TriComB2B

The Considered Purchase Decision

What Matters, What Doesn't, And What It Means for B2B Marketing and Sales

Research report compiled by TriComB2B in partnership with
the University of Dayton School of Business Administration

What do actual B2B buyers think?

For more than a decade, we've witnessed a proliferation in the amount of information available to help guide business-to-business (B2B) marketing decisions. Reputable sources, such as MarketingSherpa, MarketingProfs, GlobalSpec and others, have provided us with valuable insights about what other B2B marketers are doing — and why.

But in all the research we had seen, one key element was missing:

What does the actual B2B decision maker or influencer think? Does anyone really understand the issues influencing their considered purchase decisions?

We wanted the real answers to these questions — not from marketing peers, but from the actual purchasing influencers. After all, they're the audience. In 2011, TriComB2B took matters into our own hands and sought to uncover the missing link in modern B2B research. We completed our first research study, in collaboration with our academic partners at the University of Dayton's School of Business Administration. The data that we discovered was quite profound, and we realized that the changing landscape of B2B marketing warranted a bi-annual revisiting of the B2B buyer study.

2013 research confirms previous findings while discovering new data points
In this 2013 version of our research, our findings are derived from the online survey responses of 443 individuals within industrial sectors in North America. We see the reappearance of consistent themes from 2011 and reveal new findings about how the B2B buyer is consuming information and making their considered purchase decisions. As our world embraces the digital world and myriad social media outlets, so too does the B2B buyer. Our research addressed the following questions:

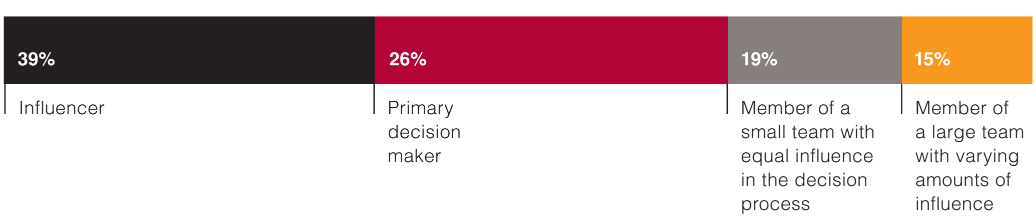
- Is total cost of ownership as powerful a message as we think it is?
- How do price, features and benefits rank as considered purchase criteria?
- What information sources are most important to the B2B buyer, and how much should be online?
- Does being a "preferred supplier" really mean your product or service is preferred?
- Are "green" messages effective in B2B marketing?

The respondents were either influencers or decision makers (Table 1). We also gathered information about each respondent's industry classification, company size and job title.

Table 1

Decision role

Percent of respondents



*Is there a **difference** between B2B industries?*

*Which **messages** will a B2B buyer respond to?*

*How much of my **marketing mix** should be online?*

The industries represented in the respondent pool included:

- Energy-related
- Construction
- Information technology
- Medical devices and pharmaceuticals
- Industrial manufacturing
- Process industries
- Other

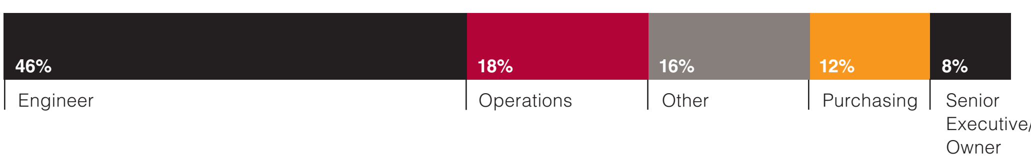
See “About This Report” on page 27 for a more detailed breakdown of industry classifications.

The respondent pool represented various roles (Table 2).

Table 2

Role in firm

Percent of Respondents



The survey was broken into three different subject areas, which created a unique opportunity to explore the B2B end user’s purchasing behavior:

- Product considerations and message relevancy
- Information consumption and online habits
- Supplier selection

This summary report includes some of the key findings from these areas, and touches on the potential implications for B2B marketers involved with industrial and technical businesses where the considered purchase is paramount. Industry-specific reports and more detailed demographic cross-tabulations are available by request.

NOTE: Table details may not sum to totals because of rounding.

*Do we need a **LinkedIn program?***

*How are **smartphones used** by the B2B buyer?*

*Should we pursue **preferred supplier** status?*

PART I
Product Considerations and Message Relevancy

The intent of our research in this area was to evaluate the impact of different product and service attributes and the relevancy of common marketing messages as viewed by those involved in the considered purchase process. How important is price in the decision process? Is there a price threshold at which more detailed cost analyses occur? To what extent does total cost of ownership really matter? What about the status of "green" messaging? And to what extent does corporate brand influence the considered purchase decision?

*How relevant is **price** to the B2B buyer?*

*How does price set the stage for **market strategy?***

*In the debate of **product features and benefits** versus corporate brand, what is most compelling tothe B2B buyer?*

1. Purchase price dominates.

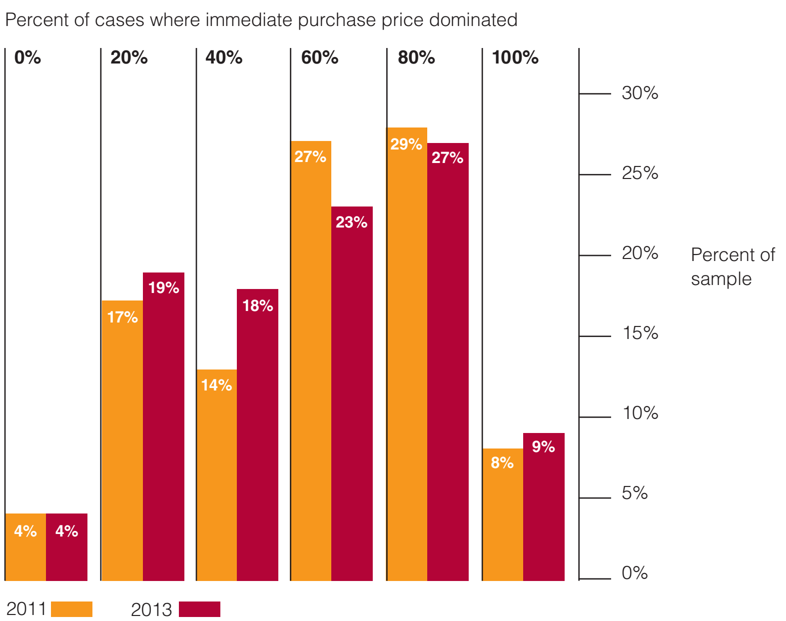
In B2B, price really does matter.

A significant majority of survey respondents (59 percent) indicated that 60 percent or more of their purchase decisions were dominated by the immediate purchase price (Table 3). On average, price dominated in 55 percent of the purchases. This was little change from 57 percent in 2011.

There was no significant difference in response by decision role, industry type, age group or position in the firm.

Table 3

Percent of purchases where immediate purchase price of the equipment dominated the decision



Implication: This is good news for low price leaders. However, is it bad news for those with a more expensive offering? If you are avoiding discussions about price in your sales and marketing approach, this research indicates you may find yourself on the outside looking in. When positioned as a higher-priced supplier, consider establishing a strategy that clarifies the components of your pricing — allowing for a fair comparison to lower priced and potentially less feature-rich offerings.

1. Purchase price dominates.

In addition to the continued dominance of price in the B2B buying process, two-thirds (66.4 percent) of respondents indicated there was a minimum price cutoff point beyond which necessitated a more complete analysis of the costs and external implications. For most of the sample (79 percent), that minimum price was below $25,000.

These responses substantially differ from results in 2011, where a fifth of the sample mentioned a price threshold of more than $100,000. The results suggest that increasingly all purchases require a more complete analysis of cost and external implications.

Table 4

Minimum price at which more complete analysis occurs (2011 vs. 2013)

Price range at which more complete analysis occurs	2011	2013
No minimum price	39.5%	33.6%
Less than $25,000	14.5%	45.8%
$25,001 – $100,000	25.7%	20.5%
$100,001 – $500,000	15.4%	0.0%
$500,001 – $1,000,000	2.5%	0.0%
$1,000,000	2.5%	0.0%

To provide a detailed view of the 2013 results, a breakdown of the minimum price that requires a more complete analysis of costs and external implications is shown below. For more than half of the respondents (60.5 percent), even purchase decisions less than $5,000 require a more complete analysis of costs and external implications.

Table 5

What is the minimum price at which a more complete analysis occurs? (2013 breakdown)

	Percent
No minimum price	33.6%
Less than $5,000	26.9%
$5,001 – $20,000	15.3%
$20,001 – $50,000	13.3%
$50,001 – $1,000,000	10.8%

Implication: The topic of the minimum price cutoff point was one of the most substantial areas of difference when compared to the 2011 version of this report. For the 2011 version, 20 percent of respondents stated that their price threshold started at more than $100,000, versus 0 percent in 2013. In 2013, we see that almost 80 percent of the sample views their minimum price to be below $25,000.

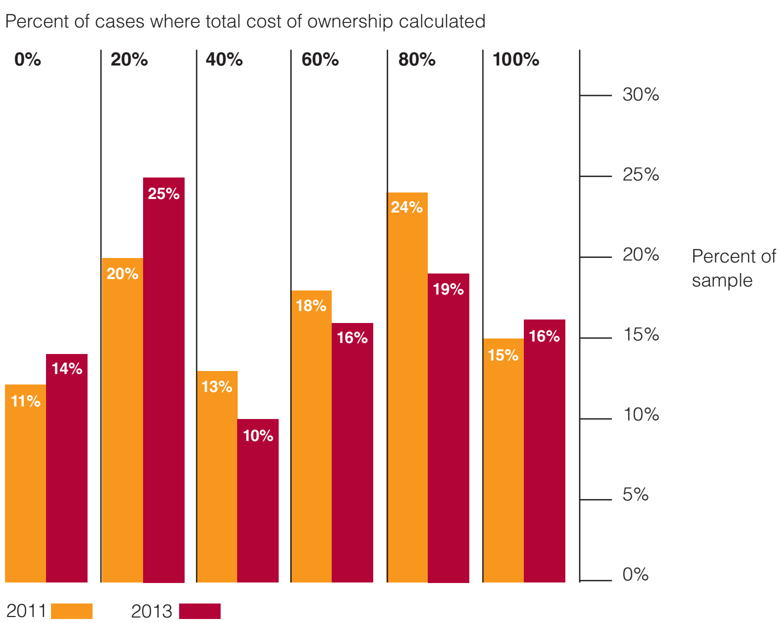
This indicates a post-recession shift to more focus on each dollar spent. The B2B buyer seems to be under more intense scrutiny for all of their considered purchase decisions, and this places more burden on the B2B marketer to give buyers the right message, at the right time, with enough technical details so that the purchase decision can be economically defended.

2. Total cost of ownership: It matters.

Half of the survey respondents (51 percent) indicated that at least 60 percent of the time, the total cost of ownership (TCO) had been calculated in considered purchase decisions in which they were involved (Table 6). In 2011, senior executives and business owners evaluated TCO to a greater extent than any other role, but in the recent data, there was no significant difference by decision role, industry type age or position in firm in the average percent of cases in which the total cost of ownership was calculated.

Table 6

Percent of time total cost of ownership is calculated in a considered purchase decision



Implication: Phew! As in 2011, this is good news to B2B marketers. It's hard to find a B2B marketing program that doesn't incorporate some flavor of TCO or life cycle costs (LCC). A credible TCO story should still be part of the overall marketing and sales approach.

3. What else matters in the considered purchase decision?

In B2B, one message does not fit all.

Of course, the B2B considered purchase decision process does not just involve price and total cost of ownership. We evaluated the role of six additional considerations to gain an understanding of their importance to decision makers and influencers. Among these choices, respondents were most concerned with operating costs and the potential for efficiency improvements.

While not as significant a factor as other aspects, contracted maintenance support still mattered for nearly half of the respondents. Respondents were less likely to indicate the flexibility of financing as playing a significant role in the considered purchase decision in 2013 compared to the 2011 results.

Based on roles within an organization, different criteria produced varying degrees of impact. For example, the category "potential efficiency improvements" was cited as being a more significant factor in the purchase decision by Senior Executives (71 percent) and Operations Managers (70 percent) than respondents in general.

Industrial manufacturing (69 percent) and process industry (68 percent) respondents more often assigned significance to "potential efficiency improvements" than respondents in general.

Table 7

Percent of considered purchase decisions where certain aspects played a significant role

	Average percent of purchases where significant role played	
Aspect	**2011**	**2013**
Operating costs	61%	64%
Potential efficiency improvements	69%	62%
Impact on customer service	61%	56%
Information from other users	46%	48%
Contracted maintenance support	44%	48%
Flexibility of the financing (buy, lease, risk-reward)	31%	26%

Implication: Is this further validation that the concept of total cost of ownership strikes a chord? Absolutely.

Two-thirds of respondents indicated that operating costs are a key consideration the majority of the time. But it's also interesting to see that the potentially complex and harder-to-explain concept of potential efficiency improvements is equally important in purchase considerations. If a marketer can clearly indicate where their product or service impacts a customer's operational efficiency — in real terms (e.g., greater production availability) — decision makers and influencers will pay attention.

4. Go green or go lean?

If the choice is between go green or go lean, survey says: "go lean."

With businesses placing more and more emphasis on safety and environmental factors in the B2B considered purchase decision, our research set out to establish the relative importance of three key components in this category: safety features, energy efficiency and green supply chain.

Safety features were an important differentiator between two choices in at least 60 percent of the purchases for 60 percent of the respondents. For almost half of the respondents (49 percent), energy efficiency of the product was an important differentiator in at least 60 percent of their purchases. The existence of a green supply chain for the product was an important differentiator to only a minority of respondents (Table 8), and this data point remained exactly the same from 2011. Further, there was not a significant difference across demographic groups in 2013 regarding the green supply chain.

Table 8

Percent of purchases where certain aspects were an important differentiator between two choices

	Average percent of purchases where important	
Aspect	**2011**	**2013**
Safety features	53%	60%
Energy efficiency of product	47%	49%
"Green" supply chain for product	32%	32%

Industry differences: The information technology sector assigns a much lesser significance to all these factors, with only a small minority indicating strong consideration in at least 60 percent of purchase decisions (safety — 37 percent; energy efficiency — 34 percent; green supply chain — 16 percent).

Implication: Go green? Probably not. While energy efficiency cannot be overlooked because of its close relationship to operating costs, the research indicates that the less tangible benefit of buying a product with a "green" supply chain is a significantly less important factor for the considered purchase product.

Go lean? That might make more sense. The tangible economic benefits that come from improved operational efficiencies and lower operating costs (see Table 7) have much more relevance to the B2B buyer. Express your benefit in terms of economic value before emphasizing the environmental friendliness of your story.

5. Is there a clear winner in the features, benefits, corporate brand hierarchy?

Features vs. Benefits vs. Brand — what matters to the B2B buyer?

Due to the pervasiveness of features and benefits messaging in B2B, we wanted to better understand the relative importance assigned to each by the B2B buyer. In addition, we wanted to understand the importance of a corporate brand in the considered purchase decision. We consider corporate branding to be a truly important component of any business marketing, but we wanted to better understand its importance to the B2B buyer.

The majority of respondents (51.4 percent) considered product benefits the most relevant factor in their considered purchase decision. More than a third (35.5 percent) indicated it was product features. Only 12 percent ranked the supplier's corporate brand as the most important criteria in the purchase decision.

Table 9

When making a considered purchase decision, which of the following supplier factors is most relevant? Please rank with 1 being most important and 3 being least.

	Product Benefits	Product Features	The Corporate Brand
Rank 1 "Most Important"	51.4%	36.7%	12.0%
Rank 2	35.5%	51.8%	12.7%
Rank 3 "Least Important"	13.1%	11.5%	75.3%

Industry differences: Both process and durable goods industry respondents were more likely to rank product benefits as most important relative to respondents overall (66 percent and 58 percent, respectively vs. 51 percent overall).

Implication: Product or service benefits and features are more important than the brand itself — further proof that the B2B buyer is more likely to seek substantive product benefits before considering the manufacturer. That's not to say brand doesn't matter — because it certainly does in the final purchase decision. But a very well-defined set of product features and benefits should be the lead in your B2B marketing materials. The B2B buyer demands real data and facts about what they are going to purchase.

Part I Conclusion:
What should the message be?
Consider the audience.

The B2B buyer appears to be motivated to consider a product or service first based on price, and the minimum price that requires a more complete analysis has dropped for the B2B buyer. In today's economic climate, almost all purchases require further analysis beyond price.

Other considerations are also important. Total cost of ownership continues to be a concept that B2B buyers respond to positively. Operational costs and the potential for process efficiency improvements also catch the attention of those involved in the considered purchase process.

A compelling story around the safety benefits of a product or service, at least in certain markets, may help tip the scales in your favor if other considerations appear to be equal.

Also bear in mind that in the arena of messaging, one size does not fit all. Engineering and Purchasing may have completely different concerns than the Senior Executive or Owner. Tailor your message to your audience by stressing the right benefits based on whom you are targeting at a given point in the purchase process.

Do you often think about the age of your audience? You should. In our research, we found some substantial variations in responses by age. For example:

- Operating costs played a significant role in purchase decisions more often for respondents aged 30 to 39 (70%) than for those aged 60 and up (56%).
- There was a downward shift for the older age groups from 2011 to 2013 in the percent of considered purchase decisions where flexibility of financing played a significant role. The decline was significant for those aged 50 to 59 (32% to 23%).
- Respondents 50 and older considered safety features an important differentiator more often than respondents aged 30 to 49 (65% to 57%).

59% of
B2B buyers say purchase price dominates their purchase decision 60% or more of the time.

68%
of B2B buyers DON'T consider "green" supply chain an important product consideration.

51%
Of B2B buyers think that product or service benefits are the most relevant factors to their considered purchase decision.

PART II
Information Consumption and Online Habits

The B2B buying cycle is often classified into six distinct phases: problem identification, criteria creation, search, evaluation, test and selection, and procurement.

Little research exists to indicate which information resources are most valuable to B2B influencers or decision makers during each phase. As a result, B2B marketers don't know definitively if certain resources are as critically important to our B2B audience as we might assume. Our research addressed this question head on. We were also interested in learning more about social media engagement, smartphone use, and video preferences of the B2B buyer.

In this section of the survey, we sought to discover the effectiveness of various information sources (and potential tactics used by B2B marketers) to this group of industrial and technical buyers.

1. Useful information.

B2B buyers — just give them facts and in a variety of formats.

There was substantial variation in the importance of particular written materials as information sources (Table 10). Technical data sheets topped the list in importance, with 78 percent of respondents indicating a "4" or "5" on the importance scale. Supplier websites, CAD drawings, and Brochure/Product Catalogs were a distant second, third and fourth in importance ranking.

Of interest, industry magazines were considered important by only 10 percent of respondents in 2013 compared to 27 percent in 2011. Slightly fewer respondents deemed supplier websites and white papers as important in 2013 compared to 2011.

Table 10

Importance as information sources for your considered purchase decisions (on a scale of 1 to 5 where 1 is "Not at all Important" and 5 is "Very Important")

Information sources	Percent "4" or "5"	
	2011	2013
Technical data sheets	74%	78%
Supplier website	52%	46%
CAD drawings	Not Asked	44%
Brochures/Product catalogs	37%	39%
Case studies	36%	33%
Product/System animation	Not Asked	21%
White papers	25%	20%
Video	Not Asked	17%
Industry magazines (Trade publications in 2011)	27%	10%
Email marketing	7%	6%

Implication: The revelation that technical data needs to be the most prominent part of the B2B marketing mix is hardly a new insight, but it does validate that the B2B buyer needs concrete facts to make their considered purchase decision.

Respondents who rated videos as an important information source were far more likely to watch the video on a company website (92 percent) than on YouTube (54 percent). Only 8 percent viewed videos on Vimeo.

Keep your online content current, detailed and relevant to your audience. Buyers in these areas of B2B are looking for technical data, drawings, specifications and other recent materials to help them make considered purchase decisions, and the ease of online access makes electronic materials preferable to print. Also, make smart investments when authoring articles in industry/trade publications and be sure that your audience is reading them.

1. Useful information — Continued

In the 2013 version of the survey, we wanted to know more about how the B2B buying phase affects the importance of the information source. If a respondent ranked an information source as important, they were also asked to indicate the B2B buying stage in which a particular information source was found to be most valuable.

Not surprisingly, evaluation and search are the stages in which the most respondents relied on their information sources to guide the buying process. During evaluation, Technical Data Sheets, CAD Drawings, Case Studies, Product/System Animation, White Papers and Video were most valuable during the evaluation phase. Supplier Websites, Brochures/Product Catalogs, Industry Magazines and Email Marketing were most valuable during the search phase.

Table 11

Stage of buying cycle where factor is important information source*

	Criteria Creation	Search	Evaluation
Technical data sheets	57%	30%	72%
Supplier website	48%	76%	46%
CAD drawings	40%	15%	61%
Brochures/product catalogs	51%	61%	47%
Case studies	43%	29%	60%
Product/system animation	36%	35%	61%
White papers	49%	31%	59%
Video	40%	49%	62%
Industry magazines (Trade publications in 2011)	35%	61%	34%
Email marketing	35%	61%	34%

* Only answered by respondents who ranked information source as important

Implication: Be aware that the information that you offer should be presented in context that appeals to the B2B buyer in the search or evaluation phase of the B2B buying process.

2. Networks rule.

Can we do lunch?

When evaluating a range of human information sources, survey respondents seemed to have established clear preferences for gathering information. While all of these roles have some importance to decision makers and influencers in 2013, a slightly higher percent indicated manufacturing trade representatives (53 percent) as more important than informal contacts within the industry (49 percent) or OEM sales representatives (46 percent).

Table 13

Importance as information sources for your considered purchase decisions (on a scale of 1 to 5 where 1 is "Not at all Important" and 5 is "Very Important")

Source	Percent "4" or "5"	
	2011	2013
Informal contacts in your industry	55%	49%
OEM sales representatives	44%	46%
Distributors	34%	39%
Manufacturing trade representatives	39%	53%
Trade shows	22%	18%

Implication: Are you confident in the skill sets of your manufacturing representatives? Do you have a few salespeople who seem to burn bridges? Is your customer service less than desirable? You'd better make sure you're putting your best foot forward in every instance. Across all industries and every demographic, the most important human interaction sources for information are the manufacturing representatives and informal contacts within the industry.

3. Be ready when the B2B buyer finds you.

We asked our survey participants to elaborate further on what human information sources they deemed most important during each phase of the buying cycle. As expected, respondents indicated most sources of information are important in the search and evaluation stages of the decision process (Table 12). The prominent exception is distributors, who were considered most important in the procurement stage. Consistent with 2011's results, most respondents do not regard these information sources as having high importance in the problem identification or criteria creation stages. There was not a notable change between the overall 2011 and 2013 survey results.

Table 12

Stage of purchase decision where factor is important information source

	Stage in purchase decisions at which source is most important (among those ranking it a 4 or 5 on the importance scale)						
	Year	Problem identification	Criteria creation	Search	Evaluation	Test and selection	Procurement
Informal contacts in your own industry	2011	10%	14%	31%	33%	8%	4%
	2013	11%	15%	34%	37%	9%	5%
OEM sales representatives	2011	9%	14%	26%	30%	11%	9%
	2013	11%	18%	32%	37%	14%	11%
Distributors	2011	4%	12%	22%	16%	14%	31%
	2013	6%	18%	34%	25%	22%	47%
Manufacturing trade representatives	2011	11%	11%	32%	26%	13%	7%
	2013	13%	12%	36%	29%	14%	8%
Trade shows	2011	8%	15%	55%	13%	6%	3%
	2013	9%	17%	62%	15%	7%	3%

Stage where greatest percentage indicated source was most important in 2011 (orange)

Stage where greatest percentage indicated source was most important in 2013 (red)

* In 2013, results sum to more than 100% because respondents were allowed to choose more than one stage as most important

Implication: While there is a lot of talk about marketing and sales playing a role in helping customers identify their problems and defining criteria, our research indicates the customer is likely to be working independently at this stage. Logically, the importance of different outside influences picks up dramatically as the search for supplier alternatives begins.

As a B2B marketer, focus your energy on allowing prospective buyers to quickly evaluate you as an alternative. Understand their language and the problems they're likely to encounter, but don't confuse them by trying to create scenarios and issues that may not exist.

And if you utilize a distributor model, be sure your network is equipped with the correct information and processes to support procurement.

4. Use of online resources: Do you have a LinkedIn presence and a blog?

We didn't need a research study to tell us that industrial and technical B2B buyers are going online to gather information about a purchase. However, we did want to know where buyers go online and to what extent they use other devices and information sources? In summary, online resources are proving to be helpful in gathering information for the considered purchase decision (Table 15).

The B2B buyer is becoming more socialized online, placing increased value on the information that they find in social media outlets to guide the considered purchase decision. The most notable change from 2011 is the rapid adoption rate of LinkedIn (100 percent increase from 2011 to 2013), which was consistent among all age groups. Discussion forums and blogs continue to serve an important role in the decision process, with the results being relatively stable from 2011.

Senior executives and owners are embracing online resources at a much higher rate in 2013 than in 2011. In 2013, far more utilized discussion forums (44 percent vs. 23 percent), blogs (21 percent vs. 8 percent), LinkedIn (44 percent vs. 11 percent) and podcasts (21 percent vs. 5 percent) than in 2011.

Table 15

Do you use the following online resources as part of your considered purchase decision?

	2011*	2013
Facebook	3%	6%
Twitter	Not Asked	3%
LinkedIn	12%	25%
Regularly follow blogs related to your industry	20%	19%
Regularly follow discussion forums related to your industry	31%	30%
Listen to podcasts	11%	9%
Use a smartphone	36%	25%

Implication: If there is one social media channel that the B2B marketer should look to, it is LinkedIn. For the B2B buyer, LinkedIn is considered a strong online resource where buyers can find valuable information to aid the considered purchase decision. In addition, the use of blogs and discussion forums has remained stable since 2011.

Additionally, elevation of your advocates' roles (sales, product managers, subject matter experts) in formal discussion forums can reap major benefits, including long-term customer retention.

4. Use of online resources — Continued

As a follow-up, respondents who indicated they used particular online resources in their considered purchase decision were further asked if the information gathered was helpful to their decision. As per Table 14 below, respondents do find the information found within online resources to be helpful, with blogs, discussion forums, podcasts and LinkedIn ranking among the highest.

Table 14

Have the following helped you gather information for your considered purchase decision?

	Percent of sample who find source useful for decision making	Sample size who use source
Regularly follow discussion forums related to your industry	82%	131
Use a smartphone	76%	111
Use LinkedIn	70%	109
Regularly follow blogs related to your industry	84%	86
Listen to podcasts	72%	39
Use Facebook	64%	28
Use Twitter	67%	15

Regarding blogs, 82 percent of respondents who listed blogs as an information source for the considered purchase decision regarded the blog author as a trusted source of information. In addition, blogs reached their greatest importance (68 percent) at the search stage among those who use them regularly. Nearly half used them at evaluation (49 percent).

Implication: Considering B2B buyers' preferences for online material, you should strive to make your online libraries as mobile-friendly as possible. With the emergence and increasing popularity of smartphones and tablets, more materials are being accessed "on the go."

4. Use of online resources — Continued

70% of respondents in a user group find it helpful in making capital purchase decisions.

As part of the 2013 survey, respondents who used their smartphones for information gathering in the considered purchase decision were asked for more detail about their smartphone behavior. Almost all of those who used smartphones in their considered purchase decision relied on it for Web access, email and text. About half also used it for videos (58 percent) and social media (50 percent) (Table 17).

Table 17

Use of your smartphone for information gathering in considered purchase decision

	Used for information gathering
Web access	93%
Email	92%
Text	75%
Video	58%
Social media—updates and location check-in	50%
Mobile ads	26%
QR codes	20%

Other online behaviors uncovered as part of this research study included:

- Respondents were evenly split in their preferences between printed and online ads as a trusted information source. 49% trust print more and 51% trust online more.
- More than two-thirds (68%) have clicked on an online ad to gather information. This is substantially higher than in 2011 when just less than half of respondents indicated they had. Online ads were most likely seen as a search engine result (91%) or on LinkedIn (14%).
- A significant majority of respondents (57%) have clicked on an online video to obtain information for a considered purchase decision.
- 28% of respondents belong to an online user group. Of those who do, 70% found information from that user group helpful in making capital purchase decisions.

5. The B2B Buyer and Events

69% of respondents have attended a webinar in the last 12 months.

As demonstrated in the previous section, B2B buyers have embraced the digital world in their process of making considered purchase decisions. From smartphone usage to social media and blogging, the availability of digital options is changing the way B2B buyers gather purchase information.

For the 2013 version of our research, we also wanted to understand the role of interpersonal communications for the B2B buyer. We were particularly interested to learn more about the relevance of traditional trade shows, as well as the emerging role of virtual education in a variety of formats. We found that about two thirds of respondents had attended a trade show (62 percent) or a webinar (69 percent) while only 18 percent had attended a virtual event. The great majority of respondents who had attended one of these events indicated their value in gathering purchase information.

Table 16

Which have you attended in the last two years, and how helpful was it in gathering purchase information?

Percent attending and indicating it helped them gather information for considered purchase decision		
	Percent attending	Ranked “helpful” as percent of those attending
Trade show	62%	83%
Virtual event	18%	72%
Webinar	69%	70%
None	15%	

Implication: In this technology oriented world, there is still room for face-to-face communication. The B2B buyer does attend trade shows, with most respondents attending at least one per year. Invest wisely in the events that will enable you to reach the best audience possible.

Additionally, webinars are embraced by the B2B buyer and should be considered as an element of your marketing plan. Webinars also have longevity by making them available in an archived format on your website.

30%
of respondents attend three or more webinars per year.

5. The B2B Buyer and Events — Continued

Other event information uncovered in our B2B buyer research included:

- Senior executives and purchasing respondents were more likely to have attended a trade show than respondents in general (79% and 89% vs. 62%).
- Most respondents (84%) attended at least one event on an annual basis, but only about a quarter (24%) attended three or more trade shows. Product Managers/Marketing/Sales respondents were more likely to attend three or more events annually.
- For most respondents (85%), planning for event attendance typically occurred four or fewer months ahead of time.
- Almost two-thirds of respondents (64%) indicated that pre-event marketing emails were helpful.
- Almost half of respondents (47%) were identifying product or service needs when they attended a trade show. Only a fifth of respondents (19%) were narrowing down a supplier; and only two percent were ready to purchase at the time of attendance.
- Respondents stated that networking and gathering exhibitor information were the key benefits to attending a trade show.

Part II Conclusion:
Think about your tactical mix.

To no one's surprise, this research confirms the importance of various online and digital media as information sources for those involved in the considered purchase process. In addition, trade shows are still widely attended by B2B buyers, and should be considered in your tactical mix. Other insights include:

- Technical data sheets, supplier websites and brochures/product catalogs are considered most important in the evaluation and search phases of the considered purchase decision.
- Mobile websites, discussion forums and blogs are important information sources for purchasing decisions; LinkedIn is the dominant force in the B2B buyer's view of available social media channels.
- The utility of online ads and videos is clear, with half or more of respondents indicating reliance on both for gathering purchase information. And, respondents overwhelmingly want to see videos on a company's website.
- Most respondents (84%) attended at least one trade show on an annual basis, but only about a quarter (24%) attended three or more events.

However, before re-allocating our marketing budgets to all things digital, let's not forget the important human information sources: manufacturing trade representatives and informal contacts within the industry. In all cases, industry peers rank these resources as highly important information sources.

1 out of 4
B2B buyers uses LinkedIn for considered purchase decisions.

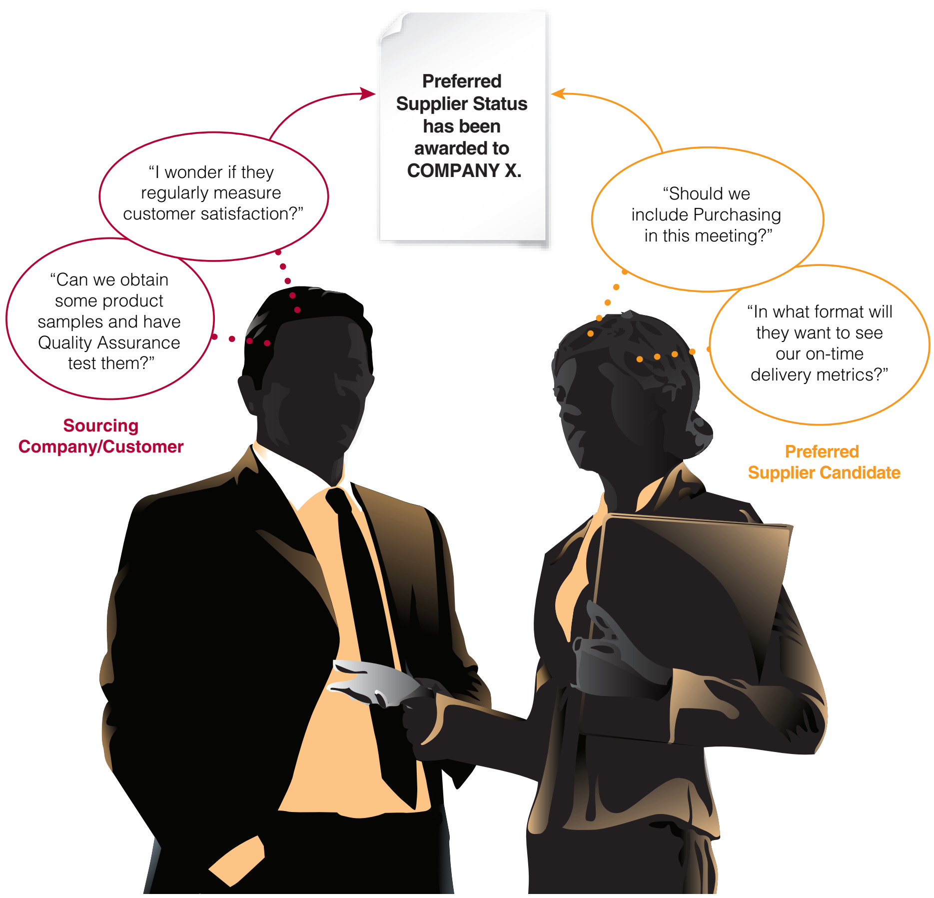
69%
of respondents have attended a webinar in the last year.

82%
of discussion forum followers find the information important for their purchase decision.

In B2B, it is all about ***content and contacts.***

PART III
The Purchasing Process: Preferred Suppliers and Critical Attributes

With the existence of online bidding systems and the proliferation of online information about potential supplier options, we set out to understand how these factors affect the ability of a company to become a preferred supplier. We also questioned whether preferred supplier status truly leads to increased sales.

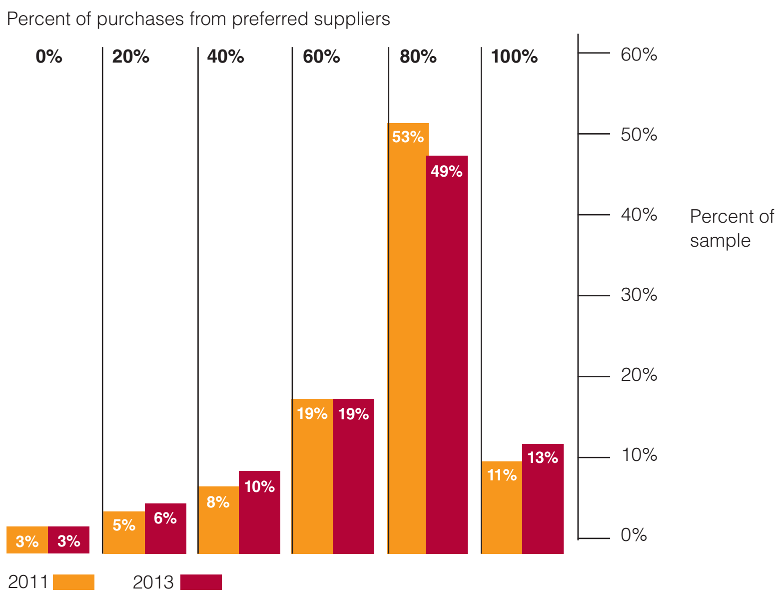


1. Preferred suppliers get the business.

Our research showed that on average, 69 percent of considered purchases were from a set of preferred suppliers. This data was remarkably stable across demographic groups from 2011 to 2013.

Table 18

What percentage of your purchases is from preferred suppliers? Please select one.



Implication: Becoming a preferred supplier can sometimes be a complex process, but it is worth the effort. For a considered purchase product or service, the development of a mutually beneficial business relationship is important and should be part of the overall B2B sales strategy.

Part III Conclusion: Being a preferred supplier is worth the effort.

In the 2013 version of our study, we also wanted to understand how difficult it is to become a preferred supplier. The results varied greatly by industry. Durable goods industries respondents were more likely to cite difficulty in adding preferred suppliers to their list.

Table 19

How difficult is it to become a preferred provider by industry?

	Industry Groups						
	Energy/ Utility Related	Construction or HVAC	IT	Medical Devices/ Pharmaceutical	Durable Goods Manufacturing	Process Industries (Chemical Food, etc.)	Misc.
Easy	1%	3%	5%	3%	2%	5%	3%
Moderate	23%	30%	14%	27%	18%	23%	23%
Somewhat difficult	42%	52%	50%	30%	30%	53%	43%
Difficult	26%	15%	18%	27%	41%	14%	24%
Very Difficult	7%	0%	14%	13%	9%	5%	7%

With respondents indicating that 69 percent of purchases come from a preferred supplier list, this may be an important area of emphasis in a B2B sales strategy. If you do move into the preferred supplier arena, be prepared to demonstrate the following* and defend these aspects of your product or service:

- Product quality
- Price
- Evidence of customer satisfaction
- Service considerations (service level agreements and aftermarket support)
- Evidence of successful on-time delivery
- Evidence of successful product availability
- Proof of financial stability

*as cited in our 2011 survey results

And depending on your industry, be prepared to find the process of becoming a preferred supplier to be moderately difficult.

69%

of respondents stated that considered purchases came from preferred suppliers most of the time.

Report Conclusion

To build on the B2B marketing data available from trusted resources such as MarketingProfs, MarketingSherpa, BtoBOnline and GlobalSpec, TriComB2B teamed with the University of Dayton's School of Business Administration to conduct primary research into B2B marketing industry trends. In 2013, a customized survey of 443 individuals provided important insights regarding how they react to marketing messages, the information sources they consider most important and how they view the role of preferred suppliers. A summary of our observations is provided on the next page.

*While B2B buyers **respond to different messages** depending on their role within the organization, **everyone responds to price.***

*In B2B, differences exist between influencers and decision makers, but the **role or function** that one has within an organization is more important.*

*B2B buyers are looking for strong **technical content,** and they will **go online first.***

Consider the message and the audience.
While the B2B buyer is motivated to consider a product or service first based on price, other considerations are also important. Total cost of ownership continues to be a concept that B2B buyers may respond to, especially at the higher levels of decision making. Determine which aspect to emphasize over others based on the role of the individual who is making the purchase decision. A very well defined set of product features and benefits should be the lead in your B2B marketing materials.

Despite the prevalence of green marketing in the consumer world, "going green" is not an important differentiator in the purchase decision, especially when compared to safety features and energy efficiency.

Regardless of role, information from informal industry contacts is important to the decision-making process. Make sure those contacts are sharing positive feedback.

Consider how information consumption and online habits are changing.
It is clear from the research that the B2B buyer ranks technical information as very important in the purchase decision process. Technical information should be focused on supporting the search, evaluation or procurement stages of that process. By the time most B2B buyers search for a supplier, they have already passed through the problem identification and purchase criteria phases.

Go mobile — or be prepared to, soon. More B2B buyers are using a smartphone regularly and participating in industry discussion forums and networks such as LinkedIn.

If a product or service lends itself well to active feedback from users, an investment in a discussion forum format makes sense.

Consider the benefits of becoming a preferred supplier.
The global and interconnected nature of today's B2B world has created a more complex process for those companies aspiring to preferred supplier status. With 69 percent of purchase decisions being made from a set of preferred suppliers, this should be an important part of your sales and strategy.

***Social media** is being adopted at a rapid pace within B2B, including LinkedIn, blogs and discussion forums.*

***Informal industry contacts** continue to be an important information source in B2B.*

***Preferred supplier status** is critical to B2B sales strategy if the marketplace accepts that model of business development.*

About This Report

This report was created and executed through a partnership between TriComB2B and the University of Dayton's School of Business Administration. The Business Research Group at the University of Dayton designed the survey and analyzed its data.

During the second quarter of 2013, a total of 443 respondents across industry sectors participated in the survey. In some cases, similar industry segments were combined into larger groupings to simplify analysis and results presentation. The number of respondents for each industry grouping is provided below, as well as the definition of the groupings where applicable.

Industry Group	# of respondents
Energy-related	81
Construction	66
Information technology	22
Medical device and pharmaceutical	77
Industrial manufacturing	66
Process industries	88
Other	43

INDUSTRY GROUPING DEFINITIONS

Energy-related—petroleum refining, oil and gas, power generation, alternative energy

Construction—industry grouping not applicable

Information technology—industry grouping not applicable

Medical device and pharmaceutical—industry grouping not applicable

Industrial manufacturing—industrial equipment, power transmission, machine tool, controls and electronics, component manufacturing, other manufacturing

Process industries—mining, food and beverage, chemical processing, water resources, pulp and paper

Other—various industries not classified in the above categories, to include agriculture, automotive, consulting engineering, HVAC, packaging and telecommunications

Versions of this report that are specific to the above industries can be requested at: www.tricomb2b.com/2013Research.

About the Business Research Group
at the University of Dayton

The Business Research Group at the University of Dayton is part of the university's School of Business Administration. This organization offers comprehensive market research offerings, including:

- Survey research
- Focus group research
- Program evaluations
- Economic forecasts

For more information, visit http://businessresearchgroup.udayton.edu/.

About TriComB2B

Solving the complex marketing challenges businesses face today requires a balance of innovative and proven strategies. Striking that balance calls for creativity, experience and a comprehensive set of capabilities.

Located in Dayton, Ohio, TriComB2B is a business-to-business marketing agency that truly understands these challenges. Our commitment to addressing the complexities encountered in marketing technical products and services has made TriComB2B a trusted marketing partner for companies throughout the U.S.

TriComB2B was recognized in 2013 as a Top 150 Agency by *BtoB Magazine*.

For more information, visit www.tricomb2b.com.