

Marketing & Sales Practice

The new B2B growth equation

Customers want an always-on, personalized, omnichannel experience. The world's best sellers are giving it to them.

by Arun Arora, Liz Harrison, Candace Lun Plotkin, Max Magni, and Jennifer Stanley



After two years of nearly nonstop business disruption, B2B companies have finally flexed to meet their customers' omnichannel expectations. Or so they think. McKinsey's most recent global B2B Pulse reveals that B2B companies have reached equilibrium in their omnichannel capabilities—just in time for customers to disrupt that balance again.

Our research, which just surveyed close to 3,500 decision makers in 12 markets (and over 21,000 since 2016), found that what customers want from omnichannel is “more”—more channels, more convenience, and a more personalized experience. And if they don't get what they're looking for, they'll take their business elsewhere.

The results are a wake-up call. B2B companies that assume they've cleared the omnichannel bar in sales and marketing will need to think again. Among the headlines:

- *Omnichannel is a path to share growth.* The more channels a sales organization deploys, the bigger the market share gains.
- *There are no exceptions.* All B2B customers prefer omnichannel, no matter their industry, country, size, or customer relationship stage.
- *B2B loyalty is up for grabs.* Customers are more willing than ever to switch suppliers to gain exceptional omnichannel experiences.
- *Make your numbers.* The new bar for omnichannel excellence is ten or more channels over three engagement modes (in-person, remote, and self-service), delivered 24/7.
- *Master the five “must dos.”* Customers are resoundingly clear on the five capabilities they most want from omnichannel—and they want all of them, from performance guarantees to real-time customer service.

But good news is buried in the more than 300,000 data points we've gathered in our latest B2B Pulse. If keeping up with customers' omnichannel expectations has felt like a game of two steps forward, one step backward, B2B companies now have a once-in-a-generation opportunity to shift share meaningfully—through greater orchestration, integration, and personalization.

“We've made a commitment to our customers that they can interact with us any way they want—whether that's via fax, calling a customer support representative, or trading online with us.”

—Chris Breslin, president, Farnell Global and Avnet Digital

The great rebalancing: From channel spikes to omnichannel equilibrium

Customers have been clamoring for omnichannel sales for years, and our research shows that more B2B companies are getting the message. Gone are the pandemic-related swings that led some B2B companies to go all in on e-commerce or sharply revert to field sales after lockdowns ended. Instead, B2B companies are beginning to provide what customers have long wanted: the right balance across many channels.

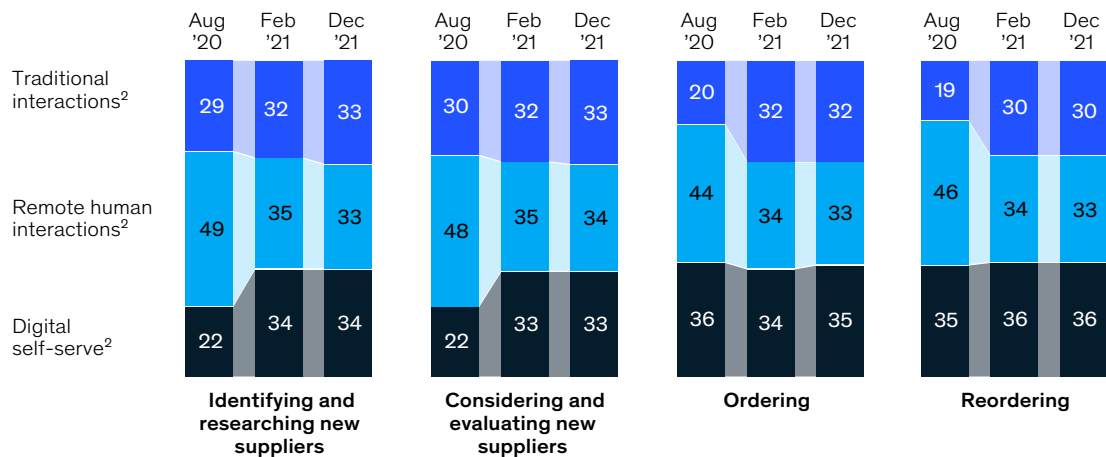
And customers are responding. A major finding from our global B2B Pulse is that the “rule of thirds” has become entrenched. Given the choice of traditional (for example, in-person), remote (for example, video conference or phone) and self-service (for example, e-commerce) interactions, buyers globally have shown they want them all—and in equal measure throughout the purchasing journey (Exhibit 1).

Exhibit 1

B2B buyers have settled into using an evenly divided mix of sales channels.

Current way of interacting with suppliers' sales reps,¹ by stage of process

% of respondents per sales channel type



~2/3

of buyers in 2021 opted for remote human interactions or digital self-service

¹Q: Currently, how do you split your time with sales reps from your company's suppliers during the following stages of interactions?

²Traditional 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.

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

Source: McKinsey & Company Global B2B Pulse, Aug 2020, n = 3,626; Feb 2021, n = 3,496; Dec 2021, n = 3,360, countries: Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States

Rebalancing works: Omnichannel is more effective than traditional sales models alone

As more companies enable face-to-face, remote, and e-commerce interactions, satisfaction with the sales model has grown exponentially. More than 90 percent of B2B companies say their go-to-market model is just as or more effective than before the pandemic began. And 31 percent believe their model is “much more” effective at reaching and serving customers, compared with nine percent who said the same two years ago—a 3x difference (Exhibit 2).

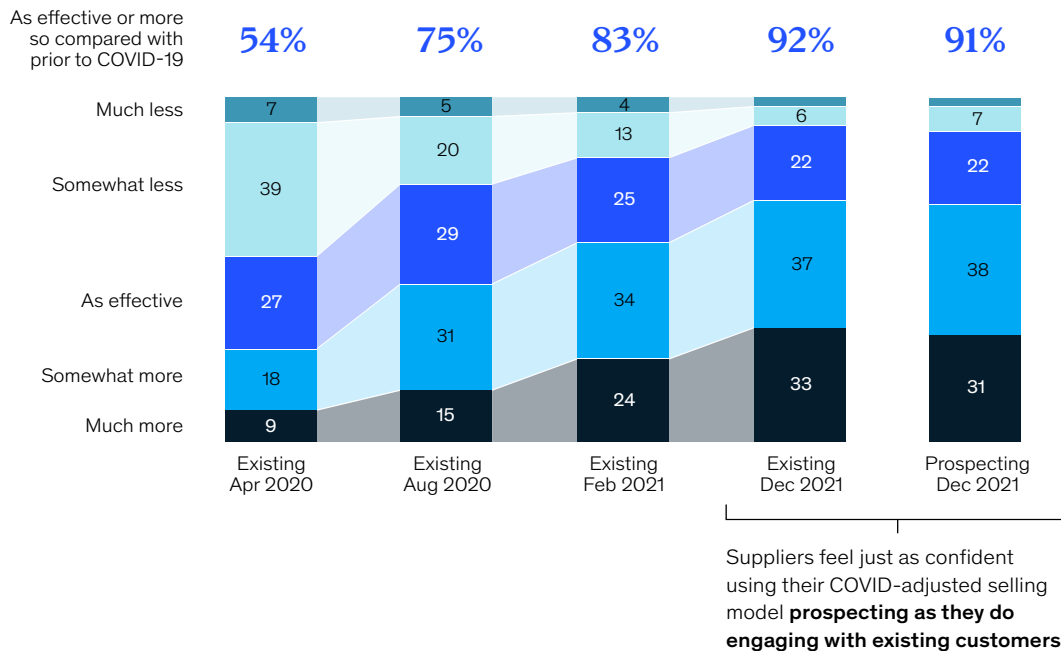
From the sellers' perspective, omnichannel is an “omni” opportunity that makes their work easier and enables greater sales growth. And suppliers say they are just as bullish prospecting in an omnichannel ecosystem as they are engaging with existing customers.

Exhibit 2

Companies are nearly unanimous that their current sales model is more effective than their prepandemic model.

Effectiveness of new sales models in reaching and serving customers

% of respondents¹



¹ Q: Overall, how effective is your company's new sales model at reaching and serving customers?
Source: McKinsey & Company Global B2B Pulse, Apr 2020, n = 3,755; Aug 2020, n = 3,626; Feb 2021, n = 3,496; Dec 2021, n = 3,360, countries: Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States

Outliers prove the rule of thirds works

Break the rule of thirds, and customers won't be the only unhappy ones; sellers will be too. Despite noting some improvement in go-to-market results over the past two years, respondents at B2B companies in France and Japan are far less likely than their peers in other markets to say they are pleased with their sales model performance. In fact, 14 percent of respondents from France say their models are now "less effective" than they were before the pandemic began (Exhibit 3). Notably, companies in both markets tend to lean more toward traditional sales models and to prefer in-person engagement.

Exhibit 3

Most markets have embraced omnichannel and are better for it.

Respondents who say their companies' sales model is more effective than it was before the onset of COVID-19,¹ % of respondents

	Perceived effectiveness	Rule of thirds? ²	10+ channels? ³	Spend >\$250K remotely? ⁴
Brazil	83	●	●	●
China	82	●	●	●
India	80	●	●	●
United States	73	●	●	●
Chile	72	●	●	×
Spain	70	●	●	●
South Korea	70	●	●	●
Italy	58	●	●	●
Germany	58	●	●	●
United Kingdom	52	●	●	●
Japan	44	×	×	×
France	43	●	×	×

Adoption of omnichannel appears to be linked to perceived effectiveness of sales: **France and Japan stand out** as countries with lower levels of omnichannel adoption and the lowest perceived effectiveness

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

² Q: Currently, how do you split your time with sales reps from your company's suppliers during the following stages of interactions? At companies following the Rule of Thirds' approximately 1/3 of B2B customer time is spent in self-serve, hybrid, and traditional channels across the entire buyer journey.

³ Q: What type of research have you used to research suppliers? Which of the following methods have you used to evaluate suppliers and products at this stage? How do you typically go about submitting a new purchase order? How do you typically submit your reorder? Count of distinct channels used across the entire buying journey. Count of distinct channels used across the entire buying journey to identify companies where B2B customers used an average of 10+ channels across the buying journey.

⁴ Q: What is the maximum order value that you would purchase through end-to-end digital self-serve and remote human interactions for a new product or service category? "Spend >\$250K remotely" means at least 20% of customers in the given country say they are willing to spend more than \$250,000 in a single self-serve or remote transaction.

Source: McKinsey & Company Global B2B Pulse, Dec 2021, n = 3,360, countries: Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States

There is no such thing as stasis: Omnichannel is now a ten-channel world

Five years ago, being omnichannel meant offering four or five channels. Now our data shows that customers want—and expect—to engage seamlessly across ten or more (Exhibit 4). And the businesses that have been quick to meet that demand have profited: 72 percent of B2B companies that sell via seven or more channels grew their market share (Exhibit 5).

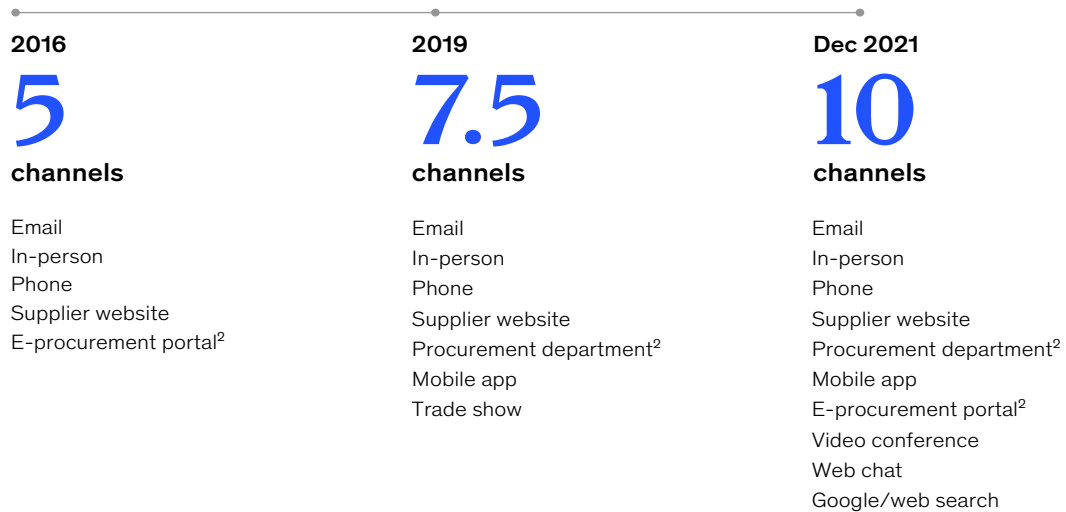
Many of the channels customers are clamoring for have digital roots, with video, chat, and e-commerce all seeing much greater customer adoption. For example, mobile apps first appeared on the list of most-used channels in 2019.

B2B companies that are eager to test and refine new capabilities, especially digital ones, should look for early-adopter markets. Customers in India, for example, now use an average of 11 channels when moving through their purchasing journey. And in Brazil, nearly one-third of B2B customers were using ten or more channels as far back as 2019.

Exhibit 4

B2B decision makers are using more channels than ever before to interact with suppliers.

Number of distinct channels that B2B customers use during their decision journeys¹



¹ Q: What type of research have you used to research suppliers? Which of the following methods have you used to evaluate suppliers and products at this stage? How do you typically go about submitting a new purchase order? How do you typically submit your re-order? Count of distinct channels used across the entire buying journey (research, supplier evaluation, ordering, reordering). "3rd-party marketplace/marketplaces" were not tested as a specific interaction channel for this specific survey question. The list of specific channels shown is directional only and does not include specific channels that may be relevant at individual stages of the buyer journey.

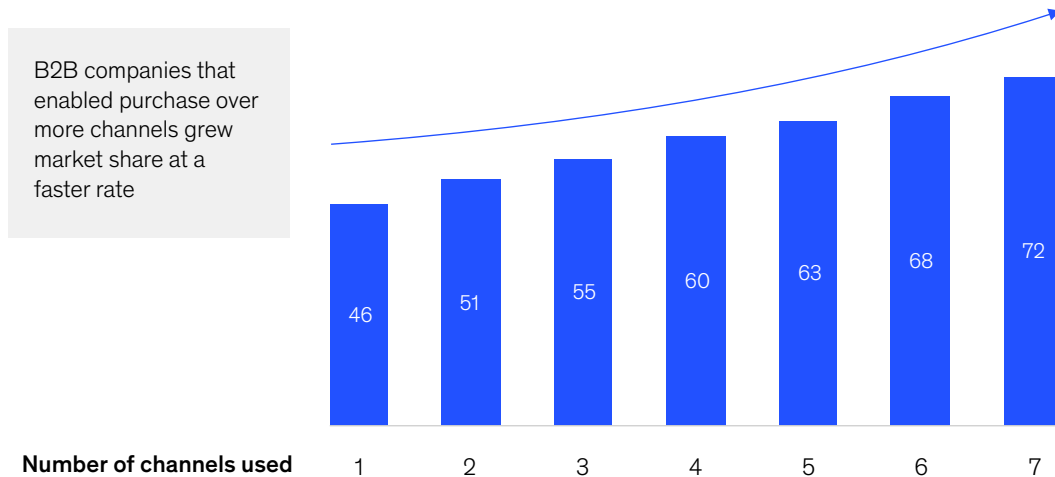
² The procurement channel is defined as "sending a request to my company's procurement department/person," while e-procurement (portal) is defined as, "through my organization's purchasing e-procurement portal (for example, Ariba, Epic, Coupa)."

Source: McKinsey & Company Global B2B Pulse, 2016, n = 1,042, countries: France, Germany, United Kingdom, United States; 2019, n = 1,420, countries: China, France, Germany, United Kingdom, United States; Dec 2021, n = 3,360, countries: Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States

Exhibit 5

Companies that sell through more channels are more likely to have gained market share in 2021.

Market share gainers,¹ by number of channels engaged,² number of channels offered to customers



¹ Q: How has the market share (% of total sales) or your company increased or decreased during the calendar year 2020–21? Market share gainers are respondents who say their companies' market share in the past 12 months increased more than 1 percentage point vs peers.

² Q: In what ways is your company's product or service sold today? Possible answers: "In-person"; "Via video conference"; "Phone"; "Email"; "Online chat"; "E-commerce"; "Fax"; and "Other."

Source: McKinsey & Company Global B2B Pulse, Dec 2021, n = 3,360, countries: Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States

“The power of true omnichannel is understanding all the channels our customers use, and how they want to use them, throughout their entire journey. If you don’t understand what that journey is, you can’t provide the right information at the right time.”

—Victoria Morrissey, chief marketing officer, Ferguson Enterprises

The five new must-dos to retain customer loyalty

It's not enough for B2B companies to meet this moment; they need to prepare for the next one: delivering consistent, exceptional experiences across the omnichannel ecosystem.

The majority of B2B customers globally say they will actively look for another supplier if five core needs are unmet when engaging with suppliers. Nearly 80 percent of B2B customers say that a performance guarantee is critical for brand loyalty, including a full refund if the product or service fails to reach the agreed-upon performance level. Other must-dos include showing product availability online, enabling purchases over any channel, providing real-time customer service, and offering a consistent experience as buyers toggle between channels (Exhibit 6). And B2B customers who want any one of these options are 80 percent to 90 percent likely to want the other four!

Our B2B Pulse also revealed areas that B2Bs should deemphasize. When asked to rate loyalty drivers, customers globally put rewards programs and 3-D/virtual product demos at the bottom of their list.

Exhibit 6

B2Bs are clear about what they want from suppliers overall and willing to switch if 'must dos' are not offered.

Experiences required for customer loyalty, % of respondents that will actively look for another supplier if given experience is not present¹

Top tier Customers tend to want all 5 of these must-dos in combination	Performance guarantee (full refund):	Product availability shown online:	Ability to purchase from any channel:
	78%	74%	72%
	Real-time/always-on customer service:	Consistent experience across channels:	
	72%	72%	

Outcomes-based pricing:	Readily available customer reviews:	Prices available online without negotiation:	Ability to easily order via mobile phone:
70%	69%	68%	65%
Ability to view products in person if needed:	Shipping within 2 days or less:	Free shipping:	Single log-in/password for all supplier sites and apps:
64%	64%	63%	63%
3-D/virtual product demos:	A loyalty program to earn points/other rewards:		
60%	58%		

¹Q: For each of the following elements, please tell us how essential you believe it is that a supplier offers this to you/your company. Possible answers: "1 = Not important/not a part of my decision-making criteria"; "3 = I expect this, but it is not a requirement"; "5 = Essential, I will look for another supplier if this is not offered."

Source: McKinsey & Company Global B2B Pulse, Dec 2021, n = 3,360, countries: Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States

“As customers have transitioned from predominantly face-to-face meetings to interacting more virtually, we’ve adapted our engagement model. We are prioritizing more targeted virtual platforms to share scientific capabilities and build credibility around the work that we do, while optimizing continued opportunities for live engagement where possible.”

—Gina Mullane, chief marketing officer, Charles River Laboratories

Next on the list: Marketplaces are the next gen for the next-gen leaders

Market-share leaders are investing in marketplaces while also improving the quality of their branded websites. Nearly three-quarters (72 percent) of companies that built their own marketplace experienced market-share growth over the past two years. Among those that did not build a marketplace, only 42 percent of companies saw share growth—a difference of 1.7x (Exhibit 7).

Branded sites behind paywalls are also a key focus: 57 percent of B2B decision makers say they are most comfortable making online transactions on a supplier website that is behind a paywall.

Exhibit 7

Organizations that have built marketplaces are likely to have gained market share in 2021.

Market share¹ based on marketplace use/consideration, B2B companies who have gained share vs their peers in the past 12 months

B2B companies that have built their own marketplace

72%

vs

B2B companies who say they will never consider building a marketplace

42%

¹ Q: *Has your organization considered starting their own e-commerce marketplace that will sell multiple suppliers products/services (in addition to your comp brands)?* Possible answers: “Yes we have already built a marketplace”; “Yes we already have plans to build a marketplace”; “Yes we are actively considering building a marketplace”; “No we have not yet considered building a marketplace, but may in the future”; “No we will absolutely not consider building our own marketplace.”

² Globally, 19% of respondents have already built marketplaces.

Source: McKinsey & Company Global B2B Pulse, Dec 2021, n = 3,360, countries: Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain United Kingdom, United States

To win in the new omnichannel world, orchestrate, integrate, and personalize

Rather than continually catching up to their customers' omnichannel demands, leading B2B companies can anticipate where that curve is headed and get there ahead of the pack, which will improve customer value and opportunity for market share growth. Here's how.

1. Become journey orchestrators

B2B decision makers are omnichannel customers in both a macro and micro sense. They use multiple channels across the purchasing journey and within every buying stage of that journey (Exhibit 8). And while some buyers will gravitate toward one-on-one interactions for complex and high-value deals, many are comfortable using digital self-serve for major purchases.

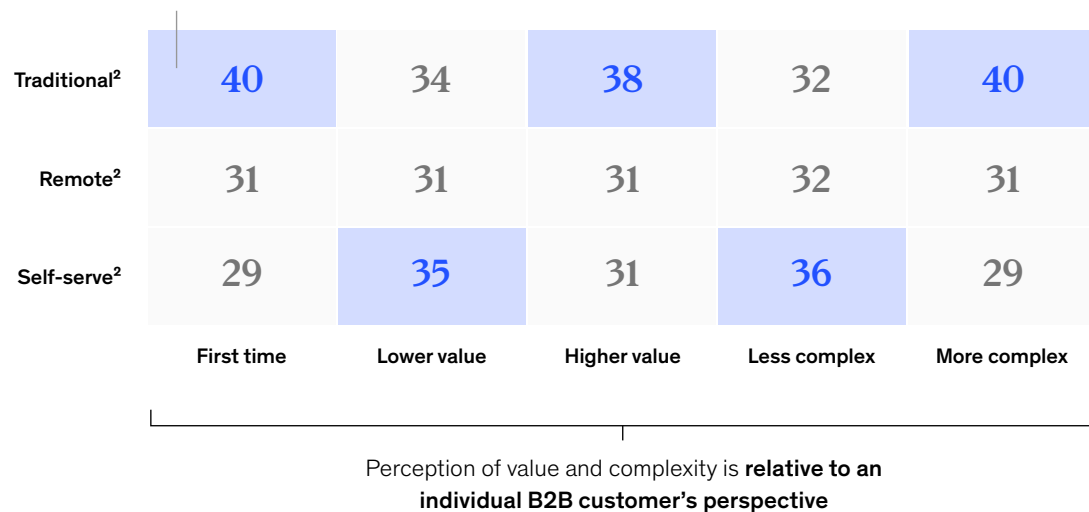
Exhibit 8

Preferences swing between traditional and self-serve, but remote remains consistent.

Preferred use of channel by type of purchase situation¹

% of time communicating with suppliers

The pendulum swings to traditional for first-time, high-value, and complex purchases, while shifting to self-serve for lower-value, less complex purchases.



¹ Q: What percentage of the time would you prefer to use traditional vs remote human vs digital "self-serve" for each of the following situations?

² 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 2021, n = 3,360, countries: Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States

To meet these expectations, sales professionals need to become "journey orchestrators," guiding customers to the channels that, according to their buyer intelligence, are most helpful to specific audiences and purchasing stages. Also, suppliers may need to shift their online product mix and launch new pricing processes to streamline quoting and approvals for large-value purchases.

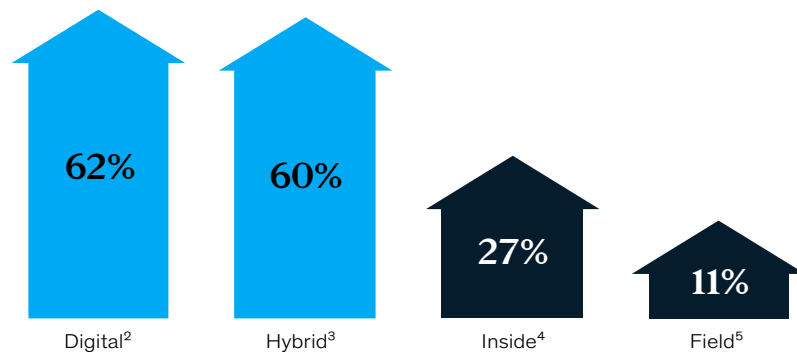
2. Integrate, integrate, integrate

Agility is the key, and a hybrid sales model is a natural enabler, since it is more than one channel by definition and integrated by design. Hybrid sellers come into their roles ready to serve customers the way they want to be served, seamlessly across channels, resulting in faster market-share growth, and less channel conflict (Exhibit 9a). Roughly 40 percent of organizations added hybrid sellers to their ranks over the past two years, and this role is set to become the second most prominent B2B sales role over the next three years (Exhibit 9b).

Exhibit 9a

Hybrid and digital are the fastest-growing sales teams.

Net change in sales teams,¹ % of respondents



¹ Q: Over the past year, how has the size of your company's sales force in the following areas changed? Percentage of B2B companies that have added FTEs to this sales team less the percentage of B2B companies that have reduced the number of FTEs in this team.

² Digital teams: Sellers only interact with customers over digital channels and do not meet face-to-face (ie, mix of telephone, online chat, self-serve portals, email, and video conferencing).

³ Hybrid teams: Sellers have the same responsibilities as a traditional field seller but leverage multiple interaction models to fulfill; in-person is not default (ie, video conference meetings, digital self-serve portals for customers to reorder).

⁴ Inside teams: Sellers leverage only traditional non-face-to-face channels; e-commerce, digital portals, or chat are not used (ie, phone and email).

⁵ Field teams: Sellers rely on traditional mix of face-to-face channels for customer interactions; in-person meetings are default (ie, in person meetings, phone, video conference, and email as needed).

Source: McKinsey & Company Global B2B Pulse, Dec 2021, n = 3,360, countries: Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States

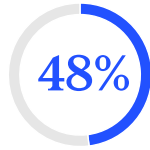
“Mobile has been a huge enabler of these heightened expectations, largely replacing the customer service agent of the past. There shouldn’t be a limit to what types of transactions can be done on your phone.”

—Tom House, chief technology officer, Noble

Exhibit 9b

Hybrid sales models serve customers how they want to be served while ...

... driving business growth¹



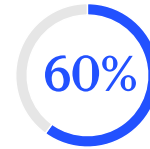
of market share winners adopt hybrid sales roles compared to only 35% for market share losers

... reducing the risk of channel conflict²

2.5×

less conflict with hybrid than with e-commerce and inside sales

... enabling companies in fast-growing economies to grow faster³



of B2B companies in Brazil and India use hybrid sales

More B2B companies are shifting to this role:⁴

2nd

most important role over the next 3 years, after digital sellers

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

² Q: In your company, which of the following channels are experiencing channel competition with each other? Please select all that apply. Possible answers: "In-person sales vs. e-commerce"; "In-person sales vs. inside sales"; "Inside sales vs. e-commerce"; "In-person sales vs. hybrid sales"; "Inside sales vs. hybrid sales."

³ Q: Which of the following roles exist in your sales organization? Possible answers: "Hybrid sellers"; "Field sellers"; "Inside sellers"; "Channel sellers"; "Retail/counter sellers"; "Business development reps"; "Key account managers"; "Digital sellers."

⁴ Q: Fast-forward 3 years, which sales roles do you expect will exist in your sales organization in the future? Possible answers: "Hybrid sellers"; "Field sellers"; "Inside sellers"; "Channel sellers"; "Retail/counter sellers"; "Business development reps"; "Key account managers"; "Digital sellers."

Source: McKinsey & Company Global B2B Pulse, Dec 2021, n = 3,360, countries: Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States

3. Personalize everything

Tailored outreach needs to become the de facto way of engaging across all channels. Providing customers with intuitive interfaces, warm transitions across channels, and speed, transparency and expertise have become major market differentiators.

Customers don't want to give up face-to-face visits altogether: 68 percent see those visits as a sign of how much a supplier values a relationship. But in-person is not a check-the-box path to personalization. Customers everywhere—including outlier markets France and Japan—describe suppliers as "too frantic" about trying to meet in person. Globally, 61 percent of buyers say they can get as much value from meeting suppliers over video conference as they can from in-person visits. And in China, India, and the United States, that number rises to a staggering 72 percent.

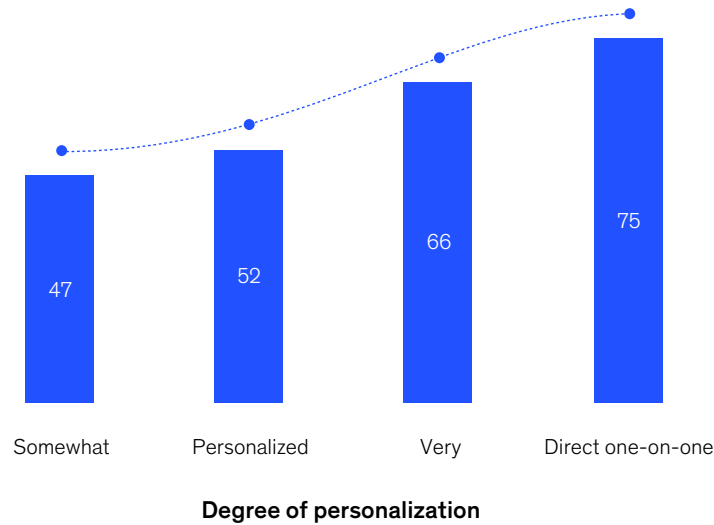
Tailoring interactions to markets of one requires deeper prowess with data and analytics. While that takes investment, the payoff can be significant. The more adept an organization becomes at personalization, the greater the share gains (Exhibit 10).

Exhibit 10

Companies that personalize marketing and sales more closely to the individual customer are more likely to have gained market share in 2021.

Increased market share¹, by degree to which marketing is personalized²

% of respondents by market share move



¹ Respondents indicating market share in the past 12 months increased more than 1 percentage point vs peers.

² Q: Currently, to what degree is your company's marketing personalized? Possible answers: "Somewhat personalized (eg, tailored by 1 or 2 characteristics)"; "Personalized (eg, tailored to a few characteristics but not all)"; "Very personalized (eg, tailored by role, function, vertical, company size, and geography)"; "Direct one-on-one personalization (eg, tailored by all above characteristics and me personally)."

Source: McKinsey & Company Global B2B Pulse, Dec 2021, n = 3,360, countries: Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States

“Being agile has elevated marketing’s ability to translate the sales message better. They’re closer to what the customer needs are and better equipped to create tools and materials that resonate with them. For IT, agility means we integrate seamlessly with marketing, sales and operations, with direct connections to customers, to create digital capabilities that bring together disparate data and create seamless experiences, regardless of the channel.”

—Mark Mintz, CIO, Charles River Laboratories

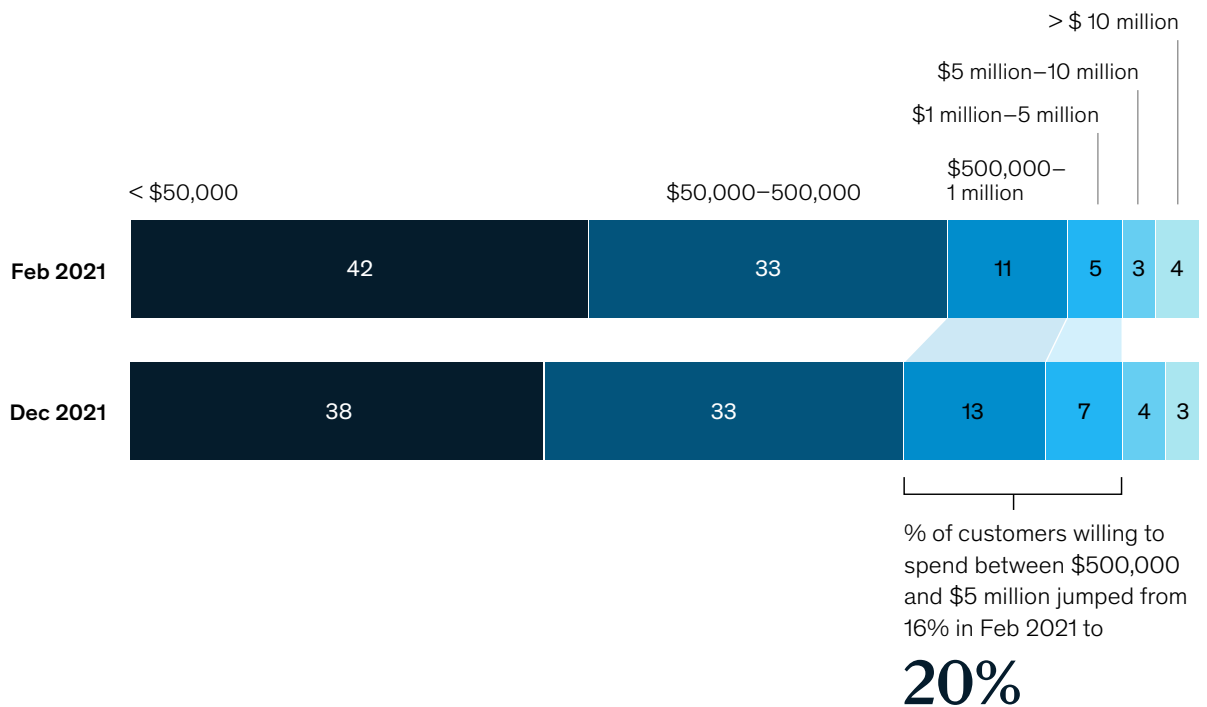
Customers are willing to spend more remotely

One in five B2B decision makers are now willing to spend between \$500,000 and \$5 million on a single interaction on remote or self-service channels. That's a leap from the 16 percent who said the same earlier in 2021 (Exhibit 11). In addition, seven percent of buyers are willing to complete transactions valued at more than \$5 million fully online.

Exhibit 11

Remote and self-service are not just for low-value purchases; a majority are willing to spend \$50,000 or more.

Maximum order value through digital self-service and remote human interactions for a new product or service,¹ % of respondents



¹ Q: What is the maximum order value that you would purchase through end-to-end digital self-serve and remote human interactions for a new product or service category? <1% of respondents selected "Don't know" or "Would not."
 Source: McKinsey & Company Global B2B Pulse, Feb 2021, n = 3,496; Dec 2021, n = 3,360, countries: Brazil, Chile, China, France, Germany, India, Italy, Japan, South Korea, Spain, United Kingdom, United States

Comfort with spending big over digital channels is particularly robust in China and the United States, where close to eight in ten buyers say they're willing to spend at least \$50,000 through digital channels. And roughly 20 percent of customers in China, India, and the United States are open to spending \$1 million or more on fully online or remote transactions.

“One of the biggest shifts we’ve seen in how customers interact with companies is how quickly the bar has been raised. There is greater demand to instantly know who they are, what they want, and how they can get the product/service they’re interested in.”

— Tom House, chief technology officer, Noble

Conversely, where the rule of thirds is weak or broken, buyers are less comfortable making big-ticket purchases online. Only about 36 percent of Japanese buyers and 44 percent of French buyers say they are willing to spend more than \$50,000 through digital channels.

The message from our global B2B Pulse is resounding. To secure customer loyalty—and the potential of two-times-greater share gains—B2B companies must make omnichannel a cornerstone of their value proposition and selling model. Their profitable growth and competitive standing depend upon it.

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The authors would like to thank David Greenawalt, Kate Piwonski, and Danielle Taylor for contributions to this article.

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