2023

B2B BUYER'S SURVEY:

Economic Uncertainties Renew Buyers' Focus On Price & Functionality

DemandGen Report

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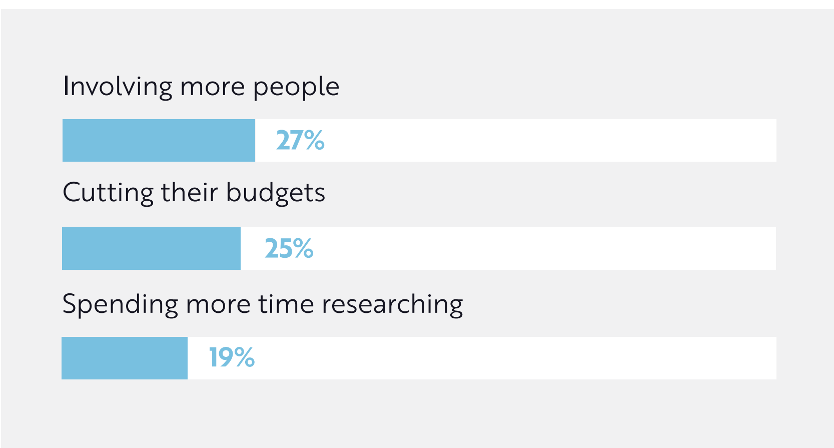
EXECUTIVE SUMMARY

Despite all the turbulence taking place in the B2B industry, the one constant is practitioners' needs to buy new products, technologies and solutions. As buyers navigate through a stormy economy, the "2023 B2B Buyer's Behavior Survey" found that the two biggest factors practitioners are dealing with operate in direct contrast to each other. While most respondents (31%) indicated that they had to delay potential purchases due to budget freezes, 29% said they actually escalated some purchases due to changing business needs.

In other words, the buying landscape in 2023 is certainly uncertain. As buyers demand more hands-on engagement and attention from solution providers, it's up to sales and marketing teams to work together to meet buyers wherever they are in their journey and understand the unique circumstances surrounding their changing buying needs. Specifically, the biggest shifts in the buying process over the past 12 months included:



In tight economic times, marketing teams must be savvier than ever when engaging buyers. To help practitioners better understand the current buying climate, this survey report will outline:

- The key steps and processes buyers follow when making a purchasing decision, with insights into how their preferences have evolved over the past year;
- How different generations participate in the buying process and what their preferences are;
- The influence advertising and video have on buyers, with insights into the formats and channels that resonate most strongly with them;
- The average B2B buying timeline; and
- How the need to "do more with less" is impacting buying decisions across the board.

BUYERS FOCUSED ON UNDERSTANDING REAL VALUE

One of the most critical components of the buyer's journey for practitioners is to understand the steps prospects and customers take in their purchasing decision. When asked what the timeline was for a typical buying process, practitioners said they:

1. Conducted anonymous research on potential solutions
2. Collected preliminary information on pricing/costs
3. Brought in other team members
4. Evaluated which solutions would fit well with existing partners
5. Sought input from industry analysts/consultants
6. Sought input from peers/existing users in the community
7. Accepted outreach from vendors and engaged in calls/demos
8. Spoke to and engaged with a sales representative from the selected vendor

With that general framework in place, buyers are also expanding how they evaluate and qualify a solution. Specifically, they want to quickly understand how a solution will benefit their company, placing the onus on marketers to demonstrate a product's value. For example, some of the newly added processes buyers follow when making a purchasing decision include:

- Conducting a more detailed ROI analysis (38%)
- Spending more time researching purchase decisions (31%)
- Altering decision timelines based on changing business needs/priorities (24%)
- Spending more time using social media to research vendors and solutions (24%)
- Relying more on peer recommendations/review sites (23%)

Buyers are focusing more on the value of a purchase and thoroughly researching solutions before making a decision. In an uncertain economy, it's clear that buyers want to ensure they're making a worthwhile investment. As they conduct their research, the resources they prioritize the most include web search, vendor websites, insights from industry experts/analysts and outreach from vendor sales reps.

Additionally, there's a notable trend toward retention and cross-sell/up-sell plays, as prior experience with the vendor jumped from 25% in 2022 to 40% in 2023. This demonstrates that in times of uncertainty and tightening budgets, buyers are doubling down on tried-and-true solutions.

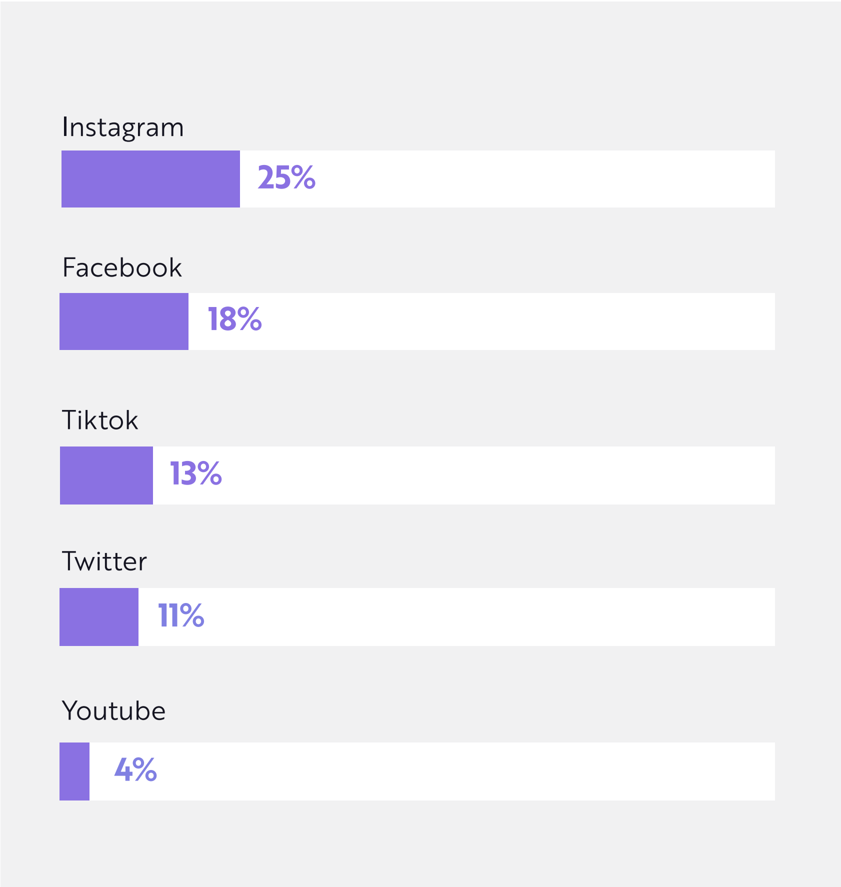
CONNECTING WITH BUYERS VIA CONTENT

On the advertising side, practitioners are coming into their own and creating more engaging assets: While the same number of buyers noticed ads year-over-year (as indicated by 71% of respondents in both the 2023 and 2022 iterations of the survey), ads are creating more of an impact. The survey found that 44% of respondents in 2023 said advertisements positively impacted their view of a company, compared to just 33% in 2022.

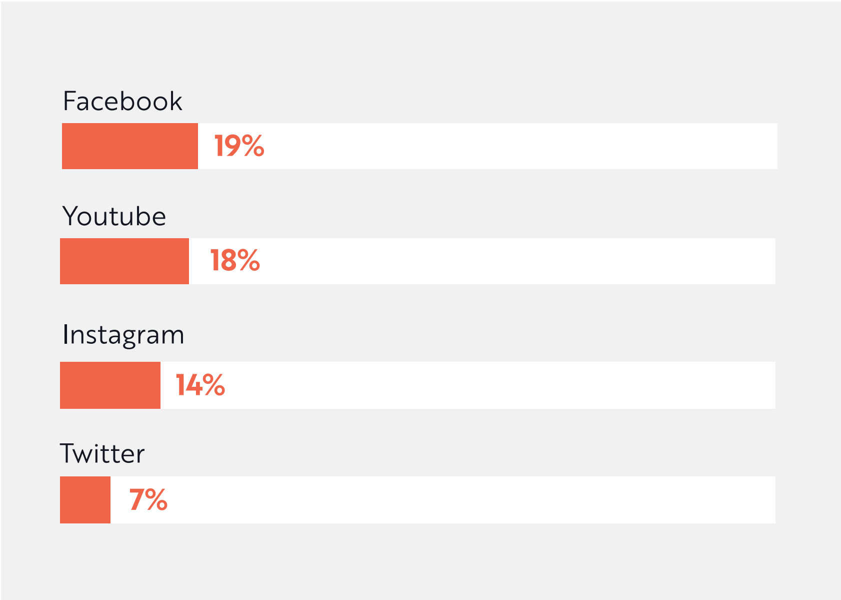
But those advertising numbers vary, depending on who's consuming the ad. When broken down into younger generations (respondents who classified themselves as a Millennial or Gen Z) and older generations (Boomers and Gen X), younger buyers are more likely to notice ads. Fifty-four percent (54%) of Millennial and Gen Z buyers were positively influenced by ads, while 36% of Boomers and Gen X said the same. With that in mind, it's imperative that organizations tailor their advertisements to appeal to each cohort. Specifically:

- 54% of younger buyers are influenced by social media ads, compared to 40% for older buyers;
- CTV influences 22% of younger generations compared to 18% of older generations; and
- Banners on digital publications/websites impacted 26% of older buyers and just 14% of the younger generation.

And while social media ranked as the No. 1 channel where all generations saw ads, the specific areas each cohort preferred varied. Though LinkedIn was the top channel for all generations (at a cumulative 36%), that's where the similarities ended. Younger generations favored:



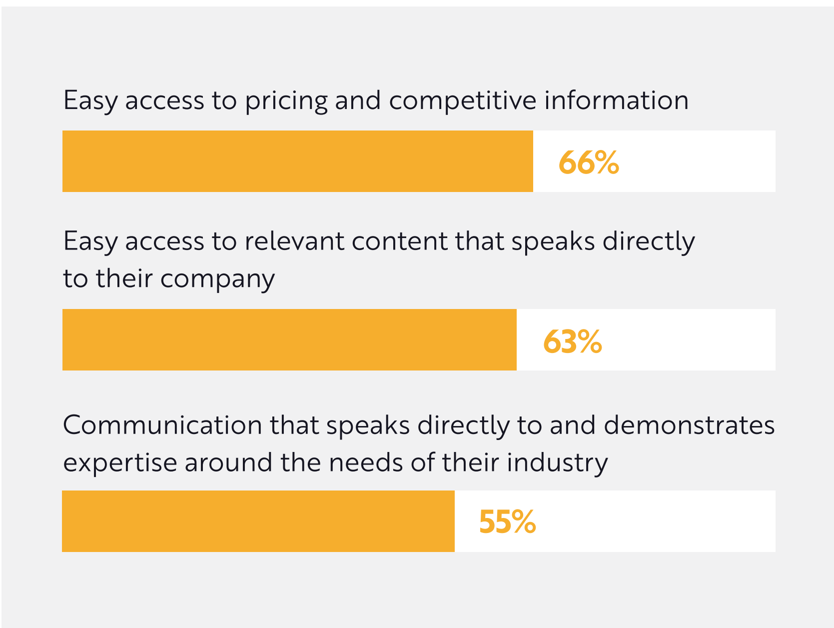
While the older generation preferred:



The most interesting differences are in video consumption — a chunk of Millennials pointed to this format as a key channel, while no Boomers did. Similarly, YouTube had varying levels of influence. This demonstrates that while video advertisements are important for all buyers, the formats and channels those videos are delivered on must vary as well.

THE ULTIMATE INFLUENCES INTO DECISIONS

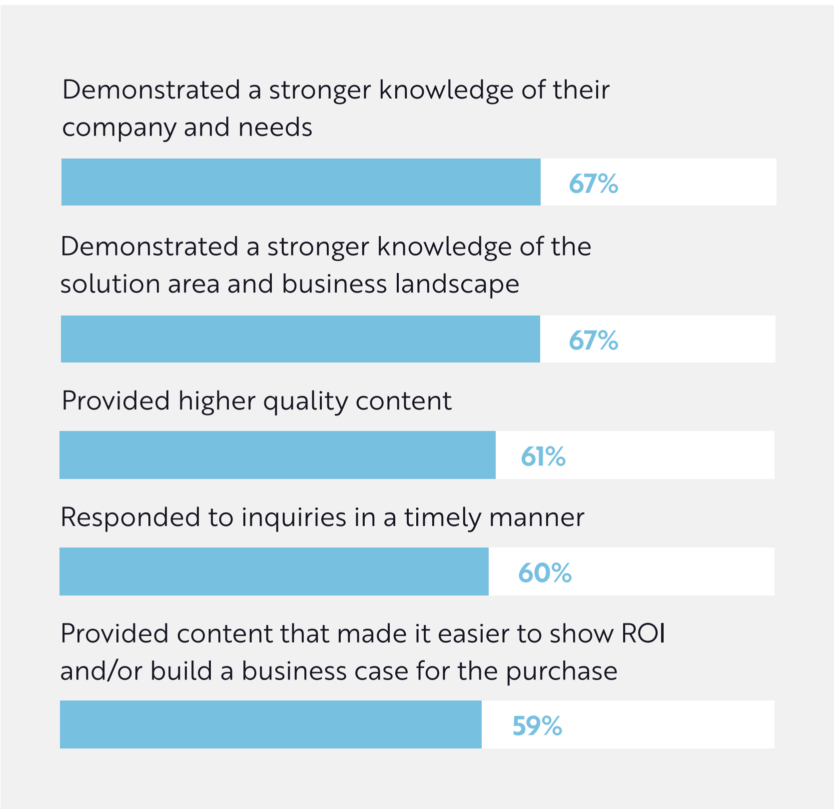
When it's time to get into the nitty gritty and start mapping out potential vendors, the first place buyers look is each solution provider's website. The top-three factors buyers look for when visiting websites include:



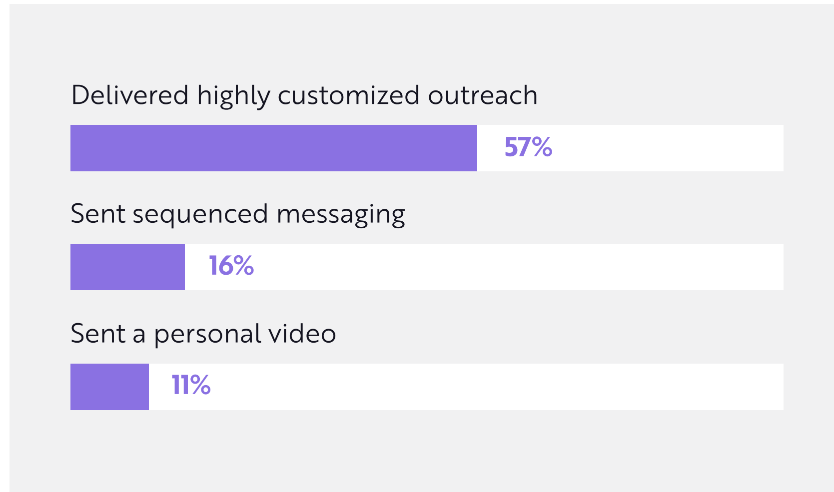
With that information in hand, the specific information buyers are looking for include:

The focus on pricing is expected, as buying teams are under increased scrutiny to justify all purchasing decisions and create a compelling use case. When combined with the desire for reviews and deployment time, it's clear that buyers are seeking information that actively demonstrates value to help alleviate the pressure on resource-strapped teams.

The best way for practitioners to demonstrate their solution's value is through content, which 81% of buyers said had a significant impact on their buying decisions. When asked their top-five reasons for selecting the winning vendor, respondents pointed to companies that:



Breaking it down by generation, younger buyers were more likely to select companies that provided a better mix of high-quality content, while older buyers were more interested in a vendor's ability to demonstrate ROI and build a business case for the purchase. In terms of what made buyers ultimately accept outreach from a sales rep, the survey found the most successful salespeople:



Although all buyers preferred highly customized outreach, younger generations were more likely to embrace video outreach, while older generations were drawn to customized landing pages. Additionally, both demographics indicated that the sales reps' knowledge influenced their decision (69%), meaning it's imperative for sales reps to connect with buyers and demonstrate a deep understanding of their company.

CONCLUSION

For 68% of buyers, their overall purchasing experience was positive. For the 32% of respondents who were only somewhat positive or neutral, write-in responses indicated that they wanted vendors who “advertised more,” “were more personable,” “provided a clear competitive analysis of vendors in the field” and “were more feature-driven than product-led.”

It’s clear that the modern buyer is contending with several external issues, ranging from internal budget cuts and reduced headcounts to economic turmoil and an uncertain future. As a result, the timeline of their buying journey is often unpredictable. To connect with modern buyers and help accelerate deals, practitioners need to ensure they can deliver clear insights about their solution’s value, be up-front about pricing and other pertinent information to help buyers build a strong business case for the purchase.

About the Survey

The 2023 B2B Buyer’s Survey gathered insights from nearly 300 B2B buyers, who hold roles in marketing, IT, operations, sales, finance and more. In terms of revenue, 60% generated less than $100 million, 30% brought in between $100 million and $1 billion while 10% brought in more than $1 billion. Respondents included Directors (34%), Managers (31%), C-Level Executives (22%), VPs (9%) and more. In terms of buying roles, 60% were the primary decision-maker, 45% were the internal influencer/champion, 24% were the researcher, 19% were the technical buying influencer and 16% were the end user.

Vidyard is the video platform that helps businesses drive revenue through the strategic use of online video. Going beyond video hosting and management, we help businesses connect with more viewers through interactive and personalized video experiences, learn powerful insights on their viewing audience, turn insights into action with enterprise integrations, and prove the impact of their video programs.

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