



GoodData



# The Convergence of B2B & B2C Digital Marketing: *Analytics for a 360° View of the New Customer Journey*

*In the past, the B2C and B2B markets each approached their buyers' journeys in different ways based on the nature of the products and the buyers' access to information. The advent of digital marketing, however, has drastically altered the way customers make purchases, causing B2B and B2C paths to become increasingly winding and intersecting as behaviors converge.*

*B2B purchasing decisions, once made over long lunches and handshakes, have gone online. Buyers move up to 70% of the way through their journey on their own as they conduct product research<sup>1</sup> via company websites, crowdsourcing on social networks, and other online sources. B2C buyers, once heavily influenced by mainstream advertising efforts, have become increasingly empowered and are making brands work harder than ever for their business, expecting the businesses to earn their loyalty with personalized messages and experiences as they cross between online and offline platforms.*

*The digitization of the customer journey has opened a floodgate of opportunities for both B2B and B2C companies to learn both from their customers and from each other — **opportunities that rely almost entirely on their ability to quickly gather and analyze massive amounts of data in order to form a 360-degree view of each customer's journey and deliver seamless, customized experiences.** All of this in a landscape where channels and technologies are multiplying seemingly overnight.*

# The Converging Marketplace

## Digitization and Convergence

Marketing, at its core, is all about communicating with customers. And technology has always influenced how businesses went about doing that. Before the rise of digital marketing, technological limitations polarized how B2B and B2C businesses connected with customers. Even early digital technology like websites and email mostly functioned as just an extension of traditional communication methods in the beginning.

Advancements in web development, mobile technology, and social media — and all the innovations built around them — have altered the landscape. But instead of further polarizing the B2B and B2C industries, they've actually brought them closer together. For example, Intel, traditionally a B2B company, has shifted emphasis to creating demand by marketing to end consumers. And Coca-Cola has even documented the convergence in their Content2020 platform, where they not only acknowledge that they can no

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longer rely on being 30-second TV-centric, but also lay out a blueprint for developing engaging stories across channels.<sup>2</sup>

**Businesses on both sides now have access to the same tools and have started to adopt the same strategies as a result.** For instance, a recent report found that channels like email, social, and SEO are used at similar rates across both B2B and B2C worlds.<sup>3</sup>

## CONVERGENCE CROSSOVER POINTS

Traditional B2B	Traditional B2C	Modern Crossover Points
Lead generation	Brand building	Cross-channel brand experiences
Relationship-driven	Product-driven	Account-based marketing, loyalty-driven
Heavily informational	Catchy and emotional	Experiential marketing, Content marketing
Small, focused target audience	Large target audience	Nurture marketing, Cohort analysis
Narrow-cast	Broadcast	Segmentation and personalization, Marketing automation

Despite the parallel in tools, however, many businesses still have trouble shifting their mindsets to take full advantage of digitization. Nearly a third of marketers aren't sure which channel has the biggest effect on revenue, and 38% of marketers don't even have an attribution model in place.<sup>4</sup>

But there are plenty of other B2B and B2C marketers who are successfully making the jump. They learn both from new technologies and from each other. Take content marketing, for instance. Fewer than half of B2C marketers blog, as compared to 60% of B2B. And yet of the B2C businesses that do blog, 60% post at least once a week — the same percentage of B2B bloggers that do.<sup>5</sup> **Smart marketers are developing and adopting new marketing strategies that take the best elements of both B2B and B2C, as well as metrics that allow them to get a 360-degree view of the buyer's journey.**

## Convergence and the Digital Marketer

The very same new technologies and media that are driving B2B and B2C convergence are, paradoxically, spreading customers out across multiple channels. There are dozens of social media networks, millions of websites that can be accessed on traditional computers and mobile devices (that also use SMS), and a constant barrage of emails. Consumers jump from channel to channel almost at random — whether they're shopping for shoes or a new ERP.

"The idea of traditional B2B/B2C silos is fading every day," says Jeff Morris, VP of Product Marketing for GoodData, a cloud-based business intelligence and big data analytics platform. "The customer journey is growing more non-linear and difficult to cover. Digital marketers in both worlds need to step away from the old methods and be able to meet consumers at any point of that journey in order to compete."

When faced with this kind of challenge, convergence of B2B and B2C marketing techniques becomes less of an option and more of a necessity. Any idea that can maximize ROI in this new cross-channel marketing ecosystem has to be adopted, even if it comes from the other side of the fence.

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# Analyzing the New Customer Journey

## Cross-Channel Marketing

The dizzying number of digital channels available means that new customers could be literally anywhere. When social media first appeared on the scene, many people considered it a fad. **Now, 46% of marketers say that social media marketing is core to their business.**<sup>6</sup> Digital marketing has opened up multiple avenues and touchpoints that businesses would be foolish to ignore.

And the effects on purchase behavior can be seen offline as well. Over half of in-store purchases are now influenced by digital interactions, including customers reading online reviews (28%) and reaching out to their social networks.<sup>7</sup> In addition, consumers want cross-channel consistency for anything that catches their eye. 73% of B2C consumers expect to see in-store inventory online for similar pricing and with the same promotions.<sup>8</sup>

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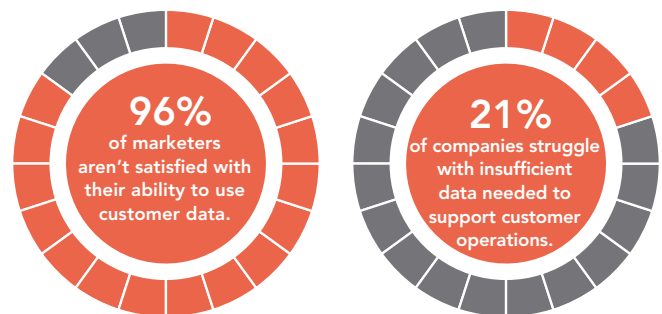
And truth be told, it’s not possible to ignore cross-channel marketing anymore. **A recent survey found that 99% of both B2B and B2C businesses already use two or more channels to interact with customers, and that 50% of all businesses use at least nine channels to engage them.**<sup>9</sup>

“Cross-channel marketing, however, isn’t just about marketing across multiple channels,” Morris says. “It’s about creating an intelligent, cohesive strategy that maximizes the potential of these different channels.”

In order to develop that strategy, marketers need to build on useful and accurate metrics — metrics that encompass the entire customer journey from start to finish and all points in between.

## 360-Degree Metrics

When you talk to marketers about metrics, it seems that many aren’t happy with the metrics available or their quality. 96% of marketers aren’t satisfied with their ability to use customer data,<sup>10</sup> and 21% of companies struggle with insufficient data needed to support customer operations.<sup>11</sup>





CMOs in top performing companies are 22% more likely than their peers to have established KPIs that gauge performance against organizational and industry benchmarks.

One of the reasons this might be the case is that the notion of an “ideal” key performance indicator varies based on business and industry, and it can be very challenging to find the metrics that give a true 360-degree view of the customer journey. But it is possible, and the benefits are clearly worth the effort. CMOs in top performing companies are 22% more likely than their peers to have established KPIs that gauge performance against organizational and industry benchmarks.<sup>12</sup>

Another reason is that bringing data sources from multiple tools into one place can be challenging at best. “There are a wide variety of marketing and advertising tools, each with their own metrics,” says Emily Rugaber, Director of Best Practices for GoodData. “While each one has its own advantage, many digital marketers struggle with bringing all that data together under a single tool or system.”

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In order to keep your cross-channel strategy effective, you need to establish a standard of measurement that can apply to all channels and cover all stages of the customer journey. These 360-degree metrics will be able to track digital marketing effectiveness and customer response no matter where the customer is coming from.



Following are some examples of cross-channel metrics you can adopt:

**Revenue/ROI.** While every brand tracks revenue, of course, savvy marketers are using the “all-in” method, where all channels involved in the process are credited. In the past, B2C companies had difficulty attributing ads to revenue, but digital technology is making it simpler to accurately measure and track where customers are coming from.

**Engagement rates.** Channels whose objectives are brand-building (like social media) may not be directly attributable to revenue. In this case, it may be more useful to track Return on Objective (ROO), a measure of success based on the channel’s objectives, like audience growth or engagement.

“Soft goals like engagement and growth still have very real effects on a company’s bottom line, even if the link isn’t obvious at first glance,” says Rugaber. For instance, 71% of consumers who experience a quick and effective brand response on social media are more likely to recommend that brand to others, compared to 19% of customers who did *not* receive a response.<sup>13</sup>

**Conversion rates.** Instead of creating one catch-all “conversion” metric (which is messy) or breaking it down between channels (which defeats the purpose of cross-channel marketing), you can break conversions down by purpose. Group together all conversions with similar goals.

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Conversions that track reach include shares, likes, or forwards, and B2B marketers need to consider these traditionally B2C metrics. Conversely, conversions that track learning/nurturing are downloads, visits, and demo sign-ups, and B2C companies should explore these when possible as well. Regardless of the brand’s audience, marketers can still track conversions across channels, but in a much more organized and logical fashion.

**Behavioral data.** Both B2B and B2C organizations now utilize behavior collection tools like heatmaps, session recorders, and A/B testing to optimize digital experiences in addition to traditional analytics tools



— and no wonder: 78% of consumers would buy from a retailer more frequently if they received offers tailored to their interests.<sup>14</sup>

But behavioral data doesn't just benefit B2C. Behavioral data is key to B2B marketing automation, which relies on knowing which whitepapers were downloaded and which blogs were read in order to provide the customer with timely and relevant content.

## Connecting the Dots with Analytics

As valuable as the above metrics are, however, analyzing them is crucial to developing effective cross-marketing strategies. **In fact, investments in analytics applications return over \$13 for every dollar spent.**<sup>15</sup>

Here are some analytics best practices that both B2B and B2C marketers can use to get key customer

insights and the possibilities for acting on such information.

**Establish a context.** Today's customers easily jump from channel to channel when researching a brand, which complicates the attribution process. This holds true for both B2B customers and B2C. But without this context, it's difficult to track which channels are having a positive effect. Best-in-class companies are 67% more likely than others to use behavioral data to determine the factors that drive cross-channel customer interactions and trends.<sup>16</sup>

If you can find out which channels perform especially well, you can hold channel-specific contests that other channels can cross-promote. Hashtag contests, where customers post photos of themselves using the product, are a great way to build your brand on multiple social media platforms like Facebook, Instagram, and Twitter, and they can be promoted via email or online ads.





Up-to-the-minute behavioral data allows retailers to adjust pricing or create flash promotions to take advantage of buying trends as tastes ebb and flow, which maximize their margins as a result.

**Integrate and democratize data.** One of the biggest limitations of marketing data is the number of people with access to it. Only 38% of businesses currently integrate disparate databases and standardize information across the organization.<sup>17</sup>

B2B sales interactions would go more smoothly if the sales representative had access to which whitepapers a customer had downloaded. B2C product teams could come up with better products if they had access to the feedback marketing was collecting. Company teams need to communicate clearly with each other if they want to communicate with their customers, too.

“Access to cross-channel analytics is critical for a modern business to thrive,” says Morris. “The digital marketplace is so fluid that businesses can’t afford to wait for marketing to generate quarterly reports before acting on customer feedback or market shifts. The entire business needs instant access to the data marketing collects and should be proactive enough to act whenever necessary.”

There are powerful tools available that help assemble, manage, and present data for much faster analysis. Data visualization and cloud-based databases increase accessibility and simplify the reporting process.

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By analyzing your data and connecting the dots, you gain key marketing intelligence that will change the way you look at your customers and drastically influence your digital marketing strategy.



## Adapting Your Strategy

### Strategic Adjustments

Technology is in a constant state of flux, with many innovations giving customers new ways of connecting with each other and with businesses. But it also offers marketers tools that provide insight into how customers think and that aid in the decision making process. Managers are now able to work with fewer staff without sacrificing productivity. Also, marketers now have the opportunity to explore more creative ways to connect with customers.

But it's more than just a technology shift. It's a shift in mindsets as well. B2B and B2C marketers aren't limited to the old methods of doing things. B2C is no longer the right-brain side of the equation, relying mainly on emotion to sell products, and B2B marketers are no longer the left-brainers looking

#### B2C Strategies drawn from B2B

CRMs/Marketing Automation

Nurture Marketing

Content Marketing

#### B2B Strategies drawn from B2C

Account Marketing

Social Media Presence

Loyalty Programs

Email Marketing

only at data. They're now taking the best of both worlds and combining them into highly effective, educational, and entertaining marketing strategies.

**It's in every business' best interest to create a seamless cross-channel experience so that brands can connect with customers wherever they are now — and where they will be as new channels emerge.**

Imagine the power of a consistent, persistent brand message whenever and wherever the customer is. It lowers the barrier of entry for customers who want to make a purchase and gives them the freedom to connect with you in whatever fashion they choose.



## Cross-Channel Marketing Best Practices

Cross-channel marketing can be very effective, but only if you are able to capitalize on the insights drawn from proper analysis.

Here are some best practices that are applicable to both the B2B and B2C industries:

**Cross-channel consistency.** Seamless cross-channel experiences are highly beneficial to your marketing. This doesn't just cover brand images, logos, and the like; it also covers the experience customers get when they touch your brand. Every interaction with the customer should leave a positive impression, whether it's a customer support call or a brand tweeting back to a fan.

Cross-channel marketing carries the very real risk of brand inconsistency and uncoordinated or conflicted messaging. It's very easy for the left hand not to know what the right hand is doing, even for marketers working out of the same office. B2C marketers are susceptible to this, especially those that rebrand or update their brand. It's not uncommon for marketing to promote a deal that customer service has never heard of, especially in industries where regional deals come into play. The transparency of the internet makes these inconsistencies all the more obvious. B2B companies, on the other hand, may be so accustomed to the old ways that they ignore updates entirely, keeping their websites the same because "they've always worked before."

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But attention to every detail has very tangible benefits. Businesses who use a successfully consistent cross-channel marketing strategy enjoy 14.6% year-over-year increase in annual company revenue and 13% annual improvement in customer retention rates.<sup>18</sup>

**Personalization.** Personalization is more than just auto-filling a customer's name at the top of a mass email. True personalized marketing comes by understanding the customer's wants and needs. It's presenting them with options based on those needs, at the right time, in a unique fashion. It's about making the customer feel special — because they are. This expectation of personalization is so prevalent that 71% of consumers indicate they like receiving personalized offers.<sup>19</sup>

B2B handles things a little differently. Instead of approaching multiple people in an organization, like how it used to be done, B2B companies are now treating client companies as single entities. **Account-based marketing hasn't been widely adopted yet; only 29% of businesses use it. But of those, 95% of them consider it effective.**<sup>20</sup>

Personalization is critical for cross-channel marketing because the barrage of information and marketing messaging that the customer will experience across multiple touchpoints can quickly become very annoying if not handled properly. By personalizing the message, it becomes less jarring and more appealing, especially if your omni-channel marketing is properly integrated. In one report, data from over 250 million shoppers and 400 retailers and found that omni-channel customer-centric marketing brought a 100% increase in purchase frequency, 50% increase in

average order value, 25% increase in total online sales, and 300% improvement in customer lifetime value.<sup>21</sup>

**Customer segmentation.** Segmenting your customers helps you identify the most active and responsive groups. You can then create customer personas that represent each distinct group. Once they're identified, you'll be able to adjust your marketing message to better connect with them and predict their next steps. Half of both B2B and B2C marketers use customer personas, and 90% on both sides consider it effective.<sup>22</sup>

Cohort analysis, which allows you to compare how different groups of customers behave over time, was primarily used by B2C companies. Now, however, more B2B customers are starting to adopt this practice into their own metrics.

**Relationship-building.** Today's customers switch brands more quickly and more readily than previous customers. 46% of U.S. customers said they're more likely to switch brands now than they were 10 years ago.<sup>23</sup> The best way to keep them with you is to create an emotional connection between them and the brand. Excellent brand experiences, personalization, and frequent touchpoints are all necessary to keep customers engaged and loyal.



Keeping them satisfied is more of a concern for B2B companies than ever before. In the past, B2B customers signed on for long-term contracts that were difficult to void, so problems had to be worked through. Now, however, the advent of digital B2B products has opened up monthly contract relationships that make it easier for unhappy customers to cut ties.

On the other side of the spectrum, B2C companies have moved away from the concept of “one-off” customers and realized the value of loyalty. Companies in the U.S. now spend \$2 billion annually on loyalty programs alone.<sup>24</sup>

**A/B Testing.** Digital marketers now have access to more measuring and tracking tools than ever before, so marketers should take full advantage by constantly testing and refining their websites for the best user experience.

B2B companies have taken a page from B2C companies and are patterning the conversion process after retail sites. Calls to action are more prominent, and trial or demo sign-ups are simpler to execute. Heatmaps and behavioral data identify speed bumps, which are quickly smoothed out.

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It no longer pays to adhere to the traditional, restrictive marketing mindset. B2B and B2C customer journeys are no longer clear-cut and distinct. They're using the same tools and developing similar habits. In order for the digital marketer to thrive, B2B and B2C marketers need to learn from each other and adapt what works without pride or prejudice.

Cross-channel metrics and analytics are integral to success as they allow marketers to make intelligent, informed decisions on how best to approach the new marketplace. Omni-channel marketing best practices require a balanced mind: one that's analytical and intellectual enough to make sense of the incessant flow of data, yet creative enough to generate compelling and exciting campaigns to entice both customers and the business. B2B and B2C are converging at a point of P2P: person-to-person.

## CROSS-CHANNEL DISCOVERY QUESTIONS

- What channels am I currently leveraging?
- What channels could I be leveraging?
- What do I have the resources to manage?
- How can those channels help/interact with each other?
- What channel(s) are my customers on?
- How can the marketing team help other internal teams? How can they help me?

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## About GoodData

A leading provider of cloud-based business intelligence solutions—GoodData helps B2B and B2C companies get the big picture on performance with completely connected digital marketing analytics.

Fast-track your customers' path to purchase, with real-time insight into buyer behavior by segment, across channels and touchpoints. Optimize channels and campaigns in real-time, with a 360-degree view into search, display, email, digital, social, mobile and more. Prove your worth with unbiased attribution, identifying high-value conversion paths.

Learn more about how GoodData's digital marketing analytics can help you bring online, inline. Visit [www.gooddata.com/digitalanalytics](http://www.gooddata.com/digitalanalytics)



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