

7 key differences between B2B and B2C Database Direct Marketing

1. **The Market Size:** Consumer markets are measured in the “millions” while only a few B2B firms have customer bases over “thousands”. On the other hand, the dollar value of each B2B customer is significantly larger than in the consumer market.
2. **The Buying Process:** In the business market the buying process is much longer and involves many people. It’s not unusual to have a 6-9 month buying cycle involving 5-10 people as both decision makers and influencers.
3. **The Selling Process:** Vastly different than in consumer markets, B2B sales organizations are characterized by well-paid field sales people, distributors, and business partners or independent representatives who are not only engaged in the selling but in the fulfillment of the product or services.
4. **The Cost of A Sale:** As a result of the selling process, the cost of a B2B sale is much higher. Average sales call costs now average of \$350-400. A complex solution may require 8-10 calls to close a sale plus the advertising and marketing expense to generate inquiries and qualify leads.
4. **The Value of A Sale:** Balancing out the cost of B2B selling is the value of the sale. The initial transaction value is measured in hundreds or thousands of dollars and the likelihood of on-going sales is quite high. As a result, the lifetime value of a B2B customer can span many years and add up to hundreds of thousands if not millions of dollars.
6. **Data Quality:** In general, the quality of B2B data is far below consumer standards. One key reason: research indicates that 72% of business people have had one or more changes in their business card during a 12-month period. Unfortunately, no National Change of Address card exists for business addresses.
7. **Lead Generation vs. Sale.** Most B2B campaigns are devoted to generation of an inquiry that is subsequently qualified to a lead. In consumer marketing only a small fraction of communications are for lead generation while the majority is for direct sale. This places a greater emphasis on creating offers that are much different than those used in consumer programs.