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THE 'STATE OF B2B' SURVEY 2019

# Winning With Emotion: How To Become Your Customers' First-Choice

SPECIAL ENERGY & UTILITIES EDITION

“The secret of success is to do the common thing uncommonly well.”

- John D. Rockefeller

# Introduction

What factors influence the decisions of b2b buyers? How important is emotion in driving buyer behaviour? In the race for the finishing line, what truly makes the difference between bringing home gold and falling at the last hurdle?

Understanding the business buyer mindset stands at the very core of b2b marketing and is key to any supplier's success. Gaining such an understanding is, however, easier said than done. Harder still is dissecting each facet of decision-making along each touchpoint in the buyer journey. To make your brand emotionally engaging throughout the purchasing process is the "Holy Grail" of b2b marketing.

In over 20 years of working for the world's leading b2b organisations, we have found that, to this day, there exists a prevailing misconception that b2b buying decisions are driven chiefly by rational thought. But is this really the case? Are humans even capable of switching off their feelings when making decisions, just because they are in the workplace?

To bring more clarity to the influence of emotions in b2b decision-making, we surveyed 2,000 business decision-makers from organisations in Europe, the USA and China. In other words, we practised what we preach.

In this special energy and utilities edition, we also take a closer look at how businesses purchase energy and utilities services.

The objectives? We wanted to better understand how these people make buying decisions for their organisations. We asked them who influences them and where they go for information. We asked them how suppliers enter their consideration set, how many suppliers they consider, and how long all of this takes. And, crucially, we asked them how suppliers make them feel.

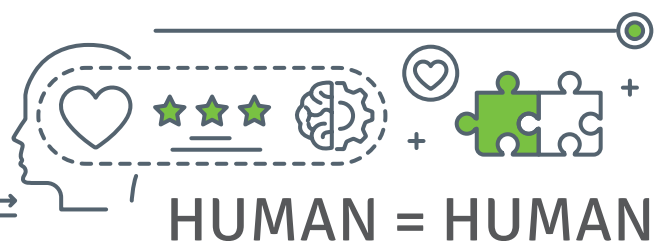
What we found was remarkable:

**56% of the final b2b purchasing decision is based on emotional factors.**

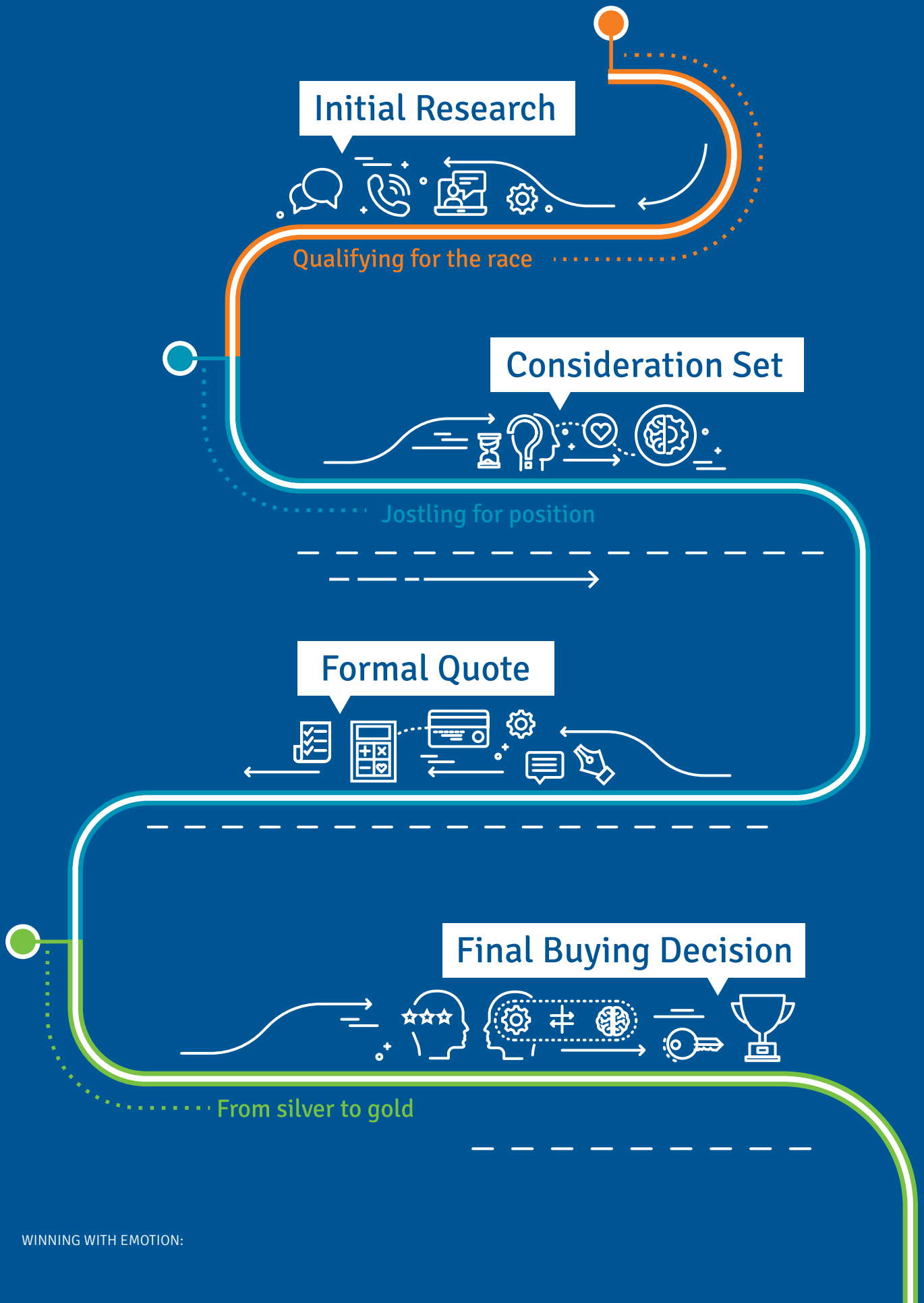
Our research found that buyers of utilities and energy services rely even more on emotion, as 64% of their final purchasing decision is based on emotional factors.

Sure, companies need to satisfy customers' rational needs and wants – having the right product at the right price – in order to enter the consideration set but, in the race between silver and gold, emotion prevails.

**BUSINESS = BUSINESS**



# The B2B Buyer Process



# What Factors Influence Decisions Throughout The Buyer Journey?

Our survey revealed that decision drivers vary according to the stage of the path-to-purchase. Although rational factors such as an acceptable price, viable product quality and effective distribution form the minimum requirements necessary to enter and rise to the top of the consideration set, generating an emotional connection is ultimately what counts when the final decision is made.

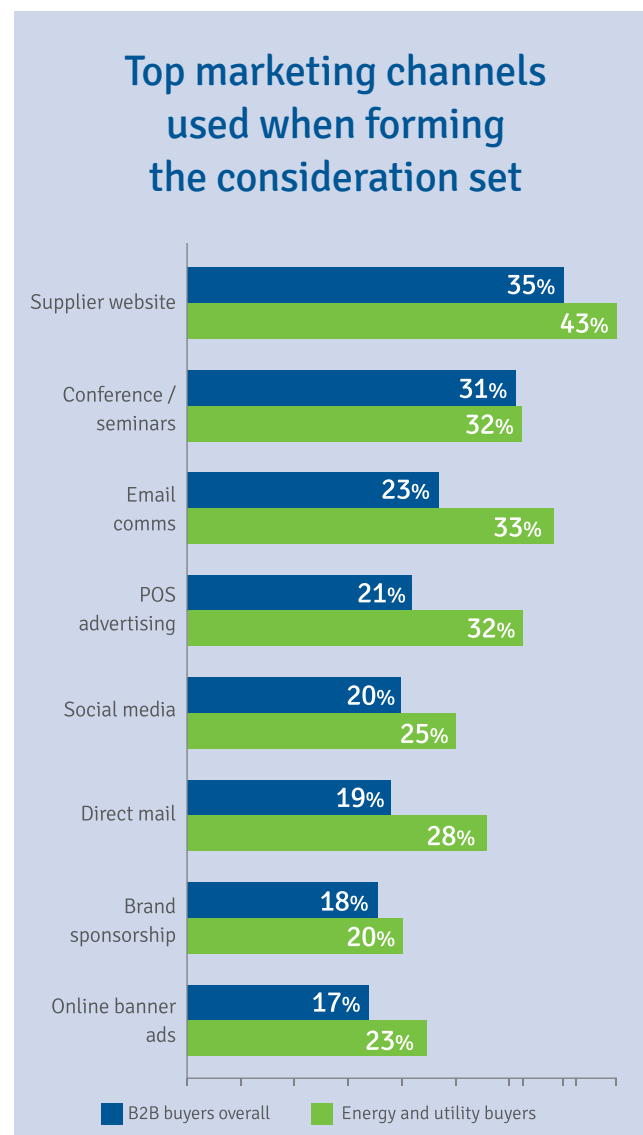
## Qualifying For The Race: How to enter the consideration set

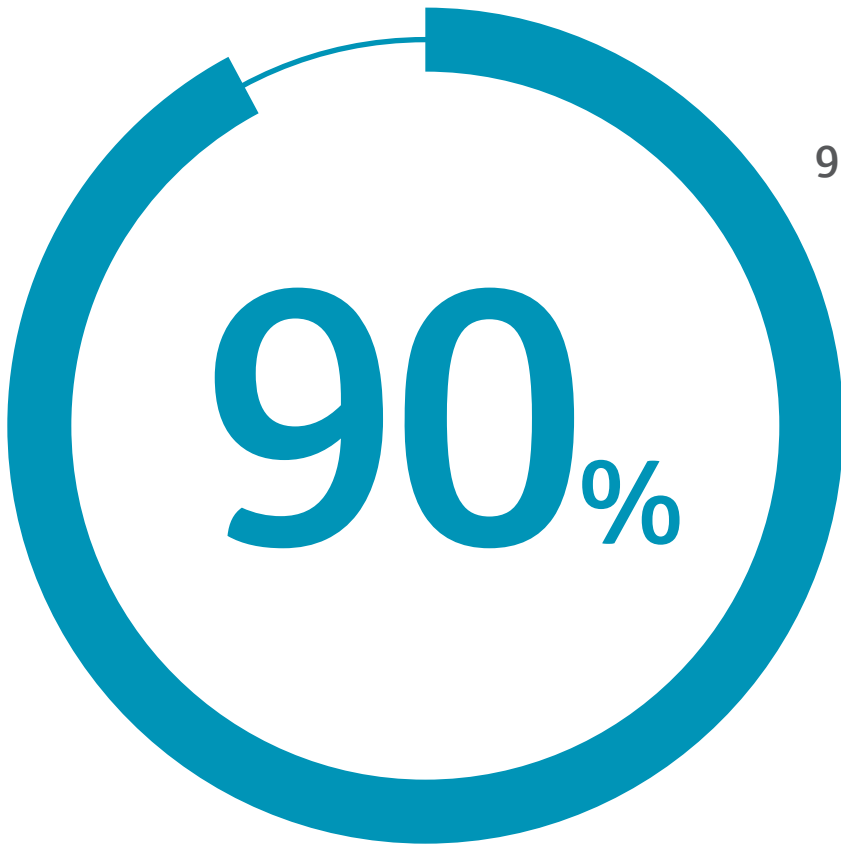
### Make your brand visible (and memorable):

In order for the supplier to even be considered, it is vital for the brand to be noticeable to the target audience. Here, suppliers need to ensure they get the brand-building basics right and achieve omnichannel visibility.

Supplier websites are the most effective for placing content. Across enterprise and SME businesses, the most important marketing channel that buyers use when forming the consideration set is the supplier website, while industry conferences and seminars are still widely used, especially by decision-makers in enterprise businesses. Traditional advertising via email, social media, sponsorships, digital, direct mail or TV, is less effective (but still key in building brand equity outside of a specific purchasing situation).

Among buyers of energy and utilities products, the supplier website is by far the most effective marketing channel, followed by email communications and conferences.



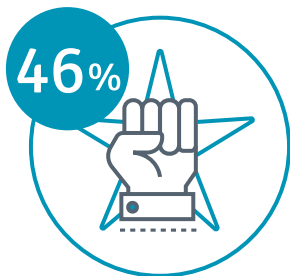


90% of utilities services buyers state that, even before contacts a supplier, a sense of connection to a supplier's brand is as important as feeling confident about what they do.

**Build an emotional connection between buyer and brand:** The research revealed that the brand affinity is most important at the very beginning and at the very end of the buyer journey. It is critical for suppliers to have a strong brand in which customers feel emotionally invested.

Energy and utilities suppliers should aim to:

**Make the buyer feel confident**



► successfully communicated by 46% of winning energy and utilities suppliers in the pre-contact stage

**Create a sense of trust**

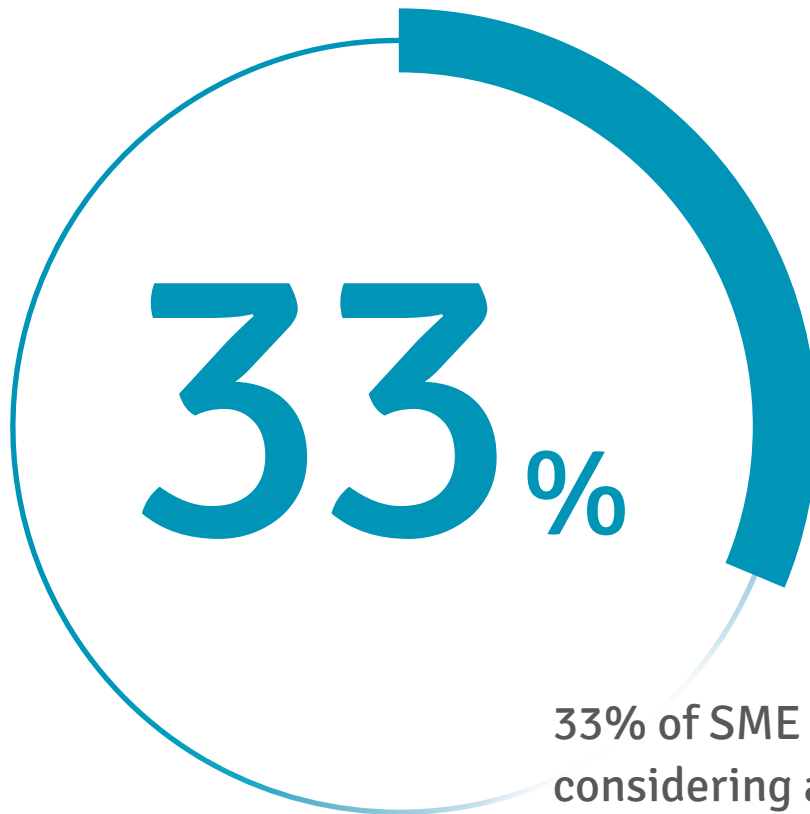


► communicated by 41% of winning suppliers

**Help them to feel optimistic**



► communicated by 32% of winning suppliers



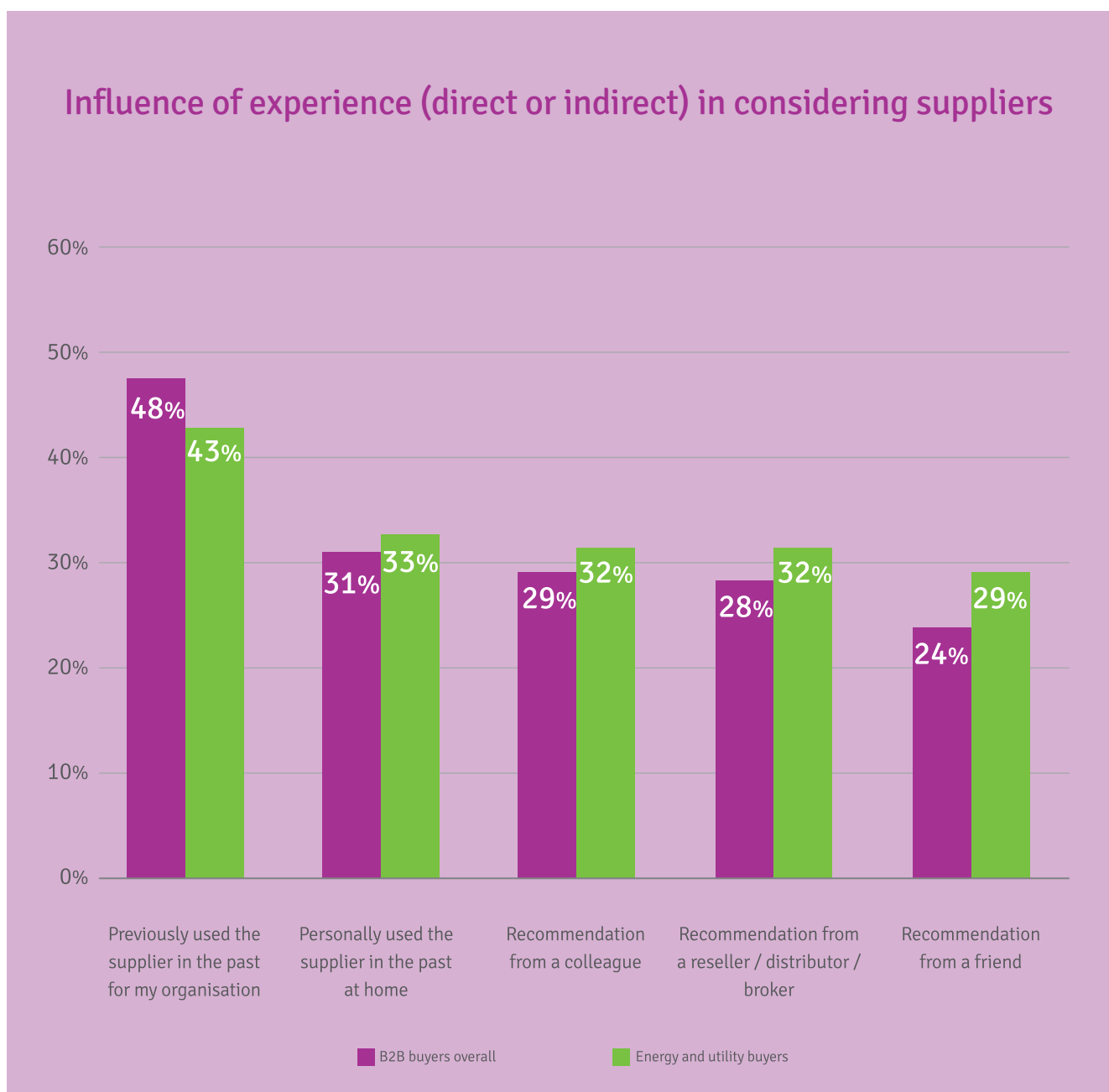
33% of SME utility buyers report considering a supplier for a b2b purchase because they used the supplier at home.

**Deliver a seamless customer experience across b2b and b2c:** Energy and utilities buyers don't simply leave their experiences as consumers at the front desk. Most buyers refer to their previous experience with the brand – whether in a professional capacity or (for categories which serve businesses and consumers) as consumers. Their incumbent experience in the workplace had the strongest direct influence (43% of energy and utility buyers stated that having previously used the supplier professionally influenced their decision to consider a supplier). This underlines the significance of delivering a customer

experience that not only satisfies but exceeds expectations.

Both SME and Enterprise utility buyers rely on their experiences as consumers when choosing a supplier. Within both SMEs and Enterprise businesses 33% reported to have considered the supplier because they had previously used them at home. Suppliers who serve both businesses and consumers should be aware of the synergies between their b2b and b2c offers and ensure an excellent experience and consistency across both.

**Create positive word-of-mouth:** Delivering an excellent customer experience is also key to generating positive word-of-mouth and giving potential buyers confidence, from the outset, in the suppliers they consider. When conducting initial research, half base their supplier shortlist on recommendations. Where those recommendations derive from varies; opinions within the professional environment (from colleagues and resellers / distributors) carry the most weight. However, some utility buyers utilise their private peer groups, with 29% reporting that recommendations from friends were influential in building the supplier consideration set.



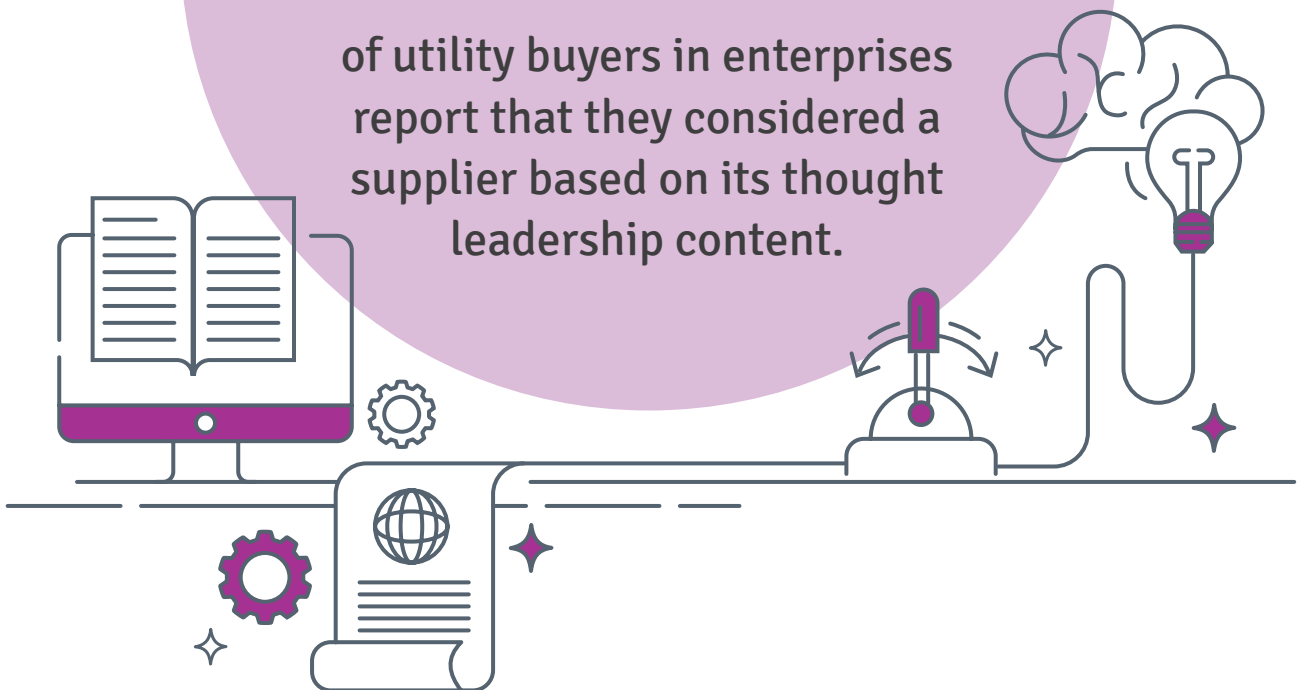


# Jostling for Position: How to gain an early advantage and establish a lead over competitors

**Strengthen thought-leadership positioning:** More than ever, the supplier which establishes a thought-leadership position is the supplier which carries favour with potential buyers. Energy and utilities buyers reported that a demonstration of expertise via content marketing was the third-most important factor in evaluating suppliers under consideration. For enterprise utility buyers, thought-leadership was even more influential (particularly influential for 33% of SME buyers, as opposed to 35% of enterprise buyers).

35%

of utility buyers in enterprises report that they considered a supplier based on its thought leadership content.



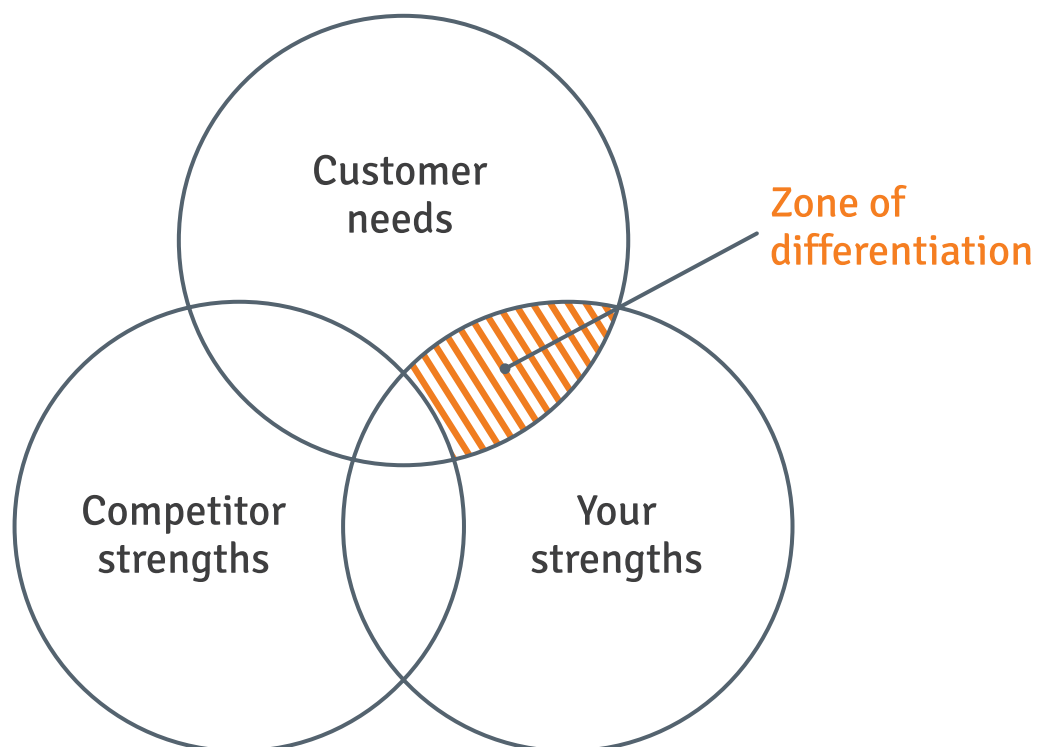
**Clearly communicate your POD (Point of Differentiation) and sell on value:** We know from over two decades of researching b2b markets that buyers are not driven by price alone, but by the value they perceive a supplier can add to their business. Key to avoiding the price war – that is often a problem in commoditised b2b markets – is developing a differentiated customer value proposition (CVP).

An effective CVP must pass the 3Ds Test. It must be desirable, distinctive and defensible. In other words:

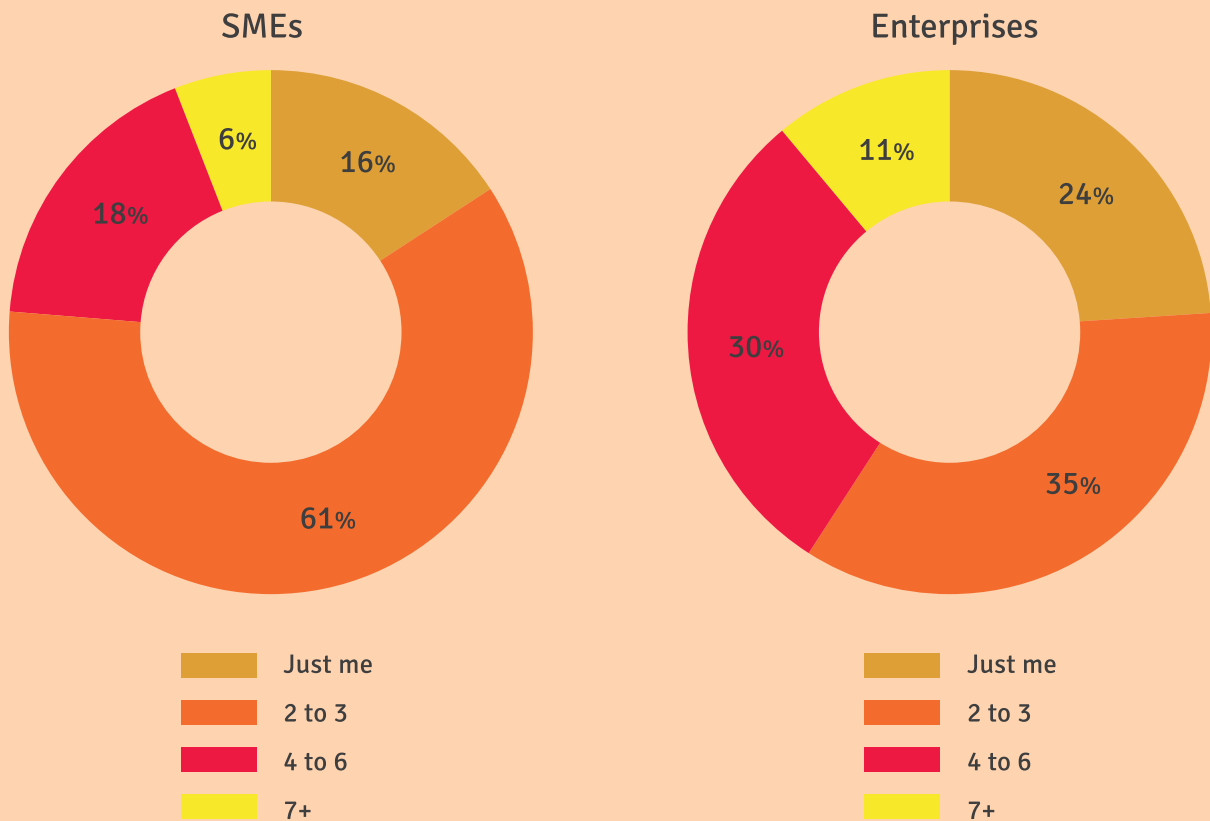
- Focus on the things which matter most to your target audience
- Focus on the things which differentiate you as a supplier from the competition
- Focus on the things which you as a supplier can actually deliver

To identify such a position, suppliers must analyse customer needs, competitor strengths and weaknesses and their own strengths and capabilities. Using the Three Circles Framework can help organisations to find their 'Zone of Differentiation', the sweet spot for a winning CVP.

Once established, the proposition should be clearly communicated during the early and middle stages of the path-to-purchase. By doing so, the supplier is more likely to gain an advantage over the competition and to increase its chances of moving through the decision funnel. A clear and compelling proposition can evoke positive emotions such as confidence, trust and intrigue.



## Number of people comprising the utility buying decision-making unit



Note: figures in the chart may not add up to 100% due to rounding

### Build connections with the influencer network, not just with your #1 target decision maker:

B2B decisions are rarely made unilaterally. In 82% of cases, more than one person is involved in the utilities buying decision and in nearly a third of purchase decisions, a team of 4 or more is required. In the majority of b2b markets, the larger the company is, the wider the sphere of influence when buying decisions are made.

Interestingly, within the utilities buying process, this trend seems to be reversed. Our research showed that decision-making units are slightly larger in smaller businesses than in enterprises. Companies must therefore aim to connect emotionally with multiple stakeholders (often from different functions) rather than focusing all efforts on the one person traditionally considered “the decision-maker”.

# From Silver to Gold: How to become the first-choice supplier

**On average, only 1-2 suppliers will be asked to provide a formal proposal / quote:** By this point in the path-to-purchase, the propositions/offers have passed the litmus test. There may be little on the surface to differentiate the two suppliers. That's where emotion comes in.

**Create an emotional response to your offer:** The final decision on the supplier chosen is driven primarily by the supplier's ability to evoke a positive emotional response in the customer throughout the buyer journey. In fact, our research found that emotional factors account for 56% across all researched b2b markets. The utility buying process, a whole 64% of the final decision is based on emotion.

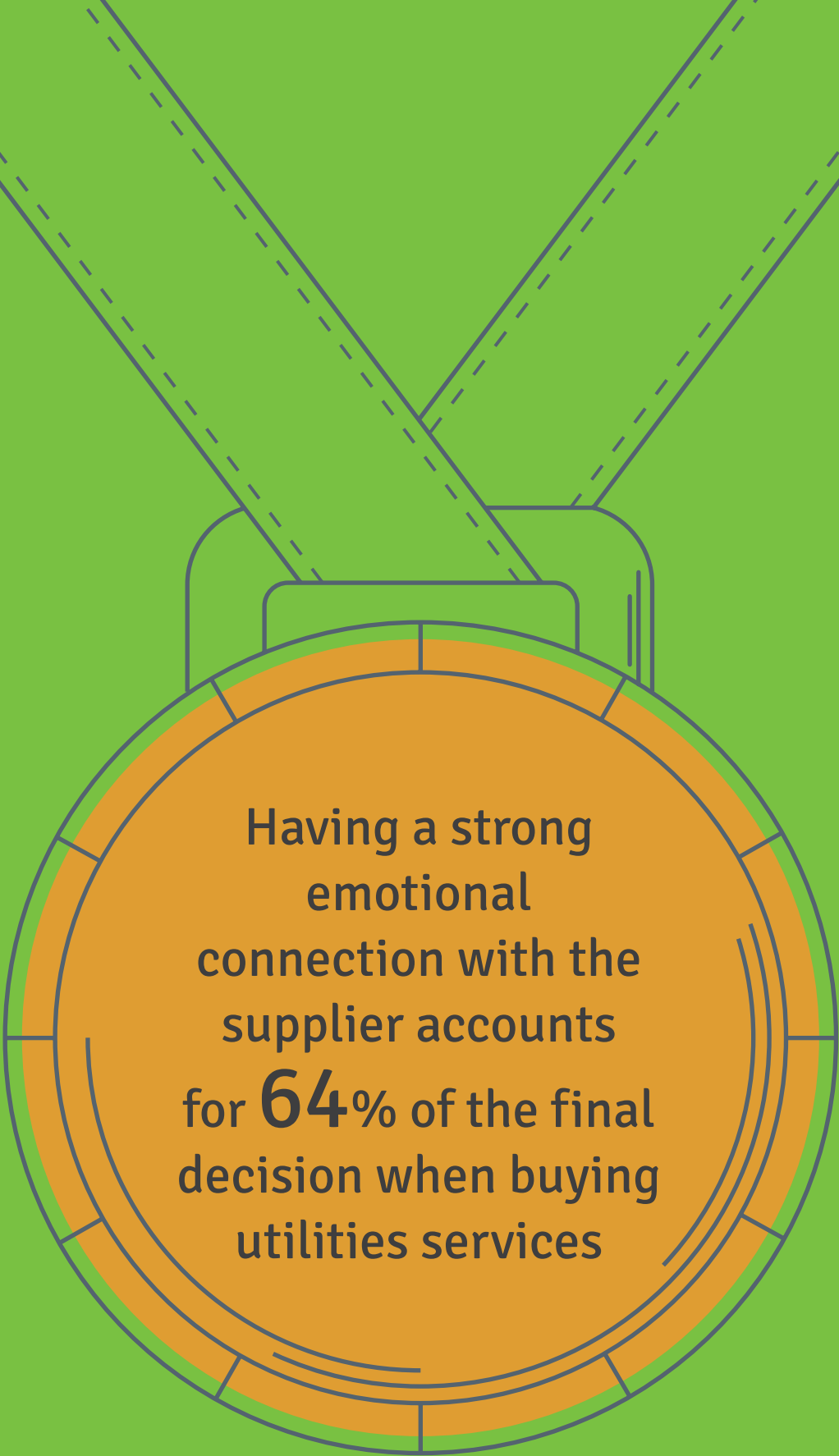
The research found that decision-makers at SMEs and enterprises alike choose suppliers with whom they feel a positive emotional connection.

But what is driving these emotions? How can businesses learn to actively harness their

power and improve their chances of being the final chosen supplier? It's important not to see emotional and rational decision-making as being mutually exclusive and diametrically opposed. Our research suggests that provoking an emotional response from potential buyers is the driving factor behind the supplier decision. However, conjuring positive emotions among b2b decision-makers still requires a compelling offer based on experience, specification and service.

The 4P's of marketing must therefore be fully satisfied to enable a supplier to build an emotional connection. In other words, the foundation of an emotional response is the right product / service at the right price, with the right route-to-market and the right brand.

In truth, generating an emotional connection with customers requires a mixture of relationship-building, a clear demonstration of the supplier's capabilities, a relevant and desirable offer, a service-led focus, and consistent delivery on promises made.



Having a strong  
emotional  
connection with the  
supplier accounts  
for **64%** of the final  
decision when buying  
utilities services

# Trust, Confidence, Optimism And Pride: The biggest influencers of the final supplier choice



There are four key emotions that dominate within the final choice of provider:



Trust in the supplier's credibility



Confidence in the supplier's ability to deliver



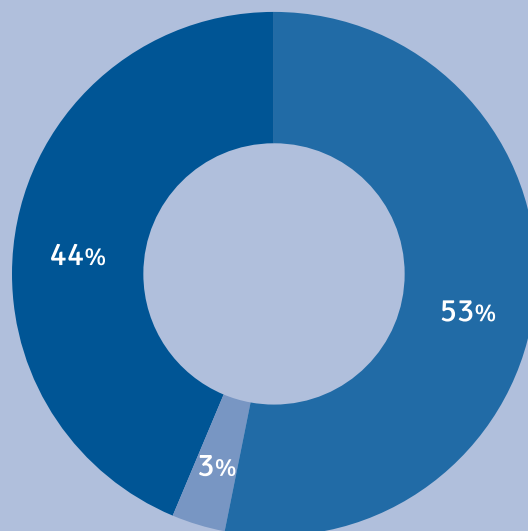
Optimism about what they could do for the buyer's organisation



Pride in the prospect of partnering with the supplier



### What drives the final supplier decision?



■ Positive emotional response    
 ■ Negative emotional response    
 ■ Rational factors

Note: The reason that negative emotions account for a very small part of the final decision is that suppliers which evoke negative emotions (such as apathy / indifference) are likely to have been eliminated from consideration by this point.



## Trust: Driven by reliability, expertise and ease of business

Three key factors produce a feeling of trust:

- First, the supplier needs to be perceived to be reliable: stick to set deadlines, be responsive, meet or exceed industry standards and always deliver on promises.
- Second, the supplier needs to show expertise: be knowledgeable about the problem at hand and provide an expert solution. The expertise should be reinforced, if possible, with a thought-leadership position and case studies of how they have helped others in their industry.
- Thirdly, the supplier needs to be able to provide a seamless and smooth customer experience by supporting the buyer at all locations. A large and established brand with many sales and support outlets will therefore be easier to do business with.



## Confidence: Having the resources to support the customer and the brand reputation to put them at ease

Business decision-makers feel pressure in ways not experienced by consumers. ‘Nobody got fired for buying IBM’ and b2b buyers know it. Ultimately, they want to choose suppliers which can meet or exceed expectations, but also which make them look good to their superiors. Making a bad decision reflects badly on them as individuals; make the right decision and they look like the hero. A good brand reputation helps to drive confidence, in addition to harder factors such as communicating value for money and empathising with the buyer’s business problems and needs.



## Optimism: Built on thought-leadership and problem-solving abilities

The third-strongest element influencing the final supplier choice is optimism (about what the supplier could do for the business). Buyer emotions run deep when thinking about the future implications of a business decision. Will the business thrive with the supplier? Could the supplier help us to achieve our goals? Suppliers can help their customers to feel optimistic by clearly demonstrating expertise within their industry and an understanding of the buyer’s business issues / challenges. Suppliers should refer buyers to an online treasure trove of relevant thought-leadership and adopt an authoritative tone of voice



in marketing communications. During the early stages of the path-to-purchase, suppliers should listen carefully to the customer's needs / desires and find an effective way of meeting them – in a way which is more valuable and distinct from the competition.



## Pride: Driven by proactivity and the ability to make the client look good in front of their organisation

Buyers want to feel pride in the possibility of partnering with the supplier and towards the supplier brand. Of course, this can only be done if the brand is a leading brand in its sector.

Pride can be achieved when the supplier is proactive and makes the buyer look good in front of their organisation and peers. A proactive supplier is a supplier which anticipates problems the customer may have encountered, or will encounter, and offers solutions without being prompted. Experienced or incumbent suppliers may find it easier to be proactive but should still avoid approaching the customer with a “one size fits all” solution. A tactical way to appear proactive is to be in regular contact with the potential customer and to respond to requests in a timely manner.

The Golden Rule, of course, is to make the customer look good in front of his or her peers. Suppliers should never fail to deliver on the promises made; be reliable, stick to set agreements, be professional at all times and demonstrate an authentic and deep understanding of the ways in which the customer's organisation operates.



## Uncertainty, scepticism and confusion: These result in you losing business

The strongest negative drivers validate the positive drivers within the final supplier choice.

- First, the supplier should, by any means, avoid instilling a feeling of uncertainty about its own core competencies and always showcase its expertise and professionalism.
- Second, the supplier should always be transparent with its pricing structure and about the service or product it is delivering, therefore avoiding any concerns or scepticism the customer might feel as a result.
- Thirdly, the supplier should avoid causing any confusion about its value proposition and always clearly communicate the benefit the client will receive from purchasing the product / service and stay true to its word when delivering it.

# Establishing Stronger Emotional Connections: The four steps of emotional engagement

To help b2b suppliers build stronger brand connections and to harness the power of the all-important emotions that buyers feel, we created the “4 Steps of Emotional Engagement” framework. Initially created based on our many years of project work, the framework has been firmly validated by the 2019 ‘State Of B2B’ Survey.

## Four Steps of Emotional Engagement

### TRUST



A brand has to be trusted to enter the consideration set.

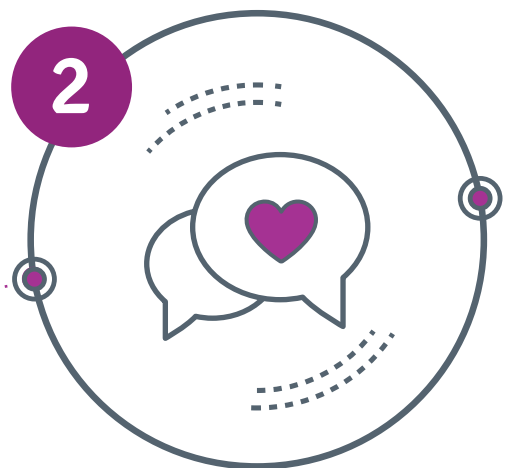
### ATTRIBUTES

“a brand you can really rely on”

“a safe brand”

“reputable”

### EMPATHY



A brand needs to demonstrate an understanding of the buyer / user needs, pain points and desires. Empathetic brands care about their customers and share similar values as them.

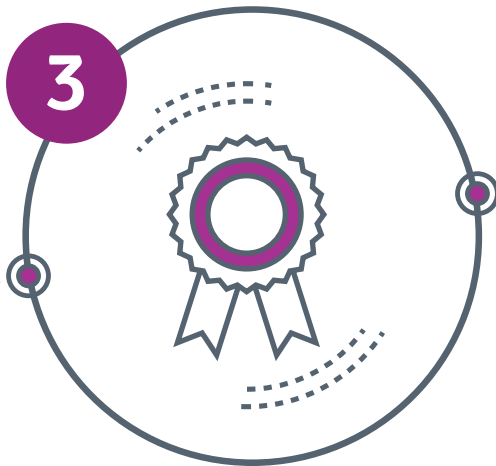
### ATTRIBUTES

“genuinely sympathetic to customer issues”

“easy to relate to”

“agile in problem-solving”

## ENRICHMENT



Beyond understanding the customer, the more emotionally-resonating brand is one that makes a significant impact on the user experience and / or empowers the customer to achieve more.

### ATTRIBUTES

“makes customers feel inspired”

“more confident”

“more accomplished”

## EMINENCE



The ultimate level of emotional engagement is when the brand is held in high esteem by customers, to the point that they are proud to associate themselves with the brand. These are typically prestigious brands or those that comprise a degree of exclusivity.

### ATTRIBUTES

“a brand to live up to”

“a brand I’m proud to own”

“a brand ahead of the rest”

Our research shows that businesses choose to work with suppliers which perform well on at least one of the four levels of emotional engagement. Building emotional engagement isn’t linear but establishing trust should be the first step, as trust is the emotional response most predictive of supplier choice.

An emotional connection of eminence is the ultimate and hardest to achieve within our framework. Our research reveals that 1 in 4 chosen suppliers are able to evoke a sense of pride in the buyer.

## What We've Learnt

Head or heart? Are b2b buying decisions driven by emotional or rational thinking? The answer is **both**. B2B buyers are neither rational machines, able to zone out feelings when making decisions, nor are they unpredictable and purely emotional.

The b2b buying process is a complex one with a multitude of interrelated emotional and rational factors influencing each and every step of the path-to-purchase. Our research can be used as a guide for navigating the path-to-purchase successfully and winning business by developing a strong emotional connection with potential customers.

### Making it into the consideration set:

- To qualify for the race and to make it into the initial consideration set, a supplier needs to fulfil the minimum requirements: sell a quality product / service at a decent price with the right distribution channels.

- Beyond that, the supplier needs to have a strong and emotionally engaging brand that is visible on all important marketing channels.

- The incumbent advantage is the strongest pull factor of any brand within the initial supplier research stage, closely followed by peer recommendations. The supplier therefore needs to make sure to always deliver an excellent customer experience to guarantee returning customers and positive word of mouth.

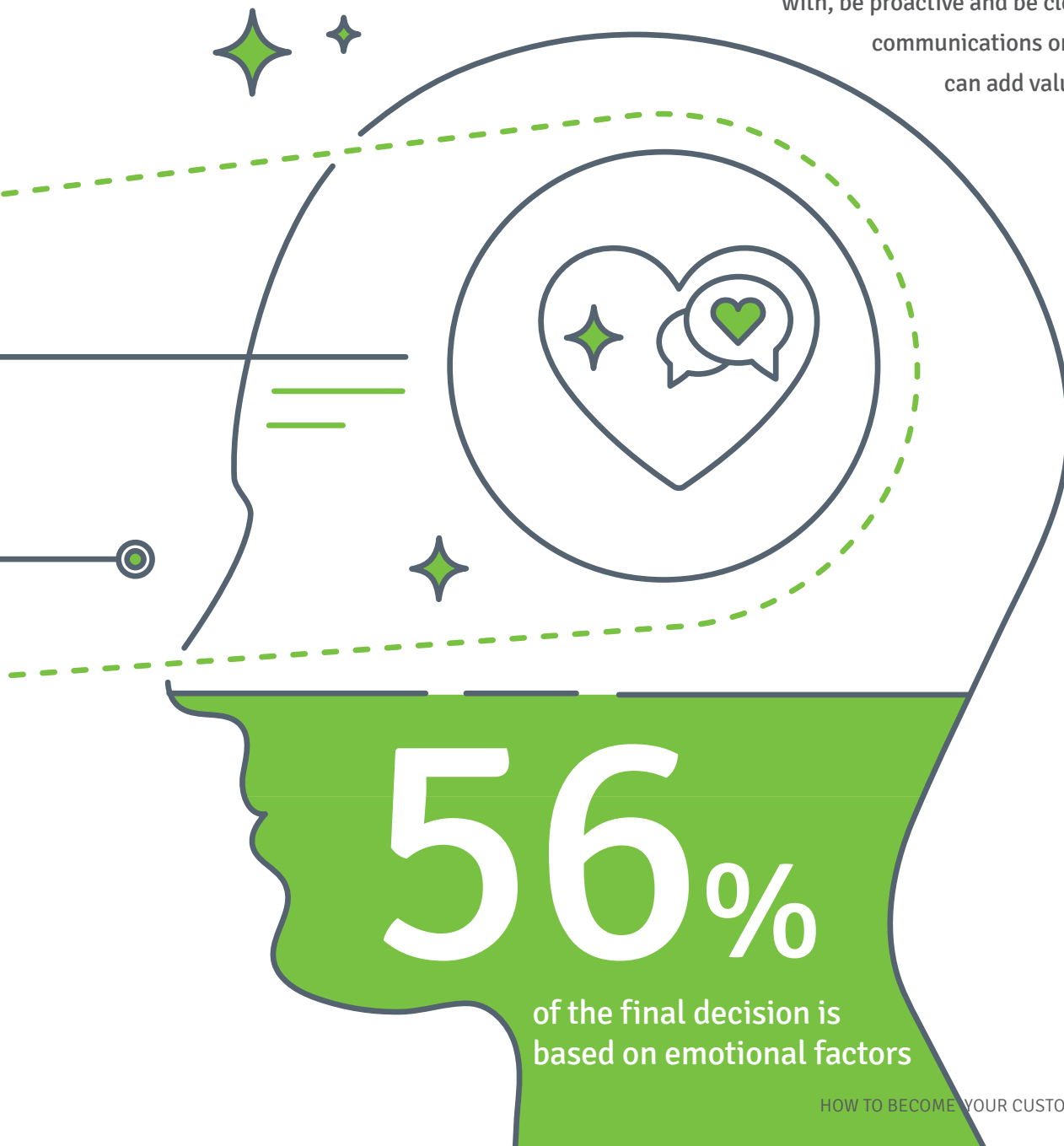


## Gaining an early advantage:

- To get ahead of the competition early on, a suppliers' thought-leadership positioning is key. At this stage, the supplier also needs to develop a differentiated value proposition and effectively communicate it to stand out from the crowd. Marketing and relationship-building efforts need to be directed at multiple members of the decision-making unit, as b2b buying decisions are rarely made unilaterally.

## Becoming first-choice supplier:

- The decision between the final suppliers is 56% based on emotion, rational factors account for 44%. Within the final utilities buying decision, emotion plays an even bigger role, as 64% of it are based on emotional factors. There are 4 emotions that have the biggest impact: trust, confidence, optimism and pride. To elicit these emotions within the final choice, suppliers need to fulfil several factors including: be reliable, be knowledgeable, be easy to do business with, be proactive and be clear with all communications on how they can add value.



56%

of the final decision is based on emotional factors

# Methodology

B2B International, in association with leading full-service global B2B creative agency gyro, surveyed 2,000 decision-makers across a variety of functions – ranging from IT, Marketing and HR to procurement and business management.

The sample included small, mid-sized and large b2b and b2c businesses. Respondents were based in the US, China, Spain, the UK, France and Germany. The research was carried out in Q1 of 2019.

# B2B International

B2B International is the world's leading specialist business-to-business market research agency and is part of gyro, the Dentsu Aegis Network-owned global creative B2B powerhouse. B2B International has offices in Europe, North America and Asia, and specialises in developing bespoke market research solutions for global clients. It counts 600 of the world's 1,500 biggest companies among its clients, including the likes of Vodafone, Stanley Black & Decker, Mastercard, DHL, Honeywell, BP, Air Products, Microsoft and Samsung.

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