CONQUERING B2B e-commerce

A special report from the editors of *Internet Retailer*

A special report on the technology that’s helping transform business-to-business e-commerce.
Technology is helping suppliers serve B2B buyers’ unique needs

The Internet is changing the way that business-to-business suppliers do business. B2B buyers want to be able to connect with their suppliers anytime, anywhere, using any device. They also expect their suppliers to provide many of the features found on consumer-facing e-commerce sites, such as site search, mobile-optimized websites and personalized shopping experiences.

Even so, B2B buyers have very different needs than consumers buying on retail sites. Take personalization. Rather than expect a retailer to know a shopper’s brand and product preferences, B2B buyers expect suppliers to tailor the online buying experience to their company’s needs, just as a field sales representative would do offline.

Personalizing the experience

Once a buyer logs into his account, he expects to only see the products he is authorized to purchase, as well as pricing specific to his company. Buyers also expect suppliers to know their departmental or individual spending limits, whether the purchasing department must approve their orders, and to make their order history and past invoices available in a single click.

“In B2B e-commerce the personalized buying experience is tied to the company’s contract with the supplier and the buyer’s purchasing capabilities within the company, as opposed to the needs and preferences of the individual,” says Lin Shearer, head of portfolio product marketing for eBay Enterprise, an e-commerce platform provider that serves both B2C and B2B businesses.

Another way B2B e-commerce sites can serve their customers is by letting them create custom shopping lists by department and to save frequently purchased items to a shopping list. For example, Becker’s School Supplies, a supplier of teacher, classroom and school office supplies, lets school districts set up preapproved product lists for purchase by teachers, department and administrative staff, according to Darren Hill, CEO and co-founder of e-commerce platform provider WebLinc Corp.

“When teachers and administrators log in they are taken to a private portal with custom advertising and content,” Hill says. “Many buyers want collaborative tools within a B2B e-commerce portal to direct their employees on which items to purchase.”

Improving the process

While B2B buyers expect an online buying experience on par with consumer sites, they expect suppliers to meet specific business buying needs as well, Shearer says. At its core, a B2B e-commerce platform must provide such features as bulk ordering and price quotes, while also enabling buyers to create accounts, save orders and edit them by line items when reordering. Buyers also want to be shown shipping options, applicable taxes and to be able to configure products to their specifications.

Quote requests are important because a B2B buyer will often try to negotiate a lower price on an item not covered under his company’s contract or that is being purchased in a larger quantity than is covered under the bulk-pricing agreement. To enable online quotes, many B2B platforms provide links to sales representatives who service each company’s account either through e-mail or live chat. This not only makes the process more convenient for the buyer, as opposed to submitting a request on paper, it strengthens the connection between the sales representative and the buyer, says Brian Strojny, founder and director for Insite Software, a B2B e-commerce platform provider.

“Automating the B2B buying process delivers a higher level of convenience to the customer because a sales representative can respond in a matter of hours as opposed to days through a non-automated process,” Strojny says. “Suppliers don’t want to forget that B2B platforms are more than just an automated ordering mechanism. B2B e-commerce still involves relationship
building through contact with sales representatives and customer service agents.”

Equipping sales representatives with mobile devices can strengthen the connection between the buyer, sales representative and the supplier’s e-commerce site. Sales representatives who meet with buyers can use a mobile device to call up a buyer’s account to place orders, configure products or provide product warranty information. A sales representative can also show buyers real-time inventory information, including how long an item is on back order.

“Connecting sales representatives in the field to the e-commerce platform creates a richer interaction with the buyer,” says Justin King, B2B e-commerce strategist at Oracle Corp., an e-commerce technology vendor. “Assisted selling applications that are consistent with the e-commerce experience allow a salesperson to have a 360-degree view of the customer and his buying behaviors.”

Giving sales representatives quick access to the e-commerce platform also ensures buyers receive product, pricing and account information that is consistent with what’s on the supplier’s website. “Consistency of information between the online and offline channels is a must because buyers expect a consistent brand and buying experience across all channels,” King says. “Customer service representatives should also be connected to the e-commerce platform when interacting with buyers.”

Sales representatives who connect to their company’s e-commerce site can have new leads assigned to them from the site, track customer activity on the site to know what products have been ordered and see online requests for product information before meeting with a client. “Tablet-based field sales solutions provide sales representatives with tools to sell more, improve customer satisfaction and service accounts more efficiently by spending less time on basic account maintenance,” Shearer says.

Despite those potential benefits, Strojny recommends suppliers explain the benefits of the new technology to sales representatives before they equip them with e-commerce selling tools. Doing so can help alleviate concerns that e-commerce will diminish the sales representatives’ interactions with the client and eventually prompt the buyer to favor purchasing through the website.

“Sales representatives need to be shown how the e-commerce site will help free them from routine account maintenance tasks so they can pay more attention to their best customers and grow their customer base,” Strojny says.

**A better buying experience**

As suppliers use their e-commerce platforms to connect the online and offline channels, opportunities exist to create applications that deliver unique buyer experiences. Shorty’s Liquor, which sells to businesses, catering companies and entertainment venues, leveraged the eBay Enterprise Magento Enterprise Edition platform to offer buyers features it previously did not have. New features include inventory counts updated at 1-minute intervals, pricing updates and two-way communication with buyers when placing orders.

Other features include delivery rules, such as same-day shipping for orders placed before 10 a.m., and the option for buyers to select their desired delivery date and time. Shorty’s B2B platform can also connect with its suppliers’ purchasing departments to ensure purchase orders are carried out according to departmental guidelines.

“To deliver unique B2B experiences, suppliers should integrate their enterprise resource planning [ERP], customer relationship management [CRM] and support systems to their e-commerce platform,” Shearer says.

Leveraging the e-commerce platform to create new customer shopping experiences is not limited to suppliers. Manufacturers are creating e-commerce websites too. Thule Group, a manufacturer of transportation solutions for outdoor equipment, such as bike racks and water sports equipment carriers, created a website for its dealers to research, configure and order products and in-store displays. Dealers can also use the website to order custom products for consumers. “The website gives dealers powerful self-service features to interact directly with the manufacturer and provide a better in-store experience for their customers,” Strojny says.

**Better site search**

But in order for B2B buyers to have a good experience, they have to be able to quickly find what the products they’re looking for. That can prove difficult because many B2B buyers only have a part number when initiating a search on a supplier’s website. That minimal
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features intended to create the "wow" factor. The reason, according to B2B e-commerce experts, is that many suppliers still approach online product presentation the same way they do in a print catalog. As a result, they don’t take advantage of the additional space an e-commerce site provides for marketing and merchandising.

"Many B2B catalogs have a 4-inch x 4-inch square to include an image and a two-sentence description, leaving the rest of the space for part numbers, unit of measure and list price," WebLinc’s Hill says. "The web provides more physical space for sellable content, such as images showing a product in various colors and configurations, as well as photos and videos of the product in use and zoom capabilities."

Suppliers can further enhance their product presentations by including downloadable installation instructions, certificates of authenticity and operating and maintenance manuals.

"We’ve also had B2B suppliers provide articles about how to use products and how to help buyers sell the products they purchase to consumers," Hill says. "This type of content strategy increases suppliers’ credibility with buyers and helps boost their organic search rankings."

More functionality
B2B e-commerce sites can also draw buyers in by offering them a product configurator that allows them to choose the features they want and see what the final product will look like. A buyer shopping on the site of a heavy equipment supplier for an end loader will not only want to know the available options, in terms of tires, engine size and scoops, but also to see how the different combination of options change the vehicle’s configuration.

"A lot of products in B2B have to be configured to meet a buyer’s specifications," Insite Software’s Strojny says. "Letting buyers see what a product configured to their specifications looks like and the cost of that configuration is an effective marketing and merchandising tool."

Insite Software’s e-commerce platform includes a product configurator that supports both simple and
complex arrangements. Simple configurators allow buyers to customize a product using preconfigured options that come with fixed pricing. The advanced configurator supports custom configurations buyers can create from a menu of à la carte options. Pricing is adjusted based on the various configurations a buyer may create.

Helping buyers buy
Just as product configurators improve the buying experience for some, suppliers can also help buyers by providing a mobile commerce site. That isn’t always easy because suppliers have to strike the balance between the functionality needed to make it easy for buyers to place an order and providing the content buyers need to make informed decisions, eBay Enterprise’s Shearer says. Responsive design, which adjusts a site’s content to the size of the device’s screen to eliminate the need for resizing, panning and scrolling by the customer, is one solution. Another is to create e-commerce-enabled mobile apps that let buyers access a supplier’s full catalog.

“Although the mobile experience is becoming more important to buyers, many suppliers don’t offer mobile access or have sites optimized for mobile devices,” says Shearer. “Responsive design is an effective way to accommodate the needs of mobile users. Our Magento Enterprise Edition Platform includes a responsive design reference store, which means retailers can get to market with a mobile-ready site faster than ever.”

Suppliers can also drive sales by adding customer-generated product reviews to their sites. Customer reviews serve as peer-generated recommendations or rejections of a product, says Jonathan Hinz, U.S. product marketing director for Trustpilot, a product review platform provider.

“Customer reviews create awareness with other consumers about who a supplier is, what the supplier does and how the supplier does it,” Hinz says. “Consumers put a lot of trust in peer-generated recommendations and the kind of insights that customer reviews provide can increase site traffic, search queries and conversions. They can also improve retention, referrals and lead to a stellar reputation online.”

To collect service reviews, suppliers simply need to ask buyers to provide a review immediately after purchase. For product reviews, it’s best to wait a few days to request a review so the customer has had a chance to use the product. Depending on how suppliers ask for reviews, between 5% and 25% of buyers will provide a product review or a review of their shopping experience, and most will do so in less than 24 hours on average, Hinz says.

Trustpilot’s systems automatically reject reviews with foul language and spam. The Trustpilot review system also requires authentication from the reviewer to ensure reviews are from actual purchasers and not false reviewers. Immediately following the internal review, the system will post the customer review on Trustpilot.com and the supplier’s website. Suppliers can receive instant notification of the review to ensure they can promote a positive review or address the concerns in a negative review. “Negative reviews are inevitable and suppliers should not run from them because they confirm what every buyer knows, everyone has a bad day and sometimes there are glitches in the supplier’s systems or processes,” Hinz says.

Suppliers should quickly respond to a negative customer review on their website by acknowledging the problem and explaining to the buyer how they are addressing the issue. Once a supplier takes action, it can ask the reviewer to provide feedback about the solution. That approach can turn an unhappy customer into a loyal customer, and even a brand advocate.

“Responding to negative reviews demonstrates to buyers that the supplier is taking its comments seriously and genuinely cares about customer satisfaction,” Hinz says. “The risk with not showing negative reviews or responding to them is that it can create the perception a company has something to hide.”

Negative reviews also help suppliers pinpoint and address customer pain points that can hurt customer relationships. Petflow, a pet food retailer, for example, learned from customer reviews that its clients did not like a recent packaging change. While the change saved the manufacturer money, the negative response from customers was so overwhelming it prompted the pet food maker to revert to its original packaging to avoid losing sales.

To quantify the impact addressing a buyer’s concerns can have on customer retention, Hinz cites a PeopleClaim study that found 95% of unhappy customers will return to a seller’s website if a problem is
resolved quickly and efficiently. PeopleClaim is a dispute resolution service. “Asking buyers to review their customer service experience is also recommended as it can help service agents understand how customers perceive them,” Hinz says.

Rather than posting reviews in one spot on their website, such as a testimonial page, Hinz recommends suppliers spread them out on product pages so they are visible as buyers research products. Trustpilot will also map reviews to search engines Google, Yahoo and Bing to increase buyer discovery of the supplier’s website. A recent study by the Corporate Executive Board found that, on average, 60% of B2B buyers research a product before they buy it. The result is that suppliers incorporating reviews into their business can improve their search engine-optimization strategy by generating higher rankings for their organic results, as well as improved click-through rates of up to 17% through their Google AdWords campaigns, Hinz adds.

The more transparent suppliers are with customer reviews, the more likely they are to encourage new prospects to trust their company with their business. “Suppliers can also use the information gleaned from reviews to personalize customer interaction and their marketing strategies,” Hinz says. “Customer reviews are a powerful way for suppliers to engender greater customer loyalty and differentiate themselves beyond price in a competitive field.”

**Getting organized**

Since many suppliers grow through acquisition, they often have a hodgepodge of ERP systems because the time and cost of consolidating them into a single system can be significant. Suppliers may also have other back-office systems that need to feed into the e-commerce platform, such as product information management, or PIM, and master data management, or MDM, systems that seek to serve as central repositories for the company’s product and/or customer data. Given the breadth and complexity of suppliers’ back-office systems that can feed into the e-commerce platform, many suppliers mistakenly believe there are too many roadblocks to complete the task.

“The reality is that B2C retailers have already developed middleware to connect their back-office systems with the e-commerce platform so there is no reason B2B suppliers can’t do the same thing,” says eBay Enterprise’s Shearer.

Connecting back-office systems one-by-one to the e-commerce platform, as opposed to all at once, can ease the anxiety suppliers feel over the transition and make it easier to spot and correct the inevitable technical bugs.

“If a supplier’s primary goal is to make it easier for buyers to do their job, then they have to start by delivering the basics, which is search, navigation, the online catalog, inventory availability, the shopping cart and payments acceptance,” says Oracle’s King. “The ERP is the lifeblood of B2B e-commerce because of the vast amount of product data it holds. Integrating all that data into a customer-facing platform is an ongoing project and that’s how suppliers ought to approach it.”

Oracle’s B2B e-commerce platform includes search and navigation, product content management and easy integration into proprietary and third-party back-end ERP systems containing pricing, inventory, product and customer information. Additional features include connectivity to the CRM system to deliver customer data and price quoting and delivery of product information and attributes through the PIM system. Suppliers can manage complex organizational hierarchies, such as supporting varying accessibility and purchasing authorizations for multiple buyers designated by the supplier.

In addition, suppliers can set up and manage custom catalogs, price quotes, contracts and payment terms, recurring orders, bulk purchases, and multiple location shipments, as well as letting buyers view and pay invoices. Whether it is getting shipping information, negotiating bulk pricing, checking inventory or placing an order at their convenience, B2B buyers look to e-commerce sites to make their jobs easier by automating many of the time consuming manual tasks associated with traditional B2B ordering.

“When B2B buyers can interact with suppliers in the manner they want, suppliers often find their business with buyers expands, as they receive better service and have the opportunity to discover new products,” says WebLinc’s Hill.

Suppliers that take the time to learn how B2B buyers use their websites, and those of their competitors, will be the ones that develop the tools to make the buyer’s job easier, strengthen their relationship with the buyer and keep the buyer coming back for more.”
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