



WHITE PAPER

Social Buying Meets Social Selling: How Trusted Networks Improve the Purchase Experience

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IDC OPINION

Complex decisions are fraught with risk. To increase trust and confidence in making high-stakes company purchase decisions, B2B buyers leverage their professional networks. Social media makes accessing these networks more efficient. New global research, conducted by IDC in February 2014, finds that online social networks play a vital role in the purchase process of 84% of the most senior B2B buyers. In the final stage of the purchasing process, when stakes are highest, online professional networks (e.g., LinkedIn) are the number 1 information preference of buyers.

IDC found that buyer trends are generally similar for all three geographic regions studied and expects the practice of online social buying to increase as the use of online social networks, particularly professional networks, expands.

Sales professionals are advised to pay attention to this trend. The rise of digital communications has already eroded the opportunity to sell face to face. For example, IDC's 2012 IT Buyer Experience study reported that an average of nearly 50% of the purchasing process for technology solutions is complete before a salesperson becomes involved. Reduced face-to-face time is not the only change salespeople need to worry about now. Relationship building, referrals, and recommendations are also shifting online. To succeed today, sales professionals must answer their social phones.

Summary

- 75% of B2B buyers and 84% of C-level/vice president (VP) executives surveyed use social media to make purchasing decisions.
- Online professional networks are the number 1 information preference of buyers in the final stage of the purchase process.
- Social buying correlates with buying influence. The average B2B buyer who uses social media for buying support is more senior, has a bigger budget, makes more frequent purchases, and has a greater span of buying control than a buyer who does not use social media.
- B2B buyers find the greatest benefit of social media is gaining greater confidence in and comfort with their decisions.

SITUATION OVERVIEW

Key Finding: The Most Senior and Influential B2B Buyers Use Social Media for Their Purchase Process

Social media, especially online professional networks, plays a vital role for senior executives making company purchases. A large majority, 84%, of C-level and VP-level buyers use social media for purchasing. Overall, 75% of B2B buyers consult social media when making purchasing decisions (see Figure 1). Also, senior-level buyers are more likely to use online professional networks (e.g., LinkedIn) for purchase support. 63% of C-level/VP-level buyers have used online professional networks for purchase support in the past 12 months compared with 56% for the entire sample (see Figure 2).

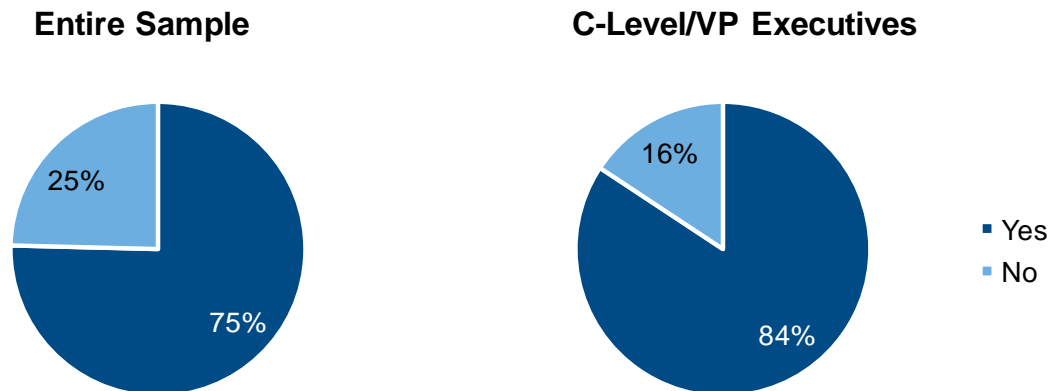
"I was looking for a special product for my business and not finding companies manufacturing this product around me. I asked my actual social network and a friend put me in touch with a supplier."

"It's at your fingertips – there's no waiting for someone to get back to you."

FIGURE 1

75% of B2B Buyers and 84% of C-Level/VP Executives Surveyed Use Social Media to Make Purchasing Decisions

Q. *Have you ever used social media, such as LinkedIn, Twitter, Facebook, or online professional communities, to assist in any way with your company purchasing decisions?*



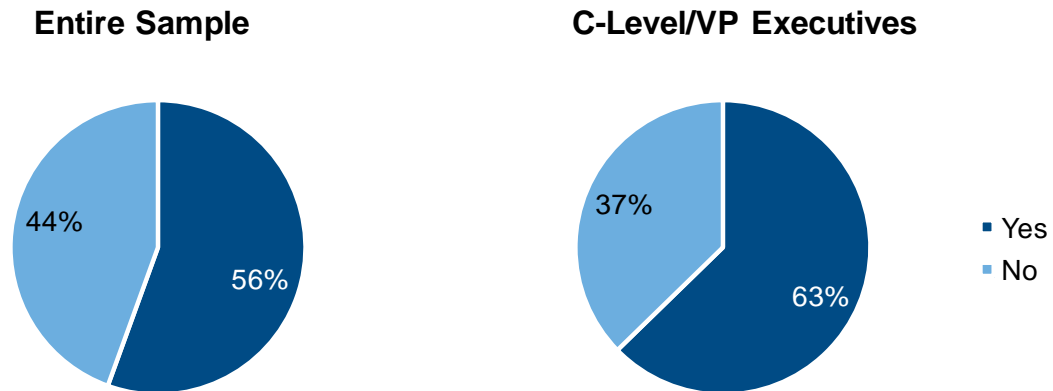
n = 760

Source: IDC's Social Buying Study, February 2014

FIGURE 2

Over Half of B2B Buyers Have Used LinkedIn to Support Their Purchase Process During the Past Year

Q. *Have you or has anyone on your purchasing team used LinkedIn to support your purchase process in the past 12 months?*



n = 760

Source: IDC's Social Buying Study, February 2014

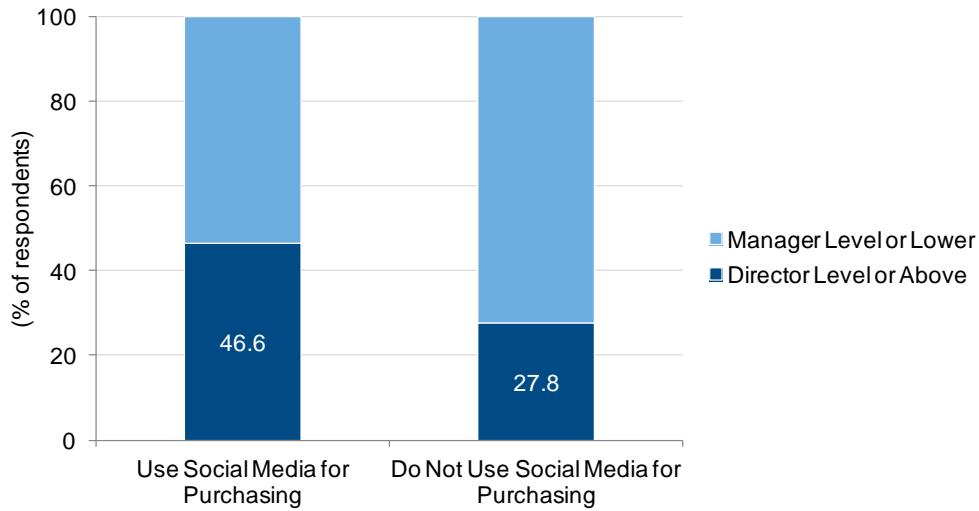
B2B buyers who are active on social media represent a more senior and influential segment than those who do not use social media. Social buyers, those who use online connections to support the purchase process, are more senior (see Figure 3) and have a greater span of purchasing control (see Figure 4) than non-users. They also spend 84% more per purchase (see Figure 5) and make 61% more purchase decisions (see Figure 6). These attributes are likely related (senior executives generally have more span of control and can authorize bigger budgets). Nonetheless, the finding belies a common perception that social media is used primarily by junior people who are less busy.

"[Social media has been] very helpful for us. We've made some big business decisions based on help received through social media."

FIGURE 3

Senior Executives Are More Likely to Use Social Media

Q. Which of the following best describes your job title or level?



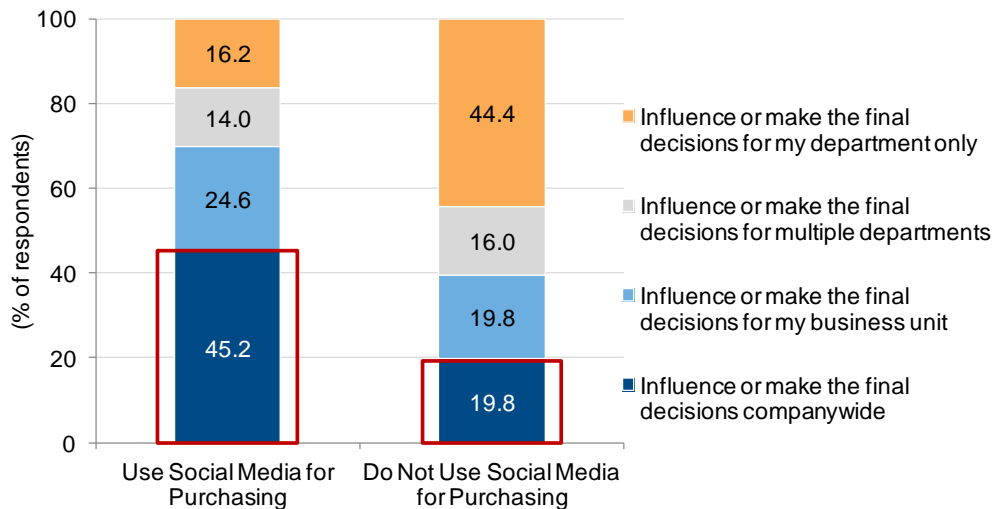
n = 760

Source: IDC's Social Buying Study, February 2014

FIGURE 4

Buyers with Greater Influence Are More Likely to Use Social Media

Q. Which of the following best describes your role in company purchase decisions?



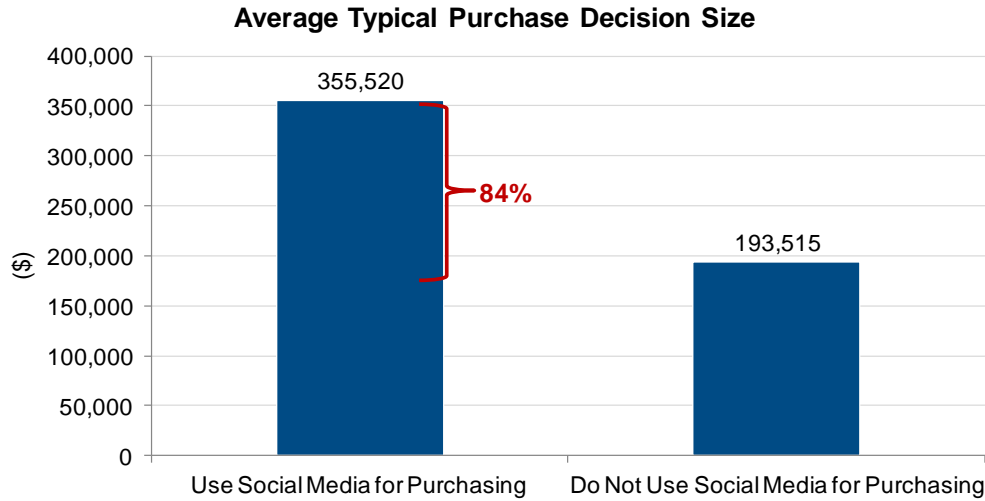
n = 760

Source: IDC's Social Buying Study, February 2014

FIGURE 5

Buyers with Larger Budgets Are More Likely to Use Social Media

Q. *What is the typical size of the purchase(s) you were involved with over the past 12 months?*



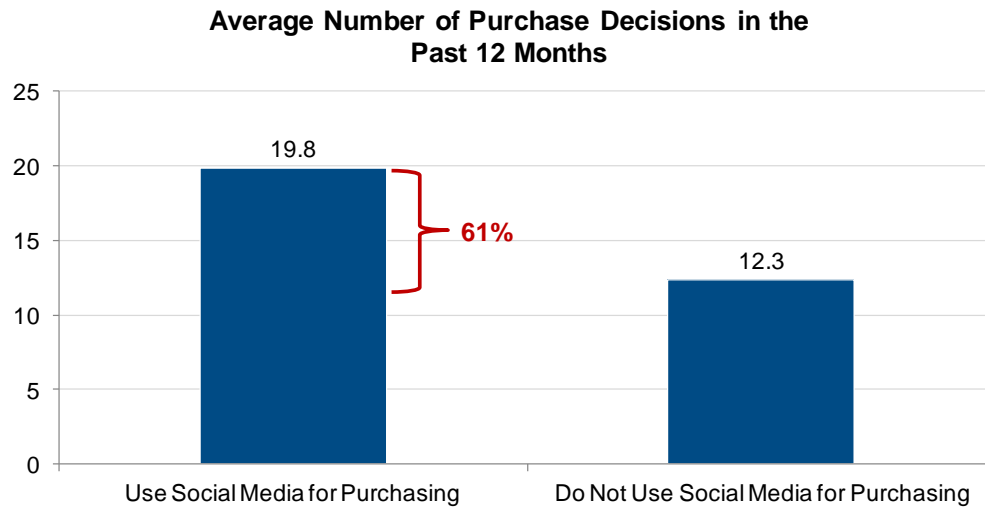
n = 760

Source: IDC's Social Buying Study, February 2014

FIGURE 6

Frequent Purchasers Are More Likely to Use Social Media

Q. *How many purchasing decisions at the "department level" or above have you been involved with in the past 12 months?*



n = 760

Source: IDC's Social Buying Study, February 2014

Implications for Sales Professionals

Sales professionals who are not active social media users are missing an important opportunity to connect. Salespeople have long leveraged offline social networks for recommendations, referrals, and revenue because the strategy is so successful. All things being equal, people prefer to buy from those they know and trust. Now, sales professionals selling high-impact products or services (e.g., complex, expensive, important to the buyer) need to replicate their networking strategy online because social media is where peer conversations are happening.

Salespeople active with online networks will gain additional benefits. Large numbers of relationships can be maintained more efficiently online. It takes less time to keep up with customer news and changes. Contact is made more quickly. Social media gives a sales professional's positive actions more visibility and a longer shelf life. Online social networks may make it easier to build relationships with senior, influential buyers because the constraints of time and location are reduced for all parties.

"[Social media provides] the ability to check references and work history and supply satisfaction, etc."

Opting out of social media may cause real damage. Salespeople should recognize that they can't opt out of social media if their buyers are there. Evidence of non-participation is just as visible as presence. Salespeople will inadvertently deliver a negative message with their absence. Put simply, sales professionals must answer their social phones.

"We put out the call to our social media 'friends' to refer us to tech vendors with engineering experience. We asked for names and any relevant URLs, references, etc., and we received over 75 responses, which gave us more options to consider."

Key Finding: Social Networks, in General, and Social Media, in Particular, Help Establish Confidence and Trust

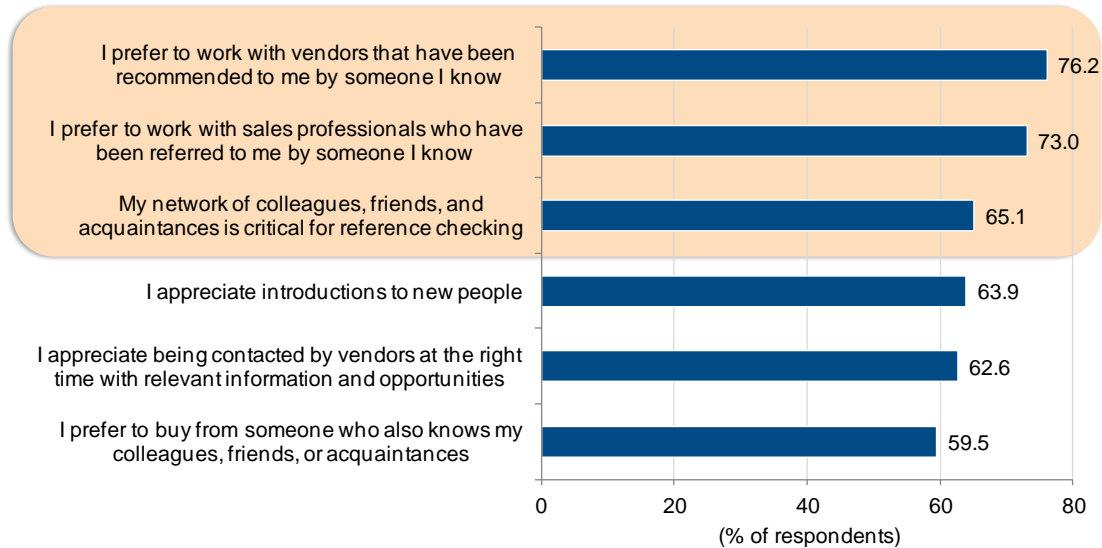
Buyers place great trust in their professional networks. Complex problems with complex solutions are fraught with risk. B2B buyers reduce that risk by practicing social buying. They leverage professional networks for buying support in order to increase their confidence in decision making. Buyers place greater trust in commercial relationships that have the stamp of approval from their professional networks (see Figure 7).

"[Social media] smoothed over our reference checking, allowing us to verify what the vendor was known for and allowing us more direct contact with the vendor's representative."

FIGURE 7

Buyers Place Great Trust in Their Professional Networks

Q. Please rate your agreement with each of the following statements. (Answers reflect the percentage of respondents who agreed or strongly agreed.)



n = 760

Source: IDC's Social Buying Study, February 2014

Social media improves purchasing effectiveness because social media provides buyers with better access to the trust and confidence they seek from their social connections (see Figure 8). Senior executives typically have extensive professional networks. In one sense, it's not surprising that they would seek to leverage those networks via social media. Humans are humans. The same needs and desires that drive behavior in the offline world are often sought online. However, senior executives are also among the world's busiest people, and effective use of social media does take time. Why would so many busy people spend their extremely valuable time in this way?

While time is scarce, trust and confidence can be even rarer. Buyers making high-impact decisions will gravitate toward methods that make confidence building easier. To get more time, executives can reprioritize tasks and use productivity-enhancing tools. Executives can delegate time-consuming tasks to staff, but they cannot delegate trust. Executive buyers use social media and especially online professional networks to more efficiently leverage their professional social networks and thus improve access to the confidence those networks provide.

"[Social media offers] a way to correlate information and cross-reference opinions from a wide range of colleagues and fellow industry professionals."

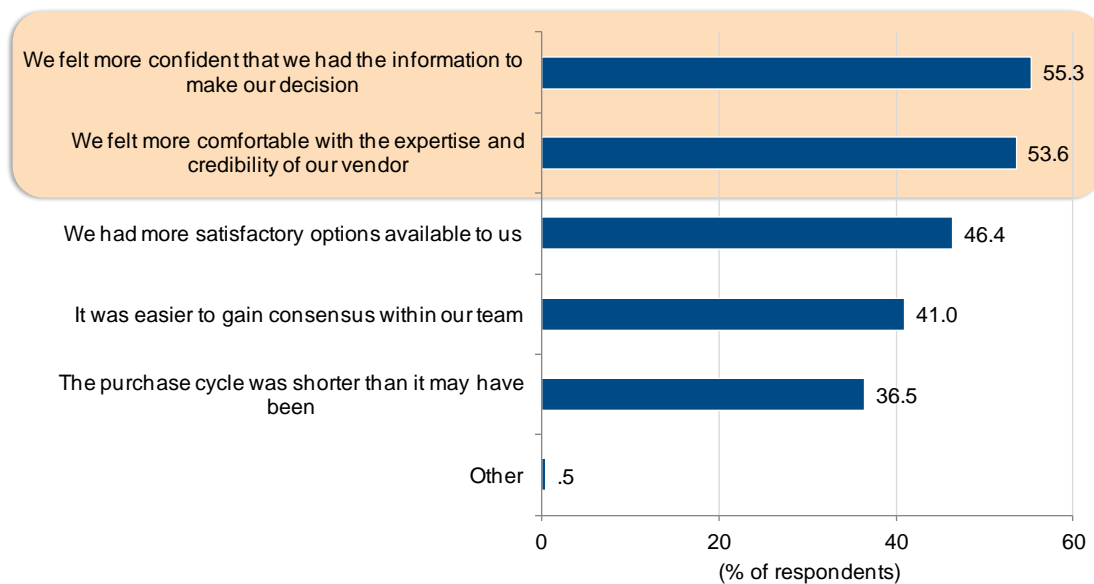
"We used social media to solicit opinions, create new vendor relationships, and hear back from colleagues about what worked for them and what did not."

"Finding potential options is much easier, and with all the references, it becomes even more reliable."

FIGURE 8

Social Media Drives Confidence and Credibility in the Purchase Decision

Q. When using social media as a resource to support your purchase, how did social media improve your purchase decision? Check all that apply. (This question was asked of respondents who had used social media for purchasing support.)



n = 573

Source: IDC's Social Buying Study, February 2014

Buyers need trust to buy confidently and would like to ensure this trust is maintained online. When asked about concerns they may have about social media, respondents answered that their top concern is that vendors and sales professionals would not be authentic. Of those survey participants who acknowledged concern about social media, 62.2% are concerned or strongly concerned about the authenticity of online profiles.

"There are a lot of false promises and profiles [online], that's why references are key for us."

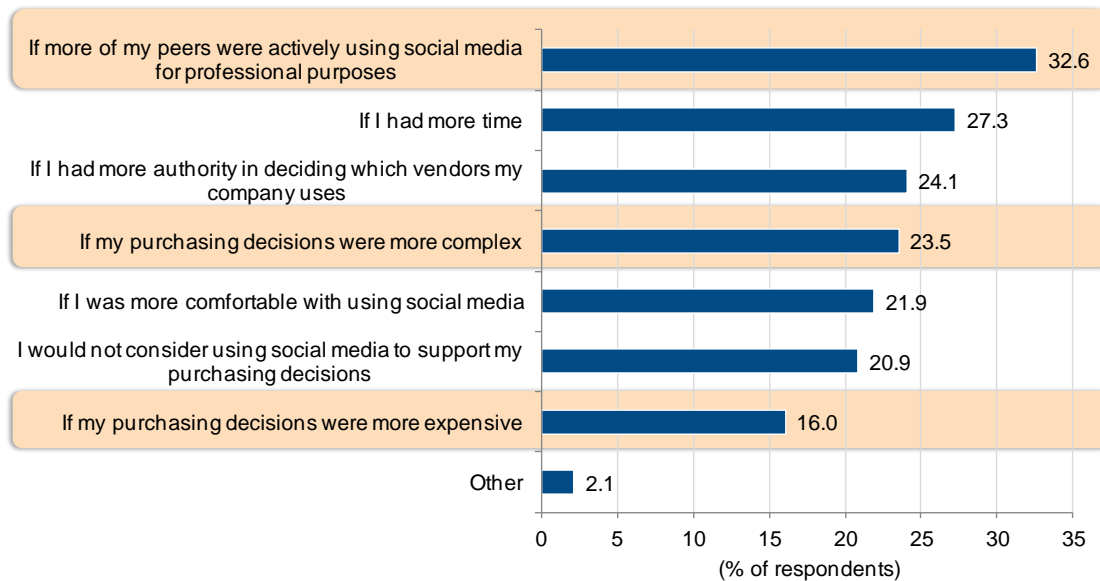
In spite of this concern, respondents were overwhelmingly willing to use social media for purchasing support. 75% of B2B buyers surveyed have already used it, and of the remaining 25% who have not yet used it, only 5.2% are unwilling to try.

The approximately 80% of buyers who had not yet used social media for purchasing support were willing to do so under the right conditions. What is the most desired condition? It is access to their trusted network. The top motivation (32.6% of respondents) for initiating social buying would be if more of their peers used social media for professional purposes (see Figure 9). In addition, trust played a role in their citing of other conditions for future social media use. Some social media non-users would be more inclined to use it if their purchases were more complex or expensive, indicating more high-stakes purchases.

FIGURE 9

Non-Users of Social Media Would Use It If Their Peers Were On It

Q. Which of the following would enable you to consider using social media for company purchasing decisions in the future? Check all that apply. (This question was asked of respondents who had not used social media for purchasing support.)



n = 187

Source: IDC's Social Buying Study, February 2014

Implications for Sales Professionals

When engaged in social media, respect the connection. Sales professionals can certainly use social media for direct outreach to buyers who they don't know. In the IDC study, many buyers were open to this contact under the right circumstances. 62.6% agreed or strongly agreed with the following statement: "I appreciate being contacted by vendors at the right time with relevant information and opportunities." However, the more important social media benefit was the ability to reach recommended vendors (76.2% agreed or strongly agreed with this benefit) and recommended salespeople (73% agreed or strongly agreed with this benefit).

Social media is not simply a new way to cold-call. When sales professionals interact via social media, it's better if they approach prospects through a mutual connection. Even when a connection isn't possible, sales professionals must boost buyers' confidence by being visibly present online in an authentic, transparent, and reasonably complete way. Actions speak louder than words, and online, the longevity of activity means that it is difficult, if not impossible, to retract actions that go wrong – so get interactions right from the beginning.

Key Finding: In the Final Stage of the Purchasing Process, When Stakes Are Highest, Online Professional Networks Are the Number 1 Information Preference of Buyers

Online professional networks show up as important in all stages of the purchase process, and use of these networks rises until they become the most important information resource in the final stage.

In this survey, IDC described the purchase process as consisting of three stages. For each stage, respondents were asked about the usefulness of various information resources, including various types of social media.

- The **earliest stage** of your purchase process includes investigating how you can improve business and/or productivity, determining whether your problem(s) is important enough to invest in a solution, and investigating possible alternatives (features you may need, etc.).
- The **middle stage** of your purchase process includes constructing a "short list" of specific brands and products and determining implementation challenges and solutions.
- The **final stage** of your purchase process includes getting answers to final questions, finalizing decisions, and negotiating terms and conditions.

In the earliest stage of the purchasing process, B2B buyers place greatest emphasis on information gathering overall and tend to value more general information resources. News-oriented social media (e.g., microblogs such as Twitter) is the most popular type of social media used at this stage. Online professional networks rank in the middle of the list of information resources (see Figure 10).

As the purchasing process progresses and buyers become more serious, the desire for credibility increases. Recommendations from third-party experts rise to the top of the list during the middle stage of the purchasing process, and online professional networks rise to the fourth position.

By the time buyers get to the final stage of the purchase process, they have already made a significant investment of time and effort. They are on the brink of committing to a vendor and solution. When stakes are highest, B2B buyers find online professional networks to be the most valuable information resource.

FIGURE 10

Ranking of Information Resources During the Purchase Process Stages

Q. For each stage of the purchase process, please rate the value of the following resources.

| Information Resource | Earliest Stage Rank | Middle Stage Rank | Final Stage Rank |
|---|---------------------|-------------------|------------------|
| Industry-specific media | 1 | 2 | 6 |
| Third-party expert recommendations | 4 | 1 | 2 |
| Professional social networks (e.g., LinkedIn) | 8 | 4 | 1 |
| Internet search | 2 | 3 | 10 |
| Microblogs (e.g., Twitter) | 3 | 13 | 5 |
| General word of mouth | 5 | 8 | 8 |
| In-person events | 6 | 9 | 12 |
| Vendor Web sites | 7 | 6 | 11 |
| Vendor content (e.g., white papers, infographics) | 9 | 5 | 7 |
| General media | 10 | 10 | 13 |
| Personal social networks (e.g., Facebook) | 11 | 11 | 4 |
| Private domain or topic specific | 12 | 7 | 3 |
| Digital events (e.g., Webcasts, virtual events) | 13 | 12 | 9 |

n = 760

Source: IDC's Social Buying Study, February 2014

"Social media helped us to learn more about the vendor [and] the product and helped us to receive recommendations. It made the process much faster and easier and ultimately helped with a better end product."

"[Using social media] gave us a more secure feeling when making our final decision."

"LinkedIn was the most helpful. We got more recommendations and more information through this network."

Implications for Sales Professionals

Sales professionals can benefit from social media activity at all three stages of the purchasing process. However, buyers use social media differently in each stage, implying that sales actions must also differ. For example, when working with buyers during the earliest stage, sales professionals can monitor important customers for trends that can be converted into relevant conversations. When encountering buyers in the middle stage, sales professionals who are better able to track and manage engagement via social networks may have an advantage when it comes to keeping deals on track.

Buyer interaction with vendors via online professional networks may signal a high level of commitment and the likelihood of the buyers being in the final stage of the purchasing process.

Some companies consider social media participation to be exclusively a marketing responsibility. However, salespeople should not "outsource" critical relationship-fostering responsibilities to anyone else – it's just too important for sales success. Marketing can be a very valuable partner, helping the sales team get the most from social media. Sales management should insist that marketing invest in social media monitoring and share critical data with the sales team.

Regional, Industry, and Age Trends

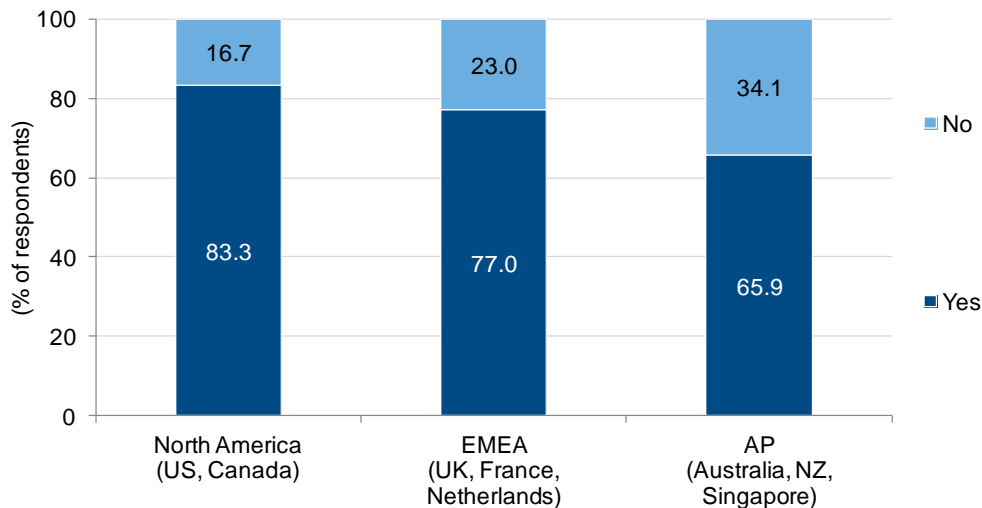
Regional Considerations

IDC found that buyer trends are generally similar for all three geographic regions studied. However, there were some regional differences primarily related to degree of social media preference and confidence (see Figures 11 and 12). For example, North American buyers are the most likely to use social media for purchasing and the most likely to say it brings confidence and credibility to the purchase process. IDC believes that as the size of online professional networks expands in various regions, the use of social media for purchasing support will also grow.

FIGURE 11

Active Social Buyers Are Found in All Global Regions

Q. *Have you ever used social media, such as LinkedIn, Twitter, Facebook, or online professional communities, to assist in any way with your company purchasing decisions?*



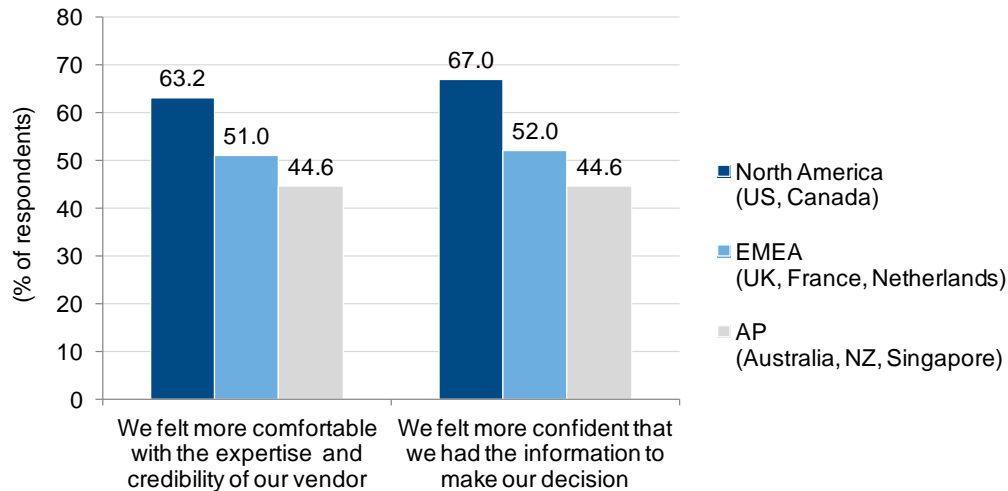
n = 760

Source: IDC's Social Buying Study, February 2014

FIGURE 12

Trust and Confidence Are Valued Resources Everywhere

Q. *When using social media as a resource to support your purchase, how did social media improve your purchase decision?*



n = 760

Source: IDC's Social Buying Study, February 2014

Industry Considerations

The IDC study included a limited range of industries – technology, professional services, and financial services. The study was intended to provide a forward-looking view of the B2B buyer's experience with and related preferences for using social media to support the company purchase process. As known early adopters of new technologies and new media, the selected industries provided a deep look into the subject. Because of the industry selection criteria, this study carries the caveat that buyers in other industries may not yet have achieved the same level of social buying penetration. However, since IDC found no significant differences in the findings between industries studied, we believe that the trends are directionally true for other industries. IDC also found that company size did not significantly change the trends.

Age Considerations

Buyers who used social media for purchase support are somewhat younger than those who do not use it. 81.7% of social buyers are under the age of 45 compared with 63.6% of non-users.

Implications for Sales Professionals

The time to invest in online social competency is now. Regardless of geographic location, companies that want to sell to technology, professional services, and financial services companies and that aren't active on social media are certainly already behind the curve. Sales professionals who sell complex solutions to any industry are also advised to become active now. Conditions for social buying are applicable for most, if not all, buyers of complex solutions. Therefore, it is highly likely that buyers in industries not studied would have similar social buying practices – now or in the near future.

"Researching vendors online and checking out their online profiles gives a lot of insight into them. I would recommend using these tools to any purchasing team."

FUTURE OUTLOOK

IDC believes that social media, especially online professional networks, will continue to grow in importance as purchasing tools. This projection is supported by several reasons:

- Senior executives (the C-level and VP-level buyers who demonstrate the greatest propensity to use social media for buying) set the pace for others in their organization. Where the leaders go, others tend to follow.
- The value offered by social buying (greater efficiency in reaping trust and confidence from social networks) is a core benefit highly desired by most, if not all, buyers of complex solutions. There is no reason to believe this need will abate.
- As vendors gain more experience in social marketing and social selling, their skills will improve. IDC's work with leading technology companies, for example, indicates that companies are actively trying to change into buyer-centric organizations in order to court empowered buyers. While this transformation is difficult and will take time, the new competencies will amplify the value that buyers seek from social media. This will create an echo effect, making social media even more valuable to buyers.

As the use of social media expands, the gap between companies that use social media for buying and selling and those that do not will widen, creating a significant disadvantage for companies that lag.

ESSENTIAL GUIDANCE

IDC recommends that sales professionals make the following changes to their approach:

Increase social proximity

- Find the social connectors (people in your industry with strong social networks and influence), and try to get to know them.
- Grow social networks to be closer to more people/right people.
- Be at the intersection of conversations, as presence alone helps build familiarity and eventually trust.

Improve social presence

- Be present in the right way. Buyers will want to get to know a sales professional in advance of a deeper relationship, and people who may serve as possible references will also be looking. Manage a professional identity (trusted personal brand). Be credible, authentic, accurate, information rich, and service oriented.
- When sharing thought leadership or expertise, consider the interests of potential buyers with respect to the purchase process stage. For example, buyers who engage with content intended for final-stage decision making may be primed to purchase, which is a signal for salespeople to increase attention and outreach.
- Engage earlier and with a lighter touch. Approach people with a "warm" introduction – through their valued social network.

Build social capital (build up a reservoir of "like" and trust)

- Conduct research before making sales calls. Review the prospective buyer's profile, follow the individuals and companies of interest, and investigate group memberships and other social media activity to ensure relevancy. Salespeople with knowledge of the person/situation are more likely to be able to serve as a trusted advisor.
- Facilitate peer-to-peer recommendations. Make others proud to be a reference. Make it easy to share information.
- Be a good guy. Send thank you notes, share knowledge freely, facilitate exchange between peers (help them help each other), provide referrals, and rarely ask for favors (social capital is built when people give without demanding immediate exchange).

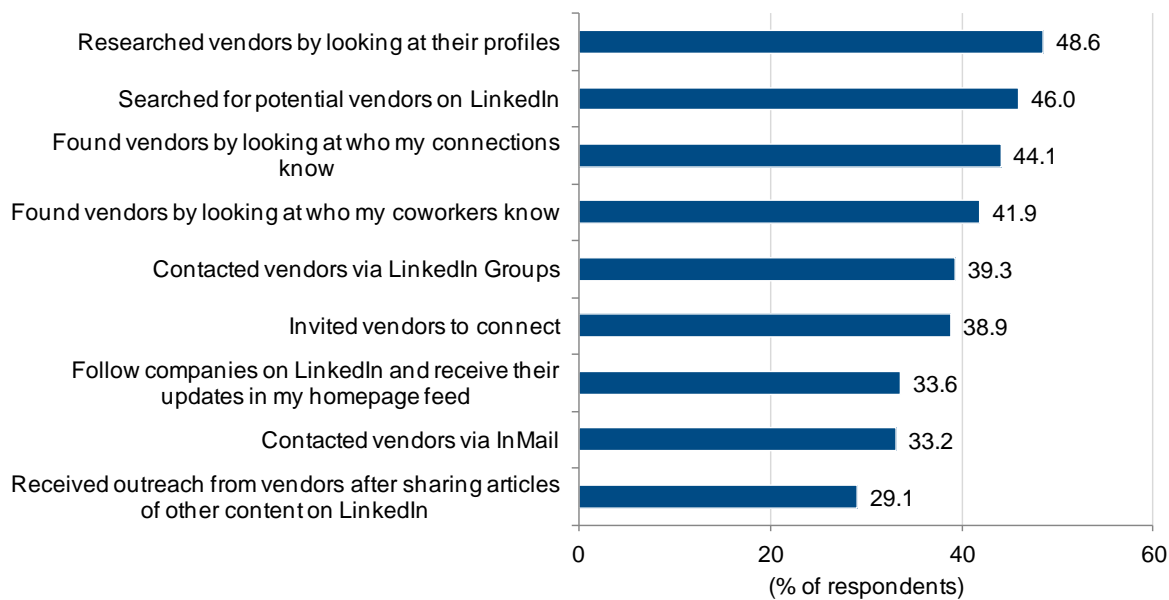
APPENDIX 1: BUYERS' TOP USES OF LINKEDIN

Survey participants who responded that they had used LinkedIn during the purchase process were asked about specific service feature use. Their responses are ranked in Figure 13.

FIGURE 13

Buyers' Top Uses of LinkedIn

Q. *What LinkedIn features did you or others on your purchasing team use in your purchase decisions in the past 12 months?*



n = 422

Source: IDC's Social Buying Study, February 2014

APPENDIX 2: METHODOLOGY

Information for this white paper came from a February 2014 IDC global survey of workers in the technology, professional services, and financial services industries with reporting levels ranging from C-level executives to staff/individual contributors. IDC surveyed 760 respondents: 319 above the director level, 306 at the manager level, 96 supervisors, and 39 staff/individual contributors. Respondents were employed in organizations of over 100 employees. All respondents had responsibility for or influence on company purchases at the departmental level or above and had made at least one purchase decision within the past 12 months. The median number of purchasing decisions was 18. The majority of the respondents were involved in the purchase process as a company, division, or functional leader (e.g., CEO, regional VP, director of HR, practice leader) or as a technical decision maker (e.g., IT, engineering, or R&D).

Respondents were recruited and screened from international panels and came from eight countries: the United States, Canada, the United Kingdom, France, Netherlands, Australia, New Zealand, and Singapore. The survey was conducted over the Internet and administered in the local language.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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