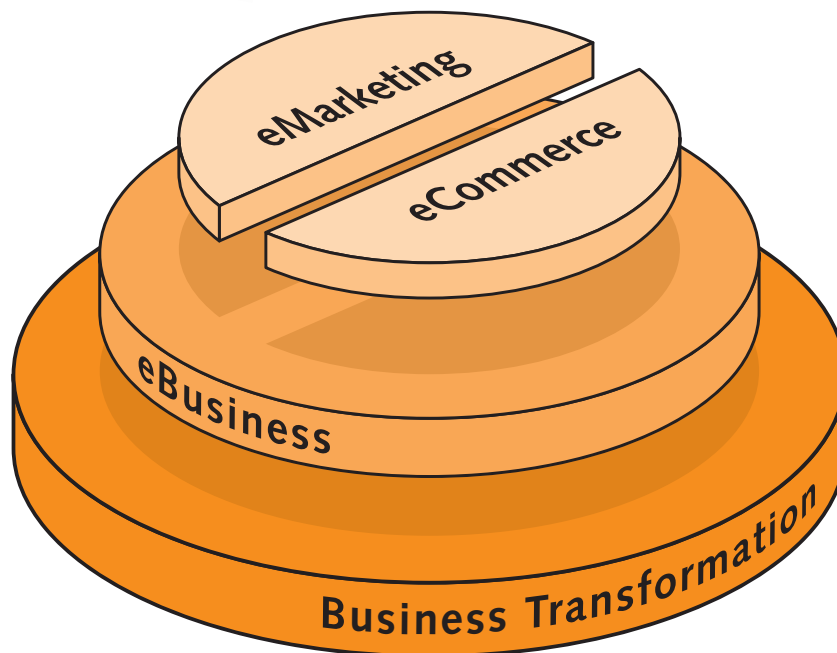


B2B online: under the spotlight

Heads of Online in Business-to-Business (B2B) organisations are now in the limelight as the value in leveraging the web to drive sales growth whilst optimising reduced marketing resources becomes clear.

A report into the main forces at play in B2B online and how the companies we talked to are responding.



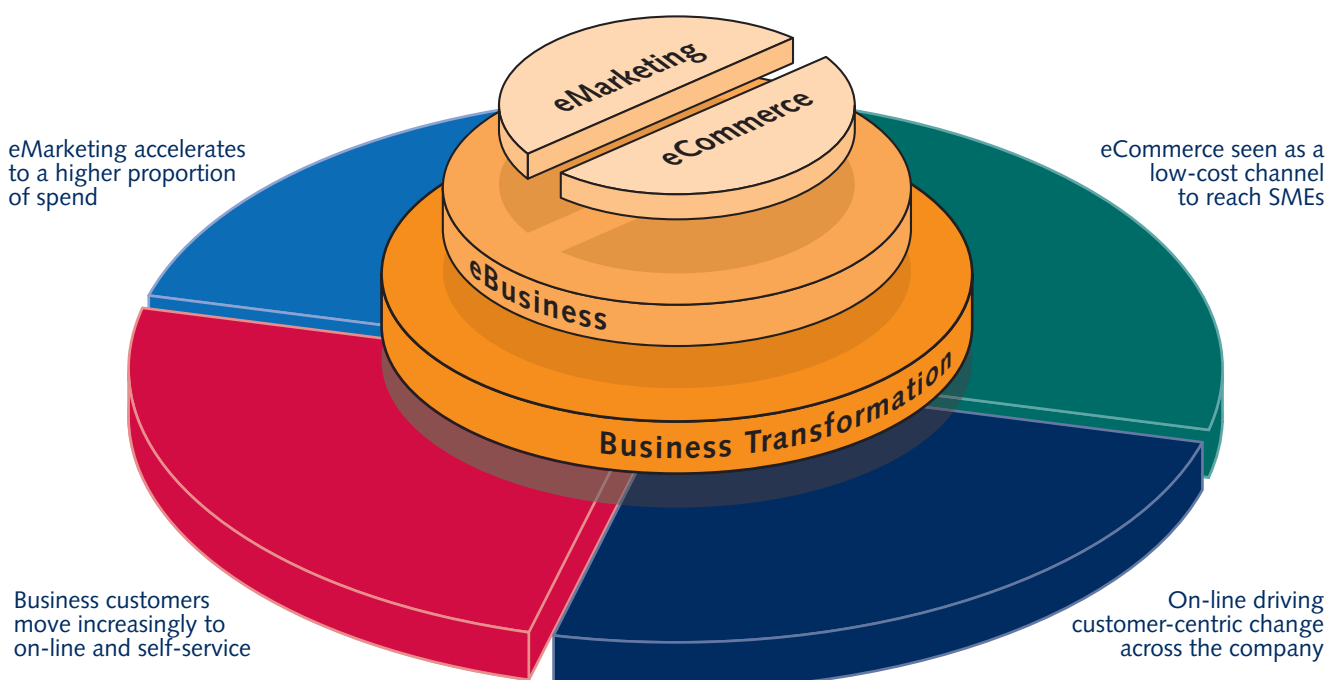


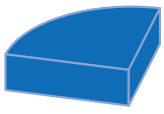
Never has there been a more interesting, more demanding, more rapidly changing time to manage the online channel in the B2B sector. From the interview responses we got in this survey it seems clear that B2B online executives are under the spotlight right now. In this survey report our interviewees talk about four key trends and how they are responding:

- eMarketing accelerates to a higher proportion of spend
- Business customers are moving increasingly to online and self-service
- eCommerce is seen as a low-cost channel to reach the SME market
- Online driving customer-centric change across the company

Each of these trends is having a significant impact in B2B today, and in some cases the combination is creating a pace of change never seen before. To find out more call me on 020 7907 0200, or e-mail bill.james@cvlak.com.

Bill James





eMarketing accelerates to a higher proportion of spend

Marketing and internal investment budgets have been taking a battering of late, but in the light of drastic cuts suffered by some departments, our research reveals that eBusiness budgets within B2B organisations have stood firm when the strategic need is clear. In some cases we found that cuts in other areas mean that eMarketing and some eBusiness budgets now equate to a higher proportion of spend and an expectation of greater ROI than ever before.

"In the current climate the proportion of marketing spend going into online has accelerated even faster than we had planned this year, really cementing the importance of the online channel."

Hugh Murphy,
Business Manager, e-Channels, 3M UK & Ireland

For many, the increasing level of attention and expectation from the board feels like a greater commitment. For others where the business hasn't yet embraced the web's role in the B2B sales process the pressure is on for online execs to demonstrate real clarity of purpose and to take the lead in marketing and sales support for the whole business.

"Our online capability for our business customers is playing catch-up with our offering to consumers. However, we have commitment from our chief exec downwards and are focussing on the commercial opportunity."

Giles Dunning,
Director Online Marketing Services, Barclaycard

The job for B2B eMarketing teams is to continue to build on the opportunities that exist to maximise the return on investment, continue to innovate and take best practice from wherever it exists in order to deliver on the promise.

"There is a growing awareness across the company's marketing community of the role of online and the opportunities it could deliver, we have a chance to make the most of this channel but we need to keep our distributors onside."

Shabbir Dunganwalla,
eBusiness Manager UK, Mars Drinks



Business customers move increasingly to online and self-service

Society as a whole is going through a digital revolution, that much is obvious and one change that comes out clearly from our interviews is the impact this is having on B2B customer behaviour. Whilst consumers have been leading the shift to online, our contributors told us that more and more B2B customers now expect to interact and to self-serve online. Some companies are choosing to embrace this and make it easy for their customers and reap the benefits through increased market share and lower cost of transactions.

"We have aggressively migrated our offline business to bring our customers online and block out any competitive threat."

Dominic Collins,
Group Director of New Media, Trader Media Group

Previously, disjointed efforts within companies have created websites that are being identified as unacceptable by both customers and senior management, leading to a better coordinated approach and rapidly improving services on the web.

"2009 is the year to build on existing internal relationships to bring them onboard for our online journey."

Kevin Tear,
Head of Online Content, PwC

With growing confidence in their capacity to support and enable online sales a number of our interviewees are convinced that now is the right time to extend their online platform capabilities, improve their product and service presentation and deliver an online buying experience that has a lot in common with B2C retail sites.

"We've seen a social change of acceptance and interest in the web as a way of working for our customers, digital is now a high priority on our agenda and we are transforming our portal to respond."

Kevin Adams,
Head of Portal, Cable & Wireless



eCommerce seen as a low-cost channel to reach SMEs

Businesses with well established channels to market are realising that the web is an attractive channel for reaching customers they have previously been unable to support cost effectively, for most this means the SME market where an expensive account managed approach wasn't appropriate but online self-service can be very effective. Success is most obvious when the existing channels jump on the bandwagon and support the new channel.

"The role of the online channels is well established especially where our branches have noticed web customers are more loyal and profitable, buying a wider range of products. Now we have a challenge, to provide an online shopping experience that works for new SME customers and extends our customer base."

**Iain Millar,
Head of Online, Arco**

Where the eCommerce role is not so obvious, some companies are making very effective use of the online channel in generating leads and feeding the sales pipeline in a very cost effective way – sometimes for their own sales force and sometimes for distributor partners.

"The online team currently generates a significant proportion of new customers – this is one of our key business objectives."

**Paul Heckroodt,
eCommerce Manager, Monster UK**

Even the most established and successful B2B eCommerce businesses are seeing 2009 as the year to step up their efforts, meet increasing customer expectations, reach new customers and continue to grow the online channel. For these more established online trading businesses the challenges involve going beyond replicating the propositions that have worked in the offline channels and into new service development, organisational changes that will leverage the online expertise from within eCommerce across the company and demonstrate a much more P&L focussed approach.

"We've been trading online since 1998 and we have a very successful online channel but customer expectations of the web are changing and we need to move with them to be an e-centric business."

**Scott Fawcett,
Head of eCommerce, Electrocomponents**



Online driving customer-centric change across the company

One of the great opportunities available to businesses investing in the online channel is learning more about your customers. With readily available web analytics the eBusiness team can report on who's visiting the website, where they are coming from and what they are doing. Some of our contributors have identified this as a real key to the business transformation role they can play as they lead their company to a more customer-centric approach.

"The eBusiness team are setting the new model for the whole company, it's a long journey but we are leading from the web to serve the full customer journey. With our web-based systems we can introduce measurement and fact-based decisions."

**Alexandre Meerson,
Group eBusiness Director, BSI Group**

Some firms have seen the threat to their traditional business and are pushing the mandate for digital to become the hub of the business around which strategic, technology and commercial decisions will be driven. This responsibility brings with it the challenge of taking the business with them on the transformation journey and developing a clear role as Centre Of Excellence (COE) and enabler for the business rather than just an overhead in the centre.

"We are moving the business to a digital-led strategy but we've also got to deliver the right platforms and capabilities to deliver short term opportunities otherwise we won't take the business with us."

**Suzie Daniels,
Digital Development Director, EMAP Inform**

That responsibility to set a direction for the future success of the company's interaction with customers and transformation of ways of working within the business require vision, planning and communication – because ultimately they need to bring the business with them on the change journey.

"We have an overarching principle for the business now of DIGITAL BY DEFAULT and it drives the momentum in our odyssey to define and deliver best practice."

**Richard Avis,
Senior eMarketing Manager,
Sony Professional Solutions Europe**



Feeling the heat, what can you do?

Some top tips coming out of this survey report.

1. **Be clear**, make sure you have vision and purpose for your business' online channel
2. **Don't just follow the pack**, make sure you have thought about your customers and your capabilities
3. **Seize the day**, this may be the best time ever to make your case for the budget you need to deliver
4. **Build a plan**, with a clear vision and business case you will now need a well prepared implementation plan
5. **Agree decision making**, plug into existing governance procedures where you can and agree new ones if needed
6. **Get quick wins under your belt**, target some low hanging fruit or smaller deliverables
7. **Communicate, communicate, communicate**, make sure everyone you need is onboard and understands the plan
8. **Copy good practice**, if it works for someone else and you think it will work for you try it
9. **Innovate**, have some of your resources dedicated to developing new stuff to delight customers

Contributors

CVL would like to thank everyone who contributed to this report. Particular thanks go to the following executives for sharing their experiences:

Kevin Adams , Head of Portal	Cable & Wireless
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Suzie Daniels , Digital Development Director	EMAP Inform
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Giles Dunning , Director Online Marketing Services	Barclaycard
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Paul Heckrodt , eCommerce Manager	Monster UK
Alexandre Meerson , Group eBusiness Director	BSI Group
Iain Millar , Head of Online	Arco
Hugh Murphy , Business Manager, e-Channels	3M UK & Ireland
Kevin Tear , Head of Online Content	PwC
Saj Bhojani , Web Channel Manager	Rexel UK & Ireland
Andy Coghlan , Director of eCommerce	Jordans

Want to find out more about managing the B2B online channel?

There are two things you should do now:

- Call or email for a meeting to get more insights from the interviews and background work behind this survey report
- Call or email to find out how you can participate in the eConsultancy B2B Forum – Bill James is the forum facilitator

Call Bill James on 020 7907 0200 or email bill.james@cvluk.com

CVL is an extraordinary independent business and technology consultancy. It is the trusted partner to some of Europe's best-known companies.

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