



How Can B2B Organizations Engage Consumers through the Use of Digital Technology?

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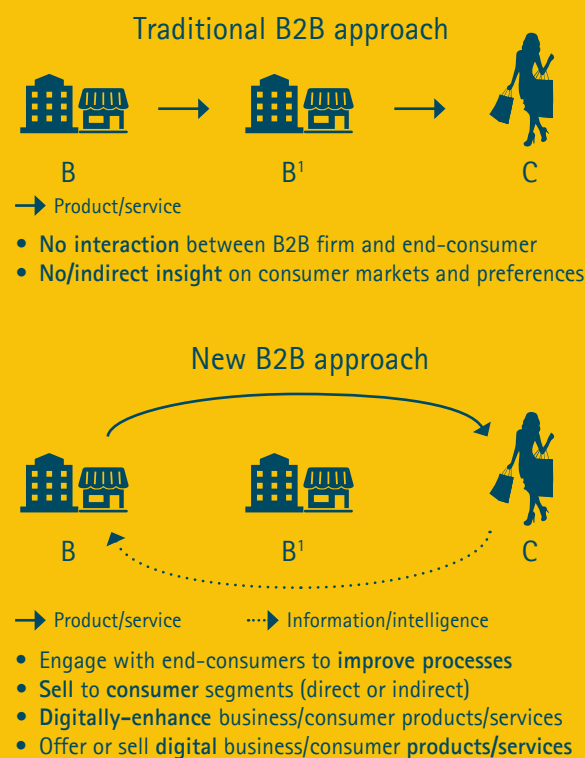
INTRODUCTION

In the past, business-to-business (B2B) organizations have focused most of their customer-facing digital initiatives on online purchase transactions. Recently, they have forayed into digital support for pre-purchase decisions and post-purchase services. These digital initiatives have been designed to influence the demands and purchasing journeys of decision makers at the business customers, and have enabled B2B organizations to extend reach, and build stronger and deeper business customer relationships, among other benefits¹.

A number of B2B organizations are going even further now, using digital technology to reach out to end consumers (see Figure 1). By understanding consumers' preferences and behavior, a B2B organization can realize important benefits such as more revenues through increased sales volume by stimulating primary demand for the end product, price premiums driven by preference insights and higher customer switching costs. The organization can also achieve cost efficiencies in internal operations, including inventory management, production planning and logistics, by better understanding end-consumer markets.

To guide business leaders in engaging consumers through the use of digital technology, the *Consumer Engagement Framework* was developed by Professor Steve Muylle and Doctor Willem Standaert from Vlerick Business School, and Professor Amit Basu² from the Edwin L. Cox School of Business, Southern Methodist University (SMU), Dallas, Texas, as part of the Accenture Belux – Vlerick Digital 20/20 Chair³.

Figure 1. Digital technology enables opportunities for B2B firms to engage end-consumers



¹ One or multiple firms

THE CONSUMER ENGAGEMENT FRAMEWORK

The framework has two dimensions:

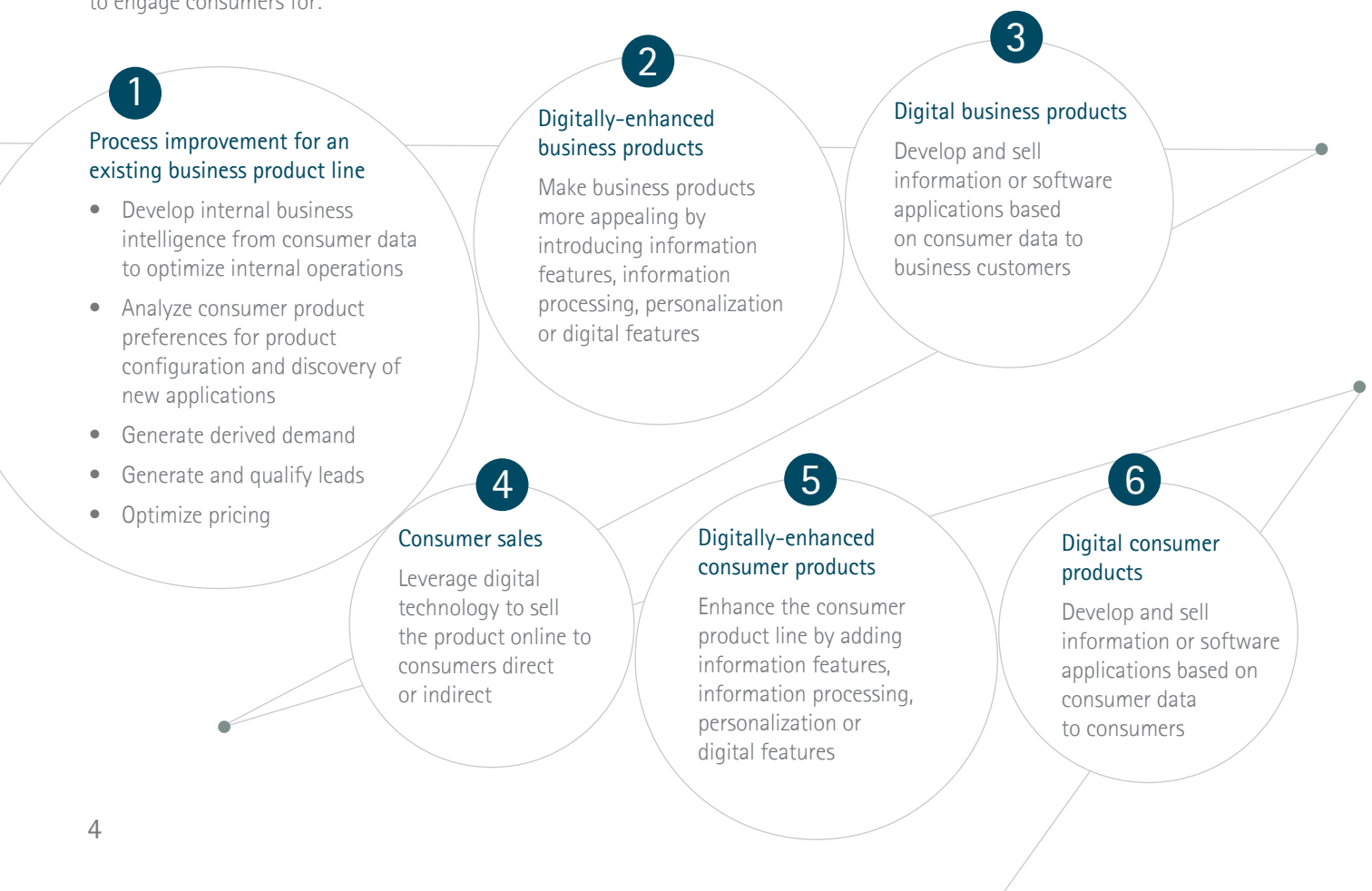
(1) market scope (B2B or B2C segment), and (2) level of product digitization. In the first dimension, B2B organizations use digital technology to cost effectively access in-depth information about consumers to improve key business processes, and potentially also extend business product lines with products marketed to consumers.

The second dimension of the framework consists of different levels of product line digitization ranging from digital enhancement of existing products (leveraging technologies such as sensors, mobile applications, cognitive computing and artificial intelligence) to introduction of entirely new digital products (such as selling consumer insights to business customers or consumers).

Figure 2. Consumer Engagement Framework



Using digital technologies, B2B organizations can interact with consumers and leverage consumer data in six distinct ways (see Figure 2)—each with varying implications for business models and processes. B2B organizations can use digital technologies to engage consumers for:





THE CONSUMER

APPLYING THE CONSUMER ENGAGEMENT FRAMEWORK

In this section, the six types of consumer engagement are illustrated for an industrial coffee machine manufacturer. Consider this B2B organization is currently selling coffee machines as well as coffee beans to offices, bars, hotels and restaurants (customers), but not directly to consumers.

In a B2B context, the organization can engage consumers to **improve its processes**. For example, the organization can generate derived demand by informing consumers where to find their coffee machines in coffee shops through a website or a mobile application. Consumer demand will motivate coffee shops to buy and use the organization's coffee machines. To identify new customer leads, the organization can monitor consumer interaction (such as on social media) about coffee consumption at different places. Shops that do not currently offer the organization's coffee (machines) can be identified as potential customers. To **learn about consumer preferences**, the organization can interact with consumers (such as via social media) about coffee brands or flavors. It can then adapt its coffee offering to better cater to consumer preferences, thereby indirectly increasing the sale at coffee shops.

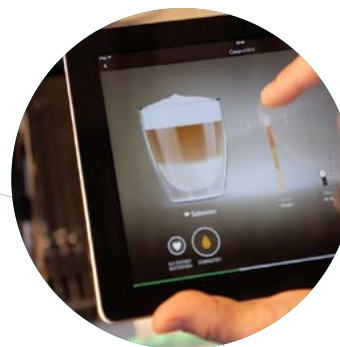
To **enhance the appeal of its industrial coffee machine**, the organization can develop a mobile app for consumers. The app can allow consumers to customize and save the composition of their coffee, as well as track and monitor their consumption. Consequently, coffee shops that have machines that can connect to this mobile app become more appealing to consumers, as they can order the same coffee every time, and track their coffee consumption.

Based on aggregated consumer information from the mobile app, the organization can offer a **digital product** (information or software applications) to its **business customers**, providing insights on consumer preferences, consumer profiles or time of consumption, which allows business customers to better tailor their offerings.

Process improvement



Digitally-enhanced business product



Digital business product





For the consumer market, the B2B organization can adapt its coffee machine to meet consumer demands, and offer its **consumer products online**—direct (on a proper e-commerce website) or indirect (such as via Amazon).

Similar to the business product line, the organization can **enhance the appeal of its consumer product line** by developing a mobile app for consumers that allows customization of the coffee's composition and tracking of coffee consumption. Moreover, this app can send an alert to consumers when their machine needs maintenance or repair, and consumers can contact the organization's service center using the app. Similarly, when certain flavor capsules are out of stock, the consumer can re-order using the app.

Finally, the organization can introduce a **digital consumer product**. Based on the information collected by the organization via the app (through user input or sensors), it can gather insights on the average consumer's energy levels after consuming a specific cup of coffee. Using these insights and data on caffeine intake, the organization can recommend consumers when to drink which type of coffee for an optimal impact on energy and health. Also, based on data on preferences of consumers with similar tastes, the organization could propose consumers other coffee blends that match their tastes.

Case study


Organization: Solvay Group

Industry: Chemicals

Product line: Emana® fiber absorbs the body heat and emanates infrared rays back to the skin, offering higher skin blood micro-circulation and improved skin smoothness and elasticity⁴. The fiber is sold to shapewear, hosiery, lingerie, jeans and sportswear manufacturers, who then sell their apparel through wholesale and retail to end consumers.

Consumer engagement type: Process Improvement–Generate derived demand

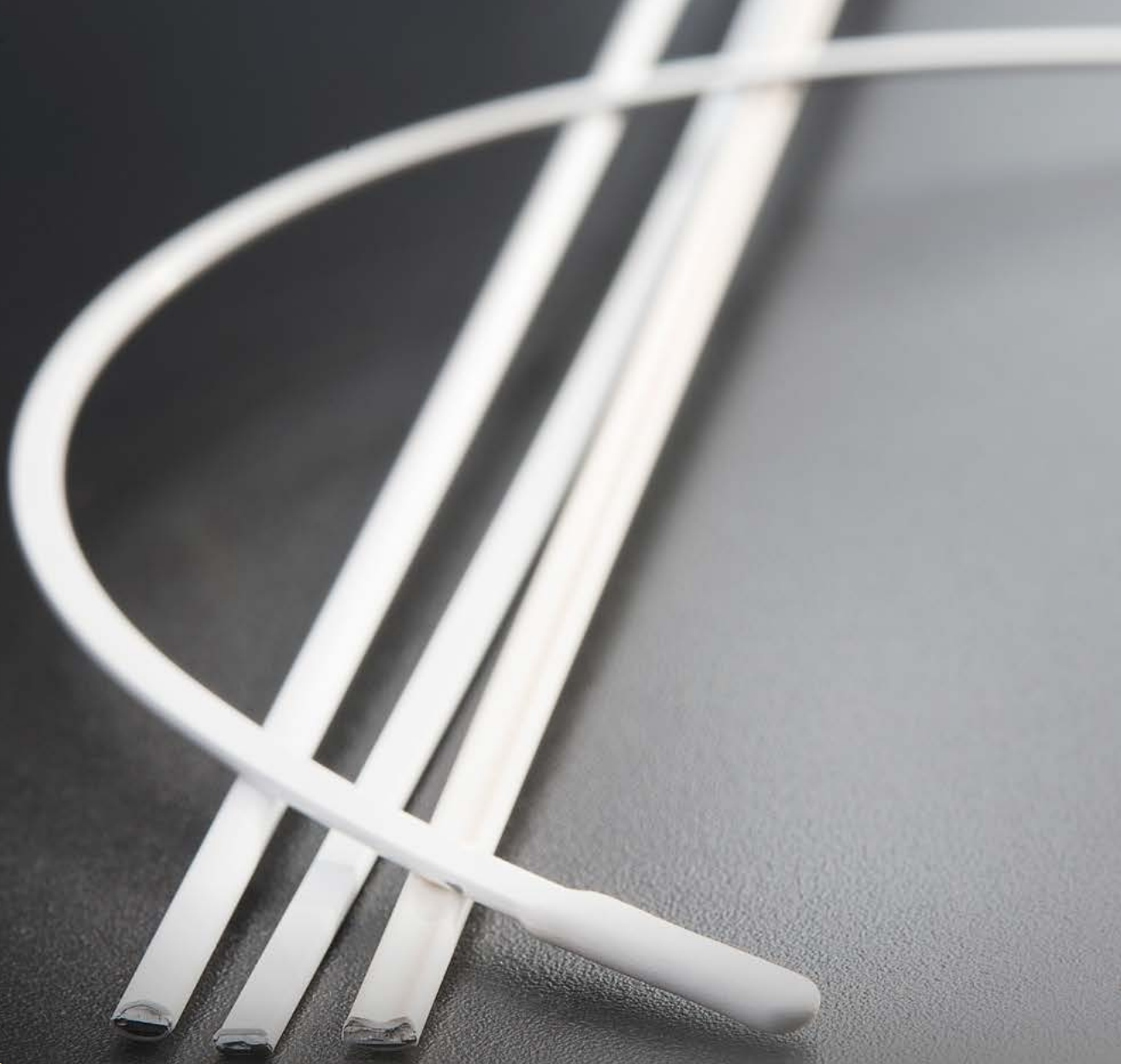
Description: Through social media (such as Facebook), Solvay educates consumers about Emana® fiber in its customers' products, and provides links to the online stores of its business customers. On its Facebook page, a tab lists different customer products that feature Emana® fiber. Moreover, the organization encourages consumers to share their experiences wearing Emana® fiber-based apparel in sporting events on Instagram, using hashtags that refer to the fiber. Potential Solvay Emana® customers can monitor this information, which can motivate them to contact Solvay for more information about Emana®.



"For Solvay, as a traditional B2B organization, the connection with the end consumer is typically not top of mind. Yet, digital trends and technologies also push B2B companies such as ours to consider its impact on our business model."

Renato Boaventure

President of Fibras Global Business Unit at Solvay



Case study

Organization: Bekaert

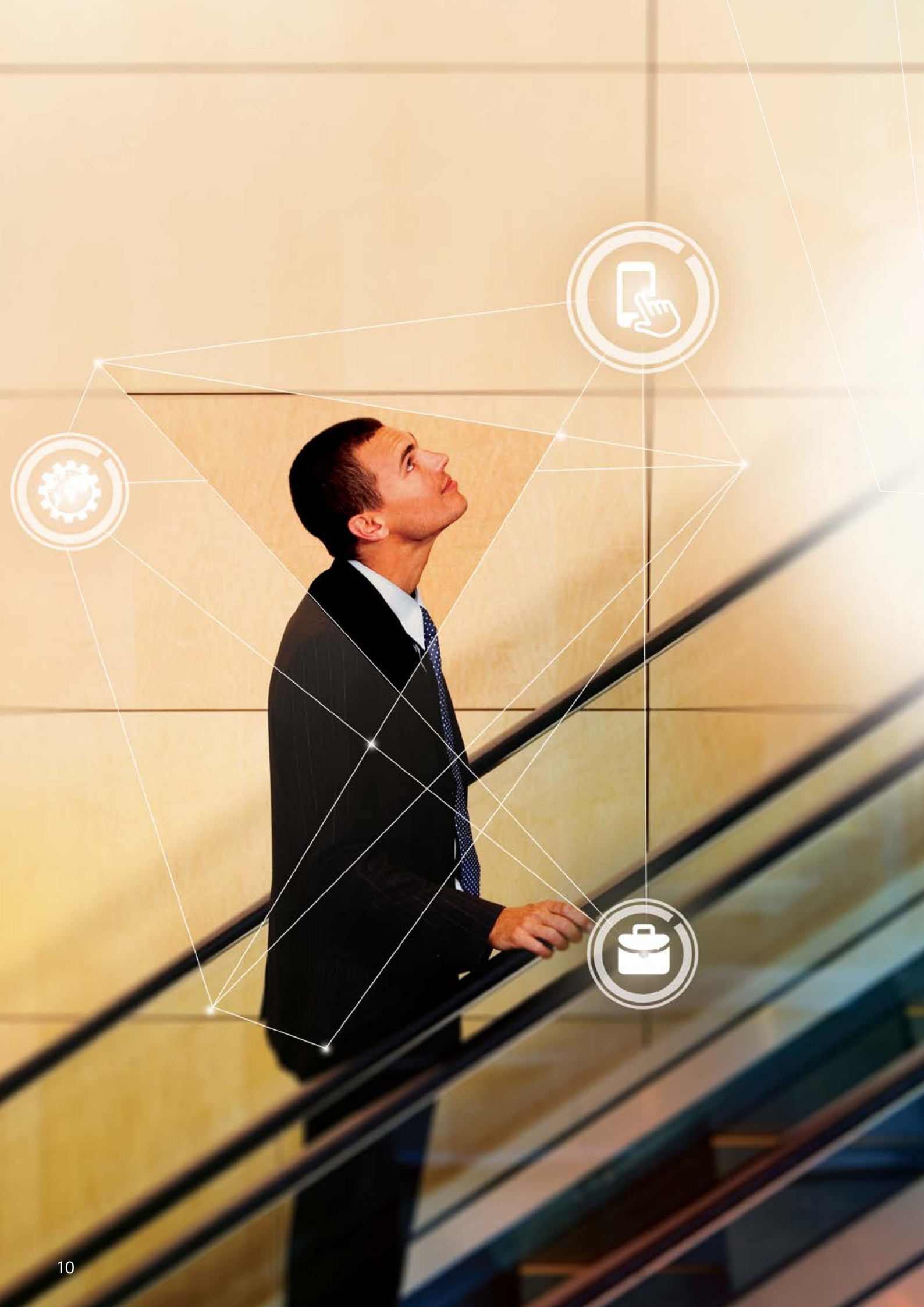
Industry: Steel Wire Transformation and Coatings

Product line: Bekaert brassiere wire: It is a range of high-quality, corrosion resistant, pre-coated specialty steel wire that provides excellent formability, elasticity and strength. The brassiere wire is sold to bra wire manufacturers, who further shape the wire and sell to wholesale and retail lingerie manufacturers—who sell bras to end consumers.

Consumer engagement type: Process Improvement—Analyze consumer preferences.

Description: By monitoring consumer discussions about bra underwire on social media, Bekaert learned that end consumers had issues with underwire that was breaking, tearing the fabric or making disturbing, squeaking noises. These insights helped Bekaert strengthen its position and product range in the brassiere wire market, and implement the non-squeaking solution in its product portfolio.

According to Francis De Bie, vice president - Specialty Steel Wire, and Lieven Somers, Global Market Manager Brassiere Wire, as a world market and technology leader in steel wire transformation and coating technologies, Bekaert explores how it can learn from and potentially connect with end consumers through the use of digital technologies for the benefit of its business customers.



CONCLUSION

B2B organizations are increasingly considering the use of digital technology to engage end-consumers. However, capturing value from such engagements requires a different approach than mere interactions with business customers. The Consumer Engagement Framework includes six types of consumer engagement, and provides a useful basis for any B2B organization to assess its current consumer engagement initiatives as well as to identify how these efforts can be reinforced, supplemented or integrated to enhance the scope and impact of the organization's digital initiatives.



NOTES

1. The Chemicals Industry: Getting ready for next generation B2B

2. The framework extends prior work of Amit Basu and Steve Muylle on e-business process planning: Amit Basu and Steve Muylle, 2007, "How to Plan e-Business Initiatives in Established Firms," MIT Sloan Management Review, 49; Steve Muylle and Amit Basu, 2008, "Online Support for Business Processes by Electronic Intermediaries," Decision Support Systems 45; Amit Basu and Steve Muylle, 2011, "Assessing and Enhancing e-Business Processes," Electronic Commerce Research and Applications 10.

3. Accenture Belux – Vlerick Digital 20/20 Chair (www.digital2020.be)

4. www.solvay.com

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