

# Sales Growth Strategies in the B2B Sector

**Q1 & Q2 2024** Analysis & Insights



# About this Report



This report was a joint project between the Oxford Brookes University Business School and Prospect CRM – a cloud-based Customer Relationship Management software tool based in the UK.

During their collaboration Prospect CRM gave access to its digital records to researchers at the university. Analysis by the research team produced unique insights into the sales processes, strategies and opportunities within UK B2B SME firms – and in turn helped Prospect CRM develop new in-app sales development tools for its users.

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Overall, 15.8 million sales – from more than 2 million businesses – were analysed, yielding the three distinct areas of insight contained in this report. The areas of insight were:




- **Industry benchmarking:** Assessing the scope for revenue growth by sector.
  - **Quantifying the value of repeat business:** Can ‘missing revenue’ within existing customer base be identified?
  - **Measuring loyalty:** Average Interpurchase Time & what the metrics of repeat business reveal.
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Finally, after findings were extracted from the full CRM user base, they were further broken down across five industries to create additional insights:

- Engineering Equipment
- Health and Beauty
- Medical and Lab Equipment
- Suppliers to the Construction Industry
- Brewing/Distilling/Wine

## Key Insights



- **£66,000:** The average B2B firm can unlock £66,000 per year through customer loyalty campaigns.
  - **10%:** Loyal customers buy more overall, but spend ~10% less each order.
  - **136 days:** The average time taken before a B2B customer places a second order. The third order then only takes, on average, 65 days to be placed.
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# Why repeat business is important right now



**While UK B2B sales have been relatively buoyant over the last fiscal year – and trended upwards by 7.6% from Q1 to Q2 2024 across the five industries in the Prospect CRM dataset – economic conditions have remained strained.**

Recent turbulence in the US sharemarket, off the back of weak jobs data, points to an overall fragility in global trading conditions. Data from inventory software provider, Unleashed, shows the UK micro and SMB manufacturing sector under pressure from reduced profitability – down -9% YoY owing to higher costs. The same report shows sales revenue also dipping towards the end of the fiscal year – down -21% in the quarter to June 2024.

In these conditions, B2B firms place a premium on repeat business. Focusing on existing rather than new customers is often a more cost effective and reliable means of extracting revenue; the insights afforded by this big-data analysis, conducted by the Oxford Brookes Business School, are therefore more relevant than ever.

## What is the Growth Engine?

Built out of the same collaboration that produced this report, the Growth Engine is a new CRM tool that helps businesses grow revenue by both attracting more customers and maximising their lifetime value. It uses up-to-date industry benchmarking to identify the user's performance relative to their peers on multiple, granular sales metrics.

**Get a demo of the Growth Engine [here](#).**

# What does the analysis reveal?

Key learnings from the digital records of 2,000 CRM users trading with 2 million businesses, and processing 15.8 million orders.

*“The macroeconomic winds affect everyone, but their effects play out differently in each industry. Sales growth strategies are always best measured against industry peers.”*

**Methuselah Singh**

KTP Associate, Oxford Brookes University Business School

## Revenue growth benchmarks: Assessing scope for growth by industry

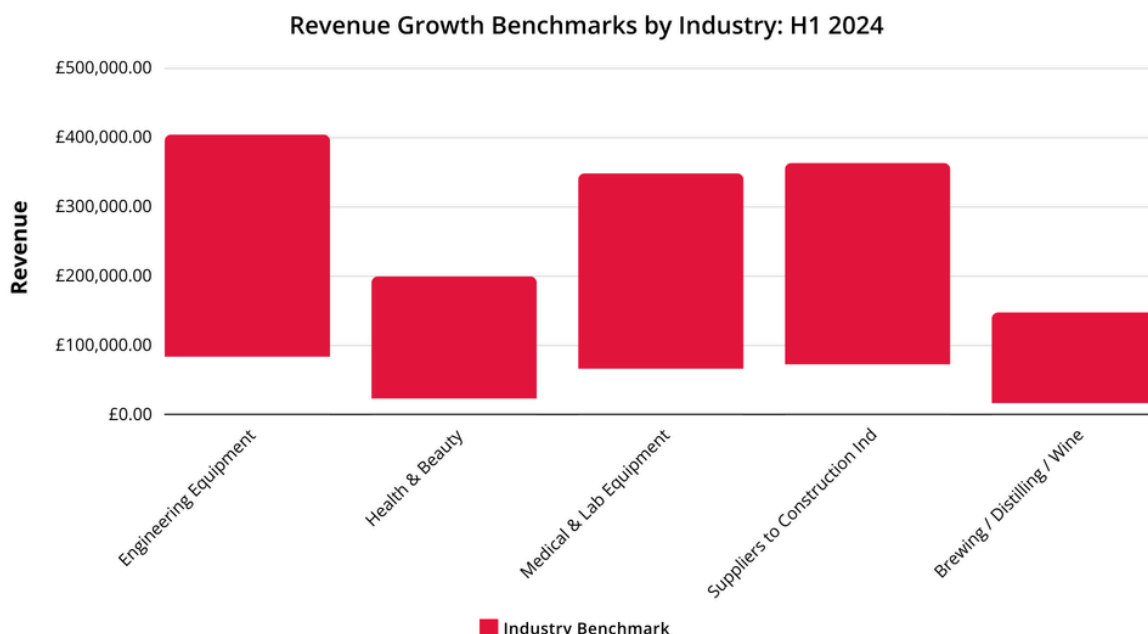
The data quickly showed how much the potential for growth within any one business is affected by the unique circumstances of its particular industry.

By pooling all H1 2024 UK sales data, and breaking it down by industry, the team were able to identify the median sales revenue performance for each category, and create sector-specific sales growth benchmarks. As an example, each block in the chart represents the 25th to 75th percentile range of sales revenue for that industry per month.

Notable results include the very tight median sales performance results in the beverage sector, likely reflecting a high level of standardisation and overall maturity in the industry.

By contrast, Engineering Equipment firms had the greatest variation in minimum and maximum sales revenue values, with a large interquartile range. This was likely an expression of the greater diversity of products in that category, their higher price points, and so on – as well as the overall state of demand and activity within the sector.

As a result of the analysis, the CRM software team were able to create a live sales performance benchmarking tool with the system, giving users the ability to track their growth against industry peers.



What does the analysis reveal?

## What's the value of repeat business? Quantifying 'missing revenue' within the existing customer base

Making a sale to an existing customer is widely understood to be easier than selling to a new customer. Costs per sale to existing customers are also generally lower, making repeat business – and the art of building customer loyalty – highly attractive in periods of lower economic activity.

To help identify trends amongst loyal customers versus more intermittent purchasers, the Oxford Brookes team arranged customers in the database according to the number of purchases they made. Those that made four or more purchases from one business were considered 'loyal' and reviewed against the general cohort for marked differences in behaviour.

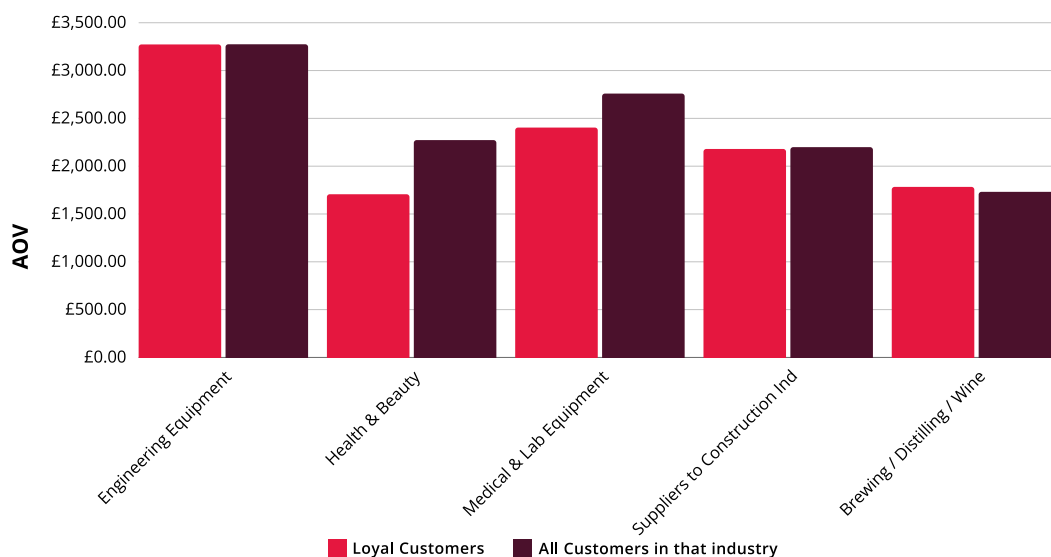
Categorising the cohorts by order frequency quickly revealed the hidden costs of customer loyalty. Most strikingly where some customers were seen falling into 'little-and-often' buying patterns wherein their Average Order Values were lower than other transactional customers, despite contributing more individual revenue.

This trend varied noticeably by industry, highlighting the uniqueness of customer behaviour across different sectors.

**“**  
*Do B2B firms focus too much on finding new customers at the expense of growing valuable customer loyalty? Each business will have a different answer, but we can now at least put a number on the potential upside of building repeat sales.*  
**”**

**Methuselah Singh**  
KTP Associate  
Oxford Brookes University Business School

Average Order Value by Industry - Loyal Customers vs All Customers: H1 2024



# What does the analysis reveal?

## Finding the value of missed sales

Further analysis looked into the potential for unlocking additional revenue by converting more 'transactional' customers into loyalists.

Starting with the assumption that any customer who makes a third purchase – but not a fourth – was a lost opportunity for repeat business, the team identified a total number of 'lost sales'. These were then multiplied by the Average Order Value for the appropriate industry to give a hypothetical value of missing revenue.

While this approach conveniently skirts real-world complications – did the customer not buy again because they went out of business? Did they become unhappy with the service? etc. – it did usefully quantify the opportunity cost of focusing too much on new business, to the detriment of building customer loyalty and repeat sales.

Overall, for an average firm from one of these industries, the value of this 'missing' revenue was over £66,000 per year, highlighting the potential pool of sales revenue that can be targeted by customer loyalty campaigns.

| Industry                           | Annual 'missing revenue' per business* |
|------------------------------------|--|
| Engineering Equipment              | £76,222                                |
| Health & Beauty                    | £53,098                                |
| Medical & Lab Equipment            | £55,264                                |
| Suppliers to Construction Industry | £119,156                               |
| Brewing/Distilling/Wine            | £27,575                                |

\* (Percentage rate of missing orders x industry average revenues) / number of firms in cohort

What does the analysis reveal?

## Measuring loyalty: Average Interpurchase Time & what the metrics of repeat business reveal

*“Encouraging customers to place further orders is vital for product businesses. Being able to measure order frequency, and applying strategies that shorten the time between purchases, offers significant potential for growth.”*

### Methuselah Singh

KTP Associate  
Oxford Brookes University Business School

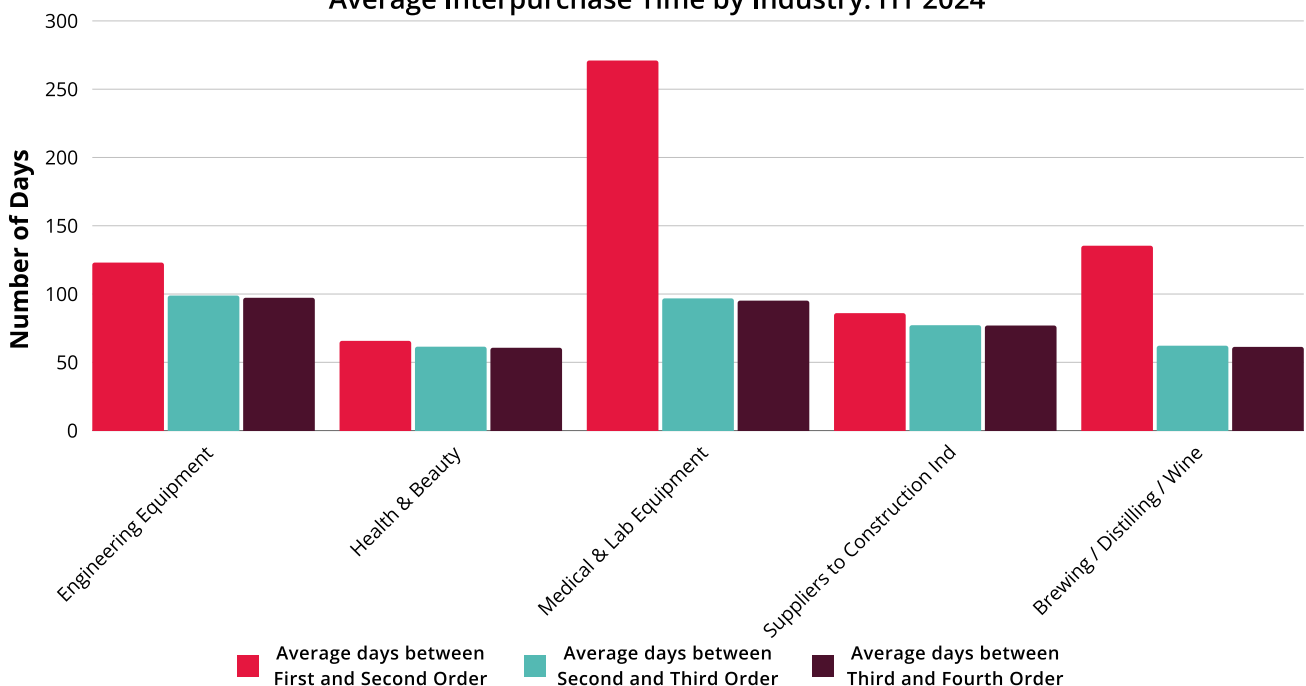
A final metric extracted from Prospect CRM’s sales data revealed further opportunities for growing revenue. Average Interpurchase Time (AIT) simply measures the number of days between orders. Ignoring one-off sales, AIT was plotted from purchase one to purchase two, then purchase two to purchase three, and so on, revealing the characteristic pattern of developing customer loyalty.

The clear trend was for AIT to decrease between each purchase, presumably as familiarity, trust, and communication improved over the course of the relationship. Breaking the trends down by industry then revealed several opportunities.

Medical and Lab Equipment firms had the largest gap between the first and subsequent sales, with the alcohol industry seeing a similar pattern. It’s likely that a greater emphasis on customer contact and more intentional loyalty-building strategies in these industries could close this gap. This would front-load spending behaviour and – with the insights around Average Order Values from loyal customers in mind – likely also boost overall revenue.

Meanwhile, the Health and Beauty industry appears more adept at relational selling, and Suppliers to the Construction Industry also move quickly into a steady rhythm of sales – perhaps as a function of the tendering processes widespread in that category.

Average Interpurchase Time by Industry: H1 2024



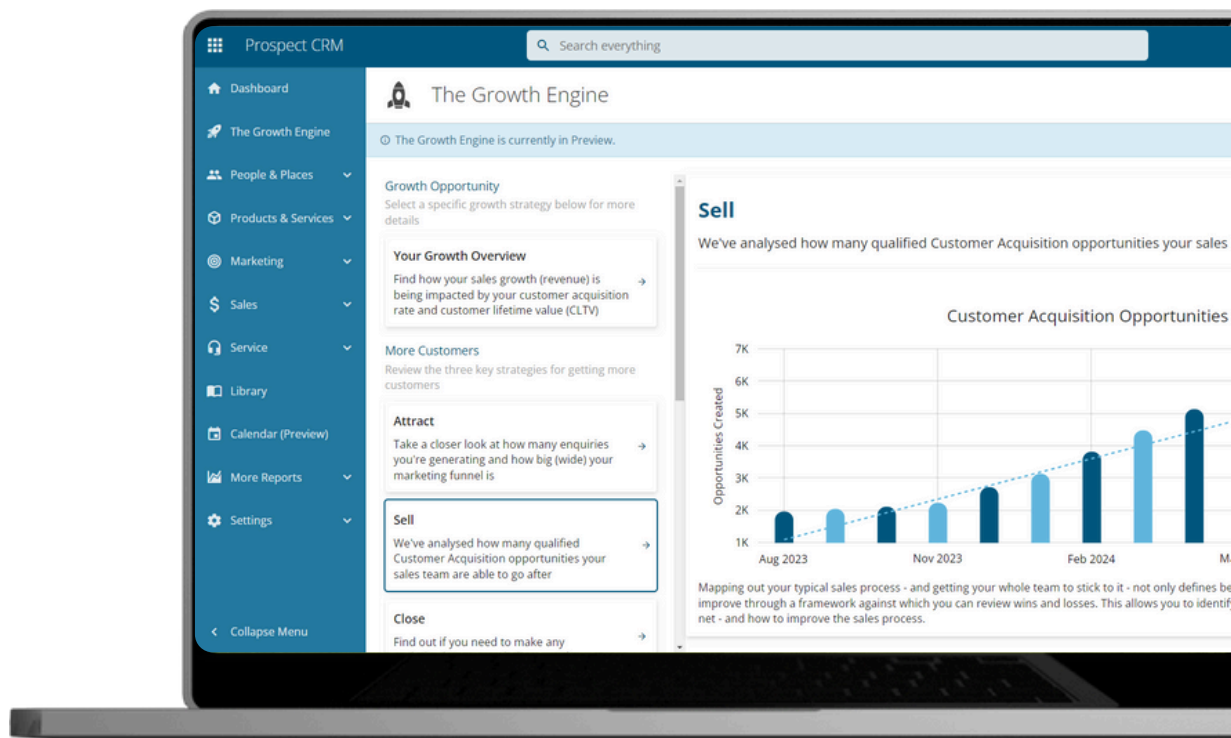
# Conclusions and next steps

The analysis of large volumes of Prospect's CRM data by the Oxford Brookes University Business School unlocked significant insights into existing and potential growth strategies for B2B firms.

Conducted within the Knowledge Transfer Partnership model – whereby leading academics work with the private sector to foster innovation in the British business community – the project also led to new software tools being developed to boost sales growth.

Known as the Growth Engine, this tool set is now part of Prospect CRM, allowing users to turn live benchmarking and opportunity analysis tools into real-world sales growth strategies.

For more on sales growth strategies – and to learn more about the Prospect CRM Growth Engine – visit [www.prospectsoft.com/crm/the-growth-engine](http://www.prospectsoft.com/crm/the-growth-engine)





## About ProspectSoft

ProspectSoft is part of the ERP division at The Access Group, specialising in CRM & eCommerce for B2B Wholesalers, Distributors and Manufacturers. They create, develop, and deliver their award-winning "Stock-Aware" solutions to more than 5,000 SME users worldwide.

With market-leading inventory management, accounting and ERP integration, their CRM unlocks unique sales analysis, predictive intelligence and efficiency gains across Marketing, Sales, and Customer Service teams in product businesses.

[Learn more](#)

## About The Access Group

The Access Group is one of the leading providers of business management software to mid-sized UK and Asia Pacific organisations. It helps more than 60,000 customers across commercial and not for profit sectors become more productive and efficient. Its innovative Access Workspace cloud solutions transform the way business software is used, giving every employee the freedom to do more. Founded in 1991, The Access Group employs approximately 5,000 people.

## About Oxford Brookes University

Oxford Brookes is one of the UK's leading modern universities, and is amongst the world's top universities in 21 subject areas. Set in a world-famous student city, it enjoys an international reputation for teaching excellence as well as strong links with business, industry and the public sector.

