

Procurement marketing: systematically approaching suppliers and strengthening relationships

Procurement marketing refers to the active, market-oriented shaping of the relationships between a company and its suppliers. It shifts the perspective from merely reacting to offers towards proactively positioning oneself as an attractive customer. This approach is becoming increasingly important for buyers and supply chain managers, as capacities, competences and raw materials are becoming scarcer in many supplier markets. Those who deliberately manage their attractiveness as a business partner secure better terms, early innovation and more stable supply chains.

Key facts

- Procurement marketing is the deliberate marketing of one's own company as an attractive customer to suppliers and service providers.
- It complements classic Supplier Relationship Management with actively managed market communication and market positioning.
- Typical instruments include supplier days, target market analyses, structured contact management and transparent purchasing terms.
- In practice, it frequently improves the supplier's order allocation priority in times of scarce capacity.
- Success can be measured using KPIs such as delivery readiness, catalogue share, supplier audit score and the quality of procurement outcomes.
- A clean order fulfilment process and fair, one-sided risk allocation strengthen the credibility of procurement marketing.

Definition: procurement marketing

Procurement marketing encompasses all planned activities of a company aimed at being perceived as a preferred business partner in the procurement market. It directs procurement activity not only inwards towards cost optimisation, but also outwards towards relationship building, reputation and market communication.

Distinction from classic procurement

Classic procurement focuses on operational processes such as demand identification, quotation comparison and order processing. Procurement marketing, by contrast, works upstream and strategically: it analyses component markets, positions the company as a customer and actively shapes contact with potential suppliers. The two levels complement each other, but overlap in supplier selection and negotiation, which is why clear roles and a uniform order fulfilment process are important.

Why attractiveness as a customer counts

Suppliers assess customers according to revenue potential, forecast quality, payment behaviour and the effort involved in day-to-day business. In bottleneck situations – for example with special components or sought-after manufacturing capacity – such factors determine who is allocated orders and capacity slots first. Well-managed procurement marketing typically increases the priority of one's own company and thereby improves delivery readiness and terms.

Positioning within the purchasing strategy

Procurement marketing is a component of the purchasing strategy and should be aligned with the procurement policy, defined sourcing rulebooks and the supply strategy per commodity group. It is particularly effective for strategic and leverage items, where long-term partnerships or volume pooling are the focus.

Objectives and benefits of procurement marketing

The aim is to systematically improve supply security, cost advantages and access to innovation. The benefit is less evident in a single metric than in the overall impact on competitiveness and the supply chain.

Supply security and capacity access

When suppliers' order books are well filled, customer attractiveness determines delivery dates. In practice, companies with strong procurement marketing frequently receive preferential access to capacities, shorter response times in bottlenecks and more reliable commitments. This reduces dependence on elaborate stockpiling strategies and expensive spot purchasing.

Better terms and cost impact

Attractive customers frequently obtain better prices, discounts in return for shorter payment terms, and priority for new production capacities. Ancillary costs also fall: a high catalogue share in indirect procurement, functioning supplier enablement and clean purchasing terms reduce transaction costs on both sides. The impact on total cost is therefore broader than a mere purchase price comparison.

Innovation and quality access

Suppliers bring new developments preferentially to customers with whom they collaborate reliably and fairly. Procurement marketing creates the basis for early technology dialogues, joint developments and higher first-time quality. In practice, this shortens time to market and reduces later effort in change management.

Methods and approach in procurement marketing

The structure follows a classic marketing logic pattern: market analysis, target definition, positioning, measures and control. Transferred to procurement, this creates a plannable process instead of sporadic contact management.

Procurement market analysis and segmentation

The starting point is an analysis of the respective procurement market: which suppliers, capacities, price developments and technology dynamics shape the market side? In addition, the company evaluates itself from the supplier's perspective. On this basis, commodity groups and target markets are

segmented – for example according to supplier portfolio approaches and the strategic importance of the items.

Positioning and establishing contact

Core instruments are targeted supplier outreach, attendance at trade fairs and supplier days, LinkedIn and industry portals, as well as structured pre-allocation meetings before tenders. Electronic tendering and platform portals facilitate initial contact, but do not replace personal relationship management. A uniform appearance is important: identical purchasing terms, clear processes and binding contact persons.

Relationship management and governance

Long-term partnerships need rituals: regular annual supplier reviews, joint improvement projects, clear escalation paths and a fair order fulfilment process in the event of complaints. The sourcing pipeline – i.e. the structured management of ongoing tenders and qualifications – should also be transparent and plannable for suppliers. Governance issues such as the conflict minerals certificate of origin and the declaration of conformity are addressed early and in a binding manner.

Key KPIs and impact measurement

Procurement marketing can be measured, even though many effects are indirect. A mix of supplier, process and outcome metrics, reviewed regularly within supplier management, has proven effective.

Supplier and relationship metrics

Key indicators are the supplier audit score, delivery readiness and on-time delivery, response time to enquiries and the number of qualified providers per commodity group. Increasing application and throughput rates in the sourcing pipeline indicate growing attractiveness in the market.

Process and efficiency metrics

On the process side, catalogue share, lead times in the order fulfilment process and dock-to-stock time are suitable as a proxy for frictionless collaboration. On the financial side, capital lock-up periods, payment terms and the avoidance of additional costs such as an energy price surcharge count. Context is important: individual figures are only meaningful in the context of the industry and commodity group.

Impact controlling

A six-monthly review is recommended, in which objectives per segment are reviewed and measures from the action pipeline are prioritised. This turns procurement marketing from a soft cultural measure into a manageable programme with a comprehensible contribution to the procurement outcome.

Risks, limitations and controls

Procurement marketing can work – but only if promises are kept. Misimplemented attractiveness generates mistrust and causes lasting damage.

Credibility as the greatest risk

Those who communicate attractive partnerships but in day-to-day business enforce drastic price demands, long payment terms and one-sided contract changes quickly lose credibility. Consistency between communication and behaviour is therefore the most important control. Unfair risk allocation in

purchasing terms also undermines the positioning.

Dependency and compliance

Relationships that are too close to individual suppliers can create dependencies and compliance risks. Balanced multi-sourcing, clear criteria for direct delivery and documented checks of the declaration of conformity and the conflict minerals certificate of origin limit these risks. Legal requirements – for example on sustainability and supply chain due diligence – must generally be reviewed on a case-by-case basis.

Resources and organisation

Procurement marketing ties up the time of experienced buyers. Without a clear allocation of roles, a procurement competency matrix and appropriate priorities in day-to-day business, announcements remain hollow – the measures lose impact. It is therefore advisable to define responsibilities, budget and success measures in a binding manner.

Current developments and digital levers

Digitalisation is changing how companies become visible in the procurement market and how relationships are maintained. Buyers should use these levers deliberately without neglecting the personal level.

AI in procurement and the data basis

AI in procurement typically supports supplier search, market monitoring, early risk detection and negotiation preparation today. A sound data basis on supplier performance, scores and history is a prerequisite. The final shaping of the relationship, however, remains a human task.

Digital onboarding and collaboration processes

Supplier enablement, standardised slot booking processes, digitalised dock-to-stock procedures and publicly accessible supplier portals noticeably lower the entry barrier for new suppliers. Those who work simply, transparently and efficiently as a customer are recommended accordingly in the market – a direct effect of procurement marketing.

Sustainability and resilience as positioning topics

Suppliers increasingly select customers also according to sustainability requirements, planning quality and long-term orientation. Companies that reliably manage their stockpiling strategy, their demand identification and their change management processes appear as plannable partners. In times of volatile markets, this becomes a genuine selection criterion.

Typical metrics

On-time delivery (OTD): > 95 %

usual benchmark for reliable suppliers; indicative only, varies by industry

Supplier audit score: > 85 %

typical target range for strategic suppliers according to internal scoring

Catalogue share: > 70 %

proportion of orders placed via catalogue processes in indirect procurement

Dock-to-stock time: < 24 hours

proxy for frictionless collaboration; varies greatly by industry and material

Practical example

A mid-sized mechanical engineering company with around 400 employees repeatedly experienced delivery delays for precision-milled components because suppliers prioritised its orders behind those of larger customers. The company therefore established structured procurement marketing for its critical commodity groups.

- Definition of a target promise to suppliers: volumes plannable over several years, binding forecasts and a fair order fulfilment process in the event of complaints.
- Annual supplier day plus individual annual supplier reviews with the top 10 suppliers of the critical commodity groups.
- Standardisation of purchasing terms and introduction of electronic tendering with binding timeframes for awards.
- Establishment of a sourcing pipeline with quarterly reviews, including KPI tracking of on-time delivery and supplier audit score.

Conclusion

Procurement marketing is not a showcase, but a strategic management instrument for one's own supply chain. It actively aligns the procurement function outwards and positions the company as a preferred customer in contested supplier markets. The levers of impact lie in consistency, transparency and fair processes – not in communication alone. Those who systematically track metrics such as on-time delivery, supplier audit score and catalogue share can make the contribution measurable. For mid-sized suppliers and manufacturing companies in particular, this is an affordable lever with a disproportionate impact on supply security and terms.

Frequently asked questions

What is procurement marketing?

Procurement marketing is the deliberate marketing of a company as an attractive customer to suppliers. It comprises market analyses, positioning, targeted supplier outreach and relationship management. The aim is to be supplied with priority when capacities are scarce and to obtain better terms.

What is the difference between procurement marketing and Supplier Relationship Management?

Supplier Relationship Management manages existing supplier relationships operationally and strategically. Procurement marketing comes one step earlier: it positions the company in the market, creates attractiveness and wins suitable suppliers. The two interlock, as relationships that have been successfully won are subsequently managed within SRM.

Which instruments belong to procurement marketing?

Typical instruments include supplier days, target market and component market analyses, structured pre-allocation meetings, annual supplier reviews and transparent purchasing terms. Digital levers such as electronic tendering and supplier enablement also contribute to attractiveness. The measures should be managed via an action pipeline and reviewed regularly.

How do you measure the success of procurement marketing?

Success is reflected in KPIs such as on-time delivery, delivery readiness, supplier audit score, lead times in the order fulfilment process and the number of qualified providers per commodity group. Soft signals such as preferential capacity allocation are also indicators. Benchmarking against the industry and regular reviews per commodity group are important.

Is procurement marketing also worthwhile for small and medium-sized enterprises?

Yes, SMEs in particular benefit, because without volume power they must score through attractiveness and fairness. Reliable forecasts, clear processes and personal relationship management partly compensate for a lack of purchasing power. The effort is manageable if only a few critical commodity groups are prioritised.

What role does sustainability play in procurement marketing?

Sustainability requirements increasingly influence which customers suppliers want to work with. Fair contracts, clean evidence processes, e.g. regarding the declaration of conformity or the conflict minerals certificate of origin, and long-term partnerships improve the customer's image. Legal obligations must always be reviewed on a case-by-case basis.