

Risk-Averse Buyers Expect Consistent, Personalized Experiences Throughout Complex Journey

WE WANT TO
STAY AHEAD OF
THE PRODUCT'S
LIFECYCLE...

RESPONSIVENESS
AND TRANSPARENCY
CONTINUE TO BE
KEY FACTORS...

NEED
BETTER
COMPETITIVE
ANALYSIS...

EXECUTIVE SUMMARY

The stakes are high for decision makers involved in B2B purchases of solutions and services. While companies are still highly motivated to find new tools to lower costs, increase efficiency or drive higher ROI, they are also personally vested in selecting vendors who help best manage risks around factors such as deployment time, integration and any other factors that may impair business performance or delay time to value.

According to the findings of Demand Gen Report's 7th Annual *B2B Buyer's Survey*, a growing focus on risk mitigation is increasing the number of stakeholders involved in buying decisions, as well as adding length and complexity to buying journeys.

A few of the highlights from the 2017 survey—which polled 283 C-level executives, VPs and Directors across various B2B industries—include:

- 59% of respondents say they now have formal buying groups or buying committees in place to review purchases;
- 52% say the number of buying group members increased significantly; and
- 86% say purchase decisions are often accelerated or put on hold based on changing business needs/priorities.

While B2B buying has always been noted as a “considered” purchase, the emphasis on consideration continues to climb as survey participants provided direct commentary on how added attention to risk mitigation is adding checkpoints and new criteria at different stages of the buying cycle.

One director pointed out that the research and vendor analysis stages now involve different team members with different points of view. “When we are looking into implementing a new system, we need to involve those who will be in it to ensure it is easy to use and will actually deliver on what we need. Some of us are involved in doing the research portion and coming up with a consideration set, so different people are involved in different phases of the purchase journey.”

One CEO added that team member recommendations are having a strong influence before getting his stamp of approval. “We plan investments as part of the budget cycle (including justification as needed) and then the buying happens with the right stakeholders doing research and me making the final decision based primarily on their input.”

The following report provides a deep dive into how risk mitigation and added complexity across the buying journey is changing behavior and influencing the decision-making process, with specific analysis of increasing relevancy, prioritizing personalization early in the buying journey, and how buying insights fuel better sales conversations.

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INCREASED RELEVANCE, INSIGHTS A MUST FOR RISK MITIGATION

A myriad of factors, from smaller budgets to company growth and changes in leadership, have all resulted in increased pressure on buyers to select a solution that will deliver in a timely fashion. One respondent commented that their company's B2B purchase cycle has changed: "As the company grows and our goals become loftier, each purchase carries more weight, more risk and costs more."

Companies are using more resources and analyzing more data to measure ROI:

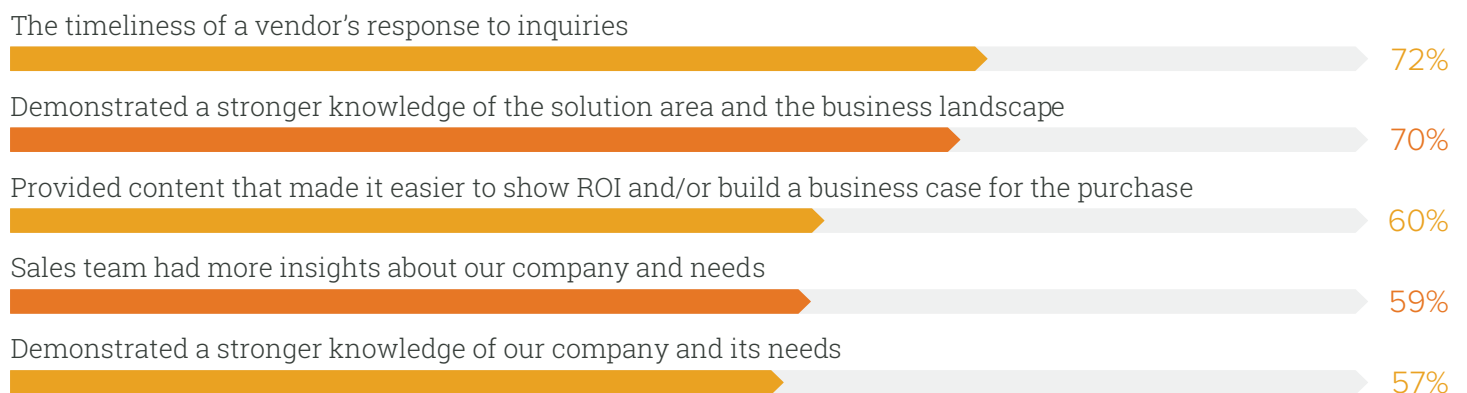
- 32% of respondents strongly agreed (and 77% agreed overall) that they conduct a more detailed ROI analysis before making a final decision—marking an 11% increase from 2016;
- 78% of buyers agreed that they "spend more time researching purchases;" and
- 75% agreed that they "use more sources to research and evaluate purchases."

This year's survey also showed buyers are increasingly expecting and demanding timely and relevant responses from vendors they are assessing.

When asked why buyers selected the winning vendor over others, 75% of buyers said the winning vendor's content had a significant impact on their buying decisions. Also, 89% of respondents stated that winning vendors "provided content that made it easier to show ROI and/or build a business case for the purchase."

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Please rate the following statements as they relate to the winning vendor versus other vendors you considered:



When asked what the vendor could have done better, one respondent asserted that companies could have given “better competitive analysis and data about why they were the best option.”

Other buyers had similar comments including: “Be more sensitive towards our unique needs,” and “provide better competitive analysis, better data about why they were the best option.”

Another buyer pointed out his company was looking directly to the vendor for post-purchase guidance. “The vendor could bring specific details of what to watch out for regarding integration and consulting requirements—they should have a semi-baked project plan.”

Surprisingly, deployment time/ease of use is becoming as equally important to buyers as the price tag, with 80% of buyers ranking deployment/ease of use as very important, compared to 75% who ranked pricing as very important.

During the evaluation stage, 63% of buyers said the vendor’s ability to demonstrate experience and knowledge within their industry was very important.

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What was your timeline for taking the following steps in your buying process?

	Under 1 Month	1-3 Months	3-6 Months	6-12 Months	More Than 12 Months
Spoke to and engaged with a sales rep from the vendor I selected	29%	43%	20%	5%	2%
Collected preliminary information on pricing/costs	33%	39%	19%	7%	1%
Brought in other team members to help with research process	28%	38%	17%	6%	3%
Sought input from industry analysts/consultants	19%	31%	15%	7%	1%
Sought input from peers/existing users in the community	25%	32%	18%	7%	2%
Accepted outreach from vendors and engaged in calls/demos	22%	41%	22%	6%	2%
Sought RFP/competitive bids/pricing info from a select list of providers	14%	37%	21%	7%	1%

MAKING A FIRST IMPRESSION

The majority of B2B buyers are continuing to self-navigate through early stages of the buying journey, which is proving to make digital touch points more influential in forming early and lasting impressions of potential solution providers. The research showed the overwhelming majority of buyer journeys are starting on the web, with 61% indicating they started with a broad web search and 56% saying they started on specific vendor websites.

When asked about the timeline for key steps during the buying process, the research found B2B buyers are still largely operating under the radar, gathering intelligence on their options and forming opinions long before they are filling out any forms or talking with a salesperson.

Some of the most interesting findings relative to specific behaviors early in the buying journey:

	During first month	1-3 months	3-6 months
Conducted anonymous research	34%	37%	18%
Developed informal list of potential providers	34%	36%	21%
Evaluated which solutions fit with existing partners	24%	39%	23%

Although a majority of B2B buyers are conducting initial research with raising their hand or officially engaging vendors, the research showed they are still expecting a tailored experience relevant to their interests and needs.

When asked how first impressions of a brand were influenced during their initial visits to their website:

- 75% said it was very important that the site presented relevant content that spoke directly to their company;
- 66% said it was very important that the website spoke directly to the needs of their industry and the solution provider showed expertise in their area; and
- 93% of respondents valued vendors that “demonstrated experience with/ knowledge of our industry.”

Buyers still expect a tailored experience relevant to their interests and needs.

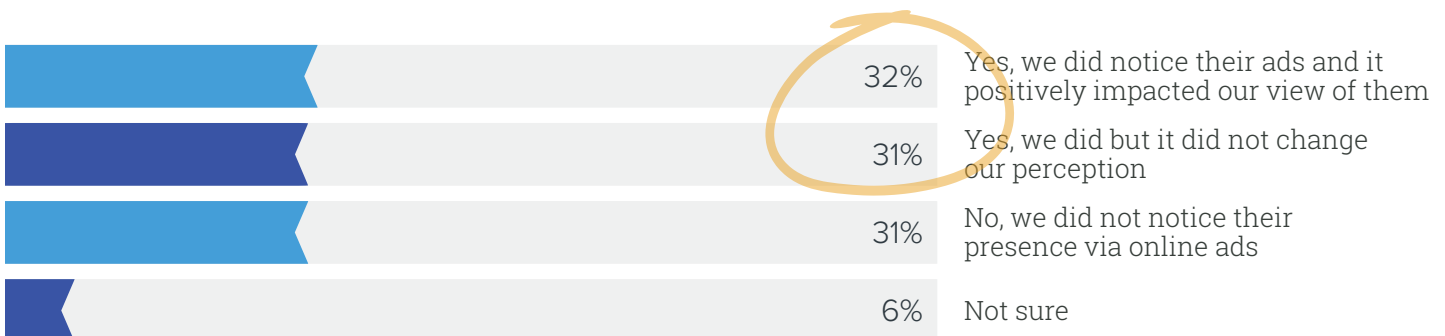
In addition to the first web experience forming an important impression for buyers, this year's study showed that online ads are also shaping early behaviors and opinions of B2B buyers.

In a new question that asked if buyers noticed ads from solution providers and whether those ads influenced company perceptions of that brand, 63% of respondents said they noticed ads from the solution provider they chose during the research phase. Thirty-two percent of respondents agreed that they not only noticed the ads, but that they positively impacted their view of potential vendors. An additional 31% noticed the ads, but said that they did not change their perceptions.

When evaluating the resources that first informed buyers of the solution in question, there was a 5% increase in the number of respondents who cited "digital ads" and "ads on social media."

63%
said they noticed ads from the solution provider they chose during the research phase.

Did you notice ads from the solution provider you chose presented during your research process and did they influence your perception of that brand?



OPTIMIZING THE WEB EXPERIENCE IS KEY TO WINNING WITH B2B BUYERS

There are a number of key conversion points in the decision journey, but none more critical than the first time a prospect visits your website. As this year's study reflects, the first two steps on the B2B purchase journey start online, with:

- 61% of buyers saying they began with a general web search; and
- 56% saying they started directly on specific vendor websites.

Regardless of whether a potential customer navigates directly to your site, or finds you via search, the ability to provide a compelling, contextual, and customized experience creates the first and lasting impression of your brand.

Even while a high percentage of those web visits are being conducted anonymously (71% of buyers said they conducted anonymous research during the first 3 months), those decision makers are still expecting an experience tailored to their interests and needs.

Consider that three-quarters of survey respondents said relevant content that spoke directly to their company was very important when they visited vendor websites, and 66% said a website addressing their specific industry was very important.

Demandbase customers understand these trends and rely on our Website Personalization solution to create a unique website experience for each and every visitor, whether anonymous or known.

Customers can customize their websites, creating bespoke imagery and messaging for key accounts and segments. And now, with the recent introduction of our Site Optimization functionality, they can leverage artificial intelligence (AI) to automatically recommend relevant content to website visitors at every stage of the buyer's journey.

Our AI technology makes recommendations based on a combination of firmographic data, offsite business/behavioral data, historical traffic data and real-time visitor information—ultimately understanding each buyer and delivering the content they need, when they need it.



Lisa Ames,
VP of Demand
Generation, Demandbase

As marketers, the website is at the core of everything we do, especially as more and more of us adopt an account-based approach. The website plays an indispensable role in educating visitors from target accounts and driving pipeline and revenue. Despite this, companies still struggle with bounce rates that top 60% on average, meaning that much of their investment in creating valuable content goes to waste. When prospects get frustrated by the website experience, they turn to outside sources for the content they need—things like blogs, social media, and other websites, which means they're not consuming your content and you lose the ability to control the message, measure activity and drive conversions.

If we want to keep our visitors on our websites, we need to make it easier for them to find the right content. We're now giving B2B marketers the ability to provide the relevant and targeted experience buyers have come to expect.

The findings of this year's *B2B Buyer Survey* strongly reinforce the importance for B2B websites to deliver relevant information and content through a seamless user experience with a level of personalization that comes from deep insights into a buyer's behaviors.

“The website is at the core of everything we do, especially as more and more of us adopt an account-based approach.”

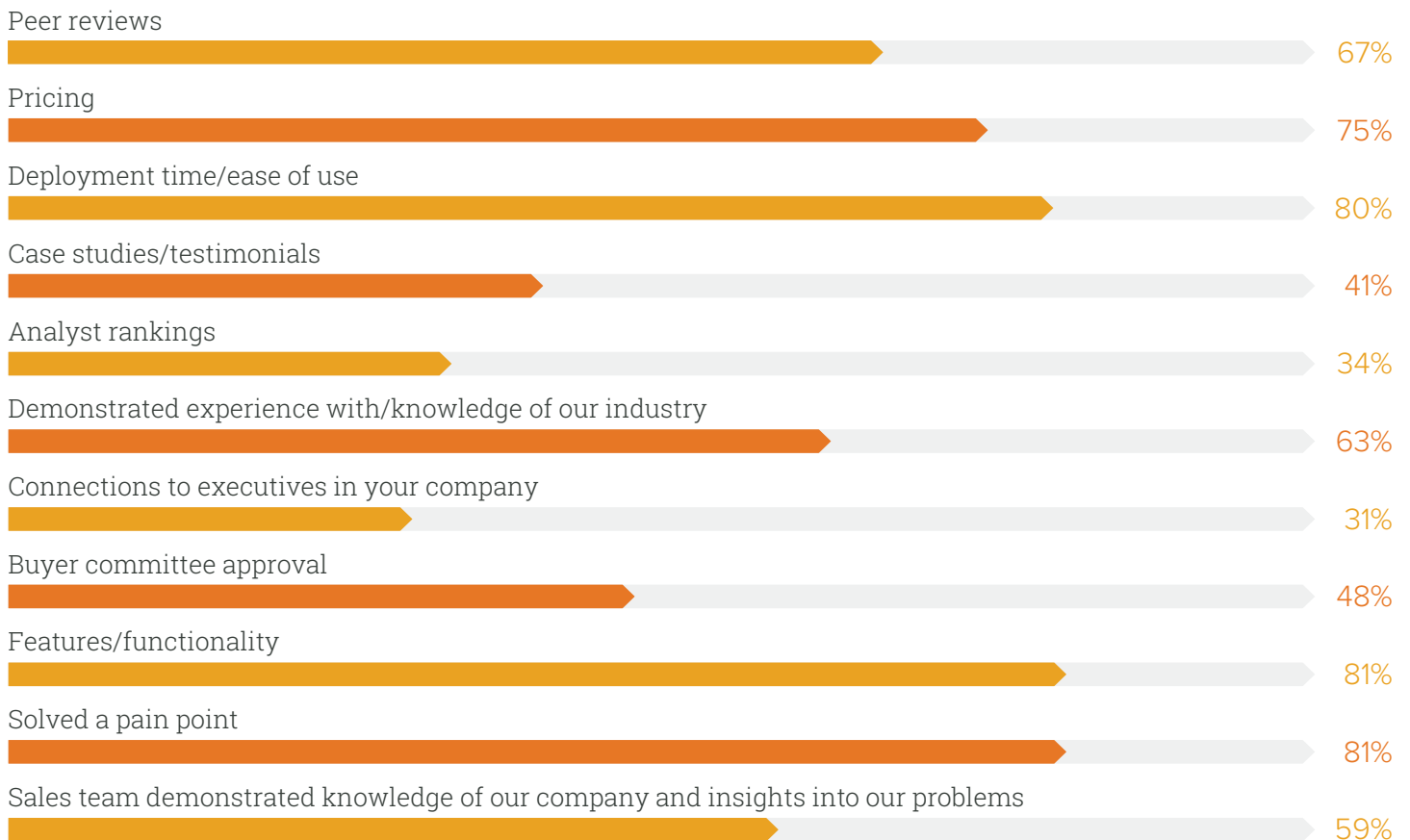
- Lisa Ames, Demandbase



INCREASED POWER OF PEERS

Another pronounced shift in B2B buying behavior that is likely influenced by risk aversion is an increased reliance on peer reviews and ratings. A common practice in B2C purchases, B2B buyers are now commonly seeking opinions and input from other users on things like deployment time, time to value, ROI and ease of use. In total, 67% of B2B buyers agreed that they relied more on peer recommendations when making a final purchasing decision.

Once you were at the point of evaluating a set list of solution providers, please rate the importance of these variables:



Buyers cited their peers and colleagues as the third most important resource (behind “web search” and “vendor websites”) that helped inform them during the start of the purchase process. Forty-two percent of respondents listed peers and colleagues as their top source of information.

When asked to rate specific aspects of their purchase process, 24% of buyers “strongly agreed” that they relied more on peer recommendations compared to 2016, where only 12% of respondents “strongly agreed” that peer recommendations were important.

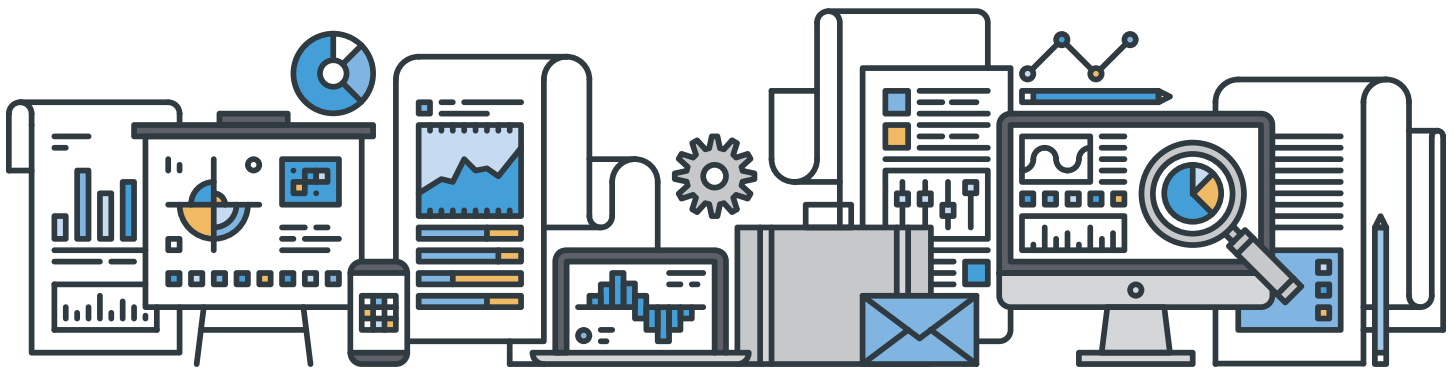
One factor that explains the appeal of peer insights for B2B buyers is its widespread availability. From social media to review sites, buyers today have access to more feedback than ever.

When buyers reached the point of evaluating a set list of solution providers:

- 67% of respondents said reviews were a “very important” consideration, a 12% increase from last year.
- Analyst rankings saw a 10% increase compared to the 2016 Report; and
- Case studies/testimonials increased by 3% from last year.

One buyer noted, “We have changed the way we do B2B buying by looking at highly regarded recommendations to help influence decisions. This helps the initial determination of purchasing a particular product from a vendor.”

42%
listed peers and
colleagues as their top
source of information.



INSIGHTS KEY CURRENCY FOR SALES TEAMS

While the study has clearly built the case that digital channels are shaping early impressions of solution providers, this year's study also underscored the critical role that sales representatives are having on the final vendor selection.

For example, 92% of buyers said the sales rep they dealt with was educated about their company and communicated relevant information, and 85% said the experience with their sales rep influenced their decision to select that vendor.

A few key findings that highlighted the competitive differentiator of insights-driven sales experiences:

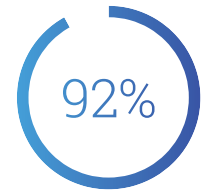
- 94% sought sales teams that exhibited specific insights into company problems; and
- 92% of buyers stressed the importance of sales teams that had insights about personalized company needs.

Direct responses from buyers also underscored both positive and negative experiences with sales reps that influenced both the buying decision and the customer experience:

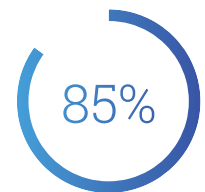
“**Communicate** with me using less technical terms...not waiting for responses from me.”

“**Wished** they would have been more informative and truly gained an in depth knowledge of how we do business.”

“**Could** have done stronger demo that included examples of how we could use the product to meet our unique needs instead of generic examples.”



felt their sales rep was educated about their company and needs.



said this influenced their purchase decision.

QUICK AND EASY

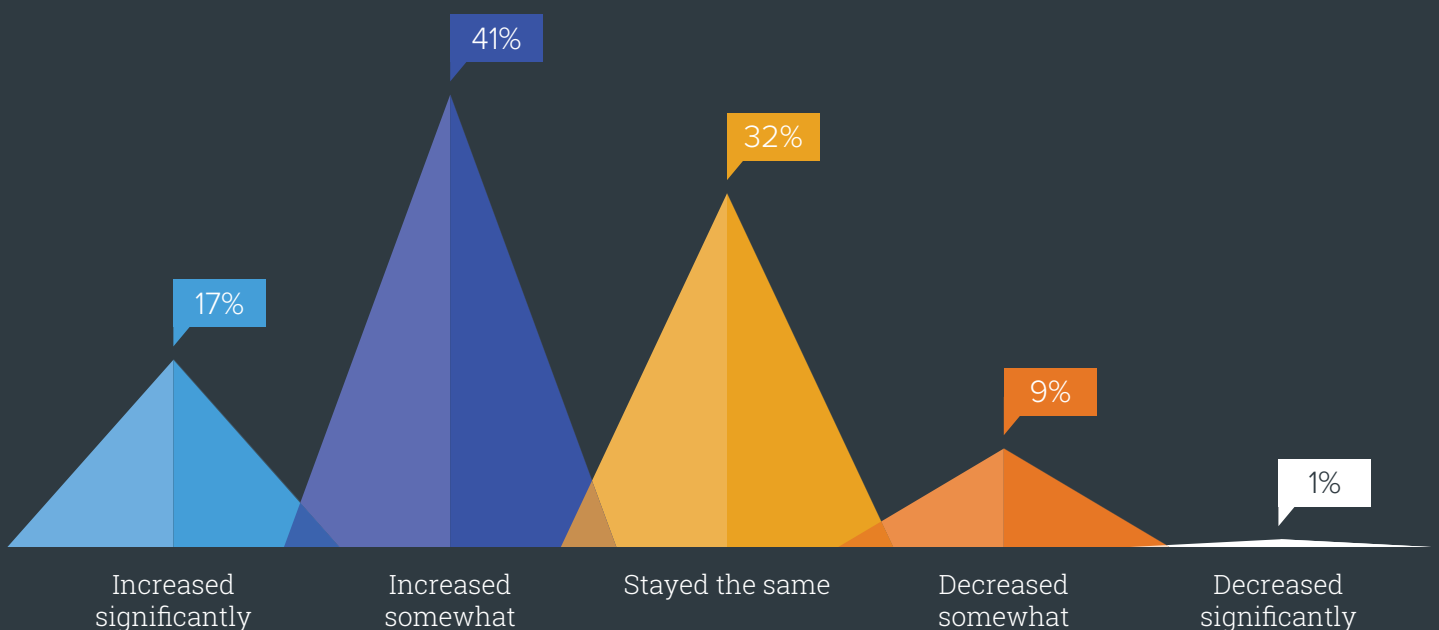
Not only do buyers want products that help both the bottom line and specific company problems, they also want ones that can do it quickly. Nearly all buyers (99%) considered “deployment time/ease of use” as a crucial variable when rating a solutions provider, with 80% of those buyers citing it as “very important.”

Eighty-six percent of respondents agreed that “purchase decisions are often accelerated or put on hold based on changing business needs/priorities,” meaning solution providers must be able to provide easy-to-use products that adapt to the constantly evolving B2B marketing sphere. One respondent added that companies have a “need for easily integrated technologies.”

Speed is also a major factor during the research process. About 91% of B2B buyers said that easy access to content without long registration forms was important, while 94% said they preferred vendors that “provided informational content that was easy to consume.”

The “timeliness of a vendor’s response to inquiries” was an aspect of the purchasing process that 97% of respondents cited as important. When asked about how vendors could improve, several respondents cited the speed of company response times. One buyer’s comment stated, “Faster responses when it came to pricing and not needing to ‘check with finance.’ Empower your sales reps!”

How has the length of your B2B purchase cycle changed, on average, compared with a year ago?



CONCLUSION

Throughout the seven years that Demand Gen Report has conducted the *B2B Buyer's Survey*, respondents have consistently valued factors such as ROI, personalization, timely service and peer reviews in the purchasing process. This year, however, those factors ranked as especially crucial for B2B buyers.

The buying process continues to get longer and more complex, particularly as the number of people who participate has increased. Nonetheless, many vendors have successfully adapted to a constantly changing market and work to satisfy the needs of B2B buyers. Respondents elaborated that longer timelines are often being driven by changes in the approval process. "The length is longer these days since everything needs to be approved by our CFO and sometimes that's where things get held up longer."

While high-growth companies are an appealing target audience for many B2B solution providers, the research underscored the reality that high-growth companies are usually expanding their teams and often have limited bandwidth — adding layers of complexity to getting deals signed and solutions implemented. "Our team has more than tripled in the past year, so we have a lot more decision-makers at the table," one respondent said. Another added: "As the company grows and our goals become loftier, each purchase carries more weight, more risk and also costs more."

In today's marketplace, risk aversion is key to buyers that often have greater stakes, smaller budgets and condensed timelines to support business initiatives. Therefore, B2B buyers increasingly value the insights of their peers and expect vendors to understand the specific needs of their company, while keeping in mind the wider business landscape. When it comes to purchasing new technologies, buyers want fast and easy service, both in terms of research and product integration.

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ABOUT THE SURVEY

The 2017 B2B Buyer's Survey Report polled 283 C-level executives, VPs and Directors across various B2B industries during the period of April-June 2017. Each respondent was qualified to have been involved in a B2B purchase decision within the past 12 months.

A majority (53%) were software purchases; others included IT hardware (16%), advertising/media promotion (12%) and business/consulting services (8%).

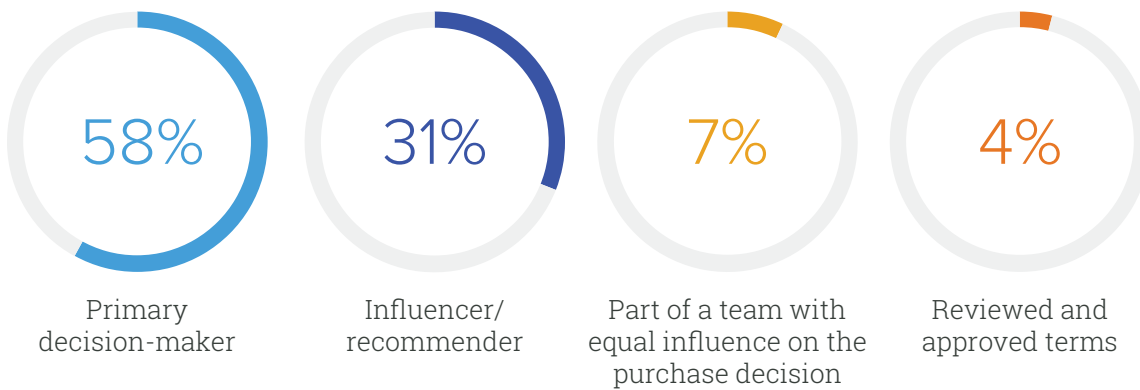
Company sizes participating ranged from less than \$25 million (28%) to companies with more than \$1 billion in revenue (18%) and a wide mix in between.

More than half (58%) of the respondents were the primary decision-makers in these buying decisions, with 31% ranking themselves as influencers.

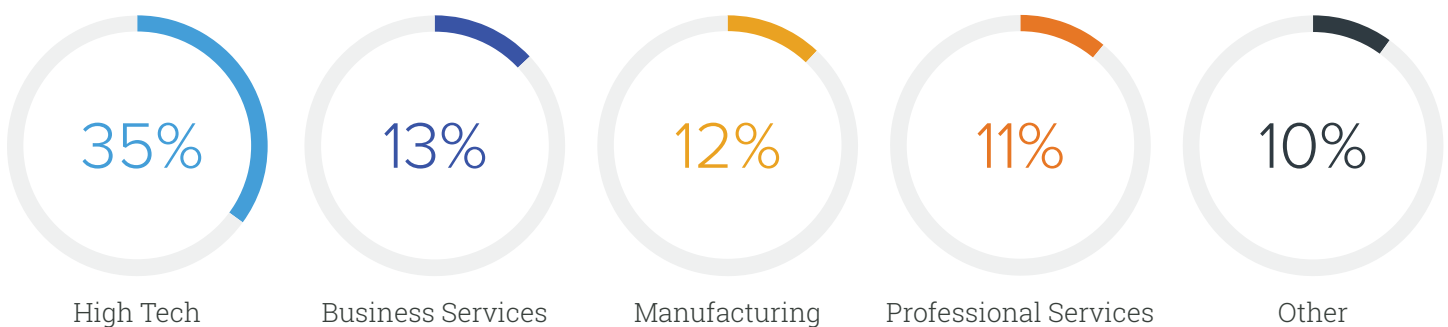
What is your title/role?



What role did you play in this purchase?




What industry are you in?



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Demandbase is the leader in Account-Based Marketing (ABM). The company offers the only Artificial Intelligence-enabled, comprehensive ABM platform that spans advertising, marketing, sales and analytics. Enterprise leaders and high-growth companies such as Accenture, Adobe, Dell, DocuSign, GE, Grainger, McKesson, Oracle, Salesforce and others use Demandbase to drive their ABM strategy and maximize their marketing performance. The company was named a Gartner Cool Vendor for Tech Go-To Market in 2016.


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