

Attracting and retaining B2B customers in a world of choice

a report by

PushON 
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Introduction

Thanks to the rise of eCommerce, retail has changed beyond recognition over the last 10 years. What once required the journey to a physical bricks and mortar store, can now be achieved far quicker through digital channels. And this is not only revolutionising the way we shop in our leisure time, but also how we purchase products for the office.

[Statista](#) recently reported that business to business (B2B) eCommerce global sales reached \$7.7 trillion in 2017, making the market double that of B2C. Moreover, according to the world's largest eCommerce platform, Magento, 93% of B2B consumers now prefer to shop online.

By 2019, experts predict that B2B firms will spend more on eCommerce technology than B2C online retailers do, with more traditional methods of marketing being phased out. For example, [89% of companies are now reported to use the internet to research office goods](#) and services, and as a result, [69% of B2B retailers are expected to stop printing catalogues](#) within the next five years.

In fact, [80% of companies implementing B2B eCommerce believe that their customer expectations have changed](#) due to the influence of B2C practices.

Whether at home or work, consumers are relying on technology to make their lives easier. This is due to online retail giants such as Amazon having changed the way we see the business marketplace. From next day delivery to one-click-purchase and voice activated search, smaller, independent suppliers must adopt the technologies their customers have come to expect in order to stay ahead.



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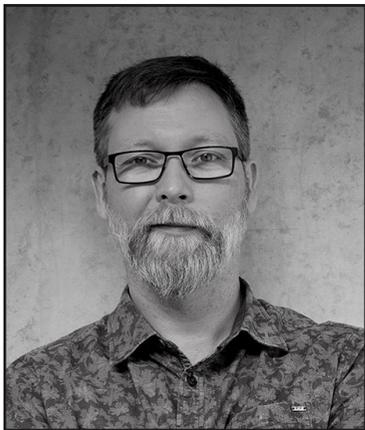
So, where does this leave B2B retailers?

For those that rely on B2B trade, it's now more important than ever to keep up with the changing market. Do they know, for instance, whether their customer is more likely to shop online or in-store? Does the customer have a preferred retailer? And if so, why is this?

Regardless of the size of the retailer, the opportunities for capitalising on the growing B2B retail sector are plentiful. However, according to Forrester Consulting, only 26% of B2B companies are reported to have fully implemented best practices that correlate with improved customer satisfaction and increased revenue.

The key to uncovering these opportunities lies in understanding what the customer wants while remaining agile enough to adapt. To avoid lagging behind the competition, retailers must fully embrace the rapidly changing commerce landscape, investing wisely as they go.

By Simon Wharton, business strategy director

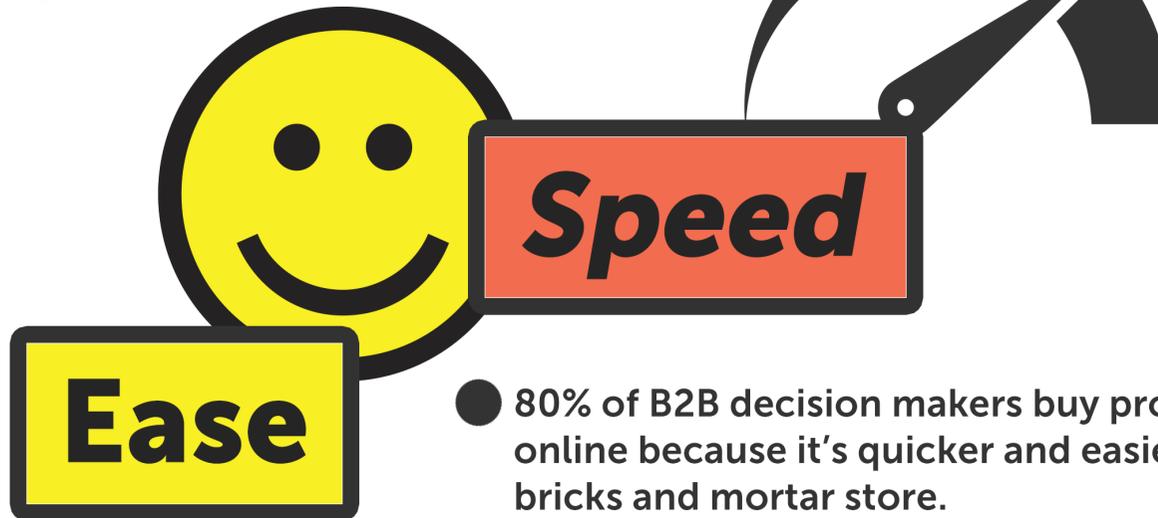


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Key Findings

- 78% of B2B customers would be more inclined to buy products for their business online.



- 21% of those making business purchases believe that speed of delivery is the most Important factor.

- 80% of B2B decision makers buy products for their business online because it's quicker and easier than shopping in a bricks and mortar store.

- 43% of business customers purchase their furniture online because it's quicker than shopping in a physical store.

- 40% would buy from a smaller retailer if they felt they were experts in their field.

- 52% of business customers would buy from a smaller retailer if they'd used them before and experienced a good level of service.



- 62% of business owners would be more inclined to buy products for their business from a multi-national retailer, such as Amazon.



Usability

- A quarter of business customers believe a website's usability is the most important factor in deciding where to purchase their supplies

- 98% of those surveyed believed the quality of customer service support was an extremely important factor in their choice of online retailer.

Support



Cost

- 35% of those making business purchases felt the cost of a product is the most important factor to consider.

B2B retail: exploring the opportunities

In a B2B world, consumers are increasingly turning to online retailers for their office purchases; 80% of the B2B decision makers we surveyed stated they are more inclined to buy products for their business online because it's quicker and easier.

When it comes to where they shop, **62% of business owners would be more inclined to buy products for their business from a multi-national retailer, such as Amazon**, with over **58% of this number choosing to buy from a bigger retailer because of its "solid reputation"**.

However, there is hope for smaller retailers looking to take some of this market share – over 52% of business customers would buy from a smaller retailer if they'd used them before and experienced a good level of service. And **40% would buy from a smaller retailer if they felt they were experts in their field**.

Customer service was found to be a valued factor in a B2B purchasing decision, offering the opportunity for smaller retailers to differentiate themselves. Clearly, if these businesses can't win on price (**35% of those making business purchases feel the cost of a product is the most important factor to consider**), there are alternative strengths to play on.

Similarly, the quality of available product information is one of the most important factors for those considering making a purchase for their business online (54%).

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Most surprisingly, only 21% of those making business purchases believe that speed of delivery is the most important factor for making a purchase, which provides a counter argument to the general assumption that Amazon's innovations – such as same day delivery – are dominating the retail experience.

It seems that different factors influence a B2B purchasing decision than a B2C one. A quarter (25%) of business customers, for example, believe a website's usability is the most important factor in deciding where to purchase their supplies online – regarded more highly than user reviews and the level of product choice.

As for what B2B consumers are purchasing, three main services proved most popular: computer hardware or software, furniture and office supplies. Here we take a closer look at the specific buying habits for each.



“Although a complete website overhaul may seem daunting, sometimes incremental changes can make a big difference to a customer. Using tools such as Google Analytics can help outline key areas for improvement. If a product page has a high bounce rate, for example, then it could be because the page's load speed isn't fast enough. By fixing this one element, the likelihood for a secured check-out is much higher.”

Sam Rutley, managing director of PushON

Computer hardware and software

The advent of the digital age has brought about with it a wealth of necessary procurements for businesses – including the purchase and maintenance of computer software and hardware.

We found that when buying these products or programmes, over **54% of those surveyed favoured online retailers over visiting bricks and mortar stores**, as they were able to properly research the available options without having to talk to multiple suppliers.

This is in contrast to the findings of [our previous Webrooming vs Showrooming report](#), which investigated the shopping habits of B2C consumers and showed that almost two thirds of those surveyed (62%) would prefer to make considered purchases in store, rather than online.

Therefore, for businesses offering products of this nature, having an online retail function is paramount.



As the products in this sector tend to be specialist – often with lengthy product descriptions and technical specifications – customers require an opportunity to discuss their options to ensure they are making the right purchasing decision.

As such, **98% of those surveyed believed the quality of customer service support was an extremely important factor in their choice of online retailer when purchasing computer hardware or software products.** Similarly, website usability is a key consideration for 96% of B2B consumers purchasing from this sector. If product information is displayed in an unclear manner, or the navigation is too difficult to follow, customers will go elsewhere.

Despite this, 62% of those making business purchases have experienced a lack of customer service support when buying computer products online, perhaps offering smaller retailers the opportunity to take the edge over retail giants whose customer service might be lacking the personal touch.

Highlighting a pitfall of online retailers failing to provide information to potential customers, 47% of business customers stated they have been disappointed with computer hardware or software purchased online once it arrived due to it differing from the description. Therefore, supporting the need for online retailers to invest in high quality content for their site to ensure customers know exactly what they're buying.

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Furniture

Offices have always required desks, chairs and filing cabinets. And the modern workspace is no different, with all of the above required and more. With start-ups introducing breakout spaces complete with standing desks, beanbags and deckchairs, offices of the future increasingly need a reliable source of furniture.

Traditionally, furniture favoured a physical shopping experience thanks to its tactile nature. However, surprisingly, **43% of the business customers we surveyed purchase their furniture online because it's quicker than shopping in a bricks and mortar store.** And 42% of business customers found it easy to research all available ranges of furniture online, so favoured this over visiting multiple physical stores.

Similarly, in our Webrooming vs Showrooming report, 49% of consumers stated they would be persuaded to make expensive purchases online if websites contained more in-depth product information so they could make an informed choice.

However, visualisation remains a sticking point for 20% of business customers when purchasing furniture online. With cost more of a consideration for this category than computer or office supplies – **69% stated this as being "really important"**.

Highlighting the downfalls of current furniture companies, 16% of those surveyed complained of a lack of speedy delivery options, and 14% highlighted poor customer service as having impacted negatively on a past experience.



Office Supplies

The office supplies sector covers all manner of “little and often” purchases. From pens and staples to bleach and teabags. Naturally, this lends itself to eCommerce, thanks to the ease of bulk ordering and price comparison.

Most important to 41% of customers is fast and efficient delivery, while 37% of those purchasing office supplies for their business favoured online retailers because they could easily buy in bulk, and 34% could set recurring orders easily.

However, a failure by retailers to cover these bases is leaving B2B consumers disappointed. One in five (20%) of those surveyed have previously experienced an issue with their bulk order, and 18% didn't receive their reoccurring orders.

This highlights a different set of valued factors than the other sectors. Whereas for furniture and computer products, content and the opportunity for research is high on the agenda, for office supplies quick delivery and the option for bulk ordering take the top spots.

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How can B2B eCommerce retailers capitalise on these core markets?

Online retailers have never faced such a competitive market as now. The dominance of retail giants, such as Amazon and eBay, has put smaller eCommerce businesses under extra pressure to cover all bases – from an easy-to-navigate website to speedy delivery options and competitive pricing.

Although it's unrealistic for an online retailer to excel in all areas, it's important to establish a clear enough point of difference to draw B2B customers in and keep them coming back. Here we highlight the key opportunities for online retailers to capitalise on:

Invest in a high-performing website

As 80% of B2B consumers purchase goods online, a website built specifically for eCommerce is essential. 25% of business customers believe a website's usability is the most important factor in deciding where to purchase their supplies online – regarded more highly than user reviews and the level of product choice. If your website has a slow loading speed, this will not only impact SEO, but also correlates to a higher cart abandonment rate. Similarly, poor UX could lead to customers unable to find what they require fast enough, in turn, resulting in them leaving the site with an empty basket. To make sure retailers don't lose potential customers, they must invest in their website on an ongoing basis.



Consider trialling a paid media strategy

With 35% of those making business purchases most concerned with the cost of a product, remaining competitive is crucial, especially for retailers of furniture (69% stated this as being really important). Online retailers should therefore consider investing in the likes of search engine or social advertising for the products that it offers at a cheaper price than the likes of Amazon or eBay.

Assess shipping and return policies

Delivery options are a key consideration for B2C consumers, and when it comes to B2B, it's no different. For example, for those purchasing office supplies, 41% highlighted fast and efficient delivery as being their top priority. As a small online retailer, same day delivery might not be viable, but linking with a reliable courier service that has high ratings will guarantee customer satisfaction and, in the long term, secure repeat business.

Offer tailored content

Regardless of the sector, retailers are selling to people. And people favour the personal touch. Customer-based promotion is extremely important in ensuring that marketing is engaged with – correspondence that appears generic often ends up in the trash. With any piece of content, it's imperative that planning is done with the customer in mind.

Implement the right technology for the customer

When it comes to technology, the most sought-after function of those surveyed was one-click purchasing for faster checkout (37%), followed by 29% interested in Augmented Reality (AR) technology for better visualisation of products. This should be a key consideration for online retailers, in addition to the ongoing investment in informative website content to ensure potential customers are provided all the details they require. This could include commissioning photography, video content, how-to guides and employing a website agency/manager to ensure consistency. Otherwise, retailers run the risk of shoppers going elsewhere for information and never returning. Careful consideration should be given by small online retailers to incorporating trends such as voice assistants into their sites, with only 6% considering this in their business purchasing decisions.

Frictionless purchasing: allow the customer to self-serve

For 37% of those purchasing office supplies for their business, online retailers were favoured because products could be easily bought in bulk. Similarly, 34% required the ability to set recurring orders. By retailers offering their customers fast re-ordering at the click of a button, they can greatly increase the chance of repeat business.

In addition, technology savvy retailers are now offering their customers the opportunity to build specific product catalogues, in-line with their budget. Plus, request a bespoke quote without having to go through multiple levels of customer service interaction.

Administering a customer portal is another effective way for B2B retailers to allow clients to be in control of their own commerce. Being able to view information such as invoices, account balance and credit limit, cuts out the allocation of additional resource to real-time customer service assistants. This is particularly relevant to smaller businesses where budgets may be more limited than with larger retailers.



“To start, retailers should choose one or two areas for development. If delivery options are limited, consider how they can be expanded. Perhaps the website’s content needs to be updated. What worked five years ago, may not be working now.

“In a recent survey conducted by Magento, 25% of those surveyed stated the most important criteria as being ‘completeness of the solution’ when their organisation had initially selected the current B2B eCommerce tool.

“Therefore, for many, elements of their current platform may not be best suited to their present customer base.

“Retailers should apply a review and respond process of consistently referring to website analytics and tailoring their offering accordingly, on an ongoing basis.”

Sam Rutley, managing director of PushON

Conclusion

With the world of B2B eCommerce evolving on a constant basis, it's never been more important for retailers to acknowledge and respond to their customers' changing needs.

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As has perhaps always been the case, expertise and a strong level of customer service are amongst the most highly valued factors in the purchasing decision for business to business customers. When it comes to revolutionary technology, 37% of those making purchases for their business online would like to see an investment by online retailers in one-click purchasing for quicker checkout, while 29% would like to see an implementation of Augmented Reality technology so they can see virtual 3D images of products such as furniture.

Further down the wish list for these consumers is the introduction of Artificial Intelligence and digital chatbots as a service offered by retailers – 26%. And only 6% are interested in voice assistance when making business purchases.

Therefore, smaller retailers need to choose where they invest carefully. Rather than try to compete with the likes of Amazon on the technology-front, ensuring a consistently strong level of customer service, an easy-to-use website with considered UX and high-quality visual content would potentially be more beneficial than investing in expensive measures such as Augmented Reality and next day delivery.

Currently, there is a huge opportunity for capitalising on this rich market – adaptation and evolution, even if only incremental, is the key for those looking to stay ahead of the competition.



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