

# Identifying Marketing Strategy Challenges in the Shift from B2B to D2C

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**The digital revolution has inspired many business-to-business companies to start selling directly to consumers. Shifting from a business-focused to a consumer-focused approach requires major changes in marketing strategy. However, these changes do not necessarily come naturally to a company, as they often are struggling with adjusting their marketing mix. This study has highlighted common challenges in this process, and by tackling these, B2B companies can more effectively expand into the direct-to-consumer (D2C) market and pave the way for increased growth.**

The trend of digitalization and data collecting over the last decade has made business-to-business (B2B) companies more eager to explore how they can develop their product portfolio to also address end consumers. These companies often retain a lot of expertise and knowledge from their B2B business. By combining their insights with the increased data available about consumers, they can utilize their capabilities in new useful innovations that benefit more people and thus also the society at large. This shift often involves an e-commerce distribution where the company bypasses any intermediaries and sells directly to the end consumer, a so-called direct-to-consumer (D2C) model. While there are many benefits to a D2C approach, transitioning from B2B to D2C is not always straightforward. In particular, changing from an industry-focused marketing strategy to one aimed at end consumers has proven challenging for many companies.

The study identifies three key challenges for B2B-focused companies when developing a marketing strategy for a new D2C segment. These include management and resource commitment, understanding and adjusting to new customer behaviors, and leveraging the B2B brand in the D2C context.

Firstly, many B2B companies are so accustomed to their usual practices that they often neglect or fail to understand what is needed to succeed in the D2C market. Without strong commitment and financial backing from top management, the D2C unit remains underdeveloped and fails to benefit the organization as a whole. Therefore, management engagement is required to succeed with the business model transformation.

Secondly, the intended customers for B2B and D2C markets are very different. End consumers are more emotional and irrational in their decision-making, requiring new marketing tactics to reach them. Thorough research is needed on the intended targeted segments, in order to understand their needs and wants.

Finally, B2B companies often have a strong brand reputation with their business clients, but tapping into this strength for a completely different consumer audience can be tricky. End consumers might have no idea about the brand or its benefits. The company needs to find ways to promote, package and create awareness around the brand for end consumers, in order to succeed D2C-wise.

Recognizing and understanding these challenges allows companies looking to make the transition from B2B to D2C to better equip themselves for the journey ahead. By addressing the challenges, and making proactive decisions, they can increase their chances of thriving in their new market segment. However, making this transition is not just about expanding market reach – it is about transforming how companies engage with their customers and driving progress in an increasingly digital and connected world.