



STRATIVISE

**HOW INDUSTRIAL
COMPANIES**

**MAKE PURCHASING
DECISIONS TODAY**

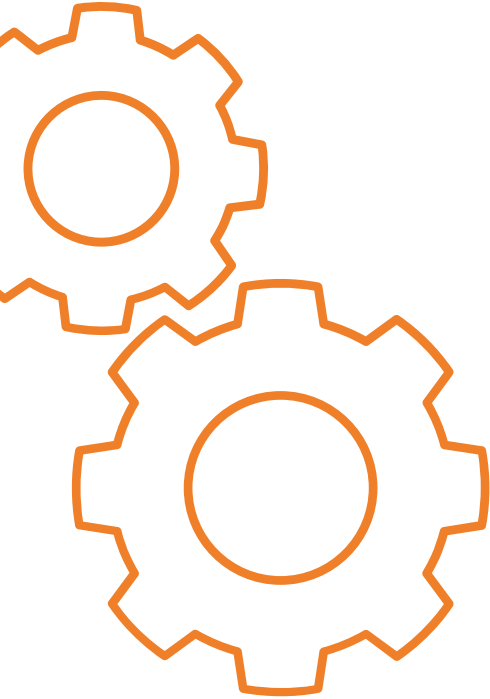


TABLE OF CONTENTS:

INTRODUCTION

EXECUTIVE SUMMARY

SURVEY RESPONDENTS

UNDERSTANDING THE PURCHASING PROCESS

Who Is Involved

Information Sources

Decision Influence

IMPLICATIONS FOR BUSINESS LEADERS

Make the Shift From Traditional Selling to Modern Marketing

Transform Your Website Into a Resource Hub

Build a Vibrant Community Around Your Brand

METHODOLOGY

YOUR NEXT STEP



□ INTRODUCTION

How do industrial companies make purchasing decisions today? We set out to answer this question, conducting an in-depth survey in partnership with Centiment, an original research company. This report builds on findings from Gartner, Inc. and other research studies that have uncovered trends and insights in industrial companies. Our findings have significant implications for leaders in the industrial sector. The way purchase decisions are made has changed significantly, and the factors influencing supplier selection differ from those of previous decades. Companies that continue to rely solely on traditional approaches will find themselves at a competitive disadvantage to those that learn and adapt to the new environment.

EXECUTIVE SUMMARY

The purchasing process in industrial companies has become increasingly complex, involving multiple decision-makers and departments. Digital channels now play a crucial role in guiding potential buyers through their purchase journey. The findings of our survey reveal that 92.3% of companies involve multiple people in the purchasing process, a collaborative decision-making environment spanning companies of all sizes. Key departments involved in supplier selection include procurement/supply chain (72.0%), sales/business development (54.6%), quality assurance (50.4%), and engineering/R&D (43.4%).

Online research is essential in the modern purchasing process, with internet searches (75.5%) being the primary source for finding new suppliers. A strong digital presence is critical, as two-thirds of respondents rated the importance of online information as 8 or higher on a scale of 1 to 10. LinkedIn emerged as the top social media platform for evaluating suppliers, used by 60.1% of respondents, with over 75% utilizing some form of social media in their evaluation process.

Finally, we found that buyers heavily rely on relevant, well-organized content on company websites and social media accounts that support their purchase process. In fact, insufficient website information is a major deterrent for industrial buyers.

From this study, we have identified three primary recommendations for business leaders, which are:

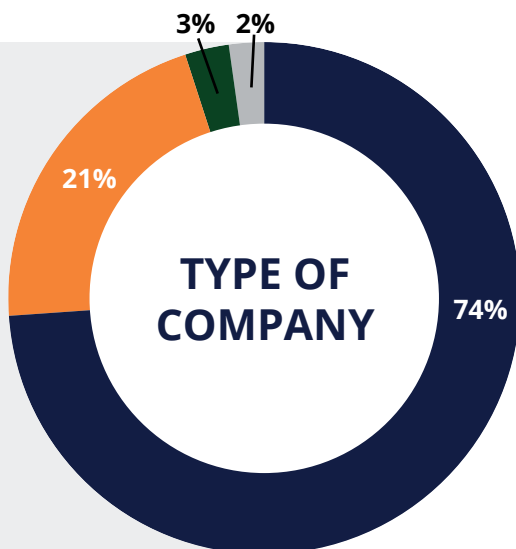
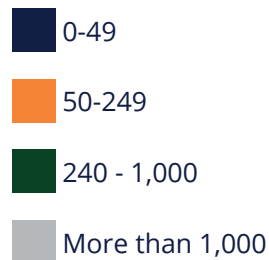
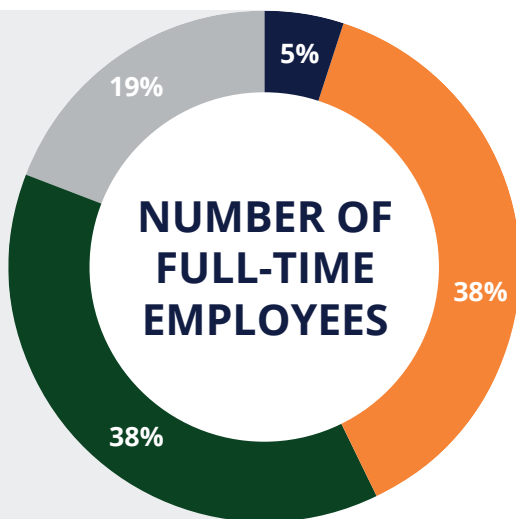
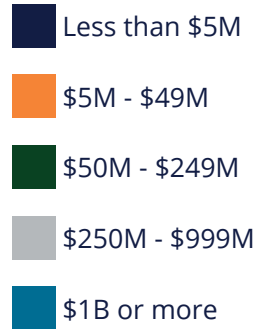
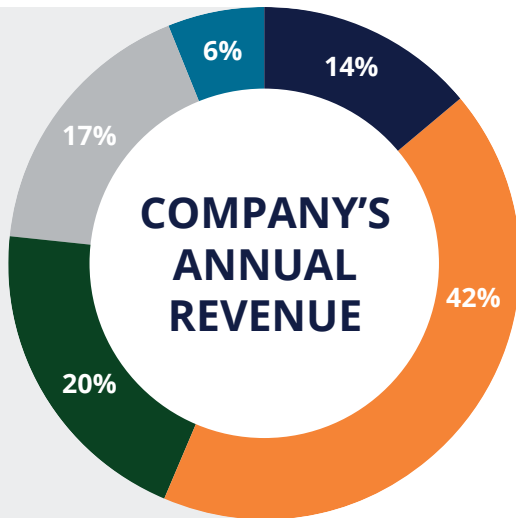
- 1) **MAKE THE SHIFT FROM TRADITIONAL SELLING TO MODERN MARKETING.**
- 2) **TRANSFORM YOUR WEBSITE INTO A RESOURCE HUB.**
- 3) **BUILD A VIBRANT COMMUNITY AROUND YOUR BRAND.**

Leaders who can guide their organizations to address these areas will likely achieve a competitive advantage over those who do not adapt.

A STRONG DIGITAL PRESENCE IS CRITICAL, as two-thirds of respondents rated the importance of online information as 8 or higher on a scale of 1 to 10.



SURVEY RESPONDENTS





UNDERSTANDING THE PURCHASING PROCESS

Industrial purchasing decisions have become more complex. Our findings shed light on how companies select industrial suppliers, looking at the number of decision-makers, the different departments involved, and the information sources used.

We found that digital channels are critical for guiding potential buyers, even as more people and departments are involved. In any given purchase process, more people consume larger amounts of information as they work towards a decision. This trend has significant implications for industrial company leaders.

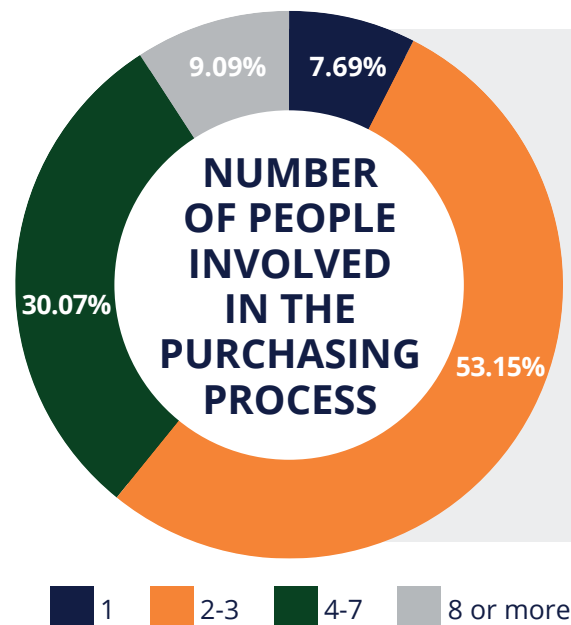
Let's take a closer look at our survey findings.

□ WHO IS INVOLVED

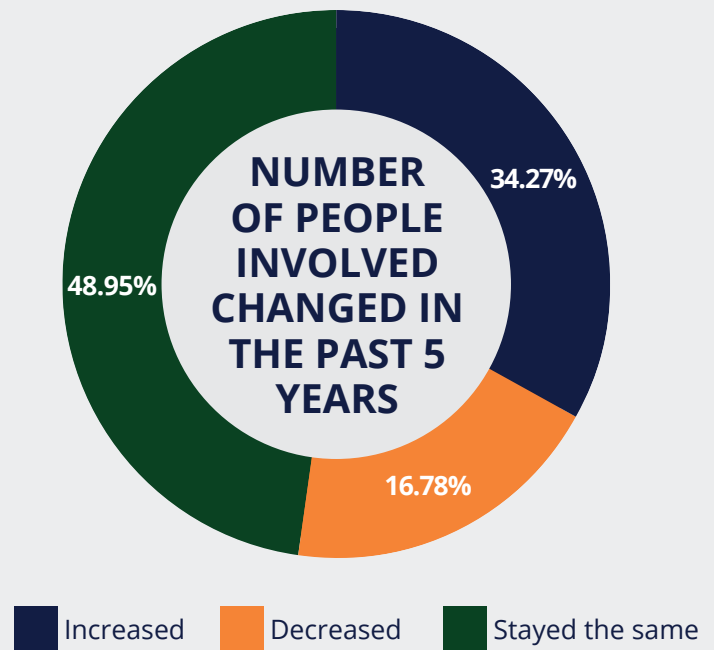
Our findings reveal that the majority of companies (92.3%) involve multiple people in the purchase process. Specifically, about half of those surveyed (53.2%) include two or three decision-makers. Other respondents reported involving up to seven stakeholders (30.1%), while a small group (9.1%) rely on the efforts of eight or more individuals.

This indicates a collaborative decision-making environment. We found this to be true regardless of the company's size, with similar results across companies with revenue under \$5 million up to over \$1 billion.

How many people are involved in the purchase process?



Reflecting on changes over the past five years, 83.2% reported that the number of individuals involved in the purchasing process either increased or held steady, while only 16.9% reported a decrease. These results underscore a trend toward increased complexity in industrial decision-making.

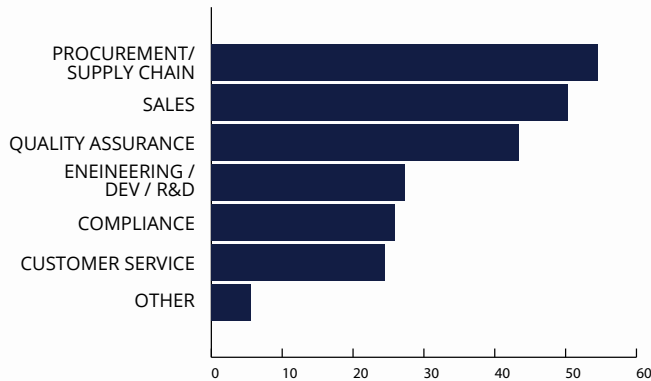


BECAUSE INDUSTRIAL PURCHASING DECISIONS ARE INFLUENCED BY A DIVERSITY OF FACTORS, TARGETING PURCHASING AND SUPPLY CHAIN PROFESSIONALS ALONE IS NOT SUFFICIENT.

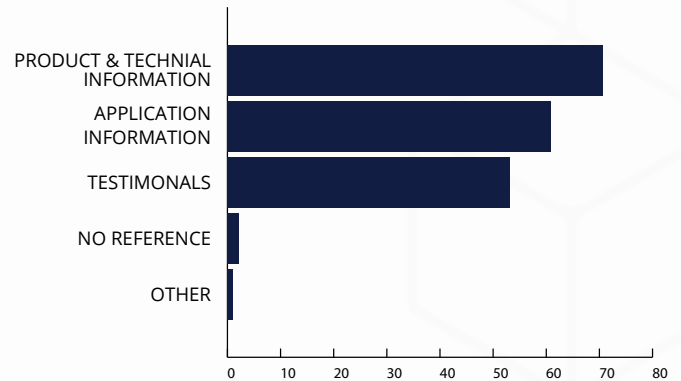
Another finding is the diversity of departmental involvement in supplier selection. It is not surprising that procurement/supply chain (72.0%) is nearly always involved, however, significant contributions also come from sales/business development (54.6%), quality assurance (50.4%), engineering/development/R&D (43.4%), and other departments.

Because industrial purchasing decisions are influenced by a diversity of factors, targeting purchasing and supply chain professionals alone is not sufficient. Engaging with multiple departments, including quality assurance, engineering, and sales, ensures a comprehensive approach that addresses the varied needs and perspectives of all stakeholders involved.

DEPARTMENTS INVOLVED AND/OR INFLUENCE THE PURCHASE PROCESS

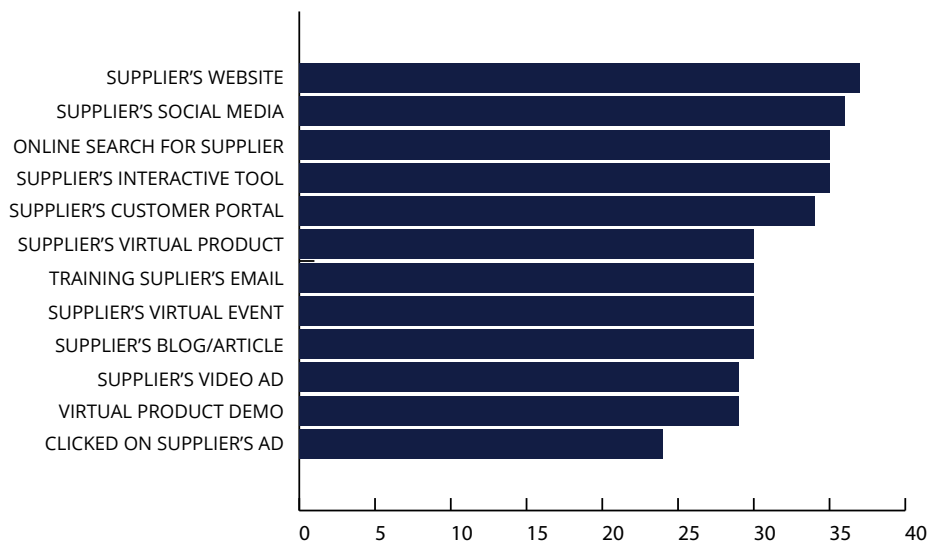


WEBSITE MATERIAL REFERENCED IN YOUR SUPPLIER SELECTION PROCESS



Our research aligns with previous studies by Gartner, Inc., which examined the value of different digital marketing efforts. They published the percentage of buyers who engaged with digital supplier interactions in the purchase process:

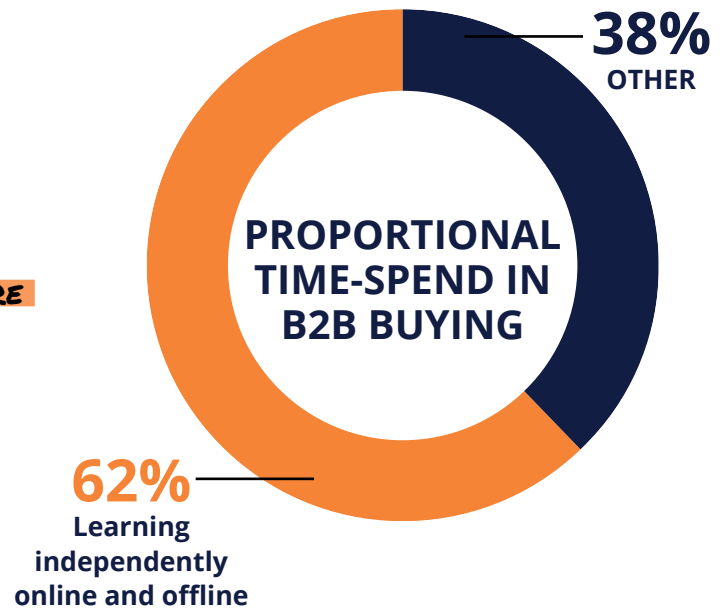
WHERE SHOULD MARKETING CREATE DIGITAL VALUE?



□ INFORMATION SOURCES

Decision-makers and influencers increasingly conduct their own research online before engaging with suppliers. According to CSO Insights, **"MORE THAN 70 PERCENT OF BUYERS FULLY DEFINE THEIR NEEDS ON THEIR OWN BEFORE ENGAGING WITH A SALES REPRESENTATIVE."**

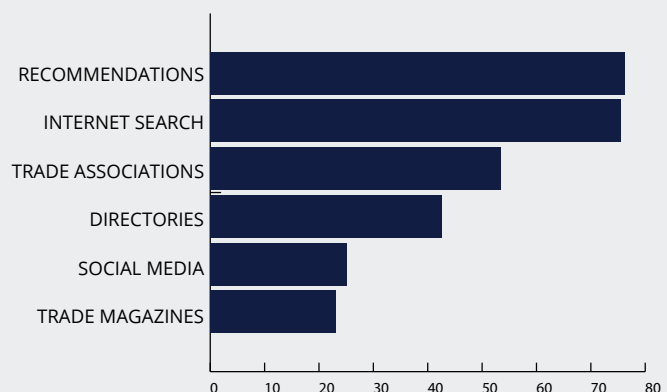
In a similar study, Gartner, Inc. found that buyers spent 62% of their purchasing time learning independently.



Our survey reinforces this finding, identifying internet searches (75.5%) and recommendations (76.2%) as the leading sources of finding new suppliers. This underscores the critical importance of having a strategic online presence and leveraging the power of positive testimonials.

For industrial suppliers, merely being visible online is no longer sufficient. Adapting to these trends requires being accessible and providing valuable information; you must be strategically positioned to speak to a diverse set of stakeholders and expertly facilitate their purchase journey. By catering to buyers' self-guided research processes and delivering a seamless, informative digital experience, industrial companies can strengthen their position in the market.

WHERE SHOULD MARKETING CREATE DIGITAL VALUE?



DECISION INFLUENCE

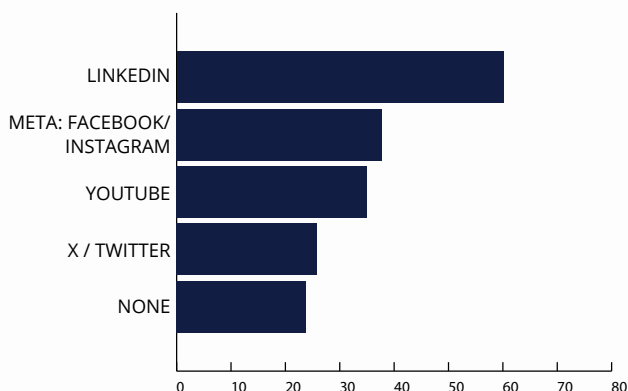
Our analysis highlights the fact that buyers prioritize access to relevant and well-organized content through websites and social media as they navigate their supplier selection process. In fact, insufficient online information is a major deterrent for industrial buyers who are reviewing a potential supplier.

When asked to rate significance on a scale of 1 to 10, where 1 meant the website was not important at all, and 10 indicated they would not consider a supplier with insufficient online information, two out of three respondents selected a score of 8 or higher. This underscores the critical role of a strong web presence in attracting and retaining potential buyers.

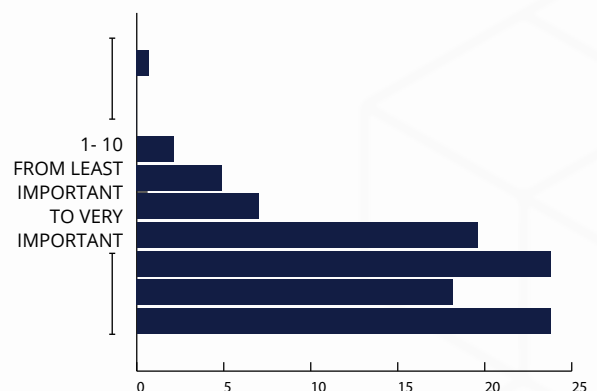
Our results also demonstrate the growing influence of social media platforms, particularly LinkedIn. It ranked as the top social media channel that buyers consulted when considering new suppliers, with 60.1% of respondents indicating they used it for this purpose. Notably, only 23.8% of respondents did not use any social media to evaluate suppliers, meaning that over three-quarters of potential prospects are using social media to evaluate potential suppliers.

**THREE-QUARTERS OF
POTENTIAL PROSPECTS
ARE USING SOCIAL
MEDIA TO EVALUATE
POTENTIAL SUPPLIERS.**

SOCIAL MEDIA SITES USED WHEN EVALUATING SUPPLIERS



IMPORTANCE OF A SUPPLIER'S WEBSITE IN YOUR SELECTION PROCESS

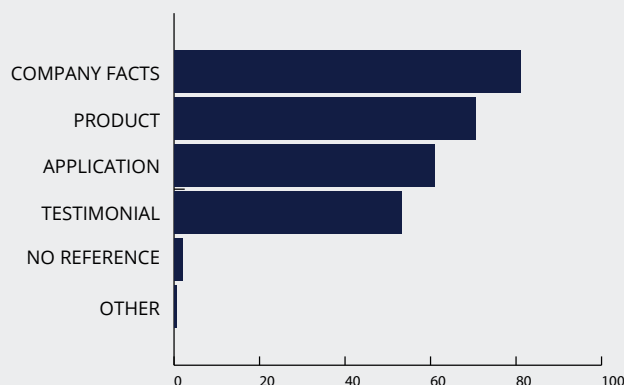


The results discussed so far highlight the need for strong content on websites and social media, but determining the right approach to content can present challenges. The “Gartner Sense Making Seller” report illuminates a critical issue: **buyers are inundated with information, making the procurement journey overwhelming .**

Echoing the need for high-quality digital interactions, the “Gartner B2B Buying Report” states that buyers are **1.8 times more likely to complete a high-quality deal when they engage with supplier-provided digital tools in partnership with a sales rep.** This interaction model bridges the gap between digital content and human insight, ensuring buyers receive the most relevant, actionable information.

Effective content is current, relevant, and designed to facilitate easy navigation throughout the buyer’s entire journey. In our study, 81.1% of decision-makers reported seeking product and technical information, and 70.6% reported preferring company facts. Additionally, 60.8% selected application information, while testimonials and case studies were also important to 53.2% of respondents.

WEBSITE MATERIAL REFERENCED IN SUPPLIER SELECTION



Suppliers should ensure their company’s digital content is compelling, clear, and aligned with their ideal customers’ needs and pain points. It should facilitate easy navigation through the buyer’s journey, from initial discovery to final decision-making.

IN THIS DIGITALLY DOMINATED MARKETPLACE, SUPPLIERS WHO CAN EFFECTIVELY MANAGE THEIR ONLINE PRESENCE WILL GAIN A STRATEGIC ADVANTAGE OVER THEIR COMPETITION.



IMPLICATIONS FOR BUSINESS LEADERS

Our research has significant implications for industrial company leaders who want to remain competitive. Buyers are taking a different approach to procurement—they're extensively researching solutions and scrutinizing a company's digital presence before ever engaging with a sales rep. To stay ahead, businesses must adapt by growing their digital footprint, delivering compelling content tailored to diverse stakeholders, and building an online community around their brand. Let's explore these in more detail.

■ MAKE THE SHIFT FROM TRADITIONAL SELLING TO MODERN MARKETING

It's time to fully embrace modern marketing. The evolving landscape of industrial purchasing highlights a shift from traditional selling methods to more comprehensive digital marketing strategies. While traditional methods such as trade shows continue to play a role in networking and brand visibility, they no longer serve as the primary means of connecting with potential buyers.

As we have seen, most respondents in our study indicated that they use search engines as a primary method to discover new suppliers. This trend underscores the importance of a robust online presence that can engage potential buyers who are actively searching for solutions.

Before contacting a sales representative, potential buyers review a company's digital footprint, including their social media presence, to evaluate potential suppliers. Ensuring that your digital channels reflect your company and value proposition well is critical, as these elements significantly influence purchasing decisions in today's market.

□ **TRANSFORM YOUR WEBSITE INTO A RESOURCE HUB**

Your website should be more than just a digital brochure; it must become a resource hub for both existing and potential customers. **YOUR AUDIENCE SHOULD FIND NOT JUST PRODUCT DETAILS AND CONTACT INFORMATION, BUT ALSO A WEALTH OF RESOURCES THAT ADDRESS THEIR NEEDS AND CHALLENGES.**

Developing essential content like how-to guides, FAQs, and white papers helps attract new customers and supports existing ones. By tailoring content for the different stakeholder types and stages of the customer journey, your website effectively addresses specific needs from awareness to decision-making.

Your website should also incorporate interactive tools that invite visitor engagement and start conversations. Utilize calls-to-action that prompt discussions with your experts, alongside chat tools that provide immediate assistance or guidance. This approach not only enriches the user experience but also enhances customer service and support.

By re-thinking your website's purpose and transforming it into a resource hub, you will elevate user engagement and increase website conversions, positioning your brand as a trusted industry leader.

□ **BUILD A VIBRANT COMMUNITY AROUND YOUR BRAND**

A growing number of forward-thinking industrial companies are building online communities around their brands. These communities provide a way for customers and end users to engage, exchange ideas, ask questions, learn, and deepen brand engagement. Through channels like LinkedIn, company website forums, or licensed community software, companies can offer a rich mix of resources and grow a vibrant community.

Effective engagement within these communities requires the delivery of diverse and helpful content. Companies should create and curate a mix of educational materials—such as tutorials and webinars—that help users maximize the use of

products, alongside thought leadership content that positions the company at the forefront of industry innovation and sparks conversations. Encouraging the generation of user content, such as testimonials and application examples, can significantly boost the community's value for everyone.

Building an online community takes resources and a long-term commitment, but it can create substantial benefits for industrial companies. These communities not only support customer engagement and loyalty but also serve as a critical feedback mechanism for product development. Marketers can also use these communities to get feedback on new offers and messaging.

METHODOLOGY

Strativise, Inc. engaged the research firm Centiment to facilitate this original research project. Centiment carefully screened and selected 143 professionals from manufacturing, distributing, engineering, and service companies to participate, ensuring accurate data collection and representation. Respondents were instructed to answer a series of questions in multiple-choice format to ensure ease of response and consistency in data collection. They were compensated for their time to incentivize participation, and they participated anonymously to promote integrity and honesty in their responses.





YOUR NEXT STEP

If you have found this report helpful and want to learn more about its implications for your business, book a free strategy session with our founder, Nate Maguire. Nate specializes in helping small to mid-size B2B industrial organizations modernize and improve their marketing strategies. This free, no-strings-attached strategy session is designed to help you identify your priorities and actionable steps to improve your organization's marketing.

[Schedule your strategy session today](#) or email Nate directly at nmaguire@strativise.com.

Copyright © 2024 by Strativise Inc.

All Rights Reserved. The content contained in this eBook is provided only for educational and informational purposes.

You may not copy, reproduce, distribute, publish, display, perform, modify, create derivative works, transmit, or in any way exploit any such content, nor may you sell or offer it for sale.