

WELCOME TO

PLATFORM LAND



Roll up, roll up

Marketers love platforms. We talk about them a lot. Sometimes we try and create them. The word rattles around agencies and marketing departments almost constantly.

It's no wonder why. Platforms shape and define not only the work we do and where it lives, but how we think about it. A few mega monolithic companies have transcended the status of being a business, and instead become meeting points of commerce, communication and connection.

Today, platform has become shorthand for having a 'thing' to stand on, visit or utilise in pursuit of a particular goal – be it growth, ideas, principles, innovation or revenue. And while platforms are often referenced, most of us are only now beginning to understand both their impact on B2B, and the route to the collective, collaborative working that goes beyond the rigidity of linear business relationships.

Because the thing about platforms is that they're complex as much as they're beneficial. They thrive as ecosystems, hubs and networks – and while we all want a piece of that, the model can be hard to make sense of, and harder still to succeed with.

To enjoy all the fun of the fair you've got to avoid getting thrown off by the pace of the ride. Let's find out how to do it.

“

Platforms don't own the means of production, they create the means of connection.”

ALEX MOAZED,
FOUNDER & CEO, APPLICO



Rollercoasters, bumper cars and teacups

There are five key areas where major platforms are changing the way industries operate, and how businesses think about their customers. Each serves as a meeting point for the leading developers, sellers, innovators and thinkers in their market. They're also interconnected, with supporters and partners of one often being users of the others.

Understand these and you can begin to see the widespread transformation platforms create.

1. COMMUNICATIONS AND MEDIA



2. MARKETPLACES AND COMMERCE



3. INNOVATION AND DIGITAL TRANSFORMATION



4. PAYMENTS AND FINANCE



5. WORK AND WORKPLACES



THREE PLATFORM STATES

Businesses switch between platform roles, depending on need. They can either be a platform owner, partner or user. And it's not restrictive. A user of one can be a partner or owner of another – for example a payments app can partner a banking platform and use Facebook.



INFRASTRUCTURE
Platform Owners



CARS
Partners



THRILL SEEKERS
Users



Everyone wants a ticket

The overwhelming success and industry-changing profile of platforms naturally means that many businesses (particularly at enterprise level) have platform aspirations. Broadening partnerships, becoming a hub or community and deepening customer connections are all obvious lures and reasons to want to get a piece of what the platforms have.

But these are often abstract goals, and it's hard to work out how you get from a position of business as normal to becoming a meeting place for innovation, development and ideation within your industry.

A smarter way of framing platform aspirations is to look at the rational reasons why businesses want a bit of what Amazon or Meta have, and how they align to

common and well established business targets (see box out). It'll make things make sense in Platform Land, and help you figure out exactly what you need when you're there.

In essence, it all boils down to the fact that platforms are the embodiment of digital B2B maturity: collaborative, intelligent and automated.

Which sounds great, right? But there is a catch.

Because for every opportunity in Platform Land, there's a challenge. It's only in finding a way to balance the two that you'll experience the best of what the fair has to offer.



WE WANT TO GO FASTER AND DEVELOP

The network effect and benefit of platforms means that businesses can get partners within an ecosystem to create, think and provide developmental feedback on their behalf. With the upshot that they become the home of innovation that's essential to their own progression and pace.



WE WANT TO BE MORE EFFICIENT AS WE SCALE

Yes, yes, yes. Growth is on the agenda for us all. And it's tough to find the differentiators that supercharge scale, while shining a light on potential efficiencies. In the platform world, that becomes a bit easier as the network you build around your business naturally provides the connections you need to grow, and the ideas you need to do things smarter.



Ups and downs in Platform Land

Platforms do business in fundamentally different ways to everyone else. And while their growth and success shows that theirs is a model worth aspiring to, it also necessitates compromises and changes that may jar with long held ways of operating a business.

Where you promote and seek partnerships, you sacrifice control. When automation has a greater role in sales, human interaction is downplayed. If you increase your data footprint, there's an impact on time.

It's understandably scary. But there's none of the benefit without some of the compromise, and you've got to ride the rollercoaster to get the thrill.

Here's how we think you can make it work.



It's not about revenue share any more, it's about strategic advantage through the ecosystem we create"

**PARTNER DIRECTOR,
GLOBAL TELECOMS BUSINESS.
OCTOPUS GROUP 2022**



PLATFORM CHALLENGE 1:

More partnerships, less control

Perhaps the most defining feature of any successful platform is the partnership model it works on. These places are ecosystems, where collaboration and co-development are prized, and partner growth is a top objective.

Shopify is a prime example of this. Its wide and expanding partner programme is now more important to the business' future than the software that attracted those partners in the first place.

The trouble is that more partners inevitably means less commercial control. Something that doesn't always sit right with many businesses, who bristle when their bottom line or direction is overly impacted by forces beyond their four walls.

80% of B2B businesses expect the number of partners in their channel ecosystems to increase in 2022

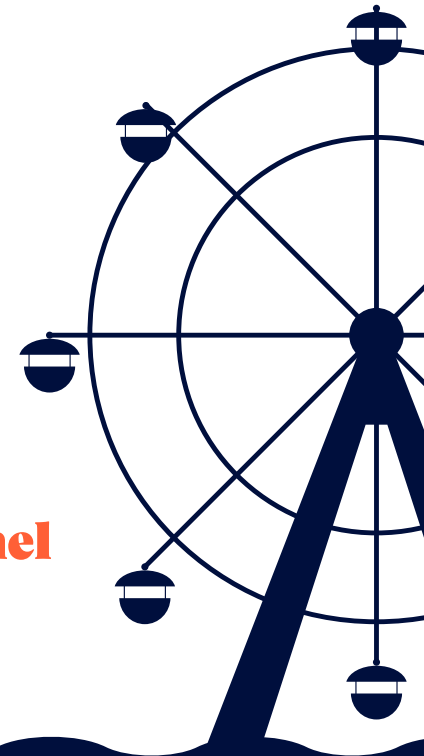
THE SOLUTION:

MAKE REAL FRIENDS

The simple fact about embracing a platform model is that your business will have an increased number of partners, even if you don't become a fully fledged ecosystem. But that release of absolute control (that you probably didn't have to begin with) needn't mean letting go.

By shifting from partners as resellers and distributors to partners as collaborators you'll find people to work with who fit your business, make a positive difference and help shape your strategy. Ultimately, partners are a way for your business to do and achieve more, with less risk involved.

Again, look at Shopify, where partners generate 15% more revenue than the business itself does.



PLATFORM CHALLENGE 2:

More automation, less human

It's generally the case that B2B transactions have a greater need for direct human interaction. We value it, we spend a lot of our time creating the conditions for sales to thrive, we often measure success by leads and brand growth.

As a result, some of the trends in customer interaction and sales, as driven by platforms, are a bit new to us.

According to Gartner, 77% of B2B buyers are willing to spend more than \$50,000 via ecommerce, and

80% of B2B sales interactions will go digital by 2025. So while interaction can close a sale, today's buyers are willing to go a lot further without it. Whether that's selling plane engines with marketing automation, or a brand like Cazoo transforming car sales without a single showroom.

None of this exactly negates the human role in B2B. But there's no doubt that it points to it reducing, as B2B businesses reach higher levels of digital maturity.

THE SOLUTION:

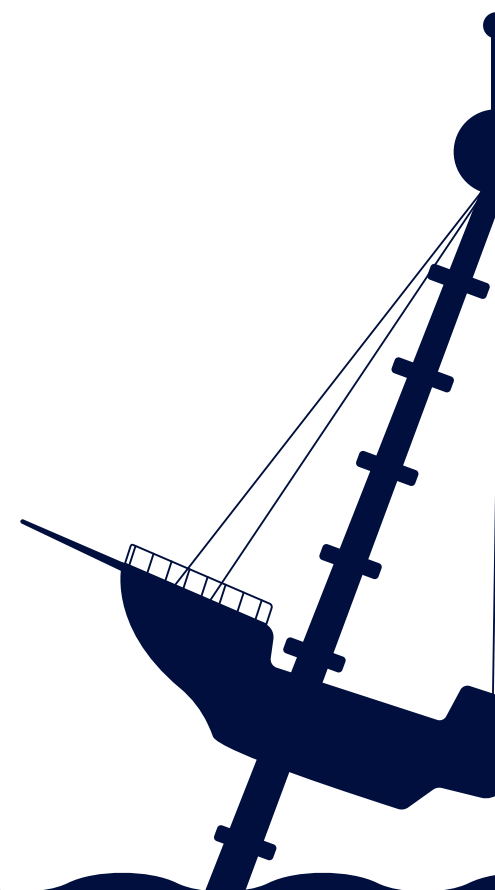
AUTOMATE WITH SOUL

Digitising done well means more engagement at a lower cost – you hit that speed and scale goal that every business has in common. The risk, however, is that things like customer experience, brand, loyalty and engagement all suffer. But not if you prioritise customer experience on digital channels as you automate.

An increased focus on innovation that closes the gap between digital and human experience will help you harness the benefits of all that ecommerce spend and increased willingness to transact online,

without harming the B2B relationships you've built up over years of handshakes, conversations and (more recently) Zoom meetings.

It's a more targeted approach to transformation and automation that balances a modern platform approach with a slightly more traditional B2B sales sensibility.



PLATFORM CHALLENGE 3:

More data, less time

We won't recount the various stats and soundbites about data. You know as well as we do that you use a lot of it, and the trend is only going one way. A basic B2B data footprint could involve around 75 inputs (see graphic), without reaching the level of complexity that some go to.

You already know that reactive, short term approaches to data management, ownership and usage only get you so far. They also end up costing more time than they save, as one solution, plan or tool is piled on top of another until your data estate ends up looking like a house of horrors.

SHORT-TERM:

Immediate steps to put in place now, outlining the efficiencies data can deliver and the questions you need to answer with it.

MEDIUM-TERM:

Stop the data firefighting and establish some strategy and thinking around what you're doing with data. Define the marketing data discipline and commit to bringing in dedicated skills and resources.

LONG-TERM:

The point at which data really starts working for your business and that strategy you put in place contributes meaningfully. Look to see how data can be a competitive differentiator for you, and your need for a customer data platform capability.

THREE TO NINE MONTHS

ONE TO TWO YEARS

TWO YEARS PLUS

THE SOLUTION:

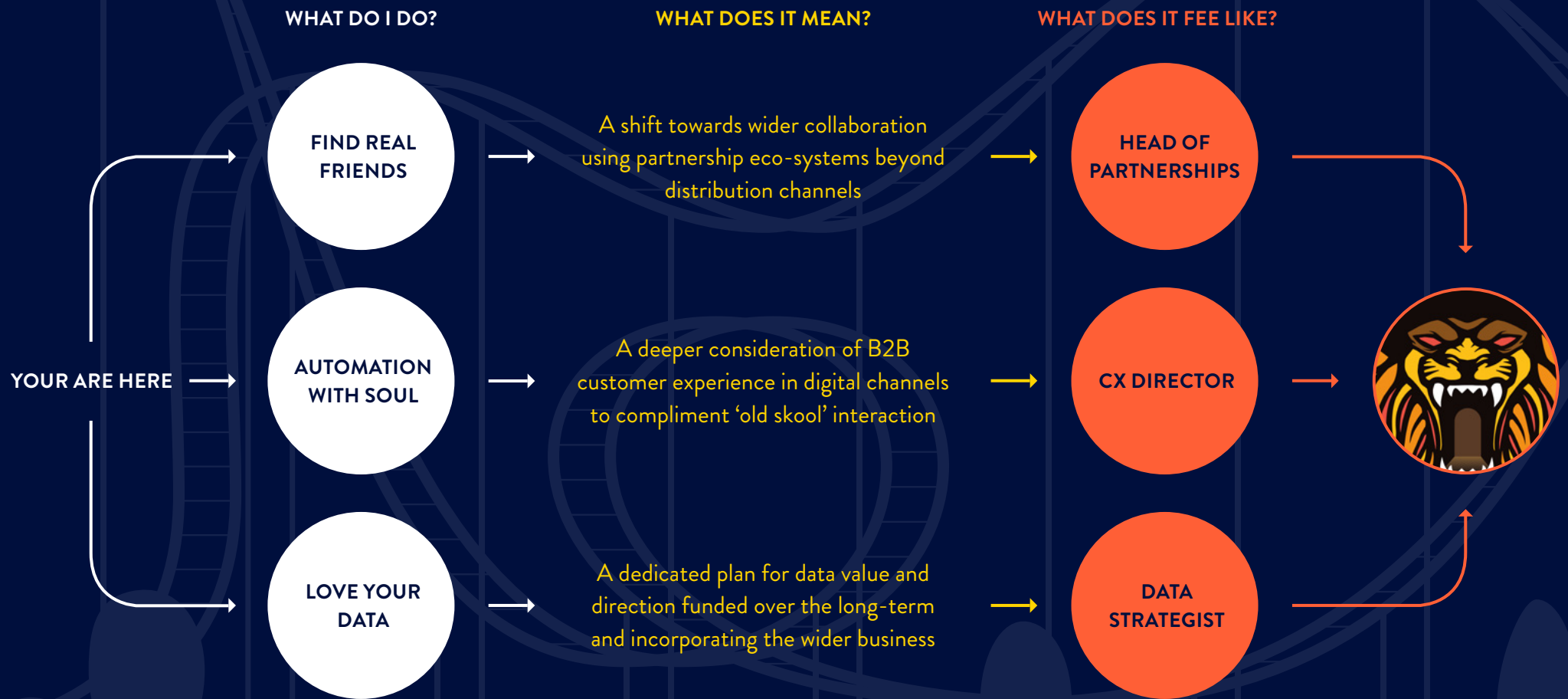
LOVE YOUR DATA

Platform thinking requires a long term, fully worked out data strategy. No shortcuts.

That starts with having smart, experienced data professionals in your business that allow for greater sophistication. But it really rests on time investment to create a clear data plan with short, medium and long-term goals.



Time to pick your favourite ride



Where to next?

Platform Land is a fun place to be for B2B marketers. But it's not without its risks, challenges and uncertainties – and it's probably pretty easy to get lost as you find your way around.

But even if some of the compromises scare you more than a 90mph rollercoaster, you've got to figure out how to get around it. Ambitious B2B businesses are thinking in platform terms more and more as time passes. They're valuing partnerships and connections, harnessing automation, and not just getting their data in shape but revealing that it can be a genuine differentiator.

The upshot is that these trends are going to be dominant in B2B marketing for the next three to five years.

We know it because we see it. And whether you're trying to make sense of it all, or are trying to succeed with a platform model, we think the best way through is to buckle up and enjoy the ride.

Toffee apple, anyone?

CONTACT DETAILS:

GILES SHORTHOUSE

Head of Business Development and Marketing

Tel: +44 203 823 7390

Email: giles.shorthouse@octopusgrp.com