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THE ONLINE B2B PURCHASING PROCESS

HOW BUYERS SEARCH ONLINE AND HOW SMEs MUST RESPOND

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The way in which B2B buyers search for products has changed significantly in recent years. Current studies show that the Internet has come to represent the most important source of information during the procurement process. International exchange, previously reserved to major companies, is now accessible to SMEs thanks to the Internet. Companies now have access to greater business opportunities.

Furthermore, many of today's young B2B procurement professionals are digital natives for whom the Web is simply a way of life. We must thus consider the way their practices are affecting the B2B purchasing process, and the way SMEs must respond to this change.

THE BEHAVIOUR OF B2B BUYERS HAS CHANGED SIGNIFICANTLY

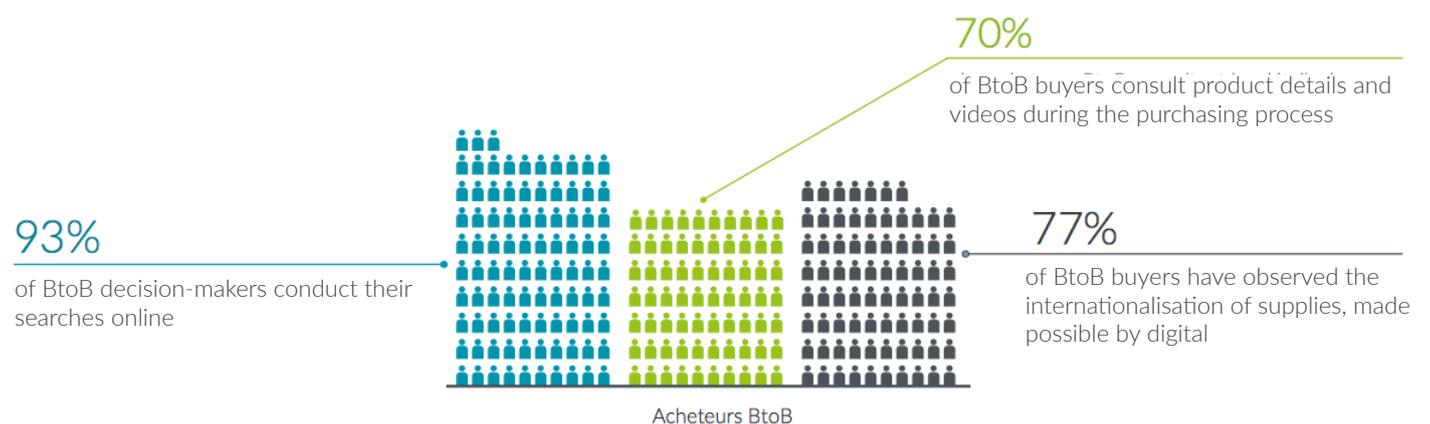
THE B2B PURCHASING PROCESS

The process for purchasing products or services in B2B mode generally comprises 3 phases:

- **Exploration:** phase for gaining awareness of the need and searching for solutions
- **Solution analysis:** phase for identifying and assessing the available solutions
- **Detailed search and comparison of offers:** once the potential suppliers have been identified, this phase consists in searching based on technical specifications in order to compare offers

Before the Internet's widespread development, a company's sales people were the main source of information and assistance for the buyer in terms of defining the need, ensuring competitive intelligence and identifying solutions.

Today, most B2B buyers spend a considerable amount of time online searching for companies and products, and benefiting from a wealth of information on potential suppliers and available solutions.



Sources: statista.com, Google Compete Tech BtoB Customer Study 09/2012, Internationalization in Purchasing - Onsite Study sur wlv.de 05/2016

Furthermore, BtoB searches performed on smartphones have rocketed (increase of 91% between 2012 and 2014).



Source : Google - The Changing Face of B2B Marketing

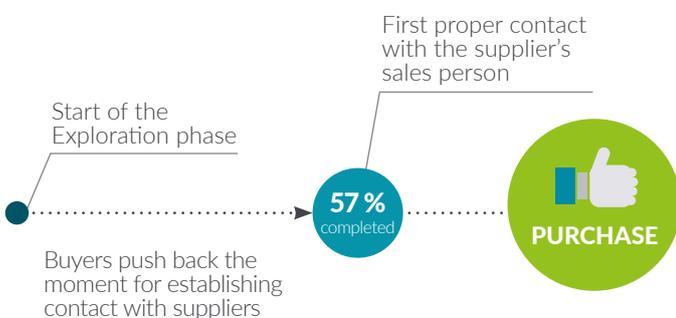
It is now clear that the digital world now allows buyers to conduct the Exploration and Solution analysis phases completely independently, before even contacting a potential supplier.

One of the consequences of these new practices is that your potential buyers are "invisible" during most of the process. Your buyers only contact you once they are ready, and even then, only if they can find you. Hence the importance of

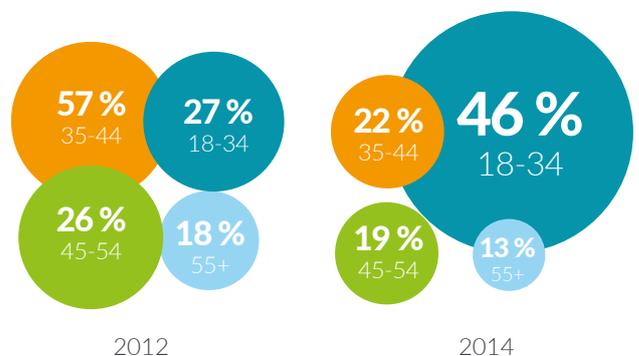
being visible online.

This shift in buying behaviour also ties in with demographics¹: today, more and more young industrial purchasing people are digital natives. For them, the Internet and new technologies are a way of life. They may even judge the quality of a potential supplier based on the overall quality of its website and its online presence.

Level of advancement in the purchasing process before contact is made with the supplier¹



Half (46%) of BtoB buyers are "digital native"¹



¹ Source: Study "BtoB Path to Purchase Study", Google/Millward Brown Digital, 2014/The Evolving Path of Today's Tech B2B Customer

B2B SMEs that offer excellent products or services, but that are inaccessible to potential customers via the Internet, are quite simply missing out on opportunities for increasing their revenue.

Furthermore, buyers use different sources of information depending on where they are in the purchasing process.

In the earliest phases (emergence of the procurement need and search for solutions), buyers consult a broad range of sources, including search engines, professional directories and marketplaces, social media, webinars and e-newsletters.

Search engines, supplier websites and online catalogues are the three most prominent sources consulted, according to a study by IHS.

This same study lists professionals' motives for searching the Internet:

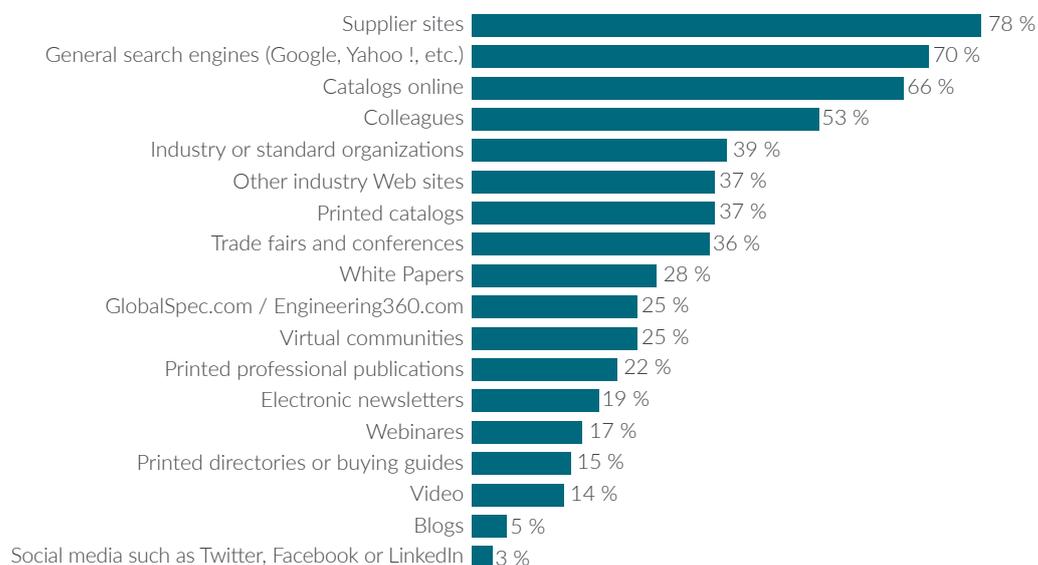
- 74% use it to search for parts, equipment or services

- 73% use it to obtain product specifications
- 69% use it to compare the products of several suppliers
- 68% use it to find information on prices

PRIOR TO THE PURCHASE

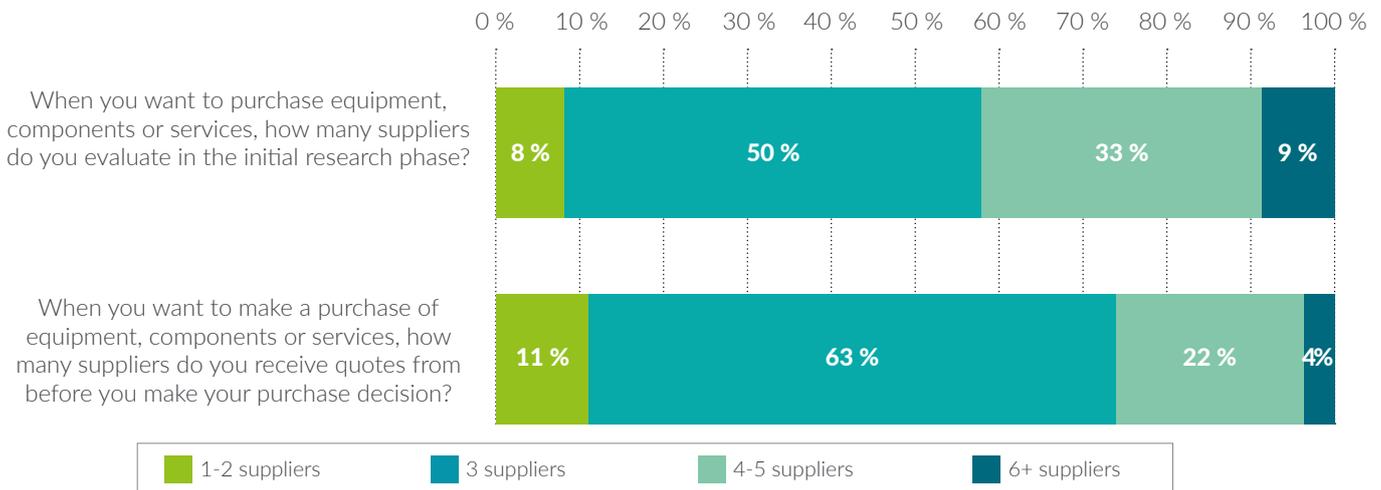
The pre-purchase phase can last anything from a couple of few days to several months, depending on the cost, issues and complexity of the procurement involved. While these times undoubtedly vary one from company to the next, this search and analysis phase is usually the one that takes the longest. For the buyer, it means formalising the need, then searching for and identifying all the companies that offer solutions capable of satisfying that need. Only upon completion of this preselection phase – conducted based on information gleaned from the Internet – will the buyer actually contact the handful of companies shortlisted as potential suppliers. Today's buyers want the information collection phase to be straightforward and practical.

Most used information sources



DURING THE PURCHASING PROCESS

Number of suppliers evaluated and contacted for a quote



A recent study conducted by IHS Engineering360 revealed that, at the end of the initial search phase, 58% of buyers preselect a mere three suppliers or less².

Consequently, only a very few companies are genuinely capable of making an offer. Companies that are not initially shortlisted will rarely make it to the contract stage. In addition, the study reveals that something as seemingly straightforward as a contact form is of the utmost importance for buyers. Formulating a request via a contact form must be simple, clear and practical for the prospect. The supplier’s perceived reliability is also contingent on the quality of the form. This means that companies must do all they can to simplify the way in which buyers come into contact with them, and the way in which they receive information or obtain an offer.

AFTER THE PURCHASE

Once the sale has been made, it is important to maintain long-term business relations. Buyers will inevitably share their experiences with other buyers via digital media. They

thus become key influencers, as a result of which the vendor may indirectly establish new business contacts. In this respect, social media still play a relatively minor role, but their importance is on the rise. Personal contacts, on the other hand, remain all-important.

LESSONS TO BE LEARNT FOR COMPANIES

A new paradigm is emerging: the potential buyer remains invisible for most of the purchase-decision process, and will only contact potential suppliers much later. Given the increasing availability of digital content, potential customers are better informed, more demanding and more likely to reject any sales pressure.

It is therefore essential for companies to ensure their online visibility is maintained throughout the purchasing process. Companies that do not emerge from the Exploration and Solution Analysis phases will have a hard time selling their product. This holds true even if they are competitive, even if their product is innovative, and so on...

² Source: “Understanding the industrial buy cycle” study, IHS Engineering360. http://www.globalspec.com/advertising/wp/wp_buycycle_maven

B2B DIGITAL MARKETING

As mentioned before, the Internet has become the leading source of information in the scope of the B2B purchasing process. A study³ shows that 94% of buyers now use the Internet to obtain information. This means that search engines represent the main starting point for B2B buyers. Companies must thus make sure that potential customers can find their products and services online.

In fact, compared to standard offline marketing, digital marketing utilises efficient and cost-effective techniques for improving a company's online visibility. To effectively secure long-lasting success, B2B companies must notably focus on inbound marketing, and deploy a strategy for attracting their audience.

In other words, companies must make sure that their products or services appear on the Web whenever an Internet user searches for any such product or service.

As opposed to outbound marketing, where the company communicates its offer in a way that is more or less targeted, inbound marketing allows the company's offer to be found by buyers when they come to look for it.

A B2B digital marketing strategy hinges on a decent website and 4 key techniques: search⁴, display, emailing and social media.

A DECENT WEBSITE

A website is the cornerstone of any digital marketing activity. Today, the minimum effort any self-respecting SME must make is to ensure it has a website, i.e. a digital business card for the enterprise. The site's purpose is to provide any information the potential buyer needs at every phase in the purchasing process: catalogues, PDF product sheets, white

papers, customer testimonials, video clips, etc.

It must be well structured, clear and easily readable in order to immediately convey a positive brand image (i.e. in the first few seconds). Next, its content must be regularly updated. This is an important point not only for prospects, but also for search engine crawlers/indexing robots. Lastly, it must have a contact page with a form that includes the names and contact details of the business contacts, technical contacts, R&D contacts, etc. In short, all the information needed by the prospect to contact the company.

SEARCH

SEARCH ENGINE OPTIMISATION (SEO)

As mentioned previously, the extent to which a company is visible among search engine results has a direct impact on the number of visitors to the site and, therefore, on the number of requests for quotes, inquiries and requests for information.

The website's content thus plays a decisive role in the site's positioning among the search engine results. Enhancing and increasing the site's content will further improve this positioning. Identified, stored and indexed by search engines, this content will be delivered to buyers looking for specific information. It may comprise detailed product descriptions with data specific to the company, video clips, white papers, etc. Companies must enhance their website's content with precise, comprehensive and structured information that is easily accessible and downloadable. In addition to conveying a modern, professional image, this approach also provides a token of transparency in relation to prospects.

³ Source: Acquity Group study entitled "2014 state of B2B procurement" http://www.acquitygroup.com/docs/default-source/Whitepapers/acquity-group_2014-b2bstudy.pdf

⁴ By «search», we mean the techniques employed to increase a site's visibility on the search engines: SEO, SEM, trade directories and marketplaces.

Once this basis has been established, the goal is not so much to attract as many visitors as possible to the website, rather to generate pertinent, qualified traffic. This is notably achieved through these natural referencing techniques (SEO). Given their complexity, companies often turn to external experts (Web agencies) to implement them.

SEARCH ENGINE ADVERTISING (SEA)

Search Engine Advertising is a digital action intended to increase a website's traffic. It consists in buying keywords that serve to display an ad, preferably at the top right of the search engine results page. This ad's display is contextual; it depends on the search expression entered by the potential purchaser in the engine's search bar. If the expression entered contains a keyword selected by the advertiser, the ad will be displayed. Representing the most widely-used tool in this respect, Google Adwords gives corporate websites added visibility and thus helps to generate visits from prospective customers.

PROFESSIONAL DIRECTORIES AND MARKETPLACES

Dedicated professional directories are highly useful for companies since they can list their products and/or services in a specific category, and even in the language(s) corresponding to their target. Companies can choose from different categories, countries, add their contact details, a link to their site, content, and so on.

Another advantage for companies listed in these directories is that the platform's specialised teams take care of the search engine optimisation (SEO) process. These professional directories and platforms thus enjoy the highest positions in search engine results pages for a large number of technical and professional search expressions.

For a BtoB SME, having a listing in different directories is virtually indispensable. This involves identifying the most suitable platforms based on the company's goals and targets (local, national, international) in order to reference – and maintain and manage in the long term – its products, content and data.

Companies may also turn to external administrators to benefit from a unique partner tasked with managing its data across platforms and directories.

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DISPLAY

Display, i.e. the display of online advertising banners, is an effective method for reaching your prospects in a highly targeted manner. It fulfils two important objectives: developing your brand's notoriety, and creating traffic on your website. Online display advertising represents a powerful solution given its capacity to target precise segments, and the fact that it integrates with other digital techniques, such as e-mailing. To effectively organise a display campaign, you must identify which sites your potential buyers visit (sites that present products and solutions, sector-specific portals, professional directories, etc.). You must also define the underlying purpose of the campaign: promoting a product, announcing an event, etc. Lastly, you must create the objects (banners, tiles, skyscrapers) that are to be inserted in the sites, together with their hyperlinks.

New techniques to display retargeting ads, originally used in B2C and now adopted by B2B, increase the targeting's potential and the display's conversion.

Retargeting works by keeping a trace of those who have visited your website, then displaying your ad on other sites that they go on to visit. It is implemented by automatically placing a cookie in the visitors' web browsers. When these visitors leave your site and visit other sites, they are recognised by the advertising servers which display ads to them, thereby consolidating their initial familiarity with your brand.

Each time a potential buyer sees your retargeting ads, your brand gains in notoriety and attractiveness, as demonstrated by the high click rates/conversion rates generated by this type of campaign.

EMAILING

European studies concur that email marketing is a major tool for informing your target and attracting prospects to your site. This means of communication is particularly effective in response to the following two objectives:

- Increasing the notoriety of your brand, your products or your services.
- Inciting an action on behalf of the recipient, and attracting that recipient to your website, for example when you launch a product, offer a promotion, participate in a trade fair, etc.

An effective email adheres to the following three criteria as a minimum:

- Its content must be relevant for the reader, i.e. targeted.
- It must come from a known partner. Remember, buyers are inundated with requests, and sort them ruthlessly.
- If your activity is international, the email must be written in the recipient's native language for optimum impact.

In addition, three best practices are recommended:

- **Keep it concise:** don't put too much information in the limited space occupied by an e-mail; space out the text.
- **Call to action (CTA):** express exactly what you expect of the reader: «Contact us right away», «Download our brochure», etc.
- **A simple visual:** use a photo only when relevant, for example a picture of a person using your product. Otherwise, give preference to a flat colour in an attractive tone.

SOCIAL MEDIA

B2B can no longer ignore social media platforms and online exchanges. Platforms such as LinkedIn or Facebook have revolutionised the way in which consumers share online information among people with common interests. Product ratings and services described by consumers are increasingly widespread and accessible. In fact, this can turn out to be positive or negative for the company concerned.

The emergence of this type of behaviour in B2B, i.e. users looking for opinions, has been observed in a number of studies⁵. Digital native B2B buyers inevitably adopt their personal information-searching behaviour for professional purposes too. In other words, if a person working as a purchasing officer seeks online opinions on the latest digital video camera for a personal purchase, that person is more than likely to proceed in the same way when looking to buy a product for his or her company. B2B SMEs must recognise these new forms of behaviour and adapt accordingly by managing their digital identity in the social media.

For more about B2B digital marketing, refer to our white paper entitled «B2B digital marketing for SMEs».

⁵ 42% of B2B buyers claim to consult the opinions of other users on products. Source: Acquity Group study entitled "2014 state of B2B procurement" http://www.acquitygroup.com/docs/default-source/Whitepapers/acquitygroup_2014-b2bstudy.pdf

CONCLUSION

Since buyers use the Internet as their main source of information when selecting suppliers, it is essential for SMEs to ensure that their product and/or service offering is visible online at all times.

A website with the right amount of pertinent information that offers visitors genuine added value is the cornerstone for all subsequent digital marketing activities. Inbound marketing strategies prove to be more beneficial than outbound marketing strategies, at least in the early stages of the digital marketing strategy's deployment. Search Engine

Optimisation (SEO) is an effective technique for attracting new prospects to a site, albeit fairly complex. Search Engine Advertising (SEA) helps to generate qualified traffic on a site. A listing on B2B platforms and in professional directories leads to high conversion rates. Meanwhile, social media are gaining ground in the B2B sphere.

B2B companies that neglect their online presence are missing out on new markets. Worse, they are compromising their long-term prospects for development and survival.