

Piotr Cyplik

Politechnika Poznańska

e-mail: piotr.cyplik@put.poznan.pl

Paweł Farfał

Politechnika Poznańska

e-mail: pawel.farfal@moderor.pl

THE IMPACT OF OMNICHANNEL ON B2B SALES PROCESS CASE STUDY

ABSTRACT

Background: The aim of this paper is to indicate which phases of the sales process omnichannel influences the most. The second aim is to establish which elements and steps of sales cycle benefit predominantly. Sales cycles in B2B sales tend to be longer and more expensive than in B2C because of its inherent characteristics of the offering. B2B sales cycle recognizes the phases such as opportunity identification, qualification, validation, offer preparation and submission, contract, delivery. There are several advanced B2B sales methodologies like strategic selling, target account selling, value selling framework or solution selling. In all of them a customer is by and large the key focus. Omnichannel, in its essence, focuses on holistic interactions between customer and supplier. Relying on diversified media streams, sellers get better opportunity to learn customers' needs and their buying behaviour.

Methods: To achieve these goals, this research implements a case study method. The research refers to B2B enterprises implemented omnichannel solution.

Results: The analysis shows that omnichannel solutions have the greatest potential to be applied in the early stages of the sales cycle, in particular opportunity identification and qualification and in the product marketing activities as well.

Conclusions: Despite the fact that omnichannel solutions were historically developed to service consumers in retail sales, enterprises operating in B2B sector apply omnichannel tools more widely. In all sales operations customer experience is the overriding consideration. The need to discover new ways of attracting customers is the driving force behind motivations to implement omnichannel solutions across all industries.

Keywords: omnichannel, sales, business-to-business, sales process

INTRODUCTION

Thanks to the development of mobile technologies and social media tools, multichannel and then omnichannel solutions began to be initially implemented in retail sales in the B2C sector. Along with growing awareness, buyers began to expect similar experiences in the B2B sector. Hence, business bidders began to draw on the experience of B2C users.

The sales cycle is the process of all activities associated with sales closing that companies undergo when selling a product to a customer. Monitoring the sales cycle provides businesses with an insight into the efficiency of their sales operations [Patterson 2007]. The length of this process can supervised, analysed, and compared to the standard length across the industry. If a company's cycle is shorter than the average of its industry, it could mean that the company's sales department is more effective than that of its competitors'.

Business-to-consumer B2C and business-to-business B2B are two forms of commercial transactions depending on the nature of a purchaser. Consumers buy products or services for personal use. Business buyers purchase products or services for use in their companies as essential components of their production or business processes [Kumar and Raheja 2012]. In B2B-buying, the purchasing process is more complex, longer and more intricate than B2C ones. Decision making groups include members from technical, business, financial and operational departments, depending on the type of purchase.

SALES CYCLE AND SALES PROCESS PHASES

Sales cycle refers to specific steps within the sales process, which incorporates methods, steps and approaches to achieve sales goals and objectives. The route of conversion leads into closed sales consisting of several phases such as opportunity identification, qualification and validation, offer preparation and submission, contract and delivery, post-sales activities [Monat 2011].

Acquisition starts with the customer's recognition that certain components in its business or production process is imperfect, incomplete, or missing. Completely satisfied customers, by definition, do not need anything, so there is no reason for acquisition. Needs arise when customers no longer feel satisfied with the existing situation and become receptive to the idea of change or purchase. Salespeople add value to this phase helping customers to realise that they have problems that should be solved. For customers, the issue at this stage of the buying process, is to decide whether they have a problem pressing enough to justify the effort and cost of the solution.

By helping to define problems, or by assisting customers in understanding the severity or consequences of problems, salespeople can create a real value.

Lead qualification is the process of deciding whether the opportunity is worth the engagement needed to invest into further development. There are several methodologies to qualify the sales opportunity. One of the ways to determine whether a potential customer is truly interested in the offered solution is the sales qualification framework that lets salespeople determine whether a prospect is a good fit based on their budget, internal influence/ability to buy, need for a product, and a purchase timeline. This approach is known as BANT as an acronym for budget, authority, needs, and timeline, and it is a type of sales opportunity identification approach used and widespread by IBM to identify leads worth pursuing. BANT is the straightforward tool and gives salespeople the customer insight in the critical items:

- Budget: the prospective client has the necessary budget to purchase our product.
- Authority: the potential lead has the authority to make a purchase, or there are additional people to be engaged.
- Needs: offered product reduces a customer's business pain.
- Timeline: the customer has a plan to make a purchase in a foreseeable timeframe.

As a conservative BANT approach has been used for large, complex and relatively expensive solutions, which require customer's significant investment. Contemporary framework prioritises customer's need and pain rather than the budget.

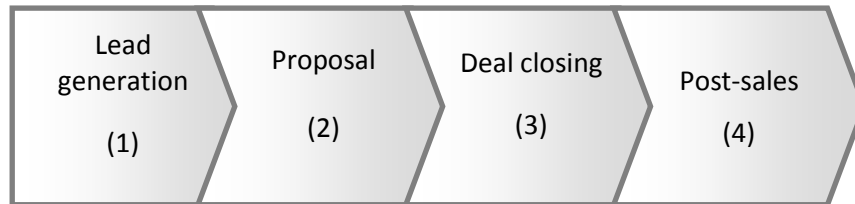
In this phase there is a preparation of the final proposal, which resolves customer's concerns. In simple sales, it is usually the case that once a customer has decided to buy and has chosen from the competing options, the decision to purchase automatically follows. In more complex sales that is rarely the case. The customer is likely to have issues and concerns that must be sorted out before moving ahead. The proposal phase has to add value to the sales process through counselling customers and helping them to solve their problems.

Once the remaining obstacles and concerns have been overcome, the customer is ready to move ahead with the acquisition. After reaching the agreement, the organisation is ready to deliver the product.

The final delivery concludes the customer's buying process but it is not the end of the sales process. Post-sales activities such as product implementation, customer service and support, gathering customer feedback, continued customer relationship building, future sales forecasting,

and evaluation of the sales enhance customer loyalty and increase customer life cycle [Gonzalez et al. 2010]. This gives good starting point for coming cross-selling, up-selling.

To simplify the stages of the sales process for further analysis, there are formed four phases covering B2B sales process: 1) lead generation consists of opportunity identification, qualification and validation; 2) proposal consists of offer preparation and submission; 3) deal closing consists of contract and delivery; 4) post-sales



OMNICHANNEL IN B2B

The medium of Internet created new forms of business for B2B. In a business-to-business environment this brings opportunities for inter-organisational collaboration, online markets and trading platforms. The use of Internet is a critical tool for marketing success and it can result in a competitive advantage for companies. It has become an important component of a companies' strategy to reach people and to deliver the firms' message. It is a tool to generate awareness, to provide relevant information and to demonstrate the products. Due to its open interactive environment, it has an impact on customer buying behaviour, segmentation, relationship building, product management, pricing, distribution and promotion [Yannopoulos 2011].

The development of new technologies significantly affects the quality of products and services, as well as contributes to opening new sales and distribution channels. To adapt to the growing requirements of the market, enterprises use innovative devices and software, social media or intelligent applications [Kaczorowska-Spychalska 2017]. Directions of changes expected by customers are:

- Offering trouble-free purchase using appropriate connections between online and offline channels. They should combine the convenience of online shopping with the benefits of a stationary store (individual service, learning about the product); all channels and contact points should be smoothly integrated and optimised so that the customer has the freedom to choose the channels he uses,
- Integration of digital channels, e.g. social media, websites, e-mail campaigns and online advertising should be interrelated,

- The transmission of consistent messages at all contact points,
- Taking action related to raising customer awareness of the brand and increasing their loyalty [Drobiazgiewicz 2018].

Omnichannel solutions provide customers with a seamless choice of communication channel without technical problems. Their task is to provide trouble-free service while maintaining the seller's brand awareness and identity. Maintaining brand recognition is a big challenge, but it is also a great opportunity to strengthen the brand's position. The market shows an increased demand for omnichannel and with it, the growing expectations of customers [Blakeney 2016].

The key element in the functioning of multichannel solutions is to create a coherent framework consistent with the company's sales strategy. Neslin and Shankar [2009] present five business areas to be deployed by the management in the process of developing the multichannel framework:

1. Customer analysis - customer segmentation for multichannel strategy and design,
2. Development of multichannel strategy congruous with sales strategy - efficiency, segmentation, customer satisfaction and competition assessment as prioritised by business goals,
3. Channel design – choosing the right channels, functions and objectives assigned to each channel, allocate right customers to appropriate channel,
4. Implementation - marketing programmes, organizational coordination and marketing mix coordination,
5. Evaluation - single view of a customer and channel accounting.

Mosquera et al. [2016] emphasise the role of the right omnichannel strategy as part of an integrated strategy focused on achieving the goals of an enterprise operating in a given industry. Omnichannel strategy refers to a customer management strategy applied throughout the lifecycle of the customer's relationship with the company [Juaneda-Ayensa et al. 2016].

The development of omnichannel tools having its origins in B2C retailing has an impact on the activities of companies in the B2B sector changing in the approach to the sales process management. Traditional top-of-funnel activities consisting in searching printed catalogs and meetings with sales representatives changed to digital searches. In the phase of sales opportunity identification and lead generation B2B sales forces use digital tools to reach a wide pool of potential customers by pushing content through channels and tactics like: blogs and websites, social media, video marketing, online ads and influencer outreach.

Availability of different channels and spread of the Internet significantly enabled customers to access information about the products they need [Malko 2018]. In B2C retailing customers explore online information about searched products before making a purchasing decision, while visiting traditional stationary stores to see products and to try them [Konus et al. 2008]. Omnichannel changed the purchasing path. Customers are shopping in physical and virtual spaces simultaneously; in stores, on the web, on phones, on mobile devices while being physically in stores. According to Armstrong [2017] with the development of omnichannel, new behaviours of customers appear:

- shop online, pick up in store,
- research online, shop in store,
- showrooming.

which finally forced retailers to in-store fulfilment. However this compels to maximize inventory and can lead to break-even, but improved customer satisfaction justifies it.

Such a buying behaviour becomes more common for B2B. B2B buyers having experiences with B2C digital commerce expect similar services in B2B; they investigate their potential suppliers without any personal contact, switch from traditional offline settings into online and mobile domain. Sales forces use digital channels to survey the market, segment their potential customers, generate leads and strengthen brand recognition.

Forrester [2018] publishes the report how B2B companies plan to leverage online selling to drive better results and growth. This document evaluates the state of omnichannel B2B e-commerce adoption. Forrester's key findings are:

- 33% of enterprises already implemented an omnichannel selling strategy, and majority of others have a plan to do it in a short time; customer experience is the focus area in these strategies;
- B2B companies have lower omnichannel commerce standards than B2C and B2B2C (sell both to other businesses and to consumers); less than 50% of searched enterprises meet best practices for people, process, technology, and culture;
- over 66% lean towards SaaS solutions for their e-commerce strategy, the main advantages are faster implementation, continuous innovation, and higher profitability.

Omnichannel solutions in B2B are not as widespread as in B2C, but customer experience observed in retail drives business enterprises to implement them more general. This raises the research question of how omnichannel can be implemented in B2B sales processes of enterprises.

METHODS

The aim of the paper is to indicate which phases of the sales process omnichannel influences the most and which elements along the steps of sales cycle benefit predominantly. The omnichannel impact was taken into account in terms of basic products and compound products.

The applied research method is the case study in view of the fact that omnichannel research in the B2B sales process is at an early stage of knowledge development. This case study is a pilot one and further surveys will be carried out on a representative sample that will statistically confirm or falsify the dependencies found on the case study.

This paper describes the current phenomenon in the state it actually exists. In accordance with Czakon [2016] it justifies the use of case study in this work.

The selected case studies cover two B2B enterprises. Company A operates in IT sector being a medium size software house with leading product lines of web development, mobile development, CRM development and implementation. Company B operates in the industrial sector running a large size company across all areas of power hydraulics. Their main business lines are production of hydraulic and moulded hoses, special pipes and fittings, engineering hydraulic systems, industrial services. Both companies were chosen because they are active users of omnichannel tools: mobile/tablet, browser, social media, in-store. A real-time channel data integrated with traditional B2B face-to-face sales approach gives grounds for containing them in the case studies.

Despite the diversity of goods offered by both enterprises, their common feature is the variety of supplied products in terms of their complexity. Both companies have in their portfolio basic and compound products. The basic product is understood as relatively simple piece of technology, easy to apply by the end-user and straightforward in terms of the sales effort. Compound products are more complicated in production, dedicated to meet individual customer needs and because of their functional value they require more sales force engagement.

	Company A- IT solutions	Company B - Industrial products and services
Basic product	Web applications API development PHP framework Android applications CRM framework support Application maintenance	Hydraulic hoses Industrial hoses Hose fittings Pipe clamps Valves Cable ties
Compound product	Web online shop modules Native iOS development	Fluidservice Moulded hoses

	Continuous delivery and maintenance CRM implementation User experience design	Hydraulic components Air conditioning Engineering, unit manufacture
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Tab. 1. Products selection in terms of the complexity

In-depth interview was used as a research technique. The interviews in both companies were held with CEOs and managing directors in March 2019. Interviewees were asked about the ways their enterprises use omnichannel in each of the sales process phases. The features of implemented omnichannel tools were discussed, with special regard to advantages and disadvantages of omnichannel solution. The next issue being addressed, was a question at what stage of the sales process the use of omnichannel has the greatest business potential. The last subject of the interviews was the business aspects impacted by omnichannel the most (customer relationship, cost, internal business processes).

RESULTS

The paper presents how omnichannel affects the sales process in respect of individual data channels. Tables 2. and 3. show how omnichannel tools impact each of the four phases of the sales cycle. In the column "Product" there are basic and compound products offered by the surveyed companies. The impact is presented as "Y" - there is the impact, "N" - there is no impact, "+ / -" means neutral.

The way how omnichannel in used

IT solutions company

Phase (1) - Lead generation

In Company A, the leads are generated as the result of e-marketing activities using the interactive website. The enterprise acquires groups of interested recipients in published content. Another tool of customer acquisition is the thematic blog series which help to effectively engage or entertain an audience, deconstruct complex topics and grow company’s recognition. In the technological context, inbound and outbound traffic is generated to a larger extent by full-screen browser than by mobile devices. The reason for this is the complex content describing the product. Regarding the influence of social media, Company A reported an important role for this channel in creating sales opportunities. The important observation is the decrease in the engagement of traditional sales forces in the early phase of the sales process.

Phase (2) - Proposal

At proposal phase of the sales process, the share of e-commerce channels varies depending on which product group it applies to - basic or compound. In the case of basic products of both

enterprises, an active usage of all channels was observed. Products in the category basic are in the form of electronic catalogs, and thus taking orders and offering is possible via browser and mobile devices. In the compound product group, e-commerce channels are not active. The reason is the need for direct consultants to be involved in this phase of the sales process. At this stage of the customer's buying process, the user requires supplier's advisory support to let them create the individual, personalized offer. For this product group in phase (2 - proposal), the main focus is still on traditional in-store and sales forces channels.

Phase (3) - Deal closing

In Company A the use of e-commerce tools in phase (3 - deal closing) was not observed even for basic products. Products from this group, despite their simplicity, are not plug-and-play products and they require an installation and integration with other customer applications. Because the sales closing requires an active participation of the company's consultants, a strategic decision was made not to implement the online payment module. In respect of compound products there is required even heavier involvement of technical services and in this products category sales is closed traditional way.

Phase (4) - Post-sales

In the post-sales activities, the use of omnichannel solutions in both companies is significant. Most of the inbound and outbound data traffic is done through the mailroom, call center and social media. Phase (4 - post-sales) completes one sales cycle and at the same time starts a new sales process. The CRM systems operating efficiently in both companies significantly improve the activities related to the identification of new sales opportunities.

		Sales process phases			
Data channel	Product	Lead generation (1)	Proposal (2)	Deal closing (3)	Post-sales (4)
mobile/tablet	basic	Y	+ / -	N	Y
	compound	Y	N	N	Y
browser	basic	Y	Y	N	Y
	compound	Y	N	N	Y
social media	basic	Y	N	N	Y
	compound	Y	N	N	Y
in-store	basic	Y	Y	Y	Y

	compound	Y	Y	Y	Y
sales representatives	basic	+ / -	Y	Y	Y
	compound	+ / -	Y	Y	Y
call center	basic	Y	Y	Y	Y
	compound	Y	+ / -	+ / -	Y

Tab. 2. Impact of omnichannel data for the sales process phases in IT solutions company

Industrial products and services company

Phase (1) - Lead generation

For Company B, the basic products are typical catalog items similar to products in B2C sector. There is no difference between full browser and mobile devices in the case of basic products. There are no generated leads for compound products. Products in this category are dedicated individually, they require a detailed technical analysis of the conditions of use in the customer's environment, and therefore even the early phase of the sales process can only be carried out by a personal contact. The role of social media in generating leads is neutral. The decrease of engagement of traditional sales forces in this phase is not as significant as in IT Solutions sector.

Phase (2) - Proposal

For industrial products company the impact of omnichannel is comparable to IT solutions.

Phase (3) - Deal closing

For Company B, the sales closing are supported by all channels only for basic products. Installation of these products in the customer's technical environment does not require the involvement of the supplier's services. The company implemented e-commerce tools managing the delivery and payment to ensure successful completion of this phase of the sales process. Regarding compound products the sales closing is carried out through traditional channels.

Phase (4) - Post-sales

In the post-sales activities, the use of omnichannel solutions in both companies is significant. Most of the inbound and outbound data traffic is done through the mailroom, call center and social media. Phase (4 - post-sales) completes one sales cycle and at the same time starts a new sales process. The CRM systems operating efficiently in both companies significantly improve the activities related to the identification of new sales opportunities.

Data channel	Product	Sales process phases			
		Lead generation (1)	Proposal (2)	Deal closing (3)	Post-sales (4)
mobile/tablet	basic	Y	Y	Y	Y
	compound	N	N	N	N
browser	basic	Y	Y	Y	Y
	compound	N	N	N	Y
social media	basic	+ / -	N	N	Y
	compound	+ / -	N	N	Y
in-store	basic	Y	Y	Y	Y
	compound	Y	Y	Y	Y
sales representatives	basic	+ / -	Y	Y	Y
	compound	Y	Y	Y	Y
call center	basic	Y	Y	Y	Y
	compound	+ / -	N	N	Y

Tab. 2. Impact of omnichannel data for the sales process phases in industrial products company

Benefits and advantages of omnichannel use

Both researched companies noticed similar customers' expectations - B2C like service. Their business customers, distributors, and partners usually have good customer experience with their B2C purchases, as individual buyers. They expect similar experience in their business purchases and look for suppliers offering similar tools. Ability to meet these expectations is considered as a big advantage to acquire customers for both companies.

Both companies have adopted in their strategy shifting available human resources to later stages of the sales process. The companies recognized that the current level of development of omnichannel tools and their clients experience justify the decision to increase the involvement of e-commerce elements in acquiring new clients. This observation confirms the growing role of omnichannel solutions in increasing new business in B2B companies.

.Another reported benefit of using omnichannel is the automation of operation. The technology development results in the significant reduction of human errors. All these elements have a positive impact on reducing the cost of the sales process.

Customer concerns

The biggest problem of the surveyed companies is the quality of data gathered from various channels. Both interviewees raised the issue of the proper use of information reporting sales activities of their employees and partners and previous transactions with customers. Both companies make a lot of efforts to aggregate this data in their CRM repositories. The high quality data is necessary that sales forces and customer service departments are prepared to deepen customer relationships and offer a personalised solution that meets their needs.

In the case of Company B, the difficulty is the integration of internal systems supporting multichannel data with the systems used by business partners - distributors and resellers. Partner companies use different systems that do not communicate directly with the manufacturer's system. For now, this is the biggest obstacle to a vast implementation of multichannel solutions. Company B aims strategically to integrate the systems used by its partners with their current system to achieve a consistent customer experience.

CONCLUSIONS

Despite the fact that omnichannel solutions were historically developed to service consumers in retail sales, enterprises operating in B2B sector apply omnichannel tools more widely. In all sales operations customer experience is the overriding consideration. The need to discover new ways of attracting customers is the driving force behind motivations to implement omnichannel solutions across all industries.

Based on the information gathered from the interviewees the analysis shows that omnichannel solutions have the greatest potential to be applied in the early stages of the B2B sales cycle, in particular, during the lead generation (opportunity identification, qualification) and in product marketing activities as well as well as in the all post-sales. The impact of omnichannel is shown in Fig. 2.

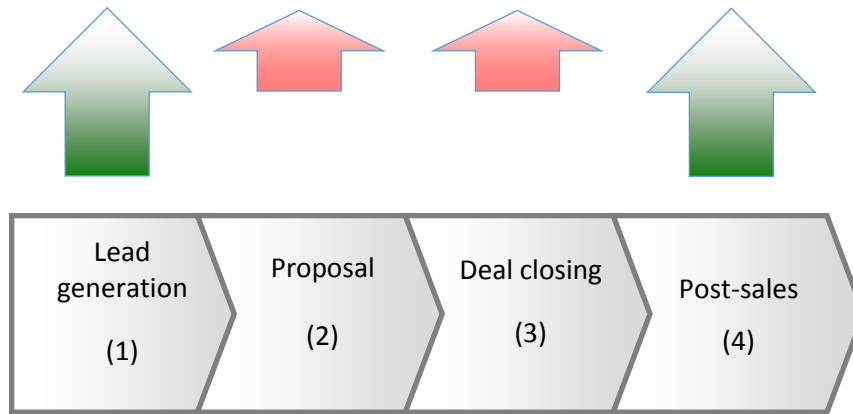


Fig. 2. Impact of omnichannel for the sales process phases

Although the direct communication between companies and their B2B customers is typically in person or by email, B2B companies use omnichannel tools to communicate with their customers and suppliers, build relationships and trust, as well as to identify prospective partners in terms of selling. Omnichannel solutions are employed to increase traffic to their website, identify new sales opportunities, create communities, distribute content and collect feedback from customers. From the brand recognition perspective omnichannel is supportive initiating two-way conversations with customers and developing relationships through communication and interaction, collect voice-of-customer data and make the brands better known.

ACKNOWLEDGMENTS

This research was funded by the Poznan University of Technology, Faculty of Engineering Management [project number: 11/140/SBAD/4168].

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