

Marketing & Sales Practice

B2B sales: Omnichannel everywhere, every time

Our latest B2B Pulse research shows how the shift to omnichannel has permanently changed sales and suggests what companies can do to adjust.

by Liz Harrison, Candace Lun Plotkin, Steve Reis, and Jennifer Stanley



The COVID-19 pandemic has dramatically accelerated the already-changing dynamics of how work gets done between buyers and sellers. We've been tracking the trends since 2016, when we began to ask B2B decision makers about how they find new suppliers, build and foster relationships with them, and choose what and how to buy and reorder. We wanted to understand the landscape of B2B sales and learn more about preferences at a time when omnichannel selling was emerging and customers were increasingly demanding more digital, consumer-like interactions with suppliers.

When COVID-19 emerged in early 2020, customer behaviors began to shift dramatically, favoring video conference interactions with sales reps and e-commerce. This pressured B2B sales to digitize more quickly; it had already begun to transform, but lagged behind B2C sales. The pandemic accelerated the move already under way to omnichannel and e-commerce, and survey respondents indicated that the change was here to stay.

Our latest B2B Pulse Survey asked hundreds of questions to US-based B2B decision makers—defined as customers who are responsible for making product or service decisions for their company—across dozens of industries.¹ We asked decision makers to share their current behavior and preferences for interacting with suppliers. We also asked these same respondents to tell us what sales and marketing changes are happening at their own companies. In short, this research reveals that B2B selling has truly changed much faster and more dramatically than many would have imagined. For example:

- **Ninety-four percent** of respondents view today's B2B omnichannel reality—in which customers buy face-to-face, remotely, and online—as being as effective or more than before COVID-19.
- B2B customers now regularly use **ten or more channels** to interact with suppliers (up from just five in 2016).
- Buyers are more willing than ever before to spend big through remote or online sales channels, with **35 percent** willing to spend \$500,000 or more in a single transaction (up from 27 percent in February 2021). Seventy-seven percent of B2B customers are also willing to spend \$50,000 or more.
- Suppliers will have to fight hard to retain loyalty if customer needs are not met: for example, **eight in ten** B2B decision makers say they will actively look for a new supplier if performance guarantees (eg, a full refund if a certain level of performance is not met) are not offered.

As businesses gear up for yet another year of potential uncertainty and disruption, we found one thing to be sure: B2B sales are now resolutely omnichannel, with e-commerce, face-to-face, and remote videoconference sales all a necessary part of buyers' experience. But buyers' move to omnichannel hasn't been a matter of simply shifting more transactions online. What B2B customers want is nuanced, and so are their views about the most effective way to reach them.

The ‘rule of thirds’ for omnichannel B2B sales is now standard

B2B leaders are embracing the new normal of omnichannel sales. Customers use different sales channels—for example, face-to-face, videoconferencing, online chat, or online marketplaces—at different stages of the buying journey. A “rule of thirds” has emerged: customers employ a roughly even mix of traditional sales (eg, in-person meetings), remote (eg, videoconferencing and phone discussions), and self-service (eg, e-commerce and digital portals) at each stage of the sales process (Exhibit 1).

When we share the rule of thirds, we often hear, “But my industry (or customers or company) is different.” That assertion conflicts with our survey data: the rule of thirds describes responses from B2B decision makers across all major industries, at all company sizes, in every country. Naturally, some nuances exist, but the similarities far outweigh unique results.

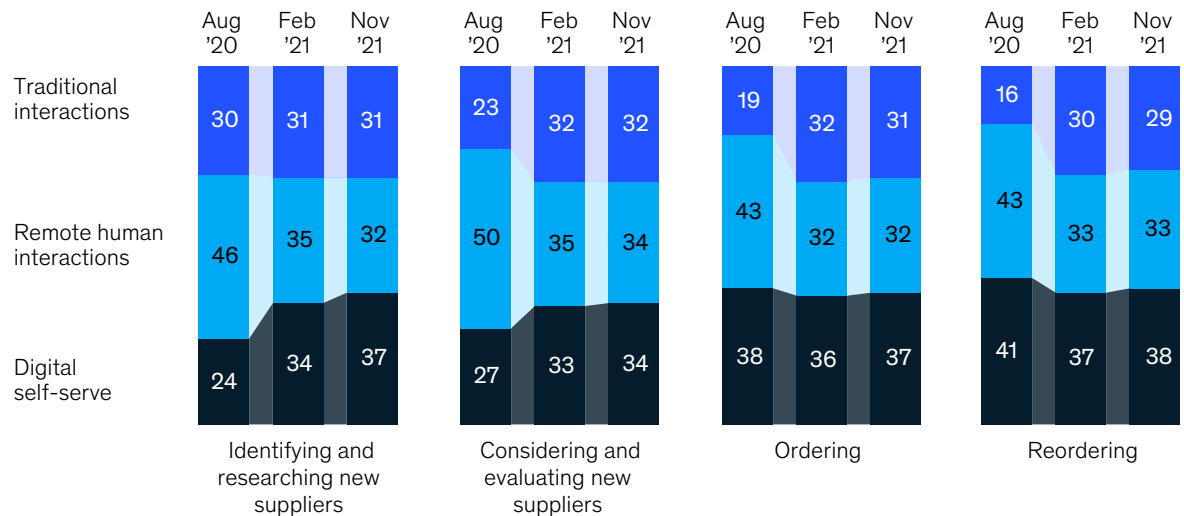
Implication: B2B suppliers cannot solve the needs of an entire segment of customers through one channel, nor can they ignore e-commerce as a channel. The option to engage via face-to-face, remote, and self-service should be available to all customers, from small to medium-size enterprises (SMEs) up to the largest organizations.

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 process²

% of respondents, US only



~2/3

of buyers opt 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, chat bots, internet searches, mobile apps, etc.

Source: McKinsey & Company Global B2B Pulse, Aug 2020, n = 602; Feb 2021, n = 562; Nov 2021, n = 602

Omnichannel sales are more effective than ever

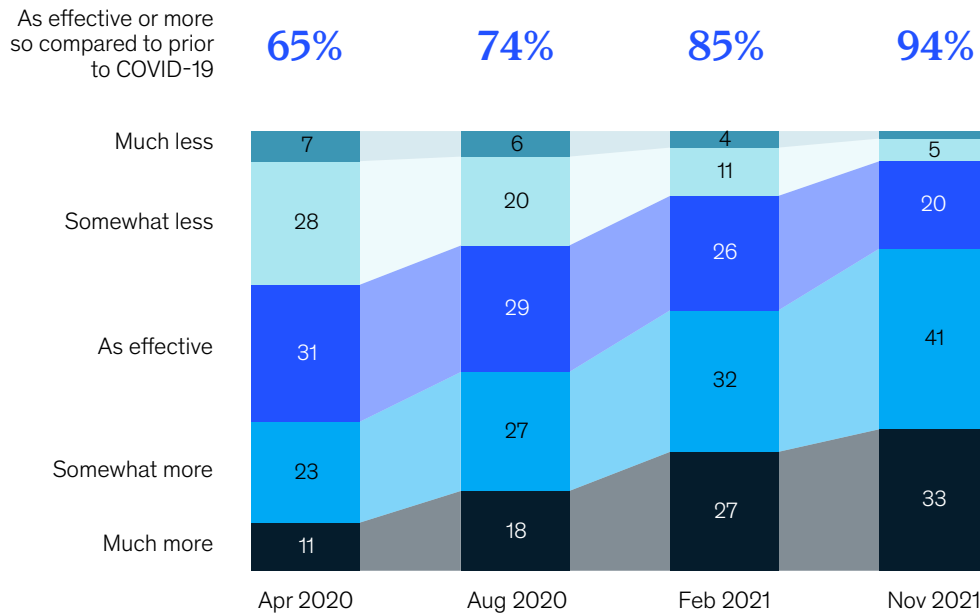
Doubters have become believers. Today, 94 percent of B2B decision makers say the new omnichannel sales model is as effective or more compared to the sales model they used before the pandemic (Exhibit 2). The percentage holding these views has climbed every time we've asked over the past 18 months. In April 2020, only 65 percent of respondents thought the new way of selling was as effective as the model used pre-COVID-19.

Implication: B2B suppliers must continue to adapt to meet this new omnichannel reality. Undoubtedly, shifting to a more varied selling approach is not a straightforward process. But selling organizations can take confidence from the increasing comfort that many of their peers (and their customers) have with omnichannel as an effective way of doing business.

Exhibit 2

Confidence in the effectiveness of new sales models continues to climb.

Effectiveness of new sales models in reaching and serving customers, % of respondents, US only¹



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 = 607; Aug 2020, n = 602; Feb 2021, n = 562; Nov 2021, n = 602

Customers are using more channels than ever before

Omnichannel truly involves many channels. The number of channels that B2B customers use has doubled in the past five years. B2B customers say they are now interacting with suppliers via ten or more channels, up from five in 2016 (Exhibit 3).

Exhibit 3

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 journey,¹ US only



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 go 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).
Source: McKinsey & Company Global B2B Pulse, 2016, n = 648; 2019, n = 605; Nov 2021, n = 602

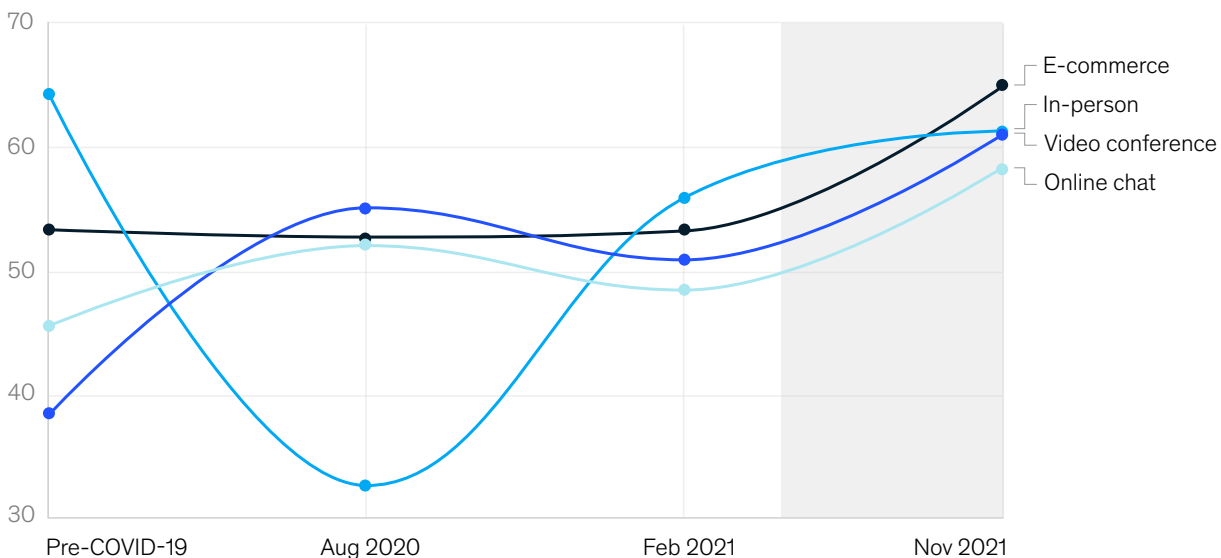
Part of the reason customers are engaging in a wider array of channels is that suppliers are finally catching up to the demand. While in-person selling rebounded to pre-COVID-19 levels during 2021, more companies than ever before also began offering e-commerce as a sales channel (Exhibit 4). We now see a tipping point, with e-commerce surpassing in-person selling as a sales channel, at 65 percent, versus 53 percent earlier this year. Videoconferencing and online chat also rose during the year.

When it comes to how effective these channels are, 32 percent of respondents now rank e-commerce as the single most effective channel, compared to in-person transactions at 23 percent: a swap from eight months ago (Exhibit 5).

Exhibit 4

For the first time, B2B sellers are more likely to offer e-commerce channels than in-person selling.

Channels offered by B2B sellers,¹ % of respondents, US only



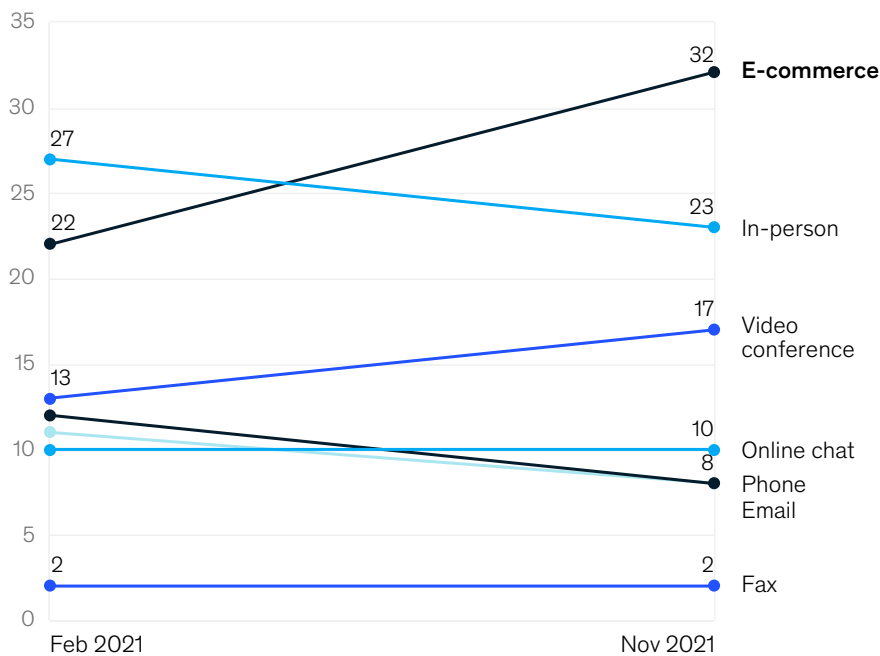
¹ Q: In what ways is your company's product or service sold today? Phone and email channels not shown (each flat at ~50%).
Source: McKinsey & Company Global B2B Pulse, Jan 2019–Nov 2021

Implication: Increased opportunities to engage in different ways involves increased complexity. To equip customers to navigate this complex omnichannel ecosystem, sales professionals will increasingly need to become “journey orchestrators,” directing customers to different types of channels for experiences that sellers in the past might have completed themselves.

Exhibit 5

E-commerce is the most effective channel for a plurality of B2Bs.

Effectiveness of sales channels, % of respondents who identified channel as their most effective, US only¹



E-commerce has now surpassed in-person as the single most effective channel

¹ Q: How effective are each of these sales channels for your company? Responses are % who ranked the given channel “1,” indicating that it is the most effective of any channels the respondent’s company sells through. Source: McKinsey & Company Global B2B Pulse, Feb 2021, n = 562; Nov 2021, n = 602

Channel preferences shift depending on the stage or type of purchase

While the overall “rule of thirds” holds throughout the stages of a transaction, some shifts in channel usage occur, depending on the purchase stage and type of purchase. Buyers are more likely to stick with in-person

selling for first-time, complex, or high-value sales (Exhibit 6). When the transaction is lower in value or less complex, self-serve is a more attractive channel. But overall, the rule of thirds still holds, with between 30 percent and 40 percent of respondents saying they use each channel type in each purchase situation.

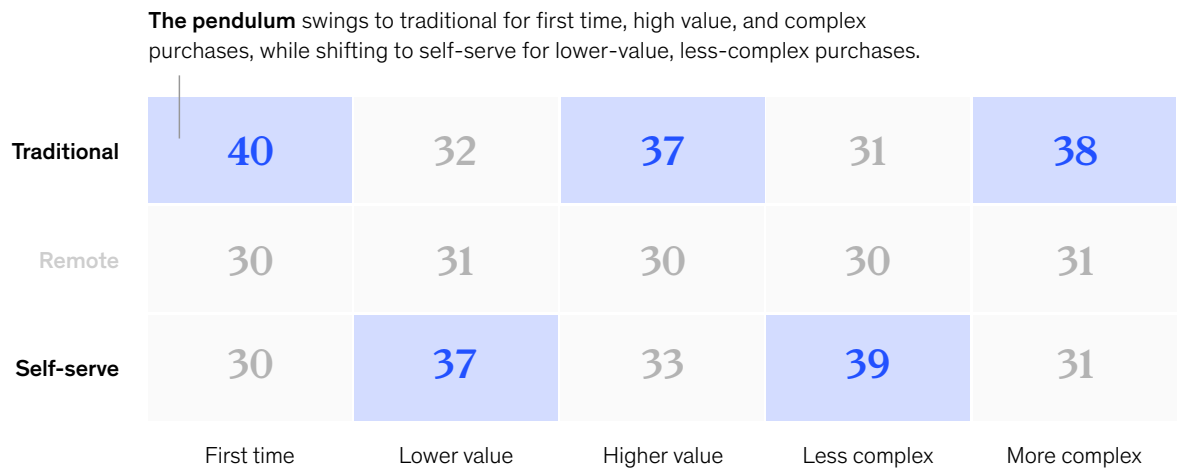
Implication: Although conventional wisdom might dictate otherwise, every type of transaction needs the support of all three channel types: traditional, remote, and self-serve. Businesses should prepare to shift resources toward more in-person sales for higher-value or complex purchases, but other channels remain important. Similarly, self-service sales may dominate lower-value or less complex transactions, but some buyers are likely to opt for in-person sales, so the channel still matters.

Exhibit 6

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

Preferred use of channel by type of purchase situation,¹

% time communicating with suppliers, US only



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?
Source: McKinsey & Company Global B2B Pulse, Nov 2021, n = 602

Loyalty erodes as customer expectations spike

During the pandemic, an unprecedented share of consumers began changing brands or retailers, and signs suggest that B2B customers could follow suit. The majority of B2B customers we surveyed say they will actively look for another supplier if their main needs are not met. More than 80 percent say that a performance guarantee—including a full refund if a certain performance level is not met—is critical for brand loyalty (Exhibit 7). Purchasers are almost as likely to want real-time customer service, transparency online about product availability and pricing, and a consistent purchasing experience across multiple channels.

Implication: The good news about waning loyalty is that there has never been a better time to attract new customers and retain existing ones. Suppliers who are already committed to quickly innovating and investing to deliver a better omnichannel experience will appeal to customers who would otherwise flee elsewhere.

Exhibit 7

B2Bs are very clear about what they want from suppliers overall, and very willing to consider switching if ‘must haves’ are not offered.

Experiences required for customer loyalty, % of respondents that will actively look for another supplier if given experience is not present, US only¹

Tier 1: Must do

Performance guarantee (full refund):

82%

Product availability shown online:

81%

Ability to purchase from any channel:

80%

Prices available online:

80%

Real-time/always-on customer service:

80%

Consistent experience across channels:

80%

Tier 2: Very important, but start on these once tier 1 is done

Outcomes-based pricing:

77%

Readily available customer reviews:

76%

Easy-to-place orders via mobile:

73%

Ability to view products in person if needed:

71%

Tier 3: Start after tiers 1 and 2 are up and running (unless very easy to start or fix)

Free shipping available on all orders:

69%

3-D/virtual product demos:

68%

Single log-in/password for all supplier sites:

68%

Delivery within 2 days:

67%

Loyalty program granting points/other rewards:

64%

¹ Q: For each of the follow 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."

Personal relationships are paramount, regardless of channel

Although online interactions, both remote and self-serve, are here to stay, in-person sales reps are as important as ever. Customers don't want to give up face-to-face visits altogether. Seventy-six percent of respondents describe them as a sign of how much a supplier values a relationship. Critically, 59 percent of customers say they will buy from a supplier only if they've met in person at least once before.

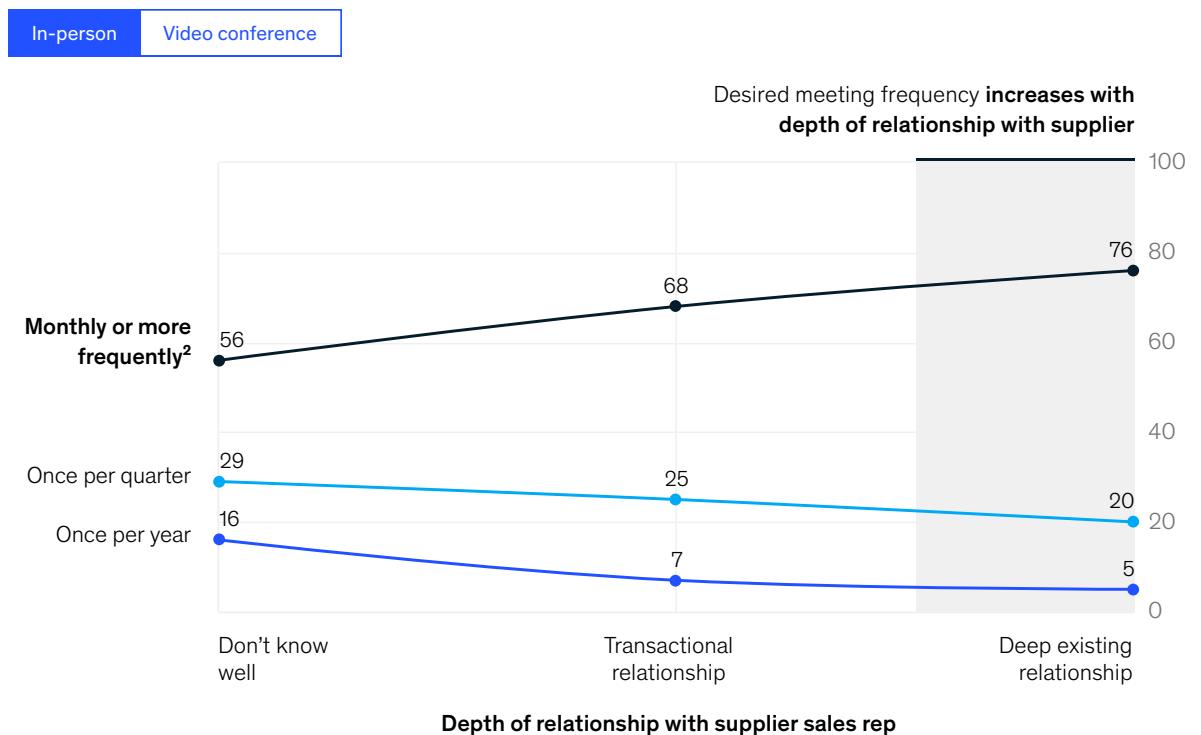
Interestingly, although respondents say they want the in-person touch, they also admit that it's not critical. Seventy-two percent say they get as much value from meeting with sales reps via videoconferencing as they do in person. Further, 69 percent say virtual social activities can be a good substitute for in-person interactions to build trust.

Implication: Salespeople are as relevant as ever, and suppliers should take care not to jettison face-to-face meetings. In particular, businesses should make a point of visiting important customers they haven't yet met in person.

Exhibit 8a

In person and video conference visits from suppliers to B2Bs remain desired and need to be even more frequent with established relationships.

Preferred frequency of in-person and video conference interactions by type of relationship with sales representative,¹ % of respondents, US only



¹ Q: How frequently do you want to meet different types of sales reps from your suppliers in person? How frequently do you want to meet different types of sales reps from your suppliers via video conference?

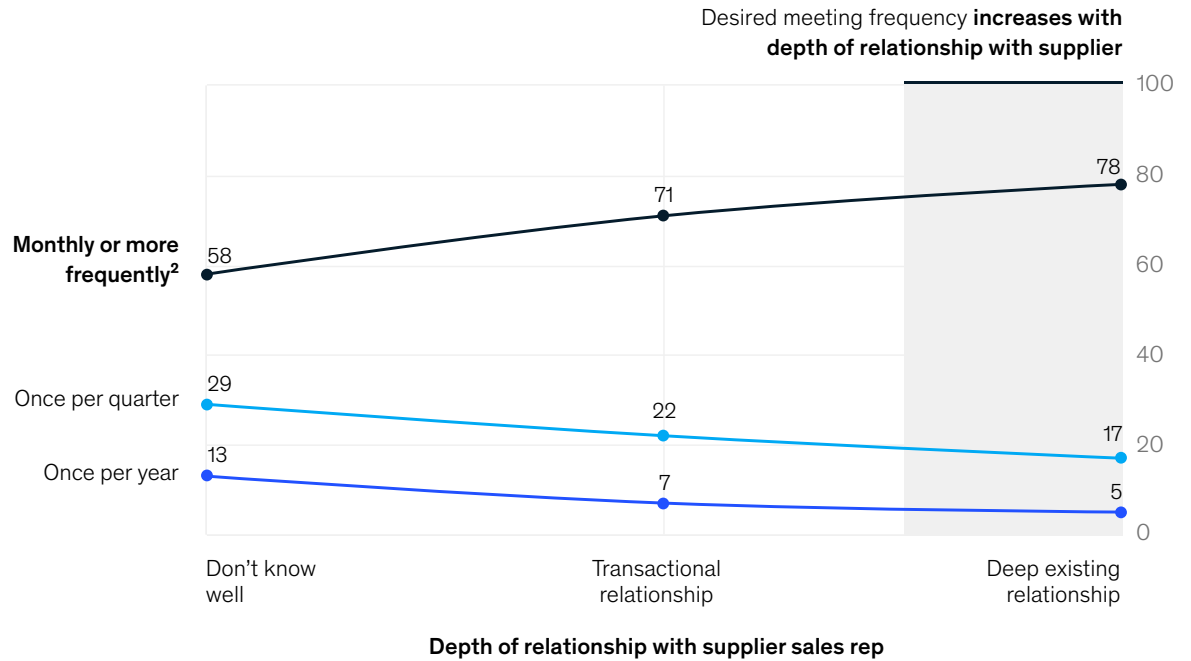
² Monthly or more frequently includes "Monthly" and "Weekly" responses.
Source: McKinsey & Company Global B2B Pulse, Nov 2021, n = 602

Exhibit 8b

In person and video conference visits from suppliers to B2Bs remain desired and need to be even more frequent with established relationships.

Preferred frequency of in-person and video conference interactions by type of relationship with sales representative,¹ % of respondents, US only

In-person Video conference



¹ Q: How frequently do you want to meet different types of sales reps from your suppliers in person? How frequently do you want to meet different types of sales reps from your suppliers via video conference?

² "Monthly or more frequently" includes "Monthly" and "Weekly" responses.

Source: McKinsey & Company Global B2B Pulse, Nov 2021, n = 602

Customers are more willing than ever before to spend big online

Digital spending is not just for low-value purchases. Over one-third (35 percent) of B2B decision makers say they are willing to spend \$500,000 or more on a single interaction on remote or self-service channels, up from just 27 percent earlier this year (Exhibit 9). Seventy-seven percent also indicate willingness to spend at least \$50,000.

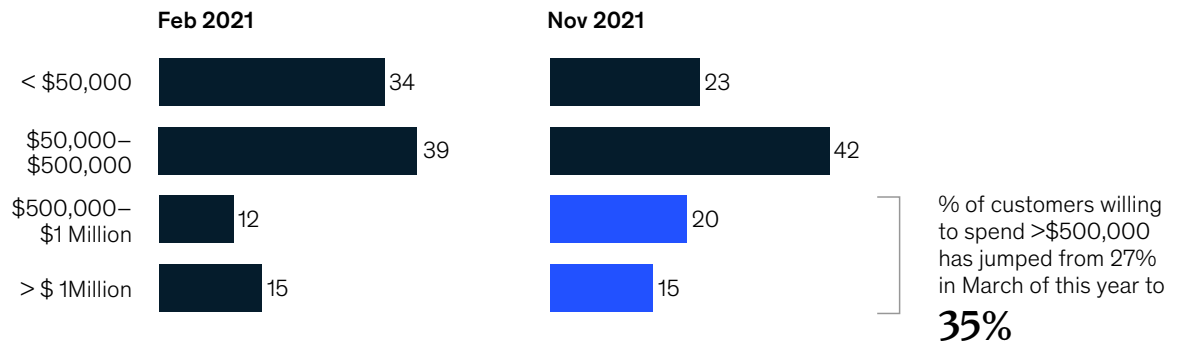
To match this increased comfort with spending big online, companies have continued investing in remote and online sales channels. Sixty-nine percent, for example, say they increased their e-commerce budget over the past year.

Implication: Along with reordering and low-ticket purchases, complex, high-value transactions can and should be available to all customers on digital self-serve and remote channels. This means that many suppliers may need to shift their online product mix and potentially launch new pricing processes to streamline quoting and approvals for large-value purchases.

Exhibit 9

Remote and self-service are not just for low-value purchases; a majority 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, US Only²



¹Q: 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?

²<1% of respondents selected "Don't know" or "Would not."

Source: McKinsey & Company Global B2B Pulse, Feb 2021, n = 562; Nov 2021, n = 602

Lean into channel conflict

While e-commerce is growing faster than ever, some suppliers remain hesitant. Within companies, self-serve e-commerce is viewed “in competition” with other sales channels. For example, 54 percent say in-person sales competes with e-commerce, and 47 percent say inside sales—fully remote transactions, often conducted by phone only—does the same (Exhibit 10).

As companies think about making their next move in e-commerce, they will also need to be aware of nuanced customer preferences. For example, 64 percent of B2B decision makers have the greatest comfort with making an online transaction on a supplier website that is behind a paywall. There’s slightly less comfort with purchasing a supplier’s product or service on a third-party site (60 percent), or from a supplier site with no paywall (56 percent).

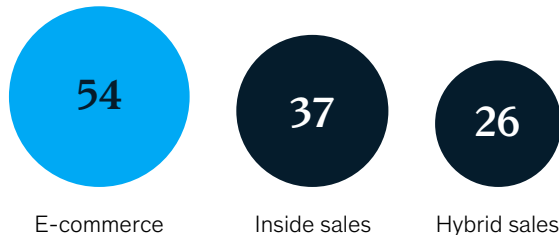
Implication: Many companies have found that managing channel conflict requires rethinking sales team incentives, redesigning sales territories, and an overall change management effort. While channel conflict is a challenge, companies that outperform their peers in gaining market share invest more in e-commerce. Their success suggests they are getting value and ROI out of wrestling with the channel conflict.

Exhibit 10

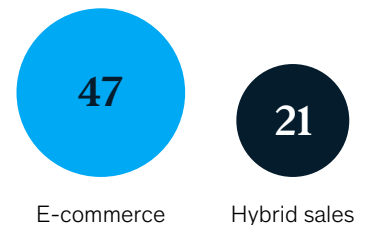
While e-commerce is growing faster than ever before, multiple barriers to usage remain.

Where suppliers experience channel competition,^{1,2} % of respondents, US only

In-person sales vs ...



Inside sales vs ...



37% of respondents believe risk of channel conflict is a barrier to overall growth of e-commerce at their company²

¹ Q: In your company, which of the following channels are experiencing channel competition with each other?

² Q: What are the barriers contributing to overall e-commerce usage at your company?

Source: McKinsey & Company Global B2B Pulse, Nov 2021, n = 602

Omnichannel requires diversification in sales roles

With the emergence of more sales channels, companies would do well to recognize that traditional sales roles, like field sales and inside sales, have evolved and settled into an overall hybrid role. A hybrid seller has the same set of responsibilities as a field rep, but hybrid sellers use videoconferences, online chats, and the support of e-commerce to close deals, while field sellers often work in person.

According to survey respondents, their companies are actively focused on growing hybrid and digital sales teams. A net 70 percent of companies increased hybrid sales team resources in 2021 (76 percent grew their hybrid teams; 6 percent shrank them). A net 64 percent added to their digital sales teams (70 percent grew their digital teams; 6 percent shrank them). These changes outpaced growth in more traditional sales roles, like inside and field sellers (Exhibit 11). Companies also expect these trends to continue into 2022 and beyond.

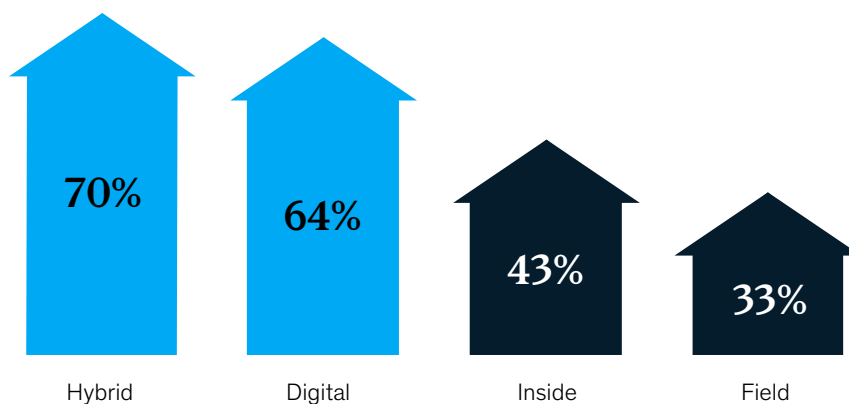
Across the board for our respondents, these sales role changes have been beneficial. Respondents report improvements in cost of sales (sales cost as a percentage of total revenue), with 52 percent reporting a positive trajectory in the past year.

Implication: With the rapid evolution in sales team composition, organizations will need to ramp up hiring, training, and capability building to ensure they are not only bringing in net new hybrid sellers, but also equipping their existing field and inside sales reps to transition to this new role.

Exhibit 11

Hybrid and digital are the fastest-growing sales roles.

Net change in sales roles,¹ % of respondents, US only



¹ Q: 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, Nov 2021, n = 602

How sales and marketing can deliver higher impact together

Increasing demands from customers, the proliferation of sales channels, increase in data availability, and need to personalize content have driven the need for sales and marketing teams to work as one. In fact, 89 percent of respondents now say that marketing and sales need to work closely together, more so than ever before.

To help enable and drive increased sales, marketing teams have been busy. Fifty-two percent of respondents say their companies have conducted extensive primary research to improve customer experience. Another 51 percent have invested in new capabilities to enable personalized marketing, while 45 percent say their companies have recently reevaluated the role of marketing in their organization overall.

While great progress has been made, there is still a long way to go to ensure marketing and sales teams work together effectively. For example, 57 percent of respondents report that their sales teams still do not fully utilize (and often ignore) content created by marketing.

Implication: Now is the time to ensure that your sales and marketing teams can work together to improve overall customer experience. For example, ensure that your most senior sales and marketing leaders (eg, chief sales officers and chief marketing officers) have a strong relationship. Consider a rotational program to place sales leaders in marketing functions (and vice versa) to build empathy and understanding of the roles.

The next normal for B2B sales is here, and there's no looking back. Businesses are no longer cautiously testing the waters, incrementally (and sometimes reluctantly) inching their way online. The pressures from COVID-19 have accelerated the shift, and the rule of thirds for B2B sales—one-third in-person, one-third remote, and one-third online self-serve—has firmed up. Further, there are nuances within the rule of thirds, and customer loyalty is waning. To stay ahead, businesses will have to remain flexible and dynamic to satisfy the needs of their customers.

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