

Paving the Path to Purchase: Identifying the Decision-Making Process for B2B Customers

Case History

Category: *Manufacturer*

Methods: *Business-to-Business Research, Key Driver Analysis, Qualitative Research, Quantitative Research, Path to Purchase*



Summary

A manufacturer of products for household and workplace usage wanted to increase its knowledge about the path to purchase—how and why business customers buy their products—in order to effectively reach them with the right content at the right place and time.

Strategic Issues

In a highly competitive marketplace, this manufacturer needed insights to help it sell more effectively to businesses. Historically, understanding of “business-to-business” customer needs and their decision-making process was gathered informally, utilizing a variety of nonsystematic feedback mechanisms. The path-to-purchase research would provide a structured means of “discovery,” where customers would be asked very direct questions about their process in a recent purchase decision.

The overarching strategic objective was to improve the B2B customer relationship by understanding how customers would like to work with suppliers overall and how they go about making their purchase decisions. The research would be a catalyst to improving the customer experience and marketing return on investment by aligning sales and marketing resources along situation-specific purchase paths.

Research Objectives

The research objectives were to:

- Gauge customer preferences for the relationship. This included depth of relationship with manufacturer, nature/frequency of contact, method of contact, and means of gathering product information.
- Clarify the customer decision journey (by business size, purchase occasion, and level of product knowledge). This included the stages of the purchase process (e.g., brand/educational research, comparison shopping, final selection, and purchase), the amount of time at each stage, information sources accessed, content requirements, and pain points.

Research Design and Methods

The target audience for this path-to-purchase research was U.S. customers, including first-time product buyers. A two-phased research approach was recommended: qualitative, followed by quantitative.

The qualitative phase was used to gain insights into the path to purchase and to discover unforeseen insights that could be used in the survey for the quantitative phase.

A Time-Extended™ online methodology was used for this qualitative phase. Topics were posted over a three-day period. Respondents were permitted to log in and out of the session at their convenience and to submit responses to questions posted daily. The methodology allowed for easy client viewing, insertion of additional probes as needed, and collaboration among participants. Topics covered included the following:

- Purchase-path behaviors, including steps taken and time needed throughout
- Preferences for information resources and interaction with the seller
- Pain points and frustrations related to purchase path or preferences
- Reactions to stimuli (trigger-point maps) for discussion/validation

The findings from the qualitative phase enabled the team to develop a survey instrument for the quantitative phase that covered the key purchase-path stages and provided considerations for the language used by the target audience. The quantitative study was conducted over the Internet. A nonprobability quota sample of decision makers (stratified by segment, business type, and business size) was pulled.

Questions covered a wide range of topics in order to fully understand the customers' path to purchase. Closed- and open-ended questions were used. The relationship with distributor and/or manufacturer sales representatives was an area of focus, and preferences and attitudes about digital vs. face-to-face contact, frequency of contact, and information needs were probed. Respondents were also asked to describe the "ideal relationship." Specific questioning about the path-to-purchase process covered the following:

1. Past purchase behavior
2. Prepurchase activities
3. The purchase process
4. Postpurchase activities



A path-to-purchase map by key customer segments (business type, business size, etc.) was developed for an effective visual understanding of the purchase process. In addition, a key-driver analysis was conducted to help prioritize the purchase-decision factors to enable the team to focus their strategic efforts.

Results

The research revealed some very interesting and important insights. The client learned how important free product trials were to the B2B audience in making their final purchase decision. Additionally, the client learned how B2B customers balanced opposing decision factors, such as the importance of a low price versus a willingness to pay a premium for higher-quality product options. The results were unexpected by the client organization's executives. The research also revealed that the path to purchase varied based on company size, type, and level of experience.



The path-to-purchase research revealed the high level of reliance on the Internet for product information, video demos, and product ratings and reviews. This indicated to company management that further investment in online strategy was warranted.

From a sales perspective, the findings showed the preferences customers had on how much contact they desired with sales reps, when they preferred the contact, and the method of that contact (in-person versus phone). The research also revealed what type of sales approach the B2B customers preferred, and what value the customers placed on live product demonstrations.

The research enabled sales and marketing leadership to collaborate strategically and develop the right sales techniques and tools for a more customer-centric approach to all customer relationships, as well as to customize the sales approach based on the size of business, type of business, and level of experience with the product category.