



The New B2B Customer Experience:

Using Data and Analytics
to Drive Digital Transformation



Executive Summary

B2B companies continue to move online as business buyers demand more consumer-like experiences, with greater price transparency, easy product comparison, readily accessible support and rapid fulfillment.

Recent research shows that 94% of B2B buyers conduct some form of online research before making a purchase. Going beyond just research, the same study indicated that more than two thirds (68%) of B2B buyers now purchase goods online, an increase from 57% in 2013. Further, buyers identified price and customer service as the most critical important features of the online experience.

For B2B firms, these trends point towards a future where greater price transparency is the norm, and service expectations continue to rise. For manufacturers and distributors, the competitive threat is real as traditional consumer ecommerce players like Amazon—with logistical expertise and vast knowledge of online consumer buying behavior—enter the B2B space.

Amazon Business, the recently relaunched business marketplace started by Amazon, represents a potential game changing competitive threat for distributors. For a glimpse into what the future may hold, you simply need to look back to Amazon's entry into commercial cloud computing ten years ago. Competing not only with traditional hosting providers, but with established tech giants like Microsoft and IBM, Amazon basically created a new product category and over the next ten years proceeded to own that market. Amazon Web Services is now one of the company's most profitable units with \$10 billion in revenue and an astonishing 53% yearly growth rate. They currently have 70% of the cloud infrastructure services market. Not bad for a consumer ecommerce company with no B2B experience.

Staying Competitive

So, what does this mean for B2B companies today? In five years? B2B firms need to accelerate their digital

transformation efforts, using data and analytics to create competitive advantage by vastly improved customer experiences. The old transaction-based approach simply won't work in a world where existing competitors and new entrants are driving price transparency and delivering greater convenience and choice. To respond, companies need to develop a much deeper understanding their customer's needs, allowing them to anticipate what customers want and configure product and service offerings based on this knowledge.

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To stay competitive, B2B firms need to get out of the transaction mindset of simply automating sales and service; keeping decision analytics at the management level. B2B companies have thrived in the past by having a deep understanding of their customers' needs and providing excellent personal service. This was more often done through direct customer contact with field and service reps. The new B2B customer experience builds on this notion of personal service, but augments the personal touch with a digital enabler: data and advanced analytics that deliver deeper knowledge of customer needs and buying behaviors. Spanning the customer lifecycle, the new B2B customer experience means anticipating the information they will need to make informed buying decisions, and predicting when, how and what type of support they will need in the future. Spoiler alert, it's all about understanding context—in essence, all the factors that influence customer decisions.

In this eBook, we discuss the key elements of the new B2B customer experience; the four common barriers to digital transformation; your essential analytics toolset; and how to get started down this path without taking on excessive cost and risk. Read on!



New B2B Customer Experience

Becoming Context-Aware

The new B2B customer experience is about helping buyers make smarter, faster decisions by being “context-aware” during every phase of the customer lifecycle. Context is most easily understood as the buyer’s current situation or circumstances. Are they a new customer or repeat? What type of customer (size, location, industry sub segment, etc.)? What are their specific needs/requirements? Which products are a best fit? When do they need it? What is their price point? What are they comparing it to? What is their level of knowledge/experience with the product? What other value added offerings are appropriate?

The list could go on, but the point is the answers to these questions provide the complete picture or context, within which you can tailor pricing and offerings that will be most appealing. The key is being able to have customer profile data that is used at critical buying points such that relevant offers are presented and buying becomes effortless. This means providing the right information at the right time in the right way to help them make decisions—and doing so while maintaining profitable margins.

To help clarify this further, you can categorize the list of questions above into two buckets: 1. customer profile data and, 2. historic purchasing behavior. The first is the customer demographic, “who they are,” the second is “what they have done,” their actions over time. As we discussed, the new customer experience is all about anticipating needs, so you need your analysis to combine customer profile data with past actions so that you can determine “what they will do next.”

Predictive and Prescriptive

To be clear, the new B2B customer experience is not solely online but multi-channel. It must accommodate more complex or technical B2B products and sales cycles, integrating field reps and post-sales support. This requires making analytic tools accessible to buyers in a self-service capacity as well as field reps when buyers have questions or need to escalate an issue.

For this multi-channel experience to work, you need to apply both predictive as well as prescriptive analytics. The predictive element helps support self-service product research and selection by offering products similar to those purchased in the past, or based on search criteria the user entered. In this scenario, as users navigate a product page they offer clues as to what they are interested in. Using predictive analytics based on historic buyer behavior data, you can then go beyond offering up a static product page and now present dynamic pricing, discounts or other related services that will drive conversions, increased average purchases and improved margins.

While predictive analytics can be used effectively in a sales or service situation—anticipating what the customer may need—prescriptive analysis provides a unique opportunity for customer support. With prescriptive analytics, you go beyond evaluating what might happen (a prediction) to what should happen (a prescribed action). Using predictive analytics, your analysis might indicate that a customer will likely run out of inventory on three product lines in December, but it’s up to your customer to figure out when to reorder and how much. A prescriptive measure, however, provides specific guidance and action. Using the same example, it might notify the customer’s account manager, providing him with specific recommendations for the customer to reorder a specified number of units for each product, with appropriate reorder dates for each.

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The specific guidance available through prescriptive analytics is particularly useful for post-sales support as reps are usually asked to provide detailed guidance or problem resolution, but they may not have the tools and information to provide consistent, knowledgeable advice. Having a proactive means to provide guidance transforms the customer experience, resulting in improved customer loyalty and repeat purchases.



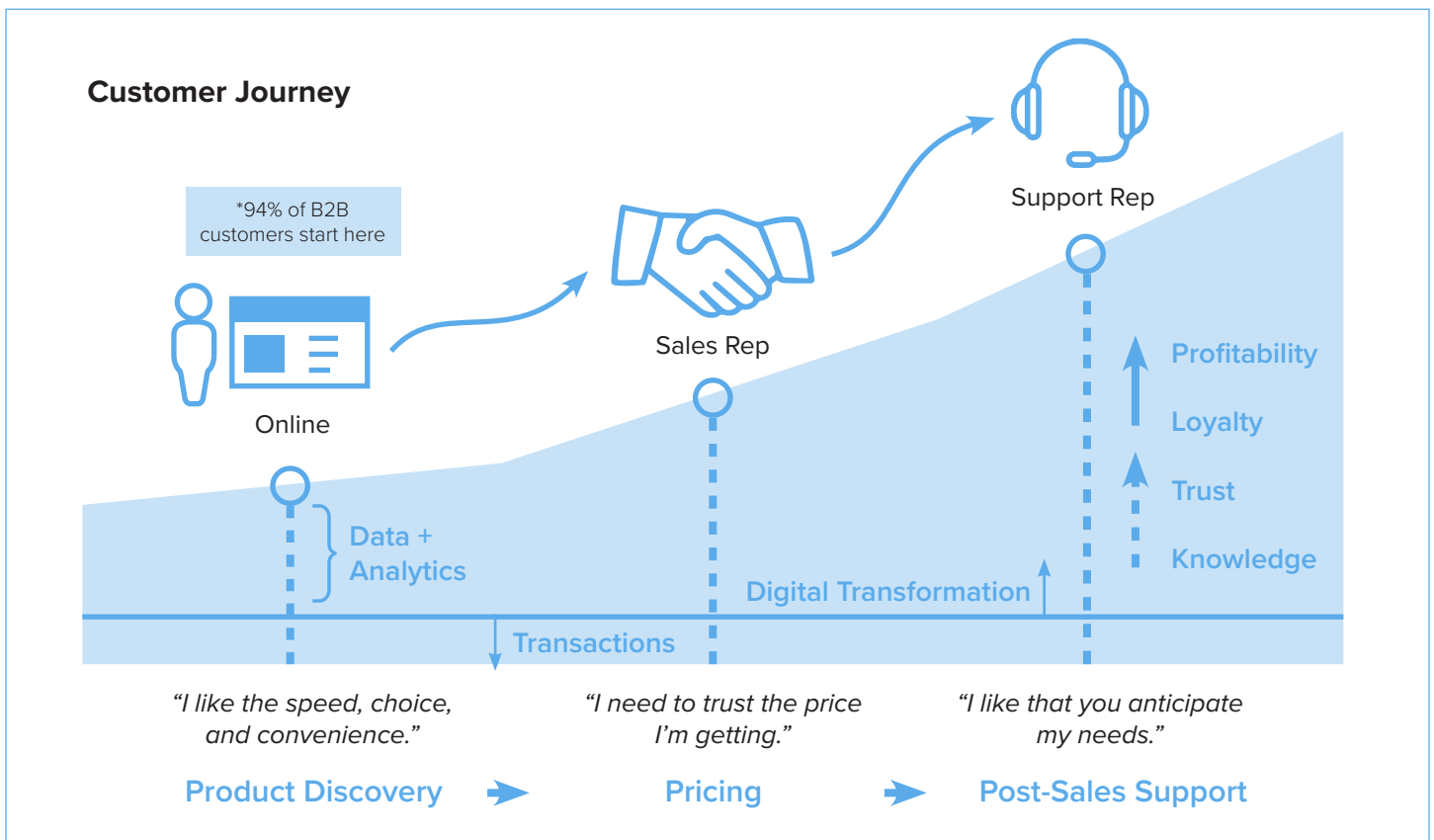
Mapping the Customer Journey

So, let's look at how the new B2B customer experience might work across different stops along the customer journey, from product discovery to pricing and post-sales support. Figure 1 shows a high-level customer journey map where knowledge and trust build through each interaction from sales to support, leading to greater loyalty and more profitable relationships over time. This is made possible by data and analytics that help customers and reps make smart decisions.

It starts with product discovery, where almost all B2B customers conduct some research online. They like the convenience and control, allowing them to re-search and evaluate options before speaking to a rep or placing an order. While starting with the online experience, customers often interact with sales reps to get additional clarity related to pricing options and po-

tential discounts. Here they are looking for companies to be able to apply multiple factors (length of relationship, purchase history) to arrive at what the customer feels is an appropriate price given these factors. Having set parameters, or "guard rails" for the reps to follow, enables consistency in the pricing process and builds trust with customers that there aren't just haphazard methods for pricing decisions. Using that same accumulated customer knowledge, support reps can be more proactive in offering solutions to problems using deep analysis of similar customers.

The difference maker is the smart use of data and analytics that deliver a superior customer experience at all stops along the way. This is how firms can move from transaction mode to digital transformation.



What's Getting in the Way

So why have some B2B companies embraced the digital transformation—using data and analytics as a differentiator—while other firms lag behind? For companies looking to make the transition, there are *four primary barriers*:

1. Acquiring the right talent

With the rapid advances in cloud computing and analytics, finding and keeping the right people with the right skills and knowledge can be a challenge. Combining analytic as well as technical skills, this new breed of technologist is in short supply. By building internal teams over time and addressing skill gaps with support from outside consultants, firms can accelerate their transformation while minimizing cost and risk.

2. Limitations of legacy systems

Legacy systems that have been in place for years often have significant challenges related to data access, integration and analysis. To address this problem some firms engaged in costly and time-consuming data warehouse projects designed to bring together data for more meaningful analysis. This often failed to produce the results desired. Today, more agile, cloud-based analytic tools and platforms are available that offer significantly better analytics capabilities with vastly improved integration, allowing firms to roll out greater capabilities without the time and cost to deploy and maintain infrastructure.

3. Lack of process integration

Having the right data is great, but if it is not embedded into the way people work, it will see limited use and produce little value. For both customers and sales reps, being able to use data and analytics to get answers when they are needed is critical to improving the customer experience. Under a transaction model,

analytics are reserved for managers making decisions after the fact. Digital firms push analytics to the front lines, allowing customers and reps to make informed, “in-process” decisions in real time.

4. Necessary behavioral change

To prevent your analytic tools from being digital “door-stops,” there must be a change in user behavior away from more seat-of-the-pants decisions. Using pricing as an example, reps in the past may have heavily discounted to placate a demanding customer, not knowing the impact on profitability or the relative value of the relationship. With pricing tools in hand that provide guidelines and ranges, the rep can now work with the customer to arrive at pricing that makes sense for both parties. Building in training and incentives—along with easy-to-use tools—will spur the desired behaviors.

The limitations of legacy systems and the failed data projects of the past can make companies a bit apprehensive about moving forward. In the next section, we talk about a whole new set of cloud-based data tools and platforms that offer more capabilities, and more flexibility to start small, test and refine, and expand over time. This more agile approach helps to reduce risk and improve the likeliness of a successful deployment of analytic solutions that will produce real results.



The Essential Tools

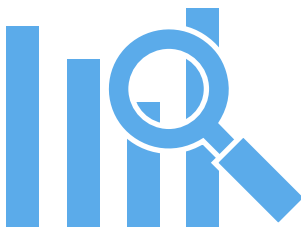
With rapid innovation occurring in big data technologies, you now have more options for deploying smart analytics. This includes cloud-based, open source solutions that can increase performance while dramatically lower the time and cost to implement.

Regardless of the analytic tools you choose, they need deliver on **three critical capabilities**:



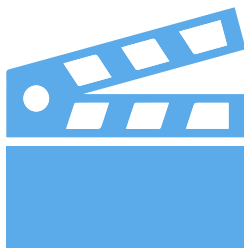
1. Access

Getting access to data stored in disparate, legacy systems has historically been a major challenge that has doomed many analytics efforts. With the proliferation of big data open source tools and platforms like Hadoop HDFS and Spark, the ability to quickly and easily harness and process massive datasets is now a reality.



2. Analysis

Analytics can run the gamut from basic reporting on historical data to finding hidden patterns of behavior using machine learning. Once you have tackled your data access issue, exploring analytics solutions like AtScale—that provide advanced querying and modeling capabilities that integrate directly with standard BI solutions such as Tableau, SAS and Excel—can help deliver the predictive and prescriptive capabilities you need.



3. Action

Enabling decisions at the front line means analytics need to lead to actions by customers, sales or support. This means analytics are embedded in processes and deliver answers when and where they are needed. This also means going beyond predictive analysis to more prescriptive guidance that provides a specific action to take. This is a critical capability that differentiates the digital transformers that provide data and analytics to the front lines—enabling smart decision making at customer interaction points.

How to Get Started

With all the talk of Big Data, often the best path to a successful analytics solution is to start small. This begins with defining and understanding a set of problems that are worth solving. To determine what is worth solving you need to look at the potential impact in real dollar terms, of a new analytics solution. The best way to do this is to conduct a Feasibility Study that clearly documents your business objectives, existing technical environment, capabilities of internal resources and budgetary constraints. This baseline analysis will help you identify both technical and skills gaps, and scope the effort properly so you don't take on an inordinate amount of risk.

The output from your study should include the technical approach and design of a Pilot Program, as well as a roadmap outlining a potential phased implementation. You should also include the key assumptions that will be tested during the pilot phase so that your team is clear as to what constitutes a "win." You can then use cloud-based infrastructure and SaaS analytic tools to run the pilot program to get up and running as quickly as possible with minimal cost and disruption.

With a data-enabled customer experience, your customers will love you and your employees will feel more empowered with greater insights. The net result is differentiation, growth and profitability.

About EnterBridge

Founded in 2002, EnterBridge is a technology services firm that uses data and analytics to create a better customer experience for B2B organizations looking to grow through innovation. We uncover opportunities buried in your data to create better customer experiences, new services and additional revenue. Using proven analytic tools, and years of data analytics expertise we take the hassle out of data management and analytics, giving you the freedom to innovate and grow. Fueled by the latest big data tools and machine learning, EnterBridge helps B2B enterprises deliver amazing customer experiences by using smart analytics for real-time pricing, product selection and data-driven customer support.

Find out more at www.enterbridge.com

