The Digital Transformation Imperative

3 BENEFITS TO BRINGING YOUR BUSINESS ONLINE

In the last ten years, the retail industry has seen an incredibly interesting shift. Shopper expectations have evolved and now dictate the way organizations adapt to deliver more personalized, targeted experiences that revolve around speed and efficiency. Dubbed the *"Amazonification of Digital Commerce,"* this transformation is influencing the way that shoppers and buyers engage with brands. These expectations have transcended B2C transactions: B2B buyers too now demand an easy purchase experience.

According to Forrester/Internet Retailer B2B Buyer research, by 2018, 53 percent of B2B buyers will make half or more of their work purchases online. A vast majority (93 percent) of B2B buyers say that they would prefer to buy online, because a self-serve experience direct from a vendor is quicker than traditional methods. These new behavioral preferences are causing organizations to rush to build better, digital customer experiences. And they want to mirror the B2C experiences consumers have come to expect.

A Walker Information Report, "Customers 2020: The Future of B2B Customer Experience," added that buyer experience is even poised to overtake product as a key differentiator.

While some of the audiences engaging with B2B brands are "shoppers," others are simply "buyers" who just need the most streamlined way to get their job done. The ability to deliver on these expectations, and provide the right services and offerings, helps to drive customer loyalty.

While the cost of failing to position your organization for digital transformation can be detrimental, companies that successfully transform their business to support the consumerization of B2B will see market share uptick. **McKinsey & Company estimates** that B2B digital leaders see five times more revenue growth than those not focused on digital transformation strategies.

B2B buyers now want both self-service and full-service purchasing options. In other words, they want it all. Will you be the organization that earns their loyalty and business? Customers are looking for self-service buying tools that enable them to

DIGITAL TRANSFORMATION IN ACTION

Nestlé Health Science's **NCare** branch provides individual pricing models differentiated by various factors–ranging from geographic location to institutional contract agreements.

Germany-based heavy equipment supplier **Liebherr** created roles for relevant business units with customized store views, ensuring the highest quality of service, customer loyalty, and has significantly reduced the risk of incorrect orders.

Steelcase enables its service partners to log in and see orders for their customers and prepare and approve quotes. The system supports multiple buyers from a single company or service partner, delivering transparency while serving all customers from the same platform.

purchase 24x7, track new orders, view their order history, and manage their credit without having to talk to a sales rep. Research has found that 60 percent of customers said they'd prefer not to speak with a sales rep. However, when they do, reps will need assisted selling capabilities to deliver high-touch service. These capabilities include order creation, product recommendation, quick responses to quote requests, and troubleshooting for online orders.

This transformative Holy Grail is impossible to achieve without the appropriate understanding of your ideal audiences and buyers. Digital commerce offers a comprehensive way to grow your business across a variety of attributes. With the right platform and strategy in place, your organization can facilitate a deep and direct relationship with all customer segments, while delivering the insights, revenue, and performance management to grow your business.

This guide will highlight the opportunity with practical insight for getting your business online, laser-focused on the immediate and long-term benefits that will prevent your business from getting left behind. You will learn how digital commerce helps you:

1. **Optimize your customer experience to foster loyalty through efficient buying experiences**

2. **Reduce expenditures and improve cost efficiency**

3. **Position your organization for growth and competitive success**

Seamlessly enhance your service offerings by implementing digital commerce strategies to deliver buyer-centric functionality, including the ability to:

- Easily view and edit existing user information

- Add or delete users without assistance of site admin

- Organize users into multiple teams and divisions on company structure page

- Set specific roles and permissions for each user

BENEFIT #1 OPTIMIZE YOUR CUSTOMER EXPERIENCE TO FOSTER LOYALTY

Consider your own experiences as a buyer, consumer, and shopper. You expect relevance, value, and give credence to the businesses that support your needs and offer a delightful experience. These moments of truth in budding customer relationships are the cornerstone to driving loyalty. In a market driven by convenience and ease of purchase, consider loyalty as the differentiating factor in your competitive growth strategy.

To optimize repeat and referral business, center your strategy on your buyer's user experience (UX). Loyalty is driven by your organization's ability to demonstrate empathy for buyers, who often know precisely their purchase needs, and don't give you many opportunities for engagement. When your UX is positioned to enable, delight, and support, the people engaging with your brand can be serviced in a way that appeals to repeat business. Digital commerce allows businesses to harness the power of streamlined service to simplify and minimize actions their audiences must take. For example, it can enable buyers

to start a purchase by simply uploading a list of SKU numbers, or to use pre-set purchase lists of frequently-ordered items, or re-order with just a few clicks.

Knowing your customers and empowering them with self-service tools deepens engagement and trust. The freedom to conduct business 24x7, without speaking to a rep, and to access a treasure trove of information on previous orders, credit, and more, with just a click of a button, enables buyers to do their jobs more efficiently. Buyers reward this efficiency with greater loyalty and spending over time.

The key to building loyalty is in your ability to provide fast, frictionless purchasing based on a sound understanding of segmentation and personalization. Features such as account self-service make it easier to do business without the need to call a rep, 24x7, and by empowering buyers with comprehensive info to better manage their purchasing (invoices, account history, credit management, etc.)

EFFICIENCY FUELS INTELLIGENTSIA COFFEE

Intelligentsia Coffee created a website designed to enable customers to order, configure, and add products to their cart all from the same screen—an important ask for busy coffee shop and restaurant owners who order from their smartphones. Together with Magento Global Elite Solutions Partner, **Gorilla Group**, Intelligentsia Coffee implemented a Quick Order option. Meanwhile, a subscription option powered by Subscribe Pro allowed customers to sign up for regular shipments of Black Cat Espresso or House Blend coffee. Using cut-off dates and times for special orders, customers can conveniently pre-order seasonal or promotional products. Giving their busy B2B buyers more ways to get what they need quickly and efficiently has boosted conversion a staggering 20 percent.

BENEFIT #2 REDUCE EXPENDITURES AND IMPROVE COST EFFICIENCY

Digital transformation enables companies to enhance their overall efficiency by providing more seamless ways to complete purchases, and reaping the benefits of substantial cost savings from digitizing manual tasks.

Businesses are no longer required to field so many calls or provide certain services because buyers are empowered to manage these tasks with online self-service tools. This offers a brave new world of client service. It also reinvigorates the role of the salesperson. With their time creating orders mitigated, salespeople are free to focus on consultative sales rather than order entry. They can help clients make the best choices by educating them about new offerings.

Additionally, cloud-based digital solutions offer the flexibility to transform your business and meet rapidly changing needs and quickly incorporate innovations. Cloud commerce enables merchants to not only support multiple B2B selling models with native functionality, but also to sell to both B2B and B2C customers from the same platform. This is a value-add for technical and planning requirements.

With cloud, you...

- Do not need to make capital investments in servers, networking equipment, etc.
- Do not need to invest in certain types of employees/expertise
- Have the flexibility to scale as needed
- Have the flexibility to adapt to changing needs
- Have Support for multiple selling models

Digital commerce reduces expenditures with a variety of transformative benefits, including:

- **Self-service tools —** reduce your customer support costs as customers no longer need to call your sales rep or support center to place an order or to have questions answered about inventory, available credit, order status, or other matters

- **Order error reduction —** merchant no longer manually enters orders, reducing errors. eCommerce solutions can ensure an SKU exists, is in stock, and the customer is eligible to purchase before accepting an order

- **Smart inventory sourcing —** Smart inventory sourcing uses rules to automatically determine the lowest cost way to fulfill each order from across a range of distribution centers, branch locations, or channel partners.

- **Integration with existing systems —** this saves costs and time to market. It is critical to use a solution that can easily integrate with other systems. This allows you to get to market fast and leverage available data to create a personalized eCommerce experience.

DIGITAL COMMERCE ENABLES YOUR ORGANIZATION TO:

- Distinguish new and returning customers to understand buyer needs

- Provide superior product detail and insight including CAD files and fitment details for greater order confidence

- Enhance your understanding of the customer's ecosystem

- Provide streamlined ordering for customers

- Quickly respond to quote requests online

- Provide self-service account management tools

- Integrate customer communications

- Offer custom catalogues and price lists

- Provide complete inventory visibility across locations and supply chain partners

- Extend credit to companies to increase sales

- Support payments on account, credit transaction, and balance tracking

Australian Pharmaceutical Industries Limited (API) is one of Australia's leading pharmaceutical distributors and fastest growing health and beauty retailers, supplying approximately 3,500 pharmacies across the country. The company wanted to better serve the needs of its wholesale customers with greater speed, efficiency, and accuracy.

The company launched its "myAPI" site to offer a backorder system to allow customers to place orders on out-of-stock products. Implementing this feature reduced customer service calls by 20 percent—practically overnight.

API's customers now benefit from access to digital documents making it easy to review their order and return history and status. By enabling core self-service features online, API made it easier for wholesale customers to work with the company while significantly reducing operational costs. It's now possible to take orders 24 hours a day with no added sales team.

BENEFIT #3 POSITION YOUR ORGANIZATION FOR GROWTH BY EVOLVING YOUR BUSINESS

A digital presence expands access to buyers, clients, prospects, and shoppers. By adding commerce to their traditional website, B2B companies can improve visibility in their respective markets, and provide always-on opportunities for engagement, enablement, and sales.

Businesses need to access and analyze data for better decision making, greater personalization, and automation. According to a report from Teradata, 87 percent of marketers consider data their most underutilized asset, and 60 percent of them cite the ability to make faster decisions as the key benefit. B2B companies should have access to dashboards and easy-to-use business intelligence tools that non-technical team members can easily use, customize, and understand. This will allow them to integrate data from multiple channels and sources, including ERP systems, Google Analytics, and Magento. With this comprehensive view, they can easily share insights with colleagues for more data-driven decision making and deeper understanding of their customers and business. A sophisticated digital commerce platform enables businesses to mine competitive advantages by connecting disparate channels and information sources, extract relevant data, and apply it where it has the greatest impact.

Digital commerce allows businesses to easily integrate technologies to enhance their core platform as new solutions emerge, and to expand into new market segments. It also helps B2B merchants easily expand to new markets with the ability to support multiple sites, languages, currencies, and tax policies digital commerce can help with. B2B companies can start to sell direct to consumer or they can sell to segments that were previously unprofitable (like smaller businesses, those with less frequent purchasing, etc.). Low-cost self-service capabilities make it possible to address these markets.

BUSINESS EVOLUTION IN ACTION

Intelligentsia Coffee's webstore offers semi-private labeling for their wholesale customers. "Shannon's Coffeehouse" for example, can brand their Intelligentsia Coffee House Blend as "Shannon's House Blend." And in Intelligentsia's "Coffee Playground," customers can learn about individual coffee blends through in-depth articles categorized by searchable product attributes including plants, regions, and roasts.

Rainbow Treecare's customers now buy more of their proprietary products, and their B2B customers are using the new website to order outside of normal business hours, at night and on weekends, a time when they aren't normally open for business.

SEIZE THE OPPORTUNITIES IN DIGITAL TRANSFORMATION

We're seeing B2B clients in a wide-range of industries from all over the world enhance and even revolutionize their businesses through digital commerce. B2B commerce has made it easier for them to operate and elevate their customer experiences—the ultimate key to growth.

Magento understands the unique challenges and core requirements for businesses across all sizes and business models. Check out how our customers are driving growth by becoming leaders of their organization's digital transformation charge.

https://magento.com/customers

The world of commerce is changing rapidly. Your next competitor can come from anywhere, at any time. Your success in this environment depends on business agility: being prepared for anything. You must seize opportunities to stand out, and be ready to overcome obstacles along the way, from competition to consumer expectations to changing technologies. All this without losing sight of internal realities: legacy, timeline, and budget.

https://magento.com/resources/magento-commerce-named-b2b-leader

ABOUT MAGENTO: Magento powers commerce without limits. Trusted by more than 260,000 businesses worldwide, Magento Commerce is the leading provider of open omnichannel innovation to retailers, brands and branded manufacturers across retail B2C and B2B industries. In addition to its flagship open source digital commerce platform, Magento Commerce boasts a strong portfolio of cloud-based omnichannel solutions empowering merchants to successfully integrate digital and physical shopping experiences. With over $101B in gross merchandise volume transacted on the platform annually, Magento Commerce is the foremost provider to the Internet Retailer Top 1000 and the Internet Retailer B2B 300, counting more than double the clients to the next closest competitor. Magento Commerce 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**.