2015 GORILLA GROUP B2B ECOMMERCE BENCHMARKING REPORT

INTRO

The call for B2B companies to present more "consumer-like" experiences has almost become cliche. And yet a few things are clear: B2B companies still have a long way to go to give customers the digital tools necessary to make transacting business easier, there are exceptional ecommerce growth opportunities available, and there's still an equal opportunity for quick-moving companies to lap the competition.

Forrester's recent Benchmarking B2B eCommerce: 3rd Annual Sell-Side Survey (presented in conjunction with Internet Retailer) detailed where B2B companies are lagging and where their priorities lie. This inspired us to take our own look at what B2B companies are doing, or not doing, in terms of features and functionality. The result is a detailed heuristic analysis of dozens of B2B manufacturers, wholesalers, and distributors that informed this report.

Our experience tells us that many B2B Marketing departments run lean. Often, there is a lack of in-house ecommerce experience, and commerce decisions are led from the IT suite, rather than as a collaboration between IT and Business users. In presenting this data, our hope is to give leaders on both sides of the aisle some additional insight that will not only help them identify and implement best practices, but also shine a light on areas where they can create competitive advantage.

PLATFORM & PRESENTATION

*63% of sites surveyed are built on in-house commerce platforms.*

The remainder were spread across a variety of "packaged" commerce solutions, with Magento and hybris leading the pack.
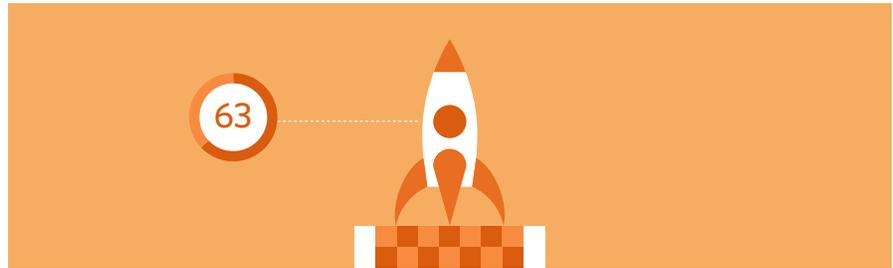
Analysis: Too many B2B companies are still running on legacy systems. This can impact the business' ability to scale and results in significantly higher resource costs to maintain the platform. Limitations within these platforms can also impact the business' ability to innovate, while commercially available solutions continually rollout releases adding features and functionality.

Proprietary commerce platforms are only justified in a fraction of cases (e.g. Amazon Business). Most businesses can customize commercially available solutions to meet unique business needs, while still making use of the numerous advantages these solutions offer. With B2B ecommerce sales projected to grow from $780 billion to $1.3 trillion by 2020 (source: Forrester B2B eCommerce Forecast: 2015 - 2020) this is no time for businesses to be caught flat footed.

18% of sites are using a WCMS (Web Content Management System) to supplement their commerce platforms.
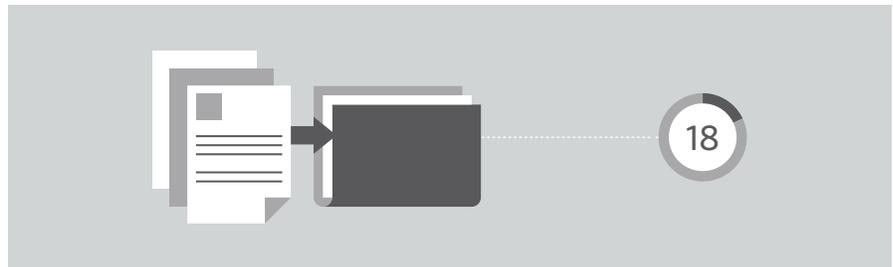
Analysis: Tightly integrating content and commerce is necessary to provide richer commerce experiences necessary to demonstrate industry expertise (thought leadership) and provide value-added content to customers. This often calls for the seamless integration of WCMS and ecommerce platforms. Take Docusign's site, for instance, which successfully combines helpful guides, videos, and FAQs with a powerful ecommerce engine once the business purchaser is ready to select and purchase their service plan. The smooth, unified user experience does not give any indication that the user is navigating through several underlying technology platforms.

26% of sites have implemented responsive design.

(The ability to present intentional cross-channel experiences to customers through a single site instance.)
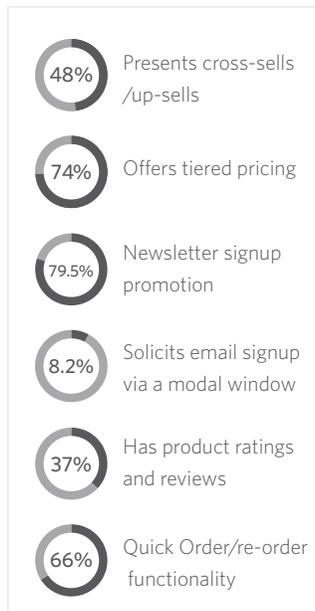
18% have mobile apps.

Analysis: The 26% of B2B companies utilizing responsive design compares with 62% of sites in our B2C benchmarking report. This low number likely has some correlation with the number of B2B companies using in-house platforms and the difficulty involved in adapting those platforms. Gorilla often encounters an inherent resistance among companies whose traditional buyers have been on outdated desktop, or even worse "green-screen" applications. Responsive interface is not only foreign to them, but may be deemed overkill for their needs. Mobile usage and sales are growing faster than any other channel. It's imperative for companies to enable their customers to connect with them on their terms, and responsive design has been shown to offer a number of benefits, from lower development costs (versus separate native app development) and time to market to better SEO.

Native apps can serve a purpose in mobile engagement, if there's a compelling use case and data that indicates sufficient customer demand. This is because creating an app requires development on multiple platforms (e.g. iOS and Android), and, though separate B2B statistics are not available, across all apps churn rates are high and repeat usage is low.

USER EXPERIENCE

48% Presents cross-sells /up-sells

74% Offers tiered pricing

79.5% Newsletter signup promotion

8.2% Solicits email signup via a modal window

37% Has product ratings and reviews

66% Quick Order/re-order functionality

Analysis: B2B companies are making strides in offering the types of functionality their customers see when shopping for themselves. However, there is still room to improve in merchandising as offering related, complementary, and alternative products can impact average order value. As a janitorial supplies distributor noted: once they began showing related products on their product detail pages, long-time customers began purchasing replacement products they never had before.

Though B2C companies have found success in growing their email lists through the use of landing page pop-ups, we're glad to see a low incidence here, as we've found most users consider this a distraction.

74% of companies show pricing prior to login.
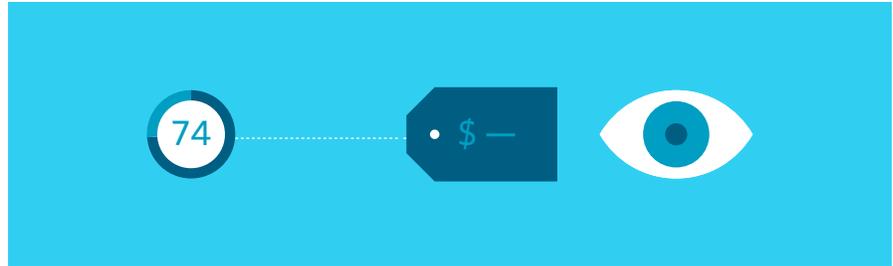
Analysis: We're firm believers in displaying as much content as possible to customers. (This helps SEO as well.) For companies that offer 1:1 customer pricing, hiding price prior to login is a requirement, though showing "starting at" pricing can be useful for prospects who are comparison shopping.

Highly technical and proprietary content should remain gated and accessible only to registered customers. However, using snippets or abstracts of this content can be emplyed an effective lead generation tool.

32.1% of companies use a shade of orange for their "add to cart" buttons.

ADD TO CART

Analysis: Does the color of the 'add to cart' button matter? That's a question for A/B testing or user testing to decide. From our research, however, it appears that almost one-third of companies are using a color similar to what Amazon uses for their

cart button. Interestingly, though red normally equates to stop and green to go, an equal number of the companies we surveyed, 12.3%, use these colors for their cart buttons.

21% of companies offer click-to-chat functionality
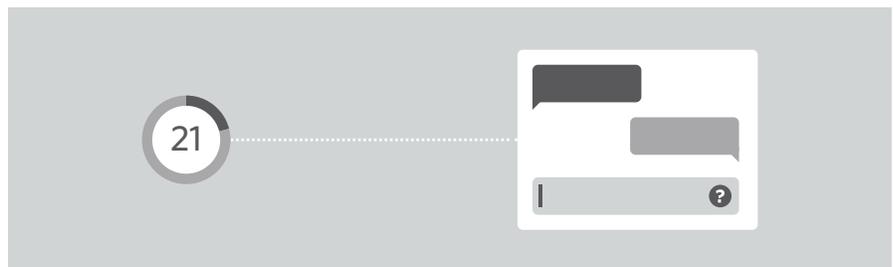
Analysis: Customers want answers now. Whether it's by phone, instant messaging or other means, there needs to be a more immediate form of customer communication than a contact us form.

Also, don't underestimate the power of Customer Service as a suggestive selling and/or lead generation channel, especially if that anonymous site browser has now become an engaged prospective customer. Many B2B organizations focus much effort on making existing customers self-sufficient and downplay customer acquisition as another benefit of their commerce channels.

BACK OFFICE

~5% of companies offer punchout. An equal percentage enable customers to select a warehouse at checkout.

Analysis: Punchout generally falls into the realm of industrial manufacturers and distributors. It takes a fair amount of technical savvy to tie-in the ecommerce platform with the customer's procurement system, but for certain business models this is well worth the effort to enable long-term customer relationships.

Not all companies in our sampling have multiple warehouses. For those that do, enabling customers to select their

distribution point, which can affect transit times and freight costs, requires deep integration between the ecommerce platform, the ERP or OMS, and coordination of shipping carriers and third-party logistics services to execute this correctly. Could the uptick in demand for this functionality signal the beginning of B2B exposing inventory AND location as so many of their omnichannel counterparts do in the retail space?

15.1% enable Request for Quote (RFQ) or Configure, Price, Quote (CPQ).

Analysis: RFQ and CPQ functionality also fall into the realm of industrial manufacturing and distribution as well as companies that offer services in addition to products (e.g. 'do you need a team to pick up and safely discard your old equipment when we deliver the replacement?') i. CPQ in particular requires that the ecommerce system lean heavily on the ERP system to

generate the necessary data, but the the benefits of this are two-fold: giving customers a self-service tool, while also serving as a sales enablement tool. SMB customers can be served more efficiently and reps can better serve their key accounts, without the need for manual processes or separate systems.

BONUS STAT

*26% of companies have translated their sites to enable internationalization.*

Of those with multilingual sites, Spanish is the most common language, followed by German and French.

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Analysis: The opportunity for international B2B ecommerce is even larger than that in the domestic market. Consumer brand manufacturers have been increasingly expanding into new markets to sustain growth, primarily in their direct-to-consumer segments. It's still important to remember that B2B sales channels represent the lion's share of these companies' revenues, and the ecommerce channel can serve this side of the business as well.

For less well-known companies, gaining an international foothold can be more difficult, but the rewards can outweigh the risks. In all cases, companies need to get it right on their home turf before expanding, but when they do, the bulk of the infrastructure is already in place to scale the business.

CONCLUSION
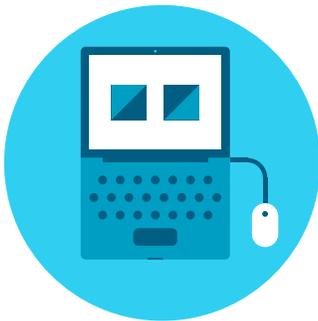
A lot has changed in the 15 or so years since the modern era of ecommerce began. Yet, as we can see by this small slice of data, there is still a long way to go. (Hint: Act quickly but strategically)

Will B2B and B2C ecommerce experiences eventually merge completely? For the majority of manufacturers, wholesalers, and distributors, the answer will be no. Consumers shop primarily by want, while business customers shop by need, and the nature of business-to-business commerce is inherently more complex. Still, there are numerous opportunities for these companies to enhance their brands, expand their businesses, and transform the way they and their customers do business.

Survey Methodology
This report is the result of a heuristic survey of relevant merchant websites in August and September 2015. 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 73 wholesale distributors and brand manufacturers taken from the 2015 Internet Retailer B2B 300, as well as a sampling of Gorilla Group clients.