



THE B2B BUYING PROCESS 2019 REPORT →

How to Meet Buyers' Demand for (Better) B2B e-commerce



Introduction

The B2B Buying Process

2019 Report

In this report, we review the role of and demand for e-commerce in the B2B buying process. We look into professional buyers' current and future needs, and advise you on how best to meet them. What's in it for you? Increase customer satisfaction, boost your chances of being selected as a vendor and future-proof your business, all while unlocking the additional benefits of e-commerce.

This report is based on research conducted in February 2019 by Sapio Research on behalf of Sana Commerce. We commissioned Sapio to survey 560 buyers who purchase from manufacturers, wholesalers and distributors. These B2B buyers are based in the North America (U.S. and Canada), UKI (U.K. and Ireland), DACH (Germany, Switzerland and Austria) and Benelux (Belgium, Netherlands and Luxemburg) regions; and operate in sectors including automotive parts, building materials, electronics, medical supplies and food & beverage.

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How to Meet Buyers' Demand for (Better) B2B e-commerce

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- E-commerce plays an important and deep-seated role in the B2B buying process. Suppliers, wholesalers and manufacturers are not meeting their customers' growing demand for buying online. **Buyers purchase an average of 75% of products online.**
 - Suppliers, wholesalers and manufacturers are not meeting their customers' growing demand for buying online. **While 30% of buyers would prefer to buy at least 90% of products online, only 19% are currently doing so.**
 - B2B buyers want to access information online. **62%** prefer accessing a variety of information online, compared to just 27% preferring offline. **During the buying process, almost 1/2 of buyers conduct web searches to look for information, solutions and suppliers.**
 - Buyers expect more from their B2B online buying experience. **Ease and speed are key: 1/4** want easier and faster checkout, easy repeat ordering, quicker delivery and improved tracking as a priority.
 - Buyers give preference to vendors who offer online sales functionalities. More than **1/3** of buyers would be persuaded to choose a vendor if they offered them the ability to **place, pay for track and return orders online.**
 - **Online order errors are impacting the profitability, efficiency, productivity and sales of buyers' organizations. 44%** of B2B buyers experience online order errors with their top 10 suppliers at least every two weeks.
 - **The professional buyer's top 3 KPIs:**
 - 1.** Cost savings
 - 2.** Increasing the efficiency of the purchase process
 - 3.** Internal client satisfaction
 - More than **1/4** of buyers anticipate that automation is going to change the B2B buying role **in the next 5 years.**
- To meet your buyers' needs, ensure your B2B e-commerce platform:**
- ✓ Displays relevant information
 - ✓ Offers optimized functionalities
 - ✓ Handles the complexities of B2B orders
 - ✓ Prevents order errors



The Prominent Role of Online Channels in the B2B Buying Process

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We started our research into the B2B buying process by looking at the current state of B2B e-commerce: how far e-commerce has come in the buying process, and buyers' preferences for buying online versus offline.

We found that e-commerce is now the second most important B2B buying channel. While 28% of our respondents selected e-commerce as one of their most important buying channels, 41% selected email and only 25% selected phone. The role of e-commerce is even more prominent in the North America region, where 36% of buyers selected e-commerce as most important buying channel. And this focus on e-commerce looks like a growing trend.

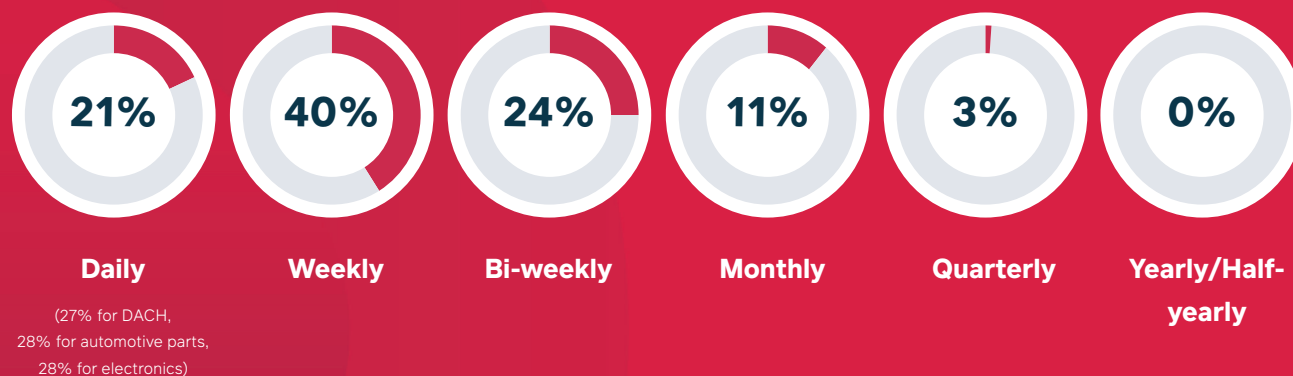


E-commerce plays an important and deep-seated role in the B2B buying process.

Buyers purchase an average 75% of products online.

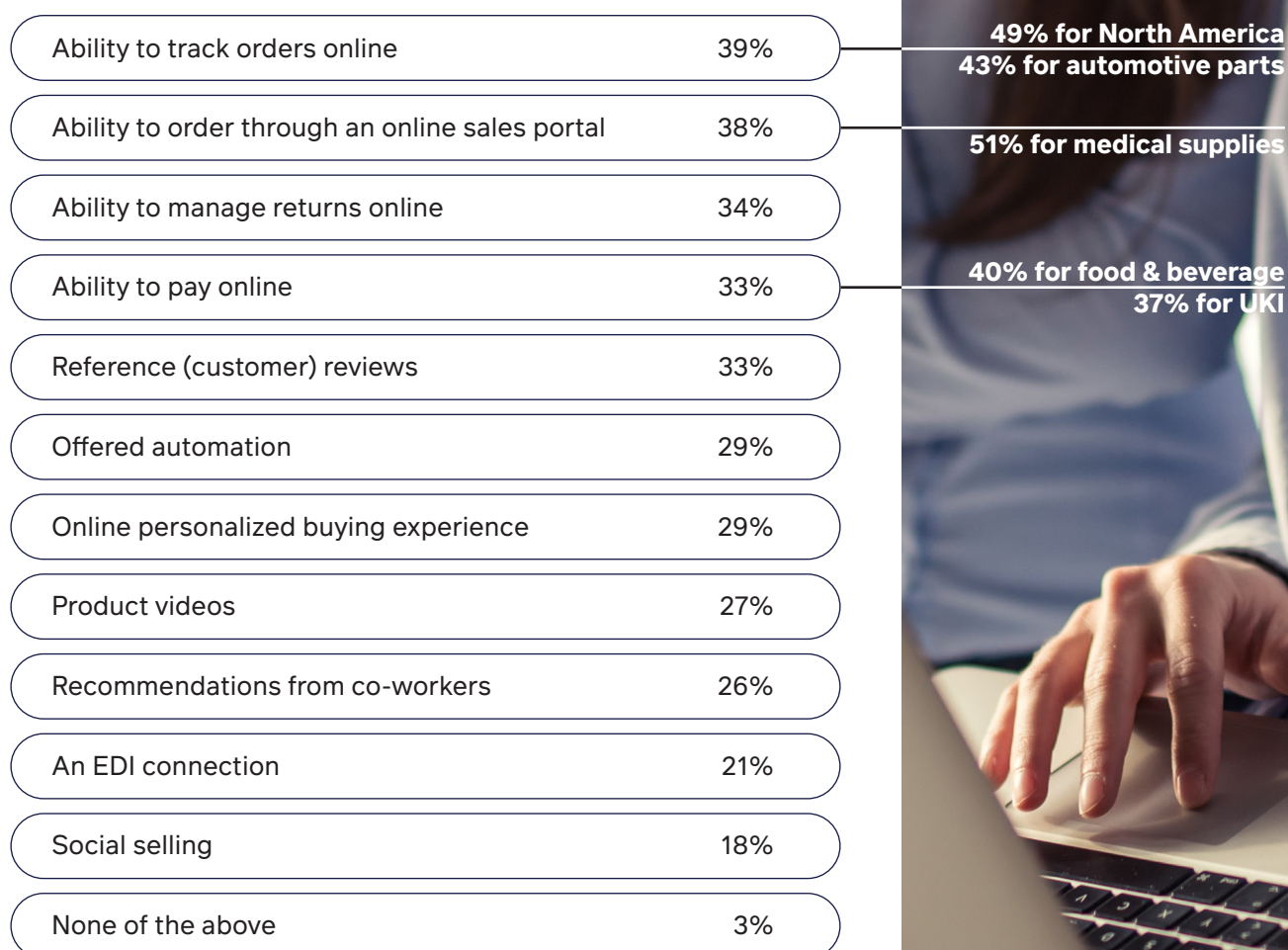
We found that e-commerce is now the second most important B2B buying channel. While 28% of our respondents selected e-commerce as one of their most important buying channels, 41% selected email and only 25% selected phone. The role of e-commerce is even more prominent in the North America region, where 36% of buyers selected e-commerce as most important buying channel. And this focus on e-commerce looks like a growing trend.

Figure A. How frequently do you place an online order with your top 10 suppliers?



On top of being accustomed to buying online, B2B buyers also give preference to vendors who offer online sales functionalities. When evaluating alternatives during the buying process, more than a third of the buyers we surveyed considered the ability to track orders online, to order through an online sales portal, to manage returns online and to pay online the top factors that would persuade them to choose a vendor (figure B). These preferences for online sales functionalities are especially evident for buyers in the North America and UKI regions, as well as those in the automotive parts, food & beverage and medical supplies sectors. These results clearly indicate that e-commerce plays an important and already deep-seated role in the B2B buying process.

Figure B. Thinking about the evaluation of alternatives stage of the buying process, which of the following factors would persuade you to choose a vendor?





The Unmet Demand for (Better) B2B Online Sales

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Suppliers, wholesalers and manufacturers are not meeting their customers' growing demand for buying online. **While 30% of buyers would prefer to buy at least 90% of products online, only 19% are currently doing so.**

However, professional buyers are buying less online than they would like. While 30% of our respondents would prefer to buy at least 90% of products online, only 19% are currently doing so (figure C). This trend is especially strong in the medical supplies and food & beverage sectors, with 37% and 41% preferring to buy at least 90% of products online respectively.

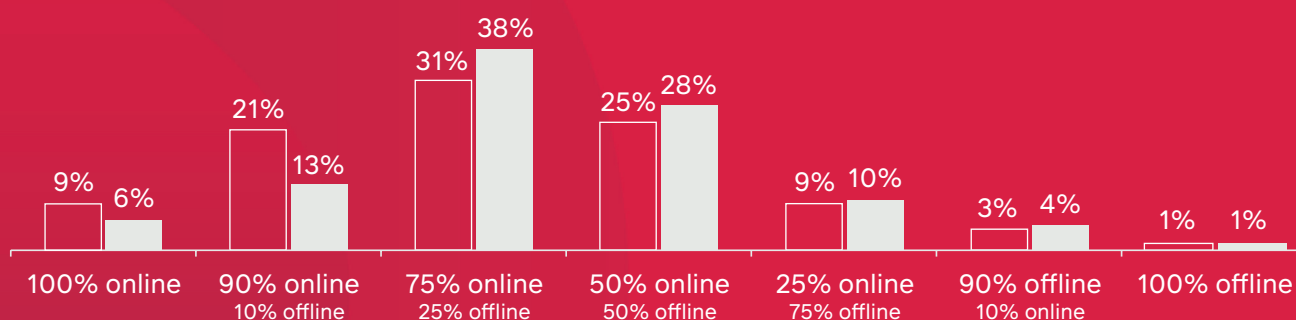
This demand for e-commerce was also evident in our previous research into B2B e-commerce, which found that, among the B2B businesses who don't currently have a web store, as many as 75% have had customers ask for an online sales channel.

Therefore, suppliers, wholesalers and manufacturers still have a way to go in order to meet their customers' growing demand for buying online. And as we saw earlier, it is in their interest to do so — as 38% of the buyers surveyed would be persuaded to choose a vendor if they were offered the ability to order through an online sales portal (figure B).

But is meeting this demand as simple as offering buyers the ability to buy online? Is it the lack of e-commerce platforms which is forcing customers to buy offline in the first place, or is there another reason why buyers are not buying more

Online vs offline purchases:

- What percentage of the products you buy are bought online vs. offline? (Actual)
 - What percentage of the products you buy would you prefer to buy online vs. offline? (Preference)
- Offline includes email, phone, mail, face-to-face and fax.





How to Meet Your Buyers' Needs and Move Them Online

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1. What Do Buyers Expect From B2B Online Buying Channels?

Online Sales Platforms as a Source of Information

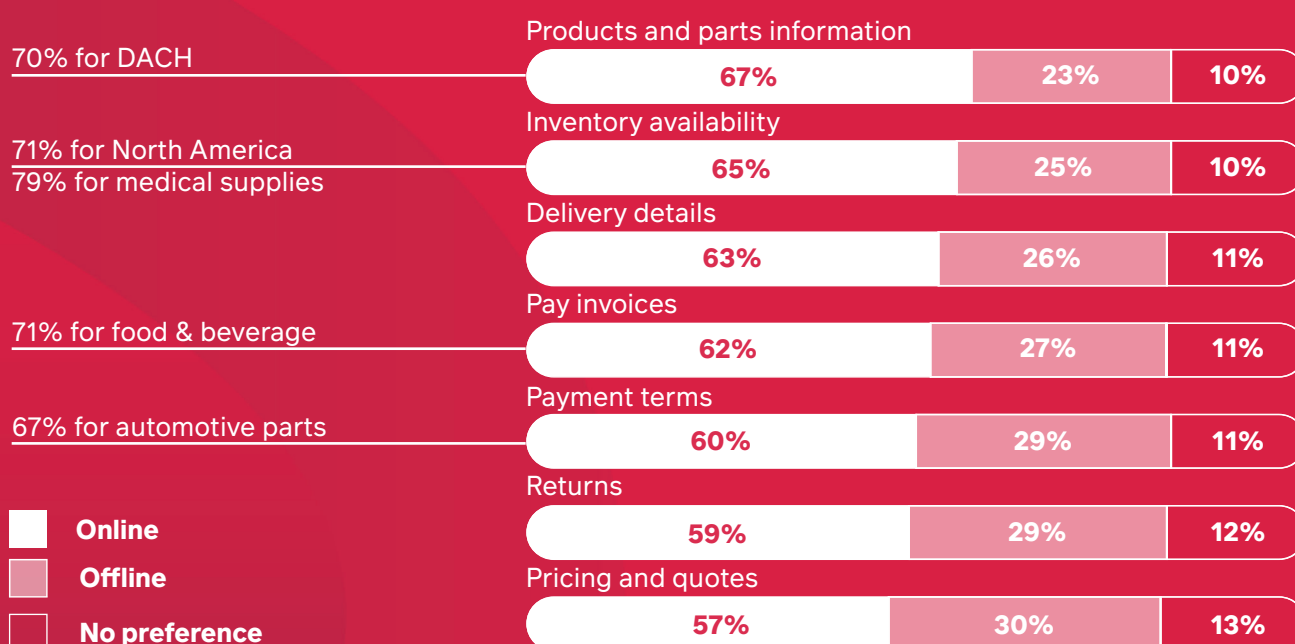
Two-thirds of the B2B buyers (67% and 65% respectively) we surveyed want to access **product and parts information, and inventory availability** online (figure D).

And a majority also wish to access such information as delivery and return details, payment terms, pricing and invoicing online. This trend is especially prominent in the North America and DACH regions, as well as in the medical supplies, automotive parts and food & beverage sectors.



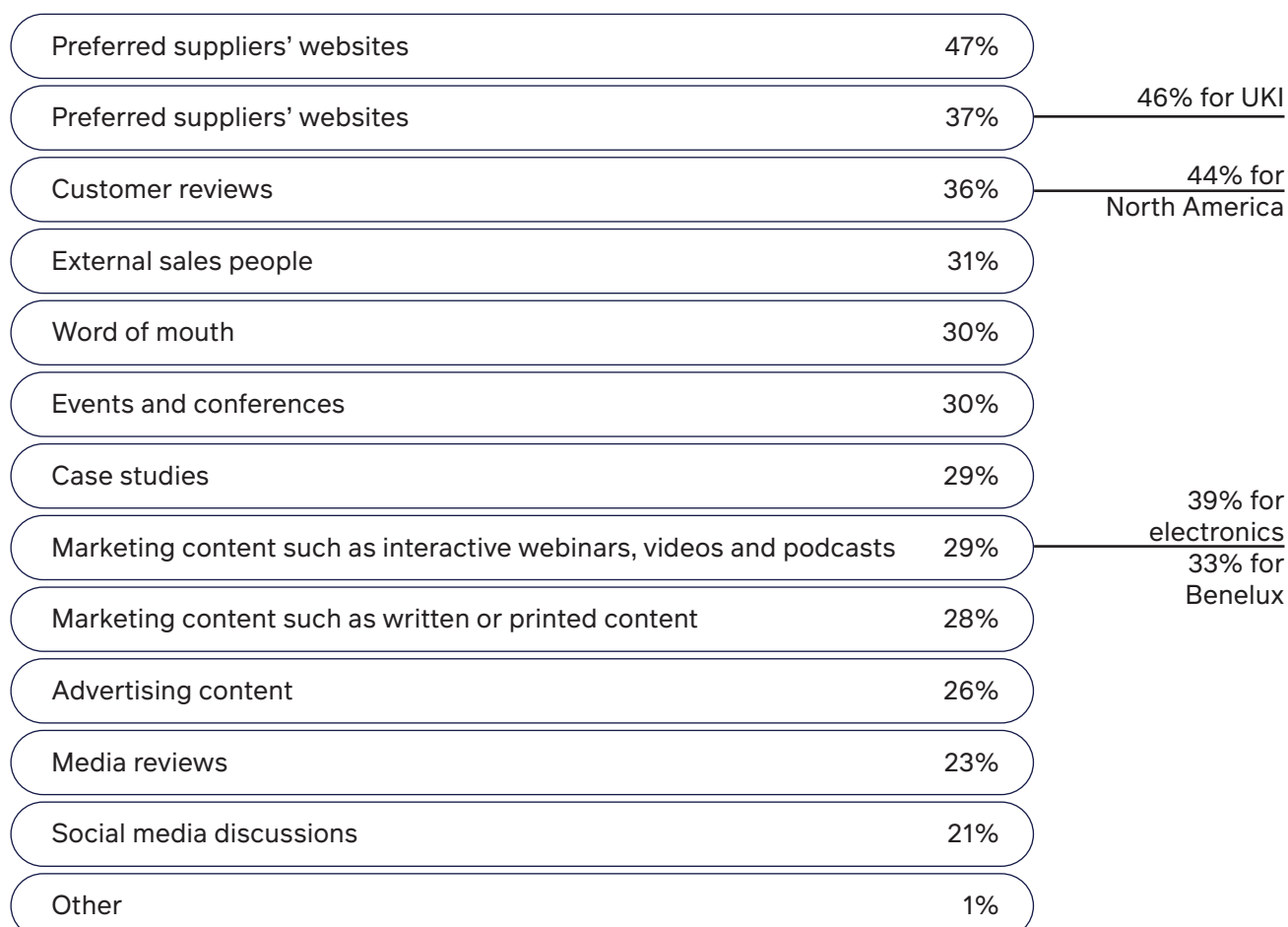
B2B buyers want to access information online. 62% prefer accessing a variety of information online, compared to just 27% preferring offline. **During the buying process, almost 1/2 of buyers conduct web searches to look for information, solutions and suppliers.**

Figure D. Do you prefer accessing the following information online or offline?



Of course, it comes as no surprise that nowadays people prefer accessing information online. But consider also the impact which an online information portal could have on your business even before a purchase decision is made. During the buying process, almost half of the buyers we surveyed (47%) conduct their information search online — using web search to look for information, potential solutions and providers (figure E). Our respondents also indicated that they evaluate an average of between 3 and 5 vendors and suppliers before making a buying decision. Therefore, having a strong online presence optimized for search engines is key for B2B wholesalers, suppliers and manufacturers to reach new prospects and stay ahead of the competition. Your online sales channel can also be used as a platform on which to host other key sources of information, which buyers use during the information search part of their buying process. These include customer reviews, marketing content and case studies (figure E).

Figure E. Thinking about the information search part of the buying process, which channels/ sources of information do you use?



Optimized Functionalities for an Optimized Customer Experience

As we saw in our Digital Transformation Report 2018-19, B2B companies are beginning to wake up to the fact that it is no longer enough just to have a web store. To meet the needs and expectations of buyers, and to ensure they rely less heavily on offline buying channels, e-commerce platforms must offer more than basic buy-and-sell transactions.

Many B2B companies are therefore moving toward what we call the second stage of e-commerce maturity, where improved online customer experience is the new focus. Let's not forget that B2B buyers are also consumers accustomed to sleek B2C buying experiences. Nowadays, an optimized customer experience is essential to B2B online buying.

What aspects of their online consumer experience (B2C) are buyers looking for in their B2B buying experience? Our respondents indicated that ease and speed are key: more than a quarter would like to see **easier and faster checkout, easy repeat ordering, and quicker delivery and improved tracking** as a priority in their B2B buying experience (figure F). See page 11 of this report for a breakdown of buyers' online experience priorities in different sectors and regions.



Buyers expect more from their B2B online buying experience.

Ease and speed are key: 1/4 want easier and faster checkout, easy repeat ordering, quicker delivery and improved tracking as a priority.

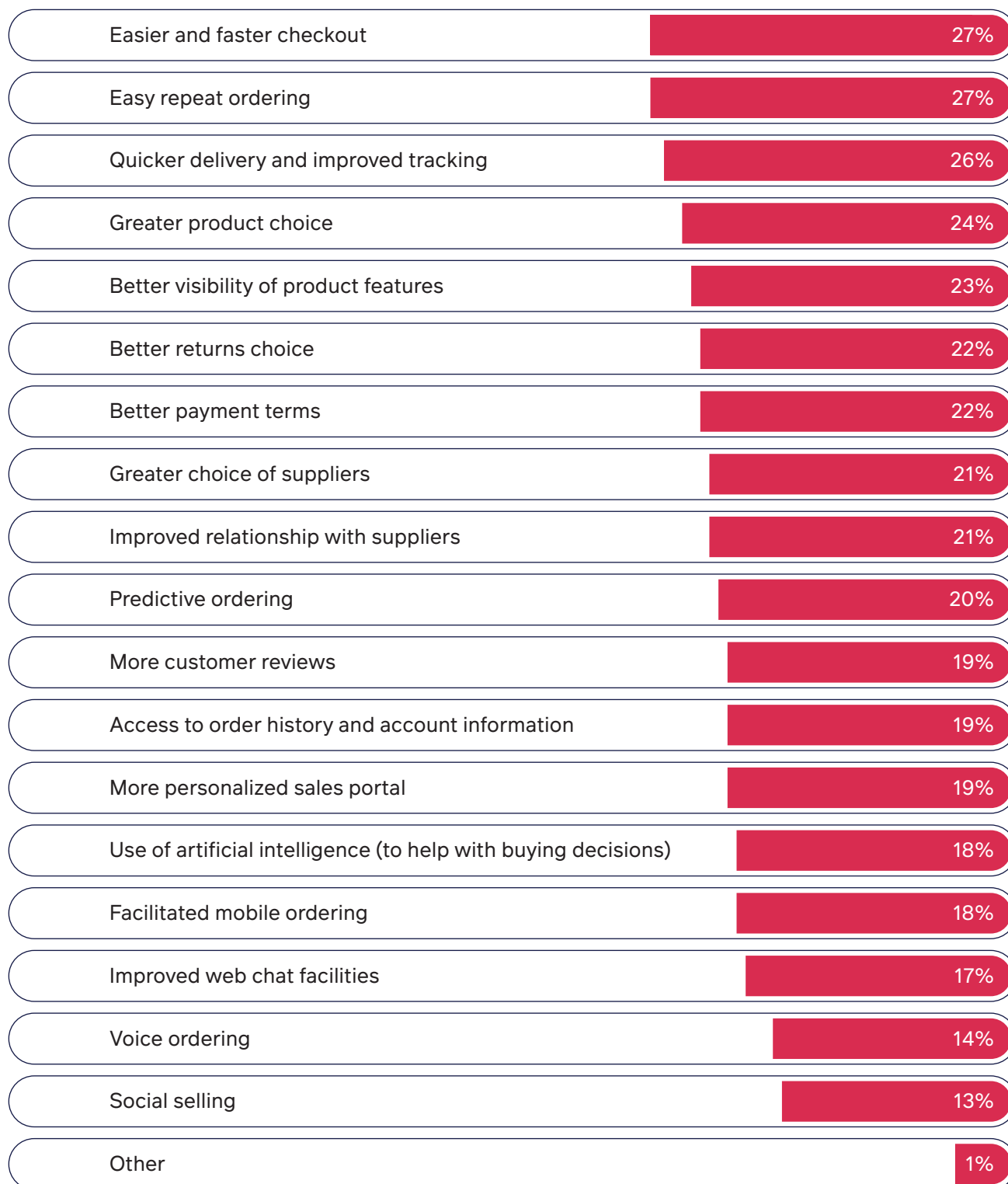
In addition to this, such functionalities as the ability to track and return orders online (on top of ordering and paying online) would also make buyers more likely to pick a vendor in the first place. As we saw earlier, these factors would persuade more than a third of buyers to choose a vendor during the evaluation of alternatives stage of the buying process (figure B)



Buyers give preference to vendors who offer online sales functionalities. More than **1/3** of buyers would be persuaded to choose a vendor if they offered them the ability **to place, pay for, track and return orders online.**



Figure F. Which aspects of your online customer experience as a consumer (B2C) would you also like to see in your online B2B buying experience? (Select up to 5)





B2B vs B2C Buying Experiences: A Deep Dive Into Sector and Regional Trends

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Buyers in different sectors and regions face different challenges. It is therefore important that your web store has the flexibility to meet those buyers' varying needs and expectations across the industries and regions in which you operate.

Top 3 aspects of their B2C online experience buyers would like to see in their B2B buying experience

BUILDING MATERIALS SECTOR

1. Greater product choice 30%
2. Easy repeat ordering 26%
3. Better payment terms 24%

AUTOMOTIVE PARTS SECTOR:

1. Easier and faster checkout 31%
2. Better visibility of product features 28% (e.g. exploded chart functionality, videos).
3. Predictive ordering 26%

ELECTRONICS SECTOR:

1. Quicker delivery and improved tracking 33%
2. Easier and faster checkout 27%
3. Easy repeat ordering 27%

MEDICAL SUPPLIES SECTOR

1. Greater product choice 31%
2. Greater choice of suppliers 30%
3. Better visibility of product features 29% (e.g. exploded chart functionality, videos)

FOOD & BEVERAGE SECTOR

1. Easier and faster checkout 35%
2. Improved relationship with suppliers 29%
3. Predictive ordering 27%
3. Facilitated mobile ordering 27%

NORTH AMERICA REGION:

1. Easier and faster checkout 30%
2. Easy repeat ordering 29%
3. Quicker delivery and improved tracking 28%

DACH REGION:

1. Easy repeat ordering 30%
2. Greater product choice 28%
3. Better visibility of product features 26%
e.g. exploded chart functionality, videos

UKI REGION:

1. Quicker delivery and improved tracking 29%
2. Easy repeat ordering 28%
3. Greater choice of suppliers 26%

BENELUX REGION:

1. Easier and faster checkout 29%
2. Greater choice of suppliers 21%
3. Quicker delivery and improved tracking 20%



How to Meet Your Buyers' Needs and Move Them Online

2. What Can Deter Buyers From Buying Online?

The Complexities of B2B Orders

It's all well and good to offer a stellar customer experience with all the functionalities of a sophisticated B2C web store, but B2B buying is not the same as B2C. B2B orders are generally more complex than B2C orders. Firstly, B2B pricing is often based on company-specific sales agreements. This is perhaps why pricing and quotes came at the bottom of the priority list for accessing information online (figure D); and why email still trumps e-commerce as the most important B2B buying channel. Could buyers be concerned that a web store won't be able to provide them with accurate, individualized pricing and discounts based on their sales agreement? And what about the complexity of B2B multi-part orders, fluctuating and seasonal pricing, up-to-date inventory, delivery logistics and more? To be successful, B2B e-commerce platforms have to accurately deliver against all these complex order requirements. They have to provide a full online ordering service, so that buyers do not need to rely on alternative, offline channels.



Case Study: How Moto Direct Increased Complex Export Online Orders by 400%

Sana Commerce customer Moto Direct is a manufacturer and distributor of motorcycling apparel. The company replaced its basic, outdated web store with a Sana e-commerce platform powered by its ERP system.

Within just a few months, the company's export customers — who tend to place larger and more complex orders than typical customers — placed 4 times more orders online than they previous had. Naturally, these same customers also had great feedback about the new e-commerce platform. In the same time period, the company saw a notable reduction in calls and emails as customers were less reliant on offline channels.

Find out more about Moto Direct's story.

The Impact of Online Order Errors

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Another factor which could put customers off buying online is the prospect of order errors. Close to half of our respondents (44%) experience online order errors with their top 10 suppliers at least once every two weeks.

Buyers based in the Benelux region suffer the most from this, with 55% experiencing online order errors at least bi-weekly. And these order errors have a significant impact on profitability, efficiency, productivity (6-10% decrease on average for all three) and sales (1-5% decrease on average).

These errors are caused by a broad range of different factors (figure G).

While human errors, such as incorrect selection and entries, cannot always be avoided, an e-commerce platform that is directly integrated with your ERP system can significantly streamline the ordering process and reduce order errors.



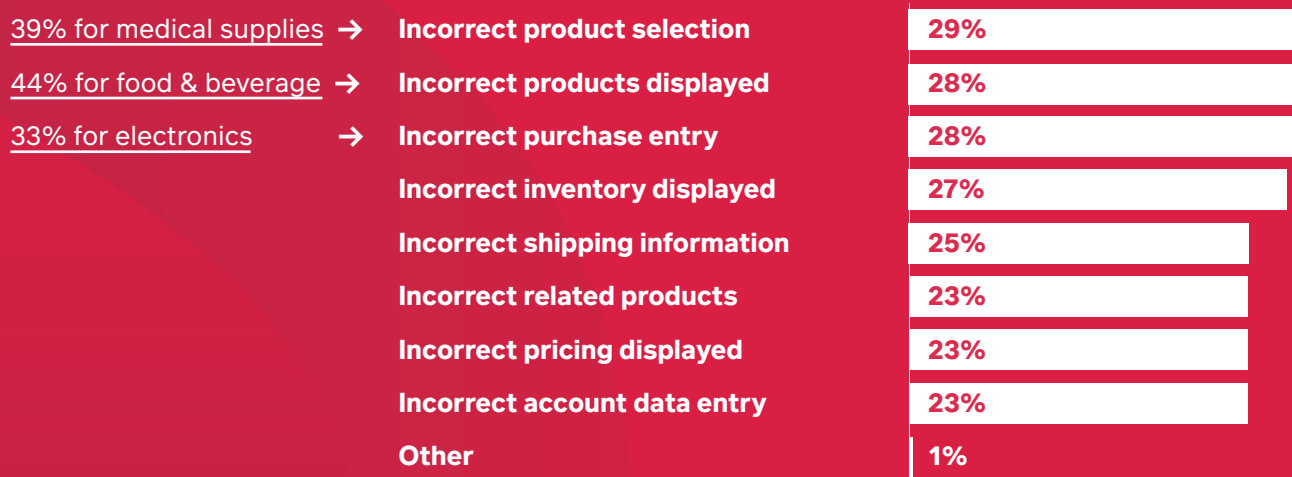
Online order errors are impacting the profitability, efficiency, productivity and sales of buyers' organizations.

44% of B2B buyers experience online order errors with their top 10 suppliers at least every two weeks.

Such an integration enables your web store to display up-to-date, real-time product, pricing and inventory information — eliminating the display issues which lead to order errors for around a quarter of all our respondents (28%, 27% and 23% for products, inventory and pricing respectively). In addition, this integration means that you can provide buyers with round-the-clock access to their account information stored in your ERP system: from order history to customer data.

Having this information at hand 24/7 can assist your customers in making the correct product selection, purchase entry, shipping information selection and account data entry.

Figure G. What is the cause of your online order errors with your top 10 suppliers?



Case Study: How Mijten Reduced Order Errors by 80% With Its E-Commerce Platform

Animal feed producer Mijten moved from a paper catalogue to an online sales channel, opting for Sana's ERP-integrated e-commerce platform. Following the introduction of its new sales channel, Mijten experienced an 80% reduction in order errors, dropping from a rate of 5% to just 1%.

3. Meeting B2B Buyers' KPIs Through e-commerce

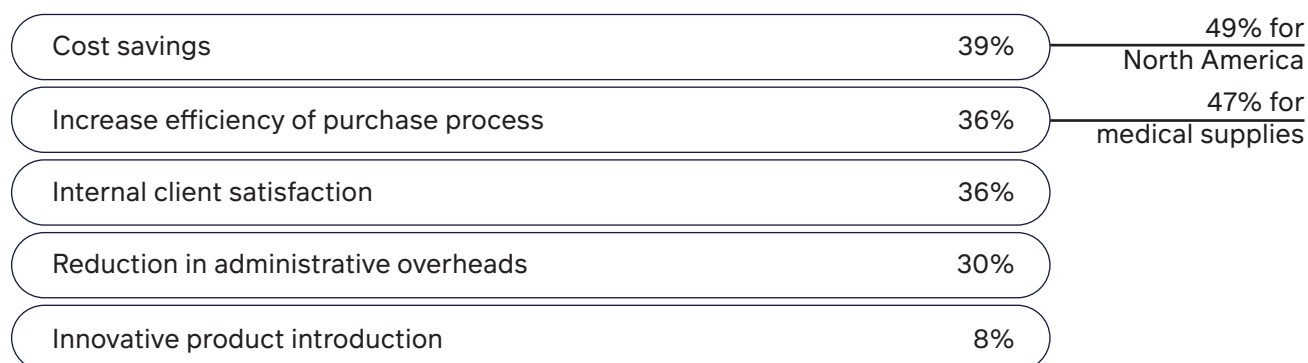
The Complexities of B2B Orders

We now have a good understanding of buyers' expectations of and challenges with B2B online sales channels. But let's also consider the bigger picture: how an e-commerce channel can support your customers in reaching their key performance indicators (KPIs).

What are the professional buyer's leading KPIs? At the top of the list (figure H) comes cost savings (39%), followed closely by increasing the efficiency of the purchase process (36%) and internal client satisfaction (36%).

These KPIs come as no surprise, when you consider the sheer number of orders which the organizations of the buyers we surveyed place each day: an average of between 401 and 550 orders per day, comprising an average of 41 to 50 pieces per order. Think about the impact which a slight increase or decrease in cost and/or efficiency could have on this huge number of daily

Figure H. What are your main KPIs (targets)? (Select top 5)





Naturally, these priority cost and efficiency KPIs align with what buyers expect and require from their e-commerce channels, as reviewed previously:

- An online sales platform that acts as a source of information, so current and prospective buyers can find the information they need whenever and whenever suits them during or prior to the ordering process — including accessing all-important pricing information.
- Optimized online functionalities for an easier and quicker online experience.
- An e-commerce platform designed to efficiently deal with the complexities of B2B orders, including complex pricing and discount structures.
- A platform that helps prevent order errors, in turn avoiding reductions in profitability, efficiency and productivity for your buyers' organizations. And by helping your buyers meet their cost and efficiency KPIs, you will likely also support them in delivering a better service for their internal stakeholders — another of their top-three priority KPIs. Ultimately, it is those companies that are best able to support buyers in meeting their KPIs that will give themselves a competitive edge.



The professional buyer's top 3 KPIs:

- 1. Cost savings**
- 2. Increasing the efficiency of the purchase process**
- 3. Internal client satisfaction**

It is also possible to make a positive impact on your customers' priority KPIs through having an e-commerce platform, in a more indirect way.

As a vendor, selling online can improve your company's efficiency, saving you both time and money. Having the right e-commerce platform in place leads to faster order processing, reduced order errors, less time spent answering customer questions, shorter time-to-market, and many more efficiency benefits. And not only can e-commerce save you money, it can also lead to increased revenue by helping you reach new markets. If you then choose to pass some of these savings and additional earnings onto your customers, you can help them meet their cost-saving KPI.

Case Study: How Vittoria is Managing More Orders With the Same Number of People

Sana Commerce customer Vittoria is a leading international manufacturer of bicycle tires. After launching its first online sales portal — an ERP-integrated e-commerce platform — the company saw an immediate reduction in phone calls and emails. As clients moved online, the workload on its customer service department was reduced. At the same time, having an online sales channel gave the company a big advantage in its international endeavors, helping Vittoria increase sales in the U.S. and beyond.

So, while both its business and product range have grown significantly since the launch of its Sana web store, the company is currently managing more orders with the same number of team members.

Learn more about Vittoria's story.

How to Meet Your Buyers' Needs and Move Them Online

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4. Choosing the Right E-Commerce Platform for Your Customer and for Your

As we've seen, the demand for online sales portals is there, but so is the demand for a more sophisticated B2B e-commerce experience. To move your buyer online, you must therefore provide them not just with an online sales platform, but with the right platform. So, how do you make sure that the buyers who want to buy online actually do so? While, at the same time, creating a platform that would encourage those previously less interested to move online too?

An E-Commerce Platform That Meets B2B Buyers' Needs

Based on the results of this research, we've concluded that online sales platforms must meet the following criteria in order to fulfill B2B buyers' needs — and in turn move them



Displays relevant information: The online platform should provide accurate and real-time information about product and parts, inventory levels, delivery, payment terms, returns and pricing — including information optimized both for prospective buyers looking for potential solutions or suppliers, as well as for current customers looking to place an order.



Offers optimized functionalities: At the very least, buyers should be able to quickly and easily pay and check out, place a (repeat) order, track their orders, manage their returns and pay invoices online.



Handles the complexities of B2B orders: The e-commerce platform should have the right structure in place to process complex orders, including those based on complex pricing and discount structures.



Prevents order errors: Product information, pricing and inventory levels should be accurately displayed in the web store 24/7. And the online platform should provide customers with order history and account data to assist them in avoiding entry and selection errors. Handles the complexities of B2B orders: The e-commerce platform should have the right structure in place to process complex orders, including those based on complex pricing and discount structures.

For more inspiration on how to optimize your customers' online experience, check out the 4 things the best B2B web stores have in common. Plus, see what other B2B companies are up to in the race to meet customers' e-commerce demands in our Digital Transformation Report 2018-19.



How can an e-commerce platform meet all these buyer requirements?

At Sana Commerce, we believe that it all starts with your ERP system. Your ERP is the backbone of your business, storing all your data and business logic — from complex pricing structures, order history and account data, to product information, inventory levels and your business' logistics process.

Just as your sales and customer support teams can extract the up-to-date and customer-specific information they need from your ERP (to then communicate to your customers via an offline channel), so should your e-commerce platform. Leveraging one source of truth for all your sales channels in such a way ensures that your buyer benefits from a smooth omnichannel experience.

This can be realized through a direct integration of your e-commerce platform with your ERP system — that is, your web store should be built inside your ERP. This way, it can leverage all the smart functionalities of your ERP and project them onto the web store, without the need to replicate the information. The e-commerce platform can then handle all your buyers' complex requests instantly, by directly pulling the information from the ERP. Discover more about the benefits of direct ERP integration.

What's in it for you as a vendor?

Meeting your buyers' needs, overcoming their challenges and maximizing their KPIs will of course improve customer satisfaction. This should translate into increased repeat orders, reduced churn rates, and overall increased revenue. As we've seen, it also makes an impact one step back — during the information search and evaluation of alternative stages of the buying process.

Meeting, or demonstrating that you can meet, your prospects' needs at these stages gives you an edge over your competition and boosts your chances of being selected as a vendor in the first place.

On top of this, your company itself can benefit from launching an e-commerce platform. As you persuade your customers to move online by offering them what they need, you will lighten the workload on your sales and support teams. This gives them the time to focus their energy on broadening your customer base, target markets, and, ultimately, your revenue.

A win-win for both your business and your buyers.



Preparing Your e-commerce platform for the Future of B2B Buying

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In an increasingly digital world where e-commerce is constantly evolving, it is crucial not only to meet your customers' current needs, but also to prepare for their future priorities. From automating manual tasks to streamlining processes, professional buyers are constantly looking for increased convenience, reliability and efficiency. It is only by optimizing your buying and selling processes accordingly that you can ensure continuous business growth.

More than a quarter of our respondents anticipate that automation is going to change their B2B buying role in the next five years: 28% indicated that **automating purchases** would have an impact, while 26% also selected **automating payments** (figure 1)



More than **1/4** of buyers anticipate that automation is going to change the B2B buying role **in the next 5 years.**

And while functionalities such as **predictive ordering, artificial intelligence (AI) to assist in buying decisions, personalization, web chat and voice ordering** may not currently make the top of the priority list for buyers' online experience — they are already present as a top 5 priority for between 14% and 20% of the buyers we surveyed (figure F).

That's a significant segment of your customer base already seeking more advanced B2B e-commerce features today.

Figure I. What activities do you anticipate changing your job in the next 5 years?

Automating purchases	28%
Automating payments	26%
Compliance checks	25%
Product and vendor research	25%
Optimizing costs by consolidating vendors	24%



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For more about the future expectations of your buyers and customers, read our Chief Product Officer, Arno Ham's predictions on B2B e-commerce trends in 2019 and beyond.

How can you prepare for the future of the B2B buying process?

This, of course, starts with having an e-commerce platform in place to automate such tasks as purchases and payments. Next, you should invest in automating the full order-to-cash (O2C) process — from purchases to invoicing and returns. This means connecting all the systems that play a role in your process, such as your ERP, payment and e-commerce systems; and ensuring that all these systems are perfectly in sync with one another. See, for example, how we streamline the O2C process at Sana Commerce.

Once your order-to-cash process is fully streamlined, you can leverage the data stored in your ERP system to enhance your buyers' experience. By analyzing the data from orders placed both online and offline, you can spot patterns and better understand your customers' buying behavior.

You can then introduce machine learning algorithms to automatically and continuously adjust, optimize and personalize your buyers' online shopping experience. This enables you to offer your buyers added value and convenience, while optimizing your conversion rates and average order value along the way.

At Sana Commerce, for example, personalized B2B e-commerce already includes shopping cart predictions, customized pricing and promotions, proactive product recommendations, and more — all based on your customer base's order history and behavioral data.



For more B2B e-commerce insights, trends and best practices, download our Digital Transformation Report 2018-19, and check out our blog and white papers. If you're interested in learning more about Sana Commerce integrated e-commerce, take a look at our product factsheets or talk to one of our experts.

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