



B2B ECOMMERCE 2018

Transforming Buying and Selling

Business-to-business (B2B) ecommerce sales will have explosive growth in coming years and will soon rise beyond the business-to-consumer (B2C) market, according to industry forecasts. B2B buyers want to make business purchases online, and B2B companies continue to see the benefits of using ecommerce to supplement their existing buying mechanisms.

presented by





Dear eMarketer Reader,

eMarketer is pleased to make this report, **B2B Ecommerce 2018: Transforming Buying and Selling**, available to our readers.

This report is a great example of eMarketer data and insight that explores how B2B buying and selling are transforming as digital commerce continues to grow.

We invite you to learn more about [eMarketer's approach to research](#) and why we are considered the industry standard by the world's leading brands, media companies and agencies.

We thank you for your interest in our report and **BigCommerce** for making it possible to offer it to you today.

Best Regards,

Ezra Palmer

Ezra Palmer
Editor and Publisher, eMarketer Media Properties



B2B ECOMMERCE 2018: TRANSFORMING BUYING AND SELLING

Business-to-business (B2B) ecommerce sales will have explosive growth in coming years and will soon rise beyond the business-to-consumer (B2C) market, according to industry forecasts. B2B buyers want to make business purchases online, and B2B companies continue to see the benefits of using ecommerce to supplement their existing buying mechanisms.

- While digital has been transforming B2B sales for more than two decades, there is still a need for more complex solutions to support the intricacies of B2B commerce. B2Bs typically work with a consultancy to determine how aggressive their digital sales strategy should be and the best way to implement it.
- Direct web stores are the most common type of B2B ecommerce. B2Bs either build in-house or partner with a vendor to craft an on-site experience that will serve their buyers. Features like advanced search, detailed content, custom account specifications and mobile accessibility are all important.
- Many B2Bs are enhancing their direct offerings through hybrid approaches that balance a blend of online self-service with human-assisted sales.
- Indirect digital channels—like a distributor or marketplace—aren't as common as direct, and B2Bs must carefully weigh the pros and cons of selling through these methods.
- Ecommerce will not replace traditional sales. Digital channels should be considered an extension of current models and part of an omnichannel strategy.
- The success of omnichannel commerce hinges on technological integration unifying all systems.

WHAT'S IN THIS REPORT? This report will explore how B2B buying and selling are transforming as digital commerce continues to grow. It will discuss best practices for strategy across ecommerce channels, how digital works together with traditional sales, as well as the importance of omnichannel commerce and tech integration.

94%

of B2B executives in North America said B2B ecommerce is critical to business advantage and results

Note: strongly and somewhat agree
Source: B2B Online, IFC Olson and WBR Insights, "Accelerating Digital Transformation in B2B Ecommerce," Sep 27, 2017

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KEY STAT: The vast majority of B2B executives in North America agree B2B ecommerce is critical to business advantage and results, according to a May 2017 survey by B2B Online, IFC Olson and WBR Insights.

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ECOMMERCE'S GROWTH

The majority of B2B executives in North America agree that B2B ecommerce is important at their company, according to a May 2017 survey by B2B Online, IFC Olson and WBR Insights.

Just how important?

- 94% acknowledge that B2B ecommerce is critical to business advantage and results.
- 87% said accelerating B2B ecommerce is a strategic priority.
- 79% want their company to be an industry leader in digital selling.

Importance of B2B Ecommerce at Their Company According to B2B Executives in North America, May 2017

% of respondents

B2B ecommerce is critical to business advantage and results 3%

67% 27% 3%

Company wishes to be considered a leader in digital selling within our market/industry

54% 25% 15% 1% 5%

Accelerating B2B ecommerce is a strategic priority for executives

50% 37% 9% 4%

Company is shifting to selling digitally faster than competitors

21% 40% 27% 7% 5%

B2B ecommerce is a threat to our sales organization and distributors

19% 23% 21% 27% 9%

- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree
- Not applicable

Note: numbers may not add up to 100% due to rounding
Source: B2B Online, IFC Olson and WBR Insights, "Accelerating Digital Transformation in B2B Ecommerce," Sep 27, 2017

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ECOMMERCE DRIVERS

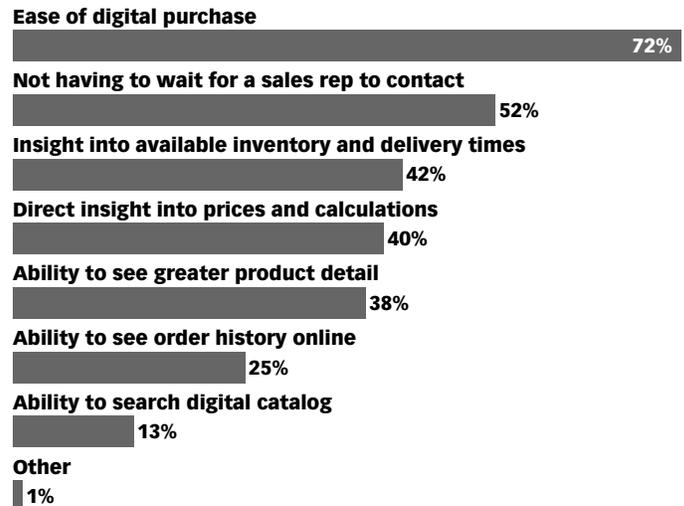
Ecommerce is a priority for B2Bs because buyers are ready and waiting. Three in four senior B2B executives worldwide polled by Sapio Research for Sana Commerce in Q2 2017 said their customers asked to buy products digitally.

When asked why their clients wanted a digital sales channel, 72% of respondents said it was because of the ease of purchase. Just more than half believed it was because clients don't want to wait for a sales

representative to contact them, and roughly four in 10 said it was because of the desire for transparency and insight into available inventory, delivery times and pricing.

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

% of respondents



Note: *Australia, Austria, Belgium, Germany, Netherlands, New Zealand, Switzerland, the UK and the US
Source: Sana Commerce, "Digital Transformation and B2B E-Commerce Report 2017-2018" conducted by Sapio Research, Oct 11, 2017

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As with the economy as a whole, this change in preference echoes a shift in B2B buyer demographics. "Buyers are younger people, digital natives, and don't remember a time before the internet," said Brian Walker, managing director of global commerce strategy at Accenture Interactive, the marketing subsidiary of the consulting giant. "They're reluctant to call somebody."

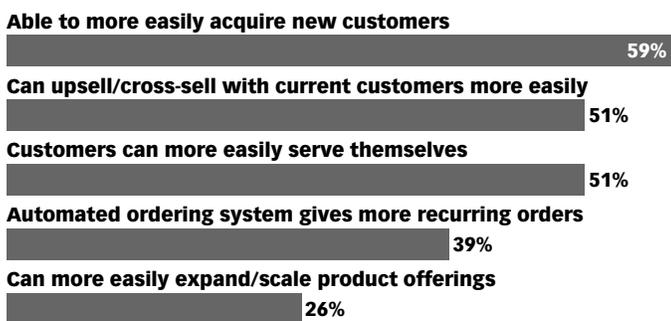
B2Bs that don't embrace ecommerce risk creating "a gap between buyer's expectation and buying capabilities," said David Moellenkamp, director of product at online retail platform Shopify.

"Companies that don't do ecommerce have a leak in their business—a revenue leak," said Justin King, senior partner at B2X Partners. [Editor's Note: King is now CEO at B2X Partners.] "It might be a small pinhole right now, but leaks get bigger. Plugging it is important."

Nearly six in 10 B2B decision-makers in Europe and the US surveyed by CloudCraze in August 2017 said B2B ecommerce will grow because it enables them to more easily acquire new customers. (Note: CloudCraze was recently acquired by Salesforce.) Other growth drivers included the ability to upsell/cross-sell existing customers and allowing customers to self-service.

Reasons that B2B Decision-Makers in Europe* and the US Expect B2B Ecommerce to Grow, Aug 2017

% of respondents



Note: *includes Benelux, France, Germany, Italy, Spain and the UK
Source: CloudCraze, "Why Digital Will Become the Primary Channel for B2B Engagement," Nov 14, 2017

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For B2B clients working with agency DEG, there are three main drivers to getting ecommerce right. "Every client engagement for ecommerce implementations is driven by desire to increase revenue, decrease cost and drive loyalty," said John Stauffer, DEG's managing director of strategic planning and channel strategy.

ADOPTION AND MARKET SIZING

Consumer-facing businesses once dominated online selling, but in 2018, B2Bs are catching up.

"B2B was slower from an ecommerce perspective, at first," said Steven White, vice president of commerce strategy at agency SapientRazorfish. "But now that it's taken hold, it's progressing at a much faster rate year over year than B2C."

The scope of B2B ecommerce is vast: Goods are often sold multiple times, meaning there are many more transactions between various businesses along the supply chain for only one item in comparison with B2C. "It's everything from raw materials to intermediate goods to finished goods, going first to a distributor or wholesaler, then to a retailer," said Brent Bellm, CEO of Bigcommerce, an ecommerce platform service provider. This, coupled with the fact that B2B transactions are larger than B2C purchases, makes their market potential much larger.

By at least some measures, B2B adoption is approaching the halfway mark. According to the CloudCraze survey cited earlier, 48% of B2B businesses in Europe and the US said they were selling their full line of products via an online sales channel.

Research from B2BecNews revealed less progress among its sample of 135 US manufacturers. As of January 2018, 40% of respondents had a B2B ecommerce site. However, seven in 10 said they planned to have one within the next two years.

As adoption grows, so do industry forecasts:

- A June forecast by Forrester Research estimated total US B2B ecommerce sales would reach \$889 billion by the end of 2017. The company predicted B2B ecommerce will climb to \$1.2 trillion by 2021, accounting for roughly 13% of all US B2B sales.
- 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). In the US alone, B2B ecommerce will account for more than \$1.9 trillion in sales.

But ecommerce drives just a small percentage of overall B2B sales right now. According to the B2B Online/IFC Olson/WBR Insights survey, nearly two-thirds of B2B executives in North America said that less than 20% of their overall sales were completed via ecommerce. Only 5% of respondents said ecommerce accounted for 80% or more of sales.

Percent of Overall Sales that Are Completed via Ecommerce According to B2B Executives in North America, May 2017

% of respondents

0%-20%	64%
21%-40%	16%
41%-60%	14%
61%-80%	1%
81%-100%	5%

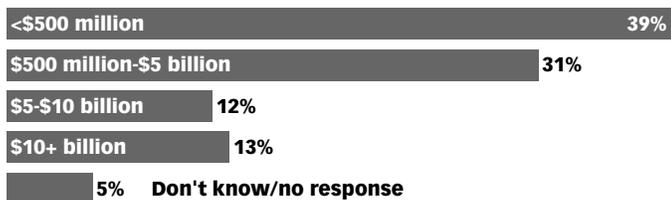
Source: B2B Online, IFC Olson and WBR Insights, "Accelerating Digital Transformation in B2B Ecommerce," Sep 27, 2017

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Furthermore, the majority of annual ecommerce revenues likely remained below the \$5 billion threshold. The same survey showed that 39% of respondents said ecommerce accounted for less than \$500 million of revenues at their company. And 31% said ecommerce drove between \$500 million and \$5 billion of revenues.

2017 Ecommerce Revenues at Their Company According to B2B Executives in North America % of respondents



Source: B2B Online, IFC Olson and WBR Insights, "Accelerating Digital Transformation in B2B Ecommerce," Sep 27, 2017

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THE DIGITAL TRANSFORMATION OF B2B SALES

Most ecommerce implementations only power run-of-the-mill purchases. April 2017 research from Forrester Consulting and FPX found that more than two-thirds 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."

But many B2Bs believe that what they sell is too complex to work as a "simple transaction." In fact, 41% of B2B professionals in North America and Europe surveyed by Forrester Consulting/FPX said a leading barrier to achieving higher revenues from ecommerce sales was the complexity of their products/solutions/services.

Experts agree, however, that the technology is finally catching up. "It's not coming—the B2B ecommerce transformation is here. The industry is at a meaningful inflection point," said Andy Peebler, executive vice president of strategy at CloudCraze.

But the technology is not enough by itself. Creating an ecommerce experience for complex B2B environments does require "a hefty dose of change management internally," said Brian Dearth, chief digital officer at Centric Digital, a digital transformation provider.

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.

B2Bs are faced with some challenging questions on how exactly to transform. Some common considerations unearthed in 25 interviews conducted for this report include:

- How dramatic of a shift in their current commerce capabilities do they need to make?
- Which online sales channels are worth exploring based on unique business variables like their company goals, industry, location along the supply chain, product/service being sold, who the end-buyer is and pressure from competition?
- How might growth in these potential ecommerce channels fit within their already existing buying experience?

For B2B readers: As you think about these questions and how they relate to your commerce functions and business, the analysis in the remainder of this report will equip you with information and best practices to inform your strategic decisions moving forward.

DIRECT ECOMMERCE

Most ecommerce implementations are direct. The Sana Commerce/Sapio Research survey found that 46% of senior B2B executives sell their products through their own web store.

And of those respondents, 76% plan to upgrade their store within the next two years. “Many B2B customers are implementing ecommerce for the first time,” said Bill Osteras, vice president of business and sales development at Four51, a Platform as a Service (PaaS) B2B ecommerce provider. “While others have an older, antiquated platform, they’re moving off that to a more modern system.”

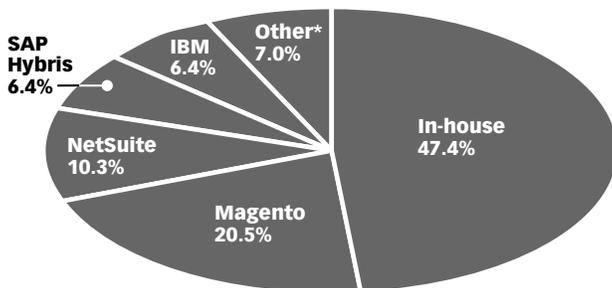
BUILD OR BUY?

A common question for B2Bs is whether or not to use a third party to get the technology stack needed to support an ecommerce website.

Gorilla Group found that less than half of US B2B websites surveyed in July 2017 used in-house tech for their primary ecommerce platform. Popular third-party vendors named by respondents included Magento, NetSuite, IBM and SAP Hybris.

Primary Ecommerce Platform Used by US B2B Websites, July 2017

% of respondents



Note: numbers may not add up to 100% due to rounding; *BV Commerce, Cart Functionality, Commerce Server, Oracle, WooCommerce, Workare, Yahoo Store

Source: Gorilla Group, "B2B Ecommerce Benchmarking Report: Third Edition," Dec 18, 2017

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For Dezoo, a B2B marketplace for furniture, building in-house was a major priority, according to co-founder and CEO Nicolò Bellotto. “We did not find any ready-made solutions on the market with the characteristics we were looking for, especially on the back end,” he said. An in-house build gives Dezoo flexibility. “We are in full

control of the platform and can create, expand, reshape or innovate based on feedback we receive from buyers.”

Others, like Stauffer, believe “homegrown systems are over because there are unforeseen costs to building in-house.” Many companies find themselves bogged down by the tech investment costs and are suddenly “a software business, in a research and development arms race with the best vendors out there.” Instead, Stauffer recommends taking the budget that would have been spent hiring developers and applying it to a proven platform.

CREATING A DIRECT B2B ECOMMERCE EXPERIENCE

If a direct channel is to be successful, customer experience must be central. At a minimum it should mimic the seamless nature of retail giants, with easy navigation, intelligent search, detailed product content, specs and photos, and order tracking.

However, B2Bs need to be ready to deal with the complicated nature of their business. “B2B has much stronger requirements around the experience,” said Thomas Prommer, managing director of technology at Huge, a digital marketing agency. “These platforms typically take longer and are more expensive to build.”

That’s due in part because product offerings are often vast. Osteras said some Four51 clients have 100,000 SKUs; a good experience hinges on advanced search capabilities that refine results based on buyer purchase history and feature filtering so that buyers can find what they need quickly.

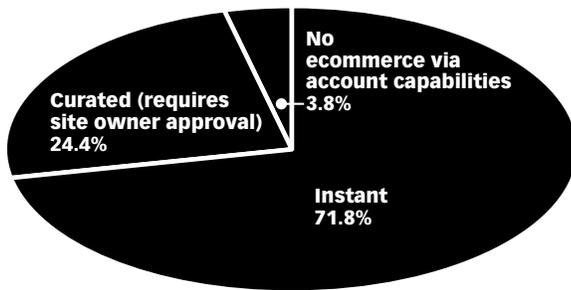
Custom Account Specifications

The end-customer in B2B isn’t just the individual user placing the actual order, it is the company. For simplicity and to start gathering data more quickly, B2Bs generally make account registrations part of the onboarding process early on so that companies have a unified view. It also allows for greater customization and transparency.

According to Gorilla Group, 71.8% of US B2B websites said this registration happens instantaneously, as soon as the account is created by a user. But for nearly a quarter, that account activation is curated, requiring approval from the site owner and discussion with an account manager.

Primary Account Registration System Used by US B2B Websites, July 2017

% of respondents



Source: Gorilla Group, "B2B Ecommerce Benchmarking Report: Third Edition," Dec 18, 2017

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At bottle and jar wholesaler Freund Container & Supply (a division of Berlin Packaging), roughly 70% of all ecommerce sales are from the B2B segment. Chris Hiller, general manager at the company, explained that first-time B2B visitors get the same experience that consumers get. However, the site does have unique B2B functionality—one that's keyed to buyers' needs—but clients must be onboarded into that experience before they can access it. Once they are, B2B customers get features that include order replenishment and approvals management, access to credit (if available), payment logs and other account history.

In a business-to-business-to-consumer (B2B2C) example, luxury home furnishing seller Maykke targets trade professionals, onboarding them into individual accounts, according to Trevor Tran, the company's director of marketing. Then each trade professional has a personal dashboard to work directly with an end-client, in many cases consumers. They can use the portal to place orders as well as obtain referrals, loyalty discounts, order tracking, shipping status and more.

An account view is critical for the purchasing company to not only manage what is being bought, but also to ensure it complies with various procurement terms and payment options beyond the typical consumer credit card (invoices, account credit, purchase orders or whatever the account prefers). It also allows account owners to have final say over the parameters of all purchases.

Pricing is another component that is customized for the account. Special discounts and bespoke pricing for repeat or bulk orders are often negotiated upfront. This results in a lot of what Joshua O'Connell, vice president of partnerships at ecommerce platform service provider Zoey, calls "hide-it-under-the-hood proprietary pricing" that is only accessible upon login to the portal.

While custom and secretive pricing was once a norm in B2B direct, Gorilla Group found that 71.8% of US B2B websites show pricing to customers prior to login. This is an effort from B2Bs to show their prospects more transparency. Still, over a quarter of B2B websites keep final pricing hidden in the unique account view.

US B2B Websites that Show Pricing Prior to Login, July 2017

% of respondents



Source: Gorilla Group, "B2B Ecommerce Benchmarking Report: Third Edition," Dec 18, 2017

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Designing for Mobile

For buyers in the field, at a conference or even just away from their desk in a meeting, having mobile access is critical. "So much of B2B business, whether it's buying or selling, is conducted in the field," said Mike Elmgreen, CMO at Handshake, a B2B sales ordering platform. "There's an element of portability there that is key because those transactions have to be done from the aisle of the store, or down in the basement of the stockroom."

A mobile ecommerce site or app needs to have similar functionality to the desktop but should also be a good fit for device capabilities so that all features are responsive, download quickly and fit within the mobile screen.

Some B2Bs are behind on this front and stuck in a cycle of doubt about the importance of mobile in ecommerce. They feel mobile isn't essential because much of their traffic is still from desktop, according to Andrew Mottaz, senior director of interactive strategy at consultancy Astound Commerce. It may be a catch-22 in that mobile traffic isn't growing as quickly as it could because buyers aren't getting a good experience on their devices, leading them back to desktops.

For leading plumbing supply wholesaler Ferguson Enterprises, creating a fully mobile-optimized ecommerce experience has been a central goal, according to CMO Mike Brooks. "Mobile is the fastest-growing segment

by far for contractors,” he said. “They are at the job site and mobile all of the time. We had to provide a seamless experience on those devices—the same as our desktop portal.”

AUGMENTING DIRECT WITH HYBRID TOUCHPOINTS

Providing buyers with an ecommerce option doesn't remove the need for a human touch—in fact, it might make it ever more important. In particular, B2B companies 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. Prommer, for one, stressed that B2Bs should not lose all “soft touches with their customers that allow for feedback, value exchange and conversation.”

Direct digital channels don't always play nice with other touchpoints. According to Forrester Consulting/FPX, roughly four in 10 B2B professionals in North America and Europe said selling through direct channels is challenging because there are too many touchpoints in the sales process.

Taking a hybrid approach, in which additional human-assisted offerings are blended with direct ecommerce, is a major way to mitigate this potential pitfall. “We tell our clients that direct ecommerce is working in integration with some of the offline channels that are driving the traditional sales process,” said Stauffer.

Blending Self-Service and Assisted Sales

US B2B sellers offer various types of hybrid touchpoints for buying, according to research conducted in February 2017 by Forrester Consulting and Apttus. Of course, there is variance across the many products/services categories and types of purchases listed. However, the two least-used methods are the ones on either end of the spectrum: entirely self-service online or entirely human-assisted. The majority, across all types of purchases, take a balanced approach.

US B2B Sellers* Whose Company Primarily Offers Self-Service vs. Human-Assisted Service for Purchasing, by Product/Service Type, Feb 2017 % of respondents

- 1 Entirely self-service
- 2 Mostly self-service, but with some human-assisted service as necessary to facilitate the sale
- 3 An equal mix between self-service and human-assisted service
- 4 Mostly human-assisted service, but with some self-service as necessary to facilitate the sale
- 5 Entirely human-assisted service—buyer engages with sales staff to complete a transaction

	1	2	3	4	5
Digital products	14%	25%	28%	24%	9%
High-cost purchases	14%	22%	22%	24%	18%
Low-cost purchases	14%	20%	31%	24%	10%
Simple products	14%	20%	31%	23%	12%
Subscription products	14%	19%	34%	24%	9%
Repeat purchases	13%	20%	35%	22%	10%
Post-sale support, parts, and/or maintenance	12%	20%	29%	25%	14%
Purchases with short sales cycles	12%	18%	35%	23%	12%
Services	10%	23%	31%	23%	14%
First-time purchases	10%	19%	31%	19%	21%
Complex products	10%	17%	34%	20%	19%
Bulk/volume purchases	10%	17%	33%	23%	17%
Purchases with long sales cycles	10%	16%	36%	25%	13%
Physical products	9%	20%	34%	24%	13%

Note: numbers may not add up to 100% due to rounding; *to B2B customers

Source: Forrester Consulting, "B2B Omnichannel Commerce in a Machine-Driven World" commissioned by Apttus, May 19, 2017

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When customer service platform Zendesk first started selling its Software as a Service (SaaS) platform to buyers, the only option to buy was through self-service via its website, according to Astha Malik, the company's vice president of platform and product. However, as Zendesk started serving more enterprise buyers, it realized adopting a sales model that offered assisted sales was essential to closing those deals.

At Freund Container & Supply, the balance between self-service and assisted sales is determined by the account's own preference, according to Hiller. “If they want an account manager, we'll give them a single point of contact, but if they want to self-service, they can,” he said. “They can order by phone. It's their choice on how they buy with us. We give them options.”

When offering a hybrid model, B2Bs need a great deal of internal coordination and technology. “How they integrate those real-world analog experiences with digital is a big question for B2Bs today,” said Moellenkamp. “We are starting to see B2Bs use technology, like AI [artificial intelligence], to actually answer buyer questions and

provide a higher level of service without necessarily having to touch every specific interaction.”

The Importance of Sellers

The popularity of hybrid approaches indicates human sellers are still a vital piece of commerce in B2B. However, 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, according to Byron Matthews, president and CEO of the Miller Heiman Group.

Part of this evolution is working with the direct ecommerce channel toward the same end: 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.

The direct ecommerce portal becomes the single source of truth regarding the products and services, so sellers as well as buyers use list offerings on the site as reference points. In fact, part of the reps’ sales training at Freund Container & Supply involves using the website to find products and build orders.

To maintain consistency and keep all information current, sellers place orders via the same portal on behalf of their clients. “The site becomes a way for the customers to see the orders being placed by the salesperson, check the accuracy, approve quotes,” said O’Connell.

The experience must also include mobile access for the sellers. One of Bigcommerce’s clients, cycling apparel and equipment company Hincapie Sportswear, has a system that allows sellers in the field to place orders, via a unified system, on the spot during in-person meetings with buyers.

A company’s website can be a powerful tool to help salespeople understand their clients: how they buy, what they need, how to provide the right pricing and how to serve them better. In fact, a majority (52%) of B2B marketing and sales professionals worldwide surveyed by Ascend2 in July 2017 said that their ecommerce website was the most effective digital channel used for collecting marketing data.

Website data, according to Walker, should be used by sellers to create better communications and touchpoints with their accounts and buyers.

If sellers don’t adopt the ecommerce technology, or if the sales team isn’t given proper onboarding and training with their company’s system, hybrid approaches can’t succeed. According to Forrester Consulting/FPX, 44% of B2B professionals in North America and Europe said sellers not adopting sales technologies was a challenge of selling through direct channels, and 36% cited onboarding and ramping up new sales reps as a hurdle.

In-Store Touchpoints

Although not applicable for all B2Bs, 32% of senior B2B executives in the Sana Commerce/Sapio Research survey said they sell their products through a physical store or depot. And just as sellers must use the direct ecommerce portal as its single reference point, so must in-store reps.

For B2B lighting provider ALB Energy Solutions, direct online sales account for 40% of net revenues each year. And although it sells digitally nationwide, the company’s Atlanta-based storefront is still a component of how it sells. “The store is where we tie in the clicks and bricks,” said Doug Root, CEO of the family-owned business. “We have a showroom, customers can pick up the orders they place online, they can buy in-store. It’s a unified experience.”

Taking channel competition out of the equation is another factor that enables success in omnichannel approaches. When Ferguson Enterprises first adopted a direct online sales system, the company wanted to eliminate any conflict between the digital channel and traditional sales that took place in its 1,400 branches nationwide.

“Our branch staff wasn’t sure at first—they thought it would disrupt them and they would lose their job,” said Brooks. The company crafted a policy that made the website an extension of the sales force, and any sales that went in via digital would still be a commissionable sale. “That immediately took away any channel conflict because ecommerce was an extension that augmented what we were already doing in our branch network.”

PROS AND CONS OF INDIRECT

Although it's not as common a method as direct, many B2B companies also explore indirect digital sales channels. Roughly a quarter of senior B2B executives in the Sana Commerce/Sapio Research survey used a distributor web store or an online marketplace to sell their products.

And it's worth noting that a significant minority of B2Bs may not feel as if they have a choice. Forrester Consulting/FPX found 42% of B2B professionals in North America and Europe said their products/services *must* be sold by third-party dealers, distributors, resellers, brokers or agents. They cited this as a leading barrier to achieving higher revenues from ecommerce sales.

PROS

Many B2Bs simply don't have the time, resources, expertise or inclination to build their own direct channel. Selling through a distributor, partner channel or even on a marketplace allows for flexibility and market research and testing.

A major computer and mobile accessories company that works with B2B agency DWA media sells 99% of its product through indirect online channels rather than through its website, which largely serves the consumer side of the business, according to Cameron Tow, associate media director on the account at DWA.

Indirect channels can also be a place for B2Bs to find new buyers, including customers they may not have otherwise been able to serve and who have high expectations for online buying. US B2B buyers, for example, are using Amazon Business for a variety of reasons, according to a May 2017 survey by Martin Wilde Associates (MWA) and OPI. Some of the most common included looking for lower prices (69%), the desire for fast delivery (45%), reliable delivery service (33%) and convenience (28%). Trust in Amazon as a brand was also a popular reason (46%).

Reasons that US B2B Buyers First Used Amazon Business, May 2017

% of respondents

Was looking for lower prices	69%
Amazon is a trusted brand	46%
Had a good experience buying from Amazon as a private consumer	45%
Wanted a fast delivery service	45%
Wanted a reliable delivery service	33%
Wanted to buy these products online	33%
Just wanted to give Amazon Business a try	30%
Was looking for a more convenient supplier	28%
Was already buying these from Amazon/AmazonSupply for my organization so it made sense to move to Amazon Business	27%
Wanted a one-stop shop for a wide range of business supplies	24%
Our previous supplier(s) let us down	15%
Was instructed to do so (company policy)	14%
Wanted a supplier offering corporate credit	10%
Was attracted by the company's exclusive discounts and promotions	10%
Wanted a supplier offering a multiuser accounts system	9%
Wanted a supplier that integrated with our procurement system	6%
Wanted a supplier offering business analytics	5%
Other	<1%

Note: n=400 who purchased business supplies from Amazon Business in the past 12 months

Source: Martin Wilde Associates (MWA) and OPI, "Piranha Business: Investigating The Appeal Of Amazon Business," June 27, 2017

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Some channel partners and distributors provide Supply Chain as a Service, along with inventory management and shipping/returns. "From an investment level, going indirect can be less risky," said White. "B2Bs can use fulfillment by Amazon, and they don't need to build all of that infrastructure, compliance issues or even own a warehouse."

CONS

Although going indirect helps sidestep some of the problems of going direct, it still means giving up part of the customer experience to a third party.

"Anybody that maintains an Amazon, eBay or other indirect channel knows you've got to keep your product content, pricing and inventory up to date," said King. Certainly, B2Bs can supply that information, but they don't own any part of the journey, and they are ultimately at the mercy of the partner when it comes to keeping the information current on the site itself.

Naturally, working with a partner also means less profit on each item. Maykke sells direct and also explores marketplaces like Amazon, Houzz and Wayfair. "We have to pay a fee to be on [indirect channels], and it's a pretty big commission that eats into our margin," said Tran.

For most B2Bs, indirect should probably be part of their larger ecommerce strategy, but it cannot be the only channel. “Indirect channels like Amazon Business are just that—a single channel,” said Walker. “Using Amazon isn’t enough to be considered an ecommerce strategy, and if it is you will get eaten alive and become disintermediated.”

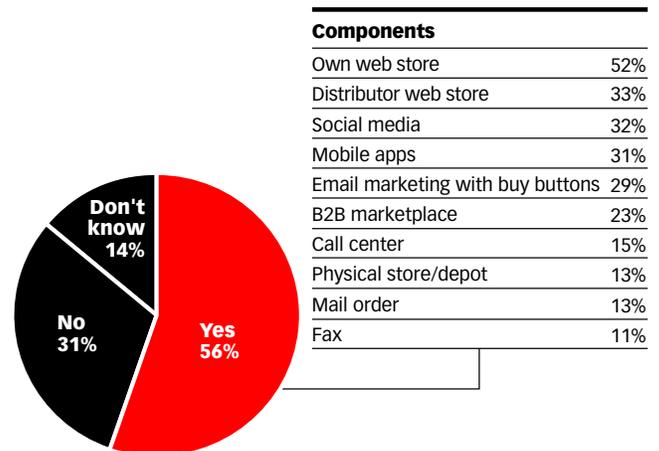
OMNICHANNEL COMMERCE AND SYSTEM INTEGRATION

Digital should complement and augment existing channels, giving buyers an additional way to educate themselves, communicate with the seller and complete their purchase.

Most B2Bs are already embracing the idea of omnichannel commerce. In fact, 56% of senior B2B executives in the Sana Commerce/Sapio Research survey said they had an omnichannel strategy. The chart below shows some of those components, including direct and indirect channels already discussed in this report, such as their web store, distributors, marketplaces and more.

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

% of respondents



Have an omnichannel strategy

*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 Source: Sana Commerce, "Digital Transformation and B2B E-Commerce Report 2017-2018" conducted by Sapio Research, Oct 11, 2017*

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Omnichannel digital commerce isn’t possible without unified systems and data. Part of the digital transformation of B2B buying and selling centers on the need for technology integration for all digital channels and associated touchpoints into one stack without silos.

Although marketing systems like customer relationship management (CRM) and other automation tools should be part of any integration, enterprise resource planning (ERP) solutions are a major focus for B2B brands interviewed for this report. ERP technology is used by organizations to collect and manage data from various business units within a company in real time. It

should align supply chain, order processing, accounting, inventory and more.

At ALB Energy Solutions, Root and his teams are implementing an entirely new ERP. "It's the brain of our accounting, content, inventory control and customer database," he said. "The ERP system is constantly pushing data back and forth on our customers, their orders and even the marketing that we do." Root is hopeful that advances in API technologies within commerce solutions will improve the ecommerce experience for buyers once the back end is up and running. It remained a work in progress at the time of the interview.

Freund Container & Supply is also working to upgrade their current system. "We have a legacy ERP that all of our customer service representatives, account managers and salespeople enter orders directly," said Hiller. "Customers are using our front-end website, but we need all that master data in one place. The goal is to unify that into one platform, but based on some of the complexities associated with 40,000-plus customers we serve and their unique requirements, it's an integration we're working towards."

Without omnichannel experiences and integrated systems, gaps in both can and will negatively impact the end-customer. Buyers forced to log in to disparate portals and navigate barriers at any touchpoint will be frustrated, and may very well head elsewhere to buy, making integration even more urgent.

B2B Ecommerce Success: 3 Steps to Learn from B2C Merchants

This post was contributed and sponsored by [BigCommerce](#).

Once considered unrealistic for B2B, ecommerce has picked up steam amongst B2B retailers and is quickly becoming a driving force within the industry. Statista data shows there was more than \$7.6 trillion in gross merchandise volume for B2B ecommerce retailers in 2017 alone.

Given that ecommerce is no longer a channel that B2B brands can ignore, here are three actionable steps to incorporate ecommerce into an existing sales model to drive bottom line results:

1. Orient experiences to align with customer expectations

Merchants must be equipped to service customers in a variety of ways that appeal to both traditional and more digitally-focused buyers.

Even though the products being sold are inherently different than those purchased by an everyday consumer, B2B buyers increasingly want the experience to be reflective of what they are accustomed to in their personal lives. As such, leaning on B2C best practices makes sense.

B2B brands can optimize their experiences to align with those ever-growing expectations by delivering omnichannel interactions, streamlining workflows and integrating buyer-friendly features.

2. Compete on quality

With retail giants like Amazon and Walmart competing for market share, the B2C environment can often feel like a race to the bottom on price. Aside from a few notable examples, consumers tend to prioritize the cost of an item over all else. In B2B, where buyers are already of the mindset that they will incur a high order price, there's a greater opportunity to use a product's uniqueness and quality as a primary factor in the purchase decision.

Data echoes the sentiment that B2B merchants have a unique opportunity to compete on quality right now. A recent BigCommerce survey showed that factors like brand reputation, product quality, uniqueness of inventory and ability to customize products were major selling points for B2B buyers – even more so than price.

3. Lower cost of ownership

Some B2B retailers fear that building and operating a customized ecommerce solution will be cost-prohibitive. In fact, 32% of our survey respondents listed the added challenge of personalizing the B2B buyer experience as a key concern for moving online. This should not be the sticking point that prevents a business from expanding to ecommerce, however. Developing a custom, secure site can be expensive and time-consuming for businesses not utilizing the proper tools. By leveraging an ecommerce platform that includes maintenance and premium service along with options for additive development capabilities via an open API, B2B merchants can lower their total cost of ownership.

32%

of our survey respondents listed the added challenge of personalizing the B2B buyer experience as a key concern for moving online.

For B2B companies that are not yet incorporating ecommerce, now is the time to reconsider.

The vast array of technologies and tools that help facilitate a simple online experience—and do so at an affordable price point—now means that ecommerce offers the sort of economics that fit any business model.

—Jimmy Duvall, Chief Product Officer, BigCommerce

Bring the B2C buying experience to your B2B business.

The image shows a simulated B2B e-commerce interface. At the top, a browser window displays the 'VELOCITY' logo and a search bar containing the text 'bulk motorcycle parts'. Below the search bar, a background image shows a person riding a motorcycle on a desert road. Two product cards are featured: one for 'Elite Rear Tire' with technical specifications and an 'ADD TO ORDER' button, and another for 'IX Spark Plugs' with a quantity of 100 and a 'GET PRICE QUOTE' button. A blue circular badge on the right side of the interface states 'FINANCING ON ORDERS \$1000+'.

BigCommerce is the #1 SaaS B2B ecommerce platform with market-leading retail capabilities and advanced features to support B2B buying.



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