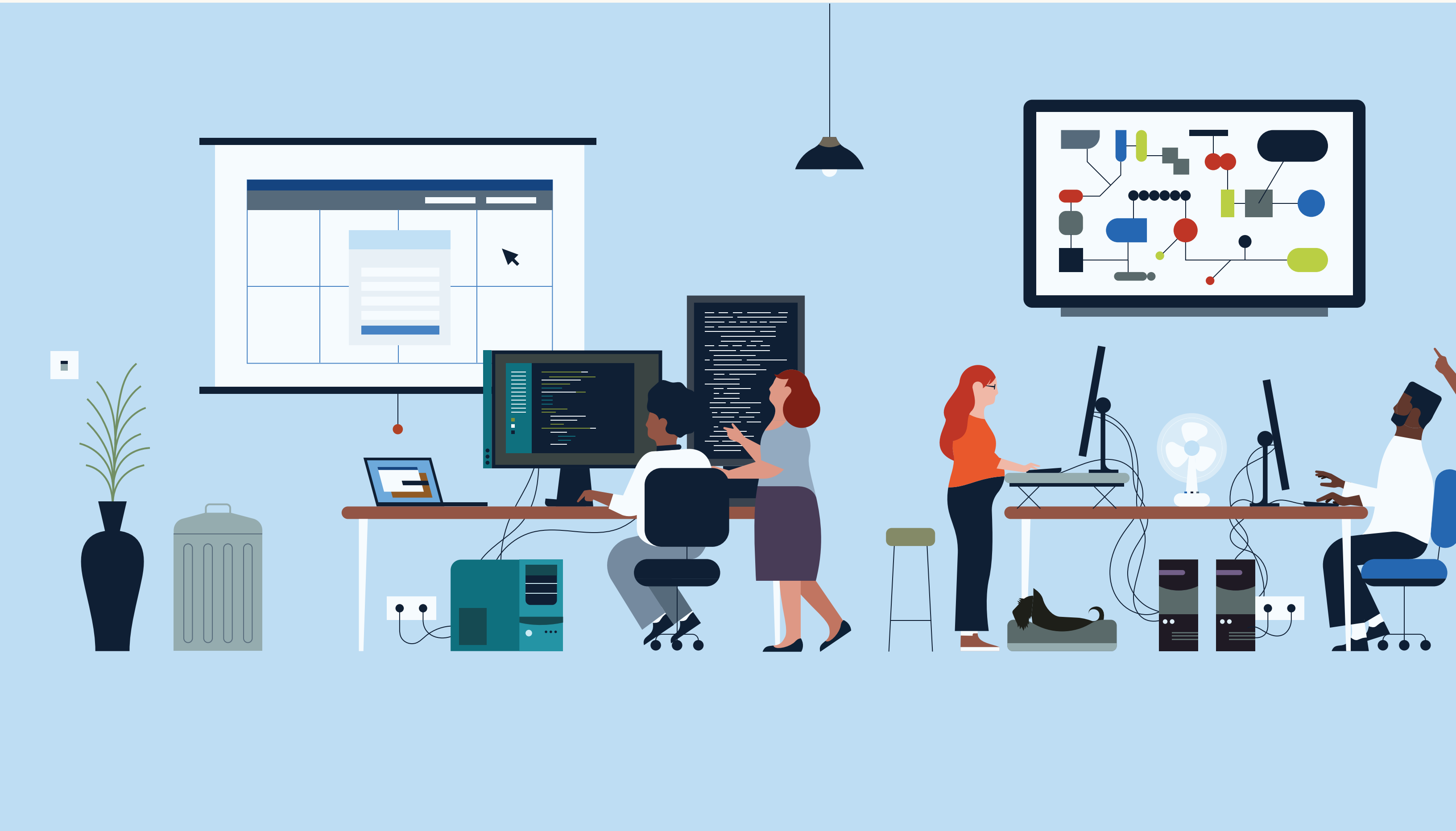
2019 Global Report

The Enlightened Tech Buyer:

Powering Customer Decisions from Acquisition to Renewal

LinkedIn

Table of contents



The Age of Enlightenment

Technology plays an essential role in driving smart business for today's dynamic world of work. As such, the path to purchase is rapidly changing. For companies seeking to transform and gain technology-enabled efficiencies, the buying process to procure new solutions is defined by two main characteristics: 1) more options; 2) better input.

In this climate, what has emerged is a savvy and enlightened technology buyer. Enlightened technology buyers seek to make **informed, rational decisions**. They view solutions as a means toward **larger business outcomes.** Today's buyers are also **collaborative — seeking input from online communities and internal peers** to identify, vet, research, purchase, implement and renew business technology solutions. The result is a competitive vendor landscape and a decision-making process with more complexity than ever before.

Past findings lay the foundation for this year's research:

- The individuals who shape new business technology investments are largely cross-functional, possessing unique business needs that require marketers to broaden their scope and approach beyond traditional IT and Business Decision-Makers.
- A greater number of Millennials have power to shape vendor consideration within their organization — in fact, greater than half of tomorrow's technology purchasing committees will be younger than 36.
- Entry-level and early-stage career professionals who view technology as a ubiquitous tool for communication and productivity are asserting their representation when new technology solutions are discussed — 34% of these individuals directly contribute to the decision-making process.

The Technology Buying Committee on LinkedIn

There are more than 63 million LinkedIn members who influence the purchases of technology products and services.

Of those, 6 million are IT decision-makers.

Industry Backdrop: Enlightened Buyers Are Faced With Greater Pressure to Succeed

When it comes to IT project success rates, 71% are considered failures and 19% are considered utter failures.[1] Yikes!

71%
Failures

19%
Utter Failures

Also, consider that, fewer than 1/4 of IT projects go live within budget and timeframe, meet business objectives and function throughout their planned lifespans without significant unplanned errors or incremental costs.[2]

Agile, flexible and modern IT infrastructure enables faster progress towards a company's goals, but less than 1/5 of organizations have completed their digital transformation journey.[3] On average, 31% of current revenue is at risk if companies take no action to respond to digitization in the coming years.[4]

1 Standish Group Chaos Report
2 Agiloft
3 Source: McKinsey & Company, Can IT Rise to the Digital Challenge?, October 2018
4 McKinsey & Company

Executive Summary

In our fourth year exploring who and what drive new business technology investments, we surveyed 5,241 global professionals who participated in or influenced the purchase of various hardware or software solutions at their organization within the last three months. This research further examines these individuals, what they care about, and how marketers can shape their decision-making from acquisition to renewal. We uncovered new insights and a few surprising trends!

Key Takeaways

Today 38% of business professionals are involved in a cyclical, community-driven buying process led by IT. Digitally enabled and quality obsessed, these decision-makers are actively shaping their organization's future with the technology they choose to invest in. Finally, this group is agile. They seek to gain information on products and services quickly and efficiently.

Meet Today's Enlightened Tech Buyers

Enlighted Tech Buyers are community influenced, yet committee driven.

Seeking input and advice from an ever-growing community of peers and experts, business technology investments now touch $\frac{4}{5}$ of the enterprise. Collectively end-users, external influencers and cross-functional stakeholders help identify, test and provide input on the technologies that will shape an organization's future work. This multidisciplinary group means new influencers and owners are primed to enhance decision-making. However, IT remains the driving force — playing a consultative, leadership role throughout the purchase cycle.

Enlighted Tech Buyers are digitally enabled and quality obsessed.

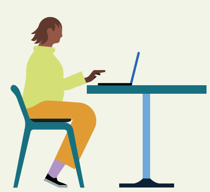
Today, an expansive pool of resources including vendor websites, mobile apps, blogs, forums, discussion boards and product reviews are self-sought to assist professionals in their purchasing decisions. In fact, 9 in 10 buyers look outside the technology buying committee for information and counsel on B2B solutions — with reviews, surveys and usage stats from fellow technology users making up 51% of these trusted educational sources consulted throughout the buying cycle.

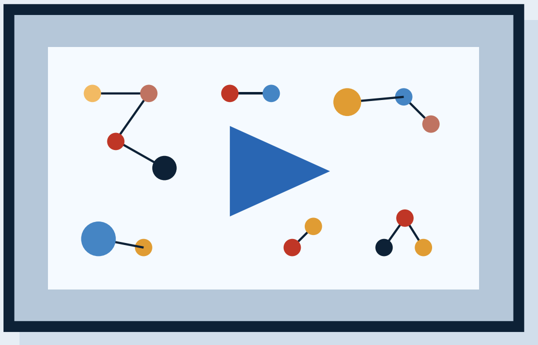
Enlighted Tech Buyers are agile minded and outcome oriented.

Today's enlightened tech buyers have more helpful resources than ever to make informed purchasing decisions. But they demand agility and efficiency in getting the information they need from vendors. As they seek input on products or solutions, they also expect flexible support from vendors and don't like their time wasted. In the end, what is most important is that the technology purchased delivers on outcomes.

The Technology Buying Journey Stages, adapted from Forrester.

STAGE 1	**STAGE 2**	**STAGE 3**	**STAGE 4**	**STAGE 5**
Needs Assessment	Specs/Funding	Vendor Selection	Implementation	Management

	Decision-Makers	**Influencers**	**Implementers/Adopters**	**End-Users**
				
Roles Within the Technology Buying Committee	Select or recommend new technology solutions to purchase and implement	Provide feedback that shapes the decision-making process and vendor selection process	Manage, integrate, deploy, or drive adoption of new technology	Leverage technology solutions on a daily basis and provide ongoing feedback
Functional Involvement by Department	IT & Engineering, Finance, Business Development, Operations	Business Development, Accounting, Purchasing, Project Management	IT & Engineering, Project Management, Marketing, Sales, Finance	Marketing, Sales, Finance, IT & Engineering, Product Management, Human Resources



Your Guide to the Enlightened Tech Buyer

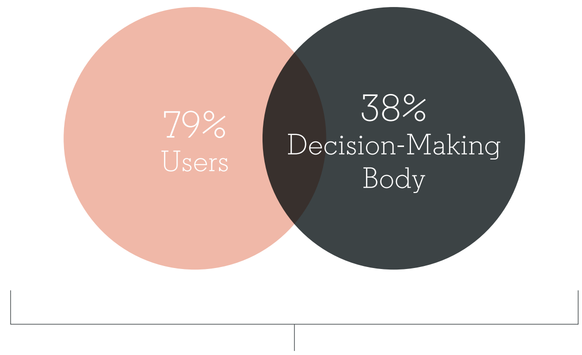
What Does an Enlightened Journey Look Like?

Who is Impacted?

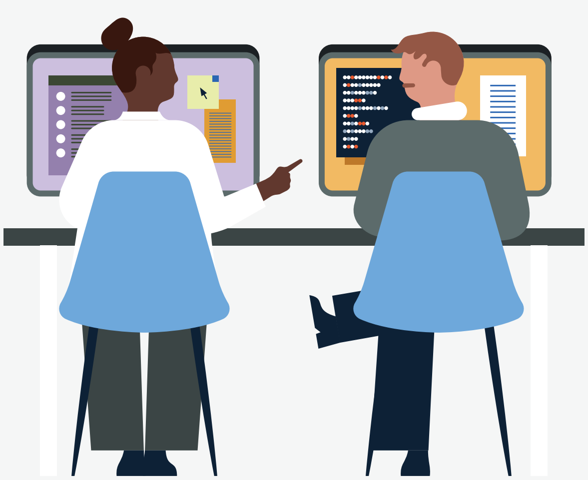
Where previously 3/4 of enterprise employees were part of technology decision-making, today the total universe of end-users and decision-makers who impact business technology investments encompasses 4/5 of employees (roughly 86%). Within this enlightened buying committee:

- 79% of today's employees are technology end-users and 38% are technology decision-makers.
- 10% of decision-makers are engaged in buying all four subcategories of technology (ie. HEU, SEU, HDC, and SDC).

Business Technology Adoption Network



86%+ of professionals in 11+ employee companies across 13+ major markets



4 Types of Business Technology

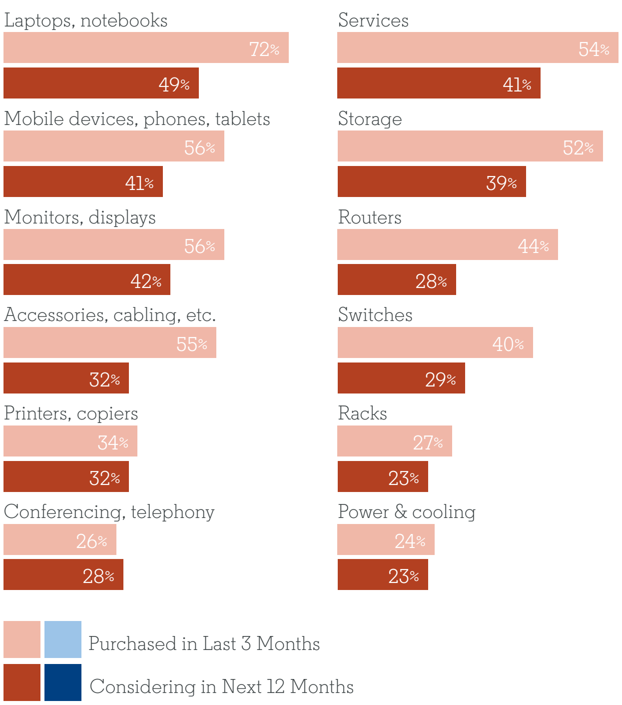
- Hardware for End Users
- End User Software
- Hardware for Data Centers
- Software for Data Centers

How does the process work?

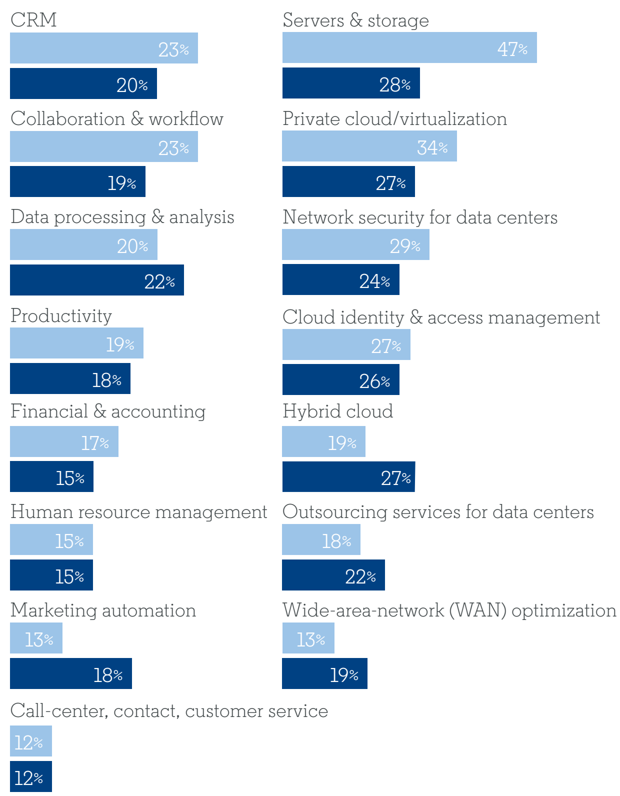
Investments Made to Move Business Forward

Across hardware and software for both data centers and end users, technology investments are trending in support of key business needs, with spending happening across collaboration solutions, data analysis, and storage and backup infrastructure.

Hardware Participants Involved in the Purchase Process



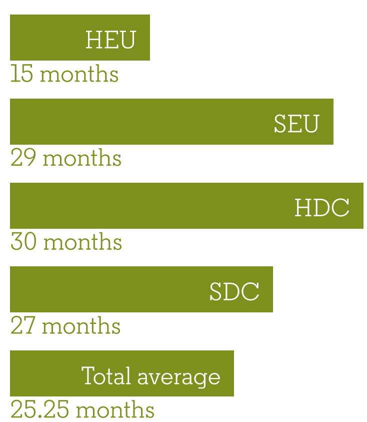
Software Participants Involved in the Purchase Process



A Quick Turn Around

When businesses purchase new technologies — whether they be net-new capabilities or enhancements to existing infrastructure — time is of the essence. Over the past few years, the process by which customers research, purchase and implement new technology has accelerated.

The average technology purchase process takes just over 2 years.



Compared to just a few years ago, the decision-making process has sped up, which means marketers have less time to engage with potential customers.

Furthermore, the time spent researching and purchasing new hardware is shorter than ever.

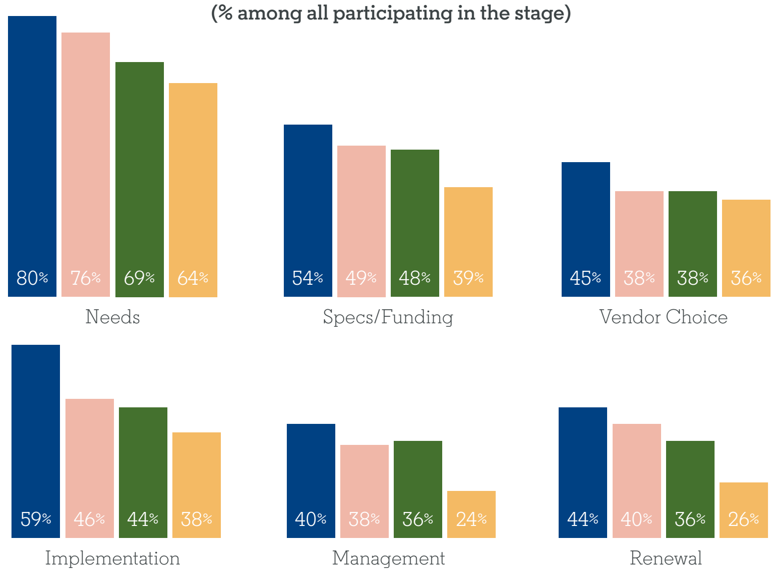
How often are Enlightened Buyers engaging with vendors?

Engagement varies among participants throughout the journey across all types of technology purchase categories, with the greatest level of involvement for all groups during the Needs stage.

- Software for End User
- Hardware for End Users
- Hardware for Data Centers
- Software for Data Centers

Engaged Directly with Vendors — Last 3 Months

(% among all participating in the stage)

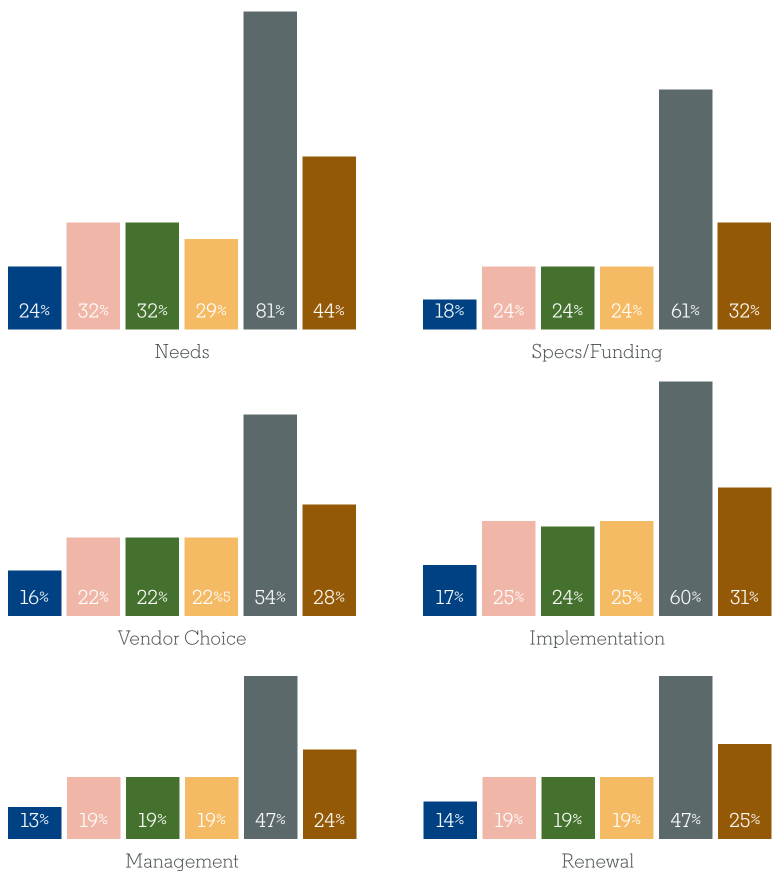


This committee-driven collaboration is evident, but participation activities reveal splits among core and secondary roles. While the majority of enlightened buyers participate in the process by speaking with vendors, a smaller cohort leads budget and decision-making authority.

- Directly responsible for budget
- Make final decision as part of a group
- Primary decision maker
- Negotiate terms of purchases
- Qualified to speak with vendors
- Other business transaction responsibilities

Engaged Directly with Vendors — Last 3 Months

(% buyers among all participating in the stage)



What role do Enlightened Buyers play throughout engagement?

The overlap between decision-making and influence within today's enlightened technology buying committee is increasingly nuanced. Each member offers opportunity for marketers seeking to win over new or existing customers but a unique approach is required given the committee member's role and responsibility. Here's what our data had to say:

Greater than 3 other categories

Greater than 2 other categories

Greater than 1 other categories

Few technology decisions rest solely on one individual.

	Hardware for End Users	Software for End Users	Hardware for Data Centers	Software for Data Centers
IT/Engineering	67%	67%	82%	78%
Finance	32%	36%	38%	39%
Operations	30%	34%	36%	35%
Business Development	28%	33%	26%	30%
Accounting	25%	28%	25%	27%
Purchasing	25%	23%	30%	24%
Prog. And Proj. Management	19%	27%	26%	26%
Support	20%	22%	23%	23%
Marketing	20% C	32%	14%	22%
Sales	19% C	29%	16%	20%
Product Management	14%	23%	16%	20%
Human Resouces	13% C	19%	10%	14%

For today's technology buying, top categories of input are:

1. Business Requirements (Business Decision Makers)
2. Technical Requirements (IT & Engineering)
3. Vendor Consideration Set (Core Buying Committee)
4. Return on Investment (Core Buying Committee)

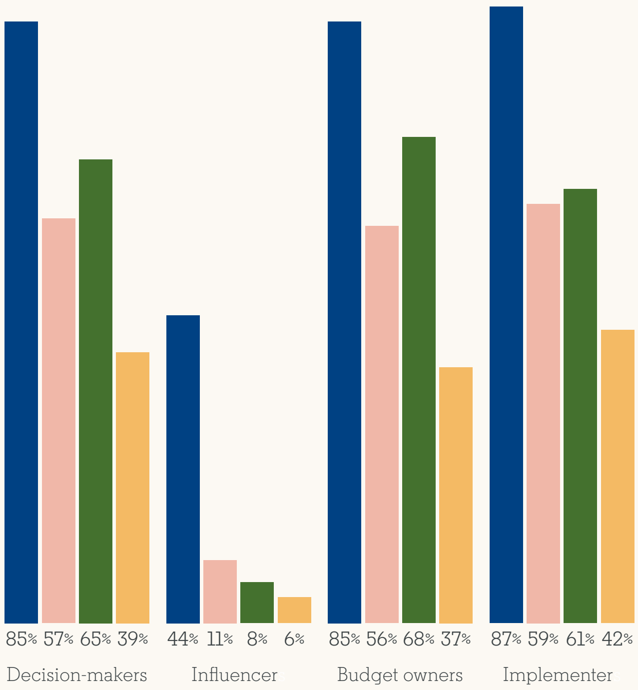
Another way to look at this is through the expansion of influence and decision-making roles within today's modern enterprise.

Tech
Information Technology, Operations, Engineering, Quality Assurance, Research

External
Business Development, Support, Sales, Marketing, Media & Communication

Back Office
Finance, Accounting, Purchasing, Legal, Human Resources

Other
Program/Project Management, Product Management, External Consultant/Advisor



Breaking this down, across all departments, IT and Engineering hold the most influence and are also the functions most involved throughout the purchase process. Operations also frequents a secondary leadership role in up to nearly ⅕ of all decisions, particularly when it comes to Hardware for Data Center purchasing and during the actual purchase process.

Vendor websites are a top resource, followed by blogs/forums/discussion boards and product review websites.

Resources Used – Last 3 Months

	Hardware for End Users (A)	Software for End Users (B)	Hardware for Data Centers (C)	Software for Data Centers (D)
Vendor website/ mobile app	53%	53%	50%	48%
Blogs/forums/discussion boards	35%	40%	32%	39%
Product review websites	43%	33%	35%	33%
Technology media/ trade journal	30%	30%	30%	33%
White paper	21%	30%	36%	37%
Case study	20%	34%	32%	36%
Analyst report	20%	30%	34%	37%
Social media	25%	31%	21%	26%
Event/conference	15%	28%	25%	29%

Greater than 3 other categories

Greater than 2 other categories

Greater than 1 other categories

Influence by the Numbers

- **80%** of technology buyers look outside the technology buying committee for information and counsel on B2B technology solutions — with reviews, surveys and usage stats from fellow technology users making up 51% of these trusted sources.
- **70%** of technology buyers are likely to discuss solutions or vendors with their professional peers.
- Peer-to-peer, influencer, practitioner, colleague and authenticated and verified user reviews are today's primary sources for pre-purchase B2B guidance, education and research.

What Do Buyers Care About?

Today's buyers are seeking technology investments that advance their business needs and lay the foundation for future innovation. Their outcome-driven approach leads them to have high expectations for technology solutions and the vendors that provide them. The research reveals it is exceedingly hard to make the shortlist, but the top reasons buyers will even consider a new vendor? Value, understanding their business needs and recognition as a supportive and reputable partner.

They care about quality and dependability.

Top reasons vendors make the shortlist (among those considering "new" vendors)

Hardware for End Users	Software for End Users	Hardware for Data Centers	Software for Data Center
Cost-Price-Value			
Reputation-Reviews-Recognition	Needs-Requirements-Solutions/Understanding of Business	Reputation-Reviews-Recognition	Reputation-Reviews-Recognition
Quality	Reputation-Reviews-Recognition	Needs-Requirements-Solutions/Understanding of Business	Communication-Responsiveness-Availability
Needs-Requirements-Solutions/Understanding of Business	Features/Product/ Product Features	Informative/ Information	Support
Base: n=260	Base: n=295	Base: n=281	Base: n=369

Upon further exploration into the specific factors that buyers consider essential, they overwhelmingly cite product/service quality, consistently meeting their needs, understanding their business context and providing support as most important when making a final purchase decision.

- Greater than 3 other categories
- Greater than 2 other categories
- Greater than 1 other categories

We really mean it.

Most Important Factors for Choosing a Vendor/Partner (Somewhat/Very Important)

	Total	Hardware for End Users	Software for End Users	Hardware for Data Center	Software for Data Cente
Overall product/service quality	91%	92%	92%	89%	91%
Ability to meet your needs consistently	87%	85%	89%	86%	89%
Ability to answer your questions to your satisfaction	81%	72%	85%	80%	85%
Affordability/Pricing	80%	81%	81%	80%	80%
Availability of customer service/support	80%	74%	82%	81%	83%
Range of product/ service solutions	67%	66%	68%	66%	68%
Terms of business (i.e., partnership or payment terms)	59%	56%	60%	62%	60%

What Guides the Process?

Today's technology buyers are swayed by a broad peer community, and that influence is growing. The deciding factor for this community is input from professional peers, although social media platforms, discussion boards and product review sites also garner strong consideration.

Global Budget Levels

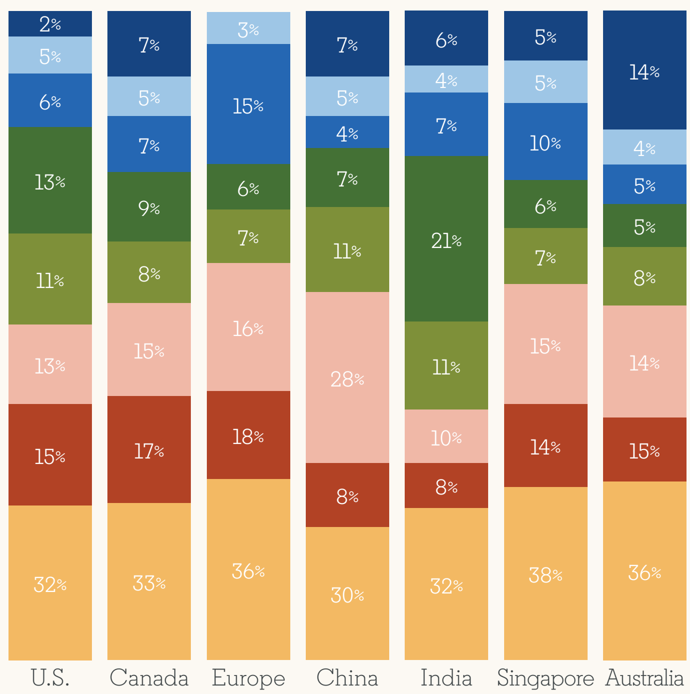
Depending on category and region, budget allocations can differ greatly.

- Company budgets for HEU tend to be concentrated under $100,000.
- In the United States, Brazil and the European Union, company budgets for SEU skew higher (>$100,000).
- For HDC, company budgets span a diverse range in each market, with a greater concentration of higher budget levels in the United States and the European Union.
- Company budgets for SDC span a wide range in each market, with the highest budget levels in Canada and the United Kingdom.

U.S.	Canada
$10 million or more	$1 million or more
$2 million to $9.9 million	$500,000 to $999,999
$1 million to $1.9 million	$250,000 to $499,999
$250,000 to $999,999	$150,000 to $249,999
$100,000 to $249,999	$100,000 to $149,999
$25,000 to $99,999	$25,000 to $99,999
Less than $25,000	Less than $25,000

Europe	China
	¥5 million or more
10 million or more EUR	¥3 million to ¥4.9 million
250,000 to 9.9 million EUR	¥1.5 million to ¥2.9 million
150,000 to 249,999 EUR	¥1 million to ¥1.4 million
100,000 to 149,999 EUR	¥500,000 to ¥999,999
25,000 to 99,999 EUR	¥15,000 to ¥499,999
Less than 25,000 EUR	Less than ¥15,000

India	Singapore	Australia
Rs. 20 crore to 49 crore	2 million SGD or more	1 million or more AUD
Rs. 5 crore to 19 crore	1 million to 1.9 million SGD	500,000 to 999,999 AUD
Rs. 1 crore to 4.9 crore	250,000 to 999,999 SGD	250,000 to 499,999 AUD
Rs. 10 lakh to 99 lakh	150,000 to 249,999 SGD	150,000 to 249,999 AUD
Rs. 5,00,000 to 9,99,999	100,000 to 149,999 SGD	100,000 to 149,99 AUD
Rs. 2,50,000 to 4,99,999	25,000 to 99,999 SGD	25,000 to 99,999 AUD
Less than Rs. 2,50,000	Less than 25,000 SGD	Less than 25,000 AUD



Prefer not to say/Don't know

Vendor Shortlisting Behavior

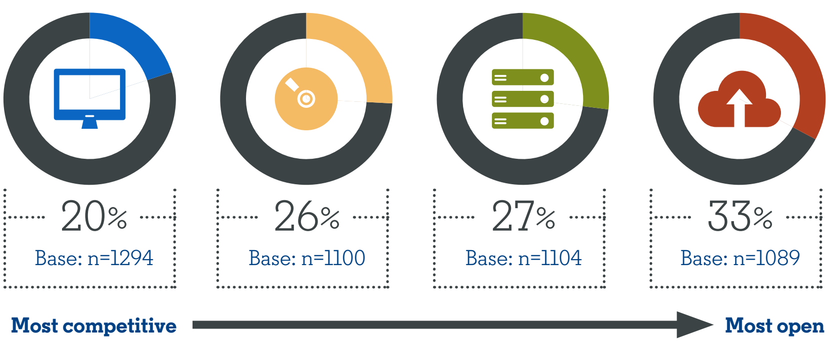
Vendor shortlists are more competitive than ever. Although only 26% of HDC, 27% of SEU and 33% of SDC buyers shortlisted a new vendor, key factors enabled limited consideration. According to the research, selecting a final vendor depends upon:

- **Cost, price, and value**
- **Reputation, reviews and recognition**
- **Quality**
- **Support**
- **Communication**

Across all categories, overall product or service quality was the most important selection criterion for choosing a vendor, followed by the ability to consistently meet a client's needs.

The shortlist is highly competitive.

% Shortlisted a "New" Vendor



Some Gains are Being Made by Non-Incumbents

HEU Top vendors shortlisted remain the same, but more new vendors were considered than in the past.

SEU Salesforce is gaining substantial ground, more distantly followed by Google for Work and SAP.

HDC Cisco, IBM and Dell EMC have emerged as key players.

SDC Microsoft and VMWare are capturing new mindshare.

Taking Action with These Insights

The Technology Marketers' Challenge.

In developing this research initiative and subsequent insights, we are well aware of what today's marketers of technology are up against. Industry forces first and foremost — because the technology buying process has long been a complicated one. But also internal ones. Maybe your roadblocks are organizational silos at your own company. Perhaps the competition to interact with your customer across many platforms is resulting in less meaningful audience connections. It could be that your organization is suffering from tools, data management and reporting overload. Likely, it's a combination of all of these challenges!

But there is good news.

From our purview, the solution to connecting with today's tech buyers is to work smarter, not harder. It's not about doing more, it's about doing less — and doing it well. Use the insights and tools you already have to simplify and hone your impact. **Focus on quality over quantity** when it comes to targeting, customer experience and thought leadership. **Leverage the customers you already have** with thorough post-sale activities, reviews and peer perspectives. Above all else, **tell the unique story only you can** by investing in review communities, support forums and strong branding efforts.

If you need a head start, we've got you covered.

Winning Over Current Customers

It is 6 to 7 times more expensive to acquire a new customer than retain an existing one. With margins that large, your brand can't afford to ignore your existing customer base. The data shows direct vendor engagement among buyers dropping off in later stages of purchase, meaning that there's an opportunity to be more present and engaged with customers post-sale. As an incredibly valuable bonus, reducing customer churn by 5% could increase your company's profits to 25% or more.

To achieve profitability and revenue growth, focus on customer lifetime value (CLTV). Look at your own customer base and learn from those who have high CLTV and replicate their experience.

> The #1 indicator of existing customer renewal success is successful adoption and product satisfaction.

Investing in Authenticity Through Reviews

Brand marketing and vendor-supplied content cannot exclusively drive new business. This is where peer reviews come in. Utilize the resources that are already at your disposal by gathering first-hand insights from your existing customers. Unbiased, insider knowledge offer buyers unprecedented access to your brand, products and customer experience that you alone can't provide. These insights and reviews give the details needed for buyers to discern how your solutions solve their real-world challenges.

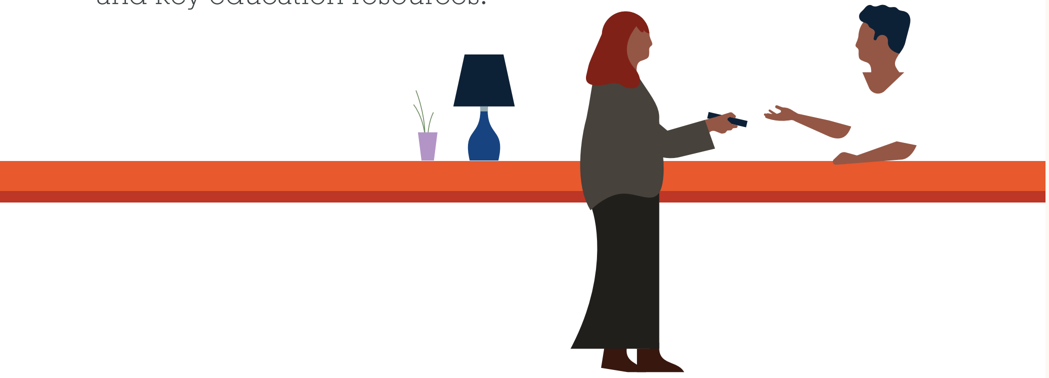
Remember: in today's marketplace, authenticity wins, and buyers fully embrace the transparency provided by real user reviews.

Making an Impact with Your Brand's Story

How can vendors ensure they are remembered and ultimately make the shortlist with new customers? By prioritizing branding. Given that new influencers and decision-makers on the technology buying committee may not know your solution or your brand, branding must be put first, particularly on your website, which, our data shows, is the top resource used by potential buyers. The key is to tell a story that sticks, being both memorable and authentic, to ensure your standing in the broader technology community.

Leaning in to Post-Sale Customer Support

The data shows that direct vendor engagement among buyers dropped off in later stages of purchase. Are you forgetting your customers halfway through their buyer journey? Marketers need to play an active role in the implementation and adoption process of new technology. A seamless customer experience also demands alignment with customer support in activities, training and key education resources.



51% **Engage**

24% **Never Engage**

Most firms do not engage with customer service reps at their technology vendor on a regular basis.

- Overall, 51% engage with their reps once a month or less and 24% never engage.
- Those involved with HEU are more likely than all other groups to never engage (36% vs. 19-20% for SEU, HDC and SDC).

When it comes to troubleshooting/mastering technology, internal IT/technology support ranks as the top resource.

Unlike other categories, internal rescources/training hubs rank as the top resource for software for end users.

Rank of Resources in Terms of Troubleshooting/Mastering Technology (% of those involved in purchase rating the rescource#1 in importance)		**Rank of Resources by Category** (% involved in purchase rating the resource #1 in importance)			
		Hardware for End Users	Software for End Users	Hardware for Data Centers	Software for Data Centers
Internal IT/technology support	54%	40%	31%	46%	37%
Internal resources/training hubs	52%	28%	35%	26%	34%
Vendor website	44%	17%	17%	16%	16%
Blogs/forums/review boards	40%	17%	15%	14%	16%
Peers (non-IT)	27%	10%	14%	7%	7%
White paper	5%	4%	4%	7%	6%
Webcast	4%	2%	5%	3%	4%

Orchestrating Strategic Sales and Marketing Partnerships

Winning new clients requires education and coordination between sales and marketing. Orchestration between these two departments will lead to success in customer support. First, use the data you already have to your advantage. Analyze your highest CLTV clients for key attributes, then work with partners to create lookalike models to identify potential customers like them.

Next, determine how you can better educate your clients' IT and operations teams so your customer's questions will be answered more efficiently — improving their customer experience. Focus resources on "How-To" videos or invest in functionality for clients to easily reach your customer support teams.

Finally, the days of "one and done" single lead form completion are long gone. Instead set your sights at earning content engagement and multiple downloads from your customers. Then tap your sales team to drive one-to-one conversions to get your company on the shortlist. Expand your targeting and continue broadening awareness and reach to win over new influencers before your competitors do.

Honing Your Educational Efforts

Today's extended technology buying committee includes core members, key influencers and "blockers" — those less engaged members who nevertheless have the power to veto your company as a vendor. To reach the right people at the right time, you need to invest in customer "waterholes" — i.e., the social platforms, blogs, forums, discussion boards and product review websites where customers flock to determine what technology is right for their needs.

Driving a Better User Experience

It's time to rethink your buyers' website experiences, including key secondary destinations like your social company pages. Design the online experience to be more interactive and to provide more information about your products.

Beyond just through direct service support, are you also digitally leaving your customers hanging in the middle of the journey? Implementation and post-sale are key times when support is needed. Optimize customer engagement for self-exploration so you make it easy for end users to educate themselves on product features or ask questions of your Customer Support team.

Foster education through "How-To" videos, add functionality for clients to chat/engage your customer support teams or consider intranet portals that give clients more personal access, like being able to connect to their sales rep.

The Enlightened Tech Marketer: A Checklist

Follow these guidelines to help win over new buyers and gain the loyalty and support of existing customers.

Are you reaching all the individuals who contribute to, shape, and make decisions for new technology investments?

Are you shaping Enlightened Buyer perception through **brand campaigns, thought leadership and online reviews?**

Are you **influencing Enlightened stakeholders?** What about their peers? Especially those who can impact decisions and shape shortlists.

Are you present and engaged within **Enlightened Buyer communities?**

PURCHASE

Are you **demonstrating trust and dependability?**

Are you **equipping IT & Operations with resources** to answer questions easily?

Are you ensuring a **smooth, swift implementation** process?

Are you **offering support and soliciting feedback** to help renew, upsell, or cross-sell customers

Extra Credit:

- How is thought leadership helping to enhance your brand's reputation and exposure to business decision-makers?
- Are you enabling a successful customer journey?
- Are you measuring customer lifetime value versus focusing on pre-sale metrics?

Company Size (Employees):
11-1000 employees | 50%
1000-10,000 employees | 21%
10,000+ employees | 29%

Seniority Level: Senior IC/Manager+

Countries Represented:
US, Canada, Great Britain, Netherlands, France, Germany, China, India, Australia, New Zealand, Singapore, Brazil and Mexico

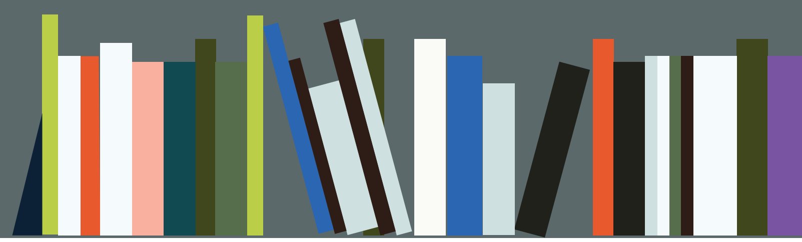
Fielding Date: August 2018

Survey Length: 24 questions

Margin of Error:
Total sample: +/- 1.3%
Sub-category ranges: +/- 2.5%

Geography Spread:
21% NAMER; 33% EMEA;
36% APAC; 11% LATAM

Methodology



The findings outlined in this report are powered by insights gathered from 13,817 global professionals who researched, purchased, implemented, managed, renewed or influenced a hardware or software purchase at their organization within the last 3 months. 5,241 of these individuals bought, implemented, managed, or renewed these business technologies.

LinkedIn