



THE ULTIMATE B2B E-COMMERCE GUIDE

TRADITION IS OUT. DIGITAL IS IN.

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DHL Express. Excellence. Simply Delivered.

AGENDA

What is B2B E-commerce?	2
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The benefits of B2B E-commerce for our customers	5
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The opportunity for growth and the B2B E-commerce revolution	9
--	----------

Meet the new B2B customers - Changing B2B buyers behavior	13
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Spinning the B2B E-commerce flywheel	18
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DHL Express B2B Website Health Check	21
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What is B2B E-commerce?

In general, B2B E-commerce, or business-to-business Electronic Commerce, describes online order transactions between businesses via an online sales portal.

Our definition of B2B E-commerce ...

Business-2-Business E-commerce

[biz-nis tuh biz-nis ee-kom-ers] *noun*

“ A business buying from another Business, where the **full transaction** – including payments and shipping - is **facilitated online** via a **transactional website**, *without* the need to ‘become-a-customer’ first, login to a gated portal or speak to a sales-person.



Whilst the digitalization of the B2B sector is increasingly aligning B2B buyers' expectations with their B2C experiences, **there remain some key differences between B2B and B2C commercial transactions:**

1

In B2B, the sale takes place between two business entities, while in B2C, goods and services are sold to a customer for their personal use.

2

In B2B, decision and approval processes can be complex and lengthy, involving the input of multiple departments, while in B2C, the decision is made by a single customer.

3

In B2B, the size and value of transactions are traditionally large with lower frequency, while in B2C, they are smaller and often one-off

4

In B2B, the terms and pricing are customer or order specific, reflecting individual customer relationships, while in B2C, prices are likely to be fixed.

5

The relationship horizon in B2B is long term, while in B2C, it tends to be short term.

6

In B2B, payment is in the form of credit sales, while in B2C, it usually involves direct sales using a localized payment option without any credit being accumulated.

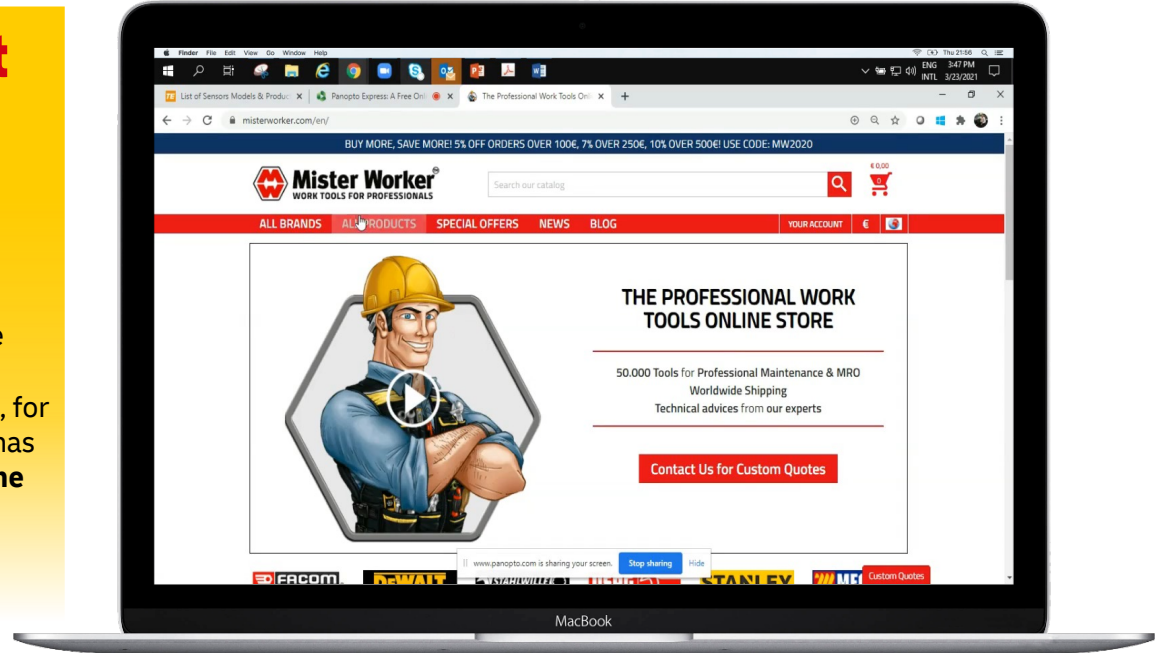
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In B2B, product assortment and catalogs are customized with unique segmentation to meet each business customer's requirements, while in B2C, it's generally the same for all.

A Real Life Example: MisterWorker.com

Can you buy 5 'DeWalt Table Top Mitre Saws' within 30 seconds?
Yes you can.

Mister Worker™ is an Italian B2B E-commerce store, active globally and selling worldwide. It has a catalogue of over 50,000 products and, for the characteristics and quality of its service, it has been **recognized by Forbes** (France) **among the most promising Italian start-ups.**



AGENDA

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The benefits of B2B E-commerce for our customers	5
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Spinning the B2B E-commerce flywheel	18
DHL Express B2B Website Health Check	21

The Next Industrial Revolution

The Benefits for our Customers

Many B2B Companies and manufacturers who are operating a traditional B2B sales model are shifting to a B2B E-commerce model due to the many benefits selling directly online provides:



Increased Profit & Price Control

Manufacturers get the full Manufacturer's Suggested Retail Price (MSRP) rather than wholesale prices for their products when selling through distributors.



Faster Time To Market

Manufacturers can get products to market quickly instead of contending with the lengthy traditional sales cycle



Brand Control

Manufacturers own their brand. It won't be diluted or misrepresented by third parties.



Better Customer Data

Selling directly online allows to collect data about buyers that ultimately results in better products, stronger relationships, and increased sales.

Source: Manufacturing business technology, Frost and Sullivan Analysis

Our customers' current routes to market

The different B2B sales models

Traditionally many B2B manufacturers sold products through distributors.

However, digitization, connectivity and virtualization are bringing revolutionary new opportunities.

Traditional B2B Sales - Distributor Model

- No responsibility for sales efficiency and low investment needed for customer management. Absolving the manufacturer from the burdens of e.g. credit control
- Suited to markets where there are many small customers and where the level of required sales service is high

B2B E-commerce - Direct Sales

- ✓ Direct selling gives a company much greater control over its Marketing and Brand with direct access to buyers and to the decision makers at its customers
- ✓ It allows prices to be set directly and it yields the entire margin to the seller

The Logistic Implications

The Express fit of B2B E-commerce

B2B buyers expect the same Customer Experience as B2C customers: **The Need for Speed & Convenience**

- **More Regular/Repeated orders**
Due to the increased regularity. Less Bulk Orders but more 'Smaller' orders
- **“Cutting out the Middle-man”**
Increased need for Cross-Border Shipping vs. domestic shipping in a Distributor Model
- **B2B2C**
Opportunity for B2B brands / Manufacturers to go Direct-2-Consumer (D2C)



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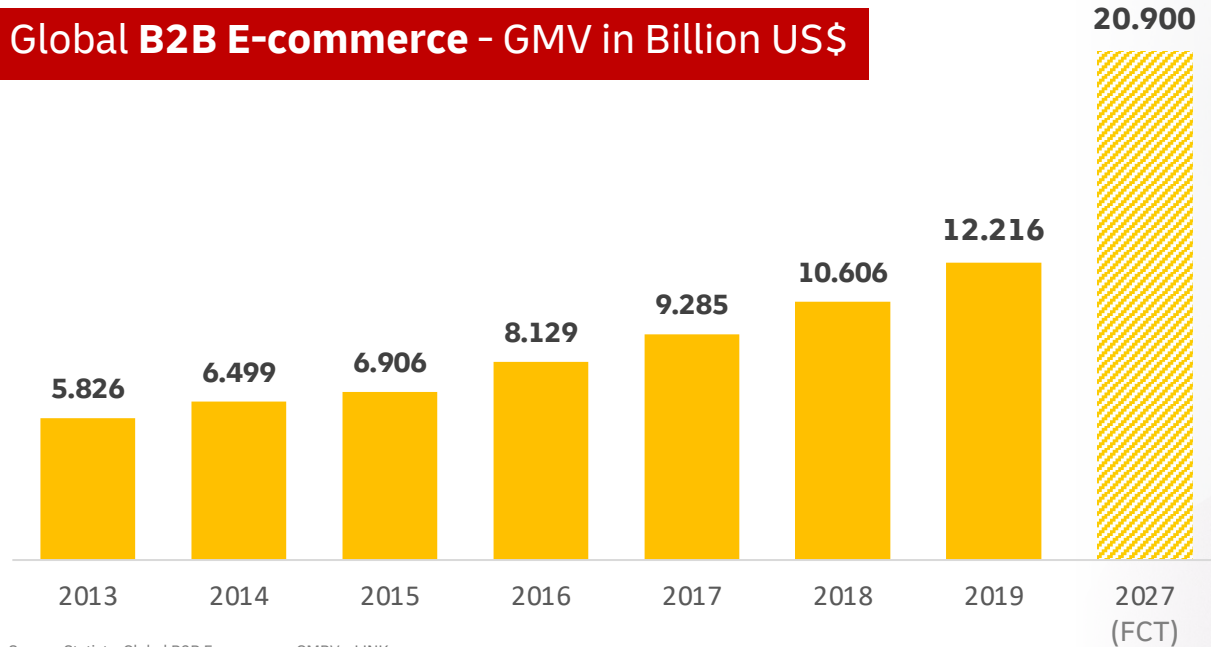
What is B2B E-commerce?	2
The benefits of B2B E-commerce for our customers	5
The opportunity for growth and the B2B E-commerce revolution	9
Meet the new B2B customers - Changing B2B buyers behavior	13
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DHL Express B2B Website Health Check	21



The Global B2B E-commerce Market was already valued at \$ 12.2 Trillion in 2019 ¹

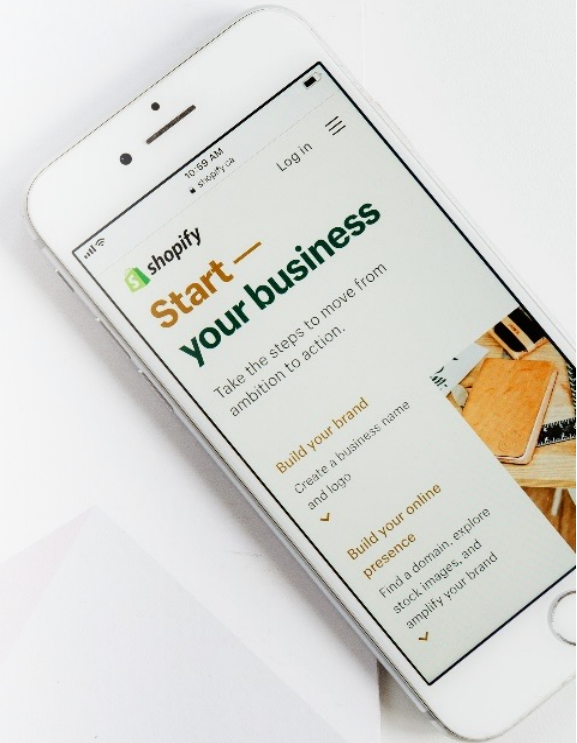
And is estimated to reach \$ 20.9 Trillion by 2027 ²

Global B2B E-commerce - GMV in Billion US\$



¹ - Source: Statista, Global B2B E-commerce GMBV - [LINK](#)

² - Source: ResearchAndMarkets.com - B2B E-commerce Market Size - [LINK](#)



The B2B E-commerce Revolution

Tradition is out. Digital is in.

+18.2%

in 2019 alone, sales on B2B ecommerce sites and marketplaces jumped 18.2% to reach \$12.2 trillion, **outgrowing the B2C sector.**

Forrester, 2019

\$20.9 TN

The B2B e-commerce market is projected to reach a value of \$20.9 trillion by 2027

Globe Newswire, 2020

+75%

35.6% of B2B companies expect an increase of up to 75% in online sales from B2B buyers.

Net Solutions, 2020

12%

B2B e-commerce was predicted to make up more than 12% of the overall B2B revenue by 2020.

But that number is growing fast ...

Forrester, 2019

The global B2B E-commerce market (valued at USD \$12.2 TN in 2019) **is already bigger than the B2C Market.**

[Statista.com, 2019]

B2C Customer Experiences have set the tone for B2B CX transformation

B2B companies should start paying attention to the way they create customer experiences and learn from the “B2C Playbook”

However, the majority of B2B buyers still experience the same old "traditional" system that has always been there:

- Instead of an online catalog they have to download a pdf
- Instead of an option to "*order online in three clicks*", they have to call a sales person

80% OF B2B BUYERS NOW EXPECT THE SAME BUYING EXPERIENCE AS B2C CUSTOMERS



AGENDA

What is B2B E-commerce?	2
The benefits of B2B E-commerce for our customers	5
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DHL Express B2B Website Health Check	21

A B2B Trend driven by B2B Buyers' Behavior

Gartner¹ expects that by 2025...

80%

of B2B sales interactions will occur in digital channels

44%

of millennials prefer no sales rep interaction in a B2B purchase setting

33%

of all buyers desire a seller-free sales experience.

AND BECAUSE OF THIS...

64% of B2B companies plan to increase Investments in their E-commerce websites ¹

Source: ¹ - The Future of Sales in 2025: A Gartner Trend Insight Report. ² - Digital Commerce 360, 2020
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The Changing B2B Customer

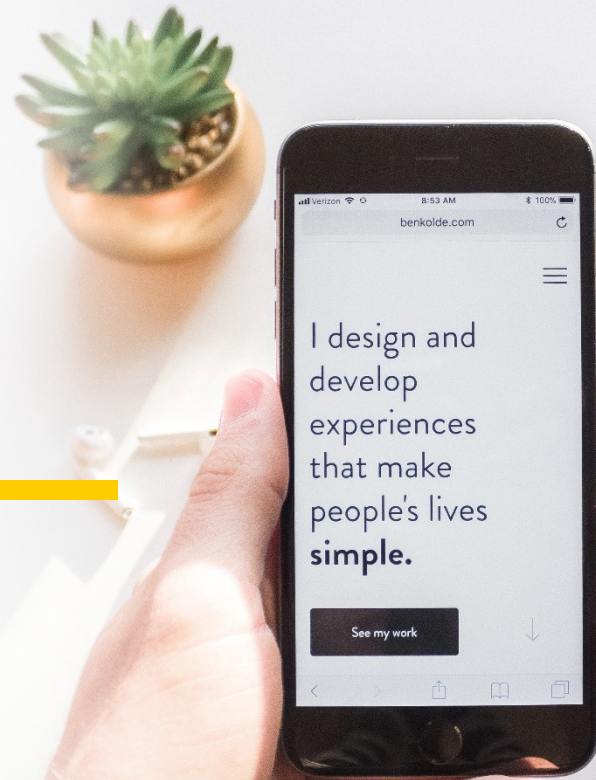
Think you know your typical B2B customer?
Well, it could be time to rethink.

Online is fast replacing sales teams as the place to educate, engage and build brand trust with new customers before a purchasing decision is made.

B2B buyers were asked: What is your top criteria when choosing a new supplier?

1. The ability to place orders via an online sales portal: **72%**
2. Not having to wait for a sales rep to get in contact: **52%**
3. Insight into available inventory and Delivery Times / Delivery Options: **42%**
4. Online order tracking: **39%**
5. Ability to see greater product detail: **38%**

Source: Sana Commerce, "Digital Transformation and B2B E-Commerce Report 2017-2018" conducted by Sapio Research



Meet your new B2B customers: **The Millennials**

Millennials account for 73% of all B2B purchasing decisions¹. Growing up with the internet and mobile phones, they are digitally native and more technology oriented than their predecessors.

B2C customer experiences in their personal lives heavily influence what they expect from B2B transactions.

Research by Gartner found that **44% of millennials prefer no sales rep interaction at all in a B2B purchase setting**

Source: Sana, "How to Meet Buyers' Demand for (Better) B2B E-Commerce" - February 2019, [Link](#)

How the Pandemic made 2020 'The Year of E-commerce'

And how COVID-19 accelerated the need for B2B companies to act fast...

With the pandemic ravaging the globe, business had to rely on B2B E-commerce to keep operations going, and **switched In-Person sales methods to online channels.**

And this trend is here to stay:

- Only **20% of B2B buyers say they want traditional in-person sales to return**, even in sectors where field-sales models have traditionally dominated, such as the pharma and medical sectors ¹
- **And it is not only for the small orders:**
~**60% of B2B decision makers** said they are open to making fully self-serve or remote purchases **in excess of US\$50,000**, whilst **27% would spend more than US\$500,000** in a single online order ¹



Source: ¹ McKinsey & Company, "Eight charts how COVID-19 has changed B2B sales forever" - October 2020 [Link](#)

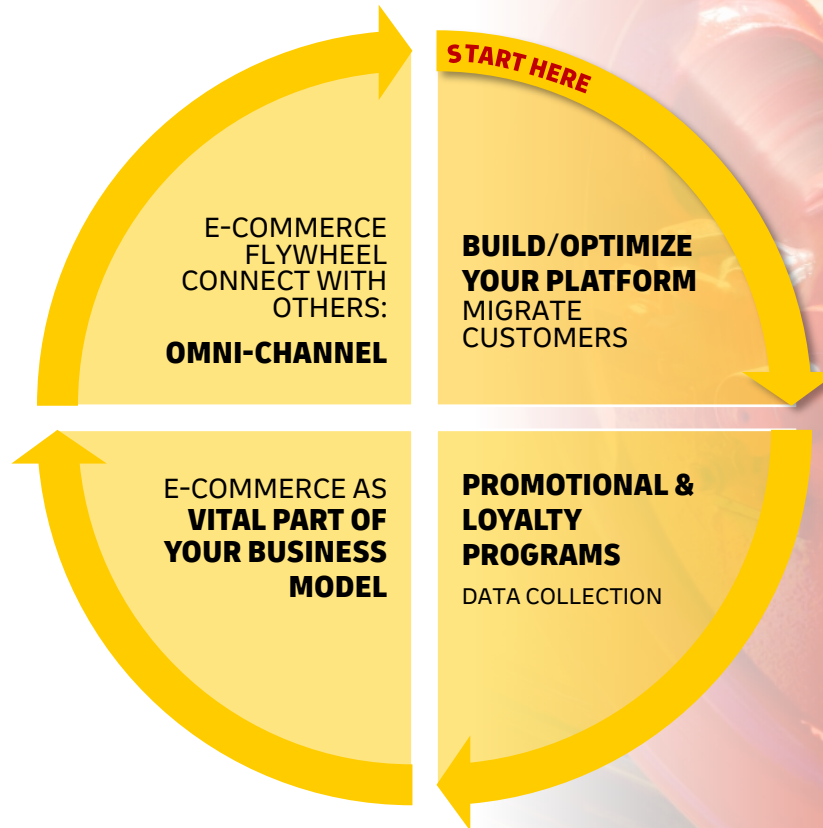
AGENDA

What is B2B E-commerce?	2
The benefits of B2B E-commerce for our customers	5
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SPINNING THE B2B E-COMMERCE FLYWHEEL

Get your B2B E-commerce flywheel spinning, and move from Good to Great

- **Ensure your E-commerce platform complements all your other sales channels: Think Omni-Channel**
- Only when a customer becomes complex or when a customer prefers personal contact, should an actual sales representative take over the account; an approach that allows the team to focus more on selling and less on order taking
- Align business processes and teams to scale
- Review your **current organizational structure** and re-align roles and resources



- **Migrating your customers from offline to online channels:**
Communicate early and often
- Ensure your online platform is user friendly with e.g. how-to guides and FAQs (= Health Check)

- **Roll out programs that spur loyalty**, higher order values, and increased purchasing frequency
- **Produce data** which can help your sales teams better understand your customers' buying behaviour

Key Barriers and Challenges for E-commerce Growth

Some barriers and challenges to B2B e-commerce growth were identified by supply chain experts & industry leaders during DHL's research:

1. Digital First Mindset

Employees will be required to upskill in order to accommodate the changing business and supply chain landscape. A 'digital first' mindset is required to drive success.

2. Customs & Cross Border Shipping

Exchange rates, customs requirements, duties and taxes, and less developed infrastructures can be challenging – take time to understand the implications of cross-border shipping.

3. Agility

Large companies with well-established B2B platforms will find it challenging to compete with agile, start-up companies.

4. Pricing

B2B buyers are used to negotiating discounts for purchases with sales reps. B2B businesses will need to consider alternate ways to incentivize buyers – e.g. an easily implementable 'buy more, pay less' pricing strategy.



AGENDA

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DHL Express' B2B E-commerce Health Check

A checklist that will help you to identify which elements of your E-commerce website need further optimization:

Similar to B2C

- ✓ Do you have an **Easily Accessible B2B Webstore**?
- ✓ Do you **Sell Internationally** and state clearly on your Home Page that you offer **Worldwide Shipping**?
- ✓ Is your website available in **Multiple Languages**?

Different to B2C

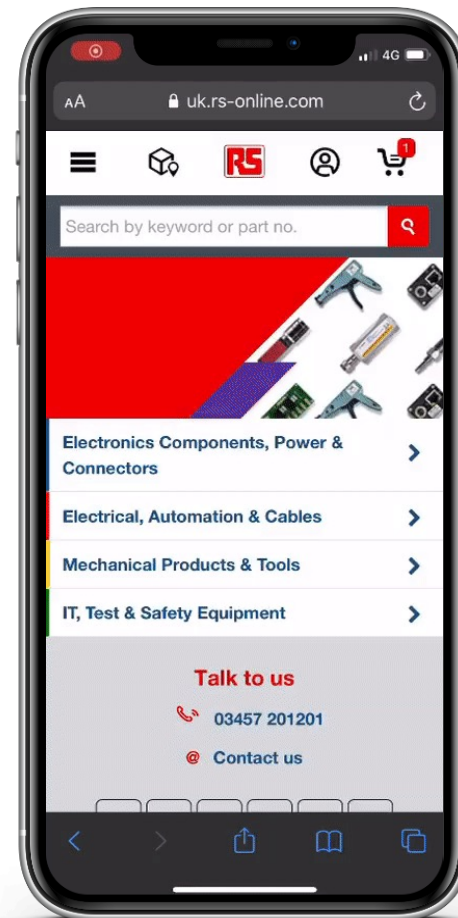
- ✓ Do you have **Detailed Product Descriptions** and Catalogs?
- ✓ Do you offer **Online Interactive Support** and **Product Customization** with easy interaction options?
- ✓ Do you offer **Self-help Portals** such as **how-to videos**?
- ✓ Do you have a simple and **Powerful Search Engine** on your website?
- ✓ Do you offer **Multiple Payment options** like credit card payments, extended payment and bank transfers?

Can you buy 2 Professional 3D printers Online within 25 seconds?

Yes you can.

- ✓ An **Easily Accessible B2B Webstore**
- ✓ **Sells Internationally** and offers **Next Day Shipping**
- ✓ Available in **Multiple Languages**
- ✓ Simple and **Powerful Search Engine**
- ✓ **Detailed Product Descriptions** and Catalogs
- ✓ **Online Interactive Support** and easy interaction options
- ✓ Offers **Self-help Portals**
- ✓ Offers **Multiple Payment options**

RS Components | www.rs-online.com



The Ultimate B2B E-Commerce Guide

Tradition is out. Digital is in.

The pace of the B2B sector's e-commerce transformation should not be underestimated:

- ✓ Digitally-native buyers, combined with the ongoing effects of the pandemic, are pushing through rapid change in B2B supply chains.
- ✓ B2B customers want flexible, convenient, and digitally-focused services more aligned with their B2C experiences.
- ✓ Even B2B players already established within their sectors will need to invest to optimize their cross-border e-commerce channels

... and the pay-off in growth opportunities is unlimited! Let's discuss next steps...





**WE ARE ONLY AT
THE START**

THANK YOU.

