FRAIN INDUSTRIES, INC.
When time counts, we make it work.

Third Quarter Survey Report

We asked our prospects and they said price.

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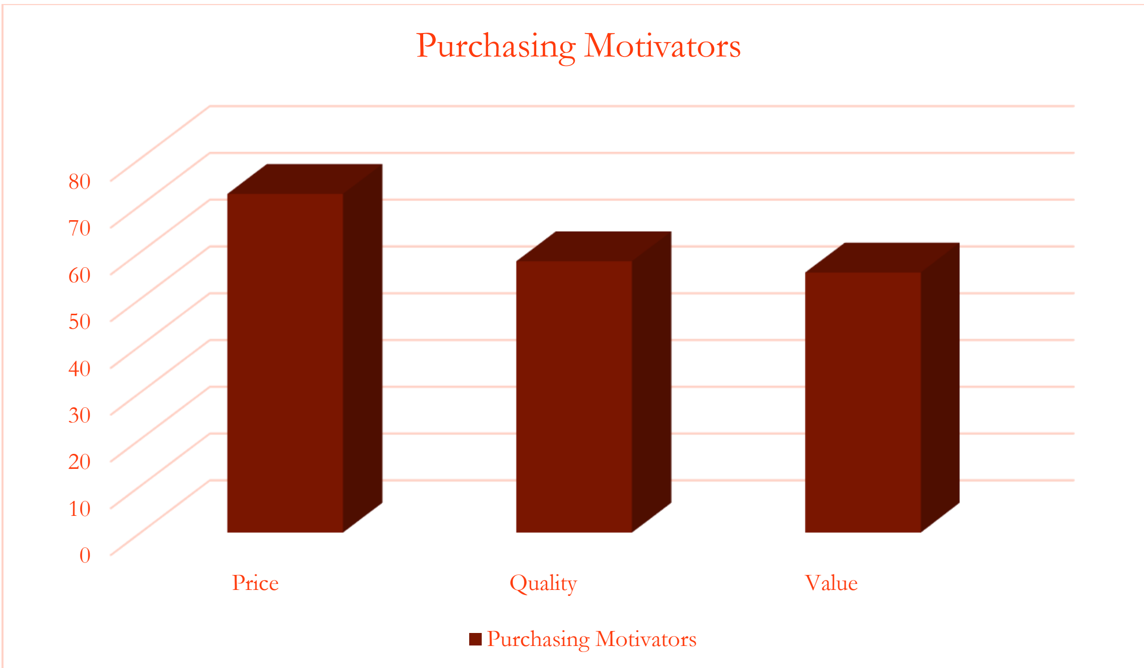
Key Findings

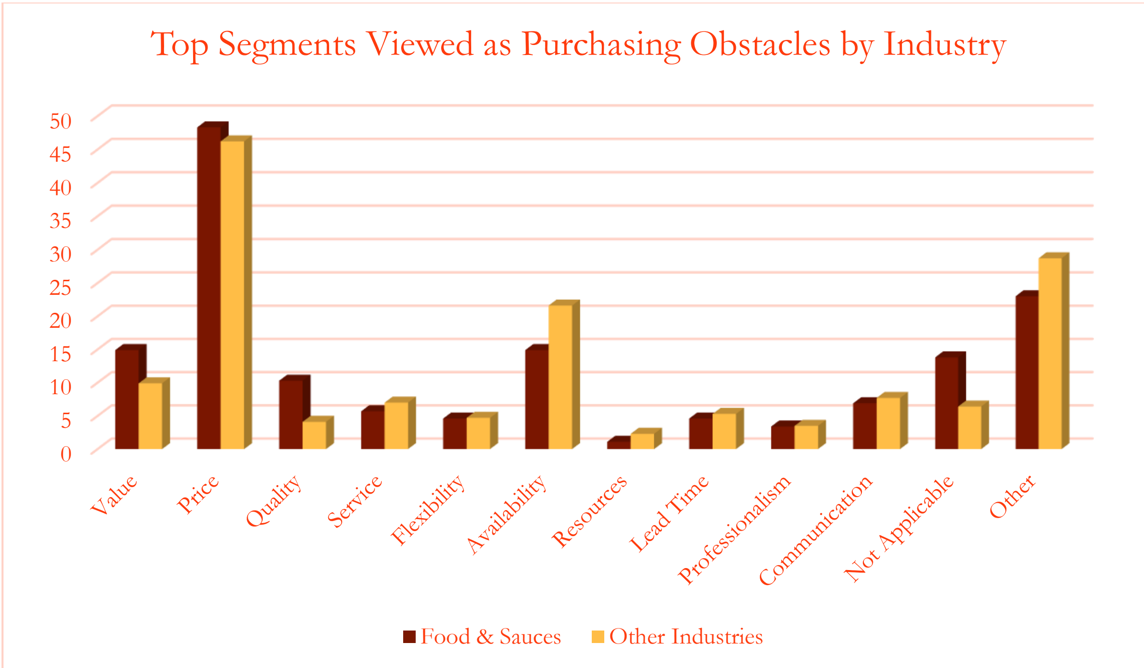
In general, whether purchasing equipment or services from Frain Industries or a competitor, *price* – 72.4% is the key motivator with *quality* – 58.0% and *value* – 55.6% shortly behind.



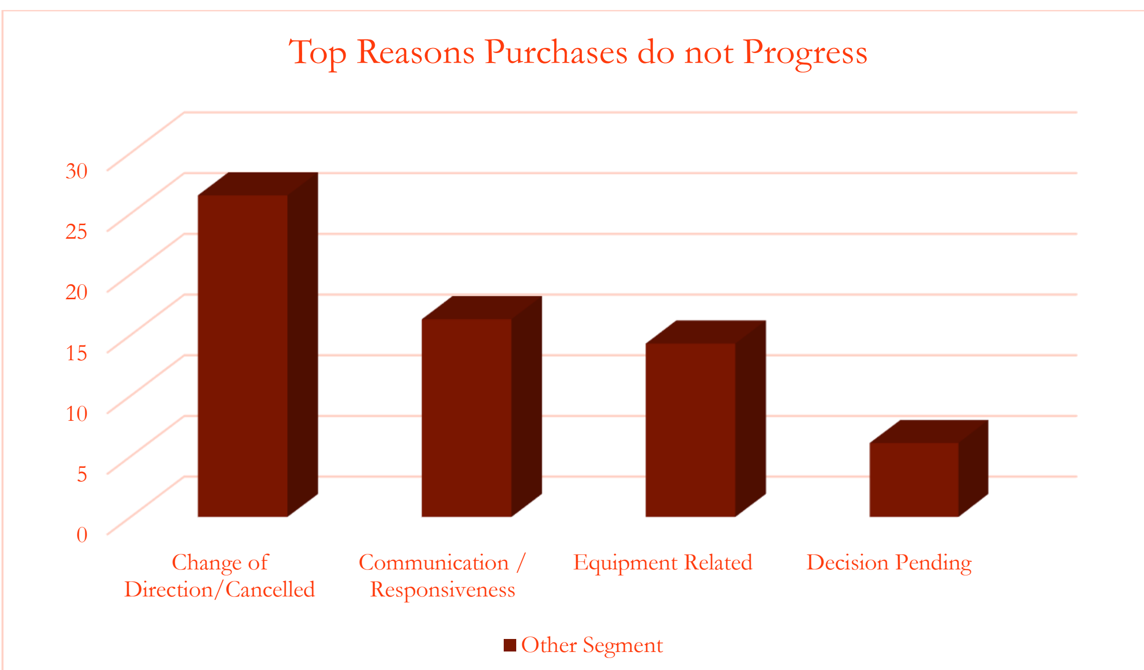
The top industry surveyed was *Food & Sauces* coming in at 36.3%, and *Engineer* at 22.5% as the top title within all industries. The *Food & Sauces* industry voted *price* – 48.3%, *value* – 14.9%, followed by *availability* – 14.9% highest when making purchasing decisions.

It is worth noting that *price* and *value* go hand in hand for the prospects surveyed, particularly for those individuals that highly rank *value*. Of the 48.3% of the *Food & Beverage* respondents that placed high importance on *price*, 12.6% also placed importance on *value*. Also, 84.6% of respondents concerned with *value* were also concerned by *price*.

Interestingly, the remainder of the industries viewed *price* – 46.2%, *other* – 28.7%, and *availability* – 21.6% as top key drivers.



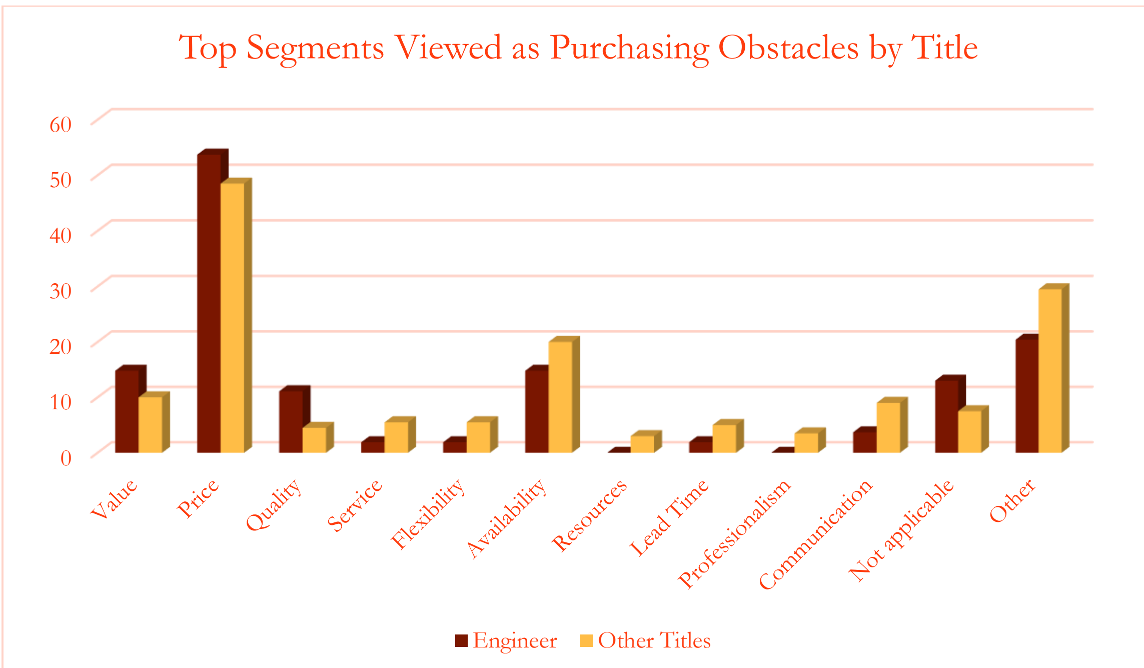
According to the industries outside of *Food & Sauces*, there are four top reasons within the *other* segment that elaborate on why purchases do not progress as expected:



26.5% of respondents agreed that a *change of direction* or *project cancelation* is a main reason equipment or service purchases fall through while *communication/responsiveness* is second with 16.3%.

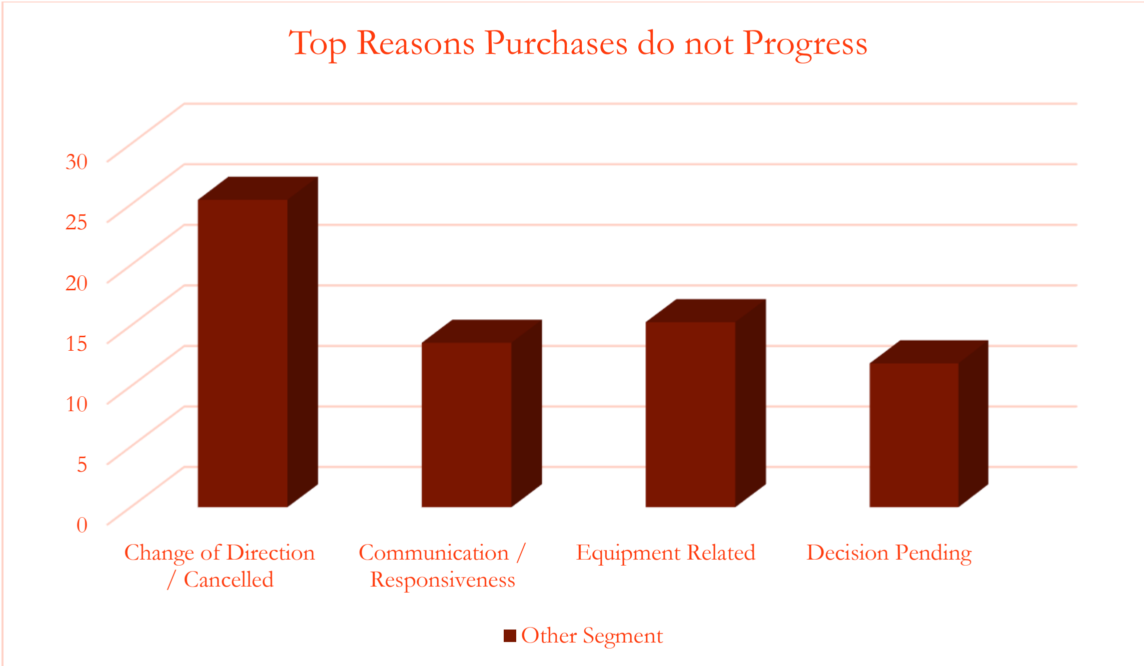
Frain found that the *Food & Sauces* sector is 66.7% more inclined to purchase equipment or services due to *appealing pricing*. Additionally, this sector holds *product quality* – 29.9% - and a *knowledgeable staff* – 24.1% highly. The rest of the industries would also be more inclined to equipment or service purchases for the same reasons with minor percentage differences: *appealing pricing* - 61.4%, *product quality* – 17.5%, and *knowledgeable staff* – 27.5%.

The *Engineer* segment had similar responses. The top three elements perceived as obstacles by engineers were *price* – 53.7%, *value* – 14.8%, and *availability* – 14.8%. Of the engineers that saw *price* as a problem, 24.1% were also concerned with *value*, as opposed to respondents who were troubled with *value*, 87.5% were also concerned with *price*.



Availability, although clearly a concern, was mentioned less by engineers than the additional titles surveyed. Other titles established that *price* – 48.5%, *other* – 29.5%, and *availability* – 20.0% stimulate their equipment or service purchases.

Moreover, titles outside of *Engineer*, identified four top reasons within the *other* segment that further rationalize on why purchases do not finalize:



25.4% of respondents agreed that a *change of direction* or *project cancelation* is a main reason equipment or service purchases fall through while *equipment related* concerns is second with 15.3%.

As with industries, *Engineers* and other titles pursue purchases due to *appealing pricing* – 66.7% and 64.5%, *product quality* – 33.3% and 28.5%, and a *knowledgeable staff* – 24.1% and 26.0%, respectively.

Conclusion

Overall, pricing is the driving factor that pushes sales decisions across industries and decision makers. Many expressed concern about the value received as well as the availability of the equipment. Nonetheless, they are influenced by appealing pricing, product quality, and a knowledgeable staff. A small percentage – 27.3% closely identified with companies that can meet their specific needs.

The following is a comparison of top priorities of prospects from this survey and customers from the 3rd Quarter Customer Survey:

Priority	Prospect Purchasing Influencers	Customer Purchasing Influencers
1	Price	Time
2	Quality	Price & Quality (tied)
3	Value	Responsiveness

Methodology

Participants were asked to participate in an anonymous survey to help the company's marketing department evaluate the effectiveness of the sales service(s) and help improve the service we provide to our customers. The survey included questions about the client's influential factors when purchasing equipment. It asked questions regarding frequency of equipment purchases, last equipment quote request, and features that encourage machinery purchases. The survey also asked respondents to highlight the industry and title that best represents them within their company. A total of 253 responses – 0.06% - were received from a total of 4352 surveys emailed to customers.

Items on the survey were worded as positive statements or direct questions, and included the following topics:

- Elements that affect equipment purchasing decision(s)
- Aspects that encourage equipment or service purchase(s)

Key result figures include the following:

- Purchasing obstacles and influencers by industry, title, and overall

For more information about this survey and the findings, please contact:

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