



## Customer Experience enters the B2B battlefield

New research shows B2B buyers' expectations of oil, gas and chemical companies have changed

“How we buy—our journey—is changing. We expect an easier way of working together that works for us, not for the masses. Today we’re looking at the total cost of being your customer, not just the price of what we buy.”

—A procurement executive and major purchaser of oil, gas, and chemical products

Why do your customers buy from you? This isn’t a question about the standard purchase considerations—process, product, price, and quality. For an oil, gas, and chemical industry buyer, the hard facts will always be important to the equation, but the ways a seller presents itself and how it delivers a richer, better, more bespoke experience—and probably at part digital—matter more and more.

In-person interactions, whether one-on-one or in settings like trade shows, are being replaced by digital interactions. While that shift may be partially a reaction to COVID-19, it is likely here to stay. This challenges companies that serve B2B customers to provide richer customer experiences through digital channels. And the imperative isn’t merely that your customers want this kind of service. It’s that some of your competitors are already providing it.

B2B relationships are inherently complex. Buying cycles are long, and decisions filter through many hands. With high dollar values and company reputations at stake, experience and engagement will never fully displace performance and value. B2B sellers need to deliver on both.

To understand how these balance in today’s increasingly digital world, Deloitte surveyed decision-making executives from more than 160 companies that buy oil, gas, and chemical products and conducted first-person interviews with numerous executives who play different roles across the buying process in areas such as procurement, R&D, manufacturing, and supply chain. What they revealed is that digital engagement and customer experiences have risen to take their place alongside product, price, and quality as the yardsticks for performance—and are reshaping buyers’ decisioning processes.

#### What differentiates the leaders from the followers?

If you are wondering where you fall in this new balance, ask yourself these questions:

- Is critical information for buyers only available passively, such as when you print and mail it or when the sales rep makes a call or visit?
- Or have you made it possible for the buyer to keep up with fast-changing market facts via self-service?
- Do you wait for orders, or do you engage with buyers to anticipate their needs?
- Do you hear first of shipment delays from the buyer, or can you anticipate those issues and contact the buyer first—with solutions?
- When a buyer interacts with you, do they feel like they are being treated like a human, not a transaction?

If you can’t answer ‘yes’, read on.

## Shifting customer attitudes

Shifting expectations are driving measurable changes in customer buying preferences and behaviors. Our research shows these shifts are concrete and accelerating.

What buyers want most is information—*accurate information*—at their fingertips, and control over what they know and when. This is especially true early in the buying journey. In educating themselves about product and supplier options, 81 percent of the buyers we surveyed say they're using the web more than before as their primary source of information. In addition to a seller's own digital information, 57 percent of buyers are also using independent product review websites.

One experienced procurement executive told us, "I see my junior procurement team members using online discovery and research methods virtually exclusively. In fact, they see little value in speaking directly to a sales rep until very late in the buying process."

It's a tall order—people want information on their terms, at their fingertips, and they want new ways to engage. COVID-19 has only deepened buyers' confidence in gathering information on their own and their reliance on digital engagement. In fact, 35 percent of buyers say they intend to decrease their reliance on trade shows, industry events, and live meetings. When it comes time to order or reorder, digital self-service hasn't completely displaced human interaction among people's preferences (Figure 3), but the demand for digital channels is clear.

Buyers want digital access to information, and they aren't always satisfied with what's available today (Figure 2). Nearly half of our survey respondents said they often or always have trouble finding basic (but critical) information from suppliers. Often, the online portal does offer information like price, product availability, and issue status, but not in a way that leaves them feeling confident about its accuracy. Many of our interviewees said they don't feel assured until they follow up their web research with a live conversation with a rep—and that having to do so is frustrating.

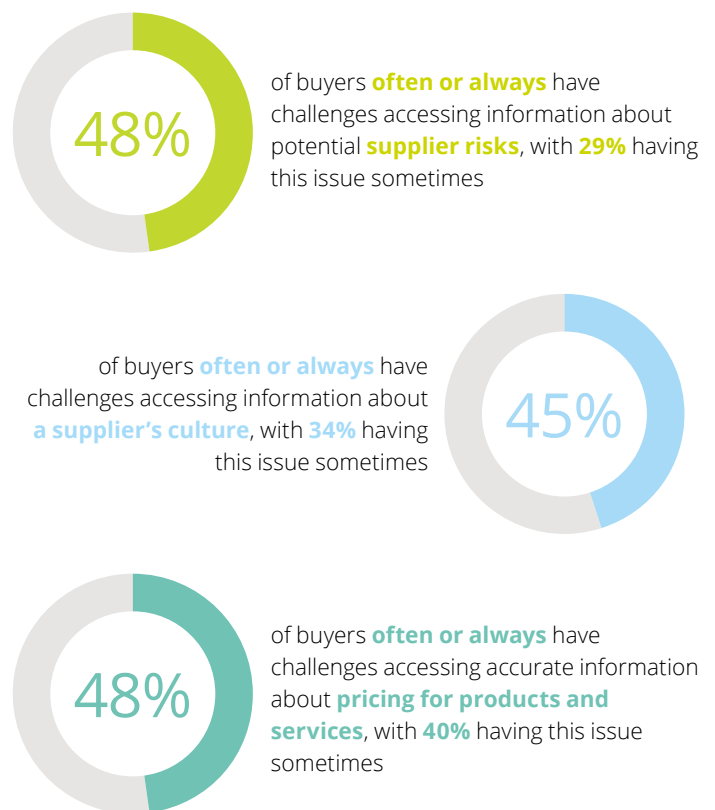
FIGURE 1

**What information do B2B buyers find "very important" or "essential"?**

Easy access to technical content	84%
Relevant product and offering content that speaks directly to our industry, applications and the value they create	77%
Easy access to pricing information	66%

FIGURE 2

**How often do you face challenges accessing the following when researching/selecting a supplier?**



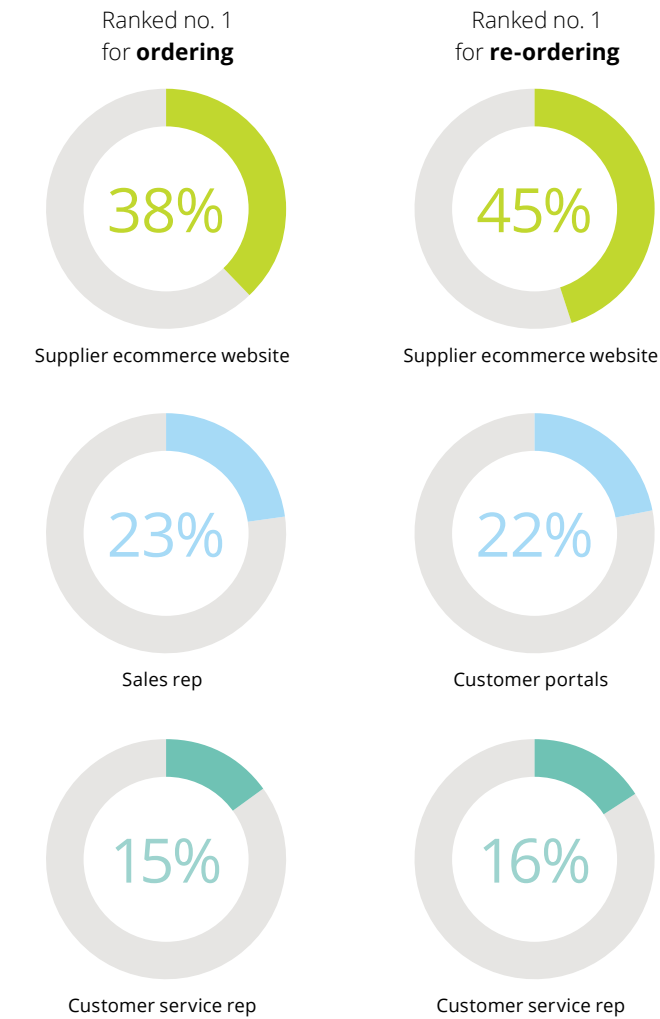
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As one high-volume chemicals buyer said, “Customer portals are great if you can get in and the information is accurate. We have some suppliers where their portals work great, and my end users love them. We have others, though, where the portal information isn’t accurate, and that’s when frustration occurs.”

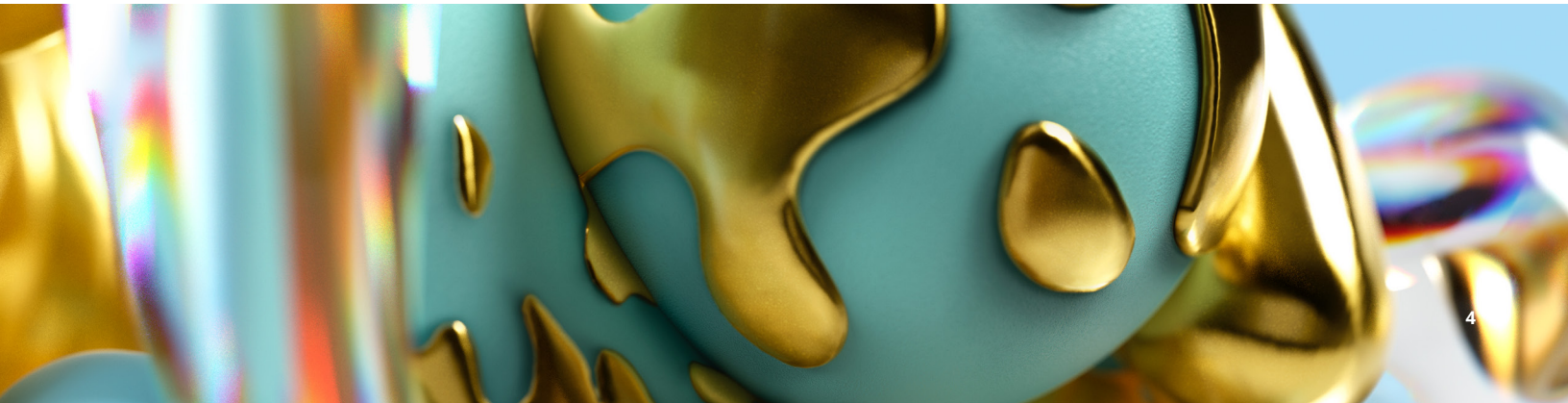
While customers do want portals to offer material attributes like price and specifications, that is only the beginning of what a good digital customer experience can provide. Customers think about chemicals and materials in the context of their specific markets, which means they also value insights into specific applications—how to solve potential problems, how to address formulation adjustments, or how performance may vary by equipment or situation. By enriching digital experience with this kind of support, sellers help buyers find not only utility, but also relevance and value beyond the product specs.

In addition to determining what information to provide digitally, a seller should also give thought to how it is delivered, including the channels buyers will prefer to use. Figure 3 gives insight into buyers’ preferred channels. It is worth noting that initial orders and reorders are distinct experiences with different expectations: Initially, customers appreciate the personal interaction that goes into setting things up and starting a relationship. Later on, they are just as grateful for a process that takes the work and time out of reordering within a framework they have already established.

FIGURE 3  
What channels do you prefer for ordering and reordering?



A seller that enriches its digital experience with this kind of support can help buyers find not only utility but also relevance in their offerings, and add value beyond the tangible qualities of the product itself.



Our survey revealed key sources of buyer complaints (Figure 4). Most respondents said suppliers take too long to get information back to them (84 percent); don't provide accurate information on basic product information, price, or availability (84 percent); or don't resolve issues fast enough (86 percent). And it is important for suppliers to address these issues: 87 percent of buyers said they would switch suppliers whom they find too difficult to do business with (Figure 5).

In a digital world, there is a lower bar to switching suppliers as competitors are available with a simple search. So how can suppliers improve their understanding of buyers to maintain customer relationships?

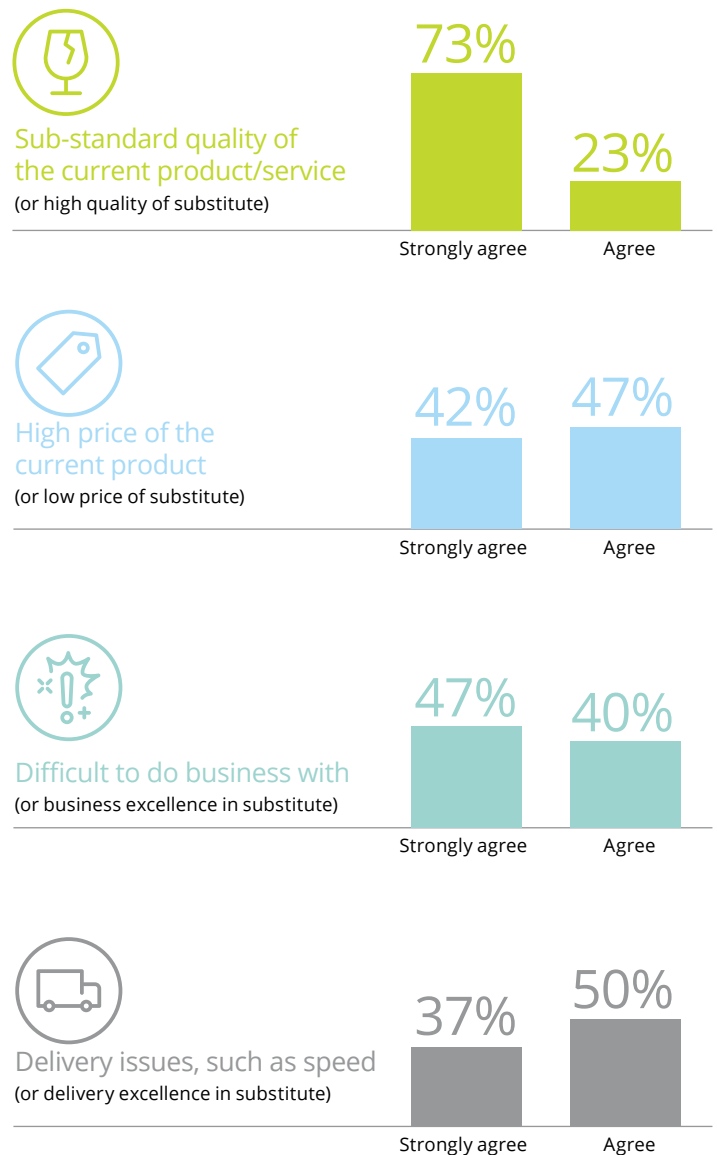
FIGURE 4

**How often do you face the following challenges post-sale?**



FIGURE 5

**To which extent do you agree that the following are reasons you would switch/consider switching suppliers?**



## Why things are changing

Is selling oil, gas, and chemical products really that different from a generation ago? Advances in the physical process are only part of what has changed. We can track the shifts in four main areas.

### Generational

In 2016, millennials became the largest cohort in the industry's workforce, and they are digital natives.<sup>1</sup> The immediacy that technology brings is something they expect from every interaction—personal and professional. In fact, they cited a strong preference to NOT engage with a live representative for many of their routine needs.

### Digital

Digital isn't new, but its power and ubiquity are. As with many advances, hype arrived before reality, and industrial suppliers who started exploring digital channels almost a decade ago are only now finding that they are gaining practical traction in the marketplace. Examples of how digital is deployed today are many, including:

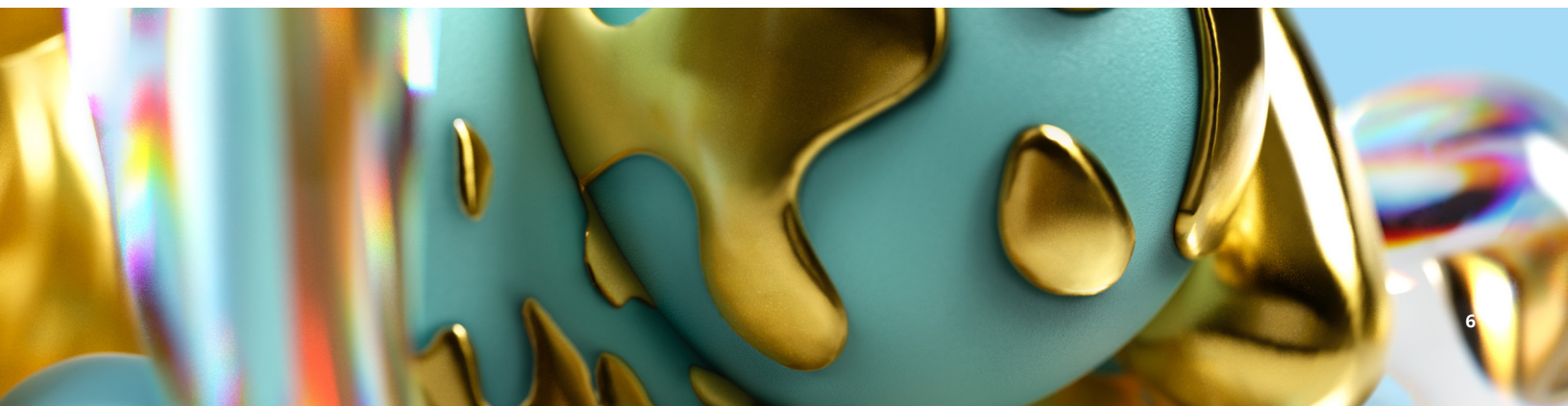
- A major Oil and Gas company transformed how prospects were converted to customers post-sale: reducing the 'customer set-up' time from 1–2 months to 1–2 minutes
- Another has reworked receipts, invoicing, and payments in a way that not only responds to customer needs with more agility, but also cuts out most of the working capital float the old process required.
- Using artificial intelligence (AI) and machine learning (ML), some companies have revamped inventory management and ordering processes so levels stay nearer to where both customer and supplier need them to be, while logistics and shipping costs are reduced
- Digitally powered supply chains are becoming more intelligent thanks to connections that allow timely, accurate demand signals to flow both ways in real time.

### Operating model

The digital engagement revolution doesn't happen just at the boundaries between a company and its buyers. It's working its way into the core of the suppliers' business. In the commercial operating model of the digital age, traditional roles are revised, including sales reps, account managers, technical engineers, and customer service reps. When customers can choose what interactions they prefer, the result is an "experience package" that may be different from customer to customer, aligning with buyer preferences and needs to drive better relationships. Within the organization, this requires careful change management for those roles.

### Market rewards

Making the customer experience a key component of corporate strategy has tangible benefits. According to Forrester research, companies that led on CX outperformed those that lagged on CX in both stock price growth (32 percent vs. 3 percent) and total returns (34 percent vs. 5 percent).<sup>2</sup> Deloitte's own research shows that over a three-year period, companies that bring a deliberate focus to elevating the customer experience are twice as likely to outperform their peers in revenue growth.



## Moving beyond traditional barriers

What would your business look like if you were taking advantage of these shifts in attitude, expectation, and technological capability? Imagine this “after picture”:

- Business objectives, strategies, and performance are set and measured with customers at the center—adding segment performance as a key management priority.
- Customer experience performance is as important as product and asset performance. The company truly becomes a customer-centric organization.
- End-to-end customer experiences are designed and delivered to be seamless, integrated across touchpoints and channels, dynamic, and digitally enabled—and reflect deep insights into customers’ needs and behaviors.
- Performance indicators across all dimensions of a customer’s journey can be tracked and measured to drive insights to shape future strategies, offers, and target experiences.
- Customers recognize, value, and embrace the experiences you deliver—and that translates into growth and margin.

What is needed for a company to realize that vision? If you’re like most in the industry, your commercial operating model, management systems, and commercial capabilities have simply not been designed to run this way. Try this test: If you decided to make a “customer-centric” decision right now, where among all the choices and activities that drive your business day would you go to find the customer?

### Let customer behavior shape customer segmentation

What if instead of the sales rep controlling what people can see, the customer had total visibility into the information that drives pricing? When customers can follow their own needs to the conclusions that work best for them, they effectively segment themselves. That can lead to packages, bundles, and offers that are naturally aligned with what they’re ready to buy.

If the answer isn’t clear, you are not alone. B2B suppliers are traditionally product-centric, and most of the companies were founded on physical capabilities—technical, engineering, manufacturing, and/or distribution. Those are the areas of competence that drove great new products and created competitive advantage. And they are still important; the physical aspect of oil, gas, and chemical production isn’t commoditized entirely. But this traditional view remains too internally focused. Domains like supply chain and manufacturing aren’t connected well with each other or with the outside world—not even marketing, sales, or service are, to the degree people demand today. Chances are, your efforts to craft and deliver a superior customer experience are trying to take root in an organization that wasn’t designed to operate that way.

That disconnect informs your starting-state capabilities, and the need to build new ones. It also likely shapes your growth strategies: Traditionally, you may have focused on products or market geographies, and no one “owned” the customer experience as a whole.

Because of that, strategies in one area didn’t systematically flow to all the affected commercial teams. In some cases, they may even have been treated as confidential, not shared from one internal silo to another. Each part of the traditional organizational structure did “its” job, and if the sum of those jobs created an interaction that left the customer feeling valued, it happened by chance. Commercial functions as they exist in most organizations weren’t designed to be seamless, but now it is important for them to work together. Accomplishing this requires breaking down silos, using a combination of organizational change and technology.

“As a procurement professional, what I’m being judged on the most is how much cost savings I get every year and things like that,” one buyer said. “But the ease of doing business—what I think of as my ‘total cost of being a customer’—is probably just as important as price. I maybe don’t get judged on that as much, but as a procurement professional and for my end users, that’s just as important.”

To move beyond these traditional constraints into a realm of proactive customer engagement, a company needs to recognize and address not only its capabilities and its structure, but also its core attitudes.

“As a buyer, I find it amazing how little one part of my supplier’s operation knows about the other. It’s as if I have to explain who I am and what I need constantly.”

## Putting customers at the center: from theory to practice

The changes involved are not few and monolithic. Instead, a company will need to make significant shifts across many areas of the business. Most of them will take an investment in time, energy, and leadership attention, and that means new management routines will be part of the equation.

Part of the shift is a tangible, trackable effort to identify and close capability gaps. But “softer” issues like cultures and mindsets will be just as important. The desired end state is not only an organization with advanced digital capabilities, but also one in which everyone understands how their work influences the customer experience and what part they play in changing it.

Here are some areas of focus as you plan your own customer experience transformation.

- **Scope.** By definition, a customer’s experience is a result of his or her end-to-end interactions across all contact points—physical and digital. This includes exchanges with you, but also touch points with other companies that interact with on your behalf serving as channel partners, logistics providers, or other service providers. That means attention to digitally enabled customer experience needs to be part of those relationships as well. To deliver a targeted experience that is consistent across the entire customer relationship, all the functions and capabilities that engage customers need to be connected and operate in sync.
- **Strategy.** Rethink your approach to strategy development, customer segmentation, and the ways you manage segment offers by creating, adjusting, delivering, measuring, and improving them. Customer segmentation should reflect differences in the ways customers buy, what they value, and what they want and need. If formed effectively, these segments can determine how you define priorities and strategies, shape offers, and align the channel strategies that take your products to market. And naturally, customer segments will be central to your effort to craft experiences that speak to each customer’s needs.
- **Leadership.** Finding the right leader to drive the change is critical—and requires finding someone who can spearhead the transformation, align all the strategies and capabilities that sit within a commercial operation, and get a major effort off the ground—then making sure that person has the necessary authority and support. The reality in most organizations is that the larger structure, operating model, and management routines will need to adapt as well. To drive change that profound, the entire company leadership needs to clearly and visibly support the transformation leader.

- **Management routines.** Daily ways of working for the core business and commercial operations need to be reconfigured in such a way that hard-wires customer experience—as well as performance management against experience targets—into the choices that happen from moment to moment. The organization will need to inform those choices with relevant, timely, accurate dashboards and analytics both for decision-making inputs and for performance measurement. A customer focus, and target experiences for each key customer segment, should be built from the start into each year’s business plans, financial objectives, and growth expectations. Then, quarterly and monthly business performance reviews should measure performance against those plans, and initiatives should be in place to close any gaps.
- **Connected capabilities.** It’s a tricky challenge to invite more market-aware complexity into the business while remaining agile and lean at the same time. That puts a premium on the digital abilities and connectivity of various commercial capabilities that have usually operated on their own, like marketing, sales, service, pricing, commerce, and order fulfillment. Strategies, offers and engagement should be shaped by data and insight around how customers behave and what they want and need. As the strategy evolves and adjustments need to be made, these should be able to flow through the company’s internal digital points of interaction just as easily as customer insights do.

Making progress in all these areas at once will likely require some high-level rethinking of the ways your company executes on change. These are complex steps that need to work in concert with one another, and if you haven’t already adopted agile processes, this would be the time to start. Development at the necessary pace can benefit from “digital foundries;” customer insights can grow stronger and more specific from previously ignored inputs such as ethnography; and other changes to “the way we’ve always done things” can contribute in similar ways to making your adoption of improved digital customer service faster and more effective.

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## Assess your starting point

The change we are describing is not incremental. It is a company-wide transformation that will affect areas that haven't traditionally felt connected to customer service or sales. Ask yourself now:

- **What is your go-to-market strategy?** If it boils down to “segment by sector and geography, promote our product, send in the rep, receive orders and fulfill them,” you aren't making the customer connection. Think relationships, not moving product.
- **How do you measure and drive value?** The long-term, granular value of each customer relationship is different from quarterly product volume. Get used to thinking in new terms both in capturing value and counting it.
- **How do you measure customer experience?** This is a new category of performance metrics you may not have dealt with before. It may involve measurements built into your new digital channels. It may also call on you to reach out and ask how people feel about doing business with you—a step that not only measures the relationship, but also can also contribute to it.
- **Are your customer experiences really personalized?** Or does your version of “customization” really boil down to giving everyone the same limited menu of options and, ultimately, the same treatment? Knowing each customer's wants and needs should result in offering each customer a bespoke experience of doing business with you.
- **Do you have an explicit digital channel strategy?** This isn't just about replacing phones and faxes with shinier tools. People interact differently over digital channels, and the ways you connect should reflect that in substance.

- **Are you set up to sell on this new view of value?** Sales teams need to embrace the idea that satisfying customers runs deeper than fulfilling orders. Knowing what people want from you should shape the appeals you make to the market.
- **What value are you getting from marketing?** It's not just about pumping out content in one direction anymore. Your marketing team should be a sensing function that gathers insights you can use.

If you are finding incomplete or unsatisfactory answers to any of these questions, take heart: It means you have opportunity ahead to improve. Many of the changes will start out inside your organization, with your operating model. But they will quickly lead to richer customer experiences that drive more profitable customer relationships.

### For additional insights

The changes we've described here are profound and reach into many other functional areas. In many of these areas, Deloitte has insights that can help you get started.

- [Close the expectation gap in B2B](#)
- [Turning data into your growth engine](#)

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## Endnotes

1. Fry, Richard. "Millennials Are the Largest Generation in the U.S. Labor Force." *Pew Research Center*, 2018.
2. Czarnecki, Dylan; Parrish, Rick et al. "CX Quality Can Affect Stock Performance: A Stock Portfolio Of CX Leaders Beat A Portfolio Of CX Laggards." *Forrester Research*, February 22, 2018.



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