B2B E-Commerce Challenges & How Technology Can Help to Overcome

Introduction

Building a robust and long-term e-commerce strategy that aligns with B2B growth goals, and converts them into executing mode or actionable plans, is not a small deed. If you are a B2B enterprise in the e-commerce industry, I am sure you'd resonate with my opinion. How far are we grappling with the recurring challenges in business especially in today's rapidly changing environment? Even before the pandemic, we have seen a major expectation-shift of the modern B2B buyers. Today, it's increased more than ever, as they expect an easier, much faster-buying experience similar to what they get in the consumer world. B2B retailers face the pressure, as well, because they are expected to deliver a high-level B2C-kind experience. They need to overcome certain challenges in the B2B e-commerce sector.B2B purchase decision is greatly influenced by peer-validation. *Recently, I came across a survey posted by LinkedIn, that 1 in 2 of the B2B decision-makers admit that peer validation acts as a major driver towards showing trust in a product, while 41% say it increases product knowledge.* What are the challenges the B2B e-commerce industry is facing today? What's the role of technology to solve them? The questions intrigue me as much as they are doing to you now! While new-age technology is increasingly transforming the e-commerce sector, B2B businesses are highly adopting digital to the ecosystem. They are investing in Artificial Intelligence, Big Data, Machine Learning, NLP, Augmented Reality/Virtual reality, Mixed Reality, Robotics; the capabilities are massive and so are the opportunities to leverage them.

Understanding the Basics of B2B E-Commerce

B2B E-Commerce & Goal

Business-to-Business or B2B e-commerce means conducting business transactions on an online platform. Online selling/buying of products or services between two or more companies, for example, in [supply chain](#) segment business transactions between manufacturers and wholesalers or between wholesalers and retailers. The target audience is some form of business only. B2B e-commerce businesses don't do impulsive purchases and there are multiple decision-makers involved. There occurs a long-lasting relationship between sellers and buyers under B2B business. A noteworthy point is that orders, transactions are processed using digital platforms, B2B sellers can expect a great deal of improvement in the buying efficiency for stakeholders such as manufacturers, distributors, wholesalers, retailers.

B2B E-Commerce allows businesses to do marketing and selling of their products online, and the goal remains simple -

- Expansion of Customer Reach
- Reduction of Cost-to-Serve that drives more revenues

B2B E-Commerce Types

1. **B2B2C –**This is the model where, say, wholesaler, manufacturer partners with B2b companies and sells goods to them, and these B2B businesses sell to the final consumers. The chain goes like this – *from B2B to B2B and then to B2C-* and takes the form of B2B2C e-commerce. Online marketplaces, e-stores, e-commerce websites, and web applications or mobile apps, become the transaction platforms.
2. **Manufacturers –** This B2B e-commerce type deals with the production of goods, right from the point of using raw material, processing, and converting them to the final, finished goods ready for sale. They are sold to wholesalers, or other manufacturers, *a typical b2b business transaction over some online platforms.*
3. **Wholesalers –** A popular type of b2b e-commerce, goods are purchased wholesale, from one business to another business. It involves bulk buying at a very reasonable rate or lower price, and then selling the same to other businesses at retail value Wholesale b2B e-commerce allows a seamless buying experience as the whole process is done online, using the latest digital tools and technologies.
4. **Distributors –** Distributors have direct interactions with manufacturers, as they help them give valuable input to maximize visibility about the sales prospects or the market value of the goods produced. Varied functionalities including logistics of the sale are conducted online over an [e-commerce platform](#).

Challenges And Solutions

Being a B2b buyer /seller means dealing with massive challenges and often time-stretching, cumbersome processes. The pandemic generated restrictions for natural movement, the apprehensions for business dealings,b2b retailers are trying to sort out the issues rather favorably. They just cannot ignore the prospect of improving the e-commerce way of doing business that relates to customers' convenience and opportunities lying ahead. There's immense pressure on them to provide a better, quality b2b buying experience. *They grapple with the following major challenges:*

1. Obsolete Technology

Most B2B e-commerce retailers are facing the challenge of using the existing, older version of a technology that fails to deliver the expected, a better customer experience. Retailers fear upgrading the existing system, or the system is too difficult to undergo an overhaul or update, and that making changes might prove disruptive to the ecosystem and business goals. This adds to the list of barriers.

Tech Solution – Investigate the newer versions of the technology, explore the option that is conducive to the latest e-commerce requirements. Start on a technological transformation initiative, and learn how [digital transformation](#) can help the business. Integrating AI (Artificial Intelligence) in retail business, especially e-commerce, improves customer experience. AI-ML –NLP technology overcomes the language barriers of customers hailing from across the globe with multiple spoken languages. Mobile technology, AR-driven pop-ups, feedback forms, etc. help collect customers' data. Text Analytics, behavior analytics, [predictive analytics](#) are the name of the new versions of technological solutions that b2b e-commerce can leverage to the maximum.

2. Pricing Mgmt for Bulk Deals

Generally, b2b e-commerce organizations fix their pricing on a volume basis. This challenges the processing system to conduct smoothly. Different clients/customers have specific requirements of products, some need higher quantity while some just a few numbers. The fixed pricing structure does not match every customer's demand. Customers ordering for a large volume of products/bulk orders, expect discounts in the current offers. But there's no flexibility in the pricing structure and that acts as a major challenge for the b2b e-commerce companies.

Tech Solution – To address this challenge, the ideal way is to partner with a reliable technology company that can offer the best technology solution that creates a new system allowing volume discounts when customers order a larger quantity/bulk orders. The solution offers multiple, built-in pricing models/structures that are customer-centric. This multi-tiered pricing model allows for customized pricing for b2b clients who go for bulk orders. The solution has the in-built feature of *'automatic applied discounts'* that helps to define the custom requirement of the clients and to whom the discounts are auto-applied. Customizable options like free shipping for a cart that totals$200 (for example), or buying N numbers of products, all boost b2b sales

3. Uncustomized Shopping Carts

Certain b2b e-commerce companies have a parent company that deals with thousands of products, categories, and multiple brands. The parent companies may be large in scale and offer products from multiple manufacturers. The challenge surfaces for the e-commerce companies to customize shopping carts to evade any kind of confusion for the customers. Buyers, customers face problems locating the products they want and doing comparisons of features, prices, etc. E-commerce companies need a platform to support shopping carts customized to the specific requirements of customers.

Tech Solution- The technology can meet this challenge of handling varied brands, multiple product lines in an efficient manner. AI-enabled enhanced search engines, capabilities, multi-store platforms for an e-commerce company helps to manage the process and the company can sell products/services at a global scale. The integrated digital solutions can be customized as per customers' native language, currencies, and so on.

4. Communication Gap with Clients

Maintaining a healthy client relationship is not easy for b2b e-commerce brands or companies due to varied reasons. The clients' respective accounts need to be taken care of, need to see if they are inactive. Lack of adequate communication, timely intimation as well as certain discrepancies bring challenging times for them.

Tech Solution – To tackle the above challenge, b2b e-commerce companies need to adopt a strong follow-up strategy leading to a successful outcome! If they have an internal technology team to handle this challenge, that's good, else they can outsource to some external stakeholder. The idea is, the technology team can integrate an appropriate CRM solution with the company's e-commerce platform. CRM is conducive to managing healthy communication between clients, customers, buyers, and e-commerce companies. It helps to manage customers' interactions, the entire communication happening from time to time. Moreover, integrating the whole system benefits companies to reduce overhead costs, speed up their services and streamline processes.

5. Shipping & Order- Fulfillment

Customers need their product on time. Even they have their customers and clients waiting. The challenge here lies when the orders don't reach them on time. There may be shipping delays for manifold reasons; could be the specific taxes, duties, if foreign countries are involved. The lack of personalized shipping solutions depending on the customers from different countries aggravates the matter.

Tech Solution – The technology intervenes with adequate shipping solutions that handle the matter digitally and efficiently. The fine integration of the digital solution with the existing e-commerce platform streamlines the processes keeping buyers, customers in the loop. This way the latter can stay informed about their order movement, despatch, delivery related information, in fact, the entire order management system gets aligned and up to date. It handles all the elements of an order fulfillment process like calculating shipping amounts, taxes specific to countries, and so on. Technology solutions that provide personalized experiences for customers based upon their locations prove to be beneficial for smooth functioning.

6. Lengthy Sales Cycle

B2B buyers conduct a minimum number of searches,12 times on average as per a report by Google, to decide to select a company. The prospects, buyers search for multiple reviews about products, features, pricing quotes, and benefits. They make assessments of how certain products/brand would match their interests, etc. they also see if they fit their current merchandise, equipment, technological system. Order placement is a rigorous process because they need multiple quotes for the final approval by internal stakeholders/decision-makers. That way, the sales cycle, the sales completion times, becomes a very lengthy, cumbersome process.

Tech Solution – Upgrading to digital systems, CRM, facilitates a smooth, efficient, and easy processing for large transactions. A B2B e-commerce company can track the current accounts as well as the prospective accounts on a single platform. This makes the entire process smooth and convenient

As per Forrester, 74 percent of b2b buyers go for online research for at least half of their purchases done, while an additional 53% do actually complete those purchases online only.

7. Time to Go to Market

Many B2B e-commerce stakeholders have a false perception that changing the technology landscape will affect their businesses. As, changing the current model into a new one, going for digital transformation will take a long time, entail a long process to execute, and they hesitate to adopt digital. They do not know exactly when to start, where to start and the scope of a project undertaken.

Tech Solution – Modern e-commerce solutions are based on the latest digital tools and technologies that are business-friendly, time-saving, and cost-effective. There's a lot of options available that favor excellent configurations, integrations allowing b2b customers to go to the market very soon, in the Cloud.

8. Traditional Upfront Investment Model

Earlier, e-commerce businesses had to invest massively, in an upfront mode. A b2b e-commerce company would have to arrange for a larger capital to invest in the technological transformation of the system, to procure software licenses, for implementation and positioning of server, and the entire infrastructure costs. Raising finances for upfront investments repel businesses to go for modern e-commerce platforms. licensesTraditionally, e-commerce projects demanded a large upfront investment.

Tech Solution – The very traditional model of upfront investment is not the current scene. There are friendly subscription models, packages that suppliers, businesses offer to their clients to go for a digital revamp adopting the best suitable investment style for them. There lies flexibility in case they want to upgrade or want certain changes to the current scope of service.B2B e-commerce businesses, retailers are greatly benefiting out of this enhanced investment option that asks for payment as they grow, and pay for the functionalities they go for.

Final Thought

Navigating Best Practices for B2B E-Commerce

Navigating the best practices for b2b e-commerce can be enlightenment towards knowing the current scenario. It means understanding how B2B e-commerce brands can succeed using business metrics adopting digital into the ecosystem. Treat your B2B e-commerce business the way you see B2C doing. This gives for a more personalized customer experience increasing the satisfaction of services delivered. Work on the enhancement of functionality for onsite searches. Learn the mindset of traditional customers and make their wholesale journey easier and friendlier. Focus on the digital marketing of your b2b e-commerce business, generating leads, and know your competitors' standing in the market. This allows you to know the target audience better. Focus on the pricing negotiation level,i.e. those buyers who are in the research phase, the pricing can be automated or dynamic, while those buyers who are very close to the purchase deal, you can go for price negotiation. The best practices can be customized to your level of requirement and understanding amongst the stakeholders. The right mix of human touch and technology can take your B2B e-commerce company to an elevated level.

Helping Links

Alexandra Rynne "What Influences a B2B Purchase Decision (Infographic)" October 5, 2021, linkedin.com

Saksoft "3 Novel Ways to Transform Customer Experience Using AI in Retail" October 6, 2021, https://community.nasscom.in/communities/data-science-ai-community

Kevin Murray "Top B2B e-commerce challenges and how to overcome them" https://www.the-future-of-commerce.com/commerce/

Michael Keenan "B2B Ecommerce: What It is and How to Start" Jan 1, 2021, www.Shopify.in