CLASH OF THE TECH HEADS

MAY 2019

TECH HEADS

THE BRAND TO SALES™ AGENCY

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The research

Tech Heads is Octopus Group's annual survey of B2B buyers and decision makers. We help you understand what they want, how they buy, and the best ways of reaching them.

The research behind this report was carried out in the UK and the US in November 2018 by Loudhouse Research. It is based on 600 interviews with IT professionals and those responsible for making IT-related purchases within other departments.

CLASH OF THE TECH HEADS

LOUDHOUSE
www.loudhouse.co.uk

BAND OF BUYERS

Companies need new tech. Whether to speed things up, bring new information into the company, or to make that information easier to comprehend. Buying into tech solutions ultimately improves efficiency. What's not always efficient is the buying process itself.

Once the exclusive territory of the IT expert, there are now likely to be several people involved in B2B tech decision making (3.7 according to our research). Each player has their own agenda, and they don't always intersect with one another's.

Here, we tell the story of the tech purchasing journey, and the different characters involved, as well as the best ways of reaching them. By the end of this report you'll know exactly how to engage your buyer, whether they're a Seb from marketing or an IT Ian. More than that, you might be able to stop Ian from biting the head off of Seb, greatly delaying the entire decision-making process...

Expect to find out:

1. The most influential personas at each stage of the tech-buying journey
2. Each B2B buyer's separate approach to research and decision-making
3. The best way to engage and unite your buyers

Now it's time to meet our tech heads.

THE TECH HEADS

When looking to meet a business' tech-buying decision maker, it's unlikely that you'll only speak to an IT professional. Our research shows that several people and departments will probably be involved in the decision.

Our recent interviews spanned five separate departments: IT, marketing, HR, finance and operations, all of whom are likely to play a role in the tech-buying process. We spoke to senior professionals from a range of UK and US companies and, from these conversations, we discerned key preferences and behavioural patterns that each department representative typically displays during the tech-buying journey.

These are the personas that sprung from our findings:

Ian

Job Role: Head of IT

Key Influencers: Jan is a key influencer of Ian's.

Perceived as...
Ian is a natural born leader and a perfectionist who receives a lot of respect from his colleagues. When it comes to buying new tech for the business, he takes the lead.

Although it's widely accepted that Ian is the most knowledgeable with tech, he has high standards and can be inaccessible. He'll forgo a pub session in favour of a long, solo walk with his dog Bobby.

Jan

Job Role: Head of Finance

Key Influencers: Jan tends to align with Ian right from the start of the buying journey, but she struggles to get on the same page as the rest of the group. She has a particularly poor relationship with Liz.

Perceived as...
Jan is heavily involved in the buying process. But, when it's decision time, she usually trusts Ian's judgement.

She doesn't like to beat about the bush and has little patience for marketing lingo. Jan wants the concrete benefits of each new product purchase to be communicated clearly.

While Jan and Ian are thick as thieves – they even go to pilates class together – she wishes that the others would take commercial outcomes seriously, and finds the long, drawn-out decision-making process frustrating.

Liz

Job Role: Head of HR

Key Influencers: Liz has a good relationship with Pete and a poor relationship with Seb. 11% of people across all departments won't deal with Liz, but 72% will agree with her choice by the end of the process.

Perceived as...
Liz is a bit of a worrier. She appreciates the benefits tech solutions can bring to her role, but due to a lack of confidence her voice is often drowned out in a group setting. If that happens, she'll probably take herself off for a cup of tea.

Liz can be reticent, lacking boldness. She tends to take a back seat during discussions around tech buying. But, when pushed, makes careful decisions.

Seb

Job Role: Head of Marketing

Key Influencers: Seb's best relationship is with Ian, but it's still not great. And things with Jan are particularly strained. 18% of people across all departments struggle to agree with Seb.

Perceived as...
Seb is brash and opinionated, struggling to find common ground with most of his colleagues. He appears to have a different agenda to everyone else.

He struggles to sell others the need for tech and demonstrate ROI.

For that reason, he particularly winds up Jan.

He makes bold statements about what needs to be done but rarely backs up assertions with facts and figures. Seb is looking to buy an electric scooter. To some, Seb is very annoying.

Pete

Job Role: Operations Manager

Key Influencers: Pete gets on best with Seb and least well with Jan. He'll agree with Ian by the end of the decision-making process.

Perceived as...
Pete and Seb enjoy going for noisy pints together (where they discuss electric scooters). Pete is also gregarious and tends to take over group conversations.

Although he has a good understanding of the tech market, due to extensive research, he will quickly become defensive and deflect attention if he feels out of his depth.

How closely aligned are you with colleagues from the following departments?

Aligned with...	Persona: IT	Finance	HR	Marketing	Operations
IT	★	44%	36%	16%	32%
Finance	20%	★	-14%	0%	2%
HR	14%	6%	★	1%	23%
Marketing	18%	1%	5%	★	8%
Operations	18%	6%	11%	22%	★
Proc	25%	2%	10%	1%	11%

We found that **HR and finance have a strained relationship, while finance and IT find the most alignment during the tech-buying process.**

Finance struggles to work with any persona besides IT, and marketing generally has low levels of alignment with others, though its best relationship is with operations.

Now you've met our tech heads, it's time to see how their research styles differ, as well as the challenges that these differences might cause for them and you.

CHAPTER ONE:

RESEARCH TOOLS

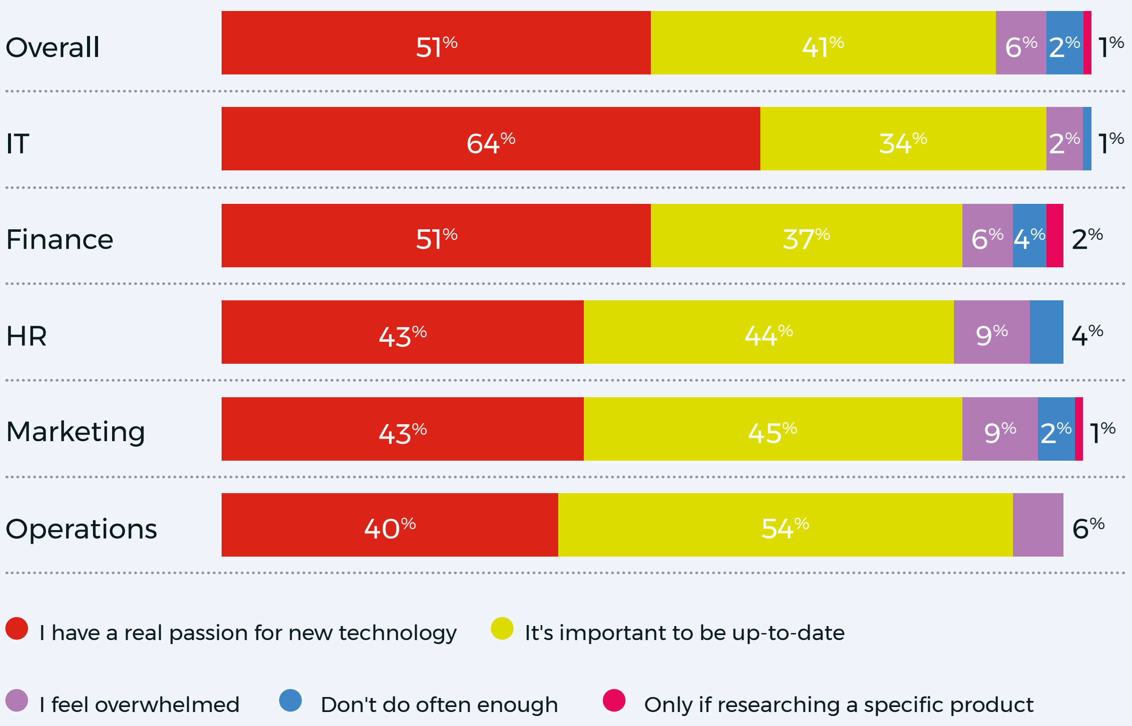
Usually, the first stage of the buying journey is the identification of the need for a certain type of product. This is where both knowledge of the industry and research come into play.

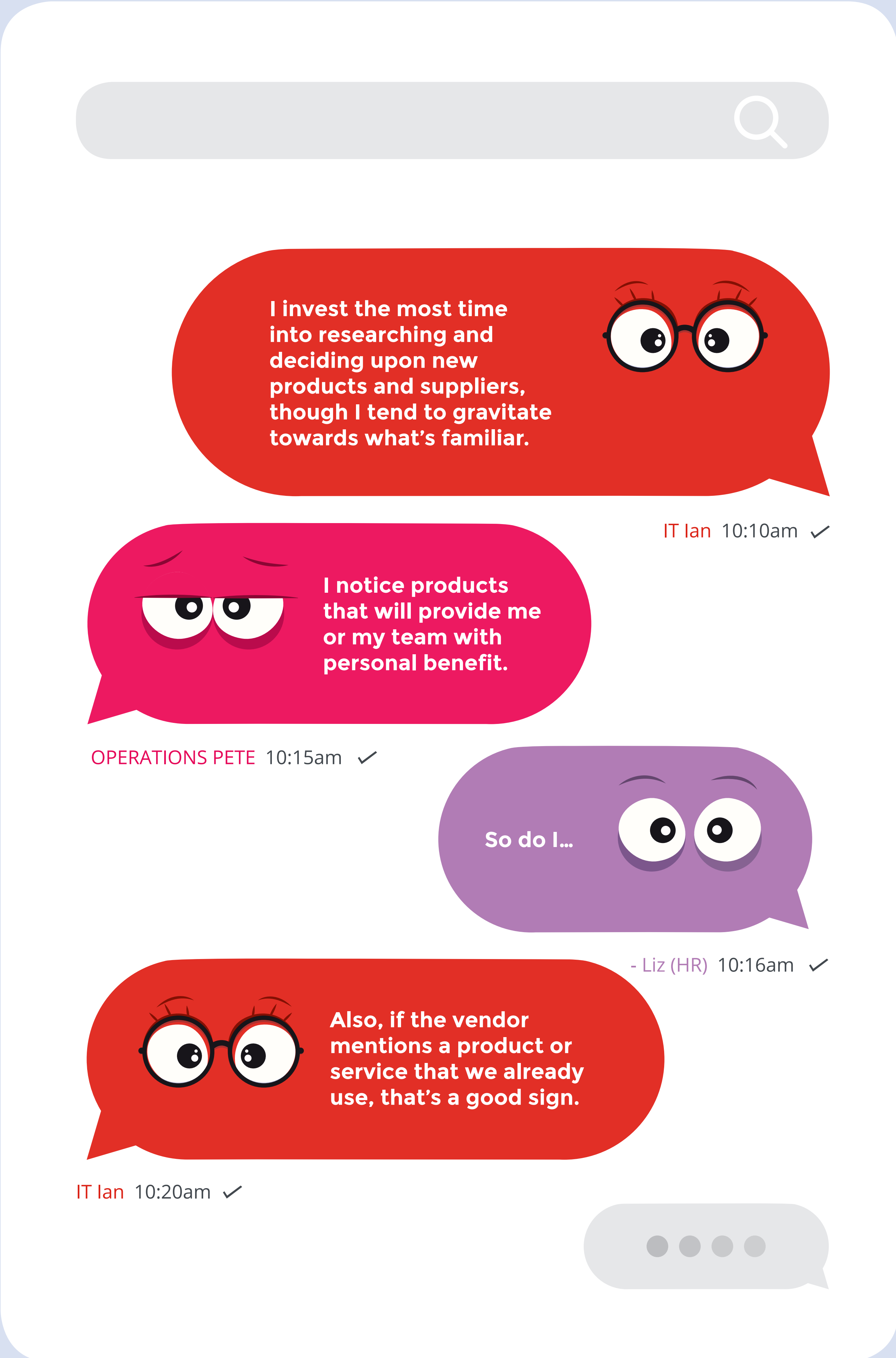
While decision-makers in IT genuinely enjoy keeping up with new tech, others, notably HR, marketing and operations, find it more of a chore.

Though 52% of buying is in response to a specific need and solution actively sought, 45% of purchases are an upgrade or enhancement to an existing product. Only 3% of purchases happen as a result of noticing a product when not actively looking.

READ 10:05am ✓

Feelings towards keeping up with new tech




I invest the most time into researching and deciding upon new products and suppliers, though I tend to gravitate towards what's familiar.
IT Ian 10:10am
I notice products that will provide me or my team with personal benefit.
OPERATIONS PETE 10:15am
So do I...
- Liz (HR) 10:16am
Also, if the vendor mentions a product or service that we already use, that's a good sign.
IT Ian 10:20am

FUN FACT:

38% OF IT PROFESSIONALS ENJOY RESEARCHING TECH PRODUCTS MORE THAN THEY ENJOY RESEARCHING HOLIDAYS!

READ 12:23pm ✓

While many resort to online searches, Google is not held in high regard. And social media has low credibility as a source of information about new suppliers and products.

Sources used for learning about new tech products and suppliers

Low Trust	Source, % Used	Upper Trust
	IT events, 54%	58%
	Supplier websites, 54%	36%
	Google search, 50%	22%
	Business publications, 50%	46%
	Vendors themselves, 48%	31%
	Technology analysts, 43%	59%
	Trade media, 32%	44%
	LinkedIn, 29%	12%
-25%	Facebook, 28%	
	Others in your business, 27%	45%
-25%	Twitter, 20%	
-18%	Bloggers, 20%	

Only half of tech buyers use Google to learn about new tech products and suppliers, and trust for the search engine is lower than it is for IT events, business publications, technology analysts, trade media and others in the same business. It may come as a surprise that **traditional channels such as IT events and business publications continue to rate highly in terms of both usage and trust.**

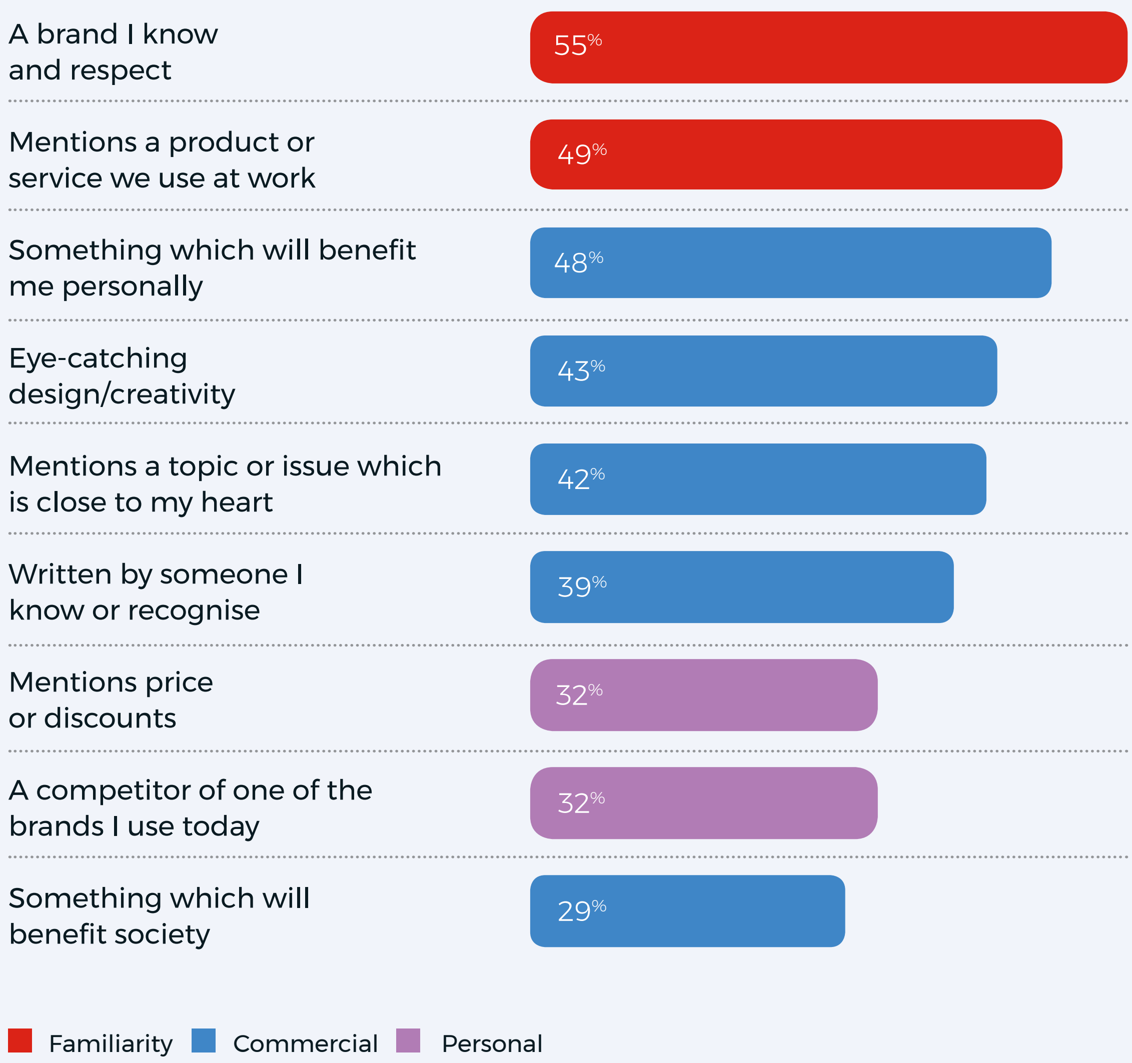
Supplier websites are consulted by more than half of tech buyers, and trust for their content is relatively high at 36%. **Technology analysts are the most trusted source at 59%, shortly followed by IT events at 58%.**

Sources of information used

	Total	IT	Finance	HR	Marketing	Operations
IT conferences/ events/seminars	54%	71%	38%	37%	48%	57%
Vendor/supplier websites	54%	62%	46%	47%	50%	56%
Google search	50%	47%	48%	48%	55%	53%
Business publications and websites	50%	54%	42%	47%	54%	47%
Vendors themselves	48%	54%	41%	49%	43%	48%
Technology analysts	43%	58%	36%	26%	40%	38%
Trade media	32%	42%	24%	21%	35%	26%
LinkedIn	29%	34%	26%	22%	31%	26%
Facebook	28%	34%	23%	30%	23%	26%
Others in your business	27%	21%	23%	28%	31%	35%
Twitter	20%	27%	21%	14%	15%	16%
Bloggers	19%	22%	20%	13%	18%	17%

As these stats show, **IT events take on even more significance for IT professionals, 71% of whom use them to learn about new tech suppliers or products.** At the other extreme is finance – only 38% of our finance buyers use events. Their favourite source of information is Google followed by vendor and supplier websites. HR, marketing and operations are also more likely to rely on these sources, as well as the vendor themselves.

What catches your attention?



Most buyers will choose familiarity over all else. But **for IT, known and respected brands are particularly important, as is knowledge of existing products or services.** HR, marketing and operations prioritise personal benefit, and marketing and operations place more importance on creativity and design, or the mention of pertinent or personal topics.

Now that they have a combined long list, our tech heads need to start making some decisions, whittling options down to create a shortlist of suppliers.

CHAPTER TWO:

SHORTLISTING SUPPLIERS

After trawling the marketplace, attending IT events and speaking with tech analysts, it's time for our buyers to shortlist a few promising suppliers and discuss their choices with their colleagues. According to our research, it's practical factors that tend to cause the most conflict at this stage.

What is causing the most conflict?

Integration with other systems	45%
Price and commercials	44%
Which is the best product for our needs	44%
Ease of use/end user needs	43%
Technical issues	39%
Different brand preferences	31%
Different personal agendas	30%
How innovative the product is	30%
Cultural fit with our business	23%

Less than a quarter (23%) of tech buyers say that the cultural fit of a product (or lack thereof) can lead to conflict, compared with almost half (45%) who say that it's integration with other systems that causes conflict.

READ 12:23pm

	IT	Finance	HR	Marketing	Operations
	45%	41%	45%	50%	43%
	44%	37%	41%	50%	48%
	44%	45%	39%	43%	48%
	46%	40%	41%	37%	48%
	43%	35%	34%	39%	38%
	32%	27%	38%	24%	33%
	36%	21%	31%	28%	30%
	36%	36%	26%	21%	24%
	22%	24%	19%	24%	25%

There's a lot of butting heads around how integration will work with our existing systems, and we disagree on costs.

@CreativeSeb 12:15pm

Pricing is definitely an issue, but I also have trouble finding something that fits all our needs. At the end of the day, I really want the product to be user-friendly.

OPERATIONS PETE 12:23pm

After carrying out research, sharing knowledge and creating a shortlist, our tech heads are ready to reach a final decision...

CHAPTER THREE:

THE DECISION

Provided our tech buyers are still in the room, they'll move on to making their final decision, which can be motivated by a variety of different factors.

Ultimately, businesses go for the supplier offering the product which best fits their needs, or that offers the best value for money. But brand reputation is also important.

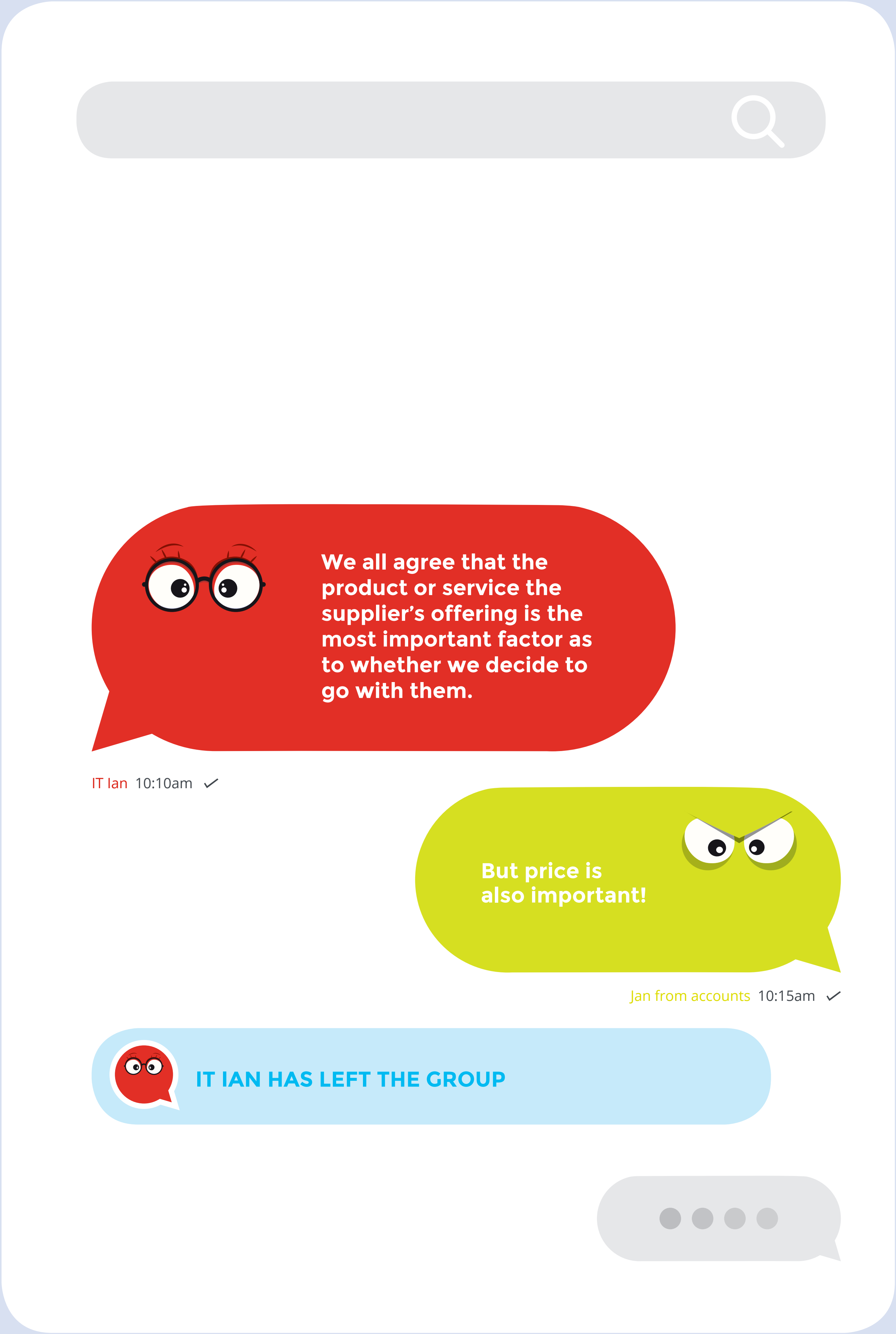
Reasons for choosing supplier

Offered best product/service	40%
Offered the best value for money	34%
Understood our business needs	33%
They had the right expertise	27%
They had a good reputation	23%
Their brand and culture fitted well with our company	23%
Forward/innovative business	17%
They went the extra mile to impress us	13%
Built a good rapport	13%
They were the most engaging people to work with	12%
It was the only supplier we could all agree on	10%
They convinced me of the need to buy their product	9%
Cheapest	9%

For 76% of businesses, it's important that they buy into the brand and vision of the supplier, and three-quarters agree that it's important to choose an established brand. At the same time, 74% are more likely to consider niche brands than they were two years ago.

READ 12:23pm ✓

IT	Finance	HR	Marketing	Operations
37%	33%	39%	49%	44%
33%	28%	36%	33%	40%
35%	26%	33%	35%	35%
30%	21%	29%	27%	25%
19%	24%	18%	27%	30%
21%	23%	22%	25%	23%
19%	23%	14%	17%	10%
15%	12%	13%	10%	15%
16%	16%	13%	8%	6%
13%	11%	11%	10%	13%
11%	15%	4%	12%	7%
12%	9%	9%	4%	8%
12%	8%	10%	2%	8%

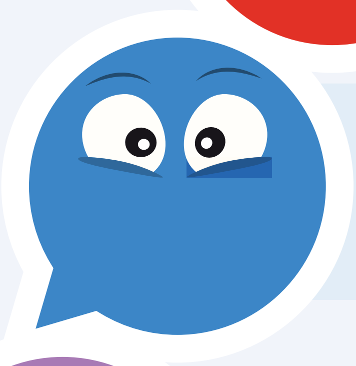

We all agree that the product or service the supplier's offering is the most important factor as to whether we decide to go with them.
IT Ian 10:10am
But price is also important!
Jan from accounts 10:15am
IT IAN HAS LEFT THE GROUP

Congratulations on getting to this stage, but it's not over yet. Our tech heads continue to be influenced by their different agendas right until the final stage of the tech-buying journey.

Each of our buyers has a different approach towards making a final decision, and a different level of involvement. By understanding their preferences, you can reach them where they are and try to ease the process.

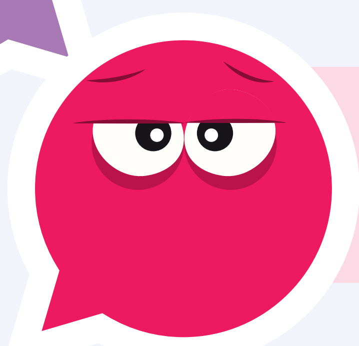
Jan is balanced in her decision-making, with a slight focus on the consensus. She wants fewer people involved.

When buying tech, **Ian** is alternately motivated by both his gut-feeling and the consensus. He's usually involved in the final decision.



Seb is a cautious decision-maker, least likely to be led by his gut. He usually has no involvement in the buying process but would like clarity around what he's getting.

Liz is heavily consensus-driven and doesn't tend to drive the final decision. She prefers to have other people involved in the process. She'd like clearer communication and less tech jargon.



Pete is more involved with the evaluation of products and tends to lean on the consensus when it comes to business tech.

WHAT WOULD MAKE TECH BUYING

MORE ENJOYABLE?

More exciting marketing from tech companies	37%
Fewer people getting involved in the decision	36%
Less technical jargon and more about what I'll get from the product	35%
Not having to deal with colleagues who are intent on getting their own way	30%
If I understood the products better	30%

More than a third of our buyers would like to see more effective marketing from tech companies. IT would most like to see fewer people involved in the decision-making process, while finance would like to see less jargon and more description about the benefits that the product will bring.

READ 12:23pm

	IT	Finance	HR	Marketing	Operations
	41%	42%	34%	34%	30%
	43%	24%	28%	39%	38%
	31%	43%	39%	34%	35%
	30%	24%	31%	32%	33%
	30%	31%	31%	26%	30%

HOW CAN YOU PREVENT THE CLASH?

The entire tech-buying process is ripe for conflict between the different people involved. In a worst-case scenario, the final decision maker, the IT manager, may end up losing their patience and leaving the group. A scenario which, as a provider, you want to avoid at all costs.

For effective marketing communications that will keep your tech heads on track throughout the buying journey, create your own buyer personas to better understand them.

By identifying your buyer personas, you will be able to create a marketing campaign that effectively targets each of them where they are, ensuring that you get buy in across the board, and easing tensions between them.

Would you like to delve deeper into the needs and preferences of your tech heads? Octopus Group can help.

FIVE PLANNING TIPS

1. **Start WAY earlier**
We've been talking about the buying decision, but selection of vendors starts much, much earlier and that's when marketing has to hit home. Plan campaigns for a longer sales cycle, even with short term sales pressure.

2. **Define and understand your tech heads**
How many true buyers and buyer influencers make up the buying team for your product or services? Consider investing in a clear persona development exercise, it will pay dividends across your marketing.

3. **Prioritise and tier the tech heads**
With 3.7 departmental influencers, it's unlikely you can deliver on campaigns to each of them all of the time. Prioritise, schedule and focus your demand creation and nurture programmes on the personas that really matter, but keep the others as warm as possible.

4. **Tailor original content to your tech heads**
Ensure that your campaigns have a unique and authentic voice. Remember that different personas want different things from content and have different relationships with each other. Age old channels and tactics need to be combined with new to stand out.

5. **Adapt your public relations to 'persona relations'**
Remember there is a range of different stimuli affecting how each persona develops their buying habits; what they read, events they attend, their attitude to social and their influencer groups. Don't limit yourself to thinking in column inches.

READ 12:41pm ✓

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