



Compete in B2B through customer centricity.

Break down silos between commercial functions to meet rising customer expectations.

The new basis of competition in B2B.

Customer experience has emerged as the primary difference-maker in B2B companies' quests for growth. A generational turnover in the B2B workforce and the influence of personal shopping experiences have increased B2B customers' expectations for tailored and cohesive experiences, unleashing a new way for sellers to outpace their competitors with higher revenues and stronger customer loyalty.

In the past, B2B sellers competed in the marketplace primarily on the strength of their products or their pricing. It wasn't that the seller didn't care about giving customers a good experience with its organization. Rather, experience simply wasn't an enterprisewide priority. Each commercial team within a seller's organization focused on its idea of customer experience (CX) through its own silo—be it marketing, sales, commerce, service, product or pricing. Moreover, brand interactions with Buyer X in a given region and product category were largely the same as with Buyer Y in the same region and category. In short, customer experience was one-size-fits-all and not coordinated across commercial functions.

Those dynamics have undergone a shift in recent years, driven by customer expectations. Whether researching telecom service subscriptions, negotiating pricing on massive volumes of industrial gases or issuing specifications for construction materials, today's B2B customers (big and small, and across every sector) want a cohesive journey that resonates with their individual buying preferences. Increasingly, this means having the ability to do things for themselves. They want tools at their fingertips that give them direct access to product specs, personalized pricing, proactive service, seamless reordering and more.

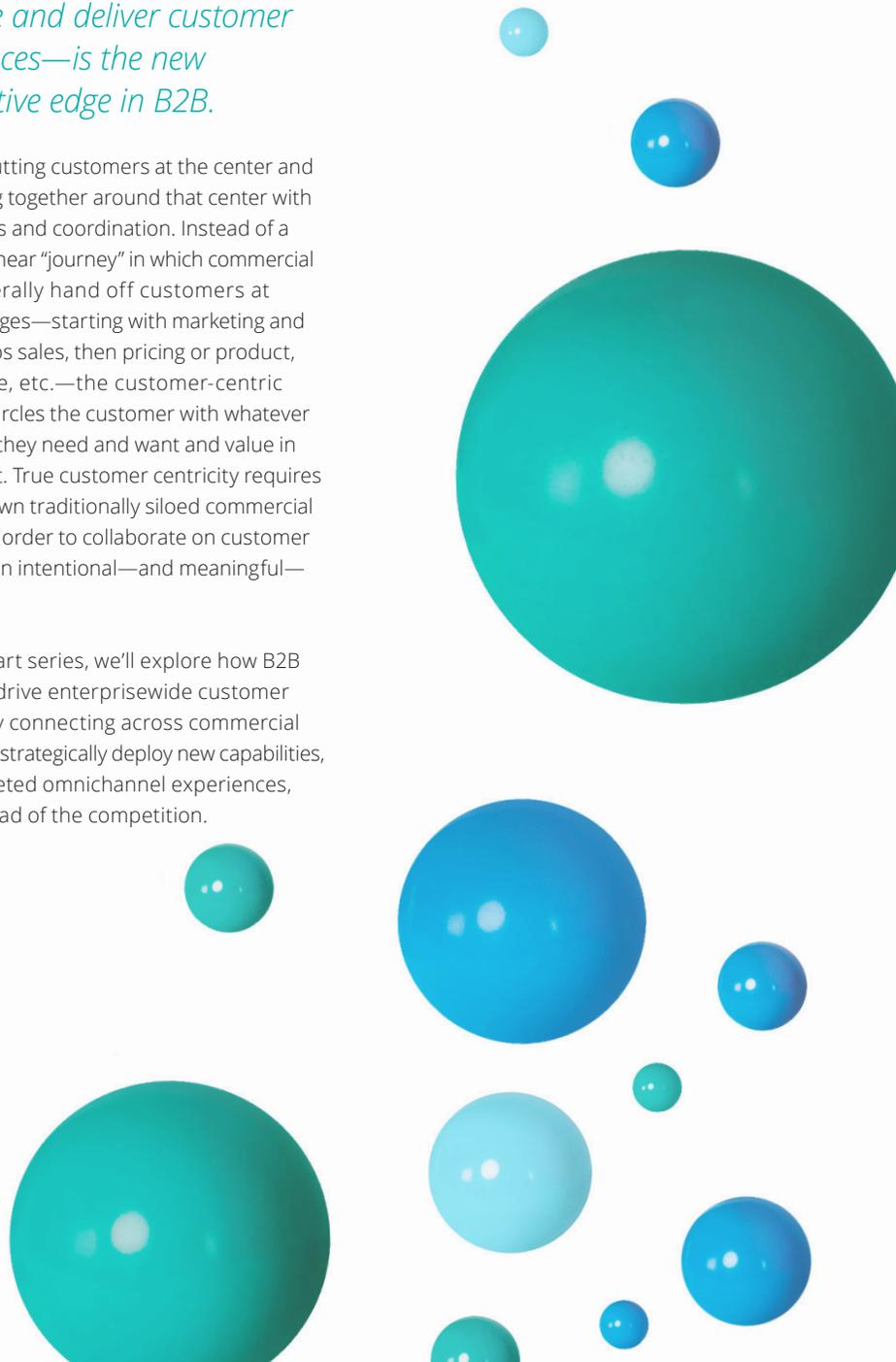
But digitally enabled self-service is just *part* of the equation. The complexity of B2B—with its lengthy buying cycles, multiple decision-makers within a single account, and often rigorous procurement requirements—will always call for a personal touch. Customers expect their sellers to know and anticipate their business needs or problems—and to show up in person

or make a timely call when it matters. New digital capabilities can provide a backbone for orchestrating better experiences across *both* digital and physical channels. These capabilities can give your commercial teams and channel partners the flexibility, responsiveness and data-based insights they need to bring greater value to every customer interaction.

Being customer centric—knowing when, where and how to shape and deliver customer experiences—is the new competitive edge in B2B.

It's about putting customers at the center and then coming together around that center with unified focus and coordination. Instead of a traditional linear "journey" in which commercial teams generally hand off customers at different stages—starting with marketing and then perhaps sales, then pricing or product, then service, etc.—the customer-centric journey encircles the customer with whatever experience they need and want and value in the moment. True customer centricity requires breaking down traditionally siloed commercial functions in order to collaborate on customer experience in intentional—and meaningful—new ways.

In this six-part series, we'll explore how B2B sellers can drive enterprisewide customer centricity by connecting across commercial functions to strategically deploy new capabilities, deliver targeted omnichannel experiences, and get ahead of the competition.





Why customer centricity matters—and what's standing in its way.

The evidence is stacking up on the value of customer centricity in B2B. In recent research commissioned by Deloitte Digital, B2B buyers said they're 34% more likely to do business with companies that focus on customer experience.¹ In turn, sellers that deliver great experiences reported stronger growth, with an 18% increase in its customer acquisition rate and 8% higher revenues on average.²

Stronger experience doesn't just help B2B brands win customers; it helps them keep them and capture more value from each relationship. On average, surveyed B2B sellers with the most robust experience capabilities reported 23% higher customer retention and 26% higher customer lifetime value, compared to sellers with less robust capabilities.³ Given these benefits, it's perhaps no surprise that many B2B sellers have increased their investment in experience initiatives.⁴

Yet even as B2B organizations put their energy—and dollars—into improving customer experiences, many are not integrating these initiatives across the entire commercial operating model, and thus are missing out on the full impact of customer centricity. In these instances, marketing, sales, commerce, service, product and pricing teams might all be working on their own "slices" of customer experience, with limited visibility of the big-picture buying experience and limited understanding of moments that matter—rather than working in a unified manner that encircles the customer.

The result for B2B customers? Disjointed, uneven interactions that ultimately risk damaging rather than enhancing brand relationships and loyalty. For instance, customers receive cold calls about products they don't need. They have to wade through or search a vendor's online catalog to find the product they've already extensively researched and then place an order for it. They find out from a logistics company that their shipment is delayed, instead of hearing the news from their customer service rep, who might already have a solution for delivering the order on time. They receive standard recommendations for additional products and services, rather than recommendations based on their buying patterns.

Connecting across commercial functions.

To solve these disconnects, B2B organizations need to break down silos and draw on the collective insights of their commercial teams. Impactful and seamless customer experience can't be achieved through discrete team-by-team improvements. It needs to be synchronized and cross-functional—and not just in theory, but by substantively hardwiring customer centricity into the operating model and each commercial capability.

The difference that this makes for your organization is palpable across every commercial function. Marketing can leverage data to understand account-based buying

patterns. Sales and commerce teams can collaborate on the ideal physical-digital mix to give customers the self-service options they expect, while also making sure to show up in person when it counts. Service teams have the real-time insights they need to thwart potential issues and reinforce customer loyalty. Product teams are emboldened to expand beyond traditional products and services with innovative offerings that create surprising value for customers. And pricing teams understand and act upon distinctive value levers for different kinds of customers, rather than defaulting to one-size-fits-all pricing.

That's what customer centricity means in B2B. It's all about creating better connections within your own commercial operating model to make better connections with your customers.

When that happens, you create enduring relationships, stave off competitive threats and earn stronger and more sustainable revenues.

Embracing a new framework for B2B customer centrality.

Reaping the benefits of a customer-centric approach demands fresh thinking across the enterprise.

In Deloitte Digital's work with B2B organizations, we have found that the strongest B2B companies define key customer segments that perhaps don't look like the segments they've prioritized in the past (which often reflected attributes around how important the customer was to the supplier versus what the customer needed and the experiences they desired).

Today's leading B2B companies define customer segments based on customer behaviors and needs, then set strategies, align commercial capabilities, and shape offers and target experiences that resonate with each segment. To ensure these changes are sustainable and effective, they evolve their operating models and create new ways of measuring performance. And finally, they invest in and empower the channel partners (e.g., wholesalers, distributors, dealers) and frontline employees who often serve as the face of the organization to customers.

Operating a customer-centric B2B organization takes purpose and vision. In parts 2–6 of this six-part series, we explore a new operational framework that is helping Deloitte Digital's B2B clients in every sector find their purpose and vision—and as a result, helping them reshape connections with customers, improve loyalty, drive resilience and increase market share. We've identified five elements of the framework we're implementing with clients. In this series, we'll go deeper into each element so you can understand how to apply them individually and collectively in your organization. By the end of the series, you'll have outlined an action plan that can help you deliver unified and differentiated experiences you need to get ahead of the competition:

Part 2: Shaping strategy around behavior-based customer segments — Learn how to set strategies for the desired experience at the customer segment level based on customer behaviors, needs, drivers and barriers.

Part 3: Connecting segment strategies to capabilities — Find out how to translate and connect customer segment strategies to your commercial capabilities to enhance experiences and create value for customers.

Part 4: Evolving your commercial operating model — Design and evolve your operating model to underpin CX orchestration by shaping your management process and providing incentives to deliver targeted experiences across commercial functions.

Part 5: Measuring and optimizing CX — Explore the tools you'll need to track and improve CX, including management dashboards and new metrics that assess the powerful impact customer trust may have on your financial and operational performance.

Part 6: Empowering your channel partners — Explore the importance of investing in connected, digital capabilities that improve knowledge sharing, drive efficiency and instill trust.

Do these misperceptions hinder customer centrality in your organization?



Low prices matter most.

Truth is, while some sellers can compete primarily on price for the short term, it won't drive lasting advantage. More than nine in 10 surveyed buyers said they are more likely to make a purchase from sellers that are easy to work with. And nearly eight in 10 will pay a price premium to those sellers.⁵ That means you may be missing out on tiered pricing opportunities with customers who value other factors beyond price alone.



Functional features differentiate our products.

With accelerated product development cycles, it is increasingly difficult to sustain an advantage through functional features. Sellers are finding it harder and harder to distinguish themselves with product attributes alone—or even product quality. What makes a B2B organization stand out to today's discerning buyers is seamless, convenient and flexible customer experiences wrapped around those products.



Our website is up to date, so we're all set on CX.

Your web content is foundational, but buyers want to research and interact with your organization through other digital touch points too. More than 70% of surveyed B2B buyers said interactions on social media and through a seller's virtual contact center impact their perception of an organization.⁶

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This article is part of a six-part series on a new operational framework that helps B2B organizations hard-wire customer centricity throughout their commercial operating models.

Part 1: Introduction: Compete in B2B through customer centricity.

Part 2: Shaping strategy around behavior-based customer segments.

Part 3: Connecting segment strategies to capabilities.

Part 4: Evolving your commercial operating model.

Part 5: Measuring and optimizing CX.

Part 6: Empowering your channel partners.

Sources

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