

Competing For Share Of Global Mining Industry Spend In 2010-2011: Supplier Marketing And Sales Strategies And Industry Outlook

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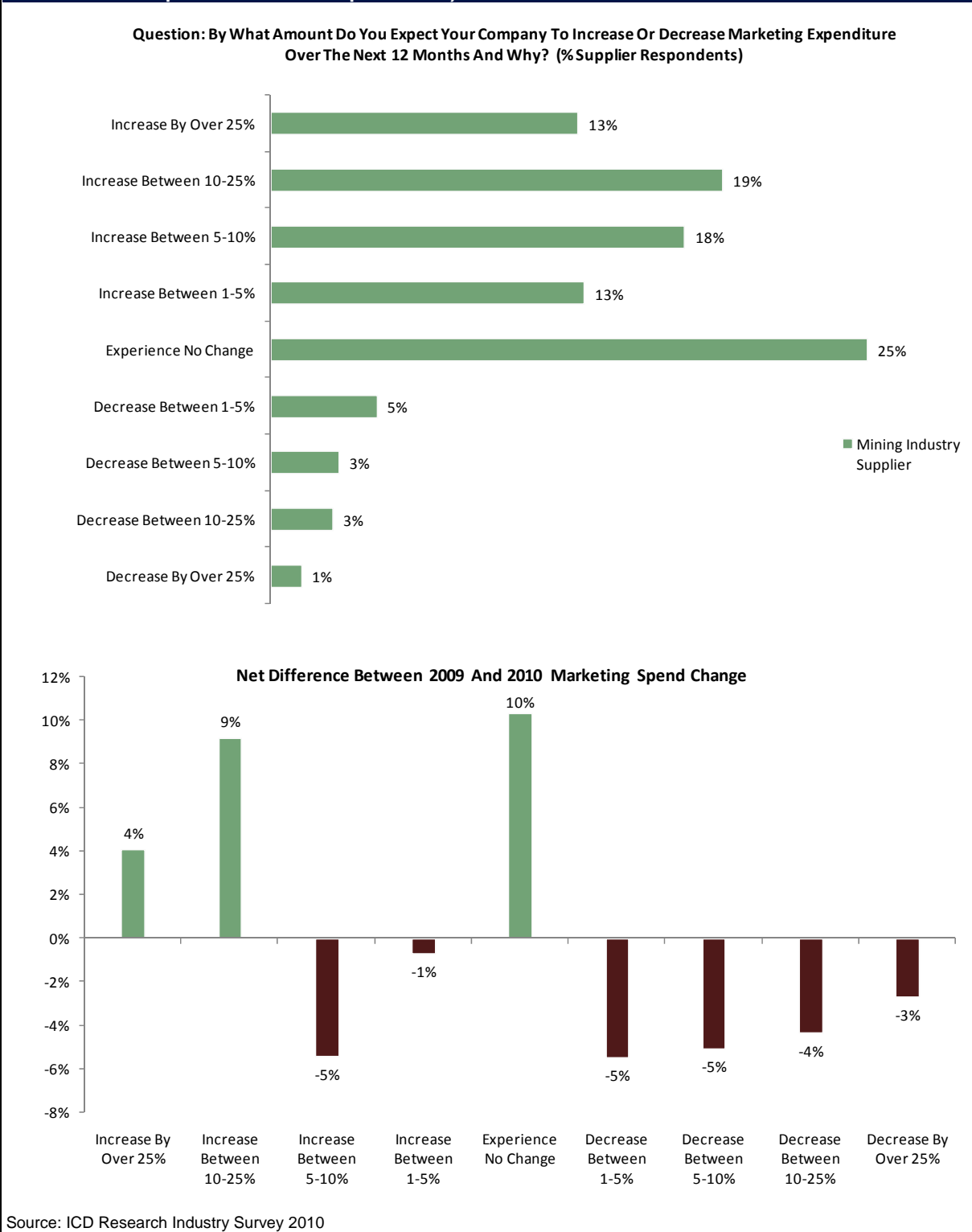


Table 49: Key Marketing Aims Over The Next Year: Mining Industry Supplier (% Supplier Respondents), Global Mining Industry, 2010

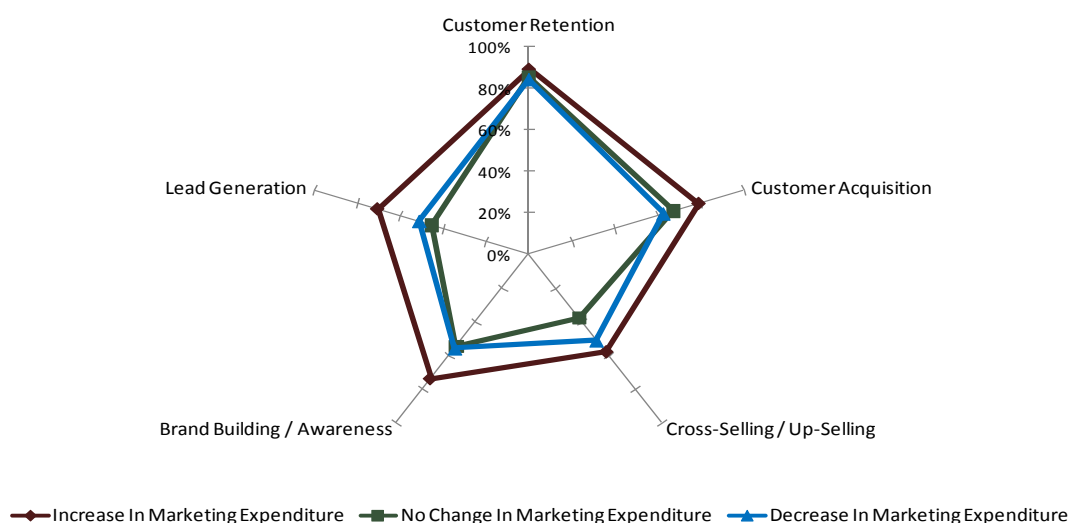
Response percent	Very Important	Important	Moderate	Low Or No Importance	Don't Know	Overall
Customer Retention	76%	17%	6%	1%	1%	100%
Customer Acquisition	51%	31%	12%	3%	2%	100%
Brand Building / Awareness	42%	33%	18%	5%	2%	100%
Lead Generation	36%	34%	19%	7%	4%	100%
Cross-Selling / Up-Selling	23%	39%	26%	9%	3%	100%

Source: ICD Research Industry Survey 2010

The most important marketing aims do not vary significantly when segmented by expected change in future marketing expenditure. Marketing aims of companies who are expecting a decrease in expenditure have identified 'customer retention' and 'customer acquisition'. The ROI on brand building and awareness takes a longer time than customer retention and acquisition, which usually result in higher sales or revenue within a short span of time.

Figure 41: Most Important Key Marketing Aims Over The Next Year By Expected Change In Future Marketing Expenditure (% Supplier Respondents), Global Mining Industry, 2010

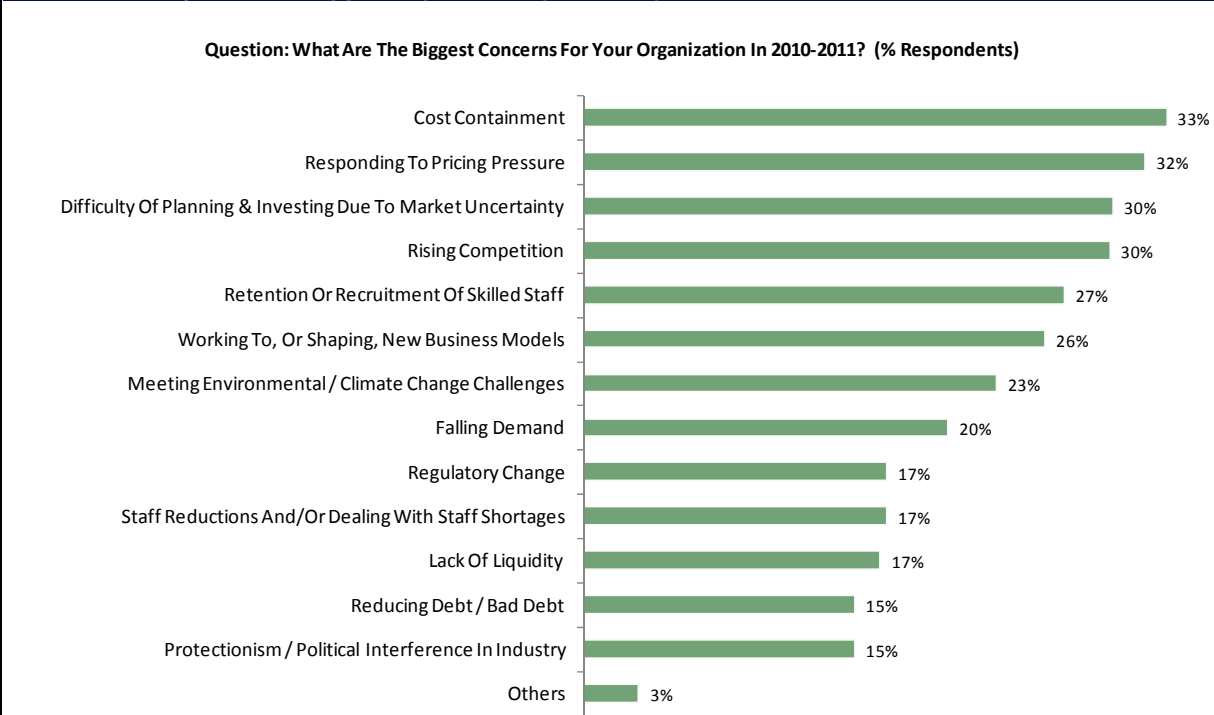
Question: How Important Are Each Of The Following Objectives To Your Company's Marketing Strategy Over The Next 12 Months? (% Supplier Respondents By Marketing Expenditure)



Source: ICD Research Industry Survey 2010

The key leading business challenges has remained the same (except 'falling demand in core markets'), in comparison to the corresponding survey conducted in Q2 2009.

Figure 18: Leading Business Concerns For The Period 2010-2011 Among Global Mining Industry Buyers And Suppliers (% All Respondents), 2010



Source: ICD Research Industry Survey 2010

'Meeting environmental/climate change challenges' is one of the important concern for mining companies, which means that the industry is focused on immediate as well as long term vision. Buyer companies are consolidating, as there is increase in M&A activity due to the volatile cost factor, lack of credit availability and increasing competition. Similar factors were identified as the leading business concerns by industry respondents in Q2 2009. The industry is worried about their margins, to address which, various methods of containing cost are being formulated such as implementing excess working hours for the employees without any benefits, workforce reduction, reduction of travel and overhead expenses and concentrating on in-house manufacturing techniques instead of outsourcing.

Metal manufacturer/processor companies are concerned about rising competition in the industry. Due to increasing competition small companies are merging with bigger ones to pool resources and cut costs. Smaller mining companies are finding it harder to survive the crisis as they cannot afford to rebuild their own businesses. Hence, bigger companies could take advantage of the ensuing economic situation and buy these companies at cheaper values than its original, and enhance their own market share.