



# Capital Equipment Marketing Imperatives

A WHITE PAPER BY



[www.fusionb2b.com](http://www.fusionb2b.com)

# Capital Equipment Marketing Imperatives

Capital equipment is far from an impulse purchase. With typical prices in the hundreds of thousands, or even millions, capital equipment is one of the most carefully analyzed purchases made. Given the level of expense for capital equipment purchasing, buyers must justify capital spending most often with several financial analysis techniques. But how can a company market capital equipment? What techniques or approaches work best? How does a company employ best practices?

## CAPITAL EQUIPMENT DYNAMICS

Before delving into the how-to's of marketing capital equipment, please consider five very important dynamics that affect capital equipment marketing: multiple decision-makers or buying committees, extended sales cycles, short consideration set, lifetime customer value (LCV), and employee job security.

First, capital equipment purchasing most often involves multiple decision-makers and influencers—sometimes the CEO, almost always the CFO or tax advisors, purchasing, and engineering. Often a multi-functional team is formed for a specific capital investment project, or a capital spending planning committee manages the process.

Second, as a result of all this analysis and planning, the sales cycle or timing of capital equipment purchasing is extended. Typically, the process takes at least one year and, sometimes, several years. Third, despite the extensive analysis of a capital equipment purchase, studies have shown that buyers consider a short list of top brands—otherwise known as the consideration set, which often includes no more than three alternatives. Reputation is everything.

[Capital Equipment Dynamics \(cont'd\)](#)

With capital equipment, Lifetime Customer Value (LCV) is more significant than other categories, given revenue streams from ongoing service and repair parts, which typically generate substantial margins. In addition, with extensive training required, it's unlikely that a customer will switch brands, or add different equipment. Finally, given the financial risk associated with such large purchases, the lowest cost option is often not as important as employee worries over job security for making a bad decision. The old saying, "No one ever got fired for hiring IBM," rings true.

## SIX CAPITAL EQUIPMENT MARKETING IMPERATIVES

So how do you most effectively market capital equipment? Although any number of marketing approaches can work well, after extensive marketing engagements across a broad range of capital equipment categories (including food processing and packaging, information technology, machine tool, construction, telecommunications, medical, transportation, graphics and more), coupled with extensive benchmarking, FUSION has developed six Marketing Imperatives critical to effectively market capital equipment:

- Market and customer intelligence
- Positioning and messaging
- Deep and strategic content
- Search-engine optimized websites
- Email campaigns and webcasts
- Trade show events

One could argue that these marketing strategies are necessary for any successful marketing program. Here's how these six imperatives differ slightly for capital equipment marketing.

Market and customer intelligence are listed first by design. This background insight and information regarding markets and customers should impact, if not truly drive, all other marketing initiatives. Start with secondary research, previously

Six Capital Equipment Marketing Imperatives (cont'd)

published information and market studies. Certainly internet research and competitive analysis would be part of this process. FUSION recommends searching [www.marketresearch.com](http://www.marketresearch.com), for access to syndicated market studies on all the major capital equipment categories, and even many of the more obscure types. Many studies identify major customers. Industry associations, trade publications, mail lists and trade shows are other sources of market intelligence. In addition, there are databases that report UCC filings for capital equipment loans and leases that offer very specific customer (equipment purchase) information (Visit Equipment Data Associates at [www.edadata.com](http://www.edadata.com)).

If secondary market research is not readily available, consider primary market research including telephone and mail surveys, in-depth interviews (IDIs), even focus groups that can be efficiently recruited at major trade shows. Manage the customer intelligence process with a Customer/Prospect Database complete with all contact names, locations, capital equipment purchase history, financial information and more. The database becomes the tool for managing lead generation, and capturing all inquiries, contacts and registrations.

As with all marketing best practices, a relevant and effective positioning serves as a foundation to all downstream marketing implementation. With an average consideration set of three, effective positioning against top competitors is particularly critical. But positioning is more than a cool tagline; it is the overall perception a customer has about your brand or company based on all prior contacts and experiences. We marketers tend to group taglines and messaging as positioning. But re-positioning, or changing perceptions is based on the global perception of all marketing activities. Using customer surveys or interviews to test positioning and messaging will ensure relevance.

Another foundational element of capital equipment marketing best practices is strategic content—the research and development of information that addresses

Six Capital Equipment Marketing Imperatives (cont'd)

all identified or anticipated marketing communications requirements. With perceived market leadership so important to capital equipment, technical and educational content is critical for deploying the company website, and for printed sales tools and direct marketing. Strategic content must deliver different types of information to the multiple decision-makers. The most obvious, financial decision-makers will require tools and worksheets that use traditional capital spending evaluations—Return On Investment, Payback, Net Present Value, total cost of ownership, as well as, tax information. If your brand is not the leader, consider developing and submitting comparison charts and cross-reference information. Presentation materials such as case studies, white papers, technical specifications, and training and installation information are also important aspects of strategic content, as this information serves to simplify purchasing decisions for technical team members. Additionally, sending the strategic content information to the trade press in a focused media relations program will reinforce perceived leadership and position your company as subject matter experts (SME).

Again, due to the amount of research and analysis that is undertaken, Search Engine Optimization (SEO) is a critical marketing imperative for capital equipment marketers. It's a safe bet that internet search is used for considering alternatives, if not at the starting point. So why not convey this leadership from the start? SEO is not buying Adwords from Google, but building into a website features that major search engines use to determine organic search results. The most basic features include meta-tag and alt-tag coding, followed by title-tags and optimized URL structures. In addition, redundant text links, and Site Maps should be employed, along with link directories and keyword content. (For more information on SEO, please visit the FUSION site at [www.fusionb2b.com](http://www.fusionb2b.com), and link to white papers.)

Ideally, the payoff of a search result is a link to the company website. No doubt, the foundation of all things involving capital equipment marketing is the website. The mothership website must be "state-of-the-art". It must exude leadership,

Six Capital Equipment Marketing Imperatives (cont'd)

bristle with information and provide content for all information requirements. Execution value is important. If you are selling to the Fortune 5000, the site must look like it belongs in the Fortune 5000. Because of the financial risk associated with capital equipment, a less-than-exceptional website will bump a contender from the top-three consideration set.

With the sales cycle often extending years, email campaigns and webcasts are proven to be effective for the periodic contact required to maintain awareness and move the prospect through the decision-making process. Certainly email offers the flexibility and efficiency to micro-target messages and content to the type of decision-maker (think White Paper: Tax Facts for CFOs Procuring Form and Fill Machinery). Periodic webcasts can be communicated via email, and like email, can address very specific information requirements.

Last but not least, trade shows and exhibitions remain a staple in capital equipment marketing, despite the demise of trade shows in other categories, such as electronics. Oftentimes, capital equipment is purchased at key industry events. Best-practice trade show marketing employs an integrated approach with pre-show promotion, extensive media relations, as well as speaking engagements by industry experts—ideally to communicate some of the deep and strategic content so carefully developed. At-show promotions and contests can be used to capture sales leads. Post-show marketing is an often-neglected initiative that can provide decision-makers with tools and insights into future purchases.

## HOW TO ACHIEVE MARKET LEADERSHIP

Capital equipment marketing is complex due to several dynamics including a highly analyzed purchasing process via multiple decision-makers over an extended period of time. Building a reputation, or a positioning, is the culmination of all marketing initiatives and all customer contacts. To better leverage marketing resources, executing against six strategic marketing imperatives will deliver the desired leadership position critical to capital equipment marketing and sales success.

*FUSION b2b is a full-service, strategic marketing and creative communications agency focused on business-to-business markets. Clients include USG Sheetrock, Panasonic, AMCOR packaging, OMRON electronics, Woodworking Machinery Industry Association (WMIA), ITW, Tyco Electronics, and others. For more information or press kit, contact Heather Hawes.*

### CONTACT

1548 Bond Street, Suite 114  
Naperville, IL 60563  
t:630.579.8300  
f:630.579.8989  
www.fusionb2b.com