

B2B ECOMMERCE BENCHMARKING REPORT



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INTRODUCTION

It's true. Change is the only constant...

Since we began publishing our B2B ECommerce Benchmarking Report five years ago, we've seen a significant shift in the way manufacturers, wholesalers, and distributors approach their digital commerce channels. Most of it for the better.

Businesses across large swathes of the industry have changed their focus, their strategies, and most importantly their mindsets. Many are striving to become digital-first, starting at the organisational level. And yet, many other B2B companies have yet to substantively address their digital shortcomings for a variety of reasons – none of them compelling.

For the leaders, this has led to more sophisticated eCommerce experiences that merge elements of consumer eCommerce sites (usability, transparency) with B2B-centric functionality that stem from an understanding that B2B buyer journeys, and the mechanisms to manage them on the back-end, are more complex. The gap between the haves and have-nots is widening.

This report takes a deeper look at the adoption – and in some cases the depreciation – of the features, functions, and tactics merchants are using in their eCommerce channels. With resources at a premium across organisations, this report will serve as a tool to inform future strategy and investment decisions. Adopting best practices won't create competitive differentiation, but they can prevent organisations from falling further behind.



ORGANISATIONAL DATA

BRAND, RETAILER, OR BOTH?



2017



2016



Analysis: As in our previous benchmarking reports, we surveyed a broad mix of B2B companies. We characterise Brands as manufacturers of their own products, selling in a B2B capacity. Retailers do not sell D2C, but rather act as a distributor for brands. For instance, Wolseley is a B2B retailer and sells thousands of B2B brands, such as Daikin and Bosch.

We are also noticing more brand manufacturers allowing for cross-pollination of products from partners and dealers. For example, medical device manufacturer SPS Co. sells their own product lines alongside products from hundreds of suppliers. This cross-pollination can lead to increased visibility but also serves to increase competition.

As of 2019, about 65% of distributors and wholesalers (271,310 of 411,007) have at least one eCommerce site, log-in portal, or both.

- B2BecNews

PHYSICAL LOCATIONS

Point-of-Sale Locations



Analysis: We categorise physical locations as storefronts that facilitate actual B2B point-of-sale transactions. Manufacturing facilities and corporate offices are excluded.

At present, very few B2B manufacturers are operating physical storefronts. The majority of surveyed B2B businesses selling direct are effectively operating as etailers. For many product categories, it's simpler and more cost-effective to order and facilitate delivery online than to pick up in-store. Niche product offerings and legacy sales channels, particularly entrenched field sales operations, have also limited innovation in selling models. However, as the marketplace concept continues to gain traction, there will be opportunities for early adopters to bridge the online-offline divide and offer hybrid selling environments, comparable to what we're seeing in the consumer space.

PHYSICAL LOCATIONS

Distributor Shipping

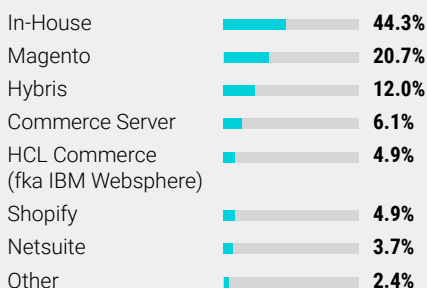


Analysis: This relates to the stat above. Order pickup at physical locations is still an effective strategy to merge the online-offline experience. As we've seen with Amazon's forays into bricks-and-mortar retail in the US – Amazon Books, Amazon 4-Star, Amazon Go, Whole Foods – they understand that online-only is not enough to deliver a complete customer experience. (Question: How long until the first Amazon Business outlet opens?)

[The future of commerce is blended](#), catering to customer demands for multichannel experiences. B2B companies with publicly accessible locations (e.g. storefronts, service centres, distribution centres) should seize the opportunity to nurture customers across their journeys by offering customer service, support, shipping and returns at physical locations.

DIGITAL COMMERCE OFFERINGS

ECOMMERCE PLATFORM



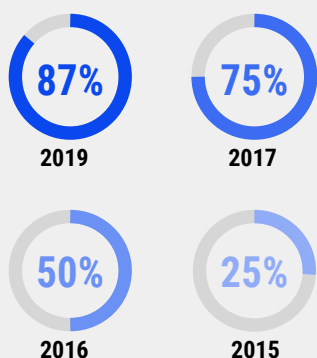
Analysis: The shift from in-house to commercial eCommerce platforms is accelerating, but still a work in progress. Since conducting our first benchmarking report three years ago, the number of B2B sites operating on in-house commerce platforms has declined by over 30%. While in-house platforms still account for the largest single percentage, the trendline seems to point to two things:

1. Commercial enterprise eCommerce platform functionality has advanced considerably to account for complex B2B use cases.
2. It is difficult for companies to uncouple from the technical debt accumulated after years on a homegrown system.

We've reached an inflection point where traditionally laggard B2B digital transformation meets increasing market expectations for streamlined digital experiences. Still, the shift away from custom platforms will continue to be an ongoing process. While commercial eCommerce platforms can lower costs for development, deployment, maintenance, and ongoing enhancements in many instances, winning organisational support for these large-scale undertakings is still a challenge for many companies.

It will be interesting to see if industry trends, such as the recent interest in "headless" commerce solutions, will speed up this process.

RESPONSIVE DESIGN



Analysis: In 2016, Google [introduced the concept of mobile-first indexing](#), which put the responsive design imperative into high gear. In light of mobile traffic volume surpassing desktop traffic in 2017, the mobile-first responsive experience took precedence when Google officially announced the index shift in March 2018 – the year in which mobile captured 40% of all transactions, according to research from Adobe. Fast forward three years, and responsive design has increased B2B penetration by nearly 40%.

While responsive design may now be regarded as an entry-level requirement, it lacks the capability to deliver the types of personalised, relevant experiences that will define digital in years to come.

MOBILE APPS



Analysis: B2B companies releasing mobile apps has doubled over the last four years. To service end-user needs, native apps can offer functional flexibility for B2B companies. As such, we note that B2B mobile apps tend to serve as value-added tools designed to fulfil a specific need.

For example, for the UK’s largest upholsterer “DFS” we developed a mobile app for service managers and delivery staff, improving data and helping reduce costs. In the US, Heritage Parts®, an OEM parts distributor, created a mobile app specifically designed for service technicians in the field, including an offline mode. Gates Corporation, a leading fluid power and power transmission manufacturer, offers mobile apps for common power transmission calculations, crimp specifications for hydraulic applications, and automotive aftermarket parts search functionality by vehicle model and VIN number for installers working in the shop.

In the age of convenience-oriented B2B experiences, technology must be less about “cool” features and more about how brands can leverage digital tools to take the most frictionless path to task completion. Native apps can clearly service this purpose, but are not without their challenges. Added development and governance costs and difficulties in driving app adoption and repeat usage have contributed to limiting the number of companies leveraging this digital channel.

PROGRESSIVE WEB APPS

The largely untapped opportunity in our mobile-first world is progressive web apps (PWAs), which provide a native app-like experience within a web-based framework. PWAs enable faster load times, offline operation, and increased functional capabilities without the hurdles related to native apps. We’ve seen great strides in PWA-adoption around the world and are highly optimistic about their future; we believe it’s only a matter of time before mobile apps and responsive design experiences as we know them are rendered obsolete.

We anticipate PWAs will be strongly considered for implementation by B2B companies, with early adopters gaining competitive advantage, given their ability to accommodate a more streamlined, frictionless customer journey than traditional mobile apps and responsive websites.

TRENDING TOWARDS TRANSPARENCY:

Navigating Restricted Access Requirements

ACCOUNT REGISTRATION & ACCOUNT TYPES



Analysis: Year-over-year, fewer sites have curated account registration systems (that require site owner approval) in place, with instant account registration up from 72% in 2017. Prospective customers are more empowered than ever to take purchases to competitors in the face of experience friction, leading B2B sites with access-restriction requirements to find new ways to maintain control over certain products, prices, and information.

Over a third of B2B companies are leveraging account hierarchies and account types to present customer-specific content, enabling more personalised experiences. This can be done without damaging organic SEO or brand engagement. Based on user sign-in or account hierarchies:

- Filter access at various levels of the site experience, including restricted products, product categories, or account-specific CMS pages.
- Control site functionality, including add to cart, Request a Quote, or check-out based on user role.
- Leverage customer-focused UX to guide users to account registration during shopping or prior to checkout.

PRICES PRIOR TO LOG-IN

2019



2017



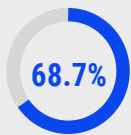
Analysis: Showing pricing prior to log-in has increased slightly from 71.8% in 2017. We predict this will only increase as B2B buyers increasingly demand transparency to inform pre-purchase exploration and purchase decisions. Price visibility, or lack thereof, is also a factor in SEO rankings.

For sellers with price restrictions or customer-specific pricing, consider workarounds that increase communication and transparency by displaying non-universal pricing tiers or “prices start at” / “login to see your price” messaging. Encouraging customers to reach out to sales, engage in live chat, or to create an account can also be effective.

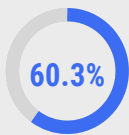
DRIVE PURCHASE THROUGH PRODUCT:

Customer-Focused Sales Enablement

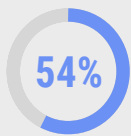
CROSS-SELLING & UPSELLING



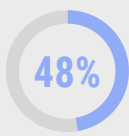
2019



2017



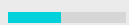
2016



2015

RATINGS & REVIEWS

2019



40.5%

2017



39.7%

Analysis: We've seen an almost 50% increase in B2B merchants adopting B2C merchandising strategies, since our first benchmarking report, and it's no surprise why. Customer acquisition costs are at an all-time high. Companies that are able to increase sales volume and frequency among existing customers reap the benefits of cost-effective, efficient, and sustainable success, with Forrester Research estimating that cross- and upsells are responsible for anywhere between 10% - 30% of eCommerce revenue.

Coupled with increasing customer demand for one-to-one sales experiences, we predict that cross-selling and upselling will not only continue to permeate B2B commerce strategies, but businesses that leverage CRM and data-driven predictive analytics to deliver dynamic, personalised product recommendations will yield higher conversion rates and AOV.

Analysis: In the age of the customer, user-generated content (UGC) and peer influence are important factors in driving purchase. Product ratings and reviews have been shown to increase B2B buyer purchase intent, while boosting organic SEO through UGC, yet less than half of B2B digital businesses use them.

It's important to note that B2B customers generally produce fewer product ratings and reviews than their B2C counterparts. To drive adoption and optimal business value, B2B businesses should consider:

- Enable anonymous (but verified) reviews to mitigate customer fears of competitor visibility
- Embed opportunities to submit reviews within product pages and follow up communications
- Incentivise customers by incorporating reviews into Rewards programmes
- Leverage prompted review templates, such as "what problem does this product solve for you?" or "how did this product drive business value?"
- Syndicate ratings and reviews to supplier and manufacturer partners to increase the total number of ratings across the channel.



PRODUCT AVAILABILITY & NOTIFICATIONS:

Shows Product Availability:



Back-in-Stock Notifications:



Analysis: Buyers don't care how companies manage their inventory. They care that their business partners can deliver the products they need when they need them. We've spoken with multiple B2B companies who fear that showing available inventory provides unwanted intelligence to their competitors. However, what they really need to be scared of is not meeting their customers' expectations.

84% of buyers indicated inventory transparency is an important feature.

- 2019 B2BecNews Buyer Expectations survey

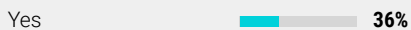
Businesses that display real-time product availability on their sites reduce friction within the buying experience. If products are out-of-stock, offer customers a substitute product (when applicable), the estimated availability date, or an opt-in for back-in-stock notifications to help save the sale.

QUICK ORDER & REORDER:

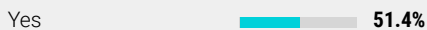
Quick Order/Reorder Functionality:



CSV/Punch Out Ordering:



Quick Order Fulfilment Messaging:



Analysis: B2B commerce is all about efficiency, regardless of the purchase channel. According to Forrester (2018), 70% of B2B buyers reported buying from a website is more convenient than buying from a sales rep, and low-consideration, high-frequency purchases are most rapidly shifting online.

To meet this demand, we've seen a corresponding increase in quick order (add to cart directly by product name or SKU) and reorder (re-purchase directly from order history) functionality, complemented by fast order fulfilment and shipping messaging to promote purchase within catalogue, checkout, and global banner experience elements.

Ordering via .csv file uploads is on the decline, expected to be replaced by more intuitive quick order experiences. PunchOut catalogues, which connect a customer's preferred procurement system seamlessly to the B2B eCommerce platform, are still useful for high-volume buyers with complex ordering requirements. The time and effort required to enable highly tailored punch-out purchasing processes are significant, but the long-term relationships this functionality fosters can be well worth the investment.

CONNECTED CUSTOMER CARE:

Leverage the Site Experience to Deliver Digital Self-Service

FILTERED SEARCH



Analysis: Most B2B buyers are shopping with a specific product and application in mind. To navigate complex manufacturers catalogues, often with very similar SKUs, buyers are turning to search. (This mirrors consumer behaviour on Amazon where almost 90% of product discovery is by search.) Filtered search makes it easy to find the right product, to the right specifications, to simplify product discovery and conversion.

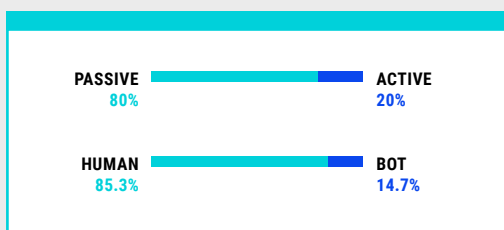
In a world where Artificial Intelligence and Search are rapidly converging, we expect to see B2B companies invest in search technologies that serve dynamic results and faceted categories for each request. Through a combination of API integration, custom code, and machine learning, B2B companies have the opportunity to optimise result relevance in real-time, based on defined merchandising priorities, user behaviour data, and query parsing.

LIVECHAT



Analysis: Livechat has proven to be an effective way to provide real-time, one-to-one assistance to customers. It is also quite costly for organisations and difficult to scale, which is why industry adoption of this functionality has barely budged over the four years we've tracked this.

Chatbots were touted as the answer to enable cost-effective, infinitely scalable customer service. The reality, however, is that chatbots, in their current form, can rob brands of valuable human-to-human interactions, leaving them often better suited for simple use cases like FAQs. The most successful implementations to date involve hybrid implementations where the chatbot hands off the customer interaction to a customer service agent for more complex needs. In our estimation, full-service chatbot-led livechat solutions are still 3-5 years away.

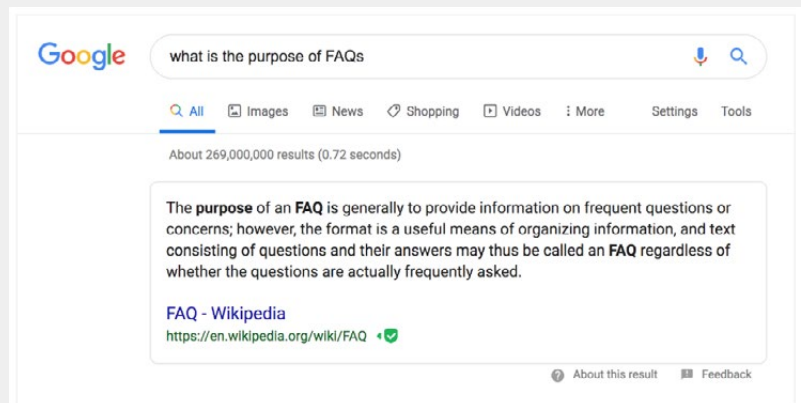


FAQS

Yes 67.8%
No 32.2%

Analysis: FAQs are a digital service mainstay. We're seeing a resurgence, which is in no small part due to the rise in voice search, mobile self-service expectations, and personal/home assistants.

FAQs effectively drive organic SEO, particularly with appearance in pre-results (Google Snippets). Google rolled out "Near Match" snippets in 2018 to serve users answer snippets that aren't the exact match, but close enough to provide the information they're searching for. This increases brand feature opportunity, so long as FAQ content aligns with customer search queries, needs, and channel goals.



Near Match Snippet - source: Google

BEST PRACTICE

- Conduct frequent keyword research to adapt question format to popular customer search terms and phrases.
- Ensure answers align to channel goals to steward customers to completion. Commerce-enabled B2B sites, for example, have the goal of driving purchases, so the content needs to provide information that enables effortless purchase decisions. For non-commerce sites with goals to drive site visits, newsletter sign-ups, or brand awareness, FAQ answers may link customers deeper into the site experience to encourage brand exploration and action.
- Keep FAQs aligned to the pathways users follow during goal completion to ensure information is visible.

CONTENT AND THE CUSTOMER JOURNEY

PRODUCT DESCRIPTIONS



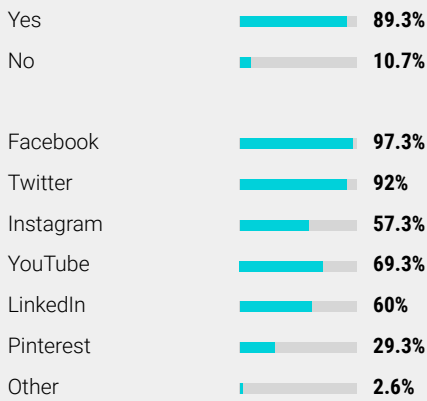
Analysis: In this context, “original” content means product content is unique to a given site. “Duplicate” content refers to identical product descriptions that appear on multiple (often hundreds) of different eCommerce sites.

SEO is an important traffic source, and having a strong, defensible SEO strategy requires unique, relevant content. Duplicate content, or using the same content on multiple pages of a site or across sites, creates competition between those pages and reduces the likelihood of ranking. More than two thirds of B2B businesses present duplicate content, and it’s no secret why. Authoring unique product descriptions for massive catalogues can be time, cost, and labour intensive. That does not mean having unique content isn’t beneficial to the business. Far from it!

To most effectively optimise product page SEO value:

- If using serialised URLs for product variations or duplicate content across sitepages, implement canonical URL tags on the master URL to instruct search engines which URL to index.
- Prioritise writing unique product descriptions for top-selling, highest traffic, highest margin, or highest priority products in phases. Start with the top 1% of products and work down from there.
- For manufacturers, consider creating dual sets of content for top products, one set that is used exclusively on owned channels, and a set that is supplied to distributor and wholesale partners.

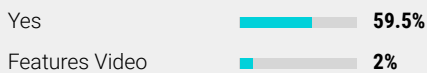
SOCIAL MEDIA PRESENCE



Analysis: When it comes to B2B social media, presence is priority over paid promotion. With a longer sales cycle and larger stakeholder pool for purchase decisions, we see B2B social media channels focus more on brand awareness, employee engagement and recruitment, and relationship building, as opposed to B2C counterparts that leverage social as a sales conversion channel.

With resources at a premium, companies need to be smart about their social strategies. We are surprised by the number of B2B companies utilising Pinterest given the consumer shopping focus of that social network.

CONTENT / KNOWLEDGE HUB



Analysis: Self-service content is the most scalable form of help that B2B companies can offer their customers. One well-prepared article or explanatory video can help thousands of customers, without service agent intervention. Given the “evergreen” nature of this type of content, it is very cost effective for companies to make investments in this area to broaden the customer experience.

As personalisation becomes more widespread, we expect intelligent, content-forward, self-service experiences to follow suit. AI-powered analytics will be used to identify the drivers and inhibitors in the customer experience. So, if data indicates there’s a high volume of search inquiries or extended time-on-page around product registration, UX and content teams can leverage these insights to optimise related processes/interactions and inform future content development efforts.

91% of customers report that they would use a knowledge base if it met their needs.

– Zendesk

With predictive personalisation, B2B brands can highlight specific content and information based on industry, role, or other user behaviours. For example, users that have recently purchased will see installation, configuration, and registration how-to’s, while post-purchase users see troubleshooting and maintenance guides aligned to product lifecycle and usage.

CONCLUSION

When it comes to digital in general and eCommerce in particular, the B2B market has come a long way since our first B2B benchmarking report was released in 2015. Among those trends are:

- A shift to more sophisticated platforms, balanced with user-centred experiences
- An increase in full-funnel transparency, from availability to fulfilment
- An increase in opportunities for full-funnel commerce
- A rise in customer empowerment through digital self-service

More B2B companies realise that a digital-first approach is a must to compete and that digital transformations are ongoing programmes rather than one-off projects. Many are making the organisational and technology investments necessary to transform their businesses. As a result, B2B eCommerce is evolving, and borrowing from B2C with the understanding that digital commerce experiences need to adapt to specific user needs, purchasing motivations, and workflows.

Wunderman Thompson Commerce will continue to keep a close watch on the B2B landscape, and we look forward to sharing more insights and a fresh look at the data driving eCommerce in this new decade

Methodology:

This report is the result of a heuristic survey of relevant merchant websites in July and August 2019. All information collected is publicly available. Information on each merchant's website was accurate at the time the survey was conducted, but is subject to change due to the iterative nature of the web. Our B2B survey is comprised of data collected from 84 wholesalers, distributors, and brand manufacturers, including a sampling of the clients of Gorilla Group, a Wunderman Thompson Commerce company.



Commerce

ABOUT WUNDERMAN THOMPSON COMMERCE

Wunderman Thompson Commerce is a global eCommerce consultancy that brings strategic clarity, technical know-how and creative inspiration to help retailers, manufacturers, and brands deliver winning commerce capabilities across all major digital commerce channels: marketplaces (including Amazon), online retailers, D2C and social commerce.

Our end-to-end offer includes strategy, people and technology enablement, plus channel execution. With over 1500 commerce experts, and key strategic partnerships with Adobe, Salesforce, SAP, HCL and IBM, we help global organisations deliver capability, platforms, and sales.

Wunderman Thompson Commerce is a WPP company. We are part of Wunderman Thompson, a creative, data and technology agency built to inspire growth for its clients. Wunderman Thompson brings together over 20,000 creatives, data scientists, strategists and technologists in 90 markets.

Clients include AkzoNobel, DFS, Halfords, Jumbo, RXBAR, Sainsbury's, Selfridges, Specialized, Ted Baker and Tempur.

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