

SMB Marketing Project — Vol. 14, North American SMB Study

DEEP DIVING



WITH

CRUSADERS

An in-depth look at the purchase behavior of the Crusader Small Business Owner

cargo



EMBARKING ON THE NEXT GREAT SBO VOYAGE.

What can we say? At Cargo, we're obsessed with Small Business Owners (SBOs). We just can't get enough of them. Over the years, we've examined various aspects of the North American SBO in order to gain insight and understanding into what drives and influences them. Mindsets. Behaviors. Tendencies. We've looked at it all. It was through our constant research that we identified two distinctly different SBO mindsets. We introduced them as the Artisan and the Crusader. And, while both mindsets possess some similar SBO beliefs and behaviors, in other facets, the two couldn't be more different. And these differences intrigued us.

Being the obsessive SBO fans that we are, we needed to know more. Through our SMB Studies, we've uncovered a ton of information about their personalities and characteristics. But we wanted to know more about their purchase journey. Where do they go for information? How do they buy? What influences their final decision? In today's always-on, digital world there are so many resources, avenues, and outlets. Trying to navigate through it all can be tricky for Small Business buyers. Because of this, we decided to focus on the mindset that has demonstrated a stronger value and appreciation for technology—the Crusader.

So, we set out on the next SMB Study expedition. The mission? Tracking and examining the purchasing behavior of the Small Business Crusader. Let's dive in.



TWO DIFFERENT SPECIES

ARTISAN

Focuses on their product / service at all times. The Artisan is slow to change.



CRUSADER

Never stands still, and sees opportunity in everything — including failure.

An idea that will change **my** world

THEY NEED

An idea that will change **the** world

Failure

THEIR ENEMY

Complacency

Risk aversion

THEIR VULNERABILITY

Embracing failure too much

The Artisan and the Crusader. Two relatively similar, yet very different SBO types. The Artisan is a prudent, borderline cautious business owner who is reluctant to change. Growth? Yes, but slow and steady so as not to lose control. Because losing control usually results in failure. And failure, for the Artisan, is something that simply cannot happen. No, the Artisan is more inclined to stay the course. It's worked for them in the past, so why rock the boat now?

The Crusader, however, is a different creature all together. For them, everything is an opportunity. And that includes the occasional failure. Constantly moving forward, the Crusader cannot tolerate stagnation. Their mentality is "try it out, and learn from the results". The Crusader is savvy and constantly on the search for new ways to work and new ways to grow. That's why they have a deeper value for technology. They see its potential, and use it to their advantage. Which is why we chose to follow them along their buying journey.



“YOU’RE GOING TO NEED A BIGGER BOAT.”



One of our favorite “Jaws” quotes. Why? Well, Chief Brody was right. As soon as he locked eyes with his 25-foot, 3-ton target he knew right away that he had wildly underestimated the task at hand. He knew he was chasing a fish. And he knew he was in the right general area. So, he just tossed over a few lines and hoped for the best. It wasn’t until he came face-to-face with the beast that he realized he needed a better plan.

The point to this seemingly random movie reference? **The more information you have about your SBO targets, the better your chances at landing them.** The Crusader SBOs are a 25-foot, 3-ton segment. Massive! Understanding that, as well as having an idea of what they look like, can be the difference between a successful fishing trip, and a bad day of sunburns and sea sickness.



Crusaders skew younger than Artisans



80%

Of SBOs identify with the Crusader mindset



Crusaders are more likely to be female

THE CRUSADER'S SHARK-LIKE MENTALITY.

On the move. Always circling. Focused. And that's just the beginning of the Crusader's shark-like attitude. When it comes to making decisions, the Crusader SBO never stands still. They're constantly on the move searching out the best possible solution. Whether they're researching office needs, the latest tech, or the simple supplies it takes to keep a business running, the Crusader is continuously hunting for information that will benefit their business.

But that's not to say the Crusader consumes mindlessly. It's the opposite. Crusaders are careful in their search and they consume content with a keen eye, and a keener appetite. They won't devour everything they come across, but they won't hesitate to bite when the information, product, or service is poised for growth.



Constantly moving forward



Actively looking for information that can help their business



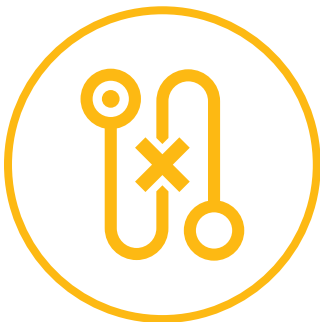
Consumes content with a targeted mindset



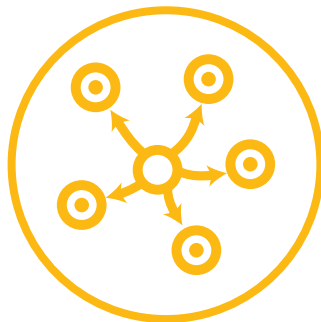
SWIMMING IN SEA OF DIRECTIONS, DECISIONS, AND DESTINATIONS.

Our Crusaders are surrounded by options and opportunities. **The sales funnel, which used to consist of a simple linear path starting at need and ending in purchase, no longer exists. It's dead. Really dead.** Why? Thanks to the abundance of online channels, today's Crusaders exist in a world without direct paths. Instead, they are surrounded by endless prospects and potential destinations, which leaves the straight and narrow purchase path looking more like a vast ocean of options.

So how are Crusaders navigating this seemingly limitless, digital seascape? Now, more than ever, they're relying on digital channels to inform the purchasing process, from research to the final sale. But keep in mind, this process now stretches out in endless directions, and the purchase destination isn't so cut and dry.



No "paths" at sea



Endless directions and routes



Digital currents run deep and wide

THE CHANGING TIDES.

With the ever increasing influence of the digital reach, it's no wonder SBOs feel the current shifting. But how does this sea of information, and the seemingly endless opportunities, impact the Crusader mindset? To put it simply, Crusaders feel the purchase process starts and ends online. Crusaders embrace the digital world and use it to become more effective and efficient at work, while using the variety of available channels to make a more informed purchasing decision.

CRUSADERS FEEL THE PURCHASE PROCESS HAS CHANGED: MORE ONLINE AND DIGITAL



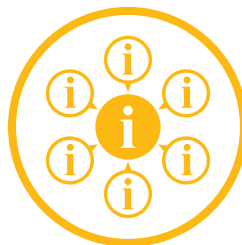
86%

Say purchase process has changed in 5-10 yrs



49%

Say they shop online more



42%

Say there's more info

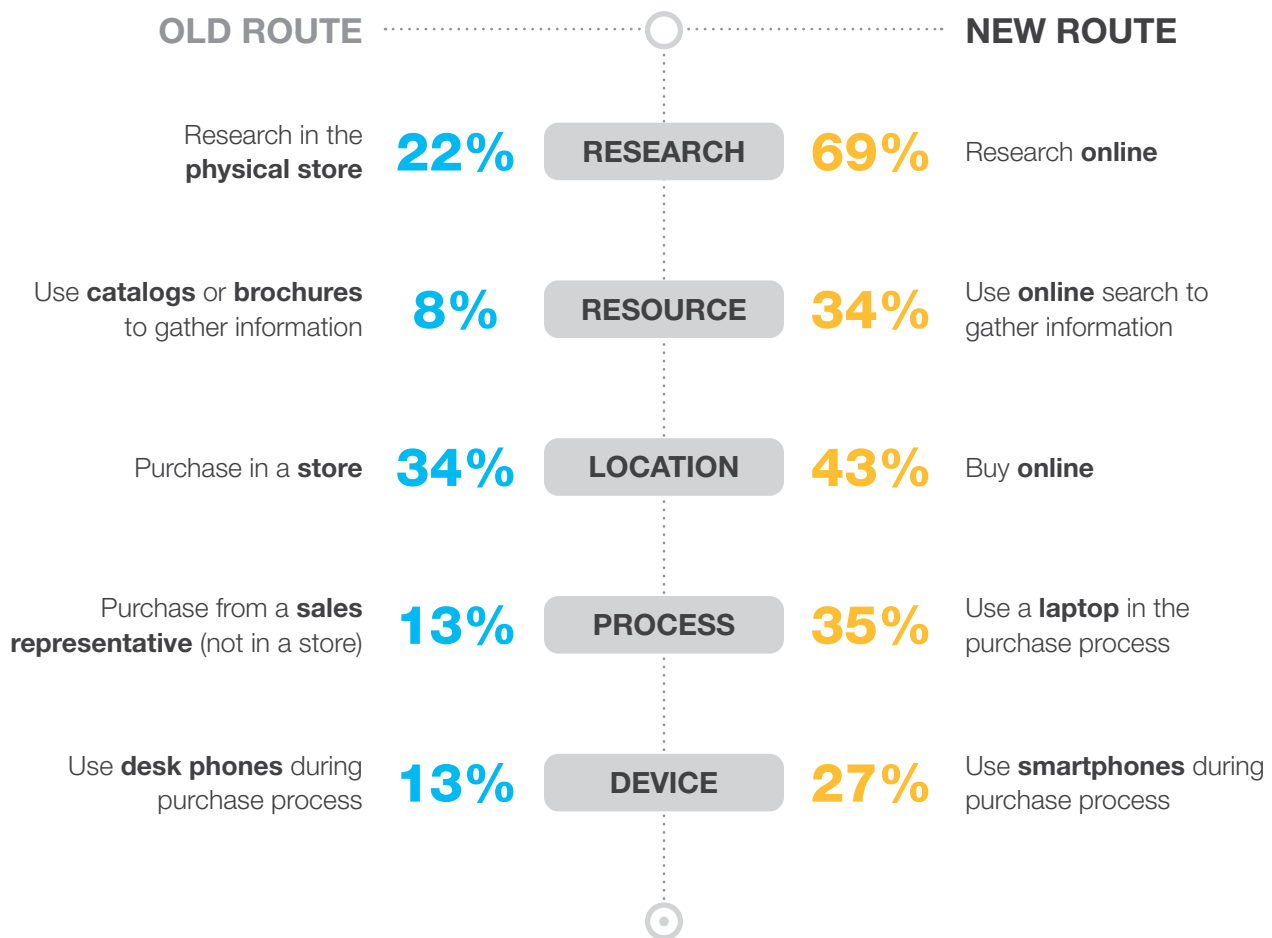


39%

Say it's more digital

COMPASS VS GPS.

Always-on and in reach. Content as far as the eye can see. Faster processes and interfaces. This is where the Crusader thrives. Remember how we said the Crusader's purchasing process starts and ends online? Just take a look at the numbers. From online research and information gathering through to the final purchase. **Crusaders rely on the latest tech as their preferred means of communication to get the job done.**





THEY'RE NOT FOLLOWING BRANDS. THEY'RE SIZING THEM UP.

Even before a business need arises, this savvy target uses their highly-tuned senses to pick up information around them. They are hyper-aware of their surroundings, and they know when a brand approaches their space. While this activity may seem passive on the surface, it's actually very intentional and useful to the Crusader. As they quietly gather information about the brand, they're continuously evaluating and developing opinions.

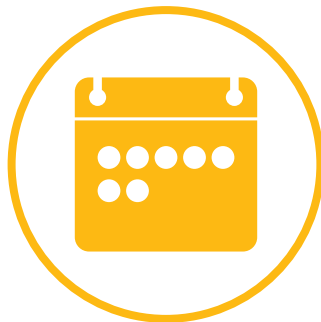
The ultimate goal? Decide, in advance, which brands they may want to work with.

Then, if and when a need or an opportunity arises, the Crusader is ready to strike. This not only reduces the time it takes to make a decision, but it also helps prevent hasty decision making that could result in disruption.



89%

Crusaders consider up to 3 brands



74%

Crusaders make a purchase within a week



41%

Only take a day or less

CRUSADERS HAVE A PLAN BEFORE THEY HAVE A NEED.

There are wants. There are needs. And there are plans. Because Crusaders are constantly hunting for information, they are aware of their options. The Crusader is a focused individual who isn't prone to a reactive or unplanned mentality. So, when it comes to critical business purchases and decisions, the Crusader already has a solution in mind.

Calculated. Always circling. Ready to strike. The Crusader is prepared for a fault in the system. But what are the situations that cause a Crusader to pull the trigger? Let's call them the big three: it's broken, we have a problem, or someone offered a suggestion. In particular? SBOs plan for production, technology, and business development expenses. But with a plan in place, these "big" triggers are usually handled quickly.



Crusaders make critical business purchases about every **18-19 weeks**



66% of Crusaders plan ahead



Top 3 purchase triggers:

- Broke / ran out (**31%**)
- Saw a problem (**23%**)
- Suggestion (**14%**)

CIRCLING THEIR TARGET.

Options may be plenty, but the informed Crusader knows where to look. Most SBOs research their options before making a decision, and the Crusader's go-to source is online. For the Crusader, search engines are typically the first stop. They're fast, easy to use, and getting more and more intelligent with their returns, which is why Crusaders start there first. **But, what exactly are they searching for during this research phase? Price, reviews, and product comparisons round out the top influencers.**

This research activity, while intensive, still happens relatively quickly. After all, they already have up to 3 brands they've pre-evaluated. And most of them have a plan in place for the purchases they make. So not only does a decision typically come within a week, there's also an enormous amount of confidence and satisfaction that follows a purchase.



70%

Research online



Top Purchase Decision Influencer:

- Search Engines (35%)



Information they search for:

- Price (61%)
- Reviews (41%)
- Comparisons (39%)



More research =

- Purchase confidence (70%)
- Satisfaction (88%)



CHEWING ON INFO, BUT NOT ALWAYS READY TO EAT.

Hey, sharks are no different than we are. Sometimes they eat when they're bored. Sometimes they eat because food is put in front of them. And sometimes they'll think about eating, and then decide they really aren't that hungry. Which is exactly the way our Crusaders behave with their purchase decisions. If they have a need, they buy. But if there is no immediate need, they explore, investigate, and evaluate content, products, and brands.

It's not shocking that 69% of our SBO Crusaders research online to find answers to their most pressing, Small Business questions and concerns. Interestingly enough, their research isn't necessarily attached to finding a certain product. For example, their search browser might read something like this: "how-to get financing for my small biz" or "ways to make my small business greener." This is an example of our SBOs poking around at a purchase, but not really committing to one. This activity is demonstrated by the majority of Crusaders (57%). And it's further explained by the fact that the #2 reason an SBO walks away from a purchase is it just wasn't a "must have" at that time.



57% of crusaders do not move from research straight to purchase



#2 Reason to walk away from purchase: didn't really need to buy it (**18%**)



And **56%** start / stop the purchase process several times



Top reasons for the start / stop?

- It takes too much time to purchase
- Brand value isn't clearly communicated

Other reasons for the swim-by? **15% of Crusaders said a top purchase frustration was the time it takes to make a purchase.** They have places to go. Trying to navigate a complicated or time-consuming purchase experience isn't on their calendars. **Crusaders also expect Brands to communicate their value proposition quickly and clearly. If they don't get it, they won't stick around.**

STAYING MOBILE IN OPEN WATERS.

Constant motion. It doesn't just describe their mindset. It's a huge part of the Crusader's workstyle as well. They don't want to be anchored down. Remember, the Crusader loathes stagnation and complacency. Which is why mobility is such a priority for them. Smartphones, laptops, and even tablets are critical tools. The Crusader wants to be constantly ready to make a business decision. In fact, Crusaders are more likely to use a laptop to make a business purchase than they are to use a desktop computer. And, more Crusaders have a business tablet than have a desk phone.



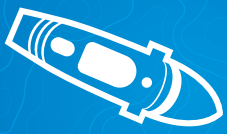
83%

Of Crusaders use a smartphone
for business



29%

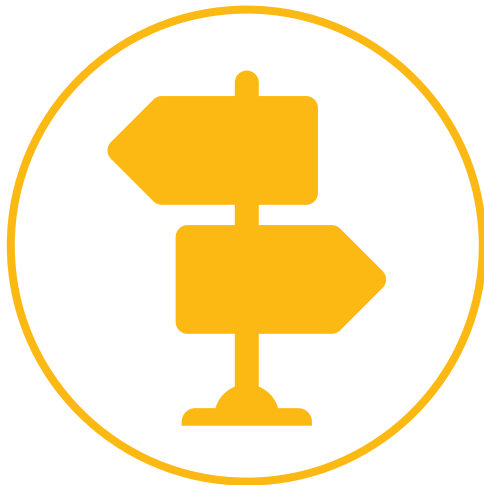
But only 29% use it to
make purchases



READY TO BUY-T.

Do you recall what happened after that school-bus of a fish had circled and circled the Chief and his companions? He observed them. He measured them up. And then he decided it was finally time to interrupt their poker game. A Crusader's decision to buy can happen that quickly. Once a need arises, they do their homework, and then it's time to get down to business.

At this point they know the brand and they like the value proposition. Now it's time to focus in on price. It actually becomes the top purchase influencer at a whopping 65%. Not only that, price becomes the top purchase frustration as well. Think about it, they've exerted a lot of energy getting to this moment, only to find the price leaves a bad taste in their mouth. This is where a juicy promotional discount, presented at the right time, or with a long-standing expiration date can help close the deal.



Most important decision influencers:

- Price (65%)
- History / experience (33%)
- Brand (30%)



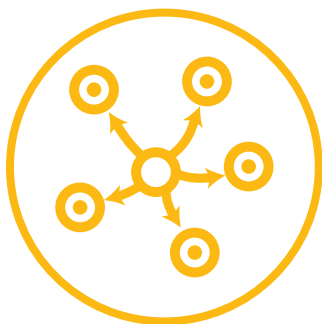
Top purchase frustrations:

- Price too high (18%)
- Too many options (15%)
- Amount of time it took (15%)

A SUCCESSFUL TRIP:

DON'T GUIDE THEM. ATTRACT THEM.

You can't force a shark along a route. You can't make it swim a certain direction, act a certain way, and no matter how you try, you can't make it strike if it's not hungry. It goes where it wants, and it will eat when it wants. However, that doesn't mean you can't get their attention. In fact, you **MUST** get their attention. And that means awareness. It means engagement. It means working your way into their top 3 considered brands before they're even in buy-mode. Because the reality is, if you aren't in their top 3, you won't get a bite. A great way to do that? **Talk to them instead of constantly trying to sell to them.**



The funnel is dead –
too many paths, routes,
and directions



Awareness is
absolutely crucial



89% of Crusaders
consider up to 3 brands

A SUCCESSFUL TRIP:

CLEARLY COMMUNICATE YOUR VALUE.

Crusaders actually want to hear your messages. But, not all messages are created equal. **Half of Crusaders surveyed said they wanted to hear more about brands' value propositions, while only 37% said they experienced this type of messaging.** Give the SBOs what they want! By offering up the benefits your product or service can provide the Crusader, the more likely you are to ensure a bite.

MAKE SURE THE VALUE PROP IS COMMUNICATED IN TERMS THEY WANT TO HEAR



Quality



Benefits before
features



History / past
performance



Expert / peer
recommendations

THEY WANT VALUE BEFORE COST.

Yes, price is critical. But does it matter most? The answer isn't always yes. Actually, more times than not, Crusaders want to know the value you bring before they even worry about the price.

Sounds simple, doesn't it? Here's the catch. Value is uniquely personal to each Crusader SBO. **So your best bet is to make sure value proposition is communicated in terms they want to hear—quality, history/past performance, expert/professional/SBO recommendations, and yes, even price.** These are core value themes that resonate best with Crusaders. And always remember, SBOs don't want the cheapest options. They want the best option at the best price they can afford.



50%

Want to see value messaging during purchase



SBO Quote:

"My last purchase was for additional space (external hard drives). I have a company I stick with because they present great quality, design, value, and customer service, and they stand behind their product. It was a simple reorder. But in general, when shopping I look at: speed of shipping, value of the product, quality, reviews, company reputation, and social and environmental values."

A SUCCESSFUL TRIP: MAKE PURCHASING EASY.

Crusaders work at a frenetic pace. They don't have time to search high and low for a product. And they definitely don't have time to figure out a complicated buying process. Make it clean. Make it simple. Make it quick. They won't go out of their way to make a purchase. They'll just go away.



Top reason SBOs walk away from a purchase:

- Price (65%)
- History / experience (33%)
- Brand (30%)



Top purchase frustrations:

- Takes too much time to purchase (15%)
- Too many options (15%)

A SUCCESSFUL TRIP:

IT'S NOT THE SIZE OF YOUR BOAT...

Have you been out on the ocean lately? It's a pretty big place! Trying to cover too much water could be a costly mistake. But no matter if your budget looks like a 45' fishing yacht, or a 10' dingy, you can be effective as long as you know where, when, and how to fish. An expert guide can help you answer all those questions. Plus, they can entertain you with old sea chanties and war stories, too.



Deep knowledge is more effective than deep pockets



Be realistic, don't try to cover too much water



Find your own "Quint" to help guide you



THERE'S MORE EXPLORING TO DO.

We've learned a lot about our Crusader SBOs on this latest, SMB Study expedition. But there's still so much more to talk about. Like the fact that not all purchases are created equal. And that habits actually differ depending on what SBOs are shopping for. For instance, Crusaders take longer to make technology purchases than they do business development purchases. The study raised other valuable treasures, as well. But that's another tale for another day. If you'd like to schedule a time to hear more, give us a call. And keep an eye out on the horizon for our next SMB Study installment.

Want to learn more about how Cargo can help your brand better connect with and sell to SMBs? Reach out at:

www.thecargoagency.com

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