

Machinery End User Buying Process and Perspectives Report

FALL 2019



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Dear Marketer,

When it comes to the purchase of packaging machinery, the landscape is complex. End users' needs are diverse, the buying cycle is usually very long and competition among suppliers is increasingly fierce.

To remain competitive, marketers must pay keen attention to the changing dynamics involved in getting—and keeping—attention from buyers.

To aid in these efforts, PMMI Media Group presents the following **Machinery End User Buying Process and Perspectives** report. Within this report, you'll learn about:

- Recent evolution in packaging machinery buying teams
- End users' research and vetting practices
- Optimal content approaches for influencing machinery purchase decisions
- Differentiators among winning suppliers

The report is based on findings from our **2019 Packaging End User and Supplier Buying Insights Study**, a two-pronged project examining both buyer and supplier perspectives on changes in the research and purchase of packaging machinery and supplies. Highlighted within are excerpts of end user responses. We look forward to sharing additional reports in this series with you at pmmimediagroupresearch.com.

Best Regards,

Sarah Loeffler

Director, Media Innovation & Marketing Insights
PMMI Media Group

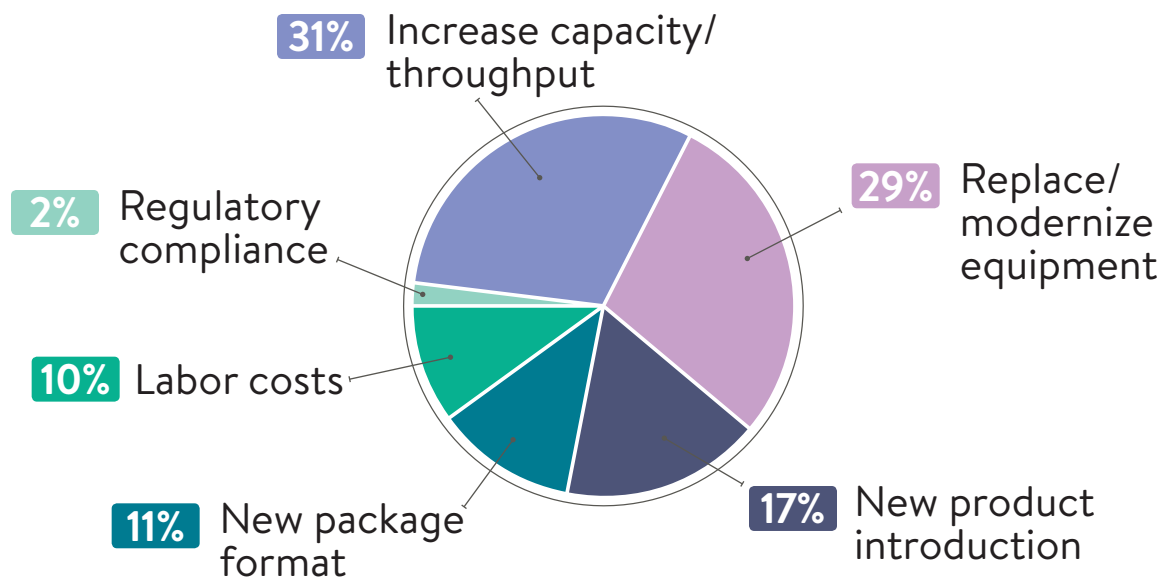


MACHINERY PURCHASE DYNAMICS

Chief Focus Is Efficiency

The desire to improve capacity or throughput drives many packaging machinery purchases, shaping 31 percent of end users' most recent projects—about equal to the number of projects undertaken to replace outdated equipment.

Which of the following was the biggest driver for your facility's most recent packaging machinery purchase?



The takeaway? Marketing messages focused on improvements to speed, output and capacity will resonate with most buyers. Suppliers should consider framing around these pain points as opposed to simply highlighting latest equipment features when shaping their brand presence and developing marketing collateral. The ability to quantify improvements resulting from increased capacity or throughput—whether it's facilitating growth of a business or the tying of additional revenue to productivity enhancements—can be particularly compelling.

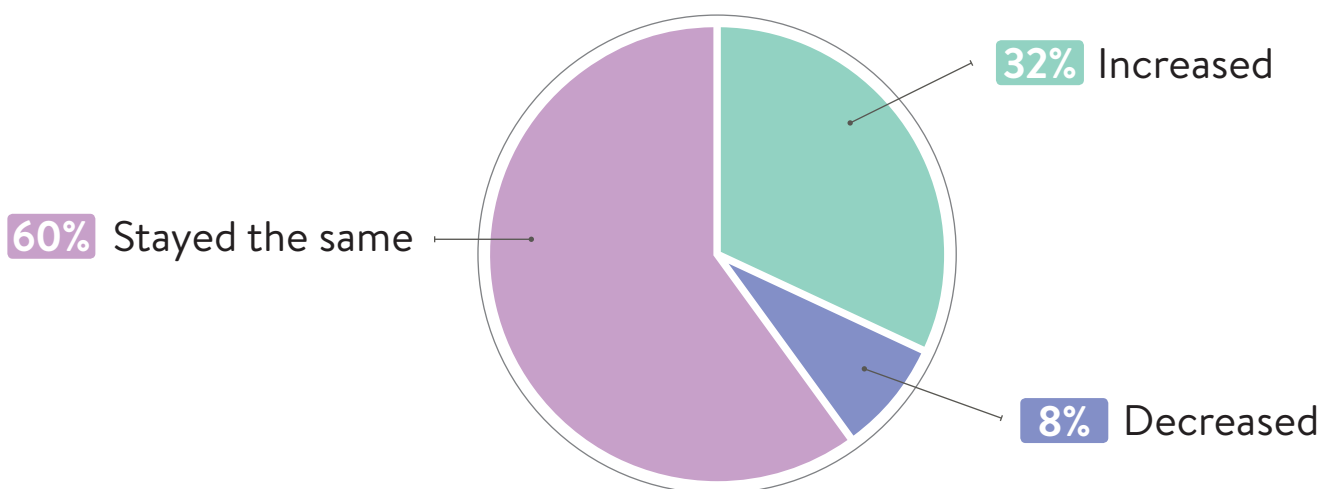


MACHINERY PURCHASE DYNAMICS

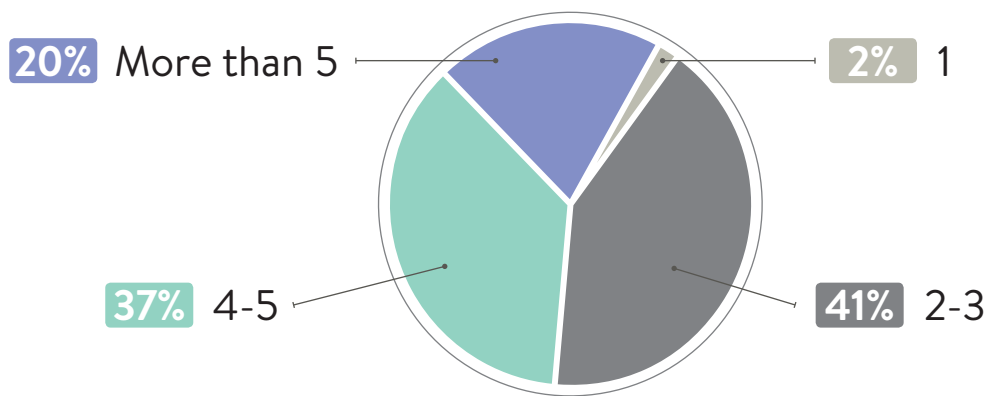
Buying Teams Have Grown

About one in three respondents says that more people at their organization are involved in purchase decisions over the past five years. Teams have grown such that more than half of all packaging equipment purchases will involve committees consisting of four or more decision makers.

Over the past five years, which best describes any change in the NUMBER OF PEOPLE typically involved in your company's purchasing decisions regarding packaging machinery?



How many people typically are involved in your company's purchase decisions regarding packaging machinery?



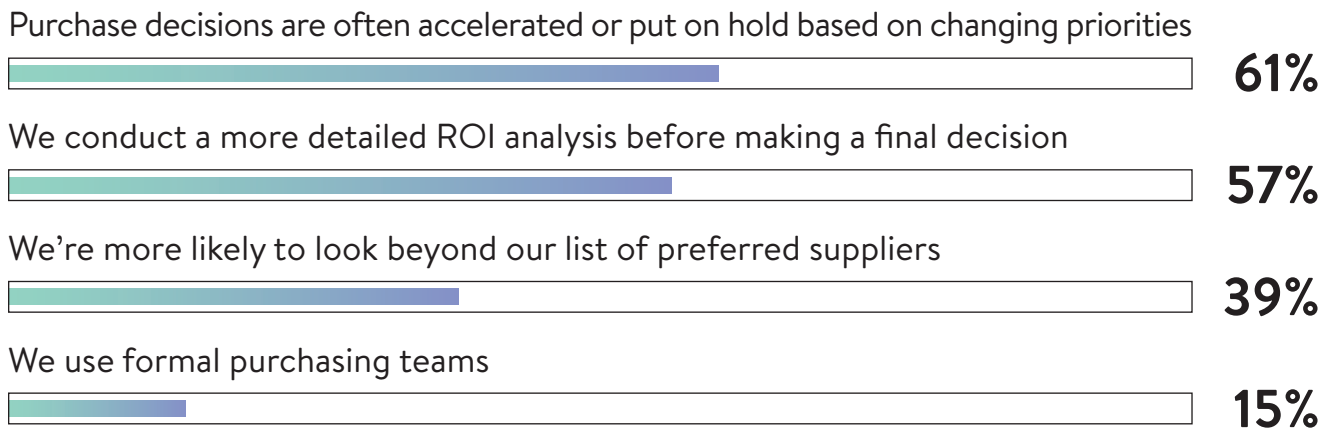
The takeaway? A larger buying team often makes for a more complex sales process. Suppliers should review their website, marketing messages and sales collateral to ensure diversity of content is sufficient to address all key stakeholders, recognizing that an engineer is likely to have different reasons for engagement and informational needs than a plant manager when comparing options.

Also, campaigns going beyond customer lists and making use of external channels will be particularly important to ensure reach across the full buying committee. Existing lists aren't enough when the traditional contact for a sales rep is likely only one of multiple individuals holding significant sway over decisions. Making use of trade media, events and web-accessed advertising channels, such as Google, will be needed to get in front of the broader group of decision influencers.

6 in 10 Do Less Linear Purchasing

There are more fits and starts with the machinery purchasing process than seen in years past, with 61 percent of end users saying their decisions are more likely to shift around changing priorities these days. About half are incorporating more detailed ROI analyses as part of purchasing than in years past.

Which of the following describes your purchase experience of packaging machinery over the past five years?*



*Multiple responses permitted.

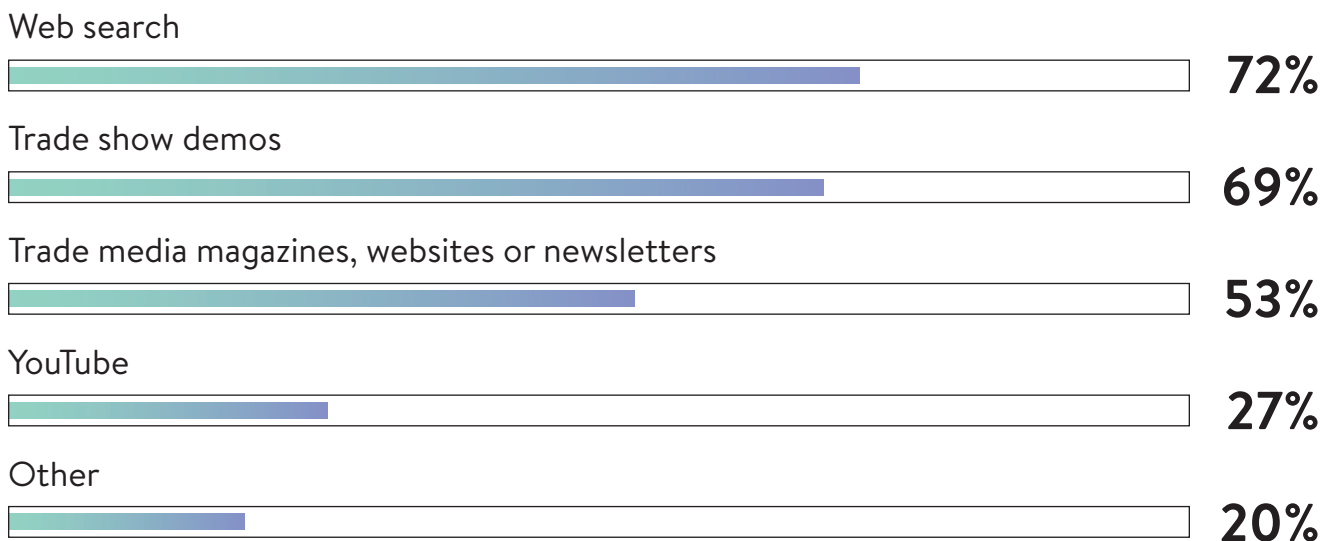
The takeaway? Suppliers will need to be faster and more agile responding to prospect inquiries, as seemingly stalled purchase decisions may suddenly move. Also, marketers should be building greater frequency into campaigns. Providing a drumbeat of opportunities for engaging with content will be key to recognizing when interests may be changing and the prospect may suddenly be coming into market.

A non-linear sales process also means campaigns focused on brand and product awareness become increasingly important. These campaigns are vital to staying top of mind while weathering shifts in project focus or changes in the level of involvement across members of the buying committee.

Tradeshow Importance Remains Strong

Despite more online channel options available these days for end users to research and view equipment, the majority (69 percent) still rely on an in-person demo at a tradeshow to influence their decision.

Which of the following resources informed your organization's most recent machinery purchase decision?



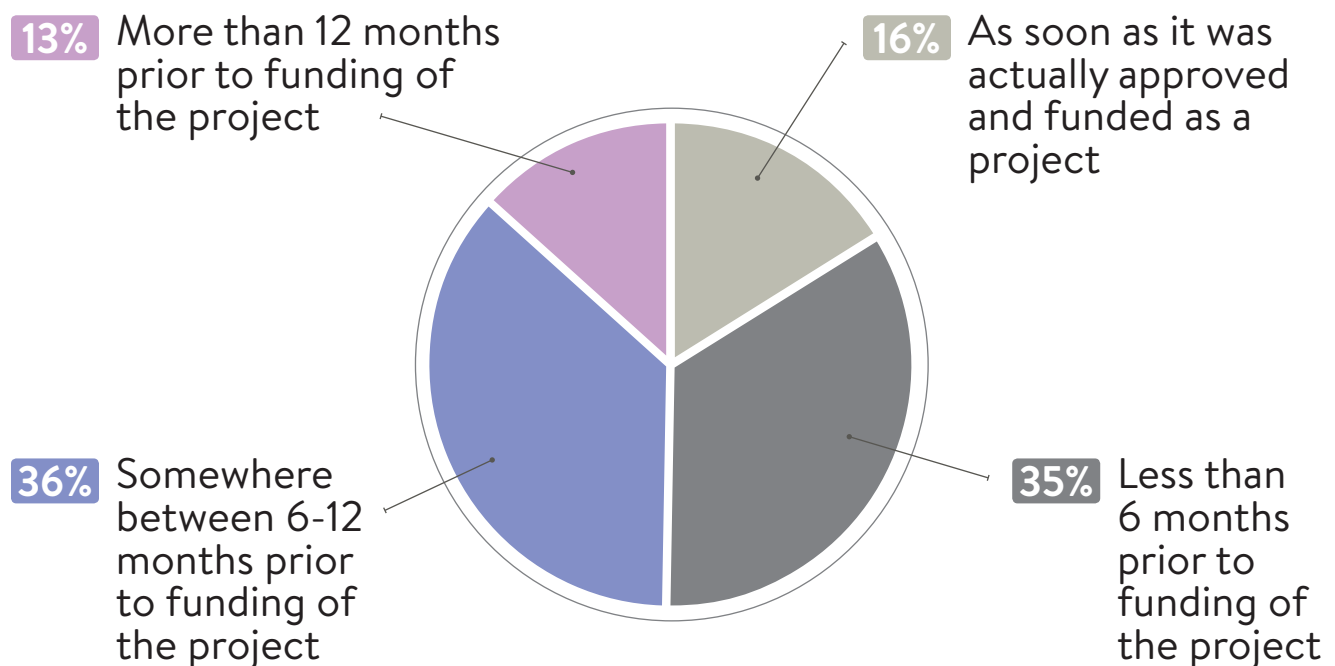
The takeaway? Sales strategies shouldn't overlook the importance of "boots on the ground." Marketers will need a multi-channel approach that includes not only strong web presence—but also face-to-face communications at events—to maximize won opportunities.

RESEARCH AND VETTING OF SUPPLIERS

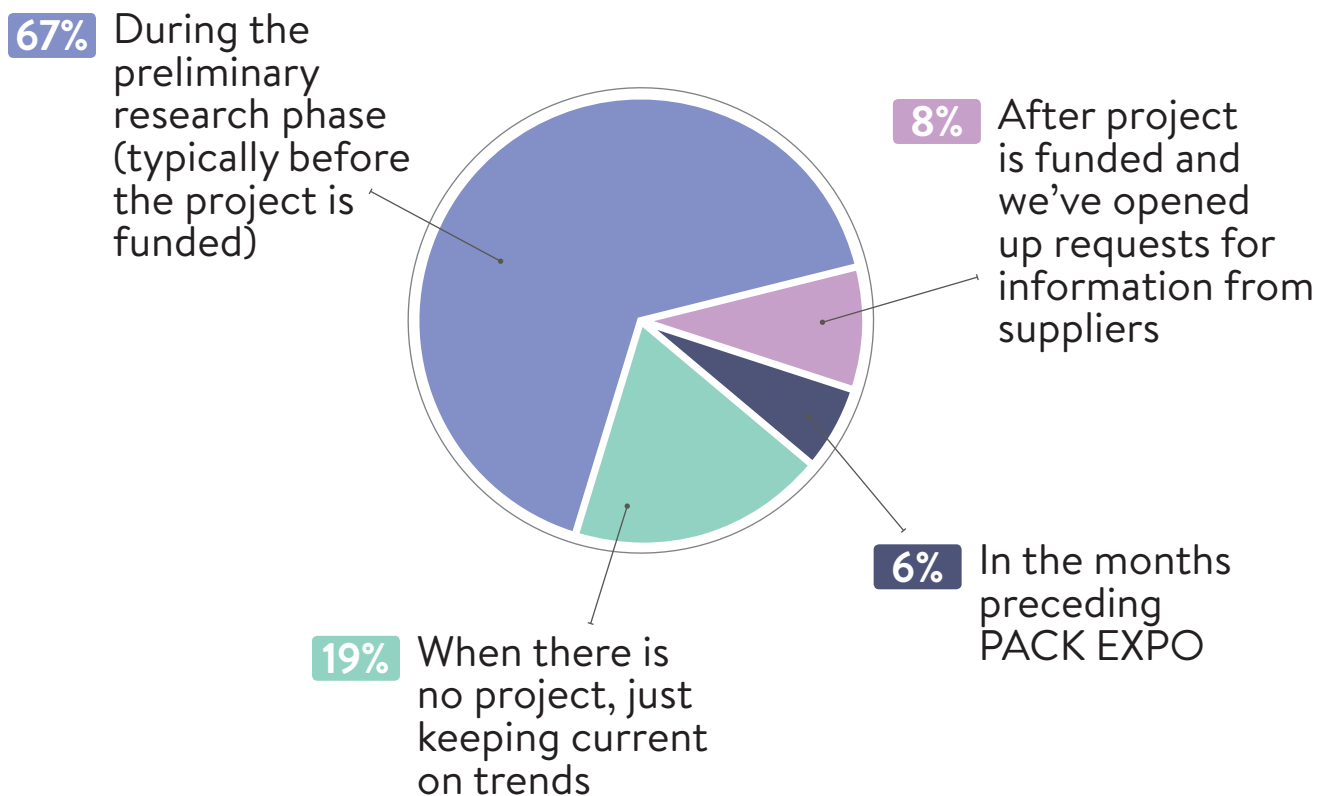
Almost Half of Research Begins Six or More Months Before Funding

The “preliminary research phase” of the packaging machinery buying cycle is when end users first begin learning about equipment differences and relevant suppliers, when research is often conducted anonymously. This is also a critical point when end users are most open to considering new suppliers. About half of end users say this period occurs at least six months, and often longer, before a project is funded.

When did you or others at your organization start researching suppliers and solutions for your most recent machinery project, even informally or anonymously?



In general, when are you most open to learning about new suppliers?

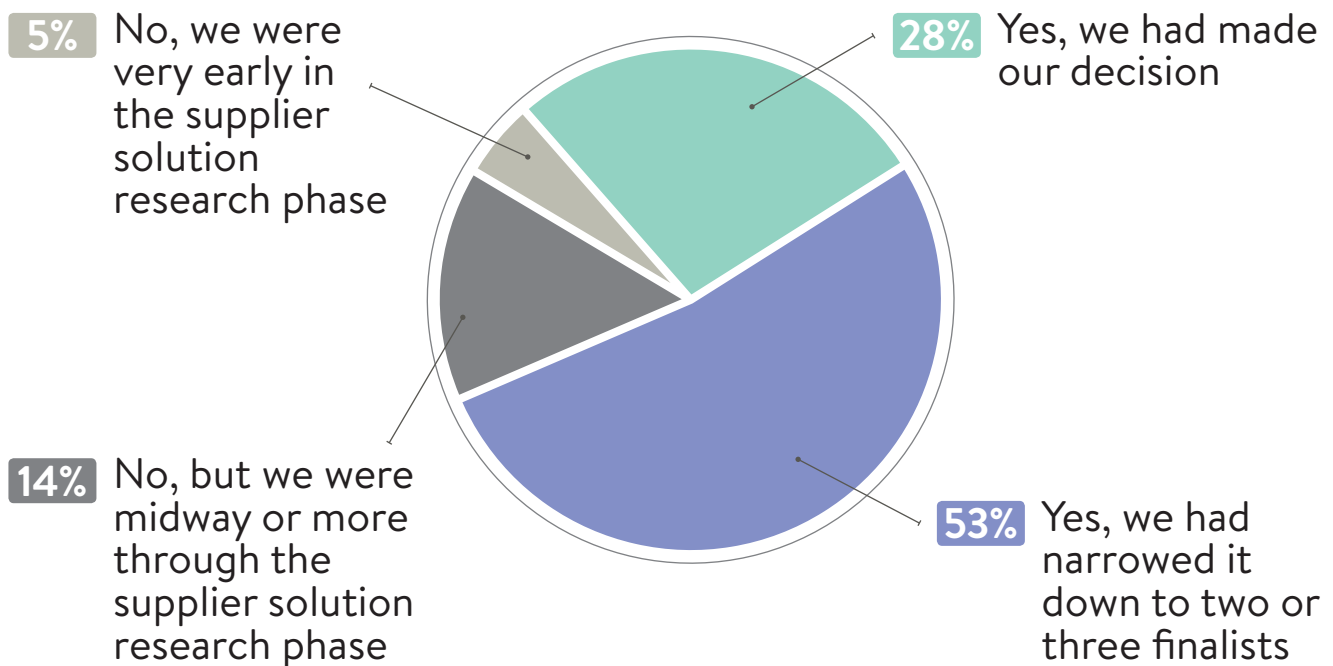


The takeaway? For suppliers, this long research lead up to purchase means that focusing marketing efforts solely around known prospects or fully specified projects can minimize potential for sales success. A more successful strategy is getting on a prospect's radar early—likely even before the prospect is willing to provide contact info—and sustaining nurturing efforts for a minimum of six months. Research occurs throughout the year, not just in the lead up to attendance at a major trade show.

Most End Users Have Determined a List of Finalists at Time of Project Funding

By the time a project is funded, 28 percent of end users will know the machinery supplier they will use and 53 percent will have narrowed the field to two to three finalists.

By the time your most recent project was approved and funded, did you know who the suppliers were going to be?

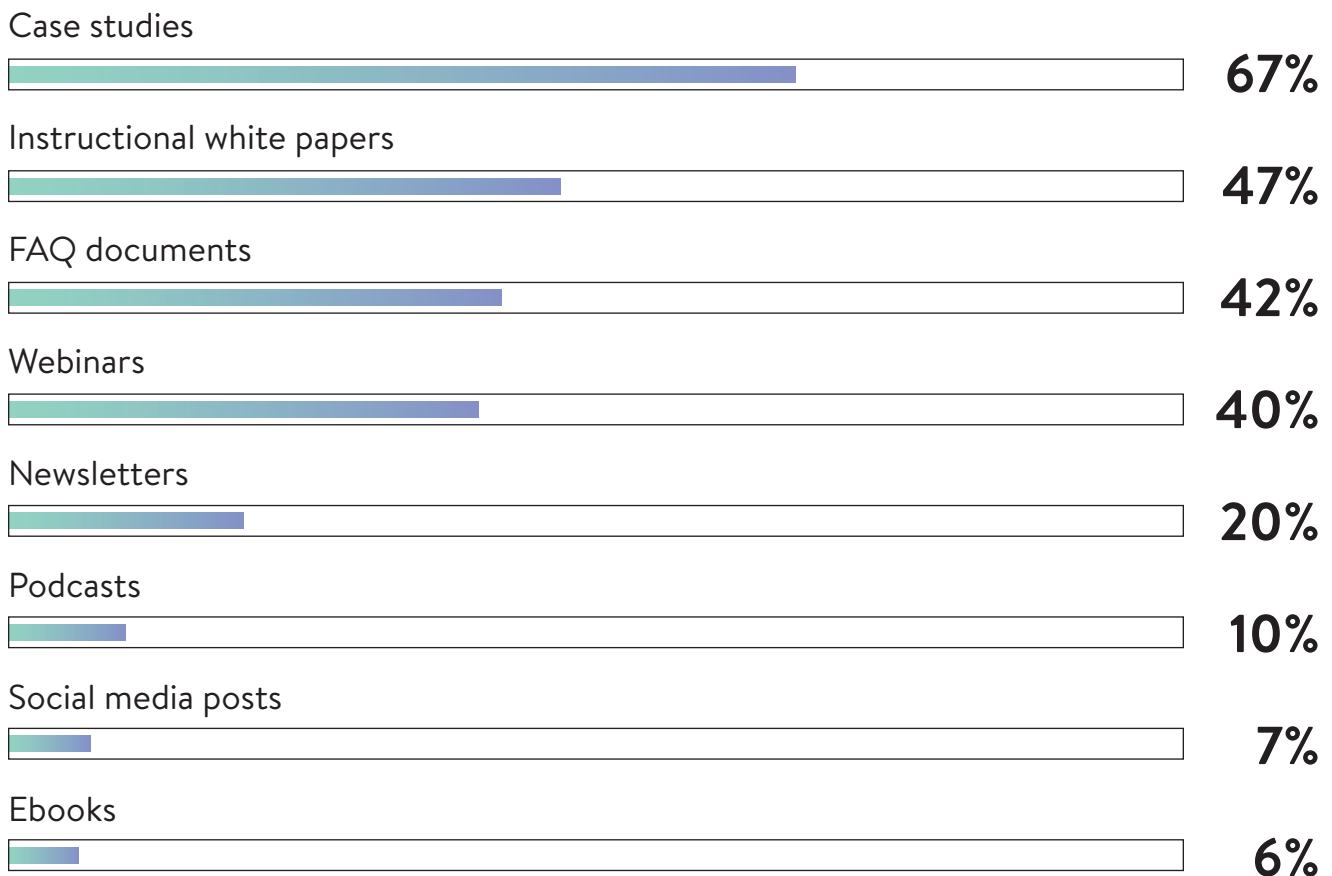


The takeaway? Again, marketing to buyers before they make themselves known or relay they are in-market is the best way for suppliers to improve their chances of being considered. How content is approached should also support early research efforts. For example, suppliers that provide clear pricing can aid end users' financial analyses, thereby supporting their efforts to build a business case for investment. Waiting until a project is fully funded to examine issues in detail that affect return, such as OEE, is likely to harm a supplier's competitive position.

Case Studies Are Most Desired Content

Aside from basic product info (spec sheets and videos), end users say case studies are the most preferred content type when researching equipment. Next most-helpful are instructional white papers, FAQ documents and webinars.

Aside from demo videos and spec sheets, which of the following content would you find most useful from suppliers?*



*Responses limited to three selections.

The takeaway? Buyers are most likely to be moved by information that has context relevant to their experience and that speaks to solving a common or particularly challenging problem. Case studies can be powerful this way in providing practical perspective and guidance. One thing to note: Too often marketers are held back from producing case studies because of difficulty getting a customer to go on record. Although named case studies are powerful, they aren't always necessary. Focusing around a particular vertical or common use case will typically have enough relevance to draw interest from prospects; Discussion of "a large snack manufacturer" is still compelling to peers.

END USER PERSPECTIVES ON MACHINERY BUYING EXPERIENCE

Top 3 Barriers End Users Face When Trying to Get Information from Suppliers

1. Timeliness of Response

“It’s frustrating when you don’t get a response to your email or form.”

“Suppliers think we are a small company and do not respond to us.”

“Response time is so slow, and it is often made worse when the supplier fails to take proper notes on the request. It is very frustrating when I provide documents regarding the project scope, and it takes two or three conversations with revisions to correct the request.”

“Some suppliers just won’t respond by email, and that’s a problem because phone responses are impossible to follow-up with during normal business hours sometimes due to my extremely limited schedule.”

“It’s so difficult to get suppliers to follow-up on requests whenever it’s a project that doesn’t fit the norm.”

2. Clear Pricing

“Cost estimates are often confusing.”

“I wish they could give us a better sense of pricing upfront when we’re researching equipment for our growing business. We are a small company, so expensive machinery primarily sold to large businesses just isn’t in our budget. It would save everyone time the sooner we know this.”

“The length of time for a quote can be so frustrating. Suppliers always seem to want to do a lengthy presentation, even when we already know what equipment we want and what we want quoted.”

“It’s so difficult to determine ROI for the project and navigate capital constraints when you can’t get basic pricing info.”

3. Expertise on the Solution’s Suitability for the Desired Application

“It’s difficult to find suppliers with knowledge of our industry and processes.”

“Their team members lack technical skills on their own machines, which only adds to the difficulty of assessing suitability for our applications.”

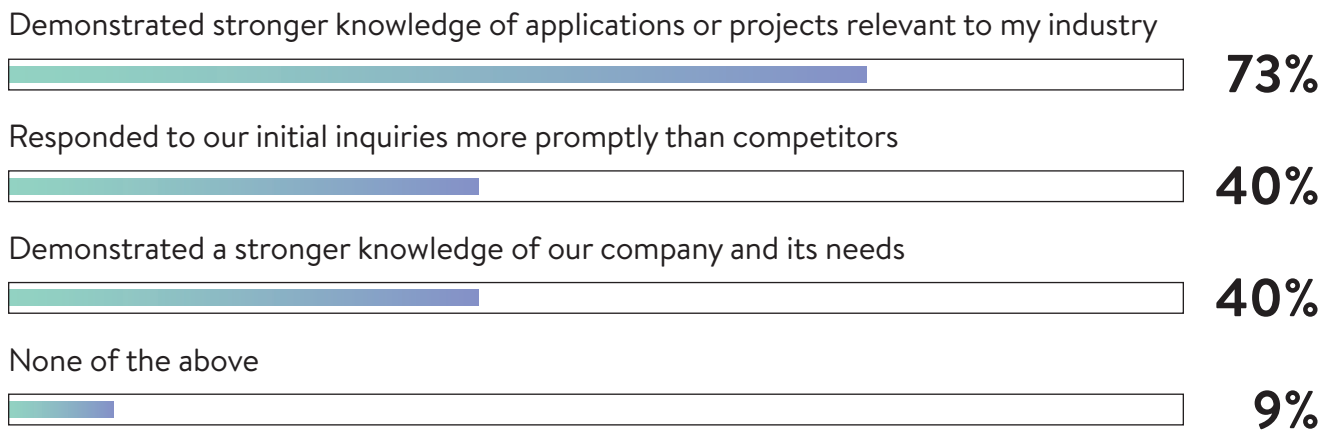
“Suppliers always want excessive amounts of samples and won’t commit to generalizations.”

“Too often they are trying to sell what does not fit for our application.”

Industry-Related Expertise Differentiates Winners

End users say that with their most recent equipment purchase, the winning supplier demonstrated stronger knowledge of their application or industry.

Which of the following statements is true regarding the winning supplier?*



*Multiple responses permitted.

The takeaway? When determining marketing strategy, suppliers would be well-served to align message by industry whenever appropriate. Key ways suppliers can showcase industry-specific expertise include developing case study content, aligning the organization's site search and infrastructure for easy viewing by industry and versioning ad creative and product visuals to showcase specific industry applications.



CONCLUSION

As research habits regarding packaging machinery evolve, suppliers need to keep pace and accommodate the increasingly complex content needs of end users, from providing them with relevant information relating to equipment use within their industry to helping project champions build the financial case to share with the rest of their team.

Campaign pacing also will need review. As buying teams become larger and more diverse and paths to purchase experience more frequent fits and starts, the burden on suppliers is increasing to generate—and track—engagement over time while remaining agile to changing needs.

Simply put: Promoting packaging machinery features over a month or two no longer cuts it. Suppliers must speak at a very practical level around the end user's pain points. And just as important, they must have the persistence and depth of information to withstand months and months of vetting by a multi-disciplined buying committee. Those with an eye on these changing purchase dynamics will be best positioned for success.

For additional resources on packaging supplier marketing trends and tactics from PMMI Media Group, visit insights.pmmimediagroup.com.



SURVEY METHODOLOGY

The **2019 Packaging End User and Supplier Buying Insights Study** from PMMI Media Group was a two-pronged project examining both buyer and supplier perspectives on changes in the research and purchase of packaging machinery and supplies.

For the *Machinery End User Buying Process and Perspectives* report featured here, PMMI Media Group surveyed readers of *Packaging World*, *ProFood World* and *Healthcare Packaging* during May 2019. The survey was distributed by email, resulting in 144 end users who self-identified as having direct influence or authority on packaging equipment purchases (full completion).

marketing INSIGHTS

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Research featured within this report was conducted by PMMI Media Group's Marketing Insights division. For more marketing-related resources, see insights.pmmimediagroup.com.

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