EDUCATION &
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NAED

TECHNOLOGY BENCHMARKING SURVEY »

Executive Summary

2014 NAED Technology Benchmarking Survey

This research study has been generously sponsored by the
NAED Education & Research Foundation's Channel Advantage Partnership.

Executive Summary

❯ Executive Summary

The Technology Benchmarking Survey serves as a baseline for the adoption of technology by electrical distributors. For the fourth year in a row, the survey provides valuable feedback about the implementation of technology, identifiable areas where NAED can facilitate improvement, and the industry's ongoing technology issues and challenges.

Overall the use of technology continues to rise as electrical distributors increase the use of devices among their employees, and enhance their websites to answer the call for better, faster, and more responsive websites. Companies are providing more online features and ways to communicate with their end users in teh shift from merely providing great customer service, but a great customer experience.

❰ *Methodology* ❱

The NAED's Channel Advantage Partnership (CAP) Council funded primary and secondary research as a basis for this study. For primary research, NAED fielded an online survey of electrical distributors in the summer of 2014. Over 100 respondents working in Information Technology and related fields gave feedback on how technology is used within their companies. The development of the survey was overseen by NAED's Strategic Technology Task Force. Secondary research (included in the full report) provides additional details on the importance of technology in today's business and recommendations to integrate technology in your business strategy.

Of the participants, most belonged to NAED's South Central Region and reported their sales volume in the $25-99.9 million category.
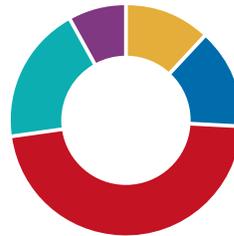
SALES IN VOLUME

12%	■ UNDER $9.9 MILLION
14%	■ $10 MILLION - $24.9 MILLION
47%	■ $25 MILLION - $99.9 MILLION
19%	■ $100 MILLION - $399.9 MILLION
8%	■ ABOVE $400 MILLION

Distributors ongoing concerns remain the same as participants identified data accuracy as the number one concern, followed closed by data security.

Important Technology Issues in 2014

UPDATE
Ensure data in our business system is accurate and up to date
100%

Find a reliable source for product information
92%

Ensure data security across all locations and devices
96%

Find a reliable source for accurate pricing information
90%
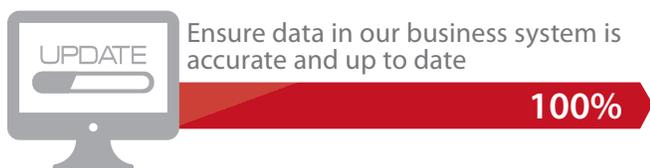
*Totals will not equal 100% since multiple responses were allowed

《 *Websites and E-commerce* 》

This year's participants noted that 94% of their companies have a website that can perform a range of online activities and functions. E-commerce capabilities continue to grow as 61% of respondents report having this function with another 13% actively investigating it. The same percent-ages apply to ordering product online with 61% stating it is available today while 13% are actively investigating it. In addition, 8% of total sales were reported to be entered online in a "typical" month. This is up from 2013 when 5% of total sales were entered online.

Total Sales Entered Online:

	2014	2013
	8%	**5%**
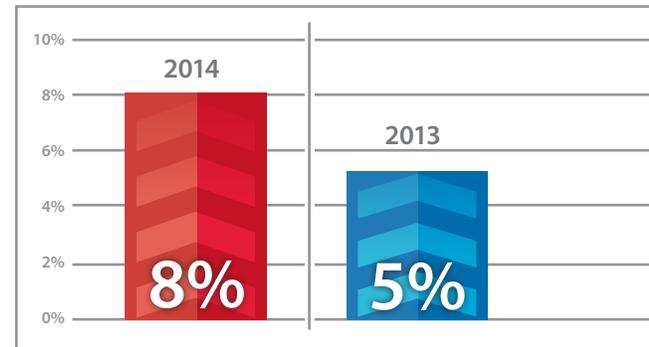
Basic E-commerce Capability

Capability	
LOGIN CAPABILITY 》	**66%**
SEARCH RESULTS PROVIDE CUSTOMER SPECIFIC PRICING ACROSS THE WEBSITE 》	**57%**
CUSTOMIZED ONLINE PRODUCTS CATALOG SEARCH RESULTS 》	**52%**
LINKED TO BUSINESS MANAGEMENT SOFTWARE/ERP FOR REAL TIME RESULTS 》	**51%**
PERSONAL PRODUCT LISTS 》	**51%**
SALES TAX AND SHIPPING ESTIMATE 》	**36%**
ONLINE PAYMENT CAPABILITY 》	**31%**

*Totals will not equal 100% since multiple responses were allowed

Online activities

REVIEW GENERAL INFORMATION	LOOK AT PICTURES OF PRODUCTS	CHECK PRICES OR REQUEST A QUOTE	REVIEW INVOICES, STATEMENTS OR PAYING INVOICES	RESEARCH PRODUCTS OR APPLICATIONS	FIND THE NEAREST BRANCH WITH MATERIALS IN STOCK	NONE OF THESE
79%	76%	61%	53%	50%	50%	13%
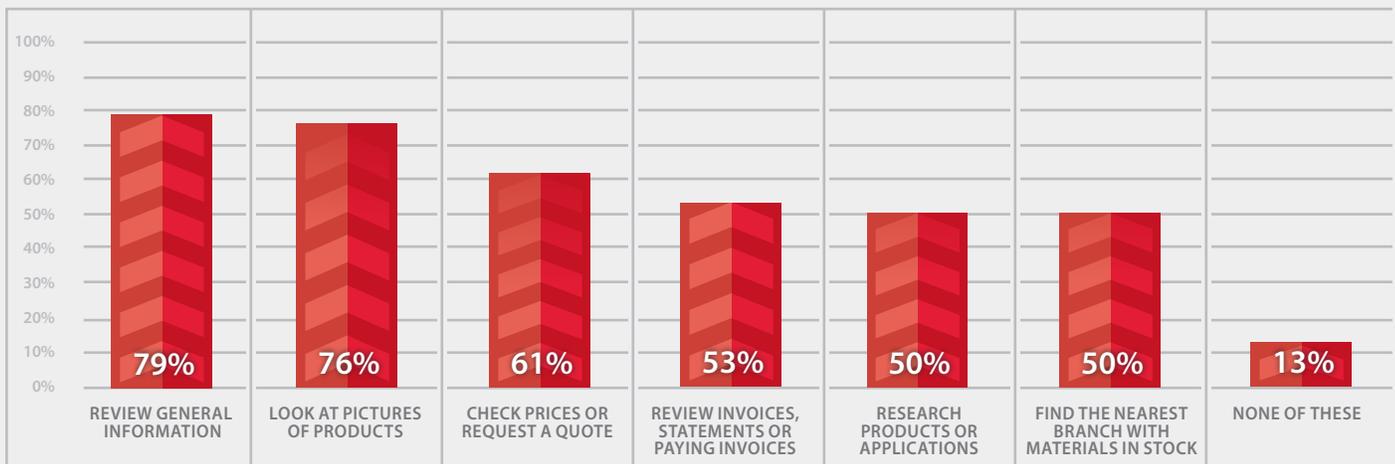
*Totals will not equal 100% since multiple responses were allowed

Online Features

COMPANY LOCATIONS AND CONTACT INFORMATION
98%

LINKS TO MANUFACTURER WEBSITES
81%

SEARCH FUNCTION
73%

PRODUCT SPECIFICATION SHEETS
66%

TECHNICAL SPECIFICATION SHEETS
59%

PRICE QUOTES
55%

CURRENT STOCK LEVELS
52%
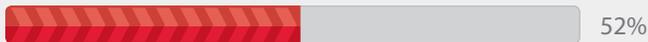
TECHNICAL DRAWINGS
43%
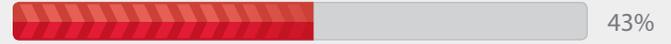
FREQUENTLY ASKED QUESTIONS *(FAQS)*
42%
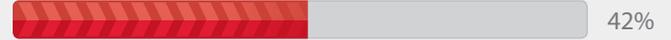
MATERIAL SAFETY DATA SHEETS *(MSDS)*
38%
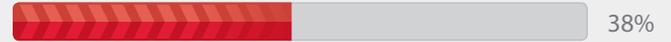
LIVE CHAT CAPABILITIES
10%
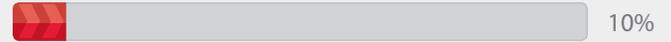
PURCHASE SUGGESTIONS SIMILAR TO AMAZON
(ITEMS OTHERS HAVE PURCHASED WITH THIS PRODUCTS, ACCESSORIES)
11%
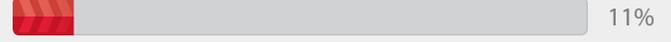
LINKS TO BUSINESS/SOCIAL MEDIA OUTLETS
(FACEBOOK, GOOGLE+, TWITTER, YOUTUBE ETC.)
59%

*Totals will not equal 100% since multiple responses were allowed

Search Functions

SEARCH BY PRODUCT CATEGORY
80%

SEARCH BY MANUFACTURER PART NUMBER
80%

SEARCH BY MANUFACTURER/BRAND NAME
80%

SEARCH RESULTS PROVIDE PRODUCT IMAGES
71%

SEARCH BY CUSTOMER PART NUMBER
53%

SEARCH BY CUSTOMER BRAND NAME
49%

SEARCH RESULTS PROVIDE PRODUCT COMPARISONS
27%

NONE OF THESE
13%

*Totals will not equal 100% since multiple responses were allowed

《 *Technology In The Office* 》

Mobile Technology

88%
Laptop computers

84%
Smartphones
(iPhone, Android phone, Blackberry, Windows phone, etc.)

78%
Tablet computers
(iPad, Samsung Galaxy tablet, Kindle Fire etc.)

Totals will not equal 100% since multiple responses were allowed

Technologies to "Run" the Business Available Today

ELECTRONIC DATA EXCHANGE (EDI)
87%

**ONLINE MEETINGS/WEB CONFERENCING**
(GOTOMEETING, TELSPAN, WEBEX, ETC.)
71%

BAR CODING/SCANNING
66%

GPS LOCATING SOFTWARE
59%

WIRELESS INVENTORY CONTROL *(RFID)*
41%
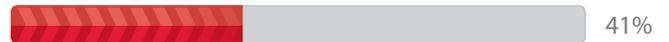
TRUCK ROUTING SOFTWARE
40%

**CUSTOMER RELATIONSHIP MANAGEMENT** *(CRM)*
32%

SALES FORCE AUTOMATION *(SFA)*
20%
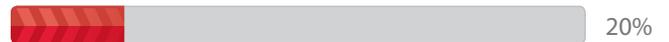
Totals will not equal 100% since multiple responses were allowed

Primary Source for Pricing Information
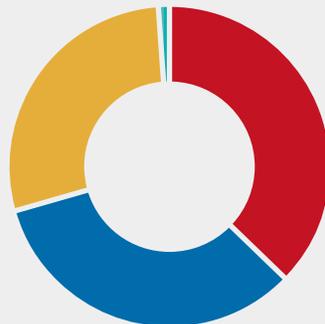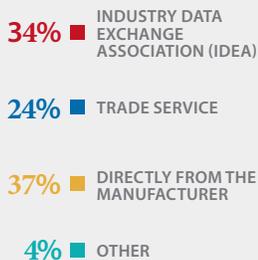
34% ■ INDUSTRY DATA EXCHANGE ASSOCIATION (IDEA)

24% ■ TRADE SERVICE

37% ■ DIRECTLY FROM THE MANUFACTURER

4% ■ OTHER

Social Media Use

FACEBOOK
65%

LINKEDIN
51%

TWITTER
49%

Totals will not equal 100% since multiple responses were allowed

TECHNOLOGY BENCHMARKING SURVEY
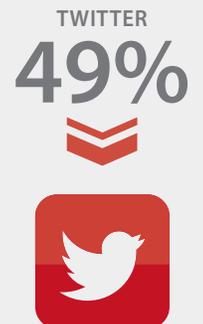
《 *Full Report:* 》

The full report includes a comprehensive listing of the survey results that impact the use and implementation of technology by electrical distributors. It can found on the NAED website and is free to NAED members.

It also features secondary by PricewaterhouseCoopers, Deloitte Digital, MITSloan, Forrester Research, Baker Tilly Virchow Krause and others. Ideas and recommendations to integrate greater uses of technologies in your business strategy are featured throughout the report, including articles on:

❯ *Search engine optimization*

❯ *Building a cross-channel marketing plan*

❯ *Five misconceptions many leaders make regarding their web presence*

To add perspective to the findings, the full report also presents results from the 2014 Contractor Technology Benchmarking Survey, also conducted during the summer of 2014 by NAED. It was a co-branded survey with the Independent Electrical Contractors Association (IEC) and the National Electrical Contractors Association (NECA) to gather data about how electrical contractors use technology. Responses are included for comparison and can be used by electrical distributors to help set technology goals that will best meet the needs of their customers.

Funding for the study was provided by the NAED Foundation's Channel Advantage Partnership (CAP), 49 electrical distributors and manufacturers dedicated to research for the betterment of the industry. Please visit *www.naed.org/research* for more information. Additional input was given by NAED's Strategic Technology Task Force. They develop resources and offer recommendations to keep NAED membership up to date on the latest technological innovations and solutions to further cement the viability of the channel's future.