Unlocking the Value of the B2B Customer Experience

Prioritizing customer experience initiatives can help B2B companies delight their customers and unlock real business value.

By Brittany Christian and Ryan Parker

Here's a common misconception: The most magical and accretive customer experience practices are purely the realm of the most famous B2C giants. Think Amazon, Google, Netflix, Disney, etc.

As those B2C customer experience leaders have set a high bar for consumer experiences, expectations have carried over into how B2B buyers seek to interact with their business partners, regardless of industry or size. B2B customer experience has become a key competitive differentiator.

This has never been truer than now, as the COVID-19 pandemic has revealed who is doing right by their customers and who is not. B2B leaders can drive successful business outcomes for their organizations by understanding what their customers value in both consumer and business experiences, by adopting an outside-in mindset to inform their decision-making, and by evolving with their customers as their customers' needs and wants evolve. By prioritizing customer experience initiatives, B2B companies can delight their customers and unlock real business value.

WHAT YOU DO MATTERS

When you think of how the traditional B2B buyer makes decisions, it is easy to believe they prioritize value for the products and services they need above all else.
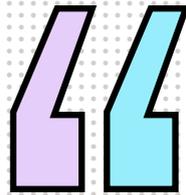
> **JUST LIKE B2C BUYERS, B2B BUYERS WILL USE THEIR WALLETS TO CHAMPION THE BUSINESS PARTNERS AND BRANDS THEY BELIEVE IN.**

As we can see in a COVID-19 world, however, there are moments that matter to B2B buyers in the same way they would to a B2C buyer. B2B buyers remember things that their business partners did or did not do as the situation evolved, regardless of industry or primary business function. In our lifetime, this may be the ultimate "moment that matters" for most brands. Consumers will remember where you landed on the spectrum when prioritizing people and profits.

Just like B2C buyers, B2B buyers will use their wallets to champion the business partners and brands they believe in, those who align with their personal values, and those who demonstrate thoughtfulness in how they do business. By focusing on the kinds of experiences you offer your customers, and the way you treat customers in exceptional times, you create a scenario where customers *want* to have a long-term relationship with your organization.

CX HAS A REAL BUSINESS IMPACT

A successful B2B customer experience strategy will ultimately result in two primary benefits: growth and profitability.

Growth
Customers value good experiences because they help them make better decisions. 84 percent of customers say experiences are just as important as the actual products and services. A good experience makes it easier for B2B customers to decide with whom to do business. And as more customers can make that decision, that good experience translates into revenue growth.

Customer experience drives B2B customers to be loyal or to switch to a competitor. 96 percent of customers say a good customer experience is important to their loyalty,[1] and 86 percent of customers say they will switch to a higher-cost competitor in search of a better customer experience.[2] Providing a good B2B customer experience helps reduce customer churn and can grow your customer base and draw market share from competitors. Thoughtful customer experiences also influence how customers spend, as loyal customers are five times more likely to purchase again, meaning an increase in the customer's cart share.

Profitability
Understanding the customer is a major part of providing a good customer experience. Getting to a deep level of understanding and insights can reveal customer preferences on how, when, where, and what to serve to customers. Those insights can also help a B2B company get smarter about its customer service and success model, which can lead to improved cost management strategies. At a minimum, insights can be leveraged to allow an organization to identify and focus its efforts on high-value activities. Customer-centric companies have 60 percent greater profitability than competitors,[3] and a big reason for that is right-sizing efforts to what customers value most.

ONE SIZE DOES NOT FIT ALL

Customer expectations are rising as a result of great experiences being provided in other industries/segments that are tangential at best to most B2B companies. According to Salesforce, almost 75 percent of business buyers expect their business partners to personalize engagements to their needs, more than two-thirds expect Amazon-like customer experiences, and two-thirds have switched for a more consumer-like experience.[4]

Within an industry, customer needs and intents are typically finite and don't vary across customers. Preferences for how to meet those needs and intents, however, vary based on what the customer values. In a B2B relationship, addressing customer intents usually is synergistic with your own intents. Helping a customer achieve growth goals drives greater loyalty, building long-term relationships and, subsequently, increasing the customer's value to your business.

77%

77 percent of customers view brands more favorably if they **SEEK OUT AND INCORPORATE FEEDBACK.**
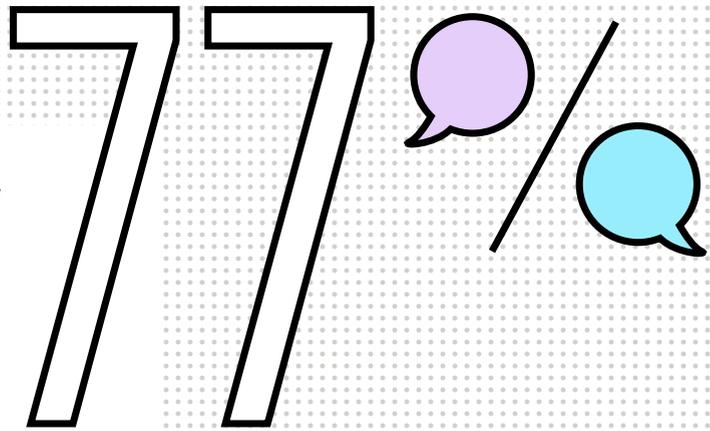
INSIDE-OUT VERSUS OUTSIDE-IN

The inside-out approach to customer experience

The traditional way to think about how you bring your customer experience model to market is to think about it from an inside-out approach. Start with your offerings and an understanding of your SWOT. Gather insights about the market, and right-size what you do with what your research says and what competitors are doing.

The problem with this approach from a customer-experience perspective is that it inevitably makes assumptions and hypotheses about customers' needs, intents, and preferences. It *can* work, if you have an intuitive grasp on where you are positioned in the market and how customers respond to your brand. But it often leads to enacting a strategy that uses anecdotal evidence to confirm biases. What often happens is a bit of an after-the-fact perspective on customer experience effectiveness: "My customers say good things, so there must be something good about my customer experience." That can be true while simultaneously missing the full picture, and you won't know that if you've started with an inside-out approach. In this scenario, if customer sentiment changes, how can you pinpoint exactly what changed and why? How are you capturing and using what you are hearing effectively, without going back to the drawing board and starting the inside-out process all over again?

In other words, an inside-out approach to a B2B customer experience introduces risk to your growth that is difficult to quantify.

The outside-in approach to customer experience

An outside-in approach to customer experience, however, reduces that risk by introducing thoroughness and structure to how you think about your customers. It uses customer information and feedback to gain actionable insights from the outset; 77 percent of customers view brands more favorably if they seek out and incorporate feedback.[1] To understand your customers' preferences, you should rely on implicit and explicit feedback to determine insights.

Implicit feedback seeks to understand how your customers interact with you, using data you already have. How are customers telling you that you are doing great and/or letting you know their channel preferences? Where do you see repeat and failed interactions? Which touchpoints require an escalation to live support channels most often?

Explicit feedback uses hard customer data to target specific populations of customers or interaction characteristics so you can triangulate and quantify your implicit insights. That may sound scientific, but it can be something as simple as asking a customer "thumbs up or thumbs down" about their experience. That, in tandem with what you already know about that customer through customer-level data and implicit feedback, helps form a clear picture of who your customers are and what they have to say, with numbers behind them.

These insights are the heart of the outside-in approach. From there, you can craft a strategy that addresses pain points and identifies opportunities for improvement that can further drive customer success and loyalty. A benefit of greater customer success is that it tends to dovetail nicely with employee engagement; customer service and success team members, the sales team, and other customer-facing roles can be enrolled in these initiatives through a culture of empowerment and ownership. Adopting a customer feedback–led mindset, from the outside looking in, increases the likelihood that your customer experience strategy will be successful.

EVOLVE WITH YOUR CUSTOMERS

The outside-in approach also highlights the need to keep pace with your customers and adapt as their needs and preferences evolve. Customers, regardless of whether they are B2C or B2B, have an array of experiences at their disposal and become wise to new developments quickly.

There are several benefits of quickly adapting to your customers' changing needs and preferences. The first is that you stay apprised of customer perceptions of your products and services. A good customer experience strategy will mine feedback on your offerings and provide actionable insights that can inform an adjustment to align with shifting customer sentiment. Another benefit of adapting to a changing customer is that it positions your brand as worthy of loyalty.

A third benefit is that your experience quality becomes a product in and of itself. This is especially true in more commoditized industries where competition is fierce; an exceptional customer service and sales model, informed by a mature customer experience strategy, stands out against competition as a true differentiator.

The risk of failing to adapt to changing customer preferences is twofold. The first is that you risk increasing your costs to serve customers. As customers' expectations and preferences for the sales and service experience change, any experiences that do not address these new preferences will introduce friction to the sales and service processes. Those friction points in the process will drive complaints, negative reviews, and service escalations that will negatively impact the business. The other risk is that customers could switch to competitors who do adapt to customer changes. It is imperative to adjust your customer experience strategy as your customers change and evolve, or risk ceding market share to competitors who do meet what customers come to expect. **BB**

Brittany Christian
brittany.christian@jabian.com

Ryan Parker
ryan.parker@jabian.com

NOW WHAT?

To differentiate and drive successful business outcomes, B2B leaders need to understand what customers value in consumer and business experiences, adopt an outside-in mindset to inform their decision-making, and adapt to evolving customer needs and wants. There are four major steps to take to position your B2B organization for customer experience maturity:

1. UNDERSTAND YOUR CUSTOMERS.
Gather available sales, market, and demographic data to understand who your customers are and segment them based on key differences. Use customer feedback techniques to gather insights about these customer segments that you can use to identify improvement opportunities.

2. UNDERSTAND YOUR CUSTOMERS' EXPERIENCE.
Map out how customers interact with your company. Determine what they are trying to accomplish along the customer journey. Identify where pain points are arising, and get to the root cause of these pain points.

3. USE CUSTOMER INSIGHTS TO DESIGN THE FUTURE EXPERIENCE.
Use the information you've gathered from steps 1 and 2 to begin designing a customer experience that addresses customer pain points and intents. Consider how the people, processes, and technology you employ need to change to meet this new model.

4. PRIORITIZE HIGH-VALUE OPPORTUNITIES, AND PLAN THE IMPLEMENTATION.
Determine if there are any high-value, quick-win opportunities that you could address to have a tangible impact on the customer experience. Prioritize initiatives that have a high impact, and assess the cost and difficulty for each opportunity. Develop a roadmap to implement improvement opportunities, and track your progress. Don't forget to refresh your priorities regularly and update as customer feedback reveals shifting customer preferences.

Sources:
1 *Microsoft, "2017 Global State of Customer Service Report," accessed April 2020*

2 *Oracle/Right Now Media and Harris Interactive, "2011 Customer Experience Impact (CEI) Report," accessed April 2020*

3 *Deloitte, "Wealth Management Digitalization Changes Client Advisory More Than Ever Before," accessed April 2020*

4 *Salesforce Research, "State of the Connected Consumer," 2018, accessed April 2020*