SMB Group

# The SMB Technology Buying Journey

# SMB TECHNOLOGY **DIRECTIONS FOR A CHANGING WORLD**

Acumatica The Cloud ERP

**As we move ahead and hopefully past the pandemic, small and medium businesses (SMBs) are more than ready to put COVID-19 in the rearview mirror.**

**SMB Group's 2021 SMB Technology** Directions for a Changing World Survey Study examined how SMBs are reshaping their business and technology strategies for what comes next.

In **February 2021**, we surveyed **761 North American** SMB **(1–1,000 employees)** decision makers and influencers and midmarket **(1,000–2,500 employees)** organizations.

Here, we refer to the entire sample as **"SMBs"** for the sake of brevity.

However, the "SMB" market is actually very **fragmented and diverse**. Although size is just one lens through which to view SMBs, more often than not, it serves as a helpful proxy to understand key **differences and similarities in SMBs' attitudes, behaviors and preferences.** In this infographic, we take a look at the SMB technology buyers' journey through this lens.

# SMB TECHNOLOGY ATTITUDES, BEHAVIOR, AND SPENDING

Percentage of respondents who strongly agree/agree that using digital technology effectively is key to their survival and growth

**56%**

1–19 employees

**75%**

20–99 employees

**81%**

100–2,500 employees

Do you agree or disagree with the following statements regarding your business?

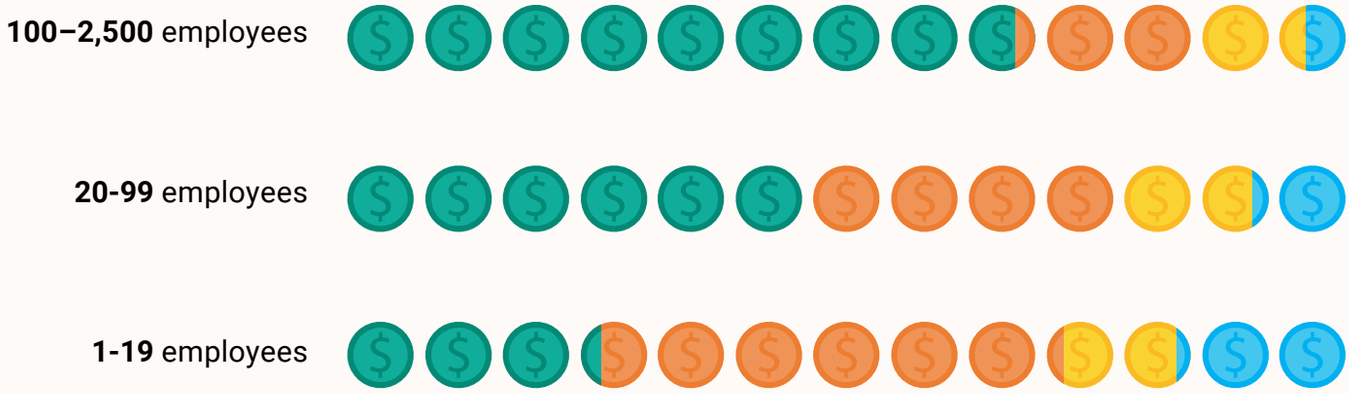
Technology is playing an **increasingly important** role in businesses of all sizes.

However, the role of technology becomes more **prominent as companies grow.** Companies with more than **100 employees** were **1.5** times more likely to agree that using technology effectively is key to business growth than those with fewer than 20 employees.

This attitude is mirrored in technology spending plans. Two-thirds of SMBs with more than **100 employees** plan to increase spending, compared to about half of those with **20 to 99 employees** and just one-quarter of those with fewer than **20 employees.**

## Technology Spending Plans

Increase | Remain flat | Decrease | Not sure

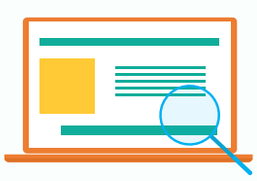



Do you expect your company's spending for technology solutions to increase, stay the same, or decrease in the next fiscal year?

## TOP ONLINE INFORMATION SOURCES

| 1–19 employees | 20–99 employees | 100–2,500 employees |
|---|---|---|
| Web search (Google, Edge, etc.) | Web search (Google, Edge, etc.) | Technology analyst sites |
| Vendor websites | Social media sites (Facebook, LinkedIn, Twitter, YouTube, etc.) | Web search (Google, Edge, etc.) |
| Technology analyst sites | Online/print business publications | Social media sites (Facebook, LinkedIn, Twitter, YouTube, etc.) |
| Online/print business publications | Technology analyst sites | Online/print business publications |
| Email newsletters | Vendor websites | Online associations/ communities |

Web searches are the first or second top source of information for SMBs of all sizes, underscoring the need for vendors to optimize organic and paid search as well as inbound marketing strategies. Online business publications and technology analyst sites also made the top five across the SMB size spectrum—**a good reminder that strong analyst relationships and coverage** are important even at the smaller end of the market.



Most prospective SMB buyers conduct **online research to learn about different technology solutions** before ever contacting a vendor.

**Very small businesses ranked vendor websites as their second most important online information source.** Because they are often time constrained and don't need to

In contrast, for companies with **100 or more employees**, vendor websites don't even rank in the top five. With more resources and stakeholders involved, these companies are likely to explore more varied sources.

involve as many people in the decision-making process, they may spend less time on broad searches and social media than larger companies.

What are the top three online sources you use to seek out information about technology solutions and trends?

## TOP CONTENT PREFERENCES

| 1–19 employees | 20–99 employees | 100–2,500 employees |
|---|---|---|
| Customer testimonials | Interactive virtual events (e.g., Facebook Live, LinkedIn Live, Zoom sessions, etc. | Interactive virtual events (e.g., Facebook Live, LinkedIn Live, Zoom sessions, etc. |
| Reviews in industry publications | Reviews in industry publication | Reviews in industry publications |
| Peer reviews | Survey study reports | Analyst research reports/briefs |
| Videos | Webinars | Customer testimonials |
| Analyst research reports/briefs | | Key performance indicator (KPI) studies |

Analyst reports and reviews in industry publications made the top five list for SMBs across the size spectrum—confirming again that **even small businesses are looking for analyst validation of technology solutions**.

Size matters even more when it comes to content preferences. Businesses with **1–19 employees** ranked two types of customer-oriented **content—testimonials** and **peer reviews—among** their top three choices. Smaller companies want hands-on evidence from peers that technology solutions will work for their businesses.

Interactive virtual events took the top spot in the two **larger size bands**, indicating their **preference for engagement** as well as information as they explore different options. Businesses with **20–99 employees ranked survey study reports and webinars in the top five**, while those with **100–2,500 employees prefer customer testimonials and KPI studies.**

What are the top three ways you prefer to get information about technology solutions?

## TOP ADVISORS FOR BUSINESS GUIDANCE

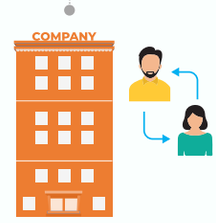
| 1–19 employees | 20–99 employees | 100–2,500 employees |
|---|---|---|
| Customers | Employees | Technology advisor(s) |
| Accountants/financial advisor(s) | Customers | Employees |
| Employees | Business strategy consultants | Business strategy consultants |
| Friends and family | Accountants/financial advisors | Industry organization(s) |
| Technology advisor(s) | Legal advisors | Accountants/financial advisor(s) |

As companies grow, operations become more complex. Business **strategy consultants** start to figure prominently for companies with **20–999** and **100–2,500 employees.**

**Employees and accountants/financial** advisors are go-to resources for SMBs of all sizes. Businesses need employee input and buy-in to **help set direction and execute on strategy**, as well as input from financial advisors to help them plan and budget for new investments.

Not surprisingly, businesses with **1–19 employees are more likely to get friends and family involved** than their larger counterparts. They're also most likely to rank customers as their top advisor source. The study indicates that **only 12% of these very small businesses have any internal IT staff**, making access to this external technology expertise critical

Customers **figure prominently** for **both the smallest segment** and for businesses with **20–99 employees.** Smaller companies in the B2B space often must adapt to meet new or changing technology requirements that larger customers or partners place on their businesses.




Who do you view as your top three advisors to help guide your business?

# TOP ADVISORS FOR SOLUTION SELECTION

| 1–19 employees | 20–99 employees | 100–2,500 employees |
|---|---|---|
| Employees and managers who will use the solution | Employees and managers who will use the solution | User reviews/ratings on review sites |
| Colleagues/friends /family | Colleagues/friends/ family | Employees and managers who will use the solution |
| User reviews/ratings on review sites | User reviews/ratings on review sites | Colleagues/friends/ family |
| Business advisors/ consultants (accountants, attorneys, marketing agencies, etc.) | Business advisors/ consultants (accountants, attorneys, marketing agencies, etc.) | Business advisors/ consultants (accountants, attorneys, marketing agencies, etc.) |
| Technology advisors (VARs, MSPs, IT consultants, etc.) | Technology advisors (VARs, MSPs, IT consultants, etc.) | Technology advisors (VARs, MSPs, IT consultants, etc.) |

**Business and technology advisors** round out the top five—and for good reason. These advisors can help SMBs better assess the scope and implications of **deploying a new solution** and execute on it.

**SMBs are much more alike than different when it comes to where they turn for input on new solutions**. Although the exact ranking varied, SMBs put the same advisors in their top five lists regardless of company size.

Because employee adoption is critical to gaining value, SMBs want input from employees and managers who will use the solution. SMBs also seek out word-of-mouth advice from friends, family and colleagues, and they look externally to **user reviews to learn the pros and cons of different solutions** from businesses that are using them.

Whose input is most important when selecting a new technology solution?

# WHY SMBS RELY ON ADVISORS

| 1–19 employees | 20–99 employees | 100–2,500 employees |
|---|---|---|
| Trust their advice and judgment | Demonstrated technology expertise | Have strong business process expertise |
| Worked with them before | Trust their advice and judgmen | Understand business needs and constraints |
| Provide unbiased opinions | Understand business needs and constraints | Trust their advice and judgment |
| Understand business needs and constraints | Have vertical experience in our industry | Demonstrated technology expertise |
| Work with vendors I trust | Provide unbiased opinions | Provide unbiased opinions |

These characteristics help give SMBs **peace of mind** that an advisor is trustworthy and has their **best interests** at heart.

Across the board, **SMBs turn to advisors who take the time to listen and understand** individual requirements and constraints.

Trust is a key factor for all SMBs when it comes to what solutions make it to their short lists. Although trust may seem subjective, other reasons that SMBs rely on advice **sources point to a roadmap for how to earn trust.**

They also **place a premium on advisors who demonstrate evidence of technology, business process and industry experience**, as well as those who provide unbiased opinions.

These characteristics help give SMBs **peace of mind** that an advisor is trustworthy and has their best interests at heart.

What are the top three reasons you rely on these sources for input?

# TOP REASONS SOLUTIONS GET ON THE “SHORT LIST”

| 1–19 employees | 20–99 employees | 100–2,500 employees |
|---|---|---|

| | | |
|---|---|---|
| Easier to use | More affordable pricing | Stronger customer service capabilities |
| More affordable pricing | Easier to customize | Easier to customize |
| Easier/faster to deploy | Easier/faster to deploy | Stronger customer references |
| Easier to customize | Stronger customer references | Better pre-sales experience with reps |
| Stronger customer references | Easier to use | Higher ratings by industry analysts |

**As businesses get bigger and operations get more complicated, short lists change**. Customer references and ease of customization are still critical.

As **businesses grow, the factors that determine** what solution will make it to their short lists shift. Businesses with fewer than **100 employees** are most likely to value ease of use, **deployment and customization, along with affordable pricing** and strong customer references.

However, **larger companies put customer service at the top** of the chart, and having a **better pre-sales experience** also plays a more important role in whether a solution makes the cut. At the high end, companies are also more likely to seek out solutions with h**igher industry analyst ratings** to help validate solution selection decisions.

What are the top three reasons a solution gets on your “short list” over other solutions?

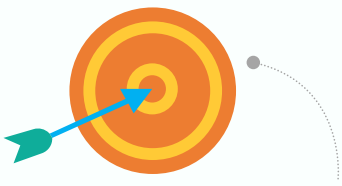
## TOP WAYS VENDORS CAN IMPROVE THE PURCHASING EXPERIENCE

| 1–19 employees | 20–99 employees | 100–2,500 employees |
|---|---|---|
| Make it easier/faster to get answers to questions | Better articulate how the solution helps improve specific business goals | Provide a consistent experience across online, mobile and |

- Take more time to understand our requirements
- Provide more transparent pricing information
- Better articulate how the solution helps improve specific business goals
- Provide a consistent experience across online, mobile and offline channels

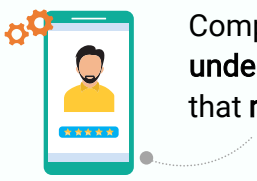
- Take more time to understand our requirement
- Provide more transparent pricing information
- Make it easier/faster to get answers to questions
- Provide a consistent experience across online, mobile and offline channels

- offline channels
- Better articulate how the solution helps improve specific business goals
- Provide real-time online chat/phone support when on their site
- Make it easier/faster to get answers to questions
- Provide more transparent pricing information



They want vendors to **answer their questions more quickly**, clearly **articulate how a solution helps them** to meet their business goals, offer **transparent pricing** information, and provide a **consistent omni-channel experience.**

Regardless of business size, SMBs want vendors to **remove friction** from the technology purchase experience.



Companies with fewer than 100 employees also want vendors to spend **more time understanding their requirements**, and companies with more than 100 employees say that **real-time online chat and phone support** are key ways to improve the experience.

What are the top three ways vendors can improve the technology exploration and selection experience?

## PERSPECTIVE

- For customers, the technology buying journey can be complicated regardless of business size. In fact, SMBs ranked “figuring out which solutions can best help my business” as their second most pressing technology challenge.
- On the vendor side, competing for SMBs’ attention can be a frustrating experience amid tens, hundreds or sometimes even thousands of solutions in a given product category.
- Business size is just one lens that we can look through to better understand how SMBs approach the technology exploration, selection and buying journey. However, it’s a critical starting point that reflects what aspects of the journey change as businesses grow.
- By starting with size and factoring other variables—such as industry, age of business, attitudes about technology and other dimensions—into the equation, vendors can more effectively reach SMB prospects and make it easier for them to figure out which solutions will best align with their needs

## ABOUT THIS INFOGRAPHIC

✓ This infographic provides insights from SMB Group’s 2**021 SMB Technology Directions for a Changing World Survey Study.**

✓ Click below for:

- **SMB Technology Directions for a Changing World eBook**

✓ SMB Group is a research, analysis and consulting firm focused on technology adoption and trends in the small and medium business (SMB) market. SMB Group helps clients to understand and segment the SMB market, identify and act on trends and opportunities, develop more compelling messaging, and more effectively serve SMB customers.

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