

Bringing your B2B business into the digital commerce era.

Creating a compelling business case for ecommerce integration.



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The rise of ecommerce.

The global growth of ecommerce has shifted attitudes toward digital modernization across a breadth of B2B industries. B2B sales online grew 40% from \$900 billion in 2018 to an estimated \$1.3 trillion in 2020. According to research by Gartner, a whopping 80% of all B2B interactions between suppliers and buyers will take place online by 2025.

Organizations resistant to ecommerce integration are doing themselves a disservice. The alternatives are expensive, counterproductive, and place them behind competitors actively adopting new technologies. Communicating the value of digital commerce to key decision-makers requires a persuasive case appealing to business factors, including strategic outlook, cost savings, and revenue growth.

Become the champion of change your business needs. This guide provides three persuasive approaches—supported by the data of leading industry authorities—to help you sell the value of digital integration to stakeholders within your organization.

A strategic outlook.

Preparing for what's to come.

Success in the digital commerce era begins by understanding your audience demographics and their service expectations. It also involves acknowledging competitors entering your industry space and how well you're prepared to counter them. Doing so can help you identify shortcomings within your organization's existing infrastructure, giving you a platform for communicating the value of a digital commerce approach.



Changing times, changing buyers.

Projected to represent 44% of the workforce by 2025 according to Merit, digital-savvy millennials are swiftly taking over purchasing responsibilities. Presently, 73% of individuals aged 20 to 35 are helping decide which products and services to buy at their respective companies, with a third of this demographic being the sole decision-makers, as reported by Merit. Having grown up in an era of accelerated technological innovation, millennials expect purchasing experiences to mirror the ecommerce environments they navigate as consumers.

Default to digital.

When researching products and services, Merit also reports that 85% of millennials default to social media, vendor websites, and search engines, preferring mobile and video formats.

Make way, middleperson.

Forrester and Internet Retailer report that 43% of millennial buyers favor direct manufacturer relationships versus going through a distributor, with 20% willing to pay a premium to do so.

Stand for something.

According to Merit, 80% of buyers appreciate companies whose mission aligns with their interests in social issues, a factor that notably impacts final purchasing decisions.



B2B buyers have embraced shopping online, and their requirements are becoming more sophisticated. If you don't set your own marketplace agenda, the market will do it for you.

Ed Kennedy

B2B Commerce Product Marketing Manager Adobe

Buyers across all age groups are going digital.

Changes in buyer demographics aren't limited to millennials, as individuals across all age groups favor the speed and convenience offered by digital channels.

Organizations that fail to invest in digital and continue to rely solely on large sales teams will lose ground to future-thinking competitors.

- According to McKinsey & Company, 90% of B2B buyers conduct research online before committing to a purchase.
- Forrester reports that 74% view website purchases as more convenient than buying from a sales rep.
- McKinsey & Company also found that 84% prefer to make repeat purchases through online channels.

Watsco goes digital and drives record growth.

Watsco demonstrates how a traditional business organization can drive growth with digital experience transformation. Embracing a culture of innovation, this 30-year-old HVAC distributor has seen rapid progress across numerous areas since their 2014 upgrade to Adobe Commerce.

- 2017 online sales grew 50% YoY.
- 2018 online sales grew 33% YoY to \$1.2 billion.
- 37% more line items per order online vs. in store.
- Achieved a record \$4.547 billion in total sales in 2018.



The encroachment of Amazon and digital leaders.

Even if a strong digital player has not entered your industry, it's only a matter of time. When this happens, your reliance on phone and email ordering options will negatively affect customer loyalty. In fact, Amazon Business and other digital-only players are taking direct aim at many B2B industries.

Amazon is expected to capture 10% of the US B2B market and 5% of the international market by 2021, reaching \$33.7 billion in sales by 2023, according to CNBC. Continuing to invest heavily into streamlining its B2B services, platforms like Amazon offer business buyers an expansive range of convenient features and functionality:

- Greater catalog depth offering more products to choose from
- · Competitive "business-only" pricing
- E-procurement system integration
- Support for purchasing cards, lines of credit, and tax exemption

Digital leaders win.

Embracing change and investing in digital leadership offers your organization real, quantifiable rewards. McKinsey research shows B2B digital leaders see 5 times more revenue growth than their peers. Additionally, data from Forrester Consulting supports the value of investing in experience transformation, including a 1.6 times higher year-over-year increase in orders and 2 times higher loyalty metrics.

Visualizing cost savings.

Going digital eliminates drains on business resources.

The best way to save money is not to lose it in the first place. Over time, costs associated with order processing, manual entry errors, and customer support can negatively affect your bottom line. Today's ecommerce technologies can automate internal workflows while encouraging a self-service customer experience, freeing up resources toward more constructive business objectives.



Ecommerce reduces order processing costs.

One way to nurture customer loyalty is by providing a fast, frictionless purchasing experience. A digital commerce platform can significantly reduce order processing costs by encouraging self-service ordering, easier quote management, and assisted selling.

Self-service ordering

Sales and call center teams can eliminate manual order entry, particularly valuable when working with smaller, less profitable customers.

Simplified quote management

Customer quote negotiation can be managed through a streamlined, fully documented process that tracks all relevant elements, enabling buyers to check out online once an agreement is reached.

Easier assisted selling

Sales reps can access a centralized admin to create client orders, troubleshoot issues, and leverage data on recent purchases to make product recommendations.

An easy way to estimate the cost savings benefit of moving orders online is to multiply the cost of handling an order over the phone by the number of orders that will shift to self-service.

The percentage of orders that move online will vary based on your industry, strategy, and other factors. However, many Adobe Commerce customers see 10% or more of their order volume transition online in the first year.

Online ordering cuts error rates for improved profitability.

Errors can frequently occur throughout the manual ordering process. These mistakes not only eat up time and resources—failing to deliver as expected affects customer satisfaction and their sense of trust. By moving to a digital self-service model, you can reduce the frequency of these costly transaction errors and preserve the integrity of your customer experience.

- Customer-specific catalogs and pricing
 This prevents customers from ordering the wrong products at the wrong prices.
- Automated SKU checking
 Each SKU is confirmed as valid, in stock, and available before the order is placed, preventing errors and reducing time spent managing returns.
- Customer self-service ordering
 This prevents transcription errors, sales rep miscommunication, selection of the wrong address, and more as the customer can enter and review an order prior to finalizing.



Digital is deflecting a growing percentage of B2B customer calls and greatly reducing the cost of ordering and the overall cost to serve customers

Forrester

- Coca-Cola experienced an 85% reduction in cost per customer interaction.
- Suez reduced the time of the average reordering process by 20 minutes.

An online customer portal reduces support costs.

Investing in ecommerce leads to savings beyond just processing transactions. By giving your customers a centralized service hub to manage their most common tasks, you can significantly cut inbound inquiries across several areas. With less support demand, you reduce operating costs and focus resources toward scaling your business faster.

Adopting a self-service portal empowers customers to:

- Access invoices and return products.
- Confirm inventory level by stock location.
- Check on order status and shipping information.
- View overall company spending reports and data.

Companies that benefitted by deploying their own customer self-service portals include:

- Riese & Muller
 This e-bike manufacturer cut support calls by 20% by offering customers self-service resources.
- Bauhaus Sweden
 Since the 2017 relaunch of their
 B2B site, manual processes have been reduced by over 80%.
- Juzo
 The compression clothing manufacturer reduced error rates by 85% (to 0.1%) and cut their order processing time by 95%.



Ecommerce investment means retiring your physical catalog.

While print media is alive and well, the cost of designing, printing, and distributing a physical catalog may offset its overall business value. By going online, customers can instantly receive the latest product information in a convenient digital format.

- Save on printing costs, postage, and the cost of sending addendums with updated information.
- Get products to market faster and inform customers of new offerings without waiting on an updated catalog release.
- Make it easier to handle substitutions by pointing customers to comparable products if something is out of stock or discontinued.

The success of Pon Holdings' customer portal.

This Dutch company, which sells and manufactures multiple bicycle brands, used a dedicated customer portal to deliver better service while lowering call volume. Using this service portal, bicycle dealers can manage most daily tasks without ever contacting a representative.

- Search for the right replacement parts.
- See all their orders, invoices, and return requests.
- · Process extended warranty claims.
- Access marketing resources to sell Pon Holdings' products.

Ramp up revenue growth.

Enhanced commerce capabilities grow your brand.

An online sales format introduces several new ways to increase your revenue. From a buyer's perspective, the speed and convenience of digital commerce equals higher satisfaction, in turn motivating them to spend more. From a business perspective, digital commerce enables sales teams to work more efficiently and channel efforts into revenue growth.



Adding ecommerce improves customer satisfaction and retention.

Part of revenue growth involves understanding and correcting your customers' pain points before they're vocalized. Digital commerce addresses and corrects inefficient B2B processes, which include slow purchasing procedures, lack of responsiveness, and limited account control. By streamlining these components, companies can elevate customer satisfaction, leading to profound impacts on retention and financial performance.

- McKinsey found a top service issue among B2B buyers was <u>frustration over slow</u> <u>response times</u>, according to 40% of their buyers.
- Harvard Business Review determined <u>responsiveness is a top three loyalty driver</u> in their research with IT infrastructure buyers.

Increasing customer retention rates by **5%** increases profits by **25%** to **95%**.

Source: Harvard Business Review

In a series of business interviews conducted by Forrester, the ease and convenience of digital commerce demonstrates the positive effect of incremental spending:

- US Foods
 Online customers spend 5% more than they do offline.
- Coca-Cola
 The average order value is 15% higher from migrating B2B customers online.
- Levi's
 Increased revenue by 10% by shifting B2B customers to a self-service portal.

Omnichannel commerce boosts customer spending.

Omnichannel offers more channels for customers to communicate with your brand and purchase the products they need. In fact, Forrester reports customers are motivated to spend more overall when they engage with multiple channels. By establishing a digital commerce channel, you can begin using features that encourage customer spending:

- Conveniences such as 24x7 purchasing, easy purchase list set up, and no wait times to connect with sales
- Expedited quote requests, immediate stock level visibility, and real-time order status updates
- Sites designed for browsing and discovery versus spreadsheets or physical catalogs to make products easier to find
- Cross-sell and up-sell capabilities that let you proactively recommend additional purchases
- Targeted offers such as free shipping or other incentives for larger orders

Ecommerce enables B2B companies to expand their customer base.

Modern businesses aren't just acting locally, they're thinking globally. Today's ecommerce platforms let you escape regional restraints and break into B2B markets worldwide. Using a dedicated ecommerce solution, you can increase the pool of available prospects by servicing customers and industries either previously difficult to reach or unprofitable.

Expand into cross-border commerce.

With ecommerce, you can sell across borders by using built-in support for multiple languages, currencies, payment methods, and tax policies.

Create new customer segments.

Expand into B2C or D2C selling or target new industry verticals with tailored content and product offerings.

Satisfy smaller customers.

Profitably handle customers who place small or infrequent orders with onlineonly purchasing and support.

Reengage inactive customers.

Many customers will return once they discover you offer easy-to-use online purchasing.

Digital capabilities improve sales team productivity.

A modernized platform solution puts vital information at your sales team's fingertips to reach additional customers and close more deals faster, all without expanding your existing talent pool.

- Sales reps have immediate access to detailed product information, videos, and selling resources, accessible online or via mobile devices.
- More time can be focused on consultative selling for large, complex opportunities or new business, thanks to less time spent manually entering phone or fax orders.

Final thoughts.

The majority of B2B commerce projects are centered around the concept of change management. Even after proposed strategies receive an executive sign-off, you must continue promoting the advantages of digital integration throughout the organization. You want to set the stage for what will be continued, necessary investment to support this channel.

Your digital adoption initiative should be positioned as an ongoing enrichment effort rather than a project with a hard completion date. Explain why you are investing in ecommerce, what it will bring to your business and customers, as well as how it will improve internal processes. The ideal approach is to pursue small successes and quick wins that demonstrate progress, in turn stimulating internal momentum.

It's human nature to approach change with caution. However, you can reduce the perception of risk by consistently communicating your vision and uniting like-minded individuals who can help spread the value of change. Most importantly, ensure the customer experience is at the forefront of discussion throughout every stage of the planning process. Focusing on the best ways to exceed customer expectations will highlight the importance of your initiatives.

The value of ecommerce.

Here is a quick summary of the ideas we've shared, which you can use as a checklist when creating your own business case.

	New ecommerce business
Strategic	Changing demographics
	Changing customer preferences
	Competing with Amazon
	Digital leaders win
Cost savings	Reduce order processing costs
	Reduce order errors
	Cut printing costs
	Decrease support calls
Revenue growth	Increase customer retention
	Boost customer spending
	Expand your customer base
	Improve sales team productivity

Learn more about how Adobe can bring your B2B business into the digital commerce era.

Explore Adobe Commerce

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