



Five SMB selling traps

“Having more success at getting to yes”

Ivy Worldwide, Inc.

Survey: Purchasing triggers of small- and medium-sized business owners

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Survey overview

Ivy Worldwide conducted this survey of SMB* owners/operators via a network of independent bloggers to determine what factors influence the purchasing decisions of these SMB decision-makers.

SMB is big business – fully 99% of all independent enterprises surveyed employ fewer than 500 people.

The 5 “traps” – there are 5 misconceptions that marketers are easily seduced into when selling to small- and medium-sized businesses. find out how to make your marketing messages more effective.

In the US, small enterprises account for 52% of all workers, [according to the U.S. Small Business Administration](#).

**Small- and medium-sized businesses*

SMB selling trap #1

Focusing on the SMB C-level: TCO positioning, sales relationships, C-level messaging and even ROI rank **lower than reviews from trusted sources**, quality promises and enhanced feature sets.

Avoid the trap. Focus on your products and how they are **better than the competition or improve upon previous releases.**

Answer options	Rating average
I read a detailed review from a trusted source that illustrated the pros and cons of the product/service	6.00
Quoted TCO (total cost of ownership) was lower than my current investment	5.56
I had a chance to test out the product/service with a money-back guarantee or other no-risk proposition	5.31
Measureable ROI (return on investment) was a clearly stated benefit	4.80
I had built a relationship with a salesperson who understood my needs	4.70
The product was environmentally friendly	3.75
The marketing message was directly targeted at me as an SMB owner/operator	3.67

Please indicate the degree of influence each of the following factors would have on your future decision to purchase a product/service for your company.
N=272

SMB selling trap #2

Leading with green: Environmentally friendly messages are **less important than focusing on feature sets, quality and TCO** (total cost of ownership).

Avoid the trap. Unless your product has specific and discrete environmental benefits, *don't jump on this trend recklessly, as it is not top-of-mind for SMB purchasers.*

Answer options	Rating average
The feature set was richer than that of my current solution	6.38
The level of quality promised to be greater than that of my current solution	6.31
Quoted TCO (total cost of ownership) was lower than my current investment	5.56
I had a chance to test out the product/service with a money-back guarantee or other no-risk proposition	5.31
Measureable ROI (return on investment) was a clearly stated benefit	4.80
The product was environmentally friendly	3.75

Question: Please indicate the degree of influence each of the following factors would have on your future decision to purchase a product/service for your company. N=272

SMB selling trap #3

Relying on mass marketing, not individuals: Advertising and other traditional media sources ranked **far below web forums and independent bloggers** as key sources of product and service information.

Avoid the trap. Apportion your efforts to ensure you're engaging your audiences *via the communications channels that they actually use.*

Answer options	Rating average
Web forums containing other users' experiences and comments	5.10
Recommendation by friends, family or colleagues (whether fielded virtually or real-world)	4.90
Review and/or retail websites (e.g., Amazon, CNet)	4.87
Independent bloggers	4.17
Traditional media sources	3.38
Advertising (print, direct email, online banner, etc)	2.79

Question: *Please rank your reliance on ALL 7 of the following sources of information in discovery of new products/services that could improve your business.* N=272

SMB selling trap #4

Not knowing whether the decision to purchase is a snap decision or relationship sale: For smaller purchase amounts, less research is required, and **local availability (can purchase today) plus flexibility (no research necessary) are highly valued.** Larger purchase totals generally require significant research and constitute longer decision-making timeframes.

Avoid the trap. Make sure you know *how your customers are buying and which channels they prefer.* For smaller purchases totals, local availability is key.

- *"Our purchases are mostly done online. On small purchases, we tend to look at online stores that have a physical location nearby, and pick up the stuff directly. This allows us to benefit from person-to-person support on the product. On the other hand, bigger orders are looked up internationally in order to benefit from better overall online or phone support, also taking the cost of ownership into great account."*
- *"Small-order buying habits are not based on market and price and performance research. Expensive buying is done only after satisfying myself about the investment I am making and that includes price comparisons, test -drive of the product, reading reviews and asking for recommendations."*
- *"Much more thought and planning goes into more expensive purchases and it may take a month or two to go from beginning planning to actually having the product. Smaller purchases are generally made on a need basis and are rather immediate."*



Question: *How do your small-order buying habits differ from more expensive technology orders?* N=49

SMB selling trap #5

Not making service part of the sale: For SMB purchasers, service and support terms are more important than TCO and payment terms. In fact, service and support are key to the **final decision** and should be marketed as assertively as product benefits themselves.

Avoid the trap. Don't miss the opportunity to tout service and support terms – bring them up early and often *so they're seen as a benefit, not barrier, to the sale.*

Answer options	Rating average
Service and support terms	6.38
Ability to test product/service prior to purchase	5.74
Availability/speed of delivery	5.19
Company has proven they value my input as a customer	5.18
Best TCO (total cost of ownership)	5.08
Value is quantified based on ROI	4.88
Ordering process is simple, fast and easy	4.68
Testimonials indicate strong company reputation	4.55
Payment terms are convenient	4.26

Question: *On a scale from 1 to 9 (increasing in influence), please rank ALL 9 of the following factors in order of how influential each is when making your final decision to purchase/not to purchase for your company (each ranking can only be used once).* N=238

Summary of findings

- It's easy to get complacent and put undue confidence in trends, buzzwords and mass-marketing techniques
- Fight complacency and instead strive for a true understanding of what compels SMB owner/operators to purchase
- *Avoid the 5 traps:*
 - 1. Failure to engage SMBs' trusted information sources**
 - 2. Relying on the green trend**
 - 3. Failing to market to the individual**
 - 4. Misconstruing snap purchases with relationship sales**
 - 5. Missing the service angle**



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