eCommerce 101:

B2B eCommerce Best Practices

TradeCentric™

INTRODUCTION

eCommerce is perhaps the business success story of the last two decades, with Amazon the principal beneficiary. Founded in the late 90s, Amazon is the second-biggest retail business in the U.S. and the second-biggest business overall by revenue. Among retailers, only Walmart is more valuable, and much of its recent growth is also due to an expanding digital sales footprint.

But, as impressive as the consumer eCommerce boom is, B2B eCommerce spending exceeds online retail spending. **In 2021, the global B2B eCommerce market was worth an estimated $6.8 trillion—almost a third larger than the B2C market's $4.9 trillion.**

The early years of eCommerce focused on the consumer. B2B eCommerce solutions like IBM's WebSphere Commerce —first released in 1996—saw some adoption in enterprise organizations, but business buyers and suppliers maintained traditional sales processes based on direct contact between sales teams and procurement professionals, occasionally enhanced by inflexible Electronic Document Interchange (EDI) systems.

In more recent years, B2B eCommerce adoption has accelerated, driven by the advantages to buyers and suppliers. Today, eCommerce plays a crucial role in the growth and success of B2B suppliers, wholesalers, distributors and manufacturers. **This eBook explores what you need to know about B2B eCommerce to grow revenue and win business from a new generation of buyers and procurement professionals.**

What is eCommerce?

eCommerce is the process of buying on the web and the software that supports browsing, searching, ordering and paying online. Buying over networks pre-dates eCommerce by several decades, especially in business-to-business and organizational procurement. But it was only with the advent of the web and user-friendly software in the late 1990s that online shopping turned mainstream.

While earlier electronic purchasing systems used expensive proprietary networks to link buyers directly to the supplier, today eCommerce is powered by the internet's decentralized networks and the web's standard and non-proprietary interface technology. **eCommerce empowers everyone from individuals to small businesses to the largest corporations to sell online.**

Anyone with an internet connection and a web browser can buy online; today, that's 307 million U.S. citizens, amounting to 93% of U.S. adults and even more businesses.

What is B2B eCommerce?

The initial growth of eCommerce was confined mainly to the consumer space. B2B selling is more complicated than B2C retail, and businesses were more comfortable with traditional sales relationships with accountable and well-understood processes.

More recently, business buyers and suppliers have realized just how flexible and efficient eCommerce can be. An increasing number of procurement professionals prefer a B2C-like eCommerce experience for its intuitiveness, superior user experience and self-serve nature. **By late 2020, 99% of business buyers were happy to self-serve, even for large transactions over $50,000.**

However, B2B buyers and suppliers need features not typically available in standard B2C eCommerce platforms.

- B2B procurement involves multiple decision-makers. Buyers expect supplier eCommerce stores to support their procurement approval and monitoring software, often prioritizing eCommerce integration with eProcurement spend management platforms during vendor selection.

- eCommerce is just one component of a B2B sales platform that may also include enterprise resource planning, inventory and warehouse management, logistics and delivery software and more. B2B suppliers demand eCommerce software that can easily exchange data with their existing systems.

- B2B relationships are usually contractual, with negotiated pricing, bulk discounts and other terms and conditions. Buyers expect personalized eCommerce that reflects their contract with the supplier.

- B2C shoppers pay when they place an order, whereas B2B payment is usually based on invoices and negotiated credit terms.

Standard B2C eCommerce solutions may offer a streamlined user experience, but they lack many features business users need. However, in recent years, the advent of B2B-focused eCommerce platforms such as BigCommerce, Oracle Netsuite SuiteCommerce, Optimizely, Salesforce B2B Commerce, Shopify Plus and Adobe Commerce have combined the B2C experience with B2B-focused integration and personalization features.

Trends in eCommerce

The typical B2B buyer has changed. A 2020 survey sponsored by Google found that buying decisions were impacted by the online presence and user-friendliness of self-serve options. Over 82% of buyers prioritize a user-friendly website. Many business buyers start procurement research in Google, and suppliers without a rich online presence lose out.

Procurement professionals and other organizational buyers want an easier way to find products, place orders and manage spending.

> According to a recent study by Gartner, most B2B buyers want remote and self-serve options: 77% are willing to spend over $50,000 in an online self-serve transaction, and 35% are willing to spend over $500,000.

Buyers expect B2B suppliers to provide:

• Self-service options that don't require them to buy via a sales representative.

• The ability to immediately see prices, product availability and order histories in an intuitive online interface.

• Automation solutions to streamline expensive, time-consuming and error-prone procurement processes, often through eCommerce integration with eProcurement spend management platforms.

eCommerce and eProcurement platform developers responded to these changing buyer expectations. The result is a rapid evolution in the user-friendliness and sophistication of eProcurement and B2B eCommerce software.

We want to highlight three business and technology trends transforming B2B eCommerce: headless eCommerce platforms, B2B eCommerce marketplaces and eProcurement integration.

1 Headless API-Driven eCommerce

Headless eCommerce platforms decouple the presentation layer from the underlying eCommerce functionality. Whereas a monolithic store's eCommerce features are combined with its customer-facing interface, headless eCommerce applications allow suppliers to create custom eCommerce stores and integrations.

Also known as decoupled or API-driven stores, headless eCommerce has become increasingly popular, particularly in the B2B space, where flexibility and customizability are more valuable to suppliers than an intuitive out-of-the-box user experience.

Headless eCommerce provides web-based APIs to access catalog management, order management, search and payment features. The eCommerce supplier creates an interface that takes advantage of these APIs in their preferred technology, whether a web app, a mobile app or an integration with an existing platform.

Headless cloud eCommerce platforms are among the biggest names in B2B eCommerce today, including Adobe Commerce Cloud, Salesforce and SAP.

2 B2B eCommerce Marketplaces

The traditional B2C and B2B eCommerce sales model is based on a one-to-many relationship. One business sells to many buyers. B2B marketplaces offer a variety of alternative models and new revenue streams for suppliers.

From a supplier's perspective, there are two ways to leverage marketplaces. The first is to sell on a marketplace operated by a third party. Amazon Business and Alibaba are long-established marketplace operators in the B2B space.

But the real innovation is B2B suppliers who become marketplace operators in their own right, transforming their one-to-many store into a many-to-many marketplace. Today, this can be easily achieved with a marketplace solution like Mirakl, which adds multi-supplier marketplace features to an existing eCommerce store.

There are several advantages to moving from single-supplier B2B eCommerce to marketplace operator, including:

• Enhanced revenue and business diversification from marketplace services and sales commissions.

• A more extensive product range that attracts additional buyers.

• More up-sell and cross-sell opportunities.

Marketplaces have become a popular option for B2B companies because as Adrien Nussenbaum, CEO of Mirakl, said, **"The benefits of the platform business model are vast: more products, better prices, a larger brand footprint and above all a better offer for your customers."**

3 B2B Automation

Traditional B2B sales workflows are slow, labor-intensive, error-prone and unaccountable. Procurement is managed over the phone, fax and email. Documents such as purchase orders and invoices are exchanged over low-tech, low-bandwidth channels, often as PDFs.

B2B buyers adopted eProcurement platforms such as Coupa and Jaggaer to centralize and digitize procurement, just as suppliers adopted eCommerce to digitize sales. eProcurement brings substantial efficiency and accountability improvements, but buyers cannot fully leverage these advantages without integrating the eProcurement platform and supplier eCommerce stores.

Platform integration facilitates features such as PunchOut catalogs and sales order automation, allowing for the automatic exchange of documents and other data. B2B automation improves the quality and quantity of data available to both sides of the transaction and substantially reduces the labor required to manage and maintain oversight of B2B transactions.

eCommerce in a Post-COVID World

COVID–19 was a global and national disaster affecting billions of lives while causing massive economic disruption. According to the World Bank, the global economy contracted over 5% in 2020, the most significant per capita drop in 150 years.

Without eCommerce and the online economy, the impact would have been even greater. As brick-and-mortar stores closed down and employees began to work remotely, consumer and business buying moved online. Consumer eCommerce sales grew by almost 45% in the second quarter of 2020. B2B eCommerce revenue has increased by over 20% in the pandemic's first year.

Businesses that could process sales through an existing eCommerce store were better able to cope with the pandemic. Those without a mature digital sales channel were in an extremely challenging position.

The economy bounced back, with post-COVID growth of 5% in 2021, but the pandemic's impact has permanently altered buyer and supplier behavior. There is no going back to the pre-COVID reliance on traditional B2B sales. eCommerce is an essential sales channel: businesses without eCommerce capabilities are at a significant disadvantage.

Why Is B2B eCommerce Important?

The COVID-19 pandemic accelerated B2B eCommerce adoption, but forward-looking businesses didn't need coronavirus to recognize the necessity of digital sales channels. B2B eCommerce benefits both buyers and suppliers.

HOW B2B BUYERS BENEFIT FROM ECOMMERCE

We have already mentioned some of the ways buyers benefit from eCommerce, particularly the ability to self-serve and accelerate the buying process. But eCommerce offers several additional advantages to B2B buyers:

- **Access** to a comprehensive product, availability and delivery information.

- The ability to **quickly compare vendors** on pricing and other factors.

- **Streamlined processes** for repeat orders.

- **Automation** via integration with their eProcurement spend management platform.

- A B2B procurement user experience with the **convenience and user-friendliness** of B2C eCommerce.

- The potential for **integration with eProcurement platforms** for automation features that facilitate procurement policy enforcement, reduce tail spend and eliminate data entry errors.

- Over 70% of B2B buyers will seek a competitor if product research or buying is inconvenient. eCommerce provides a relatively low-cost solution to implementing buyer-centric B2B sales.

HOW B2B SUPPLIERS BENEFIT FROM ECOMMERCE

The primary benefit to B2B suppliers is increased access to buyers who would otherwise turn to competitors. The evidence is clear that even before the pandemic, B2B eCommerce was fast becoming a preferred sales channel for many businesses, with U.S. online B2B revenues reaching $1.63 trillion in 2021. Other benefits of B2B eCommerce for buyers include:

- **Increased sales productivity and reduced costs:** B2B eCommerce allows suppliers to reach more customers while reducing the cost of sales transactions.

- **Enhanced discoverability:** Most B2B buyer journeys start with Google, and a well-optimized eCommerce store is the best way to engage with them.

- **Improved buyer and sales data:** Digital sales platforms give businesses greater insight into buyer behavior, creating improved marketing, up-sell and cross-sell opportunities.

- **Enhanced automation and integration opportunities:** An eCommerce store allows suppliers to offer automation features that include PunchOut catalogs, purchase order automation and electronic invoicing.

How to Get Started with B2B eCommerce

The benefits of B2B eCommerce are clear, but it can be challenging to implement the technological and organizational components vital to a successful digital sales platform.

This chapter examines the technology options and eCommerce best practices manufacturers, wholesalers and distributors need to know about before they embark on their eCommerce journey.

There are dozens of eCommerce platforms businesses might choose from, but it can be challenging to choose the right software for your business. Instead of focusing on individual eCommerce platforms, we'll look at significant platform categories and a few examples of each.

SELF-HOSTED ECOMMERCE APPLICATIONS

Self-hosted eCommerce software includes all the functionality of a B2B eCommerce store, lacking only a hosting platform. Features specific to B2B eCommerce may be integrated into the core software or available as add-ons or plugins. Many self-hosted applications are open-source and free to use, although some are proprietary or have proprietary versions with advanced features and paid support plans.

The benefits of self-hosted applications include:

• **Customization options:** B2B suppliers can customize the store and its code.

• **Platform independence:** Self-hosted applications can be hosted on any compatible server.

• **Cost:** Self-hosted platforms are often less expensive than equivalent-hosted platforms.

Disadvantages of self-hosted platforms include:

• **Hosting:** You will need to find and manage hosting for your eCommerce store or pay a third party to manage it for you.

• **Technical challenges:** Inexperienced users may find self-hosted stores challenging to deploy, scale and manage.

Among the most popular self-hosted B2B eCommerce applications are SAP, Shopify, BigCommerce and Salesforce Commerce, the self-hosted solution on which the Adobe Commerce cloud platform is based.

CLOUD SAAS ECOMMERCE PLATFORMS

Software-as-a-Service (SaaS) eCommerce platforms combine software with hosting and management services. SaaS platforms provide an all-in-one eCommerce solution with the store's front-end and a back-end management interface hosted on servers operated by the same company.

The benefits of SaaS apps include:

- **Fast deployment:** SaaS stores are designed to help users build and deploy stores quickly and easily.
- **Ease of management:** SaaS eCommerce stores require little technical expertise and provide support for suppliers who run into difficulties.
- **Scalable:** SaaS stores scale smoothly, and the platform vendor handles the technical challenges of scaling.

The disadvantages of SaaS eCommerce stores include:

- **Vendor lock-in:** SaaS platforms are proprietary, and it can be technically challenging and expensive to migrate to a different platform.
- **Limited customization:** As an all-in-one solution, SaaS eCommerce lacks the customization options of self-hosted or headless cloud platforms. SaaS platforms are customizable, but options are limited to those made available by the vendor.
- **Cost:** SaaS is an inexpensive option for smaller stores, but prices may rise quickly as the number of products and buyers increases.

B2B-capable SaaS eCommerce applications include Adobe Commerce, Shopify and Shopify Plus, 3dCart, Optimizely Commerce Cloud and Liferay Commerce.

HEADLESS ECOMMERCE PLATFORMS

Headless eCommerce solutions provide an API that businesses can leverage to build a custom eCommerce experience. Headless eCommerce platforms typically offer a comprehensive range of B2B eCommerce features accessed over a web-based API, such as catalog management, quote management and bulk pricing.

API-driven software can be self-hosted or hosted on a managed cloud platform. Many headless platforms also provide an integrated shop-front for businesses that prefer not to develop their own.

The advantages of headless platforms include:

- **Customization:** Suppliers build custom front-ends that leverage the platform's B2B eCommerce tools.

- **Integration:** A comprehensive API makes it straightforward to integrate a supplier's existing tools and platforms.

- **Technology independence:** Businesses can use any programming language or technology platform capable of accessing the API, including Progressive Web Apps (PWAs) and mobile apps.

The disadvantages of headless eCommerce include:

- **Complexity:** Suppliers have to provide the "head" of a headless platform, which means hiring developers to create the storefront.

- **Higher Initial Costs:** Suppliers have to invest time and money to create a custom eCommerce presentation layer, unlike on SaaS and monolithic self-hosted platforms.

- **Platform Lock-in:** API-driven cloud eCommerce platforms have the same potential for lock-in as other cloud platforms.

Many modern eCommerce applications provide a REST API that allows them to be used in a headless mode, including WooCommerce, Adobe Commerce and Shopify Plus. Primarily headless eCommerce platforms include BigCommerce, Broadleaf Commerce and Elastic Path.

B2B eCommerce & Technology Integration

The store is only one component of a B2B sales organization. It handles selling and product management, but other software may be responsible for stock management, logistics, customer relationship management, sourcing and buying products and other aspects of a complete sales operation.

Without integration to automate data flow between these platforms, sales and administrative employees waste a tremendous amount of time moving data between them. There are two aspects of integration and automation that B2B businesses should consider: integration with their back-office software and integration with buyer eProcurement platforms.

Back-Office Integration

The developers of B2B eCommerce software recognize the need for integration. Typically, they will provide APIs that facilitate integration or a software suite that includes integrated tools. Among the back-office software that may require integration are:

- ⊘ Enterprise Resource Planning (ERP)
- ⊘ Stock and warehouse management
- ⊘ Product Information Management (PIM)
- ⊘ Customer Relationship Management (CRM)
- ⊘ Shipping, fulfillment and logistics
- ⊘ Content management
- ⊘ Digital marketing software
- ⊘ Tax management and accounting software

Before settling on an eCommerce platform, it is prudent to assess which back-office platforms will require integration, which additional tools the business might need and whether a particular eCommerce platform can meet integration or feature requirements.

A business with existing back-office software may prefer an eCommerce platform such as BigCommerce, which provides a wide range of ERP and other integrations. If your company does not have systems to manage a full spectrum of B2B operations, an integrated software suite may be a better option.
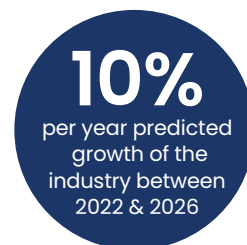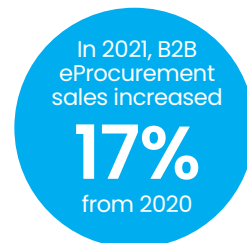
- Oracle NetSuite includes the Netsuite SuiteCommerce eCommerce platform in addition to integrated CRM, ERP, financial and content management features.

- Edge Commerce includes integrated warehouse and production features, as well as CRM and ERP solutions.

Buyer eProcurement Integration

eProcurement is one of the fastest-growing digital sales channels. The value of U.S. B2B eProcurement sales was $934.2 billion in 2021, an increase of 17% from a $798.4 billion value in 2020. The eProcurement software industry is predicted to grow by 10% per year between 2022 and 2026.

eProcurement has proven popular because it helps businesses manage spending and implement cost-effective procurement workflows. However, to maximize the value of eProcurement, buyers must integrate their buyers to enable features such as PunchOut catalogs and purchase order automation.

The ability to integrate with buyer eProcurement platforms has become a significant factor in vendor selection: B2B suppliers who can't or won't integrate are at a competitive disadvantage.

$934.2 B
2021 U.S. B2B eProcurement sales

In 2021, B2B eProcurement sales increased
17%
from 2020

10%
per year predicted growth of the industry between 2022 & 2026

Measuring B2B eCommerce Success

When a business deploys an eCommerce store, both employees and buyers have to adapt to the new sales platform. Often, they will need help and support during the transition. Monitoring Key Performance Indicators (KPIs) will help you understand how well they are adapting and how effective the new eCommerce platform is.

ONLINE RETENTION RATES

Online Retention Rates measure whether eCommerce users continue to buy from your eCommerce store or revert to sales representatives or other purchase methods. Low retention rates indicate that buyers consider the eCommerce experience inadequate to their needs.

ONLINE ORDER FREQUENCY

Online Order Frequency measures how often buyers use your eCommerce store. eCommerce increases convenience and reduces friction in the sales process, so you would expect to see increasing order frequencies. If you see decreasing order frequencies, consider offering additional support to buyers. You may also want to consider workflow or integration enhancements to improve their experience.

CART ABANDONMENT RATES

Cart Abandonment Rates indicate when buyers add products to the cart but fail to complete a purchase. In B2B eCommerce stores, high abandonment rates may suggest that buyers are using the store to research and build orders that they complete through a different channel. Procurement policies may compel them to buy through specific channels even if they find the eCommerce experience superior.

If you observe a buyer abandoning carts regularly, it may be worth contacting them to offer support for a transition to eCommerce, especially if you can also offer to integrate your store with their eProcurement platform.

Partnering With an eCommerce Accelerator

B2B eCommerce suppliers face complex implementation challenges that B2C retailers rarely encounter. Among the most challenging are eProcurement integration and B2B automation. There are dozens of eProcurement platforms in use today. It would be technically complex and enormously expensive to create custom integrations for every buyer.

TradeCentric can integrate any eCommerce store with any buyer eProcurement spend management platform, radically reducing integration costs and lead time. Our Integration-Platform-as-a-Service (iPaaS) translates data and manages procurement document exchanges between buyer and supplier, eliminating data rekeying, improving data accuracy and facilitating a seamlessly automated and accountable sales process.

With TradeCentric, B2B eCommerce suppliers can radically improve the eCommerce buying experience with:

- PunchOut catalogs
- eQuote
- PO acknowledgment
- Purchase order automation
- Advanced Shipping Notice
- Invoice automation

To learn how TradeCentric can help your business offer platform-agnostic eProcurement integration, contact us.

TradeCentric, formerly PunchOut2Go, transforms the way businesses do business by enabling PunchOut, Purchase Order and Invoice Automation for thousands of companies every day. Uniquely positioned at the intersection of eCommerce and eProcurement, TradeCentric helps B2B buyers and suppliers connect, automate and scale their digital trading capabilities. We offer a cloud-based integration platform that is fully managed and purpose-built to simplify the complexities of B2B trade and transaction processes. **Learn more at www.tradecentric.com.**