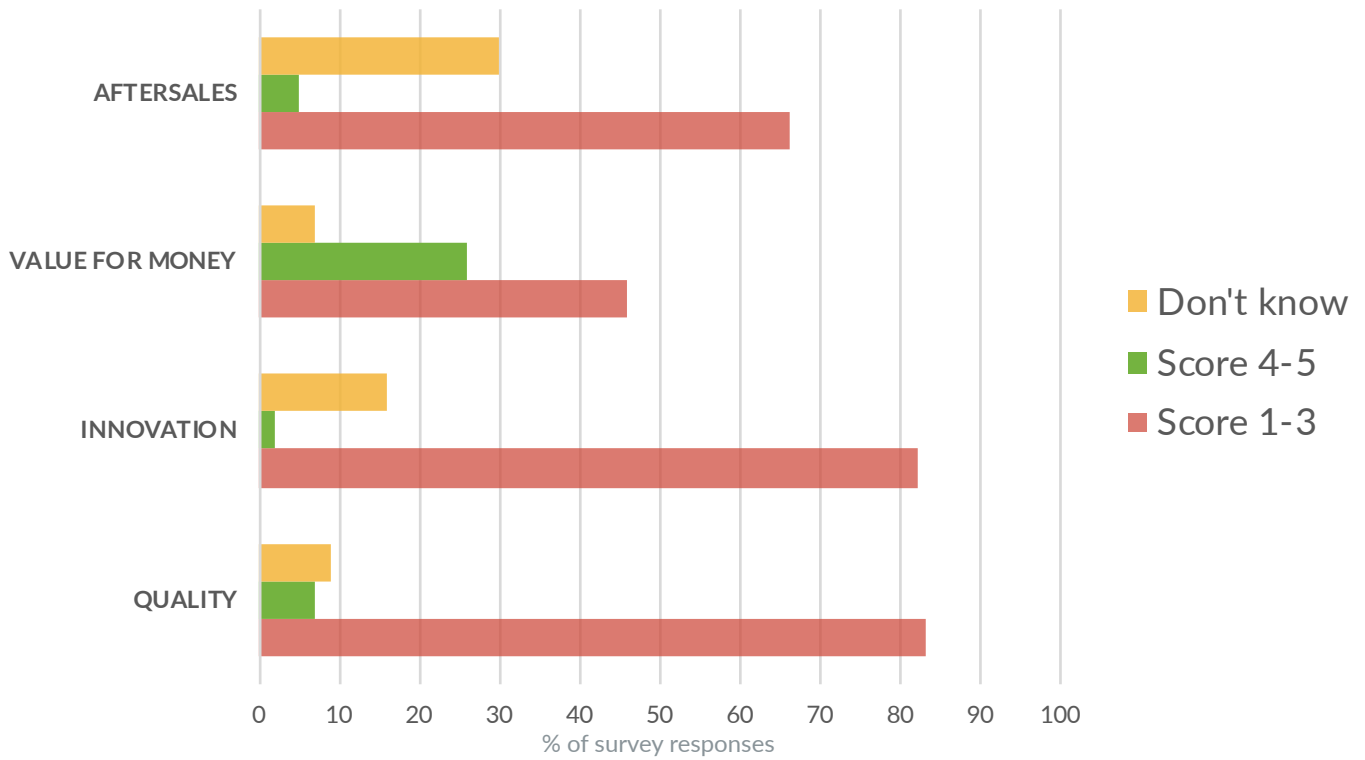


CAT

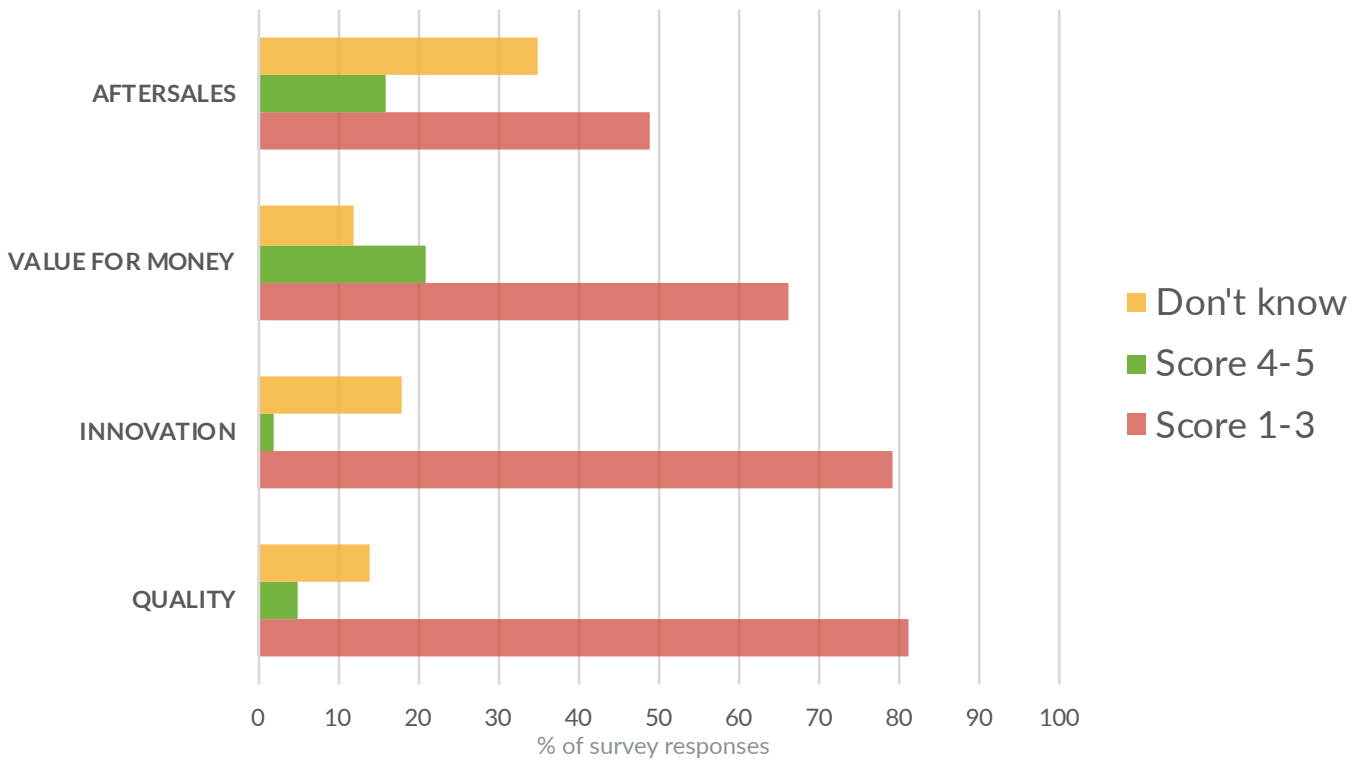




Landini



Zetor



The influential factors on brand perceptions...

The 2019 Trust Barometer by Edelman revealed a record trust gap, with so much distrust, consumer perceptions of brands are more important than ever. Do you want Ag Service Dealers and their customers to perceive your brands with strong and clear values that they highly rate?

Whilst a good reputation amongst Ag Service Dealers and customers drives business, our telephone depth interviews revealed that it will only get you so far. The quality of the product is influenced by a positive reputation, but unless they come to trust the company behind it, they will soon stop stocking or selling the products.

You will notice below that the service dealers shared some interesting insights on how brand perceptions are formed and understood.

- Brand visibility, reputation and profile influences perceptions.

“
John Deere's awareness sets the bar for every other brand. They appeal to a wider audience
”

“
There are too many brands / manufacturers and I believe there will only be 4 shortly - it's not sustainable
”

- WOM from customers, suppliers and media also help to qualify assumptions previously held or challenge attitudes.

“
Word of mouth, both positive and negative views are shared regularly with everyone these days, especially when customers visit dealerships or social media
”

- Equally, the quality and reliability of the product (tractor / machines) hugely influence our opinions, especially when servicing and part-exchange play such a large part of their businesses.

“
We form our opinions of different brands based on machines we service for customers
”

“
When we part-exchange an old one for a new tractor, we are reminded how quality and the brand translates into value
”

The influential factors for stocking consideration...

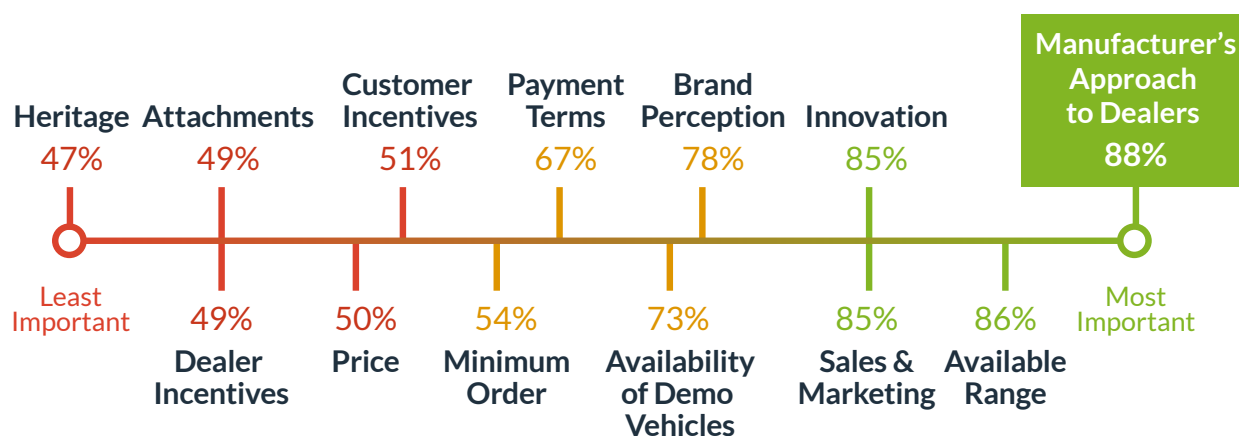
When Ag Service Dealers review and select tractor brands to stock or sell, they typically apply criteria which helps them differentiate one manufacturer from another, reflecting what is important to them as a business. These factors will guide their final decision. Noticeably some of the values are functional; such as price, payment terms, innovation and minimum order levels, whilst other elements are more emotional – ‘make it easier to do business’ – i.e. demo support, manufacturer’s approach, to enhance relationships between parties etc.

Recent b2b research published in our industry clearly suggests the battle for differentiation is shifting toward these less transactional elements. For tractor manufacturers, understanding the intangibles of the dealer and customer total experiences – service, support and marketing/sales wrapped around a product offering - is critical for safeguarding relationships.

You’d be forgiven for thinking that price is the greatest determining factor when choosing a brand to stock or sell, however the ‘Manufacturer’s Approach to Dealers’ is most important with 88% of the dealers we surveyed (of a total of 48) giving it a score of 4 or higher, where 1 equals least important to 5 being most important /critical. In comparison, only 50% of the dealers we surveyed rated ‘Price’ with a score of 4 or more.

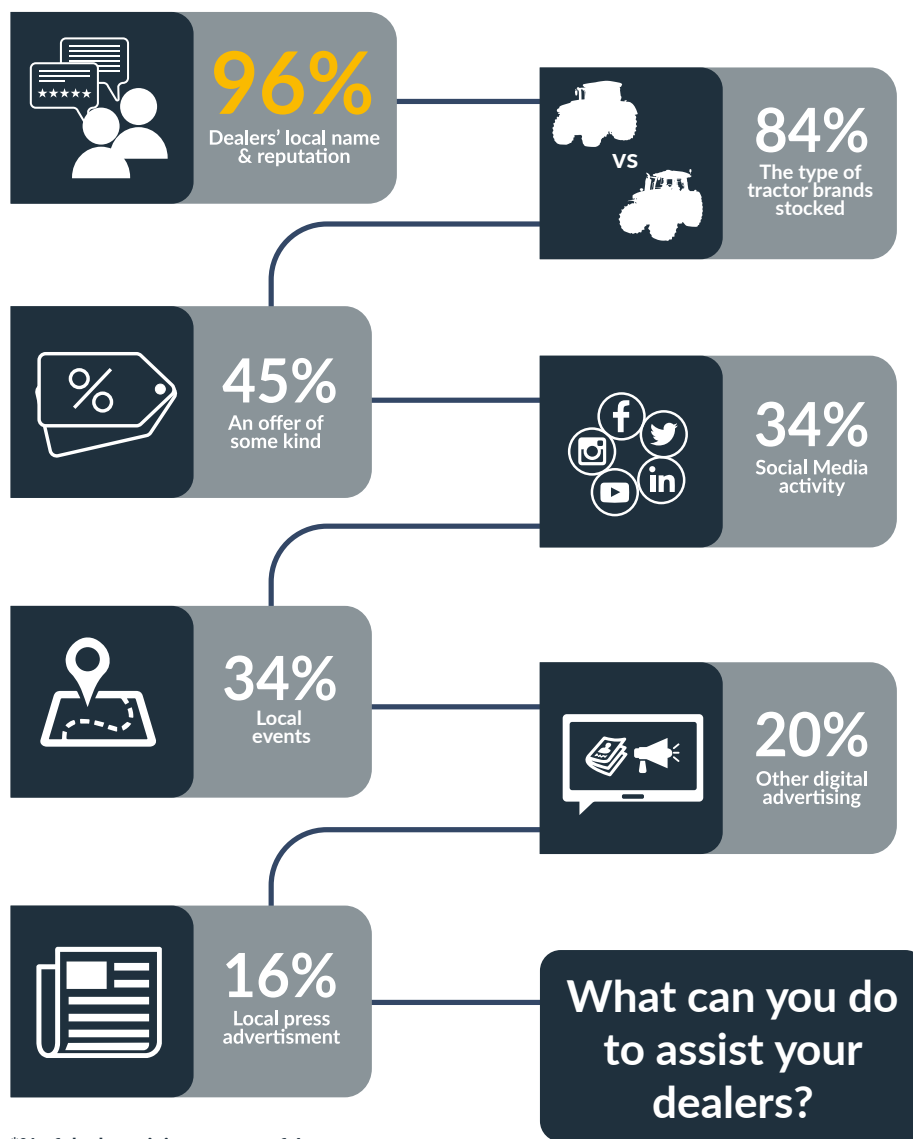
We also asked dealers to rate the importance of ‘Heritage’, and surprisingly only 47% saw this as most important. Interestingly, ‘Brand Perception’ was rated highly, with 78% of our survey giving it a score of 4 or more, suggesting that the perception of a brand is still important - something that might be influenced by ‘Sales & Marketing’, and also ‘innovation’ (85% of our survey rated these as important).

Relationship with the manufacturer is the most critical influencer for Ag dealers when choosing brands to stock.



- Ag Service Dealers clearly value ‘how manufacturers’ support their people and businesses, followed by range, innovation and sales & marketing.

Bringing customers through a dealer's door...



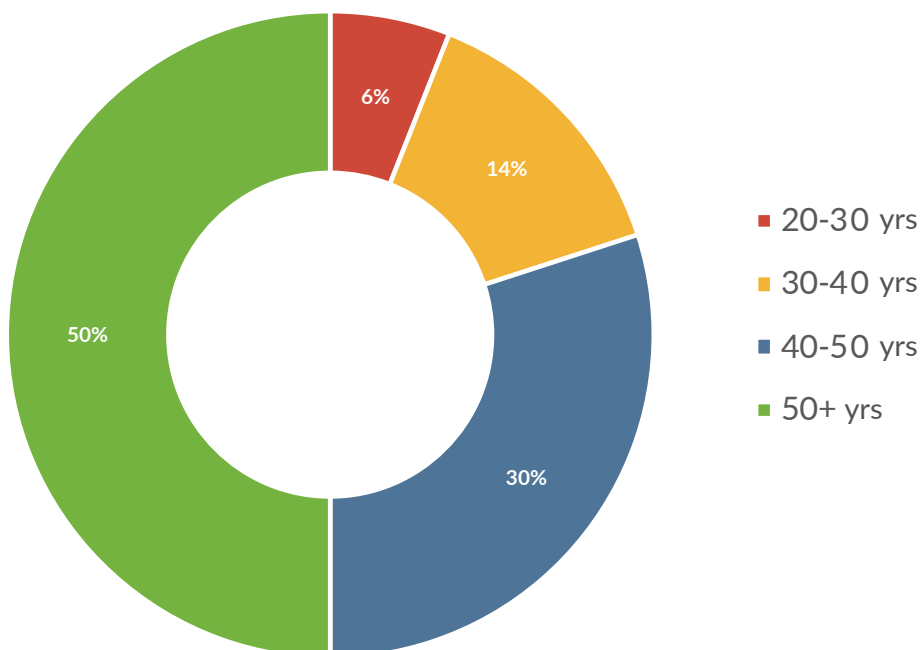
*% of dealers giving a score of 4 or more

Out of the 48 Ag Service Dealers surveyed, it was surprising to learn that in a digital age, word-of-mouth or more specifically, a dealers' local name & reputation, was viewed by 96% of individuals as the greatest sales influencer.

As an agency that has close relationships with the end user of tractors (e.g. farmers), the feedback we have received supports this claim in that they will only buy from dealers who they have a good relationship with, and who also have a good reputation.

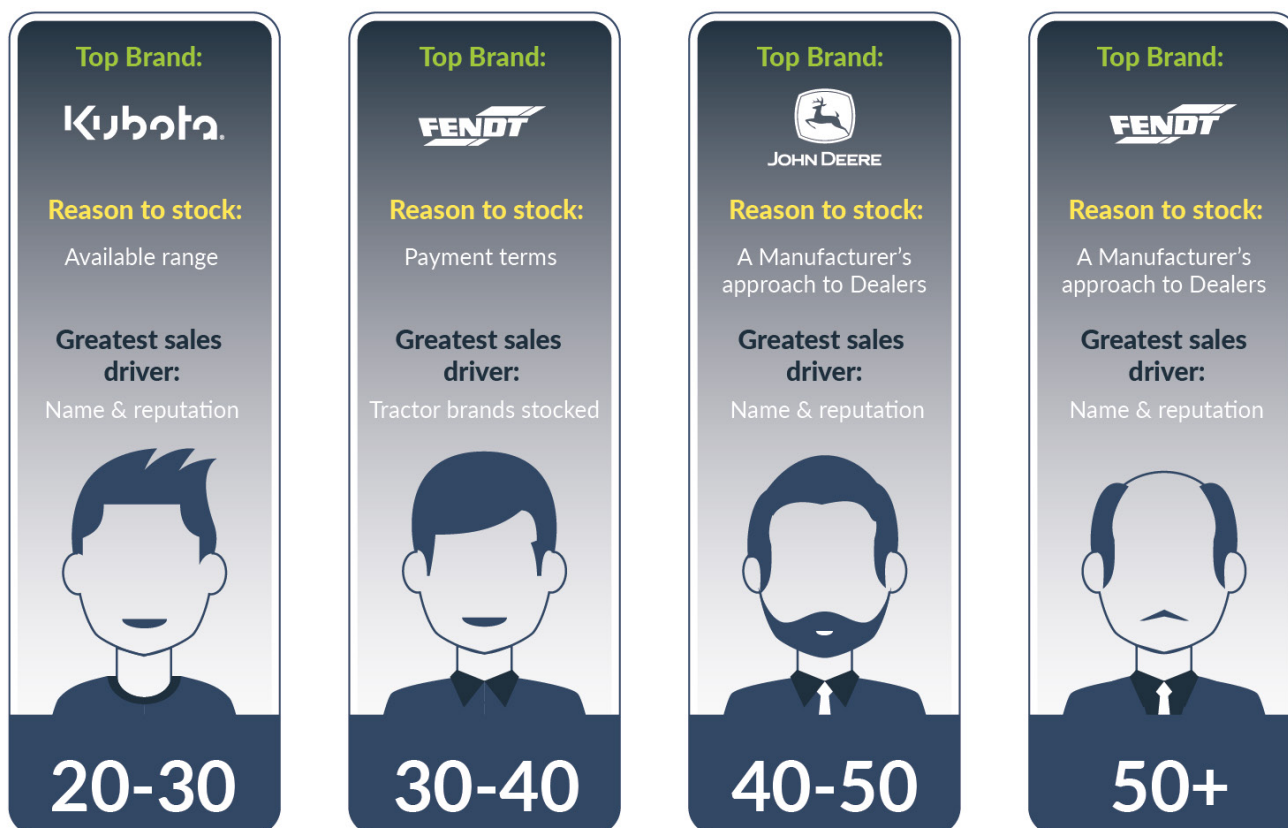
The brands that particular dealer's stock is secondary in their purchasing decision, with 84% of individual dealers rating this as a significant sales driver.

The age split of industry respondents...



The survey was open to all on a digital platform & was not aimed at any age group specifically, so the sub-sample percentage of respondents from different age groups may not reflect the overall industry age split.

Age related brand perceptions of tractor brands...



Conclusions...

The following points are our interpretation and our opinion on the results of the 2019 Service Dealer survey. Moving forward, manufacturer brands and Ag Service Dealers naturally need to consider these points.

- 1. Many Ag Service Dealers noted that they are operating in low growth areas, apart from machinery servicing, with increasing margin pressure. This is unlikely to change soon.**
- 2. Cautious and ever-more savvy customers, combined with highly competitive markets in the UK, are creating marketing pressures to brand value and sales growth.**
 - Brands such as Fendt, John Deere, Kubota and New Holland score particularly high on innovation and quality.
 - Brand differentiation appears influenced by product reliability (quality) and the future (innovation).
 - Recommend further exploration over the coming few months.
 - Recent research by Salesforce found that 75% of customers now expect a consistent experience regardless of where they engage with service providers or brands.
- 3. More than ever, the service dealer and manufacturer ecosystem created by a number of uncertain circumstances such as Brexit, market consolidation and margin pressures are focusing dealer minds on establishing stronger sustainable relationships.**
 - Manufacturer's approach to dealers, innovation, range and sales & marketing are priority areas for dealers because of the uncertainty.
- 4. Ag Service Dealer's understand their customers, and it is the local & name reputation of a dealership that customers regard highly. It is only second that the type of tractor brand stocked by a dealership influences the purchase decision.**



Leading **Agricultural** Insight

Want to get in touch?

hello@theadplain.com

The Ad Plain Ltd.
Pipe House, Lupton Road,
Wallingford, Oxfordshire,
OX10 9BS