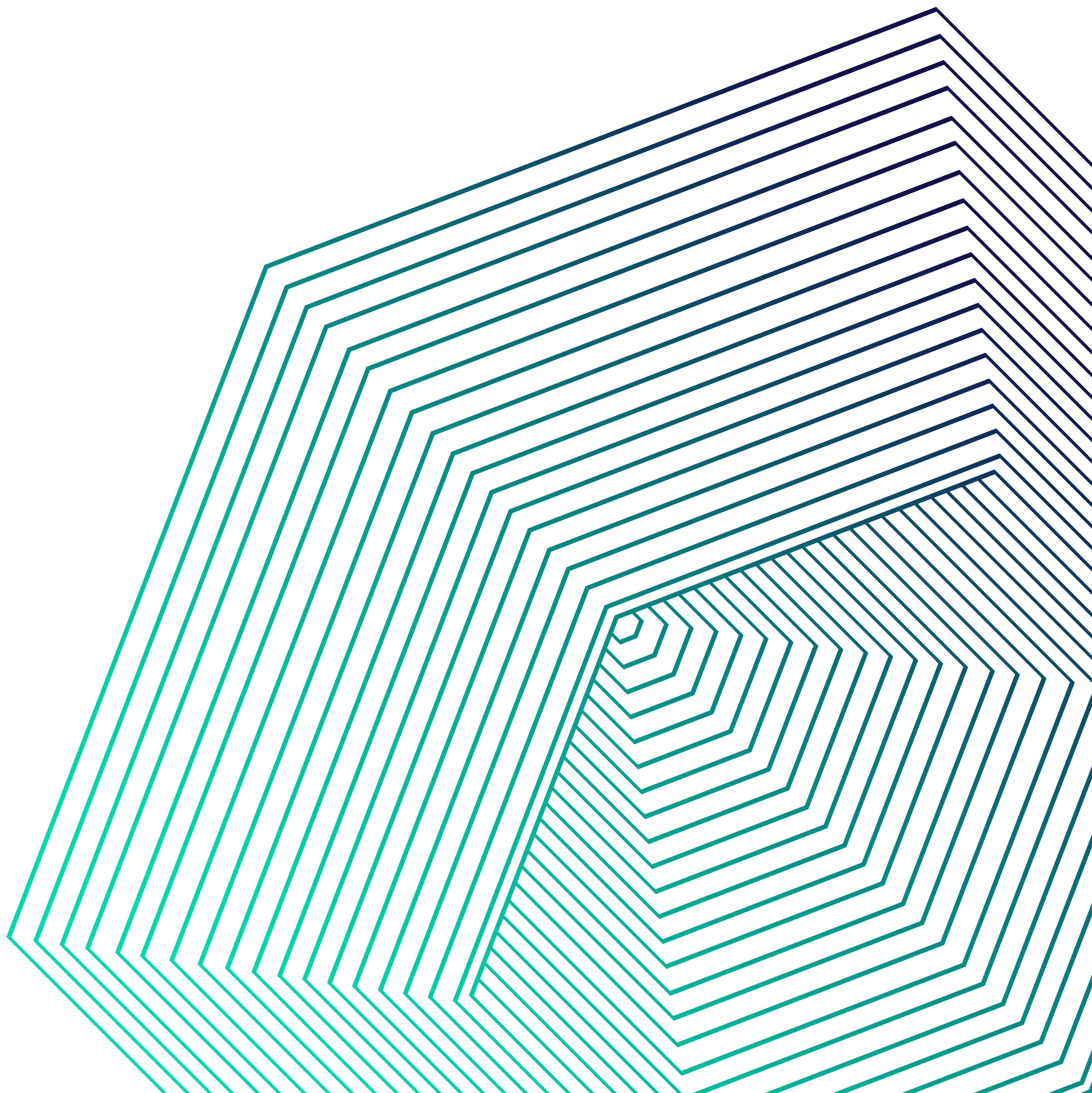




# The Many Flavors of B2B eCommerce



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## Introduction

Have you been in an ice cream shop lately? Baskin-Robbins is world famous for its 31 flavors (one for every day of the month). Not every ice cream lover wants the same flavor or style of ice cream. Cone or cup? Soft serve or hard pack? Would you like sprinkles on top? In a way, B2B eCommerce is like ice cream, it comes in many flavors and delivery methods

In the U.S. alone, B2B eCommerce was **\$889 billion** in 2017. [By 2021, it is expected to grow to \\$1.2 trillion](#), far surpassing B2C eCommerce. If you're engaged in B2B commerce, you can't afford to ignore the trends in B2B eCommerce. But just like ice cream, there are many options when it comes to delivering a B2B eCommerce experience to your customers.

As you begin thinking about moving your business online, you must determine which model (or flavor) of B2B eCommerce makes sense for your business. The approach you take to eCommerce is a determining factor in the platform you choose for delivery. It's not a decision you make lightly. That's why Oro, Inc. has put together this guide to help you explore the various ways companies can use B2B eCommerce to remain competitive and grow in an ever-changing environment. When it comes to B2B eCommerce, one size doesn't fit all and the solution you select needs to fit the way you do business. This guide starts with a look at the different B2B eCommerce models and then focuses on unique B2B situations (such as selling to the public sector or employees).

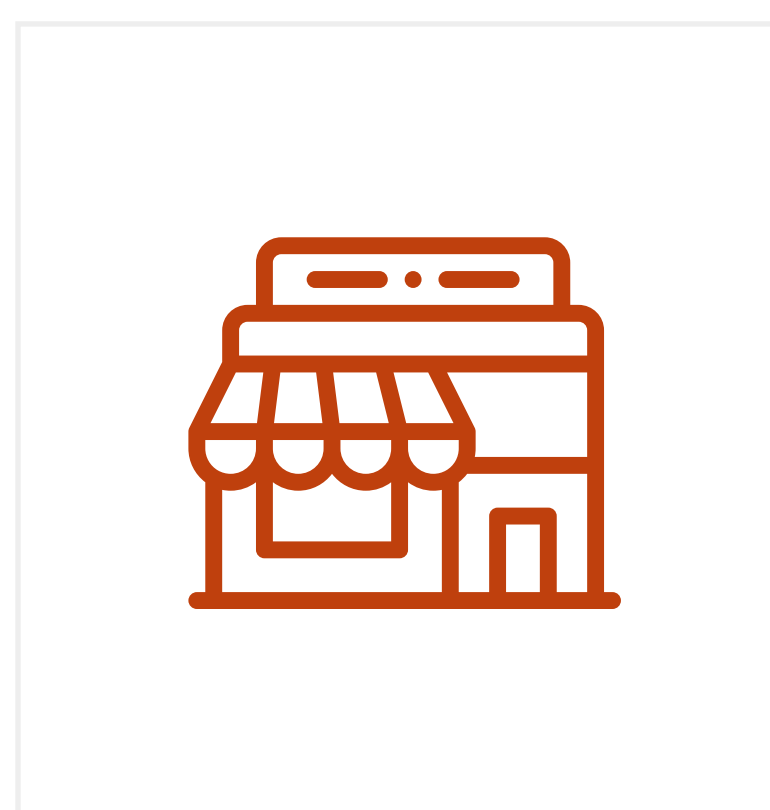
## Popular B2B eCommerce Models



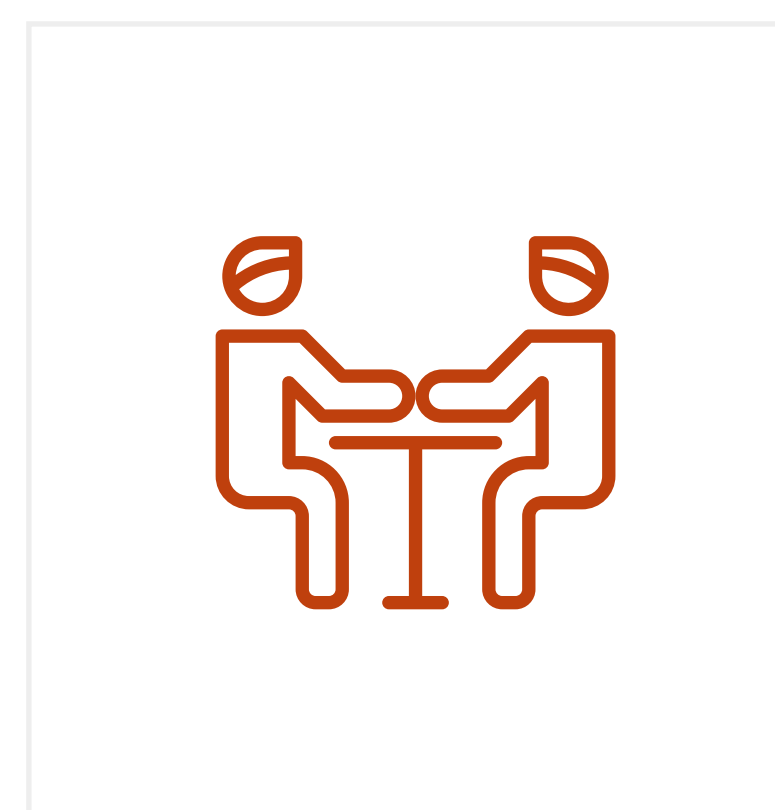
**Self-Serve Model**



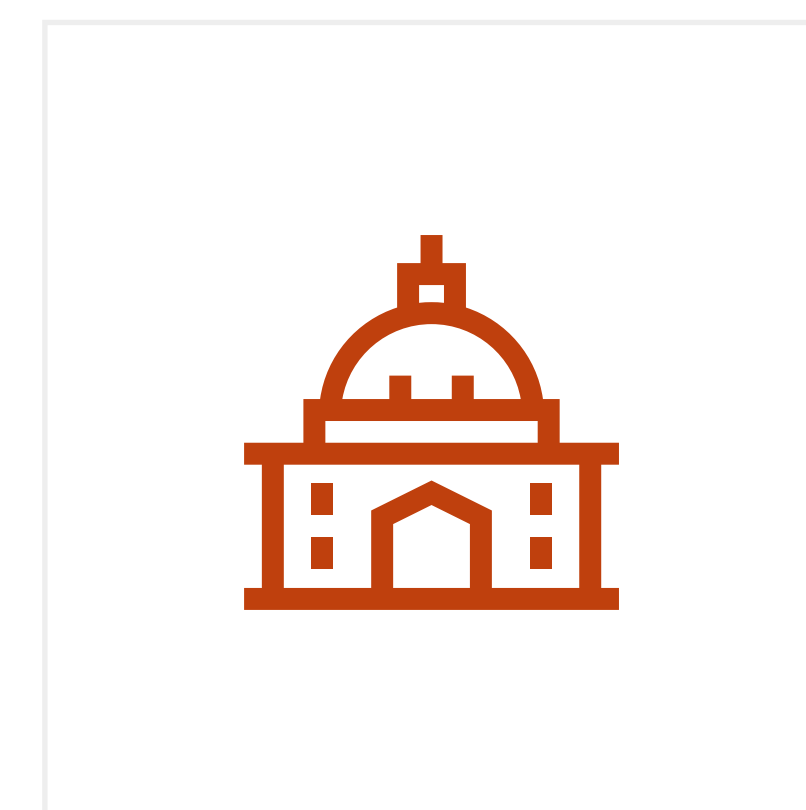
**Buyer-Seller Interaction**



**B2B Marketplace**



**Business to Employee**



**Business to Government**

When embarking on a B2B eCommerce project, it's important to know which flavor(s) of B2B eCommerce makes sense for your business. For example, Grainger and Alibaba both conduct B2B eCommerce but in their own unique ways. While Grainger offers a self-serve model, Alibaba takes more of a B2B marketplace approach. Depending on how your business is run, one or more of these eCommerce models may make the most sense. You must consider what works best for your company and your customers. Let's take a look at the following models.

## Self-Serve Model

The self-serve model looks much like B2C eCommerce. That's because B2C has trained the newest generation of B2B buyers to be self-sufficient. Business buyers and researchers expect to go online and learn about products and make purchases without speaking to a sales representative.

This model serves a market filled with buyers that don't want or need much hand-holding and products that don't need much in the way of demonstration or explanation. What buyers want is the ability to manage a corporate account that can handle multiple roles and multiple permissions, multiple user logins to prevent account password sharing, guest checkout, one-page reordering, the ability to review order history, custom catalogs and price lists, content in their language, and a hassle-free shopping experience.

What sellers need is the technology to make all of the above happen. In addition, they need the ability to follow up on leads and a way to get a 360° view of every customer and every contact. An eCommerce platform that incorporates a CRM does double duty.

Now self-serve eCommerce does not replace your salesforce. You still have a salesforce, but they will spend their time differently. Instead of taking orders via phone or fax, the sales force spends more time prospecting and developing relationships. Their time is more effectively used working the funnel, closing deals, and providing the one-on-one interaction that some buyers want or need.

While the B2B eCommerce website employs guided selling to allow customers to buy when and where they want, sales reps spend their time helping customers that need assistance with their product selection or purchase, negotiating prices, and providing the human touch when and where needed.

The self-serve model is appealing to buyers and sellers alike. Both parties like the efficiency of online purchasing. This is especially true with repeat orders, the backbone of B2B commerce.

Buyers like the feeling of being in control. They don't need to worry about high-pressure sales tactics and can order when and where it is convenient for them.

Sellers like the ability to provide 24/7 ordering and order tracking without adding additional staff. Self-serve eCommerce allows you to have a truly global reach without worrying about time zones. Include FAQs on your products and user/owner manuals and you can digitize some common customer service responsibilities as well. It's important to understand that with a self-service model, the user's experience becomes the basis for the relationship. Get the experience wrong and the relationship is off to a shaky start. Get it right and you have instant loyalty.



## For example:

*A dental practice manager is online buying their weekly supplies from Dental Supply manufacturer when they get an alert that it's been 5 years since they last changed the imaging screens on their X-ray equipment. The supplier's software suggests a new product because it reduces the amount of patient radiation exposure. The manager adds the suggested item to the cart and upon suggestion, purchases x-ray film at the same time.*

*In this instance, the software tracked the last purchase, knew it was time for a replacement, suggested an item with a new feature (soft upsell) and prompted to add film to the cart as well. A sales rep could have called the dental practice manager on the phone, hoped it was a good time to talk, and then pitched the new imaging screens. But, with the self-serve model, the supplier already knows the manager is in a "buying/shopping" frame of mind and hence more responsive to the soft upsell. This increases sales while freeing time for the sales rep to work on developing new relationships.*

As eCommerce drives the evolution of B2B relationships, successful B2B sellers will embrace the self-serve trend and harness its efficiencies for facilitating routine activities such as re-ordering/replenishment, upselling accessories, as well as providing shipping and tracking information automatically. When customers self-serve these routine activities, the sales force is free to focus on higher value activities.

Even if you think your product or service is too complex for the self-serve eCommerce model, consider a hybrid solution. For example, a company that sells sophisticated machinery may feel their product is too complex or expensive for online purchases. This may or may not be true. However, what is an absolute fact is their customers would appreciate buying replacement parts and accessories and having access to manuals and other support materials online.



**80% OF B2B  
BUYERS USE MOBILE  
PHONE**



## A few words about mobile purchasing

No matter the flavor of web presence you decide upon, you must offer delivery in mobile format. Today's decision makers are connected. Forbes reports [90% of executives](#) use their smart phones every day. The same study shows those smartphones and tablets are used to look up product and service information upon discovering their existence. And when it's time to make that purchase decision, 33% still reference information from their mobile devices. BCG's research shows that [80% of B2B buyers use mobile](#) at work and B2B mobile leaders are experiencing more engagement and more revenue[CK4]. Just as ice cream is offered in cones and cups, you've got to offer your content to be consumed on desktops, tablets, and smartphones. Responsive design is no longer optional.

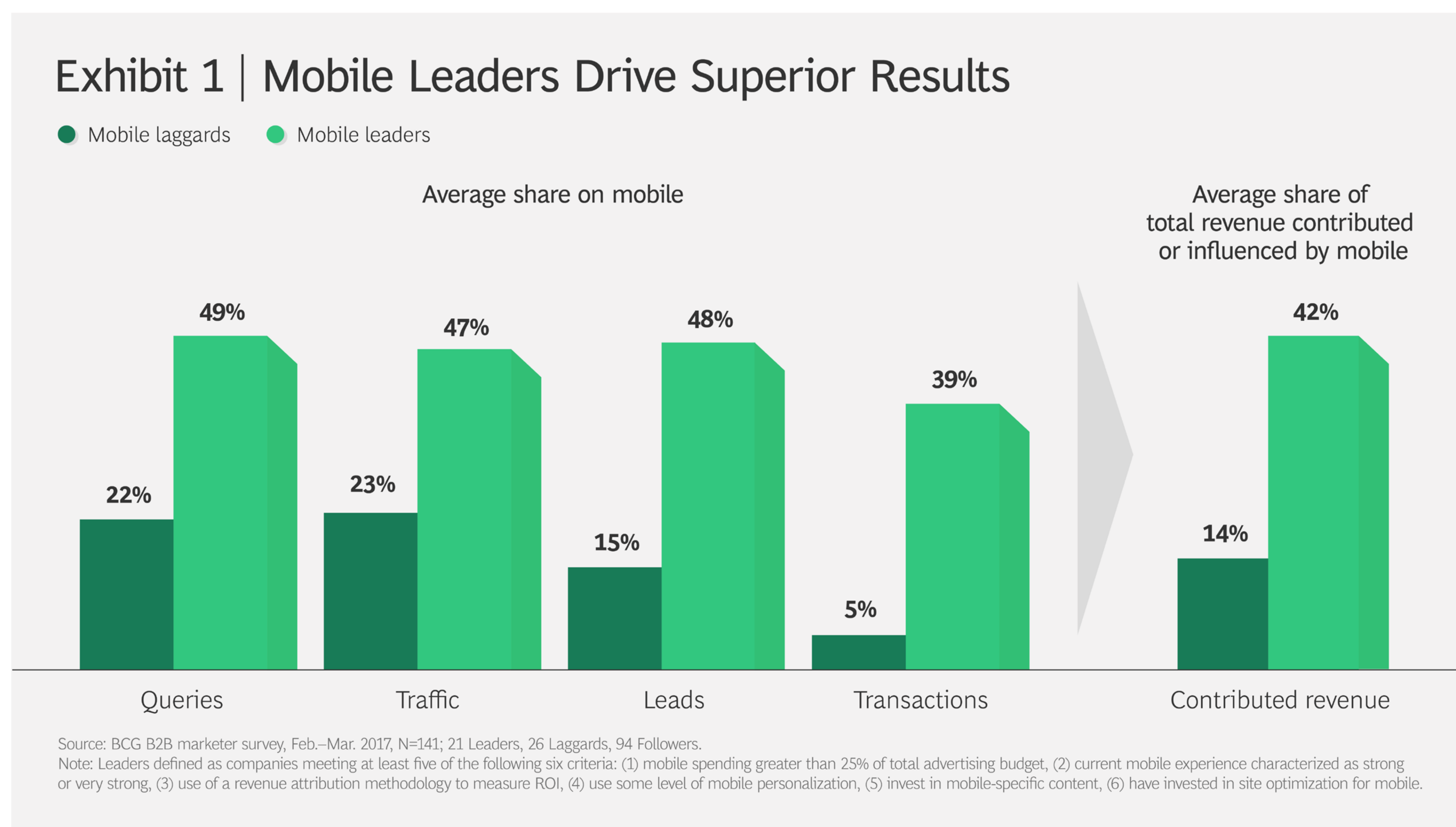


Image [source](#)

Just imagine, after a long day a very tired warehouse manager is riding the train home when he gets a text from the night shift supervisor. One of the forklifts has gone down. Instead of waiting to deal with the problem in the morning, the manager uses his commute time to locate and order the parts needed for repair from TruPar, a supplier that only sells online. The entire problem is handled after-hours, completely from his phone, all while he is on the train. This is the face of B2B today. Be mobile-ready.



## Buyer-Seller Interaction

Not every product or service lends itself to the self-serve model. Large scale manufacturing equipment, software, and commodities are just a few examples of business-to-business transactions based on buyer-seller interactions. In this model, B2B buyers and researchers configure products, request quotes, and negotiate pricing while B2B sellers respond to requests for proposals, make presentations, and close deals with sales orders. Historically, these interactions took place face-to-face, over the phone, through email, and on the fax. Now they occur online. In fact, by 2020, B2B buyers expect to manage 85% of their business relationships without any human interaction.

Companies that rely on buyer-seller interaction typically sell products that are complex, highly custom, or must meet exacting standards. In the case of commodities, there may be extensive interaction with the first few contracts but fewer interactions as the relationship matures. Because of these characteristics, buyers need interaction and hand holding before the order is placed to ensure the proper item is purchased. Depending on the size of the transaction, these past interactions may have started over lunch, dinner or even a golf outing. Today, these relationships can start digitally through a request for a quotation or proposal or a contact form. With some, if not all, interactions taking electronic form, it's more vital than ever that the customer experience is personal and conducive to relationship building. Your web presence must instill confidence and encourage engagement.

In buyer-seller interaction transactions, buyers generally demand customer-specific pricing and expect personalized catalogs. For example, a sign shop that works in stone, plastic and metal is expanding and requires new, high-performance cutting equipment with ultra-precision accuracy. In the past they might have picked up the phone and started calling to request catalogs. These days, they begin researching products online. They may visit websites and make online requests for quotes from multiple vendors. The successful vendor makes it easy to capture information from these researchers and then dives deep to find out more about the customer's needs. In this instance, the seller may offer both plasma and waterjet solutions. After back and forth online negotiations, the purchase order is issued, and the sales order written. And it all happens online. [Curbell Plastics](#) and [MultiCam, Inc.](#) are examples of websites that make it easy to request a quote online. The sellers know these requests for quotes represent leads with a demonstrated interest in their products.

However, with long sales cycles and custom products, it's crucial to have some means of tracking not only existing sales and orders, but what's happening to these leads in the sales funnel as well. The eCommerce platform for these situations should include a built-in CRM solution to support marketing, sales, and customer service functions. This gives a complete view of each interaction whether it is with a contact or a customer.



## CRM in Action

*A marketing manager needs to order logo gear for the sales team to use in a new nationwide promotion. She logs onto the seller's system, views products, learns about graphic requirements and requests a quotation. She receives a quote for the apparel and included is a quote for swag that might be useful in the promotion. A week later, she receives an email follow-up reminding of the lead-time required to customize the products and a link to place the order. She follows the link, places the order, and has the items shipped directly to the field offices.*

## B2B Marketplace

You're probably familiar with B2C marketplaces like eBay and Amazon. But Alexa helps with business purchases too. Whether its plain vanilla Amazon or Amazon for Business, B2B buyers are turning to marketplaces to shop. And Amazon isn't the only game in town. B2B marketplaces like [Wholesale Central](#), [Joor](#) or Alibaba are like a virtual shopping mall. Multiple companies and brands offer competing products all in one space. And it's a very active space capable of handling a high volume of traffic. In just one day in 2017, [sales on Alibaba reached a record volume of \\$25 million](#). During the 2017 Amazon Prime Day (the last day with data) [6,000 transactions were processed every minute](#). By participating in a marketplace, sellers take advantage of this scale and the marketplace's marketing efforts. But, not all marketplaces are the same.

Some marketplaces like [Wholesale Central](#) give you the option of hosting a site complete with an online shopping cart or a simple company profile page that links out to your traditional B2B eCommerce website. Other marketplaces, such as [Alibaba](#) and Amazon require all transactions to take place at the marketplace. Fees vary from marketplace to marketplace.

Using a B2B marketplace is a way to sell on-line without hosting and maintaining a B2B website, but it does have downsides. For example, if you sell on the Amazon marketplace, the customer technically belongs to the marketplace and not the selling company. Amazon prohibits companies from marketing directly to the customer and all communication must flow through the marketplace. This isn't conducive to follow-up marketing or repeat sales and inhibits the gathering the data necessary for future marketing and sales plans. On the other hand, a B2B marketplace presence may be an effective way to find new markets. Why use someone else's marketplace and forgo customer information and data when you can create your own marketplace with a robust B2B eCommerce platform and capitalize on the opportunity.



## Business to Employee

Business-to-employee is a model of B2B eCommerce that looks very much B2C. However, the website is created by a company to facilitate the sell and purchase of items to employees. This portal is in addition to any eCommerce presence the company has for selling its products and services to its customers. Sound strange? It's pretty common these days.

It's an easy way for companies to control and maintain their corporate identity. For example, a bank may have a formal dress code for Monday through Thursday but allow pre-approved logo wear on Fridays. Bank employees have access to a website where they can login and purchase logo embossed polo or oxford shirts in approved colors. This maintains employee morale by allowing a weekly deviation from the more restrictive dress code while maintaining the corporate identity program by controlling the color, textiles, and style of the logo wear.

Business-to-employee eCommerce can be used to offer perks to employees that aren't accessible to the public. For example, Disney offers its cast members (employees) access to a member only website that sells unique items available only to employees. These items can range from lanyards for IDs to cast member only apparel and character or logo attire.

Because of the nature of these platforms, creating and controlling user identities and the ability to create custom catalogs is crucial.

## Business to Government

Business-to-government is a variation of conventional B2B. Just like [Jamoca Almond Fudge](#) is a variation of traditional chocolate ice cream. They are the same, but different as well. Doing business with the government is different than doing business with other companies. The purchasing practices are different, and governments have authority and rights that businesses do not have. For example, regular B2B sales are governed by the Uniform Commercial Code (UCC).

But transactions with government fall under the Federal Acquisition Regulation (FAR) and any applicable agency supplements. In traditional B2B, the terms of the contract are mutually agreed upon by the buyer and seller. Either party may wish to negotiate terms and conditions.

With business-to-government, the governmental entity sets up the terms of purchases and sellers decide whether to take the contract or not. The workflow is completely different. This means if you are going to do eCommerce with government customers, you must have an eCommerce platform that allows you to customize workflows to accommodate business-to-government processes.

Both conventional B2B and business-to-government sellers must list products, but business-to-government sellers may need to create customized and personalized online catalogs. Contracts will go through an [RFQ process, not an RFP process](#). If you do business with governmental agencies, it's important that your eCommerce platform not only handle RFQ workflows and customizable catalogs, but you must interface with EDI. In the US, the Department of Defense adopted the public key infrastructure (PKI) system to securely handle their digital purchasing and other governmental purchasing entities have been quick to follow. This means all eCommerce communications and transactions must contain the proper PKI certificate.



In addition, some governments establish their own digital presence and require all purchasing to be done through their digital site. For example, the State of Florida handles purchasing through their Department of Management Services. Sellers can either register at the [MyFlorida Marketplace](#) or use the [Vendor Bid System](#) to access requests for proposals and invitations to bid if they are interested in doing business with the state.

## What Flavor Will You Offer?

You know there are opportunities for your business in eCommerce and you know you need to move sales online. But now you need to decide how you are going to make it happen. The next step is deciding what model or flavor of eCommerce will work for your business. You may find that you need to use one or more of these methods. Like a shop that sells more than just vanilla in a cup, you may develop an eCommerce-ready website and participate in marketplaces as well. In that instance, you need [an eCommerce platform that can double as an order management system](#). Or, you may build a site that supports effective buyer-seller interaction while also serving as a business-to-employee portal.

As you consider your options, don't forget the most important person - your customer. Think about the purchase journey your customers want and the level of interaction they need. These are major considerations when it comes to developing a strategy for digital transformation. Need help deciding which model and platform is best for your your customers and your company? Let Oro help.



# About OroCommerce

## The #1 B2B eCommerce Platform



### **Build Your Online Presence**

It doesn't matter if you're a manufacturer, distributor, wholesaler, retailer, or brand. Expand your business into new markets with an online and mobile presence.



### **Get eCommerce & CRM. All-in-One**

Get a 360-degree view of all customer touch-points across sales, marketing, customer support, and eCommerce with a built-in CRM.



### **One Platform for All Your Commerce**

Addresses all B2B, B2C, and B2X (B2B2B, B2B2C, etc.) scenarios in a single platform. Easily customize it to fit your needs.

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