

ON THE VERGE

**B2B Digital Commerce is
at an Inflection Point**



DIGITAL TECHNOLOGIES

are shaking up the global economy, creating opportunity like never before. By 2020, revenues from B2B digital commerce will almost double, accounting for around half of all B2B revenues.¹ In the U.S. alone, the B2B Commerce market will hit \$1.2 trillion by 2021.² Meanwhile, global revenue from offline commerce channels will decrease by almost 20% in that same period.³ This shift has broad and meaningful implications for how B2B organizations must think about their digital channels and reimagine their existing traditional ones.

The trend also reflects the changing nature of today's B2B buyers and their expectations for working with suppliers and partners. Businesses can no longer simply prioritize negotiating large contracts with procurement or senior leadership at a client account; they need to consider the end-to-end digital experience for all client buyers. B2B companies must deliver the content, features and experiences that their buyers expect from their daily lives as B2C consumers. Consider Uber, Netflix and Amazon – the experience bar is set high.

Today, compared to B2C businesses in industries like retail, media and travel, the B2B digital experience is in early stages of the maturity curve. In fact, a little over half of B2B companies only started implementing a digital strategy in the last three years.⁴ They've been slow to accept digital channels, such as web and mobile, as viable transaction tools. Instead they have relied heavily

on the salesperson's personal relationship with the client. Digital adoption is more challenging because of complex legacy technology environments, operational processes, organizational structures and information security concerns.

Accenture Interactive surveyed over 1,000 B2B sales executives to understand the changing digital landscape of the B2B market. Our findings reinforce why customer experience is the key to thriving in change and how the best companies make that happen.

In the next two years, digital commerce will account for almost half of B2B businesses' total revenue, up from 29% in 2017. Online transactions will almost double from 24% to 42%. Some B2B companies are



dialing up digital services such as online-only loyalty programs (42% of research respondents), online training for teams and clients (35%) and incentives for making online sales (32%).⁵

B2B companies must move away from thinking digital is simply a commercial order entry channel. Instead, they need to see it as a driver of omnichannel, end-to-end customer experiences combining branches, distributors, salespeople and contact centers seamlessly with the web. Across industries, 69% of customers want omnichannel and multichannel services, and multichannel customers are typically 15% more profitable than digital-only customers.⁶ They're 25% more profitable than "human-only experiences."⁷

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15% MORE PROFITABLE THAN DIGITAL-ONLY CUSTOMERS

25% MORE PROFITABLE THAN HUMAN-ONLY EXPERIENCES

B2B businesses across industries must respond to the changing needs of their customers, new market entrants and the often hard-to-spot investments of their competitors. Ignoring these will put their market share at risk and diminish their differentiating qualities, even if their core products and services are unique in the market. In fact, our research shows that companies who have invested in technology and services the most thus far will invest even more aggressively.⁸

Like a self-fulfilling prophecy, the big players will only get bigger, while companies that have invested and are currently investing modestly will fall behind. If B2B companies do not know where their customers are, what they need and how they interact, they will miss out on profitable opportunities.

90% OF B2B LEADERS...

...already believe that customer experience is crucial to their companies' strategic priorities.⁹ It's time to dive in and see how your B2B customer experience can do more.



CONNECTED JOURNEYS

Today's customer journeys are no longer linear paths to purchase, and B2B journeys are particularly complex with multiple touchpoints. 61% of all B2B transactions start online, and 51% of customers turn to social media to do initial research. Customers expect to move fluidly between all channels available, both online and offline. Tech-savvy consumers can do research on their mobile devices, dial a sales rep to negotiate pricing, make the purchase online and pick up the product in-store.

B2B leaders are recognizing this behavior. According to our study, nearly 50% of companies know that having a solid omnichannel strategy will help them differentiate themselves and capture new clients. Meanwhile, 65% have integrated their online and physical channels to support the customer across all transactions.

Mature B2B companies also know that in the age of data and artificial intelligence, they can enhance the omnichannel experience by properly leveraging the two. By collecting and analyzing data from a customer's interaction with sales reps, online channels and physical stores, businesses can understand customer behaviors and needs to create adaptive, consistent and personalized experiences at every touchpoint.

**61% OF ALL B2B
TRANSACTIONS
START ONLINE**



Mobile Misunderstood

While mobile has become ubiquitous in our lives, B2B leaders have been slow to accept mobile as an important touchpoint and extension of their sales toolkit. Of our research respondents, 42% said their mobile strategy is simply having a responsive web experience. Only 32% leverage mobile with their web channels (meaning companies don't have their own apps, and services and links opened on mobile need to go through a standard web browser). And 9% have no mobile strategy at all. This trend is no surprise. B2B products and services can be extremely complex for a small device, and in a world where client relationships reign supreme, mobile has traditionally been a low priority.

However, B2B leaders must now recognize that mobile is a crucial part of being digital and providing an integrated customer experience – as simple as app notifications for automated replenishment or as complex as augmented reality to support replacement part ordering and installation. As B2B companies continue to mature and grow their online foundation, they'll naturally begin to embrace this platform.

REINVENTING SALES

As B2B companies increasingly adopt online channels, there's a growing opportunity to simultaneously differentiate each channel's value-add to customer experience and business growth.

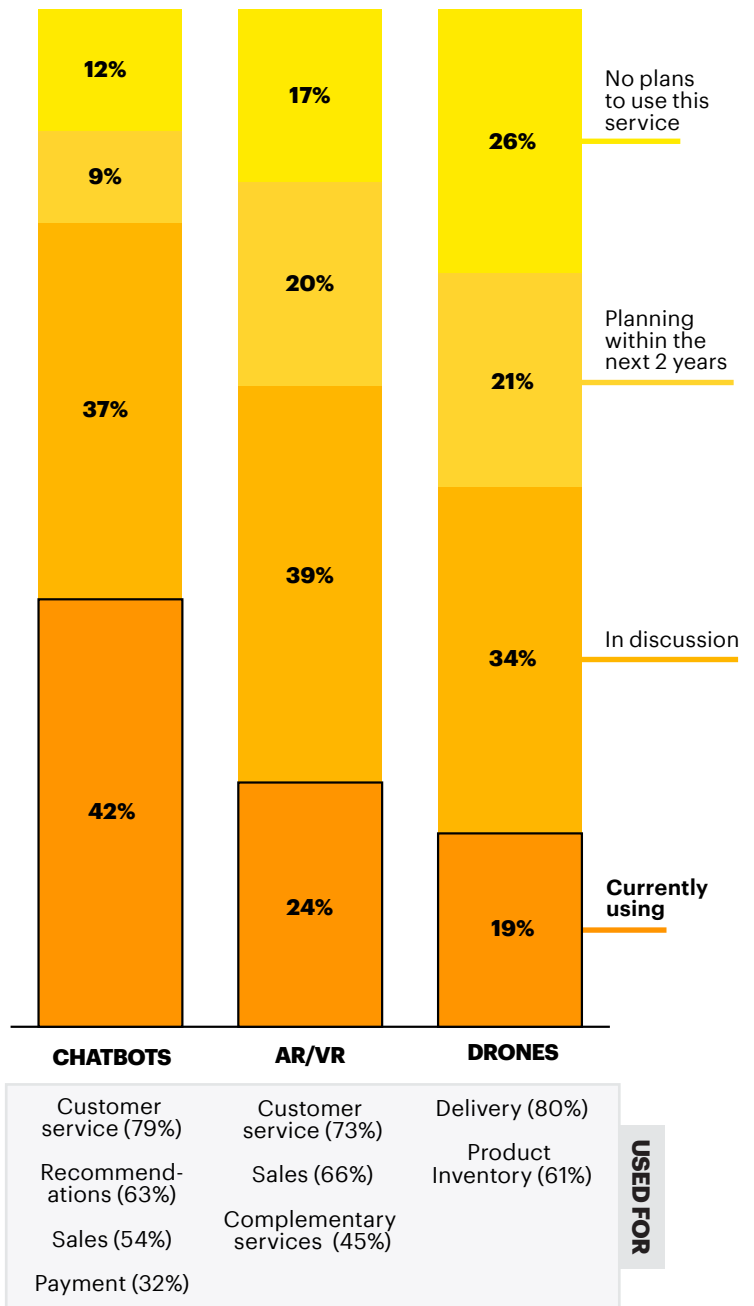
Mature B2B organizations are shifting their salesforce to become more solutions-focused, data-led and consultative. And they're investing heavily in technology and services that allow the salesperson to do that.

Artificial intelligence is being tested and applied in new ways. According to our research, 79% of companies use chatbots for customer service uses, and 32% also use it in the payment process. Similarly, 73% of companies use augmented reality (AR) and virtual reality (VR) for customer service applications, and 66% also use them in the sales process.

About a third of businesses know that simply adding new technologies isn't the end game. Rather, it's the ability to use these emerging technologies—supplemented with new innovations such as natural language-based tools and contextual analytics search tools—to enhance the role of the traditional sales channel and create a better customer experience.

As a result, B2B leaders are doubling down on their investments for new technologies and, in the next two years, will spend 21% of their marketing and IT budget (currently 12%) to do so. By prioritizing tech, they can capture a holistic view of the customer, use data to create insights that address specific customer problems, and create tailored solutions that salespeople can then take to the customer.

B2B COMPANIES ARE ADOPTING NEW TECHNOLOGIES



PERSONALIZATION

KEY TO B2B GROWTH

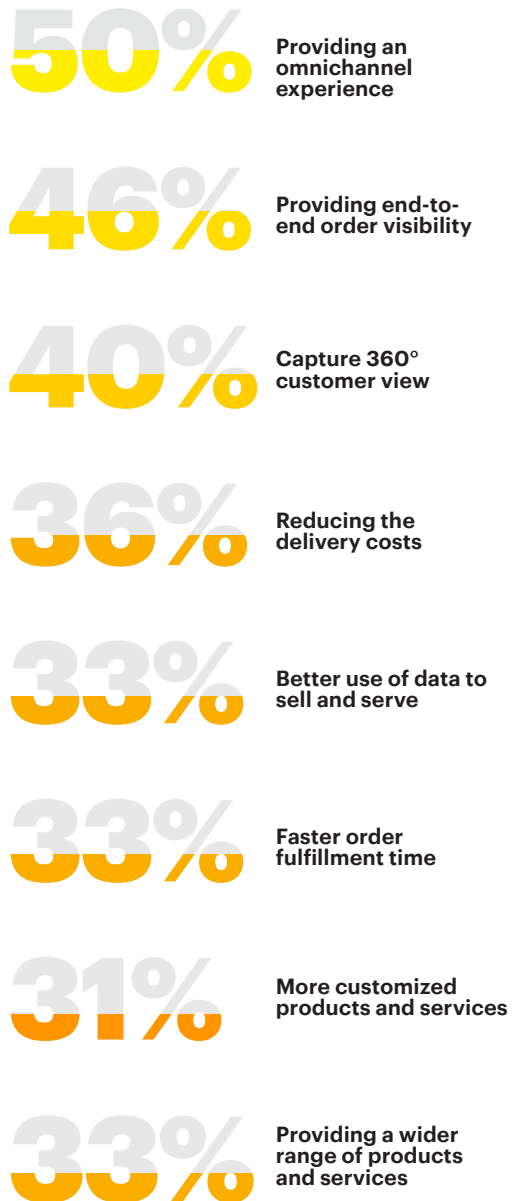
The personalization of digital experiences to drive sales and service is often associated with B2C experiences. Cases in retail, media and travel are often looked to as leading examples. Few B2B companies have implemented personalization in similar fashion, despite knowing their customers better than consumer-facing businesses. For years, B2B businesses have had their customers logged into their sites and have monitored their purchasing history, business characteristics and seasonal buying history.

Now B2B executives are recognizing the urgency to adapt customer experiences and adopt personalization: **73% know that customer expectations for more meaningful products, services and experiences are significantly higher than they were just a few years ago**, and 63% said they wanted to integrate personalization. This will be increasingly important as B2B leaders expand the breadth of their catalogs, which, according to research, is their first priority (50%).

Interestingly, towards the bottom of the priority list was a focus on capturing a 360-degree view of the customer (33%) and using data better to sell and serve (36%). However, each of these priorities will play a critical role in delivering a contextual, personalized omnichannel experience to B2B customers.

That's where the issue lies. Today's definition of personalization is more sophisticated than adding more products or preferences. Leveraging data and technology, personalization looks at the customer in full 360 degrees — preferences, past purchasing history, location information and other contextual information — to anticipate their needs. B2B companies today lack that nuanced approach: only 22% of customers acknowledge that companies they transact with deeply know their needs.¹⁰ The impact to the business is significant – in 2017, 33% of customers abandoned business relationships because of a lack of personalization.¹¹

TOP PRIORITIES FOR B2B BUSINESSES WITHIN THE NEXT TWO YEARS:



BY 2020...

digital customer experience and digital sales channels will become the primary points of differentiation for B2B companies. Brands that adapt to the changing expectations and behaviors stand to benefit, while those that ignore the trend will risk losing significant market share and see their businesses disrupted. Price and product assortment will always remain important, but they are no longer differentiators. Investing in B2B commerce and customer experience will create a foundation to evolve the people, process and technology necessary to compete in the digital age — and the time to invest is now.

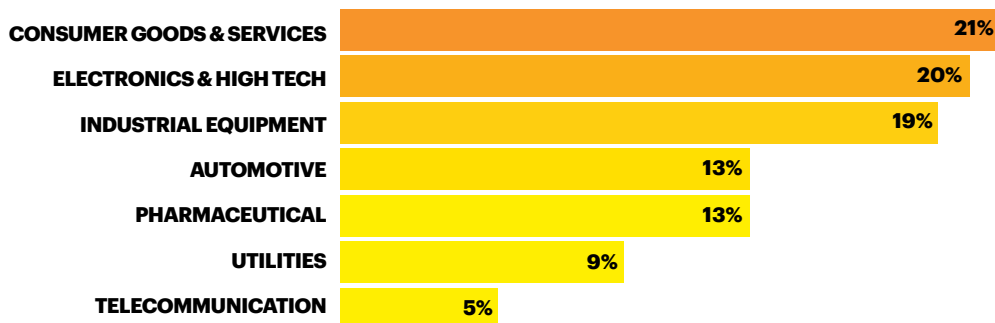
METHODOLOGY

To dive deeper into the growth and opportunity of B2B digital commerce around the world, Accenture Interactive conducted an online survey from August to October of 2017. Participants included 1000+ executives across digital, sales and commercial responsibilities in the US, Canada, the UK, Germany, France, Italy, Spain, Japan, Brazil, China and India, amounting to 80 completed interviews per country.



In future surveys, we plan to investigate the workforce of the future for B2B Commerce.

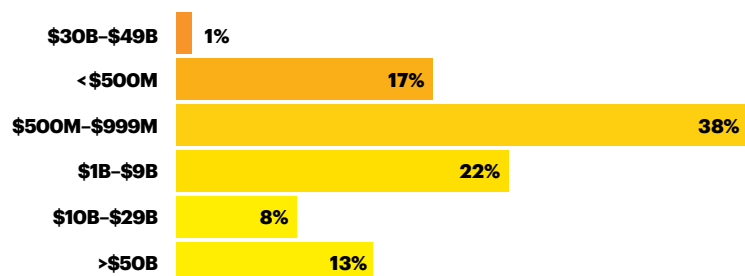
RESPONDENTS WORK IN THE FOLLOWING




SPECIFIC TITLES INCLUDE



ORGS. SURVEYED RANGE IN GLOBAL ANNUAL REVENUE



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