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How E-commerce is transforming B2B

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The Role of e-commerce in the 4ᵗʰ Industrial Revolution

- Businesses must be able to network online, deliver products, and maintain brick-and-mortar storefronts

- Digitalisation is making e-commerce more efficient, agile, and customer-focused

- E-commerce continues to act as a disruptive force throughout the industrial world

- Technologies becoming the norm
  - IOT
  - Artificial intelligence
  - Automation of shipping and logistics,
  - Autonomous robots/cobots and
  - Big data
 - …

B2B Cross-Border e-Commerce Phenomenon

- Globalisation of markets

- Flexible, agile and responsive supply chains

- Digitalisation of Supply Chains

- B2B customers are gradually shifting to online activities

- B2B customers expect an "Amazon like" experience

Significant increase in the next few years - <u>$1.2 trillion</u> [est.]

(Forrester Research)

B2B Customer Journey Features: Core Categories
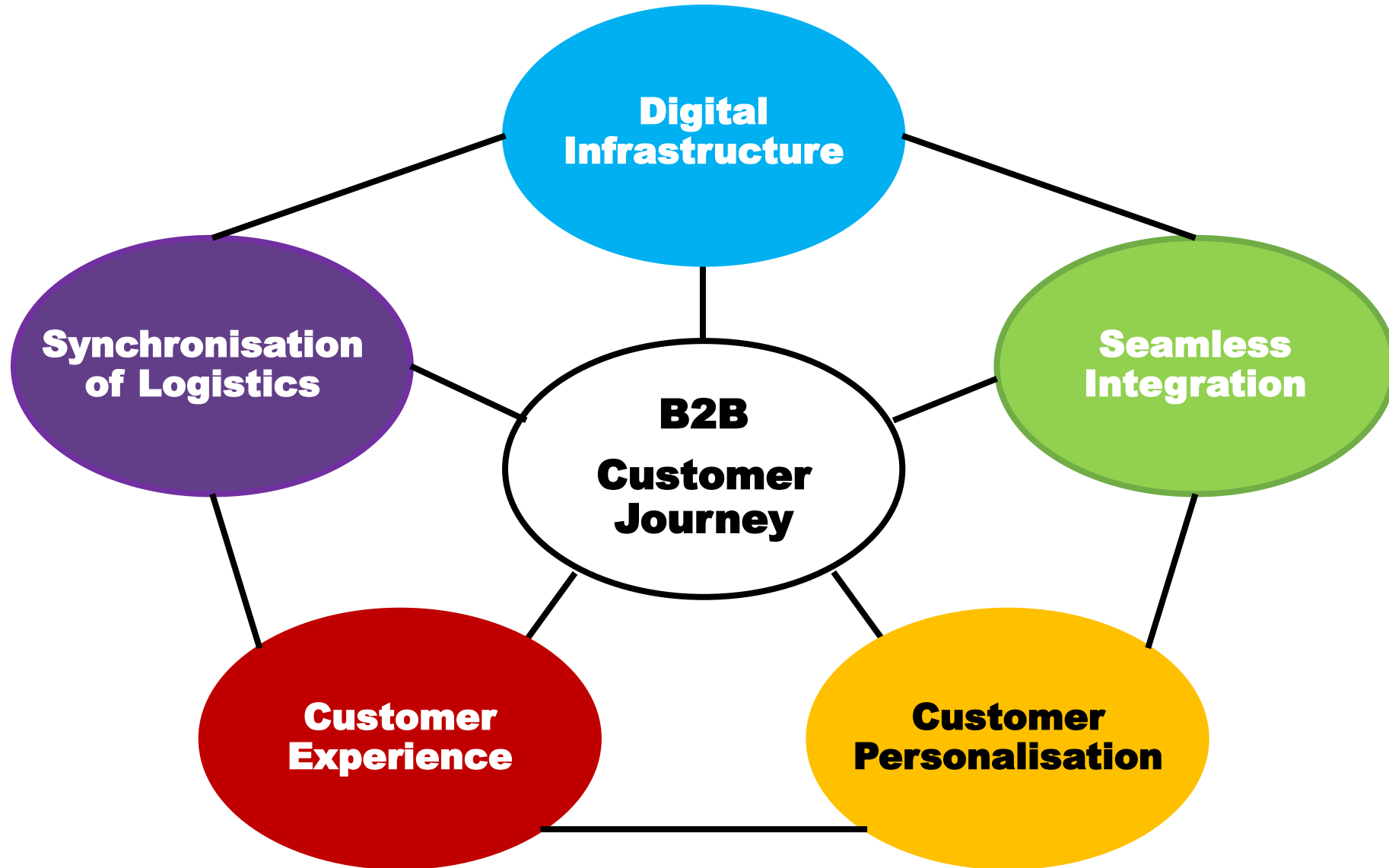
Digital Infrastructure

- Incorporation of digital technologies to enhance customer experience
  - End-2-end business processes
  - Digitalisation of product catalogues
  - Mobile/tablet enabled secure connectivity

Technologies driving value for customers

- Cloud-based integration
- Artificial Intelligence (AI)
- Machine learning
- Big data analytics
- Business intelligence insights
- …

Digital Infrastructure

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Real time visibility

Alignment across the supply chain

Improvement in demand planning & forecasting

Seamless Integration

Omni-channel commerce

- Multi-channels sales approach; combining online, bricks & mortar, tablet/smartphone …
- Provide seamless customer experience across all available channels
- Provides consistent B2B experience across products and inventory
- Provides convenience, easy access, flexibility
- Increases customer engagement

Customer personalisation – Customer Portals

- Content organised on past purchase history
- Price optimisation algorithms to meet customised product requirements
- Configure-price-quote (CPQ)
- Prices on the basis of relationship
- …

Customer personalization - Cognitive Commerce

Identify patterns of human behaviour
To predict & anticipate future behaviours and apply that to personalized offering
E.g. IBM Watson and Cognitive Scale
CRM (Customer Relationship Management)

"In a crowded marketplace, fitting in is a failure.
In a busy marketplace, not standing out is the same as being invisible."

Seth Godin, motivational speaker, author and former VP of Direct Marketing at Yahoo

Customer Experience

- B2B consumers expecting 'Amazon like' shopping experience
  - Simple
  - Flexible
  - Convenient
- It requires
  - On-site powerful search engine
  - Simple website navigation
  - Detailed product information
  - Mega menus
  - Video libraries
  - Live online support
  - …

"You've got to start with the **CUSTOMER EXPERIENCE** and work back toward the technology."

- Steve Jobs

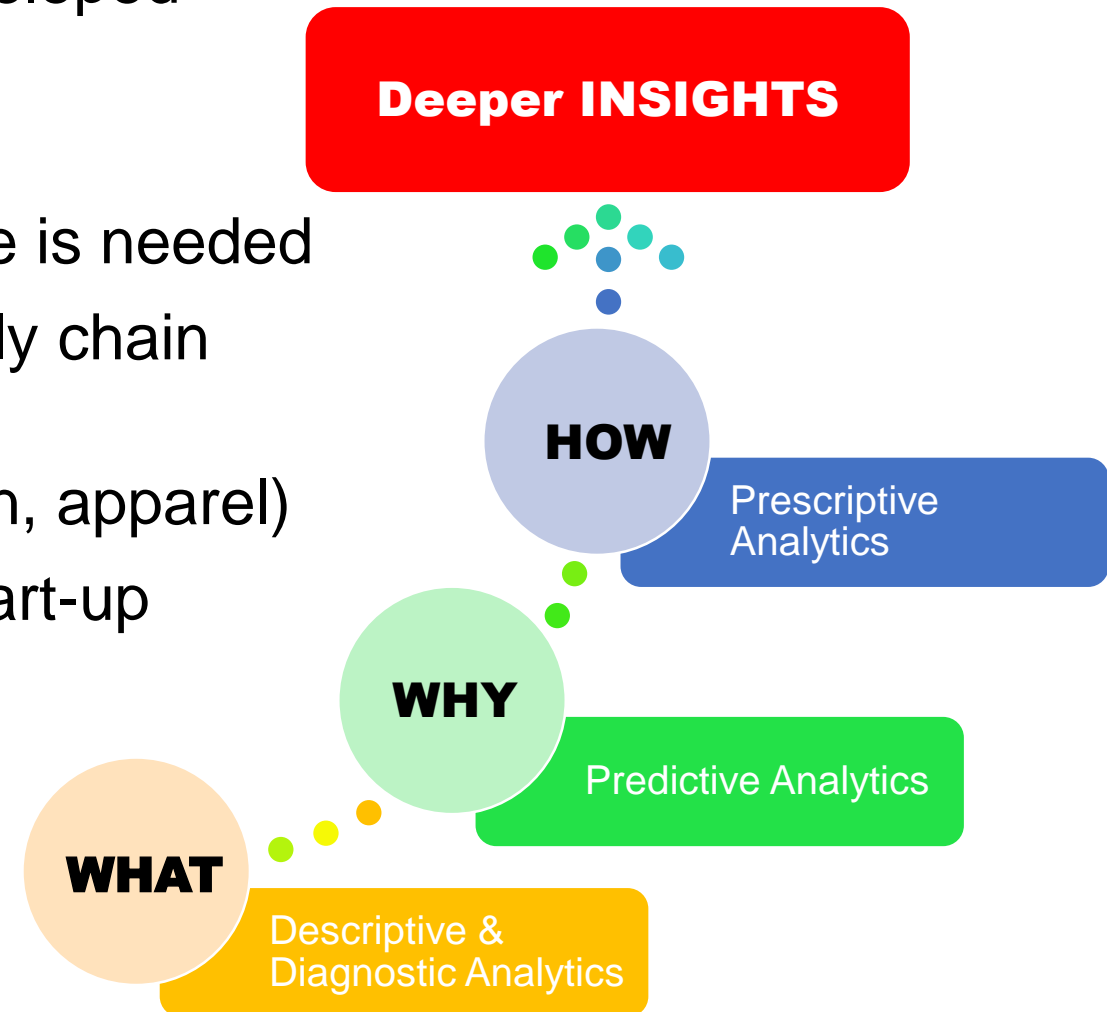# Synchronization of Logistics

- Multiple delivery options
  - Speed
  - Reliability
  - Visibility/Traceability
  - Convenience in returns/exchange

- Add-on service/application on B2B website
  - that integrates with ERP and CRM
  - facilitates end-end connectivity/invoicing

End-2-end management of the logistics execution is critical

Major Barriers & Challenges

- Exchange rates, customs & duties, less developed infrastructures
- Transport networks need to be very agile
- New business mindset, mentality and culture is needed
- New skills from employees (IT-related, supply chain analytics)
- Some sectors will adapt quicker (e.g. fashion, apparel)
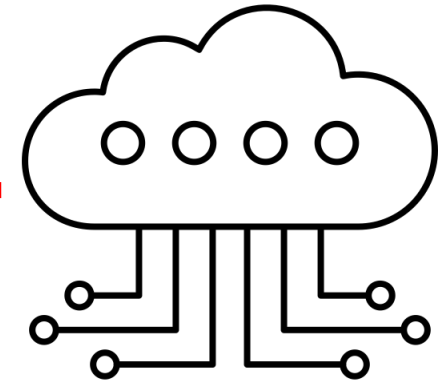- Hard for large firms competing with agile, start-up companies

Deeper INSIGHTS

HOW

Prescriptive Analytics

WHY

Predictive Analytics

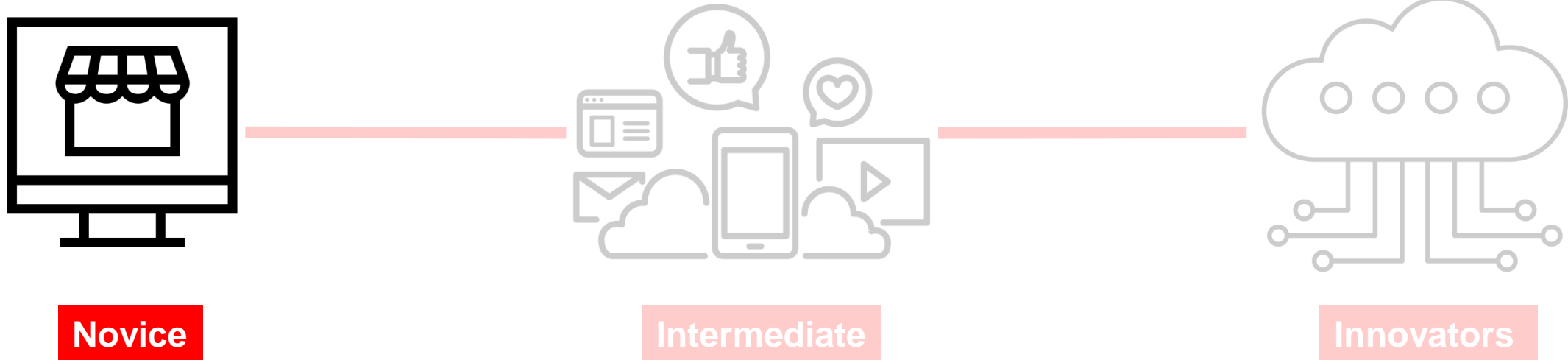**WHAT**

Descriptive & Diagnostic Analytics

Archetypes of B2B Companies

Novice

Intermediate

Innovators

- First steps in adopting e-commerce technologies & capabilities
- Limited functionality embedded on platform
- May be using legacy systems to support an online offering

Still in an experimental phase, building understanding of where their business can benefit from e-commerce technologies

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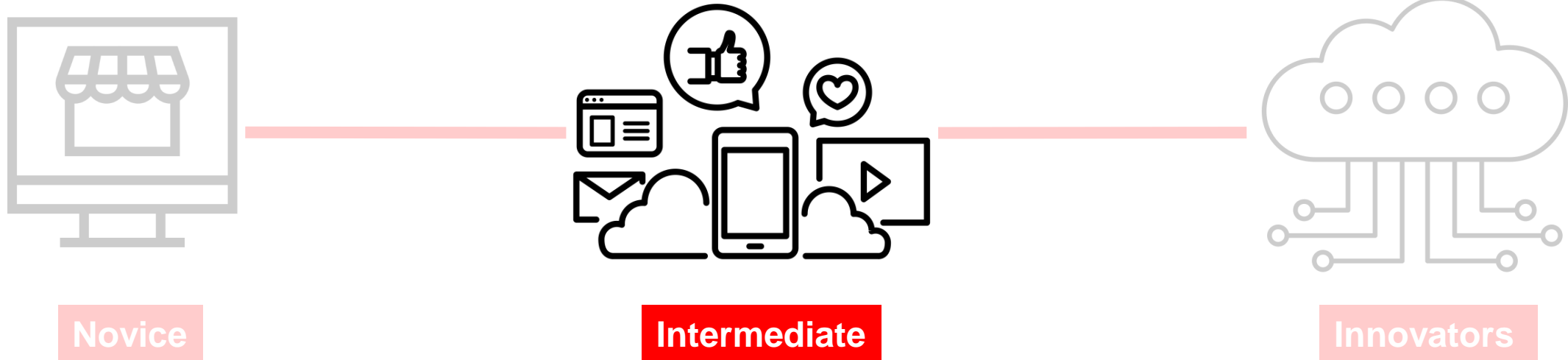
- Recognised the critical role of customer experience, personalisation and seamless integration
- Have not fully integrated front and back office systems to enable them to improve the operational efficiency in their operations
- Higher level of investment

Offering an enhanced customer experience as compared to the 'Novice' level and embracing more features and functions within their business

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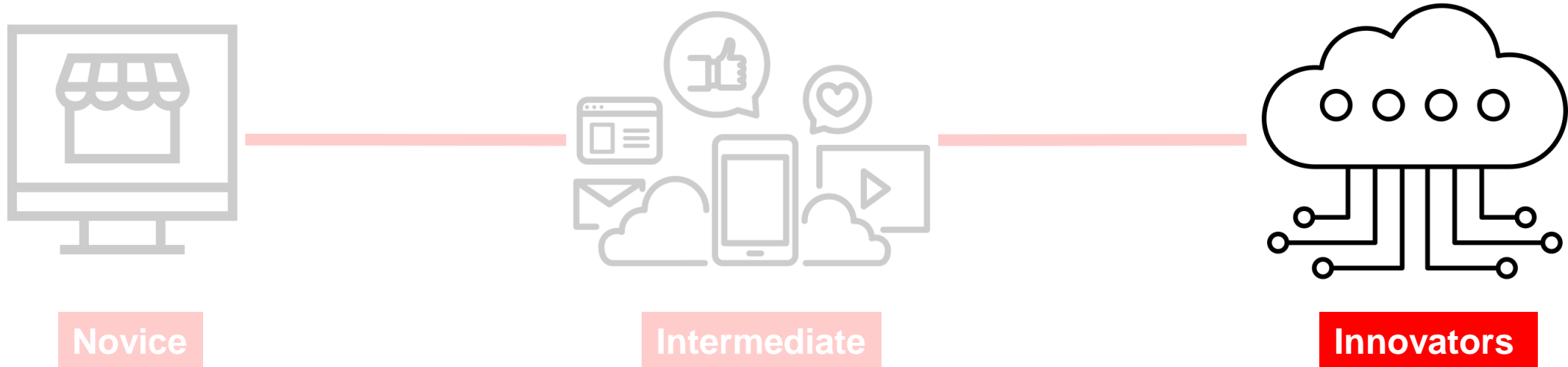
- Clearly defined digital strategy, business model & value proposition
- Digital strategy encompasses many new technologies such as Artificial Intelligence (AI) & machine learning
- Invested in an e-commerce platform & end-to-end integration with ERP and operational systems to allow them to achieve excellence in business operations

This strategy allows for clear differentiation and the provision of unique value adding services to customers while simultaneously decreasing costs in the supply chain

This B2B Transformation requires

- Customer Experience & Customer Service is a Key Differentiator
  - Client-based Customization

- Digital Infrastructure Readiness
  - Flexible,
  - Scalable
  - Front & back offices integrated

- Business Intelligence/Insights
  - Data Analytics
  - Different skills
  - Customer Centric mindset

- Seamless Integration following Omni Channel approach

- Synchronisation of End-2-End Logistics
  - Established and trusted logistics organisations can support B2B companies

B2B Companies need to consider

- Get the basics right
  - Content marketing
  - Product videos & reviews with social media integration
  - Ease of use/navigation
  - Customer support across channels

- Personalised content
  - Transparent pricing
  - Interactive and detailed product content
  - Multiple touch points
  - e-commerce automation…

- Search Engine Optimisation
  - Increase visibility
  - Customer-based personalisation (pricing / product customisation)
  - Integration with ERP systems
  - Flexible payment & delivery options

- Excellent Operational Processes
  - Front & back office integration
  - Managing currency differences
  - Flawless physical execution
  - Returns management

Managing the change is critical to success