

Why Software Buyers Experience Regret

Strategies to Attract and Keep the Right Customers

Gartner[®]
Digital Markets

A woman in a light-colored blazer is seated at a table in a meeting room, looking towards a whiteboard. The room is dimly lit, and the whiteboard has some faint markings. The image is partially obscured by a dark blue overlay on the left side.

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Most buyers purchase from their initial vendor list (and soon regret it)

Nearly all buyers (96%) start with a vendor list when shopping for new software. Our research finds that 89% of those buyers usually purchase from their list.

If a buyer is your ideal customer, you simply must be on that list.

But with only four names included, on average, it's a fairly exclusive club.

So what's the key to getting on the right list?

Findings from Gartner Digital Markets' 2024 Tech Trends Survey show that you need to look at the full spectrum of your customer's experience, from attracting the right buyers to proactively mitigating feelings of regret and reducing churn.

We'll explain how software buyers build their lists, break down the factors that lead to regret for 60% of them, and deliver key insights from our research so you can get on the right lists and stay there.



Q29. When looking to buy new software, do you usually start with a list of potential vendors in mind? n = 3484; Q33. In general, how often do you purchase from a vendor on your initial list of options? n = 3347; Q30. When creating your initial list of potential vendors, how many options do you typically include? n=3347

Buyers rely on what they've heard, seen, and experienced

When building a vendor list, reviews are the most critical consideration for buyers, with one in three (33%) depending on customer reviews more than any other factor.

Social media, on the other hand, is the least important source of information (of the 14 options in our survey) with only 16% of buyers saying a vendor's social presence makes an impact on who makes the list. This means that buyers put much more weight into what other buyers say about your offering than what you say.

That's why it's important to nail your product trials and product demonstrations, which rank as the second and third most important considerations, respectively, when building a vendor list.

Following closely as the fourth most important consideration is a buyer's previous experience with a vendor. The only question here is whether their lasting impression is good enough to get you on that list—or if lingering and unresolved doubts will keep you off of it.

Customer reviews are a critical resource when buyers build their software list



Q32. When putting together your initial software vendor list, which of the following are the most important sources of information for you? Please select up to five. n = 3347

Despite making a list, most software shoppers end up experiencing regret

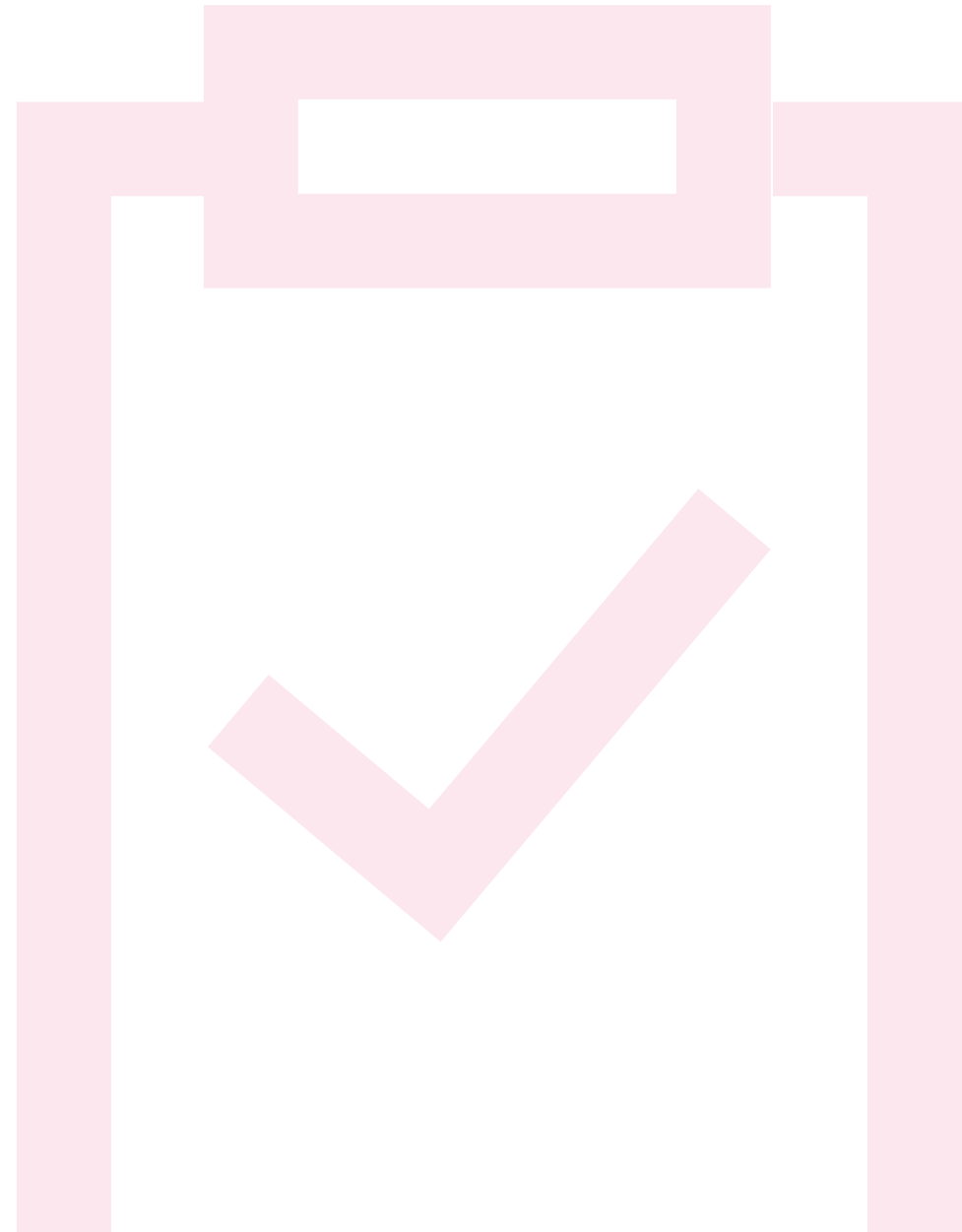
Three in five buyers (60%) express regret for a software purchase made in the last 18 months, and more than half of those buyers (54%) regret multiple purchases.

But beyond disappointment, most companies are ultimately saddled with problems they can't easily overcome. More than half of regretful buyers (56%) say the financial blow will have a significant impact on long-term business performance. This pain is especially acute for small businesses with fewer than 250 employees, 59% of which consider the impact significant compared to 51% of larger businesses.

Three in five buyers regret a software purchase



Q34. Do you have buyer's remorse or regret for any of the technology purchased in the past 12-18 months? n=3484



The top factors that cause regret relate to missed expectations and poor implementation

The top driver of regret from a product perspective is a higher-than-expected total cost of ownership, voiced by one in three companies (33%). This makes sense. There's nothing worse than the feeling you've overpaid.

The next most significant product-related factor leading to regret is slow or difficult implementation. Perhaps not coincidentally, a problematic handoff between sales and implementation ranks as the highest vendor-focused factor for regret. That means from both a product and vendor point of view, buyers are often frustrated by their post-sale experience.

The second most common vendor-focused factor contributing to regret is mismanaged expectations, which echoes in part aforementioned regret about unexpected costs.



Top product-related factors driving regret

33%

higher-than-expected cost of ownership

32%

slow or difficult implementation



Top vendor-related factors driving regret

43%

problematic handoff between sales and implementation

42%

mismanaged expectations

Q35. Which of the following product-related factors have led to software buyer's remorse for your organization? Please select all that apply. n=2087

Q36. Thinking about your regretful purchase, which of the following vendor behaviors did you experience? Please select all that apply. n=2087

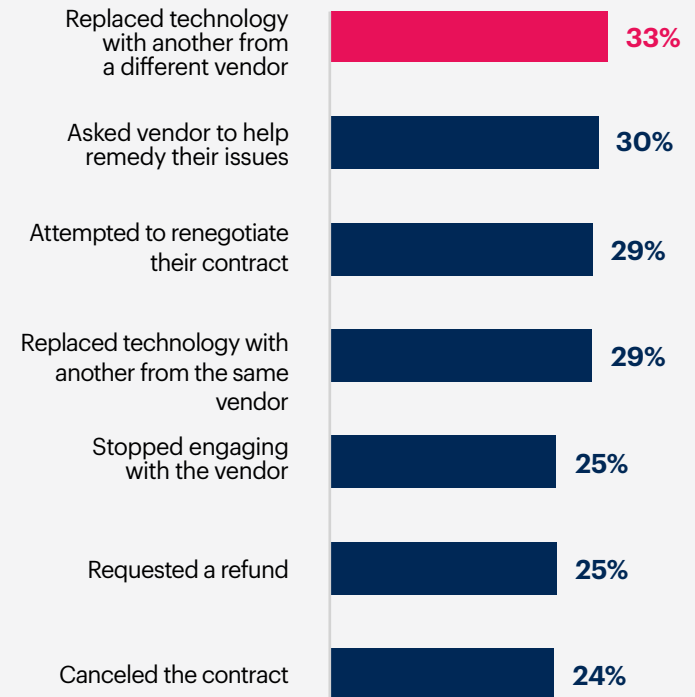
Four strategies to change course and prevent churn

Software buying regret can, of course, lead to churn. Nearly a quarter (24%) of regretful buyers canceled their contract and a third (33%) replaced their software with that of another provider.

But there's also an insidious element of regret that leads to bad word-of-mouth and negative customer reviews—those same reviews that rank as buyers' most important factor when creating vendor lists. So not only is regret risking your existing customers but it might also be alienating future buyers.

Fortunately, our data reveals insights that you can use to mitigate regret before it becomes churn, or leads to the type of social proof you'd rather avoid.

Regretful buyers are most likely to go to a competitor



Q40. Thinking again about the software you regret purchasing, which of the following actions were, or will be, taken by your company? Please select all that apply. n=2087

1. Build credibility with verified reviews

If yours is a growing software company, every client counts. That's why your company needs to be obsessed with rooting out customer regret and building credibility.

Remember that it's never too late to pursue a good review or positive word-of-mouth. What's more impactful: hearing a glowingly positive review of a business, or hearing one from a customer who struggled but was ultimately won over by a company that did everything to make it right?

For 86% of businesses, not only reviews but verified reviews, such as the millions featured on [Capterra](#), [GetApp](#), and [Software Advice](#), are considered important to the software search.^[1] These verified reviews help your company stand out and help buyers gain objective insights into your product. What's more, ratings and reviews help your company qualify for the Capterra Shortlist research report, bolstering your credibility with the voice of your customers.



86%
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consider verified
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Source: 2023 Global Software Buying Trends Report, Gartner Digital Markets



2. Empower your team—and your buyers

The first change buyers would make to avoid regret for future purchases is to clarify goals and desired outcomes (36%). The second change they'd make is to improve stakeholder communication (33%).

These are struggles your go-to-market team can help them with proactively. Enable your team to know when a buyer is and isn't a match.

Of course, the reality is that software buyers are becoming more sophisticated—they're increasingly making their purchase decisions outside of the traditional sales channel using information gleaned from customer reviews, vendor websites, and product review and comparison sites.

That's why it's never been more important to develop quality content and self-service tools to help optimize your buyers' journey, build internal consensus, and simplify their decision—regardless of where or how they decide to make their purchase.



Exhibit a thorough understanding of the buyer's situation.



Validate the core value proposition required by the buyer to ensure an ideal match.



Convey expertise of the buyer's industry.



Practice stakeholder mapping to identify buyer roles and address their individual needs.



Reiterate how your product or solution meets their needs throughout the buying process.



Provide implementation details and post-sales support promptly.

3. Identify warning signs of potential regret during the sales process

Four in five buyers (80%) that end up experiencing regret go into the purchase process either very or completely confident—an even higher level of confidence than those that don't ultimately experience regret (76%). This means that, by and large, buyers enter the purchase process feeling assured in their decision, most of them blind to the problems that lay ahead.

Luckily, we can see the risk factors that they don't.

To help your team mitigate churn, we've identified several indicators of potential regret in our data.

Software buyers report higher rates of regret when they:



Spend too much time evaluating the purchase



Have been in business less than 5 years



Are based in India, the UK, or Australia



Are in an accelerated growth phase



Form a purchase team from a single (non-IT) department



Fail to use product comparison sites



Are in the finance or IT industries



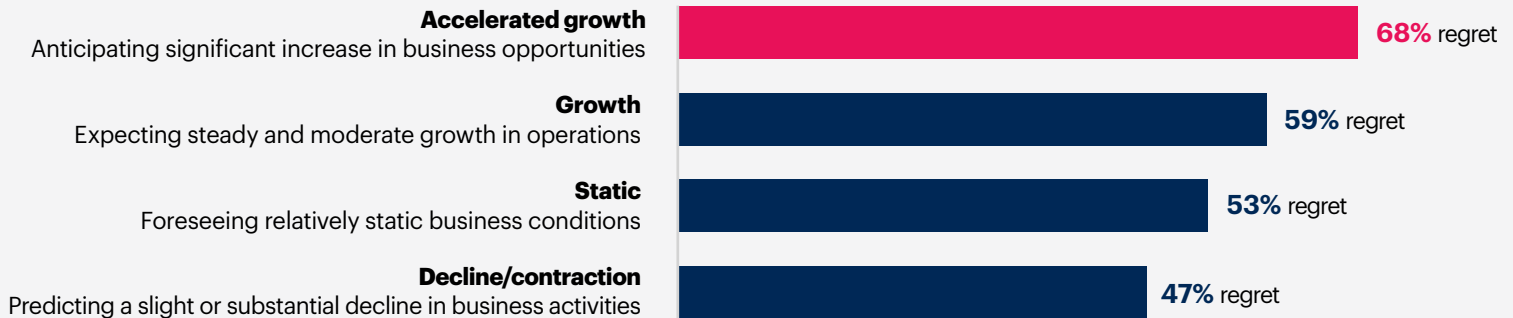
Use a sole decision-maker for the purchase



Have between 250 and 999 employees

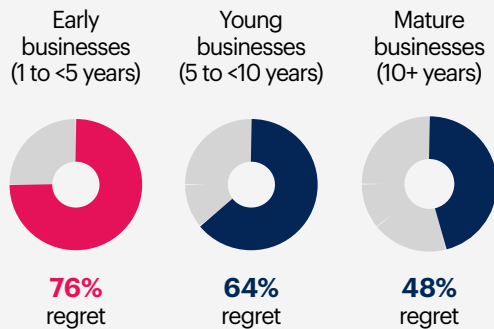
Warning signs of potential regret

Businesses in an accelerated growth phase are more likely to experience regret



Q11. How would you characterize the state of your business over the next 18 months? Please select one response only. n=3484

Younger businesses are more likely to experience regret



Q5. What is the age, in years, of your organization? Please select one response only. n=3484

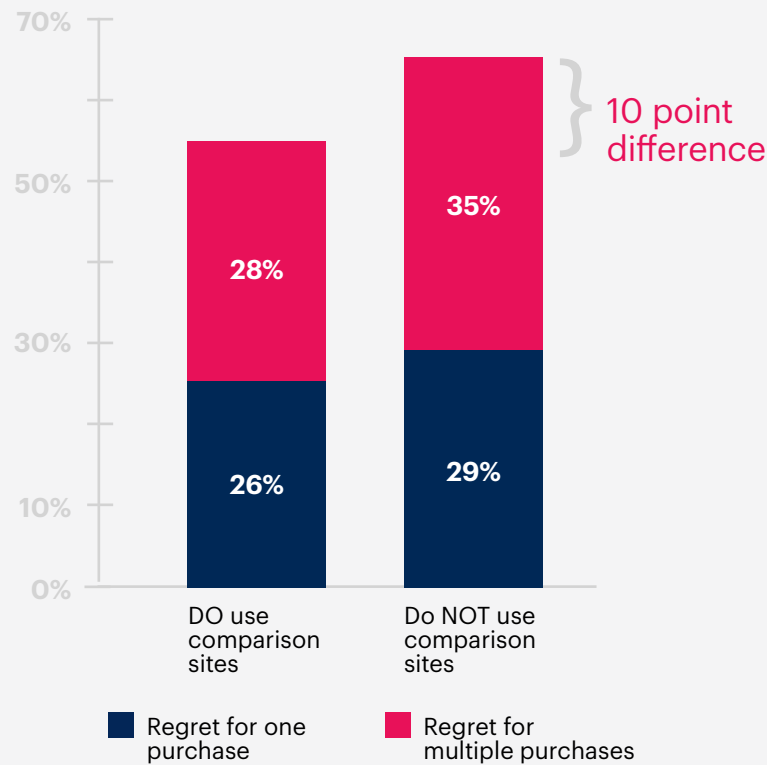
Mid-market companies are the most likely to experience software purchase regret



Q6. How many full-time equivalent (FTE) employees work for your organization worldwide? Your best estimate is fine. n=3484

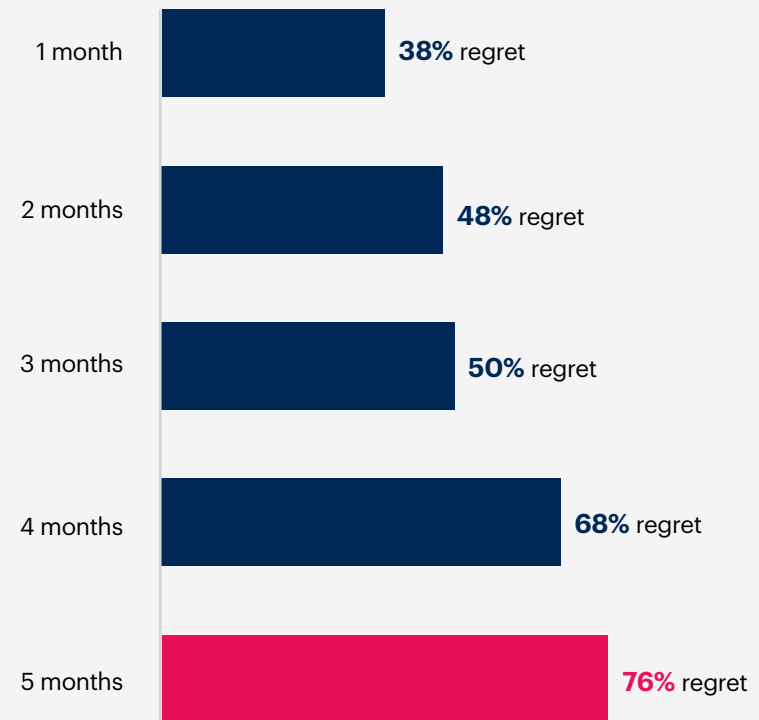
Warning signs of potential regret

When buyers fail to use software comparison sites, purchase regret increases from 54% to 64%



Q32. When putting together your initial software vendor list, which of the following are the most important sources of information for you? Please select up to five. n=3347

Businesses that spend more time evaluating software have higher rates of regret



Q28. How much time, in total, does your organization usually take to evaluate options and determine which software products fit your needs? n=3484

4. Prioritize post-sales communication

Despite your best efforts to prevent buyers from experiencing regret, it's inevitable that some customers will. But regret doesn't necessarily lead to churn if you're able to address customer concerns in short order.

To remedy a regretful purchase, organizations say the most important actions for the vendor to take are to immediately respond to customer requests (49%) and provide enhanced implementation assistance (46%). For these reasons, you absolutely must ensure proper support is provided during implementation and assign a dedicated staff member to resolve particularly problematic purchases, a measure that 45% of buyers say would alleviate their regret.

Most important actions to address regret



49% of businesses say to **immediately respond to customer requests.**



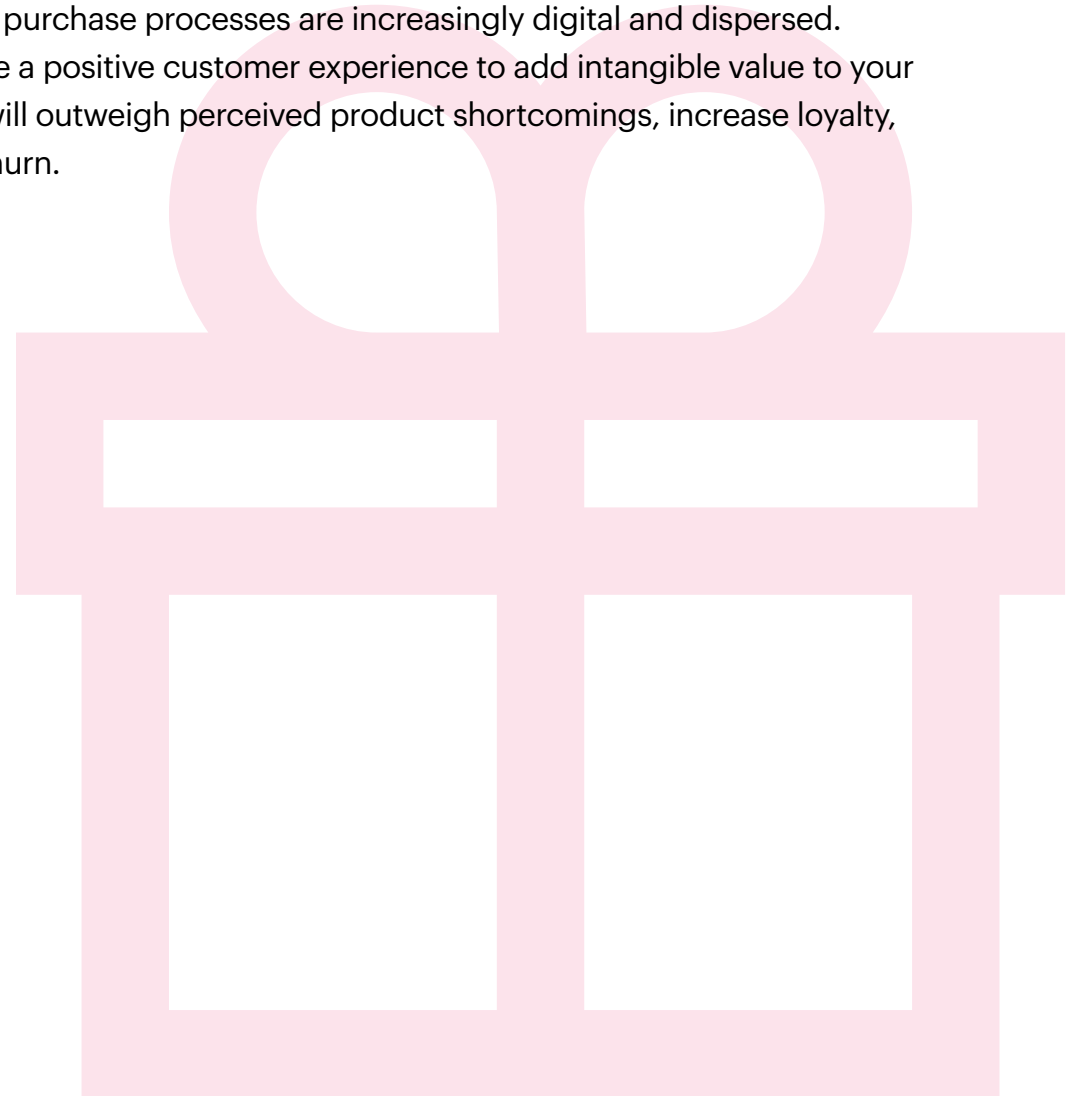
46% say **enhanced implementation assistance** would help make things right.

Q41. When a company regrets a software purchase, which of the following actions should a vendor take to remedy the situation? Please select all that apply. n=3484



Recognize that you're selling both a product and a customer experience

Our data proves that positive customer reviews and getting on the right buyers' lists are key to growing your business. To get there, start by uniting your marketing and sales efforts to gain the attention of modern software buyers whose purchase processes are increasingly digital and dispersed. Then, prioritize a positive customer experience to add intangible value to your offering that will outweigh perceived product shortcomings, increase loyalty, and reduce churn.



Methodology

Gartner Digital Markets' 2024 Tech Trends Survey was designed to understand the timeline, organizational challenges, adoption and budget, vendor research behaviors, ROI expectations, and satisfaction levels for software buyers, and how they relate to experiencing regret after a purchase.

The survey was conducted online in July 2023 among 3,484 respondents from the U.S., U.K., Canada, Australia, France, India, Germany, Brazil, and Japan, with businesses across multiple industries, employing between 5-10,000 or more workers, and reporting up to \$1 billion in annual revenue. Respondents were screened to ensure their involvement in software purchasing decisions.

Sources

1. [2023 Global Software Buying Trends Report](#), Gartner Digital Markets

About Gartner Digital Markets

Gartner Digital Markets is the world's largest software and services marketplace. More than 100 million people visit Capterra, GetApp, Software Advice, and UpCity across more than 70 localized sites every year to read objective research and verified customer reviews that help them confidently choose the right software and services. Thousands of B2B companies work with Gartner Digital Markets to build their brand, capture buyer demand, and grow their business.

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