

Chapters 1, 2 & 3....



eCommerceMasterPlan.com/b2b

Foreword

Back in 1999 when I launched my business, the concept of being a specialist provider of b2b eCommerce solutions raised a few eyebrows. After all, surely b2b eCommerce provision wasn't really that different from b2c?

Nearly two decades later, the true complexity – and potential rewards – of an integrated b2b solution are much more widely appreciated. Indeed, far from being a niche, specialist provider, we now find ourselves at the forefront of the biggest growth area in eCommerce.

Over the years, we've helped customers and prospects understand the differences and similarities between b2b and b2c eCommerce. We've helped companies clarify their objectives and advised on the best ways to realise the benefits that come with adopting best practice. And we've helped businesses of all kinds through the successful transition to eCommerce.

Today, as buying habits continue to change, b2b eCommerce is shifting from a nice-to-have, to a must-have and has become a boardroom priority for many manufacturers, wholesalers, and distributors. Yet despite its rise up the corporate agenda, the complexities of b2b eCommerce still raise a raft of familiar questions.

With the release of **B2B eCommerce MasterPlan**, there is now a single authoritative text that addresses the

challenges businesses need to overcome when they embark on a b2b eCommerce initiative. This book provides practical advice on how to approach each stage of planning and implementation, and also offers valuable guidance on ensuring that activities remain optimised after launch. It will be required reading for everyone at GOb2b and copies will go to all our existing clients as well as prospects.

I particularly enjoyed *Chapter 10, Lessons in Site Building* – it certainly mirrors our own experience. As Chloe explains, some polite friction between the business and the website builder is inevitable but following this book's guidance on preparation, specification, and communication, should help to keep it to a minimum.

I'm also reminded of a story I heard about a website re-design, where a graphic designer who had never designed for eCommerce undertook the work. While the new site looked attractive enough, unfortunately it broke many of the paradigms of eCommerce. For example, the previously obvious 'Buy' button was replaced by a dull grey graphic, and the 'Login' button was moved and changed to another obscure graphic. Such changes confused existing buyers and discouraged new customers.

If this book had been in print at the time, I could have sent the company a copy. Chloe's *Top Tips for making it easier to buy on your website* would have ensured the design focus was on sales support, not sales prevention!

Paul Dorey, CEO, GOb2b™

GOb2b™ creates fully integrated, b2b eCommerce websites for wholesalers, distributors, and manufacturers to transform your b2b sales order process. Our unique b2b eCommerce platform integrates seamlessly with popular accounting systems including Sage, Pegasus Opera and Interprise, with more on the way, to deliver a feature-rich, higher personalised customer experience. GOb2b™ is recognised as an industry innovator and regularly brings new integrations to the market.

Whatever your reasons for reading this book, if you're looking to get in touch with a specialist provider that can help you navigate the challenges and opportunities of b2b eCommerce, give GOb2b™ a call on +44 1548 856583.



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STAGE ONE

Should You Add Ecommerce to Your Business?

ADDING eCOMMERCE FOR your B2B Customer does not just mean putting up a site and then going back to business as usual.

It's a lot of work and will change the day-to-day activities and mindset across the business. So, you need to be sure it's the right thing for you AND that now is the right time, before you start.

That's what this stage is about.

1 What Is B2B eCommerce? And Why Should You Care?

B2B.

eCommerce.

Two concepts that regularly cause confusion.

If I had a £1 for every time I'm asked what B2B means....
AND for every time someone thinks having a website with
affiliate links to Amazon is eCommerce....

Given the confusion around the words, why on earth have
I decided to write a book about it?

Well – because there are a lot of B2B eCommerce market-
ers (and wannabe B2B eCommerce marketers who contact

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me asking for help, expressing their frustration about the lack of content available for them to help them build their B2B eCommerce operation.

Let's clear up those definitions before we get any deeper into that.

What Is B2B?

B2B stands for Business to Business. It is used to refer to businesses that are selling to other businesses. E.g:

- Accountants
- Shop-fitters
- Builders merchants
- Product designers
- Manufacturers
- Wholesalers

As opposed to B2C (business to consumer), which are businesses selling to consumers. E.g:

- Supermarkets
- Shoe shops
- Restaurants
- Newspapers

These terms are not unique to retail and eCommerce.

Usually a business will be either B2B or B2C, because to do both often adds a lot of complexity because they are two different business models. It's an important distinction, because the way you market to, and serve a business as a customer is very different from how you market to and serve a consumer as a customer – even though they are often the same person.

Why Is It an Important Distinction?

Even when it's the same product or service that's being sold to B2B and B2C buyers, the process is very different. How a big company with multiple offices buys stationery is very different from how a student buys stationery:

- The number of people involved in the buying decision – one vs several.
- The payment method used – credit card vs invoice with purchase order.
- The volume of product bought – one pen vs a whole box.

Somewhere in the middle, you have businesses – like me – that buy like consumers buy. I buy stationery for my business from Amazon, Bureau Direct, and the high street.

What Is eCommerce?

eCommerce is:

- **A business:** Because you must take it seriously; you cannot just put a website live and assume you'll make millions. Success in eCommerce requires everything it takes to be successful in business – strategy, marketing, sales, ops, finance, IT etc., etc,
- **Selling products or services:** This includes physical products that get delivered through the post, or virtual products that get delivered online (think games, movies, software), services like ticket sales or dentist appointments, and of course SaaS (Software as a Service) – all those app and tool subscriptions to online services like MeetEdgar, Shopify, and Zoom.
- **Taking the order online:** This is the critical bit, the bit that is different. eCommerce is where the order is placed online. In B2C eCommerce, that means the payment happens online too. In B2B eCommerce, that's usually the ideal – but it might also be that the order is placed and the price added to the monthly invoice.

What Is B2B eCommerce Then?

It's when a business that sells products or services to other businesses uses an online system to take customer's orders.

Is it all that different from 'normal' B2C eCommerce?

B2B eCommerce has many similarities to B2C eCommerce:

- You use a website.
- You're selling to human beings.
- You must use marketing or sales to get the customer to the website.
- There must be product information on the website.

But there are some fundamental differences too, and how pronounced these are depends on how your B2B customers behave.

If you're selling curtain poles to interior designers like Walcot House, or selling jewellery-making equipment to jewellery designers like Beads Direct does, your B2B customers behave almost exactly like B2C consumers.

But if you are selling hygienic disposable gloves to chains of care homes like Gloveman does, or cycling equipment to Halfords like Urban Bike does, your B2B customers behave very differently and have very different needs than a B2C consumer.

For example, you need the website to be able to handle the different pricing options you give to your customers, so that's a bit more complex than B2C eCommerce. The standard B2C platforms may not be able to cope with the complexity you need.

That's why I wanted to write this book — to provide a source of advice tailored to the B2B eCommerce sector, rather than just generic eCommerce advice.

However your customers behave when they buy, launching a B2B eCommerce operation is launching a whole new business — you must make sure the team (at all levels) is trained and bought in, and you need to re-educate the customers.

It's a lot of work, and not a decision to be taken lightly. But done well, it can bring huge rewards: Saving time and salaries, increasing customer loyalty and satisfaction, increasing sales, reducing costs, and increasing those profits.

Depending on how you do it, going eCommerce can also open up your business to new customer groups. Those that are too small for it to be worthwhile to visit with a rep to take the order can now self-serve and order online. Several bigger companies are now making an online ordering system a requirement for their suppliers, too.

Why Should You Care About How eCommerce Can Increase Your Profits?

For the businesses I interviewed when researching this book, the benefits of, and reasons for, going eCommerce were primarily about improving the bottom line — increasing profits by:

- Increasing sales

- Getting new customers.
- Providing a better service to existing customers, leading to increased spend.
- Streamlining workflows within your business so the team spends less time on admin, and more time on income-generating activity.
- Making it as easy as possible for the customer to order as and when they chose.
- Attracting new customers by enabling them to see what you do.

The obvious operational customer services win is that, if you've got customers self-servicing themselves online, then they're not taking up the time of your team. So, your team can be redeployed to work harder on the bigger accounts, or go out and find you new customers.

But it's about a lot more than sales, profits and cost savings. It's really about giving your customers what they want in order to grow your business by both retaining existing customers, and finding new ones.

B2B eCommerce (and maybe B2C too) **will** form a part of the future of your business, sustained growth and profitability, and the research backs this up.

B2B buyers (your customers) are increasingly buying and researching online:

- 30% make half or more of their work purchases online today³.
- 56% expect to make half or more of their purchases online in 3 years' time⁴.
- 74% research half (or more) of their work purchases online before buying⁵.

The B2B eCommerce market is growing fast:

- Forrester estimates that B2B eCommerce will top \$1.1T and account for 12.1% of all B2B sales by 2020⁶.
- It's already twice the size of B2C eCommerce, driven by manufacturers and wholesalers.

3 Q2 2014 Forrester / Internet Retailer B2B Buy-Side Survey. www.forbes.com/sites/louiscolumbus/2016/09/12/predicting-the-future-of-b2b-e-commerce/

4 Q2 2014 Forrester / Internet Retailer B2B Buy-Side Survey www.forbes.com/sites/louiscolumbus/2016/09/12/predicting-the-future-of-b2b-e-commerce/

5 Latest Trends in B2B E-Commerce Strategies and Tech Investment, Andy Hoar & Peter Sheldon, June 2015 (Forrester) www.ircecontent.com/assets/161/resources/Hoar_Sheldon1.pdf

6 Predicting The Future Of B2B E-Commerce, Louis Columbus, Sept 2016 www.forbes.com/sites/louiscolumbus/2016/09/12/predicting-the-future-of-b2b-e-commerce/

- 46% of manufacturers say eCommerce will be their primary sales channel by 2020⁷.

You can get in ahead of your competition:

- 85% of B2B companies admit they are not yet fully utilizing eCommerce, even though they recognize that digital commerce is an important revenue opportunity⁸.

And get new customers:

- In 2014, Forrester Consulting surveyed 100 U.S. firms that had implemented B2B over the previous 7 years, finding that 31% of the revenue from the eCommerce sites was believed to be incremental.

The time to do it is now.

7 Four51 Unveils "Manufacturing Commerce & Technology 2020" Research, March 2016 public.four51.com/four51-unveils-manufacturing-commerce-technology-2020-research/

8 The State of B2B E-Commerce: Stats Roundup, Chris Mitchell, July 2016 (Business to Community) <http://b2c.news/xsNFAs>

2 The 4 Reasons to Adopt B2B eCommerce

THERE ARE LOTS of reasons why you should add eCommerce to your B2B business. In this Stage, I'm going to take you through the main reasons.

For each, consider how it applies to your business. Is it relevant? Should you get involved in eCommerce to better serve your customers?

Reason 1: The New Breed of B2B Buyers

Some things will never change about B2B buyers. There's still going to be multiple people involved in many sales, budgets will still be tight, and there will still be purchase orders and invoice chasing. (sorry!)

For some clients and orders, it's still going to be very much worth your while to cover those motorway miles and spend the time getting to properly understand their needs.

However, online is playing an increasing part in every B2B transaction (whether it's completed online or offline).

B2B buyers are humans too

Every one of your B2B buyers also buys things as a consumer; they don't only exist in work hours – they are a normal human too!

- 80% of companies implementing B2B eCommerce believe that their customer expectations have changed due to B2C practices ⁹.

Your customers are using Amazon, John Lewis, eBay, Alibaba, Walmart – they're just normal people. And now that they've experienced the convenience of buying online, they want to use that in their business life too.

- 30% make half or more of their work purchases online today¹⁰.
- 56% expect to make half or more of their purchases online in 3 years' time¹¹.

9 2013 B2B Commerce Survey – Insight Into Key Trends Include Customer Experience, Mobile and Online Growth, Jeri Kelley, April 2013 (Oracle). blogs.oracle.com/cx/2013-b2b-commerce-survey-insight-into-key-trends-include-customer-experience%2c-mobile-and-online-growth-v2

10 Q2 2014 Forrester / Internet Retailer B2B Buy-Side Survey. www.forbes.com/sites/louiscolumnbus/2016/09/12/predicting-the-future-of-b2b-e-commerce/

11 Q2 2014 Forrester / Internet Retailer B2B Buy-Side Survey

This is great because it's going to make migrating customers to online ordering a bit easier. But it also means you can't just slap a site up and hope it works, you've got to offer as good a service as they're used to online from day one, adapted to B2B buying needs. You can't neglect making the website work well.

B2B buyers like to research online & self-serve

The majority of B2B buyers are now researching their work purchases online before buying¹², regardless of how they are eventually going to make the purchase.

And they're spending more time researching on their own before they make contact. If the information they want to know about you/your products is not easily available, they will take their research and business elsewhere.

The good news is that 83% of them would prefer to re-search their purchases on your website, rather than via Google, blogs, social media, or anywhere else¹³. So, if you can provide a website that includes the details of all your products, it becomes a way to lock in their loyalty and get their business – both on and offline.

12 Latest Trends in B2B E-Commerce Strategies and Tech Investment, Andy Hoar & Peter Sheldon, June 2015 (Forrester) www.ircecontent.com/assets/161/resources/Hoar_Sheldon1.pdf

13 B2B E-Commerce Statistics & Latest Trends 2017, Feb 2017 (Avatar) www.avatarsyndicate.com/inline/b2b-e-commerce-statistics-latest-trends-2017/

Your customers are looking to you to make their working day simpler, and to make buying more convenient.

Reason 2: Competitive Pressure and Industry Shift

It's not just the customers who are pushing you to change your business model. In most industries, there is a shift already under way, especially acute if your competitors already offer online ordering.

Industry growth

The B2B eCommerce market is growing at a pace. *The Wall Street Journal* recently reported on how the growth is accelerating (in the USA). Over the 25 years leading up to 2015, eCommerce reached 9% of total B2B sales, and by 2020 (just 5 years) it's predicted to go to 12%. That might not sound like much, but it's a 33% increase in just 5 years¹⁴.

That growth is fuelled by more customers choosing to buy online, from more B2B businesses launching their eCommerce operations, and from the growth of B2C eCommerce that is changing human behaviour.

There is a huge opportunity for the B2B business that gets online in the near future and catches this wave.

14 B2B E-Commerce Trends in 2017, Jan 2017 (WJS, Wall Street Journal) partners.wsj.com/ups/b2b-e-commerce-trends-in-2016/

The competitors you watch

What are they up to? If they've launched a B2B eCommerce site, they're going to be accelerating the behaviour change in your target market from offline person-to-person orders to online ordering. You've got to get there before your customers start shifting to the companies that give them the transaction method they want.

Has no one gone eCommerce yet in your niche? Then there's your opportunity to get ahead of the pack and differentiate.

The competitors you (probably) don't watch

I'm talking about those sites you don't think of as a competitor, but sell the same products, or products that serve the same purpose as the ones you sell.

Sites like Amazon, Alibaba, eBay – and many, many more. Go and take a look; are they selling your products? Or similar products that satisfy the same customer need?

If your customers/target customers are after quick, low-hassle ordering, why wouldn't they go there? If it's easier than buying from you?

Plus, they're actively making it easier for businesses to transact with them – take a look at Amazon Business.



Reason 3: Your Customers Want It

Of course, it's one thing to make the decision based on trends across the whole B2B world or within your own market, but what about trends within your own business?

What do your customers want from you? Are they already asking for an online ordering portal?

When we get into the type of eCommerce site you're going to need, one of the recommendations will be to ask the customers what they would find most useful. Before that though, why not find out if your customers want it?

Every business is different, so you should base any decision of this magnitude more heavily on what your customers say, than on the big industry stats I've shared above.

Run a survey to find out if your customers want an eCommerce ordering option. How do they want to order from you and manage their account¹⁵?

Once you have the results, analyse them to find out not just if your customers want it, but also which customers want to order online – is it the biggest customers? The smallest customers? Or all of them? This will have a big impact on what you build and how you market it both internally and externally. We'll cover more on this in Stage 2.

Reason 4: Pressure from Within the Business

From my discussions with B2B manufacturers and wholesalers over the years, the final catalyst to launching an eCommerce site for B2B customers usually comes from within the business, whether that's financial, the team or something else. You can't afford to ignore internal pressures.

From the team

The internal pressure to build eCommerce into a B2B business can come from almost anywhere:

- **Customer feedback** harvested by the customer service team, or sales team: "The customers want to order online, help me help them".

¹⁵ You can access my survey template for this, which you can copy and use for surveying your customers, and recommended systems to run the survey on, via eCommerceMasterPlan.com/freeb2b

- **The Sales team:** "If only we had an online ordering system I could focus my effort on the big accounts and let the little ones sort themselves out. Overall I'll make a bigger bonus and you'll get more sales".
- **The Warehouse:** "Mondays would be so much easier if customers could place orders over the weekend. Then we wouldn't have to wait until lunchtime for the sales team to transfer the emails and voicemails that have come in into the system. We could get packing and despatching straight away".
- **Marketing:** "If we had an online product catalogue and ordering system, we could do much more interesting marketing – and make a bigger contribution to sales".

Financial

eCommerce will Increase Sales:

- **Increase sales from existing customers:** Given it's easier to buy, you should see additional orders from existing customers.
- **Gather sales from new customers:** They can find you and buy from you all online, without any of your team having to do a thing.
- **Open up a new target market:** You can add those whose potential annual purchase value is too low to have a sales rep dedicated to them, but who can buy from you online at a profit.

eCommerce will lower costs.

The human sales channel remains one of the most costly, but also the most effective. Migrating order taking to an automatic online system will remove some of the most low-value work from your team. This gives you the opportunity to either:

- Reduce headcount/hours and directly save money.
- Redeploy headcount into higher value areas:
 - Better relationships with highest-value customers.
 - Outbound calls to generate more sales and check on customer satisfaction.
 - Website Live Chat management on the website (this is a sales channel).

Interestingly, the majority of our case studies and research interviewees have actually increased sales team numbers since adding eCommerce to their business. And none had cut headcount as a result of the change. So, you'll probably find you're redeploying people, and improving cost per order.

BUT don't go thinking that moving into eCommerce won't add costs to the business.

You will need to invest in the website, and in marketing activity to both migrate customers to it and keep them buying from you. Plus, you'll need lots of man-hours to populate it with products and keep it up-to-date, and it certainly doesn't eradicate customer-service needs.

Why Should You Add a B2B Ecommerce Operation to Your Business and Work to Make It a Success?

Your Customers. Current and Future.

And, of course, profit.

Before you move on to Stage 2:

What do you think?

Is it clear that eCommerce will be a benefit for you?

Do your customers want it?

Does the team want it?

Jot down your thoughts. And answer these 2 questions:

1. Should B2B eCommerce be part of your business / the business you work for?

Yes No

2. When should it be a part of your business / the business you work for?

Last year(!) Now Next Year 5 years' time

If no – feel free to stop reading!

If yes – whatever the timescale – you need to read on, because the time to tackle the next Stage is now.

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Why Should You Add a B2B Ecommerce Operation to Your Business and Work to Make It a Success?

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3 Case Study: Upgrade Bikes

‘What’s going to help
our B2B customer
sell more?’



shop.upgradebikes.co.uk

UPGRADE BIKES DESIGNS, manufactures and wholesales bikes and bike parts, specialising in products for off-road and adventure biking with a global turnover well in excess of 7-figures.

Over the years, they've become experts in building a brand in the cycling world, so that sales to the B2C customer just

grow and grow (all sold by their B2B customers to the end user). So now, as well as wholesaling their own DMR and Kinesis products, they also wholesale on behalf of another 20 bike part & accessories manufacturers both in the UK and overseas.

Their success is based on the success of their B2B Customers – so anything Upgrade Bikes can do to help them sell more, they do.

The Customer

The majority of Upgrade Bikes customers are specialist cycle retailers, one-off physical stores serving the cycling fanatics in their area. They also sell to the huge retailers in their space – Halfords, Wiggle, Chain Reaction, etc.

Quite a diverse set of needs! Not all the larger retailers use the eCommerce site, and they continue to have a traditional buyer-supplier relationship. Large retailers also receive a lot of marketing support from Upgrade Bikes.

However, those national chains where stock is ordered at the store level do use the website, which has been modified to give them a PO number checking and authorising system.

UK B2B sales are split 1/3 via the website, 2/3 via the account managers who look after the big stores.

They also serve B2C consumers online, but via a limited stock range.

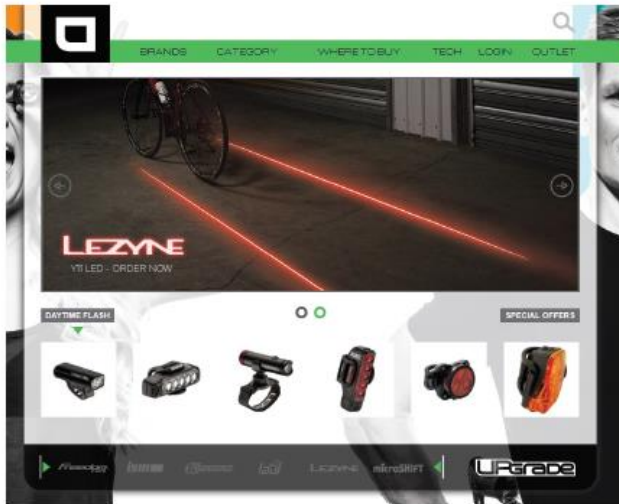
The Websites

They've evolved from doing everything offline, to having 4 transactional websites. Although three of those exist to sell to the B2C customer, every single site exists to help their wholesale (B2B) customers sell more.

- [Shop.upgradebikes.co.uk](https://shop.upgradebikes.co.uk) – The B2B eCommerce site. Exists to serve their B2B customers.
- [Outlet.upgradebikes.co.uk](https://outlet.upgradebikes.co.uk) – A B2C eCommerce site. Exists to sell demo stock (that used by the press to test the products), and small parts for all the brands they represent (e.g. replacement handle bars, or springs and clamps).
- DMRBikes.com
 - A B2C eCommerce site. Selling the small parts range for the DMR brand.
 - PLUS, the marketing content that builds the brand, serving as the centre for social media, news, press, product information, and of course their sponsored athletes.
- KinesisBikes.co.uk
 - A B2C eCommerce site. Selling the small parts range for the Kinesis brand.
 - PLUS, the marketing content that builds the brand, serving as the centre for social media, news, press, their sponsored athletes, and even a "Dealer of the Month" section.

Having a combined B2C and B2B eCommerce store was never a consideration, as they needed to serve such different purposes.

Plus, the level of pricing complexity on the B2B site does slow things down a bit – and adding a consumer dimension to that would just have slowed the system down for everyone.



Product Decisions

Upgrade Bikes use their B2C consumer-facing platforms to support their B2B customers by building the brand value and marketing the products. AND by giving the consumer somewhere to get the little parts that they need to maintain the products they've bought. This is because the majority of their wholesale customers don't want to stock

every last spring option! So, the B2C Customer can get the product they need, and the B2B Customer can focus on selling the high-value products.

Yes, that means that on the DMRBikes website, you CAN NOT buy the full range, or even the headline/bestselling products. They are ONLY available through the companies that Upgrade Bikes wholesales too.

Clever, eh?

It's clear, easy to understand, and keeps everyone happy and working to the same goal – selling as much product to B2C consumers as possible.

B2B eCommerce Site Evolution

Upgrade Bikes took the decision to move their B2B sales online because it was the way their industry was going – their competition were already going there, and the customers were starting to expect it.

They spent two years trying to build the site they needed with a general site builder, but the pricing and speed just never worked. Their pricing is more complex than some because they have discounts by brand (they sell 22 brands in total) as well as by line, as well as dealer rates and special offers.

Once they moved to a specialist B2B agency (GOB2b™), everything moved quickly and they've never looked back.

Not one customer who was asked to start ordering online complained about the change.

Not one member of the team was cut because B2B customers were now ordering online.

2 things which the B2B eCommerce site has been able to do which you might not have considered:

1. The product information from the site is provided as a feed to all B2B customers, meaning that all product information is always accurate and of high quality, wherever it appears.
2. They've recently built a very cool returns processing site feature to manage warranty claims before the consumer has even put the item in the post. It's made a huge difference in the business; the warranty claims manager's job changed from spending the whole day dealing with non-stop phone calls, to just making the occasional outbound call.

**To Get Started –
get your copy of the whole book today!**

Commented [CT2]: Please do change this call to action section to whatever you need it to be.

EG – ready to put B2B into your business?
Book a free consultation.

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Go to

<https://eCommerceMasterPlan.com/b2b>

For links direct to the book across the world