SiriusDecisions

Research Brief

Identifying and Overcoming Buying Group Blindness

The buyer in most b-to-b purchases is a team of individuals within a prospect organization who work together to research and acquire a solution that solves a business problem

For most b-to-b organizations, the individual – not the buying group – is still the unit of record for demand management processes, causing poor performance and misalignment

Organizations that re-engineer demand management processes to account for buying groups can create a competitive advantage

Throughout history, humans have imagined the presence of unseen forces – sorcery, karma, warring gods, aliens and tree sprites – to explain natural events such as earthquakes, hurricanes and eclipses. As science has progressed, however, our understanding of these events has become clearer, allowing us to understand, measure, predict, manage and sometimes even control them.

Unseen forces – in the form of buying groups – influence important events that take place during b-to-b purchases. These groups operate in plain sight, but just out of view of most demand management processes. In this brief, we describe how and why b-to-b organizations must uncover the buying groups that influence buying decisions, and describe methods for better understanding and measuring their influence.

The Problem With a Lead-Centric View of Buyers

When individuals come to b-to-b websites, complete forms and consume content, marketing teams take it as evidence that those individuals' organizations may be in the market for the kinds of solutions that they are selling. SiriusDecisions' research suggests, however, that a given lead on its own is not reliable evidence of a buying motion. On average, fewer than one in 100 inquiries converts to closed/won business, and for many b-to-b segments and organizations, the conversion rates are substantially lower. Moreover, according to data from the SiriusDecisions Command Center™, just over two out of every 100 automation qualified leads (AQLs) convert to closed/won business.

The key to finding better evidence of an active buying process is understanding buying groups. SiriusDecisions' research indicates that 59 percent of buying decisions are made not by individuals, but by groups of people working together (see the brief "The SiriusDecisions Buying Spectrum") who engage in an average of 15 interactions with sellers. These groups consist of individuals with varying roles in the buying process (see the brief "B-to-B Buyer Roles").

To better reach members of each buying group, SiriusDecisions has long recommended operating demand creation programs that incorporate messaging and offers targeting the most critical roles within these groups. But regardless of messaging and offers, multiple members of prospect organization buying groups frequently visit sellers' websites to conduct pre-purchase research. As a result, selling organizations find that multiple individuals from the same prospect organization engage with their digital assets within a small time window (e.g. 30 to 60 days).

Although one buying group member visiting a b-to-b website is not, by itself, a reliable signal of a buying process, multiple buying group member visitor signals reinforce one another and create an increasingly strong signal as more buying group members appear. However, most b-to-b organizations fail to recognize multiple signals from the same account as important; their lead management processes actively suppress the recognition of the second and subsequent buying signals received from prospect organizations (see the brief "Identifying and Resolving Second-Lead Syndrome in Demand Management"). With the most common form of second-lead syndrome, lead development representative (LDR) teams automatically disqualify any AQL received from an organization that indicates an open opportunity. This may seem like a harmless practice, but it often suppresses valuable information that sales could use in its selling efforts. It also disguises a positive demand creation signal (more engagement from a prospect account) as a negative demand creation result (duplicate leads) and creates the perception of a problem (e.g. duplicate leads, poor lead conversion) when it actually indicates success (i.e. heightened demand in a prospect account).

Missed buying signals can create serious problems for b-to-b organizations. Contrast the following scenarios: In scenario A, a person identifiable as a buyer persona visits Zeta Corp.'s website, completes a content gating form and downloads 10 pieces of content in a week. In scenario B, 10 distinct individuals from Zeta Corp. – each corresponding to a buyer persona – visit the Web site and each download one piece of content in a week. Virtually any sales rep would say that, all other things being equal, scenario B is the more promising opportunity. After all, what are the chances that 10 individuals from a prospect account would consume content at roughly the same time unless they collectively have a business problem they are trying to solve? However, the one person downloading 10 content items is scored as an AQL and sent on for qualification by the LDR team, while in most organizations using standard lead scoring methodologies, scenario B – one of the most important buying signals a buying organization can transmit – is not even detected.

First-Party Intent Data

The anonymous traffic that appears on b-to-b websites every day is another potentially valuable form of intent data in the form of first-party identified intent (see the brief "The SiriusDecisions Intent Data Framework"). An estimated 80 percent to 95 percent of b-to-b provider website traffic is anonymous – not from visitors that are logged in to the site.

Identifying the source of that anonymous web traffic can reveal which prospect organizations are exhibiting interest in the provider's solutions, yielding another buying signal in addition to those given by form-filling visitors. In combination with form-fill data (first-party known intent), first-party identified intent can provide a complete and informed picture of the buying signals of the buying group members. Failure to identify the source of anonymous traffic may result in failure to detect a critical – and accessible – source of buying signals.

Determining Which Buyer Groups Are Engaging

Understanding which buyer personas are involved in a buying decision and how they influence purchases provides valuable context to organizations' understanding of buying groups. In most b-to-b organizations, product marketing professionals have developed an understanding of the buyer personas that participate in evaluating and purchasing.

However, other members of the buying group are likely already present and interacting with digital content. Uncovering this activity and analyzing and associating related lead and website traffic data with the accounts and opportunities to which it belongs increases the selling organization's understanding. For multiple-solution providers, initial analysis should be restricted to activity related to one solution or suite. Begin with a set of leads covering at least one quarter, but ideally spanning the typical sales cycle for the selected solution.

If the organization uses a lead-to-account matching tool that automates the matching of incoming leads to accounts and/or opportunities, consult with the tool provider and/or internal operations resources to acquire reporting on how many leads are typically associated to the set of sample accounts. In this analysis, avoid bundling leads for multiple solutions. Use campaign membership, tagged-content consumption and demographic data such as the department and title supplied by individuals to determine association with an opportunity.

If the organization does not use a lead-to-account matching tool, complete the analysis manually by summarizing all lead activity from the selected time period. Use firmographic and demographic variables to match leads to their accounts, and use campaign membership, tagged-content consumption and demographic variables to associate each individual's interests to solutions.

Whether using a lead-to-account matching tool or manually compiling the reporting, take the following steps:

- **Summarize and assess.** Identify the number of unique individuals coming from the same organization who are all interested in the same solution at the same time. If there is evidence of buying groups consisting of multiple individuals, determine whether second-lead syndrome exists, and remediate if it does.

- **Analyze buying groups.** Consider the nature of the buying groups by answering the following questions: Of the buyers who are already researching as part of buying groups, do their titles and organization levels correspond to expectations? Do they represent targeted buyer personas? Divide accounts into two categories: those that produced opportunities and those that did not produce opportunities. Do the buying groups in the two categories differ in size? Do the types of individuals differ within the two groups? Do some accounts have substantial prospect activity but no AQLs, telequalification qualified leads or sales qualified leads? These might be evidence of missed opportunities.

- **Add anonymous traffic.** If the organization already de-anonymizes Web traffic, match anonymous web traffic to accounts with opportunities. Does traffic from known visitors coincide with traffic from unknown visitors? Could the organization discover a different perspective on in-market prospects by looking at each traffic source? Would considering both sources provide a more robust perspective on where to apply LDR and sales resources?

The Sirius Decision

Making the change from a demand management process that focuses on leads to one that focuses on buying groups is a substantial undertaking for most b-to-b organizations (see the Core Strategy Report "The Demand Unit Waterfall™"). However, developing a clear understanding about how buying groups research solutions is a good first step toward understanding the urgency of that transition. Keep in mind that early movers can develop a substantial competitive advantage. Pay attention to missed buying signals and determine which buying groups are engaging in the decision process to gain valuable information during the initial transition to a full demand management process that centers on buying groups.

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