

THE 2023

SUPERPOWERS

INDEX



***For B2B brands,
being a force for good
is good business.***



Successful B2B brands take a position of deep relevance in business culture.

They understand how business culture is evolving and how the needs of B2B buyers and their organizations are changing within it. As a result, they are constantly evolving their brand experiences, at speed and scale, to stay relevant to those changing buyer needs.

How do we know? Merkle has been tracking the ever-evolving shape of business culture and its diverse subcultures since 2019, through a comprehensive B2B research survey: the Superpowers Index. Our motivation is to enable B2B organizations to keep pace with the dynamic environment and changing B2B buyer expectations and needs. The Superpowers Index further enables B2B organizations to understand what drives competitive advantage within the business culture and subcultures that are critical to success.

For this year's Index, we interviewed 3,622 buyers and users of B2B products and services across the world and captured intelligence and insight into 6,767 B2B brand experiences.



3,622 buyers and users of B2B products and services across the world



6,767 B2B brand experiences captured

We interviewed recent B2B buyers across the technology, financial services, manufacturing, and professional services sectors, and across key markets in North America, Europe, and APAC.

Based on their responses, we revisited the decision drivers that make the difference between success and failure on a purchase journey. The decision drivers are critical to understand, because they are what brands need to do well to move B2B buyers from one stage of their decision-making journey to the next.

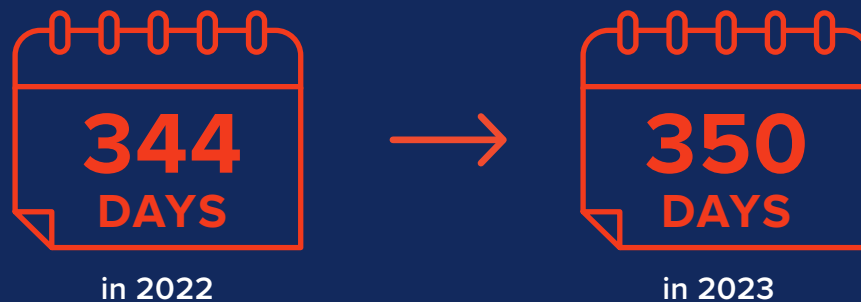
The headline differences between this year's findings and the 2022 Index make for very interesting reading for B2B brands looking to remain relevant to buyers and their organizations and stay ahead of the competition.

01

The competition between B2B brands is getting more intense.

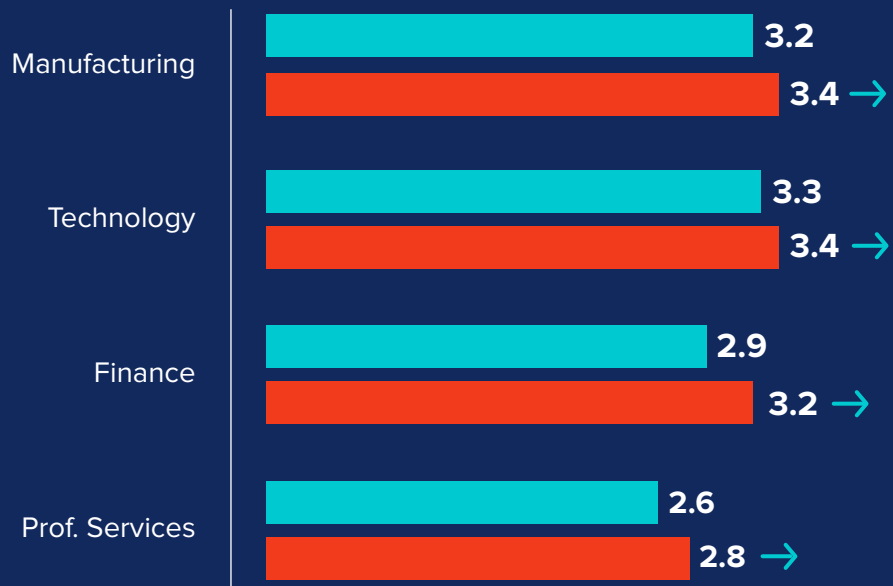
Our research has shown a significant increase in the number of brands being evaluated by B2B buyers on a purchase journey (up from 3.1 brands in 2022 to 3.2 brands in 2023). Decision times are also taking longer (up from 344 days on average in 2022 to 350 days in 2023) and the incumbent B2B brand's position has become more precarious than ever. In 34% of decision journeys, the incumbent lost out in 2023 versus only 29% in 2022.

Decision times are taking longer



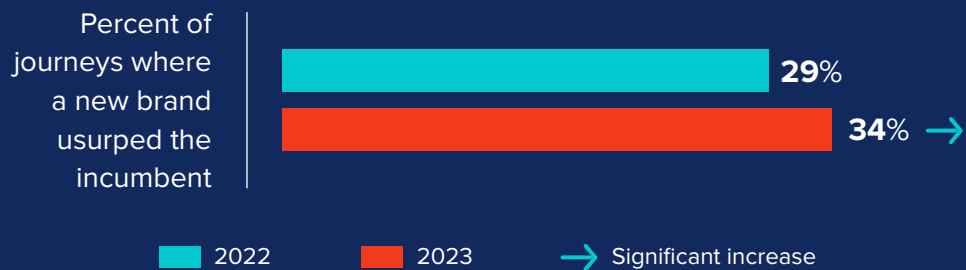
We believe that two factors are driving this. First, B2B buyers are more cautious than ever when it comes to change. As we see later in this report, making B2B buyers feel safe about their decision has become increasingly important. Second, they have fewer reasons to stay loyal to their current suppliers, due to a disconnect between brand experiences and rising customer expectations and changing customer needs.

More brands are being evaluated across all B2B categories...



Average number of brands evaluated during the purchase journey

...and the incumbent's position is more precarious than ever before.

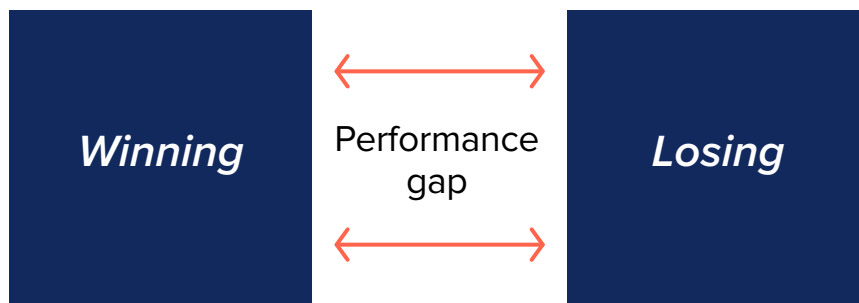


Implication for B2B brands:
We need to work harder than ever to drive loyalty.

02

The gap between the winning and losing B2B brands has narrowed again.

In almost all cases, if you look at the data by region, by size of business, or by category being purchased, the performance gap has gotten smaller when comparing 2023 to 2022. The margin between success and failure has narrowed most quickly in the EMEA region, among SME buyers and among buyers of the technology sector.

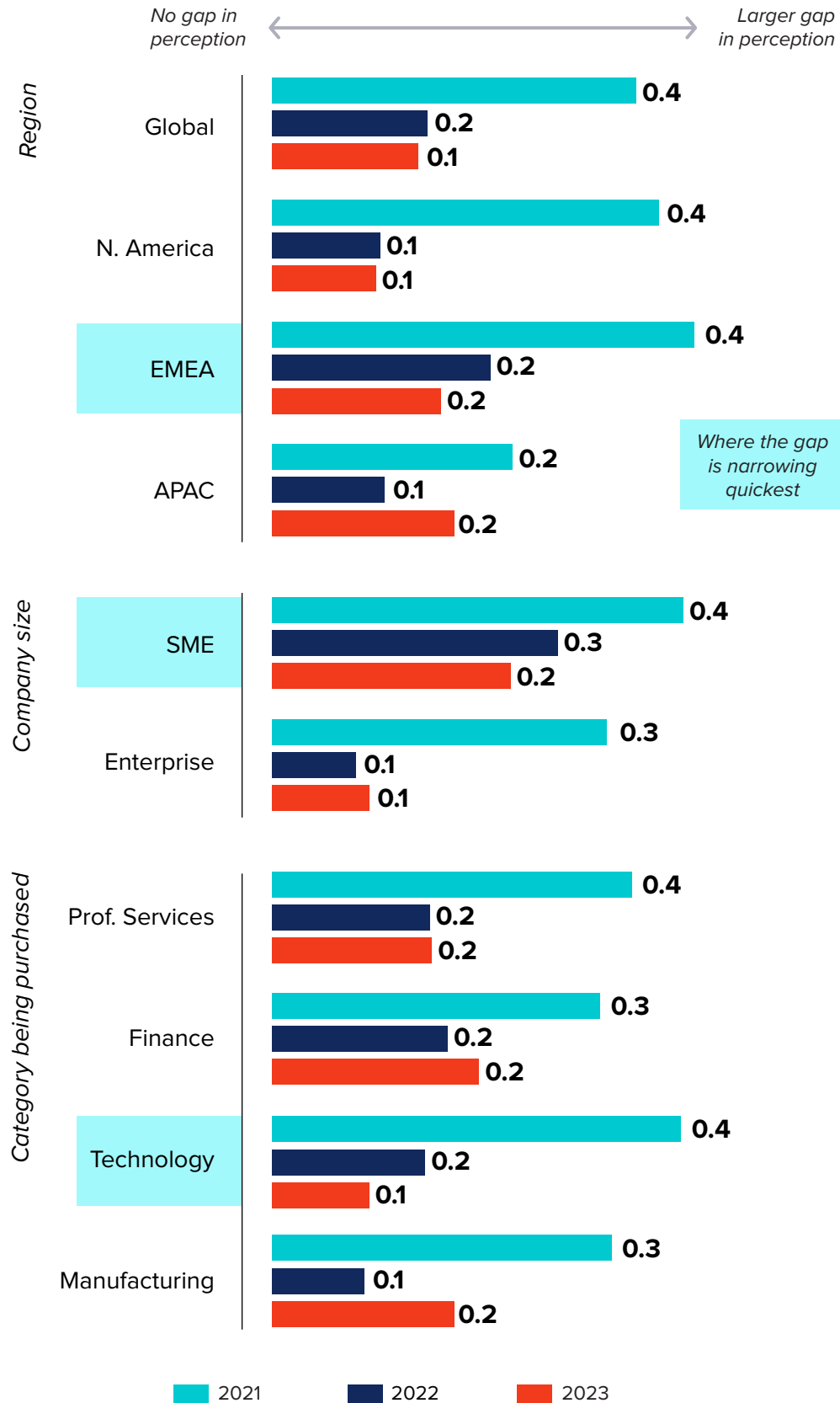


Implication for B2B brands:

We can't stand still.

We need to keep evolving.

Gap in performance scores between winning and losing brands across all 30 decision drivers



03

B2B brand experiences are not keeping pace with the inflation of customer expectations.

In this year's Index, fewer and fewer B2B buyers reported having positive brand experiences across key parts of the purchase journey when compared to last year. From the "initial research" stage to the "onboarding" stage, the percentage of B2B buyers surveyed who reported having positive brand experiences has declined. There were also significant declines in two important stages of any purchase journey: the "initial interaction with supplier" and "negotiation/contracting."

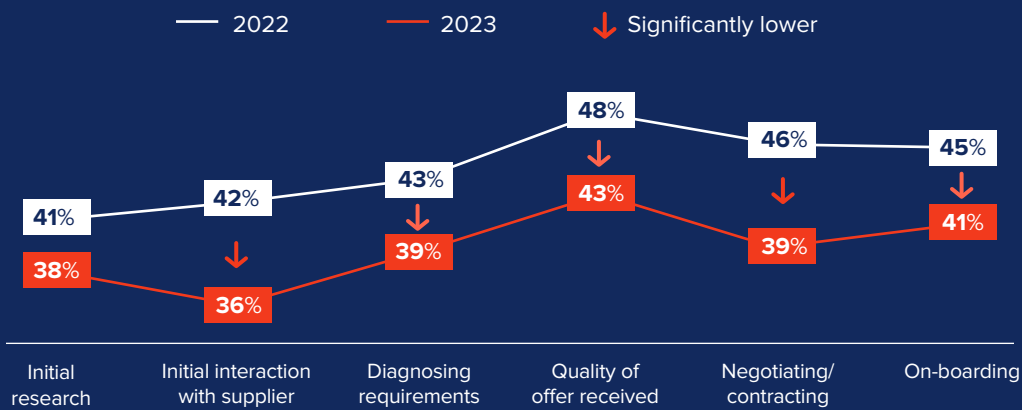
However, it is unlikely that the reality of the average B2B brand experience has become worse. It is much more likely that buyer expectations have moved on, and that they are now outstripping the speed at which B2B brand experiences are changing. In short, B2B brand experiences are failing to keep pace with buyer expectations.

Implication for B2B brands:

We need to be more agile to keep pace with shifting buyer expectations.



Fewer buyers are having positive brand experiences across key parts of the purchase journey.



Percent having positive experiences across different aspects of the purchase journey (9-10 scores)

04

Building brand experiences around the needs of the buyer has become even more important to success.

The changes in the Superpowers Index over the past four years have underscored the fact that successful B2B brands have moved well beyond just serving the needs of a buyer's organization. Successful purchase journeys are increasingly driven by brand experiences that also serve the needs and the personal agendas of the B2B buyers acting on behalf of those organizations.

Over the past four years we have seen a rise in the importance of what would have traditionally been called “softer” decision drivers, such as “takes care of its suppliers, partners, and communities,” “is committed to reducing its environmental impact,” “is known as being a good employer,” and “has a culture of diversity and inclusion.” This is because of the well-documented generational shifts happening within the global business culture and the broader “be kinder” legacy of lockdown.

Implication for B2B brands:

We need to talk to the people and the organization.



*Successful B2B brands
have moved well
beyond just serving
the needs of a buyer's
organization.*

05

Seven decision drivers have a new, elevated level of importance to winning purchase journeys.

Of the seven newly important decision drivers that came to the forefront in this year's Index, two of them show how B2B organizations are evolving and five show how the B2B buyers acting on behalf of those B2B organizations are also changing.

- a) The two decision drivers with an elevated level of importance to B2B organizations are “supports us with expertise” and “integrates smoothly with our processes and operations.” As businesses are forced to become leaner and work more closely with their suppliers/partners, they have become more and more reliant on the organizations with which they choose to work.

Examples of brands that scored particularly well in this year's Index for one of these organization-orientated decision drivers are Fidelity, US Bank, VMware, Microsoft, and McKinsey.

Implication for B2B brands:

We need to behave like a partner, not just a supplier.

- b) The five decision drivers that have grown in importance to the B2B buyers acting on behalf of organizations are “takes care of its suppliers, business partners, and communities,” “is committed to reducing its environmental impact,” “is known as being a good employer,” “has a culture of diversity and inclusion,” and “is a brand that aligns with my personal values and ethics.” These have become significantly more important to a winning outcome in 2023 versus 2022.

Also interesting to note is that environmental, social, and governance (ESG) requirements are no longer just a focus for younger generations of decision makers. Generation X and older decision makers have become increasingly demanding in these areas and are now just as likely as younger generations to see significant room for improvement in these measures from their current providers. In short, B2B buyers of all generations now want to work with brands that are good businesses and a force for good in society.

Examples of brands that scored particularly well in this year’s Index for more than one of these buyer-orientated decision drivers are State Bank of India, JCB, US Bank, Verizon, and Fidelity.

Implication for B2B brands:

We must put sustainability and DEI at the forefront of our strategies and be a true force for good.

06

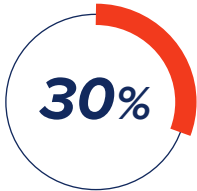
B2B brands that score highest on the seven newly important decision drivers win faster, bigger, and for longer.



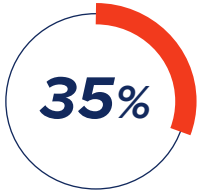
A number of commercial benefits came to light when analyzing the importance of focusing on these newly important decision drivers. Those brands who scored highly across these decision drivers:



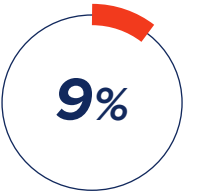
Saw opportunities convert to sales faster, with the average sales cycles being 25% shorter.



Were almost twice as likely to see increased spend from their customers in the future (30% vs. 17% for other brands).



Were more likely to be adopted for additional products and services (35% vs. 25% for other brands).



Were much less likely to be left out of consideration for future related purchase decisions (9% vs. 18% for other brands).

+89
NET PROMOTER
SCORES

Received much higher NPS scores (+89 vs. +30 for other brands).

***Implication for B2B brands:
Being good is good business.***


07

Thirteen decision drivers remained as important in the 2023 Superpowers Index as they were in 2022.

Of the thirteen decision drivers which remained as important this year as last, ten serve the needs of B2B organizations. They are “comply with regulations,” “competitively priced,” “products and services just work and are not prone to fail,” “take steps to mitigate risks,” “meet minimum quality / functional needs,” “provides expertise, support, and information,” “offer enough variety and choice,” “products and services can be customized,” “quick to respond and can adapt to changing plans,” and “approachable & transparent.”

Most of these decision drivers talk to the ongoing need to get the basics right – to turn up and fulfill buyers’ needs and brand promises.

***Implication for B2B brands:
Do the basics brilliantly.***



*Turn up and fulfill
buyers' needs and
brand promises.*

The other three decision drivers that remained as important this year serve the needs of the buyers acting on behalf of B2B organizations. These drivers are “active thought leaders in their category/sector;” “have a clear vision and active vision of their obligations to society;” and “feel safe signing a contract with them.”

Again, these highlight the ongoing importance of thinking about the personal needs of the buyer acting on behalf of the organization. Not only do these buyers want to feel safe about the decisions they are trying to make, but they also want the very same brand to have an interesting point of view about the future and an action-led point of view about its role in the world.

Implication for B2B brands:
***Add real inspiration and turn your
vision into action.***

08

B2B buyers place the most importance on being made to feel safe signing a contract.

We have seen some key shifts in the levels of importance placed on certain decision drivers year on year:

<p><i>“I feel safe signing a contract”</i></p> <p>↑</p> 	<p>The overall importance of this attribute has increased steadily from 2020 and is now the number one most important factor influencing brand success.</p> 
<p><i>“Integrate smoothly with our processes and operations”</i></p> <p>↑</p> 	<p>As businesses seek to work more closely with their suppliers, smooth integration has grown in importance, emerging as a significant differentiator.</p>
<p><i>“Support us with expertise”</i></p> <p>↑</p> 	<p>Going hand in hand with this trend, we also see an increasing interest in the expertise and support which suppliers can offer alongside their main offering.</p>
<p><i>“Consistently deliver on time & as specified”</i></p> <p>↓</p> 	<p>While still an ongoing concern, supply chain scares are no longer pushing this measure to be a top driver of success.</p>

The top decision driver in the 2023 Superpowers Index is “I feel safe signing a contract with them.” The overall importance of this decision driver has increased steadily from 2020 and is now the most important factor influencing brand success. In hindsight, this should be expected given the upheaval and uncertainty that we have all experienced over the past few years.

However, “feeling safe” is an outcome. It is the result of actions and behaviors and not just the empty phrase “trust me.” We therefore revisited the data set to identify which of the other decision drivers it was closely correlated with. Interestingly, four decision drivers had a very close correlation with it: “provides the information, expertise, and support we need,” “constantly delivers on time and as specified,” “approachable and transparent in their dealings with us,” and “quick to respond and adapt to changing plans.”



All of these drivers serve the needs of the B2B organization more than the buyer acting on behalf of the organization. Again, these highlight not only the need to get the basics right, but also the need to address the legacy of the upheaval and uncertainty that we have all experienced over the past few years.

Implication for B2B brands:

Underpin everything with the four key decision drivers to create a feeling of safety.

09

Failing at certain decision drivers is significantly more likely to trigger a review of suppliers/partners.

In this year's Superpowers Index, we homed in on what happens when brands are not actively in-market and are seemingly happy operating business as usual with their suppliers/partners. This is because many B2B brands focus on catching potential buyers when they are in-market as opposed to challenging customers' expectations and triggering them to consider evaluating their alternatives.

We were therefore particularly interested in identifying which decision drivers are most likely to push a brand to review alternative suppliers/partners, if the brand finds its current partner to be lacking.

Using our research, we identified that the top five decision drivers to avoid failing at were "improve productivity, save us time/resources," "increase our revenue or gross sales," "support us with expertise," "products and services just work/don't fail," and "make my workday a little more fun/entertaining."

This creates an opportunity for brands that are trying to cast doubt in the minds of their competitors' customers, as it identifies the decision driver triggers that are most likely to get a B2B brand to actively reconsider its suppliers/partners.

Implication for B2B brands:
*Don't just try to catch opportunity.
Create it.*



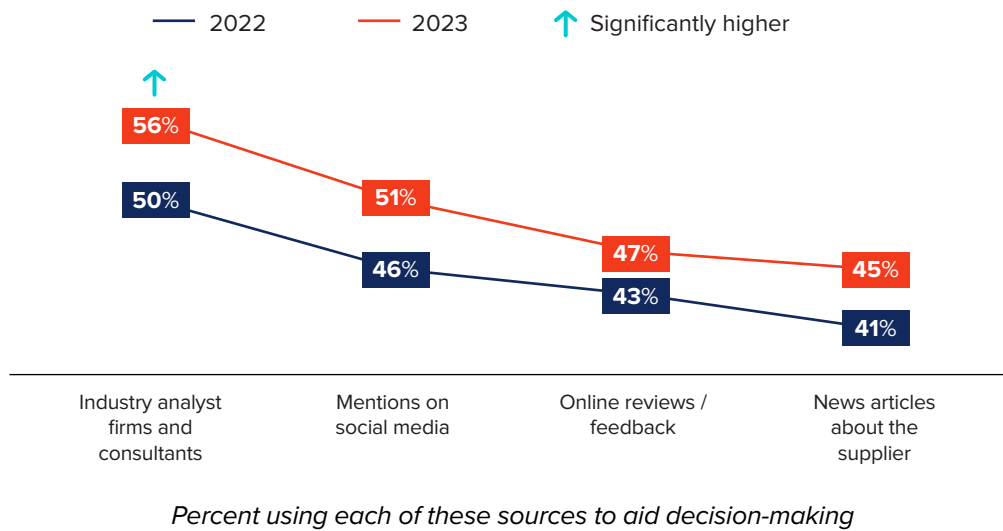
10

Third-party validation of B2B buying decisions has become more important than ever.

This year's Index shows that the gap between the winning and losing B2B brand experiences has become even narrower, and that brand experiences, in general, are failing to keep pace with the rise in customer expectations. It therefore shouldn't be surprising that B2B buyers are increasingly looking beyond a potential supplier's brand experience for reassurance. Our 2023 Index shows that third-party validation from sources like industry analysts and consultants, mentions on social media, online reviews and feedback, and news articles have become more important to B2B buyers.

Implication for B2B brands:
Harness the power of third-party validation.

Newly emerging corporate priorities mean buyers are increasingly seeking broader, third-party validation of a B2B brand's reputation.



Conclusions for B2B brands looking to stay ahead of the competition

The conclusions of our 2023 Superpowers Index are clear. Global business culture and its subcultures have evolved over the past 12 months. Unfortunately, B2B brand experiences are failing to keep pace with all that plus inflating customer expectations. So, now more than ever, B2B brand experiences must serve the needs of the B2B buyers acting on behalf of B2B organizations. B2B brands also need to up their game on the seven decision drivers with new, elevated levels of importance in the 2023 Index, as they clearly demonstrate that being a good B2B organization and a force for good in society is good business.

Implication for B2B brands:

Being a good business and a force for good is good business.



*Now more than ever,
B2B brand experiences
must serve the needs of
the B2B buyers.*

Get in touch

With over 1,000 B2B experts globally, Merkle B2B brings together market-leading B2B capabilities to power exceptional business experiences for the world's leading companies.

Recently awarded top International B2B Marketing Agency by B2B Marketing, Merkle B2B provides specialist and integrated services across media, creative, insight, data, technology, marketing automation and commerce.

Merkle B2B strives to innovate at the forefront of the dynamic B2B industry, creating experiences that inspire people, help grow businesses, and transform outcomes.

www.merkle.com/b2b

About Merkle

Merkle, a dentsu company, is a leading data-driven customer experience management (CXM) company that specializes in the delivery of unique, personalized customer experiences across platforms and devices. For more than 30 years, Fortune 1000 companies and leading nonprofit organizations have partnered with Merkle to maximize the value of their customer portfolios. The company's heritage in data, technology, and analytics forms the foundation for its unmatched skills in understanding consumer insights that drive hyper-personalized marketing strategies. Its combined strengths in consulting, creative, media, analytics, data, identity, CX/commerce, technology, and loyalty & promotions drive improved marketing results and competitive advantage. With more than 16,000 employees, Merkle is headquartered in Columbia, Maryland, with locations in 30+ countries throughout the Americas, EMEA, and APAC.

For more information, contact Merkle at 1-877-9-Merkle or visit www.merkle.com.

