



Phil Brown | February 2012

Why integrated channel models are an imperative for B2B organisations

We've recently been helping one of our clients to build and implement a new go-to-market strategy for their Retail sector. One of the key trends within retailing currently (apart from massive discounts everywhere you look) is the move towards cross-channel retailing.

The concept of cross-channel integration isn't one that just applies to B2C markets, they are also impacting buyer behaviour in B2B markets.

The term 'cross-channel' is used to represent the concept of multiple sales channels working in an integrated fashion to deliver the experience required by consumers. This is distinct from 'multi-channel' retailing which is typically taken to mean retailers operating several channels (e.g. store, online, contact centre) largely independently of each other.

The impact of cross-channel retailing is being felt in multiple ways, witness online retailer eBay's move to open a pop-up store in central London during the Christmas period, or the fact that over a third of consumers now use their mobiles to support their in-store shopping activities. This trend is also being seen in other sectors such as Banking, where the likes of Lloyds and First Direct are enabling customers to use Twitter as a mechanism to route enquiries to contact centres.

The concept of cross-channel integration isn't one that just applies to B2C markets though. The same forces - i.e. proliferation of channels, anywhere/anytime access to information via smart devices, increasing use of social media to research purchasing decisions, rising customer expectations of flexibility and choice - are also impacting buyer behaviour in B2B markets. This is not surprising, since the majority of B2B decision-makers are also people (I say the majority because I've met a few that I had my doubts about).

However, many B2B technology companies still take a very solid approach to their go-to-market model, with direct and indirect channels run as completely independent business units, with separate marketing and support functions. The online and inside sales channels are often also organisationally independent, with their own objectives, sales targets, sometimes pricing models.

There are good reasons why things have been organised in this way, in the same way that there were good reasons why retailers initially set up their telesales and online

channels separately from their in-store businesses. It's simpler to design, quicker to set-up and easier to manage. However, the lesson from retailing (in fact the lesson from any market ever) is that ultimately it is customer demand that will determine the optimal channel model, not supplier convenience. And B2B customer behaviour will demand a flexible, cross-channel model for a number of reasons:

- Any enterprise sale involves multiple buying influencers, each of whom will have different information requirements and different preferences for how, when and where they receive that information. Trying to force people to engage via a single channel because that's where the first contact happened to be made is a self-defeating strategy.
- Different resources, with different skills, knowledge and methodologies, are required to cost-effectively satisfy a customer's requirements at different stages of the sales process. All of the required resources will very rarely be found within an individual channel. Inevitably the optimal delivery model (for the customer) will involve different channels at different stages during the sales cycle.
- With the variety of channels available, it's impossible to control how individual customers communicate and who they communicate with (e.g. just because a prospect has begun a conversation with one of your reseller partners, how do you prevent them from engaging directly with your product guys via social media?)
- It's also impossible to control the information that customers have access to. Like it or not, the moment you publish a new opinion, a new promotion, or a new SKU via any channel, it's potentially available to every one of your customers and prospects, whether direct or indirect, online or offline.

It's therefore increasingly important that companies selling into enterprise markets embrace the concept of cross-channel flexibility and build a model which delivers the experience that customers want, rather than the one that is organisationally convenient for the supplier to deliver. It's not going to be easy, as it will have major implications for the way that companies organise and manage their channels, and the infrastructure that's required to support them, but I think it's inevitable. The companies that grasp the nettle first are likely to be those that prosper in the long run.

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About OneGTM

OneGTM specialises in helping clients in the technology and telecoms sectors to create and execute go-to-market programmes that deliver profitable growth. Our services range from market research and strategic planning, through to channel enablement and demand generation.

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