



HOW TO

OPTIMIZE YOUR B2B ECOMMERCE SITE

BASED ON YOUR INDUSTRY AND CUSTOMERS



online
business systems

ECOMMERCE ADOPTION IS INCREASING

The Distribution Strategy Group recently released some findings from October – to December 2021 that illustrate the adoption of eCommerce solutions:

26%

Increase in B2B
eCommerce sites

8%

Increase in eCommerce
revenue

10-20%

Average B2B revenue
contributed to
eCommerce

What do we expect the top-end eCommerce revenue to be? The final picture is unclear, but there are examples where distributors like MSC Industry Supply reported that **50-60%** of their overall revenue came from eCommerce and other digital tools.

In this paper, I want to look specifically at how you can help your organization maximize eCommerce revenue by focusing on two critical characteristics:

1. Product assortments and logistics
2. The B2B customer journey





PRODUCT ASSORTMENT & LOGISTICS

COMPLEX OR STRAIGHTFORWARD?

The distributors' or manufacturer's adoption of eCommerce is related to the type of product assortments they sell and associated logistics. For example, a B2B company with broad and straightforward product assortments and delivery will require standard eCommerce capabilities. In contrast, a B2B company with a complex product assortment or logistics requires special attention to ensure its eCommerce features align with the company's value proposition and complexities.

Complex assortments – Requires a more sophisticated site

Distributors and manufacturers that offer complex products or intricate logistics require eCommerce features and supporting processes different from those with simple products and typical small-pack fulfillment requirements – this seems logical. In a more complex environment, the eCommerce site can include access to focused information, easy customer dialogue, and special services along the entire customer journey, from researching and evaluating complex products to planning the fulfillment, followed by helping to ensure a successful installation.

The following table lists examples of those eCommerce supporting features by product/logistic characteristic.

Product/logistic characteristic	Additional Enhanced eCommerce Features
Are highly technical to shop for	Detailed product specifications Videos, rotating images Augmented reality descriptions
Can be altered or configured	Assemblies Kitting Product configurators
Require in-depth information to set up, use and support	Technical specifications and guides Augmented reality instructions Video calls Webchat
Require particular types of storage and transportation	Checkout and delivery options

Most of the capabilities on this list drive revenue through the shopping cart. They add direct value to customers and play a vital role in customer loyalty. Hence these features are critical for these companies to succeed in eCommerce and drive the most revenue.

And here's the bottom line. We commonly see that B2B companies with complex product assortment and have not yet adopted advanced eCommerce features fall behind their competitors at a much faster rate than might have occurred before. Being able to meet your customers' needs and expectations is no longer optional. If they can't get access to your products online in a simple way – they will go elsewhere.

A welder wearing a yellow hard hat and a white safety mask is working in a dark industrial environment. Bright sparks are visible in the foreground, creating a bokeh effect. The welder's hands are wearing yellow gloves. The background shows industrial structures and pipes.

**If they can't get access to your
products online in a simple way –
they will go elsewhere.**

Simple assortments – You may be vulnerable to severe competition from Marketplaces

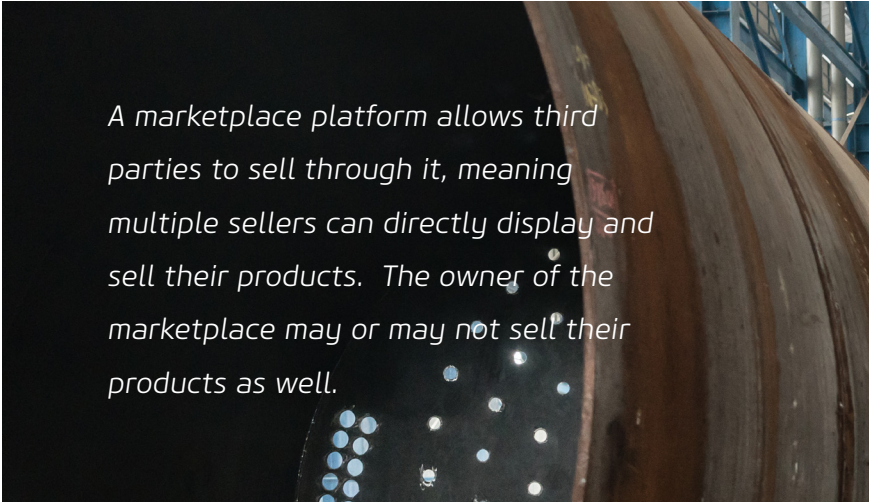
Marketplaces add another dimension to how your customers make purchase decisions.

Marketplaces are great options for simple products with direct fulfillment because the marketplace business model keeps the cost per new supplier and new customer near zero.

The wholesale distribution companies with low complexity products and simple logistics are the most vulnerable to marketplaces such as Home Depot Pro for MRO, Walmart for Business which includes Janitorial & Sanitation Supplies, and Amazon B2B for MRO & Industrial. Besides the appeal of the marketplace's one-stop-shop, endless aisle business model, these marketplaces are a threat because they may limit their

offerings to competing brands, control your customers' access, or white label their own competing products. In contrast, manufacturers and wholesale distributors with complex products and logistics enjoy relatively broad moats around their customers, with features the marketplaces do not offer, making it difficult for marketplaces to encroach on their business.

B2B companies with straightforward product assortments and logistics need to find opportunities to compete with the marketplace, such as a heightened focus on your customer's journey.



A marketplace platform allows third parties to sell through it, meaning multiple sellers can directly display and sell their products. The owner of the marketplace may or may not sell their products as well.



DIGITAL SERVICES THAT SUPPORT THE B2B CUSTOMER JOURNEY

eCommerce website - a digital hub of multi-channel services

The B2B customer journey crosses multiple channels from person to person, remote and digital. Each channel contributes to the final purchase's success. For example, the journey may start at the eCommerce website, but the final sale may occur via email, phone, branch, or procurement department/software.

In addition, for this omni-channel journey to be efficient, seamless and frictionless, the customer may require information, have questions, or need access to a relevant service, no matter what channel they use for the journey step.

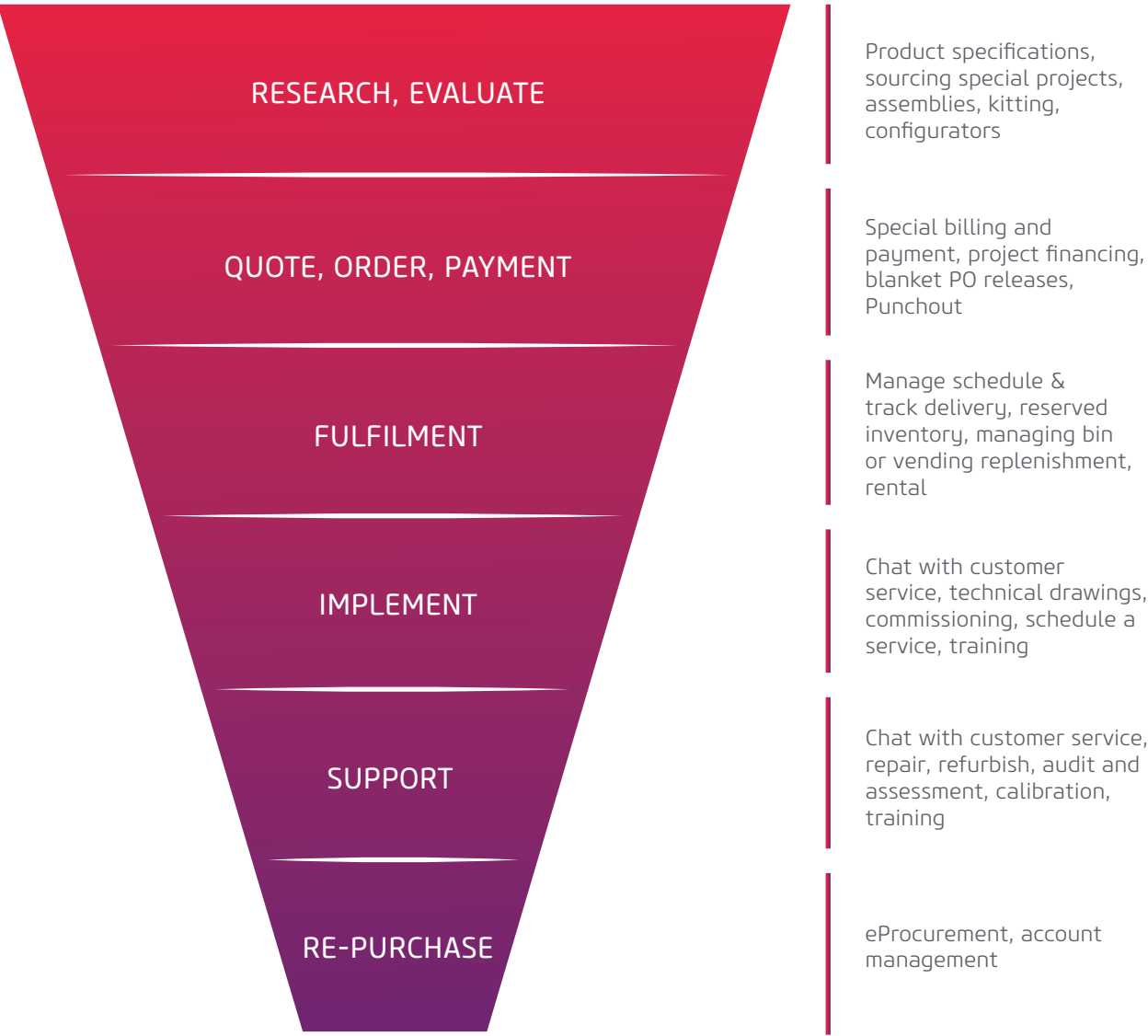
Distributors and manufacturers seeking to maximize success with online capabilities need to start by acknowledging that shopping cart sales should not be the only mission of the company's eCommerce website.

There is an opportunity to leverage the eCommerce website by extending its capabilities to become a digital hub of information and services supporting each step in the journey. At each step of the customer journey, the website can be the go-to place to provide tools and knowledge to help complete that step, even though it may not be related directly to eCommerce. This opportunity exists regardless of whether the company's product assortment is complex or straightforward.



Providing the appropriate digital value-added services can make the customer’s job easier and more efficient during the journey. Examples include changing fulfillment requirements after the products have been ordered, scheduling re-furbish or calibration services or offering manuals or guides. As a result, the eCommerce website becomes a self-service portal, focusing on supporting their entire journey.

Typical value-added services that support the steps in the customer journey are listed below:



The capabilities on this list do not necessarily drive revenue directly through the shopping cart. Still, they add value to customers and play a vital role in customer loyalty and defence against competitors and insurgents such as marketplaces. These capabilities may not be in your first release, but they should be planned.

MSC Industrial Supply is a leader in providing value-added services. MSC has 50-60% of its overall revenue from digital tools. MSC is acutely focused on their eCommerce website and other digital tools to foster higher loyalty and retention levels. Some of their digital value-added services include:

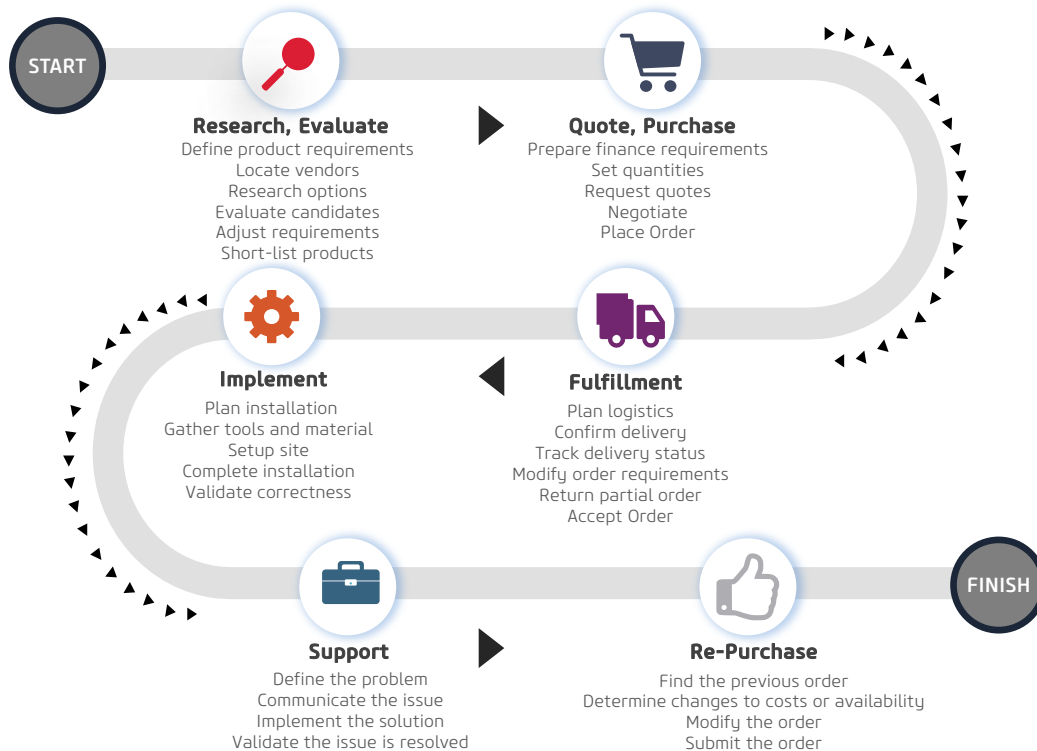
- Vendor managed inventory
- eProcurement
- Inventory management mobile app
- Procurement cards
- Safety assessment, training, and guidebook

How can your organization find opportunities to solve unmet needs?

It starts by understanding the unmet needs of your customers related to their research, purchase, implementation, and support journey with your company and products. To accomplish this, define the jobs they are trying to achieve at each step, understand their experiences, desired outcomes and where they are unsatisfied with the results. Then, look for opportunities to resolve the critical unmet needs with new features, information, or service your eCommerce site can host.

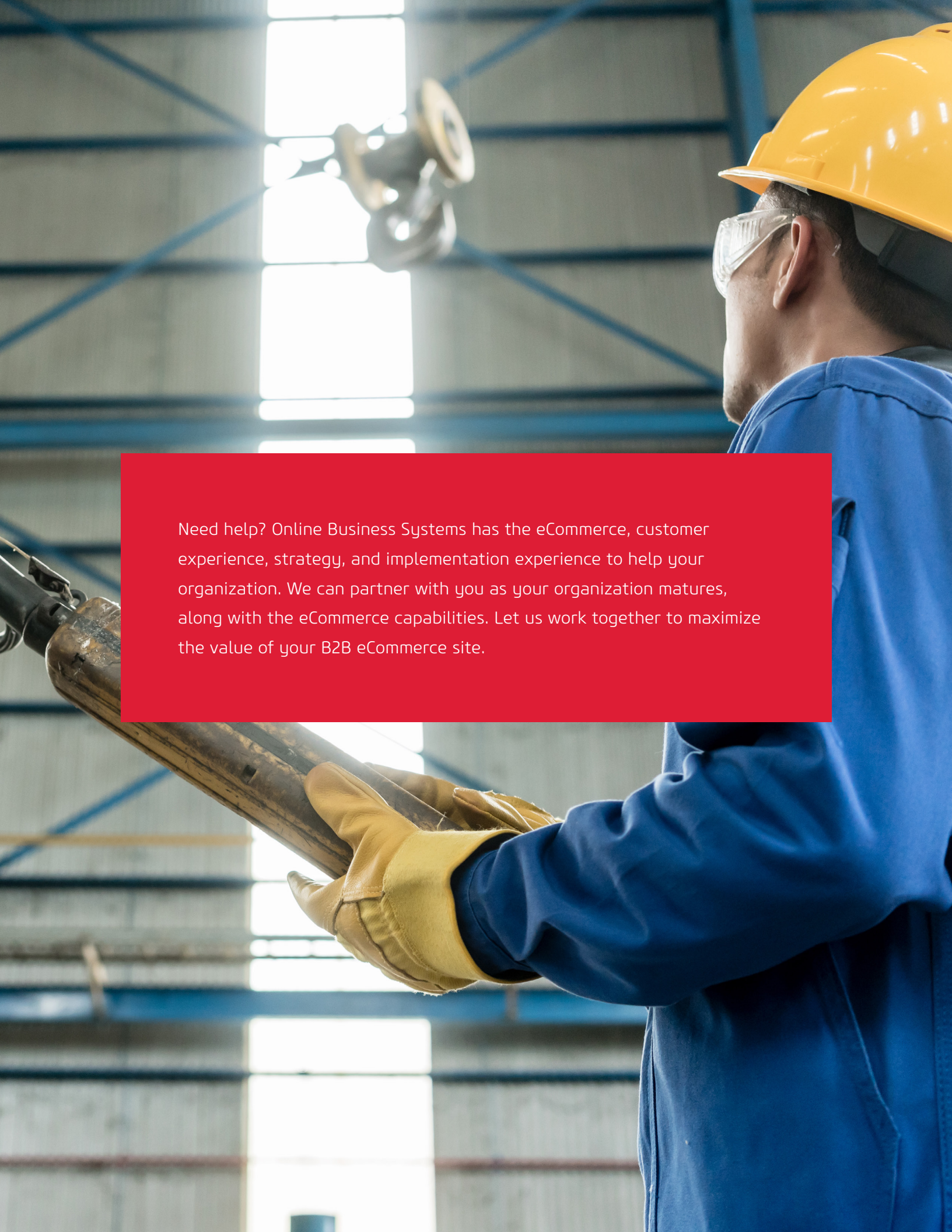


Here is an example job map of activities tied to each step of the customer journey.



In conclusion, to maximize your eCommerce revenue and maintain customer's loyalty, your strategy should include creating a customer experience and value-added services tailored to the nature of the industry you serve and your customer's unmet needs. Where to start? You may want to begin with assortments with the best ROI or pressing needs. Analyzing the critical unmet needs may identify an opportunity for a differentiating, unique innovation.





Need help? Online Business Systems has the eCommerce, customer experience, strategy, and implementation experience to help your organization. We can partner with you as your organization matures, along with the eCommerce capabilities. Let us work together to maximize the value of your B2B eCommerce site.



OroCommerce, a pioneering eCommerce platform made for B2B businesses, redefines the benchmarks for best-in-class customer experience. By providing a diverse range of B2B features and capabilities, such as personalization, localization, intelligent marketing tools, powerful reporting, and groundbreaking segmentation, OroCommerce is the only true B2B eCommerce platform made for manufacturers, distributors, wholesalers, retailers, and brands.



Founded in 1986, Online Business Systems is North America's leading Digital Transformation and Cybersecurity consultancy.

We help enterprise Clients by designing improved business processes enabled with secure information systems.

Our unsurpassed delivery, our people, and the Online culture of loyalty, trust and commitment to mutual success set us apart.

 **Results. Guaranteed.**