

Topic:
CAD & The
Internet

One in Five Buy On-Line

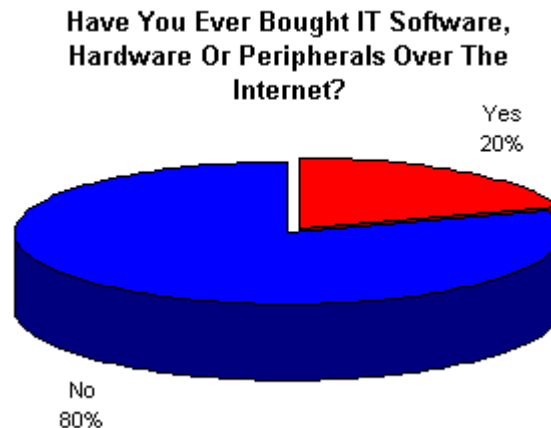
We reveal the Web purchasing habits and intentions of managers of design functions at electrical engineering sites.

iCAD is produced by Business Advantage, a B2B research, business development and marketing consulting practice operating in the global IT, Digital and Telecommunication sectors.

Eighteen months ago CAD Spaghetti looked at the inclination of CAD/CAM users to buy IT related products on the Internet. In December 2000, just over 15% of managers of CAD related functions reported that they had bought software, hardware or peripherals on-line ('[Are CAD/CAM Users Buying On The Net?](#)'). The hype over 'e-enabled' product development processes has passed its peak since then, but has there been any increase in confidence in the more straightforward forms of e-business? To find out, we interviewed managers of design functions at 70 sites in the electrical engineering sector about their Internet purchasing habits.

E-Buys

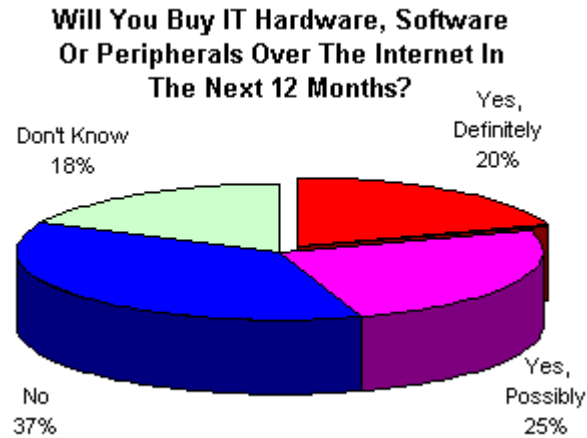
One in five of our sample have bought software, hardware or peripherals on the Internet. The size of this group is too small for any further analysis, but it's interesting that of the 14 sites interviewed in this category, the majority had bought more than one category of product on-line.



Five of these fourteen companies had also found a new supplier via this method of purchase, and all of them think they will continue to buy on-line to the same or greater degree in future.

E-Futures

With the one in five who are already buying on-line committed to doing so in future, a further quarter said it was possible that they would buy software, hardware or peripherals on the Internet. Nearly two in five however said they would definitely not be using this option.



Web Comparisons

Around half of those who will not be buying on-line in future are at least using the Internet to compare different products and services. Overall four out of five of the managers we interviewed are using the Web for this purpose, and 30% said they do so every week.

Conclusion

You can take your pick from a range of projections for the increase in business-to-business e-commerce. IDC for example expects the total worldwide value of goods and services purchased by businesses through e-commerce solutions will increase from \$282 billion in 2000, to \$4.3 trillion by 2005. In the UK electrical engineering sector we have 80% of managers of CAD functions using the Internet to research and compare products, so it's not a huge step to predict that there will be a steady increase in the number actually buying on-line. Nor should it be assumed that it is only reluctance on behalf of customers that is holding back a faster growth in e-purchasing; many suppliers have yet to establish e-commerce options.



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