B2B ECOMMERCE: A STRATEGY FOR GROWTH
By any measure, B2B e-commerce is a rapidly expanding market, on track to more than double the B2C e-commerce market in 2013. Executives should leverage this exponential growth by investing in infrastructure that exploits the process. An innovative digital marketing and e-commerce platform allows companies to:

- Sell more at a lower cost
- Lower customer acquisition cost
- Increase average sale and add lifetime value
- Manage and handle transactions for less than traditional ordering systems
- Increase customer engagement
- Improve customer loyalty for customers who initially buy offline
- Increase opportunities to build loyalty through multiple channels
- Transform sales efficiency
- Keep the sales force focused on high-value sales
- Cut the expense of supporting and servicing already-acquired customers

By 2014, 40% of B2B marketers will do e-commerce. By 2014, 40% of B2B marketers expect to be committed to e-commerce as a means of marketing and selling.


Online Customers Spend $!
44% of B2B e-commerce executives saw an increase in Average Order Value after migrating offline customers to online.
(Source: Forrester “The Case for Channel-Shifting Customers Online”)
Forrester Research forecasts B2B e-commerce spend to be $560 billion in 2013. To put this in perspective, the B2C e-commerce market is expected to total between $270 billion and $300 billion this year. This opportunity should be a call to action for companies looking to invest in B2B e-commerce.

The business upside to B2B e-commerce is fundamental: an effective B2B e-commerce platform allows companies to sell more at a lower cost, and, consequently, transform sales efficiency. With Amazon Supply and Google Shopping for Suppliers now targeting suppliers in the B2B space, the landscape of the market has changed. Increased competition has led to growing price pressure, while simultaneously creating an opportunity for higher margins, increased profitability, and opportunities to develop deeper relationships with customers.
The Expectations Game: Customers Seek a Streamlined Digital Experience

Business customers expect their B2B e-commerce experiences to reflect their consumer e-commerce experiences. Consumerization trends – instant results, quick access to desired products and information, easy-to-navigate formatting and presentation, ability to compare products and pricing – have raised the bar in the online B2B market, making consumer-like digital experiences an imperative. Early adopters are likely to derive greater customer engagement, and, thus, more efficiency and profit.

Companies hesitating to enter the B2B e-commerce market, whether for technical, operational or other reasons, should understand that B2C e-commerce has provided 10 years of helpful lessons that can be applied to B2B e-commerce. The B2C market has already done the “legwork” on customer engagement and technologies that streamline the digital purchasing experience. Delaying the launch of a successful, fully-integrated B2B e-commerce platform may leave a company trailing aggressive competitors who are looking to cut cost of sales while increasing customer convenience, customer loyalty and margins.

55% ...of B2B e-commerce executives indicate that total customer acquisition costs decrease in parallel with migrating those customers online. (Forrester “The Case for Channel-Shifting Customers Online”)
Aligning the “Customer Journey” with Business Processes

The purchasing journey in a B2B environment takes the customer through a complex series of touchpoints:

1. Education/information gathering about the product(s) to be purchased
2. The ability to see “best pricing” quickly and easily
3. Taking the steps necessary to assemble the transaction
4. Completing the transaction
5. Post-transaction customer care (order tracking, fulfillment, surveying, etc.)
6. Creating a “loyalty loop” using e-commerce marketing and offline marketing tools in order to generate repeat purchases

There are a number of points in this process that can interrupt that customer experience and result in loss of sale or loss of loyalty. Aligning business processes to support the customer journey is essential to capturing sales and generating return visits and purchases.

Each of the three key components of the B2B e-commerce business process — Marketing, Sales and Operations — must be performing optimally to drive sales and close the loyalty loop. Global organizations often face the unique, back-end challenge of presenting differing product catalogs and product sets in different markets. In such cases, the e-commerce system in place must be easily adaptable to the circumstances of each unique market.

Companies implementing B2B e-commerce processes face typical stumbling blocks that can make a smooth customer experience more difficult:

- Siloing between the three primary departments and functions — Marketing, Sales and Operations.
- Siloing among systems, from product display and information, to pricing to transaction, and, finally, fulfillment.

Not surprisingly, in B2B e-commerce as in B2C e-commerce, each customer may approach the steps of the purchasing journey in a unique way. The purchasing environment and technology must be adaptable to that customer as well as to your own, unique processes and products.

In short, a successful B2B e-commerce solution requires an integrated, holistic approach involving people, processes and technology across multiple departments and among stakeholders within an organization.
Lessons Learned From B2C

As noted previously, companies entering the B2B e-commerce space have the benefit of a decade or more of B2C e-commerce experience to guide the way. Key takeaways from the B2C market include:

1. EXPERIENCE MUST TRANSCEND TRANSACTION
Optimize the customer experience and use multiple channels and touchpoints – online, offline, social, mobile, print, direct mail, interactions with your sales staff and more – to build that relationship. Establishing a customer connection extends the lifetime value of that customer and lowers customer acquisition cost as additional purchases are made over time.

2. CONVENIENCE创造出 LOYALTY
Drive customer loyalty by making a good first impression and streamlining the customer experience. The easier and more convenient the customer journey, the better for your brand and customer loyalty. Customers appreciate the ease of replenishment or repetitive ordering, opportunities for instant chat to discuss products or delivery of ongoing customer support, and the ability to request a follow-up call from an experienced company representative to answer questions.

3. IDENTITY IS ESSENTIAL
The most successful B2C sites, such as Amazon, require customers to register or login. In fact, most customers are perpetually logged in, optimizing their online experiences. Having customers always logged in permits sites to offer much richer and more personalized experiences, further cementing the bond between customer and brand. In addition, a login system allows the site to better serve customers by anticipating orders and providing related suggestions while the customer is online. Some sites (building supply sites, for example) combine B2C and B2B audiences, allowing customers to register as business buyer in order to get trade pricing, tax invoices and credit accounts. For B2B companies, capturing identity information can become part of the onboarding process when a new contract is signed. It allows a company to deliver loyalty programs and special offers available to registered users.

4. REMIND CUSTOMERS WHAT THEY WANT/NEED
Active merchandising (cross-selling and up-selling) add profit and deepen the customer relationship with the brand. What else does the customer want/need to purchase from the company at this time? Customers are already familiar with these types of personalized cross-sell and up-sell techniques from B2C sites (i.e., recommendations, “People who looked at X also bought Y,” etc.)

5. AUTOMATED PROCESSES BUILD EFFICIENCY
Keep expensive sales personnel focused on the most important tasks such as large orders, new contracts and higher value sales while leaving small order processing and order management to an automated system.

The bottom line is that you must meet customer expectations, and the online experience is expected to be great. Customers' B2C e-commerce experiences have set a high bar that must be met in the B2B environment in order to achieve success. This reality is borne out in interviews with our own customers and in research from firms like Forrester and Gartner.
The Mission for Emerging B2B e-Commerce Sites

The B2C experience of companies like Amazon and Google – and their addition of B2B pipelines – signals that changes are coming to the B2B marketplace. It is incumbent upon B2B executives to tap into e-commerce as an essential channel for doing business. Revenue, cost of doing business and loyalty demand an effective e-commerce channel.

Developing clear business objectives for an e-commerce effort, and taking the steps necessary to build this channel, will streamline the purchasing process, improve the customer journey, add sales efficiency and boost customer retention.

1. Improve your competitive posture by becoming more adept at pricing adjustments, pricing transparency and by adding a convenient channel that more and more customers expect from suppliers.

2. Increase sales levels by adapting B2C techniques (merchandising, pricing and promotion, cross sell/up-sell) and drive cost-efficient sales through online channels.

3. Refocus direct sales on high value contract acquisition. Put systems in place to optimize the user experience and focus on the merchandizing and customer interaction processes that are optimal for the digital arena, while freeing sales teams to do what they do best.

4. Take the cost out of the search phase, sale, post-sales and customer care process through automation.

5. Understand the factors that drive revenue and loyalty, looking for ways to boost average “basket size” while potentially reducing price sensitivity. Home Depot is an example of a brand that spends time, energy and money in the B2B e-commerce space creating a rich customer experience that builds both revenue and loyalty.

6. Any new e-commerce marketing and sales system must integrate with existing systems in order to optimize the customer experience. Solid integrations can improve internal efficiency through data sharing across work processes, while also providing the metrics and analytics necessary to measure success and track opportunities for improvement.

EACH OF THESE SIX OBJECTIVES IS CRITICAL TO DEVELOPING AND IMPLEMENTING A SUCCESSFUL B2B E-COMMERCE STRATEGY:

INTEGRATE ALL INTERACTIONS: 60% of B2B e-commerce executives agree that the more channels a customer buys through, the more money they spend overall. (Forrester “The Case for Channel-Shifting Customers Online”)

ACTIVE DRIVE A MULTI-CHANNEL AGENDA: The more channels you use to engage with customers, the more they spend and the more loyal they are.
A Step-by-Step Guide to Building an e-commerce Gateway

The lessons learned from B2C help formulate important business goals. Crafting these goals into a strategy and action plan requires breaking down the process into clear, manageable steps:

1. Operationalize Online Ordering

Order processing is a key element to making the purchase happen online. Successful companies ensure that systems integrate key business processes within the organization, making it easier for customers and staff to manage the transaction process. For example, the ability to expose statements online eliminates mailing and often gives customer the opportunity to take advantage of early pay discounts.

Shopping carts and simpler online ordering formats must be scalable or they will fail. Engagement starts here, and the sales function must provide sound and scalable operations for a number of critical factors:

- **Price and order management, including fulfillment** – Being able to easily adjust pricing (even among targeted subsets of customers) and the ability for customers and staff to track orders easily are “must-haves” for a successful e-commerce system.
- **Easy catalog management for multiple channels** – Consider multiple channels for customers and staff members. The convenience factor of mobile access is becoming increasingly important. The ability to place orders electronically via mobile devices, tablets and iPads is a growing trend. Enabling easy content and product management, mobile capability and accessibility from the start will save money and add profit while making life easier for customers and staff.
- **Login system to capture identity** – Login capabilities capture user identities, present onboarding opportunities, and allow a company to further customize the user experience by understanding preferences, offering specialized pricing, increasing user convenience and more. Personalizing the user experience builds loyalty and presents marketing opportunities from multiple touchpoints.

The bottom line is delivering a great user experience. That means giving your customers more than a basic cart and a simple product list. A site must deliver a user experience, comparable to a customer’s B2C e-commerce experience. Attractive design, simple navigation, clear and concise content, the ability to search and compare products and transparent pricing all play roles in enhancing the experience and meeting expectations. A happy customer who feels cared for is, in all likelihood, a repeat purchaser.

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**Wholesale Food and Beverage Distributor**

When this ever-expanding wholesale business recognized a strong need to optimize online sales to better serve their customers, they selected Episerver as their B2B e-commerce technology platform. Their sales force operated locally, directly interacting with the companies they serve. The wholesaler recognized that activating an online channel would be difficult because of the person-to-person relationships that had been built over time.

As the company developed a B2B e-commerce plan, they factored in the other types of interactions that their customers had come to expect – personal recommendations, repeat orders, and new product information. They leveraged these Episerver capabilities to neutralize resistance to ordering through an online channel. Further, the company knew that replacing a paper order process with an online system could dramatically improve order quality (accuracy and timeliness), so for their initial deployment, they equipped their field sales force with tablets (iPads) and continued the existing relationship – making the sales personnel the “change agent” to educate customers how to go online. This also involved building a system to handle mobile devices, a forward-thinking plan that would allow customers to order from a variety of mobile devices in the future. By taking this approach, the company was able to accelerate a shift to online orders and focus the local sales team on high-value selling efforts.
Connecting eCommerce and Digital Marketing

2 MARKET TO, AND ACQUIRE, NEW CUSTOMERS THROUGH THE ONLINE CHANNEL

Opening a channel for online acquisition creates new ways to market to and reach new customers. This activity is a typical B2C approach that frequently involves organic search engine optimization and paid search engine marketing, as well as email and display advertising. Many organizations that open an online channel don’t consider the full impact to their marketing mix until after the site is launched. Planning for this marketing effort up front can shorten the time to online revenue.

Studies have shown that loyalty improves when a company adds touchpoints in more channels. Companies that already have touchpoints with email or direct can augment those with the online channel to drive more repeat purchases. This requires a site that is easy to use and provides customer specific information and recommendations (cross-sell and up-sell opportunities) based on past interactions (previous orders, etc.).

SystemAir customers have unique requirements in the purchase process and need to review in-depth product specifications to complete their orders. With EPiServer, a series of configuration tools allow the order process to flow smoothly and intuitively to suit each customer’s individual need. SystemAir leverages EPiServer’s features to offer customers dynamic pricing, personalized content, and mobile access. The results have shown better accuracy in customer orders saving internal time and resources, and providing greater customer convenience and satisfaction.

ENABLE CUSTOMER SELF-CARE

Consumerization of the online purchasing experience has changed expectations. Customers now routinely manage their own orders, from billing to tracking order status.

In the B2B environment, enabling customer self-care after the sale is even more crucial. In many instances, a centralized purchasing function may be ordering for multiple locations or ordering large volumes of products. A centralized purchasing source may also need to manage other buyers in the organization. Giving customers the ability to control access, manage an order, understand order status and make changes on the fly eliminates phone calls and frees sales and staff time for more productive purposes. Self-care portals should provide staff with the ability to interact with customers online or through the phone, if necessary. An easy, smoothly functioning customer-care portal creates customer ownership of the transaction and builds brand loyalty.

In addition, other channels, particularly mobile, must be a consideration here. Customers are increasingly using mobile devices (smartphones, iPads, tablets) to manage ordering. A recent Cisco study predicts that business Internet traffic from mobile devices will increase at least six-fold to 26% of all business Internet traffic by 2016 from 4% in 2011.

It is common for B2B enterprises to plan a roll-out process for an e-commerce portal by equipping the outside sales force with iPads or similar devices. Over time, customers become familiar with the device and with online ordering, making the transition to self-ordering easier.
4 ADOPT B2C MERCHANDISING AND MARKETING TO DRIVE B2B SUCCESS

The B2C online market has already proven the power of merchandising and marketing in driving add-on sales. Techniques that place key products high in search results bring traffic to the site. Once at the site, B2C-style merchandising can offer related products and personalize offers based on a customer’s purchase history or the corporate purchase history. Outbound marketing, online advertising, and on-site banners can make customers aware of special deals or time-limited promotions that can push more revenue through the site.

5 ONGOING SITE TUNING AND OPTIMIZATION

Sites require ongoing maintenance and attention in order to achieve objectives. Capabilities to make effective small adjustments and changes to content, visual presentations, and more are essential to building a site with a cost-effective lifespan. In the design phase, careful consideration should also be given to appropriate analytics needed to track and measure success. Baselines against existing sales channels should be charted so that improvement can be monitored and measured against goals. After systems are implemented and put into place, it is essential to continually track results (traffic, revenue, average order, click-through from search, etc.) and make adjustments to enhance revenues. Careful observation and analysis keeps the site fresh and keeps customers engaged, all critical components in driving maximum revenue through the site.

C&H DISTRIBUTORS

This industrial supply distributor was previously using a custom in-house solution to manage their e-commerce site. They sought a new technology platform to overcome the limitations of that system, such as lengthy development times, usability, and scalability. In selecting EPiServer as their e-commerce platform, C&H Distributors took full advantage of features including putting business users in the drivers seat to manage the site, launch international sales with multi-site, multi-language, multi-currency, and executing integrations with other business information systems.

The newly built C&H Distributors site is a showcase in B2B e-commerce with many cues taken from its B2C counterparts. Product information is robust, allowing buyers to fully evaluate a purchase decision with in-depth product content, including multi-media images and video. Site users have the ability to review products, compare products, view product stock availability and ship times, and many more industry best-practice features.

GETTING STARTED

Understanding the market and establishing business objectives will guide strategy. Creating a detailed, step-by-step roadmap – often in conjunction with technology and operations partners – can accelerate the process and help avoid common pitfalls and roadblocks. The roadmap should include mobile and social platforms that add power to marketing efforts and enhance sales.

Current systems need to be reviewed to see if they can be leveraged to move the process forward. Unique organizational needs should be assessed and new technologies applied judiciously. Technology is not the “be-all-end-all” for a successful B2B e-commerce implementation; it is one leg of the “three-legged stool” – people, processes, and technology – necessary for achieving objectives and building a scalable, user-friendly system.

In addition, any system is only as good as the usable metrics it produces. These metrics and analytics should be available from all channels – web, mobile, social, email and even print or direct. Without the ability to measure effectiveness and ROI, a B2B e-commerce system will stagnate, making it difficult to tune and optimize the system over time.

Finally, select trusted, knowledgeable partners to further refine strategy and accelerate implementation. A track record of success in implementing B2B e-commerce solutions should be a must for any partner.
EPIerver is the world’s fastest-growing provider of innovative digital marketing and e-commerce solutions that drive business results for end customers. We improve and streamline the user experience, helping clients create true Web engagement that excites users and delivers profit to the bottom line. More than 5,000 customers in 30 countries through a network of 630 partners use EPIerver’s comprehensive digital marketing and e-commerce platform that provides a commercialized chain reaction, helping our customers succeed so they can help their customers succeed.

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