

The Age of Agility

Expect the unexpected.
Prepare to adapt.

A LinkedIn B2B Technology Buying Survey - Global



Introduction

The events of 2020 accelerated today's evolving world of work into a new era — one that embraces innovation, resilience and adaptability like never before. Looking ahead, technology is poised to play an integral role in how companies navigate our rapidly evolving world. From remote work to increased dependency on cloud-based solutions and applications, the sheer volume of digital transformation projected to take place over the next several years will fundamentally shift how companies operate in the decade ahead.

At LinkedIn, we view technology as a catalyst for change, a powerful tool that can accelerate how businesses differentiate from competitors, adapt to customer needs, and remain resilient in the face of global disruption. In our seventh year of conducting one of the world's largest research surveys of B2B technology buying and decision-making, we seized the opportunity to make sense of today's dynamic landscape. After reviewing data from nearly six thousand respondents, there are five key recommendations that stand out for technology marketers to succeed in the Age of Agility.

5 trends for technology marketers in the Age of Agility

1

Empower the next generation of IT guides



2

Aim for fame in the customer journey



3

Address the committee's paradox of needs



4

Spark the virtual water cooler



5

Seize the post-sale frontier





“Although this year has taught us that no business is 100 percent resilient, **those fortified by digital technology are more resilient and more capable of transforming when faced with sweeping changes** like those we are experiencing.”

Satya Nadella
CEO, Microsoft

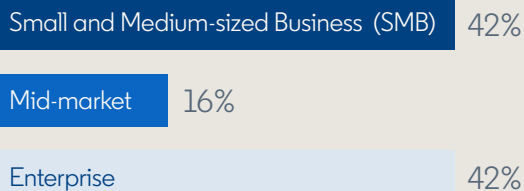
Microsoft Annual Report 2020

Survey respondents and methodology

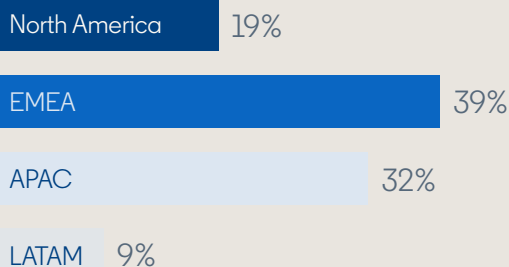
5,894

technology decision-makers from North America, Latin America, Europe, Middle East, Africa, and Asia Pacific.

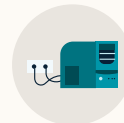
Business size



Region



To qualify for this survey, respondents must have researched, evaluated, bought, implemented or renewed a business technology solution in one or more of the following subcategories within the last six months:



Hardware for end users



Software for end users



Hardware for data centers



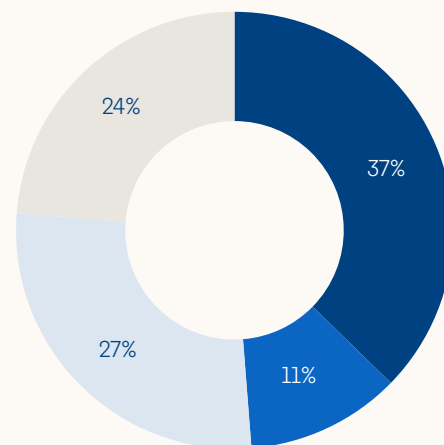
Software for data centers

Respondent base includes samples from small and medium-sized businesses (SMB), mid-market, and enterprise companies.

Respondent base spans representation from the following business functions: finance, marketing, sales, business development, research, product, supply chain and logistics, legal and compliance, HR, procurement, IT, engineering, and communications.

Survey fielded July 2020.

Which of the following best describes the type of business you work for?



- B2B only (Offers products/services to other businesses only)
- B2C only (Offers products/services to consumers only)
- Predominantly B2B with some B2C (Offers products/services mostly to other businesses but some consumers as well)
- Predominantly B2C with some B2B (Offers products/services mostly to consumers but also to some other businesses as well)

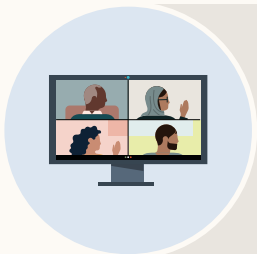
COVID-19 impacted global B2B technology budgets

The pandemic catalyzed shifts in both business and consumer spending patterns, prompting companies to reassess both short and long-term vehicles for driving growth. A key insight from our study was the noticeable decline in overall projected technology spend over the next 12 months for 1 in 3 businesses — across all subcategories, company sizes, and regions. **We believe these shifts in spending reflect the outcome of evolving business models brought on as companies navigate three common recovery scenarios¹:**



1. Business disrupted

Companies in ‘disrupted’ mode face severe revenue and profitability challenges due to decreasing customer demand. IT and technology costs are likely to be cut so that businesses can remain financially solvent and preserve cash flow.



2. Business unusual

Companies in ‘unusual’ mode are developing creative solutions to overcome evolving customer needs. Technology budgets are likely to remain neutral or shift toward higher priority initiatives.

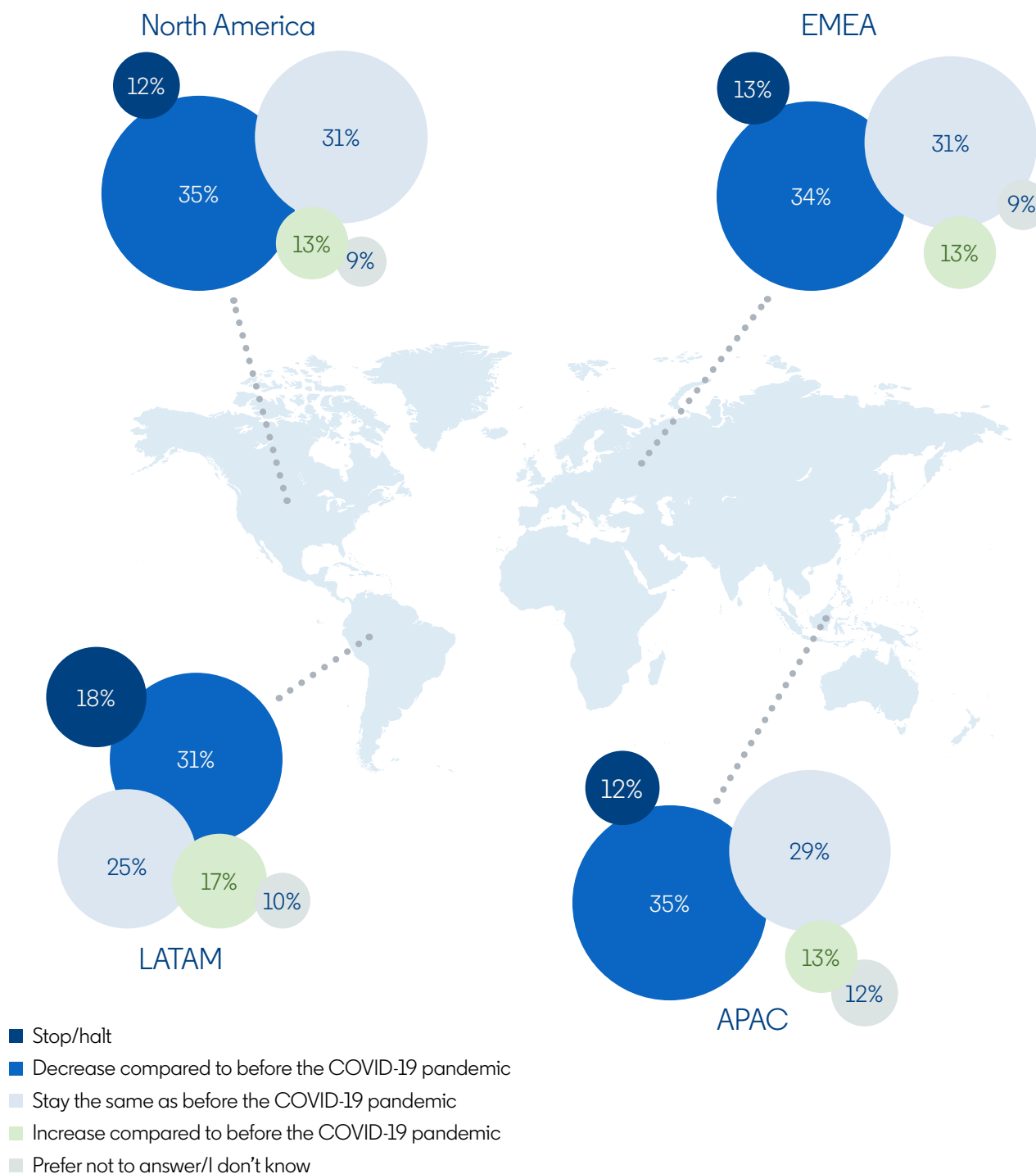


3. Business evolved

Companies in ‘evolve’ mode are adapting quickly and offering differentiated services to unlock greater value with new and existing audiences. Technology budgets are likely to increase, fueling future growth through innovation.

¹LinkedIn Marketing Solutions “Returning to growth: Insights to help the marketing community through business and recovery planning.”

How, if at all, will the COVID-19 pandemic impact your company's spending on technology?



Based on this year's research, we are likely to see

13% of businesses **increase** overall technology spending, when compared to pre-COVID-19 spending levels. This is most pronounced across the global Enterprise segment.

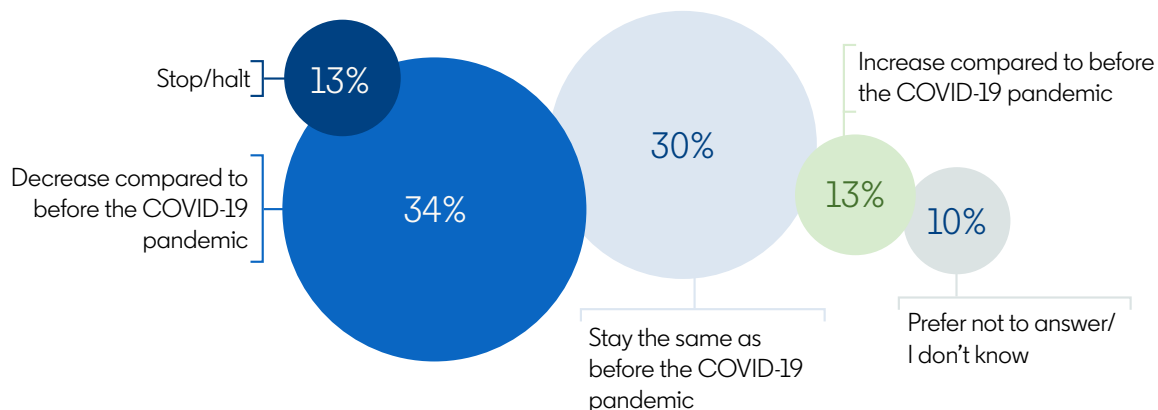
34% of businesses **decrease** overall technology spending, when compared to pre-COVID-19 spending levels. This is most pronounced in the hardware sector and in Latin America.

13% of businesses **stop** or halt overall technology spending, when compared to pre-COVID-19 spending levels. This is most pronounced in Latin America.

30% of businesses **maintain** overall technology spending, when compared to pre-COVID-19 spending levels. This is most pronounced across the global SMB segment.

How will COVID-19 impact B2B technology spending?

Figure 1



The trendline here indicates that while many businesses are remaining cautious, growth in technology expenditure is still projected as technology remains a critical part of how companies remain agile in our new normal.

At the same time, decision-makers will need to justify spending and align investment opportunities to priorities and business outcomes that are most likely to generate value and ROI.



Empower IT's evolving role as a guide

Leveraging technology effectively is a core competency for all business functions in today's evolving world of work. To meet the needs of a growing number of diverse internal stakeholders, IT must act less like a gatekeeper, and more like a guide.

Trend 1

Revenue-driving functions are gaining seats at the table

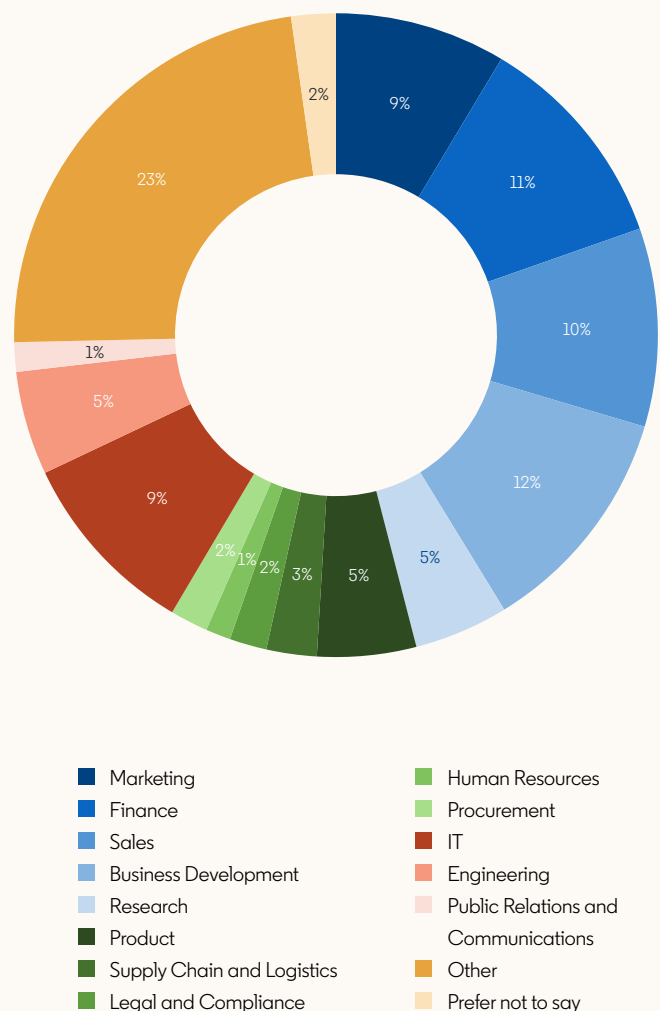
Looking back at the 2010s, strategies based on customer centricity gained prominence for many B2B organizations aiming to stand out in a crowded market. This led to a proliferation of technology solutions designed to maximize customer acquisition and business efficiency. Our own data reinforces this pattern, with a wide range of functions now participating in one or more stages of the technology buying process.

Distributed stakeholders in the 2020s

Harnessing the power of technology to thrive in the Age of Agility is a true team effort. When asked about functional departments who collaborate most often throughout the buying journey, we see that IT and other back-office functions such as finance, procurement, and business development lay the groundwork for front-office functions to input and share feedback during purchasing decisions. For marketers, this signals the **importance of building awareness and credibility** with diverse stakeholders who are working together to **achieve shared goals**.

Figure 2

What functional department are you part of?



² What functional department are you part of? (N=5,894).

IT leaders must guide diverse sets of influencers through the next wave of technology investments



Embracing change is one of the most challenging yet exciting aspects of utilizing new technology. However, emerging use cases for technology can arise from anywhere in an organization. In fact, our data showed that 63% of influential business functions now sit outside the IT department.^{3a)} This places increased responsibility on IT to help guide and advise the decision-making process owned by powerful non-IT stakeholders — enabling them to rally around a shared vision for their technology outcomes.

Purchasing responsibility is almost **equally shared**^{3b)}

54% IT 46% non-IT

63%



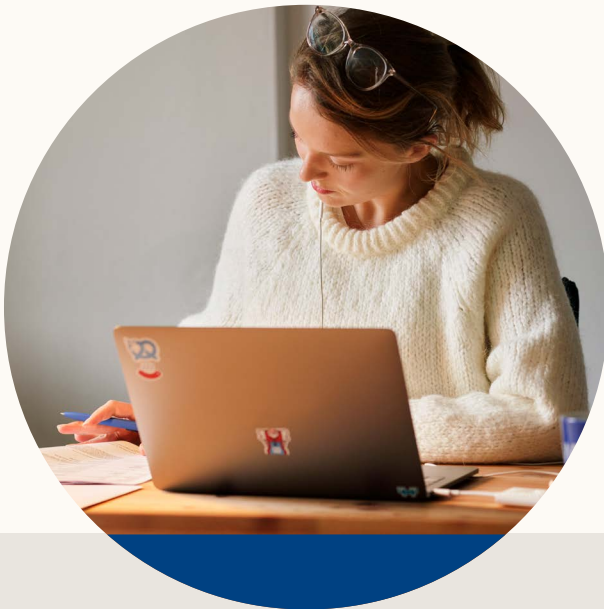
of technology purchasing decisions are influenced by functions outside the IT department^{3a)}

^{3a)} Which function has the most influence on your company's technology purchases? [pipe: pQ3_title]. (N=5,809)

^{3b)} Which functional departments do you work with when purchasing [PIPE FROM HS5]. Please include any business groups/functions, including your own. (N=5,894).

Key takeaways

- We are in an **era of decentralized technology purchasing decisions**, with non-IT functions playing a greater role in determining their company's usage of technology.



- Marketers can eliminate friction in the buying process by **increasing familiarity and favorability of products among relevant, influential audiences.**





Aim for fame in the customer journey

As the world reimagines what's possible through the use of technology, there is increased competition for buyer attention. To grow market share, technology marketers must invest in full-funnel efforts that build awareness, memorability, and favorability with new customers.

Trend 2

Brand equity is more important than ever

Insights from this year's survey show that decision-makers are most active in the earliest stages of a new technology purchase; stages that include problem identification, vendor research, and shortlisting.^(4a) In fact, 1 in 3 buyers have already completed independent research before first making contact with a technology vendor.^(4b)

1 in 2:

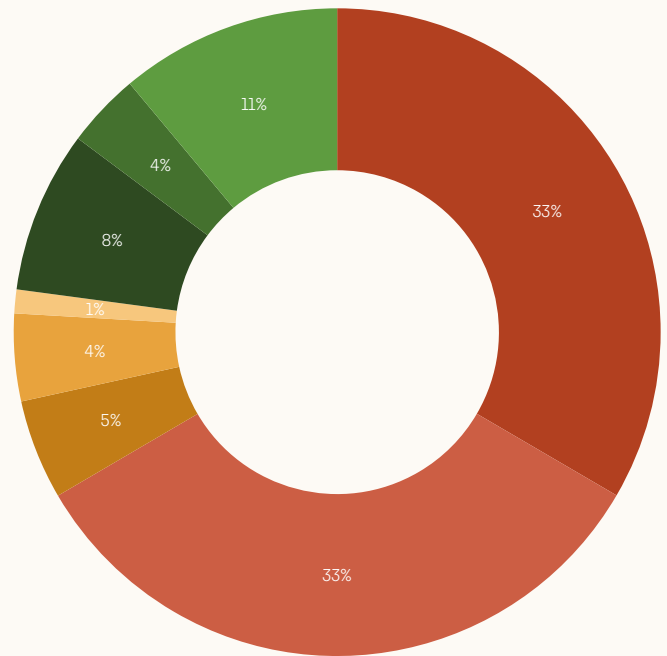
decision makers are involved in the earliest stages of a purchasing journey^{4a}

1 in 3

decision makers have conducted independent research before reaching out to a vendor^{4b}

When do you decide to connect with a vendor?

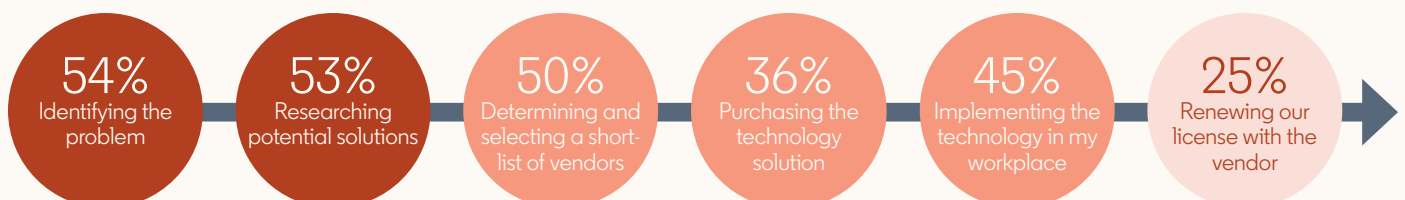
Figure 4b



- As soon as I determine the vendor could be relevant to me
- After I do my independent research on the vendor
- After the vendor engages with me via interesting content
- After the vendor engages with me through direct outreach
- After I see advertising from the vendor
- After someone recommends the vendor
- Other
- Prefer not to answer/don't know

Figure 4a

Which phase of the buying journey are you involved in?



^{4a} Which phase in the buying journey are you involved in when purchasing [PIPE FROM HS5]? (N=5,894),

^{4b} When do you decide to connect with a vendor for [PIPE from HS5]? (N=5,894)

Marketing plans must match customer journeys

From research to renewal, the average technology purchasing journey is longer than many marketers realize, with over 40% of sales cycles extending beyond one year.⁽⁵⁾ Throughout the journey, there are many inflection points that depend on various decision-making outcomes, reinforcing the importance of marketing to build consideration and consensus throughout the funnel.

over
40%
of buying journeys
extend beyond one year

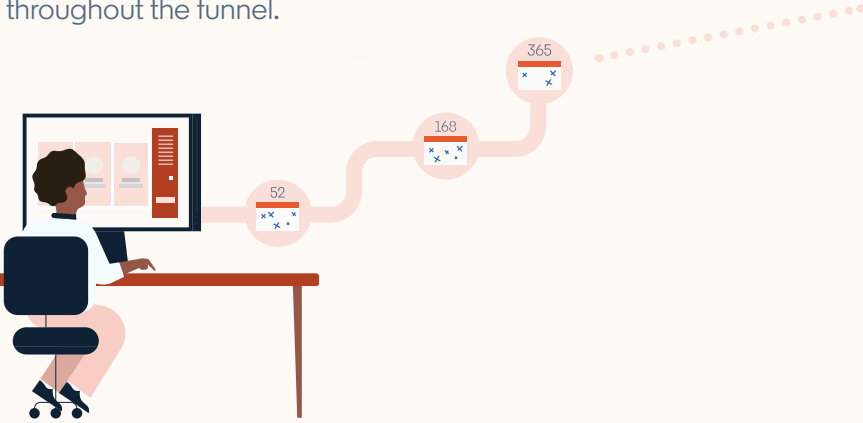
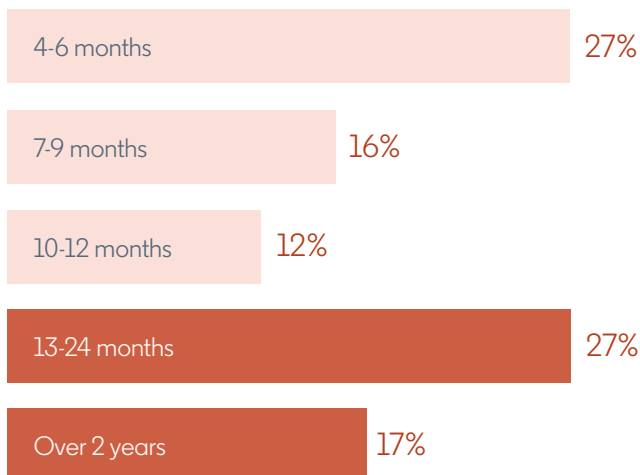


Figure 5 Average total buying journey time



⁵ Approximately how long does it take to complete each step in the buying journey for a [PIPE FROM HS5]? (N=5,894)

Hold attention throughout the customer journey

6 ¹/₄
months
average renewal time

To win and retain new business, technology marketers must consistently drive and hold attention throughout the customer journey. This starts with building a memorable brand and ends with sustaining awareness and favorability up through the renewal period — which is, in fact, the lengthiest part of the customer journey.⁽⁶⁾



The renewal stage of the technology buying journey may hold untapped potential to engage with end users and decision-makers

Figure 6



⁶Approximately how long does it take to complete each step in the buying journey for a [PIPE FROM HS5]? (N=5,894)

Key takeaways

- With technology being bought, implemented, and sold in a time of change, marketers must **ensure their brand and solutions remain top of mind** across the entire buying committee.



- In a digital world, decision-makers are leaning into earlier stages of the purchasing journey, especially when researching and shortlisting takes place. To that end, it's paramount that marketers focus as much, if not more, on **building a strong brand, not just driving leads.**





Address the committee's paradox of needs

Innovation or stability? Affordability or support? Technology buyers are spoiled for choice, weighing options carefully against ever-evolving business priorities.

Trend 3

Meeting a vast set of requirements

B2B technology buyers want the innovation and flexibility offered by challenger brands. But, they also seek the reliability that comes from working with well-known and experienced vendors. To move from shortlist to sale, buying decisions must meet a vast set of requirements, which can result in a paradox of needs among buying committee members. For example, buyers take a broad range of brand, service, and product factors into consideration when assessing which solutions can best meet a desired business outcome or customer need.⁽⁷⁾



- Service Factors
- Product Factors
- Brand Factors

Figure 7

Most important factors when selecting a new vendor



⁷What do you consider to be the most important factors when selecting a vendor for [PIPE FROM HS5]? (N=5,894)

Hesitant to consider new players

Despite spending time and effort exploring new vendors, most technology buyers err on the side of familiarity when it comes to making purchasing decisions. In fact, 2 in 3 buyers remain hesitant to try a new product or entrant.⁽⁸⁾ Simply put, to compete with legacy and existing providers, challenger brands must demonstrate both greater relevance and superior value.

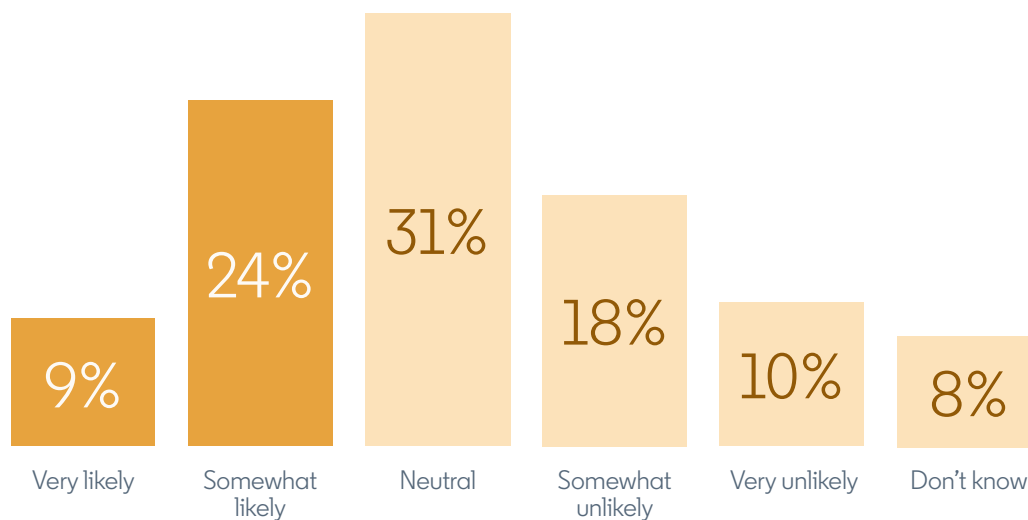
2 in 3:

decision-makers
remain **hesitant** to
try a **new vendor**



Likelihood to try a new product or entrant

Figure 8



⁸How willing are you to try a new product or new entrant into the market for [PIPE FROM HS5]? (N=5,894)

Marketing can help solve today's paradox of B2B needs

Reliability is – and always will be – an attractive quality to potential technology buyers. In fact, 76% of decision-makers seek vendors who can demonstrate deep knowledge and experience.^(9a) Yet being dependable isn't enough on its own. Our survey found that nearly half of buyers will consider a new product if it's more innovative and can solve problems better than well-known brands.^(9b)

To succeed in the Age of Agility, it's important that marketers create go-to-market strategies that can help technology buying committees navigate and build consensus at the decision-making table. To further underline this point, marketing has a significant role to play in helping to solve this new paradox of needs. Marketers must drive familiarity, demonstrate relevance, and help buyers navigate change and uncertainty, all simultaneously.

76%

of decision-makers agree experience and knowledge is important when selecting a vendor^{9a}

1 in 2

decision-makers will consider a new technology product if it is more innovative or meets business needs better than well-known brands^{9b}

Do you agree or disagree with the following statements?

Figure 9a

It is important to me to buy from a vendor that has deep experience and knowledge.



We consider other vendors each time we renew a purchase.



We are always exploring alternatives even if we are not planning on purchasing at the moment.



I am open to buying from a vendor that is relatively new to the market.

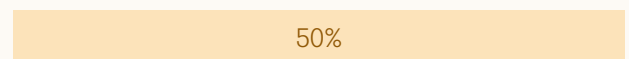


■ Agree ■ Neutral ■ Disagree

Figure 9b

What would make you consider a new technology product/entrant?

If the product/vendor is more affordable



If I have a business need that cannot be solved by well known brands



If the product/vendor is more innovative



If the vendor understands my needs better



If the vendor is flexible to customize their offerings

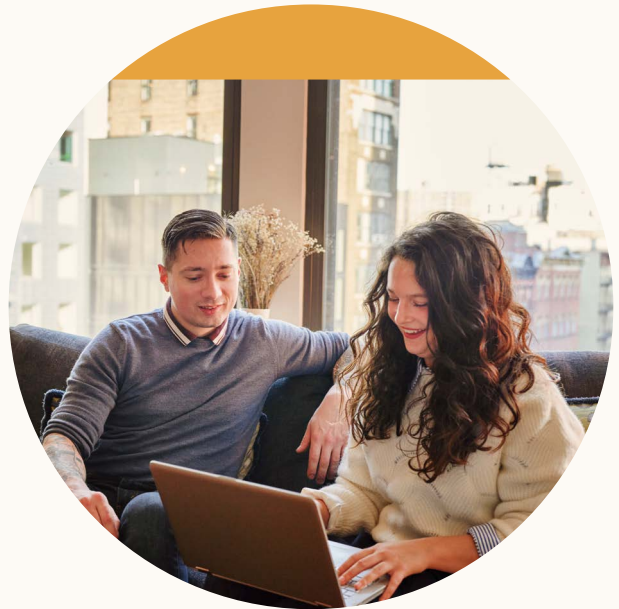
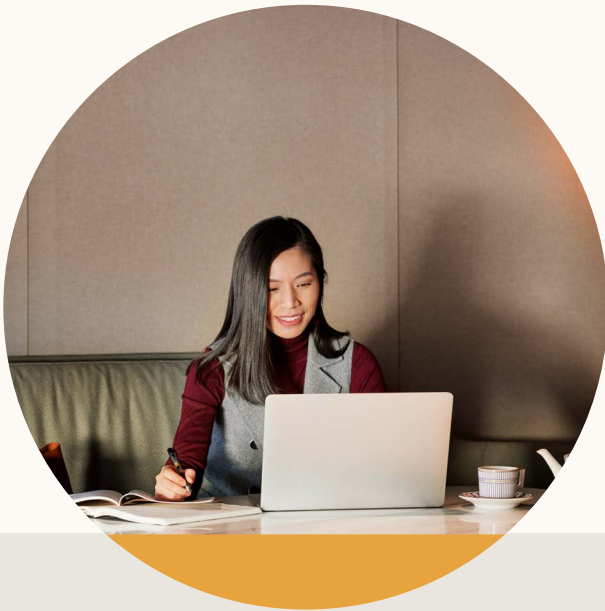


^{9a} Do you agree or disagree with the following statements? (N=5,894)

^{9b} What would make you consider a new product or new entrant into the market for [PIPE FROM H55]? (N=5,894)

Key takeaways

- COVID-19 has reinforced that **value and reliability** are key purchasing drivers.
- To succeed in the Age of Agility, it is important to help buying committees navigate **their paradox of needs**.



- Marketing has a significant role to play in shaping perception, driving familiarity, demonstrating relevance, and **helping buyers navigate change and uncertainty**.





Spark the virtual water cooler

In today's uncertain times, giving end users something exciting to talk about is critical. Today's fastest growing technology companies are taking customer obsession to a new level by galvanizing sales through social proof.

Trend 4

An offering might be best-in-class, but buyers won't take your word for it

Humans have always relied on social proof to validate and make decisions. With social media and other knowledge-sharing platforms democratizing the buying experience, trust and reputation is everything. Buyers today find it increasingly difficult to navigate vendors in a crowded market, drawing inspiration from B2B marketplaces and today's review economy.

While still swayed by advertising, which is the third largest driver of awareness, decision-makers seek and are impacted most by information from immediate relationships when researching and considering a new technology solution.^(10a)

When it comes to increasing trust, buyers seek peer validation and endorsement. More than half of potential buyers note that social proof helps to increase trust in a new product,^(10b) while the perspective of end users is also apparent.

1 in 3



decision-makers say advertising contributes to brand awareness

1 in 2



decision-makers say peer validation is a primary vehicle to increase product trust

10a

Which resources relate to 'increased awareness of a new technology product'?



10b

Which resources relate to 'increased trust of a new technology product'?



^{10a} & ^{10b} Above are some different resources related to purchasing a [PIPE FROM HS5]. Which resources influence your company's purchase and how? (N=5,894)

Harnessing end users for social proof

To turn awareness into demand, marketers can harness social proof and galvanize end user feedback.⁽¹⁾

While many brands may check this box through case studies alone, leveraging social proof will likely become a critical component of B2B go-to-markets for years to come. For customers to become true advocates, vendors must elevate their stories, using a full range of tools at their disposal – from messaging and positioning to insights, events, and thought leadership.



Figure 11

41%

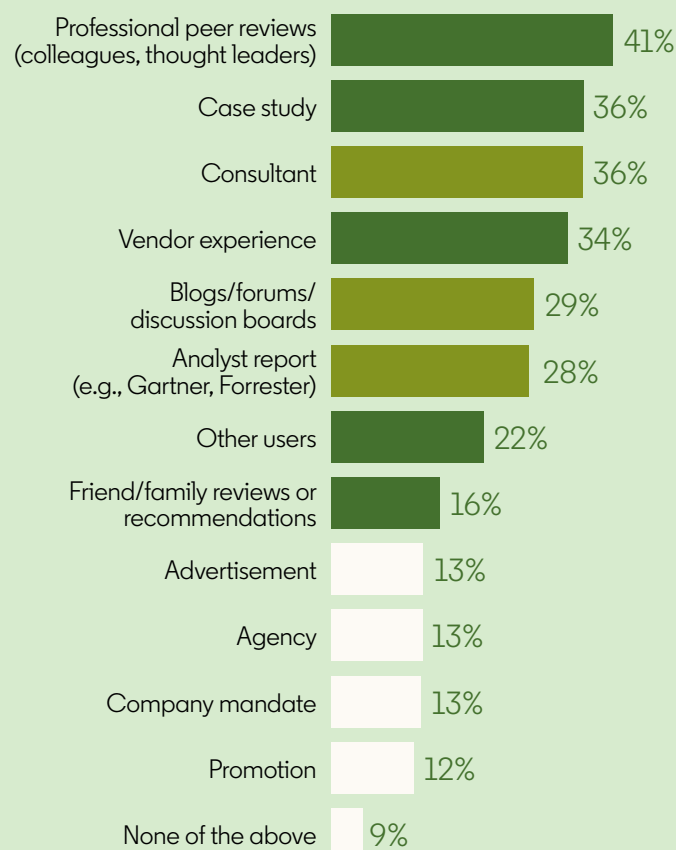
of decision-makers say peer input increases product knowledge

Building community through conversation

With less in-office meetings and discussions happening organically, marketers must spark the virtual water cooler by giving their user base not only something good to talk about, but providing fun and appealing ways to promote community and conversation.

Companies that understand the value of social proof have already incorporated this approach into their marketing plans. They are adept at elevating their users and turning them into heroes for their brand through digital channels.

Which resources relate to ‘increased knowledge of technology products’?



¹ Below are some different resources related to purchasing a [PIPE FROM HS5]. Which resources influence your company's purchase and how? (N=5,894)

Key takeaways

- **Social proof and end user validation** is essential for generating demand and building trust in your brand.
- **Leverage loyal customers and brand advocates** when building content.



- With fewer in-office meetings and discussions taking place, **spark the virtual water cooler** by giving end users something to talk about through **community and conversation**.





Seize the post-sale frontier

As budgets are ever-more scrutinized, post-sale support is paramount. Marketers should seize the opportunity to help inform, drive, and optimize programs that unlock greater value for existing customers.

Trend 5

Buyers are investing in an outcome, not a product

Understanding buyer needs is now a critical purchase driver,¹² signalling the type of support customers can expect from a new provider. Before committing to a purchase, vendors and customers must work together and plan ahead for successful implementation and adoption.

46%

of decision-makers view a vendor's knowledge of their business and needs as a critical purchasing driver

"2020 has reinforced that the healthiest way to grow a business is by creating more value than ever for your best customers and translating that value into larger and more strategic relationships.

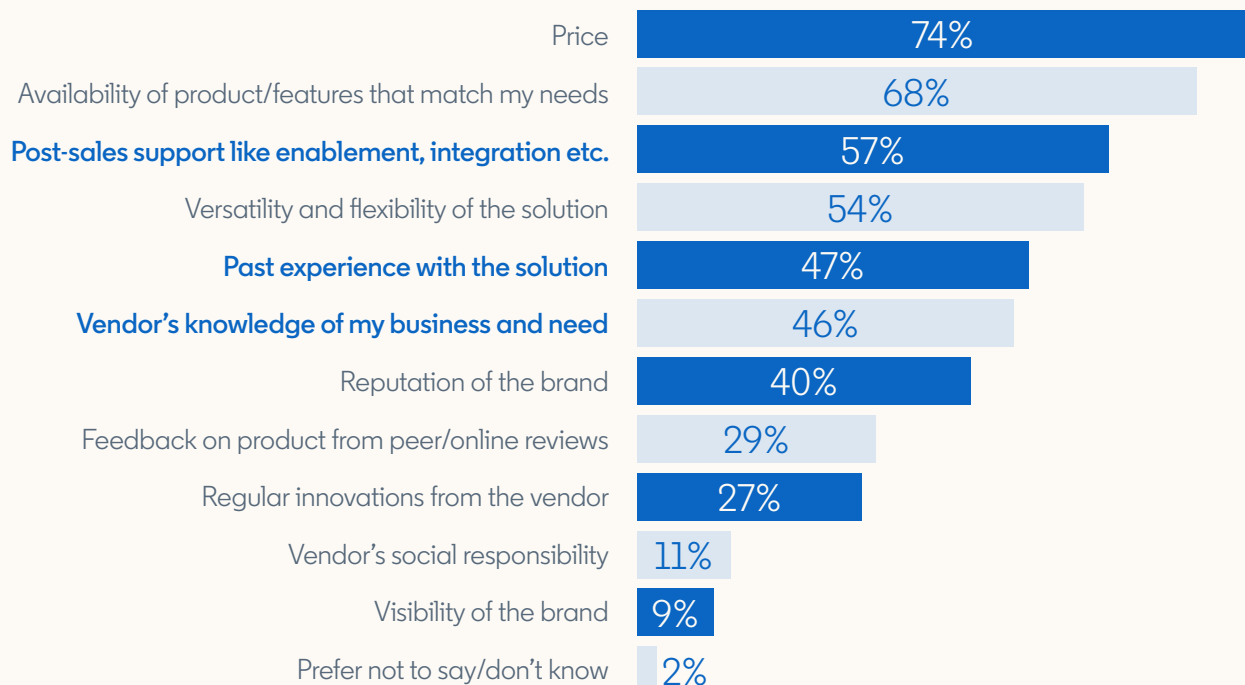
At LinkedIn, we call this "greenspace"...the opportunity to bring more value to our customers already succeeding with our products. Helping them to do more of what already works. Greenspace strategies have worked incredibly well this year despite a challenging environment."



Dan Shapero
Chief Business Officer, LinkedIn

Figure 12

What are the most important factors when selecting a vendor?



¹² What do you consider to be the most important factors when selecting a vendor for [PIPE FROM HS5]? (N=5,894)

Thinking beyond initial spend

Greater numbers of decision-makers are prioritizing post-sale support and weighing past experiences with solutions when making purchases.

More than half of all technology buyers say that post-sale support is a major factor behind which vendor they choose.^(13a) In a crowded market, technology vendors that offer reliable and relevant customer support can build an edge.

Nearly half of all technology buyers take into account past experience with a solution when choosing a vendor.^(13b) This means that delivering greater focus on retention and existing customers will lead to stronger relationships and generate increased business opportunities.

To seize the post-sale frontier, marketers must find out where existing customers feel they fall short. Then, take corrective action and create targeted messaging and action plans to revert that sentiment.

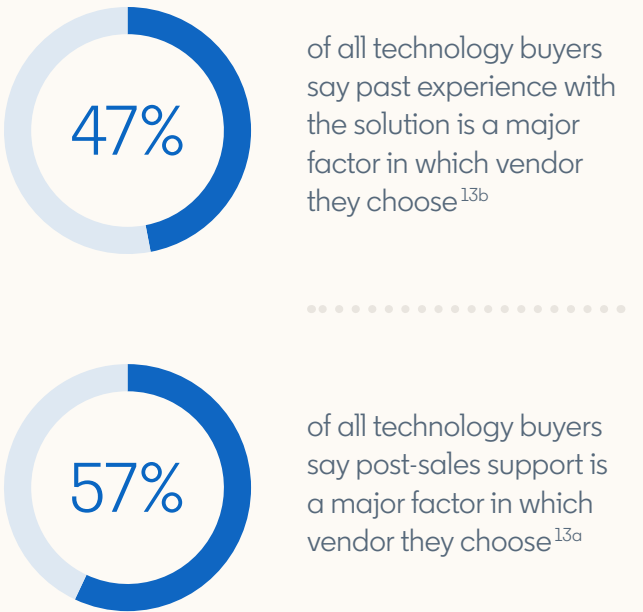
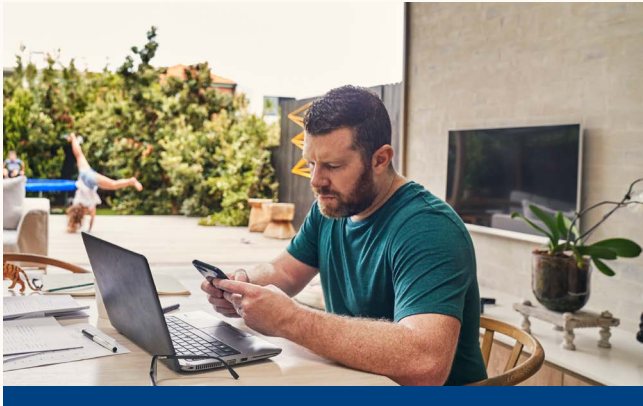
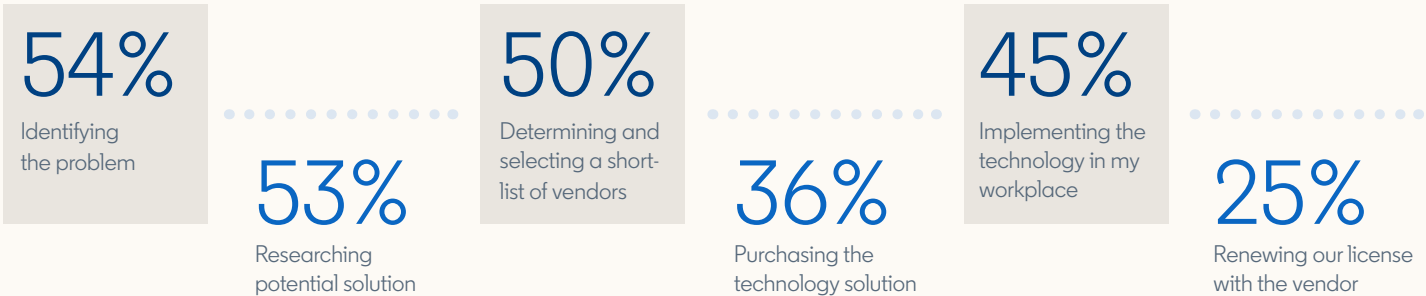


Figure 13c

Which phase of the buying journey are you involved in?



^{13a} ^{13b} What do you consider to be the most important factors when selecting a vendor for [PIPE FROM HS5]? (N=5,894)
^{13c} Which phase in the buying journey are you involved in when purchasing [PIPE FROM HS5]? (N=5,894),

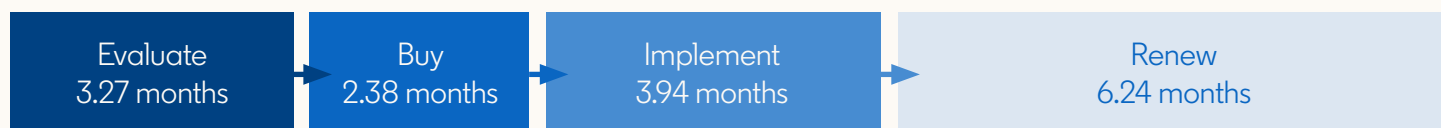
Reducing adoption timeframes

Many technology solutions have lengthy adoption periods,^(14a) exposing another critical area for vendors to address. Technology implementation and renewals at Enterprise companies can take nearly a year once a new technology is onboarded.^(14b)

Addressing what can be pain-points for both IT and end users is vital when reducing time to value; particularly with metrics like net-dollar retention under greater scrutiny with subscription-based solutions. For marketers, similar to social proof, post-sale support can extend beyond customer marketing and into your messaging, positioning, and value propositions. Leverage brand and demand efforts to showcase value-generating outcomes your solutions can provide.

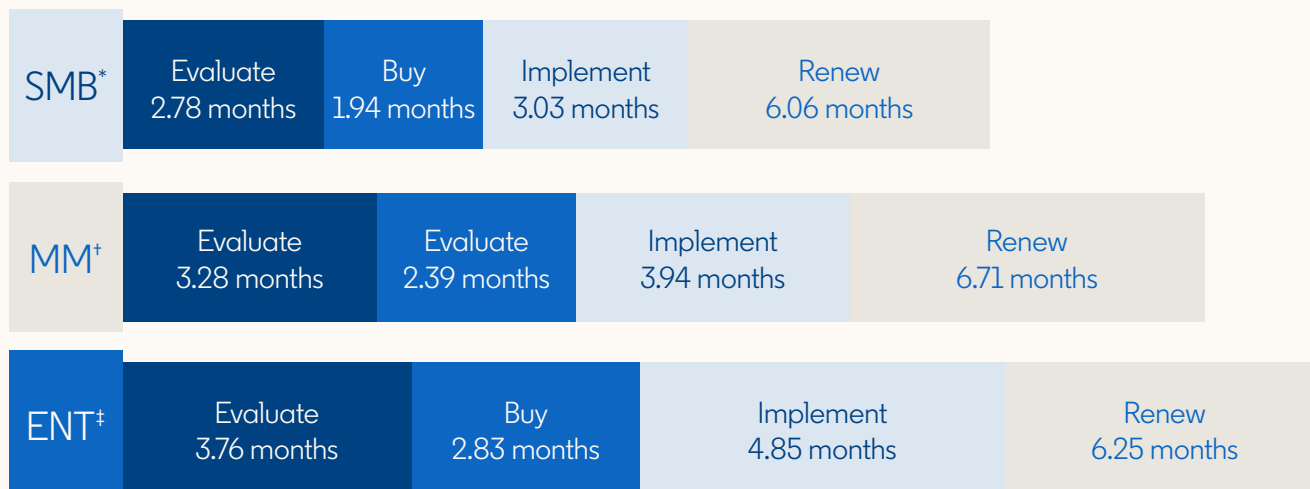


Figure 14a How long does it take to complete each step in the buying journey?



Investing in customer experience will be crucial to decreasing time-to-value in the 2020s

Figure 14b



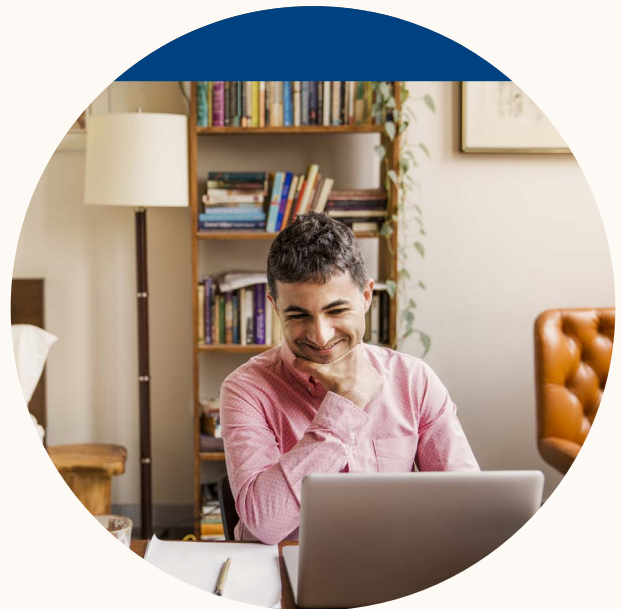
* Small and medium size business. † Mid Market. ‡ Enterprise

^{14a} Approximately how long does it take to complete each step in the buying journey for a [PIPE FROM H55]? (N=5,894)

^{14b} Approximately how long does it take to complete each step in the buying journey for a [PIPE FROM H55]?
(By company size), Base (EMEA): SMB (n=980); Mid Market (n=366); ENT (n=936)

Key takeaways

- Seize the post-sale frontier by working with sales, CX, and other customer-facing functions to **increase customer value and boost retention rates.**



- Message and position strong support and other premium services to help demonstrate commitment to successful customer outcomes.
- **Leverage strategies such as ABM** to upsell, cross-sell, and build visibility of your solution's business impact among existing customers.





Technology marketing in the Age of Agility

Today's evolving world of work accelerated the role and importance of technology as a strategic catalyst for agile transformation. As the B2B landscape continues to evolve in the 2020s, marketers must adapt to new methods and strategies to win the hearts and minds of digitally empowered buyers.

Conclusion

For B2B technology brands to differentiate and win market share in the decade ahead, marketing must play a leading role.

Five key lessons for marketers to accelerate growth in the Age of Agility:

1

Empower the next generation of IT guides

Leveraging technology effectively is a core competency for all business functions in today's evolving world of work. To meet the needs of a growing number of diverse internal stakeholders, IT must act less like a gatekeeper and more like a guide.

2

Aim for fame in the customer journey

As the world reimagines what's possible through the use of technology, there is increased competition for buyer attention. To grow market share, technology marketers must invest in full-funnel efforts that build awareness, memorability, and favorability with new customers.

3

Address the committee's paradox of needs

Innovation or stability? Affordability or support? Technology buyers are spoiled for choice, weighing options carefully against ever-evolving business priorities.

4

Spark the virtual water cooler

In today's uncertain times, giving end users something exciting to talk about is critical. Today's fastest growing technology companies are taking customer obsession to a new level by galvanizing sales through social proof.

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Seize the post-sale frontier

As budgets are ever-more scrutinized, post-sale support is paramount. Marketers should seize the opportunity to help inform, drive, and optimize programs that unlock greater value for existing customers.

Expect the unexpected. Prepare to adapt.



Welcome to the Age of Agility.

For more resources on how to prepare your marketing efforts for the decade ahead, visit lnkd.in/ageofagility

 Marketing Solutions