

Redefining buyer-seller relationships for the blockchain era

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Abstract

Blockchain technology is disrupting B2B marketing and sales activities. This paper outlines a case study based on a participant observation of a B2B organisation (TS) making extensive use of marketing automation (martech) and selling software to enterprise organisations. A 2020 scenario for TS streamlines business practice using blockchain technology infrastructure with Ricardian contracts and effectively generates a B2B “trustless” Internet. Beyond 2020 the blockchain implications suggest simplification of B2B interactions through no longer requiring the B2B salesforce and the creation of a human free environment beyond sales and including the automation of legal contract service. This paper opens a hitherto nascent stream of research and dialogue amongst marketing academics and practitioners on the emerging blockchain technology as part of a rich description of B2B activities in 2020 and beyond with significant implications for the future of autonomous (minimal human interaction) B2B sales and marketing.

Keywords: blockchain, martech, marketing, B2B, sales, interaction, Ricardian

The death of B2B sales

The average number of stakeholders associating with a B2B purchasing decision is nearly seven (Toman, Adamson and Gomaz 2017). Therefore, emphasising relationship building over the long run (Hakansson 1982; Barnes 1994; Crosby, Evans and Cowles, 1990; Reicheld and Kenny 1990; Reicheld and Sasser, 1990; Christopher, Payne and Ballantyne 1991; Morgan and Hunt, 1994; Gronroos, 1994; Kalawani and Narayandas, 1995; Gummesson, 1996; Gronroos, 1997; Gummesson, 1999; Bozzo 2006) requires a revisit for B2B opportunity development and salespeople.

Five straight years of B2B sales decline globally (Miller Heiman 2018) with barely just over half of sales representatives achieving sales targets (ibid) also signals a need for revisiting buyer seller relationships. Supporting this decline is a significant increase in completing most of the B2B customer decision process without interacting with a salesperson:

B2B customers will contact a sales rep only after independently completing 60% of the purchasing decision process... This has changed the role of salespeople, whose job used to be to develop and nurture relationships. No longer. The role of the salesperson is now to answer specific questions capably and quickly, and to close deals that became possible due to the self-serve research performed by the customer” (Baer 2014).

The availability of B2B social media (Sood and Pattinson 2012) provides for the acquisition of new buyers and deep relationships (Rodriguez, Peterson and Khrisnan 2012). Indeed, the Forrester Research prediction that “one million US B2B salespeople will lose their jobs to self-service eCommerce by 2020...where websites, not salespeople, are at the heart of how B2B companies buy and sell” (Hoar et al 2015) – is now one step closer to reality.

The formation of B2B relationships seemingly takes place rapidly in online social networks including LinkedIn and Twitter. A nascent stream of research on “instant relationship” building requires significant further attention and theory development.

As the online world moves to a new level supporting increasing levels non-human social and business interactions, new technologies and innovations are now challenging traditional notions of B2B interactions – and “trust” with instant relationship building online. Blockchain technology is challenging what is a “business” and how they may operate now and in the future. The blockchain technology “...a block is a set of data records, as in a database or spreadsheet, which is cryptographically sealed and linked to the previous block. The sequence of linked blocks (the blockchain) cannot be altered without breaking the chain. Consequently, an unbroken blockchain promotes trust and provides extremely strong evidence that the data

has not been altered or tampered with” (Parliament. House of Lords, 2018) and represents a relatively new approach to trust embodied within infrastructure enabling direct and trusted communication between actors. Blockchain technology enables “parties who do not fully trust each other to conduct and reliably control mutual transactions without relying on the services of any trusted middlemen” (Risius and Spoher 2018), and the “blowing to bits” (Tapscott and Tapscott 2017) of capital raising, legal affairs, finance and accounting, and sales and marketing – including a variety of B2B contexts e.g. between a manufacturer and a business user)

Blockchain technology is significantly far along with a diverse range of other digital technologies for transforming various industry sectors including Martech (a key subject of this paper), Healthtech, Edutech and Fintech. In fact, the key role of blockchain technology in the specialist area of Regtech regulating and encouraging innovation in financial markets and highlighting the role of the regulator in stimulating innovation in B2B market contexts is progressing rapidly (Sood and Pattinson 2017).

The analysis of blockchain technology in the sharing economy with value systems (Pazaitisa, De Filippi and Kostakis 2017) and trust (Hawlitschek, Notheisen and Teubner 2018) highlights:

third parties currently paid to facilitate our trust—be they agents, referees, watchdogs or custodians—will increasingly have to prove their value if they don’t want to be supplanted by an ‘immutable’ ledger (Botsman 2017).

Blockchain technology goes further than challenging who to trust – to setting up a “trustless” internet. In this context “trustless” does not mean trust itself disappears but it morphs into the underlying infrastructure of the blockchain providing audit-ability or proof -of-process, a system of record and resilience amongst network members without intensive labour resourcing (Walport 2016). As trust is a fundamental element interaction within the traditional B2B sales model what are the implications of a trustless internet?

Current state of B2B buyer-seller interactions towards 2020: a case study

A natural starting point for understanding the implications of blockchain technology in the context of B2B relationships are rich descriptive studies. Most specifically, B2B Buyer-Seller Interactions associated with blockchain technology and emerging marketing technology (martech) applications form a case study from combining a participant-action approach with Sales Gist analysis (Pattinson and Sood 2005).

The case study focuses working on a B2B software organisation (“TS”) selling complex software as a service (SaaS) to brand name organisations in finance, banking, insurance, real estate and retail industries. Actors participating in the research include a senior enterprise salesperson (sales) with a decade of experience, the Chief Marketing Officer (CMO), an Account-Based Marketing (ABM) representative, pre-sales (pre-sales) consultant, legal assistant (legal) and a functional consultant (consultant).

The immediate objective of the research is understanding how buyer seller interaction takes place in a pre-blockchain world. Figure 1 encapsulates key actors and artefacts associating with B2B interactions.

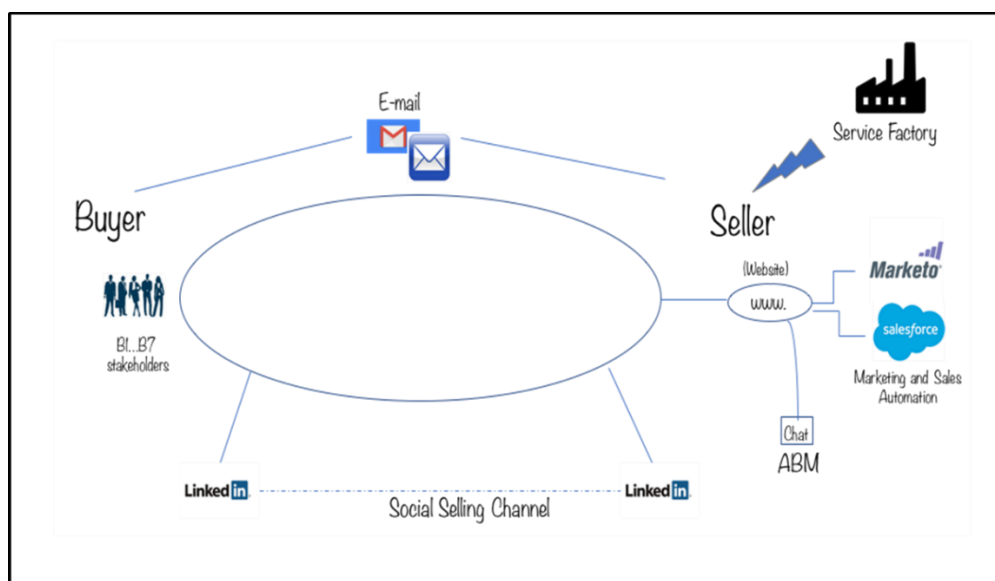


Figure 1. Marketing and Selling Approach

The CMO sponsors key customer acquisition activities including major trade fair attendance, regular webinars, regular website content updates and regular B2B email news (see Figure 2: CMO Dashboard Email Performance in Point 5 below).

Participant observation and sales gist analysis (ibid) highlights ten key aspects of the B2B marketing and sales efforts:

1. Buyers showing interest on Website receives interaction from the ABM (reports to CMO) via chat on the Website itself.
2. Buyers highlighting level of interest in receiving a demonstration and approach from sales receives custom interactions from ABM discussing industry issues.
3. ABM gathers intelligence on the account through LinkedIn communicating where appropriate with stakeholders forming the buying unit and updates the marketing automation system (Marketo).
4. CMO and ABM determine if the buyer customer journey stage merits sales assistance and review marketing dashboard (Figure 2) at regular weekly revenue calls.

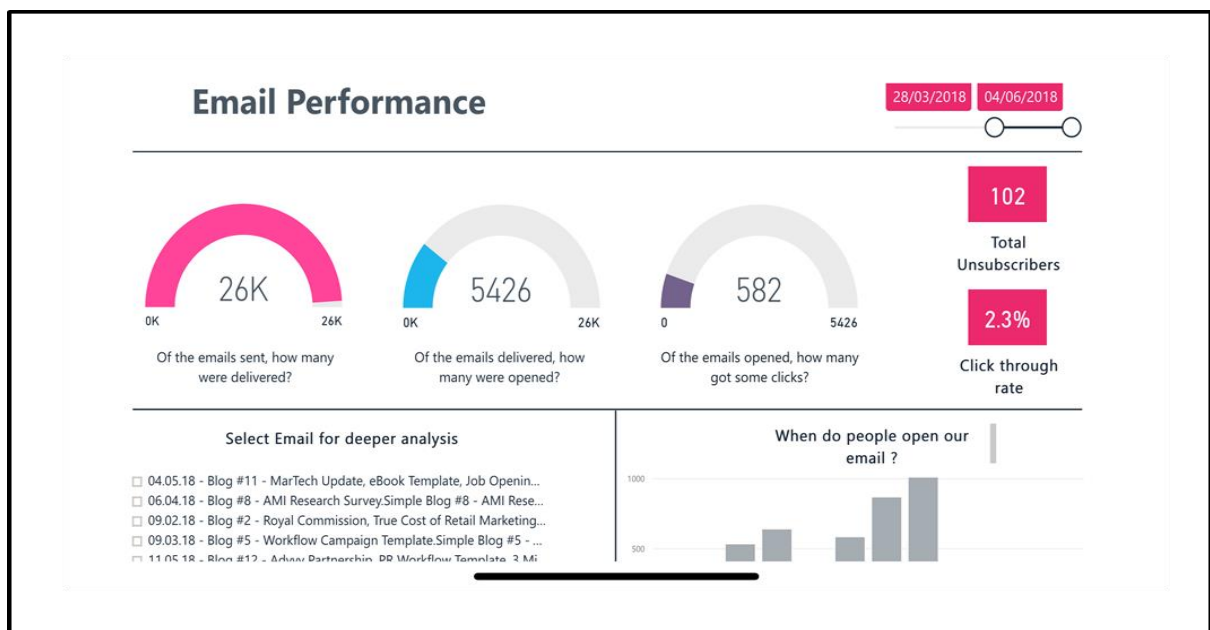


Figure 2. CMO Dashboard Email Performance

5. Sales conversation with buyer and share Mutual Non-Disclosure Agreement (MNDA) for countersignature before returning signed document to legal.
6. Sales co-ordinates with pre-sales setting up an online or face to face demonstration and board room presentations if deemed necessary.
7. Enter into formal buyer seller negotiations and contract establishment with buyer, sales and legal parties from each side.
8. After completion of contractual arrangements deploy consultant onsite for a business discovery to provide inputs for software configuration.
9. Enable buyer access to software across enterprise with Software as a Service (SaaS).

Thus far, the participant observation of the selling approach (steps 1-10) captures the relevant interactions amongst actors within the selling organisation (Figure 3). Surprisingly, a significant amount of automation and technology assists the marketing and sales activities.

The customer journey TS hopes the buyer will pursue follows the overarching trajectory of a trade show visit, communication with the ABM via social media with LinkedIn as preferred channel, attendance at a 45-minute online webinar held by CMO, download of a white paper, sales communicates via social media and phone and consultants or customer service follow up with answers to key questions.

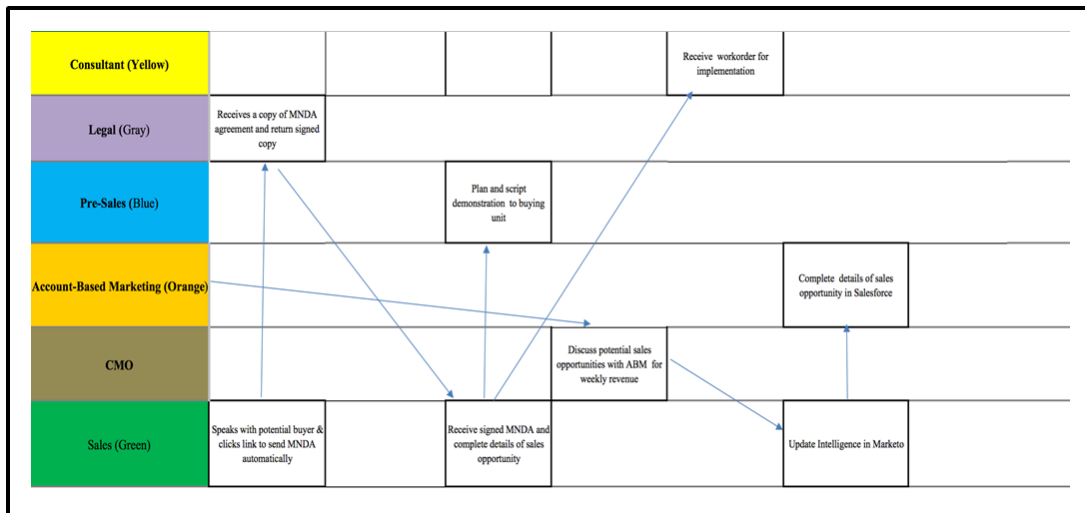


Figure 3. B2B sales interactions amongst seller actors and artefacts

Different systems track the customer journey despite the end goal to end up with the same long term B2B relationships. Marketo is the marketing platform (Marketo a. 2018) enabling marketing an ability to execute personalised multi-channel campaign activities for new and returning prospects and buyers. Marketo holds several key Key Marketing Concepts within its platform (see Figure 4).

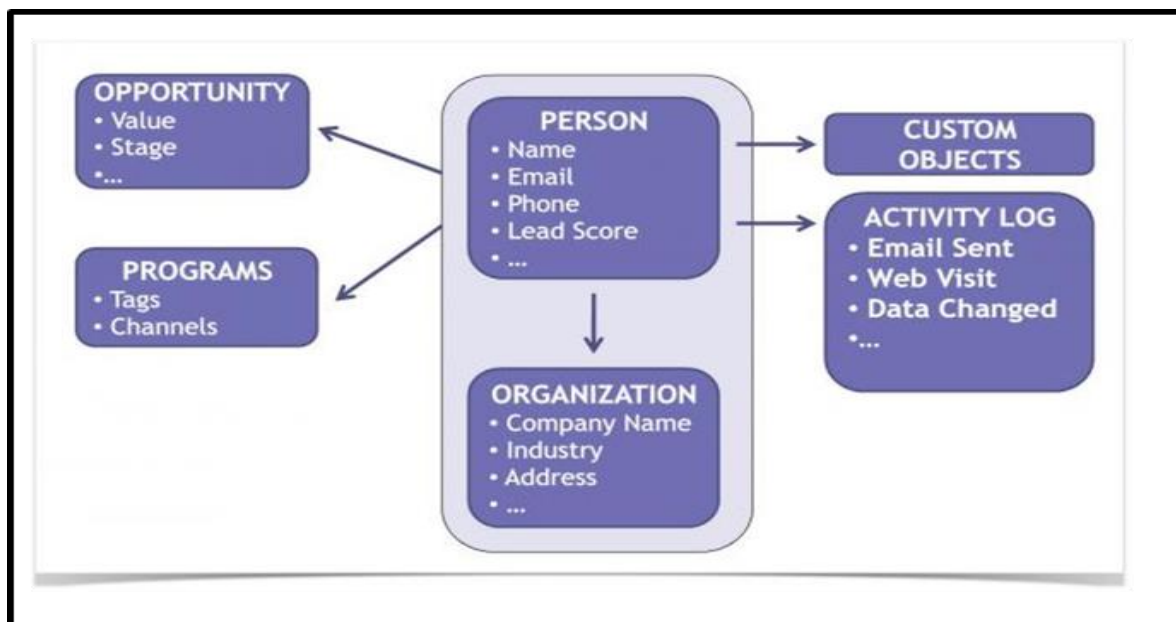


Figure 4. Key Marketing Concepts Held in Marketo (Source: Marketo b. 2018)

Records held within Marketo are leads relating to people and organisations no matter if they are prospects, suspects or contacts and captures potential buyer actions from trade show visits through to webinar attendance. Leads are maintained as lists. Dynamic or “smart” lists update automatically based on criteria e.g. leads registering for webinar or visiting pricing page on buyer website.

Marketing activities comprise a program e.g. “email/sms sender”. The progression from when the email is sent, opened and link clicked is captured by the system. Within a program a campaign maintains a goal e.g. notify sales when prospective buyers click on email. Programs interact with marketing assets such as website landing pages, forms, emails or images. Tokens help the marketer achieve personalisation of assets and setup workflows. On the other hand, custom objects help keep track of relevant metrics e.g. customers who own cars or have a tertiary qualification.

The role of the ABM helps ensure a seamless handoff between marketing, sales and even customer service in response to buyer behavior online and offline.

Salesforce is the key CRM system for sales capturing every key detail about the buyer whenever any sales contact exists along with the current stage of the buyer in the sales process (Salesforce, 2018). The initial online interaction at the start of the buyer journey before the allocation of a sales person is held within the Marketo marketing automation system.

The marketing system together with marketing technology (Martech; Levine 2018) installation on the website provides TS with the following capabilities:

1. Flag to the ABM returning or new visitors to the website and a recommendation for real time contact while visitor is online.
2. Highlight to marketing and sales behavioural activity of visitors on website pages inclusive of clickstream by page, products and area of interest.
3. Use website visitor reporting to help generate proposals emphasizing interests built on website visits, email and webinars attendance.
4. Accumulate into Marketo a comprehensive profile of buyer interests.
5. Generate regular communications with buyer contacts in the areas of interest.
6. Automatically send a follow up personalised email after a visit to the website.
7. Alter the website content in accordance with the interests of the visitor or prospective buyer.
8. Flag the whereabouts of the customer in terms of a sales funnel and the phase of the customer journey.
9. Have the systems determine the best day and time of day to effect communication with prospective buyers.
10. Retarget website visitors with adverts after they leave and visit social media.

The amount of marketing automation and tools known collectively as martech accessible for B2B professionals is growing rapidly (See Figure 5) growing from 150 tools in 2011 to nearly 7,000 in 2018, with “the average enterprise using 91 marketing cloud services” (Netskope 2017).

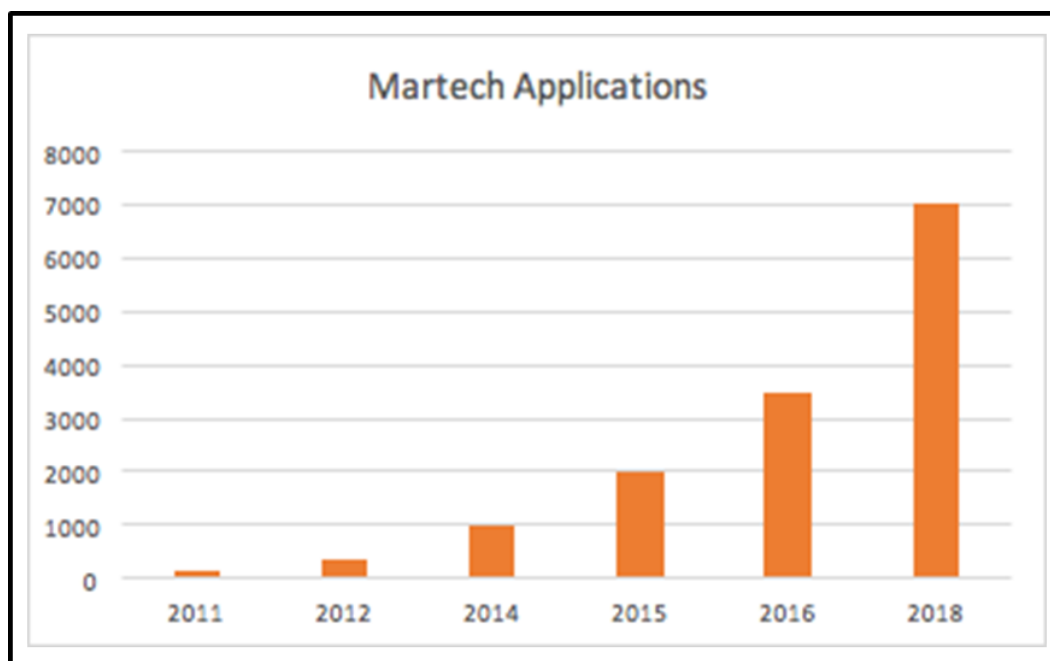


Figure 5. Martech Applications 2011-2018 (adapted from Levine 2018)

Analysis of the “Martech 5000” (Brinker 2018) comprises key categories of marketing software comprising advertising and promotion, content and experience, social and relationships, commerce and sales and management.

The description of TS in B2B sales using marketing technology and the growth of martech lays the foundation for discussion of the future role of sales and B2B activities in a blockchain enabled world.

Blockchain, Ricardian contracts and B2B sales automation bots

Blockchain has significant, possibly profound implications for B2B sales and marketing activities. Blockchain solves a very difficult problem of exchanging information over a network where some of the

actors cannot be trusted (Antonopoulos 2017). On the face of it, the use of blockchain in B2B marketing and sales activities seems somewhat paradoxical owing to the ability of blockchain in eliminating intermediaries in transactions including people as well as organisations.

An unintended consequence not yet fully understood may well be the removal of the B2B sales role. Since, “the role of the salesperson is now to answer specific questions capably and quickly” (Baer 2014), the ability for automating is readily achievable with bot technology capable of “build, train and publish a simple question and answer bot based on FAQ URLs, structured documents, product manuals or editorial content in minutes” (Microsoft 2018).

Furthermore, the blockchain helps expedite the creation of trusted relationships at much lower cost than the “rolodex” of the B2B salesperson while maintaining trust and integrity of records captured within the sales and marketing automation systems. These systems no longer require a demarcation between two different types but instead maintain the necessary records as a single marketing system.

Major artefacts during B2B interactions include an MNDAs and software legal agreements as well as commercial terms. Typically, these artefacts or instruments are customised for each business customer and the buyer seller relationship represented by a document capturing contractual arrangement including any special arrangements. These processes are paper-based no matter the online storage of the agreements. To remove the requirement for these buyer seller contracts and the minimization of human interactions (Figure 3) requires the implementation of a Ricardian contract (Grigg 2004) held on the blockchain going well beyond digital signatures encapsulating the metadata directly associating with the transaction or instrument.

Case analysis of blockchain in TS beyond 2020

In 2020 and beyond with wider spread usage of blockchain technology with some variation of Ricardian contracts truly simplifies and potentially removes the human interactions witnessed in the current state of TS (Figure 1) to a truly transformative automated B2B environment potentially absent of human interactions (see Figure 6).

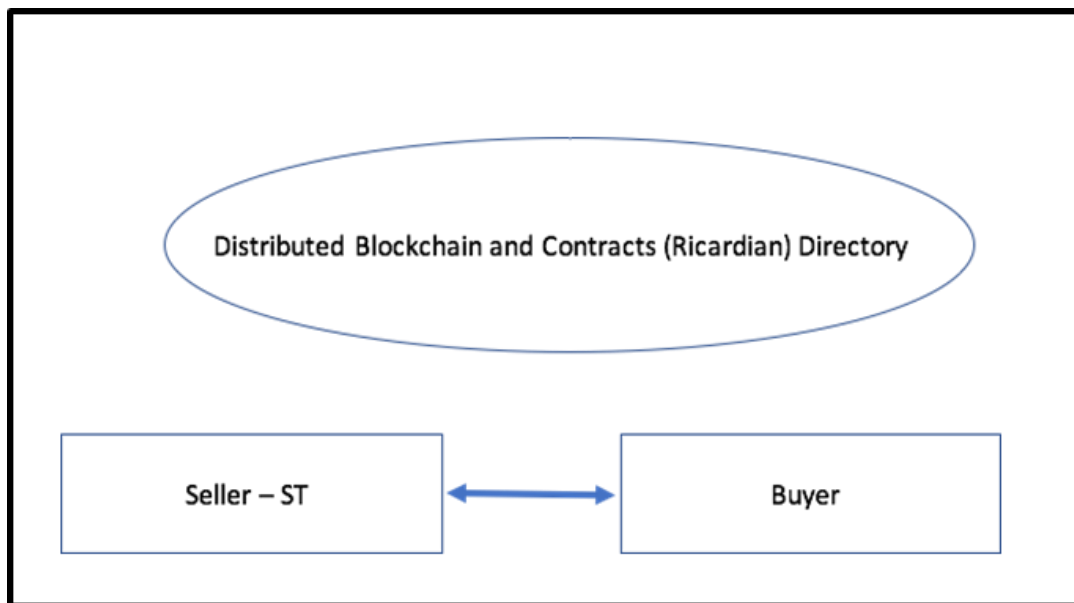


Figure 6. Buyer Seller Interaction in a Blockchain Ricardian World

Such a transformation reduces a contemporary business to a software application or service within a platform or at least most what is a “business” today. Some key questions flowing from the business transformation are:

- Will B2B humans mainly be creators of these digital platforms or at the very least creators of businesses and business activities rapidly transferable into platforms?
- Will the B2B sales automation obviate the need for human interaction or is the expectation B2B salespersons develop new business innovations, solutions, businesses or initiatives with the support of a platform
- Will the role of B2B Sales and Marketing focus on real innovation creating new value and businesses with all retention, maintenance and support from a non-human powered platform?

Buyer Seller Interaction in a Blockchain Ricardian World raises not just questions about the future of B2B salespersons and marketing roles or the future of “businesses”, but also long-held views and assumptions about buyer seller “interactions”, “actors”, “resources” and “activities” where most if not all B2B sales and marketing is available through non-human interactions.

As the future of the B2B salesperson and marketer appears to be in decline, so there may be an existential threat to B2B Marketing research based on the traditional assumptions aligning with the practice and professional counterparts. The future of B2B Sales and Marketing requires revisiting and reimagination for Buyer Seller Interaction in a Blockchain Ricardian World first and foremost from a practice perspective with theory development following on. The time is now for imagining a new set of future B2B marketing scenarios for 2020 and beyond embodying blockchain technology.

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