# The Value of Human Interaction in B2B Sales

## The emphasis on digital marketing has affected investment in other channels.

## So have we lost sight of the benefits that 'live' human interaction can bring to B2B sales?

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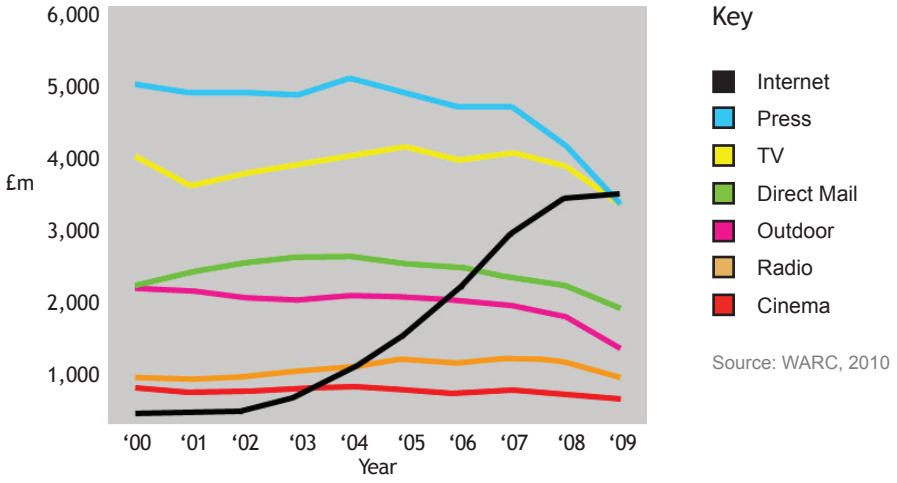
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The rise in digital marketing seems set to continue. Its speed of delivery, measurability and low entry cost make digital an attractive tool for any Marketing Manager.

Chart I shows advertising spend for major channels during the period 2000-2009. While virtually all channels saw a drop in spend, internet (part of digital) saw a rapid rise, going from bottom of the chart to pole position.

Chart I - The rise of digital advertising spend in the UK




Source: WARC, 2010

But is there a danger we are ignoring a fundamental part of many B2B sales? Human Interaction (HI).

There's no doubt small company purchases can be done online without HI, but do buyers still need the confidence they get from a telephone conversation or meeting before they consider that large order?

This White Paper will discuss the value of HI in B2B sales.

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## 1. Defining Human Interaction (HI)

There are many types of interaction in B2B sales, some are immediate, some are two-way, some personal and some not. The table below lists a variety of B2B channels according to the type of interaction.

Table I - Interaction by B2B marketing channel

| | Crowd | Individual |
|---|---|---|
| **Real-time, two-way, interaction** | Events | Telemarketing<br>Field Sales |
| **Delayed, two-way, interaction** | | Email<br>Social Media<br>Websites with live text chat |
| **One-way, interaction** | Trade Magazines<br>Websites | Direct Mail |

Events offer real-time, two-way interaction with visitors; but they are 'crowd' based. The exhibition stand or seminar needs broad appeal to attract sufficient visitors; it's not an individualised event and does not feel 'personal'.

Direct Mail, Email, Social Media and some Websites are able to interact with individuals, but the engagement is often delayed as you wait for a response from the other side.

Trade Magazines and many Websites offer only one-way engagement. Buyers need to use other channels to respond (Email, Telephone, etc).

Possibly the most 'human' interaction is a real-time, personal and two-way conversation. For that reason we will confine our definition of HI to telemarketing and field sales.

"Possibly the most 'human' interaction is a real-time, personal and two-way conversation"

## 2. Where is HI most effective?

HI is not as cheap as other marketing tools, such as sending an email blast. To ensure maximum ROI we have to use it wisely.

So where is HI most effective in a B2B sales process?

To answer this question SCi Sales Group researched a group of buyers across a wide range of vertical markets and job titles.

The group were asked if they had either a telephone conversation or meeting with a company representative before placing orders on their last 3 purchases.

Just over 68% of buyers had some form of HI before making their purchasing decision.

But the figures are more revealing when we examine the size of order. The average order value with HI is £68,032, but with no HI the order value drops to £1,018.

> "Average order value with HI is £68,032, but with no HI the order value drops to £1,018"

This supports the theory that when it comes to placing the big orders, buyers want to talk to someone on the phone or meet them in person to be reassured they are making the right decision.

Interestingly, 89% of new purchases required HI (even for order values as low as £146). So the benefit of HI in winning new business is clear, but it also has impact on repeat orders.

58% of repeat purchases had HI, and average order value of repeat orders with HI is £29,439; but without HI the repeat order value drops to £3,407.

HI has a part to play in most stages of the B2B sales process, particularly on high value orders and the opening of new accounts. Table II below is intended as a guide on where it can be most effective.

Table II - Where is HI most effective in the B2B sales process?

| | 360° Telesales | Lead Nurture | Appointment Setting | Account Nurture |
|---|---|---|---|---|
| High Value, New Order | | ✓ | ✓ | ✓ |
| High Value, Repeat Order | | | ✓ | ✓ |
| Low Value, New Order | ✓ | ✓ | ✓ | ✓ |
| Low Value, Repeat Order | | | | ✓ |

In the above table low value orders are considered to be below £3,500.

## 3. How frequently should HI occur?

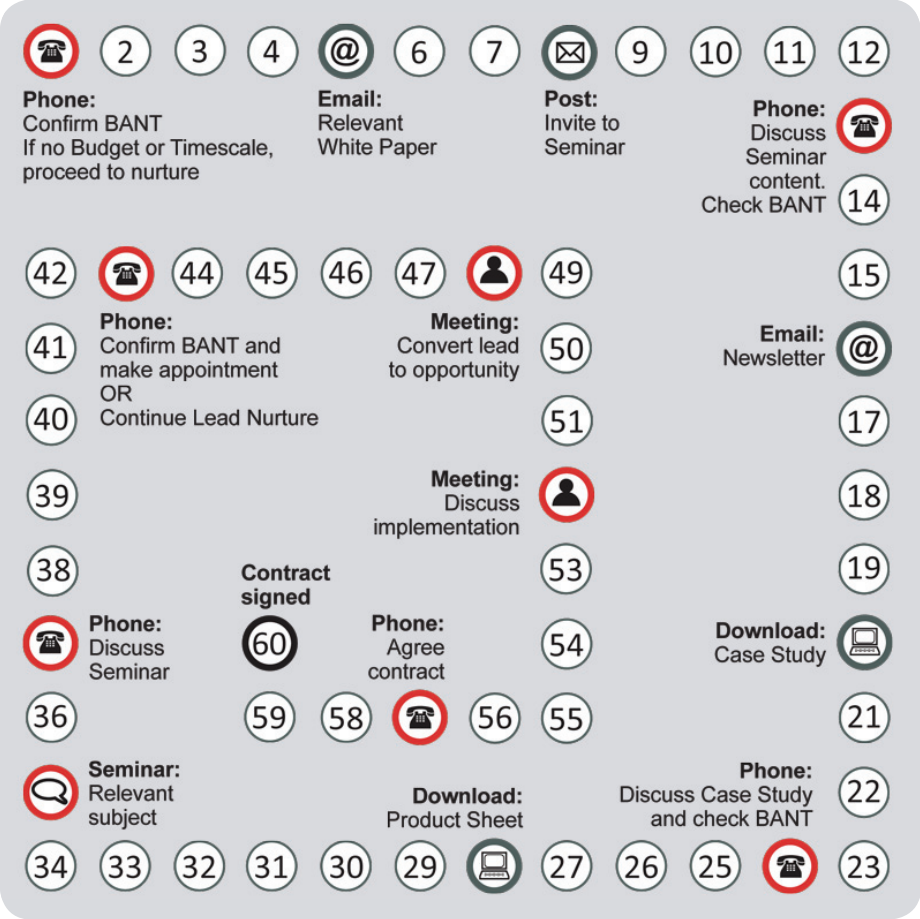
The frequency and timing of HI will obviously vary according to product, market, proposition and even the time of year. But to have an informed debate on the value of HI we need some indication of its potential frequency.

SCi Sales Group's experience shows that during a 60 day sales process there might be 9 human interactions.

The longer the process the more contact, but shorter campaigns do not necessarily mean less contact. Depending on a variety of factors, sometimes the same activity is just concentrated into a shorter time frame.

The diagram below sets out a sample 60 day sales campaign, the days are numbered 1-60 and those highlighted in red are where HI occurs.

Diagram I - Frequency of HI in a sample B2B sales process




Note that as the sale nears completion the intensity of HI increases. Also note how the process involves both HI and non-HI channels, as each has its own strengths and weaknesses.

> During a 60 day sales process there might be 9 human interactions

## 4. Comparing HI and non-HI channels

HI is not a universal panacea, it cannot cure all ills. It has to be part of a well defined, multi-channel campaign that includes non-HI channels such as Digital, Direct Mail, etc.

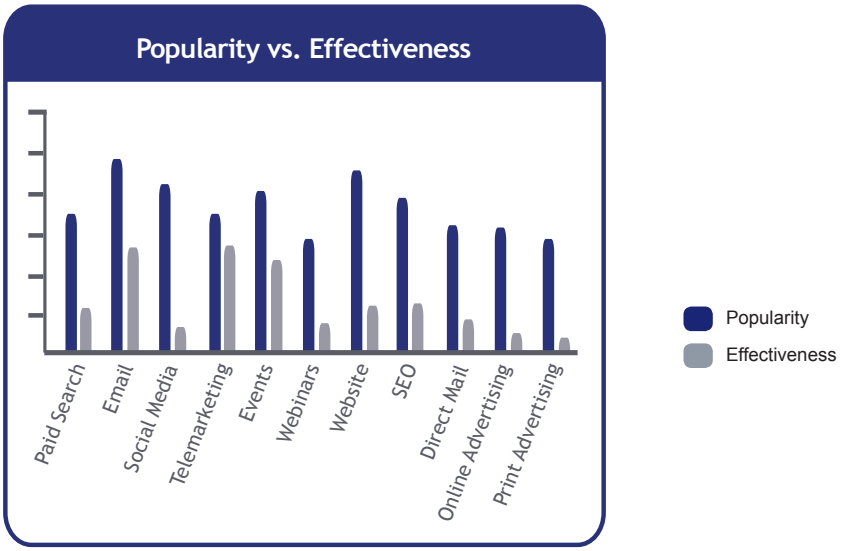
However, it is valuable to compare the strengths and weaknesses of HI and non-HI channels. We cannot discuss the merits of every B2B marketing tool in this White Paper, so we have limited the discussion to the top 11 most effective.

> The strength of any HI channel is the personal relationship you build with the buyer

Telemarketing performs well as a lead generator, but recent research by B2B Marketing magazine shows there is a difference between popularity and effectiveness.

In the chart below you would expect the effectiveness of a marketing channel to influence its popularity. But note how social media is more popular than telemarketing, yet it delivers less quality sales leads.

Chart II - Popularity vs. Effectiveness in lead generation




Source: B2B Marketing magazine, 2011 n = 228

The next table lists some of the strengths and weaknesses of the top B2B marketing tools.

Table III - Strengths and Weaknesses of the top B2B channels

| | Strength | Weakness |
|---|---|---|
| **Email** | Low cost | Increasing competition |
| **Events** | Face-to-Face | Limited audience |
| **Direct Mail (Customers)** | Low competition | Rising cost |
| **Telemarketing** | Persuasive conversations | High initial investment |
| **SEO** | Volume traffic | Quality of traffic |

The central strength of any HI channel is the personal relationship you build with the buyer, either face-to-face or on the phone.

## 5. What are the benefits of HI?

The emphasis on data, digital channels and automation has perhaps taken focus away from interacting with customers as people. We need to recognise that HI makes customers feel valued. Consider the following example:

> It's your birthday. Friends congratulate you in different ways. Which friend makes you feel more valued?
>
> Sally sends you a text message,
> Raj sends you an email,
> Peter sends you a birthday card,
> Heather gives you a telephone call,
> Simon visits you at home.

> "Beyond making buyers feel valued, HI identifies buying signals, predicts objections and steers conversation"

This translates to Mobile Marketing (Sally), Email Marketing (Raj), Direct Mail (Peter), Telemarketing (Heather) and Field Sales (Simon).

We asked Managers on LinkedIn the same question, the top two channels were Field Sales and Telemarketing - both have HI (see Table IV).

However there are many advantages to HI beyond making buyers feel valued; it's easier to identify buying signals, predict objections and steer the conversation.

The following list of HI advantages is not exhaustive:

a) Easier explanation and demonstration
Complex sales are easier to explain using HI, and the 'real-time' two-way flow of conversation makes product demonstrations more effective.

b) Intelligent selling
Sales people are able to use their skills to convince buyers about the proposition. HI can also relax and encourage them to be less defensive, enabling quicker closed business.

c) Improved customer experience
People like people. As the above birthday example demonstrated, HI makes people feel valued. This results in improved customer retention.

d) Predict and satisfy objections
No amount of FAQs on a website will be able to deal with the seemingly limitless number of objections from buyers. HI can predict possible objections before the buyer makes them, and satisfy them convincingly.

e) Tone of voice
HI enables you to judge the buyers tone of voice and the buyer to judge yours. Something that is missing from emails for example, and which can lead to misinterpretation that potentially damages relationships.

Table IV - Which Channel makes Managers feel most valued?

| Channel | % Vote |
|---|---|
| Field Sales (Simon) | 54% |
| Telemarketing (Heather) | 28% |
| Direct Mail (Peter) | 14% |
| Mobile Marketing (Sally) | 2% |
| Email (Raj) | 1% |
| | **100%** |

Source: LinkedIn Poll, 2011 n = 609

## 6. Conclusion

The whirlwind advance of digital marketing has resulted in a stampede as Marketing Managers race to 'land grab' their part of the digital space.

In the frenzy we may have lost sight of one enduring fact... buyers are people; always have been, always will be.

Can our marketing truly connect with buyers if we treat them as just 'data' and a 'digital footprint'?

> We may have lost sight of one enduring fact... buyers are people; always have been, always will be

It's often stated that "people buy from people", perhaps it's closer to the truth to say "people buy from good people". Without good sales people or a good product any marketing campaign can fail.

A good variety of channels has also proven to be important. Research by BrandScience in 2010 suggested that using 3 channels in a campaign improves ROI by 700%.

But 'variety' is sometimes missing from many B2B campaigns as Marketing Managers rely on digital to provide all their solutions.

According to research by B2B Marketing, the top 3 most effective channels were Email, Events and Telemarketing. Could a campaign using all 3 prove to be a winning formula that delivers lasting value on a variety of levels?

Telemarketing was the only HI tool to make the top 3 list. It provides Marketing Managers with quality sales leads on large orders, and repeat or closed business on small orders. Plus it has an ability to make buyers feel truly valued, all of which demonstrates the benefit of Human Interaction in B2B sales.

Want to learn more? Join the discussion on LinkedIn, go to http://bit.ly/SCiHuman or scan the QR Code below.

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