

# Building The B2B Omni-Channel Commerce Platform Of The Future

B2B Buyer Expectations Are Driving Sellers To Deliver Fully Functional Omni-Channel Experiences

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## Executive Summary

Driven by their online buying experiences, savvy business-to-business (B2B) buyers are demanding omni-channel capabilities when making work-related purchases. But for B2B sellers, in today's rapidly changing world, building an effective omni-channel experience for buyers is not easy. It requires integrating world-class technology and transforming legacy organization structures and process, all at the same time.

However, for those B2B businesses that do it well, omni-channel can represent a powerful competitive advantage. For example, rich omni-channel experiences, such as the ability to buy online and do next-day pickup or ship from a local facility, are difficult and expensive for pure-play Internet players to match.

In August 2014, Accenture and hybris software, an SAP company, commissioned a study by Forrester Consulting to explore how B2B buyer expectations are transforming how suppliers sell and deliver products and services. Forrester surveyed 526 B2B companies and 930 B2B buyers across Canada, France, Germany, the US, and the UK at organizations with at least 1,000 employees.

### KEY FINDINGS

Forrester's study yielded four key findings:

- › **Merchants will fall behind if they fail to adapt their technology to buyer needs.** B2B sellers recognize that legacy systems and platforms are largely inadequate to support the omni-channel requirements of B2B buyers today. The majority of B2B sellers realize that technology investment decisions will be centered on their omni-channel strategy. In fact, the vast majority of organizations are either already implementing or upgrading their eCommerce platforms.
- › **Technology investment must be aligned with organizational and process change.** B2B sellers must align organizational and process change with digital technology spending. B2B companies must balance their investments in both people and technology in order to ensure that legacy approaches do not hinder effective enterprisewide omni-channel adoption.
- › **High customer expectations have led B2B firms to shift toward rich omni-channel experiences.** B2B buyers' expectations have shifted. Expectations for work-related purchases have been driven for several years by the simplicity and efficiency of online consumer sites that compete along the lines of price, various fulfillment capabilities, and transparency of content and information. So, in essence, business-to-consumer (B2C) customer experiences are driving B2B buyers to expect the same level of omni-channel service from their suppliers for work-related purchases.
- › **Providing a comprehensive omni-channel experience helps ensure customer loyalty.** B2B organizations recognize that customers expect omni-channel capabilities to be offered as standard. Such an offering includes the combination of consistently low prices, excellent product service, and a broad product selection, combined with different delivery options regardless of the channel it is bought from. This can motivate B2B buyers to come back for repeat orders.

## Changing B2B Buyers' Expectations Are Driving The Need For B2C-Like Functionality

B2B buyers' prior experiences with B2C digital commerce are creating high expectations for those buyers when making online B2B purchases. Today's B2B customers, similar to B2C consumers, are fundamentally transitioning their product discovery and buying behaviors from offline settings into online and mobile environments.

**This dramatic shift — from traditional top-of-the-funnel activity based on searching print catalogs and talking to sales representatives, to starting the discovery process by performing digital searches — is remaking the B2B buyer journey.**

To find out how B2B buyers' expectations are matching their B2C experiences, Forrester surveyed procurement and nonprocurement business buyers from enterprises around the world. The survey revealed that nearly half (49%) of B2B buyers surveyed prefer to make work-related purchases on the same websites they use for personal purchases. They begin their research on brand manufacturer sites (32%) and search engines (25%) and even expect more work-related purchases to be completed online in the next three years. More than half (52%) of buyers surveyed expect one out of two of their purchases to be made online in three years' time.

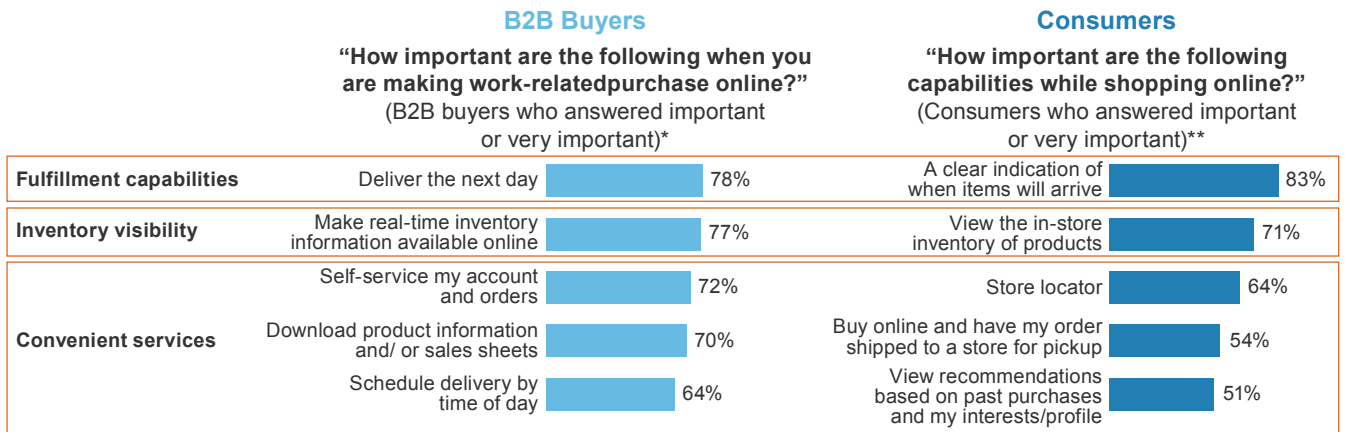
Comparing the study results with our previous consumer research revealed that B2C multi-channel shoppers and B2B buyers have very similar expectations when shopping online in terms of features and capabilities they expect (see Figure 1). Both groups expect:

- › **Enhanced fulfillment capabilities.** The demand for next-day delivery or estimated time of product arrival has become part of B2B buyers' expectations. Almost 78% of buyers and 83% of consumers find the fulfillment phase to be important or very important, highlighting the importance of the ability to track and trace purchased products regardless of the channel or delivery options chosen.
- › **Inventory visibility.** Transparency of product availability either in store or across any channel is also similar for both B2B and B2C shoppers, with more than 70% of B2B

buyers and consumers emphasizing this as being important or very important.

- › **Superior customer experience.** B2B buyers and consumers both want useful services to support their shopping journey. Creating portals and an environment of convenience can increase the customer experience by offering self-servicing accounts and store locators, as well as personalized product recommendations and reviews.

**FIGURE 1**  
**B2B Buyers' Expectations For Online Commerce Mirror Consumer Preferences**



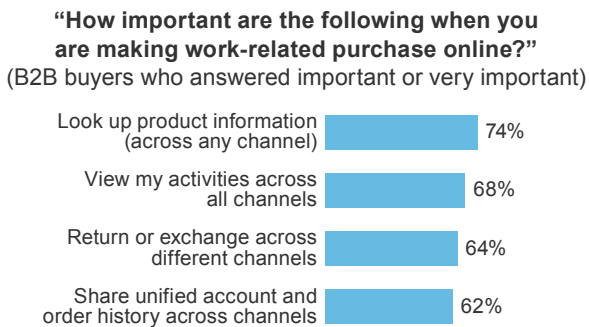
\*Base: 930 B2B buyers at organizations in Canada, US, UK, France, and Germany

\*\*Base: 1,503 multichannel shoppers who have made a purchase in store or online in the past three months

\*Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

\*\*Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, November 2013

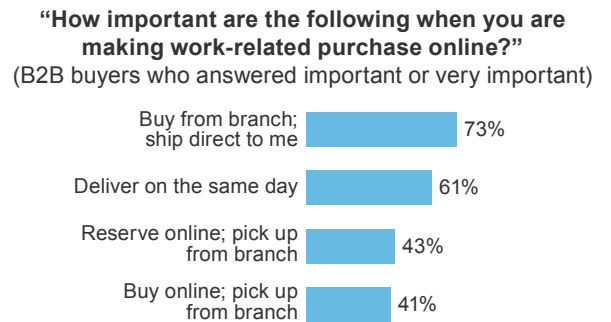
**FIGURE 2**  
**B2B Buyers Expect Merchants To Have Cross-Channel Visibility**



Base: 930 B2B buyers at organizations in Canada, US, UK, France, and Germany

Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

**FIGURE 3**  
**B2B Buyers Expect Omni-Channel Fulfillment Options**



Base: 930 B2B buyers at organizations in Canada, US, UK, France, and Germany

Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

## B2B BUYERS SET THE BAR VERY HIGH FOR MERCHANTS

B2B buyers are no longer satisfied with fragmented, pieced-together, hit-or-miss digital experiences. They expect an omni-channel experience where they can view product information, analyze activities, see account history, take delivery, and return and exchange across all channels (see Figure 2). Almost three-quarters of B2B buyers told us that the ability to look up product information across any channel is important or very important when making work-related purchases online. Sixty-eight percent also highlighted that it is important or very important to be able to view all their activities across all channels.

Further exploring omni-channel capabilities, B2B buyers revealed that they expect integrated channel fulfillment initiatives (see Figure 3). Almost three-quarters (73%) feel it is important or very important for B2B companies to offer the ability to buy from a branch and have it shipped directly.. Additionally, 61% believe it is important for suppliers to deliver the same day, and just over 40% expect to be able to reserve or buy online and pick up from a branch.

Buyers exposed to omni-channel strategies are likely to be more active, more loyal, and higher-spending customers. Three-quarters (75%) of B2B buyers around the world told us they would buy again from the same supplier because of that supplier's omni-channel capabilities. In addition to looking for omni-channel capabilities, buyers are also looking for merchants to distinguish themselves by (see Figure 4):

- › **Offering everyday low prices.** More than four-fifths of B2B buyers are repeat customers if that supplier offers consistently low prices. In a separate question, 85% of buyers also want suppliers to be fully transparent and disclose all relevant shipping fees, duties, and taxes, so they know what they are paying.
- › **Delivering superior customer service.** Buyers expect personalized and rapid customer service to help support the purchase journey. Eighty-three percent of buyers either agreed or strongly agreed that an excellent customer service experience would lead to them purchasing again from the same supplier.
- › **Making available a broad selection of products.** Like popular B2C marketplaces, B2B buyers prefer suppliers that offer a broad selection of products (82%) and those that offer a credible source of product information (80%).

**FIGURE 4**

### Price, Customer Service, And Selection Lead To B2B Buyer Loyalty

**“To what extent do you agree or disagree with the following statements regarding your work-related purchases? I buy again from the same supplier if I find they have...”**

(Respondents who agree or strongly agree)



Base: 930 B2B buyers at organizations in Canada, US, UK, France, and Germany

Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

## B2B Companies Are Racing To Deliver Rich Omni-Channel Experiences

This new business paradigm, where empowered customers' expectations are stronger than ever, offers companies a way to leverage physical, in-market presence. To date, the physical presence has acted as an anchor holding companies back as they attempt to compete in a digital world, but it now offers sellers the opportunity to competitively differentiate their services.

To explore how B2B companies are adapting to this change, Forrester surveyed 526 B2B organizations around the world that sell direct to businesses online. Over three-quarters of B2B companies told us that online services have fundamentally changed the way their customers interact with them.

From the research, we learned that mature B2B companies are beginning to transform their operations to match their customers' demand for omni-channel services. Those companies that are still in the early adoption of eCommerce are also moving at a rapid pace to ensure they do not get left behind by more omni-channel focused competitors. Furthermore, 72% agreed that omni-channel customers are worth substantially more to them than a single channel customer, and 51% said these customers have a higher lifetime value.

B2B companies recognize the importance of serving omni-channel customers to (see Figure 5):

- › **Meet customer demands in order to drive higher customer lifetime value.** B2B companies acknowledge that omni-channel offerings are crucial to meet customer demands, as they will improve loyalty and the lifetime value of the buyer. Two-thirds of B2B companies told us that their customers are expecting omni-channel capabilities from them, with a further 60% of respondents expecting to see a rise in customer satisfaction metrics due to omni-channel initiatives. Over half of respondents anticipate that omni-channel customers have higher lifetime value.
- › **Differentiate from online pure plays with their physical presence.** Rich omni-channel experiences, such as the ability to buy online and do next-day pickup or ship from a local facility, will be difficult and expensive for pure-play Internet suppliers to match. But, many consumer-oriented online retailers, leveraging their strong

foothold in B2C commerce, are beginning to tailor new offerings to cater to B2B buyers. B2B companies believe they can differentiate themselves (57%) by providing a “best of all worlds” scenario by leveraging their in-market physical presence to engage with customers across different channels.

- › **Leverage efficiencies and cost savings.** Over half of B2B firms surveyed are investing in omni-channel capabilities to drive additional efficiencies and costs savings through better inventory and assortment planning. Better visibility into where and how much inventory is being held across the supply chain helps ensure that B2B sellers are able to reduce delivery times and costs.

**FIGURE 5**  
Customer Satisfaction Is The Primary Driver For Omni-Channel Initiatives

“What would you say are the primary drivers behind your organization’s investment in omni-channel initiatives?”



Base: 526 B2B companies in Canada, US, UK, France, and Germany  
Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

Empowered customers are demanding tools and technologies capable of meeting their high demands. By delivering a richer experience through personalization and omni-channel capabilities, online B2B organizations would further cement deeper relationships with their buyers. B2B companies endeavor to surpass buyer expectations by offering (see Figure 6):

- › **Enhanced search functionality.** Providing recommendations or helping customers find the right product is an expectation B2B companies are trying to meet head on. Sixty percent of B2B buyers listed this as one of their top three features, with 48% of B2B sellers citing enhanced search as a top technology priority.
- › **Improved product recommendations.** B2B sellers are responding quickly to their customers' demands for improved product identification and consideration features that include personalized recommendations, ratings and reviews, and product comparisons. Half of the B2B buyers surveyed identified improved personalization as being a key feature for suppliers they would want to work with. Similarly, 42% of B2B online sellers recognized the need for improved personalization as a top technology priority.

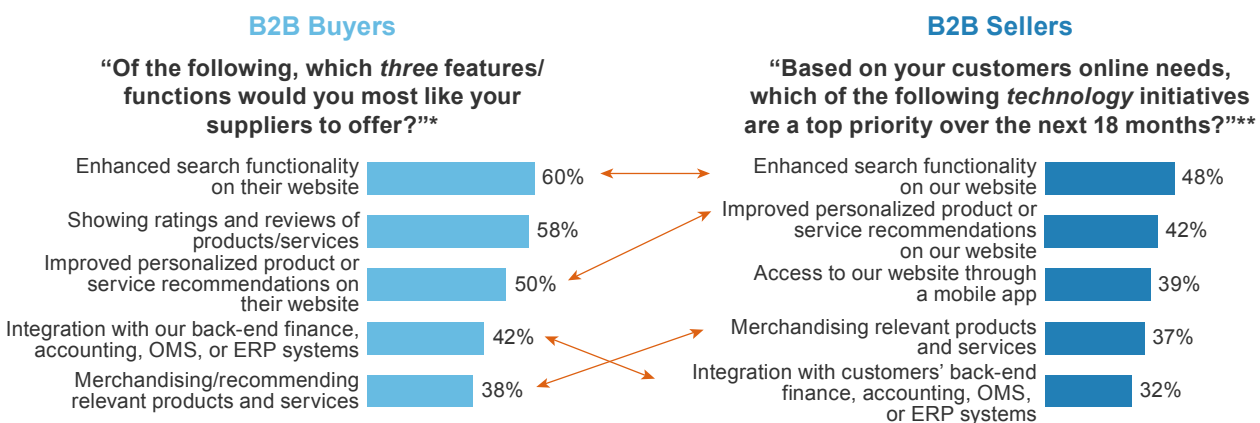
› **Improved integration with back-end systems.**

Companies are recognizing that they cannot hope to be successful in becoming robust omni-channel businesses through arcane, bolt-on eCommerce strategies. Weaving digital capabilities into the core back-office operational systems is critical to transforming to this new way of doing business. Over 40% of B2B buyers identified back-end integration with financing, accounting, order management systems (OMS), or enterprise resource planning (ERP) systems as a key feature for suppliers to offer, with a third of sellers looking to implement this over the next 18 months.

- › **Multiple payment options.** Providing customers with the payment options they need to make independent business purchases is mandatory to any company hoping to attract empowered business buyers (see Figure 7). Additionally, nearly seven out of 10 (69%) of business buyers prefer to use direct, instant online forms of payment such as credit cards or payment systems, rather than purchase orders, invoices, and eProcurement portals.

**FIGURE 6**

**B2B Companies Are Aligning Customer Feature/Function Expectations With Technology Priorities**



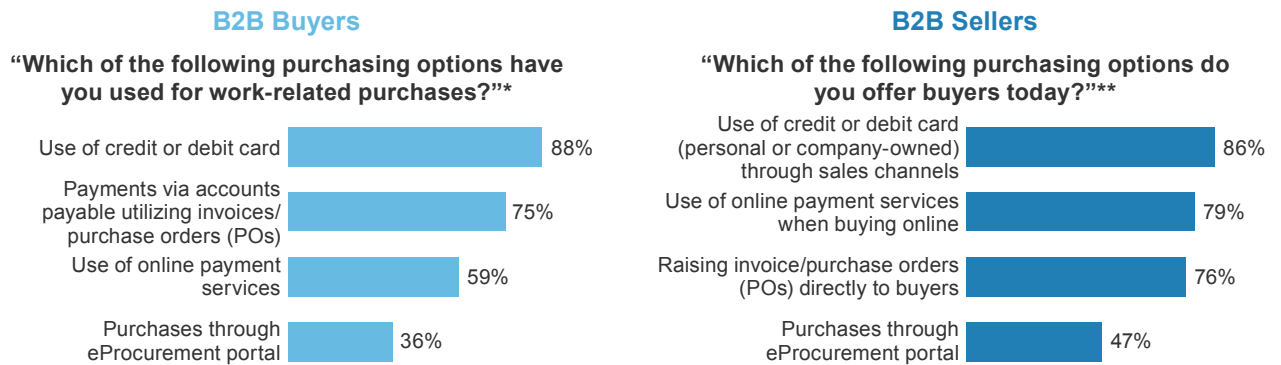
\*Base: 930 B2B buyers at organizations in Canada, US, UK, France, and Germany

\*\*Base: 526 B2B companies in Canada, US, UK, France, and Germany

Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014



**FIGURE 7**  
**B2B Companies Offer A Range Of Purchasing Options**



\*Base: 930 B2B buyers at organizations in Canada, US, UK, France, and Germany

\*\*Base: 526 B2B companies in Canada, US, UK, France, and Germany

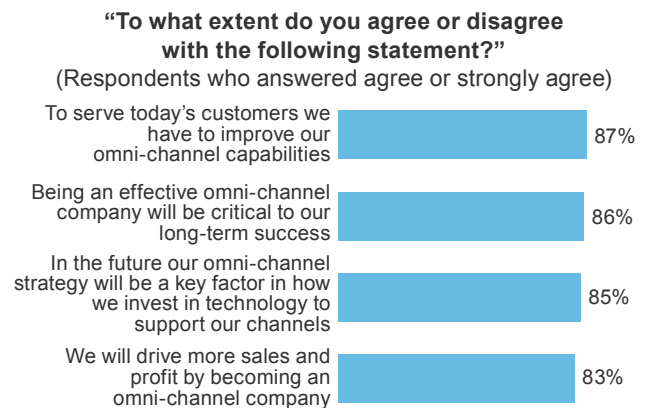
Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

## B2B Companies Must Leverage Technology To Serve Savvy B2B Buyers

B2B companies recognize the importance of omni-channel commerce to serve customers today, and B2B sellers are moving quickly to weave omni-channel capabilities into the fabric of their organizations. Moreover, B2B companies recognize the need to deliver a seamless omni-channel commerce environment. Over 80% of B2B companies agreed that an omni-channel strategy is critical to the company’s long-term success by driving more sales and profit (see Figure 8). In addition, 85% recognized technology investment decisions will be centred on their omni-channel strategy.

Eighty percent or more of online B2B sellers are planning to invest in, implement, or upgrade their eCommerce platform within the next six months, as legacy systems and platforms are largely inadequate to support omni-channel requirements (see Figure 9). To provide more B2C-like experiences, B2B companies are also looking to invest in OMS to enhance how customers fulfill their orders, as well as use data and analytics to help break down channel silos and provide personalized experiences and product recommendations.

**FIGURE 8**  
**Omni-Channel Investment Will Be Crucial For The B2B Organizations For Long-Term Success**

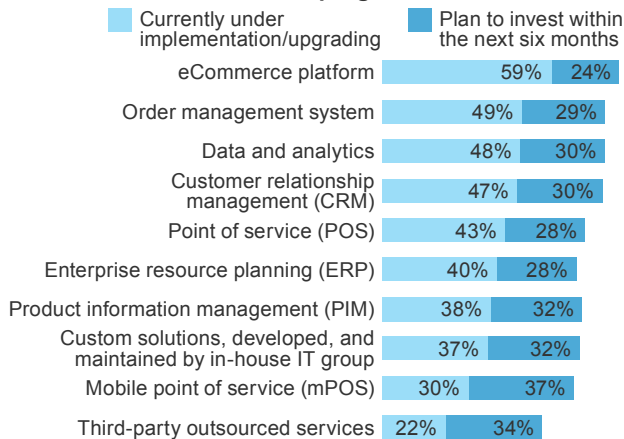


Base: 526 B2B companies in Canada, US, UK, France, and Germany

Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

**FIGURE 9**  
**Over 80% Of B2B Companies Surveyed Are Implementing, Upgrading, Or Planning To Invest In Their eCommerce Platform**

**“Which of the following technology platforms does your firm plan to invest in in the future to support your omni-channel program rollout?”**



Base: 526 B2B companies in Canada, US, UK, France, and Germany

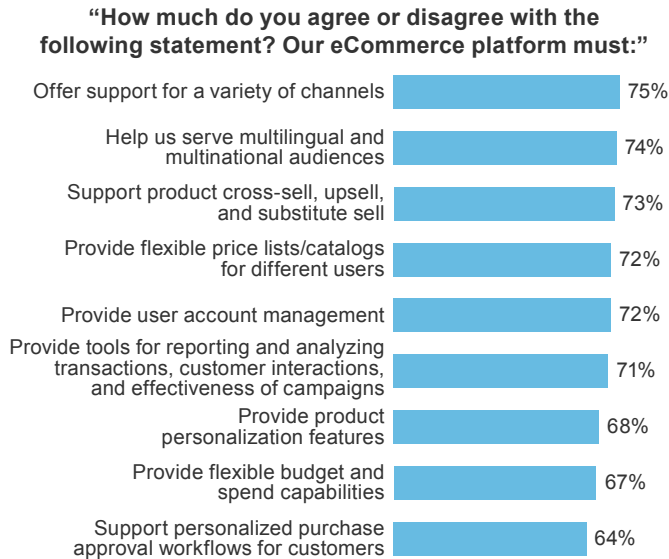
Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

## ECOMMERCE PLATFORMS MUST SUPPORT DYNAMIC B2B BUSINESS AND BUYING ENVIRONMENTS

B2B companies that want to compete in a global commerce environment must create robust online shopping experiences. eCommerce platforms touch all parts of the business and IT ecosystem and must be able to support wherever, whenever omni-channel commerce experiences. To be successful, B2B companies are investing in eCommerce capabilities that:

- › **Support a variety of channels.** To offer true omni-channel capabilities, 75% of online B2B organizations told us that their eCommerce platform must support a variety of channels, with 73% expecting it to be able to support product cross-sell and upsell opportunities (see Figure 10).
- › **Tailor experiences for different users.** Seventy-four percent surveyed said their eCommerce platform must help service multilingual and multinational audiences. They also expect the platform to provide user account management to help personalize the experience — for example, through tailored price lists and product recommendations.
- › **Leverage reporting and analytics to measure effectiveness.** Seventy-one percent would like their eCommerce platforms to provide reporting and analytics of transactions, customer interactions, and the effectiveness of marketing campaigns. Having this data available will allow B2B organizations to offer personalized shopping experiences as well as tailor their messaging to different target segments.

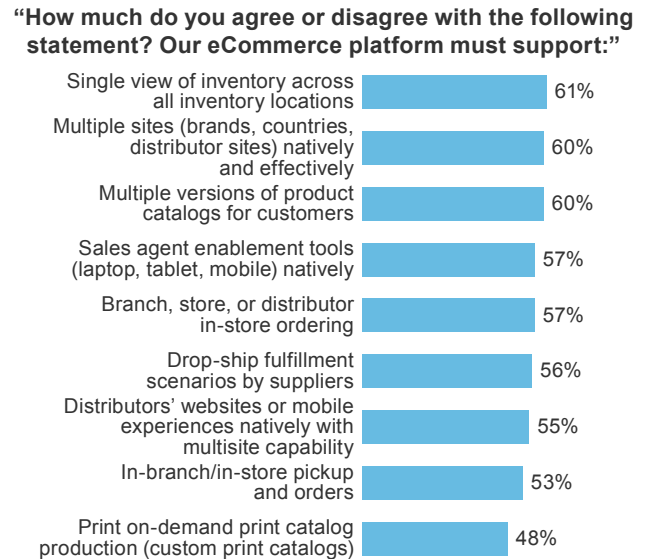
**FIGURE 10**  
eCommerce Platform Must Support A Variety Of Channels



Base: 526 B2B companies in Canada, US, UK, France, and Germany  
Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

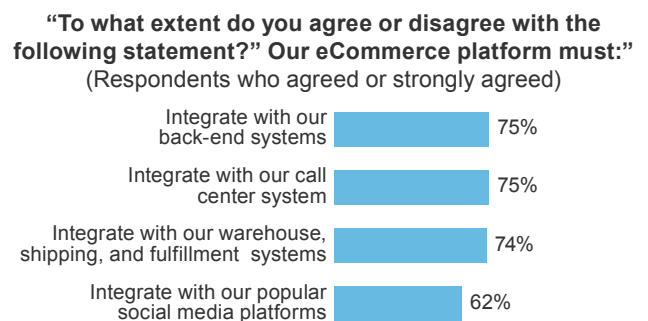
- › **Provide a single view of inventory across all channels.** It comes as no surprise that B2B companies expect the eCommerce platform of the future to provide a single view of inventory across all locations for internal replenishment requirements and to provide visibility directly to the buyer (see Figure 11).
- › **Aid personalization.** Sixty percent of B2B companies want their eCommerce platform to support multiple versions of product catalogs and individualized pricing for their customers, in addition to supporting multiple sites — for example, for different brands and different countries.
- › **Support enterprisewide digital business transformation.** When asked about integration, B2B sellers unanimously agreed (75%) that their eCommerce platform must integrate with back-end systems — for example, finance, accounting, OMS or ERP systems (see Figure 12). Equally, the integration with call center systems, fulfillment systems, and popular social media platforms also ranked highly. eCommerce platforms are a core component of any digital initiative and cannot just be bolted-on piecemeal deployments.

**FIGURE 11**  
eCommerce Platforms Must Support A Single View Of Inventory Across All Channels



Base: 526 B2B companies in Canada, US, UK, France, and Germany  
Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

**FIGURE 12**  
eCommerce Platforms Must Integrate With Back-Office Systems



Base: 526 B2B companies in Canada, US, UK, France, and Germany  
Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

## Technology Investment Must Be Backed By Organizational And Process Change

The evolving omni-channel commerce environment is fundamentally changing how many B2B companies interact and engage with customers, and there is considerable upside potential for B2B companies that execute well.

However, building a B2B omni-channel commerce platform of the future does come with its challenges. B2B companies fine-tuning their commerce operation must also factor in the development of change management programs that (see Figure 13):

- › **Create organizational structures that align to customer behavior.** Significant obstacles for full omni-channel adoption are linked to organizational and structural issues. Any organizational misalignment will prevent digital technology effectiveness. B2B companies identified conflict between different channel organizations (36%), limited staff skills (32%), and employee or management resistance (31%) as top challenges they face when fully implementing their omni-channel strategy.
- › **Enhance business processes to enable omni-channel experiences.** Although significant technical challenges exist, business processes also present significant barriers in implementing omni-channel strategies. Forty-two percent of B2B companies highlighted the difficulty in sharing customer data and analytics between channels, countries, and locations as a barrier to fully implement their omni-channel strategy. Process-oriented obstacles will hinder B2B sellers from being able to offer effective omni-channel capabilities such as personalization, a feature that B2B buyers expect.
- › **Overcome technical challenges to support digital transformation.** Integrating legacy systems, mixing custom and off-the-shelf software, and using different deployment methods can be challenging. Almost 44% of B2B firms find that integrating with back-office systems has been the primary barrier in effectively implementing an omni-channel strategy.

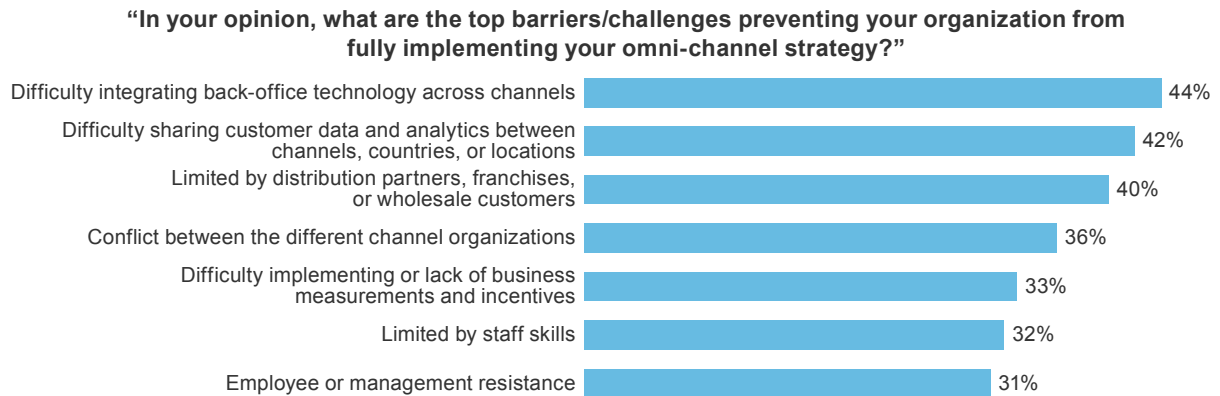
In a very real sense, though, overcoming these challenges is not optional for companies that wish to survive and thrive in the new digital world. In more immediate terms, the required investments in time and capital are far outweighed

by the potential upside for deeper, more personalized relationships with business buyers.

Leading B2B sellers are picking up the pace and are looking beyond today's capabilities toward technologies that will drive the future of their businesses. In particular, B2B organizations identified automated price optimization and personal recommendations high on their agenda for future investment (see Figure 14). Such technology innovations will help online B2B sellers to attract new customers with compelling offers that would not only help maintain market share, but also attract incremental customer acquisition.

FIGURE 13

### Technical, Process, And Organizational Barriers Restrict Full Implementation Of Omni-Channel Strategies

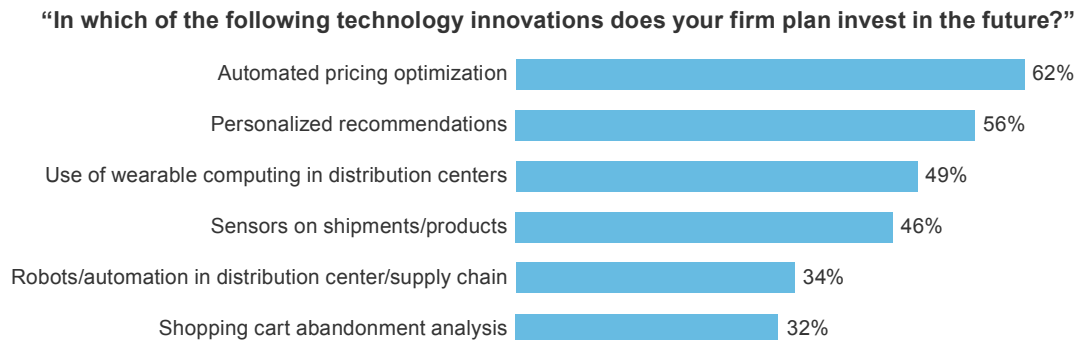


Base: 526 B2B companies in Canada, US, UK, France, and Germany

Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

FIGURE 14

### Future Technology Innovation Will Focus On Automated Pricing Optimization



Base: 526 B2B companies in Canada, US, UK, France, and Germany

Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

## Key Recommendations

B2B companies would be well served to grow their investments in omni-channel capabilities by adopting buyer-centric technology, organization, and process change. The potential benefits are sweet and the cost of not doing so will be painful for those sellers that refuse to adapt. To succeed in the evolving B2B omni-channel commerce space, online B2B companies must:

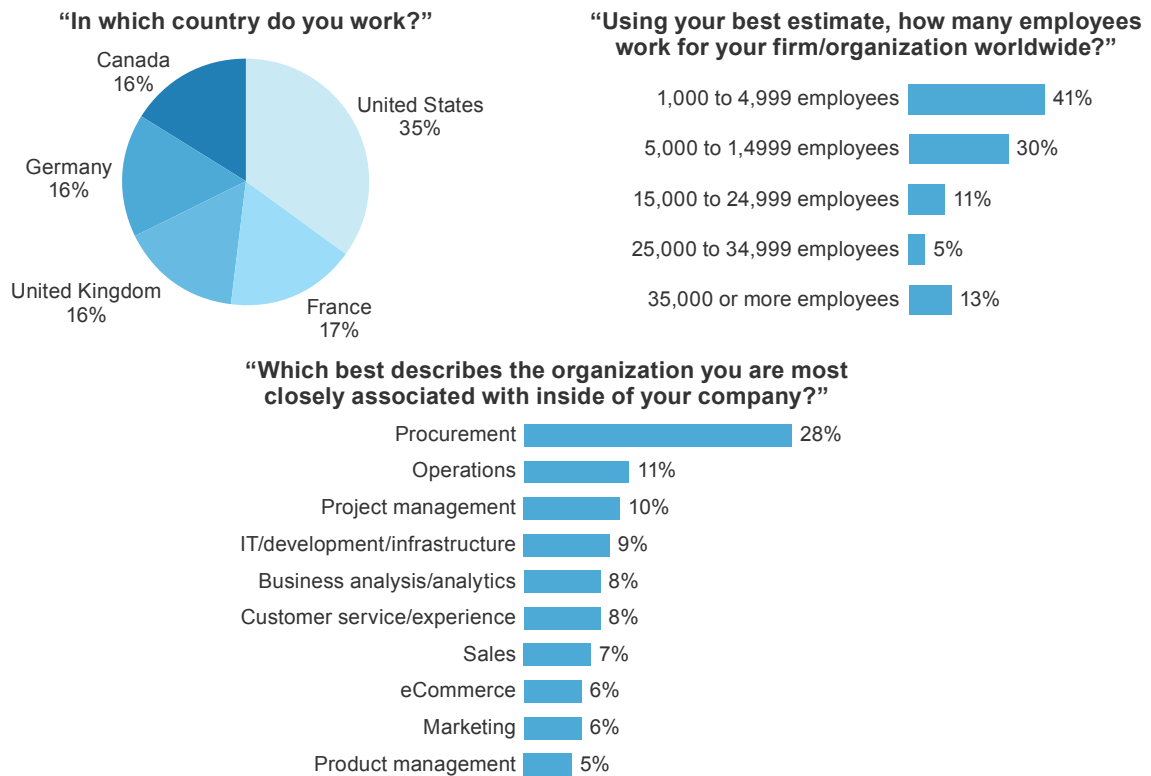
- › **Become intimate with the business buyer.** B2B companies must respond to the demands of buyers for robust and sophisticated B2C-like shopping journeys. They must deliver personalized omni-channel experiences that are tailored to procurement and nonprocurement buyers and across multiple language, currency, payment, and fulfillment options.
- › **Weave digital into all aspects of your operations to fulfill the promise of omni-channel.** For B2B sellers, digital initiatives need to be embedded into all aspects of their organization. They must think beyond the digital technology stack to fully embrace omni-channel capabilities. To drive business key performance indicators (KPIs) and provide competitive advantage, B2B sellers must fully integrate technology initiatives with organization and process enhancements. They must develop integrated management and collaboration capabilities around the core omni-channel initiatives.
- › **Improve lead-to-revenue management capabilities.** As many consumer-oriented online retailers leverage their strong foothold in B2C commerce to tailor their services for workplace purchases, online B2B sellers will have to learn from their more sophisticated B2C sales and marketing operations to help attract, serve, and retain business buyers. Today, the majority of B2B sellers rely on inefficient lead-to-revenue capabilities where marketing generates the lead and hands it over to sales to generate the revenue. Learning from their B2C cousins, online B2B sellers must adopt a more robust lead-to-revenue management process, where marketing and sales form part of a more holistic lead management function that integrates processes, goals, and metrics across marketing and sales, as well as service.
- › **Evaluate the partner ecosystem to support omni-channel commerce operations.** Adopting omni-channel capabilities is not just about giving existing teams some new tools to go and capture more business. Investing in eCommerce capabilities to support omni-channel initiatives is by no means an easy feat. It requires significant investment and the right skills. To help manage the change, B2B sellers must augment internal skills with external knowledge to help overcome technical, process, and organizational challenges. B2B companies must consider teaming with leading edge technology vendors to quickly fill the technical gap in legacy systems and engage system integrators to support the quick adoption of new innovations across the business.

## Appendix A: Methodology

In this study, Forrester surveyed 526 B2B companies and 930 B2B buyers across Canada, France, Germany, the US, and the UK. B2B buyers were from organizations with more than 1,000 employees and were business and procurement professionals who were manager level and above and had recently bought product or services online. All B2B companies are “currently selling direct to business partners online (B2B)” and have at least 1,000 employees. All B2B company respondents were personally responsible for, or deeply involved with, selling the company's products or services online. The study was completed in August 2014.

## Appendix B: Demographics

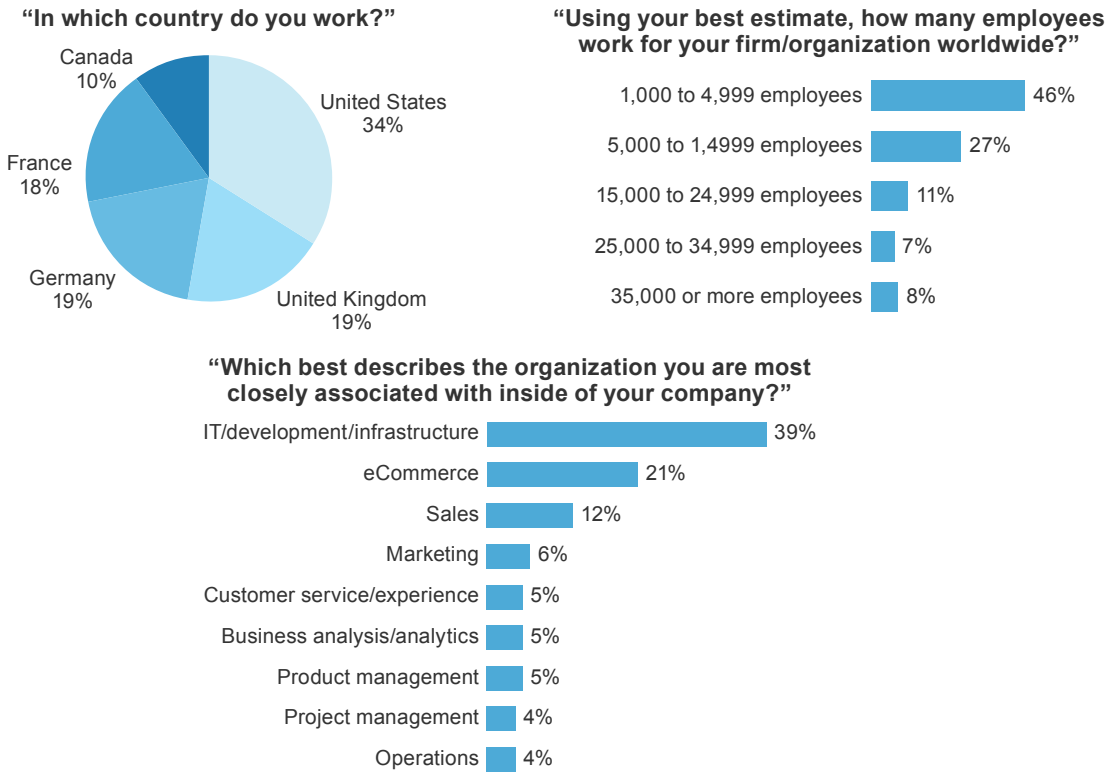
**FIGURE 15**  
B2B Buyer Survey — Key Demographics: Country, Employee Size, Department



Base: 930 B2B buyers at organizations in Canada, US, UK, France, and Germany

Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014

**FIGURE 16**  
**B2B Seller Survey — Key Demographics: Country, Employee Size, Department**



Base: 526 B2B companies in Canada, US, UK, France, and Germany

Source: A commissioned study conducted by Forrester Consulting on behalf of Accenture and hybris, August 2014