

GUIDE

# B2B E-Commerce State for the Dental and Medical Supplies Industry



## Introduction

B2B e-commerce is changing quickly, and perhaps nowhere more so than for medical and dental supplies. Of course, the big headline in that story is COVID-19 — it has changed not just the demand for medical supplies, but it has also accelerated the digitalization of the industry. But beyond the pandemic, there have been important shifts in what matters to buyers, their needs and challenges and their relationships with suppliers.

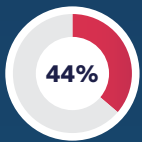
In a recent research study, Sana commissioned Sapio Research to survey B2B buyers across multiple industries with the goal of discovering what the state of the industry is. This guide gives a snapshot of the state of B2B medical and dental supplies e-commerce in the current global context. We use the data from Sapio's research to highlight the most important trends in the industry and what suppliers can do to gain a competitive advantage.

## Dental and medical supplies trend overview

Our research uncovered several patterns that characterize the changes that the medical supply industry is experiencing today. Here are some of the most important of those.

## Trend 1: E-commerce is growing quickly

E-commerce is steadily increasing and shows no signs of slowing. In 2021 alone, revenues from online medical supplies sales grew by over 12%. The rate of growth is expected to accelerate to over 20% each year for the next 5 years. That upward tendency has been driven by an aging population, a greater number of people who can afford medical care, and the pandemic.



### Companies buying more medical supplies

Data from Sana's commissioned study show that companies are buying more medical supplies since the pandemic started. Of the buyers surveyed, 44% report that they have increased the volume of their orders, compared to only 16% who have reported decreases in order volumes.

They are also spending more; 75% of companies report that they are spending more on medical supplies than before the pandemic. Of the companies that are spending more, they're spending significantly more. The great majority — over 80% — have increased their budget for medical and dental supplies by at least 20% compared to before the pandemic.



### Companies increasingly buying those medical supplies online

Companies are buying and spending more online. Three-quarters of buyers reported buying more supplies online after the pandemic than they did before it. Of the medical and dental supplies companies interviewed, 96% reported that they are increasing procurement from e-commerce or staying the same.

Another critical metric is the relative percentage of supplies bought online compared to those bought offline. Buyers reported that, before the pandemic, they bought 55% of their supplies online. After the pandemic, that number jumped up to 68%.



### Procurement shifting away from in-person sales

Companies report that other forms of remote ordering are also increasing while they are moving away from in-person procurement strategies. For example, 39% of buyers are increasing their orders through electronic data interchange (EDI), 51% are increasing orders via email, and 49% are increasingly ordering over the phone.

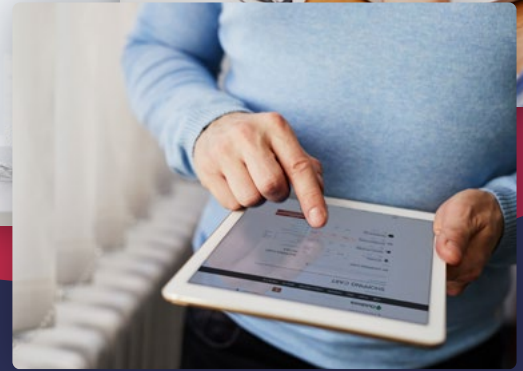
In contrast, companies tend to be moving away from in-person buying strategies. Research revealed that 41% of buyers report face-to-face ordering less often, and 35% report decreasing their in-store purchases.



### Each stage of the procurement process moves increasingly online

It's not only supply orders that are moving online, but every stage in the procurement process. Before the pandemic, 70% of companies looked online to find new suppliers. After the pandemic, that number jumped to 79%. Only 60% of companies evaluated suppliers online before the pandemic; after it, 87% do. Online orders increased from 70% to 79% online since the pandemic, and online re-orders increased from 72% to 77% online. E-commerce is increasingly built into how companies purchase medical and dental supplies.

We predict that this swing towards remote procurement will stick around for the long term. Companies have been moving towards digitalization and remote ordering for years before the pandemic — the pandemic only accelerated those trends. While in-person and in-store orders will continue to play a major role for medical and dental suppliers, the preference for e-commerce will continue even after the pandemic.



## Trend 2: Online ordering is, generally getting better (with some exceptions)

We asked companies how the pandemic has affected their work. They reported that it has had a number of effects on B2B commerce besides increasing the volume of orders and changing how they make orders.

### Easier ordering

Ordering seems to be getting easier. The majority of medical and dental supply companies report that ease of ordering has increased.



### Better customer service

Buyers seem pleased with the effect of the pandemic on customer service, with about half of respondents (51%) reporting that customer service has improved.

**51%**



### More efficiency

Another surprising outcome is that companies reported greater efficiency in orders. 52% of companies reported that their ordering has become more efficient.

**52%**



Overall, ordering medical and dental supplies has actually improved on several metrics since the pandemic; orders have gotten easier, more efficient, and they have come with better customer service.

However, while online ordering is getting better, there are still two areas that have room for improvement. Companies still report similar levels of order errors before the pandemic compared to after. Also, most companies — just over 52% — reported that the speed of orders has slowed.

An integrated solution like Sana Commerce Cloud can help streamline order processes by making your e-commerce and ERP work as one. By leveraging this integration, you can ensure that all product data from your ERP is reflected in real-time on your web store, eliminating manual order errors. As a result, your customers will always have the most up-to-date product information and inventory levels creating an overall better buying experience.

### Trend 3:

## Buyers value relationships with suppliers

What do buyers look for when they select a supplier? The top 5 qualities that most want are:



Customer service



Supplier reliability  
and reputation



Product Quality



Price



Delivery terms

For most companies, the relationship with suppliers also mattered. Of those surveyed, 69% reported that the quality of their relationship with suppliers was an important factor in the purchasing process. Importantly, a whopping 84% of companies said that they would be more inclined to buy from a supplier that they had a great relationship with — even if the terms of sale were not as good as another supplier offered.

This suggests that while buyers are looking for quality products at a good price with good terms, the quality of relationships with suppliers is also critical.

# Biggest challenges facing buyers

The top 5 most commonly reported challenges for medical and dental companies in the B2B buying process are:



Visibility of product features



Delivery & tracking



Relationship with suppliers



Returns choice



Mobile ordering

Medical and dental suppliers, therefore, have an opportunity to obtain an advantage over their competition by seeking to resolve these problems with integrated e-commerce platform solutions.

## E-Commerce websites don't meet expectations for many buyers

When asked whether suppliers' e-commerce websites meet their expectations, almost half of the buyers (49%) said that e-commerce websites only somewhat met expectations, or not at all. There appears to be a massive opportunity for suppliers to improve when it comes to websites and e-commerce platforms.



Of the buyers for whom supplier websites didn't meet expectations, they listed the following as the biggest problems:

 <p>No or inaccurate stock information</p>	 <p>Information around order (status)</p>	 <p>Difficulty finding relevant products</p>	 <p>Unable to talk to someone and/or ask a question</p>	 <p>Specific payment or contract terms not displayed correctly</p>
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Further, e-commerce websites appeared to not provide the personalization that buyers required. 65% of our survey respondents reported that supplier e-commerce websites are



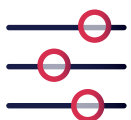
# The biggest opportunities for suppliers come from **better e-commerce platforms**

The landscape is changing for medical and dental suppliers. E-commerce is a runaway train — it's not stopping. Suppliers need to build effective e-commerce platforms in order to stay relevant. Here are some of the strategies suppliers can use to stay current and competitive.



## Display correct and relevant information

E-commerce platforms shouldn't just make ordering easy, but also consistently provide accurate information about products, stock and delivery time. Suppliers that prioritize the accuracy of their product information will more easily meet the expectations of their customers.



## Offer customer personalization

The more personalized customers' experience, the better. Ideally, supplier websites will be personalized to display the products that each customer buys most often, as well as personalized delivery times based on their location.



## Builds relationships with buyers

Relationships with buyers still matter. Buyers overwhelmingly report preferring products from suppliers they have a good relationship with — even if the products have slightly worse terms. That means that suppliers will benefit from ensuring that their e-commerce platforms can support meaningful relationship building. The best e-commerce platforms will enable sales reps to reach out and connect with the right customers at the right time.

If you're a B2B supplier for [medical or dental supplies](#) looking to build an e-commerce platform that works, [get in touch](#). We can help you build a website that prioritizes relationships, not just transactions.

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