B2B International

A Merkle Company

2021 B2B Marketing Monitor

Customer Experience Excellence

A recent survey of B2B enterprise decision makers reveals the current performance of B2B organizations and how the best-in-class brands excel on the customer experience.

Defining CX Leaders, Average & Laggards

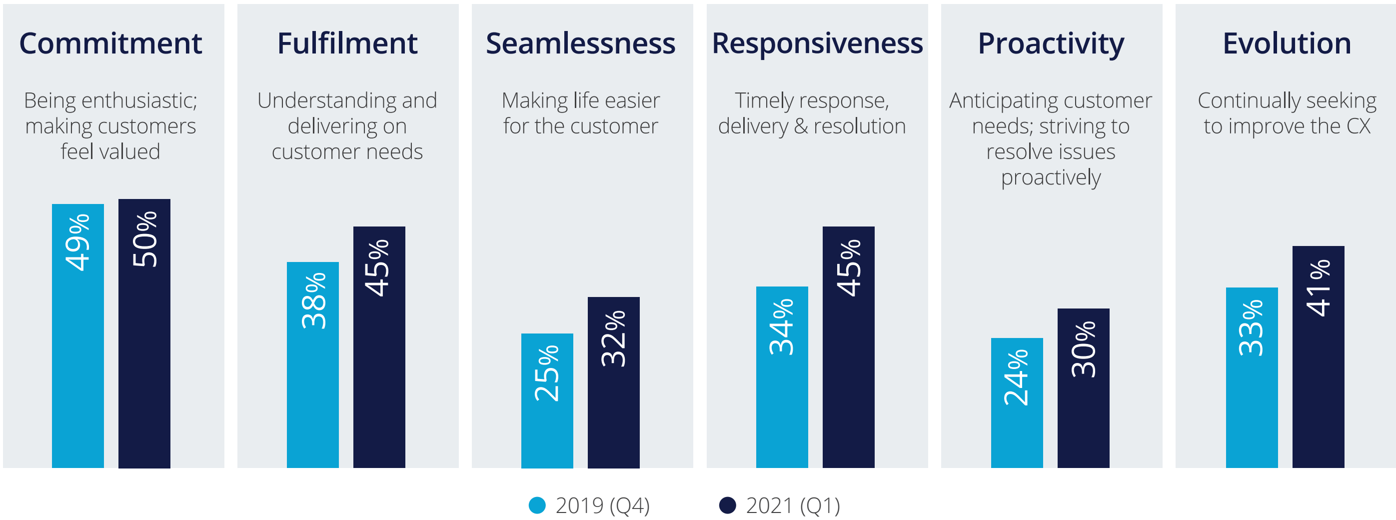
CX performance is highest on 'Commitment' (50% top 3 box score); lowest on Proactivity (30% top 3 box score).

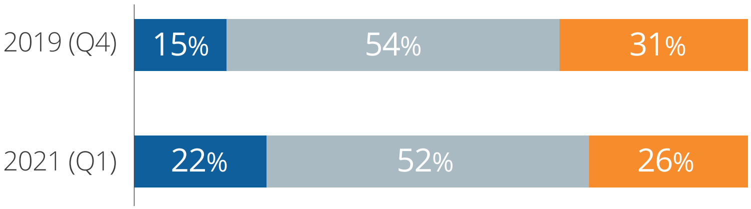
Performance on the CX metrics has improved over the past 12 months, with the biggest improvement on 'Responsiveness'.

CX Leaders are those who are strong on at least 5 of the 6 CX metrics. The Laggards are not strong on any of the metrics.

Performance on CX excellence metrics

%s show those rating their performance as strong (8, 9 or 10 out of 10), answering from their customers' perspective





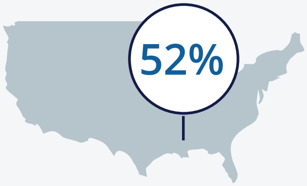
The proportion of CX Leaders has increased over the past year from 15% to 22%. The percent of Laggards has fallen (from 31% to 26%).

CX Leaders   Average   CX Laggards

Profiling The Leaders & The Laggards

THE LEADERS

– who in particular excel on the customer experience



US brands
– 52% of Leaders are in North America (vs. 27% in APAC and 21% in Europe).

Emerging large enterprises
– of those with $500m-$1 billion in revenue, 37% are Leaders (more so than any other revenue band).

B2B2C brands (vs. B2B) – 44% of B2BC brands are Leaders (vs. 27% of B2B focused brands).

Committed to digitally advancing the customer experience – 73% of Leaders have a formalized roadmap with sufficient budget for investing in the digital transformation of the customer experience over the next 1-2 years (compared to 56% of Average and 32% of Laggards).

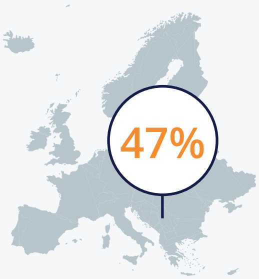
Not surprisingly, Leaders are...

More optimistic about the outlook for both their organization (84% optimistic) and industry (81% optimistic).

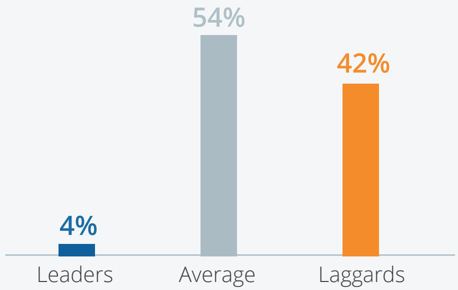
Feeling proud about their industry right now (53% versus around a fifth to a quarter of Laggards and Average respectively feeling proud).

THE LAGGARDS

– who in particular need to improve on the customer experience



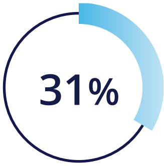
European brands
– 47% of Laggards are based in Europe.



The largest enterprises
– of those with $15 billion+ in revenue, only 4% are Leaders; 54% are Average and 42% are Laggards.

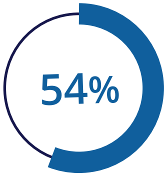
Performance On Marketing Processes & Systems

All B2B Brands



On average, only 31% of all B2B brands are performing extremely well across the marketing processes tested (those rating their performance 9 or 10 out of 10).

CX Leaders



CX Leaders significantly outperform their counterparts on all marketing processes and systems with an average performance score of 54%. This is in stark contrast to the average performance of Laggards at only 13%.

CX Leaders

CX Leaders excel in particular on building their thought leader position and utilizing compelling customer value propositions.

% of organizations that rate their performance 9 or 10 out of 10	Overall	Leaders	Average	Laggards
Building our position as a thought leader in our sector through evidence-driven insights	41%	66%	42%	18%
Assessing our brand health on regular intervals, e.g. measuring awareness, brand perceptions, brand performance etc.	35%	58%	37%	14%
Collecting our Net Promoter Score (NPS) on a regular basis and acting on the findings to drive improvements	34%	48%	35%	19%
Communicating a distinct brand purpose or strong USP (unique selling proposition) that sufficiently drives differentiation of our corporate brand	33%	52%	33%	15%
Effectively communicating the features and benefits of our offerings through compelling CVPs (customer value propositions)	31%	60%	31%	9%
Mapping the customer journey / path-to-purchase to identify critical interactions / touchpoints and improvement areas	31%	58%	29%	14%
Segmenting our customers beyond demographics / firmographics, e.g. on behaviors and / or needs	30%	50%	32%	8%
Using buyer / user personas to better target and communicate to different individual customer types	28%	53%	27%	8%
Using a structured process for ideation and innovation (e.g. Stage-Gate)	28%	44%	25%	19%
Targeting accurately and consistently across various platforms, agencies and tools	24%	53%	21%	4%

Overall = total sample **Leaders** = best-in-class performers **Average** = moderate performers **Laggards** = weak performers

Metrics For Measuring Customer Loyalty

Overall, customer satisfaction ratings and customer retention are considered the most useful metrics for measuring customer loyalty.

CX Leaders are significantly more likely to measure loyalty through customer satisfaction, customer lifetime value, and brand alignment with customer values.

CX Leaders are significantly less likely to use NPS for measuring loyalty. This could be due to the limitations of NPS as a metric, in that data on advocacy (intent to recommend) is quite different from understanding true loyalty (commitment to using a brand).

% of organizations that capture each metric for measuring customer loyalty

	Overall	Leaders	Average	Laggards
Customer satisfaction ratings	68%	87%	70%	54%
Customer retention	60%	69%	66%	50%
Net Promoter Score / likelihood to recommend	51%	34%	55%	61%
Brand preference	37%	40%	39%	24%
Top of mind brand awareness	34%	34%	34%	31%
Customer lifetime value (CLV/CLTV) (i.e. total revenue expected during the customer lifespan)	31%	48%	30%	22%
Ease of doing business / Customer Effort Score	30%	40%	31%	22%
Brand alignment with customer values	21%	42%	16%	16%
Share of wallet	20%	11%	19%	28%

● Significantly higher ● Significantly lower

Key Actions To Address This Year

1

Address the more widespread CX weaknesses of:

Proactivity: Anticipating customer needs; striving to resolve issues proactively.

Seamlessness: Making life easier for the customer.

2

Establish a strategic roadmap for digital transformation of the customer experience, if one doesn't exist already. Ensure this is structured with a sufficient budget to meet ambitions.

3

Build the brand's position as a thought leader in the sector with evidence-driven insights of relevance and interest to customers.

4

Promote offerings through compelling customer-focused value propositions (i.e. from product-first to customer-centric messaging).

5

Prioritize 4 metrics for measuring customer loyalty:

- Customer satisfaction ratings
- Customer retention
- Customer lifetime value
- Brand alignment with customer values

About The Survey

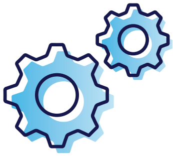
The sample size comprised n=301 marketing, insight, CX and business strategy decision makers across brands serving B2B audiences.

The survey was designed, fielded and analyzed by the full service B2B market research firm, B2B International, Jan-March 2021. 62% of respondents were sourced through Merkle B2B databases; 38% through external panel.

The survey focused on large businesses with an average revenue of $2.9 billion. Around 1 in 5 respondent organizations have a revenue over $15 billion.

The geographic scope:

- 36% North America (predominantly US)
- 40% Europe (predominantly UK & Germany)
- 24% APAC (Singapore & Australia)



The industry breakdown:

- 60% Knowledge-based verticals (e.g. IT / software / electronics; financial services; professional / business services, etc.)
- 23% Process & construction verticals (predominantly manufacturing)
- 17% Trade & services verticals (e.g. retail; transportation; food & drink)

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Get In Touch

To find out whether your organization is a CX Leader, Average or Laggard, take our short survey:

b2binternational.com/cxsurvey

To learn more about how to optimize your customer experience, connect with one of our experts:

info@b2binternational.com

www.b2binternational.com