DIGITAL TRANSFORMATION AND B2B E-COMMERCE REPORT 2017–18

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SAPIO RESEARCH

DIGITAL TRANSFORMATION AND B2B E-COMMERCE REPORT 2017–18

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MICHIEL SCHIPPERUS

CEO OF SANA COMMERCE

I believe wholeheartedly in the power of e-commerce. Not just because it's my profession, but because I've seen the industry grow and evolve from the very beginning. When I helped found Sana 10 years ago, it was with full conviction that e-commerce was the key to helping businesses succeed in a digital future.

A decade later, that conviction is stronger than ever.

Ideas, however, must be supported by facts. At Sana, we see the facts every time we collaborate with partners and clients, but we wanted to get the full picture.

How are businesses and industries all over the world approaching their digital transformation?

Is it as urgent for everyone as we think?

These questions were the catalyst for our second B2B e-commerce report. We asked Sapio Research to survey a diverse group of companies worldwide, so we could provide unbiased insight into the topics that matter most to B2B decision-makers.

The results were better than we could have hoped for, and the research confirms that digital transformation is not only helpful — it's essential.

The data in this report speaks for itself. I hope it will provide you with valuable insights that will help your business carry out a successful digital transformation.

Michiel Schipperus | CEO Sana Commerce

EXECUTIVE SUMMARY

1 B2B Trends: Increased Adoption of Digital Sales Channels

72% of companies surveyed said that e-commerce is very important or vital to their digital transformation. It's important enough that **75%** of those with an e-commerce solution are planning to upgrade, and **42%** will do so within the next year.

A customer-centric approach appears to be one of the main drivers behind the increase in digital sales channels. **75%** said their customers have asked for an online sales portal, with the main reason being increased convenience.

2 Putting Customers First: Importance of the Customer Experience

87% of companies say it's important for e-commerce systems to provide support for customer experience enhancement through personalization.

This isn't surprising, considering customer experience is important to **88%** of B2B companies and customer demand is the largest driver for IT infrastructure optimization.

3 Overcoming Obstacles on the Road to Digital Transformation

96% of respondents have not yet completed their digital transformation, and **18%** said organizational resistance to change is slowing down progress.

Over **75%** of respondents indicated that serious challenges include getting right and complete clients data in one system, product information not being available in a single system, and a lack of real-time inventory information.

4 The Fight to Remain Competitive: Online Sales Revolution

B2B businesses that are already taking advantage of e-commerce systems have experienced major benefits. On average they see ROI within the first year, a **22%** increase in revenue growth, and a **21%** increase in profitability.

91% say that their e-commerce solution has improved sales order process efficiency.

1 B2B TRENDS: INCREASED ADOPTION OF DIGITAL SALES CHANNELS

E-commerce isn't new anymore, and as its novelty fades we're seeing businesses looking to hone their digital strategies to perfection.

Old, dated web stores are being upgraded to meet increasing customer expectations and to be able to handle newer, more complex technology.

This chapter looks at the current state of the digital revolution. What are businesses doing now, why are they doing it, and where do they expect to be in a few years' time?

KEY TAKEAWAYS

1 E-Commerce Is Vital to B2B Businesses' Digital Transformation

72% of respondents said e-commerce is very important or vital to their digital transformation.

2 Many Businesses Are Already Selling Online and Are Ready to Upgrade Their Platform

- 75% are planning to upgrade their current e-commerce solution.
- 42% will upgrade within 1 year.

3 Customers Want the Convenience of Online Sales Platforms

75% of respondents said their customers have asked if they can purchase from them online.

Their top 3 reasons are:

1. Ease of online purchase (72%)
2. Not wanting to wait for a sales rep (52%)
3. Insight into inventory and delivery times (42%)

1.1 THE DIGITAL TRANSFORMATION AND E-COMMERCE: WHERE ARE WE NOW?

As our report illustrates, embarking on your journey of digital transformation is no longer a luxury, nor is it something you can put off. The vast majority of companies are actively pursuing a digital strategy — and the benefits involved are so considerable that you cannot afford to fall behind.

Digital Transformation Progress

The good news is that **63% of respondents** have a digital transformation strategy in place. Surprisingly, however, **a mere 4%** of respondents indicate that they have actually completed their digital transformation.

While business are indeed embracing the digital revolution and making changes, they aren't there yet.

So what are businesses currently focusing on and why? You'll find that customer satisfaction is almost always the main goal, and as a result, that is what's driving most business strategies. This, in turn, is pushing organizations to adopt additional channels such as web stores and social media.

The following sections take a more in-depth look at the sales channels that respondents are adopting. Why are they choosing these channels and what are the effects?

E-Commerce and the Digital Transformation

While responses indicate that both owned and third-party web stores are highly likely to be components of an omnichannel strategy, e-commerce means more than just better sales.

The importance of e-commerce in digital transformation as a whole should not be underestimated. **E-commerce plays a very important or vital role in digital transformation for 73% of respondents**.

Why Is E-Commerce So Important?

Integration

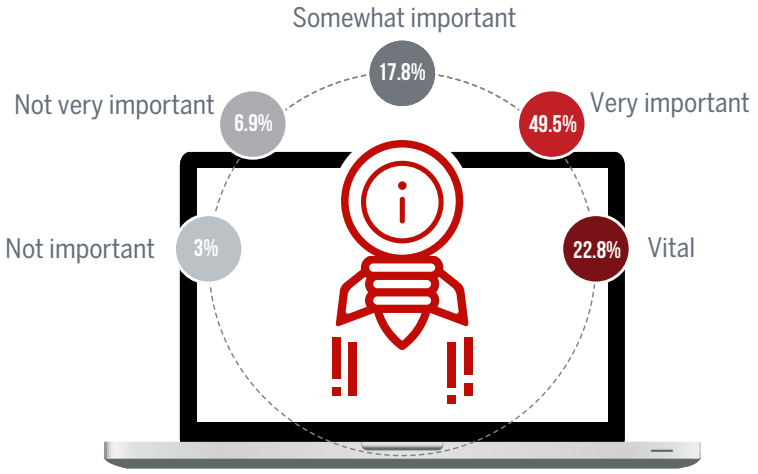
According to **45%** of the respondents who deemed e-commerce as important or vital to digital transformation projects, it's essential because it **works in combination with their business process technology**.

In other words, integrating their web store with their other businesses systems, such as their ERP, helps them to create a powerful single source of truth, resulting in optimized processes and increased accuracy.

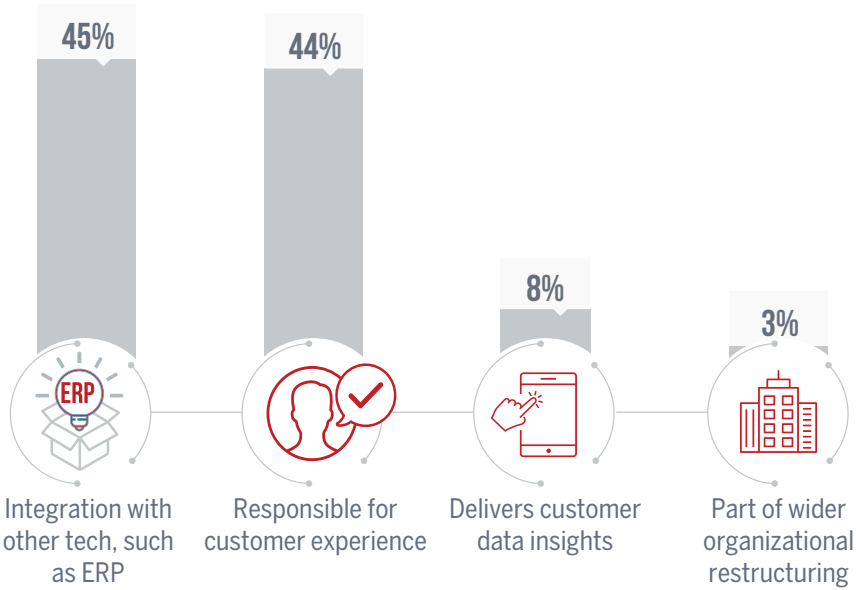
Customer Experience

Another **44%** said e-commerce sits at the heart of digital transformation because it is **responsible for their customer experience**.

HOW IMPORTANT IS THE ROLE OF E-COMMERCE IN YOUR DIGITAL TRANSFORMATION



WHY IS E-COMMERCE VITAL IN DIGITAL TRANSFORMATION PROJECTS?



1.2 INCREASING ADOPTION OF DIGITAL CHANNELS

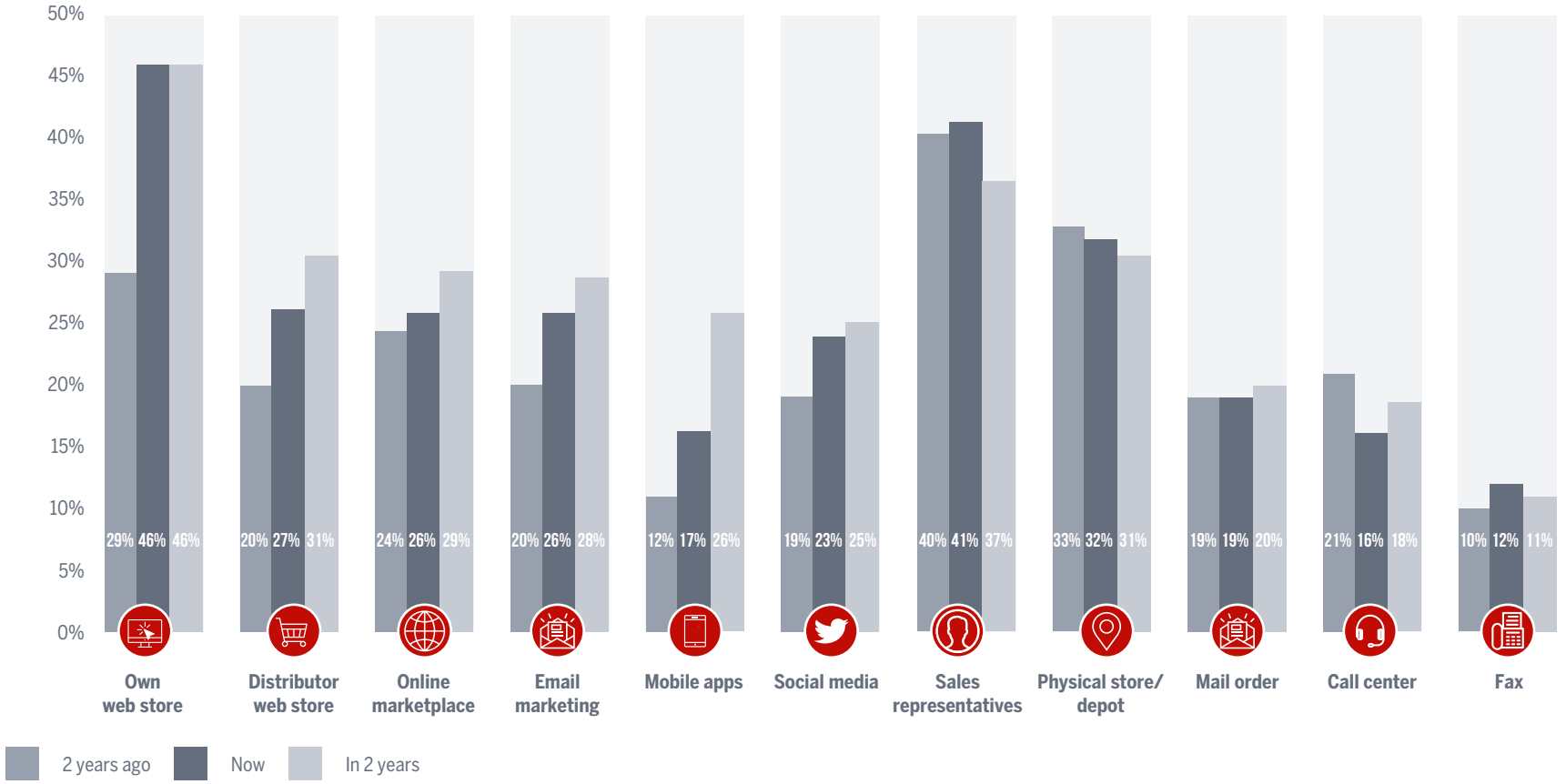
Technology is developing exponentially and businesses are taking notice. 46% of respondents said they currently sell products via their own web store, up from 29% who were doing so 2 years ago.

Mobile sales are also growing significantly, with a 5% increase in businesses with mobile apps in the last 2 years, and a projected increase of another 9% in the next 2 years.

Meanwhile, traditional sales channels are on the decline, barring for negligible increases in selling via fax and sales rep.

While own web stores are growing rapidly, followed by social and mobile apps, **most B2B companies are using a combination of different sales channels to sell products**. B2B is in the thick of digitization, with one foot in the analog world and one foot in the digital.

HOW DO YOU SELL YOUR PRODUCTS?

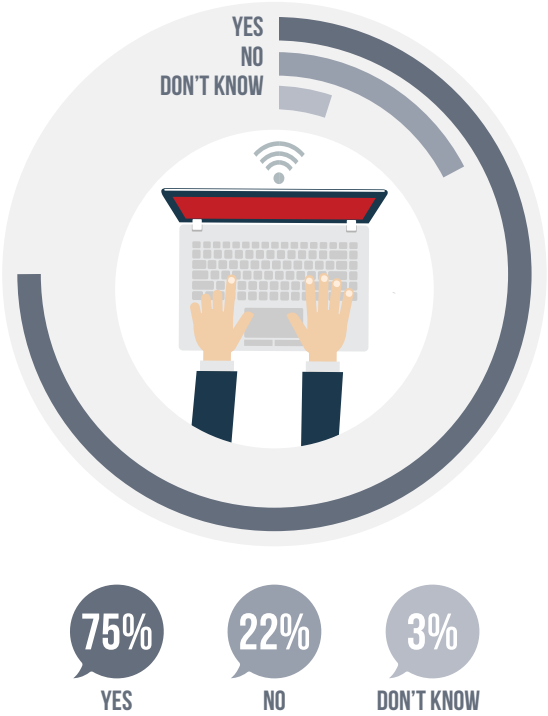


1.3 E-COMMERCE BY POPULAR DEMAND

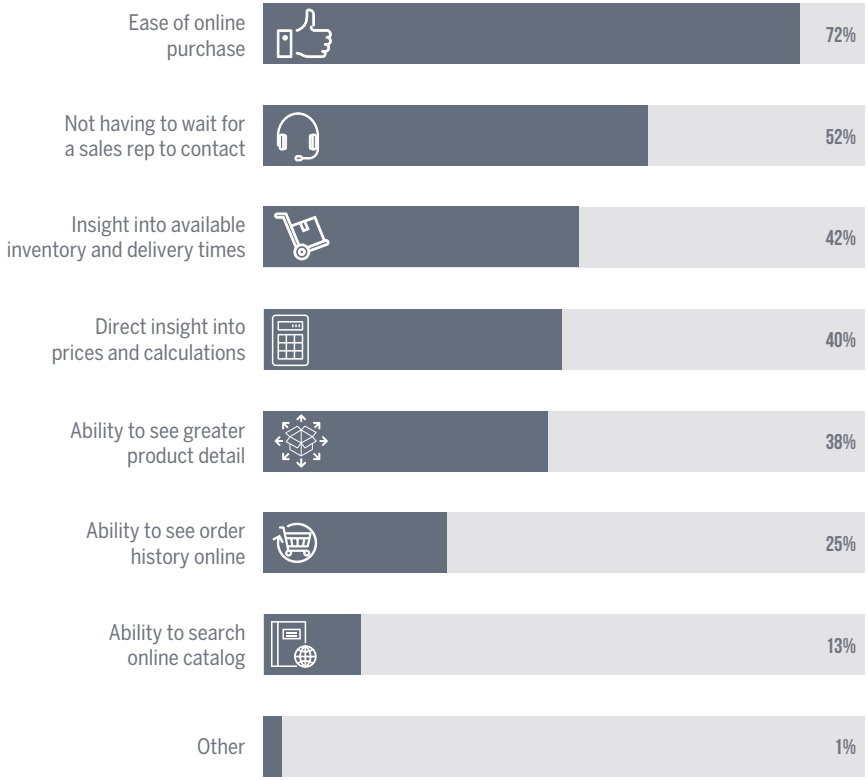
Demand, of course, plays no small role in determining the way businesses develop. Given that **75% of respondents have been asked by clients whether they can buy online**, it's clear that besides optimizing processes, e-commerce can also help businesses meet customer expectations.

Why are customers so eager to purchase online? The top three reasons include ease of online purchase, not having to wait on a sales rep, and access to insights on inventory and delivery times. In one word: **convenience**.

HAVE YOUR CUSTOMERS EVER ASKED WHETHER THEY CAN BUY PRODUCTS ONLINE?



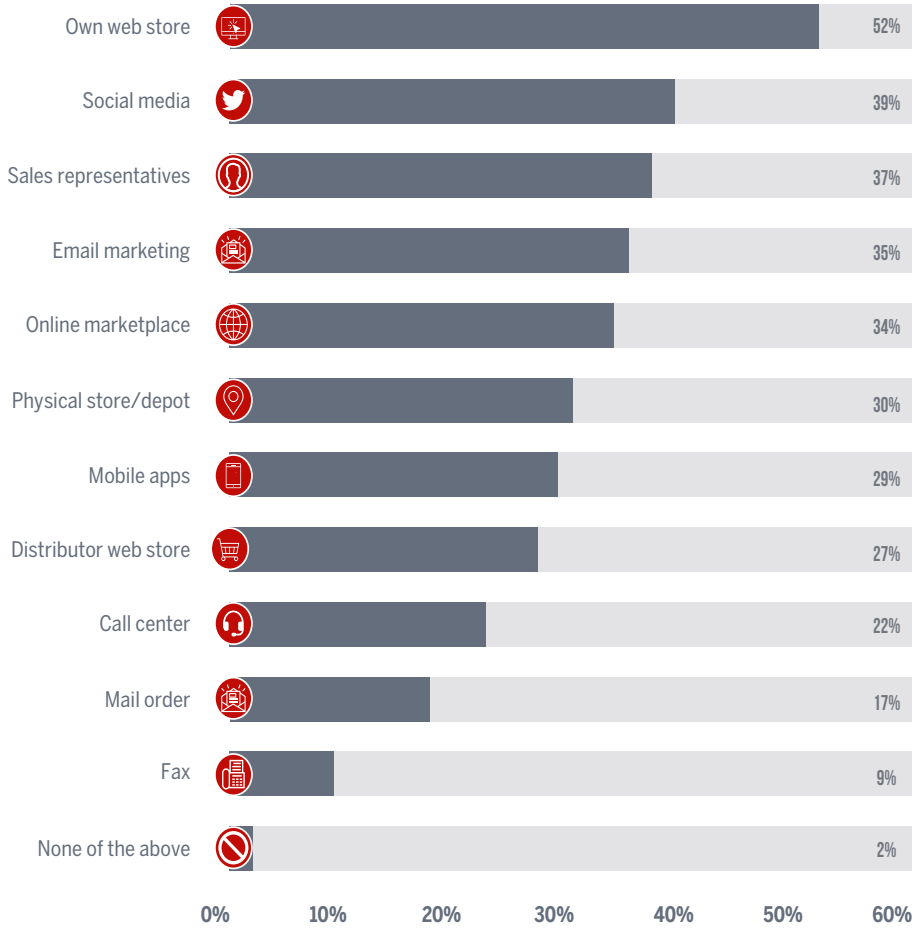
WHAT WERE YOUR CLIENTS' REASONS FOR WANTING ACCESS TO AN ONLINE SALES CHANNEL?



Own Web Stores Are Here to Stay

When asked which sales channels were most important to their industries, **59%** of respondents indicated that their **own web store was the most essential channel**. This was followed by social media at 39% and sales representatives at 37%.

WHICH SALES CHANNELS ARE MOST IMPORTANT TO YOUR INDUSTRY?



B2B businesses understand the value of their web stores, which makes it no surprise that **76% of respondents who already have a web store are planning to upgrade within 2 years**. We are quickly approaching the age of the second-generation B2B web store.

ARE YOU PLANNING TO UPGRADE YOUR E-COMMERCE SOLUTION?

2 PUTTING CUSTOMERS FIRST: IMPORTANCE OF CUSTOMER EXPERIENCE

'Customer is King' isn't a new mantra by any means. Businesses know that their customer satisfaction and engagement are the keys to their business success.

What *is* new, however, is the strategic approach to customer satisfaction with the advent of e-commerce.

In this chapter, we're zooming in on omnichannel strategy. It's a hot topic for sure, but is it being used, and more importantly, is it effective?

KEY TAKEAWAYS

1 E-Commerce Plays a Key Role in a Customer Experience Strategy

- 88% said e-commerce is somewhat or very important to their business growth strategy.
- 87% said it's important that their platform can help them personalize their customer's buying experience.

2 Omnichannel Is the Name of the Game

- 46% of respondents already have an omnichannel strategy in place.
- 41% indicated their omnichannel strategy has completely changed the way they sell.
- 64% have seen an increase in their sales thanks to omnichannel.

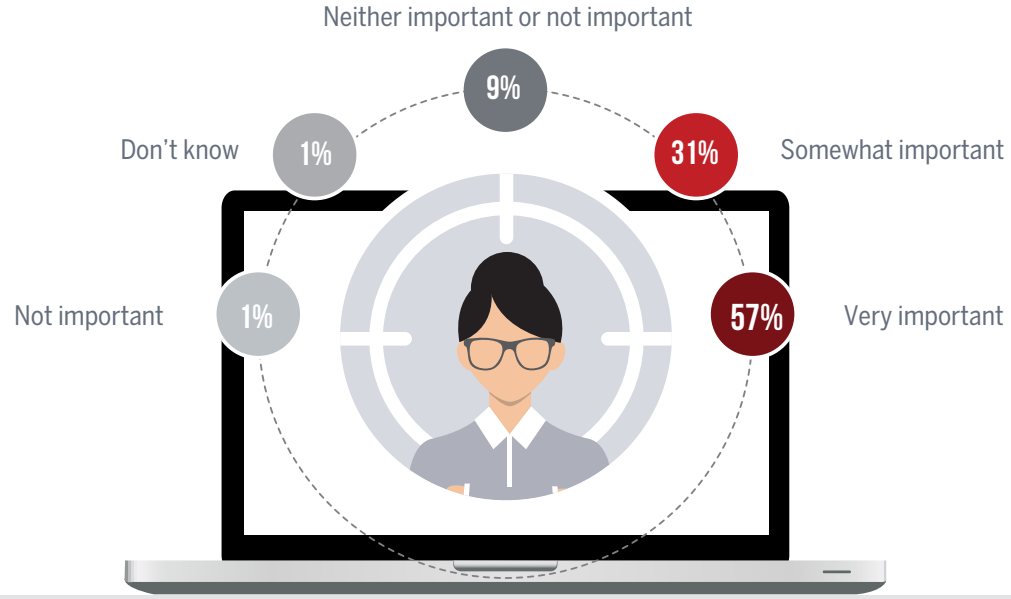
3 But Strategy Alone Won't Win the Race

- Over 65% of respondents expect mobile technology, M2M, IoT and AI to play major roles in their customer strategy.

2.1 HOW IMPORTANT IS CUSTOMER EXPERIENCE TO YOUR BUSINESS?

Putting Customers First

Improving **customer experience** is a recurring topic when it comes to e-commerce and digital transformation in general. Therefore, it should come as no surprise that the **vast majority of respondents say it is important to their business growth strategy.**



HOW IMPORTANT IS E-COMMERCE IN SUPPORTING THE FOLLOWING BUSINESS GOALS?

Personalize the customer's buying experience

87%

Support sales staff

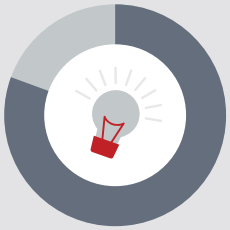
85%

Generate new revenue

85%

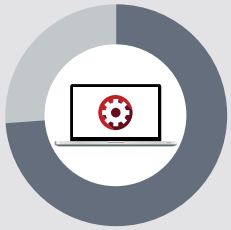
Reduce cost of sales

81%



Support innovation

80%



Play a key part in the organization's digital transformation strategy

74%

The percentages above indicate the number of respondents who found it **very or somewhat important** for their e-commerce solution to support each goal.

2.2 THE UNDENIABLE RISE OF OMNICHANNEL

While owned web stores are rated as significantly more important than other channels, the survey indicates it's the fluid combination of all digital and traditional channels that's most vital. Who hasn't looked up information online before purchasing an item in store, or seen something while window shopping and later ordered it online? This is the essence of omnichannel sales, and it's not just for B2C — as we examine on our blog.

More than half of the businesses surveyed already have an omnichannel in place, but what about the ones who don't?

Multichannel vs Omnichannel

We only asked respondents who use more than one sales channel whether they have an omnichannel strategy. This means that **almost half of multichannel sales among respondents are executed without a clear strategy**.

Omnichannel: Quality Over Quantity

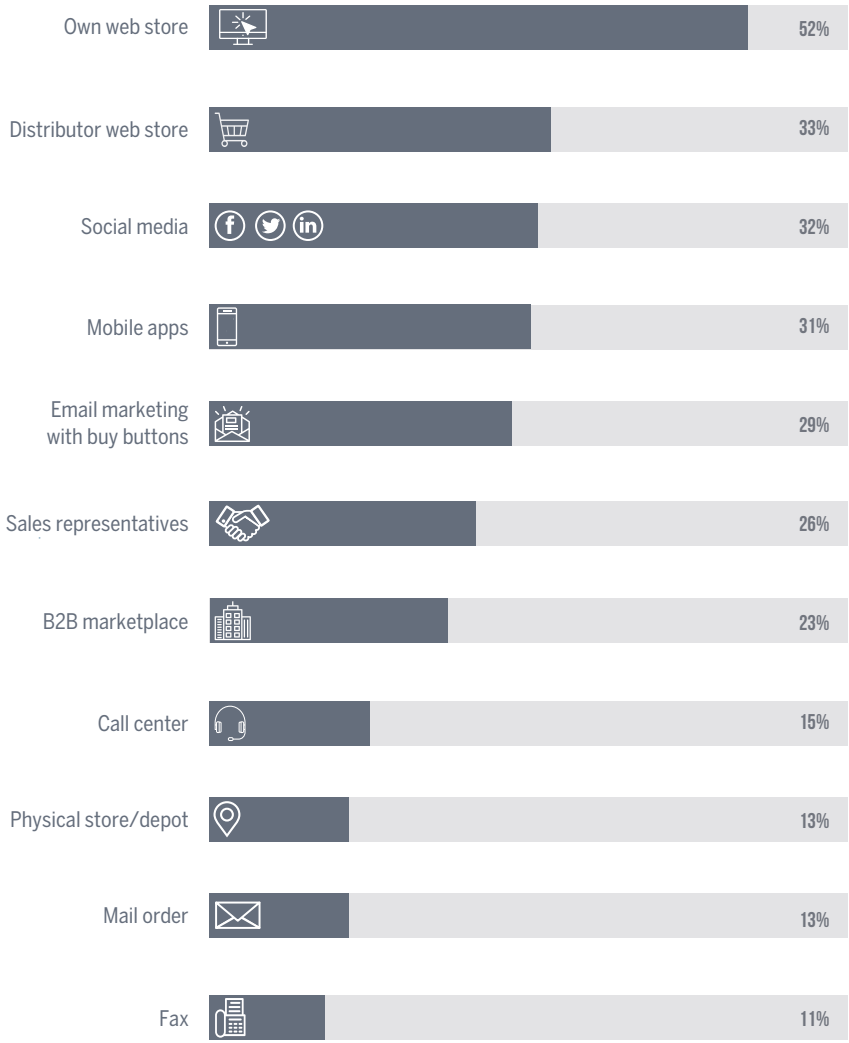
Until recently, most businesses were dealing with new channels by adopting a multichannel strategy. They were serving customers and interacting with them on multiple channels, but there wasn't a focus on building relationships or unifying the channels to provide consistent branding and messaging. **Muiltichannel was about quantity**.

Modern technology, however, has made integrating multiple channels and platforms possible, which in turn has given rise to omnichannel strategy. By providing a consistent experience across channels, businesses are providing a unified and seamless experience that puts the customer on center stage. **Omnichannel is about quality**.

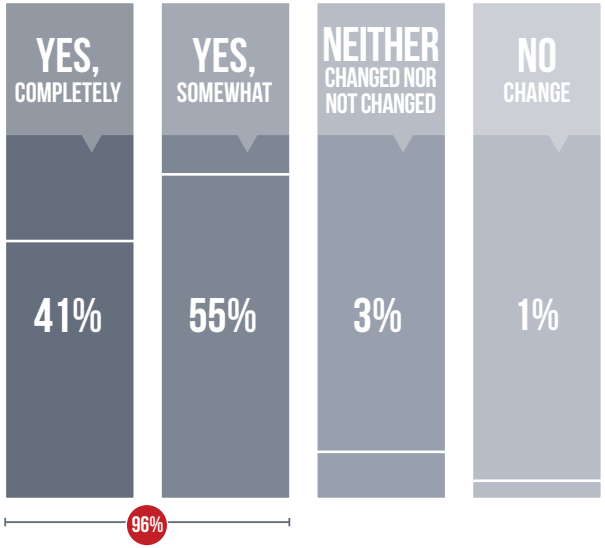
52% OF RESPONDENTS SAID THAT THEIR OWN WEB STORE IS THE
MOST IMPORTANT COMPONENT OF THEIR OMNICHANNEL STRATEGY

It's also noteworthy that respondents indicated that their own web stores play a crucial role in their omnichannel strategy. Notably, **the five most important omnichannel components they indicated are all digital channels**, which strongly indicates that digital transformation is inevitable for B2B businesses.

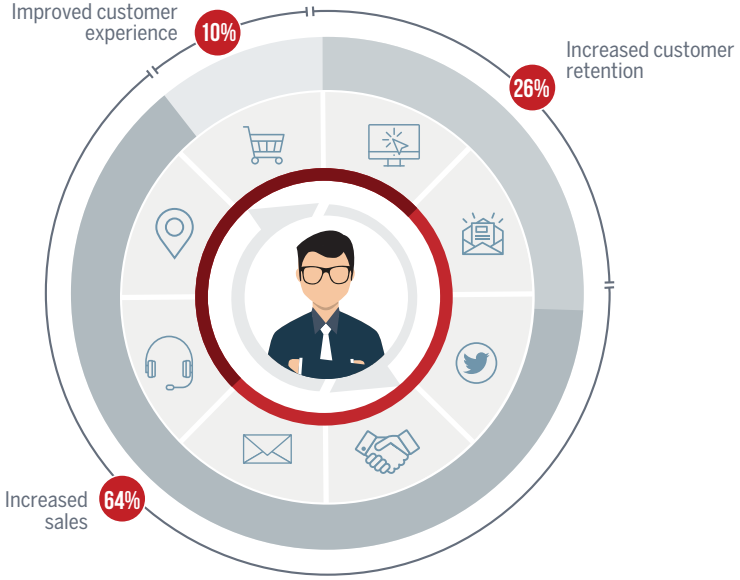
WHAT COMPONENTS MAKE UP YOUR OMNICHANNEL STRATEGY?



HAS YOUR OMNICHANNEL STRATEGY CHANGED THE WAY YOU SELL?



WHAT HAS BEEN THE MAIN IMPACT OF YOUR OMNICHANNEL STRATEGY?



The Benefits of Omnichannel

Of the organizations surveyed with an omnichannel strategy in place, **96% say it has changed the way they sell**. Changes, however, aren't always beneficial. Is omnichannel positively impacting B2B businesses?

Of the businesses with an omnichannel strategy in place, **64%** indicated that the **main outcome was an increase in sales.**

Other benefits indicated include increased customer retention (26%) and an improved customer experience (10%).

The 3 Keys to Omnichannel: Why It Works

1. Buyers connect with the brands they trust, not the channels they use.
A strong omnichannel approach helps business reinforce their brands and the loyalty of their customer base.

2. The buyer journey is no longer a straight line from A to B.
Your approach needs to be seamless, whether your client is on location with a sales rep, on a computer at work, or using their mobile phone during their commute.

3. Buyers demand a smart and personalized approach.
Brands need to be savvy in using customer data, engagement systems and address preferences to establish trust and engage with their customers.

Learn more about building your omnichannel strategy in our on-demand webinar.

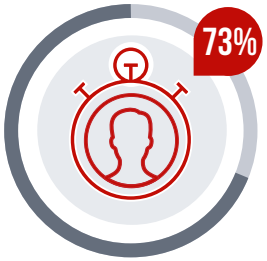
2.3 E-COMMERCE AND THE CUSTOMER EXPERIENCE

The benefits of integrating an e-commerce platform with the rest of the IT landscape are fairly obvious and described in depth in our Integration Guide. But how do respondents expect e-commerce to impact the customer experience they offer?

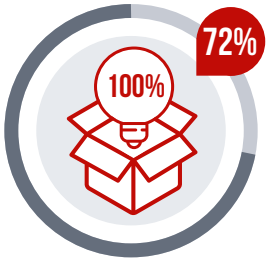
RESPONDENTS WHO STRONGLY OR SOMEWHAT AGREE THAT THESE
E-COMMERCE BENEFITS WILL IMPACT THEIR INDUSTRY.

B2B e-commerce will **reduce cost of sale**, with savings being passed on to the customer.

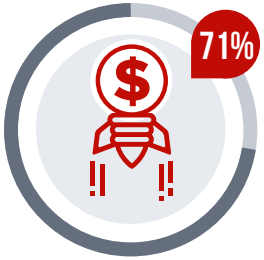
B2B companies will eventually **sell directly to consumers online.**



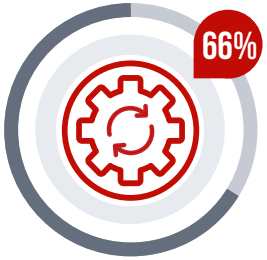
B2B companies will **sell 100% of products online** in the future.



B2B companies will **sell overseas using e-commerce.**



B2B e-commerce will become a **process, not an interface.**



The B2B e-commerce **experience** will be **more feature-rich than B2C.**

B2B E-Commerce, Customer Experience and Other Technologies

We also asked respondents how they expect various technologies to affect the B2B e-commerce customer experience. **Over 65%** of respondents indicated that they **believe new and developing technologies** such as mobile, M2M (machine-to-machine) ordering and the IoT (Internet of Things) **will play a role in their customer experience in the future**.

We're already seeing many businesses embracing new technologies like these and using them to make improvements. Examples include using **simulation** to optimize training and development, using **AR and VR** to improve maintenance operations, and using **e-commerce** to streamline commercial operations.

DO YOU THINK THAT MACHINE-TO-MACHINE ORDERING WILL PLAY A ROLE IN YOUR FUTURE SALES STRATEGY AND CUSTOMER SERVICE?

67% THINK THAT M2M WILL PLAY A ROLE IN THEIR FUTURE SALES STRATEGY OR CUSTOMER SERVICE

MOBILE

68% strongly or somewhat agree that B2B e-commerce **will be completed with mobile technology.**

MACHINE-TO-MACHINE ORDERING/THE INTERNET OF THINGS

69% strongly or somewhat agree that B2B companies will **use the IoT/ M2M for automated and/or predictive** ordering.

3 OVERCOMING OBSTACLES ON THE ROAD TO DIGITAL TRANSFORMATION

With so much on the line, organizations are going to considerable lengths to ensure that they can keep up with technological developments. Of course, the path to transformation is never without obstacles.

This chapter dives into the challenges that many companies are facing on their path to digital transformation.

KEY TAKEAWAYS

1 Digital Transformation Is a Work in Progress for Most

- 96% of respondents have not yet completed their digital transformation.

2 It's Not Always Smooth Sailing

- 18% of businesses are struggling with a slow digital transformation process due to organizational resistance to change.

3 The Quest for a Single Source of Truth

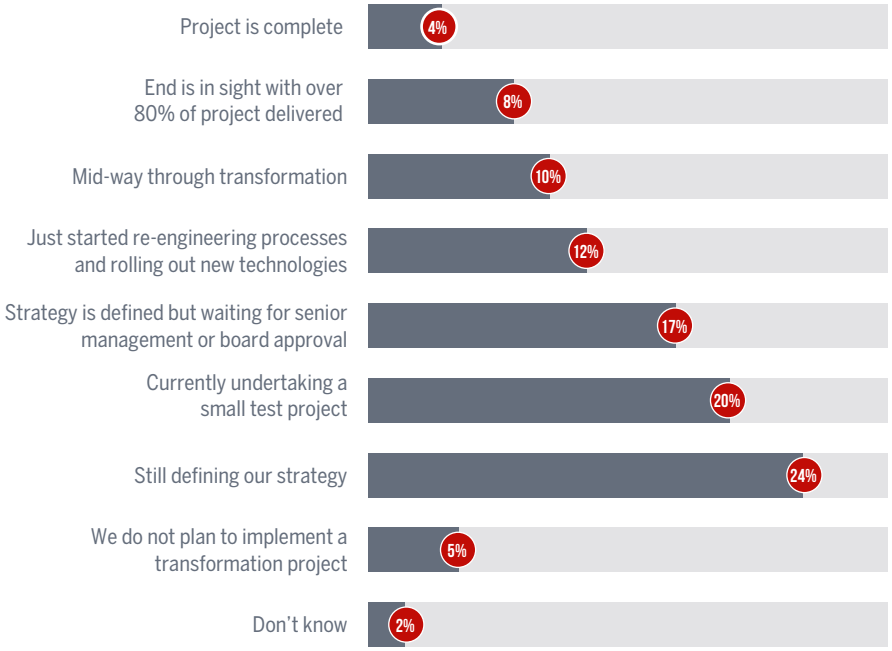
Over 75% of respondents indicated that serious obstacles on their road to digital transformation include:

- Getting right and complete clients data in one system
- Product information not being available in a single system
- Lack of real-time inventory information

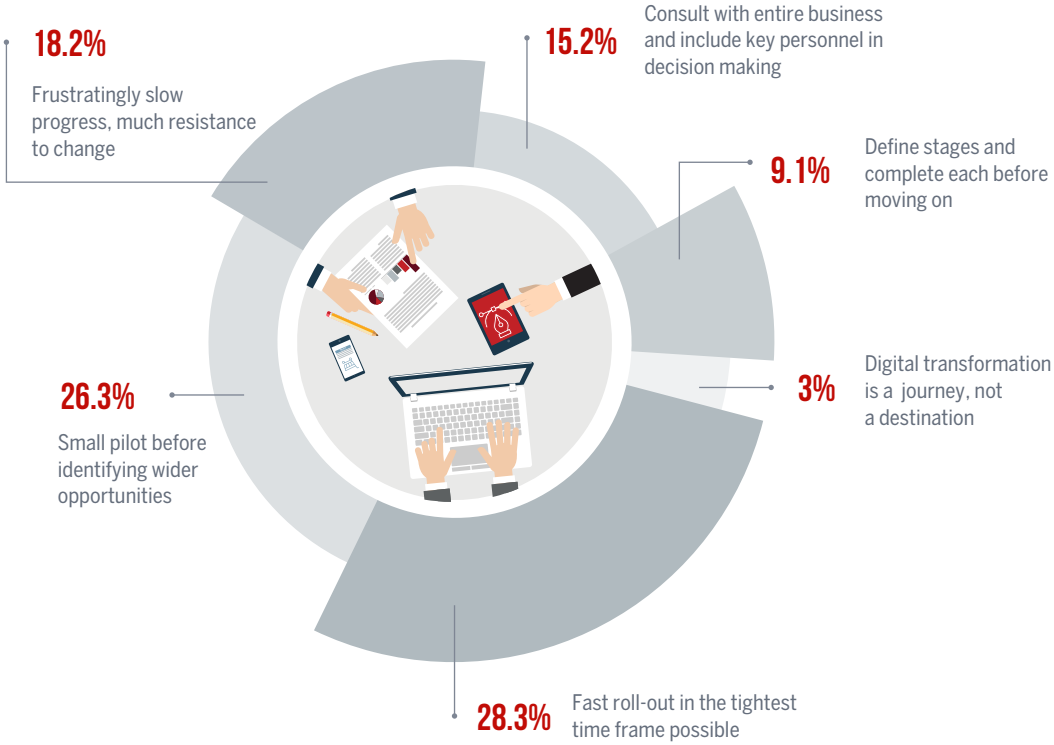
3.1 DIGITAL TRANSFORMATION: A WORK IN PROGRESS

The vast majority of respondents are still in the process of completing their transformation. While there does seem to be a clear consensus that rolling out a digital transformation is important, there are highly varied opinions when it comes to the method.

HOW FAR HAS YOUR ORGANIZATION'S DIGITAL TRANSFORMATION PROGRESSED?

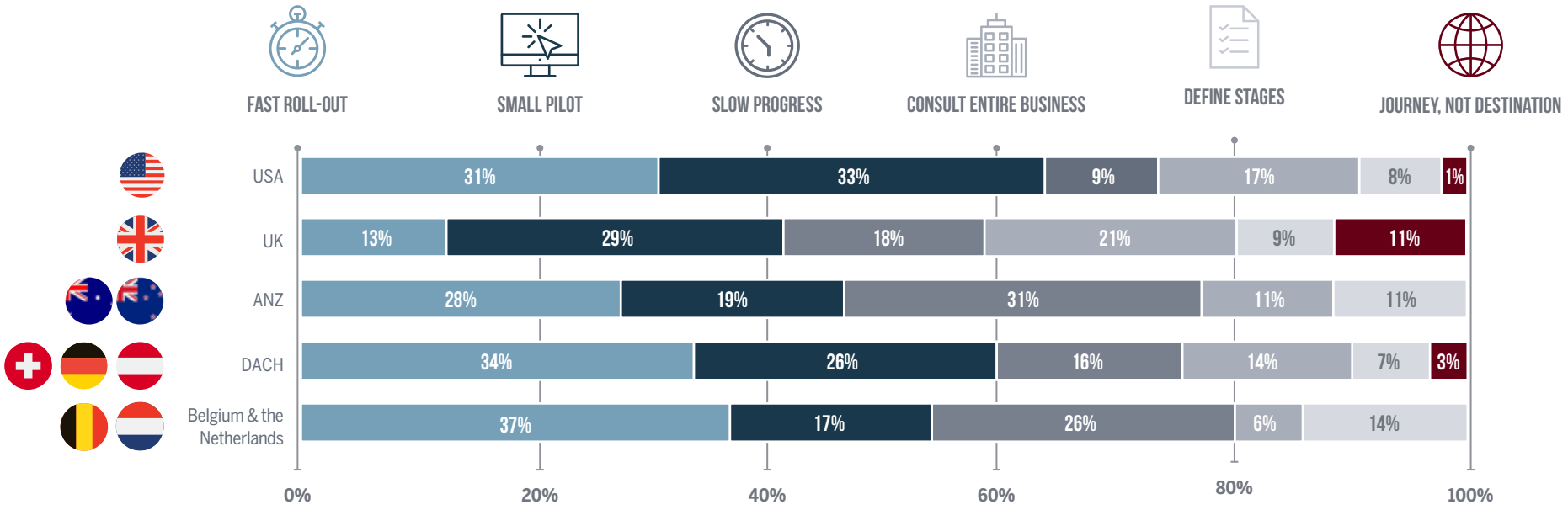


HOW ARE YOU DEVELOPING YOUR DIGITAL TRANSFORMATION PROJECT?



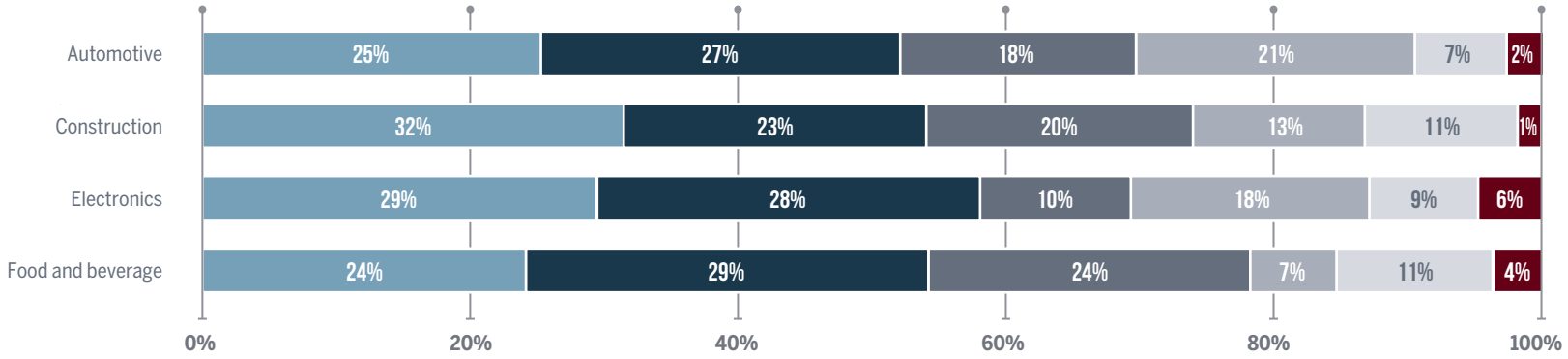
There are also notable differences in the approach to digital transformation between both regions and industries. UK companies are less likely to opt for a fast roll-out, but much more likely to see the digital transformation as an ongoing journey instead of a set goal. Conversely, organizations in Belgium and the Netherlands prioritize a fast roll-out — which is perhaps why they're much less likely to consult the entire business about the process.

HOW ARE YOU DEVELOPING YOUR DIGITAL TRANSFORMATION PROJECT?



The differences between industries are less pronounced. What does stand out is that the electronics industry is much less likely to observe slow progress — perhaps because they are more intrinsically IT-minded than other industries.

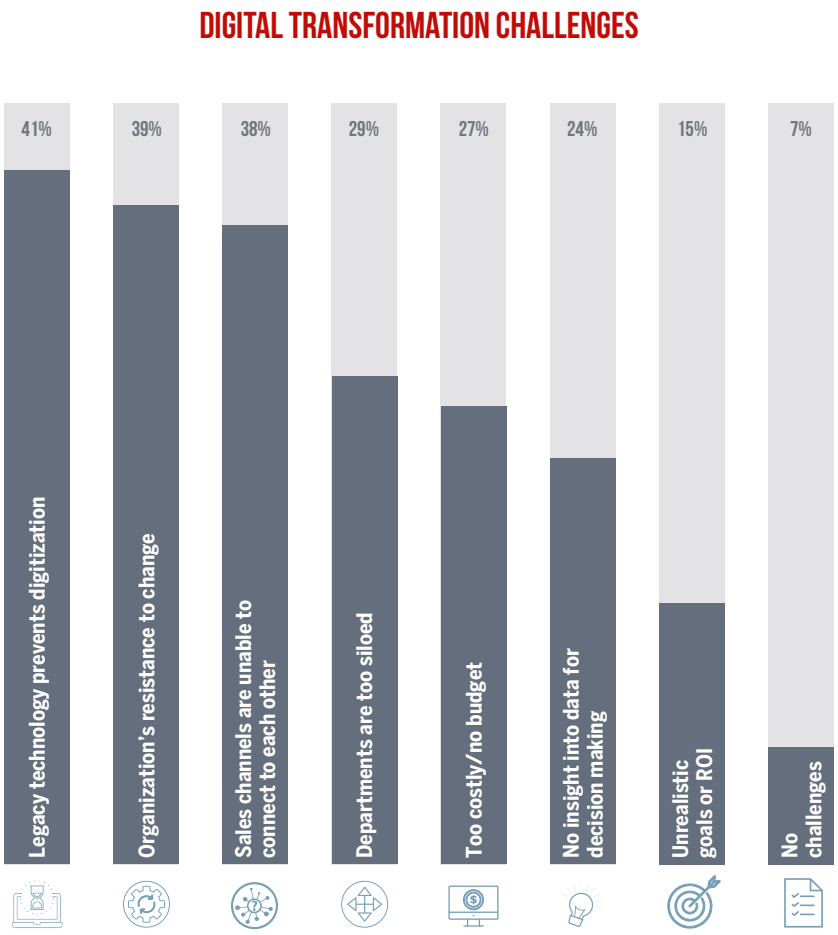
HOW ARE YOU DEVELOPING YOUR DIGITAL TRANSFORMATION PROJECT?



3.2 DIGITAL TRANSFORMATION CHALLENGES

With so much on the line, organizations are going to considerable lengths to ensure that they can keep up with technological developments. Of course, the path to transformation is never without obstacles.

We asked respondents which challenges they think all companies face when implementing a digital transformation project.



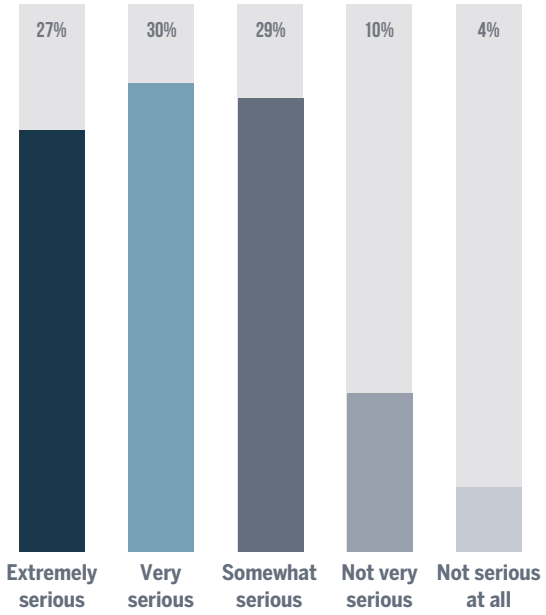
Whether it's a lack of sufficiently modern technology (41%) or a reluctance to embrace new ideas and processes (39%), a majority of respondents indicated that **holdovers from the past are the two main obstacles** they face in their journey toward digital transformation. This could well be why **76%** of respondents are **planning to upgrade their e-commerce solution within 2 years**.

3.3 E-COMMERCE PROJECT CHALLENGES

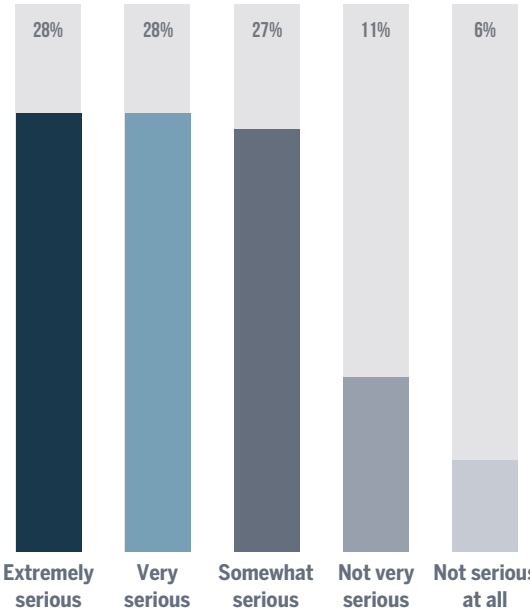
Infrastructure Concerns

If you're building a bridge, you don't want to build it on quicksand. Responses make it clear that ensuring the readiness of existing IT infrastructure and processes is proving to be a considerable challenge. We asked respondents how serious they would rate these matters.

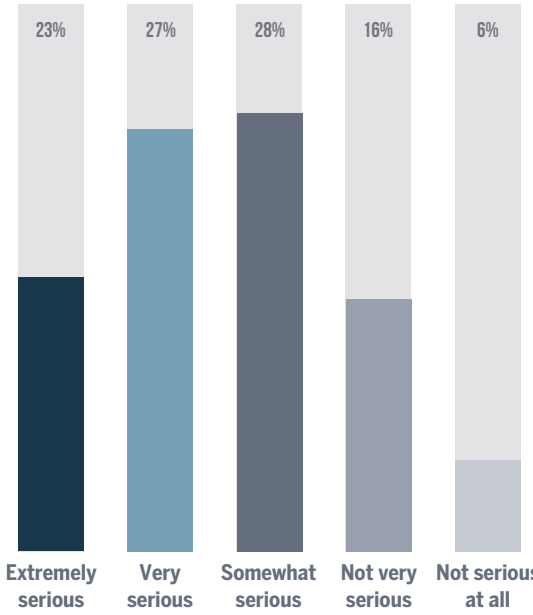
IT ENVIRONMENT/INFRASTRUCTURE NEEDS UPGRADING 86%



REVIEWING THE SECURITY OF THE IT INFRASTRUCTURE 83%



BUSINESS PROCESSES NEED TO BE OPTIMIZED 78%

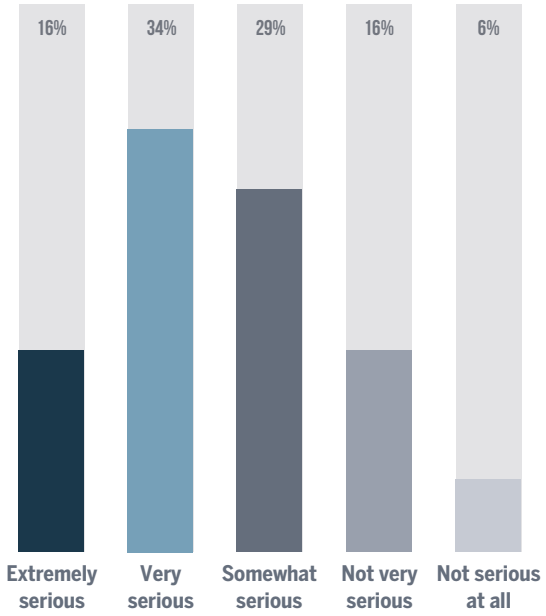


3.4 THE STRUGGLE FOR A SINGLE SOURCE OF TRUTH

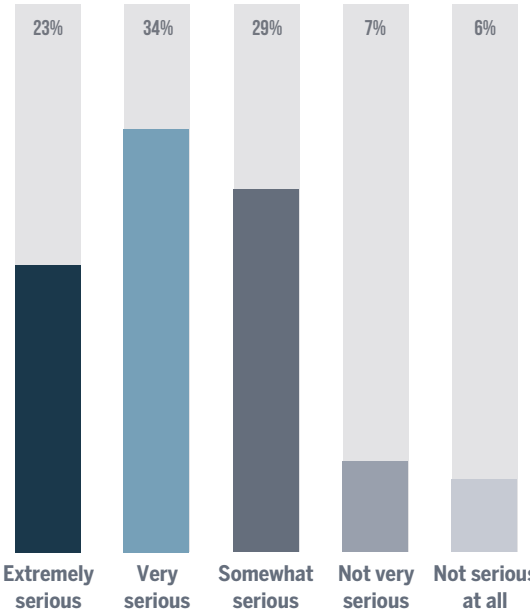
Preventing data duplication minimizes maintenance and helps safeguard the accuracy of your business information. However, setting up a single source of truth is easier said than done, and this was confirmed in responses to our survey.

The charts in this section highlight the gravity of a number of key issues surrounding this challenge.

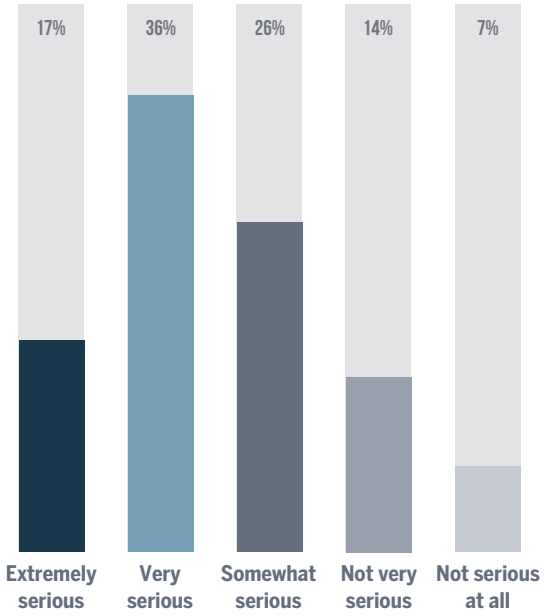
WORKING WITH ONE BUSINESS SYSTEM (SINGLE SOURCE OF TRUTH) 79%



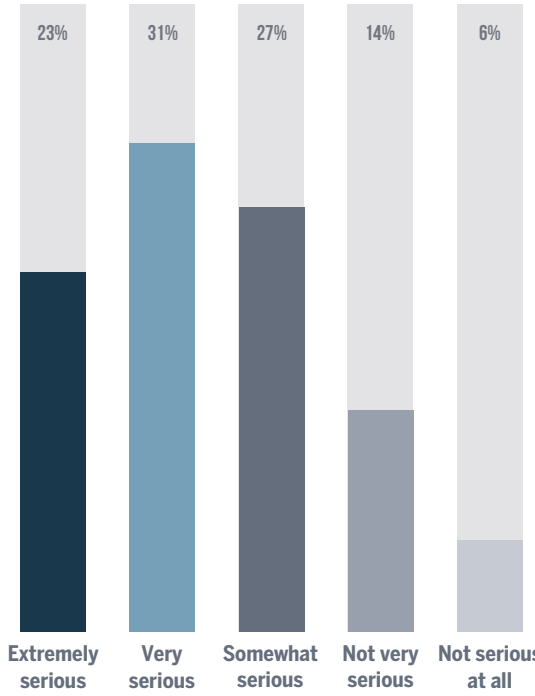
GETTING THE RIGHT AND COMPLETE CLIENT DATA IN ONE SYSTEM 76%



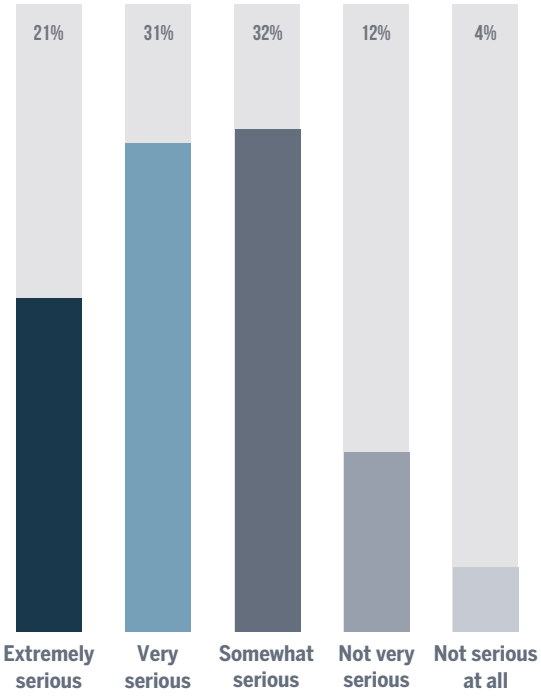
PRODUCT INFORMATION IS NOT AVAILABLE IN A SINGLE SYSTEM 79%



AVAILABILITY OF REAL-TIME INVENTORY INFORMATION

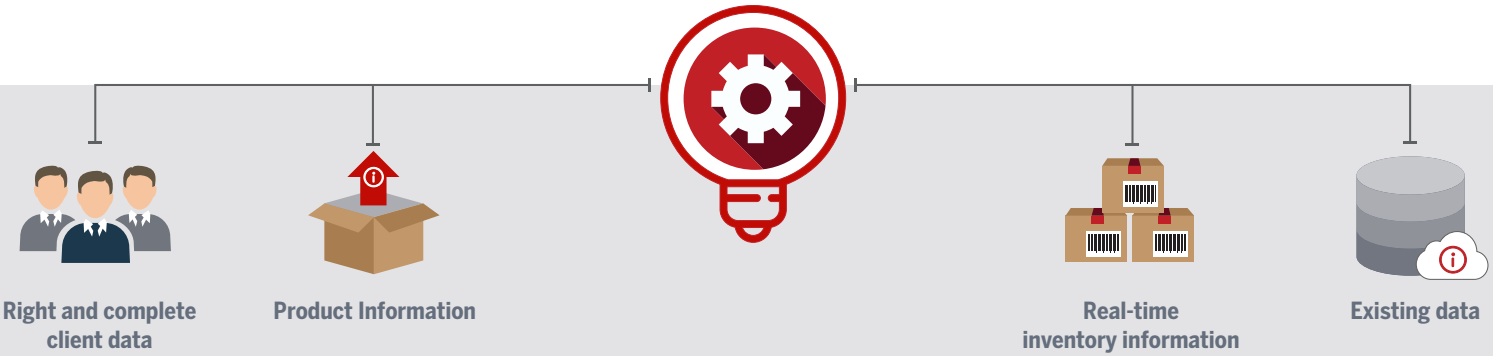


MAKING EXISTING DATA READY FOR E-COMMERCE PLATFORM



A SINGLE SOURCE OF TRUTH IS KEY

ON THE ROAD TO DIGITAL TRANSFORMATION



4 GAINING THE COMPETITIVE ADVANTAGE

As more B2B businesses upgrade their platforms and hone their digital strategy, online sales will continue to evolve. Our research shows that despite the challenges, businesses at the forefront of the digital revolution are already reaping the benefits of their digital daring, and this is encouraging competitors to follow suit.

This chapter takes a closer look at the real results businesses are getting out of the e-commerce efforts.

KEY TAKEAWAYS

1 Now Is the Time to Prepare

- 34% believe failing to complete digital transformation projects will lead to competitors taking advantage.
- 70% say competitive pressure is the main driver for optimizing business IT infrastructure.

2 E-Commerce Helps Businesses Stand Out

- 91% say e-commerce has improved their sales process.
- 77% say e-commerce has sped up order processing.
- 72% say it has decreased order errors.

3 And Increase Revenue

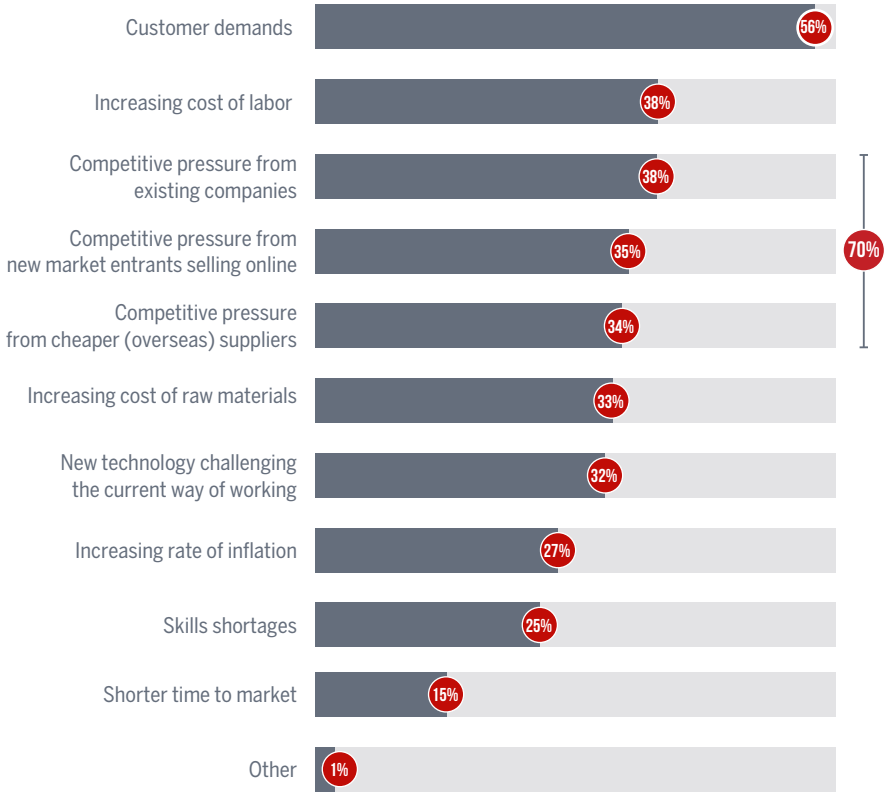
- 64% of respondents saw ROI in less than a year of launching a web store.
- Over 20% say their web store has already grown revenue, total sales and profitability.

4.1 THE FIGHT TO REMAIN COMPETITIVE

The digital transformation offers a wide variety of benefits, so it's little wonder that businesses are focused on not falling behind their competitors.

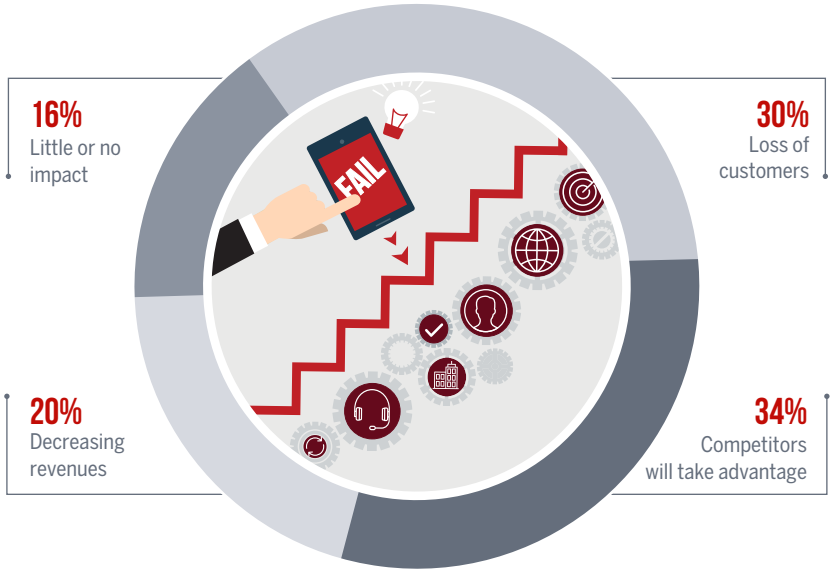
In concrete terms, failing to complete digital transformtaion projects will lead to competitors taking advantage (34%) and loss of customers (30%).

WHAT ARE THE DRIVERS OF OPTIMIZING YOUR BUSINESS IT INFRASTRUCTURE?



Competitive pressure (70%) is the main driver for optimizing business IT infrastructure, followed by customer demands (56%).

HOW WILL FAILING TO COMPLETE THE DIGITAL TRANSFORMATION IMPACT ORGANIZATIONS?



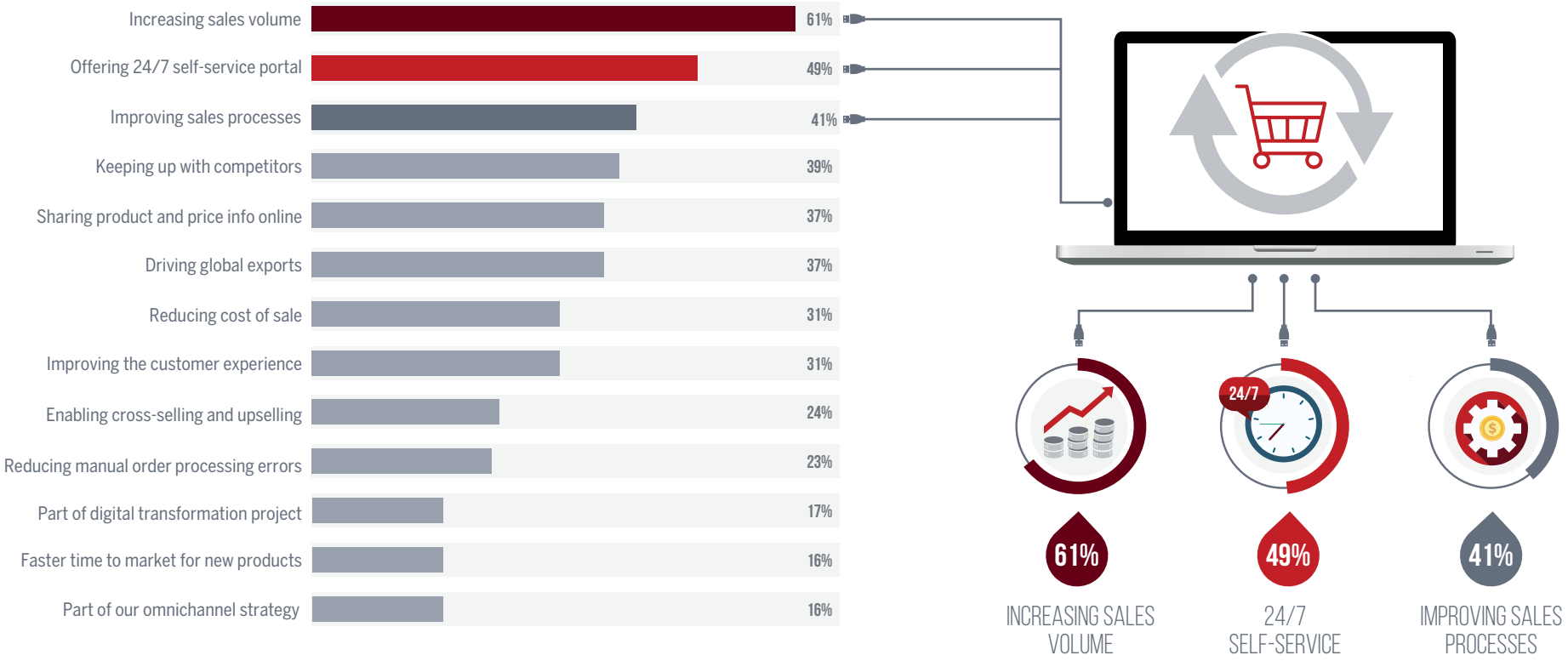
84% SAID THAT FAILING TO COMPLETE THEIR DIGITAL TRANSFORMATION WOULD NEGATIVELY IMPACT THEIR BUSINESS.

4.2 MAIN REASONS FOR ADOPTING AN E-COMMERCE SOLUTION

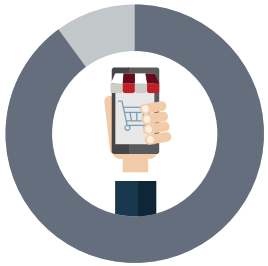
Most companies have already embarked on their journey toward digital transformation — or are at least planning their first steps. But as we saw in the previous chapter, this is no mean feat. What are the drivers behind these sweeping changes?

The popularity of owned web stores is clear, even compared to third-party e-commerce strategies. Our survey shows that the top 3 reasons for adopting an e-commerce solution are **increasing sales volume**, **offering 24/7 service**, and **improving sales processes**.

MAIN REASONS FOR ADOPTING AN E-COMMERCE SOLUTION

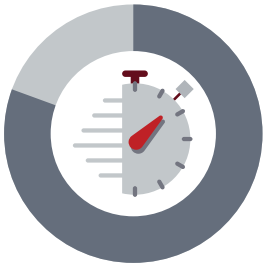


WHAT HAS YOUR E-COMMERCE SOLUTION IMPROVED?



SALES ORDER PROCESS EFFICIENCY

91%



ORDER PROCESSING SPEED

77%

REGULARITY OF ORDER ERRORS

72%

INVENTORY TURNOVER (DAYS IN INVENTORY)

71%

ORDER TO DELIVERY (NO. OF DAYS)

71%

SALES REP TIME SPENT ON GENERATING NEW LEADS

66%

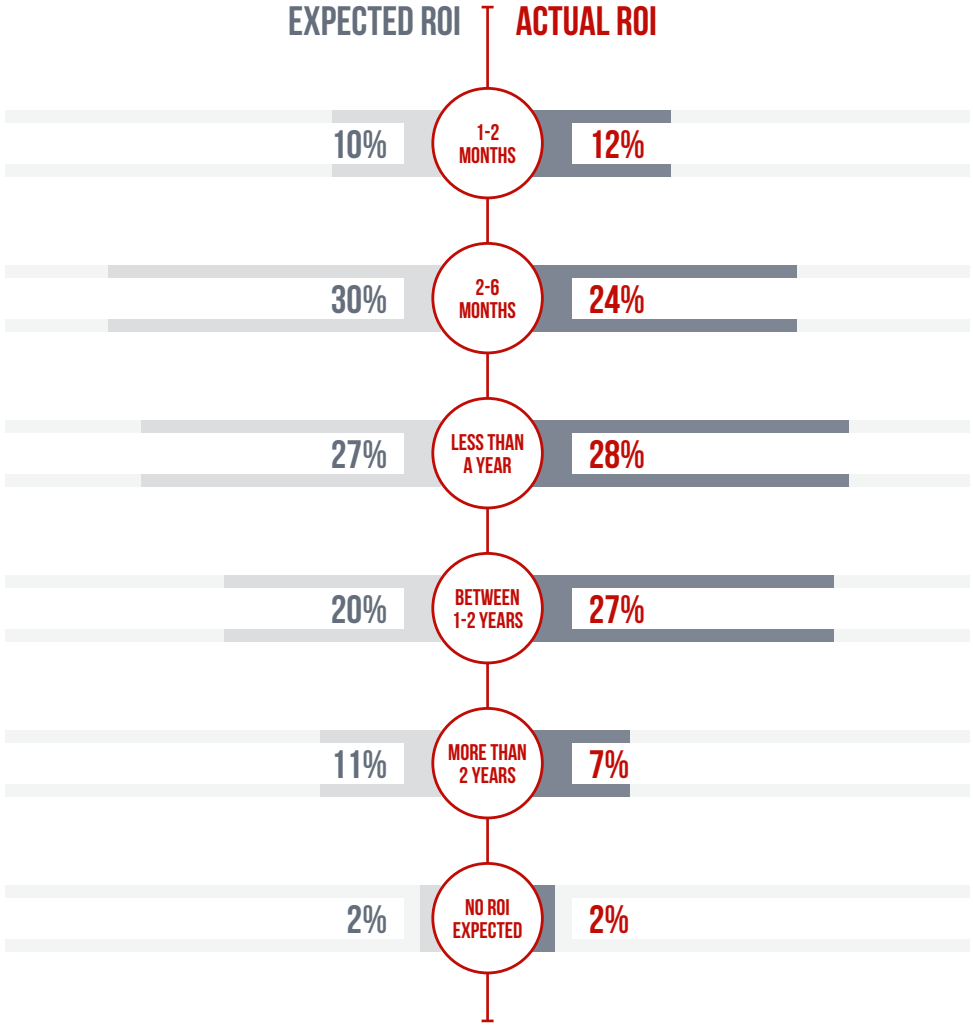
4.3 REAPING THE BENEFITS OF E-COMMERCE

Successfully digitizing operations isn't a walk in the park, with just 7% of respondents indicating that their business doesn't face any challenges. Considering the return on investment and other benefits the digital transformation offers, however, it's no wonder that more and more businesses are going to great lengths to realize their digital transformation.

E-Commerce System ROI

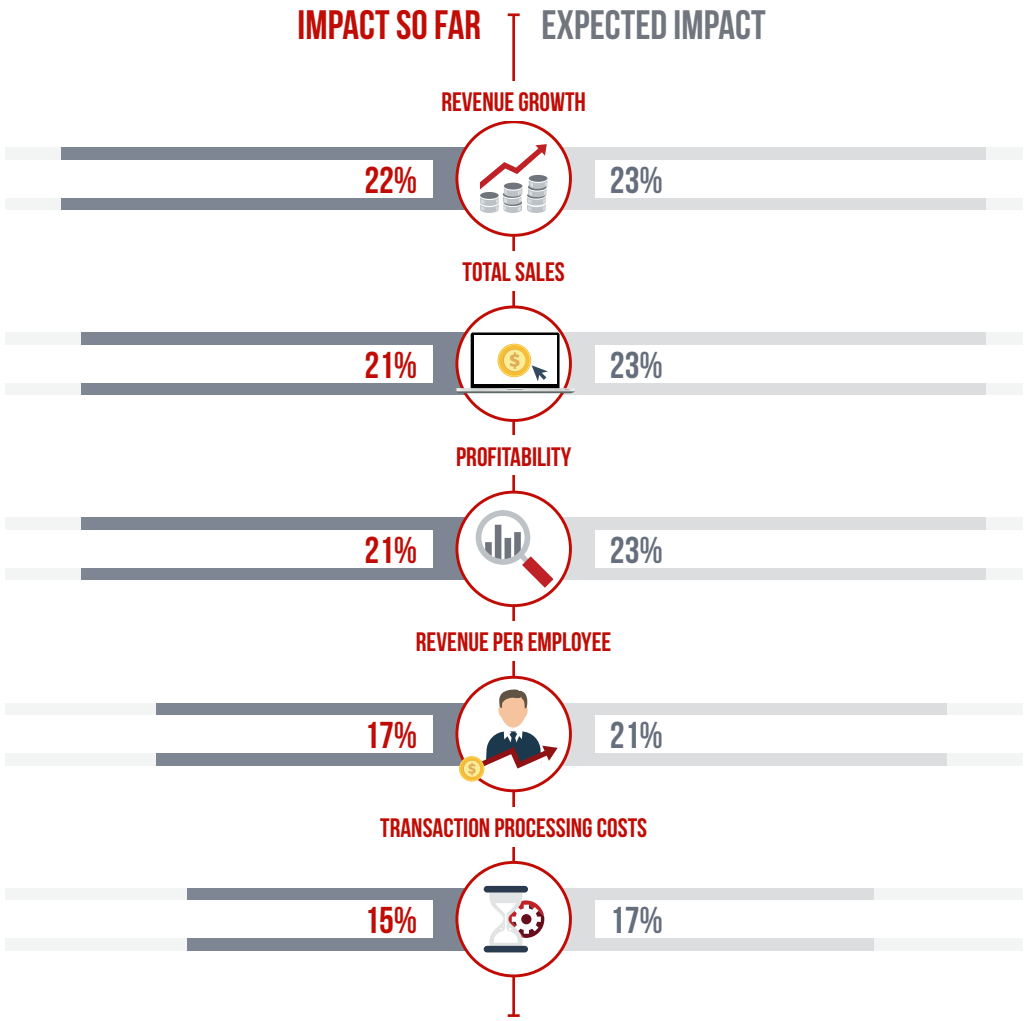
We asked respondents who have implemented an e-commerce solution about their expected and realized return on investment, and they were generally optimistic.

Their optimism appears to be well founded, as **64% of respondents saw ROI in less than a year.**



E-Commerce Impact on KPIs

We also asked about how the e-commerce solution impacted their business in terms of these KPIs, both so far and the expected impact over the next two years.



E-COMMERCE HAS ALREADY INCREASED REVENUE, TOTAL SALES AND PROFITABILITY FOR OVER 20% OF ALL RESPONDENTS.

5 DIGITAL TRANSFORMATION: THE TIME IS NOW

We live in a fast-paced technological environment that is forcing businesses to widen their scope of sales. As a result, **B2B businesses are developing omnichannel strategies** to help them find, assist and retain clients. This strategic approach to improving the customer experience is working, but it won't be enough on its own.

Technology will continue to play a vital role in B2B sales. Respondents expect that their businesses will be impacted by an increase in demand for mobile sales apps, which is natural given the popularity of smart devices. Besides mobile technology, however, these same businesses also expect M2M, IoT and AI to play a major part in their customer strategy in the future.

Of course, nothing worth doing is ever without its obstacles, and digital transformation is no different. Respondents said that many of **their top digital transformation challenges revolve around establishing a single source of truth,** which is vital to optimizing business processes and providing stellar customer service.

Respondents also indicated that overcoming challenges and persevering on their path to digital transformation is paying off. **64% of respondents saw ROI in less than a year of launching a web store, and over 20% say their web store has already grown revenue, total sales and profitability.**

It's no longer a question of whether businesses will undergo a digital transformation. It's a question of when and how.

If you would like to learn more about how e-commerce can transform your business, please don't hesitate to get in touch with one of our experts for personalized advice.

GET IN TOUCH

APPENDIX A

INDUSTRY HIGHLIGHTS

SPOTLIGHT: AUTOMOTIVE INDUSTRY

Respondents from the automotive industry were very much in line with the rest of the sectors — our results indicate few significant variations in the answers from automotive firms and the rest of the companies we surveyed.

Most Important E-Commerce Solution Characteristics for Automotive Firms

1. Reduce manual data errors (92%)
2. Easy to implement (91%)
3. Easy to update/upgrade (90%)

These priorities are in line with other industries.

Less Demand for E-Commerce

Across the board, the majority of companies have had clients ask to be able to purchase products online. However, this number is lower in the automotive industry, coming in at 58%.

Main E-Commerce Project Challenges for Automotive Companies

1. IT environment/infrastructure needs to be upgraded (89%)
2. Making existing data ready for e-commerce platform (86%)
3. Getting the right (and complete) client data in one system (85%)

The challenges listed above are similar to those indicated by other sectors.

Automotive Industry Trend Report

Download our free report to dive deeper into e-commerce for the automotive industry!

Download your free copy

SPOTLIGHT: CONSTRUCTION INDUSTRY

According to our respondents, the construction industry has unique expectations regarding B2B e-commerce. We saw differences not only in what they need their web store to do, but what e-commerce means for the customer experience.

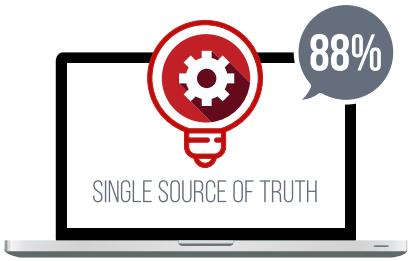
Most Important E-Commerce Solution Characteristics for Construction Companies

1. Reduce manual data errors (95%)
2. Lower system administration requirements (92%)
3. Minimize order handling for inside sales (90%)

While reducing manual data errors is a priority for many sectors, points 2 and 3 are uniquely popular in the construction industry. This could be related to the industry's broader digital transformation, which isn't progressing as quickly as in other sectors.

Main E-Commerce Project Challenges for Construction Organizations

1. Getting the right (and complete) client data in one system (94%)
2. IT environment/infrastructure needs to be upgraded (90%)
3. Working with one business system (single source of truth) (88%)



Points one and two are in line with other industries' main challenges. However, working with a single source of truth — a requisite for a truly integrated B2B e-commerce solution — is considered less challenging outside the construction industry.

Construction Industry Trend Report

For a more detailed look at the construction industry's digital transformation, download our Construction Industry Trend Report.

Download your free copy

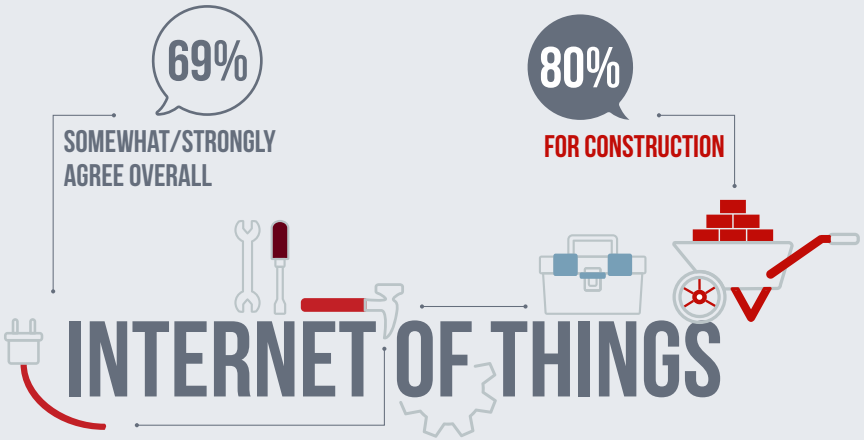
ZOOMING IN

The Future of Customer Experience According to Construction

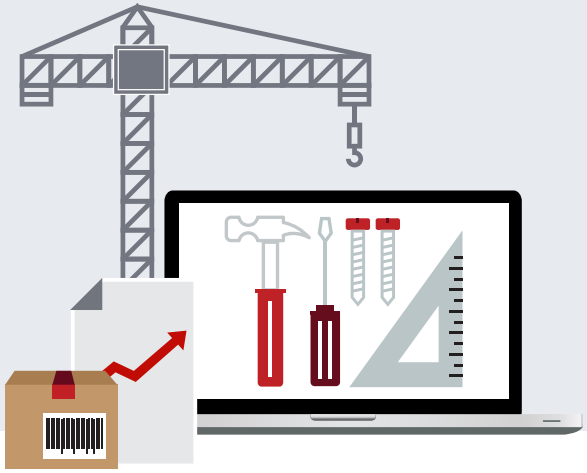
While the construction industry might be struggling with some technology that other sectors have mastered, it is setting the bar higher when it comes to employing the latest technological developments to improve customer service.

Thinking about the customer experience, e-commerce and its impact on your industry, do you agree or disagree with the following statements?

B2B COMPANIES WILL USE THE INTERNET OF THINGS/
M2M TO ENABLE AUTOMATED AND/OR PREDICTIVE ORDERING



B2B COMPANIES WILL SELL 100% OF PRODUCTS
ONLINE IN THE FUTURE



73%
SOMEWHAT/STRONGLY AGREE OVERALL

84%
FOR CONSTRUCTION

B2B E-COMMERCE WILL BECOME A PROCESS, NOT AN INTERFACE

66%
SOMEWHAT/STRONGLY AGREE OVERALL

79%
FOR CONSTRUCTION

SPOTLIGHT: ELECTRONICS INDUSTRY

Electronics companies set the same priorities and face the same challenges as most other sectors we surveyed — with one notable difference.

Most Important E-Commerce Solution Characteristics for the Electronics Industry

1. Reduce manual data errors 95%
2. Easy to update/upgrade 91%
3. Easy to implement 90%

This is in line with responses from other industries.

The Electronics Industry's Main E-Commerce Project Challenges

1. Getting the right (and complete) client data in one system (88%)
2. Making existing data ready for e-commerce platform (86%)
3. Reviewing security of the IT infrastructure (86%)

Above-Average Mobile App Focus

We asked respondents about the sales channels they felt were most important to their industry. The electronics sector stood out with their strong focus on mobile apps — perhaps not surprising for an industry directly benefiting from the ubiquity of personal devices.

WHICH OF THE FOLLOWING SALES CHANNELS ARE MOST IMPORTANT TO YOUR INDUSTRY?

29%

SOMEWHAT/STRONGLY AGREE OVERALL

42%

FOR ELECTRONICS INDUSTRY

SPOTLIGHT: FOOD AND BEVERAGE INDUSTRY

While there is no single topic where the food and beverage industry deviates from the other sectors we surveyed, there are some noteworthy differences across the board.

Top E-Commerce Solution Characteristics for Food and Beverage Companies

1. Reduce manual data errors (94%)
2. Improve inventory management (84%)
3. Reduce manual order processing requirements (82%)

The first two characteristics are also popular with other sectors. However, the food and beverage industry stands out with the priority it gives to the reduction of manual order processing requirements, which is seen as less pressing elsewhere.

The Food and Beverage Industry's Main E-Commerce Project Challenges

1. Getting the right (and complete) client data in one system (82%)
2. IT environment/infrastructure needs to be upgraded (80%)
3. Review security of the IT infrastructure (78%)

These challenges are similar to those indicated by respondents from other industries.

Food and Beverage Industry Trend Report

For a more detailed look, download our Food and Beverage Industry Trend Report.

Download your free copy

ZOOMING IN

Less Insight and Fewer Features Required

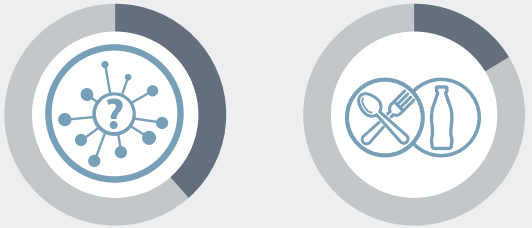
WHICH REASONS DID YOUR CLIENTS GIVE FOR WANTING ACCESS TO AN ONLINE SALES CHANNEL?

42%

25%

Across the board, **42% of respondents indicated that their clients wanted to see their order history online** — but this number dwindles to just 25% for food and beverage companies.

WHAT CHALLENGES DO YOU THINK THOSE IMPLEMENTING A DIGITAL TRANSFORMATION PROJECT FACE?



38%

18%

Sales channels are unable to connect to each other is rated as a challenge by 38% overall, but just 18% of food and beverage firms feel this is the case.

THE B2B E-COMMERCE EXPERIENCE WILL BE MORE FEATURE RICH THAN B2C E-COMMERCE

64%

SOMEWHAT/STRONGLY AGREE OVERALL

50%

FOR FOOD AND BEVERAGE INDUSTRY

APPENDIX B

REGIONAL HIGHLIGHTS

SPOTLIGHT: USA

Two things stand out when it comes to our USA respondents: their forward-thinking approach to digital transformation, and their dedication to delivering an exceptional customer experience.

Top 3 Customer Experience Statements

1. B2B companies will sell 100% of products online in the future. (83%)
2. B2B e-commerce will reduce the cost of sale, and the savings will be passed on to the customer as lower prices. (82%)
3. B2B companies will use the Internet of Things/M2M to enable automated and/or predictive ordering. (81%)

Top 3 E-Commerce Solution Characteristics

1. Reduce manual data errors (95%)
2. Easy to implement (94%)
3. Easy to update/upgrade (94%)

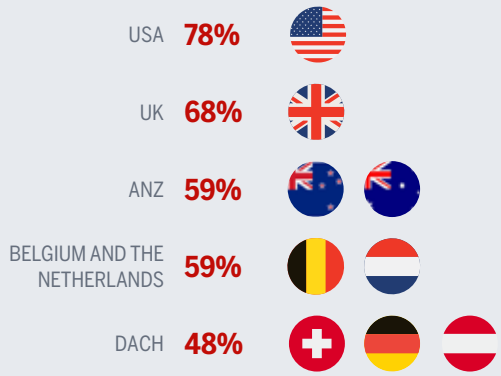
Top 3 E-Commerce Project Challenges

1. Getting the right (and complete) client data in one system (93%)
2. Making existing data ready for e-commerce platform (90%)
3. IT environment/infrastructure needs to be upgraded (89%)

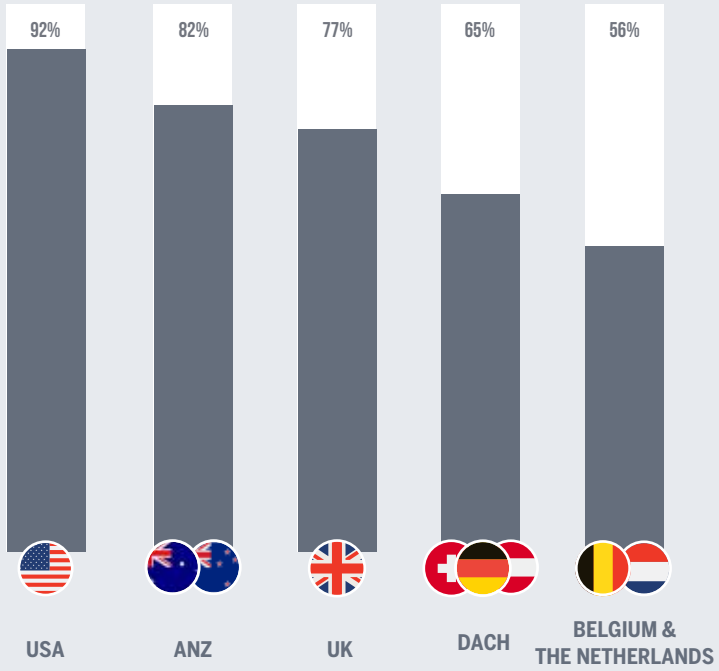
ZOOMING IN

On Top of Their Game

American businesses are on the forefront when it comes to coming up with a digital transformation strategy, with 78% of Americans surveyed indicating they had a digital transformation strategy.



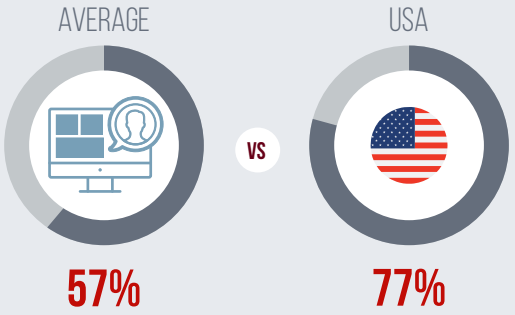
92% of those surveyed in the USA indicated that they are **planning to upgrade their current e-commerce solution within the next 2 years.**



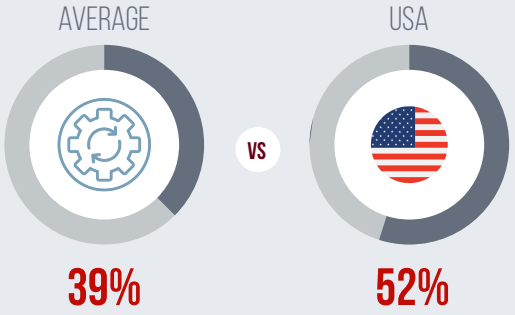
66% of respondents in the USA said that **web stores are one of the most important sales channels in their industry**, indicating that the pressure to provide an e-commerce solution is higher in the USA than elsewhere (total average 52%).

Customer is King

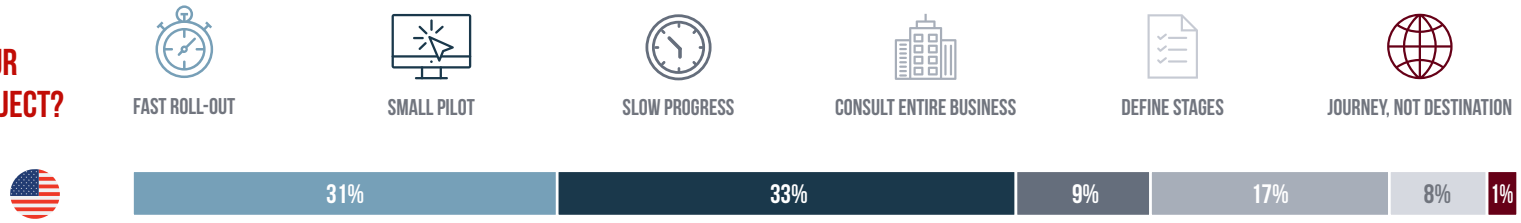
Also noteworthy is that while an average of **57%** of respondents indicated that the **customer experience was very important to their business growth strategy, 77%** of Americans said that it was very important.



Americans stood out from the rest with more than half indicating that **organizational resistance to change was the number one challenge** they face when looking to implement a digital transformation project.



HOW ARE YOU DEVELOPING YOUR DIGITAL TRANSFORMATION PROJECT?



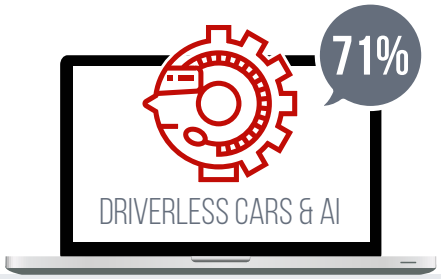
SPOTLIGHT: UK

What sets the UK apart from other respondents is their vision on how tech will impact fulfillment, as well as different priorities when it comes to cutting costs.

Top 3 Customer Experience Statements

1. B2B companies will sell 100% of products online in the future. (72%)
2. Where appropriate, B2B organizations will start using driverless cars or drones for delivery. (71%)
3. B2B companies will use artificial intelligence to enable automated and/or predictive ordering. (71%)

Typically ranked lower elsewhere



Top 3 E-Commerce Solution Characteristics

1. Easy to implement (90%)
2. Reduce manual data errors (89%)
3. Easy to update/upgrade (87%)

Top 3 E-Commerce Project Challenges

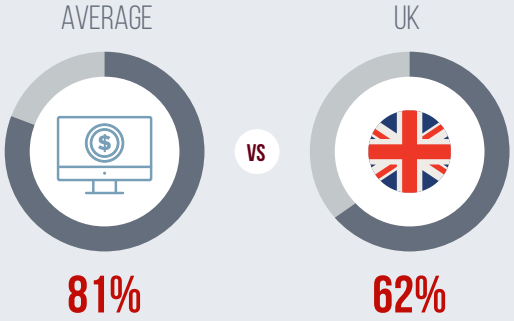
1. Getting the right (and complete) client data in one system (96%)
2. Review security of the IT infrastructure (93%)
3. Making existing data ready for e-commerce platform (91%)

ZOOMING IN

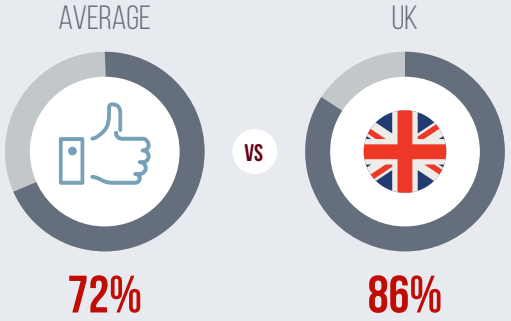
Ease of Use Over Cost Reduction

While **81%** of those surveyed said that **reducing the cost of sales was very or somewhat important**, only **62% of UK** respondents indicated that this was the case for them. On the other hand, a whopping **86%** of those surveyed in the UK **said that ease of online purchase was the main reason for wanting online access,** compared for an average of **72%.**

Importance of Reducing Cost of Sales

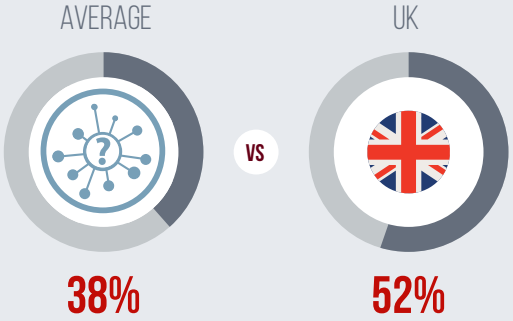


Importance of Ease of Online Purchase



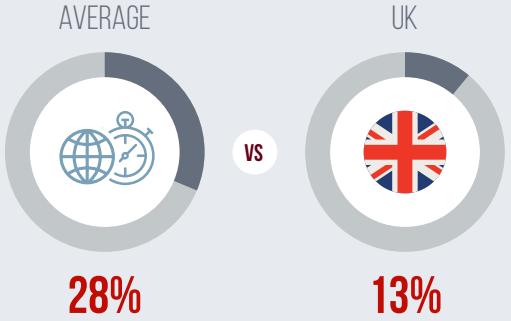
Connectivity Issues

Compared to **38%** of their international peers, more than half of UK respondents said that **being unable to connect sales channels to each other was a challenge** in implementing a digital transformation project

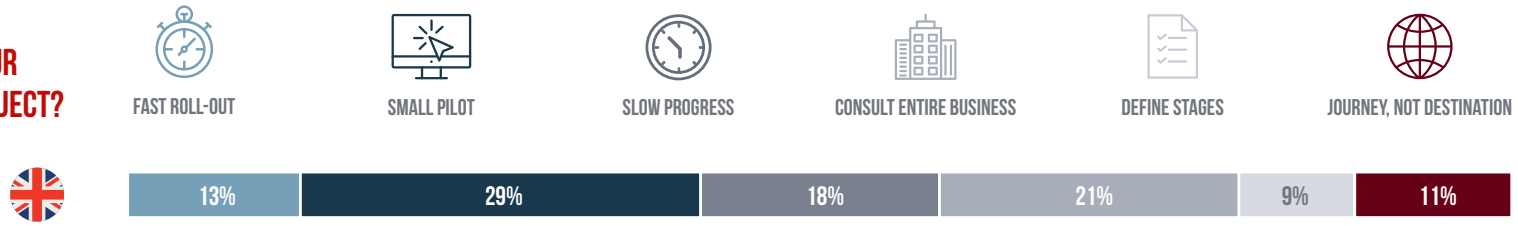


More Cautious

Where **28%** are **looking to roll out their e-commerce project in the tightest time frames as possible**, less than half as many UK respondents indicated this was the case



HOW ARE YOU DEVELOPING YOUR DIGITAL TRANSFORMATION PROJECT?



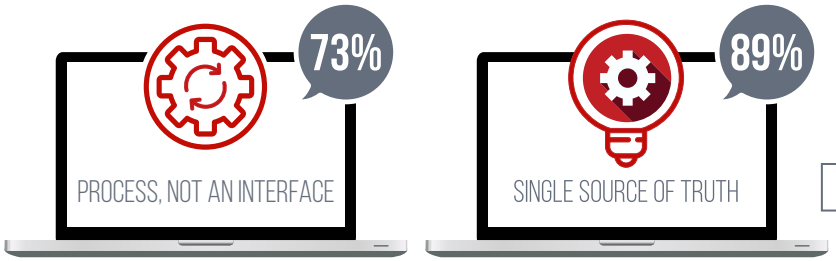
SPOTLIGHT: AUSTRALIA AND NEW ZEALAND

E-commerce and the digital transformation are just as important to companies down under as elsewhere — though their tech reality and challenges do tend to differ.

Top 3 Customer Experience Statements

1. B2B e-commerce will reduce the cost of sale, and the savings will be passed on to the customer as lower prices. (76%)
2. B2B e-commerce will become a process, not an interface. (73%)
3. B2B companies will eventually sell directly to the customer — cutting out retailers/wholesalers. (73%)

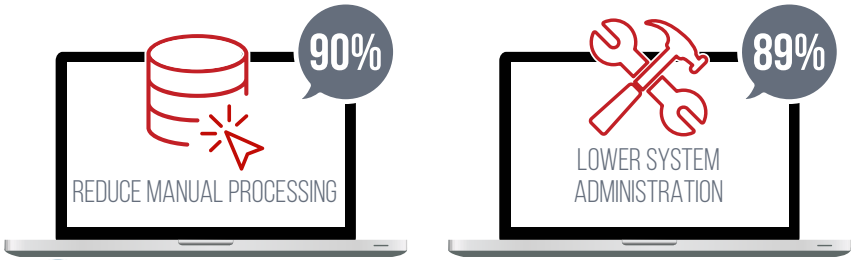
Typically ranked lower elsewhere



Top 3 E-Commerce Solution Characteristics

1. Reduce manual data errors (92%)
2. Reduce manual order processing requirements (90%)
3. Lower system administration requirements (89%)

Typically ranked lower elsewhere



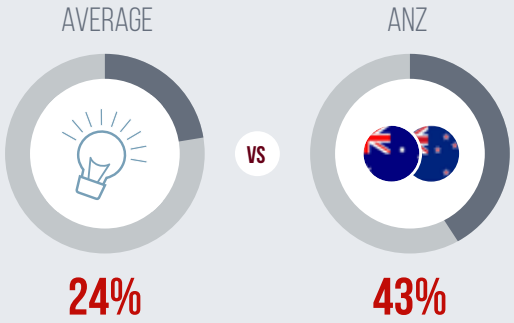
Top 3 E-commerce Project Challenges

1. IT environment/infrastructure needs to be upgraded (94%)
2. Review security of the IT infrastructure (89%)
3. Working with one business system (single source of truth) (89%)

Typically ranked lower elsewhere

ZOOMING IN

Where **24% surveyed worldwide said that having no insight into data** on which to base decisions was a challenge in implementing a digital transformation project, **43% respondents in Australia and New Zealand said this was a challenge**.



HOW ARE YOU DEVELOPING YOUR DIGITAL TRANSFORMATION PROJECT?

SPOTLIGHT: GERMANY, AUSTRIA AND SWITZERLAND

While respondents from the DACH region indicated similar challenges and priorities to other regions, German, Swiss and Austrian companies have a different perspective when it comes to upgrades and strategy.

Top 3 Customer Experience Statements

1. B2B companies will eventually sell directly online to the consumer — cutting out retailers/wholesalers. (71%)
2. B2B companies will sell overseas using e-commerce. (70%)
3. B2B e-commerce will be completed using mobile technology. (70%)

Typically ranked lower elsewhere

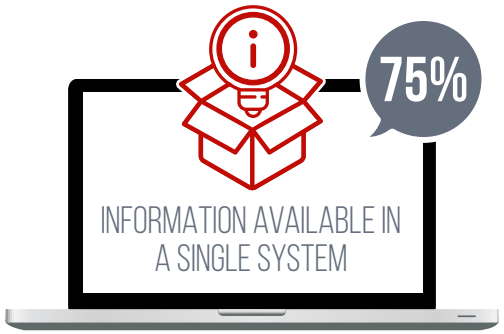
Top 3 E-Commerce Solution Characteristics

1. Reduce manual data errors (96%)
2. Easy to update/upgrade (92%)
3. Help reduce delivery times (91%)

Top 3 E-Commerce Project Challenges

1. IT environment/infrastructure needs to be upgraded (75%)
2. Making existing data ready for e-commerce platform (75%)
3. Product information is not available in one single system (75%)

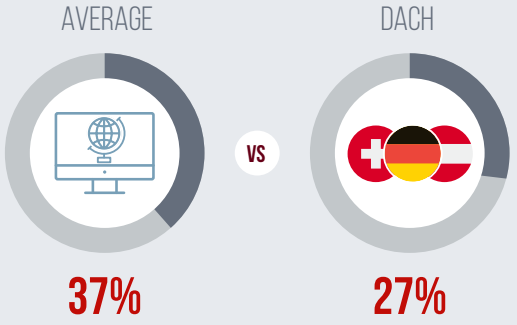
Typically ranked lower elsewhere



ZOOMING IN

Local Focus

On average, **37% of respondents** said that **driving global export sales was a key reason behind adopting an e-commerce solution**, compared to only **27%** of those in the DACH region.

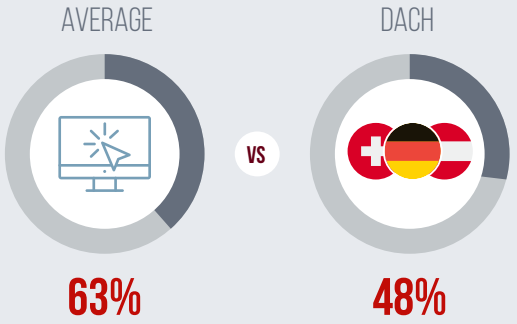


No Upgrades — or Strategy —Necessary

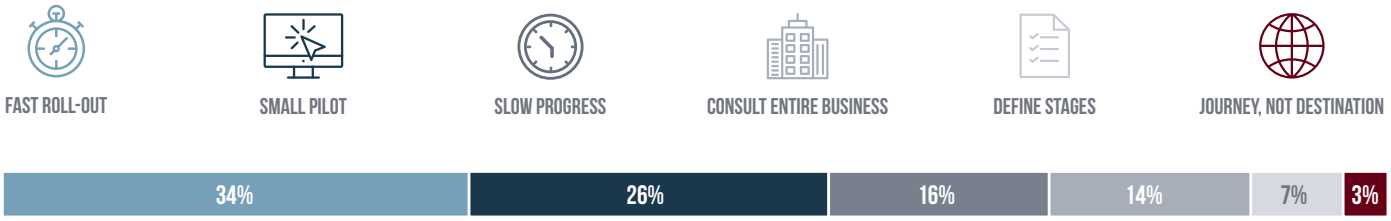
Where an average of 76% who already had an e-commerce solution are planning to upgrade in the next two years, only 65% of those in the DACH region have **plans to upgrade in the near future**.

While this number is still rather high (certainly higher than the 56% of their neighbors in Belgium and the Netherlands with similar plans), it is significantly lower than USA and Australian counterparts.

Compared to an average of 63%, only 48% of DACH organizations said they had a digital transformation strategy.



HOW ARE YOU DEVELOPING YOUR DIGITAL TRANSFORMATION PROJECT?



SPOTLIGHT: BELGIUM AND THE NETHERLANDS

Despite their advantageous positioning, international export doesn't rank high on this region's list of priorities — instead, the focus is on efficiency and accuracy.

Top 3 Customer Experience Statements

1. B2B e-commerce will reduce the cost of sale, and the savings will be passed on to the customer as lower prices. (82%)
2. B2B companies will eventually sell directly online to the customer — cutting out retailers/wholesalers. (74%)
3. B2B companies will sell 100% of products online in the future. (72%)

Typically ranked lower elsewhere

Top 3 E-Commerce Solution Characteristics

1. Reduce manual data errors (100%)
2. Reduce manual order processing requirements (90%)
3. Help reduce delivery times (84%)

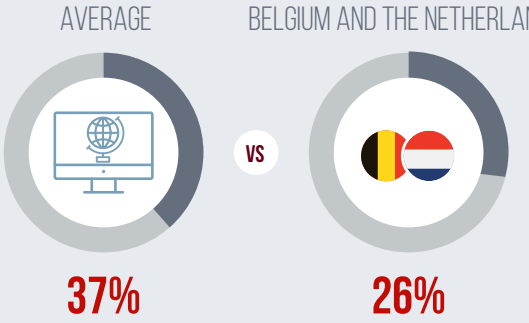
Typically ranked lower elsewhere

Top 3 E-Commerce Project Challenges

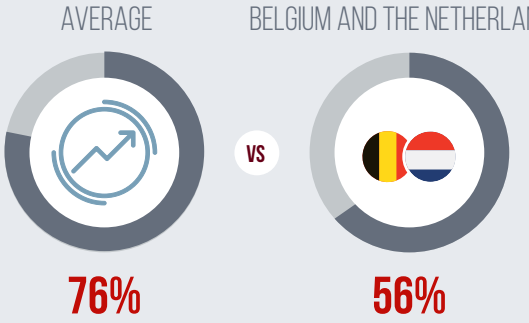
1. IT environment/infrastructure needs to be upgraded (90%)
2. Getting the right (and complete) client data in one system (87%)
3. Making existing data ready for e-commerce platform (77%)

ZOOMING IN

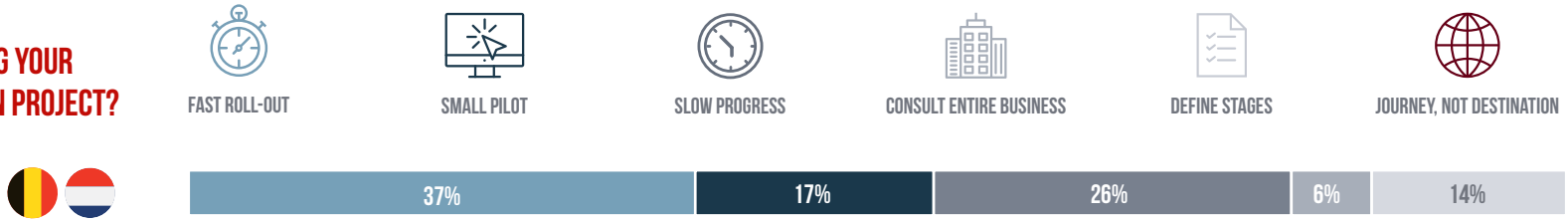
On average, **37% of respondents** said that **driving global export sales was a key reason** behind adopting an e-commerce solution, compared to only **26%** of those in Belgium and the Netherlands.



Where an average of **76% who already had an e-commerce solution** are **planning to upgrade in the next two years**, only **56%** of those in Belgium and the Netherlands have plans to upgrade in the near future.



HOW ARE YOU DEVELOPING YOUR DIGITAL TRANSFORMATION PROJECT?

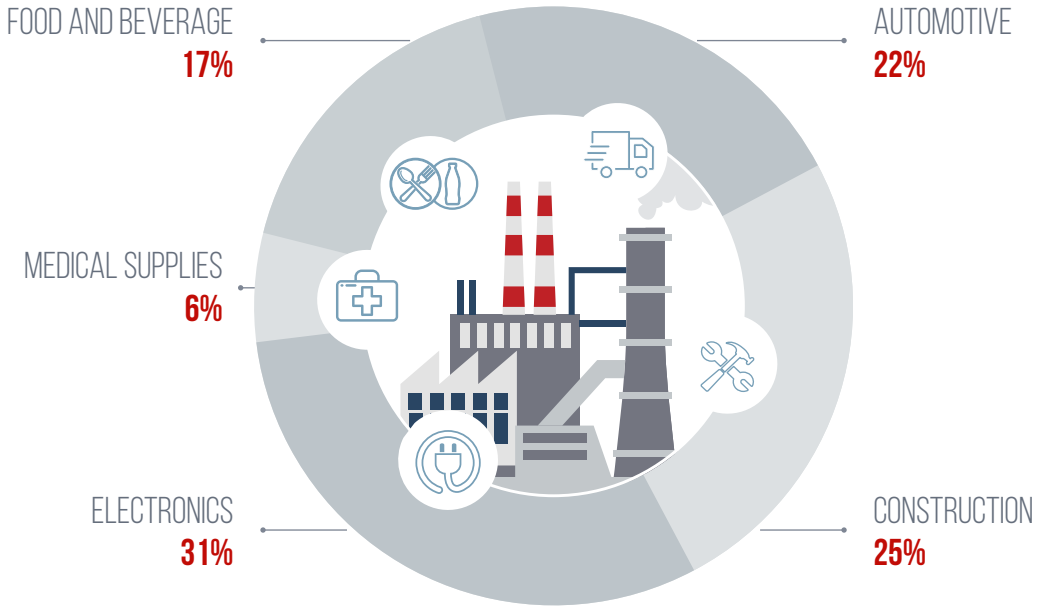


APPENDIX C

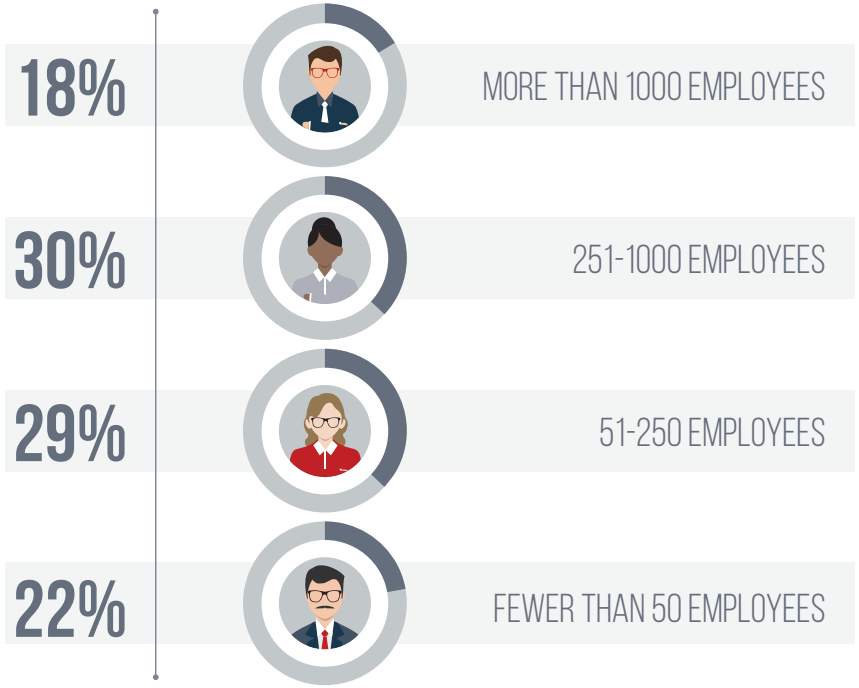
RESPONDENT DATA

The survey of 300 B2B organizations in Europe, USA and ANZ was undertaken by independent market research company Sapio Research on behalf of Sana Commerce. The survey sample covered senior executives in leadership, IT, operations, sales, finance and marketing in the electronics, construction, automotive, food and beverage, and medical supplies industries.

IN WHICH SECTORS/INDUSTRIES DOES YOUR ORGANIZATION OPERATE?



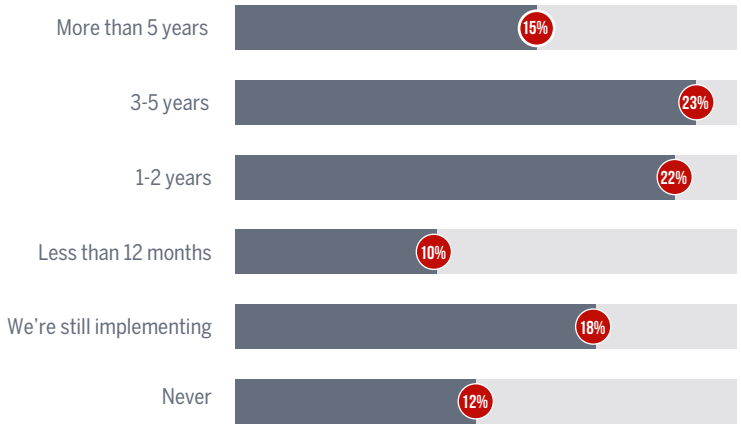
HOW MANY PEOPLE DOES YOUR ORGANIZATION EMPLOY?



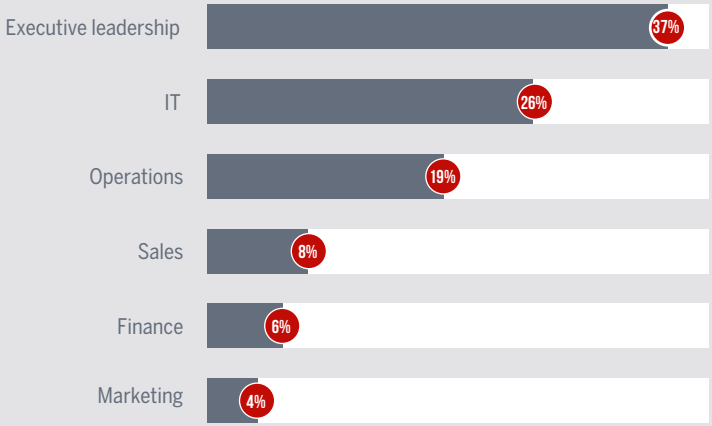
WHERE DO YOU LIVE?

- USA: **27%**
- UK: **21%**
- Germany: **18%**
- Australia: **10%**
- Belgium: **7%**
- Netherlands: **6%**
- Switzerland: **4%**
- Austria: **4%**
- New Zealand: **3%**

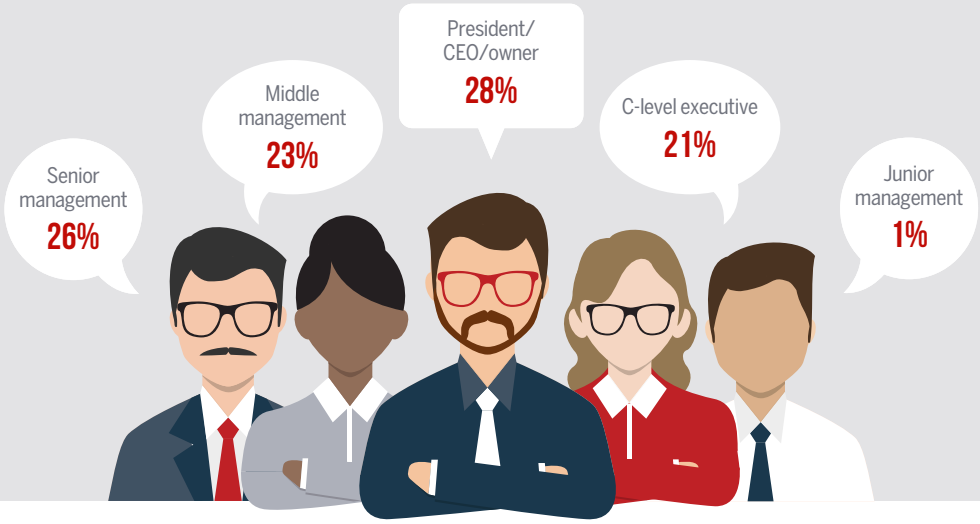
HOW LONG HAVE YOU BEEN USING AN E-COMMERCE SOLUTION?

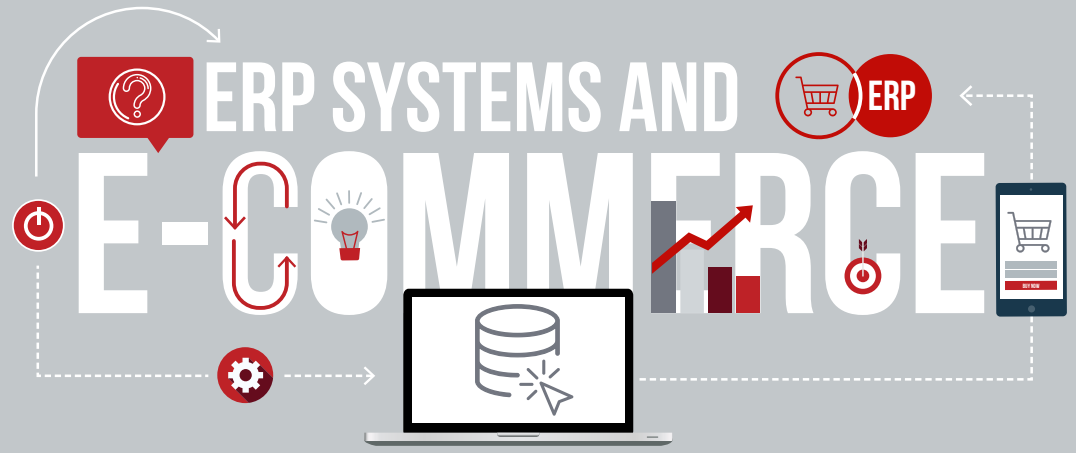


WHICH DEPARTMENT DO YOU WORK IN?

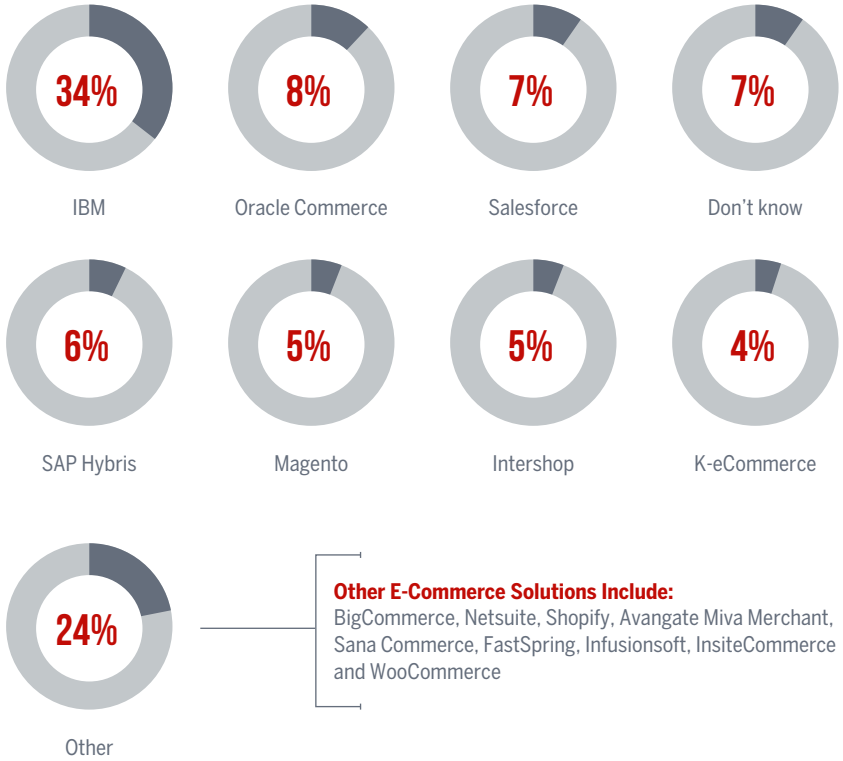


WHICH SENIORITY LEVEL BEST REFLECTS YOUR CURRENT POSITION?



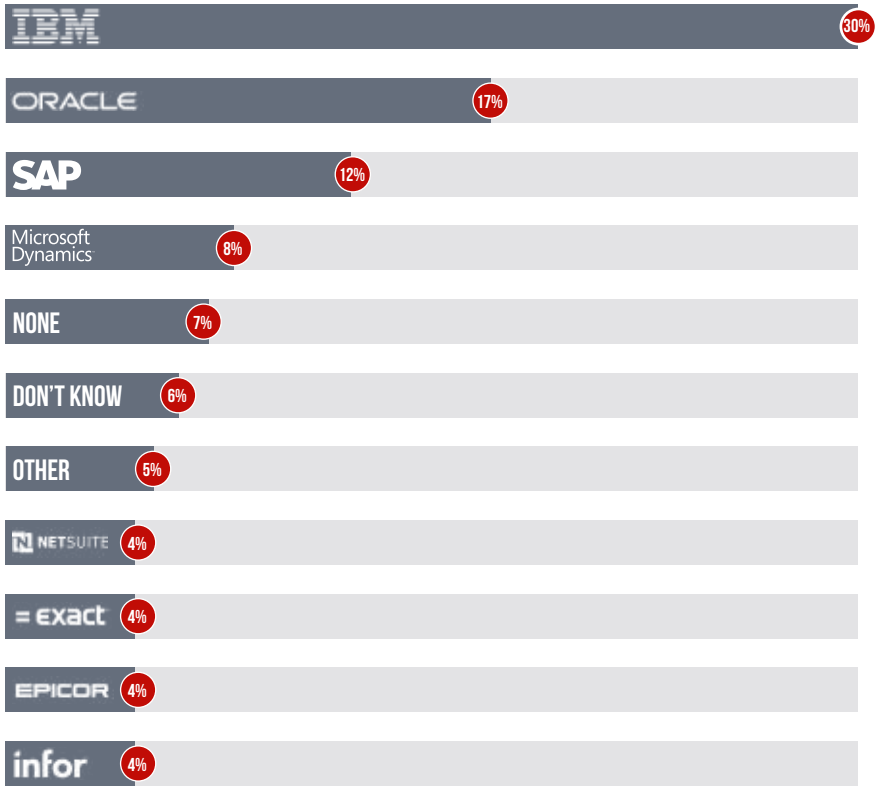


E-COMMERCE SOLUTION USED



Other E-Commerce Solutions Include:
BigCommerce, Netsuite, Shopify, Avangate Miva Merchant, Sana Commerce, FastSpring, Infusionsoft, InsiteCommerce and WooCommerce

ERP SOLUTION USED



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ABOUT SANA COMMERCE

Sana helps businesses all over the world reach their full potential. We offer the shortcut to e-commerce. How? Through 100% seamless integration with SAP and Microsoft Dynamics. Our e-commerce solution leverages existing business logic and data in powerful and user-friendly web stores. This lets our clients focus on improving their customer experience, streamlining sales processes, and increasing sales volume and frequency.

Sana Commerce is a certified partner of Microsoft Dynamics and SAP. Our innovative approach and strong partner network have made Sana the driving force behind over 1,200 web stores worldwide. Thanks to our extensive experience and expertise, we can offer more than just a product — we also support services such as online marketing, Search Engine Optimization (SEO) advice, hosting and design.

Future-proof your business and join our e-commerce movement.
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