What It Takes To Be A Leader In B2B eCommerce

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Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

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Executive Summary

B2B organizations increasingly use digital commerce solutions to address their unique business goals and needs. They prioritize solutions that are comprehensive, support multiple business models, integrate with their existing business systems, and allow for agile customization.

To ensure success, these companies must first evaluate the maturity of their B2B eCommerce organizations and processes as a whole; viewing dedicated B2B eCommerce leadership and resources as the end goal. By increasing maturity along this path, B2B organizations will better position themselves to fully adopt eCommerce solutions and get the most value from them.

In March 2018, Magento Commerce commissioned Forrester Consulting to evaluate the state of B2B eCommerce. Forrester conducted an online survey in the US, the UK, Germany, China, and Australia with 302 decision makers responsible for eCommerce efforts to evaluate the current state of B2B sellers — their level of eCommerce maturity, challenges they face, and how they can advance to the next level.

B2B organizations have established dedicated eCommerce leadership, resources, and cross-functional strategy in varying degrees.

Those with the most mature eCommerce leadership and resources are ultimately more likely to streamline the path to purchase.

KEY FINDINGS

› **B2B companies increasingly turn to eCommerce and self-service efforts to drive their larger strategic goals.** As customers demand that brands engage with them on their own terms, businesses see eCommerce as a key focus area for improving customer satisfaction. Improved customer experience leads to more active and loyal customers, which supports stronger revenue growth and financial performance.

› **B2B leaders specifically look for reliable, flexible, and complete technology solutions, but often struggle to maximize the value of these investments.** When selecting technology options, their top criteria are 1) high performance, 2) reliability, 3) solution completeness, and 4) the ability to support both B2B and B2C requirements. However, more than half of B2B leaders admit that they face challenges finding third-party partners that can help them integrate these solutions within their existing technology infrastructure.

› **Advancing B2B organizational and leadership maturity correlates to more effective adoption of eCommerce technologies — leading to better business outcomes.** B2B organizations have established dedicated eCommerce leadership, resources, and cross-functional strategy in varying degrees. Those with the most mature eCommerce leadership and resources are ultimately more likely to streamline the path to purchase — increasing customer satisfaction and retention, improving their competitive advantage, and ultimately driving revenue.

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B2B eCommerce Is Core To B2B Strategy

Successful B2B organizations win, serve, and retain customers through both online and offline channels.[1] Digital, however, is increasingly important in helping B2B companies achieve high-level business outcomes beyond revenue; many see B2B digital commerce as a key differentiator from competitors. This global study of 302 B2B leaders confirms that:

› **B2B companies lean on eCommerce efforts to drive customer satisfaction, revenue growth, and productivity goals.** Nearly half of B2B leaders say that their eCommerce efforts specifically help them win, serve, and retain customers. Additionally, these eCommerce efforts increase sales productivity and improve competitive positioning (see Figure 1).

Figure 1

"To what extent is your organization prioritizing the following initiatives over the next 12 months with regards to products/services sold to B2B buyers, both online and in-branch?"
(Showing those selecting "High" or "Critical priority")

"Which of these priorities are you looking to address through your organization's B2B online/ eCommerce efforts, specifically?"
(Select all that apply)
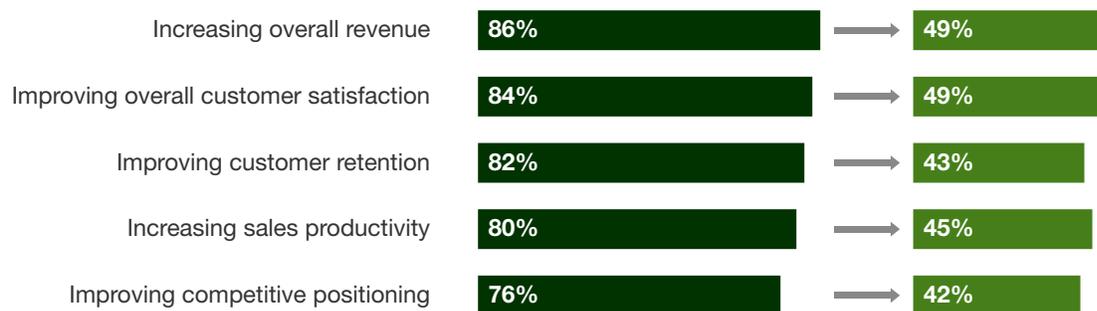
Increasing overall revenue	86%	49%
Improving overall customer satisfaction	84%	49%
Improving customer retention	82%	43%
Increasing sales productivity	80%	45%
Improving competitive positioning	76%	42%

Base: 302 IT, eCommerce, sales, and line-of-business (LOB) decision makers at firms in the US, APAC, and EMEA
Source: A commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

› **B2B commerce requires an omnichannel approach, with digital channels seen as vital to sales success.** Fifty-four percent of B2B leaders say that their websites are critically important in achieving overall business priorities — more than any other online or offline channel (see Figure 2).

Figure 2

"How important are each of your B2B selling channels in helping you achieve your overall priorities?"
(Showing those selecting "Critically important")

■ Online channels   ■ Offline channels

54% Our own website

42% Permanent physical location (e.g., retail, showrooms, branches, etc.)

40% Online marketplace/app store

39% In-person sales representatives (including tradeshow presence)

38% Phone (e.g., inside sales reps, call center agents, etc.)

37% Electronic data interchange (EDI)

36% Field service agents

36% Mobile apps (employee-facing)

36% Mobile-optimized website

35% Mobile apps (customer-facing)

33% Punchout catalog/website

27% Online chat

26% Email

Average number of channels used:
5.3

Base: 302 IT, eCommerce, sales, and line-of-business (LOB) decision makers at firms in the US, APAC, and EMEA
Source: A commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

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Leaders Look For Flexibility In Their B2B eCommerce Tools

While preference for digital channels is growing, B2B leaders know that they must still provide a full spectrum of service options to meet the variable needs and growing expectations of their buyers. To retain and grow customer sales, B2B organizations need to create experiences that fit the type of buyer, their personal preferences, and whether they are making an initial purchase or are reordering the same set of products for the hundredth time. This makes flexibility a critical component of any B2B sales strategy.

Likewise, the eCommerce solutions that power any B2B enterprise's sales strategy must be flexible and comprehensive enough to serve across the full spectrum of purchasing and engagement preferences. This, unfortunately, is easier said than done: B2B leaders often struggle to find solutions that can integrate into their uniquely configured infrastructure, let alone those that have the flexibility to serve all their sales needs, customer types, and distinctive business requirements. Results from this study confirm that:

› **B2B leaders look for reliable, flexible, and complete technology solutions to achieve their specific goals.** Unsurprisingly, reliability (27%) is often a top concern when selecting technology, but the requirements that solutions completely serve needs (25%), integrate with existing systems (24%), and have the flexibility to be uniquely customized (24%) and support different types of customers (24%) are nearly equally important (see Figure 3).

Figure 3

"Which of the following were the most important criteria when your organization initially selected its current B2B eCommerce tool/technology set?"

(Showing those who ranked as either the first, second, or third most important criteria)

27% Had high site performance and reliability

25% Completeness of solution

24% The solutions support both B2B and B2C commerce requirements

24% Integrated easily with existing business systems

24% Ease of customization to meet my needs

24% Total cost of ownership

23% The quality and availability of partners to implement the solutions

20% The solutions use our organization's preferred technology

20% The solutions met most/all of our desired requirements out-of-the-box

17% Flexibility to choose between cloud or on-premises deployment options

15% Came with well-regarded customer references

15% The solution providers are renowned for their expertise in my industry

12% Offered by a vendor I already work with

11% Decreasing time to bring commerce capabilities to market

Base: 302 IT, eCommerce, sales, and LOB decision makers at firms in the US, APAC, and EMEA
Source: A commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

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› **Many firms struggle to develop a fully integrated solution.** With a complex technology environment featuring legacy systems and an average of 10.2 commerce-related technologies, many firms struggle to create an integrated solution that meets their unique needs. Integrating with legacy systems is their most pressing challenge (52%), while finding the right partners to help with integration and overall project implementation closely follow. These challenges are magnified by the need to demonstrate their project ROI (43%) while also maintaining the flexibility to support various customer types (39%) and channels (37%) (see Figure 4).

Figure 4

"How challenging were the following in adopting your current set of B2B eCommerce tools/technologies?"
(Showing those selecting "Very" or "Extremely challenging")

52% Integration with existing and legacy technologies

47% Finding the right third-party partners

45% Finding an appropriate development/implementation partner

44% Developing decision criteria

43% Calculating the cost and ROI of implementing and running each solution

39% Lack of flexibility to support different customer types

39% Gaining executive support

39% Understanding functionality

38% Understanding terminology

38% Onboarding/training staff on use of the tools/technologies

37% Lack of flexibility to support various sales channels

Base: 302 IT, eCommerce, sales, and line-of-business (LOB) decision makers at firms in the US, APAC, and EMEA
Source: A commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

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B2B Leadership And Resource Maturity Correlates To Increased Customer Satisfaction And Retention

As B2B enterprises consider how to develop their B2B eCommerce strategies, including selecting solutions that will best help realize their overall goals, they must first step back and take stock of their organizational structure. Building an effective eCommerce operation is no small task — it involves developing an overarching eCommerce plan, choosing experienced partners, and selecting the appropriate tools and technologies to deliver a world-class B2B eCommerce experience.[2] As such, superior development and execution of an overarching eCommerce plan directly correlate to the maturity of an enterprise's B2B eCommerce organization.

This study determined that there are three levels of B2B eCommerce maturity across the market — Novices, Explorers, and Masters — based on the combination of leadership, available resources and organizational support, and prevalence of cross-organizational strategy:

› **Novices:** The least mature group, Novices represent 19% of those surveyed. They have no dedicated eCommerce operations and have not aligned their eCommerce strategies with other parts of their organizations.

› **Explorers:** Representing 55% of those surveyed, Explorers are venturing down the path of B2B eCommerce maturity. They have fully established an average of two eCommerce organizational best practices but have yet to reach full maturity.

› **Masters:** Twenty-six percent of those surveyed have fully matured their B2B eCommerce operations —establishing four or all five organizational best practices measured.

B2B eCommerce maturity correlates to a streamlined path to purchase for buyers. Increasing maturity ensures B2B enterprises have the organizational structure and support needed to drive a more aggressive B2B eCommerce agenda that delivers more digital offerings and self-service capabilities. These capabilities lead to a more personalized experience for the buyer — increasing satisfaction and retention and ultimately benefitting the bottom line.

As such, B2B enterprises must evaluate the maturity of their B2B commerce organizations and processes as a whole; viewing dedicated B2B eCommerce leadership and support as the end goal. Only by identifying where they are can they then determine what steps to take to advance to the next maturity level and reap the business rewards. Results from this study confirm that:

› **Many firms have some dedicated B2B support and leadership, but enterprises have inconsistently adopted best practices.** Mature B2B companies will devote resources to build a dedicated eCommerce department with an eCommerce-specific technology team and dedicated leadership structure. They will also have profit and loss (P&L) specific to B2B eCommerce and establish cross-functional alignment across the enterprise on overall B2B eCommerce strategy.

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However, no more than half of companies surveyed have any one of these best practices in place (see Figure 5). The result is a diffuse level of B2B eCommerce maturity — ranging from those with no leadership, alignment, and support pillars (Novices) to those that have four or all five of the pillars in place (Masters) (see Figure 6).

Figure 5

"How would you describe the state of the following in regards to your organization's overall B2B commerce efforts?"
(Showing those stating the practice is "Currently in place and fully established")
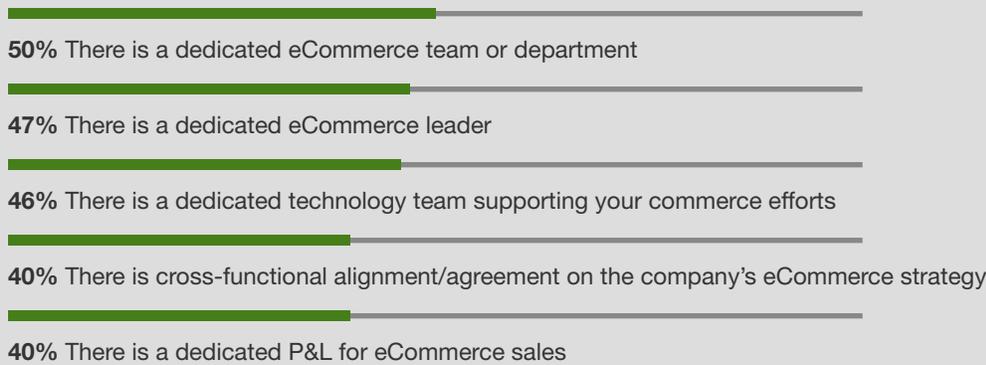
50% There is a dedicated eCommerce team or department

47% There is a dedicated eCommerce leader

46% There is a dedicated technology team supporting your commerce efforts

40% There is cross-functional alignment/agreement on the company's eCommerce strategy

40% There is a dedicated P&L for eCommerce sales

Base: 302 IT, eCommerce, sales, and LOB decision makers at firms in the US, APAC, and EMEA
Source: A commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

Figure 6

"How would you describe the state of the following in regards to your organization's overall B2B commerce efforts?"
(Showing those selecting "Currently in place and fully established")
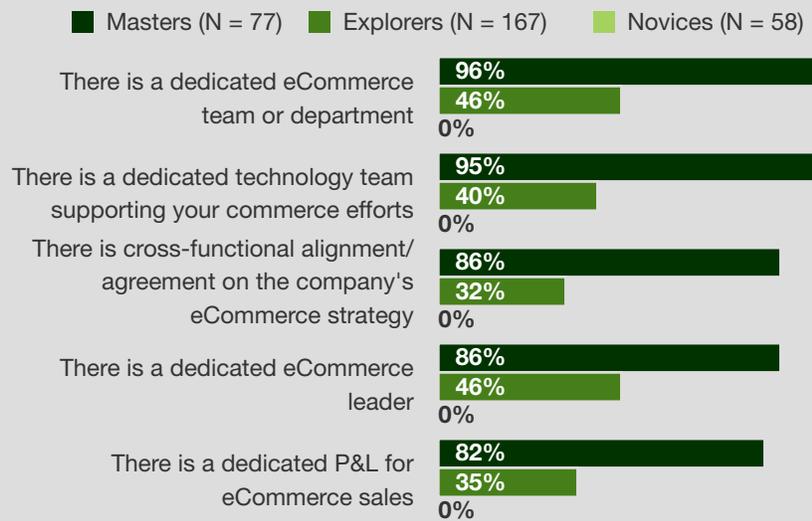
■ Masters (N = 77) ■ Explorers (N = 167) ■ Novices (N = 58)

There is a dedicated eCommerce team or department
96%
46%
0%

There is a dedicated technology team supporting your commerce efforts
95%
40%
0%

There is cross-functional alignment/agreement on the company's eCommerce strategy
86%
32%
0%

There is a dedicated eCommerce leader
86%
46%
0%

There is a dedicated P&L for eCommerce sales
82%
35%
0%

Base: 302 IT, eCommerce, sales, and LOB decision makers at firms in the US, APAC, and EMEA
Source: A commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

Maturity levels

19% Novices (No established best practices in place)

26% Masters (4 or 5 best practices in place)

55% Explorers (1 to 3 best practices in place)

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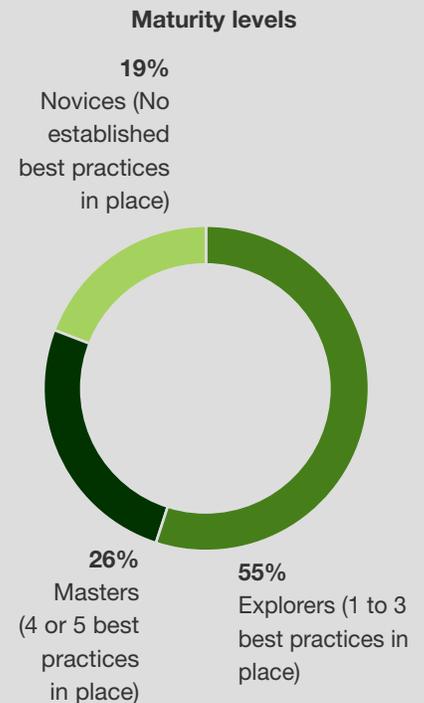
› **Dedicated B2B eCommerce efforts allow mature firms to unveil more digital and self-service capabilities.** Increased digital capabilities allow more mature firms to maximize the potential of digital channels and reap the benefits of eCommerce — customer satisfaction and efficiency. Coupled with increased self-service capabilities, the more mature firm can align purchasing options with customer preferences for a more tailored experience (see Figure 7).

Figure 7

"What would best describe your organization's plans to adopt the following online purchasing capabilities specifically for B2B selling digital/online capabilities?" (Showing those who have piloted or fully established the following capabilities.)

	Novices (N = 58)	Explorers (N = 167)	Masters (N = 77)
Quick payments options (e.g., one-click purchasing)	9%	39%	82%
Online request for quote process	14%	39%	75%
Online purchase approval workflows (i.e., order routed to supervisor for approval before order is submitted)	10%	41%	71%
Quick order forms (e.g., enter/upload SKUs, simple reorder flows, etc.)	17%	34%	70%
Custom price lists and catalogs assigned to customers	17%	47%	68%
Support for subscription services (e.g., maintenance, delivery, etc.)	16%	46%	66%
Support for subscription orders (e.g., replenishment, etc.)	16%	49%	65%
Online product configuration	14%	47%	64%
An assisted selling interface for customer service and sales representatives	14%	34%	62%
Ability to share and edit a cart with other buyers in the company	5%	44%	60%
Support for punchout ordering	9%	37%	51%

"Thinking of your organization's B2B selling digital/online self-service capabilities, can your B2B customers do any of the following on their own?" (Showing those who have adopted and fully established capability)

	Novices (N = 58)	Explorers (N = 167)	Masters (N = 77)
Track open orders, quotes, shipments, and purchasing history	16%	51%	84%
Initiate and manage returns	14%	42%	75%
View and pay invoices	21%	49%	75%
Online chat/IM with a customer service representative	21%	37%	74%
Ability to run reports on purchasing history	12%	44%	71%
Manage company credit	16%	40%	68%
Track spending vs. discounting tiers/targets	7%	37%	64%
Create preapproved product lists for other buyers	12%	40%	60%
Set up buyers within their own organization and assign roles, permissions, and buying thresholds	14%	40%	57%
Track loyalty program points/status	9%	33%	55%

Base: IT, eCommerce, sales, and LOB decision makers at firms in the US, APAC, and EMEA
Source: A commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

› **Dedicated B2B eCommerce efforts allow mature firms to employ more merchandising features.** More merchandising enables B2B firms to frame their products and solutions in a better light, build excitement and demand, and better answer key questions buyers may have. Additionally, merchandising helps the buyer proceed more efficiently through the product discovery and research phases — speeding the sales cycle (see Figure 8).

Figure 8

"What would best describe your organization's plans to adopt the following product merchandising features/functionalities across the digital channels you control specifically for B2B selling?" (Showing those who have fully adopted or have expanded/upgraded adoption)

	Novices (N = 58)	Explorers (N = 167)	Masters (N = 77)
Detailed product descriptions	64%	87%	100%
Photos, illustrations, and videos	62%	86%	94%
Downloadable product spec sheets	55%	79%	92%
The ability to give ratings and reviews	52%	83%	90%
Advanced site search with filtering and merchandising capabilities	57%	80%	90%
Site personalization	50%	69%	89%
Buying guides	55%	75%	89%
Cross-sell and upsell	57%	70%	88%
Inventory visibility — the amount and location of goods published on site	54%	82%	88%
Brand pages	52%	82%	85%
Product comparisons	55%	80%	85%
The option to buy online, pick up in branch location	55%	78%	82%
User generated content	56%	72%	80%
Marketplace(s) on site to enable third parties to sell through your site	53%	72%	73%

Base: IT, eCommerce, sales, and LOB decision makers at firms in the US, APAC, and EMEA
Source: A commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

› **Dedicated B2B eCommerce efforts allow mature firms to enable multiple B2B selling sites dedicated to specific geographies, customer segments, product lines, and channels.** Dedicated sites further personalize the customer's experience and allow more mature firms to deliver more resonant marketing messages (see Figure 9).

Figure 9

"What would best describe your organization's plans to adopt multiple, specific B2B selling websites for the following?"
(Showing those who have fully adopted or have expanded/upgraded adoption)

	Novices (N = 58)	Explorers (N = 167)	Masters (N = 77)
Specific brands or product lines	38%	63%	78%
Different customer segments	29%	56%	77%
In support of channel partner sales	31%	60%	77%
Specific geographic markets or language-specific sites	31%	52%	74%

Base: IT, eCommerce, sales, and LOB decision makers at firms in the US, APAC, and EMEA
Source: A commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

› **Dedicated B2B eCommerce efforts allow mature firms to support B2B mobile research, buying, and selling.** Mobile is quickly becoming a requirement. Digitally mature firms have the internal resources to support buyers and sellers with mobile tools to enhance their efficiency when working in the field or on the go (see Figure 10).

Figure 10

"What would best describe your organization's plans to adopt the following mobile capabilities specifically for B2B selling digitally/online?" (Showing those who have fully adopted or have expanded/upgraded adoption)

	Novices (N = 58)	Explorers (N = 167)	Masters (N = 77)
Progressive web applications	36%	55%	79%
Responsive designed site(s)	22%	59%	71%
Native mobile applications for sales/support teams	31%	59%	70%
Native mobile applications for buyers	26%	57%	68%

Base: IT, eCommerce, sales, and LOB decision makers at firms in the US, APAC, and EMEA
Source: A commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

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› **The enhanced ability to do more for customers allows firms to increase customer satisfaction and retention, improve competitive advantage, and ultimately drive revenue.** Because they have a larger and more customizable capability set, the firms with the highest B2B eCommerce maturity can better meet their B2B customers where they are — creating more personalized experiences. Increasing self-service functionality increases operational and sales productivity and enables buyers to perform buying activities themselves — improving customer experience and retention. The net effect of these benefits is a B2B enterprise that can differentiate itself from competitors and improve overall revenue (see Figure 11).

Figure 11

"How helpful has your current set of B2B eCommerce tools/technologies been in achieving your overall B2B selling priorities?" (Showing those selecting "Very" or "Extremely helpful")
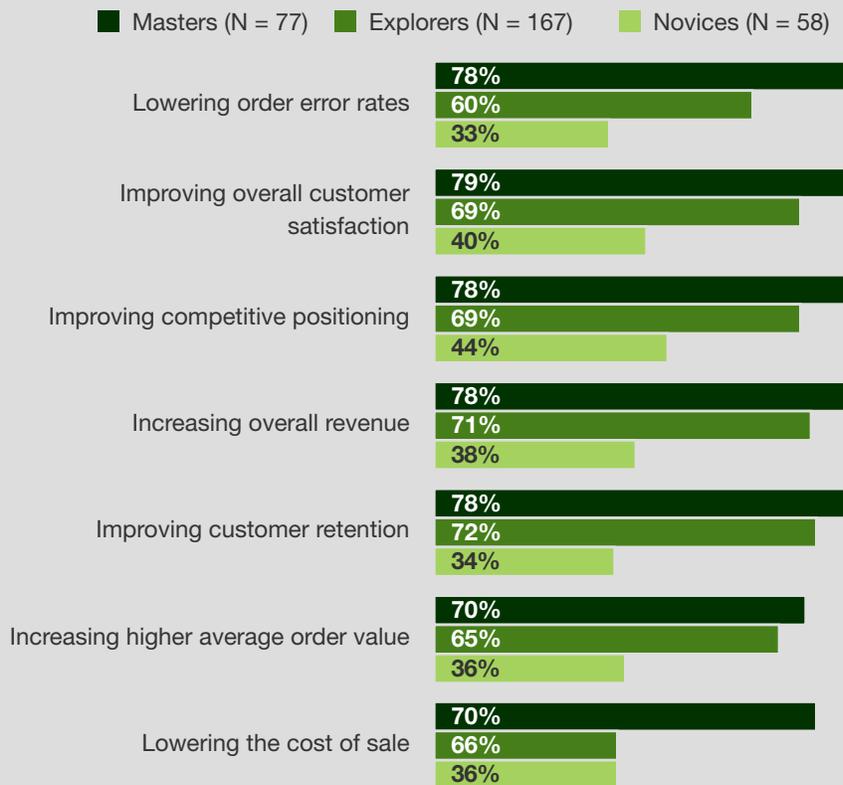
■ Masters (N = 77)   ■ Explorers (N = 167)   ■ Novices (N = 58)

|	Masters	Explorers	Novices
Lowering order error rates	78%	60%	33%
Improving overall customer satisfaction	79%	69%	40%
Improving competitive positioning	78%	69%	44%
Increasing overall revenue	78%	71%	38%
Improving customer retention	78%	72%	34%
Increasing higher average order value	70%	65%	36%
Lowering the cost of sale	70%	66%	36%

Base: IT, eCommerce, sales, and LOB decision makers at firms in the US, APAC, and EMEA
Source: A commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

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Key Recommendations

B2B organizations are in a unique position to capture new customers and strengthen relationships with existing customers by better digitally supporting and enabling their buying journey. Digital maturity in B2B varies widely among firms, but most organizations still have room to grow. While firms see digital as a differentiator and are racing to deliver these experiences first, moving too quickly can come at a cost — businesses that move too fast often suffer from organizational, process, and technology challenges. Businesses need to take a measured but accelerated approach that includes considerations for all routes to market and leverages best practices and lessons learned from peer companies.

Forrester's study on B2B eCommerce yielded several important recommendations that will help businesses mature their digital practices, delight their customers, and gain a competitive edge in the market. To advance your B2B eCommerce maturity:

Build a dedicated and comprehensive team. Many organizations face challenges by taking a reactionary approach to eCommerce. eCommerce should not be just another channel; it should be a business strategy. To properly execute against that strategy, these teams should have responsibility for not just how their customers engage digitally, but how customer-facing teams, like sales and customer service, support customers' journeys. Although team names might vary, businesses should be able to perform key activities like digital marketing, merchandising, commerce operations, technical product ownership, and training and enablement.

Ensure eCommerce and sales organizations share common goals. Whether it's growing revenue, improving customer experience, or driving greater autonomy within your customer base; your strategies, goals, and compensation need to resolve conflict. Change is difficult for organizations; sharing the same goals and incentives (e.g., sales reps being incentivized for self-service orders) goes a long way in garnering support for new strategies and initiatives.

Deploy technology solutions that can flex and adapt to your changing business. B2B businesses are already riddled with complexity — be it in channels, customer relationships, buying/selling processes, or systems they have built over the years. Supporting the buyer's changing needs and behaviors requires a flexible technology stack — modular architecture driven by APIs or with an extension framework for third-party applications to augment or replace core commerce functionality — that allows your organization to make changes quickly and easily, to stay in line with your customers' expectations, and to maintain an edge over your competitors.

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Appendix A: Methodology

In this study, Forrester conducted an online survey of 302 organizations in the US, the UK, Germany, China, and Australia to evaluate how organizations can advance their B2B eCommerce maturity by making incremental adjustments to their strategies and selecting platforms that allow for flexible innovation that scales as their business grows. Survey participants included decision makers in IT, eCommerce, sales, and line of business. Questions provided to the participants asked about business priorities and challenges, their current approaches to supporting B2B sales, and business metrics resulting from digital commerce marketing efforts. The study began and was completed in March 2018.

Appendix B: Demographics/Data

US **33%** UK **17%** DE **17%** CH **17%** AU **17%**

INDUSTRY

Industry	%
Technology/software	**21%**
Industrial goods manufacturing	**14%**
Telecommunications services	**9%**
Business/professional services	**9%**
Energy, utilities, and waste management	**8%**
Healthcare/pharmaceuticals	**5%**
Education	**5%**
Chemicals and metals	**5%**
Wholesale distribution	**4%**
Consumer services	**3%**
Agriculture, food, and beverage	**3%**
Travel and hospitality	**2%**
Consumer product manufacturing	**2%**
Automotive	**1%**

INDUSTRY

- **7%** 100 to 249 employees
- **9%** 250 to 499 employees
- **19%** 500 to 999 employees
- **38%** 1,000 to 4,999 employees
- **15%** 5,000 to 19,999 employees
- **12%** 20,000+ employees

JOB TITLE

Owner/founder	C-level executive	Vice president	Director	Manager
6%	30%	7%	22%	34%

Base: 302 IT, eCommerce, sales, and LOB decision makers at firms in the US, APAC, and EMEA
Note: Percentages may not total 100 because of rounding.
Source: A commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

Appendix C: Endnotes

[1] Source: "Death Of A (B2B) Salesman: Two Years Later," Forrester Research, Inc., March 29, 2017.

[2] Source: "It Takes A Village To Deliver World-Class B2B Commerce," Forrester Research, Inc., May 1, 2017.

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