



B2B eCommerce: Why Manufacturers and Distributors Must Move Online

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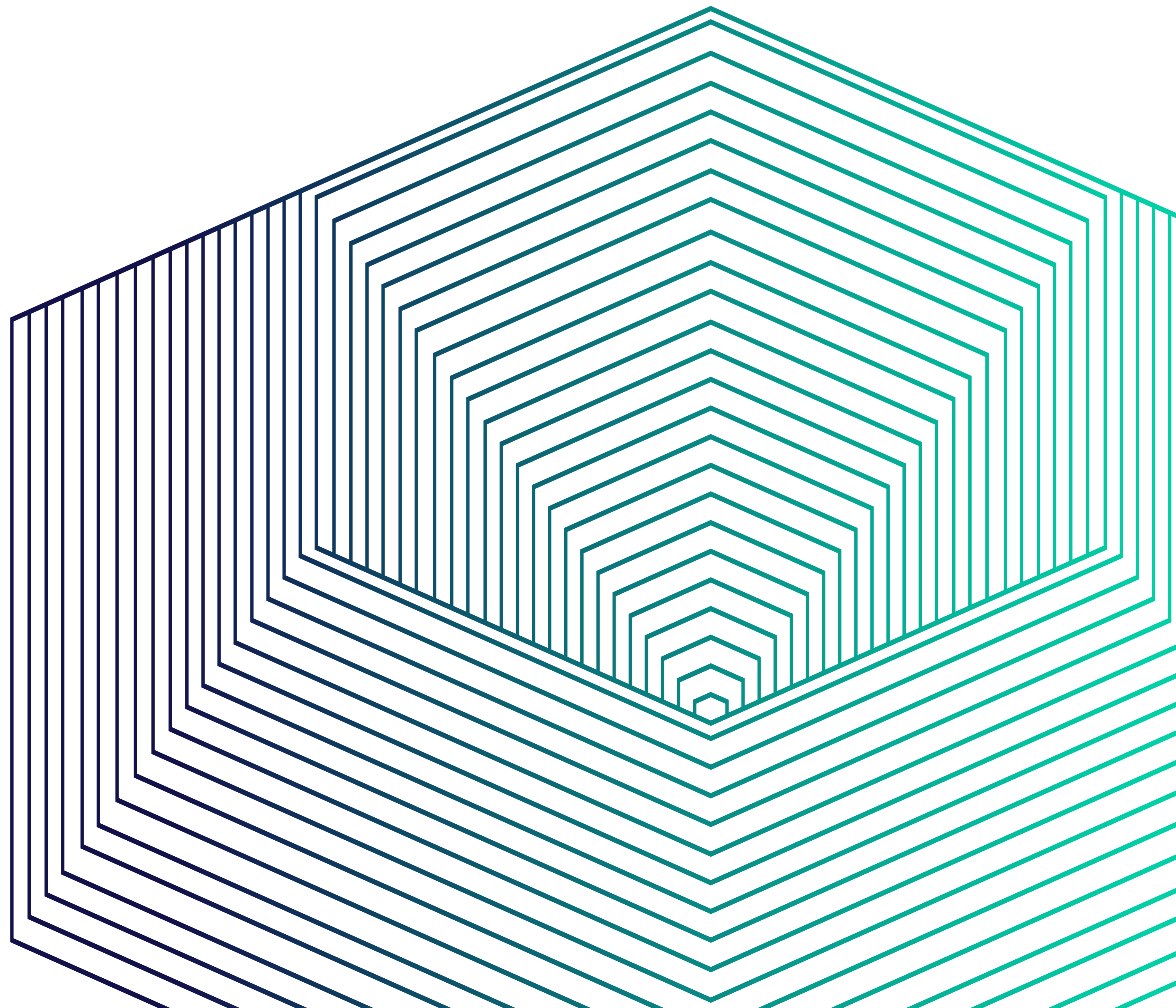


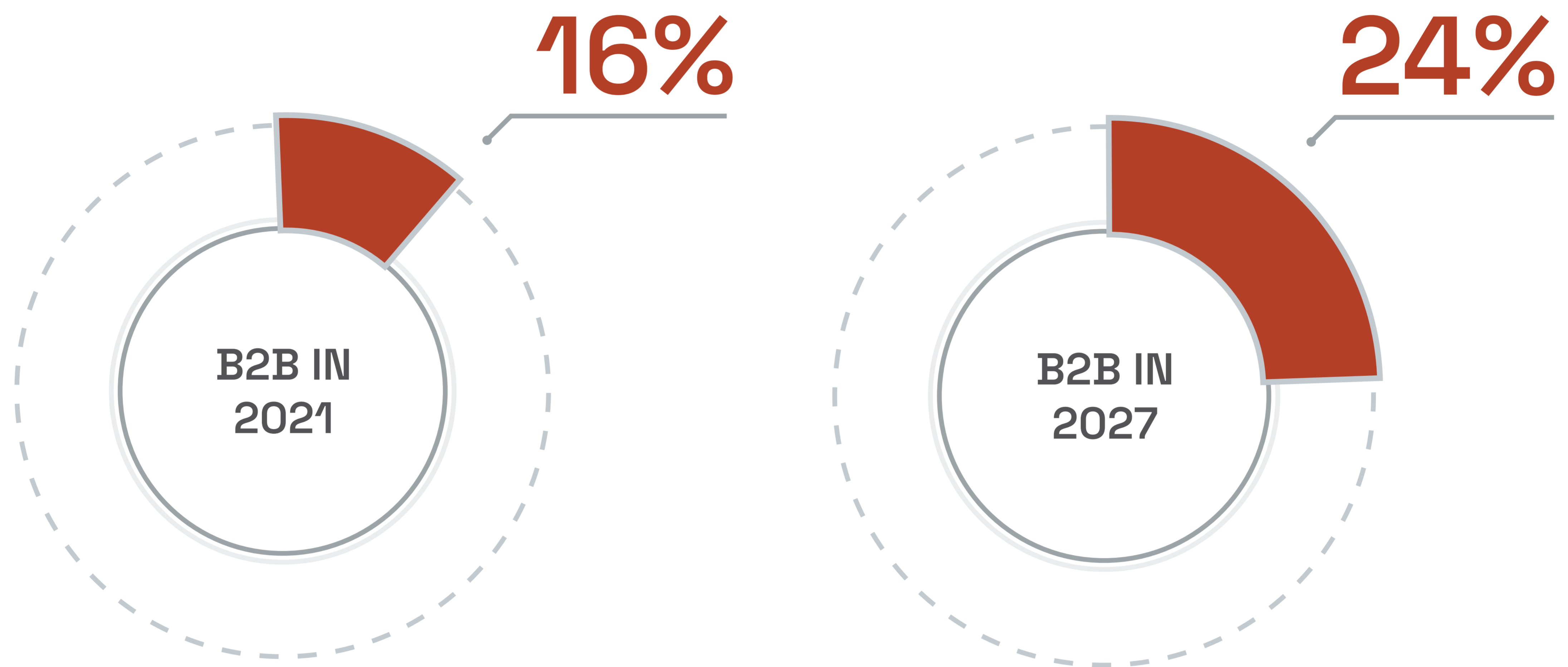
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Why eCommerce?

Globally, the number of B2B buyers relying on the internet to research and purchase grows annually. US B2B eCommerce sales continue to break all records.

In pre-COVID-19 days, Forrester predicted US B2B eCommerce sales would hit \$1.8 trillion by 2023. Sales hit that mark a year early. Their latest projection anticipates US B2B eCommerce reaching \$3 trillion by 2027. Soon, B2B eCommerce will make up almost a quarter of all US B2B sales.



For manufacturers and distributors, changing customer habits, increased competition, and more accessible technologies make eCommerce necessary.

For newcomers, this whitepaper will help familiarize you with B2B eCommerce. Those unsatisfied with their eCommerce results will find information to help analyze your efforts. We'll look at the current economic and political environment, the role of technology and the reasons businesses move online. Then, we'll cover creating a strategy and selecting the eCommerce solution that meets your needs.

Over the last ten years, this approach to eCommerce has reliably helped our customers scale their business during challenging times.

1. Adapt or Fail: Digital is the New Normal

During COVID-19, the new normal became the catchphrase. Today, the new normal includes inflationary pressures, talent and raw material shortages, and uncertainty on every front. Luckily, digital technology provides the tools to adapt. B2B eCommerce gives companies the agility to react quickly, the efficiency to make the most of their workforce, and future-proof their company.

Post-COVID environment and global uncertainties

Just as it felt that COVID-19 was starting to wind down, the war in Ukraine created more human suffering and global turmoil. Changing investment strategies, spending priorities, and demographics, and the trend towards deglobalization affect business activity at many levels.

Inflationary pressures and worker shortages

The global economy is experiencing large-scale worker shortages and inflationary pressures forcing businesses to do more with less. With budgets tight, organizations are rethinking their operations, resource allocations, and strategic investment plans.

In many cases, that means investing in technology to improve productivity and competitiveness in the short term and future-proof their business for the long haul.

Supply chain crisis and shipping disruptions

When the demand for goods rebounded, supply did not. China's Zero COVID policy and Russia's attack on Ukraine further strained supply chains that were already struggling. Demand for raw materials, microchips, and agricultural products quickly exceeded supplies. Rising energy prices are driving higher transportation costs.

2. Digital Transformations Can't Wait

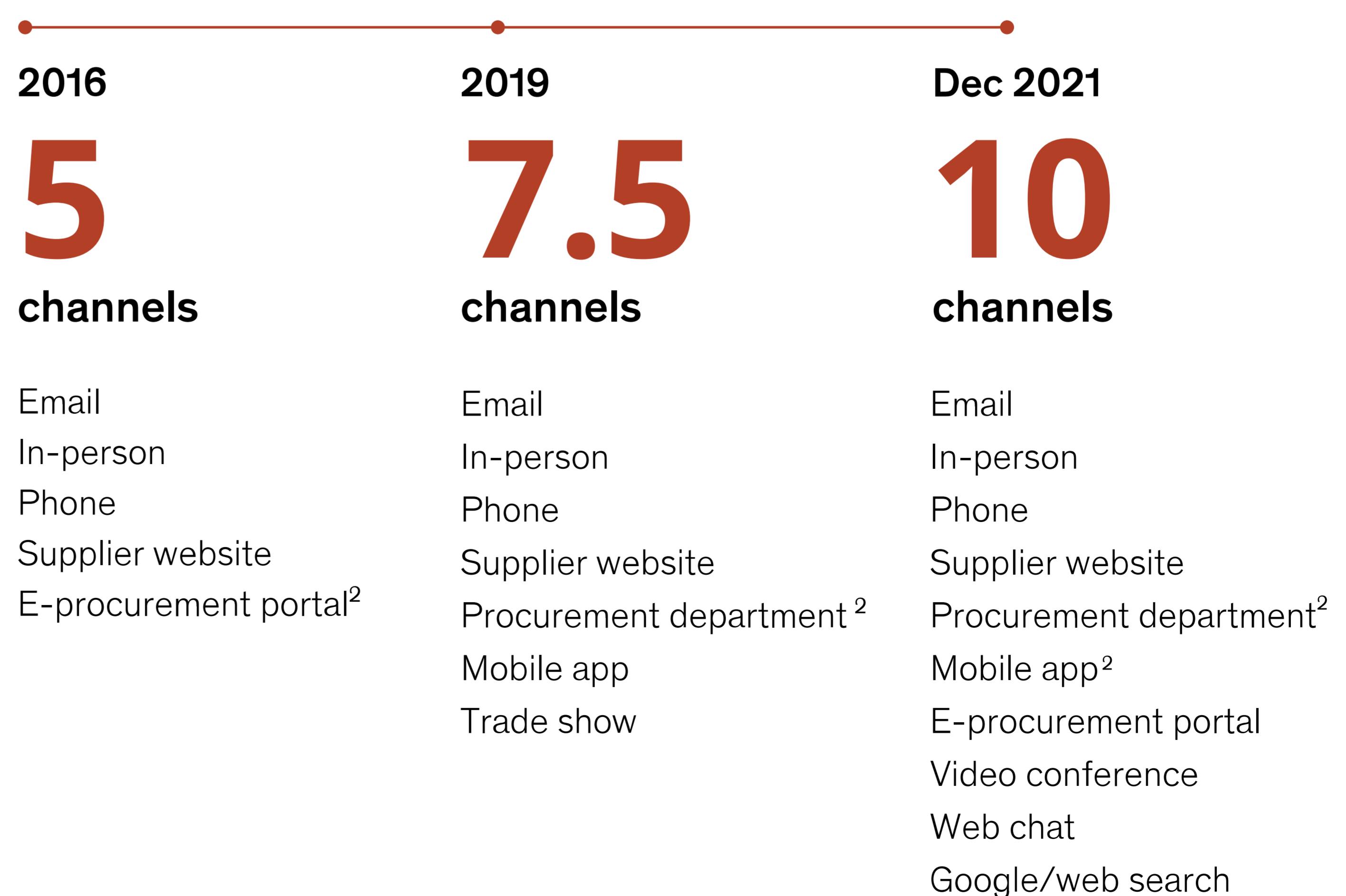
Innovations in technology and global connectivity will sustain the B2B eCommerce boom, creating expansion opportunities across verticals and regions. Capturing these opportunities, however, requires radical shifts in thinking, investment in innovative digital experiences, and experimentation with new business models.

The internet changed B2B buyers

Today's B2B buyers want to buy online. Gartner says over 80% of businesses consider digital channels their sole selling channel. McKinsey estimates that B2B buyers sometimes use more than ten digital channels to complete a purchase, doubling the number of channels used only five years ago.

B2B decision makers are using more channels than ever before to interact with suppliers.

The number of channels is expanding every year, and the majority are digital.



What's more, buyers are willing to purchase more and in greater amounts. In fact, 71% of buyers are willing to spend more than \$50,000 in a single transaction, and 27% would spend \$500,000 or more.

Your competition is already online

Many B2B stalwarts were among the first to move online, and the rewards have been enormous. Manufacturers and distributors with the foresight to invest in B2B digital commerce come from many industries and geographic locations. Here are just a few.



Grainger, the largest U.S.-based industrial distributor, hasn't looked back since moving online. In 2015, eCommerce contributed 41% of total sales. Five years later, that number jumped to 65% as Grainger became the largest online retailer in North America. Today, Grainger maintains the lead with annual eCommerce sales growing anywhere from 10% to 20% every year.



MSC Industrial, a supplier of metal cutting tools and facilities maintenance, repair, and operations products, sees similar numbers. It uses B2B eCommerce not only to sell - but to help customers improve their productivity. The MSCDirect.com website recommends changes in milling and drilling that cut metalworker cycle times. The result is customer savings of over \$700,000 annually.



The French glass and tableware giant **Arc International** opened for business in 1825, five years before the invention of the telegraph. Today, Arc produces and distributes its tableware products in 160 countries on five continents. An eCommerce site was essential to supporting this global presence. Their website uses localization to cater to buyers that speak French, English, Spanish, Chinese, and Russian. It's an approach that works. Sales are up to €849 million or over \$1 billion.



For over 130 years, **Dunlop** has been the leader in the industrial footwear market. Their PVC and Purofort boots improved the working conditions in many industries. Their eCommerce website was a central element of their "Always Dunlop" digital initiative. Following the launch, Dunlop experienced triple-digit traffic growth and a 30% increase in customer conversions.



Sometimes just one company can transform an entire industry by moving to eCommerce. **Trupar** is a leader in materials handling parts. They disrupted an entire industry in 2012 by bringing it online. With over \$16 million in revenue and more than 45,000 customers, Trupar is recognized for pioneering the customer experience in the forklift parts industry.

Clearly, companies of different industries and revenue sizes benefit from B2B eCommerce. Buyers want an online shopping experience, and smart brands give buyers what they want.

3. Why Move Your B2B Business Online?

There are many reasons to move your business online. You may want to enter new markets without opening a new office, you might be looking to improve the customer experience you offer, or it might be a quest to improve efficiency. Every company has different reasons for offering digital sales. Identifying your reasons for making the move to digital helps keep your project and goals in alignment and supports consistent brand direction. B2B eCommerce is a great way to connect with your audience, establish new relationships, and strengthen existing relationships. The transactions may be digital, but they are still based on trusting relationships.

eCommerce improves customer experience and service

An eCommerce site is much more than just a list of products and a shopping cart. It's the digital equivalent of your sales, customer service, and marketing departments. More importantly, your website is the face of your brand and it's how today's buyers interact with companies.

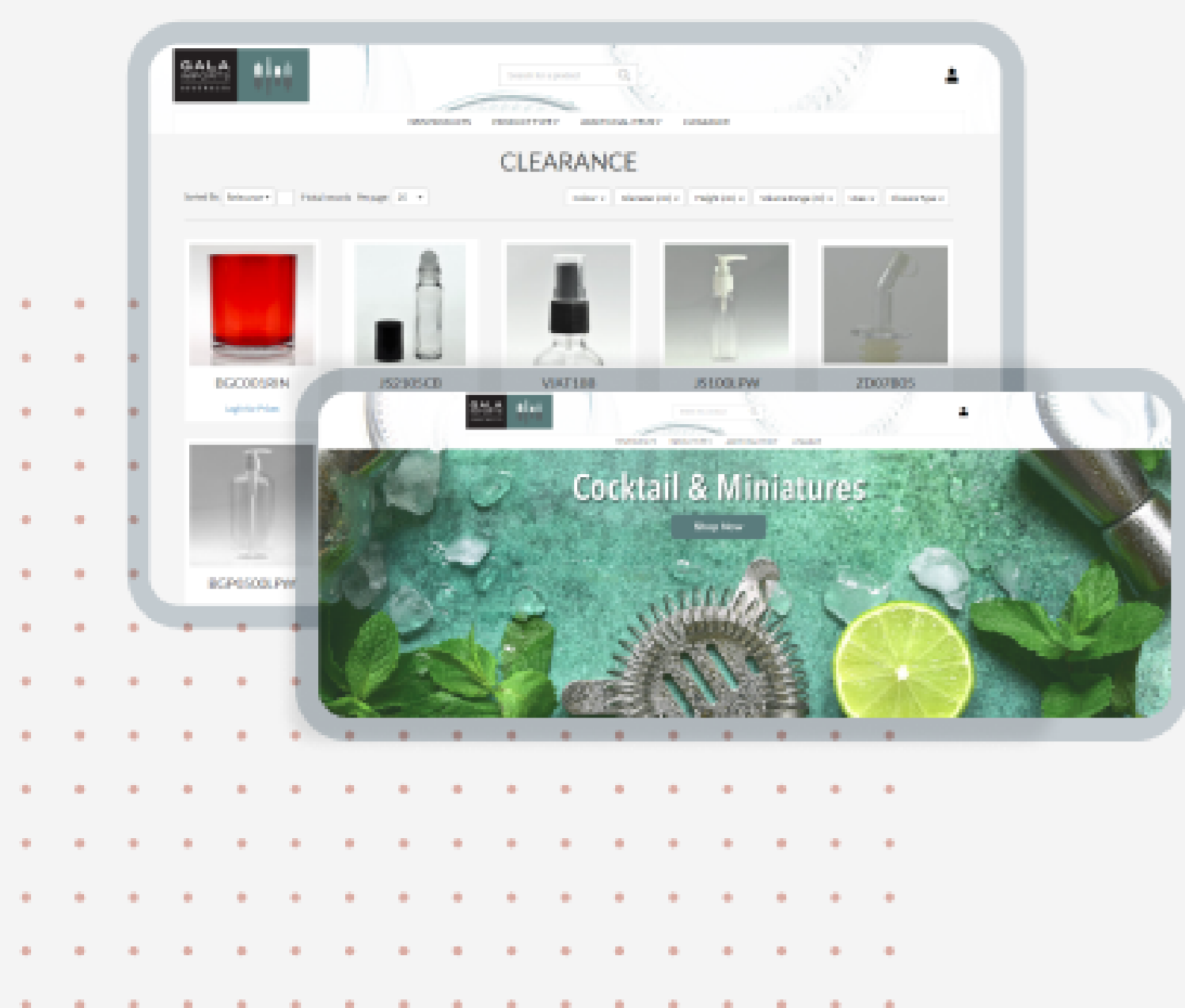
B2B buyers are younger. In 2014, 18 to 34-year-olds made up half of B2B researchers, and today, they're the majority. These professionals grew up in the digital age, they prefer the internet to inform their purchasing decisions and want a self-service model.

In fact, 67% of the buyer journey is now done digitally and buyers are over halfway through the journey before they ever engage with a salesperson. In other words - as long as there is access to phone support, 31% of B2B buyers want to research and buy independently. Another 10.5% of these buyers want to complete the sales process entirely unaided, while another 12.5% want to complete the purchase online while someone walks them through the process.

The average B2B buyer can use 10 or more interaction channels - most of them digital - throughout the purchase journey. Almost 65% report frustration with inconsistent experiences.

You also can't afford to ignore the popularity of mobile devices. Mobile access to the internet surpassed desktop access back in 2016, and tech-savvy B2B buyers love their mobile devices. According to BCG, 80% of B2B buyers use mobile access at work, and a full 60% say mobile is a significant part of their purchase experience.

eCommerce improves customer experience and service



Gala Imports is an Australia-based supplier of containers to manufacturers and distributors. As they grew and expanded their business, it was difficult for industrial customers to browse, search, purchase, and check order status online.

Gala replatformed with a B2B-focused eCommerce solution. They launched separate websites to target different customer segments with promotions, prices, and products. The focus was on improving the browsing and ordering experience and creating responsive websites that were easy-to-use and rendered perfectly on any device.

Thanks to their timely launch just before COVID-19, and highly personalized service to customers, the company soon saw a 20% to 30% increase in average order sizes.

Decision-makers are often supported by researchers that use multiple screens to multitask. According to Google, 50% of B2B-related queries are performed on a mobile device. An eCommerce site that is fully responsive can provide a user experience that speeds up the time required to close a sale. That means closing more sales faster.

Mobile-friendly web experiences also improve customer loyalty. That's because an eCommerce site supports your customers well after the sale. Customers can use their phone and your website to track orders or get an update on the status of a quote.

Multimedia presentations, product specifications, Material Safety Data Sheets, user guides, frequently asked questions, and service bulletins are just a few examples of the types of self-service support buyers want available 24/7. If you don't provide this level of support, your customers will turn to a competitor that does.

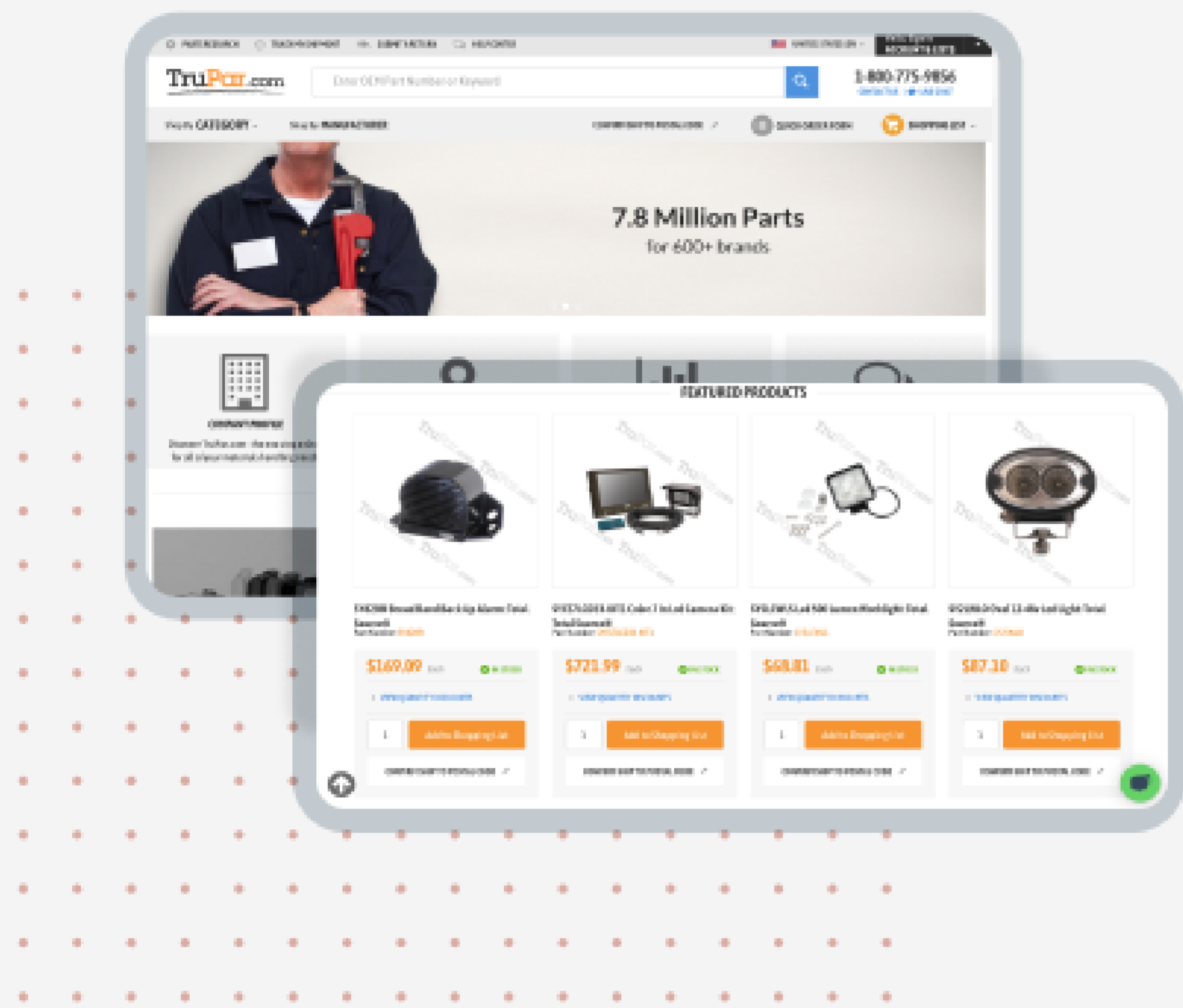
Amazon launched Amazon Business when they recognized the desire of B2B buyers to go digital. Millennials wanted the same ease in purchasing at work as they did with their personal purchases.

Companies entering the eCommerce realm can learn from Amazon's foray into the B2B sector. Amazon Business lets users control the approval workflow, supports multiple buyers for a single account, provides electronic invoicing, and displays pre-negotiated prices. In short, it gives the user experience and customer service that the B2B buyer of today wants. It took less than two years for Amazon Business to open one million business accounts. If you don't meet your customer's needs, Amazon Business or another competitor will.

eCommerce increases your reach and brand awareness

The eCommerce world opens the door to new markets and new customers. Through your site's content, you win new customers that might not have otherwise discovered your company. Similarly, you can expand into new markets without opening a new sales office.

Case study: doing international expansion right



TruPar specializes in forklift, truck, and warehouse equipment parts distribution. When a forklift breaks down, their customers need their parts right away.

As an early adopter of B2B eCommerce, TruPar easily expanded to support multiple regional warehouses as it grew. The parts may be the same, but their regional websites offer product descriptions in the right language, units of measure, weights, and currencies.

This significantly lowered the cost and the time required to get to market.

TruPar incorporated geolocating to offer customers real-time product shipping and lead times based on their precise location. The result? Customers are more confident about shopping online and purchase more in greater amounts.

The global B2B eCommerce market is expected to reach \$18.7 trillion. What's more, English websites reach less than 25% of worldwide internet users, and foreign B2B buyers prefer researching and purchasing in their own language.

Using localization, you can tailor your website to specific areas. It's like having a virtual field office in every geographic location you want to penetrate. Localization isn't just for new markets either. Over 70% of Fortune 500 companies localize to reach more customers in markets where they already compete. Localization allows you to interact with new markets in their local language, currency, and preferred shipping and payment methods.

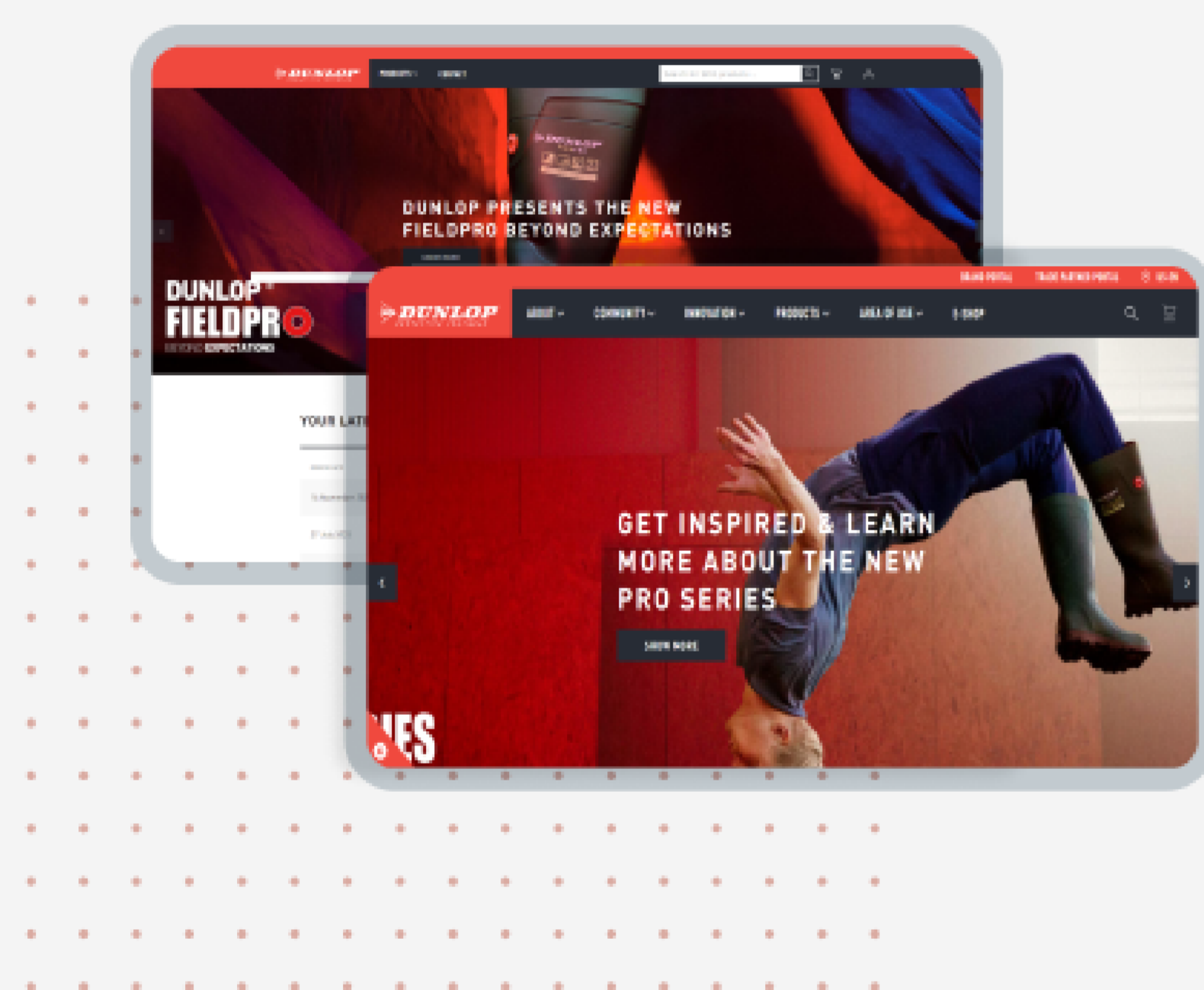
eCommerce enables sales and increases sales efficiency

It's clear that B2B buyers want to self-educate. If your company isn't online, you won't be discoverable during their research. It's as simple as that. Offering buyers the ability to research and purchase products online reduces friction among highly motivated customers.

A strong customer focus is the key ingredient of today's most successful brands. It's not just about selecting the best process and tools to guide customers through the sales funnel but to more accurately meet every customer's need.

Even if your products and services are highly specialized, leads will have basic information in hand before they begin discussions with your sales rep. A lead may also be interested in complementary products that aren't obvious to the sales rep. An eCommerce site allows leads to identify the products they think they need before making that first call. Now, the sales rep works more efficiently. The focus then becomes on solving the customer problem and driving home what makes you different from competitors.

Case study: streamlining the sales process



Dunlop Protective Footwear designs and manufactures footwear for all types of industrial environments. The industries Dunlop serves vary, orders are large and complex, and opportunities for upselling and cross-selling are numerous.

Dunlop saw the value in expanding sales using digital channels. They launched a B2B eCommerce website that made it easy for customers to navigate and place orders from any device.

They focused extensively on personalizing the customer experience with relevant products and promotions.

With a digitalization strategy placing B2B eCommerce at the heart of its initiative, Dunlop increased its sales by 40% while saving staff over 300 hours of routine work each month.

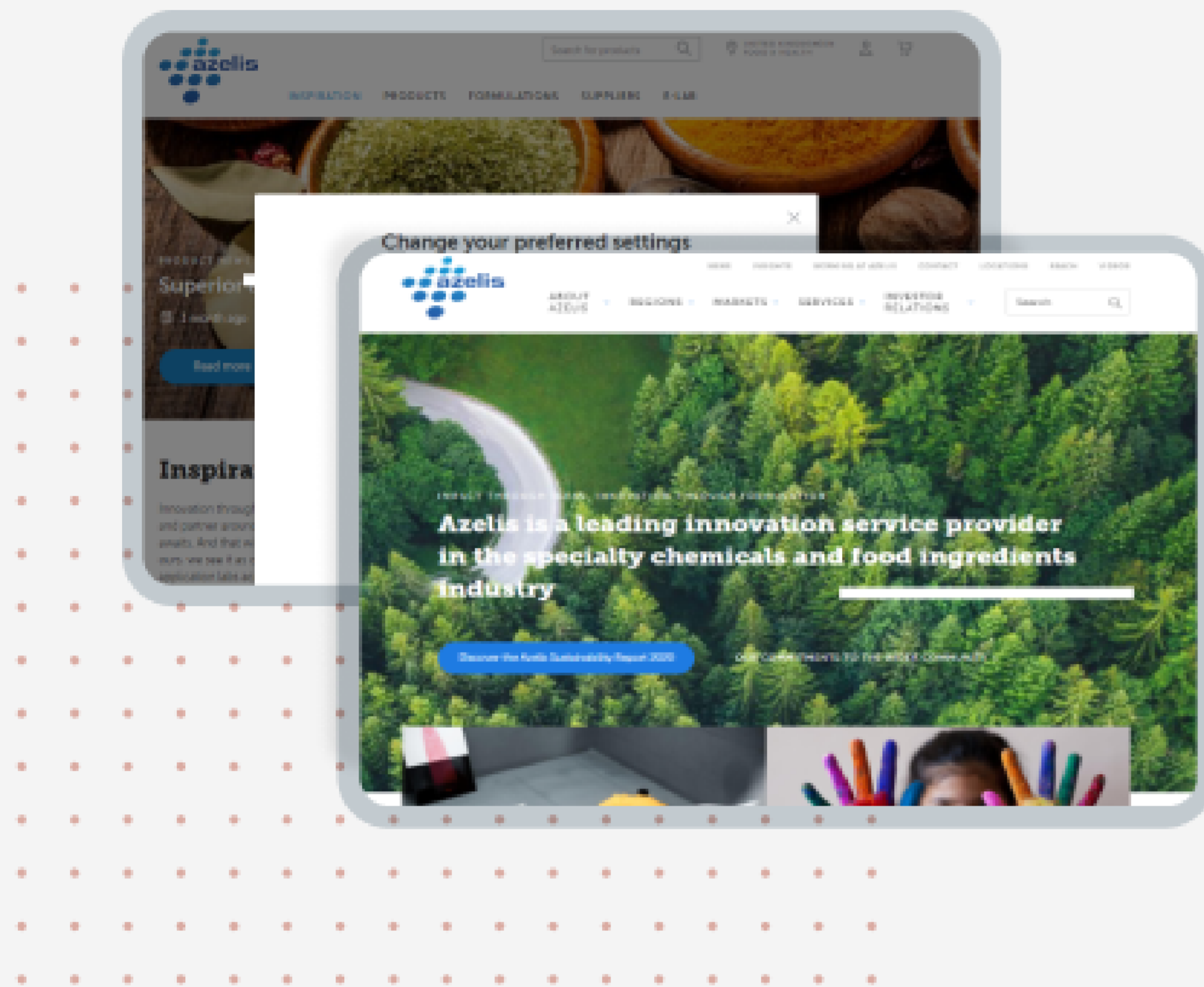
Dynamic eCommerce sites can use custom catalogs and pricing algorithms that consider purchasing volume, frequency, and long-term relationship value and display custom results. The sales rep is freed from compiling custom catalogs and price lists and can focus on what they do best- connecting with other humans and nurturing customer relationships.

That makes the website a powerful sales toolkit, not a sales rep replacement. In the field, sales reps can use mobile access to the website for demonstration videos, infographics, and other sales tools to help close the deal. After the sale, eCommerce allows reps to sustain ongoing relationships with customers.

eCommerce makes it easy to sell to existing customers

Generally, B2B customers repeatedly purchase the same item. Providing online access to past orders and quick order forms facilitates repeat purchases. An eCommerce site gives you a way to create standing orders and automatically send reminders when it's time to re-order.

Case study: building successful customer relationships



Azelis is a global specialty chemicals and food ingredient additives supplier with 45,000+ customer relationships in 56 countries. They needed a way to educate and offer solutions to help customers make informed purchase decisions.

Using a customized eCommerce solution with strong B2B self-service capabilities, Azelis brought together volumes of product information, technical catalogs, formulas, and samples and offered them in one place.

Individual portals were localized to dozens of languages, integrating the purchasing and order tracking experience.

United by a powerful search system, finding the right information became easier.

The post-pandemic environment proved that industrial customers want to research and educate themselves on their own terms. Due to great adoption internally and externally, the company is exploring launching the service in other markets.

As a bonus, upselling and cross-selling can be automated to increase the average sales order value. The easier you make it to purchase from your company, the more your customers will reward you with their loyalty.

4. Plan Out Your eCommerce Strategy

When visitors come to your eCommerce website, they're looking to solve a problem or business need. Everything from website design, layout, and content should make it easy for site visitors to learn about your products and make a purchase. You must pay attention to every detail, from design choices to navigation and individual product listings.

Leverage existing assets

If you're like most B2B sellers, you may welcome customers at a physical location. Existing customers may still want to visit your store to talk to sales representatives and see merchandise. They'll likely bring their cell phone to comparison shop, read product reviews, and check out the competition.

Blending the online eCommerce experience with offline interactions can be as simple as supplying sales reps or warehouse workers with tablets with the correct inventory numbers on hand. Whether it's your customer-facing or back-office staff, they can use your eCommerce platform to streamline all types of transactions.

Like showrooming - where customers visit your showroom to purchase, webrooming refers to the growing trend of exploring merchandise in an online store and going to physical stores to make a purchase.

Allow customers to pick up online orders in-store. Use this opportunity to upsell and build important personal relationships. By combining eCommerce technology, integrated inventory data, and reliable logistics you can deliver the ideal experience online and offline.

Use an incremental approach

Because digital spaces aren't confined by physical constraints, why not start with everything online? The answer is simple: it is expensive and doesn't allow you to validate your eCommerce experience. We believe in an incremental approach to digital commerce projects.

The [MVP approach](#) in evaluating the viability of B2B eCommerce is critical to adequately address user feedback, validate business decisions, and make improvements as you iterate.

What's more, narrowing the product scope or market served during the initial phase lets you focus on delivering the ideal customer experience in the most visually appealing way. For example, you can focus on enriching product data to improve the self-serve experience.

Think about photos, videos, technical content like specifications and data sheets, and technical drawings. You may even choose to add popups, user reviews, or offer an FAQ to answer typical questions. Help visitors gain a better understanding of your product and they are more likely to purchase.

Another strategy for importing your product catalog is to use the 20/80 rule. Begin by offering the top 20% best-selling products on your website. Or you can choose products that are the easiest to configure or ship. In either case, starting small allows you to focus on the experience.

There are many other benefits to starting small. You'll save on costs associated with populating your product catalogs with product information. You'll collect customer feedback vital to a smooth ordering and fulfillment experience, and because you are iterating on a small scale, these costs are minimized. Only when you are sure of your results do you roll out across all products or segments.

Create an omnichannel marketing plan

As younger buyers move into B2B roles, they expect B2B purchases to become more and more like B2C transactions every day. Where B2B purchases were previously seen to be highly rational and immune to emotion, thanks to the internet, they are now more fluid and certainly more social.

While multiple decision-makers are still involved in the process, they are now subject to outside influences as well as internal recommendations - both online and offline.

Today's sales funnel is less linear and people outside the funnel influence the purchasing decision.

Customers not only research, evaluate, and select products; they share their experiences. Your company is no longer the sole source of information about your brand. Blogs, social media, and review sites all now figure into the evaluation process. Instead of focusing on moving leads through the funnel, successful B2B companies focus on charting the customer purchase journey and improving touch points along the way.

Marketing efforts must rely on awareness building through social media as well as search engine optimization and integration with marketing automation systems. Successful companies know they must move beyond simply competing on the basis of price or product availability. They must deliver exceptional omnichannel customer experiences. That's not possible without an eCommerce site.

Improve operational efficiencies

eCommerce has the power to improve efficiency across multiple departments. Your eCommerce platform becomes the basis of a digitized B2B ecosystem and you can automate many manual internal processes.

Gone are the days of inputting fax and phone orders into the ERP. And for your customers, gone is the tolerance for human errors that occur during manual order entry.

Technology makes it possible to integrate eCommerce with order management, fulfillment, and shipping to keep everyone on the same page. Customers can track orders and purchasing teams can keep an eye on inventory levels.

A product information management (PIM) system keeps all catalog information in sync across all channels. This reduces inefficiencies and inconsistencies arising from conflicting product descriptions and photographs or diagrams.

Accounting and billing become easier and more efficient when invoicing and payments are integrated with your eCommerce system.

Lastly, consider the value of integrating with customer relationship management (CRM) software. With a 360-degree view of the customer for sales and support, everyone is aware of customer interactions. With the right information at hand, engaging with customers becomes easier, leading to increased customer satisfaction during and after the sale.

In the new digital age, personalization is critical to building long-lasting connections with customers. Personalized emails, personalized offers, and personalized web content benefit your sales cycle and your customers. The result? Every area of the company operates more efficiently.

5.3 Approaches to Creating an eCommerce Solution

Just like a contractor doesn't build without blueprints, a business creating an eCommerce site needs a formal plan. Otherwise you'll be hampered by unprioritized wish lists from stakeholders, and experience scope creep and runaway budgets while creating a website that doesn't meet business needs. Your plan begins with identifying MVP goals, identifying required functionality, and setting a budget. Then you can decide which approach to implementing eCommerce works best for your unique situation. As you do your research, you'll discover three approaches to deploying eCommerce.

Option 1: Build your own eCommerce store

If you require complete control of your eCommerce strategy, you may choose to build your own eCommerce platform from the ground up. Organizations go this route to create hyper-personalized customer experiences, integrate with homegrown systems, or to comply with requirements of their industries.

Instead of selecting an eCommerce platform, they build solutions by writing code from scratch. This is an option if your company has extensive IT experience, particularly in software development. It requires diverting resources from the core business. When done properly, it provides a completely custom solution that perfectly positions the brand to the market.

With a custom solution, you fully own your software - the codebase and functionality - making it easy to change the solution as necessary. Whether your plan is to maintain, update, or redesign your solution, you'll have total control of the process. However, this approach requires you to find technology partners and developers to turn your vision into a reality. This can also be a very costly approach that doesn't get to market quickly.

To learn more, you can refer to our [Build vs. Buy Guide](#).

Option 2: Purchase a B2B eCommerce platform

On the other hand, B2B eCommerce platform vendors offer ready-made solutions for businesses. You're guided by leaders in the field of software development, so you'll see positive ROI in terms of time and cost of deployment, and ease of integrating back-end and customer-facing features.

What makes B2B eCommerce solutions appealing is that they come with features that apply to the majority of business cases. Vendors constantly stay on top of B2B needs, so you're sure to deploy storefront and buying features personalized to customer needs.

Shortlist platforms that are easy to customize, and pay attention to any limits to the changes you can make. A narrow list of integrations, hard-coded features, and proprietary (non open-source) code are signs you'll be significantly limited in customization.

Some of the most prominent B2B eCommerce vendors include:

1. OroCommerce
2. Magento (Adobe Commerce)
3. Optimizely (Episerver)
4. Unilog
5. Salesforce
6. SAP Hybris
7. Shopware
8. Intershop
9. Oracle

See our [B2B eCommerce platform comparison table](#) for more.

Option 2: Grow a B2B marketplace business

A B2B marketplace brings together multiple vendors and buyers into a single platform. It's an attractive path for those looking to create their own branded marketplace, engage in a multi-vendor marketplace, or streamline procurement for partners.

Whether you're building an online marketplace business from scratch or replatforming, you'll be faced with either building a custom solution or working with a marketplace vendor.

An integrated, B2B-focused solution like [OroMarketplace](#) is the easiest and fastest way to get started with an enterprise marketplace. It provides everything to get started: a storefront, vendor management features for the operator, brand management tools for vendors, workflow capabilities, shopping cart functionality, and a powerful customer-facing self-service portal.

6. Partner With B2B eCommerce Experts

While B2B eCommerce may try to offer B2C experiences, it is still very different. B2B transactions usually include multiple players with different levels of purchasing authority. One account may serve multiple buyers and the end user isn't necessarily the same as the purchaser.

Prices are individually negotiated, and payment may not be made at the time of purchase. B2B sellers must be able to manage multiple price lists and build custom catalogs. They need to set corporate account roles that may vary from account to account. Depending on the company, custom workflows may be necessary. This is all in a day's work for B2B but totally foreign to B2C selling.

Gartner named OroCommerce the #1 eCommerce platform for the B2B Digital Commerce Use Case in the [Gartner Critical Capabilities for Digital Commerce](#). That's because it was built from the ground up to serve B2B eCommerce and comes out of the box with core B2B features. It's the B2B eCommerce solution that can help you crush the competition.

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 touchpoints 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.

[GET FREE DEMO](#)

