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Are B2C Best Practices The Future of B2B E-Commerce?

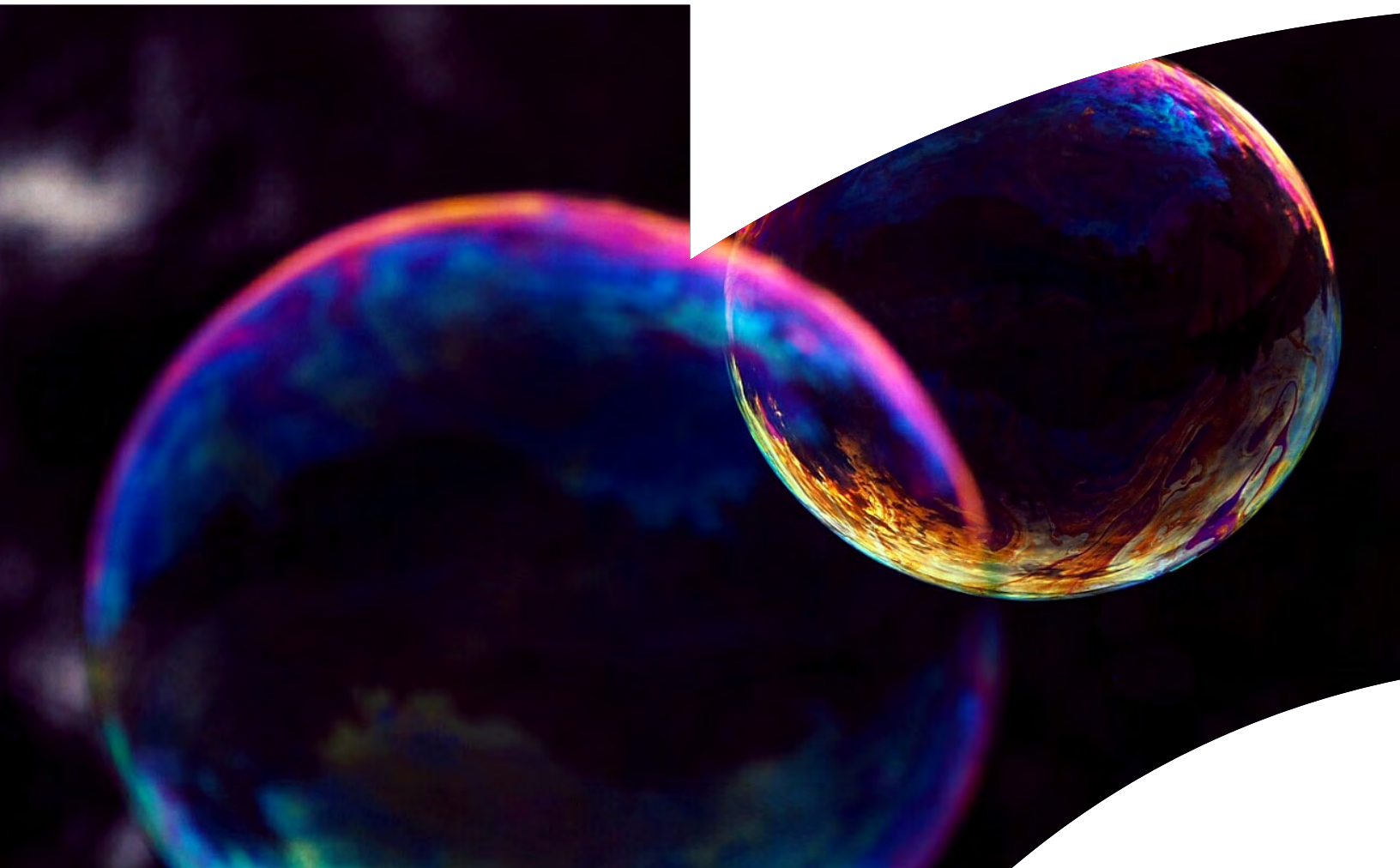
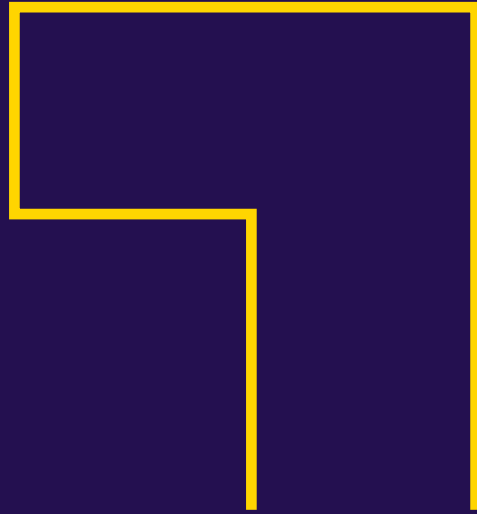


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The Future of B2B E-Commerce



How important are the e-commerce best practices of retail – also known as B2C – when it comes to the evolution and success of B2B e-commerce?

Despite several business requirements unique to B2B commerce, and other long-established B2B electronic channels for commerce, a generational shift towards e-commerce in B2B is well underway.

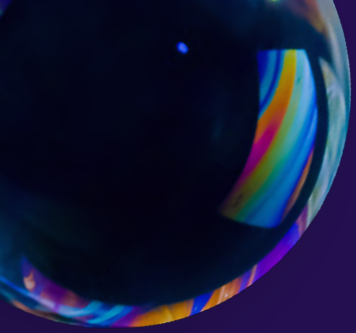


Introduction

To what extent are B2B sellers adopting proven B2C features and strategies that are commonly used by these buyers in their consumer lives? Or do B2B sellers believe that their customers are happy with how things are? Are they in fact testing the waters? We decided to find out!

We conducted a broad industry survey, which was sent primarily to distributors and wholesalers, as well as some manufacturers, and hybrid entities. We asked them to rate 24 proven, best practice B2C features and strategies, as well as other metrics regarding their overall e-commerce businesses. These other metrics included how long they have been selling through an e-commerce channel, what percentage of their overall revenue comes from e-commerce, and what stands in the way of implementing more B2C approaches to selling online.

In addition to this in-depth survey, we conducted interviews about these topics with 10 expert practitioners – the individuals responsible for the company's e-commerce businesses and/or operations. These practitioners represent a range of B2B sellers in size, industry verticals, and tenure as e-commerce sellers. Their viewpoints did not always correlate with the survey findings, but their insights provided valuable and actionable dimensions to support the data.



Review of Key Findings





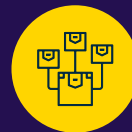
Key Findings

The headlines from the in-depth survey are in:

- **B2C tactics WORK in B2B e-commerce**, but many B2B sellers are slow to adopt, and may be missing the boat on some key approaches.
- **Some B2C features and tactics take more time to prove themselves out**, and B2B companies should be careful not to under invest or fail to give these approaches time to realize their potential.
- **The trend of B2B companies' adoption of B2C-like digital experiences, and the effectiveness of these features, will continue,**

Survey Responses

By Type of Business



45%

Distributor



30%

Wholesaler



25%

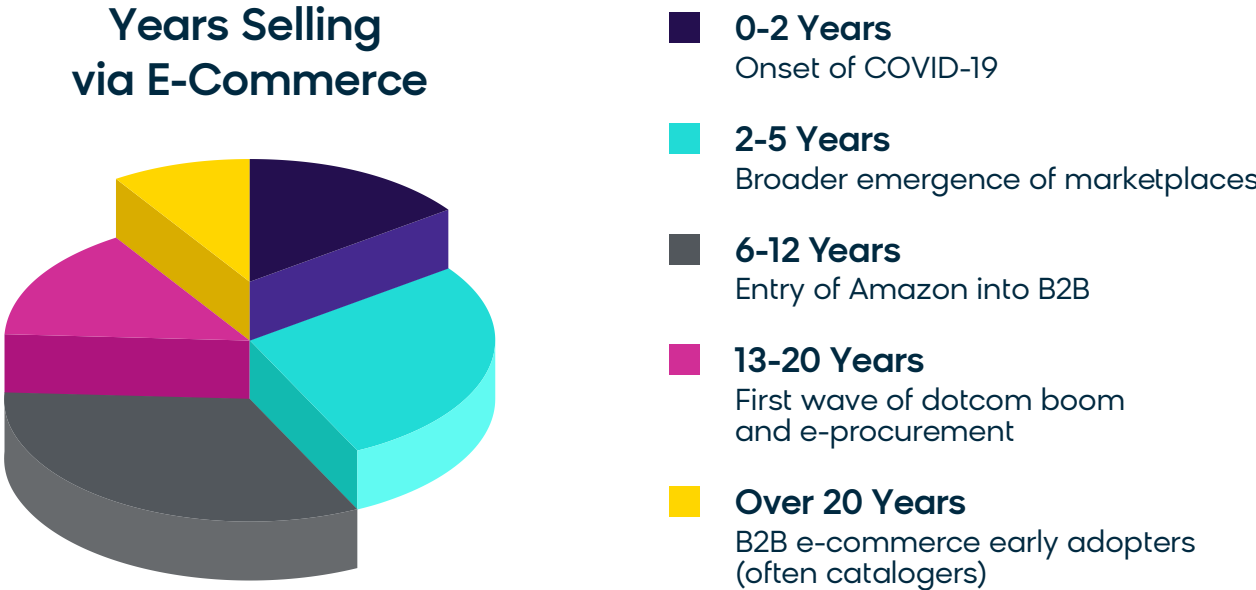
Manufacturer

accelerated by the increasing percentage of the B2B buying workforce shifting to “digitally native” millennial and Gen Z buyers.

The Survey Participants

Of the responses to our survey, **75% came from distributors and wholesalers**, and the rest came from manufacturers or hybrid entities. The data showed some disparities between the distributors/wholesalers vs. the manufacturers in rating the effectiveness of specific capabilities, but these differences were largely a matter of the degree of effectiveness. Overall, they are largely similar. For purposes of this report, we will focus on the combined responses. The composition of our group of expert practitioners – by type of seller – mirrored the breakdown of our survey respondents.

The length of time selling through an e-commerce channel was separated into timeframes that correspond with key inflection points that had an impact on the evolution and adoption of B2B e-commerce. The highest percentage of our survey respondents – 33% – have been selling through e-commerce for between 6 and 12 years.



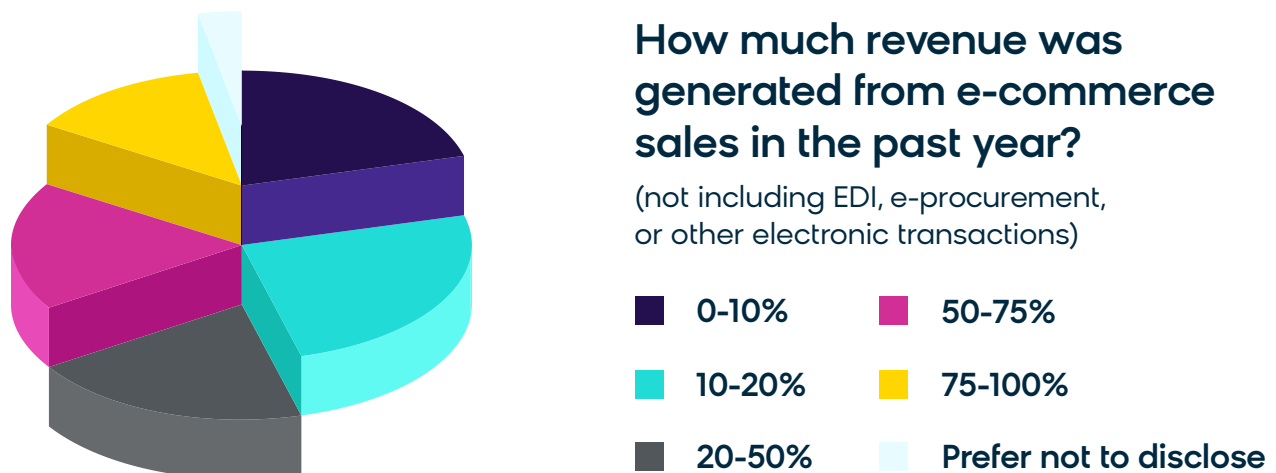
The survey data confirms that the percentage of sales in the last year from e-commerce among respondents is meaningful, although the number of companies approaching a 'pure play' (e.g., 100% of revenue from digital channels) are the minority.

Effectiveness and Future B2C Features Work, But Some Are Missing The Adoption

Our research survey data shows that **most B2B sellers see value in adopting B2C e-commerce features and strategies**. And in our interviews with expert practitioners of B2B e-commerce, there was no doubt about the relevance and value of these B2C best practices in B2B today – when executed with an understanding of B2B's unique requirements.

The data confirms that, on average, 70% of our survey respondents have adopted some subset of the 24 B2C features and strategies we included in the survey. Of those who have done so, an average of 86% deem them to be effective or highly effective. A third of these capabilities were implemented by up to 89% of respondents and rated at 90% or higher effectiveness.

The immediate takeaway from this positive data would be that B2B sellers who have not yet done so would be actively planning to adopt these B2C features and strategies. **But in fact, the jury is still out:** on average, only 14%



of respondents have them on their roadmaps. In addition, an average of 16% feel that one or more of these successful features are “not applicable to their business.”

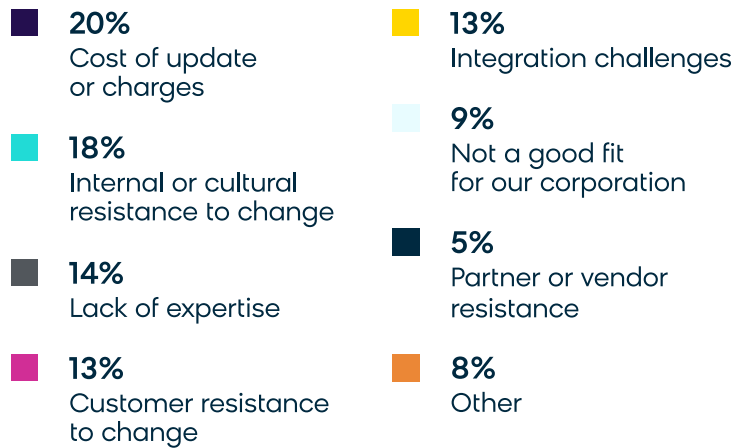
Case in point: of the most effective eight features and strategies noted below, an average of only 11% of companies not currently utilizing these approaches have them on their implementation roadmap.

Most Effective B2C Features As Rated By Respondents				Most Effective B2C Features Included on Non-User B2B Roadmaps			
Rank	Feature	Effective	In Use	Rank	Feature	Effective	In Use
1	Online self-service	96%	76%	1	Online self-service	96%	12%
2	Paid search advertising (SEM)	95%	82%	2	Paid search advertising (SEM)	95%	8%
3	Assortment expansion	91%	72%	3	Assortment expansion	91%	12%
4	“Prime-like” shipping	91%	58%	4	“Prime-like” shipping	91%	10%
5	Content marketing	90%	89%	5	Content marketing	90%	9%
6	Omni-channel	90%	77%	6	Omni-channel	90%	15%
7	Product Rating & Reviews	90%	74%	7	Product Rating & Reviews	90%	13%
8	Organic search	90%	46%	8	Organic search	90%	7%

Why Aren’t More B2B Sellers Broadly Adopting B2C Best Practices?

While the acceptance and growth of e-commerce in B2B has accelerated, especially since the onset of COVID, many factors are frequently cited as to why more B2B sellers have not adopted a more comprehensive or sophisticated B2C e-commerce playbook. These typically include ongoing organizational and cultural resistance, persistent concerns about channel conflict, and heavy reliance on the deeply established existing electronic channels – EDI, e-procurement, punch-out, portals, etc. These electronic channels are identified as satisfying different or unique B2B workflows, approval processes, product offerings and other business requirements that are not present in B2C e-commerce. But in fact, unlike the broad capabilities of e-commerce, these legacy methods are primarily – if not exclusively – about order placement.

What factors are interfering with your company's ability to expand or adopt new functionalities?



NOTE: In comments submitted with 'Other', respondents primarily stated a combination or rephrasing of selections offered

"Digitization does not mean people are going to lose their jobs, but this perception exists. This becomes a big challenge to overcome."

Turtle & Hughes

In our survey, respondents who have implemented e-commerce confirmed that there are a range of reasons for not adopting new functionalities. Foremost at 20% was the cost of changes or updates, followed closely by internal or cultural resistance to change at 18%. Lack of expertise, difficulty of integrating with existing technologies, and – surprisingly – customer resistance to change were nearly tied for third place. Clearly there is no single, predominant reason. However, the top factors – budget limitations and cultural resistance – imply a lack of leadership support in the top ranks, creating market space for fast moving new entrants and industry disruptors capitalizing on inaction by incumbents.

According to a Deloitte study, 75% of the B2B buyer base will be millennials by 2025.

Our experts all concurred that to remain relevant and successful as a B2B distributor, wholesaler, or manufacturer, an e-commerce approach that takes successful best practices from B2C and applies them strategically to B2B is becoming essential. While noting that many of their customers are welcoming a shift to e-commerce, they acknowledged that some customers do not want to change the way they have traditionally transmitted their actual orders (e.g., via EDI or punch-out). But they also pointed out that even though e-commerce may not soon fully replace existing electronic channels, it complements and supports them, and drives more business overall – especially from smaller customers, and those without contract pricing and catalogs. When it comes to new customer acquisition and reaching a far broader audience, none of these legacy electronic channels can compete with the reach, discoverability, and openness of e-commerce.

Finally, underscoring the importance for B2B of the B2C e-commerce playbook is the same demographic and societal shift that has driven deeper digital adoption globally. According to a Deloitte study, 75% of the B2B buyer base will be millennials by 2025. The people who buy from B2B sellers at work have become experienced online consumers at home or when on the move. They are expecting to be able to transact with their B2B suppliers in the same manner they do in their personal lives, with the same richness of features and convenience.

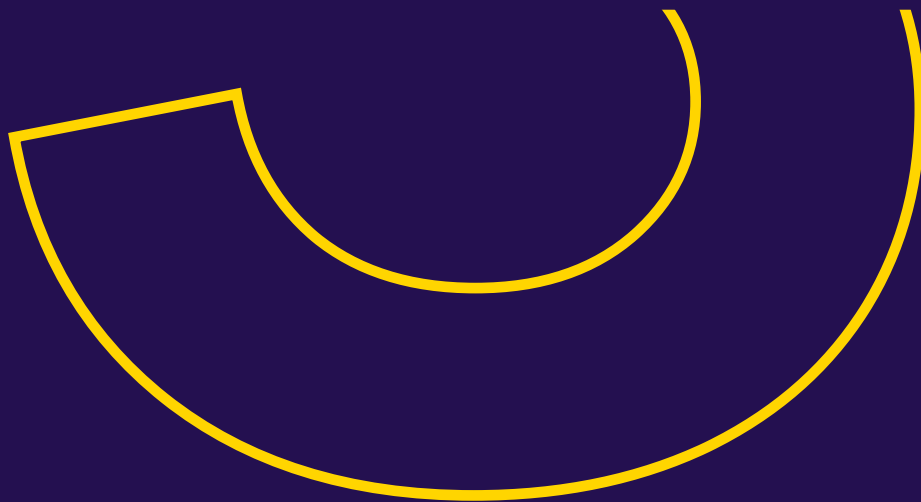
“Using paid search to drive e-commerce is how we are acquiring most of our company’s new customers.”

J.J. Keller

“Most of our customers have traditional models, they buy through procurement channels, or even the call center. We don’t force them to purchase online. But the halo effect on revenue from our e-commerce presence is much higher than the small percentage of online orders.”



Interviewees





Interviewees

Our 10 expert practitioners, and their views on the importance of B2C approaches in B2B e-commerce.

Ajay Kamble

CTO, Turtle & Hughes

"B2C sellers have set a very high bar. We live our home lives centered on convenience. Why wouldn't we do the same in B2B? We look at the B2C world here as the example of what to do – we don't look at competitors, we look at B2C, companies like Home Depot, and try to learn from the best there."

**TURTLE &
HUGHES**
POWERING A BETTER TOMORROW

Ken Clinchy

VP Digital E-Commerce, FleetPride

"A B2C approach is incredibly important. It drives a level of comfort and familiarity, especially for customers who are not used to using e-commerce in a business environment. It ranges from bigger things like chat, or shipping options, to smaller things like the common icons they would see on a B2C site. It enables them to transition easily from their personal lives to their business lives."

FleetPride
HEAVY DUTY PARTS & SERVICE

Dave Gravely

Senior VP of Marketing & Digital Solutions, State Electric Supply Co.

"If I were to measure the need for B2C-like shopping feature on a scale of 1 to 10, it's a 10. The B2C environment has set the expectations, and B2B is playing catch up. A customer knows that they should see a competitive price, availability, immediate order acknowledgement. They are expecting a B2C experience now. Today."



Matt Wingham

Director of E-commerce - Medical Products and Services, Cardinal Health

"A B2C-like experience is an imperative. The consumerization of B2B is very present – not only from a feature standpoint, but also from how B2C has traditionally delivered experiences. It's about important things like search, product content and images, features and benefits, all these things. The concept of speed and convenience is also incredibly important. So, from an employee and talent standpoint, I've built most of my team with folks from outside B2B, who have retail experience."



Steven Javor

Global E-commerce Director, NA Schneider Electric

"Absolutely important. But I separate B2C shopping from B2B buying – and it varies depending on the category. Customers want to have a B2C experience, but the B2B buying journey is different. You're also dealing with things like approvals, credit limits, POs, contract pricing, and availability. Most of our customers have 3-4 suppliers they deal with – whether they do business with each of them has as much to do with these other factors as it does with having a B2C experience."



Paul Stubitsch

CIO, IBT

"Adopting a B2C approach is critical. As we start to reach beyond our traditional customer, who knows his or her part numbers and so on, things like search have to be nothing less than great, and the experience needs to be personalized. As we grow this channel, we must focus a lot more on things like promotions and digital marketing to carve out our space."



Faisal Hussain

VP Global E-commerce & Product Management, MSC

"It is extremely important to adopt B2C tactics. But to deliver that B2C experience there is foundational stuff you need to do or have – like a PIM with clean master data, single sign on, mobile app, personalization. Search is critical. B2B has other complexities you need to master – like workflows and contract pricing, CPQ, shipping preferences. Overall, we must understand that the customer experience is not what we think is great, but what the customer thinks is great."



Adrienne Hartmann

VP E-commerce J.J. Keller

"At the highest level, this is very important. Whether it's the consumer side or B2B, there are table stakes when it comes to interacting with any customer online."



Carl Persson,

Director of Catalog Operations & Product Management, PartsSource, Inc.

"B2B customers are rarely window-shopping for fun. However, just like B2C shoppers, they need to have confidence that the item they are considering matches their needs. Therefore, rich content and complete product data are critical to facilitate good search results and customer confidence at the PDP. Likewise, B2B users obviously use Google and other search engines. This kind of rich content and product data that drives good results for B2C SEO also works for B2B."



Vincent Mugavero

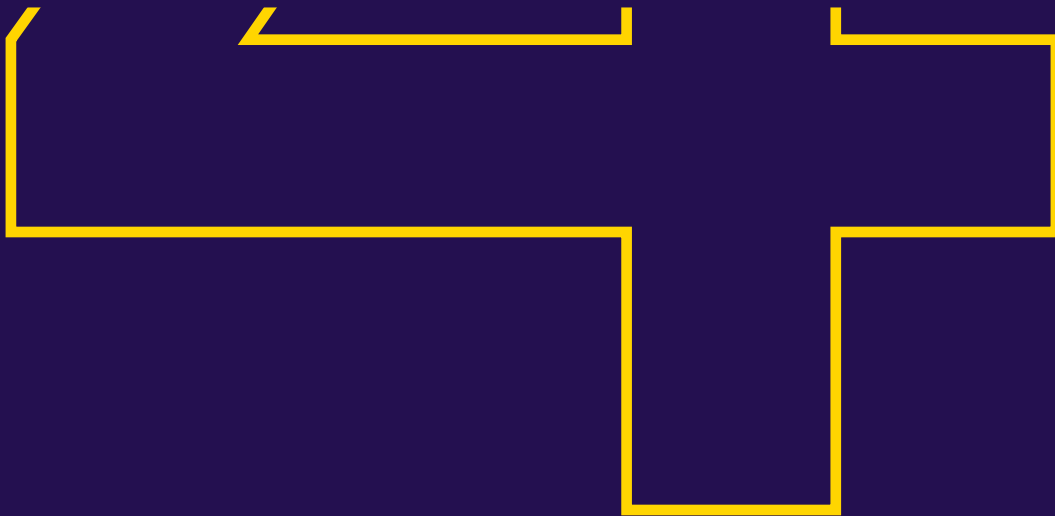
Vice President, Carrier Enterprise

"I don't see B2C and B2B strategies as being vastly different. We all shop as B2C consumers and therefore expect those same features, that same experience, when transacting in B2B. The best B2B approaches, however, will offer custom, industry-specific features that solve their customers pain points – allowing them to be more efficient at their jobs."





Feature Groupings





Feature Groupings

Our 24 B2C features and strategies, in four classifications.



Customer Acquisition and
Engagement Features



Product Discovery and
Conversion



Post-Order Experience



Other Proven B2C
Strategies

CUSTOMER ACQUISITION AND ENGAGEMENT FEATURES	PRODUCT DISCOVERY AND CONVERSION	POST-ORDER EXPERIENCE	OTHER PROVEN B2B STRATEGIES
<p>Paid search advertising (SEM) Google, Bing, and other pay-per-click advertising</p> <p>Organic search (SEO) Natural search optimization on Google, Bing, and others</p> <p>Email marketing Marketing emails, email drip campaigns</p> <p>Display advertising and re-targeting Visual display and banner ads on websites and social media</p>	<p>Advanced site search Type-ahead search suggestions, merchandised search results, learning search</p> <p>Assortment expansion Increasing sellable product through methods such as drop shipping (aka 'endless aisle')</p> <p>Website personalization tools Experience based on users' profile, behavior, and past purchases</p> <p>Wish list ("My Project") Tools for creation and maintenance of product lists for projects or events</p>	<p>Online self-service Customer access to order status, inventory, account maintenance, updates</p> <p>Personalized updates and reminders (email or SMS) Notifications using customer's account, name, or other criteria</p> <p>Buy online/ pick up in what branch Pick up at company location after ordering online</p> <p>"Prime-like" shipping Free or free with membership</p>	<p>Drop shipping Offer products shipped from third-party suppliers via e-commerce or other electronic orders</p> <p>Mobile platforms Mobile optimized commerce site</p> <p>Omnichannel Consistent inventory, pricing, promotions across all channels</p> <p>Alternative payments Options such as instant business credit, PayPal, Venmo, crypto, etc.</p>

CUSTOMER ACQUISITION AND ENGAGEMENT FEATURES	PRODUCT DISCOVERY AND CONVERSION	POST-ORDER EXPERIENCE	OTHER PROVEN B2B STRATEGIES
<p>Content marketing Digital thought leadership content for lead generation</p> <p>Social media LinkedIn, Facebook, Instagram, YouTube, Twitter, TikTok</p>	<p>Product ratings and reviews User-generated feedback about products or services</p> <p>Promotion and coupons Incentives through reduced pricing, rebates, free shipping, couponing, etc.</p> <p>Video features Product description, usage, merchandising, safety, etc.</p>	<p>Easy returns process Online processing, return label included with shipment</p>	<p>Live chat and chatbots Website chat interaction – live or software enabled</p>



Detailed Findings



Detailed Findings

What the data and insights tell us about the individual B2C features and strategies.

All of the B2C features and strategies covered in this report have value for B2B sellers. In the following section of this paper we provide a summary about how each of the 24 features were rated, based on the five options in the survey.

The 5 Feature Ratings in the Survey

Highly effective | above expectations, clearly among the best

Effective | meets expectations

Ineffective | does not deliver expected results

Plan to implement | on the company roadmap for implementation

N/A | not applicable to our business

Note: In the following survey ratings we display the effectiveness rating percentages for respondents who have implemented the feature – and the total percentage of respondents who indicated either a Plan to Implement or N/A. For this reason, the total percentages for a given feature may exceed 100%.

In addition to the data from the survey, we also provide comparative rankings of the features in each of the four groups. These rankings are in three tiers: **Highly Effective**, **Effective When Done Right**, and **The Jury Is Out**.

These rankings are based on a synthesis of the survey data, insights from the expert practitioner interviews, and Beck E-commerce leadership's extensive experience in B2B e-commerce.

Expanding on the survey data, these three tiers take additional factors into account, such as effort for implementation or ongoing management, potential ROI, or lack of solid consensus about a feature's impact – for example, because it is relatively new, or because it is not broadly applicable across all types of B2B businesses.

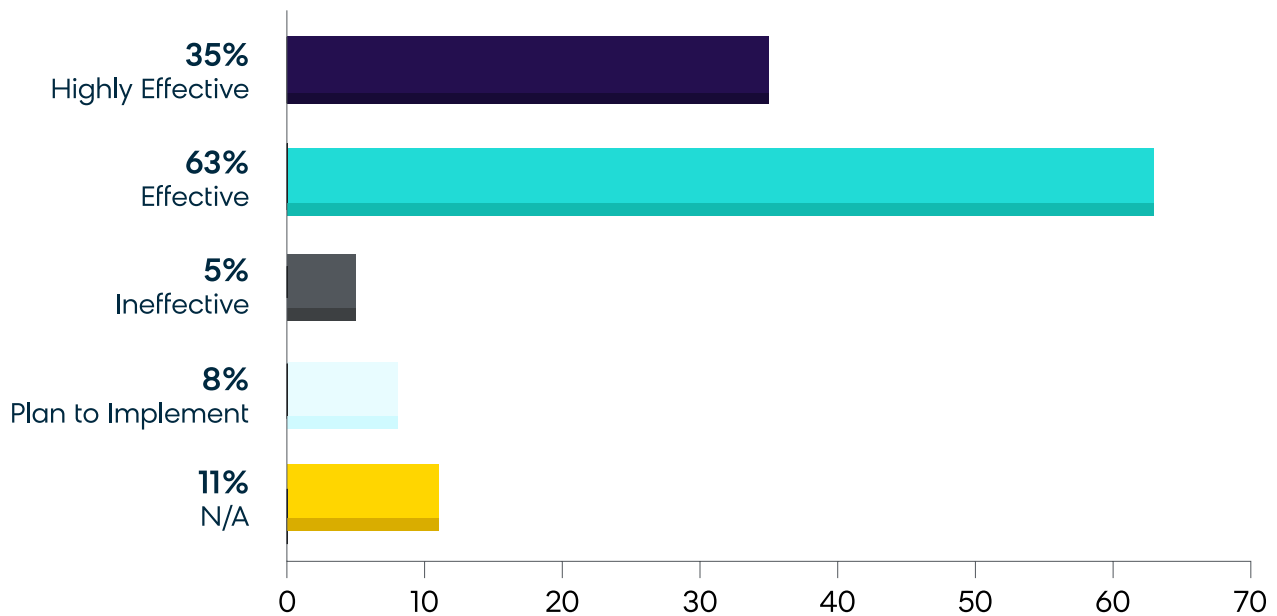
Section 1: Customer Acquisition and Engagement

HIGHLY EFFECTIVE

Paid Search Advertising

SEM, Google, Bing, and other pay-per-click advertising

Paid search has the highest adoption and the highest survey effectiveness ratings from users – 95% – in this group of tactics. Most of our experts indicate it is a very important acquisition tool.



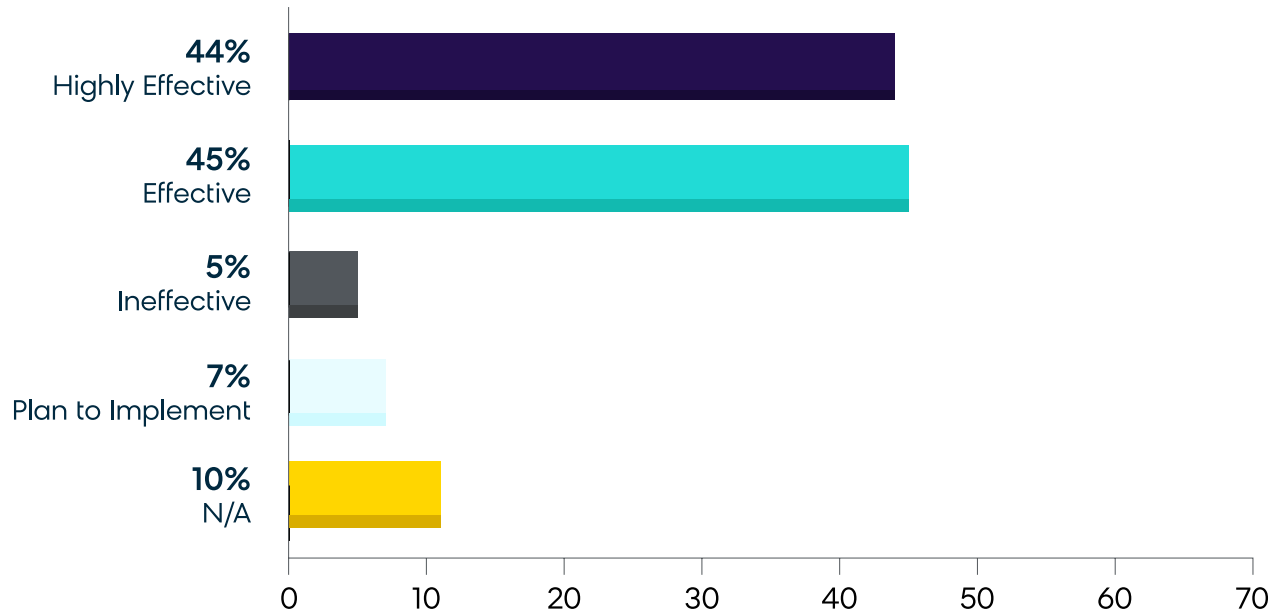
"This has become very effective. To get the best results we couch our products in customer-speak, company-speak."

Schneider Electric

Organic Search

SEO, Natural search optimization on Google, Bing, and others

At 90% effectiveness, organic search is the second-highest scoring tactic from users in this group. Companies with the best results either have dedicated staff and/or an agency working to optimize the benefits.



“Extremely important, both for the customer to find what they are seeking and for us for acquisition conversion. It’s an area where you must be constantly tweaking – the SEO tactics that worked yesterday won’t work tomorrow.”

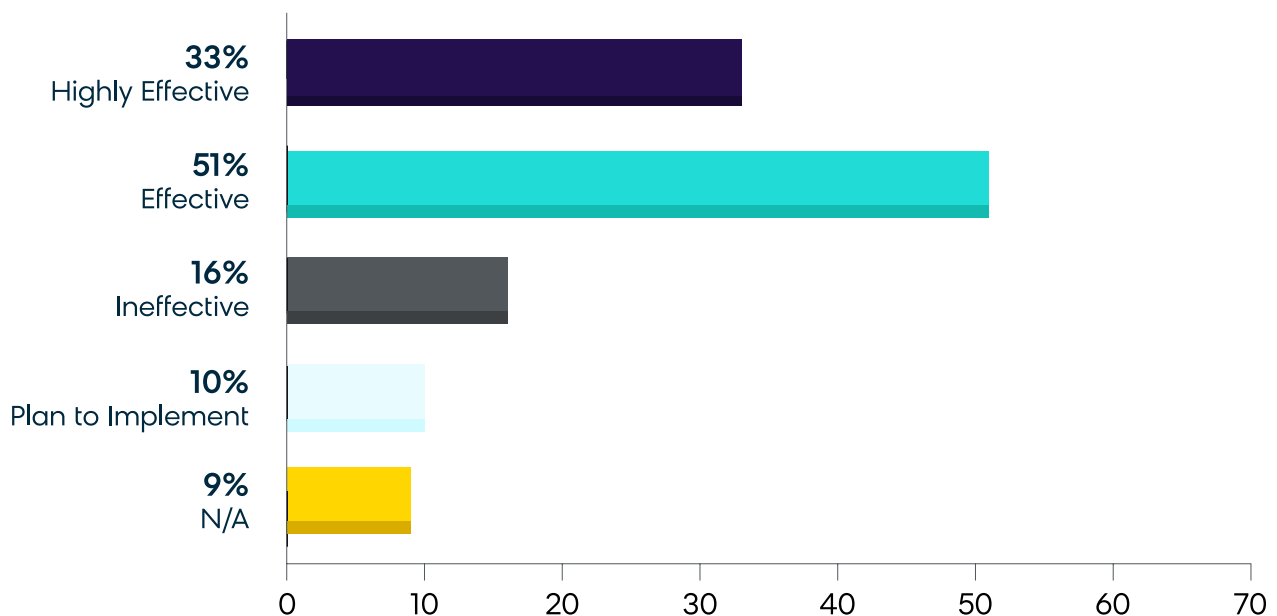
J.J Keller

EFFECTIVE WHEN DONE RIGHT

Email Marketing

Marketing emails, email drip campaigns

Our experts voiced very strong and positive viewpoints on the effectiveness and ROI of email marketing. Their impact can be improved by adopting a suite of tried-and-true B2C contact strategies, partnering with suppliers, or sending emails on behalf of reps.



“Because our site is gated, email is our primary marketing lever to existing customers. All our emails go out on behalf of our reps, which we have found to be very effective.”

IBT

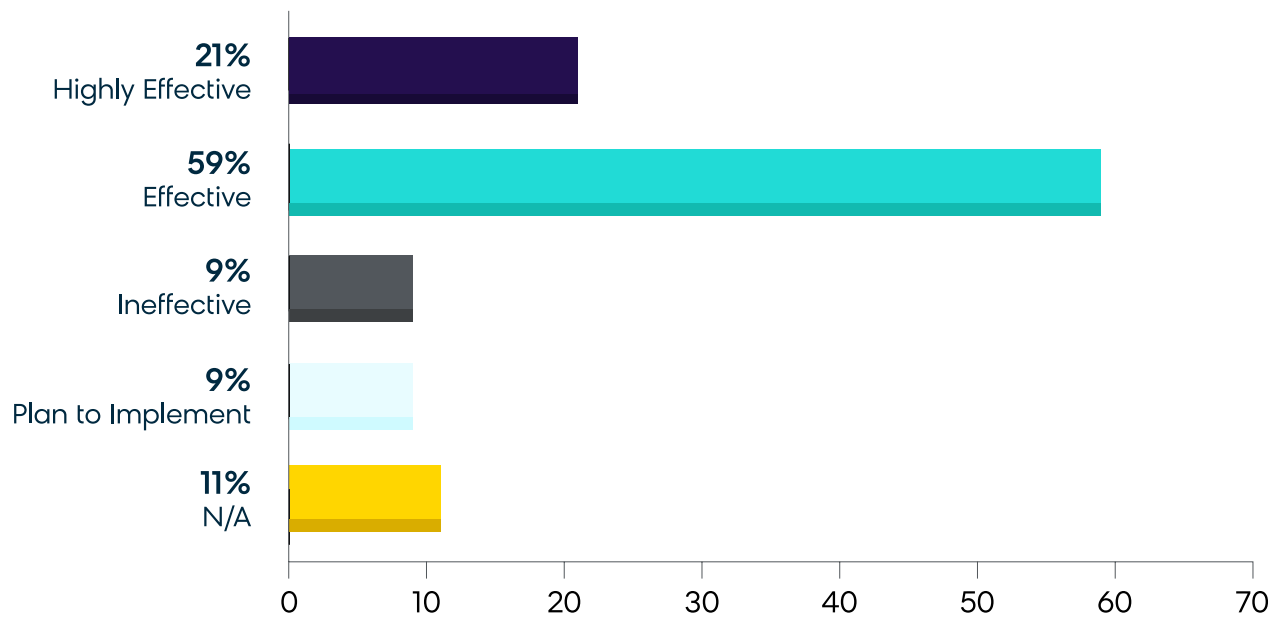
“We are full on in 100% consumer mode with email. We do emails for shopping cart abandonment, browse abandonment, replenishment reminders, subscription expirations. Because these are valuable for our customers, these are doing well for us. By leveraging automation, it doesn’t take that much work.”

J.J Keller

Display Advertising And Re-Targeting

Visual display and banner ads on websites / social media

Display advertising is not widely regarded as very effective by survey respondents or experts – surveyed users gave it a 28% ineffective rating. With one important exception: **re-targeting** (the practice of presenting display advertising to people who have browsed your site). This is viewed very positively by practitioners who have used it.



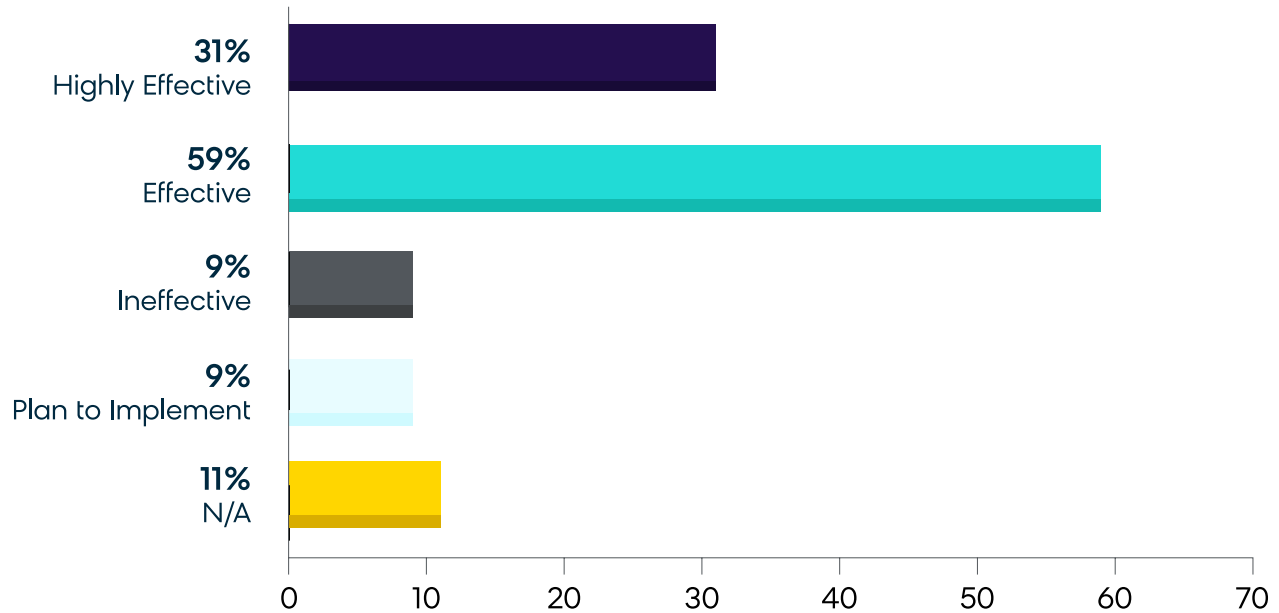
“Re-targeting is especially effective with our customers’ B2B journey, where decisions can take 2-3 weeks.”

Schneider Electric

Content Marketing

Digital thought leadership content for lead generation

Survey respondents have high regard for content marketing. Our experts agree, but caution that it takes a commitment of people and a lot of time and effort to produce consistently fresh content.



“Internally we produce a lot of blogs, white papers, and other content, and these also really help with SEO. We have an agency help us tune our strategy so all our efforts are harmonized.”

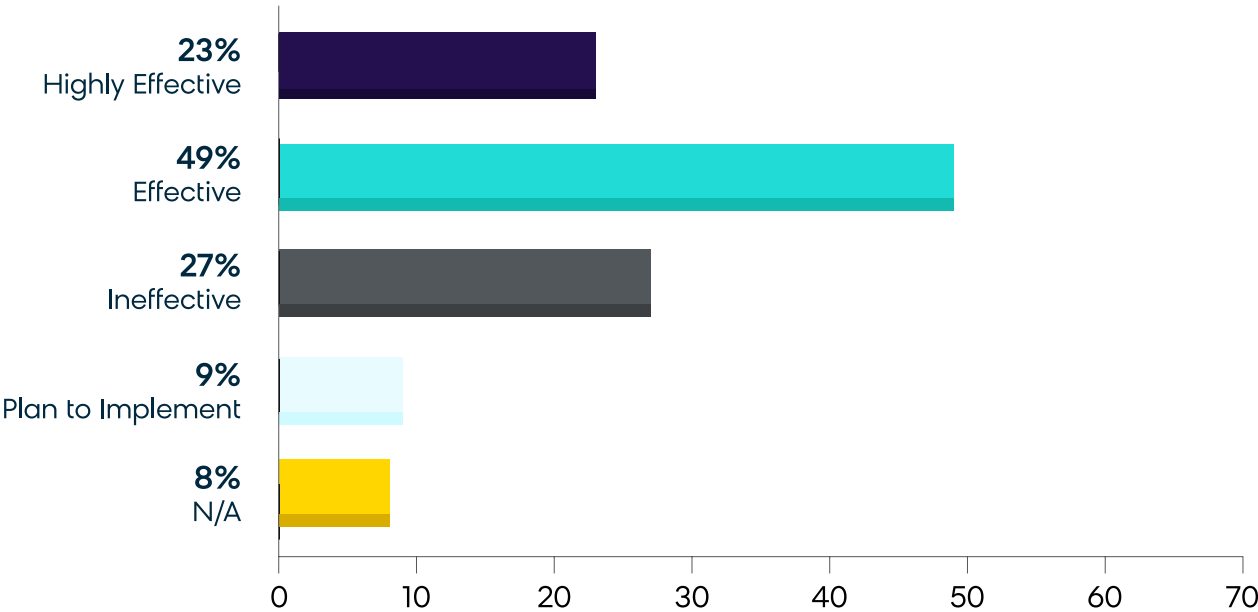
Turtle & Hughes

THE JURY IS OUT

Social Media

LinkedIn, Facebook, Instagram, YouTube, Twitter, TikTok

Practitioners who have tried it give social media another very high ineffective rating at 27%. Many of our expert practitioners think it's "not for B2B" except to build brand awareness, but a few see strong benefits in specific areas.



"We find social media has an emotional impact within our organization, and it's also been effective in recruiting. And we see it evolving - for instance, TikTok has now surpassed YouTube in video metrics."

Turtle & Hughes



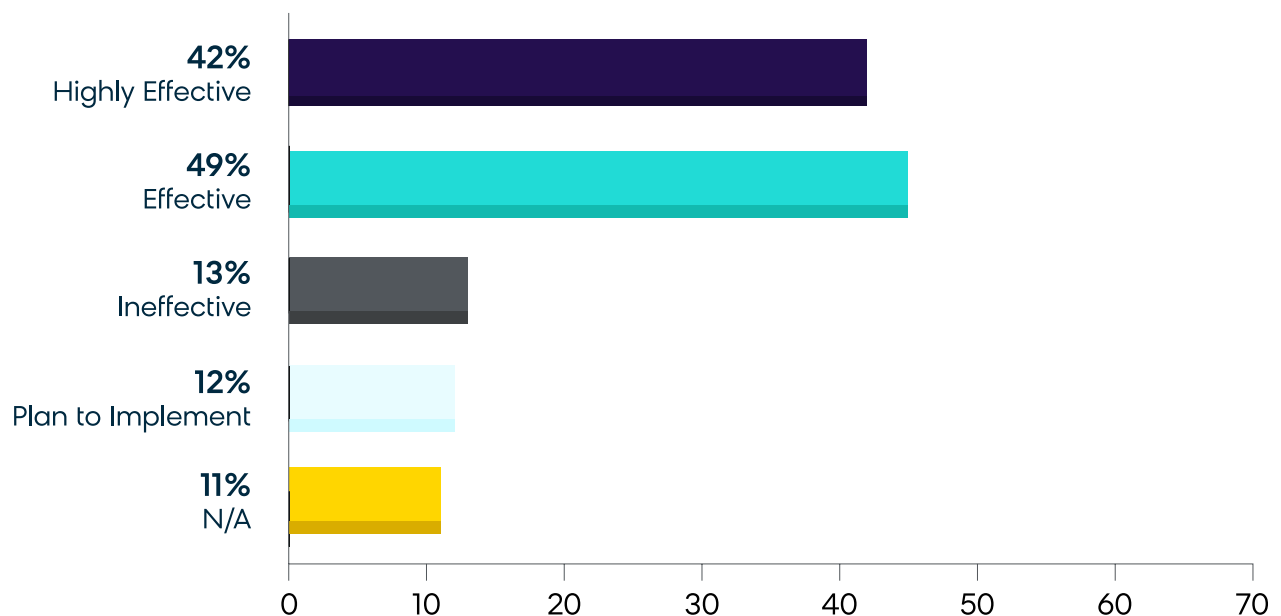
Section 2: Product Discovery and Conversion

HIGHLY EFFECTIVE

Advanced Site Search

Type-ahead search suggestions, merchandised search results, learning search

Survey data indicates that advanced site search is very important. Our experts added emphasis, indicating that no less than between 75% and 90% of site visitors use search. The 'lift' to get it right, though, can be considerable, from a systems, knowledge, and ongoing optimization effort standpoint.



"90% of our customers come to our site and go straight to the search bar. We have had to create hundreds of synonyms, because there is so much vernacular in our industry. We're constantly reviewing our top searches and reviewing data on the back end to see what's working."



"Over 75% of our customers are doing searches that are material number based – either our number or the manufacturer's – we must be ready for both and be sure that their correct contract pricing comes up."



CardinalHealth

"On-site search is extremely important. 80% of our customers use search, instead of drilling into the taxonomy. They just want to get it done."

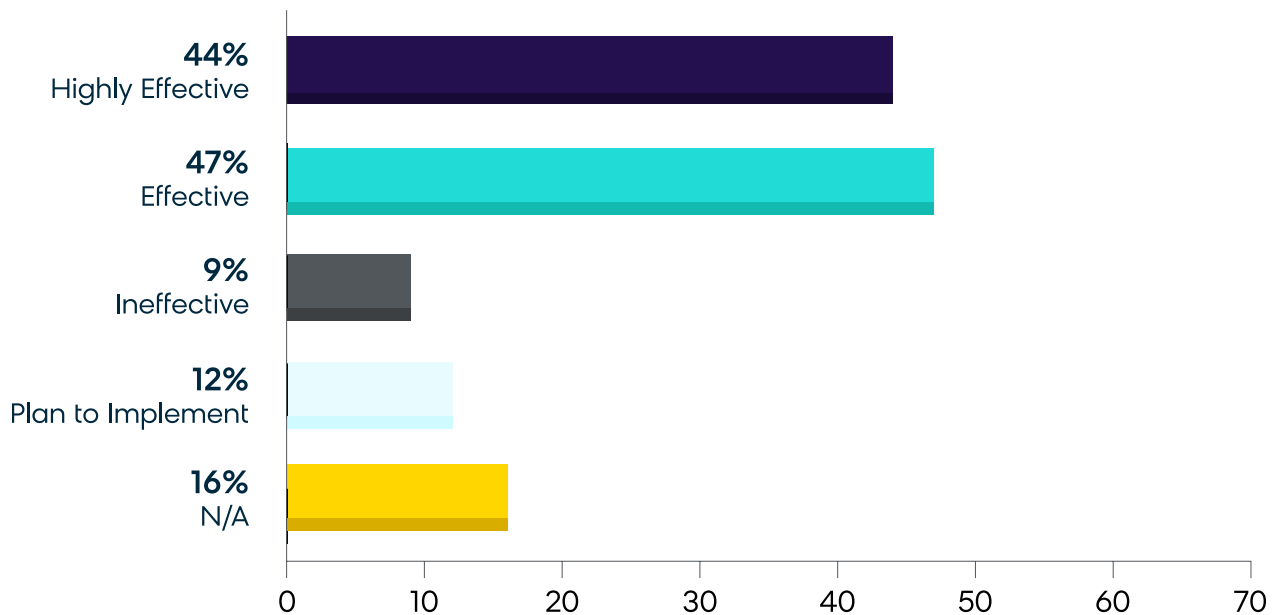


EFFECTIVE WHEN DONE RIGHT

Assortment Expansion

Increasing sellable product through methods such as drop shipping (aka 'endless aisle')

89% of respondents say this is effective. Our experts agree, while noting the level of effort and systems required to present and fulfill these products – you need set them up properly like any other SKU and have a robust drop-ship program. Supporting commerce systems and solid inventory and forecasting management are also key.



"This is a big part of our e-commerce growth plan and have already integrated several drop-ship options."

Carrier Enterprise

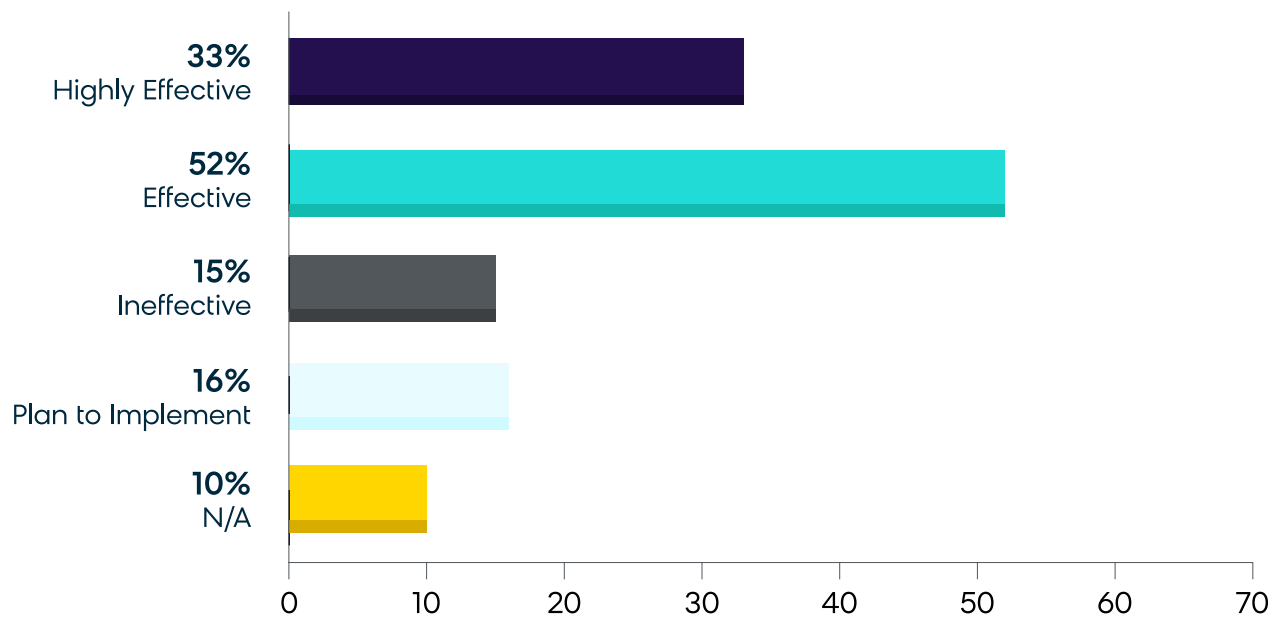
"There is a very, very long tail in our business, and the 10% of what customers buy in that changes all the time. We must have good early trend data on what people are looking for, to be ready with the right offerings."

PartsSource

Website Personalization Tools

Experience based on users' profile, behavior, and past purchases

This B2C tactic gets high marks in the survey, but our experts expressed caution about the B2B customer journey, where more than one person is often involved in a purchase. Ensuring that larger customers see their contract catalog and pricing, past purchases, spend, etc., is the extent of B2B personalization in many cases.



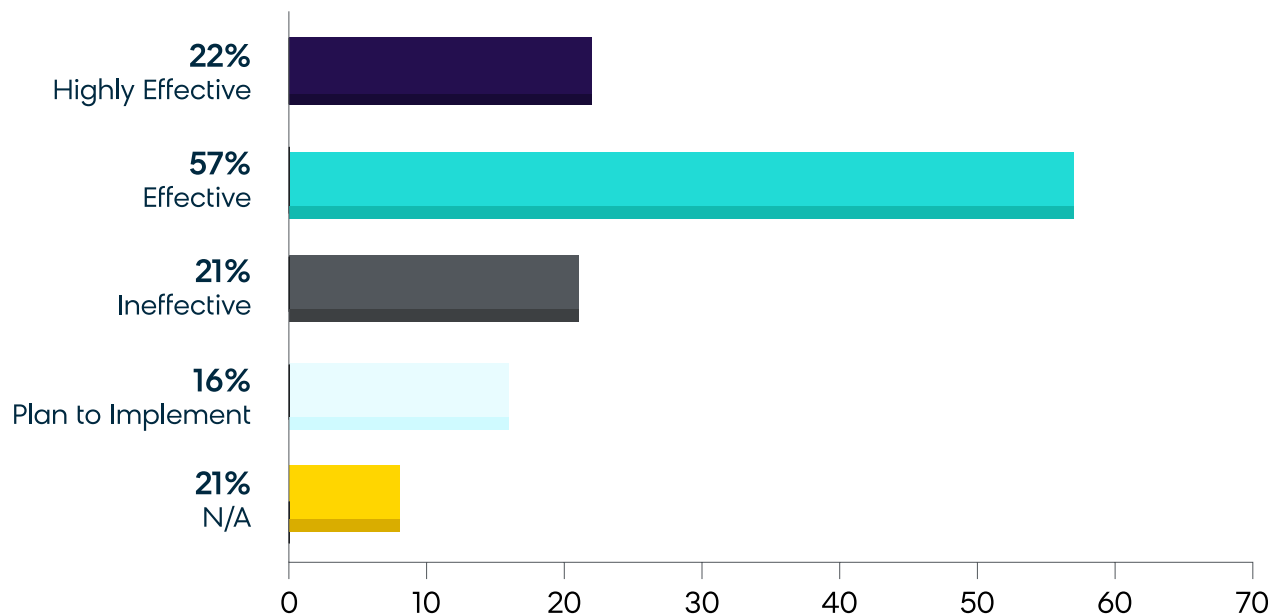
“In B2B, the biggest customers want a custom online experience – their own unique catalogs, pricing, their company logo, rep info. Even product recommendations and personalized ads are important.”

J.J. Keller

Wish List (“My Project”)

Tools for creation and maintenance of product lists for projects or events

Despite the lowest survey ranking in the group, many of our experts cite wish lists as a key driver of sales and retention. Whether they are used to build a bill of materials or get an approval, they are both sticky and useful.



“We have multiple list features – templates, product lists, quick order pad, etc. But most people want to build their own.”

Turtle & Hughes

“This was fundamental from Day 1 – almost 80% of our site visitors use them. We also have a Distributor Managed Inventory (DMI) list variant that allows customers to scan and quickly add product for replenishment.”

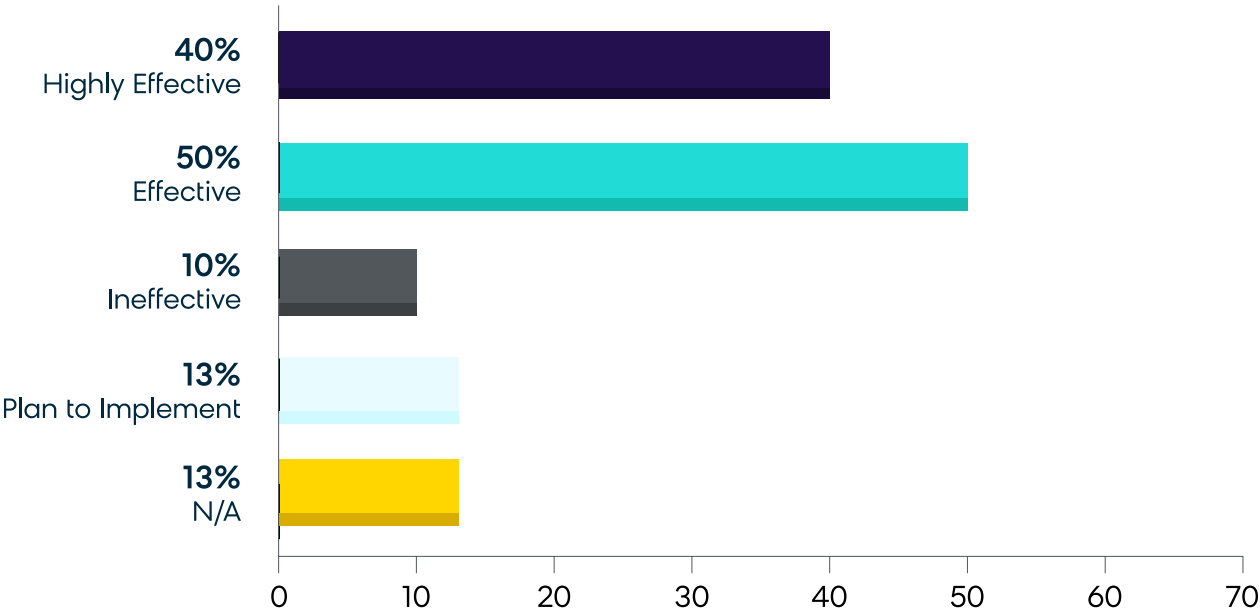
Carrier Enterprise

THE JURY IS OUT

Product Ratings and Reviews

User-generated feedback about products or services

Despite the prevalence and importance of ratings and reviews in B2C, and some form of adoption by 74% of respondents, resistance to the approach remains in B2B e-commerce. But companies that have taken it seriously see tremendous value and little or no downside. Some view it as the digital version of the person at the counter at the branch.



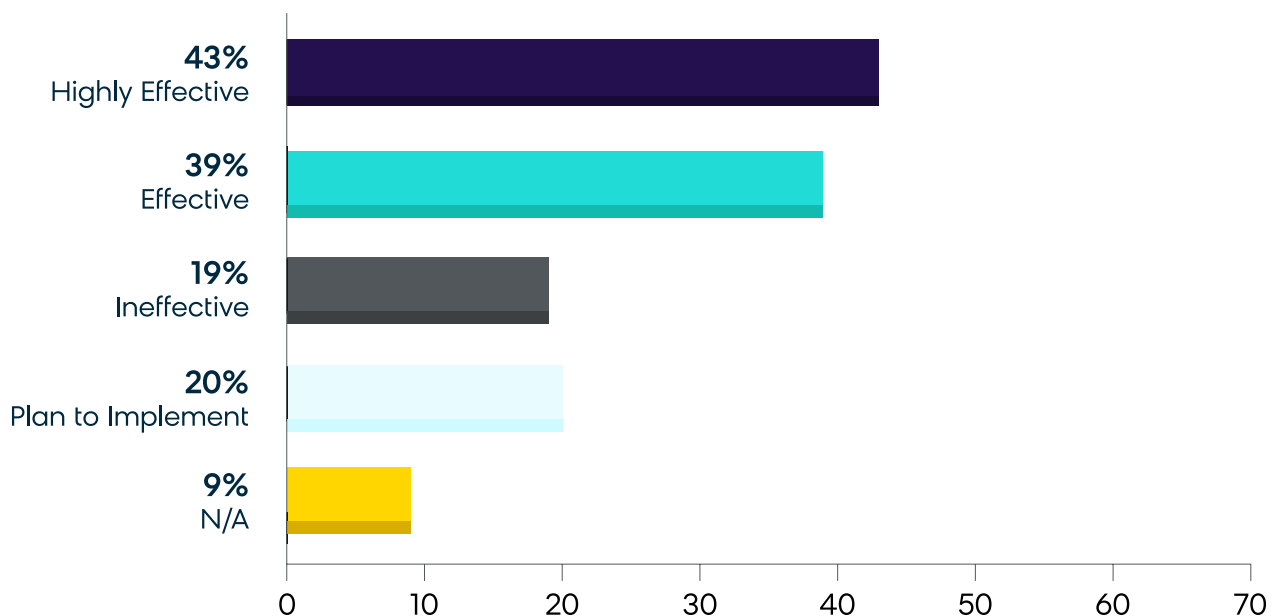
<p>“These are very valuable for customers and also internally for the product development and merchandising teams.”</p> <p>J.J. Keller</p>	<p>“We would like to have them, but there are legal and regulatory challenges in the medical market with this sort of thing for so many of our products.”</p> <p>Cardinal Health</p>
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Promotions and Coupons

Incentives through reduced pricing, rebates, free shipping, couponing, etc.

Many B2B sellers assume there are barriers to using promotions and coupons, yet 60% of respondents use them and rank them at 81% effectiveness. Typically, it's the volume of contract business or application or job-specific purchasing needs that limits their use. Some experts see particular value for customer acquisition and overstocks.



"We do a ton of this, especially through emails – they're some of my best. Such as 'Save 25% on everything in X category' – we get great response."

J.J. Keller

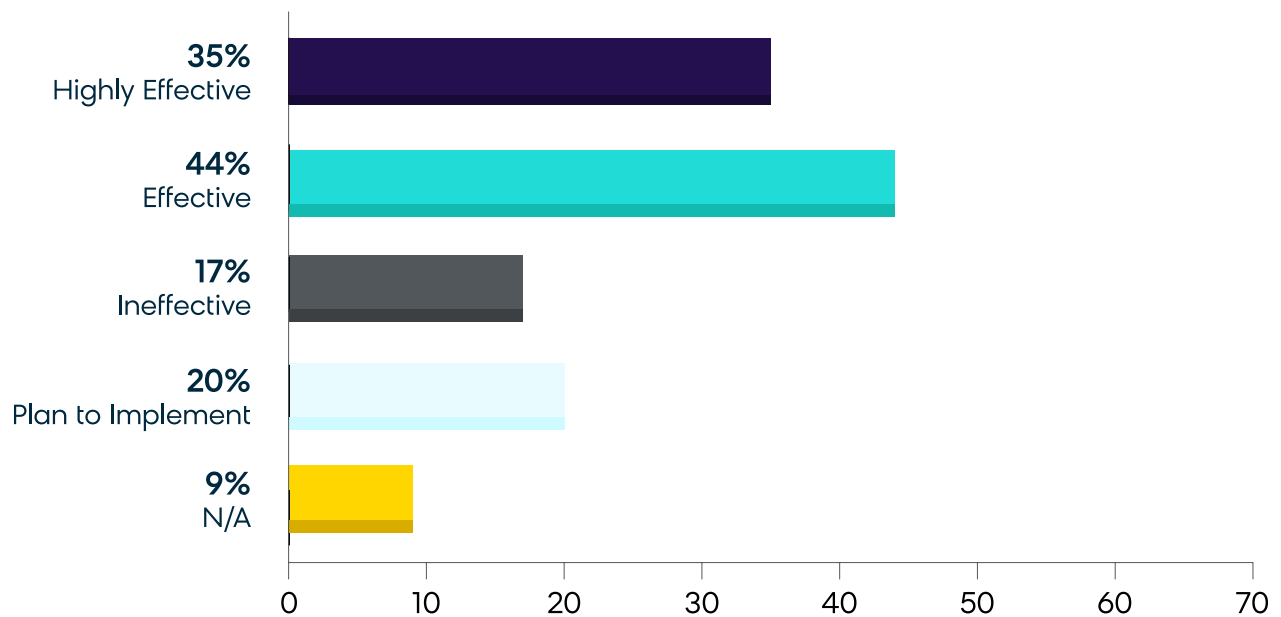
"We have used online-only promos, mainly to drive adoption and bring attention to new product offerings. But otherwise, their effectiveness is mediocre, because our customers are buying for specific jobs."

Carrier Enterprise

Video Features

Product description, usage, merchandising, safety, etc.

Video is a long way from B2C levels in B2B e-commerce. Their use in B2B is less for conversion than for training or product usage, or 360o product images. But B2C success is compelling a few experts to adopt them, especially for marketing.



"We are planning to transition to 100% video campaigns in emails going forward."

Turtle & Hughes

"Data shows that our product pages with 360° view videos are converting better."

J.J. Keller

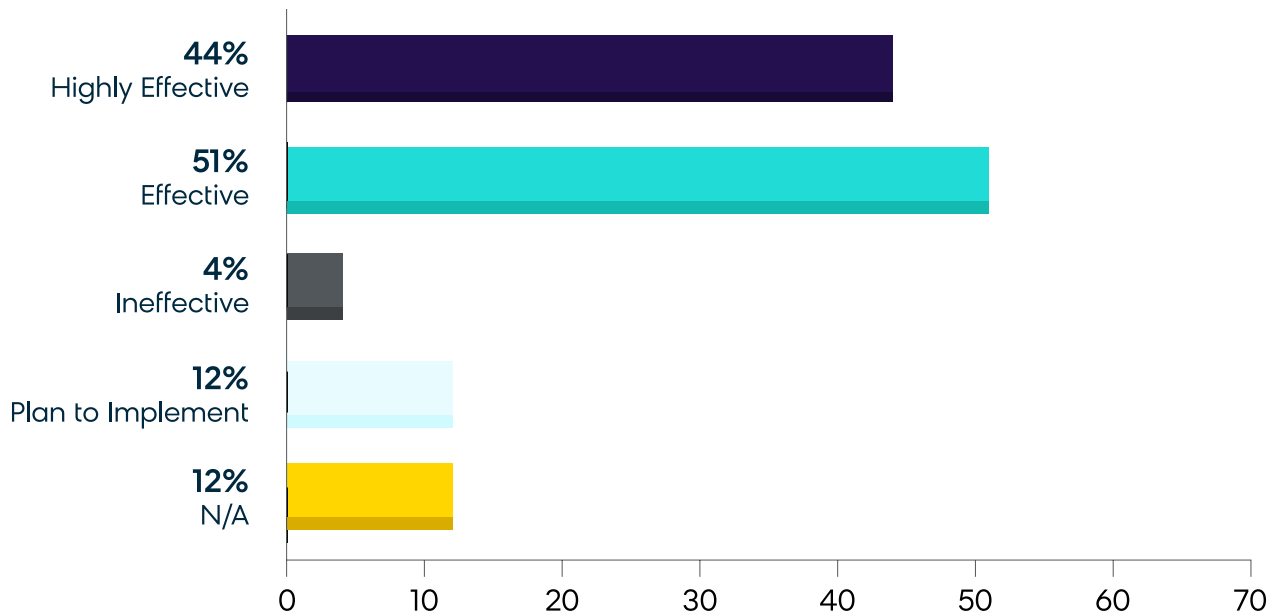
Section 3: Post-Order Experience

HIGHLY EFFECTIVE

Online Self-Service

Customer access to order status, inventory, account maintenance, updates

This is becoming a standard in B2B and is ranked as effective by 96% of sellers who have it. This is primarily enabled through sellers' e-commerce sites. Despite broad customer adoption some businesses are seeing internal resistance.



"We have 200 inside salespeople, and they are not encouraging their accounts to use this."

State Electric

"Our customers have been asking for more self-service capabilities, but we get pushback from our customer service team on how to operationalize them."

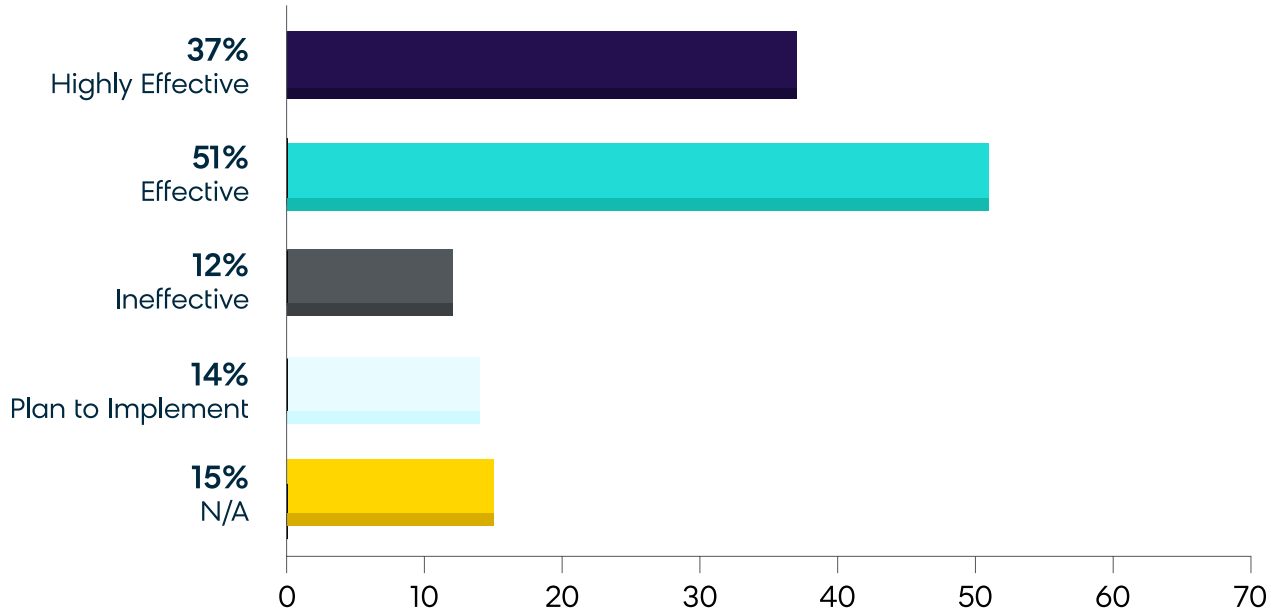
Name Withheld on Request

EFFECTIVE WHEN DONE RIGHT

Personalized Updates & Reminders (Email or SMS)

Notifications using customer's account, name, or other criteria

Updates and reminders are viewed as working well by survey respondents. Our interviews indicated that these are largely done via email, often because of legal issues with texts (in accordance with the Telephone Consumer Protection Act). Sellers have also found that customers can have strong preferences about when and what updates they want. Systems integration is key to enablement.



"We mostly do these through email. We must get permission to use their cell number for SMS."

PartsSource

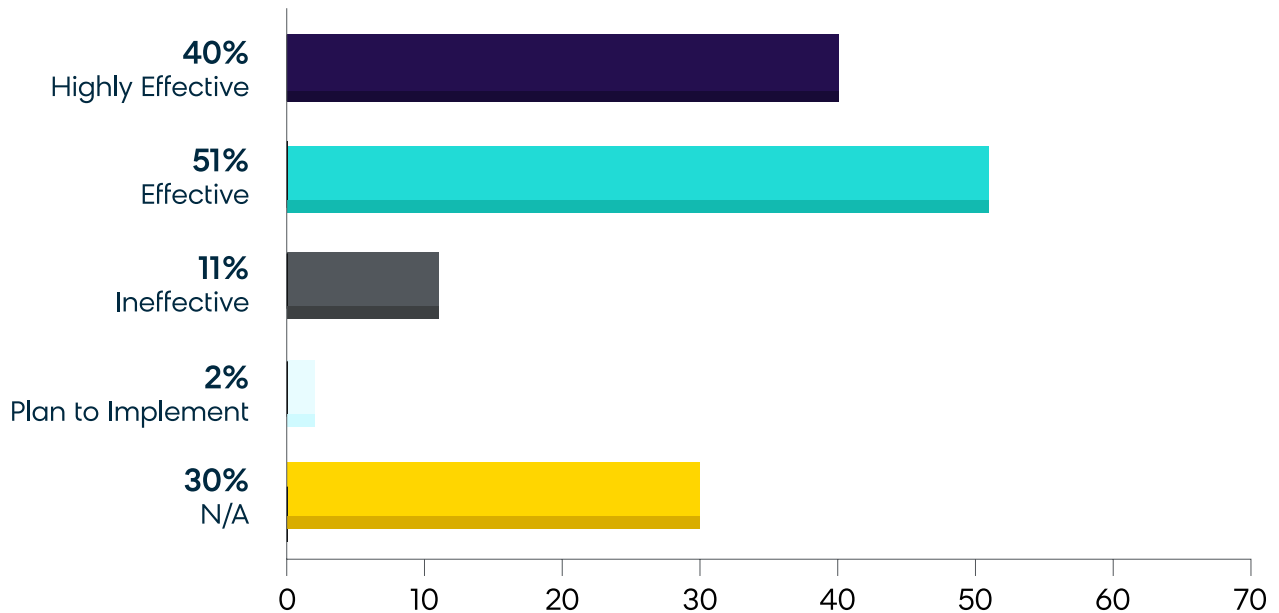
"We're currently lacking an OMS, which ideally is the source of data for triggering real-time order status updates."

Name Withheld on Request

Buy Online / Pick Up in Branch

Pick up at company location after ordering online

While highly rated by distributors who use it, this B2C staple is regarded as 'not applicable' by almost a third of survey respondents and some of our experts, often simply due to the absence of branches. Others see it as a critical response to their customers' workflow, as well as COVID.



"It's such a standard now in B2C that our customer began asking for it. We have recently launched this feature and will continue to build on it."

Turtle & Hughes

"Our customers routinely order daily, for next day pick up and use, and this has been huge for us since Day 1."

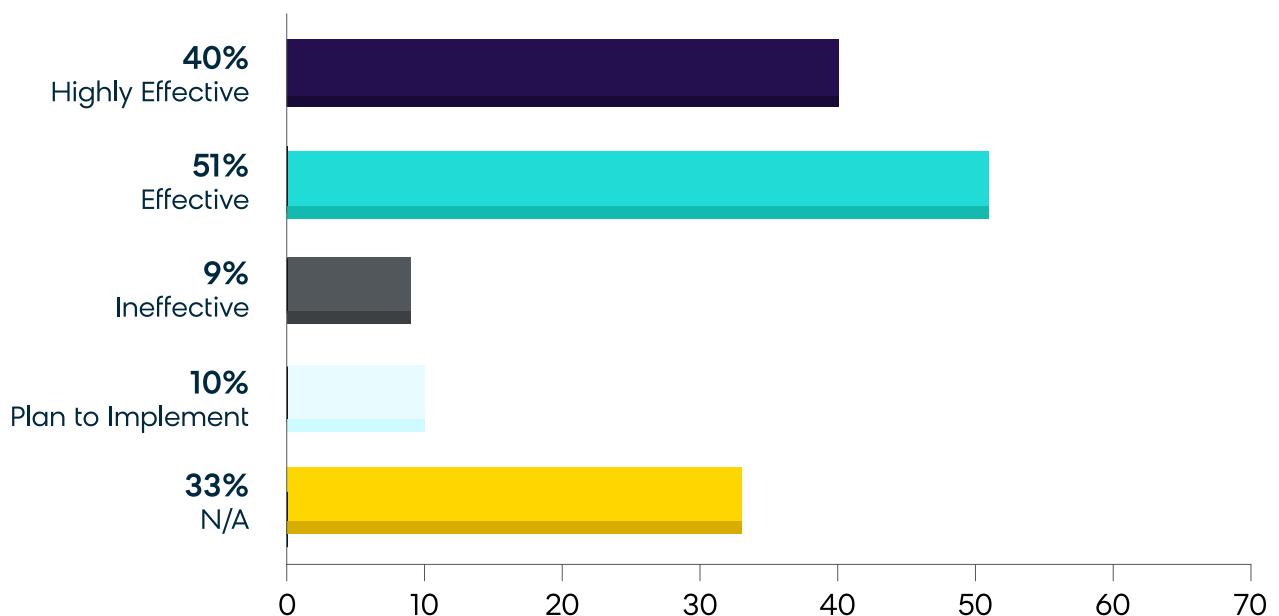
FleetPride

THE JURY IS OUT

“Prime-Like” Shipping

Free or free with membership

This gets high marks where it’s been implemented but is regarded as unnecessary or impractical by a full third of survey respondents, due to operational or cost issues. Where expedited shipping is a given, or becoming one, it’s generally not free.



“Today, this is a challenge. With existing trade accounts, we do not expose shipping charges until the order is shipped. But to attract new customers, we need to look deeply at our freight programs and pricing so that shipping is at least a neutral factor.”

IBT

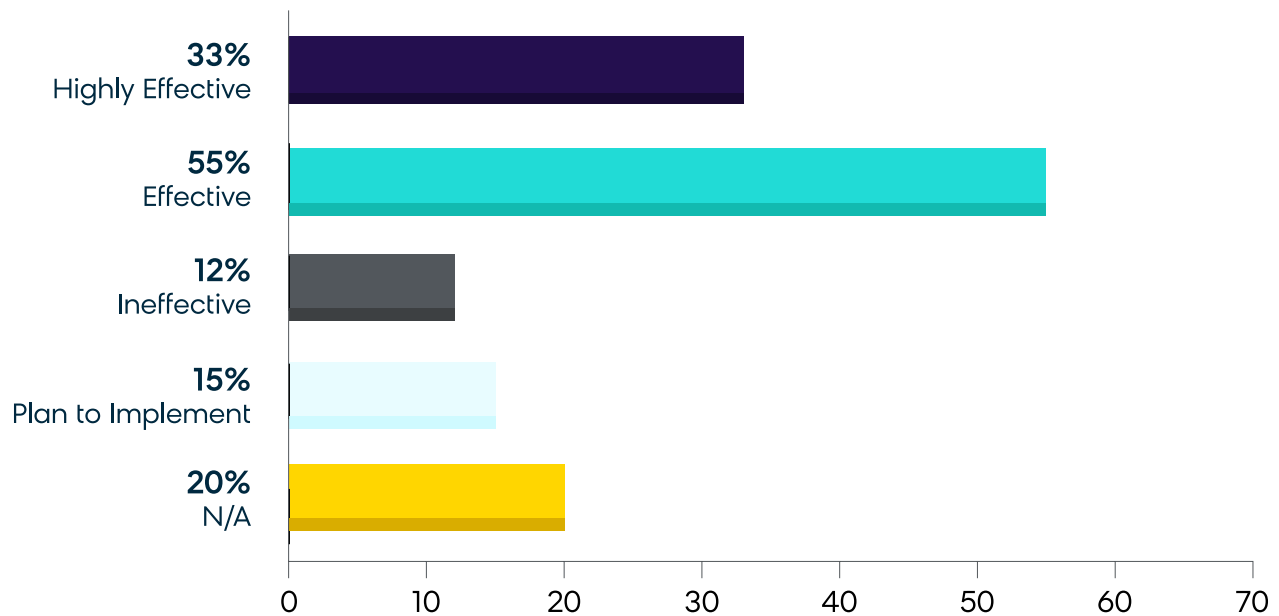
“In our business, almost everything is shipped overnight when it is available and in-stock. For large or heavy items customers do accept the high freight costs because of the critical nature of our business. That said, customers are always looking for less costly freight and shipping.”

PartsSource

Easy Returns Process

Online processing, return label included with shipment

While highly rated by distributors who use it, this B2C staple is regarded as 'B2C returns can run high and be operational challenge. Many B2B sellers have online return rates of 1% or less, but in very large B2B businesses even such a small percentage of returns is significant. Some notable exceptions exist where returns run in the B2C range.



"This is a major pain point for us. Usually returns have to be brought back to the branch it was bought from. If there's a delivery going to that customer we can pick it up, but there's no way yet to manage this process online."

Turtle & Hughes

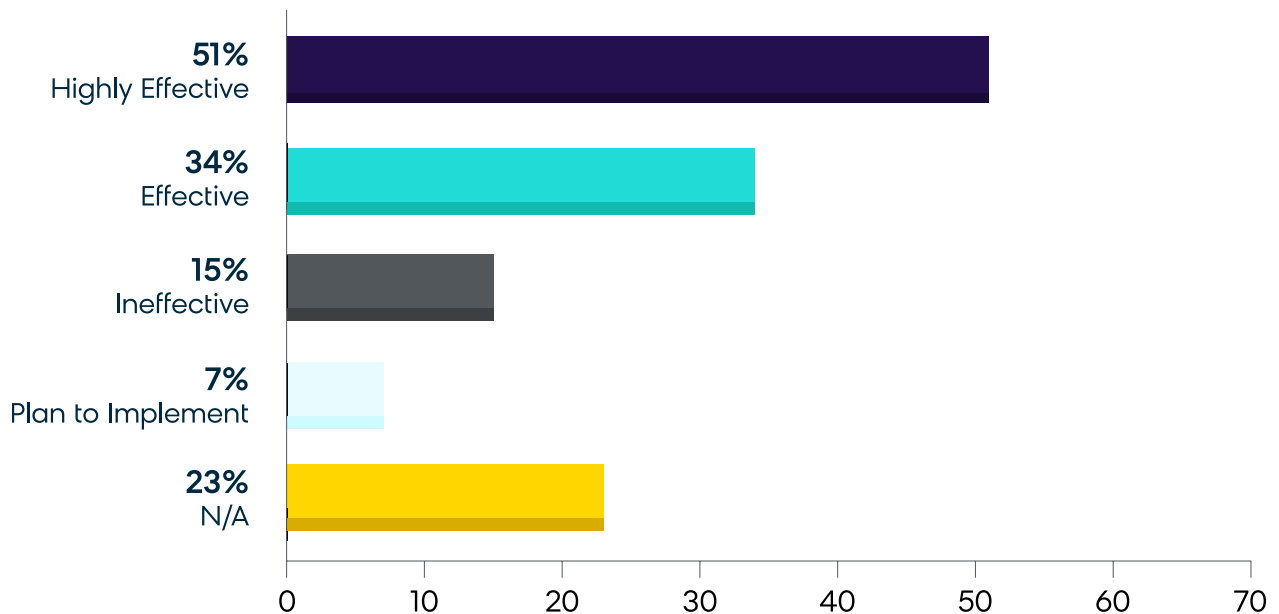
Section 4: Other Proven B2B Strategies

HIGHLY EFFECTIVE

Drop Shipping

Offer products shipped from third party suppliers via e-commerce or other electronic orders

A proven winner for B2C, drop shipping has an 85% effectiveness rating, and is growing in B2B. Beyond facilitating an extended assortment model, it can be standard operating procedure for fulfillment from many of a distributor's core suppliers, as well as its own distributed inventory, driving down operational costs and increasing profits.



“Drop shipping has been part of our DNA from the start. We not only use it to ship from our suppliers, but also from our distribution centers and 41 branches, which helps optimize our inventory turns.”

PartsSource

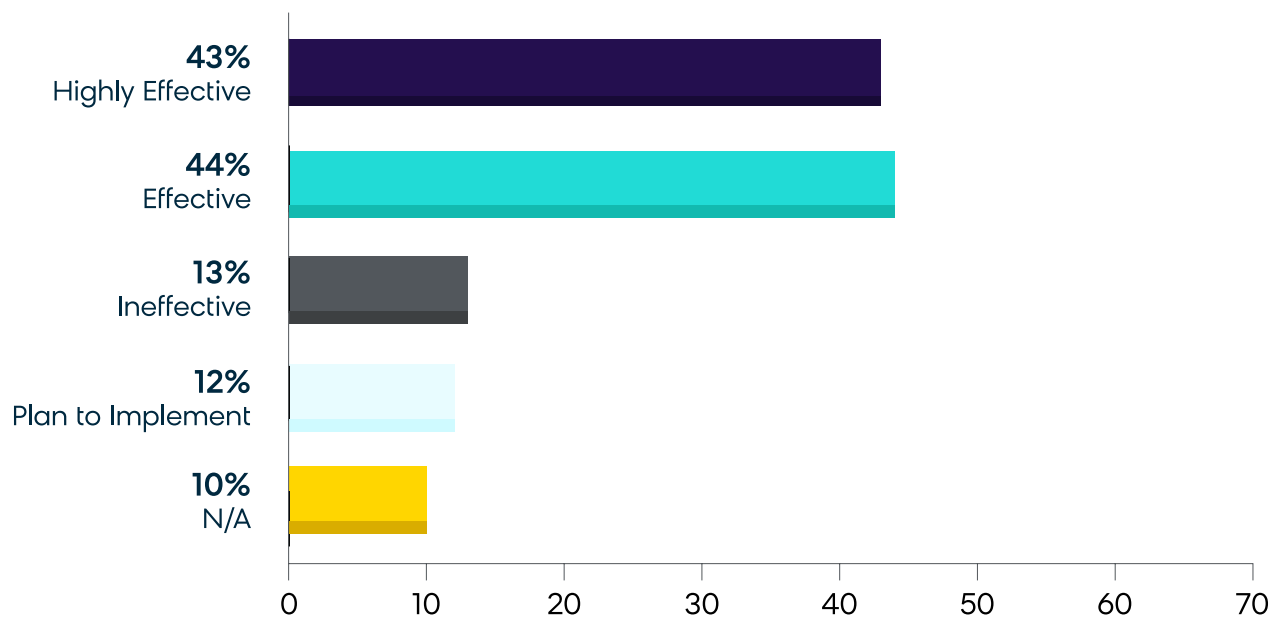
“50% of our standard business is drop shipped, and 80% of our Amazon business. We have automated much of this with APIs, so we are touching less of these orders than ever.”

Name Withheld on Request

Mobile Platforms

Mobile-optimized commerce site

The world is increasingly going mobile, and 78% of B2B sellers in the survey have adopted this capability, in varying degrees and ways. It's especially important for sellers whose customers are regularly seeking information or transacting in the field. A few sellers are using an app, and others are meeting the need with a responsive site. Many of our experts say traffic is light but growing.



"We are seeing a lot of our mobile traffic from first-time customers."

MSC

"This is critical, and we have ours tightly integrated with e-commerce. Customers use them interchangeably, often to identify products through barcodes or search, and then push them to their cart."

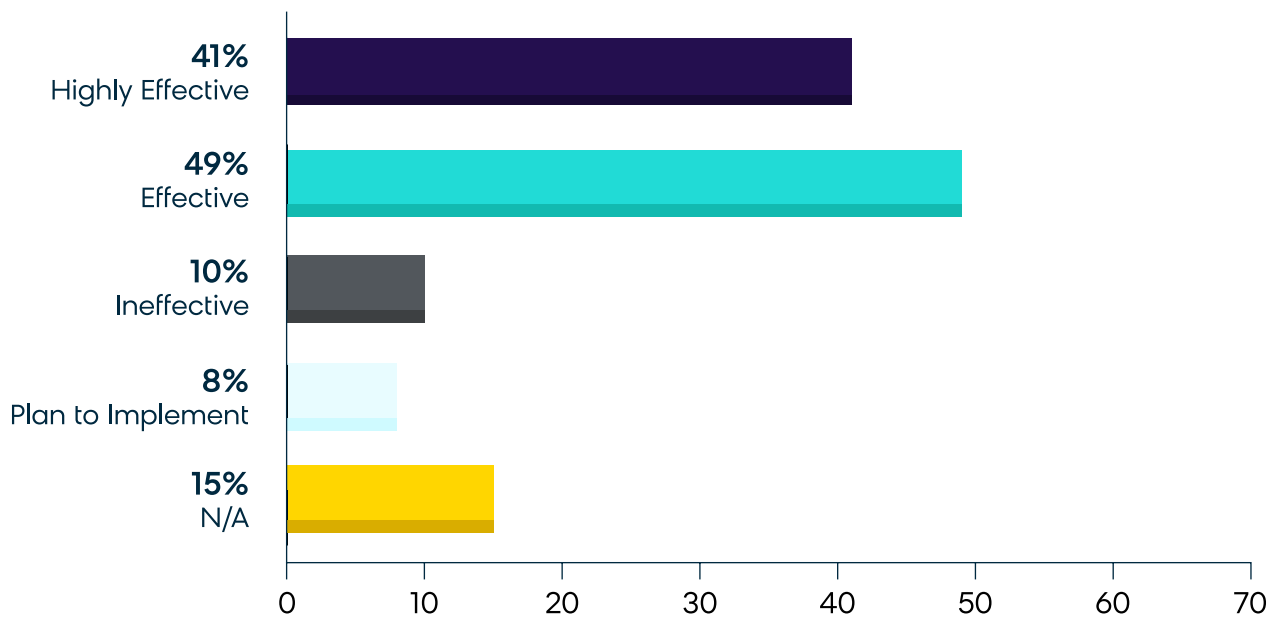
Carrier Enterprise

EFFECTIVE WHEN DONE RIGHT

Omnichannel

Consistent inventory, pricing, promotions across all channels

Omnichannel is not foreign to B2B – and like most B2C customers, B2B buyers are beginning to expect it. It's becoming necessary, albeit challenging for some, for B2B sellers to get prices and other data aligned. Many experts cite the need for customers to be able to start a purchase online and complete in another channel, such as a branch – or vice versa.



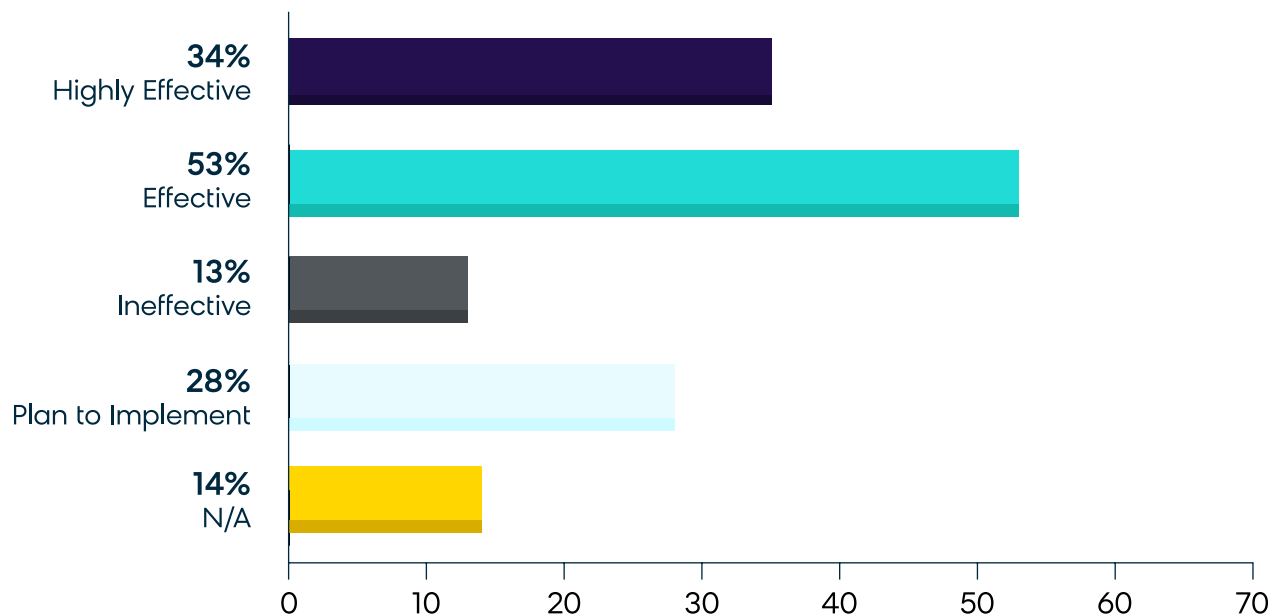
"We have the same product, pricing, and inventory available across channels – all being updated in real time."

FleetPride

360° View of Customer (CRM / CDP)

Customer orders and behavior tracked across all sales channels

Consistent with omnichannel, advanced practitioners view this as essential. It also gets high survey ratings where implemented, although 42% of respondents have not done so. The existences of 'silos' in the business is identified as a big barrier to this; hence there have been challenges implementing systems to get there.



“By going online we have created friction in this area – for the first time our company is talking and selling directly to the customer. In addition to our traditional branch/ local sales rep model. Collecting customer data from the branches and reps has been difficult.”

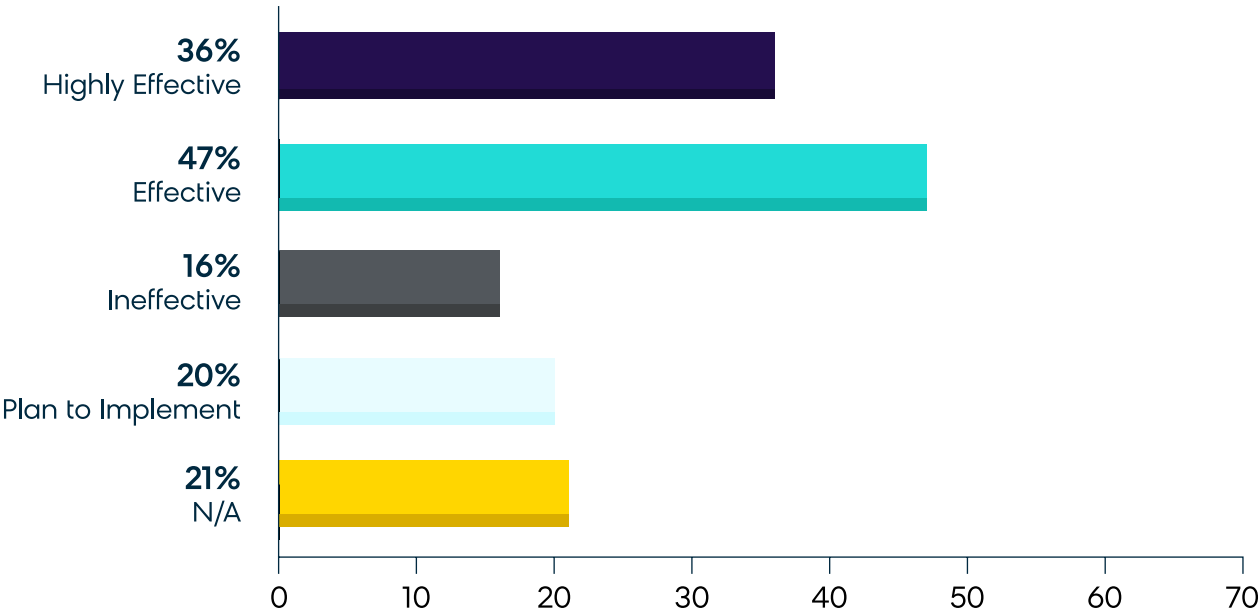
Name Withheld by Request

THE JURY IS OUT

Alternative Payments

Options such as instant business credit, PayPal, Venmo, crypto, etc.

Like other relatively new B2C strategies, alternative payments have not made deep inroads into B2B – yet. It’s another case of high marks where adopted, yet over 40% of respondents have either not begun to use them or feel they don’t need to. Experts cite low margins or very high AOV, among other rationales, to stand back from most alternatives. However, high AOV purchases have been financed by suppliers for many years, so certain types of alternative payments are likely to see wide adoption in B2B in coming years.



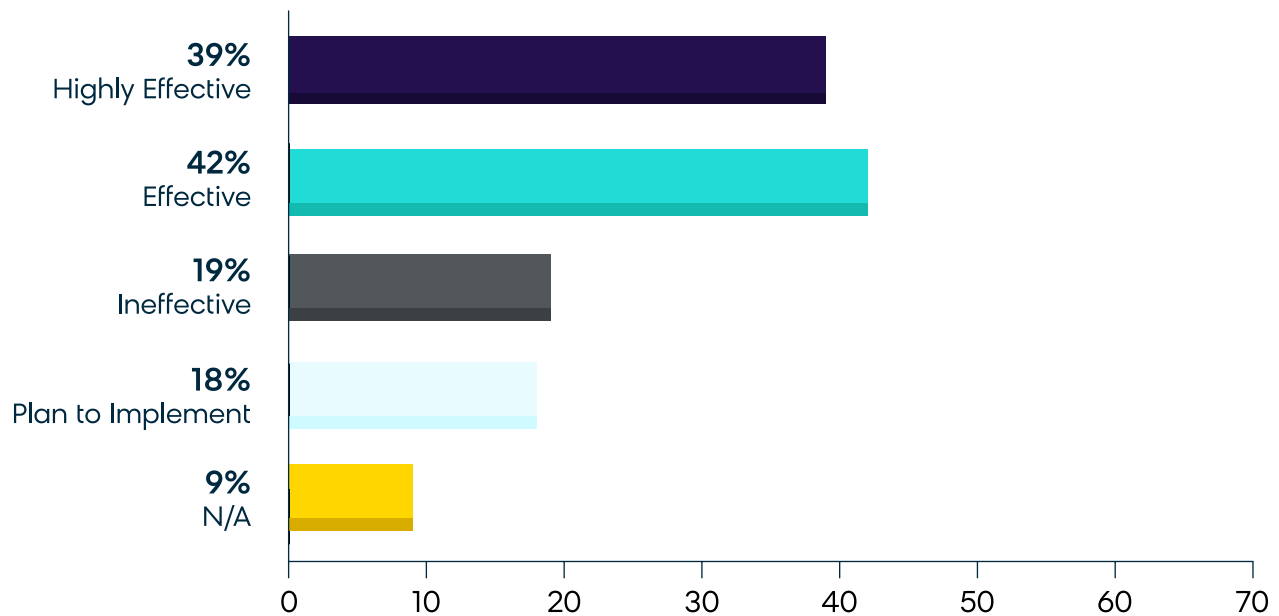
“We offer COD, terms, credit cards and an option to pay using earned loyalty points. We also have touchless now at branches, since COVID.”

Carrier Enterprise

Live Chat and Chatbots

Website chat interaction – live or software enabled

This is an area that gives pause to both survey takers and experts. While reductions in call center costs are evident, there are challenges and lack of adoption with both, especially chatbots. Some use live chat during regular business hours, and chatbots after – with mixed results.



"We have live chat, but it's managed by knowledgeable sales reps, not by call centers. We have both customer-initiated chat and predictive chat, based on users' activity."

J.J. Keller

"We have live chat, 8 am to 8 pm. We have stood up a chatbot after hours, but it gets little use and we have not continued to invest in it."

Turtle & Hughes

Closing Statement

Throughout this research report we have seen that 'best practice' B2C features can work effectively for B2B e-commerce. Yet overall, the trend in adoption of B2C features and strategies by B2B e-commerce sellers appears to be moving more slowly than this research on their effectiveness would warrant. Our expert practitioners agree – the 'B2C experience' is integral to future success in B2B e-commerce.

Leading B2B practitioners seek to create a differentiated customer experience by mastering all their data and providing best in class site search, merchandising, product recommendations, and more in a way that is personalized to the buyer's business plus their current application. In some cases, the ability to extend the product assortment and sell many more items than can physically be stocked can be critical, as well. Both are very important in driving demand generation, buyer loyalty, and revenue growth.

But the customer experience is just beginning when the order is placed, as B2C e-commerce winners have already learned well. What happens once the order is placed is as important as helping the buyer build it and place it. Having accurate inventory information, consistent pricing across channels, fulfilling the order from any location where the item is stocked (including drop shipping from suppliers), getting it to the customer on time where and when they need it, and enabling customers to track all this – these are also critical customer experience factors.

In our research, we examined the adoption rates and effectiveness ratings of B2C features by B2B sellers. We looked for indications of when and why features were adopted, and what the perceived effectiveness is for sellers who are both new to e-commerce as well as those with decades of experience using e-commerce.

We found that new entrants to e-commerce generally rated B2C features that use technology to provide a better customer experience online (e.g., advanced search, personalization) more highly. By contrast, companies with more digital history tend to rate more highly the effectiveness of B2C features that involve well-integrated operational capabilities (e.g., expanded assortments, distributed inventory, fulfillment options).

Most importantly, what we see in the data and learned from our interviews, is that **B2B sellers need to take time to understand how to make these B2C tactics deliver results.** The first step is to identify the right solutions and then invest enough in implementation, training, and change management to succeed. There will be issues with existing data, legacy systems, and

internal stakeholders to resolve. It will take time and leadership to see it through. The reward will be the knowledge that you will be a leader and ready to compete effectively in the future landscape of B2B commerce – where e-commerce will be as important as it is in the world of B2C today.



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Contact Jay Holan jholan@beckecommerce.com or Brian Beck bbeck@beckecommerce.com for more information.



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