

THE MISSING LINK
IN B2B ECOMMERCE:

DATA-DRIVEN PERSONALIZATION

retail
TouchPoints®

SPECIAL REPORT



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INTRODUCTION

Somewhat lost in the avalanche of coverage around the COVID-fueled surge in business-to-consumer (B2C) ecommerce has been the equally impressive growth of business-to-business (B2B) ecommerce. As with many aspects of the pandemic, there was an acceleration of long-term trends: the global B2B ecommerce market size had already been projected to reach **\$20.9 trillion** by 2027, expanding at a **17.5%** Compound Annual Growth Rate (CAGR) from 2020 to 2027, according to **Grand View Research**. B2B ecommerce already generates nearly **4X** as much revenue as its consumer-facing counterpart.

So on the macro level, B2B ecommerce is booming; in fact, major retailers including **Walgreens** and **Walmart** have recently expanded their B2B offerings. However, individual B2B merchants face numerous challenges in operating — and expanding — their ecommerce businesses.

One of the biggest issues is generational: as millennials (and soon enough Gen Z) enter the workforce in ever-greater numbers, B2B buyers are, increasingly, digital natives who expect the same levels of **personalization, frictionless transactions, real-time pricing and delivery data and deep content** they're accustomed to in the B2C world. However, at many B2B companies, marketing and customer data analysis sophistication levels lag far behind their B2C counterparts.

"B2C retailers have figured out how to engage people based on preferences and personas and data about their habits and intentions," said Stacey Greiner, CMO of **Dun & Bradstreet** in an interview with *Retail TouchPoints*. "B2B companies should look at building more of a consumer viewpoint of the accounts they're trying to do business with and **start engaging on a business-to-person level.**"

This *Retail TouchPoints* Special Report will explore ways B2B merchants can import B2C tools and know-how into their marketing, sales, customer service and operations, including:

- Deploying CRM-style solutions to **collect and continuously analyze customer data** during what can often be a lengthy, multi-person sales process;
- Using **personalization** and other B2C marketing tools to remove friction from the buyer journey;
- **Upgrading backend systems** to enhance inventory, pricing, delivery and post-purchase support; and
- Increasing their understanding of **their buyers' customer, the end consumer.**

B2B ECOMMERCE BY THE NUMBERS

WORLDWIDE B2B ECOMMERCE REVENUE IS NEARLY 4X BIGGER THAN B2C ECOMMERCE REVENUE.

B2C:
\$2.8 trillion

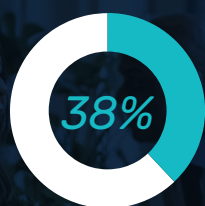
Source: **Statista**

B2B:
\$10.6 trillion

Global B2B ecommerce market size is projected to reach **\$20.9 trillion** by 2027, expanding at a **17.5% CAGR** from 2020 to 2027.

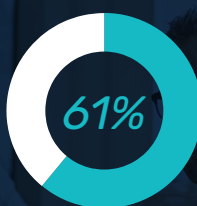
Source: **Grand View Research**

THERE IS A DAUNTING GAP BETWEEN SELLER OFFERINGS AND BUYER EXPECTATIONS:



of wholesalers

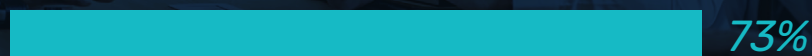
&



of manufacturers

do not have ecommerce sites.

BUT



73% of 20- to 35-year-olds help direct purchasing decisions at their companies



85% of this digital-first generation conduct primary research using:



Social
media



Vendor
websites



Search
engines

Source: **Adobe**



CRM SOLUTIONS NEEDED TO FOSTER DIGITAL B2B RELATIONSHIP SELLING

Relationships between B2B buyers and sellers have traditionally been nurtured over the long term. Some of this has to do with the longer sales cycles and the multiple people within an organization who are involved in making a B2B buying decision. “If you think about B2C, it’s a single decision-maker,” said Greiner. “On the B2B side, you’re dealing with companies and buying groups within those companies, and people within those buying groups. That means the technology to support B2C only needs to tie to a personal identity, but on the B2B side, you have to tie that back to the account and nurture the appropriate people within that account.”



Making this work at scale requires sophisticated technology solutions. “Selling B2B online means having to maintain a relationship that doesn’t rely on Gary who has been coming into the office and bringing donuts for 20 years,” said Joe Cicman, Senior Analyst at [Forrester Research](#) in an interview with Retail TouchPoints. “The technology to do that digitally is CRM, but a lot of B2B companies lack it. Without CRM, analytics and optimization technology, sellers can’t really ‘know’ that customer.”

Not all of the change required is technological; much of it is related to the B2B sales culture. “Some of the resistance to [adopting new technology] is generational,” Cicman noted. “There are salespeople that built their entire career by bringing ‘their’ accounts with them wherever they went. That’s very different from how things work in the digital world, and it’s something that will have to change for B2B companies. B2B sellers will need to adapt to the buying experiences that the millennial generation of consumers prefer, because those that don’t are losing out to competitive brands.”



Mimicking a B2C site/mobile app for B2B ecommerce will be “crucial on the front end and the backend,” said Anshuman Jaiswal, Principal in the Strategic Operations practice of **Kearney** in an interview with *Retail TouchPoints*. Front-end support for features such as **product recommendations, advanced searches** and a range of **online payment options** will need to be complemented with **real-time inventory availability information, accurate price quotes** that take into account all relevant shipping charges and taxes, and **keeping delivery promises**.

B2B sellers need to provide “real-time and reliable delivery status notifications,” noted Cicman. “If it’s a pallet being delivered, for example, that means the buyer needs to staff their loading dock. Every homeowner can empathize with [the challenges] of a really wide delivery window, but now imagine you have a business to run.”



B2B personalization should also be extended to automatically factoring in each buyer’s negotiated pricing agreements, so that each time a buyer logs into a seller’s site, the prices of individual orders reflect the discounts that have been earned.

To make all of these offerings work together, “getting data strategy, governance, quality and ownership will be key to drive personalization, including offers, cross-selling opportunities, recommendations and data on the lifetime value of the customer,” said Jaiswal.



JEWEL FLEET

FAST. RELIABLE. CUSTOM

CASE STUDY: HOW JEWEL FLEET GIVES RETAIL-LEVEL SPARKLE TO B2B TRANSACTIONS

Diamond jewelry manufacturer **Goldiam International** has seen the growth in B2C ecommerce's sophistication since it was founded in the mid-1990's — and also the relative lack of it in B2B sales, particularly within its vertical. The company wanted to provide the approximately **18,000** small independent jewelry retailers that are its market with technology that replicates the kinds of services that have become “table stakes” in B2C ecommerce. That's why Goldiam recently founded **Jewel Fleet**, a digital-first, end-to-end B2B offering.

“We've created a platform that has automated and digitized pricing and customization options for any style on our website,” said Anmol Bhansali, Director at Goldiam International in an interview with *Retail TouchPoints*. “The retailer can sit with their customer, show them Jewel Fleet on their computer and build the ring they want, at the price they want, right in front of them.”

Customization is increasingly important in jewelry retailing: “A jeweler might show a ring to their customer, but they may want a different ring size, or a higher quality or clarity of the diamonds, or to have non-diamond components, like an emerald or sapphire center, incorporated with it,” said Bhansali. “Jewelry retailers have to make available the ‘tail end’ of what's possible for us to create.”

However, there's been little digital support for detailing and pricing all these custom options on the fly. “Many traditional older vendors have not automated their inventory and pricing, particularly when it comes to these increasing customization requests,” noted Bhansali. “That means even those vendors that do a ‘good enough’ job listing their 2,000 or 5,000 SKUs of products essentially can't transact sales online.”

Jewel Fleet provides retailers with fast, accurate pricing, even for custom pieces. Without such technological support, providing a correct price quote to a customer, or a reprice based on a custom request, brings the customer journey to a screeching halt. “Retailers may have lost upwards of **two days** in giving a quote to customers,” said Bhansali. Additionally, it's vital that these quotes are precise: “There can be huge pricing differences and product quality differences, so [an incorrect quote] can end up being very costly,” he added.

However, retailers deploying Jewel Fleet can input their own desired retail margins and markup levels, by product category and with more than **100** different variants, so that these are automatically added to the prices quoted to consumers. “It's a very safe way for [retailers] to open up Jewel Fleet to their customer,” said Bhansali. “Retailers can work with customers on the price they want to pay, showing them the exact style and customizations they want, all while showing the correct retail price.”

Goldiam also helps these retailers with up-to-date imaging and sales support materials. “We offer free video and hi-res imaging to help our retailers market themselves via social media and their websites,” noted Bhansali.

“We want the independent jeweler to enjoy higher margins than they have been able to achieve,” added Bhansali. “When they can sell things at the right prices, they can continuously engage that customer to hopefully become a repeat customer over a lifetime.”

THE FOUR SIGNS OF B2B ECOMMERCE READINESS



BY SHANNON PARKER HANE

Director of Product Marketing at Magento Commerce and guest contributor for Vertex, Inc.

B2B companies tend to reach an inflection point when their leaders need to answer an important question: Are we ready to launch, or significantly upgrade, an ecommerce capability? While there are numerous reasons B2B decision-makers face this question, the following drivers are relatively common — and they typically signal it is time to invest in a more sophisticated ecommerce capability:

1. COMPETITIVE PRESSURE:

A local — or, increasingly, national or even global — competitor that has invested heavily in ecommerce capabilities begins siphoning away business and customers.

2. CUSTOMER DEMAND:

In many cases, B2B customers express an interest in a more convenient way to purchase products or services. As is the case across all industries, most B2B customers have been delighted by the speed, ease and service they experience while buying from leading B2C companies. These experiences greatly increase their expectations concerning other types of transactions, including B2B purchases.

3. INTERNAL GOALS AND CONSTRAINTS:

Many B2B companies invest in ecommerce as a means of reaching new customers as they strive to meet growth targets. Other organizations turn to ecommerce as a way to conduct sales (and services) more efficiently in the face of resource constraints.

4. AGING 1.0 ECOMMERCE TECHNOLOGY

B2B companies that set up homegrown ecommerce systems or invested in early-generation technology years ago often reach a point where those applications no longer satisfy customer needs and/or the upgrades, customizations and ongoing maintenance of those applications becomes more costly than investing in a state-of-the-art system.

Once you know it is time to upgrade your current ecommerce capabilities, the next step is to select the right provider to help you implement.

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B2B SUCCESS REQUIRES CUSTOMER RESEARCH ON STEROIDS

Understanding your customer is a business basic in both the B2C and B2B arenas. For the latter, however, this mandate extends well beyond knowing the B2B buyer.

“The biggest challenge in B2B remains knowing their customer’s customers,” said Michael Kim, VP of Data and Analytics at **AArete** in an interview with *Retail TouchPoints*. “Each business collects unique data at different frequency intervals to understand their customer’s sentiment, usage of a product(s), or likelihood to engage with the business. With this variety of data, understanding personas can be a challenge for companies engaging in B2B. It is important for these companies to invest in robust data, data engineering, analytics and other technology to truly understand customer 360 profiles.”

Collecting all this data and deploying systems to apply it across an enterprise can seem daunting, but it’s critical to B2B success. “It’s important to research your customers, and to do it with primary research,” said Cicman. “Don’t rely on what the boss tells you or what three salespeople who have reasons to be biased say.”

Armed with this information, B2B sellers can narrow their focus somewhat. “Identify the segment of your product portfolio that can be sold via self-service,” Cicman noted. “Additionally, map the buyer’s journey so you can understand and empathize with them. Find out what this buyer is doing to buy things on the internet independent of your website; and buy modern technology that reflects your digital maturity.”

B2B merchants also should look toward Asia for both inspiration and advanced solutions. “Asia has an even larger penetration of B2B ecommerce than the rest of the world,” said Chris Ventry, VP, Consumer and Retail Practice at **SSA & Company** in an interview with *Retail TouchPoints*. “I’ve seen figures that show Asia represents **50%** of all B2B ecommerce in terms of GMV [gross merchandise volume]. There has also been a faster adoption of visual technologies in China, Hong Kong and Taiwan, as well as a much higher penetration of internet usage in general. B2B merchants can look to Asia as a window into the future.”

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