

# The Revolution in B2B Buying

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**CEB**

WHAT THE BEST COMPANIES DO



The **Rise** of  
Professional  
Purchasing

The  
**Pitfalls** of  
Consensus

The **End**  
of Customer  
Empowerment

# A Rapidly Changing World

In a fast-moving environment, B2B sales and marketing leaders must constantly adapt their methods. But too often, commercial leaders do so without considering changes to their customers' buying habits. That critical oversight can be the difference between winning and losing in today's competitive environment.

The latest evolution in customer purchase behavior has seen a shift from customers feeling highly empowered to customers feeling overwhelmed. Making B2B buying decisions is hard and getting harder. Put yourself in your customer's shoes—think about the last time you made a big purchase. Think about the competing perspectives, the conflicting information, and the infinite number of options you faced. Chances are, you had a negative experience and don't want to go through it again soon.

At CEB, we obsess over customer buying behavior. Understanding evolving buying dynamics is at the forefront of our research because knowing these changes helps us and our clients remain at the cutting edge of sales and marketing effectiveness.

Knowing the milestones of customer buying behavior and the most effective commercial practices to counteract adverse trends will help you understand how to best evolve your sales and marketing organizations. **The following sections describe the most recent eras of customer buying behavior and the supplier responses proven to succeed in each.**

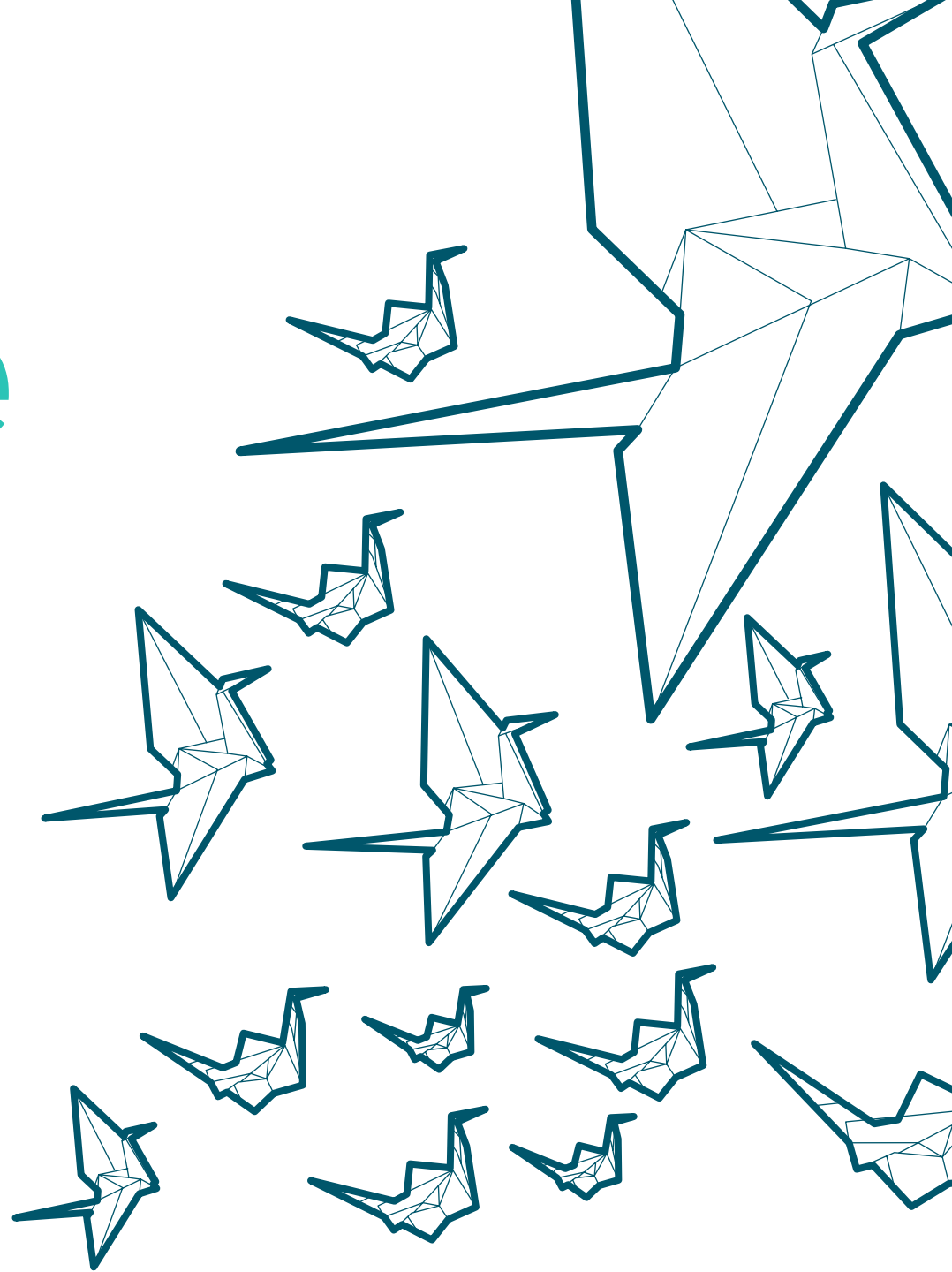
# The Rise of Professional Purchasing

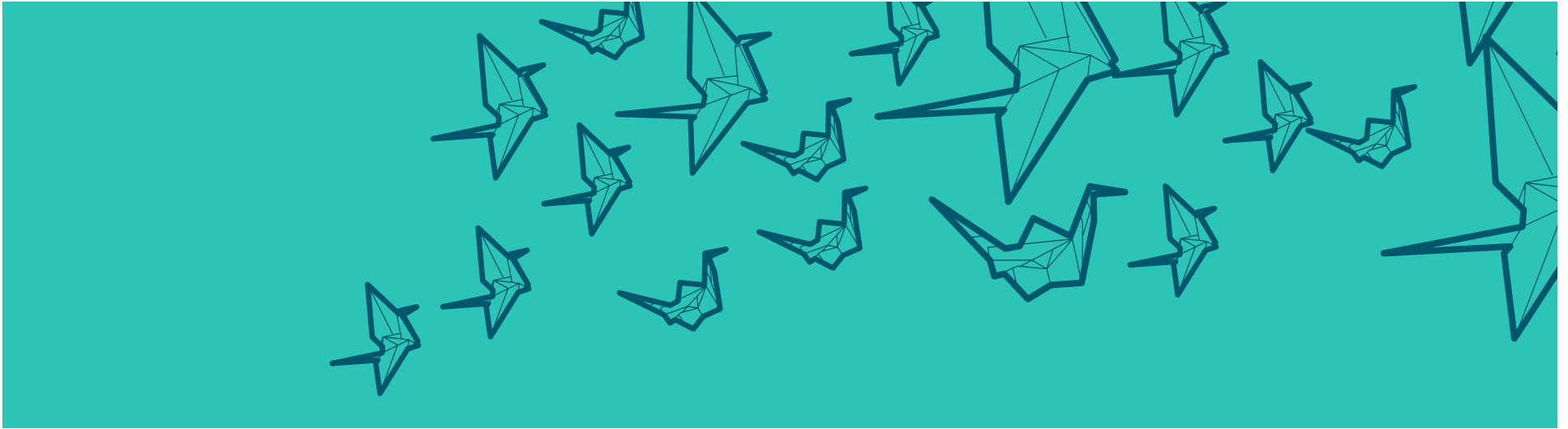
## **Buyer Dynamics**

The introduction of ERP and electronic marketplaces and the increased role of procurement allowed buying organizations to drive the sales process and highlight pricing discrepancies. In this era of professional purchasing, customers gained access to critical pricing information, forcing suppliers into a “race to the bottom.”

## **Supplier Response**

To differentiate themselves, suppliers started bundling their products and value-added services into integrated solutions. Customers, however, were quick to disaggregate these solutions and force the conversation back to price. Rarely did customers truly see the differentiation that integrated solutions offered.



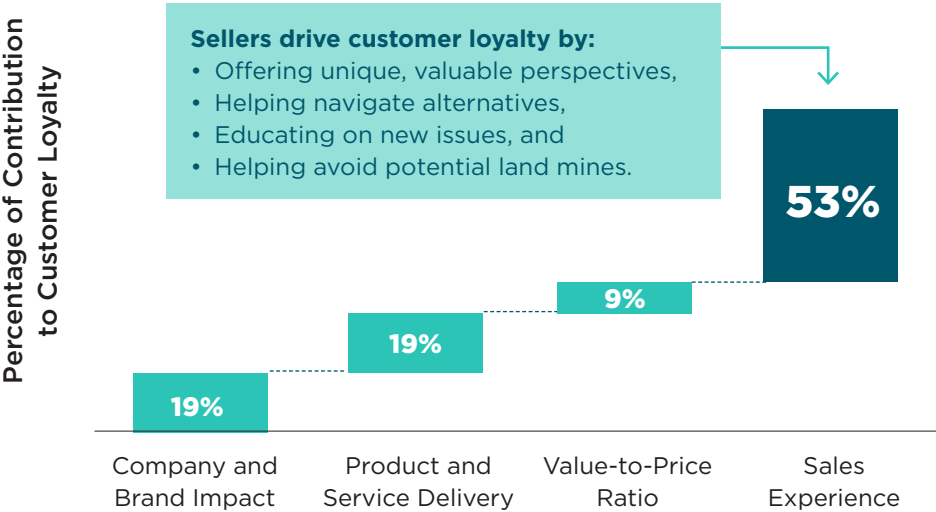


In response, we conducted a groundbreaking study of what ultimately drove sales success. We found that customers saw little differentiation in suppliers' products, brands, services, and even price fairness. Accordingly, these factors had relatively little impact on customer loyalty and spend.

Our research also highlighted that customers responded best to suppliers that educated them on new issues facing their business, presented alternatives for managing their teams, and highlighted pitfalls. Indeed, over 50% of customer loyalty resulted from such interactions.

This idea of teaching customers how to better manage their business gave rise to a new, high-performing sales professional, [The Challenger™ Seller](#). These sellers push the customer to think differently about their own business, and in doing so, assign more value to the supplier and its capabilities. Challenger Sellers reduce commoditization because they teach customers to appreciate the value of product points and service differentiation.

Drivers of Customer Loyalty



Source: CEB analysis.



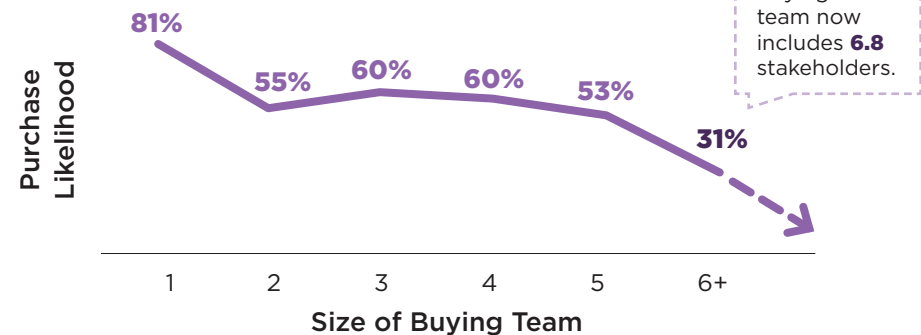
# The Pitfalls of Consensus

## Buyer Dynamics

The growth and increasing integration of supplier solutions introduced a new era of customer buying behavior: a dramatic increase in the number and diversity of stakeholders involved in the purchase. Our initial research found that, on average, 5.4 stakeholders were involved in each B2B purchase. That number has steadily risen over the years, now standing at 6.8 stakeholders who represent 3.7 different functions within the customer organization. These large, diverse buying groups struggle to agree, resulting in dysfunction and indecision.

**80% of sales leaders** report that the number of customer stakeholders continues to rise.

### Purchase Intent by Buying Team Size



*n* = 3,000.  
Source: CEB analysis.



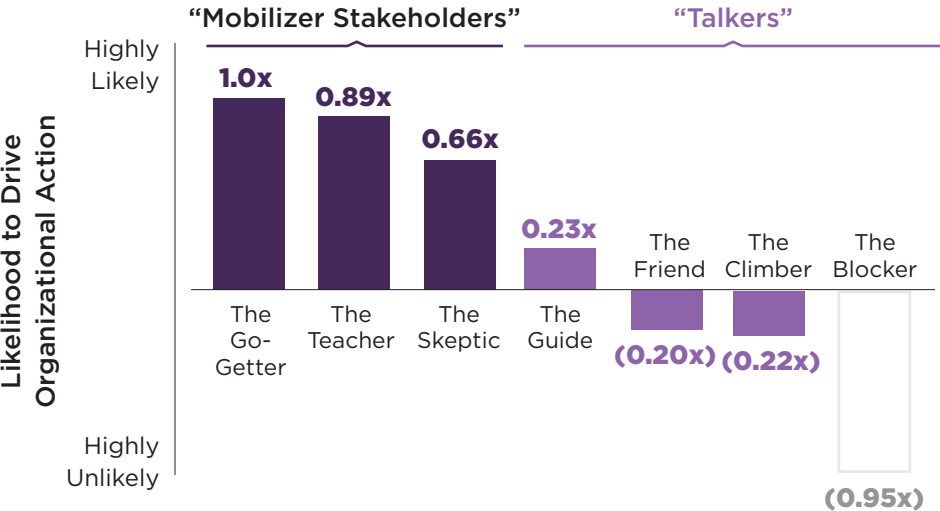
## Supplier Response

Our research reveals that the traditional strategy to build consensus—by positioning the offering based on its value to each individual stakeholder—is largely ineffective. This approach exacerbates the differences among stakeholders, rather than building consensus.

The key to bringing stakeholders together is to find the customer most able to compel action and change inside their organization. We call these **Mobilizer™** customers. Importantly, these stakeholders are not classic advocates or coaches. They are not easily accessible, nor do they necessarily want a given supplier to win the business. They aren't motivated by personal gain, but rather by helping their organization take action on great ideas and insights. Mobilizers will simply not engage in a conversation about your products, features, or benefits. Their language is great ideas and insights about their business. Unfortunately, our data also shows that the average salesperson overlooks these stakeholders, favoring more accessible, friendly points of contact who are ultimately unable to drive action.

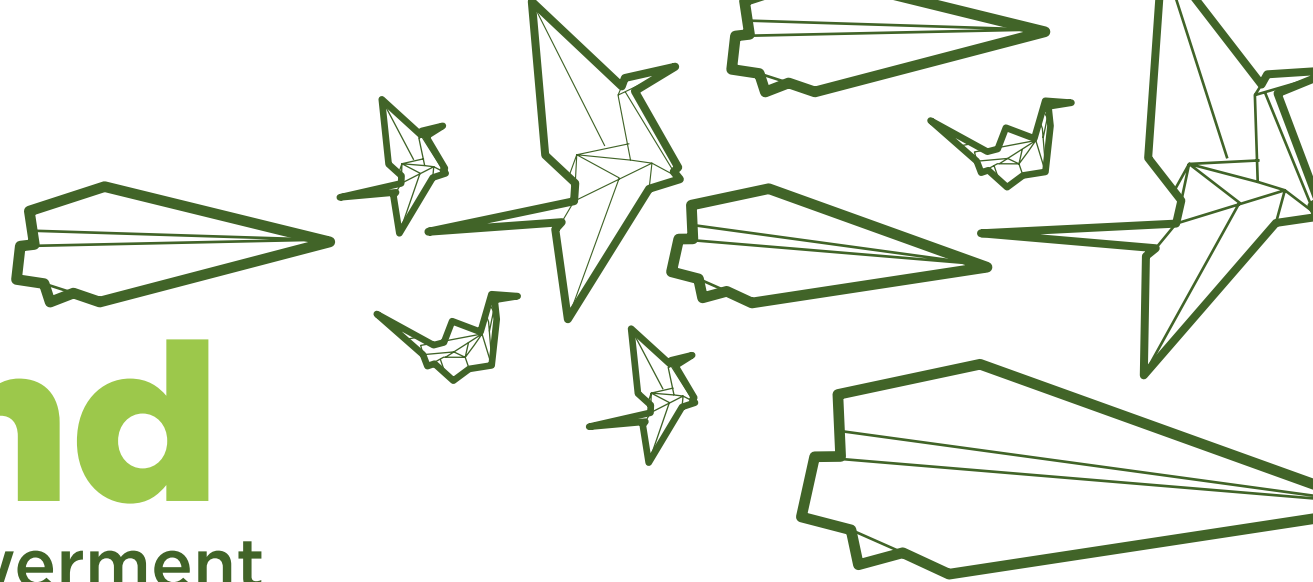
## Effectiveness of Customer Stakeholder Profiles at Driving Organizational Action

*Indexed*



*n* = 717.  
Source: CEB analysis.

# The End of Customer Empowerment



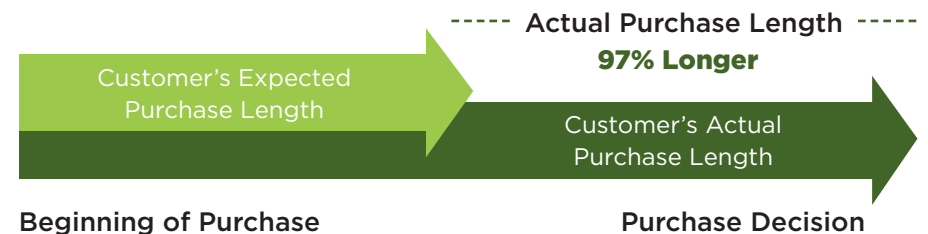
## Buyer Dynamics

The latest era of customer purchasing behavior is a reaction to not only more stakeholders but also more information, more data, and more options than ever before. We call this the “World of More.”

In the World of More, customers aren’t overwhelmed by suppliers’ inability to sell, but their own **inability to buy**. The result is extended buying cycles; dramatically increased purchase regret; and fewer ambitious, premium-solution purchases.

The trends of more information and options, which theoretically drive customer empowerment, actually **strain** customers’ ability to make purchase decisions.

## Buying Cycle Length, Expected Versus Actual *As Reported by Customers*



*n* = 610.

Source: CEB 2015 Sales Customer Panel Survey.



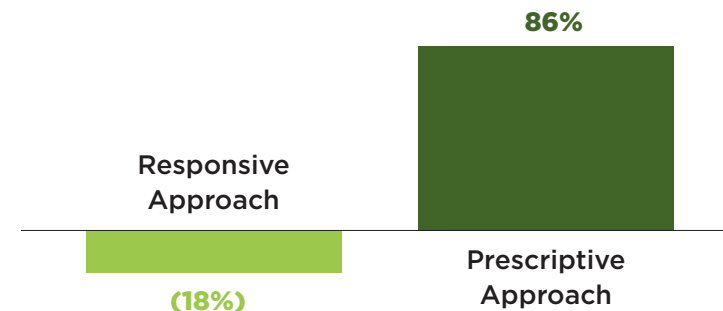
## Supplier Response

Many suppliers believe that success in the World of More requires more flexibly responding to customers. Suppliers therefore provide customers with yet more information and options, continually adjusting the offer to better meet the shifting demands. Our research shows this responsive approach ultimately exacerbates the problem.

Leading organizations instead adopt a [prescriptive approach](#), deliberately easing decision making, by guiding customers through their purchase. **Simplifying the purchase experience has a dramatic impact on a supplier's likelihood of closing a high-quality sale, where the customer purchases a premium offering at premium price.** Best-in-class prescription is credible, action-inducing, and ultimately leads back to suppliers' offerings.

Employing a prescriptive approach **increases purchase ease** for customers.

### Change in Likelihood of Experiencing Purchase Ease<sup>a</sup>



*n* = 610.

Source: CEB 2015 Sales Customer Panel Survey.

<sup>a</sup> "Purchase Ease" is defined by the customer's perception that the supplier made it easy for the organization to make the purchase.



# 3 things

Sales and Marketing must do to succeed today.

## Challenge

- **Teach** customers something about their business that is currently mismanaged, has significant economic impact, and needs to change now.
- **Develop** breakthrough insight and message it in a way that reframes how customers think about their business, and simultaneously highlights your solution's unique strengths.

[Learn more](#)

## Align

- **Help** your sellers identify, engage, and coach Mobilizer™ customers to build consensus and move the purchase forward.
- **Arm** Mobilizers with content to help them drive action.

[Learn more](#)

## Prescribe

- **Guide** customers by making recommendations throughout the entirety of the customer's purchase, helping ease their decisions.
- **Create** prescriptive content that guides customers to the most important purchase criteria, ultimately leading customers to your unique differentiators.

[Learn more](#)

# About Us



CEB is a best practice insight and technology company. In partnership with leading organizations around the globe, we develop innovative solutions to drive corporate performance. CEB equips leaders at more than 10,000 companies with the intelligence to effectively manage talent, customers, and operations. CEB is a trusted partner to nearly 90% of the Fortune 500 and FTSE 100, and more than 70% of the Dow Jones Asian Titans. More at [cebglobal.com](http://cebglobal.com).

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