

# A Battle of Wits: How to Win Over the Cautious Buyer

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The Momentum ITSMA Client Buying Index® codifies decades of our work helping clients grow revenue in enterprise accounts and is used every day in our work to increase success rates.

For the Summer 2023 edition, we surveyed 370 business and IT leaders across North America, Europe and Asia-Pacific who were involved in complex strategic buying decisions with an investment value of over \$500k. Over 70% over the companies we surveyed had revenues of more than \$1bn.

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## The paradox of choice

In 2004, psychologist Barry Schwartz published a book titled *The Paradox of Choice: Why More is Less*. In it, Schwartz argued that (American) consumers have more choice than any group of people has ever had before – and it’s making them miserable. While autonomy and freedom of choice are critical to our wellbeing, there’s such a thing as too much choice.

Such is the plight of the B2B decision-maker today, nearly 20 years later. Except it’s not just breakfast cereals and TV shows that they’re drowning in. It’s cutting-edge technology solutions and innovative solution providers.

The buying process remains hotly contested: two-fifths of enterprise buyers research eight potential providers or more. Is it any wonder that 63% of clients report feeling overwhelmed with information and 74% agree that there are too many options to consider?

Back to *The Paradox of Choice*. When people are faced with multiple choices, writes Schwartz, they begin to evaluate their options in terms of missed opportunities – what economists term “opportunity cost” – instead of the potential opportunities created by the final choice.

These trade-offs impact how we feel about the decisions we face, including how satisfied we are about the decisions we make.

It seems B2B buyers experience the same consternation when it comes to making large technology purchases. Roughly two-thirds (68%) believe that the potential for making a poor decision has increased as solutions have become more complex and costly. Nearly half (49%) of the enterprise buyers we surveyed believe it’s harder to make purchase decisions for complex technology than it was two years ago – up from 45% last year.

This could explain why incumbents are more likely to be shortlisted and secure revenue with their existing customers than new vendors. And why clients are taking a conservative approach to change this year: more than half (55%) of the decision makers we surveyed are looking to make incremental improvements instead of radical modifications in their organization.

**83%**  
shortlist the incumbent

**74%**  
of those decide to purchase  
from the incumbent

In such a confusing environment, perhaps we’re seeing a ‘better the devil you know’ approach to decision-making. Whatever the case, ‘cautious’ is the word of the moment.

# How to win over the cautious buyer

Whether you're an incumbent solutions provider looking to expand your existing account or a disruptor hoping to dislodge an established competitor, there are ways to improve your chances of success in the cautious environment.

Unsurprisingly – especially given buyers' fear of making a bad decision – return on investment is top of the agenda. "Deliver in 12 months or less and we will more likely give your solutions the go-ahead," says a whopping 87% of enterprise buyers.

Few vendors can guarantee ROI in under a year, especially given the complexity of solutions and the environments in which they are installed and deployed. So, aside from aligning with the goal of 12 months, there are several key reasons why an incumbent or a challenger might win.

## Incumbents win if:

- There's a strong mutually beneficial relationship
- You are easy to do business with
- You are a proven thought leader
- You understand the client's business/industry

## Challengers win if:

- You are more agile
- You provide access to new capabilities
- You have a wider portfolio of services
- You have a better understanding of the client's business

Winning over a cautious buyer isn't about what solutions you have. Three quarters of the winning factors are about how you do business. It's about how well you understand your client's environment and how you use that intelligence to engineer a deal too good to pass up.

In short, the battle for business is a **battle of wits**.

Analysis of our survey findings from 370 business and IT leaders across North America, Europe and Asia-Pacific highlighted four core areas that will make an impact on how cautious buyers respond to your engagement.

## They are:

- Insight
- Thought Leadership
- Collaboration
- ESG and DEI

## It all starts with insight

For both incumbents and new providers, understanding the client's business is table stakes. But the deeper your knowledge, the deeper you can penetrate the account and win new business.

"Everything starts with insight," says Robert Hollier, Partner and SVP of Research at Momentum ITSMA. "In this challenging environment, growth is hard to come by and few companies are prepared to spend liberally on a slap-dash approach to insights."

Instead, sales and marketing leaders should be focusing on finding pockets of growth. "To identify those pockets of growth, you've got to really understand your clients," says Hollier.

Conversely, the less you know about your clients, the more likely you are to stall. Of the decision makers we surveyed, 44% said the reason technology investments have failed post-purchase is because the vendor did not understand the client's specific needs.

At a basic level, there are three tiers of insights. First is the wider industry changes that are affecting your client – what Momentum ITSMA calls 'industry imperatives'. This is followed by how your client is responding to those changes – what we call 'business and operational initiatives'. The last tier is understanding your individual stakeholders' imperatives – their goals, priorities, challenges.

### Clients' top challenges across industries are:

- Operational/supply chain challenges
- Collaboration in a hybrid environment
- Macroeconomic uncertainty
- Increased number of decisions and decision makers

But there are infinite insights out there – from competitive intelligence, to buyer journey mapping, to persona profiles and anecdotal feedback.

This is a blessing and a curse. "You can go on doing research forever," says Hollier. "You risk getting 'analysis paralysis', where you have so much information that you feel like you can't move."

Most research projects don't hit their true potential due to an inability to follow through to action. It's a reminder that when you're gathering insights, clients want you to understand their business and challenges – not just know them. That means empathizing with and being sympathetically aware of their situation. It's the difference between telling them they are struggling with supply issues and showing how to overcome them with thoughtful, relevant advice and information.

This brings us to the next must-have tool in your armory: thought leadership.

## Be a thought leader

“They are a thought leader” was a top reason why clients stuck with their incumbent on their last large technology purchase. But what is a thought leader and how do you become one?

‘Thought leadership’ is a widely used – and misused – term in marketing. Companies often refer to almost any type of content or presentation as ‘thought leadership’. Effective and client-recognized thought leadership typically relies on serious research that supports unique points of view. In other words, if it’s not backed by evidence and you’re not providing a pointed opinion, it’s just content.

If it’s research-based and unique, it can then provide a foundation for all sorts of related assets and activities in the market.

### Our definition of thought leadership is:

“An original, evidence-based point of view that builds reputation, drives innovation, and helps clients address significant challenges and opportunities.”

“Ultimately, thought leadership is about creating conversations with your clients,” says Mark Wellings, who heads up Momentum ITSMA’s specialist thought leadership team.

“The ultimate test of thought leadership is: did it actually engage clients? It might be insightful, it might be intelligent, it might be original, but if it’s not creating a conversation, what was the point?”

You don’t need to commission a survey of great scale or expense. If you’ve read our section on insights then you’ll know that research comes in all shapes and sizes. The point is to root your content in fact so that it is both credible and relevant and shows that you understand your clients’ businesses and goals.

Thought leadership can also help boost your clients’ awareness of your new capabilities and portfolio of services – a top reason why challengers win – providing you’re referencing them organically.

But a word of warning: the second clients sense you’re trying to sell them something is the moment your thought leadership becomes just another sales pamphlet destined for the bin.

### Download our Thought Leadership Index

To find out what clients really think about thought leadership, [download our Thought Leadership Index](#) (formerly known as The Value of Thought Leadership Survey), which examines C-Suite attitudes and preferences toward thought leadership, including why they consume it, the formats they prefer, and whose views they seek.

## Collaborate to accumulate

We've seen that cautious buyers want to reduce the amount of risk in making large technology purchases by opting for a solutions provider that can guarantee results. Another trend we're seeing is buyers wanting to play a bigger role in innovating solutions themselves – effectively becoming one of the team. Almost nine in 10 (86%) enterprise buyers we surveyed said they are more interested in collaborating with solution providers for joint innovation, an increase of 14% since 2021.

This increased appetite for involvement from end to end is another sign that buyers are reluctant to relinquish control in an attempt to reduce the risk of a poor investment. The desire for collaboration – and fear of failure – extends beyond the initial purchase: over three quarters (78%) said they want their solution provider to help with marketing to drive adoption of the solution post-purchase.

Three-quarters (76%) of clients we surveyed said they receive valuable innovation recommendations from account managers. But it's not just the account reps who should be pitching in.

"It's important to get your subject matter experts (SMEs) engaged with a client early on," says Adam Bennington, Momentum ITSMA's Head of Consulting, EMEA. "Clients may not naturally talk about innovation with a salesperson, but with an SME they're more likely to engage in speculative, 'blue sky' conversation."

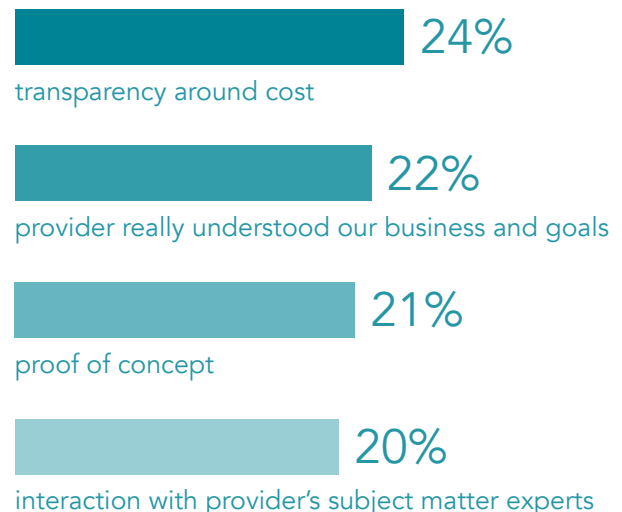
Here, the executive briefing center (EBC) is invaluable. Of the respondents who attended an EBC during their last technology purchase, 65% said the strength of their relationship with the solution provider improved and nearly three-quarters (72%) said their understanding of the latest trends and developments improved.

Whether the innovation or briefing center is at your facility, held virtually, or brought to the client, it can not only improve your reputation, but it can also improve the likelihood of the client purchasing from you.

It's no coincidence that ABM leaders – the organizations with above-average ABM skills – rate higher on sales and marketing collaboration and cross-organizational collaboration than the average marketer. "Thought leadership can also be collaborative, because you're eliciting original and unique viewpoints from industry players, some of whom can be your clients. In this sense, thought leadership offers a win-win scenario in that you're creating valuable content while nurturing an important commercial relationship," adds Hollier.

But beware: joint innovation does not mean building custom solutions for every client. While it's important to ensure your solutions are fit to size, you must be realistic – and transparent – around the cost and maintenance of such customization.

### Key moments that matter:



## Your not-so-secret weapon: ESG and DEI

While environmental, social, and governance (ESG) issues have been high on the agenda for clients and vendors for many years, we are at a turning point. Eighty percent of respondents to our survey said ESG is important when evaluating the solution providers on their shortlist and making the final decision.

Over a third of our respondents (36%) said it was a deciding factor for which solutions providers they included on their shortlist. ESG could finally become the differentiating factor between you and the competition.

Closely tied to ESG are matters of diversity, equity, and inclusion (DEI), which clients are increasingly scrutinizing with equal measure. DEI encapsulates the initiatives and credentials an organization has around fostering an inclusive culture that represents a broad spectrum of identities, thoughts, backgrounds, races, religions, and so on.

Formal organizational processes like recruitment, onboarding and career progression plans fall under DEI, due to their potential to perpetuate bias, exclusion, and inequality. But organizations are also held accountable for their culture: do they promote open and honest conversation from all levels? Are they making sure that everyone has the opportunity (and feels comfortable enough) to take part in events or team building activities regardless of their location, identity, etcetera?

Currently, 36% of respondents said that DEI was an important but not a must-have or deciding factor when assessing providers. Just over a quarter (27%) said it was a deciding factor for which providers they included on their shortlist.

There has been much said of greenwashing – when a company speaks to environmental initiatives and achievements that are false or exaggerated – in recent years, and it's clear that clients are becoming more discerning about the organizations they partner with.

Getting it right all starts with insight. Find out what's important to your people and your clients in order to inform the strategies and initiatives that create the biggest win-win-win scenario (win for you, win for the client, win for your people and their environment).

**Winning the cautious buyer means creating an opportunity that is too good to pass up. With deep insight, powerful thought leadership, advanced collaboration, and a strong ESG foundation, you could be a provider that no one wants to miss out on.**





## About Momentum ITSMA

### We know what works, what doesn't, and what's next

We launched the concept of account-based marketing (ABM) in 2003. Since then, we have enabled clients to break growth records, double NPS and increase sales velocity. We have certified and supported more than 3,000 practitioners around the world. And we have delivered significant revenue growth for clients.

Over this time, we've gained a deep understanding of the Global 2000 and decades of experience helping sales and marketing leaders grow their accounts. Our practices have deep domain expertise in technology, financial services, and professional services.

Please get in touch if you'd like us to present the full CBX findings, including breakdowns by sectors, job roles and regions, or discuss what the implications are for your own growth strategies.