

**BBDO KNOWS**

**GET ADVERTISING  
SMART**

*The B2B opportunity  
in the time of Covid-19*

*The B2B opportunity in the time of Covid-19*

B2B is big business – half of the UK's GDP comes from B2B, and half of all companies on the FTSE are pure B2B businesses.<sup>1</sup> It is an even bigger business online – 88% of global e-commerce was represented by B2B as of March 2019,<sup>2</sup> while there was more than 13% growth in global B2B e-commerce between 2013 and 2019.<sup>3</sup> *Forbes* writes: 'Business to business, or B2B, is one of the fastest growing segments for new and established companies.'<sup>4</sup>

Growth reflects B2B's increasing relevance, which is partly because the boundaries between B2B and B2C are blurring. Famed customer facing brands, such as Visa, Google and Amazon, often derive a significant share of their revenue from B2B, while the B2B2C business model and its enablers (often, digital intermediaries such as Ocado, OpenTable or Uber Eats) turn many consumer businesses into B2Bs. When it comes to communication, other businesses are often an indirect target of consumer facing campaigns:

'Most B2C advertising works in part through its indirect appeal to a B2B audience, since retailers and other intermediaries are more likely to stock a product and pay the desired price for it, which has been heavily promoted to their own customers.'<sup>5</sup>

As more businesses venture beyond their core products and business models continue to evolve, the importance of marketing and selling to other businesses will grow. Furthermore: 'Almost all businesses are B2B businesses to some extent, even if they don't know it. Yet mixed businesses tend to concentrate most of their marketing attention on consumers.'<sup>6</sup> With this in mind, how can businesses make the most of this lucrative – but often overlooked – opportunity?

## THE B2B OPPORTUNITY

While the lines between B2C and B2B increasingly blur, marketing budgets remain distinct and disproportionately skewed, with B2C commanding both share of spend and attention. As a result, B2B has historically been playing catch up, with marketing lacking planning and investment: on average, B2Bs' marketing budgets makes up 9% of the total

---

<sup>1</sup> B2B marketing, [Link](#)

<sup>2</sup> UNCTAD cited in WTO report, [Link](#)

<sup>3</sup> Statista

<sup>4</sup> *Forbes*, [Link](#)

<sup>5</sup> The B2B Institute, [Link](#)

<sup>6</sup> The B2B Institute, [LINK](#)

*The B2B opportunity in the time of Covid-19*

budget, compared to 15.5% for B2Cs,<sup>7</sup> while only 64% of US B2B firms have a formal marketing plan.<sup>8</sup> These prospects have further worsened as a result of the pandemic with 62% of global B2B companies reducing their marketing spend due to coronavirus.<sup>9</sup> However, B2B companies have proven more resilient overall and suffered less than customer facing companies across revenue, profit and customer acquisition.<sup>10</sup> And many are not standing still, but seeing this time as an opportunity to evolve and pivot.

COVID-19 has been pushing B2B companies to innovate – 48% of B2B marketers believe that there's an opportunity for their organisation for innovation (in terms of product/service development or marketing delivery) as a consequence of Covid-19 – and are actively exploring this now.<sup>11</sup> The role of marketing is also being elevated in companies that have traditionally prioritized sales over marketing. 33% of those surveyed said the sales teams were asking marketing to help them deal with new challenges due to customer engagement barriers, while 36% of B2B executives say that sales enablement activities, led by marketing, are increasing or changing as a result of COVID-19.<sup>12</sup> The current context presents opportunities to engage B2B businesses in renewed conversations around their marketing. Crucially, it is an opportunity to revisit brand and explore a new, dialed up and human approach in communication.

**THE B2B CONSUMER**

B2B marketing is resilient, but requires investment, attention and crucially, a new approach for engaging with potential and existing customers. B2B products tend to be inherently customer-centric in nature, as they seek to offer solutions to the business problems customers are facing. Despite this, the overriding focus on the needs of the business often means the needs of the people within the businesses are overlooked. But those making B2B purchasing decisions are the same people deciding which supermarket to shop at on the way home from work, and they will expect the same level of customer-centricity from business suppliers as they get from the likes of Amazon and Netflix.

Personal considerations should not be underestimated when addressing business decision makers.

---

<sup>7</sup> Statista, [LINK](#)

<sup>8</sup> Epipeo, [LINK](#)

<sup>9</sup> McKinsey, [LINK](#)

<sup>10</sup> Deloitte, [LINK](#)

<sup>11</sup> Snowflake Survey, [LINK](#)

<sup>12</sup> Edelman/LinkedIn, [LINK](#)

*The B2B opportunity in the time of Covid-19*

For SMEs, business is inherently personal – 39% of small business owners started their own business to pursue their passion.<sup>13</sup> For executives in larger enterprises, business decisions are also often career decisions: 70% of B2B executives put their career first when making decisions.<sup>14</sup> So, ‘even though B2B buyers aren’t parting with their own money, the stakes are arguably higher for them.’<sup>15</sup> With devastating impact on businesses and people, the pandemic has exponentially augmented both personal (job security) and business (solvency) risks, thus putting more pressure on every decision being made.

Brand equity also transfers from personal to business – with 34% of SME decision-makers considering a supplier for a B2B purchase because they used the supplier at home.<sup>16</sup> Ultimately, buyers are consumers first, and their experiences as consumers influence their B2B buying behavior. They’ve rapidly come to expect personalization, transparency and immediate fulfillment. The personal and the business spheres have been further blurred for many in the pandemic, as many decision makers have been forced to work from home.

The need to reconcile personal and business risks and expectations makes B2B purchases more emotional, and emotion becomes an increasingly powerful differentiator: “As B2B offerings become ever more commoditized, the subjective, sometimes quite personal concerns that business customers bring to the purchase process are increasingly important. Indeed, our research shows that with some purchases, considerations such as whether a product can enhance the buyer’s reputation or reduce anxiety play a large role.”<sup>17</sup> In fact, B2B strategies that appeal to emotions have been found to be seven times more effective at driving long-term sales, profits and revenue, than rational messaging.<sup>18</sup>

**WHAT THIS MEANS**

Unprecedented uncertainty and risk mean the business of selling to businesses in the time of COVID-19 is more emotional than ever. With this in mind, marketers would do well to make the most of the current moment, and the unique opportunity it offers for B2B brands to deliver more impactful brand work – and a truly human-first experience.

---

<sup>13</sup> Oberlo, [LINK](#)

<sup>14</sup> Doremus, [LINK](#)

<sup>15</sup> GWI, [LINK](#)

<sup>16</sup> B2B International, [LINK](#)

<sup>17</sup> Bain & Co, [LINK](#)

<sup>18</sup> The B2B Institute, [LINK](#)

## **ABOUT BBDO KNOWS**

BBDO KNOWS is a planning resource for the BBDO network.

BBDO KNOWS offers thinking, strategy, insights and inspiration on key categories, key themes and consumer segments.

If you are interested in learning more about the way BBDO thinks please contact

[bbdo@bbdoknows.com](mailto:bbdo@bbdoknows.com)

## **DISCLAIMER**

The information and materials in this article are for general information purposes only. Whilst we try to ensure that all information and data in this article is accurate, complete and up to date, it is not intended to be relied upon to influence business decisions, and you should seek independent professional advice before taking any steps in reliance upon any of the insights or data contained in this article. This article must not be shared, downloaded, copied or distributed for commercial purposes without the prior approval of BBDO. © BBDO 2020 All rights reserved