

Aperius Consulting

DIGITAL MARKETING AGILITY – B2B vs B2C

Summary:

- B2B enterprises are lagging behind their B2C counterparts in digital marketing. They have poorer skills, less maturity, lower flexibility and limited organisational alignment.
- Stronger adoption of digital marketing tools and processes has helped B2C enterprises become more responsive, more innovative and more engaged.
- Better customer engagement is emerging as a key driver for digital marketing – especially for B2B enterprises.
- Three areas for ALL enterprises to focus on in relation to digital marketing are:
 - Clearly define digital strategies and then frequently assess and update as necessary.
 - Build an environment that actively encourages moving ideas from concept to reality.
 - Establish clear goals and associated metrics for every digital initiative.

DIGITAL MARKETING AGILITY – B2B vs B2C

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McKinsey Quarterly published an excellent article this week, “*Measuring B2Bs Digital Gap*” by Liz Harrison, Candace Lun Plotkin and Jennifer Stanlin. The article was based on an analysis of the McKinsey Digital Quotient (DQ) database that the firm has been building over the last three years. Harrison, Plotkin and Stanlin mined the database and found that business-to-business (B2B) companies are behind their business-to-consumer (B2C) counterparts in how they use digital tools.

B2B enterprises are behind B2C for digital marketing.

For me, this came as no surprise. I recently co-wrote a study with [Barbara Angius Saxby](#) of Accelent Consulting, “[CMO Insights on the Journey toward Digital Agility](#)”, looking specifically at digital marketing agility. Just like Harrison, Plotkin and Stanlin, we found that B2B companies are lagging B2C. In the core areas of skills, maturity, flexibility and alignment, B2C come out ahead every time, and in most instances they are at least twice as advanced.

- B2C CMO’s feel that 24% of their teams are “digitally fluent” compared with 12% at B2B organisations. More importantly, 18% of B2B marketing professionals are “lacking” in digital skills compared with just 8% in B2C organisations.
- B2C enterprises are more than twice as likely to have “mature” and “flexible” digital marketing programmes (68% vs 39% for maturity and 79% vs 38% for flexibility). In terms of flexibility, almost a third of B2C companies are in the top quartile, compared with just a fifth for B2B companies.
- For digital/traditional marketing alignment, 66% of B2C enterprises claim marketing activities are either “well-aligned” or “completely-aligned” compared with 32% for B2B.

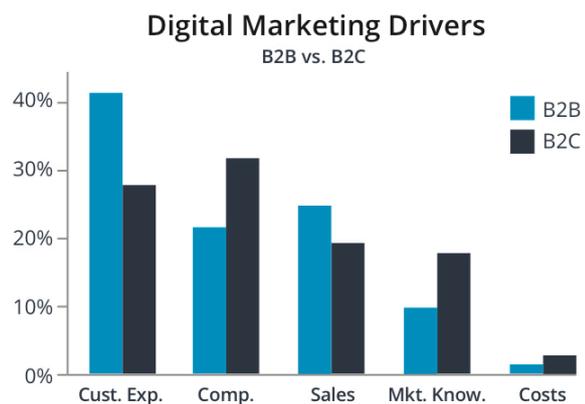
The more advanced nature of digital marketing in B2C enterprises has a cumulative ripple effect throughout the entire marketing mix. Advertising, direct marketing, events, media relations, market insight, etc. are all impacted positively by effective use of digital technology. This means that B2C enterprises are:

- more responsive – reacting quickly to changing market dynamics,
- more innovative – continually adopting new marketing approaches, and
- more engaged – constantly building their understanding of the customer.

'Customer engagement' is emerging as a key driver for digital marketing – especially for B2B enterprises.

The last attribute on the list above, customer engagement, seems to be emerging as a key catalyst for digital marketing. In B2B environments, individual customers can have a significant overall impact on business performance, often much greater than in B2C environments. But, just 29% of B2B enterprises feel that digital technology has provided them with a “much enhanced” or “full 360” view of the customer (compared with 66% for B2C).

B2B marketers seem to have recognised this, and “getting closer to the customer” is the number one driver of digital marketing. Other drivers such as “increased sales” and “enhanced competitive position” are still important, but considerably lower on the priority list.



So, it's very likely that 'customer experience' will be the impetus that drives B2B enterprises to strive for greater digital marketing agility. It'll be interesting to see if this proves to be the case. In the meantime, what does all this mean for marketing professionals?

B2C companies need to focus on failing fast, and succeeding even faster.

If you're operating in a B2C environment, it means that you're going to have to work hard to maintain market position. You're in a massively competitive environment where everybody has recognised the importance (and value) of digital marketing. You need to continue embracing digital marketing tools and techniques; rapidly integrating those that deliver strong ROI and equally rapidly abandoning those that do not. Fail fast (and succeed even quicker) has never been more important.

B2B enterprises need to focus on building digital fluency and integrating digital programmes across the entire organisation.

If you're operating in a B2B environment, it's good news/bad news. The good news is that there is headroom to rise above your competition but the bad news is there's a good chance that you're lacking the core skills to do it. You need to be rapidly building organisational digital proficiency and driving integration across the entire enterprise, not just within marketing.

Whether your focus is B2B, B2C or both, and no matter where you are on the journey towards digital marketing agility, there are three key areas for any marketing organisation to focus on:

1. Vision and Planning

Clearly define digital strategies and frequently assess and update.

Digital technology is fluid and continually evolving. The most successful organisations are those that are good at implementing plan-B. But, it's difficult to implement plan-B if there was no plan-A. So, **clearly define digital strategies and then frequently assess and update**. Rather than being part of top-down annual planning cycles, make digital strategy a dynamic process with key individuals from across the entire enterprise actively engaged as participants.

2. Execution and Implementation

Establish an environment that encourages moving ideas from concept to reality.

Many (perhaps most) marketing functions have a good idea of what digital technologies they should be embracing. But there is a chasm between knowing what needs to be done and actually doing it. So, **build an environment that actively encourages bringing ideas from concept to reality**. Continually reinforce awareness of the fact that value is only derived when plans are implemented.

3. Measurement, Monitoring and Adjustment

Establish goals, and measure progress towards them.

It's impossible to know how successful an activity is (or even when a goal has been achieved) unless it is measured. So, **establish clear goals and associated metrics for every digital initiative**. As the initiative progresses, make appropriate adjustments and refinements – widely deploying successful projects and adjusting, suspending or abandoning those that are unsuccessful.

Summary

Digital marketing is rapidly moving from being a competitive differentiator to being a price of entry. It is no longer an added option, but rather a core necessity of all marketing programmes. You can learn more about digital marketing agility in "[CMO Insights on the Journey toward Digital Agility](#)" which can be downloaded for free at www.accelentconsulting.com.

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