

8 things B2B organisations can learn from B2C eCommerce

Lessons from the B2C eCommerce masters





With the global B2B eCommerce market set to hit US\$6.7 trillion (£4.3 trillion) in sales by 2020ⁱ, B2B will dwarf its B2C cousin (forecast to reach US\$3.2 trillion (£2.1 trillion) in worldwide sales in the same period).

However eCommerce is first and foremost a B2C discipline. B2C has benefitted from a 15-year head start, during which many valuable lessons have been learned and best practices codified. B2B organisations stand to benefit greatly from the B2C sector's relative maturity and experience.

Increasingly sophisticated B2C eCommerce experiences are driving up B2B buyers' expectations. And with 49% of B2B buyers stating that they prefer making work-related purchases on B2C websitesⁱⁱ, B2B organisations must learn quickly from their B2C counterparts, to offer customers a user-friendly online shopping experience.

For those B2B businesses that get it right, there are rich rewards in store - including increased revenue, a wider reach, improved customer satisfaction and loyalty, to name a few.



HOW DO B2B AND B2C DIFFER?

- ▶ **Pricing:** Whereas B2C retailers tend to offer fixed prices, B2B organisations have highly variable pricing, as well as contractual pricing agreements with some customers
- ▶ **Order volumes:** In B2B, order volumes tend to be much higher than in B2C, often with a wider product range and more bulk orders placed
- ▶ **Fulfilment:** Varied pricing levels and high order volumes inevitably make fulfilment much more complex for B2B organisations, who need to offer flexible shipping and logistics solutions to customers
- ▶ **Marketing:** The B2B sales and marketing cycle tends to be much longer than its B2C equivalent; plus B2B marketers must sell to both the individual with whom they interact and the business as a whole
- ▶ **Organisational structure:** The B2C landscape is more fragmented and competitive than B2B, which means the pace of change and innovation is faster. By contrast, it can be difficult for B2B organisations to transform legacy organisational structures, processes and attitudes when moving to eCommerce

8 lessons from the world of B2C eCommerce

- 1. Make convenience your top priority:** According to Forrester, B2B buyers increasingly expect a B2C-like shopping experience, incorporating aspects such as price transparency, immediacy and convenienceⁱⁱⁱ
- 2. Don't let technology be a distraction:** Make sure you plan out and implement a clear technology roadmap and work with eCommerce experts, so you can focus on trading
- 3. Don't ignore mobile:** More than half of B2B buyers are using smartphones to research products for their businesses^{iv}
- 4. Hire people who understand eCommerce:** Having the right people on board, with a blend of eCommerce and B2B specialist knowledge, as well as the optimal organisational structure and incentives are key to the success of your operation
- 5. Optimise the digital marketing mix:** B2B organisations can benefit from many of the digital marketing strategies favoured by B2C retailers, to boost both customer acquisition and retention
- 6. Learn how to merchandise online:** Tried and tested merchandising techniques from the B2C retail sector can be used to enhance your eCommerce site and boost revenue
- 7. Make the most of your data:** Use your customer data to understand your customers better and provide highly targeted cross-sell offers
- 8. Reward your loyal customers:** Recognising and rewarding your most loyal customers is an essential part of customer retention

1: Make convenience your top priority

WHAT'S HAPPENING IN B2C ECOMMERCE?

B2C organisations are constantly looking for ways to make the online shopping experience more user-friendly and convenient for their customers, by removing barriers to purchase and ensuring they deliver on their customer promise. This encompasses everything from including an order tracking feature, to showing up-to-the-minute stock availability for individual products, to introducing a single click re-order feature.

B2C organisations across many sectors – including Birchbox, Netflix and Graze – have successfully introduced subscription services, which not only offer customers convenience, but also guarantee retailers recurring revenue and upsell opportunities.



HOW CAN B2B ORGANISATIONS LEARN FROM THIS?

It's clear that B2B buyers increasingly expect the same levels of convenience in their workplace transactions as they experience as B2C customers. In fact, almost 75% of B2B buyers now say that buying from a website is more convenient than buying from a sales representative, and 93% say they prefer buying online once they've decided what to buy.^v The digital era requires a new B2B proposition, which balances the efficiency of digital channels against the personal touch of human interaction - and convenience is a major factor in this. Some key areas to consider are:

- ▶ **Customer service:** Is one-to-one interaction important? If so, you may want to consider incorporating live chat and 'request a call-back' into your site, so your customers can interact with you at their convenience
- ▶ **Subscription services:** Subscription models can work for the B2B sector in much the same way as the B2C examples noted above. Depending on your product or service, you might consider introducing features such as single-click re-order and subscriptions, which make it easier for customers to buy the same thing at regular intervals
- ▶ **Account creation:** Consider how you can make user account creation self-serve and as transparent as possible, to encourage new customers to sign up. Be clear about what the process entails, for example by listing the steps involved and keeping new customers updated on the process
- ▶ **Order tracking:** This is a key feature from B2C eCommerce that can be adopted by B2B organisations. Allowing your customers access to up-to-date order status – from payment confirmation through to dispatch and delivery – will not only increase customer satisfaction, but also free up account managers' time to focus on more complex transactions and upselling

2: Don't let technology be a distraction

WHAT'S HAPPENING IN B2C ECOMMERCE?

There are numerous eCommerce solutions available today, with Salesforce Commerce Cloud (formerly Demandware), Magento and SAP Hybris among some of the most commonly used by B2C retailers. Many B2C organisations decide to work with a partner to manage the technology so they can focus on trading the site.

Successful multi-channel organisations focus their energies on ensuring their technology stack is well integrated for a seamless end-to-end experience. Central to this is mapping out the technology landscape and integration blueprint before getting started, rather than simply “adding on” eCommerce-related technologies, which can result in a siloed, disorganised approach that ultimately wastes both time and money.

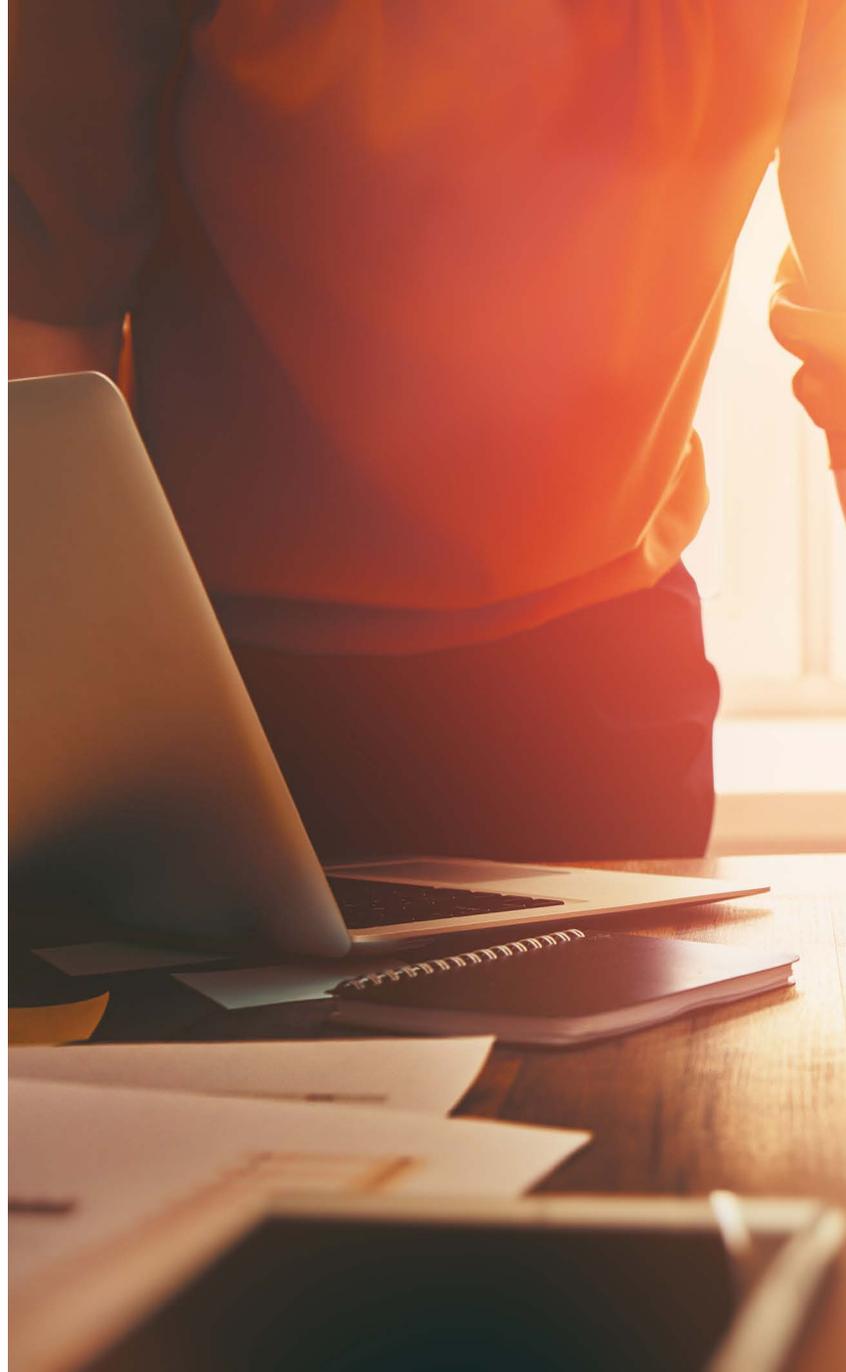


HOW CAN B2B ORGANISATIONS LEARN FROM THIS?

There are similarly a number of full-service vendors that offer purpose-built B2B platforms, such as Hybris B2B Commerce, so there is no shortage of choice. But it's important to choose the right platform and integration partner for your business. As in the B2C sector, many B2B organisations find that it's ultimately more cost-effective to invest in a comprehensive system, which integrates features such as inventory and order management systems with the customer-facing eCommerce application.

But most important is to plan out a technology roadmap, to avoid organisational silos and ensure the required resources are in place. Your chosen eCommerce platform should be “pluggable”, to easily integrate any new systems into the ecosystem as your business evolves. A TCO (total cost of ownership) model can be used to evaluate the relative costs and benefits of new technologies, and to help you develop a business case for a new eCommerce platform or any new systems.

And don't forget to continually re-evaluate and adjust your technology roadmap as necessary, with an eye on the customer and their cross-channel journey with your company.



3: Don't ignore mobile

WHAT'S HAPPENING IN B2C ECOMMERCE?

With global mobile users now outnumbering desktop users^{vi}, it's not surprising that the vast majority of B2C retailers have implemented responsive, mobile-friendly websites to meet their customers' changing needs. A continuing trend in B2C eCommerce is omni-channel; that is the dissolution of the channel as a concept, enabling customers to buy, receive and return seamlessly across all touchpoints – including mobile.



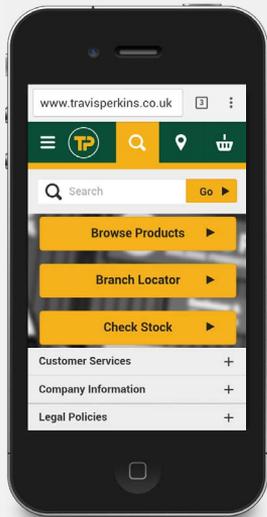


FIGURE 1



FIGURE 2

HOW CAN B2B ORGANISATIONS LEARN FROM THIS?

B2B organisations should be no different in their approach. As in B2C, B2B buyers are increasingly using mobile devices and tablets to research products, gain approval for transactions and carry out online purchases. In fact, a recent Forrester study showed that 54 per cent of B2B companies selling online report that their customers are using smartphones to research products, while 52 per cent are using their device to make online purchases^{iv}.

Busy B2B customers, particularly in high-pressure environments, appreciate the convenience of being able to place orders on the go, and a well regulated and mobile optimised site is a key part of this. Those B2B brands that prioritise mobile – to offer a consistent omni-channel experience and provide to-the-minute sales opportunities directly to the field – are the ones that will succeed. Google provides a useful Guide for Mobile-Friendly Websites^{vii}, which serves as a good starting point for ensuring your site is mobile optimised. Keep your mobile site clean and user friendly to boost conversion rates (see figures 1 and 2 for examples from Travis Perkins and Salesforce).

4: Hire people who understand both B2B and eCommerce

WHAT'S HAPPENING IN B2C ECOMMERCE?

The latest trend among B2C retailers is towards restructuring the eCommerce function around the customer, with titles such as chief customer officer becoming increasingly widespread. This development highlights the relative maturity of the B2C eCommerce market, where the vast majority of retailers have, as a minimum, a dedicated eCommerce team. This means not only that there is there a growing pool of eCommerce specialists, but also that B2C retailers benefit from clear ownership of the eCommerce function.



HOW CAN B2B ORGANISATIONS LEARN FROM THIS?

By comparison, B2B eCommerce is a relatively new field, meaning that it can be difficult to get the right people with the right skill set. When it comes to B2B eCommerce, your new recruits need a unique blend of B2B retail understanding, eCommerce knowledge and analytical skills. A recent Forrester research report highlights the value of incorporating B2C staffing strategies into B2B eCommerce^{viii}. Recognising the valuable eCommerce experience available in the B2C sector, many B2B organisations are looking to successful B2C eCommerce groups to poach talent to staff their own operations – with the hope of applying some of the lessons learned to their own eCommerce operations.

Recruiting the right people is not the only challenge when it comes to people. Management and organisational buy-in is critical to the

success of your eCommerce site. Senior management must decide where the eCommerce function will sit, so that someone has ownership and it doesn't become an IT task by default. The eCommerce function will likely involve a combination of marketing, sales and IT, and many organisations decide to work with a partner to manage the technology so they can focus on trading the site.

At the same time, you need the buy-in of your business development team. Some organisations find that sales staff are reluctant to adopt eCommerce as they fear their customers will go online and no longer need them. Instead you should highlight that eCommerce sites complement the service provided by account managers, by freeing them up from handling routine reorders and allowing them to focus on cross-selling and upselling value-added services and products.

5: Optimise the digital marketing mix to acquire and retain customers

WHAT'S HAPPENING IN B2C ECOMMERCE?

Marketers in the B2C retail space employ a wide range of digital marketing strategies to acquire and retain customers – from content marketing and social media to SEO and personalised landing pages. And there are various marketing automation tools available to facilitate digital marketing efforts, including Responsys, CheetahMail and Salesforce Marketing Cloud.

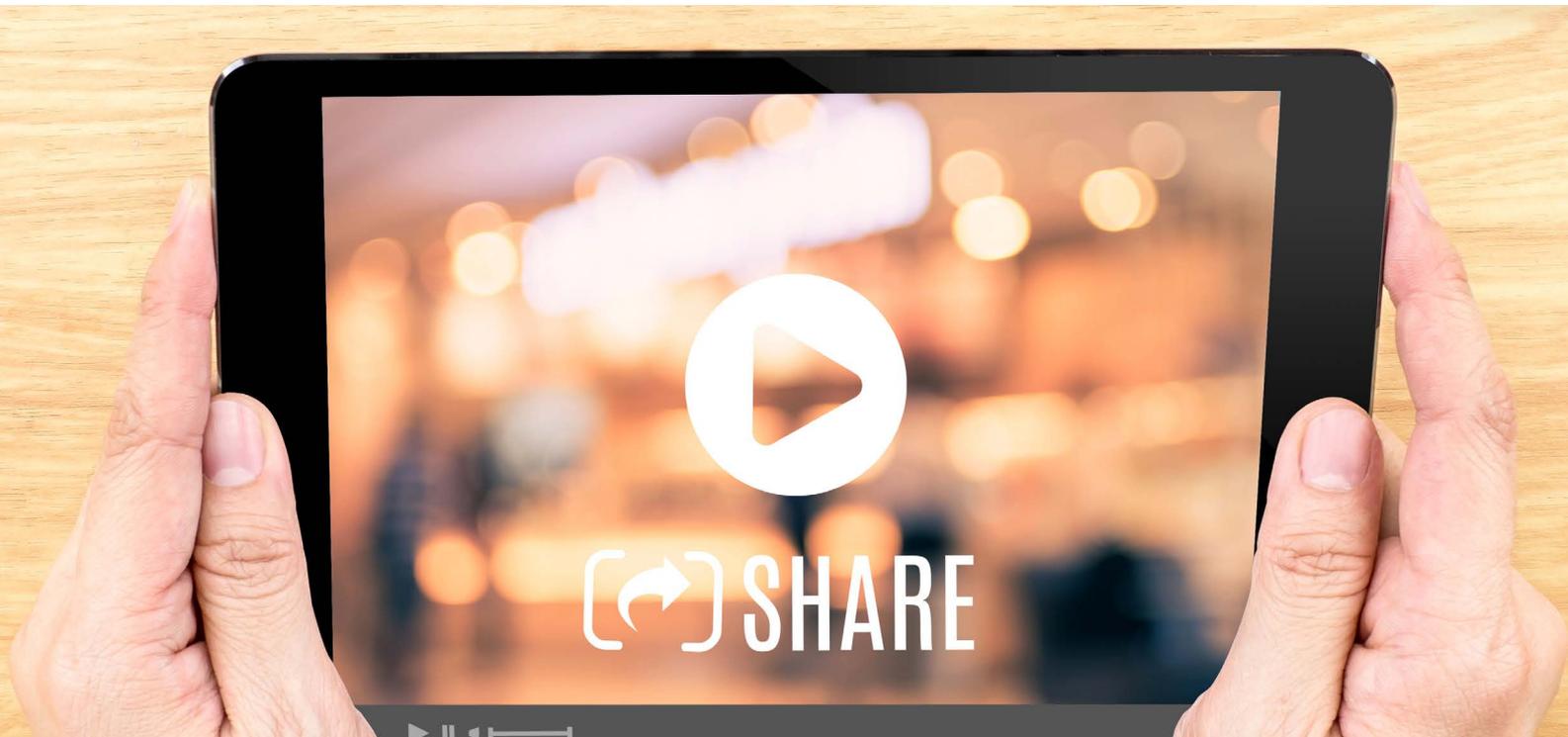




FIGURE 3

HOW CAN B2B ORGANISATIONS LEARN FROM THIS?

B2B organisations have traditionally focused on offline promotional channels, but times are changing – 69% of B2B companies expect to stop publishing their print catalogues by 2018 according to Forrester^x – and B2B organisations must place a greater focus on the digital elements of the marketing mix, like their B2C counterparts.

Some key areas to consider are:

- ▶ **SEO:** 72 per cent of B2B buyers said they typically start their research for products and services they buy for work on search engine websites^x, so it's vital to invest in SEO
- ▶ **Email marketing and personalised landing pages:** In the same way as B2C, many B2B organisations use marketing

automation software such as Marketo or Eloqua to run their email marketing campaigns, leveraging the valuable A/B testing and personalised landing page capabilities among other features

- ▶ **Social media:** Similarly, B2B organisations shouldn't underestimate the power of social media in boosting SEO and driving traffic. Sharing relevant content and tips via social media channels, or running social media competitions, can boost customer interaction and website traffic
- ▶ **Content marketing:** Use compelling content - both internally-created and user-generated - such as blogs, testimonials, demonstration videos and FAQs to drive customer engagement and loyalty. eCommerce platforms often incorporate

useful templates to help you add relevant content and boost your credibility amongst your target audience. Topps Tiles, for instance, produces regular “how to” videos to educate and entertain visitors (see figure 3)

- ▶ **Community building:** As a B2B organisation, you have the difficult task of demonstrating value to both the individual you're interacting with and the business as a whole. Through your eCommerce channels, you must find new ways to engage with and educate customers on products, features and promotions, by creating valuable, user-friendly content. It might also be useful to encourage customers to engage with one another around how they are finding success with your products. Consider how social channels or a dedicated forum can be used to achieve this. Keep the objective of this clear, if you decide to go ahead. Community building is not about selling; it's about driving brand engagement

Nevertheless, it is important to focus on B2B needs rather than B2C. For instance, your site might not need elaborate, high-quality photography as much as a B2C site, since website visitors typically already know what they want; so including prominent links to useful pages might be more of a priority.

6: Learn how to merchandise online

WHAT'S HAPPENING IN B2C ECOMMERCE?

Merchandising is one of the cornerstones of B2C retail. In a traditional bricks-and-mortar store this might mean using gondola displays, window displays and sales assistants to maximise sales; whereas in the online store common techniques include searchandising, optimising the online planogram and navigational options, displaying related products and customer reviews, and more.



HOW CAN B2B ORGANISATIONS LEARN FROM THIS?

B2B retailers can successfully adopt many of the tried and tested merchandising techniques used in B2C eCommerce. When approaching online merchandising, your primary goal should be to help your customers find what they're looking for with as few clicks as possible. Some aspects to consider include:

- ▶ **Search function:** In a recent study by Forrester, 60% of B2B buyers surveyed named enhanced search functionality as the top feature they expect from a websiteⁱⁱ. This involves using rules-based features to bring the most relevant products to the top and incorporating aspects like synonyms and misspellings, to enable an effective search function
- ▶ **Sort order:** You also need to consider questions like: In what order should products be presented – by newness, margin, or availability? Should this sort order be personalised? Should it vary by geography? How should the online and mobile planogram be aligned?
- ▶ **Site navigation:** Think about the navigational options that make sense for your customers. For example – would it be useful to segment products by categories, by brand or by the latest offers – or all three?
- ▶ **Merchandising:** B2C-style merchandising can be used to show related products, customer reviews or to offer personalised offers or recommendations based on purchase history. For instance, catering equipment suppliers Nisbets incorporates customer reviews and a related products section into its product pages, to encourage customers along the purchase journey (see figure 4)

A commercial eCommerce platform gives you the ability to incorporate these various aspects into your site. There are also tools available to help you track search terms to learn what's important for your customers, so you can continually improve the browsing experience.

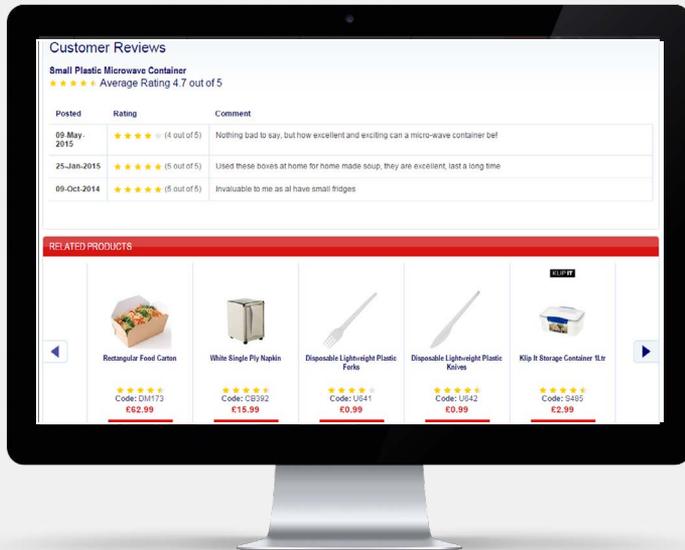


FIGURE 4

7: Make the most of your data

WHAT'S HAPPENING IN B2C ECOMMERCE?

B2C retailers harness vast amounts of data about their customers, to build up an accurate picture of each shopper and offer them highly targeted, personalised offers. And it's not just about quantitative data. Many B2C retail sites include a survey function, requesting feedback on everything from website experience to brand perception.

HOW CAN B2B ORGANISATIONS LEARN FROM THIS?

The B2B cross-sell opportunity is often large and frequently under-exploited. B2B companies know who their customers are and have access to vast amounts of data about them; yet this data is often simply collected rather than being put to good use.

Taking a leaf out of B2C retailers' books, B2B organisations should mine their data to map out the customer journey, to find out, for example, when users drop out of check-out, so that you can optimise your site. Data mining can also be used to identify any cross-sell opportunities and make customer-specific cross-sell offers.

Using data to better understand your customers and how to engage with them at every step along the path to purchase is particularly

important in the B2B sector due to the longer sales cycle. Back in 2011, a Google study found that consumers consult an average of 10.4 sources before making a purchase^{xi}. And that's just for a new dress or a weekend trip; B2B buyers are likely to consult even more sources given the volume and value of their transactions. Therefore it's vital that you understand your customers as well as you can, in order to engage with them most effectively.

Qualitative data from online customer surveys and other sources like reviews can also be extremely useful, for instance in improving product recommendations.

Data also plays a key role in forecasting. As retailers carry more and more SKUs (US top 500 retailers had a median 26,000 SKUs in 2013, up 13.2% on 2012^{xii}), forecasting is becoming increasingly significant in ensuring products are in stock and you deliver on your customer promise. The key challenge is to identify and use the best data sources – such as sales, weather, consumer reviews, social media comments and webpage views - to predict what customers will buy and ensure an efficient supply chain.

8: Recognise and reward your loyal customers

WHAT'S HAPPENING IN B2C ECOMMERCE?

Almost every B2C retailer has some form of loyalty scheme today, which is unsurprising given oft-quoted statistics such as the fact that returning customers spend on average three times more than new customers^{xiii}. Loyalty schemes exist in many shapes and sizes, including points systems, tier systems and partner offers, but all ultimately have the same objective – to retain and develop high-value, loyal customers.

HOW CAN B2B ORGANISATIONS LEARN FROM THIS?

In the B2B sector, returning customers are often even more valuable, given that many business buyers are slow to change suppliers due to internal restrictions and lengthy procurement procedures.

Variations on the traditional B2C loyalty model can be employed effectively in the B2B sector to recognise your most loyal customers, and to demonstrate to them that their continued loyalty is beneficial to both parties. There are a wide variety of potential options available, such as a traditional points system or rewarding repeat buyers with additional value-added services, corporate days out or team building opportunities.

Be wary, however, of taking a “one size fits all” approach to loyalty. Genuine loyalty can only be achieved by taking a long-term, strategic approach, and by building relationships with your clients. A loyalty programme should instead be used as a way of reinforcing your existing efforts to build relationships with your customers.



Despite the vast differences between B2C and B2B, it is evident that B2B retailers have a lot to learn from their B2C counterparts. With a 15-year advantage, B2C retailers have learned many valuable lessons on their eCommerce journey, including how to acquire and retain customers, how to merchandise online and how to ensure the right organisational structure is in place.

Isobar Commerce can help your organisation to apply these lessons, to improve your eCommerce website and your customers' experience.

FURTHER READING

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