WHITEPAPER

# The role of multichannel marketing in B2B ecommerce



dotmailer

# Executive summary

Today it seems that everything from perfume to soap powder has its own Facebook page and billions are spent by marketing teams to build engagement with customers who don't actually buy anything direct from them, but do so entirely through the retail network.



Please feel free to share your thoughts and feedback with us:
@dotmailer #b2becomm

But what if your customers do buy directly from you, and not at the glamour end of the lifestyle market, but to get things they need to use at work? You may well be dealing with the same person who will spend hours checking out every aspect of the latest fashion trend, but if they are buying something their business needs, rather than something they want personally, will they take the same time and care?

In many cases the answer is yes, not least if they have a brief to ensure they get the best value for their organization, which doesn't necessarily mean the lowest price. The difference is that emotion plays a much bigger role in the things we buy as consumers than it does for something that we need as a business purchase, where practicality and fitness for purpose are prime requirements.

In 2014 the Acquity Group, a division of Accenture Inc. ran its State of B2B Procurement study in the US covering 500 procurement professionals with annual purchasing budgets of over $100,000. The survey uncovered massive growth in online research and spending by B2B buyers across multiple devices, including:

- 68 percent of B2B buyers now purchase goods online, up from 57 percent in the 2013 State of B2B Procurement study
- The number of respondents who spent 90 percent or more of their budgets online in the last year doubled from 2013, increasing from 9 to 18 percent
- 30 percent of B2B buyers report they research at least 90 percent of products online before purchasing, up from 22 percent in 2013

In many ways the multichannel model that has been so effectively refined by B2C organizations in the last few years, lends itself perfectly to business buyers. It is quick and seamless, you can access it anywhere and buy 24x7 using any kind of device.

You have the choice of online ordering or talking to the telesales team, and you have trackable delivery that in many cases even allows you to chose a time slot within half an hour.

So given its advantages, why have so many trade sales organizations failed to adopt ecommerce and multichannel marketing, yet persist instead in maintaining large and expensive outbound telemarketing and inbound sales teams?

Is it a perception that implementing ecommerce would be too costly, or indeed disruptive to business as usual? Is it a fear that their customers won't respond? Is it technical complexity? Or is it just good old-fashioned inertia?

Either way, if you're not looking at ecommerce as a go-to-market strategy you need to, and do so quickly, because those companies that are implementing ecommerce, together with multichannel marketing strategies, are rewriting the rules of B2B marketing just as effectively as Amazon.com re-wrote the rules of bookselling.

The more comfortable people become with buying online for their personal needs, the more they will expect their trade suppliers to offer the same ease and facility. Because the B2B sector has fallen so far behind, it is forecast to be the fastest growth area in multichannel marketing and ecommerce in the next five years. Those companies that don't get on board now and build a business case to make the investment, may well find they miss the chance altogether as more agile competitors steal their business.

Whatever stage you are at in the ecommerce journey we hope you will find this strategy guide useful because we've designed it to take you through the steps you will need to consider and the experience of others who have already moved down this path.

It is designed to be used as a template to help you build and implement an integrated multichannel strategy for your B2B ecommerce business that ensures your customers enjoy the highest quality of journey, regardless of which channel they use, and give you an integrated approach to market that will help you to create your own unique proposition and grow your customer loyalty and base.



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# Section 1

## The business case for B2B ecommerce

### What we'll cover in this section:

- The psychology of buying for business
- Why size really does make a difference
- Focusing on the middle market
- Who needs sales people?
- Is this the end of the cold call?
- Who's actually going to pay for this?
- From trade counter to self service

### The psychology of buying for business

There have been of thousands of books, research documents, analysis and reports produced around the psychology behind the different factors that make people choose to buy one brand against another, but very little of this has been focused on understanding the psychology of business buyers. In the B2C arena, organizations have spent billions building brand engagement across a variety of platforms to increase customer loyalty, and the results are beginning to justify that investment.

Without question, building customer intimacy, creating intensely detailed single customer views and using that information to create and deliver tightly personalized communications and offers works well in B2C. Across dotmailer's client base we have many case studies of organizations coming close to doubling their average customer lifetime value through the implementation of these successful multichannel marketing strategies.




"Regardless of the perceived glamour, or lack of it, the B2B market for product and services is more than twice as valuable to the global economy as B2C - $6.7 trillion for B2B compared to $3.2 trillion for B2C"

Frost & Sullivan, 2014

But when it comes to B2B transactions, the very foundation upon which they are carried out is very different. How many people are going to feel a personal sense of loyalty to the cleaning products their company uses? Or the supplies for the office canteen? The photocopier or phone system? Yet these are all important for the effective functioning of the enterprise.

Regardless of the perceived glamour, or lack of it, the B2B market for product and services is more than twice as valuable to the global economy as B2C - $6.7 trillion for B2B compared to $3.2 trillion for B2C, at least according to research provider Frost & Sullivan. China is seen as offering the potential to become the largest ecommerce B2B market, perhaps because the infrastructure of business processes that has grown up over the last 150 years in the West, simply does not exist there. Rather than replacing an existing model they are starting with a genuinely clean sheet.

Although B2B ecommerce has lagged behind the consumer-focused sector, the entry of Amazon Supply and Google Shopping for Suppliers to the market in 2013 indicated the size of the potential opportunity. However, while these marketplaces offer a useful route to market for some suppliers for organizations already providing a range of B2B goods, such as trade merchants and distributors the costs of using them could make them a less profitable option than implementing their own B2B ecommerce infrastructure.

## A small selection of B2B businesses with ecommerce potential

- Air conditioning supplies
- Automotive parts
- Aviation components
- Builders' merchants
- Business supplies
- Catering supplies
- Chemicals
- Cleaning products
- Computer equipment
- Delivery services
- Engineering components
- Hotels
- Insurance
- Office machinery
- Protective clothing
- Storage services
- Taxi services
- Telecommunications
- Tool supplies
- Vehicle rentals
- Workwear manufacture

Certainly at dotmailer we have case studied many B2C organizations who reported that although doing business through these marketplaces added significantly to their turnover, their own subsequent ecommerce developments proved to deliver a more consistent and profitable revenue stream.

Although there are similarities, there is a world of difference between the traditional customer engagement model used by B2B traders and that used by the B2C community. B2C brands are predominantly purchased through retailers and marketplaces, which are continually developing newer and better ways to improve the customer journey. Ecommerce offers a range of attractive benefits, including 24x7 availability, immediacy and the ability to access sites from fixed and mobile devices. Transactions are instant, and service seamless, with the best sites offering 24x7 telephone support to solve any glitches.

By contrast the B2B model is still predominantly based around depots and branches, sales reps, telephone and fax orders and fixed working hours. Quite simply it is a model designed for the convenience of the merchant rather than the convenience of the customer and the pressure for B2B merchants to catch up is growing. In the grey section we have covered just some of the examples of goods and services where ecommerce offers a significant potential channel.

From a marketer's perspective, it's not just the lack of buyer emotion that differentiates B2C and B2B. In B2C there are well-established methods for identifying and targeting different consumers and groups – demographics, gender, age, location, propensities, social graphs and many others. By contrast in B2B you can be pretty certain that two apparently identical organizations will have two radically different approaches to buying goods and services.

However the fundamental construct that is shared by both sides, is that the purchasing of goods and services is still carried out by people who have different interests and motivations. The challenge for the B2B marketer is getting to understand the drivers and motivators of each different organization and buyer within them.

One of the most significant factors that affects the way companies buy goods and services is their size. The purchasing processes that work for a small family store would be wholly wrong for the nearby McDonalds. The way different sizes of organization approach purchasing is explored in the next section

# Why size really does make a difference

According to the UK Office of National Statistics, there are 4.895 million business enterprises. Of these 19.6% are sole proprietors, 10% are partnerships, 66.1% are limited companies, leaving just over 4% in public sector organizations.

The UK is unusual in having such a high percentage of self-employed people and organizations with no staff - by comparison just 6% of the US workforce is self-employed, 17% of Australian business are self employed/ sole proprietors, and across the EU the average is 14%.

But what makes the most interesting reading is how the number of organizations falls off a cliff the larger the employee count:

| Employee nos. | No. of organizations |
|---|---|
| 0 employees | 3,684,740 |
| 1-9 employees | 986,890 |
| 10-49 employees | 186,745 |
| 50-249 employees | 30,685 |

Similar ratios hold true in all first world markets. As the figures show the vast majority of organizations employ either just the proprietor or fewer than 10 staff. From the perspective of companies supplying goods and services to this sector these would be seen as low value accounts, even though there is such a large number of them. Because of this, serving them profitably can only be achieved with highly streamlined and low-cost business processes.

The majority of B2B lead generation activities avoid targeting businesses with fewer than 10 staff. This is understandable, when you realize that purchase decisions in these organizations are almost always made by the business owner. Often these people can be very hard to contact, and because they see any business expense as coming ultimately out of their own pockets through reduced profit, they can require a lot of attention for a potentially very small return

At its most simple, the cost of sale to the smallest organizations outweighs the potential return, unless they can be persuaded to come to the vendor in either a retail or self-service online environment. These are the ideal potential customers for an ecommerce strategy as it offers a cost-effective way to unlock this sector.

## Focusing on the middle market

Businesses with 10 or more staff usually start to see purchasing power being passed down the business, although the business owner will still be expected to retain tight control over spending levels. Once companies tend to get over 35 employees they become much more process driven, so you're more likely to find tighter control over costs, but also a wider group of employees who can make purchases, although they will often be subject to quite strict criteria.

Once organizations break the 250 employee level, they are much more likely to have a dedicated purchasing individual or department with responsibility for a specific area, such as office products and services. Although decisions on business-critical items will remain at board level.

Across the largest organizations complex purchasing decision chains, backed up by procurement professionals are the standard model. These will have complex processes, and often outsource the choice of supplier to procurement specialists. It is quite common when doing business with larger companies to face the need to become an approved supplier.

Not surprisingly, the majority of B2B marketing activities tend to focus on the middle market, those organizations employing between 20 and 250 staff, as these often represent businesses where the cost of sales remains low enough to justify significant direct marketing activities, so companies see them as fertile ground.

## Who needs sales people?

Further up the employment scale, businesses of 250 employees and over are seen as large enterprises and B2B suppliers have sophisticated programs in place to target them. However, In June 2014, Industry analysts Gartner reported that across their research database of large organizations, 93 percent of business purchase decisions had been made with no direct engagement between client and vendor.

Given that you can find out just about anything you want about most businesses, except their prices, on the web, this move to purchaser power is hardly surprising. However, the implication for B2B marketers and ecommerce managers is significant - if you want to ensure that your products and services have any chance of even getting on the shortlist, then you can no longer rely on the traditional approach of sales reps and buyer appointments, you must have a sophisticated multichannel presence that ensures you maximize the potential of every lead.

The importance of this can be seen from the way B2B businesses targeting large organizations have reformulated their marketing strategies to embrace the whole area of customer engagement. Sadly among those targeting the middle market, where the greatest potential exists to build new customer followings and win market penetration at the expense of less nimble competition, it is hard to find examples that truly stand out.

## Is this the end of the cold call?

Historically most B2B organizations' route to market has been to focus on lead generation through a combination of direct and indirect marketing activities, culminating in a telemarketer calling the prospective client in the hopes of setting an appointment.

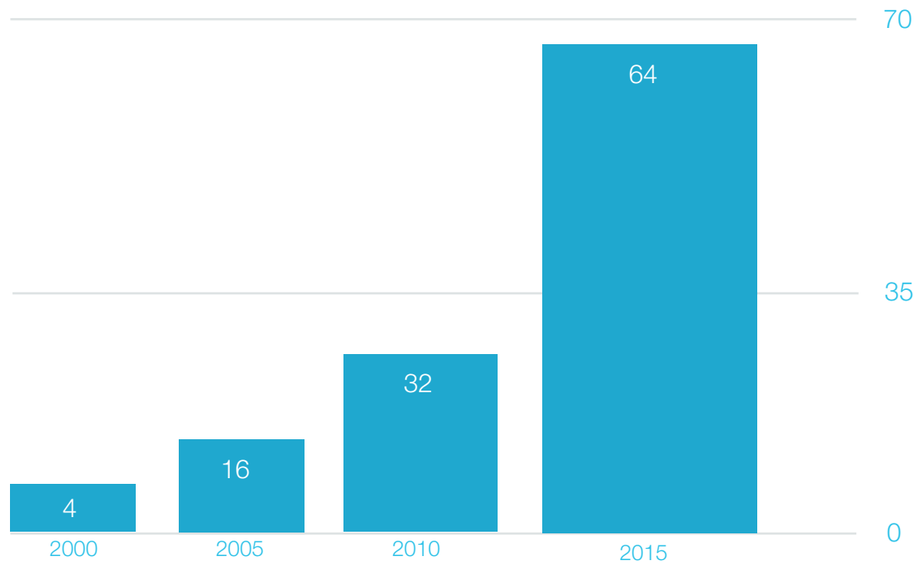
However, buyers are becoming noticeably less receptive to cold calling. Not only are they resisting making sales appointments with companies they have not sought out themselves, they are ignoring the telemarketers' approaches!

Since 2000, The Marketing Doctors(TM), a firm of customer engagement specialists, have carried out an annual survey across a group of telemarketing companies that specialize in appointment making for B2B clients, to quantify the number of calls taken to get through to a decision-maker.

At the turn of the millennium it took them on average 4 calls to get through to a decision-maker and achieve the call objective - usually in the form of an appointment for a sales person. By contrast, the March 2015 survey found the agencies reporting that their average now came to 64.

This is one of many studies that shows how it is becoming much harder to get through the background noise that fills most people's working days, and as most people do not consider buying things for their business to be a top priority, unless the call happens to come at just the right time, the chance of success is low.

### Number of calls to reach decision maker



One of the other findings from Gartner research was that 73% of business buyers will not entertain any direct contact with sales people from organizations they don't know, unless they made the approach themselves – usually following extensive research.

The drive is on among B2B companies to raise their game in terms of web presence and digital marketing, but the challenge they face is that they currently fall between two stools when it comes to building a fully integrated multichannel strategy, because they don't currently have the facility to transact online.

For big ticket goods and services, this is understandable, but over 80 percent of B2B transactions are for commodities – tools, supplies, parts and other business consumables, so the question has to be asked – why the inertia? Perhaps the first of the challenges we should address is the fact that in many B2B organizations one of the first criteria imposed on any sales order is a guarantee that the bill will be paid, and this, perhaps more than any other factor, has been behind shaping the current engagement process.




## Who's actually going to pay for this?

The explosion of B2C ecommerce has been driven by one underpinning factor - card payments. The idea of credit accounts for consumer purchase, although once commonplace among retailers pretty much disappeared with he arrival of credit cards, yet in the B2B sector it is standard practice for goods to be delivered and payment to follow anything up to 90 days later.

As a result, B2B organizations have built sophisticated credit vetting processes. It is normal practice for any new customer to be required to set up a credit account, which usually involves obtaining references from two of their existing trade suppliers. This process often takes a month or more, which is hardly in tune with the immediacy of ecommerce. However, there are some areas, most notably in office supplies, trade sales and building sectors, where many suppliers now take card payments over the phone for customers where a credit account hasn't been set up.

And there lies a key problem - the purchase process in 90 percent of B2B transactions is archaic. Someone at the purchasing client has to make a telephone call to the supplier, place the order and guarantee payment, either with a credit card, or an approved purchase order.

There is of course a very simple reason for this - it's not the buyer's own money that will be paying for the purchase, because in B2B transactions the person who orders the goods on behalf of the business won't be responsible for payment. Rather than click and pay, both sides have to set up checks and balances. Of course, the supplier has to make sure they get paid, and the buyer to make sure that only those who are properly authorized to make purchases on behalf of the organization are able to do so, but these processes are too often used as an excuse to preserve the status quo.



## From trade counter to self service

From the perspective of the marketer or ecommerce manager keen to bring their B2B company into the multichannel world, these barriers to seamlessness are deeply frustrating.

That said, there are B2B companies that have grasped the model used so successfully by the B2C brands, and the results are dramatic. Within dotmailer's client base we have documented stories from City& Guilds, Toolstop and DHL among others showing how changing the established business model has helped them reshape their whole engagement approach with dramatic success.

But the most stark contrast between the new and old came from two publicly-listed companies in the construction industry, neither of which have a relationship with us, which is why we will leave them un-named. Both run trade accounts and both have a network of trade counters where tradespeople turn up to order and collect goods.

The first of these businesses was established in the 1800s and still uses a business process designed in the last century. Orders all go through the local trade counter, and if you turn up to place an order  you will be asked to sign a document produced from a dot matrix printer.

It's newer competitor, established just ten years ago, has a fully functioning ecommerce solution with all its customers' details maintained in its CRM system. This in turn is fully integrated with its ecommerce platform. Customers can log on 24x7 and place orders up to 8pm at night for next day delivery - a major contrast with the more established provider whose depots close at 4.00pm and who will only deliver when they can next send a vehicle past your premises.

From a customer perspective the choice would appear to be a no-brainer, but the longer and more established business has the benefit of a much larger turnover - roughly ten times. However one of the most telling statistics is that the Revenue Per Employee (RPE)  - the ultimate measure of an organization's efficiency - is twice that of its older competitor.

The new entrant's business model emulates the best practices of B2C – it encourages self-service, it incorporates payment and purchase order options in the final screen, it is linked seamlessly to all the 'back office' systems. It also integrates logistics, and has radically reducing the processing by streamlining systems the business.

### The power of RPE

One of the best measures of the efficiency of an organization is the revenue it generates per employee (RPE)

US retailer Sears Group has an RPE of $149,000. By comparison amazon.com achieves $784,000.

It is not hyperbole to say they have been able to change the game. Not surprisingly the company concerned is enjoying rapid growth, and on current projections will overtake its longer-established competitor within five years.

As an example of how valuable RPE is as a measure of business efficiency. Sears, the long-established retailer has an RPE of $149,000. By comparison amazon.com achieves $784,000.

Amazon's disruption of the business models used by bricks and mortar retailers is well documented, and the B2B sector stands poised on the threshold of a similar opportunity. Research carried out in early 2015 by Econsultancy showed that B2B companies that have migrated their customers online have seen a 44 percent increase in average order value. The same research found that 38 percent of the B2B executives who were interviewed agreed that their customers have spent more since the strategy's implementation.

As you can see from these examples, the power of implementing a multichannel ecommerce strategy for B2B product and services marketing is immense. In the next section we'll look at the elements you need to build an ecommerce platform.

"B2C Consumers, care deeply about brands and are more readily influenced by advertising, media messages, special deals, and coupons. In addition, they often turn to friends and family for advice on what they are buying, are susceptible to impulse shopping, and can switch from one brand to the next with little cost. Business purchasers, by contrast, do a lot of research, look carefully at specifications, follow a formal buying or procurement process, can experience high switching costs, and usually worry most about functionality."

McKinsey, January 2015 , *Do you really understand how your business customers buy?*

# Section 2

## The building blocks of multichannel ecommerce

### What we'll cover in this section:

- Understanding customer engagement
- Putting the four blocks in place
- Creating a single customer view
- Building a seamless journey
- The customer view of you
- Guaranteeing authority and payment

### Understanding customer engagement

In the traditional B2B sales model, there are distinct divides between the roles of the marketing and sales teams. There is much talk about lead funnels and nurturing, but the process of getting someone to place an order is still predominantly completed by a transaction between a sales person from the supplier and the client.

One reason for this is that B2B organizations still hold on to the idea that sales can be created, even if the customer doesn't actually perceive a need, all it takes is a 'good enough' sales person. Although many products have benefited from a target-driven proactive sales force that will get out into the marketplace, knock on doors and bring home the business, this is becoming less viable. One reason for this is that B2B transactions involve more people. According to a report from LinkedIn, the average B2B purchase to a corporate will involve nearly 6 people. This is driving up the cost of sales to the point that field sales teams are becoming the exclusive preserve of high-value clients.

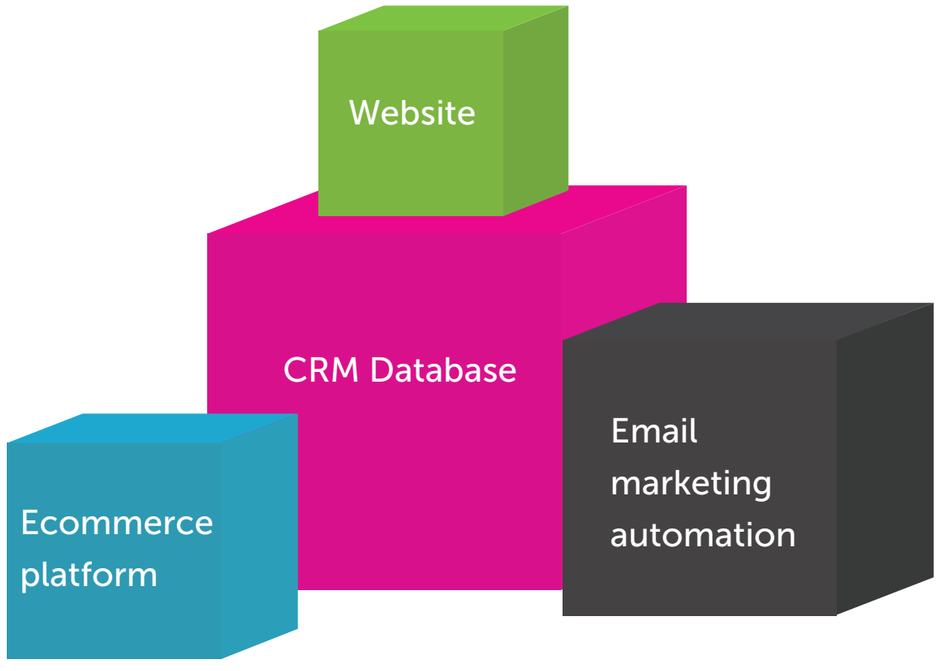
Although it has long been a tenet of B2B sales that 'people buy people first'. Various studies quote that up to 75 percent of the reason why buyers would choose one company against another is down to the salesperson, that model prevailed the mid to late twentieth century, but today is not so true. This is because it reflected two significantly different factors from today's buyer-led market. The first was a relatively uneducated buyer population, whose only source of information about business products and services was monthly or weekly trade magazines. The second was a much simpler buying process – if you could identify the person in an organization who used the product you were selling, and convince them that yours would do the job better and cheaper, then with their boss's sign off, the order would be yours.

Today that model holds true only in the smallest businesses, with whom doing business face to face is becoming too expensive to justify. Another thing that has changed is buyer experience. Of course they may not get as excited about the things they buy for business, but they see no reason why they shouldn't be able to order them with the same ease and efficiency with which they can do the weekly online shop.

They want the convenience of one-click ordering and next day delivery for their business needs just as much as for their own, and why shouldn't they have it?

### Putting the four blocks in place

There are four key building blocks you need to support multichannel ecommerce, all of which have to integrate seamlessly:



## 1. The Website

Still unfortunately seen by too many B2B businesses as simply an online presence, your website is literally the gateway to your business through which your customers can look right into the heart of your organization. The most important rule to remember about a website designed for ecommerce is that if your visitors can't find what they're looking for on your website, they'll go somewhere else. Unlike in a store or exhibition, there are no friendly sales people asking if they can help.

The role of a B2B website is very complex. In a multichannel world it is the shop window, demonstration area, help desk and point of sale, and all needs to be seamless and designed to support the customer journey. It also needs to offer multilingual options if you are planning to trade in different countries. If you do this, make sure that the text for your local sites are written by local language speakers otherwise you risk looking unprofessional.

Many websites are built around the principles of Search Engine Optimisation so are structured to attract casual visitors in response to Google searches, but this has to be balanced with the amount of people that are returning to the site, and your ability to ensure they are served appropriate content.

Websites can no longer deliver just one function. They have to inform, educate, entertain, and engage and increasingly clients want to be able to transact and interact. For example through downloading reports of their purchasing history and interactions. This is a far cry from the 'brochure-ware' websites which were the norm for the noughties, and sadly still account for the vast majority of B2B businesses web presences.

According to Econsultancy, marketers rank personalization as the third most exciting opportunity after customer experience and multichannel campaign management. The ability to use data to personalize outbound communications, such as email and SMS, is well established, but the dawn of opportunity to take this to the next level and serve up highly personalized web content is just breaking.

Serving relevant content – whether personalized to the visitor or just through effective structuring of landing pages depends on data – if you don't know what will capture the interest of a particular individual, you can't use that information to enrich their browsing experience, so the pressure for detailed and accurate data is intense.

The first challenge is deciding how and where to hold it, for most organizations the answer is to integrate the CRM application.

"Marketers rank personalization as the third most exciting opportunity after customer experience multichannel campaign managemennt"

Econsultancy, 2015

## 2. CRM Database

The likelihood of any serious B2B company not having a CRM system in place is so low that we're not going to even consider it. However, there is a world of difference between a good system and a bad one, and the main constituent of that world is information, in terms of quantity, quality and accuracy.

One of the most frustrating aspects of working with B2B organizations is how poor the data is in most of their CRM systems. This is because, unless there is a dedicated department or individual in charge, no-one actually owns the data. Sales people tend to shift jobs with remarkable frequency so don't take the time to keep records up to date. Telemarketers are under pressure to maximize their call outputs, so minimize the time they spend updating records. Just about the worst thing you can do, which many small and medium sized SMEs see as a quick fix, is to "get in a temp to tidy up the database".



Poor data in B2B CRM systems with no clear owner is frustrating

A large part of the reason for poor data housekeeping is that no-one really cares about data until they have to rely on it. In a traditional B2B environment sales people are under constant pressure to meet targets, so are much more keen to close the next sales opportunity than they are to note down extensive details of the meeting they have just completed. They also believe that they will remember everything. This is a corporate nightmare which is why it is almost a universal truth that just about the first item on every sales meeting agenda is a plea for the team to take more trouble filling in the data.

One of the most frustrating aspects that many organizations encounter when creating a single data platform, is the massive amount of important data lurking in the depths of individual sales people's Excel worksheets. This particularly affects those providing B2B products and services through field sales teams.

While Excel is excellent as an analytical tool, its ease of use means that it often becomes the application of choice for sales people wishing to keep track of their workloads and potential sales. It is well known that sales people like to keep their client relationships close to their chest, so make sure that when you're identifying and capturing data, you also bring in the reams of invaluable information kept locally on individuals' laptops!

Without comprehensive data, the most sophisticated CRM software is of no value, so populating it with the best quality of data is paramount. Given the shortcomings of relying on sales people to populate systems, one of the most notable benefits of a an integrated CRM app compared to one used by a conventional sales force, is that so much information can be captured from other systems without having to be input manually.

This is one of the most significant benefits of integration, but not all systems are as accommodating as others when it comes to sharing data. So when reviewing your CRM with a view to using it as the cornerstone of your multichannel strategy one of the first things to check out is how well it can integrate with the other systems you will use. There are several mainstream CRM apps, for example, dotmailer has pre-built integrations with Salesforce, Microsoft Dynamics and OroCRM. Where dotmailer, for example, offers connectors that quite literally connect the two apps and allow them to share data in real time.

If your existing CRM doesn't support integration with your marketing platforms, then quite simply you need to change it. It is perfectly possible to transfer data between systems manually in batches, but if this process isn't automated it will be prone to errors. It also takes time – batch processing can take your ability to do business offline and certainly slow down web response times to the point of making the system unusable, so is really to be avoided.

## 3. Ecommerce platform

An ecommerce platform allows your web visitors to place orders online, and deals with all the data capture around pricing, stock levels, shopping carts, shipping data and other information required to successfully execute a transaction. It can be a standalone application that shares data with the web engine, or it can be fully integrated as part of the web app. With Magento Enterprise for example, you can have a separate store dedicated to your B2B practice. It allows you to create customer groups, pricing rules and display a different range of products whilst working from a single, shared data repository across both your B2B and B2C ecommerce websites.

The key benefit of integrating an ecommerce platform is that you can use it as a front end to an existing ordering system as well as the website, and back end procurement systems used by your customers. This is a critical facility for many B2B buyers, as they will expect to be able to view their purchase history going back before you implemented the ecommerce engine. They will also want to be able to match purchase orders and invoices, so giving them the ability to do all this within your own domain improves your service to them.

## 4. Email marketing automation

From a marketing and communications perspective pulling transactional data from your ecommerce platform to your marketing automation platform or Email Service Provider (ESP) also offers one outstanding benefit – total personalization. This is something that can only be fully realized with the use of a comprehensive email service, and we will cover the potential of this in the third section of this strategy guide.

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## Creating a single customer view

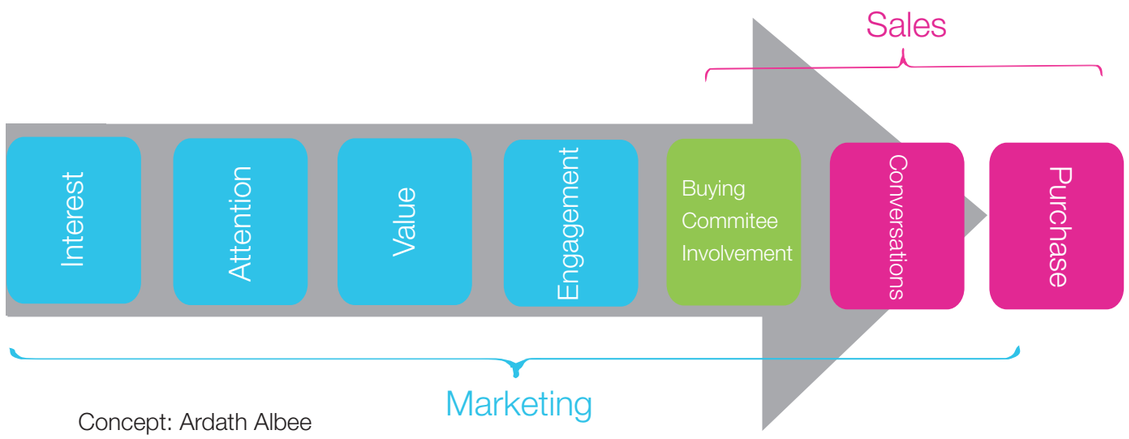
In the traditional B2B sales model, the relationship between the sales person and the client lays at the heart of its success. If the 'rep' was good, then more business would be done between the two companies, and vice versa. However, one problem with the 'old' model is that having to go through a specific sales person can also became a choke point.

The traditional sales model as personified by Miller Heiman shows a progression through stages along which the customer is nurtured by the sales team. However in the last 20 years this was overtaken by the Ardath Albee model which saw the role of customer engagement split between marketing and sales. The ecommerce model does away with this funnel approach entirely and also opens up a wealth of contact opportunities between the company and the customer.

Now, in the ecommerce buyer experience model, especially where it is part of a multichannel marketing strategy, a great deal of the engagement moves from telephone and face-to-face engagement to self service. By integrating all the data capture the different activities, the system will very quickly harvest a wealth of information about the customer. This gives you the ability to create a single customer view.

Sometimes called a 360-degree view, this allows you to see every aspect of how an individual interacts with your business and use this information to build and refine email marketing campaigns.

The Buyer-Experience Funnel




Concept: Ardath Albee

Here are just some of the interactions you can monitor and use to refine your email programs:

- How they interact with emails you send
- Their journey around your website
- Features, content and headlines that catch their interest on your site
- Products they have viewed on the website
- Preferred opening times for emails
- Their preferences for subjects and communications types
- Delivery details such as dispatch times and delivery receipts
- Returns and any customer problems

This data can be aggregated and used to create deeply personalized and timely communications that can be sent out and monitored to refine customer interaction, build deeper customer intimacy and take the customer journey to a whole new level.




Concept: Ecommerce Model by Brightpearl, *Sum of all parts*

## Building a seamless journey

Ten years ago the idea of B2B clients moving to a largely self-serve digital model would not have got off the ground, because one thing that business buyers valued was the relationships with their trade reps, and the idea of being able to negotiate a better discount. Today, even though most savvy buyers will try and get a few points off the bottom line when placing the order, there has been a major migration among trade suppliers away from field sales because the cost of supporting a sales force is just too high.

While this may reduce the supplier costs, it does leave buyers in a less comfortable position through having to deal with telephone sales, so they are more likely to switch easily to a new online, self-service model. From the buyers' perspective the multichannel model, where engagement moves predominantly from telephone or face-to-face to an online environment offers several benefits, not least that of having a seamless audit trail from their first order placement to successful delivery. Some of the other reports you can generate which they will find invaluable include:

- Total order values
- Purchases broken down by type
- Frequency of purchase
- Discount levels
- Fulfillment/delivery performance
- Satisfaction reporting

All of these reports are the kind of information they will be asked for by their own management so by implementing a multichannel environment you will not only be widening their purchasing options, but also doing some of their work for them!

## The customer view of you

Four years ago telecoms giant Telefonica implemented a new system that brought all their customer information into a single view. This wasn't done with a view to improving outbound marketing, but to improve customer service and reduce its churn rate. The driver behind the decision was the discovery that one of the greatest sources of customer frustration is calling a company and being passed from one person to another when trying to solve a problem.

The 360 degree view that an integrated platform will give you can be massively useful when it comes to improving customer service because you can share this with all the different people in the organization with whom the client may have contact with a customer. They may be doing the majority of their engagement with you online, but if they pick up the phone to raise a query, they really won't care whether they are talking to telesales, credit control, shipping or returns.

As far as a customer is concerned, they aren't dealing with a department, but the company as a whole, so they expect whoever answers the phone to be able to solve their problem. This may be a change to your current business process, but by giving everyone access to that information, and the power to solve the customer's problems, you can make your offline customer engagement every bit as seamless as their online transactions.

## Guaranteeing authority and payment

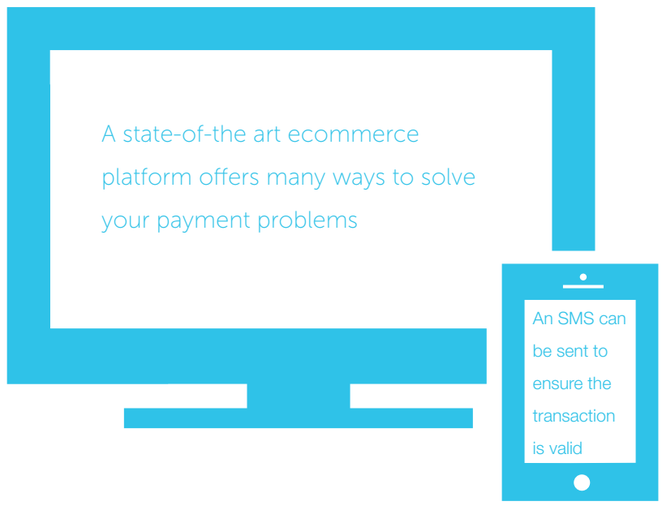
One of the biggest challenges facing any B2B merchant as we discussed earlier, is making sure that only those who are authorized to place orders can do so, and that when orders are placed the relevant processes needed by the customer to guarantee payment are in place.

The base level of providing credit/ debit card payment facilities and payment through the growing number of merchant systems like PayPal and Sage Pay is well established in B2C. Despite the additional transaction cost of using these systems, they provide a very low cost route to widening your customer base through opening up the facility to trade to new customers with no need for credit references or accounts.

Of course these transactions will all be at full catalogue price, but few trade merchants or suppliers have a single pricing policy that applies to even their largest customers, and your platform will need to be able to ensure that the correct price list is displayed for each client. Fortunately this is well within the capability of most ecommerce systems, such as Magento.

A state-of-the art ecommerce platform offers many ways to solve these problems, by far the easiest of which is through usernames, passwords and security systems. There are various options open to you to ensure that only authorized people are able to access the system and place orders. This functionality is available in Magento Enterprise for example. Some B2B merchants are currently trialing systems where an authorization code is generated by the system and sent to the user's mobile using SMS to ensure the transaction is valid.

Others have pre-agreed Purchase Order numbers, or order value limits, which restrict the amount that can be purchased at any one time. The options are wide and merit detailed investigation to ensure that they will work with your systems as well as those of your clients, but the end result will open up the ability for you to trade with your existing clients and new customers seamlessly and instantly.



# Section 3

## The role of email in the customer journey

### What we'll cover in this section:

- Understanding customer motivation
- Building an email strategy
- Tailoring content to customer preferences
- Designing data-driven communications
- It's all about personalization
- Don't abandon the cart
- Metrics and evaluation

### Understanding customer motivation

The biggest mistake that B2B ecommerce marketers and managers make is forgetting that B2B purchases are driven by need not desire. So while the person you are targeting will happily spend hours browsing the web to find out every possible detail about the new car they are thinking about buying, they will not want to put the same effort into things they are buying for business.

There are three driving factors that underpin every business purchase:

- Value
- Convenience
- Delivery

Value is often confused with cost, but while businesses are keen to minimize expenditure, they also recognize that buying cheap is more likely to cost them more in the long run. If you are in a like-for-like bidding war, then of course price will play the biggest role, but for most B2B buyers outside the large corporates and public sector bodies who run procurement teams, there is a balance between the three factors. If delivery and convenience are outstanding, then knowing they are close to the market average for pricing will satisfy most B2B buyers.

Similarly, if your products are the cheapest, but deliveries cannot be guaranteed to arrive in a timely manner, then you will soon find your customer looking elsewhere. Convenience is a term that can be difficult to capture, but covers every stage of the purchase journey, starting with the website, and continues through to the products' end of life.

Bringing people to a website in order to get them to do business with you will only work if the website encourages ease-of-use. Navigation is critical, as is making sure the website not only reflects the product content, but also adds value to the customer experience. There are many examples of websites used by both B2B and B2C companies where updating the shopping cart can be an absolute nightmare. Not surprisingly, these sites will soon find their customers tempted by others.

### Building an email strategy

Creating a detailed structure and plan to help customers progress through their online relationship with you is the cornerstone of successful email interaction in a B2B environment. The focus for all ecommerce is to encourage self-navigation through the customer journey, and a well-structured email strategy provides the perfect aid to support this.

Email content can be broken down at the following headings:

## 1 Welcome programs

Analysis of open and click through rates consistently shows that emails sent to subscribers following their signing up to a site are the best read and most likely to generate a reaction. Acknowledging that they have taken the trouble to sign up to your program encourages participation and it can also be used to give them a sense of ownership about how you will use their data.

In addition to the obvious email upon first signing, there are several specific email types that fall under the welcome category, including:

- Guest or new customer first welcome
- Returning customer after long absence
- Unusual or different products purchasing activity
- Special offers to key customers

All of these mails add genuine value by focusing on the relationship between you and the customer.

## 2 Information programs

Emails providing generic information that is valuable to the recipient for use in their business provide some of the most successful email content.  Examples include best practice guides, and other information, particularly where the subject matter concerns legislative compliance.

Service providers, such as lawyers and accountants, while not likely to be carrying out ecommerce, are increasingly providing updates and mini newsletters to keep their clients up-to-date with new developments. This kind of information, which can help your customers to do their business more effectively, can become invaluable and form a main element of regular outbound communication.

Information emails should ideally be linked to dedicated landing pages on the website, where the recipient can access more detail around the subject, and clients can be encouraged to move onto making purchases by using these pages, and the emails, to promote relevant special offers.

## 3 Product emails

A feature that B2B merchants have yet to start incorporating widely, but which is successfully used in the retail trade, is to run campaigns promoting specific products, often with a discount being provided by the manufacturer. These campaigns give the potential to increase sales and to encourage vendor support for your marketing activities, while also giving your clients the potential acquire products at a preferential price.

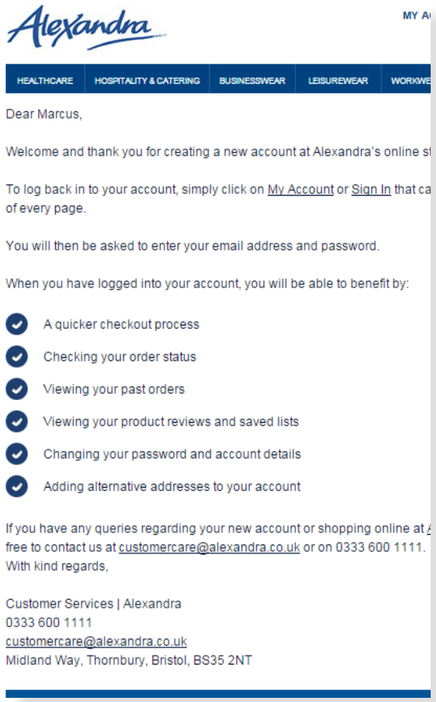
dotmailer client Toolstop runs an annual survey across its database of self-employed tradesmen to get their vote for ‘Power Tool of the year’. They then use the results from this survey to canvass manufacturer support to run a promotion to generate further sales.

## 4 Special and seasonal offers

There are many businesses that have a seasonality to their customer activity, and in the same way there are many products which businesses will use at different times of the year. One example is for environmental products, such as wet weather protection and anti-slip matting. Although these are things that will only be purchased occasionally, when they are needed, the need is often immediate.

We know of at least one entrepreneurial B2B trade supplier who checks the weather forecast carefully every Thursday from November to March for the following week. When he sees a forecast of either severe wet weather or cold weather, he sends out an appropriate email to his customer base of facilities managers encouraging them to check their supplies, with the promise that any order they place by 5 PM will be delivered by lunchtime the following day.

This gives the customers time to make sure they have the necessary products in stock to ensure that however bad the weekend weather, their premises will be safe for people to come to work on the following Monday.




**Welcome email**

dotmailer client Alexandra plc acknowledged new accounts created and reiterated the benefits of having an account.




**Information email**

Toolstop runs an annual survey of its database to find the power tool of the year.

**Information email**

dotmailer client Bidvest 3663 provided educational content and an event about new industry regulations.




**Product email**

dotmailer client Screwfix sent a sales boosting limited time offer to their workwear segment.







**Seasonal email**

dotmailer client Watco sent an offer email to their UK segment.

**Special offer email**

dotmailer client Viewsonic sent a seasonal offer tailored to their French clients




# Examples of emails that have been very well received

## Tailoring content to customer preferences

The last three years has seen a significant growth in the use of preference centers in order to help customers tailor the kind of communication received from suppliers. Not only is a preference center an invaluable tool for making sure that you do not over communicate with the customer, It also gives deep insight into the kind of products, services, offers, and communications that likely to catch their interest.

City and Guilds, the UK educational qualifications authority, implemented a preference center and ran a substantial campaign across all its registered subscribers resulting in over 35 percent of them filing in their requirements within three months of the campaign starting. “It means we can make sure that we only send what is relevant,” comments Steve Smith, eCRM Manager. “This covers all kinds of information such as support, alerts and sector news in addition to sales and marketing content. We have also been able to build up deep and detailed data that we can use to continually refine what we send and to better understand how people interact with us, starting with how they react to the welcome program.

B2B buyers are inundated with sales offers, the average buyer will receive around 300 emails, and anything up to 200 inbound phone calls every day. So they need to screen out the background noise and make sure and that they only responds to those emails and calls which are worth their time. In that respect the preference center offers a perfect opportunity to match your output to their interests.

It is also good practice to regularly encourage your customers to update their preferences. This will help you to ensure that your data is maintained to the highest degree of accuracy, and also that they only receive the emails and other communications to which they are most likely to respond.

## Designing data-driven communications

A significant benefit of an integrated ecommerce platform is the way it continually builds a rich source of information about each individual customer. By effectively mining this data to uncover purchasing patterns and other behaviors it is very easy to build a profile of how your customers interact with your business, from which you can extrapolate their likely future purchases.

An obvious area to explore with all customers is using propensities to suggest similar purchases. For example if you are supplying the retail catering trade, and find you have a group of customers that regularly buys alcoholic drinks, they are potential customers for mixers, fruit juices and bar snacks, so would provide an excellent target for a campaign to promote those products aimed specifically at that customer segment.

Another very effective use of data to populate email marketing campaigns is using past purchases to predict future needs.

This is particularly relevant where you have customers and that purchase particular items at some frequency, as you can build automated email programs that react to purchasing data, So for example, if you have a client that orders 100 toilet rolls every two weeks, and the order does not appear as expected, then a trigger campaign can automatically be dispatched to them.

This is a very effective way of ensuring that regular orders continue to come in. If they don’t, then you can set an automatic alert that can be escalated to the telemarketing or sales team to check out what is happening at the client.

## It’s all about personalization

In the early days of email marketing, personalization largely meant making sure that each email was individually addressed to the recipient, and that the correct form of address was used. Today, personalization extends right through the content of each email you send out.

Research carried out across dotmailer’s client base shows that those client who use dynamic content, split testing and data-driven content achieve substantially better open, click through and conversion rates than simply ensuring the email goes to the right person. By incorporating information about past behaviors, for example articles they have read on the website, or emails they open and headers they clicked on, you can show a detailed understanding of the factors that motivate your clients to purchase. All this helps build customer intimacy and trust.

There are many value-adds you can also build in, for example ensuring that delivery information is sent out though email or SMS, as preferred by the customer, and that any queries they have can be answered readily and with minimum inconvenience.

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## Don‘t abandon the cart

67 percent of all carts created are then abandoned (according to the Baymard Institute). These carts are likely to be of higher value to B2B ecommerce companies, therefore cart abandonment is an obvious issue. Some dotmailer clients have seen as much as a 48 percent rescue of these purchases. Bearing in mind the number of distractions that happen in the B2B buyer’s working day it is often more likely to be a matter of simply being distracted than deciding not to complete the purchase.

Perhaps one of the most important facilities to incorporate in email communications is language. Even if you are not trading internationally you may get interest from people for whom English is not their first language. dotmailer offers the ability to send emails in any language to match the individual’s preferences, and clients report it is one of the most beneficial personalization tools. Do make sure that your proposed email service provider offers this facility if there is any potential for you to operate across geographies, as not all email platforms do.

Making sure that your emails are all optimized to the device on which they are being read is a fundamental aspect, especially as 48 percent of all B2B marketing emails are now opened on mobile devices. Tailoring the way each email is displayed to perfectly suit the varied screen sizes of different devices, ranging from the smallest Blackberry to 10-inch iPads, does not always come as a standard feature of email platforms, but makes a world of difference to the way they enhance the customer journey.

Another powerful feature of some ESP’s is to time email dispatch to coincide with when the recipient is most likely to open them. By analyzing past behaviors, the email platform will send out future emails to arrive in the most likely time period during which each recipient has previously opened emails. This can increase open and click through rates by 50 percent or more, and is particularly powerful for people who use their travel time to manage email, so are opening on mobile devices.



## Metrics and evaluation

Deciding on your definition of success is always going to be individual - most dotmailer clients express their ambitions in terms of percentages – for example to achieve 30 percent of all trade through ecommerce by a specific date, with migration plans to bring the rest of the target customer base across in the next few years.

The key to effective measurement lies in continual monitoring. There is no such thing as the ‘right’ number, every email and every item is individual. The key is to keep track of what appears to work well and what doesn’t, and learn from those patterns.

There are many tools you can use to improve success, for example using split testing to try out different email subject lines. A system like dotmailer allows you to take two different subject lines – which are the key to high open rates, and test a small percentage of your database with half of the sample receiving each subject line.

The system then monitors the open rates and based on the results of the test, will then send out the remainder of the mailing using the more successful line. The same techniques can be used on different content elements, such as headlines and body text to measure click through rates and adjust the balance of an email send out accordingly.

But while using interaction data will help to guide your email decisions, there is no substitute for keeping content fresh. Re-hashing the same offer to the same audience at 30 percent opening and 10 percent click through every time is not a sustainable strategy, and is more likely to result in a bunch of ‘unsubscribe’ results than a successful campaign.

The acid test to use is to ask “does this email contain something that previous ones did not?” If the answer is ‘no’, then don’t send it.

The key to effective mearsurement lies in continual monitoring. There is no such thing as the ‘right’ number, every email and every item is individual. The key is to keep track of what appears to works well and what appears to work well and what doesn’t.

# Conclusion

B2B ecommerce is the fastest growing element of the business world. If you're one of the 50% of B2B organizations not doing it already, then you need to start. If you are, then you need to make sure that your customer journey offers best possible quality at every stage.

That means you need to make sure you have the following:

- Accurate, comprehensive and regularly updated customer information
- Seamless integration between ecommerce, web and email platforms
- Regular, interesting and relevant content
- Creative and inspirational content
- The ultimate possible degree of personalization
- Continual monitoring of results

Ecommerce isn't just a customer journey, it's one in which both you and your customer are continually learning, but above all it is one that delivers better value and usability for both sides.

Within dotmailer we have a wealth of experience in helping B2B businesses develop and implement integrated email marketing as part of their ecommerce development, visit www.dotmailer.com for more information on the platform, for more resources and to take a 30 day free trial.



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