WHAT BUYERS WANT
and How Buyers Work

FINAL REPORT

Sandler | Research Center

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INTRODUCTION

We are pleased to present the findings from our most recent research, "What Buyers Want and How Buyers Work." This research report not only contains the full set of statistics, but also our observations and key takeaways.

Within the buyer/seller environment, preferences and practices have adapted along with the changes that COVID-19 has brought into our professional lives. Out of necessity, traditional face-to-face interactions have given way to sales and support practices becoming more virtual. This led us to one of our primary objectives: discovering the preferred method of communication between buyers and sellers.

Our survey was divided into three relevant sections:

- Exploration and Awareness
- Interest and Consideration
- Vendor Selection

To offer the best transparency for you to be confident in the data being presented, please note that this survey involved:

602 respondents from 43 countries and we are providing you with 19 data points.

EXECUTIVE SUMMARY

It's obvious that the pandemic forced the buyer/seller relationship online. The organizations that survived this transition and thrived are the ones who quickly adapted to fit this new world.

The reality is that digitization was always going to happen – it has been anticipated for quite some time. COVID simply accelerated its arrival.

We foresee the arrival of a hybrid frontline sales professional, who will totally embrace all the advantages that technology provides. At the same time, they must also be prepared for face-to-face sales events, when their prospect/customer/client requires. Those occasions will most likely be reserved for important milestones in the buying process, like the initial exploratory meeting, final contract negotiations, quarterly business reviews. etc.

So, the question for business captains is not when sales go back to "normal," but rather, how quickly can you modernize so you can embrace the future of sales? Will you be able to come out of COVID ready to take on the new, fast, always-online, customer-centric, content-rich, and technology-enabled world of modern buying and selling?

It has been suggested that buyers no longer value long-term relationships with vendors but in responding to the following question: "Thinking about your current list of suppliers, how important is it to create long-term, symbiotic relationships?" 84% told us that it was Important and, in fact, 52% suggested that it was very important.

Another viewpoint making the rounds in recent months is that we are witnessing the death of professional selling as buyers' preferences for the way they buy has changed. We asked, "In your personal experience, do you feel that the relevance/importance of sales professionals to your future purchasing requirements will increase, decrease or stay the same?" 46.1% told us that it will Stay the Same, 43% told us it would Increase/ Significantly Increase, and only 9.8% said it would Decrease.

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EXECUTIVE SUMMARY

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Clearly, the buyer/seller relationship is evolving, with the former demonstrating much higher levels of discernment. The results of this survey clearly indicate that what buyer's want most is for sellers/vendors to understand them.

We believe it is the ability to understand every aspect of the buyer's business; to communicate in the same language; to work hard to create a long-term commercial partnership; a behavior and attitude that is truly symbiotic and key to becoming a genuine trusted business advisors.

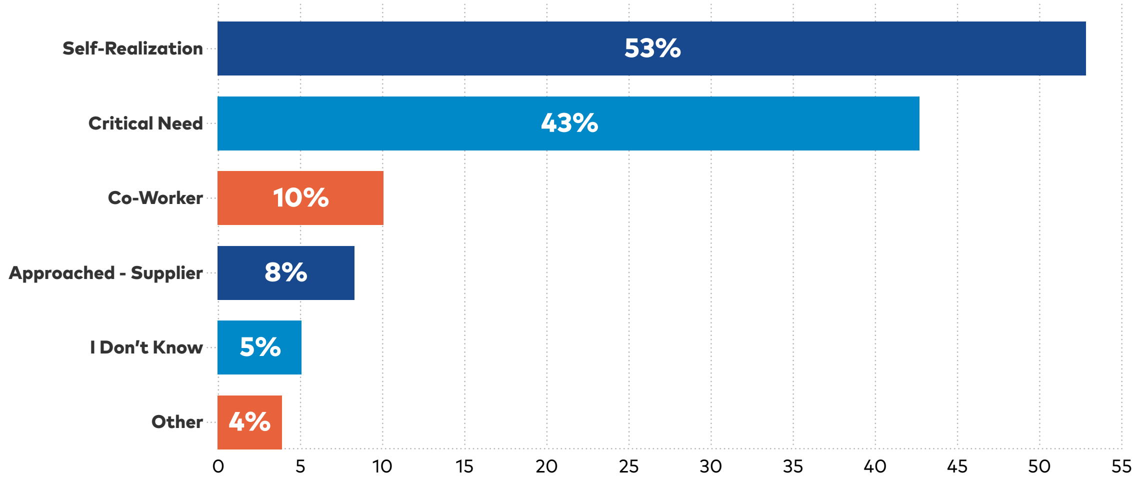
We remain convinced that the bar will continue to be raised as salespeople increase value for their customers, beyond what they can glean from the Internet and social media. Buyers and sellers will leverage the natural synergies that already exist, and jointly seek new ways of being innovative and proactive in creating mutual success.

Dive in with us as we explored the way buyers think today and share a snapshot of the new buyer/seller journey.

SECTION ONE

EXPLORATION & AWARENESS

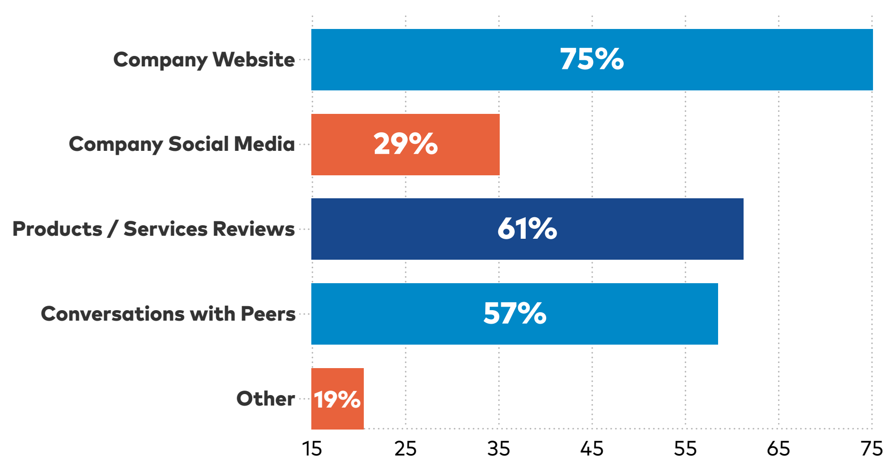
Thinking about your most recent major purchase, how did you discover that you had a need? (Note: respondents could pick multiple choices)



What "other" way did you "discover" you had a need?

- Alignment with business units and their buying needs for the year
- An opportunity presented itself, needed tech to take advantage of it
- Annual company review, to locate needs
- Been asked by a customer for a product solution that we do not currently handle
- CEO forum group member suggested it
- Compared someone else's process
- Customer applications requirements
- Customer suggested
- Engineering release
- Looking to increase revenue
- Social media peer group discussion
- Was part of an already approved business plan

When researching the purchased solution to resolve your need, please select all methods used to gather the needed information to move forward in the process:



What "other" method did you use to research your purchase?

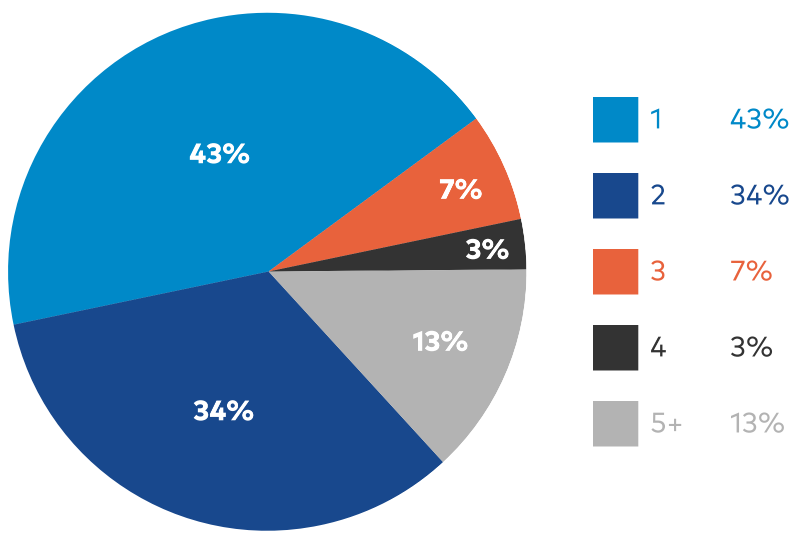
- Product Demo / Presentation
- Direct Outreach To Vendors
- Industry Research Reports
- Consulted a Trusted Advisor

During this phase, did you confer with others from your organization to appraise the solutions?

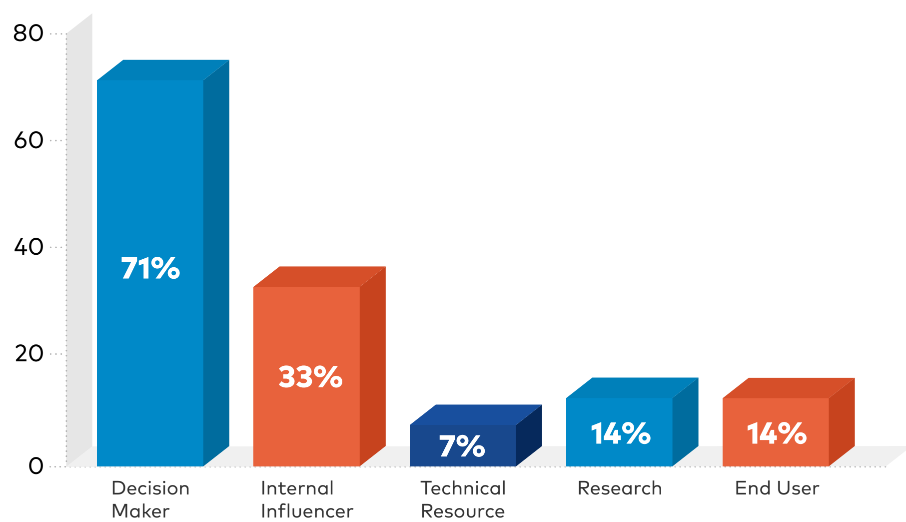
81.8% YES

18.2% NO

How many vendors were considered for this purchase?



What role did you play in this purchase decision? (Note: respondents could pick more than one role)



EXPLORATION & AWARENESS
OBSERVATIONS

When making major purchases, many respondents said their need to buy stemmed from self-realization (53%), which was equally listed by all industries represented. Those surveyed also agreed that their purchase is critical to their business (43%), although this is less likely for those in the Construction or Financial Services industries. It is very rare (only 8%) for a buyer to believe they have a purchasing need when they are approached by a supplier.

When analyzing how buyers move forward in the purchasing process, respondents were allowed to select all methods used when researching possible vendors. The top research method was through a company website (75%), with those in the Technology Sector showing the greatest interest in this method. However, those in the Construction industry instead valued conversations with current users of the product/solution (57% of overall respondents). An additional preferred research method, with the possibility of being combined with other methods, was gaining insight through product/service reviews (61%).

Those surveyed considered themselves to be a main decision maker (71%) and/or an internal influencer (33%), but also conferred with others in their organization to appraise solutions (82%) during the researching phase.

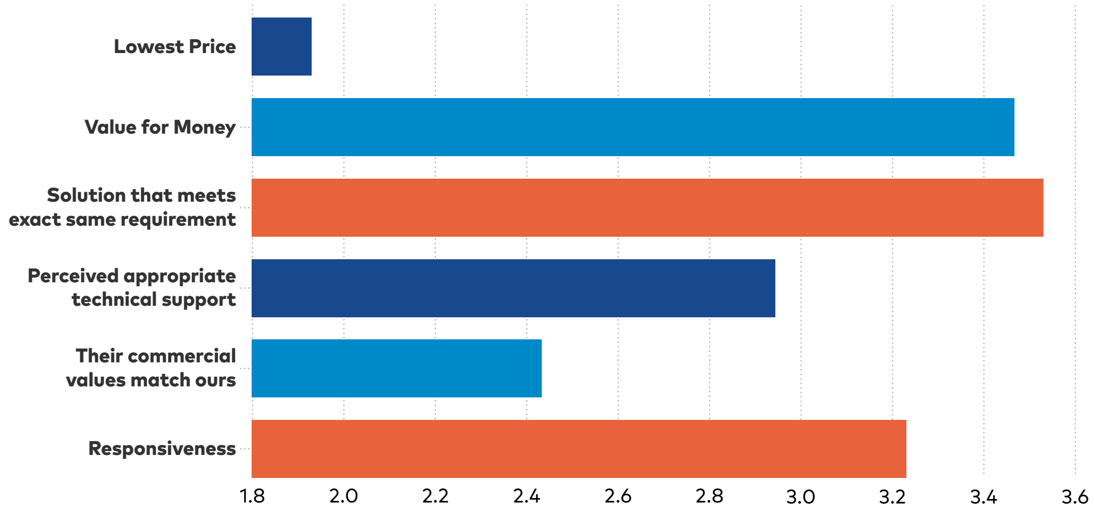
The type of competition should also be noted, as our survey showed that 34% of respondents compared 2 vendors, and 43% of respondents compared 3 vendors before making their final decision. Firms with an annual revenue of less than $500 million considered 2.5 vendors, but 19% more vendors were considered for larger firms.

This section provided few, if any, surprises. The number of individuals involved with a DMU (Decision Making Unit) has remained broadly the same for many years and the pandemic has had little impact on this fact.

SECTION TWO

INTEREST & CONSIDERATION

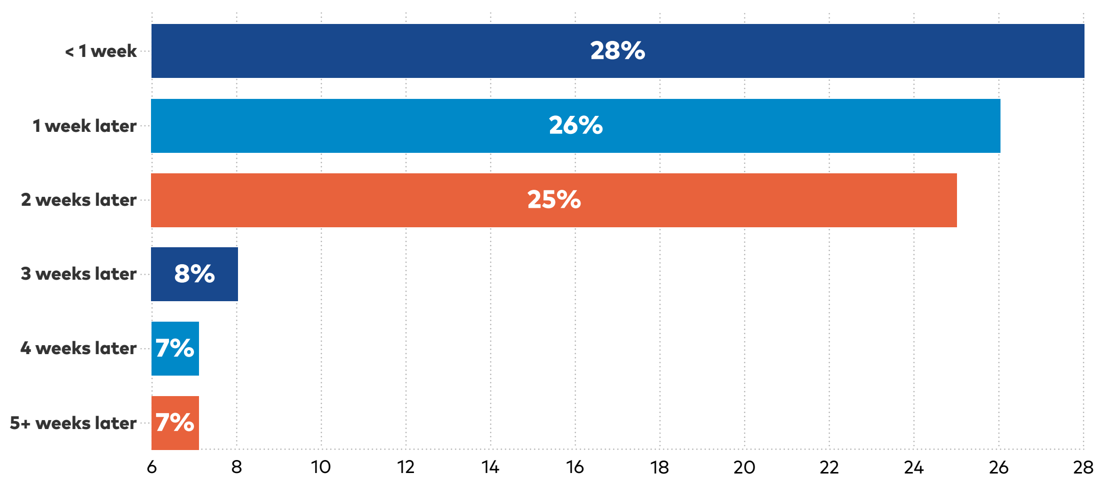
When selecting a new vendor, which of these are the most important to you? Please rank them in order of importance:



Are there other factors leading to the selection of a new vendor?

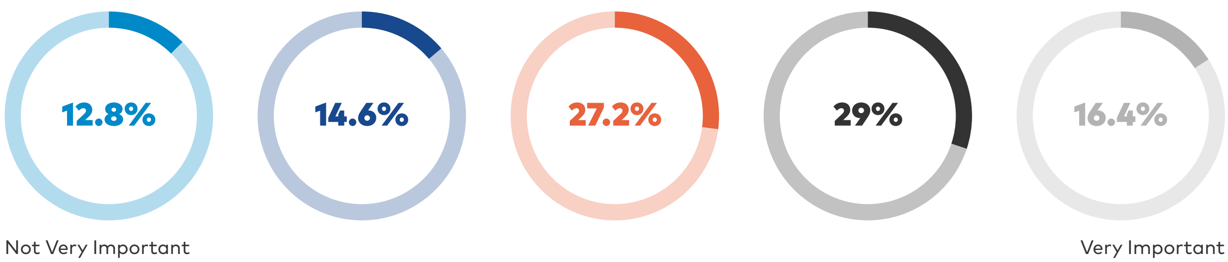
- Ease of doing business
- Fit/Culture Fit
- Good Sales Rep
- Integrity
- Location/Origin
- Product Customization
- Recommendations/Peer Testimonials
- Reputation

At what point in the buying cycle did you engage with the vendor after the awareness phase?

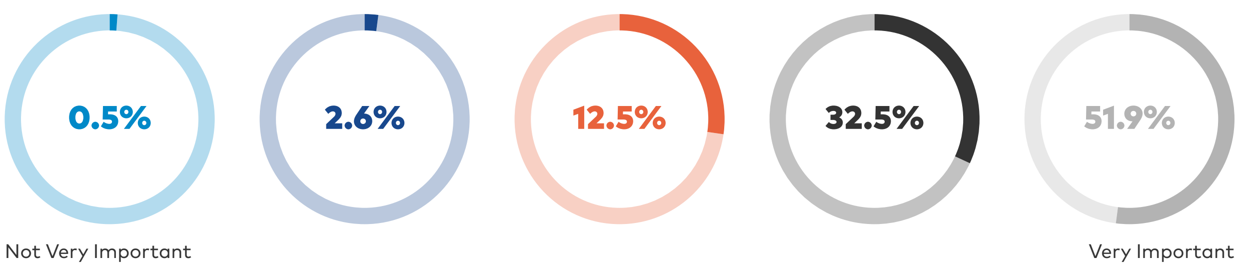


The average time to engage the vendor after the awareness phase is **13 days.**

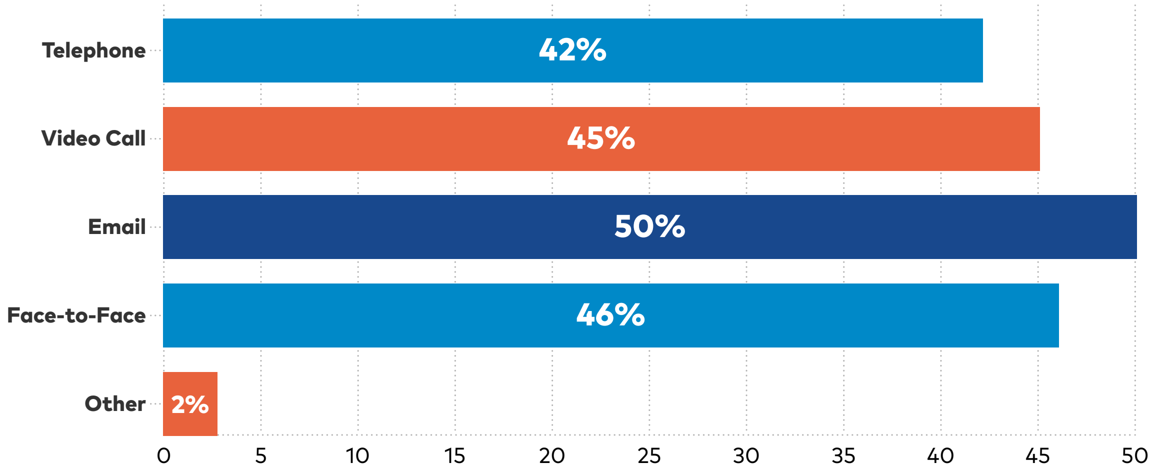
In the consideration phase, how important is speaking to the vendor's current and former clients?



Thinking about your current list of suppliers, how important is it to create long-term, symbiotic relationships?



What is your preferred method of communication with a selling company?



What other methods of communication do you prefer?

- Chat
- Depends on the product/service and if enough info is available online to complete autonomous research before talking to someone
- LinkedIn
- Text
- Website
- WhatsApp

Do you use established criteria when making major purchasing decisions?

66.2% YES

33.8% NO

What are the most important established criteria used when making major purchasing decisions?

- Budget
- Culture fit
- Does it solve the problem
- Effectiveness
- Fit to requirements
- Meets requirements
- Quality
- Reliability
- ROI
- Solution
- Trust
- Value

INTEREST & CONSIDERATION

OBSERVATIONS

On average, respondents ranked having the "lowest price" as the least important consideration during their vendor selection process. They instead preferred a vendor who could provide a "solution that meets exact requirements" and/or one with the best "value for money." Additionally, those surveyed ranked a vendor with a particular level of "responsiveness" as an important factor.

After this initial awareness phase, our data shows that the average time a buyer will start a conversation with a vendor is 13 days (25-28% of respondents). However, this was dependent on the size of the purchase as this time period increased to 15.2 days when respondents were buying larger than $50k. Additionally, companies with an annual revenue larger than $500 million took an average of 19 days to engage with a vendor.

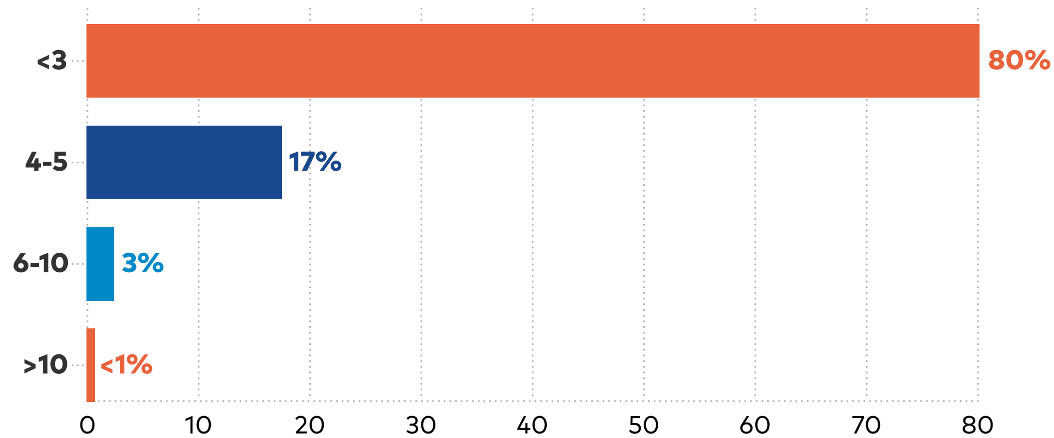
When engaging with a vendor, methods of communication were equally split between respondents. All three generations surveyed (Boomers, Gen X, and Millennials) shared about the same preference for telephone, but Boomers had a higher tendency to prefer email. Boomers were also 17% more likely to prefer face-to-face than Millennials, and 27% more likely than Gen X; while Gen X had a 19% higher preference to video calls.

We know from previous research that the majority of buyers are expecting to continue transacting future business in the same way they have been for the past eighteen months. This means that vendors need to reevaluate their skill sets in order to ensure that they are communicating in the preferred manner with customers/clients/prospects in this new remote and virtual world. It isn't just video or chat or email or phone — it's all of those.

SECTION THREE

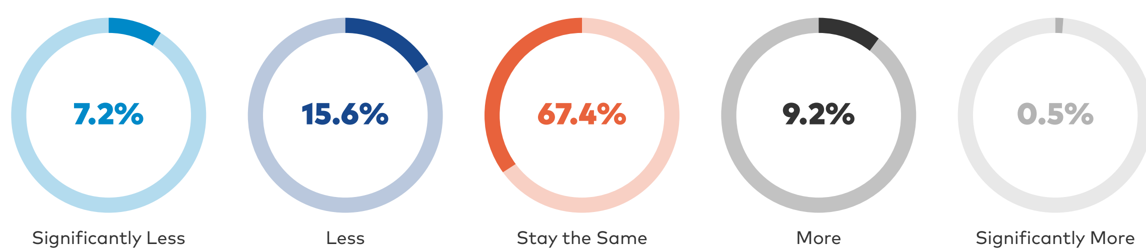
VENDOR SELECTION

How many people are typically involved in making final purchasing decisions?

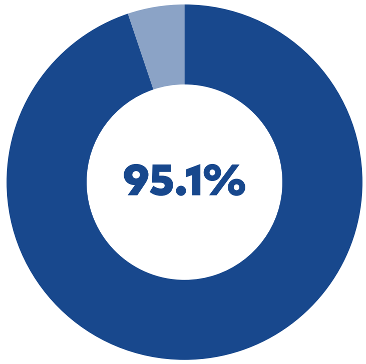


On average, **2.6 people** are typically involved in the final purchasing decision.

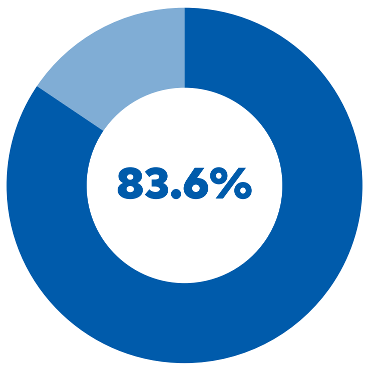
Since the onset of the pandemic, are more/less people involved in major purchases?



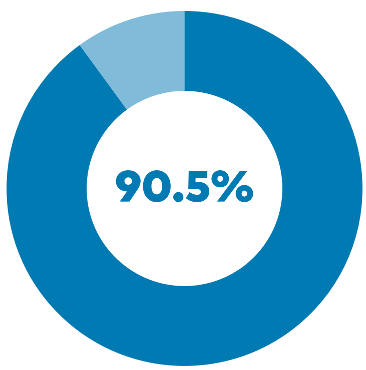
When considering the winning vendor vs. other vendors considered, which of these statements were most important:



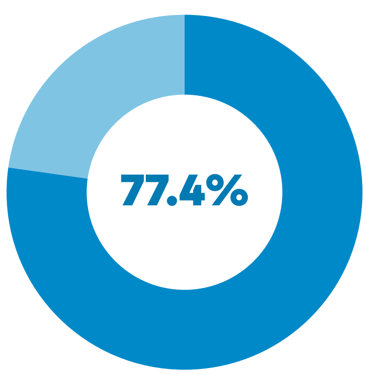
Vendor demonstrated a stronger knowledge of your specific challenges and provided supportive solutions
IMPORTANT/VERY IMPORTANT



Provided informational content that was easily consumed
IMPORTANT/VERY IMPORTANT

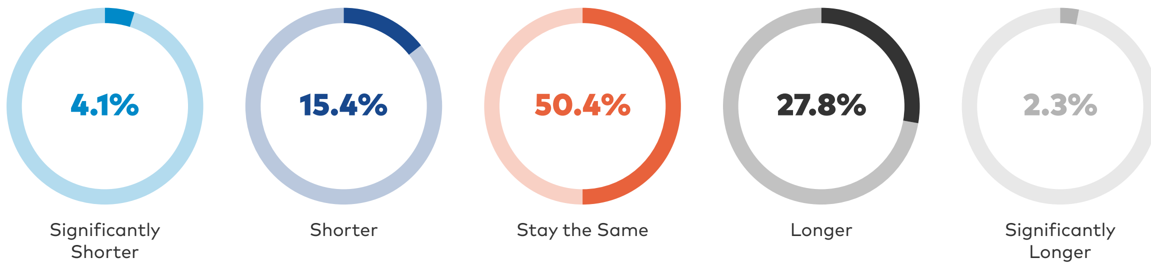


Vendor's timeliness to respond to inquiries
IMPORTANT/VERY IMPORTANT

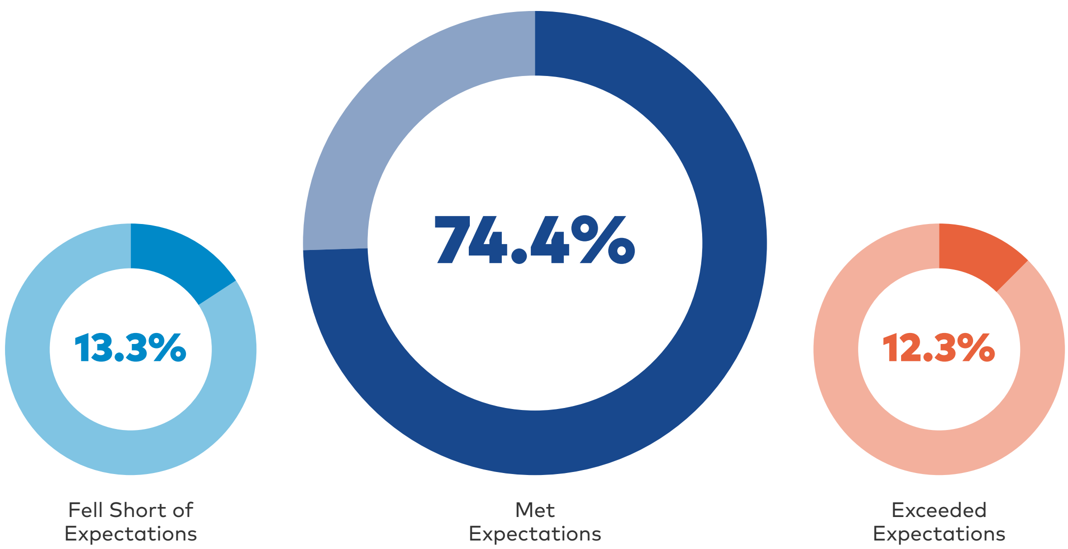


Vendor's overall knowledge about your company and commercial objectives
IMPORTANT/VERY IMPORTANT

Has the length of your B2B purchase cycle changed when compared to last year?



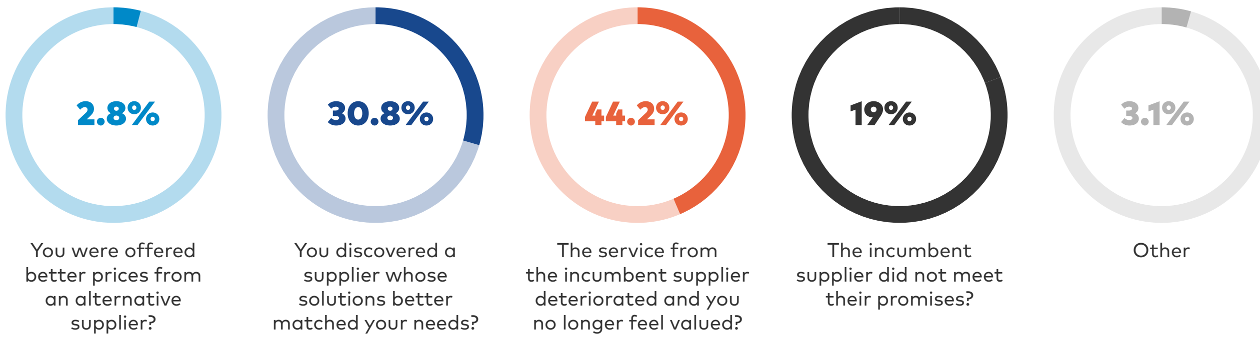
Thinking about your most recent major purchase, please rate your overall purchasing experience:



Your last experience fell short of expectations. Please tell us why:

- Not easy to use/implement
- Product availability/ability to deliver
- Technical support
- Trust
- Vendor misunderstood our needs
- Vendor over-promised and under-delivered

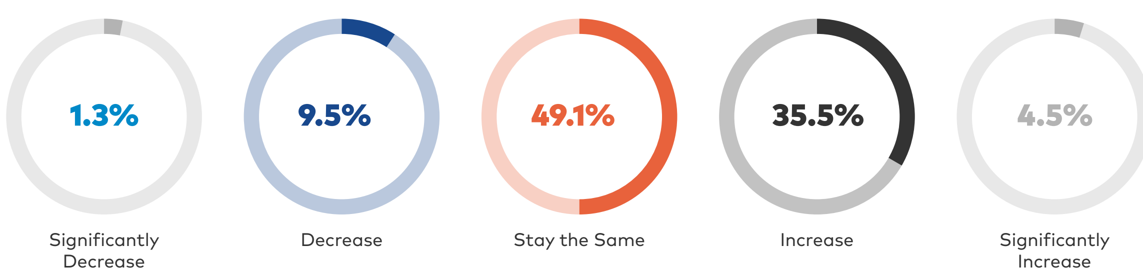
Thinking about the last time you terminated a relationship with a vendor, was it because:



What was the “other” reason that you terminated a relationship with a vendor?

- Changing circumstances eliminated the need/value of the vendor’s services
- Did not deliver ROI expected
- Didn’t have the level of knowledge needed
- Has not occurred
- Need for service came to natural end
- Needs changed
- Product availability was the number one reason for the change
- Relationship changed
- The vendor partnered with a domestic dealer, which resulted in a drastic increase in price and an additional layer to deal with
- Short-term solution - wasn't intended to be a long-term contract/purchase
- The services from the supplier deteriorated and no longer met our standards of commitment to quality, service and total value.
- They retired/moved

In your personal experience, do you feel that the relevance/importance of sales professionals to your future purchasing requirements will increase, decrease or stay the same?



VENDOR SELECTION
OBSERVATIONS

Our survey found that 67.4% of respondents said the amount of people involved with making the final purchase mostly stayed the same since the beginning of the pandemic. When comparing the sizes of organizations surveyed though, on average, larger organizations have 4.3 people involved while smaller organizations reported 2.6 people. This difference in decision makers is roughly a 60% increase between organizational sizes.

Additionally, about half of the respondents felt as if the length of the B2B purchase cycle also stayed the same. However, if the respondent was in a larger organization, then they were 33% more likely to say “longer” than someone in a smaller organization.

When considering purchasing requirements, again, our survey found that roughly half of the respondents believed the relevance/importance of sales professionals will stay the same. For those in Business Services though, 29.5% of respondents replied “increase” or “significantly increase” compared to 60.5% for those in Technology, or 58.1% for those in Financial Services.

Almost all respondents (95.1%) said that the most important factor in deciding which vendor to work with was someone who could demonstrate a strong knowledge of their specific challenges and provide supportive solutions. An almost equally important factor (90.5%) was working with a vendor who was able to respond to inquiries within a timely fashion. Based on these needs, roughly three-quarters of those surveyed rated their last chosen vendor had “met expectations.”

It is obvious from these findings that buyers anticipate that the relevance of sellers will be maintained, if not increase. Buyers have indicated that they are also very keen to quickly establish a long-term relationship based on trust, mutual respect and a commitment to “win-win” principles.

TOP TAKEAWAYS

Buyers have access to most of the information they need prior to engaging with a vendor(s), which means that contact is made much later in the sales/buying cycle. Not only do buyers conduct thorough research into products and services, but they also access trusted reviews, speak to existing clients and seek out market intelligence. This, in turn, means that a vendor who is finally invited into the process must have already completed their own homework on the buyer and be able to demonstrate, for example, that they have an in-depth understanding of the buyer's industry/sector. This is precisely why the premature pitch isn't effective.

What do buyers value most when selecting a new vendor to partner with? Foremost is the vendor's ability to recommend and supply a solution that precisely meets the requirement. After that, they are looking for value for money and a high level of responsiveness and reliability.

Buyers are also very keen to quickly establish a long-term relationship – a partnership – which will endure based on trust, mutual respect and a commitment to "win-win" principles.

Despite the increased availability of video, our findings suggest that email, followed by face-to-face meetings, and then telephone follow-up are still the buyer's preferred methods of communication.

More than anything, today's buyer wants to be understood and not sold to: They need to feel respected, and trust that the vendor is continually working to earn the right to their business.

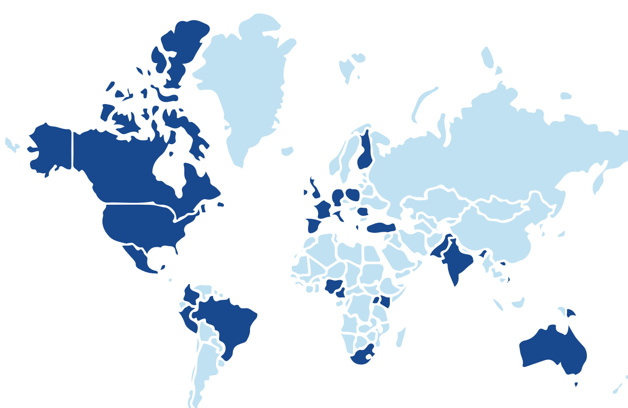
SUMMARY

May we take this opportunity to sincerely thank you for supporting this significant survey and we very much hope that you will also participate in our future research.

The Research Team
Sandler Research Center
www.sandler.com/research

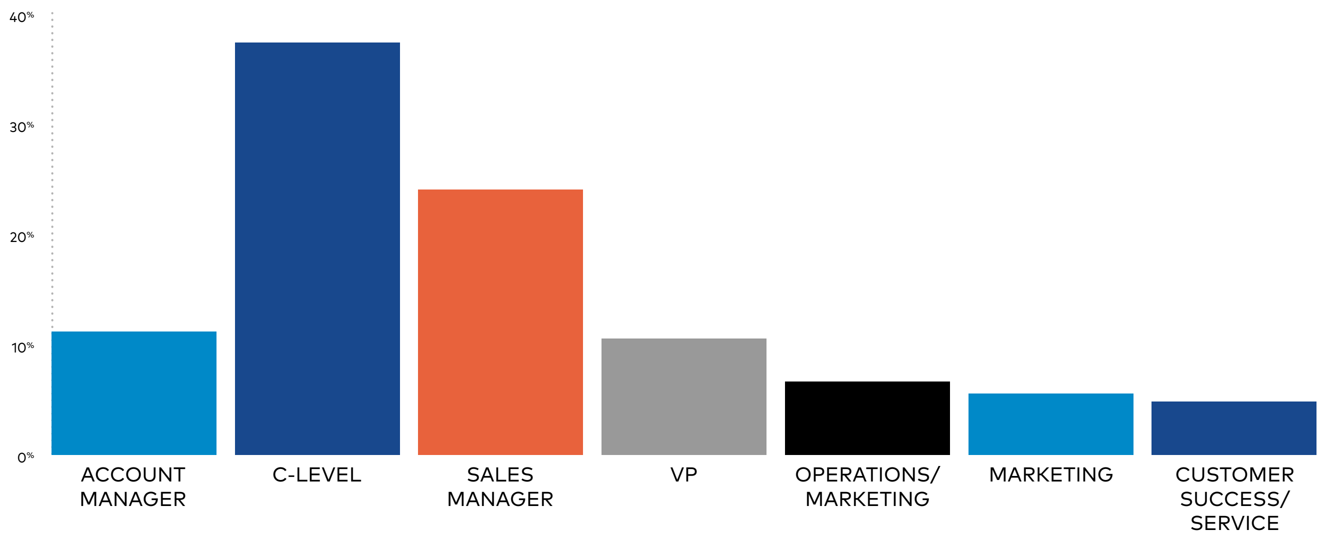
SURVEY METHODOLOGY

This survey represents the data collected from 602 respondents, from more than 361 distinct businesses or companies from 43 countries. Invitations to take the survey were digitally distributed using social media, email, and other digital publications reaching a substantial, global audience. The survey collected data from March 21, 2021 - May 7, 2021.



1%	1.7%	2.2%	14.7%	77.2%	3.3%
AFRICA	ASIA	AUSTRALIA	EUROPE	NORTH AMERICA	SOUTH AMERICA

RESPONDENTS' TITLES



INDUSTRIES