A Matter Of Choice

How B2B Buyers Choose In Today’s Complex Markets

by Tony Zambito
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Slow Death of the Funnel: Why Buyer Choice Matters to Revenue
Finding the keys that unlock improving revenue performance and achieving growth is becoming harder and harder as we go from a single buyer model to that of more interdependency among ecosystems and networks by B2B buyers. B2B marketing and sales is still predominantly tethered to traditional ideas, approaches, and systems that are being dragged into the modern era. While we have seen modifications, the idea of the traditional funnel is still at the core of many B2B organizations today. It matters little whether you keep it vertical or flip it sideways and make it horizontal – it is still suggesting a funnel that winnows down opportunities down to a “buy” decision.
As the modern era rages on with increasing speed where the Internet and Social Technologies are converging into new forms, the oversimplification of the funnel becomes more and more apparent. Simply put, buyers just don’t act or behave in that way anymore. Evidence suggesting that buyers are behaving well out of the norm of our conventional views of the funnel as well as the buying process is abundant from surveys. These behaviors cannot be represented in the view of a funnel.

**DemandGen**, for example, reported that B2B buyers don’t talk to a sales rep until they’ve conducted independent research 77% of the time. There are plenty of surveys around showing buyers acting and behaving differently – yet – the willingness to snap the tether cord of the funnel doesn’t appear readily apparent. It does beg the question of: what is going on?
I believe that is still an open question without an answer. We are about to see an uptick in Big Data being touted as the next Big Thing. Why? To figure out what’s going on. My thinking is that if this Big Data explosion is designed to tell us what’s going on within the confines of the funnel – then B2B organizations can find themselves in the untenable position of explaining why Big Data is not telling them anything. Here’s why: we will learn a lot about what buyers purchase and we will learn a lot about how they are purchasing – perhaps.

What is missing is the most important question of all – why. And there are two very important components to the why question:

First, why are they buying and second, why are they making the choices they make.
Traditional marketing and sales, oriented towards the funnel, don’t answer these why questions very well. To get close, it may take years of piling on data after data to get a clue. This is a very expensive proposition for companies to take on today.

Despite the many super hyped concepts coming to the forefront attempting to address the 77% who are not getting a sales rep involved until much later, the funnel – whether vertical or horizontal or even cyclical – seems to be glossed over like a sacred cow. The language of these many new concepts is spoken through the prism of the funnel – still.

For example, if we take an often used expression of the first part of a funnel – awareness – many of the new concepts are really talking about how to make awareness happen differently in the new social buyer era.
Buyers Explore vs. Become Aware. B2B buyers are less likely to become aware of solutions and more likely to explore and find them. And they are making significant choices during their exploring based on what they find. Unlike consumer purchases where there is an object of purchase desired – for example a HDTV – B2B buyers are making choices on which path they will invest more time hiking and exploring.

Buyers Are Part of Ecosystems and Networks. The age of the single buyer has come to a close in complex B2B environments. While there may be a target buyer per se’, they are increasingly dependent upon various ecosystem participants who are directly impacted by purchase decisions and have a voice in these decisions. The funnel is very limited outside the scope of the single buyer.
Buyers Just Don’t Make New Buys. In the complex realities of today, buyers are not repeating the new buy orientation of the funnel. There are many choices being made around how to modify different alternatives. In the age of just-in-time – and now in the age of real-time, buyers look ahead into the longevity of repurchase – or continuous supply that feeds the ecosystem with little disruption.

Buyer Views Extend Beyond Purchase. The funnel is based on the short-term view of making the sale and it is measured in quantities. In today’s environment, the funnel cannot accommodate the long term views buyers have on the overall buying experience and doesn’t account for many factors that happen well after the sale.
Given these limitations, I believe that companies today must attempt to understand buyer choices and adopt a different model. A *Buyer Choice Model* that begins to reflect buyer behavior and provides the language and terminology needed to understand why buyers choose as they do. It puts the buyer at the center of B2B marketing, sales, and service and reflects, more accurately, that buyers are making multiple choices throughout their actions as well as behaviors that ultimately lead to a purchase decision.

But – it doesn’t stop there at the purchase decision. There is a continuous loop that extends beyond the purchase decision. The idea of buyer choice modeling is to understand choices that are being made in this continuous loop – so as not to be left out of the loop.
Revenue Growth by Choice

and

The Buyer Orbit
Growth is getting harder and harder to come by. With this comes the realization that some of the embedded thinking about how to reach and market to buyers are not working well. Previously, we looked at how the funnel is facing a slow death and the limitations of so called funnel thinking. We are entering a new era of the buyer. Buyer behaviors are shifting yet we know only a fraction about this shift. One emerging insight is that of buyer choice. Simply stated, buyers are making multiple choices prior to as well as well after buying decisions.

Important to Understand Buyer Choice

Buyers Have Many Options. The floodgates have opened on channels, social media, old media, the Internet, and countless other ways to interact, explore, retrieve, and digest information in this new era of the buyer. With countless options available, buyers are making choices on where to start their exploring.
The Buyer At The Center Of Strategy, Marketing, And Sales.

Conventional funnel thinking has a hard time doing this. A better way of stating this is that conventional strategy, marketing, and sales decisions are funneled through an old paradigm of the buyer where marketing and sales held the information cards – cards used to target, sell, and persuade buyers.

Today, buyers make the choice on which information cards they decide to deal. B2B leaders today must find ways to focus strategy on the buyer, the choices they make, and the experiences they have with their organizations.
Experience Determines Choice. A while back, I made a choice to attend a Broadway musical – of which I am a big fan. The pre-show experience and excitement was plenty of fun with a great dinner in New York. The musical started and about 20 minutes into the musical the dread began to overcome me. I knew this musical production was going to be – dreadful. We made the choice to leave at intermission and the choice didn’t ruin the entire experience of the evening but it sure changed it. We chose to find a jazz club and had a great time which meant cancelling out the plans we had after the show.

Buyers today are taking experience cues well before the buyer decision journey and well after. The buyer experience cues they take-in alter their thinking about the choices they make. And they could be choices about whether to continue having an experience with your organizations – or – find another.
Understanding Buyer Choice Helps You To Make The Right Choices Available

Buyer choice anchors five choice elements that can be thought of as continuously orbiting buyers today. A fundamental shift is happening here. In the conventional DNA of funnel thinking, we are accustomed to thinking that involves phases or steps. One phase ends and another phase begin.

What I propose is something we can call the **Buyer Orbit**. This is meant to shift the thinking towards recognizing that buyers are continuously addressing goals, challenges, issues, uncertainty, and growth that are in a continuous orbital loop. This applies to buyer choice:
Explore. As mentioned, funnel thinking usually started with attempts to make buyers aware of a product or solution. It is still rooted in the thinking of flashing attention-getting means before buyer’s eyes as well as push messaging outwards in the hopes of making buyers aware.

Today, buyers are mapping out deliberate exploration prompted by the orbital loop of the goals and etc. that orbit them. Confronted with many choices, buyers are taking time to map out where to explore, how to explore, and etc.

Network. As buyers make progression towards less of a single buyer model to that of a world that includes ecosystems and open networks, buyers are making choices to interact with networks and different ecosystem players to collaborate on addressing the issues orbiting them.
buyer choice modeling
Decide. The way buyers decide today is becoming increasingly complex. Choices are being made on such things as the rules for deciding, who is included, checking dependencies, and assessing impact. Buyers today no longer make decisions in a vacuum.

Buy. The actual buy choice has become a higher stakes game in the B2B world. Not only are the rules for deciding more complex, but there are more dependencies related to buying and potential impact as well. The experience element here is now more critical than ever because of the high stakes. Making the wrong choice, for example, on a software platform designed to measure quality of manufactured parts could have drastic affects downstream with OEMs and distribution.
Relate. The word – relate – has more applicability in a B2B context than say engage for example. The higher stakes involved means buyers needs an organization that can relate to the high stakes and a relational bond is being formed. In the example mentioned above, there may be many discussions before and after the buy choice to ensure that the software platform meets an intended goal.

The ability for B2B companies to provide relational choices and experiences becomes an important factor. Does the company provide relational choices whether they are face-to-face, telephone, or complex networking technology that involves exchanging design ideas and specifications?
The new era of the buyer is resulting in a paradigm shift on what is required thinking about the buyer today. Letting go of funnel thinking is no easy task – especially when you strip away the hyperbole and promotion that can surround strategy, it is still very much about the funnel.

Buyers today have many elements related to growth, goals, and uncertainty orbiting their world. Making choices as this orbital loop continuously impacts their world is changing the very nature of buyer behavior today. These changes are rocket propelled by a new world of hyper-connectivity and hyper-competition.
How B2B Leaders Respond to the Psychology of Buyer Choice
When it comes to understanding the psychology of the buyer, much has been done in the world of B2C to get inside the mind of consumers to understand buying choices. For B2B, it has been harder to translate B2C research dynamics into ways that would make the psychology of B2B buyers readily understood. However, what we do know is that there is an increasing *consumerization* effect happening in B2B buying whereby B2B buyers have the same desires for more experiential purchasing.

In the previous section we discussed the *Buyer Orbit* and the elements of the *Buyer Choice Model*. Each of these now filled with more psychological aspects related to why B2B buyers buy. This comes with implications for B2B leaders to not only understand new buyer psychology but to also shift business models, operations, strategies, and interactions that transforms the way they connect with B2B buyers.
Understanding buyer choice has many implications for B2B strategies and tactics – whether they are focused on demand generation, content marketing, or selling approaches. Addressing new buyer psychology and buyer choice paradigms, within elements of buyer choice modeling, can be transformational:
Explore

With more and more buyers mapping out exploration due to the proliferation of content and information channels, a side effect of B2B businesses scrambling to be noticed in the 50% to 70% window of buyers remaining anonymous, B2B businesses are considering the implications of buyers taking deliberate action to map out their exploration.

*What this means:* predicting and modeling how buyers map and begin their exploring as well as what forms of navigation they usually take specific to their industry.

*How to respond:* devote more resources to qualitative investigative means, such as contextual interviewing and ethnographic research, to uncover how buyers begin their efforts to explore and how they are dealing with content proliferation.
Network

As elaborated upon recently, the single buyer model is no longer sufficient and more and more B2B buyers operate from the new buying model of working within ecosystems and relying on network participation. Codependency is here to stay and B2B businesses must adapt.

*What this means:* reexamine how buyers are viewed internally and what forms of outmoded approaches may be resulting in missed opportunities.

*How to respond:* use various forms of B2B buyer research and begin working with buyers to understand important ecosystem and network drivers for their business and industries. Incorporate important ecosystem views into strategy and organizational infrastructure.
Decide

The art and science of decision-making is becoming more complex each year. An increasing number of variables are being introduced into decision-making such as globalization, uncertainty, ecosystem considerations, and more – shifting how buying is taking place.

*What this means:* how buyers are buying today is shifting dramatically and B2B businesses need to understand the new rules of decision-making, in addition to the buyer decision journey, that are being implemented for purchase decisions.

*How to respond:* shift internal focus to understanding new rules affecting decision-making, acquired through the mix of analytics and qualitative insight, and support *how* buyers are making purchase decisions.
Buy
Buying today is a higher stakes game for many businesses today. The margin for costly mistakes is the slimmest in decades. The extent of poor choices can have disastrous effect on many aspects of a business.

What this means: B2B leaders must not confuse how buyers buy with why buyers buy. The focus is on understanding new buyer psychology in terms of their collective attitudes, goals, beliefs, and perceptions. This new collection of mental models are changing each time new variables, such as new technologies, are introduced.

How to respond: getting an understanding of buyer mental models via qualitative research efforts will become crucial each year as buyer psychology continues to shift.
Relate
With higher stakes involved in decision-making and purchases today, B2B buyers seek more assurances post-purchase than ever before. Unlike the emphasis on engagement in B2C post-purchase, the need for deeper ties relationally is affecting long-term loyalty.

*What this means:* shifting out of funnel thinking and viewing the entire buyer experience cycle is a new rule of B2B thinking today.

*How to respond:* post-purchase support and talent can no longer be an after-thought of organizational planning but be seen as the gateway to being included in newly formed ecosystems and networks by buyers.
What we are witnessing today is a marked shift from funnel-thinking to that of focusing on the total buyer experience that does not fit neatly into stages or step approach thinking.

The new buyer psychology compels B2B businesses today to make the buyer the centerpiece of strategy and respond to the continuous loops of what confronts them (the buyer orbit) and the choices (buyer choice model) they must make.
3 Ways To Connect With Today’s B2B Buyers
Connecting with today’s B2B buyers is on the minds of most CEO’s and their teams today. Not too long ago, reaching and connecting with B2B buyers was a straight forward proposition.

Depending on surveys from such sources as IDC, IDG Connect, DemandGen Report, Forrester, and more, we know that buyers are remaining invisible to B2B businesses and spend only a quarter of their time talking directly to sales when making purchase decisions.

*The idea of connecting to B2B buyers has gone from straight forward to major league complex.*
There are plenty of debates regarding the best tactical means to connect with B2B buyers. The effectiveness of these tactical means, as reported by once again the likes of IDC and etc., show that many B2B leaders believe these tactical efforts such as content marketing and marketing automation may only be effective about a quarter of the time. It does represent a big gap and it begs for a rephrasing of the challenge – this a big disconnect with B2B buyers. Enough to keep any sane B2B CEO and their senior management team scrambling for answers.

We have pointed out in this book that conventional funnel thinking is woefully inadequate in today’s B2B buyer landscape and is limited in the ability to address new and evolving complexities.
Buyer Modeling To Understand Buyer Choices and Scenarios

Business executives today are using the concepts of buyer modeling to understand as well as visually illuminate buyer choice. Buyer modeling incorporates the elements of attitudes, beliefs, values, goals, perceptions, needs, and motivations. By modeling buyers, buying scenarios, buyer experience, and decision journeys, B2B executives can then map strategy as well as tactical marketing and sales activities that enable them to connect with B2B buyers on a relational level.

Buyer modeling is based on qualitative research that addresses choices being made versus inadequate interviewing that is done in the context of the funnel.
On The Total Brand and Buyer Experience

B2B businesses are learning how to think outside the context of the funnel and how to encompass the total view of the brand and buyer experience. The invisibility of buyers who are in explore and network mode of the buyer choice model makes it an imperative for B2B businesses to better understand how different buyers interact with different channels that create impressionable brand and buyer experience.

The emphasis here is on identifying critical *Buyer Moment of Truth™* impression points that contribute to the overall brand and buyer experience. For example, does the web channel brand and buyer experience stay true to form when buyers interact with either the social media, sales, resellers, partner, or service channels?
HP, for instance, has a strong ecosystem of reseller and partner channels where the brand and buyer experience has many potential pitfalls and has several challenging *Buyer Moment of Truth* handoff points that can make or break their involvement.

B2B leaders today can conduct buyer experience mapping that identifies critical *Buyer Moment of Truth* and ensure that the brand and buyer experience stays true to form throughout.
Descriptive Buyer Segmentation Based on Buying Behavior and Opportunity

By integrating the benefits of predictive analytics with that of predictive buyer modeling, B2B leaders are gaining smarts on taking segmentation to a new level. With the use of visually illuminating buying behavior modeling, buyers can be segmented descriptively by explore and buying behavior and also by modeling buying scenarios that identify where the organization can reach a “best fit” level with buyers.

This can be especially useful in industries where there is a strong company or account focus as well as complex buying scenarios that involve lengthy buying cycles.
Descriptive means of segmentation helps to illuminate the many elements related to choice, needs, goals, attitudes, behaviors, values, and experience. This approach enables both marketing and sales to focus on resonating with buyer segments that have similar goals and buying behaviors where knowledge in doing so is dynamic and enriched with each company or account interaction.

In essence, allowing B2B businesses to build strong connections with B2B buyers in buyer segments that have higher winning percentages.
When B2B leaders can do these three things, they can be better informed on how to guide the overall trajectory of their organization. Their focus is on identifying the buyers and buyer segments that they can best establish a connection within the context of understanding choices being made.

More importantly, they can learn how to connect with B2B buyers today in ways that resonates and invites participation into the buyer driven world of goals, challenges, issues, uncertainties, and growth objectives that orbit them continuously.
4 Ways the Power of Buyer Choice Will Transform Business Marketing
How buyers make choices today, in large part driven by empowering new technologies, will transform how B2B businesses will view buyers as well as redefine what is meant by business marketing. The rigid funnel will no longer serve as a workable means of communicating unique views of buyers and their buying behaviors.

This not to say that buyer processes, stages, and steps are no longer relevant but to highlight that buyers today no longer make choices neatly in the paradigm of the funnel. A rigid funnel view, whether it is drawn up horizontal or vertical, cannot provide the orbital view of choices being made continuously.

There are four ways that new buyer choice dynamics will transform the practice of business marketing and alter the view of what practices are relevant:
Predictive Buyer Modeling And Intelligence

As we covered, many B2B businesses are wrestling with the unknown and the invisible. B2B buyers are remaining invisible in their behaviors associated with exploring as well as establishing new networks of participants in decision-making. There will be a rise in the use of buyer modeling techniques as well as integrating the use of buyer intelligence, predictive analytics, and the illuminating aspects of predictive buyer modeling.

The changes underway in buyer behavior will cause B2B business marketing to extend well beyond conventional buyer profiling as well as simplistic buyer persona creating for demand generation.
Reorient From Business Marketing Teams to Buyer Driven Marketing Teams

Traditional business marketing has been historically put together teams that are seller driven and narrowly funnel focused. The single buyer model view narrowly shared across all channels. Leaders in B2B marketing and sales will soon have to migrate towards buyer segment teams that are focused on activities that are focused on the buyer’s entire brand and buyer experience.

We are beginning to see leading organizations, such as GE, move towards aligning their organizations to industry buyer segment teams focused on deeper understanding and alignment with buyers.
Create Orbital Match With Buyers

B2B is becoming more complex with every passing month. When informed with deep buyer intelligence, business marketing can begin to align to the continuous orbital loop of what confronts buyers and how they make choices. The new role of business marketing is to pull buyers into an orbital loop that mirrors their own. The new business marketing strategy is to create the gravitational pull that buyers are drawn to because it aligns with their own orbital loops. Conversely, how can your organization get close to the buyer’s own gravitational pull and be drawn into their orbital loop?

This is a departure from the seller driven and narrow funnel view of push messaging. Another way of positioning this concept in simple terms is this: either your B2B business becomes part of the orbital loop or you can watch it from afar with a telescope – and be out of the loop.
Total Brand and Buyer Experience

Business marketing today can take a leadership role by transforming itself to orient around the buyer. Historically, in the seller driven view world, business marketing has been positioned as the conveyers of getting information in front of buyers. Producing material that buyers could read, provide messaging to sales, and putting together promotional programs with the aim to get sellers to sell harder. My intuitive guess is that in the world of business marketing, this positioning still exists in a large majority of B2B organizations – perhaps trapped within the label of marketing communications.

To influence corporate strategy and decision-making, business marketing must now become the conveyors of buyer intelligence and influencing organizations to orient around the buyer. Conveying that what counts is the total brand and buyer experience.
Business marketing today, by making these four ways the cornerstone of transformation, can enhance their leadership role in organizations. Orienting businesses around the understanding of buyer choices being made in a new complex buyer driven world. This is no easy challenge yet one that business marketing must take up.

Business marketing must demonstrate that it understands buyers deeply and that a designed focus on the total brand and buyer experience is the new business marketing strategy. It is time for business marketing to come out of the literature closet and lead.
About Tony Zambito

Tony is the founder and leading authority in buyer personas for B2B Marketing. In 2002, Tony established the first buyer persona development methodology designed specifically for B2B Marketing and Sales. This innovation has helped leading Fortune 100 companies gain a deeper understanding of their buyers resulting in improved lead generation and revenue performance. He has assisted companies such as HP, Reed Elsevier, FedEx, Pearson, Robert Half International, Microsoft, Genesys, and IBM in customer research, buyer research, and buyer persona marketing. Tony has empowered organizations with buyer personas, which communicate deep customer insights and tells the story of buying behavior. Tony’s pioneering development in Buyer Persona Marketing™ has helped clients to achieve improved revenue performance by as much as 25% year over year, increase customer retention rates by as much 10%, improve ROI on content marketing, and grow revenues in new markets by as much as 15%.

Tony and his wife Cindy with their two daughters returned to the east coast after nearly a dozen years living through the boom and bust of Silicon Valley. He is an avid jazz fan as well as jazz percussionist and you just may catch Tony playing with his band My Cousin Tone’ somewhere on the east coast.

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