

Marketing & Sales Practice

Omnichannel in B2B sales: The new normal in a year that has been anything but

New analysis makes it clear: Omnichannel is here to stay for B2B sales.

by Liz Harrison, Dennis Spillecke, Jennifer Stanley, and Jenny Tsai



B2B buyers aren't just moving to omnichannel. They've arrived. Given the choice of in-person, remote, and e-commerce channels, purchasers have shown they want them all.

McKinsey's research on B2B decision makers confirms that omnichannel is not simply a trend, nor a pandemic workaround—rather, it is a critically important fixture for B2B sales globally.

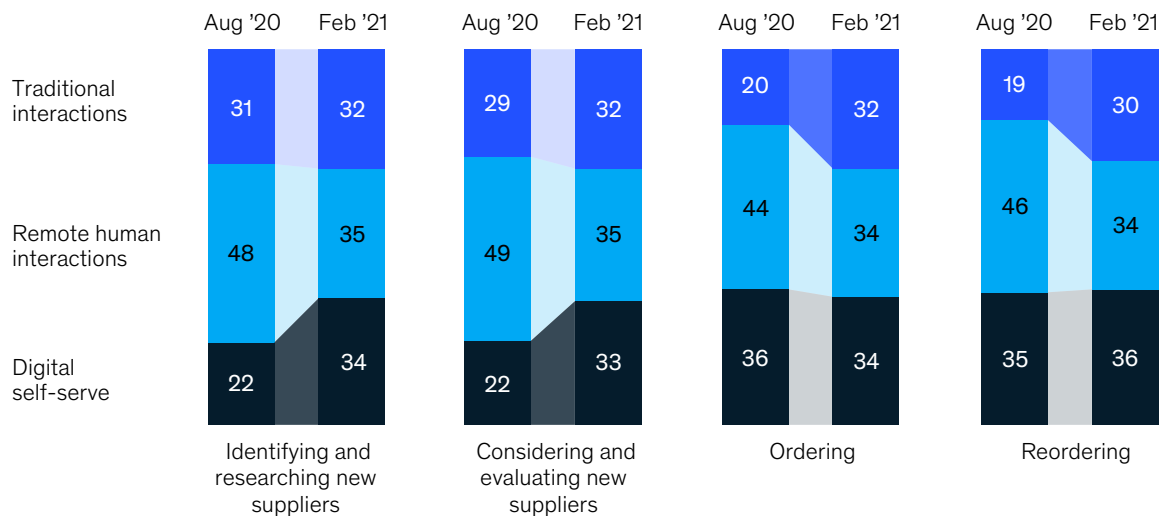
Omnichannel is the standard, not the exception

The pandemic has cemented omnichannel interactions as the predominant path for B2B sales. Even as in-person engagement reemerged as an option, buyers made clear they prefer a cross-channel mix, choosing in-person, remote, and digital self-serve interactions in equal measure.

The equilibrium is no accident. As B2B buyers flexed to remote and digital ways of engaging, they found much to like. The use and preference for e-commerce—self-serve, for example—has grown since August 2020. Buyers also moved easily between in-person and remote sales as quarantine restrictions shifted, with the choice of channel coming down to practicality and timing more than efficacy.

Current way of interacting with suppliers' sales reps during different stages...^{1,2}

% of respondents



... and that's exactly what customers want³

~2/3
of buyers prefer remote human interactions or digital self-service

¹Q: How would you currently interact with sales reps from your company's suppliers during the following stages of interactions?

²Figures may not sum to 100% because of rounding.

³Q: How would you prefer to interact with sales reps from your company's suppliers during the following stages of interactions?

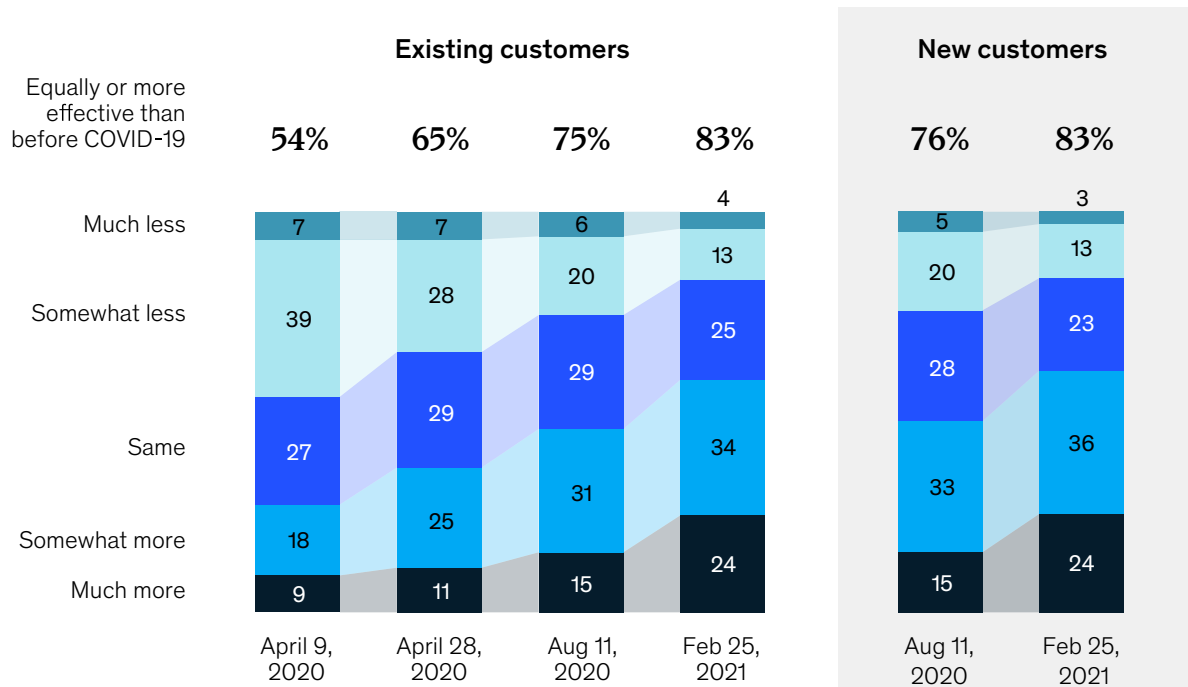
B2Bs say omnichannel works—and even surpasses past approaches

Omnichannel gained urgency during the crisis and will be imperative going forward. Eight in ten B2B leaders say that omnichannel is as or more effective than traditional methods—a sentiment that has grown sharply throughout the past year—rising from 54 percent at the start of the pandemic to 83 percent in February 2021.

Moreover, 83 percent of B2B leaders believe that omnichannel selling is a more successful way to prospect and secure new business than traditional, “face-to-face only” sales approaches—a notable sign of confidence, given the higher cost and hurdle of acquiring new customers.

Effectiveness of new sales model in reaching and serving customers^{1,2,3}

% of respondents



¹Q: How effective is your company's new sales model at reaching and serving customers?

²Q: How effective is the new sales model in acquiring new customers (eg, those that have never purchased from your organization before)?

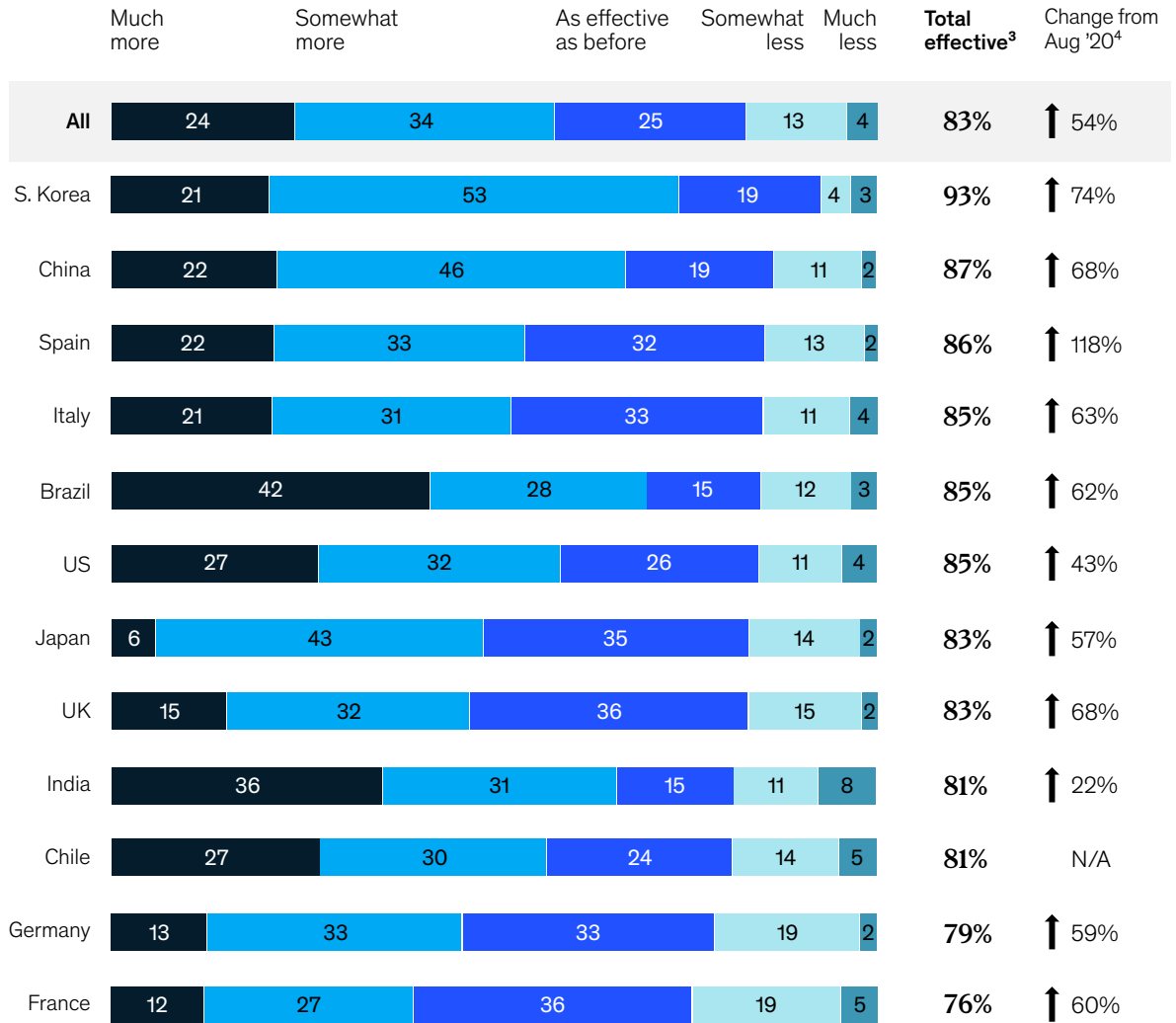
³Figures may not sum to 100% because of rounding.

Source: McKinsey COVID-19 B2B Decision-Maker Pulse #1 3/30–4/9/2020 (n = 3,619), McKinsey COVID-19 B2B Decision-Maker Pulse #2 4/20–4/28/2020 (n = 3,755), McKinsey COVID-19 B2B Decision-Maker Pulse #3 7/27–8/11/2020 (n = 3,626); McKinsey B2B Pulse Survey, 2/12–2/26/2021 (n = 3,498)

This pattern held true across geographies, with decision makers in South Korea, China, and Spain among the most enthusiastic.

Effectiveness of new sales model in reaching and serving customers^{1,2}

% of respondents



¹Q: "How effective is your company's new sales model at reaching and serving customers?"

²Figures may not sum to 100% because of rounding.

³Percent of respondents choosing "as effective" or more so compared with prior to COVID-19.

⁴Percentage-point change in respondents choosing "as effective" or more so compared with August 2020.

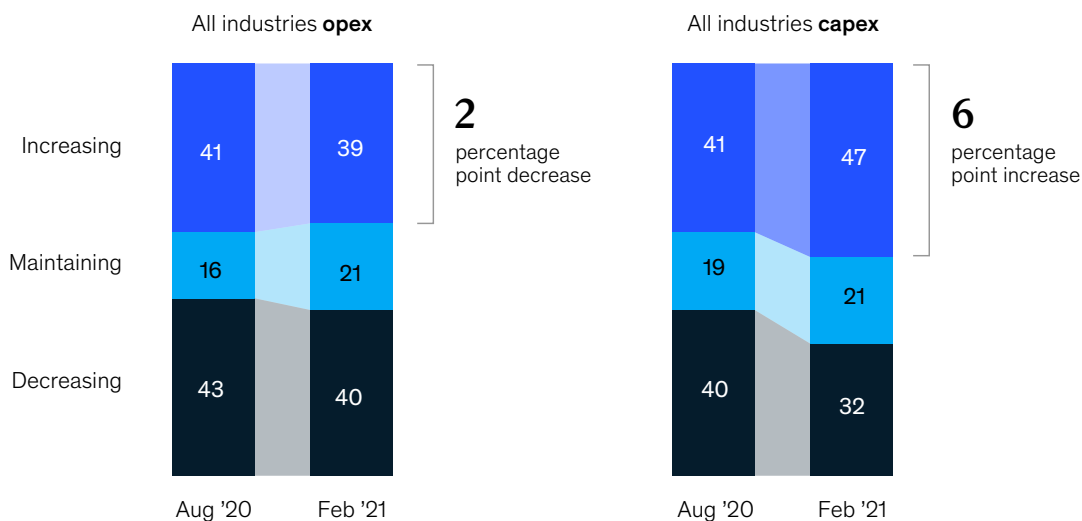
Source: McKinsey COVID-19 B2B Decision-Maker Pulse #3 7/27-8/11/2020, (United States n = 602), (France n = 206), (Spain n = 200), (Italy n = 401), (United Kingdom n = 206), (Germany n = 401), (China n = 408), (South Korea n = 200), (Japan n = 200), (India n = 400), (Brazil n = 402); McKinsey B2B Pulse Survey, 2/12-2/26/2021 (n = 3,498) (United States n = 562), (France n = 200), (Spain n = 200), (Italy n = 200), (United Kingdom n = 200), (Germany n = 400), (China n = 362), (South Korea n = 188), (Japan n = 201), (India n = 400), (Brazil n = 187)

Buyers will spend six figures or more digitally, and budget projections are equally robust

Despite the conventional wisdom that big ticket sales require in-person contact, 20 percent of B2B buyers said they would be willing to spend more than \$500,000 in a fully remote/digital sales model. And 11 percent of all B2B buyers would spend more than one million.

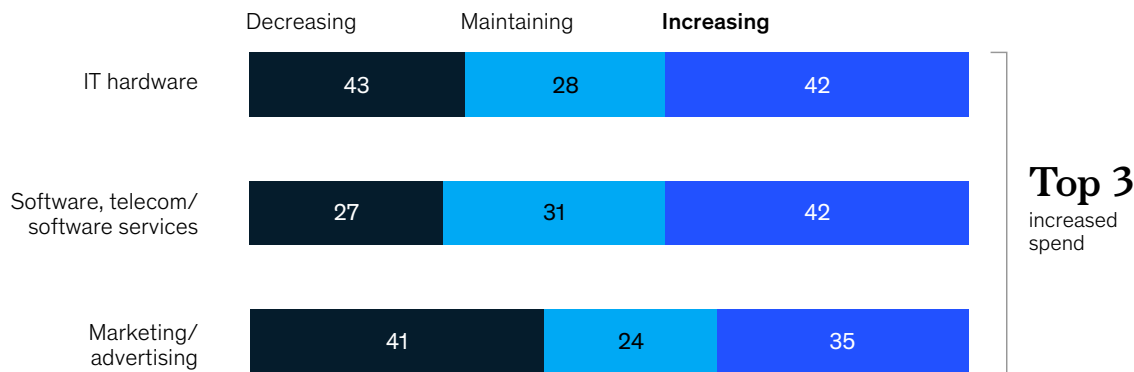
Expected change in opex and capex investments in industry over the next five years due to COVID-19^{1,2}

% of respondents



How has the COVID-19 pandemic affected your company's budget^{2,3}

% of respondents



¹Q: Over the next 5 years, how do you think COVID-19 will affect your industry's costs and investments in each of the following areas?

²Figures may not sum to 100% because responses under "prefer not to answer" option not included in analysis, and because of rounding.

³Q: How has the COVID-19 pandemic affected your company's budget for the following areas?

Source: McKinsey COVID-19 B2B Decision-Maker Pulse #3 7/27-8/11/2020 (n = 3,626); McKinsey B2B Pulse Survey, 2/12-2/26/2021 (n = 3,498)

B2B budget projections indicate a willingness to spend as well. Despite ongoing market volatility, six in ten respondents plan to maintain or grow their operating expenditure investments over the next five years. And nearly half (47 percent) plan to expand their capital expenditure over the same period, a six percentage-point increase since August 2020.

Particularly as the rate of digitization picks up across industries, companies may find that they need to upgrade their infrastructure and tool sets to keep pace, with investments in hardware, software, and marketing outpacing other spend categories.

As purchasing goes omnichannel, sales models will go hybrid

Hybrid sales reps will soon become the most common sales role. With omnichannel established as the new buying norm, 64 percent of B2Bs intend to increase the number of hybrid sellers over the next six months, making this model—representatives who interact with customers via video, phone, apps, and occasional in-person visits—the lead sales role.

Introduction of a new sales role—the hybrid rep^{1,2}

28%

of B2B organizations have hybrid sales roles today

77%

of those with hybrid sales roles introduced this role given the switch to virtual driven by COVID-19

85%

expect hybrid sellers will be the most common sales role in their organization over the next 3 years

Hybrid sellers are representatives who interact with customers via video, phone, apps, and occasional in-person visits.

¹Q: Which of the following roles exist in your sales organization?

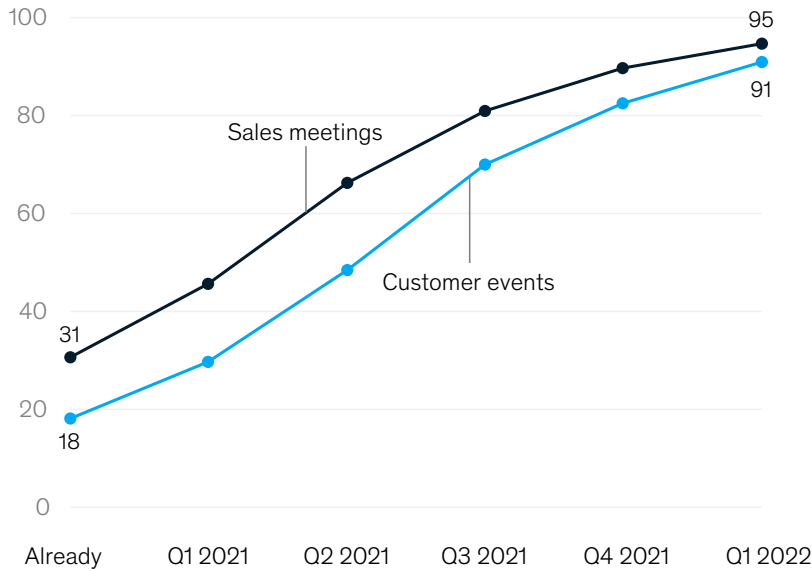
²Q: You said that your organization has “hybrid sellers.” Please state your level of agreement with the following statements: “Hybrid sellers were recently introduced given the switch to virtual sales due to COVID-19”; “Hybrid sellers will be the most common sales role in my organization over the next 3+ years.”

Source: McKinsey B2B Pulse Survey, 2/12–2/26/2021 (n = 3,498)

Two go-to-market changes are driving this transition. First, while nearly all companies will be able to connect with customers in physical locations by the start of 2022, only 15 percent of B2Bs expect in-person sales meetings to be the norm going forward.

Expected return to in-person meetings and events¹

% of respondents



But the availability of in-person customer interactions doesn't mean sellers are going back:²

Only **15%** say they are likely to be in person 76–100% of the time

47% say they are likely to be in person less than half the time

¹Q: Over the next 5 years, how do you think COVID-19 will affect your industry's costs and investments in each of the following areas?

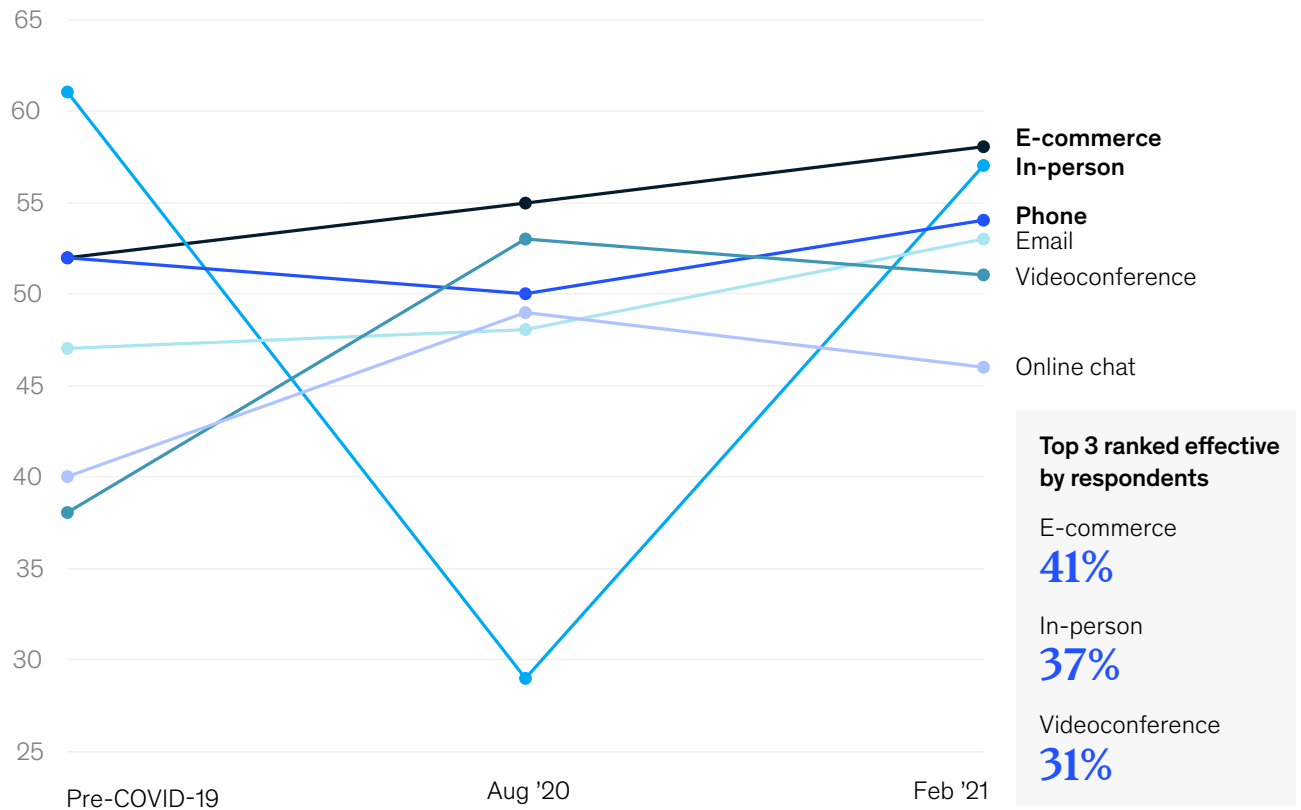
²Q: When your sales force is capable of having in-person meetings with customers, what percent of customer interactions do you think will be in-person vs. remote?

Source: McKinsey B2B Pulse Survey, 2/12–2/26/2021 (n = 3,498)

Second, e-commerce is now firmly entrenched in the omnichannel mix. As buyer interest and comfort with digital sales have grown, B2Bs have responded. E-commerce was the most popular route to market for B2B companies as of February 2021 (marginally outpacing in-person). And 41 percent of leaders say it is their most effective sales route, beating out in-person (37 percent) and video (31 percent).

In what ways is your company's product or service sold today?^{1,2}

% of respondents



¹Q: Now today, in what ways is your company's product or service sold during COVID-19?

²Q: In what ways was your company's product or service sold before COVID-19?

Source: McKinsey COVID-19 B2B Decision-Maker Pulse #3 7/27-8/11/2020 (n = 3,626); McKinsey B2B Pulse Survey, 2/12-2/26/2021 (n = 3,498)

To capture growth, B2Bs must overcome specific omnichannel pain points

The rapid ramp-up in digital and remote sales has come with a learning curve. Pain points include finding the most effective way for field reps to work from home, making remote interactions feel as intimate as in-person experiences, and providing proofs of concept and digital demos that give buyers an equivalent level of insight to physical walk-throughs.

Channel conflicts are another challenge, with two-thirds of decision makers saying their sales teams have encountered these issues. Others are worried about the risk of cannibalization and whether digital transactions are a zero-sum game or a catalyst for expanded sales.

While no standard playbook has yet emerged for handling these challenges, one common theme holds true: companies continue to innovate their sales approaches and pivot resources at speeds not previously experienced in B2B sales.

68%

of decision makers say their sales team has experienced increased channel conflicts as result of more omnichannel sales

77%

have faced challenges with field reps now working from home

60%

of the market today is dominated by e-commerce, which is also viewed as potentially cannibalizing other direct or channel sales

1Q: How much do you agree or disagree with the following statements? "My sales team has faced channel conflict with e-commerce being used more often in multichannel sales"; "My company has faced challenges as a result of field sales roles working from home similar to an inside sales role"; "The growth of e-commerce has negatively impacted my company's direct and indirect sales channels."

Source: McKinsey B2B Pulse Survey, 2/12–2/26/2021 (n = 3,498)

Omnichannel isn't going away. And that's a good thing. B2B sales organizations that lean into this shift and enable integrated interactions across the buying journey could turn the learning curve of the last 12 months into a new trajectory for growth.

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