THE PERFECT PLATFORM
“A great forum to meet, learn and network with the key people driving B2B eCommerce globally to gain an insight into how the full value chain - manufacturers, distributors, digital agencies are tackling key challenges.”

FARRUKH SHAD
SENIOR VICE PRESIDENT, STRATEGY & GLOBAL ECOMMERCE, RETAIL DIVISION, BUILDING & IT BUSINESS
SCHNEIDER ELECTRIC
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B2B customers are becoming more demanding than ever. With targeted content on the rise, people expect relevant, accurate information to be made available at a moment’s notice. As a result, B2B companies are figuring out innovative ways to streamline their platforms.

In Q3 of 2018 WBR Insights surveyed 100 Chief Executive Officers, Chief Digital Officers, Chief Innovation Officers and those of a similar standing from B2B organisations across the globe to find out more about the challenges they’re facing and the innovative solutions being brought to the table.

The survey was conducted by appointment over the telephone. The results were compiled and anonymised by WBR Insights and are presented here with analysis and commentary by the B2B Online community.

### CONTRIBUTORS

**Robert van Geffen**  
Senior Director, Global Head of B2B Digital & Activation  
Philips

**Devashish Saxena**  
Group VP, Global eCommerce and Multichannel Convergence  
Rexel

**Sam Talya**  
Global Lead For B2B eCommerce  
Philips

### IN WHICH VERTICALS DOES YOUR BUSINESS CONDUCT TRADE?

- **Manufacturing: industrial goods** 48%
- Wholesale and distribution 38%
- **Automotive** 29%
- Construction and building 25%
- Chemicals, plastics and rubber 22%
- Healthcare and pharmaceuticals 22%
- Retail 15%
- Aerospace and defense 14%
- Agriculture 14%
- **Manufacturing: consumer goods** 13%
- Energy 12%
- Food and beverage 12%
- Other 12%
- Electronics 11%
- Technology and software 9%
- Transportation and logistics 8%
- Utilities 8%
- Business/professional services 7%
- Metals and mining 5%
- Government 3%
- Consumer services 2%
- Education 2%
- Travel, hospitality and leisure 1%
- Advertising and marketing 1%
- Financial services and insurance 1%
- Telecommunications 1%

### WHICH CUSTOMERS DO YOU PRIMARILY SELL TO THROUGH YOUR CURRENT DIGITAL CHANNELS?

- **Businesses** 61%
- **Both** 36%
- (significant online sales to both businesses and consumers)
- Consumers 3%

### ARE YOU A MANUFACTURER OR A DISTRIBUTOR?

- **A manufacturer** 70%
- **A distributor** 30%

**RESPONDENTS WERE ASKED TO SELECT ALL THAT APPLY**
PART 1
EMBRACING TECHNOLOGY
OVER 3/4 OF B2B CEOs, CIOs AND CDOs SURVEYED HAVE A DEDICATED CUSTOMER SERVICE SUPPORT NUMBER ON THEIR WEBSITE, WHILE ONLY 8% HAVE IMPLEMENTED A LIVE CHAT FEATURE

WHAT FEATURES DOES YOUR WEBSITE (ECOMMERCE OR OTHERWISE) HAVE?

“There is more and more recognition that B2B customers behave similarly to B2C consumers. The website is becoming the go-to environment for B2B customers to browse and find relevant information depending on their position in the buying journey.”

– Robert van Geffen, Senior Director, Global Head of B2B Digital & Activation, Philips

“The potential for these features depends on the customers you’re trying to reach and the intent of the website. As an example, if you’re a manufacturer targeting customers to educate them about your products and guide them to where they can purchase, then product information and easy access to inventory would be of most value. If you’re running an eCommerce site – product information, price, availability and the ability to purchase are the most important.”

– Devashish Saxena, Group VP, Global eCommerce and Multichannel Convergence, Rexel

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedicated customer service support number</td>
<td>78%</td>
</tr>
<tr>
<td>List of distributors selling your products</td>
<td>67%</td>
</tr>
<tr>
<td>Availability in several languages</td>
<td>65%</td>
</tr>
<tr>
<td>Access to a list of available products / inventory</td>
<td>55%</td>
</tr>
<tr>
<td>Downloadable content containing product information / specifications</td>
<td>53%</td>
</tr>
<tr>
<td>Ability to buy products online</td>
<td>34%</td>
</tr>
<tr>
<td>Information on prices</td>
<td>29%</td>
</tr>
<tr>
<td>Multiple payment methods</td>
<td>23%</td>
</tr>
<tr>
<td>Stock checking</td>
<td>13%</td>
</tr>
<tr>
<td>Availability of consumer product reviews (social proof)</td>
<td>10%</td>
</tr>
<tr>
<td>Live chat</td>
<td>8%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
<tr>
<td>Click and collect</td>
<td>4%</td>
</tr>
</tbody>
</table>

– RESPONDENTS WERE ASKED TO SELECT ALL THAT APPLY –
ONLY 2% OF RESPONDENTS PERCEIVE THE INTERNET OF THINGS AS A FAD

HOW DO YOU PERCEIVE THE INTERNET OF THINGS?

“For us as a distributor, the largest opportunities in IoT are in supply chain management. As our suppliers release new products enabled with the right technologies, more can be done in the predictive maintenance space also.”

– Devashish Saxena, Group VP, Global eCommerce and Multichannel Convergence, Rexel

“Data is the new currency. IoT is the great medium to harness key data and use information for new product development and business model innovation in order to generate new revenue options.”

– Sam Talya, Global Lead For B2B eCommerce, Philips

65%

33%

2%

Something you have your eye on but are not actively investing in at the moment

A massive opportunity

A fad
41% are using machine learning to create one-to-one relationships with customers, and a further 55% are currently looking into this.

**Are you using machine learning to create one-to-one relationships with customers?**

“ML and AI can be key tools in building a more personalised connection between brand and customer. It’s all about leveraging the data at hand with consent, and building a relevant value proposition with your company’s offerings around the individual’s unmet needs.”

– Robert van Geffen, Senior Director, Global Head of B2B Digital & Activation, Philips

“ML can help create a personal connection between a brand and an individual by generating product recommendations from algorithms, (the classic ‘other customers also bought’) but there are many more ways in which ML algorithms can allow a brand to create a more personal connection with an individual. ML can guide customers towards targeted content, personalising interactions across multiple channels.”

– Devashish Saxena, Group VP, Global eCommerce and Multichannel Convergence, Rexel
WHEN IT COMES TO THE BARRIERS FACED BY IT PROCUREMENT TEAMS, B2B SYSTEM INTEGRATION IS THE MOST COMMON ISSUE

WHAT PRACTICAL CONSTRAINTS ARE YOU FACING IN TERMS OF IT?

“System integration has been a challenge for B2C as well as B2B, so a similar logic can be followed. B2B can benefit from looking closely at systems used in the B2C remit and at Gartner’s analysis on best of breed platforms and tools help guide. For sure there are key differences between B2B and B2C, but this is a good starting point. My advice is stick to an out-of-the-box set-up rather than customisation, as it will make things easier when integrating later on.”

– Robert van Geffen, Senior Director, Global Head of B2B Digital & Activation, Philips

“It’s most important to identify customer use case and think of a solution design to add value to the customer problem. Then we often identify the key systems that need to talk to each other and the rest aren’t really a priority.”

– Sam Talya, Global Lead For B2B eCommerce, Philips

![Diagram showing the percentage of practical constraints in IT]

- B2B system integration: 59%
- User Experience: 40%
- Website/eCommerce platform integration: 36%
- Data flow and exchange: 36%
- Website design: 34%
- Translations: 22%
- Currency exchange: 16%
- Invoicing: 11%
- Payments: 6%

— Respondents were asked to select all that apply —
26% of B2B CEOs, CIOs and CDOs surveyed are using punch out systems, and a further 52% are planning to.

**Are you using punch out systems?**

“With companies looking more and more at eCommerce, you see that base product information accuracy is a constant challenge. Punch out systems help provide better information, create an experience similar to eCommerce and help with productivity in general.”

– Robert van Geffen, Senior Director, Global Head of B2B Digital & Activation, Philips

“The key benefit of a punch out is that it allows you to engage your customers in a digital relationship that keeps them in their procurement/ERP system environment but still allows them to punch out to your web shop. They can browse their personal catalogue with their products and prices, build a cart and export that back to their procurement/ERP environment for processing as an order with the appropriate approval. We largely find this is a very suitable tool for larger installers and industrial customers.”

– Devashish Saxena, Group VP, Global eCommerce and Multichannel Convergence, Rexel
PART 2
STRATEGY OVERVIEW
“Whilst focusing on SEO and PPC, manufacturers have a lens to improve multiple facets within the online space, like ensuring content is SEO proof and that the back-end is technically set-up for search engines to crawl and index. The impact of investment will be most visible in PPC, as you can apply A/B testing very fast to improve conversions. It’s good to see Customer Experience ranking so highly. Once you have customers in the upper funnel, it’s important that the right information is available so a hard sale can be made.”

– Robert van Geffen, Senior Director, Global Head of B2B Digital & Activation, Philips

“Manufacturers invest in SEO and PPC because it drives the biggest measurable impact in terms of traffic and sales – this is largely driven by the tracking of customer behaviour which often begins its journey on search engines like Google.”

– Devashish Saxena, Group VP, Global eCommerce and Multichannel Convergence, Rexel
WHEN ASKED TO SELECT THREE CATEGORIES OF SUPPLIER THEY INVESTED IN MOST, DISTRIBUTORS WERE MOST LIKELY TO CHOOSE PIM

WHAT CATEGORIES OF SUPPLIERS DO YOU INVEST THE MOST IN?

“Given the fact that PIM in the back-end means heavy IT tech investments, I can understand why it ends up in the top three, however once a PIM is there, the investments should go down over time and should be re-invested in areas such as driving traffic with SEO and PPC, or focusing on a compelling customer experience.”

– Robert van Geffen, Senior Director, Global Head of B2B Digital & Activation, Philips

“It’s interesting to see PIM rise to the top for distributors. I think it’s largely because distributors do not generate the product information for the products they are selling. Product information is absolutely critical, especially online. PIM systems allow distributors to effectively manage the pipes from suppliers and then implement the appropriate workflows for product enrichment.

If you don’t have good product content you are wasting any efforts/money on SEO and SEM – so it’s not surprising that PIM ranks over SEO/SEM. However, it can also be seen as a state of maturity – if a distributor has not figured out product content yet, they are still grappling with the lower rungs of digital maturity.”

– Devashish Saxena, Group VP, Global eCommerce and Multichannel Convergence, Rexel
WHEN IT COMES TO AMAZON BUSINESS, THE MAJORITY FEEL THEY NEED TO BE MORE COMPETITIVE TO KEEP UP, WHILE 43% ARE UNFAZED, AND FEEL THEY CANNOT BE UNDERCUT.

HOW MUCH OF A THREAT DO YOU REGARD AMAZON BUSINESS TO BE TO YOUR BUSINESS MODEL?

“I expect the biggest impact of Amazon’s B2B ventures will be driven by price transparency putting pressure both on price as well as margins. The extent of the impact will vary by product category and geographical market.”

– Devashish Saxena, Group VP, Global eCommerce and Multichannel Convergence, Rexel

“Amazon’s ventures in B2B will bring much needed agility and competitiveness to Healthcare industry. This will lead to huge consolidation.”

– Sam Talya, Global Lead For B2B eCommerce, Philips

- Major challenge – we need to be more competitive: 57%
- Minor disruption – things are changing, but we offer value which can’t be undercut by marketplaces: 23%
- No problems – We are not threatened by the expansion of marketplaces in the B2B sector: 20%
26% OF RESPONDENTS ARE HAVING TROUBLE CONVINCING SENIOR STAFF TO TAKE A CUSTOMER-CENTRIC APPROACH

DO YOU HAVE DIFFICULTY DRIVING A CUSTOMER-CENTRIC APPROACH IN YOUR ORGANISATION?

“A simple measure which can be applied is to install a company-wide KPI in which customer centricity is embodied, like Net Promoter Score. If you put NPS as one of the KPIs everyone should have in their objectives, that’s a very good start to drive a customer centric culture, KPIs truly drive behaviour.”

– Robert van Geffen, Senior Director, Global Head of B2B Digital & Activation, Philips

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74%

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– Robert van Geffen, Senior Director, Global Head of B2B Digital & Activation, Philips

74%

74%

74%

A customer-centric approach is integral to our organisation, senior staff agree with this

DO YOU HAVE DIFFICULTY DRIVING A CUSTOMER-CENTRIC APPROACH IN YOUR ORGANISATION?

26%

“I’m convinced of the benefits of a customer-centric approach, but having trouble convincing senior staff

26%

“I’m convinced of the benefits of a customer-centric approach, but having trouble convincing senior staff

74%

“I’m convinced of the benefits of a customer-centric approach, but having trouble convincing senior staff

0%

“I’m unconvinced of the benefits of a customer-centric approach

0%

“I’m unconvinced of the benefits of a customer-centric approach

26%

“I’m unconvinced of the benefits of a customer-centric approach

0%
40% of respondents are planning to start selling to other segments (B2B or B2C) through their digital channels.

Do you plan to start selling to other segments (either businesses or consumers) through your digital channels in the next 18 to 24 months?

- Yes: 60%
- No: 40%

For those who primarily sell to businesses and are looking to enter the B2C market, the top reason is brand promotion.

Why are you planning to start selling to consumers through your digital channels over the next 18 to 24 months?

- I want to build and promote my brand: 55%
- I want to increase my margins / profitability: 34%
- I want to drive new revenue growth: 34%
- I want to offer more personalized products and services to my end users: 34%
- I want greater control over my shopping experience: 31%
- End users are demanding that I sell direct: 31%
- I want more direct feedback from end users: 24%
- I want to improve the effectiveness of my online marketing: 24%
- I want to attract new customers: 21%
- I want to gather better data from end users: 7%
- Other: 5%

- Respondents were asked to select three –

“In a case where a company is active in the B2C as well as B2B, an effective B2C campaign can have a positive halo effect on the B2B business. However, in a B2B eco-system there needs to be thought of a strong connection to be made with direct sales, especially in the higher priced equipment sales industries.”

– Robert van Geffen, Senior Director, Global Head of B2B Digital & Activation, Philips

“If effectively done, I think a good B2C campaign will create a positive impact for the B2B channel by creating brand awareness. But effective B2C marketing campaigns require a different mindset – often connecting with consumers at an emotional level rather than a functional or factual level. Many B2B marketing organisations do not have this in their DNA. So the critical success factor here is how effectively a historically B2B organisation can create B2C campaigns.”

– Devashish Saxena, Group VP, Global eCommerce and Multichannel Convergence, Rexel
72% of companies who sell to B2B and B2C consider it either very or extremely important to manage both of these channels on a single platform.

How important is it for you to be able to manage your B2B and B2C digital sales on a single platform?

- Extremely important: 39%
- Very important: 33%
- Somewhat important: 22%
- Not so important: 6%

“"The benefits of being on a single platform are ease of access to information, reducing duplication of effort to build capabilities and economies of scale in general. Drawbacks could be compromising on customer experience.”

– Devashish Saxena, Group VP, Global eCommerce and Multichannel Convergence, Rexel
**RESPONDENTS REPORTED THAT THE NUMBER ONE BENEFIT OF A SINGLE PLATFORM FOR B2B AND B2C SALES WAS BEING ABLE TO STREAMLINE THE BUYER EXPERIENCE FOR CROSS-OVER CUSTOMERS**

**WHAT ARE THE PRIMARY BENEFITS OF BEING ABLE TO MANAGE YOUR B2B AND B2C DIGITAL SALES ON A SINGLE PLATFORM?**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Streamlines the buyer experience for cross-over customers (both B2B and B2C)</td>
<td>39%</td>
</tr>
<tr>
<td>Facilitates omnichannel strategies</td>
<td>36%</td>
</tr>
<tr>
<td>Simplifies catalog management</td>
<td>33%</td>
</tr>
<tr>
<td>Requires fewer resources to manage</td>
<td>31%</td>
</tr>
<tr>
<td>Allows me to get more value out of my technology investments</td>
<td>31%</td>
</tr>
<tr>
<td>Simplifies operations and ongoing maintenance</td>
<td>28%</td>
</tr>
<tr>
<td>Reduces site design and content creation needs</td>
<td>22%</td>
</tr>
<tr>
<td>Reduces system integration complexity and cost</td>
<td>19%</td>
</tr>
<tr>
<td>Creates a more consistent brand and user experience</td>
<td>19%</td>
</tr>
<tr>
<td>Reduces licensing and implementation costs</td>
<td>19%</td>
</tr>
<tr>
<td>Makes data collection and analysis easier</td>
<td>12%</td>
</tr>
<tr>
<td>Simplifies merchandising and marketing</td>
<td>11%</td>
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</table>

“For the customer it’s about having a single engagement platform, it’s less about how platforms work together on the back-end. A single platform could be beneficial, however the draw is that in specific areas you don’t have best of breed. Look carefully at what kind of functionalities your customers are looking for and then work backwards. If a single platform can provide that, go for it, if not make sure the different platforms work smart together.”

– Robert van Geffen, Senior Director, Global Head of B2B Digital & Activation, Philips

“To me it’s not about B2B or B2C – it’s about B2I – Business to Individuals. We need to remember that businesses are comprised of humans and their experiences in B2C drive expectations in their professional life.”

– Sam Talya, Global Lead For B2B eCommerce, Philips
WHILE 42% OF RESPONDENTS REPORT THAT THEY’RE HAPPY WITH THEIR eCOMMERCE PLATFORM, 54% ARE LOOKING FOR MORE CUSTOMISED SOLUTIONS

WHEN IT COMES TO ECOMMERCE PLATFORM ADOPTION AND UPGRADE, ARE YOU:

“I really think most top tier platforms offer the base functionalities. I am more of a believer in what an organisation does with the platform in terms of the customer experience they build, the product and other content they have, the personalised and x-silo capabilities they have, and the marketing and analytics they drive.

What I look for as a digital business leader from a platform is stability, performance and a robust set of features that are in line with our business expectations.”

– Devashish Saxena, Group VP, Global eCommerce and Multichannel Convergence, Rexel

- Looking for more bespoke, customised solutions 54%
- Satisfied with existing solutions 42%
- Recently upgraded 4%
58% of B2B CEOs, CIOs and CDOs surveyed selling to both businesses and customers have already moved to a single platform, while 32% are planning to wait at least one year to do so.

When do you plan to move to a single digital platform to manage both B2B and B2C digital sales?

“I’m not surprised to see 32% have yet to upgrade to a single platform. B2B digital sales in many industries follow B2C digital sales. I do believe in two to three years’ time, the percentage will be far lower, as you see a real acceleration happening as we speak.”

– Robert van Geffen, Senior Director, Global Head of B2B Digital & Activation, Philips

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
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<tr>
<td>&lt; 12 months</td>
<td>0%</td>
</tr>
<tr>
<td>1 to 2 years</td>
<td>15%</td>
</tr>
<tr>
<td>2 to 3 years</td>
<td>11%</td>
</tr>
<tr>
<td>More than 3 years</td>
<td>8%</td>
</tr>
<tr>
<td><strong>We already use one platform for B2B and B2C digital sales</strong></td>
<td><strong>58%</strong></td>
</tr>
<tr>
<td><strong>We do not plan to move to a single platform</strong></td>
<td><strong>8%</strong></td>
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</table>
ABOUT MAGENTO

Magento, an Adobe company, is a leading provider of cloud commerce innovation to merchants and brands across B2C and B2B industries and was recently named a leader in the 2018 Gartner Magic Quadrant for Digital Commerce. In addition to its flagship digital commerce platform, Magento boasts a strong portfolio of cloud-based omnichannel solutions that empower merchants to successfully integrate digital and physical shopping experiences. Magento is the #1 provider to the Internet Retailer Top 1000, the B2B 300 and the Top 500 Guides for Europe and Latin America. Magento is supported by a vast global network of solution and technology partners, a highly active global developer community and the largest eCommerce marketplace for extensions available for download on the Magento Marketplace.

More information can be found at www.magento.com

ABOUT WBR INSIGHTS

At WBR Insights we conduct professional research amongst high-level decision makers in key industry verticals. We use this research to create content-powered marketing campaigns designed to kick-start dialogue, share insights, and deliver results.

From whitepapers focused on your priorities, to benchmarking reports, infographics and webinars, we can help you to inform and educate your readers and reach your marketing goals at the same time.

Contact us to find out how your business could benefit from:
● Year-round access to our network of decision-makers and industry leaders
● Lead generation campaigns that fit your priorities
● In-depth research on current fast-moving issues and future trends
● Promoting your organisation as an authority in your industry

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