

B2B partnerships come with opportunities and pitfalls

By [Anton Grützmacher](#)

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Business-to-business partnerships involves partnering with other brands and companies to achieve various objectives. It ranges from growth through co-selling and promoting to creating entire new revenue streams like data monetisation or product innovation.



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In South Africa, Discovery Health has to be lauded as one of the local pioneers to first identify “partnership” opportunities. They gained health data from gyms and retailers to incentivise healthy living in their customers, and reduce insurance claims.

The opportunities of B2B partnerships

Here are some of the reasons why business to business partner marketing will continue to trend in South Africa:

- **Improved customer insights** - Data sharing is pivotal to improving customer insights. Knowing what your clients are interested in outside their engagement with your business is very valuable for innovation.

- **Expand market reach** - Joint offerings can leverage another party's brand equity and reach, and help brands grow market share and increase loyalty.

- **Direct marketing with consent** - Most companies have gained or are gaining consent to speak to their own customers, so letting them speak to their customers on your behalf is a smart way to target “new” prospects at scale.
- **Data monetisation** - a valuable new revenue stream, but you cannot determine its value unless you test it with potential buyers



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Khathutshelo Mufamadi 22 Oct 2020



The privacy pitfalls of B2B partnerships

At the same time that B2B partnerships are hitting a growth spurt, privacy regulations are finally starting to be enforced to ensure personal data is protected and companies put processes in place to avoid breach risks and use data for legitimate purposes.

So, we have two things that are both valuable and increasing in importance at the same time, but also creating some challenges that have to be overcome if they are to coexist in harmony.

Partnerships are big business, but they can also be costly if you don't evaluate potential partners for synergy first or understand the size of the prize before committing resources.

This is generally easy to do with data, but this is where POPIA and GDPR come into play.

Challenges all businesses must address immediately

1. **Consent:** If you don't have consent to share the customers' personal information with “potential” partners, how do you establish the business case and determine if the partnership is likely to present a growth opportunity?
2. **Breach risk:** If you do have consent, and you send the data to the potential partner for analysis, or they have to send it to you, how do you get past the trust issue that data won't be misappropriated?

There is an additional consideration that is not privacy-related, but still poses a significant business risk:

Leaking intellectual property (IP). Very few businesses want to share their customer data with another business before they have even established the value of the partnership. This “Trust Gap” can be so onerous that many companies who want to reap the rewards of partnering, don't even get out of the gates.

How technology changes the B2B partnership game

Organisations who want to take advantage of the benefits that come with B2B partnerships will need to harness the power of technology to remain POPIA-compliant. Platforms that integrate privacy protocols within the technology stack are essential. This enables data sharing parties (potential marketing partners) to eliminate the risks of consent and breach, while also protecting their IP.

- Insist on a partnership platform that ensures you no longer have to share your customers personal data to perform an overlap analysis with the potential partner
- Find a platform that ensures you no longer have to transfer actual data to the potential partner

- Ideally you want a platform that also adds other insightful data layers to better analyse or evaluate the “potential partners” data without contracting with the 3rd party or sharing data with them

If this is done well, data sharing parties do not share personal information, and neither party sharing data can re-identify data subjects. This eliminates the challenge of consent, because the data subject’s data is still safely stored in your environment.

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