

Getting the B2B e-commerce strategy right



Abstract

If your B2B website is not a destination of choice for customers and prospects, then it is likely that you have work to do. Understanding what customers are looking for allows you to simplify your interactions with them. Constant testing of marketing campaigns allows for continual and incremental improvement in your marketing. Increasing the productivity of your field sales representatives will require the use of artificial intelligence to make them more productive. It's a new world, and technology is key to driving greater success.

Changing expectations from B2B websites

The COVID-19 pandemic has had three important marketing impacts.

First, it has accelerated the importance of digital business or digital e-commerce as it is sometimes called. Some have argued that it has advanced e-commerce by five years. While the impact on B2C businesses is relatively obvious, the effect on B2B businesses is just as important.

Second, for B2C it has jeopardized many industries dependent upon crowds and customer density. While some of these industries may return eventually, the lingering afterburn of COVID-19 makes recovery difficult. Some businesses such as restaurants and theater-based entertainment may be slow to recover.

A third aspect of increased consumer-oriented e-commerce is that it has changed the expectations for B2B websites, website content, value-add delivered by the site, supply chain management, and ease of use. B2B websites that force customers to seek solutions and commit to spending large amounts of time on the site are likely to lose to those that make finding what they are looking for effortless and easy.

A good B2B website is probably using a taxonomy to classify web pages and structure customer journeys through the website.

What makes winners different

What makes the winners of e-commerce strategy different is that they put customer needs first. They believe that delivering an experience that simplifies customer interactions is critical. They also believe that being too sales oriented will put customers off. In effect, they are attempting to put themselves in the customer's shoes and act on their behalf.

The key concepts here are design-led innovation and an outside-in approach to web design. You design your website to capture the needs and goals of a customer rather than forcing them to wander around your website looking for a solution. Saliency and quick response are critical.

For some companies, use of a design-led approach has meant changing their value add has become important. GE, for example, now sells jet engines priced on the distance that customers fly their planes. They take care of the capital costs, the maintenance costs, and parts. Kinsa sells a networked thermometer which automatically uploads data to the cloud. They now predict likely flu and COVID-19 infections from the individual's temperature data in a particular region.

Field sales representatives need a new set of tools

In the new post-pandemic world, field sales representatives need a new quiver of arrows to succeed. Routine activities can be automated; sales automation that helps the representative will be key. The use of artificial intelligence and machine learning to provide suggestions and support to sales representative will increase their usefulness to customers and hence their sales success.

Sales and campaign automation, personalized to customers' interests can also substitute for traditional sales calls, where sales teams could test and vary their message. Video conferencing with clients will stick around long after the COVID-19 pandemic has disappeared. So, outfitting sales reps with tools that make video conferencing easy will be important. Think big microphones for the home office and perhaps tablets for quick video conferencing.

Targeting versus customizing

Choosing your messaging and the content approaches for promoting your messaging is only half the battle.

In today's digital landscape, sophisticated companies are attempting to personalize the content they present to their customers and prospects. B2C examples highlight the trends that are influencing B2B customers.

Amazon, Netflix, and Spotify are all innovators in digital marketing and indirectly are influencing B2B practices. These three have dominant market share in their product categories. They are examples of best practices against which benchmarking makes sense. What they have in common is that they present a custom or semi-custom page to their users. And customization matters if you want to reshape an industry.

Amazon presents a semi-personalized page to its customers. It allows the user to look at daily specials. It reminds them of products they have recently looked at. It runs analytics to predict sales success. It gives the option of adding a product to a 'list' so that you can easily retrieve it. It keeps track of items that made it your shopping cart but did not get purchased. Few B2B sites have added these types of features.

The lesson for B2B users is to concentrate on encouraging a longer-term relationship with customers – loyalty programs may be one element in keeping customers buying. The concept of track-and-trace has dramatically altered the information requirements for shipping companies and the companies initiating the shipping.

Fragmentation makes digital channels more complicated

A key e-commerce goal is to make your website the destination of choice for customers and prospects. For many companies, reinforcing customers for visiting your website is an ignored approach. Amazon uses loss leaders (high volume products that can attract buyers) on books and music to gain daily visits. It offers daily specials to encourage usage. Because of the breadth of its offering, these types of offers are relatively easy for Amazon to make. But for many B2B companies, offering loss leaders and loyalty programs make a great deal of sense.

For prospects, optimizing an e-commerce marketing strategy is a more difficult task. Information about customers' interest in a product category may be reflected in social media, article reading, or industry reviews. These third-party sources of information are increasingly protected as privacy information. Collecting your own information is becoming more important.

Sales and customer service contacts can also reveal interest or intent to buy. Making sure you have integrated your previously disconnected systems (silos) is a key task for increasing customer connection, and can result in customer satisfaction. And customer satisfaction leads to more sales.

Keeping customers happy is also important. Understanding their needs and their buying criterion can require frequent monitoring.

Deficient user experience is a problem

If your website merely offers a listing of products on offer, then you are likely to have a deficient customer experience. B2B customer expectations, influenced by B2C experiences, demand a tailored website, customized to customers' current needs.

More advanced websites should predict customers' needs, services, and solutions. If a customer buys a product, then an ancillary offer of an extended warranty or training program is likely to be both appreciated and successful.

The redefined role of a field sales representative

Automate simple tasks

For many B2B companies, the role of the field sales representative is key. But variability in the quality of sales representatives poses a problem in many industries.

A well-managed company should attempt to automate simple interactions in order to focus the sales representative on tasks that only a human being can do (given a particular level of scale).

Prioritize de-commoditization

A common assumption in e-commerce is that price information is publicly available and will trend to the lowest level. This assumption pre-supposes that all websites offer similar ease of use, similar product families and similar services, wrapped around the product offering. A high-quality website that is a destination of choice may not have to offer the lowest available product if it brands the many services wrapped around a purchase – tracking purchases, return policy, and warranty information.

Subscription models, products sold as part of a service, experiential marketing all represent ways of de-commoditizing an offering.

A [Blue Ocean strategy](#) (a concept introduced by Chan Kim and Renée Mauborgne) can also change the rules of the game – by targeting non-users, companies can often come up with new products that can sell into blue ocean (that is, without the competitive sharks of a red ocean). The absence of competition, using a price point to encourage purchase, and product configuration may not only open up new markets, but permit the bringing back of the blue ocean product designed for non-users to an existing market of current users.

In high tech, the concept of disruption, first written about by Clayton Christensen, can also play well. As technologies evolve, product offerings can become too expensive and too powerful for customers. Developing a defeatured, lower-priced product, for example, a Chromebook, or tablet can open up new markets by providing adequate technology rather than state-of-the-art technology.

New markets and business models

Existing businesses are often uncomfortable with new business models. Large software companies such as Microsoft and Oracle have had difficulty in moving from a purchase model for software with a maintenance contract to a service model, where companies pay on a per-period basis.

The resistance is understandable. Some business model switches alter the financial results of a company. But putting the customer first is what counts. Video rental stores went out of business because Netflix offered a subscription model that could be summarized as ‘all you can eat’. Netflix assumed that their pricing model would have a natural upper limit for video viewing.

Agility matters

Lean businesses do things faster. A key component for a lean business is the use of agile software development.

Agile software development represents a paradigm shift for companies. Agile is less about the speed and success of development, than it is about motivation. While an agile software development approach has a success rate in the 45% range and waterfall in the 15% range, the key advantage of agile is the retention of motivated software developers.

Many companies set up agile and once it is successful, they destroy their success by not understanding the importance of keeping developers happy.

Marketing campaigns require fast change — with both agile software and agile content development. Content development, like software development, needs to focus on improving the processes used in marketing campaigns. A five-stage model, the Content Maturity Model (see Figure 1) maps out the evolution and provides a roadmap for companies’ improvement of the development, measurement, and publication process.

The Content Capabilities Maturity Model

Stage	Initial	Repeatable	Defined	Capable	Optimizing and Efficient
Description	A chaotic process. Undocumented. Low levels of experience. Can't predict likely workload. Quality unpredictable.	Some aspects of content process are documented. Repeatability is partial. Processes likely to survive a stressful event.	Content processes are defined, have been used, are repeatable. Standard processes are in place. Technical variables are documented and managed.	Processes are demonstrated across multiple situations. Processes are measured and can be applied to new situations without loss of quality. Competence is high.	Improving performance drives team. Incremental improvement pursued. Large technology jumps can be incorporated. Statistical analysis of variation is constantly analyzed.
Quality and relevance	Highly variable. Shorter life expectancy as learning about quality occurs	Quality tends to suffer due to limited	Quality meets a minimum hurdle. Data is used to evaluate content.	Quality is at a high level, but perhaps not as individualized as it could be. Data used to evaluate	Quality is attended to and results are excellent. Data is used to develop improvements
Example companies	Startups	Companies with 2-4 years of experience	Most large companies	Walmart	Amazon, Netflix, Spotify
Content reuse	Local	Copy and paste	Shared content library	Systematic reuse	Customized content for users/personas
Development process	Limited	Project management	Personas, project management	Rapid assembly of content	Templates and standards
Upfront vs. ongoing investment	Budget is devoted to first time activities	Budget is mainly devoted to content development and 20% to maintenance	Budget is split between development and maintenance	Most of budget is devoted to maintenance with 20% to new content	Most of budget is devoted to improvement and testing
Effectiveness	Low, primarily one-time use	Multi-modal, e.g., computer, phone, tablet	Multi-channel	Multi-channel, multi-device	Persona, personalization and customization

Figure 1: Content Maturity Model

Analytics and automation can improve productivity

The new B2B e-commerce strategies represent a major change in website development and campaign development. Rather than invest all your budget up front, the need today is for ongoing improvement. Integration of customer data and web data is a non-negotiable requirement for B2B customers. Faster approval of content, faster measurement and revisions should translate to higher revenue growth.

Reacting to customer requests may mean supply chain and partnering problems, so introducing AI-based forecasting can help reduce the hiccups in a supply chain, an important issue in maintaining customer satisfaction.

Making your field sales representative focus on selling and customer interactions will increase their productivity and sales performance.

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With more than 20 years' experience in marketing consulting, Alistair advises companies across sectors on their go-to-market strategy. He has also developed websites and content marketing programs. Alistair has authored seven books on strategy, information technology, agile software development, software startups, and innovation. He has also taught strategy, international strategy, and innovation at the MBA and executive level. Alistair has an MBA from Harvard University.

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