March 28, 2018

B2B Ecommerce 2018: Transforming Buying and Selling

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For more information on this subject, see the related report at http://totalaccess.emarketer.com/Reports/Viewer.aspx?R=2002216
Ecommerce’s Growth
B2Bs think ecommerce is important at their company

- 94% of B2B executives in North America said B2B ecommerce is critical to business advantage and results
- 87% agree accelerating B2B ecommerce is a strategic priority
- 79% want their company to be an industry leader in digital selling
B2B buyers want to buy products digitally

- Three in four senior B2B executives worldwide said their customers asked to purchase products digitally.
- When asked why, 72% cited ease of purchase. Other reasons included not having to wait for a sales rep and insight into available inventory and delivery times.

### Reasons that Their Clients Want Access to a Digital Sales Channel According to Senior B2B Executives Worldwide*, Q2 2017

<table>
<thead>
<tr>
<th>Reason</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of digital purchase</td>
<td>72%</td>
</tr>
<tr>
<td>Not having to wait for a sales rep to contact</td>
<td>52%</td>
</tr>
<tr>
<td>Insight into available inventory and delivery times</td>
<td>42%</td>
</tr>
<tr>
<td>Direct insight into prices and calculations</td>
<td>40%</td>
</tr>
<tr>
<td>Ability to see greater product detail</td>
<td>38%</td>
</tr>
<tr>
<td>Ability to see order history online</td>
<td>25%</td>
</tr>
<tr>
<td>Ability to search digital catalog</td>
<td>13%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

Note: *Australia, Austria, Belgium, Germany, Netherlands, New Zealand, Switzerland, the UK and the US
Ecommerce provides new opportunities for B2Bs

- 59% of B2B decision-makers in Europe and the US said B2B ecommerce enables them to more easily acquire customers

- Other growth drivers included:
  - upsell/cross-sell
  - self-service
  - automated ordering


<table>
<thead>
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<tbody>
<tr>
<td>Able to more easily acquire new customers</td>
<td>59%</td>
</tr>
<tr>
<td>Can upsell/cross-sell with current customers more easily</td>
<td>51%</td>
</tr>
<tr>
<td>Customers can more easily serve themselves</td>
<td>51%</td>
</tr>
<tr>
<td>Automated ordering system gives more recurring orders</td>
<td>39%</td>
</tr>
<tr>
<td>Can more easily expand/scale product offerings</td>
<td>26%</td>
</tr>
</tbody>
</table>

Note: *includes Benelux, France, Germany, Italy, Spain and the UK
Market sizing


- Frost & Sullivan is a bit more aggressive in its market forecast. It estimated in September 2017 that global B2B ecommerce sales will hit $6.6 trillion by 2020—at which time it will more than double B2C online sales (forecast at $3.2 trillion).
Most current ecommerce implementations only power run-of-the-mill purchases

2/3+ of B2B ecommerce sales are for “simple transactions, such as when the customer already knows the product, no value-added services are needed, and the purchase is a reorder.”

Source: Forrester Consulting and FPX, April 2017

41% of B2B professionals in North America and Europe said a leading barrier to achieving higher revenues from ecommerce sales was the complexity of their products/solutions/services.

Source: Forrester Consulting and FPX, April 2017
Digital transformation of B2B sales

- Experts agree, however, that the technology is finally catching up to enable more complex sales.

- Creating an ecommerce experience for complex B2B environments requires internal change management.

- For that reason, most large B2Bs work with a partner to map out their ecommerce strategy. This is typically an agency or consultancy with experience in digital sales channels that can help clients make decisions, craft their approach, find the right technology partners and set realistic goals.
Direct Ecommerce
Most B2B ecommerce implementations are direct ... and need work ...

46% of senior B2B executives sell their products through their own web store.

76% of those respondents plan to upgrade their web store within the next two years.

Source: Sana Commerce and Sapio Research, Q2 2017
Should B2Bs build or buy the technology?

- A common question for B2Bs is whether or not to use a third-party platform.
- Roughly half of US B2B websites build their ecommerce tech in-house.
- Some say this allows for greater customizations, while others believe it can be a money pit and using a vendor is easier.
Direct ecommerce checklist

- The customer experience must be central.
- At a minimum, it should mimic B2C sites with easy navigation, intelligent search, detailed product content, specs and photos, and order tracking.
- Custom account specifications are a must for B2Bs: account onboarding for unified corporate view, bespoke pricing and procurement terms, order management, access to credit or other B2B payment methods, inventory status and more.
- Mobile is a must for buyers who are in the field or away from their desk.
Augmenting direct with hybrid touchpoints

- Providing buyers with an ecommerce option doesn’t remove the need for a human touch.
- B2Bs that have cultivated strong relationships with their buyers may run the risk of having it disintegrate if they approach direct digital commerce in the wrong way.
- Taking a hybrid approach, in which additional human-assisted offerings are blended with direct ecommerce, is a major way to mitigate this potential pitfall.
- When offering a hybrid model, B2Bs need a great deal of internal coordination and technology.
The importance of sellers

- The popularity of hybrid approaches indicates human sellers are still a vital piece of commerce in B2B.
- The role of the seller is evolving into that of a quasi-consultant, likely covering a higher number of accounts and being responsible for continuing the relationship with the buyer offline.
- Part of this evolution is working with the direct ecommerce channel to drive sales and revenues.
- B2Bs have to ensure that their commission structure and sales model are set up so that the two are not in competition.
Pros and Cons of Indirect
Many B2B companies also explore indirect digital sales channels

**Pros**

- Many B2Bs simply don’t have the time, resources or expertise for direct
- Indirect allows for flexibility, testing and access to new buyers
- Some indirect partners offer Supply Chain as a Service

**Cons**

- B2Bs have to give up part of the customer experience to a third party
- Working with an indirect partner also means less profit on each item
Omnichannel Commerce and System Integration
Digital must work within pre-existing buying mechanisms

- Digital channels should complement and augment existing channels.
- The experience should be seamless across channels, giving buyers an additional way to educate themselves, engage with the seller and complete their purchase.
- Omnichannel commerce isn’t possible without unified systems and data.
- Gaps in the tech can negatively impact experience. Buyers forced to log in to disparate portals will be frustrated and may very well head elsewhere to buy.
Most B2Bs embrace omnichannel

- 56% of senior B2B executives worldwide said they had an omnichannel strategy, including direct and indirect channels:
  - Own web store
  - Distributor
  - B2B marketplace

Components that Make Up Their Omnichannel Strategy According to Senior B2B Executives Worldwide*, Q2 2017

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<td>Own web store</td>
<td>52%</td>
</tr>
<tr>
<td>Distributor web store</td>
<td>33%</td>
</tr>
<tr>
<td>Social media</td>
<td>32%</td>
</tr>
<tr>
<td>Mobile apps</td>
<td>31%</td>
</tr>
<tr>
<td>Email marketing with buy buttons</td>
<td>29%</td>
</tr>
<tr>
<td>B2B marketplace</td>
<td>23%</td>
</tr>
<tr>
<td>Call center</td>
<td>15%</td>
</tr>
<tr>
<td>Physical store/depot</td>
<td>13%</td>
</tr>
<tr>
<td>Mail order</td>
<td>13%</td>
</tr>
<tr>
<td>Fax</td>
<td>11%</td>
</tr>
</tbody>
</table>

Note: Among respondents who use more than one sales channel; numbers may not add up to 100% due to rounding; *Australia, Austria, Belgium, Germany, Netherlands, New Zealand, Switzerland, the UK and the US