

The
BUYERSphere™
Report



Survey Of B2B Marketers' Perceptions
of Buyers' Use Of Social Media

Report On The Survey Findings – November 2010



Contents

- 1 Introduction 3**
- 2 Sample Profile 4-5**
- 3 Attitudes to and trends in usage of Social Media 6 - 13**
 - 3.1 Trends in marketer usage
 - 3.2 Perceptions of buyer usage
 - 3.3 Return on investment
 - 3.4 Marketer usage on their own account
 - 3.5 The pros and cons of social media
- 4 Perceived usage and influence of social media, through the buying process 14- 26**
 - 4.1 The product/service in question
 - 4.2 Stage 1 - Identifying And Defining The Need
 - 4.3 Stage 2 - Identifying Potential Suppliers
 - 4.4 Stage 3 - Final Selection of a Supplier
- 5 Looking to the future 27 - 30**

Introduction

Base One has commissioned a research study to explore the extent to which B2B marketers are attuned to how their customers are using social media tools and channels to help them in the process of refining their needs and identifying suitable suppliers for major business purchases. The findings have been compared to a parallel study commissioned by Base One earlier in the year, which asked buyers directly which information sources they actually used.

The survey was conducted online, administered and analysed by market research specialists McCallum Layton, among business contacts of B2B Marketing magazine.

In order to qualify, respondents had to have been personally involved in promoting/marketing 'big ticket' B2B purchases of over £20,000 on behalf of their business in the previous year or so - this ensured that the findings would be comparable to the buyers survey (which sampled B2B decision-makers involved in having made purchases on this scale). The findings are based on responses from 123 marketers; the buyer survey to which it is compared analysed responses from 503 business buyers.

In association with

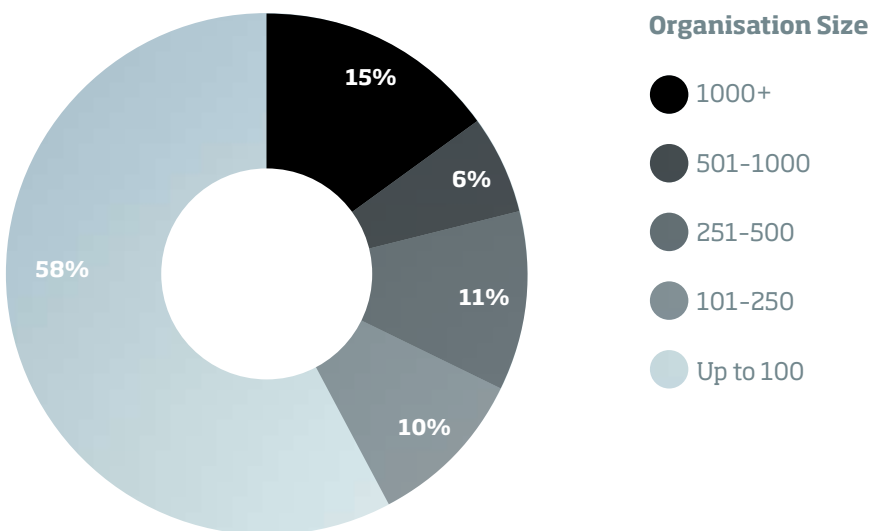
McCallum Layton
Research and Marketing Insight Consultants

Sample Profile

The survey respondents represent a wide range of sectors:

Main Business Activity	No.	%
IT/telecoms	28	23%
Business Services	25	20%
Professional services	25	20%
Financial services	12	10%
Manufacturing	8	7%
Marketing	8	7%
Construction	4	3%
Retail	2	2%
Other	11	9%

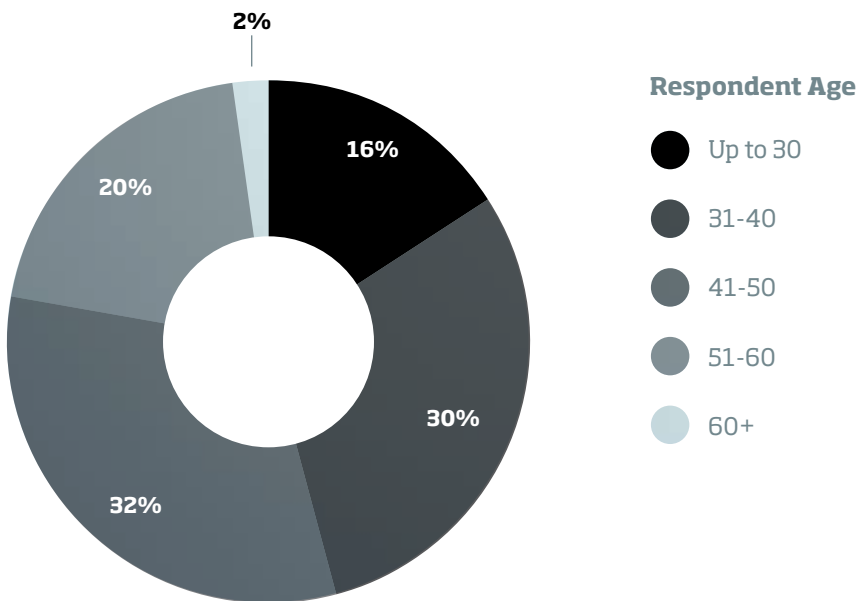
Over half of companies represented have up to 100 employees, while a fifth have over 500:



The majority of respondents taking part in the survey were marketing directors or managers, or at senior board level:

Respondent Job Role	No.	%
Marketing/Communications Manager	41	33%
CEO / Managing Director	23	19%
Marketing/Communications Director	22	18%
Marketing/Communications Executive	18	15%
Sales / Business Development function	13	11%
Other	6	5%

A broad spectrum of age groups was represented:

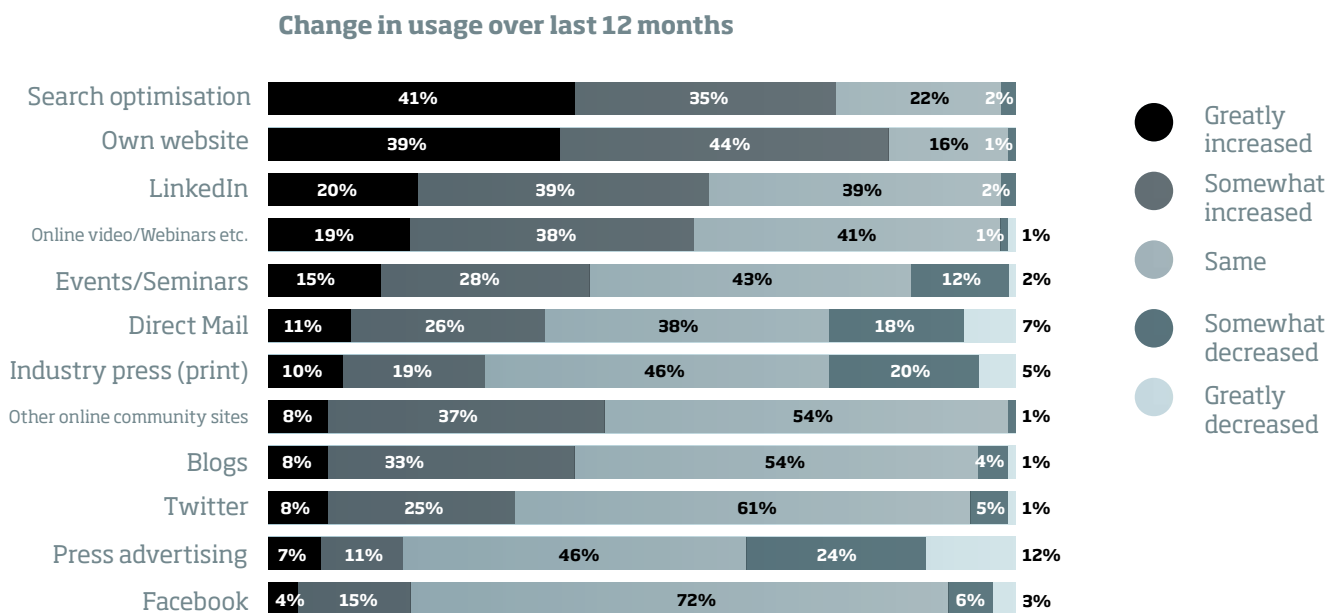


While 9% also have B2C marketing interests, for 91%, their sole or main focus is B2B.

Attitudes to and trends in usage of Social Media

3.1 Trends in marketer usage

Respondents were asked how the extent to which they personally use a range of communication channels in their B2B marketing programme has changed, over the last year or so:



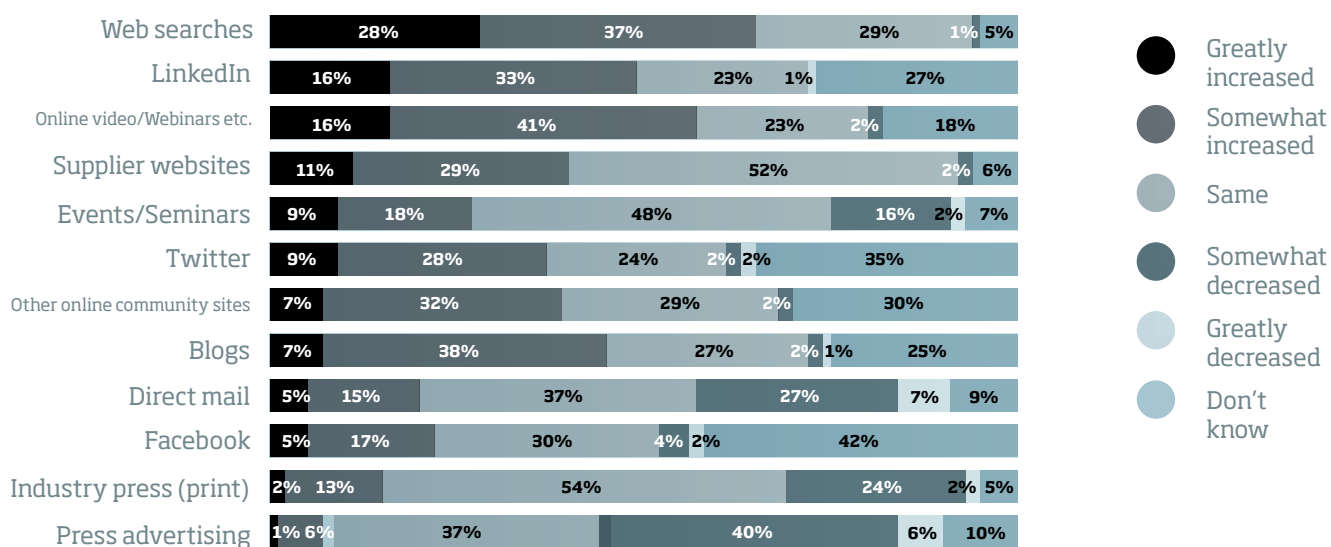
Overall, more respondents recorded a rise in their use of any given channel than mentioned a decrease; most sources had seen a net increase over the last 12 months. This increase was greatest for websites and search optimisation; net usage was also up for LinkedIn, online videos/webinars etc and online community sites (although Twitter and Facebook specifically did not come out as strongly here). Net usage was down for press advertising, though, and fairly static for print media and direct mail.

Respondents aged up to 40 were more likely than older ones to say their use of Twitter has increased, but there were no other real differences in the results by age group. Those in larger companies (more than 100 employees) were more likely to have increased their usage of online videos/webinars/podcasts etc while direct mail was referred to as having increased by more of the smaller companies than the larger ones.

3.2 Perceptions of buyer usage

Marketers were then asked to say, in their opinion, how the behaviour of their target buyers has changed over the last year or so, in terms of using each of these tools:

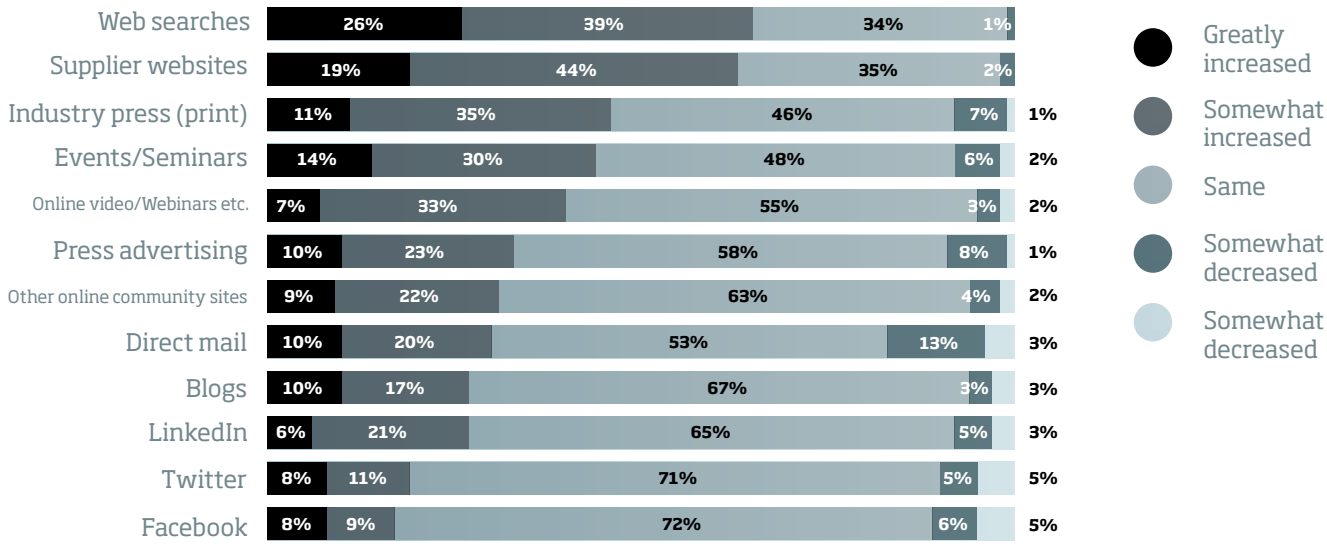
Marketers' views on the change in buyers' usage over last 12 months



Marketers expected that buyers are making more use of many of these channels these days than they used to, particularly web searches, LinkedIn and online videos/webinars etc, and that they are making less use of traditional channels such as press advertising, direct mail and print media. In the case of social media, high proportions of marketers, though, could not say which direction buyers are going in.

We did of course ask this question of the buyers themselves, on the parallel survey:

Buyers' reported change in usage over last 12 months

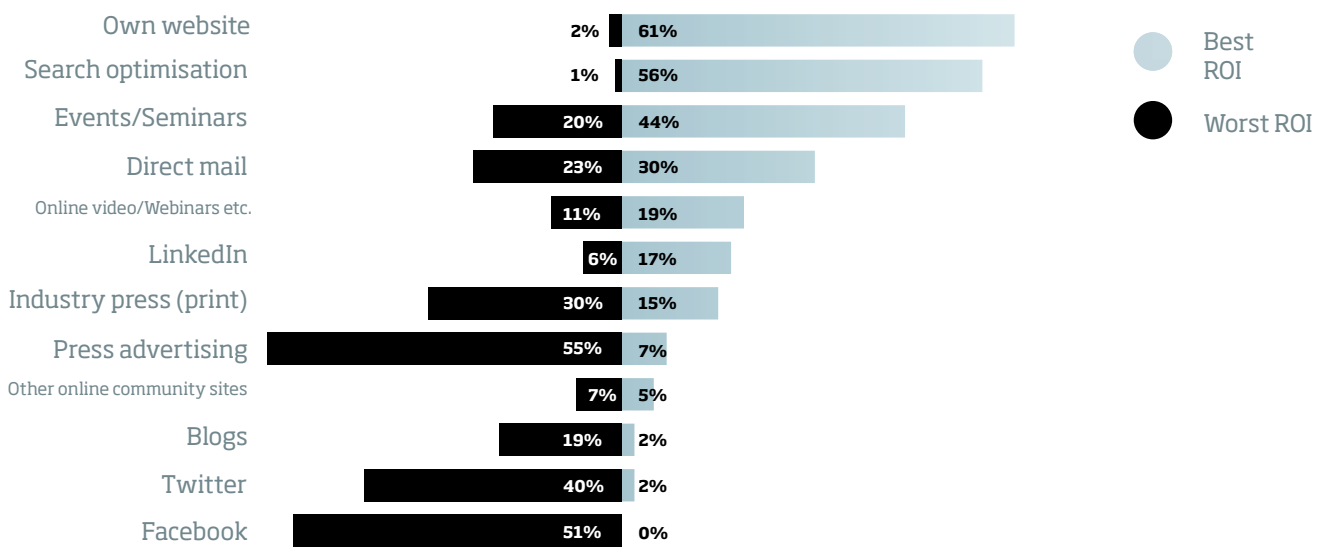


In fact, buyers are not yet making as much use of online videos/webinars, blogs and LinkedIn as marketers think they may be. At the same time, marketers may be under-estimating the role that traditional channels such as industry press, events/seminars, press advertising and even direct mail still play, for buyers, as well as the extent to which they use supplier websites.

3.3 Return on investment

Respondents were asked to say which channels or techniques typically offer the best and worst ROI, in their experience.

Channels/techniques offering best & worst ROI



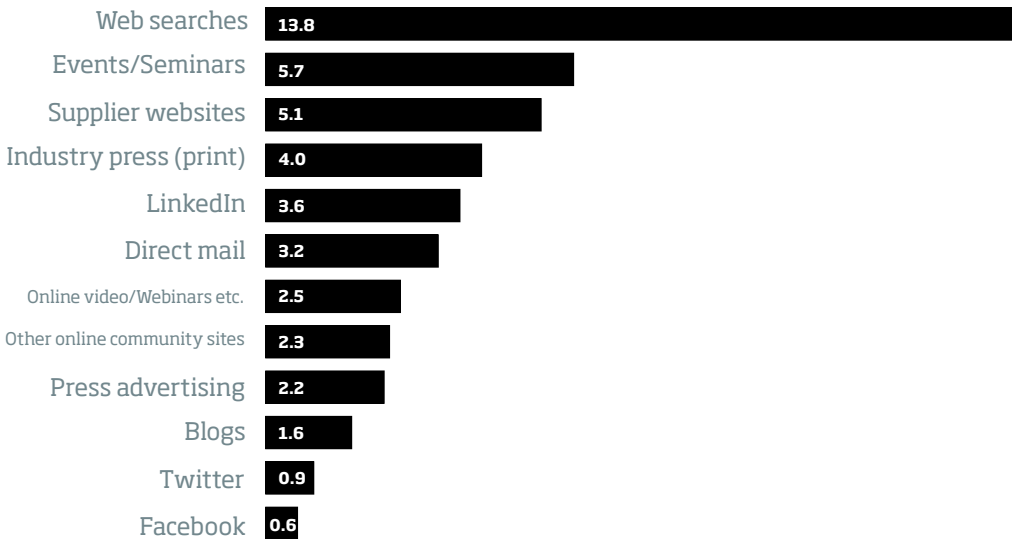
Press advertising was felt to offer the worst ROI, of these channels. Facebook and Twitter followed close behind, but LinkedIn fared better.

Respondents marketing IT/telecoms products and services were particularly likely to think online videos/webinars/podcasts etc offer good ROI.

3.4 Marketer usage on their own account

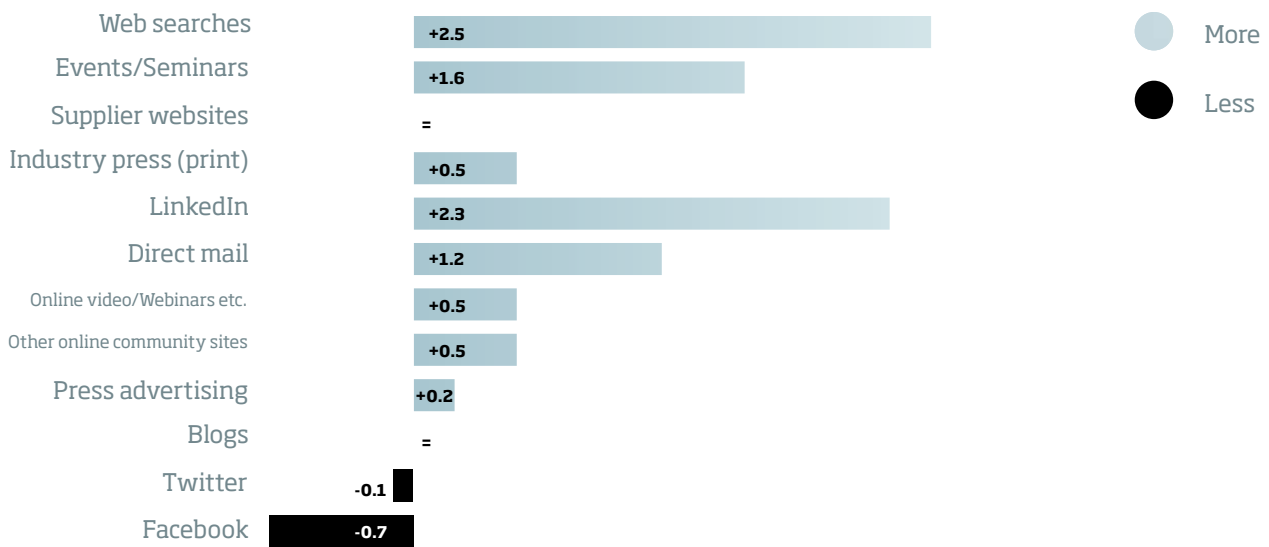
When asked how much time they personally tend to spend in a typical month using each channel to source information for their own business, respondents gave the following average numbers of hours. This is clearly unlikely to be accurate, collected off the tops of their head rather than by means of a daily diary or equivalent, but it gives a useful indication of how respondents perceive their relative usage of each, overall.

Average hours spent per month using each channel to source information



The same question had been asked on the survey of B2B buyers. Comparing the two sets of data shows that marketers spend around 2.5 hours more per month than their potential customers (accepting the limitations of this line of questioning, as noted above) making use of web searches when sourcing information for their business. They also spend nearly 2.5 hours more using LinkedIn, but buyers spend over half an hour more than marketers using Facebook.

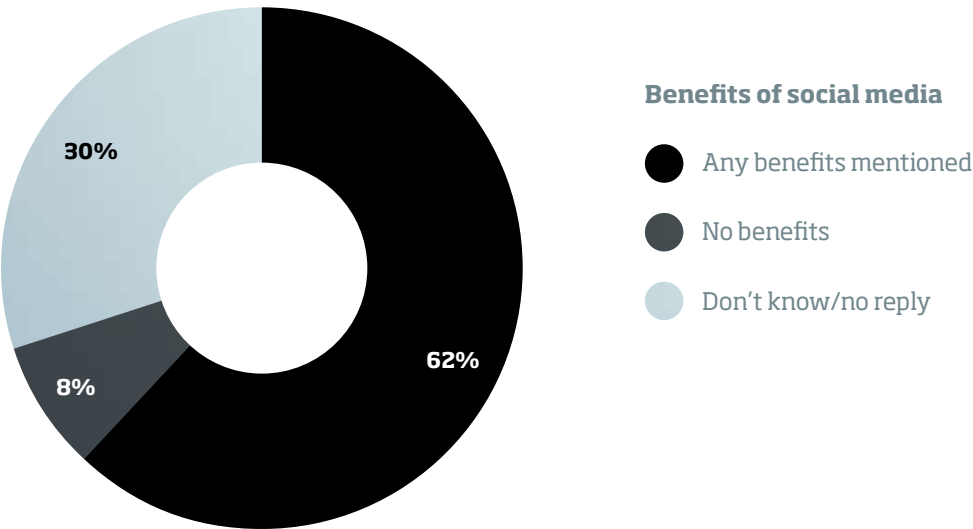
Hours more/less spent by marketers, compared to buyers



Marketers are likely to be using channels such as events/seminars and LinkedIn for the lead generation opportunities they offer. Buyers, on the other hand, may be using Facebook more, as a means of identifying and testing potential supply sources for the product or service they are considering.

3.5 The Pros And Cons Of Social Media

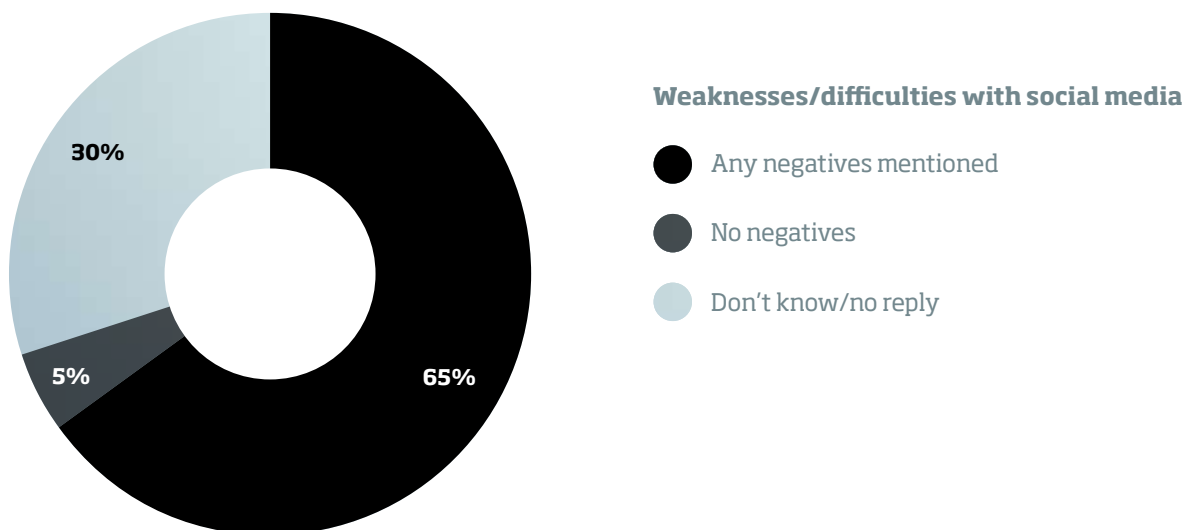
Respondents were asked to indicate what they find are if any, of using blogs, online community sites, and online webinars or podcasts, as marketing tools. As illustrated two thirds cited some form of benefit to the use of these sources with very few actively seeing no benefits. However a sizeable proportion (30%) had no real view either way are concerned.



The types of benefit mentioned most frequently were

Benefit	% of all respondents
Low cost	15%
Ability to interact	9%
Speed of response	7%
Building trust/credibility	6%
Honest/unbiased	5%
Awareness raising	5%
Reach	5%
Thought leadership positioning	5%
Ability to target specific audiences	5%
Ability to gain feedback	4%
Always on	3%

At the same time, similar proportions could think of weaknesses or difficulties associated with using social media as marketing tools:



Here the main themes in respondents' comments were:

Weakness	% of all respondents
Time-consuming	9%
Targeting the right people	7%
Mistrust in information provided	6%
Too much for people to go through	6%
Lack of control over content	4%
Maintaining momentum	4%
Unprofessional/ too informal	3%
Poor ROI	3%

It is interesting to compare respective responses from the buyer community. Whereas marketers found the most compelling benefit of social media to be its low cost, buyers mostly appreciated the way it gave access to other people's experiences. Similarly, buyers were less concerned about weaknesses over the time-consuming nature of social media; for them, the biggest failing was the fact that information could not always be verified because the original source was not always known. Perhaps the takeout here is that marketers are concerned with how things work, buyers with what they get out of it.

Perceived usage and influence of social media, through the buying process

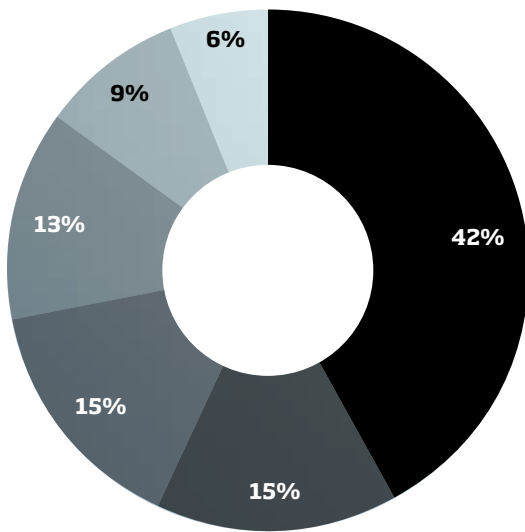
This research goes further than just exploring overall views on and trends in the use of social media. We had focused respondents in the buyers survey on one specific, significant business purchase they had made in the last 12 months, and went through with them, step by step, which channels and media types they used to help in their decision-making process and how influential these were in providing them with the information they needed. On the marketers survey, we explored which communication channels marketers thought are used at all by buyers at each stage, and how influential they are. We are therefore able to compare quite specifically what is actually happening and what marketers think is happening, in relation to:

- Identifying and defining a business need
- Identifying a shortlist of potential suppliers to meet that need, and
- Making the final selection of supplier.

4.1 The product/service in question

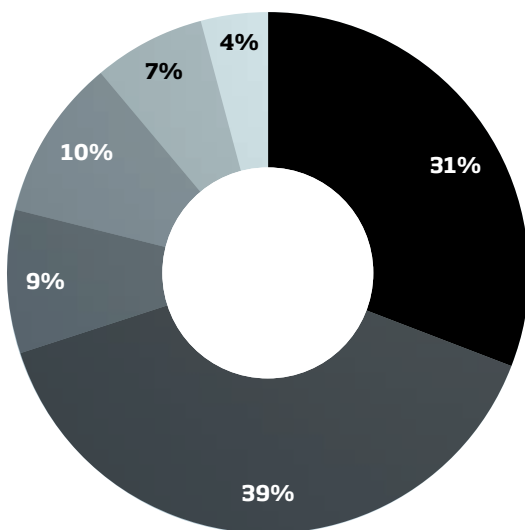
A screening question had confirmed that respondents on the marketers survey had been personally involved in promoting/marketing 'big ticket' B2B purchases of over £20,000 on behalf of their business in the last year or so. This was to enable us to compare the results directly with the parallel survey of buyers, who had to have been involved in the purchase of a B2B product or service worth at least this amount in the previous year, and were asked about the process by which they had gone about researching the market and possible suppliers, and taking the ultimate decision as to which one to use.

In terms of the type of purchase that the buyers had been involved in, and the products/services that the marketers surveyed were responsible for, the two samples were reasonably well aligned. The buyers were slightly more likely to be in IT/telecoms and the marketers from the consultancy services sector:



What the buyers were buying

- IT / Telecoms
- Consultancy services
- Manufacturing equipment
- Support service contract
- Property or land
- Other



What the marketers were selling

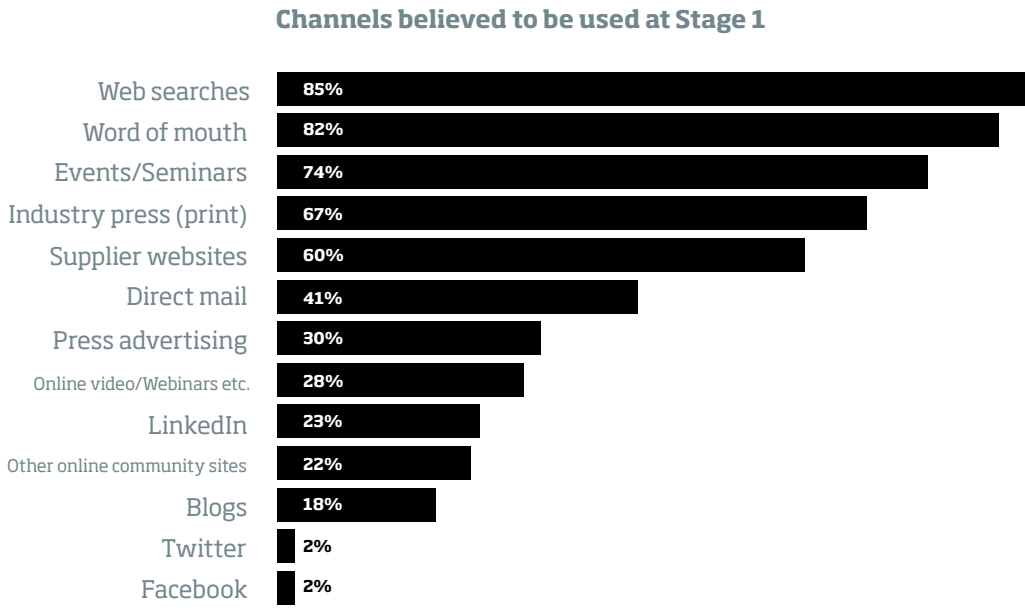
- IT / Telecoms
- Consultancy services
- Manufacturing equipment
- Support service contract
- Financial
- Other

By way of further context, marketers were asked who their main target audiences were. The most commonly mentioned groups were:

Target audiences	% of all respondents
Marketing	27%
Senior management	27%
IT	16%
Finance	15%
HR	10%
Procurement	8%
Sales	7%
Engineers	5%

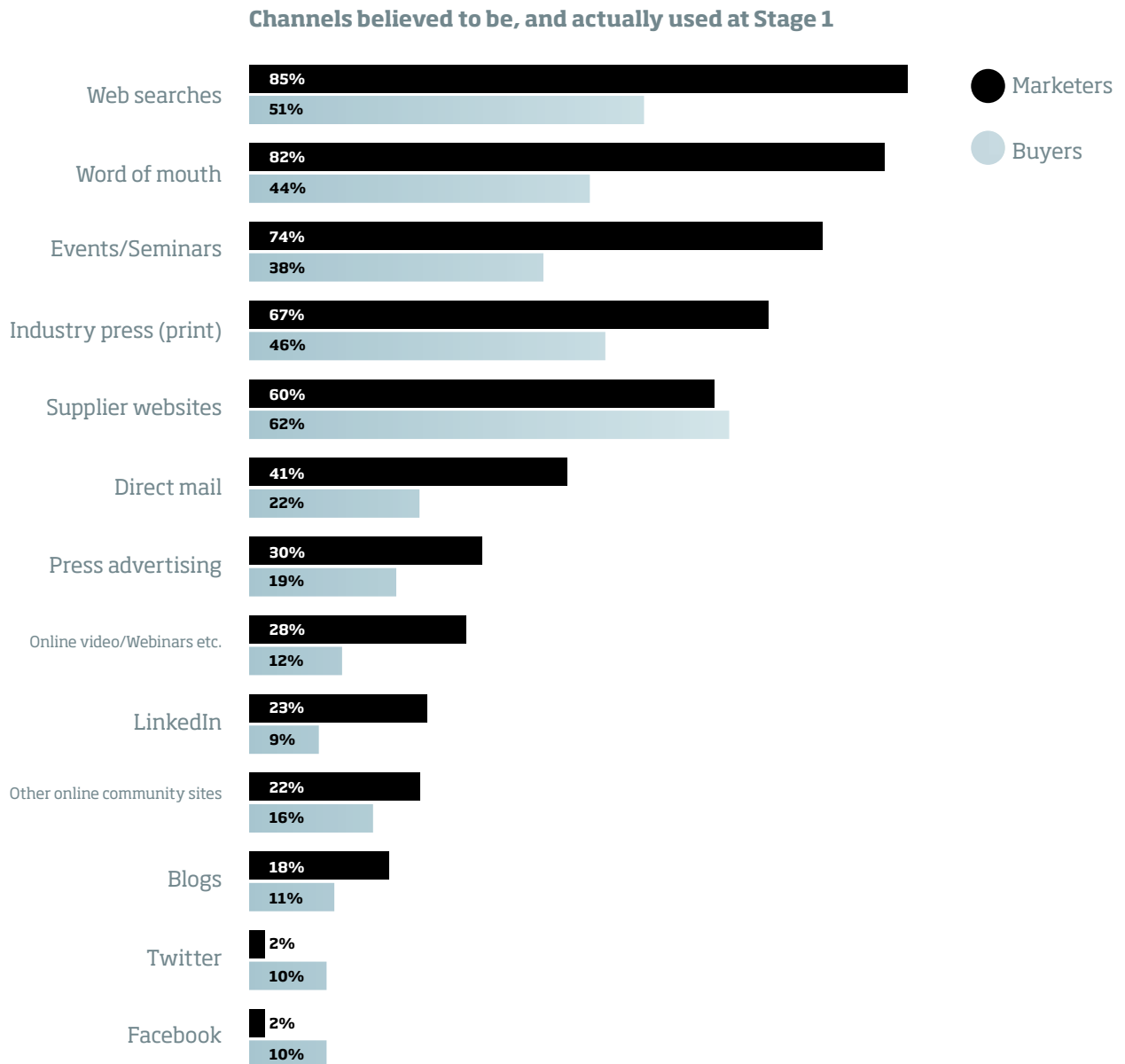
4.2 Stage 1 - Identifying And Defining The Need

Marketers were asked to indicate which communication channels they thought are used at all by buyers, in identifying and defining a need for their product/service:



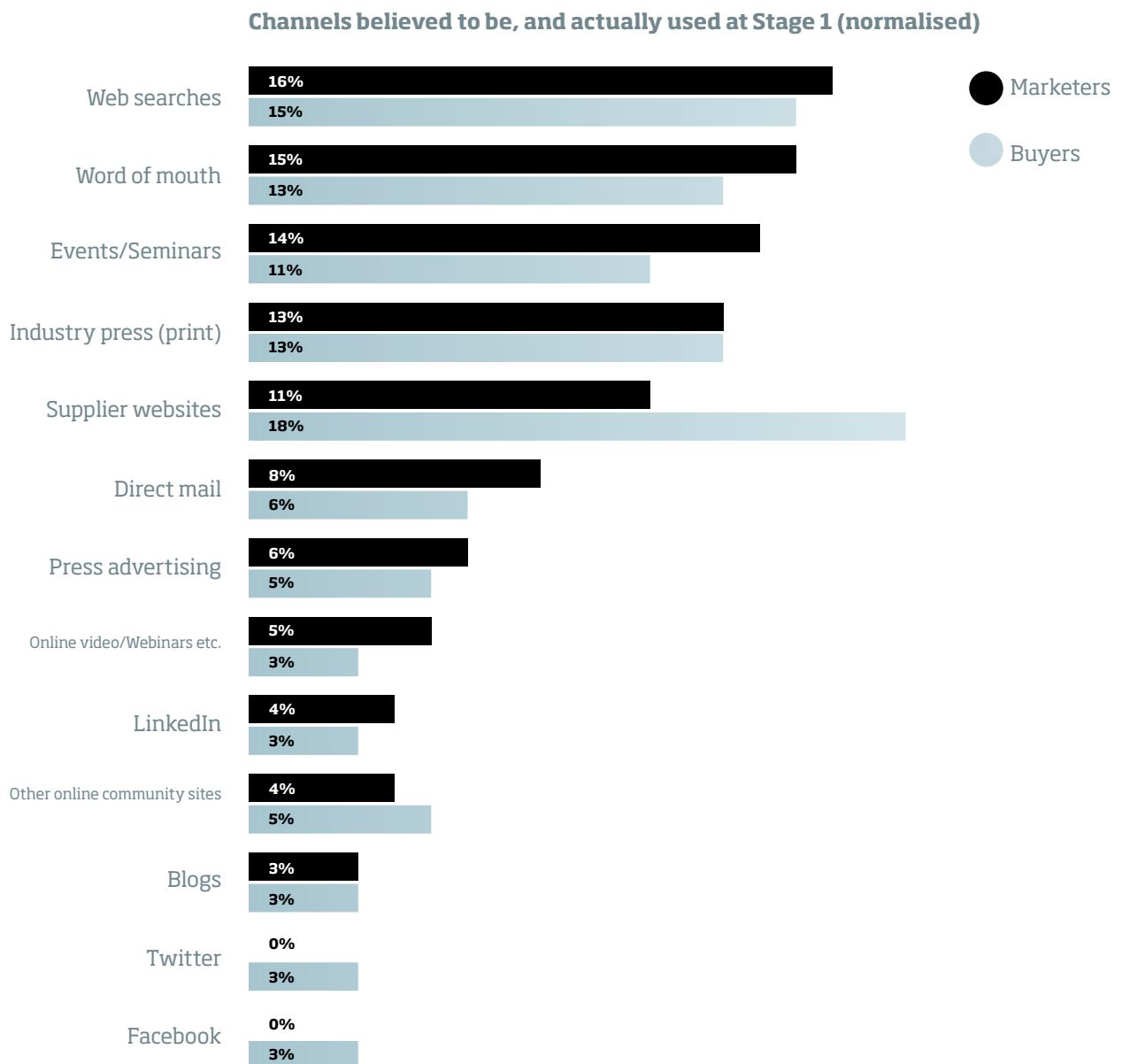
Other channels in addition to those shown in the chart above were also mentioned by a small number of respondents (such as PR, telemarketing, trade associations etc). Throughout this section, we only show the channels listed above, since the key aim of this study was less to do with defining all of the information sources buyers use, and more to do with being able to compare the relative incidence of actual and perceived usage of social media vs selected traditional marketing tools.

We can then compare this with what buyers actually said, when asked which channels they used in relation to the specific purchase they were responding about:



In the case of many of these channels, marketers over-estimated their use by buyers.

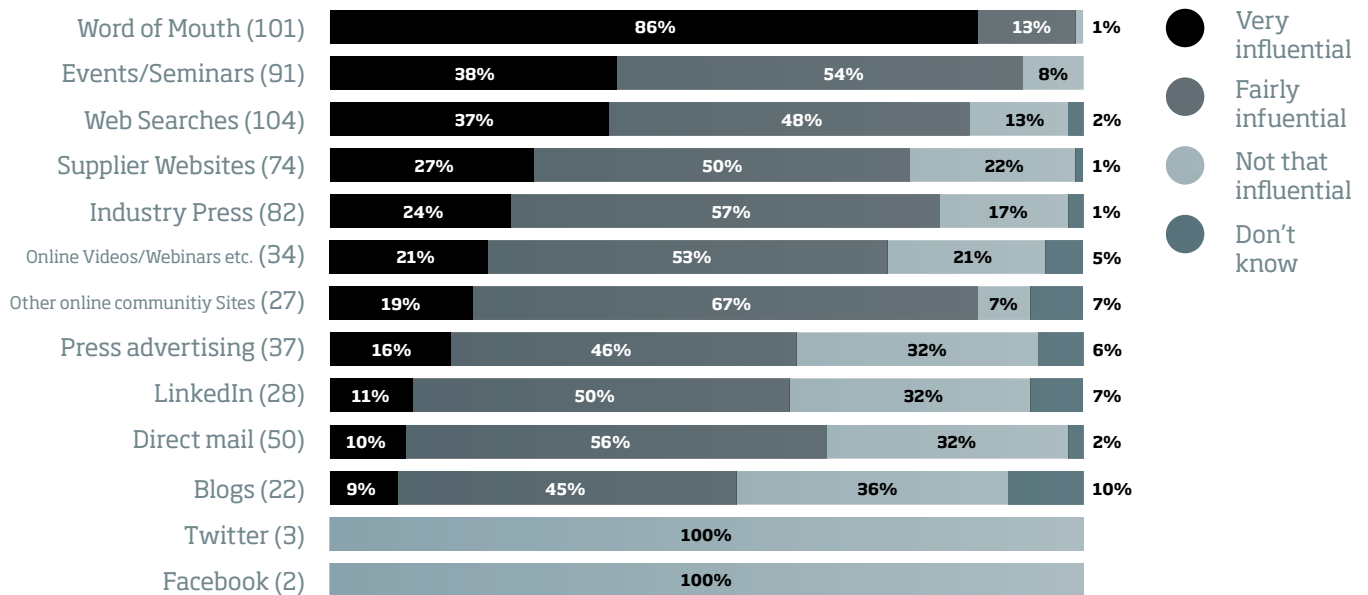
This may hide the extent to which there is a mis-match between perception and reality as far as individual channels are concerned, though. Marketers suggested an average of 5.3 channels each, while buyers actually mentioned just an average of 3.5. We can normalise this by showing each channel as a proportion of all the channels mentioned at all, to see how the balance between them falls out:



The chart above, then, shows that for example, web searches accounted for 16% of all marketers' predictions of what buyers do, and 15% of all mentions of what buyers actually do. In broad terms, then, marketers significantly under-estimated buyers' use of supplier websites in the mix of sources they use when identifying and defining a business need.

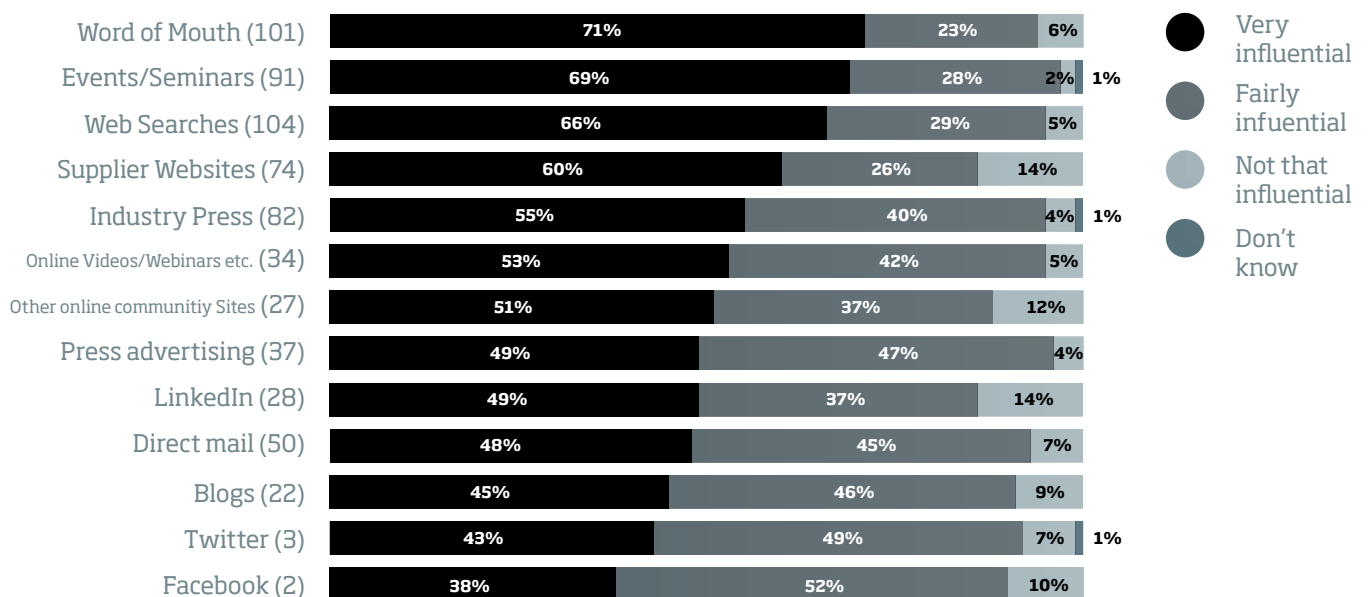
For each source they thought buyers would use, marketers were then asked how influential they thought this is, in providing them with information to help define their need:

Perceived influence of each channel at Stage 1



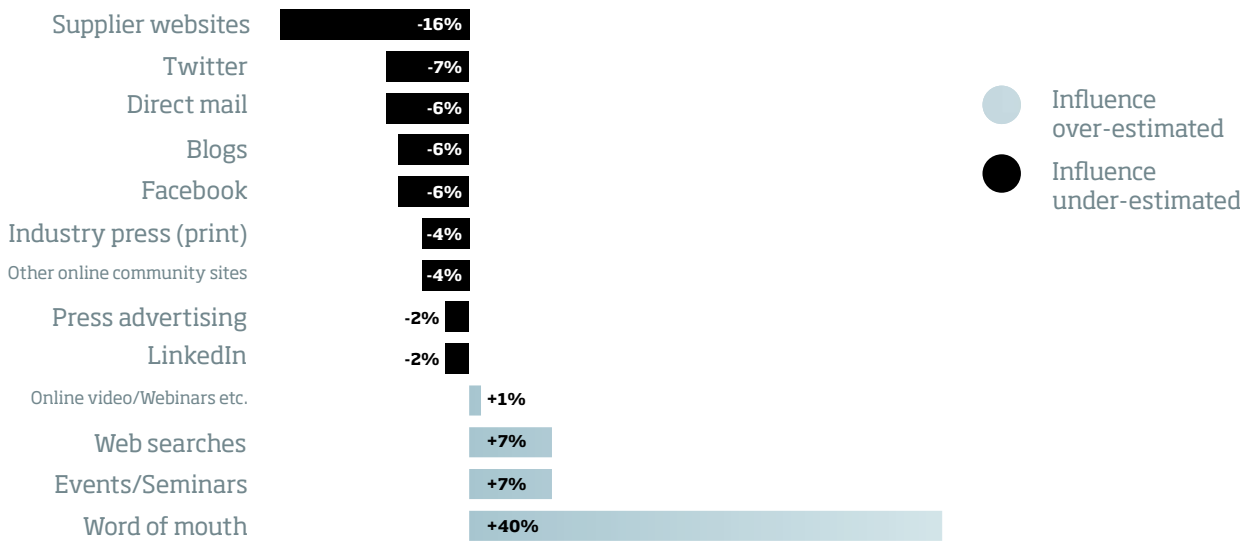
The actual levels given by buyers, where they had in fact used each of these channels, were:

Actual influence of each channel at Stage 1



If we take the proportions of buyers saying that a channel they had used was very influential, and compare this with the proportion of marketers who believed that channel would have been very influential, we can see the extent to which there is a mis-match here:

Perception vs actual - channels very influential for buyers at Stage 1

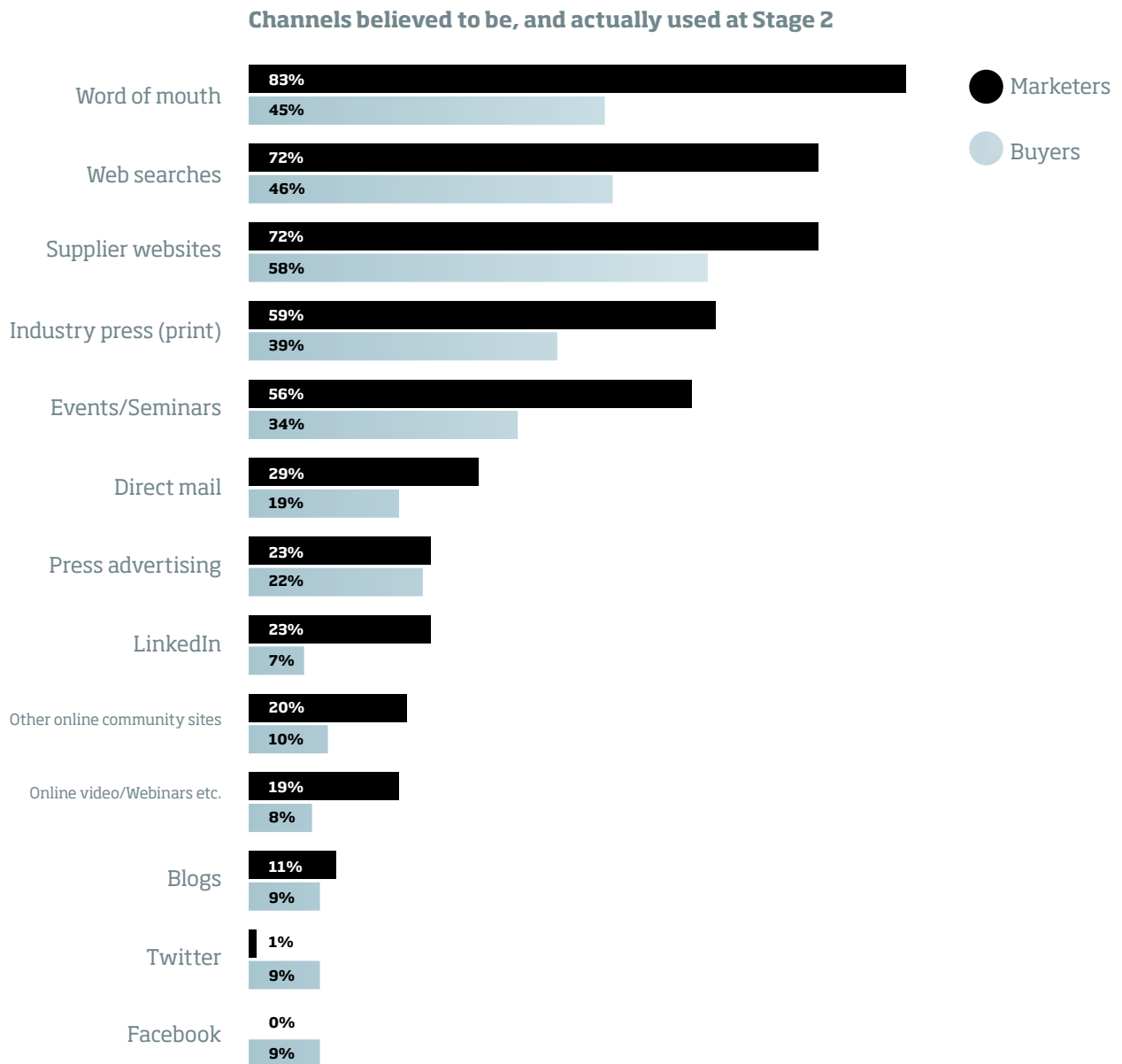


The above chart is calculated as follows. 62% of buyers actually used supplier websites at Stage 1 of the purchase decision-making process, and 52% of these felt this channel had been very influential - therefore, 32% of all buyers had found supplier websites very influential (52% of 62% = 32% of everyone). 60% of marketers thought that buyers would use this channel, and 27% of them thought this would be very influential - 16% of all marketers (27% of 60%) therefore believed that supplier websites would be very influential at this stage. Comparing the 16% of marketers to the 32% of buyers gives us the -16% difference shown above.

Marketers, then, seriously under-estimated the extent to which buyers are influenced by supplier websites, and over-estimated word of mouth.

4.3 Stage 2 - Identifying Potential Suppliers

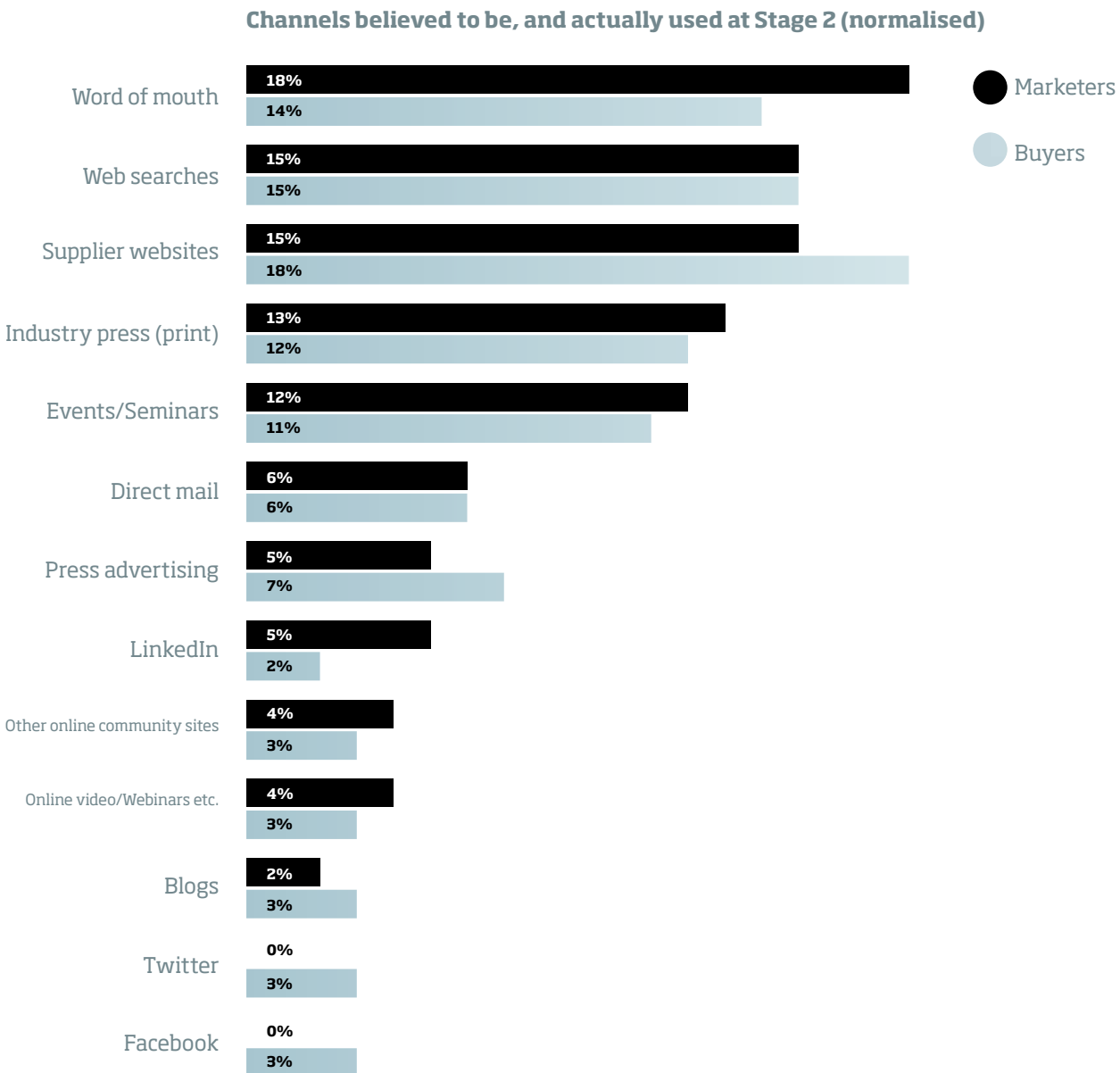
When it comes to identifying a shortlist of potential suppliers, once they have defined their need for a business purchase, the channels believed by marketers to be used by buyers, and actually used, were as follows:



As before, we have not included here any others mentioned by a few respondents each (pitch meetings, telemarketing etc), in addition to the listed channels being compared across the research.

Again, marketers over-estimated the use of many of these channels by buyers.

It is again worth normalising these results, as marketers suggested an average of 4.7 channels each at this stage, while buyers actually mentioned just 3.2.

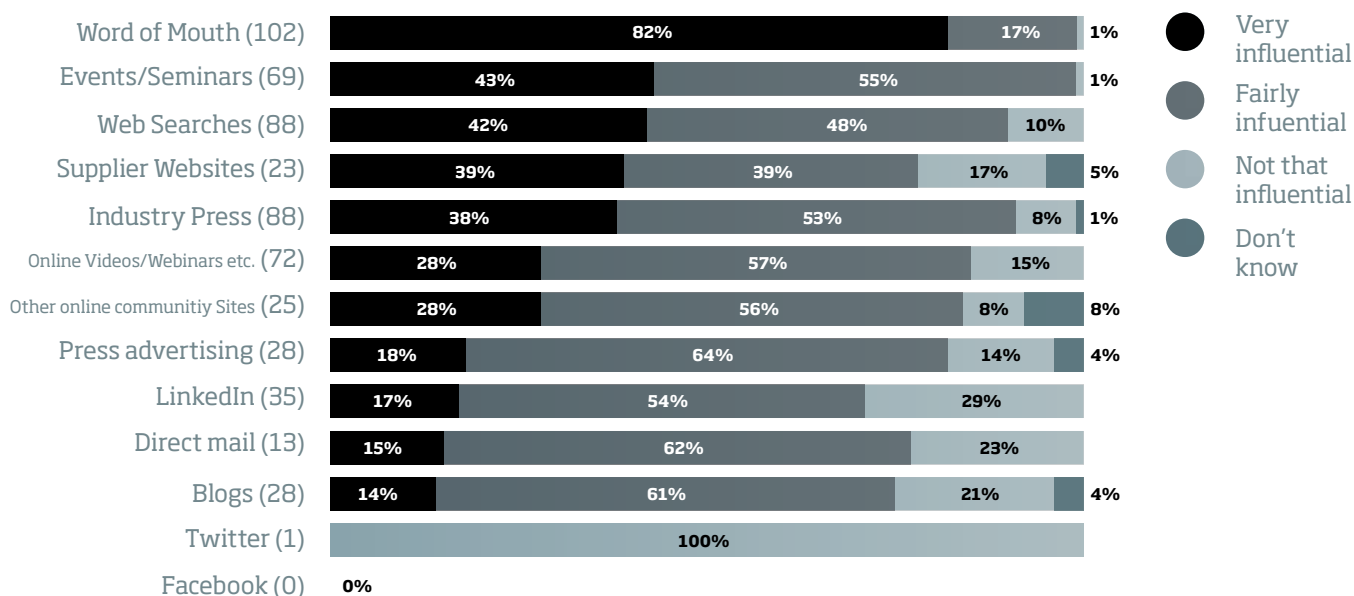


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Again, marketers over-estimated the use of many of these channels by buyers.

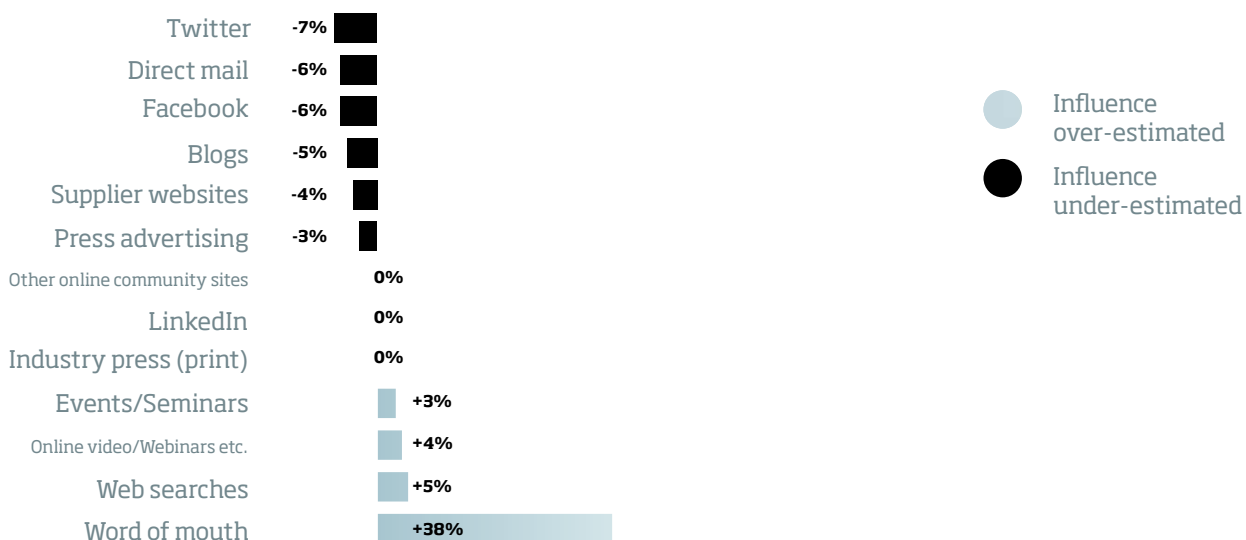
Marketer perceptions of the degree of influence each channel has at this stage was as follows:

Perceived influence of each channel at Stage 2



Again we can see some mis-match in the comparisons between the two survey samples, according to the total proportions perceiving and finding any source very influential:

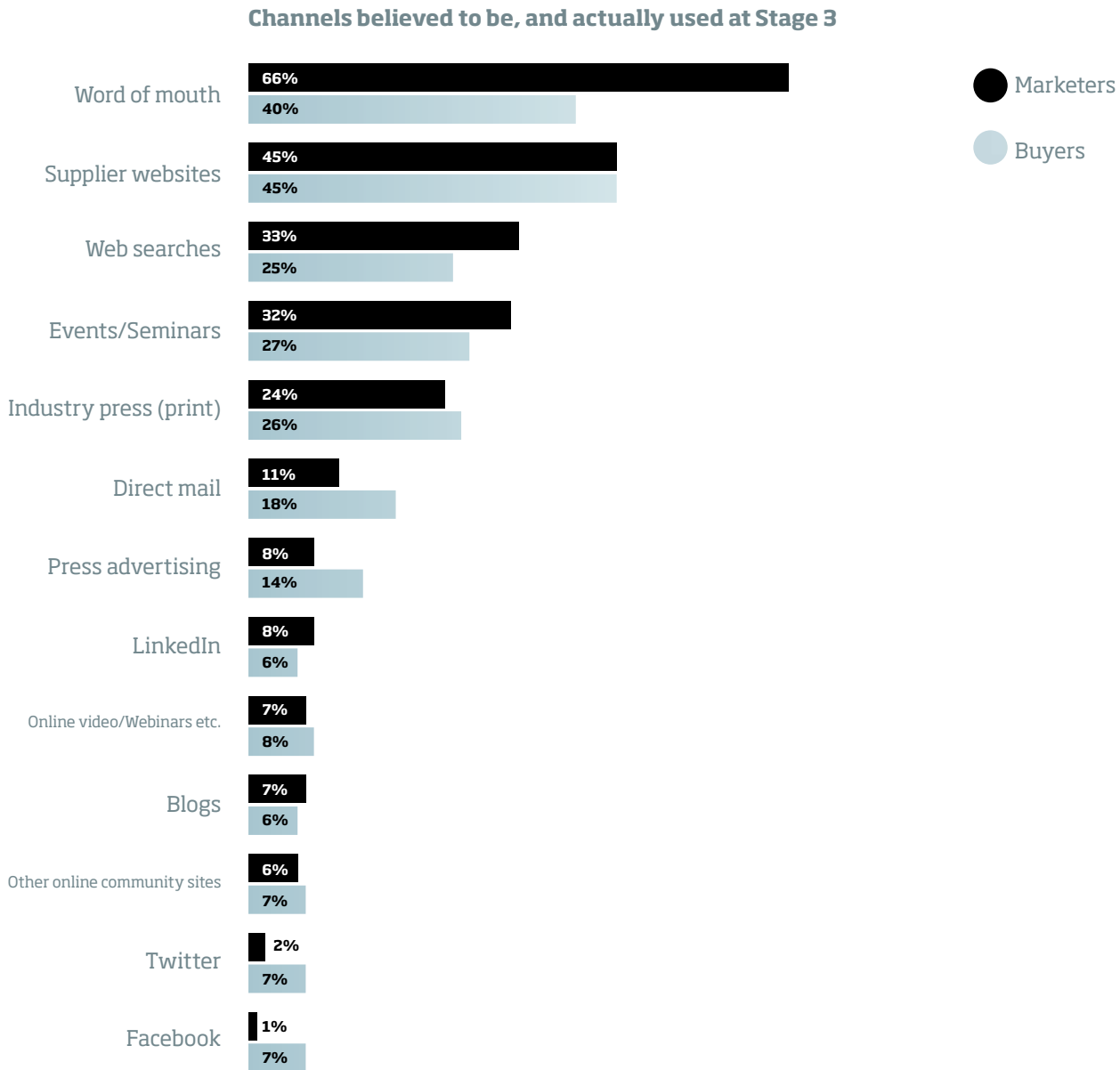
Perception vs actual - channels very influential for buyers at Stage 2



The influence of word of mouth is still under-estimated here. Marketers are more attuned to the importance of supplier websites to buyers at this stage of the process than they were when thinking about the initial point of identifying and defining the business need.

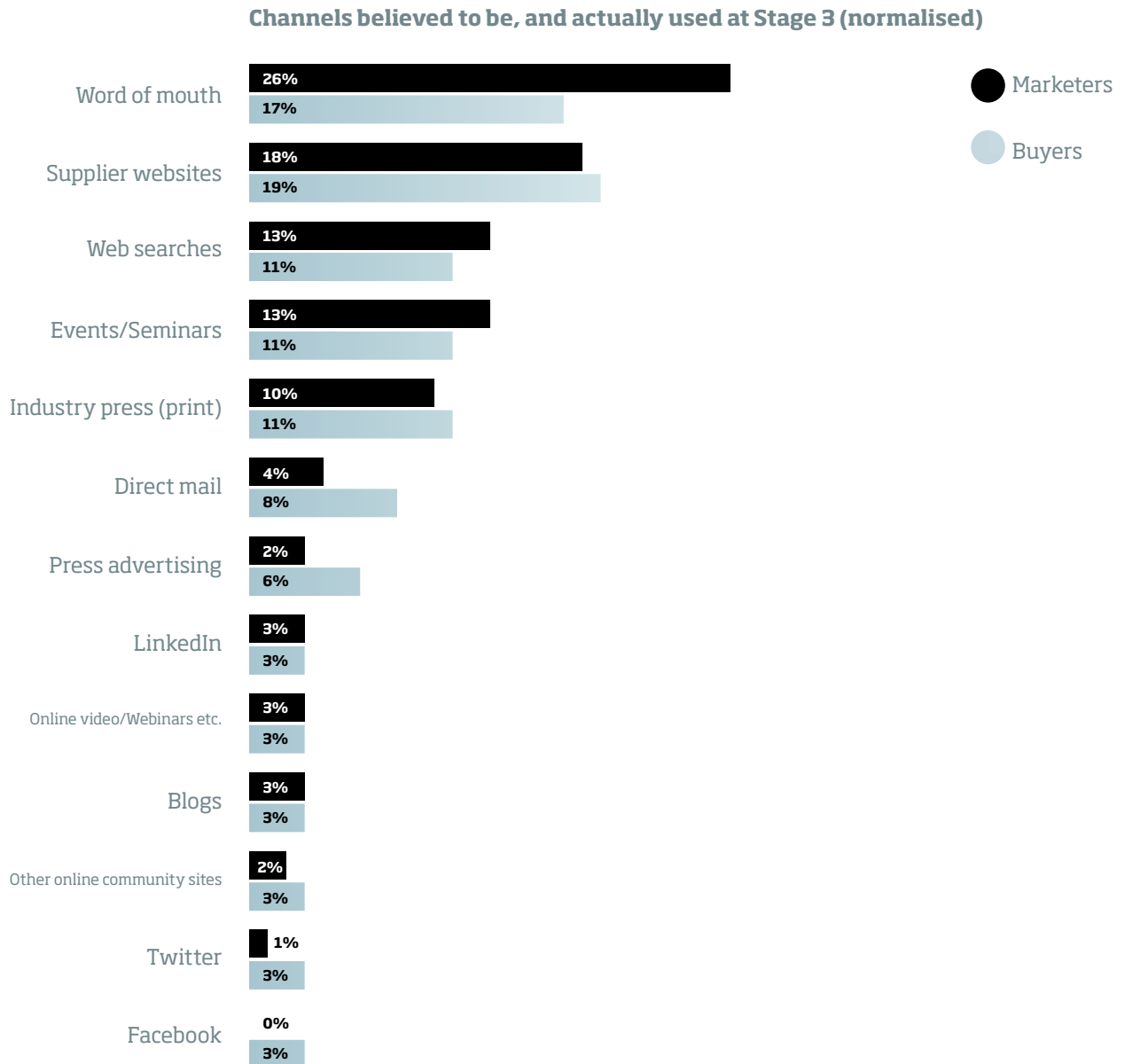
4.4 Stage 3 - Final Selection of a Supplier

In relation to the final stage of the business purchase decision-making process, making the final selection of a supplier, the channels believed by marketers to be used, and actually used by buyers, were:



Here of course, other channels that would be relevant in addition to the above would be formal tendering processes, pitch meetings and product trials.

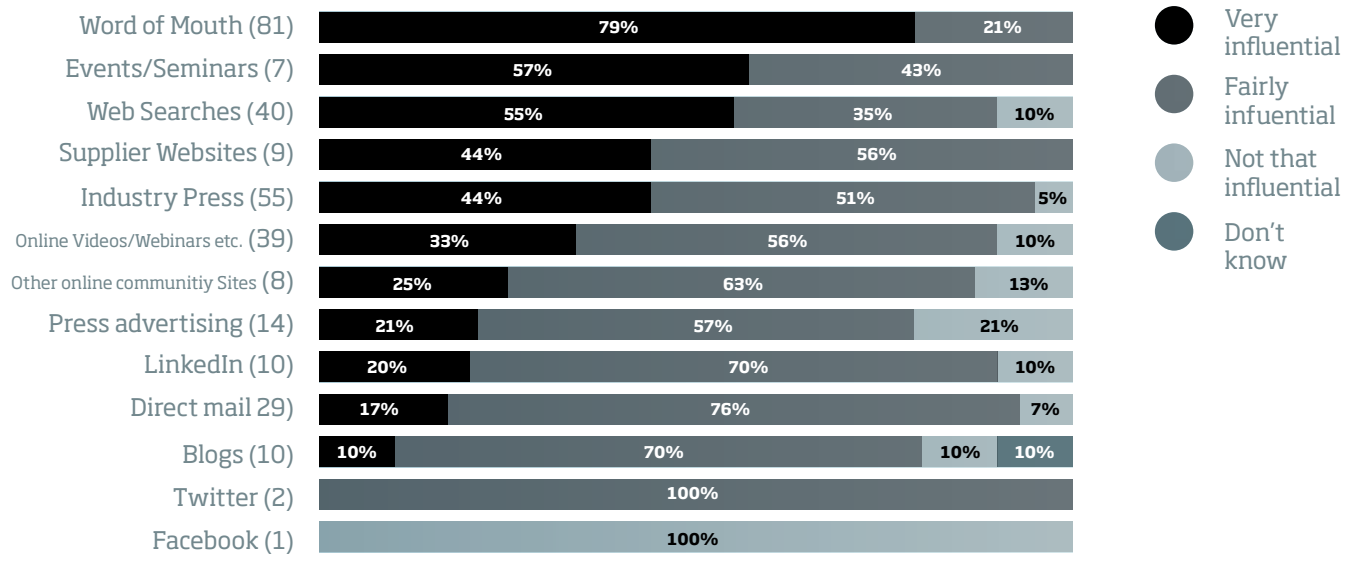
At this stage, marketers suggested an average of just 2.5 of the specified channels each, while buyers actually mentioned a very similar 2.4. The normalised results were as follows:



Still marketers significantly over-estimated the use of word of mouth here, and under-estimated buyers' use of direct mail and press advertising at this stage.

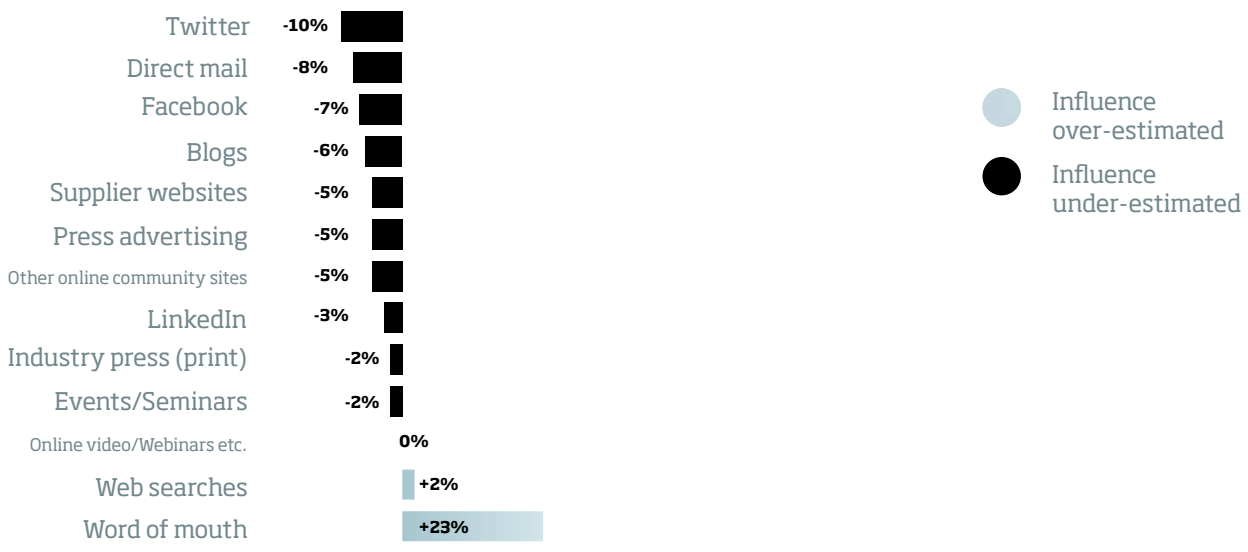
Marketer perceptions of the degree of influence each channel has at this stage was as shown below:

Perceived influence of each channel at Stage 3



Again we can see some mis-match in the comparisons between the two survey samples, according to the total proportions perceiving and finding any source very influential:

Perception vs actual - channels very influential for buyers at Stage 2



The influence of word of mouth is still over-estimated, but not to the same extent as seen previously.

5.

Looking to the future

Respondents were asked what they see as being the main factors that will change the way their buyers research business purchases and suppliers in the future. Most commented along the lines of one or both of two inter-related themes - the explosion in easy access to information, and the need to separate the wheat from the chaff out of all of this.

"Access to complete & immediate information about the products they are searching for - detailed product specifications, user reviews, pricing, relationships."

"Availability and reliability of the information. Businesses are turning increasingly to trustworthy sources of information; referrals and word of mouth are twice as likely to win business as any other method."

"With the increase in contradictory information on the web, word of mouth and customer referrals will be more trusted; as such membership and attendance to national groups and meetings will become more important."

"I see word of mouth recommendation/online reviews coming more to the fore. In our industry there is little differentiation on a product basis so good service and referrals will become increasingly important."

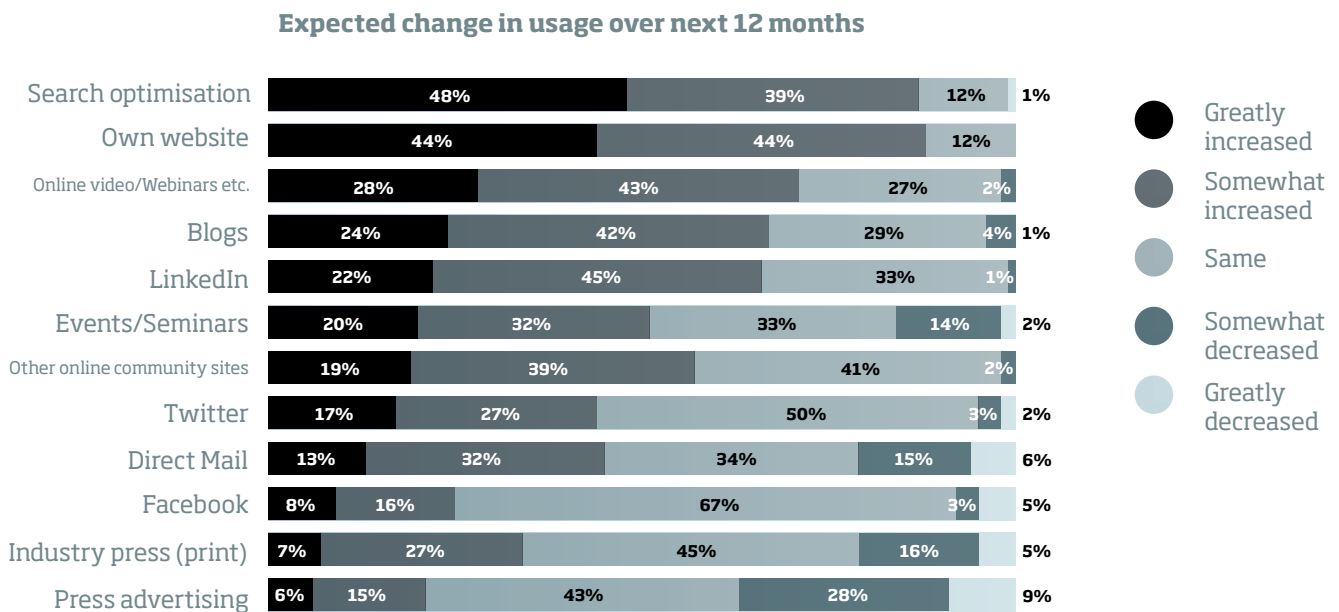
The report on our parallel survey of buyers highlighted how younger decision-makers are using social media much more than older ones, such that those channels are bound to increase in significance as these younger buyers rise up the business ladder. A number of marketers commented on seeing this happening, for example:

"Generational change - as younger purchasers move into management they will rely on different channels to make decisions."

These changes in buyer behaviour will have an impact on how marketers need to do their job, to stand out from the crowd. One summed it up:

"How easy it is to track or source a potential vendor - if they have to hunt too hard, they'll choose the path of least resistance (for which read the supplier that's most evident and 'out there')."

Over the next year or so, marketers expected further increases overall in the extent to which they themselves use most of these channels in their B2B marketing programme, with the exception of press advertising:



The younger age group within the sample (up to 40) were more likely than their older counterparts to expect their use of blogs, Twitter and Facebook, and online videos/webinars/podcasts etc to increase. Respondents in smaller companies (up 100 employees) mentioned direct mail as likely to increase more often than those in larger organisations did, and those marketing consultancy services were more likely than the rest to expect an increase in the use of events/seminars.

Respondents were then asked what they see as being the main factors that will change the way they market their company's products/services in the future. 78% had comments to make here, about any changes in how they expect to be doing their job.

Much of this focused around gaining and exploiting a better understanding of buyer behaviour. For example:

"A greater understanding of where potential customers look for information to make purchasing decisions."

"A greater level of insight into online buyer behaviour of our target market will drive an online strategy that seeks to put our proposition where people are looking, rather than by using 'interruption' techniques such as DM and outbound telemarketing."

This will require smarter ways of identifying decision-makers and ensuring that the relevant messages reach them.

“More targeted. Identify the profile of your audience - what / where they read / receive their communications and leverage these channels to get your message across.”

“Less quantity and more quality aimed at the right target audience for each piece.”

The need to follow this course appears driven in part by cost, particularly in the current cost-cutting environment; several respondents referred to its becoming harder to justify costly traditional marketing channels such as print, mail and broadcast advertising, while online and social media activities can be done at less expense. Also at work here, though, is changing patterns of buyer behaviour.

“Increasing desire of buyers/specifiers to go out and find solutions to their problems online. They don’t want to be hounded by telemarketers, so all information must be findable by them.”

In practical terms, several marketers commented on the extent to which they will need to ensure their website works as hard for them as possible. Our survey results, indeed, highlight just how influential supplier websites are as information sources for buyers, throughout the whole purchase decision-making process.

“How we promote our website and how our website works for us, pushing word of mouth and recommendation, making our services more streamlined and cost effective.”

“Need to aid the decision making process by making far more information available online to website visitors and on online communities to inform and influence prospects before we get a chance to interact with them.”

“Increase ways to deliver educational material to targeted prospects in the strategic thinking stage of the sales cycle e.g. online video and podcasts.”

For many, cost constraints and pressures will lead to a greater need to demonstrate good return on investment for marketing campaigns and activities. We have seen earlier in this report how websites and search optimisation are felt to offer among the best levels of ROI, while print and press are among the worst. Many marketers also thought that blogs, Twitter and Facebook offered poor ROI, though, while our buyers survey showed that in fact these channels are becoming increasingly used and influential as time goes on. Some respondents recognise the need to consider how these media can be exploited in future:

"Proliferation of possible channels to engage in. Increasing cost of traditional channels (esp. print & mail). Increasing adoption of social media by target audience."

"Less in PR/advertising, more in spreading word of mouth on line."

"Increasing importance of search engine optimisation - and also, paradoxically, greater importance of personal contacts and networks leading to word-of-mouth recommendations."

"Shift to direct and personalised marketing. Increased use of nurturing campaigns and experiment with social networking."

In all of this, though, it may be important not to lose sight of the extent to which buyers are still making use of and being influenced by more traditional media, as seen earlier in this report. One respondent picked up on this:

"The behaviour of the buyers - I see online as being of increasing importance BUT I feel the need also to maintain traditional links from time to time. Maybe when the ether becomes too crowded, a well-crafted mailshot will deliver better response."

'Good survey. Got me thinking.'

Marketing Manager
Financial services

'Useful questions. We will need to constantly try new approaches and adapt our message accordingly.'

Marketing Director
Financial services

'Enjoyable and topical survey - thank you'

Senior Project Manager
Business services



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