

Growth, Marketing & Sales Practice

The multiplier effect: How B2B winners grow

Our latest global B2B Pulse survey reveals some companies are combining winning strategies to increase market share by more than 10 percent annually, even in uncertain economic times.

This article is a collaborative effort by Julia McClatchy, Candace Lun Plotkin, Karolina Sauer-Sidor, Jennifer Stanley, and Kevin Wei Wang, representing views from McKinsey's Growth, Marketing & Sales Practice and our NeXT Commerce Initiative.



B2B buyers have made up their minds. After three years of seismic shifts—including the acceleration toward digital channels triggered by the pandemic—these decision makers are rewarding companies that deliver on a great omnichannel experience backed by personalized marketing, and punishing those that don't.

This desire started years before the pandemic¹: customers have long wanted the ability to buy everywhere, all at once, and all the time,² just as they do in their personal lives. This year's global B2B Pulse survey of more than 3,800 decision makers across 13 countries finds they're increasingly getting this ability, and B2B companies that provide the best omnichannel experience are improving their market share by at least 10 percent annually.

The catch? Companies can't merely experiment with omnichannel and personalization. Our research found they must be all in, continuing to invest and experiment even amid uncertain macroeconomic conditions (see sidebar, "About our research").

B2B companies winning the most market share are simultaneously employing five major modern sales and marketing tactics: deploying advanced sales technology, increasing hybrid sales teams and capabilities, delivering hyperpersonalization, tailoring strategies on third-party marketplaces, and achieving e-commerce excellence across the full marketing and sales funnel. They're developing a sophisticated digital customer experience—especially by leveraging social media, mobile devices, and texting early in the buying process. They're increasingly facilitating a greater share of their sales efforts through third parties and owned marketplaces. Companies that are using all of these tactics are twice as likely to see more than 10 percent market share growth than companies focusing on just one.

¹ Oskar Lingqvist, Candace Lun Plotkin, and Jennifer Stanley, "Do you really understand how your business customers buy?," *McKinsey Quarterly*, February 1, 2015.

² Liz Harrison, Candace Lun Plotkin, Steve Reis, and Jennifer Stanley, "B2B sales: Omnichannel everywhere, every time," McKinsey, December 15, 2021.

About our research

We began conducting our B2B Pulse survey annually in 2016, and the trend toward an omnichannel environment was quickly evident.¹ In the years that followed, winning B2B companies invested heavily in digital capabilities² while recognizing the ongoing importance of face-to-face customer interactions,³ especially by offering multiple routes to market using both human and digital resources.⁴ B2B online marketplaces emerged,⁵ and the trend toward digital and e-commerce accelerated dramatically as a result of the COVID-19 pandemic.⁶ By 2021, it was clear omnichannel had permanently changed sales⁷ and e-commerce capabilities⁸ were becoming indispensable.

This most recent B2B Pulse survey was conducted in December 2022, gathering responses from more than 3,800 B2B customers and sellers in decision-making roles in Australia, Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, the United Kingdom, and United States. The respondents work in companies from the following sectors: advanced industries; technology, media, and telecommunications; energy and materials; pharmaceuticals and medical products; travel, transportation, and logistics; finance, banking, and insurance; and consumer and retail. They provided details of their specific roles as well as insight into areas such as their organization's industry and subsector, size in terms of employees and revenue, location, and market share performance. Questions focused on types of technologies and the extent to which they had been adopted, providing longitudinal data compared with previous surveys. Since 2016, B2B Pulse has gathered insights from almost 25,000 decision makers globally.

¹ Oskar Lingqvist, Candace Lun Plotkin, and Jennifer Stanley, "Do you really understand how your business customers buy?," *McKinsey Quarterly*, February 1, 2015.

² Tanguy Catlin, Liz Harrison, Candace Lun Plotkin, and Jennifer Stanley, "How B2B digital leaders drive five times more revenue growth than their peers," McKinsey, October 10, 2016.

³ Christopher Angevine, Candace Lun Plotkin, and Jennifer Stanley, "When B2B buyers want to go digital—and when they don't," *McKinsey Quarterly*, August 25, 2017.

⁴ Christopher Angevine, Candace Lun Plotkin, and Jennifer Stanley, "The secret to making it in the digital sales world: The human touch," McKinsey, May 25, 2018.

⁵ "How B2B online marketplaces could transform indirect procurement," McKinsey, November 27, 2019.

⁶ Arnau Bages-Amat, Liz Harrison, Dennis Spillecke, and Jennifer Stanley, "These eight charts show how COVID-19 has changed B2B sales forever," McKinsey, October 14, 2020.

⁷ Liz Harrison, Candace Lun Plotkin, Steve Reis, and Jennifer Stanley, "B2B sales: Omnichannel everywhere, every time," McKinsey, December 15, 2021.

⁸ "Becoming indispensable: Moving past e-commerce to NeXT commerce," McKinsey, November 15, 2022.

Five lessons from this year's survey

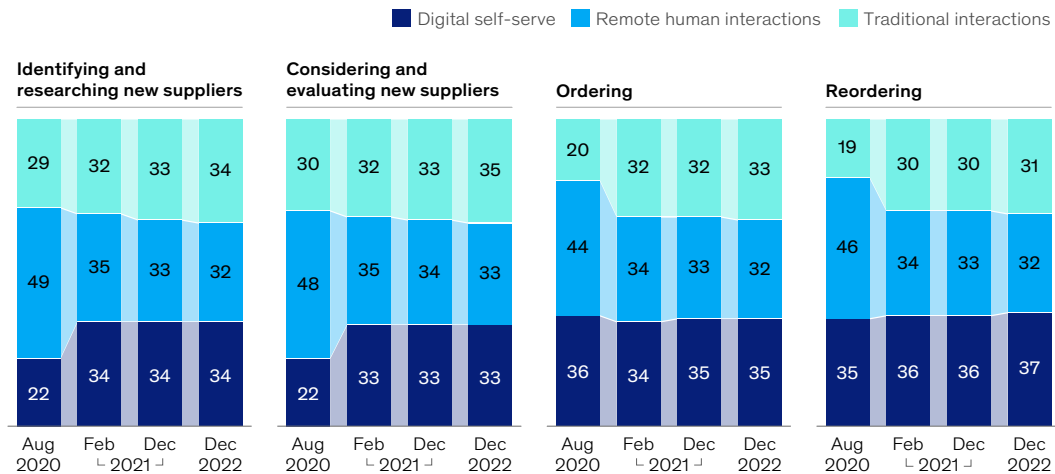
The consumerization of B2B buying appears nearly complete. After years of wanting a seamless B2B buying experience similar to that of the B2C world³—and with B2B companies saying it wasn't possible due to factors such as complexity, technical requirements, value, and the number of decision makers—our survey found that omnichannel is now table stakes for B2B companies. We also identified five other clear trends:

- *The “rule of thirds” holds.*⁴ Customers still want an evenly divided mix of traditional, remote, and self-service channels, such as face-to-face sellers, inside sales, and e-commerce, respectively (Exhibit 1). We see continued growth in customers' preference for online ordering and reordering, especially in the Western European and Australian markets where usage is as high as 40 percent of total orders.

Exhibit 1

The “rule of thirds” trend continues this year with a transition towards more digital ordering and reordering.

Current way of interacting with suppliers' sales reps, by stage of process,¹
% of respondents per sales channel type



>2/3 of buyers in 2022 opted for remote human interactions or digital self-service at the ordering and reordering stages

Note: Figures may not sum to 100%, because of rounding.

¹Q: Currently, how do you split your time with sales reps from your company's suppliers during the following stages of interactions? Traditional includes in-person meetings, direct mail, fax, etc. Remote includes phone calls, video conference calls, emails, etc. Digital includes company websites, e-commerce, chatbots, internet searches, mobile apps, etc.

Source: McKinsey & Company Global B2B Pulse, Dec 2022, n = 3,862; Australia, Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States (2022 only)

³ Christopher Angevine, Candace Lun Plotkin, and Jennifer Stanley, “When B2B buyers want to go digital—and when they don't,” *McKinsey Quarterly*, August 25, 2017.

⁴ “The new B2B growth equation,” McKinsey, February 23, 2022.

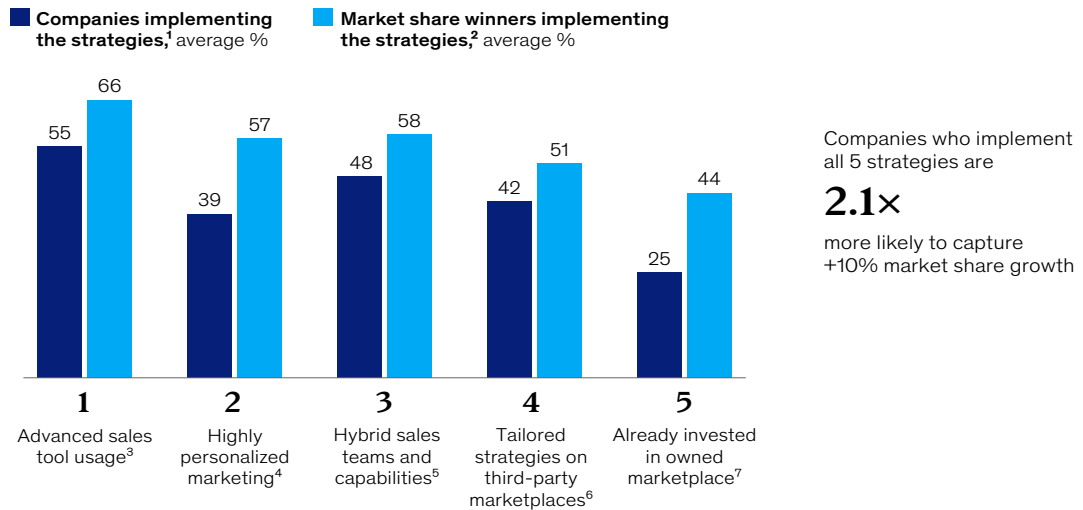
- *B2B e-commerce has taken the lead as the most effective sales channel.* It is rated first by 35 percent of respondents, ahead of in-person sales (26 percent), video conference (12 percent), email (10 percent), and telephone (8 percent). Companies winning market share have not only digital self-serve channels such as their own websites but also broader e-commerce offerings. For example, 48 percent of winners are on industry-specific marketplaces, compared with only 13 percent of companies losing share.
- *Customers are increasingly willing to spend big on e-commerce transactions.* Many B2B companies shun e-commerce over concern about channel conflict: 38 percent of respondents said it was the biggest reason they avoided selling online. But the sales growth opportunity may now outweigh related potential costs. Similar to last year, about 70 percent of decision makers are prepared to spend up to \$500,000 on a single e-commerce transaction. At the highest end of the spectrum, however, we see meaningful movement: the number of decision makers willing to spend as much as \$10 million or more has increased by 83 percent. This trend holds true particularly in China, India, and the United States, and in global energy and materials (GEM); telecommunications, media, and technology (TMT); and advanced industries sectors.
- *Winning companies deploy hybrid sales teams.* Hybrid sales models, which are comprised of roles with a mix of both in-person and remote time with customers, are deployed by 57 percent of winning companies, compared with 40 percent of those that lost market share. The adoption of larger hybrid teams is correlated with greater market share gains, especially in TMT; finance, banking, and insurance; and travel, transportation, and logistics. The benefits from hybrid sales models are not exclusive to large companies: respondents from small to midsize companies with larger hybrid adoption rates reported seeing greater share gains.
- *There is no time to wait on personalization.* Winning B2B companies invest in sophisticated marketing tactics, going beyond account-based marketing and disproportionately using hyperpersonalization in their outreach (defined as providing unique messages to individual decision makers based on their needs, profile, behaviors, and interactions—both past and predictive). They also invest in advanced technology stacks, analytics, and prescriptive insights to sales people to deliver unique offers on a one-to-one basis. We see this form of personalization most in Brazil, India, and the United States, where it propels market share growth, particularly in the GEM; finance, banking, and insurance; and TMT sectors.

Companies that invest in these strategies individually increased market share. But for the multiplier effect of more than 10 percent market share growth, companies need to deliver on five winning strategies in concert. Those that do all five of these are twice as likely to see more than 10 percent market share growth than companies focusing on just one (for instance, going from a 10 percent share to an 11 percent share) (Exhibit 2).

Exhibit 2

Winners implement all five strategies to multiply growth by 2x.

Impact of individually implementing each of the top 5 strategies



¹n = 3,862.

²Share of winners is defined as companies with reported >10% increase in market share between 2021 and 2022, and laggards are defined as companies with reported >5% decrease in market share between 2021 and 2022.

³Advanced tools include automatic opportunity scoring and pipeline forecasting, machine-learning-based recommendations, dynamic pricing recommendation engine, and order-entry automation bots. Q: You indicated that you have introduced new sales tools/technology and/or advanced analytics for the sales team. To what extent are you using the following technology to drive sales? n = 262 winners.

⁴Refers to companies that reported using either "very personalized" tactics or "direct one-to-one personalization" in their marketing. Q: Currently, to what degree is your company's marketing personalized?

⁵Q: Which of the following roles exist in your sales organization? (Hybrid sellers).

⁶Q: How does your sales organization leverage 3rd-party marketplaces? n = 178 winners.

⁷Refers to companies that reported "We have already built." Q: Has your organization considered starting its own e-commerce marketplace that will sell products or services from multiple suppliers (in addition to your company's brands)?

Source: McKinsey & Company Global B2B Pulse, Dec 2022, n = 3,862; Australia, Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States (2022 only)

These trends underscore that the pandemic-driven period of spikes in channel usage and doubt about how sales models may adjust are over. But now what? How are a subset of outperformers pulling ahead? And what should you be doing to join them?

What outperformers do differently

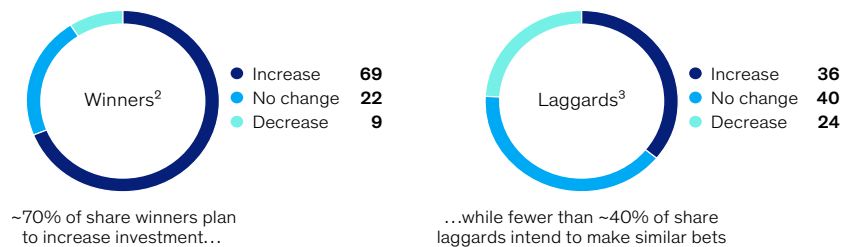
The multiplier effect. While macroeconomic concerns are something all companies can relate to, how they respond can make all the difference as to whether they continue to achieve long-term growth. Our research found almost all sales and marketing decision makers are concerned about economic conditions, and 35 percent of companies expect to be worse off this year compared to last year, especially in Europe (Exhibit 3). But we also found market share winners—defined as those reporting a 10 percent or more increase in market share from 2021 to 2022—think differently about how they sell, which (and how many) channels they will sell through, and how they will orchestrate across their full ecosystem of channels (and across the entire marketing and sales funnel). They are taking all of these actions and continuing to invest in omnichannel, even in uncertain times.

Approximately two-thirds of B2B share winners (69 percent) are planning to increase their sales team investments compared to 36 percent of companies losing share, and 72 percent of winners plan to increase capital expenditure compared to 39 percent of everyone else. Put simply, winners are viewing uncertainty as an opportunity, continuing to invest in their commercial resources and using this moment to not only get the basics right but also increase the sophistication of their commercial engine and create competitive distance with superior omnichannel experiences. Winners have four actions in common.

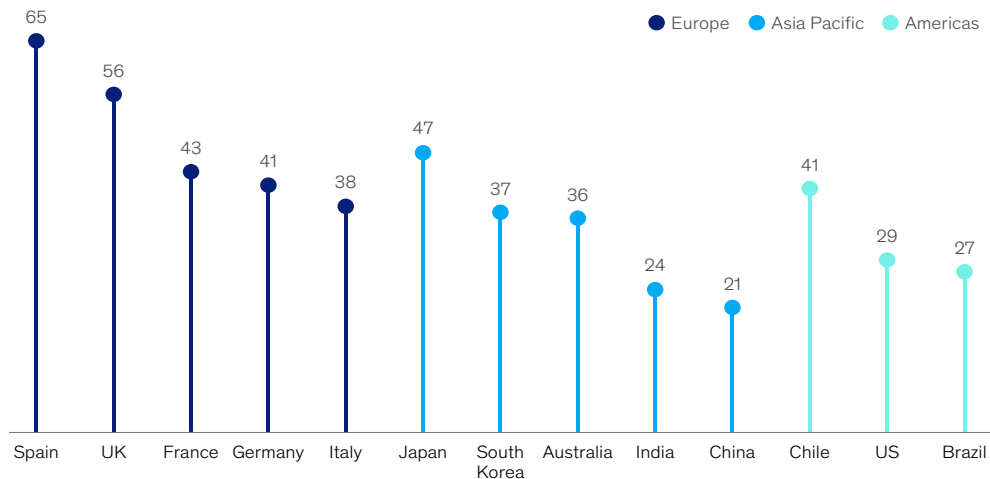
Exhibit 3

Winners are investing more despite an uncertain macroeconomic outlook.

Company plans to invest in their sales organizations,¹ total companies, %



Respondents by country who think they'll be worse off (somewhat or significantly) due to impending macroeconomic impact,⁴ %



¹Q: How does your 2023 budget reflect any changes for investments in your sales organization?

²Companies that reported market share growth of 10% or more, n = 395.

³Companies that reported market share loss of 5% or more, n = 215.

⁴Q: To what degree do you expect to be impacted materially by your top 3 macroeconomic factors? n = 3,862.

Source: McKinsey & Company Global B2B Pulse, Dec 2022, n = 3,862; Australia, Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States (2022 only)

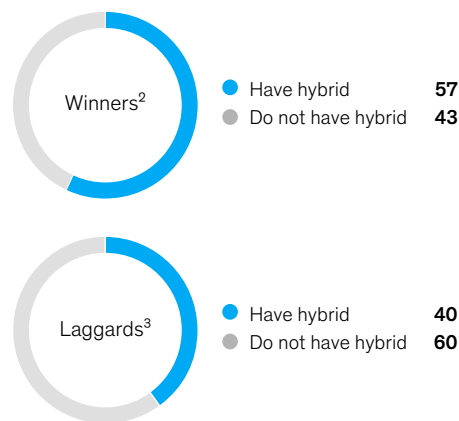
1. Fully commit to hybrid sales teams and capabilities

Omnichannel B2B sales models—with a mix of equally important human and digital channels and with e-commerce at the center of them all—that were considered radical in some sectors just two years ago are now permanent. While companies have been experimenting with different roles and sales methods within their channel mix, it is now clear that successful B2B companies deploy hybrid approaches: companies that increased hybrid sales teams by more than 10 percent are 79 percent more likely to be market share winners (Exhibit 4).

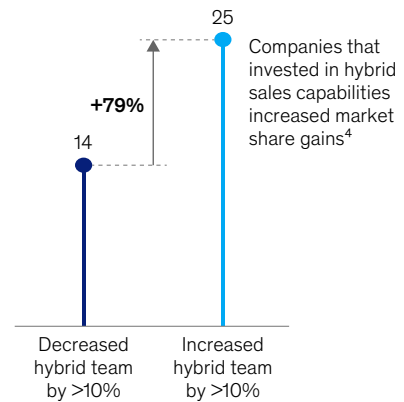
Exhibit 4

Companies with hybrid sales capabilities are leapfrogging their peers.

Adoption of hybrid sales capabilities,¹
total companies, %



Share of winners² with hybrid sales capabilities,
%



¹Q: Today, which of the following roles exist in your sales organization?

²Companies that reported market share growth of 10% or more, n = 395.

³Companies that reported market share loss of 5% or more, n = 215.

⁴Q: Over the past year, how has the size of your company's sales force in the following areas changed?

Source: McKinsey & Company Global B2B Pulse, Dec 2022, n = 3,862; Australia, Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, the United Kingdom, and the United States (2022 only)

2. Go beyond account-based marketing to hyperpersonalization

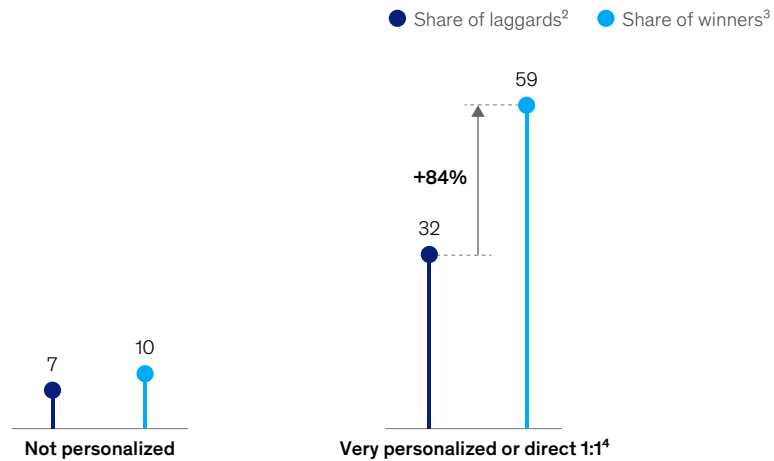
Using analytics to deliver highly personalized marketing and sales interactions increasingly makes the difference for winning B2B sales organizations, irrespective of industry. It is a myth that personalization is for B2C only. Indeed, B2B companies are taking more and more sophisticated actions in communicating with business buyers, with role- and individual-specific content based on interactions, behavior, purchases, and searches to date. They are even using predictive analytics to anticipate what the customer may want to see or discuss. Importantly, innovation appears to have a compounding effect: share growth is strongest when deeper levels of sales tools and personalization capabilities are deployed in unison.

Half of our survey respondents who invested in tools driving personalization capabilities experienced growth in market share. Seventy-seven percent of companies using direct one-to-one personalization observed an increase in market share. And 59 percent of companies whose market share grew by more than 10 percent in the past year simultaneously introduced new sales technologies (for example, chatbots and dynamic territory modeling), compared to the 32 percent of companies whose market share shrank by more than 5 percent during the same period (Exhibit 5).

Exhibit 5

Companies that embed technology and personalization are growing market share.

Share gain and level of personalization used by companies that have adopted advanced sales technology,¹%



Definition	General mass market outreach	Tailored by geography, vertical, size, role; 1:1
Example	Sending a campaign email to all customers across North America	Sending a campaign email personalized to the decision maker at an enterprise within the banking industry in North America

¹Averages calculated across adoption of AI or machine learning, smart workflows, robotic process automation, self-service and digital channels, and automated data aggregation. Questions include the following: *Currently, to what degree is your company's marketing personalized? And how has the market share (% of total sales) of your company increased or decreased during 2021–22?*

²Companies that reported market share loss of 5% or more, n = 215.

³Companies that reported market share growth of 10% or more, n = 395.

⁴Somewhat personalized: tailored by one or two characteristics; personalized: tailored by a few but not all; very personalized: tailored by geography, vertical, size, role; direct one-one: tailored by all of the above and me personally (as an organization).

Source: McKinsey & Company Global B2B Pulse, Dec 2022, n = 3,862; Australia, Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States (2022 only)

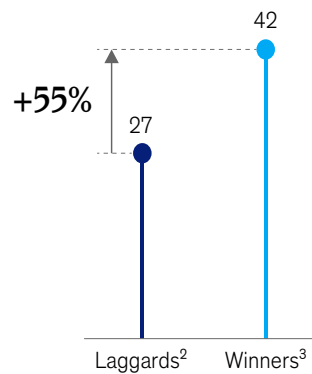
3. Adopt advanced sales tools

Winning B2B companies are more willing to experiment with new sales technologies and analytics capabilities. They constantly innovate, always seeking ways to become more compelling to customers while remaining efficient. And this innovation continues even amid challenging economic headwinds. Market share winners are 55 percent more likely to be planning to introduce cutting-edge sales technology such as automatic call logging with next-best actions or tools that prevent customer churn. The correlation between share growth and sales tool adoption is even stronger when looking at advanced tools related to automation: 64 percent of share winners use chatbots (yes, in a B2B environment), while only 42 percent of share laggards do so (Exhibit 6).

Exhibit 6

Winners are embedding technology and tools to create competitive distance.

Share who are planning on introducing new sales tools/technology,¹ %



Most often adopted sales tools/technology

- Bots for customer chats, order entry, and other sales tasks
- Customer-facing contracting tools
- Automated lead nurturing and outreach
- Automatic call/meeting logging with intelligent next-best action suggestions
- Customer churn prevention
- Smart territory/coverage management

¹Q: You indicated that you are planning to introduce new sales tools/technology and/or advanced analytics for the sales team. To what extent are you planning to use the following technology to drive sales? n = 3,862.

²Companies that reported market share loss of 5% or more, n = 215.

³Companies that reported market share growth of 10% or more, n = 395.

Source: McKinsey & Company Global B2B Pulse, Dec 2022, n = 3,862; Australia, Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States (2022 only)

4. Use targeted strategies for third-party and company-owned marketplaces

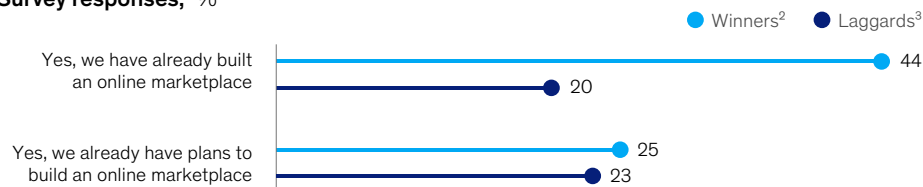
Whether third party or company-owned (or both), marketplaces are the place to be.⁵ Adoption of company-owned marketplaces increased 8 percent last year, and 40 percent of the biggest share winners are selling their products online through a third-party marketplace, compared with 27 percent of share laggards. This success has not gone unnoticed: about 50 percent of companies have either already built or have plans to build their own marketplace (Exhibit 7). In addition, 48 percent of share winners are also on industry-specific marketplaces, compared with only 13 percent of share laggards.

There are significant differences by country and industry. While the vast majority of respondents globally (88 percent) sell through third-party marketplaces such as Amazon, that number rises even more in India (97 percent) and the United States (93 percent). Certain sectors are also more present on third-party marketplaces, such as consumer and retail (92 percent) and TMT (90 percent). Share winners are 24 percentage points more likely to have built an owned marketplace than market share laggards, with owned marketplaces biggest in emerging markets such as Brazil and India. The use of owned marketplaces is relatively low in Western Europe and East Asia, indicating an opportunity for companies to be early movers. Finally, share winners are more likely than companies losing market share to tailor their approach by platform through tactics such as offering unique products, running experiments, and offering different terms, conditions, and warranties.

Exhibit 7

Companies look to tap into owned marketplaces to fuel new growth.

Survey responses,¹ %



¹Q: Has your organization considered starting its own e-commerce marketplace that will sell multiple suppliers' products or services (in addition to your company's brands)?

²Companies that reported market share growth of 10% or more, n = 395.

³Companies that reported market share loss of 5% or more, n = 215.

Source: McKinsey & Company Global B2B Pulse, Dec 2022, n = 3,862; Australia, Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States (2022 only)

⁵ "How B2B online marketplaces could transform indirect procurement," McKinsey, November 27, 2019.

How to win: Commit, innovate, and deliver

It is one thing to know what customers now want and how winning companies are meeting those expectations. It is another to apply these insights to move toward joining market share winners in 2023. Our work identified three immediate, core actions relevant to all sales leaders.

Accelerating growth with an all-in channel approach

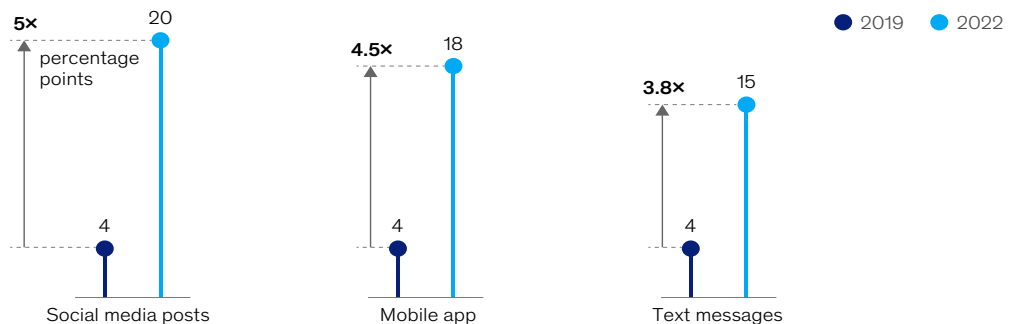
It is no longer enough to lead in one sales channel. Winning in an omnichannel world demands excelling in all channels, from in-person to hybrid, inside sales, digital self-serve, and marketplaces—especially during uncertain economic times in which a poor customer experience may lead to a lost sale. It also requires extending that excellence across channels throughout the entire marketing and sales funnel, especially in traffic and lead generation and nurturing customers. After diagnosing your performance, now is the time to maintain and accelerate your strengths while quickly shoring up weaknesses. For example, digital channels and e-commerce are often weaker when it comes to execution and in-house talent and will require investment to experiment and optimize over time. But the rewards are clear: 38 percent of the largest share winners in 2022 introduced new channels, and 37 percent said they ramped up experimentation to determine which sales channels were most effective.

Over the life of this research, we have seen the number of sales channels people use across the entire buying journey double from five channels in 2016 to ten channels in 2022. In 2023, buyers are still using about ten channels, but there are some surprising shifts, especially early in the sales process as people increasingly evaluate suppliers through digital technologies such as mobile apps, social media, and texting (Exhibit 8).

Exhibit 8

More B2B buyers are using social media, text, and mobile to research and evaluate suppliers.

Respondents using various sales channels to research and evaluate suppliers, %



Note: The 2019 survey did not include video conference and search on third party's website; respondents were allowed to select multiple options for the questions posed. The questions were: *During the initial research phase, what type of research have you used to research suppliers? And which of the following methods have you used to evaluate suppliers and products at this stage (for example, asking for detailed specifications, samples, and pricing)?*
Source: McKinsey & Company Global B2B Pulse, Dec 2022, n = 3,862; Australia, Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States (2022 only)

Invest in innovative and practical technologies

Decision makers are using predictive technology to connect the end-to-end marketing and sales funnel and prioritize leads, allocating them to the best channels and individual sellers. They also establish automated, integrated marketing and sales routines that would be difficult to monitor and maintain with managerial efforts alone. These investments will be an undercurrent that keeps the team synced over long, complex sales cycles while minimizing the loss of critical customer insights and key decision-making inputs throughout the process. B2B winners accelerate and sharpen personalization for every customer at each stage of the buying journey, and ensure the right message, call to action, and set of products and solutions are presented when customers have a problem to solve. Our research finds any personalization is better than none, and one-to-one personalization has the greatest impact. While the best time to invest was yesterday, the next best time is now.

Flawless execution and seamless orchestration is essential

More channels bring more complexity. A major challenge in the omnichannel environment is orchestrating the B2B buying experience, ensuring customers can intuitively and seamlessly transition across all channels to find what they want, when they want it, and where it is known what they have done already, without repeating the same information to the company multiple times. Companies winning market share have realized that delivering on that promise requires each sales channel to have A-team players and a superior user interface or experience that engages and delights customers. In addition, companies that seamlessly and effectively orchestrate across channels—that is, they know customers will choose different channels in their interaction journey and make it easy for them to transition to another and back again—are winning customer loyalty. Our research underscored the importance of ensuring all channels deliver quality interactions, and we found buyers regard the performance of primary suppliers in both traditional and digital or remote interactions as equally important.

While last year we found hybrid sales teams are emerging as a key growth lever, this year, hybrid sellers are even more critical. In the past, the quarterback of the sales process was often a face-to-face key account manager. Today's customers require a central sales leader to seamlessly orchestrate across multiple channels. More often than not, this will be a hybrid player that can not only be available in person when needed but also be omnipresent through remote-sales technologies, virtual demonstrations, and digital-relationship management, all while beating the competition's customer experience at each stage of the sales journey. Multiple individuals may specialize in roles and tactics, depending on the complexity of a sales team, but orchestration from leaders who understand all channels is crucial. B2B winners invest in hybrid sales teams and cross-train leading field sellers in remote best practices, including in how digital self-serve and marketplaces can supplement a customer's need for education or simple requests. And don't forget to align incentives appropriately.

A year ago,⁶ we declared that omnichannel was emerging as customers' preferred buying model. Today, its position is confirmed, and attention has turned to how companies are successfully meeting market demands. Winners are growing market share by strengthening all sales routes to market and catering to customer demands for greater personalization by investing in necessary technology and analytics. And for those companies still waiting to commit to the omnichannel present and future, the window of opportunity may be closing.

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⁶ "The new B2B growth equation," February 23, 2022.