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2012 B2B E-Commerce Survey: Results and Trends

Introduction

Although business to consumer (B2C) gets a lot of attention for being on the “sexy” side of e-commerce, 2010 U.S. Census data shows estimates for business to business (B2B) revenue transacted online—not through electronic data interchange (EDI)—at approximately US\$300 billion. Compare that with almost \$200 billion in retail transactions, and the B2B commerce story suddenly becomes more interesting. Additionally, with 50 percent more revenue than retail—according to a 2011 B2B online survey—the adoption among B2B entities of e-commerce has just begun, with only 25 percent of the B2B companies represented having an e-commerce site and significantly less than that having a site that is current. B2B e-commerce transactions are also more complex. Most involve more than two decision-makers, but 28 percent have five or more decision-makers involved in the process.

All this data points to the fact that the next decade will be an innovative and demanding one for B2B e-commerce. With this landscape in mind, this white paper publishes the results from a 2011 survey of B2B e-commerce professionals and provides insight into key trends and areas of investment for building an online presence.

About the Survey

In November 2011, Endeca (acquired by Oracle in February 2012) conducted a survey to help B2B e-commerce professionals benchmark their upcoming plans and strategies against those of their peers at similar organizations. This annual survey reviews what has changed strategically within B2B e-commerce initiatives in the previous 12 months and what has remained a constant area of focus. The results represent input from business as well as IT professionals and provide visibility into planned areas of investment in 2012 and beyond.

Responses were gathered from more than 120 professionals, of whom 50 percent represented business teams and 50 percent represented technical teams. In terms of authority, 53 percent of the respondents were at a managerial level; 25 percent director level; 10 percent executive level; and 12 percent senior executive level, such as CIO or SVP. Industry segments surveyed included industrial, electronics, maintenance and repair, office supplies, high tech, and chemical.

Mobile Jumps in Strategic Importance for B2B E-Commerce

Three key observations stood out from the 2012 survey data:

- **The B2B online catalog and direct sales force continue to be key channels used by customers for decision-making—but mobile jumped more than 10 percent in 2012 to the #3 spot.** When asked which top three available channels customers use most to make decisions, respondents highlighted the online catalog as the #1 tool used (93 percent), followed closely by the direct sales channel (70 percent), with mobile Web jumping more than 10 percent, to 24.5 percent, from 2011 as the third-most-influential channel in B2B e-commerce.
- **Key retail tools and best practices for influencing revenue in the last 12 months continued to be personalization, the online catalog, and search engine optimization (SEO)—with mobile jumping again, more than 20 percent, to the #4 spot, just below paid search advertising.** As in 2011, the top three retail tools or practices influencing B2B revenue most were identified as personalization capabilities (69 percent in 2012, versus 68 percent in 2011), the online catalog (64 percent in both 2012 and 2011), and SEO (58 percent in 2012, versus 60 percent in 2011). The biggest change—again—was mobile, which lagged in second-to-last place in 2011, with barely 5 percent, but jumped to more than 26 percent in 2012.
- **B2B e-commerce organizations still have a laser focus on boosting SEO, developing robust product content, and maintaining consistency across channels but take a more strategic view of mobile.** The majority of the respondents in the 2012 survey (37 percent to 40 percent each) identified SEO, leveraging product content and data across channels, and developing and managing more-robust product information as the top areas of focus for 2012. This was nearly identical to the 2011 responses. What stands out is that mobile outpaced conversion rates, self-service, portals, and offer targeting—jumping from a meager 5 percent in 2011 to 35 percent in 2012.

Mobile jumped to the third-most-influential touchpoint for B2B customers:

- #1. Online catalog (93 percent)
- #2. Direct sales (70 percent)
- #3. Mobile Web (24.5 percent)

Mobile, Not Surprisingly, Is a Key B2B Trend

In 2010 and 2011, B2B businesses all came to terms with the fact that their customers were changing and that daily, at-home experiences with various consumer technologies—from checking stocks to grocery shopping—would rapidly change customer expectations of their B2B experiences online. From simply researching large purchases through user reviews and video demonstrations (if only to conduct the final transaction in-store) to multichannel information consumption (simultaneously reading user reviews of a product while physically in a store aisle), as the chart below illustrates, 80 percent of the surveyed B2B professionals (versus 70 percent in 2011) agreed or strongly agreed that their customers' expectations mirror at-home consumer practices.

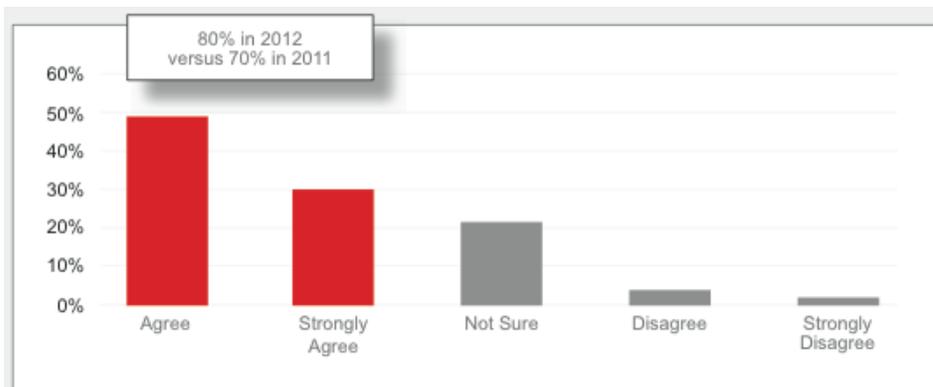
In the past 12 months, have you seen customer expectations change because of B2C retail experience (online and offline)?

Figure 1. Few B2B professional disagree that their customers' expectations are leaning toward B2C functionality.

With more-B2C-like capabilities now representing mere table stakes in the B2B e-commerce experience, it is not surprising that mobile moved to the priority list over the last 12 months.

Although personalization capabilities, the online catalog, and SEO influence customers the most—mobile climbed from second-to-last place (5 percent) in 2011 to more than 26 percent in 2012.

What top three retail capabilities and practices influence revenue the most?

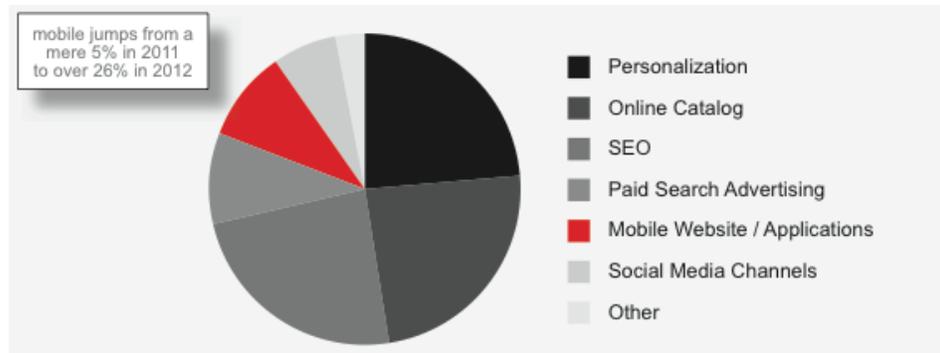


Figure 2. Extreme personalization (custom catalogs, microsites) persuades customers most heavily, followed closely by the online catalog and search engine optimization (SEO). Mobile, although not a top influencer, jumped more than 20 percent from 2011 to take the #5 spot.

Responses to all the survey questions align with the trend toward increased attention to and investment in B2B mobile. Asked which top three available touchpoints customers use to make decisions, respondents highlighted the same top three touchpoints as in 2011: online catalog as the #1 tool (93 percent), followed closely by the direct sales channel (75 percent)—with mobile Web jumping 10 percent (to 24.5 percent) from 2011 as the third-most-influential touchpoint in B2B e-commerce.

Respondents project B2B mobile commerce spending to increase in 2012. In contrast to attention to and investment in the past 12 months, a new area of focus on mobile site and app development and strategy has appeared on the radar of B2B e-commerce organizations.

In what technologies have you invested in the last 12 months?

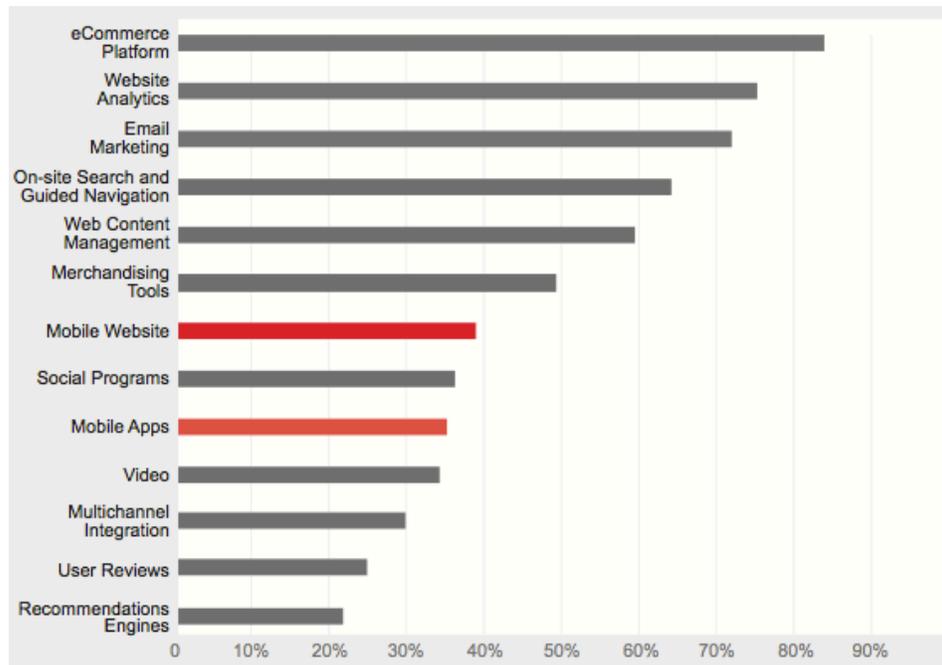


Figure 3. Although mobile ranks higher on the priority list in 2012, B2B e-commerce organizations don't seem to have thrown significant budget at technology to support mobile yet. Expect to see heavier investment in the coming months.

In contrast to attention and investment in the past 12 months, B2B e-commerce organizations continue the trend we saw in 2011, with top investment areas focusing on SEO, managing and leveraging product content across channels, and developing more-robust product content—with new areas of focus on mobile site and application development and strategy.

Where will you invest in the coming 12 months?

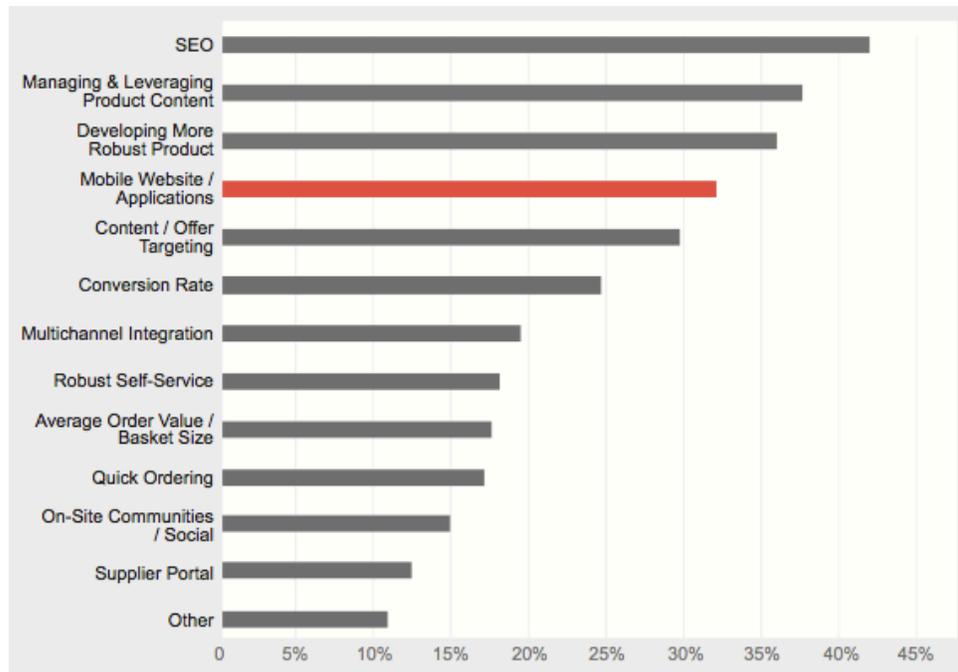


Figure 4. The year 2012 shows a new area of focus on mobile site and application development and strategy. Mobile jumps from hardly any investment focus in 2011 to nearly tie with the top three investment areas.

The bottom line: mobile is no longer just the concern of B2C brands launching the next cool consumer app. For top B2B brands, mobile is now a core piece of the customer experience, generating value and utility for the direct sales force and customers.

Complexity Continues to Dominate the B2B Channel Equation

B2B commerce organizations have always operated in a complex multichannel world. What the 2012 survey data points to is that engaging customers in that world remains increasingly complex. Companies responding to the survey continue to operate in an average of seven different languages and often in more than 100 distinct geographies.

What business models does your company use?

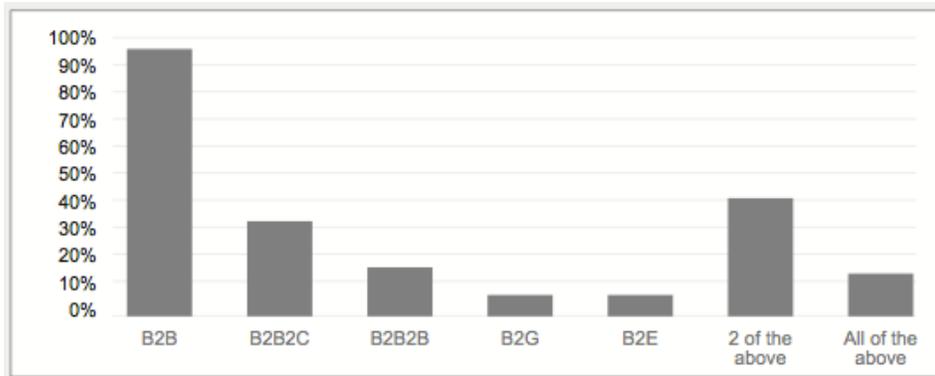


Figure 5. Nearly 50 percent of the respondents use at least two business models, and more than 15 percent use all.

In addition to the requirements of language and geographic diversity, B2B companies continue to support a broader range of business models globally. Results of the 2012 survey show that B2B business models can range from pure B2C (.com sites) and pure B2B (large wholesale account sites for dealers) operations to more-complex B2B2B models (multiple dealer/distributor portals) and B2B2C (extranets, portals, consumer shops). In some cases, all the models listed in Figure 5 are part of their business profile.

Conclusion

In 2012 and beyond, the most-effective B2B e-commerce initiatives will be those that enable organizations to successfully use the right technologies in concert to engage customers and enhance their decision-making abilities across all touchpoints. Cross-channel customer experience management is on the brink of a new era in B2B. Digital channels have become the dominant medium for influencing decision-making and building a stronger relationship between the brand and the end customer. The sheer numbers of devices that consumers have at their disposal and the types of interactions they expect create a challenging but exciting opportunity for customer experience professionals—from marketers to merchandisers and media moguls—to chart their course for optimizing customer experiences. Delivering a consistent experience across all channels and touchpoints is the new challenge for B2B e-commerce organizations.

Contact Us

For more information about Oracle Endeca Web commerce solutions, visit oracle.com/webcommerce or call +1.800.ORACLE1 to speak to an Oracle representative.



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