

How do **IT decision makers choose** their suppliers?



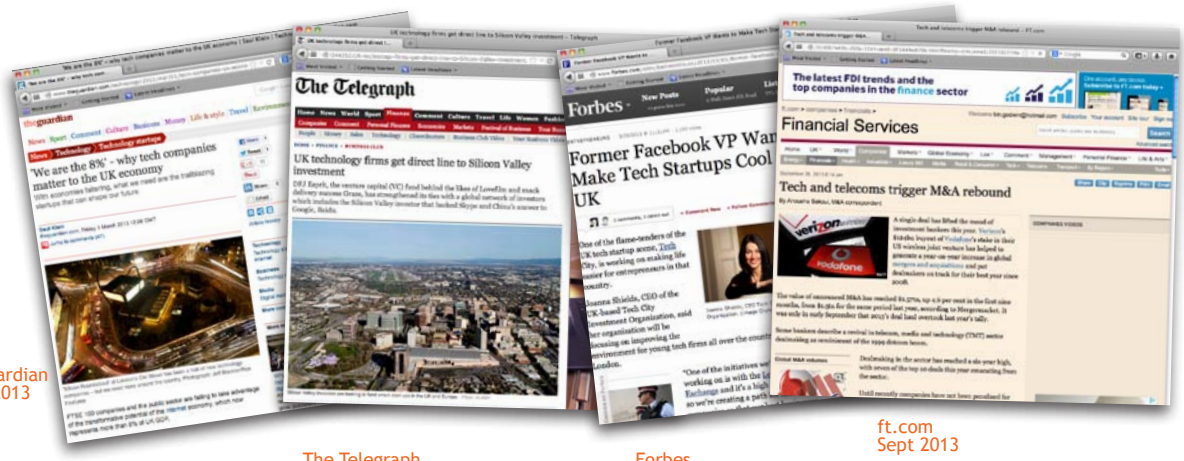
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Introduction

The UK technology industry is in a good place. Evidence suggests that activity, investment, and especially merger and acquisition activity, are all on the rise in recent months



The Guardian
March 2013

The Telegraph
September 2013

Forbes
May 2013

ft.com
Sept 2013

And in any buoyant or bounceback market, sales and marketing suddenly becomes of far greater importance. Having had its spend scrutinised heavily during the tougher times, performance and effectiveness is then further examined when opportunity is perceived to be high. It's tough being a B2B marketer!

But most B2B marketers are marketing "blind". They are basing their plans on generic B2B marketing advice, or even worse, anecdotal evidence.

For example, you have probably researched B2B marketing best practice, downloaded and digested dozens of white papers, and discovered the importance of valuable content, social media and search engine optimisation (SEO). In fact, you are most likely confused having found plenty of contradictory information.

However, what you have not found is the material that really matters - quantitative data specifically on how the IT decision-maker:

- researches a business problem
- finds a solution
- identifies possible suppliers
- chooses a supplier

In short, you have almost certainly not been able to find detailed information on what channels and content move these technology decision-makers further down the 'Sales Funnel'. And you therefore do not know for certain where you need to be focusing your energies.



What's a "sales funnel"?

The term given to the process where increasingly smaller proportions of your target audience move from being unaware to aware of your products/services, through to being positively interested and identifiably 'in the market' and then, ideally, a customer.

The terminology that defines each layer differs throughout the B2B marketing industry, but there are nonetheless two typical trends: the segments are smaller as you move through the selection process, and there are finite triggers required that entitle a contact to progress further down the funnel.

It is these triggers that are the subject of this white paper.

How do we know this? Because we have been looking for it too!

In our role as consultants and advisors in sales-focused B2B PR, and in B2B marketing in its wider sense, we wanted to know (and I mean, **know**) what nuances apply specifically for marketing IT products and services so that we could give our clients the very best and most effective advice.

But such research didn't exist

So we commissioned our own. We asked Redshift Research, an independent research house, to ask 150 IT decision-makers in the UK who had all made an IT investment in the last 12 months:

- how they had gone about the research, consideration and selection processes
- what were the most and least valuable sources of information when building a long list
- what content convinced them to put potential suppliers on the short list
- what information made the difference in final selection
- what materials did they wish marketing teams provided, but rarely did

So, if you are involved in marketing or sales for a B2B IT company, and want to make sure you are hitting the right notes and focusing on the correct activities, this document is for you. It will give you unprecedented insight into exactly how your target buyers are thinking and what they want to see from you.

Will Gardiner
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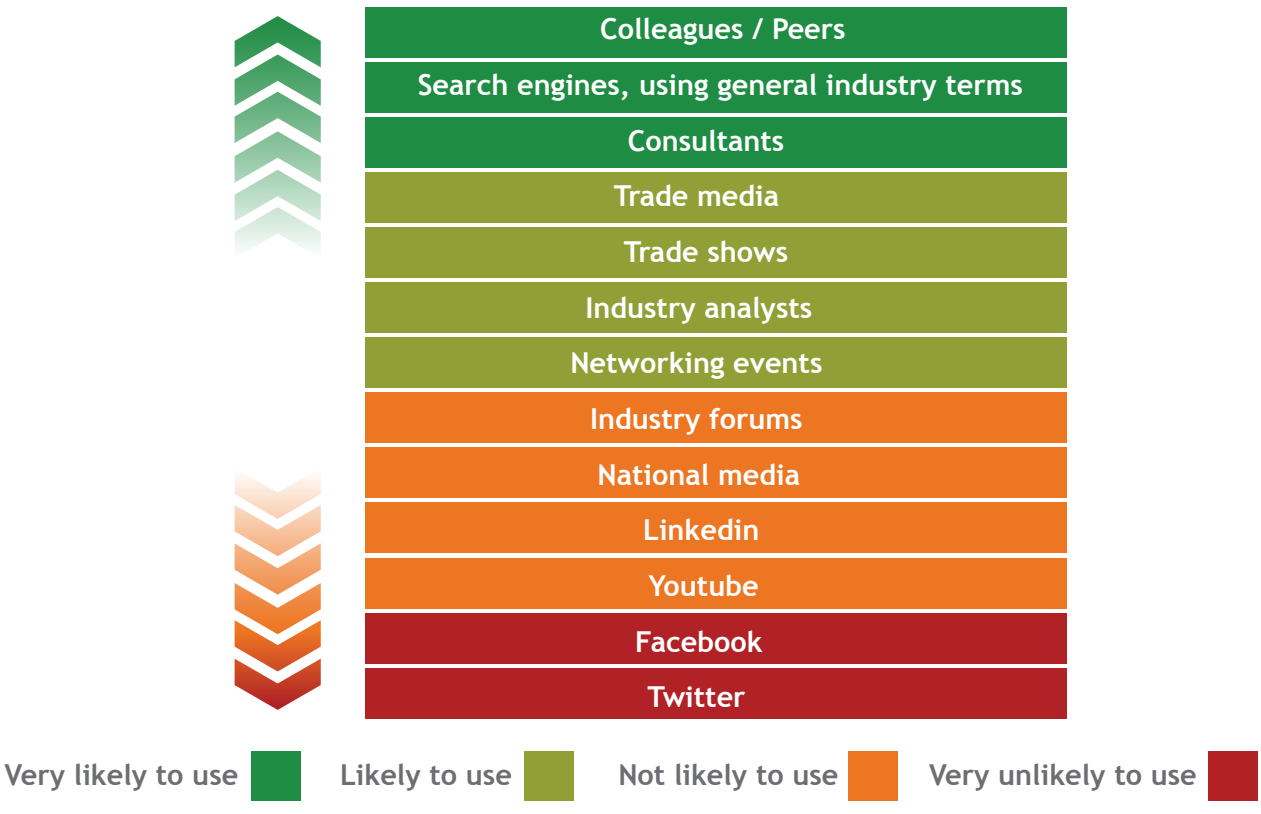
Methodology

150 UK IT decision-makers were asked a series of questions by Redshift Research regarding their IT, values and the department it was purchased for. They were then asked to consider the three stages of the purchasing process (for the sake of simplicity, defined as “Research & Long List Creation”, “Short List Creation” and “Final Decision”) and for each, rank given information sources in importance on a scale of 0-10, with 0 indicating no use whatsoever and 10 being absolutely essential.

Results & Analysis

Stage One:
Researching business problems and creating a long list of suppliers

Q. If you identified that your company needed a new IT investment and your current / known suppliers were not suitable, how likely would you be to consult each of the following information sources in order to understand more about your company’s problems, and find potential suppliers?



Most Likely – the “Immediate Sources”



Peers, consultants and search engines were shown to be the top three information sources for the discovery stage of a new IT investment. Indeed, statistically, these three are of almost equal importance as, on a scale of 0 (not likely to use at all) to 10 (almost certain to use), they were only within 0.2 of each other.

These three are widely considered to be the first ports of call for most business research. No more ink needs to be wasted on the pervasiveness of search engines, and a reliance on a network of trusted advisors is typical of most business decisions.

But what do B2B marketers need to do in order to make sure that their brands are front of their peers', colleagues' and consultants' minds, and similarly top of the search engine listings?

It's not possible to rely on a given decision-maker's trusted advisors being happy customers of yours and therefore naturally inclined to recommend you. But you can put your good news, industry commentary and innovative thinking throughout the trade media, such that when a decision-maker asks his / her network for advice, yours is the name that has been seen most recently. In the absence of a direct customer relationship with the network of advisors and consultants, positive trade media coverage is the next best way to secure an endorsement.

And this same activity can have an enormous effect on search engine optimisation (SEO). The media coverage mentioned above will often include links to your website – a core requirement of good SEO – and the constant flow of high quality content that a PR campaign requires and generates is of equal value to any SEO effort.

Likely – the "Classic Sources"



While IT decision-makers' first ports of call during the research phase are their peers and the internet, next most popular information sources come from within the specific industry itself: trade shows, trade media and industry analysts.

So it appears that the importance of frequent inclusion in trade media is two-fold – as well as a route to influencing their own wider network (see above), decision-makers themselves rely on press coverage directly when building long lists of suppliers. Trade shows and networking events are of course part and parcel of many B2B marketers' plans (budget depending), but why are analysts important?

Relevant, well-positioned analysts can be amongst the most potent influencers your business will ever work with. Their unique place in technology consulting means they are able to position your products and services to their clients – your potential customers - in a trusted, independent manner.

Unlikely – the "Broad and Shallow Sources"



From this point on, the information sources were ranked as either unlikely or very unlikely to be used. The next category of information sources – which we are classifying as "broad and shallow" – is comprised of national media and industry forums.

Judging by the emphasis often placed on national media in PR services RFPs, many marketers will be surprised to see national media ranked so low in influence at the research and long list stage. However, it must be remembered that at this point in the buying cycle, decision-makers are looking for detailed information with which to better understand a business problem. Such a level of discussion and insight is simply not found in generalist media such as the nationals. Indeed, far better to conduct this research in tailored, niche publications and analysts reports, or at industry trade shows and networking events – which is exactly what has been shown by the data (see above).

While industry forums are focused on the individual industry, and they do of course provide access to like-minded industry personnel, the depth of discussion tends to be limited. Indeed the reputation that forums have – rightly or wrongly – is that the participants are often sales people with clear bias and agendas, meaning of course that they are often sidelined when conducting research.

Least likely – Social Media



What is then remarkable is the low attention afforded to social networks – all of which were considered to be "unlikely" or "very unlikely" to be used. While the inherently professional network of LinkedIn is too content-rich to not be of value in the discovery and research process, it appears it is still not yet natural for IT decision-makers to rely upon it. The same can be said of YouTube, which is increasingly considered a useful source of B2B information in an easily-digestible format, though it has not yet broken through to rank above more immediately familiar or traditional sources.

Finally, Facebook and Twitter



Facebook's typical perception amongst B2B marketers (though there are exceptions) is that it is not an appropriate channel through which to reach their audiences and therefore not a viable option for investment of time or resource. Simultaneously, decision-makers largely consider Facebook to be a personal social platform rather than a professional one, and so the delineation instantly counts against Facebook's B2B marketing efficacy.

Twitter meanwhile is simply not intended to be a generalist research source. Twitter's principal use is for brands to build and engage communities that can then be entered into regular dialogues with, rather than to be used as a mini-search engine to research new fields. As a fact-finding tool on a new topic, it is therefore considered of poor value by our respondents.

Stages Two & Three: Short list compilation and final selection

So once the purchasers have fully understood the business problem they are faced with, and defined a long list of relevant suppliers, what content do they use to whittle it down to a short list of real contenders?

And which information sources do they trust when finally choosing a supplier? Most importantly therefore, what ammunition should B2B marketers make sure they are producing and promoting?



The first thing to notice is the fact that more sources are relied upon in the short list creation stage than in the final purchase decision phase. This is because short list creation in the modern B2B sales process tends to be done with no direct dialogue with the suppliers themselves. Decision-makers want to research potential suppliers independently, gathering as much content as they can from multiple sources and then drawing their own conclusions before making contact.

In contrast, making the final decision tends to be done having made direct contact with the supplier(s), meaning less content is required.

So, starting with the most influential content…

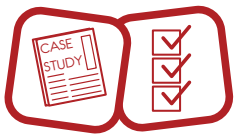
White Papers



If decision-makers are deliberately resorting to independent research, downloadable white papers become essential. As a source of detailed information, but not so in-depth that they confuse or bore, white papers are an ideal educational medium for decision-makers – and when written well, they will

show compelling credibility. And the mechanism of independent download lends itself perfectly to the desire to conduct research without committing to a sales dialogue.

Evidence



The second and third ranked information sources are very different from white papers. Rather than showing insight and market views, case studies and user reviews are more about demonstrating evidence of a supplier's abilities and the quantified benefits gleaned from their products or services. The availability of these documents appears crucial for qualifying onto the short list, and also for being chosen as the final supplier.

Indeed, the fact that these three information sources retain their degrees of importance across the two final stages of the buying process reinforces the importance of the basics of B2B marketing: make sure you have an articulate and differentiating view on the market and that you have customer references readily (i.e. publically) available.

Third Party Endorsements



Third party endorsements typify the next section of influential content – presence in trade media, analyst reports and the national press. Positive inclusion in these media equates to indirect recommendations from influential industry experts and coverage is therefore highly sought after.

Naturally, not every supplier in the industry can earn such profile, so being included at all becomes a highly distinguishing factor. What should be noted however is that once again, trade media and analyst reports are ranked above national media at both stages.

Webinars & Market Views in the Media



Close behind third party endorsements in the influence stakes come webinars and seeing a supplier's market views in the trade media. Both of these mechanisms rely (usually) on the same premise – the supplier's thought leadership.

While evidence of the successful practical application of the suppliers' products or services in the media is of more use to the decision-maker, being able to see evidence of innovative mindsets and views on the market is clearly reassuring. Decision-makers are equally keen to see this differential thinking via the trade media or via supplier-run webinars. The point is not so much the mechanism by which it's delivered, but instead making sure that the suppliers can distinguish themselves by claiming the coveted 'thought leader' position.

Blogs and Video



Blogs and video content are the lowest ranked useful information sources at shortlisting and neither are considered useful at final decision stage.

However, considering the importance of search engines in the aforementioned research stage, and blogging's renowned impact on SEO, a well-maintained blog is actually far more important to B2B marketing than these statistics would suggest.

Meanwhile, video content lends itself well to explaining a complex proposition, hence being of use at the short list stage, where viewers are moving from conceptual problem-solving (research and long list creation) to considering specific solutions (short listing). When making a final decision however, purchasers have moved beyond needing to know the nature of the solution and are instead looking primarily for evidence of business benefits. This explains case studies, white papers and reviews retaining their high importance at the decision stage and video content dropping, along with blogs, to negative importance.

Email



Email newsletters are not influential at either the short list or decision stages. This low rank is because email newsletters are not considered signs of expertise or credibility as too many vendors use the mechanism to simply circulate industry and/or corporate news. But if email is instead used to promote the higher-ranked content types (white papers and case studies for example), then its importance and value can rise dramatically.

Social Media



Once again, social media are ranked lowest at both stages and as entirely not influential. And the same reasoning as before can be applied here – social media's role is not to tip a prospect over the edge into being customer. It is intended as a method of communication with communities who share common interests – and in this field, this is likely to include customers (ex- and current), partners, associates and those operating in the same or related fields. Typically not prospects.

What's Missing?



We also asked our respondent what information sources they would have liked to find or particularly sought out, but weren't typically available. Surprisingly, white papers and case studies were the source of most frustration – they were the top two ranked information sources that were typically not available. Only just behind was suppliers' news in trade media, showing the discrepancy between the importance of third party endorsements, and vendors' ability to secure and provide them.

Webinars and video content were next most likely to not be available. While neither of these were startlingly high in influence for short list creation or final decisions, what this shows is a clear appetite for easily digested information. A two minute video is often as valuable as a 3,000 word white paper. Perhaps in 12-24 months, IT decision-makers will vote with their feet and we will see rich media ranked as highly as prose white papers and case studies.

Conclusions & Key Takeaways

1 During initial background research and long list creation, search engines and decision-makers' own contact networks are undeniably their first ports of call, closely followed by "industry information sources" such as the trade media, industry events and analysts. Social media and national press are largely ignored at this stage as they are considered insufficiently detailed or targeted.

2 When compiling short lists and making a final decision, white papers and case studies are absolutely vital. They combine to provide the backbone of modern B2B marketing - a well-honed, articulate and differentiating view on the market supported by customer evidence. But frustratingly, one or both are often not provided by vendors.

3 Similarly, coverage in trade media is ranked highly and is consciously sought out by decision-makers at all stages of the Sales Funnel. But it is not regularly available, giving a natural advantage to those who are regularly appearing in the press.

4 There is a growing appetite for rich media from IT decision-makers. Video content and webinars are rated as convincing and influential, and the degree of frustration shown when they are not available shows how much of an advantage can be gained by providing them.

5 Email newsletters are not considered a valuable information resource. But email marketing is by no means therefore dead. If instead of being used for industry and corporate updates, the email channel is used to promote white papers, case studies and other content that is considered useful at the short listing and final stages, then it will generate returns.

6 SEO is one of the most important information sources in the long list creation stage, which means any efforts to support SEO performance are vital. Despite its own low importance at all stages of the sales funnel, social media is one of those efforts. Search engines favour websites with regularly updated, appropriately constructed and highly linked-to blogs, and also those with multiple links from external social media platforms – meaning social media actually has an importance far beyond its direct purpose.

7 Social media has a strong impact on SEO, but it can act as a source of user reviews, shown to be an influential resource during selection. Gathering these organic testimonials through social media is an increasingly common tactic in B2B marketing, and one that appears highly influential.

Putting this into Practice

The analysis above has made one thing clear. B2B marketers targeting IT decision-makers need to create plenty of material, in various forms, and need to be conscious of what they are trying to achieve with each piece of content. “Is this white paper for someone drawing up a short list, or am I trying to convince someone to finally buy?”

This is all very well, but the marketer needs to know what to say. What will the topic of the next white paper be? And the next blog? And the webinar? And what is my next angle for the media? After all, if prospects want to consume a great deal of information before even making contact, marketers need to dedicate more and more time to content creation and promotion. Moreover, momentum has to be maintained.

But this is not impossible. To help, here are our two secrets to finding your angle and creating all the content you need.

Consult the wider organisation for topics

Your sales team deal with your prospects every day – they can advise on the current trends in motivations for engaging with your brand, or the notable exceptions, and on which products or services are proving most popular and why. Similarly, your account management team can tell you what your current clients are reacting to, asking questions about, wanting to see from you and even what is frustrating them.

Finally, don’t forget your wider supplier network. Your PR consultancy and other providers in your supplier network are all avid consumers of market information. They will always have a close eye on what tactics, message and thought leadership themes are resonating with the media, and which are not.

Focus on the white paper

The white paper comes first not because the research shows it’s the most important, but because in writing 2,000 – 3,000 words on a theme, its background, your company’s argument and your differentiating point, it becomes the articulated crux of the campaign. And indeed, the downloadable, registration-only content to which all your marketing efforts will point.
Once you have the white paper, it can be, for example:

- cut into several blogs
- transformed into a webinar script
- shrunk to a series of bylined articles for the media
- used as a talking point for engaging with analysts

Customer engagements that showcase the points within the white paper can be written up into case studies and relevant new business can be announced to the media. Very quickly, from that one white paper, you have a library of materials for use in a variety of channels.



...and repeat

Now do it again. It will only take a few months for that wave of content to be exhausted, and coincidentally, it only takes a few months for your sales, development and account teams to have new topics to feed you. You've now got a regular process in place for building and promoting sales-focused marketing campaigns.

This is the exact same process that we at CCgroup use for our clients' campaigns. Being a PR consultancy first and foremost means that our heritage is in taking B2B technology companies' messages and creating high quality content targeting their various audiences.

The extra skill is in understanding what message to use where and when, how exactly to articulate it and what type of content will resonate best considering the target recipient and the end goal. This is where CCgroup has regularly excelled over the years, helping B2B technology companies to push the right content to the right people at the right time and as a result, meet their objectives, be that generating sales leads, improving brand awareness, launching new products and services or even positioning themselves for an exit.

Contact

If you would like some advice on content production and promotion specific to your company and its goals, just get in touch.

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More Information

In the process of analysing this data, it became clear that information sources relied upon by a decision-maker researching and purchasing a sub-£5,000 IT investment differed substantially from when a seven-figure contract was being awarded. Accordingly, we have put together a series of analysis documents that investigate this difference, where we have split the respondents into three groups according to the level of investments in the last 12 months – sub-£5,000, £5,000-£100,000 and £100,000+.

The analysis is available for download here:
http://info.ccgrouppr.com/tech-decision-makers-cost

We also noticed a significant series of differences between the responses from decision-makers according to the type of IT being purchased – hardware, software, IT services or IT infrastructure. For these criteria too, we have drawn up specific analysis documents, which are available for download here:
http://info.ccgrouppr.com/tech-decision-makers-type

We have also identified the differences between IT decision-makers purchasing for the various departments of a business. There are subtle differences between what content is important to an IT purchaser investigating a solution for the sales department as compared to the HR department etc. This analysis is being kept back specifically for CCgroup client consumption.

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