

EXECUTIVE SUMMARY:

B2B MARKETING



B2B Merchants Adapt to B2C Generation

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Welcome to a new B2B generation, where millennials raised on the Internet have changed the way B2B merchants cater to their clients.

No longer can merchants rely solely on an annual big-book catalog or offer a bland procurement portal up for customers to purchase from. The Gen Y buyer is also a B2C ecommerce shopper and wants those same experiences when shopping for their company.

Every day that B2B merchants fail to offer a compelling B2B ecommerce experience, they fall farther behind more ad-

vanced competitors.¹ Specifically, they risk losing market share to B2B rivals already executing an ecommerce strategy and B2B versions of consumer websites that have recently emerged in the B2B space.

For B2B distributors and wholesalers in particular that rely on adding value as middlemen, failing to exploit online and mobile as leading channels for driving customer engagement represents a real threat to their businesses.

According to Multichannel Merchant's MCM Outlook 2013, just 68.3% of B2B merchants were marketing their goods via ecommerce. In contrast, 85.3% of those

B2C merchants polled said they are marketing via ecommerce.²

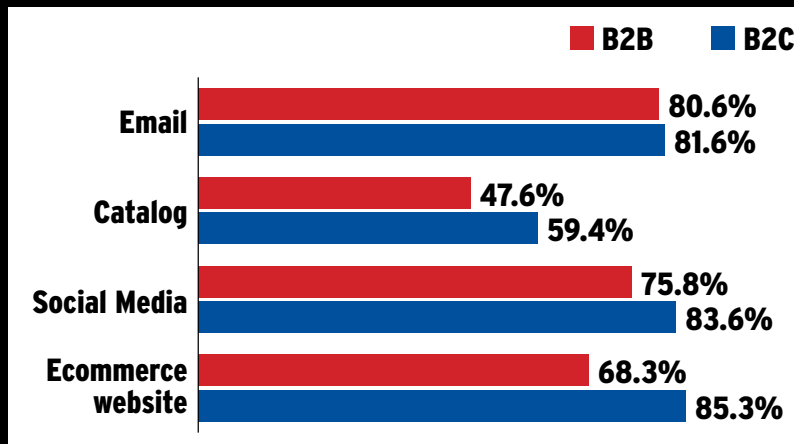
Changing Ecommerce Audience

Gen Y buyers are more likely to shop online than are their older counterparts, with a consistent trend of online purchase increasing in younger generations.³

According to Acquity Group's 2013 State of B2B Procurement Study, 90% of buyers between the ages of 18 and 35 make company purchases online. That compares to 68% of buyers between the ages of 36 and 45 and 45% of buyers between the ages of 46 to 60.



Please indicate all the channels through which your company markets. (Select all that apply)



Source: Multichannel Merchant's MCM Outlook 2013

Those over the age of 60 are most likely to research less than 10% of the time, and those 26 to 45 are most likely to research 50% of the time or more.

AmazonSupply is gaining traction among business buyers—63% of buyers ages 18 to 35 have purchased from AmazonSupply at least once and 40% purchase frequently from AmazonSupply.

“The next generation of B2B buyers is highly connected, and expects an easy-to-use and highly targeted online experience, but most suppliers don’t offer capabilities comparable to familiar consumer sites, such as Amazon,” says Robert Barr, senior vice president at Acquity Group. “This trend of online purchasing continues to rise and B2B suppliers must have an online presence that promotes familiarity and research capabilities, or consumers will go elsewhere.”

The emergence of AmazonSupply is only the beginning of a larger trend in B2B commerce. Recently, Google entered the game with Google Shopping for Suppliers, a site dedicated to channeling relevant—and often paid—search to B2B buyers. With the B2B commerce market expected to reach \$559 billion in sales in 2013, it’s clear that Amazon, Google and other players are set on disrupting B2B marketplaces with turnkey commerce solutions and sell-

ing opportunities.⁴

But despite the apparent convenience and benefits these solutions offer, there are serious questions about whether they can provide the flexibility, functionality and independence that B2B brands need to effectively compete in the digital space. For example, many B2B firms that lever-

age AmazonSupply will discover that their storefronts foster customer relationships with Amazon and not the brand itself.

So rather than relying on AmazonSupply or similar commerce opportunities, B2B sellers are incentivized to create their own commerce platforms as a way to forge independent connections with customers and prospects.

Customer Satisfaction

Business customers are generally less satisfied with the online experiences that B2Bs provide and that industry-wide improvement is critical.⁵

While customer satisfaction with B2B companies improved in the 2013 ForeSee B2B Benchmark, the industry continues to lag behind B2C merchants by 9% in terms of satisfaction. Overall, the average customer satisfaction with B2B websites is at 64 on a 100-point scale. Based on ForeSee’s methodology, scores of 80 and higher are classified as “highly satisfied,” while scores of 69 and lower are considered “less satisfied.”

“Looking at the industry average score, there is clearly some work to be done in

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The screenshot shows the AmazonSupply website. At the top, it features the AmazonSupply logo, a 'FREE 2-Day Shipping!' banner for orders over \$50, and navigation links like 'Sign In', 'My Account', and 'My Lists'. A sidebar on the left lists various product categories such as 'Abrasives & Finishing', 'Cutting Tools', 'Fasteners', 'Food Service & Grocery', 'Fleet & Vehicle Maintenance', 'Hydraulics, Pneumatics & Plumbing', 'Industrial Electrical', 'Janitorial & Sanitation', 'Lab & Scientific', 'Material Handling', 'Materials', 'Occupational Health & Safety', 'Office', 'Power & Hand Tools', 'Power Transmission', and 'Test, Measure & Inspect'. The main content area features a large '365 day returns' banner with an image of Amazon boxes. Below this, there are four columns of product categories with icons: 'Hydraulics, Pneumatics & Plumbing' (listing items like Air Cylinders, Ball Valves, Hose Clamps, etc.), 'Materials' (listing Aluminum, Brass, Bronze, etc.), 'Lab & Scientific' (listing Balances, Centrifuges, Labware, etc.), and 'Occupational Health & Safety' (listing Flags, Floor Markers, Gloves, etc.).



the B2B space,” says Larry Freed, former president and CEO of ForeSee. “But it’s important to acknowledge that many organizations are ahead of the game and are providing their customers with a highly satisfactory experience.”

Ecommerce 101

A B2B ecommerce project can be one of the most challenging. Not only do these require resources whose days are filled with conflicting priorities, but it also introduces an entirely new sales channel, which changes the dynamic of the organization’s working business model.⁶

It’s important to ask a few key questions up front. First, what is the site intended to do? Is it intended primarily to increase revenue, decrease costs, or improve customer satisfaction? Does it align with the company mission and vision statements? Without that alignment, the project will not receive the support of the executive team, or anybody else for that matter. And how will you measure the success?

Prior proper planning allows everybody within the company to understand the scope of the project, when each milestone will be completed, and most importantly, why the project is being done in the first place. This sets a foundation and creates alignment within the company so that everybody is working toward a common goal.

Though B2B ecommerce adoption is low, MCM Outlook 2013 indicates that 68.1% of B2B merchants use a direct sales team to sell to their customers. So when a B2B firm deploys an ecommerce site, it cannot forget about its sales personnel.⁷

The project team must engage the sales team early and often to rally their support for the ecommerce site. Typically, once the sales team understands how the site aligns with the corporate goals, and how the site can specifically help them, they will embrace the project.

Leveraging Ecommerce

A fully integrated B2B ecommerce site brings with it several new tools and strategies that can improve the lives of the sales team. Essentially, the ecommerce system can be leveraged as the sales force automation tool.

One of the most positive aspects of this is the introduction of customer self-service tools. Various industry studies have found that roughly 45% of customer calls to the merchant’s contact center focus around three questions: What is my price for an item, is the item in stock and where is my order? By tightly integrating the ecommerce system to the enterprise resource planning software, these three questions can be answered for the customer without involving anyone within the company.

At the same time, a new ecommerce site replaces the cumbersome traditional order entry model, where the sales team captures the order from the customer and then has them entered into the ERP system.

The sales team can still leverage order entry as needed on behalf of the customer. The advantage of this scenario is that the sales team is leveraging the same systems as the customer, and can see any other orders that the customer has placed.

Finally, once the sales team is using the ecommerce tool for placing orders, then the organization can use it for marketing to the sales team on behalf of the customer. In this scenario, the cross-sell/up-sell functionality is geared more toward the salesperson, rather than the customer.


This helps to ensure the sales team is made aware of all the latest promotions, at the exact time they need to know it: when they are placing an order for a customer. This also helps with new members of the sales team by educating them as they are working with their customers.

Embrace Social Media

Social media may be relatively new, especially to the B2B world, but its impact has been incredibly significant in recent years.⁸

Social networks such as Twitter and LinkedIn allow consumers to quickly

CDW leverages its endorsement deal with basketball hall-of-famer Charles Barkley by giving his “IT Guy/Ringer” persona a profile on LinkedIn.



Charles B. (Upgrade for full name)

IT Guy/Ringer at Gordon & Taylor

Leeds, Alabama | Import and Export

Previous

Television, National Basketball Association

Education

Auburn University

Send Charles InMail

▼

500+

connections

3rd



comment on and share products and services. B2B marketers can and should take advantage of these free tools in order to reach a greater, better targeted audience.

The latest research from TriComB2B and the University of Dayton found that 25% of B2B decision makers are likely to use the social media site LinkedIn when gathering information before making a purchasing decision, up from 12% in 2011.⁹

YouTube provides merchants a medium for instructional, how-to videos. These videos are excellent opportunities for companies to show off their expertise, to demonstrate how a product works or to highlight other uses for the product. Additionally, helping a customer better understand how a product works helps him or her make the decision to purchase it.

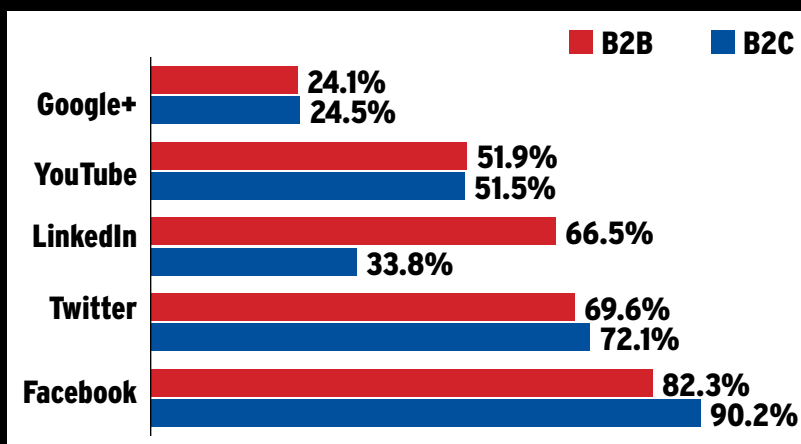
One of the more intimidating items that should be considered for B2B ecommerce sites is a product rating or review system. Many B2B organizations are already starting to provide product reviews and, when properly managed, this communication channel provides trust through transparency.

B2B companies should also consider leveraging blogs, Twitter and LinkedIn. These social media tools allow companies to extend their reach beyond traditional marketing avenues to acquire prospective customers and retain loyal ones.

Social media channels also help to facilitate meaningful communication between the company and the customer base, thus building customer loyalty and, ultimately, repeat sales.

By leveraging ratings and reviews, YouTube videos and blogs, B2B merchants like New Pig, Wasserstrom and CDW have created exciting sites that seem geared more toward the B2C market than the B2B market.

In which social media outlets does your company maintain an active presence? (Select all that apply)



Source: Multichannel Merchant's MCM Outlook 2013

Marketing Automation

Marketing automation is an ideal way to nurture prospects and demonstrate expertise so that when they are ready to make a decision or engage an organization, your company is the one that they think of first! It's not unacceptable to include communications about new products or services that you are offering, but it should not be the main focus of your marketing efforts.

Since marketers are now capable of building and executing campaigns at a far greater rate than ever before, there can be a tendency to overdo it. That is, to send marketing collateral to leads more often than they would want to receive it.¹⁰

This can result in fatigue of your leads and might end in a click on the "unsubscribe" button. Conversely, if you don't communicate with your leads enough, you can miss out on opportunities to nurture

them into eventually doing business with your company.

This is a direct result of the first mistake, because without a developed marketing automation strategy, more often than not leads are left sitting in the database without any activity.

Certainly, striking the right balance of communication is not easy, but there are ways that you can ensure your strategy is just right. To begin, ask your leads what the balance should be. Creating a preference center takes a lot of the guesswork out of this problem.

Your leads can choose how often they hear from you, what topics they are interested in and what method of communication they prefer most. Just make sure you're up to date with ISP deliverability issues. Consider your contact strategy and the fact that some communications inevitably won't make it to your leads. ■

The following Multichannel Merchant articles by staff and industry experts were sourced for this executive research summary. Please click on the article titles to learn more:

1. Forrester Study Shows B2B Ecommerce and Mobile a Must
2. MCM Outlook 2013: Ecommerce Research
3. B2B Suppliers Unprepared for Gen Y Procurement Preferences
4. The Looming Disruption of B2B Marketplaces
5. B2B Lags Behind B2C in Online Customer Satisfaction
6. B-to-b Ecommerce Challenges: Creating Support in the Organization
7. The Role of Your Sales Team in B2B Ecommerce
8. How B2B Marketers Build Online Business
9. LinkedIn Gaining Importance Among Purchasers and Influencers in the B2B Decision Making Process
10. 3 Marketing Automation Mistakes and How to Avoid Them

