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**Media Contact:**

Kim Phelan  
800-388-0650 ext. 340  
*kphelan@aednet.org*

**AED Releases Construction Equipment Market Study**

*2008 report indicates where dealers should emphasize marketing efforts.*

**Oak Brook, Ill.** – Past experience with a dealer and product availability – not brand – are the most important factors equipment owners consider when determining where to buy equipment, according to study released by AED.

The 2008 Construction Equipment Market Study, the third in a series that began in 2003, aims to monitor channel-to-market trends and identify channel changes that will affect AED members. *Equipment World* magazine provided research support for the study, and Frank Manfredi, president of Manfredi & Associates, is the author of the executive summary.

More than 90 percent of equipment owners purchase their equipment from independent dealers, according to the survey. The study also found that 26 percent of equipment owners purchase new equipment from auctions, and 18 percent buy from rental companies. Eight percent said they purchase new equipment on the Internet, compared with 2 percent in 2003.

A significant finding from the 2008 study provides important reinforcement for distributors to concentrate their marketing and advertising efforts on building their company's brand awareness, and not necessarily emphasizing awareness for the products they represent.

Equipment owners were questioned extensively about their 2009 purchase intentions; however, their responses were received during August 2008, before the tumultuous financial and credit crisis. AED conducted a small follow-up survey in October among equipment owners who had responded to the first survey, asking them to revisit their answers about '09 plans. In general, equipment-owner buying intents evaporated some time between August and October.

Additional survey findings:

- Manufacturers do not expect to shift their channel-to-market strategies significantly. More than two-thirds of their equipment is sold through independent distributors.
- Dealers reported that more of their customers are purchasing more equipment from auctions and on the Internet than in 2006. Dealers believe the availability of these channels has decreased their margins and increased competition.
- Selling through equipment rental companies and direct to equipment buyers have become popular channels-to-market for manufacturers of attachments, lifting, paving and light/general products.
- Seventy percent of equipment-owner respondents who were resurveyed in October indicated that the 2008 Economic Stimulus Plan did not have an impact on their purchasing decisions, and 70 percent said an extension of the stimulus plan would not cause them to buy new equipment.

**About AED**

AED is an association of independent distributors, manufacturers and other organizations involved in the distribution of construction equipment and related products and services in North America and throughout the world. AED members sell, service and rent equipment to markets that include heavy and light construction, mining, agriculture, forestry, aggregates, engines and industrial.

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