Bridging the Gap: From Transactional Culture to Customer-Centric Experience in the B2B Construction Industry

Husam Abu Saida Daw Hasan

Al-Ahli Higher institute of computer technologies and administrative and financial sciences

hosamdaw1986@gmail.com

Abstract

This study investigates the implementation of Customer Experience Management (CXM) within the Business-to-Business (B2B) construction sector—an industry characterized by complex stakeholder networks and traditionally transactional relationships. While CXM is well-established in B2C contexts, its adoption in B2B environments, particularly in construction, remains nascent. Through a qualitative methodology involving an extensive literature review and in-depth semi-structured interviews with ten senior industry professionals, this research maps the generic customer journey and evaluates the applicability and impact of six contemporary CXM strategies. Findings reveal a significant awareness gap and a prevailing transactional culture that hinders customer-centricity. However, strategies like Co-creation, Omnichannel, and Digital Twin are identified as highly impactful. The study concludes that a paradigm shifts towards long-term, trust-based relationships, underpinned by strategic digital transformation and transparent communication, is crucial for successful CXM implementation. This research contributes to the limited academic literature on B2B CXM in construction and provides a validated strategic framework for industry practitioners.

Keywords: Customer Experience Management (CXM), B2B, Construction Industry, Customer Journey-creation, Digital Transformation, Qualitative Research.

الملخص

تتناول هذه الدراسة تحليل تطبيق إدارة تجربة العملاء (CXM) في قطاع الإنشاءات التجارية بين الشركات(B2B) ، وهو قطاع يتميز بشبكات معقدة من أصحاب المصلحة وعلاقات تقليدية قائمة على المعاملات المنفردة. وبينما تُعد إدارة تجربة العملاء ممارسة راسخة في السياقات التجارية بين الشركات والمستهلكين(B2C) ، يظل تبنيها في البيئات التجارية بين الشركات(B2B) ، وخاصة في مجال الإنشاءات، في مراحله الأولى.

واعتمدت الدراسة على منهجية نوعية شملت مراجعة موسعة للأدبيات ومقابلات معمقة مع عشرة من كبار المحترفين في القطاع. وتمكنت من رسم خريطة للرحلة العامة للعميل وتقييم مدى قابلية تطبيق وتأثير ست استراتيجيات معاصرة لإدارة تجربة العملاء. وكشفت النتائج عن وجود فجوة ملحوظة في الوعي وسيادة ثقافة تنظيمية تعيق التركيز نحو العميل. ومع ذلك، تم تحديد استراتيجيات مثل الإبداع المشترك والإستراتيجية متعددة القنوات والتوأم الرقمي باعتبارها ذات

تأثير كبير. وتخلص الدراسة إلى أن التحول النموذجي نحو علاقات طويلة الأمد قائمة على الثقة، مدعوماً بتحول رقمي استراتيجي وتواصل شفاف، يعد أمراً بالغ الأهمية للتطبيق الناجح لإدارة تجربة العملاء. وتسهم هذه البحث في سد فجوة الأدبيات الأكاديمية المحدودة حول هذا الموضوع في قطاع الإنشاءات، كما تقدم إطاراً استراتيجياً مُتحققاً منه لممارسي الصناعة.

الكلمات المفتاحية: إدارة تجربة العملاء(CXM) ، التجارة بين الشركات(B2B) ، صناعة الإنشاءات، رحلة العميل، الإبداع المشترك، التحول الرقمي، البحث النوعي.

1. Introduction

The paradigm of value creation has shifted from product-centric to customer-centric models, where the customer's holistic experience is a primary source of competitive advantage (Pine & Gilmore, 1999). Customer Experience Management (CXM) has emerged as a comprehensive management approach that prioritizes customers' cognitive, emotional, and sensorial responses across all touchpoints (Lemon & Verhoef, 2016). While B2C companies have rapidly integrated CXM, the B2B sector lags, with customer-experience index ratings averaging below 50% (McKinsey & Company, 2016). This gap is especially pronounced in the construction industry, a highly complex B2B environment with multifaceted stakeholder dynamics.

This research addresses a critical gap in the literature by empirically exploring the status quo of CXM in the B2B construction industry. It seeks to answer four key questions:

1. What is the current state of CXM awareness and implementation among B2B companies in the construction industry?
2. What does the customer journey look like for various stakeholders in this sector?
3. Which CXM strategies identified in broader B2B literature are applicable and impactful in the construction context?
4. What are the primary challenges and enablers for implementing these strategies?

2. Literature Review

2.1 The Evolution from CRM to CXM

Customer Relationship Management (CRM) focused on leveraging historical data to manage interactions and maximize customer lifetime value, often from a firm-centric perspective (Fader, 2020). Its limitations, including a failure to capture the holistic customer journey and a deterioration of trust, paved the way for CXM (Palmer, 2010). CXM represents a paradigm shift towards value creation, emphasizing the customer's perception at every touchpoint and requiring a firm-wide cultural and strategic commitment (Homburg, Jozic, & Kuehnl, 2017).

2.2 CXM in B2B vs. B2C Contexts

B2B customer experience is distinct in its complexity. It involves multiple actors within customer and supplier organizations, longer journey cycles, and a stronger emphasis on value-in-use—the functional and hedonic outcomes derived from a supplier's offerings (Lemke, Clark, & Wilson, 2011; Witell et al., 2020). The determinants of experience extend beyond individual interactions to encompass inter-organizational relationships and network competencies.

2.3 The Construction Industry: A Complex B2B Ecosystem

The construction sector involves a web of stakeholders—clients, main contractors, subcontractors, consultants, and facilities managers—each with divergent interests and influence levels (Jin et al., 2017). Traditional industry practices are often adversarial, price-driven, and focused on short-term gains, creating a significant barrier to customer-centricity (Ulubeyli, Manisali, & Kazaz, 2010). While concepts like "partnering" and trust-based relationships have been explored, research explicitly focused on CXM, particularly through the lens of the customer journey, is scarce.

2.4 Proposed CXM Strategies

The literature review identified six promising CXM strategies for investigation:

1. Co-creation: Collaborating with customers to develop personalized solutions (Prahalad & Ramaswamy, 2004).
2. Outcome-based Measures: Shifting from selling products/services to selling measurable outcomes (e.g., Rolls-Royce's "Power-by-the-Hour").
3. Big Data Analytics (BDA): Leveraging data to gain customer insights and enable predictive services (Holmlund et al., 2020).
4. Omnichannel Strategy: Providing a seamless experience across digital and physical touchpoints (Kotler, Kartajaya, & Setiawan, 2021).
5. AI-based Interactions: Using chatbots and AI for efficient, routine customer interactions (Kushwaha, Kumar, & Kar, 2021).
6. Digital Twin: Creating a dynamic virtual model of a physical asset for real-time monitoring and optimization.

3. Methodology

This study employed an interpretative qualitative research design to gain deep, contextual insights.

- Data Collection: Primary data was collected through ten semi-structured interviews with senior professionals (CEOs, Directors, General Managers) from various stakeholder groups in the construction industry, including main contractors, subcontractors, consultants, and a client representative. Interviews lasted 30-90 minutes and were transcribed verbatim.
- Data Analysis: Thematic analysis was conducted using the six-step framework by Braun & Clarke (2006). An inductive approach was used for mapping the customer journey, and a theoretical/deductive approach was applied to analyze the six pre-identified CXM strategies.

4. Findings and Discussion

4.1 The Status Quo of CXM in Construction

The analysis reveals a significant disconnect. While companies believe they are customer-centric, their actions are predominantly transactional and sales-driven (reflecting a CRM mindset), contradicting the core philosophy of CXM.

- Theme 1: Awareness Gap: CXM is often conflated with CRM. The primary goal is perceived as lead generation and sales, not long-term relationship building.
- Theme 2: The Transactional Culture: The industry is described as "traditional" and "backwards," prioritizing low bids and short-term profitability over long-term value co-creation.

- Theme 3: Stakeholder Complexity: The multitude of actors (end-client, main contractor, subcontractors) creates fragmented journeys and communication silos, making a unified CX difficult to achieve. As one interviewee noted, *"You have to have different strategies because they all have different interests."*

4.2 The Evolving B2B Customer
A new generation of customers, influenced by B2C experiences, is driving change.
- Theme: The "Informed" Customer: Customers conduct extensive online research before engagement and expect rapid, flexible, and personalized service. They value transparency and convenience highly.

4.3 The Centrality of Communication
Communication emerged as the most critical factor influencing CX.
- Theme 1: Regular, Trust-Building Interactions: Proactive engagement without a commercial agenda builds trust, leads to repeat business, and facilitates collaborative problem-solving.
- Theme 2: Empathy and Transparency: Communicating with understanding and radical honesty, even about challenges, was found to significantly enhance customer satisfaction and loyalty, despite short-term costs.

4.4 The Generic Customer Journey Map
The study delineates an 8-stage journey:
1. Awareness: The client researches solutions.
2. Design: Architects and consultants design with client input.
3. Bidding: Formal tender and contractor selection.
4. Contractual Formalities: Negotiation and signing.
5. Engineering: Finalizing technical details.
6. Execution: On-site construction.
7. Handover: Project completion and transfer.
8. Service & Maintenance: Post-construction support.
   Each stage presents unique touchpoints and challenges, such as the transition from commercial to site teams and information asymmetry.

4.5 Evaluation of CXM Strategies

- Highly Impactful:
  - Co-creation: Universally supported. Early engagement in the design phase leads to superior, value-optimized solutions and is a key competitive differentiator.
  - Omnichannel Strategy: Deemed essential. A strong digital presence (websites, configurators, project tracking) is needed to meet informed customers where they are and cater to different interaction preferences.
  - Digital Twin: Seen as the future. Provides immense value through transparency, predictive maintenance, and performance optimization, though high costs and data challenges remain.

- Potentially Impactful (with conditions):
  - Big Data Analytics: Recognized for its potential in predictive maintenance and process optimization. However, the industry's current lack of digitized data and resources for collection is a major barrier.

- Less Impactful (in current context):
  - Outcome-based Measures: Deemed unfeasible due to the multi-stakeholder environment where defining a universal "outcome" is complex and conflicts with billable-hour models.
  - AI-based Interactions: Met with skepticism. The need for complex, nuanced conversations and negative prior experiences with chatbots make professionals prefer human interaction. It is seen as a future complement, not a replacement.

5. Conclusion and Implications

5.1 Theoretical Contribution

This research fills a critical void in the literature by providing a rich, empirical, qualitative analysis of CXM in the under-researched B2B construction industry. It validates and extends existing B2B CX frameworks by contextualizing them within the industry's unique stakeholder ecosystem and providing a detailed map of its customer journey. The study also refines the theoretical understanding of modern CXM strategies, demonstrating that their effectiveness is highly contingent on industry-specific readiness, cultural norms, and structural complexities.

5.2 Practical Implications

- Shift in Mindset: Construction firms must initiate a cultural transformation, transitioning from a transactional to a relational culture that prioritizes long-term customer loyalty and value co-creation over short-term gains.
- Strategic Roadmap: Firms should focus on a phased approach:
  1. Internal CXM Audits and Training: To build foundational awareness and align the entire organization around the customer.

2. Prioritizing Co-creation and Omnichannel Presence: As foundational and highly impactful strategies.

3. Investing in Digitalization: As a critical prerequisite for implementing more advanced strategies like BDA and Digital Twins.

4. Championing Transparent Communication: Instilling this as a non-negotiable core value across all projects and touchpoints.

• Long-term Vision: Business models should be revised to be more flexible and customer-centric, leveraging a framework that emphasizes the customer journey, value-in-use, and strategic touchpoint control.

6. Limitations and Future Research

This study is limited by its qualitative nature and sample size, which, while providing depth, limits statistical generalizability. Future research could employ mixed-methods or quantitative approaches to validate these findings across a larger population. Other promising avenues include exploring cultural and regional differences in CXM implementation, investigating CXM for specific stakeholder roles (e.g., subcontractors), and conducting longitudinal studies on the technological and human barriers to adopting Digital Twin and BDA technologies.

References

1. Bolton, R. N., McColl-Kennedy, J. R., Cheung, L., Gallan, A., Orsingher, C., Witell, L., & Zaki, M. (2018). Customer experience challenges: bringing together digital, physical and social realms. *Journal of Service Management*.

2. Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101.

3. Fader, P. (2020). *Customer Centricity: Focus on the Right Customers for Strategic Advantage*. Wharton School Press.

4. Holmlund, M., et al. (2020). Customer experience management in the age of big data analytics: A strategic framework. *Journal of Business Research*, 116, 356-365.

5. Homburg, C., Jozic, D., & Kuehnl, C. (2017). Customer experience management: toward implementing an evolving marketing concept. *Journal of the Academy of Marketing Science*, 45(3), 377-401.

6. Jin, X., Zhang, G., Liu, J., Feng, Y., & Zuo, J. (2017). Major Participants in the Construction Industry and Their Approaches to Risks: a Theoretical Framework. *Procedia Engineering*, 180, 314-320.

7. Kotler, P., Kartajaya, H., & Setiawan, I. (2021). *Marketing 5.0: Technology for Humanity*. John Wiley & Sons.

8. Kushwaha, A. K., Kumar, P., & Kar, A. K. (2021). What impacts customer experience for B2B enterprises on using AI-enabled chatbots? Insights from Big data analytics. *Industrial Marketing Management*, 98, 207-221.

9. Lemon, K. N., & Verhoef, P. C. (2016). Understanding Customer Experience Throughout the Customer Journey. *Journal of Marketing*, 80(6), 69-96.

10. Lemke, F., Clark, M., & Wilson, H. (2011). Customer Experience Quality: An exploration in business and consumer contexts using repertory grid technique. *Journal of the Academy of Marketing Science*, 39(6), 846-869.

11. McKinsey & Company. (2016). *Improving the business-to-business customer experience*. Retrieved from McKinsey & Company website.

12. Palmer, A. (2010). Customer experience management: a critical review of an emerging idea. *Journal of Services Marketing*, 24(3), 196-208.

13. Pine, B. J., & Gilmore, J. H. (1999). *The Experience Economy*. Harvard Business Review Press.