

## B2B Sales during lockdown

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### ABSTRACT

The COVID-19 pandemic is bringing about immediate, wide-ranging, and severe challenges for many B2B sales forces. Such challenges call attention to the importance of frameworks that can be applied to aid sales managers in understanding the impact of and responses to COVID-19. The current Corona virus crisis is having disastrous effects for most B2B firms around the world. The decline in sales provokes intra-organizational and inter-organizational tension, requiring a new approach for managing firms' business operations. Particularly, the direct threat to human beings places the attention of managers on the individual. This study investigates the main differences between prior "traditional" financial-based crises and the practices that managers can adopt to navigate and survive the Corona Virus crisis from a social exchange theory (SET) view. The authors identify eight crisis-comparative dimensions to consider to successfully prevailing: (1) formation, (2) focus, (3) temporality, (4) government jurisdiction, (5) preparedness, (6) normality, (7) business, and (8) operational deployment. In addition, the study results propose four intertwined areas to classify the managerial practices: (1) digital transformation, (2) decision-making processes, (3) leadership, and (4) emotions and stress.

**Keywords:** Salespeople, Sales force change, B2B marketers, Structural variables

### Introduction

As they entered into the second decade of the 21st century, few, if any, industrial marketers would have imagined that by March 2020, many of their markets would have disappeared, with supply chains and trade severely disrupted. For business-to-business (B2B) marketers, the subsequent lockdown by governments around the world resulted in an almost immediate loss of markets, as rapid collapse in consumer demand ensured the bull-whip effect quickly took hold within supply chains. The phrase "in these crazy times" entered into common business usage, reflecting a 'new normal' characterized by heightened uncertainty. Furthermore, it was not clear if, and when, normal business would return, as many upstream clients may not survive the Covid-19 lockdown period.

We only need to examine the rapid adjustment of some unlikely B2C firms to further support the merits of design thinking in responding to crisis situations. At the end of 2019, who would have thought that, in a few months, some of the biggest names in consumer luxury would have quickly shifted their famed ateliers away from crafting delicate perfumes, fine wines, and beautiful clothes, to supplying hand sanitizer and personal protective equipment (PPE) to stretched frontline medical staff? Yet this is precisely what LVMH, Burberry, Brooks Brothers, the Miroglio Group, Coty, Zara and many others did. Struggling airlines such as Delta and JetBlue have been offering free flights to medical professionals to ferry them quickly to hotspots across the United States, building new networks involving local governments and non-profit organisations such as American Red Cross and Doctors without

Borders (Puhak, 2020). Even McDonalds shared the secrets of its sausage and egg McMuffin recipe to retain brand connections with loyal users who were unable to venture out and get their favourite sandwich (Hardiman, 2020). The speed at which these organisations used their capabilities to pivot to a new reality was remarkable, and offers lessons for B2B marketers when the next crisis inevitably strikes.

Many sales managers and salespeople representing business-to-business (B2B) organizations would agree with Greek philosopher Heraclitus's statement "The only constant in life is change." After all, B2B markets have experienced substantial ongoing change over the last several decades. Over this time, there has been, for example, an increasing of stakeholder (e.g., customer, employee, and investor) expectations, stakeholder knowledge and access to information, globalization, technological advancements, competitive offerings, complexity in buying and selling processes, among other changes. While anticipated change can certainly lead to challenges and opportunities for B2B organizations and their respective sales forces, it is hasty unanticipated change that is most likely to leave organizations and their respective sales forces vulnerable and partially paralyzed

These immediate, severe, and wide-ranging challenges point to the managerial need for a framework that accounts for broad interrelated social, technological, and structural variables to understand the impact of and potential responses to the COVID-19 pandemic within the sales force.

## Literature review

Covid-19 has impacted every industry in the business world. B2B businesses have also faced immense financial, logistical, resources and marketing challenges. Prior studies have

concluded that the emergence and rapid spread of COVID-19 was unanticipated and, as of April 2020, has had immediate and severe impact on B2B sales forces. The COVID-19 pandemic is, for example, bringing about interrelated social, technological, and structural challenges for many B2B sales forces. These challenges include issues stemming from greater remote working and physical unavailability, cancellations and postponing of important meetings and events (e.g., tradeshows, conferences, customer meetings), travel restrictions and border shutdowns by different countries, an overwhelming number of COVID-19-related communications (some of which is speculation/or and irrelevant), and greater stakeholder mental (e.g., exhaustion, stress, anxiety) and physical (e.g., stress headaches) health issues. Such issues are affecting and being affected by inventory shortages, supply chain breakdowns, product delivery problems, general difficulty maintaining daily operations, new work arrangements (e.g., virtual selling, changes to information flows, contraction and expansion of roles), and threat of temporary or permanent dismissal. (Date May 7 2020, Nathaniel N. Hartmann and Bruno Lussier)

The 2020 Covid-19 pandemic generated a number of wicked problems for industrial marketers, who were suddenly faced with a lack of markets and potentially disastrous future. Wicked problems require tools that enable decision makers to break out of preferred patterns of thinking. Drawing on the literature, we identify a three stage process of design thinking that involves disrupting previous assumptions and practices, developing 'good enough' solutions, and transforming firm practices to ensure greater future resilience. For some firms, surviving the crisis may be the best possible outcome; however for others, enhanced reputations, forward and backward integration and new markets may result from the use of design methods and tools. Critically, the 'new normal' will require greater

attention to risk management and scenario planning, involving the deployment of design thinking rapid responses to emergent and fluid challenges. (Date- June 1 2020, Pinar Cankurtaran and Michael B. Beverland)

## Research methodology

This research is based on secondary data methodology and non empirical research. A structured questionnaire was used for the purpose of collecting data. This research is essentially aimed at studying the impact of Covid-19 on B2B sales during lockdown. By conducting this research we may get a better clarity about how B2B companies are facing issues during lockdown, which all challenges they had to face and strategies which they have to apply to overcome these challenges. The data collected from the questionnaire was used for arriving at the outcome.

## PURPOSE STATEMENT

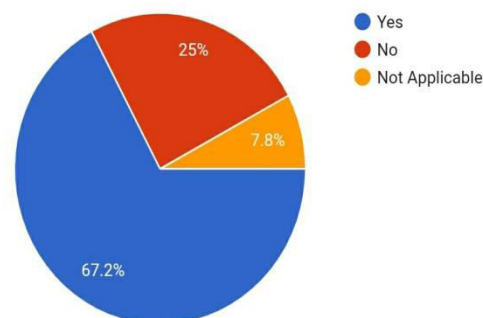
This research is conducted to identify the various challenges which companies have to face due to Corona Virus. We have analyzed the changes in expenditure pattern, reduction in face to face meetings, move to online selling space, impact on supply chain due to government restrictions amid the Covid-Pandemic.

## Findings

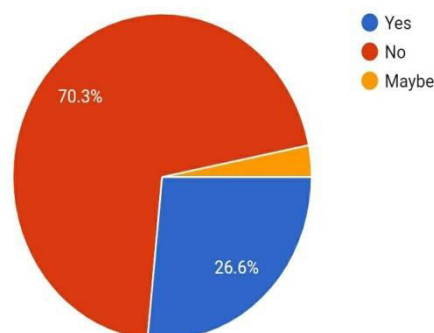
The focus of the study is to understand the impact of Covid-19 on B2B sales during the lockdown period. A structured questionnaire was used for the purpose of collecting the data. This study used an experiment design. The responses were collected via online surveys. The survey was floated amongst people who were from different business sectors.

Based on the study it has been analysed that:

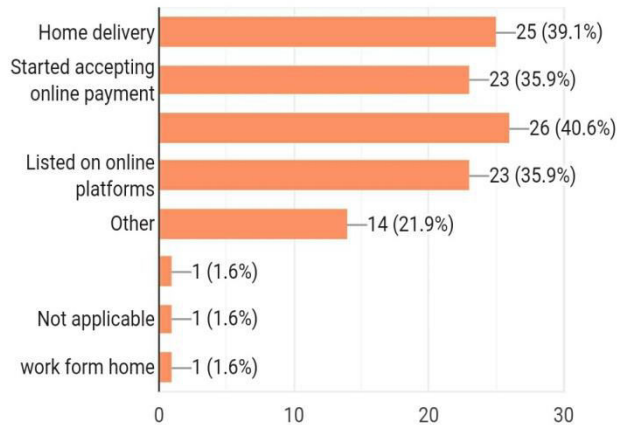
- During the lockdown 67.2% businesses have to face problems with the supply chain, 25% were those who did not faced any such issues and 7.8% were those to whom it was not applicable.



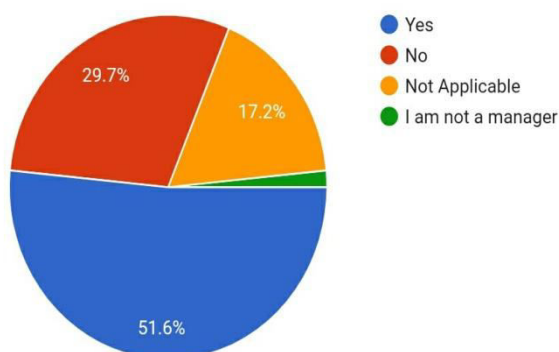
- 26.6% employers had to lay off their employees and 70.3% did not.



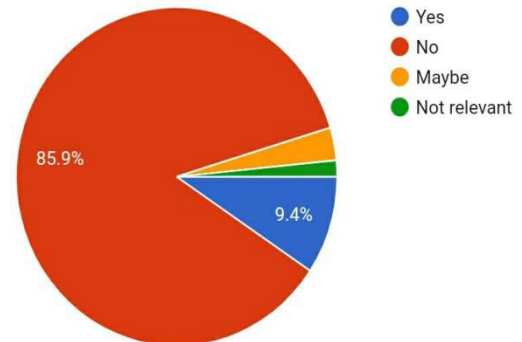
- For 59.4% respondents the daily sales have decreased, 25% says no and 14.1% says maybe.
- Different marketing strategies have been adopted by businesses which are:
  - Home delivery (39.1%)
  - Started accepting online payments (35.9%)
  - Listed on different online platforms (35.9%)
  - Social Media Marketing (40.6%)
  - Others (21.9%)



- 51.6% employers have empowered employees to work from home, 35.9% have not and 12.5% says maybe.
- 64.1% employers allows their employees to use video and audio teleconferencing tools to setup meetings and discuss points , 18.8% does not and 15.6% says it is not applicable in their business.
- 81.3% employers have not deducted the salary of their employees, 12.5% have deducted and 6.3% says maybe.
- 51.6% have provided operational support to their employees for helping them meet the demands in work from home scenario, 29.7% have not and 17.2% says it is not applicable in their business.



- 85.9% have not hiked the prices of any of their goods or services, 9.4% says they have.



- 95.3% says they have taken all the safety related precautions which are instructed by the government and remaining says they have not.
- It was analysed that good relationship with buyers' helps in B2B business during such crisis.
- Liquidity of cash is very important to run B2B business in these tough situations.

## Practical implications

The sudden and massive shift to remote working prompted by the COVID-19 pandemic and the "consumerization" of B2B buying that was already underway have profound implications for how companies sell to and buy from one another. Sales leaders are already moving aggressively to adjust to the COVID-19 crisis. In addition to adjusting sales forces to remote working, about 70 percent of companies have also established multi-disciplinary commercial nerve centres to manage sales operations during this time.

While most sales leaders accept the need for a move to increased use of digital channels (many, in fact, have made significant adjustments since quarantines started), it's not as simple as just

“moving to digital.” The sharp rise in the use of digital and self-service channels means that companies need to be thoughtful not only about how to enable effective digital interactions but also about how to deploy their sales reps to best effect. Re-orchestrating the customer experience and the accompanying sales processes across channels should be at the top of the list for sales leaders trying to manage effectively through this crisis and plan for recovery. So should determining how best to deploy sales professionals across channels to help customers and provide support when it is most needed.

In an environment where habits and practices have changed so quickly and will likely continue to do so, sales leaders need a clear view of what their customers want and what steps their company can take to address their needs. Traditional face-to-face interactions have given way to sales and service support by videoconference, webinar, phone and other means. In this remote and digital world, however, there is still a crucial role for the human touch.

## Conclusion

The COVID-19 pandemic was unanticipated and is resulting in immediate, far-reaching, and severe challenges for B2B organizations and sales forces. The nature of these challenges point to the importance of organizations responding in a manner that recognizes sociological, technological, and structural factors. It has generated a number of wicked problems for industrial marketers, who were suddenly faced with a lack of markets and potentially disastrous future. Wicked problems require tools that enable decision makers to break out of preferred patterns of thinking. For some firms, surviving the crisis may be the best possible outcome; however for others, enhanced reputations, forward and backward integration and new markets may result from the use of design methods and tools. This

study reveals that business owners will require different marketing strategies to run their business. Critically, the ‘new normal’ will require greater attention to risk management and scenario planning, involving the deployment of design thinking rapid responses to emergent and fluid challenges.

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