VIRTO COMMERCE

Top B2B challenges and solutions

A white paper that provides insight into the top business and technology challenges in B2B digital commerce projects.

Table of content

Introduction

In order to better understand the most common challenges B2B vendors face and to look at how to solve them, this white paper first needs to answer one key question - why would companies in B2B choose to switch their sales model to a digital platform and switch to e-commerce? What is its main goal?

The goals of B2B e-commerce are quite different from those of B2C and thus, the ways of achieving them will also be different. B2C e-commerce targets a huge pool of customers with lower sales quantities per customer, so acquisition will be its main focus. B2B on the other hand the vendors have closer relationships with their customers. They sell high quantities of products or services to the same buyer, who is sometimes not the end consumer, such as the distribution channel. So, the main priority is to build and maintain long-term partner relations. The focus in digital commerce here is on the tools being easy and convenient to use. Furthermore, digital commerce should help B2B vendors to achieve their main goals by getting routine orders out of the way, so that field sales managers can focus on building and maintaining partner relationships rather than simply be the order-takers.

The more complex a company's approach to sales, the more it is influenced by changing times. B2B companies often focus on fewer customers than in B2C environments. With so much revenue they need to derive from each customer relationship, every B2B vendor needs to keep their eyes on the future and understand the obstacles they need to overcome. And here is where some common challenges come up. This white paper covers the top ones on the list paired with convenient solutions that quality digital commerce platforms provide.

Product assortment and filtering

Unlike the B2C sector, where everyone pretty much gets the same assortment, B2B needs to be able to adapt to different customer requirements. You may have custom bundles, tiers of product for different retailers based on the relationship you have with them or you could have other specific sales scenarios. And at the end, your B2B commerce platform needs to be able to accommodate that.

Migration of large catalogs

If you already established a large catalog, migration can be a scary and painful process. Sometimes it just is not worth taking the risks to lose critical items or create additional mess in your database, even if a new platform brings the most fantastic features. It's totally understandable.

For example, you are a B2B supplier with a massive catalog of products from which all your partners and distributors order. Your current set-up for this catalog may not be ideal, but it works, and that's what it's all about. The challenge is to migrate an entire database, which is not only enormous but also extremely valuable. One wrong move can cost a major disaster! So, no - migration is not an option.

Integration with existing PIM

The good news is that there are solutions out there that can help you avoid the nightmare of data migration by simply merging the new system with your already existing third party PIM solution.
When looking for such solutions, make sure you find a B2B commerce platform that support a commerce-based catalog, configured to handle your catalog information, or integrated into an existing PIM, you will receive the much-needed B2B functionalities as mentioned above without the risk of moving significant amounts of valuable data.

A robust and flexible B2B commerce platform also offers flexible features and structures to help you manage your digital and physical products.

" A robust and flexible B2B commerce platform also offers flexible features and structures to help you manage your digital and physical products."

Contract based pricing and quotation systems

The B2B sales industry faces significantly higher volumes and more complex transactions than B2C, including multi-level approval processes, negotiations, and so on. In terms of budget spent on online purchases, B2B digital commerce is already much more significant than B2C. Furthermore, B2B products often cost more than B2C products. Another important difference with B2C is that negotiations are standard in B2B. Your platform must be able to support all these options.

Complex pricing and payment process

Usually B2B companies offer different prices to their customers, for example, for long-term contracts or bulk orders, but also for initial purchases and numerous other orders or promotions. For this reason, it may be impossible to list a single price on the product page and payment processing may also be complex. In order to manage these fluctuations in prices, creating pre-defined rules within your B2B commerce platform allows you to determine prices at different logical levels.

For instance, if your customer orders higher volumes, submits a custom order or you are dealing with a long-term customer, the outcome of your negotiations should be reflected in your customer's personalized settings.

Contract-based price adjustments and CRM integration

B2C e-commerce software should allow you to set a price for your product, which is displayed to each customer viewing the product page. For the B2B sector, this is often not enough - a B2B commerce platform must be able to operate with contract-based price adjustments and specific terms and conditions that you develop for each particular customer. The integration with a CRM system can be an added value to be able to determine prices based on the contract and relationship of each unique customer.

Complex transactions

In addition, for complex transactions or larger orders, your B2B customer might prefer to talk to a salesperson on a regular basis. Therefore, the system should be able to support more complex interactions when a vendor is involved. The system should also allow for additional payment options, such as credit checks or verifying the status of a credit account.

Negotiated pricing and quotation system

Most B2B companies base their pricing structure on volume. When working with customers who order large volumes of products, your company negotiates different prices with different buyers based on many factors, such as purchase volumes, customer loyalty programs, etc. This challenges B2B commerce platforms. To resolve the issue, companies need to set up a platform that permits volume discounts when companies order a specified amount of a product. B2B commerce platforms must be able to reflect the customer relationship and/or specific order conditions in the pricing, as well as special offers, special shipping and delivery conditions, etc.

For instance, you may want to offer special conditions for bundle purchases, offer a gift when ordering a certain volume, adjust the price to the size of the order, provide faster shipping for this one special customer. In essence, the possibilities are endless and this is certainly not the area where you can settle for restrictions. So it would help if you ensure that the platform of your choice can easily meet such requirements.

" Meeting buyer expectations in a B2B market leads to new challenges for B2B vendors who are selecting the right B2B digital commerce platform."

Multi-vendor catalogs and customizable shopping carts

Considering that B2B digital commerce is a distinct type of sales with processes, logistics, and shipping that are very different from those in B2C, this requires a different system and a different approach. So as your business grows, it acquires more and more customers and partners, until it becomes a real challenge to add a supplier to your catalog, or deliver an updated version to every customer in your database.

Custom shopping carts

When a B2B company offers multiple product lines or different brands, it will need an e-commerce platform that supports custom shopping carts. Large companies may offer different product lines and multiple items from different vendors. In addition, buyers need to be able to easily find the products to compare prices and features. Enhanced search capabilities together with a multi-store e-commerce platform solves the challenge of managing multiple product lines and different brands. Moreover, it enables a company to sell their product or service worldwide as the software can be formatted for different currencies and foreign languages.

An example: let us say you are a big car and parts vendor. You have several dealers selling your products. Each of them gets a catalog from you, from which their direct customers can order. Every time a new dealer or location is added, they should receive the most recent version of the catalog. Suppose a new supplier is added to your system; customers can now buy branded accessories as well as cars and parts from their dealer. The catalog needs to be updated with the new products, and all your dealers, or just some of them, need to receive the updated version. Besides, you also need to keep track of who receives what and make sure everyone is up to date.

Then you decide to launch a promotion on one of your vendor's products… Does this sound like a nightmare? It should not, if you have one centralized system in the cloud to which all your dealers have easy access. Each new dealer is added to one central catalog and each dealer has its own customized profile with the specific products they sell.

" With an enhanced B2B strategy for digital commerce and the support of a robust B2B platform for digital commerce, businesses are able to address the key challenges to provide a unified buying and selling experience through an excellent digital experience and the advanced capabilities needed for B2B commerce."

Manage multi-vendor catalogs

A few clicks and done! A robust B2B commerce platform allows you to create and easily manage multi-vendor catalogs. All data on all available products and/or services of each supplier are stored in one place, are easily accessible, updated and can be shared with all parties involved. The platform supports multiple catalogs, storefronts, languages, and tax systems, which can be an essential functionality for global enterprises.

Order approval process and integration with external ERPs

Unlike B2C, which works directly with the end buyers, B2B often involves a whole distribution chain with their specific negotiations and approval processes. The challenge for B2B digital commerce therefore lies in the buying journey with its extensive discovery and validation phases and numerous decision points.

Product content

B2B buyers conduct multiple searches before engaging with a specific company and they need more information about product characteristics, advantages and features. In some instances, customers may need to understand how your products fit with other products or equipment they already have. Often companies will need multiple quotes to submit to other stakeholders for approval. As a B2B company, ensure that as much content as possible is made available to the buyer. Provide as much information as possible about specific products on the product page and supplement it with FAQs, ebooks, blog posts, white papers and other educational material that will help the customer facilitate the purchase process.

Complex approval process

Due to the complex approval process, your digital commerce platform should therefore be able to support the approval process with up to 10 different roles and the order trail should be accessible to some or all of those roles. A B2B commerce platform makes it easy to track orders and manage access and approval rights.

Let's look at another example. A distributor orders products from your company and requests a quote. This quote is based on the number of products in that order as well as on possible promotions of the vendor during that period. Therefore, the price may vary and your distributor must be able to approve or decline it, often at multiple levels within the company. It becomes even more complicated when this has to be done at a multi-vendor level, e.g. orders from individual suppliers with different quotations and approvals.

Most B2C focused software is not often confronted with these challenges and may not have a quick solution for these kinds of situations, however a good B2B commerce platform should be able to handle it.

Conclusion

In summary, the B2B digital commerce sector has its specific characteristics and unique requirements, which may not be as essential in B2C and therefore cannot be included in a regular B2C-focused solution.

In this white paper, the top challenges in the B2B sector have been highlighted that need to be addressed in your digital commerce solution of choice:

- Special product range and filter options and integration with PIM
- Contractual based pricing for each customer and quotation systems suitable for various special terms and conditions
- Support for multi-vendor catalogs and customizable shopping carts
- Complex order approval processes and integration with ERP systems

It is essential to recognize the specific challenges that the B2B sector faces on a daily basis in digital commerce and to ensure that your solution helps you overcome them easily.

About Virto Commerce

Virto Commerce is a worldwide leader in B2B digital commerce software and was founded in 2011 by industry experts with decades of e-commerce experience. Virto Commerce provides robust digital commerce technology, services, and expertise to over 100 companies worldwide. Customers of Virto Commerce strategically use the open source Virto Commerce platform to build stronger customer relationships and rapidly increase global online sales.

Learn more:

VIRTOCOMMERCE.COM

Contact us:

SALES@VIRTOCOMMERCE.COM

in **/virtocommerce**

f **/virtocommerce**

y **/virtocommerce**

VIRTO COMMERCE