

How Buyers Buy Professional Services

Question: We're a professional services company struggling to win business and find a firm to service some of our needs. How do we research and select the right professional services firm for our B2B company? And what can we do to win business?

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by Lee W. Frederiksen, Ph.D.

In some ways the idea of buying professional services is akin to deciding where to have dinner on Friday night. It's intuitive for buyers to choose services providers with strong reputations. After all, you wouldn't choose a restaurant known for mice in the kitchen, would you? And you might steer away from one with mixed customer reviews. Likewise, buying professional services is a rational process. Sellers of professional services need to review how they reach buyers and determine what factors can mean the difference of landing the client.

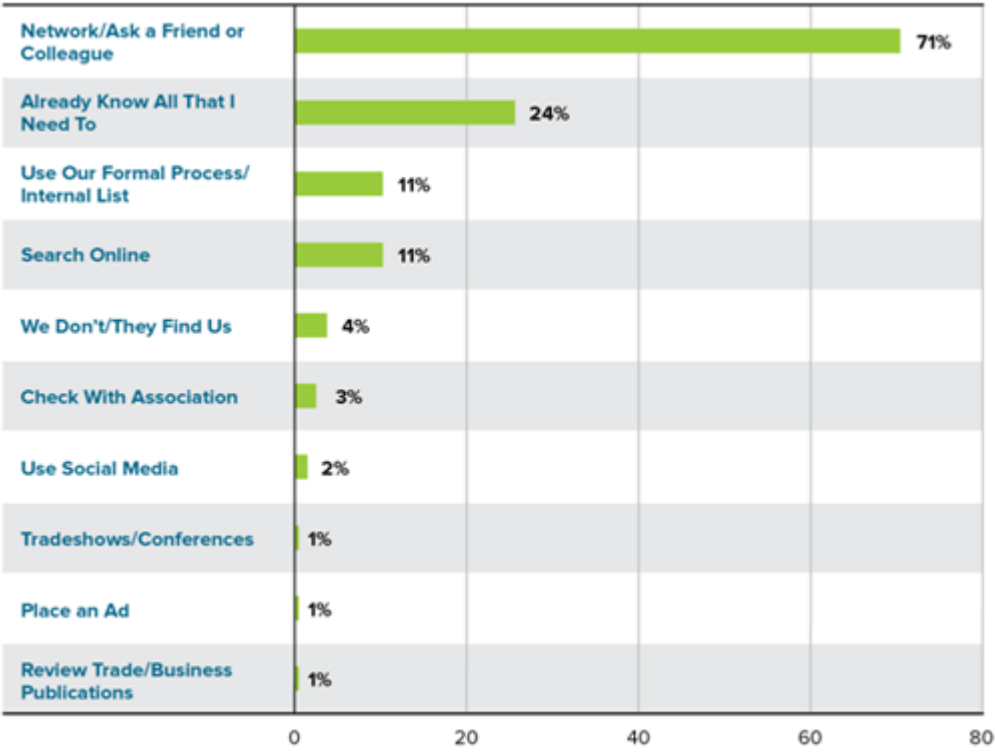
How do buyers seek out firms? What makes buyers choose one over another? What separates the winners from the losers? And how should professional services sellers market to buyers? The Hinge Research Institute conducted a study of 822 professional services buyers and 533 professional services sellers to examine these questions. Here are some of the highlights from the [How Buyers Buy](#) study that answer those questions.

Top ways buyers search

Figure 1 presents the top 10 ways buyers search for professional services firms. At 71 percent, the No. 1 way buyers find a new firm is by asking a friend or colleague — similar to how you might choose a restaurant, a hotel or even your physician. This approach is instinctive: Buyers want to be sure they're making the right choice. A surefire way to do this is to get a recommendation from a trusted source.

In second place, 24 percent of buyers feel they already know all they need to know, so they're not searching at all. However, online search tied for third. The abundance of buyers searching online means firms must have a strong brand and successfully market their business online. More on this later.

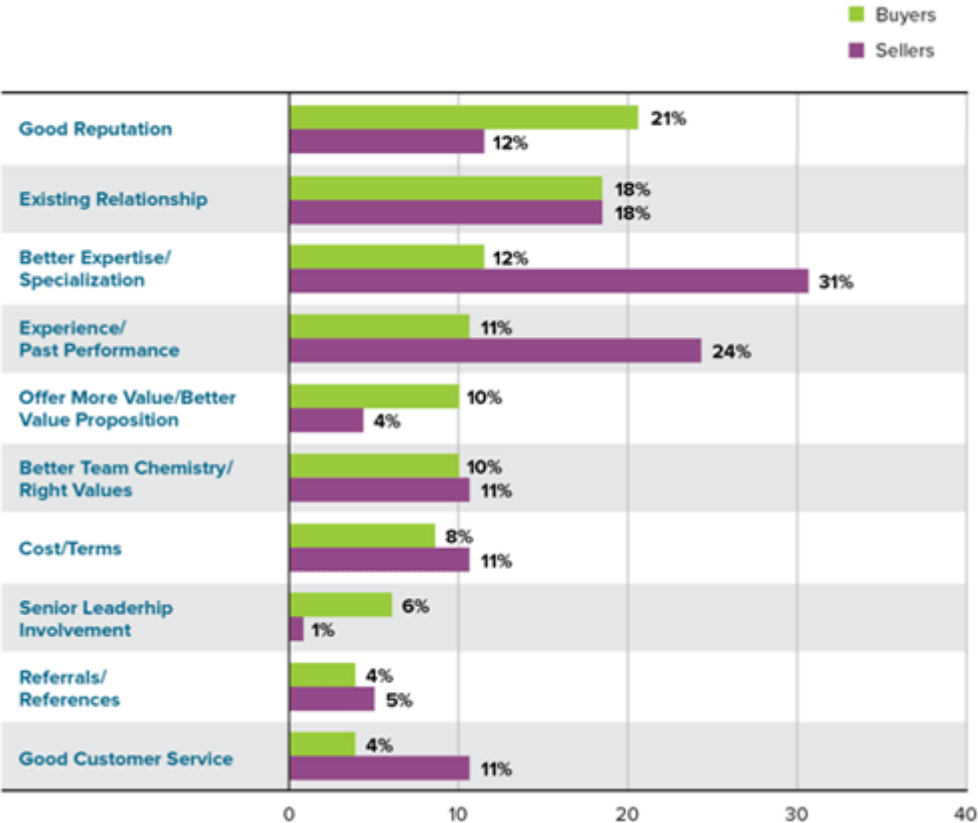
Figure 1: Top 10 Ways Buyers Search



What tips the scale for winners?

It's important to consider what makes buyers ultimately select one firm over another once buyers have researched potential professional services firms. Figure 2 compares how buyers rate the top 10 criteria that tip the scale for the winning firm against how sellers view those same criteria.

Figure 2: Criteria That Tip the Scale for Winners



The top criterion, at 21 percent, is having a good reputation. This makes sense, and it correlates well with the top way buyers search for a firm — asking for a recommendation. Firms that benefit from referrals tend to have strong reputations.

Yet sellers are *underestimating* the value of a good reputation. Only 12 percent of sellers rated this as the No. 1 criterion — almost half the level of buyers’ ratings. Sellers also underestimate the role of a firm’s value proposition and senior leadership involvement. Thus, firms must clearly articulate their value to prospects in order to win their business.

Third on the list is a firm’s expertise and specialization. Hinge found that sellers are *overestimating* its value. Sellers rate better expertise and specialization 2.5 times more important than buyers rate it.

Last and perhaps most important, sellers overestimate the role of cost. Only a small percentage of buyers rated cost of a firm’s services as being the key deciding factor. Sellers rated that slightly higher. Sellers often misjudge what buyers value most, and both sides rarely agree on what characteristics truly tip the scale for the winning firms.

Marketing methods

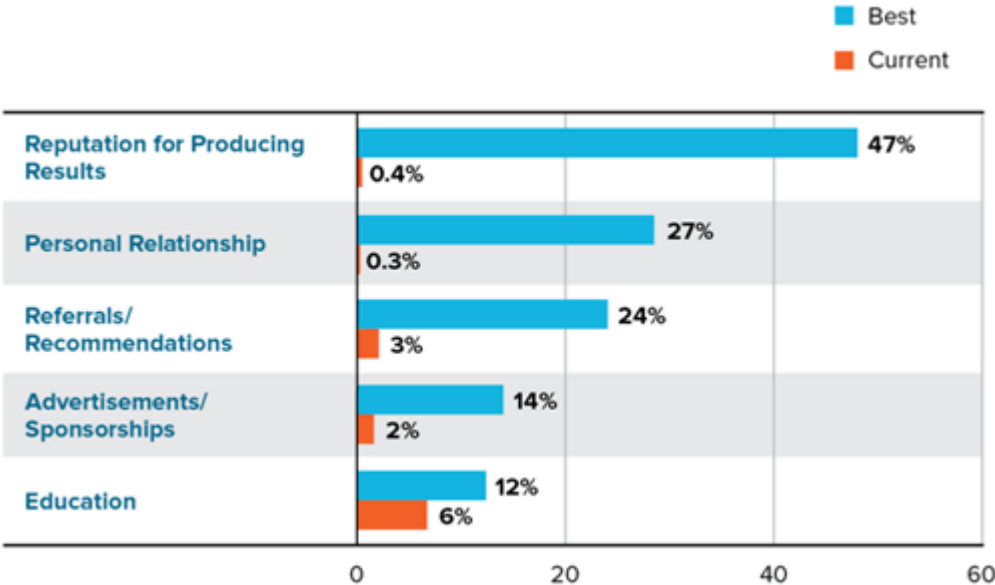
Next, Hinge looked at what marketing methods professional services firms are currently using and what methods firms *should* be using. Cold calls are at the top of the most used marketing method list, followed by personal visits and email marketing. But having a reputation for producing results is in fact the most effective marketing method in the study, followed by developing a personal relationship and gaining referrals or recommendations.

Figure 3: Top Five Marketing Methods

Best Marketing		Current Marketing	
Reputation for Producing Results	47%	Cold Calls	21%
Personal Relationship	27%	Personal Visits	17%
Referrals/Recommendations	24%	Email	15%
Advertisements/Sponsorships	14%	Networking at Events	13%
Education	12%	Direct Mail	10%

Figure 4 shows how firms use these marketing methods. The method ranked most effective, having a reputation for producing results, is in play less than 1 percent of the time! Similarly, firms use building personal relationships only less than 1 percent of the time. There’s obviously a disconnect between what buyers look for and what methods sellers use to reach buyers.

Figure 4: Use of Top Five Best Marketing Methods



Re-examining these most used marketing methods should be at the top of a firm’s to-do list. And because the majority of the most effective tactics are related to reputation and visibility, any firm that wants to improve its marketing should focus on building its brand.

Brand building

Hinge defines a professional services firm’s brand as the combination of its reputation and visibility. While many firms have a relatively strong reputation, they often lack visibility in the marketplace. Increasing visibility is crucial. Without it, firms will struggle to attract leads and new clients.

When firms understand the way professional services buyers think, they can easily improve their reputation and awareness in the marketplace. By narrowing the gap between buyer behavior and what sellers *think* buyers value, firms will begin to increase their growth and profitability in the market. And that’s a win-win for both sides.

About Lee W. Frederiksen, Ph.D.

Lee is managing partner and director of research at [Hinge](#), a professional services branding and marketing firm. He brings more than 30 years of marketing experience to the firm's clients. Frederiksen is the co-author of "[Online Marketing for Professional Services](#)."