



EBOOK

Realizing ROI from e-commerce in B2B

Why B2B e-commerce is a smart investment in a bright future



Introduction

With the online experience becoming ever more important, B2B e-commerce will play an increasingly important role in the coming years. That is why it is essential to invest in a smart solution that enables you to meet the challenges unique to B2B sales, and that will grow along with your company. An agile approach that will help drive sales, optimize operations, and increase customer satisfaction.

According to Forbes magazine, B2B e-commerce will experience its largest growth over the next five years. One of the driving forces behind this development is the fact that more and more millennials are involved in B2B purchase decision-making. Millennials who – when it comes to B2C – are already familiar with online shopping experiences that are personalized, mobile-friendly, and effortless.

And although there are major differences between the business-to-consumer (B2C) and business-to-business (B2B) format, both should have one thing in common: the customer experience.

Table of content

Introduction	1
Why B2B e-commerce requires an agile approach	1
So, what is it that drives B2B e-commerce ROI?	3
How B2B e-commerce will help you increase sales...	3
... and become more cost-efficient	4
How to determine your ROI	4
About Virto Commerce	6

Why B2B e-commerce requires an agile approach

B2B companies can learn a lot from B2C to generate more revenue to attract their online customers. However, they also face unique challenges.

Firstly, most manufacturers who produce consumer goods do not sell their products directly to consumers. Without the means to influence the end customer's choice directly, they are forced to invest heavily in massive marketing campaigns.

Secondly, B2B commerce is characterized by the high complexity of its sales processes. This complexity is reflected in various domains including extensive sales cycles, country-specific regulations (especially for international sales), different currencies, customized pricing (such as special discounts for loyal customers or bulk deal pricing), and quotation systems and cultural differences (e.g. sizes of clothes in US or China). Moreover, many B2B companies are reluctant to establish an e-commerce branch, because they are concerned about its impact on existing customers and distribution channels. Bypassing the distributor by implementing a direct-to-customer (D2C) strategy could cause a channel conflict.



These channel conflicts can also occur in-house. For example, when B2B sales teams suddenly find themselves competing with their own online sales channels.

Without the necessary e-commerce and digital experience, many companies are reluctant to launch their own online B2B sales channel. This is not only because of the IT complexity, but also because they are afraid that they might jeopardize existing relationships with loyal B2B customers by venturing into the virtual unknown. Understandably, so.

The solution? Unlike the B2C success story, B2B e-commerce requires an agile approach that enables you to meet the needs of your company at every level.

And this is precisely what has been introduced at Bosch Thermotechnik. Because the company relied heavily on its distribution channels, it struggled to gain valuable insights into the end customer's experience. Together with Bosch Thermotechnik, we designed a customer loyalty portal that allowed the company to understand their customers better.

Now, over 17,000 customers have used and are still using the Bosch Thermotechnik portal. The company even registered 500 orders in the first 2 weeks alone. With 3,000 articles listed and 4 fulfillment providers, the customer loyalty portal serves as a long-term solution that grows along with Bosch Thermotechnik and its future business needs.

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So, what is it that drives B2B e-commerce ROI?

With the challenges above in mind, many companies consider the leap to B2B e-commerce rather daunting and often wonder if it is worth the investment. So is it worth it? The short answer: Yes. By migrating online, you can increase your turnover and streamline your sales process, making you more efficient and buyer-friendly.

Before taking a closer look at how B2B e-commerce drives your ROI, we would like to showcase its benefits by sharing our Lavazza Nederland by Bluespresso success story. Thanks to the modular design, Lavazza's e-commerce system has been customized for both B2B and B2C processes. The single interface allows customers to place, view, and manage their orders, as well as view their invoices.

And with customer trends and data analysis now readily available and accessible, the account managers at Lavazza® Nederland by Bluespresso can serve customers better than ever before by responding swiftly and accurately to their customers' behavior.



How B2B e-commerce will help you increase sales...

B2B e-commerce will help you generate incremental revenue from existing customers through up-selling and cross-selling. By offering your buyers products or solutions they may not have been aware of, you become more relevant to them – in the process you also increase the customer lifetime value.

By investing in a digital presence, you can reach, attract, and serve new buyers. This may also allow you to tap into market segments you have not yet actively targeted.

Offering your B2B buyers an online platform where they can place orders swiftly and easily will help them save time. This highly appreciated convenience applies especially to repeat orders. Interestingly, it also translates into a higher gross margin.

Last but not least, repetitive and time-consuming tasks can be simplified and automated. This is especially relevant for your sales teams and customer service. When aligned effectively with your traditional sales and marketing teams, e-commerce helps them to focus on what truly matters: your buyer.



... and become more cost-efficient

At the same time, B2B e-commerce will help you reduce the costs related to traditional marketing campaigns, such as the printing and distributing of paper catalogs. Instead of launching vast marketing campaigns shooting down entire segments, you can now target potential buyers more directly.

Having an online platform enables you to optimize your sales process. For example, by automating repetitive tasks, you significantly reduce the risk of human error related to ordering and shipping. Meanwhile, this in turn will further reduce the number of returns.

Speaking of sales: an online platform will boost your sales team. Traditionally, many companies have been concerned that B2B e-commerce has been designed to replace the human sales rep, but this is simply not true. As mentioned before, it is merely a tool that will help them operate more efficiently.

Although there are plenty of B2B e-commerce solutions, when choosing your supplier, it is important to ensure that the solution is cost-effective, scalable, and flexible. Customization is key. At Virto Commerce, we believe in a modular approach designed to meet the specific needs of each B2B business.

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How to determine your ROI

Determining the exact potential ROI of a B2B e-commerce platform can be a difficult task. At **De Klok Dranken**, for example, the e-commerce solution has already facilitated an increase in customer satisfaction and helped sales teams save time by automating tasks. However, the main return on investment will be noticeable in the near future as the flexibility of the system allows the e-commerce platform to grow with the future plans, needs and wishes of both the company and its customers.

Moreover, thanks to the ERP connection, De Klok Dranken is currently well equipped for further personalization through, for example, the internet of things (IoT) and big data.

To determine the ROI of your digital commerce project, you can, of course, use the usual ROI formula. This will only give you a general idea of the revenue changes. Why? Because a generic formula is unable to take into account the day-to-day operations of your business. That is why we recommend you to apply a more holistic approach.



Step 1. Determine the total cost of ownership:

what will it cost the company to set up, launch, and maintain a B2B e-commerce platform? Topics to be considered, include:

- Purchase price of the platform
- Implementation costs
- Hosting costs
- Maintenance costs
- Potential upgrades
- Number of users
- Monthly fees
- ...



Step 2. Determine the benefits of a digital

commerce approach: what are the advantages that should be taken into account to increase your sales through a digital channel?

Questions to be considered include:

- Which parts of your sales processes can be automated?
- How much time do sales teams spend taking orders instead of focusing on finding new customers?
- How many employees currently focus on taking orders by phone or mail?
- How much money do you spend on printing catalogs, marketing material, invoices, and so on?
- What percentage of orders are negatively impacted by human error?

The above-described business impact of launching an e-commerce platform and determining the ROI of your project can justify a move to e-commerce and the associated investment in tools and resources for B2B companies. The benefits can be enormous and extend across the entire enterprise.

Interested to find out more about how to determine the ROI of your B2B e-commerce project?

We are here to help.

Would you like to find out how our other customers are handling this?
Make sure to take a look at our [customer success stories](#).



About Virto Commerce

Virto Commerce is a worldwide leader in B2B digital commerce software and was founded in 2011 by industry experts with decades of e-commerce experience. Virto Commerce provides robust digital commerce technology, services, and expertise to over 100 companies worldwide. Customers of Virto Commerce strategically use the open source Virto Commerce platform to build stronger customer relationships and rapidly increase global online sales.

Learn more:

VIRTOCOMMERCE.COM

Contact us:

SALES@VIRTOCOMMERCE.COM

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