

The Guide to B2B eCommerce

Everything you need to know about B2B eCommerce, including the top 5 reasons brands are adopting B2B eCommerce technology, tips to choose the right model for your business, and more.



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INTRODUCTION

Manufacturers and distributors are amidst a dramatic shift in the way they do business. In a world where consumer expectations are at an all-time high, brands have been turning to B2B eCommerce to give their buyers the same online ordering access and lightning-fast fulfillment they are accustomed to in their consumer lives.

The B2B environment is in a state of transition reminiscent of B2C retail, where brick and mortar, in-person purchasing first transitioned to online shopping on the web, and subsequently, to mobile commerce. Compared to its B2C counterpart, however, the B2B sales process requires a more sophisticated level of personalization. Your customers are buying at specific prices, may only have access to certain products in your line, and have particular shipping and payment preferences.

By 2018, 51% of manufacturing and distribution businesses had already adopted B2B eCommerce.¹ This adoption data suggests that B2B eCommerce is no longer considered a technology for only forward-thinking brands. It's now considered a table-stakes element of the B2B selling process.

This guide will explain the market shifts that have caused the explosion of B2B eCommerce adoption, walk through the reasons brands are clamoring to give their customers the opportunity to order online, and help review the most important considerations when choosing the right B2B eCommerce model for your business.

THE CASE FOR B2B ECOMMERCE

“ Forrester estimates that B2B eCommerce will reach \$1.2 trillion and account for 13.1% of all B2B sales in the US by 2021.² ”

“ B2B companies that wait too long to implement eCommerce assume a big risk. Every day that B2B companies fail to offer a compelling B2B eCommerce experience, they fall further and further behind more advanced competitors.³ ”

“ The total percentage of B2B buyers who research their purchases online will rise from 38% to 55% over the next four years.⁴ ”

AN OMNICHANNEL WORLD

Until more recently, manufacturing and distribution has traditionally been dominated by a single channel—in-person sales. The adoption of B2B eCommerce, however, has launched many brands toward what is referred to as an “omnichannel” sales strategy.

Omnichannel sales is an approach that aims to provide a seamless customer experience across multiple touch points, whether they’re in-person conversations with a sales rep, inbound orders called into your customer service team, or orders placed via a B2B eCommerce portal. For instance, in a perfect world, an omnichannel customer should be able to use a desktop computer to check inventory on a company’s website and then purchase the item later from a mobile device.

The omnichannel environment has formed in direct response to the on-demand economy, where B2B customers have expectations for easy online ordering and faster shipping based on the conveniences they experience in their consumer lives. The benefits of omnichannel selling, however, are not only positive for the customer; businesses are also seeing revenue boosts and increased customer loyalty. In fact, 60% of B2B companies have reported that their buyers spend more overall when they interact with multiple channels.⁵

This shift is happening at a rapid pace. In 2017, 38% of B2B buyers placed at least half of their business purchases online.⁶ And in a study done by Forrester, 80% of B2B buyers around the world reported that they would buy again from a supplier with good omnichannel capabilities.⁷



THE TOP 5 REASONS BRANDS ARE ADOPTING B2B ECOMMERCE



#1

TO MAKE MORE MONEY YEAR-ROUND

As manufacturers and distributors, you know how to deliver results through the in-person sales channel. Whether at trade shows or store visits, your sales reps drive business value by showing up prepared, building rapport, educating customers on their products, and providing tailored product recommendations.

The problem is, while some brands may have found success perfecting the in-person sales experience, most manufacturers and distributors—even those at the top of their respective industries—only see their customers every few weeks. Between these customer visits, retailers who want to place reorders are forced to fax, email or phone orders in, a process that is not only inconvenient but often wrought with human error.

B2B eCommerce allows you to capitalize on what was previously dead time between trade shows and rep visits by making that in-between reorder process as easy as possible. Retailers can access your entire line to place an order on their terms, instead of having to keep track of your business hours. It also transforms what was previously a peak-and-valley revenue cycle to more continuous sales.



“B2B eCommerce transforms what was previously a peak-and-valley revenue cycle to more continuous sales.”

#2

TO EXPAND MARKETING & PRODUCT EDUCATION

While the fundamental purpose of your B2B eCommerce portal is to serve as a transactional order hub, there is massive potential to leverage this new channel for marketing and product education.

Your B2B eCommerce portal allows you to:



Maintain a Permanent Brand Showcase

Because your entire catalog, complete with product images, descriptions and pricing, is on display 24/7, your retailers always know where to go to view and order your products. Your customers don't need to wait on a sales rep visit or a phone call. They can access your line whenever they have questions or need to place a reorder.



Offer Brand & Product Collateral

Top B2B eCommerce solutions provide you a space to highlight your marketing assets, including merchandising guides, how-to-videos, lookbooks, lifestyle images, and more. This marketing collateral supports your customers in the buying process and gives them the tools they need to maximize sell-through in their store.

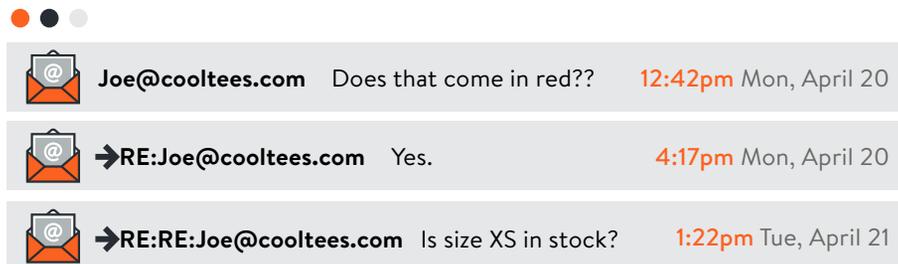


Run Promotions

Your B2B eCommerce portal should ideally allow you to message customer-specific promotions to your retailers upon login, so you can offer your gold customers 10% off, your silver customers free shipping, etc. In addition, many brands have found success communicating promotions via email marketing, treating their eCommerce portal as a landing page where customers can login and buy.

#3

TO CLOSE SALES MORE QUICKLY



You may recognize the email exchange above as all-too-familiar. Customer service teams (as well as reps) are often fielding simple questions about your products that distract them from their core jobs and could be easily answered on a self-serve basis.

B2B eCommerce eliminates the need to trouble your team with simple product inquiries coming in over email, phone and fax. Customers can simply go online to find out whether items come in a particular size, color, or material. Taking this a step further, many brands even opt to provide inventory levels for each of their products, so that buyers can tell whether an item is in or out-of-stock or running low. You can even list an availability date to keep your buyers more informed.

What's more, brands doing business across multiple time zones have seen the time-to-sale dramatically increase, as questions that were previously dragged out over a number of days (or even weeks) can be closed within minutes once their customers have online ordering access.



Many brands that adopt B2B eCommerce see order volume increase because they no longer need to wait for a sales rep visit to place an order.

#4

TO EXPAND SALES & REACH NEW CUSTOMERS

Many manufacturers and distributors look at B2B eCommerce as a way to access new geographies and customer segments. It allows you to:



Profitably serve customers you couldn't see before

Brands that run a leaner sales organization or have a widely distributed customer base often face constraints in terms of their ability to send reps out to all their customers. Brands that implement B2B eCommerce find that customers who haven't placed an order with them in years are buying from them once again.



Efficiently handle retailers with small orders or lower order volume

Because customers now have access to place orders themselves, you can now accommodate customer orders of any size or volume, as you have significantly reduced the cost of sale.



Extensively market your collection to prospective retailers

Today's trade show is no longer only about writing orders. In fact, many brands use the trade show channel to meet with potential customers and allow retailers to view their product line face-to-face. Your B2B eCommerce portal is increasingly becoming a critical way to follow up on leads after a show.



Easily invite retailers to join your portal

Top B2B eCommerce solutions include features that allow you to easily invite all (or a segment) of your customers to order from your portal. And if a current or prospective customer comes across your B2B eCommerce portal login page, they are able to request access to your site. You simply approve their request, and they're ready to go.

#5

TO RESPOND TO THE ON-DEMAND ECONOMY

In today's on-demand economy, consumer expectations have never been higher. They want simple shopping experiences online, on their mobile devices, and in person--whatever is most convenient at a particular time. Most of all, they want to be able to purchase the exact item they're looking for, and they want it delivered fast.

Those consumer expectations have lately arrived in the B2B world, and wholesalers and distributors are paying attention. According to a study done by Accenture, 66% of B2B suppliers acknowledge that customer expectations are driving their technology investments.⁸ One strong example of this phenomenon is around fulfillment speed: a number of wholesalers are setting the bar high, now able to ship out products to customers within 24 hours of receiving an order.⁹

B2B eCommerce adoption is a direct response to customer expectations fueled by the on-demand economy, as it puts control into the hands of buyers and integrates with wholesalers' core back-office systems, driving operational efficiencies and reducing fulfillment times.

In a nutshell, brands are jumping on the B2B eCommerce bandwagon because they have no choice.



CHOOSING A B2B ECOMMERCE MODEL FOR YOUR BUSINESS

B2B eCommerce platforms fall into distinct models: Direct and Marketplace. The Direct model provides you with a portal that offers only your products and lets you control which of your retailers have access. The Marketplace model, as the name suggests, aggregates multiple retailers into a central location where they can order your products along with other brands.

The key points of differentiation are listed below, but for more information, please check out our comprehensive white paper [Choosing the Right B2B eCommerce Model For Your Business](#).

 Marketplace Model:	 Direct Model:
<ul style="list-style-type: none">• Potential for discoverability• Competition, usually based on price and brand recognition• Economies of scale• New customer acquisition, though often of lower-value customers• Limitations on ability to build brand equity	<ul style="list-style-type: none">• Distraction-free buying• Full-service ownership, sometimes challenging for smaller brands• Personalization• Stronger customer relationships• Control over the brand experience

The decision to implement a particular B2B eCommerce model depends on the immediate and long-term strategic goals of your business. For smaller brands looking to build their customer base or experiencing challenges in servicing customers at scale or large brands that can easily win on brand recognition, the risk of experimentation with a complex Marketplace model is low, as long as it doesn't require cumbersome setup and integration.

However, it is not possible for brands to survive solely on the Marketplace model alone.

Brands that opt for the marketplace approach need to continue to build out their own Direct model implementation in tandem. The long term positive impact to your business and the brand equity opportunities in adopting the Direct model are too significant to ignore. Direct B2B eCommerce allows brands to focus on high-value, long-lasting relationships with their retailers, create exceptional brand experiences, and provide outstanding service tailored to each customer's needs.

CONCLUSION

B2B eCommerce has fundamentally changed the way manufacturers and distributors are able to meet the needs of their customers. Retailers want to order online. They want to order at any time, from any device.

The benefits of B2B eCommerce adoption are significant--brands are making more money year-round, expanding their marketing capabilities, closing sales faster, and more.

While this guide has covered the current manufacturing and distribution climate and the reasons brands continue to prioritize B2B eCommerce as a means to respond to the on-demand economy, this is just the beginning.

For businesses more seriously considering implementing B2B eCommerce or even those who already have, you should be thinking through customer adoption, measuring the success of your portal, how to become a marketing powerhouse, and how to make sure your sales reps and your B2B eCommerce strategy are aligned. You can learn about all of these topics and more in our [5 Steps to a Successful B2B eCommerce Rollout Guide](#).

If you'd like to talk about your B2B eCommerce strategy with our team of experts, email us at info@handshake.com or call us at [855-532-9044](tel:855-532-9044).

SOURCES

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ABOUT HANDSHAKE

Handshake provides the B2B Commerce platform for manufacturers and distributors that powers standout ordering experiences both in-person and online. Companies using Handshake transform their sales effectiveness and drive operational efficiency, delighting customers and growing lasting relationships.

[Click here to schedule a 10-minute call](#) to see if Handshake's B2B eCommerce platform is a fit for your business.

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