

ONEMOTION

Manufacturing & Distribution Customer Engagement Report

NAHAD Industry (February 2025)

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INTRODUCTION



If you're reading this report, you're likely an Executive Leader in a manufacturing and distribution organization, perhaps even a NAHAD member company. Through our experience in working closely with companies just like yours, we recognize that your business is your baby and we take this very seriously.

So, where did this report come from?

Over the past decade, we've been working with companies in the manufacturing and distribution to bring their technology up to date. Sometimes this is through ERPs, sometimes CRMs and sometimes through customer portals. When it comes to portals, it's been memorable to witness the power of this simple tool in dramatically improving the customer experience for a company.

After working with one particular NAHAD company, we started to get curious...what is the general state of customer engagement across NAHAD organizations?

Moreso, how does that state compare to other manufacturing and distribution industries?

This report, and the analysis behind it, was born from that seed of curiosity. It represents the first of a series of industry reports that will eventually provide insightful context to better understand the second question - the state of customer engagement across the broader manufacturing and distribution industry, as well as the ability to compare micro-industries within.

For now, we have focused this document on answering the first question:

What is the state of customer engagement specifically across NAHAD organizations?

It has been a fascinating journey to dive into answering these questions and we are happy to share the results with you.

Here's to an exciting and thriving future for your business and your industry!

Sincerely,



Josh Hagan,
President, OneMotion Technologies Inc.

EXECUTIVE SUMMARY

PURPOSE:

This report examines the current state of customer engagement within a sector of the North American manufacturing and distribution industry. The purpose of this report is to understand how The Association for Hose and Accessories Distribution (NAHAD) member companies interact with customers, manage inquiries, and scale their service operations. Based on survey responses from 31 participating companies, we analyzed key aspects of customer service and engagement.

FINDINGS:

Respondents represent a diverse range of manufacturing and distribution businesses across the U.S. and Canada. The report categorizes companies by size and years in operation, highlighting trends in customer service practices across different business structures. Our findings show that larger and more established companies are more likely to have implemented a customer portal, whereas smaller businesses tend to rely on traditional methods of communication.

While traditional engagement methods remain the primary method of customer support for many companies, our findings suggest they are correlated with longer response times for customer inquiries. In comparison, adoption of customer portals within the manufacturing and distribution industries remains relatively low, however companies that have implemented a portal report faster response times for customer inquiries.

Companies with a portal also report less concern about scaling their operations as their business grows, with nearly half expressing no concern about their ability to scale. In contrast, only 35% of companies without portals reported no concern in scaling their business.

Self-service customer portals are increasingly recognized as a tool for improving customer engagement and operational efficiency. While most companies acknowledge the potential benefits, adoption remains low. However, our findings suggest that 45% of businesses without portals are planning to implement one within the next 2 years, suggesting an increase in self-service technology adoption in the near future.

RECOMMENDATIONS:

As customer expectations evolve, manufacturing and distribution companies should consider strategies to enhance engagement, streamline service operations, and remain competitive in an evolving industry. Digital tools like customer portals can improve response times, reduce strain on service teams, and provide customers with quick access to information. For companies hesitant about adoption, gradually implementing self-service features can enhance customer experience while maintaining flexibility. Regularly assessing customer service performance ensures engagement strategies align with industry trends and customer needs.

THE CHANGING LANDSCAPE OF CUSTOMER ENGAGEMENT

Many things are rapidly changing the landscape of the manufacturing and distribution industry in the United States and Canada, but amidst all of these changes, companies are more committed than ever to attracting and retaining customers.

According to Salesforce:

86% of manufacturing executives view customer service as a key competitive differentiator.

and

Over **60%** of manufacturers are increasing investments in personalized service interactions.

This shift aligns with insights from TrustRadius, which highlights the growing trend of consumers preferring self-service for part or all of their buying journey.

Customers want a flexible experience - sometimes they want to serve themselves, sometimes they want assistance, and overall they want a seamless experience regardless of how they engage with a company.

A report by McKinsey highlights that B2B buyers expect a well-rounded **mix of sales channels**, balancing traditional, remote, and self-service options.

With B2B buyers demanding more integration between self-service and assisted purchasing, B2B businesses across all sectors are adopting advanced solutions.

For NAHAD member organizations, this presents a unique opportunity to differentiate themselves in the manufacturing and distribution industries.

RESPONDENT PROFILE

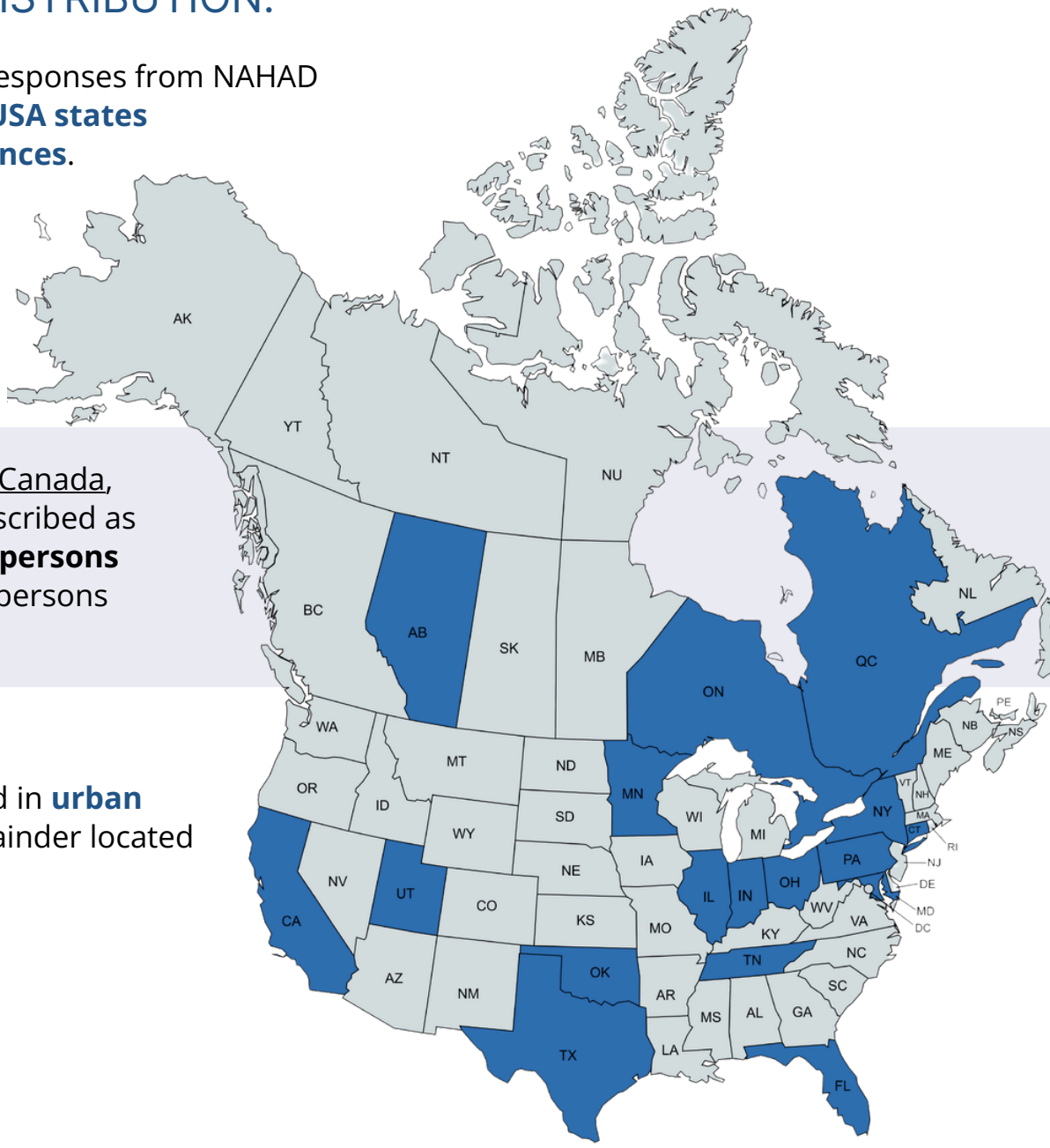
This report is based on survey responses from 31 NAHAD member companies . We are grateful to those companies for their participation in our customer engagement survey.

According to NAHAD, “members include companies worldwide, engaged in the distribution and manufacturing of all types of hose, tubing, couplings, fittings, clamps and related accessories”. Membership includes companies serving the industrial marketplace, as well as firms who offer services and products to the industry.

GEOGRAPHIC DISTRIBUTION:

Our survey gathered responses from NAHAD companies across **14 USA states** and **3 Canadian provinces**.

Of these respondents, **89% are based in the USA** and **11% are based in Canada**.



According to Statistics Canada, an **urban region** is described as an area with **over 400 persons per square km** (1035 persons per square mile).

93% of our survey respondents are based in **urban regions**, with the remainder located in **rural areas**.

COMPANY SIZE:

For the purpose of this report, company sizes are based on employee count.

Micro-organizations are defined as companies with **1 - 10 employees**, **small businesses** as those with **11 - 100 employees**, and **medium businesses** as those with **101 - 300 employees**. Companies with over **300 employees** are classified as **large businesses.**

The distribution of company sizes among our respondents is as follows:

7%	61%	25%	7%
Micro Organizations	**Small Businesses**	**Medium Businesses**	**Large Businesses**



Our survey of 31 NAHAD member companies found that only **35% of companies** have implemented customer portals.

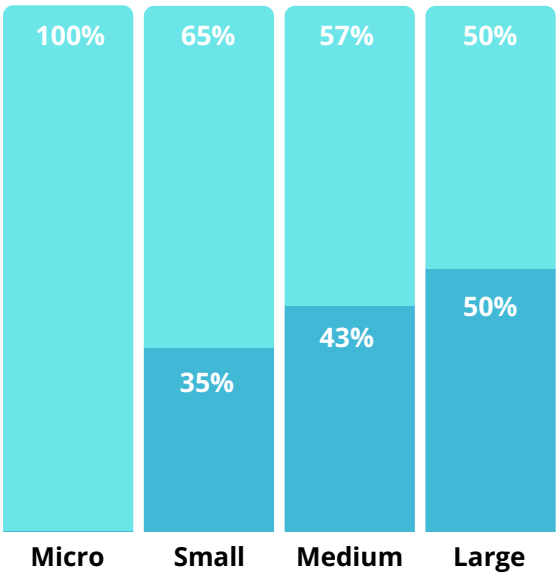
Comparing companies with and without portals highlights the relationship between business size and self-service technology adoption.

Our survey shows that portal adoption increases with company size. While **micro-organizations** don't yet use portals, **35% of small**, **43% of medium**, and **50% of large businesses** have implemented them.

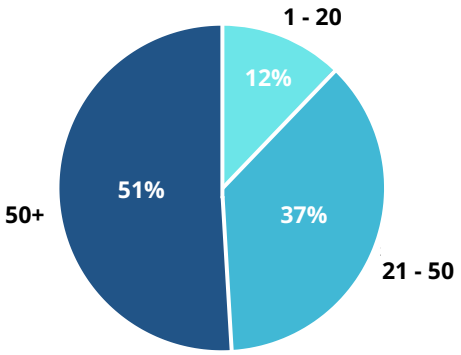
Companies with Portals

Companies without Portals

Company Size: With vs. Without Portals



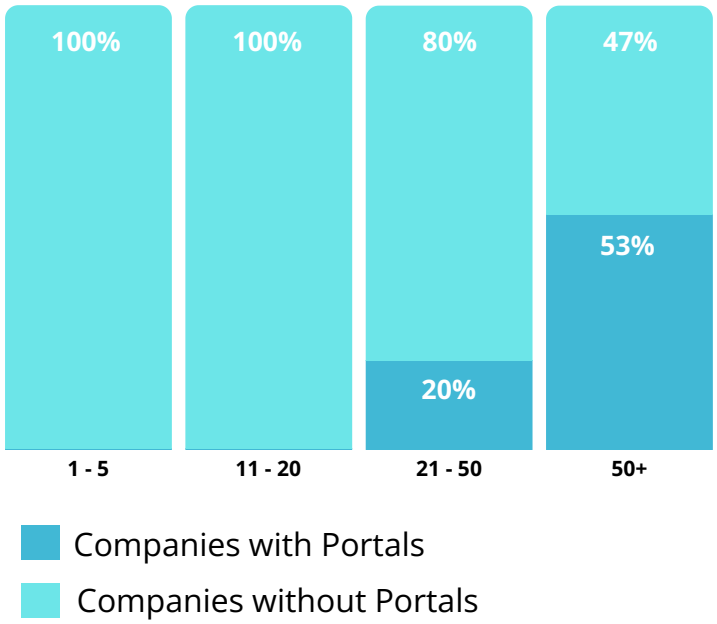
YEARS IN OPERATION:



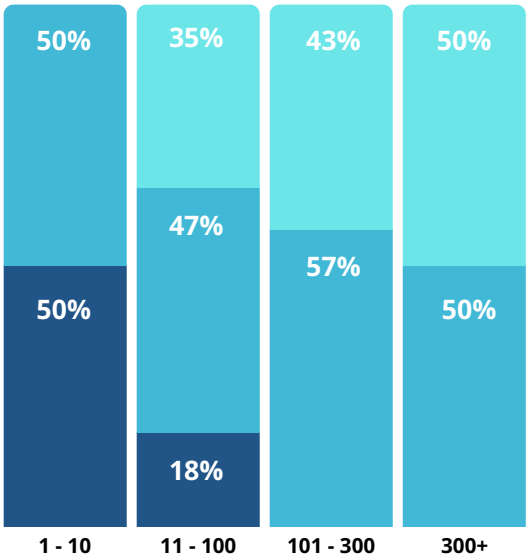
The more established the company, the more likely it is to have a customer portal.

Our survey shows that portal adoption is linked to industry experience. **53%** of companies operating for **50+** years **use customer portals**, compared to **20%** of those with **21–50 years**. Notably, no company with **20 years or less** has implemented one.

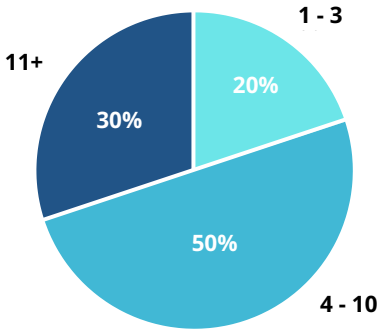
Years in Operation: With vs. Without Portals



Company Size vs. Team Size



CUSTOMER SERVICE TEAM SIZE:



30% of respondent companies have **11 or more** full-time customer service team members. Another **50%** have between **4 - 10**, while **20%** have between **1 - 3** team members.

The larger a company is, the more customer service employees they have. **50%** of **micro-organizations** have **1 - 3 employees**, while **50%** of **large businesses** have **over 11**.

CUSTOMER SATISFACTION & ENGAGEMENT

Customer engagement methods continue to evolve across all industries. To gain a clearer understanding of the current state of customer engagement within manufacturing and distribution, we surveyed the current approach to customer engagement within NAHAD.

HOW DO CUSTOMERS CURRENTLY ENGAGE WITH EMPLOYEES FOR CRITICAL INQUIRIES?

The survey explored how NAHAD companies assist customers with the three most common types of inquiries:

- Accessing Order Information
- Checking Product Availability
- Handling Product Returns

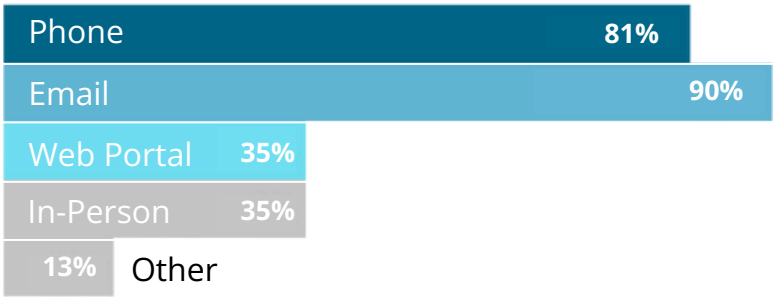
For **accessing order information**, over **90%** of respondents rely on **email**, and over **80%** rely on **phone**. **Web portals** are only used by **35%** of respondents.

87% of respondents use **email** and **phone** as their primary method for inquiries on **product availability**. Only **38%** of respondents use **web portals**.

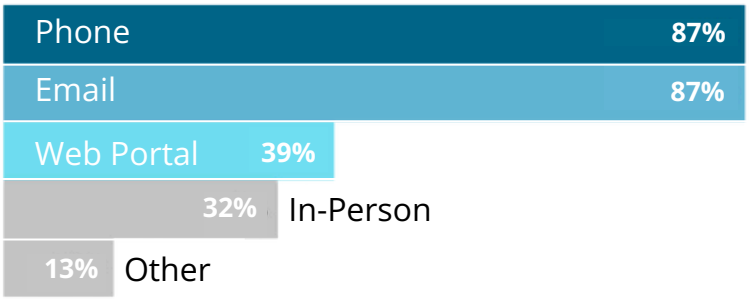
83% of respondents handle **product returns** through **email** and **74%** through **phone**. **Web portals** are only used by **16%** of respondents.

The results indicate that traditional methods, such as phone and email, are the most commonly used channels for customer interactions across customer inquiry type.

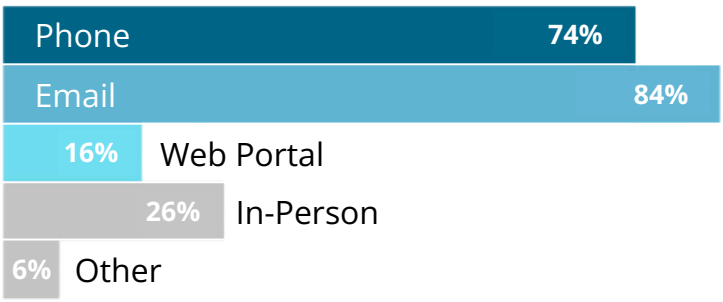
Accessing Order Information



Checking Product Availability



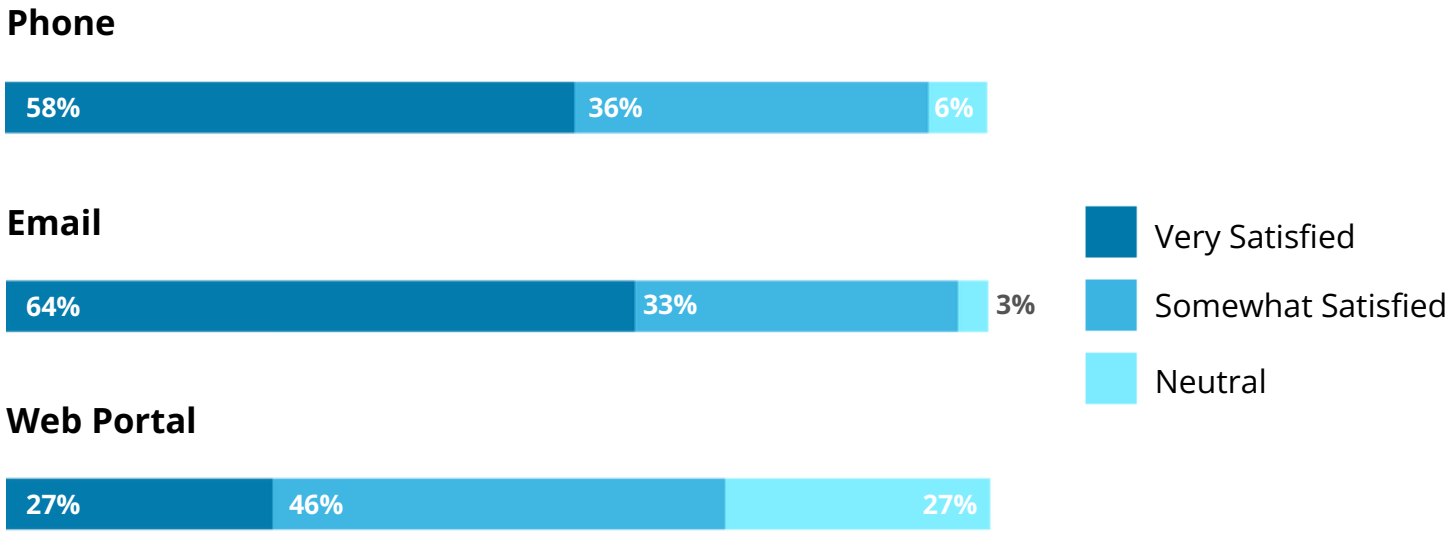
Handling Product Returns



HOW SATISFIED ARE YOUR CUSTOMERS WITH HOW THEY CURRENTLY ACCESS INFORMATION?

Our survey further assessed customer satisfaction with current methods of accessing information, including phone, email, and web portal. Satisfaction levels were only assessed by the respondents currently using each method (phone, email, portal).

Disclaimer: It is important to note that these ratings are reflective of the company's perception of customer satisfaction. Further steps to gather this data from customers directly would be helpful for NAHAD organizations in order to ensure that their perceptions of customer satisfaction do, in fact, match the reality.



Based on the survey responses relative to inquiries made via phone, **58%** of respondents reported "**very satisfied**" customers, while **36%** reported "**somewhat satisfied**" customers. **6%** of respondents remained **neutral**.

64% of respondents who use email as a communication tool rated customer satisfaction with this method at "**very satisfied**", with an additional **33%** rating satisfaction at "**somewhat satisfied**". **3%** of respondents stayed **neutral**.

Of the respondents who currently have a customer portal, **73%** expressed customer satisfaction at "**somewhat satisfied**" or "**very satisfied**".

No respondent rated customer satisfaction below neutral across all communication methods. This may be due to bias on behalf of respondents.

WHAT ITEMS HAVE YOUR CUSTOMERS ASKED FOR WHEN ACCESSING INFORMATION?

To gain a deeper understanding of customer needs, we asked our respondents what additional items customers request when they are accessing information.

Among the numerous items requested by customers, the 4 items below are most commonly requested among manufacturing and distribution companies.



Inventory Levels

Customers want access to inventory levels to ensure product availability before placing an order.



Pricing

Customers frequently inquire about pricing to make informed purchasing decisions.



Returns

Customers want to know return policies, eligibility, and the process for sending back products.



Order Status

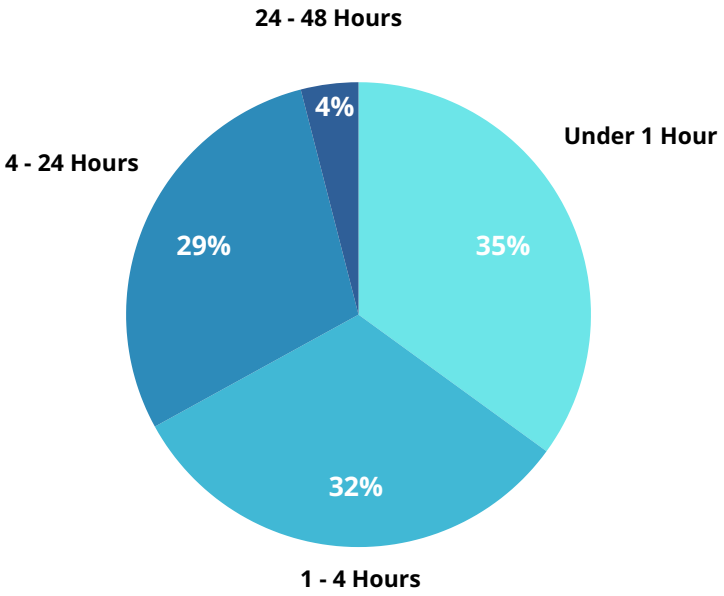
Customers checking their order status want updates on shipping and expected delivery times.

CUSTOMER SERVICE RESPONSIVENESS

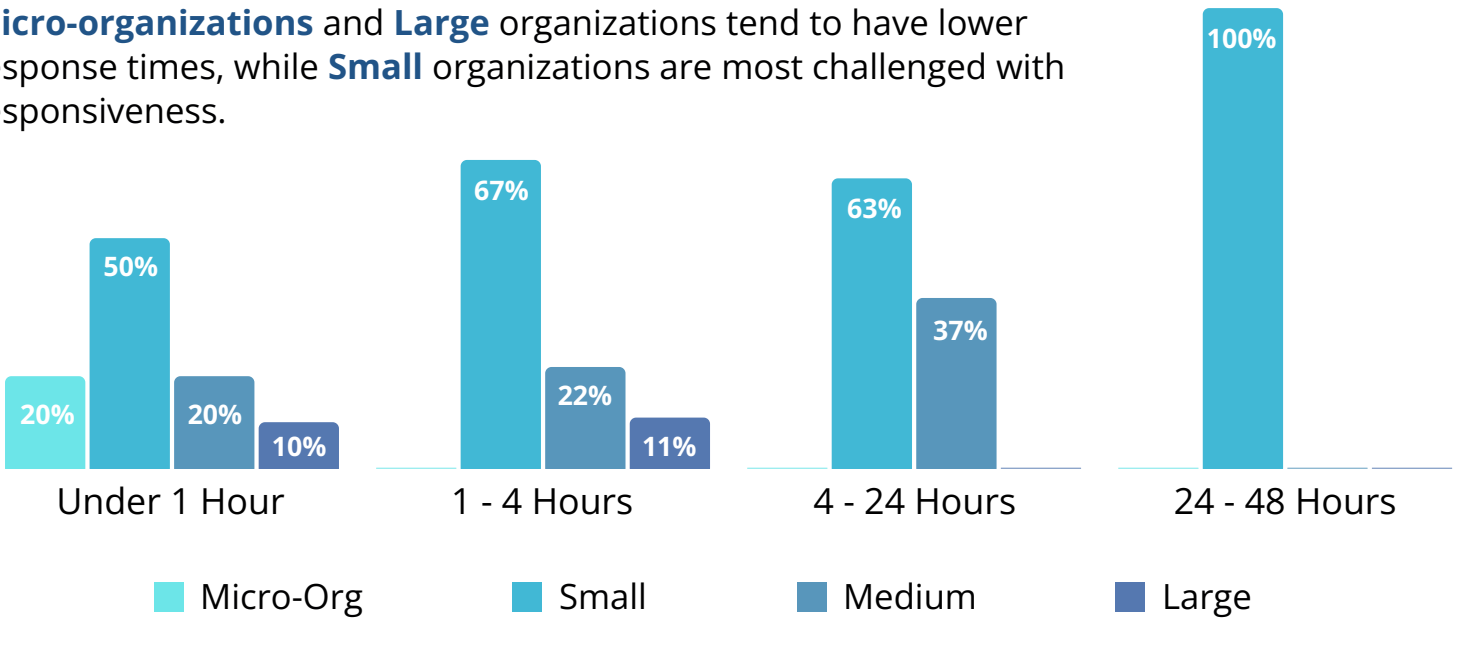
Handling customer requests and inquiries requires significant resources, including dedicated personnel. Responsiveness is a key measure of customer satisfaction.

WHAT IS YOUR TYPICAL RESPONSE TIME FOR PROVIDING CUSTOMERS WITH INFORMATION REQUESTED?

An analysis of reported response times for answering customer inquiries reveals that **35%** of respondents provide answers **within an hour**. Another **32%** of respondents require between **1-4 hours** to answer inquiries, **29%** require up to **24 hours**, and only **4%** of companies reported response times between **1-2 days**.



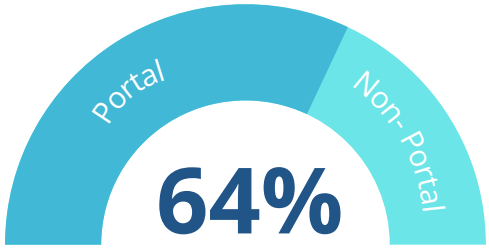
We further analyzed the correlation between company size and response times. This graph breaks down response times by company size, showing the percentage of respondents in each category (large, medium, small, and micro-organization) that fall within specific response timeframes. **Micro-organizations** and **Large** organizations tend to have lower response times, while **Small** organizations are most challenged with responsiveness.



Beyond examining the link between company size and response times, we also analyzed how response times differ between companies with and without portals.

Companies with Response Times Under 1 Hour

To understand whether customer portals decrease response times, we compared companies with response times under an hour.



Of the companies that reported their response times to be under an hour, **64%** of them are using portals and **36%** of them are not using portals.

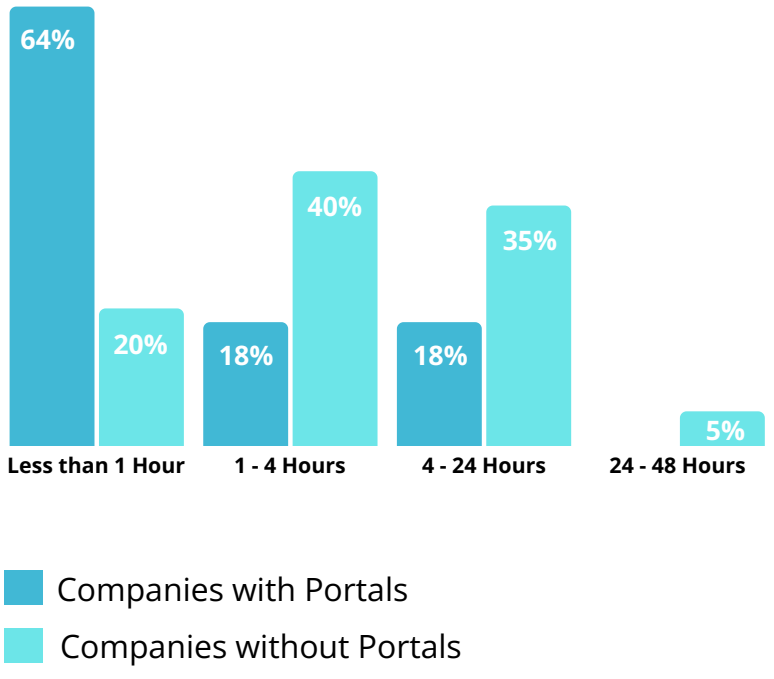
This is particularly significant given the comparatively small number of companies within the participant group that have portals.

For further understanding, we compared companies with and without a portal across all reported response times.

A majority (**64%**) of companies with a portal respond to customer inquiries **within an hour**. Response times for the remaining companies with portals is evenly distributed between **1 to 4 hours** and **4 to 24 hours**.

In contrast, a majority (**40%**) of companies without a portal respond in **1 to 4 hours**, followed by response times of **4 to 24 hours**. Only **20%** of companies without a portal respond **within an hour**, and a small portion of **5%** take between **1 to 2 days**.

Portal vs. Non-Portal: Response Times

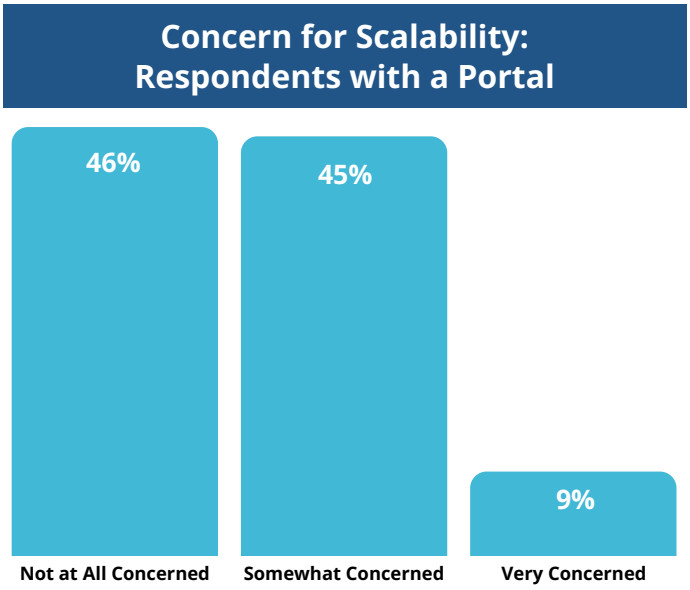


BUSINESS SCALABILITY

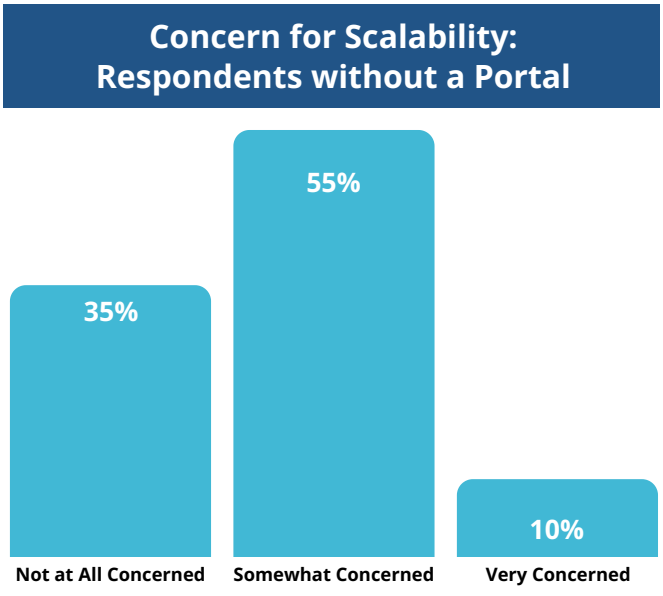
Business growth, particularly rapid business growth, can put pressure on operational teams to deliver. Cracks and deficiencies that may already exist become more pronounced. Understanding concerns regarding scalability within NAHAD member companies offers insight into the readiness of their systems to handle business growth.

HOW CONCERNED ARE YOU ABOUT THE SCALABILITY OF YOUR CURRENT CUSTOMER SUPPORT PROCESSES AS YOUR BUSINESS GROWS?

Among the respondents who currently have a portal, **46%** of them are "**not at all concerned**" about scaling their customer support processes, **45%** of them are "**somewhat concerned**" while only **9%** of them are "**very concerned**".



For comparison, we analyzed the level of concern among respondents without a portal.



Among the respondents who currently do not have a portal, **35%** of them are "**not at all**" concerned about scaling their customer support processes, a noticeable amount less than respondents with customer portals.

Among the **65%** of respondents who are concerned with scaling their customer support processes, **55%** are "**somewhat concerned**" and **10%** are "**very concerned**".

SELF-SERVICE CUSTOMER PORTALS

According to Forbes, Over 70% of B2B customers prefer sales representative-free experiences. This indicates the critical importance of adopting self-service portals to remain competitive in a rapidly evolving market.

TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING STATEMENT:

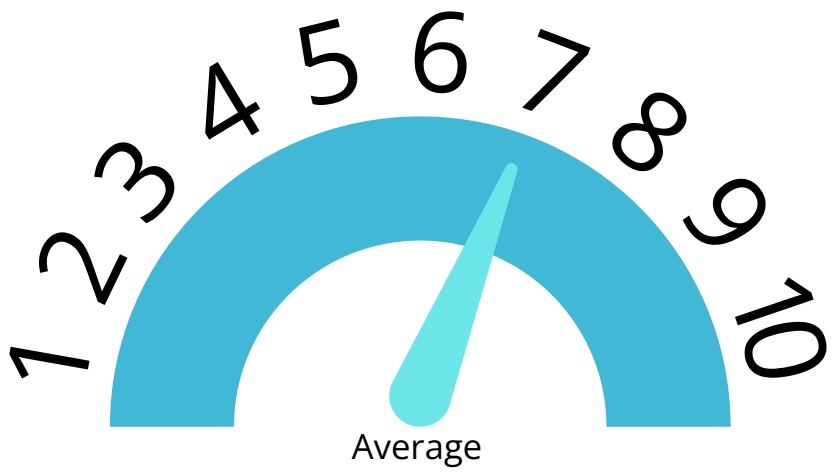
HAVING A SELF-SERVICE PORTAL WOULD POSITIVELY AFFECT MY COMPANY'S COMPETITIVE POSITION IN THE INDUSTRY?

70% of respondents, regardless of whether they currently have a portal, agree that implementing a self-service portal would positively affect their company's competitive position in their industry.

FOR COMPANIES WITH PORTALS:

ON A SCALE OF 1 - 10, RATE YOUR SATISFACTION WITH YOUR CURRENT CUSTOMER PORTAL.

Among the 35% of respondents who currently have a customer portal, over **33%** of them rate their satisfaction with the portal at **7 out of 10**. An additional **27%** of respondents rate their satisfaction at **6 out of 10**, while the remaining respondents are evenly split between ratings of **5 and 10 out of 10**. Notably, no respondents rated their satisfaction below 5.



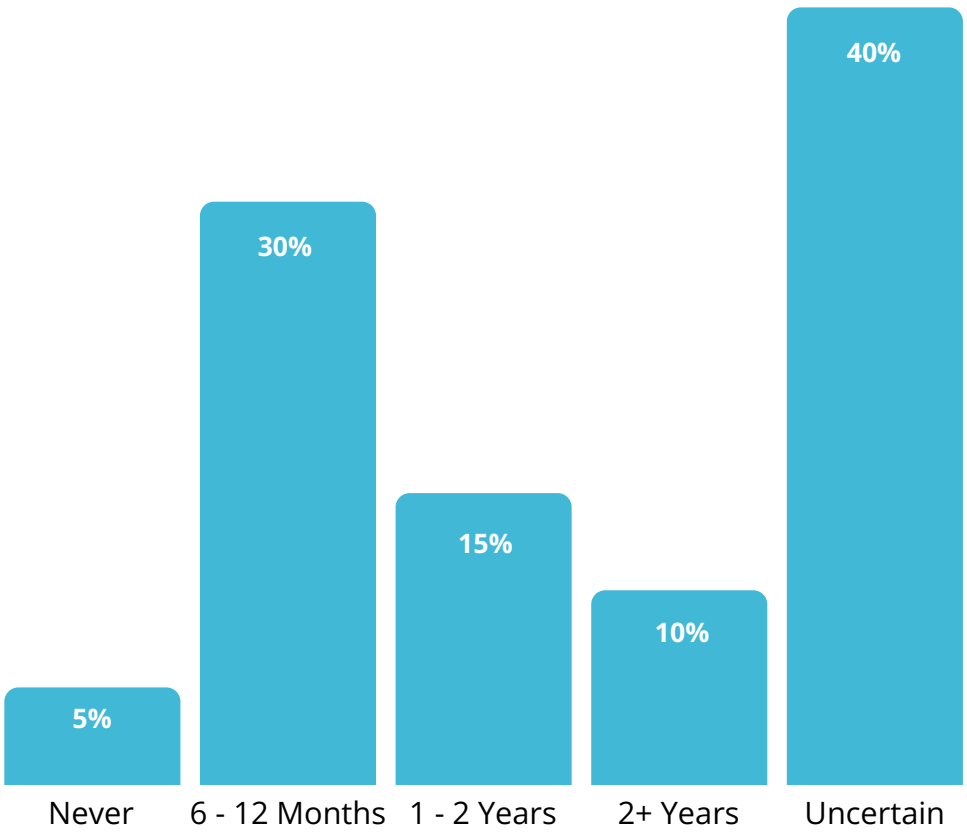
FOR COMPANIES WITHOUT A PORTAL: WHEN ARE YOU PLANNING ON IMPLEMENTING A PORTAL?

We conducted further investigation with respondents who do not currently have a customer portal to assess their plans for adopting this technology in the future.

A majority of **55%** have plans to implement a portal, whereas **40%** remain uncertain, indicating a need for further evaluation of its benefits. Only **5%** have no plans to implement a customer portal.

Of the **55%** of companies with a clear plan, most expect to implement a portal within the next **6 to 12 months**, accounting for **30%** of respondents. An additional **15%** anticipate doing so within **1 to 2 years**, while **10%** foresee adoption **beyond two years**.

When are you Planning on Implementing a Portal?



These findings highlight the interest among NAHAD companies in self-service customer portals, with many recognizing their potential value and planning for near-term adoption.

INSIGHTS AND RECOMMENDATIONS

Based on the findings of this survey, and supported by broader research, the following key themes emerged. These insights and recommendations may be of use to NAHAD members as they strive to remain competitive and meet evolving customer expectations.

1 SELF-SERVICE OPTIONS ARE UNDER-UTILIZED IN THE INDUSTRY AND REPRESENT A COMPETITIVE ADVANTAGE

Increasing demands from customers for flexible service offerings, combined with a relatively small current adoption of customer portals (35% of participating organizations) means that companies in this industry that implement self-service options can still enjoy the benefits of being leaders, not just catching up to the status quo. This provides these companies with the opportunity for a competitive advantage.

2 SELF-SERVICE OPTIONS SHOULD COMPLEMENT, NOT REPLACE, TRADITIONAL METHODS OF COMMUNICATION

The current utilization and reported satisfaction levels of traditional methods of customer service interaction are both very high. This suggests that these methods are working well and, therefore, any additional service methods introduced should complement, not replace, traditional methods. One way to do this is to clearly identify which modes of interaction should be promoted for particular types of customer inquiries. For example, perhaps order or invoice history inquiries could be primarily served by a customer portal, whereas customers could be encouraged to connect by phone or email for product issues or complaints.

3 SELF-SERVICE OPTIONS ARE RELATED TO HIGHER LEVELS OF RESPONSIVENESS AND A GREATER LEVEL OF CONFIDENCE IN THE COMPANY'S ABILITY TO SCALE

Companies experiencing rapid growth will often feel pressure in three areas in particular: production, distribution and customer service. Investing not just in more people, but also in technology, can result in a higher level of service responsiveness and allow for companies to scale faster with fewer issues.

THANK YOU TO

NAHAD
THE ASSOCIATION FOR HOSE AND ACCESSORIES DISTRIBUTION

FOR THEIR PARTICIPATION IN THIS INDUSTRY STUDY

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