

# A country's culture dramatically impacts their industrial buying during COVID-19, says new research

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## PRESS RELEASE FOR IMMEDIATE RELEASE

During the coronavirus pandemic, purchasing from industrial suppliers actually increased in countries with high uncertainty avoidance, such as Brazil, Argentina, and Spain, whilst buying was least affected in low uncertainty avoidant countries such as the UK, China, and India, finds new research from ESMT Berlin.

Olaf Plötner, Professor at ESMT Berlin (<https://esmt.berlin/>) and director of the centre Bringing Technology to Market, and colleagues, studied how industrial customers' purchasing behaviour changes during a global pandemic and which offerings industrial customers are most likely to purchase. They investigated 31,353 sales opportunities with a globally operating machine tools manufacturer across 57 countries. The company is known for selling machine tools, repairs, maintenance services, machine programming, enterprise software, Industry 4.0 consulting services, and automation solutions.

The researchers found that overall, the coronavirus significantly decreased the likelihood of industrial customers' making a purchase, especially for higher priced offerings. However, the likelihood of a customer making a purchase was less affected in countries with low uncertainty avoidance and strong long-term orientation, such as China, India, the UK, Sweden, and Singapore. These cultures are more likely to embrace unexpected events and emphasise focus on the future.

Conversely, the likelihood of customers making a purchase increased for low-priced offerings if they were from cultures characterised by high uncertainty avoidance and low long-term orientation, such as Brazil, Mexico, Poland, Spain, and Argentina. These cultures do not tend to appreciate uncertainty or ambiguity and tend to focus on the short-term. Furthermore, although sales of hardware-based products have decreased worldwide, sales of software/digital services have increased.

Professor Plötner says,

"In certain cultural contexts, the pandemic increases or decreases purchase probability depending on the price of the offering. These findings have implications for how suppliers can secure business in different countries during unprecedented global shocks, such as the coronavirus pandemic. For countries like China and India, suppliers should focus on sales opportunities for high-priced offerings and prompt customers to plan beyond the crisis. On the other hand, for countries such as Brazil and Mexico, suppliers should focus on sales opportunities for low-priced offerings, such as spare parts, which they would need for maintaining operations during supply shortages"

These findings were published in Industrial Marketing Management.

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If you would like to speak with Professor Olaf Plötner, or a copy of the research paper, then please

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