
The Changing Landscape of B2B eCommerce

For years, eCommerce was a B2C game—a channel best suited for consumer brands and retail transactions. Several recent studies and some major shifts in buyer behavior, however, paint a different picture. This ebook will explore the consumerization of B2B eCommerce and the massive opportunity for B2B companies that get it right.

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Introduction

In recent years, several reports have been published about B2B commerce in the United States that have revealed a very clear trend: eCommerce—once a fringe B2B sales channel—is very quickly evolving into the buying method of choice for B2B customers.

In fact, according to one recent survey of B2B vendors, 57% of B2B companies believe commerce is rapidly shifting from offline to online,¹ a point that seems to be validated by the significant investments B2C giants like eBay, Amazon, and Google have made in the space.

When you think about it, the hyper-growth of B2B eCommerce makes a lot of sense, too. After all, B2B buyers are part of the B2C populous and they have been trained to expect seamless, high-quality online purchasing experiences. When they buy a pair of shoes or a new watch, they know exactly where to go and how to buy what they want. As a result, those same consumers are beginning to look for a similarly simple, elegant experience when they make B2B buying decisions.

So, instead of picking up the phone to call a vendor for pricing or engaging directly with sales, marketing, and customer service reps, B2B buyers increasingly prefer the option to self-serve online—researching, finding, buying, and managing their accounts through a single Web-based platform.



Major Trends Shaping the Future of B2B eCommerce

Aside from the obvious cultural shifts impacting B2B eCommerce (namely, the proliferation of the Web and changing customer expectations), there are a handful of other trends that have made eCommerce a viable sales channel for B2B brands. Here are three trends in particular that have had (and will continue to have) a significant impact on how, when, and where B2B companies sell their products and services:

1. Infrastructure

Years ago, building an eCommerce platform was a complex and often laborious task. Today, innovation in back-end infrastructure has made it easier than ever for B2B companies to quickly and affordably create fluid, comprehensive online shopping experiences.

2. Mobility

According to a 2014 Forrester report, 69% of B2B companies expect to stop publishing print catalogues within the next three to five years, moving instead to mobile-friendly versions that can be viewed on tablets or mobile devices.² Similarly, Forrester suggests that mobile commerce currently accounts for 3-5% of B2B sales, while mobile search and research accounts for 7-10% of B2B traffic. Other mobile trends influencing B2B eCommerce include mainstream adoption of remote working and bring-your-own PC initiatives. Neither is new, but both use cases are likely to fuel a new wave of B2B eCommerce.

3. Procurement Processes

Before eCommerce became a viable option, most B2B buying processes were managed on paper, over the phone, or through a digital order entry system. Though some B2B customers still prefer those processes, the Web has given buyers a superior procurement option—and many of those customers are happily embracing it. According to the Acquity Group's 2013 State of B2B Procurement Study, 57% of business buyers currently purchase goods for their companies online, and 37 expect to spend more of their annual budgets through online platforms in the next year.³

A 2013 Forrester and Internet Retailer survey of B2B executives gives additional credence to that last statistic, too. According to the survey, 46% of executives projected that more than half of their customers would be buying online by 2016, and 67% said they planned to increase spending on eCommerce technology in the next year.⁴

Where Most B2B eCommerce Efforts Fall Short

Despite the many benefits of leveraging eCommerce, most B2B businesses aren't fully capitalizing on the channel.

There are several reasons for that, including company leadership believing the process of implementing an eCommerce platform is too complex or time consuming, and the assumption that maintenance and management costs outweigh the potential revenue gain. Both of those issues can undermine a B2B eCommerce program, but they're often the result of series of mistakes B2B companies make on the path to implementing an eCommerce platform.

Mistake #1: Choosing the Wrong Deployment Model

Today's eCommerce technology platforms offer B2B brands a choice of deployment models, including on-demand, hosted, and on-premise. From the outset of the process, it's critical to select a basic deployment model that is driven by business needs and supports brand objectives. Unfortunately, many B2B businesses fail to align their growth objectives and requirements with the characteristics of each model, and that ultimately prevents them from creating a tailored and effective eCommerce system.

Mistake #2: Opting for a Turnkey, Marketplace Platform

Marketplace sites are certainly convenient for getting an eCommerce presence off the ground for B2B sellers. However, they offer very little differentiation potential and make it virtually impossible to tailor the platform's content to specific customer needs. That might be suitable in a B2C environment where a business sells just a few products in a handful of categories, but it's a recipe for disaster in the complex world of B2B eCommerce.

Mistake #3: Failure to Integrate with Existing Systems

This mistake builds off of the previous one. When you use a less complex shared platform, integrating with other corporate systems—like your company's warehouse fulfillment software—is virtually impossible. Why is that a problem? One of the keys to creating a great B2B eCommerce experience is ensuring that you build a seamless IT environment that improves company (and customer) efficiency. If your existing systems don't integrate with your eCommerce platform, then your eCommerce effort may be a zero-sum game.

Mistake #4: Not Paying Attention to Scalability

Scalability is a key issue in B2B eCommerce. Too often, firms build eCommerce platforms that are limited to current capacity rather than allowing for future technology requirements, even if they have an aggressive business growth agenda. This prohibits calibrated eCommerce functionality at each stage of growth and, ultimately, hinders a company's ability to scale its platform.

The Good News: Avoiding These Mistakes is Relatively Simple

It's certainly not impossible to implement an eCommerce platform suitable for B2B, and it can often be done with a favorable cost of ownership. But for that to happen, B2B businesses must identify an eCommerce solution that delivers the site structure, functionality, and end-to-end fluidity needed to create truly enjoyable, consumer-like buying experiences.



5 Ways to Improve the B2B eCommerce Buying Experience

As you begin to consider how to improve your B2B eCommerce capabilities, the one thing to keep in mind is that nearly all the best features of B2C eCommerce have applications in the B2B world.

By carefully identifying and integrating targeted B2C features that your customers are already familiar with, you can dramatically enhance customer experiences and achieve bottom line gains. Here are five B2C eCommerce functions in particular that perfectly align with the B2B procurement process:

1. Personalized Recommendations

Consumer retailers excel at using dynamic, personalized content to meet specific customer needs. Now a hallmark of the online consumer experience, personalization features (such as customized product recommendations and best-seller lists) save time for buyers and give B2B brands the opportunity to segment customers in ways that take into account their associations and existing contracts in a more seamless way.

2. Powerful Search Capabilities

Expansive product catalogs make robust search capabilities an eCommerce essential. B2B eCommerce platforms must provide the same level of convenience as retail operations, offering customers the ability to locate items according to product specs or SKU, price, and availability.

3. Easy Buyer Experience

B2C eCommerce platforms have evolved in a way that allows retailers to seamlessly manage large volumes of information to assist with the purchase decision. This need is even more acute in B2B, where product catalogs are bursting with a seemingly endless number of items sorted by precise product specifications. For example, just as in the B2C world where a customer can bundle a computer, printer, and software to save money and simplify their shopping experience, the B2B world can offer one-click purchasing for both software and professional training. Staying up-to-date on how buyers use the Internet in non-B2B purchasing environments will enhance the B2B experience.

4. Buyer and Seller Analytics

In most retail settings, customers can view their order history and other information with just a few clicks. With B2B, order tracking, invoicing, and account management tend to be much more complicated. With an eCommerce platform, B2B companies can easily address those problems. Customers gain visibility of order history, inventory, and billing deadlines, as well as the ability to easily reorder, while businesses can tap into rich analytics that paint a clearer picture of website traffic, buyer behavior, and ordering patterns.

5. Ability to Nurture Leads Throughout the Buyer Journey

Because the buyer journey is often longer in B2B sales than it is in B2C, it's important that B2B businesses possess the ability to nurture online relationships with buyers throughout that process. This might include sharing educational materials that help customers make more informed decisions, or communicating more frequently with a prospect in order to deliver the right content or recommendations at precisely the right time. Doing this also allows B2B companies to qualify a prospect's level of interest and initiate an offline connection with a salesperson, if necessary.

At first, the disparity between B2C and B2B sales approaches might make the adaptation of consumer eCommerce features feel counterintuitive. In the end, it's important to remember that B2B procurers are consumers with personal needs, preferences, and purchasing habits.

As such, incorporating targeted B2C features and functions into your B2B eCommerce experience can help your company build a procurement solution that puts you—and your customers—in control of creating a truly exceptional buying experience.

Is Your Platform Equipped for the Future of B2B eCommerce?

With Gartner VP of eCommerce technology Gene Alvarez recently suggesting that B2B eCommerce sales could soon reach \$1 trillion,⁵ the question to ask is this: Is your existing eCommerce platform or commerce strategy equipped to capitalize on that opportunity, or will you sink as customers flock to more powerful, feature rich, and user-friendly B2B eCommerce websites?

The key point to remember is that B2B eCommerce hasn't yet reached full maturity. The channel will likely undergo considerable changes in the coming years, so there's still time for your business to define its online presence. To succeed well into the future, however, your eCommerce platform must be flexible and scalable, and you must be able to control the content, functionality, and look-and-feel of your online store. The benefits of doing so include:

- The ability to differentiate your company as a simple, user-friendly solution for B2B procurement
- The opportunity to lower sales, marketing, and customer service costs through better self-service options
- The ability to generate higher website traffic, conversions, and (most importantly) revenue through better cross-sell and up-sell opportunities

Ultimately, one thing is undeniable: buyers today, whether they're consumers or business procurers, demand online shopping experiences that are simple, elegant and personalized to their needs. If your business isn't providing that right now, it's time to get started.

About Magento

Build your business with the eCommerce platform that puts you in control.

Magento offers flexible, scalable eCommerce solutions designed to help you grow and succeed online. Our cost-effective technology platform makes it possible for you to control the content, functionality, look and feel of your online store. We also offer support, services and training to help ensure your success. Our network of partners and certified developers offer expertise and resources to help design, build and host your store. And partners also offer thousands of apps and extensions to help you add custom features and functionality.

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About MarketingProfs

A rich and trusted resource that offers actionable know-how designed to make you a smarter marketer—from social media and content marketing to lead generation and online conversions.

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¹ MarketingProfs, *How B2B Commerce is Changing*, 2013

² Forrester Research, *The New and Emerging World of B2B Commerce*, 2014

³ Acquity Group, *2013 State of B2B Procurement Study*, 2013

⁴ Internet Retailer, *Signs point up for B2B e-commerce*, 2013

⁵ InternetRetailer, *B2B e-commerce gets its own publication*, 2014