



OVERCOMING THE FOUR KEY CHALLENGES TO YOUR **B2B E-COMMERCE SUCCESS**



SAP Customer Experience



B2B E-COMMERCE IS BOOMING

The technology behind e-commerce transformed the way companies and consumers do business. For B2B companies, the time has come to make the big leap forward and embrace e-commerce just as their B2C counterparts have done before. Because today, B2B buyers are conditioned by their consumer experiences and empowered by digital technologies. They expect a consistent and personalized experience in every step of their purchasing journey.

FROM MULTICHANNEL TO OMNICHANNEL

While many B2B companies have made progress in developing digital channels, most struggle with weaving these together and evolving from multichannel. As consumers, B2B buyers have learned to expect a seamless omnichannel customer experience: all channels working together efficiently. If your B2B

company can't offer this and still relies on print catalogs, then your customers can easily find your competition online with up to date pricing and availability. And yet, it's not only a matter of keeping up. E-commerce also offers you new opportunities. Now more than ever, it pays to embrace digital.

6 KEY FIGURES EVERY B2B COMPANY SHOULD KNOW

Is your e-commerce strategy taking these figures into account? These key figures by researchers and analysts all point to the same conclusion: B2B e-commerce is booming.

1 B2B E-COMMERCE DWARFS B2C E-COMMERCE.

In 2017 the worldwide global sales for B2B e-commerce reached \$7.7 trillion, more than twice bigger than the \$2.3 trillion for B2C online sales.

2 B2B SALES START WITH AN ONLINE SEARCH.

71% of B2B buyers start their research with a generic search and 94% of them uses the internet during their B2B research. Typically, they are 57% in a purchase journey before seeking contact, says Google.

3 B2B BUYERS ARE MILLENNIALS.

Forrester reports that 73% of millennials are involved in the purchasing decisions of their companies. Millennials are tech-savvy, high demanding consumers who are brought up with digital.

4 OMNICHANNEL MATTERS.

B2B companies adopting omnichannel enjoy a 2.1 times greater yearly growth than companies that don't. While increasing customer satisfaction also margins grow by up to 14.7%, the Aberdeen Group reports.

5 CUSTOMER ENGAGEMENT FOR MORE REVENUE.

According to Gartner research, B2B sellers that incorporate personalization into digital commerce will realize revenue increases up to 15 percent.

6 HIGH ROI POSSIBLE.

A Forrester case research commissioned by SAP CustomerExperience, found a 307% ROI among the 40 B2B clients that use the SAP CustomerExperience B2B e-commerce platform.

THE FOUR KEY CHALLENGES TO EMBRACING DIGITAL

B2B is traditional. Most of the revenue is offline and relies on people. Above all, B2B business is all about trust and partnership. And yet, change is ahead. Every B2B buyer who has ever bought from Amazon or Zalando, will wish for the same product information and ease of buying at his B2B seller. Online net prices and availability are a no-brainer for most B2B companies. But expected time of delivery, tailored products and sequenced project deliveries are challenges typically handled by people. Even though management and the finance department can see the clear benefits of e-commerce, people on the work floor will doubt its efficiency and even fear for their jobs. So what are the real obstacles for embracing digital as a B2B company?

BUYER DEMANDS AND SELLER SOLUTIONS CAREFULLY RESEARCHED

Forrester Consulting explored evolving business buyer demands and B2B seller omnichannel practices. For this research commissioned by Accenture Interactive and SAP CustomerExperience, they surveyed 750 B2B companies and 1,307 B2B buyers at organizations with at least 1,000 employees across North America, Latin America, Europe and Asia Pacific. They found the following four key challenges for B2B enterprises in their future digital endeavors:

- 1 B2B BUYERS ARE INCREASINGLY ADOPTING DIGITAL TOUCHPOINTS.** B2B buyers are expanding their use of digital channels to research and complete purchases. And yet, they still interact with companies through other traditional channels at some point in their customer journey. As a result, B2B sellers are tasked with building out capabilities to serve their customers' needs in every channel.





2 B2B BUYERS HAVE HIGHER EXPECTATIONS ACROSS THE PURCHASE JOURNEY. Experiences with B2C online platforms such as Amazon have also raised the bar on buyers' expectations of B2B sellers. Business buyers now demand high levels of service and personalization throughout the customer journey.

3 B2B SELLERS DON'T DELIVER A SEAMLESS OMNICHANNEL EXPERIENCE. B2B sellers understand the importance of seamless omnichannel customer engagement. However, they are still inhibited by company silos — both in terms of data and processes. Across all stages of the customer

journey, there are challenges to providing a satisfactory digital experience.

4 B2B SELLERS MISTAKE OMNICHANNEL FOR E-COMMERCE. Creating a consistent, high-quality customer experience across all channels requires more than just starting a B2B webshop. It entails a focused business technology agenda that puts the customer in the center, a culture of constant iteration and analysis, and support from a partner ecosystem to help fill capability gaps and speed time-to-market. B2B companies need to rethink their approach to customer engagement and how they invest in people, processes and technology.

MCB: STAYING AHEAD IN THE METAL WHOLESALE INDUSTRY

"People buy from people in our market. We can only go digital if we maintain our high and personal service level", says Serge Timmermans, Director Marketing & Sales MCB Business & Information Service. MCB is a Dutch wholesaler of metal products, currently experiencing increased competition. Competitors are enlarging their assortments and expanding their logistic solutions for customers. "To stay ahead, we sought to find new ways to distinguish our company in the future.

Even though most of our customers still order traditionally via telephone, fax and e-mail, there is an undeniable digitization going on in the market. A lot of our customers deliver directly to consumers, who in return are expecting digital product information and online purchase availabilities. Together with increased requirements for quality regulations, information is becoming digitized in every part of the chain."

CHALLENGE 1:

B2B BUYERS ARE INCREASINGLY ADOPTING DIGITAL TOUCHPOINTS

Building out new digital channels and connecting them with the traditional channels, has never been as important for B2B sellers as it is today. Because B2B buyers are actively incorporating digital channels into their buyer journey. That leaves sellers that have yet to develop these channels, lagging behind. But digital channels are typically not the only channels that a B2B buyer touches throughout his or her purchase journey. It's and/or. B2B sellers must find ways to integrate data from all of their channels in order to delight their customers. Forrester found the following supporting figures:

- BUYERS RESEARCH ONLINE EVEN WHEN BUYING WORK-RELATED PRODUCTS OFFLINE.**

The Forrester survey showed that 98% of global business buyers do at least some online research on work-related offline purchases.

The vast majority does online research for at least 25% of their offline purchases, with many respondents turning to online sources much more frequently.

FIGURE 1 | B2B BUYING HABITS

"Of those work-related purchases made offline, what percentage are typically researched online as part of the process?"

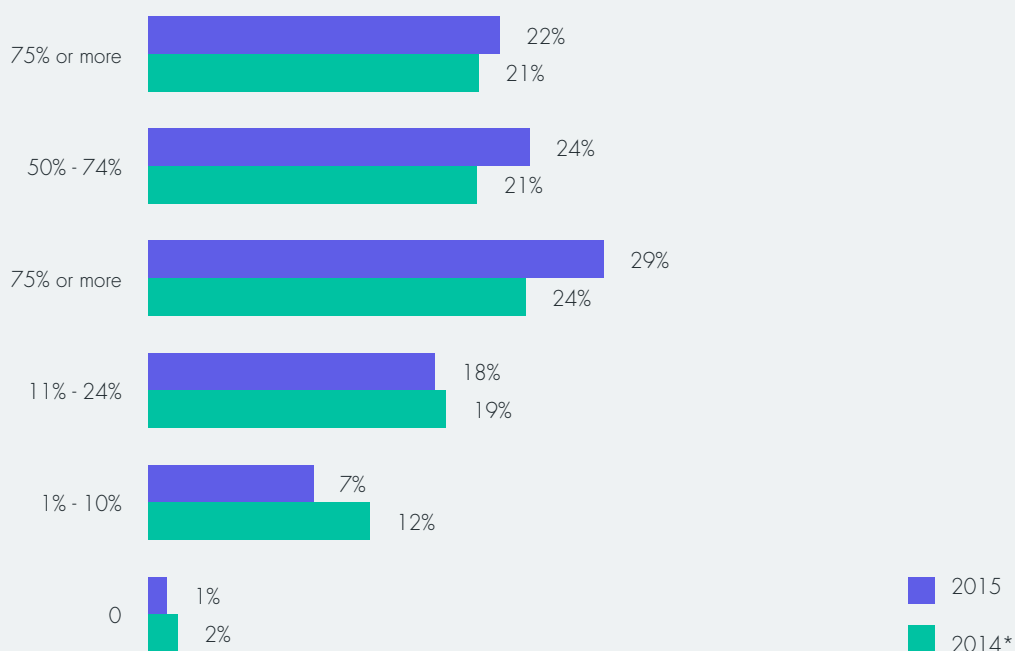
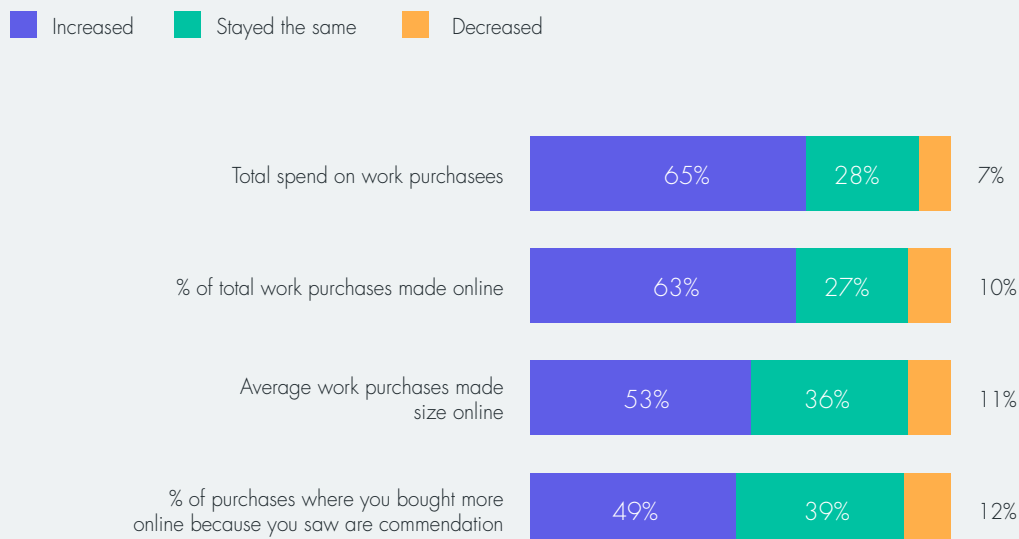


FIGURE 2 | B2B BUYING BEHAVIOUR HAS INCREASED FOR WORK RELATED PURCHASES FROM THE PREVIOUS YEAR

“How have your B2B online work-related purchases changed from 2014 to 2015?”



- **BUYERS ARE INCREASINGLY TURNING TO CONSUMER SITES TO RESEARCH PRODUCTS.**

While most respondents have access to a company-mandated internal portal or buying website, they are using a number of other sources to research their purchases. Out of convenience, they are starting their research at online consumer marketplaces (33%), search engines (26%), and business marketplaces (17%).

- **BUYERS ARE EXPANDING THEIR ONLINE PURCHASING ACROSS THE BOARD.**

Buyers are increasingly using online channels, both to research and buy. Forrester data shows online channels beginning to overtake more traditional buying channels such as via sales reps, customer service reps, and mail-order. Moreover, B2B buyers not only report higher total spend online, but also higher percentages of work purchases made online, and a larger average purchase size for online work purchases.

BYK: THE DIGITAL TRANSFORMATION OF A SPECIAL CHEMICALS AND INSTRUMENTS MANUFACTURER

The German BYK Additives & Instruments aimed to make the transition from a traditional to a modern, digital supplier. “We developed a so-called Future Book”, BYK-Gardner’s head of IT explains. “This strategy paper describes where BYK sees itself being in the year 2020 and what steps will be necessary until that date in order to master this transformation. One of the central

questions here is what the customer journey will look like and how this journey can function online. So, How will initial interest be converted into a first-time customer? How will the customer relationship develop after that?” Their future goal is for customers to be able to manage all their devices independently via an online self-service system.

CHALLENGE 2:

B2B BUYERS HAVE HIGHER EXPECTATIONS ACROSS THE PURCHASE JOURNEY

Despite the digitization of their business activities, many companies retain a traditional approach towards their customers. Rather than being customer-focused, they are transaction-focused. As a result of the crisis, many B2B companies placed an emphasis on operational excellence. Whenever there is less to spend, buyers want to be able to make their purchases at a minimal cost. Digitization plays a huge role in achieving operational excellence because it helps company processes to be simplified. But by no means should this result in a lower service, because digitization done right will actually increase service levels.

Today's B2B buyers bring their B2C digital commerce expectations for functionality, personalization, and service to B2B e-commerce. Especially the Millennials, who are now greatly involved in B2B purchase decisions. They're increasingly looking for the convenience and intimacy they've come to expect from B2C. The Forrester research found that:

- **B2B SELLERS ARE DRIVEN TO INVEST IN OMNICHANNEL TO MEET CUSTOMER EXPECTATIONS.** 74% of North American and European respondents chose "meeting customer expectations" as their top driver for investing in omnichannel. Not far behind, 68% of B2B sellers gave "consistent customer experience regardless of channel" as a priority.

MCB: RAISING THE LEVEL

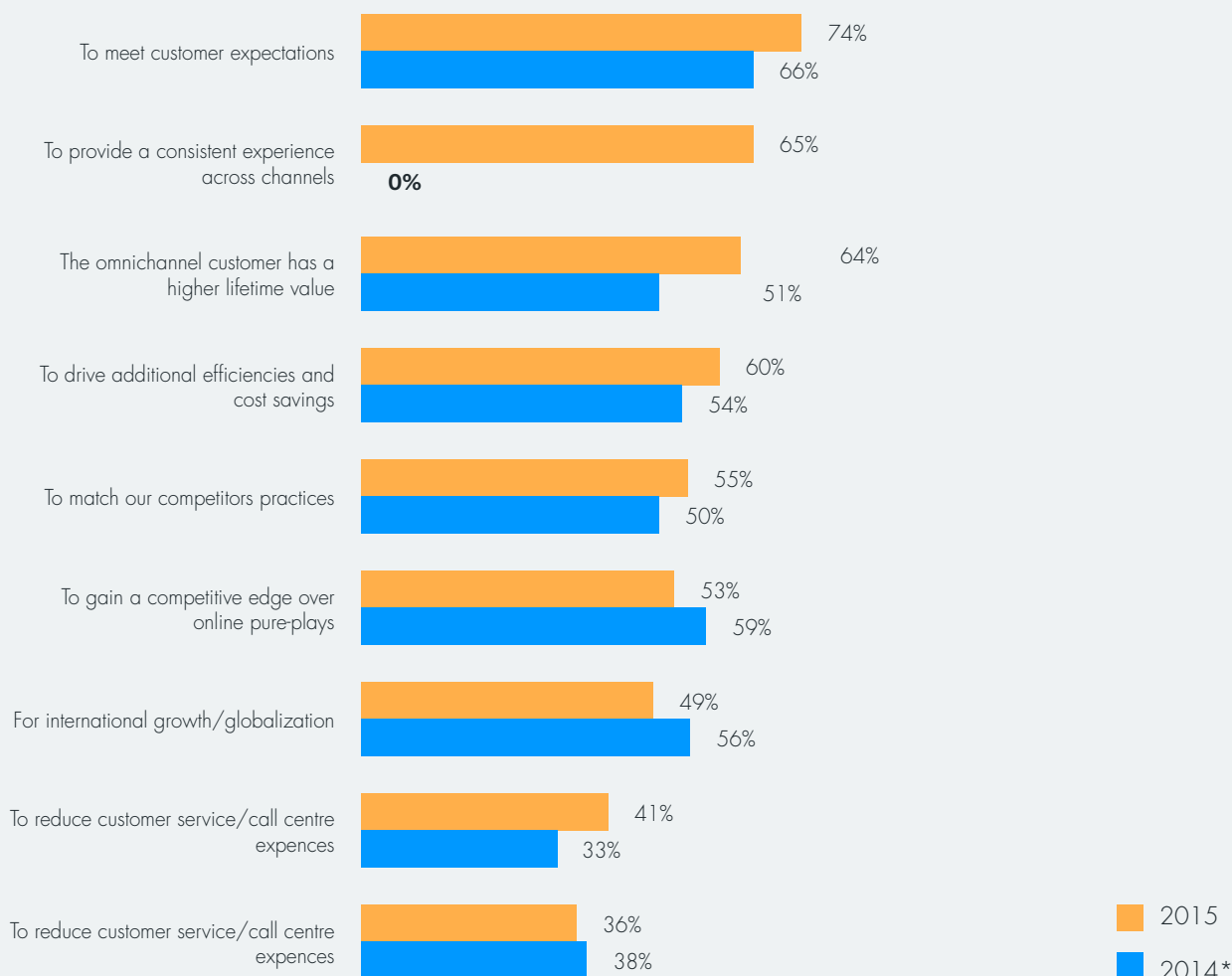
From the start it was clear for MCB that a commercial webshop showing only prices, would prove disastrous on the long run for a customer focused company. On the other hand, a large part of the orders are repeated sales and cover the administration of the purchase and verifying the products and specific dimensions, which add little to the customer relationship. In between lays the opportunity to raise the quality level of the customer

contact. "We have customers that want to order 24/7 online and customers that prefer to call our inside sales directly. Both should be as easy as possible", states Timmermans. "Our inside sales people know our customers by name and vice versa. They know the products our customers use and what application they use it for. We could only go digital if we would be able to maintain this personal service approach."



FIGURE 3 | BUSINESSES FEEL THAT THEIR CUSTOMERS HAVE INCREASING EXPECTATIONS FOR CONSISTENT OMNICHANNEL EXPERIENCES

“What would you say are the primary drivers behind your organization’s investment in omnichannel initiatives?”



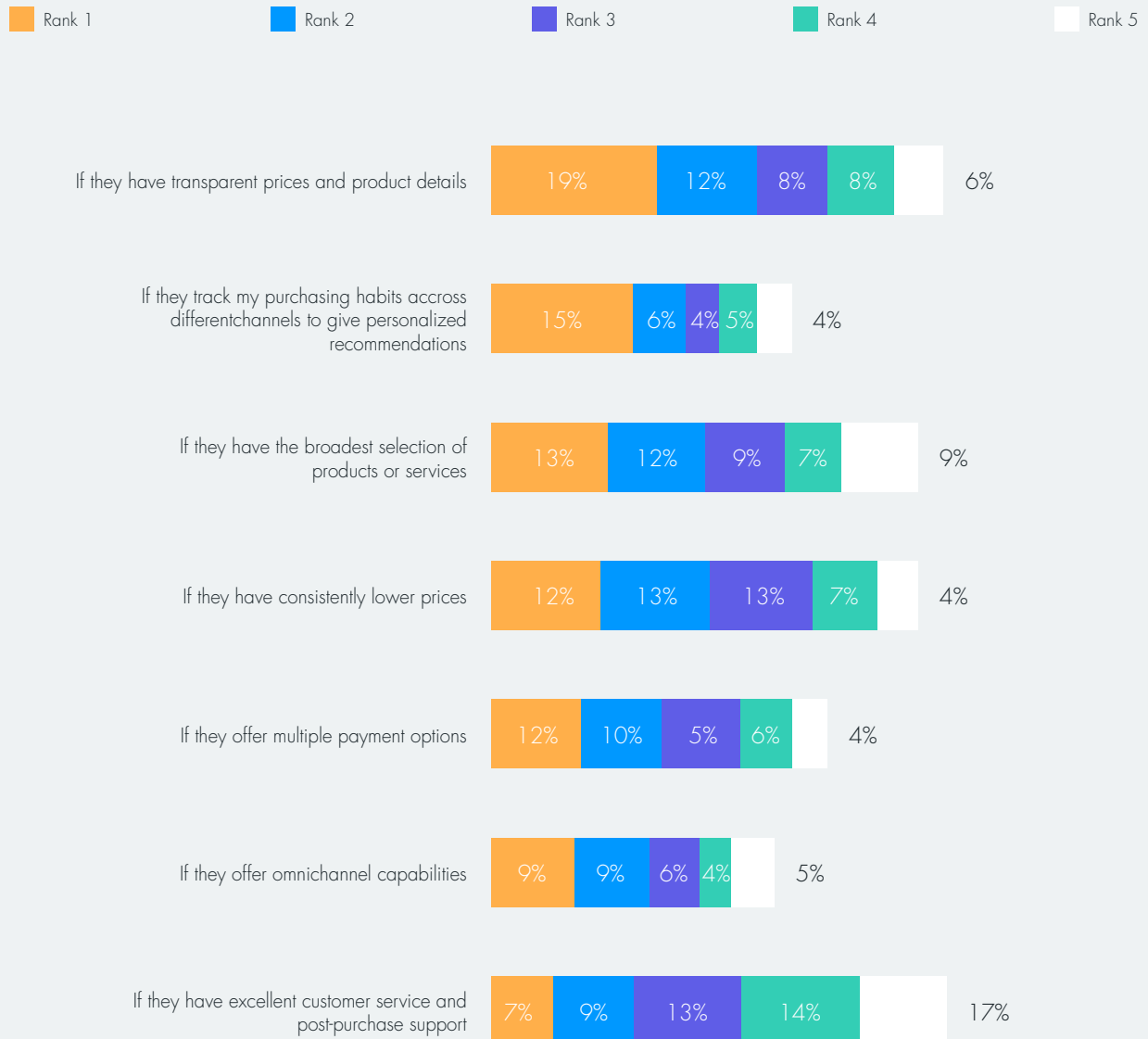
B2B sellers recognize that customer lifetime value depends on providing a compelling and seamless customer experience across multiple channels.

- **B2B BUYERS PREFER TRANSPARENCY, PERSONALIZATION, SERVICE, AND LOW PRICES.** Above all, B2B buyers want to know the exact price they’re going to pay. B2B buyers don’t expect to jump through multiple hoops or wade through several conditions to learn their actual net price. The survey shows that “price transparency” is even more important to buyers than knowing if

a supplier has the lowest price. Another top factor is whether the seller has excellent customer service and post-purchase support. Personalization and support are cited as the most common reasons for excellent B2B e-commerce experiences. price. The survey shows that “price transparency” is even more important to buyers than knowing if a supplier has the lowest price. Another top factor is whether the seller has excellent customer service and post-purchase support. Personalization and support are cited as the most common reasons for excellent B2B e-commerce experiences.

FIGURE 4 | PERSONALIZATION AND PRICE TRANSPARENCY LEAD TO REPEAT CUSTOMERS

***“Which of the following do you consider to be the five most important factors that influence your willingness to buy again from a supplier for work-related purchases?”
“I WOULD BUY AGAIN FROM THE SAME SUPPLIER...”***



CHALLENGE 3:

B2B SELLERS ARE NOT PREPARED FOR OMNICHANNEL PURCHASE JOURNEY

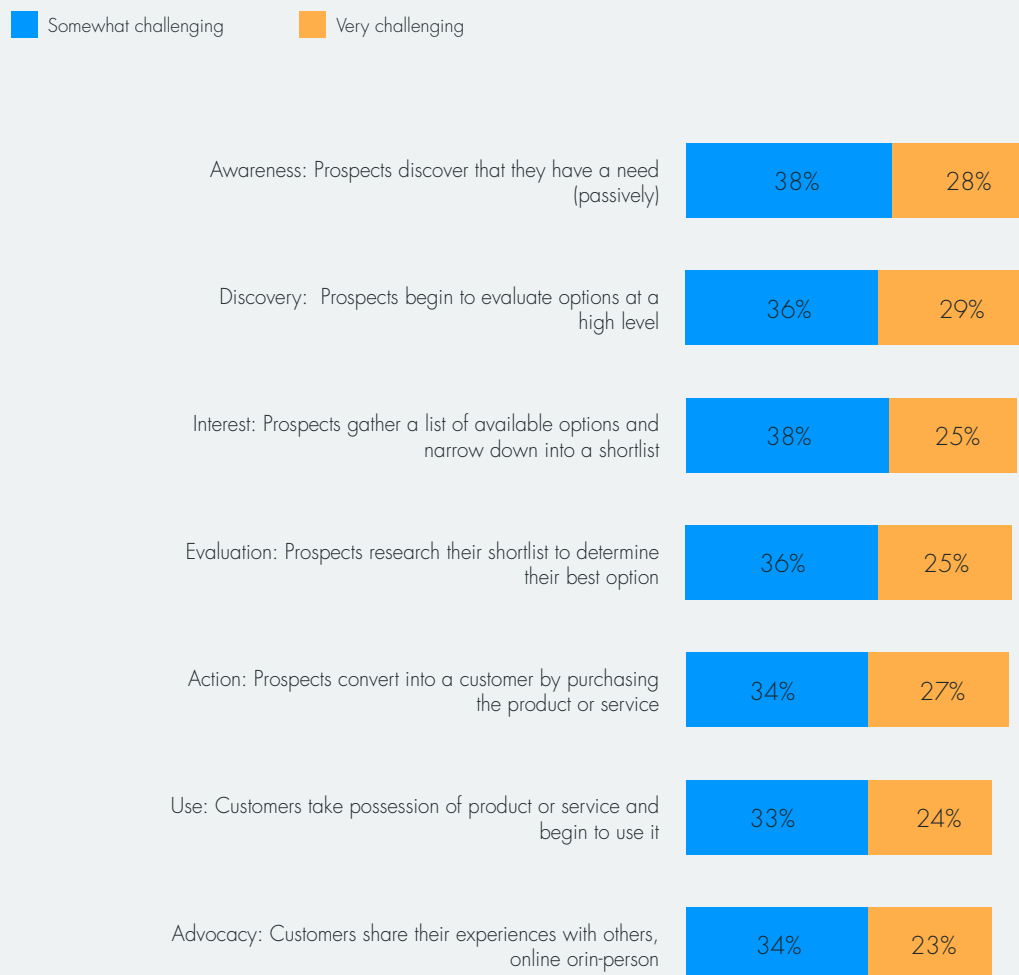
Despite a wide recognition of buyers' wants and needs, B2B sellers have a hard time meeting their buyers' expectations across the purchase journey. Creating a personalized and seamless omnichannel experience involves integrating a myriad of people, processes, technology and data. B2B sellers as a whole just aren't there yet. The research found that:

- **B2B COMPANIES FACE CHALLENGES WITH TECHNOLOGY, DATA SILOS, AND MEASUREMENT.** Sellers rated the top barrier to their omnichannel strategy as "difficulty sharing customer data and analytics between channels, countries, or locations." Additionally, they stated the "lack of the right business measurements and incentives." Sellers cannot create personalized experiences if their various systems can't communicate, nor can they improve their customer engagement if they aren't sure what to measure exactly.
- **SALES AND MARKETING CHALLENGES ACROSS ALL PHASES OF THE PURCHASE JOURNEY.** B2B sellers find personalization to be an implementation challenge in every stage of the buyer journey. Incompatible systems and processes complicate the collecting, analyzing and usage of data. The earlier stages in the purchase journey such as research are understandably harder. Here, sellers have less information available about the buyers. Also, later in the sales process, personalization is still a noteworthy challenge.
- **MOST CUSTOMER DATA IS ONLY AVAILABLE IN SOME CHANNELS.** B2B sellers indicate that they have the necessary customer data available in some channels, but not all. For example, they said that they have customers' names, purchase/service histories, and business backgrounds available fairly broadly, but that they don't have other critical personalization data such as pricing available across all channels.



FIGURE 5 | B2B SELLERS ARE CHALLENGED TO ENGAGE BUYERS ACROSS THE CUSTOMER JOURNEY

"Please indicate the level of challenge your marketing and sales teams experience when creating a personalized experience for all stages of a prospect customer buying journey. "



INTERGAMMA: FROM RETAILER TO FRONTRUNNER

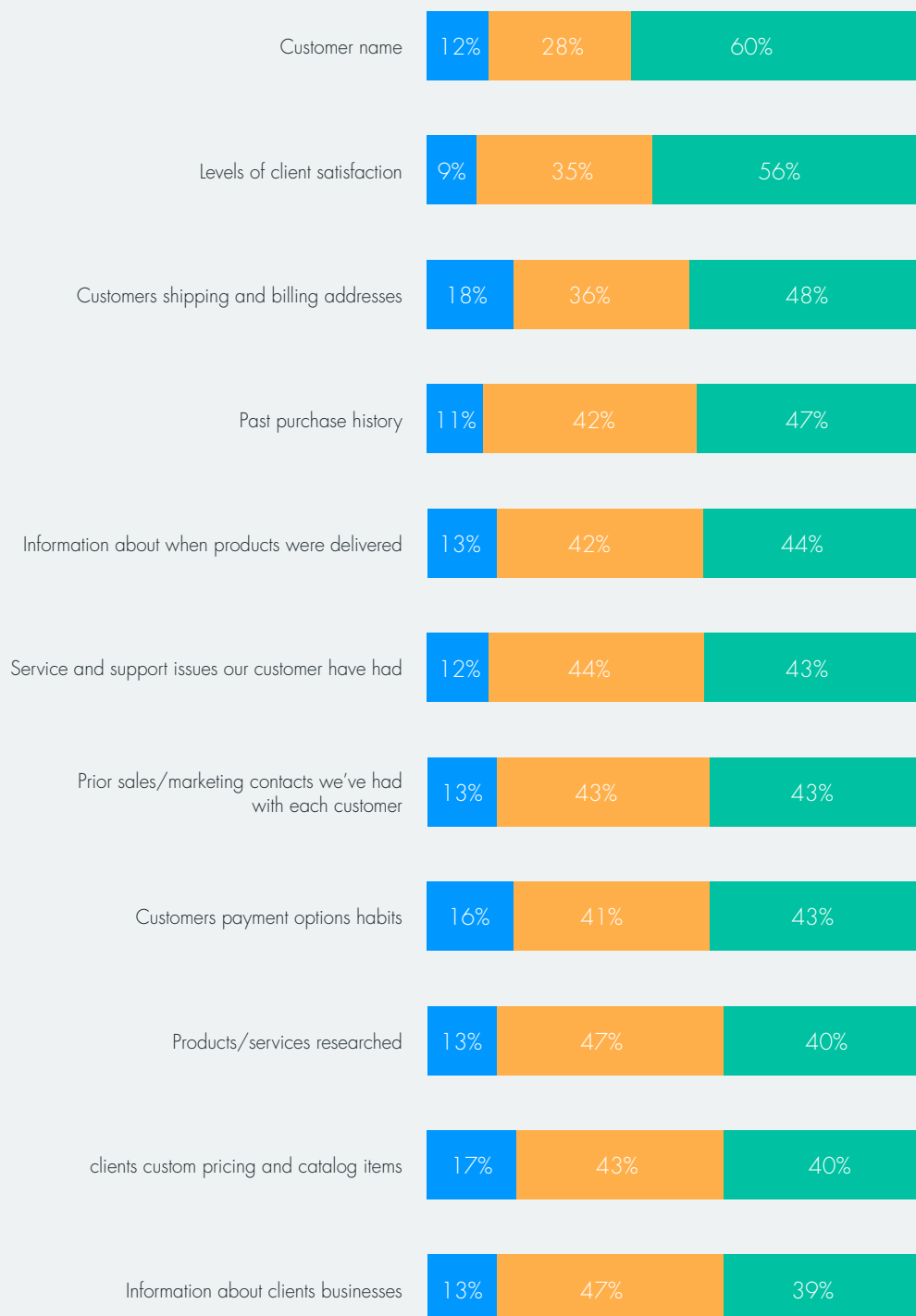
The Dutch Intergamma is the market leader in the DIY market in the Benelux. Their transformation to omnichannel was challenging, as Arthur van Weeren, Manager E-business ICT tells: "In 2012, our customers could only buy do-it-yourself products in the physical stores. We had no online shopping platform. And there was no proper interaction between our website and our stores. That needed to change. We wanted to offer our customers the same experience online and offline."

Now, customers can place their orders online, as well as view the items in stock at the retail stores. "This means they never come back from the store empty-handed because the item they need is out of stock. And when they are in the brick-and-mortar stores, they can also order from the online stock. So they can always make a purchase, no matter where they are. We have evolved from a traditional retailer into a frontrunner."

FIGURE 6 | CUSTOMER DATA IS ONLY AVAILABLE IN SOME CHANNELS

“To what extent do you have the following data about your individual customers readily available across your various sales and marketing channels? ”

■ Information not readily accessible ■ Information available in some channels ■ Information available in all channels



CHALLENGE 4: *B2B SELLERS MISTAKE OMNICHANNEL FOR E-COMMERCE*

The next step in B2B e-commerce is integrating all channels. But omnichannel is one of the most complex challenges that B2B business face today. Without technologies and enabling business processes capable of providing consistent and responsive content, data, and transaction services to all channels at the customer's moment of need, omnichannel is not possible. B2B sellers are on the right track in working to implement omnichannel touchpoints, but must accelerate the integration of technology platforms with people and Agile processes to support a real-time operating environment. Forrester found that creating personalized digital engagement requires:

- **TECHNOLOGY THAT SUPPORTS TODAY'S COMPLEX CUSTOMER JOURNEY.** Buyers largely enjoy the freedom to take whatever path to purchase they wish. The idea of a funnel where customers go into the top and come out the bottom, no longer exists in the way it once did. Today's B2B

sellers must design a business technology agenda that supports customer engagement across the entire purchase journey. That means finding and filling the gaps in the current capabilities to meet the customers' needs and behaviors in their customer journey.



According to a Forrester research among e-business professionals, 51% turns to a partner for system/channel integration.

- Agile processes for faster time-to-market. The digital landscape and customer needs are constantly evolving. To continuously improve the customer experience, means B2B sellers need to embrace Agile business processes that allow for rapid change. B2B organizations should take an iterative approach to prototyping, developing, testing, and fine-tuning their solutions. With the customer journey in mind, businesses should engage in a continuous cycle of identifying customer needs, designing a digital engagement, engineering the delivery and analyzing results.
- The right people and partners to go omnichannel. Creating excellent omnichannel customer engagement requires leaders that are committed to delivering digital and customer experience excellence. The need to be willing to rally the company around these shared goals. Beyond leadership, companies need access to various strategic, technical, and customer experience skill sets to help them mature. Many companies turn to partners to help fill gaps and speed time-to-market for new initiatives. A recent Forrester Consulting study found that 87% of B2B organizations utilize third-party solution providers for at least one component of their digital strategy.

DON'T UNDERESTIMATE *THE IMPACT ON THE ORGANIZATION*

Starting a B2B e-commerce project can be daunting. "Most companies struggle with changing their organization, finding the right people and addressing the right priorities", says Hans Heutink, Delivery Manager at Osudio. "That's why change management and program management are essential to deliver a successful e-commerce project. I've helped B2C and B2B companies with implementing e-commerce for eight years now, and one of the key success factor is choosing the Agile approach and finding the right balance between flexibility and predictability. Adopting agile processes unquestionably helps to adapt your

organization to digital and to achieve a faster time to market. Other key factors are close collaboration between business, UX and Development, proper mandate for the team and stakeholder management. Stakeholders need to stay informed and involved where needed", Heutink says. "A good example of the importance of collaboration, is a recent implementation we did at an international fashion brand, where we worked on site with the customer. After putting the right people together on one location, the project really accelerated."



HANS HEUTINK

Delivery Manager Netherlands
Osudio

THE NEXT STEPS TO **B2B E-COMMERCE SUCCESS**

The key to B2B E-commerce success is to focus on your customers' success. To make it easy for B2B buyers to do their research and find prices and product information, to make their purchases and get personal service when they need it. That makes e-commerce so much more than just opening a new sales channel. It's creating consistent and personalized experiences in every step of the purchasing journey, that's becoming more and more digital. All your channels working together efficiently and seamlessly is the next evolution of B2B selling: omnichannel.

OFFER AN OMNICHANNEL CUSTOMER EXPERIENCE

To deliver a world-class omnichannel B2B e-commerce experience, is challenging. You'll need the right technology platform, qualified and experienced professionals, and the right customer-obsessed mindset to make it all happen. So how do you get there? We recommend the following four next steps:

- 1 VALUE PROPOSITION:** identify why customers choose your company over any other competitor
- 2 CREATE PERSONA'S:** to provide insights into the actual backgrounds, motivations, frustrations and ideal experience
- 3 MAP CUSTOMER EXPERIENCES:** to understand customers' behaviors, needs and interests
- 4 TOUCHPOINT STRATEGY:** define your digital strategy in terms of touchpoints and your capabilities to deliver your propositions Agile and efficient

"Get in touch with one of our e-business professionals for a free consult on your next step to B2B e-commerce success"

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ABOUT OSUDIO & SAP CUSTOMER EXPERIENCE

Osudio and SAP CustomerExperience offer businesses complete, integrated solutions combining long lasting experience in e-business with future ready technology.

Osudio & SAP CustomerExperience combine software for digital commerce and product content management with UX design and years of implementation experience. We help you to create meaningful, seamless and omnichannel customer experiences.

Benefits include limited IT hassle, higher customer engagement and revenue and the opportunity to easily integrate other countries to the platform.

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ABOUT FORRESTER RESEARCH

The Forrester research is a commissioned study that was conducted by Forrester Consulting on behalf of SAP CustomerExperience and Accenture Interactive, September 2015. The goal of the research was to explore evolving B2B buyer demands and B2B seller omnichannel practices. For this survey, Forrester surveyed 750 B2B companies and 1,307 B2B buyers at organizations with at least 1,000 employees across North America, Latin America, Europe and Asia Pacific.



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