



# **B2B VS. B2C E-COMMERCE SOFTWARE**

**WHAT'S THE DIFFERENCE?**



# THE DIFFERENCES BETWEEN B2B VS. B2C E-COMMERCE SOFTWARE

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# INTRO

Does your company sell directly to consumers, businesses, or both? The differences between B2B and B2C are endless and are apparent in traditional offline environments, as well as online e-commerce. In today's world, a lot of B2B organizations are struggling with their online success. The growing statistic that shows 68% of B2B buyers already purchase goods online, makes having a web store a necessity for B2B success. This whitepaper will give you some important insights that can help you become a successful online B2B player. To start, we'll go over the general differences between B2B and B2C in terms of offline, then explain what the differences are in online environments, and finally show you how to use these insights to gain online B2B success.

**“68% OF B2B BUYERS ALREADY  
PURCHASE GOODS ONLINE.”**

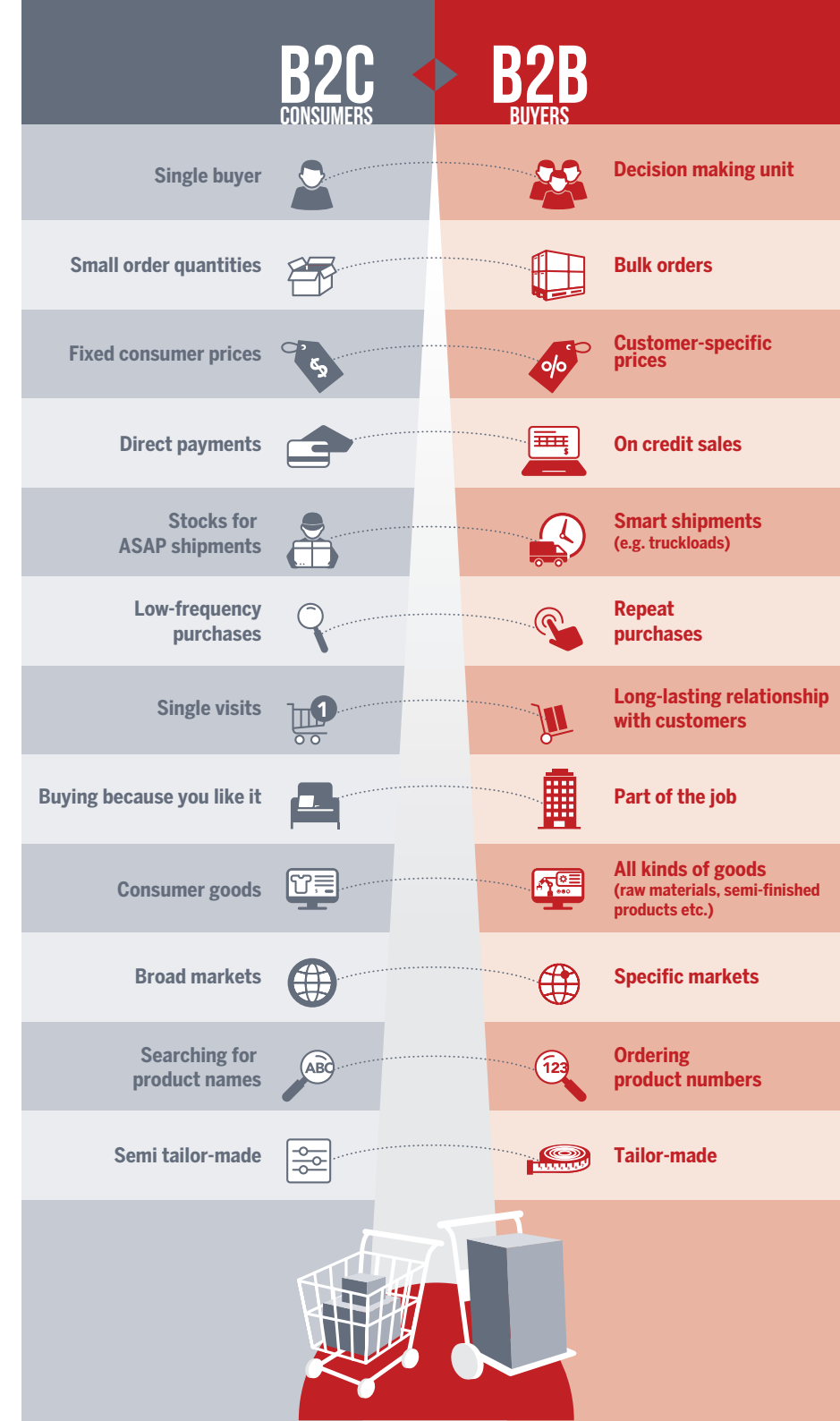
FORRESTER RESEARCH COMPANY, 2014

# 1

## THE DIFFERENCE BETWEEN B2C CUSTOMERS AND B2B BUYERS

**When selling to consumers, it is very important to understand the consumers' feelings. Consumers need to trust your organisation and they need to feel nice and comfortable when purchasing at your company. It is all about emotion; it turns out that 20 percent of the decision to make a purchase is logical and 80 percent is emotional. Facts are being used to justify an emotional choice.**

Although consumers do have various emotional motivations to buy products, purchase behaviour is often the same. Consumers are purchasing products for their own usage, because they like it to buy something new. Most of the times it's not a necessity. Therefore, consumers are not buying every day and they are not buying a lot of products at the same time. In other words, order quantities and order value is relatively small. Also, for a lot of consumer goods, purchases are being done just once in a longer period of time. Think about a new TV: consumers are buying a new TV once every couple of years, and they are just buying one (maybe two) TV's per purchase.



Since consumers are buying because they like it, emotion is an important aspect for B2C companies to focus on. By having state of the art product design, packages and more, B2C resellers can anticipate on customers' emotions.

When you are selling to other companies (B2B), there are a lot of differences compared to B2C. B2B buyers are buying as part of their job. They need to make sure they buy all necessary products/components to keep their company up and running. It's not buying because they like it, it's buying to keep the business alive. Since organizations can be very large, they need a lot of products or components to keep doing business. Therefore, B2B buyers are often purchasing a lot of products at the same time. Also, since companies can grow their business, they need more and more products in a short period of time. B2B purchases are characterised by repeatedness instead of single purchases. Because of the repeat purchases, companies make deals based on their monthly/yearly demand. They closely collaborate with each other, and each B2B customer can have its specific prices for certain products.

Last but not least, multiple people are involved in B2B purchases. For instance, a company can have multiple buyers. They are responsible for finding the right products and making the deals with resellers. Then, there is a manager who is in charge of checking the buyers and closing the final deals. In the end, a finance department is involved as well to collect all invoices. Due to the fact that multiple people are involved in a single deal, B2B is more fact based instead of based on emotions. It's not about the nicest packaging, but the best deal for the company. In other words, ratio is leading.

Various B2B and B2C characteristics as mentioned on page 5, are summarized in the picture.

**B2B PURCHASES ARE CHARACTERIZED BY REPEATEDNESS INSTEAD OF SINGLE PURCHASES. BECAUSE OF THE REPEAT PURCHASES, COMPANIES MAKE DEALS BASED ON THEIR MONTHLY/YEARLY DEMAND.**

## 2

## DIFFERENCE ONLINE APPEARANCE BETWEEN B2B AND B2C CUSTOMERS

It is important to understand how the differences between B2B and B2C appear when purchasing from online web stores.



### Single buyer vs. decision making unit

When buying online as a consumer (B2C), it's a personal decision to find a certain product that you want to order for yourself, your family etc. Whereas B2B customers can be sales representatives, resellers, brokers and so on. Within an online web store, these B2B customers need specific accounts matching their specific needs. For instance, the buyers need an account to create an order, but they should not be able to place the order yet. **The manager** needs an account where he/ she can see all items that the buyers want to order, with the ability to finalize and place the order. **A financial employee** needs an account where he/she can only download the invoices. Given all the roles involved in the online B2B purchase process, it's important for your B2B e-commerce success to make sure your web store can handle such accounts.



### Small orders vs. bulk orders

By 2020, the B2B e-commerce market is expected to become twice as large as the B2C market.<sup>1</sup> It's not a big surprise considering the booming B2B market and the fact that B2B orders in general have higher average order values.

This is due to the fact that businesses are often using more products than single end users. This difference in purchase behavior is very important for your web store. While B2C customers want to know if there is a single product in stock, it's not that relevant for B2B customers. They are more interested in the quantity and delivery discounts based on their company's agreement.



### **Consumer prices vs. customer-specific prices**

When selling to end users, fixed pricing is present for everyone, regardless of your individual purchase history. Within a B2B environment, prices are mostly based on agreements. B2B customers have specific discounts on specific products. They need to be able to purchase products at the right price, based on the company they work for. In addition to customer-specific discounts, it is also possible that B2B customer prospects need to be offered different standard prices (depending on location for example).

For both standard and discount prices, your web store needs to show the right prices based on the customer visiting the web store. This can be managed by having customer log-ins. Prices can be hidden when a customer hasn't logged in yet. After logging in, prices are displayed based on the customer's company.



### **Direct payments vs. credit sales**

In a B2C environment, customers are expected to pay for their orders directly via iDeal, PayPal, etc. Due to the fact that B2B customers typically place several orders per month or even per week, B2B payments are often made on credit. Instead of paying directly, B2B customers are typically quoted each month on the orders that have been placed. This process is much more convenient for buyers, making it easier for them to place orders more frequently.

**FOR BOTH STANDARD AND DISCOUNT  
PRICES, YOUR WEB STORE NEEDS  
TO SHOW THE RIGHT PRICES BASED ON  
THE CUSTOMER VISITING THE WEB STORE.**



### Single visits vs. long-lasting relationships

Online B2C customers are often single visitors, they have very different needs than long-lasting B2B partners. B2C customers are looking for a specific product; they buy it and will likely not visit your web shop again for a while.

B2B e-commerce is fully integrated within a company's purchasing department. B2B buyers purchase products and components online for the vitality of their organizations. It's their job to buy what is necessary to keep the business up and running. Therefore, B2B customers expect you to provide an easy way to find products, contact information, and support.<sup>2</sup> They want their purchases to be completed as quickly and easily as possible.

**SMART SHIPMENTS ARE MORE  
RELEVANT THAN NEXT DAY DELIVERY  
FOR B2B CUSTOMERS.**



### Stocks for ASAP shipments vs. smart shipments

If a popular consumer webshop is facing stock-outs, it is a big problem. Consumers will switch to other web stores that are able to deliver more quickly, even if products are more expensive. Forecasting the right amount of stock is crucial within B2C. B2B organizations operate entirely differently. Instead of fulfilling a direct need, B2B customers often have IT systems that help them order in time. Therefore, next day delivery isn't the most crucial thing for B2B customers. Instead, they are more concerned with purchasing their products at the lowest cost possible. Smart shipments are more relevant than next day delivery for B2B customers. Make sure that your B2B customers can select multiple shipping methods and show the price differences per method. Also, be aware of the fact that your customers can order from anywhere. Based on the location of your customer, shipping costs will change. Especially in case of freight shipments: goods that are too large or heavy to ship via classic carrier services. In that case, full truckload shipments can be beneficial for customers.





### **Low-frequency purchases vs. repeat purchases**

When buying online, B2C end-users typically are not frequent buyers. In their 2014 yearly report, Thuiswinkel.org mentioned that all online shoppers purchased on average 3.5 products online.<sup>3</sup> On the other hand, B2B e-commerce is characterized by repeat purchases. B2B buyers are not just ordering one single product online. Let's take a food company for example. The food company produces various ready meals for several supermarkets that require several spices to make. These spices are bought via the web store of a spice reseller. The meal producer cannot just purchase a single large box of spices to keep their business up and running. Depending on the amount of orders, they keep ordering spices to make sure they can produce the ready meals.



### **Buying because you like it vs. buying as part of your job**

Traditional consumers often start their online purchasing journey visiting blogs, watching videos and reading reviews about several products before purchasing. They know in general what they want but often don't know exactly which product they will buy until they've scoped out all their options. On the other hand, B2B customers look for a specific product. They exactly know what they are looking for, and most of the time the B2B buyer is searching for a specific product code instead of a name. Purchasing online is part of his or her daily tasks and should be as easy and convenient as possible. 46% of B2B buyers leaves a web store due to a lack of messaging.<sup>4</sup> In other words, when it's not clear whether they are at the right web store, they don't want to start investigating. It's a waste of their time. Poor design and navigation also leads to fleeing B2B buyers (37%).<sup>5</sup>



### **Consumer-specific goods vs. variety of goods**

Almost all B2C online sales consist of consumer goods. B2B sales can be very different. Think about selling raw materials such as grain, screws for a certain machine, or even mixed spices based on a customer's specific recipe. Showing these kinds of products as if they are consumer goods is a bad idea. B2B customers are looking for more specific information (what are the exact measures of the screw), more contact details (they want to discuss a specific recipe that is not in your catalog yet) and so on. B2B web stores need to think about how to display their products based on their B2B customers' wishes. Include more specific details about your products, and make sure customers can contact you to discuss customizations for instance.



### **Broad market vs. specific market**

The online B2C market is very broad. The big online warehouses such as Amazon and the Dutch bol.com are typical examples of online shops focusing on a huge variety of products and consumers. B2B web stores are usually just the opposite, focusing on a specific niche market instead. For instance, when selling machinery parts, the parts being sold are typically machine-specific. It would be very difficult and confusing to your customers if you were to start selling parts for all types of machines. When selling to a specific niche market, make sure you understand your customers' specific needs. In the example of selling machinery parts: if you're selling 30 specific screws, your customers want to be sure they purchase the right one. They will be interested in all dimensions of the screw. Make sure you add this information to each product page.

**B2B WEB STORES NEED TO THINK ABOUT HOW TO DISPLAY THEIR PRODUCTS BASED ON THEIR B2B CUSTOMERS' WISHES**



### **Searching for product names vs. searching for product codes**

While consumers search for broad terms such as “large travel suitcase” and want to get inspired as to which one to choose, B2B buyers already know exactly what they want. It’s very specific and most of the time they already know the specific product code. A typical B2B search is something along the lines of “984356191000AV”. It is very important to include such specific information, and make sure customers can conveniently search for very specific information.



### **Semi tailor-made vs. tailor-made**

As a typical consumer, you probably receive a lot of emails from web stores. Your name is in the header and the email contains products you probably like based on your previous purchases, maybe even discount codes. Although these emails look personal, they are not custom. They are generated automatically using software.

Conversely, B2B customers do actually have personal relationships with online sellers. They have agreed on specifics for prices and volumes, for instance, and it’s very important that B2B buyers can purchase online based on these agreements. When they log in, they expect a tailor-made account with their specific prices, bulk discounts, shipping fees and more.

# 3

## WHY INTEGRATED B2B E-COMMERCE IS CRUCIAL FOR YOUR ONLINE SUCCESS

**If you can successfully translate the B2B customers' needs into the specs of your web store, that's half the battle. If you want to make sure you can fulfill all B2B buyers' needs, it's essential to make your ERP system as starting point. Here's how...**

### **Use customer log-ins on your web store**

B2C web stores often use single log-ins for it's customers. In some cases it's even possible to place orders via a guest account (e.g. if you are not planning to return to the web store any time soon).

Due to the fact that B2B customers can have specific pricing and they want to assign specific roles to employees, you should make sure your customers have specific log-ins for your web store. Your B2B customers can decide whether they want specific log-ins for employees who can only compose orders, manager log-ins for those who can actually place the order, finance log-ins to have a look at the invoices, for instance. To make sure all of your customers can see the right products, prices, discounts and more (see next point), it is crucial to integrate your e-commerce solution with your ERP system.

All customer details are stored in your ERP so there is no need to repeat the work by entering it twice. Plus, keeping one single source of truth eliminates the possibility of duplicated data.



91%

**“91% OF ALL SANA CUSTOMERS RECOGNIZE THAT MANUALLY PROCESSING OFFLINE ORDERS IS ONE OF THE MAIN REASONS FOR SHIPMENT MISTAKES!”**



### **Show customer specific prices and bulk discounts**

When you are selling to business and consumers, it's possible to create a consumer page and a business page. Consumers do not want to create a profile and log-in before they can see the prices of the goods you are selling. By clearly communicating whether a certain web store page is meant for consumers or businesses, you can get the best of both worlds.

A horizontal bar chart with a red bar. The bar is filled with a solid red color. The number '83%' is written in white text on the red bar. The bar is positioned in the middle of the page, between the 'Show customer specific prices and bulk discounts' section and the 'Verify the preferred payment methods among your B2B customers' section.

83%

**“83% OF ALL B2B BUYERS USE SUPPLIER WEBSITES FOR ONLINE RESEARCH BUT LESS THAN HALF OF THOSE FIND IT THE MOST HELPFUL CHANNEL.”**

ACQUITY GROUP, 'STATE OF B2B PROCUREMENT', 2014

Complex pricing structures are already recorded in your ERP system. By making your ERP system the foundation of your e-commerce, you can easily make sure that all customers will see the right prices and discounts. in real time. Every time you change any price structure in your ERP, or you add new pricing rules for a certain customer, it is immediately visible in your web store.

### **Verify the preferred payment methods among your B2B customers**

In B2B, you will have a range of customers. If your smaller customers are not ordering in a strict routine, they may want to pay via their organization's credit card. If a big customer is ordering every week, they might just want to be invoiced every month. If you have a lot of large customers, this can be a difficult task. Maybe you allow just a couple of your customers to purchase on account.

Or maybe some of your most loyal customer can order up to € 500.000 on account per month, while some smaller customers can order up to € 100.000 per month. All the customer-specific information about payment options is stored in your ERP system.

### **B2B shipping methods cannot be covered by B2C e-commerce solutions relations**

B2B shipments are totally different from B2C shipments. Almost all B2C shipments are processed via the traditional carrier services (e.g. UPS and PostNL). Due to large order sizes and/ or large, bulky products, this can be a big issue for B2B e-commerce. You probably need freight shipping. Your B2B e-commerce solution must be able to understand which shipping method is applicable for a certain order. It is also important to understand the different shipping costs according to the shipping method.

To determine the right shipping costs and expected delivery time, you must know where your customer is located. What's more, shipping costs can differ for each of your customers. For instance, if a customer is ordering each week, you are more likely to offer lower shipping costs. Depending on the details of the order, you can show all customer-specific ordering conditions to the customer in real time in the web store. Integrating your ERP with your e-commerce solution eliminates shipment mistakes. 91% of all Sana customers recognize that manually processing offline orders is one of the main reasons for shipment mistakes!

### **Simplify repeat purchases to strengthen your long-term relations**

As mentioned in the first section, online B2C purchases are characterized by one-off purchases while online B2B orders are placed regularly. Repeat purchases are an important measure for these businesses; based on previous orders, new orders can be placed or adjusted. When switching to selling through a web store, make sure your customers can access their order history. After you get comfortable with your e-commerce solution, you can add offline insights to your customer's online account history through the information stored in your ERP as well.

This also opens the door to automating your sales. Long-term customers often have a specific purchasing pattern. Based on information about on- and offline order history available in the ERP, new quotes can be generated automatically. Your customers just need to verify the quote.



12%

**“ONLY 12% OF ALL B2B BUYERS HAVE THE NEED TO TALK TO A SALES REP AND 68% OF THEM ALREADY PURCHASE GOODS ONLINE.”**

ACQUITY GROUP, 'STATE OF B2B PROCUREMENT', 2014

**Create an easy and sophisticated purchase environment for your customers by connecting your web store to your ERP data**

83% of B2B buyers use supplier websites for online research but less than half of those find it the most helpful channel.<sup>6</sup> Stand out and take advantage of your competitors' lack of online sophistication and usability.

B2B buyers do not necessarily want to get in contact with a sales rep. 12% of all B2B buyers have that need and 68% of them already purchase goods online.<sup>7</sup> Utilize the investment that you've already made and double dip on your ERP system. By making your ERP the center of your web store, you ensure that all information on the web store is complete, consistent, and available in real time.

6, 7. Acquity Group, 'State of B2B Procurement', 2014

**Fully integrated B2B e-commerce provides so much more than just an online shopping cart**

When selling offline, large assortments can be difficult for customers to shuffle through. It is hard enough to find the product you are looking for, not to mention complementing products. An integrated web store helps you to display related products, so you can start cross-selling and up-selling.

With the worldwide accessibility of the internet, providing a more sophisticated purchasing experience for your current customers will also help you to grow internationally with ease. As mentioned before, B2B companies can sell a huge variety of products. From consumer goods to semi-finished products. Or even from technical components to raw materials. In many cases, product information is more important for B2B buyers than consumers. Think about a component for an advanced machine. The B2B buyer needs to know whether the component fits their exact machine.

If not, it's useless! In the past, many B2B customers allocated additional sales resources to answer product-related questions from B2B buyers and displayed their catalogue online in PDF format.

A web store that is connected to your ERP is a functional online product information center as well! Your B2B customers can find all of your products, including all technical information, on a single website.

# 4

## CONCLUSION

**B2C and B2B customers are very different. Not just offline, but also their online habits. By understanding these differences, you can create a great social experience. The best way to translate B2B wishes into a successful web store is by making your ERP the starting point. A web store that is fully integrated with your ERP allows you to:**

- **CREATE CUSTOMER-SPECIFIC LOG-INS FOR YOUR WEB STORE**
- **SHOW YOUR CUSTOMERS DIFFERENT PRICES BASED ON MUTUAL AGREEMENTS**
- **EFFECTIVELY MANAGE CUSTOMER PAYMENTS ON CREDIT**
- **IMPLEMENT B2B-SPECIFIC SHIPMENT METHODS**
- **CREATE EASY REPEAT PURCHASE POSSIBILITIES FOR YOUR CUSTOMERS**
- **HAVE A WEB STORE THAT IS EASY IN USE FOR ALL B2B BUYERS**
- **PROVIDE YOUR CUSTOMERS MORE THAN JUST A SHOPPING CART**



## ABOUT US

Sana delivers fully integrated e-commerce solutions for Microsoft Dynamics and SAP that help manufacturers, wholesalers and retailers grow online, including mobile support for sales agents.

With more than 20 years of e-commerce experience and a worldwide network of partners, Sana offers a complete set of additional services e.g. advice on Search Engine Optimization (SEO), online marketing, hosting, online payment providers and graphic design that are essential to successfully run your online business.

Sana is a Gold Microsoft Partner, Certified for Microsoft Dynamics NAV & AX (CfMD) and an SAP Partner.

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