



## HOW THE DIGITAL AGE IMPACTS ON THE BUYER-SELLER RELATIONSHIP

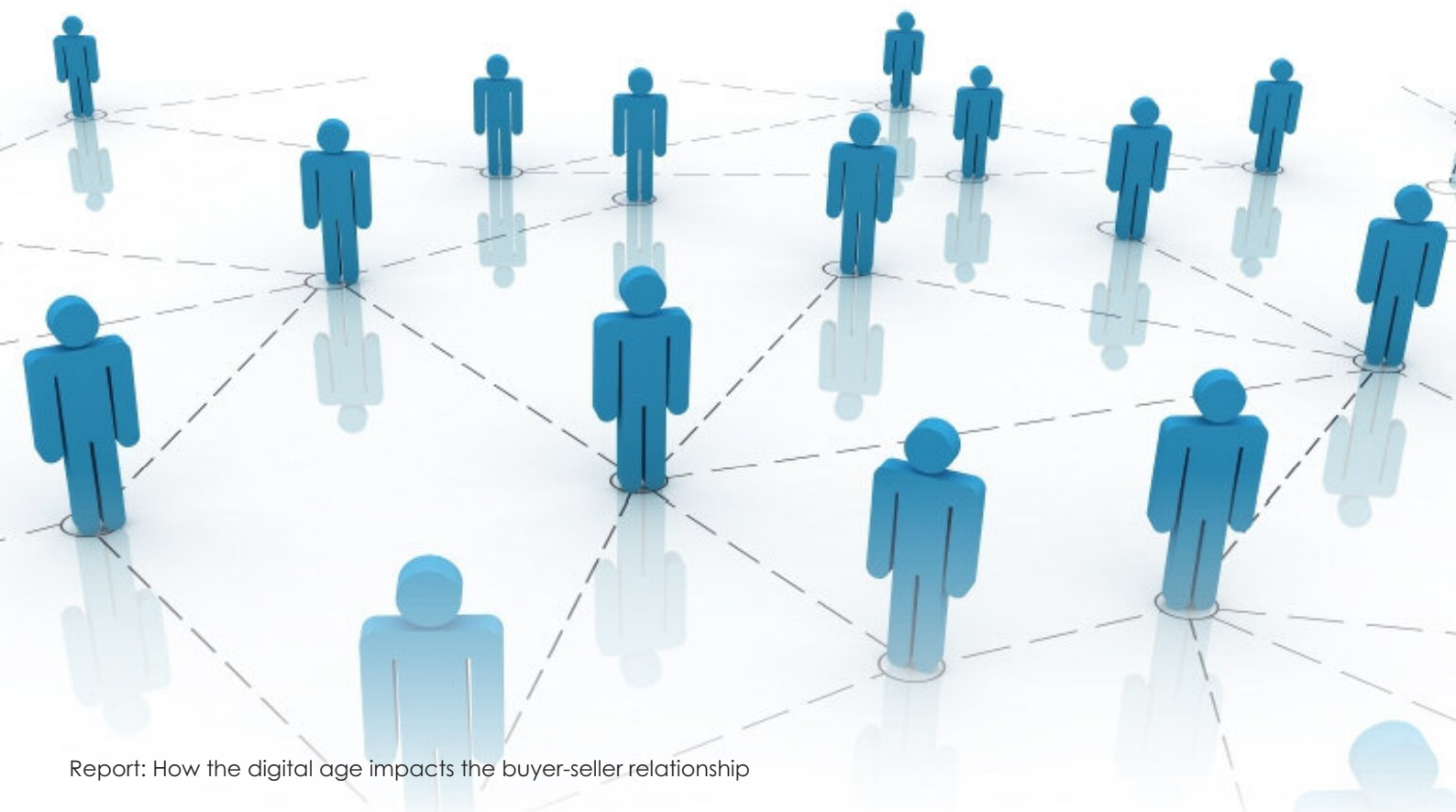
**The digital age is creating a new economy based on the management of information. This has been made possible by technology which has led to the rapid adoption of personal computers and the internet. In the digital world, all stakeholders in the value chain will have the ability to transfer information freely and have instant access to knowledge that would have previously been difficult or impossible to find.**

From a business perspective, all stakeholders in the value creating process now have the ability to create, communicate and consume more information. Similarly, end-users have also embraced this trend by creating, communicating and consuming more information.

Winning organisations have realised this trend and the amount of data available. They are proactively using data to;

- Manage their business .
- Gain insights that can be leveraged to improve their business.
- Drive sales.
- Deepen relationships.
- Predict behaviour.

This represents an opportunity for organisations to understand how they can use data in smart ways to improve their business model. Already buyers have begun to leverage technology to help manage various activities. Suppliers have also realised this and are also using technology to remain competitive.



## Buyers are embracing technology

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Buyers are embracing technology to understand their suppliers' value-add better and refine their business model.

### To understand suppliers value add better

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The digital age is making buyers more sophisticated. They have invested time and energy in various areas that place them in a better position to negotiate value. Buyers are therefore able to research potential supplier's value offerings long before the sales call happens.

#### Specifically buyers;

- View supplier's online marketing materials and product information.
- Have real-time access to customer reviews of products and services.
- Ask for recommendations via social media channels.

Buyers also have better access to highly technical buying consultants. These consultants help buyers understand their options better and can construct sophisticated decision-making support tools.

### To refine their business model

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Both large and small buyers are analyzing data to refine their business model. Smaller buyers are focusing on identifying insights that can predict performance. These insights are then being used to develop strategies that increase the predictability of performance which often results in better segmentation and targeting. Larger buyers search for statistical variations in performance across accounts to highlight what works. Once these insights have been identified they must then be leveraged across the business.

## Suppliers' sales teams must become sophisticated users of data

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How sales teams use data will drive their competitiveness. Customer Relationship Management (CRM) tools are already using data to manage supplier interactions with both potential and current buyers. These interactions can vary from;

- Finding new buyers.
- Communicating with potential and existing buyers.
- Cross-selling and deepening relationships with existing buyers.
- Servicing existing buyers.

Taken together, the above interactions grow B2B sales and reduce marketing costs. However sales teams must become skilled at using this technology to achieve its potential benefits. B2B sales teams that effectively use customer data report;

- Increased volume and quality of sales leads.
- Improved conversion rates. B2B sales teams that effectively use customer analytics report;
- Better understanding of what makes a profitable customer.
- Better segmentation and targeting strategies.
- Better hit ratios on cross selling campaigns.

Innovative sales teams are going one step further and using available data in increasingly clever ways to build revenue management models. B2B sales teams can build an early- warning system for possible declines in business that serves as a powerful sales opportunity tool. Building predictive revenue models involves establishing target sales by estimating the size and frequency of customer purchases based on examining leading customers in each product category. This helps sales teams take action if the customer didn't behave as predicted. This is emphasising the importance of not only introducing new technology skills into the sales team but also introducing new strategic and operational roles that are data focused.

Now that it is clear that data is driving sales and not gut-instinct, frontline sellers and managers need to become sophisticated users of data. To compete, salespeople must become skilled at using handheld devices, mobile computing, instant messaging and social networking applications. These media have revolutionized how salespeople sell.

Finally, selling is also becoming the responsibility of non-traditional sales roles as cross selling opportunities are taking place in new areas across the business. These areas often include product installation, technical support, customer service, product development and marketing.

**As this report illustrates the success of B2B organisations will depend on how effectively they use the increasing maturity of social and digital integration in their sales and marketing.**

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