




A Necessary Upgrade: Replacing Outdated B2B eCommerce with SaaS

How manufacturers and distributors are finding success with modern eCommerce technology.



Introduction

eCommerce has revolutionized how B2B buyers place orders in manufacturing and distribution. With the rise of online ordering, however, a new set of challenges has emerged. Many distributors—particularly those using custom-built solutions or outdated eCommerce platforms—are struggling to meet rising buyer expectations in today’s on-demand economy.

With a dated aesthetic and a lack of key eCommerce features common in B2C, many of these solutions simply do not allow manufacturers and distributors to provide a modern ordering experience that their buyers want to use. Not only are many suppliers failing to realize the ROI of these costly software investments as a result, they often lose business to competitors offering more intuitive online buying experiences.

In an effort to upgrade these outdated ordering platforms and increase buyer adoption, manufacturers and distributors are increasingly switching to SaaS (Software-as-a-Service) eCommerce solutions. Developed with familiar eCommerce best practices and the complexities of B2B transactions in mind, these off-the-shelf solutions are finally making it possible for suppliers to provide a truly modern B2B buying experience.

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A Modern B2B Buying Experience

There are two main components of a modern B2B buying experience:

1. How closely it resembles the online shopping experiences buyers are used to in their consumer lives.
2. How well it accommodates complex B2B selling rules.

The bar for modern online purchasing experiences has been set by B2C eCommerce sites. A polished digital catalog, advanced search functionality, and an account profile that accommodates multiple shipping addresses and payment options are all table stakes in the B2C eCommerce world. B2C has also paved the way for mobile commerce, with many brands offering customers an exceptional buying experience on mobile devices. Ultimately, these B2C developments have led B2B buyers to expect a feature-rich and aesthetically pleasing buyer experience that is functional on both web and mobile.

The concept of “modern” ordering in B2B, however, does not stop simply at a mirroring of B2C commerce. In order for B2B commerce to truly feel modern and seamless, it must include the B2B-specific features that represent the supplier’s selling terms.

Today’s prevailing online ordering platforms in manufacturing and distribution not only lack the sleekness of the B2C ordering interface, they are also missing the critical B2B selling features that drive buyer adoption.

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The Deficiencies of Outdated eCommerce Solutions

The outdated eCommerce solutions used by many food and beverage distributors fall into one of two camps.

The first is **custom-built software**—solutions that are developed by a contracted or internal technical team. These solutions are typically created in a paradoxical environment. They may be built with the intention of accommodating every possible business-specific workflow, but the third party developers working on them often lack specific expertise in the complexities of B2B transactions. The result? An overly-customized, clunky interface and poor buyer adoption.

The second category of outdated software is a set of existing eCommerce solutions for manufacturers and distributors, many of which are simply extensions of ERP software or entrenched industry solutions that haven't been updated in years. These ordering portals are vastly different from consumer eCommerce sites, often with an aesthetic reminiscent of the early days of the Internet.

Custom-built software and existing industry-specific solutions are falling short in the following ways:

■ **Limited B2B Selling Features**

A thoughtfully-designed user experience (UX) is the biggest factor driving software adoption. A great user experience is one that isn't noticed—customers should be able to view the pricing they expect, access and duplicate previous orders, and seamlessly complete purchases with B2B-specific features available.

The B2B ordering process is defined by unique characteristics, such as high-volume ordering, repeat orders, and customer-specific pricing. Many of the prevailing online ordering solutions in manufacturing and distribution lack the B2B-specific features suppliers need.

For instance, a B2B buyer may need to modify their shipping address to request shipment to a different store. However, many solutions currently on the market do not allow the buyer to edit this information during the checkout process, requiring them to manually correct the shipping address with the supplier's customer service team after order submission. Another common need of the B2B buyer is the ability to quickly order the same item in multiple sizes and flavors, but many existing solutions require each item to be added individually.

The danger of an eCommerce platform not optimized for B2B selling is that it will go unused. When buyers are forced to take the extra step to interact with their supplier's customer service team, the online buying experience feels anything but modern.

■ ***An Inferior Digital Catalog***

While a digital catalog without images may be unheard of in the B2C world, many outdated B2B eCommerce portals provide only a list of text without any product photos—some don't even allow room for comprehensive product descriptions. In essence, it is like interacting with nothing but a glorified order form.

A sub-par catalog doesn't answer the questions that buyers have when making purchasing decisions, and again requires the buyer to contact the supplier's back office team for information and clarification.

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■ ***Lack of Access to Important Data***

In addition to providing detailed product information in the digital catalog, it's also important to provide B2B buyers with access to their order history, particularly because recurring reorders characterize B2B buying in manufacturing and distribution. Today's eCommerce solutions in manufacturing and distribution often provide only limited access to order history or, in worse scenarios, do not provide access at all.

Inventory data—frequently missing from prevailing B2B commerce solutions—is also critical. Today's B2C buyer is accustomed to seeing low-stock or out-of-stock warnings when shopping online, or they are simply unable to purchase items that the store does not have in stock. Many of B2B eCommerce solutions in use today do not provide the same type of inventory visibility to their buyers. This “blind ordering” greatly increases the risk of buying backordered items.

■ **A Poor Mobile Experience**

78% of B2B companies believe mobile is the future of online commerce. However, most B2B commerce platforms available today are dramatically lacking when it comes to mobile ordering, providing an experience that's a far cry from their counterparts in B2C.

For one, many distributors haven't taken advantage of consumer mobile phones and tablets, requiring customers to place orders instead with "brick-on-a-stick" barcode scanners with no images and poor transmission. In cases where mobile ordering is accessible on a smartphone, it is often just a portal accessed via a mobile web browser, requiring a reliable Internet connection.

Native mobile applications (preferred by 85% of consumers), on the other hand, are installed on the device, functional offline, and provide a superior mobile ordering experience. Unfortunately, most prevailing B2B eCommerce providers do not offer a native mobile application.

■ **Stagnation and Inflexibility**

Current B2B eCommerce solutions feel outdated for a good reason: they are. Many of these solutions were developed years—even decades—ago. And because upgrading this software or integrating new features is often cost prohibitive, updates are infrequent at best. This stagnant approach has made it difficult for many manufacturers and distributors to meet the growing expectations of their customers and has led many companies to turn to SaaS as a way to keep pace with rapid advancements in technology.

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SaaS and Modern Commerce Solutions

Businesses across all industries rely on SaaS solutions because of their low upfront cost, ease of implementation, and the ability to offload the responsibility of ongoing maintenance and updates. They also benefit from the vendor's interactions with a vast number of users. SaaS providers use thousands of customer data points to inform an iterative process that continuously improves their product.

SaaS B2B eCommerce vendors have expertise in the specific user experiences that define B2B selling. By observing and analyzing the thousands of manufacturers and distributors who use their software, they take selling practices used across all industries to inform their product's design and features. In short, SaaS B2B eCommerce platforms are the most tested and intuitive solutions available today.

Strong SaaS eCommerce solutions have the following characteristics:

■ ***Built for B2B***

A SaaS eCommerce platform optimized specifically for B2B should fully accommodate a business's current selling rules and have the flexibility to support potential changes in selling strategies as a company scales.

This includes features such as:

- Customer-specific pricing and catalogs
- Support for targeted promotions
- Product display optimized for high volume ordering, particularly for items that come in multiple sizes, colors, flavors, etc.
- Support for minimums and multiples, payment terms, and shipping preferences

The SaaS provider's expertise in B2B selling translates to a more seamless buyer experience, more accurate orders, and faster fulfillment. It should also require no additional manual work from customers once they've placed their orders.

■ ***Information-Rich Digital Catalogs***

SaaS eCommerce solutions include a sophisticated B2B digital catalog personalized to the buyer. Upon login, buyers should only see the products and prices available to them. Visually rich product listings with high-resolution images of each item alongside comprehensive, easy-to-read product descriptions leave no questions unanswered. A strong digital catalog assists the customer in making purchasing decisions, facilitating the buying process for faster turnaround.

■ **Comprehensive Information Access**

The modern commerce experience includes access to important information throughout the buying experience. First, modern SaaS B2B eCommerce solutions include unlimited access to order history for easy duplication and fast reordering.

Second, access to product availability data is a critical part of the modern buying experience. The modern B2B eCommerce experience must not only include inventory availability on each product, but also an “available-to-ship” date, giving their buyers insight into when items will be back in stock.

Sophisticated off-the-shelf solutions also allow manufacturers and distributors to host marketing collateral like merchandising guides, planograms, and product education videos. This content further assists the buyer when making purchase decisions, and answers questions that might come up during the process.

■ **A Mobile Focus**

Up-to-date commerce solutions include mobile buying experiences optimized for the devices their buyers are already using—modern smartphones and tablets.

What’s more, the strongest solutions provide a native mobile application for customer ordering, one that is installed on the mobile device and built for the device’s operating system. It can also directly access the device’s core features like the contact list and camera. Because the app is housed on the device itself, it is typically functional offline, resulting in faster performance and the ability to place orders anywhere, regardless of connectivity.

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■ **Adaptability and Customization**

In order to retain their subscription-based customers, SaaS providers regularly improve their software to stay competitive. Updates are included in the cost of the software, happen automatically, and are handled by the vendor. Instead of lengthy processes that involve redirecting in-house IT staff or hiring contractors, a modern solution can be updated with the click of a button.

Much of the beauty of modern SaaS solutions lies in the fact that they are fairly plug-and-play, offering robust functionality off-the-shelf. However, strong SaaS platforms also allow manufacturers and distributors to further customize their implementation with the provision of an open API. Unlike outdated solutions that require businesses to modify their selling processes to meet the tool's requirements, modern solutions are built to accommodate each business' unique needs.

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The Impacts of a Modern Solution

Manufacturers and distributors who have implemented modern SaaS commerce solutions have seen the following impacts:

■ Stronger Customer Adoption

A simple but robust user experience is the strongest driver of software adoption. Because modern solutions have more intuitive user experiences than their outdated counterparts, they drive higher buyer adoption—as high as **75% in some cases**. Modern eCommerce portals also allow customers to place orders on any device—a convenience that drives adoption and customer loyalty.

■ Increased Revenue

The highly visual and B2B-optimized catalog browsing experience of modern eCommerce solutions also results in more sales. According to [one survey](#), 50% of manufacturers and distributors who have implemented B2B eCommerce reported **increased product discoverability**, and 34% noticed an increase in **average order value**. 45% of manufacturers and distributors also reported **more frequent orders** after adopting eCommerce, with 79% noting **previously inactive buyers placing orders** through their online channel.

■ Competitive Differentiation

With the battle for shelf-space formidable among manufacturers and distributors, it's critical to stand out from the competition. When a buyer is deciding which distributors to work with, the supplier offering the most convenient, enjoyable, and accurate ordering process wins. In fact, according to [Forrester](#), 83% of B2B buyers reported that strong customer service encourages them to make repeat purchases from the same supplier.

Ultimately, manufacturers and distributors are finding that their outdated commerce solutions don't meet their needs, losing business to competitors offering a more modern buyer experience. To learn more about updating your outdated commerce software, contact Handshake today at info@handshake.com.

ABOUT HANDSHAKE

Founded in 2010 and headquartered in New York City, Handshake provides a user-friendly B2B Commerce platform for manufacturers and distributors. Handshake's commerce solutions power standout ordering experiences both in-person and online. Companies using Handshake transform how their customers order, delighting customers and growing lasting relationships.

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