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# THE FUTURE OF B2B

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**Business-to-Business (B2B) relationships represent 69 percent of all U.S. e-commerce transactions – nearly twice the size of first-time usage business-to-commerce (B2C) e-commerce.<sup>1</sup> Yet the radical changes driven by connected technology that have swept through B2C firms have only started to transform the B2B world.**

The next decade represents an enormous opportunity for large B2B firms, but it will also introduce an entirely new set of challenges across the mobile, social and real-time landscape. As the means of engagement and collaboration in B2C bleed in to the B2B space, businesses will be forced to change. Those changes directly relate to seven macro trends in people's behavior and suggest seven truths for senior B2B marketers to operate successfully in this new environment.

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## Why Change?

B2B firms are operating in a larger context that has dramatically changed. Many of the tools used for daily operations and transactions between business partners have not been updated for this context. B2B employees and partners embrace connected technology and social media in their personal lives. Most possess smartphones and tablets in their personal lives yet are still using paper catalogs in their work to look up part numbers.

## Seven Trends Defining the New B2B Context

Regardless of specific trends, the future of B2B is, when you think about, the future of people. How people operate and collaborate in their lives will define how we work in the future. For all the talk of digital tools, platforms, and gadgets, the future of digital for B2B is about better connecting clients and customers – salespeople, employees, customers, and partners. (And increasingly, all of these people are digital natives.) Consequently, marketers must study your own employees and business partners to determine how they want to engage with your brand.

<sup>1</sup> Forrester, 2012. Projection is for customer-facing front-end B2B e-commerce, excluding EDI-based commerce, at the end of 2013.

## 1. More Mobile

Humans are a fundamentally mobile species. So it is natural that we would adopt technology that enables mobility. Of all potential technologies in B2B marketing, mobile devices hold the most extraordinary significance. Smartphones – really not “phones” at all but more personal computers (mPC) – have shifted from scarcity to ubiquity. Yet, this ever-present technology is quite new. Smartphones accounted for 50 percent of all mobile devices in the United States only as recently as 2012.

Mobility should be an operational and cultural norm for B2B firms. We’re starting to see this change. In 2013, SAP, the largely B2B German multinational software corporation, experienced a stunning growth rate of 273 percent in mobile visits to sap.com. Smartphone and tablet-based solutions are being used to enable the B2B workforce. B2B brands can deliver tremendous value by replacing catalogs and empowering mobile device-equipped employees outside their offices with all of the content and functionality of the organization.

**Implications:** Enabling greater mobility is a must for enabling B2B organizations to engage their customers and partners, any time and place.



*Photo: U.S. Army*  
 Leading organizations such as the U.S. Army are using mobile tools in the field to help partners and employees surface product specifications.



*SalesForce Chatter allows B2B employees to share ideas and documents in a protected professional social network. It had over 210,000 active networks worldwide in 2013 and supports all major mobile and desktop platforms.*

## 2. More Social

People are social beings. And people are also becoming more social, or more specifically, they have rapidly adopted platforms that enable virtual social interactions at scale. And B2B firms are beginning to respond. Platforms like owned websites and LinkedIn or Facebook not only enable but also require deeper interaction at scale. Social is forcing an evolution to social business.

For many businesses with significant B2B and B2BC components, an increase in social behaviors is translating into more collaboration internally and externally through a variety of new tools like Salesforce Chatter and Groups. These platforms allow companies to quickly experiment with internal social networks and also ones that include multiple business partners.

**Implications:** B2B marketers must engage earlier and get ahead of the social platforms. Experimenting with these platforms offers opportunities to enhance and deepen the interaction between your employees, sales reps and business partners.

### 3. More Informed

People want to be informed about what they buy and with whom they partner – and now consumers are armed with better digital tools (e.g., customer review sites) to make informed evaluations. The rise of the informed and empowered consumer is causing a major shift in the relationship – and at times shifting the balance of power – among business partners, suppliers, and sales teams. All the players have become significantly more informed and informative. This information has become, in just a short period of time, a critical aspect of the B2B experience.

A current survey by the CEB Marketing Leadership Council<sup>1</sup> showed that, on average, B2B customers had completed more than 50 percent of the purchase decision-making process before they had any direct contact with a supplier's sales representative. B2B customers feel liberated and competent enough to self-diagnose their individual business problems and to form their own opinion on potential solutions.

Leading firms are using technology to make the connection between the sales representative and the customer more valuable: from simple solutions such as CDW's Chat with Site Support, or its Quick Order Status field, to American Express's OPEN Forum, which shifts product questions from sales channels to peer-to-peer platforms. B2B brands are rethinking how to provide content and decision support to prospects and customers, keeping their sales groups focused on the most productive conversations.

**Implications:** Brands must learn to engage customers much earlier, when they are defining needs and doing online research to narrow consideration sets.



*American Express's OPEN Forum is a platform to connect small business owners to each other, shifting product questions from the sales channel to a peer-to-peer platform. It also reinforces American Express's marketplace position with a group that was not always particularly supportive of the brand.*

**“OUR CUSTOMERS ARE COMING TO THE TABLE ARMED TO THE TEETH WITH A DEEP UNDERSTANDING OF THEIR PROBLEM AND A WELL-SCOPED RFP FOR A SOLUTION. IT’S TURNING MANY OF OUR SALES CONVERSATIONS INTO FULFILLMENT CONVERSATIONS.”**

– CSO at a high-tech organization (HBR 2012)

<sup>1</sup> CEB Marketing Leadership Council®; *The Digital Evolution in B2B*; 2012.



*Leading B2B brands are experimenting with product sourcing and product research on videos via augmented reality (Google Glass-like) interfaces. In this case, a jet engine – its operating history, part reference numbers, and specifications – can be explored in an interactive manner.*

#### 4. More Experiential

The range of our experiences with brands for most of the last couple of decades meant watching a video, entering a showroom, calling a sales rep, or using a mouse and keyboard to buy products. In just a few years, we now find ourselves at the beginning of a far more experiential world. The pictured example (above) is a concept for a jet engine manufacturer to enable sourcing and research on videos via augmented (Google Glass-like) interfaces.

Let's consider five key recent product launches in the past six years:

- *iPhone 2007*
- *Kinect 2010*
- *iPad 2010*
- *Siri 2011*
- *Glass 2013*



Touch, gesture and voice: three fundamentally more experiential means of interaction have all exploded in to our lives. In just six short years, it's already become virtually impossible to remember life before them.

**Implications:** This explosion of new, more experiential, modes of interaction has just begun. We can expect to see new modes introduced. It is critical for B2B firms to evaluate how these could be leveraged in their businesses. For example, Glass-like augmented experiences might work more for employees than for customers.

<sup>2</sup> [https://en.wikipedia.org/wiki/Laser\\_printing](https://en.wikipedia.org/wiki/Laser_printing)

#### 5. More Real Time

The Internet has enabled us to make data move in near real time, but physical objects have been limited to the movement of trains, planes, ships, and automobiles. But this limitation will change because 3D printing is making it possible to transform real-time data into real-time physical products.

To put 3D printing innovation in perspective, let's compare it to the laser printers we all know and use. In 1984, the "new" HP LaserJet sold for \$3,500. It had trouble with even small, low resolution graphics, and weighed 32 kg (71 lb). As of 2008, far more advanced laser printers often sold for less than \$75. It took about two decades to drop that far.<sup>2</sup>

In 2013, Amazon launched a section of its site exclusively for 3D printers. When Amazon introduces something, the opportunity for scale is natural. With so many companies working on developing faster, higher resolution next generation products, we can expect 3D printing to advance more rapidly than laser printers did before them.

**Implications:** It's pretty clear that both for prototyping and for some limited run products, 3D printing will play an important role. The B2B firms that lead with these types of platforms are going to have a distinct advantage. This is especially true in categories that deal in highly customized products or where a need of speed will overrule the efficiency of mass production.



*Amazon recently launched a 3D printing and supply section of their site, a positive sign for the continued development of this technology, which has significant implications for B2B sourcing and fulfillment.*



*More Multichannel: John Deere's current generation of tractors and construction equipment are networked and include GPS and autopilot features. Dealers and partners can access maintenance information on mobile, tablet and touch-based interfaces.*

## 6. More Global

The Internet and an increasingly jet-setting population have made us not only more mobile, but more global: our footprint exists beyond where we are based. A related three-decade rise of global business, and search for new opportunities, means digital tools are becoming a necessary (if not primary) method to share product information, inventory and lead-times, and fulfilling transactions – in significant volumes. Furthermore, the customer makeup of many global markets typically means that often there are many more and smaller suppliers and buyers, driving up cost-to-serve and forcing more self-service. People are using digital platforms to facilitate timely interaction, translation and communication across multiple languages and cultures.

**Implications:** More global business means defining the right global and local digital strategies to enable the highest global efficiency and local effectiveness.

## 7. More Multichannel

Obviously we live in a world with many channels, but we all need to think differently about what “multichannel”<sup>3</sup> means. Previously, people talked that the goal of integrating multiple channels was one of coordination, in helping customers move from the web to store and vice versa. Buy online and pick-up in store was a “holy grail” of sorts. This is a good goal and not to be ignored. That said, it is not necessarily the richest territory for what we can do with multichannel moving forward.

What’s really interesting is how these channels can come together simultaneously, overlaying each other in real time and space, creating new experiences never before seen. We call this “blended multichannel.”

Sales force enablement is a critical starting point for B2B firms. Designing digital “catalogs” and platforms to accommodate smartphones – providing in context access to real-time inventory and product specifications, for example – is increasingly essential. Older executive decision-makers are rapidly adopting tablets for use in day-to-day business and to make critical strategic business decisions.

Longer term, the core idea for businesses is that all platforms – from the sample orders site to sales rep collaboration to product research and thought leadership – must function and be optimized for portability across many devices and many contexts. Hands-free wearable technology presents one obvious opportunity to bring in the right content at the right time for workers in the field, or in the garage.

For B2B, that development means connecting sales, trade shows, online tools, wholesalers, distributors, and direct shipping options with the next wave of wearable, tablet and smartphone technology.

**Implications:** In the B2B environment, we can imagine a range of blended multichannel experiences to enable interactions in the field, on the trade show floor, and in the lab or garage. Prioritize which environments you see could have the most benefit to introduce these experiences.

<sup>3</sup>“Multichannel” in some circles, including Forrester, has given way to “Omnichannel,” among other terms.

Photo credit: Taina Sohlman / Shutterstock.com

## Seven Truths for Senior B2B Marketers

We've outlined how the B2B landscape is under tremendous pressure and also identified key trends in people driving the next generation of B2B experiences. In fact, these trends are establishing new norms as people are increasingly digitally native, device powered, always-on, and socially connected. But what does this really mean for marketers? How can B2B marketers not just survive, but thrive?

### **1. People – customers, partners and employees – have new expectations for how they research, purchase, and engage in service.**

These expectations cannot be ignored. You need to rethink the journey, from consideration to service and support to exceed expectations.

### **2. “Sales” is no longer a captive relationship.**

Transparency is the rule. So bring the outside in by design. Plan and embrace the volume of information available about your own and other companies' products, services, employees, and partners.

### **3. To operate in an always-on world will require new tools – mobile, social, connectivity tools – for partners, customers and the sales force alike.**

Be thoughtful about investment. You can't easily invest in all channels instantly. Rather, build a long-term roadmap and portfolio developing core platforms while piloting emerging technologies.

### **4. The rise of big data, sensors, and new, looser privacy expectations has created opportunity spaces.**

Explore the opportunities in leading-edge technology. You can help connect your partners by making small investments in, for example, a mobile app that enables engineers to scan a proprietary bar code to pull up product specifications.

### **5. Digital and physical channels are blurring. You need to help customers connect the dots (or someone else will).**

Invest in connecting your physical assets – catalogs, offices, trade shows, mobile teams – with digital extensions. This is true both within your owned properties and the larger ecosystem.

### **6. Assume an increase in more channels and new modes of interaction.**

Given the likely increase in new touchpoints and modes of experience, we need to build our technology as platforms not monoliths. In so doing, we must leverage services and interfaces to make working with new technologies and partners as easy as possible.