

2023 B2B COMMERCE GROWTH STRATEGIES SURVEY

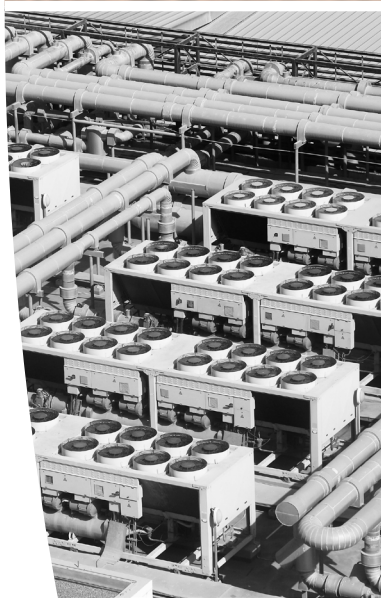
B2B ecommerce took off during the pandemic, leading manufacturers and distributors to invest heavily in this channel. As they do, they're rethinking how they interact with customers in the digital age. Here are the keys to success.

A custom report for



From the editors of

DIGITAL B2B
COMMERCE 360



EXECUTIVE SUMMARY

B2B manufacturers and distributors, and the customers who purchase from them, agree on one thing: The pandemic led businesses to purchase more online. Data backs that up, as Forrester Research projects B2B ecommerce will grow at a 10.7% annual rate from 2022-2027 versus only .5% for offline B2B sales.

That significant shift is driving strategic rethinking and accelerating technology investments for many manufacturers and distributors that sell to businesses and other enterprises such as government agencies, nonprofit organizations and school systems.

What are the top priorities for these B2B sellers? A survey for Adobe Inc. by Digital Commerce 360 reveals three that stand out:

1. B2B sellers are expanding into new markets, both in terms of geography and reaching new customer segments with added product lines, taking advantage of the global reach afforded by ecommerce.



2. Personalization is a top priority, but companies are finding that customizing content and purchasing options is far more complex in B2B than in B2C. Among other differences, personalization in B2B means enabling each business buyer to do their job more efficiently, not catering to personal preferences.



3. Companies are scrutinizing their ecommerce platforms, weighing whether to replace them with more sophisticated systems to support digital expansion, including internationally.



Each of these tasks is challenging, as selling online to business buyers is far more complex than selling to consumers via the web. That's because the products businesses purchase often must meet strict specifications, large transactions can require credit arrangements, approvals often involve many individuals at the purchasing company, and complex shipping and freight arrangements complicate logistics. Completing transactions online requires sophisticated digital capabilities to replace what has traditionally been completed manually between buyers and sellers.

This research report will dig into the survey results, exploring what B2B sellers say about their digital capabilities, their priorities and their challenges. It will also draw on insights from B2B ecommerce experts who will offer advice on how companies can avoid some of the common pitfalls along the road to improved online customer experience and revenue growth.

All the experts we spoke with emphasized that this is not primarily a technology issue. The shift to digital has fundamentally changed how customers interact with the companies they buy from. Selling organizations must ask themselves what their

business customers want today, what pain points they encounter as they seek to buy online and what processes should be modified to serve customers more effectively.

Once each B2B company can answer those questions, it can make technology investments that meet its needs. And making the right choices will be even more important if an economic downturn creates more competition among B2B sellers for fewer buyer dollars.

Those are the conclusions we draw from a survey of executives from 151 B2B companies worldwide. Half of the respondents came from companies in North America, another quarter from Europe, the Middle East and Africa, and the remainder from Asia/Pacific and Latin America.

Many of the respondents work for larger businesses. 73% are employed by companies with more than 500 employees and 53% for companies with at least \$500 million in annual sales. They work in a variety of industries, led by consumer products, industrial equipment and supplies, services and computers/electronics. Many of their companies are well

advanced in digital commerce, with 57% saying ecommerce accounts for more than half of revenue.

In short, this survey reflects the state of play in B2B commerce today: Most manufacturers and distributors, regardless of region or vertical industry, have moved beyond their initial investments in B2B ecommerce. It's no longer a question of whether to invest in digital, but how to invest—and how to overcome the obstacles that arise when companies transition to a new way of selling to and serving their customers.

The aim of this report is to provide a snapshot of B2B companies' experience and strategies, and to provide insights companies can use to improve their own digital performance. Here's what we will cover:

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2023 B2B COMMERCE GROWTH STRATEGIES SURVEY

ROLE OF B2B ECOMMERCE IN COMPANY GROWTH

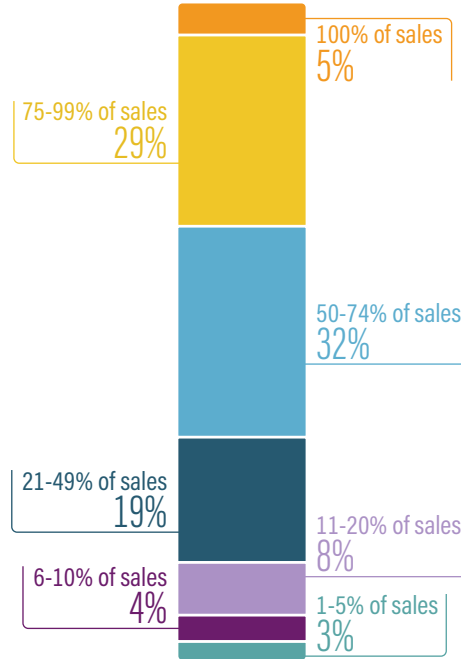
Buying online is now the norm for businesses as much as it is for consumers. Of the companies we surveyed, 66% said they already capture half or more of their sales from their own ecommerce sites. And 74% expect their websites to generate more than 50% of sales in 2023.



B2B SELLER INSIGHTS

2 IN 3 B2B SELLERS CAPTURE HALF THEIR REVENUE FROM THEIR ECOMMERCE SITES

What percent of your annual sales are currently captured from your own ecommerce websites?

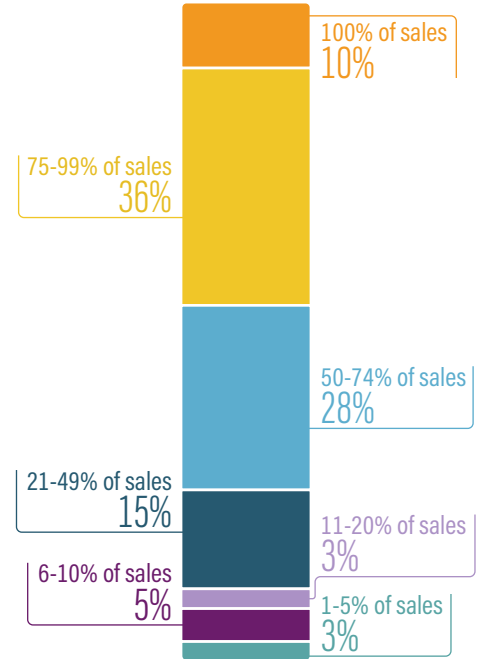


Source: Digital Commerce 360 survey of 151 B2B sellers, September 2022

B2B SELLER INSIGHTS

3 IN 4 B2B SELLERS EXPECT TO CAPTURE HALF OR MORE OF THEIR SALES FROM THEIR OWN ECOMMERCE SITES

Thinking ahead, what percentage of your annual sales might be captured from your own ecommerce sites at the end of 2023?



Source: Digital Commerce 360 survey of 151 B2B sellers, September 2022

Large companies are ahead of their smaller and mid-sized competitors, the survey shows. Of respondents from companies with at least \$500 million in annual sales (53% of those who took the survey), 72% say they already get more than half of sales from their ecommerce sites and 80% believe that will be the case in 2023. Corresponding figures for businesses with under \$500 million in sales were 62% in 2022 and forecasted to reach 71% in 2023.

That means the largest companies with the broadest reach are the most advanced digitally as a rule. In other words, the dominant companies in your markets are likely already ecommerce leaders and investing more in digital each year.

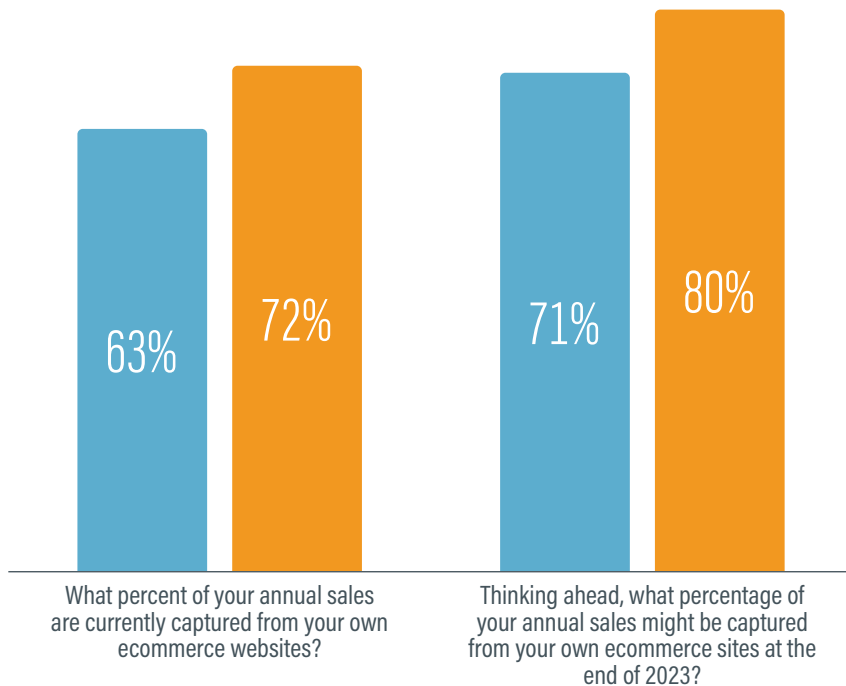


B2B SELLER INSIGHTS

BIG FIRMS LEAD IN ECOMMERCE

Percent of companies with more than half of total revenue coming from their own ecommerce sites

Companies with annual revenues: ■ Below \$500 million ■ Above \$500 million



Companies continue to rely on other channels, of course. 11% of respondents said they still get more than half of company revenue from such traditional sales methods as in-person visits, trade shows and direct mail, and 9% say the same for phone and video calls and email. But a much larger share, 28%, derive more than half of total company revenue from self-service digital channels like websites and mobile apps.

The shift to digital is real, and it's not just sellers reporting that. B2B buyers also agree they're buying more online than they did in the past.

68% of B2B buyers said they plan to make at least 40% of their purchases online by the end of 2022 according to an April 2022 survey by Amazon Business of 440 U.S. purchasers from midsized and larger U.S. businesses. This is up from 56% in 2021.

B2B SELLER INSIGHTS

SELF-SERVICE DIGITAL CHANNELS PRODUCE THE MOST REVENUE

What percentage of your total company revenue is derived from the following sources?

■ None ■ Less than half ■ More than half

Self-service digital channels: website, ecommerce, chatbots, internet searches, and mobile apps



In-person sales channels: in-person meetings, direct mail, fax, tradeshow



Remote sales channels: phone, video calls, email



Source: Digital Commerce 360 survey of 151 B2B sellers, September 2022

A GREATER FOCUS ON CUSTOMER EXPERIENCE

Manufacturers and distributors are responding to this shift with significant initiatives, our survey shows.

Asked how their recent experience has impacted their ecommerce strategies, 63% said it's led them to put a higher priority on improving customer experience on their websites, including through better personalization of content and customizing options to each visitor. That was closely followed by 62% who have shifted their focus to investing more in their ecommerce sites and 57% who plan to sell more products through their online channels.

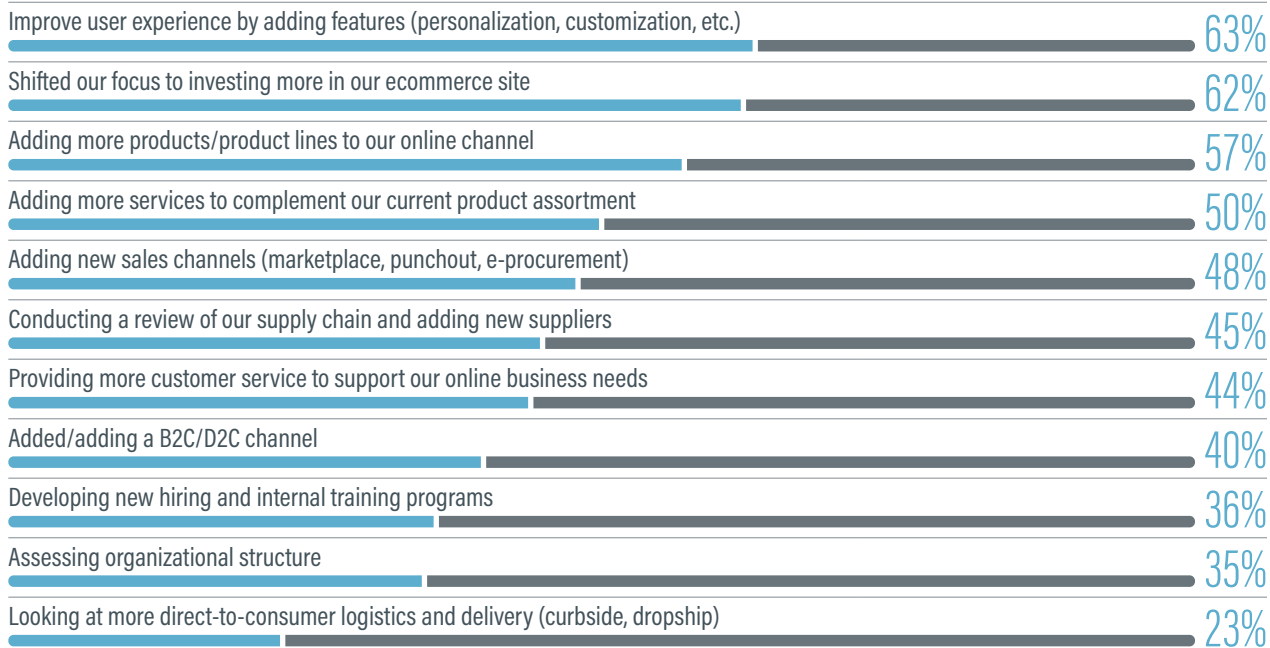
Many other priorities were selected, as well. In fact, eight of the options offered were cited by at least 40% of survey participants, an indication that executives hope to improve their ecommerce sites in many ways.



B2B SELLER INSIGHTS

WHERE B2B SELLERS ARE INVESTING IN ECOMMERCE

How has the business during 2021/2022 changed your approach to ecommerce? (Multiple responses allowed.)



In all cases, larger firms were more likely to be investing than smaller ones, and that was particularly true for initiatives that require the broadest rethinking of business strategy. For example, 54.2% of businesses with more than \$500 million in annual sales are reviewing their supply chain and seeking new suppliers, versus 35.5% of smaller companies. And 44.6% of larger firms are reassessing their organizational structure in light of the shift to digital, versus only 23.7% of smaller companies.

The takeaway is that small and mid-sized companies are still catching up on some of the foundational tactics of ecommerce, such as personalization and expanding selection. Many large companies, meanwhile, have recognized that winning in the digital arena will require significant changes in how they do business and organize themselves internally.

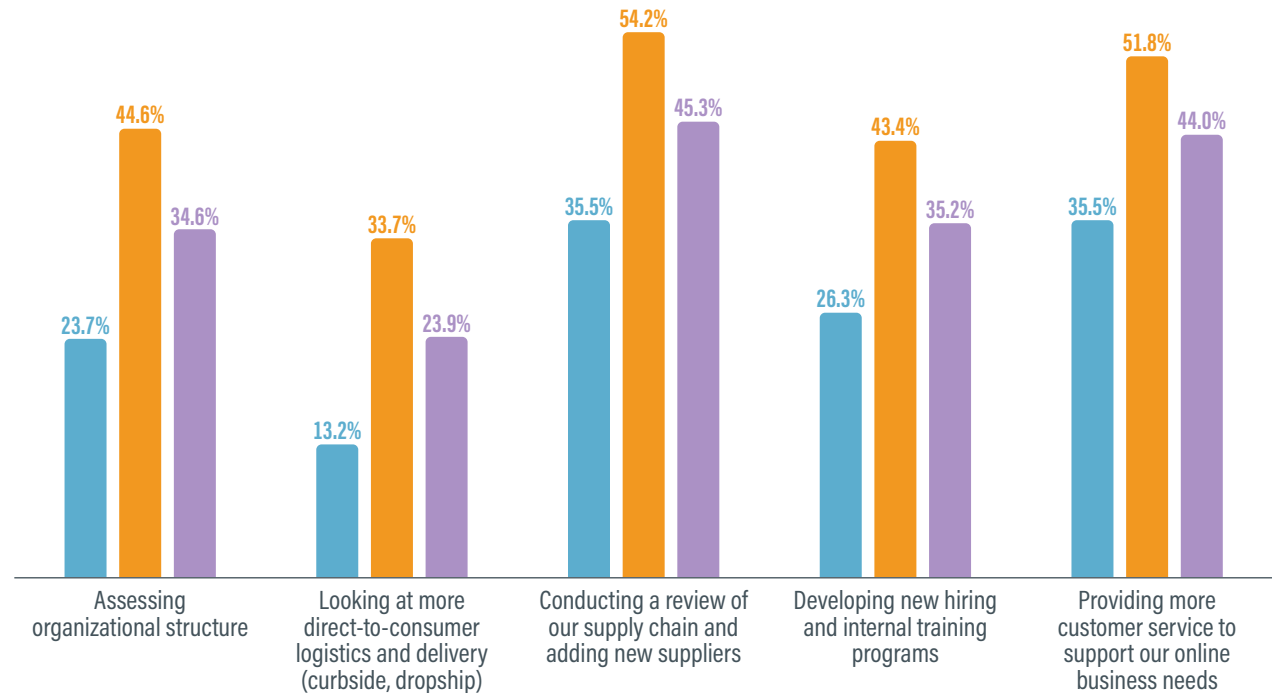


B2B SELLER INSIGHTS

WHERE BIG AND SMALL FIRMS DIVERGE ON B2B ECOMMERCE PLANS

How has the business climate during 2021/2022 changed your approach to ecommerce? (Multiple responses allowed.)

Companies with annual revenues: ■ Below \$500 million ■ Above \$500 million | ■ Overall



RETHINKING SALES CHANNELS

Looking ahead, several of the growth strategies cited for the next 18 months reflect how ecommerce is impacting the relationships between channel partners, including manufacturers and the distributors that resell their products.

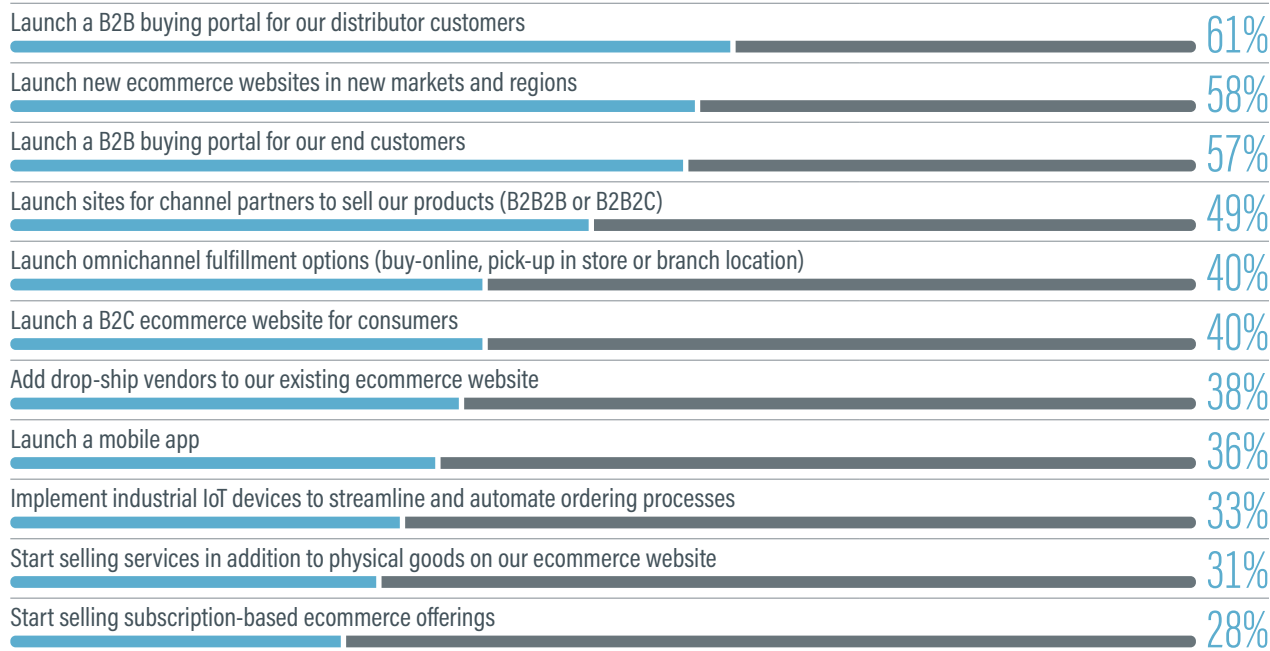
The top growth strategy selected was launching a B2B ecommerce portal for distributor clients. That was cited by 62% overall and more than two-thirds of larger firms. This strategy especially makes sense for manufacturers that rely on distributors as a critical sales channel. In addition, 51% of survey respondents said they plan to launch sites for other channel partners to sell their products, including 61% of larger firms versus 40% of smaller ones.

However, other answers suggest companies may be bypassing channel partners to sell directly to end customers. 59% plan to add a buying portal for end customers, not just for their channel partners. Meanwhile, 40% plan to launch ecommerce sites to sell directly to consumers, bypassing retailers. Larger companies were more likely (48% to 37%) to be

B2B SELLER INSIGHTS

TOP ECOMMERCE STRATEGIES OF B2B COMPANIES

Which of the following ecommerce strategies are you considering implementing in the next 18 months? (Multiple responses allowed.)



planning to sell their products directly to consumers via the web.

Ecommerce provides a new way to eliminate the middleman — which may be distributors, wholesalers or retailers — to sell directly to end customers. Larger companies in particular see this as a way to boost profit margins by capturing the commissions charged by resellers.

40% of B2B sellers surveyed plan to add new fulfillment options, such as buy online for pickup at a store or branch, adopting a tactic that retailers now frequently offer consumers. Nearly as many (38%) expect to add more products to their own ecommerce sites by working with drop-ship partners that will deliver goods directly to end customers.

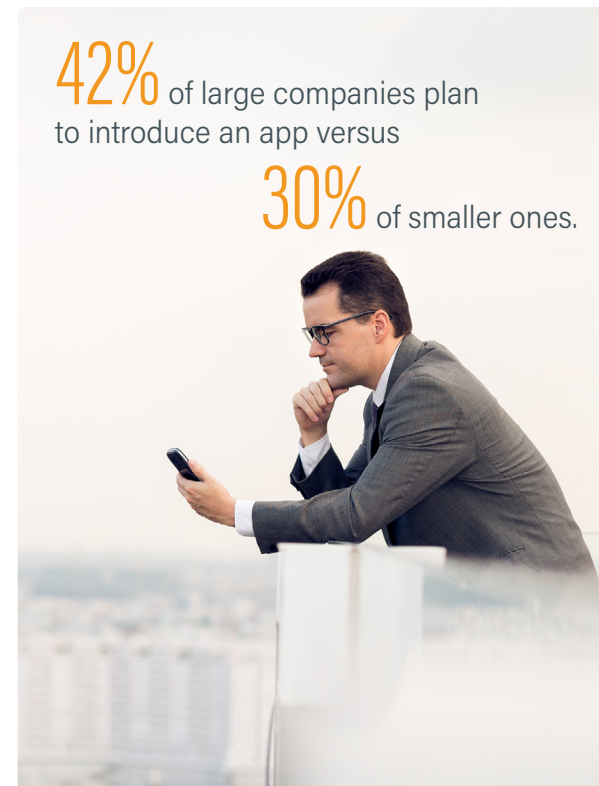
And 31% plan to start selling services on their websites, including 42% of larger firms versus 20% of smaller ones. Particularly for manufacturers, there are considerable opportunities to generate new revenue by selling product warranties and spare parts for their goods.

One of the biggest divides is in implementing Internet-of-Things (IoT) systems, such as sensors that automatically reorder consumable products for machines when they are running low or replenish vending machines when items like work gloves or goggles are nearly gone. Nearly 45% of larger firms versus only 20% of smaller companies have IoT on their roadmap.

There is also a gap when it comes to introducing a mobile app (including native mobile apps and progressive web apps) that can make placing orders and reordering more convenient for customers already familiar with your company. 42% of large companies versus 30% of smaller ones plan to introduce an app.

These results also point to large companies seeking to extend their digital advantage over smaller rivals by investing in more advanced technology and ecommerce options, including IoT and new ecommerce sites for distribution partners or end customers.

42% of large companies plan to introduce an app versus 30% of smaller ones.



WAYS TO WIN: NEW MARKETS REQUIRE NEW THINKING

An ecommerce site allows a company to sell to new geographic markets and new industries. But, experts say, each new market has its own requirements and may have to be treated as a new business.

The reach of the internet makes international expansion tempting, but be aware that each country has its own laws, regulations and culture, says Lisa Berry, senior business systems analyst at ecommerce consulting firm Gorilla Group.

For example, leather goods treated with certain chemicals can't be imported into Europe. In some countries, showing prices online is the norm, and in others it's not. Data privacy rules vary widely from one country to the next, as do popular payment methods.

And keep in mind that the same product may face different regulatory hurdles depending on the application, says Mike Rabbior, principal and chief strategist for digital commerce at consulting firm Perficient.

Consider a shutoff valve for pipes that could be used to transport water or gas. While a buyer planning to use the valve in a water system likely is only worried about whether it will leak, if it's going to be used for gas it has to be certified for every gas mixture that will be used, Rabbior says.

Companies also must decide whether to build each new country's website on a standard platform or allow each local team to build its own site. Many B2B sellers are consolidating onto a single ecommerce platform after finding that maintaining different systems in each country is expensive and slows down deployment of new features, says Ed Kennedy of Adobe.



The reach of the internet makes international expansion tempting, but be aware that each country has its own laws, regulations and culture.

—Lisa Berry, senior business systems analyst, Gorilla Group

An example of a major manufacturer going the standardized route is HP, which now sells online in more than 40 countries using the Adobe Commerce platform. Standard elements include page design templates, navigation, dashboards and security. Local teams can customize their site with locally appropriate payments, language, fulfillment and order management capabilities.

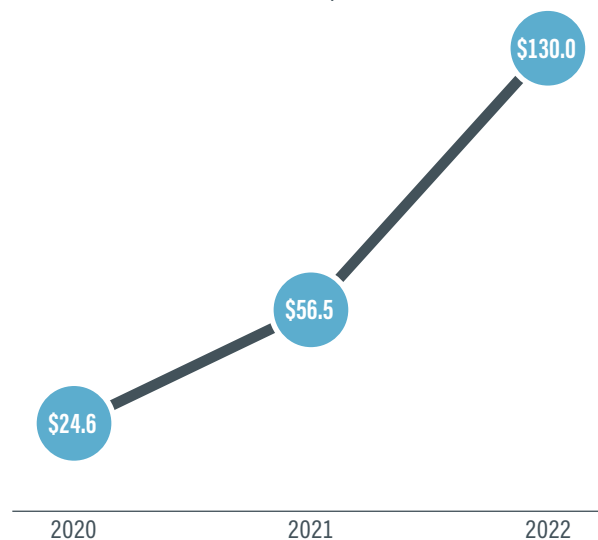
Employing a standardized system has allowed HP, which sells online both to businesses and consumers, to quickly introduce new features in all its markets, such as buy online, pick up in store. This approach, Kennedy says, helps companies innovate quickly and cost-effectively.

BIG GROWTH IN B2B MARKETPLACES

Another big focus is on expanding through online marketplaces. B2B marketplaces have exploded in recent years, with sales on those online portals projected to reach \$130 billion in the U.S. this year, based on Digital Commerce 360 research. That would be six times greater than the nearly \$25 billion in sales on B2B marketplaces in 2020.

Much of that purchasing comes on multiseller ecommerce marketplaces operated by such large players as Amazon, eBay, Alibaba and SAP. But Digital Commerce 360 now tracks more than 400 B2B marketplaces. Many of them are highly specialized, such as Circular.co, which sells recycled materials, and BaySupply.com where more than 250 manufacturers and distributors sell screws, rivets and other fastening products to 45,000 registered buyers.

B2B MARKETPLACES ARE GROWING RAPIDLY
Estimated sales on U.S. B2B marketplaces, in billions



Source: Digital Commerce 360



Two-thirds of respondents to our survey said they already sell on marketplaces and 56% said their distributors do.

What's more, nearly half (48%) of the companies who took the survey say they plan to increase the number of marketplaces they sell on this year, including 58% of larger firms. And 38% of respondents say they expect to launch a new marketplace where other companies can sell and 36% to invite other organizations to sell on their ecommerce sites, creating their own marketplaces. Smaller companies were almost as likely as larger ones to be investing in their own multi-seller portals.



B2B SELLER INSIGHTS

MANY B2B FIRMS PLAN TO EXPAND MARKETPLACE PARTICIPATION

Which of the following describes your current involvement in marketplaces? (Multiple responses allowed.)



Among the companies that have launched their own B2B marketplaces is the Honeywell Aerospace division of Honeywell Inc., which manufactures airplane parts. Honeywell launched GoDirectTrade.com to enable many companies to sell avionics equipment to end customers.

ABB, a multinational company that supplies robotics, power, electrical equipment and automation technology, took a similar step by launching a marketplace for its distributors in Brazil. The company realized that it was hard for many end users, both businesses and consumers, to travel to the physical locations of its distributors and created the online marketplace to enable those customers to purchase via the web.

All this activity is driven by buyer behavior: 49% of B2B buyers said in April 2021 they were making a quarter or more of all their business purchases on

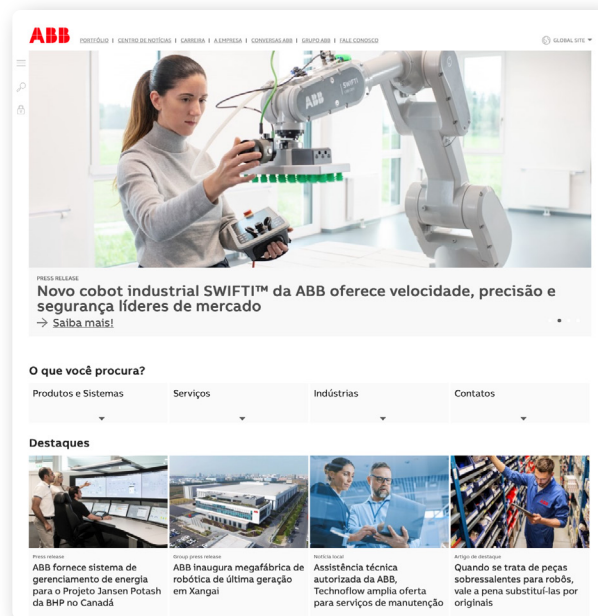


ABB launched an online marketplace in Brazil after realizing it was hard for many end users to travel to its distributors' physical locations.

B2B marketplaces and 57% that they were purchasing more on marketplaces because of the pandemic, in a survey by Digital Commerce 360 and Bizrate Insights. That kind of customer demand in many cases justifies the investment required to set up a marketplace and to ensure that buyers get the kind of quality products and service they expect.

The investment is not insignificant, but the opportunity is undeniably large. B2B sellers are responding, and larger ones fastest of all. ■

BOTTOM LINE

The shift to online buying by businesses and other enterprise purchasers is driving B2B sellers to invest in ecommerce through improving their websites, moving into new markets, selling more aggressively on online marketplaces and creating their own online marketplaces.

PERSONALIZATION TACTICS AND PRIORITIES

The survey shows most B2B sellers believe they have mastered the basics of ecommerce, such as site search and product reviews. But when it comes to personalized commerce, larger companies are more satisfied with their efforts, while many smaller competitors are investing in this area.

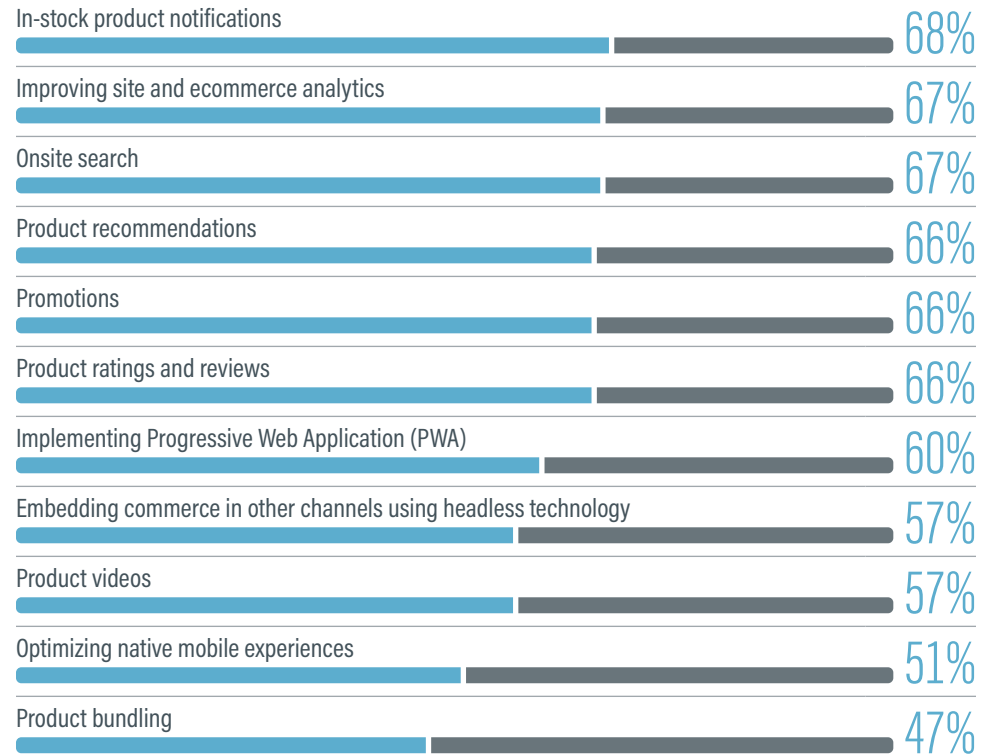
Two-thirds of B2B sellers say they are successfully driving online conversions with such widely deployed features as site search, promotions, product ratings and reviews, and showing inventory availability.



B2B SELLER INSIGHTS

MANY CONVERSION TACTICS ARE WORKING WELL FOR SELLERS

How successful have each of the following tactics been when it comes to driving conversion? (Percent citing success.)



Source: Digital Commerce 360 survey of 151 B2B sellers, September 2022

In a few areas, larger companies report greater success. That includes analytics, mobile website experience, product bundling and product videos.

While companies of all sizes generally believe that personalization is working for them, those with more than \$500 million in annual revenue report greater success in several areas. Overall, B2B sellers are seeing the greatest return from tailoring site search results, for example by showing buyers only products they are approved to buy and the prices their companies have negotiated.

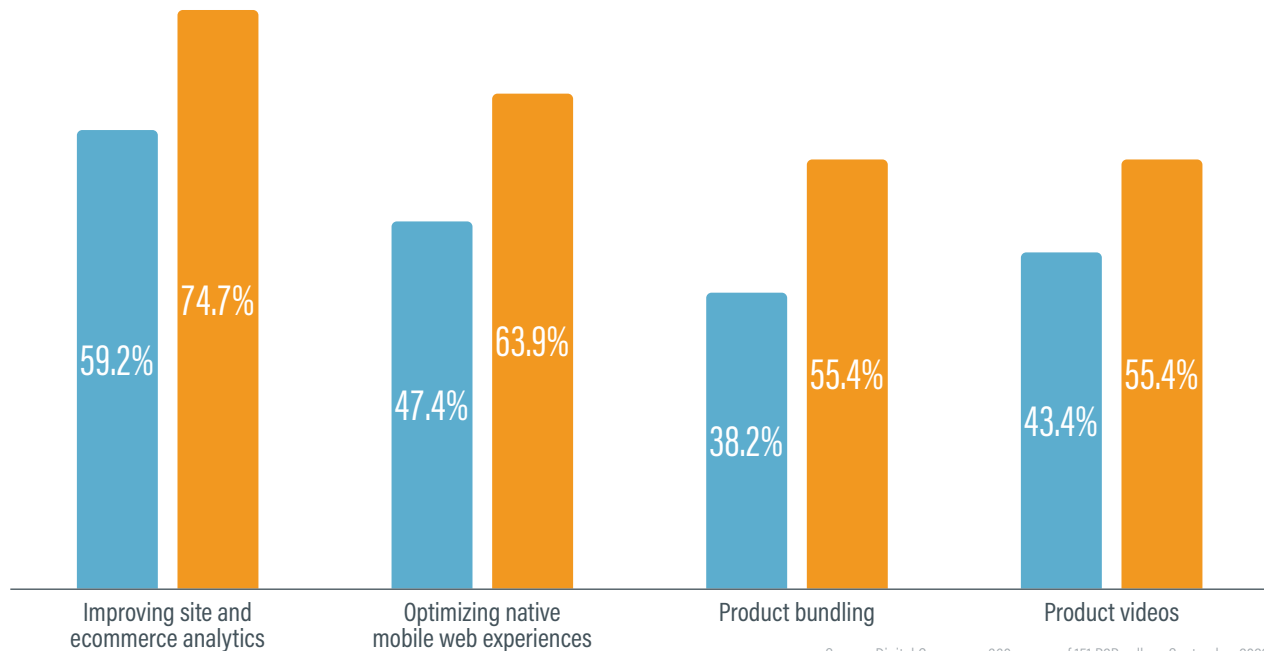


B2B SELLER INSIGHTS

LARGER FIRMS CLAIM GREATER SUCCESS WITH CERTAIN CONVERSION TACTICS

How successful have each of the following tactics been when it comes to driving conversion? (Percent choosing "successful.")

Companies with annual revenues: ■ Below \$500 million ■ Above \$500 million



Source: Digital Commerce 360 survey of 151 B2B sellers, September 2022

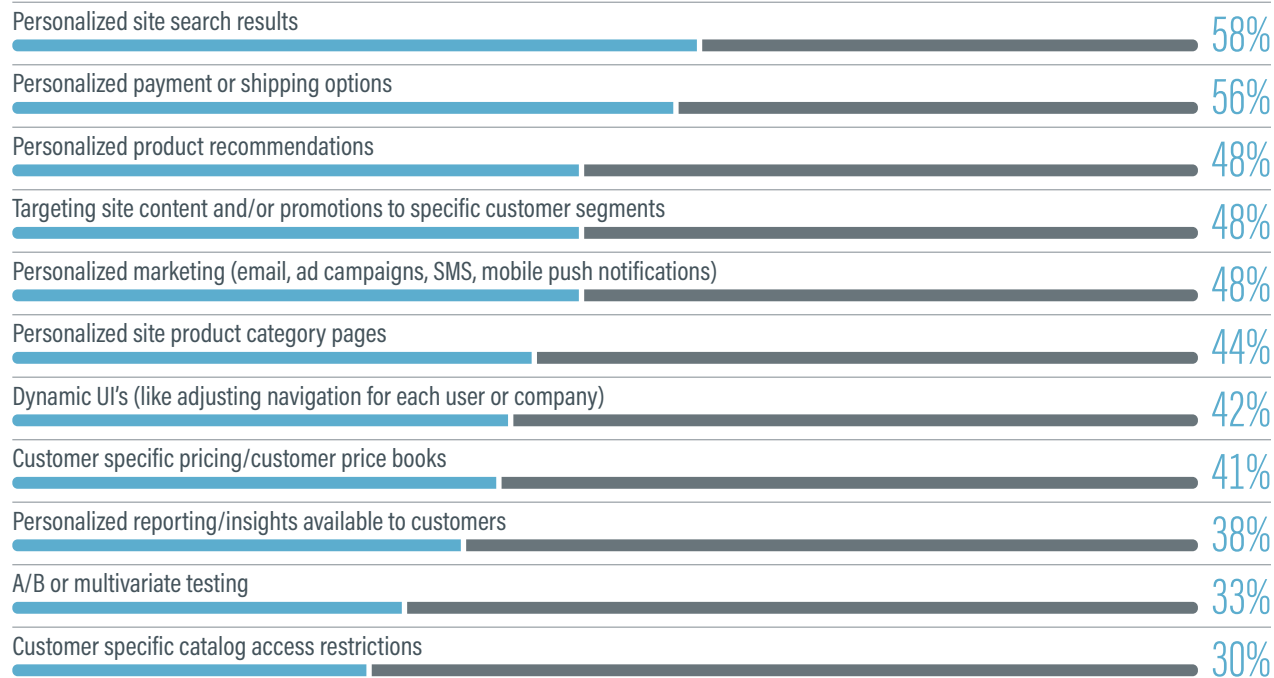
Other successful tactics include providing payment options specific to each customer, personalizing category pages and targeting various kinds of website and marketing promotions for specific customer segments.



B2B SELLER INSIGHTS

WHICH PERSONALIZATION TACTICS ARE WORKING BEST IN B2B?

What is the status of each of the following personalization tactics?
(Percent currently employing with strong outcomes.)



But several tactics are working far better for larger versus smaller firms, probably reflecting greater investment. These include personalized site search results, customer-specific pricing and targeting promotions to specific customer segments.

Smaller companies are responding by putting some personalization features on their to-do lists for 2023. That includes personalized payment and shipping options (15.8% of smaller firms plan to invest versus 3.6% of larger ones) and personalized product category pages (15.8% versus 1.2%.)

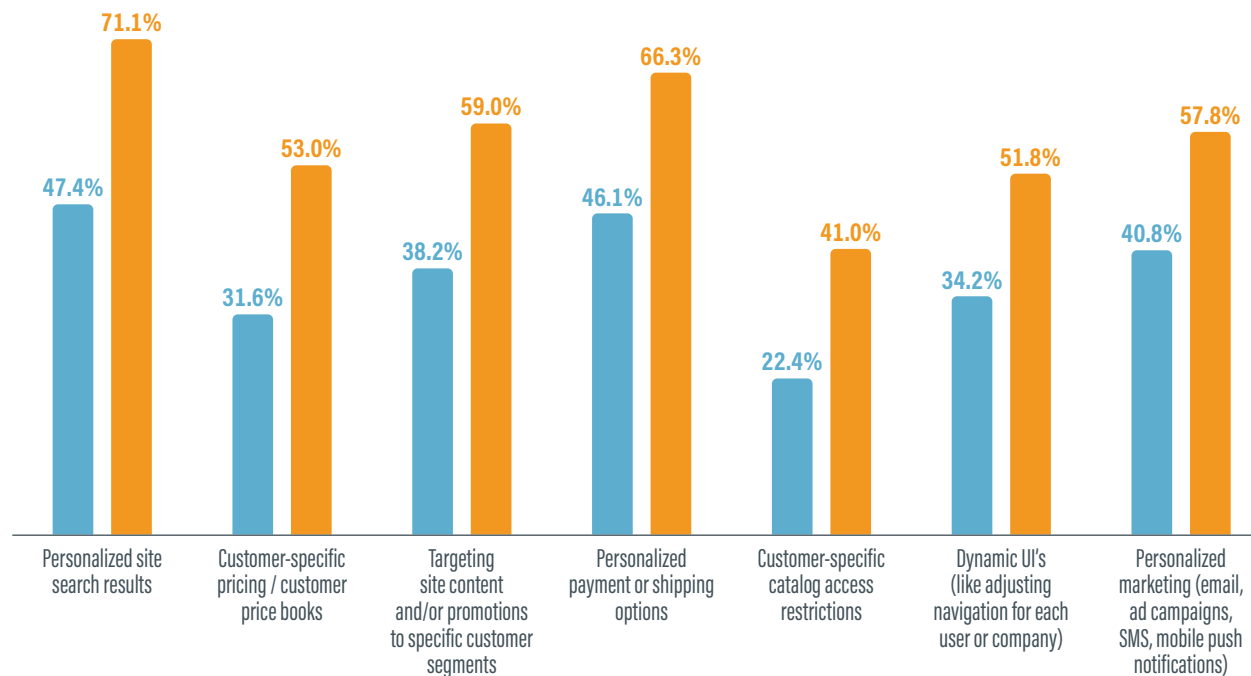


B2B SELLER INSIGHTS

WHERE LARGER FIRMS LEAD IN PERSONALIZATION

What is the status of each of the following personalization tactics? (Percent reporting strong success)

Companies with annual revenues: ■ Below \$500 million ■ Above \$500 million



PUTTING CUSTOMER DATA TO WORK

Personalization requires effective collection and use of customer data, and most companies, large and small, give themselves fairly high marks in this regard. They rate themselves especially high on making use of on-site behavior and transactional data, and on using customer data to personalize on-site content.

They're less successful in using customer data beyond the ecommerce site, such as in email and other forms of marketing and merchandising, and in leveraging data in other systems, such as customer order history and inventory, to drive personalization. That highlights the effort required to enable data to flow easily from one system to the next — and then to use that data intelligently to improve the entire customer journey.

In general, companies underestimate the value of the customer data on their ecommerce sites, says Ed Kennedy, digital strategist for manufacturers and distributors at Adobe Inc.

B2B SELLER INSIGHTS

SOME SELLERS STRUGGLE TO USE CUSTOMER DATA ACROSS CHANNELS

How effective is your organization at collecting, analyzing and activating your customer data? (Percent reporting very effective)



Source: Digital Commerce 360 survey of 151 B2B sellers, September 2022

“B2B ecommerce websites are a treasure trove of data for marketing, sales and operations that most businesses aren’t fully utilizing,” Kennedy says. “Digital signals from different users in different markets or segments can help improve marketing analysis, automate triggered messages to capture sales, and notify salespeople of customers who are ready to buy.” ■

BOTTOM LINE

Large companies, with more resources to pour into ecommerce, are more successful in areas like personalization, and smaller companies are hoping to catch up in 2023. Many companies of all sizes are still working on how to more effectively leverage data collected in one channel to improve marketing and customer service in other channels.

WAYS TO WIN: WHAT PERSONALIZATION MEANS IN B2B (AND WHY IT'S SO DIFFERENT FROM B2C)

Personalization is very different when you're selling to a business buyer versus a consumer.

For an online apparel retailer selling sweaters to a hypothetical 'Sue the consumer', it's crucial to know if she prefers pink or black. For a medical equipment manufacturer selling to 'Sue the hospital procurement agent', her color preferences are irrelevant. What the manufacturer needs to know is how to help Sue do her job more efficiently.

And what Sue, the procurement agent, needs to know is likely different from what Bob, a surgeon at the same hospital, needs to know, says Justin Racine of digital consulting firm Perficient.

"The purchasing agent cares about price, about whether cases are packed in a way that will fit into the storeroom," Racine says. "The doctor wants to know details of how the product works. You need to show different content based on the person's role."

To accomplish that, B2B sellers need to segment registered users, not just by their company or industry, but their role within the buying organization.

There are other instances where personalization is based on the website visitor's company. For example, packaging manufacturer Sealed Air shows logged-in customers prices that their company has negotiated. Sellers can also only show customers items on their company's approved list, or products that customers with similar profiles have purchased, says Ed Kennedy of Adobe.

That can include personalization by the buyer's industry. For example, a manufacturer of motors will want to

show different motors to a lawnmower maker than to a company that produces warehouse conveyer belts.

Personalization can also go in the other direction: not just from customer history and other systems into the website, but from the website into other marketing channels, Kennedy says. A customer's activity on the ecommerce site can be used to personalize email and content, he says.

"We can use the data from the ecommerce site to personalize the rest of the journey," Kennedy says. "Instead of seeing the site as a self-contained silo, it can be part of a more multi-channel buying journey that the business can take advantage of." ■



"We can use the data from the ecommerce site to personalize the rest of the journey ... it can be part of a more multi-channel buying journey."

—Ed Kennedy, digital strategist for manufacturers and distributors, Adobe Inc.

DIGITAL EXPANSION CHALLENGES

Any change like the shift to digital will inevitably bring along challenges.

While expanding into new markets through ecommerce opens up vast opportunities, there are plenty of issues to address, including language, regulation, pricing, customer service and fulfillment. Thus, it's no surprise that new market expansion tops the list of challenges, cited by 41% of respondents.

But, given that 58% of respondents indicated that new market expansion was among their ecommerce strategies, it appears many feel those obstacles are not insuperable.

The next biggest obstacle cited was getting enough money to fully finance an ecommerce project. Other challenges include supply chain management, creating a more personalized and customer-friendly website, integrating new technology with existing systems and finding the personnel to manage the digital operation.

B2B SELLER INSIGHTS

2022 CHALLENGES INCLUDE NEW MARKET ENTRY AND IMPROVING SUPPLY CHAINS

Which of the following are challenges your company will likely face in 2022 and beyond?
(Percent reporting significant challenge)

Expanding ecommerce operations to new regions/markets	41%
Securing budget to make the necessary investments we truly need	38%
Improving and diversifying our supply chain	38%
Creating more personalized ecommerce experiences	36%
Finding and maintaining staff levels with necessary skill sets	34%
Integrating systems	32%
Creating a more sophisticated website to better meet the needs of our customers	32%
Improving ecommerce operations/making them more efficient	32%
Consolidating multiple ecommerce systems	31%
Optimizing customer service operations	30%
Managing data	29%
Gaining internal buy-in around growth plans	29%
Providing desired payment and financing options	28%
Managing pricing	28%
Upgrading legacy systems	28%
Developing in-house ecommerce expertise	26%
Selling direct to the end consumer	25%

Source: Digital Commerce 360 survey of 151 B2B sellers, September 2022

Smaller companies are more likely than larger ones to struggle with personalization (40.8% to 33.7%) and delivering a more sophisticated website (39.5% to 27.7%).

On the other hand, larger firms encounter more difficulties getting internal support for growth plans (33.7% to 26.3%). Internal decision-making can be slower and more complex at large companies where many business units may weigh in on a new initiative.



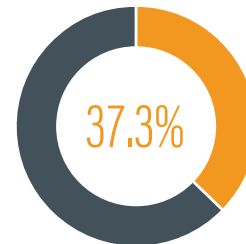
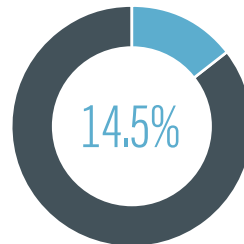
B2B SELLER INSIGHTS

WHERE BIG COMPANIES STRUGGLE MORE THAN SMALLER ONES

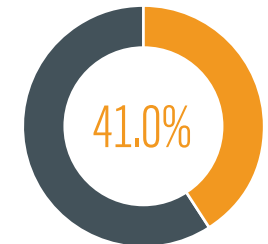
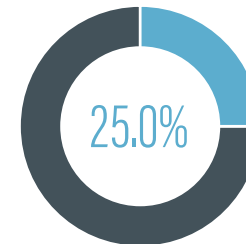
How much do the following factors prevent you from selling more online? (Percent reporting significant challenge. Multiple responses allowed.)

Companies with annual revenues: ● Below \$500 million ● Above \$500 million

Lack of IT resources to implement, integrate, and maintain an ecommerce solution

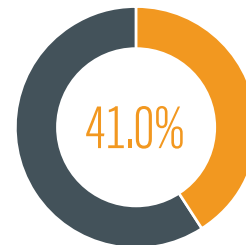
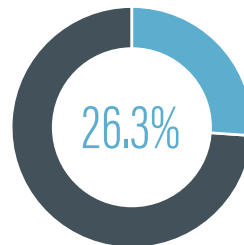


Internal resistance to change



Source: Digital Commerce 360 survey of 151 B2B sellers, September 2022

Competition with internal sales resources



WAYS TO WIN: MAKING SALES REPS PART OF THE DIGITAL TEAM

Many B2B sales reps see ecommerce sites as a threat to their jobs and income. That's no doubt one reason why 56% of the 66 B2B sellers surveyed by Digital Commerce 360 in January 2022 pointed to getting internal buy-in as an obstacle to their ecommerce growth.

And that fear, no doubt, increased during the pandemic when the reps could not as easily serve their customers in person, such as by introducing them to new products and offering training on how to use them.

A B2B site should automate routine tasks, such as enabling the customer to reorder products or check the status of a delivery. And in some cases, customers can use product configurators to customize a product, get pricing and place an order without human intervention.

But, when it comes to complex products or orders, customers often need the help of a salesperson, and

the website can facilitate that interaction, says Justin Racine of Perficient. "Websites should enable the buyer and the rep to build orders together and then send them to the buyer's boss for approval," Racine says. "That used to be done by email, but now it should be done on the site."

One helpful tool offered on some B2B ecommerce sites is a configure, price, quote (CPQ) software application that lets buyers configure highly complex products with contract pricing; the system will then automatically generate quotes that sales reps electronically share with customers in an effort to close the deal.



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—Justin Racine, director of commerce consulting, Perficient

Racine says information a rep gathers from speaking to a customer also can be fed into the website's personalization engine. "If the customer has inquired about a new product or project, is that reflected in what they see when they come to the website?"

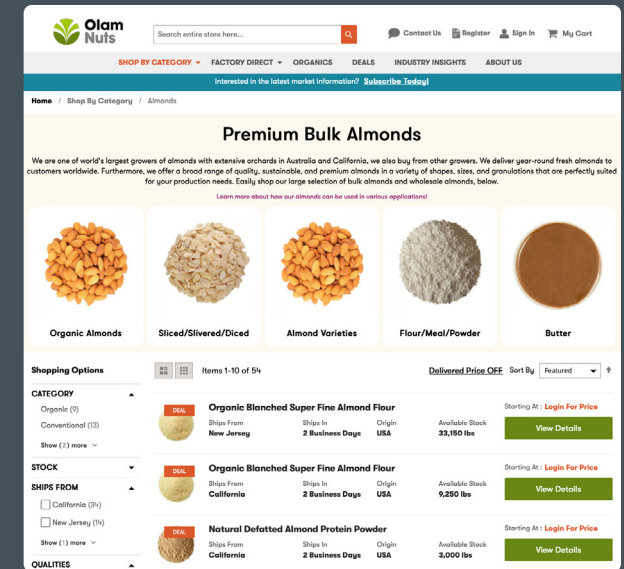
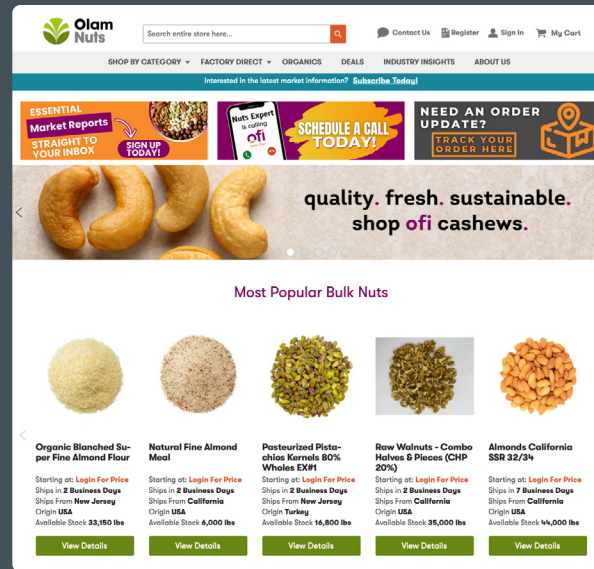
Sales reps can also be notified when a customer takes an action on the website, such as adding a product to a shopping cart or viewing a product. Then the rep can follow up to close the sale.

Another way to involve salespeople is to put the sales rep's contact information on each customer's online account page, says Ed Kennedy of Adobe.

“That can facilitate the customer going from the site to the rep,” he says. “A little thing like that can make a difference.”

Nut producer Olam Nuts relied on its sales reps to walk customers through the website onboarding process and educate them on how to order online after it redesigned OlamNuts.com to make it easier for smaller companies to order.

The company’s aim was to free up sales reps from routine tasks so they could focus on finding new customers and generating additional revenue from existing buyers. The initiative has proven beneficial both for customers and the sales reps. Once customers try online buying, 83% regularly purchase that way. Meanwhile, manual interactions on a typical order have gone from three to 0.5, the company says.



After Olam Nuts redesigned its site to make it easier for smaller companies to order manual interactions on a typical order have gone from three to 0.5.

ATTRACT MORE ONLINE BUYERS

But the biggest challenges companies of all sizes face are getting out the word about their products and attracting new online buyers. Many companies put up barriers to new potential customers, by limiting access to their product detail pages to approved customers, says Justin Racine, senior commerce consultant at Perficient. That can be fixed, he says.

The problem is that any product detail page blocked by a log-in requirement won't be visible to search engines like Google. And if they aren't visible to Google, they won't show up in search results where they might attract new customers.

"We're seeing some manufacturers removing those barriers in hopes of attracting new customers to generate new revenue," Racine says. In some cases, they require a log-in to see prices, but let anyone see the company's products and specifications. That's an

example of adapting old policies designed to keep proprietary data hidden from competitors to the new opportunity provided by a digital economy.

Going further, the manufacturer could let that as-yet-unregistered user order a sample with a credit card, says Karie Daudt, a director of commerce strategy at Perficient. "That can become a lead, and ultimately a new customer," Daudt says. ■

BOTTOM LINE

Large companies, with more resources to pour into ecommerce, are more successful in areas like personalization, and smaller companies are hoping to catch up in 2023. Many companies of all sizes are still working on how to more effectively leverage data collected in one channel to improve marketing and customer service in other channels.



TECHNOLOGY CHOICES AND GAINING INTERNAL ALIGNMENT

Manufacturers, wholesalers and distributors are preparing for expected growth in B2B ecommerce by exploring new technology — even though many say they are satisfied with the ecommerce platform that underpins their transactional website.

Experts project business buyers will increase their online purchasing. Research and advisory firm Astute Analytica forecasts a 14.1% compound annual growth rate in global B2B ecommerce from 2022 to 2027, reaching \$18.8 billion. In the U.S., B2B ecommerce will grow by 10.7% annually during that period and will account for 24% of all B2B sales by 2027, up from 16% in 2021, Forrester Research says.

Given that projected growth, it's no surprise that B2B companies would put ecommerce platform and applications at the top of their tech shopping list for 2023. That's closely followed by digital marketing applications and customer and site analytics solutions.

B2B SELLER INSIGHTS

TOP TECHNOLOGY INVESTMENT PRIORITIES FOR B2B SELLERS

What are your top three technology budget priorities over the next year?



Source: Digital Commerce 360 survey of 151 B2B sellers, September 2022

Larger firms are more focused than smaller ones on payment and security investments (28.9% to 15.8%). That may reflect the greater likelihood that larger firms are launching ecommerce sites in new countries where they may need to offer popular local payment options and address new security issues.

More smaller companies are prioritizing order management (32.9% to 18.1%) and technology for building their own marketplaces (18.4% to 3.6%.) It's a sign of the growing appeal of B2B marketplaces that several vendors have emerged offering software that enables even mid-sized and smaller companies to invite outside firms to sell on their ecommerce sites.

It's noteworthy that only 13% of respondents are investing in what's known as "headless commerce," which separates what website visitors see on a website from the back-end ecommerce systems. That's touted as a way to provide additional flexibility in website design. But it adds complexity to site design and management as it requires continual data exchanges between the front-end presentation layer and back-end systems.



The headless approach may be best suited for organizations with the IT resources to ensure the smooth flow of data between systems. In our survey, 14.8% of larger companies cited headless as a priority versus 11.8% of smaller ones.

Despite a lot of publicity about headless, it appears relatively few B2B companies are going that route.

GOALS OF ECOMMERCE INVESTMENT

Respondents' No. 1 reason for investing in ecommerce is to attract new customers, cited by 69%. 54% hope to enhance their sites to improve customer experience, with 42% specifically pointing to improved personalization as a goal.

Retaining customers was cited by 51%, with 40% noting they hope to generate more business from existing buyers. Improved conversion rate, selected by 50% of respondents, is for many companies a key to improving online sales, both from new and existing customers.

It's worth noting that 40% aim to improve their mobile shopping experience and 32% to increase traffic and sales from mobile commerce. While some business buyers are sitting behind a desk when researching and buying online, oftentimes they are out in the field, on a factory floor or at a construction site. Catering to those mobile users is a key to growth for many B2B sellers.

B2B SELLER INSIGHTS

SPENDING DRIVEN BY DRIVE TO ATTRACT AND RETAIN CUSTOMERS

What are your main reasons for spending more on ecommerce technology over the next year? (Multiple responses allowed.)



Source: Digital Commerce 360 survey of 151 B2B sellers, September 2022

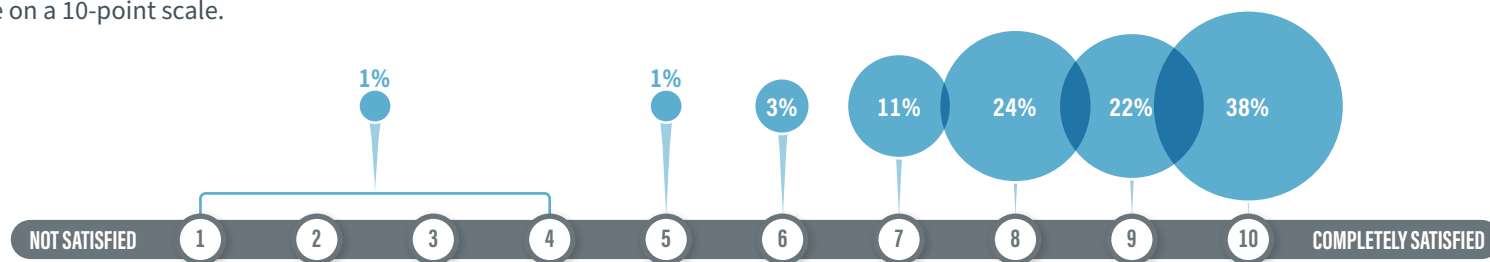
ECOMMERCE PLATFORM PREFERENCES

Even though ecommerce platforms and related applications top B2B companies' shopping lists, it's not that they're overly dissatisfied with their existing platforms. In fact, more than 80% of the companies surveyed gave their technology a rating of 8 or above on a 10-point scale.

B2B SELLER INSIGHTS

MOST SELLERS ARE SATISFIED WITH THEIR ECOMMERCE PLATFORMS

On a scale of 1-10, where 10 is completely satisfied, how satisfied are you with your current ecommerce platform?



Source: Digital Commerce 360 survey of 151 B2B sellers, September 2022

Finally, the survey asked whether companies favor developing and hosting their own ecommerce platforms or outsourcing the development and/or hosting work to outside companies. No consensus emerged, a sign that many companies remain determined to control their own technology—or may have legacy systems in place they're not ready to replace—while others rely on vendors' expertise.

B2B SELLER INSIGHTS

SELLERS ARE EVENLY DIVIDED ON PLATFORM TECHNOLOGY PREFERENCES

When evaluating a new digital platform, which approaches are you most likely to take or which are in your consideration approach?

21% Internally developed and externally hosted

20% Multi-tenant SaaS (software as a service), in which a vendor hosts software used by multiple clients

20% Commerce software hosted externally in a single-tenant environment

20% Internally developed and internally hosted

19% Commercial software hosted internally

Source: Digital Commerce 360 survey of 151 B2B sellers, September 2022

Roughly twice as many companies with annual revenue above \$500 million want to keep technology development in-house than those with revenue under \$500 million. A majority of both smaller and larger firms prefer to host their ecommerce sites in external data centers, an indication that the maturation of cloud computing has convinced most companies that it's a cost-effective and reliable option. ■

BOTTOM LINE

B2B companies have a long technology shopping list. Upgrading their ecommerce platform and applications is a top priority, but that doesn't necessarily mean replacing the platforms that underpin their websites. Companies are also looking to upgrade related applications to improve customer experience and, in a minority of cases, to move to headless commerce to give their designers and merchandisers greater flexibility.



6 RECOMMENDATIONS FOR AN UNCERTAIN FUTURE

Here are six recommendations for digital strategies likely to produce optimal results in uncertain times.



1. Use website data to improve personalization.

“Companies underrate the value of data they capture from their ecommerce sites,” says Ed Kennedy of Adobe. Analyze high-intent, first-party data, such as from site search, to see what buyers are looking for and the search terms they use, show customers what similar buyers are purchasing, and identify categories where sales are rising or falling.

“Auditing site search results can tell you a lot about customer preferences and needs faster than market research,” Kennedy says. Companies should use this first-party data to personalize the B2B ecommerce experience, including by automating triggered messages to buyers before and after making a purchase.



2. Encourage confidence through transparency.

It's no longer enough for an ecommerce site to show how much inventory is on hand; buyers want to know where it is and how soon it can be delivered to their locations, says Karie Daudt of Perficient.

“Is it on a ship waiting at a backlogged port? Lots of companies don't want to show that, because they want the flexibility to move things around,” Daudt says. “But those days are over. Transparency is what drives loyalty.”



3. Attract new customers with smart SEO.

Many buyers are turning to search engines to find new suppliers, seek better prices and locate available inventory. Analyze the query terms being used on search engines to find your products and make sure your web pages feature those words and phrases. Make sure critical content on your site is visible to search engines like Google and the buyers who use them, so that links to your site show up high in search results for those potential new customers.



4. Adapt personalization to the B2B context.

Unlike in B2C, it's not a buyer's personal preferences that matter in B2B, but what they need to do their job efficiently, says Lisa Berry of Gorilla Group. Tailor content and options to the buyer's role and to the kind of company they work for. "You need to take the user out of the mix and focus on the corporate entity and the role of the user," she says.



5. Develop a strategy for efficient international expansion.

Ecommerce offers the opportunity to sell into new countries and regions, but that requires localizing websites for language, currency, regulations, and culture. While some companies build new ecommerce sites for each new market that invariably means hiring costly local developers, Kennedy says. It's often more cost-effective, he says, to build new sites off a standard design and codebase, while leaving areas of each country's website free for local teams to tailor to their customers.



6. Make small changes customers want now.

Too many companies try to solve all their ecommerce problems with a big project that can take years to complete, Daudt says. She says it's better to address the biggest pain points quickly and in small steps. That could be adding a payment option customers are asking for or enabling them to split an order for delivery to different warehouses or on different dates. "Don't wait for the big bang of a new commerce platform or another major initiative," she says. "Small improvements show customers you're listening to them." ■

ABOUT ADOBE COMMERCE

Adobe Commerce is the world's leading digital commerce solution for merchants and brands. With Adobe Commerce, you can build engaging shopping experiences for every type of customer—from B2B and B2C to B2B2C. It's built for enterprise on a scalable, opensource platform with unparalleled security, premium performance, and a low total cost of ownership. Businesses of all sizes can use it to reach customers wherever they are, across devices and marketplaces. It's more than a flexible shopping cart system. It's the building block for business growth.

[Learn more about what Adobe Commerce can do for your B2B business.](#)

