

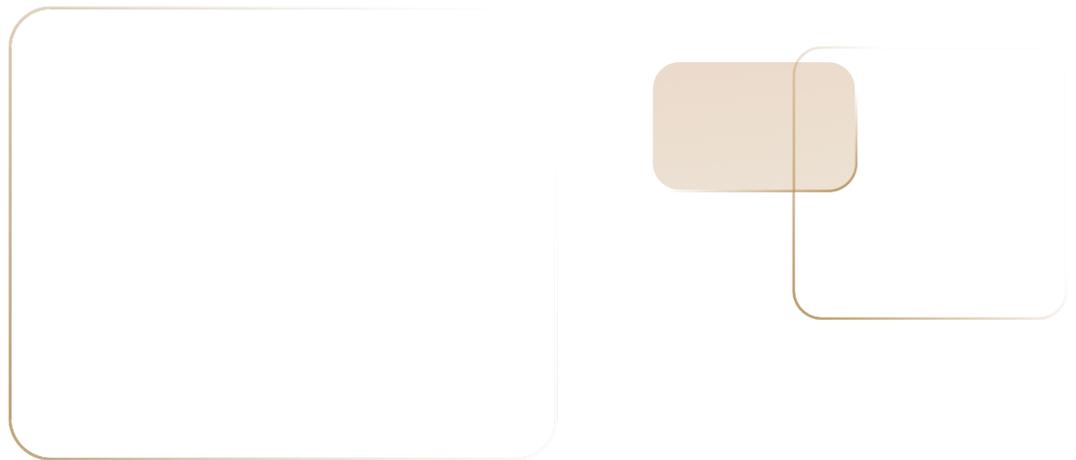


A Comprehensive Guide to B2B eCommerce for Electrical Distributors



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eCommerce: More than Just a B2C Play

Online buying has become so pervasive in most people's daily lives for personal purchases it's easy to see why there's a perception that eCommerce is a B2C solution and less relevant for B2B businesses. Experts often use that misconception to explain why many B2B companies lag behind their B2C counterparts in investments in digital commerce approaches, tools, and resources.

But consider these B2B eCommerce stats



That's right, \$20.4 trillion, with a "tr." And this impressive number, which dwarfs the B2C market, is only expected to continue to grow. In fact, Gartner estimates that 80% of all B2B sales interactions will be through digital channels by 2025.

Companies, including electrical distributors, that fail to embrace eCommerce technologies and engage with their customers online risk becoming obsolete.

Still not convinced? Perhaps you think your business and your customers are simply different, or maybe you've implemented some form of eCommerce but haven't seen the expected results. In this ebook, we explore common B2B eCommerce misconceptions and objections, the latest competitor and buyer trends, and we highlight the unique opportunities for electrical distributors to capitalize on these trends and thrive in the digital marketplace.

¹ Statista, "B2BeCommerce - In-depth Market Insights & Data Analysis," 2023
² Gartner, "The Future of Sales: Digital-First Sales Transformation Strategies," 2020



Basic B2B eCommerce Terminology for Electrical Distributors

When many people think of eCommerce, images of online shopping carts come to mind. Of course, virtual storefronts are a big part of eCommerce, but for B2B companies, it's much more than that. So before we dive into the whys and hows, let's get a few definitions out of the way.

| | |
|--|---|
| eCommerce: | Commercial transactions (buying and selling goods/services) conducted online. |
| Online storefront: | A virtual space where suppliers can showcase the products and services they offer, and customers can purchase electronically. Beyond (and before) buying, it allows customers the opportunity to browse offerings and evaluate whether they want to do business with a seller. |
| Electronic shopping carts: | Allows customers to select, store, and manage products and services before buying them online. |
| B2B eCommerce solutions: | Software that facilitates the online sale of goods or services between businesses via a website, mobile app, or digital marketplace. In addition to providing a storefront/shopping cart for online purchases, modern B2B eCommerce platforms help streamline quoting, bulk ordering, inventory management, catalogs, custom pricing, and customer relationship management (CRM). |
| eProcurement platforms: | Software that automates manual processes – such as purchase requests, approvals, orders, vendor management, invoicing, and payments – associated with buying products and services. Large enterprise companies often use these platforms to simplify buying. Popular providers include SAP Ariba, Coupa, and Oracle PeopleSoft. |
| Punchout catalogs: | Allow suppliers to integrate their eCommerce stores into a customer's eProcurement platform, enabling buyers to seamlessly shop and purchase from within their eProcurement platform vs. needing to log into the supplier's site. They can see custom pricing, submit requests, and place and track orders easily, and purchase order and invoice data will be shared automatically between buyer and seller. |
| Configure, price, quote (CPQ) software: | Enables buyers to request and sellers to quote complex and configurable products. |



Competitor Landscape: An Opportunity to Lead, Gain an Edge

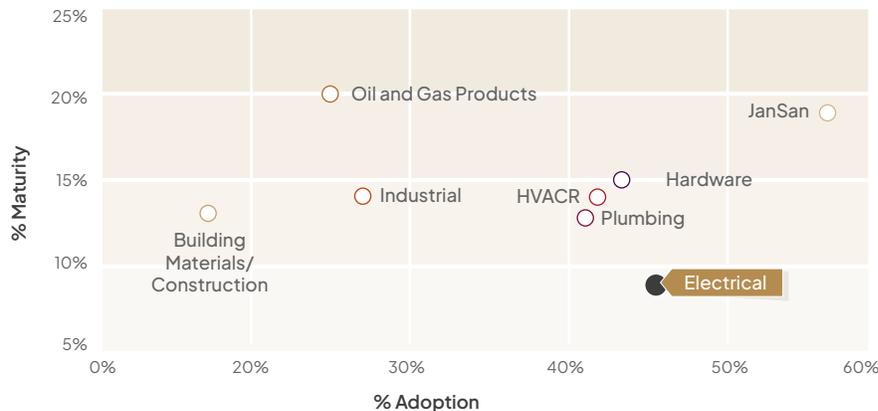
The market for electrical equipment, products, and services has always been dynamic. However, with the rise in popularity of digital marketplaces, the competitive landscape is changing rapidly and introducing new threats and opportunities.

In this section, we explore how electrical distributors can capitalize on the benefits of B2B eCommerce solutions to stay ahead of traditional and emerging competitors.

Traditional Competitors

A recent assessment by Distribution Strategy Group found that less than half of electrical distributors are using eCommerce. Of those that are, most are in the infancy stages of capitalizing on the revenue potential (i.e., <10% of revenue came from eCommerce transactions).

2022 eCommerce Adoption & Maturity by Sector



So, let's take a few moments to mull over that information.

1. If <50% of electrical distributors are using eCommerce, then that means you have the opportunity to gain a competitive edge over more than half of your competitors by embracing eCommerce technologies and strategies.
2. If the other ~50% of electrical distributors are still floundering in how to make eCommerce successful, you have the opportunity to leapfrog them in the market.

It's rare in business to have this visibility into how you can differentiate yourself in the market and clarity in the path to capitalize on it. Agile, growth-oriented electrical distributors will jump on these eCommerce opportunities.

³ Distribution Strategy Group, "2023 State of eCommerce in Distribution: Getting More from Your eCommerce Investment", 2023



Emerging Potential Competitors

Traditionally, the relationship between a manufacturer and its B2B electrical distributors is characterized by mutual cooperation, trust, and shared goals of delivering high-quality products and services to customers while maximizing growth and profitability for both companies.

Electrical distributors have served as the bridge between manufacturers and end users. They develop deep relationships with customers, know what they want and when they need it, are experts on regional and customer-specific needs, and can provide ongoing account management to grow and retain customers in ways manufacturers have struggled.

Manufacturers now have a range of eCommerce selling and support solutions that give them the ability to remove one link in their supply chain – namely, distributors – and sell and ship directly to the end user. Making this shift has enormous ramifications in terms of marketing, sales, distribution, support, etc., but it is a realistic option.

Manufacturers are now left to consider whether their distributors are more effective than they could be on their own. Electrical distributors that implement modern B2B eCommerce solutions can circumvent intervention by their manufacturing partners by demonstrating their value throughout the sales funnel, from capturing new leads and customers to expanding those relationships with superior customer support and cross-sell and up-sell opportunities.

Business Buyer Landscape: Expectations are Changing

In recent years, it's become apparent that B2B buyers want the digital purchasing capabilities they've become accustomed to in their personal lives to carry over into their work lives. The desire to be able to access information and conduct transactions online was undoubtedly accelerated by the pandemic when in-person interactions weren't possible. Still, fundamentally, those desires are driven by a shift in preferences for more flexibility, convenience, and control throughout the buying process.

In this section, we explore recent research about B2B buying behaviors and the opportunities for electrical distributors to grow their businesses.



Challenge

50%-70%

Of B2B buyers are through their evaluation process before they engage with sales.

Opportunity

Given the extent to which B2B buyers conduct their own research before engaging with potential vendors, it's critical for electrical distributors to create an online presence that reflects the depth and breadth of their offerings and demonstrates their expertise and commitment to customer service.

Virtual storefronts with user-friendly, searchable catalogs allow buyers to assess whether your company can supply them with the equipment and materials they need. Even if the buyer's purchasing protocols require a bidding process, their first step is to determine the list of vendors to invite to participate. Having an online store increases the likelihood that you'll make that list.

Beyond that, data collected about site visitors – who's shopping for what, where they came from, shopping cart abandonment, etc. – is invaluable for your marketing and sales teams. This information can drive better decisions about where to promote your company (e.g., paid search and review sites) and when and how to reach out to prospects and customers (e.g., an automated email offer or a call from an account rep). This improves your likelihood of attracting new customers and increasing the value of existing ones.



Challenge

33%

Buyers who desire a seller-free sales experience—a preference that climbs to 44% for millennials²

Opportunity

Many electrical distributors are reluctant to remove sales teams from the purchasing process. In large part, this is because they feel that sales reps enhance customer experience by offering the expertise and guidance needed to select and customize the right equipment. And that might be true for some products.

But for every complex, customizable offering you have, you probably have dozens or hundreds of others that aren't. Providing self-service purchasing options removes friction in selling these products and gives buyers the control and convenience they crave.

Modern eCommerce solutions also give you the flexibility of providing an alternate path for complex products. Buyers can kick off requests for bids and configure-price-quote interactions 24/7 directly from your site. Then, during regular business hours, your team can evaluate the requests and get back to customers with a custom quote and recommendations. Because purchase information is stored in your eCommerce solution, when the customer wants to reorder, they can skip the quote process and simply click and check out an item specially made for them.

Not only does this provide a superior experience for the customer, but it's also better for your sales teams. It elevates them from simply being order takers to becoming trusted advisors. They can focus their efforts on higher-value opportunities and delivering excellent customer service.



Challenge

Three key pain points for B2B buyers

39%

Lack of customization, localization, or personalization

38%

Lack of real-time stock information

34%

Lengthy purchasing processes⁵

Opportunity

As you can see from these pain points, creating a digital buying experience for customers isn't just a matter of creating an online catalog and cart. B2B buyers demand more, and robust B2B eCommerce solutions can help you meet their expectations.

Depending on the size and type of customer and whether they're new or returning, you can:

- Present customer-specific catalogs and price lists based on negotiated discounts, their location, currency, etc.
- Introduce special offers and incentive programs that increase conversions and reward brand loyalty.
- Provide recommendations for similar or complementary products based on what they've viewed, what's in their shopping cart, or previous purchases.
- Develop workflows that match the way your customers do business, such as multi-step approvals for orders above a specific value.
- Give real-time visibility into product availability and order status by integrating with your ERP and other business systems.
- Automatically notify customers about back-ordered items or when quantities of products they often purchase are running low.
- For large customers, enable punchout so customers can access catalogs and make purchases from their own procurement system.

These are just a few examples of how electrical distributors can incorporate eCommerce into their business models to provide lasting value to customers.

Understanding & Adapting to Modern B2B Buyer Expectations

Download this B2B buyer report to gain additional actionable insights from senior-level buyers and procurement professionals.

[Get the Research](#)

⁵ OroCommerce/WBR Insights, "[Understanding & Adapting to Modern B2B Buyer Expectations](#)," 2022



4 Key Benefits of B2B eCommerce for Electrical Distributors

Given buyers' expectations, implementing B2B eCommerce has become a necessity. The good news is that the benefits to electrical distributors go beyond customer satisfaction.

1. Increased Sales

By turning your website into a modern B2B online store, you can attract more prospects who are at varying stages of the buying cycle – from research to ready to buy, expand the value of existing customers by making reorders and new orders feel effortless, increase the average order value (AOV) with upsell/cross-sell suggestions dynamically displayed as customers shop, and focus your sales team's efforts on high-value opportunities that will benefit from human touch. These and other eCommerce strategies all serve to increase revenue and accelerate the speed of deals through the pipeline.

2. Improve Customer Experience

B2B eCommerce tools allow you to personalize experiences for customers based on the type and size of their business, where they are in the buying decision, their location, whether they're new or returning customers, or if they're engaged with a salesperson (reps can place orders on their behalf). Digitized catalogs give customers access to the latest product information, which can be enhanced with video, 3-D models, detailed spec guides, etc., that you can't provide with traditional print catalogs (plus you eliminate printing and distribution costs).

By integrating with other systems, you also can give customers immediate answers to what's available and how soon they can get it. You can mirror their purchase protocols and even manage their customer support issues (more on that later). All of these combine to create a feeling that you understand their needs and value their business.

B2B Commerce Made Easy with eProcurement Integration

Check out this panel discussion with EECO, a B2B supplier of electrical products, about how it uses eProcurement and eCommerce to elevate customer experience.

[Watch the Webinar](#)



3. Automate Your Business

By connecting to your existing tech and supply chain ecosystem, B2B eCommerce platforms enable you to automate data transfers, streamline ordering, reduce errors, and save time. It also allows you to do things that simply aren't feasible with traditional, manual approaches, such as immediately updating customers about order status or inventory level changes. Look for platforms with open APIs and extensive integration capabilities, including the ability to connect with eProcurement solutions that your large customers use.

4. Improve Your Customer Relationship Management (CRM)

Ecommerce solutions that are purpose-built for B2B businesses, like electrical distributors, recognize the unique needs of B2B suppliers, including longer-tailed sales cycles, higher-value contracts, and ongoing account management and support requirements. Look for solutions with a built-in CRM or that integrate with your existing CRM to give you a single 360-degree view of your marketing, sales, and customer support data. This will not only increase the effectiveness of your internal teams; it will provide you with valuable information and insights that you can share with your manufacturing partners.

Embracing eCommerce for Growth

A common fallacy that B2B companies fall into when debating whether to invest in eCommerce is that they have to make a choice between digital or personal sales. But this isn't an either-or question, and for most electrical distributors the best answer is both.

You might have a storefront for small to mid-sized customers (e.g., HVACs, family-owned businesses). For large customers that might never buy directly through the website, you can offer RFP paths or set up punchouts to integrate with their eProcurement systems – both, by the way, require eCommerce solutions to do them effectively. And then there are some customers, regardless of size, who simply prefer interacting directly with their account rep. No problem. As mentioned before, reps can submit orders on behalf of customers.

A few important additional considerations are, of course, the time and resources associated with implementing B2B ecommerce solutions. To do it well, you'll want to involve IT, marketing, sales, customer support, and finance/accounting in evaluating your options and at various stages of execution. That said, you can get up and running on a modern, B2B-native platform (like OroCommerce) in six to eight months and quickly begin seeing value from higher sales and revenues and improved operational efficiencies.

Why OroCommerce

OroCommerce is a powerful B2B commerce platform designed to empower manufacturers, wholesalers, and distributors with the tools they need to streamline complex sales processes. OroCommerce's unique low-code workflow automation empowers you to automate tasks and create a frictionless buying experience, while its scalable architecture ensures your business can grow without limitations.

- **Comprehensive B2B Features:** Equip your business with a robust solution that includes CRM, marketplace tools, RFQ/CPQ functionalities, and more – all designed to address the specific needs of B2B commerce.
- **Customization and Flexibility:** Enjoy unmatched control over your commerce experience with OroCommerce's modular architecture and API-first approach. Tailor functionalities to your unique needs and integrate with existing systems for a frictionless workflow.
- **Transparent Pricing:** OroCommerce offers a single license that unlocks all features and sales channels, eliminating the complexity of multi-product pricing models. This translates to a lower total cost of ownership and a faster return on investment.

Recognized by industry leaders for its innovative solutions, OroCommerce is a trusted partner for businesses worldwide. Visit <https://oroinc.com/> to learn more about how OroCommerce can help you achieve B2B eCommerce success.