



2019 UPS INDUSTRIAL BUYING DYNAMICS STUDY



Serve your customers better by gaining a deeper understanding of their preferences and buying habits. Explore the results of the 2019 UPS Industrial Buying Dynamics Study with over 1,500 participants across the United States.

68% of participants had at least 5 years in a purchasing/sourcing role

\$6.8m average annual company revenue

374 average number of full-time employees

The Results of Shifting Demographics & Procurement Models

Buyers are younger, less loyal to tradition, and much quicker to switch suppliers; this shift in buyer demographics has a strong impact on vendor share.

Shifting Demographics

As Baby Boomers leave the workforce, Millennials are quickly becoming the face of purchasing.

Shifting Procurement Patterns

Buyers shift spending from distributors, purchasing directly from manufacturers or online marketplaces.

91% of Boomers aren't restricted in who they purchase from

38% of respondents were Millennials, up from 28% in 2017



28% of buyers have shifted their procurement to online marketplaces, up from 24% in 2017



34% of buyers have increased their spending towards Manufacturers, an increase of 3 percentage points from 2017

30% of Millennials purchase from a limited list of vendors



45% of surveyed buyers felt manufacturers delivered excellence in product quality

68% of Millennial buyers prefer to purchase directly from manufacturers and online marketplaces



38% of surveyed buyers saw excellence in product quality with large distributors

Shifting in International Sourcing

Robust international sourcing is on the rise, though domestic sourcing still holds strong opportunities. Millennial buyers say they order nearly half their products internationally, far more than Boomers or Generation X buyers.

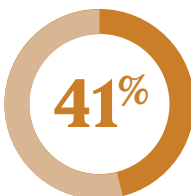
95% of Millennials say that at least part of their orders require same day delivery



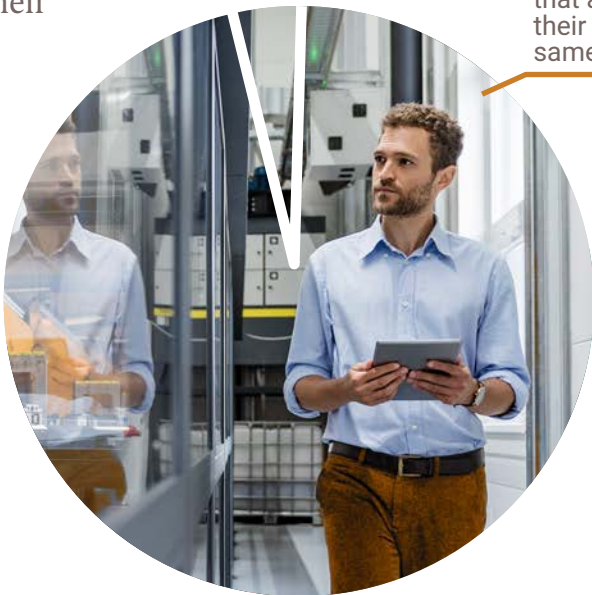
92% of older buyers prefer to source domestically



60% of buyers expect domestic sourcing to stay the same in the next 18 months



41% of buyers cite longer time in transit as a challenge when sourcing internationally



International sourcing of products ranges from 8 to 43 percent of total spend among surveyed buyers.

Shifting Post Sales Requirements

The buying process continues after the sale and remains an important consideration in purchase decisions.

68% cite returns as the most important post-sales service

52% cite on-site repairs as the most important post-sales service

50% cite on-site maintenance as the most important post-sales service

87% of Millennials say they're likely to shift their business for better post-sales support in the next three to five years

To download the full 2019 UPS Industrial Buying Dynamics research report, visit ups.com/insight

The study, conducted by Burke, Inc. on behalf of UPS, is based on a survey of 1,503 buyers in the United States between 22 and 70 years of age who purchase industrial parts, products, or supplies for use in 15 industries. The survey was conducted between December 4, 2018 and December 14, 2018. ©2019 United Parcel Service of America, Inc. UPS, the UPS brandmark and the color brown are registered trademarks of United Parcel Service of America, Inc. All rights reserved.