

# Why Value Should Remain the Priority for Business Owners as They Increase Their Supply Budgets

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Navigating the complexities of business supply purchasing and inventory management can be a perpetual challenge for business owners and operators. There are so many factors to consider. For example, what are the “must-have” products and does that list change throughout the year? Is it more cost-effective and easier to shop as needed or stock up for the next few months? Perhaps most importantly, what can be done to save valuable time when purchasing?

Those are among the questions Walmart Business has been exploring with business owners and operators in our mission to help them save time, money and hassle when purchasing supplies. To that end, we recently commissioned industry research firm Morning Consult to survey 500 U.S. business owners and operators on their supply budget management practices.

We learned most owners and operators expect to increase their supply budgets this year. Interestingly, their purchasing decisions and shopping preferences vary along generational lines.

# Supply budgets are increasing across sectors

Sixty-one percent of respondents plan to increase their supply budgets this year. That expectation rises to 78% among the youngest respondents (aged 18-34).

When asked about their investment plans for the next year, 58% identified technology (computers, A/V equipment, phones) as the most anticipated business essential, followed by office supplies and furniture (41%) and facility maintenance (38%).

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## Technology purchasing is an important investment area

A closer look at technology purchasing shows that a quarter of business owners and operators believe technological advancements significantly impact their supply budgets. This figure rises to 37% for owners and operators aged 18-34. Additionally, this age group plans to invest in technology more than any other over the next year.

The anticipated technological increase may signal a growing awareness among business owners and operators of the benefits that any business (including yours) can realize from deploying tech to automate manual tasks and processes. As I explained in my last column, doing so can boost employee satisfaction, improve operational efficiency, and spur innovation.

While the business essentials they're shopping for may differ, most owners and operators share one common trait: they are highly selective when making purchases.

# Three priorities: Quality, cost, convenience

Our survey found near unanimous agreement among respondents that cost, quality, and convenience are the most critical factors in their buying decisions and supplier selections. Overall, 96% rate product quality and durability as important or very important, and 93% consider cost a significant factor. As one respondent explained, “Brand name isn’t all that important. It’s honestly more is the [product] good, is it reliable, and is it cost-effective?”

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## Striving for reliability and flexibility

We also wanted to learn more about our respondents’ inventory management and purchasing approaches. After all, a business can’t make the products or provide a service if it doesn’t have what they need when they need it.

Most owners and operators anticipate their supply needs at least a month in advance. In fact, 80% maintain an inventory that will last 1-3 months or longer. Only 19% maintain minimal inventory and order supplies as needed, typically purchasing just enough to last a few weeks or less.

Over one-third (38%) of respondents said subscription services are a very important or important factor in their purchasing decisions. That’s why Walmart Business offers a subscription service that saves you time when re-ordering the supplies your business needs to operate.

We understand that time is a precious commodity, so it wasn’t surprising that 86% of respondents said the convenience of pickup and delivery plays a pivotal role in their supplier

selection process. Walmart Business offers fast and flexible fulfillment options, allowing customers to select how, when, and where they want purchases fulfilled, including delivery and pickup from more than 4,000 of our Walmart store locations nationwide.

For those who prefer to shop in-store, the Walmart Pay functionality in the Walmart Business app enables access to the organization's shared payment method and tax-exempt purchasing (for eligible, enrolled organizations).

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## **Strategic supply budget management**

Whether or not business owners and operators plan to increase their business supplies budget, we know they will take a careful, thoughtful approach to purchasing. They demand good quality, reasonable prices, and convenient delivery and pickup options. What's most important is getting the best value for their money and making the process as easy as possible.

At Walmart Business, we're committed to helping our customers make that happen. We offer solutions that simplify buying and tracking inventory so they can spend more time focusing on running their businesses.

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