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B2B Buyer Report

The power of building relationships

in the evolving B2B online world

A constant state of flux is the new normal for B2B organizations, and relationships are defining the way B2B companies now do business.

Introduction

Over the past few years, businesses have seen rapid change– and even more so in the world of B2B buying. We wanted to understand the pressures that B2B organizations are facing in bringing their products to market, so we went to the one source that knows how well they're performing – their customers.

We interviewed over 1,200 B2B buyers to find out what challenges they're facing when buying online and they told us that things are changing fast.

428 business-critical purchases and orders are made by organizations each day

Companies on average **spend $3m USD** each online every year

Two-thirds of companies are spending more online now than they did prior to the pandemic

Those spending more have increased the value of their orders **by an average of 45%**

That's a lot of potential orders waiting to be fulfilled. As a B2B supplier, how do you access those opportunities? What do organizations need to offer buyers online? We asked respondents to tell us about the challenges they're facing when using e-commerce web stores, what they want from online buying channels and what drives them to buy.

What we found was that relationships are critically important even when purchasing online. And that successful relationships are built on trust, reliability and service.

This report presents those findings to help make sense of the rapidly evolving B2B world.
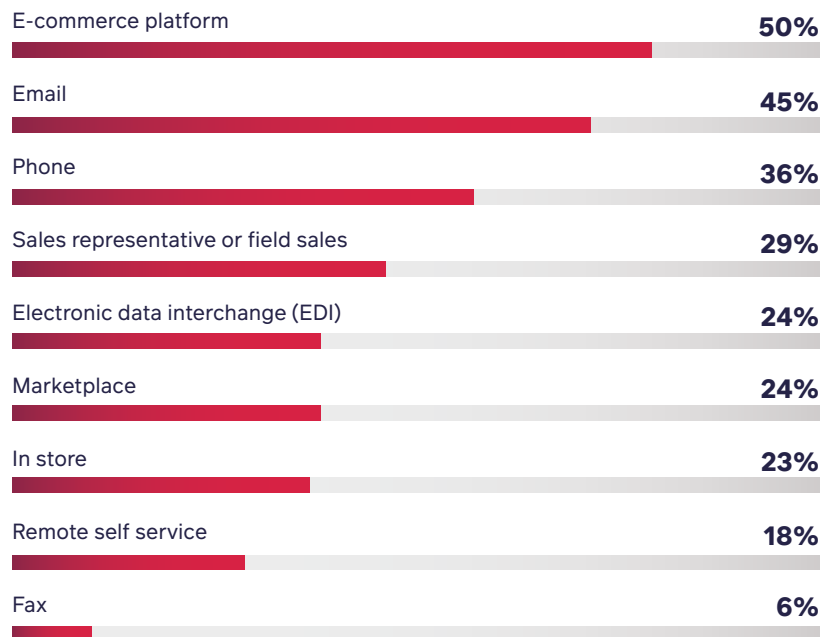
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B2B buying is changing

The B2B market is evolving. Buyers can access an infinite number of suppliers and are no longer restricted by geography or business profile in their search. In previous research, we saw the rise of manufacturers selling direct to the consumer, as well as wholesalers starting to compete with retailers as online channels drove new revenue streams.

We're also seeing a new millennial generation of buyers from more diverse backgrounds with different views, perceptions and desires changing the way that B2B buying is done. Coupled with digital acceleration over the past few years that has increased the tools available to buyers, and the market was already in a massive state of change. Throw in a pandemic, and the move to B2B online buying was complete. Our research confirmed this.

E-commerce is now the number one way to buy in B2B spheres.

Over half of respondents frequently use web stores to place orders. Two years ago, only 28% frequently used e-commerce. It now outperforms phone and email as the most popular channel.

Channel	
E-commerce platform	**50%**
Email	**45%**
Phone	**36%**
Sales representative or field sales	**29%**
Electronic data interchange (EDI)	**24%**
Marketplace	**24%**
In store	**23%**
Remote self service	**18%**
Fax	**6%**

Q. From the list above, which channels do you use most frequently for placing orders?

75% of all products are now bought online. This is up from 62% in 2019.

Legend:
- Before the pandemic
- After the pandemic
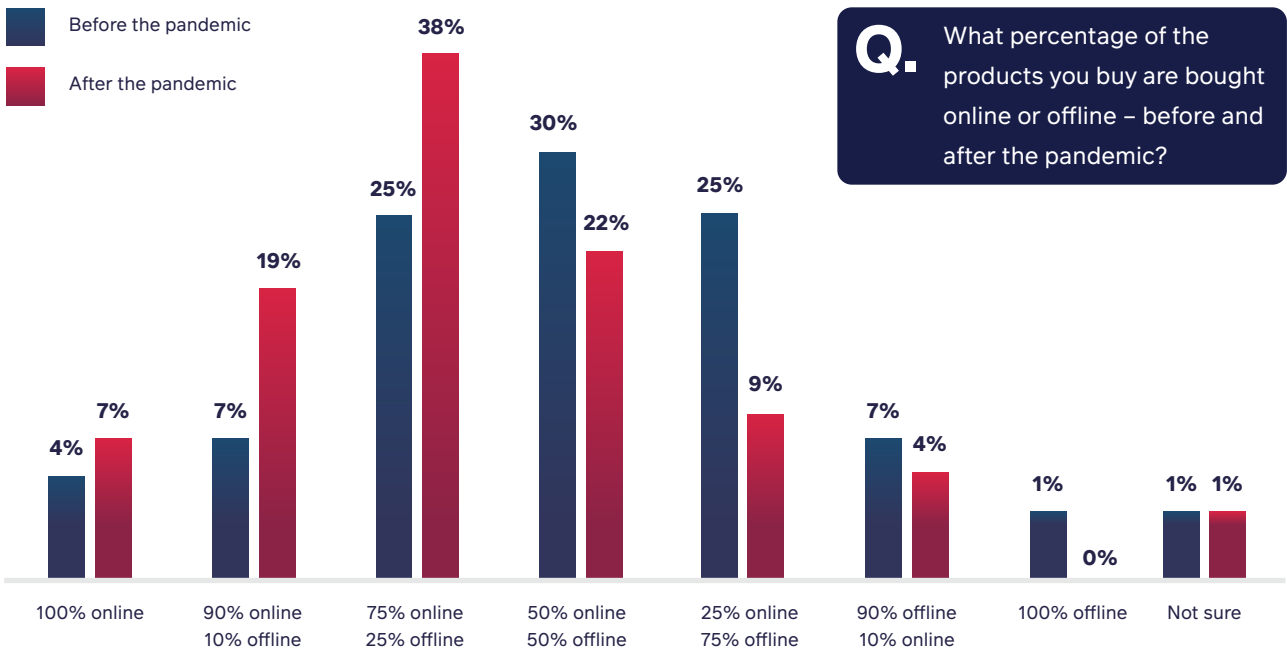
Q. What percentage of the products you buy are bought online or offline – before and after the pandemic?

Category	Before the pandemic	After the pandemic
100% online	4%	7%
90% online 10% offline	7%	19%
75% online 25% offline	25%	38%
50% online 50% offline	30%	22%
25% online 75% offline	25%	9%
90% offline 10% online	7%	4%
100% offline	1%	0%
Not sure	1%	1%

B2B web stores aren't just for buying however. Beyond sales, **nearly 90% of buyers** are turning to online channels as their primary method of identifying new suppliers and 74% are using it to evaluate new suppliers. Both these figures have increased from pre-pandemic rates. This means websites need to be able to serve a variety of requirements and use cases.

Q. Where did you go to get information at each of these stages during the buying process pre- and post- pandemic?

Stage	Online usage pre-pandemic	Online usage post-pandemic
Identify new suppliers	78%	87%
Order	70%	79%
Re-order	72%	77%
Evaluate new suppliers	60%	74%

Legend:
- Online usage pre-pandemic
- Online usage post-pandemic
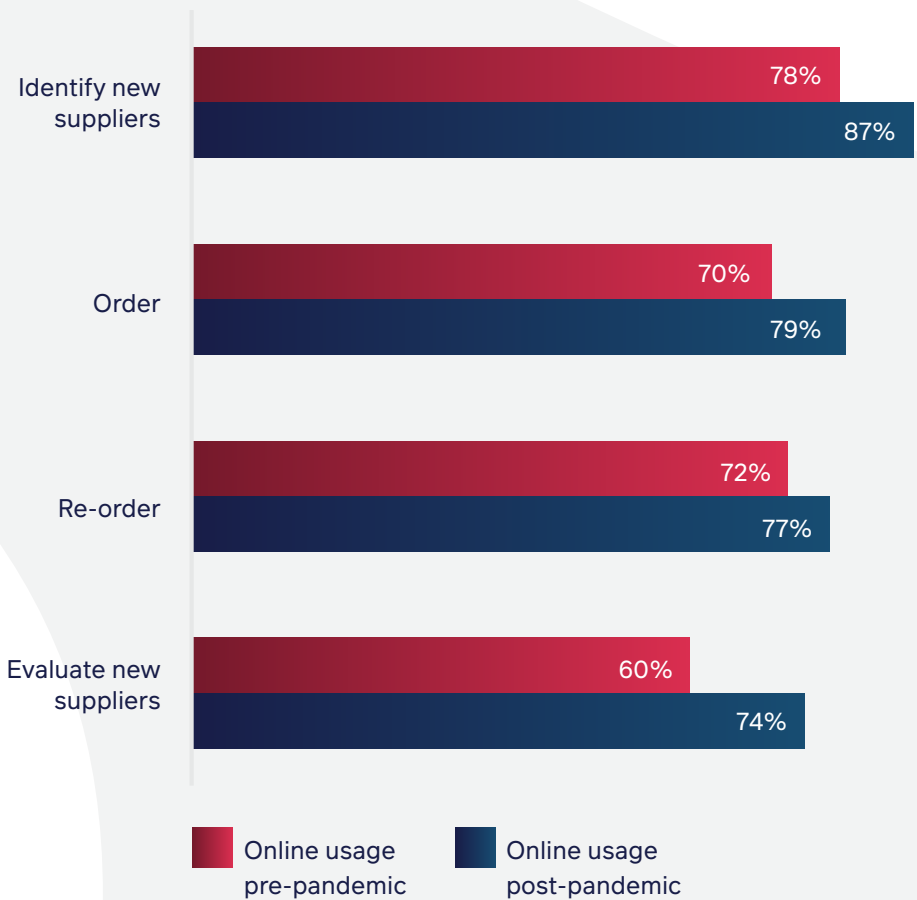
What clients are buying is also changing. In the past, high value or complex products may have been bought offline due to the amount of information and technical insights required to confirm an order. Buyers are not reticent any more, as the research shows that all types of products are bought online now. For those suppliers who previously felt that their product was too complex or expensive to be bought through a web store now need to be able to deliver complicated product offerings online.

Beyond that, sellers need to make it easy for buyers to make these purchases. **81% are relying on online web stores to make repeat purchases**. Being able to deliver insights into past order history and options like one-click buying is paramount to be able to optimize this revenue stream.

Repetitive purchases

| 19% | 81% |

High volume purchases

| 28% | 72% |

One-off standard purchases

| 33% | 67% |

Customized purchases

| 36% | 64% |

High value purchases

| 37% | 63% |

Q. Which of the following do you rely on – **online vs offline?**

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But poor B2B e-commerce is failing buyers

50%
of B2B e-commerce sites are not fully meeting expectations

The rise of B2B e-commerce has seen its fair share of challenges as well. We found that **50% of e-commerce sites are not fully meeting expectations** of B2B buyers. Further, 94% of B2B buyers encounter some kind of customer experience challenge.
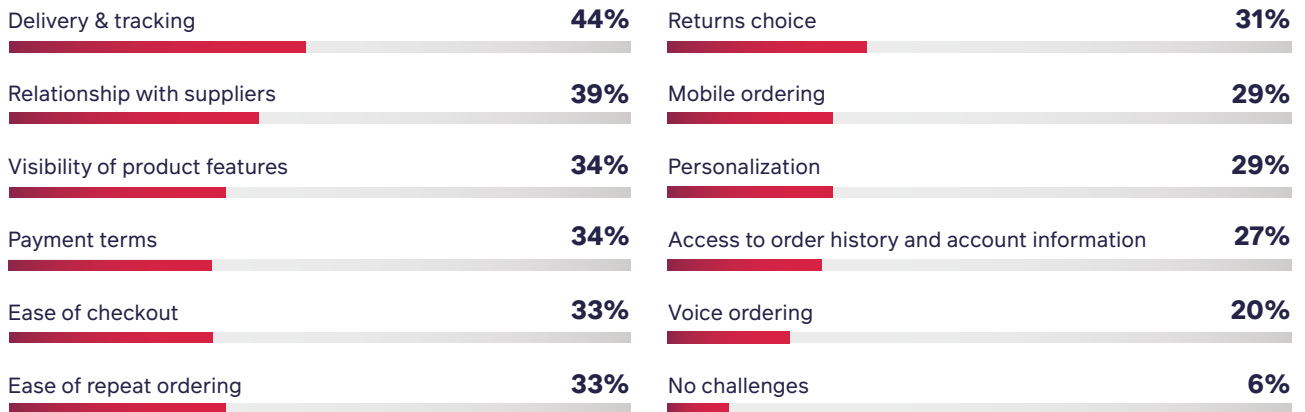
There are multiple reasons for the buyers' disappointment. Delivery and tracking issues are the main cause which can lead to a growing sense of dissatisfaction in their relationship with suppliers. And while these issues can be addressed through e-commerce enhancements, the relationship challenge may be more difficult to overcome.

94% of B2B buyers suffer customer experience challenges online

Respondents also told us that relationships were the second biggest challenge they face. How do you maintain relationships when most of your customer interaction is online? B2B Buyers have proposed several remedies which we'll look at in the next sections.

A third of buyers are frustrated by functional elements of e-commerce purchasing. Visibility of product features, ease of checkout, ease of repeat ordering – even access to order history all make the list. These are easy to fix with the right platform.

Delivery & tracking	**44%**		Returns choice	**31%**
Relationship with suppliers	**39%**		Mobile ordering	**29%**
Visibility of product features	**34%**		Personalization	**29%**
Payment terms	**34%**		Access to order history and account information	**27%**
Ease of checkout	**33%**		Voice ordering	**20%**
Ease of repeat ordering	**33%**		No challenges	**6%**

Q. What customer experience challenges are you still seeing in the online B2B buying process?

Then there are order errors. As volume and value of orders rise, so have the number of errors associated with them. **37% of buyers** have seen orders are affected by errors on a weekly basis – this compares to **28% back in 2019**. Based on the number of orders placed each day by individual companies, orders with a value of **$1.8m USD per company**, per year are impacted.

It appears that B2B web stores are not necessarily able to scale to a level required to adequately fulfill the volume of orders received error free. Many first-generation web stores were bought online to provide simple store fronts. Often they lack the capability to integrate into company systems that would enable them to manage greater volumes accurately. As B2B buying shifts further and further online, companies need to make sure that they're prioritizing investment and support in their e-commerce front end systems to meet demand – for both orders and experience.

Respondents also told us that the challenges they face are across the platform but usually cause the most issues when information is missing or inaccurate. Nearly half have to contact suppliers to complete an order when they'd prefer the convenience of buying online.

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01

I often order something but find it's not in stock

53%

02

I often have to contact customer service because of inaccurate or missing information

49%

03

I often find that the order status information on my supplier's website is incorrect

48%

04

I often find the product information is incorrect

45%

This lack of accuracy and reliability is impacting buyers' productivity and company efficiency. 39% of respondents have to work longer to fix the problem, 46% believe it causes challenges to the supply chain and 33% said that it causes internal frustration. But more worrying is the quarter of respondents who believe it will result in increased prices, and the fifth that will go to another supplier as a result. These insights perfectly demonstrate how issues with poor B2B e-commerce leads to increased buyer frustration and ultimately a break down in the relationship.
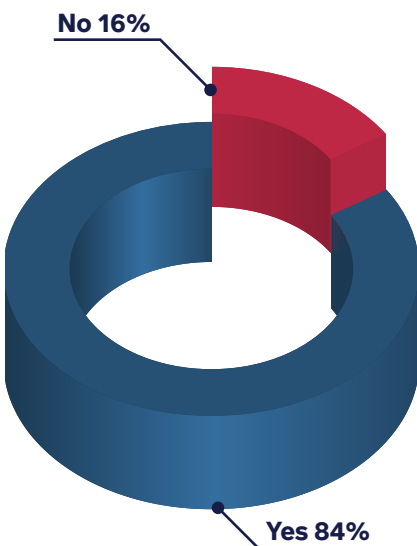
With these challenges happening now, there is an urgency to ensure that web stores are fit for purpose. **It's time to prioritize B2B e-commerce solutions** so it can deliver a scalable, reliable platform that offers a strong customer experience – aspects that make any business successful in the first place. So where do B2B organizations focus their efforts?

Buyer/seller relationships are critical

Buyers were keen to stress how important the relationship between themselves and their suppliers is. Four out of five respondents see the relationship between buyer and seller as important.

3% Not at all important	**16%** Slightly important	**14%** Important	**25%** Fairly important	**42%** Very important

Q. How important is the relationship between you and your supplier in the buying process?

No 16%

Yes 84%

Q. Would you be more inclined to buy from a supplier that you had a great relationship with even if the terms of sale were not as good as another supplier?

An overwhelming 84% would buy from a supplier that they had a great relationship with – even if the terms of business were less preferential.

It shows how B2B customers prefer to invest in a long-standing relationship, which does not end after the purchase is made. This means that the lifetime value of B2B buyers is much higher than that of B2C buyers. And this makes the management of customer relationships more complex and customer satisfaction and retention even more crucial.

On a positive note, professional buyers perceive that they have a better relationship with B2B suppliers than consumer brands. And nearly half told us that they do have a good relationship with their suppliers. How can suppliers move that relationship from good to excellent? Do suppliers realize the impact of this connection? What are they doing to ensure that they're working with their customers to maintain and build that relationship online?

The pay off for those trading with strong connections comes in several forms. Not only are buyers more likely to make repeat orders or place new orders for different products, but relationships can also overcome sales challenges, such as price or contractual terms.

A platform for
building relationships
not just sales

Understanding the critical nature of relationships in B2B buying is key to overcoming the challenges that are currently afflicting buyers.

Yet, resolving them is relatively easy.

Transparency

Knowing your buyer and understanding their needs are key to building relationships. Use data insights from your e-commerce platform to understand what they're buying and how they're buying – and how can you make it easier for them to do so.

Reliability

The more frequently the buyer is presented with incorrect information or inaccurate details about products or orders, the more likely they are to go elsewhere. Suppliers need to assure buyers that what they're viewing is the truth. Doing so every time will help strengthen bonds.

Convenience

Remember that more than 30% of buyers are frustrated by the visibility of product features, the ease of checkout, ease of repeat ordering, even access to order history. B2B e-commerce needs to be able to deliver all the information that buyers need to complete their transaction – a single source of truth for customer and production information.

Personalization

We asked buyers what personalization includes and 42% agree that it was being able to see their specific delivery terms, 40% said it was specific payment terms automatically applied to their orders, and 34% agreed that it was getting suggestions and recommendations on products appropriate for them.

Trust

The big key to relationship success however, is trust. Buyers that trust their sellers will return time and time again. Building trust in the buyer/supplier relationship is created by delivering on all of the factors above to produce a reliable e-commerce offering.
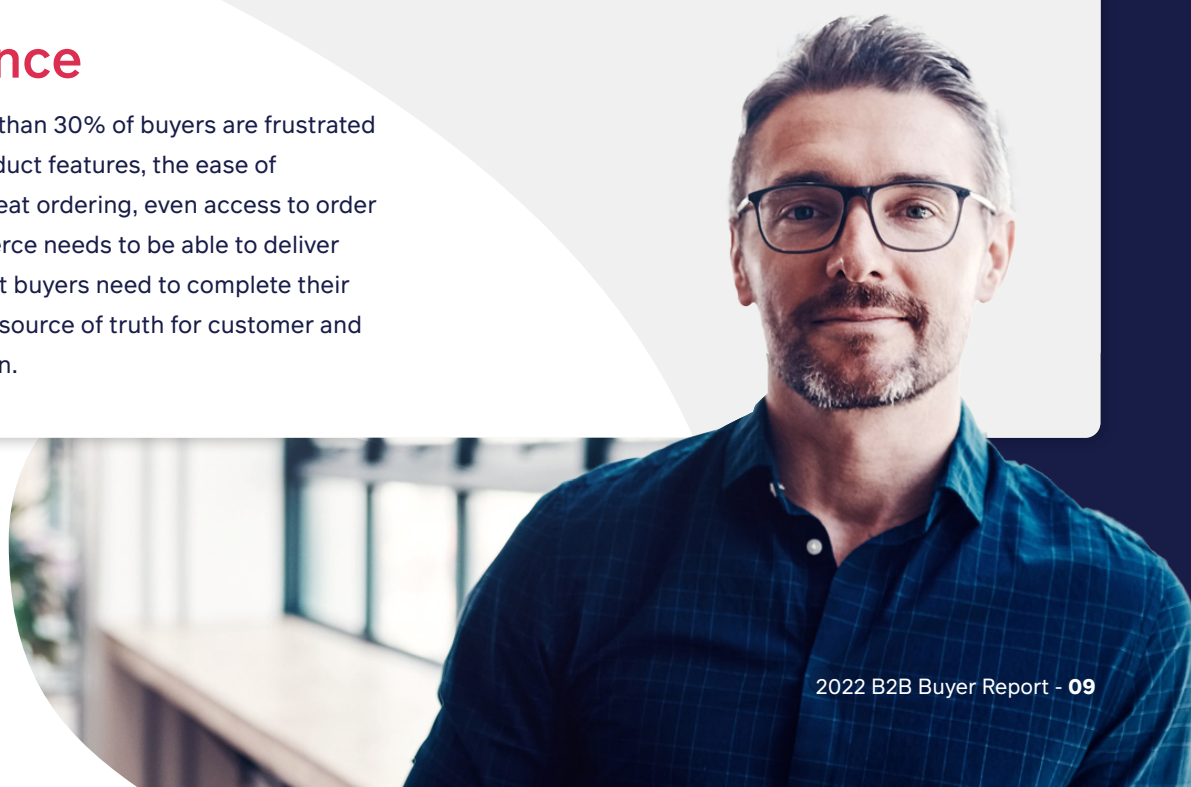
What's next for B2B e-commerce?

The B2B market is rapidly evolving – from the speed of order and access to new markets, to the changing B2B buyer persona.

It's imperative that businesses evolve too. The market changes have gathered pace since we last surveyed buyers in 2019. Two years ago, email was the most popular method of buying, followed by e-commerce and then phone orders. Today, the top two have swapped places. The challenge for suppliers is managing these volumes, while still delivering a great customer experience. Minimizing order errors, presenting buyer specific product information, even applying buyer-specific terms are key to giving buyers the experience they want. But it can't stop there. The trends we identified are accelerating further. According to MarketWatch, the global B2B e-commerce market size is projected to reach

$13,630b USD by 2027, with a CAGR (compound annual growth rate) of 8.5%. With that forecast it's likely we'll see a rise in the products bought online from 75% today to 80% or even 90% in the near future. The opportunity that this growth is set to deliver could be game-changing for B2B suppliers. As well as managing volumes, sellers can use their e-commerce platforms to deliver convenience, reliability, transparency, and ultimately create and build strong buyer relationships that will endure and overcome challenges in the future. It could be a cause for celebration, but only if B2B organizations are willing to invest and prioritize e-commerce platforms today.

Survey
methodology

The survey was conducted among 1282 B2B buyers who work for a manufacturer (49%), wholesaler (18%), distributor (12%) or retailer (21%).

The interviews were conducted online by Sapio Research in August 2021 using an email invitation and an online survey.

Total respondents in each region:

US	414	Netherlands	151
Germany	215	Mexico	101
UK & Ireland	200	Belgium	50
Spain	151		

Industry sectors

Construction and industrial	**21%**
Machinery and supplies	**16%**
Electronics	**14%**
Food and beverage	**14%**
Automotive	**11%**
Home goods and furniture	**10%**
Medical devices	**6%**
Other	**8%**

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Prioritize relationships, not just transactions.
E-commerce for SAP and Microsoft Dynamics.

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