

# The Digital Buyer

This is how the Future B2B Procurement Will Work



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## 01 Intro

#### Digital marketplace instead of trade fair

While B2B buyers rejoice over the fact that nowadays goods are purchased via online shops instead of trade fairs and analogue product catalogues, producers and retailers seem to still have questions about it: the way in which B2B buyers are looking for the assortments of their business is going through a big change due to growing digitalization. Trade fairs and others aren't the most important source for research and procurement anymore but the internet.

For example, buying goods off Amazon – that's what an increasing number of B2B buyers expect from their suppliers. B2B retailers who want to establish themselves in the market need the standard of implementing their customer's needs fast, and to be pioneers in digital innovations.

74%
of all B2B purchasers surveyed consider procurement via the Internet to be more convenient.

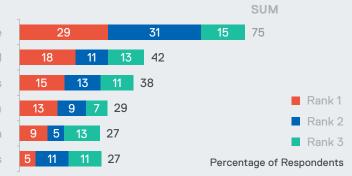
20%

As different as B2B industries may be, e-commerce revenues generally grow by 20 percent or more.

The ambition of relying on more than just traditional models needs to be in place. As a retailer or manufacturer, you should not hang onto the laurels of the past. The basis for a successful transformation: real customer centricity, the right line-up to implement that centricity, and an optimal platform that is flexible enough to adapt to new market conditions anytime.

# Top Three Reasons to Launch a B2B Digital Commerce Site

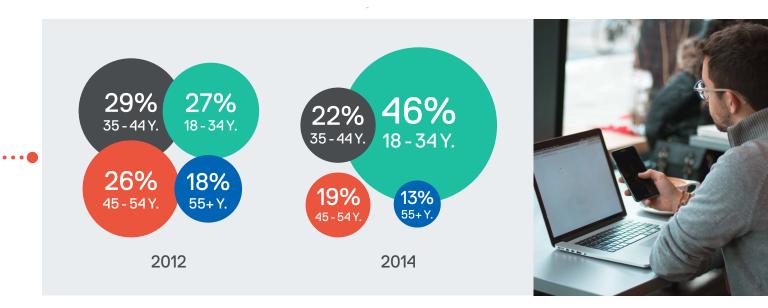
Create a better customer experience
Respond to customer demand
Shift offline or phone customers to digital channels
Reach new customers (with no sales people)
Increase visibility of product information
Increase sales to existing customers



Base: n = 55 Gartner Research Circle Members | Q. What were / are the top three most important reasons for your organization to launch a B2B digital commerce size? Please rank up to three reasons in order of importance where (1) is the most important. ID: 373261 2018 Gartner, Inc.

#### The new generation of buyers

The main reason for this transition is a demographic change in the professional field of the buyers. According to a study conducted by Google and Millward Brown Digital, nowadays more than half of all B2B buyers are younger than 34 years old. Especially during the last couple of years, the demographics of B2B buyers has changed drastically: in 2012, the distribution was still relatively even, but by 2014, millennials already represented half of the employees in this professional field.



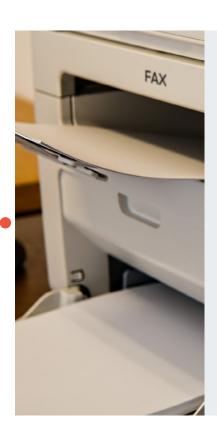
The new generation of the B2B sector employees has been raised with digitalization; therefore, it has a new demand of media usage – in private as well as in professional surroundings.

Digital customer friendliness is the most important factor to meet this generation, which considerably contributes to the success of a B2B commerce.

Retailers and manufacturers must focus on how, when, and where their customers are buying, and optimize the user journey accordingly. It needs more than an extensive product catalogue: equally important are easy access and an information-packed and well-built online shop, where products can be easily found through filters and search functions. B2B portals need to have a navigation close to B2C ones, as well as clean, adjustable, and easily accessible product pages.



## 02 The Evolution of B2B Procurement



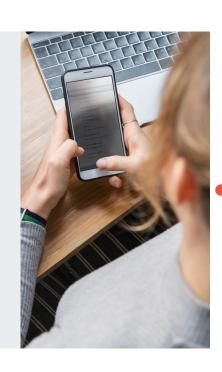
#### Past B2B shopping

At this point, three tags are enough to describe the (non-existing) comfort level of the B2B sector before the digitalization: fax, printed product catalogues, and excel sheets. For customers, this meant: time consumption and manual data maintenance. The profiteers of this were the retailers: low-cost transparency of the market and higher loyalty of their customers.

We have bad news for every retailer who still holds up to the assumption that its loyal key accounts are being kept by personal contact: entirely loyal customers don't exist in the B2B market anymore.

#### **Present B2B shopping**

An extensive and detailed online shop is the new printed product catalogue. B2B customers want a buyer's experience like that of the B2C platforms. Complex information on products and prices is made available to customers and sales representatives with a single click. With that come individual prices, product views per customer segment and price negotiations, all of which can be digitally seen. Let's make this short: no buyer likes to work with bothersome, individual offline price catalogues anymore.





#### **Future B2B shopping**

Today, already digital devices play a big role in B2B product supply chains – this will move more and more in the direction of IoT commerce and headless (meaning: without a monitor) devices in the future. These touchpoints will become more and more important, because they bind customers and providers together, which can be crucial in times of decreasing customer loyalty.

In detail, this can embrace topics such as dash buttons with the option of buying spare parts directly at the machine, or Amazon's Echo, which can provide reorders per voice command. There are already machines that can make self-sustaining orders over sensors, e. g., when containers with production materials are half empty in the warehouse. The need for intelligent devices will become more relevant in B2B, because productivity can be raised, and easy customer access can be provided.

#### **Past**

- Analogue product catalogues
- Manual data maintenance
- Low-price transparency
- → High customer loyalty

#### **Present**

- B2B online shops (Desktop & Mobile) instead of produce catalogues
- Personalization
- High price transparency
- → Sinking customer loyalty

#### **Future**

- loT touchpoints (without monitors)
- Intelligent buying procedures
- Higher productivity
- → Stabilization of customer loyalty through UX on IoT devices

#### How can you implement the right steps for tomorrow already?

Wholesale and manufacturers need to have the mindset of implementing new ideas and requirements of their customers as fast as possible. The ground level for that: a strong customer alignment and the right platform that is flexible enough to adapt to new market conditions every time.

# 03 What are B2B Buyers Expecting Nowadays?

To understand the needs of the digital buyer, it's worth the closer look into the single steps of the supply chain. At which points can B2B buyers be met digitally?



#### Step 1: Research

It doesn't matter whether this is about a new task or a change of supplier: research is the first step, even before contacting wholesale or manufacturers. This is the most time-consuming phase of the process, even though it happens mostly online nowadays. Before a B2B buyer assigns a new order, they need to collect a lot of information and take many factors into account.

Which aspects of this process have the most impact?



Price

#### The pricing

Prices in B2B commerce are often customer-specific: many customers negotiate individual prices, and the ones that can be found on the catalogue or on the website are the regular net prices. These usually are without any price reductions and haven't been negotiated individually. Therefore, personalization with differentiating prices is key to a complex and cus-

tomer-friendly digital B2B shop. At Spryker Commerce OS, these prices can be provided without bigger time investments thanks to company customer logins. Every logged-in customer can only see their specific prices and discounts. With every contract, not only different companies, but also specific business units can be assigned a certain price.

Another opportunity at Spryker Commerce OS: it offers customers **bulk discounts**, to stimulate selling products in higher quantities. Bulk discounts also allow for individual graduation of prices. Prices can of course be made invisible to visitors of the online shop and only be seen when they are logged-in, to ensure that there is neither any confusion nor that competitors see your prices.

Individual, international **pricing strategies** can be transferred to Spryker Commerce OS: different currencies and prices for different regions, location-specific display of the products, as well as payment and shipping costs will be automatically adjusted and changed, if the customer were to change their location.



#### The products

Next to prices, product range and accessibility are a big advantage in competition, in which especially wholesalers can stand out. Here, customer centricity plays a big role, too.

B2B buyers aren't only accustomed to extensive product detail pages, attribute management, categories, and an appealing front-end from their private use of online shops – these points facilitate professional buying decisions, too, and should be standard in the digital B2B sector.

Just like individual pricing, the product range can be changed or individually negotiated, too. This usually has different reasons:

- A retailer has special products in their product range for a single customer
  - → Exclusiveness
- A customer has different locations or departments everyone has access to location-relevant products
  - → Individualization
- Different buyers have different forms of access and can only see their respectively approved products
  - → Personalization





#### The convenience for research and procurement processes

With convenience, digital transformation plays the biggest role: the internet as a trading platform brings B2B buyers a new level of comfort with procurement. From catering to pharmacies: the times in which products were sold solely at trade fairs, which only happen at certain times during the year, are over for most industrial sectors.

Nowadays, companies can only be found by customers if they have an online presence. Customer acquisition at trade fairs becomes less and less important, because the internet has become the biggest and most comfortable source of information for B2B buyers. They want to keep the search process as fast and easy as possible. For wholesale and manufacturers, it's important to not only offer an online shop but to focus on customer centricity, the right line-up and the right platform, which needs to be flexible enough to constantly adapt to new market conditions. The search for special products must not take

to new market conditions. The search for special products must not take too much time – intuitive tools, like B2C ones, are indispensable for B2B shops.

Spryker Commerce OS has dynamic **search and filter functions** that allow customers to have a fast grasp on the offering. With the standard available Elasticsearch technology, features like text search, word suggestions, and word completion have been integrated. With the help of dynamic filters, customers can sort products in categories, attributes, or other characteristics to fine-tune their search results.

The internet has become the biggest and most comfortable source of information for B2B buyers.



### Step 2: The Purchase

Studies by Messe Interactive show that prior to buying, a maximum of two to three wholesale providers are considered after a first search. This means that a very small number of companies gets the opportunity to make an offer. Companies who aren't considered by the buyer after this very first search have very low chances of winning over the buyer for themselves. The study also shows that mundane factors like a contact form are also important to the buyer.

Especially in wholesale and production, multiple factors are crucial for buyers to place an order. Clearly defined responsibilities between colleagues during the order process can simplify and shorten it significantly.

#### Which functions need to be promoted?



#### The company account

Usually, multiple persons are working with the same company account. Retailers and manufacturers generate a true benefit when customers can choose for themselves how the individual corporate structure looks like.

<sup>&</sup>lt;sup>1</sup> DMI Studie: "Information und Kommunikation im Kaufprozess von B2B-Unternehen", https://www.messe-interactive.de/leadmin/user\_data/documents/DMI\_Studie\_Information\_und\_Kommunikation\_im\_Kaufprozess\_von\_B2B\_Unternehmen.pdf, requested 17/12/2018

With Spryker, this can be reflected directly on the online shop. Complex hierarchies, diverse locations, or departments and contacts can be easily represented and customized:

- Different buyers e. g., from different departments, will be assigned different roles and authorizations to place orders, control budgets, or adjust approvals. Thus, the input is simplified and fastened, and in-house processes can be respected.
- Multiple locations: the management of different contacts and addresses is simplified through different business units. Every location can be individually built up and assigned individual pricing and products, if necessary.



#### **Shopping lists**

A wish list is a common tool in B2C that allows the customer to save articles and later decide whether to buy them or not. This method is useful for the B2B sector, too, so that optional products don't need to be placed in the shopping cart only to come back to them later. This avoids chaos at the order process and simplifies the planning of assortment and budget planning.

At Spryker Commerce OS, the wish list known from B2C is called **shopping list**. Here, multiple products can be saved for different purposes.

- Special occasions often need a timely overview over the products to order
- Returning orders of standard products, like weekly or monthly orders for the office or warehouse, can be earmarked
- Different departments from the same company account have different needs for material and can make individual lists

Spryker's shopping lists are enabled for allocating roles and authorization, too, to define who can execute which action. Adding or erasing products to or from the lists, commenting, or switching from a list to a shopping cart are a few of the individually customizable permissions. To make the collaboration between departments, co-workers and locations even better and more efficient, shopping lists can be shared and commented on.



#### Intelligent shopping cart

The new shopping cart functions at Spryker Commerce OS enable B2B customers to place and adjust their orders fast and easily. Depending on the role, they allow to add or delete goods, to comment on products or to check out the entire shopping cart at once. Therefore, in-house permissions and budgeting can be met as well. It is possible to make several shopping carts per customer, e.g., to cluster orders.



#### Check out

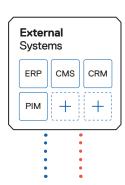
Many wholesalers or manufacturers in the B2B sector have their own shipping fleet, which can be linked to Spryker Commerce OS. Therefore, customers can see the entirety of the shipping costs beforehand. If needed, it can be linked with individual discount rules, too, for offering reduced or free shipping costs.



#### Step 3: After the purchase is before the purchase

After a successful order placement, the process isn't over yet. The goal: to keep business relationships for as long as possible, even with the current sinking customer loyalty.

#### Which factors are beneficial to customer loyalty?



#### Integration is key!

Of course, most companies already have existing software they have been using in a stable way for many years. In them, countless product and price data, sensitive customer data and stock data are managed.

With Spryker, you can integrate all this existing data as well as external systems, like EPR, PIM, and CRM software: all data (products, prices, customers, etc.) brought together. With the help of Spryker Middleware, you enable a smooth processing and seamless integration of all systems and data in one conjoined online shop.

Spryker Commerce OS gives you the opportunity to process orders on multiple devices, from the classic online shop, over mobile apps or e-mail forms, to newer touchpoints, like voice functions, chatbots, or smart IoT devices.



#### **CRM Personalization**

Whether in B2B or B2C – every customer wants to be well-advised. Customer support is more than just FAQs.

With Spryker Commerce OS, you can offer your customers quality support, whether it be orders, prices, or other topics. For example, your sales representatives or support co-workers can log into the shopfront of the customers to place orders on behalf of their name or to solve problems.

# 04 Expert Opinion



#### Lennart A. Paul

Lennart A. Paul worked as an executive assistant and as a project coordinator for multiple digital, e-commerce and online marketing projects for seven years. In 2016, he founded warenausgang.com, a blog where he writes about developments, trends, strategies and start-ups in the B2B digital workspace.

#### The revolution of B2B procurement is already in motion

Amazon Business is already active in the USA and in Europe and draws its success in the B2C world from a 20 years' experience. The e-commerce giant is evolving digital procurement processes in the B2B business just as rapidly, making it easy for customers to operate products without any strategic significance through Amazon.

This can be a curse and a blessing at once: it's a catastrophe for companies who make price transparency their sales strategy: opportunities to differentiate through classic trade functions like bundling products, factoring, and logistics are disappearing.

New, digital models that focus on data and technology are way ahead of those old-school approaches of distribution and procurement. The personal contact between supplier and customer, which functions as the last straw for many established wholesalers and manufacturers, works just as well in a digital surrounding.

The difference: companies don't place their bets on talent or their sales co-workers' motivation anymore, but support them with data-based CRM processing and analytics. The customer touchpoints of young digital companies in B2B are evolving daily, not only for desktop applications but also for smartphone or IoT apps.

- The technological basis is lacking to think backwards from the customer's point of view, and very few people are able to quickly identify new customer requirements and implement them digitally even faster. When the next three web shop releases are already packed with requests, it can take up to a year to launch a new feature. When the EPR fails to monitor a procedure, a new service or feature often doesn't even get tested. This way, there is no chance of keeping up with digital competitors.'"
  - Lennart A. Paul

It could be so easy, though: established companies need to transfer the customer approach from the analogue world to the digital cosmos.

- Whoever wants to be in the front row of the B2B digital commerce needs to be able to implement digital innovations technologically, in addition to the organizational prerequisites and the top-down demands of the company. Every company that doesn't just want to rest on its laurels should be able to quickly implement new ideas and customer requirements, to launch, try out and test digital innovations. The basic requirement for this is real customer centricity and the high ambition."
  - Lennart A. Paul



# 05 Conclusion

Is Excel already 'digital'?

An Excel document that features stock, orders and other variables is a digital document but has NOTHING to do with digitalization – and this is valid for SAP and IBM systems, too. Retailers need to orient find their way towards individualized and modular solutions. They can make life significantly easier nowadays by digitalizing the customer approach from the analogue world. It's not enough to configure standard systems, though.

Whoever wants to stay successful in the B2B commerce needs to be technologically able to implement digital innovations in a fast way. This includes new ideas and customer demands in the sectors of buyer convenience, order management and after sales management. The time has come for retailers and manufacturers to ask themselves where, when, and how their customers shop, and to optimize their UX accordingly.

# Of Four Reasons to Optimize Your Business with the Spryker B2B Suite

#### 1. B2B Trade Made in Germany

Spryker Commerce OS fulfills the highest demands in data and system security, website speed and quality management.

#### 2. State-of-the-Art B2B Functionalities

The Spryker Commerce OS offers feature-rich, highly developed B2B functionalities that cover every aspect of your business. Whatever the complexity of your product portfolio or the demand of your customers, there is a Spryker solution for everything.

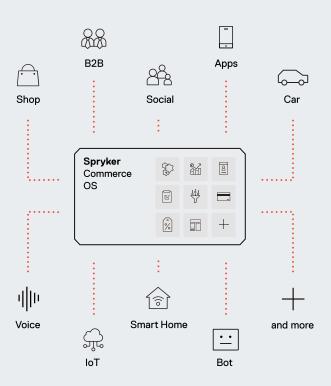
#### 3. Full System Integrity

Whatever system you currently operate, Spryker can integrate it thoroughly into the Commerce OS. Every ERP, PIM, CRM, or other software can be connected. We also offer a steady growing selection of first-class industry solutions to meet your standards as well as your customers'.

#### 4. Connect the most loved devices of your customers ...

... or optimize internal procedures with the Spryker device connections that make smart orders, e. g., over dash buttons, sensors, machines or other touchpoints automatically when a product is running low on stock.

Don't just be one step ahead of you competitors but also offer your customers the newest and most flexible solutions. With the innovative and versatile applicable solutions by Spryker, you can build connections to every kind of front-end devices, e.g., native apps, IoT, bots or others. Flexibility and adaptability are key.





Do you have further tips or feedback for us? Please feel free to contact us!



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Talk to us about your possibilities in a new or existing Spryker Commerce OS setup.



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