

DIGITAL DISRUPTION IN MACHINERY BUYING

New research into buying and selling in heavy machinery from ExpoPlatform and LECTURA



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ExpoPlatform

ExpoPlatform is the leading AI-powered smart event and 365 community platform.

We help the world's largest exhibition organisers to transform their business, including Informa, Clarion, Reed Exhibitions.

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Spark valuable in-person and virtual 1-2-1 meetings with AI-powered matchmaking and hosted buyer programmes. Comprehensive lead analytics dashboards provide exhibitors and sponsors with proof of ROI.

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Grow an engaged audience year-round through an "always on" content hub, webinars, discussion groups and events. Create a seamless, personalised experience for your community, generating in-depth data and intelligence about users.

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LECTURA

Founded in 1984, LECTURA is a leading provider of machinery intelligence on the market and attracts around **1,000,000 professionals every month**, sourcing all kinds of heavy machinery data.

LECTURA's database contains over 160,000 heavy machinery models and provides evaluations of used machines through online tools and digital solutions. LECTURA's service offer also includes technical specifications and data enrichment, product and market analyses, high-value lines, country-specific price development determinations and a variety of further, client-tailored services.

In addition, the web portal LECTURA Press provides the latest news from the heavy machinery industry and exclusive interviews with industry experts and market leaders. LECTURA also publishes the quarterly online magazine DigiMessenger and runs surveys on a variety of current heavy machinery industry topics.

Preface

Customers expected to be able to interact with machinery suppliers remotely, even before the Covid-19 pandemic. Live chats, customer lines and self-service e-commerce were becoming commonplace and rising in popularity.

As countries then introduced preventative measures throughout the pandemic and face-to-face meetings stopped, this digital transition accelerated. Buyers and sellers turned to digital channels, with their popularity expected to remain high in the future.

In this survey, ExpoPlatform has partnered with LECTURA to find out how buyer expectations have changed in the agricultural, materials, construction and transport sectors.

The goal of the survey was to find answers to these questions:

- How has buying migrated towards digital and remote channels?
- What level of comfort do buyers have with transacting without meeting in person?
- Which digital channels are now the most effective for buyers?
- What appetite is there for the return to live events and face-to-face meetings?

Executive Summary

This report aims to shed light on the decision-maker's changing attitudes towards purchasing machinery through digital channels.

The survey results are based on the answers from more than **25,000** buyers of machinery in agriculture (40.7%), construction (40.3%), transportation (8.4%) and materials handling (6.2%) sectors. Respondents are mostly based in European nations, with most responses from Germany (8,536), the United Kingdom (2,644), France (1,068) and Austria (1,792).

Key takeaways include:

Digital ecommerce transactions have become popular in material handling and transportation sectors, less so in agriculture and construction.

The pandemic has accelerated the process of remote forms of interaction adoption across all industries, however this shift has been experienced differently by industry sectors.

Nearly half of material handling and transport machinery buyers were interested in buying through ecommerce, for reasons such as the potential to adjust work pace, time efficiency and lower cost expectations.

Construction and agriculture buyers showed more reluctance and preferred face-to-face interactions, but still one third of these buyers still rate digital as their preferred channel to do business.

Most decision-makers have not yet decided on whether and how much to purchase through digital self-service and remote interactions

More than half of the respondents - regardless of the industry sector - would spend up to \$50,000 this year, while around a quarter would go as high as up to \$500,000.

Decision-makers said they mostly do not know how much would be spent through digital self-service. They would rather make a smaller investment in this - at most up to \$50,000 through digital channels only.

Respondents were mostly evaluating globally known suppliers, such as Caterpillar, John Deere, Hyundai or Mercedes Benz.

Online video product demonstrations and reviews have high potential to complement traditional face-to-face events

Trade Shows, events and conferences help business representatives gain knowledge and exposure to new trends, products and resources that are available, serving as an opportunity to connect with business partners.

Approximately 60% of buyers surveyed used to attend trade shows and conferences at least occasionally before the pandemic.

When the pandemic is over, a third said they would definitely come back to live events and another about 50% said they would return to some extent combined with the alternative solutions.

Among the mentioned alternatives, product reviews by experts and video demonstration products are the most popular, while formats such as webinars and podcasts were of lesser interest.

Methodology

The report is based on a joint LECTURA and ExpoPlatform online survey running from July 13 to August 12 targeting construction, agriculture, material handling and transportation professionals.

The survey was accessible through LECTURA Specs websites in three language versions - English, German, and French.

The survey consisted of 13 questions and took around three minutes to complete. Participation was voluntary. Respondents were asked to share their contact details and receive a free copy of the survey report.

A total of 25,191 respondents took part in the survey. Of those 40.7% were agricultural representatives, followed by 40.3% of construction representatives. Another 6.2% identified themselves as working in the material handling sector, and the remaining 8.4% work in transportation. Since 4.3% of respondents identified themselves as working elsewhere, their replies were discarded from the subsequent analyses.

The report provides the results for each of the predefined sectors as well as comparative analyses of how the replies differ based on the sector of activity.

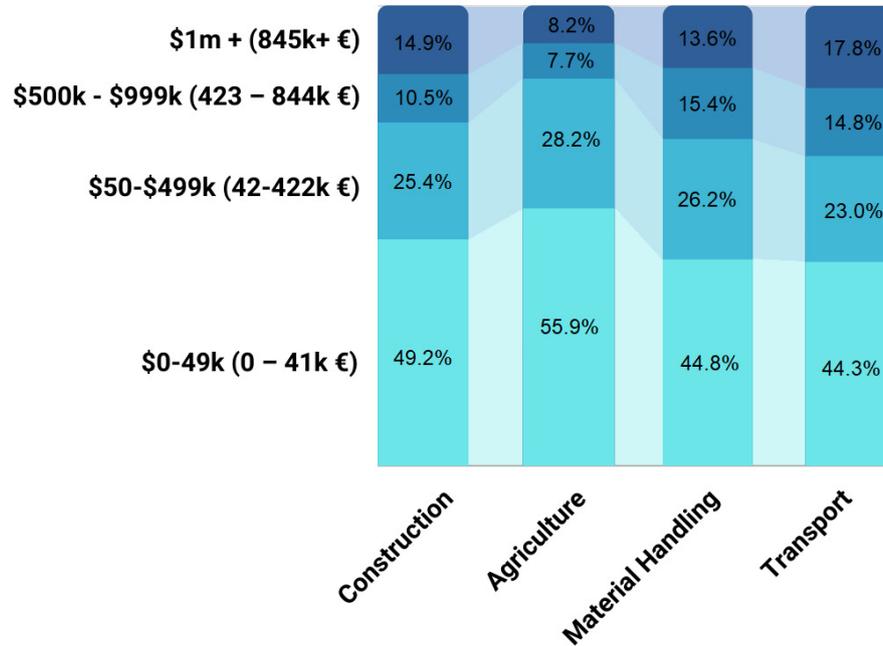
Results

What do you expect to spend on procuring machinery this year?

Businesses are undergoing various changes of equipment investment demand depending on the particular market the sectors served.

Here is the expected amount that heavy machinery buyers will spend on procuring machinery this year.

- About a half expect to spend up to \$50,000 on purchasing machinery - about 70 - 80% up to \$500,000.
- Just over 35% of respondents will spend more than \$500,000.
- In general, it appears the transportation machinery buyers are about to spend rather higher amounts than their counterparts from the remaining sectors.

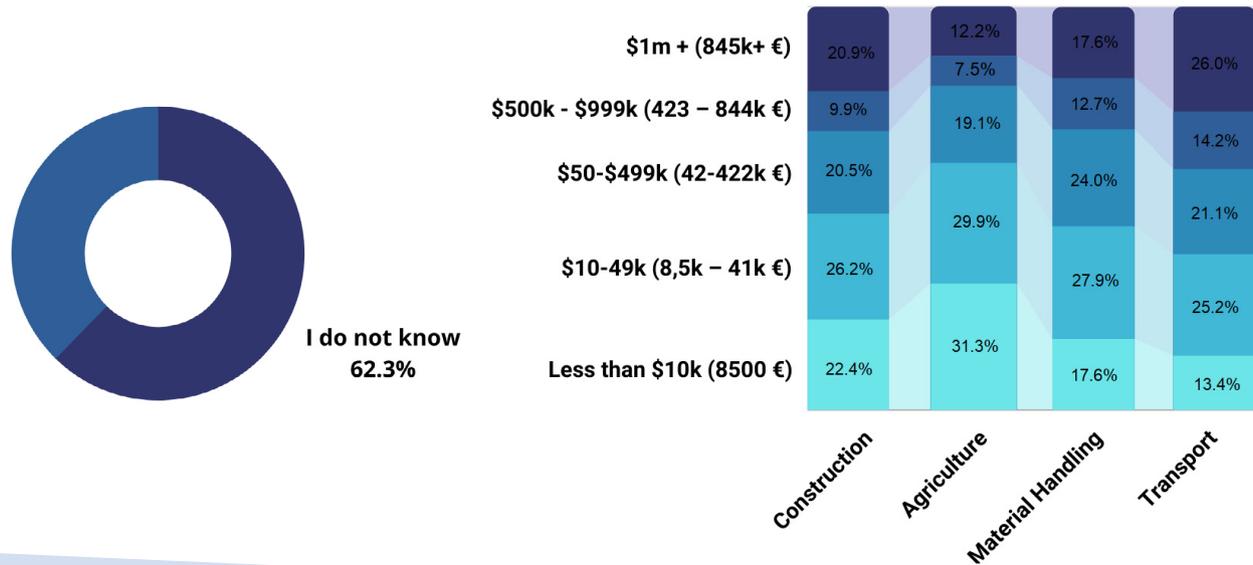


What is the maximum order value you would be willing to purchase through digital self-service and remote human interactions?

Before the pandemic, buyers were used to purchasing the machines face-to-face, with digital procurement only for the pioneers. This is changing.

As around 60% of buyers were unsure about the maximum order value they are willing to purchase through digital self-service and remote human interactions, they were removed from this analysis:

- The findings show 70% - 80% of those who are prepared to buy machinery online would spend more than \$10,000.
- Between \$10,000 and \$49,000 seems to be the maximum order value that most respondents from almost any sector indicate they would be willing to spend.
- Buyers in material handling and transport indicated a willingness to purchase between \$50,000 and \$499,000 - which was the second most popular reply.
- Overall, regardless of the sector, about 20% would be willing to pay up to this price.
- On the contrary, least (from about 7,5 to 14%) respondents from each sector would be willing to purchase from \$500 to \$999k.
- In the sample of agriculture representatives, it appears the higher the order value is, the fewer people would be willing to purchase it, whereas, for other business sectors, the results are not as straightforward.



Which suppliers are you currently evaluating?

Respondents were asked to select and rank suppliers they are currently evaluating

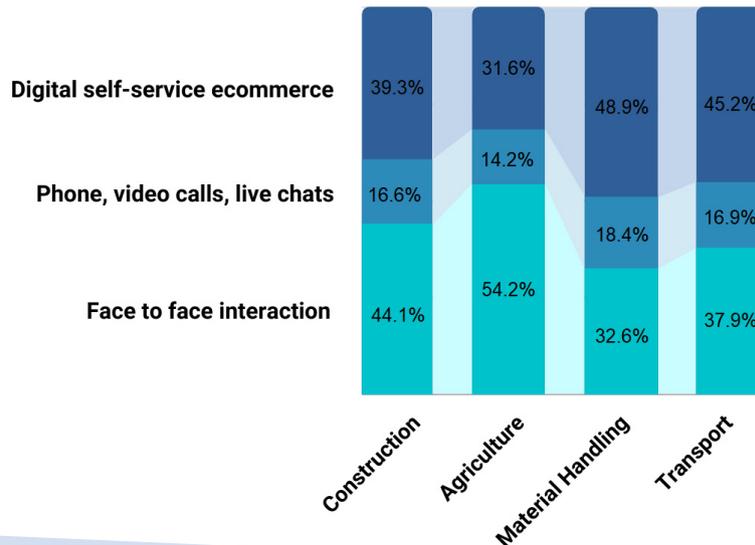
Here are the top 10 brands being evaluated in each industry sector:

➤ Which suppliers are you currently evaluating?				
	CONSTRUCTION	AGRICULTURE	MATERIAL HANDLING	TRANSPORT
1	Caterpillar	John Deere	Hyundai	Mercedes - Benz
2	Kubota	New Holland	Carer	MAN
3	Komatsu	Claas	JCB	Scania
4	JCB	Fendt	Manitou	Iveco
5	Liebherr	Massey Ferguson	Crown	DAF
6	Volvo CE	CASE IH	Bobcat	Kempf
7	Hitachi	DEUTZ - FAHR	Merlo / Clark	Goldhofer / Humbaur/ Setra
8	Doosan	SAME	JLG	Stas
9	Sany	Landini	Tobroco - Giant	
10	Zoomlion	SDF		

How would you prefer to interact with suppliers when buying equipment?

While face-to-face interactions remain popular, the convenience of digital self-service ecommerce and remote contact with salesteams have now taken the lead.

- In this survey, while most agricultural machinery buyers (54.2%) would prefer face-to-face interactions, these numbers were significantly lower for construction (44.1%), transportation (37.9%) and material handling (32.6%).
- More than two-thirds of materials handling buyers (67.3%) now prefer a combination of digital self-service and remote calls to face-to-face. This is 62.1% for the transport sector, 55.9% in construction, while agriculture is at 45.8%.
- Phone, video calls, or live chats were the least popular channel among all sectors, hardly reaching about 17% of respondents.



The reasons given for the benefits of each channel are:

➤ **How would you prefer to interact with sales reps from suppliers when buying equipment?**

? **Why?**

Face to face interaction	Phone, video calls and live chats	Digital self-service ecommerce
<ul style="list-style-type: none">• <i>Trust</i>• <i>Specific atmosphere</i>• <i>"I am used to it"</i>• <i>Personal contact is more reliable</i>• <i>Individual approach</i>• <i>"I do not like modern technologies"</i>	<ul style="list-style-type: none">• <i>Convenient (especially when under high workload)</i>• <i>Real-time conversation - a quick answer to sudden questions</i>• <i>World health crisis - safe alternative</i>• <i>Easier time management</i>	<ul style="list-style-type: none">• <i>Potential to adjust to individual workspace</i>• <i>World health crisis - safe alternative</i>• <i>Time-saving</i>• <i>Effective and easy</i>• <i>Cheap</i>

Which of the following do you find most effective when learning about and buying products?

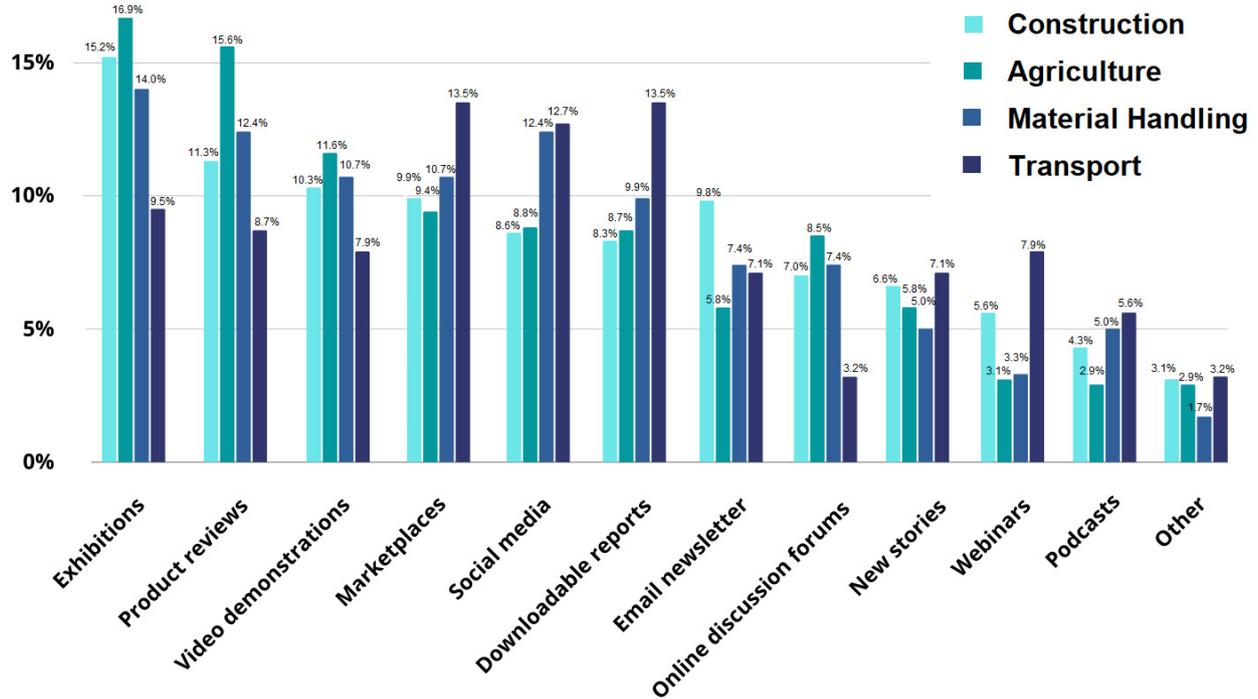
There are many alternative sources for searching for information about new products and equipment.

- Exhibitions and in-person trade shows were considered to be most effective - at least among construction, agriculture and material handling representatives.
- These were followed by product reviews by experts and video demonstration products.

It appears that factors such as the ability to see the product for yourself or confirmation by a trusted person appear to be the crucial characteristics of the channel leading to its perceived effectiveness..

- It is worth mentioning the numbers may be a little bit different at the sector level. The transportation representatives much prefer downloadable reports about industry trends, marketplaces of products and social media.
- The channels considered to be least effective were podcasts and webinars.

The little popularity of webinars and podcasts seems to be somewhat unexpected. That is because these channels can serve as a space for hosting experts sharing their opinions and reviews. The explanation could be a lack of awareness and that heavy machinery related businesses are not used to them.



When asked what the most helpful services would be to finding the right product for you, the answers were:



What would be the most helpful service in finding the right product for you?

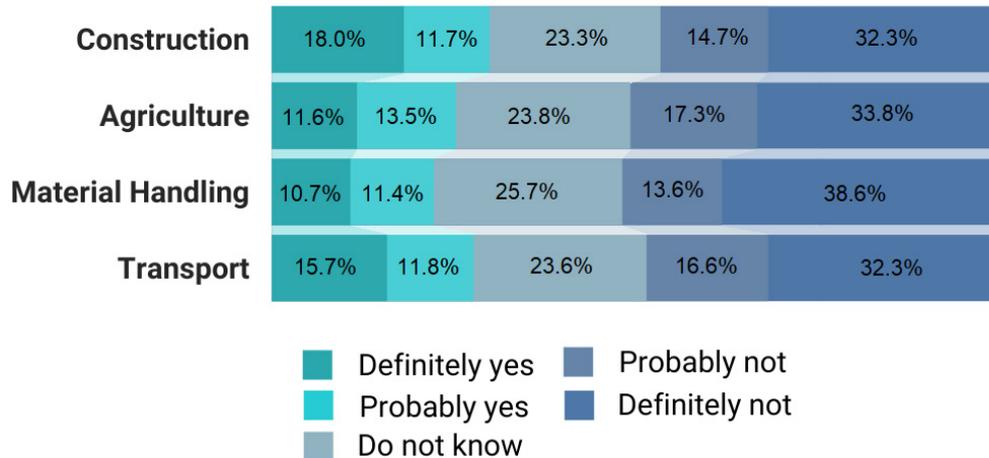
- **Construction**
 - Easy accessible downloadable materials
 - Social media/internet marketplace (email offers)
 - Product demonstrations (online & live) / reliable product tests
 - User reviews; Customer feedback on applications and experiences working with distribution and OEM
 - Videos, manuals, life-cycle-cost related information.
 - Word of experts
 - Personal sales consultant
- **Agriculture**
 - Product demonstrations (online & live); reliable product tests
 - User reviews
 - In person presentation of the manufacturer, Word-of-mouth, seeing it in person at a dealer
 - A highly knowledgeable customer service department
 - List of contact on product manufacturer representatives/dealers
 - Individual approach
- **Material Handling**
 - Product demonstration (online & live) / reliable product tests
 - User reviews
 - Technical specifications/datasheets
 - Information about related services and pricing
- **Transport**
 - Product demonstration (online & live) / reliable product tests
 - User reviews

Would you like to join a one-hour online product demonstration session (including a video tour of the latest products, technical specification, and interactive chat), hosted by a manufacturer you are interested in?

The survey asked respondents whether they would be interested in attending online product demonstrations.

Those who are interested highlighted personal safety and other factors like efficiency, speed and better time management achieved using online channels.

- Construction machinery buyers (29.7%) and transportation machinery buyers (15.7%) would be most willing to join online product demonstrations.



- Many people were still sceptical about this approach.
- About a quarter of buyers seem to be undecided about joining online events.

Three follow-up questions asked to understand the reasons behind the different attitudes towards joining online product demonstrations:

Would you like to join a one-hour online product demonstration session hosted by a manufacturer you are interested in?

> Yes

For what kind of information would you be the most curious about?

- General information about specific kinds of machine categories (excavators, forklifts, etc.)
- Information about extra services - spare parts, maintenance, dealership, financing, delivery costs.
- Technical specification
- Demonstrations of how to operate the machine
- Industry news - new models, new dealers, new attachments, etc.

> Do not know

What kind of information should be shared during the session to help you decide whether to join it?

- General information about specific kinds of machine categories (excavators, forklifts, etc.)
- Information about extra services - spare parts, maintenance, dealership, financing, delivery costs.
- "I do not require any information."
- "I do not know."
- "I am not interested in online sessions in general."

> No

What kind of information should be shared during the session to bring you to the session?

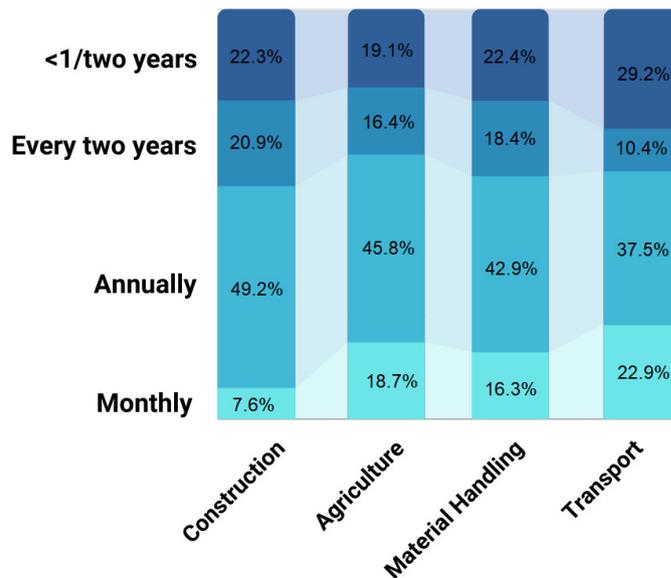
- "I do not need any information."
- "I am not interested in online sessions in general."
- I do not want to adapt to the changes associated with the pandemic.
- Information about extra services - spare parts, maintenance, dealership, financing, delivery costs.
- Technical specification
- Practical demonstrations of machine operation and repair and maintenance

How regularly did you go to exhibitions and conferences pre-Pandemic?

Although exhibitions and in-person trade shows were considered to be the most effective when learning about and buying products, the pandemic made participants change their expected behaviour.

Before the pandemic, about 60% of respondents (construction) to 70% (agriculture) regularly attended exhibitions at least once a couple of years.

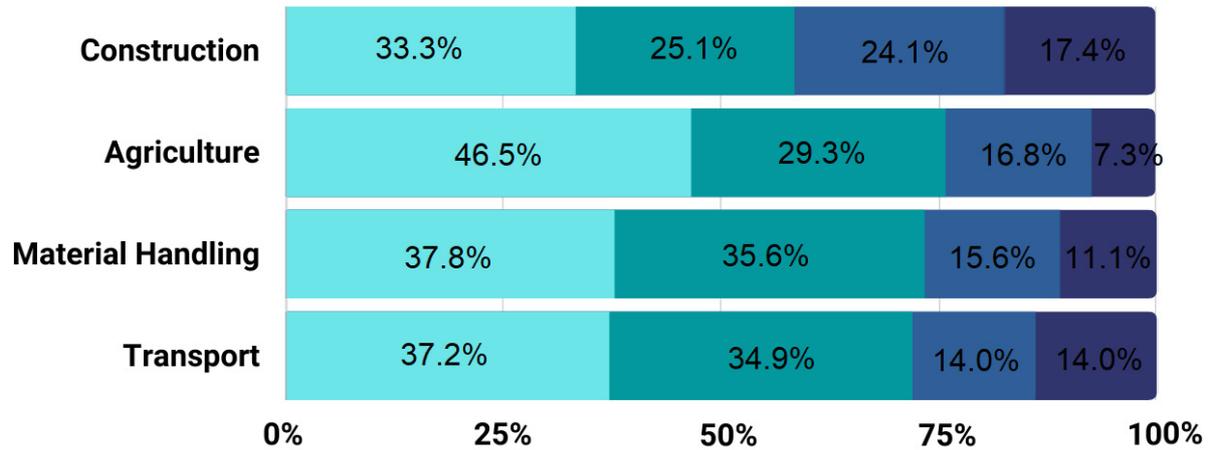
- Most respondents used to visit exhibitions every year - from 37.5% (transport) to 49.2% (agriculture).
- Approximately 35.5% (construction) - 43.2% (agriculture) went to exhibitions at least in a couple of few years.



How do you see your willingness to attend in-person exhibitions and conferences when the pandemic is over?

Although exhibitors and event organizers came up with many innovations and alternatives and made virtual events beneficial in many ways, it seems that it was never a question of if in-person exhibitions and conferences would come back, but when.

- “Regardless of the frequency of exhibitions visits before the pandemic, from 33,3% (Construction) to 46,5% (Agriculture) of business representatives insist on returning to in-person exhibitions and conferences.
- However, even the alternatives may become attended to at least by more than half of them, with the majority most likely to combine both alternative and in-person meetings
- About 7% - 17% said they would never return to in-person exhibitions.



- I would definitely come back to in-person exhibitions and conferences
- I would return to in-person exhibitions and conferences, but also prefer some kind of alternatives
- I would mainly rely on alternatives but also attend in-person exhibitions and conferences occasionally
- I would never again return to in-person exhibitions and conferences, instead prefer alternative solutions

Conclusion

We are seeing buying of machinery in a period of transition, from pure face-to-face buying and selling to a blended model of digital and in-person.

Although the rate of change is more conservative in agriculture and construction, it is considerably further advanced in material handling and transportation sector buyers.

Other valuable ways for buyers to learn about products include video demonstrations and product reviews - features which help a buyer to make an informed decision.

Around half of respondents would like to join an online product demonstration webinar.

These findings reveal that digital is indeed transforming the way that heavy machinery is bought and sold.

We believe having a more detailed exploration of these differences would help the industry to develop products that better serve the next generation of digital-first buyers.



Interested in your individual survey?

Whenever you want to improve and grow your business conducting a survey may help you. Despite the fact that there are plenty of research methods or strategies to understand your customers' behaviour, the easiest way to get information about people is to simply ask them. Understanding your customers' perspective and needs provides you with the most important information about the future development of your business and therefore determining priorities of its direction. Moreover, ongoing communication with your customers and demonstration of the interest in their needs helps maintain their loyalty.

LECTURA can get your survey in front of hundreds of thousands of industry professionals – your potential customers due to our large audience. More than 1,000,000 professionals research equipment on our ultimate buyer's guide LECTURA Specs every month. Moreover, they are actively engaging with our polls and surveys. More specifically, the engagement results in about 1,200 daily replies. We provided our clients already with surveys focused on e.g., telematics, EaaS models, spare parts or equipment rating, having collected tens of thousands of answers.

When wondering about the targeting, LECTURA can select your respondents' sample based on some predefined criteria: region/country of origin, industry and type of business. To reach the criteria we are able to target to place your survey on specific web pages only or provide you with 13 language versions – English, German, Spanish, French, Italian, Dutch, Polish, Ukrainian, Czech, Turkish, Bulgarian, Romanian and Russian. The survey questions are presented to respondents right immediately on the LECTURA Specs website. To make it more specific – the process of research collaboration with LECTURA is as follows.

At the beginning we discuss the objectives of the research – who is it for, why, what information do you want to obtain via your survey. When all previously mentioned is clear, you create the questions which we place on the webpages. After some time, the data are collected and it depends on you whether you want to analyse them by yourself (we are able to provide you the raw data in .xls, .sav or .csv format) or let the LECTURA Surveys to analyse them for you and provide you with a comprehensive report of results. More about LECTURA Surveys: <https://www.lectura.de/surveys/>.

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GET IN TOUCH FOR YOUR SURVEY DETAILS

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