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# DIGITAL RESEARCH

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## PIVOTAL TRENDS IN B2B ECOMMERCE



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# EXECUTIVE SUMMARY

## A NEW (DIGITAL) STANDARD ARRIVES FOR B2B SALES

The big B2B switch to the ecommerce channel is well underway, as studies show that many companies are spending significant amounts through online channels.

The last 12 months have been one big mood swing for U.S. manufacturers and wholesalers, thanks in large measure to the ongoing COVID-19 pandemic and supply chain disruption.

But if there was one constant, it was digital commerce. In 2021, online sales on B2B ecommerce sites, log-in portals and marketplaces increased 17.8% to \$1.63 trillion from \$1.39 trillion in 2020. B2B ecommerce in 2021 grew 1.17 times faster than the growth in all U.S. manufacturing and distributor sales, which increased year over year by 15.2% to \$13.09 trillion in 2021 from \$11.36 trillion in 2020.

B2B ecommerce sales accelerated in 2021 in large measure because more business buyers and sellers now see digital commerce as a more efficient and effective way to research and purchase corporate goods and services, according to recent surveys on ecommerce business behavior from industry analysts.

For example, the evidence continues to mount that B2B buyers are switching their corporate purchases to the online channel in a

big—and permanent—way, according to a fall 2021 survey of 750 executives from business research and consulting firm McKinsey & Co. The survey finds B2B customers now regularly use 10 or more channels to interact with suppliers, up from just five in 2016. Buyers are more willing than ever before to spend substantial amounts through remote or online sales channels, with 35% willing to spend \$500,000 or more in a single transaction (up from 27% in February 2021). 77% of B2B customers are also willing to spend \$50,000 or more.

“The next normal for B2B sales is here, and there’s no looking back—businesses are no longer cautiously testing the waters, incrementally (and sometimes reluctantly) inching their way online,” McKinsey says. “The pressures from COVID-19 have accelerated the shift.”



1. Digital Commerce 360 B2B estimate based on January through November data from the Commerce Department. Source: U.S. Department of Commerce.

More manufacturers and distributors now see digital commerce as their most active—and growing—customer base. More than a third of manufacturers project growth of at least 25% in B2B ecommerce sales over the two-year period of 2021-2022, according to data in “The State of International Ecommerce in Manufacturing” report by ecommerce research and technology firms Copperberg, Intershop and Evident. The report also notes that artificial intelligence and digital marketing and self-service tools are among manufacturers’ most popular investments, and technology integration and multiple business models among their biggest challenges.

As 2021 ended, many manufacturers regardless of size faced the same challenge—how to roll out or expand B2B ecommerce with an effective strategy that turned multitudes of first-time digital buyers into long-term valued customers. “While some businesses continue to struggle, we are seeing some industries grow and flourish during these challenging times,” says industry expert Karie Daudt, senior commerce consultant at Perficient and a veteran of B2B commerce. “So as demand continues to increase in specific



markets, the results from COVID-19 are driving the need to invest in digital channels and look for more ways to satisfy their customers and market demand.”

The acceleration of digital commerce is fundamentally changing the ways U.S. manufacturers and distributors conduct business. In the 2022 B2B Ecommerce Market Report, we size up how a new generation of digital buyers is shifting their organizational purchasing permanently online and explain in detail the trends driving the growth in digital sales. The report also analyzes whether that growth will likely be sustained in 2022 and beyond.

**FOR THE FULL REPORT, PLEASE VISIT [DIGITAL COMMERCE 360](#)**



# Self-service will soon become the norm in B2B ecommerce

An executive conversation with **Andy Stanis**, executive vice president and managing director, Intershop

B2B buyer behavior has shifted dramatically over the past two years. Digital self-service options are becoming critical as professional buyers expect more control over their shopping experience. To discuss how B2B organizations can leverage digital customer portals to stand out from competitors and increase revenue, Digital Commerce 360 spoke with Andy Stanis, executive vice president and managing director, Americas at Intershop.

## What is a digital customer portal?

A digital customer portal enables B2B organizations to maintain an increasingly digitalized customer relationship and gives customers access to personalized information. Instead of simply providing online order history, the portal offers a full spectrum of services and parts along the entire customer lifecycle. And it provides customers with the tools and information they need to do many jobs themselves. It provides a seamless, continuous interaction between vendor and customer and offers significant cross-sell and upsell potential.

## What is driving the trend toward digital customer portals?

COVID-19 dramatically accelerated an already rapidly changing way businesses work together. It pressured manufacturers and distributors alike to digitalize their sales processes quickly. That "Amazon-like" experience consumers expect has translated to buying expectation at work. According to Forrester, more than 70% of B2B buyers prefer to shop online. To keep customers returning to your ecommerce website, it's vital to offer a self-service, B2B ecommerce model.

## How does digitizing the purchasing process help B2B companies improve their business processes?

Digitizing purchasing processes increases efficiency and offers less friction along the entire path of customer interaction. There are four pillars to consider:

- **B2B self-service:** Generating initial sales through your site is an important first step toward a more efficient, digitally enabled sales process.

- **Digitally supported sales process:** For particularly complex purchases, sales staff can provide customer support through co-browsing and guided shopping – improving the experience for everyone and building trust between customers and agents.
- **After-sales services:** This is critical for long-term customer relationships. Provide additional after-sales services such as personalized FAQs, technical and commercial documentation, e-learning programs, automated offers for replacement parts, maintenance service and cross-sell opportunities.
- **Digital service models:** Leverage the data your customers generate when they place orders, talk to your sales team, and search your site to personalize the user journey and create tailored services like predictive maintenance or product-service bundles.

## What challenges do B2B companies face when implementing a digital customer portal and how can they overcome them?

Creating a central, personalized platform to give customers relevant, up-to-date information can be a Herculean task. Various components need to come together to deliver a self-service portal that drives customer attraction and retention. B2B companies need a tool that offers deep integrations into relevant business systems, as well as the flexibility to create personalized experiences for various business buyers.

Intershop helps companies build digital customer portals that serve customers throughout the entire customer lifecycle—even beyond the initial transaction—helping them rise above the competition to secure important market share.

## The next evolution of the B2B online store



### A Digital Customer Portal for Manufacturers and Wholesalers/Distributors

Maintain increasingly digitalized customer relationships and provide your clients with the tools and information they need to do many of their jobs themselves - from placing orders to managing after-sales support!

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# B2B ECOMMERCE USHERS IN THE 'NEXT NORMAL'

Accelerated by COVID-19, the broad shift into B2B digital commerce is forcing manufacturers and distributors into a new standard way of doing business.

For more than 20 years, manufacturers and distributors have talked up digital commerce as coming of age and transforming the way companies of all sizes conduct business.

Now, that new age is here. And it is being driven in large measure by the ongoing global COVID-19 pandemic, which is changing how manufacturers produce goods and services, how they sell and provide those goods and services to distributors, and how distributors get the final product to an increasingly digital business buyer.



As digital commerce continues to emerge as a mainstream and permanent sales channel for manufacturers, distributors, wholesalers, and other sellers of all sizes, digital buyers have a growing appetite for even more ecommerce.

Last year, online sales on B2B ecommerce sites, log-in portals and marketplaces increased 17.8% to \$1.63 trillion from \$1.39 trillion in 2020. B2B ecommerce in 2021 grew 1.17 times faster than the growth in all U.S. manufacturing and distributor sales, which increased year over year by 15.2% to \$13.09 trillion in 2021 from \$11.36 trillion in 2020.

In 2021, B2B ecommerce sites expanded at a healthy clip. But another fast-growing channel, including e-procurement and other online buyer/seller networks, grew year over year by 17% to \$934.2 billion from \$798.4 billion in 2020.

## SELF-SERVICE ECOMMERCE AND INTERNAL COMPETITION

While ecommerce is growing faster than ever, some suppliers remain hesitant. Within companies, self-service ecommerce is viewed “in competition” with other sales channels, McKinsey says. For example, 54% of companies say their in-person sales operations compete with ecommerce, and 47% say inside sales—incorporating fully remote transactions, often conducted by phone only—also compete with the online channel.

But the shift to more—and not less—B2B ecommerce is on, McKinsey says. For example, when it comes to how effective purchasing channels are, 32% of respondents now rank ecommerce as the single most effective channel, compared with in-person transactions at 23%.

Part of the reason customers are engaging in a wider array of channels is that suppliers are finally “catching up to the demand,”

McKinsey says. “While in-person selling rebounded to pre-COVID-19 levels during 2021, more companies than ever before also began offering e-commerce as a sales channel,” McKinsey says. “We now see a tipping point, with ecommerce surpassing in-person selling as a sales channel, at 65% versus 53% earlier this year.”

More manufacturers and distributors now see digital commerce as their most active—and growing—customer base. More than a third of manufacturers project growth of at least 25% in B2B ecommerce sales over the two-year period of 2021-2022, according to data in The State of International Ecommerce in Manufacturing report by ecommerce research and technology firms Copperberg, Intershop and Evident. The report also notes that artificial intelligence and digital marketing and self-service tools are among manufacturers’ most popular investments, and technology integration and multiple business models among their biggest challenges.

As 2021 ended, many manufacturers regardless of size faced the same challenge—how to roll out or expand B2B ecommerce with an effective strategy that turned multitudes of first-time digital buyers into long-term valued customers. “While some businesses continue to struggle, we are seeing some industries grow and flourish during these challenging times,” says industry expert Karie Daudt, senior commerce consultant at Perficient and a veteran of B2B commerce. “So as demand continues to increase in specific markets, the results from COVID-19 are driving the need to invest in digital channels and look for more ways to satisfy their customers and market demand.”

## USER EXPERIENCE

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But for many manufacturers, converting new online buyers into permanent customers was a challenge. Now that they are getting more used to shifting all, or at least a portion, of their procurement needs to a range of digital buying channels—including electronic data interchange, B2B ecommerce sites and apps, e-procurement

and punchout, and business marketplaces—most purchasing managers have big expectations for a great, and not just good, user experience.

51% of business buyers come to a B2B ecommerce site attracted by an excellent user experience; other features that attract buyers are price (48%), getting a quick overview of the assortment (44%), and the company's reputation, according to the latest Digital Commerce 360 B2B Buyer's survey.

Business buyers also do not always act alone or make hasty buying decisions. For example, 66% of companies will research at least two or three ecommerce sites prior to making a purchase for the first time, and nearly half of all companies (49%) have procurement teams of at least a pair of purchasing managers involved in the buying process.

Given the complexity of buying business products online that must fit designated specifications and other highly specialized needs, procurement directors also are not prone to making hasty decisions. 45% of all business purchasing managers will take from one month to six months to properly research a new product or set of products, including 19% who take between 60 and 180 days to research and complete a purchase, according to analysis by Digital Commerce 360.



## ABOUT DIGITAL COMMERCE 360 B2B

Digital Commerce 360 B2B covers all aspects of how businesses sell to business, government, and other institutional clients via the web, providing intelligence to the executives, managers and professionals at manufacturers, retailers, wholesalers and distributors. We provide business intelligence and industry leading content through our research and topic focused B2B ecommerce reports on trends, marketplaces, technologies, and industry best practices. Distribution: 20,000 + opt-in subscribers, newsletters and on the website. Sponsorships include thought leadership articles, promotion and guaranteed leads. These exclusive reports are available only registration download, providing qualified leads to the sponsors.

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Digital Commerce 360 is a leading media and research organization that delivers daily news and competitive data across e-retailing, B2B ecommerce, and digital healthcare. Building on the reputation of Internet Retailer® which we introduced in 1999, Digital Commerce 360 is an expert in digital strategies and publishes a wide range of products including reports and newsletters, Internet Retailer® magazine, webinars, and data on thousands of global ecommerce companies through its Digital Commerce 360 Research brand. In 2018, we also co-founded B2B Next, the premier conference for B2B executives embracing ecommerce.

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