
Thinking like consumers: why B2C online habits are defining B2B online strategy

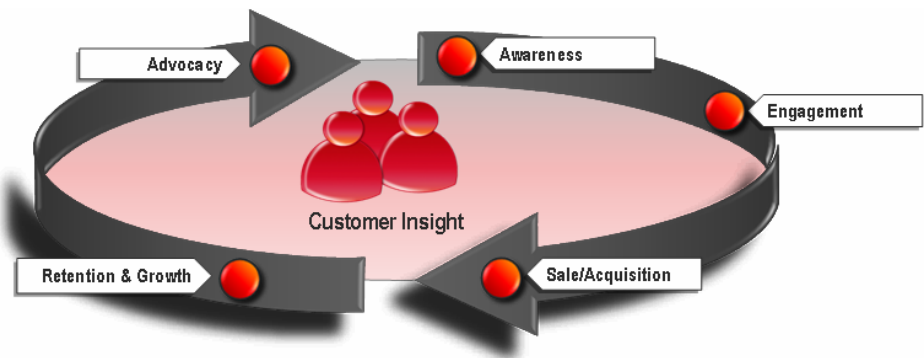
The growth and mass adoption of the internet over the last decade has seen huge changes in the way that we, as consumers, live our lives. From the way we search for and research product information, to the ways we keep in contact with family and friends (whether by email, social networks or instant messaging) through to buying products and services online.

As we've started to take these new habits and experiences as 'digital consumers' into the workplace there is a current train of thought in B2B online marketing that it's moving towards a more B2C model – since we all think like consumers.

And this evolution of B2B marketing online makes some online B2C strategies directly relevant to today's business marketers.

So what works and what doesn't? Where are the similarities and differences?

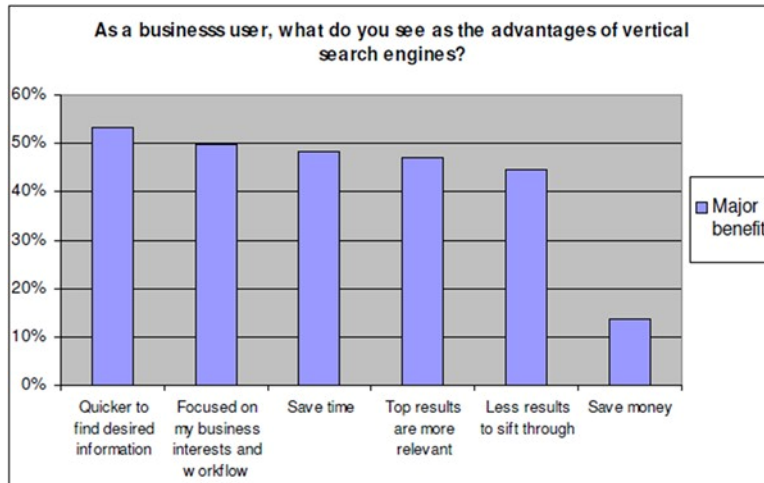
The natural place to start is to understand the B2B customer journey from initial awareness of a product or service, through the sales cycle and on to advocacy and referral.



Probably one of the most obvious areas of cultural change is in the use of search engines. 80% of all online consumer journeys start at a search engine (source: Google) and we've certainly adopted this habit as employees when looking to source new supplier products or services.

However, despite search being the primary research tool for employees, only 56.3% of UK companies have actually implemented search strategies within their business (source IAB).

One of the key challenges for B2B search has always been the difficulty in understanding the context of a particular search (in other words, whether a specific search term is related to a consumer or business related query). As a result a number of "vertical" or "specialty" search engines are emerging that focus on different industry sectors enabling business users to find relevant information quickly.



Sample: 471

Source: [Source: E consultancy / Convera, Nov 2007]

Examples of vertical search engines include

- Business.com within the business community
- Scirus, for scientific research
- GlobalSpec for the engineering industry

Harnessing the true power of the Internet

Search is not the only area in which companies are falling behind B2C marketers. Despite the huge growth in online advertising, business is not harnessing the internet to build brand awareness or drive product education. In fact, according to the IAB only 39% of businesses are using display advertising and less than 39% make use of online classifieds.

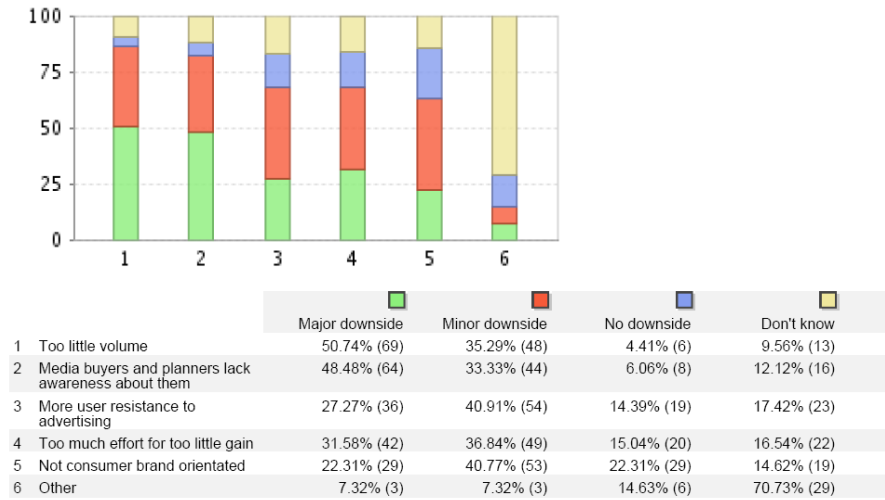
And these figures deteriorate further when we look at less frequently used online advertising media. If we take affiliate marketing, 67% of affiliates promote B2C merchants, 29% promote both B2C and B2B but only 4% promote B2B advertisers only (source E-consultancy, January 2007).

Why is this?

There are a number of factors. Firstly it's a direct reflection of the lack of significant B2B-only properties & audiences in the space. However, despite the enormous size of the market, vertical B2B websites are only just starting to spring up.

Secondly there is the feeling that media planners and buyers lack awareness of these properties when planning online strategies.

21. What do you see as the disadvantages of advertising on vertical search and B2B websites?



Response: 138

[Source: E consultancy / Convera, Nov 2007]

Of course, some business sectors have been well represented in the online advertising space for some time – Technology being the obvious example.

And it is, perhaps naturally, in this sector where companies are pioneering. Take Second Life for example. Within the B2C space many brands have used Second Life less as a means of targeting specific audiences and more as a way of generating PR.

However, IBM's large presence in Second Life has evolved into a real sales channel. Last year it opened a "virtual business centre" in Second Life, staffed by IBM sales personnel from around the world.

Clients looking to purchase hardware, software or simply get support in solving a business problem can actually meet with IBM sales personnel within the virtual business centre. The IBM avatar can interact and work with the Client avatar right up to the point of signing contracts and the final sales transaction, which are handled via a link to the main IBM website or by telephone.

"We seek to engage with clients in the way they prefer to engage," Lee Dierdorff, vice president of Web strategy and enablement for IBM, said. "This may be over the Web, this may be over the telephone, and now it may be over a 3-D virtual world."

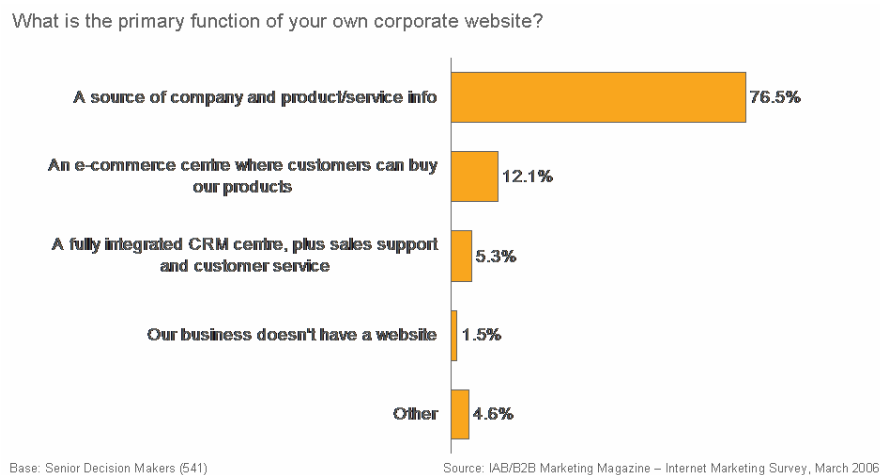
So there's huge potential for businesses to upweight their use of online advertising and other digital awareness routes. But what about their own websites?

Missing a trick

In the consumer space, company websites have evolved from the brochureware of the 90s into sophisticated, personalised e-commerce and CRM tools with the corporate website seen as a primary consumer channel. And this is reflected in consumer use: the ease and convenience of online shopping meant that online sales for Christmas 2007 were 30-40% higher than the previous year. Our experiences as consumers with sites such as Amazon are now setting

expectations as to how easy to use B2B sites need to be, and how well product information is presented.

However in the B2B space there is still an overwhelming view that a company website is simply a source of information. Remarkably only 5% of companies look to their corporate website as an integrated part of the CRM and support process and 1.5% of businesses don't even have a website.



Of course, the B2B sales process is more complex than consumer e-tail. It involves multiple stakeholders and departments, an (often) lengthy sales cycle and a focus on personal contact and relationships.

So part of the issue is that B2B sites are not often viewed as e-commerce channels where the final purchase can be made online. As a result they frequently do not have clear metrics set against them, other than the traditional measures of unique visits & page impressions. And because the true value of the site is not measured, the necessary budgets are not allocated to its development and evolution.

But in understanding the different stages in the B2B customer journey, there are a number of techniques that businesses can employ in order to evolve their online presence away from simply brochureware to make their site support the sales process and demand generation.

Jakob Nielsen, one of the pioneers of website usability, outlines the three major goals relevant for almost all B2B sites:

- 1. Survive the screening process** In the consumer market around 67% of consumers use the internet to research products before buying (source: InternetRetailing Feb 2008). Again this habit has translated into the workplace with more and more employees using the internet to shortlist vendors in an initial research phase. This is where search engine visibility, homepage usability, website accessibility and content usability are essential. Additionally, ensuring that site content explains exactly what a company does (rather than the often impenetrable language of marketing-speak missions, visions and propositions) and signposting users to key

elements of content is critical. Remember, first impressions count - and the website is the most influential first impression that B2B marketers can control. Even if potential clients are visiting simply to find contact information, make it easy for them to make contact in the way that suits them – email, instant messaging, telephone etc. (How many websites make it difficult to find the company's telephone number!)

2. **Build a reputation** This is where the internet excels and where companies can provide excellent post-sales support online at a fraction of the cost of other methods. However, this is the area in which many companies fail. A recent report by Transversal (March 2008) showed the dire performance of many UK firms when responding to customers' emails. Less than half (46%) answered those questions "adequately" and the average time they took to respond was almost two days (46 hours).
3. **Support your advocates** Nielsen recommends the creation of Advocacy Kits to make it easy for potential clients to access materials and information that helps them support the argument for a particular vendor. This may include links to external PR coverage, webinars, downloadable video and product tables together with PowerPoint slides (that clients can use in their own presentations) and downloadable White papers (using this as a potential value exchange to obtain some data about potential customers).

As with the B2C world, content is king. Building content distribution deals and gaining associations with the right industry bodies/brands takes the marketing message to a wider audience – hitting those business buyers who may be actively trawling the internet within their own buying cycle.

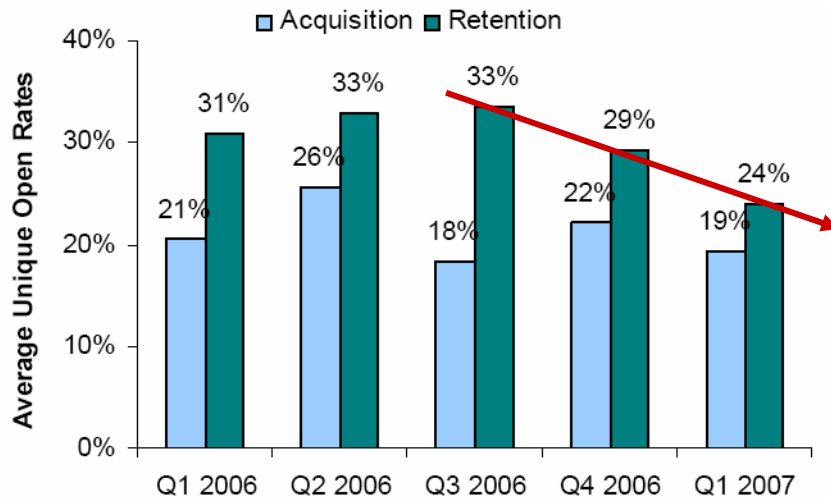
And what about after the sale?

In the B2C world consumer inboxes are littered with brand newsletters and bulletins looking to build brand loyalty and drive customer value. In the B2B world email is the #1 online marketing tool used by 83% of companies:

- 54% for product promotion
- 49% for company newsletters.

(Source: IAB/B2B Marketing Magazine – Internet Marketing Survey, March 2006)

However, overall response rates for B2C email are declining - driven largely by the sheer volume of emails overwhelming consumers, together with the stricter rules imposed by ISPs that are catching increasingly large amounts of legitimate emails in Spam filters.



Unique Open Rates Trend. Source: DMA Benchmarks, Q1 2007

And this growing consumer-world trend is being reflected in the B2B space. So again, what consumer habits are shaping how B2B communications can penetrate this clutter and reach their audience?

The changing face of networking

One of the biggest developments over the past 18 months in the consumer space has been the rise of the social networks. This rapid consumer adoption of sites like MySpace, Bebo and Facebook has been quickly picked up by the business community with B2B social networking sites such as LinkedIn which, after seeing a slow start to member numbers 3-4 years ago, has doubled in size over the last 2 years on the back of the social networking boom.

The prediction is that consumer focused social networking sites will evolve away from their current generalist nature towards more specialist communities; whether that's related to shopping (Yub.com), pets (fuzzster.com) or student travel (statravellers.com). This will become increasingly relevant for the B2B world where communities can be easily built on industry sectors. It's always been true within the interactive and software world, where developer forums have been a key means of product development and solutioning, but these more specialist social networks are popping against wider industry sectors:

- MedicalMingle.com for Healthcare professionals
- Sermo, where doctors can seek advice and get access to relevant content
- INmobile.org - a network for senior mobile telecoms executives
- Adgabber - for the advertising community
- E-Factor – a European-based network for entrepreneurs to share knowledge and advice
- Damsels in Success – a women-only professional networking site, focusing on career and business issues.

B2B brands will need to understand how to ensure that they can leverage these new networks to drive awareness, seed content (as with the B2C world) and build customer advocacy.

Online PR is important here – the ability to get news out quickly, targeted to your specialist audience and often through trade bodies, can enhance influence in the marketplace and so improve the ability to get new customers considering you as an authority in your space.

And outside of the social networks themselves, the personal Blog has also been adopted by the B2B community. One of the most famous examples of B2B blogs is Darren Strange's "Officerocker" that he created in the run up to the launch of Office 2007. Darren is the UK product manager for the 2007 Microsoft Office system and is credited with changing Microsoft Office into a personality rather than a faceless product through blogging. Since setting up the blog two years ago, "Officerocker" has allowed him to build a dialogue with customers, partners and press attracting around 250,000 hits each month.

Potentially one of the biggest (but currently most under-utilised) communication areas is RSS. RSS (Really Simple Syndication) allows users to subscribe to an information feed from a website and view it within their own browser. What's important about RSS feeds is that (a) the user has actively subscribed to that information, and (b) unlike email, there are no ISP issues to be navigated, so RSS means 100% deliverability of information to the user.

Some 80% of internet professionals are already using industry or sector-specific RSS feeds, and more than half of them (54%) have personalised homepages. [Source: E-consultancy / Convera, Nov 2007]

Summary

New media trends have seen online strategies being adopted and shared by B2B and B2C marketers. It's only natural that we take our new found interactive habits from our personal lives and apply them directly at work, blurring the distinction between consumer and employee behaviours.

It's clear that digital marketing has become a large and important element of the B2B marketing mix, focusing on the more established platforms such as website, email and, to a lesser extent, search and online advertising.

According to BtoB Magazine, 50% of B2B marketers report that the two established channels - their own website and email marketing - will be where most new media spend will be made with marketers leveraging these tools for 'demand' generation.

However it's the next raft of digital strategies currently adopted in the B2C world such as social media, user-generated content, podcasts and blogs that will become key weapons in the B2B armoury.

And the future?

The next big frontier is the evolution of the mobile channel for delivering consumer communications and services. And as consumer behaviours themselves evolve through use of the mobile internet, mobile search, Java applications and mobile email, these new-learned behaviours will make their way into the workplace. B2B marketers will just need to catch-up.