

DUCKER  CARLISLE

2023 Q3
Heavy Equipment Outlook



SUMMARY

Heavy Equipment Dealers Prepare to Maximize Growth

The Heavy Equipment industry is currently in the process of recovering from availability issues that have plagued the market for the past 12 months. This has prompted many dealerships to begin to refocus and prepare for rapid future growth. Ducker Carlisle has closely monitored market activity and through conversations with dealerships and end users in North America and throughout the world, has learned about the most recent market trends and growth strategies that will need to be considered by dealers as they develop growth plans for the remainder of 2023 and into the 2024 calendar year.

End Users' Brand Decision Set Has Expanded

The availability issues experienced by leading OEMs has caused many end users to consider a wider variety of equipment brands when selecting a machine. Previously, many end users considered themselves to be loyal to a small group of OEMs and would often return to dealerships where they had existing relationships for machine purchases. However, the timing demands of construction projects required end users to adjust their decision process to ensure the equipment required for projects was in their fleet. This led many to consider new entrants to the market, including brands from China that have been actively working to gain a foothold in the North American market.

Coverage and Proximity Has Become Increasingly Important

Customers are less willing to drive long distances to visit a dealership for an equipment purchase or for maintenance and repair services. This has driven some OEMs to blanket high opportunity markets with many dealer locations. However, this has the potential to lead to inconsistencies in customer experience and high management costs for the OEM. An alternative is asking financially sound dealerships to strategically place locations in highly opportune locales within existing territories. This helps to bring the dealership to the customer without sacrificing the quality of service and support which they have come to expect.



Machine and Parts Pricing is Fluctuating Rapidly

Historically, dealers have been able to plan for annual or semi-annual price increases on machines and parts. This allowed dealers to confidently set pricing with end users and plan for healthy profit margins. However, the current market dynamics are requiring OEMs to change pricing more frequently to keep up with similar pricing activity for raw materials. Dealers must be able to quote prices on product that may not be delivered for weeks or months. This opens dealers to increased margin risk which has driven many to make changes in pricing practices to end users.

Ducker Carlisle has considered these market trends and now offers a bundle of services designed to provide territory specific information that feeds directly into your dealership's business plan.

Contact us to learn more about Ducker Carlisle's Dealer Growth Support Package.



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The Ducker Carlisle Heavy Equipment team is at the forefront of key trends impacting the industry. Ducker Carlisle's unique expertise in running custom market research and consulting services helps clients address specific growth questions and business challenges.

Contact the Ducker Carlisle team for the latest insights and implications for global business.



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